UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS
SECOND SESSION

VOLUME 148—PART 5

APRIL 25, 2002 TO MAY 8, 2002
(PAGES 5691 TO 7219)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 2002

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HOUSE OF REPRESENTATIVES—*Thursday, April 25, 2002*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. LATOURETTE).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 25, 2002.

I hereby appoint the Honorable STEVEN C. LATOURETTE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Dr. Paul Dixon, President, Cedarville University, Cedarville, Ohio, offered the following prayer:

Our Father, we praise You today as the sovereign God of the universe. We bow before You, the creator God; the God who demonstrated Your great love for us while we were yet sinners. Your Son died for us.

God, though a young Nation, You have smiled upon America. The only way to explain our great country is You. Truly, God, You have blessed America. Thank You for Your sustaining grace since September 11. Our enemies meant it for evil, but You have used it for good and for Your glory. We cast ourselves on You for those who lost loved ones and who continue to mourn.

I especially thank You for those dedicated men and women who gather today to do our Nation's business. They serve us, the people. They are Your servants. Please continue to grant strength and wisdom to President Bush, and to these women and men in the House.

Today we exalt You. We long for Your approval. In the name of our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Texas (Mr. SAM JOHNSON) come forward and lead the House in the Pledge of Allegiance.

Mr. SAM JOHNSON of Texas led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 2248. An act to extend the authority of the Export-Import Bank until May 31, 2002.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio (Mr. HOBSON) for the purpose of introducing the guest chaplain.

RECOGNIZING CEDARVILLE UNIVERSITY PRESIDENT DR. PAUL DIXON

(Mr. HOBSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOBSON. Mr. Speaker, on behalf of Senator DEWINE and myself, I rise today to recognize this morning's honored guest chaplain, Dr. Paul Dixon, who serves as the president of Cedarville University, which is located in Greene County, Ohio, in my district, and in Cedarville, which is also the home of Senator DEWINE.

Dr. Dixon has served in this capacity for 24 years, which is about twice as long as I have been a Member of Congress. Prior to assuming the role as president, Dr. Dixon ministered as an evangelist. He continues his ministry today, traveling to hundreds of churches, youth camps, and adult fellowships throughout the year.

Dr. Dixon is also a popular speaker for professional sports chapel programs, including those of the Cincinnati Reds, the Bengals, the former Houston Oilers, and many National League ball teams.

Dr. Dixon's tenure at Cedarville has been marked by many accomplishments, not the least of which is the institution's physical growth. Under Dr. Dixon's exceptional leadership, enrollment has increased 140 percent, and Cedarville has enjoyed record enrollments for 23 of the 24 years he has been president.

In addition, the campus has grown from less than 100 acres to more than 400 acres. He has built probably $100 million worth of new buildings on this wonderful campus.

He is a graduate of Tennessee Temple University, and holds a doctorate in education from the University of Cincinnati. In May of 2000, he will be transitioning to the role of chancellor for Cedarville University.

As Ohio's Seventh District Representative to the Congress of the United States, I take this opportunity to publicly recognize Dr. Dixon for his

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

achievements on behalf of Cedarville University, and his many contributions to the spiritual growth of Ohio are noteworthy.

I thank him for his service to all those he serves.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain ten 1-minutes per side.

H.R. 3231, BARBARA JORDAN IMMIGRATION REFORM AND ACCOUNTABILITY ACT OF 2002

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, about 30 days ago, the INS sent a notice to a flight school that Mohammed Atta could continue training on an aircraft. It was a big blunder, a colossal mistake, and the President described the following day that he was very mad.

Thirty days later, the President and this Congress have worked on a bill to restructure the INS. It is coming to the floor today, and I want to commend the President, the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman, and all who have worked to bring this important bill to the floor today.

We need to bring some credibility to this agency. We need to be fair on immigration. We need to be just. We need to operate with respect, but we also have to enforce the laws of the land.

Strengthening our borders, strengthening the integrity of the system, finding those who have slipped through the cracks and have ill intent in this country, that should be our priority; not focusing on hardworking people that are here legitimately, but finding those who wrought terror on us on September 11 and seek to continue to undermine the country.

This is a good bill. I urge its adoption.

TANF REAUTHORIZATION: REAL JOBS, NOT WORKFARE

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. What should we seek to change in TANF when it is reauthorized: to make TANF reduce poverty and help recipients get good jobs with adequate wages, or to punish people and increase poverty? The Herger and McKeon bills only punish people when they enact counterproductive workfare programs.

Does workfare provide training? No. Does workfare provide educational opportunities? No. Does workfare provide the minimum wage? No. Does workfare provide coverage for health and safety, civil rights, and other employment laws? No. Does workfare provide a chance at being hired? No.

Workfare will not help recipients find or keep a good job. TANF should allow a recipient to get a GED, learn English, and get a post-secondary degree in order to obtain a good job. TANF should allow a recipient to get rehabilitation, to deal with a physical disability, deal with domestic violence, and access mental health counseling.

TANF should provide adequate funding for child care, and allow mothers to care for their children if they are very young or disabled. They should end the punitive full family sanctions, which eliminate food stamps and other benefits from poor children when their parents are not in compliance. TANF should help people out of poverty, not punish families and children for being poor.

CONGRATULATING GIRL SCOUTS OF AMERICA ON 90TH ANNIVERSARY

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, I am here to congratulate the Girl Scouts of America on its 90th anniversary.

Since 1912, Girl Scouting has empowered girls with the confidence to develop their potential, and the counseling and guidance to formulate sound values and decision-making skills.

Girl Scouting allows the opportunity for girls to develop physically, mentally, and spiritually, and enables them to make significant contributions to our society.

Over 50 million American women, including two-thirds of our doctors, lawyers, educators, community leaders, and even my colleagues in the U.S. Congress, were Girl Scouts. My daughters, Amanda Michelle and Patricia Marie, benefited from the joys of being Girl Scouts, and just several years ago I served as their Girl Scout troop leader.

Girl Scouts is indeed a place where girls grow strong. I ask my colleagues in Congress to join me in congratulating Girl Scouts of all ages, and the Girl Scouts of America as it celebrates its 90th anniversary.

STATE DEPARTMENT ASSISTANCE NEEDED TO BRING ABDUCTED CHILDREN HOME

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, I feel like a broken record. I am here to talk about Ludwig Koons, who is being held in a pornographic compound in Italy. We need the help of our governments, the United States and Italy, to return this child, along with thousands of others who have been removed by noncustodial parents outside of our country.

I have mentioned the State Department before in these 1-minute addresses. I asked recently Secretary Powell to help American parents and children, but I find that the message is not getting through.

On Monday, a member of my staff met with a man whose children had been abducted by an ex-wife and taken to Mexico. The State of California had awarded custody of the children to the father. They have now been in Mexico for 2 years.

When he met with the State Department, he did not get the help that he needed. Instead, he was told he probably would not see his children again.

What an outrageous attitude. The State Department should be an unfailing advocate for Americans and their children, who are, I remind Members, American citizens themselves.

The situation is unacceptable to me. I cannot imagine that it is not unacceptable to other Members. Please join me. We must bring our children home.

INS

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, over the past 8 months, the American people have heard horror stories about the inefficiencies and inadequacies of the INS. I am afraid we have only seen the tip of the iceberg. Something has to be done, and it needs to be done now.

First and foremost, we must remember that immigration to America is not a right, it is a privilege. We must ensure that our government is doing everything it can to make the system run more efficiently and protect our people. We can no longer allow people who respect our laws to fall to the back of the line while those who neglect laws fall through the cracks.

The INS is one bureaucratic blunder after the next, and I fear what that means for the American people. We must be fair, and laws must be followed.

In short, when it comes to the INS, those who follow the law should be rewarded; those who break the law should be deported.

WELFARE REAUTHORIZATION

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, 35 years ago, I was a single mom with three small children, and even though I was working, I needed Aid for Dependent Children to make ends meet.

When Congress passed welfare reform in 1996, I warned that getting women off the welfare rolls and into dead-end jobs would not be enough, and that the goal of welfare must be to break the cycle of poverty, not just get women jobs that pay slightly above minimum wage.

With TANF reauthorization, we have an opportunity to fix what went wrong by allowing education and training to count as work, and by expanding child care to include weekend and evening work.

Welfare moms can only succeed if they have skills needed for a job that pays a livable wage, and if their kids have access to quality child care. Welfare must break the cycle of poverty and strengthen our families. Let us use this TANF reauthorization to make welfare a success. Learn from the last 5 years.

COPYRIGHT AWARENESS WEEK

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, the Copyright Society of the USA, a nonprivate organization, has chosen the week of April 22 to foster interest in and advance the study of intellectual property, especially copyright law.

It is virtually impossible to conceive life without the arts. I can hardly imagine, Mr. Speaker, for example, what our world would be like without books, music, and movies.

As chairman of the Subcommittee on Courts, the Internet, and Intellectual Property, I am particularly aware of the important role copyright law plays in sparking the creative abilities of artists. The creative community contributes significantly to the well-being of our culture and our economy, and I urge my colleagues to join the Copyright Society in celebrating the contributions of artists to our culture and economy by supporting the copyright law.

TANF

(Mr. OLVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLVER. Mr. Speaker, I rise today in support of America's children. The President's proposal for welfare reform reauthorization increases work requirements for parents receiving Temporary Aid for Needy Families, but it does not provide any additional child care funding.

The research from the field of child development is indisputable: High quality child care promotes mental development and success in school. Under the current program, only one out of seven eligible children receives child care assistance.

In my State of Massachusetts, there are 18,000 eligible children on a waiting list for child care assistance.

Does the President expect the young children of temporary aid recipients and low-income working families to care for themselves? Does he expect parents to go to work when they do not have a safe place to send their children?

□ 1015

The President's proposal will make what is already a bad situation worse. If we really want to reduce poverty in this country, we need to make a full commitment to the health and well-being of our poorest and most vulnerable children. Increasing Federal funding for child care will make it easier for parents to work, and it will ensure that children are better able to succeed later in life.

THE HORSESHOE BEND, IDAHO, RURAL WATER PROJECT

(Mr. OTTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTER. Mr. Speaker, I spent last Monday, Earth Day, in Horseshoe Bend, Idaho, with the mayor, Brian Davies, celebrating the announcement of their rural water project. The USDA Rural Development Agency and its Idaho director, Mike Fields, had provided a loan of $600,000 and a grant of $260,000 to the city. That money, coupled with $251,000 from the citizens themselves, and an additional $395,000 from the community development block grant from the State of Idaho, will assist Horseshoe Bend with upgrading their existing sewer treatment plant.

This is an outstanding example of initiative and partnership formed for the development of a rural community's infrastructure.

Far too often, Mr. Speaker, Federal agencies impede the needed cooperation through excessive regulation or unnecessary assertion of authority. Here is an example of a government agency recognizing a problem and then working with the community to find a solution. It is an encouraging example of government being a partner in finding a solution, rather than an impediment to the progress.

I hope more agencies of the Federal Government will follow the example of the USDA Rural Development Program.

TANF REAUTHORIZATION

(Ms. SOLIS asked and was given permission to address the House for 1 minute.)

Ms. SOLIS. Mr. Speaker, as we work to create welfare reform legislation, we must make sure that TANF recipients have access to higher education and suitable child care. Recipients need to earn higher wages that will lift them out of the cycle of poverty.

Forty-four percent of adults receiving TANF cash assistance in 1999 lacked a high school diploma or a GED certificate. In my district alone, the female recipients there had less than an eighth grade education. In Los Angeles County, about 41 percent of the TANF caseload are limited-English proficient. That is to say that they do not speak English. Their primary language may be Spanish or even Chinese.

Clearly, TANF recipients need educational opportunities before they can qualify for high-quality paying jobs and livable wages, not just minimum-wage jobs.

Given this reality, I am disappointed that the Bush administration has chosen to ignore the need to extend educational opportunities. We cannot get people into good jobs if they only have 12 months of training. We need to extend that to 2 years, at a minimum, so that they can go on into higher education.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2142

Mr. PITTS. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 2142.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

KING OF MOROCCO

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, I rise today regarding the King of Morocco's visit to our Nation's Capital this week.

I ask the King to reflect on the statement he made to Secretary Powell earlier that Powell should "consider the plight of the Palestinian people." Yes, our Nation must act on behalf of justice for all people. But should not the King of Morocco do that as well?

What would the King say about the hundreds and thousands of Sahrawi people who have disappeared or are languishing in prison? What would the King say about the Sahrawis living in the occupied territory of Western Sahara who are arrested or shot or killed by Moroccan security officials for their peaceful protests about Morocco's policies?

Mr. Speaker, I would ask the King of Morocco to seriously consider the policies of his own country, policies that have oppressed and persecuted the

Sahrawis so that they have had to live in refugee camps in the harsh Sahara Desert for over 25 years. Their government's policy should also ensure that the Sahrawi people are guaranteed their rights and get their property returned.

WESTERN HEMISPHERE OIL SUPPLIES NOT NECESSARILY SECURE

(Mr. HALL of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HALL of Texas. Mr. Speaker, today I want to address the question of security of our oil supply. The political dynamic that resulted in the crippling Arab oil embargo Americans suffered throughout 1970s is not exactly the same today. Fuel sources today are much more diverse.

However, our oil supplies are still vulnerable. Recently, crude oil and refined product shipments in Venezuela were at a virtual standstill due to the off-again and on-again regime of Hugo Chavez.

Mexico's oil industry has come on strong in recent years with Mexico establishing itself as the second largest producer in the Western Hemisphere. But the state-owned oil company, Pemex, continues to struggle for lack of investment of capital.

Fortunately, the United States can look to Canada for supply. According to EIA, from January through November 2001, the United States imported more oil and refined products from Canada than any other country.

Mr. Speaker, we cannot take any foreign oil supply for granted. We must realistically turn to the development of new domestic sources of oil and gas reserves in the offshore, in the Rockies and in Alaska. We have the know-how and the resources to accomplish this. If not now, when?

WELFARE REAUTHORIZATION

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, in this November's election, there is going to be a lot of talk and debate about Social Security. As a person that has worked for the last 9 years on the Social Security problems; and how we achieve the best possible solution to make sure that we keep this important program, and having served in the last session as chairman of the bipartisan Task Force on Social Security, I would like to make a couple of suggestions.

One is that we do not try to scare people in an effort to achieve some kind of political advantage, but rather that we talk about the real problem of Social Security; we talk about the real cost of doing nothing. Right now we have a $9 trillion unfunded mandate. It needs to be rationally discussed; we need to face up to the challenge. It is a serious problem.

In conclusion, Mr. Speaker, the longer we put off a solution, the more drastic that solution. Let us move ahead with real discussion and debate, not demagoguery.

WELFARE REFORM REQUIRES COMPREHENSIVE SOLUTION

(Mr. NADLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NADLER. Mr. Speaker, today I would like to ask my colleagues just one question. As we consider reauthorizing our Nation's welfare program, what do we want to accomplish, a temporary fix, or a comprehensive solution to poverty?

If we truly want a comprehensive solution, we would allow TANF recipients to count education as a work activity so that they can move into living-wage jobs and not end up back on TANF 6 months after they leave. If we want a comprehensive solution, we would invest in quality child care so parents could go to work to ensure their children will be safe in a nurturing environment that is preparing them for success in school and beyond. If we want a comprehensive solution, we would recognize the typical immigrant worker pays $80,000 more in taxes than they receive in government benefits over a lifetime, and we would restore the safety net for them.

We would do all of this if we wanted a comprehensive solution.

But the Republican proposal does not embody this common sense. What is in their bills is a program that sets low-income people up for failure. Dead-end workfare jobs with no opportunity to pursue further education and escape is a vicious cycle of poverty.

I challenge my colleagues to make good their election year pledges to help America's working families and make these improvements in TANF this year.

HONORING THE ACHIEVEMENTS OF MARGE SCHOLLAERT

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, I rise today to honor the achievements of Marge Schollaert, a constituent who resides in Chambersburg, Pennsylvania. Recently, Marge was named the School Counselor of the Year for the middle and junior high level of the Pennsylvania School Counselors Association. Of the nearly 4,000 school counselors in the State of Pennsylvania, only four are honored as counselors of the year.

Marge Schollaert was recognized by her peers for her commitment to the Chambersburg area middle school and its students. Marge has been a key component in the development of students at Chambersburg Middle School. Among her many accomplishments, Marge took the lead in forming Peer Helpers, a program to facilitate the difficult process for students starting in a new school.

Of the 23 years she has served as a school counselor, 18 of those years have been spent working with the students of Chambersburg Area Middle School.

I congratulate Marge Schollaert on her Counselor of the Year award, and I applaud her steadfast dedication to her profession and her hard work for the students of Chambersburg.

TANF REAUTHORIZATION

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, for those who think welfare reform is working well because caseloads have decreased, I ask them to come with me through low-income neighborhoods across the country. Walk into the many ghettos and barrios in distressed areas and tell those individuals that welfare reform is working.

During the caseload plunge, many recipients moved laterally in the employment sector from one low-income, low-wage job to another one.

In order to do real welfare reform, we must put hope in the new welfare bill. We must put in job training, education, and transitional movement. We must have a strong fatherhood initiative. Many of the individuals are parents of children. They are incarcerated, in jail, in the penitentiaries. If there is to be hope, we must make welfare reform a reality. If there is no work, there is no hope, and there is no welfare to work.

INS REFORM

(Mr. SULLIVAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SULLIVAN. Mr. Speaker, I would like to voice my support for the immigration reform bill before the House this week. I commend the Committee on the Judiciary and the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of that committee, and the House Republican leadership for this legislation, the Immigration Reform and Accountability Act.

It is absolutely critical that we completely restructure the INS, one of the most inefficient government agencies. The continual ineptitude was only brought to the public knowledge by the events of September 11. I believe the final straw was March 11 when two of the terrorist hijackers received paperwork showing that their student visas had been approved. These visa approvals came well after the two would-be hijackers had completed their training course.

While this shocked many, this level of ineptitude has gone on for years in the INS. INS blames the delays on antiquated, inaccurate and untimely and inefficient paper-based processing systems, while I believe the problem lies with the antiquated, inaccurate and untimely INS. The management structure, the authority structure, the technology all need a comprehensive overhaul, which is exactly what is before us with the Immigration Reform and Accountability Act.

Mr. Speaker, I urge my colleagues to support this measure.

WELFARE REFORM

(Mr. TIERNEY asked and was given permission to address the House for 1 minute.)

Mr. TIERNEY. Mr. Speaker, it is interesting to note the fact that 495 Members of Congress have bachelor's degrees. It is interesting to note the fact that 127 Members of Congress have masters degrees. It is interesting to note the fact that 224 Members of Congress hold law degrees.

The House is soon going to begin debate on reforming our welfare system. As we do so, I urge my colleagues to recognize the direct correlation between education and earning potential.

What this Congress needs to do is to ensure that educational opportunities can count as work for at least 2 years for those individuals on welfare.

That is why I, along with the gentlewoman from New Jersey (Mrs. ROUKEMA), have introduced H.R. 4210, the Working From Poverty to Promise Act, which would, among other things, allow for expanded educational opportunities to count as work full-time for 24 months.

In the long run, we need individuals to become independent with stable family lives, while also meeting the labor needs of our increasingly sophisticated economy. We can ill afford to be shortsighted in our reform by forcing people into low-wage jobs with no potential for advancement. That simply continues the cycle of dependency.

The business community in my region has concluded that it too has benefited when people are prepared to work at a level adequate to fulfill the challenging and advanced positions and to make their companies profitable.

Mr. Speaker, the President's plan which is embodied by the House majority would be much improved if amended to let welfare recipients have real opportunity through education and job training.

PROPOSED TANF REAUTHORIZATION

(Ms. WATSON of California asked and was given permission to address the House for 1 minute.)

Ms. WATSON of California Mr. Speaker, I strongly oppose the President's proposal to increase TANF work requirements. The proposed 40-hour work week will cripple the State's ability to continue to move TANF recipients out of poverty and into self-sufficiency. It will require States to make work.

Despite recent trends, poverty has grown in my State of California. Hispanics and African Americans have higher rates of poverty in California than anywhere else in the country. Furthermore, most poor families in California are working. Simply working more hours is not the solution. Education is.

Research has shown that welfare recipients who are able to attend community college increase their median earnings by 43 percent. More than half of the people on welfare in Los Angeles lack a high school diploma. Clearly, the educational needs of these people are not being met.

TANF reauthorization needs to address the educational needs of welfare recipients. Simply working more hours is not the solution.

□ 1030

PROVIDING FOR CONSIDERATION OF H.R. 3231, BARBARA JORDAN IMMIGRATION REFORM AND ACCOUNTABILITY ACT OF 2002

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 396 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 396

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3231) to replace the Immigration and Naturalization Service with the Agency for Immigration Affairs, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS) pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H. Res. 396 is a structured rule providing for considering of H.R. 3231, the Barbara Jordan Immigration Reform and Accountability Act of 2002. The bill provides for 1 hour of general debate equally divided by the chairman and ranking minority member of the Committee on the Judiciary.

This rule waives all points of order against consideration of the bill and provides that the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read.

It waives all points of order against the bill, as amended and makes in order only those amendments printed in the report of the Committee on Rules accompanying the resolution.

H. Res. 396 provides that the amendments printed in the report shall be considered only in the order printed in the report, may be offered by a Member designated in the report, shall be considered as read, shall be debateable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to an amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

H. Res. 396 waives all points of order against the amendments printed in the report and provides one motion to recommit with or without instructions.

Mr. Speaker, I urge my colleagues to join me in approving this rule, so that the House can begin its consideration of H.R. 3231, the Barbara Jordan Immigration Reform and Accountability Act. I am a co-sponsor of this bill, and I hope that when the House approves this bill, the Senate will take prompt action as well, so that before the end of this year President Bush can sign into law strong INS reform legislation. If so, we will have taken a big step towards enabling the Federal Government to effectively manage our Nation's immigration policy for the first time in nearly 70 years.

Since 1933, when immigration enforcement and service were consolidated under the management of the INS, it has failed to fulfill both of these missions. The INS has not adequately deterred or eliminated illegal immigration, and it has ill-served legal immigrants applying for residence or work visas. It is only through the drastic, structural reforms proposed by H.R. 3231 that we can begin to improve both immigration service and enforcement, and thereby serve America's citizens and immigrants.

H.R. 3231 will split the INS into two distinct, but equal, agencies so that each may concentrate on a single mission. The Bureau of Citizenship and Immigration Services, BSIC, will facilitate the legal immigration process, while the Bureau of Immigration Enforcement, BIE, will deter and remove illegal immigrants. Furthermore, this bill elevates the importance of immigration policy in the executive branch's hierarchy by creating an Associate Attorney General within the Department of Justice, whose sole responsibility will be immigration affairs.

Every year more than one million people settle in the United States. Most come legally after waiting years for visas or work permits and following the lengthy red tape trail to legal status. They come for the opportunity to live the American dream, to join loved ones, or to seek jobs, freedom, prosperity, and security. In turn, we only ask that they abide by our laws and respect the principles outlined in the Declaration of Independence and the Constitution.

The majority of immigrants adhere to these conditions, and as a Nation essentially founded by immigrants, we welcome them to our shores. Immigrants have contributed to our growth as a democratic and capitalistic Nation, and we recognize that immigration is a historic and vital facet of American life. It is only natural then that we should work to facilitate their admittance to the United States. Yet for years we have failed in this regard.

A report by the General Accounting Office in June 2001 indicated that, despite significant increases in funding, the backlog for all immigration applications had increased four-fold since 1994. In some instances, applicants must wait 2 years before the INS can review their application and render a decision. As the backlog of cases stood at 4.9 million applications and petitions at the end of fiscal year 2001, we can expect these delays to probably worsen.

By establishing the BSIC and mandating that its sole responsibility be the processing of immigration applications, we can improve applicant service and decrease the time required for processing applications. Further, the agency will be able to spend more time and resources on verifying applications and conducting security and backgrounds checks. Thus, the United States will be more able to effectively identify and stop individuals who have questionable intentions or background from entering the U.S and threatening our national security.

While most immigrants reside in the U.S. legally, others enter illegally, furtively entering through borders and ports of entry or overstaying a legal visa or work permit. This willful disregard of our laws should not be overlooked, and we must dedicate resources to deterring illegal immigration or finding and deporting those who enter nonetheless. This is no longer an issue of immigration, and instead it is one firmly rooted in law enforcement and national security.

The enforcement failures of the INS can be characterized as ineffective at best and catastrophic at worst. Every single one of the September 11 highjackers was able to enter the United States legally, and while three overstayed their visas, the INS did not have the capacity to track, find and deport visa violators. In the wake of this tragedy, we also discovered that more than 1,000 foreign students could not be located for interviews after the tragic attacks. Finally, it is worth noting that reports estimate that as many as 400,000 individuals who have been ordered deported are still living in the U.S.

While this information is startling, these are just a few of the notable incidents in a long string of enforcement failures by the INS. We must restore our ability to adequately detect noncompliance and fraud. This goal will be enhanced by the establishment of a single agency, focusing on enforcing our immigration laws and removing violators. The BIE will be better able to protect our borders and stop illegal crossings. Further, as approximately 40 percent of the illegal immigrants come to the U.S. on legal and temporary visas, the agency will be able to better track and monitor visa over-stayers and provide swift removal. While the BIE cannot single-handedly correct all of our immigration problems, it can correct many of these problems and provide a greater level of security to our Nation and its citizens.

Since the 1930s, the INS has been charged with implementing national immigration policy. Time and time again, the INS has failed the American people and the Congress. And it has disappointed our immigrants and contributed to the weakening of our national security. With each shocking revelation of a new oversight, failure or mistake by the INS, we have expressed our shock and bewilderment. With each report highlighting the inefficiencies of the agency, as well as the numerous deficiencies, we have urged change. Yet today is the day that we will actually begin this long overdue process. Today, we consider a bill that will truly reform an agency that has become too accustomed to inadequacy, inconsistency, and failure.

Mr. Speaker, I want to commend my friend and colleague, the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary, for his strong and able leadership in moving this bill through his committee promptly and bringing it to the floor today. I know that he worked with others on the committee to forge a strong bipartisan consensus behind the structural reforms that H.R. 3231 calls for, and he deserves the lion's share of credit for bringing us to this point in the process.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my friend, the gentleman from Georgia (Mr. LINDER), for yielding me time.

Mr. Speaker, I rise today to voice my support of the Barbara Jordan Immigration Reform and Accountability Act of 2002. Before I launch into my remarks, I would like to preface them by asking the question, What would Barbara Jordan do? I wish I could give the rule that we will presently consider the type of support that I would offer for the Barbara Jordan Immigration Reform and Accountability Act. However, the Committee on Rules' refusal to allow a number of thoughtful substantive amendments to be considered by the House this morning does give me some small reason to pause.

That fact notwithstanding, I want to commend the authors of this bill, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Pennsylvania (Mr. GEKAS) and the ranking members, the gentleman from Michigan (Mr. CONYERS) and the gentlewoman from Texas (Ms. JACKSON-LEE). They have produced a bipartisan bill that is sure to improve the performance and accountability of the way this Nation handles its immigration procedures. I should better say that they hope it will do that.

My next sentence, Mr. Speaker, I am sure will be music to the ears of the multitudes who sometimes run up against the brick wall known as the INS. This bill abolishes the Immigration and Naturalization Service and replaces it with two separate bureaus: the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement.

Please do not get me wrong, Mr. Speaker. There were thousands and thousands of hard-working INS employees, many of whom I have the privilege to represent and my offices, particularly those in Florida, interface with on a day to day basis. They are extremely responsive with the limited technology that they have and the limited ability to try to handle the massive number of changes. So to the hard-working INS rank-and-file employees, I would ask my colleagues to back off of them a bit and to go after those people who really have caused the problem, sometimes some of us politicians.

It is unfortunate, however, that the leadership of the INS over the past generations has made it into literally the laughing stock of the Federal bureaucracy. While I am convinced you will find no harder working employees than the rank and file at the INS, I am equally convinced that many of these people are justifiably confused and frustrated by management and structural and institutional paralysis at their agency.

The bill we consider today makes a number of changes that I hope will help pave the way for a system and structure that the American people can be proud of and one that treats visitors to our country fairly, keeping in mind the very serious responsibilities of safety and security for our citizens. The Barbara Jordan immigration reform bill establishes the office of the Associate Attorney General for the purpose of immigration affairs. Under the measure, the Associate Attorney General would be appointed by the President and confirmed by the Senate. The Associate Attorney General will be hired to have a minimum of 5 years managing a large and complex organization and will be responsible for coordinating the administration of natural immigration policy and overseeing and supervising the work of the directors of the immigration services and enforcement bureaus and reconciling any conflicting policies between the bureaus.

•While the legislation was passed out of the Judiciary Committee by an overwhelming majority, I cannot, however, ignore the very cogent dissenting views offered by my friends, the gentlewoman from California (Ms. LOFGREN) and the gentleman from North Carolina (Mr. WATT), and others.

□ 1045

They argue that the bill, as it currently stands, will not substantially reform the agency. The bill simply reconfigures the INS by splitting authority over the two essential elements of INS, immigration and enforcement, into two bureaucracies instead of one. While their view is shared by some of us, I am hoping the amendments to be offered later today will perfect some of the shortcomings that currently exist.

Additionally, although the title of the bill suggests that we are reforming both immigration structure and policies, it fails to address many substantive issues that many Members, myself included, would have liked to have seen more fully explored. For example, the amendment I intended to offer, which was not given a waiver and not made in order, would have added some substantive meat to the legislation, adjusting the immigration status of eligible Haitian aliens by granting them permanent resident status in the United States, those that are here since 1995.

The amendment would have been a critical first step in rectifying grievous inequities in current INS policy. They grant one type of treatment for refugees from certain countries and a different, second-class, if not third-class type of treatment to migrants from other countries.

No later than yesterday, the Miami Herald and the Sun Sentinel in Fort Lauderdale editorialized that this policy is discriminatory. It needs to stop. And we offered an amendment that would stop it, and of course, it was ruled as not germane. I do not know what could be any more germane, and I do not know where a waiver obtains in the Committee on Rules, but I rather suspect that we did not want to offer this measure so as how not to impinge on this so-called reform that we are headed down the road to.

Mr. Speaker, we cannot as a democratic Nation continue to condone an immigration policy that favors immigrants from some nations while discriminating against those from others. I have always believed that legal immigration is one of the sources of America's greatness, as our country has prided itself on its diversity, its strength through that diversity.

We are a Nation of immigrants, and those who enter our borders legally should be afforded equal opportunity to excel and prosper, and there is evidence that that has been the case in this great country. They should enjoy the benefits that those of us born here take for granted.

As I said, Mr. Speaker, I do support the base bill on the floor today and I think the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS) have done an outstanding job, and I urge my colleagues to do likewise. I only wish that the Committee on Rules had permitted a few more amendments to make in order those things that would make this bill a lot more meaningful.

I do end by saying what I said at the outset, Mr. Speaker, and that is, we have named this bill the Barbara Jordan Immigration Reform and Accountability Act of 2002. Like many people in this room, I knew Barbara Jordan, and I ask the question, what would Barbara Jordan do?

Mr. Speaker, I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding me the time, and I certainly appreciate the opportunity to participate in this debate with my friend from Miami and my friend from Georgia.

I just want to go through a few charts today because I believe that what is driving this debate is maybe negligence, maybe incompetence, maybe a combination of things at INS that has certainly caused it to fall very, very, very short of its mission and even to the extent of endangering national security. Some have even suggested that INS actually stands for ignoring national security. Why would they do this?

Here is a question that was asked to the former Deputy Attorney General George Terwilliger, and this comes from a March 10, 2002, quote. "Do you think the INS has a handle on who it lets in and who is here and whether they have left?" His answer, as a very informed person, "No. No, they do not have a handle on it."

Another statistic from the House Committee on the Judiciary, the Census Bureau estimates that at least 8 million undocumented illegal immigrants reside in the United States of America. I want to give my colleagues a picture of 8 million. The State of Georgia, Georgia has 8.1 million people. So what we are saying is a State the size of Georgia would have a total population of undocumented illegal immigrants. That is outrageous, atrocious, and unacceptable.

Are they ignoring national security? In March 2002, the INS mailed a letter to a Florida flight school informing them that Mohammed Atta and another hijacker had been approved for student visas. Of course, Mr. Atta was not around to receive his visa at that time because, as my colleagues recall, he had driven a plane into the World Trade Center in September. Ignoring national security; if the INS officials were following their own policies, Mohammed Atta would never have been allowed to enter the United States of America in the first place if they just followed their own policies.

Are they ignoring national security? There are over 300,000 criminal and deportable illegal immigrants ordered removed by immigration judges that have fled; 6,000 of those are from countries identified as al Qaeda strongholds; 300,000 criminals that have been ordered to leave. I would say, yes, it does appear that national security has been ignored.

Is it incompetence? The INS had a backlog of 4.9 million applications and petitions at the end of fiscal year 2001. Now, it has already been said the gentleman from Georgia (Mr. LINDER), that in his office and in many congressional offices around the country they get more INS complaints than they get IRS complaints. And I see it in Savannah, Georgia.

People come in all the time and they cannot get their visas approved, they cannot get other things stamped and taken care of. We, I believe, have a very good, local, competent office, and I agree with the gentleman from Florida (Mr. HASTINGS), there are lots of very, very good employees who do an excellent job, but I think structurally the deck is stacked against them. Their hands are tied to do what they really want to do, what they know they should do, and what they can do.

Last year, the Justice Department handled over 4,200 allegations of misconduct against INS personnel. It is time for a change. We can do that. This legislation today is a very significant first step to clean up a long overdue process. When the government is no longer responsive and no longer efficient, no longer doing what it is meant to do, it is time for Congress to step in and change, and that is what we are doing here today.

Support this rule and support the legislation.

Mr. HASTINGS of Florida. Mr. Speaker, I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, I yield 4 minutes to the gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Speaker, I rise in opposition to the underlying bill that this rule offers for consideration, the Barbara Jordan Immigration Reform and Accountability Act. I appreciate the work of the Committee on the Judiciary and the Committee on Rules to bring a bill to the floor, but I think this effort falls seriously short of the real reform that is needed.

Unfortunately, the bill that we have before us today simply rearranges the boxes on the existing organization chart of the INS. It separates two divergent functions within the INS, immigration service and benefits. But it does not do much more than already exists. Instead of having the two functions joined at the top by the INS Commissioner who reports to the Attorney General, they are joined at the top by an Associate Attorney General who reports to the Attorney General.

My colleagues may be interested in knowing that on November 4 of last year, the Attorney General and the INS Commissioner announced that under their own reorganization plan, "clear and separate chains of command for the agency's service function and enforcement function are created." So, this bill would add nothing to what has already been done administratively.

The bill also purports to give each function its own budget and its own dedicated employees. As a member of the Subcommittee on Commerce, Justice, State and Judiciary that has responsibility for the INS and Department of Justice budget, I can tell my colleagues that for some time now we have already separated the budget of the service and the enforcement functions of the INS. So nothing new is accomplished here, either.

It is no surprise that the Department of Justice is now supporting this bill because it does not impose any changes on them. The only difference that I can see is that we will change the INS Commissioner's title to Associate Attorney General. The same people at the INS will be doing the same things they are doing today and the same things they were doing prior to September 11.

What would have been different if this proposed bill had been law prior to September 11?

The same people will be patrolling our borders and reporting to the same sector chiefs. The same people will be issuing visas and adjudicating immigration claims.

But to implement the supposed reform is going to cost the American taxpayers an additional $1.1 billion. Why? Because it would eliminate $1 billion of revenues that immigrants pay now through fees that are used for border enforcement or drug interdiction. We would have to replace it with general revenue funds.

Mr. Speaker, the irony today is that there is a proposal for real INS reform. It was submitted to Congress 5 years ago. It was the recommendation of the commission chaired by the late Congresswoman Barbara Jordan. I would have liked to offer the commission's recommendation as an amendment, but this rule does not permit that.

The commission's proposal has been vetted and studied for years, 5 years by the commission and at least 5-years that it has been before Congress. These recommendations, my amendment, would fundamentally restructure INS by recognizing three core immigration functions and rationalizing them into three specific departments with expertise in these areas.

Let me read just a couple of excerpts from a letter written by Robert Hill and Bruce Morrison, a Republican and Democrat, who cochaired the Jordan Commission Working Group on Structural Reform of the INS:

"Coordination of functions would be better under H.R. 4108," that was the bill I have introduced that now I propose to offer as an amendment. "Coordination of functions would be better under H.R. 4108 than under the Judiciary Committee bill. Under the committee bill, administration of immigration benefits would continue to be split between Justice, Labor, and State, as under current law. All the fragmentation found by the commission would continue. Your bill addresses this problem with its consolidation of benefits adjudication in the State Department . . ."

Quoting further, "Immigration law enforcement belongs in the Justice Department . . . The Justice Department is the wrong place for adjudicating immigration benefits."

Mr. Speaker, I would place in the RECORD at this point the rest of this letter.

APRIL 18, 2002.

Hon. JIM KOLBE,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN KOLBE: As former members of the U.S. Commission on Immigration Reform (the "Jordan Commission"), we are writing to express our views on the INS Reorganization Act of 2002 (H.R. 4108), which you introduced on April 9, 2002. We understand that your bill encompasses the Jordan Commission's recommendations for comprehensive restructuring of responsibility for immigration functions within the government. We also understand that you may seek to offer your bill as a substitute for the well-intentioned, but more limited reforms contained in H.R. 3231 reported by the House Judiciary Committee.

In this context, we offer some suggestions on why the more complete separation of agency responsibilities reflected by your bill received support from the Commission. We continue to believe that this more fundamental reform is far preferable.

From 1992 to 1997, we served together as members of the Jordan Commission and co-chaired its working group on management reform, which developed the recommendations on restructuring reported to Congress on September 30, 1997. We come from opposite ends of the political spectrum. Bob Hill served as an appointee of President Reagan in the White House, the State Department and the Justice Department. Bruce Morrison was a Democratic Member of Congress and served in the Clinton Administration. We have both had extensive experience representing clients in immigration matters. On this issue, our experience leads us to consensus, much as it did for the diverse membership of the Commission.

The Jordan Commission reached its recommendation for restructuring after years of extensive investigation. We held more than 40 public hearings, consultations and round-table discussions with government officials and outside experts, as well as recent immigrants and refugees themselves. In every forum there was serious, ongoing discussion of the problems confronting the government agencies responsible for administering the immigration system as well as those confronting the individuals, employers, and practitioners subjected to it. Based on this input, we set criteria for evaluating competing restructuring proposals. These included: (1) consolidation and streamlining of government operations; (2) unambiguous allocation of responsibility and accountability for core functions; (3) effective separation of law enforcement and benefits adjudication; (4) maximum utilization of existing strengths and elimination of weaknesses or redundancies; and (5) enhancement of policy formulation, implementation and coordination.

Immigration law enforcement belongs in the Justice Department. Everyone agrees that the enforcement of our immigration laws—at the border and within the country—should be handled by a separate bureau within the Justice Department. We all seek to have this enforcement carried out with the kind of professional standards and effectiveness we have long associated with the Criminal Division, the U.S. Attorneys, and the FBI. INS enforcement activities, while given high priority within the agency, have never had the status within Justice that comes to other law enforcement functions. This should change.

The Justice Department is the wrong place for adjudicating immigration benefits. The main distinction between the Committee bill and yours is the placement of the second major INS function—adjudication of benefit applications. The Commission considered and rejected the idea of keeping this function in the Justice Department. Although initially Justice was viewed by most members as the presumptive choice, they were ultimately persuaded otherwise. The reasons were the fundamental objection to locating the enforcement and benefits functions in one agency, and that the Justice Department did not have the capacity to take on the State Department's international visa functions. Some argued that the two functions are complementary and must be coordinated by a single government official. But we saw that as little different from the INS structure that has so clearly failed. Instead we concluded that the very qualities of approach and status that make Justice the right home for immigration enforcement make it the wrong place for benefits adjudication. In fact, the general rule in the federal government is for serious violations of law regarding federal benefits and programs to be handled by law enforcement agencies, not the agency administering the benefit.

The State Department is the best place to locate the benefits function. The need to take benefits administration out of Justice was an easier choice for the Commission than the choice of a new location. But closer examination pointed strongly to State. That Department has the greatest institutional capacity and presence, as well as professional capabilities to undertake the work of establishing and administering a consolidated worldwide adjudication system. It issues more than half a million immigrant visas and more than seven million nonimmigrant visas each year to applicants around the world. It issues millions of passports to American citizens through its existing passport offices in fifteen U.S. cities. It determines citizenship claims of foreign residents and registers the births of U.S. citizens overseas. And, at the National Visa Center in Portsmouth, New Hampshire, it annually processes three-quarters of a million immigrant cases and the annual diversity visa "lottery."

Placing immigration benefit administration at the State Department would strengthen both the function and the Department. Many advocates favor a separate agency or department to oversee a consolidated immigration function. The Commission rejected that idea both as impractical and as continuing the role conflicts between extending benefits and pursing lawbreakers. But one concern of those advocates—the need for a leading voice on immigration policy—is answered by the State Department. Migration issues are international in character and they require understanding and cooperation among many nations. State can and should play the key role in the broad questions of migration policy, as it now does in refugee matters. As one of the four most powerful cabinet departments in the government, its influence at the White House can elevate immigration policy issues on any Administration's policy agenda. And the strong interests of U.S. families and companies in immigration policy will give the State Department an involvement with domestic constituents that can only help its policy and political strength.

Coordination of functions would be better under H.R. 4108 than under the Judiciary Committee bill. Under the Committee bill, administration of immigration benefits would continue to be split between Justice, Labor, and State, as under current law. All the fragmentation found by the Commission would continue. Your bill addresses this problem with its consolidation of benefits adjudication in the State Department. When respondents in proceedings before the Justice Department have benefit claims, they will be as well protected by seeking State Department processing, as they will be going to another office at Justice.

In over four years since the Commission's final report to Congress, we have both observed the continuing deterioration of a system collapsing under its own weight. We have also had time to reflect upon the proposals we made for revitalizing that system. Those proposals are not perfect, but we remain persuaded that they provide the best option for effective reform available particularly in the wake of September 11. For that reason, we are both pleased to support your bill, H.R. 4108 and offer our assistance in anyway you believe will be of help in your efforts to enact it into law.

Sincerely,

Bruce A. Morrison,
Morrison Public Affairs Group.
Robert Charles Hill,
Arent, Fox, Kintner, Plotkin & Kahn.

Mr. KOLBE. Southern Arizona, which I represent, knows firsthand that the INS has failed to fulfill its duties. The people of Arizona have to deal with the consequences, such as treating injured illegal immigrants, environmental degradation, and the strain on law enforcement.

I simply cannot go back to my State, to the people of southern Arizona and say that we have reformed the INS with this bill because, sadly, it just does not do it. It is an illusion of reform.

We need to go back to committee. We need to consider real reform for the INS. Unfortunately, this bill just does not do it.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 4½ minutes to the gentlewoman from Texas (Ms. Jackson-Lee).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman from Florida (Mr. Hastings) a member and a very diligent and effective member of the Committee on Rules for his leadership.

We have a period of time to engage in general debate and comment on a number of amendments that have been allowed for in this bill. So I rise today to discuss this bill in the overall context of the ability of the House of Representatives to be a problem solver and to ensure that the bill is reflective of the intensity of hard work that has gone on throughout the days and months and years that the light has been shone on the INS.

This bill is a bill that has brought about one of the most effective series of conversations and negotiations between the chairman, ranking member, subcommittee chairman, and ranking member of the Subcommittee on the Judiciary.

□ 1100

It has been an effective process. This bill is a bill that takes into consideration both positions of Democrats and Republicans.

In April of 2001, I filed H.R. 1562, a bill called the Immigration Restructuring and Accountability Act of 2001. In that bill it included an Office of Children's Affairs. The INS was designed to have two entities, a service entity and an enforcement entity, and that was to be headed by an associate Attorney General. If we look at the bill before us, we find that that exact same structure is in 3231. So the good news about this rule and legislation is that H.R. 1562 was in large part adopted by H.R. 3231.

So I believe that the message today should be that those of us who realize that service is the responsibility of this Congress and this Nation and an obligation to our country to protect the citizens or those within its boundaries, that the work we do today with restructuring the INS by abolishing the INS and creating this new agency is to answer those two concerns and to be able to service those who legitimately are attempting to access legalization. And we do it in a bipartisan manner by merging the provisions of H.R. 1562 and H.R. 3231.

This rule includes an opportunity to improve the bill. It has in it an amendment authored by the gentlewoman from Wisconsin (Ms. Baldwin), in which I have joined, to ask the question and provide the opportunity for unaccompanied minors to be able to have counsel. It asks the question on an amendment that I have offered about the money stream, and that is a question that Members ask: Will we effectively be able to reform this agency, rebuild this agency, with enough funding? So I immediately ask the question, and hope my colleagues will vote for it, for a study to determine whether the fee-based funding of the service part of our legislation will be sufficient.

In addition, this bill provides for an opportunity to discuss several amendments that will talk about proficiency, as the manager's amendment includes. We are particularly proud of the Office of Children's Affairs, which points to the fact that children come unaccompanied, but children are especially important and dear and, therefore, they need particularly special attention.

I would have hoped that the rule could have included a number of other amendments. I am always of the inclination that it is important to have a vigorous debate and discussion on legislation that comes to the floor of the House. So I would say to the gentleman from Florida (Mr. HASTINGS) that I know very well what Congresswoman Barbara Jordan would have wanted, and that is an opportunity for fairness for the Haitians. And I say to the gentleman from Florida (Mr. HASTINGS) that we are still going to commit ourselves to working on that legislation.

But, in fact, as we debate this, I hope that it will be well-known that this bill is a bill of compromise and a bill of collaboration. This is a Democratic bill with, of course, the collaboration and work of the leadership of this House working together to make this a good bill for the country.

Mr. Speaker, I rise in support of the rule governing H.R. 3231 on the floor today. This is a good rule not because it is a structured rule, but because it allows amendments that are germane, that improve the bill in a careful and constructive manner. I want to thank both my full committee chairman and my full committee ranking member, and the subcommittee chairman, GEORGE GEKAS, on the hard work that we put in to finally crafting a compromise in order to reach agreement on H.R. 3231. The bill that you have before you today is bipartisan legislation to comprehensively overhaul the beleaguered Immigration and Naturalization Service, INS. On April 10, 2002, the legislation overwhelmingly passed the Judiciary Committee with a vote of 32 to 2.

In the 106th Congress and in the 107th Congress I have introduced H.R. 1562, the Immigration Restructuring and Accountability Act of 2001. I have been a champion for years when it comes to restructuring the INS. I have been arguing for years that while we need to separate out the services and enforcement function of the INS, we still need to have a strong leader at the top, and we do in this bill. We need to have a Office of Children's Affairs, and we do in this bill. We need to have a general counsel that will be housed in the Associate Attorney General's office. We do in this bill. We need to have more accountability that would require field offices and service centers of the two proposed immigration bureaus to directly and consistently follow all directives and guidelines from the bureau directors. Due to an amendment that we adopted in committee that I offered, we now have that in this bill. The need for overhauling the INS is undeniable. Americans regularly hear of the agency's latest blunder and observe an agency stumbling from one crisis to the next, with no coherent strategy of how to accomplish its missions.

We need to have an Office of Immigration Statistics that keeps adequate records of both service and enforcement statistics, and we do in this bill. I hope that Members come to the floor and support the Roybal-Allard amendment which adds clarity to this language.

Our legislation builds on the Commission's conclusions by abolishing the INS and creating two separate bureaus in the Justice Department to handle the dual immigration functions—one led by a law enforcement professional to enforce our immigration laws and one led by an expert in benefits adjudication to provide immigration benefits to legal aliens.

A new Associate Attorney General who handles only immigration affairs supervisors and resolves conflicts between the two bureaus, thereby raising these issues to the level and attention that they deserve within the Department of Justice.

There will also be an Office of Children Affairs established in the Associate Attorney General's office raising the concern and importance of children's issues in the immigration system. This is very important to me as we have a mechanism in place that deals with the proper placement of unaccompanied minor alien children who come into custody of the Department of Justice. We need to ensure that the interests of the child are considered in decisions and actions relating to their care and custody, and that every effort is made to reunite these children with family members in the United States or abroad.

More importantly, I am cosponsoring an amendment with Congresswoman TAMMY BALDWIN that would require the Director of the Children's Affairs office to develop a plan that would ensure that unaccompanied minor children have legal representation. This is a topic that is dear to my heart. There have been too many instances where children have immigrated to the United States and have been without guardians and without hope. They have been mistreated and misplaced. It is only fitting that the Congress see if somehow this new director can look into providing them with proper legal representation.

Services under INS have been abysmal and continue to deteriorate. I also am a cosponsor with Congresswoman LOFGREN of an amendment that would allow the Attorney General to enter into contracts with private sector firms to develop and implement an overall technology solution to the INS current problems. I hope this amendment is made in order.

Lastly, I have an amendment that requires the GAO to conduct a study to examine whether the Bureau of Immigration Services can survive as an agency without specific language that authorizes appropriations and solely has this bureau relying on fees. This is a worthwhile amendment.

I urge adoption of this legislation.

Mr. LINDER. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Speaker, one of the reasons that we need restructuring of the INS is to keep the Mohammed Attas out of the United States. Reports state that Mohammed Atta, an Egyptian citizen, piloted the first plane that crashed into the World Trade Center.

Let us take a look at the INS record of Atta. On June 3, 2000, Atta was admitted to the United States solely for the purpose of being a visitor, a tourist. On July 6, just a month later, after being admitted, he started his flight training in Venice, Florida. INS regulations prohibit him from doing that flight training. That is a student status. It is not, I repeat, is not a tourist status event.

On August 29, 2000, after he had begun training, the flight school, pursuant to INS regulations, applied for a student visa for Atta from the INS. On September 19, 2000, Atta changed his status from nonimmigrant visitor to nonimmigrant student. By this time, he was already flying. In December 2000, before an approval of this application to be a student pilot arrived, he departed the country for travel to Madrid. We can only imagine what he went there for.

Should Atta have been admitted? Let us look at the facts. First, there was evidence before the inspector that Atta obtained a visa by fraud by concealing from the State Department when he applied for the visitor's visa abroad that he actually was coming to the U.S. for flight training. The inspector's notes on January 10 show that Atta admitted that he had been in flight training for 5 to 6 months, almost the entire period authorized for his previous stay, to enter and immediately undertake the business of learning to fly, and now we know learning to kill.

There is also evidence from the inspector's notes that Atta admitted he was returning to attend flight school. The commissioner himself testified before the House Committee on the Judiciary that Atta's unapproved application for training visa was abandoned upon his departure from the United States. According to INS regulations, if the inspector thought that Atta was coming to the United States to go to flight school, he should have sent him back to get a proper approval.

Nevertheless, Atta was admitted on January 10, 2001, as a visitor. Six months later, even after Atta had left the United States a second time, Atta's flight training visa application was approved. This application was approved 11 months after it was filed, despite the fact that he had departed the United States on two occasions.

Mr. Speaker, I think it is pretty obvious. This man should not have been admitted once, not twice, and certainly not three times. Does this mean we have a need for immigration reform? You bet.

I plan on supporting this reform. I plan on offering additional amendments, because we can never, never again tolerate the ineptness in the INS that allowed this man to come here, not once, not twice, but a third time, and to train and kill Americans on September 11.

Mr. LINDER. Mr. Speaker, I yield myself such time as I may consume to urge my colleagues to support the previous question and the rule.

Mr. HASTINGS of Florida. Mr. Speaker, I yield back the balance of my time.

Mr. LINDER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. LaTourette). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of agreeing to the resolution and on the question of the Chair's approval of the Journal.

The vote was taken by electronic device, and there were—yeas 384, nays 36, not voting 14, as follows:

[Roll No. 111]

YEAS—384

Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McHugh
McInnis
McIntyre
McKeon
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Oxley
Pascrell
Pastor
Paul
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—36

Abercrombie
Becerra
Carson (IN)
Clayton
Conyers
Davis (IL)
Dingell
Doggett
Fattah
Filner
Gephardt
Gutierrez
Hastings (FL)
Hinchey
Kucinich
LaFalce
Lee
Lofgren
Lynch
McGovern
McKinney
McNulty
Meek (FL)
Miller, George
Mink
Olver
Owens
Pallone
Payne
Sánchez
Serrano
Slaughter
Stark
Waters
Watt (NC)
Woolsey

NOT VOTING—14

Baldacci
Blagojevich
Crowley
Davis (FL)
Holt
Honda
Hulshof
Leach
Rangel
Rodriguez
Sanders
Smith (WA)
Spratt
Traficant

□ 1133

Messrs. DAVIS of Illinois, ABERCROMBIE, and CONYERS, and Mrs. MEEK of Florida, Mrs. CLAYTON, and Ms. SLAUGHTER changed their vote from "yea" to "nay."

Mr. BENTSEN changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LaTourette). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HASTINGS of Florida. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote, followed by a 5-minute vote on adoption of the Journal.

The vote was taken by electronic device, and there were—ayes 388, noes 34, not voting 12, as follows:

[Roll No. 112]

AYES—388

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Conyers
Cooksey
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter

Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McHugh
McInnis
McIntyre
McKeon
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sandlin
Sawyer
Saxton
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Stark
Stearns
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—34

Condit
Costello
Deutsch
Farr
Filner
Frank
Greenwood
Gutierrez
Hastings (FL)
Hinchey
Honda
Kilpatrick
Kolbe
Kucinich
Lee
Lofgren
McGovern
McKinney
McNulty
Meek (FL)
Miller, George
Olver
Sánchez
Sanders
Schaffer
Schakowsky
Stenholm
Tancredo
Taylor (MS)
Thornberry
Waters
Watson (CA)
Watt (NC)
Wexler

NOT VOTING—12

Baldacci
Blagojevich
Holt
Hulshof
Leach
Portman
Rangel
Rodriguez
Smith (WA)
Spratt
Traficant
Weller

□ 1143

Mr. DEUTSCH changed his vote from "aye" to "no."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. PORTMAN. Mr. Speaker, on rollcall No. 112, I was unavoidably detained. Had I been present, I would have voted "aye."

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. McNULTY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 372, noes 47, answered "present" 1, not voting 14, as follows:

[Roll No. 113]

AYES—372

Abercrombie
Ackerman
Akin
Allen
Andrews
Armey
Baca
Bachus
Baker
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonior
Bono
Boozman
Boswell
Boucher
Boyd
Brady (TX)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mink
Mollohan
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Sullivan
Sununu
Sweeney
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Upton
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NOES—47

Aderholt
Baird
Baldwin
Borski
Brady (PA)
Brown (FL)
Capuano
Costello
Crane
DeFazio
Filner
Fossella
Gillmor
Gutknecht
Hefley
Hilliard
Johnson, E. B.
Kennedy (MN)
Kucinich
Larsen (WA)
McDermott
McNulty
Miller, George
Moore
Moran (KS)
Oberstar
Olver
Pallone
Peterson (MN)
Ramstad
Sabo
Sánchez
Schaffer
Stark
Stupak
Taylor (MS)
Thompson (CA)
Thompson (MS)
Udall (NM)
Velázquez
Visclosky
Waters
Watson (CA)
Watt (NC)
Weller
Wicker
Wu

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—14

Baldacci
Ballenger
Blagojevich
Bonilla
Clayton
English
Holt
Hulshof
Leach
Linder
Rangel
Rodriguez
Smith (WA)
Traficant

□ 1152

So the Journal was approved.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the bill, H.R. 3231.

The SPEAKER pro tempore (Mr. LaHood). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

BARBARA JORDAN IMMIGRATION REFORM AND ACCOUNTABILITY ACT OF 2002

The SPEAKER pro tempore. Pursuant to House Resolution 396 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3231.

□ 1152

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3231) to replace the Immigration and Naturalization Service with the Agency for Immigration Affairs, and for other purposes, with Mr. LaTourette in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Wisconsin (Mr. Sensenbrenner) and the gentleman from Michigan (Mr. Conyers) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. Sensenbrenner).

Mr. SENSENBRENNER. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, it is beyond time to restructure one of the worst-run agencies in the Federal Government, the Immigration and Naturalization Service. The INS has long been considered the undesirable and unwanted stepchild of the Justice Department. It carries out neither of its crucial missions well, enforcing our immigration laws and providing services to immigrants playing by the rules.

Today, we must stop being enablers, stop giving more and more money to an agency as a reward for squandering the money we gave it the year before. We must practice tough love and abolish the INS.

In its place, we need to create two separate immigration bureaus in the Justice Department, a Bureau of Immigration Enforcement and a Bureau of Citizen and Immigration Services. This is what the Barbara Jordan Immigration Reform and Accountability Act of 2002 is all about.

I am proud of the work of the Committee on the Judiciary in crafting this legislation on a cooperative and bipartisan basis.

Barbara Jordan, our distinguished former colleague, chaired the U.S. Commission on Immigration Reform. The Commission came to the conclusion that the INS suffers from institutional schizophrenia, or mission overload. It explained that the INS must give equal weight to more priorities than any one agency can handle. Such a system is set up for failure, and with such failure, a loss of public confidence.

That is exactly what has happened. The public no longer has faith in the INS. The public is right, and this bill abolishes this agency.

Some say INS stands for "ignoring national security." It is hard to argue with that. There are at least 8 million illegal aliens living in the United States, according to the Census Bureau. Over 300,000 criminal and deportable aliens who have been ordered deported, and removed by immigration judges, have absconded and the INS does not have the slightest idea where they are.

Mohammed Atta became a household name after September 11 to everyone but those in the INS, which approved Atta's visa to attend flight school long after he had completed it, and 6 months after he hijacked a plane, flew it into the World Trade Center, and killed thousands of people of various nationalities.

This bill creates a new Bureau of Immigration Enforcement, headed by a law enforcement professional and focused singly on crafting and carrying out policies to enforce our immigration laws and keep Americans safe from terrorists, criminals, and other aliens who wish to do us harm. National security will be given the attention it deserves.

Others say INS stands for "incompetent and negligent service." It would be hard to argue with them, either. The agency had a backlog of almost 5 million applications and petitions at the end of fiscal year 2001. It takes the INS years to adjudicate a green card application. It takes years for a naturalization applicant to become a U.S. citizen, and during this time, lawful immigrants trying to play by the rules must live in a state of purgatory.

Let me give one example. Green card applicants must have their fingerprints taken on a card like this. Now, for legitimate law enforcement reasons, fingerprints are only valid for 15 months. However, when the INS takes years to process a petition, a prospective immigrant must take off work multiple times and often go out of the way to a fingerprinting center, two more cards.

Even apart from the INS' slow-paced processing, very often they lose the fingerprints. And guess what? The alien has to have his fingerprints retaken. Here is strike four.

This bill creates a new Bureau of Citizenship and Immigration Services, headed by a professional in adjudicating government benefits. It will have the sole mission of adjudicating and providing benefits to aliens. The Bureau will bring the attention, the independence, and the budget to the immigration service issues that have been neglected far too long.

The bill also creates an Office of the Ombudsman, independent of the service bureau. Currently, when aliens and their attorneys reach their wit's end with the INS, they approach their Representatives and Senators for help. My district caseworkers spend more time dealing with the INS than with any other Federal agency, including the IRS. Thankfully, my staff and those of all of the Members can often help immigrant constituents, but immigrants need an effective advocate within the bureaucracy so they do not come to their Representatives' offices in the first place. The Office of the Ombudsman will be that advocate. It will have the duty of recommending better operating methods for the Bureau and monitoring its performance.

The Office of the Ombudsman will help infuse accountability into the immigration bureaucracy.

The two bureaus created by this bill will have their own set of offices to focus on and carry out their respective missions, including policy and budget shops. The bill also creates within the Justice Department an Associate Attorney General for Immigration Affairs to oversee and to supervise the bureaus and to coordinate the administration of national immigration policy. This will elevate immigration issues to the level they deserve.

I urge my colleagues to support this bipartisan, commonsense bill. It will result in true immigration reform, better service, better security, and it is long overdue.

Mr. Chairman, I reserve the balance of my time.

□ 1200

Mr. CONYERS. Mr. Chairman, I yield 10 minutes to the able gentleman from North Carolina (Mr. Watt), a member of the Committee on the Judiciary.

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentleman from Michigan (Mr. Conyers) for yielding me time. I assure him that I will try not to take the entire 10 minutes that he has granted to me for this purpose. But I did think it was important for somebody to come and make the case against this bill and to try to put in perspective what we are trying to do.

Mr. Chairman, I have heard throughout the debate on the rule and even the beginnings of the debate on the bill some claims about what this bill will do, which I think are gross overstatements and exaggerations. One of those during the rule debates, somebody came and said that this bill would do something to keep Mohammed Atta from going to flight school in this country. I just think that is a gross exaggeration and the public should not be expecting magic from this bill.

I heard somebody say that this is a Democratic bill. My response to that is that immigration policy is neither Democratic nor Republican. We should be trying to do what is in the best interest of the public, and this should not be about politics. I have heard people say that this bill will make immigration services and enforcement more efficient. And I have some very, very serious reservations about that. In fact, I believe the bill could make matters substantially worse, and I think we need to spend some time talking about that.

This bill divides administration and enforcement into two separate bureaus. The INS historically has been all under, and immigration has been all under, one agency in the Department of Justice. This bill would divide it into two separate bureaus. What exactly does that mean? It means, first of all, that you have got to have records, and those records have to be housed somewhere. Right now they are housed within the INS. I am not sure where they will get housed in this new two-headed monster. Right now this agency is perhaps the worst agency in America, in the Federal Government. It is still using paper records in an electronic age. But the notion that somehow dividing the agency into two separate bureaus is going to solve that is beyond me. I just do not understand that. You have got one inefficient, unproductive INS now. It seems to me that what you are going to end up with is two inefficient agencies at the end of the day once this bill is passed.

What does that do to communications? At least within this body we can stand here on the floor and talk to each other. Imagine if half of our body was in the Senate and half was on this side, would that, in fact, improve communications? I do not think so. They say, well this is all about funding. Well, I have spent some time under separate and unequal. It seems to me at that point what is happening now even in the existing INS is that enforcement is getting disproportionate amounts of money. Administration is not getting enough money, and now you are setting up a system where that can be formalized; and I guarantee you at the end of the day enforcement will always get the bulk of the money. Administration will still be inefficient, and it still will not help make this a better agency.

The INS is inefficient. It is probably the most inefficient government agency in America. But moving it down the hall and making it a two-headed monster will not make the agency more efficient. It will make it arguably less efficient. Will the lines at INS be any shorter? No. It just means you will have to go to a different place to stand in line. You will be standing in line in some agency in the Justice Department rather than standing in line in some agency at something called the Immigration and Naturalization Service.

Now, let me tell you, perhaps the biggest problem that I have with this bill is that at the end of the day everybody who supports it is going to go home to their congressional districts and tell America that we did something. We did something. Well, you did something. Maybe that is what you have done to keep the dissent down because we have not heard any dissent about this bill. People are frustrated. Yes, they are frustrated because the INS is inefficient. And you are telling people, yes, we are going to do something. But what does this bill do? It does not do anything. All it does is take an inefficient agency and make it two inefficient agencies. And let me tell you that putting Barbara Jordan's name on this bill will not make it a good bill. It does not make it a good bill. You cannot take a bad bill, give it a different name, and all of the sudden say that you have got a good work product. That does not work.

Doing something even if it is wrong is not in the public interest. And we can go home and tell America that we have solved America's immigration problems. We have created an agency that will solve the problems with immigration and the problems with Mohammed Atta and all of the things, at the end of the day this bill does nothing. And we are doing a disservice to side-step the issue rather than facing it and dealing with it forthrightly within the agency that currently exists.

I know that the rest of this debate will be about how great this bill is. But we need to search our souls in this body. Is this about politics? Is it about being able to go home and tell America that we have done something substantive to solve the immigration problems in this country, to solve the inefficiencies in this agency, or have we just transferred the problem down the hall? I believe that is what this bill does, and I plan to vote against it for that reason.

Mr. CONYERS. Mr. Chairman, I yield myself 1¼ minutes.

First of all, I want to thank my colleague for his very sobering interactive examination of this bill. It pains me that we are not on the same side, but I promise to work with him to make it as effective as we can. I remind him and all of our colleagues that this is the administrative part, the process part of the legislation towards INS. This is not the substantive issues being taken care of. And I cannot agree with my colleague, the gentleman from North Carolina (Mr. WATT), more, that dividing an ineffective agency into two does not make it a whole or well, and putting Ms. Jordan's name on it does not help. Her name was not snatched up from the rolls of ex-Members. She conducted the study upon which this bill is built.

If any of us are interested in why this bill was named after our colleague that formerly served on the Committee on the Judiciary, it is because she was appointed by the President to make a study.

Mr. Chairman, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania (Mr. GEKAS), the chairman of the Subcommittee on Immigration and Claims of the Committee on the Judiciary.

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, everyone in the country knows that the status quo in the Immigration and Naturalization Service cannot be maintained. We must change it. We were taking a bold step today consistent with other studies and other precedents set that will take us down a path in which reform will really be possible within the purview of the Immigration and Naturalization Service.

I remember just like it was yesterday during the campaign of the year 2000 where then-Governor George Bush of Texas, the candidate for President, actually proposed that if he should become President he would move towards placing on his agenda the restructuring of the Immigration and Naturalization Service. Soon after the election then, many members, including the chairman and myself, began the work of restructuring the INS pursuant to what we felt was a move on the part of the new President based on, as was indicated, Barbara Jordan's commission recommendations and lo and behold today we are poised ready to put into practice what we have been preaching since the President began his movement towards new formation in the Immigration and Naturalization Service.

The beautiful part to me is, and one of the most attractive features of the new structure is, that we are going to be providing under this better service, better service in that portion of the Immigration and Naturalization Service that deals with new immigrants, and the process by which a new immigrant becomes an American citizen.

For the first time, the first time I repeat, we are elevating the art of citizenship to a new level to make it known to the people seeking citizenship that this is an important, vitally important and valuable step that they are seeing. So by the time they come to take the oath of citizenship, they are really eager new Americans ready to take their part in our structure in our society for the betterment of all the people in our country. Better service is one of the indicators in the new structure that we are putting into place.

At the same time, we are providing better security because the law enforcement pillar of this new structure will focus, will concentrate, will make sure that the workings of that arm of Immigration and Naturalization Service will be so concentrated that we will see stronger border efforts at keeping illegals out, better screening of all of those who enter our country, and controlling of the now illegal portion of the populace insofar as deportation.

So now we have in front of us a potential new system in which we can place our full efforts to make it work. And that is why we are taking the chance, but it is a calculated chance on taking two structures and having them fold within themselves, extra effort to make immigration and naturalization work.

Mr. CONYERS. Mr. Chairman, I yield 6 minutes to the gentlewoman from California (Ms. LOFGREN), who has worked hard on this matter.

Ms. LOFGREN. Mr. Chairman, I do not think there is anybody in the House, or for that matter in the country, who disagrees with the proposition that this is an agency that is a mess. If we took a poll probably it would win as the worst Federal agency. It might have some competition from the Bureau of Indian Affairs, but it is probably the worst Federal agency. The question is what to do about it. I voted against this bill because I fear that although there is no question that the authors and proponent have complete sincerity and have worked hard to fix the problem, I fear that some of the details in this bill may actually have the effect of making things worse. Some of the things that concern me, and in this case the details do very much matter, is the new Associate Attorney General that the bill creates to replace the current commissioner.

Now, there is broad agreement that the enforcement and so-called benefits division would benefit from some separation, that there would be value in having some focus in each of those activities. After that is where we get the problem. Under the bill, the new Associate Attorney General actually has a higher position than the current commissioner, but unfortunately does not have very much authority.

□ 1215

He does not have line authority over the two new bureaus that would be created, and I think that is a serious problem when we are looking to a strong management to fix the problems that are in this agency.

Furthermore, I think there is a problem with the criteria that is within the bill for the selection of the new bureau chiefs; and I will just point out one concern I have, which is the bureau chief for the new benefits division is required to be someone with 10 years of Federal benefit processing experience. That is a recipe to say we have got to have a bureaucrat, a long-term Federal bureaucrat head up this agency. And I would argue that the people who are in that role are the problem, they are not the solution. So I have a concern that we will end up regretting that provision of this act.

I also have a concern about the structure that will be embedded in law about the field office. One of the concerns that all of us who have worked with the Immigration Service have had over the years is the fiefdoms that exist in field offices throughout the United States. If someone goes to an office on the West Coast and they go to an office in the Midwest, they will get a different ruling on what the law is. That is ridiculous, but that is the way the Immigration Service is currently organized. It needs to be changed, and passage of this act will prevent that change from occurring.

The Office of Children's Services I think is a step forward under current law, but it does not go as far as the bill that has been introduced by Senator FEINSTEIN in the other body, and myself on this side, and I hope that we could go further than is encompassed in this bill.

Finally, I believe that the issue of management really does need to be addressed in this bill. I had several amendments offered in committee that were withdrawn to avoid a sequential referral to another committee, but if we look at the culture that has grown within this agency, we have got middle managers who have been there for years. They know they are going to be there after the Commissioner or the Associate Attorney General, whoever it is, is gone.

We need to clean house in the management ranks. We have in the manager's amendment a pilot project that will help us do that, but we also need to give the Commissioner or the Associate Attorney General real authority to select new management from the private sector without regard to the attenuated process that we face today. We need to clean house, and we have not in this bill given the tools necessary to completely clean house in the management ranks; and I am not talking about the rank and file, but the management.

Finally, we have an amendment I will discuss when it comes up, but an amendment to assist with the procurement of technology, because in addition to management weakness in the agency and in the middle management ranks, this is an agency that is in the dark ages technologically.

I was interested in the comments made by the chairman about the fingerprints. He is absolutely right. It is just crazy that we have people come in over and over and over again. The reason for that is, although the technology is available off the shelf, we have got the creation of microfiche and paper files. We have not implemented technology that is really necessary to get beyond the current state in this agency, and frankly I do not think there is the management capacity to even understand what technology is required in the agency.

I am hopeful that as this process moves forward, we will be able to address the issues that I have raised today, and I thank the chairman and the ranking member for their very sincere and diligent efforts to reform this agency. Although I disagree on some components, I do recognize that they care a great deal about this, and I honor them for their work.

Mr. SENSENBRENNER. Mr. Chairman, I yield 6 minutes to the gentleman from Kentucky (Mr. ROGERS), who as chairman of the Committee on Appropriations, Subcommittee on Commerce, Justice, State and Judiciary, has been a leader in reforming the INS.

Mr. ROGERS of Kentucky. Mr. Chairman, I thank the gentleman for yielding me this time and for his comment.

This is a day that I have long waited for as have many others in this body and, more importantly, around the country, and I am very pleased and honored to support the Barbara Jordan bill. This has been a long, long road, but with the leadership of the gentleman from Wisconsin (Mr. SENSENBRENNER), we have come together and crafted I think an excellent bill worthy of this Chamber's support. And I deeply appreciate the time, the effort, the dedication to this cause that the gentleman from Wisconsin (Mr. SENSENBRENNER) has invested in bringing this legislation forward. He should be commended by all of us.

This bill differs a little from the reform bill that I had pending for a few years along with the gentleman from Texas (Mr. REYES) and the gentleman from Texas (Mr. SMITH), but it is a good bill. It goes, I think, 90 percent of the way that we need to go.

Mr. Chairman, the bill before the House is an essential piece of legislation. It will bring some accountability to this immigration system, and reforming and reorganizing the INS has been an issue near and dear to my heart as well as many others. Having taken on the chore myself several years ago in the appropriations subcommittee that funds the INS on which

I have served some 19 years, including 6 as chairman, we have all seen firsthand the harm this agency has caused to our citizens because of its dysfunction and ineptitude.

We have seen it on the enforcement side where tens of thousands of illegal aliens storm our borders every year, and we have seen it on the service side where backlogs and mismanagement have left legitimate applicants waiting in line for years. I believe there is no greater privilege that this Nation can bestow on anyone than American citizenship, but unfortunately too many applicants have been let down by this system.

Simply put, and I have said it a hundred times, the INS is the worst-run agency in the United States Government. Its missions are inherently conflicted. On the one hand, they are to punish those who violate the law, but on the other hand they are supposed to help people achieve the rights and privileges that our country affords them. In many cases, we are talking about the same people. This causes confusion, frustration, not only among the rank-and-file employees, but the immigrants themselves.

It may be Congress' ultimate failure in creating such a convoluted system, but we stand here before the House today, determined to fix it once and for all.

The answer is not more money. We have poured money on this agency and agreed to its pleas and justifications. The INS budget has grown over 300 percent in just the last 8 years, from a level of $1.58 billion in 1994 to today's level of $5.5 billion. In fact, the INS account now consumes over 23 percent of the entire Department of Justice budget.

The answer is not more staffing for border control. We have increased border patrol agents dramatically, from 3,900 in 1993 to over 10,000 authorized positions today, and despite our generosity, INS over the years failed to completely hire the full number of agents funded by the Congress, diverting the money to other things.

Simply put, INS has been unable to effectively control the borders and has no strategy to remove people who overstay their limited visas. The only answer to this agency, I have come to conclude, is to simply abolish it, dismantle, start over, and this bill achieves that by separating these conflicted missions of the INS.

The new Bureau of Citizenship and Immigration Service and the new Bureau of Immigration Enforcement will keep to their tasks and focus solely on their respective specialties, ultimately providing for the common good of the Nation. And, as has been said, a new Associate Attorney General will be created, giving immigration affairs the full credit and importance it deserves within the Justice hierarchy. This legislation will help secure the homeland and bring sanity to our immigration system.

The legacy left behind by INS is not a pretty picture: 8 million illegal aliens, some 40 percent, 2.8 million, being illegal overstays of certified visas that came here legally; a backlog of 5 million unadjudicated petitions for immigration benefits.

The citizenship U.S.A. debacle where thousands of individuals with criminal records were naturalized as citizens because the INS told the FBI we do not need the background checks, we will just go ahead and make them citizens.

The IDENT malfunction. INS spent $68 million on a failed alien identification system that resulted in the Border Patrol's releasing serial killer Rafael Resendez-Ramirez, who was on the FBI's 10 most wanted list, had criminal and State prison records, and had been deported by the INS three different times. They let him loose.

Mr. Chairman, I urge the adoption of this bill. This is the way we need to go. Do away with an agency that cannot handle the mission we have given to it.

Mr. CONYERS. Mr. Chairman, I am pleased to yield 3½ minutes to the gentleman from Texas (Mr. REYES), the Chair of the Hispanic Caucus, who himself has worked in this area, has introduced legislation, worked with the Judiciary Committee many times.

Mr. REYES. Mr. Chairman, I thank the gentleman from Michigan for yielding me the time, and I want to thank both the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS) for their commitment to drafting a bipartisan bill that addresses the many needs of our immigration system. Therefore, I rise in strong support of the Barbara Jordan Immigration Reform Act.

The chairman and the ranking member are to be commended for working together and bringing a great bill to the House floor. As we discuss the issue of INS restructuring today, it is important to distinguish between the men and women in the field and the bureaucracy at INS headquarters when we talk about restructuring INS.

INS headquarters has failed the people who work for them more than anyone else. As a former border patrol agent, INS inspector, and chief patrol agent, I know about the sense of duty to one's country and the pride in a job well done that the people who wear the INS uniform are committed to doing today. It is for the men and women in the field that we must restructure this agency.

There is no escaping the fact that INS is failing. Even those very reluctant to restructure the INS just a year ago are now advocating this same change. The bill we are debating today is the type of change we need. This change is more dramatic and effective than the White House plan which has changed again since the events surrounding the student visa debacle of a month ago.

Late yesterday the White House endorsed this bill with conditions, expressing concern with some of the components of this bill. From my perspective, it is time for the White House to get engaged and support this bill without any restrictions.

I have seen more than five INS restructuring proposals from the Democratic and Republican administrations since I have been in Congress, and countless others during my 26 years with INS. They all failed because cooking the books and changing some of the titles never really gets the job done. We need to do more than shuffle boxes if we are going to reform the INS.

Let me just say that I am today not piling on. I have a vested interest in the INS. I spent more than 26 years with the INS and I want to see our Immigration Service properly serve our country like I know that it can. I want to see this conflicted, struggling agency elevated in stature as it is the Sensenbrenner bill so that it will receive the kind of attention and support that it deserves. A well-functioning immigration system is critical to our national security.

I have advocated for restructuring since I first arrived in Congress a little more than 5 years ago. I introduced two bills and have cosponsored many other restructuring bills with my colleagues from both sides of the aisle. I believe that INS needs a legislative remedy, not the shuffling of boxes that is currently being proposed from within INS again.

I strongly support restructuring the INS as a first step in the recovery of our national immigration system. After we restructure and place competent and experienced people at the head of each bureau, they must surround themselves with experts and they must listen.

□ 1230

I believe that the new bureau should follow the FBI model and surround the head of the bureau with experienced field personnel.

Congress must remain committed to these new bureaus and the new Associate Attorney General more than ever to ensure the success of our national immigration system. This bill includes language stressing equally important roles of the immigration service's bureau and the enforcement bureau and includes a sense of Congress that both bureaus must be adequately funded.

Finally, Mr. Chairman, to my former colleagues in INS, I say to you that this bill expresses a commitment from a grateful Congress to provide you with the tools and the kind of organizational structure that will make a meaningful difference in your everyday duties and work.

Mr. SENSENBRENNER. Mr. Chairman, may we find out how much time is remaining on both sides.

The CHAIRMAN. The gentleman from Wisconsin (Mr. SENSENBRENNER) has 14½ minutes and the gentleman from Michigan (Mr. CONYERS) has 11½ minutes remaining.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of this immigration reform. It is a long overdue immigration reform. This, however, is the one reform that will work.

The INS has a well-documented history of being an unworkable bureaucracy despite the fact that there have been billions of dollars poured into the agency in the name of reform over the last several years. On a regular basis, my district offices received more complaints for help on immigration issues than on health care issues or Social Security issues combined.

Other congressional offices have found that the complaints about the INS outnumbered IRS complaints six to one. That is hard to believe. Everyone expects that we are going to get calls about the IRS, but the INS? Six to one. Backlogs are the issue, undocumented aliens are the issue, expired visas are the issue. In fact, everything is the issue.

Still, it seems that the problems our constituents face are not unique regarding this troubled agency. It is just a troubled agency. In fact, the problem goes beyond the everyday operations of the INS and, as we know, has now risen to the level of national security.

The INS currently has a massive backlog. The recent approval of visa extensions for two of the deceased September 11 hijackers only serves to highlight the severe nature of this problem.

At the end of fiscal year 2001, the INS had a backlog of 4.9 million applications. That is 4.9 million people. That is a lot larger than a number of a dozen congressional districts put together. That is a lot of people. That is a lot of applications. These numbers represent families and hardworking individuals who are being torn apart because of these ridiculous administrative delays.

Numerous commissions, notably the Commission on Immigration Reform, chaired by the late Barbara Jordan, have reviewed the INS and most agree the major problem is mission overload. The INS is tasked with dual missions. It is imperative that we support this INS reform. It separates the missions, and it will be a real reform.

The AIA will consist of two separate bureaus—the Bureau of Citizenship and Immigration Services and the Bureau for Immigration Enforcement.

The Bureau of Citizenship and Immigration Services will work to improve (1) effectiveness, (2) response time and (3) service to immigrants.

The Bureau for Immigration Enforcement will solely focus on immigration security, ensuring it receives the level of attention and detail that it requires.

Separating the two bureaus will ensure a proper focus and resource allocation to each mission. It will relieve the problem of having an agency with conflicting missions.

In addition, the legislation creates an Associate Attorney General for Immigration. This new position answers directly to the Attorney General and ensures that immigration policy is given proper attention. The Associate Attorney General oversees the work of each bureau, supervises the bureaus directors, coordinates the administration of national policy and reconciles conflicting policies.

Finally, the legislation addresses many of the problems with processing applications. First, the bill authorizes funding to process the entire current backlog. Second, the legislation mandates the creation of an Internet-based application process. Third, the legislation facilitates the sharing of information across all pertinent agencies.

This legislation is a necessary step in fixing a broken immigration system. Efforts by prior administrations to make changes to the INS have failed because they did not separate the conflicting functions of the current agency.

Congress has increased appropriations to the INS by $4 billion over the past 10 years with little to show for it as a result.

This legislation mandates the necessary structural changes to reform our immigration system and protect our borders.

It is imperative to our future—in our country of immigrants that we support this restructuring.

Mr. CONYERS. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Texas (Mr. GREEN), who has worked on this matter with us.

Mr. GREEN of Texas. Mr. Chairman, I thank the gentleman for yielding me this time to address the House. I have been a cosponsor on this bill with the gentleman from Texas (Mr. REYES) since 1997, when he first came to Washington, who has much expertise, with all his years with the Border Patrol and INS, and in dealing with the issue in my own district.

In Houston, it can take up to 3½ years to process green card applications. Immigrants must often wait long hours under extreme weather conditions before even setting foot inside the INS office. And for most immigrants, this is not the only time they will go. The separation of law enforcement from the naturalization process is so needed. I am glad that my colleague brought my attention to that in 1997 and that it is in the bill we are seeing today.

We must replace the INS and ensure all Americans their government is competent enough to distinguish between immigrants who are hard working and those who want to terrorize our citizens. This bill will replace the INS with an Agency for Immigration Affairs in the Department of Justice, headed by an Associate Attorney General for immigration affairs.

The two bureaus under this agency would have different responses, and that is what we need. And I want to thank the Chair of the Judiciary and the committee for bringing this bill out.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. BACHUS), a member of the committee.

Mr. BACHUS. Mr. Chairman, when terrorists were positively identified, the INS could not program its computers to find out if they had any information on those terrorists. Not only that, but they issued them visas.

The story of the INS' approval of terrorist visas illustrates that our immigration process is a total failure. But as is often the case, the people back in our districts and in our home States, they realize this before we do.

In fact, I got a letter from Michael Burns from my district in December. He describes an accident where a car hits his wife's car and then a car piles into both of those. Both drivers were illegal aliens, no driver's license and no documentation. When the police officer was asked what would happen to these people, how would they be kept up with, would they be deported, would they be held accountable, they were told there is not an INS representative in Birmingham; that they were wasting their time; we are wasting our time.

What about a county sheriff who on this last visit home told me that he stopped 15 illegal aliens in a van. There were drugs in the van, marijuana. They had no documentation and an expired driver's license. He called the INS; he was told there is no one to deal with the problem. There is no one to deal with the problem.

Far more disturbingly, and let me close with this, are the illustrations of over 100,000 illegal aliens who have been brought before the courts and charged with crimes, convicted of crimes, and told to be deported. Are they deported? No. What happens? They receive a letter. They receive a letter. That is all.

This bill is a step in the right direction.

Mr. Chairman, I include for the RECORD the letter I referred to earlier:

LIBERTY NATIONAL
LIFE INSURANCE COMPANY,
Birmingham, AL, December 17, 2001.

Congressman SPENCER BACHUS,
Cannon House Office Building, House of Representatives, Washington, DC.

DEAR CONGRESSMAN BACHUS: On Wednesday, December 12, 2001, my wife was involved in a traffic accident, while this is certainly not a Federal issue the events surrounding the accident I feel need to be brought to your attention. Her car was struck in the Hoover area by an illegal immigrant who spoke no English, carried no Alabama state drivers license, had no insurance, but is employed at a local Mexican restaurant and has been in

Alabama for over two years. The individual in the third car, who was also an illegal immigrant, had no driver's license at all and no insurance. Additionally when my wife asked the Hoover officer at the accident site what would happen to this individual she was told "probably nothing, the State of Alabama does not allow us to deport them unless there is a crime committed with then goes through INS". This came as a shock to both my wife and myself. When I did some checking I was told there is not even an INS representative in Birmingham full time. These individuals are in this country illegally, pay no U.S. taxes and can hit someone and virtually walk away! While I am forced to pay a $500.00 deductible on my insurance to be able to get $2,100 worth of damages repaired. This is shameful. As a taxpayer, constituent, and loyal financial supporter of the Republican Party (in excess of $2,800 during the last election, PAC National and state party contributions), quite frankly I resent this type of conduct from the Federal Branch of our government. While I am actively pursuing action against this illegal alien through the City of Hoover I would like to know what I can do, and what your stand is as my congressman on this situation.

Congressman, I know you get many letters that are considered "off the wall". However, as a Vice-President of Alabama's largest insurance company and as a longtime resident of your congressional district, I want to assure you that I do not write this letter lightly, but rather out of concern over a situation that is apparently getting out of hand in the City of Hoover. I await your response. The best to you and your family for the holiday season.

Sincerely,

G. MICHAEL BURNS,
Vice President Mass Marketing.

Mr. CONYERS. Mr. Chairman, I yield 6 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE). No one has worked harder on the Committee on the Judiciary than the ranking member on the Subcommittee on Immigration and Claims; and I really want to praise her for her work.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member very much for yielding me this time and for his persistence and willingness to be engaged in the ongoing negotiations that have resulted in the legislation that is on the floor today, and I thank him for the kindness of his remarks.

There are many people to thank, Mr. Chairman. It is extremely important, of course, to acknowledge that this is a product of the Committee on the Judiciary, with 32 votes of the members of the Committee on the Judiciary on this particular legislation; and so there is much appreciation to be given the chairman of the full committee and of the subcommittee, along with the enormous help that we received from the diligence of our staff. In particular, I would like to acknowledge Avery Brown and Leon Buck of my staff for the work they did in this effort.

It seems when we come to the floor of the House on a day like today, talking about an agency such as the INS, we could become focused on the importance of the work that is being done, and I believe that this body, this forum, this House, is a place for vigorous debate. I acknowledge that we had begun this discussion with vigorous debate on the opposition to this legislation, and I think it is important that we have a full debate and that we listen to the concerns.

Let me join my colleague, the gentleman from Michigan (Mr. CONYERS), and say that I look forward to working with any number of Members to make sure we concern ourselves with an ongoing process. Even though this debate is not about the Mideast tragedies, I have always said that the way to solve the tragedy of the Mideast is ongoing negotiations and peace negotiations.

In order to fix the INS, after we have abolished the INS, it will take all of us in an ongoing oversight role to ensure that the work is done and that we answer the concerns. I have been gratified to have been able to work with the Congressional Hispanic Caucus and other Members, including the chairperson, the gentleman from Texas (Mr. REYES), on this.

We are grounded in the underpinnings of the U.S. Commission on Immigration Reform, that our own former colleague, the late Barbara Jordan, headed. Her name, as the gentleman from Michigan (Mr. CONYERS) indicated, did not come randomly and is not in any way to undermine, diminish, or to suggest any irony in her selection. It is to recognize the work she did early on when we did not confront the horrors of terrorism and the heinous acts of September 11. Barbara Jordan's commission sought, in the calmness of the day and the confusion that abounded even then with the INS, to begin to set the Nation straight.

I think she brought about a balance that we have tried to keep in this legislation. It is procedural, it is not of substance, but we do maintain the concept that immigration is in fact a part of a system of this Nation; that we are a Nation of laws, but we are a Nation of immigrants; that immigration does not equate to terrorism.

In the crafting of this bill we have tried to stay away from castigating and denigrating hardworking immigrants who have come to this country simply to offer themselves, to share in the bounty but to work hard. Like those immigrants that I am working with in my district, who happen to be Palestinians, a family of nine, who are in a detention center now even though one of their children is a United States citizen. Obviously, they are under the color of the terrible politics of the world right now, but we are working to ensure that those immigrants, who owned a store that sold United States flags, can have the opportunity to access legalization.

This legislation answers the concerns of those who would want to fix the INS. It abolishes the INS. And, yes, I stand by the words that I said earlier, this bill is a bill that draws together Americans, Democrats, Republicans, and others, because this bill is a work of a compromise of bills that were promoted by Republicans and Democrats in this House. That is the system in which we work.

This is a bill that has at the top the Associate Attorney General and divides the INS into two bureaus. But it is not a bureau that is in conflict or in confusion. It is a bureau, of course, that will work together. Two consistent bureaus of enforcement and services, one general counsel that will coordinate the laws that will affect the running of the INS. There will be vertical coordination, where the district offices are coordinated with the Washington offices. There will be more support for the Border Patrol in enforcement. There will be a children's bureau, so that unaccompanied minors can be protected. And, hopefully, the amendments that we pass will, in fact, work.

Lastly, Mr. Chairman, let me simply say, appropriations, money, will be guided to this agency. This service-oriented bureau, in particular, is fee generated, but we are going to discuss and debate an amendment that I hope my colleagues will accept that will provide for a study that will determine whether the fees that we are generating out of the service bureau is enough to make sure that my colleagues who have two and three and four staff members who are handling immigration in their district offices will in fact have the resources to get the job done.

Today, we abolish the INS; but we also stand on the premise that we are a Nation of immigrants and laws. It is extremely important that the message from the United States Congress in a bipartisan way is to embrace the founding principles of this country, where all of us came here to work and seek opportunity but, at the same time, recognize that the Immigration and Naturalization Service, this new agency, must stand on the underpinnings of law, protecting us against illegal immigration but allowing those to access legalization.

I believe this is a bill that begins that, Mr. Chairman; and we will finish the job by working together.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. BARR).

Mr. BARR of Georgia. Mr. Chairman, I thank the gentleman for yielding me this time.

There is a graphic we have here that some might think is too harsh when describing a government agency. It shows the INS going into the wastebasket of history. In reality, Mr. Chairman, it is not harsh enough. It ought to be going through a shredder on the way to a wastebasket. For this agency and what it has done, we need to shred it, gather the shreds, burn them, gather the ashes, and distribute them among the four corners of the world so this agency, as it is currently constituted, can never again come together and endanger our security and be a disgrace to this country as the INS has been.

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Mr. Chairman, in years past, many might have looked at the problems with the INS, as we have heard chronicled here during this debate, and deemed them an irritant, a waste of money, a frustration.

However, now we know in the wake of the terrorist attacks of September 11, made successful in large part by the deficiencies in the INS, we now know that the problems with INS are more than an irritant, more than a waste of money, they are a threat to our Nation's security. We can no longer ignore them.

The gentleman from Wisconsin (Mr. SENSENBRENNER) is doing the right thing here. He is putting the horse before the cart. We are restructuring this agency before we tackle all of the substantive immigration reforms, the visa reforms, and the citizenship reforms that we must do. If we do not restructure the INS first, any subsequent substantive changes to INS and to the immigration system or immigration categories will be doomed to failure. We must restructure first, and this bill does that.

While H.R. 3231 and its enactment cannot guarantee we will not have a future successful terrorist attack such as our Nation suffered on September 11, we can say with certainty that its passage and enactment into law will give us a measure of confidence and security which we cannot ever hope to attain without it.

I commend the gentleman from Wisconsin (Mr. SENSENBRENNER) for this legislation. I urge its passage, and I commend the administration for its support.

Mr. CONYERS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I thank the chairman of the Committee on the Judiciary, the subcommittee chairman, the gentleman from Pennsylvania (Mr. GEKAS), and the ranking member, the gentlewoman from Texas (Ms. JACKSON-LEE) for taking us through an original bill that was not adequate. We worked on a substitute, and now we are able to come together in a bipartisan fashion that I think acquits the Committee on the Judiciary very well. I note that the chairman of this committee has been able to accomplish that on more than one occasion, so I am delighted that we will now consider some amendments, many of them that we think will improve the bill.

But I remind my colleagues that we have the other body in which we will come together in a conference as soon as they finish their work product, and one of the key issues is going to be the relationship of the Associate Attorney General to that of the current Immigration and Naturalization Service Commissioner.

We have met with the Commissioner. He has been before our committee more than once, and I think that is an important issue where we ought to work carefully with the Senate, and hope that we can reach harmony.

The bill is a structural bill. It is a process bill. The substance of how we are going to improve the Immigration and Naturalization Service really awaits the further work of the committee in this body and that in the other body; but I am pleased that we can work with the administration and with our Republican colleagues on dealing with a matter that it is perfectly clear is long overdue for reform. Today is a very important first step in that direction.

Mr. Chairman, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I would like to engage in a colloquy with the gentleman from Wisconsin (Mr. SENSENBRENNER) regarding two provisions in section 11 of the bill.

Mr. Chairman, I want to commend the chairman on a good bill which is long overdue. However, it is my understanding there are two provisions in section 11 that would create an additional requirement for discretionary appropriations. Specifically, subsection (b)(5) strikes a current fee collected by the INS to support the cost of processing certain immigrant applications, and subsection (b)(6) then authorizes appropriations for these applications. I further understand that this may require upwards of $1 billion over the next 4 years.

Mr. Chairman, is my understanding of these provisions correct?

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, the gentleman's understanding of the provisions is correct.

Mr. YOUNG of Florida. Mr. Chairman, I would like to point out that the current House budget resolution does not assume this additional requirement on discretionary appropriations. As a result, any funding for this provision, if provided in fiscal year 2003, will have to come at the expense of reductions in other important funding priorities, including those for homeland security and the war on terrorism.

Given the current budget environment and the demands on spending that we face, will the chairman be amenable to reviewing the need for these provisions during the conference deliberations on his bill?

Mr. SENSENBRENNER. If the gentleman will continue to yield, I will be happy to review these provisions during the conference.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for the opportunity to clarify this matter.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I commend the chairman of the Committee on the Judiciary for offering this very important legislation, and I am proud to be a cosponsor of the Barbara Jordan Immigration Reform and Accountability Act. This act is designed to address two very serious problems. The first: incompetent, negligent service that our constituents, the American citizens, and those who seek to comply with our immigration laws have faced for many decades with the INS. The INS had a backlog of 4.9 million applications and petitions at the end of fiscal year 2001. That is totally unacceptable.

In some congressional offices, complaints about the Immigration and Naturalization Service outnumber IRS complaints by a factor of 6 to 1. In my office, I am sure that it is several times more than that.

To give Members an example of the nature of this problem and the bureaucracy involved, because fingerprints that are taken by the INS for processing applications are only good for 15 months, some immigrants must have them taken 3 or 4 times while they wait for the INS to process their paperwork. Some people have to travel, as they do in my district, great distances to do that, or wait long periods of time before they have somebody appear in the district when they can have it done.

Over 300,000 criminal and deportable illegal immigrants were ordered removed by immigration judges, and have fled; 6,000 of those are from countries identified as al Qaeda strongholds. This is the one problem that we have with our current immigration system, it is ignoring our national security problems.

If the INS officials were "following their own policies, Atta would have never been allowed to enter the United States"; that, according to a 60 Minutes report on March 10 of this year.

We need to pass this legislation to support our President's proposal. To break the INS into two parts is an idea whose time is long past due, for better security and better processing for our immigrants.

Mr. Chairman, I am proud to be a cosponsor of H.R. 3231, the Barbara Jordan Immigration Reform and Accountability Act, and I commend Chairman SENSENBRENNER on his leadership in introducing this legislation and moving it forward.

America has always been a Nation of immigrants, people from varied backgrounds and distinct cultures who largely share a common desire for the freedoms and liberties, which are a birthright for native-born Americans. But with this rich heritage, vigilance is required from the Federal Government. We must be cognizant of who is entering the country, or we do our citizenry a disservice. With an estimated 8 million undocumented illegal immigrants residing in the United States, it is clear that the INS has failed in this duty.

There is no disagreement that the INS is in dire need of reform and the events of September 11 make it clear that the need for reform is more urgent than ever. Six months after the September 11 terrorist attacks, the Immigration and Naturalization Service mailed a letter to a flight school in Florida, notifying them that two of the hijackers, including alleged ringleader Mohammed Atta, had been approved for student visas. It would be a monumental understatement to say that the INS is woefully ill-equipped to handle immigration in this era of heightened national security.

In addition to INS' failure to adequately perform its enforcement responsibilities, INS has been inept in its service functions. My Congressional District offices, like those of every other Member of Congress, are inundated with complaints about INS. The INS had a backlog of 4.9 million applications and petitions at the end of FY 2001. Lost files, missing fingerprints, and lengthy delays are complaints that we hear on a daily basis. We owe our own citizens, as well as documented visitors and immigrants in this country, the attention and support that they deserve.

Between 1993 and 2002, Congress nearly quadrupled INS' operating budget. It is evident that piecemeal attempts to reform INS have been unsuccessful, and throwing more money and resources at INS has not solved its problems, which stem from competing priorities and missions within the agency.

It is time to acknowledge the failure of the current structure of the INS and take a comprehensive approach to reorganizing the agency. By separating the enforcement and service functions of the INS, H.R. 3231 will provide a clear mission, increase efficiency and ensure that the borders of America are protected from terrorism and other national security threats. I urge all of my colleagues to join me in voting for this important legislation.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2½ minutes to the gentleman from Florida (Mr. BILIRAKIS).

Mr. BILIRAKIS. Mr. Chairman, I rise in support of H.R. 3231, which will improve enforcement of our Nation's immigration laws and reduce the overwhelming backlog of applications for aliens wishing to enter the United States legally. The time has come to do away with the old Immigration and Naturalization Service, and implement a system that will work more efficiently.

Anyone wanting proof of this need only look to the March issuance of student visas to not one, but two of the September 11 hijackers. Six months after they died in their terrorist acts, the INS issued student visa approvals to them.

Clearly there is not only a need to restructure the INS, but also to reform our Nation's immigration policies with respect to foreign student visas. I submitted an amendment to the Committee on Rules which would have established a 9-month moratorium on the issue of student visas to allow the INS or the new Bureau of Citizenship and Immigration Services under this legislation, time to fully implement the student exchange and visitor information system.

My amendment also would have required the names, ages, and other appropriate information of student visa holders, accompanying spouse, and children to be included on the student visa documentation.

I believe these reforms are critical if we are serious about preventing known terrorists from entering the United States. At least one of the September 11 hijackers was in the U.S. on an expired student visa. Had the INS fully implemented the tracking system, this terrorist may have been behind bars, not hijacking a commercial airplane.

Unfortunately, Mr. Chairman, my amendment was not made in order and cannot be considered here today. It was considered nongermane. It is my hope there will be an opportunity for Members to debate substantive immigration policy reform in the near future.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. BILIRAKIS. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I am happy to inform the gentleman and Members of Congress that this issue was addressed in the bill H.R. 3525, which requires the INS to implement a student visa tracking system. That bill was passed unanimously on a voice vote by the House of Representatives on December 19. The other body passed this bill with amendments on April 18. We will be having a vote on concurring with those amendments some time shortly, and the student visa tracking legislation, together with an entry-exit system tracking, will be on its way to the President for his expected signature.

We are going to be across the finish line with this before the current bill goes before the President.

Mr. BILIRAKIS. Mr. Chairman, I thank the gentleman for that explanation. I was asking for a moratorium to give them an opportunity to get those things done.

Mr. SENSENBRENNER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would like to express my appreciation to all of the members of the committee, to the bipartisan committee staff, to the ranking member, the gentleman from Michigan (Mr. CONYERS), to the ranking subcommittee member, the gentlewoman from Texas (Ms. JACKSON-LEE) in putting together a bill which has huge bipartisan support.

I also express my thanks to the President and the Attorney General for recognizing the need for legislative action and restructuring the Immigration Service so that it can be functional.

I think we all recognize that this bill is not a panacea. The problems that we have heard about for the last 2.5 hours have taken years to develop: the 5 million backlog in processing applications for immigration services; the over 300,000 people who have had their day in court and have been ordered deported, that the INS has no idea where they are except that they are still in the United States of America.

So should this bill pass and be signed into law, which I earnestly hope that it will before this Congress expires, it will take a long time for us to put our immigration affairs back in order. But this is the essential first start, because if we do not restructure the INS, telling them that they are supposed to adjudicate millions more applications when they are 5 million behind is just going to mean that new immigrants will be at the bottom of the pile and will have to wait much longer.

To tell the current INS that they have to do a better job of enforcing against the Mohammed Attas that may still be in the country, when they have over 300,000 people already ordered deported and are still here, is going to complicate this system and have a further backlog. By restructuring the INS, we are on a good start. I urge Members to support this legislation.

Mr. TOM DAVIS of Virginia. I rise today in support of H.R. 3231, the Barbara Jordan Immigration Reform & Accountability Act.

The magnitude of the INS' problems is extraordinary—at the end of FY2001, it had a backlog of 4.9 million applications and petitions, thus forcing aliens trying to play by the rules to wait in limbo for years. The Census Bureau estimates that at least 8 million undocumented aliens reside in the U.S. Over 300,000 criminal and deportable aliens ordered removed by immigration judges have absconded. Much of the INS' failure stems from the conflict between its enforcement and service missions. Mr. Chairman, the INS is unable to adequately perform either of its missions. Rather, the agency appears to move from one crisis to the next, with no coherent strategy of how to accomplish both missions successfully.

Reponding to this national security crisis, H.R. 3231 would abolish the Immigration and Naturalization Service (INS) in favor of two new organizations that concentrate solely on different missions—one that would administer immigration benefits and one that would enforce immigration laws. This legislation promotes law and order by increasing accountability and creating a position for checks and balances between the two bureaus.

This bipartisan legislation ensures that the new INS bureaus will each have the proper mission and guidelines to assist those individuals who are ready to become U.S. citizens while cracking down on illegal immigrants and enforcing immigration laws and regulations. It will work to keep the terrorists out, but provide efficient and fair service to those that play by the rules when it comes to our immigration process. Additionally, this legislation will help to secure our homeland by placing a greater focus on immigration policy and making sure everyone is playing by the rules.

The Bureau of Citizenship and Immigration Services (BCIS) will concentrate on improving immigration services and reducing mediation backlogs for legal immigrants, while the Bureau of Immigration Enforcement (BIE) will deny admission to those that should be kept out of the U.S. BIE will also apprehend and remove those designated for deportment along the border and in the interior.

H.R. 3231 will create an Associate Attorney General in the Department of Justice who will only handle immigration affairs. The Associate Attorney General will supervise the two bureaus, resolve conflicts between them and help to hold the two bureaus accountable for their actions.

The INS has reorganized itself numerous times over the past two decades. Judging from its caseload and its failure to detect and detain terrorists, internal reorganization is not working. This bill creates a clear chain of command and greater accountability.

Mr. Chairman, I urge all of my colleagues to support this important national security legislation.

Mr. UDALL of New Mexico. Mr. Chairman, I rise today in support of H.R. 3231 and urge my colleagues to join with me in voting for an important piece of legislation.

This bill, inspired by the dedication and hard work of the late former Congresswoman Barbara Jordan of Texas, comes before the House at a crucial moment in our history. During the past several months, we have been forced to witness the difficult truth that our Nation's immigrant laws and agencies are in disrepair and in need of major structural changes. As a free Nation and open society built on the strength, ingenuity, hard work, and discipline of immigrants from around the world, this strikes us especially hard. I am pleased that the bill before us takes important steps toward improving our Government's management of immigration while preserving the ability of immigrants to build new lives for themselves and their families in the United States.

I am pleased to support H.R. 3231 for several reasons, not the last of which is its innovative approach to the reorganization of the Immigration and Naturalization Service (INS). Beyond reorganizing the INS into two separate bureaus within the Department of Justice, this bill will also create several new offices dedicated to improving the quality of the service provided to immigrants and protecting the rights of unaccompanied child immigrants. The bill, by placing the two new bureaus under the direct supervision of a new Associate Attorney General with experience in managing large and complex organizations, will also increase the importance placed on our immigration policies and the accountability of those responsible for enforcing our laws.

With the passage of H.R. 3231, the House will take an important first step in reforming the way the United States deals with immigration. The next step, addressing the security of our borders, will hopefully be taken soon. Together, today's reforms along with upcoming efforts to strengthen border security will make America safer from those who would use our country's openness to do us harm. These reforms will also preserve America's commitment to remain open to immigrants who seeks a better life and will reaffirm our long tradition of finding strength in our diversity. This will be a key part of the legacy of the 107th Congress, and I am pleased to cast my vote as we begin this important effort.

Ms. SCHAKOWSKY. Mr. Chairman, I rise in support of H.R. 3231, the Barbara Jordan Immigration and Reform Accountability Act. I agree that the Immigration and Naturalization Service is a broken agency that needs to be fixed. That is a point that has been underscored in the time since September 11 but was clearly a problem long before those tragic events. The need for reform of the INS has been clear to me because of the difficulty constituents in my districts have had in dealing with the INS. My district staff spends approximately 80% of casework time on cases that have to do with problems with the INS. This has to change. Although I will vote for this legislation, I do have some concerns.

We must make the INS a better managed, more efficient, coordinated, and effective agency. I strongly believe, in order to accomplish those goals, the agency must be split into the separate bureaus for services and enforcement. H.R. 3231 allows the separate bureaus to focus on the distinct missions of providing services and enforcement.

Another core principle to effective reorganization is the coordination of immigration policy, legal direction, and information under the authority of a strong executive. Although this legislation creates a high level position of an Associate Attorney General for Immigration Affairs, this office is not responsible for setting immigration policy. Policy making is left to the individual bureaus. I also think offices which should remain at the core of the structure have been relegated to the service and enforcement bureaus, leading to duplicity within the overall agency. For example, each bureau is to have an Office of Policy and Strategy and each bureau is to have a Chief Budget Officer. Given this structure, I am not certain that the Office of the Associate Attorney General will have the authority to effectively manage and coordinate the functions of these offices and create a coherent national immigration policy.

Although I am pleased we have made strides toward elevating the Office of Children's Affairs, I do not think this legislation adequately addresses the needs of unaccompanied minors. I am particularly concerned with the conditions under which children will be detained and held and whether they will have legal representation. These are children. We must create safeguards to protect them, not further traumatize them through imprisonment. We must also ensure that they are appropriately counseled and represented as they navigate our extremely complicated immigration courts and system. The only thing this legislation specifies is that the Director of the OCA is responsible for "compiling, updating, and publishing at least annually a state-by-state list of professionals or other entities qualified to provide guardian and attorney representation services for unaccompanied alien children." How will that benefit an infant or a toddler who can not speak much less read? I hope my colleagues in the Senate will work to strengthen this provision and push for language that is reflected in the Unaccompanied Alien Child Protection Act.

I am pleased that there are provisions to create an ombudsman office. It is essential that immigrants have someone at a high level addressing concerns and problems they are having with their cases. This office will also look at systemic problems in the INS structure. Advocates with whom I work in my district suggested language that would elevate the level ombudsman and I hope the other body will consider those suggestions in its deliberations on similar legislation. I believe it is critical that an ombudsman not be restricted in accomplishing their job. It may be more effective to remove the office of the Ombudsman from the entire INS structure, placing it in the Department of Justice.

I am also pleased with provisions that require separate appropriations for asylum and refugee benefits to be processed. This will stop the unfair cost shifting that has been occurring where fees from other INS benefits are being used to adjudicate asylum and refugee cases. I also understand there will be a study to further investigate how much services actually cost. I applaud the gentlewoman from Texas (Ms. JACKSON-LEE) for offering that very important amendment to this bill.

I think it is important that we move to pass legislation to restructure the INS. We must take steps towards fixing the agency. While I support this bill, I urge the Senate to work on the concerns I have raised, and I look forward to seeing a better bill come out of conference and back to this chamber. I commend all members who have worked to bring this measure to floor.

Mr. BLUMENAUER. Mr. Chairman, it is no secret that for decades, the Immigration and Naturalization Service (INS) has been beleaguered with complaints of mismanagement, ineffective border control and a growing backlog of immigrant applications and petitions. The events of September 11th underscored the need for an immigration overhaul. H.R. 3231 is a step in the right direction to improve this institution.

However, unless Congress and the Administration make immigration a priority and are willing to adequately fund its mission, then this structural division of INS will not make a difference.

In order for immigration to be successful, the Administration must support:

The front end of the State Department. From Mexico City to Manila the consular corps are understaffed and overburdened. As people apply for entry in the U.S. abroad, we cannot strengthen INS without commensurate support for the State Department.

Adequate funding for services and law enforcement measures. Far too often, INS employees are being asked to do more and more without sufficient resources. The Federal Government must make it a priority to provide them with the tools they need to do their jobs effectively and efficiently.

Only when the several agencies involved in immigration—from the State Department to INS—can cooperate and implement a clear, concise, and consistent mission will immigration control redeem itself from a history of mismanagement and ineffective border control. I support the passage of H.R. 3231.

Mr. CASTLE. Mr. Chairman, I want to thank Chairman SENSENBRENNER, Subcommittee Chairman GEKAS and the House Leadership for bringing up this legislation today to improve and revamp the Immigration and Naturalization Service (INS), and I am pleased to see that President Bush is behind the measure.

The United States must do a better job of protecting America's borders, tracking foreign students and visitors, dealing with illegal aliens and serving those who are served daily by the INS. Over seven months have passed since the attacks of September 11, and many of the loopholes that the terrorists utilized to harm our nation, have not been addressed.

I am hopeful the President will have the opportunity to sign enhanced border security legislation regarding student visa reforms, smart card technology, reform of the visa waiver program, shared databases and integrated entry-exit data systems. These are good reforms but the reforms and technology are only as good as the people who administer the various programs and utilize the technology.

The INS has been a maligned agency that has had major difficulties implementing visa tracking programs and integrated entry-exit systems. A recent review by the Department of Justice Inspector General found that INS officials mismanaged $31 million aimed at automating a visa tracking system. To this day we are unable to seriously determine who is in this country at any given time. At the same time it is trying to address its enforcement procedures, the INS is not properly serving those who rely on the INS to process their various immigration documents. The INS has long backlogs of Visa and other petitions. 4.9 million petitions were pending before the INS at the end of September 2001—this is a sevenfold increase since 1993.

The INS on several occasions has attempted to reform itself, but in the light of the immigration problems associated with the September 11 attacks, internal organizational changes will not work. Long time supervisors who have resisted change in the past are today not in a better position to internally reform the INS. While I believe Commissioner Ziglar is working hard to address the organizational and morale problems that have plagued the agency, legislation is the only way to turn the INS in the right direction.

Only legislative restructuring like H.R. 3231 can create two separate agencies that concentrate on different missions—administering immigration benefits and enforcing immigration laws. The two new organizations will have their own budgets and dedicated employees who will be focused on their own distinct mission. I applaud this legislation because it will also create a new Ombudsman to monitor and improve the services side of the agency, create clear chains of commands at the INS, and eliminate mission overload that is crippling the agency.

We owe it to the American people to improve our border security, track who is entering and exiting our country and expedite the process of timely immigration petitions. H.R. 3231 passed the House Judiciary Committee with great bipartisan support and I urge my colleagues to support H.R. 3231 today.

Mr. BENTSEN. Mr. Chairman, I rise in strong support of H.R. 3231, The Barbara Jordan Immigration Reform and Accountability Act, important legislation that makes much-needed reforms to our immigration system. For years, my immigration caseworker has related to me countless horror stories about the red tape and inefficiency at the Immigration and Naturalization Service (INS). That agency has managed to send visa approval notices to two September 11 hijackers, and at the same time routinely enormous hurdles in the path of citizens-in-training.

Today's legislation, which will address these many concerns, is the realization of the hard work and tireless efforts of the late Barbara Jordan. As chair of the U.S. Commission on Immigration Reform (CIR), Barbara Jordan recommended that the Federal immigration system be fundamentally restructured by, among other things, dismantling the INS. In 1997, the commission found that the INS suffered from conflicting priorities and mission overload, and its service and enforcement missions were incompatible.

More importantly, Barbara Jordan once said that the key to creating a harmonious society out of so many kinds of people "is tolerance—the one value that is indispensable in creating community." Here today, we have the chance to give effect to her recommendations and fundamentally restructure the INS. Over the past decade, Congress has substantially increased the budget for the INS—from $1.4 Billion in FY 1992 to $5.6 Billion in FY 2002—in hopes of improving the agency's performance. However, problems continue to plague the agency, particularly in the processing of immigration applications, the inability of the agency to stem the flow of undocumented workers and to track workers, students and visitors once they arrive in the country.

Many of these problems result from the INS performing dual functions, holding the responsibility for enforcing immigration laws and adjudicating applications for non-immigrants and immigrants. Since 1990, when the Commission on Immigration Reform recommended restructuring the INS, several legislative reform proposals have been introduced in Congress. One proposal which I co-sponsored, H.R. 3918, introduced by Representatives HAROLD ROGERS and SILVESTRE REYES in the 106th Congress, would have separated the two functions of the INS into separate agencies. H.R. 3231 builds on that by abolishing the INS and replacing it with two separate bureaus—the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement. The two bureaus would be under the supervision of an associate attorney general, who would rank below the attorney general and deputy attorney general. The measure transfers authority for implementing immigration law directly to the two bureau directors, and authorizes such sums as may be necessary to abolish the INS an establish the immigration service an enforcement bureaus.

Additionally, the measure establishes an Office of Children's Affairs, which would be responsible for coordinating and implementing law and policy for unaccompanied alien children who come into the custody of the Justice Department. Under the measure, the office would ensure that the interests of unaccompanied children are considered in the department's care, custody and placement determinations. I am pleased to note that this provision embodies legislation I am co-sponsoring, H.R. 1904, the Unaccompanied Alien Child Protection Act.

This is a long overdue reform. I know in my state of Texas, and in the city of Houston, the backlog for citizenship applications can last upwards of 1 year, and adjustment of status—or greencard applications—have a backlog as long as 3 years or more. I am hopeful that the funding provided in this bill will address the backlog issue, which has presented a significant problem for hundreds-of-thousands of otherwise-eligible immigrants in Texas and across the Nation. Working with the Administration and my colleagues in the House, I look forward to enacting thoughtful immigration reforms that maintains the integrity of the naturalization process, while providing effective safeguards at our Nation's borders.

For all these reasons, Mr. Chairman, I urge my colleagues to join me in support of H.R. 3231, to honor the memory and accomplishments of the great Barbara Jordan, and to imbue efficiency and structure to our immigration system.

Mr. SMITH of Texas. Mr. Chairman, the Barbara Jordan INS Immigration Reform and Accountability Act, which is supported by the Administration, provides a long-awaited solution to the problems within the INS.

At the end of 2001, the INS had a backlog of 4.9 million applications and petitions. With those numbers, no one should be surprised at the recent mishandling of terrorist visas. In fact, if the INS had been following their own policies, Mohammed Atta would have never been allowed even to enter the United States.

For years INS officials have promised reform—but have given us only talk with no action. This bill will provide that much-needed action.

H.R. 3231 will abolish the INS and replace it with two agencies—one to handle security and one to handle services. This will not only give immigration security the attention it deserves, but also will improve the quality of services provided to immigrants.

No longer will we hear of cases where an immigrant waited in line for 2 days to get a form and was never told that they could obtain it by simply calling a 1–800 number. No longer will we have student visas approved six months after the fact for the very terrorists who attacked our Nation. No longer will we have criminal aliens mistakenly or intentionally released.

We must act before it's too late. Ensuring we have an effective immigration system is vital to our homeland defense. We must pass this bill today. I urge my colleagues to support this legislation.

Mr. BEREUTER. Mr. Chairman, this Member rises in support of H.R. 3231, the Barbara Jordan Immigration Reform and Accountability Act. Therefore, this Member would like to thank the Chairman of the Judiciary Committee, the distinguished gentleman from Wisconsin (Mr. SENSENBRENNER) and the Ranking Member of the Committee, the distinguished gentleman from Michigan (Mr. CONYERS) for their efforts in crafting the bipartisan bill before the House today.

Certainly, this Member certainly supports efforts to restructure the system through which critical immigration functions which are executed as provided in H.R. 3231. For many years, this Member has argued that strong immigration policies and well-functioning infrastructure are necessary to protect U.S. citizens from outbreaks of infectious disease and from crime, certainly including terrorism. As more information becomes available about the terrorists who conducted the unspeakable and horrific terrorist attacks of September 11, 2001, there is increasing momentum to revamp the current immigration process.

Despite this Member's support for restructuring, this Member would like to register his concerns about how immigration resources have been allocated in the past and how they might be allocated in the future as restructuring plans are implemented.

Mr. Chairman, despite the efforts of the Nebraska and Iowa congressional delegation, the changing immigration patterns in this country's heartland often go unexamined by Federal and congressional authorities. As a result, interior states such as Nebraska do not receive the resources they need to provide the necessary legal immigration services and to combat illegal immigration. Therefore, this Member is concerned that throughout the restructuring process, immigration resources for both services and enforcement will continue to be allocated, as some Federal agencies have done, on the basis of the overall population of a given region and without regard to geographic circumstances, including the vast regions of some of our more sparsely settled states. Indeed, this Member requests that the House apply very careful oversight to any immigration restructuring measures so that all legal immigrants, regardless of where they live in the United States can access the immigration services they need without having to travel extraordinary distances. Additionally, this Member request similar oversight with regard to immigration enforcement resources so that the tools to enforce immigration policies are available in interior States, including Nebraska where alien smuggling along Interstate 80 and other national highways has become far too routine.

Mr. Chairman, this Member also wants to register his very strong support for the Nebraska Service Center in Lincoln, Nebraska. Currently, the center efficiently and effectively processes over 1.5 million immigration applications and documents each year. In fact, the center is often called upon to handle special, out-of-region projects due to its fine record and well-earned reputation for efficiency. Additionally, due to a well-educated and professional workforce located in Lincoln, it is able to recruit and retain good employees. (Indeed, the retention of good employees will be the key to success for the overall restructuring efforts!) For these reasons, this Member believes it is critical that, as any immigration restructuring efforts are implemented, the Nebraska Service Center to remain in Lincoln, Nebraska.

Again, this Member urges his colleagues to support H.R. 3231.

Mr. CALVERT. Mr. Chairman, I commend Judiciary Committee Chairman JAMES SENSENBRENNER and Ranking Member JOHN CONYERS for their work on bringing this important bipartisan legislation, H.R. 3231—The Barbara Jordan Immigration Reform and Accountability Act of 2002—to the House floor for consideration.

H.R. 3231 creates a new immigration system. It ensures that terrorist and illegal immigrants are kept out of our country. For too long our immigration system has been stuck in the dark ages allowing illegal immigrants and terrorists to slip silently into our nation. H.R. 3231 recognizes this and requires that Internet-based technologies be implemented to track immigration applications—technologies that can alert Americans now, not later when it's already to late, about illegal and terrorists threats to our liberties and homeland security.

Mr. Chairman, Americans have trusted and been patient with INS for far too long as they have attempted numerous internal reorganizations—reorganizations that have obviously not worked. INS's present mission to both administer immigration benefits and enforce immigration law is blatantly at odds with each other.

Therefore, today we vote today to abolish the Immigration and Naturalization Service (INS).

I encourage my colleagues on both sides of the aisle to recognize what Americans have already concluded—that American's immigration system needs a clear chain of command coupled with greater accountability. America demands an immigration system that secures our homeland by keeping illegal immigrants and terrorists out, while offering an efficient process for those legal immigrants coming to America to start a better life.

H.R. 3231 secures our American principles of life, liberty and the pursuit of happiness.

Mr. TERRY. Mr. Chairman, I rise today in support of H.R. 3231, the Barbara Jordan Immigration Reform and Accountability Act.

The Immigration and Naturalization Service (INS) is charged with enforcing immigration laws, such as deporting criminal or illegal aliens. It is also charged with processing those who lawfully immigrate to our country to partake of the American dream. These conflicting missions under one government agency have resulted in confusion and inefficiency.

In my home town of Omaha, Nebraska, for example, there is widespread frustration with the Immigration and Naturalization Service (INS). People must wait in long lines for hours on end to be served, and then wait months or even years for their applications to be processed. Last year alone, the Nebraska INS received more than fourteen thousand new immigration applications. At the end of the year it was running a backlog of almost seven hundred cases. With only three employees working four days a week, the service problems have not been adequately resolved.

Border and immigration security is of paramount importance as we find, arrest, and prosecute terrorists in order to protect the American public. On the other hand, legal immigrants seeking better jobs and family life in America must be treated with respect. Nationwide problems of law enforcement are consuming larger and larger portions of the INS budget. This occurs at the cost of the legal immigrant, who sees less and less of the INS devoted to service.

When legal immigrants become less important in the eyes of the INS, they become victims of the process. Law enforcement should not be funded at the cost of service, and service should not compromise enforcement of our immigration laws. Dividing these responsibilities by passing H.R. 3231 is a necessary, common-sense, cost-saving measure. I urge my colleagues to join me in supporting this legislation to improve homeland defense and protect the American dream.

Mr. UDALL of Colorado. Mr. Chairman, I rise in support of H.R. 3231. I am a cosponsor of this bill, which will help us begin to address chronic and longstanding problems at the Immigration and Naturalization Service. The recent discoveries that the INS processed visa extensions for two of the dead September 11th hijackers and that INS inspectors allowed Pakistani seamen to come ashore in Virginia (after which three of them disappeared) are only two of the latest embarrassments attributable to INS mismanagement.

I know that efforts to overhaul INS predate my time here in Congress by several decades. But I'm glad that I'm here to witness the beginning of this long overdue restructuring. I think we can all agree that an agency that is expected to wear two distinct hats—one to serve our immigrant population, and one to watch our borders and enforce immigration laws—is bound to run into problems. And indeed, the INS has run into problems wearing both hats simultaneously, especially as we have asked it to accomplish disparate tasks using the same tools and the same staff. This bill would change that, and that's why it deserves support.

H.R. 3231 would effectively abolish the INS as we know it, establishing separate enforcement and service divisions. But it would maintain important coordinating functions through a new associate attorney general for immigration affairs to oversee both bureaus.

I know there are concerns that the coordinating role the bill establishes won't be strong enough to enable the two bureaus to share information and work closely together. I also want to ensure that resource allocation is fair and that the appropriate amount of funding goes both to adjudication and to enforcement. There are also calls for the long backlogs at INS to be reduced before any reorganization goes into effect. There is some merit to these ideas, and I am hopeful that the version of this bill that emerges from House and Senate consideration will address them and any other concerns about the bill that might arise. At the same time, I think it's important we pass this bill now. We need to send a strong message that the days of the INS as we know it are over, and that soon there will be changes for the better—both in how immigrants are served, and in how we enforce immigration laws that are already on the books.

Mr. Chairman, passage of this bill today is yet another step the House has taken in the months after September 11th to try to fix a system that doesn't work as well as it should. Other steps we have taken include passing H.R. 1885, the Enhanced Border Security and Visa Entry Reform Act, a bill I supported to strengthen U.S. border controls and to improve our ability to screen and keep track of those who enter this country. That bill would also allow those who already quality for immigration because of their family or employer ties to complete the process in the United States. Also known as Section 245(i), this provision does not grant an amnesty, give immigrants the right to work, or protect them from deportation if they are living in the U.S. illegally. What it does do is keep families together and encourage those who qualify for permanent residency to continue filling an economic need and to become part of a regulated system.

Restructuring the INS—as H.R. 3231 would do—is just one part of comprehensive immigration reform. Strengthening our border security mechanisms is another. A third part involves modernizing our immigration laws to be enforceable as well as responsive to our country's labor needs. This is where some of the toughest decisions will lie. The Administration and the Congress need to work together to find workable and sound answers for some of these broader issues—such as determining whether our legal immigration levels are sustainable; figuring out how best to stem illegal immigration, both for security reasons and to ensure that American workers are not displaced; and addressing questions about the status of people already in this country.

The challenge we face is to implement measures that will make our country more secure without turning away from our tradition as a nation of immigrants. I support H.R. 3231 because I believe this bill will begin to take us in this direction.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 3231

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Barbara Jordan Immigration Reform and Accountability Act of 2002".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Abolishment of Immigration and Naturalization Service; establishment of Office of Associate Attorney General for Immigration Affairs.
Sec. 3. Positions within Office of Associate Attorney General for Immigration Affairs.
Sec. 4. Establishment of Bureau of Citizenship and Immigration Services.
Sec. 5. Office of the Ombudsman.
Sec. 6. Establishment of Bureau of Immigration Enforcement.
Sec. 7. Office of Immigration Statistics within Bureau of Justice Statistics.
Sec. 8. Exercise of authorities.
Sec. 9. Savings provisions.
Sec. 10. Transfer and allocation of appropriations and personnel.
Sec. 11. Authorization of appropriations; prohibition on transfer of fees; leasing or acquisition of property; sense of Congress.
Sec. 12. Reports and implementation plans.
Sec. 13. Application of Internet-based technologies.
Sec. 14. Definitions.
Sec. 15. Effective date; transition.
Sec. 16. Conforming amendment.

SEC. 2. ABOLISHMENT OF IMMIGRATION AND NATURALIZATION SERVICE; ESTABLISHMENT OF OFFICE OF ASSOCIATE ATTORNEY GENERAL FOR IMMIGRATION AFFAIRS.

(a) ABOLISHMENT OF INS.—The Immigration and Naturalization Service of the Department of Justice is abolished.

(b) ESTABLISHMENT OF OFFICE OF ASSOCIATE ATTORNEY GENERAL FOR IMMIGRATION AFFAIRS.—

(1) IN GENERAL.—There is established in the Department of Justice an office to be known as the "Office of the Associate Attorney General for Immigration Affairs".

(2) ASSOCIATE ATTORNEY GENERAL.—The head of the Office shall be the Associate Attorney General for Immigration Affairs. The Associate Attorney General for Immigration Affairs—

(A) shall be appointed by the President, by and with the consent of the Senate; and

(B) shall have a minimum of 5 years of experience in managing a large and complex organization.

(3) COMPENSATION AT LEVEL III OF EXECUTIVE SCHEDULE.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

"Associate Attorney General for Immigration Affairs.".

(c) FUNCTIONS.—The Associate Attorney General for Immigration Affairs shall be responsible for—

(1) overseeing the work of, and supervising, the Director of the Bureau of Citizenship and Immigration Services and the Director of the Bureau of Immigration Enforcement;

(2) coordinating the administration of national immigration policy, including coordinating the operations of the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement, and reconciling conflicting policies of such bureaus; and

(3) allocating and coordinating resources involved in supporting shared support functions for the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement, through the Office of Shared Services established by section 3.

SEC. 3. POSITIONS WITHIN OFFICE OF ASSOCIATE ATTORNEY GENERAL FOR IMMIGRATION AFFAIRS.

(a) POLICY ADVISOR.—

(1) IN GENERAL.—There shall be a position of Policy Advisor for the Associate Attorney General for Immigration Affairs.

(2) FUNCTIONS.—The Policy Advisor shall be responsible for—

(A) providing advice to the Associate Attorney General for Immigration Affairs on all matters relating to immigration and naturalization policy; and

(B) coordinating and reconciling the resolution of policy issues by the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement.

(b) GENERAL COUNSEL.—

(1) IN GENERAL.—There shall be a position of General Counsel to the Associate Attorney General for Immigration Affairs.

(2) FUNCTIONS.—The General Counsel shall serve as the principal legal advisor to the Associate Attorney General for Immigration Affairs. The General Counsel shall be responsible for—

(A) providing specialized legal advice, opinions, determinations, regulations, and any other assistance to the Associate Attorney General for Immigration Affairs with respect to legal matters affecting the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, or the Bureau of Immigration Enforcement;

(B) representing the Bureau of Citizenship and Immigration Services in visa petition appeal proceedings before the Executive Office for Immigration Review and in other legal or administrative proceedings involving immigration services issues; and

(C) representing the Bureau of Immigration Enforcement in all exclusion, deportation, or removal proceedings before the Executive Office for Immigration Review, including in proceedings to adjudicate relief from exclusion, deportation, or removal, and in other legal or administrative proceedings involving immigration enforcement issues.

(3) LIMITATION.—Paragraph (2) shall not apply to the functions transferred under subsection (h) to the extent that the Associate Attorney General for Immigration Affairs does not delegate such functions to the General Counsel.

(c) CHIEF FINANCIAL OFFICER.—

(1) IN GENERAL.—There shall be a position of Chief Financial Officer for the Associate Attorney General for Immigration Affairs.

(2) FUNCTIONS.—The Chief Financial Officer shall be responsible for—

(A) financial management of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement and shall have the authorities and functions described in section 902 of title 31, United States Code, in relation to financial activities of such office and bureaus;

(B) collecting all payments, fines, and other debts for the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement; and

(C) coordinating all budget and other financial management issues with the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement.

(d) DIRECTOR OF SHARED SERVICES.—

(1) IN GENERAL.—There shall be a position of Director of the Office of Shared Services for the Associate Attorney General for Immigration Affairs.

(2) FUNCTIONS.—The Director of the Office of Shared Services shall be responsible for the appropriate allocation and coordination of resources involved in supporting shared support functions for the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement, including—

(A) facilities management;

(B) information resources management, including computer databases and information technology;

(C) records and file management; and

(D) forms management.

(e) OFFICE OF THE OMBUDSMAN.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There is established in the Office of the Associate Attorney General for Immigration Affairs an office to be known as the "Office of the Ombudsman".

(B) OMBUDSMAN.—

(i) IN GENERAL.—The Office of the Ombudsman shall be under the supervision and direction of an official to be known as the "Ombudsman". The Ombudsman shall report directly to

the Associate Attorney General for Immigration Affairs.

(ii) QUALIFICATIONS.—The Ombudsman shall have a background in customer service as well as immigration law.

(2) FUNCTIONS OF OFFICE.—The Ombudsman shall perform the functions described in section 5.

(f) OFFICE OF PROFESSIONAL RESPONSIBILITY AND QUALITY REVIEW.—

(1) IN GENERAL.—There is established in the Office of the Associate Attorney General for Immigration Affairs an office to be known as the "Office of Professional Responsibility and Quality Review". The head of the Office of Professional Responsibility and Quality Review shall be the Director of the Office of Professional Responsibility and Quality Review. The Director of the Office of Professional Responsibility and Quality Review shall be responsible for—

(A) conducting investigations of noncriminal allegations of misconduct, corruption, and fraud involving any employee of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, or the Bureau of Immigration Enforcement that are not subject to investigation by the Department of Justice Office of the Inspector General;

(B) inspecting the operations of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement and providing assessments of the quality of the operations of such office and bureaus as a whole and each of their components; and

(C) providing an analysis of the management of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement.

(2) SPECIAL CONSIDERATIONS.—In providing assessments in accordance with paragraph (1)(B) with respect to a decision of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, or the Bureau of Immigration Enforcement, or any of their components, consideration shall be given to—

(A) the accuracy of the findings of fact and conclusions of law used in rendering the decision;

(B) any fraud or misrepresentation associated with the decision; and

(C) the efficiency with which the decision was rendered.

(g) OFFICE OF CHILDREN'S AFFAIRS.—

(1) IN GENERAL.—There is established within the Office of the Associate Attorney General for Immigration Affairs an office to be known as the "Office of Children's Affairs". The head of the Office of Children's Affairs shall be the Director of the Office of Children's Affairs.

(2) FUNCTIONS.—

(A) IN GENERAL.—The Director of the Office of Children's Affairs shall be responsible for—

(i) coordinating and implementing law and policy for unaccompanied alien children who come into the custody of the Department of Justice;

(ii) ensuring that the interests of the child are considered in decisions and actions relating to the care and custody of an unaccompanied alien child;

(iii) making placement determinations for all unaccompanied alien children apprehended by the Attorney General or who otherwise come into the custody of the Department of Justice;

(iv) implementing the placement determinations made by the Office;

(v) implementing policies with respect to the care and placement of unaccompanied alien children;

(vi) identifying a sufficient number of qualified individuals, entities, and facilities to house unaccompanied alien children;

(vii) overseeing the infrastructure and personnel of facilities in which unaccompanied alien children reside;

(viii) reuniting unaccompanied alien children with a parent abroad in appropriate cases;

(ix) compiling, updating, and publishing at least annually a state-by-state list of professionals or other entities qualified to provide guardian and attorney representation services for unaccompanied alien children;

(x) maintaining statistical information and other data on unaccompanied alien children in the Office's custody and care, which shall include—

(I) biographical information, such as a child's name, gender, date of birth, country of birth, and country of habitual residence;

(II) the date on which the child came into the custody of the Department of Justice;

(III) information relating to the child's placement, removal, or release from each facility in which the child has resided;

(IV) in any case in which the child is placed in detention or released, an explanation relating to the detention or release; and

(V) the disposition of any actions in which the child is the subject;

(xi) collecting and compiling statistical information from the Office of the Associate Attorney General, Bureau of Citizenship and Immigration Services, and Bureau of Enforcement (including Border Patrol and inspections officers), on the unaccompanied alien children with whom they come into contact; and

(xii) conducting investigaiions and inspections of facilities and other entities in which unaccompanied alien children reside.

(B) COORDINATION WITH OTHER ENTITIES; NO RELEASE ON OWN RECOGNIZANCE.—In making determinations described in subparagraph (A)(iii), the Director of the Office of Children's Affairs—

(i) shall consult with appropriate juvenile justice professionals, the Director of the Bureau of Citizenship and Immigration Services, and the Director of the Bureau of Immigration Enforcement to ensure that such determinations ensure that unaccompanied alien children described in such subparagraph—

(I) are likely to appear for all hearings or proceedings in which they are involved;

(II) are protected from smugglers, traffickers, or others who might seek to victimize or otherwise engage them in criminal, harmful, or exploitive activity; and

(III) are placed in a setting in which they not likely to pose a danger to themselves or others; and

(ii) shall not release such children upon their own recognizance.

(C) TRANSFER OF FUNCTIONS.—There are transferred to the Director of the Office of Children's Affairs functions with respect to the care of unaccompanied alien children under the immigration laws of the United States vested by statute in, or performed by, the Commissioner of the Immigration and Naturalization Service (or any officer, employee, or component thereof), immediately before the effective date specified in section 15(a).

(D) DUTIES WITH RESPECT TO FOSTER CARE.—In carrying out the duties described in subparagrapn (A)(vii), the Director of the Office of Children's Affairs shall assess the extent to which it is cost-effective to use the refugee children foster care system for the placement of unaccompanied alien children.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to transfer the responsibility for adjudicating benefit determinations under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) from the authority of any official of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, the Bureau of Immigration Enforcement, the Executive Office of Immigration Review, or the Department of State.

(4) DEFINITION.—As used in this subsection—

(A) the term "placement" means the placement of an unaccompanied alien child in either a detention facility or an alternative to such a facility; and

(B) the term "unaccompanied alien child" means a child who—

(i) has no lawful immigration status in the United States;

(ii) has not attained 18 years of age; and

(iii) with respect to whom—

(I) there is no parent or legal guardian in the United States; or

(II) no parent or legal guardian in the United States is available to provide care and physical custody.

(h) TRANSFER OF FUNCTIONS OF OFFICE OF IMMIGRATION LITIGATION.—There are transferred from the Assistant Attorney General, Civil Division, to the Associate Attorney General for Immigration Affairs all functions performed by the Office of Immigration Litigation, and all personnel, infrastructure, and funding provided to the Assistant Attorney General, Civil Division, in support of such functions, immediately before the effective date specified in section 15(a). The Associate Attorney General for Immigration Affairs may, in the Associate Attorney General's discretion, charge the General Counsel to the Associate Attorney General for Immigration Affairs with such functions.

(i) EMPLOYEE DISCIPLINE FOR WILLFUL DECEIT.—The Associate Attorney General for Immigration Affairs may, notwithstanding any other provision of law, impose disciplinary action, including termination of employment, pursuant to policies and procedures applicable to employees of the Federal Bureau of Investigation, on any employee of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, or the Bureau of Immigration Enforcement who willfully deceives the Congress or agency leadership on any matter.

(j) REFERENCES.—With respect to any function transferred by this section or Act to, and exercised on or after the effective date specified in section 15(a) by, the Associate Attorney General for Immigration Affairs or any other official whose functions are described in this section, any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to a component of government from which such function is transferred—

(1) to the head of such component is deemed to refer to the Associate Attorney General for Immigration Affairs; or

(2) to such component is deemed to refer to the Office of the Associate Attorney for Immigration Affairs.

SEC. 4. ESTABLISHMENT OF BUREAU OF CITIZENSHIP AND IMMIGRATION SERVICES.

(a) ESTABLISHMENT OF BUREAU.—

(1) IN GENERAL.—There is established in the Department of Justice a bureau to be known as the "Bureau of Citizenship and Immigration Services".

(2) DIRECTOR.—The head of the Bureau of Citizenship and Immigration Services shall be the Director of the Bureau of Citizenship and Immigration Services, who—

(A) shall report directly to the Associate Attorney General for Immigration Affairs; and

(B) shall have a minimum of 10 years professional experience in the rendering of adjudications on the provision of government benefits or services, at least 5 of which shall have been

years of service in a managerial capacity or in a position affording comparable management experience.

(3) FUNCTIONS.—The Director of the Bureau of Citizenship and Immigration Services—

(A) shall establish the policies for performing such functions as are transferred to the Director by this section or this Act or otherwise vested in the Director by law;

(B) shall oversee the administration of such policies;

(C) shall advise the Associate Attorney General for Immigration Affairs with respect to any policy or operation of the Bureau of Citizenship and Immigration Services that may affect the Bureau of Immigration Enforcement, including potentially conflicting policies or operations;

(D) shall meet regularly with the Ombudsman to correct serious service problems identified by the Ombudsman; and

(E) shall establish procedures requiring a formal response to any recommendations submitted in the Ombudsman's annual report to the Congress within 3 months after its submission to the Congress.

(4) STUDENT VISA PROGRAMS.—The Director of the Bureau of Citizenship and Immigration Services shall designate an official to be responsible for administering student visa programs and the Student and Exchange Visitor Information System established under section 641 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1372), and successor programs and systems, until September 30, 2004. The Director may continue such policy after September 30, 2004, at the Director's discretion. The Director shall provide any information collected by the Student and Exchange Visitor Information System to the Director of the Bureau of Immigration Enforcement that is necessary for the performance of the functions of the Bureau of Immigration Enforcement.

(b) TRANSFER OF FUNCTIONS FROM COMMISSIONER.—There are transferred from the Commissioner of the Immigration and Naturalization Service to the Director of the Bureau of Citizenship and Immigration Services the following functions, and all personnel, infrastructure, and funding provided to the Commissioner in support of such functions immediately before the effective date specified in section 15(a):

(1) Adjudications of nonimmigrant and immigrant visa petitions.

(2) Adjudications of naturalization petitions.

(3) Adjudications of asylum and refugee applications.

(4) Adjudications performed at service centers.

(5) All other adjudications performed by the Immigration and Naturalization Service immediately before the effective date specified in section 15(a).

(c) OFFICE OF POLICY AND STRATEGY.—There is established in the Bureau of Citizenship and Immigration Services an office to be known as the "Office of Policy and Strategy". The head of the Office of Policy and Strategy shall be the Chief of the Office of Policy and Strategy. In consultation with Bureau of Citizenship and Immigration Services personnel in field offices, the Chief of the Office of Policy and Strategy shall be responsible for—

(1) establishing national immigration services policies and priorities;

(2) performing policy research and analysis on immigration services issues; and

(3) coordinating immigration policy issues with the Chief of the Office of Policy and Strategy for the Bureau of Immigration Enforcement and the Associate Attorney General for Immigration Affairs through the Policy Advisor for the Associate Attorney General for Immigration Affairs, as appropriate.

(d) LEGAL ADVISOR.—There may be a position of Legal Advisor for the Bureau of Citizenship and Immigration Services.

(e) CHIEF BUDGET OFFICER FOR BUREAU OF CITIZENSHIP AND IMMIGRATION SERVICES.—There shall be a position of Chief Budget Officer for the Bureau of Citizenship and Immigration Services. The Chief Budget Officer shall be responsible for formulating and executing the budget of the Bureau of Citizenship and Immigration Services. The Chief Budget Officer shall report to the Director of the Bureau of Citizenship and Immigration Services and shall provide information to, and coordinate resolution of relevant issues with, the Chief Financial Officer for the Associate Attorney General for Immigration Affairs.

(f) OFFICE OF CONGRESSIONAL, INTERGOVERNMENTAL, AND PUBLIC AFFAIRS.—There is established in the Bureau of Citizenship and Immigration Services an office to be known as the "Office of Congressional, Intergovernmental, and Public Affairs". The head of such office shall be the Chief of the Office of Congressional, Intergovernmental, and Public Affairs. The Chief shall be responsible for—

(1) providing information relating to immigration services to the Congress, including information on specific cases relating to immigration services;

(2) serving as a liaison with other Federal agencies on immigration services issues; and

(3) responding to inquiries from the media and general public on immigration services issues.

(g) OFFICE OF CITIZENSHIP.—There is established in the Bureau of Citizenship and Immigration Services an office to be known as the "Office of Citizenship". The head of such office shall be the Chief of the Office of Citizenship. The Chief shall be responsible for promoting instruction and training on citizenship responsibilities for aliens interested in becoming naturalized citizens of the United States, including the development of educational materials.

(h) SECTORS.—Headed by sector directors, and located in appropriate geographic locations, sectors of the Bureau of Citizenship and Immigration Services shall be responsible for directing all aspects of the operations of the Bureau of Citizenship and Immigration Services within their assigned geographic areas of activity. Sector directors shall provide general guidance and supervision to the field offices of the Bureau of Citizenship and Immigration Services within their sectors.

(i) FIELD OFFICES.—Headed by field directors, who may be assisted by deputy field directors, field offices of the Bureau of Citizenship and Immigration Services shall be responsible for assisting the Director of the Bureau of Citizenship and Immigration Services in carrying out the Director's functions. Field directors shall be subject to the general supervision and direction of their respective sector director, except that field directors outside of the United States shall be subject to the general supervision and direction of the Director of the Bureau of Citizenship and Immigration Services. All field directors shall remain accountable to, and receive their authority from, the Director of the Bureau of Citizenship and Immigration Services, in order to ensure consistent application and implementation of policies nationwide.

(j) SERVICE CENTERS.—Headed by service center directors, service centers of the Bureau of Citizenship and Immigration Services shall be responsible for assisting the Director of the Bureau of Citizenship and Immigration Services in carrying out the Director's functions that can be effectively carried out at remote locations. Service center directors are subject to the general supervision and direction of their respective sector director, except that all service center directors shall remain accountable to, and receive their authority from, the Director of the Bureau of Citizenship and Immigration Services, in order to ensure consistent application and implementation of policies nationwide.

(k) TRANSFER AND REMOVAL.—Notwithstanding any other provision of law, the Director of the Bureau of Citizenship and Immigration Services may, in the Director's discretion, transfer or remove any sector director, field director, or service center director.

(l) MISSION.—It shall be the mission of the field offices and service centers of the Bureau of Citizenship and Immigration Services to directly and consistently follow all instructions and guidelines of the Director of the Bureau of Citizenship and Immigration Services and the Associate Attorney General for Immigration Affairs in order to ensure the development of a cohesive and consistent national immigration policy.

(m) REFERENCES.—With respect to any function transferred by this section or Act to, and exercised on or after the effective date specified in section 15(a) by, the Director of the Bureau of Citizenship and Immigration Services, any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to a component of government from which such function is transferred—

(1) to the head of such component is deemed to refer to the Director of the Bureau of Citizenship and Immigration Services; or

(2) to such component is deemed to refer to the Bureau of Citizenship and Immigration Services.

SEC. 5. OFFICE OF THE OMBUDSMAN.

(a) FUNCTIONS.—It shall be the function of the Office of the Ombudsman established under section 3—

(1) to assist individuals and employers in resolving problems with the Bureau of Citizenship and Immigration Services;

(2) to identify areas in which individuals and employers have problems in dealing with the Bureau of Citizenship and Immigration Services;

(3) to the extent possible, to propose changes in the administrative practices of the Bureau of Citizenship and Immigration Services to mitigate problems identified under paragraph (2); and

(4) to identify potential legislative changes that may be appropriate to mitigate such problems.

(b) ANNUAL REPORTS.—

(1) OBJECTIVES.—Not later than June 30 of each calendar year, the Ombudsman shall report to the Committee on the Judiciary of the United States House of Representatives and the Senate on the objectives of the Office of the Ombudsman for the fiscal year beginning in such calendar year. Any such report shall contain full and substantive analysis, in addition to statistical information, and—

(A) shall identify the initiatives the Office of the Ombudsman has taken on improving services and responsiveness of the Bureau of Citizenship and Immigration Services;

(B) shall contain a summary of the most pervasive and serious problems encountered by individuals and employers, including a description of the nature of such problems;

(C) shall contain an inventory of the items described in subparagraphs (A) and (B) for which action has been taken and the result of such action;

(D) shall contain an inventory of the items described in subparagraphs (A) and (B) for which action remains to be completed and the period during which each item has remained on such inventory;

(E) shall contain an inventory of the items described in subparagraphs (A) and (B) for which no action has been taken, the period during which each item has remained on such inventory, the reasons for the inaction, and shall identify any official of the Bureau of Citizenship and Immigration Services who is responsible for such inaction;

(F) shall contain recommendations for such administrative and legislative action as may be

appropriate to resolve problems encountered by individuals and employers, including problems created by excessive backlogs in the adjudication and processing of immigration benefit petitions and applications; and

(G) shall include such other information as the Ombudsman may deem advisable.

(2) REPORT TO BE SUBMITTED DIRECTLY.—Each report required under this subsection shall be provided directly to the committees described in paragraph (1) without any prior review or comment from the Attorney General, Associate Attorney General for Immigration Affairs, any other officer or employee of the Department of Justice or the Office of Management and Budget.

(c) OTHER RESPONSIBILITIES.—The Ombudsman—

(1) shall monitor the coverage and geographic allocation of local offices of the Ombudsman;

(2) shall develop guidance to be distributed to all officers and employees of the Bureau of Citizenship and Immigration Services outlining the criteria for referral of inquiries to local offices of the Ombudsman;

(3) shall ensure that the local telephone number for each local office of the Ombudsman is published and available to individuals and employers served by the office; and

(4) shall meet regularly with the Director of the Bureau of Citizenship and Immigration Services to identify serious service problems and to present recommendations for such administrative action as may be appropriate to resolve problems encountered by individuals and employers.

(d) PERSONNEL ACTIONS.—

(1) IN GENERAL.—The Ombudsman shall have the responsibility and authority—

(A) to appoint local ombudsmen and make available at least 1 such ombudsman for each State; and

(B) to evaluate and take personnel actions (including dismissal) with respect to any employee of any local office of the Ombudsman.

(2) CONSULTATION.—The Ombudsman may consult with the appropriate supervisory personnel of the Bureau of Citizenship and Immigration Services in carrying out the Ombudsman's responsibilities under this subsection.

(e) RESPONSIBILITIES OF BUREAU OF CITIZENSHIP AND IMMIGRATION SERVICES.—The Director of the Bureau of Citizenship and Immigration Services shall establish procedures requiring a formal response to all recommendations submitted to such director by the Ombudsman within 3 months after submission to such director.

(f) OPERATION OF LOCAL OFFICES.—

(1) IN GENERAL.—Each local ombudsman—

(A) shall report to the Ombudsman or the delegate thereof;

(B) may consult with the appropriate supervisory personnel of the Bureau of Citizenship and Immigration Services regarding the daily operation of the local office of such ombudsman;

(C) shall, at the initial meeting with any individual or employer seeking the assistance of such local office, notify such individual or employer that the local offices of the Ombudsman operate independently of any other component in the Office of the Associate Attorney General for Immigration Affairs and report directly to the Congress through the Ombudsman; and

(D) at the local ombudsman's discretion, may determine not to disclose to the Bureau of Citizenship and Immigration Services contact with, or information provided by, such individual or employer.

(2) MAINTENANCE OF INDEPENDENT COMMUNICATIONS.—Each local office of the Ombudsman shall maintain a phone, facsimile, and other means of electronic communication access, and a post office address, that is separate from those maintained by the Bureau of Citizenship and Immigration Services, or any component of the Bureau of Citizenship and Immigration Services.

SEC. 6. ESTABLISHMENT OF BUREAU OF IMMIGRATION ENFORCEMENT.

(a) ESTABLISHMENT OF BUREAU.—

(1) IN GENERAL.—There is established in the Department of Justice a bureau to be known as the "Bureau of Immigration Enforcement".

(2) DIRECTOR.—The head of the Bureau of Immigration Enforcement shall be the Director of the Bureau of Immigration Enforcement, who—

(A) shall report directly to the Associate Attorney General for Immigration Affairs; and

(B) shall have a minimum of 10 years professional experience in law enforcement, at least 5 of which shall have been years of service in a managerial capacity.

(3) FUNCTIONS.—The Director of the Bureau of Immigration Enforcement—

(A) shall establish the policies for performing such functions as are transferred to the Director by this section or this Act or otherwise vested in the Director by law;

(B) shall oversee the administration of such policies; and

(C) shall advise the Associate Attorney General for Immigration Affairs with respect to any policy or operation of the Bureau of Immigration Enforcement that may affect the Bureau of Citizenship and Immigration Services, including potentially conflicting policies or operations.

(b) TRANSFER OF FUNCTIONS.—There are transferred from the Commissioner of the Immigration and Naturalization Service to the Director of the Bureau of Immigration Enforcement all functions performed under the following programs, and all personnel, infrastructure, and funding provided to the Commissioner in support of such programs immediately before the effective date specified in section 15(a):

(1) The Border Patrol program.

(2) The detention and removal program.

(3) The intelligence program.

(4) The investigations program.

(5) The inspections program.

(c) OFFICE OF POLICY AND STRATEGY.—There is established in the Bureau of Immigration Enforcement an office to be known as the "Office of Policy and Strategy". The head of the Office of Policy and Strategy shall be the Chief of the Office of Policy and Strategy. In consultation with Bureau of Immigration Enforcement personnel in field offices, the Chief of the Office of Policy and Strategy shall be responsible for—

(1) establishing national immigration enforcement policies and priorities;

(2) performing policy research and analysis on immigration enforcement issues; and

(3) coordinating immigration policy issues with the Chief of the Office of Policy and Strategy for the Bureau of Citizenship and Immigration Services and the Associate Attorney General for Immigration Affairs through the Policy Advisor for the Associate Attorney General for Immigration Affairs, as appropriate.

(d) LEGAL ADVISOR.—There may be a position of Legal Advisor for the Bureau of Immigration Enforcement.

(e) CHIEF BUDGET OFFICER FOR THE BUREAU OF IMMIGRATION ENFORCEMENT.—There shall be a position of Chief Budget Officer for the Bureau of Immigration Enforcement. The Chief Budget Officer shall be responsible for formulating and executing the budget of the Bureau of Immigration Enforcement. The Chief Budget Officer shall report to the Director of the Bureau of Immigration Enforcement and shall provide information to, and coordinate resolution of relevant issues with, the Chief Financial Officer for the Associate Attorney General for Immigration Affairs.

(f) OFFICE OF CONGRESSIONAL, INTERGOVERNMENTAL, AND PUBLIC AFFAIRS.—There is established in the Bureau of Immigration Enforcement an office to be known as the "Office of Congressional, Intergovernmental, and Public Affairs". The head of such office shall be the Chief of the Office of Congressional, Intergovernmental, and Public Affairs. The Chief shall be responsible for—

(1) providing information relating to immigration enforcement to the Congress, including information on specific cases relating to immigration enforcement;

(2) serving as a liaison with other Federal agencies on immigration enforcement issues; and

(3) responding to inquiries from the media and the general public on immigration enforcement issues.

(g) SECTORS.—Headed by sector directors, and located in appropriate geographic locations, sectors of the Bureau of Immigration Enforcement shall be responsible for directing all aspects of the operations of the Bureau of Immigration Enforcement within their assigned geographic areas of activity. Sector directors shall provide general guidance and supervision to the field offices of the Bureau of Immigration Enforcement within their sectors.

(h) FIELD OFFICES.—Headed by field directors, who may be assisted by deputy field directors, field offices of the Bureau of Immigration Enforcement shall be responsible for assisting the Director of the Bureau of Immigration Enforcement in carrying out the Director's functions. Field directors shall be subject to the general supervision and direction of their respective sector director, except that field directors outside of the United States shall be subject to the general supervision and direction of the Director of the Bureau of Immigration Enforcement. All field directors shall remain accountable to, and receive their authority from, the Director of the Bureau of Immigration Enforcement, in order to ensure consistent application and implementation of policies nationwide. There shall be a field office of the Bureau of Immigration Enforcement situated in at least every location where there is situated a field office of the Bureau of Citizenship and Immigration Services.

(i) BORDER PATROL SECTORS.—Headed by chief patrol agents, who may be assisted by deputy chief patrol agents, border patrol sectors of the Bureau of Immigration Enforcement shall be responsible for the enforcement of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) and all other laws relating to immigration and naturalization within their assigned geographic areas of activity, unless any such power and authority is required to be exercised by higher authority or has been exclusively delegated to another immigration official or class of immigration officer. Chief patrol agents are subject to the general supervision and direction of their respective sector director, except that they shall remain accountable to, and receive their authority from, the Director of the Bureau of Immigration Enforcement, in order to ensure consistent application and implementation of policies nationwide.

(j) TRANSFER AND REMOVAL.—Notwithstanding any other provision of law, the Director of the Bureau of Immigration Enforcement may, in the Director's discretion, transfer or remove any sector director, field director, or chief patrol officer.

(k) REFERENCES.—With respect to any function transferred by this section or Act to, and exercised on or after the effective date specified in section 15(a) by, the Director of the Bureau of Immigration Enforcement, any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to a component of government from which such function is transferred—

(1) to the head of such component is deemed to refer to the Director of the Bureau of Immigration Enforcement; or

(2) to such component is deemed to refer to the Bureau of Immigration Enforcement.

SEC. 7. OFFICE OF IMMIGRATION STATISTICS WITHIN BUREAU OF JUSTICE STATISTICS.

(a) IN GENERAL.—Part C of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3731 et seq.) is amended by adding at the end the following:

"OFFICE OF IMMIGRATION STATISTICS

"SEC. 305. (a) There is established within the Bureau of Justice Statistics of the Department of Justice an Office of Immigration Statistics (in this section referred to as the 'Office'), which shall be headed by a Director who shall be appointed by the Attorney General and who shall report to the Director of Justice Statistics.

"(b) The Director of the Office shall be responsible for the following:

"(1) Maintenance of all immigration statistical information of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, the Bureau of Immigration Enforcement, and the Executive Office for Immigration Review. Such statistical information shall include information and statistics of the type contained in the publication entitled 'Statistical Yearbook of the Immigration and Naturalization Service' prepared by the Immigration and Naturalization Service (as in effect on the day prior to the effective date specified in section 15(a) of the Barbara Jordan Immigration Reform and Accountability Act of 2002).

"(2) Establishment of standards of reliability and validity for immigration statistics collected by the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, the Bureau of Immigration Enforcement, and the Executive Office for Immigration Review.

"(c) The Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, the Bureau of Immigration Enforcement, and the Executive Office for Immigration Review shall provide statistical information to the Office of Immigration Statistics from the operational data systems controlled by the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, the Bureau of Immigration Enforcement, and the Executive Office for Immigration Review, respectively, for the purpose of meeting the responsibilities of the Director.".

(b) TRANSFER OF FUNCTIONS.—There are transferred to the Office of Immigration Statistics established under section 305 of the Omnibus Crime Control and Safe Streets Act of 1968, as added by subsection (a), the functions performed by the Statistics Branch of the Office of Policy and Planning of the Immigration and Naturalization Service on the day before the effective date specified in section 15(a).

(c) CONFORMING AMENDMENTS.—Section 302(c) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3732(c)) is amended—

(1) by striking "and" at the end of paragraph (22);

(2) by striking the period at the end of paragraph (23) and inserting "; and"; and

(3) by adding at the end the following:

"(24) collect, maintain, compile, analyze, publish, and disseminate information and statistics about immigration in the United States, including information and statistics involving the functions of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, the Bureau of Immigration Enforcement, and the Executive Office for Immigration Review.".

SEC. 8. EXERCISE OF AUTHORITIES.

(a) IN GENERAL.—Except as otherwise provided by law, a Federal official to whom a function is transferred by this Act may, for purposes of performing the function, exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the effective date specified in section 15(a).

(b) PRESERVATION OF ATTORNEY GENERAL'S AUTHORITY.—

(1) IN GENERAL.—Any function for which this Act vests responsibility in an official other than the Attorney General, or which is transferred by this Act to such an official, may, notwithstanding any provision of this Act, be performed by the Attorney General, or the Attorney General's delegate, in lieu of such official.

(2) REFERENCES.—In a case in which the Attorney General performs a function described in paragraph (1), any reference in any other Federal law, Executive order, rule, regulation, document, or delegation of authority to the official otherwise responsible for the function is deemed to refer to the Attorney General.

(c) STATUTORY CONSTRUCTION.—Nothing in this Act may be construed to preclude or limit in any way the powers, authorities, or duties of the Secretary of State and special agents of the Department of State and the Foreign Service under the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651 note), the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), or any other Act, to investigate illegal passport or visa issuance or use.

SEC. 9. SAVINGS PROVISIONS.

(a) LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, agreements, recognition of labor organizations, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Attorney General, the Commissioner of the Immigration and Naturalization Service, their delegates, or any other Government official, or by a court of competent jurisdiction, in the performance of any function that is transferred by this Act; and

(2) that are in effect on the effective date of such transfer (or become effective after such date pursuant to their terms as in effect on such effective date),

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law.

(b) PROCEEDINGS.—Sections 4 and 6 and this section shall not affect any proceedings or any application for any benefit, service, license, permit, certificate, or financial assistance pending on the effective date specified in section 15(a) before an office whose functions are transferred by this Act, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this section shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(c) SUITS.—This Act shall not affect suits commenced before the effective date specified in section 15(a), and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Justice or the Immigration and Naturalization Service, or by or against any individual in the official capacity of such individual as an officer or employee in connection with a function transferred by this Act, shall abate by reason of the enactment of this Act.

(e) CONTINUANCE OF SUITS.—If any Government officer in the official capacity of such officer is party to a suit with respect to a function of the officer, and under this Act (or an amendment made by this Act) such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

(f) ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW.—Except as otherwise provided by this Act, any statutory requirements relating to notice, hearings, action upon the record, or administrative or judicial review that apply to any function transferred by this Act shall apply to the exercise of such function by the head of the office, and other officers of the office, to which such function is transferred by this Act.

SEC. 10. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) IN GENERAL.—The personnel of the Department of Justice employed in connection with the functions transferred by this Act (and functions that the Attorney General determines are properly related to the functions of the Bureau of Citizenship and Immigration Services or the Bureau of Immigration Enforcement and would, if transferred, further the purposes of the bureau to which the function is transferred), and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available to, the Immigration and Naturalization Service or the Office of Immigration Litigation of the Civil Division in connection with the functions transferred by this Act, subject to section 202 of the Budget and Accounting Procedures Act of 1950, shall be transferred to the Associate Attorney General for Immigration Affairs for allocation to the appropriate component or bureau. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated. The Attorney General shall have the right to adjust or realign transfers of funds and personnel effected pursuant to this Act for a period of 2 years after the effective date specified in section 15(a).

(b) DELEGATION AND ASSIGNMENT.—Except as otherwise expressly prohibited by law or otherwise provided in this Act, of the Associate Attorney General for Immigration Affairs, the Director of the Bureau of Citizenship and Immigration Services, and the Director of the Bureau of Immigration Enforcement, the person to whom functions are transferred under this Act may delegate any of the functions so transferred to such officers and employees of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, or the Bureau of Immigration Enforcement, respectively, as the person may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under this subsection or under any other provision of this Act shall relieve the official to whom a function is transferred under this Act of responsibility for the administration of the function.

(c) AUTHORITIES OF ATTORNEY GENERAL.—The Attorney General (or a delegate of the Attorney

General), at such time or times as the Attorney General (or the delegate) shall provide, may make such determinations as may be necessary with regard to the functions transferred by this Act, and may make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this Act. The Attorney General shall provide for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(d) DATABASES.—The Associate Attorney General for Immigration Affairs shall ensure that the databases of the Office of the Associate Attorney General for Immigration Affairs and those of the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement are integrated with the databases of the Executive Office for Immigration Review in such a way as to permit—

(1) the electronic docketing of each case by date of service upon the alien of the notice to appear in the case of a removal proceeding (or an order to show cause in the case of a deportation proceeding, or a notice to alien in the case of an exclusion proceeding); and

(2) the tracking of the status of any alien throughout the alien's contact with United States immigration authorities, without regard to whether the entity with jurisdiction over the alien is the Bureau of Citizenship and Immigration Services, the Bureau of Immigration Enforcement, or the Executive Office for Immigration Review.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS; PROHIBITION ON TRANSFER OF FEES; LEASING OR ACQUISITION OF PROPERTY; SENSE OF CONGRESS.

(a) AUTHORIZATION OF APPROPRIATIONS FOR TRANSITION.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to effect the abolition of the Immigration and Naturalization Service, the establishment of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement and their components, and the transfers of functions required to be made under this Act (and the amendments made by this Act), and to carry out any other duty related to the reorganization of the immigration and naturalization functions that is made necessary by this Act (or any such amendment).

(2) AVAILABILITY OF FUNDS.—Amounts appropriated under paragraph (1) shall remain available until expended.

(3) TRANSITION ACCOUNT.—

(A) ESTABLISHMENT.—There is established in the general fund of the Treasury of the United States a separate account, which shall be known as the "Immigration Reorganization Transition Account" (in this paragraph referred to as the "Account").

(B) USE OF ACCOUNT.—There shall be deposited into the Account all amounts appropriated under paragraph (1).

(C) ADVANCED AVAILABILITY OF FUNDS.—To the extent provided in appropriations Acts, funds in the Account shall be available for expenditure before the effective date specified in section 15(a).

(b) SEPARATION OF FUNDING.—

(1) IN GENERAL.—There shall be established separate accounts in the Treasury of the United States for appropriated funds and other deposits available for the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement.

(2) SEPARATE BUDGETS.—To ensure that the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement are funded to the extent necessary to fully carry out their respective functions, the Director of the Office of Management and Budget shall separate the budget requests for each such entity.

(3) FEES.—Fees imposed for a particular service, application, or benefit shall be deposited into the account established under paragraph (1) that is for the bureau with jurisdiction over the function to which the fee relates.

(4) FEES NOT TRANSFERABLE.—No fee may be transferred between the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement for purposes not authorized by section 286 of the Immigration and Nationality Act (8 U.S.C. 1356).

(5) ESTABLISHMENT OF FEES FOR ADJUDICATION AND NATURALIZATION SERVICES.—Section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) is amended by striking "services, including the costs of similar services provided without charge to asylum applicants or other immigrants." and inserting "services.".

(6) AUTHORIZATION OF APPROPRIATIONS FOR REFUGEE AND ASYLUM ADJUDICATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of sections 207 through 209 of the Immigration and Nationality Act (8 U.S.C. 1157–1159). All funds appropriated under this paragraph shall be deposited into the Immigration Examinations Fee Account established under section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) and shall remain available until expended.

(c) LEASING OR ACQUISITION OF PROPERTY.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Attorney General is authorized to expend, from the appropriation provided for the administration and enforcement of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), such amounts as may be necessary for the leasing or acquisition of property in the fulfillment of establishing the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement under this Act.

(d) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the missions of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement are equally important and, accordingly, they each should be adequately funded; and

(2) the functions of the Associate Attorney General for Immigration Affairs described in section 3, the immigration adjudication and service functions referred to in section 4, and the immigration enforcement functions referred to in section 6 should not operate at levels below that in existence prior to the enactment of this Act.

(e) ELIMINATION OF LIMITATION ON EXPENDITURES FOR BACKLOG REDUCTION.—Section 204(b) of the Immigration Services and Infrastructure Improvements Act of 2000 (8 U.S.C. 1573(b)) is amended by striking paragraph (4).

SEC. 12. REPORTS AND IMPLEMENTATION PLANS.

(a) DIVISION OF FUNDS.—The Attorney General, not later than 120 days after the date of the enactment of this Act, shall submit to the Committees on Appropriations and the Judiciary of the United States House of Representatives and of the Senate a report on the proposed division and transfer of funds, including unexpended funds, appropriations, and fees, among the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement.

(b) DIVISION OF PERSONNEL.—The Attorney General, not later than 120 days after the date of the enactment of this Act, shall submit to the Committees on Appropriations and the Judiciary of the United States House of Representatives and of the Senate a report on the proposed division of personnel among the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement.

(c) IMPLEMENTATION PLAN.—

(1) IN GENERAL.—The Attorney General, not later than 120 days after the date of the enactment of this Act, and every 6 months thereafter until the termination of fiscal year 2005, shall submit to the Committees on Appropriations and the Judiciary of the United States House of Representatives and of the Senate an implementation plan to carry out this Act.

(2) CONTENTS.—The implementation plan should include details concerning the separation of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, including the following:

(A) Organizational structure, including the field structure.

(B) Chain of command.

(C) Procedures for interaction among such office and bureaus.

(D) Procedures for the Director of Shared Services to perform all shared support functions, including authorizing the Director of the Bureau of Citizenship and Immigration Services and the Director of the Bureau of Immigration Enforcement to approve training curricula and to acquire such supplies and equipment as may be necessary to perform the daily operations of that director's bureau.

(E) Procedures to establish separate accounts and financial management systems for the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement, and to implement all provisions of section 11(b).

(F) Fraud detection and investigation.

(G) The processing and handling of removal proceedings, including expedited removal and applications for relief from removal.

(H) Recommendations for conforming amendments to the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

(I) Establishment of a transition team.

(J) Ways to phase in the costs of separating the administrative support systems of the Immigration and Naturalization Service in order to provide for separate administrative support systems for the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement in instances where separate systems are more efficient or effective.

(d) REPORT ON IMPROVING IMMIGRATION SERVICES.—

(1) IN GENERAL.—The Attorney General, not later than 1 year after the date of the enactment of this Act, shall submit to the Committees on the Judiciary and Appropriations of the United States House of Representatives and of the Senate a report containing a plan for how the Director of the Bureau of Citizenship and Immigration Services will complete efficiently, fairly, and within a reasonable time, the adjudications described in paragraphs (1) through (5) of section 4(b).

(2) CONTENTS.—For each type of adjudication to be undertaken by the Director of the Bureau of Citizenship and Immigration Services, the report shall include the following:

(A) Any potential savings of resources that may be implemented without affecting the quality of the adjudication.

(B) The goal for processing time with respect to the application.

(C) Any statutory modifications with respect to the adjudication that the Attorney General considers advisable.

(3) CONSULTATION.—In carrying out paragraph (1), the Attorney General shall consult with the Secretary of State, the Secretary of Labor, the Associate Attorney General for Immigration Affairs, the Director of the Bureau of Immigration Enforcement, and the Director of the Executive Office for Immigration Review to determine how to streamline and improve the process for applying for and making adjudications described in section 4(b) and related processes.

(e) REPORT ON IMPROVING ENFORCEMENT FUNCTION.—

(1) IN GENERAL.—The Attorney General, not later than 1 year after the date of the enactment of this Act, shall submit to the Committees on Appropriations and the Judiciary of the United States House of Representatives and of the Senate a report with a plan detailing how the Bureau of Immigration Enforcement, after the transfer of functions performed under the programs described in paragraphs (1) through (5) of section 6(b), will enforce comprehensively, effectively, and fairly all the enforcement provisions of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) relating to such programs.

(2) CONSULTATION.—In carrying out paragraph (1), the Attorney General shall consult with the Secretary of State, the Director of the Federal Bureau of Investigation, the Secretary of the Treasury, the Secretary of Labor, the Commissioner of Social Security, the Associate Attorney General for Immigration Affairs, the Director of the Bureau of Citizenship and Immigration Services, the Director of the Executive Office for Immigration Review, and the heads of State and local law enforcement agencies to determine how to most effectively conduct enforcement operations.

(f) REPORT ON SHARED SERVICES.—The Attorney General, not later than 3 years after the effective date specified in section 15(a), shall submit to the Committees on the Judiciary and Appropriations of the United States House of Representatives and of the Senate a report on whether the Director of Shared Services is properly serving the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement. The report should address whether it would be more efficient to transfer one or more of the functions described in section 3 to the Director of the Bureau of Citizenship and Immigration Services or the Director of the Bureau of Immigration Enforcement, and shall include an estimate of the cost of any such transfer that the Attorney General recommends. The report should also address whether it would be more efficient to transfer one or more of the functions described in sections 4 and 6 to the Office of the Associate Attorney General for Immigration Affairs, and shall include an estimate of the cost of any such transfer that the Attorney General recommends.

(g) COMPTROLLER GENERAL STUDIES AND REPORTS.—

(1) STATUS REPORTS ON TRANSITION.—Not later than 18 months after the effective date specified in section 15(a), and every 6 months thereafter, until full implementation of this Act has been completed, the Comptroller General of the United States shall submit to the Committees on Appropriations and on the Judiciary of the United States House of Representatives and the Senate a report containing the following:

(A) A determination of whether the transfers of functions made by sections 4 and 6 have been completed, and if a transfer of functions has not taken place, identifying the reasons why the transfer has not taken place.

(B) If the transfers of functions made by sections 4 and 6 have been completed, an identification of any issues that have arisen due to the completed transfers.

(C) An identification of any issues that may arise due to any future transfer of functions.

(2) REPORT ON MANAGEMENT.—Not later than 4 years after the effective date specified in section 15(a), the Comptroller General of the United States shall submit to the Committees on Appropriations and on the Judiciary of the United States House of Representatives and the Senate a report, following a study, containing the following:

(A) Determinations of whether the transfer of functions from the Immigration and Naturalization Service to the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement, and the transfer of functions from the Immigration and Naturalization Service and the Office of Immigration Litigation of the Civil Division to the Office of the Associate Attorney General for Immigration Affairs, under this Act have improved, with respect to each function transferred, the following:

(i) Operations.

(ii) Management, including accountability and communication.

(iii) Financial administration.

(iv) Recordkeeping, including information management and technology.

(B) A statement of the reasons for the determinations under subparagraph (A).

(C) Any recommendations for further improvements to the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement.

(h) REPORT ON INTERIOR CHECKPOINTS.—Not later than 6 months after the date of the enactment of this Act, the Attorney General shall submit to the Congress a report on whether all permanent interior checkpoints operated by the Immigration and Naturalization Service ought to be closed, and the funds that otherwise would be expended for the operation of such checkpoints ought to be reallocated for protecting and maintaining the integrity of the borders of the United States and increasing enforcement at other points of entry into the United States.

(i) REPORT ON RESPONDING TO FLUCTUATING NEEDS.—Not later than 30 days after the date of the enactment of this Act, the Attorney General shall submit to the Congress a report on changes in law, including changes in authorizations of appropriations and in appropriations, that are needed to permit the Immigration and Naturalization Service, and, after the effective date specified in section 15(a), the Bureau of Citizenship and Immigration Services, to ensure a prompt and timely response to emergent, unforeseen, or impending changes in the number of applications for immigration benefits, and otherwise to ensure the accommodation of changing immigration service needs.

SEC. 13. APPLICATION OF INTERNET-BASED TECHNOLOGIES.

(a) ESTABLISHMENT OF TRACKING SYSTEM.—The Attorney General, not later than 1 year after the date of the enactment of this Act, in consultation with the Technology Advisory Committee established under subsection (c), shall establish an Internet-based system, that will permit a person, employer, immigrant, or nonimmigrant who has filings with the Attorney General for any benefit under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), access to online information about the processing status of the filing involved.

(b) FEASIBILITY STUDY FOR ONLINE FILING AND IMPROVED PROCESSING.—

(1) ONLINE FILING.—The Attorney General, in consultation with the Technology Advisory Committee established under subsection (c), shall conduct a feasibility study on the online filing of the filings described in subsection (a). The study shall include a review of computerization and technology of the Immigration and Naturalization Service relating to the immigration services and processing of filings related to immigrant services. The study shall also include an estimate of the timeframe and cost and shall consider other factors in implementing such a filing system, including the feasibility of fee payment online.

(2) REPORT.—A report on the study under this subsection shall be submitted to the Committees on the Judiciary of the United States House of Representatives and the Senate not later than 1 year after the date of the enactment of this Act.

(c) TECHNOLOGY ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—The Attorney General shall establish, not later than 60 days after the date of the enactment of this Act, an advisory committee (in this section referred to as the "Technology Advisory Committee") to assist the Attorney General in—

(A) establishing the tracking system under subsection (a); and

(B) conducting the study under subsection (b). The Technology Advisory Committee shall be established after consultation with the Committees on the Judiciary of the United States House of Representatives and the Senate.

(2) COMPOSITION.—The Technology Advisory Committee shall be composed of representatives from high technology companies capable of establishing and implementing the system in an expeditious manner, and representatives of persons who may use the tracking system described in subsection (a) and the online filing system described in subsection (b)(1).

SEC. 14. DEFINITIONS.

For purposes of this Act:

(1) The term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(2) The term "office" includes any office, administration, agency, bureau, institute, council, unit, organizational entity, or component thereof.

SEC. 15. EFFECTIVE DATE; TRANSITION.

(a) IN GENERAL.—The abolishment of the Immigration and Naturalization Service, the establishment of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, the transfers of functions specified under this Act, and the amendments made by this Act, shall take effect 1 year after the date of the enactment of this Act. The Associate Attorney General for Immigration Affairs, the Director of the Bureau of Citizenship and Immigration Services, and the Director of the Bureau of Immigration Enforcement shall be appointed not later than such effective date. To the extent that functions to be transferred to such persons under this Act continue to be performed by the Immigration and Naturalization Service and the Office of Immigration Litigation of the Civil Division during fiscal year 2003, the Attorney General shall provide for an appropriate accounting of funds and an appropriate transfer of funds appropriated to such entities to the appropriate component of the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, or the Bureau of Immigration Enforcement.

(b) TRANSITION PERIOD FOR CERTAIN BUREAU FUNCTIONS.—Notwithstanding subsection (a), during the 18-month period after the transfer of functions under this Act takes effect, the Associate Attorney General for Immigration Affairs is authorized to perform the functions described in subsections (c), (d), and (f) of each of sections 4 and 6 for both the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement.

SEC. 16. CONFORMING AMENDMENT.

Section 5315 of title 5, United States Code, is amended by striking the following:

"Commissioner of Immigration and Naturalization, Department of Justice.".

The CHAIRMAN. No amendment to the committee amendment in the nature of a substitute is in order except those printed in House Report 107–419. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

□ 1300

It is now in order to consider amendment No. 1 printed in House Report 107–419.

AMENDMENT NO. 1 OFFERED BY MR. SENSENBRENNER

Mr. SENSENBRENNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. Sensenbrenner:

Page 2, after the item relating to section 10, insert the following (and redesignate succeeding items accordingly):

"Sec. 11. Voluntary separation incentive payments.
"Sec. 12. Authority to conduct a demonstration project relating to disciplinary action.

Page 15, line 15, strike "15(a)" and insert "17(a)".

Page 17, line 9, strike "15(a)" and insert "17(a)".

Page 18, line 1, strike "15(a)" and insert "17(a)".

Page 20, after line 21, insert the following:

(5) Managerial rotation program.—

(A) In general.—Not later than 1 year after the effective date specified in section 18(a), the Director of the Bureau of Citizenship and Immigration Services shall design and implement a managerial rotation program under which employees of such bureau holding positions involving supervisory or managerial responsibility and classified, in accordance with chapter 51 of title 5, United States Code, as a GS–14 or above, shall, as a condition on further promotion—

(i) gain some experience in all the major functions performed by such bureau; and

(ii) work in at least one field office and one service center of such bureau.

(B) Report.—Not later than 2 years after the effective date specified in section 17(a), the Attorney General shall submit a report to the Congress on the implementation of such program.

Page 21, line 4, strike "15(a)" and insert "17(a)".

Page 21, line 13, strike "15(a)" and insert "17(a)".

Page 25, line 20, strike "15(a)" and insert "17(a)".

Page 32, after line 20, insert the following:

(4) Managerial rotation program.—

(A) In general.—Not later than 1 year after the effective date specified in section 17(a), the Director of the Bureau of Immigration Enforcement shall design and implement a managerial rotation program under which employees of such bureau holding positions involving supervisory or managerial responsibility and classified, in accordance with chapter 51 of title 5, United States Code, as a GS–14 or above, shall, as a condition on further promotion—

(i) gain some experience in all the major functions performed by such bureau; and

(ii) work in at least one field office and one border patrol sector of such bureau.

(B) Report.—Not later than 2 years after the effective date specified in section 17(a), the Attorney General shall submit a report to the Congress on the implementation of such program.

Page 33, line 3, strike "15(a)" and insert "17(a)".

Page 37, line 3, strike "15(a)" and insert "17(a)".

Page 38, line 14, strike "15(a)" and insert "17(a)".

Page 39, line 16, strike "15(a)" and insert "17(a)".

Page 40, line 18, strike "15(a)" and insert "17(a)".

Page 42, line 16, strike "15(a)" and insert "17(a)".

Page 43, line 6, strike "15(a)" and insert "17(a)".

Page 45, line 7, strike "15(a)" and insert "17(a)".

Page 47, after line 9, insert the following:

SEC. 11. VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) Definitions.—For purposes of this section—

(1) the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who—

(A) has completed at least 3 years of current continuous service with 1 or more covered entities; and

(B) is serving under an appointment without time limitation;

but does not include any person under subparagraphs (A)-(G) of section 663(a)(2) of Public Law 104–208 (5 U.S.C. 5597 note);

(2) the term "covered entity" means—

(A) the Immigration and Naturalization Service;

(B) the Office of Immigration Litigation of the Civil Division;

(C) the Office of the Associate Attorney General for Immigration Affairs;

(D) the Bureau of Immigration Enforcement; and

(E) the Bureau of Citizenship and Immigration Services; and

(3) the term "transfer date" means the date on which the transfer of functions specified under this Act takes effect.

(b) Strategic Restructuring Plan.—Before obligating any resources for voluntary separation incentive payments under this section, the Attorney General shall submit to the appropriate committees of Congress a strategic restructuring plan, which shall include—

(1) an organizational chart depicting the covered entities after their restructuring pursuant to this Act;

(2) a summary description of how the authority under this section will be used to help carry out that restructuring; and

(3) the information specified in section 663(b)(2) of Public Law 104–208 (5 U.S.C. 5597 note).

As used in the preceding sentence, the "appropriate committees of Congress" are the Committees on Appropriations, Government Reform, and the Judiciary of the House of Representatives, and the Committees on Appropriations, Governmental Affairs, and the Judiciary of the Senate.

(c) Authority.—The Attorney General may, to the extent necessary to help carry out the strategic restructuring plan described in subsection (b), make voluntary separation incentive payments to employees. Any such payment—

(1) shall be paid to the employee, in a lump sum, after the employee has separated from service;

(2) shall be paid from appropriations or funds available for the payment of basic pay of the employee;

(3) shall be equal to the lesser of—

(A) the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code; or

(B) an amount not to exceed $25,000, as determined by the Attorney General;

(4) may not be made except in the case of any qualifying employee who voluntarily separates (whether by retirement or resignation) before the end of—

(A) the 3-month period beginning on the date on which such payment is offered or made available to such employee; or

(B) the 3-year period beginning on the date of the enactment of this Act,

whichever occurs first;

(5) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(6) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(d) Additional Agency Contributions to the Retirement Fund.—

(1) In general.—In addition to any payments which it is otherwise required to make, the Department of Justice shall, for each fiscal year with respect to which it makes any voluntary separation incentive payments under this section, remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund the amount required under paragraph (2).

(2) Amount required.—The amount required under this paragraph shall, for any fiscal year, be the amount under subparagraph (A) or (B), whichever is greater.

(A) First method.—The amount under this subparagraph shall, for any fiscal year, be equal to the minimum amount necessary to offset the additional costs to the retirement systems under title 5, United States Code (payable out of the Civil Service Retirement and Disability Fund) resulting from the voluntary separation of the employees described in paragraph (3), as determined under regulations of the Office of Personnel Management.

(B) Second method.—The amount under this subparagraph shall, for any fiscal year, be equal to 45 percent of the sum total of the final basic pay of the employees described in paragraph (3).

(3) Computations to be based on separations occurring in the fiscal year involved.—The employees described in this paragraph are those employees who receive a voluntary separation incentive payment under this section based on their separating from service during the fiscal year with respect to which the payment under this subsection relates.

(4) Final basic pay defined.—In this subsection, the term "final basic pay" means, with respect to an employee, the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(e) Effect of Subsequent Employment with the Government.—An individual who receives a voluntary separation incentive payment under this section and who, within 5 years after the date of the separation on which the payment is based, accepts any compensated employment with the Government or works for any agency of the Government through a personal services contract, shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment. Such payment shall be made to the covered entity from which the individual separated or, if made on or after the transfer date, to the Associate Attorney General for Immigration Affairs (for transfer to the appropriate component of the Department of Justice, if necessary).

(f) Effect on Employment Levels.—

(1) Intended effect.—Voluntary separations under this section are not intended to necessarily reduce the total number of full-time equivalent positions in any covered entity.

(2) Use of voluntary separations.—A covered entity may redeploy or use the full-time equivalent positions vacated by voluntary separations under this section to make other positions available to more critical locations or more critical occupations.

SEC. 12. AUTHORITY TO CONDUCT A DEMONSTRATION PROJECT RELATING TO DISCIPLINARY ACTION.

(a) In General.—The Attorney General may, during a period ending not later than 5 years after the date of the enactment of this Act, conduct a demonstration project for the purpose of determining whether one or more changes in the policies or procedures relating to methods for disciplining employees would result in improved personnel management.

(b) Scope.—The demonstration project—

(1) may not cover any employees apart from those employed in or under a covered entity; and

(2) shall not be limited by any provision of chapter 43, 75, or 77 of title 5, United States Code.

(c) Procedures.—Under the demonstration project—

(1) the use of alternative means of dispute resolution (as defined in section 571 of title 5, United States Code) shall be encouraged, whenever appropriate; and

(2) each covered entity shall be required to provide for the expeditious, fair, and independent review of any action to which section 4303 or subchapter II of chapter 75 of such title 5 would otherwise apply (except an action described in section 7512(5) thereof).

(d) Actions Involving Discrimination.—Notwithstanding any other provision of this section, if, in the case of any matter described in section 7702(a)(1)(B) of title 5, United States Code, there is no judicially reviewable action under the demonstration project within 120 days after the filing of an appeal or other formal request for review (referred to in subsection (c)(2)), an employee shall be entitled to file a civil action to the same extent and in the same manner as provided in section 7702(e)(1) of such title 5 (in the matter following subparagraph (C) thereof).

(e) Certain Employees.—Employees shall not be included within any project under this section if such employees are—

(1) neither managers nor supervisors; and

(2) within a unit with respect to which a labor organization is accorded exclusive recognition under chapter 71 of title 5, United States Code.

Notwithstanding the preceding sentence, an aggrieved employee within a unit (referred to in paragraph (2)) may elect to participate in a complaint procedure developed under the demonstration project in lieu of any negotiated grievance procedure and any statutory procedure (as such term is used in section 7121 of such title 5).

(f) Reports.—The General Accounting Office shall prepare and submit to the Committees on Government Reform and the Judiciary of the House of Representatives and the Committees on Governmental Affairs and the Judiciary of the Senate periodic reports on any demonstration project conducted under this section, such reports to be submitted after the second and fourth years of its operation. Upon request, the Attorney General shall furnish such information as the General Accounting Office may require to carry out this subsection.

(g) Definitions.—In this section—

(1) the term "Attorney General" means the Attorney General or his designee; and

(2) the term "covered entity" has the meaning given such term in section 11(a)(2).

Page 47, line 10, strike "11" and insert "13".

Page 48, line 21, strike "15(a)" and insert "17(a)".

Page 51, strike lines 16 through 20.

Page 51, line 21, strike "12" and insert "14".

Page 53, line 24, strike "11(b)" and insert "13(b)".

Page 57, line 1, strike "15(a)" and insert "17(a)".

Page 57, line 23, strike "15(a)" and insert "17(a)".

Page 58, line 18, strike "15(a)" and insert "17(a)".

Page 60, line 15, strike "15(a)" and insert "17(a)".

Page 60, line 20, strike "13" and insert "15".

Page 62, line 22, strike "14" and insert "16".

Page 63, line 7, strike "15" and insert "17".

Page 64, line 13, strike "16" and insert "18".

The CHAIRMAN. Pursuant to House Resolution 396, the gentleman from Wisconsin (Mr. SENSENBRENNER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this amendment which has been worked out on a bipartisan basis by the Committees on the Judiciary and Government Reform will give the Attorney General and the Associate Attorney General for Immigration Affairs personnel flexibility tools needed to ensure that the restructuring of the INS will be a success.

First, it requires the directors of the two immigration bureaus to design and implement managerial rotation programs so that their managers will have experience in all the major functions of their respective bureaus and will have worked out in the field. I want to thank the gentleman from Arizona (Mr. FLAKE) for crafting this important provision.

Second, this amendment permits the Attorney General to offer buyouts to INS employees. That is essential to reshaping the agency.

Third, and most importantly, the amendment authorizes a 5-year demonstration project relating to disciplinary actions. It permits the Attorney General to change policies and procedures regarding methods of disciplining employees in order to improve the quality of INS management. This would ensure discipline for both employee malfeasance and nonfeasance.

The demonstration project must encourage the use of alternative means of dispute resolution, where appropriate, and require expeditious, fair and independent review of disciplinary actions. The amendment provides needed flexibility for managing the new immigration components.

I want to thank the Committee on Government Reform for its work, support and patience in drafting this amendment. I want to thank three members of the Committee on the Judiciary, the gentleman from Utah (Mr. CANNON), the gentlewoman from California (Ms. LOFGREN), and the gentleman from California (Mr. ISSA) who worked particularly hard to ensure that the Justice Department would have the personnel flexibility to make restructuring a success. I urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Ms. BALDWIN. Mr. Chairman, I ask unanimous consent to claim the time in opposition to the amendment.

The CHAIRMAN. Without objection, the gentlewoman from Wisconsin is recognized for 5 minutes.

There was no objection.

Ms. BALDWIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the manager's amendment. During the committee markup there were several issues that were contentious at the time. Chairman SENSENBRENNER and Ranking Member CONYERS agreed to work with other Judiciary Committee members and members of the Committee on Government Reform to reach bipartisan agreement. They were successful in reaching an accord on most of these issues.

I urge my colleagues to support this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Chairman, I suspect that what the gentlewoman was determining here was the amendment having to do with representation of children?

Ms. BALDWIN. No.

Mr. GEKAS. No? Then I am in the wrong place at the wrong time, but I will try to regain the podium later.

Mr. SENSENBRENNER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Wisconsin (Mr. SENSENBRENNER).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 107–419.

AMENDMENT NO. 2 OFFERED BY MS. BALDWIN

Ms. BALDWIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Ms. BALDWIN: Page 11, line 14, insert before the semicolon at the end the following: ", including developing a plan to be submitted to the Congress on how to ensure that qualified and independent legal counsel is timely appointed to represent the interests of each such child, consistent with the law regarding appointment of counsel that is in effect on the date of the enactment of this Act".

The CHAIRMAN. Pursuant to House Resolution 396, the gentlewoman from Wisconsin (Ms. BALDWIN) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Mr. Chairman, I yield myself such time as I may consume.

My amendment is simple. It would require the Office of Children's Affairs within the newly created Agency of Immigration Affairs to develop a plan on how to provide unaccompanied alien children with independent legal counsel.

Think back to when you were 8 years old. For many, our biggest concern might have been Friday's spelling bee. Now imagine that you were forced against your will to go to another country, alone, without knowing why, without knowing for how long, and often without knowing the language. You would definitely have a lot more to worry about. Remarkably, this happens to nearly 5,000 children every year in the United States. These unaccompanied alien children are brought to America from other countries for various reasons.

Mr. SENSENBRENNER. Mr. Chairman, will the gentlewoman yield?

Ms. BALDWIN. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentlewoman for yielding. I believe she has a very constructive amendment dealing with what is a major problem. We are happy to accept the amendment.

Mr. GEKAS. Mr. Chairman, will the gentlewoman yield?

Ms. BALDWIN. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I now find myself in the right spot, in the right place, on the right issue at the podium.

Ms. BALDWIN. Welcome.

Mr. GEKAS. I want to substantiate my support for the amendment and to urge that everyone consider the question of unaccompanied young children and the provision of legal assistance in their quest to remain in the United States. I thank the gentlewoman for yielding.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield?

Ms. BALDWIN. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I would encourage the gentlewoman to complete her remarks, so I will not take up a lot of the time, but I do want to congratulate the gentlewoman for an excellent amendment. Working, of course, as I do with the Congressional Children's Caucus, we are always seeing the diminished rights of children many times when they are unequal in our systems and particularly the court systems. And so coming from a border State like Texas, I can assure you that in the detention centers we find large numbers of unaccompanied children. Also being familiar with Haitian children in the parts of the land in which they come, particularly the State of Florida, we have seen many tragic incidences of citizen Haitian children with parents who are then forced to be sent back and with no independent representation. It happens to many, many immigrants.

And so let me say that this is an important addition to the children's bureau. I would like to join you as I am on the amendment in asking our colleagues to support it.

Ms. BALDWIN. Mr. Chairman, I am delighted to hear of the support from my fellow members of the committee on both sides of the aisle.

I wanted to just explain briefly further that when the INS or the Justice Department takes unaccompanied alien children into custody, our legal system treats them unlike any citizen and unlike any adult noncitizen. They are provided legal counsel who are charged not only with deporting them as mandated by law but also with representing their best interests, which is also mandated by law. It has become increasingly clear that these dueling responsibilities cannot coexist effectively.

The stories are alarming. Unaccompanied alien children are sometimes being left alone to fill out complex legal forms that determine their future, not only here in America but also their future lives in general. Almost one-third of the children will be forced to eat, sleep and live next to juvenile offenders in restrictive juvenile detention centers. Some will languish in these detention centers for years because they lack adequate legal counsel. Some will be moved to other detention centers without being told why and unable to notify relatives in their home countries where they are going.

During this debate, we have heard a lot about why the INS has been unable to do its job in the way that the American people expect and deserve. I am pleased that today we are spending at least this brief time talking about the children who are affected by the shortcomings of the INS. These conflicts of interest and dueling responsibilities not only frustrate the overall mission of the INS but cause disproportionate harm to these unaccompanied alien children.

This amendment begins to address the serious issue of unaccompanied alien children receiving legal counsel that is rife with conflicts of interest. I would point out that this amendment states that any plan developed by the new Office of Children's Affairs will be brought back before Congress for careful examination. It is essential that Congress be able to give suggestions and ask questions about how we can best protect these children's interests.

In closing, I would like to make this point very clearly: Most of the unaccompanied alien children are here for reasons beyond their control. In reforming and restructuring the INS, we hope to more effectively separate those people who want to tear our country down, from those who want to build it up. By passing this amendment, we have a great chance of making these children want to do the latter.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member rise in opposition to the amendment to claim that time?

The gentlewoman from Wisconsin is then recognized for the balance of her time.

Ms. BALDWIN. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I do want to include in the RECORD for the gentlewoman's amendment and for the gentlewoman's information that we are seeing over the last couple of weeks and months carriers of heroin, children being used by this terrible tragedy. I do want to note for the record a 12-year-old being forced to swallow 87 condoms full of heroin and travel to the United States. He was taken into custody and faces charges. In that instance, obviously that child needs counsel, whatever your opinion is about heroin; and there are many cases like that, so this is so very crucial to have.

This amendment is simple but very important. It would compel the Office of Children's Affairs within the newly created Agency of Immigration Affairs to develop a plan that would provide unaccompanied alien children with independent legal counsel.

In the year 2000, the INS took approximately 4,700 alien children who lacked a family member or close friend here in the United States into custody. Many unaccompanied children are smuggled into our country and forced into prostitution or labor. Many are simply used as a tool for others to enter our country and are left behind.

While current laws were once written to protect the child's best interest, it has become increasingly clear that the law's intent and purpose has become as blurry and as confused as the Immigration and Naturalization Service's intent and purpose.

While some of these unaccompanied children are deported or reunited with family members, many of them are placed in detention centers for long periods of time without receiving adequate counsel to help them navigate the legal process. An 18 month old infant was placed in her swing chair in Miami to defend herself. A lawyer present in the courtroom saw this ludicrous situation and offered to take the case free of charge. A 12 year old was forced to swallow 87 condoms full of heroin and travel to the United States. He was taken into custody and now faces a lot of charges. Here's a copy of the article.

Every day kids 10 years old and younger are forced to fill out complex legal forms that determine their future life here in the United States and life in general. The forms are not even written in their native language. Many of the kids are forced to reside in detention centers for long periods of time and are transferred to other detention centers without being told why.

Almost one-third of the unaccompanied alien children will be shackled and periodically strip-searched before being sent to detention centers where they will eat, sleep, and live beside juveniles who may have committed serious crimes. They can end up staying in these detention centers from anywhere between 1 month to 2 years before receiving their asylum hearing. Many will be transferred several times to other states and other detention centers without being provided legal advice, let alone be told in their native language where and why they are being moved.

During debate on this amendment in Committee, some Members raised concern about the cost of providing counsel for unaccompanied alien children. While this may be a concern, this amendment would simply give the Agency for Immigration Affairs the responsibility of developing a plan on how to do this. Very little cost would be incurred by developing such a plan.

Furthermore, this amendment would require the Office of Children's Affairs and the Agency of Immigration Affairs to report back to this Congress so Members can learn more about the plan, raise questions, and offer suggestions or criticism. This amendment would simply start the process of addressing a serious problem about how we can give unaccompanied alien children a fair chance in our courtrooms and in our country.

Lastly, Mr. Chairman, the language that was added at the last minute, "consistent with current law" should not close the door on the government coming up with a serious constructive plan for providing legal counsel for unaccompanied minor children. This simply must be done.

OFFICIALS: BOY SWALLOWS 87 HEROIN CONDOMS

NEW YORK (AP).—A 12-year-old boy from Nigeria swallowed 87 condoms filled with heroin, flew to New York and became sick before meeting whoever had promised him $1,900 to act as a contraband courier, authorities said.

The boy's father is imprisoned in the United States for recruiting drug mules to smuggle heroin into Georgia.

The boy, identified as Prince Nnaedozie Umegbolu, was listed in stable condition at New York Hospital Medical Center of Queens. Officials said 85 of the 87 condoms had left his system as of Thursday evening.

The boy has been charged with juvenile delinquency drug possession of a controlled dangerous substance, said Steve Coleman, a spokesman for the Port Authority of New York and New Jersey, which runs area airports. His case will be handled in family Court.

Airport detectives said it is not uncommon to find adults acting as drug mules, but it is rare for a child.

The boy arrived alone at John F. Kennedy International Airport at 10:30 p.m. Wednesday on a British Airways flight from London, Coleman said. He hailed a cab and went to a Brooklyn address, but no one was there, Coleman said. He then went to LaGuardia Airport before becoming ill.

Authorities did not know for whom Umegbolu was carrying the heroin.

Umegbolu, an American citizen, had been living with his grandparents for the past two years in Abuja, Nigeria, Coleman said. His mother, Alissa Walden, lives in Norcross, Georgia. There was no telephone listing for her, and she could not immediately be contacted for comment.

The boy's father, Chukwunwieke Umegbolu, is imprisoned in Petersburg, Virginia, according to court records. The elder Umegbolu was convicted in 1995 for his role in a drug ring that imported at least $33 million in heroin into Georgia over a decade.

Ms. BALDWIN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. HOSTETTLER).

Mr. HOSTETTLER. Mr. Chairman, I thank the gentlewoman from Wisconsin for this opportunity to speak on behalf of the amendment.

Article 1, section 8 of the United States Constitution gives the Federal Government jurisdiction to establish uniform naturalization laws. We have been given constitutional authority to establish these laws, and it is our responsibility to make adequate provisions for children who find themselves in conflict with our laws through no fault of their own. This amendment requires the Office of Children's Affairs to report to Congress on a plan that would aid unaccompanied children in the naturalization process.

While Congress has a responsibility to protect the citizens of the United States from enemy threats, I do not believe an unaccompanied child under the age of 10, for example, has the intention of undermining our way of life, even though the circumstances of his or her arrival may conflict with our laws. Some of these unaccompanied children find themselves in America through smuggling rings for slave labor or prostitution. The perpetrators are the adults who abandon them and break our laws, not the children themselves.

For that reason, I strongly support finding a means of handling these situations when they sadly arise. This amendment does not overburden the government with additional cost, though it does require the development of a plan by the Office of Children's Affairs created by the underlying bill for dealing with such eventualities. This is the least we can do for the most vulnerable of exploited immigrant populations. Currently, the INS holds approximately 4,700 unaccompanied alien children in custody every year. Many of these children have valid claims to refugee and asylum status; but without adequate legal counsel, they are not afforded the opportunity to make such claims.

I wonder, Mr. Chairman, just how many of these unaccompanied children have been shuffled through the process and have not gotten the procedural consideration they are due in this great country. Planning for these cases and the interests of the children should be one of the foremost priorities to be dealt with by the new Office of Children's Affairs. It is for this reason that I ask my colleagues to support this amendment.

The CHAIRMAN. The gentlewoman from Wisconsin has 1 minute remaining.

Ms. BALDWIN. Mr. Chairman, I yield that 1 minute to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Chairman, I appreciate very much the effort that is being made to make sure that children are represented and that their best interests are brought to the forefront. I would note that there is ambiguity in the drafting of the amendment because it would freeze the current law that prohibits the appointment of counsel. However, since this is a plan that is subject to further review when it comes back to the Congress, I would note that the Congress will have an opportunity to actually deal with the appointment of counsel for children as to their dependency status at least when that comes back. I think and I am hopeful that we will actually do that once this plan is put into place.

First, the 5-year-old is a child before they are an immigrant. We ought to treat the child as any other child would be treated in a dependency case, with advocacy of their best interests. I very much appreciate the effort that the gentlewoman from Wisconsin (Ms. BALDWIN) has put into this.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Wisconsin (Ms. BALDWIN).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 107–419.

AMENDMENT NO. 3 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Ms. JACKSON-LEE of Texas:

Page 59, after line 22, insert the following:

(3) REPORT ON FEES.—Not later than 90 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committees on the Judiciary of the House of Representatives and of the Senate a report examining whether the Bureau of Citizenship and Immigration Services is likely to derive sufficient funds from fees to carry out its functions in the absence of appropriated funds.

The CHAIRMAN. Pursuant to House Resolution 396, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Let me acknowledge that one of the crucial points of change in this legislation is the establishing of a bureau of services and a bureau of enforcement, one of the major concerns in this legislation and as well in the fault of the INS.

□ 1315

Might I just take a moment, because I believe when we talk about abolishing an agency, we make a global statement about all of those who are working there or have worked there. Let me get on record by acknowledging the many hard-working constituents that I have that work for the INS and around the Nation. Allow me to acknowledge the many effective and faithful district directors and center directors who have worked diligently with our respective staffs to ensure that some of the snafus that do occur can get corrected. But at the same time, allow me to acknowledge incidences of lost fingerprints and lost paperwork, incidences where people in the business community are seeking to generate opportunities for those who come to be productive in this country and generate business, are sometimes in a very complicated and conflicted position of not being able to pursue on behalf of their client the process of accessing legalization. Part of that, even though we know that there has been an attempt to increase the funding of the INS, has been the money stream.

In this bill, we rely upon the fee structure for funding the services. I want to say to all of the advocates and providers of services before the INS, the counsel that represent the particular clients trying to seek legalization, and those who work in that process to give fair hearing to those who try to proceed in the process. Allow me to suggest that we can make it better if we can follow the money trail.

This study will give us the insight as to whether the fees generated by the particular services that are granted by the INS are enough or effectively utilized to ensure that we do not have the problems that we are facing today.

Later on today, we will have additional amendments on statistics; we will have additional amendments.

Mr. SENSENBRENNER. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I believe this is a constructive amendment because it can give us some very good data on how reliant the service end of the INS is on fees that it collects from immigrants. I would hope that the committee would speedily adopt this amendment so that we can go on with the consideration of this bill.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me thank the chairman of the committee for his support of this.

To complete my explanation, let me say that this amendment will help us in the structure of the fee process that we have, being able to monitor whether or not that is sufficient money.

Again, this goes to the point that rather than having a cosmetic approach to this legislation, we are truly changing the infrastructure. We are acknowledging that fees are utilized to fund the service section, but we are also acknowledging by this amendment that we are carefully monitoring whether or not those will be sufficient funds and whether or not an authorization of a money stream will be necessary, which will then be a request to the Committee on Appropriations in their wisdom to make the right decision.

Mr. Chairman, I ask my colleagues to support this amendment, and I thank the chairman for his support.

Mr. Chairman, this amendment answers the fear that the Bureau of Immigration Services could wind up as a "starved" bureau. I am concerned that the division of the INS into separate and independent agencies could mean that the enforcement bureau will get all of the appropriated funds, and that the Service bureau will be forced to survive with only funds derived from fees. This could result in an even greater backlog in immigration benefit adjudication than currently exists.

This is a worthwhile amendment as it mandates that the GAO conduct a study to ensure that the Bureau of Immigration Services is not left standing on its own solely relying on fees. I urge passage of this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member claim the time in opposition to the amendment?

If not, the gentlewoman is invited to consume her time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House report 107–419.

AMENDMENT NO. 4 OFFERED BY MS. ROYBAL-ALLARD

Ms. ROYBAL-ALLARD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Ms. ROYBAL-ALLARD:

Page 38, line 16, insert the following before the period: ", including region-by-region statistics on the aggregate number of applications and petitions filed by an alien (or filed on behalf of an alien) and denied by such offices and bureaus, and the reasons for such denials, disaggregated by category of denial and application or petition type".

The CHAIRMAN. Pursuant to House Resolution 396, the gentlewoman from California (Ms. ROYBAL-ALLARD) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from California (Ms. ROYBAL-ALLARD).

Ms. ROYBAL-ALLARD. Mr. Chairman, I yield myself such time as I may consume.

I would like to begin by thanking the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the committee, and the gentleman from Michigan (Mr. CONYERS), the ranking member, for all of their hard work on this INS restructuring bill. I also want to thank them for support of my amendment, which simply requires the newly created Office of Immigration Statistics to maintain records on denials of applications and petitions and the reasons for those denials.

This information will help Members of Congress and other interested parties better understand the causes of the vast differences and denial rates for applications and petitions throughout the country.

For example, in the first quarter of 1999, the denial rates for INS districts ranged from 7 percent in Portland, Maine to 67 percent in Miami, Florida.

Mr. SENSENBRENNER. Mr. Chairman, will the gentlewoman yield?

Ms. ROYBAL-ALLARD. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I am pleased to support the amendment. I think she has a very constructive amendment in giving both the INS and the Congress statistics relative to denials.

What we want to see in this restructured INS is a uniform application of the law, which means that if one applies at one INS office or restructured INS office, one should not get a different result if one applies at another office with the same set of facts and the same background. I think there is a great deal of suspicion that there is different strokes for different folks, depending upon what office one goes to or, even within an office, what immigration inspector ends up doing the adjudication. Having these statistics I think will help both the restructured agency in having uniform application of the law, as well as giving the Congress the data that is necessary to determine whether any further changes in the law are necessary.

So I am pleased to support the amendment, and I hope that it is speedily adopted.

Ms. ROYBAL-ALLARD. Mr. Chairman, reclaiming my time, I thank the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the committee, for his words and also for his support of this amendment. I too believe that this is good policy that will help instill confidence in the system by giving credibility to this important agency, not only in the eyes of Congress but, more importantly, to the American people.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished gentlewoman from California, and I applaud her for her leadership on this legislation.

I will simply ask that we realize what the gentlewoman is answering, because she creates the newly-created Office of Immigration Statistics to maintain statistics on denials of application petitions and the reasons for these denials. One of the issues that we always hear is the frustration of those who are trying to access legalization. This will be a clear instruction for us to guide the INS, to answer the question of consistency. It will also be helpful to the new general counsel who will be able to note whether or not we have consistent policies vertically up and down the line of authority.

So I thank the gentlewoman, and I support her amendment.

Mr. Chairman, I rise in support of the Roybal-Allard amendment to H.R. 3231. During the House Judiciary Committee mark-up we added the new Office of Immigration Statistics, which will be headed by a Director who is appointed by the Attorney General and reports to the Director of Justice statistics. The Director will maintain all immigration statistical information to the Associate Attorney General of Immigration Affairs. The Director will establish standards of reliability and validity for immigration statistics collected by the Office of the Associate Attorney General.

Ms. ROYBAL-ALLARD's amendment brings some needed clarity to this language.

The amendment states that the newly created Office of Immigration Statistics must maintain statistics on denials of applications and petitions, and the reasons for those denials. It is too often Mr. Chairman that many members from many districts do not know why the applications that their constituents are toiling long days and nights working on have been denied. The amendment is needed to help Members of Congress and other interested parties gain a better understanding of the vast differences in denial rates for applications and petitions throughout the country.

The Roybal-Allard amendment is the step in the direction of accountability, it is a step in the direction for fairness, it is a step in the direction for accuracy, and most importantly it is a step in the direction for accuracy. Let's pass the Roybal-Allard amendment.

Ms. ROYBAL-ALLARD. Mr. Chairman, I thank the gentlewoman from Texas for her comments, and I want to acknowledge her outstanding work on this bill and in the area of immigration in general.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. If no Member rises in opposition to the amendment, the question is on the amendment offered by the gentlewoman from California (Ms. ROYBAL-ALLARD).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider Amendment No. 5 printed in House report 107-419.

AMENDMENT NO. 5 OFFERED BY MS. VELÁZQUEZ

Ms. VELÁZQUEZ. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Ms. VELÁZQUEZ:

Page 20, after line 21, insert the following:

(5) PILOT INITIATIVES FOR BACKLOG ELIMINATION.—The Director of the Bureau of Citizenship and Immigration Services is authorized to implement innovative pilot initiatives to eliminate any remaining backlog in the processing of immigration benefit applications, and to prevent any backlog in the processing of such applications from recurring, in accordance with section 204(a) of the Immigration Services and Infrastructure Improvements Act of 2000 (8 U.S.C. 1573(a)). Such initiatives may include measures such as increasing personnel, transferring personnel to focus on areas with the largest potential for backlog, and streamlining paperwork.

Page 51, strike lines 16 through 20 and insert the following:

(e) BACKLOG ELIMINATION.—Section 204(a) of the Immigration Services and Infrastructure Improvements Act of 2000 (8 U.S.C. 1573(a)) is amended by striking "October 17, 2000;" and inserting "the effective date specified in section 15(a) of the Barbara Jordan Immigration Reform and Accountability Act of 2002;".

The CHAIRMAN. Pursuant to House Resolution 396, the gentlewoman from New York (Ms. VELÁZQUEZ) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first and foremost, I would like to commend and congratulate the chairmen and ranking members of the Committee on the Judiciary and the Subcommittee on Immigration for all of their hard work on the bill we have before us today, which takes the long overdue step of restructuring the INS.

Mr. Chairman, H.R. 3231 holds tremendous potential to improve an agency that has long been a source of frustration for Congress, consumers, and agency employees alike.

Mr. SENSENBRENNER. Mr. Chairman, will the gentlewoman yield?

Ms. VELÁZQUEZ. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I believe this amendment is also a very constructive amendment. Before we figure out how to deal with new immigrants, we have to figure out what to do with the 5 million case backlog we already have, and I think having innovative pilot programs, shuffling paperwork, seeing what works and seeing what does not but, more importantly, getting us automated and having a lot of the paperwork being changed from paper to electronic paper is going to mean that these adjudications take place in a timely manner and we will not have to have people getting fingerprinted 4 times before they can get a green card.

So I would hope that this amendment would be speedily adopted.

Ms. VELÁZQUEZ. Mr. Chairman, reclaiming my time, I thank the gentleman.

The bill before us takes bold action regarding the structure of the INS. We should also seize this opportunity to take bold action with regard to the application backlog as well, and that is what my amendment proposes to do.

Specifically, my amendment will enable the Associate Attorney General for Immigration Affairs to explore new and innovative ways of addressing the backlog by authorizing the director of the Bureau of Citizenship and Immigration Services to implement pilot programs in areas with large backlogs to efficiently and effectively dispense with pending applications and prevent the backlog of future applications. It will encourage initiatives such as increasing or transferring personnel to areas with ongoing backlog problems, streamlining regulations and paperwork, and providing incentives for efficient and high-quality work.

This amendment recognizes that there is not a one-size-fits-all approach to eliminating existing backlog and, therefore, encourages flexibility at the local level by enabling district offices to utilize new strategies to deal with all problems.

Finally, the amendment establishes the goal of eliminating the current backlog not later than one year after the enactment of the act. My amendment will allow the new Associate Attorney General for Immigration Affairs to think and pursue new solutions to old problems. It will enable the newly-formed Bureau of Citizenship and Immigration Services to get to a point where all immigration applications are processed quickly and expeditiously, and it represents an important step in the process of turning immigration into a policy and process of which we can all, Congress, consumers and agency employees alike, be proud.

Mr. Chairman, I urge my colleagues to support it.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member rise in opposition to the amendment? If not, the gentlewoman is invited to exhaust her time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in support of the gentlelady from New York's amendment. This amendment requires that the INS eliminate its enormous immigration application processing backlogs and requires that all backlogs be eliminated within one year. It also requires that the INS prevent any backlog efficiencies where problems are known to exist. The INS has been notorious in the past for being long overdue in issuing backlog reports for Congress to access. This has resulted in an INS backlog of 4.9 million immigration applications. Efforts in the past to reduce the backlog were unsuccessful. The Immigration Services and Infrastructure Improvements Act of 2000 authorized appropriations to reduce backlogs but the appropriate expenditures were predicated on the INS submitting a backlog report to Congress. 4.9 million applications later, we're still waiting.

As it stands, H.R. 3231 doesn't go far enough. It would eliminate the wait for a backlog report before using funds to start reducing the backlogs but it would not place a requirement on the INS to eliminate the backlog right away. And that's what we need if we are serious about this problem. 4.9 million people and their futures and maybe those of their families are behind those unprocessed immigration applications. Many are hanging in "status limbo" waiting for a decision on which way to go or what to do next. And if there are security concerns, we would not know because these applications are not reviewed or examined.

This is a good amendment, a practical amendment and a much needed amendment for the reformed and restructured INS and for the people trying come in and make good in America.

Ms. VELÁZQUEZ. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider Amendment No. 6 printed in House report 107–419.

AMENDMENT NO. 6 OFFERED BY MR. ISSA

Mr. ISSA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. ISSA:

Page 45, after line 7, insert the following (and redesignate provisions accordingly):

(b) ADDITIONAL PERSONNEL MATTERS.—

(1) POSITIONS IN EXCEPTED SERVICE.—All positions in the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement are positions in the excepted service, as defined by section 2103 of title 5, United States Code.

(2) ELIMINATING RESTRICTIONS ON CERTAIN DISCIPLINARY AND OTHER ADVERSE ACTIONS TAKEN AGAINST EMPLOYEES.—Section 7511(b)(8) of title 5, United States Code, is amended by inserting "the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, the Bureau of Immigration Enforcement," after "the Federal Bureau of Investigation,".

The CHAIRMAN. Pursuant to House Resolution 396, the gentleman from California (Mr. ISSA) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Chairman, I yield myself such time as I may consume.

The INS has an essential role in ensuring the national security of the United States and is failing in that role. Reforming the INS without addressing the personnel reform issue is simply an error.

This amendment extends greater management authority to deal with problem employees, which will lead to a higher level of service and a greater expectation.

The type of personnel flexibility is exactly what Commissioner Ziegler has asked for when testifying before Congress earlier this year. I believe this amendment is offered for true INS reform.

I do not ask for much in the way of reform; I only ask for the same standard, the same standard as today we expect from the FBI, the CIA, and other agencies.

In fact, nearly 20 percent of all agencies have the same rules I am asking for here today, and disproportionately, these rules are used in those organizations in which public trust and safety is most vital.

□ 1330

Without this amendment, I do not believe true reform can take place, because we would not be addressing the entire organization from the structure of the organization to the personnel within.

Mr. Chairman, without this amendment, we in fact would not have the ability to terminate people, even if once again the gross failures that led to the unfortunate loss of life in the tragedy in the Twin Towers in New York occurred. We need the authority to get rid of, not promote or transfer, people who in fact cannot or will not do their job.

Mr. Chairman, I rise in support of my amendment to H.R. 3231, "The Barbara Jordan Immigration Reform and Accountability Act." This amendment requires that all employees at the new Office of the Associate Attorney General for Immigration Affairs and the two new bureaus be excepted service (Bureau of Citizenship and the Immigration Service, and the Bureau of Immigration Enforcement) employees. Simply stated, this bill will extend greater management authority to deal with problem employees, which will lead to a higher level of service we have a right to expect.

This amendment is the type of personnel reform Commissioner Ziglar asked for when he testified before Congress this year. I believe this amendment will offer "true" INS reform, by making every INS employee a part of the excepted service, thereby assuring accountability from top of the agency to the lowest level employee.

Earlier today, I spoke of Mohammed Atta and his multiple entries into the United States prior to his attack on our Nation and INS's role. The employees that were responsible for his entry were not dismissed and still remain within the INS.

With regards to Mohammed Atta, the INS:

Failed to act to cancel Atta's training visa after Atta abandoned the application by leaving the country;

Failed to recognize that Atta had abandoned his application even when his departure was established by his attempt to reenter the United States on January 10, 2001;

Disregarded Atta's apparent intent to continue his flight training without a proper visa in January and admitted him as a visitor; and

Ignored evidence that Atta first entered the United States intending to commence flight training immediately without the proper visa.

If this amendment is adopted, we will no longer protect incompetence that allowed Mohammed Atta into the United States. This amendment is a vote for greater accountability of the INS and for national security. Let's not forget that there are 3,000 dead . . . and no one is held accountable.

I urge all my colleagues to vote in favor of this legislation.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member rise in opposition to the amendment?

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 10 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, obviously we have worked together on the Committee on the Judiciary, and we respect the diversity of opinion and thought that would generate various efforts to improve this agency.

But I am forced to raise strong opposition to the Issa amendment because, by making it simple for managers to hire employees and summarily dismiss them outside of the civil service process, the Issa amendment would circumvent many of the positive reforms agreed to in this legislation.

The amendment is strongly opposed by the American Federation of Government Employees and the AFL–CIO. Excepting INS employees from the civil service would return the agency back to the ages when we again address the questions of cronyism and patronage, which ran rampant.

This is not to say that we do not want an improved employee, a professional employee, and an opportunity for the administration to be able to put their positive handprint on the new changes that will come about.

Not too long ago, the only way to get a government job was if you knew someone in the government or someone owed you a favor. As a result, key policy and administrative decisions will be based on how it has affected your patron, rather than on whether it was good policy. The civil service program was carefully crafted to eliminate this egregious behavior.

At the same time, I think if we look at the manager's amendment, we will find that we have implemented processes in there to ensure, again, the assessment of an employee's performance and to improve that performance.

A couple of weeks ago, we had a hearing on the most ironic and, I would say, major debacle that backed up on the tragedy of September 11. That was the hearing on Mohammed Atta, deceased, and another one of the terrorists who received what we call late student visas.

If we look at this legislation, we will know that by the amendment of the gentleman from New York (Mr. WEINER), we now have a student tracking office, and therefore, to cite the heinousness of the act of September 11, and then build it upon the idea of needing this particular amendment is not accurate.

So I am rising to oppose this amendment, and would ask my colleagues to do so.

Mr. Chairman, I rise in strong opposition to the Issa amendment. By making it simple for managers to hire employees and summarily dismiss them outside of the civil service process, the Issa amendment would circumvent many of the positive reforms agreed to in this legislation. The amendment is strongly opposed by the American Federation of Government Employees and the AFL–CIO.

Excepting INS employees from the civil service would return the agency back to the ages when cronyism and patronage ran rampant. Not too long ago, the only way to get a government job was if you knew someone in the government or someone owed you a favor. As a result, key policy and administrative decisions would be based on how it affected your patron rather than on whether it was good policy. The civil service program was carefully crafted to eliminate this egregious behavior. The INS has been able to hire thousands of employees year after year and there has been no showing that the civil service program is ineffective. Yet, the Issa amendment would once again allow people to be hired based on who they know rather than whether they are qualified.

The Issa amendment also eliminates most of the procedures that protect employees from summarily being fired. All protections in collective bargaining agreements are superseded and the notice and hearing procedures in the civil service laws are also overruled. Among other things, this would allow whistleblowers to be fired on the mere allegation of wrongdoing. Moreover, persons could be fired because of their political affiliation. Employee attrition at the agency is already at an unprecedented level due to low morale and the stripping of these basic labor protections certainly will not help the matter any.

This amendment guts labor law and civil service protections that remain critical to the successful restructuring of this agency. Without these protections, the delicate compromise reached on this bipartisan legislation will be jeopardized. I urge you to oppose this amendment.

Mr. Chairman, I include the following material for the RECORD:

AMERICAN FEDERATION OF
GOVERNMENT EMPLOYEES, AFL–CIO,
Washington, DC, April 25, 2002.

DEAR REPRESENTATIVE: On behalf of the American Federation of Government Employees, I strongly urge you to oppose an amendment that will be offered by Representative Darrell Issa (R-CA) to H.R. 3231, the Immigration Reform and Accountability Act of 2002. In our view, this amendment will fundamentally jeopardize basic employee rights, limit the ability of Congress to gain access to critical information about agency activities and dramatically increase an already severe attrition rate within the I&NS. The following is a description of the amendment and the problems we believe it would create:

Paragragh (1)—(Making all I&NS positions excepted service:

This proposal would give the agency the authority to circumvent the civil service system for hiring purposes. Essentially it would be a throw-back to the era of federal hiring based on patronage and cronyism—which the civil service system was created to prevent. The amendment, which would at a minimum facilitate and possibly even encourage such abuse, is particularly problematic when applied to a beleaguered agency such as the Immigration and Naturalization Service. While it is likely the intention of this amendment would be to give the agency the ability to seek outside professionals to provide expertise in specific areas not currently available within the agency, its sweeping nature, which would include the total elimination of the Senior Executive Service Corps, could well lead to widespread abuse and worsen the problems at the I&NS.

Paragraph (2)—Eliminating restrictions on certain disciplinary and other adverse actions taken against employees:

The effect of this section of the Issa Amendment would be to eliminate existing procedural protections for all I&NS employees for any offense ostensibly committed by any employee. This includes collective bargaining protections pertaining to disciplinary actions. The basic right of I&NS employees to due process protection and independent review and appeal would be eliminated. The due process system currently in place has served both the agency and its employees well for many years, and serves as a check and balance against arbitrary and capricious actions. The popular misconception that it is difficult or impossible to fire Federal employees is convincingly refuted by a recent study released by the Merit Systems Protection Board. Further, the provision would strongly discourage employee "whistleblowers" from providing essential information to Congress and even the news media for fear of losing their jobs.

As an example, the two Detroit Border Patrol agents who recently expressed their views to Congress and the news media on the lack of enhanced security on the northern border would very likely have never told their stories had the Issa amendment been in effect. Even under current law, the agency viewed these honest expressions of the current situation as a fundamental violation of I&NS policy and proposed to suspend and demote the agents. However, at least under current circumstances, the agents would be able to avail themselves of basic procedural protections, including a post-action hearing and appeal process. Under the Issa amendment, no such protections would exist. Ultimately this would have a chilling effect on Congress' ability to gather critical information in making policy decisions as they relate to the agency.

Finally, there is no doubt whatsoever that the Issa Amendment will exacerbate an already critical attrition problem within the agency. According to I&NS statistics, the FY 2002 loss rate for Border Patrol agents is 14% and will potentially rise to 20% by the end of the year. For Immigration Inspectors, the FY 2002 rate is 10.1% and is predicted to go as high as 15%. Based on reliable anecdotal information, over half of all current Border Patrol agents have applied for air marshal positions. It is a little known fact that the agency is losing agents faster than it can hire them—despite all the efforts and funding directed toward expanding the workforce. Such attrition rates are unsustainable in any agency, much less the I&NS. Taking away the basic due process protections available to similarly situated employees (like Customs Service employees) would turn I&NS into an employer of last resort, leaving them to recruit from a less desirable pool of potential employees.

In the interest of protecting employee rights and the effectiveness of the newly restructured I&NS, we urge you to vote no on the Issa Amendment.

Sincerely,

BETH MOTEN,
Legislative Director.

NATIONAL BORDER PATROL COUNCIL
OF THE AMERICAN FEDERATION OF
GOVERNMENT EMPLOYEES, AFL–
CIO,
Camps, CA, April 25, 2002.

Hon. JOHN CONYERS, Jr.,
Ranking Member, Judiciary Committee, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE CONYERS: The National Border Patrol Council, representing over 9,000 Border Patrol employees, strongly opposes an amendment to be offered by Representative Darrell Issa to H.R. 3231, the Immigration Reform and Accountability Act of 2002. In addition to making all employees in the newly-created agency exempt from civil service hiring and promotion procedures, it would eliminate the procedural protections in disciplinary actions that are currently provided to them under law and collective bargaining agreements.

Exempting employees from civil service hiring and promotion procedures would not enhance the ability of the agency to recruit or promote skilled employees, but would actually hinder such efforts by facilitating actions based on favoritism rather than merit.

Eliminating the procedural protections currently afforded to employees in disciplinary actions would subject them to arbitrary and capricious disciplinary actions, and would have a chilling effect on protected activities, including whistleblower disclosures to Congress and the media.

These detrimental provisions would further demoralize employees and exacerbate an attrition rate that is already unacceptably high. For these reasons, your opposition to this amendment is encouraged.

Sincerely,

T.J. BONNER,
President.

Mr. Chairman, I yield my time to the gentleman from Wisconsin (Mr. SENSENBRENNER), and ask unanimous consent that he be allowed to control the time.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

Mr. SENSENBRENNER. Mr. Chairman, I thank the gentlewoman for yielding the time to me, and I yield myself such time as I may consume.

Mr. Chairman, the manager's amendment, which already has been adopted by the committee, was drafted with bipartisan cooperation by the chairman and ranking members of the Committee on the Judiciary and the Committee on Government Reform.

This amendment authorizes the Attorney General to create a demonstration project to test a new employee discipline model. The demonstration project will provide the Attorney General with much flexibility in crafting the most appropriate, effective, and fair method in disciplining a wide range of employees handling immigration functions.

The demonstration project that has already been approved by the committee focuses on problem managers and emphasizes alternative methods of dispute resolution. It calls for an expeditious, fair, and independent review of disciplinary actions, and it protects the settled expectations of collective bargaining agreements while permitting union members to opt out of the project.

We should give the Attorney General the chance to utilize the demonstration project. If it becomes apparent that the project is not working as expected, and that placing immigration-related employees in the excepted service would be beneficial, I would be the first to support legislation doing so, but now is not the time to do it.

The gentleman from California (Mr. ISSA) is absolutely correct in emphasizing the importance of having employees of the FBI, the CIA, and the excepted service. However, these agencies are different types of organizations than the INS. The Bureau of Citizenship and Immigration Services created by this bill will be staffed mostly with clerks and adjudicators. The hiring and discipline rules followed by the competitive service might be most appropriate for these employees.

In any event, the question of placing all immigration employees in the excepted service merits extensive investigation before it is done. A change as radical as this, by placing them in the excepted service, should be carefully considered.

Before introducing this bill, I did extensive investigation and oversight in practically every part of the country where the Immigration Service has a lot of business, including in San Diego, I might add. And some of the most useful information that we have heard today and during the consideration of this bill came from the unionized employees that I insisted upon meeting with, apart from management, to find out what was really going on. If they did not have the protection of the civil service laws, we would not have much of this information.

I have never had employees of the FBI or the CIA or other agencies in the excepted service be as frank and honest with me during the time that I have served in Congress as I have tried to learn how these agencies work.

So keeping them out of the excepted service I think is important, at least in terms of having candor on the part of the employees. That is something that the amendment of the gentleman from New York (Mr. ISSA) would take away. I would not have found out about all the problems in San Diego if the employees that met with me were afraid that they would be fired by their district director because they were meeting face to face with me and I came out with information in public on how bad things were.

Finally, I would like to point out that the adoption of this amendment would threaten the incredible bipartisan support that is enjoyed by this bill. I may not, in the end, necessarily agree with those bills' supporters, who could not accept under any circumstances placing immigration employees in the excepted service, but I do not want an ancillary issue like this, where the time is not right for making a decision, and the fact that the Congress does not have all of the data to be able to deal with this in an intelligent way and a fair way and with a full deck of cards, to erode support for this important bill.

I would strongly urge my colleagues to oppose this amendment, and join with the other members of the Committee on the Judiciary and the Committee on Government Reform in doing so.

Mr. Chairman, I reserve the balance of my time.

Mr. ISSA. Mr. Chairman, I yield 3 minutes to the gentleman from Utah (Mr. CANNON).

Mr. CANNON. Mr. Chairman, I thank the gentleman from California for yielding time to me.

Mr. Chairman, I would like to start by expressing my appreciation to the chairman of the committee, the gentleman from Wisconsin (Mr. SENSENBRENNER) for the depth of his review on this matter and his concern, and the information he has gathered.

However, I rise in support of this amendment to give personnel flexibility to the new immigration bureaus offered by the gentleman from California.

Restructuring the INS, which we have come to call the "ignoring national security," as opposed to whatever that actually stands for, is important; and changing the organizational structure is terrifically important. The bill of the gentleman from Wisconsin (Chairman SENSENBRENNER) today does a great deal to move that forward.

The issue here is in part a matter of organization. If we can get a chart up here on the budget, Members will see that over the last 10 years, if we had 1992 here, we would see that the budget of the INS has increased almost fivefold over 10 years; and at the same time, we have had almost the exact same increase in the number of petitions that are backlogged, from about 1 million to about 5 million.

Something more fundamental has to happen with this agency, I believe. The way to make that happen is to restore the responsibility of people who are working in the INS.

I have worked very hard with the gentleman from Wisconsin (Chairman SENSENBRENNER) and many others to include language in the manager's amendment that will provide greater removal authority and personnel flexibility to the new head of the agency for supervisors and managers. The Issa amendment will go farther in making those changes, and making those in charge of immigration and our national security as accountable as the average employee at every American company.

I urge my colleagues to support the Issa amendment and give the manager, the people who are going to run it, and the President and his designees, the authority to remove people who are obstructionist and who get in the way of the changes that we need as Americans to see in that agency.

Mr. SENSENBRENNER. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan (Mr. CONYERS), and I ask unanimous consent that he may be entitled to yield part of that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. CONYERS. Mr. Chairman, I thank my colleague, the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman, for yielding time to me, and I yield myself such time as I may consume.

Mr. Chairman, I have not been surprised by many amendments before, but here is an amendment that proposes to set aside the civil service laws as applied to hiring people at INS, and to set aside civil service law as it applies to their discharge.

In other words, the gentleman from California (Mr. ISSA) wants to go back to the bad old days. What does he have in mind, patronage, or what? And why would we come up with such a narrow eviscerating of civil service law? Nobody has attacked civil service law on either side of the aisle, in my memory, and now it is being done here.

Mr. Chairman, I yield to my colleague, the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding to me.

Led by President Bush, there has been new appreciation for civil servants, Mr. Chairman. This is a brazen attack on merit hiring and promotion. When I came to chair the EEOC, I found the same thing; everybody blamed the employees. It turned out what they needed was a new management system.

That is what we need here. Let us deal first with the management of the agency. We will know if the agency is well managed if it can hire and keep good employees.

Mr. CONYERS. Mr. Chairman, I yield to the gentlewoman from California (Ms. LOFGREN), a member of the committee.

Ms. LOFGREN. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, all of us are frustrated at the agency, and maybe some people are even tempted by this sort of "blow it up" amendment. But I think it would be unwise.

I respect the gentleman from California (Mr. ISSA) and the efforts he has put in, but I think we have our pilot project in the manager's amendment that deals with the management, and that is the problem. It is not the rank and file, it is the management that is the problem.

I commend the chairman for including that in his manager's amendment. I just wish that the other amendment to contract with management had been made in order.

Mr. CONYERS. Mr. Chairman, I ask unanimous consent that we have 1 minute each on both sides.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. SENSENBRENNER. Mr. Chairman, reserving the right to object, I would like to have some time to be able to yield to the gentleman from Virginia (Mr. DAVIS).

The CHAIRMAN. Is it 2 minutes on each side that we are asking?

Mr. CONYERS. Yes, sir.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Each side's time has been enlarged by 2 minutes. The gentleman from Michigan (Mr. CONYERS) has 2 minutes remaining, and the gentleman from California (Mr. ISSA) now has 8 minutes remaining.

Mr. CONYERS. Mr. Chairman, I yield 45 seconds to the gentleman from Virginia (Mr. TOM DAVIS).

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Mr. TOM DAVIS of Virginia. Mr. Chairman, let me just say I think the intention of the gentleman from California (Mr. ISSA) here is designed to give maximum flexibility to INS management, and I applaud that; but I think he is going about it the wrong way.

First of all, the problem is in management at this point over in INS, and this amendment as I read it virtually wipes out the SES because of the safeguard that it takes away. If you are trying to recruit and retain the best in Federal employees, why are you going to take away the right to independent review, the right of appeal, and make them basically employees at will? No one is going to leave a job in the private sector or move laterally from another agency if they are going to be subject to those restrictions.

If we have a problem, let us look at the overall civil service system in that context instead of putting pieces into different agencies. It is going to become unmanageable in my judgment. So I urge my colleagues to vote against this particular amendment.

Mr. CONYERS. Mr. Chairman, I yield 45 seconds to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding me the 45 seconds.

Mr. Chairman, I would join in the remarks made by the chairman, my friend from Virginia (Mr. TOM DAVIS), the gentlewoman from the District of Columbia (Ms. NORTON), and I am sure the gentlewoman from Maryland (Mrs. MORELLA).

The fact of the matter is that this will undermine two very important things. First of all, I strongly believe that employees ought to have the right to organize and to have a voice to which they can address management.

Secondly, the gentleman from Virginia (Mr. TOM DAVIS) is absolutely correct. The other provisions of the Issa amendments will in fact in my opinion substantially undermine the opportunity to recruit the kind of people you need to affect what has really been the problem and that is management. Not labor, but management, in this agency. And, therefore, I would hope that we would defeat and reject this amendment.

Mr. Chairman, I rise in strong opposition to this amendment. This amendment continues Republican attempts to erode the rights of Federal employees.

In his first major legislative action after taking office, President Bush repealed a regulation designed to protect millions of American workers from ergonomic injuries.

On January 7th of this year the President issued an executive order denying union representation for 1,000 employees at the Department of Justice.

The President cited national security concerns for this order, even though some of those employees have been part of a union for over 20 years and others covered by that order hold clerical and administrative positions.

This administration is also considering what rights Federal baggage screeners will have.

Let there be no doubt, if the administration denies these employees the right to join a labor union and collectively bargain, it will do so for purely political reasons that have little or nothing to do with national security.

Today, we consider an amendment that will eliminate existing procedural protections for all INS employees for any offense allegedly committed by an employee. There simply is no justification for denying them this basic democratic freedom.

INS employees would no longer have the basic right of due process protection and the process of independent review and appeal would be eliminated.

This amendment would strongly discourage employee "whistleblowers" from providing essential information to Congress and even the Congress for fear of losing their jobs.

The large majority of INS employees are hard working federal employees that we should be proud of because they are on the front lines protecting our homeland. Let's not punish the masses for the mistakes of a few.

Protect the rights of federal employees and vote "no" on the Issa amendment.

Mr. CONYERS. Mr. Chairman, I yield 45 seconds to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Chairman, I thank the gentleman for yielding me time. I really appreciate it.

I want to abbreviate a statement to say that actually this Issa amendment would really eliminate all employee protections in disciplinary cases, and it would worsen an already severe attrition problem. And it would effectively deny Congress critical information on a wide range of immigration issues because current employee protections would be removed. Consequently, employee whistle blowers would be discouraged from disclosing information for fear of losing their jobs. In addition, allowing all positions within the new agency to be considered "excepted service" positions would lead to a kind of political patronage and cronyism the civil service system was created to prevent. I urge a "no" vote.

I rise today to urge a no" vote on Congressman ISSA's amendment. This amendment has several provisions that are problematic.

While this amendment purports to give the newly created Agency for Immigration Affairs more flexibility in its hiring process, it actually would eliminate all employees protections in disciplinary cases and worsen an already severe attrition problem within the ranks of the INS. According to INS statistics, the FY 2002 loss rate for Border patrol agents is 14% and could rise to 20 percent by the end of the year.

The Issa amendment would also effectively deny Congress critical information on a wide range of immigration issues because current employee protections would be removed. Consequently, employee 'whistleblowers' would be discouraged from disclosing information for fear of losing their jobs.

In addition, allowing all positions within the new agency to be considered 'excepted service' positions would lead to the kind of political patronage and cronyism the civil service was created to prevent.

The problems at the INS are not the result of inadequate disciplinary procedures or an inability to procure outside expertise but this amendment sends that message and so I urge a "no" vote.

Mr. CONYERS. Mr. Chairman, all I want to say to my friend, the gentleman from California (Mr. ISSA), is that I wish he had more management experience.

The CHAIRMAN. The time in opposition to the amendment has expired.

The gentleman from California (Mr. ISSA) has 8 minutes remaining in support of the amendment.

Mr. ISSA. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Chairman, I thank my colleague for yielding me time.

I rise in support of this measure and congratulate the Members who are involved in it.

Mr. Chairman, as an original co-sponsor of H.R. 3231, I would like to congratulate Mr. SENSENBRENNER and Mr. GEKAS for brining this vital matter to the floor and setting us on a course to finally provide a meaningful reform of our nation's immigration system.

For too long, Mr. Chairman, we have watched as Immigration and Naturalization Service officials have vowed their commitment to reform in testimony, but provided little evidence that they are either willing or capable to see this through in practice. Congress demanded in 1986 that illegal immigration be stopped, and yet we now have as many as 8 million people living in our country who entered without following our immigration laws, and who now have no legal status. At the same time, the INS has chronically run backlogs of a year or more in processing the requests of legal immigrants to become citizens or simply renew their permanent resident documents.

In California, we have dealt with the dysfunction of this agency for decades. Most California congressional offices must devote a full-time staff member just to deal with immigration issues—and much of their time is spent fighting with the INS bureaucracy over a blunder made by INS officials themselves. Thousands of INS employees are hard working and dedicated to service, but the system in which they operate is designed for failure. Our experience has convinced most California members that the top priority of this agency is not providing service to legal immigrants or deporting illegals. The top priority is self-protection of those within the INS, which has led to gross inefficiency, a nearly total lack of accountability, and promotion of supervisors who are not respected by employees and who often display a disdain for those who they are charged to serve.

We joined the Nation in anger and disgust when all of these traits were revealed to the public with the issuance of visas to the September 11 terrorists six months after they had taken thousands of American lives. But we were not terribly surprised, I am sorry to say. It was not the first time we had seen this agency fail in its responsibility, but I sincerely hope it will prove to be the weight that tips the scales in favor of reform.

This legislation places a spotlight of accountability on both the enforcement and immigration services branches of the new agency. It should open the doors to those within the agency who display the leadership qualities to provide true reform, and weed out those who will not or cannot move the agency forward. Its passage will show the INS—and the Nation—that Congress will insist on that reform. The Congress—and the Nation—will no longer be satisfied with half-measures and band-aid fixes.

Mr. ISSA. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, this is a good bill. It will improve things over in our Immigration and Naturalization Service. I believe we are doing the right thing by splitting this agency up. However, we cannot deceive ourselves into thinking that nothing is wrong over there and that we can only point to a few people and say that they are the problem.

We need to give those in management position and others the flexibility to deal with personnel, like they have at the CIA, like they have at the FBI, like they have at other agencies. We have big problems there that simply saying "business as usual" will not solve.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. FLAKE. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, is there any evidence that the rights which would be undermined by this amendment were, in fact, impediments to management in effecting corrections of the problems that you correctly observe exist?

Mr. FLAKE. We cannot know. We simply do not know. We do not know who is here, who is there, how many are here illegally. There is so much we do not know at the INS.

Mr. HOYER. I am talking about the employees' organizational rights and protections that would be, in our opinion, undermined by the Issa amendment. Is there any evidence that they contributed in any way to the problems?

Mr. FLAKE. Reclaiming my time, all we are seeking to do here is give them the flexibility that is enjoyed by other agencies. We believe that is needed. I commend the gentleman for doing this.

I was pleased to support the manager's amendment. There are other things wrong at the INS. One of which is that little fiefdoms have been created over the years and managers have served sometimes in one position for 20 years. Whereas, in other agencies like the FBI, like the armed services, they are forced to move around to know what other parts of the agencies do. And that way little fiefdoms are not created as easily. I am pleased that that language was included in the manager's amendments, but we need to do much more. That is why I support my colleague from California (Mr. ISSA) with this important amendment.

Mr. ISSA. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman has 6 minutes remaining.

Mr. ISSA. Mr. Chairman, I yield myself the balance of my time to close.

Mr. Chairman, while they are bringing up the appropriate face of this amendment, I think it is important to answer the criticisms made by my colleagues, most of them fellow Committee on the Judiciary members. I agree with the chairman that this bill is an improvement, a considerable improvement in the characteristics of the INS. But it does not go far enough at all unless it addresses the question of whether managers can be fired.

I, myself, was a manager for 20 years in business. And I served at will. You serve at will as a manager because your ineptness pays a dear price for many, many more people. At the present time, the people who allowed Mohammed Atta to come to this country wrongly, once, twice, three times have not been fired. The people who, in fact, failed to protect us have not been made accountable. They may have been moved, transferred or even promoted. That is not accountability. And when we talk about patronage, and I respect my colleagues' defense of the status quo of jobs for life that often exist within the Federal service, I might remind them that the FBI does not enjoy that and the FBI is not a patronage organization. The CIA does not enjoy that, and no one would say it was patronage. The United States Army, the United States Navy, the United States Marine Corps, the Coast Guard does not enjoy the job protection that they presently have at the dysfunctional INS.

I ask my colleagues one more time to ask should this man having gone into flight training against the regulations, continued flight training and learned how to fly a 757 into the World Trade Center, should he in fact have been admitted once, twice, and yet a third time. I have no doubt that there has been plenty of discussion.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. ISSA. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, the gentleman is very kind.

I just want to remind the gentleman, it is his amendment, but it not only affects managers, it affects every employee in the INS, everyone.

Mr. ISSA. Reclaiming my time, this amendment was made simple and understandable so in fact to be brought to the House floor. I asked that this kind of amendment be incorporated in the management amendment, but it was a deal breaker. It was a deal breaker because people did not want to go far enough in INS reform. It is very easy for this body to come back and trim around the edges as quickly as they would like and define those people who should be granted the ability to make this mistake and not be held accountable and not be fired. That would be the right of this body and the right of the other body and the right of the President.

I am here today saying that we must today end the possibility that the people who allowed this to happen because of their negligence or because of an absence of their willingness to look at the INS agent's own notes that said that Atta had admitted that for 5 of the 6 months he was a visitor he was unlawfully getting flight training; and if they had called, they would have found out that he was only learning to fly, not to take off and land.

Mr. Chairman, I am from San Diego County; and I have met with the Border Patrol agents. I have met with them in Texas. I have met with them in California. And I will tell you something, they are quick to tell you the problems, they are quick to tell you the problems, but so is the FBI. And the FBI has helped me in understanding why we need this reform. The Border Patrol has helped me, and they have not helped me because they have exemption from whistle blowing. They have helped me because they care a great deal about getting the kind of management reform they need so they can be proud of the jobs they do. I would certainly ask my Members to think twice about saying this is an imperfect amendment when, in fact, only with this amendment will management have the ability to terminate the people who should have been there to protect us and were not.

Ms. McCARTHY of Missouri. Mr. Chairman, I rise in strong opposition to the Issa amendment offered to H.R. 3231, the Immigration Reform and Accountability Act. The amendment would: (1) eviscerate existing civil service laws that protect against hiring on the basis of patronage and cronyism; and (2) eliminate all employment procedural protections in disciplinary proceedings, including those in collective bargaining agreements. Among other things, this would allow whistleblowers to be fired as a result of their actions.

This amendment compromises basic federal employee rights, limits the ability of Congress to gain access to critical information about agency activities, and dramatically increase the already severe attrition rate within the Immigration and Naturalization Service (INS). By making it simple for managers to hire employees and summarily dismiss them outside of the civil service process, the INS would have the authority to circumvent the civil service system for hiring purposes. It would bring us back to a federal hiring system based on patronage and cronyism, which the civil service system was created to prevent. While the intent of this amendment may be to provide the agency the ability to seek outside professionals to provide expertise in specific areas not currently available within the agency, the consequence of this amendment could eliminate the Senior Executive Service Corps and exacerbate problems within the INS.

The other provision of this amendment, eliminating restrictions on certain disciplinary and other adverse actions taken against employees, would do away with the due process protection and independent review and appeal that has served INS and its employees well for many years.

Mr. Chairman, INS workers deserve basic rights and freedoms as federal employees such as the freedom to "blow the whistle" on practices that do not serve the best intersts of the INS and of our nation. Adopting the Issa amendment jeopardizes the basic employee rights and privileges guaranteed by the civil service system, and it further hampers the ability of the INS to attract and retain dedicated and loyal employees to do the work associated with one of our country's most important responsibilities: immigration. I urge my colleagues to vote "no" on this amendment.

Mrs. CHRISTENSEN. Mr. Chairman, I rise in opposition to Congressman ISSA'S amendment to H.R. 3231.

Mr. ISSA'S amendment would remove existing civil service laws that are currently in place to protect against hiring on the basis of patronage and cronyism and eliminate all procedural protections in disciplinary proceeding, including those in collective bargaining agreements. This proposal would give the agency the authority to circumvent the civil service system for hiring purposes. It would also eliminate existing procedural protections for all INS employees for any offense ostensibly committed by an employee including collective bargaining protections pertaining to disciplinary actions.

After the events of September 11th, it became evident that there was a need to restructure the Immigration and Naturalization Service (INS) in order to improve our national security. I commend my colleagues for their leadership in bringing this bill on the floor today after months of investigation and hearings on this matter. I support the INS reform but not at the expense of protecting employee rights. Mr. ISSA'S amendment does this.

Why would we strip INS employees from safeguards against unfair hiring and firing practices? As it stands today, the system that INS currently has in place for dealing with labor related issues is failing their employees. Since I have been a member of Congress I have received several personnel related complaints from INS employees in or from my district. Many others have been handled through their union. The Issa amendment would further exasperate these issues by leaving INS rank and file employees with no recourse against possible unfair practices by management.

The purpose of the Barbara Jordan Reform Bill is to restructure the INS. It is the system that failed us and not the employees. This amendment undermines the intent of the Barbara Jordan Reform Bill.

Let's not use this bill as an opportunity to punish the INS employees. We must continue to protect and value the employees of this and every other agency or business. Despite reservations about the current administrations policies with regard to justice and civil rights, I do support the base bill for its efforts to create a more efficient Service. I congratulate my colleagues on their efforts.

I urge a "no" vote on the Issa amendment.

Mr. ISSA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ISSA).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HOYER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to clause 6, rule XVIII, further proceedings on the amendment offered by the gentleman from California (Mr. ISSA) will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 107–419.

AMENDMENT NO. 7 OFFERED BY MS. LOFGREN

Ms. LOFGREN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Ms. LOFGREN:

Page 62, after line 21, insert the following:

SEC. 13A. PROCUREMENTS OF INFORMATION TECHNOLOGY TO IMPROVE PERFORMANCE OR EFFICIENCY.

(a) IN GENERAL.—The authorities provided in this section apply to any procurement of information technology products or services, including the management of information technology improvement programs, necessary to improve the performance or efficiency of the Immigration and Naturalization Service, the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement. Such procurements of information technology products or services may include those necessary to improve the ability of the entities referred to in the preceding sentence to share information with other public agencies and law enforcement authorities authorized to receive such information.

(b) SIMPLIFIED PROCEDURES FOR THE PROCUREMENT OF INFORMATION TECHNOLOGY.—

(1) DEEMING PRODUCTS AND SERVICES AS COMMERCIAL ITEMS.—Any product or service procured by the Attorney General as described in subsection (a) may be deemed to be a commercial item (as defined in section

4(12) of the Office of Federal Procurement Act (41 U.S.C. 403)) for purposes of sections 31 and 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 427, 430) and section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)).

(2) INAPPLICABILITY OF LIMITATION ON USE OF SIMPLIFIED ACQUISITION PROCEDURES.—

(A) IN GENERAL.—The $5,000,000 limitation provided in section 31(a)(2) of the Office of Federal Procurement Policy Act (41 U.S.C. 427(a)(2)), and section 303(g)(1)(B) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)(1)(B)) shall not apply to purchases of products or services deemed to be a commercial item under paragraph (1).

(B) GUIDANCE.—The Attorney General and the Administrator of Federal Procurement Policy shall jointly issue guidance and procedures for the use of simplified acquisition procedures for a purchase of products or services in excess of $5,000,000 under the authority of this section.

(c) STREAMLINED PROCEDURES FOR THE PROCUREMENT OF INFORMATION TECHNOLOGY.—The Attorney General shall, when appropriate, use streamlined acquisition authorities and procedures authorized by law for a procurement described in subsection (a), including authorities and procedures that are provided under the following provisions of law:

(1) FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—In title III of the Federal Property and Administrative Services Act of 1949:

(A) Paragraphs (1), (2), (6), and (7) of subsection (c) of section 303 (41 U.S.C. 253), relating to use of procedures other than competitive procedures under certain circumstances (subject to subsection (e) of such section).

(B) Section 303J (41 U.S.C. 253j), relating to orders under task and delivery order contracts.

(2) OFFICE OF FEDERAL PROCUREMENT POLICY ACT.—Paragraphs (1)(B), (1)(D), and (2) of section 18(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)), relating to inapplicability of a requirement for procurement notice.

(d) NONDISCRIMINATION AGAINST SMALL-BUSINESS CONCERNS.—This section shall be applied in a manner that does not discriminate against small-business concerns (within the meaning of such term as used in the Small Business Act (15 U.S.C. 632 et seq.)) or any type of small-business concern.

(e) PERIOD OF AUTHORITY.—The authorities provided in this section shall apply with respect to any procurement of information technology products or services described in subsection (a) during fiscal years 2002 through 2004.

(f) REVIEW AND REPORT BY COMPTROLLER GENERAL.—Not later than 180 days after the end of fiscal year 2004, the Comptroller General shall submit to the Committees on Government Reform and the Judiciary of the House of Representatives and the Committees on Governmental Affairs and the Judiciary of the Senate a report on the use of the authorities provided in this section. The report shall contain the following:

(1) An assessment of the extent to which products and services acquired using authorities provided under this section contributed to the capacity of the entities referred to in subsection (a) to carry out their missions.

(2) Any recommendations of the Comptroller General taking into account the assessment performed under paragraph (1).

The CHAIRMAN. Pursuant to House Resolution 396, the gentlewoman from California (Ms. LOFGREN) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Chairman, I ask unanimous consent to divide the time evenly with the gentleman from Utah (Mr. CANNON) and that he be allowed to control such time.

I would note that this amendment has been offered with the gentleman from Utah (Mr. CANNON) as well as the gentlewoman from Texas (Ms. JACKSON-LEE), gentlewoman from California (Mrs. BONO), and the gentleman from Arizona (Mr. FLAKE).

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. LOFGREN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment would provide for simplified procedures for acquisition of information-technology solutions to help reform the INS. The simplified acquisition procedures were initially created in the Federal Acquisition Streamlining Act of 1994 and augmented under the Klinger-Cohen Act of 1996.

These procedures will speed up the procurement process to allow agencies to acquire goods and services they need in a more efficient manner. There are shorter waiting periods after the notices are issued, more flexibility in how requests for proposals are put together, fewer potential bidders have to be notified. It is important to note that competition is still required and bids must be solicited from at least three bidders.

Under current law, agencies may use simplified acquisition procedures to acquire goods and services worth up to 100,000 and to acquire commercial items up to 5 million. This amendment further adds to the flexibility for the acquisition of technology as well as the management of technology.

It is important to note that within the amendment there is a nondiscrimination provision against small businesses so that we can continue to have small business play a vigorous and vital role in the provision of IT and there is also protection in the Truth and Negotiating Act which would continue to apply, as well as the Federal Cost Accounting Standards Act that would continue to protect taxpayers.

The immigration service is an agency that is in the dark ages technologically. I am of the belief that until we allow and actually insist and give the tools to management to bring technology, they will never get ahead of their problem. Mr. Ziegler, the current commissioner, told the House Committee on the Judiciary in March that, "The INS is big on information but small on technology."

I would say that is an understatement. Recently, at home in Silicon Valley, there was a convention of IT professionals meeting from the government, the Federal Government primarily, meeting with CEOs and technology wizards in Silicon Valley, and I would like to read what the INS CIO George Bollinger said relative to his role at the INS. "I am to high tech what Danny DeVito is to the NBA."

That is the quote of the guy who is in charge of information technology at the INS describing his ability to manage IT.

This amendment would allow management to be brought in. I think if we failed to do this, and its proposal is for a 2-year time period only, INS only, we are going to continue to fall further and further behind. This is an agency that is still creating paper files, an agency that is putting material on microfiche. There are over 100 databases that cannot communicate with each other.

□ 1400

There is no ability within the agency to even devise an enterprise architecture program, something that the new Commissioner has actually freely admitted. When I asked the last Congress for the technology plan, I was told that they hope someday to update their DOS system. I kid my colleagues not.

Mr. Chairman, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore (Mr. SIMPSON). The gentleman from Wisconsin (Mr. SENSENBRENNER) is recognized for 10 minutes.

Mr. SENSENBRENNER. Mr. Chairman, I yield myself such time as I may consume.

I oppose this amendment. The INS has had a difficulty for a long time in developing and fielding information systems to support its programs operation, but this is not the reason to deviate from the rules that this Congress has put in place to govern full and open competition in the government procurement process.

Given the difficulties the INS has had in effectively managing and using information technology in the past, the Associate Attorney General for Immigration Affairs should be required to follow all pertinent procurement requirements until such time as he has shown the capability to manage the plan and ongoing information technology investments effectively.

Only in this way can we ensure that the hundreds of millions of dollars that will be spent on IT by the new INS and its successors will be spent wisely. That is why we have procurement regulations. They are designed to ensure that the Government, and thus the taxpayers, get the best possible product, while the taxpayer is charged the lowest possible price. They are designed to avoid the potential for contracts being steered to friends or relatives.

We do not need sole-source bidding, and this is what the Lofgren amendment opens the door for, but open and fair competition in the awarding of contracts.

Mr. Chairman, Members should know that the administration strongly opposes this amendment because of the detrimental impact on policies and procedures on procurement. I am also informed that both the Republican and Democratic leadership of the Committee on Government Reform, that has got principal jurisdiction over this topic, have got significant concerns about the Lofgren amendment.

I will be happy to continue working on this issue before conference on this bill with the drafters of the amendment, the Committee on Government Reform, and the administration, but I would urge Members to oppose the amendment at this time.

Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I thank the gentleman from Wisconsin for yielding me the time.

Everyone knows my respect for the gentlewoman from California (Ms. LOFGREN), but I hope that she will have a better answer than I do for the minority contractors in my district and hers, who are catching it right now with procurement rules, tossing them out. I just want to find out what we tell them if her amendment prevails.

Mr. SENSENBRENNER. Mr. Chairman, I reserve the balance of my time.

Mr. CANNON. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Chairman, this is yet another example of when a manager's deal is done, some things get left out. And this is a very worthwhile part of the reform, this is just as bipartisan.

My colleague from California, my colleague from Utah, in fact, are often opposed on bills, but not this time. Why? Because we want a streamlined organization. We want to empower this organization to do what it needs to do and do it efficiently. That has been the complaint for more than 30 years.

INS failure is bipartisan. Administration after administration have failed to do what we seek to do here today, and I strongly support the Lofgren-Cannon amendment because it is bipartisan. It will lead to efficiencies. It is about making this organization do a better job for all of us.

Ms. LOFGREN. Mr. Chairman, how much time remains?

The CHAIRMAN pro tempore. The gentlewoman from California has 1½ minutes remaining. The gentleman from Utah has 4 minutes remaining. The gentleman from Wisconsin has 7½ minutes remaining.

Ms. LOFGREN. Mr. Chairman, I reserve my time.

Mr. CANNON. Mr. Chairman, I yield myself such time as I may consume.

I rise in support of this amendment to speed up the adoption of new information technology by the restructured agency. I offer this amendment together with the gentlewoman from California (Ms. LOFGREN) and other Members of this body, including the gentleman from California (Mr. BERMAN), the gentlewoman from California (Mrs. BONO), the gentleman from Arizona (Mr. FLAKE), and the gentleman from Wisconsin (Mr. GREEN). I believe this amendment has broad support, and I would urge the Members to watch who votes for it as we come to a vote, if that happens.

The INS is one of the worst Federal agencies in adopting information technology necessary to do its job more efficiently and at a lower cost. The current INS and the new immigration bureaus have a core function of managing information about people. In that task, they are way behind. The INS has computers incapable of performing basic tasks, information systems that do not talk to each other, and still do things and is still doing things like putting together important documents on microfilm and boxing them up for storage rather than making them available to line officers via computer.

The technology is already critical and will get worse if we do not do something, provide some temporary flexibility to the Attorney General to buy technology solutions while this agency restructures itself.

Under the simplified acquisition procedures in this amendment, there are shorter waiting periods after notices are issued, more flexibility in how requests for proposals are put together. Fewer potential bidders have to be notified. The competition is still required. Bids must be solicited from at least three bidders.

It is also important to note that although this amendment will speed it up, that is, information technology acquisitions, there are still a number of important safeguards that protect the agency and the taxpayers. Two of the most important laws that still apply are the Truth in Negotiating Act.

TINA requires contractors to provide cost and pricing data to the Federal Government and certify their accuracy. False certifications result in downward adjustments. Such procurements are not exempt from Federal cost accounting standards that help prevent contractors from inflating their costs.

I understand some Members of the Committee on Government Reform do not like this amendment, and I am a member of that committee myself. We worked with the majority staff and OMB to try to address their concerns. And in an ideal world, we could have hearings and studies and recommendations in that committee about government procurement policy generally to address these problems. But I urge my colleagues not to care more about jurisdictional turf battles than making this immigration agency work and giving it the technology to do so. This authority is what the INS has indicated before the Committee on the Judiciary that they need to get a handle on these problems.

This is an opportunity to provide some temporary flexibility to get the right technology in place at that restructured immigration agency. It is a chance to solve some huge problems. So if my colleagues like the status quo, if they think the current technology situation at INS is great, then they should vote against this amendment. But the American people want results, and this Congress also wants results.

We want an agency with the technology in place to prevent dead terrorists from getting visa documents 6 months after they have attacked us and died. We should want technology in place to reduce backlogs for legal immigrants and track the whereabouts of aliens who are in this country. The way to do that is to ease the restrictions and red tape on procuring the right technology to solve these problems.

I urge my colleagues to support the Cannon-Lofgren amendment.

Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Chairman, I thank the gentleman from Utah for yielding me the time, and I just want to say I support his amendment. I would also like to take this opportunity to say I support the Issa amendment, which would make excepted employees of INS employees and give them, I think, more accountability in a very, very serious and very critical position.

I thank the gentleman for letting me add that endorsement of the Issa amendment.

Mr. CANNON. Mr. Chairman, I yield myself such time as I may consume.

Let me just point out that it has been wonderful working with the Chairman on this issue. We have, in fact, included some great provisions in the manager's amendment that allows for more flexibility in firing. They do not go quite as far as the Issa amendment, I will point out, but this is a different issue.

This is an important issue, and this issue relates to how and when and how quickly we get technology into the INS.

Mr. Chairman, I yield back my time.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Chairman, I thank the gentleman from Wisconsin for yielding me the time.

It is a pleasure to join in a bipartisan opposition to this Lofgren-Cannon amendment. The INS does not need a blank check from this Congress. If my colleagues look at the record of the INS, it has shown a total inability to successfully implement information technology advancements.

The Inspector General at the Department of Justice said that the INS "made huge investments in automation technology and information systems that have yielded questionable results," and continues "to spend hundreds of millions of dollars" on information technology initiatives "without being able to explain how the money was spent or what was accomplished."

This amendment would waive the requirement for full and open competition on information technology products and services for the INS through 2004. The INS would be able to purchase a multimillion-dollar computer technology improvement without any requirement for competitive bids or review under existing law.

There are six exceptions already in law that would allow them to avoid the requirement of open competition if they saw fit to do so; things like a national security requirement; maybe there is only one responsible bidder. The law provides for unusual and compelling circumstances that would do harm to the government as an exception. And, finally, if the head of the INS determines that it is in the public interest to avoid competition, all they have to do is notify Congress 30 days before they award the contract to give us the opportunity to express our concern.

This amendment is totally unnecessary. We have streamlined many of our procurement practices over the last decade, and we are now reading news reports that tell us we may have streamlined them too much. In one recent story, Charles Tiefter, the University of Baltimore professor who spent a decade here working as a House lawyer, said, "Scandals are coming," referring to the procurement practices of the Federal Government.

Now is not the time to give a blank check to the INS, and I hope my colleagues will join us in bipartisan opposition to this amendment.

Ms. LOFGREN. Mr. Chairman, do I have the right to close?

The CHAIRMAN pro tempore. The gentleman from Wisconsin (Mr. SENSENBRENNER) has the right to close.

Ms. LOFGREN. Mr. Chairman, I reserve my time.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentleman from Wisconsin for yielding me the time, and I join him and the gentleman from Michigan (Mr. CONYERS) in a bipartisan effort to uphold the laws of our country in terms of procurement which were put in place for better government oversight, to save taxpayers' dollars, and to be sure that there is full and open competition for the billions of dollars that this government spends in contracts.

One of my dear friends and colleagues mentioned earlier in debate that we were going to get past the redtape. I would hardly call competitive bidding and allowing people to compete for the right to provide services at the best price redtape. I would call that, saving taxpayers' dollars, good government and what should be done in this Congress.

I tell my colleagues that the fact that the INS is one of the worst-managed systems, and it has been called by their own IG, an information system that has a top management challenge. The fact that it is poorly managed is more of a reason that we should have these safeguards that the gentleman before me mentioned. There are exemptions that they can take if they so need, but for billion-dollar, multimillion-dollar contracts, I would say regular order, competitive bidding, and let us follow the laws of this country.

The procurement laws were put in place not only to have good oversight and good management and to protect taxpayers' dollars but also to allow small companies and small businesses a door into government, the ability to compete for work.

Why should we slam the door in their face? We are just talking about saving taxpayers' dollars and getting the best form of government there to serve the people. And we must ensure that there is an opportunity for companies to fairly compete by allowing the INS to get around existing procurement laws.

This amendment prohibits full and open competition on information technology purchases, and I urge a no vote in a bipartisan effort.

I must conclude by commending the gentlewoman from California (Ms. LOFGREN) on her excellent work. In this body we usually agree, but on this one I come down on the side of the taxpayers. Full and open competition. Vote no.

Ms. LOFGREN. Mr. Chairman, how much time remains on both sides?

The CHAIRMAN pro tempore. The gentlewoman from California (Ms. LOFGREN) has 1½ minutes remaining. The gentleman from Wisconsin (Mr. SENSENBRENNER) has 3½ minutes remaining.

Ms. LOFGREN. Mr. Chairman, I reserve my time.

Mr. SENSENBRENNER. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I thank the gentleman from Wisconsin for yielding me the time.

I have figured this out now. This has been confusing me, why this is a high-tech boondoggle. That is what this is. Waive the rules so the high-tech people can run wild.

The gentleman from Utah is exempt from this. They do not have many high-tech people or many minorities.

□ 1415

So he does not know that much about minority procurement rules, but the rest of my colleagues here do. Tell me what I tell the African American people, business persons, that have been trying to get in the door for 20 years?

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Utah.

Mr. CANNON. Mr. Chairman, let me remind the gentleman that Utah is really one of the high-tech havens on earth; and interestingly, many of our minorities are running our high-tech companies. Let me also make two points in particular. One, they are willing to compete; and, two, this is a very narrow exemption. A very, very narrow exemption.

Mr. CONYERS. Reclaiming my time, Mr. Chairman, I am so relieved, I cannot tell the gentleman how much better I feel now that he has told me.

Mr. CANNON. The gentleman should come to Utah to see this.

Ms. LOFGREN. Mr. Chairman, I yield myself the balance of my time, and I will conclude.

I think there is some misunderstandings among some of the speakers because the amendment before us does not repeal procurement law; it merely applies the procurement efficiency laws, the Clinger-Cohen Act, to the INS, and changes the limits for a 2-year time period so that we can get some technology into this agency.

Right now, Silicon Valley companies and high-tech companies across the country are willing to come in and do assessments for what the agency needs. And actually, what they are saying is have everyone come in, not a sole source, come in and help this agency find out what it needs. We lack an enterprise architecture, and under current law we cannot do that.

If we do not streamline and allow for existing streamlined procedures to be put in place on a 2-year time frame for this agency, we are going to continue to hear what we have for the last 10 years. In 2 years' time we will have some technology. We still have 236 PCs, we still have an agency that is creating paper files. If we do not apply the existing law that allows for streamlining acquisitions to this agency, we are going to end up continuing to waste taxpayers' dollars; we are going to continue to have Americans put at risk because databases cannot communicate with each other.

I have seen the picture of Mohammed Atta too many times today. The reason why they were admitted is because the inspector at the gate did not know what the other hand of the INS was doing. And unless we have technology deployed in this agency, that deplorable condition will continue to be true.

Mr. SENSENBRENNER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the issue is whether the INS should go into more sole-source procurement for information-technology issues. Competitive bidding keeps the cost down to the taxpayers, and it means that various vendors compete against one another on who can provide the best product for the lowest possible cost for what the government needs.

I would remind all Members, but particularly those on the Republican side of the aisle, that the administration has a great deal of concern about this amendment, particularly the OMB. I do not think that as we restructure that agency we should throw out all of the procurement rules relative to computer and information-technology procurement.

The time may come when the new Associate Attorney General for immigration affairs may find this necessary, but let us wait until we restructure the agency and the person who is going to be the overseer of the entire operation makes a determination of whether competitive bidding works or we should make a particular exception.

This amendment puts the cart before the horse. I would urge a "no" vote to keep the cart after the horse.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SIMPSON). All time for debate on the amendment has expired.

The question is on the amendment offered by the gentlewoman from California (Ms. LOFGREN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. CANNON. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 8 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from California (Ms. LOFGREN) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: amendment No. 6 offered by the gentleman from California (Mr. ISSA) and amendment No. 7 offered by the gentlewoman from California (Ms. LOFGREN).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 6 OFFERED BY MR. ISSA

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California (Mr. ISSA) on which further proceedings were postponed and on which the noes prevailed by a voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 145, noes 272, not voting 17, as follows:

[Roll No. 114]

AYES—145

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bilirakis
Blunt
Bonilla
Bono
Boozman
Brady (TX)
Brown (SC)
Bryant
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Deal
DeLay
DeMint
Doolittle
Dreier
Duncan
Ehlers
Ehrlich
Emerson
Everett
Flake
Forbes
Fossella
Frelinghuysen
Gibbons
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Houghton
Hunter
Hyde
Issa
Istook
Johnson, Sam
Kelly
Kennedy (MN)
Kerns
Kirk
Kolbe
Lewis (KY)
Linder
Lucas (OK)
Manzullo
McCrery
McInnis
McKeon
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moran (KS)
Nethercutt
Northup
Norwood
Osborne
Otter
Oxley
Paul
Pence
Peterson (PA)
Pickering
Pitts
Platts
Pombo
Portman
Putnam
Radanovich
Ramstad
Rehberg
Riley
Rogers (MI)
Royce
Ryan (WI)
Ryun (KS)
Schrock
Sessions
Shadegg
Sherwood
Shuster
Simpson
Souder
Stearns
Stump
Sullivan
Sununu
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Wamp
Watkins (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (SC)

NOES—272

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barcia
Barrett
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bishop
Blumenauer
Boehlert
Boehner
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Burr
Burton
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doyle
Dunn
Edwards
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Ford
Frank
Frost
Gallegly
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Green (TX)
Grucci
Gutierrez
Hall (OH)
Hart
Hastings (FL)
Hayes
Hill
Hilliard
Hinchey
Hobson
Hoeffel
Hoekstra
Holden
Honda
Hooley
Horn
Hostettler
Hoyer
Inslee
Isakson
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Keller
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Petri
Phelps
Pomeroy
Price (NC)
Pryce (OH)
Quinn
Rahall
Regula
Reyes
Reynolds
Rivers
Roemer
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Scott
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Shimkus
Shows
Simmons
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Sweeney
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Walsh
Waters
Watson (CA)
Watt (NC)
Watts (OK)
Weiner
Wexler
Wilson (NM)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—17

Baldacci
Blagojevich
Cooksey
Harman
Hinojosa
Holt
Hulshof
Jones (NC)
Leach
Matsui
Rangel
Rodriguez
Schaffer
Smith (WA)
Tanner
Traficant
Waxman

□ 1446

Mr. KENNEDY of Rhode Island, Mr. SAWYER, Mrs. CAPITO, and Mrs. McCARTHY of New York changed their vote from "aye" to "no."

Messrs. REHBERG, BACHUS, BROWN of South Carolina, COLLINS, GOODLATTE, FRELINGHUYSEN, EVERETT, FOSSELLA, Mrs. CUBIN and Mrs. NORTHUP changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. SIMPSON). Pursuant to clause 6 of rule XVIII, the Chair announces he will reduce to 5 minutes the minimum time period for which a vote by electronic device will be taken on the remaining amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 7 OFFERED BY MS. LOFGREN

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from California (Ms. LOFGREN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 105, noes 312, not voting 17, as follows:

[Roll No. 115]

AYES—105

Aderholt
Akin
Armey
Baker
Ballenger
Barr
Bartlett
Bass
Berman
Bilirakis
Bonilla
Bono
Boucher
Boyd
Brady (TX)
Bryant
Burr
Burton
Cannon
Cantor
Coble
Combest
Cox
Crane
Cunningham
Davis, Jo Ann
Davis, Tom
DeGette
Delahunt
DeMint
Dooley
Doolittle
Duncan
Ehlers
Eshoo
Farr
Flake
Frank
Ganske
Gibbons
Goodlatte
Graham
Gutknecht
Hall (TX)
Harman
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Honda
Horn
Hunter
Isakson
Issa
Johnson, Sam
Kennedy (MN)
Kennedy (RI)
Kind (WI)
Kingston
Kirk
Kolbe
Linder
Lofgren
McInnis
McKeon
McKinney
Mica
Miller, Dan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Nussle
Olver
Osborne
Oxley
Paul
Pickering
Pombo
Ramstad
Ryan (WI)
Ryun (KS)
Sessions
Shadegg
Shimkus
Smith (NJ)
Souder
Stearns
Sununu
Thornberry
Vitter
Walden
Wamp
Weller
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu

NOES—312

Abercrombie
Ackerman
Allen
Andrews
Baca
Bachus
Baird
Baldwin
Barcia
Barrett
Barton
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonior
Boozman
Borski
Boswell
Brady (PA)
Brown (FL)
Brown (OH)
Brown (SC)
Buyer
Callahan
Calvert
Camp
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Collins
Condit
Conyers
Costello
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
Deal
DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Doyle
Dreier
Edwards
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Fattah
Ferguson
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (OH)
Hansen
Hart
Hayes
Hilliard
Hinchey
Hobson
Hoeffel
Hoekstra
Holden
Hooley
Hostettler
Houghton
Hoyer
Hyde
Inslee
Israel
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kerns
Kildee
Kilpatrick
King (NY)
Kleczka
Knollenberg
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Nadler
Napolitano
Neal
Ney
Northup
Norwood
Oberstar
Obey
Ortiz
Ose
Otter
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pitts
Platts
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Sherwood
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (TX)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Sullivan
Sweeney
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wynn
Young (AK)
Young (FL)

NOT VOTING—17

Baldacci
Blagojevich
Cooksey
Dunn
Hinojosa
Holt
Hulshof
Jones (NC)
Leach
Murtha
Rangel
Rodriguez
Schaffer
Smith (WA)
Tanner
Traficant
Waxman

□ 1455

Mr. KERNS and Mr. WATT of North Carolina changed their vote from "aye" to "no."

Ms. HARMAN and Messrs. ADERHOLT, BERMAN and GOODLATTE changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. SIMPSON). There being no further amendments in order, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. SIMPSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3231) to replace the Immigration and Naturalization Service with the Agency for Immigration Affairs, and for other purposes, pursuant to House Resolution 396, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SENSENBRENNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 405, noes 9, not voting 21, as follows:

[Roll No. 116]

AYES—405

Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hobson
Hoeffel
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kucinich
LaFalce
LaHood
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—9

Abercrombie
Clayton
Honda
Kolbe
Lofgren
Mink
Pomeroy
Sanders
Watt (NC)

NOT VOTING—21

Baldacci
Blagojevich
Cooksey
Davis, Tom
Hinojosa
Holt
Hulshof
John
Jones (NC)
Lantos
Meeks (NY)
Murtha
Nethercutt
Rangel
Rodriguez
Sandlin
Schaffer
Smith (WA)
Tanner
Traficant
Waxman

□ 1513

So the bill was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read:

A bill to replace the Immigration and Naturalization Service with the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, and for other purposes.

A motion to reconsider was laid on the table.

Stated for:

Mr. SCHAFFER. Mr. Speaker, I was unavoidably detained on rollcall 116. If I had been present, I would have voted "aye," in favor of passage.

PERSONAL EXPLANATION

Mr. HINOJOSA. Mr. Speaker, I regret that I had to travel to my Congressional District for an important event on April 25, 2002. Had I been present, I would have voted "no" on rollcalls 114 and 115 and "aye" on rollcall 116.

LEGISLATIVE PROGRAM

(Ms. PELOSI asked and was given permission to address the House for 1 minute.)

Ms. PELOSI. Mr. Speaker, I rise for the purpose of inquiring about the schedule for next week, and I am pleased to yield to the gentleman from Ohio (Mr. PORTMAN) with those inquiries.

Mr. PORTMAN. Mr. Speaker, I thank the gentlewoman for yielding, and I thank her for her inquiry.

Mr. Speaker, I am pleased to announce that the House has completed its legislative business for the week. The House will next meet for legislative business on Tuesday, April 30 at 12:30 p.m. for morning hour and 2 o'clock for legislative business. On Tuesday, the majority leader will schedule a number of measures under suspension of the rules, a list of which will be distributed to the Members' offices tomorrow. Recorded votes will be postponed until 6:30 p.m.

For Wednesday and Thursday, the majority leader has scheduled a number of measures, including H.R. 2871, the Export-Import Bank Reauthorization Act of 2002; H.R. 2604, the Multinational Development Banks Authorization Act; H.J. Res. 84, a resolution disapproving the action taken by the President under section 201 of the Trade Act of 1974; and H.R. 3994, the Afghanistan Freedom Support Act of 2002.

Additionally, Speaker HASTERT advises us that he may be ready to name conferees to the election reform legislation which passed both the House and the Senate; and, therefore, the majority leader will likely schedule a motion to go to conference on that bill next week.

I thank the gentlewoman for yielding.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for his comments. Reclaiming my time, I wanted to know if the gentleman could be more specific about which days these four bills will come up. I know the gentleman said on Wednesday and Thursday, does the gentleman have any more specific information about which days each of these bills might be taken up?

□ 1515

Mr. PORTMAN. If the gentlewoman will continue to yield, I believe the first three measures, which is the Ex-Im Bank, the multinational development banks, and the resolution of disapproval, would be on Wednesday, and the fourth measure we mentioned, the Afghanistan Freedom Support Act, is likely to be on Thursday.

Ms. PELOSI. Mr. Speaker, could the gentleman shed some light on what day the Nevada nuclear waste bill would be considered, and will it be considered under suspension or under a rule?

Mr. PORTMAN. The Governor's veto of the Yucca Mountain legislation was taken up by the Committee on Energy and Commerce today and marked up. My understanding is that there need to be 5 legislative days prior to its consideration in the House, and therefore the vote would not take place next week, but likely the week after.

I do not know that the decision has been made yet as to whether it will be under suspension or under regular order.

Ms. PELOSI. I thank the gentleman for that information.

One further question, if the gentleman could tell us if he knows or is able to report on when the supplemental is expected to come to the floor.

Mr. PORTMAN. Our understanding from the gentleman from Florida (Chairman YOUNG) of the Committee on Appropriations is that it seems likely it will be marked up next week, or shortly. When it comes to the floor is still uncertain, but it would not be coming up next week.

Ms. PELOSI. I thank the gentleman for the information and for his courtesy.

PERMISSION FOR SPEAKER TO ENTERTAIN MOTION TO SUSPEND RULES RELATING TO H.R. 2604 ON LEGISLATIVE DAY OF WEDNESDAY, MAY 1, 2002

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that it be in order at any time on the legislative day of Wednesday, May 1, 2002 for the Speaker to entertain a motion that the House suspend the rules relating to H.R. 2604.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Ohio?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ADJOURNMENT TO MONDAY, APRIL 29, 2002

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOUR OF MEETING ON TUESDAY, APRIL 30, 2002

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, April 29, 2002, it adjourn to meet at 12:30 p.m. on Tuesday, April 30, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ANNOUNCEMENT OF LIMITATION ON AND PROCEDURES FOR SUBMITTING AMENDMENTS TO H.R. 2871, EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2001

(Mr. DIAZ-BALART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIAZ-BALART. Mr. Speaker, today a Dear Colleague will be sent to all Members informing them that the Committee on Rules is planning to meet next week to grant a rule which may limit the amendment process for H.R. 2871, the Export-Import Bank Reauthorization Act of 2001.

Any Member who wishes to offer an amendment should submit 55 copies of the amendment and one copy of a brief explanation of the amendment by 12 noon on Tuesday, April 30, to the Committee on Rules here at the Capitol at H-312.

Amendments should be drafted to the text of the bill as reported by the Committee on Financial Services on October 31 of last year. Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted, and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

URGING INS TO RECONSIDER PROPOSED LIMITATION ON VISITS FROM FOREIGNERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I come to the House floor this evening to express my opposition to a proposal put forward by INS Commissioner James Ziglar several weeks ago. The Immigration and Naturalization Service proposal would limit foreigners to visiting the United States for only 30 days. The current policy on visitor visas allows a stay in the United States for at least 6 months.

Mr. Speaker, this new proposal severely undermines the family structure of U.S. residents who have loved ones living in a foreign country; and on another note, the new proposal severely jeopardizes an important segment of the U.S. economy that depends on foreign tourists.

The driving force behind the INS proposal is the attempt to improve our homeland security and to prevent terrorists from entering our country. Although I believe that INS reform is badly needed to better address our homeland security concerns, I am completely convinced that limiting visitor visas to 30 days will do nothing to better protect us from terrorists, and will in fact only place severe, undue burdens on the lawful, decent individuals abroad who come to visit the United States.

I would like to expand on exactly who would feel the effects of this proposal. It is the grandmother or grandfather who lives in another country and chooses to come to the United States to spend time with their family that has settled here. Is 30 days enough time to reunite a family? Is 30 days enough time, if thousands of dollars and over 24 hours have been spent traveling to the United States? Is 30 days enough time to spend with a newborn grandchild, or a grandchild getting married? I do not think so.

Mr. Speaker, over 70,000 people in the United States have signed a petition against this proposal in the last 10 days or so. Interestingly enough, the INS has not thought so, or has not agreed with this proposal for the past 10 years. In fact, they have suggested the opposite.

The INS is arbitrarily changing this law in response to September 11, but the change will be ineffectual in preventing further terrorism. In fact, there are two detrimental effects that I foresee with this proposal.

First, if visitors are provided only a 30-day visa, it is likely that upon entrance to the United States, these visitors will apply for a visa extension. This type of extra paperwork is the exact reason why the INS extended the visitor's visa to 6 months, so tourists could accomplish the purpose of their visit, leave the United States within the given time here, and not further overload the INS. This will not be the case if the 30-day limit is implemented.

Mr. Speaker, the second reason, I think, which is so important, is that we are all aware of the impact on the tourism industry in the United States after September 11. The airline industry and tourism industry would be drastically affected by the decrease in visits to the United States that would be a result of visitors finding that 30 days is not worth the great effort required to visit the United States.

Mr. Speaker, I know that the INS has thought about this, but I think they need to reconsider. I urge the INS to reconsider their proposal. It will in no way fight terrorism, and only serves to trample on the legitimate visits from relatives with legitimate residents of the United States.

"SHOE BOB" AND INTERFAITH OUTREACH TEAM UP TO HELP HOMELESS IN MINNESOTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. RAMSTAD) is recognized for 5 minutes.

Mr. RAMSTAD. Mr. Speaker, I rise to pay tribute to a true servant leader who proves, year after year, that one person can make a big difference in the lives of people in need.

Bob Fisher of Bob's Shoe Repair in Wayzata, Minnesota has raised more than $1 million over the past 6 years by his winter "sleep-outs" to help people who are homeless.

This past winter alone, on behalf of Interfaith Outreach and Community Partners, "Shoe Bob," as we affectionately call him, raised $520,000 for Interfaith Outreach's community housing fund during his 30-day sleep-out for the homeless.

Sleeping outside in subzero temperatures in Minnesota winters, that has become Bob Fisher's trademark. Bob's well-worn tent and sleeping bag have not only raised badly needed funds to provide housing, but his sleep-outs have raised public awareness of the housing shortage and the increasing number of homeless families in our Lake Minnetonka community, State, and Nation.

Bob is teamed up with other caring people at Interfaith Outreach and Community Partners who distribute the housing resources he raises to homeless families.

Led by one of Minnesota's greatest humanitarians, LaDonna Hoy, and supported by an active board of truly charitable community leaders, Interfaith Outreach helps kick off Bob's sleep-out for the homeless each and every year.

More than 500 supporters gathered on November 17 to kick off last year's sleep-out, featuring a soup supper with bread, hot chocolate, and water served by the Girl Scouts. And thanks to the Boy Scouts, four campfires kept everyone warm along Lake Street in Wayzata as the various churches that support Interfaith Outreach provided song and spirit.

The distinguished mayors of our five neighboring communities issued their "Housing Week" proclamation, and 200 young students joined Bob Fisher in sleeping outside on the first night in the 2001 cold. Two local bank employees also slept outside with Bob to offer their support.

Mr. Speaker, I know firsthand that Bob's sleep-outs are a true ordeal, as I slept outside in December of 1997 in below-zero temperatures as part of Bob's sleep-out for the homeless. It was a night of bone-chilling cold, well spent, as we raised several thousand dollars to help bring homeless families in from the cold.

Mr. Speaker, every year the fundraising goal for Bob Fisher's sleep-outs gets higher, reflecting his strong commitment, infectious enthusiasm and energy, as well as the increasing need for more affordable housing in the Twin Cities' western suburban area.

Bob Fisher, Interfaith Outreach, and the people of our Lake Minnetonka communities are already looking forward to this year's "Housing Week," November 16 to 23, 2002, which will once again be kicked off by Bob Fisher's sleep-out for the homeless. In fact, Interfaith Outreach and Community Partners is working hard to expand this campaign by encouraging communities throughout Minnesota and the Nation to follow Bob Fisher's example.

I urge my colleagues to take Bob Fisher's story back to their communities and tell their constituents how one person in Minnesota, a cobbler with a big heart, has made a big difference in the lives of countless homeless people.

Tell America the story of "Shoe Bob" and his mission to help homeless families secure affordable housing. Tell America how one person has increased awareness of the homeless problem, bolstered community involvement in addressing the housing shortage, and raised more than $1 billion to help families with their housing crises.

Yes, Mr. Speaker, Bob Fisher has proved that one person can make a big difference in the world, as he has walked in the shoes of the homeless. We salute you, Bob Fisher, just as we salute Interfaith Outreach and Community Partners.

Our gratitude also goes out to all who have supported Shoe Bob's sleep-outs for the homeless. He is truly doing the Lord's work, and he represents the absolute best in public service.

Thank you, Bob Fisher. Thank you to all my friends at Interfaith Outreach and Community Partners, and to the entire Lake Minnetonka area, those who have supported this worthwhile, important drive to help people who are homeless.

URGING MEMBERS TO CONSIDER COSPONSORING IMPORTANT LEGISLATION CONCERNING SCIENCE EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, we are at the end of Earth Day week. I have always felt that if one is a Member of Congress, the best way to celebrate Earth Day and the week in which it occurs is to legislate. After all, we are Members of Congress. We can do more than hug trees and go to river sites.

Congress is now all entangled in the energy bill and the ANWR controversy, but there are many noncontroversial matters that need to be taken up in legislation.

I invite Members to go on to two bills I introduced this week. One is called the Academic Excellence In Environmental Sciences Act of 2002. It aims to make environmentalists and scientists of young people. We have a real dearth of scientists today. More and more of our kids are going off and doing other things. Yet, in a very real sense, these youngsters are the best messengers for the environment, especially since they are going to inherit whatever environment we leave them.

This bill would encourage hands-on recycling to help children cultivate habits that conserve our resources. While they are at school they learn how to do recycling. My aim is also to help them concretize their interest in science and their understanding of scientific concepts, so as they learn about recycling, science comes alive for them, and they are encouraged to study math and science, to get interested in science earlier, and to maintain that scientific interest.

I see the need for it. I just nominated five of my youngsters to the academies, and I am encouraging my school systems to do more with science and math in order that I will have more youngsters to nominate to the academies.

Getting them involved in recycling helps them to understand science better.

□ 1530

Second bill is called the National Urban Watershed Model Restoration Act. It is aimed at the problem of urban watershed. We all know and love watersheds in the great blue yonder, but the fact is our great cities are often located right in the center of watersheds, terribly polluted. I use my own river, the Anacostia River, which runs through our neighborhoods, as a model for the country so that this notion of working with the EPA, with the Corps of Engineers, and importantly involving the community in clean ups and in preservation of the watershed is what I seek to accomplish.

This would not be cleanup activity. It would be scientific. It would not only clean up communities; it would be a scientific watershed clean up, but done in collaboration with the community so that when it is cleaned up it stays cleaned up. We are located right here on the banks of Anacostia, but my folks cannot get to the Anacostia.

We are about to develop the waterfronts; and when, in fact, the waterfronts get opened up, what they will see is a river polluted by the national government, the Government of the United States of America. That is why I think we ought to begin here with the Anacostia and then go to the great watersheds. They are in New York. They are in L.A. They are in Baltimore. They are across the United States. Because they have been in cities, people have not paid much attention to them. They have been polluted industrially or, in our case, by the Federal Government. This would be on a 75/25 percent basis use Federal, State, and local funds to begin the cleanup of urban watersheds.

You cannot revitalize a community without revitalizing its river. When you do both, you transform an entire city and an entire area. We would never allow such polluted rivers to be in our countrysides. We must not allow them to encroach on our large cities, especially since these cities are now beginning to develop along the waterway. We are doing that in the District of Columbia, our Nation's capital. The one difference between us and you is the Federal Government is responsible for our pollution.

We are going to begin here and spread this idea throughout the country. I would like my colleagues to go to both of these bills and look for their "Dear Colleague" letters soon.

PETE CONRAD AWARDS BILL

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from California (Mr. ROHRABACHER) is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, today I am introducing the Charles Pete Conrad Astronomy Award Act. This act is intended to encourage amateur astronomers to discover new and attract previously identified astroids and other heavenly bodies, particularly those that threaten a close approach to the Earth. This act is named after the legendary pilot, astronomer and space entrepreneur, Pete Conrad, who I was honored to know. He was a constituent of mine as well. Unfortunately, he passed away after a tragic motorcycle accident just last year. Charles Pete Conrad made history and today in his honor and in his memory I am introducing a bill that could help protect the United States of America and, yes, the entire world.

Pete Conrad more than anything else was a patriot who loved his country and felt that space would provide peace and prosperity for all of human kind. This act contains three categories of awards. The first category is an award for the amateur astronomer who discovers the largest astroid crossing in near-Earth orbit.

The second category, an award to an amateur astronomer for discovering asteroids using information derived from professional sources and locating newly discovered asteroids.

The third category, an award for those who provide the greatest service to update Minor Planet Center's catalog of known astroids.

Let me just state that for those people who believe that there is no threat and that we live in a world today where those movies that talked about astroids colliding with the world and the threat that it posed, that that is all science fiction, I have got bad news for them. It is not science fiction.

There are numerous examples of astroids and comets in the last few years that have come very near to the world and not been undetected until the last minute or even after they pass by the world. One of them was coming in from the Sun and was not seen until after it passed the Earth's orbit. If any of these astroids or comets would have hit the Earth, it would have been a catastrophic occasion, perhaps killing hundreds of millions of people. Perhaps in one case in the past, millions of years ago, that is perhaps what eliminated the dinosaur life on our planet.

The following is a list of examples of recently observed asteroids:

An asteroid about 300 meters in size crossed a near-Earth orbit about 500,000 miles from our planet in October of last year.

An asteroid about the size of three football fields made its closest approach to the Earth (roughly the same distance: twice the Moon's distance from the Earth) on January 7, 2002.

An asteroid reportedly the size of an 18-story building on a close approach to Earth (just a bit farther out than the Moon) was observed on March 8.

The disturbing point about this asteroid is that it was seen from Earth again only after it had moved out of the glare of the Sun and into the night sky on March 12.

For each nearby asteroid that is spotted there are several that pass entirely unnoticed.

Some researchers estimated that there are roughly 25 asteroids, roughly the size of the one observed on March 12, cross a near-Earth orbit that is closer than the Moon.

Astronomers believe that the number of undiscovered asteroids far exceeds the known list currently available to the scientific community.

We need to know if there is a threat coming at the world. And having our young people, giving them awards, having amateur astronomers look into the sky to help us find those objects is something that we are mobilizing the people to help us discover that possible threat. If we see something coming at us that is years away, then we can handle that. We can do something about it. If we do not find out until a mere month or two beforehand, the Earth could be in real danger.

I was the chairman of a hearing in which we had the experts testify on this issue; and one expert said, Congressman, you do not have to worry about that. There is about as much chance of a comet hitting the Earth as it is of you going to Las Vegas and getting a royal straight flush. And I said, Oh, my gosh. I did get a royal straight flush once. I remember that happening.

So this is a real threat, but it is not something we have to fear. It is something we have to look at and try to find a way to identify threats. It is called Home Planet Defense. We need to pay some attention to it; and then if an asteroid does threaten us, we will be able to identify it far in advance and deter it from its path so it would not hurt the people of the world.

This is the purpose of this Pete Conrad bill. We want to get our young people more interested in space and science and mathematics. This bill is a way to do it. The awards will be administered by the Smithsonian Institution, and I am asking all of my colleagues to join me in cosponsoring the Pete Conrad Award bill because this bill will do a great deal in bringing to our young people the realities of science and America's space program. Let us get them off of these electronic games and get them into the real world and the real world may well be dealing with threats coming to us from outer space from great distances away, asteroids and comets that we should know about.

Again, I ask my colleagues to join me in co-sponsoring the Charles Pete Conrad Astronomy Award Act, and I look forward to working with my colleagues and seeing that we get young Americans looking up just like Pete Conrad, always looking up and getting involved.

NATIONAL MINORITY CANCER AWARENESS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

Mr. CUMMINGS. Mr. Speaker, this week marks the 15th annual National Minority Cancer Awareness Week, to highlight and bring attention to the cancer care needs of socioeconomically disadvantaged and medically underserved communities.

I come to the floor today to recognize the American Cancer Society, the Intercultural Cancer Council, and the National Center for Minority Health and Disparities at the National Institutes of Health for their continued work to increase the awareness of cancer and reduce health disparities among minorities.

While there has been a decline in cancer mortality since 1991, cancer still is the second leading cause of death in the United States, accounting for more than 555,500 deaths each year. That is more than 1,500 deaths a day. But what is most disheartening and most disturbing is that minority and medically underserved populations continue to bear a startling disproportionate share of the Nation's cancer burden.

According to the American Cancer Society, African American men and women have a cancer death rate of about 33 percent higher than whites. Among women younger than 50 years of age, African Americans are more likely to develop breast cancer than whites. Prostate cancer will claim the lives of more than twice as many African American men as men of other racial and ethnic groups. African Americans are at a significantly higher risk of death from intrauterine and bladder cancers. Hispanic women have nearly twice the rates of cervical cancer than non-Hispanic white women. Hispanics are less likely than other minorities to have a regular source of health care, visited a physician in the past year, and received a routine physical examination. Native American women with breast cancer have the lowest 5-year survival rate of any United States racial/ethnic group. And native Hawaiian women have the highest incidence and mortality rates of endometrial cancers of all United States women.

There is something equally as important as statistics, and that is the question, why our cancer rates are disproportionately high among minorities. According to a study published in the Journal of the American Medical Association on April 23 of this year, higher cancer rates in minorities seem to stem from difference in treatment, not biological or genetic differences.

I say to my colleagues, to be truly effective in eradicating all types of cancer, the Federal health agenda must address low-income minorities and medically underserved populations. I think Congress can be instrumental in helping to accomplish this goal in this country. In fact, at my request during the 106th Congress, the Committee on Government Reform held a hearing that afforded us the opportunity to engage in a more exhaustive investigation of the disparities in cancer treatments of minorities. This hearing was a positive first step in addressing the issue of disparities and cancer treatment of minorities in the United States.

In keeping with this point, Mr. Speaker, 2 weeks ago the Congressional Black Caucus Health Braintrust, chaired by the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), met to discuss a report which had been requested by the gentleman from Illinois (Mr. JACKSON) and others, from the Institute of Medicine and that report was titled "Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care."

This report concluded that Americans of color tend to receive lower-quality health care than do whites; and these disparities contribute to high death rates of African Americans from cancer, heart disease, diabetes, HIV/AIDS, and other life-endangering conditions.

The American Cancer Society, health care providers, community organizations, and State and local agencies and many other participants agree that we need to do more; that there needs to be more cooperation between the Department of Health and Human Services, local and State health agencies, medical schools, businesses, et cetera, to address the disparities in minorities health care treatment but especially for life-endangering illnesses like cancer. Let us recognize the National Minority Cancer Week as an opportunity to increase awareness in the knowledge of cancer detection treatment and risk through, among other things, target outreach programs to minorities and other underserved communities.

BANNING COCKFIGHTING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

Mr. BLUMENAVER. Mr. Speaker, I appreciate the opportunity to spend a moment on the floor of the House this afternoon dealing with an issue that passed this House by voice vote overwhelmingly during the discussion on the agricultural bill earlier this session.

We now have in conference the ag bill that seems to be moving forward. I have grave concerns in one particular area, Mr. Speaker, that I am going to be working over the course of the next few days to seek clarification because I want to make sure that the intent of the House and the Senate are preserved in the final form that comes out of conference.

Mr. Speaker, there has been a practice of cockfighting, game hens, that has been tolerated by this Congress even though it is now illegal in 47 States. The public long ago has come to the point that this practice is inherently inhuman and barbaric.

□ 1545

The handlers of these fighting birds drug the animals to heighten their aggression and to clot the blood. They affix knives or ice picks like gaffs to their legs and place them into a pit to fight until one of them is dead, all for amusement and illegal gambling.

Mr. Speaker, this barbaric practice is slowly being made illegal around the country. It is currently legal in only three States. The problem is that under current law it is still legal to transport these birds from States where it is illegal to States that it is legal, and this loophole is exploited to allow people to maintain, to train, and it facilitates illegal game bird fighting.

Last October, my colleague, the gentleman from Colorado (Mr. TANCREDO), and I offered two amendments to the farm bill that would close these loopholes and strengthen the penalty for violations of animal fighting laws. These two amendments were passed overwhelmingly by this body by voice vote, adopted in identical form in the Senate. This, in fact, should not even be a conference item. Identical language was adopted by both the House and the Senate. The intent of both Chambers was to close the loophole, ban foreign export of fighting animals, and increase the penalty.

According to the House Agriculture Committee's Web site, a conference committee is permitted to deal only with matters in disagreement between the House and the Senate. It may not change language that both have previously approved.

Unfortunately, it is pretty clear to me that people are, in fact, looking at watering down the penalty provisions in particular, and to deal with problems, some people are saying, I have been told by one high-ranking member of the conference committee that they are concerned that there is not a problem with 4–H clubs dealing with raising these chickens that the 4–H'ers produce.

Well, first of all, to prosecute a cockfighting case, law enforcement officers must have evidence of the illegal activity. The birds intended to be used in these cock fights are identifiable by several indicators, including the special structures that they are kept in, the fighting paraphernalia, the specific drugs that are provided to them to heighten the aggression and to aid the blood clotting.

The Animal Welfare Act already prohibits interstate transports for dogs for fighting purposes, and we have not had anybody come to this floor and say, well, we have these provisions in Federal law and we cannot have legitimate show-dog activities, that it is interfering with the buying, transport, and delivery of animals for purposes that do not impact animal fighting. Of course not. Reasonable people apply the laws reasonably, and this is absolutely specious.

There is a problem, however, because people will run through this loophole to continue to exploit the illegal game fighting that is happening in these States where it is illegal but it is legal to grow them, legal to train them, legal to transport them.

One of the problems is that the current penalties are 26 years old. They are not high enough to warrant prosecution of violations. What we hear from the U.S. Department of Justice and the USDA, that they have indicated that they would give more consideration if they were a felony and included higher fines and jail time.

That is what the House passed. That is what the conference committee should protect, and if we are not able to do that, Mr. Speaker, it is my intention to bring a motion to this floor to instruct the conferees to respect the rights and the will of the House and the Senate and to do what the American people want and end this cruel and barbaric practice.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BALDACCI (at the request of Mr. GEPHARDT) for today on account of a family medical emergency.

Mr. HOLT (at the request of Mr. GEPHARDT) for today on account of attending a funeral in the district.

Mr. RANGEL (at the request of Mr. GEPHARDT) for today on account of business in the district.

Mr. JONES of North Carolina (at the request of Mr. ARMEY) for today after 2:00 p.m. on account of official business in the district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:

Mr. PALLONE, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. SHOWS, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

The following Members (at the request of Mr. RAMSTAD) to revise and extend their remarks and include extraneous material:

Mr. ROHRABACHER, for 5 minutes, today.

Mr. RAMSTAD, for 5 minutes, today.

Mr. ISSA, for 5 minutes, today.

Mr. NORWOOD, for 5 minutes, today.

The following Member (at his own request) to revise and extend his remarks and include extraneous material:

Mr. CUMMINGS, for 5 minutes, today.

ENROLLED BILL SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker.

H.R. 4167. An act to extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted.

ADJOURNMENT

Mr. BLUMENAUER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until Monday, April 29, 2002, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6386. A letter from the Assistant Secretary, Department of Defense, transmitting a letter providing information on a report entitled, "Support for Child Care Services and Youth Program Services"; to the Committee on Armed Services.

6387. A letter from the Assistant Secretary for Housing-Federal Housing Commissioner, Department of Housing and Urban Development, transmitting the Administration's FY 2001 Annual Report on Initiatives to Address Management Deficiencies, pursuant to 12 U.S.C. 1709(v); to the Committee on Financial Services.

6388. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the Commission's report entitled, "Report to Congress on Abnormal Occurrences, Fiscal Year 2001," pursuant to 42 U.S.C. 5848; to the Committee on Energy and Commerce.

6389. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report concerning compliance by the Government of Cuba with the U.S.-Cuba Migration Accords of September 9, 1994, and May 2, 1995; to the Committee on International Relations.

6390. A letter from the Secretary, Department of Agriculture, transmitting the semiannual report of the Inspector General for the 6-month period ending September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

6391. A letter from the Secretary, Department of Energy, transmitting the semiannual report on activities of the Office of Inspector General for the period April 1, 2001, through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(d); to the Committee on Government Reform.

6392. A letter from the Secretary, Deoartment of the Treasury, transmitting the Financial Report of the United States Government for Fiscal Year 2001 (Financial Report); to the Committee on Government Reform.

6393. A letter from the White House Liaison, Department of the Treasury, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6394. A letter from the Secretary, Department of Education, transmitting the twenty-fifth Semiannual Report to Congress on Audit Follow-Up, covering the period from April 1, 2001 to September 30, 2001 in compliance with the Inspector General Act Amendments of 1988, pursuant to 5 U.S.C. app.; to the Committee on Government Reform.

6395. A letter from the Administrator and Chief Executive Officer, Bonneville Power Administration, Department of Energy, transmitting the 2001 Annual Report of the Bonneville Power Administration, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform.

6396. A letter from the Assistant Secretary for Administration and Management, Department of Health and Human Services, transmitting the Department's Commercial Activities Inventory for Fiscal Year 2001; to the Committee on Government Reform.

6397. A letter from the Assistant Secretary for Administration and Management, Department of Labor, transmitting the Department's Commercial Activities Inventory for Fiscal Year 2001; to the Committee on Government Reform.

6398. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 2001, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

6399. A letter from the Chairman, International Trade Commission, transmitting the semiannual report of the Office of the Inspector General for the period April 1, 2001 through September 30, 2001, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

6400. A letter from the Assistant Administration for Human Resources and Education, National Aeronautics and Space Administration, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6401. A letter from the Assistant Administration for Human Resources and Education, National Aeronautics and Space Administration, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6402. A letter from the Acting General Counsel, National Endowment for the Humanities, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6403. A letter from the Director, National Science Foundation, transmitting the Foundation's Performance Report for FY 2001; to the Committee on Government Reform.

6404. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30295; Amdt. No. 2093] received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6405. A letter from the Administrator, Department of Transportation, transmitting a study of recent changes in flight patterns of aircraft using the Sky Harbor Airport in Phoenix, Arizona, pursuant to Section 746 of P. L. 106–181, the Wendell H. Ford Aviation and Investment Reform Act for the 21st Century; to the Committee on Transportation and Infrastructure.

6406. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—IFR Altitudes; Miscellaneous Amendments [Docket No. 30299; Amdt. No. 434] received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6407. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30300; Amdt. No. 2097] received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6408. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bell Helicopter Textron, Inc.—Manufactured Model OH–13E, OH–13H, and OH–13S Helicopters [Docket No. 2001–SW–17–AD; Amendment 39–12657; AD 2002–03–16] (RIN: 2120–AA64) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6409. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30301;

Amdt. No. 2098] received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6410. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A319 Series Airplanes and A320-200 Series Airplanes [Docket No. 2001-NM-252-AD; Amendment 39-12667; AD 2002-04-10] (RIN: 2120-AA64) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6411. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737- 600, -700, -700C, and -800 Series Airplanes [Docket No. 2001-NM-37-AD; Amendment 39-12665; AD 2002-04-08] (RIN: 2120-AA64) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6412. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300; A300 B4-600, B4-600R, and F4-600R (Collectively Called A300-600); and A310 Series Airplanes [Docket No. 2002-NM-75-AD; Amendment 39-12686; AD 2002-06-09] (RIN: 2120-AA64) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6413. A letter from the Secretary, Department of Commerce, transmitting the 2001 Annual Report of the Visiting Committee on Advanced Technology of the National Institute of Standards and Technology (NIST), pursuant to Public Law 100-418, section 5131(b) (102 Stat. 1443); to the Committee on Science.

6414. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Recordkeeping and Reporting for Qualified Tuition Plans (Notice 2001-81) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6415. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Examination of returns and claims for refund, credit or abatement; determination of correct tax liability (Rev. Proc. 2001-52) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6416. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Frequent Flyer Miles Attributable to Business or Official Travel (Announcement 2002-18) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6417. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Limitations on Benefits and Contributions Under Qualified Plans (Rev. Rul. 2001-51) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6418. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability (Rev. Proc. 2002-16) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6419. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Maximum Capital Gains Rate (Rev. Rul. 2001-57) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6420. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Differential Earnings Rate for Mutual Life Insurance Companies (Notice 2002-19) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6421. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Rulings and determination letters (Rev. Proc. 2002-3) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6422. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Interest Rate (Rev. Rul. 2001-63) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6423. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Deduction for Bad Debts (Rev. Rul. 2001-59) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6424. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property (Rev. Rul. 2001-58) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6425. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Rulings and determination letters (Rev. Proc. 2001-55) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6426. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Last-in, First-out inventories (Rev. Rul. 2001-54) received April 8, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6427. A letter from the Chairman, IRS Oversight Board, transmitting the Board's annual report for 2001; to the Committee on Ways and Means.

6428. A letter from the Secretary, Department of Veterans' Affairs, transmitting a draft bill, "To amend Title 38, United States Code, to establish a new Assistant Secretary to perform operations, preparedness, security, and law enforcement functions, and for other purposes"; jointly to the Committees on Veterans' Affairs and Government Reform.

6429. A letter from the General Counsel, Department of Defense, transmitting the Department's proposed legislation entitled, "Military Construction Authorizations"; jointly to the Committees on Armed Services, Government Reform, and Resources.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on International Relations. H.R. 3994. A bill to authorize economic and democratic development assistance for Afghanistan and to authorize military assistance for Afghanistan and certain other foreign countries; with an amendment (Rept. 107-420). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. DOOLITTLE:

H.R. 4589. A bill to provide for expedited decisions on wilderness study areas, to provide that lands designated as wilderness study areas for more than 15 years shall be used in accordance with the Multiple-Use Sustained-Yield Act of 1960, and for other purposes; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. CARSON of Indiana (for herself, Mr. ABERCROMBIE, Mr. ANDREWS, Mr. BISHOP, Mr. BLAGOJEVICH, Mr. BRADY of Pennsylvania, Ms. BROWN of Florida, Mrs. CHRISTENSEN, Mr. CLAY, Mrs. CLAYTON, Mr. CLYBURN, Mr. CONYERS, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. FATTAH, Mr. FORD, Mr. FROST, Mr. GEPHARDT, Mr. HASTINGS of Florida, Mr. HILLIARD, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. JONES of Ohio, Ms. KILPATRICK, Mr. LAHOOD, Mr. LANTOS, Ms. LEE, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. MCDERMOTT, Ms. MCKINNEY, Mr. MARKEY, Mrs. MALONEY of New York, Mrs. MEEK of Florida, Mr. MEEKS of New York, Ms. MILLENDER-MCDONALD, Mr. MOLLOHAN, Mr. NADLER, Ms. NORTON, Mr. OWENS, Mr. PAYNE, Ms. PELOSI, Mr. RANGEL, Mr. REYES, Mr. ROHRABACHER, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. SCOTT, Mr. SERRANO, Ms. SOLIS, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. TOWNS, Mr. TRAFICANT, Mr. UNDERWOOD, Ms. WATERS, Ms. WATSON, Mr. WATT of North Carolina, and Mr. WYNN):

H.R. 4590. A bill to authorize the President to award a gold medal on behalf of Congress to Muhammad Ali in recognition of his contributions to the Nation; to the Committee on Financial Services.

By Mr. HYDE (for himself, Mr. BALLENGER, Ms. ROS-LEHTINEN, Mr. BURTON of Indiana, Mr. GALLEGLY, Mrs. JO ANN DAVIS of Virginia, Mr. SMITH of New Jersey, Mr. GILMAN, Mr. ROYCE, Mr. CHABOT, and Mr. TANCREDO):

H.R. 4591. A bill to support the democratically elected Government of Colombia and the unified campaign against illicit narcotics trafficking, terrorist activities, and other threats to the national security of Colombia; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. COX (for himself, Mr. WAXMAN, Mrs. BONO, Mr. DREIER, Mr. ROHRABACHER, Mr. LEWIS of California, Mr. ROYCE, Mr. POMBO, Mr. CALVERT, and Mr. MCKEON):

H.R. 4592. A bill to name the chapel located in the national cemetery in Los Angeles, California, as the "Bob Hope Veterans Chapel"; to the Committee on Veterans' Affairs.

By Mr. HILL (for himself, Mr. MATHESON, Mr. TURNER, Mr. STENHOLM, Mr. BOYD, Mr. MOORE, Mr. TANNER, Mr. BERRY, Mr. HOLDEN, Mr. ROSS, Mr. BISHOP, and Mr. SCHIFF):

H.R. 4593. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 and the Congressional Budget Act of 1974 to extend the discretionary spending caps and the pay-as-you-go requirement, and for other purposes; to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MOORE (for himself, Mr. HILL, Mr. TANNER, Mr. STENHOLM, Mr. HOLDEN, Mr. SANDLIN, Mr. ROSS, Mr. BISHOP, Mr. SCHIFF, Mr. ISRAEL, Mr. MATHESON, Mr. PHELPS, Ms. HARMAN, and Mr. TURNER):

H.R. 4594. A bill to increase the statutory debt limit and to require a Presidential plan to restore balanced budgets and protect Social Security; to the Committee on Ways and Means, and in addition to the Committees on the Budget, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER (for himself and Mr. SCHROCK):

H.R. 4595. A bill to amend title 32, United States Code, to revise the matching funds requirements for States participating in the National Guard Challenge Program, and for other purposes; to the Committee on Armed Services.

By Mrs. CAPPS (for herself, Mrs. ROUKEMA, Mr. DINGELL, Mr. JEFFERSON, Mrs. MALONEY of New York, Mr. KENNEDY of Rhode Island, Mr. MCNULTY, Mr. TOWNS, Ms. BROWN of Florida, Mr. FILNER, Mr. SERRANO, and Mr. LYNCH):

H.R. 4596. A bill to provide for a comprehensive Federal effort relating to treatments for, and the prevention of cancer, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CARDIN:

H.R. 4597. A bill to prevent nonimmigrant aliens who are delinquent in child support payments from gaining entry into the United States; to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CHAMBLISS (for himself, Ms. HARMAN, Mr. GOSS, Ms. PELOSI, Mr. SENSENBRENNER, Mr. SMITH of Texas, Mr. BISHOP, Mr. CONDIT, Mr. HOEKSTRA, Mr. ROEMER, Mr. BURR of North Carolina, Mr. REYES, Mr. BEREUTER, Mr. BOSWELL, Mr. PETERSON of Minnesota, Mr. CRAMER, Mr. HASTINGS of Florida, Mr. ROGERS of Michigan, Mr. FRANK, Mr. BARR of Georgia, Mr. FROST, Mr. SULLIVAN, Mr. BALDACCI, Mr. SESSIONS, Mr. DEUTSCH, Mr. TIERNEY, and Ms. HART):

H.R. 4598. A bill to provide for the sharing of homeland security information by Federal intelligence and law enforcement agencies with State and local entities; to the Committee on Intelligence (Permanent Select), and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. DAVIS of California:

H.R. 4599. A bill to establish a pilot program to encourage certification of teachers in low-income, low-performing public elementary and secondary schools by the National Board for Professional Teaching Standards, and for other purposes; to the Committee on Education and the Workforce.

By Mr. GREENWOOD (for himself, Mr. COX, Mr. MURTHA, Mr. TOOMEY, Mr. MORAN of Virginia, Mr. PETERSON of Minnesota, Mr. STENHOLM, Mr. LUCAS of Kentucky, Mr. PICKERING, and Mr. WELDON of Florida):

H.R. 4600. A bill to improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system; to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DEFAZIO:

H.R. 4601. A bill to provide for the conveyance of a small parcel of Bureau of Land Management land in Douglas County, Oregon, to the county to improve management of and recreational access to the Oregon Dunes National Recreation Area, and for other purposes; to the Committee on Resources.

By Mr. DINGELL (for himself and Mrs. LOWEY):

H.R. 4602. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to ensure a safe pregnancy for all women in the United States, to reduce the rate of maternal morbidity and mortality, to eliminate racial and ethnic disparities in maternal health outcomes, to reduce pre-term labor, to examine the impact of pregnancy on the short and long term health of women, to expand knowledge about the safety and dosing of drugs to treat pregnant women with chronic conditions and women who become sick during pregnancy, to expand public health prevention, education and outreach, and to develop improved and more accurate data collection related to maternal morbidity and mortality; to the Committee on Energy and Commerce.

By Mr. GILLMOR:

H.R. 4603. A bill to amend the Internal Revenue Code of 1986 to provide that the segment tax on domestic air transportation shall not apply to segments to or from certain islands; to the Committee on Ways and Means.

By Ms. GRANGER (for herself, Mr. WYNN, Mr. COOKSEY, Mr. OWENS, and Mr. SMITH of New Jersey):

H.R. 4604. A bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance; to the Committee on Ways and Means.

By Mr. KUCINICH:

H.R. 4605. A bill to amend the Nuclear Waste Policy Act of 1982 with respect to transportation of nuclear waste; to the Committee on Energy and Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MARKEY (for himself, Mr. DINGELL, and Mr. SMITH of New Jersey):

H.R. 4606. A bill to amend the Public Health Service Act to provide for Alzheimer's disease research and demonstration grants; to the Committee on Energy and Commerce.

By Mr. MARKEY (for himself, Mr. HANSEN, Mr. OLVER, Mr. NEAL of Massachusetts, Mr. MCGOVERN, Mr. FRANK, Mr. MEEHAN, Mr. TIERNEY, Mr. CAPUANO, Mr. LYNCH, and Mr. DELAHUNT):

H.R. 4607. A bill to provide for fire safety standards for cigarettes, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MORAN of Kansas (for himself and Mr. TIAHRT):

H.R. 4608. A bill to name the Department of Veterans Affairs medical center in Wichita, Kansas, as the "Robert J. Dole Department of Veterans Affairs Medical Center"; to the Committee on Veterans' Affairs.

By Mr. NETHERCUTT (for himself and Mr. OTTER):

H.R. 4609. A bill to direct the Secretary of the Interior to conduct a comprehensive study of the Rathdrum Prairie/Spokane Valley Aquifer, located in Idaho and Washington; to the Committee on Resources.

By Ms. NORTON:

H.R. 4610. A bill to direct the Administrator of the Environmental Protection Agency to carry out a pilot program for restoration of urban watersheds and community environments in the Anacostia River watershed, District of Columbia and Maryland, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. OLVER (for himself, Mr. ALLEN, Mr. INSLEE, Mr. HINCHEY, Mr. GILCHREST, Mr. GEORGE MILLER of California, and Mr. FARR of California):

H.R. 4611. A bill to amend the Clean Air Act to establish an inventory, registry, and information system of United States greenhouse gas emissions to inform the public and private sectors concerning, and encourage voluntary reductions in, greenhouse gas emissions; to the Committee on Energy and Commerce.

By Mr. OSE (for himself and Mr. DIAZ-BALART):

H.R. 4612. A bill to amend the Federal Credit Union Act to provide expanded access for persons in the field of membership of a Federal credit union to money order and check cashing services; to the Committee on Financial Services.

By Mr. ROHRABACHER:

H.R. 4613. A bill to authorize the Board of Regents of the Smithsonian Institution to establish an awards program in honor of Charles "Pete" Conrad, astronaut and space scientist, for recognizing the discoveries made by amateur astronomers of asteroids with near-Earth orbit trajectories; to the Committee on House Administration.

By Mr. SANDERS:

H.R. 4614. A bill to permit commercial importation of prescription drugs from Canada, and for other purposes; to the Committee on Energy and Commerce.

By Mr. UDALL of New Mexico (for himself, Mr. MORAN of Kansas, Mr. LUCAS of Oklahoma, Mr. THORNBERRY, Mr. SKEEN, and Mr. REYES):

H.R. 4615. A bill to amend the Intermodal Surface Transportation Efficiency Act of 1991 to identify a route that passes through the State of Texas, New Mexico, Oklahoma, and Kansas, as a high priority corridor on the National Highway System; to the Committee on Transportation and Infrastructure.

By Mr. BERRY (for himself, Mr. JOHN, Mr. BOYD, Mr. TURNER, Mr. STENHOLM, Mr. BOSWELL, Mr. TAYLOR of Mississippi, Ms. HARMAN, Mr. ROSS, Mr. SANDLIN, Mr. HALL of Texas, Mr. SCHIFF, Mr. HILL, Mr. PHELPS, Mr. LIPINSKI, Mr. BISHOP, Mr. CONDIT, and Mr. EDWARDS):

H.J. Res. 90. A joint resolution proposing an amendment to the Constitution to provide for a balanced budget for the United States Government and for greater accountability in the enactment of tax legislation; to the Committee on the Judiciary.

By Mr. KELLER (for himself, Mr. UPTON, Mr. HILLEARY, Mr. BOEHNER, Mr. CASTLE, Mr. TANCREDO, Mr. ROEMER, Mr. ISAKSON, Mr. PENCE, Mr. TIBERI, Mr. SOUDER, Mr. PETRI, Mr. MCKEON, Mr. BURR of North Carolina, Mr. SCHAFFER, and Mr. HOEKSTRA):

H. Con. Res. 386. Concurrent resolution supporting a National Charter Schools Week, and for other purposes; to the Committee on Education and the Workforce.

By Mr. BARTON of Texas (for himself and Mr. MOORE):

H. Con. Res. 387. Concurrent resolution recognizing the American Society of Civil Engineers for reaching its 150th Anniversary and for the many vital contributions of civil engineers to the quality of life of our Nation's people including the research and development projects that have led to the physical infrastructure of modern America; to the Committee on Science.

By Mrs. CHRISTENSEN (for herself, Mr. WATTS of Oklahoma, and Mr. NORWOOD):

H. Con. Res. 388. Concurrent resolution expressing the sense of the Congress that there should be established a National Minority Health and Health Disparities Month, and for other purposes; to the Committee on Energy and Commerce.

By Mr. TANNER (for himself, Mr. MATHESON, Mr. HILL, Mr. MOORE, Mr. STENHOLM, Mr. PHELPS, Mr. BERRY, Mr. SANDLIN, Mr. HOLDEN, Mr. ROSS, Mr. SCHIFF, Mr. ISRAEL, and Mr. BISHOP):

H. Res. 397. A resolution amending the Rules of the House of Representatives to require a three-fifths vote to pass any measure the enactment of which would result in a deficit in the unified budget of the United States for any fiscal year; to the Committee on Rules.

By Mr. WATKINS (for himself, Mr. DELAHUNT, Mr. MURTHA, Mrs. ROUKEMA, Mr. KENNEDY of Rhode Island, Mr. WYNN, Mr. OLVER, Mr. SULLIVAN, Mr. LUCAS of Oklahoma, Mr. OBERSTAR, Mr. WATTS of Oklahoma, Mr. CARSON of Oklahoma, and Mr. BEREUTER):

H. Res. 398. A resolution recognizing the devastating impact of fragile X, urging increased funding for research on fragile X, and commending the goals of National Fragile X Research Day, and for other purposes; to the Committee on Energy and Commerce.

By Mr. LATHAM (for himself, Mr. HANSEN, Mr. HASTERT, and Mr. CANNON):

H. Res. 399. A resolution honoring Cael Sanderson for his perfect collegiate wrestling record; to the Committee on Education and the Workforce.

By Mr. SMITH of New Jersey (for himself, Mr. DOYLE, Mr. KING, Mr. TOM DAVIS of Virginia, Mr. BRADY of Pennsylvania, Mr. HOLT, Mr. ROTHMAN, Mr. MENENDEZ, Mr. LEVIN, Mr. PLATTS, Mr. LANGEVIN, Mr. GOODLATTE, Mrs. MALONEY of New York, Mr. GILMAN, Mr. SHAYS, Mr. DAVIS of Florida, Mr. LYNCH, Mr. CANTOR, Mrs. MORELLA, Mr. REYES, and Mr. GOODE):

H. Res. 400. A resolution recognizing the importance of increasing awareness of the autism spectrum disorder, and supporting programs for greater research and improved treatment of autism and improved training and support for individuals with autism and those who care for them; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. OSE introduced a bill (H.R. 4616) for the relief of Alfonso Quezada-Bonilla; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 17: Mr. PRICE of North Carolina and Mr. GORDON.

H.R. 218: Mr. JEFF MILLER of Florida.

H.R. 632: Mr. FORD.

H.R. 647: Mr. JONES of North Carolina.

H.R. 730: Mr. SAWYER.

H.R. 786: Mr. LEWIS of Georgia.

H.R. 854: Mr. ETHERIDGE, Mr. BURR of North Carolina, Mr. SANDERS, Mr. COLLINS, Mr. CHAMBLISS, and Mr. TAYLOR of North Carolina.

H.R. 870: Mr. MASCARA.

H.R. 902: Mr. BACHUS.

H.R. 938: Mr. HOEFFEL.

H.R. 951: Mr. SANDLIN, Mr. GRUCCI, and Mr. TURNER.

H.R. 952: Mr. LUCAS of Kentucky.

H.R. 1090: Mr. JENKINS, Mr. LAMPSON, Ms. ROS-LEHTINEN, Mr. DAVIS of Florida, Mr. BACA, Mr. CUMMINGS, Mr. RANGEL, and Mr. BROWN of Ohio.

H.R. 1184: Mr. GEKAS.

H.R. 1198: Mr. SHAYS and Mr. CARSON of Oklahoma.

H.R. 1268: Mr. BRADY of Texas.

H.R. 1296: Mr. VITTER and Mr. KENNEDY of Minnesota.

H.R. 1305: Mr. DIAZ-BALART.

H.R. 1307: Mr. WATT of North Carolina and Mr. BISHOP.

H.R. 1331: Mr. HAYES.

H.R. 1354: Ms. BROWN of Florida.

H.R. 1371: Mr. DAVIS of Illnois.

H.R. 1433: Mr. SNYDER.

H.R. 1436: Mr. PICKERING, Mr. LUCAS of Oklahoma, and Mr. Lynch.

H.R. 1598: Mr. FORD, Mr. LARSEN of Washington, Mr. TOWNS, Mrs. MALONEY of New York, and Mr. ABERCROMBIE.

H.R. 1604: Mr. BOOZMAN.

H.R. 1609: Mr. BURR of North Carolina and Mr. PRICE of North Carolina.

H.R. 1642: Mr. MCDERMOTT, Mr. FORD, Mr. FALEOMAVAEGA, Mr. MCNULTY, Mrs. JONES of Ohio, and Mr. HINCHEY.

H.R. 1764: Mr. SABO.

H.R. 1795: Ms. BROWN of Florida, Mr. HASTINGS of Florida, Mr. TANCREDO, Mr. DAVIS of Florida, Mr. QUINN, Mr. THOMPSON of California, Mr. BACA, and Mr. BROWN of Ohio.

H.R. 1808: Mr. HOEFFEL.

H.R. 1822: Mr. GEORGE MILLER of California, Ms. BALDWIN, Mr. QUINN, and Mr. WATTS of Oklahoma.

H.R. 2161: Mrs. CAPITO.

H.R. 2222: Mr. RAHALL.

H.R. 2419: Mr. UNDERWOOD.

H.R. 2422: Ms. LEE, Mr. HILLIARD, Mrs. MINK of Hawaii, Mr. SANDERS, and Mr. MCGOVERN.

H.R. 2484: Mr. CLEMENT, Mr. KANJORSKI, Mr. LANGEVIN, Mr. CALLAHAN, Mr. CARSON of Oklahoma.

H.R. 2550: Mr. FRANK.

H.R. 2555: Mr. MORAN of Virginia.

H.R. 2570: Mrs. JONES of Ohio.

H.R. 2695: Mr. FILNER.

H.R. 2714: Mr. GEKAS and Mr. PENCE.

H.R. 2726: Mr. SIMPSON and Mr. PLATTS.

H.R. 2735: Mr. UDALL of Colorado and Ms. PRYCE of Ohio.

H.R. 2835: Mr. BERMAN, Mr. ROYCE, and Mr. TANCREDO.

H.R. 2874: Mr. LANGEVIN, Mr. MCGOVERN, Ms. VELÁZQUEZ, Ms. MILLENDER-MCDONALD, and Mr. MORAN of Virginia.

H.R. 3006: Mr. MANZULLO.

H.R. 3065: Mr. EVANS.

H.R. 3131: Mr. NADLER and Mr. ABERCROMBIE.

H.R. 3132: Mr. FILNER and Mr. BONIOR.

H.R. 3183: Mr. HALL, Mr. REYES, and Mr. UNDERWOOD.

H.R. 3244: Mr. SANDERS.

H.R. 3273: Mrs. ROUKEMA.

H.R. 3414: Mr. DICKS.

H.R. 3415: Mr. BONIOR.

H.R. 3431: Mr. DEUTSCH, Mr. BOYD, Mr. LARSON of Connecticut, and Mr. CUMMINGS.

H.R. 3439: Ms. HART.

H.R. 3462: Mr. MATSUI, Ms. HARMAN, Mr. ROGERS of Michigan, Mr. HOEFFEL, and Mr. BOYD.

H.R. 3469: Ms. SLAUGHTER, Mr. ABERCROMBIE, Mrs. MORELLA, Mrs. LOWEY, Mr. GONZALEZ, Ms. SCHAKOWSKY, Mrs. CHRISTENSEN, Ms. BALDWIN, Ms. VELÁZQUEZ, Ms. JACKSON-LEE of Texas, Mr. ANDREWS, Mr. WEXLER, Mr. BLUMENAUER, Mr. SMITH of Washington, Mr. JEFFERSON, Mr. PRICE of North Carolina, Mr. BAIRD, Mr. HOLT, Mrs. JONES of Ohio, Mr. PASTOR, Mr. BALDACCI, Mr. DAVIS of Illinois, Mr. HILLIARD, Mr. WAXMAN, Mrs. THURMAN, Mr. STARK, Mr. MEEKS of New York, Ms. BROWN of Florida, and Ms. ROYBAL-ALLARD.

H.R. 3476: Mr. KILDEE and Mr. BACA.

H.R. 3512: Ms. HART.

H.R. 3524: Mrs. CLAYTON.

H.R. 3585: Mr. RANGEL.

H.R. 3625: Mr. UDALL of Colorado, Ms. ESHOO, Ms. MCCARTHY of Missouri, and Mr. POMEROY.

H.R. 3659: Mr. MEEHAN, Mr. SANDERS, Mr. LARSON of Connecticut, Mr. OSBORNE, and Mr. HOBSON.

H.R. 3684: Mr. GRUCCI.

H.R. 3710: Mr. TIERNEY.

H.R. 3788: Mr. MEEHAN.

H.R. 3794: Ms. LEE, Mr. PAYNE, Mr. MCGOVERN, Mr. GALLEGLY, and Mr. PLATTS.

H.R. 3808: Mr. PETRI, Mr. MANZULLO, Mr. TANCREDO, Mr. STUMP, and Mr. SHIMKUS.

H.R. 3831: Mrs. MYRICK and Mr. FRANK.

H.R. 3833: Mr. SHOWS.

H.R. 3900: Mr. FOLEY.

H.R. 3917: Mr. HOEFFEL and Mr. KENNEDY of Rhode Island.

H.R. 3940: Mr. BROWN of South Carolina.

H.R. 3957: Mr. PLATTS.

H.R. 3994: Mr. MENENDEZ, Mr. HOEFFEL, Mr. FALEOMAVAEGA, Mrs. NAPOLITANO, Mr. PAYNE, and Mr. ROHRABACHER.

H.R. 4000: Mr. SCHAFFER, Mr. DOOLEY of California, and Mr. PASTOR.

H.R. 4002: Ms. CARSON of Indiana.

H.R. 4003: Mr. HOLT.

H.R. 4011: Mr. FILNER and Mr. STARK.

H.R. 4014: Mr. LUCAS of Oklahoma.

H.R. 4027: Mr. PUTNAM and Mr. EVANS.

H.R. 4032: Mr. FATTAH, Mr. MEEKS of New York, Mr. LANTOS, Mr. RUSH, Mr. OLVER, Mr. FROST, Mr. KUCINICH, Mr. BONIOR, Mr. FORD, Mr. GONZALEZ, and Mr. HASTINGS of Florida.

H.R. 4066: Mr. ROTHMAN, Ms. McCOLLUM, Mrs. KELLY, Mr. BERRY, Mr. CARDIN, Ms. LEE, and Ms. McKINNEY.

H.R. 4152: Mr. KINGSTON and Ms. HART.

H.R. 4169: Mrs. CUBIN.

H.R. 4175: Ms. GRANGER.

H.R. 4176: Ms. GRANGER.

H.R. 4177: Ms. GRANGER.

H.R. 4209: Mr. CLEMENT and Mr. GONZALEZ.

H.R. 4483: Mr. GIBBONS, Mr. NORWOOD, Mr. GRAVES, and Mr. KENNEDY of Minnesota.

H.R. 4515: Mr. THOMPSON of California and Mr. ROSS.

H.R. 4574: Mr. PLATTS.

H.R. 4582: Mr. McHUGH.

H.J. Res. 40: Mr. OSE.

H.J. Res. 86: Mr. BURTON of Indiana.

H. Con. Res. 42: Mrs. NAPOLITANO and Mr. BISHOP.

H. Con. Res. 320: Mr. RANGEL.

H. Con. Res. 336: Ms. PELOSI, Mr. LEWIS of California, and Mr. FILNER.

H. Con. Res. 346: Mrs. LOWEY and Mr. SABO.

H. Con. Res. 351: Mr. ALLEN, Ms. CARSON of Indiana, Mr. FRANK, and Mr. FILNER.

H. Con. Res. 355: Ms. ROS-LEHTINEN, Mr. MALONEY of Connecticut, Mr. FORD, Mrs. LOWEY, and Mr. SCHAFFER.

H. Con. Res. 358: Mr. BONIOR.

H. Res. 392: Mr. ARMEY, Mr. HOEFFEL, Mr. OTTER, Mrs. McCARTHY of New York, Mr. WATTS of Oklahoma, Mr. TERRY, Mr. ISRAEL, Mr. COSTELLO, Ms. ROS-LEHTINEN, Mr. SHERMAN, Mr. ROTHMAN, Mrs. KELLY, Mr. BACA, Mr. PLATTS, Mr. SOUDER, Mr. LoBIONDO, Mr. DIAZ-BALART, Mr. CRANE, Mr. GUTIERREZ, Mr. GRAVES, Mr. MATSUI, Mr. FOLEY, Mr. WELDON of Florida, Mr. COBLE, Mr. SAXTON, Mr. PENCE, Mr. WEINER, Mr. HASTINGS of Florida, Mr. GIBBONS, Mr. SCHROCK, Mr. KENNEDY of Minnesota, Mr. McINTYRE, Mr. BARTON of Texas, and Mr. GRUCCI.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2142: Mr. PITTS.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 6, by Mr. STEVE ISRAEL on House Resolution 352: Paul E. Kanjorski.

Petition 4, by Mr. CUNNINGHAM on House Resolution 271: Charles W. Stenholm.

SENATE—*Thursday, April 25, 2002*

The Senate met at 9:30 a.m. and was called to order by the Honorable DEBBIE STABENOW, a Senator from the State of Michigan.

PRAYER

The guest Chaplain, Rev. Jim Henry, First Baptist Church Orlando, in Orlando, FL, offered the following prayer:

Dear Sovereign Father, we humble ourselves in recognition of Your holiness, majesty, grace, love, and goodness. I come to beseech you in behalf of those who serve You and represent the people of our Republic:

For Ambition to be the yokefellow of humility;

For Behavior worthy to be copied;

For Courage in the face of difficulties;

For Decisions based on eternal principles;

For Encouragement when the walls of loneliness surround them;

For Faith when doubt knocks on the door;

For Gentleness to rule over harshness;

For Hope in the midst of despair;

For Impulsiveness to be counteracted with thoughtfulness;

For Joy in their journey of service;

For Knowledge to grapple with the monumental challenges;

For Light to shatter strongholds of darkness;

For Modesty to be the wardrobe of ego;

For Nobility to be the pathway of choice;

For Objectivity to grace every vote;

For Protection for their families and those dear to their thoughts;

For Quiet times to hear Your whispers to their hearts;

For Richness of character to be the most sought after office;

For Servanthood to be more significant than success;

For Truth to outduel falsehood at every encounter;

For Urgent to be under the thumb of the important;

For Vision to be Your hand in the events of the world;

For Wisdom milked from worship, Your Word, and Your will;

For X-ray perception to see through the scams and schemes;

For Your strength as a teammate in the yoke of weariness;

For Zest to run well and finish strong in the race of life;

In the name of our Lord and Saviour Jesus Christ, Amen.

PLEDGE OF ALLEGIANCE

The Honorable DEBBIE STABENOW led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 25, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DEBBIE STABENOW, a Senator from the State of Michigan, to perform the duties of the Chair.

ROBERT C. BYRD,
Pesident pro tempore.

Ms. STABENOW thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. REID. The Senate will shortly conduct two rollcall votes on judicial nominations. Following the votes, the Senate will resume consideration of the energy reform bill. Rollcall votes in relation to the amendments on the bill will occur throughout the day. We expect to complete action on the energy bill sometime, we hope, early this afternoon.

I ask now that prior to beginning the votes, the Senator from Florida, Mr. NELSON, be recognized as if in morning business and that time count against the 30 hours.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

The Senator from Florida.

WELCOME REVEREND JIM HENRY

Mr. NELSON of Florida. Madam President, it is a privilege for me to call to the attention of the Senate that our guest Chaplain today is from Orlando, FL. He is quite a noteworthy individual, and that is why I had particularly requested of our leadership the opportunity that he might come and be our guest Chaplain. Not only has Jim Henry been the pastor of the largest church in the central Florida area since 1977, but he rose to the rank of the president of the Southern Baptist Convention.

The reason I make note of that is that a schism among church leadership had occurred and they needed a leader of that convention, someone who could be a reconciler, a healer, who could bring people together in the midst of their differences.

We deal with that every day here, but we are dealing in the political world where, as the Good Book says, we should come and reason together, work out our differences, achieve consensus, and try to help govern the Nation in a way that the people would want the Nation governed.

So, too, as many other things, including in the faith-based arena, we find deep schisms and we find a difficulty in people coming together. We have seen that, unfortunately, throughout the history of man. So often religion has been the dividing factor that has called people to war, to hate, and to kill. We see that among a faith that ought to be a unifying case in Northern Ireland. Yet because one group calls themselves Protestant and another Catholic, they have chosen the path of war. We see that now where the United States has so much interest in central Asia as a result of one religion playing off against another, people attacking us because of religion.

In the Scriptures, from the ancient Scriptures in the Old Testament through to the New Testament, we find the true word of the Lord was that He wanted people to love one another, to bring people together, to be reconcilers instead of dividers. I share that little glimpse into history which was taught in the Old Testament. Clearly, the message of Jesus of Nazareth was: Love God, and love others as yourself. That was the sum of all the law that had been handed down.

I share this little religious history lesson as I proudly introduce my friend, Jim Henry. He found himself in a position where he had to be a reconciler, a healer, someone who brought people together in the midst of a storm. I am very honored that our guest Chaplain today has been the Reverend Jim Henry from the First Baptist Church of Orlando.

I yield the floor.

EXECUTIVE SESSION

NOMINATION OF PERCY ANDERSON, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session and proceed to the vote on Executive Calendar Nos. 776 and 781.

The legislative clerk read the nomination of Percy Anderson, of California, to be United States District Judge for the Central District of California.

The ACTING PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Percy Anderson, of California, to be United States District Judge for the Central District of California? On this question, the yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER (Mr. MILLER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 85 Ex.]

YEAS—99

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—1

Helms

The nomination was confirmed.

NOMINATION OF JOHN F. WALTER, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA

The PRESIDING OFFICER. The clerk will report the nomination of John F. Walter, of California, to be United States District Judge for the Central District of California.

The senior assistant bill clerk read the nomination of John F. Walter, of California, to be United States District Judge for the Central District of California.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of John F. Walter, of California, to be United States District Judge for the Central District of California? The yeas and nays were previously ordered on this nomination. The clerk will call the roll.

The senior assistant bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 86 Ex.]

YEAS—99

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—1

Helms

The nomination was confirmed.

STATEMENTS ON THE NOMINATIONS OF PERCY ANDERSON AND JACK WALTER

Mr. LEAHY. Madam President, today, the Senate is voting on the 47th and 48th judicial nominees to be confirmed since last July when the Senate Judiciary Committee reorganized after the shift in the Senate majority. With today's votes on Percy Anderson and Jack Walter to the U.S. District Court for the Central District of California, the Senate will have confirmed its 38th and 39th district court judges in the less than 10 months since I became chairman this past summer. This is addition to the 9 judges confirmed to the Courts of Appeals. So the total number of Federal judges confirmed since the change in Senate majority will now be 48. Moreover, with the confirmations of these nominees, the Senate will have resolved 9 judicial emergencies since we returned to session and helped fill 16 emergency vacancies since I became chairman this past summer. The confirmation of these nominees today demonstrates, again, the speed with which President Bush's nominees are receiving consideration by the Judiciary Committee and the Senate.

Percy Anderson, is a nominee to the U.S. District Court in the District of California. He is filling a judicial emergency vacancy that has been pending for more than 1,360 days. Mr. Anderson was nominated to fill the vacancy left by the elevation of Kim McLane Wardlaw in 1998. I recall that President Clinton nominated Frederic Woocher to fill this judicial emergency vacancy on May 27, 1999. Mr. Woocher was one of those who received a hearing before the Judiciary Committee but was never placed on the agenda to receive a vote. He was one of the lucky judicial nominees who got a hearing, with the support of his home-state Senators, but his nomination was ultimately frustrated by never being considered by the Judiciary Committee. Like Allen Snyder of the District of Columbia, Bonnie Campbell of Iowa, Clarence Sundram of New York, Anabelle Rodriguez and others, he was never allowed Judiciary Committee consideration and never received a vote. After 19 months, his nomination was returned to President Clinton, without receiving a vote in the Judiciary Committee at the time the Senate adjourned at the end of 2000.

Jack Walter, a well-qualified nominee to the Central District of California with excellent federal court experience, is nominated to fill the vacancy left by the retirement of Judge John G. Davies in 1998. That seat is a judicial emergency vacancy that has been vacant for more than 1,370 days—almost 4 years. I recall that President Clinton nominated Dolly M. Gee to fill this judicial emergency vacancy on May 27, 1999. Her nomination was returned to President Clinton, without any action by the Senate, at the end of 2000. After 19 months, that nomination, which was supported by both home-State Senators was returned to the President without a hearing or any consideration and was one of the scores of nominees on which the Senate did not take action over the 6½ years that preceded the shift in majority.

Federal court vacancies rose from 63 in January 1995 to 110 in July 2001, when the Senate majority shifted back to the Democrats and the Judiciary Committee was reassigned Members for this Congress. For example, the Central District in California currently has six vacancies. Today we are acting to fill two of those vacancies on this important Court. I can certainly understand the interest of Chief Judge Marshall of that District and why she attended the committee hearing on these nominations 2 weeks ago to support these nominees. I say to Chief Judge Marshall, help should be on the way very soon. I commend Senator FEINSTEIN and Senator BOXER for their efforts to get these vacancies filled with qualified nominees.

I recall that in the 6½ years that preceded the shift in Senate extensive delays attended even those nominations that were ultimately successful. That is, in spite of the strong support of the two Senators from California, judicial nominations for the District Court that serves Los Angeles, one of the fastest growing areas in the nation with a staggering caseload, were greated delayed if considered at all. We are trying to change that practice. During the years of a Republican Senate majority nominees such as Judge Virginia Phillips, Judge Christina Snyder, and Judge Margaret Morrow were delayed for months and months.

Virginia Phillips was first nominated back in May 1998 to fill a judicial emergency vacancy on the District Court and was not confirmed until November 1999. Christina Snyder was first nominated to the District Court in May 1996 and was not confirmed until November 1997—542 days after her initial nomination. The case of Judge Margaret Morrow is particularly egregious—she was pending before the Senate for 16 months, had to be reported favorably on two occasions by the Judiciary Committee, was held up by an anonymous hold on the Senate floor calendar over a period of more than 7 months, and was not confirmed until 644 days after the date of her initial nomination.

In contrast, the Democratic-controlled Judiciary Committee is moving expeditiously to fill the judicial emergency vacancies in the Central District of California. Mr. Anderson and Mr. Walter were not nominated until late January this year. They promptly received a hearing on their nominations on April 11, 2002, once the paperwork on their nominations was received and within three weeks of the Committee having received their ABA peer review ratings. Had the Administration not taken action that resulted in delaying the ABA peer reviews, the time might well have been even faster.

Senator HATCH noted at their hearing that both of these nominees were first nominated in the last year of the Administration of President George H.W. Bush and did not have hearings before the end of that Senate session in October 1992. I recall that 66 judges were confirmed during the last year of the Bush administration, which set a record, but I do not know why these nominations were not considered. For anyone to try to assert that these nominations have been pending for over 10 years, however, would be extraordinarily unfair and wrong. They were not confirmed in 1992, and not renominated for 10 years, until January 2002. These nominations were not sent to the Senate until this January and the files were not completed until late March. Indeed, for them to have been pending for 10 years the Republican Senate majority that controlled judicial nominations from January 1995 through July 2001 would be at fault. I would not make that criticism of the Senate Republicans of my predecessor as chairman of the Judiciary Committee.

The confirmation of these nominees today demonstrates our commitment promptly to consider qualified, consensus nominees. Mr. Walter and Mr. Anderson participated in bipartisan selection processes, and they are the first two nominees who have emerged from a bipartisan selection process that Senators FEINSTEIN and BOXER established last year with the administration. Both Mr. Anderson and Mr. Walter received unanimous support from the bipartisan commission and appear to be well-qualified. Both come to the Senate with more than 25 years' experience as trial attorneys. I would like to commend Senators FEINSTEIN and BOXER for their efforts to establish the bipartisan commission which has produced such fine nominees.

The Senate's consideration of these nominations illustrates the effect of the reforms to the process that the Democratic leadership has spearheaded, despite the poor treatment of too many Democratic nominees in the past. There have been no anonymous holds and other obstructionist tactics employed with regard to these nominees even though such tactics were employed with the nominations of Judge Morrow, Judge Snyder, Judge Phillips, Mr. Woocher and Ms. Gee.

As our action today demonstrates, again, we are moving at a fast pace and confirming conservative nominees. Since the change in Senate majority, the Democratic majority has moved to confirm President Bush's nominees at a faster pace than the nominees of prior Presidents. The rate of confirmations in the past 10 months actually exceeds the rates of confirmation in the past three presidencies. It took 15 months for the Senate to confirm 46 judicial nominees for the Clinton administration. We have exceeded that number of confirmations today and in five fewer months. Also, in 1993, President Clinton had a Senate led by his own party, and we are considering Republican President George W. Bush's nominees at a faster pace in the Democratic-led Senate. The pace at the beginning of the Clinton administration amounted to the confirmation of 3.1 judges confirmed per month.

In the first 15 months of the George H.W. Bush administration, only 27 judges were confirmed. The pace at the beginning of the George H.W. Bush administration amounted to 1.8 judges confirmed per month. In President Reagan's first 15 months in office, 54 judges were confirmed. The pace at the beginning of the Reagan administration amounted to 3.6 judges confirmed per month. By comparison, with today's confirmations, in the less than 10 months since the shift to a Democratic majority in the Senate, President Bush's judicial nominees have been confirmed at a rate of 4.8 per month, a faster pace than for any of the last three Presidents.

During the preceding 6½ years in which a Republican majority most recently controlled the pace of judicial confirmations in the Senate, 248 judges were confirmed. Some like to talk about the 377 judges confirmed during the Clinton administration, but forget to mention that more than one-third were confirmed during the first two years of the Clinton administration while the Senate majority was Democratic and Senator BIDEN chaired the Judiciary Committee. The pace of confirmations under a Republican majority was markedly slower, especially in 1996, 1997, 1999, and 2000.

During the 6½ years of Republican control of the Senate, judicial confirmations averaged 38 per year—a pace of consideration and confirmation that we have already exceeded under Democratic leadership in fewer than 10 months, in spite of all of the challenges facing Congress and the Nation during this period and all of the obstacles Republicans have placed in our path. We have confirmed 48 judicial nominees in less than 10 months. This is almost twice as many confirmations as George W. Bush's father had over a longer period—27 nominees in 15 months—than the period Democrats have been in the Senate majority.

Our Republican critics like to make arguments based on false rather than fair comparisons. They complain that we have not done 24 months of work in the less than 10 months we have been in the majority. That is an unfair complaint. A fair examination of the rate of confirmation shows, however, that Democrats are working harder and faster on judicial nominees, confirming judges at a faster pace than the rates of the past 20 years.

I ask myself how Republicans can justify seeking to hold the Democratic majority in the Senate to a different standard than the one they met themselves during the last 6½ years. There simply is no answer other than partisanship. This double standard is most apparent when Republicans refuse fairly to compare the progress we are making with the period in which they were in the Senate majority with a President of the other party. They do not want to talk about that because we have exceeded the number of judges they confirmed per year.

They would rather unfairly compare the work of the Senate on confirmations in the less than 10 months since the shift in majority to full, 2-year Congresses. I say that it is quite unfair to complain that we have not done 24 months of work on judicial vacancies in the less than 10 months since the Senate reorganized. These double standards asserted by the Republicans are wrong and unfair, but that does not seem to matter to Republicans intent on criticizing and belittling every achievement of the Senate under a Democratic majority.

The Republican critics also refuse to recognize the fact that we are making progress with respect to Court of Appeals vacancies, as well. With this week's vote on Jeffrey Howard to the Court of Appeals for the 1st Circuit, the Senate confirmed its 9th judge to our Federal Courts of Appeals. In less than 10 months since I became Chairman this past summer, the Senate has confirmed 9 judges to the Courts of Appeals and held hearings on two others, with another circuit judge hearing scheduled for tomorrow. This is more circuit judges than were confirmed in all 12 months of 2000, 1999, 1997, and 1996, 4 of the 6 years of Republican control of the Senate during the Clinton administration. It is triple the number of circuit judges confirmed in 1993, when a Democratic Senate majority was working with a President of the same party and received some cooperation from the Clinton administration. It exceeds the number of Court of Appeals judges confirmed by a Republican Senate majority in the first 12 months of the Reagan administration and it equals the number of circuit judges confirmed in the first 12 months of the first Bush administration.

The Republican-controlled majority averaged only seven confirmations to the Courts of Appeals per year. Seven. In the less than 10 months the Democrats have been in the majority, we have already exceeded the annual number of Court of Appeals judges confirmed by our predecessors. In an entire session of the 105th Congress, the Republican majority did not confirm a single judge to fill vacancies on the Courts of Appeals. That year has greatly contributed to the doubling of vacancies on the Courts of Appeals during the time in which the Republican majority controlled the Senate.

The Republican majority assumed control of judicial confirmation in January 1995 and did not allow the Judiciary Committee to be reorganized after the shift in majority last summer until July 10, 2001. During the period in which the Republican majority controlled the Senate and in which they delayed reorganization, the period from January 1995 through July 2001, vacancies on the Courts of Appeals increased from 16 to 33, more than doubling.

When members were finally assigned to the Judiciary Committee on July 10, we began with 33 Court of Appeals vacancies. That is what I inherited. Since the shift in majority last summer, 5 additional vacancies have arisen on the Courts of Appeals around the country. With this week's confirmation of Jeffrey Howard, we have reduced the number of circuit court vacancies to 29. Rather than the 38 vacancies that would exist if we were making no progress, as some have asserted, there now remain 29 vacancies. That is more than keeping up with the attrition on the Circuit Courts.

While the Republican Senate majority increased vacancies on the Courts of Appeals by over 100 percent, it has taken the Democratic majority less than 10 months to reverse that trend, keep up with extraordinary turnover and, in addition, reduce circuit court vacancies by more than 10 percent overall, from 33 down to 29, or 12.1 percent. This is progress. Rather than having the circuit vacancy numbers skyrocketing, as they did overall during the prior 6½ years—more than doubling from 16 to 33—the Democratic-led Senate has reversed that trend. The vacancy rate on the Courts of Appeals is moving in the right direction—down.

Despite claims to the contrary, under Democratic leadership, the Senate is confirming President Bush's Circuit Court nominees more quickly than the nominees of other Presidents were confirmed by Senates, even some with majorities from the President's own party. The number of confirmations to the Circuit Courts has exceeded those who were confirmed over 10-month time frames at the beginning of past administrations. With the confirmation of Jeffrey Howard, 9 Circuit Court nominees will have been confirmed in less than 10 months. This number greatly exceeds the number of Court of Appeals confirmations in the first 10 months of the Reagan administration (three), the first Bush administration (three), and the Clinton administration (two). This is three times the number of Court of Appeals nominees confirmed in the comparable 10-month periods of past administrations. With nine circuit judges confirmed in the less than 10 months since the Senate reorganized under Democratic leadership, we have greatly exceeded the number of circuit judges confirmed at the beginning of prior presidencies. Our achievements also compare quite favorably to the total 46 Court of Appeals nominees confirmed by the Republican majority in the 76 months during which they most recently controlled the Senate. Their inaction led to the number of Courts of Appeals vacancies more than doubling. With a Democratic Senate majority, the number of circuit vacancies is going down.

Overall, in little less than 10 months, the Senate Judiciary Committee has held 16 hearings involving 55 judicial nominations and we will have our 17th hearing this week. That is more hearings on judges than the Republican majority held in any year of its control of the Senate. In contrast, one-sixth of President Clinton's judicial nominees—more than 50—never got a committee hearing and committee vote from the Republican majority, which perpetuated longstanding vacancies into this year. Vacancies continue to exist on the Courts of Appeals in part because a Republican majority was not willing to hold hearings or vote on more than half—56 percent—of President Clinton's Court of Appeals nominees in 1999 and 2000 and was not willing to confirm a single judge to the Courts of Appeals during the entire 1996 session.

Despite the newfound concern from across the aisle about the number of vacancies on the circuit courts, no nominations hearings were held while the Republicans controlled the Senate last year. No judges were confirmed during that time from among the many qualified circuit court nominees received by the Senate on January 3, 2001, or from among the nominations received by the Senate on May 9, 2001. Had the Republicans not delayed and obstructed progress on Court of Appeals nominees during the Clinton administration, we would not now have so many vacancies. Had the Republicans even reversed course just this past year and proceeded on the circuit court nominees sent to the Senate in January, the number of circuit court vacancies today could be in the low 20's, given the pace of confirmation of circuit nominees since the shift in majority last summer.

I do not mean by my comments to appear critical of Senator HATCH. Many times during the 6½ years he chaired the Judiciary Committee, I observed that, were the matter left up to us, we would have made more progress on more judicial nominees. I thanked him during those years for his efforts. I know that he would have liked to have been able to do more and not have to leave so many vacancies and so many nominees without action.

I hope to continue to hold hearings and make progress on judicial nominees. In our efforts to address the number of vacancies on the circuit and district courts we inherited from the Republicans, the Committee has focused on consensus nominees for all Senators. In order to respond to what Vice President CHENEY and Senator HATCH now call a vacancy crisis, the Committee has focused on consensus nominees. This will help end the crisis caused by Republican delay and obstruction by confirming as many of the President's judicial nominees as quickly as possible.

Most Senators understand that the more controversial nominees require greater review. This process of careful review is part of our democratic process. It is a critical part of the checks and balances of our system of government that does not give the power to make lifetime appointments to one person alone to remake the courts along narrow ideological lines, to pack the courts with judges whose views are outside of the mainstream of legal thought, and whose decisions would further divide our nation.

The committee continues to try to accommodate Senators from both sides of the aisle. The Court of Appeals nominees included at hearings so far this year have been at the request of Senators GRASSLEY, LOTT, SPECTER, ENZI and SMITH from New Hampshire five Republican Senators who each sought a prompt hearing on a Court of Appeals nominee who was not among those initially sent to the Senate in May 2001. Each of the previous 46 nominees confirmed by the Senate has received the unanimous, bipartisan backing of the committee.

Some on the other side of the aisle have falsely charged that if a nominee has a record as a conservative Republican, he will not be considered by the Committee. That is simply untrue. Senator HATCH has emphasized that Mr. Anderson and Mr. Walter were nominated by the George H.W. Bush Administration and the current Bush Administration. I do not think that either President Bush thought he was nominating liberals to the bench. I do not think so either. These are two more examples of conservative nominees being strongly supported by Democrats on the Judiciary Committee and throughout the Senate.

Another recent example is the nomination of Jeffrey Howard. Just 2 years ago, he campaigned for the Republican nomination for Governor of New Hampshire and he has been a prominent figure in Republican politics in New Hampshire for many years. Thus, it would be wrong to claim that we will not consider President George W. Bush's nominees with conservative credentials. We have done so repeatedly. The next time Republican critics are bandying around charges that the Democratic majority has failed to consider conservative judicial nominees, I hope someone will ask those critics about the many other conservative nominees we have proceeded to consider and confirm.

The nominees being voted on today participated in bipartisan selection processes and appear to be the type of qualified, consensus nominees that the Senate has been confirming expeditiously to help fill vacancies on our Federal courts. I am proud of the tremendous work we have done since the change in the majority and the way the committee and the Senate have considered nominees fairly and promptly.

Mr. HATCH. Madam President, I rise to support the nomination of Percy Anderson to be U.S. District Judge for the Central District of California.

It should be noted that the first President Bush nominated Mr. Anderson to the U.S. District Court for the Central District of California in 1992, but regrettably, the Democratic Senate did not hold a hearing for him. After reviewing Mr. Anderson's distinguished legal career, I can tell you that he is a fine jurist who will add a great deal to the Federal bench in California. Following graduation from UCLA School of Law in 1975, Percy Anderson served as a Directing Attorney and Staff Attorney with San Fernando Valley Neighborhood Legal Services, representing indigent clients in civil matters.

In addition, he helped less experienced lawyers with trial preparation and courtroom presentation in matters before the Superior and Municipal Court in Los Angeles. He then acted as a consultant for the Legal Services Corporation in the District of Columbia, before taking a position as an Assistant U.S. Attorney of the Criminal Division in Los Angeles.

For the next 6 years, he served as First Assistant Division Chief, supervising other attorneys and managing criminal division affairs in the absence of the Division Chief. He joined the Bryan Cave law firm in 1985, specializing in white collar criminal defense and aviation litigation, particularly products liability. In 1996, Mr. Anderson became a partner with the Los Angeles firm of Sonnenschein Nath & Rosenthal. He focuses his practice on trial and appellate litigation in the areas of commercial matters, intellectual property, products liability, false claims, and white collar criminal defense work. Mr. Anderson has home State support and my support. He will make an excellent Federal judge in California.

Mrs. FEINSTEIN. Madam President, it is my pleasure to rise in support of the nominations of Percy Anderson and Jack Walter for the District Court of the Central District of California.

Mr. Anderson and Mr. Walter are the first nominees to come out of California's new bipartisan Judicial Advisory Committee, which Senator BOXER and I established with the cooperation and agreement of the White House. It is testament to the qualifications of both Mr. Anderson and Mr. Percy that each of these nominees was unanimously endorsed by the bipartisan advisory committee. Moreover, the Judiciary Committee unanimously approved their nominations.

The process that led to these nominations is representative of how the system can work, and should work, to produce highly qualified judicial candidates. This process should serve as an example to other states as they too, work with the White House to develop nominating systems. Now, I would like to describe the nominees.

Mr. Anderson, a resident of Inglewood, CA, has spent his entire 25-year legal career practicing law in southern California including a 6-year stint as an Assistant U.S. Attorney and 15 years in private practice. He is currently a partner at the firm of Sonneschein, Nath, and Rosenthal, where he specializes in commercial litigation and criminal defense. Judges and private practitioners in the Los Angeles area consistently praise Mr. Anderson for his legal acumen, high ethical standards, and professionalism.

The other nominee we will vote on this morning is Jack Walter, a resident of Pacific Palisades, CA. Mr. Walter's credentials are equally outstanding. Since 1976, Mr. Walter has practiced criminal and civil litigation in a firm he co-founded, Walter, Firestone & Richter in 1976. Over the years, Mr. Walter has represented over 75 indigent defendants who were charged with crimes in Federal court.

Mr. Walter has also served as a judge pro tempore in the Santa Monica Municipal Court for over 5 years. Mr. Walter has legions of supporters in the legal community, including Customs Commissioner Robert Bonner.

The ABA rated Mr. Walter as "Well-Qualified," its highest rating.

Before concluding, I want to stress to the Senate how urgent it is to fill these vacancies in the Central District of California. With six vacancies, the Central District has one of the most acute shortages of unfilled judgeships of any court in the country. The Administrative Office of the U.S. Courts has designated four of these vacancies as "judicial emergencies." With the nominations of Percy Anderson and Jack Walter, we are taking a much-needed step forward to alleviate the vacancy crisis in the Central District.

In conclusion, I want to thank Senator LEAHY for his expedited review and fair handling of these nominees.

Mr. HATCH. Madam President, I rise to support the nomination of John Walter to be U.S. District Judge for the Central District of California. It should be noted that in 1992 Mr. Walter was nominated to the same position by the first President Bush, but regrettably, he was not given a hearing by the Democratic Senate. Still, as was the case 10 years ago, I have every confidence that John Walter will serve with distinction on the Federal District Court for the Central District of California. After reviewing Mr. Walter's distinguished legal career, I have no doubt that he will be an asset to the Federal bench.

Mr. Walter's solid experience in private practice and government service deserves attention here. Upon graduation from Loyola University of Los Angeles School of Law in 1969, Mr. Walter joined the Los Angeles, CA, firm of Kindel & Anderson as a civil litigation associate. Mr. Walter later served as an assistant U.S. Attorney in the Criminal Division's Fraud and Special prosecutions Unit, where he prosecuted numerous Federal criminal cases, including the then-largest bank burglary in the United States. He returned to Kindel & Anderson in 1972 and remained there as a civil litigator until 1976. Since that time, Mr. Walter has been a partner at the Los Angeles firm of Walter, Finestone & Richter.

Mr. Walter exemplifies an attorney who gives back to the community. As a member of the Federal Indigent Defense Panel, Mr. Walter has represented more than 75 indigent defendants charged with federal crimes in Federal court and devoted thousands of pro bono hours to these cases. He has served as a judge pro tempore in the Santa Monica Municipal Court and as an arbitrator for the L.A. Superior Court Judicial Arbitration Program. He provides approximately 75 to 100 hours a year in the latter position.

I am very proud of this nominee, and I know he will make a great judge.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is laid upon the table, and the President will be immediately notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001—Resumed

The PRESIDING OFFICER. The clerk will report the bill.

The assistant legislative clerk read as follows:

A bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

Pending:

Daschle/Bingaman further modified amendment No. 2917 in the nature of a substitute.

Murkowski/Breaux/Stevens amendment No. 3132 (to amendment No. 2917) to create jobs for Americans, to reduce dependence on foreign sources of crude oil and energy, to strengthen the economic self-determination of the Inupiat Eskimos, and to promote national security.

Feinstein amendment No. 3225 (to amendment No. 2917) to modify the provision relating to the renewable content of motor vehicle fuel to eliminate the required volume of renewable fuel for calendar year 2004.

Feinstein amendment No. 3170 (to amendment No. 2917) to reduce the period of time in which the Administrator may act on a petition by one or more States to waive the renewable fuel content requirement.

Durbin amendment No. 3342 (to amendment No. 2917) to strike the nonbusiness use limitation with respect to the credit for the installation of certain small wind energy systems.

Harkin amendment No. 3195 (to amendment No. 2917) to direct the Secretary of Energy to revise the seasonal energy efficiency ratio standard for central air-conditioners and central air-conditioning heat pumps within 60 days.

Carper amendment No. 3198 (to amendment No. 2917) to decrease the U.S. dependence on imported oil by the year 2015.

Reid (for Bingaman) amendment No. 3359 (to amendment No. 2917) to modify the credit for new energy-efficient homes by treating a manufactured home which meets the energy star standard as a 30-percent home.

Reid (for Boxer) amendment No. 3139 (to amendment No. 2917) to provide for equal liability treatment of vehicle fuels and fuel additives.

Reid (for Boxer) amendment No. 3311 (to amendment No. 3139) to provide for equal liability treatment of vehicle fuels and fuel additives.

The PRESIDING OFFICER. The Senator from California.

AMENDMENT NO. 3311

Mrs. BOXER. Mr. President, I understand that under the unanimous consent agreement, I am to call up my amendment No. 3311 at this time.

The PRESIDING OFFICER. That amendment is already pending.

Mrs. BOXER. Mr. President, I would like the clerk to read the amendment, and after that I am going to yield briefly, without the time coming off my time, to several colleagues who want to lay down some amendments; also, that I would not lose my right to the floor, as they will make clear when they speak.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The senior assistant bill clerk read as follows:

In lieu of the matter proposed to be inserted, insert the following:

"(1) IN GENERAL.—Notwithstanding any other provision of federal or state law, a renewable fuel, as defined by this Act, used or intended to be used as a motor vehicle fuel, or any motor vehicle fuel containing such renewable fuel, shall be subject to liability standards no less protective of human health, welfare and the environment than any other motor vehicle fuel or fuel additive.

"(2) EFFECTIVE DATE.—This subsection shall be effective one day after the enactment of this Act."

Mrs. BOXER. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mrs. BOXER. Mr. President, now I will be happy to yield, with the understanding I will not lose my right to the floor, to several of my colleagues.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, will the Senator from California yield for a unanimous consent request?

Mrs. BOXER. I will be happy to yield.

AMENDMENT NO. 3326 TO AMENDMENT NO. 2917

Mrs. MURRAY. Mr. President, I ask unanimous consent that the pending amendment be set aside and amendment No. 3326 be called up, and that immediately after it is reported, it be laid aside and the Senate resume consideration of Senator BOXER's amendment No. 3311.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mrs. MURRAY], for herself and Ms. CANTWELL, proposes an amendment numbered 3326 to amendment No. 2917.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To modify the specifications for a fuel cell power plant eligible for the extension of the energy tax credit)

In Division H, beginning on page 103, line 19, strike all through page 104, line 7, and insert the following:

"(I) generates at least 0.5 kilowatt of electricity using an electrochemical process, and

"(II) has an electricity-only generation efficiency greater than 30 percent.

"(B) LIMITATION.—In the case of qualified fuel cell property placed in service during the taxable year, the credit determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to the lesser of—

"(i) 30 percent of the basis of such property, or

"(ii) $500 for each 0.5 kilowatt of capacity of such property."

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the pending amendment be set aside and amendments Nos. 3370 and 3372 be brought up, and that immediately after they are reported, they be laid aside and the Senate resume consideration of Senator BOXER's amendment No. 3311.

The PRESIDING OFFICER. Is there objection?

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, we have a problem. We are not going to be able to finish this bill. We have a number of Senators in the queue waiting to call up their amendments. I am concerned, and I would like to discuss this matter a little further. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator does not have the floor. Does the Senator object?

Mr. MURKOWSKI. The Senator does object.

The PRESIDING OFFICER. Objection is heard.

The Senator from California.

Mrs. BOXER. Mr. President, I tell my friend, under the UC agreement, I have agreed to yield—and, of course, Senators have the right to object, but I agreed to yield next to Senator CORZINE and then Senator DORGAN, and then I go back to my amendment and we get this done. I wanted to be congenial to my colleagues because they have done that for me in the past.

Mr. KYL. Will the Senator from California yield?

Mr. MURKOWSKI. Reserving the right to object. I have already objected. I had understood Senator BOXER was going to be next, although previous conversation indicated Senator MURRAY was going to be next. We have been going back and forth, and we want to continue going back and forth. Senator KYL is prepared to go.

My concern is we are going to run out of time, and we want to accommodate Senators, but as we put new Senators into the queue, we are going to run into a situation with the finance aspect of this legislation, on which I am sure Senator BAUCUS wants a reasonable amount of time. We are going to have to come up with some solution.

I want to accommodate my friend from Florida. I wonder if he will give us a few moments to try to work this out. If I may propose a unanimous consent request that the Senator from California may speak on her amendment now while we try to work this out.

Mrs. BOXER. Mr. President, we already have a unanimous consent agreement. I think it would be wise of my colleagues just simply not to interrupt and to have a conversation with the Senator from Alaska while I begin.

Mr. MURKOWSKI. I am concerned about the time element involved with each Senator. I understand the Senator from California wants to speak for about an hour.

Mrs. BOXER. No, I do not want to speak for about an hour. I want to argue this, and I have 50 minutes remaining on my time. Other Senators want to speak, if they come. I am not interested in stalling.

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Florida?

Mrs. BOXER. I am delighted to yield to my friend, assuming we go right back to this amendment as we originally intended in our UC agreement; is that correct, that is what will happen under the UC agreement?

The PRESIDING OFFICER. Under the unanimous consent agreement, the Senator from California was to yield to several Senators without losing her right to the floor.

Mrs. BOXER. Mr. President, I yield to my friend from Florida or my friend from Nevada, whomever.

Mr. REID. Will the Senator yield to me without losing her right to the floor?

Mrs. BOXER. I will be happy to yield without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. It seems what we should do is what the Senator from Alaska suggested. The Senator from California should speak on her amendment, and in the meantime, while she is doing that, we will try to work out some process for these amendments to go forward. We are using a lot of time on the bill that this afternoon will be vitally needed. There are important tax measures, as the Senator from Alaska indicated, that should take a bit of discussion. There are other matters that may not take much time. But the tax matters, in my brief review of them, are fairly complicated.

That is my suggestion: The Senator from California should go ahead and complete her statement and, in the meantime, we will try to work out the way the other amendments can come forward.

Mr. SCHUMER. Will the Senator from California yield?

Mrs. BOXER. I will be happy to yield for a question.

Mr. SCHUMER. I wish to speak on the amendment of the Senator from California. I do not want anything to get in the way of others who wish to speak to that amendment right after her.

Mr. REID. I respond through the Chair to the Senator from New York, that is my suggestion: We get debate done on the Boxer amendment. In the meantime, we have a number of people—Senator CORZINE and Senator KYL are here—there are a number of people, including Senators DORGAN and GRAHAM, who have amendments to offer, and we will try to work our way through those. That is my suggestion.

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. MURKOWSKI. I wonder if the Senator will yield for a point.

Mrs. BOXER. Yes.

Mr. MURKOWSKI. What we are really trying to do is proceed without basically having the exposure of Senators yielding to other Senators to offer amendments as opposed to other Senators wanting to speak on behalf of an amendment offered. I think Senator BINGAMAN will agree that is all we are trying to do.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, this has been an interesting beginning to my amendment. I am looking forward to getting to it, which I am going to do right now. I want to clarify that the time that was used did not come off my 51 minutes, which is what I said in my UC request when I began: That none of the time would come off the time I have.

The PRESIDING OFFICER. That was not the Chair's understanding. But without objection, it is so ordered.

Mrs. BOXER. I thank the Chair. I did say it, but it may have been lost in the shuffle.

AMENDMENT NO. 3311

Mrs. BOXER. Mr. President, there is an extraordinary thing about the bill we are debating. For the first time in history, makers of a product are being given a waiver of all liability essentially, if something in that product goes wrong in the future. For anyone who cares about consumers and communities, this is a terrible situation because we do not know what is going to happen with ethanol.

Now, I am not in the least bit hostile to ethanol. I think it is an exciting possibility that we can help our farmers and we can have a good additive that cleans the air. I know it opens up an opportunity, for example, for my rice growers that they can make ethanol from rice. So I am not at all hostile. In fact, most of my friends know, in the pro-ethanol caucus, as I call them, that I am the one who led the fight to ban MTBE because it is so damaging to the water supply.

What concerns me is giving the makers of this product carte blanche to walk away if in the future we find out there is a problem.

When I brought this issue up to the ethanol folks in the Senate, they said: Well, Senator, we are mandating ethanol in this bill and, therefore, if the Government is mandating ethanol, then we should give them a waiver from being held accountable if something goes wrong.

That reasoning is faulty and it is not borne out by the way we do business in this country. For example, we mandate that there be seatbelts in all cars, but we do not exempt car companies from being held accountable if they make a defective seatbelt. They are held accountable. We mandated seatbelts, but they are held accountable for the safety of the product.

We mandated that there be airbags in all cars, but we do not exempt car companies from being held accountable if there is a defective airbag.

We mandated that all mammographer machines meet certain safety standards. Even though we had a mandate that they meet certain standards in terms of the radiation that can leak from them, we did not say they cannot be held accountable.

In the 1990 Clean Air Act, we mandated that either MTBE or ethanol be used in gasoline, but neither was let off the hook for any damage they caused.

So the first argument that the Government is mandating this so there should be no liability for the people who make ethanol does not hold up.

The second time I came back and made the argument, I was told: In the bill, the Government will pick up all costs if there is a problem.

So I said, that is interesting. So my wonderful staff went back and read every page of the bill. They could not find anyplace in the bill where the Government picks up the tab. So they spoke to everyone they could and said, well, did we miss something? There is nothing in the bill that says the liability will be shifted from the people who make the product to the Federal Government.

I have scratched my head and said, is there any precedent at all? I thought, maybe the Price-Anderson Act, which by the way I have never supported—the bottom line is it says if there is an accident in a nuclear powerplant, the taxpayers will pick up the tab. But even there the nuclear powerplants have to pay an insurance premium over to the Federal Government so at least they are paying part of the tab if, God forbid, there should be an accident at a nuclear powerplant.

There is no premium being paid by the people who make ethanol. So that is the second place where this myth is exploded. There is nothing in the bill that says the Government will pick up the tab.

There is a third myth. They say we are only providing a safe harbor from one type of lawsuit: defective products. So I went to my lawyerly staff, and I said: They are saying no problem, they are only exempting these companies from a very narrow provision of law.

Well, the defective product argument is the only one that will hold up in court. It is the one that people are using as they seek to get damages for MTBE. So very cleverly, the way this bill is crafted, I assure everyone, by the attorneys for the oil companies—I can assure everyone that—it is crafted in a way so the liability is waived in a way so people can never be held accountable.

Why is this so important? Because if one looks back at what happened with MTBE, they see the argument that did carry weight was the defective product argument.

Why is it important to everyone? Because in the beginning everyone thought MTBE was safe, and now even though the people who want to support this mandate are saying the product is safe, there are studies in the bill to find out if it is really safe. We do not know.

Senator FEINSTEIN, who I see in the Chamber, has gone into this matter in great detail. We do not know what can happen. What we do know is it cleans the air but it makes smog worse. We know that but we really do not know what is going to occur when the components break down.

The city of Santa Monica had to sue because they paid over $200 million to try to clean up the damage from MTBE. We hope they will be able to recover because they sued under this defective product provision.

Myth four: Ethanol is safe; no need to worry about liability. I was not born yesterday, as everyone can tell, and if there is no need to worry about liability then why have the waiver for liability? It does not make sense. Obviously, somebody is worried about it. The oil companies are worried about it, I can say that. One does not give a special exemption from liability—and one does not work to get it in the bill and, by the way, fight for it, because I have tried to get some agreement on it and the oil companies do not want to give an inch on it—if you are 100-percent convinced that it is safe.

As the Washington Post points out in its April 16 editorial, the safe harbor liability protection is "hardly a sign of confidence in ethanol's environmental merits." We cannot have it both ways. One cannot stand up and say this is safe and then fight to protect their product. Consumers should be outraged, and that is why we have every consumer group that I know of supporting this amendment. That is why we have every environmental group that I know of supporting this amendment.

Mr. DURBIN. Will the Senator yield for a question?

Mrs. BOXER. If it comes off the time of the Senator. I have very little time.

Mr. DURBIN. I did not know I had time.

Mrs. BOXER. Yes, the Senator has an hour under cloture. Every Senator does. If the Senator takes it on his time, that is fine.

Mr. DURBIN. I ask unanimous consent that time for the colloquy in which I am about to engage be taken from the appropriate time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. May I say to the Senator from California—and she knows this very well—I come from the heart of ethanol country. I have been supportive of the ethanol program throughout my congressional career. At times I have been chairman of the alcohol fuels caucus in both the House and the Senate. I believe ethanol has been proven over and over again to be a safe fuel. It is simply alcohol. It does not have the carcinogenic and dangerous qualities of MTBE and other chemicals. We have used it successfully in the State of Illinois for years. About a third of our gasoline supply is blended with ethanol and is used safely.

So I say to the Senator from California, speaking only for myself, I accept her challenge. I believe we can establish across the Nation that ethanol is a safe fuel, not only safe for those who would handle it and those who would use it in their cars but safe for our environment.

I see no reason for us to put language in this bill creating any kind of exemption from liability for ethanol or renewables fuels.

The Senator from California has suggested our fuels be held to the same standards as every other fuel in America in terms of public health and safety. I completely endorse that approach. I would like to be shown as a cosponsor to the Senator's amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. I yield the floor.

Mrs. BOXER. I thank my friend. Senator DAYTON was here yesterday, from ethanol country, supporting this amendment. I think it takes guts to do it, but the Senator is right.

The people we have been meeting with from the Corn Belt—the producers, the farmers—do not like this. Frankly, they do not like the liability waiver. I believe it is the oil companies that came to the table that were fighting for this.

I am pleased the Senator is a cosponsor. I ask unanimous consent that JOHN KERRY be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. We have been hit with several myths. Another myth is ETBE is not included in the safe harbor. We are glad it isn't. ETBE is only one form of ethanol and not the most prominent form. Most ethanol will be exempted and will have this safe harbor.

I state for the record who supports this Boxer-Feinstein-Durbin-Kerry-Schumer amendment: the National Resources Defense Council, the Sierra Club, the U.S. Public Interest Research Group, the League of Conservation Voters, Consumer Federation of America, Consumers Union, the American Lung Association, Earthjustice, Friends of the Earth, Physicians for Social Responsibility, the American Water Works Association, the Association of Metropolitan Water Agencies, the Association of California Water Agencies, and the South Tahoe Public Utility District.

It is true that even the groups that support the ethanol mandate agree with our amendment on liability—for example, the American Lung Association and the Blue Water Network. Even among the supporters of ethanol—such as Senator DURBIN and Senator DAYTON—supporters have no qualms about going forward with this amendment. They realize the double standard is wrong.

When Senator FEINSTEIN began the debate on why California is leery of this mandate, she made several points. One dealt with the issue of price. Again, we were told over and over again, the Department of Energy says, yes, there will be a 9-cent increase per gallon in certain places and 7 elsewhere. That was wrong; it would only be a penny.

Senator FEINSTEIN made the point we have had some bad experiences with collusion in the area of our electricity. If there are only four or five people who make the product, we could have problems.

Yesterday there was a San Francisco Chronicle article: "Memos show possible ethanol price-fixing." I ask unanimous consent this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the San Francisco Chronicle, Apr. 24, 2002]

MEMOS SHOW POSSIBLE ETHANOL PRICE-FIXING

(By Zachary Coile, Chronicle Washington Bureau)

WASHINGTON, Apr. 24.—The Senate backed a plan yesterday to triple the amount of ethanol in gasoline, which opponents argued will lead to more expensive prices at the pumps for Californians.

As lawmakers on both sides of the Capitol debated the ethanol requirement, a Sacramento congressman who opposes the plan revealed possible price manipulation among ethanol producers.

Rep. Doug Ose, the Republican chairman of the energy subcommittee of the House Government Reform Committee, released internal memorandums from ethanol suppliers at a hearing about a proposal to ban MTBE as a gasoline additive and require three times as much ethanol, a corn-based additive. The proposal is part of the energy bill scheduled for a Senate vote tomorrow.

"These memos show a disturbing trend of potential market manipulation by ethanol producers," Ose said.

William Kovacic, the general counsel for the Federal Trade Commission and a witness at Ose's hearing, said the full commission could initiate an investigation of the ethanol suppliers.

Kovacic said that he could not tell whether the documents were evidence of possible industry collusion but that the memos were "not simply provocative, but perhaps alarming as well."

"Direct communications between rivals that suggest such behavior are a matter of keen concern to the enforcement community," Kovacic said, adding that he would alert antitrust investigators at the Justice Department.

A spokesman for the Renewable Fuels Association, the ethanol industry's trade association, said his group had not seen any of the document and could not comment on Ose's allegations.

"I am very suspect of the timing and motivation of this charge," Bob Dinneen, the group's president, said in a statement. "Congressman Ose called today's hearing at the request of the MTBE industry, and no one from the ethanol industry was called to testify. It strikes me as more than a coincidence that Mr. Ose raised this issue at the eleventh-hour on the day the Senate is debating the renewable fuels standard."

The release of the documents came on a day of often bitter debate that split the Senate along regional lines, pitting Midwestern lawmakers who support the ethanol requirement against senators from California and New York, who strongly oppose it.

The Senate last night defeated, by a 68-to-31 vote, an amendment by Sen. Charles Schumer, D-N.Y., that would have stripped the ethanol requirement from the energy bill.

Earlier in the day, California Sen. Dianne Feinstein temporarily delayed the bill until senators could debate proposals to alter the ethanol requirement.

Feinstein, a Democrat, said the requirement could sharply raise gas prices for California consumers because much of the ethanol will have to be transported by rail from the Midwest, where 98 percent of ethanol plants are located.

In releasing the memos, Ose said the documents appear to show a pattern by ethanol suppliers to discuss what prices they intended to bid for supplies before ethanol auctions took place—with the goal of assuring that suppliers got the prices they wanted.

In one of the memos, an executive at an Orange County ethanol supplier, Western Ethanol Co., wrote to a competitor in Costa Rica on Sept. 29, 2000: "I expect that the winning bid for the 25 percent volume will be somewhere in the upper $1.30's to low $1.40's. We are prepared to stop bidding should the price drop below $1.38 per gallon."

In another memo, an executive at another Orange County company, Regent International, wrote to an official at Archer Daniels Midland, the nation's largest ethanol producer, on Nov. 20, 1995, to discuss a proposed deal with a London-based ethanol producer, ED & F Man Alcohols, to jointly bid on fuel from France.

"Therefore (ED & F) Man will be bidding on the 75,000 hl out of France at a price of 5.02," the memo read. "I would suggest that ADM underbid at a price of 4.85. This will serve as a safety net in the event Man's bid is rejected for any reason."

ADM officials could not be reached for comment. Messages left at the offices of the Orange County companies yesterday afternoon were not returned.

The release of the memos was part of a last-ditch attempt by ethanol opponents to derail the plan to phase out MTBE as a gasoline additive and triple the use of ethanol by 2012.

California and a dozen other states have moved to ban MTBE, which has been implicated in groundwater contamination. Gov. Gray Davis last month delayed the state's MTBE ban by a year, to Jan. 1, 2004; after a report by the California Energy Commission said replacing MTBE with ethanol could cut the state's gas supply by 5 to 10 percent and drive up prices to $2 to $3 a gallon.

Mrs. BOXER. Essentially, it shows Congressman OSE from California got ahold of memos that show, if you are doubtful, they are already talking about how they will get the highest price possible for this product.

I add that because it is important that when we voted on some of the other ethanol issues, everyone said: Don't listen to the people from California.

Now it is time to listen to us. We have been through some troubles in our State because there wasn't transparency; there was manipulation of supply and electricity. We don't want to see that happen to any other State. We don't want to see it happen to gasoline.

When the people who objected to points made by Senator FEINSTEIN and Senator SCHUMER, saying they were wrong, there would be no problem, this article shows possible ethanol price fixing.

This is just the beginning. I don't want to see, in 2 years, communities in trouble because it turned out ethanol was not as safe as they said and we had problems in our communities and there is no way to recuperate from the manufacturers of ethanol.

I diverted into the issue of possible price fixing; I hope people listen. I am not here because I am hostile to ethanol. I would like to see it move a little slower. I want to see the health studies. I am not hostile to using ethanol. We are going to use it in a lot of our gasoline. It may turn out to be the panacea. We don't know. I am saying: Be cautious and do not give anyone a blanket waiver of liability from the one area of the law—defective product—that people may have at their disposal.

I ask my colleague, does she want me to yield for questions?

Mrs. FEINSTEIN. I very much appreciate the Senator from California making that offer. I would like to add to what the Senator has said. I am firmly in support of the Senator's amendment. I ask this question. She made the case about the health and environmental unknowns of ethanol. That was somewhat contested. She is absolutely right.

I ask the Senator if she knew about the EPA blue-ribbon panel on oxygenates which found "ethanol may retard biodegradation and increase movement of benzene and other hydrocarbons around leaking tanks"?

Mrs. BOXER. I say to my colleague and friend and partner in this effort, we are aware of it. I am glad the issue has been raised. This has been an education for everyone as we looked into the study. The underlying bill does a study on the safety of ethanol, which is an admission that they don't know. Therefore, to have a study in the bill, and yet at the same time, before we have the facts from the study, waive this liability is terrible for consumers and States.

I am happy the Senator asked the question and I continue to yield.

Mrs. FEINSTEIN. I wonder if the Senator from California heard that a report by the State of California entitled "Health and Environmental Assessment of the Use of Ethanol as a Fuel Oxygenate" points out there are valid questions about the impact of ethanol on ground and surface water. The report points that there will be a 20-percent increase in public drinking water wells contaminated with benzene if a significant amount of ethanol is used. Of course, benzene is a known carcinogen.

What is interesting in the study, it points out that ethanol causes the components of gasoline to break apart and therefore more easily seep into ground water from leaking tanks. We all know gasoline leaks. It is saying it aids in the release of benzene, a component of gasoline.

I wonder if the junior Senator from California heard of that California report.

Mrs. BOXER. I say to my senior Senator, I have. In addition to the benzene, I make the point there are other dangerous areas—not only benzene but ethyl benzene, toluene, xylene. We believe ethanol may inhibit the breakdown of these toxic materials.

Yes, we have a blue-ribbon panel, the State. That is why I think we are disturbed at the liability waiver.

I say to my friend, it is incredible because everyone said MTBE was wonderful, too.

Now we have more warning about ethanol than we had about MTBE, and they put in a liability waiver.

I am encouraged that Senator DURBIN, for example, and Senator DAYTON—from ethanol country—are with us on this issue. It means a great deal.

Mr. SCHUMER. Will the Senator yield for a question?

Mrs. BOXER. I am happy to yield for a question.

Mr. SCHUMER. I am sorry I could not be here at the beginning of the debate, but I have a couple of questions. Just let me get this straight.

We are banning MTBEs because we know they are harmful—in this bill. Some of our States have done it already. And we are forcing States that may not use ethanol to buy ethanol, which will raise gas prices and cut the amount that goes into the trust fund. At the same time, we are saying: But, if your soil is polluted—and we have a big problem in New York because on Long Island we have one aquifer, one place where all the drinking water occurs and the MTBEs are sinking in—if your soil is polluted and even if it was done knowingly, that you cannot sue the polluter? Is that what we are saying here?

Mrs. BOXER. Yes, this is exactly what the liability safeguard provision does. I repeat, the corn people to whom we have spoken really do not like this particularly. They are unhappy with it. But the oil companies are pushing for it.

It seems to me, when you hear that Senator DURBIN and Senator DAYTON, from corn-growing places, support us, that is hopeful. But my friend is right. We are banning MTBE because it is harmful. We do not really know the end result of ethanol. And before we even know the end result, we are waiving liability. He is correct.

Mr. SCHUMER. I know the Senator has been a leader and expert in these issues of suits and liability, far more than I have. How often have we done this? How often have we taken some substances that we know are dangerous already, some substances that might be dangerous, and put in a whole safe harbor so you cannot sue no matter what happens? Have we done this for other substances?

Mrs. BOXER. I say to my friend, this is a precedent-setting waiver. Even in the case of the Price-Anderson Act where we waived liability for the nuclear power industry, they must pay a premium into a fund, so they are on the hook for billions of dollars. This has never been done. I say further to my friend, when we talk to some of my ethanol-supporting friends, they say: But the Government is mandating this, so therefore they should waive liability. We mandate seatbelts, but if there is a defective seatbelt, a person can sue; airbags, mammograms—you could go through the list. This is precedent setting, and it is terrible law.

Mr. SCHUMER. If I might ask a question or two more?

So we are saying the Government is mandating it, but we are not putting in any Government backstop?

Mrs. BOXER. We are not.

Mr. SCHUMER. If you are a small community and you have a couple of schools in your community and your ground water is polluted, costing you millions of dollars—and that means the property taxes have to go way up—and you know some oil company or refiner, or whatever, polluted that soil knowingly, and the MTBEs leaked in, you have no recourse against the company and there is no Government backstop as in Price-Anderson, so the local taxpayers would be stuck; is that correct?

Mrs. BOXER. That is correct. As a matter of fact, the first time I raised it, some of my friends from the ethanol areas said there was a Government backstop in the bill. So I went back. We searched the bill, page after page, and could not find it.

We called the people who put together the compromise. As you know, the Senators from California and New York were not in that group when there was a compromise. No one has come up with anything that shows us there is anything in the bill.

The bottom line is that a city such as Santa Monica—and you could pick out your cities—that had a horrible problem with MTBE is currently suing to recover $200 million from the oil companies. If that was not allowed, the consumers, our taxpayers, have to pick up the tab. This is the classic case of, in my view, turning away from "polluter pays" and going to "taxpayer pays."

If ethanol is so safe, then I would say: Why do they have a study on safety in the bill? Why are they seeking this waiver? And why are they ignoring the two studies my friend from California, Senator FEINSTEIN, is going to have printed in the RECORD, the blue-ribbon committee from EPA, and the State study, that show there is really a problem?

Mr. SCHUMER. Just another question: So when the Senator is saying "taxpayers pay," in this case it is not even the Federal taxpayer—which we do in other areas—it would be the local property taxpayer who would be left holding the bag?

Mrs. BOXER. It will be the biggest unfunded mandate. Not only are they mandating ethanol, and at a very fast pace—and it is very hard for us to be able to accept that much—but they are also saying: Local communities, you are on your own.

Mr. SCHUMER. It seems to me—and I wonder about the Senator's comments as to this—this is like piling on. First you mandate ethanol and raise the gasoline prices in New York, California, and so many other parts of the country. We can dispute how much. We think a modest estimate is 4 cents to 10 cents, depending on the State. Then we cut money from the trust fund, so you are getting a gas tax but not the money to build the roads. And now we are saying pollution—where it is caused by ethanol, we don't know it; but things we know are poisonous and polluting are exempt from any lawsuit at all. It seems to me that is just piling on. I have never seen anything like it.

I ask my friend from California, has she? She has more experience in these areas than do I. Have you seen anything that has such an amalgam? It is almost like an evil brew. They put in all these bad ingredients and sneak them in the bill.

I appreciate very much the leadership of the Senator from California, standing up to this provision. We tried to knock out the whole thing. I was surprised we got as many as 31 votes, given the power of the ethanol lobby. But now we are looking at one piece of it, perhaps one of the most egregious pieces of it, and asking people just to knock out that part.

Mrs. BOXER. I agree.

Mr. SCHUMER. Have you seen anything of such an amalgam this way, that hits you right, hits you left, hits you center?

Mrs. BOXER. It is an amazing situation for those of us on the east coast or the west coast. We know we are outnumbered here. But as my colleague from California has told me many times, we must make the case and the record on this, because I can tell you right now, after living through the crisis we lived through in electricity, where we saw what happens when a supply is manipulated—the story in today's San Francisco Chronicle says:

> These memos show a disturbing trend of potential market manipulation by ethanol producers. . . .

And the ink hasn't dried on this bill as it becomes law.

Did you say a witch's brew? Is that what you said?

Mr. SCHUMER. I can't remember. I think I said an evil brew.

Mrs. BOXER. If you look at the components of ethanol—and we all hope and pray the health studies in the bill come out that it is terrific and there is no problem—just look at what ethanol does to another witch's brew. It may spread blooms of benzene, toluene, ethyl benzene, and xylene because ethanol may inhibit the breakdown of these toxic materials.

Mr. SCHUMER. Just to clarify, what is in the bill doesn't just apply to ethanol and its potential dangers but to some things that we know are dangerous such as MTBEs, such as benzene, and other things. Is that fair to say?

Mrs. BOXER. The safe harbor does not apply to MTBE.

Mr. SCHUMER. It does not? Just to the ethanol?

Mrs. BOXER. It is just ethanol minus ETBE, which as I understand it is about 2 percent—a very small percentage of the ethanol. Those are the only two.

There is another point I want to make to my friend.

I ask unanimous consent to have printed in the RECORD this letter from the Association of California Water Agencies, American Water Works Association, and the Association of Metropolitan Water Agencies.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSOCIATION OF CALIFORNIA WATER AGENCIES, AMERICAN WATER WORKS ASSOCIATION, ASSOCIATION OF METROPOLITAN WATER AGENCIES,

April 16, 2002.

Re: Energy Policy Act of 2002: MTBE and Ethanol provisions

Hon. TOM DASCHLE,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR DASCHLE: The Association of California Water Agencies (ACWA), American Water Works Association (AWWA) and the Association of Metropolitan Water Agencies (AMWA) strongly support language in the current Energy Policy Act of 2002 to end the use of methyl tertiary butyl ether (MTBE) and expedite states' requests for waivers from the Clean Air Act's oxygenate requirement. The phase-out will protect increasingly scarce water supplies from additional contamination by MTBE, which was blended into gas without regulators' consideration of its impact on groundwater.

Unfortunately, however, the energy bill would also require that states use a new fuel additive, ethanol, in even greater quantities than were required for MTBE. Replacing MTBE with ethanol runs the serious risk of repeating costly environmental mistakes, once again without evidence of the benefits for clean air or the risks to human health. A 1999 study by the University of California concluded that the state could meet its clean air, goals without oxygenated fuel, a point corroborated by the U.S. EPA's Blue Ribbon Panel in July 1999. Putting ethanol in gasoline, at any levels would almost certainly result in higher prices at the pump and new instances of possible water contamination.

The problems don't end there. The ethanol provision features language creating a "renewable fuels safe harbor" that gives product liability protection to ethanol marketers. This is especially troubling in view of the real possibility that it will have its own environmental problems.

Members of the above organizations supply safe drinking water to more than 200 million people in North America. We recognize the need for the U.S. to invest in renewable fuel sources, and are cognizant of the benefits they offer. But ethanol doesn't need a federal mandate to help meet U.S. energy needs. Your fellow Senators have spoken at length on this provision creating market volatility and price spikes for the benefit of a few ethanol producing states, and our organizations support efforts by Senators Feinstein and Boxer to amend the bill.

Senator Daschle, water agencies sincerely appreciate the language phasing-out MTBE in S. 517. But the bill's call for renewable fuels must not be pitted against the safety of drinking water. We oppose the ethanol mandate and safe harbor language in the bill, and we urge instead your support for waivers from the Clean Air's outdated oxygenate requirement.

Thank you for your consideration, and please contact our offices if we may provide further information.

Mrs. BOXER. Here is what it says. It is a letter addressed to Senator DASCHLE.

Senator Daschle, water agencies sincerely appreciate the language phasing-out MTBE that is in the bill. But the bill's call for renewable fuels must not be pitted against the safety of drinking water. We oppose the ethanol mandate and safe harbor language in the bill, and we urge instead your support for waivers from the Clean Air Act's outdated oxygenate requirement.

That is of course the larger picture.

But the point is these water agencies have had to deal with the real problems of MTBE. Mr. President, 120 million people are served by these water agencies.

Mrs. FEINSTEIN. Will my colleague yield?

Mrs. BOXER. I am happy to yield.

Mrs. FEINSTEIN. I thank Senator BOXER for her support and leadership on this issue, as Senator SCHUMER said. One of the things that has struck me is the belief that there is no harm from ethanol when in fact studies on this issue have not been done to a great extent.

I would ask the Senator if she has comments about yesterday's hearing on the House side. Yesterday, Professor Gordon Rauser of the University of California commented on the potential harm of ethanol on ground water. This was before a House committee.

He said that research now strongly suggests that the presence of ethanol in gasoline not only delays its degradation of benzene but also lengthens the benzene plumes which run out by between 25 and 100 percent.

I think it is very important that the RECORD shows there is scientific evidence that benzene plumes can go up as much as 100 percent and travel 100 percent more in distance because of ethanol.

That suggests ethanol may not be as safe as its proponents would have you believe.

Mrs. BOXER. Yes. That is exactly the point of the blue-ribbon panel of the EPA. That is exactly what MTBE does as well.

We are dealing with the potential that we could really have problems. No one hopes more than I do that in the end it is all going to be safe; that would be a winner. But we cannot stand here and say that.

If we don't learn from history, we are doomed to repeat it. We went through the electricity crisis. We know what happens when supply is manipulated.

Unfortunately, what my friend said on the floor may become true. Manipulation is already being discussed on what to charge for ethanol.

We lived through the MTBE tragedy. I was one of the leaders; I had the first bill to ban MTBE. In fact, a long time ago we got over 56 votes to ban MTBE.

No one can say I have been reluctant to do that. As I said, I am not hostile to ethanol; I am very open to it, but at the same time we need to know what we are doing here. We need to be careful about the amount we are mandating so it isn't overwhelming but also difficult for people to charge exorbitant rates. We have to be careful that there are not a few suppliers and there is price manipulation. We have to be careful with that. We have to be careful that we have the infrastructure we need to bring in the ethanol. We must be careful so we are not giving a waiver of liability to the oil companies and give them safe harbor so they will not be held responsible, if, in fact, it turns out that this blue-ribbon panel and the scientist who Senator FEINSTEIN quoted proves to be correct.

We already know that ethanol makes the air cleaner, but it makes smog worse. We know these things. What we don't know is the long-range impact of what happens when we use it in the types of quantities in which we want to use it.

Mr. President, how much time do we have on our side?

The PRESIDING OFFICER (Mr. CARPER). Seventeen minutes.

Mr. MURKOWSKI. Mr. President, will the Senator yield for a very short question?

Mrs. BOXER. On your time. I want to reserve my time.

Mr. MURKOWSKI. My question has to do with the terminology "Big Oil" and the responsibility for ethanol. The Senator from Alaska understands that Big Oil does not make ethanol.

Mrs. BOXER. We understand that the oil companies are at the table with the ethanol people. They manufacture products. So everyone is at the table with the oil companies.

Mr. MURKOWSKI. I will leave the question out there. It is not my understanding that Big Oil makes ethanol.

Mrs. BOXER. They blend it into the oil. We understand that.

Mr. MURKOWSKI. They blend it because it is mandated.

Mrs. BOXER. Right now it is not mandated. We will wait and see what happens.

But my argument is, if this bill becomes law, I don't want to see the oil companies—the makers of ethanol—get off the hook if there is a problem. It would be unprecedented. It would be the first time in American history that it would happen. And it would be coming at a time when we know that all the environmental and health questions have not been answered.

Before some of my colleagues arrived, I went through all of the myths that I have been told relating to my case. To try to say we are just mandating it, and we must, therefore, waive liability—we don't do that to automobile manufacturers with seatbelts, airbags, or anything else.

That is why I am very proud to have Senator DURBIN's support and Senator DAYTON's support because these Senators come from ethanol States. They understand that if they have this waiver in this bill, it clouds this whole issue. If anyone says to you they have the safest product in the world and they want a liability waiver, what does that mean? It means in their hearts that they are not so sure. Again, anyone who wasn't born yesterday knows that is not a good thing to do.

I reserve the remainder of my time—probably 15 minutes.

The PRESIDING OFFICER. The assistant majority leader.

Mr. REID. Thank you, Mr. President. We would like to schedule a vote in the next hour or so on the amendments of the Senators from California. It is my understanding that on the Boxer amendment, Senator GRASSLEY wishes to speak for 5 minutes and Senator HAGEL for 10 minutes. I will use a couple of minutes.

We have to move this along. How much longer does the Senator from California wish to speak?

Mrs. BOXER. If I could just close in 5 minutes.

Mr. REID. Mr. President, on this amendment, the Boxer amendment, I ask unanimous consent that I be recognized for 5 minutes to speak in opposition to the amendment, that Senator BOXER close with 5 minutes, that Senator GRASSLEY be recognized for 5 minutes in opposition to the amendment, and that Senator HAGEL be recognized to speak for 10 minutes in opposition to this.

I also ask unanimous consent that, upon completion of debate on the Boxer amendment, sometime prior to 12:30 today, I be recognized to offer a motion to table on behalf of the majority leader.

Mrs. BOXER. Mr. President, reserving the right to object for one moment, I didn't realize the Senator from Nevada was speaking against my amendment. Therefore, because of his eloquence, I ask that I be able to speak for 8 minutes instead of 5 minutes.

The PRESIDING OFFICER. Does the Senator modify his request?

Mr. REID. That would be fine.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. REID. Mr. President, how much time does the Senator from California need on her very important amendment?

Mrs. FEINSTEIN. One-half hour.

Mr. REID. We will arrange a vote, and I assume a few Members will wish to speak in opposition to the amendment. I don't have the amount of time figured out.

If the Senator from California would agree to 25 minutes, and 15 minutes in opposition——

Mrs. FEINSTEIN. I agree to that.

Mr. REID. Mr. President, I ask unanimous consent that on the Feinstein amendment No. 3225——

Mrs. FEINSTEIN. The 1 year.

Mr. REID. Yes. We would have a vote first on the Boxer amendment and second on the Feinstein amendment at 12:30, with the times I have mentioned. I ask unanimous consent that be the order, and that both votes be on or in relation to the amendments.

The PRESIDING OFFICER. Will the Senator please restate the request with respect to the Feinstein amendment.

Mr. REID. I am sorry, I cannot hear the Chair.

The PRESIDING OFFICER. Will the Senator please restate the debate time with respect to the Feinstein amendment.

Mr. REID. Yes. Senator FEINSTEIN would have 25 minutes to speak on her amendment, and the opposition would have 15 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Without objection, it is so ordered.

Mr. REID. And the vote would occur at 12:30, with no second-degree amendments prior to that time being in order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The deputy majority leader.

Mr. REID. Mr. President, the majority leader is in the most important agricultural conference, which supposedly—I have heard this before—is in its waning minutes, and he can't be in the Chamber. He is one of four Democratic conferees. So he has asked me to speak on his behalf relating to the Boxer amendment.

First, Mr. President, the chart I have shows the amount of cases that the Senator from California is talking about. Of all the cases we have in our court system, the defective product liability cases amount to .002 percent. On behalf of the majority leader, I indicate that this is a very small number of cases, and it relates to this bill. It is my understanding that the language in this bill certainly gives the proper opportunity for people to go forward in litigation.

What the amendment of the Senator from California could be construed to be is, in effect, giving strict liability, meaning that you do not have to prove any negligence. The majority leader has indicated that this simply is not fair, that there is no reason to have strict liability in this instance when there are so few cases in our judicial system where strict liability is allowed. So the majority leader has asked me to indicate that this amendment should be opposed by all Senators.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I had the good fortune of listening to the exchange between the junior Senator from California and the senior Senator from New York. The senior Senator from New York is not in the Chamber now. But I would like to point out that there is a lack of understanding of this legislation, particularly as it relates to that exchange they had over whether or not you can sue with regard to MTBE.

For all the pollution we have had from that product, there is nothing in this legislation that is going to restrict any lawsuits in regard to MTBE. So when there was an implication that if we did not adopt the amendment before us, that people who have been harmed would not be able to seek legal redress, that is totally false. It is misleading if anybody says that for MTBE, and damage done from it, there cannot be legal redress.

It is very important we make that clear because the water of California, the water of New York, and other States—there is even a little bit in my State—has been damaged because of this product, MTBE. If you drink MTBE, it will kill you. If you drink ethanol, it will not.

For the future—and this legislation is prospective—if there is any violation of the Clean Water Act, the Clean Air Act, if there is any violation by any product, the Environmental Protection Agency has the power to make that determination. If that determination is made, then there is not a safe harbor under this legislation. So I think, as the distinguished Democratic whip has stated, there is ample opportunity for redress in this legislation.

I also point out another misstatement from the other side: that somehow you are not going to be able to hold big oil companies responsible involving anything to do with ethanol. You do not have to worry about holding them responsible anyway. The big oil companies are not producing ethanol.

Then, I remind the junior Senator from California, as I have said, I think on two other occasions during this debate over the last week, that we were proud of her and willing to work with her on a resolution in 1999 that she authored, to declare MTBE as something that should be outlawed, and that the reason it should be outlawed is the Clean Air Act requirements could be met because the oxygenate requirements of that act could be fulfilled because of the availability of ethanol.

Well, it is the same ethanol in the year 2002 as we were mixing with gasoline in 1999, or for the last 20 years, as far as that is concerned. The Senator from California, at that particular time, was giving accolades to ethanol as a substitute for MTBE.

Then, lastly, since I am a Republican, I might be suspect from the other side of the aisle, but about 6, 7 years ago, Senator HARKIN, my colleague from Iowa, had a hearing on ethanol versus MTBE in relation to its safety, its use, et cetera, and Senator HARKIN gave a demonstration for all of the Senate that was involved in that committee.

He had a small glass of ethanol, and he drank it. You can talk all you want about the dangers of ethanol, but Senator HARKIN is very much alive and well, years after he took that small amount of ethanol. He also had some MTBE there with the skull and crossbones on the can that said how poisonous it was. So I think we need to get the facts straight before this Senate.

Again, the exchange that went on a few minutes ago from the senior Senator from New York to the junior Senator from California was misleading in relation to people not having legal redress in this law against damage from MTBE.

I yield the floor.

The PRESIDING OFFICER. The Senator has used his 5 minutes.

The Senator from Nebraska.

Mr. HAGEL. Mr. President, I rise today to speak in opposition to the amendment offered by my colleague from California. As the Senators from Iowa and Nevada, who have just preceded me, have stated very clearly, this latest attempt to undermine the energy bill's renewable fuel standard—one of the few provisions of the bill that is truly bipartisan—is not in the best interest of this country's energy needs. And it deserves, as the senior Senator from Iowa has just said, some explanation as to what it does and does not do—this renewable fuel standard amendment, reached by a bipartisan group of Senators, that is in the present energy bill.

It is claimed that it will provide a sweeping liability exemption for damage to public health or the environment resulting from the use of renewable fuels. This is a clear misrepresentation of this section of the energy bill.

A few months ago, Majority Leader DASCHLE reached out to a number of Senators from both sides of the aisle to help craft the renewable fuel provision in the current energy bill that we debate today. The result is a historic agreement which has been endorsed by a majority of Governors, the Bush administration, agricultural organizations, the oil industry, and, yes—and yes—environmental and public health groups.

The talks that produced this bipartisan compromise included representatives from the EPA, the American Lung Association, and the Northeast States for Coordinated Air Use Management, among many others.

I know—and I am sure my colleagues from California and other Senators in this body know—that the majority leader of the Senate has a strong commitment to the environment and to the health of all Americans. I suspect he would not agree to a provision he thought might ultimately harm the public's health or environment. None of us would.

The safe harbor provision in this bill is there for one reason: to protect the public and the environment while at the same time not exposing manufacturers and distributors to frivolous lawsuits for simply complying with a Federal requirement, a Federal requirement that we imposed aimed at improving our air and water quality.

This language in this bill is fair. It is reasonable. It is right.

Yesterday, the Renewable Energy Action Project, REAP, a California-based coalition of environmental groups, public agencies, and renewable energy producers, placed a full-page ad in the Washington Post. The headline in the ad read: "Renewable fuels mean cleaner air, cleaner water, and less dependence on foreign oil." And the ad went on to talk about the health benefits.

The ad strongly supports the renewable fuels standard provision and calls the provision an important environmental victory that will protect America's drinking water and improve our air quality. This coalition also warned readers to remember the facts and not be surprised when they hear inflammatory and misleading information attacking the renewable fuel standard.

We have heard the misleading information. We have heard it clearly. Let's review the facts.

The facts are, this bill has solid safeguards. It requires, the Environmental Protection Agency to conduct studies of the long-term health and environmental effects of renewable fuels. Under this bill, the EPA Administrator has the authority, the jurisdiction, the control to either prohibit or allow the sale of renewable fuels that could adversely affect air or water quality or the public health. There is no safe harbor if the Administrator rules that the law has been broken or laws are violated.

The safe harbor provision is very limited. It applies only to claims that a renewable fuel is "defective in design or manufacture"—I know some in the legal business find that difficult to accept—and that meets the requirements of the Clean Air Act. This is very important. The Clean Air Act is still the law of the land. All must comply with the law of the land. These requirements include compliance with requests for information about a fuel's public health and environmental effects as well as compliance with any regulations adopted by the EPA. If these requirements are not met, the safe harbor protection does not apply.

This provision does not affect claims based on the wrongful release of a renewable fuel into the environment. Anyone harmed by a release of that kind would retain all the rights to sue, all the rights they now have under current law. If we change or strike the safe harbor provision in this bill, we will unravel the entire bipartisan agreement. We will, in fact, be taking several steps backward because the result will be the continued use of MTBE, which we know has health and environmental consequences. I do not think that is what my colleagues from California or any other colleague wants or intends.

Just let me recap for a moment what the senior Senator from Iowa said about compliance and who is protected, which is very important. There is no safe harbor protection under this amendment, if the EPA Administrator rules that a manufacturer or any entity is not in compliance with the Clean Air Act. The language is very clear. I shall read briefly from that language in the bill:

> If it does not violate a control or prohibition imposed by the administrator under section 211 of the Clean Air Act, as amended by this act, and the manufacturer is in compliance with all requests for information under section 211(b) of the Clean Air Act, as amended by this act, in the event that the safe harbor under this section does not apply, the existence of a design defect or manufacturing defect shall be determined under otherwise applicable law.

This is very clear.

As I summarize, let me point out an article that appeared today in the Washington Post. This article is headlined "Link Seen Between Cooking, Cancer . . . Frying, Baking Starches Creates A Carcinogen." It goes on to say:

> The process of frying and baking starchy foods such as potatoes and bread causes the formation of potentially harmful amounts of a chemical listed as a probable carcinogen. . . .

It goes on.

What much of this is also about is downstream, future technologies. No one can predict what is ahead. We now have a story questioning starchy foods and how we prepare them. I think there is some historical evidence that people have actually been baking bread for centuries and eating potatoes cooked many ways and have done quite well actually.

Let's bring some common sense back to this debate. Let's bring some common sense to what we are trying to do here and apply the law based on common sense.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, how much time remains on the side of the opponents?

The PRESIDING OFFICER. Fifteen minutes in opposition on the Feinstein amendment.

Mrs. BOXER. Mr. President, I have 8 minutes to respond.

The PRESIDING OFFICER. The question was on the time in opposition.

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, it is fair to reflect on this safe harbor Boxer amendment which will be stricken if the amendment prevails.

The bill, we all know, contains this safe harbor provision regarding the liability of manufacturers and distributors in renewable fuels that are subject to the bill's mandate. The principle is relatively simple: No one should be subjected to tort liability simply for manufacturing or selling a product that was mandated by this Congress. That is what we are talking about, a product mandated by Congress. Maybe Congress should bear the liability.

In any event, it is fair to say the provision is very limited. It applies only to claims that a renewable fuel mandated by the act is defective in design or manufacture, and it applies only so long as the applicable requirements of section 211 of the Clean Air Act have been met. These requirements include both compliance with requests for information about a fuel's public health and environmental effects and compliance with any regulations adopted by the Administrator.

If these requirements are not met, then the safe harbor protection will not be available, and liability will be determined under otherwise applicable law.

This provision does not affect claims based on wrongful release of a renewable fuel in the environment. Anyone harmed by a release of that kind would retain all rights he or she has under current law.

It also applies only prospectively. So it does not affect any claims that have already been filed as of the effective date.

There is some uncertainty regarding the long-term health and environmental risks associated with renewable fuels. Questions have been asked about ETBE, an ether derivative from ethanol, even ethanol itself. The major strength of the bill is its provisions requiring EPA to conduct studies of those effects.

Those studies show that if additional regulations are necessary, then the Administrator simply has authority under the rulemaking provision. Liability protection under the bill would depend on full compliance with any rules the Administrator may adopt. The balanced approach, which I think it is, will protect the public from any adverse health and environmental impacts from renewable fuels while not exposing manufacturers and distributors to tort lawsuits for complying with the renewable fuels mandated in the bill.

Some have contended that this provision could give polluters sweeping liability for damage to public health or the environment resulting from renewable fuels or their use, in the sense of conventional gasoline. Nothing could be further from the truth.

In the first place, the safe harbor provision doesn't affect claims based on the wrongful release of the renewable fuel into the environment. Those responsible for releases to the environment receive no protection whatsoever, nor should they. Moreover, the safe harbor only applies if the maker or seller of a renewable fuel complies with EPA regulations to protect the public health and environment.

Under this bill, the Administrator has the authority to control, or even prohibit, the sale of renewable fuels that may adversely affect air or water quality or the public health. There is no safe harbor if the Administrator's rules are violated.

In my opinion, the amendment would simply promote litigation and increase our dependence on imported oil, which we have already talked about a great deal in this debate on the energy bill.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who seeks time?

Mrs. BOXER. Mr. President, understanding is that all time in opposition to my amendment has been used; is that correct?

The PRESIDING OFFICER. Yes. The time in opposition to the Senator's amendment has expired.

The Senator from California has 8 minutes.

Mrs. BOXER. I would like to be told when I have used up 7 minutes of my 8.

Mr. President, it is such a simple point. People try to complicate simple matters around here. If ethanol is so safe, why have the companies involved in its production pressed for the liability exemption in the bill? I have to say, with respect to my friends from ethanol country, if this chart that my friend from Nevada talked about were submitted as an answer to a question in a bar exam, the person would fail the bar exam because they have mixed up the causes from the remedies. You cannot show all of this and say each one of these is a cause. Compensatory damages is a remedy. Punitive damages is a remedy.

The cause of action they are going after here happens to be a very small one, it is true. It is only used in a small number of all civil cases, it is true. But defective product liability is the only cause of action that will hold up in a court of law when you seek to get damages from an additive to gasoline.

How do I know this? Because we have done this with MTBE, and every other cause of action that was recommended was thrown out by the court. The only one left standing was defective product.

So then my friends say: But we are only eliminating defective product, and it is just a little narrow sliver. Again, they don't pay these oil company attorneys $500 an hour to come up with some overarching thing that people will notice. They pay them to come up with a very narrow exemption that they hope will slip through. Thank goodness, people who have read this bill understand the ramifications of this liability waiver, because this could have slipped through.

The fact of the matter is that they have exempted themselves in this so-called ethanol compromise—the compromise where Senator FEINSTEIN wasn't at the table, nor was I, nor were the New York Senators. They compromised it themselves. The oil companies and the ethanol producers came up with this liability waiver.

So it is a simple point. If it is meaningless, why won't they take it out? If it only applies to .002 percent of civil cases, then it is meaningless, so why won't they take it out?

The other question is, I believe, this is precedent setting. We mandate many things. The Senator from Alaska says we are mandating this. We cannot expect these companies to pick up the tab if it is defective. We mandate seatbelts. If there is a defective seatbelt, auto companies are held responsible. We mandate regulations on a lot of products, such as airbags. We mandate that products be safe and that certain rules and regulations be followed in mammography and many other products. Yet if there is a defective product, there is no waiver of liability.

One of my friends who is with the ethanol caucus said: Well, we did it in Y2K, Mr. President; we waived the liability for the computer industry in Y2K. That is a laughable comparison. We gave a waiver of liability for 1 year on the Y2K problem because we knew it would be complicated. That set a precedent for every thousand years—every thousand years. We won't be around for the next one.

But that is not what this is about. You have heard the expression "solidarity forever." This is liability forever—liability from a product on which there are some problems already proven and there are perhaps more problems yet to be known. That is why there is a study in the bill.

I think anyone in this body who cares about consumers, and about health, and about the children, and who cares about the environment, cares about our States and localities that will have to pick up the tab if there is a problem, will vote with us.

I will be happy to yield to my friend for a question.

Mrs. FEINSTEIN. Mr. President, I think what the Senator has said is very important. I hope Members of the Senate will listen because what she pointed out was the central flaw in this safe harbor provision.

As I understand it, what the Senator is pointing out is that the safe harbor provision eliminates the one cause of action anyone has that is able to be successful, and that relates to a defective product. So this bill eliminates any cause of action which is brought around the product being defective.

Let me give an example, if I understand this. If it is shown—as I believe it can be shown—that ethanol breaks down gasoline to allow its component parts to plume into the air, spread into the ground, and then it enables benzene to move faster and longer and harder, no one can sue under a defective product liability cause of action; is that right?

Mrs. BOXER. My colleague is absolutely correct. If I might tell her that, in the Lake Tahoe case against MTBE, the only cause of action the court allowed was the very one they are trying to do away with, as she pointed out, the defective product liability. It was $45 million to clean up the mess at Lake Tahoe, an area of our Nation that my colleague and I, Senators REID, and others have worked so hard to protect. The fact is, they had a horrible problem because of the boats using the gasoline with MTBE, which is now banned on Lake Tahoe. They went to court to try to get the $45 million. We still don't know. The jury did come back, and they found for the good guys, the plaintiffs.

The PRESIDING OFFICER. The Senator has 1 minute.

Mrs. BOXER. The jury ruled in favor of the plaintiffs. It was made under the defective product cause of action. Had they not had that available to them—which is exactly what this bill would do, eliminate that—they would not have had a case; the people of Lake Tahoe would be stuck paying $45 million. This is a small area.

So, in closing, let me say this: I say to my friends here, please, rise above all of this special interest politics and think about what is good for your people. We know what is good for your people is to make sure they are protected—protected from a product that may cause them and their community harm. If we don't vote for this amendment, I worry and fear for the future.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time? If no one yields time, time will be charged equally.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, would you repeat that statement? What is the status with regard to time?

The PRESIDING OFFICER. If no one uses time, time will be charged equally to both sides. Senator FEINSTEIN has 25 minutes remaining in support of her amendment, and there are 10 minutes in opposition to the Feinstein amendment.

Mr. BINGAMAN. Under the unanimous consent agreement, Senator FEINSTEIN's 25 minutes begins to run at this point?

The PRESIDING OFFICER. That is correct.

Mr. BINGAMAN. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MURKOWSKI. Mr. President, how much time do we have?

The PRESIDING OFFICER. Ten minutes in opposition. Senator FEINSTEIN has 25 minutes, and the time is equally divided in both the support and opposition.

AMENDMENT NO. 3132 WITHDRAWN

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to withdraw amendment No. 3132.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3225

Mrs. FEINSTEIN. Mr. President, I call up amendment No. 3225, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mrs. FEINSTEIN. Mr. President, the amendment I call up is a very modest amendment to the renewable fuels provision in the Senate energy bill. It will simply delay the implementation of the ethanol mandate for 1 year. That would move it from 2004 to 2005.

The purpose of the amendment is to give States more time to make essential infrastructure refinery and storage improvements. This amendment will provide the Senate with the opportunity to make an essential modification to the current bill since virtually every State outside of the Midwest will have to grapple with how to bring in more ethanol over the next several years.

Although the ethanol industry says they can meet future demand, virtually every expert has told me that delivery interruptions and shortfalls are likely, if not inevitable, and yet we are tied to bring in a specific amount. In 2004, the Nation will be forced to use 2.3 billion gallons of ethanol. There is insufficient transportation infrastructure to ship large amounts of ethanol to the east and west coasts, and a temporary reprieve is essential to develop the infrastructure, especially when the infrastructure demands for ethanol are far more complex for ethanol than for MTBE.

Here is why infrastructure is so important. Moisture causes ethanol to separate from gasoline. So the fuel additive cannot be shipped through traditional gasoline pipelines. Ethanol needs to be transported separately by truck, boat, barge, rail, and then blended into the gasoline at the refinery site after it has arrived.

Yet it will not be so easy to transport ethanol by truck, boat, or rail from the Midwest and blend it once it is transported, unless adequate facilities can be built.

According to the California Energy Commission, the adequacy of logistics to deliver large volumes of ethanol is not consistent. A recent report sponsored by the California Energy Commission predicts there will be future logistical problems since the gasoline supply system is currently constrained with demand exceeding the existing infrastructure capacity.

In fact, inadequate infrastructure recently led the Governor of California to push back the start date of the State's ban on MTBE to 2004 from 2003. California does not have the ethanol infrastructure in place to meet the oxygenate requirement under current law once MTBE is banned. The Governor had little choice because California's predicted gas prices at the pump would double if the MTBE ban went into effect as planned in 2003.

This is due in part to the lack of infrastructure. It is also because once MTBE is removed, California needs 5 to 10 percent more gasoline with ethanol. Here is why.

MTBE helps reduce the amount of gasoline needed to make a gallon. Ethanol, however, does not go as far as MTBE, so it increases the amount of gasoline needed to make a gallon. Once we have phased out MTBE, the difference is estimated by experts to require 5 to 10 percent more gasoline in every gallon of gasoline that is produced with ethanol—5 to 10 percent more.

California's refining capacity is at capacity. It is 98 percent, which is capacity. Therefore, we cannot refine 5 to 10 percent more gasoline under the present refining conditions. Therefore, not only are there going to have to be massive improvements in the ability to bring ethanol into the State, but there have to be massive changes made in the refineries themselves, and this is going to take time. Somehow we are going to have to bring online additional refining capacity to handle the tripling of ethanol that is required over the next 10 years by this bill.

This is one of the reasons, from a California perspective, the ethanol mandate is worse for California than for any other State, and for California it is going to spike the cost of gasoline.

Let there be no doubt, we have troubles even the way things are with gasoline supply. As a matter of fact, gas in California is going up. One of the reasons is refinery outages, the shortage of gasoline. That is a very real problem.

This additional year, from 2004 to 2005, will give all States, and especially the east coast and west coast States, an additional year to solve some of these problems.

Before forcing three times the amount of ethanol we currently produce in our fuel supply, I sincerely urge the Senate to adopt this amendment to allow those States that have problems, of which ours is prime, to be able to develop the terminals, the trucks, and the barges to bring in ethanol and the refinery changes that are going to be necessary to produce more gasoline, as well as to absorb ethanol into the situation.

Let me summarize. In the past days, we have made the following points: That the Senate bill requires 5 billion gallons of ethanol by 2012. The mandate will force California to use 2.68 billion gallons more of ethanol than we need to meet clean air standards.

We have proven, I think, that this is a hidden gas tax of anywhere from 4 to 10 percent, and the infrastructure shortfalls in California will most likely put the gas tax hike above that. We have shown there are transportation and infrastructure problems. We have shown there is a dangerously high market concentration.

We point out Archer Daniels Midland has a 41 percent market share. The Wall Street Journal this morning contains a very interesting article on this very subject entitled "ADM Used European Wine For Ethanol." It shows how recent evidence has been uncovered to suggest that ADM engaged in bid rigging, which is a form of price fixing, with respect to European ethanol brought into the United States.

So giving any company a large concentration of market share can also produce exactly what we went through with Enron. We have shown that ethanol has mixed environmental and health benefits. It does decrease carbon monoxide. However, it increases nitrogen oxide emissions, or NO_x, which will increase smog in my State and in other States.

We have demonstrated there will be less revenue to the highway trust fund because gasoline is taxed at 18.4 cents to provide funds for our roads and bridges, but fuel blended with ethanol is only taxed at 13.1 cents. Therefore, this mandate will create an unbelievable $7 billion shortfall in the highway trust fund, and it will provide every State in the Union less dollars to build roads, bridges, and transportation infrastructure.

We have shown, and Senator BOXER did this eloquently, that the safe harbor provision of the bill prevents legal redress if ethanol and other fuel additives harm the environment, because it removes the unsafe product liability cause of action. That is the one cause of action that sustained the cases in California brought on MTBE, and this bill removes it for ethanol.

Why is this in there? Because the oil companies wanted liability protection or they would not go along with the deal that was cut. So they were given liability protection and no one can bring an unsafe product cause of action against ethanol.

We have shown that ethanol is not a renewable fuel because some scientists believe it takes 70 percent more energy to make ethanol than it saves using it, and we have shown that the ethanol mandate will largely benefit producers, not farmers.

Producers will get 70 percent of the benefit; farmers, 30 percent according to one report. We have shown what this amounts to is a massive transfer of wealth.

The bottom line is the ethanol provisions of this bill are a very bad deal and that mandating 5 billion gallons of it, a tripling of it, by 2012, which never had a hearing in the Energy Committee, never saw the light of day before the deal was put together in secret and apparently a majority of the Senate is going to support it, we ask one thing, and that is that California and other States that need it, on the east coast and on the west coast especially, be given one more year to increase the refining capacity, to improve the infrastructure, to see that the terminals are in place and that we can, in fact, triple ethanol and have enough gasoline to supply our need.

It is my understanding the junior Senator from California would like to ask a question.

Mrs. BOXER. I do want to ask a question, but first I want to thank my colleague for this very modest amendment. I am stunned that our friends in the ethanol caucus have so far not acceded to it. This is my feeling, and I ask my friend if she agrees with me. As she has so eloquently pointed out, we need to build an infrastructure to receive this ethanol. We have to make sure we know what we are doing and we do not rush this. If we rush this and the Senator's amendment is not adopted, I think it is possible there could be huge hostility toward the use of ethanol, and when the people of our country get upset about taxation without representation—and that is how they are going to feel because, as my friend has pointed out, this is like a tax on gasoline for us—there is no telling what is going to happen in this country in places where they are hit.

If we put that together with this terrible article that ran yesterday, "Memos Show Possible Ethanol Price-fixing," with the legitimate issues of building an infrastructure, together with the fact we do not know the health impacts, if they rush this there could be an explosion of resentment in the country.

There is a 2-year study on the health effects in the bill. Until that is done, until that is analyzed, this could take us into 2005. If we find out, for example, there is a way to mitigate some of the problems, we would have time to fix the infrastructure in a way to contain the problem.

My question to my friend, in addition to thanking her for her leadership on this, is, does she not believe if we are all really on the level and we are being sincere, that this is a friendly amendment to both sides because it would, in fact, give us more time to accommodate for the use of the ethanol, would give us more information on the impacts of the ethanol, and it would allow us to do this in an orderly way without great disruption to the marketplace and at the pumps.

Mrs. FEINSTEIN. I respond to the junior Senator by saying she is absolutely right. She has phrased it in a very kind and gentle way. I am afraid I feel more adamantly about it, because I am 100 percent certain this is a big gas tax increase for our people.

We have the longest commutes in the Nation now with people commuting as much as 2½ hours to get to work from Stockton to the Bay Area. This is going to be a real hardship. Our State is complicated because we do not have the refining capacity to refine the additional gasoline that ethanol is going to require. We talked about this yesterday. I went back and checked the figures, and our state will require 5 to 10 percent additional gasoline once we ban MTBE, but to force ethanol down our throats at the same time is a recipe for disaster.

Therefore, we will not have the refining ability to refine that because our refineries are at capacity.

So the infrastructure need of our State is much greater because it is going to mean additional refining capacity. That is not cheap or easy to produce, because you have to go through zoning, you have to go through local governments, you have to conduct environmental reports, to increase the refining capacity of our refineries.

Additionally, our refineries are old and they break down. We have had two breakdowns of major refineries, as the junior Senator knows, and that spikes the price of gasoline. The Senator is right. All this amendment says is, give us another year. Instead of 2004, make it 2005. Give us and other states a chance to produce our additional refining capacity and to meet the additional infrastructure needs.

The Senator from New York is in the chair. She knows the hardship that New York is going to occasion because of this. It gives New York an additional year to be able to make substantial infrastructure changes.

Neither California nor New York have much by the way of ethanol plants. Everything has to come in from the Midwest. Weather is going to impact it. It has to come in by truck or rail or boat. Then it has to be transported to a refinery and injected into the gasoline.

We are saying: Please, you have the votes out there. You know it will present considerable hardship to some. At least be generous enough to give an extra year to be able to get ready for it.

I thank the Senator for her question, and I yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). The Senator from Iowa.

Mr. GRASSLEY. Madam President, obviously, I am against this amendment. The rest of the country is trying to help California get through their oxygenate standards and to get over the business of polluting water with MTBE which their oil companies wanted to use and got a mandate for in the last Clean Air Act.

Somehow, notwithstanding all this help, the Senators from California do not realize how good the agricultural States and even other States are trying to be to California to get through this problem. For example, a lot of farmer cooperatives have helped invest $1.4 billion in small ethanol plants and ethanol expansion in order to provide the product needed to help California to meet the requirements of the Clean Air Act.

We already have the Governor of California sticking it to the farmers—particularly the farmers who have created the small co-ops to produce ethanol—by delaying one year, the MTBE ban that he said 3 years ago would take effect at the end of this year. So now farmers have to wait through 2003 before they get the market created by the MTBE ban. It is putting the investment of these small co-ops in danger.

The Senators from California can talk all they want about helping ADM. ADM will survive. The financial investments of the small co-ops will be harmed.

So now, in addition to the damage the Governor of California has been done by delaying the MTBE ban by 1 year, now the Senators want to delay another year.

The Senators will help ADM and hurt the farmers who have been trying to build the smaller plants so there is more competition in ethanol and also more value-added benefits of ethanol go to the individual family farmer, instead of ADM.

So I make it clear, this 1 more year delay, in addition to the year delay caused by the Governor of California, is doing damage to the people that Senators say they want to help. Senators say they do not want dependence upon ADM, but they will make themselves more dependent on ADM.

And now to clear up something about the mixture of ethanol with gasoline. The senior Senator from California said you bring ethanol to the refinery and it is injected. Let me tell how simple it is to mix ethanol and gasoline together. In the tanker, you put the 10-percent mix of ethanol in the tanker and add the other 90 percent of gasoline. This can be done at the terminal, not at the refinery. You go down the road and it is splash blended. It is not a technologically complicated process of mixing ethanol with gasoline to create what we call gasohol.

The other thing I think the Senate should be reminded of regarding not having refinery capacity, how long has it been since you built a refinery in California? It has been decades. That is not our problem; that is your problem that you don't have this refinery capacity because of the attitude "not in my backyard."

Now, key points regarding this amendment: The bill before the Senate provides for a gradual phase-in of the use of renewable fuels beginning with 2.3 billion gallons in the year 2004 and growing to 5 billion gallons over an additional 8-year-period of time. So there is plenty of time to meet the needs under this legislation.

The gradual phase-in of the renewable fuels standard provides a very orderly transition allowing ethanol capacity and infrastructure modifications to expand to meet market demand.

Nevertheless, we have this delaying tactic before the Senate. It is being presented out of fear of disruptions of supply and price. The facts show there is no need to delay our fuel standard and there is no fear of disruptions. The original agreement implemented the renewable fuels provisions beginning 2003 in an effort to assure all parties that ethanol capacity expansion and infrastructure modifications needed to meet demand would be completed, and we made the renewable portfolio standards delayed by 1 year, until the year 2004.

The U.S. ethanol industry has the capacity to produce 2.3 billion gallons of ethanol per year. Right now we produce 1.8 billion gallons per year. Plants currently under construction will increase capacity to 2.7 billion gallons by the end of this year. Clearly, there is more than enough ethanol capacity to meet the needs of the first year of the program, beginning 2 years from now.

Ethanol producers have expanded capacity to meet demands. In response to State calls for the removal of MTBE from gasoline, America's farmers responded, investing in ethanol plants and adding 1 billion gallons of new capacity in just these 2 years. Delaying the renewable fuels provision will result in significant oversupply in the ethanol market, harming new entrants in the ethanol market. Predominantly, these are farmer owned facilities, likely resulting in some plant shutdown.

A delay will wreak havoc on the fuel supply markets as ethanol plants shut down as a result of delay. The petroleum industry will lose potential sources of supply necessary to meet renewable fuel requirements the following year when the program begins, disrupting markets and actually raising the potential for price increases to consumers.

By the way, I want to respond to the so-called tax on consumers. There is not any place I have been in my State that you have to pay one penny more for gasoline with ethanol in it. Most times you get it for 2 cents cheaper, sometimes 3 cents cheaper. Most of the time it is priced exactly the same. Don't talk to me about a tax on consumers because ethanol is in gasoline.

Today, oil refineries are operating at near full capacity, leaving no room in the system for unexpected shutdowns, fires, or pipeline disruptions.

Delaying the renewable fuels provision by a year will further constrain domestic supply, leaving consumers vulnerable to price hikes.

Last, I think we also have to remember there is a certain amount of camaraderie around this body that has to be respected. That is that we do have some very basic agreements put together in regard to getting a bipartisan energy bill through this body.

The historic bipartisan compromise on fuels issues in this bill represents a carefully crafted agreement among oil industry, ethanol producers, agricultural groups, environmental and public health interest groups, including the American Lung Association, the Union of Concerned Scientists, and Northeast States for Coordinated Air Use Management, among others.

So let's keep this carefully crafted agreement together so we can get a bill passed and maintain a bipartisan approach to the energy problems of this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Madam President, how much time do I have?

The PRESIDING OFFICER. Six minutes.

Mrs. FEINSTEIN. Madam President, I would like to respond to the Senator. I found his comments really quite amazing. On the one hand, he was saying how generous he was being to California; on the other hand, he was saying: Tough, if it spikes your cost of gasoline; tough, if you don't have enough refinery capability, that is your fault. I am for the farmers in the Midwest, and all the rest of you be damned.

I don't appreciate that very much. I will tell you something: When the price of gasoline does spike and people are calling, I will refer them to your office, Senator, and be happy to do so. We are being forced to use something we do not need. It would be one thing if we needed it to meet clean air standards.

We are being forced to use 2.68 billion gallons of ethanol we do not need in California to meet clean air standards. I resent that.

I resent that the policy of the United States Senate mandates that we have to use something we do not need that is going to cost us more, that is going to prevent us from getting highway money and transportation money because it is going to cut the highway trust fund by $7 billion.

I resent the fact that I am on the Energy Committee and this bill was not even run by the committee; that there has been no public hearing held on any part of it. I resent that fact.

I resent the fact that you don't care whether my State has the refining capacity or not to meet this in time. We have tried to be nice all during this debate, but I resent the fact that this is a deal cut in secret, when nobody who is affected adversely has a chance to weigh in.

I resent the fact that we have no chance to get experts before a committee, to say what we do and do not know about ethanol.

I resent the fact that everybody says it is just great, when scientists have said it may have real problems attributed to it and we cannot even have a hearing to listen to those problems. I resent that. I do not think it is good public policy. It might be good in a political campaign.

I resent the fact that I had the refiners, the ethanol people and the corn farmers, in my office for 8 months trying to negotiate something that California could live with, and then both Presidential candidates announced their support of ethanol and the corn growers reversed and said: Forget you, we are not going to negotiate with you; now we can get much more. And the "much more" has resulted in a tripling of an additive we do not need.

Senator BOXER and I are standing here like two lone sheep trying to make an argument when the deal has already been cut, when we have never been consulted. The Senator from New York, what is she going to do when her gasoline price spikes—because it is going to—because we did not have that opportunity?

I resent that as public policy. I have every right to. I represent 34.5 million people, the fifth-largest economic engine on Earth, and we are being told: It is good for corn farmers, so, you guys, lay down and take it. I am being told: Oh, we have a credit trading system. But the fact of the matter is, if you really read the fine print: Use it or pay for it.

I have a problem with that public policy. And I have every right to stand on this Senate floor and say I have a problem with it, and say I think this is unfair, and say I think it is done in the dark of night, and say I do not think anybody who is really affected by it has been let into that secret, dark room.

Yes, you have all cut your deal, and both coasts are going to suffer because of it.

I talk to Senators who I was surprised were in on the deal. What they told me was: We had to, or they would not let us stop using MTBE. We had to, or they would not let us stop using MTBE. That is the way public policy is made.

It is wrong. I am sorry, it is wrong. We lose today, but guess what, we will watch this thing. We will watch this with the eyes of a hawk. You can be sure we will have more to say about it because it is bad public policy. To mandate States to use something they don't need, when they can meet clean air standards with reformulated fuel except for a small part of the year, in a certain market—it is wrong. It is bad public policy.

Mrs. BOXER. Will my colleague yield for a question?

Mrs. FEINSTEIN. I will be happy to yield because my adrenaline will then drop and my blood pressure will as well.

Mrs. BOXER. I say to my colleague, she had every right to exhibit the feelings she did, when we are told on the floor: Don't come and tell us about price increases.

Our State has gone through the proverbial nightmare with electricity prices because they were manipulated, because the supply was manipulated, because there was no transparency, because a few companies got together and did it to us. Now we are walking into this situation because of our colleagues who have a special interest in this. I understand it, but don't stand on the floor and say: Don't tell me about price increases.

Your administration, the administration in charge, the Bush administration, has put out a chart. What I want to ask my colleague is this: Didn't Spencer Abraham put out a chart that showed us that this administration believes the price of gasoline in California will go up 9 cents? This is not something we are making up. Is that not a fact?

The PRESIDING OFFICER. The time of the Senator has expired.

Mrs. BOXER. I ask for 30 more seconds so she can respond.

Mr. REID. There is no time.

Mrs. BOXER. May she have 30 seconds to respond to my question, please?

Mr. REID. I object.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Yes. The Senator from Nevada has 2½ minutes. I yield 2 minutes of that to the Senator from Nebraska, Mr. NELSON.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NELSON of Nebraska. Madam President, one of the questions raised continuously throughout this debate, and it continues to be a question, is: Will there be enough volume, will there be enough production capacity to handle these requirements? Let me refer to the chart we have here that shows there are 61 plants today, plants that are in operation; 14 are under construction—and they claim 82 percent of capacity is in production. We can do better. Biodiesel is estimated to provide another 100 million gallons of ethanol equivalent.

As you begin to see the capacity and production, you see that we have the additional capacity in excess of the production we have at the present time. So the whole question about whether or not we will have enough production, will there be enough ethanol, I think should be put to bed.

The other point that needs to be made is, will this raise the price of gasoline because of the cost of ethanol? Frankly, by reducing the amount of gasoline used, because of the additive, it will drive down the supply of gasoline, which I think will also, if you will—and the use of ethanol as a part of that—not increase the cost of gasoline but will in fact decrease the cost of gasoline. The evidence really exists that this is what the marketplace has been doing over the last 10 to 20 years in many States across the country.

I can understand the concern that has been raised. But I think we have to deal with the facts. If we are going to deal with concerns, the best way to deal with them is with facts. I think the facts have shown capacity, have shown prices, and haven't gone up. I think we can conclude that there will be enough capacity and that the prices will not go up as has been suggested.

I yield the floor.

Mr. REID. Madam President, I yield the final 30 seconds to the Senator from California.

The PRESIDING OFFICER. The Senator from California is yielded the final 30 seconds.

Mrs. FEINSTEIN. Madam President, once again, this is just a very modest amendment. It delays the implementation of this mandate by 1 year, until 2005. It gives both coasts of the United States the opportunity to do what they need to do to increase refining capacity, to develop the terminals, to develop the truck fleet, and to get ready for what is going to be a massive infusion of a product that can't be shipped by pipe. It has to be shipped by truck or by rail or by barge.

I hope the Senate will allow us this additional year to get ready for this unfortunate mandate.

AMENDMENTS NOS. 3332, 3333, 3370, 3372, 3239, AS MODIFIED, 3146, AS MODIFIED AND FURTHER MODIFIED, 3082, 3355, AND 3335

Mr. REID. Madam President, prior to the vote taking place, there are some housekeeping matters.

I ask unanimous consent the pending amendments be temporarily set aside in order for the following filed amendments to be offered in the order in which they are listed below. I further ask unanimous consent that following the reporting of these amendments they be set aside in the order offered:

Kyl No. 3332; Kyl No. 3333; Graham No. 3370; Graham No. 3372; Brownback No. 3239, as modified; Hagel No. 3146, as modified, with a further modification now at the desk; Baucus No. 3082; Conrad-Smith No. 3355; and Sessions No. 3335.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 3332, 3333, 3370, 3372, 3239, as modified, 3146, as further modified, 3082, 3355, and 3335) are as follows:

AMENDMENT NO. 3332

(Purpose: To strike the extension of the credit for producing electricity from wind)

In Division H, on page 4, line 8, strike "Subparagraphs (A) and" and insert "Subparagraph".

AMENDMENT NO. 3333

(Purpose: To strike the provisions relating to alternative vehicles and fuels incentives)

In Division H, beginning on page 17, line 9, strike all through page 55, line 6.

AMENDMENT NO. 3370

(Purpose: To strike section 2308 of Division H (relating to energy tax incentives))

In Division H, (relating to energy tax incentives), strike section 2308.

AMENDMENT NO. 3372

(Purpose: To limit the effective dates of the provisions of Division H (relating to energy tax incentives))

In Division H, on page 216, after line 21, add the following:

SEC. . LIMITATION ON EFFECTIVE DATES.

Notwithstanding any other provision of this division, no provision of nor any amendment made by this division shall take effect until the date of the enactment of legislation which raises Federal revenues or reduces Federal spending sufficient to offset the Federal budgetary cost of such provisions and amendments for the 10-fiscal year period beginning on October 1, 2002.

AMENDMENT NO. 3239, AS MODIFIED

Strike all after the title heading and insert the following:

SEC. 1101. PURPOSE.

The purpose of this title is to establish a greenhouse gas inventory, reductions registry, and information system that—

(1) are complete, consistent, transparent, and accurate;

(2) will create reliable and accurate data that can be used by public and private entities to design efficient and effective greenhouse gas emission reduction strategies; and

(3) will acknowledge and encourage greenhouse gas emission reductions.

SEC. 1102. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) BASELINE.—The term "baseline" means the historic greenhouse gas emission levels of an entity, as adjusted upward by the designated agency to reflect actual reductions that are verified in accordance with—

(A) regulations promulgated under section 1104(c)(1); and

(B) relevant standards and methods developed under this title.

(3) DATABASE.—The term "database" means the National Greenhouse Gas Database established under section 1104.

(4) DESIGNATED AGENCY.—The term "designated agency" means a department or agency to which responsibility for a function or program is assigned under the memorandum of agreement entered into under section 1103(a).

(5) DIRECT EMISSIONS.—The term "direct emissions" means greenhouse gas emissions by an entity from a facility that is owned or controlled by that entity.

(6) ENTITY.—The term "entity" means—

(A) a person located in the United States; or

(B) a public or private entity, to the extent that the entity operates in the United States.

(7) FACILITY.—The term "facility" means—

(A) all buildings, structures, or installations located on any 1 or more contiguous or adjacent properties of an entity in the United States; and

(B) a fleet of 20 or more motor vehicles under the common control of an entity.

(8) GREENHOUSE GAS.—The term "greenhouse gas" means—

(A) carbon dioxide;

(B) methane;

(C) nitrous oxide;

(D) hydrofluorocarbons;

(E) perfluorocarbons;

(F) sulfur hexafluoride; and

(G) any other anthropogenic climate-forcing emissions with significant ascertainable global warming potential, as—

(i) recommended by the National Academy of Sciences under section 1107(b)(3); and

(ii) determined in regulations promulgated under section 1104(c)(1) (or revisions to the regulations) to be appropriate and practicable for coverage under this title.

(9) INDIRECT EMISSIONS.—The term "indirect emissions" means greenhouse gas emissions that—

(A) are a result of the activities of an entity; but

(B)(i) are emitted from a facility owned or controlled by another entity; and

(ii) are not reported as direct emissions by the entity the activities of which resulted in the emissions.

(10) REGISTRY.—The term "registry" means the registry of greenhouse gas emission reductions established as a component of the database under section 1104(b)(2).

(11) SEQUESTRATION.—

(A) IN GENERAL.—The term "sequestration" means the capture, long-term separation, isolation, or removal of greenhouse gases from the atmosphere.

(B) INCLUSIONS.—The term "sequestration" includes—

(i) soil carbon sequestration;

(ii) agricultural and conservation practices;

(iii) reforestation;

(iv) forest preservation;

(v) maintenance of an underground reservoir; and

(vi) any other appropriate biological or geological method of capture, isolation, or removal of greenhouse gases from the atmosphere, as determined by the Administrator.

SEC. 1103. ESTABLISHMENT OF MEMORANDUM OF AGREEMENT.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the President, acting through the Director of the Office of National Climate Change Policy, shall direct the Secretary of Energy, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Transportation, and the Administrator to enter into a memorandum of agreement under which those heads of Federal agencies will—

(1) recognize and maintain statutory and regulatory authorities, functions, and programs that—

(A) are established as of the date of enactment of this Act under other law;

(B) provide for the collection of data relating to greenhouse gas emissions and effects; and

(C) are necessary for the operation of the database;

(2)(A) distribute additional responsibilities and activities identified under this title to Federal departments or agencies in accordance with the missions and expertise of those departments and agencies; and

(B) maximize the use of available resources of those departments and agencies; and

(3) provide for the comprehensive collection and analysis of data on greenhouse gas emissions relating to product use (including the use of fossil fuels and energy-consuming appliances and vehicles).

(b) MINIMUM REQUIREMENTS.—The memorandum of agreement entered into under subsection (a) shall, at a minimum, retain the following functions for the designated agencies:

(1) DEPARTMENT OF ENERGY.—The Secretary of Energy shall be primarily responsible for developing, maintaining, and verifying the registry and the emission reductions reported under section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)).

(2) DEPARTMENT OF COMMERCE.—The Secretary of Commerce shall be primarily responsible for the development of—

(A) measurement standards for the monitoring of emissions; and

(B) verification technologies and methods to ensure the maintenance of a consistent and technically accurate record of emissions, emission reductions, and atmospheric concentrations of greenhouse gases for the database.

(3) ENVIRONMENTAL PROTECTION AGENCY.—The Administrator shall be primarily responsible for—

(A) emissions monitoring, measurement, verification, and data collection under this title and title IV (relating to acid deposition control) and title VIII of the Clean Air Act (42 U.S.C. 7651 et seq.), including mobile source emissions information from implementation of the corporate average fuel economy program under chapter 329 of title 49, United States Code; and

(B) responsibilities of the Environmental Protection Agency relating to completion of the national inventory for compliance with the United Nations Framework Convention on Climate Change, done at New York on May 9, 1992.

(4) DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall be primarily responsible for—

(A) developing measurement techniques for—

(i) soil carbon sequestration; and

(ii) forest preservation and reforestation activities; and

(B) providing technical advice relating to biological carbon sequestration measurement and verification standards for measuring greenhouse gas emission reductions or offsets.

(c) DRAFT MEMORANDUM OF AGREEMENT.—Not later than 15 months after the date of enactment of this Act, the President, acting through the Director of the Office of National Climate Change Policy, shall publish in the Federal Register, and solicit comments on, a draft version of the memorandum of agreement described in subsection (a).

(d) NO JUDICIAL REVIEW.—The final version of the memorandum of agreement shall not be subject to judicial review.

SEC. 1104. NATIONAL GREENHOUSE GAS DATABASE.

(a) ESTABLISHMENT.—As soon as practicable after the date of enactment of this Act, the designated agencies, in consultation with the private sector and nongovernmental organizations, shall jointly establish, operate, and maintain a database, to be known as the "National Greenhouse Gas Database", to collect, verify, and analyze information on greenhouse gas emissions by entities.

(b) NATIONAL GREENHOUSE GAS DATABASE COMPONENTS.—The database shall consist of—

(1) an inventory of greenhouse gas emissions; and

(2) a registry of greenhouse gas emission reductions.

(c) COMPREHENSIVE SYSTEM.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the designated agencies shall jointly promulgate regulations to implement a comprehensive system for greenhouse gas emissions reporting, inventorying, and reductions registration.

(2) REQUIREMENTS.—The designated agencies shall ensure, to the maximum extent practicable, that—

(A) the comprehensive system described in paragraph (1) is designed to—

(i) maximize completeness, transparency, and accuracy of information reported; and

(ii) minimize costs incurred by entities in measuring and reporting greenhouse gas emissions; and

(B) the regulations promulgated under paragraph (1) establish procedures and protocols necessary—

(i) to prevent the reporting of some or all of the same greenhouse gas emissions or emission reductions by more than 1 reporting entity;

(ii) to provide for corrections to errors in data submitted to the database;

(iii) to provide for adjustment to data by reporting entities that have had a significant organizational change (including mergers, acquisitions, and divestiture), in order to maintain comparability among data in the database over time;

(iv) to provide for adjustments to reflect new technologies or methods for measuring or calculating greenhouse gas emissions; and

(v) to account for changes in registration of ownership of emission reductions resulting from a voluntary private transaction between reporting entities.

(3) BASELINE IDENTIFICATION AND PROTECTION.—Through regulations promulgated under paragraph (1), the designated agencies shall develop and implement a system that provides—

(A) for the provision of unique serial numbers to identify the verified emission reductions made by an entity relative to the baseline of the entity;

(B) for the tracking of the reductions associated with the serial numbers; and

(C) that the reductions may be applied, as [determined to be appropriate by any Act of] Congress enacted after the date of enactment of this Act, toward a Federal requirement under such an Act that is imposed on the entity for the purpose of reducing greenhouse gas emissions.

SEC. 1105. GREENHOUSE GAS REDUCTION REPORTING.

(a) IN GENERAL.—An entity that participates in the registry shall meet the requirements described in subsection (b).

(b) REQUIREMENTS.—

(1) IN GENERAL.—The requirements referred to in subsection (a) are that an entity (other than an entity described in paragraph (2)) shall—

(A) establish a baseline (including all of the entity's greenhouse gas emissions on an entity-wide basis); and

(B) submit the report described in subsection (c)(1).

(2) REQUIREMENTS APPLICABLE TO ENTITIES ENTERING INTO CERTAIN AGREEMENTS.—An entity that enters into an agreement with a participant in the registry for the purpose of a carbon sequestration project shall not be required to comply with the requirements specified in paragraph (1) unless that entity is required to comply with the requirements by reason of an activity other than the agreement.

(c) REPORTS.—

(1) REQUIRED REPORT.—Not later than April 1 of the third calendar year that begins after the date of enactment of this Act, and not later than April 1 of each calendar year thereafter, subject to paragraph (3), an entity described in subsection (a) shall submit to each appropriate designated agency a report that describes, for the preceding calendar year, the entity-wide greenhouse gas emissions (as reported at the facility level), including—

(A) the total quantity of each greenhouse gas emitted, expressed in terms of mass and in terms of the quantity of carbon dioxide equivalent;

(B) an estimate of the greenhouse gas emissions from fossil fuel combusted by products manufactured and sold by the entity in the previous calendar year, determined over the average lifetime of those products; and

(C) such other categories of emissions as the designated agency determines in the regulations promulgated under section 1104(c)(1) may be practicable and useful for the purposes of this title, such as—

(i) direct emissions from stationary sources;

(ii) indirect emissions from imported electricity, heat, and steam;

(iii) process and fugitive emissions; and

(iv) production or importation of greenhouse gases.

(2) VOLUNTARY REPORTING.—An entity described in subsection (a) may (along with establishing a baseline and reporting reductions under this section)—

(A) submit a report described in paragraph (1) before the date specified in that paragraph for the purposes of achieving and commoditizing greenhouse gas reductions through use of the registry; and

(B) submit to any designated agency, for inclusion in the registry, information that has been verified in accordance with regulations promulgated under section 1104(c)(1) and that relates to—

(i) with respect to the calendar year preceding the calendar year in which the information is submitted, and with respect to any greenhouse gas emitted by the entity—

(I) project reductions from facilities owned or controlled by the reporting entity in the United States;

(II) transfers of project reductions to and from any other entity;

(III) project reductions and transfers of project reductions outside the United States;

(IV) other indirect emissions that are not required to be reported under paragraph (1); and

(V) product use phase emissions;

(ii) with respect to greenhouse gas emission reductions activities of the entity that have been carried out during or after 1990, verified in accordance with regulations promulgated under section 1104(c)(1), and submitted to 1 or more designated agencies before the date that is 4 years after the date of enactment of this Act, any greenhouse gas emission reductions that have been reported or submitted by an entity under—

(I) section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)); or

(II) any other Federal or State voluntary greenhouse gas reduction program; and

(iii) any project or activity for the reduction of greenhouse gas emissions or sequestration of a greenhouse gas that is carried out by the entity, including a project or activity relating to—

(I) fuel switching;

(II) energy efficiency improvements;

(III) use of renewable energy;

(IV) use of combined heat and power systems;

(V) management of cropland, grassland, or grazing land;

(VI) a forestry activity that increases forest carbon stocks or reduces forest carbon emissions;

(VII) carbon capture and storage;

(VIII) methane recovery;

(IX) greenhouse gas offset investment; and

(X) any other practice for achieving greenhouse gas reductions as recognized by 1 or more designated agencies.

(3) EXEMPTIONS FROM REPORTING.—

(A) IN GENERAL.—If the Director of the Office of National Climate Change Policy determines under section 1108(b) that the reporting requirements under paragraph (1) shall apply to all entities (other than entities exempted by this paragraph), regardless of participation or nonparticipation in the registry, an entity shall be required to submit reports under paragraph (1) only if, in any calendar year after the date of enactment of this Act—

(i) the total greenhouse gas emissions of at least 1 facility owned by the entity exceeds 10,000 metric tons of carbon dioxide equivalent (or such greater quantity as may be established by a designated agency by regulation); or

(ii)(I) the total quantity of greenhouse gases produced, distributed, or imported by the entity exceeds 10,000 metric tons of carbon dioxide equivalent (or such greater quantity as may be established by a designated agency by regulation); and

(II) the entity is not a feedlot or other farming operation (as defined in section 101 of title 11, United States Code).

(B) ENTITIES ALREADY REPORTING.—

(i) IN GENERAL.—An entity that, as of the date of enactment of this Act, is required to report carbon dioxide emissions data to a Federal agency shall not be required to re-report that data for the purposes of this title.

(ii) REVIEW OF PARTICIPATION.—For the purpose of section 1108, emissions reported under clause (i) shall be considered to be reported by the entity to the registry.

(4) PROVISION OF VERIFICATION INFORMATION BY REPORTING ENTITIES.—Each entity that submits a report under this subsection shall

provide information sufficient for each designated agency to which the report is submitted to verify, in accordance with measurement and verification methods and standards developed under section 1106, that the greenhouse gas report of the reporting entity—

(A) has been accurately reported; and

(B) in the case of each voluntary report under paragraph (2), represents—

(i) actual reductions in direct greenhouse gas emissions—

(I) relative to historic emission levels of the entity; and

(II) net of any increases in—

(aa) direct emissions; and

(bb) indirect emissions described in paragraph (1)(C)(ii); or

(ii) actual increases in net sequestration.

(5) FAILURE TO SUBMIT REPORT.—An entity that participates or has participated in the registry and that fails to submit a report required under this subsection shall be prohibited from including emission reductions reported to the registry in the calculation of the baseline of the entity in future years.

(6) INDEPENDENT THIRD-PARTY VERIFICATION.—To meet the requirements of this section and section 1106, a entity that is required to submit a report under this section may—

(A) obtain independent third-party verification; and

(B) present the results of the third-party verification to each appropriate designated agency.

(7) AVAILABILITY OF DATA.—

(A) IN GENERAL.—The designated agencies shall ensure, to the maximum extent practicable, that information in the database is—

(i) published;

(ii) accessible to the public; and

(iii) made available in electronic format on the Internet.

(B) EXCEPTION.—Subparagraph (A) shall not apply in any case in which the designated agencies determine that publishing or otherwise making available information described in that subparagraph poses a risk to national security.

(8) DATA INFRASTRUCTURE.—The designated agencies shall ensure, to the maximum extent practicable, that the database uses, and is integrated with, Federal, State, and regional greenhouse gas data collection and reporting systems in effect as of the date of enactment of this Act.

(9) ADDITIONAL ISSUES TO BE CONSIDERED.—In promulgating the regulations under section 1104(c)(1) and implementing the database, the designated agencies shall take into consideration a broad range of issues involved in establishing an effective database, including—

(A) the appropriate units for reporting each greenhouse gas;

(B) the data and information systems and measures necessary to identify, track, and verify greenhouse gas emission reductions in a manner that will encourage the development of private sector trading and exchanges;

(C) the greenhouse gas reduction and sequestration methods and standards applied in other countries, as applicable or relevant;

(D) the extent to which available fossil fuels, greenhouse gas emissions, and greenhouse gas production and importation data are adequate to implement the database;

(E) the differences in, and potential uniqueness of, the facilities, operations, and business and other relevant practices of persons and entities in the private and public sectors that may be expected to participate in the registry; and

(F) the need of the registry to maintain valid and reliable information on baselines of entities so that, in the event of any future action by Congress to require entities, individually or collectively, to reduce greenhouse gas emissions, Congress will be able—

(i) to take into account that information; and

(ii) to avoid enacting legislation that penalizes entities for achieving and reporting reductions.

(d) ANNUAL REPORT.—The designated agencies shall jointly publish an annual report that—

(1) describes the total greenhouse gas emissions and emission reductions reported to the database during the year covered by the report;

(2) provides entity-by-entity and sector-by-sector analyses of the emissions and emission reductions reported;

(3) describes the atmospheric concentrations of greenhouse gases; and

(4) provides a comparison of current and past atmospheric concentrations of greenhouse gases.

SEC. 1106. MEASUREMENT AND VERIFICATION.

(a) STANDARDS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the designated agencies shall jointly develop comprehensive measurement and verification methods and standards to ensure a consistent and technically accurate record of greenhouse gas emissions, emission reductions, sequestration, and atmospheric concentrations for use in the registry.

(2) REQUIREMENTS.—The methods and standards developed under paragraph (1) shall address the need for—

(A) standardized measurement and verification practices for reports made by all entities participating in the registry, taking into account—

(i) protocols and standards in use by entities desiring to participate in the registry as of the date of development of the methods and standards under paragraph (1);

(ii) boundary issues, such as leakage and shifted use;

(iii) avoidance of double counting of greenhouse gas emissions and emission reductions; and

(iv) such other factors as the designated agencies determine to be appropriate;

(B) measurement and verification of actions taken to reduce, avoid, or sequester greenhouse gas emissions;

(C) in coordination with the Secretary of Agriculture, measurement of the results of the use of carbon sequestration and carbon recapture technologies, including—

(i) organic soil carbon sequestration practices; and

(ii) forest preservation and reforestation activities that adequately address the issues of permanence, leakage, and verification;

(D) such other measurement and verification standards as the Secretary of Commerce, the Secretary of Agriculture, the Administrator, and the Secretary of Energy determine to be appropriate; and

(E) other factors that, as determined by the designated agencies, will allow entities to adequately establish a fair and reliable measurement and reporting system.

(b) REVIEW AND REVISION.—The designated agencies shall periodically review, and revise as necessary, the methods and standards developed under subsection (a).

(c) PUBLIC PARTICIPATION.—The Secretary of Commerce shall—

(1) make available to the public for comment, in draft form and for a period of at least 90 days, the methods and standards developed under subsection (a); and

(2) after the 90-day period referred to in paragraph (1), in coordination with the Secretary of Energy, the Secretary of Agriculture, and the Administrator, adopt the methods and standards developed under subsection (a) for use in implementing the database.

(d) EXPERTS AND CONSULTANTS.—

(1) IN GENERAL.—The designated agencies may obtain the services of experts and consultants in the private and nonprofit sectors in accordance with section 3109 of title 5, United States Code, in the areas of greenhouse gas measurement, certification, and emission trading.

(2) AVAILABLE ARRANGEMENTS.—In obtaining any service described in paragraph (1), the designated agencies may use any available grant, contract, cooperative agreement, or other arrangement authorized by law.

SEC. 1107. INDEPENDENT REVIEWS.

(a) IN GENERAL.—Not later than 5 years after the date of enactment of this Act, and every 3 years thereafter, the Comptroller General of the United States shall submit to Congress a report that—

(1) describes the efficacy of the implementation and operation of the database; and

(2) includes any recommendations for improvements to this title and programs carried out under this title—

(A) to achieve a consistent and technically accurate record of greenhouse gas emissions, emission reductions, and atmospheric concentrations; and

(B) to achieve the purposes of this title.

(b) REVIEW OF SCIENTIFIC METHODS.—The designated agencies shall enter into an agreement with the National Academy of Sciences under which the National Academy of Sciences shall—

(1) review the scientific methods, assumptions, and standards used by the designated agencies in implementing this title;

(2) not later than 4 years after the date of enactment of this Act, submit to Congress a report that describes any recommendations for improving—

(A) those methods and standards; and

(B) related elements of the programs, and structure of the database, established by this title; and

(3) regularly review and update as appropriate the list of anthropogenic climate-forcing emissions with significant global warming potential described in section 1102(8)(G).

SEC. 1108. REVIEW OF PARTICIPATION.

(a) IN GENERAL.—Not later than 5 years after the date of enactment of this Act, the Director of the Office of National Climate Change Policy shall determine whether the reports submitted to the registry under section 1105(c)(1) represent less than 60 percent of the national aggregate anthropogenic greenhouse gas emissions.

(b) INCREASED APPLICABILITY OF REQUIREMENTS.—If the Director of the Office of National Climate Change Policy determines under subsection (a) that less than 60 percent of the aggregate national anthropogenic greenhouse gas emissions are being reported to the registry—

(1) the reporting requirements under section 1105(c)(1) shall apply to all entities (except entities exempted under section 1105(c)(3)), regardless of any participation or nonparticipation by the entities in the registry; and

(2) each entity shall submit a report described in section 1105(c)(1)—

(A) not later than the earlier of—

(i) April 30 of the calendar year immediately following the year in which the Director of the Office of National Climate Change Policy makes the determination under subsection (a); or

(ii) the date that is 1 year after the date on which the Director of the Office of National Climate Change Policy makes the determination under subsection (a); and

(B) annually thereafter.

(c) RESOLUTION OF DISAPPROVAL.—For the purposes of this section, the determination of the Director of the Office of National Climate Change Policy under subsection (a) shall be considered to be a major rule (as defined in section 804(2) of title 5, United States Code) subject to the congressional disapproval procedure under section 802 of title 5, United States Code.

SEC. 1109. ENFORCEMENT.

If an entity that is required to report greenhouse gas emissions under section 1105(c)(1) or 1108 fails to comply with that requirement, the Attorney General may, at the request of the designated agencies, bring a civil action in United States district court against the entity to impose on the entity a civil penalty of not more than $25,000 for each day for which the entity fails to comply with that requirement.

SEC. 1110. REPORT ON STATUTORY CHANGES AND HARMONIZATION.

Not later than 3 years after the date of enactment of this Act, the President shall submit to Congress a report that describes any modifications to this title or any other provision of law that are necessary to improve the accuracy or operation of the database and related programs under this title.

SEC. 1111. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title.

AMENDMENT NO. 3146, AS FURTHER MODIFIED

(Purpose: To establish a national registry for accurate and reliable reports of greenhouse gas emissions, and to further encourage voluntary reductions in such emissions)

Strike Title XI and insert the following:

TITLE XI—NATIONAL GREENHOUSE GAS REGISTRY

SEC. 1101. SHORT TITLE.

This title may be cited as the "National Climate Registry Initiative of 2002".

SEC. 1102. PURPOSE.

The purpose of this title is to establish a new national greenhouse gas registry—

(1) to further encourage voluntary efforts, by persons and entities conducting business and other operations in the United States, to implement actions, projects and measures that reduce greenhouse gas emissions;

(2) to encourage such persons and entities to monitor and voluntarily report greenhouse gas emissions, direct or indirect, from their facilities, and to the extent practicable, from other types of sources;

(3) to adopt a procedure and uniform format for such persons and entities to establish and report voluntarily greenhouse gas emission baselines in connection with, and furtherance of, such reductions;

(4) to provide verification mechanisms to ensure for participants and the public a high level of confidence in accuracy and verifiability of reports made to the national registry;

(5) to encourage persons and entities, through voluntary agreement with the Secretary, to report annually greenhouse gas emissions from their facilities;

(6) to provide to persons or entities that engage in such voluntary agreements and reduce their emissions transferable credits which, inter alia, shall be available for use by such persons or entities for any incentive, market-based, or regulatory programs determined by the Congress in a future enactment to be necessary and feasible to reduce the risk of climate change and its impacts; and

(7) to provide for the registration, transfer and tracking of the ownership or holding of such credits for purposes of facilitating voluntary trading among persons and entities.

SEC. 1103. DEFINITIONS.

In this title—

(1) "person" means an individual, corporation, association, joint venture, cooperative, or partnership;

(2) "entity" means a public person, a Federal, interstate, State, or local governmental agency, department, corporation, or other publicly owned organization;

(3) "facility" means those buildings, structures, installations, or plants (including units thereof) that are on contiguous or adjacent land, are under common control of the same person or entity and are a source of emissions of greenhouse gases in excess for emission purposes of a threshold as recognized by the guidelines issued under this title;

(4) "reductions" means actions, projects or measures taken, whether in the United States or internationally, by a person or entity to reduce, avoid or sequester, directly or indirectly, emissions of one or more greenhouse gases;

(5) "greenhouse gas" means—

(A) an anthropogenic gaseous constituent of the atmosphere (including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and tropospheric ozone) that absorbs and re-emits infrared radiation and influences climate; and

(B) an anthropogenic aerosol (such a black soot) that absorbs solar radiation and influences climate;

(6) "Secretary" means the Secretary of Energy;

(7) "Administrator" means the Administrator of the Energy Information Administration; and

(8) "Interagency Task Force" means the Interagency Task Force established under title X of this Act.

SEC. 1104. ESTABLISHMENT.

(a) IN GENERAL.—Not later than 1 year after the enactment of this title, the President shall, in consultation with the Interagency Task Force, establish a National Greenhouse Gas Registry to be administered by the Secretary through the Administrator in accordance with the applicable provisions of this title, section 205 of the Department of Energy Act (42 U.S.C. 7135) and other applicable provisions of that Act (42 U.S.C. 7101, et seq.).

(b) DESIGNATION.—Upon establishment of the registry and issuance of the guidelines pursuant to this title, such registry shall thereafter be the depository for the United States of data on greenhouse gas emissions and emissions reductions collected from and reported by persons or entities with facilities or operations in the United States, pursuant to the guidelines issued under this title.

(c) PARTICIPATION.—Any person or entity conducting business or activities in the United States may, in accordance with the guidelines established pursuant to this title, voluntarily report its total emissions levels and register its certified emissions reductions with such registry, provided that such reports—

(1) represent a complete and accurate inventory of emissions from facilities and operations within the United States and any domestic or international reduction activities; and

(2) have been verified as accurate by an independent person certified pursuant to guidelines developed pursuant to this title, or other means.

SEC. 1105. IMPLEMENTATION.

(a) GUIDELINES.—Not later than 1 year after the date of establishment of the registry pursuant to this title, the Secretary shall, in consultation with the Interagency Task Force, issue guidelines establishing procedures for the administration of the national registry. Such guidelines shall include—

(1) means and methods for persons or entities to determine, quantify, and report by appropriate and credible means their baseline emissions levels on an annual basis, taking into consideration any reports made by such participants under past Federal programs;

(2) procedures for the use of an independent third-party or other effective verification process for reports on emissions levels and emissions reductions, using the authorities available to the Secretary under this and other provisions of law and taking into account, to the extent possible, costs, risks, the voluntary nature of the registry, and other relevant factors;

(3) a range of reference cases for reporting of project-based reductions in various sectors, and the inclusion of benchmark and default methodologies and practices for use as reference cases for eligible projects;

(4) safeguards to prevent and address reporting, inadvertently or otherwise, of some or all of the same greenhouse gas emissions or reductions by more than one reporting person or entity and to make corrections and adjustments in data where necessary;

(5) procedures and criteria for the review and registration of ownership or holding of all or part of any reported and independently verified emission reduction projects, actions and measures relative to such reported baseline emissions level;

(6) measures or a process for providing to such persons or entities transferable credits with unique serial numbers for such verified emission reductions; and

(7) accounting provisions needed to allow for changes in registration and transfer of ownership of such credits resulting from a voluntary private transaction between persons or entities, provided that the Secretary is notified of any such transfer within 30 days of the transfer having been effected either by private contract or market mechanism.

(b) CONSIDERATION.—In developing such guidelines, the Secretary shall take into consideration—

(1) the existing guidelines for voluntary emissions reporting issued under section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)), experience in applying such guidelines, and any revisions thereof initiated by the Secretary pursuant to direction of the President issued prior to the enactment of this title;

(2) protocols and guidelines developed under any Federal, State, local, or private voluntary greenhouse gas emissions reporting or reduction programs;

(3) the various differences and potential uniqueness of the facilities, operations and business and other relevant practices of persons and entities in the private and public sectors that may be expected to participate in the registry;

(4) issues, such as comparability, that are associated with the reporting of both emissions baselines and reductions from activities and projects; and

(5) the appropriate level or threshold emissions applicable to a facility or activity of a person or entity that may be reasonably and cost effectively identified, measured and reported voluntarily, taking into consideration different types of facilities and activities and the de minimis nature of some emissions and their sources; and

(6) any other consideration the Secretary may deem appropriate.

(c) EXPERTS AND CONSULTANTS.—The Secretary, and any member of the Interagency Task Force, may secure the services of experts and consultants in the private and nonprofit sectors in accordance with the provisions of section 3109 of title 5, United States Code, in the areas of greenhouse gas measurement, certification, and emissions trading. In securing such services, any grant, contract, cooperative agreement, or other arrangement authorized by law and already available to the Secretary or the member of the Interagency Task Force securing such services may be used.

(d) TRANSFERABILITY OF PRIOR REPORTS.—Emission reports and reductions that have been made by a person or entity pursuant to section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)) or under other Federal or State voluntary greenhouse gas reduction programs may be independently verified and registered with the registry using the same guidelines developed by the Secretary pursuant to this section.

(e) PUBLIC COMMENT.—The Secretary shall make such guidelines available in draft form for public notice and opportunity for comments for a period of at least 90 days, and thereafter shall adopt them for use in implementation of the registry established pursuant to this title.

(f) REVIEW AND REVISION.—The Secretary, through the Interagency Task Force, shall periodically thereafter review the guidelines and, as needed, revise them in the same manner as provided for in this section.

SEC. 1106. VOLUNTARY AGREEMENTS.

(a) IN GENERAL.—In furtherance of the purposes of this title, any person or entity, and the Secretary, may voluntarily enter into an agreement to provide that—

(1) such person or entity (and successors thereto) shall report annually to the registry on emissions and sources of greenhouse gases from applicable facilities and operations which generate net emissions above any de minimis thresholds specified in the guidelines issued by the Secretary pursuant to this title;

(2) such person or entity (and successors thereto) shall commit to report and participate in the registry for a period of at least 5 calendar years, provided that such agreements may be renewed by mutual consent;

(3) for purposes of measuring performance under the agreement, such person or entity (and successors thereto) shall determine, by mutual agreement with the Secretary—

(A) pursuant to the guidelines issued under this title, a baseline emissions level for a representative period preceding the effective date of the agreement; and

(B) emissions reduction goals, taking into consideration the baseline emissions level determined under subparagraph (A) and any relevant economic and operational factors that may affect such baseline emissions level over the duration of the agreement; and

(4) for certified emissions reductions made relative to the baseline emissions level, the Secretary shall provide, at the request of the person or entity, transferable credits (with unique assigned serial numbers) to the person or entity (and successors thereto) which, inter alia,—

(A) can be used by such person or entity towards meeting emissions reductions goals set forth under the agreement;

(B) can be transferred to other persons or entities through a voluntary private transaction between persons or entities; or

(C) may be applicable towards any incentive, market-based, or regulatory programs determined by the Congress in a future enactment to be necessary and feasible to reduce the risk of climate change and its impacts.

(b) PUBLIC NOTICE AND COMMENT.—At least 30 days before any agreement is final, the Secretary shall give notice thereof in the Federal Register and provide an opportunity for public written comment. After reviewing such comments, the Secretary may withdraw the agreement or the parties thereto may mutually agree to revise it or finalize it without substantive change. Such agreement shall be retained in the national registry and be available to the public.

(c) EMISSIONS IN EXCESS.—In the event that a person or entity fails to certify that emissions from applicable facilities and operations are less than the emissions reduction goals contained in the agreement, such person or entity shall take actions as necessary to reduce such excess emissions, including—

(1) redemption of transferable credits acquired in previous years if owned by the person or entity;

(2) acquisition of transferable credits from other persons or entities participating in the registry through their own agreements; or

(3) the undertaking of additional emissions reductions activities in subsequent years as may be determined by agreement with the Secretary.

(d) NO NEW AUTHORITY.—This section shall not be construed as providing any regulatory or mandate authority regarding reporting of such emissions or reductions.

SEC. 1107. MEASUREMENT AND VERIFICATION.

(a) IN GENERAL.—The Secretary of Commerce, through the National Institute of Standards and Technology and in consultation with the Secretary of Energy, shall develop and propose standards and practices for accurate measurement and verification of greenhouse gas emissions reductions. Such standards and best practices shall address the need for—

(1) standardized measurement and verification practices for reports made by all persons or entities participating in the registry, taking into account—

(A) existing protocols and standards already in use by persons or entities desiring to participate in the registry;

(B) boundary issues such as leakage and shifted utilization;

(C) avoidance of double-counting of greenhouse gas emissions and emissions reductions; and

(D) such other factors as the panel determines to be appropriate;

(2) measurement and verification of actions taken to reduce, avoid or sequester greenhouse gas emissions;

(3) in coordination with the Secretary of Agriculture, measurement of the results of the use of carbon sequestration and carbon recapture technologies, including—

(A) organic soil carbon sequestration practices;

(B) forest preservation and re-forestation activities which adequately address the issues of permanence, leadage, and verification; and

(4) such other measurement and verification standards as the Secretary of Commerce, the Secretary of Agriculture and the Secretary of Energy shall determine to be appropriate.

(b) PUBLIC COMMENT.—The Secretary of Commerce shall make such standards and practices available in draft form for public notice and opportunity for comment for a period of at least 90 days, and thereafter shall adopt them, in coordination with the Secretary of Energy, for use in the guidelines for implementation of the registry as issued pursuant to this title.

SEC. 1108. CERTIFIED INDEPENDENT THIRD PARTIES.

(a) CERTIFICATION.—The Secretary of Commerce shall, through the Director of tne National Institute of Standards and Technology and the Administrator, develop standards for certification of independent persons to act as certified parties to be employed in verifying the accuracy and reliability of reports made under this title, including standards that—

(1) prohibit a certified party from themselves participating in the registry through the ownership or transition of transferable credits recorded in the registry;

(2) prohibit the receipt by a certified party of compensation in the form of a commission where such party receives payment based on the amount of emissions reductions; verified; and

(3) authorize such certified parties to enter into agreements with persons engaged in trading of transferable credits recorded in the registry.

(b) LIST OF CERTIFIED PARTIES.—The Secretary shall maintain and make available to persons or entities making reports under this title and to the public upon request a list of such certified parties and their clients making reports under this title.

SEC. 1109. REPORT TO CONGRESS.

Not later than 1 year after guidelines are issued for the registry pursuant to this title, and biennially thereafter, the President, through the Interagency Task Force, shall report to the Congress on the status of the registry established by this title. The report shall include—

(a) an assessment of the level of participation in the registry (both by sector and in terms of total national emissions represented);

(b) effectiveness of voluntary reporting agreements in enhancing participation in the registry;

(c) use of the registry for emissions trading and other purposes;

(d) assessment of progress towards individual and national emissions reduction goals; and

(e) an inventory of administrative actions taken or planned to improve the national registry or the guidelines, or both, and such recommendations for legislative changes to this title or section 1604 of the Energy Policy Act of 1992 (42 U.S.C. 13385) as the President believes necessary to better carry out the purposes of this title.

SEC. 1110. REVIEW OF PARTICIPATION.

(a) IN GENERAL.—Not later than 5 years after the date of enactment of this title, the Director of the Office of National Climate Change Policy shall determine whether the reports submitted to the registry represents less than 60 percent of the national aggregate greenhouse gas emissions as inventoried in the official U.S. Inventory of Greenhouse Gas Emissions and Sinks published by the Environmental Protection Agency for the previous calendar year.

(b) Mandatory Reporting.—If the Director of the Office of National Climate Change Policy determines under subsection (a) that less than 60 percent of such aggregate greenhouse gas emissions are being reported to the registry—

(1) all persons or entities, regardless of their participation in the registry, shall submit to the Secretary a report that describes, for the preceding calendar year, a complete inventory of greenhouse gas emissions (as reported at the facility level), including—

(A) the total quantity of each greenhouse gas emitted by such person or entity, expressed in terms of mass and in terms of the quantity of carbon dioxide equivalent;

(B) an estimate of the emissions from products manufactured and sold by such person or entity in the previous calendar year, determined over the average lifetime of those products; and

(C) such other categories of emissions as the Secretary determines by regulation to be practicable and useful for the purposes of this title, such as—

(i) direct emissions from statutory sources;

(ii) indirect emissions from imported electricity, heat, and steam;

(iii) process and fugitive emissions; and

(iv) production or importation of greenhouse gases; and

(2) each person or entity shall submit a report described in this section—

(A) not later than the earlier of—

(i) April 30 of the calendar year immediately following the year in which the Director of the Office of National Climate Change Policy makes the determination under subsection (a); or

(ii) the date that is 1 year after the date on which the Director of the Office of National Climate Change Policy makes determination under subsection (a); and

(B) annually thereafter.

(c) Exemptions From Reporting.—

(1) In general.—A person or entity shall be required to submit reports under subsection (b) only if, in calendar year after the date of enactment of this title—

(A) the total greenhouse gas emissions of at least 1 facility owned by the person or entity exceeds 10,000 metric tons of carbon dioxide equivalent greenhouse gas (or such greater quantity as may be established by a designated agency by regulation);

(B) the total quantity of greenhouse gas produced, distributed, or imported by the person or entity exceeds 10,000 metric tons of carbon dioxide equivalent greenhouse gas (or such greater quantity as may be established by a designated agency by regulation); or

(C) the person or entity is not a feedlot or other farming operation (as defined in section 101 of title 11, United States Code).

(2) Entities already reporting.—A person or entity that, as of the date of enactment of this title, is required to report carbon dioxide emissions data to a Federal agency shall not be required to report that data again for the purposes of this title. Such emissions data shall be considered to be reported by the entity to the registry for the purpose of this title and included in the determination of the Director of the Office of National Climate Change Policy made under subsection (a).

(d) Enforcement.—If a person or entity that is required to report greenhouse gas emissions under this section fails to comply with that requirement, the Attorney General may, at the request of the Secretary, bring a civil action in the United States district court against the person or entity to impose on the person or entity a civil penalty of not more than $25,000 for each day for which the entity fails to comply with that requirement.

(e) Resolution of Disapproval.—If made, the determination of the Director of the Office of National Climate Change Policy made under subsection (a) shall be considered to be a major rule (as defined in section 804(2) of title 5, United States Code) subject to the congressional disapproval procedure under section 802 of title 5, United States Code.

SEC. 1111. NATIONAL ACADEMY REVIEW.

Not later than 1 year after guidelines are issued for the registry pursuant to this title, the Secretary, in consultation with the Interagency Task Force, shall enter into an agreement with the National Academy of Sciences to review the scientific and technological methods, assumptions, and standards used by the Secretary and the Secretary of Commerce for such guidelines and report to the President and the Congress on the results of that review, together with such recommendations as may be appropriate within 6 months after the effective date of that agreement.

AMENDMENT NO. 3082

(Purpose: To provide that certain gasoline and diesel fuel be treated as entered into the customs territory of the United States)

At the appropriate place, insert the following:

SEC. . SALE OF GASOLINE AND DIESEL FUEL AT DUTY-FREE SALES ENTERPRISES.

(a) Prohibition.—Section 555(b) of the Tariff Act of 1930 (19 U.S.C. 1555(b)) is amended—

(1) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9), respectively; and

(2) by inserting after paragraph (5) the following:

"(6) Any gasoline or diesel fuel sold at a duty-free sales enterprise shall be considered to be entered for consumption into the customs territory of the United States.".

(b) Construction.—The amendments made by this section shall not be construed to create any inference with respect to the interpretation of any provision of law as such provision was in effect on the day before the date of enactment of this Act.

(c) Effective Date.—The amendments made by this section shall take effect on the date of enactment of this Act.

AMENDMENT NO. 3355

(Purpose: To amend the Internal Revenue Code of 1986 to extend the energy credit to stationary microturbine power plants)

In Division H, beginning on page 103, line 1, strike all through page 105, line 12, and insert the following:

SEC. 2104. CREDIT FOR BUSINESS INSTALLATION OF QUALIFIED FUEL CELLS AND STATIONARY MICROTURBINE POWER PLANTS.

(a) In General.—Subparagraph (A) of section 48(a)(3) (defining energy property) is amended by striking "or" at the end of clause (i), by adding "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) qualified fuel cell property or qualified microturbine property,".

(b) Qualified Fuel Cell Property; Qualified Microturbine Property.—Subsection (a) of section 48 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) Qualified fuel cell property; qualified microturbine property.—For purposes of this subsection—

"(A) Qualified fuel cell property.—

"(i) In general.—The term 'qualified fuel cell property' means a fuel cell power plant that—

"(I) generates at least 1 kilowatt of electricity using an electrochemical process, and

"(II) has an electricity-only generation efficiency greater than 30 percent.

"(ii) Limitation.—In the case of qualified fuel cell property placed in service during the taxable year, the credit determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to the lesser of—

"(I) 30 percent of the basis of such property, or

"(II) $1,000 for each kilowatt of capacity of such property.

"(iii) Fuel cell power plant.—The term 'fuel cell power plant' means an integrated system comprised of a fuel cell stack assembly and associated balance of plant components that converts a fuel into electricity using electrochemical means.

"(iv) Termination.—Such term shall not include any property placed in service after December 31, 2007.

"(B) Qualified microturbine property.—

"(i) In general.—The term "qualified microturbine property' means a stationary microturbine power plant which has an electricity-only generation efficiency not less than 26 percent at International Standard Organization conditions.

"(ii) Limitation.—In the case of qualified microturbine property placed in service during the taxable year, the credit determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to the lesser of—

"(I) 10 percent of the basis of such property, or

"(II) $200 for each kilowatt of capacity of such property.

"(iii) Stationary microturbine power plant.—The term 'stationary microturbine power plant means a system comprising of a rotary engine which is actuated by the aerodynamic reaction or impulse or both on radial or axial curved full-circumferential-admission airfoils on a central axial rotating spindle. Such system—

"(I) commonly includes an air compressor, combustor, gas pathways which lead compressed air to the combustor and which lead hot combusted gases from the combustor to 1 or more rotating turbine spools, which in turn drive the compressor and power output shaft,

"(II) includes a fuel compressor, recuperator/regenerator, generator or alternator, integrated combined cycle equipment, cooling-heating-and-power equipment, sound attenuation apparatus, and power conditioning equipment, and

"(III) includes all secondary components located between the existing infrastructure for fuel delivery and the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards, such as voltage, frequency, and power factors.

"(iv) Termination.—Such term shall not include any property placed in service after December 31, 2006.".

(c) Limitation.—Section 48(a)(2)(A) (relating to energy percentage) is amended to read as follows:

"(A) In general.—The energy percentage is—

"(i) in the case of qualified fuel cell property, 30 percent, and

"(ii) in the case of any other energy property, 10 percent.".

(d) Conforming Amendments.—

(A) Section 29(b)(3)(A)(i)(III) is amended by striking "section 48(a)(4)(C)" and inserting "section 48(a)(5)(C)".

(B) Section 48(a)(1) is amended by inserting "except as provided in subparagraph (A)(ii) or (B)(ii) of paragraph (4)," before "the energy".

(e) Effective Date.—The amendments made by this subsection shall apply to property placed in service after December 31, 2002, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

AMENDMENT NO. 3335

(Purpose: To amend the Internal Revenue Code of 1986 to extend the credit for the production of fuel from non-conventional sources with respect to certain existing facilities)

In Division H, on page 202, between lines 22 and 23, insert the following:

(b) Extension for Certain Fuel Produced at Existing Facilities.—Paragraph (2) of section 29(f) (relating to application of section) is amended by inserting "(January 1, 2005, in the case of any coke or coke gas produced in a facility described in paragraph (1)(B))" after "January 1, 2003".

AMENDMENTS NOS. 3258 AND 3170, AS MODIFIED

Mr. BINGAMAN. Madam President, I ask unanimous consent that, notwithstanding rule XXII, it now be in order for the Senate to consider, en bloc, amendment No. 3258 and amendment No. 3170; that the latter be modified with the changes that are at the desk; that the foregoing amendments be agreed to en bloc, and that the motions to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 3258 and 3170, as modified), en bloc, were agreed to, as follows:

AMENDMENT NO. 3258

(Purpose: To strike the provision authorizing loan guarantees for an Alaska natural gas transportation project)

Strike section 708.

AMENDMENT NO. 3170, AS MODIFIED

Beginning on page 195, strike line 19 and all that follows through page 196, line 4, and insert the following:

"(B) Petitions for waivers.—The Administrator in consultation with the Secretary of Agriculture and the Secretary of Energy, shall approve or disapprove a State petition for a waiver of the requirement of paragraph (2) within 90 days after the date on which the petition is received by the Administrator.

AMENDMENTS NOS. 3082, 3130, 3331, 3336, 3338, 3349, 3350, 3351, 3352, 3353, 3356, AND 3359

Mr. BINGAMAN. Madam President, I ask unanimous consent that, notwithstanding rule XXII, it now be in order for the Senate to consider, en bloc, amendments No. 3082, No. 3130, No. 3331, No. 3336, No. 3338, No. 3349, No. 3350, No. 3351, No. 3352, No. 3353, No. 3356, and No. 3359; that the foregoing amendments be agreed to en bloc, and that the motions to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 3082, 3130, 3331, 3336, 3338, 3349, 3350, 3351, 3352, 3353, 3356 and 3359) were agreed to, as follows:

AMENDMENT NO. 3082

(Purpose: To provide that certain gasoline and diesel fuel be treated as entered into the customs territory of the United States)

At the appropriate place, insert the following:

SEC. ___. SALE OF GASOLINE AND DIESEL FUEL AT DUTY-FREE SALES ENTERPRISES.

(a) Prohibition.—Section 555(b) of the Tariff Act of 1930 (19 U.S.C. 1555(b)) is amended—

(1) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9), respectively; and

(2) by inserting after paragraph (5) the following:

"(6) Any gasoline or diesel fuel sold at a duty-free sales enterprise shall be considered to be entered for consumption into the customs territory of the United States.".

(b) Construction.—The amendments made by this section shall not be construed to create any inference with respect to the interpretation of any provision of law as such provision was in effect on the day before the date of enactment of this Act.

(c) Effective Date.—The amendments made by this section shall take effect on the date of enactment of this Act.

AMENDMENT NO. 3130

(Purpose: To amend the Internal Revenue Code of 1986 to allow a credit against income tax for taxpayers owning certain commercial power takeoff vehicles)

On page 73, between lines 2 and 3, insert the following:

SEC. ___. CREDIT FOR TAXPAYERS OWNING COMMERCIAL POWER TAKEOFF VEHICLES.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45K. COMMERCIAL POWER TAKEOFF VEHICLES CREDIT.

"(a) General Rule.—For purposes of section 38, the amount of the commercial power takeoff vehicles credit determined under this section for the taxable year is $250 for each qualified commercial power takeoff vehicle owned by the taxpayer as of the close of the calendar year in which or with which the taxable year of the taxpayer ends.

"(b) Definitions.—For purposes of this section—

"(1) Qualified commercial power takeoff vehicle.—The term 'qualified commercial power takeoff vehicle' means any highway vehicle described in paragraph (2) which is propelled by any fuel subject to tax under section 4041 or 4081 if such vehicle is used in a trade or business or for the production of income (and is licensed and insured for such use).

"(2) Highway vehicle described.—A highway vehicle is described in this paragraph if such vehicle is—

"(A) designed to engage in the daily collection of refuse or recyclables from homes or businesses and is equipped with a mechanism under which the vehicle's propulsion engine provides the power to operate a load compactor, or

"(B) designed to deliver ready mixed concrete on a daily basis and is equipped with a mechanism under which the vehicle's propulsion engine provides the power to operate a mixer drum to agitate and mix the product en route to the delivery site.

"(c) Exception for Vehicles Used by Governments, Etc.—No credit shall be allowed under this section for any vehicle owned by any person at the close of a calendar year if such vehicle is used at any time during such year by—

"(1) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(2) an organization exempt from tax under section 501(a).

"(d) Denial of Double Benefit.—The amount of any deduction under this subtitle for any tax imposed by subchapter B of chapter 31 or part III of subchapter A of chapter 32 for any taxable year shall be reduced (but not below zero) by the amount of the credit determined under this subsection for such taxable year.

"(e) Termination.—This section shall not apply with respect to any calendar year after 2004.".

(b) Credit Made Part of General Business Credit.—Subsection (b) of section 38 (relating to general business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (22), by striking the period at the end of paragraph (23) and inserting ", plus", and by adding at the end the following new paragraph:

"(24) the commercial power takeoff vehicles credit under section 45K(a).".

(c) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45K. Commercial power takeoff vehicles credit.".

(d) Regulations.—Not later than January 1, 2005, the Secretary of the Treasury, in consultation with the Secretary of Energy, shall by regulation provide for the method of determining the exemption from any excise tax imposed under section 4041 or 4081 of the Internal Revenue Code of 1986 on fuel used through a mechanism to power equipment attached to a highway vehicle as described in section 45K(b)(2) of such Code, as added by subsection (a).

(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

AMENDMENT NO. 3331

(Purpose: To further encourage development of hydrogen refueling infrastructure)

In Division H, on page 50, strike lines 23 and 24, and insert the following:

"(1) Termination.—This section shall not apply to any property placed in service—

"(1) in the case of property relating to hydrogen, after December 31, 2011, and

"(2) in the case of any other property, after December 31, 2006.".

(b) Incentive for Production of Hydrogen at Qualified Clean-Fuel Vehicle Refueling Property.—Section 179A(d) (defining qualified clean-fuel vehicle refueling property) is amended by adding at the end the following new flush sentence:

"In the case of clean-burning fuel which is hydrogen produced from another clean-burning fuel, paragraph (3)(A) shall be applied by substituting 'production, storage, or dispensing' for 'storage or dispensing' both places it appears.".

AMENDMENT NO. 3336

(Purpose: To amend the Internal Revenue Code of 1986 to provide for nonrecognition of grain on dispositions of dairy property which is certified by the Secretary of Agriculture as having been the subject of an agreement under the bovine tuberculosis eradication program, and for other purposes)

In Division H, on page 216, after line 21, add the following:

SEC. . TREATMENT OF DAIRY PROPERTY.

(a) Qualified Disposition of Dairy Property Treated as Involuntary Conversion.—

(1) In general.—Section 1033 (relating to involuntary conversions) is amended by designating subsection (k) as subsection (l) and inserting after subsection (j) the following new subsection:

"(k) Qualified Disposition To Implement Bovine Tuberculosis Eradication Program.—

"(1) In general.—For purposes of this subtitle, if a taxpayer elects the application of this subsection to a qualified disposition:

"(A) Treatment as involuntary conversion.—Such disposition shall be treated as an involuntary conversion to which this section applies.

"(B) Modification of similar property requirement.—Property to be held by the taxpayer either for productive use in a trade or business or for investment shall be treated as property similar or related in service or use to the property disposed of.

"(C) Extension of period for replacing property.—Subsection (a)(2)(B)(i) shall be applied by substituting '4 years' for '2 years'.

"(D) Waiver of unrelated person requirement.—Subsection (i) (relating to replacement property must be acquired from unrelated person in certain cases) shall not apply.

"(E) Expanded capital gain for cattle and horses.—Section 1231(b)(3)(A) shall be applied by substituting '1 month' for '24 months'.

"(2) Qualified disposition.—

"(A) In general.—For purposes of this subsection, the term 'qualified disposition' means the disposition of dairy property which is certified by the Secretary of Agriculture as having been the subject of an agreement under the bovine tuberculosis eradication program, as implemented pursuant to the Declaration of Emergency Because of Bovine Tuberculosis (65 Federal Register 63,227 (2000)).

"(B) Payments received in connection with the bovine tuberculosis eradication program.—For purposes of this subsection, any amount received by a taxpayer in connection with an agreement under such bovine tuberculosis eradication program shall be treated as received in a qualified disposition.

"(C) Transmittal of certifications.—The Secretary of Agriculture shall transmit copies of certifications under this paragraph to the Secretary.

"(3) Allowance of the adjusted basis of certified dairy property as a depreciation deduction.—The adjusted basis of any property certified under paragraph (2)(A) shall be allowed as a depreciation deduction under section 167 for the taxable year which includes the date of the certification described in paragraph (2)(A).

"(4) Dairy property.—For purposes of this subsection, the term 'dairy property' means all tangible or intangible property used in connection with a dairy business or a dairy processing plant.

"(5) Special rules for certain business organizations.—

"(A) S corporations.—In the case of an S corporation, gain on a qualified disposition shall not be treated as recognized for the purposes of section 1374 (relating to tax imposed on certain built-in gains).

"(B) Partnerships.—In the case of a partnership which dissolves in anticipation of a qualified disposition (including in anticipation of receiving the amount described in paragraph (2)(B)), the dairy property owned by the partners of such partnership at the time of such disposition shall be treated, for the purposes of this section and notwithstanding any regulation or rule of law, as owned by such partners at the time of such disposition.

"(6) Termination.—This subsection shall not apply to dispositions made after December 31, 2006.".

(2) Effective date.—The amendment made by this subsection shall apply to dispositions made and amounts received in taxable years ending after May 22, 2001.

(b) Deduction of Qualified Reclamation Expenditures.—

(1) In general.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 199B. EXPENSING OF DAIRY PROPERTY RECLAMATION COSTS.

"(a) In General.—Notwithstanding section 280B (relating to demolition of structures), a taxpayer may elect to treat any qualified reclamation expenditure which is paid or incurred by the taxpayer as an expense which is not chargeable to capital account. Any expenditure which is so treated shall be allowed as a deduction for the taxable year in which it is paid or incurred.

"(b) Qualified Reclamation Expenditure.—

"(1) In general.—For purposes of this subparagraph, the term 'qualified reclamation expenditure' means amounts otherwise chargeable to capital account and paid or incurred to convert any real property certified under section 1033(k)(2) (relating to qualified disposition) into unimproved land.

"(2) Special rule for expenditures for depreciable property.—A rule similar to the rule of section 198(b)(2) (relating to special rule for expenditures for depreciable property) shall apply for purposes of paragraph (1).

"(c) Deduction Recaptured as Ordinary Income.—Rules similar to the rules of section 198(e) (relating to deduction recaptured as ordinary income on sale, etc.) shall apply with respect to any qualified reclamation expenditure.

"(d) Termination.—This section shall not apply to expenditures paid or incurred after December 31, 2006.".

(2) Clerical amendment.—The table of sections for part VI of subchapter B of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 199B. Expensing of dairy property reclamation costs.".

(3) Effective date.—The amendments made by this subsection shall apply to expenditures paid or incurred in taxable years ending after May 22, 2001.

AMENDMENT NO. 3338

(Purpose: To amend the Internal Revenue Code of 1986 to modify energy credit for combined heat and power system property)

In Division H, on page 123, after line 25, add the following:

"(v) Nonapplication of certain rules.—For purposes of determining if the term 'combined heat and power system property' includes technologies which generate electricity or mechanical power using back-pressure steam turbines in place of existing pressure-reducing valves or which make the use of waste heat from industrial processes such as by using organic rankin, stirling, or kalina heat engine systems, subparagraph (A) shall be applied without regard to clauses (iii) and (iv) thereof.

AMENDMENT NO. 3349

(Purpose: To modify the credit for the production of fuel from nonconventional sources regarding refined coal)

In Division H, on page 199, lines 5 through 7, strike "at least 20 percent of the emissions of sulfur dioxide and nitrogen oxide" and insert "at least 20 percent of the emissions of nitrogen oxide and either sulfur dioxide or mercury."

AMENDMENT NO. 3350

(Purpose: To modify the credit for the production of electricity to include small irrigation power)

In Division H, on page 17, between lines 8 and 9, insert the following:

SEC. 1905. CREDIT FOR ELECTRICITY PRODUCED FROM SMALL IRRIGATION POWER.

(a) In General.—Section 45(c)(1) (defining qualified energy resources), as amended by this Act, is amended by striking "and" at the end of subparagraph (F), by striking the period at the end of subparagraph (G) and inserting ", and", and by adding at the end the following new subparagraph:

"(H) small irrigation power.".

(b) Qualified Facility.—Section 45(c)(3) (relating to qualified facility), as amended by this Act, is amended by adding at the end the following new subparagraph:

"(G) Small irrigation power facility.—In the case of a facility using small irrigation power to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after date of the enactment of this subparagraph and before January 1, 2007.".

(c) Definition.—Section 45(c), as amended by this Act, is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

"(8) Small irrigation power.—The term 'small irrigation power' means power—

"(A) generated without any dam or impoundment of water through an irrigation system canal or ditch, and

"(B) the installed capacity of which is less than 5 megawatts.".

(d) Effective Date.—The amendments made by this section shall apply to electricity sold after the date of the enactment of this Act, in taxable years ending after such date.

AMENDMENT NO. 3351

(Purpose: To modify the credit for residential energy efficient property by substituting natural gas furnances for naturla gas heat pumps)

In Division H, beginning on page 91, line 15, strike all through page 95, line 17, and insert the following:

"(iii) $250 for each advanced natural gas furnace,

"(iv) $250 for each central air conditioner,

"(v) $75 for each natural gas water heater, and

"(vi) $250 for each geothermal heat pump.

"(2) SAFETY CERTIFICATIONS.—No credit shall be allowed under this section for an item of property unless—

"(A) in the case of solar water heating property, such property is certified for performance and safety by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed,

"(B) in the case of a photovoltaic property, a fuel cell property, or a wind energy property, such property meets appropriate fire and electric code requirements, and

"(C) in the case of property described in subsection (d)(6), such property meets the performance and quality standards, and the certification requirements (if any), which—

"(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy or the Administrator of the Environmental Protection Agency, as appropriate),

"(ii) in the case of the energy efficiency ratio (EER)—

"(I) require measurements to be based on published data which is tested by manufacturers at 95 degrees Fahrenheit, and

"(II) do not require ratings to be based on certified data of the Air Conditioning and Refrigeration Institute, and

"(iii) are in effect at the time of the acquisition of the property.

"(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and section 25D), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED SOLAR WATER HEATING PROPERTY EXPENDITURE.—The term 'qualified solar water heating property expenditure' means an expenditure for property to heat water for use in a dwelling unit located in the United States and used as a residence by the taxpayer if at least half of the energy used by such property for such purpose is derived from the sun.

"(2) QUALIFIED PHOTOVOLTAIC PROPERTY EXPENDITURE.—The term 'qualified photovoltaic property expenditure' means an expenditure for property that uses solar energy to generate electricity for use in such a dwelling unit.

"(3) SOLAR PANELS.—No expenditure relating to a solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as property described in paragraph (1) or (2) solely because it constitutes a structural component of the structure on which it is installed.

"(4) QUALIFIED FUEL CELL PROPERTY EXPENDITURE.—The term 'qualified fuel cell property expenditure' means an expenditure for qualified fuel cell property (as defined in section 48(a)(4)) installed on or in connection with such a dwelling unit.

"(5) QUALIFIED WIND ENERGY PROPERTY EXPENDITURE.—The term 'qualified wind energy property expenditure' means an expenditure for property which uses wind energy to generate electricity for use in such a dwelling unit.

"(6) QUALIFIED TIER 2 ENERGY EFFICIENT BUILDING PROPERTY EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified Tier 2 energy efficient building property expenditure' means an expenditure for any Tier 2 energy efficient building property.

"(B) TIER 2 ENERGY EFFICIENT BUILDING PROPERTY.—The term 'Tier 2 energy efficient building property' means—

"(i) an electric heat pump water heater which yields an energy factor of at least 1.7 in the standard Department of Energy test procedure,

"(ii) an electric heat pump which has a heating seasonal performance factor (HSPF) of at least 9, a seasonal energy efficiency ratio (SEER) of at least 15, and an energy efficiency ratio (EER) of at least 12.5,

"(iii) an advanced natural gas furnace which achieves at least 95 percent annual fuel utilization efficiency (AFUE),".

AMENDMENT NO. 3352

(Purpose: To modify the incentives for biodiesel)

In Division H, beginning on page 64, line 1, strike all through page 73, line 2, and insert the following:

SEC. 2008. INCENTIVES FOR BIODIESEL.

(a) CREDIT FOR BIODIESEL USED AS A FUEL.—

(1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by inserting after section 40A the following new section:

"SEC. 40B. BIODIESEL USED AS FUEL.

"(a) GENERAL RULE.—For purposes of section 38, the biodiesel fuels credit determined under this section for the taxable year is an amount equal to the biodiesel mixture credit.

"(b) DEFINITION OF BIODIESEL MIXTURE CREDIT.—For purposes of this section—

"(1) BIODIESEL MIXTURE CREDIT.—

"(A) IN GENERAL.—The biodiesel mixture credit of any taxpayer for any taxable year is the sum of the products of the biodiesel mixture rate for each qualified biodiesel mixture and the number of gallons of such mixture of the taxpayer for the taxable year.

"(B) BIODIESEL MIXTURE RATE.—For purposes of subparagraph (A), the biodiesel mixture rate for each qualified biodiesel mixture shall be—

"(i) in the case of a mixture with only biodiesel V, 1 cent for each whole percentage point (not exceeding 20 percentage points) of biodiesel V in such mixture, and

"(ii) in the case of a mixture with biodiesel NV, or a combination of biodiesel V and biodiesel NV, 0.5 cent for each whole percentage point (not exceeding 20 percentage points) of such biodiesel in such mixture.

"(2) QUALIFIED BIODIESEL MIXTURE.—

"(A) IN GENERAL.—The term 'qualified biodiesel mixture' means a mixture of diesel and biodiesel V or biodiesel NV which—

"(i) is sold by the taxpayer producing such mixture to any person for use as a fuel, or

"(ii) is used as a fuel by the taxpayer producing such mixture.

"(B) SALE OR USE MUST BE IN TRADE OR BUSINESS, ETC.—

"(i) IN GENERAL.—Biodiesel V or biodiesel NV used in the production of a qualified biodiesel mixture shall be taken into account—

"(I) only if the sale or use described in subparagraph (A) is in a trade or business of the taxpayer, and

"(II) for the taxable year in which such sale or use occurs.

"(ii) CERTIFICATION FOR BIODIESEL V.—Biodiesel V used in the production of a qualified biodiesel mixture shall be taken into account only if the taxpayer described in subparagraph (A) obtains a certification from the producer of the biodiesel V which identifies the product produced.

"(C) CASUAL OFF-FARM PRODUCTION NOT ELIGIBLE.—No credit shall be allowed under this section with respect to any casual off-farm production of a qualified biodiesel mixture.

"(c) COORDINATION WITH EXEMPTION FROM EXCISE TAX.—The amount of the credit determined under this section with respect to any biodiesel V shall, under regulations prescribed by the Secretary, be properly reduced to take into account any benefit provided with respect to such biodiesel V solely by reason of the application of section 4041(n) or section 4081(f).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) BIODIESEL V DEFINED.—The term 'biodiesel V' means the monoalkyl esters of long chain fatty acids derived solely from virgin vegetable oils for use in compressional-ignition (diesel) engines. Such term shall include esters derived from vegetable oils from corn, soybeans, sunflower seeds, cottonseeds, canola, crambe, rapeseeds, safflowers, flaxseeds, rice bran, and mustard seeds.

"(2) BIODIESEL NV DEFINED.—The term 'biodiesel nv' means the monoalkyl esters of long chain fatty acids derived from nonvirgin vegetable oils or animal fats for use in compressional-ignition (diesel) engines.

"(3) REGISTRATION REQUIREMENTS.—The terms 'biodiesel V' and 'biodiesel NV' shall only include a biodiesel which meets—

"(i) the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act (42 U.S.C. 7545), and

"(ii) the requirements of the American Society of Testing and Materials D6751.

"(2) BIODIESEL MIXTURE NOT USED AS A FUEL, ETC.—

"(A) IMPOSITION OF TAX.—If—

"(i) any credit was determined under this section with respect to biodiesel V or biodiesel NV used in the production of any qualified biodiesel mixture, and

"(ii) any person—

"(I) separates such biodiesel from the mixture, or

"(II) without separation, uses the mixture other than as a fuel,

then there is hereby imposed on such person a tax equal to the product of the biodiesel mixture rate applicable under subsection (b)(1)(B) and the number of gallons of the mixture.

"(B) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under subparagraph (A) as if such tax were imposed by section 4081 and not by this chapter.

"(3) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(e) ELECTION TO HAVE BIODIESEL FUELS CREDIT NOT APPLY.—

"(1) IN GENERAL.—A taxpayer may elect to have this section not apply for any taxable year.

"(2) TIME FOR MAKING ELECTION.—An election under paragraph (1) for any taxable year may be made (or revoked) at any time before the expiration of the 3-year period beginning on the last date prescribed by law for filing the return for such taxable year (determined without regard to extensions).

"(3) MANNER OF MAKING ELECTION.—An election under paragraph (1) (or revocation thereof) shall be made in such manner as the Secretary may by regulations prescribe.".

"(f) TERMINATION.—This section shall not apply to any fuel sold after December 31, 2005.".

(2) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b), as amended by this Act, is amended by striking "plus" at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ", plus", and by adding at the end the following new paragraph:

"(17) the biodiesel fuels credit determined under section 40B(a).".

(3) CONFORMING AMENDMENTS.—

(A) Section 39(d), as amended by this Act, is amended by adding at the end the following new paragraph:

"(12) NO CARRYBACK OF BIODIESEL FUELS CREDIT BEFORE JANUARY 1, 2003.—No portion of the unused business credit for any taxable year which is attributable to the biodiesel fuels credit determined under section 40B may be carried back to a taxable year beginning before January 1, 2003.".

(B) Section 196(c) is amended by striking "and" at the end of paragraph (9), by striking the period at the end of paragraph (10), and by adding at the end the following new paragraph:

"(11) the biodiesel fuels credit determined under section 40B(a).".

(C) Section 6501(m), as amended by this Act, is amended by inserting "40B(e)," after "40(f),".

(D) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding after the item relating to section 40A the following new item:

"Sec. 40B. Biodiesel used as fuel.".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2002.

(b) REDUCTION OF MOTOR FUEL EXCISE TAXES ON BIODIESEL V MIXTURES.—

(1) IN GENERAL.—Section 4081 (relating to manufacturers tax on petroleum products) is amended by adding at the end the following new subsection:

"(f) BIODIESEL V MIXTURES.—Under regulations prescribed by the Secretary—

"(1) IN GENERAL.—In the case of the removal or entry of a qualified biodiesel mixture with biodiesel V, the rate of tax under subsection (a) shall be the otherwise applicable rate reduced by the biodiesel mixture rate (if any) applicable to the mixture.

"(2) TAX PRIOR TO MIXING.—

"(A) IN GENERAL.—In the case of the removal or entry of diesel fuel for use in producing at the time of such removal or entry a qualified biodiesel mixture with biodiesel V, the rate of tax under subsection (a) shall be the rate determined under subparagraph (B).

"(B) DETERMINATION OF RATE.—For purposes of subparagraph (A), the rate determined under this subparagraph is the rate determined under paragraph (1), divided by a percentage equal to 100 percent minus the percentage of biodiesel V which will be in the mixture.

"(3) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 40B shall have the meaning given such term by section 40B.

"(4) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (6) and (7) of subsection (c) shall apply for purposes of this subsection.".

(2) CONFORMING AMENDMENTS.—

(A) Section 4041 is amended by adding at the end the following new subsection:

"(n) BIODIESEL V MIXTURES.—Under regulations prescribed by the Secretary, in the case of the sale or use of a qualified biodiesel mixture (as defined in section 40B(b)(2)) with biodiesel V, the rates under paragraphs (1) and (2) of subsection (a) shall be the otherwise applicable rates, reduced by any applicable biodiesel mixture rate (as defined in section 40B(b)(1)(B)).".

(B) Section 6427 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) BIODIESEL V MIXTURES.—Except as provided in subsection (k), if any diesel fuel on which tax was imposed by section 4081 at a rate not determined under section 4081(f) is used by any person in producing a qualified biodiesel mixture (as defined in section 40B(b)(2)) with biodiesel V which is sold or used in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the per gallon applicable biodiesel mixture rate (as defined in section 40B(b)(1)(B)) with respect to such fuel.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any fuel sold after December 31, 2002, and before January 1, 2006.

(c) HIGHWAY TRUST FUND HELD HARMLESS.—There are hereby transferred (from time to time) from the funds of the Commodity Credit Corporation amounts determined by the Secretary of the Treasury to be equivalent to the reductions that would occur (but for this subsection) in the receipts of the Highway Trust Fund by reason of the amendments made by this section.

AMENDMENT NO. 3353

(Purpose: To amend the Internal Revenue Code of 1986 to provide for the treatment of sales or dispositions to implement Federal Energy Regulatory Commission or State electric restructuring policy)

In Division H, on page 215, between lines 10 and 11, insert the following:

SEC. 2404. SALES OR DISPOSITIONS TO IMPLEMENT FEDERAL ENERGY REGULATORY COMMISSION OR STATE ELECTRIC RESTRUCTURING POLICY.

(a) IN GENERAL.—Section 451 (relating to general rule for taxable year of inclusion) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT FEDERAL ENERGY REGULATORY COMMISSION OR STATE ELECTRIC RESTRUCTURING POLICY.—

"(1) IN GENERAL.—For purposes of this subtitle, if a taxpayer elects the application of this subsection to a qualifying electric transmission transaction in any taxable year—

"(A) any ordinary income derived from such transaction which would be required to be recognized under section 1245 or 1250 for such taxable year (determined without regard to this subsection), and

"(B) any income derived from such transaction in excess of such ordinary income which is required to be included in gross income for such taxable year,

shall be so recognized and included ratably over the 8-taxable year period beginning with such taxable year.

"(2) QUALIFYING ELECTRIC TRANSMISSION TRANSACTION.—For purposes of this subsection, the term 'qualifying electric transmission transaction' means any sale or other disposition before January 1, 2007, of—

"(A) property used by the taxpayer in the trade or business of providing electric transmission services, or

"(B) any stock or partnership interest in a corporation or partnership, as the case may be, whose principal trade or business consists of providing electric transmission services,

but only if such sale or disposition is to an independent transmission company.

"(3) INDEPENDENT TRANSMISSION COMPANY.—For purposes of this subsection, the term 'independent transmission company' means—

"(A) a regional transmission organization approved by the Federal Energy Regulatory Commission,

"(B) a person—

"(i) who the Federal Energy Regulatory Commission determines in its authorization of the transaction under section 203 of the Federal Power Act (16 U.S.C. 824b) is not a market participant within the meaning of such Commission's rules applicable to regional transmission organizations, and

"(ii) whose transmission facilities to which the election under this subsection applies are under the operational control of a Federal Energy Regulatory Commission-approved regional transmission organization before the close of the period specified in such authorization, but not later than the close of the period applicable under paragraph (1), or

"(C) in the case of facilities subject to the exclusive jurisdiction of the Public Utility Commission of Texas, a person which is approved by that Commission as consistent with Texas State law regarding an independent transmission organization.

"(4) ELECTION.—An election under paragraph (1), once made, shall be irrevocable.

"(5) NONAPPLICATION OF INSTALLMENT SALES TREATMENT.—Section 453 shall not apply to any qualifying electric transmission transaction with respect to which an election to apply this subsection is made.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transactions occurring after the date of the enactment of this Act.

AMENDMENT NO. 3356

(Purpose: To apply temporary regulations to certain output contracts)

In Division H, on page 215, between lines 10 and 11, insert the following:

SEC. 2405. APPLICATION OF TEMPORARY REGULATIONS TO CERTAIN OUTPUT CONTRACTS.

In the application of section 1-141-7(c)(4) of the Treasury Temporary Regulations to output contracts entered into after February 22, 1998, with respect to an issuer participating in open access with respect to the issuer's transmission facilities, an output contract in existence on or before such date that is amended after such date shall be treated as a contract entered into after such date only if the amendment increases the amount of output sold under such contract by extending the term of the contract or increasing the amount of output sold, but such treatment as a contract entered into after such date shall begin on the effective date of the amendment and shall apply only with respect to the increased output to be provided under such contract.

AMENDMENT NO. 3359

(Purpose: To modify the credit for new energy efficient homes by treating a manufactured home which meets the energy star standard as a 30 percent home)

In Division H, on page 74, line 16, strike "Code" and insert "Code, or a qualifying new home which is a manufactured home which meets the applicable standards of the Energy Star program managed jointly by the Environmental Protection Agency and the Department of Energy".

Mr. REID. Madam President, pursuant to the previous order, I now move to table the Boxer amendment No. 3139, and I ask for the yeas and nays on behalf of the majority leader.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—57

Allard
Allen
Baucus
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Carnahan
Chafee
Cleland
Cochran
Conrad
Craig
Crapo
Daschle
DeWine
Domenici
Dorgan
Edwards
Enzi
Frist
Grassley
Gregg
Hagel
Harkin
Hatch
Hutchinson
Hutchison
Inhofe
Jeffords
Johnson
Kohl
Landrieu
Lincoln
Lott
Lugar
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Stabenow
Stevens
Thomas
Thompson
Thurmond
Voinovich

NAYS—42

Akaka
Biden
Bingaman
Boxer
Cantwell
Carper
Clinton
Collins
Corzine
Dayton
Dodd
Durbin
Ensign
Feingold
Feinstein
Fitzgerald
Graham
Gramm
Hollings
Inouye
Kennedy
Kerry
Kyl
Leahy
Levin
Lieberman
McCain
Mikulski
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Smith (OR)
Snowe
Specter
Torricelli
Warner
Wellstone
Wyden

NOT VOTING—1

Helms

The motion was agreed to.

Mr. BINGAMAN. Madam President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 3225

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the Feinstein amendment No. 3225.

The Senator from Nevada.

Mr. REID. Madam President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion to table amendment No. 3225. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER (Mr. EDWARDS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 60, nays 39, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—60

Baucus
Bayh
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Carnahan
Carper
Chafee
Cochran
Conrad
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Feingold
Fitzgerald
Frist
Graham
Grassley
Gregg
Hagel
Harkin
Hollings
Hutchinson
Inhofe
Inouye
Jeffords
Johnson
Kerry
Kohl
Landrieu
Levin
Lincoln
Lott
Lugar
McConnell
Mikulski
Miller
Murkowski
Nelson (FL)
Nelson (NE)
Roberts
Sarbanes
Sessions
Smith (NH)
Stabenow
Stevens
Thurmond
Torricelli
Voinovich
Wellstone

NAYS—39

Akaka
Allard
Allen
Bennett
Biden
Bingaman
Boxer
Byrd
Cantwell
Cleland
Clinton
Collins
Corzine
Ensign
Enzi
Feinstein
Gramm
Hatch
Hutchison
Kennedy
Kyl
Leahy
Lieberman
McCain
Murray
Nickles
Reed
Reid
Rockefeller
Santorum
Schumer
Shelby
Smith (OR)
Snowe
Specter
Thomas
Thompson
Warner
Wyden

NOT VOTING—1

Helms

The motion to table was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky.

CHANGE OF VOTE

Mr. MCCONNELL. Mr. President, on rollcall vote No. 88, I voted no. It was my intention to vote aye. Therefore, I ask unanimous consent that I be permitted to change my vote since it would not affect the outcome.

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, we have approximately 2 hours until all time runs out on this legislation as a result of the postcloture rules. The following amendments are about all we are going to have time to work on before 3:30. I ask unanimous consent that Senator DURBIN be allowed to offer amendment No. 3342, with 10 minutes equally divided; Senator HARKIN, amendment No. 3195, 20 minutes equally divided, and that Senator DORGAN be granted 10 minutes of that 20 in opposition; Carper amendment No. 3198, with 40 minutes equally divided; amendment No. 3326, the Murray amendment, 10 minutes equally divided; Kyl amendments Nos. 3332 and 3333, 20 minutes total for the two amendments equally divided.

I ask unanimous consent that following the completion of the debate on these amendments there be a series of votes in stacked sequence with no intervening second-degree amendments. The votes would be on or in relation to the amendments.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. This does not waive points of order on the amendments?

Mr. REID. It waives no points of order.

Mr. LEVIN. One other issue. There are other amendments at the desk, including one in which I am interested.

Mr. REID. Yes. I will work on that.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Reserving the right to object, and I will probably not object, but we have an amendment on climate change issues that I did not hear made mention of. I inquire of the assistant majority leader with regard to that amendment.

Mr. REID. I say to my friend from Kansas, we have taken these amendments in the sequence they are now listed. Sadly, is the best way I can say it, there are eight amendments to which we are simply not going to have time to get. The reason I have asked these people to take less time than they are entitled is so we can get to as many of them as possible.

I say to my friend, if we are able to complete this unanimous consent agreement, what we are going to do is ask unanimous consent as to all amendments that are in order, that are on this list, Senators would have 2 minutes for and 2 minutes against each amendment. Other than that, that is the best we can do because that is 4 minutes more than the amendments are entitled to under the rule.

Mr. BROWNBACK. If I could inquire, does that include, then, the amendment we have put forward?

Mr. REID. It will include that.

The PRESIDING OFFICER. Is there objection?

Mr. CRAIG. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. It is my understanding we do not need a vote on the Durbin amendment, that a voice vote would be adequate, if that is all right with the author of the amendment.

Mr. REID. We hope that is the case. That is my understanding.

Mr. CRAIG. Fine. That is what we believe can be done over on this side.

Mr. REID. I say to my friend from Idaho, if we get lucky, there may be one or two others that may not require a vote. If that is the case, I say to my friend from Kansas, we will try to move down the list a little more. But 3:30 is the drop dead time under the rule.

Mr. CRAIG. That is correct. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Nevada.

AMENDMENT NO. 3336 TO AMENDMENT NO. 2917

Mr. REID. Mr. President, I ask unanimous consent that the pending amendments be set aside temporarily in order to call up amendment No. 3336 for Senator LEVIN. This has been cleared on the other side.

Mr. LEVIN. Mr. President, I do not know that it has been cleared on the other side.

Mr. REID. Yes, it has been. It has not been cleared for acceptance. This unanimous consent agreement has been cleared.

Mr. CRAIG. The unanimous consent agreement?

Mr. REID. To allow the amendment to be listed.

Mr. CRAIG. To have it listed, is that the unanimous consent request?

The PRESIDING OFFICER. Is there objection?

Mr. CRAIG. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. I withdraw.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. LEVIN, proposes an amendment numbered 3366 to amendment No. 2917.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To modify the incentives for alternative fuel motor vehicles and refueling properties)

In Division H, on page 73, between lines 2 and 3, insert the following:

SEC. . MODIFICATIONS TO THE INCENTIVES FOR ALTERNATIVE VEHICLES AND FUELS.

(a) MODIFICATION TO NEW QUALIFIED HYBRID MOTOR VEHICLE CREDIT.—The table in section 30B(c)(2)(A) of the Internal Revenue Code of 1986, as added by this Act, is amended by striking "5 percent" and inserting "4 percent".

(b) MODIFICATIONS TO EXTENSION OF DEDUCTION FOR CERTAIN REFUELING PROPERTY.—

(1) IN GENERAL.—Subsection (f) of section 179A of the Internal Revenue Code of 1986 is amended to read as follows:

"(f) TERMINATION.—This section shall not apply to any property placed in service—

"(1) in the case of property relating to hydrogen, after December 31, 2011, and

"(2) in the case of any other property, after December 31, 2007.".

(2) EXTENSION OF PHASEOUT.—Section 179A(b)(1)(B) of such Code, as amended by section 606(a) of the Job Creation and Worker Assistance Act of 2002, is amended—

(A) by striking "calendar year 2004" in clause (i) and inserting "calendar years 2004 and 2005 (calendar years 2004 through 2009 in the case of property relating to hydrogen) ",

(B) by striking "2005" in clause (ii) and inserting "2006 (calendar year 2010 in the case of property relating to hydrogen)", and

(C) by striking "2006" in clause (iii) and inserting "2007 (calendar year 2011 in the case of property relating to hydrogen)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 2003, in taxable years ending after such date.

(c) MODIFICATION TO CREDIT FOR INSTALLATION OF ALTERNATIVE FUELING STATIONS.—Subsection (l) of section 30C of the Internal Revenue Code of 1986, as added by this Act, is amended to read as follows:

"(l) TERMINATION.—This section shall not apply to any property placed in service—

"(1) in the case of property relating to hydrogen, after December 31, 2011, and

"(2) in the case of any other property, after December 31, 2007.".

(d) EFFECTIVE DATE.—Except as provided in subsection (b)(3), the amendments made by this section shall apply to property placed in service after September 30, 2002, in taxable years ending after such date.

Mr. REID. I call for regular order.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 3342

Mr. DURBIN. Mr. President, yesterday I had reported by the clerk amendment No. 3342 and it was laid aside. I do not know if it is necessary for the clerk to report it again. I will speak briefly to the amendment. Is it necessary for the clerk to report?

The PRESIDING OFFICER. The amendment is pending.

Mr. DURBIN. Mr. President, I will be brief because I believe this amendment is going to be agreed to by a voice vote. I thank all those who are involved in that: Senator BINGAMAN, Senator MURKOWSKI, as well as Senator NICKLES, Senator GRASSLEY, Senator BAUCUS, and others who have followed this matter.

We clearly need to reduce our dependence on fossil fuels, particularly on imported oil. We should focus on sources of energy that are clean, free, and literally limitless. One of those sources is wind. Wind power is now creating opportunity for the generation of electricity across the United States. I introduced legislation last year to create a tax credit to help defray the cost of installing a small wind energy system to generate electricity for homes, farms, and businesses. I hope this legislation will ultimately become the law of the land.

Today, with this amendment, we take an important step forward in providing for equal treatment of wind energy used in business and nonbusiness applications. It certainly would apply to our quest to reduce our dependence on foreign oil. This is extremely important.

A recent USA Today poll showed 91 percent of the public favors incentives for wind, solar, and fuel cells. We think this amendment is one that will give us an opportunity to use wind power across America, to generate electricity, particularly in applications for farms and ranches and businesses.

This map I have illustrates the areas of the United States where there are wind resources that could generate electricity. I am surprised, in looking at the map, that there is no indication that Washington, DC, is a source of wind, but those who visit Capitol Hill might argue otherwise.

I think if we take a look at this map, though, we can see we have ample opportunities across the United States for a clean, literally limitless, source of electricity.

I urge adoption of my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 3342) was agreed to.

Mr. REID. I move to reconsider the vote.

Mr. MURKOWSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3195

Mr. REID. Mr. President, I ask unanimous consent that the time on the Harkin amendment, the next in order as I understand it, start running against that amendment.

Mr. COCHRAN. Reserving the right to object, I didn't understand the request.

Mr. REID. The Harkin amendment has 20 minutes evenly divided, and I think the time should start running against that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I am a cosponsor of the Harkin amendment, along with Senator GRASSLEY and Senator LINCOLN. This amendment was offered last night. We had a discussion of the amendment at that time. The issue presented by this amendment is whether the bill, as taken up on the floor of the Senate as it relates to energy-efficient ratios of air-conditioning units, should be adopted by the Senate or another ratio that would provide virtually the same amount of efficiency but at a lower ratio and leave in place production plants that are producing coils for air-conditioning units on the market today and the entire air-conditioning units to continue to function.

Let me give a parochial example of the implications of this issue for my State of Mississippi. There are over 7,000 workers employed in facilities that produce either components for or total air-conditioning units. One plant employs 2,500 people in Grenada, MS. Our amendment allows the use, sale, manufacture, and use by citizens of air-conditioning units with an energy efficiency ratio of 12. These are numeric. The bill before the Senate requires a ratio of 13. If the committee bill is adopted, or the bill before the Senate—the committee didn't have a whole lot to do with writing this bill, incidentally—if the bill before the Senate is adopted without amendment to this section, that plant at Grenada, MS, will shut down and those 2,500 workers will be out of work. This will be replicated not only throughout my State and other manufacturing facilities but throughout the country.

So you need to check to see what the results will be in your State before you vote on this amendment.

The other side of the story is, the cost of air-conditioning units is going to skyrocket. I mean that seriously. An additional $700 per air-conditioning unit is going to be added to the cost to those who want to buy an air-conditioning unit. Think about that. If you have a State where people work for the minimum wage or low salaries, they can forget about buying an air-conditioning unit. They are not going to be able to afford air-conditioning.

One of the main purposes of this legislation is to improve energy efficiency. We are for that. The current energy efficiency ratio for air-conditioning units is at the level of 10. This amendment raises that by 20 percent to 12. We are suggesting—the Senators from Iowa, the Senator from Arkansas and I—with this amendment, that the ratio of 12 is the correct level.

We are not a regulatory body. Think about this. This bill is requiring the Senate to choose a regulatory standard. A rulemaking was in process at the Department of Energy. This legislation preempts that process and arbitrarily sets a limit that is going to unreasonably raise costs of air-conditioning units and put a lot of people out of work for no really good, justifiable reason.

I urge the Senate to think carefully about the implications of this amendment and its consequences. We urge Members to vote for the level that is more appropriate, that we think the Department of Energy would move toward and establish by its rulemaking power—which it should have been allowed to do. This bill preempts that process, stops the rulemaking in its tracks, and imposes a new energy efficiency standard. It is too high. It is too high for the reasons I stated.

I urge the Senate to adopt the Harkin-Cochran-Grassley-Lincoln amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. How much time is available?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. DORGAN. Mr. President, I was not available when Senator HARKIN introduced the amendment last evening, but I want to come to the floor to support the standard that exists in the energy bill we are now considering.

This issue is in many ways complicated, but it is also the issue that deals with energy efficiency. We are talking about increased production, conservation, efficiency, as well as the promotion of limitless, renewable sources of energy. This issue is called the Seasonal Energy Efficiency Ratio. Almost no one knows what it is. It is called the SEER standard. The standard in the bill is established at 13 SEER, which is a standard that was published in the Federal Register almost a year and a half ago, January 2001. It would increase residential air-conditioner efficiency by 30 percent over the prior 10 SEER standard.

The Goodman Manufacturing Company, for example, said in testimony they have given at hearings: There have been claims that the 13 SEER standard would cost consumers substantially more money than the proposed rollback to a 12 SEER standard. According to the Department of Energy, the average difference in cost between a 13 SEER unit and a 12 SEER unit is approximately $122. That is what I am told the Department of Energy says is the difference.

The Department of Energy also indicates that cost will be recovered in a very short period of time, because of the added efficiency in a 13 SEER standard. According to the Goodman Company, which is the second-largest manufacture of air-conditioners in the country, and who supports the 13 SEER standard in the bill, the incremental cost to the manufacturer to produce a 13 SEER unit is about $100. They say: We believe the most efficient technology should be available to people of all income levels at an affordable price. Not all manufacturers may have this same marketing philosophy. Some may seek a protection of higher profit margins on their more efficient equipment. A 13 SEER standard would force all manufacturers to be truly competitive and provide all consumers with the most affordable energy-efficient technology for air-conditioners that is available today.

This issue deals with a mix of things we have to do in a successful energy policy. We are talking about production, conservation, efficiency, and limitless, renewable sources of energy. This is the efficiency piece that deals with air-conditioners.

Most of us understand that at peak loads at certain times of the year, the use of air-conditioners consumes a substantial amount of the energy in our country. Much has been said about it. Let me show a couple of charts that describe a couple of other alternatives.

Pat Wood, former chairman of the Texas Public Utility Commission said:

> Such a significantly strengthened standard to SEER 13 would have the triple benefits of improving electric system reliability, reducing air pollution, and cutting cooling costs for our customers.

The National Association of Regulatory Utility Commissioners—of the various States—say:

> Keeping the SEER 13 standard for residential air-conditioners is a crucial component for curbing future demand growth while retaining consumer needs for affordable cooling.

And the EPA says:

> A 13 SEER standard will do more to stimulate energy savings that benefit the consumer, reduce fossil fuel consumption and limit emissions of air pollutants.

All of those represent the benefits of the 13 SEER standard as opposed to the 12 SEER standard.

History has shown us, on virtually all of these areas of technology, that once a standard is implemented, the markets drive prices down and make the more efficient equipment even more affordable for all consumers. The incremental cost to the manufacturer to produce the 13 SEER standard, according to the Goodman Manufacturing Company, the second largest air-conditioning manufacturing company in the country—and, incidentally, a supporter of the 13 SEER standard—is about $100. The Goodman Manufacturing company, the EPA, and others say that will be recouped in lower electricity costs by a more efficient air-conditioner in a very short period of time.

I mentioned Pat Wood from Texas in a chart. The Texas electric rates were 27th in the Nation compared to other States. One of the primary uses of electricity in Texas is air-conditioning. Approximately 90 percent of the homes in Texas have air-conditioning, and Texans spend more on air-conditioning than on space heating.

If the 13 SEER standard is implemented, for example, Texas electric companies will save $241 million by the year 2010. It is estimated in 2020 they will have saved $785 million in electric costs.

Consumer organizations and low-income advocacy organizations support the 13 SEER standard.

It seems to me, at a time when we want to ensure energy security, increasing the efficiency of our appliances makes good sense. We have testimony not only from one of the large air-conditioning manufacturers, but also from smaller air-conditioning manufacturers, that they support this. This can be done and can be done in a manner that is helpful to all Americans.

Goodman Manufacturing, the second largest manufacturer, a couple of small manufacturers—Goettl of Arizona and Aaon, Inc. of Tulsa, Oklahoma—also support the 30-percent increase in efficiency.

I know there is not the time to adequately discuss a number of these issues in the energy bill. As I indicated when I began, these are complicated issues. I know there are disagreements about them within the manufacturing sector on air-conditioning units. But with respect to legislation that deals with a range of issues in a comprehensive energy policy, on the efficiency side, the 13 SEER standard makes sense.

The 13 SEER standard will save energy. It will promote a substantial movement by the manufacturing base to produce these at an affordable cost. It will save money and also be friendly to our environment. All of this make sense as part of an energy policy.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 2 minutes 20 seconds.

Mr. DORGAN. I reserve the remainder of my time.

Mr. MURKOWSKI. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. There remains 4 minutes 18 seconds.

Mr. MURKOWSKI. Mr. President, I was going to speak on behalf of the amendment, but I will defer to Senator HARKIN. He controls the time.

Mr. HARKIN. I am sorry, how much time remains?

The PRESIDING OFFICER. The Chair corrects the time. There remain 5 minutes 32 seconds.

Mr. MURKOWSKI. Will my colleague proceed now. I am going to take 2 minutes.

Mr. HARKIN. Whatever the Senator wants.

Mr. MURKOWSKI. I will yield to the Senator the remaining time.

Mr. HARKIN. I thank my colleague.

Mr. MURKOWSKI. Mr. President, this amendment strikes the mandate for a 13 SEER standard for residential air-conditioners and heat pumps. As we know, the DOE would be required to issue a new 12 SEER efficiency standard within 90 days. This would result in the same standard as recommended by the DOE staff during the previous administration, and constitute a 20-percent increase in efficiency, which is not a rollback by any means, as some would indicate.

Here we are again in the situation, just as in the CAFE debate, where certain Senators want you to believe they know better. Instead of letting the agency, in this case the DOE, act on a reasonable efficiency and cost standard, the number 13 was picked out of the air even though it meant higher costs and fewer choices for consumers.

To give some idea, the nonpartisan Energy Administration estimates the 12 SEER standard saves consumers money. The 13 SEER standard is a net cost, that is, about $600 million over 10 years. To give some idea, the 12 SEER saves $2.3 billion over the 10-year period.

During the last rulemaking in 2000, DOE staff considered a wide range of possible efficiency standards. Based on a review of all factors, DOE staff proposed a new 12 SEER standard—a 20 percent increase in energy efficiency. However, Secretary Richardson arbitrarily decided—without any further study—to issue a new 13 SEER rule in the final days of the Clinton Administration. This rule was placed under further review.

This higher level was not supported by the rulemaking—and it certainly is not economically justifiable. To justify the last minute 13 SEER standard, DOE in the prior Administration disregarded the industry data that it had used throughout the entire rulemaking. The cost of an air conditioner will increase by $712—nearly 30 percent—if a 13 SEER standard is imposed. For most consumers in the Midwest and northern regions of the country the "payback" time for recovery of the additional costs is well over 10 years. For these consumers—the extra cost of the more efficient unit just simply isn't worth it over the life of the equipment.

This dramatic increase in the cost of a new air conditioner under a 13 SEER standard will make air conditioning unaffordable for many seniors, working families, and low-income consumers, many of whom own single family homes and many of whom rely on air conditioning for their health and well being.

For small and manufactured homes, the expense is even greater. The size of an air conditioner under a 13 SEER standard is substantially larger than under a 10 or 12 SEER standard. This creates enormous retrofitting problems and much higher cost, particularly in manufactured housing. The larger cooling coils simply cannot fit in the space made for the smaller unit.

Because of the substantial increase in cost, many consumers will choose to fix older units that are less energy efficient instead of make a new purchase. This would defeat the purpose of higher standards—to save energy and reduce heating and cooling expenses.

A 13 SEER standard would have tremendously negative impacts on industry competition and small businesses: 84 percent of all central air conditioning models would be suddenly obsolete; as would 86 percent of all heat pump models; redesign and retooling of manufacturing facilities would cost the industry $350 million—reducing profits and jobs.

Nearly half of the original equipment manufacturers selling air conditioners in the U.S. today do not offer 13 SEER products. The Department of Justice and the Small Business Administration have both expressed concerns over the loss of competition and the closure of many small manufacturers.

But most of all—the 13 SEER standard is not economically justifiable as is required under existing law. Industry figures show that both the 12 and the 13 SEER standards will cost consumers billions after electricity savings are factored in, and the non-partisan Energy Information Administration estimates that the 12 SEER standard saves consumers money; while the 13 SEER standard is a net cost.

These are the reasons DOE staff initially recommended the 12 SEER standard as the "economically justifiable" level of efficiency, and this is why the DOE has proposed a 12 SEER standard as a final rule after its further review of the record. We should respect the expertise of the DOE—and let them carry out their duties under existing law.

A 13 SEER standard would have a devastating effect on the industry, eliminate competition, and cost thousands of jobs. By contrast, a 12 SEER standard will benefit consumers, preserve jobs and competition, and truly save energy. I support the amendment to strike the 13 SEER standard, and I encourage my colleagues to do the same.

I yield the remaining time to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank the distinguished Senator from Alaska for his comments. I support him in favor of a 12 SEER standard instead of a 13. I join with my friend from Mississippi. I thank him for his strong support of this amendment.

It always sounds nice. You do a 13, you are going to save a lot of energy and can quote from EPA and that stuff. But the fact remains, No. 1, the Department of Justice in the last Administration had real concerns about a 13 standard and this administration said this would be harmful to small businesses, this would not be competitive.

No. 2, the professionals in the Department of Energy in both the past administration and in this one have said a 12 standard is the best standard.

What happens if you go to a 13? The cost of these air-conditioners will be higher. The elderly, modest-income people, people who live in manufactured homes, will be less able to afford them.

What they will do is they will keep their old air-conditioners, and those are less energy efficient. They will not move to the new ones.

The cost of going from 10 to 13 will be more than $700 per air-conditioner. To go to a 12, it is about $407.

Keep in mind, under the rules the Department of Energy has to abide by, they have to look not just at the energy use, they have to look at the impact it has on certain subgroups, such as those of modest means. Under the 13 that is in this bill, it will mean a lot of low-income people in this country are going to be harmed. It will mean the elderly who need air-conditioning, when it really gets hot, their health and their well-being, will be unable to have the air-conditioning they need. Is this what we want to do around here?

When Senators come to vote on this issue, I hope this is not some kind of a knee-jerk reaction: 13 is higher than 12 and we want to have a higher energy efficiency standard, so we will vote for 13, without thinking about what the implications will mean, what it will mean to consumers, the elderly, the low-income people all over this country.

Last, what is it going to mean to jobs? We have thousands of jobs in my State of Iowa that are in jeopardy, dire jeopardy if the standard of 13 stays in this bill. These are companies that produce good quality equipment. You have all heard of Lennox. It is a great company. But I can tell you right now, if it goes to 13, Lennox will be squeezed and jobs will be lost in my state of Iowa.

Any way you cut it, the 13 standard that is in the substitute amendment now before this body is not going to achieve the goals of lower electric energy use people hope for. Instead, it is going to hurt our elderly, our low income, and especially the jobs of the people who work in these industries today.

I reserve the remainder of my time, however much it might be.

The PRESIDING OFFICER. The time of the Senator has expired.

Ms. CANTWELL. Mr. President, I rise today in opposition to this amendment, which would leave it to the Secretary of Energy to decide what efficiency standard should be applied to residential air conditioners and heat pumps. This is an attempt to reduce by at least 10 percent the energy efficiency requirement proposed in this bill, which reflects the standard promulgated by the Department of Energy in January 2001—the result of a comprehensive rulemaking effort and multiple years of hearings and analysis.

The new standard, called SEER 13, seasonal energy efficiency ratio, was supposed to take effect last February, but it was delayed by the Bush administration's suspension of a long list of Clinton era environmental rules in what's come to be known as the "Card Memo"—the legality of which is still subject to litigation.

My colleagues may be aware of a number of other rules that came under the Bush administration's scrutiny as a result of this freeze on environmental protections. The list is long and includes: the attempt to roll back the arsenic standard for drinking water; suspension of the roadless rule, designed to protect more than 60 million acres of untouched national forests from road building and logging; and even the Clinton administration's New Source Review policy, restricting harmful emissions from power plants.

Given this laundry list of environmental reversals, it should probably not surprise us that the Bush administration also took steps to undermine the air conditioning efficiency standard. After merely 2 months of review—compared to the 8-year rulemaking process of the Clinton administration—the Department of Energy last April proposed lowering the air conditioning efficiency standard to SEER 12, or by at least 10 percent relative to the Clinton rule. What is more, the Bush standard wouldn't even go into effect until 2006.

And so, the fix is in. If we leave this important standard to the discretion of this administration's Department of Energy, we will needlessly lower the bar for the efficiency of appliances that use as much as 28 percent of all the electricity consumed in this nation on hot summer days. Thus, this amendment would adversely impact our environment, the reliability of our transmission grid and our Nation's consumers.

I also think it's interesting to note that the Bush administration's proposed standard has been vigorously challenged—not just by consumer groups, environmental and energy efficiency organizations, but also by utilities themselves, State utility regulators, some of the same large and small appliance manufacturers that this amendment purports to help, and even the Bush administration's own Environmental Protection Agency.

Indeed, in comments on the Department of Energy's rulemaking, the Deputy Administrator of the EPA wrote that "the EPA believes there is a strong rationale to support a 13 SEER standard," put in place by the Clinton rule, and further alleged that several DOE's arguments in justifying its proposed rollback contained "overestimates," "underestimates," and "misinformation."

Now, why this fight over a seemingly obscure requirement? What is the difference between a 12 SEER and 13 SEER standard?

By 2020, the Bush administration's proposal—which this amendment would render a foregone conclusion—would increase by nearly 14,500 Megawatts the peak electricity demand across this country. That is roughly the same as the output from 48 new power plants.

It would, every year, add 2.5 million metric tons of carbon emissions into our air;

It would cost American consumers $1 billion dollars on their electricity bills.

And it would degrade the reliability of our already strained transmission grid.

I believe these alone are compelling facts. But I also want to talk about a benefit of the 13 SEER standard—the standard that is now in this bill—that became obvious to us in Washington State during the height of the Western energy crisis.

Now, in my State, we don't have a lot of air-conditioning load during the summer because our major population centers are located in a temperate climate where temperatures eclipse 80 for only a few days a year. In fact, our peak energy usage occurs during the winter—for heating purposes. But this is an important issue for ratepayers in my State nonetheless, because we are upstream from—and interconnected, through Oregon, to—California. And in California, air conditioners account for as much as 30 percent of peak energy demand on hot summer days. That is, during the business hours when our economy requires the most energy to function—during the day, when temperatures are also at their height—air conditioning alone uses almost a third of all the energy consumed in that State.

Now, a very painful lesson was driven home up and down the west coast last year. That is, when supply is tightest—during periods of peak demand—the grid is also the most constrained and wholesale power prices are the most volatile. When supply is tight, utilities switch on their so-called "peaker" plants—plants that are usually the most obsolete, least efficient, environmentally damaging and run for only a few hours a year. And as my colleagues are aware—because of the unique nature of electricity as a commodity that cannot be stored—that very last megawatt of electricity needed to meet demand is by far the most expensive. It can have an almost exponential effect on power supply costs across a market. And it's a primary driver in price spikes and volatility.

So by increasing the efficiency of air conditioners—by 30 percent under the Clinton administration standard that this bill contains—we would essentially be helping to drive down peak demand in a way that will also lessen volatility in electricity markets, enhance the reliability of the grid and spare our environment emissions from these peaker plants.

I believe the efficiency standard contained in this bill is right for consumers and it is right for the environment. Contrary to what some of my colleagues may assert, it is also imminently achievable for industry. All manufacturers already make air conditioning models that comply with the 30 percent savings standard contained in this bill—so clearly, the technology already exists. And the Department of Energy concluded in its 8-year rulemaking that the standard would actually increase—not reduce—manufacturing jobs in this sector.

So I think the choice is clear. The evidence supports the standard contained in this bill. This is an opportunity for this body to resist yet another Bush administration environmental rollback. So I ask my colleagues to oppose this amendment.

Mr. BINGAMAN. How much time remains for the opponents?

The PRESIDING OFFICER. There remain 2 minutes 17 seconds.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, to just put this in perspective, this is another one of these amendments that we have seen a few of during this debate over the last several weeks—the sky is falling, don't try requiring anything that is onerous.

The truth is the provision in the bill says that by the year 2006 we believe the air-conditioners sold in the country ought to meet this SEER standard. Lennox, the manufacturer which is the one the Senator from Iowa referred to today, has over 19 models of air-conditioners, and 130 of those models already meet the standard in 2002. We are saying that 4 years from now we would like for the others to meet the standards as well.

Carrier lists 1,000 models that they make available. Of those, fewer than 100 have a SEER standard of less than 13. They don't have any air-conditioners on the market with a SEER standard of less than 12.25. So we are saying, 4 years from now let's move to the higher standard.

The EPA—not just the EPA of the prior administration but the EPA of this administration—agrees with our position.

I ask unanimous consent that following my remarks, we have printed in the RECORD a letter dated October 19 from Linda Fisher, Deputy Administrator of EPA, saying that EPA believes there is a strong rationale for the 13 SEER standard we have in this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. BINGAMAN. Mr. President, it is clear to me there are a great many benefits to be achieved for our country, for consumers, and for the environment, in lower electricity bills, by going ahead and maintaining the provision we have in the bill, the 13 SEER standard. My colleague from Iowa says it is going to cost a tremendous number of jobs. The Department of Energy itself—this Department of Energy—says this will create jobs and it will not lose jobs. It requires a few more workers to produce these air-conditioners with this higher standard. Instead of losing jobs in 2006 when this new mandate will be effective, we will be creating jobs.

If this is an effort to protect jobs for manufacturers in this industry, it is a misguided effort. I believe strongly that the provision we have in the bill is the right provision.

I urge my colleagues not to support the amendment that is offered by the Senator from Iowa.

EXHIBIT 1

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY,
Washington, DC, October 19, 2001.

MS. BRENDA EDWARDS-JONES,
U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Energy Conservation Program for Consumer Products: Central Air Conditioners and Heat Pumps, Docket No. EE-RM/STD-98-440, Washington, DC.

DEAR MS. EDWARDS-JONES: On behalf of the U.S. Environmental Protection Agency, I am pleased to submit the attached comments to Docket No: EE-RM-98-440, the Department of Energy's Proposed Rule: Energy Conservation Program for Consumer Products; Central Air Conditioners and Heat Pumps Energy Conservation Standards.

DOE has proposed a change to its previously issued standard that decreases energy efficiency requirements for residential air conditioners and heat pumps. DOE proposes to withdraw its previously issued 13 SEER standard and replace it with a 12 SEER standard. These comments affirm EPA's support for DOE's original 13 SEER standard.

EPA believes there is a strong rationale to support a 13 SEER standard. A 13 SEER standard represents a 30% increase in the minimum efficiency requirements for central air conditioners and air source heat pumps. In contrast, a 12 SEER standard represents only a 20% increase. The Administration's National Energy Policy stresses the important role that energy efficiency plays in our energy future. A 13 SEER DOE standard will do more to stimulate energy savings that benefit the consumer. DOE has quantified these savings at approximately 4.2 quads of energy over the 2006–2030 period, equivalent to the annual energy use of 26 million households and resulting in net benefits to the consumer of approximately $1 billion by 2020. In comparison, DOE projects that only 3 quads of energy would be saved over that same period with a 12 SEER standard.

A 13 SEER standard will also do more to reduce fossil fuel consumption and more to limit emissions of air pollutants. For example, by avoiding the construction of 39 400 megawatt power plants, a 13 SEER standard will reduce nitrous oxides (NO_x) emissions by up to 85 thousand metric tons versus up to 73 thousand metric tons that would be reduced with a 12 SEER standard. A 13 SEER standard will also result in cumulative greenhouse gas emission reductions of up to 33 million metric tons (Mt) of carbon. This is in contrast to a 12 SEER rule which will reduce up to 24 Mt of carbon equivalent by avoiding the construction of 27 400 megawatt power plants. At a time when many areas across the nation are struggling to improve their air quality, the additional emissions reductions achieved by a 13 SEER standard are especially important.

Thank you for the opportunity to provide these written comments. Should you have any questions, please contact Dave Godwin in EPA's Office of Air and Radiation at 202-564-3517 or via e-mail at godwin.dave@epa.gov.

Sincerely,

LINDA J. FISHER,
Deputy Administrator.

COMMENTS OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY ON THE PROPOSED RULE, ENERGY CONSERVATION PROGRAM FOR CONSUMER PRODUCTS, CENTRAL AIR CONDITIONERS AND HEAT PUMPS ENERGY CONSERVATION STANDARDS, DOCKET NO. EE-RM-98-440, OCTOBER 10, 2001

OVERVIEW OF EPA COMMENTS

The Environmental Protection Agency welcomes the opportunity to comment on the Department of Energy's Proposed Rule setting forth energy conservation standards for residential central air conditioners and central air conditioning heat pumps. EPA recognizes that the new proposed DOE rule represents a 20% increase in minimum efficiency standards for central air conditioning and heat pumps. However, we instead support the previous final rule of a 30% increase.

EPA has issue with several of the arguments DOE used to justify the withdrawal of the previous final rule as outlined within the Federal Register Notice of July 25, 2001 and the Technical Support Document. In summary, EPA believes that the information in the Federal Register Notice of July 25, 2001:

overstates the regulatory burden on manufacturers due to HCFC phase-out and concludes that the industry is under greater financial pressure from a 13 SEER standard than it is,

understates the savings benefits of the 13 SEER standard,

over and underestimates certain distributional inequalities,

mischaracterizes the number of manufacturers that already produce at the 13 SEER level or could produce at the 13 SEER level through modest changes to the products, and thereby mischaracterizes the availability of 13 SEER product.

EPA believes there is a strong rationale to support a 13 SEER standard. EPA also believes that the more stringent standard will be more representative of the long term goals of the administration's energy policy and will do more to reduce both the number of new power plants that need to be constructed, as well as the emissions resulting from these plants. EPA's more detailed comments are provided below.

OVERSTATED REGULATORY BURDEN DUE TO HCFC PHASEOUT

EPA analysis indicates that the Department of Energy's (DOE) projected cost for manufacturers to transition from HCFT-22 to a substitute for residential central air conditioners and heat pumps is likely to be a significant overestimate. Both EPA's own analyses, and estimates from at least one large manufacturer indicate that the DOE estimates in their Technical Support Document (TSD) are at least twice as high as warranted based on prior industry transitions and more recent trends.

The attached analysis from EPA's contractor, ICF Consulting, suggests a more reasonable estimate of the cost to be around $20 to $30 million per company, rather than the $50 million estimated by DOE, for the following reasons (see Exhibit 1):

The costs to retool a facility to accept new compressors is estimated at only $2 million.

The capital cost for converting from CFC-12 to HFC-134a for the entire U.S. refrigerator industry was estimated to range from $7 million to $23 million.

Projects approved under the Multilateral Fund of the Montreal Protocol for conversion of refrigerator manufacturing plants from use of CFCs to both HFC-134a refrigerant, and HCFC or hydrocarbon foam processes, show incremental cost estimates of $200,000 to $1 million.

These estimates are based on the expectation that the industry will transition to one or both of the two refrigerant HFC blends that have emerged as likely replacements for HCFC–22 (as cited in the TSD), R–407C and R–410A, and appear to provide roughly equivalent or better energy efficiency.

Furthermore, many manufacturers can produce 13 SEER units with only minor modifications to their facilities. DOE already acknowledges in the TSD that using "407C lowers the efficiency of unmodified R–22 systems by 5–10 percent under the SEER test conditions." (TSD, page 4–49). Thus, an unmodified R–22 system of 13.7 to 14.4 SEER, charged with R–407C, would achieve a 13 SEER. Of the seven manufacturers listed in the TSD, six (Carrier, Goodman, Rheem, Lennox, Trane and York) currently offer certified products with a SEER of 14.4 or greater, Nordyne makes units up to 14 SEER. Furthermore, it can only be assumed that minor design changes accounting for the use of R–407C would lower or eliminate the 5–10% efficiency loss.

With respect to R–410A, the TSD states that "manufacturers can preserve system capacity by reducing tube diameter (and tube costs). Furthermore, 410A can provide a slight efficiency boost at the SEER testing points." (TSD, page 4–49). Thus, the use of R–410A, while likely requiring more redesign of equipment, may actually increase efficiencies. This increase would eliminate the need to take some of the steps outlined in the TSD necessary to comply with a 13 SEER rule while using HCFC–22 refrigerant. The TSD necessary to comply with a 13 SEER rule while using HCFC–22 refrigerant. The TSD notes that "Carrier introduced a line of products based on 410A in 1998 and most other major manufacturers have since followed suit." (TSD page 4–50).

Carrier, the manufacturer with the largest (31%) share of the residential central air conditioner market (TSD, page 8–60), already offers efficient R–410A units. ARI lists over 1000 models manufactured by Carrier that use R–410A, ranging in cooling capacity from 23,200 Btuh (less than 2 tons) to 60,000 Btuh (5 tons). Of these, only a few dozen have a SEER of less than 13, and all have a SEER of at least 12.25. The maximum SEER listed is 18. While these models do not represent all of Carrier's products, it is apparent that switching to R–410A and achieving SEER ratings of 13 is very much possible. Carrier may now be in a position to increase its manufacturing capacity of these R–410A lines by the 2006 DOE deadline, thus meeting a 13 SEER standard with little or no additional regulatory burden. To the extent that Carrier cannot increase its production of R–410A by 2006 to meet demand, it can supplement production with high-efficiency HCFC–22 units until 2010.

Goodman, the manufacturer with the second largest share (19%) of the market, had already expressed support for the 13 SEER. Goodman has analyzed the costs associated with switching refrigerants and meeting a 13 SEER standard and expects the combined cost for both will be on the order of half of DOE's $50 million estimate for just the refrigerant transition. They feel that this $25 million per company is representative of the vast majority of the industry.

Many other companies offer or are well into the development of equipment using alternatives to HCFC–22. For instance, Lennox offers products with R–410A, ranging from 11.35 to 15. 15 SEER. Of 199 models listed, with capacities ranging from 23,600 to 61,000 Btuh, 130 models meet or exceed 13 SEER.

As we look forward over the next decade, there are a number of paths that companies can take to keep these costs low as they work to comply with the EPA regulations banning the shipping of new equipment charged with HCFC–22 starting January 1, 2010 and work to comply with the DOE efficiency rule (whether 12 SEER or 13 SEER) by 2006. One example would be:

Step up current production of high efficiency HCFC–22 equipment;

Meanwhile, phase out production of lower efficiency HCFC–22 units by 2006;

By 2010, switch these high-efficiency production lines to a new refrigerant while ensuring the efficiency standards are still met.

Another example would be:

Move directly to producing R–407C and/or R–410A units that meet the new DOE efficiency regulations;

Increase the production of these units to meet customer demand by 2006;

Meanwhile, phase out all HCFC–22 units by 2006.

Of course, some combination of these strategies is more likely to be taken and seems to offer the most opportunity for manufacturers to reduce regulatory burden.

The TSD states "To the extent that manufacturers can introduce new products utilizing the new refrigerant and meeting the new efficiency standard, the cumulative burden will be reduced." (TSD page 8–62). EPA believes that there is ample opportunity to meet both a 13 SEER efficiency standard and a ban on HCFC–22 in new equipment with limited regulatory burden.

UNDERESTIMATES OF SAVINGS IN THE COST BENEFIT ANALYSIS

DOE's analysis of the benefits of the withdrawn 13 SEER rule are significantly underestimated. DOE's analysis is based on summer 1996 electricity prices, adjusted downward based on EIA projections of future annual electricity prices. Changes in the electricity market due to utility deregulation has resulted in increased electricity prices overall. DOE did not consider this trend in its analysis.

According to Synapse Energy Economics' wholesale electricity price data, DOE analysis underestimates the cost of electricity for residential air conditioning by an average of approximately $0.02/kWh. In addition, the California Public Utilities Commission raised some residential rates by as much as 37%, affecting more than 10% of the U.S. electricity market and thereby, raising the national average electricity prices above DOE's projections. Adjusting DOE's analysis to include more recent electricity prices will definitely and drastically alter the results indicating that a DOE minimum standard of 13 SEER represents the better decision for the nation.

OVER AND UNDER ESTIMATES OF DISTRIBUTIONAL INEQUITIES

EPA sees distributional inequalities that DOE has not adequately considered. One results from the fact that the residential price of electricity does not capture the complete cost for running systems that largely run at peak times. That is, except in select circumstances, residential customers purchase electricity based upon averages rates, not "time-of-use" rates. The actual costs of electricity at peak times are dramatically more and therefore, higher peak rates drive up the average costs. Less efficient equipment operating at peak times drives up the cost of electricity for all customers, including those of low income, who are less likely to have central air conditioning. According to 1997 Residential Energy Consumption Survey (RECS) microdata (the same data set used by DOE in their analysis), of the total 101 million households represented, approximately 46% have central air conditioning, but among poor households, only 25% have central air conditioning; just half the rate of presence among non-poor households (See Exhibit 2).

Also related to distributional equities and according to the RECS data, among households below the poverty level, about 60% rent their housing units. This is in contrast to 27% of above poverty level households that rent (See Exhibit 2). Therefore, low-income consumers, or those defined as "poor" in TSD Table 10.1, are not the ones to buy a central A/C or heat pump product, but they would be the one to pay the utility bill (or likely face increased rents if utilities were included in their rent) for the use of that product. Instituting a higher minimum efficiency standard will actually ensure that low-income consumers have lower utility bills, providing a benefit to this population.

MISINFORMATION ON PRODUCT AVAILABILITY

DOE justifies a lower SEER rule because the higher efficiency levels would put manufacturers out of business. However, according to the Air Conditioning and Refrigeration Institute (ARI) database of model combinations, many manufacturers already produce models that meet the 13 SEER requirements. This technology has been available for many years to large and small manufacturers alike. Although confidential ARI shipment information may not reflect large sales of high efficiency equipment, the publicly accessible ARI database of models shows extensive product availability. Over 7,000 air source heat pump model combinations and over 14,000 central air conditioner model combinations currently meet or exceed the 13 SEER level as listed by ARI.

The TSD (TSD page 8–2) describes a group of manufacturers that "offer more substantial customer and dealer support and more advance products. To cover these higher operating expenses, this group attempts to "sell-up" to more efficient products or products with features that consumers and dealers value." With a higher standard, these manufacturers would not go out of business, but would rather continue to sell-up, to even higher efficiency levels or additional valued features.

Furthermore, results and upcoming plans for utility programs around the country also document the availability of 13 SEER and above products, as well as the demand for such products. Austin Energy's Residential Efficiency Program 2000–2001 gave rebates to single family existing homes for installation of split systems and heat pumps with efficiencies of 12 SEER and above. Rebates were staged: $150 for 12.0–12.9 SEER; $250 for 13.0–13.9 SEER; $400 for 14.0–14.9 SEER; and $500 for 15.0 and above. In total, 4,000 rebates averaging $312 were given to consumers. These numbers illustrate that a significant portion of the rebates given were for 13 SEER and above units.

In New Jersey, a 3-year rebate structure began in 2000 with a $370 rebate given for the installation of 13.0 SEER equipment and a $550 rebate given for 14.0 SEER equipment. A total of 14,000 rebates were given in the year 2000. As of August, 2001, 8000 rebates were given out with approximately 6,000 of these units at the 14.0 SEER level. Overall results in New Jersey show that 27% of the market (1998–2000) are 13 SEER or higher with 60% of those being at the 14 SEER or higher levels.

The Long Island Power Authority (LIPA) instituted a program similar to the one in

New Jersey offering rebates for installation of 13.0 and 14.0 SEER equipment. Results to date show that LIPA is on target to reach their goal of approximately 3,500 rebates for 13 SEER equipment. Approximately 80% of these rebates are for SEER 14 equipment. LIPA is expecting to ramp up to 5000 rebates in 2002. Overall, 17% of LIPA's market in 2000 is at 13 SEER or higher, with the market share for existing homes even higher at 22%.

Program plans for 2002 in Texas and California are geared toward equipment at 13 SEER and above. Reliant Energy in Southeast Texas is planning an incentive program to target 13 SEER and above matched systems. California's two large municipal utilities (Sacramento Municipal Utility District and Los Angeles Department of Water and Power) and four investor owned utilities (San Diego Gas and Electric, Southern California Gas, Southern California Edison, and Pacific Gas and Electric), serving over 30,000,000 consumers, are planning rebate programs to assure California residents receive energy efficient equipment, measures, and practices that provide maximum benefit for the cost. These programs all revolve around 13 SEER equipment or higher. Actual incentive amounts are not yet available.

Oral Statement for Doug Marty, Executive Vice President, on Behalf of Goodman Global Holdings Company, U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy

PUBLIC HEARING REGARDING ENERGY EFFICIENCY STANDARDS FOR CENTRAL AIR CONDITIONERS AND HEAT PUMPS—SEPTEMBER 13, 2001

Assistant Secretary David Garman, and other members of the Department of Energy Staff . . . thank you for the opportunity to speak here today.

My name is Doug Marty and I am the Executive Vice President of Goodman Global Holdings out of Houston, Texas. Let me start by giving you a brief background of our company: Goodman is the second largest residential air conditioning and heating manufacturer in the United States. Founded in 1975 by the late Harold Goodman, Goodman remains entirely family-owned. We produce a complete line of residential and light commercial air conditioning and heating equipment with facilities in Houston, Texas as well as Dayton and Fayetteville, Tennessee. Name brands sold by Goodman include Amana®, Goodman®, GmC®, and Janitrol®.

As the nation's second largest manufacturer, my goal here today is to provide you with accurate information regarding the continuing debate to rollback the energy efficiency standard for air conditioners and heat pumps from a level of 13 SEER to 12 SEER. This debate has been fueled by inaccuracies and in some cases outright wrong information. Stronger energy efficiency standards do not place a major burden on manufacturers or limit consumer choice. They do not cause enormous increases in the size of the equipment. Finally, they do not impose unreasonable costs on consumers or hurt the elderly and low-income families. Let me explain.

Given recent events and for purposes of national security, we now face a time when it is imperative to explore alternatives that help to improve the efficiency of our energy use and build our domestic energy infrastructure. As we seek alternatives, it is important to consider options that strike a balance between both environmental and energy needs. One simple option is energy efficiency and conservation; specifically, energy efficiency standards for air conditioners should be strengthened to a level that provides consumers the most efficient technology available today at an affordable price and helps to strengthen our domestic resources. That level is 13 SEER.

Many opponents of the 13 SEER standard have argued that moving to the higher level would be a hardship on small manufacturers and that not all manufacturers have the capability to produce the more efficient equipment, thus limiting consumer choice. In fact, the 13 SEER technology has been available to both large and small manufacturers for approximately 15 years. The Air Conditioning and Refrigeration Institutes' own data shows that virtually all manufacturers produce 13 SEER equipment today. In reality, the only difference between a 10 SEER unit, a 12 SEER unit and a 13 SEER unit is a little more copper and aluminum used in manufacturing different sized coils. Given the fact that the units have equivalent technologies, at Goodman we run all of our equipment through the same facilities and assembly lines. Since Goodman and most other manufacturers currently produce the 13 SEER air conditioner, moving to the higher SEER will simply mean producing a higher volume. This will also mean more jobs at the industry level, thus improving the economy.

There has also been some confusion about the size of the 13 SEER equipment versus the 12 SEER equipment. It has been said that there is an enormous difference in the size of the units and with that a tremendously higher related cost for installation. It is clear that an increased efficiency standard will be established at least at a level of 12 over the current 10 SEER standard. If the decision is made to adopt the 12 SEER standard, the unit size will be slightly bigger and will require some structural modifications to install the indoor portion of the system including ductwork during installation of the unit. Once we acknowledge that there will be a standard that will likely require some structural modification, one must compare the 12 SEER unit to the 13 SEER unit. The difference between our 13 SEER and 12 SEER external equipment is only 3-5 inches in height. The internal equipment size for the 12 and 13 are similar, and there is almost no difference in the installation costs associated with a 13 SEER unit and a 12 SEER unit.

There have also been claims that the 13 SEER standard would cost consumers substantially more money than the proposed rollback to a 12 SEER standard. According to the DOE, the average difference in cost between a 13 SEER unit and a 12 SEER unit today is approximately $122. The difference in costs for Goodman units is comparable to this estimate. Since a 13 SEER unit is 8 percent more efficient that a 12 SEER unit, consumers will save more on their electric bills each and every month for the life of the unit. Thus, over an average life of a home cooling unit, the savings will easily cover the increase in cost, between a 12 SEER and a 13 SEER unit.

Moreover, history has shown us time and time again that once a standard is implemented, the market will drive prices down and make the more efficient equipment even more affordable for all consumers. How do we know this? From experience. In 1992, when the government implemented the efficiency standard at 10 SEER; the cost of the 10 SEER air conditioning unit dropped dramatically across the nation. The reason for the change in price is simple. Once the standard is set, more sales of that type of unit will occur and more volume is manufactured, thereby allowing the manufacturers to run their plant more efficiently and pass the savings on to the consumer. Since most consumers purchase units that perform at the minimum standard, it makes it that much more important to establish the standard at the correct level, 13 SEER.

Finally, in our opinion, Goodman has a marketing philosophy of selling in volume. The incremental cost to the manufacturer to produce a 13 SEER unit is only about $100 and we feel that the most efficient technology should be available to people of all income levels at an affordable price. Unfortunately, all manufacturers may not have this same marketing philosophy. Instead some manufacturers may be seeking protection of higher profit margins on their more efficient equipment. A 13 SEER standard would force all energy manufacturers to be truly competitive and provide all consumers with the most affordable energy efficient technology for air conditioners that is available today.

Just as the Administration has been supportive of energy efficiency and conservation measures, Goodman too supports the use of more energy-efficient appliances, specifically air conditioners and heat pumps. However, rather than rolling the energy efficiency standard back to 12 SEER, a 20 percent increase in efficiency, we support a 13 SEER standard, a 30 percent increase in efficiency.

A 13 SEER standard is achievable today and will certainly be achievable in 2006. A 13 SEER standard will significantly reduce energy consumption, cut utility costs for consumers and improve air quality by reducing the amount of air pollutants and greenhouse gases emitted from fossil-fueled electric power generating facilities.

In closing, Goodman strongly urges you to consider establishing a 13 SEER standard for residential air conditioners and heap pumps beginning in 2006. Again, it is the right thing to do for both the consumer and the environment.

The PRESIDING OFFICER. All time on the amendment has expired.

AMENDMENT NO. 3198

Mr. REID. Mr. President, it is my understanding we are now going to move to the debate on the Carper amendment. Is that a valid statement?

The PRESIDING OFFICER. The Senator is correct.

Mr. REID. Mr. President, I ask my two colleagues—the Senator from Delaware and the Senator from Michigan—if there is any way to pare that time down. We are very close to being able to include another amendment in the order prior to the votes. We are now scheduling 40 minutes. Is there any way we can do that in 30, 35, or 25?

Mr. LEVIN. Mr. President, I would be willing to accept whatever Senator CARPER is willing to make.

Mr. CARPER. Mr. President, if the Senator will yield, I am willing to go with 20 or 15.

Mr. REID. Mr. President, I ask unanimous consent that the time for the Carper amendment be taken from 40 minutes to 30 minutes evenly divided.

Mr. SPECTER. Mr. President, reserving the right to object, this is a very brief period of time, 40 minutes.

Mr. REID. Mr. President, I withdraw my request.

The PRESIDING OFFICER. The request is withdrawn.

The Senator from Delaware.

Mr. CARPER. Mr. President, amendment No. 3198, which is at the desk, I believe is now in order under the previous order.

The PRESIDING OFFICER. The Senator is correct.

Mr. CARPER. Mr. President, I yield myself 5 minutes.

Today, the United States of America will consume some 7.8 million barrels of oil to power our cars, trucks, and vans. Between now and the year 2015, we are told by the Secretary of Energy that 7.8 million barrels of oil per day consumption for our cars, trucks, and vans will rise by some 36 percent to over 10½ million barrels of oil per day. My own view is that it would be better for our country if we had no increase.

The amendment Senator SPECTER and I offer today is one that seeks to reduce by one-third—1 million barrels of oil per day—the amount of oil we are going to consume in 2015 to power our cars, trucks, and vans.

There are a variety of ways to achieve those savings. Earlier in this debate on the energy bill, Senator LEVIN and Senator BOND offered an amendment that sought to conserve oil with respect to our cars, trucks, and vans. I voted for it, as did Senator SPECTER. I voted for that amendment because I like a number of aspects of it. I will mention a few of those aspects.

No. 1, it has been said that we should use the Government's purchasing power to commercialize new technologies and provide tax credits to consumers to buy more fuel-efficient vehicles, and that the auto industry be given a reasonable lead time. There were a number of very positive aspects to the Levin-Bond amendment.

One thing that was missing in the Levin-Bond amendment was a measurable objective. During the time I served as Governor of Delaware for 8 years, we worked often with measurable objectives—job creation, improving credit rating, getting people off welfare, and reducing the rate of teen pregnancies. In setting the objectives, we tried not to micromanage the process. We set a measurable objective and tried to hold ourselves accountable to that measurable objective.

Today, in offering this amendment, we set a measurable objective. We don't change the Levin-Bond amendment. It is all there in place. We don't change the amendment offered earlier by the Senator from Georgia, Mr. MILLER, with respect to pickup trucks; that remains where it is.

But we say that in 2015 we want the consumption of oil for our cars, trucks, and vans consuming at that time 1 million barrels less than what it otherwise would be without this amendment.

Senator SPECTER, in joining me in this amendment, I thought offered a very constructive change. He suggested that in order to meet these savings, rather than just having the Secretary of Transportation issue a regulation to change the CAFE standard, why don't we ask the Secretary of Transportation to take into consideration a number of other factors, including the use of alternative forms of fuel.

The amendment, as amended by Senator SPECTER, does just that. The Secretary of Transportation, in issuing his regulations in the future, can require so much savings from CAFE changes, so much savings from alternative fuels, including biodiesel, soydiesel, ethanol, even diesel fuel derived from coal waste.

I think our obligation here is to set the objective. The responsibility of the Congress and the President is to say—and we now rely for almost 60 percent of our oil from abroad. We have a $400 billion trade deficit, and it is growing, and one-third of that is attributable to oil, which is troublesome, and the notion that we have global warming, and one-quarter of the carbon dioxide that goes up into the air which comes from cars, trucks, and vans—we have an obligation to set measurable objectives in terms of slowing growth and reserving oil.

This amendment does so in a flexible way. It says to the Secretary of Transportation very clearly: We expect you to rely on working with the auto industry on issuing a regulation that may involve CAFE changes. We also want to make sure we rely on alternative fuels.

For a State such as Delaware, we have a heavy reliance on the raising of soybeans. We like the idea of encouraging soydiesel.

For those who come from States where there is a lot of corn, there is the notion that the Secretary of Transportation can issue regulations to encourage the consumption of ethanol to help power our cars, trucks, and vans in the future.

For those who come from States with a fair amount of coal and coal waste, there is the notion that you can use that waste product to actually create a cleaner diesel fuel that can be used for reducing our reliance on oil, and particularly foreign oil.

I reserve the remainder of my time.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator has consumed 4 minutes 45 seconds.

Mr. CARPER. Thank you.

Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank my colleague from Delaware.

Mr. President, I support the Carper amendment because I think it is vitally important that the United States take affirmative steps to free ourselves from dependence upon OPEC oil. This amendment is a modest step in that direction.

While we are using 7.8 million barrels of oil a day to drive our vehicles—the estimate by the Department of Energy is that it will grow to 10.6 million barrels by the year 2015—the Carper-Specter amendment proposes to limit that growth to 9.6 million barrels. We are still going to use about 2 million barrels more. But this amendment makes the modest step of slowing the rate of increase by 1 million barrels of oil.

It is an intolerable situation, for us to be dependent upon OPEC oil. Today's New York Times carries a report about Crown Prince Abdullah of Saudi Arabia's proposed statement to the President concerning using Saudi oil as an "oil weapon" against the United States to demand that the United States change our policy in the Mideast. That is blackmail, pure and simple. And the United States ought not to put up with it and ought not to be in the position to have to put up with it.

Then the New York Times article goes on to point out that the Saudi position is that they are prepared to "move to the right of bin Laden" if necessary to make the United States capitulate on our policy.

Now, how much more arrogant and inflammatory can a comment be? Saudi Arabia produced bin Laden. Fifteen of the nineteen terrorists who attacked the United States on 9-11 were from Saudi Arabia. Now the Saudis are telling us they are not only embracing bin Laden but are prepared to move to the right of him if the United States does not yield to their demands on changing our policy in the Mideast.

In 1973, we faced lines at the gas station, and I think it would have been a blessing—perhaps a blessing in disguise—if we had not had relief from the oil embargo at that time, so that the United States, in 1973, would have been compelled to find alternative sources of energy. But we went back to our old ways, and the old ways were the easy ways and the ways of consuming vast quantities of OPEC oil.

I have opposed the CAFE standards; that is, for Congress to set a mandatory limit of so many miles per gallon, and earlier in this debate I voted against those CAFE standards.

I recall, about a decade ago, being asked to oppose CAFE standards for 1 year. Well, that year turned into another year, and yet another year. And, finally, it has been a decade or more, and we are still avoiding the imposition of CAFE standards, which is right because Congress ought not to micromanage how much gasoline is used.

But where you have a broad policy consideration, as the Carper-Specter amendment proposes, modestly, to reduce the rate of increase—and bear in mind, again, the statistics are that we use a little over 7 million barrels a day, and we will go to more than 10 million barrels a day by 2015—this amendment simply requires the Department of Energy and the Department of Transportation to find a formula to limit it to 9.6 million barrels a day.

American ingenuity can find the solution to the alternative fuel issue if we are put to the test we always have. After all, we put a man on the Moon. We invented and placed predators—robots—on the battlefield in defense of our troops. We have plans for a strategic defense initiative. The opportunities for scientific advances that will reduce our dependence on foreign oil are virtually limitless in our inventive society.

Back in 1973, when we had the long gas lines, there was blame attached to Israel and there was the undercurrent of anti-Semitism in the United States. Today, we see the outburst of anti-Semitism in Europe and in many parts of the world as a result of the Israeli policy and as a result of the United States backing Israeli policy.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator has used 5 minutes.

Mr. SPECTER. Madam President, I ask for 1 more minute.

Mr. CARPER. Madam President, I yield another minute to the Senator.

Mr. SPECTER. And this issue I raise with some reluctance. But there is no doubt that if we face an embargo and if we face the Saudis joining Iraq in using oil as a weapon, Israel will be blamed and anti-Semitism, which now bubbles just a little below the surface in many parts of the world, will rise to the surface and exceed it.

I think it is vital that the Congress establish a policy to be independent of OPEC oil. Today, in Pottsville, Pennsylvania, there is a plant which converts sludge into diesel fuel. If we set our minds to it, we can use the billions of tons of coal to find an alternative source of oil and not put up with the arrogance and the chutzpah of the Saudis telling us to change our policy in response to their blackmail. A strong statement to follow, Madam President.

The PRESIDING OFFICER. Who yields time?

The Senator from Michigan.

Mr. LEVIN. Madam President, I yield myself 5 minutes.

Madam President, in March, the Levin-Bond amendment regarding increased fuel standards for cars and trucks was adopted by the Senate with a strong bipartisan vote of 62 to 38. The purpose of the Levin-Bond amendment was explicit. No. 1, we said we want to increase fuel economy. It was specified that way. As a matter of fact, we directed the Department of Transportation, in its rulemaking, to increase fuel economy. It is very explicit.

The other provisions of the bill that we adopted were aimed at protecting the environment, reducing our dependence on foreign oil, but to do this in a way which would not harm the domestic manufacturing industry.

We believe, those 62 of us who voted for it, you could accomplish all of these goals: You could reduce our dependence on foreign oil, you could reduce the amount of oil we use, you could increase fuel economy, you could protect the environment, and you could do that without undermining our economy. That was the purpose of the amendment, and that is the way we explicitly stated it.

The way we accomplish those goals becomes vitally important. That is what gets to the heart of the debate this afternoon. The amendment we adopted did it in two essential ways: First, we included some positive incentives. We provided that there would be joint research and development to a greater extent among Government, industry, and academia than there had been previously or than was proposed by the administration. And we provided for Government purchases of hybrids, requiring those purchases. Just the way we had previously done for the Defense Department in the Defense authorization bill, we did for the general Government in the Levin-Bond amendment.

We also indicated an interest in trying to provide greater tax incentives. And there will be an effort later on this afternoon to do exactly that: To increase the tax incentives that would be available to lead us to the advanced technologies, the advanced hybrids, and the fuel cells.

But then we also did it in a second way. We said there also should be increased CAFE requirements but—and this was central to the Levin-Bond amendment—those requirements should be set after an analysis by the Department of Transportation of all of the factors which should go into that decision—not just what is theoretically, technologically capable regardless of cost, but what are the technological capabilities, what are the costs, what are the impacts on safety, because we had the National Academy of Sciences say there is an impact on safety, that you lose lives when you reduce the weight of the vehicle.

We had additional factors. If I could just read through some of these factors: Economic practicability, the need of the United States to conserve energy, the desirability to reduce U.S. dependence on imported oil, the effects of average fuel economy on other standards, such as relative to passenger safety and air quality. These are all interrelated criteria. And then: What are the adverse effects on the competitiveness of domestic manufacturers? What are the effects on the level of employment in the United States, the costs and lead time? What is the potential of advanced technologies, such as hybrids and fuel cells, to contribute to the achievement of significant reductions in fuel consumption? And a very important one, No. 12: The extent to which the necessity for vehicle manufacturers to incur near-term costs to comply with average fuel economy standards adversely affects the availability of resources for the development of advanced technology in the future, for leap-ahead technologies.

We listed 12 factors that we said should be considered by the Department of Transportation prior to concluding what the new standard should be. We said: You have to increase it, but we want you to look at 12 factors.

What the Carper amendment does is it wipes out, it eliminates all of those factors. It sets a mandatory amount. You must reduce by 1 million barrels per day above what is the predicted use of gasoline for those years—by another agency, by the way—and that is what it does. It cuts the heart out of the Levin-Bond amendment.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. LEVIN. I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator has that right.

Mr. LEVIN. When the Senator from Delaware says it doesn't change Levin-Bond, I am afraid he is mistaken. He fundamentally changes the Levin-Bond amendment, which we adopted a month ago. The change he makes is that he says, forget the consideration of all those other factors. You have to reduce it by 1 million barrels a day regardless of the impact on safety, regardless of the effect on long-term investments by these short-term investments for near-term advances, forget economic practical ability, forget cost, forget all the other factors that we directed the National Highway Transportation Safety Administration to consider. Even though he leaves them—he does not strike them technically; he doesn't go out and cancel them; the words still remain—the heart of the matter is gone because the heart of the regulatory matter in Levin-Bond is that we say to the Department of Transportation, you have 15 months. You adopt standards increasing fuel economy. If you don't do it in 15 months, we are going to have an expedited procedure in the Senate and in the House to consider different proposals. If you do adopt standards, they, of course, would be subject to legislative review under a generic statute. Either way, we will have an expedited process to look at the recommended number of the Department of Transportation after they go through a regulatory process, not before.

This amendment prejudges the outcome of the very regulatory process which Levin-Bond put into law, if this law is ever signed.

I hope we will defeat this amendment for all those reasons.

I yield the floor.

Mr. BIDEN. Mr. President, I rise to comment on the vote in relation to amendment number 3198, which was offered by my friend and colleague from the State of Delaware, Senator CARPER. The vote by the Senate is on a motion to table the amendment. I believe that Senator CARPER should be given a straight up-or-down vote on his amendment, and for that reason, I shall vote against the motion to table.

Mr. FEINGOLD. Mr. President, I rise to oppose the amendment offered by the Senator from Delaware, Mr. CARPER. This amendment would add a new section to the conclusion of the fuel economy provisions previously adopted by the Senate, which I supported, and which were offered by my colleague from Michigan, Mr. LEVIN. The new section would require the Secretary of Transportation to issue, within 15 months, regulations to reduce the amount of oil consumed in passenger cars and light trucks in 2015 by 1,000,000 barrels per day compared to consumption without such regulations in place.

I understand and support the desire to reduce the use of oil in the transportation sector. Proponents of this amendment have argued that this amendment is flexible and would allow the Department of Transportation to take other actions, not necessarily through adjustments in the fuel economy program, to achieve oil savings. In floor debate on this amendment, however, proponents have failed to clearly identify any other means of achieving oil savings other than fuel economy standards. I think there is broad consensus that new fuel economy standards would be the principle tool to achieve oil savings.

I have supported a new rulemaking on fuel economy with my vote in support of the Levin amendment. But the Senate has also passed an amendment on this bill, sponsored by the Senator from Georgia, Mr. MILLER, which I opposed. The Miller amendment weakens current law and exempt pickup trucks from any future increases in fuel economy standards. I feel that a new rulemaking on fuel economy should examine the possibility of fuel economy improvements in all motor vehicles, rather than exempt certain types of vehicles.

I considered the Carper amendment in light of the amendments we have already passes. Had the Carper amendment been included as part of the original Levin amendment, I might have felt differently on this matter. But now that the Senate has already passed the Levin amendment and the Miller amendment, supporting the Carper amendment is no longer a sound policy decision. To include an oil savings requirement, while excluding a whole category of vehicles from making fuel economy improvements, would be a poor policy decision and inconsistent. Certain vehicles should not have to achieve greater fuel efficiency because we chose to exempt a particular category of vehicles.

Fuel efficiency is a critically important issue for our country, and for Wisconsin. I am committed to achieving significant improvements in automobile and light truck fuel efficiency. I look forward to having many of those efficient vehicles built in Wisconsin. I will look forward to a bill in conference that strongly encourages the Department of Transportation to make those improvements.

The PRESIDING OFFICER. Who yields time on the amendment?

Mr. LEVIN. How much time remains on our side?

The PRESIDING OFFICER. Twelve and a half minutes.

Mr. LEVIN. Madam President, I yield 4 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. What we have here is an amendment that would reverse the decision on CAFE. Make no mistake about it. While I am sympathetic with the appeal, particularly from my friend from Pennsylvania, relative to how history is repeating itself as far as our increased dependence on imported oil, I can't help but look back at what we did in 1973. In 1973, we had the Yom Kippur War. We had a situation where our supply from the Mideast was interrupted. We had gas lines around the block. We were blaming each other. We set up the Strategic Petroleum Reserve to ensure that we would never, ever have a situation where we would became so vulnerable.

We thought at the time that, good heavens, if we ever increased 50 percent imports, that would be beyond the consideration of this country from the standpoint of national defense.

The problem with the Carper amendment specifically is it has no teeth in it. We are looking at a situation in the Mideast today where clearly oil is a weapon. We have seen statements suggesting they are going to stand behind bin Laden's theory. They are going to stand behind brother Saddam Hussein.

We had an opportunity a few days ago to debate this issue about reducing our dependence on foreign oil. It was called ANWR. It was substantial. It was defeated. Now we are talking about a smoke-and-mirrors issue where we have no enforcement mechanism.

As a consequence, the Carper amendment would have the same negative impacts on consumer safety, on vehicle costs, auto jobs, as the Kerry-McCain amendment. It would increase the cost of cars. Consumers choice is gone, thousands of jobs, reductions in the rate of growth and several thousand additional deaths and tens of thousands of injuries.

Make no mistake about one thing: We made a decision on CAFE. It was based on consideration of lives being saved by heavier automobiles. You can increase CAFE dramatically by smaller automobiles, but you pay the price. The decision that was made in this body on that issue was very clear. It was an overwhelming vote to reject Kerry-McCain based on consideration for the loss of human lives and injuries.

We are in the same position today. Make no mistake about it. Our vulnerability continues. It has been over a month since we voted 62 to 38 to adopt the Levin-Bond amendment on fuel economy standards. We chose at that time to leave the decisions on fuel economy to the experts.

This group is not an expert group. We choose to let the experts balance the need for increased fuel economy with safety and the needs of the American driving public. The Senate was right once not to pick a fuel economy number out of thin air. Let's not make that mistake now.

I urge my colleagues to reject the Carper amendment. Let's preserve American jobs and save lives on the Nations's highways. That was the basis for our last decision when we visited this issue.

I yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Madam President, how much time on both sides remains?

The PRESIDING OFFICER. Eight and a half to the sponsors and 9 to the opponents.

Mr. LEVIN. I yield 4 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, I rise today to oppose the Carper-Specter amendment. I join with my colleagues in opposition. I note this issue is of great importance to my colleague from Delaware. We have had a lot of conversations about the best approach to increasing fuel efficiency and decreasing our dependence on foreign oil. While I appreciate his effort and the amendment he is bringing forward, I believe the Carper-Specter approach has the same major flaws as the Kerry-Hollings amendment and sets, in fact, an arbitrary CAFE number. It just does it in a different way. It is not called CAFE, but it has the same effect.

The Carper-Specter amendment sets, in fact, an arbitrary number which is exactly what we were debating before. We wanted a process; we wanted NHTSA to have the opportunity to have a number of months to take into consideration all of the factors and not set an arbitrary number.

Our opponents, the makers of the amendment, say this is, in fact, not a CAFE number and that the amendment creates a modest and measurable objective for reducing vehicle gasoline consumption. Unfortunately, it is a mandate. It is a fuel economy mandate in the form of millions of barrels saved that is no less arbitrary than the Kerry-Hollings provision that was replaced in this bill.

Currently, the only regulatory authority that is available to the Department of Transportation to pursue such regulations through passenger and light truck fleets is the CAFE program. No matter what we call it, it is still CAFE. In essence, the amendment would impose this arbitrary oil reduction number as an additional requirement to the Department of Transportation as it sets the CAFE levels, thereby undermining and distorting the rulemaking considerations and the process that we put together through the Levin-Bond proposal.

I am particularly concerned because now that we have essentially eliminated pickup trucks from the equation, it puts even more pressure on the other light trucks and SUVs that are made in the United States, which involve the employment of literally hundreds of thousands of American workers. So it is even more distorted, given the amendment that passed in the prior discussion.

Unfortunately, this amendment undermines the Levin-Bond proposal, and I urge us to maintain our position of supporting the process set up in the Levin-Bond amendment, which passed by such a wide margin, because this sets up a positive, new set of rules and guidance from Congress and requires us to address CAFE's impact on a wide variety of issues in order to increase our fuel efficiency standards.

We have to look at safety, jobs, the environment, which is very important to all of us—particularly those of us in Michigan. It makes sure we don't have a discriminatory impact on the U.S. automakers—I know that is of concern to all of us—so that we set the standard given all of these criteria.

By requiring an overriding oil reduction number, the amendment sets a hard target, on top of the other considerations, that the rulemaking would otherwise try to balance.

So I believe this amendment puts the cart before the horse. We have an excellent approach in front of us—I believe the best approach. We are not arguing that we should continue the freeze on CAFE. In fact, we are saying let's put in process the way to get to the new technologies. We have a combination of market incentives and investments in new technologies and tax incentives. We have in place the package of incentives, a requirement by NHTSA of deadlines in terms of numbered months and the criteria to look at. We direct them in a very specific way.

I urge my colleagues to oppose this amendment and leave in place our commitment to the process for raising fuel efficiency standards that have already been established in this bill through the Levin-Bond amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CARPER. Madam President, I yield to the Senator from Connecticut 3 minutes.

Mr. LIEBERMAN. Madam President, I rise to support the Carper-Specter amendment.

We come today to offer America a clear path away from foreign oil dependency and toward a newly energized economic future, and that is a new goal for fuel efficiency of cars and trucks.

America can start engineering itself out of its oil dependency if we make it a priority. This amendment would do just that by setting a bold but realistic goal of reducing our projected dependence on oil by one million barrels a day by 2015, thereby reducing our reliance on imported oil.

There's no debate that we must change the status quo. According to the Energy Information Administration, in 2001, the U.S. consumed 18 million barrels of oil per day. Automobiles and light trucks used 68 percent of the total, or 12.25 million barrels per day. The EIA estimates total U.S. consumption of between 25 and 28 million barrels per day by 2020.

The majority of that oil comes from other nations. In 2001, the U.S. imported 9.1 million barrels of oil per day. Approximately 1.65 million barrels per day came from Saudi Arabia and 0.82 million barrels per day came from Iraq.

The question before us today is, Do we keep our blinders on and barrel along doing business as usual, knowing full well that we're headed in the wrong direction, or do we have the foresight to change course?

President Bush and my colleagues on the other side of the aisle know we have no choice but to change course. On February 25 of this year, the President said, "It's important for Americans to remember . . . that America imports more than 50 percent of its oil—more than 10 million barrels a day. And the figure is rising . . . This dependence is a challenge to our economic security, because dependence can lead to price shocks and fuel shortages. And this dependence on foreign oil is a matter of national security. To put it bluntly, sometimes we rely upon energy sources from countries that don't particularly like us."

We consume a quarter of the world's oil and have about three percent of its reserves—so even if we allowed drilling in the Arctic Refuge, the Rockies, and right here beneath the Capitol dome, the nations from which we import oil would still have us over a barrel. Please indulge my oil-dependent puns; in the spirit of this amendment, I am trying to get as much mileage out of them as possible.

In contrast, Mr. President, the fuel efficiency gains we're proposing today cannot be exhausted, they cannot run dry, and they will begin to shift our economy away from its usage of oil. These steps are the best way to substantially reduce our reliance on foreign oil.

To quote again from the President, "It's also important to realize that the transportation sector consumes more than two-thirds of all the petroleum used in the United States, so that any effort to reduce consumption must include ways to safely make cars and trucks more fuel efficient."

I couldn't agree more. Compared to proposals to open precious places to oil exploration, this measure would achieve more at a monumentally smaller price to America. In fact, the entrepreneurship, creativity and ingenuity that would be unleashed when companies strive to hit this target would create jobs. They would spur economic growth. And, of course, they would help repair the environment in the process—rather than continue to contribute to air pollution, global warming, and the degradation that often goes along with drilling for oil in natural places.

These proposals, Mr. President, are also more than feasible. Earlier this year, the National Academies of Science concluded that current technology was available to achieve efficiency gains that far exceed those required in this amendment, and that was even excluding consideration of the hybrid technology that is on the market right now. We must put our faith in the innovative genius of American industry to meet the challenge that this amendment poses.

Mr. President, this amendment also provides the lead-time and flexibility our industry needs to achieve these goals. It does not micromanage where or how these savings should occur, but rather would provide maximum flexibility to the appropriate agencies in achieving the objective of using, and therefore importing, less oil. It leaves intact all of the provisions that are now included in the underlying bill.

In short, this proposal has been carefully crafted to address the concerns raised by Senators in both parties regarding the previous CAFE amendment. I hope that the Senate finds this to be a much-improved amendment that can be broadly embraced.

Mr. President, the importance of reducing our reliance on foreign oil has been echoed throughout this chamber again and again over the last few weeks. I could quote from scores of my colleagues on both sides of the aisle who have decried the problem and put the highest priority on finding a solution.

But when it comes down to it, we have failed to prove that we're willing to lead America to a better way. This must end. We must re-energize our commitment to reach bi-partisan consensus on weaning our economy off of fossil fuels. The process will by definition be a gradual one—so we must start now.

Mr. President, there are 99 barrels of oil on the wall, 99 barrels of oil. Most of them, no matter how much we explore, come from overseas. If just one of those barrels should happen to fall, we'll still need all 99 barrels of oil on the wall, and they'll still mostly come from overseas. But if we as a nation can change our craving for that oil—get on the efficiency wagon, so to speak—so that we only need 90 or 80 or 70 and shrinking barrels of oil, we can alter that repetitive refrain.

The question is: Do we have the drive to get there? Do we have the will? If we have the will, American ingenuity can and will find the way. No one should have any doubt about that. But it takes leadership from Washington, and that is what I hope we in the Congress are willing to provide, beginning with this amendment.

Madam President, again, I think we all agree on the problem. The problem is that America is dangerously dependent on foreign oil. No matter how great our military might is, how strong our economy is, that dependence upon foreign oil makes us vulnerable.

The only way to break our dependence on foreign oil is to diminish our dependence on oil. We just don't have enough of it in reserve. One of the most tried and true American ways to deal with problems of this kind is through thrift, efficiency, conservation, and a better use of resources.

I grew up with a slogan, as I bet a lot of Members did, which is "waste not, want not." We are using fuel in a wasteful way.

This amendment is, in my opinion, not in contradiction to the Levin-Bond amendment. Nothing in the Levin-Bond amendment would be undermined or distorted by the rulemaking considerations that are effected by this Carper-Specter amendment. The language is respectful of Levin-Bond and simply adds the oil-saving target of reducing America's use of oil by 1 million barrels a day by 2015. You remember the movie "Field of Dreams," where it was said, "if you build it, they will come." We are saying affirmatively, if we set a standard America will meet that standard, and probably go beyond it.

If we do not, we will continue to make ourselves vulnerable by being dependent on a source of fuel that we do not control. We consume a quarter of the world's oil. We have about 3 percent of its reserves. So even if we allowed drilling in the Arctic Refuge, the Rockies, and perhaps right here beneath the Capitol dome, the nations from which we import oil would still have us—if you will allow an oil-dependent pun—over a barrel.

In contrast, the fuel efficiency gains proposed in this amendment cannot be exhausted, cannot run dry, and will begin to shift our economy away from its dependency on oil. We have the technological capacity to do it if law drives that technology.

Earlier this year, the National Academy of Sciences concluded that current technology was available to achieve the efficiency gains that far exceed those required in this amendment. That even excluded consideration of the hybrid technology on the market right now, which the automakers cannot produce fast enough for the consumers who want to buy them.

We have to put our faith in the innovative genius of American industry to meet the challenge that this amendment poses, and I am sure they will not only meet it, they will surpass it.

I yield the floor.

The PRESIDING OFFICER. Five minutes remain on each side.

Who yields time? If neither side yields time, time will be charged equally.

Mr. CARPER. Madam President, I yield 2 minutes to the Senator from Pennsylvania, Mr. SPECTER.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Madam President, I voted for the Levin-Bond amendment on that 68-to-32 vote. But the Carper-Specter amendment is not inconsistent with that at all. We simply establish a consistent standard. We are not establishing a CAFE standard. We are just asking that there be a national policy to limit U.S. dependence on foreign oil.

Today, this week, this month is not the first time that I have expressed my concern about our undue dependence on foreign oil. I ask unanimous consent that my letter to President Clinton, dated April 11, 2000, and my letter to President Bush, dated April 25, 2001, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, April 11, 2000.

President WILLIAM JEFFERSON CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: In light of the very serious problems caused by the recent increase in oil prices, we know you will share our view that we should explore every possible alternative to stop OPEC and other oil-producing states from entering into agreements to restrict oil production in order to drive up the price of oil.

This conduct is nothing more than an old-fashioned conspiracy in restraint of trade which has long been condemned under U.S. law, and which should be condemned under international law.

After some considerable research, we suggest that serious consideration be given to two potential lawsuits against OPEC and the nations conspiring with it:

(1) A suit in Federal district court under U.S. antitrust law.

(2) A suit in the International Court of Justice at the Hague based, perhaps, upon an advisory opinion under "the general principles of law recognized by civilized nations," which includes prohibiting oil cartels from conspiring to limit production and raise prices.

(1) A suit in Federal district court under U.S. antitrust law. A case can be made that your Administration can sue OPEC in Federal district court under U.S. antitrust law. OPEC is clearly engaging in a "conspiracy in restraint of trade" in violation of the Sherman Act (15 U.S.C. Sec. 1). The Administration has the power to sue under 15 U.S.C. Sec. 4 for injunctive relief to prevent such collusion.

In addition, the Administration should consider suing OPEC for treble damages under the Clayton Act (15 U.S.C. Sec. 15a), since OPEC's behavior has caused an "injury" to U.S. "property." After all, the U.S. government is a major consumer of petroleum products and must now pay higher prices for these products. In *Reiter v. Sonotone Corp.*, 442 U.S. 330 (1979), the Supreme Court held that the consumers who were direct purchasers of certain hearing aides who alleged that collusion among manufacturers had led to an increase in prices had standing to sue those manufacturers under the Clayton Act since "a consumer deprived of money by reason of allegedly anticompetitive conduct is injured in 'property' within the meaning of [the Clayton Act]." Indirect purchasers would appear to be precluded from suit, even in a class action, under *Illinois Brick v. Illinois*, 431 U.S. 720 (1977), but this would not bar the United Sates Government, as a direct purchaser, from having the requisite standing.

One potential obstacle to such a suit is whether the Foreign Sovereign Immunities Act ("FSIA") provides OPEC, a group of sovereign foreign nations, with immunity from suit in U.S. courts. To date, there has been a ruling on this issue in only one case. In *International Association of Machinists v. OPEC*, 477 F. Supp. 553 (1979), the District Court for the Central District of California held that the nations which comprise OPEC were immune from suit in the United States under the FSIA. We believe that this opinion was wrongly decided and that other district courts, including the D.C. District, can and should revisit the issue.

This decision in *Int. Assoc. of Machinists* turned on the technical issue of whether or not the nations which comprise OPEC are engaging in "commercial activity" or "governmental activity" when they cooperate to sell their oil. If they are engaging in "governmental activity," then the FSIA shields them from suit in U.S. courts. If, however, these nations are engaging in "commercial activity," then they are subject to suit in the U.S. The California District Court held that OPEC activity is "governmental activity." We disagree. It is certainly a governmental activity for a nation to regulate the extraction of petroleum from its territory by ensuring compliance with zoning, environmental and other regulatory regimes. It is clearly a commercial activity, however, for these nations to sit together and collude to limit their oil production for the sole purpose of increasing prices.

The 9th Circuit affirmed the District Court's ruling in *Int. Assoc. of Machinists* in 1981 (649 F.2d 1354), but on the basis of an entirely different legal principle. The 9th Circuit held that the Court could not hear this case because of the "act of state" doctrine, which holds that a U.S. court will not adjudicate a politically sensitive dispute which would require the court to judge the legality of the sovereign act of a foreign state.

The 9th Circuit itself acknowledged in its *Int. Assoc. of Machinists* opinion that "The [act of state] doctrine does not suggest a rigid rule of application," but rather application of the rule will depend on the circumstances for each case. The Court also noted that, "A further consideration is the availability of internationally-accepted legal principles which would render the issues appropriate for judicial disposition." The Court then quotes from the Supreme Court's opinion in *Banco Nacional de Cuba v. Sabbatino*, 376 U.S. 398 (1964).

"It should be apparent that the greater of codification or consensus concerning a particular area of international law, the more appropriate it is for the judiciary to render decisions regarding it, since the courts can then focus on the application of an agreed principle to circumstances of fact rather than on the sensitive task of establishing a principle not inconsistent with the national interest or with international justice."

Since the 9th Circuit issued its opinion in 1981, there have been major developments in international law that impact directly on the subject matter at issue. As we discuss in greater detail below, the 1990's have witnessed a significant increase in efforts to seek compliance with basic international norms of behavior through international courts and tribunals. In addition, there is strong evidence of an emerging consensus in international law that price fixing by cartels violates such international norms. Accordingly, a court choosing to apply the act of state doctrine to a dispute with OPEC today may very well reach a different conclusion than the 9th Circuit reached almost twenty years ago.

You should also examine whether the anticompetitive conduct of the international oil cartel is being effectuated by private companies who are subject to the enforcement of U.S. antitrust laws (for example, former state oil companies that have now been privatized) rather than sovereign foreign states. If such private oil companies are determined to in fact be participating in the anticompetitive conduct of the oil cartel, then we would urge that these companies be named as defendants in an antitrust lawsuit in addition to the OPEC members.

(2) A suit in the International Court of Justice at the Hague based upon "the general principles of law recognized by civilized nations," which includes prohibiting oil cartels from conspiring to limit production and raise prices. In addition to such domestic antitrust actions, we believe you should give serious consideration to bringing a case against OPEC before the International Court of Justice (the "ICJ") at the Hague. You should consider both a direct suit against the conspiring nations as well as a request for an advisory opinion from the Court through the auspices of the U.N. Security Council. The actions of OPEC in restraint of trade violate "the general principles of law recognized by civilized nations." Under Article 38 of the Statute of the ICJ, the Court is required to apply these "general principles" when deciding cases before it.

This would clearly be a cutting-edge lawsuit, making new law at the international level. But there have been exciting developments in recent years which suggest that the ICJ would be willing to move in this direction. In a number of contexts, we have seen a greater respect for and adherence to fundamental international principles and norms by the world community. For example, we have seen the establishment of the International Criminal Court in 1998, the International Criminal Tribunal for Rwanda in 1994, and the International Criminal Tribunal for the former Yugoslavia in 1993. Each of these bodies has been active, handing down numerous indictments and convictions against individuals who have violated fundamental principles of human rights. For example, as of December 1, 1999 the Yugoslavia tribunal alone had handed down 91 public indictments.

Today, adherence to international principles has spread from the tribunals in the Hague to individual nations around the world. Recently, the exiled former dictator of Chad, Hissene Habre, was indicted in Senegal on charges of torture and barbarity stemming from his reign, where he allegedly killed and tortured thousands. This case is similar to the case brought against former Chilean dictator Augusto Pinochet by Spain on the basis of his alleged atrocities in Chile. At the request of the Spanish government, Pinochet was detained in London for months until an English court determined that he was too ill to stand trial.

The emerging scope of international law was demonstrated in an advisory opinion sought by the U.N. General Assembly in 1996 to declare illegal the use or threat to use nuclear weapons. Such an issue would ordinarily be thought beyond the scope of a judicial determination given the doctrines of national sovereignty and the importance of nuclear weapons to the defense of many nations. The ICJ ultimately ruled eight to seven, however, that the use or threat to use nuclear weapons "would generally be contrary to the rules of international law applicable in armed conflict, and in particular the principles and rules of humanitarian law." The fact that this issue was subject to a decision by the ICJ, shows the rapidly expanding horizons of international law.

While these emerging norms of international behavior have tended to focus more on human rights than on economic principles, there is one economic issue on which an international consensus has emerged in recent years—the illegitimacy of price fixing by cartels. For example, on April 27, 1998, the Organization for Economic Cooperation and Development issued an official "Recommendation" that all twenty-nine members nations "ensure that their competition laws effectively halt and deter hard core cartels." The recommendation defines "hard core cartels" as those which, among other things, fix prices or establish output restriction quotas. The Recommendation further instructs member countries "to cooperate with each other in enforcing their laws against such cartels."

On October 9, 1998, eleven Western Hemisphere countries held the first "Antitrust Summit of the Americas" in Panama City, Panama. At the close of the summit, all eleven participants issued a joint communique in which they expressed their intention "to affirm their commitment to effective enforcement of sound competition laws, particularly in combating illegal price-fixing, bid-rigging, and market allocations." The communique further expresses the intention of these countries to "cooperate with one another . . . to maximize the efficacy and efficiency of the enforcement of each country's competition laws." One of the countries participating in this communique, Venezuela, is a member of OPEC.

The behavior of OPEC and other oil-producing nations in restraint of trade violates U.S. antitrust law and basic international norms, and it is injuring the United States and its citizens in a very real way. Consideration of such legal action could provide an inducement to OPEC and other oil-producing countries to raise production to head off such litigation.

We hope that you will seriously consider judicial action to put an end to such behavior.

ARLEN SPECTER,
HERB KOHL
CHARLES SCHUMER,
MIKE DEWINE,
STROM THURMOND,
JOE BIDEN

U.S. SENATE,
Washington, DC, April 25, 2001.

President GEORGE WALKER BUSH,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: In light of the energy crisis and the high prices of OPEC oil, we know you will share our view that we must explore every possible alternative to stop OPEC and other oil-producing states from entering into agreements to restrict oil production in order to drive up the price of oil.

This conduct is nothing more than an old-fashioned conspiracy in restraint of trade which has long been condemned under U.S. law, and which should be condemned under international law.

After some research, we suggest that serious consideration be given to two potential lawsuits against OPEC and the nations conspiring with it:

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(2) A suit in the International Court of Justice at the Hague based upon "the general principles of law recognized by civilized nations."

(1) A suit in Federal district court under U.S. antitrust law. A strong case can be made that your Administration can sue OPEC in Federal district court under U.S. antitrust law. OPEC is clearly engaging in a "conspiracy in restraint of trade" in violation of the Sherman Act (15 U.S.C. Sec. 1). The Administration has the power to sue under 15 U.S.C. Sec. 4 for injunctive relief to prevent such collusion.

In addition, the Administration has the power to sue OPEC for treble damages under the Clayton Act (15 U.S.C. Sec. 15a), since OPEC's behavior has caused an "injury" to U.S. "property." After all, the U.S. government is a consumer of petroleum products and must now pay higher prices for these products. In *Reiter* v. *Sonotone Corp*, 442 U.S. 330 (1979), the Supreme Court held that the consumers of certain hearing aids who alleged that collusion among manufacturers had led to an increase in prices had standing to sue those manufacturers under the Clayton Act since "a consumer deprived of money by reason of allegedly anticompetitive conduct is injured in 'property' within the meaning of [the Clayton Act]."

One issue that would be raised by such a suit is whether the foreign Sovereign Immunities Act ("FSIA") provides OPEC, a group of sovereign foreign nations, with immunity from suit in U.S. courts. To date, only one Federal court, the District Court for the Central District of California, has reviewed this issue. In *International Association of Machinists* v. *OPEC*, 477 F. Supp. 553 (1979), the Court held that the nations which comprise OPEC were immune from suit in the United Stats under the FSIA. We believe that this opinion was wrongly decided and that other District courts, including the D.C. District, can and should revisit the issue.

This decision in *Int. Assoc. of Machinists* turned on the technical issue of whether or not the nations which comprise OPEC are engaging in "commercial activity" or "governmental activity" when they cooperate to sell their oil. If they are engaging in "governmental activity," then the FSIA shields them from suit in U.S. courts. If, however, these nations are engaging in "commercial activity," then they are subject to suit in the U.S. The California District court held that OPEC activity is "governmental activity." We disagree. It is certainly a governmental activity for a nation to regulate the extraction of petroleum from its territory by ensuring compliance with zoning, environmental and other regulatory regimes. It is clearly a commercial activity, however, for these nations to sit together and collude to limit their oil production for the sole purpose of increasing prices.

The 9th Circuit affirmed the District Court's ruling in *Int. Assoc. of Machinists* in 1981 (649 F.2d 1354), but on the basis of an entirely different legal principle. The 9th Circuit held that the Court could not hear this case because of the "act of state" doctrine, which holds that a U.S. court will not adjudicate a politically sensitive dispute which would require the court to judge the legality of the sovereign act of a foreign state.

The 9th Circuit itself acknowledged in its *Int. Assoc. of Machinists* opinion that "The [act of state] doctrine does not suggest a rigid rule of application," but rather application of the rule will depend on the circumstances of each case. The Court also noted that, "A further consideration is the availability of internationally-accepted legal principles which would render the issues appropriate for judicial disposition." The court then quotes from the Supreme Court's opinion in *Banco Nacional de Cuba* v. *Sabbatino*, 376 U.S. 398 (1964):

"It should be apparent that the greater the degree of codification or consensus concerning a particular area of international law, the more appropriate it is for the judiciary to render decision regarding it, since the courts can then focus on the application of an agreed principle to circumstances of fact rather than on the sensitive take of establishing a principle not inconsistent with the national interest or with international justice."

Since the 9th circuit issued its opinion in 1981, there have been major developments in international law that impact directly on the subject matter at issue. As we discuss in greater detail below, the 1990's have witnessed a significant increase in efforts to seek compliance with basic international norms of behavior through international courts and tribunals. In addition, there is strong evidence of an emerging consensus in international law that price fixing by cartels violates such international norms. Accordingly, a court choosing to apply the act of state doctrine to a dispute with OPEC today may very well reach a different conclusion than the 9th Circuit reached almost twenty years ago.

(2) A suit in the International Court of Justice at The Hague based upon "the general principles of law recognized by civilized nations." In addition to such domestic antitrust actions, we believe you should give serious consideration to bringing a case against OPEC before the International Court of Justice (the "ICJ") at The Hague. You should consider both a direct suit against the conspiring nations as well as a request for an advisory opinion from the Court through the auspices of the U.N. Security Council. The actions of OPEC in restraint of trade violate "the general principles of law recognized by civilized nations." Under Article 38 of the Statute of the ICJ, the Court is required to apply these "general principles" when deciding cases before it.

This would clearly be a cutting-edge lawsuit, making new law at the international level. But there have been exciting developments in recent years which suggest that the ICJ would be willing to move in this direction. In a number of contexts, we have seen a greater respect for and adherence to fundamental international principles and norms by the world community. For example, we have seen the establishment of the International Criminal Court in 1998, the International Criminal Tribunal for Rwanda in 1994, and the International Criminal Tribunal for the former Yugoslavia in 1993. Each of these bodies has been active, handing down numerous indictments and convictions against individuals who have violated fundamental principles of human rights.

Today, adherence to international principles has spread from the tribunals in The Hague to individual nations around the world. The exiled former dictator of Chad, Hissene Habre, was indicted in Senegal on charges of torture and barbarity stemming from his reign, where he allegedly killed and tortured thousands. This case is similar to the case brought against former Chilean dictator Augusto Pinochet by Spain on the basis of his alleged atrocities in Chili. At the request of the Spanish government, Pinochet was detained in London for months until an English court determined that he was too ill to stand trial.

While these emerging norms of international behavior have tended to focus more on human rights than on economic principles, there is one economic issue on which an international consensus has emerged in recent years—the illegitimacy of price fixing by cartels. For example, on April 27, 1998, the Organization for Economic Cooperation and Development issued an official "Recommendation" that all twenty-nine member nations "ensure that their competition laws effectively halt and deter hard core cartels." The Recommendation defines "hard core cartels" as those which, among other things, fix prices or establish output restriction quotas. The Recommendation further instructs member countries "to cooperate with each other in enforcing their laws against such cartels."

On October 9, 1998, eleven Western Hemisphere countries held the first "Antitrust Summit of the Americas" in Panama City, Panama. At the close of the summit, all eleven participants issued a joint communique in which they express their intention "to affirm their commitment to effective enforcement of sound competition laws, particularly in combating illegal price-fixing, bid-rigging, and market allocation." The communique further expresses the intention of these countries to "cooperate with one another . . . to maximize the efficacy and efficiency of the enforcement of each country's competition laws."

The behavior of OPEC and other oil-producing nations in restraint of trade violates U.S. antitrust law and basic international norms, and it is injuring the United States and its citizens in a very real way.

We hope that you will seriously consider judicial action to put an end to such behavior.

ARLEN SPECTER,
CHARLES SCHUMER,
HERB KOHL,
STROM THURMOND,
MIKE DEWINE

Mr. SPECTER. The Federal lawsuit, Prewitt v. OPEC, establishes an antitrust violation by OPEC, and my letters to Presidents Clinton and Bush set forth legal mechanisms for dealing with OPEC where they engage in a conspiracy in restraint of trade and conspiracy to limit production and raise prices.

I ask unanimous consent that an article from the Harrisburg Patriot be printed in the RECORD. It sets out in some detail a way that the sludge can be turned into fuel to reduce our dependence on foreign oil.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Patriot-News, Jan. 4, 2002]

COAL-TO-DIESEL IDEA PROMISING

Whatever else it has meant for America, the Sept. 11 terrorism underscored the folly of U.S. dependence on Middle Eastern oil.

And while some people believe it mandates drilling for petroleum in the Arctic National Wildlife Refuge and other environmentally sensitive areas, others see the logic in developing legitimate alternative fuels, utilizing the kind of ingenuity and entrepreneurial skills on which America was built.

Unfortunately, expanded oil drilling and alternative fuel development are tied together in the energy package that remains bottled up in the U.S. Senate, where drilling in ANWR is a key item of debate. Majority Leader Tom Daschle, D-S.D., who sets the agenda, opposes ANWR drilling, which is supported by the president and included in the energy bill approved by the House last summer.

What that means for Pennsylvania in particular is that construction of a $450 million plant in Schuylkill County to convert coal waste into diesel fuel is on hold.

John W. Rich, Jr., scion of a family that made its fortune in mining coal, wants to apply proven South African technology to produce 5,000 barrels a day of sulfur-free diesel fuel and eliminate 1 million tons a year of environmentally damaging coal waste from Pennsylvania's coal regions.

Rich's proposal has won political support and tax credits from the state and a $7.8 million startup grant from the federal government. He hopes that the energy bill, if it ever passes, will provide up to $100 million more, completing a financial package that includes investments from Chevron-Texaco and a Bechtel affiliate.

America's oil resources are so limited and difficult to tap that some foreign oil will always be required here. On the other hand, coal-waste conversion to diesel, a proven technology, would make use of a ready supply of coal and coal waste in Pennsylvania that, in oil equivalent, exceeds the known petroleum reserves of Iraq.

Not only would this technology cut into the need for foreign oil, but its cost, in comparison to the expense of drilling in ANWR and piping the crude oil south to the Lower 48, quite likely would underscore the folly of that proposal.

The Senate needs to settle on a compromise and pass an energy bill to make practical alternatives to Middle Eastern oil a reality.

Mr. SPECTER. Madam President, I think if every one of our colleagues read the story on the front page of the New York Times today, there would be no doubt about the insistence of this body to reduce our dependence on OPEC oil. To have Crown Prince Abdullah of Saudi Arabia release through a spokesman what he intends to say to the President of the United States—that Saudi Arabia will use oil as an oil weapon, as Saddam Hussein has done is outrageous. The spokesman is quoted as saying that Saudi Arabia is prepared to go to the right of bin Laden, and that Saudi Arabia is prepared to fly to Baghdad and embrace Saddam Hussein like a brother.

I ask unanimous consent that the New York Times article "Saudi To Warn Bush of Rupture Over Israel Policy" be printed in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

[From The New York Times, Apr. 25, 2002]

SAUDI TO WARN BUSH OF RUPTURE OVER ISRAEL POLICY

(By Patrick E. Tyler)

HOUSTON, APR. 24.—Crown Prince Abdullah of Saudi Arabia is expected to tell President Bush in stark terms at their meeting on Thursday that the strategic relationship between their two countries will be threatened if Mr. Bush does not moderate his support for Israel's military policies, a person familiar with the Saudi's thinking said today.

In a bleak assessment, he said there was talk within the Saudi royal family and in Arab capitals of using the "oil weapon" against the United States, and demanding that the United States leave strategic military bases in the region.

Such measures, he said, would be a "strategic debacle for the United States."

He also warned of a general drift by Arab leaders toward the radical politics that have been building in the Arab street.

The Saudi message contained undeniable brinkmanship intended to put pressure on Mr. Bush to take a much larger political gamble by imposing a peace settlement on Israeli and Palestinians.

But the Saudi delegation also brought a strong sense of the alarm and crisis that have been heard in Arab capitals.

"It is a mistake to think that our people will not do what is necessary to survive," the person close to the crown prince said, "and if that means we move to the right of bin Laden, so be it; to the left of Qaddafi, so be it; or fly to Baghdad and embrace Saddam like a brother, so be it. It's damned lonely in our part of the world, and we can no longer defend our relationship to our people."

Whatever the possibility of bluster, it is also clear that Abdullah represents not just Saudi Arabia but also the broader voice of the Arab world, symbolized by the peace plan he submitted and that was endorsed at an Arab summit meeting in March.

Those familiar with the prince's "talking points" said he would deliver a blunt message that Mr. Bush is perceived to have endorsed—despite his protests to the contrary—Prime Minister Ariel Sharon's military incursion into the West Bank.

Abdullah believes Mr. Bush has lost credibility by failing to follow through on his demand two weeks ago that Mr. Sharon withdraw Israeli troops from the West Bank and end the sieges of Yasir's compound in Ramallah and of the Church of the Nativity in Bethlehem.

If those events occur and Mr. Bush makes a commitment "to go for peace" by convening an international conference, as his father did after the Persian Gulf war, to press for a final settlement and a Palestinian state, the Saudi view would change dramatically.

But those close to the Saudi delegation said there was no expectation that Mr. Bush is prepared to apply the pressure necessary to force such an outcome.

"The perception in the Middle East, from the far left to the far right, is that America is totally sponsoring Sharon—not Israel's policies but Sharon's policies—and anyone who tells you less is insulting your intelligence," the person familiar with Abdullah's thinking said.

Western analysts see the prince as a blunt Bedouin leader whose initiative is regarded by many Arabs as a gesture worthy of the late Egyptian leader Anwar el-Sadat, who flew to Jerusalem in 1973 to sue for peace with Menachem Begin. Abdullah's offer, now the Arab world's offer, calls for recognition of Israel and "normal relations" in return for a Palestinian state on lands Israel occupied in 1967.

The Saudi assessment was apparently being conveyed through several private channels.

On Tuesday President Bush's father had lunch with the Saudi foreign minister, Saud al-Faisal, and the kingdom's longtime ambassador to Washington, Prince Bandar bin Sultan. Their specific message could not be learned, but in the familial setting, where Barbara Bush was also the hostess for Princess Haifa, Prince Bandar's wife, the strong strategic and personal ties of the Persian Gulf war that characterized Saudi-American relations a decade ago was a message in itself.

Abdullah, in a luncheon today with Vice President Dick Cheney, was to convey the seriousness with which he regards the Thursday meeting with President Bush as a "last chance" for constructive relations with the Arab world.

Secretary of Defense Donald H. Rumsfeld and Gen. Richard B. Myers, chairman of the joint chiefs of staff, also flew to Houston to join in last-minute discussions before the summit meeting. A senior official in Washington said Mr. Rumsfeld and General Myers were dispatched to brief the prince personally on the American accomplishments in Afghanistan and in the broader war on terrorism.

"The idea was, if he thought we were strong in Desert Storm, we're 10 times as strong today," one official said. "This was to give him some idea what Afghanistan demonstrated about our capabilities."

United States military commanders in the Persian Gulf region have been building up command centers and equipment depots in Qatar and Kuwait in recent months in anticipation of a possible breach with Riyadh.

Saudi officials assert that American presidents since Richard M. Nixon have been willing to speak more forcefully to Israeli leaders than the current president when American interests were at stake.

"If Bush freed Arafat and cleared Bethlehem, it would be a big victory, show a stiffening of spine," the person close to Abdullah said. "But incremental steps are no longer valid in these circumstances," meaning that Mr. Bush would have to follow up with a major push to fulfill the longstanding expectation of the Palestinians for statehood.

The mood in the Saudi camp was that of gloom and anxiety in private even as Saudi and American officials went ahead with preparations for a warm public encounter with the Bush family.

On Friday, after his meeting with President Bush at his home in Crawford, Abdullah is to take a long train ride to College Station, the central Texas town where the former President Bush will be host at his presidential library. On Saturday, Saudi's Arabia's state oil company is gathering the luminaries of the international energy industry to dine with Abdullah and his party.

But the person close to the prince said that if the summit talks went badly, Abdullah might not complete his stay in Texas. Instead, he might return directly to Riyadh and call for a summit meeting of the Organization of the Islamic Conference, to report to its 44 leaders, who represent 1.2 billion Muslims.

"He wants to say, 'I looked the president of the U.S. in the eye and have to report that I failed,'" this person said. His message to the Arabs will be, "Take the responsibility in your own hands, my conscience is clear, before history, God, religion, country and friends."

The person close to Abdullah pointed out that Saudi Arabia's recent assurances that it would use its surplus oil-producing capacity to blunt the effects of Saddam Hussein's 30-day suspension of Iraqi oil exports could quickly change.

That Saudi pledge "was based on a certain set of assumptions, but if you change the assumptions, all bets are off," he said. "We would no longer say what Saddam said was an empty threat, because there come desperate times when you give the unthinkable a chance."

Abdullah is reported to be bitter over the White House's assertion that the president is taking a balanced approach to the Israeli-Palestinian conflict, and he wants to evaluate in person whether Mr. Bush understands how his actions are being perceived in the Arab world.

"This is not a mistake or a policy gaffe," the person close to Abdullah said, referring to Mr. Bush's approach. "He made a strategic, conscious decision to go with Sharon, so your national interest is no longer our national interest; now we don't have joint national interests. What it means is that you go your way and we will go ours, economically, militarily and politically—and the antiterror coalition would collapse in the process."

Mr. SPECTER. We are heading for a cataclysm. We are headed for a cataclysmic, destructive process. When the oil industry in Iran was nationalized in the early 1950s and the Anglo-Iranian Oil Company was evicted by an act of the Iranian parliament, Great Britain decided against the use of force and submitted the dispute to the International Court, which decided it had no jurisdiction. But if we are starved from oil, we should attempt to figure out some way to denationalize what the OPEC countries have done, in taking the property of the seven sisters, the oil companies—BP and others—without compensation, or without adequate compensation.

But the demands and the blackmail and the extortion that is contained on the front page of the New York Times today concerning what OPEC has in mind for us should drive the U.S. toward independence from OPEC oil, not only as a matter of self-respect, but as a matter of national defense and continuing economic development in this country.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. How much time remains, Madam President?

The PRESIDING OFFICER. Four minutes 54 seconds.

Mr. LEVIN. I yield 4 minutes to Senator BOND.

Mr. BOND. Madam President, I rise in opposition to the amendment by my colleague from Delaware, Mr. CARPER. This amendment to the energy bill would substantially raise Corporate Average Fuel Economy, CAFE, standards with negative impacts on jobs, safety and the health of our domestic economy.

On March 13, the Senate overwhelmingly passed a bipartisan amendment I wrote with my colleague from Michigan, Senator LEVIN. The Levin-Bond amendment mandates that the National Highway Traffic Safety Administration, NHTSA, increase CAFE standards for cars and light trucks to the maximum feasible levels. The Bond-Levin amendment replaced a provision in the original energy bill which called for significant increases in CAFE based only on a political number, not science. The Senate wisely rejected that underlying provision as being bad for American jobs, bad for highway safety and bad for consumer choice.

Unfortunately, the Carper-Specter amendment on oil consumption would result in CAFE increases similar to the Kerry provision. It must be defeated. While Senator CARPER's goal may be to reduce American dependence on foreign oil, the effect of his amendment would be lost factory jobs, more highway fatalities and reduced vehicle choice. Don't be fooled by arguments that Senator CARPER's proposal is not a CAFE increase. The only way to meet the target under the amendment is for NHTSA to increase fuel economy standards beyond the maximum feasible level. And why would NHTSA only look at the CAFE program? Because it is the only regulatory authority currently available to pursue the mandated oil reductions under the Carper amendment!

The debate on the Levin-Bond amendment was only a few short weeks ago but let me refresh your memories as to the details of this proposal which passed on a 62–38 vote. Specifically, the Levin-Bond amendment directs the Department of Transportation to increase fuel economy standards for cars and light trucks based on consideration of a number of factors including the desirability of reducing U.S. dependence on foreign oil. I agree with the sponsor of the amendment that a goal of our national energy policy should be a reduction in the amount of imported oil. That is why I included language in my amendment last month requiring NHTSA to include it in the regulatory process to set new CAFE standards.

Other factors that NHTSA must consider include: technological feasibility; economic practicability; the effect of other government motor vehicle standards on fuel economy; the need to conserve energy; the effect on motor vehicle safety; the effects of increased fuel economy on air quality; the adverse effects of increased fuel economy standards on the relative competitiveness of manufacturers; the effect on U.S. employment; the cost and lead-time required for introduction of new technologies; the potential for advanced technology vehicles—such as hybrid and fuel cell vehicles—to contribute to significant fuel usage savings; and the effect of near-term expenditures required to meet increased fuel economy standards on the resources available to develop advanced technology.

The Department of Transportation shall complete the rulemaking for light trucks within 15 months of enactment and shall give automobile manufacturers sufficient lead-time to comply with the new standards. The rulemaking for passenger cars shall be initiated within 6 months of enactment and shall be completed within 24 months. Each rulemaking shall be multiyear for a period not to exceed 15 model years. If DOT fails to act within the required time frame, it will be in order for Congress to consider, under expedited procedures, legislation mandating an increase in fuel economy standards, consistent with the considerations set forth above.

These are the details of what the Senate adopted last month on a bipartisan vote. It is a carefully balanced proposal with firm deadlines and clear criteria. Unfortunately, the Carper amendment before us today would undermine and distort the rulemaking considerations by NHTSA. The Carper amendment returns to the notion of setting an arbitrary target—in this case, to reduce the amount of oil that can be consumed in our passenger car and light trucks in 2015. Not only would this lead to CAFE increases similar to those proposed in the original bill, but it would also force the Department of Transportation to disregard the careful balancing of criteria in its rulemakings. Indeed, DOT would have to impose a overriding element (saving a specific amount of oil) on top of the considerations that the rulemaking would otherwise try to balance.

If you get nothing else out of my statement today, please simply remember that this proposed amendment will absolutely hurt consumers who choose to drive minivans and SUVs. Because the Senate adopted a measure excluding pick-up trucks from the CAFE increases, the burden on the rest of that light truck category is increased dramatically. This effect would be magnified with the adoption of the Carper-Specter amendment today.

Oh, and has anyone besides me taken the time to ask NHTSA or the Department of Transportation if this amendment is even feasible? I talked to Secretary Mineta yesterday, and 2 days ago I spoke with Dr. Runge, the NHTSA Administrator. Both indicated to me that it is not feasible to guarantee specific fuel savings through CAFE standards. There are simply too many variables and assumptions preventing any guarantee of this sort.

Many of the Senators who supported the Bond-Levin amendment agreed that the CAFE program is complex with many tradeoffs. That's why the experts at NTHSA are best qualified to determine future CAFE levels based on sound science and dependable data. Rather that CAFE increases based on nothing more than a political number which would have negative consequences for American jobs, highway safety and economic growth, NHTSA can determine the appropriate standard after extensive review and study.

Given the complexities of the issues, there are great advantages to allowing a rulemaking process to resolve these issues rather than pre-selecting an arbitrary outcome as the Carper oil consumption amendment would do.

One of the most useful reports in the entire fuel economy debate is the National Academy of Sciences study on the Effectiveness of CAFE. As I did last month, let me share with you a key finding about the safety and higher standards:

> In summary, the majority of the committee finds that the downsizing and weight reduction that occurred in the late 1980s most likely produced between 1,300 and 2,600 crash fatalities and 13,000 and 26,000 serious injuries in 1993.
>
> If an increase in fuel economy is effected by a system that encourages either downweighting or the production and sale of more small cars, some additional traffic fatalities would be expected.

I believe that NAS report offers all of us in the Senate clear guidance and expert, scientific analysis as we debate fuel economy levels. I also point out that the NAS panel was extremely careful to caution its readers that its fuel economy targets were not recommended CAFE goals, because they did not weigh other considerations such as employment, affordability, and safety.

I urge you to join me, along with numerous business and labor groups, in opposing the Carper amendment which only complicates NHTSA's effort to set appropriate CAFE standards under the mandates of the Bond-Levin amendment.

If you want appropriate CAFE standards for cars and light trucks that won't harm jobs, highway safety and vehicle choice, vote "no" on the Carper amendment.

Madam President, we have been here before. We have had this debate. We have done the bill. We got the T-shirt. Unfortunately, we are back on the floor with this again.

Let me be clear: This amendment totally negates the careful direction that we put in law in the Levin-Bond amendment that the National Highway Transportation Safety Administration must use the best science and technology available to increase standards to get more fuel-efficient cars, vans, and trucks on the road.

Setting an arbitrary standard which comes out of somebody's hip pocket does nothing for sound science. I have talked to NHTSA. They say there is no way we can guarantee it. There would have to be a wild estimate that would come out somewhere around where the original proposal in the underlying bill was.

Do my colleagues know what we found out when we took a look at that? We have the National Academy of Sciences saying the mandated fuel efficiency previously done has resulted when we could not meet those goals through technology in cars that weighed roughly 1,000 pounds less. What happens? Thousands and thousands of people have been killed in unsafe cars.

Despite what some of my friends on the other side of this issue say, you cannot mandate by law that technology will come out of thin air. We have asked the experts at NHTSA to use the National Academy of Sciences and find out what technology is available. If we can make diesel out of sludge in Pennsylvania, great, we will do it. That will be available to the National Academy of Sciences.

We are changing in Missouri and Arkansas. We are using poultry waste and turning it into power. Good. Let's use all those things we can, but let us not go back on the carefully agreed upon construct that was developed in the Levin-Bond amendment and overwhelmingly supported which says: Yes, we need more fuel-efficient minivans and cars, and it is going to be based on how much science can move forward, not how much an arbitrary limitation—in terms of saving gallons which cannot be controlled solely by fuel efficiency standards—would do.

There is technology. There will be increases, but it should not be arbitrary. We do not want to deprive people of the opportunity to buy the cars and minivans they need. We have talked in the past about forcing people into purple-people eaters and golf carts. Frankly, that is where you go when you have an unrealistically high CAFE standard.

We need to give people the choices of vehicles that fit their needs that incorporate the new technology which is designed to save as much fuel as possible. We need to keep the jobs in the United States. We need to keep our economy going. We need not compromise safety, as would be done by this amendment.

This amendment is not merely a refinement. This amendment is simply a bad shot at setting a standard that is not based on science but is based on an arbitrary figure that is infeasible, unworkable, destroys consumer choice, costs us jobs in the United States, and risks more lives on highways. I urge my colleagues not to support the Carper-Specter amendment.

I reserve the remainder of my time and yield the floor.

Mr. CARPER. Madam President, how much time remains on either side?

The PRESIDING OFFICER. The sponsors have 1 minute 41 seconds remaining.

Mr. CARPER. And the other side?

The PRESIDING OFFICER. The opposition has 48 seconds.

Mr. CARPER. I would like to have the opportunity to close, if I can. Will the Senator be willing to accommodate me?

Mr. LEVIN. Madam President, I will be happy to accommodate my friend from Delaware.

Madam President, let us be real clear. The Levin-Bond amendment had positive incentives. We need tax incentives, joint research and development money, Government purchasing, to a much larger extent than the administration proposed. They are in the Levin-Bond amendment.

Also in the Levin-Bond amendment, which this would totally, in effect, abrogate, is a regulatory process: 15 months for the Department of Transportation to look at 12 different criteria in upping the CAFE standard. This does not wait. This prejudges the outcome of that process and says 1 million barrels a day. That is the mandate. This is not some objective, this is a mandatory amount specifically in this amendment, and it is not the way we should be legislating.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. CARPER. Madam President, in listening to the comments against the Carper-Specter amendment, I am not sure they have fully read the Levin-Bond amendment. I know they have not read the amendment we offer today. Senator SPECTER and I both voted for the Levin-Bond amendment. It is a good amendment. It has a number of positive features that make common sense for our country.

In a moment or two, a budget point of order will be brought against our amendment. None was brought against the Levin-Bond amendment. The reason is because in the Carper-Specter amendment, we are looking for a real reduction in oil consumption. We do not vitiate the Levin-Bond amendment. The whole language stays in the bill.

The Levin-Bond amendment directs the Secretary of Transportation to promulgate regulations, essentially CAFE regulations, in order to meet high fuel efficiencies. We do not change that, but we do say in order to reduce the consumption of oil for our cars, trucks, and vans by 2015, not only should the Secretary of Transportation have the opportunity to consider changes in CAFE, but they should also consider how it can reduce oil consumption through alternative fuels.

Alternative fuels could be biodiesel or soy diesel. It could include ethanol, diesel created from coal waste in Pennsylvania, West Virginia, Ohio, or other States.

Four things are different than when we voted a month ago on the Levin-Bond amendment. The Middle East today is in turmoil. Venezuela is in turmoil. We voted last week not to drill in ANWR, and we voted last week to cut off oil imports entirely from Iraq. That is 1 million barrels a day. Those things are different.

We need to put into this legislation meaningful objectives, measurable objectives. This amendment would do that.

The PRESIDING OFFICER. All time has expired on this amendment. The Senator from Michigan.

Mr. LEVIN. Madam President, is it in order at this time to move to table the Carper amendment?

The PRESIDING OFFICER. The motion is in order, but the vote will occur later.

Mr. LEVIN. I move to table the Carper amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 3326

Mrs. MURRAY. Madam President, I call up amendment No. 3326.

The PRESIDING OFFICER. The amendment is pending pursuant to the order.

Mrs. MURRAY. Madam President, the amendment that is now before us is a minor tax amendment that has been cosponsored by my colleague from Washington, Senator CANTWELL. I know debate on this bill is limited, so I will be very brief.

The tax provisions in this bill provide important tax credits to encourage the use of energy-efficient fuel cells that are 1 kilowatt or greater. I note that the tax credit applies only to fuel cells of 1 kilowatt or greater because there are a number of important fuel cell applications that are less than 1 kilowatt. It is important that we support the development of fuel cells that are less than 1 kilowatt.

This amendment would expand the tax credit to include fuel cells that are greater than a half a kilowatt, but would keep the per kilowatt amount of the tax credit the same. Fuel cells that are between a half and 1 kilowatt are used as emission-free power supplies for a number of noteworthy applications, including cellular phone tower repeaters, home dialysis machines, railroad signaling and switching equipment, and recreational vehicle and camping powering equipment.

Fuel cells are an emerging technology that hold the promise of helping to dramatically reduce world pollution. This promising technology could eventually shift our dependence from fuels like gasoline and diesel fuel to hydrogen. This important tax credit is intended to provide an incentive for research, develop, design, and use fuel cell technologies.

We need to encourage the use of all types of fuel cells because as we gain more experience in the design and construction of fuel cells, it will allow the technology to advance to the point where it is competitive with other power sources.

Some may say this amendment is too costly, but the current market for fuel cells is very small. We have estimated the cost of this amendment, over the period of the tax credit, is less than $3 million. That is a small price to pay for encouraging the development of this promising new technology.

I urge my colleagues to support the development of a broader scope of fuel cell technology by supporting this amendment.

I know Senator CANTWELL from my State wanted to be present as well, but she is unavailable at this time. I understand this amendment has been accepted on both sides and would be willing to move quickly to a vote.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Madam President, I ask that the Senator from Washington yield.

Mrs. MURRAY. I yield to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. The Finance Committee has examined this amendment, and we approve it. I think it is a good idea to encourage greater research into fuel cell development. It is clearly a technology of the future. The sooner we begin, the better. This is a very modest amendment, but it is an important amendment, and I urge the Senate to adopt it.

I yield the floor.

Ms. CANTWELL. Madam President, I rise today as a cosponsor of this amendment, and ask my colleagues to vote in its favor. I also want to thank my friend, Senator MURRAY, for her work on this amendment.

I think there is broad bipartisan support for further development of the fuel cell as one of the solutions to our Nation's 21st century energy needs. The number of potential applications for the fuel cell is almost limitless. In this regard, I was pleased to join with Senator DORGAN in sponsoring an amendment to this energy bill that will require the Secretary of Energy to develop a program to ensure 100,000 hydrogen fuel-cell vehicles will be available for sale by 2010, and 2.5 million vehicles will be available by 2020. Fuel cell vehicles are three times more efficient than internal combustion engines, and they produce none of the harmful emissions associated with fossil fuels.

The fuel cell vehicle is a concept that has recently been embraced by the President, and I believe the broad bipartisan support for this technology is already reflected in the tax credit included in this bill for other, stationary fuel cell applications. Currently, this credit is available for fuel cells of one kilowatt or more. What this amendment would do is simply lower the floor to half a kilowatt, or 500 watts.

I believe this is an important change, because we should also extend this credit to fuel cells that can be used in numerous business applications. Fuel cells smaller than one kilowatt are already providing power for remote cell phone towers, backup power for certain medical technologies, and even used to light some types of railroad and traffic signals. Expanding the tax credit already in this bill will help further demonstrate the commercial applicability of this technology.

This is an important component of any 21st century energy policy, and I ask my colleagues to support this amendment.

The PRESIDING OFFICER. All time is yielded?

Mrs. MURRAY. All time is yielded back.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3326.

The amendment (No. 3326) was agreed to.

Mr. REID. Madam President, I move to reconsider the vote.

Mr. MURKOWSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, we have been able to save a little bit of time. I ask unanimous consent that we move down the amendment list and, prior to the votathon starting, we allow Senator GRAHAM of Florida to bring up amendment No. 3370. He has agreed there would be 15 minutes equally divided on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. This would be under the same rules as the prior unanimous consent agreement: No seconds, and the vote would take place at the end of the votes on other amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arizona.

Mr. KYL. As I understand it, it is now in order for me to bring up amendment No. 3333. Is that correct?

The PRESIDING OFFICER. The Senator may consider amendments Nos. 3333 and 3332 concurrently.

AMENDMENT NO. 3333

Mr. KYL. Madam President, I will first discuss amendment No. 3333.

As a member of the Senate Finance and Energy Committees, I have had the opportunity to witness first-hand the contradictions in Federal energy and tax policy, specifically policy for the electricity industry. One glaring example is the Energy Policy Act of 1992 and the private use rules of the Internal Revenue Code, which pre-date the Energy Policy Act and are applicable, as you know, to public power utilities.

While our Federal energy policy since 1992 has been to open electric markets to wholesale and even retail competition, our Tax Code contains restrictions dating back to the Tax Reform Act of 1986 that make it difficult, and in some cases impossible, for publicly-owned utilities to comply with that deregulation policy.

In an attempt to remove the tax-code impediments to participation in the newly restructured electric industry, the publicly-owned and investor-owned utilities labored for several years to develop a package of tax-law changes that would provide the necessary flexibility to comply with the new energy policies being implemented by the Federal and State governments while, at the same time, not fundamentally changing the competitive balance between the private and public sectors of the energy industry.

The fruit of those efforts was S. 972, introduced last year by Senators MURKOWSKI, THOMPSON, BREAUX, and JEFFORDS. I joined as a cosponsor of this bipartisan bill. In the House, H.R. 1459 was introduced by Congressman J.D. HAYWORTH and was cosponsored by 16 other members of the Ways and Means Committee. These bills were successful in accommodating widely divergent views of public-power and investor-owned utilities on a whole score of Federal tax issues. They represent years of negotiations between the private and public sectors of the industry, and as such, reflect a delicate, equitable balancing of interests.

There are four provisions in these companion bills that are designed to help modernize our Tax Code for investor-owned utilities. I want to address these provisions in light of the subsequent House-passed bill, H.R. 4, and the bill marked out of the Senate Finance Committee that we are now considering. Both of these latest incarnations represent a significant departure from the original texts of H.R. 1459 and S. 972.

The first provision addresses the transmission tax problem that has occurred as the result of FERC Order 2000. This order strongly encourages, some would say "directs," all transmission-owning electric companies, subject to FERC jurisdiction, to join a regional transmission organization, RTO. However, many proposals to form RTOs would force these utilities to sell or spin off their transmission assets to form independent transmission companies, Transcos, resulting in a substantial Federal income-tax liability.

The solution to this problem, as stated in S. 972 and H.R. 1459, is to amend section 1033 of the Tax Code to permit sales of transmission assets on a tax-deferred basis if these sales occur in conformity with Order 2000, and the proceeds of the sale are reinvested in certain utility assets. Section 355(e) would also be amended to permit a non-taxable spin-off of transmission assets even if they are combined with neighboring transmission assets in conformity with Order 2000. Amending the Federal Tax Code to allow formation of Transcos will further diminish tax barriers to wholesale and retail competition by creating truly independent transmission organizations.

H.R. 4 includes this provision, but unfortunately, the bill reported out of the Senate Finance Committee does not. Before this bill is signed by the President, I hope that the transmission-relief provision will be included in the legislation.

The second provision concerns the equitable tax treatment of nuclear decommissioning funds, and it is the only provision of the four that is addressed in all of the aforementioned bills. Under current law, owners of nuclear power plants must make mandatory contributions to external trust funds to ensure that monies are available to decommission plants when they are retired. Congress added section 468A to the tax code in 1984 to permit owners of nuclear plants to deduct a portion of the contributions made to these external funds. Section 468A, when enacted, was designed to operate within the existing structure of regulated rates. The ability to deduct the contributions as permitted in section 468A is currently dependent on the local public service commission's formal approval of the decommissioning expenses that an electric utility can charge its customers. Both the House and the Finance Committee have adopted changes to section 468A to adapt to the structure of competitive markets while preserving the Section's original intent. These changes will facilitate the transfer of nuclear facilities to new owners in compliance with State and Federal directives.

A third provision, included in S. 972, H.R., 1459, and H.R. 4, but not in the Finance Committee bill, has to do with the reimbursement of utilities for construction costs. Under current law, the costs of building new transmission and distribution lines for new generating plants, homes, commercial properties, and industrial sites, indeed, any kind of property where construction costs are paid by a developer or interconnecting party to a utility, are treated as contributions in aid of construction—CIACs—and are considered as taxable income to the utility. The result is that developers or interconnecting third parties must reimburse a utility for construction costs plus a Federal tax of over 30 percent. The proposed solution is to treat the reimbursement of these costs as non-taxable, therefore facilitating new generation, transmission, and distribution facilities by making it less costly to provide these services. This would certainly help increase the supply of power and improve electric reliability, and I am hopeful that Congress will resolve this issue in conference.

The fourth provision concerns the public power utilities only. This provision effectively relaxes the private use restrictions on existing bonds if the issuing municipal or State utility elected to terminate permanently its ability to issue tax-exempt debt to build new generation facilities. Publicly-owned utilities, as entities of State and local governments, have used tax-exempt debt to finance their utility infrastructure in much the same way as cities finance schools, roads, and bridges. Without this provision, public power systems cannot issue stock to raise capital and have no alternative source of financing for these large capital projects other than municipal bonds.

In exchange for the use of tax-exempt debt, public power systems are required to adhere to a strict set of Federal tax rules and regulations designed to limit the amount of power they can sell to private entities. These rules limit a public power entity's ability to negotiate contracts with exiting customers, to resell excess power resulting from competition, "lost load", and to discourage the opening of transmission lines that were financed with tax-exempt debt.

The truth is, the current private use laws and regulations are no longer suitable for today's energy market. S. 972 and H.R. 1459 successfully incorporated what both the investor-owned and the publicly-owned utilities agree would constitute an effective modernization of the current Tax Code. The Finance Committee bill did not meet that test, and H.R. 4, although it attempted to do so, failed that test as well.

What happened was that H.R. 1459 sustained damage during the process of House passage. The bill, as approved by the Committee on Ways and Means—H.R. 2511, "The Energy Policy Act of 2001"—and as subsequently passed by the House—H.R. 4, "Securing America's Future Energy Act of 2001"—contains substantial, material modifications to the original legislation that make it impossible to vote for. In fact, certain modifications are even more restrictive than existing law and IRS regulations. As a result, H.R. 4, overall, works absolutely counter to national energy policy and the efficient operation of our country's electric infrastructure. The various conditions set forth in the bill will unfortunately discourage utilities from taking the necessary steps to advance open access. Examples of the most problematic provisions:

Provisions that eliminate public power's ability to elect to forego issuance of future tax-exempt bonds for generation from refunding outstanding tax-exempt generation bonds, even though this can result in savings to the utilities' customers and the U.S. Treasury. The bill also prohibits these electing utilities from utilizing tax-exempt financing to fund limited repairs and environmental improvements, including those which may be government-mandated.

In the context of sales of energy, there are provisions that restrict or eliminate public power's ability to use long-standing statutory and regulatory exceptions to the private use rules, and provisions that constrain new rules designed to enable public power to participate in a deregulated environment. As an example, language in the bill effectively precludes sales to rural electric cooperatives that were one of the exceptions to the private use rules. The bill seems to provide that the expansion of an existing generation facility can result in loss of eligibility of the entire facility for permitted exception treatment for long-term take or pay requirement contracts, even if the cost of the expansion was financed with taxable debt or equity. Furthermore, a public power company that owns no transmission will qualify for the bill's clarifications to the private use rules only if all transmission providers who provide transmission to that municipal utility's customers provide open access to all of their transmission facilities. These types of restrictions reduce or eliminate many of the benefits intended in the bill.

There are new restrictions on tax exempt bonds for transmission facilities that will prevent municipal utilities from using tax-exempt bonds to finance new transmission facilities to connect new power plants to their service areas. In addition, new restrictions in the bill require that, to qualify for private use relief, public power transmission facilities must be owned, directly connected to customers, and necessary to serve those customers. Thus, the bill ignores the need for investment in new transmission for maintenance of grid reliability, the multiple legal forms of ownership and use of transmission (including the different forms of RTOs and related organizations, leasehold and operational arrangements), and the fundamental physics involved in transmission network operation.

The new exception to the private use rules for sales of certain lost load is revised so as to require proof that the load loss was "attributable to open access" in order to take advantage of this exception, which was designed to ensure that our nation's energy capacity is fully utilized.

I had hoped that these problems could have been resolved in the Finance Committee by my colleagues and myself, but the revenue constraints imposed on us have prevented us from rectifying these problems. So the Finance Committee, rather than correcting the errors as reported in the final version of H.R. 4, chose not to provide any private use relief at all. Instead, we directed the Treasury to conduct a study to examine the problem and propose a solution.

That said, I think more immediate assistance can and should be provided by the Treasury Department.

During the Finance Committee's mark-up of the tax title of the pending energy bill, I asked the Treasury Department to look into an allocation proposal related to the private use restrictions of the Internal Revenue Code. The proposal would provide a limited safe harbor under which issuers of tax-exempt bonds could allocate private use first and foremost to the portion of an output facility that is not financed with outstanding tax-exempt bonds. For certain bonds, the proposal would permit issuers to use reasonable methods to allocate various funding sources among their assets.

The Treasury Department has examined this proposal and believes that many of the issues raised therein could be addressed under current law. Treasury officials say we could, under a different time frame than the pending energy bill, issue regulations to that effect. In the meantime, however, I would strongly support a provision in the tax title of the bill incorporating this proposal.

In addition, various members of the Finance Committee, including the chairman of the Energy and Natural Resources Committee, have asked that the Treasury Department finalize various temporary output regulations that relate to the use of tax-exempt financing by public power as quickly as possible. I expect that the Treasury Department will make finalizing these regulations a top priority and will endeavor to be responsive to the many public comments that it has received. I look forward to their findings.

I ask unanimous consent to have printed in the RECORD letters dated March 8, 2002 and March 20, 2002.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 8, 2002.

Hon. MARK A. WEINBERGER,
Assistant Secretary, Tax Policy, Department of the Treasury, Washington, DC.

DEAR MR. SECRETARY: I am following up with you directly on certain items that were raised during the Senate Finance Committee's consideration of the tax title to the pending Senate energy bill. Although I continue to believe that a broader, more expansive solution is necessary to more fully address the tax issues presented by the restructuring of the electric utility industry, I raised question at the mark-up with respect to two narrower items.

The first item concerns our discussion during the mark-up about an allocation proposal related to the private use restrictions of the Internal Revenue Code. You will recall that I asked if you would examine this proposal. The proposal generally would provide a limited safe harbor under which issuers of tax-exempt bonds could allocate private business use first to the portion of an output facility that is not financed with outstanding tax-exempt bonds. For certain bonds, the proposal would permit issuers to use reasonable methods to allocate various funding sources among their assets.

The second item is the temporary output regulations. As you know, the Finance Committee, as part of its report, asked that the Treasury Department finalize the temporary and proposed output regulation as quickly as possible, providing flexibility in those regulations, to foster participation of public power in a rapidly changing electric industry, without adversely affecting public power investors and customers.

I look forward to a letter from the Treasury Department on both of these issues. I am hopeful that you will find that many of the issues raised by the allocation proposal could be addressed under present law, and that, under a different timeframe than the pending energy bill, you would issue administrative guidance to that effect. It would be helpful, in the meantime, however, if you would also indicate your support for a provision in the tax title of the Senate bill incorporating this proposal.

With respect to the temporary and proposed regulations, I hope that you will be able to state in that letter that you will make the finalization of these regulations a top priority and will endeavor to use your regulatory authority to the greatest extent possible to be responsive to the numerous public comments you have received and to further public power's participation in the restructuring of the industry.

Naturally, I do not expect you to take any action that would be inappropriate or contravene normal agency rules and regulations. Thank you for your attention to this matter.

Sincerely,

JON KYL,
U.S. Senator.

DEPARTMENT OF THE TREASURY,
Washington, DC, March 20, 2002.

Hon. JON KYL,
U.S. Senate,
Washington, DC.

DEAR SENATOR KYL: Thank you for your letter dated March 8, 2002 concerning certain items that were raised during the Senate Finance Committee's consideration of the tax title to the pending Senate energy bill. In particular, your letter refers to two matters relating to electric facilities financed with tax-exempt bonds: (1) temporary and proposed Treasury regulations that define private use of output facilities, including generation, transmission and distribution facilities (temporary regulations; and (2) a proposal that, in general, would allow issuers to allocate private use first to the portion of an output facility that is not financed with tax-exempt bonds.

Your letter requests that the Treasury Department finalize the temporary regulations expeditiously, in a manner that fosters participation by public power systems in electric industry restructuring. We understand that providing certainty in this area is necessary for the industry to evolve. Thus, we are making the finalization of these regulations a top priority. We intend to craft regulations that take into account the current dynamic environment in the electricity industry and the policy objective of facilitating public power's participation in the restructuring of the industry. In finalizing the regulations, we will, of course, carefully consider all of the public comments we have received.

Treasury is examining your proposal regarding the proper allocation of private use of an output facility. We believe that the issues raised by your proposal can be addressed under present law. The proposal raises policy and administrative questions that require careful consideration. As we work to finalize the temporary regulations, we intend to address the issues raised by your proposal. In doing so, we must craft an administrable set of rules that are consistent with the policy objective of a competitive electricity market.

We hope this information is helpful to you. Please contact me if you have any additional questions.

Sincerely,

MARK A. WEINBERGER,
Assistant Secretary
(Tax Policy).

Mr. KYL. Madam President, this first amendment is a very simple amendment that would save a little over a billion dollars, according to the calculations of the committee, but probably would save closer to $3 billion by striking that section of the Finance Committee portion of the bill that is called the clear act provisions; more specifically, those provisions that provide tax credits for Americans who purchase four specific kinds of motor vehicles; specifically, a new qualified alternative fuel motor vehicle, a new qualified fuel cell motor vehicle, a new hybrid motor vehicle, and then it extends the present law which provides a credit for electric vehicles.

I know this provision was inserted in the Finance Committee with the best of intentions, but for the reason I will point out, I think this has not been as carefully thought out and prepared as it should be. Based on the experience of my home State of Arizona trying to do the same thing, it would be premature for us to move forward with this particular program at this time. I will illustrate specifically what is involved and then get to the Arizona experience.

Under the bill pending before us, there would be provided a maximum income tax credit of $40,000 per taxpayer for the purchase of these kinds of motor vehicles, the fuel cells, the alternative fuel, and the electric vehicles. The fact is that is for a very large vehicle; the average for the usual passenger car type of vehicle would be in the neighborhood of from $3,500 to $6,000.

The part I am particularly interested in is the alternative fuel vehicle. According to the committee staff, the average tax credit in this case would be about $5,000. It is determined by a very complicated formula based upon the weight of the vehicle and some other factors, but it is about a $5,000 subsidy per taxpayer buying this particular kind of vehicle.

I am concerned about this because Arizona decided to try to do this same thing, provide a taxpayer subsidy for the purchase of these alternative fuel vehicles as a way of trying to clean up our environment and to reduce reliance upon pure oil or gasoline. It provided a subsidy, calculated a little bit differently, for the purchase of these vehicles; in fact, for the retrofitting of the alternative fuel system for a vehicle that had already been manufactured.

I will read some headlines, or excerpts, from some of the Arizona newspapers after this program was put into effect. I might begin by saying this has been a fiasco in Arizona. The program has since been terminated. Politicians' careers have been destroyed because of it. They did not think it through carefully enough before they implemented it. It was about to bankrupt the State, so the State decided to terminate the program prematurely before it ended up costing them as much as it was going to cost.

These are a few quotations:

> The rebate program was originally projected to cost the State about $3 million but has since spiraled to a dizzying $483 million.

That is from the Arizona Daily Star.

> Bad legislation, bad policy and no benefit to air quality.

That is a quotation from the Arizona Republic. That is October 30, 2000.

From that same editorial:

> There has been no environmental study of the alternative-fuel program by any State agency, just as no one ever completed an incisive cost analysis of the legislation.

Another quotation from the Arizona Republic:

> The law allowed thousands of people to buy expensive sport-utility vehicles with the State picking up nearly half the costs of the trucks and their bifuel conversions to either propane or compressed natural gas.

One final quotation from the Arizona Daily Star says:

> The Arizona Republic shows that 13 percent of the applications for cleaner-running vehicles came from rural areas without a pollution problem.

I ask unanimous consent that the remainder of these statements be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARIZONA'S EXPERIENCE WITH ALTERNATIVE FUELS AND TAX CREDITS.

"The law in question . . . provided tax incentives and rebates for up to 50 percent of the cost of a car equipped to burn alternative fuels. One of the startling loopholes in this poorly written law was a failure to require any accountability from consumers. Vehicles equipped to run on an alternative fuel are also equipped with regular gas tanks. A person could buy a new vehicle, have half of it paid for by the state, and never use an ounce of the cleaner burning fuel system." (AZ Daily Star, Editorial, Oct. 31, 2000)

"The rebate program was originally projects to cost the state of about $3 million but has since spiraled to a dizzying $483 million. (AZ Daily Star, Editorial, Oct. 30, 2000)

"Bad legislation, bad policy and no benefit to air quality." (AZ Republic, Oct. 30, 2000)

"There has been no environmental study of the alternative-fuel program by an state agency, just as no one ever completed an incisive cost analysis of the legislation" (AZ Repub, Oct. 30)

"House Speaker Jeff Groscost boasted in Washington three weeks after a new tax credit law took effect here that Arizona auto dealers had at least 1,800 orders for alternative fuel vehicles. . . . The state budget had been built on the assumption that only about 300 people would buy these cars and trucks and apply for the generous tax credits." (AZ Daily Star, Oct. 30, 2000)

"The law allowed thousands of people to buy expensive sport-utility vehicles with the state picking up nearly half of the costs of the trucks and their bifuel conversions to either propane or compressed natural gas."(AZ Republic, Oct. 30

"Just 12 days after it was implemented, the state's alternative-fuels rebate program has already blown its worst cost estimate by 13 percent."(AZ Repub, Nov. 2, 2000)

"The Arizona Republic shows that 13 percent of the applications for cleaner-running vehicles came from rural areas without a pollution problems."(AZ Daily Star, Oct. 30, 2000)

"The Republic's analysis of the state's rebate program to convert gasoline-powered cars and trucks to alternative fuel, mainly propane and natural gas, is based on preliminary data obtained from the Commerce Department, the administrator of the program.

"The analysis included only the 5,512 applications in which a rebate amount was contained in the computer database obtained this week from the Commerce Department. The database contained more than 12,000 applications for rebates and is anticipated to grow to 22,000 when all the applications are processed. Few rebates have been paid to the buyers of new vehicles being converted to an alternative fuel.

"The alternative-fuel vehicle rebate legislation passed on April 18 didn't contain funding limits. The estimated cost of $3 million to $10 million for the program was unofficial.

Under the alternative-fuels program, the entire cost of converting a vehicle to propane or compressed natural gas would be paid by the state, along with 30 percent of the purchase price of a new vehicle. For example, if a sport-utility vehicle originally cost $25,000 plus $7,000 to convert it to also run on compressed natural gas, its owner would be reimbursed the entire conversion cost plus $9,600—30 percent of the total vehicle cost of $32,000." (AZ Repub, Nov 2, 2000).

"It sounded irresistible: buy a car that burns something other than gasoline and the state pays up to 50 percent of the cost; convert an existing gas-burner to alternative fuels and the state pays 100 percent of the cost of the conversion. No alternative fuel depot at home? Not to worry. The state will cover that $7,000 as well, or up to $400,000 for a commercial alternative-fuels depot. It is all courtesy of a measure proposed and adopted in Arizona at the last minute of a legislative session in April. Sound too good to be true? More than 22,000 Arizonans did not think so, and since July they have filed applications for an average of $21,966 each, which would cost the state nearly $500 million from a program that was supposed to cost less than $5 million a year. State officials now say the eventual costs could reach $800 million once applications being processed are counted.

"The premise of the program was simple. According to a state-issued summary, the law allows the users of alternative-fuel vehicles bought or converted after Jan. 1, 2000, to qualify for cash rebates or tax credits worth 30 percent of the vehicle's cost. Eligible vehicles can use an alternative fuel solely or, as with 'bifuel' vehicles, run on either gasoline or some other fuel, such as natural gas. If a $25,000 vehicle cost $7,000 to convert to propane, for example, a program participant would be reimbursed the conversion cost plus $9,600, 30 percent of the total $32,000 cost.

"Some found the legislation laughable from the beginning. 'The legislation had so many loopholes you could drive a Ford Excursion through it,' said Sandy Bahr, outreach director for the Phoenix-based Grand Canyon chapter of the Sierra Club. Ms. Bahr said that, because the bill does not require owners to actually use alternative fuels, many are using the bifuel-vehicle incentives to take advantage of the program. 'You've got people putting little four-gallon propane tanks in sports utility vehicles and getting 50 percent back on a $40,000 car." Ms. Bahr said. 'Four gallons of propane goes less far than four gallons of gasoline, so all they do is use their regular engines because propane is hard to find. That actually creates more emissions because they're driving a bigger car than they would ordinarily buy.'

"Moreover, there are only six refueling stations for alternative fuels in the Phoenix area, and none in the rest of the state." (NY Times, Nov. 2, 2000)

Mr. KYL. What we can see is, like the system that is being proposed by the Senate, there was no cost-benefit analysis. There was not a very clear idea of what the ultimate costs were going to be, and the experience with the program not only showed fraud or potential fraud but runaway expenses.

Under the program that has come out of the committee, one of the concerns is that nonprofits will be able to utilize credits by selling them, which, of course, opens up the possibility that there could be a secondary market or abuses could occur in selling these large tax credits.

There has been very little evaluation of whether or not the vehicles could be altered after their purchase, after the tax credit has been received, so that they could run in fact on gasoline or diesel. There is no data whatsoever to show that we would have a better environment as a result. In fact, there has been no cost-benefit analysis.

Pursuant to an amendment I offered in the committee, there will be a study after the fact that will tell us how successful the program has been, but there has been no study in advance of that. In fact, the committee report language does not cite a single study or report justifying the credits under the reason for change.

The report says, and I am quoting:

> The committee believes further investments in alternative fuel and advanced technology vehicles are necessary to transform automotive transportation in the United States to be cleaner, more efficient and less reliant on petroleum fuels.

The committee language also prognosticates, and I am quoting again:

> That it expects hybrid motor vehicles and dedicated alternative fuel vehicles are the near-term technological advancement that will replace gasoline- and diesel-burning engines with alternative powered engines.

The revenue estimates are $1.1 billion, but since many of the credits expire after 2006, I think it vastly understates the true cost. I suspect this will be extended before they expire, so that the cost is more likely going to be maybe $3 billion or so over a 10-year period. Obviously, the automobile industry is the primary beneficiary of these credits since they can simply increase the cost of the vehicles, and then the credits obviously go to the taxpayer to offset that increase in cost.

I make this point—and I don't expect members of the committee are going to agree with this proposition—I wish we could go a little slower. I advised the committee of the experience in Arizona. To the credit of the committee and the chairman of the committee, his staff was very careful to talk to people in Arizona and do their best to remove the kinds of problems we experienced in Arizona. I commend the chairman of the Finance Committee for that effort. It was a useful effort.

I am concerned we are going to find a lot of problems in this program after it begins. It will be too late then. We will find it will cost a whole lot more than we predicted and the benefits will not pan out in terms of cost-benefit analysis.

I reserve the remainder of my time on this amendment. If anyone wishes to respond, I will briefly discuss the other amendment.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, on the face of it, everyone would agree, this is to give a stimulus, a boost, to alternative fuels, alternative fuel vehicles, and alternative fuel vehicle infrastructure. About two-thirds of the petroleum we consume today in America is consumed in the transportation sector—cars, trucks, railroads, and so forth.

Clearly, we are trying as Americans to wean ourselves a bit from our overreliance on OPEC. That is the whole point of this energy bill. We will not make ourselves completely self-reliant. No one claims that. At least on the margin, we are making a step or two difference to become more energy self-sufficient. Clearly, helping alternative fuel development and alternative fuel vehicle development, alternative fuel vehicle infrastructure development—pumps and so forth—will help.

It is also important we not act precipitously, that we act measurably, thoughtfully. Through the very able assistance of my good friend from Arizona, we have worked closely with the Arizona Department of Transportation. Unfortunately, in the State of Arizona, which attempted something similar a year or two ago, there were people who took advantage of the situation to such a degree that it became a bit of an outrage. We don't want to repeat those mistakes. I don't think anyone in this body wants to repeat those mistakes.

As the Senator said, our staff spent quite a bit of time talking with the Arizona Department over what problems and recommendations they have so the problems do not recur in the provisions enacted here. As a consequence of those discussions, we have dramatically tightened up this bill regarding credits. They cannot be used in the aftermarket by people who alter vehicles. They cannot be used for vehicles that use conventional fuels. This credit is only available to vehicles dedicated to alternative fuels. We made that clear.

I add the primary sponsors of this amendment are Senators who worked hard: Senators HATCH, ROCKEFELLER, KERRY, and SNOWE. They are the primary sponsors of this provision. It has the support of both the auto manufacturing industry and the conservation community, the Environmental Defense Fund, the Union of Concerned Scientists support this amendment, NRDC, Ford Motor Company, Lance Auto Manufacturing, and others too numerous to name.

The main point is, we are trying to wean ourselves from OPEC. This provision is a step, a start. It helps. We have tailored the amendment based upon the experience in Arizona to help assure this works. It will probably not work as well as many think, and it may work better than some Members think, but we are undertaking a good effort to make this right. I appreciate the concerns of my friend from Arizona. They are legitimate concerns and concerns we all have. We have attempted to address these concerns. I thank the good State of Arizona for helping address these matters.

I urge not adopting the amendment that strikes, but to work together to see what works and what doesn't work and change or modify or delete as the case in Arizona. I thank my good friend for helping draw out what is going on in this debate.

Mr. HATCH. Madam President, I rise today in opposition to the amendment of the Senator from Arizona. As I understand it, this amendment would strike the portions of the energy tax provisions that would provide tax incentives for the purchase of alternative fuels and advanced technology vehicles such as hybrid electric and fuel cell automobiles.

The provisions that this amendment would strike are almost identical to the provisions in the bipartisan CLEAR ACT, which stands for Clean Efficient Automobiles Resulting from Advanced Car Technology, which I introduced last year along with Senators JEFFORDS, ROCKEFELLER, CHAFEE, KERRY, COLLINS, GORDON, SMITH, CRAPO, and LIEBERMAN.

The CLEAR ACT is the product of a carefully crafted, delicately balanced, and politically unusual alliance between auto manufacturers, truck engine manufacturers, environmental groups, fuel suppliers, and other stakeholders. I might add that these provisions, which provide strong incentives for energy conservation, are an integral part of the President's energy plan. The CLEAR ACT provisions create a fair and balanced playing field for all the advanced technologies and alternative fuel vehicles that offer the promise of both clean air and less dependency on foreign fuel.

Transportation accounts for about two-thirds of the oil consumption in the United States, and we are 97 percent dependent on oil for our transportation needs. When we consider the role transportation plays in our economy and our way of life, it is hard to believe that we rely on foreign sources for more than one-half of our oil supply. If our nation is going to have a strategy for energy security, that strategy must begin with transportation fuels. The Kyl amendment would take away our best opportunity to provide a balanced approach to achieve this strategy.

Advances in alternative fuels and new vehicle technologies have been significant in recent years. However, three basic obstacles stand in the way of a broad shift toward their adoption. These are the higher cost of the vehicles, the higher cost of alternative fuels, and the lack of an infrastructure of alternative fueling stations.

The CLEAR ACT provisions that this amendment would strike would lower the barriers that stand in the way of widespread consumer acceptance of these advanced technology and alternative fuel vehicles by providing tax credits to consumers who purchase hybrid electric, fuel cell, battery electric, and dedicated alternative fuel vehicles. They would also provide incentives for the purchase of alternative fuels and the development of an alternative fuel infrastructure.

Without imposing any new mandates, the CLEAR ACT provisions in this energy bill focus on the very best emerging technologies to help our citizens to enjoy the health benefits of cleaner air sooner, to help our communities to enjoy the economic benefits of attaining clean air standards sooner, and to help us reduce our consumption of foreign oil sooner than would otherwise be possible.

With the clear benefits of these provisions to less dependency on foreign oil and to cleaner air, which I might add come at a very reasonable cost in terms of revenue loss to the Treasury, it is hard to see why anyone in this body would want to strike them. Moreover, the tax credits the CLEAR ACT offers are performance based, which is to say that they are based on the principle that every dollar of tax expenditure should produce substantive air quality and energy security benefits. The greater the benefits a particular vehicle achieves, the larger the tax incentive for purchasing it.

While I do not want to assume I know the motivations of the Senator from Arizona for offering this amendment, part of it might be based on an unfortunate experience in his home state. Not long ago, a well-intentioned program to promote alternative fuel vehicles by the Arizona legislature experienced extreme cost overruns and failed to provide the promised energy and environmental benefits. I want to assure the members of this body that we have studied the Arizona experience, we have identified the inherent weaknesses of that model, and we have been careful to avoid each one of them in this legislation.

With the CLEAR ACT provisions, until a new advanced vehicle is purchased, until new infrastructure has been installed, or until alternative fuel is placed in the tank of a dedicated alternative fuel vehicle, there will be no cost to the Treasury. And when a cost is incurred, it will be a small cost relative to the resulting environmental benefits and energy savings.

To me it is inconceivable that this Senate would pass an energy policy bill without addressing the issue of how to increase the public's adoption of alternative fuel and advanced technology vehicles. Although gasoline vehicles are 90 percent cleaner today than thirty years ago, the significant increase in the total number of vehicles on the road and the miles traveled per year by each vehicle means that little progress has been made in reducing the contribution of motor vehicle emissions to air pollution.

Similarly, despite improvements in fuel economy compared to thirty years ago, more petroleum than ever is used in motor vehicles and U.S. dependence on imported oil is at a record high and increasing. Alternative fuel vehicles and advanced technology vehicles, such as hybrids and fuel cells, significantly reduce the use of gasoline and diesel and have dramatically reduced emissions. Each dedicated natural gas vehicle displaces 100 percent of the gasoline or diesel that otherwise would be used in that vehicle.

Conventional gasoline and diesel motor vehicle technology has come about as far as it can in terms of fuel economy and emissions. The further gains that are needed to allow the U.S. to achieve energy security and clean air require nonpetroleum vehicles and hybrid and fuel cell vehicles. The nation simply cannot achieve its goals in these areas with these conventional vehicles. Striking these provisions would be a big mistake, and I urge my colleagues to vote against the Kyl amendment.

Mr. GRASSLEY. Madam President, I oppose Senator KYL's amendment to strike the wind energy tax credit extension provisions in this bill. It is unwise from an energy policy standpoint and would be harmful to American agriculture. Therefore, I oppose it vigorously.

Mr. FEINGOLD. Madam President, I supported the amendment offered by the junior Senator from Arizona, Mr. KYL. I did so even though I support the underlying policy that amendment sought to strike from the bill, namely the alternative fuels vehicle tax credit. I regret, though, that this provision, along with many other tax provisions in the bill, were included without adequate offsetting savings. The result is a measure that will make our budget deficits even larger.

We must return to the fiscally responsible budgeting that was so beneficial to the economy, and which brought our budget, however briefly, to balance, and even a slight surplus. If Congress does not pay for additional tax cuts, we will only make matters worse.

Mr. KYL. How much time remains for me?

The PRESIDING OFFICER. The Senator has 2 minutes.

AMENDMENT NO. 3332

Mr. KYL. It is my intention to use the remainder of the time on the second amendment, numbered 3332, after which I presume a Member on the other side will move to table amendment No. 3333, to get the yeas and nays, and I would be happy to accept a voice vote on 3332, which I will describe at this point.

This is an amendment that eliminates the credits for wind energy. According to the industry itself, they are now competitive and they no longer need the subsidy we provide to them. As a matter of fact, quoting from their own material from the American Wind Energy Association: The state-of-the-art wind power plants are generating electricity at costs as low as 4 cents per kilowatt hour, a price competitive with many conventional energy technologies. This is without the production tax credit that would be extended under this legislation.

The AWEA further projects by the year 2005 the costs will be in the area of 2.5 to 3.5 cents per kilowatt hour, just about exactly the range of the cost of production by coal or nuclear or other generation, or natural gas. This is a tax credit that is simply no longer needed.

Since the Department of Energy Information Administration has analyzed that the RPS mandate in this legislation will only be fulfilled through additional wind energy capacity, we are just basically giving a huge gift to the producers of wind energy that would have essentially a monopoly on this new renewable power we are mandating.

I will not name the particular companies, but the companies that are going to benefit from this are some of the largest production companies in the country, all good companies, but certainly companies that are multibillion-dollar companies and hardly need this particular kind of a credit.

I ask unanimous consent to have printed in the RECORD brochures from the industry itself.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHAT ARE THE FACTORS IN THE COST OF ELECTRICITY FROM WIND TURBINES?

The cost of electricity from utility-scale wind systems has dropped by more than 80% over the last 20 years.

In the early 1980's, when the first utility-scale wind turbines were installed, wind-generated electricity cost as much as 30 cents per kilowatt-hour. Now, state-of-the-art wind power plants are generating electricity at costs as low as 4 cents/kWh, a price that is competitive with many conventional energy technologies. Costs are continuing to decline as more and larger plants are built and advanced technology is introduced.

Aside from actual cost, wind energy offers other economic benefits which make it even more competitive in the long term:

Greater fuel diversity and less dependence on fossil fuels, which are often subject to rapid price fluctuations and supply problems. This is a significant issue around the world today, with many countries rushing to install gas-fired electric generating capacity because of its low capital cost. As world gas demand increases, the prospect of supply interruptions and fluctuations will grow, making further reliance on it unwise and increasing the value of diversity.

Greatly reduced environmental impacts per unit of energy produced, compared with conventional power plants. Environmental costs are becoming an increasingly important factor in utility resource planning decisions.

More jobs per unit of energy produced than other forms of energy.

NEW CORPORATE PLAYERS COULD POWER STRONGER GROWTH IN WIND ENERGY

As the U.S. Senate continues consideration of national energy legislation, the American wind energy industry is poised to continue building on 2001—its most successful year in history—and is the focus of growing interest by major players in the energy field, according to the American Wind Energy Association (AWEA).

The industry is receiving a boost not only from the recent two-year extension of the federal wind energy production tax credit (PTC), which was signed into law March 9, but from a series of announcements by utilities, oil companies, and other firms that they see wind energy in their future. Wind energy supporters are hopeful that with a further three-year extension of the PTC included in the Senate energy bill, the industry will at last have a stable financial environment and the serious corporate participation needed to put it on the road to steady long-term growth.

Among recent industry developments, AWEA said, are the following:

American Electric Power (AEP), one of the nation's largest utilities, spent $175 million in late December to buy the 160-megawatt (MW) Indian Mesa wind plant in West Texas. Previously, AEP had invested $160 million to build its own 150-MW wind farm at Trent Mesa, also in West Texas. Dwayne L. Hart, senior vice president of business development for AEP subsidiary AEP Energy Services, commented, "The addition of Indian Mesa furthers our goal of enhancing the renewable portion of our overall generation portfolio." Ward Marshall of AEP Energy Services is President-Elect of AWEA.

BP and ChevronTexaco announced in mid-January that they will build and operate a 22.5–MW wind plant at their jointly-owned Nerefco oil refinery near Rotterdam in The Netherlands. Bob Dudley, BP's group vice president, Gas and Power and Renewables, said, "This project is an excellent opportunity in line with BP's strategy to add value to our business, lower emissions, and demonstrate our commitment to clean energy," while James Houck, ChevronTexaco President Power and Gasification, said, "Wind power is an increasingly viable source of power generation and this project fits with our objectives to manage carbon emissions and invest in new technologies that minimize environmental impact."

Entergy, a major utility based in New Orleans, La., purchased a majority interest in the 80–MW Top of Iowa wind farm from Houston, Tex.-based Zilkha Renewable Energy and its partner, Midwest Renewable Energy Corp. Geoff Roberts, president and CEO of Entergy's independent power development business unit, commented on the transaction, "This project provides Entergy with an attractive entry vehicle into the wind energy business."

FPL Energy, a subsidiary of FPL Corp., which also owns the large utility Florida Power & Light, announced January 7 that it had added 844 MW of wind power to its power generation portfolio during 2001. The company, America's largest wind plant operator, now operates 1,830 MW of wind, of which it owns 1,439 MW. Dean Gosselin, FPL Energy vice president of wind development, said, "We know there are many more opportunities for wind energy throughout the country and great support in many regions for new wind power facilities."

GE Power Systems said in late February that it has signed an agreement to purchase the manufacturing capability of Enron Wind Corp., the largest U.S.-based utility-scale wind turbine manufacturer. "The acquisition of Enron Wind represents GE Power Systems" initial investment into renewable wind power, one of the fastest growing energy sectors," said John Rice, president and CEO of GE Power Systems. GE Power Systems said it expects the wind industry to grow at an annual rate of about 20%, with principal markets in Europe, the U.S., and Latin America.

Pacificorp Power Marketing (PPM), affiliated with Pacificorp, a large utility based in Portland, Ore., is playing a major role in building the market for wind in the Northwest. The company is purchasing and marketing power from three wind plants in the West, including the 261-MW Stateline Project, and has said it plans to add substantial wind capacity to its portfolio over the next few years. "This is wind power on a grand scale," said PPM president Terry Hudgens of Stateline, adding, "Stateline is a watershed event for our company and for the region. With Stateline, wind is no longer just a small niche in our supply, but has taken a position as a very real and significant part of the new electric resources the region badly needs."

Shell Subsidiary Shell WindEnergy, Inc., announced in late January that it had purchased an 80-MW wind plant near Amarillo, Tex. "We are delighted to have moved so quickly in making a second major investment in the U.S. wind power market," said David Jones, Director of Shell WindEnergy, Inc. "Wind energy is not only the fastest-growing area of power generation worldwide but it is also one of the cleanest sources of energy." Shell WindEnergy also owns a 50-MW wind project in Wyoming, and Shell is developing or operating more than 1,000 MW of wind in the U.S. and Europe.

TXU, a large utility based in Dallas, Tex., announced in early January that it plans to purchase a 40% equity stake in two wind farms under construction in central Spain. TXU is already one of the largest U.S. purchasers of wind-generated electricity, buying the output of several Texas wind plants.

Utilicorp United, based in Kansas City, Mo., commissioned a 110-MW wind plant near Montezuma, Kans., in December. Commented Keith Stamm, president and chief operating officer of UtiliCorp's Global Networks Group, "This wind farm demonstrates UtiliCorp's commitment to providing its customers with renewable and reliable energy supplies . . . While this is the first major wind power project in Kansas, the state has the potential to be a U.S. leader in wind energy."

"This string of announcements by major energy corporations is rapidly changing the face of the wind energy business," said Randall Swisher, AWEA executive director. "Coming on the heels of the industry's most successful year, in the U.S. and worldwide, it signals that wind energy is moving into the big leagues. AWEA estimates that with continued government encouragement and broad utility support, wind energy will provide at least six percent of the nation's electricity by 2020.

FPL Energy Places Order for 175 Vestas Wind Turbines, With Option for 650 Additional Units

FPL Energy, LLC, the independent power production subsidiary of FPL Group Inc. (NYSE: FPL), today announced an agreement with Vestas Wind Systems A/S of Denmark for delivery of approximately 175 wind turbines and an option for an additional 650 turbines.

Delivery of the 660-kilowatt turbines will begin in 2002 and will support the planned expansion of wind-driven electricity generation projects underway at FPL Energy.

"Wind projects will be a major element of our expansion activity in 2002 and 2003," said Ron Green, president of FPL Energy. "We expect to add 1,000 to 2,000 megawatts of wind power to our portfolio by the end of next year."

FPL Energy is the largest generator of electricity form wind turbines in the United States. It currently owns and operates wind farms in eight states with more than 1,400 megawatts of capacity.

"As the leading U.S. developer of wind power, it is important for FPL Energy to secure a reliable source of wind turbines for use in projects we are developing today and into the future," said Mr. Green.

Approximately 80 percent of FPL Energy's electric generation is fueled by renewable sources or clean-burning natural gas. Wind power represents nearly 28 percent of the company's 5,063-megawatt portfolio.

Last month, Congress extended the production tax credit for operating wind projects. Projects that become operational by the end of 2003 will receive a 1.7-cent per kilowatt-hour tax credit, adjusted for inflation, for a ten-year period.

"We continued our wind project development activities during the first part of this year, and the extension of the production tax credit in March gave us the green light to quickly advance these important projects to construction.

"Wind power is an important component of our nation's move toward energy independence as we harness our natural resources for production of electricity. It is a clean, renewable source of energy that can be sited, built and in operation much more rapidly than conventional fossil fuel facilities," Mr. Green said.

"Typically, wind farms can be constructed in six to nine months, and they are profitable from the first day of operation," said Mr. Green. Last year, FPL Energy built nearly 850 megawatts of wind-powered generating facilities, approximately half of what was built in the United States.

"A large percentage of our current wind facilities are equipped with Vestas turbines," said Mr. Green. "We are pleased to move forward with such a reliable supplier for our future expansion."

FPL Energy is the nation's leader in wind energy generation, with 24 wind farms in Iowa, Kansas, Texas, Minnesota, Wisconsin, Washington, Oregon and California. The company is a leading independent producer of clean energy from natural gas, wind, solar and hydroelectric. Its portfolio includes 73 facilities in operation, under construction, or in advanced stages of development in 17 states.

FPL Group, with annual revenues of more than $8 billion, is nationally known as a high quality, efficient, and customer-driven organization focused on energy-related products and services. With a growing presence in more than 17 states, it is widely recognized as one of the country's premier power companies. Its principal subsidiary, Florida Power & Light Company, serves approximately 4 million customer accounts in Florida. FPL Energy, LLC, an FPL Group energy-generating subsidiary, is a leader in producing electricity from clean and renewable fuels. FPL FiberNet, LLC is a leading provider of fiber-optic networks in Florida. Additional information is available on the Internet at www.fplgroup.com, www.fpl.com, www.fplenergy.com, and www.fplfibernet.com.

Mr. KYL. I close by advising my colleagues I would be pleased to have a vote by voice.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. I think we are ready to vote on amendment No. 3332.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment (No. 3332) was rejected.

Mr. REID. I move to reconsider the vote.

Mr. BINGAMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BINGAMAN. I move to table the other Kyl amendment, numbered 3333, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 3370

Mr. REID. Madam President, it is my understanding the next amendment in order by virtue of the unanimous consent agreement is Graham amendment No. 3370.

The PRESIDING OFFICER. The Senator is correct.

Mr. REID. I ask unanimous consent the 15 minutes granted on this amendment start running.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum with the time counting against the Graham amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. The Senator from Florida is on the floor. I ask unanimous consent the amendment now pending be temporarily laid aside for purposes of calling up this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3346

Mr. REID. I call up amendment No. 3346.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. KOHL, proposes an amendment numbered 3346.

Mr. REID. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To modify the credit for the production of electricity to include municipal biosolids and recycled sludge)

In Division H, on page 17, between lines 8 and 9, insert the following:

SEC. . CREDIT FOR ELECTRICITY PRODUCED FROM MUNICIPAL BIOSOLIDS AND RECYCLED SLUDGE.

(a) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources), as amended by this Act, is amended by striking "and" at the end of subparagraph (G), by striking the period at the end of subparagraph (H), and by adding at the end the following new subparagraphs:

"(I) municipal biosolids, and

"(J) recycled sludge.".

(b) QUALIFIED FACILITIES.—Section 45(c)(3) (relating to qualified facility), as amended by this Act, is amended by adding at the end the following new subparagraphs:

"(H) MUNICIPAL BIOSOLIDS FACILITY.—In the case of a facility using municipal biosolids to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 2001, and before January 1, 2007.

"(I) RECYCLED SLUDGE FACILITY.—

"(i) IN GENERAL.—In the case of a facility using recycled sludge to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service before January 1, 2007.

"(ii) SPECIAL RULE.—In the case of a qualified facility described in clause (i), the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this subparagraph.".

(c) DEFINITIONS.—Section 45(c), as amended by this Act, is amended by redesignating paragraph (9) as paragraph (11) and by inserting after paragraph (8) the following new paragraphs:

"(9) MUNICIPAL BIOSOLIDS.—The term 'municipal biosolids' means the residue or solids removed by a municipal wastewater treatment facility.

"(10) RECYCLED SLUDGE.—

"(A) IN GENERAL.—The term 'recycled sludge' means the recycled residue byproduct created in the treatment of commercial, industrial, municipal, or navigational wastewater.

"(B) RECYCLED.—The term 'recycled' means the processing of residue into a marketable product, but does not include incineration for the purpose of volume reduction.".

(d) EXEMPTION FROM CREDIT REDUCTION.—The last sentence of section 45(b)(3), as added by this Act, is amended by inserting ", (c)(3)(H), or (c)(3)(I)" after "(c)(3)(B)(i)(II)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity sold after the date of the enactment of this Act, in taxable years ending after such date.

AMENDMENT NO. 3370

The PRESIDING OFFICER. Who yields time?

The Senator from Florida.

Mr. GRAHAM. Madam President, what is the parliamentary situation at this time?

The PRESIDING OFFICER. Amendment No. 3370 is the business before the Senate. The Senator's amendment is before the Senate.

Mr. GRAHAM. Madam President, I would like to take up first amendment No. 3372.

Mr. REID. Madam President, if I could reserve my right to object, the Senator has two amendments. We do not care which one he brings up, but he cannot bring up both.

Mr. GRAHAM. I would like to bring up No. 3372.

Mr. REID. I ask the unanimous consent agreement that is now standing be modified.

The PRESIDING OFFICER. Is there objection?

Mr. NICKLES. Madam President, parliamentary inquiry: Is that amendment germane postcloture?

The PRESIDING OFFICER. No, it is not.

Mr. NICKLES. Is the amendment out of order?

The PRESIDING OFFICER. A point of order would lie at the appropriate time.

Mr. NICKLES. Madam President, for the information of my colleague, I am happy for him to discuss it, but I will make a point of order at the appropriate time.

Mr. GRAHAM. Madam President, I will object to the unanimous consent request by the Senator from Nevada, and we will proceed on the amendment that was the original subject of the unanimous consent.

The PRESIDING OFFICER. Objection has been heard.

The Senator from Florida.

Mr. GRAHAM. Madam President, in February the Finance Committee reported out legislation which has become the tax provisions for the energy bill. This set of provisions includes a number of incentives provided to traditional energy production, conservation, and the use of alternative fuels.

In reporting this set of proposals, the Finance Committee made the decision to defer the inclusion of an appropriate offset for the cost of these tax incentives until the bill was considered on the floor. We of course are now at that point.

The committee did not make the decision that such an offset was unnecessary. In fact, the budget which was adopted by the Congress last year for the 1st session of the 107th Congress, as well as the one which is currently under consideration by the Senate Budget Committee, requires that this legislation be budget neutral.

The amendment I had hoped to offer, and to which our friend and colleague from Oklahoma has just indicated his intent to offer a point of order that it was not germane, and therefore was not available, would have met that obligation. It would have said, simply, that before these tax provisions went into effect either through spending or through revenue from other sources, it would be our obligation to make this a budget-neutral program.

I am personally very disappointed that we are proceeding with these tax provisions, which as of now have a 10-year cost estimate of approximately $13 billion, without any effort to offset.

I strike the word "any." We did, in fact, adopt a package of proposals earlier today which were stated to be a partial offset. But when you look at the cumulative number of those provisions, the total amount of additional revenue over 10 years would be $37 million, as against $13 billion of revenue loss in this program.

The President of the United States outlined very clearly in his State of the Union Message that there were three priorities for this Nation, all of which have strong bipartisan support. These three priorities were what he said could be considered without the fiscal discipline requiring that there be a method of paying for these. Those three were: Winning the war on terrorism, defending our homeland, and reviving our economy.

Congress has in fact followed the President's direction. In March we passed the Job Creation Worker Assistance Act, which included several tax incentives designed to stimulate the economy. That legislation was enacted without an offset. In a few weeks, Congress is likely to consider a supplemental appropriation to provide $37 billion for the war in Afghanistan, and that will be without an offset.

But wherever we go outside these three areas of the war, homeland security, or stimulating the economy, the effect of not providing an offset is to ask our children and grandchildren, by the reduction in the Social Security trust fund, upon which their security in retirement depends, that trust fund now becomes the means by which we pay for our current appetite.

Therefore, the amendment that is before us is an amendment which will strike one of the provisions in the tax measure. It is division H, relating to energy tax incentives, striking section 2308.

Frankly, that is an arbitrary selection and a strike. In a world in which we were prepared to pay for these various energy tax measures, I might well be prepared to support them. But in a world in which we are saying it is not important enough for us to pay for these measures, we are going to ask the next generations to pay by reducing the security upon which their retirement depends. I think that is an immoral act. I believe it is another step on the slippery slope down the mountain from fiscal discipline which this Congress worked so hard over the last decade to achieve.

We already have converted an almost $6 trillion projected 10-year surplus into a series of deficits. We have acted at a level of fiscal irresponsibility almost unknown in the history of this country. I wish we had been able to adopt the amendment that I wanted to offer, which would have said let's put aside all of these tax measures until we have developed—as a Finance Committee indicated it was the intention—a means of paying for them before they go into effect. That is not available.

Therefore, I am taking a second option to propose that we strike this and other of the provisions that have gone into the bill so we will not be in the position of having to find an offset because we have made the decision that we are going to be fiscally responsible.

I urge my colleagues to take this opportunity to say enough is enough. We are already committed to paying without offsets for the war, for homeland security, and for economic stimulation. But beyond those priorities, I think on a broad, bipartisan consensus we should ask is this issue important enough for us to do and important enough for our generation of Americans to pay for it.

Mr. BINGAMAN. Mr. President, let me first say that the general sentiment that the Senator from Florida has expressed is one I agree with—which is that I am disappointed that we have not come up with a proposal to offset the cost of the various tax provisions in this bill. I hoped we could do that in the Finance Committee.

I think that clearly would be the better course to follow, and perhaps, if we could get the support from the administration, we could move in that direction. But that has not been possible.

I am constrained to oppose the amendment of the Senator from Florida.

This amendment would simply pick out the tax provisions in the bill, and the particular provision that he finds objectionable, which is intended to maintain domestic production when world oil prices are lower. We have several provisions in the bill which are so-called countercyclical provisions, which basically say that when the oil price goes down below certain levels, there is a tax incentive for companies to stay in the business and not to shut down production in this country.

This is one of several provisions intended to maintain reasonable cashflows to keep the service sector in the oil economy working. The provision would stimulate the economy and producing areas in our country.

For that reason, I urge my colleagues to oppose the Graham amendment that has been presented to the Senate at this time.

I yield the floor.

Mr. NICKLES. Mr. President, I want to inform my friend from Florida that I will make a couple of comments and then move to table. But if he wishes to speak before the tabling motion, I would be happy to let him do so.

Mr. GRAHAM. Mr. President, I was going to close on the amendment before we take up the tabling motion.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, it had not been my intention to dwell on specifics of a particular tax measure because, as I indicated, if we had provided the offset for this, I would have voted for it.

The issue for our colleagues and for the American people is that this provision would further deplete the Social Security trust fund. That is where it is coming from. This is not revenue eligible.

As desirable as this may be, I do not believe it meets that test. It does not meet the President's test. It does not justify going into the Social Security trust fund.

I share his position and urge that our colleagues use this as a line in the sand for fiscal discipline.

Mr. NICKLES. Mr. President, my colleague and good friend is on the Finance Committee, as am I. We had an opportunity to offset it if we wanted to in committee. We didn't do it.

I don't know why this particular amendment is picked out. But I think it is a mistake to try to strike this language. This language says you can't expense over 2 years' payments that are made to keep a lease ongoing. Sometimes a person or a company may have a lease to drill or to explore. For whatever reason, they can't initiate exploration. It may be because of political problems. Maybe they can't get a particular permit. Maybe the price has dropped so low that it is not feasible. But they want to keep the lease open. So they make payments.

Under the provision in the bill, we say those payments are expensed over 2 years. Frankly, they should be expensed in the year made.

I might note we passed countless amendments that said let us give a tax credit for this. We will reduce taxes substantially; in other words, have the taxpayers subsidize it. In this case, we are not looking for subsidies. If somebody writes a check, we are asking that they be able to expense that check.

Frankly, the provision in the Senate bill is over 2 years. It should be 1 year. When you write the check "for lease payment," you could have an example where somebody has a lease to drill someplace, and a political obstruction has arisen—maybe State, maybe Federal, maybe whatever—and they are not able to commence exploration. But if they don't make payments, they would lose the lease. They should be able to expense those payments in the year made.

The bill before us says they should be able to expense it in 2 years. That is more than defensible.

I urge my colleagues to vote in favor of the motion to table the Graham amendment.

I move to table the Graham amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. REID. Mr. President, as if in executive session, I ask unanimous consent that immediately following the disposition of H.R. 4, the Senate proceed to executive session to consider the following judicial nominations: Calendar Nos. 777 and 780; that the Senate vote immediately on the nominations, the motion to reconsider be laid on the table, the President be immediately notified of the Senate's action; that any statements thereon be printed in the RECORD; and the Senate return to legislative session, with the preceding occurring without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask unanimous consent it be in order to ask for the yeas and nays on both nominations with one show of seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001—Continued

Mr. REID. Mr. President, I should advise all Members that we are now at the end of the debate time on this piece of legislation. We are now going to start a series of votes. We could have as many as 12 votes. We will try to complete within the time set. Everyone should try to stay as close to the Chamber as possible for this very long and arduous task of completing the bill today.

This will be the end of 6 weeks that the two managers have worked on this bill.

I ask unanimous consent that when the vote sequence commences there be 2 minutes between each vote with the time equally divided and controlled in the usual form; that no other amendments be in order; that no points of order be considered waived by this agreement; and that all votes after the first vote on the Harkin amendment be 10 minutes each.

The PRESIDING OFFICER (Mr. CARPER). Without objection, it is so ordered.

AMENDMENT NO. 3364 TO AMENDMENT NO. 2917

Mr. REID. Mr. President, I ask unanimous consent that the pending amendments be set aside and that it be in order for the Senate to consider amendment No. 3364, that it be set aside, and that it be the last amendment in order on the bill now before the Senate.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to exempt receipts of tax-exempt rural electric cooperatives for the construction of line extensions to encourage development of section 29 qualified fuel sources)

In Division H, on page 215, between lines 10 and 11, insert the following:

SEC. . TREATMENT OF CERTAIN DEVELOPMENT INCOME OR COOPERATIVES.

(a) IN GENERAL.—Subparagraph (C) of section 501(c)(12), as amended by this Act, is amended by striking "or" at the end of clause (iv), by striking the period at the end of clause (v) and insert ", or", and by adding at the end the following new clause:

"(vi) from the receipt before January 1, 2007, of any money, property, capital, or any other contribution in aid of construction or connection charge intended to facilitate the provision of electric service for the purpose of developing qualified fuels from nonconventional sources (within the meaning of section 29).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

AMENDMENT NO. 3195

Mr. REID. Mr. President, I ask that the Senate now begin voting on the Harkin amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3195.

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), is necessarily absent.

The PRESIDING OFFICER (Mr. DURBIN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 89 Leg.]

YEAS—52

Allard
Allen
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Campbell
Cleland
Clinton
Cochran
Craig
Crapo
DeWine
Domenici
Ensign
Enzi
Frist
Gramm
Grassley
Hagel
Harkin
Hollings
Hutchinson
Hutchison
Inhofe
Kyl
Landrieu
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Nickles
Roberts
Rockefeller
Santorum
Schumer
Sessions
Shelby
Smith (OR)
Specter
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner

NAYS—47

Akaka
Baucus
Biden
Bingaman
Boxer
Byrd
Cantwell
Carnahan
Carper
Chafee
Collins
Conrad
Corzine
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Fitzgerald
Graham
Gregg
Hatch
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Leahy
Levin
Lieberman
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Sarbanes
Smith (NH)
Snowe
Stabenow
Torricelli
Wellstone
Wyden

NOT VOTING—1

Helms

The amendment (No. 3195) was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3198

The PRESIDING OFFICER. There will now be 2 minutes equally divided prior to the vote on the motion to table the amendment by the Senator from Delaware. Who yields time?

Mr. CARPER. I yield 30 seconds to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, in my 30 seconds, I emphasize the point that this amendment is a significant step toward freeing the United States from dependence on OPEC oil. The front page of today's New York Times contains a statement by the Crown Prince of Saudi Arabia that, if necessary, to blackmail the United States to change our policy toward Israel, Saudi Arabia is prepared to move to the right of bin Laden. Saudi Arabia gave us bin Laden, and 15 of the 19 terrorists from 9-11. Vote for this amendment.

The PRESIDING OFFICER. Who yields time? Are there any proponents of the motion to table? Who yields time?

Mr. LEVIN. Mr. President, I yield 30 seconds to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 30 seconds.

Mr. BOND. Mr. President, we have dealt with this before. We are going to push for higher standards and fuel efficiency, but only to the extent technologically feasible to require an arbitrary figure pulled out of the air to be substituted for the procedure in the Levin-Bond amendment. It makes no sense.

I urge all our colleagues who voted for the Levin-Bond amendment to support the motion to table for jobs, for safety and for consumer choice.

The PRESIDING OFFICER. Who yields time? The Senator from Delaware.

Mr. CARPER. Mr. President, the Levin-Bond amendment language which is in this bill requires the Secretary of Transportation to promulgate regulations increasing fuel efficiency standards. Our amendment changes nothing in the Levin-Bond amendment.

Our amendment says that in establishing those fuel efficiency standards, we direct the Secretary of Transportation to also consider reducing oil consumption through alternative fuels—ethanol, biodiesel, and energy from coal waste.

The PRESIDING OFFICER. Who yields time? The Senator from Michigan has 34 seconds.

Mr. LEVIN. Mr. President, the amendment before us would fundamentally change the Levin-Bond amendment. What it does is, in effect, prejudge the outcome of the very process that we put in place, a process that we want to use to consider all of the factors that are involved, including safety factors, including the availability of alternative fuels. All of those factors ought to be considered in the regulatory process, not prejudged with an artificial mandate that we have to save 1 million barrels per day.

I hope this will be tabled and that we will then go back to the regulatory process in the Levin-Bond amendment.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the motion to table amendment No. 3198. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER (Mr. JOHNSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 42, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—57

Allard
Allen
Baucus
Bayh
Bennett
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Carnahan
Cochran
Craig
Crapo
Dayton
DeWine
Domenici
Dorgan
Ensign
Enzi
Feingold
Fitzgerald
Frist
Gramm
Grassley
Hagel
Hatch
Hutchinson
Hutchison
Inhofe
Johnson
Kennedy
Kohl
Kyl
Landrieu
Levin
Lincoln
Lott
McConnell
Mikulski
Miller
Murkowski
Nelson (NE)
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Stabenow
Stevens
Thomas
Thurmond
Voinovich
Warner

NAYS—42

Akaka
Biden
Bingaman
Boxer
Cantwell
Carper
Chafee
Cleland
Clinton
Collins
Conrad
Corzine
Daschle
Dodd
Durbin
Edwards
Feinstein
Graham
Gregg
Harkin
Hollings
Inouye
Jeffords
Kerry
Leahy
Lieberman
Lugar
McCain
Murray
Nelson (FL)
Reed
Reid
Rockefeller
Sarbanes
Schumer
Smith (OR)
Snowe
Specter
Thompson
Torricelli
Wellstone
Wyden

NOT VOTING—1

Helms

The motion was agreed to.

Mr. LEVIN. I move to reconsider the vote.

Mr. BINGAMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3333

The PRESIDING OFFICER. There are 2 minutes equally divided on the amendment of the Senator from Arizona, Mr. KYL.

Mr. BINGAMAN. Mr. President, I made a motion to table the amendment, and the Senator from Utah will use the minute to argue for that position.

Mr. KYL. Mr. President, I will take my 1 minute to speak in favor of my amendment first. Then Senator HATCH will speak in favor of the motion to table.

This amendment strikes the alternative fuels tax credit portion of the bill. The savings would be at least $1 billion, probably closer to about $3 billion. That is not my reason for doing it. Arizona had a somewhat similar program in our State government that would have bankrupted the State and ruin political careers. It was a fiasco and it was finally terminated. It was full of loopholes and problems and costs that were never thought through.

My reason for offering the amendment is, frankly, to send a warning to all of my colleagues that we really should have thought it better through in our own Federal version. To their credit, the staff of the Finance Committee did take the advice of a lot of people at the department of transportation in Arizona and fixed a lot of the problems. My concern is they didn't fix enough and we will rue the day we voted for this provision—at least without the care that I think should have gone into it. My motion strikes the provision from the bill.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I rise in opposition to the amendment of the Senator from Arizona, for three reasons. First, the Finance Committee passed these tax incentive provisions through by a wide margin. Second, we have solved the problems that arose during the Arizona experience. Third, this is probably the most important environmental bill that will go through our Congress this year, and maybe in a long time, because it provides for incentives for alternative fuels, alternative vehicles, and alternative fuel stations.

It is about time we start approaching these problems in an intelligent way that will take us away from being so dependent upon foreign oil. The provisions the Senator from Arizona's amendment would strike will do more toward that end than anything I know and in the end will save us money.

The provisions that this amendment would strike are almost identical to the provisions in the bipartisan CLEAR ACT, which stands for Clean Efficient Automobiles Resulting from Advanced Car Technology, which I introduced last year along with Senators JEFFORDS, ROCKEFELLER, CHAFEE, KERRY, COLLINS, GORDON SMITH, CRAPO, and LIEBERMAN.

The CLEAR ACT is the product of a carefully crafted, delicately balanced, and politically unusual alliance between auto manufacturers, truck engine manufacturers, environmental groups, fuel suppliers, and other stakeholders. I might add that these provisions, which provide strong incentives for energy conservation, are an integral part of the President's energy plan. The CLEAR ACT provisions create a fair and balanced playing field for all the advanced technologies and alternative fuel vehicles that offer the promise of both clean air and less dependency on foreign fuel.

Transportation accounts for about two-thirds of the oil consumption in the United States, and we are 97 percent dependent on oil for our transportation needs. When we consider the role transportation plays in our economy and our way of life, it is hard to believe that we rely on foreign sources for more than one-half of our oil supply. If our Nation is going to have a strategy for energy security, that strategy must begin with transportation fuels. The Kyl amendment would take away our best opportunity to provide a balanced approach to achieve this strategy.

Advances in alternative fuels and new vehicle technologies have been significant in recent years. However, three basic obstacles stand in the way of a broad shift toward their adoption. These are the higher cost of the vehicles, the higher cost of alternative fuels, and the lack of an infrastructure of alternative fueling stations.

The CLEAR ACT provisions that this amendment would strike would lower the barriers that stand in the way of widespread consumer acceptance of these advanced technology and alternative fuel vehicles by providing tax credits to consumers who purchase hybrid electric, fuel cell, battery electric, and dedicated alternative fuel vehicles. They also would provide incentives for the purchase of alternative fuels and the development of an alternative fuel infrastructure.

Without imposing any new mandates, the CLEAR ACT provisions in this energy bill focus on the very best emerging technologies to help our citizens to enjoy the health benefits of cleaner air sooner, to help our communities to enjoy the economic benefits of attaining clean air standards sooner, and to help us reduce our consumption of foreign oil sooner than would otherwise be possible.

With the clear benefits of these provisions to less dependency on foreign oil and to cleaner air, which I might add come at a very reasonable cost in terms of revenue loss to the Treasury, it is hard to see why anyone in this body would want to strike them. Moreover, the tax credits the CLEAR ACT offers are performance based, which is to say that they are based on the principle that every dollar of tax expenditure should produce substantive air quality and energy security benefits. The greater the benefits a particular vehicle achieves, the larger the tax incentive for purchasing it.

While I do not want to assume I know the motivations of the Senator from Arizona for offering this amendment, part of it might be based on an unfortunate experience in his home State. Not long ago, a well-intentioned program to promote alternative fuel vehicles by the Arizona legislature experienced extreme cost overruns and failed to provide the promised energy and environmental benefits. I want to assure the Members of this body that we have studied the Arizona experience, we have identified the inherent weaknesses of that model, and we have been careful to avoid each one of them in this legislation.

With the CLEAR ACT provisions, until a new advanced vehicle is purchased, until new infrastructure has been installed, or until alternative fuel is placed in the tank of a dedicated alternative fuel vehicle, there will be no cost to the Treasury. And when a cost is incurred, it will be a small cost relative to the resulting environmental benefits and energy savings.

To me it is inconceivable that this Senate would pass an energy policy bill without addressing the issue of how to increase the public's adoption of alternative fuel and advanced technology vehicles. Although gasoline vehicles are 90 percent cleaner today than 30 years ago, the significant increase in the total number of vehicles on the road and the miles traveled per year by each vehicle means that little progress has been made in reducing the contribution of motor vehicle emissions to air pollution.

Similarly, despite improvements in fuel economy compared to 30 years ago, more petroleum than ever is used in motor vehicles and U.S. dependence on imported oil is at a record high and increasing. Alternative fuel vehicles and advanced technology vehicles, such as hybrids and fuel cells, significantly reduce the use of gasoline and diesel and have dramatically reduced emissions. Each dedicated natural gas vehicle displaces 100 percent of the gasoline or diesel that otherwise would be used in that vehicle.

Conventional gasoline and diesel motor vehicle technology has come about as far as it can in terms of fuel economy and emissions. The further gains that are needed to allow the United States to achieve energy security and clean air require nonpetroleum vehicles and hybrid and fuel cell vehicles. The nation simply cannot achieve its goals in these areas with these conventional vehicles. Striking these provisions would be a big mistake, and I urge my colleagues to vote against the Kyl amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 3333. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 8, as follows:

[Rollcall Vote No. 91 Leg.]

YEAS—91

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feinstein
Frist
Graham
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lugar
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—8

Burns
Feingold
Fitzgerald
Gramm
Kyl
Lott
McCain
Nickles

NOT VOTING—1

Helms

The motion was agreed to.

Mr. BINGAMAN. I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3370

The PRESIDING OFFICER. There will now be 2 minutes evenly divided before a vote on the motion to table the Graham amendment.

The Senator from Florida.

Mr. GRAHAM. Mr. President, this amendment is not about the underlying provision, but I think it is worthwhile for the Members to understand what the underlying provision would do.

The current tax law, consistent with generally accepted accounting procedures, provides that when royalty payments are made by oil and gas producers to the landowner during a period when there is no oil or gas production, during a suspension period, that those costs must be capitalized, and then they can be recovered when there is actual oil and gas production. That is both the accounting and tax law today.

We are about to split the two and say that for tax purposes they can be expensed within a 2-year period. If that sounds a little bit like some of the things that Enron was doing on its books, the answer is it is a lot like what Enron was doing on its books.

But the fundamental issue is, without examination, we are about to ask the Social Security trust fund to pay for the additional cost of this preferential depreciation treatment. I believe, if this is a worthy provision, it is worthy that somebody come up with an offset so that we decide who pays for it, not our children and grandchildren, by depletion of the Social Security trust fund.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. Mr. President, the provision that the Senator from Florida seeks to take out of the bill is part of a very carefully balanced and level tax package that should remain in this bill. We should table this amendment.

Simply stated, the situation is, if you produce oil, you pay a royalty. You can deduct it. But if the price of oil drops, you have to pay delayed rental payments, and you pay the payments to the Government. You should be able to deduct those payments as you can deduct royalty payments when they are paid. That is what the bill says. That provision should be kept in the bill.

Mr. President, I yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, this is the only part of the bill that would encourage small drillers to explore. In fact, this is as any other business is treated. The underlying bill says, if you pay an expense, you get to deduct it in the year in which you make it.

This amendment would take that away and make you amortize it, even though you already paid it. And you may not even find oil. Please table this amendment. It would be unfair not to do so.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion to table amendment No. 3370. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 73, nays 26, as follows:

[Rollcall Vote No. 92 Leg.]

YEAS—73

Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carper
Chafee
Cleland
Cochran
Conrad
Craig
Crapo
Daschle
DeWine
Domenici
Dorgan
Durbin
Ensign
Enzi
Feinstein
Fitzgerald
Frist
Gramm
Grassley
Hagel
Harkin
Hatch
Hutchinson
Hutchison
Inhofe
Jeffords
Johnson
Kohl
Kyl
Landrieu
Levin
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Murray
Nelson (NE)
Nickles
Reid
Roberts
Rockefeller
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner
Wyden

NAYS—26

Akaka
Boxer
Carnahan
Clinton
Collins
Corzine
Dayton
Dodd
Edwards
Feingold
Graham
Gregg
Hollings
Inouye
Kennedy
Kerry
Leahy
Lieberman
Mikulski
Nelson (FL)
Reed
Sarbanes
Schumer
Snowe
Torricelli
Wellstone

NOT VOTING—1

Helms

The motion was agreed to.

Mr. REID. Mr. President, this should be the last amendment prior to final passage.

AMENDMENT NO. 3372

The PRESIDING OFFICER. At this time, there are 2 minutes, evenly divided, with respect for amendment No. 3372, offered by Senator GRAHAM of Florida.

The Senator from Florida.

Mr. GRAHAM. Mr. President, I yield my time to the Senator from Wisconsin, Mr. FEINGOLD.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I rise in support of the amendment offered by the senior Senator from Florida. As we all know, our budget position has changed dramatically over the past year, and we are now facing projected deficits for years to come. If we are to climb out of the deficit hole, we absolutely must commit to a path of fiscal responsibility. That means a lot of things. First and foremost, it means paying for the spending and tax cut bills we pass.

As it stands, we have not paid for this legislation. The tax package alone digs our deficit hole another $14 billion deeper. As we approach the retirement of the largest generation in history, the baby boomers, we face enormous fiscal challenges. Obviously, Social Security needs strengthening, Medicare must be modernized, and our long-term care system is in desperate need of reform.

Mr. President, I urge my colleagues to support this amendment and put us back on the path to fiscal responsibility.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, for the information of the sponsors and my colleagues, we could make a point of order that this amendment is not germane because it is not postcloture. I am not going to do that because I was informed they were going to have the same thing offered to the underlying bill. I think it is in the interest of Senators to conclude the bill, and the best way is to table this amendment. This amendment is not germane postcloture.

I happen to be on the Finance Committee. All Democrats and Republicans had chances to offer tax increases, and this amendment says don't let this bill take effect in any of the tax provisions until we have tax increases enacted into law. I think that is ridiculous. It is a good way to kill the provisions that the Senator from Montana and the Senator from Iowa worked to put in the bill.

Mr. President, I move to table this amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, is there time remaining on the amendment?

The PRESIDING OFFICER (Mr. DAYTON). All time has expired.

Mr. REID. Mr. President, I ask unanimous consent that upon disposition of all amendments—the list is already before the Senate—the substitute amendment, as amended, be agreed to; that the bill, as amended, be read a third time; that the Senate then proceed to Calendar No. 145, H.R. 4, the House-passed energy bill; that all after the enacting clause be stricken, and the text of S. 517, as amended, be inserted in lieu thereof; that the bill be advanced to third reading; that the Senate proceed to a vote on passage of the bill; that upon passage, the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate; provided further, S. 517 be returned to the calendar; that the conferee ratio be the following: The Energy Committee 6 to 5, and the Finance Committee 3 to 2, with this action occurring with no further intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Reserving the right to object, and I will not object, I do object to the statement just made that this amendment provides that we will either come into balance by reducing spending or increasing revenue.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. We do not have a choice to let Social Security pay for it.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? The Chair hears none, and it is so ordered.

The question is on agreeing to the motion to table amendment No. 3372. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 70, nays 29, as follows:

[Rollcall Vote No. 93 Leg.]

YEAS—70

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Bingaman
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Carnahan
Cleland
Cochran
Collins
Craig
Crapo
Daschle
DeWine
Domenici
Dorgan
Edwards
Ensign
Enzi
Fitzgerald
Frist
Grassley
Hagel
Hatch
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kohl
Kyl
Landrieu
Leahy
Lieberman
Lincoln
Lott
Lugar
McConnell
Miller
Murkowski
Nelson (NE)
Nickles
Reid
Roberts
Rockefeller
Santorum
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wyden

NAYS—29

Biden
Boxer
Cantwell
Carper
Chafee
Clinton
Conrad
Corzine
Dayton
Dodd
Durbin
Feingold
Feinstein
Graham
Gramm
Gregg
Harkin
Hollings
Kennedy
Kerry
Levin
McCain
Mikulski
Murray
Nelson (FL)
Reed
Sarbanes
Stabenow
Wellstone

NOT VOTING—1

Helms

The motion was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3239

The PRESIDING OFFICER. The pending business is the Brownback amendment No. 3239.

Mr. BINGAMAN. I suggest the Senator from New Jersey and the Senator from Kansas be allowed to explain that amendment.

The PRESIDING OFFICER. There are 2 minutes equally divided.

Mr. BROWNBACK. Mr. President, this is a compromise approach on a very difficult issue. It involves taking out the underlying language on the CO_2 registry. It will put in place a 5-year voluntary program on registering of CO_2 emissions. After that period of time, if 60 percent are not reported, it does put in place a trigger mechanism, a mandatory reporting, unless there is an affirmative vote by this body which is required in the bill to remove that reporting requirement.

It is a bipartisan approach. It is a compromise approach on a tough topic. It is voluntary. It is market oriented. It provides companies a way to limit their risk and exposure on CO_2 issues of anything that might happen in the future and provides a registry for companies that want to voluntarily step forward and work to reduce those CO_2 emissions. They may want to put in a new powerplant that is coal fired to protect themselves for CO_2 exposures.

This is a tough and complex topic. I think we have struck the right balance with this amendment. I urge my colleagues to vote for it.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. BINGAMAN. Mr. President, I ask unanimous consent the Senator from New Jersey be given a minute to explain his perspective.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CORZINE. Mr. President, we want to make sure in this compromise amendment that the perfect not be the enemy of the good. This is not everything anyone would want, but we have struck a compromise with voluntary reporting requirements and database buildup and recognition of actions by industry to control CO_2. We will look at it in 5 years.

If the threshold is not met, mandatory requirements will come into play. This is an outstanding compromise where people worked very hard on a complex issue to get to a bipartisan middle ground. I hope we will all support it.

Mr. BINGAMAN. I think it is appropriate to dispose of this amendment by voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3239.

The amendment (No. 3239) was agreed to.

Mr. HAGEL. Mr. President, with the adoption of this amendment, the Senate has affirmed its commitment to dealing with the reporting of greenhouse gases in a voluntary, incentive-based manner.

This amendment provides for a voluntary registry for the reductions in greenhouse gas emissions. Under this type of provision, industries will have an opportunity to record reductions made in their emissions and receive credit for those reductions.

The legislative record should clearly note that the provisions creating the mandatory reporting of greenhouse gases originally contained in the underlying legislation will no longer take effect unless the voluntary registry does not achieve a critical mass of participation. If the voluntary registry system generates sufficient participation, the mandatory reporting of greenhouse gas emissions will never take effect.

This amendment is not without problems, nor do I believe it is the best way to achieve robust participation in a voluntary registry. It contains several impediments that should be addressed in conference.

The memorandum of agreement does not clearly spell out the roles of the various federal agencies in the execution of the duties proscribed. This is particularly troublesome for a voluntary registry. Those entities wishing to participate need the greatest clarity and certainty in order to have the greatest incentive to participate. Lack of certainty creates a disincentive and should be addressed in conference.

There are onerous civil penalties contained is this amendment that should be removed. Greater baseline protection needs to be provided to ensure entities participating gain the rightful recognition for their efforts.

Furthermore, I hope the conference will address the fundamental question of whether any "trigger" is necessary. The mandatory reporting of greenhouse gas emissions has no true purpose. We already garner information on the totality of U.S. emissions through annual inventories established within and reported by the Energy Information Administration and the Environmental Protection Agency. The only purpose for the mandatory reporting of greenhouse gas emissions is to create the mechanism for the regulation of carbon dioxide. This option has been dismissed by the current Administration, and I would hope the final legislation does not create a mechanism to help bring this about in the future.

Numerous other options for structuring a voluntary greenhouse gas emissions registry were discussed during the discourse on Title XI of this legislation. Senator VOINOVICH and I offered an amendment on April 18, 2002. It would have established a new and enhanced national greenhouse gas registry to record and recognize voluntary reductions of greenhouse gas emissions.

That registry was supported by a wide cross-section of American industry, the very entities who would be participating in such a registry. I have included a copy of an April 16 letter sent to all Senators and ask unanimous consent that it be printed in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. HAGEL. This amendment could provide an alternative structure for a voluntary registry for consideration in the conference committee. It was created in consultation with many other Senators and reflects the expertise of their input.

It is a workable framework for a registry that would be robust and gain the greatest and most meaningful participation from American industry. This, after all, should be our goal in the final outcome.

I appreciate the work of the sponsors of the amendment just adopted in putting the Senate on record in favor of dealing with the reporting of greenhouse gas emissions in a voluntary manner. And I look forward to the conference committee improving upon the work begun in the Senate to provide for the implementation of a voluntary greenhouse gas emissions registry.

EXHIBIT 1

April 16, 2002.

Hon. THOMAS A. DASCHLE,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR DASCHLE: We write to encourage your support for a draft amendment to the Energy Bill that proposes substantial improvements to Title XI, including the establishment of a more effective national registry of greenhouse gas emissions and a more practical framework encouraging further voluntary efforts to reduce those emissions without harming our economy, our workers or our communities.

Without the needed changes, Title XI of the Energy Bill would impose an unnecessary federal mandate to track and report greenhouse gas emissions on large and small businesses, as well as farmers, ranchers, some hospitals, universities, school systems and more. And yet, the intent of this costly and burdensome mandate is redundant. The federal government, without any federal mandate, already compiles an annual inventory of greenhouse gas emissions in compliance with our national commitment to the ratified UN Framework Convention on Climate Change.

The draft amendment would establish a new and enhanced system to report and verify actions taken to reduce or avoid greenhouse gas emissions and provide transferable credits to persons who do. By offering appropriate recognition of actions taken, the amendment will provide powerful incentives to participate without harming the economy, all the while strengthening our national climate policy strategy.

The draft amendment provides a constructive, achievable and effective strategy to strengthen and improve the voluntary reporting of greenhouse gas emissions and the reporting of actions taken to reduce or avoid those emissions. We encourage you to support the amendment and work with Senators of both parties to secure its adoption.

Thank you for your consideration of our views. While we have some additional concerns regarding the policy provisions of the bill, especially those provisions that appear to call for a target and a timetable, we are hopeful these issues will be resolved prior to final passage of the bill. In the meantime, we look forward to working with you on developing an effective climate policy strategy as part of our national energy policy.

Sincerely,

Alliance of Automobile Manufacturers, American Architectural Manufacturers Association, American Boiler Manufacturers Assn, American Farm Bureau Federation, American Highway Users Alliance,

American Iron and Steel Institute, American Petroleum Institute, American Portland Cement Alliance, American Public Power Association, American Textile Manufacturers Institute,

Associated General Contractors of St. Louis, Associated Petroleum Industries of Pennsylvania, Association of American Railroads, Automotive Parts Rebuilders Association, Danville [IL] Area Chamber of Commerce,

Edison Electric Institute, Gas Appliance Manufacturers Association, Greater Bristol [CT] Chamber of Commerce, Greater Cincinnati Chamber of Commerce, Greater Merced [CA] Chamber of Commerce,

Greater Victoria [TX] Chamber of Commerce, Idaho Mining Association, Illinois Valley Area Chamber of Commerce & Economic Development, Integrity Research Institute, IPC—The Association Connecting Electronic Industries,

Kansas Petroleum Council, Leavenworth-Lansing [KS] Area Chamber of Commerce, Lorain [OH] County Chamber of Commerce, Louisiana Association of Business and Industry, Metropolitan Evansville [IN] Chamber of Commerce,

Naperville [IL] Area Chamber of Commerce, National Association of Manufacturers, National Mining Association, National Rural Electric Cooperative Association, National Society of Professional Engineers,

Nuclear Energy Institute, O'Fallen [IL] Chamber of Commerce, Salt Institute, South Dakota Farm Bureau Federation, Texas Association of Business and Chambers of Commerce,

The Siouxland [IA] Chamber of Commerce, U.S. Chamber of Commerce, Utah Rural Telecom Association, Wisconsin Grocers Association.

Mr. VOINOVICH. Mr. President, I rise today to speak on the Corzine/Brownback amendment No. 3239. This amendment replaces the existing language in Title 11 which would have created a mandatory registry for the reporting of greenhouse gases and replaces it with a voluntary program. I am pleased that the Senate has rejected the concept of mandating greenhouse gas reports at this time. While the amendment does contain language which would trigger compulsory reporting in five years if sixty percent of the national aggregate anthropogenic greenhouse gases are not represented on the voluntary registry, we do not expect this trigger to ever be activated since presently thirty percent of the gases are already reporting under the Clean Air Act by the utility sector.

I had joined with Senator HAGEL in offering an alternative amendment which would have provided a much more robust voluntary reporting program with a transferable credit program and baseline protection. This would have provided a clear incentive to encourage maximum participation.

The approach that Senator HAGEL and I took in our amendment would have accomplished three key objectives: (1) It will help us get the full picture on climate change with real incentives for voluntary participation in the registry; (2) It will make sure that picture reflects what is really happening by providing for accurate measurement and verification of emission reductions, and (3) It is forward looking because it creates a process for establishing transferable credits that can be used in voluntary transactions for any future potential regulatory program.

Unfortunately, due to cloture limitations, the Senate ran out of time to fully consider our amendment, yet I am pleased that Senators CORZINE and BROWNBACK adopted our idea of a voluntary registry to replace the overly burdensome mandatory program contained in the original bill. At this point in time I do not think it is wise public policy to mandate the reporting of greenhouse gases, and I am pleased that the Senate agrees with this point.

AMENDMENT NO. 3146, WITHDRAWN

Mr. BINGAMAN. Mr. President, I ask unanimous consent amendment No. 3146 be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3146) was withdrawn.

AMENDMENT NO. 3355, AS MODIFIED

Mr. BINGAMAN. I ask unanimous consent amendment No. 3355 be modified to reflect changes to the fuel cell credit adopted as part of the amendment by Senator MURRAY earlier this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be so modified.

The amendment (No. 3355), as modified, is as follows:

In Division H, beginning on page 103, line 1, strike all through page 105, line 12, and insert the following:

SEC. 2104. CREDIT FOR BUSINESS INSTALLATION OF QUALIFIED FUEL CELLS AND STATIONARY MICROTURBINE POWER PLANTS.

(a) IN GENERAL.—Subparagraph (A) of section 48(a)(3) (defining energy property) is amended by striking "or" at the end of clause (i), by adding "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) qualified fuel cell property or qualified microturbine property,".

(b) QUALIFIED FUEL CELL PROPERTY; QUALIFIED MICROTURBINE PROPERTY.—Subsection (a) of section 48 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) QUALIFIED FUEL CELL PROPERTY; QUALIFIED MICROTURBINE PROPERTY.—For purposes of this subsection—

"(A) QUALIFIED FUEL CELL PROPERTY.—

"(i) IN GENERAL.—The term 'qualified fuel cell property' means a fuel cell power plant that—

"(I) generates at least 0.5 kilowatt of electricity using an electrochemical process, and

"(II) has an electricity-only generation efficiency greater than 30 percent.

"(ii) LIMITATION.—In the case of qualified fuel cell property placed in service during the taxable year, the credit determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to the lesser of—

"(I) 30 percent of the basis of such property, or

"(II) $500 for each 0.5 kilowatt of capacity of such property.

"(iii) FUEL CELL POWER PLANT.—The term 'fuel cell power plant' means an integrated system comprised of a fuel cell stack assembly and associated balance of plant components that converts a fuel into electricity using electrochemical means.

"(iv) TERMINATION.—Such term shall not include any property placed in service after December 31, 2007.

"(B) QUALIFIED MICROTURBINE PROPERTY.—

"(i) IN GENERAL.—The term "qualified microturbine property' means a stationary microturbine power plant which has an electricity-only generation efficiency not less than 26 percent at International Standard Organization conditions.

"(ii) LIMITATION.—In the case of qualified microturbine property placed in service during the taxable year, the credit determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to the lesser of—

"(I) 10 percent of the basis of such property, or

"(II) $200 for each kilowatt of capacity of such property.

"(iii) STATIONARY MICROTURBINE POWER PLANT.—The term 'stationary microturbine power plant means a system comprising of a rotary engine which is actuated by the aerodynamic reaction or impulse or both on radial or axial curved full-circumferential-admission airfoils on a central axial rotating spindle. Such system—

"(I) commonly includes an air compressor, combustor, gas pathways which lead compressed air to the combustor and which lead hot combusted gases from the combustor to 1 or more rotating turbine spools, which in turn drive the compressor and power output shaft,

"(II) includes a fuel compressor, recuperator/regenerator, generator or alternator, integrated combined cycle equipment, cooling-heating-and-power equipment, sound attenuation apparatus, and power conditioning equipment, and

"(III) includes all secondary components located between the existing infrastructure for fuel delivery and the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards, such as voltage, frequency, and power factors.

"(iv) TERMINATION.—Such term shall not include any property placed in service after December 31, 2006.".

(c) LIMITATION.—Section 48(a)(2)(A) (relating to energy percentage) is amended to read as follows:

"(A) IN GENERAL.—The energy percentage is—

"(i) in the case of qualified fuel cell property, 30 percent, and

"(ii) in the case of any other energy property, 10 percent.".

(d) CONFORMING AMENDMENTS.—

(A) Section 29(b)(3)(A)(i)(III) is amended by striking "section 48(a)(4)(C)" and inserting "section 48(a)(5)(C)".

(B) Section 48(a)(1) is amended by inserting "except as provided in subparagraph (A)(ii) or (B)(ii) of paragraph (4)," before "the energy".

(e) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 2002, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

Mr. BINGAMAN. I also ask unanimous consent that the Senator from New Jersey, Mr. TORRICELLI, be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 3343, 3344, 3362, 3363, 3346, AS MODIFIED, 3335, AS MODIFIED, 3364, 3360, AND 3355, AS MODIFIED, EN BLOC

Mr. BINGAMAN. I ask unanimous consent that notwithstanding rule XXII, the following amendments be agreed to en bloc and the motion to reconsider be laid on the table. The amendments are as follows: Nos. 3343, 3344, 3362, 3363, 3346, as Modified, 3335, as Modified, 3364, 3360, and 3355, as modified.

Mr. McCAIN. Reserving the right to object, would the Senator explain what amendment No. 3346 is?

Mr. BINGAMAN. This is an amendment by Senator KOHL. I can get the description in a minute on the precise provisions. There is credit for electricity produced from municipal biosolids and recycled sludge.

Mr. McCAIN. Electricity manufactured from biosolids?

Mr. BINGAMAN. Produced from municipal biosolids and recycled sludge.

Mr. McCAIN. Municipal biosolids?

Mr. BINGAMAN. I am sure the Senator from Arizona is very familiar with biosolids.

Mr. McCAIN. Could I ask the manager a question? I understand we have tax credit for chicken litter, biowaste. Excuse me? Bovine, pig, dead animal, and now biosolids; is that correct?

Mr. BINGAMAN. We thought it was only fair.

Mr. McCAIN. I don't want to hold up the Senate, but what about man's best friend, the dog? What about the pigeon, the noble pigeon?

Mr. BINGAMAN. If the Senator has an amendment.

Mr. McCAIN. Should there be some consideration of these? Shouldn't they make a deposit to reduce our energy requirements?

Mr. BINGAMAN. We would be glad to consider any germane amendment the Senator would like to call up.

Mr. McCAIN. I thank the sponsor for that consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (No. 3364, and 3355) were agreed to.

The amendments (Nos. 3343, 3344, 3362, 3363, 3346, as modified, 3335, and 3360) were agreed to, as follows:

AMENDMENT NO. 3343

(Purpose: To modify the credit for the production of fuel from nonconventional sources to include production of fuel from agricultural and animal waste)

In Division H, on page 202, between lines 17 and 18, insert the following:

"(5) FACILITIES PRODUCING FUELS FROM AGRICULTURAL AND ANIMAL WASTE.—

"(A) IN GENERAL.—In the case of facility for producing liquid, gaseous, or solid fuels from qualified agricultural and animal wastes, including such fuels when used as feedstocks, which was placed in service after the date of the enactment of this subsection and before January 1, 2005, this section shall apply with respect to fuel produced at such facility not later than the close of the 3-year period beginning on the date such facility is placed in service.

"(B) QUALIFIED AGRICULTURAL AND ANIMAL WASTE.—For purposes of this paragraph, the term 'qualified agricultural and animal waste' means agriculture and animal waste, including by-products, packaging, and any materials associated with the processing, feeding, selling, transporting, or disposal of agricultural or animal products or wastes, including wood shavings, straw, rice hulls, and other bedding for the disposition of manure.

AMENDMENT NO. 3344

(Purpose: To amend the Internal Revenue Code of 1986 to clarify excise tax exemptions for agricultural aerial applicators)

In Division H, on page 216, after line 21, add the following:

SEC. . CLARIFICATION OF EXCISE TAX EXEMPTIONS FOR AGRICULTURAL AERIAL APPLICATORS.

(a) NO WAIVER BY FARM OWNER, TENANT, OR OPERATOR NECESSARY.—Subparagraph (B) of section 6420(c)(4) (relating to certain farming use other than by owner, etc.) is amended to read as follows:

"(B) if the person so using the gasoline is an aerial or other applicator of fertilizers or other substances and is the ultimate purchaser of the gasoline, then subparagraph (A) of this paragraph shall not apply and the aerial or other applicator shall be treated as having used such gasoline on a farm for farming purposes.".

(b) EXEMPTION INCLUDES FUEL USED BETWEEN AIRFIELD AND FARM.—Section 6420(c)(4), as amended by subsection (a), is amended by adding at the end the following new flush sentence:

"For purposes of this paragraph, in the case of an aerial applicator, gasoline shall be treated as used on a farm for farming purposes if the gasoline is used for the direct flight between the airfield and 1 or more farms.".

(c) EXEMPTION FROM TAX ON AIR TRANSPORTATION OF PERSONS FOR FORESTRY PURPOSES EXTENDED TO FIXED-WING AIRCRAFT.—Subsection (f) of section 4261 (relating to tax on air transportation of persons) is amended to read as follows:

"(f) EXEMPTION FOR CERTAIN USES.—No tax shall be imposed under subsection (a) or (b) on air transportation—

"(1) by helicopter for the purpose of transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or

"(2) by helicopter or by fixed-wing aircraft for the purpose of the planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter or fixed-wing aircraft does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code, during such use. In the case of helicopter transportation described in paragraph (1), this subsection shall be applied by treating each flight segment as a distinct flight.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel use or air transportation after December 31, 2001, and before January 1, 2003.

AMENDMENT NO. 3362

(Purpose: To amend the Internal Revenue Code to modify the definition of Rural Airport)

At the appropriate place insert the following:

SEC. . MODIFICATION OF RURAL AIRPORT DEFINITION.

(a) IN GENERAL.—Clause (ii) of section 4261(e)(1)(B) (defining rural airport) is amended by striking the period at the end of subclause (II) and inserting ", or" and by adding at the end the following new subclause:

"(III) is not connected by paved roads to another airport."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 2002.

AMENDMENT NO. 3363

(Purpose: To amend the Internal Revenue Code to exempt small seaplanes from ticket taxes)

At the appropriate place insert the following:

SEC. . EXEMPTION FROM TICKET TAXES FOR TRANSPORTATION PROVIDED BY SEA PLANES.

(a) The taxes imposed by sections 4261 and 4271 shall not apply to transportation by a seaplane with respect to any segment consisting of a takeoff from, and a landing on, water.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to calendar years beginning after 2002.

AMENDMENT NO. 3346, AS MODIFIED

(Purpose: To modify the credit for the production of electricity to include municipal biosolids and recycled sludge)

On page 17, between lines 8 and 9, insert the following:

SEC. . CREDIT FOR ELECTRICITY PRODUCED FROM MUNICIPAL BIOSOLIDS AND RECYCLED SLUDGE.

(a) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources), as amended by this Act, is amended by striking "and" at the end of subparagraph (F), by striking the period at the end of subparagraph (G), and by adding at the end the following new subparagraphs:

"(H) municipal biosolids, and

"(I) recycled sludge.".

(b) QUALIFIED FACILITIES.—Section 45(c)(3) (relating to qualified facility), as amended by this Act, is amended by adding at the end the following new subparagraphs:

"(G) MUNICIPAL BIOSOLIDS FACILITY.—In the case of a facility using municipal biosolids to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 2001, and before January 1, 2007.

"(H) RECYCLED SLUDGE FACILITY.—

"(i) IN GENERAL.—In the case of a facility using recycled sludge to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service before January 1, 2007.

"(ii) SPECIAL RULE.—In the case of a qualified facility described in clause (i), the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this subparagraph.".

(c) DEFINITIONS.—Section 45(c), as amended by this Act, is amended by redesignating paragraph (8) as paragraph (10) and by inserting after paragraph (7) the following new paragraphs:

"(8) MUNICIPAL BIOSOLIDS.—The term 'municipal biosolids' means the residue or solids removed by a municipal wastewater treatment facility.

"(9) RECYCLED SLUDGE.—

"(A) IN GENERAL.—The term 'recycled sludge' means the recycled residue byproduct created in the treatment of commercial, industrial, municipal, or navigational wastewater.

"(B) RECYCLED.—The term 'recycled' means the processing of residue into a marketable product, but does not include incineration for the purpose of volume reduction.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity sold after the date of the enactment of this Act, in taxable years ending after such date.

AMENDMENT NO. 3335

(Purpose: To amend the Internal Revenue Code of 1986 to extend the credit for the production of fuel from nonconventional sources with respect to certain existing facilities)

In Division H, on page 202, between lines 22 and 23, insert the following:

(b) EXTENSION FOR CERTAIN FUEL PRODUCED AT EXISTING FACILITIES.—Paragraph (2) of section 29(f) (relating to application of section) is amended by inserting "(January 1, 2005, in the case of any coke, coke gas, or natural gas and byproducts produced by coal gasification from lignite in a facility described in paragraph (1)(B))" after "January 1, 2003".

AMENDMENT NO. 3360

(Purpose: To provide incentives for water conservation through the installation of water submeters)

In Division H, on page 137, between lines 7 and 8, insert the following:

SEC. ___. ALLOWANCE OF DEDUCTION FOR QUALIFIED NEW OR RETROFITTED WATER SUBMETERING DEVICES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations), as amended by this Act, is amended by inserting after section 179D the following new section:

"SEC. 179E. DEDUCTION FOR QUALIFIED NEW OR RETROFITTED WATER SUBMETERING DEVICES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of a taxpayer who is an eligible resupplier, there shall be allowed as a deduction an amount equal to the cost of each qualified water submetering device placed in service during the taxable year.

"(b) MAXIMUM DEDUCTION.—The deduction allowed by this section with respect to each qualified water submetering device shall not exceed $30.

"(c) ELIGIBLE RESUPPLIER.—For purposes of this section, the term 'eligible resupplier' means any taxpayer who purchases and installs qualified water submetering devices in every unit in any multi-unit property.

"(d) QUALIFIED WATER SUBMETERING DEVICE.—The term 'qualified water submetering device' means any tangible property to which section 168 applies if such property is a submetering device (including ancillary equipment)—

"(1) which is purchased and installed by the taxpayer to enable consumers to manage their purchase or use of water in response to water price and usage signals, and

"(2) which permits reading of water price and usage signals on at least a daily basis.

"(e) PROPERTY USED OUTSIDE THE UNITED STATES NOT QUALIFIED.—No deduction shall be allowed under subsection (a) with respect to property which is used predominantly outside the United States or with respect to the portion of the cost of any property taken into account under section 179.

"(f) BASIS REDUCTION.—

"(1) IN GENERAL.—For purposes of this title, the basis of any property shall be reduced by the amount of the deduction with respect to such property which is allowed by subsection (a).

"(2) ORDINARY INCOME RECAPTURE.—For purposes of section 1245, the amount of the deduction allowable under subsection (a) with respect to any property that is of a character subject to the allowance for depreciation shall be treated as a deduction allowed for depreciation under section 167.

"(g) TERMINATION.—This section shall not apply to any property placed in service after December 31, 2007.".

(b) CONFORMING AMENDMENTS.—

(1) Section 263(a)(1), as amended by this Act, is amended by striking "or" at the end of subparagraph (J), by striking the period at the end of subparagraph (K) and inserting ", or", and by inserting after subparagraph (K) the following new subparagraph:

"(L) expenditures for which a deduction is allowed under section 179E.".

(2) Section 312(k)(3)(B), as amended by this Act, is amended by striking "or 179D" each place it appears in the heading and text and inserting ", 179D, or 179E".

(3) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (34), by striking the period at the end of paragraph (35) and inserting ", and", and by adding at the end the following new paragraph:

"(36) to the extent provided in section 179E(f)(1).".

(4) Section 1245(a), as amended by this Act, is amended by inserting "179E," after "179D," both places it appears in paragraphs (2)(C) and (3)(C).

(5) The table of contents for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 179D the following new item:

"Sec. 179E. Deduction for qualified new or retrofitted water submetering devices.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified water submetering devices placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. ___. THREE-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED WATER SUBMETERING DEVICES.

(a) IN GENERAL.—Subparagraph (A) of section 168(e)(3) (relating to classification of property) is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by adding at the end the following new clause:

"(v) any qualified water submetering device.".

(b) DEFINITION OF QUALIFIED WATER SUBMETERING DEVICE.—Section 168(i) (relating to definitions and special rules), as amended by this Act, is amended by inserting at the end the following new paragraph:

"(16) QUALIFIED WATER SUBMETERING DEVICE.—The term 'qualified water submetering device' means any qualified water submetering device (as defined in section 179E(d)) which is placed in service before January 1, 2008, by a taxpayer who is an eligible resupplier (as defined in section 179E(c)).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

ADOPTION OF AMENDMENTS NOS. 3059 AND 3258 VITIATED

Mr. BINGAMAN. I ask unanimous consent the adoption of the amendments numbered 3059 and 3258 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3380

Mr. BINGAMAN. I ask unanimous consent that the amendment numbered 3380 be in order notwithstanding rule XXII; that the amendment numbered 3380 be agreed to, and the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3380) was agreed to.

(The text of the amendment is printed in today's RECORD under "Text of Amendments.")

AMENDMENTS NOS. 3196 AND 3209, AS MODIFIED

Mr. BINGAMAN. Mr. President, I ask unanimous consent that notwithstanding rule XXII, it now be in order to consider the amendments numbered 3196 and 3209; that the amendments be modified by the changes at the desk, the amendments be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 3196 and 3209), as modified, were agreed to, as follows:

AMENDMENT NO. 3196

(Purpose: To express the sense of the Senate concerning electric power transmission systems)

In the appropriate place in subtitle A of title II, insert the following:

SEC. 2. ELECTRIC POWER TRANSMISSION SYSTEMS.

The Federal Government should be attentive to electric power transmission issues, including issues that can be addressed through policies that facilitate investment in, the enhancement of, and the efficiency of electric power transmission systems.

AMENDMENT NO. 3209

(Purpose: To carry out pilot programs that aid accurate carbon storage and sequestration accounting)

On page 487, between lines 18 and 19, insert the following:

SEC. 13. CARBON STORAGE AND SEQUESTRATION ACCOUNTING RESEARCH.

(a) IN GENERAL.—The Secretary of Agriculture, in collaboration with the heads of other Federal agencies, shall conduct research on, develop, and publish as appropriate, carbon storage and sequestration accounting models, reference tables, or other tools that can assist landowners and others in cost-effective and reliable quantification of the carbon release, sequestration, and storage expected to result from various resource uses, land uses, practices, activities or forest, agricultural, or cropland management practices over various periods of time.

(b) PILOT PROGRAMS.—The Secretary of Agriculture shall make competitive grants to not more than 5 eligible entities to carry out pilot programs to demonstrate and assess the potential for development and use of carbon inventories and accounting systems that can assist in developing and assessing carbon storage and sequestration policies and programs. Not later than 1 year after the date of enactment of this section, the Secretary of Agriculture, in collaboration with the heads of other Federal agencies and with other interested parties, shall develop guidelines for such pilot programs, including eligibility for awards, application contents, reporting requirements, and mechanisms for peer review.

(c) REPORT.—Not later than 5 years after the date of enactment of this section, the Secretary of Agriculture, in collaboration with the heads of other Federal agencies, shall submit to Congress a report on the technical, institutional, infrastructure, design and funding needs to establish and maintain a national carbon storage and sequestration baseline and accounting system. The report shall include documentation of the results of each of the pilot programs.

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of this section, there are authorized to be appropriated to the Secretary of Agriculture $20,000,000 for fiscal years 2003 through 2007.

Mr. WELLSTONE. Mr. President, I rise today to speak to an important amendment on behalf of myself and Senator WYDEN regarding carbon sequestration.

The Energy Policy Reform Act and the debates we have had on it have sought to achieve an integration of energy and environmental policy including new and far reaching provisions to help this nation meet its international obligations to address global climate change. The amendment I propose today with Senator WYDEN provides an important complement to provisions in S. 517, the Farm Bill that already passed the Senate, and the President's recent announced plans to address global climate change. These other provisions would advance research on carbon sequestration from the agriculture and forest sectors, establish credible methods for measuring carbon sequestered for individual projects, and create a national greenhouse gas emissions database and registry at the project level.

The amendment takes a comprehensive view of both carbon sequestration and carbon storage—beyond the project level—to address what is happening over time to release and sink carbon for the full range of land uses, management practices and natural resources. The amendment creates a competitive grant pilot program for state and multi-state areas in a range of regional forest, agriculture and ecosystem settings. The purpose is to help us better understand what is needed for a national carbon sequestration inventory and accounting system that would be credible and cost-effective.

The amendment will enable us to assess the overall effectiveness and potential contributions of new programs and policies to encourage actions which offer a broad range of benefits to the environment. To do this, the amendment seeks to translate scientific information into easily understood means for landowners and others to apply in making decisions on their current practices. This information will distinguish practices which offer additional environmental benefits that may be associated with carbon storage or sequestration, such as flood and erosion prevention, soil conservation, fertility and productivity improvements, improved water quality and management, protection and restoration of ecosystems and habitat, and improved management of agricultural lands and forests including reforestation practices. It also would include information for landowners and others on how to assess the economic and financial costs and benefits of land uses that sequester or store carbon.

If we make this investment now, within the next 5 years we should be prepared to identify real incentives not only for forest and agriculture but also for natural resources and land use management which will show up also in our national accounts. I also anticipate that some policy changes supported by this information may enable our agriculture and forest sectors to realize an economic gain from the practices themselves.

The practices that will be encouraged by this amendment make good common sense and good economic sense. The State of Minnesota, with its rich forest and agricultural base and water resources, has a lot to lose from global warming.

While we have much to lose, we also have much we can contribute to reducing the problem of global climate change and gain in the process. If done properly, carbon storage and sequestration offer a welcome opportunity to draw together the interests and talents of the environmental community, agriculture, forest and timber products industries. Carbon sequestration is not the only or even major answer to our challenges in addressing climate change, but it is an important complement to other steps we must take to increase energy efficiency and conservation, increase use of renewable fuels and put in place an effective program for greenhouse gas emissions control.

This research must involve a wide range of perspectives and interests. The Secretary of the Department of Agriculture is directed to work in collaboration with other federal agencies, on all aspects of carrying out the purposes of the amendment. These agencies should include the Environmental Protection Agency, the National Aeronautics and Space Administration, the Departments of Commerce, Energy, and the Interior, as well as several agencies within the Department of Agriculture, including the Agricultural Research Service, the Cooperative State Research, Education and Extension Service, the Forest Service, and the Natural Resources Conservation Service.

Because forest and agriculture sectors play such a critical role in carbon storage and sequestration, the pilot areas should have a high percentage of land that is forest or cropland. The U.S. Department of Agriculture already tracks this information through its Natural Resources Conservation Service National Resources Inventory, the last being carried out in 1997.

Pilot State or multi-State areas should not only be capable of carrying out the research on a technical level, they should have demonstrated or be interested in pursuing the kind of policies and programs to encourage environmentally beneficial carbon storage and sequestration practices that this amendment seeks to advance. This research takes research and information already available at different levels of government, and in many different groups, and integrates it in a way that we can develop and assess these means of encouraging helpful practices.

The amendment calls for an approach to carbon storage and sequestration accounting based on sound science. It is our intention that the Peer Review process called for in the amendment would include public and private science and policy groups as well as by the user community. This peer review is important particularly in regard to translating science into information in a form that provides easy access to landowners to encourage them to consider environmentally beneficial carbon storage and sequestration practices in their decision making.

Eligible entities for the pilot program grants would include land grant colleges or universities as defined both by the National Agricultural Research, Extension and Teaching Policy Act of 1977 and tribal land grant institutions established through the Equity in Educational Land Grant Status Act of 1994. These research institutions, as well as others with demonstrated experience in the field should be included among the eligible entities as should state or state consortia or non-profits be considered for these grants, especially since we want to see the results used to move forward on the policy and program front to encourage these practices.

The grant-eligible programs should also demonstrate that they would include some means of ensuring the participation of governmental and non governmental interests that would be affected by the pilot program.

Carbon sequestration and storage potentially serve both environmental and economic interests. I have letters of endorsement from the American Farmland Trust, the National Farmer's Union, The Institute for Agriculture and Trade Policy, Environmental Defense and Nature Conservancy, as well as from leading soil and forest scientists in Minnesota, Kansas, Ohio, and Oregon. Many others who are prominent in the environmental, agricultural, forest, and research communities believe this amendment takes us in the right direction.

AMENDMENT NO. 3230

Mr. BINGAMAN. I ask unanimous consent, notwithstanding rule XXII, it be in order to consider amendment No. 3230; that Senator CANTWELL and Senator SMITH of Oregon be added as cosponsors, the amendment be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3230) was agreed to, as follows:

(Purpose: To provide additional borrowing authority for the construction, acquisition, and replacement of the transmission system of the Bonneville Power Administration and to carry out other duties of the Administrator of the Bonneville Power Administration)

On page 62, between lines 3 and 4, insert the following:

SEC. 2 . BONNEVILLE POWER ADMINISTRATION BONDS.

Section 13 of the Federal Columbia River Transmission System Act (16 U.S.C. 838k) is amended—

(1) by striking the section heading and all that follows through "(a) The Administrator" and inserting the following:

"SEC. 13. BONNEVILLE POWER ADMINISTRATION BONDS.

"(a) BONDS.—

"(1) IN GENERAL.—The Administrator"; and

(2) by adding at the end the following:

"(2) ADDITIONAL BORROWING AUTHORITY.—In addition to the borrowing authority of the Administrator authorized under paragraph (1) or any other provision of law, an additional $1,300,000,000 is made available, to remain outstanding at any 1 time—

"(A) to provide funds to assist in financing the construction, acquisition, and replacement of the transmission system of the Bonneville Power Administration; and

"(B) to implement the authorities of the Administrator under the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839 et seq.).".

AMENDMENT NO. 3366

Mr. REID. Mr. President, on the list, it is my understanding the only remaining amendment is numbered 3366 offered by the Senator from Michigan, Mr. LEVIN. It has been cleared on this side, and it has been cleared by Senator HATCH from the Finance Committee. I ask if the amendment has been cleared by the managers of this bill.

Mr. MURKOWSKI. Those have not been cleared on our side.

Mr. REID. This is No. 3366 offered by Senator LEVIN.

Mr. MURKOWSKI. If the Senator will wait a moment, that was No. 3366?

Mr. REID. No. 3366.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, we cleared the pending amendment on our side. We have no objection. It is No. 3366.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3366) was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BROADBAND TAX CREDIT LEGISLATION

Mr. KENNEDY. Mr. President, a number of us have come to the floor today to discuss legislation to provide tax incentives to accelerate "broadband" high-speed Internet access across the country. The widespread availability of broadband technology is essential to ensuring the United States' technological leadership in the world. We must make a commitment to a national broadband policy and do it now.

The reach of the information revolution to our Nation's rural and urban underserved areas depends on affordable Internet access. For far too long, these regions have found themselves disconnected from the information age because of their geography and high-cost of service. One of our greatest challenges for the future is to close the growing economic gap in access to computers and the Internet. If we do not act to close it now, this "digital divide" will become the opportunity of our time.

Several policy initiatives have been proposed to stimulate broadband deployment including deregulation, community planning grants, and low-interest loans to name a few. The broadband tax credit proposal is an important first step that has gained widespread support in Congress because it provides tax credits to those who take broadband to places where the market is not taking it, both geographically and technologically. So we are here to discuss the importance of that proposal and of ensuring its passage this year.

The Senator from West Virginia is the sponsor of the preeminent broadband tax credit bill, the Broadband Internet Access Act, of which I am pleased to be an original cosponsor, as is my friend from Oregon. Senator ROCKEFELLER had led the fight to bring broadband access to all Americans, and first introduced this bill along with Senators Moynihan, KERRY, and others. He reintroduced the Broadband Internet Access Act, S. 88, last year, and it has 64 cosponsors from both sides of the aisle. A companion bill in the House has 194 cosponsors. A version of Senator ROCKEFELLER's bill was reported out of the Senate Finance Committee as part of the stimulus package that was sent to the floor last December. I commend my friend from West Virginia for his leadership on this and many other technology issues so important to our nation's economy.

Senator SMITH and I have introduced a measure very similar to Senator ROCKEFELLER's bill as an amendment to the energy legislation now before this body. Under this proposal, any company providing the required level of service, whether by telephone, cable modem, terrestrial wireless, satellite, or any other technology, would be eligible to claim the credit. The proposal provides a 10 percent tax credit for investment in "current-generation" broadband services and a 20 percent credit for investment in "next generation" services. Current generation broadband is typically 5–20 times faster than conventional "dial-up" Internet service and capable of transmitting text and photos very quickly. Current generation broadband can also transmit video imagery, but with low quality. Next generation broadband is hundreds of times faster than dial-up and transmits video imagery with great speed and clarity, making it ideal for applications like telemedicine, distance learning, and video conferencing.

In my home State of Massachusetts, I saw firsthand how these types of advanced Internet services transformed the economy of the entire Berkshire County region. Like may rural areas across the Nation, the Berkshires were considered to be too far away from the Internet portals to interest providers. But business and Government leaders began an initiative called "Berkshire Connect," that resulted in a partnership with providers to build a multimillion dollar network of microwave towers and fiber-optic lines linking the county's scenic villages and small cities with fast Internet access.

The project put the Berkshires on an equal footing with the rest of the global marketplace, because the Internet levels the playing field between large and small businesses and rural and urban areas. I am confident that passage of the broadband tax credit measure will bring similar success stories across the Nation like we have seen in the Berkshires for more residents and businesses.

The proposal provides $540 million in tax credits for broadband deployment to wire an estimated 5.4 million additional U.S. homes with current generation broadband and 700,000 more with next generation broadband. Today, 11 million U.S. homes are wired with current generation broadband and 340,000 with next generation broadband. This measure would increase those numbers by 50 percent and 200 percent respectively.

Senator SMITH and I filed this measure as an amendment to the energy legislation because we see a clear connection between Internet use and energy savings. One former Energy Department official has testified before Congress that by reducing shopping trips and retail office space, e-commerce was responsible for energy use staying flat in the last 1990s while the economy was expanding sharply. And a number of studies have found that telecommuting saves 1–2 percent of total annual gasoline consumption and has the potential to save more. Meanwhile, economists now recognize that telecommuters can avoid the "congestion costs" which each additional driver imposes on others in terms of lost time and excess fuel from sitting in traffic jams. Princeton Professor Paul Krugman has estimated Atlanta's congestion cost at $3,500 a year for each additional driver. And associated savings come in the area of the environment. A 1999 study by the International Telework Association and Council found that the average telecommuter saves 28.5 pounds of pollution emissions every day he or she works from home.

The Senator from West Virginia was just discussing with me a number of other important benefits of broadband, apart from energy savings. I wonder if he would take a moment to describe those.

Mr. ROCKEFELLER. I would be happy to do so, and I thank the Senator from Massachusetts. For years now, it has been a goal of mine to make sure that West Virginians, and indeed all Americans, can have access to technology. The primary reason I introduced the broadband tax credit is to help address some of the most intractable problems associated with our country's transition to the digital economy—unequal availability of broadband access technologies. This tax credit will encourage deployment of broadband facilities in areas where such technologies have not, and, without Congressional action, perhaps will not, be made available. With the help of the tax credit, people and businesses in these areas will be able to more fully benefit from the networked economy, and from activities such as telemedicine, telecommuting, and distance learning. This has positive consequences for everyone—not just those in rural areas—that go beyond the marketplace.

I also think it important to understand that this technology will also be an important driver of productivity and economic growth. According to the Federal Reserve, information technology accounted for over 60 percent of the productivity growth occurring from 1995 to 1999. Listen to the change that occurred at that time. During the first half of the 1990s, productivity increased on average only 1.5 percent per year. Then, when we began to link our computers over the Internet, productivity jumped to 2.8 percent in the second half of the decade. It is this increase which Fed economists attribute primarily to information technology, and I think it is very fair to expect that wide-spread broadband networks are going to make us that much more efficient because they move us beyond using the Internet for e-mail to much more substantive and sophisticated applications. And the economic value of that to us as a nation could be very significant. One economist, Robert Crandall of the Brookings Institute, estimates that accelerated deployment of broadband will generate up to $500 billion in economic growth annually.

But the other side of this is that if we do not deploy broadband quickly, and other nations do, then we will lose the productivity edge that is so important. And unfortunately, that appears to be happening. A recent study by the Organization for Economic Cooperation and Development (OECD) found that the United States is now fourth in the world in broadband deployment, behind Korea, Canada, and Sweden. And others may pass us soon. While only 10 percent of U.S. households have broadband access, some 20 percent of homes in Canada have it, as do an astonishing 50 percent of homes in South Korea. Japan and a number of European countries have adopted very aggressive plans for broadband deployment involving laying optical fiber to every home. We should be very aware that if other countries do that—deploy fiber to all homes and businesses within their borders—and we continue to move very slowly even in the deployment of slower, current-generation broadband, those other nations will gain a huge economic advantage over us.

I thus see the broadband tax credit as presenting us with a double opportunity. It would help provide much-needed economic growth. And it will also help ensure that rural and underserved Americans can fully participate in an increasingly digital world.

Mr. SMITH. I wonder if I might interrupt my friend from West Virginia to make an observation. I think his point about competitive advantage is a very good one, and it is important for the Congress to remember that it applies not only internationally but also domestically. And it is an issue that is important to both sides of the aisle. For example, the Senate Republican High Tech Task Force—HTTF—has made the Broadband Tax Credit legislation a priority and a part of its policy agenda. This agenda states "The Task Force understands that high speed Internet access has the power to transform how we use the Internet. Encouraging tax and regulatory policies that foster rapid, efficient, and competitive deployment of broadband and other important technologies to urban and rural areas will be crucial to ensure our economic growth and technological competitiveness." The fact is, those communities that do not have broadband will invariably be at the disadvantage to those that do. And unfortunately, the communities that often have little or no broadband service are rural and low-income areas. I know this matter is as important to my colleagues from Massachusetts and West Virginia as it is to me. The Senator from West Virginia and I both come from states with large rural areas, so our constituents likely face a similar situation. In the rural areas of Oregon, we have seen concrete evidence of the difference broadband makes in a community's economic vitality. For example, in La Grande, Oregon, in the eastern part of the State, gaining connection to a nearby fiber optic route in 1999 made it possible for the town to persuade ODS Health Plans to establish a call center/claims center there. By contrast, other communities, such as Madras and Crook County, report that they have both lost potential businesses because of lack of broadband infrastructure.

The other thing I think we should mention is that in addition to economic benefits from this technology, there are other important societal benefits. For example, telemedicine. I'm happy to say that Oregon has been at the forefront of developing new and innovative telemedicine programs. In LaGrande, which, again, is fortunate to have a solid broadband infrastructure, it has been possible to develop a very good program for the provision of rural mental health services. The program is called RODEO NET and it's been making a difference in the lives of rural Oregonians for some time. And the telemedicine program of the Central Oregon Hospital Network makes it possible for doctors to consult with patients remotely and to receive the patients' radiologial images, sounds, records, and pharmacy information. But to do this well, you need broadband. In fact, the average data speed used by RODEO NET is 768 kilobits per second, more than twenty times the typical dial-up service in rural areas of the country. The problem is that few rural communities have a broadband connection. And that is something we must overcome. This technology can greatly improve the quality of life for rural residents, and we should not allow some of them to be deprived because they live in a more remote area.

Mr. ROCKEFELLER. My friend is correct. I agree with him wholeheartedly. That is exactly the kind of application that will make a big difference to my constituents and his, and I want to do everything I can to make it widely available across the United States.

Mr. KENNEDY. I wonder if my friend is aware of the trans-Atlantic surgery that occurred last year, where a surgeon in New York operated on a patient in France?

Mr. ROCKEFELLER. Yes, indeed As I recall, the New York doctor remotely controlled some kind of robotic arms there at the patient's location, and it came off without a hitch, I believe.

Mr. KENNEDY. I think that is one of the most fascinating things I've ever seen, and as one who has worked for years on healthcare issues, it makes me even more committed to moving this broadband technology out across the country as quickly as possible, because one needs a very high bandwidth connection for those kinds of applications. You cannot do remote surgery over a narrow band connection.

Mr. ROCKEFELLER. Exactly right, and I think that this shows the potential that exists if broadband becomes ubiquitously deployed in this country. When we can transmit massive amounts of data instantaneously, the applications are limited only by our imaginations.

Mr. KERRY. I wonder if my friend from West Virginia would yield for a comment at this point?

Mr. ROCKEFELLER. I would be happy to.

Mr. KERRY. I thank the Senator, and my colleagues from Massachusetts and Oregon. As you know, I feel very strongly about this legislation. My staff and I spent a lot of time working with our former colleague Senator Moynihan, and with Senator ROCKEFELLER and others back in 2000 when we were putting this bill together. We put a lot of brainpower into this bill. We met with innumerable telecom companies and analysts and experts, working to craft a bill that provided real incentives, and doing so in a technology neutral manner. I do not care what the technology is, as long as it can provide broadband, it should receive the incentive. And I think this bill does that. It specifically anticipates copper wire, coaxial cable, terrestrial wireless and satellite technologies. If they can deliver true broadband services, at a measurable speed requirement, then they qualify for the credit. That is as it should be. It is the service we are after, not a specific kind of delivery system. So this bill sets the standards and lets all compete equally. All they have to do is meet the speeds, and they get the credit.

For the current generation technologies, it targets rural and low-income areas. Those are the areas where the Federal Communications Commission has told us there is a problem with current generation deployment. For the next generation technologies, it targets the entire country, with the exception of urban businesses. That is because, while next generation broadband exists and is being deployed aggressively in some Asian and European nations, it has scarcely been deployed at all in the United States.

I have a number of reasons for caring about broadband deployment. One is that I think we cannot allow the "digital divide" to continue, and there is a digital divide with broadband deployment just as there is with computer access and dial-up Internet access. In fact, the digital divide with broadband deployment is almost certainly greater than with computers or dial-up. So as a matter of basic equity, I think we must take quick action to deploy broadband across the nation.

I also care about this issue because it is crucial for our international competitiveness. As Senator ROCKEFELLER mentioned earlier, the United States is falling behind in broadband deployment. There is little disputing that fact. While some seem unconcerned about that matter, I am very concerned about it. I think there is little doubt that a nation with ubiquitous broadband will be more efficient and productive than a nation without it. And, the fact is, other nations are starting to outspend us on broadband infrastructure. Sweden has set aside some $800 million on broadband deployment in rural areas of the country—a much smaller area than the United States, obviously. And they have already spent an undisclosed amount to build a fiber-to-the-home system serving much of Stockholm, which is becoming a model for the rest of Europe. Now France is following suit. It recently announced that it will invest $1.5 billion on broadband infrastructure over the next five years, and much of it will probably be optical fiber, as in Sweden. In Japan, who knows how much the government is investing, but it is substantial. The investment is made through Nippon Telegraph and Telephone, which is supposedly an independent telephone company, but the majority ownership belongs to the Japanese government. In any case, NTT is in the middle of a huge fiber-to-the-home project all over the country, so the investment is clearly very large. And listen to this figure from South Korea. In Korea, the government is laying out some $15 billion to provide an optical fiber connection to 84 percent of homes by 2005. This legislation would invest only $540 million over 10 years. That is not a lot for a nation as large as the United States. But it is an important start, and we should pass it now and get the ball rolling.

Finally, I feel strongly about this legislation because I think it is crucial for small business. As Chairman of the Senate Small Business Committee I have an obligation to look out for that sector, and it is something I am passionate about. I am a former small businessperson myself, and I know how difficult it can be for a small company to compete with larger enterprises. Broadband can make that easier by increasing the productivity of the small business and opening up new markets. The telecom analyst Scott Cleland—many of you know him from his testimony here on the Hill on various occasions—wrote a short piece last year on the importance of broadband to small businesses. Paraphrasing Mr. Cleland, he said this. First, that small businesses have less access to broadband because they tend to locate outside the high-rent urban business centers. It's those urban business centers, he says where broadband is most plentiful. The second point he makes, and this is very important, is that we as a nation are losing as a result of this situation because small businesses tend to be a very innovative, economy-driving force. If broadband were more widely available to small businesses, Cleland says, the U.S. would benefit economically.

Those are a few of the reasons why I feel very strongly about this legislation, and I think it is imperative that we pass it this year and send it to the president for signature. I am delighted that we are having this discussion today, and I look forward to working with all of you to pass this bill at the earliest opportunity.

Mr. ROCKEFELLER. I notice that we are joined on the floor by the distinguished Chairman and Ranking Member of the Finance Committee, two gentlemen who have a lot to say about which tax legislation passes this body. I am pleased that both are cosponsors of S. 88 and strong supporters of technology measures. I wonder if I could ask them their thoughts on the likelihood of passing the broadband credit this year.

Mr. BAUCUS. I thank my friend from West Virginia, and I congratulate him on his leadership on this legislation. I agree that broadband technology is extremely important for this country. It will help ensure that our productivity remains high and that our citizens receive the best services modern telecommunications have to offer. I think some of these services that you have already discussed there today—telemedicine, distance learning, and videoconferencing, for example—will be absolutely life altering for many Americans. In rural areas, we will find even more ways to use broadband—televeterinary services, remote monitoring of crops, remote livestock auctions, etc. The fact is that when the underlying broadband infrastructure is there, you can do amazing things with relatively simple equipment—a digital video camera and a computer. And, taking a moment to indulge a point of home-state pride, I want to ask my colleagues if they know where this idea originated? I see my colleague from Montana, and he is smiling. He knows where it came from.

Mr. BURNS. Of course. From the Montana legislature, that's where. We're very creative in Montana.

Mr. BAUCUS. Exactly. The State of Montana enacted the first broadband credit in the nation in 1999. It was the brainchild of one of our public utility commissioners, Bob Rowe, and of state senator Mignon Waterman and others in the legislature. It was in effect for only two years, I believe, before being temporarily suspended, along with a number of other tax breaks, due to the State's budget shortfall. But in the short time it was in effect, it had very positive results. I want to quote from an article by Bob Rowe in one of our State newspapers, The Missoulian, in June 2001, in which Bob was describing the effect of the Montana broadband credit:

> The results are impressive. Dozens of projects were awarded tax credits, most of them in rural Montana—places like Circle, Crow Agency, Superior and Big Timber. Projects included DSL, cable modems, and wireless. They also included projects to provide 'redundant' access that is critical to many technology businesses in case service goes out.

Now as you might surmise, Circle, Montana is not a very big place. It had 644 people in the last census. None of those communities mentioned in that article has more than 1,600 people. If a broadband credit can help bring broadband to rural communities like those, then it is a worthy piece of legislation. But the problem is, even when the Montana broadband credit is reinstated, it will not be enough to ensure broadband deployment to all communities in a State like Montana, so we will need Federal incentives, too. And that is where measures like the federal broadband credit we are discussing now come in. It is important that we adopt this kind of incentive on a national basis, so that all communities may benefit from it. And along with the incentives that various States may enact, and along with other measures like low-interest loans and grants and so forth, we can really accelerate broadband deployment to all communities in the country.

So I applaud the efforts of my friends who have worked so diligently on this bill. I stand with you and am committed to moving this bill this year. The support is clearly there, with 64 cosponsors in the Senate and 193 in the House. There aren't many bills with that much support. So I think the time has come. We need broadband, and we need it now, and I think this bill will help a great deal. We will work together to get it done this year.

I want to turn to the Senator from Iowa, my Ranking Member on the Finance Committee. I used to be his Ranking Member when he was Chairman, and now the roles are reversed. But regardless of which of us is sitting in the Chairman's seat, we always confer with one another and work closely together, and I know he cares as much about getting broadband technology out to rural areas as I do. Senator Grassley, do you have any thoughts on this issue?

Mr. GRASSLEY. I thank my Chairman, and I appreciate the opportunity to speak on this topic. I am pleased to be a cosponsor of Senator Rockefeller's bill, and I think it is important legislation. As you probably know, I have spent a fair number of hours on a farm in my life, and I can tell you that telecommunications are absolutely a crucial lifeline to rural areas, and we must ensure that rural areas of the country are not left behind as the state of the art evolves. I think that is what is happening now—the state of the art is evolving, and rural areas are being left behind. In urban areas, we have wonderful broadband systems where you can type at your computer and have a little TV screen going up in one corner. A lot of people here watch the Senate floor right from their computers as they work, which makes our work easier and more productive. In rural areas that kind of capability generally doesn't exist. And we just can't allow two different telecom standards for urban and rural areas. That would be like urban areas having telephones and rural areas not having telephones. What kind of country would we be if that were the case? So I think this legislation is very important.

I want to point out one provision in this bill which will be extremely important to rural areas, and that is one involving telephone cooperatives. Anybody from a rural State knows the importance that coops play in making sure no one goes unserved. There are some places that are so scarcely populated that the big publicly-owned companies can't justify the investment to their shareholders. So who gets the job done in those places? By and large, it's the telephone coops. And they do a great job, and we need to make sure we support them in their effort. But, of course, telephone coops are tax exempt organizations. So the question arises, if they don't pay taxes, how will they benefit from a tax credit? But this bill has found a way to let them take advantage of the benefit. How so? Through the so-called, "85-15" rule. The tax code requires that at least 85 percent of a telephone coops' income be used to pay losses and expenses. So this bill exempts from income the amount of broadband credit a coop would get if it were a taxable company. That encourages coops to make broadband investments because, if they do, then they will get help meeting the 85 percent rule. I think that makes a lot of sense and is good tax policy. It both encourages a crucial infrastructure investment, and simplifies the tax law for coops, which is an importannt thing to do anytime we can.

So with that, just let me say again that I support this legislation, and I will work with Chairman BAUCUS and Senator ROCKEFELLER and the other members here today to pass it.

Mr. BURNS. I wonder if I might very briefly add a couple of points at this juncture. I wanted to join my colleagues here on the floor today because I feel strongly about this measure. As Senator BAUCUS said earlier, this whole idea started in Montana, and we've seen the kind of effect it can have there, so I feel confident that a federal broadband credit can have a similar effect in other areas of the country. The other point I wanted to make goes back to Senator GRASSLEY's discussion of farming applications. I've spent a fair amount of time in agricultural pursuits myself, and if there is any doubt how agricultural organizations feel about broadband, you should take a look at the farm groups that have endorsed this bill. The American Farm Bureau, American Agri-Women, National Cattlemens' Beef Association, National Corn Growers Association, National Council of Farmer Cooperatives, National Pork Producers Council, National Sorghum Producers Association, National Wheat Growers Association, North American Export Grain Association, Rice Millers' Association, California Cotton Growers Association, California Cotton Ginners Association, Western Growers Association, U.S. Rice Producers' Group. The list goes on and on. Anyone who thinks farmers don't care about technology should spend some time on a modern farm, and what you will learn in that American agriculture is one of the most innovative industries in the world. Let me give you an example. Deere and Company, the farm equipment maker, is also a supporter of this legislation. And you may think at first, "Why do they care? They just make tractors." But when you talk to them, you learn that the tractor of tomorrow—indeed of today—has a lot of high-tech equipment on board that, as it drives through the fields, gathers information on plant conditions and soil conditions and moisture content and so forth. And that is incredibly valuable information to a farming operation. But to really use that information, you need a broadband connection to send it from the tractor to, say, a plant specialist a hundred miles away. Without that broadband connection, it will take a very long time to transmit the data, which makes it a lot less useful. So we need to take action now to get broadband networks built out all over the country, including those little places like Circle and Superior and Big Timber and Crow Agency and thousands of communities like them around the United States. And this bill is going to help do that, so I a feel very strongly that we need to pass it at the earliest opportunity.

Mr. JOHNSON. I would like to add a brief comment on this topic, which is of critical importance to my State of South Dakota. My colleagues have all spoken eloquently about the role of broadband deployment to our Nation, and the special importance of ensuring that our rural areas have equal access. I think we all agree that the widespread availability of broadband infrastructure is absolutely crucial to the future of America. Throughout history, we have found ourselves at critical junctures, when the Federal Government has needed to step in and help build an intrastructure system that is national in scope. The transcontinental railroad. Rural electrification. The Interstate highway system. None of those would have occurred without help from the Federal Government. That, in my opinion, is one of the most important aspects of our job—to know when it is time for the Government to step in and facilitate the building of something big, something that will benefit the nation as a whole and make us a stronger nation. The transport of large amounts of information is no less important today than the transport of large amounts of goods was a few decades ago. The physical transport of goods is still necessary, and probably always will be. But the transport of information? Why should we have to transport people just to transport information? If a supplier can meet with his customer without driving across town or getting on an airplane, then that is better. If a rural American can meet with the urban medical specialist without driving or flying to the city, then that is better. If a rancher can show his cattle for sale to a distant buyer without the expense of transporting them to a sale barn, then that is better. All of those things are theoretically possible today, but they are possible in fact only to a few of our citizens. The disturbing thing is, that other nations are moving ahead of us in deploying broadband technology, as my colleagues have already pointed out. I believe that if the United States is to continue to lead the world economically, it must invest in broadband infrastructure.

That's why I will continue to fight hard to pass this legislation. I have written the President about it, I have written the majority leader about it, I have spoken to my colleagues on the Finance Committee about it, and now I want to address all of my Senate colleagues about this bill. The fact is, we need this legislation to push broadband out to remote areas of the country. There are areas where the market will not take broadband for many years, if ever. But that is where this legislation is targeted—those very areas the market is leaving behind. We need this legislation to ensure, first of all, that rural areas are not left behind, and secondly that we do not fall behind as a nation. We must not continue to fall behind Korea, Canada, Sweden, Japan, Singapore and others, because if we do, then they will be able to work faster and more productively than we can work, and it is productivity which has been our hallmark, our saving grace, our competitive edge for years. The Internet was an American invention, as are the broadband technologies that accelerate its use. We must not let others surpass us in our own technology, simply through inaction. I urge my colleagues to take up and pass this very crucial legislation this year—at the earliest opportunity. It is very important that we do so, and I pledge my support for it here today.

Mr. ROCKEFELLER. I thank the Senator and welcome his support. I believe the Senator from New York wanted to join in the discussion, as well.

Mrs. CLINTON. I thank my friend from West Virginia. As an original cosponsor on Senator ROCKEFELLER'S broadband tax credit bill and a supporter of the amendment offered on the energy bill, and having introduced my own bills to enhance broadband deployment in Upstate New York and around the country, I join my colleagues from both sides of the aisle today to express strong support for legislation stimulating broadband infrastructure deployment and demand for broadband services.

As we all know, our Nation's economy has suffered a slowdown of staggering proportions in the last year. Investment has slowed, jobs have been lost, and for many companies revenues continue to decline. Few sectors of our economy have been as dramatically affected as the telecommunications and high-tech industry, with job loss estimates in the industry exceeding more than a quarter-million in the past year alone. Of particular concern to me, Upstate New York, like rural areas across America, has continued to face obstacles to full engagement in the new knowledge-based economy. Prior to the recent downturn, the economic growth of the last decade left behind many of our Nation's rural areas—like Upstate New York with its highly educated population—that remain disconnected from major markets. Studies have shown that New York lags behind many states when it comes to Internet connections and usage that are essential to commerce and communications in this new economy.

To be sure, communications technologies are important not only for economic reasons. My State of New York suffered more than any other from the devastating attacks of September 11th. On that day, emergency calls, communications between loved ones, and demand for reliable information demonstrated so clearly our dependence on—and the need for—telecommunications technologies. I am extremely proud of the efforts that were made by our rescue personnel, utilities, and others to restore the communications infrastructure that was so damaged by the terrorist activities. Those tragic events underscored the importance of redundant telecommunications systems to enable us to stay connected in times of national emergency.

The message here is that broadband deployment and its uses are key for the continuing economic development and growth of our Nation. I recently offered a sense-of-the-Senate, which was adopted on the FY 2003 Budget Resolution passed out of the Budget Committee, that highlights the needs for investments in broadband technology to spur development and job creation in rural and underserved areas. Mr. President, I ask that it be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENSE OF THE SENATE REGARDING BROADBAND CAPABILITIES IN UNDERSERVED AREAS

(a) FINDINGS.—The Senate finds in the following:

(1) In many parts of the United States, segments of large cities, smaller cities, and rural areas are experiencing population loss and low job growth that hurts the surrounding communities.

(2) The availability and use of broadband telecommunications services and infrastructure in rural and other parts of America is critical to economic development, job creation, and new services such as distance learning, telework capabilities and telemedicine.

(3) Existing broadband technology cannot be deployed or is underutilized in many rural and other areas, due in part to technical limitations or the cost of deployment relative to the available market.

(4) Today's small and medium-sized businesses need an extension program that provides access to cutting edge technology.

(5) There is a need to create partnerships to reduce the time it takes for new developments in university and other laboratories to reach the manufacturing floor and to help small and medium-sized businesses transform their innovations into jobs.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Congress should:

(1) facilitate the deployment of and demand for broadband telecommunications networks and capabilities (including wireless and satellite networks and capabilities) in rural and underserved areas,

(2) encourage the adoption of advanced technologies by small and medium-sized businesses to improve productivity, and to promote regional partnerships between educational institutions and businesses to develop such technologies in the surrounding areas, and

(3) invest in research to identify and address barriers to increased availability and use of broadband telecommunications services in rural and underserved areas.

Mrs. CLINTON. The broadband tax credit is a critical component of this economic development plan, in order to get broadband to "the last mile"—to the households, schools, businesses, local governments and many others that stand most to gain from its deployment and, of course, the jobs and services that are sure to follow.

Ms. SNOWE. I am delighted to have this opportunity to join my colleagues in discussing the importance of the broadband tax credit legislation. We have worked on this bill since mid-2000, and we need to get it passed this year.

I am particularly pleased to have worked with Senator ROCKEFELLER on this issue. He and I go way back on technology matters. We worked side by side to ensure that all our classrooms and public libraries are connected to the Internet and modern technology through the E-rate, and this successful program is beginning its fifth year of funding.

Just as the E-rate continues to ensure that our Nation's schools and libraries are not divided between technological haves and have nots, we must ensure that all of our Nation's homes and businesses—in both rural and urban areas—have access to broadband services. Because although dial-up services are good for sending e-mail, sharing short documents, and browsing the web slowly, you need broadband services if you need to receive information quickly or send an item that is data-intensive, such as photographs, graphics, or lengthy documents.

While broadband is already being deployed in rural States, such as mine, I believe it is imperative that we seek to accelerate the rate of this deployment. Because where are the homes and small businesses without broadband service? That's easy—in rural and low-income areas. And that is what this bill is designed to cover: the rural and low-income areas where broadband generally is not already available. Furthermore, it is designed to help us move to the next generation of broadband that some countries are already rolling out.

The bottom line is that there are times when it makes sense to help the market deploy technology more quickly and this is one of those times. Why? Because the Government can play an important role in ensuring that all our citizens have access to basic infrastructure, just as it ensured universal access to telephone service in the 1930s.

I will not repeat what my other colleagues have said about the United States falling behind in broadband infrastructure, but it is a fact and it is something we cannot allow. We must engage on this issue and we must do it now. As the lead Republican cosponsor of the legislation, I urge the passage of the broadband tax credit legislation as one way to address this matter, and believe it should be done this year. While there are a number of other ideas on the table concerning broadband deployment, this is one that is ready to go, and we should not wait any longer. Accordingly, I urge my colleagues to support moving this incentive as part of the next available tax package moving through the Congress.

Mr. SMITH. I would like to return to the issue of exactly how we move this year. I think it is the most substantial broadband initiative with a real chance of passing in the near future, and I think we should be very specific about how we are going to accomplish it. It is now mid-April, the number of legislative days remaining in this Congress are dwindling, and the available tax vehicles would seem to be limited for the rest of the year.

Mr. KENNEDY. I couldn't agree more. As I said earlier, I think this would be a very good addition to the energy bill because it has clear energy savings implications. If that proves not to be possible, I think it should be included in any other tax bill that comes through this year. Passing the broadband tax credit this year should be a priority for the Senate and we must ensure its passage at our earliest opportunity.

Mr. ROCKEFELLER. Absolutely. I am with you 100 percent. We have to get this done, and we have to get it done this year. I note that the majority leader has joined us on the floor and I wonder if we might impose on him to give us his views on the prospects for the broadband tax credit.

Mr. DASCHLE. I thank the Senator for his leadership on the broadband tax credit, and I thank all of our colleagues who have expressed their support for this measure today. As you know, I am a cosponsor of Senator ROCKEFELLER's bill, S. 88, and share the strong support for this bill expressed by our colleagues today.

We have made this a centerpiece of the Democratic high technology agenda. We believe broadband deployment is key to the continued economic growth of the entire Nation, and is particularly critical in rural areas that studies have shown too often lag behind their urban counterparts. This bill addresses that issue head-on by giving special incentives to rural deployment. This measure is one of a number of solutions that have been proposed that will prove effective in achieving universal availability of the most advanced telecommunications technology.

I look forward to working with the Senator from West Virginia, the distinguished Chairman and Ranking Member of the Finance Committee, and all of our colleagues who have spoken out so forcefully today. I hear you and share your support for this proposal. Given the large number of cosponsors, it is clear that the broadband credit can win approval in this Chamber. So I would say to my colleagues that I want to move the bill at the earliest opportunity.

Mr. ROCKEFELLER. We appreciate the Leader's interest and support. With that support, and that of all our colleagues who have joined us today, I feel confident that we will succeed in getting this bill enacted into law this year. And I am excited at that prospect, because I think it will make a big difference in moving broadband both to remote and underserved areas of the Nation, and also in moving it to the next generation. That will be an outstanding result, and a great benefit for the Nation.

ENERGY POLICY ACT OF 2002

Mr. NICKLES. I would like to engage in a brief discussion with my colleague from Alaska concerning an important provision that is missing from the electricity title of this bill. Would the ranking member of the Energy and Natural Resources Committee, Senator MURKOWSKI, agree that it is important to provide a level-playing field for competitors in the interstate wholesale electricity market?

Mr. MURKOWSKI. Yes, I agree with my colleague.

Mr. NICKLES. Is today's interstate wholesale electricity market a level playing field, in which all competitors are subject to the same rules?

Mr. MURKOWSKI. No. Publicly-owned utilities are not subject to the same oversight of their rates and other activities related to sales of bulk electricity in interstate commerce as investor-owned companies.

Mr. NICKLES. I see nothing in the current language of the electricity title of this bill to rectify this disparate treatment. This seems unfair, and contrary to our policy of promoting competitive markets in interstate electricity sales. Would the Senator from Alaska agree?

Mr. MURKOWSKI. Yes, I think that all utilities who substantially participate in the interstate wholesale electric power market should be under the same regulatory regime, and subject to the same oversight by the same regulator. But I also want to make clear that municipally-owned and cooperatively-owned utilities that are too small or not selling in interstate commerce, such as those in Alaska, should not be subject to FERC regulation. I would oppose any attempt to extend such Federal regulation to these entities or their activities.

Mr. NICKLES. I thank the Senator for that viewpoint. Do not misinterpret what we are saying. This is not about "spreading the pain" around to everybody. Rather, what we are saying is that if a municipally-owned or cooperatively-owned utility makes a strategic business decision to go into the competitive interstate bulk power market to earn profits, then it ought to play by the same rules as everybody else. And once they enter that market, it is important that the market competition takes place on a level playing field, or else competition will be diminished and consumers will suffer. So I would like to go forward, in conference, and work with my friend, Senator MURKOWSKI, and others of like mind, to correct this situation and ensure equal treatment for all who chose to compete in the interstate wholesale electricity market.

Mr. MURKOWSKI. I look forward to working with the Senator from Oklahoma on this issue as this bill moves to conference.

ENERGY EFFICIENT COMMERCIAL BUILDINGS

Mr. GRAHAM. Mr. President, Section 2105 of this legislation, the section providing a tax deduction for construction of energy efficient commercial buildings, does not list the specific building components that will qualify the building. This is different from Section 2103, pertaining to energy efficient residential property, in which items contributing to building efficiency are listed in some detail. My concern is that certain energy efficiency improvements, if not specifically included, may not qualify for the deduction under Section 2105. I was wondering if the Senator from Montana could clarify for me the reasons behind the differences between these two sections.

Mr. BAUCUS. The Senator from Florida asks a reasonable question, but he need not be concerned about the differences between these two sections. The commercial building deduction is constructed as a performance-based incentive for energy efficiency. The bill does not specify which materials should be used because different buildings may require different components to meet efficiency standards. Construction need not adhere to a specific list of energy efficient components.

Mr. GRAHAM. Let me ask then about a specific building component so that I can be certain I understand what the Senator has explained. Building insulation is not referenced in Section 2105, however it is referenced in Section 2103. Nevertheless, expenditures for insulation in a commercial building will qualify for the deduction so long as it meets the energy efficiency requirements laid out in this measure. Is that accurate?

Mr. BAUCUS. The Senator is correct. In fact, the efficiency requirements laid out in this legislation essentially require that building construction include a combination of highly energy efficient property. Energy efficient insulation would almost certainly be included among these components.

Mr. GRAHAM. The origin of my concerns regarding the enumeration of specific components stems from the language used to define energy efficient commercial building property expenditures at the beginning of Section 2105. It indicates that in order to qualify, energy efficient property must be eligible for treatment as depreciable property under section 167 of the tax code. There are many building components, like insulation, not specifically referenced in section 167. Can the Senator from Montana confirm that the intention of this measure is not to exclude these components from eligibility for the energy efficient commercial buildings deduction?

Mr. BAUCUS. I can confirm for the Senator from Florida that the intention of this provision is to include all those components that would produce levels of energy efficiency sufficient to meet the standard laid out by this amendment.

Mr. GRAHAM. I thank the Senator for his clarification and his time.

IMPACT OF REFORMULATED FUELS PROVISIONS AND NEED FOR APPROPRIATE DISCRETION FOR ADJUSTMENTS TO REQUIRED BASELINES FOR ANTI-BACKSLIDING REQUIREMENTS

Mr. CORZINE. Mr. President, I rise today to bring to the attention of my colleagues an important issue that relates to provisions in the Energy bill dealing with reformulated gasoline. After a few brief introductory remarks, I would like to engage in a colloquy with my colleague and friend, the Chairman of the Committee on Environment and Public Works, in order to inform and clarify the legislative record on the matters I am about to discuss.

The provisions contained in Subtitle C of Title VIII of the Energy bill deal with motor fuels. As has been discussed on this floor on preceding days, these provisions deal with a number of issues, including a ban on the use of MTBE and requirements for use of ethanol in reformulated gasoline. I would like to speak today on another issue in this subtitle that has received less attention during our debate on these issues, but which could have a profound and detrimental effect on the supply of gasoline in New Jersey and elsewhere in the Northeast, by affecting an important supplier to this market.

Section 834 of Subtitle C eliminates the oxygen content requirements for reformulated gasoline. It is necessary to do this since the subtitle, in Section 833, Subsection (c), otherwise bans the use of MTBE, the oxygenate most commonly used to meet the oxygen content requirements of the Clean Air Act. And while we have all become aware of the groundwater contamination problems caused by leaks of gasoline containing MTBE, it is important to understand for the situation I am about to discuss that MTBE does provide significant benefits in regard to emissions of toxic air pollutants under current EPA models. Indeed, overall toxic air emissions reductions achieved through the use of reformulated gasoline substantially exceeded the minimum requirements set by the Clean Air Act Amendments of 1990. I think we all agree with the Blue Ribbon Panel's recommendation, that with or without MTBE, it remains an important goal to maintain the real world emissions benefits derived from the use of reformulated gasoline.

So when the authors of Subtitle C eliminated the oxygen requirement for reformulated fuel and banned the use of MTBE, they also wanted to be sure that the toxic air pollutant reductions achieved from the use of reformulated gasoline were maintained. Thus, they included the so-called 'anti-backsliding' provisions found in subsection (b) of Section 834. Among other things, subsection (b) will require the EPA Administrator to . . . establish, for each refinery or importer . . . standards for toxic air pollutants from use of the reformulated gasoline produced and distributed by the refiner or importer that maintain the reduction of the average annual aggregate emissions of toxic air pollutants for reformulated gasoline produced or distributed by the refiner or importer during calendar years 1999 and 2000.

This provision thus requires EPA to establish, for each refinery, the amount of toxic air emissions from the gasoline based on 1999 and 2000 data, and then establish that as a "baseline," or maximum level of toxic air emissions from the gasoline produced by that refinery.

What this provision doesn't do, is tell the refiner how to maintain the baseline once MTBE is eliminated, it just has to do it. In most cases, refineries can meet the gap in toxic air emissions performance—caused by the ban on MTBE—simply by doing little more than complying with an already-existing separate regulation that requires them to reduce the levels of sulfur in the gasoline. Removing sulfur improves the toxic air emissions performance of the gasoline as calculated by EPA. Or the refinery could invest in improved extraction technology to remove directly some of the toxics—for example, benzene. Or a larger, multi facility refiner could trade between its refineries the credits for emissions of toxic air pollutants authorized by the Subsection.

So, once the EPA Administrator establishes the baseline for a refinery, most refiners have options that are available to ensure that their refineries do not 'backslide' on the emissions of toxic air pollutants from gasoline. For example, refiners that had high sulfur levels during the base period will have a relatively easy time complying with this requirement for their reformulated gasoline, primarily because they must desulfurize gasoline by 2004–2005 under already existing rules, and this step will substantially reduce toxic air emissions, thus offsetting the increases in calculated emissions from eliminating MTBE.

But what happens under the Energy bill to the refiner who had voluntarily taken steps, not required by any regulation, to incorporate state-of-the-art benzene extraction technology and also removed a very large amount of the sulfur from its gasoline before the base period that the EPA will use to establish its baseline? That refiner will be given a baseline that is far tougher than virtually any other refiner. It is so tough, Mr. President, that when MTBE is banned, as required by the bill, it likely will not be able to make up the lost benefit MTBE provides—substantially lowering modeled emissions of air toxic pollutants—by lowering sulfur to required levels or taking any other actions that will allow it to maintain that baseline performance level.

This is exactly the situation facing the Amerada Hess Corporation, a corporate constituent in New Jersey that is an important supplier of reformulated gasoline. At its Port Reading, New Jersey refining facility, Hess produces 35–50 thousand barrels per day of reformulated gasoline that is supplied to New Jersey, New York, and Connecticut. Hess also supplies another 40–60 thousand barrels per day of reformulated gasoline into the northeast market from HOVENSA, a refinery it partly owns on St. Croix in the US Virgin Islands. Both facilities, the only two under the Hess umbrella, have long produced very clean gasoline—taken together, the gasoline produced by these refineries has almost 60 percent less sulfur and 35 percent less benzene than the refinery industry average.

Once the EPA establishes baselines for these two refineries, and MTBE comes out of the gasoline, they will have no realistic options to maintain the baseline—exactly because the gasoline was already so clean. They can put in ethanol, but that does not have the same level of positive effect on toxic air emissions, compared to MTBE. They will lower sulfur further to 30 ppm, but in contrast to most other refineries, this will not be enough to maintain the baseline, since the gasoline was already low in sulfur before and during the relevant base period. Benzene is already at very low levels, and further reductions are not reasonably achievable.

I will include in the record tables of data provided to me by Amerada Hess that illustrates this result. They could buy credits, if they were available, but this would allow refiners who did not take early action to clean up gasoline to obtain a competitive advantage.

The only reasonable way to address this situation, Mr. President—and avoid penalizing a refiner by virtue of the fact that it took early action to clean its gasoline before it was required to do so—is to ensure that the EPA Administrator has the ability and discretion to review situations like this, and when necessary and appropriate, make adjustments to the refinery-specific baselines.

This notion of providing limited, necessary baseline adjustments is not unprecedented. Indeed, EPA provided this form of relief just last year on nearly identical facts. In that case, it was implementing the Mobile Source Air Toxics, or MSAT, rule. That rule sets maximum levels of toxic air emissions from gasoline from baselines established using data from the base years, 1998, 1999, and 2000. It is thus nearly identical to the anti-backsliding provisions of Subtitle C—it only differed in that it covered all fuel, conventional and reformulated, and looked to data from one more base year, 1998.

In that case, Mr. President, Hess faced the same situation in which it finds itself in this instance for its gasoline supplies form Port Reading and HOVENSA, except that the reason MTBE was going to be unavailable on a going forward basis was state-enacted bans on its use in New York and Connecticut. In this case, it is federal law that will ban the use of MTBE. So the result in the MSAT rule situation should be the same when the provisions of this bill go into effect. In the case of the MSAT rule, EPA agreed that once the state MTBE bans went into effect, EPA would make an appropriate adjustment to the baselines for the Port Reading and St. Croix refineries to reflect their unique situation.

The adjustment was based on EPA's finding that the reformulated gasoline which these refineries produce significantly outperforms the industry average for toxic air emissions, and that MTBE bans would affect the modeled toxics performance. The purpose of this relief, quite simply, was to level the playing field, so that a refiner that took steps to clean up its gasoline early could continue to supply gasoline when MTBE is eliminated. I will enter into the RECORD a copy of the letters from EPA laying out the details of EPA's resolution of this problem.

My purpose today is therefore twofold. I first wanted to bring this matter to the attention of the Senate. It would be a travesty if we were to enact legislation that penalized parties for taking early action to improve the environmental performance of their product. And I should hasten to add here, Mr. President, that based on every conversation I or my staff have had on this matter, we have been assured that this was an unintended consequence. So my second purpose, Mr. President, is to ensure that the record on this legislation provides sufficient guidance to EPA in order that it can address this matter effectively.

For these reasons, I would like to engage the Chairman of the Environment and Public Works Committee, the Senator from Vermont, in a colloquy on this issue.

As discussed in my remarks, EPA had the requisite authority and discretion under the MSAT rule to make limited, appropriate adjustments to refinery-specific baselines for toxic air emissions based on unique circumstances such as those facing Amerada Hess. Would you agree that EPA would enjoy a similar level of discretion under the anti-backsliding provisions of Subtitle C of Title VIII if and when the Energy bill, or any other bill that carries similar provisions, becomes law?

Mr. JEFFORDS. I appreciate the Senator from New Jersey bringing this matter forward at this time. As he noted, the last thing we want to do in this statute is to penalize—advertently or inadvertently—those parties that take early action voluntarily to improve the environmental performance and public health benefits of the products they produce, in this case, reformulated gasoline.

Based on the facts that the Senator has presented and as they have been presented to me and my staff, it appears that Amerada Hess and HOVENSA could be disadvantaged if the anti-backsliding provisions of the bill were implemented without consideration of the factors that you have outlined. And, this situation could lead to a less competitive market in the Northeast, potentially driving up prices.

It seems reasonable that refineries such as you have described, which have worked out an understanding of an appropriate adjustment with EPA in the context of the implementation of rule on mobile sources of air toxics, should be able to proceed in a similar fashion when the provisions relative to reformulated fuels—particularly, the anti-backsliding provisions in Section 834—are implemented. EPA has informed my staff that they would interpret the provisions in question as providing them with adequate authority to do so. It would seem logical that such authority would be used as it was in the case of the rule, regardless of whether the situation is a state ban or a Federal ban on MTBE.

Mr. CORZINE. I very much appreciate the Chairman's answer, and believe that EPA should be able to retain and incorporate existing baseline adjustments granted under the MSAT rule into the baselines that will be established under Section 834(b).

I wonder whether the Chairman could answer another question in this regard. If the MTBE ban proposed in S. 517 takes effect before or supersedes the implementation of existing state MTBE bans, is S. 517 intended to negate baseline adjustments that refer to or are based upon those state laws?

Mr. JEFFORDS. As the Senator knows, there is no Federal preemption of State law contained in the Subtitle C. In fact, Section 833 of the bill, in

Subsection (d), states specifically that enactment of the federal MTBE ban contained in the preceding subsection will "have no effect on the law in effect on the day before the date of enactment if this Act regarding the authority of States to limit the use of [MTBE] in motor vehicle fuel." And Section 834, in which the anti-backsliding provisions are contained, includes a savings clause (Subsection (d)) that states "[n]othing in this section is intended to affect or prejudice any legal claims or actions with respect to regulations promulgated by the Administrator prior to enactment of this Act regarding emissions of toxic air pollutants from motor vehicles."

Taken together, these provisions are a clear indication that it is the intent of the Senate not to preempt the state laws that were the cause for the baseline adjustment granted under the MSAT rule or to affect any legal claims or actions related to the MSAT regulations, including the sections in that rule providing for baseline adjustments. Furthermore, as I observed in my prior response, fairness would dictate that the result should be the same whether MTBE is banned as a result of this bill or as a result of state law.

Mr. CORZINE. I again thank the distinguished chairman of the Environment and Public Works Committee for his comments and perspective on this issue, as this is a very important issue for my State and region.

Mr. President, New Jersey is the largest user of reformulated gasoline in the Northeast. Hess—through the Port Reading and Virgin Islands refineries—supplies about 13 percent of the reformulated gasoline used in the New York/New Jersey/Connecticut region. Production from Hess's Port Reading refining facility alone translates to 14–20 percent of New Jersey's total gasoline consumption. My office is advised that if S. 517 does not allow EPA to retain existing MSAT baseline adjustments or grant new ones, it will constrict the ability of its Virgin Islands joint venture facility to manufacture reformulated gasoline and may cause Port Reading to close. The reformulated gasoline supplied by these two refineries, as I noted previously, today has almost 60 percent less sulfur and 35 percent less benzene than the refinery industry average and would be replaced by other suppliers, who would supply less clean gasoline on average. Moreover, New Jersey could lose a major employer in the form of Port Reading which, in addition to producing clean gasoline, has been identified as among the top environmental performers for refineries in the country in Environmental Defense's most recent rankings.

As a matter of sound environmental policy, refiners who voluntarily cleaned up gasoline by removing dirtier components before the baseline period should certainly not be put in a worse position than refiners who waited until regulations forced them to reduce toxic air emissions. Nor should such refiners reap a windfall under S. 517 by having clean refiners end up buying credits from them to stay in business.

I greatly appreciate the interest my Chairman on the Environment and Public Works Committee has shown on this issue, and hope we can work together, along with other interested Senators, to remedy this situation on this and any future legislation that may carry similar provisions.

PRIVATE USE CLARIFICATION

Mr. KYL. I would like to engage in a colloquy with the chairman of the Senate Finance Committee in order to discuss an issue that I know the chairman, the ranking member of the committee and their staffs have been attempting to address for some time. Specifically, we all know that the electric industry is undergoing significant change However, certain tax provisions, drafted long ago, appear to obstruct the current restructuring of the industry. The Senate Finance Committee has attempted to better understand these tax and non-tax conflicts in the rapidly changing national energy environment by directing the Department of the Treasury to conduct an ongoing study of the issue and report back to the tax-writing committees on an annual basis with legislative recommendations. In addition, the manager's amendment to the tax title to the energy bill before us on the floor has provisions that will facilitate restructuring for cooperatives and investor-owned utilities.

Public power utilities need to know how they can operate in this new environment. This guidance is especially critical given the lack of a legislative solution to modernize Federal "private use" tax laws passed in the mid-1980s. I rise today to suggest two mechanisms that will provide very limited, but necessary, guidance for public power utilities. I believe both of these mechanisms can be addressed either through administrative guidance or legislation.

First, the report of the Senate Finance Committee urges the Department of the Treasury to finalize as quickly as possible regulations relating to the definition of private activity bond for public power entities. In adopting these regulations, the committee hopes that the Treasury will use its regulatory authority to provide flexibility to foster the participation of public power in a restructured electric industry. I believe that finalization of the regulations is important.

I further believe that flexibility may be provided in the regulations by, among other measures, lengthening the term of the short-term output contract exception to 5 years; providing specific, more flexible guidelines for utilities to replace load lost from participating in the open access of their transmission facilities; and allowing the advance refunding of bonds used to finance transmission facilities used in open access or regional transmission organizations. I would hope that the legislative history to the tax title to the energy bill would urge the Treasury Department to consider adopting these items to the greatest extent possible when the private activity regulations are finalized.

Second, public power utilities historically finance aggregate generation, transmission and distribution needs with tax-exempt debt and electric system revenues, equity. Moreover, these construction needs are often financed on a system, versus a project, basis. This means that each dollar of borrowing is not tied to a dollar investment in specific projects. This is a common utility practice, but one that complicates the ability to manage private use limitations in the current environment.

Current law does not provide specific guidance in this area, though the Internal Revenue Service has issued individual private letter rulings to entities other than utilities that have sought clarification on the ability to allocate private business use to equity. Unfortunately, the private letter ruling process can be lengthy, administratively cumbersome and not viable were a large number of utilities to pursue this remedy. A modest solution to this issue would be to provide that the portion of a public power utility's system that is financed with amounts other than tax exempt-debt can be used without regard to private use limitations. Public power systems then have a strong incentive to finance projects with equity or taxable debt rather than tax-exempt bonds.

Specifically, language to provide broad guidance in this area could state:

> If, after first allocating private business use contractual sales to the portion of electric output facilities financed with equity or taxable debt, the remaining amount of such contracts, if any, when allocated to the tax exempt bond-financed portion of the facilities would not cause the private business use test to be exceeded, then the private business use limitations are deemed not to have been exceeded.

I have been informed by the Treasury Department that they believe that they have the authority to address this issue and are working on published guidance in this area. Unfortunately, the Treasury and the Internal Revenue Service have been working on comprehensive allocation regulations for some time and guidance is needed now. Therefore, I would again hope that whatever legislative history that emerges with respect to the tax title to the energy recognize the ability of a public power system to allocate its equity to investments in as flexible a manner as possible.

I hasten to add that these two suggestions do not provide a comprehensive fix to the numerous technical private use problems that require the attention of this body. However, it will provide necessary guidance to public power utilities at a time when managing private use has become increasingly challenging due to industry events. Moreover, they will not upset the competitive balance in the industry.

I ask the distinguished Chairman of the Committee on Finance if I can count on him to support language with respect to these two items in any report that this body or the conference may issue.

Mr. BAUCUS. The Senator from Arizona can count on my support in ensuring that guidance with respect to the finalization of regulations relating to the definition of private activity bonds for public power entities is provided at the earliest opportunity and most certainly in conference. Regarding the ability to allocate private business use to equity, I look forward to working with my colleague to fashion an appropriate remedy for this important issue.

NATIONAL SCIENCE AND TECHNOLOGY ASSESSMENT SERVICE

Mr. McCAIN. Mr. President, section 1601 of title XVI of this bill would establish a National Science and Technology Assessment Service to develop information for Congress relating to the uses and application of technology to address current national science and technology policy issues. Everyone in this body appreciates that the science and technology policy issues that we face today are diverse and complex. Clearly there is a need for some reliable means for Congress to receive timely, unbiased information on such matters.

However, I am concerned that the details of the organizational structure being proposed in this section have not been fully vetted. No hearings were held on the proposal. Many of those interested are not locked into this particular design proposal, but feel that there is a valid need for such an organization. I hope that we can revise the title XVI provisions to ensure that it meets the needs of Members. Many of us recall the former Congressional Office of Technology Assessment which was abolished in 1995 over concerns about its ability to provide timely information to Members of Congress. Oftentimes their reports were released after a vote on a particular issue, rendering them useless from a Congressional standpoint. There were also concerns that the office had grown to be much larger than originally anticipated. By the time the office was abolished, it had grown to have an annual budget of approximately $22 million and had over 200 employees. The cost of an average report was around $400,000.

I believe that the authors of this title XVI intend that the assessment service be an unbiased, nonpartisan entity whose reports and recommendations would be widely accepted by the Congress. To create such an entity with instant credibility, requires an open process for considering different approaches to structuring it. Without this opportunity and process, the established service may not be received as a reliable non-partisan entity. Without such a reception, the service would be essentially useless.

Although I have filed an amendment that would delete this title from the bill, I am hereby withdrawing that amendment. I hope to work with the chairman of the Commerce Committee, Senator HOLLINGS, to further review the provision while the Energy bill is in conference with the House. I urge Senator HOLLINGS to hold hearings on this proposal to allow for an open debate on the needs and benefits of the congressional service. I further urge the chairman to engage other committees and Members in these discussions.

Mr. HOLLINGS. Mr. President, I thank Senator McCAIN for his comments and his willingness to work with me on this issue. The need for reliable, sound advice to Congress on scientific and technology issues has never been greater. Many of the issues that we tackle every day involve some scientific or technological element.

Congress needs to be sure that it can avail itself of excellent scientific analyses on complex issues. The advice that we were able to receive in the past from the Office of Technology Assessment on such issues as climate change and homeland security is sorely missed. As Senator McCAIN noted, any assessment service for the Congress needs to be non-partisan and effective. I look forward to discussions with the ranking member of the Commerce Committee, as well as other members of the Senate, regarding the proposed structure of the National Science and Technology Assessment Service and possible changes to that structure.

REQUEST FOR TAX MODIFICATION

Mr. HARKIN. Mr. President, I have long been interested in providing a modification in the tax law allowing a historic hotel in my State to be restored and used as housing for lower income elderly people. Unfortunately, as the chairman knows, the tax laws often determine the viability of the project and this modest sized project is more complex then most of its size.

Mr. BAUCUS. Mr. President, I appreciate the Senator from Iowa's concern and his persistence. However, because the provision is not an energy tax proposal, it is not appropriate for it to be included in this energy bill. But I do want the Senator to know that there is sympathy for the proposal, and I do plan to consider its inclusion on an appropriate measure in the near future.

DEVELOPMENT OF HIGH TEMPERATURE SUPERCONDUCTOR TECHNOLOGIES

Mr. SCHUMER. I would like to pose a question to my esteemed colleague from New Mexico, who serves as the chairman of the Energy and Natural Resources Committee. It is my understanding that the Energy Policy Act of 2002 contains language that will direct the Secretary of Energy to conduct research and development activities regarding enhanced renewable energy. Within that language's provisions for electric energy systems and storage, there exists language that directs the Secretary of Energy to undertake demonstration projects to further the development of high temperature superconducting, HTSC, technology. I am seeking the chairman's assistance in clarifying the specific factors and goals that are meant to be associated with these demonstration projects.

It is my understanding that the HTSC technology demonstration projects, which may include HTSC cables, fault current limiters, and power transformers, are meant to focus on the development of second generation YBCO-based superconductors that will make several significant contributions to the electrical system. Furthermore, the high temperature superconductor technology demonstration projects should also have a minimal adverse impact on the environment and land use, and produce environmental benefits by reducing reliance on oil as a cooling agent in electric power devices and reducing harmful emissions caused by fossil-fuel-powered generating plants.

I would like to know if the Senator from New Mexico agrees with my interpretation of the language in the Energy Policy Act of 2002.

Mr. BINGAMAN. I respond to my colleague from New York by stating that I do in fact share his understanding of the intent of the language relating to HTSC research in the Energy Policy Act of 2002.

OIL AND GAS DEVELOPMENT ON PUBLIC LANDS

Mr. DURBIN. Mr. President, I ask the chairman of the Energy and Natural Resources Committee to engage in a colloquy with Senator FEINGOLD and me with respect to oil and gas development on Federal lands, an issue that is very sensitive for Americans right now. There are areas on public lands where we can develop oil and gas resources in a responsible way. But we should not take this fact as a green light to degrade environmentally sensitive lands, which should be preserved for generations to come. We need to recognize that the Secretary of the Interior, as the steward of our public lands, must consider a range of factors when developing and use plans for public lands. The Secretary of the Interior is not just in the business of energy—lands administered by the Bureau of Land Management are multiple use lands and the Secretary is required to take many factors into consideration when developing land use plans, including the recreation, range, timber, minerals, watershed, wildlife and fish, and natural, scenic, and historic values.

The Bureau of Land Management has authority to lease public lands for oil and gas development under the authority of the Mineral Leasing Act, and this authority is referenced in section 602 of the energy bill. However, before the BLM exercises its authority, I believe that it is important that the secretary consider the characteristics of the land, including whether the land exhibits wilderness characteristics. For example, section 102 of the National Environmental Policy Act requires the Secretary to consider "any adverse environmental effects" and "any irreversible and irretrievable commitments of resources" that would result from proposed agency actions. In addition, section 202 of the Federal Land Policy and Management Act requires the Secretary to develop and maintain land use plans for public lands administered by the BLM, using and observing the principles of multiple use and sustained yield, and among other criteria, "giv[ing] priority to the designation and protection of areas of critical environmental concern." Does the Senator from New Mexico agree that section 602 of the Energy Policy Act does not change the Secretary's obligation to comply with all laws and regulations applicable to the BLM's onshore oil and gas program, including applicable requirements under NEPA, FLPMA, and other laws designed to protect environmental values and sensitive areas on public lands?

Mr. BINGAMAN. The Senator from Illinois is correct. Section 602 simply states that in order to ensure timely action on oil and gas leases and applications for permits to drill on lands otherwise available for leasing, the Secretary of the Interior is required to ensure expeditious compliance with the requirements of section 102(2)(C) of NEPA, improve consultation and coordination with the States, improve the collection of information related to such leasing activities, and improve inspection and enforcement activities related to oil and gas leases. The section also authorizes appropriations to the secretary. Section 602 does not change any requirements under current law applicable to the management of public lands, including any requirements imposed by NEPA, FLPMA or any other applicable law.

Mr. DURBIN. I thank the chairman. It is my understanding that the current BLM policy requires the agency to consider activities on lands proposed for special designations, such as Areas of Critical Environmental Concern and Wilderness Study Areas, and, subject to valid existing rights, to avoid approval of proposed actions that could degrade the values of potential special designations. Does the Chairman agree that section 602 does not affect this policy?

Mr. BINGAMAN. The Senator from Illinois is correct.

Mr. FEINGOLD. The Senator may be aware that citizens' groups have petitioned the BLM to review several million additional acres for wilderness designation, but these lands are largely not protected from oil and gas development. The BLM's "Wilderness Inventory and Study Procedures" manual requires the BLM review wilderness recommendations received from the public, and to make a determination as to whether there is a reasonable probability that the area in question may have wilderness characteristics. If the BLM determines that the area may have wilderness characteristics, and if actions are proposed that could degrade the wilderness values, the BLM "should, as soon as practicable, initiate a new land use plan or plan amendment to address the wilderness values." Does the chairman agree that section 602 does not alter this policy, that the BLM must review wilderness proposals it receives from the public?

Mr. BINGAMAN. The Senator is correct, Section 602 does not change any existing requirements or policies, including the potential wilderness review policy.

Mr. FEINGOLD. I thank the chairman.

PROTECTING LEASES ON THE OUTER CONTINENTAL SHELF

Mrs. BOXER. Mr. President, I rise to discuss an amendment that I have been working on with several of my colleagues for some time now. The amendment is based on S. 1952, a bill that would reacquire and permanently protect certain leases on the Outer Continental Shelf off the coast of California by issuing credits that can be used to develop energy resources elsewhere in the country.

As you know, for decades, Californians have opposed oil and gas drilling along their coasts. We vividly remember the horrific oil platform rupture and oil spill that occurred off the coast of Santa Barbara in 1969. The ecological implications of that spill and the many other spills and leaks associated with the rigs that are currently along our coast are still being felt by Californians living along the coast.

Unfortunately, 36 more leases off our coast remain eligible for oil and gas development and four additional leases remain in legal limbo.

That is the last thing Californians want or need.

In fact, the State of California has taken the Department of the Interior to court over whether the State has the ability to deny these leases. I strongly support the State in this effort and have joined Representative CAPPS of California in filing an amicus brief in support of the State's position.

I believe every State should have the right to deny oil and gas development off their shores, as offshore activities inevitably impact the people and resources that are onshore. Last year, I reintroduced legislation, the Coastal States Protection Act, to place a moratorium on new drilling leases in Federal waters that are adjacent to State waters that have a drilling moratorium. That bill, however, addresses only future leases.

With regard to the undeveloped existing leases off of California's coast, I believe a proactive approach is needed. These leases are in the midst of protracted and contentious litigation. I do not believe, however, that any interests are best served by waiting for the courts to sort this out. I have been approached by California lessees that want out of California. I want them out; the State wants them out; and the people of California want them out. Instead of hoping the courts reach the same solution, I think it vital that we seek legislative action to eliminate any threat of future drilling off California's shores and remedy this situation as soon as possible.

That is why I have continued to work on this language with my colleagues to find a compromise that would protect the fragile environment off the California coast and at the same time redirect the financial resources for energy production to other areas where it can be used to meet our country's energy needs.

In short, we are working to rid California of unwanted drilling, end a protracted legal battle in which nobody wins, and free the financial resources of the lease owners so that they may produce energy elsewhere. Our goal is a win-win situation.

However, this is a new idea that has significant implications and we have not yet been able to work fully through all of the details. For that reason, I will not offer this amendment to the Energy Bill and will instead try to build consensus around this concept. I am committed to continuing to work on this issue with my colleagues because I know they too are committed to the same goal.

Mr. CAMPBELL. Mr. President, I rise to associate myself with the goal of the Senator from California. One of the California lessees has their headquarters in Colorado. I know that this company has wasted a great deal of time, money and effort in the unproductive leases off the coast of California. It is time for this company to be allowed to recoup its costs so that they can be redirected to more promising development opportunities elsewhere.

We need to enhance our domestic energy production in the interest of national security, and so we have to find a way to reconcile the competing interests of the California environmentalists, the Department of the Interior and the oil companies. We can all agree that our nation needs to produce more energy and that we must do so in environmental sensitive ways. However, the owners of the leases have had their hands tied in California for 20 or more years to no one's satisfaction. It is time to move on, so that both important national goals can be met.

I applaud the efforts of Senator BOXER to continue to seek a compromise that balances the environmental concerns with the need to fairly compensate the companies for their leases so they can redirect their efforts toward the production of more energy for our nation.

Mr. BINGAMAN. Mr. President there is no aggressive advocates on this issue than Senator BOXER. I am willing to continue working with her to see if there is a solution that addresses the environmental concerns of her state, the concerns of the oil and gas industry, and the need to develop additional energy resources. I also want to thank the Senator for her willingness to put their issue aside for now so that consensus can be reached. I am hopeful that through continued efforts we will be able to achieve that consensus.

COMPREHENSIVE STUDIES OF SHALLOW UNDERGROUND STRUCTURES HOLDING NATURAL GAS

Mr. BINGAMAN. I would like to pose a question to my esteemed colleague from Kansas. It is my understanding that there was a terrible accident involving the death of several people in Kansas from the leakage of natural gas from a shallow underground storage structure. As a result, you are offering a noncontroversial amendment to authorize the Department of Energy to conduct a detailed study on the engineering and geology aspects of these shallow underground structures so that their safety can be assessed on a rigorous basis. I appreciate my colleague's desire to work with me on addressing this issue in conference. I agree with him that it can be dealt with in the conference appropriately without taking up valuable Senate floor time.

I would just like to clarify that as this Energy Policy Act of 2002 moves into conference, if the good Senator from Kansas that it might be appropriate to move some of the detailed language under your amendment's section (c) to the subsequent conference report so that it gives the proper guidance and intent to the deparment?

Mr. ROBERTS. I thank my good colleague from New Mexico for understanding the reason why this amendment is important to not only my state but the safety of future underground shallow gas structures in the entire U.S. I look forward to working with him and the Senate conferees on the energy bill to ensure the proper report language is in the conference report based on the legislative language in my amendment.

AMENDMENT NO. 3185

Mr. KYL. Mr. President, on April 22, I submitted amendment No. 3185 which addresses service obligations of load-serving entities. This amendment gives specific direction to FERC in exercising that authority. It amends title II of S. 517 to require FERC to ensure that utilities with service obligations are able to retain existing firm transmission rights in order to meet those obligations.

This amendment allows FERC to go forward with its program to establish a standard market design for wholesale electric markets while at the same time ensuring that transmission owners and holders of firm transmission rights under long-term contracts are able to retain sufficient transmission rights to meet their service obligations under Federal, State, or local law, and thereby to protect retail customers.

This amendment has been reviewed by the Administration, FERC and a number of key participants in the electric restructuring debate. I believe we have some agreement on the concept, but need more time to work out the language. Accordingly, I am not offering the amendment now but would like to work with the managers of the bill to come up with an acceptable version.

Mr. MURKOWSKI. I thank the Senator from Arizona for bringing this very imporatnt concept to our attention. We very much want to work with him to develop an acceptable service obligation amendment.

Mr. BINGAMAN. I thank the Senator from Arizona for not pursuing his amendment at this time, and I agree to work with him to try to find an acceptable solution. To further this effort, I am willing to hold a hearing on the matter.

Mr. SMITH of New Hampshire. Mr. President, I am very pleased that the energy package the Senate will pass contains a solution to the MTBE problem. This comprehensive MTBE legislative package protects our drinking water while preserving air quality and minimizing negative impacts on gasoline prices and supply. Solving the MTBE has been one of my top priorities for over two years. My legislation was voted out of committee both last Congress and this Congress, and I am pleased that it was finally passed by the full Senate.

As Chairman of the Environment and Public Works Committee, I held a field hearing in Salem back in April 2001 to hear from the folks in New Hampshire about their MTBE problems. I have come to the floor on several occasions to speak specifically about New Hampshire families and small businesses that have been impacted by MTBE contamination. I have visited with many of my constituents who suffer with MTBE contaminated wells.

The Miller family—Christina and Greg, and their son Nathan—live in Derry, New Hampshire. This young family has been struggling for over three years with the MTBE contamination in their well. I spent time at the Four Corners Store and surrounding homes in the Town of Richmond, New Hampshire. Although the store's underground storage tanks are in compliance with the law, an MTBE plume persists from a tank that leaked years ago. This plume has contaminated a number of private wells of the homes near the Four Corners Store. The Goulas and Frampton families who live close to the Four Corners Store, were kind enough to invite me into their homes, and show me the massive treatment system that had been installed by the State. I am very pleased that I can tell these families and many others in New Hampshire that we are one important step closer to having an effective solution to the MTBE problem.

Specifically, this legislation bans MTBE; provides money for the cleanup of MTBE; eliminates the oxygen mandate in the RFG program, and maintains the current level of air quality protection. Additionally, the legislation requires the Environmental Protection Agency (EPA) to conduct an expedited review of state petitions to suspend the oxygen mandate in the RFG program. If the EPA fails to complete the review of a State petition within 30 days, the petition will automatically be granted. This provision could allow New Hampshire to begin to eliminate MTBE from the fuel system even before the oxygenate mandate is lifted.

Finally, the language includes $2 million for the research of techniques to cleanup bedrock contamination and to establish a clearinghouse for sharing the information. According to Dr. Nancy Kinner, a scientist from the University of New Hampshire, tracking and cleaning up MTBE in fractured bedrock is one of the greatest challenges we face as a result of MTBE leaks. This research will help to address that problem.

Mr. President, this was not an easy compromise to reach, but we have come together on an effective solution. I want to thank Senator DASCHLE for including my MTBE legislation in this energy package from the beginning of this process. I would also like to thank the Majority Leader for working so hard with me and other members to hammer out a compromise package and ensuring passage. Senators MURKOWSKI, INHOFE, and VOINOVICH were in tough positions but they worked tirelessly to come to this agreement—without them, we could not have solved the MTBE problem. I would also like to thank the stakeholders, including the refiners, ethanol producers, and environmental groups—all of whom have worked with me over the last few years to reach a consensus.

Last, I would like to thank all the Senate staff who worked on this package. Specifically, I would like to mention David Conover, Chris Hessler, Melinda Cross, Eric Washburn, Chris Miller, Alison Taylor, Janine Johnson, Dan Kish, Jamie Karl and Andy Wheeler. I am pleased that this comprehensive solution is supported by so many of my colleagues.

Mr. BIDEN. Mr. President, the energy bill that we will pass today is not the most perfect bill—there are a number of things in this bill that I don't like. What we will pass today is the product of two months of debate and changes, and it is a compromise. It offers the basis for a comprehensive and balanced plan to address the energy needs of this country.

Anyone who drives a car or pays an electric bill knows that over the past two years there have been huge fluctuations in oil and gas prices. The bill that will pass the Senate today by a bipartisan vote will increase energy supplies—fossil fuels and alternative sources such as ethanol, biodiesel, wind, solar and geothermal—will help stabilize prices, and will do so in an environmentally sensitive way. It provides tax incentives to spur new oil and gas production and development of renewable sources, while also promoting responsible conservation. It includes important consumer protections and assistance for low income persons, particularly the elderly who live on fixed incomes. And I was also pleased that this bill protects the Arctic National Wildlife Refuge from oil drilling, and takes important steps toward cutting greenhouse gas emissions.

I am voting in favor of this bill today because it provides an important framework for a national energy policy. I think that there is more we can do and I am hopeful that in conference, the House and Senate will work together to improve this legislation.

Mr. NELSON of Nebraska. Mr. President, I rise to explain the reality of ethanol production in the United States and do so in opposition to the amendment to postpone the renewable fuels standard implementation date.

There are currently 61 ethanol plants with the capability of producing 2.3 billion gallons of ethanol per year, the amount required by the current RFS on the starting date of January 1, 2004. Some opponents of the RFS claim ethanol plants operate at only 82 percent of capacity.

We have tried to explain that production is below capacity because the market for ethanol at a fair price is below production capability. In previous testimony, I have explained that certain big oil and gasoline companies simply refuse to use ethanol even when wholesale price is well below the wholesale price of gasoline and ethanol's high octane number is a free benefit. The RFS will change that situation.

However, to ease the concern of the RFS opponents, we have accepted their production number of 1.7 billion gallons in 2001—not the 2.3 billion gallon capacity.

There are currently 16 new plants under construction that will add another 400 million gallons of capacity, raising the total to 2.7 billion gallons of ethanol by year's end. Again, taking our opponents numbers, total production is forecast at 2.2 billion gallons.

From a review of proposed new ethanol plants in various stages of planning, design, engineering, permitting and financing, we can very conservatively estimate that another 300 million gallons of production capacity will come on line in 2003, to give us a total of 3 billion gallons capacity and 2.5 billion gallons of production, using the estimates of RFS opponents.

I know ethanol plant operators; they will exceed nameplate capacity when the market is there and the price is fair. We should also have well over 70 million gallons of biodiesel production by 2004. This is equivalent to about 100 million gallons of ethanol, using the 1.5 to 1 ratio for biodiesel and cellulosic biomass allowed by the RFS.

Consequently, without unforeseen obstacles, America will have the capability to produce about 3 billion gallons of ethanol when the RFS requirement is only 2.3 billion gallons to be used throughout 2004—giving us still more construction time in 2004. If a disaster hits, there are safety features in the RFS to deal with the problem.

I might add it is far more likely that a disaster in oil and petroleum product availability will occur than a shortage in the supply of ethanol. Should a fossil fuel disaster hit, ethanol supplies will be most welcome in keeping the price of gasoline down.

I will add to the RECORD an op-ed article written by a professor of rural sociology and environmental studies at the University of Wisconsin in Madison. It appeared in The Washington Post on April 4. It is titled "Why We Can't Drill Our Way to Energy Independence." Professor Freudenburg ends his article with these thoughts: "Only if we recognize the facts can we start to talk about a realistic energy policy. If the United States is ever to become energy-independent again, it won't be because of oil."

The professor is right, and Senator KERRY was right when he said we have to create our way out of our dangerous dependence on foreign oil dependence.

I wish my colleagues, determined to weaken the ethanol industry, would join the creative team by recognizing ethanol, biodiesel and other biofuels are a big part of the solution. We are all patriots. We are clear-sighted and determined to protect our national interest abroad and homeland security in America.

We seem, however, myopic in fully appreciating that transportation fuels do much more than move us to our jobs, our kids to school and goods to the market. They are absolutely vital to our economy, our well being—and to national and homeland security. Interrupt the flow of fossil fuels in our transportation sector and we are weakened in all of these sectors.

We must break that direct connection between fossil fuel imports and the overall well being of America. We can do so through the biofuels provisions in the RFS.

If we were real patriots, we would push beyond the goal of about 3 percent replacement by 2012 and set a goal of 10 percent or about 14 billion gallons by that year. In Nebraska, Iowa, Minnesota, and Illinois we are already well above the 10 percent mark.

For almost all States outside the Corn Belt, there are ample supplies of cellulosic biomass including agricultural and forestry crops and residues, rights-of-way, park, yard and garden trimmings and the biomass and fraction of municipal waste that is a disposal problem, and ends up in land fills and sewers.

We are on the cusp of the science and technologies to cost effectively convert this biomass into biofuels, bioelectricity and biochemicals. That is why I am promoting a "Manhattan" type approach in order to rapidly move forward with large demonstration plants and then on to full commercialization.

By working together and with adequate resolve, we can make the 10 percent goal and go beyond to the benefit of America's national, energy, and homeland security and its economy through new basic industries, quality jobs and an expanded tax base. The environmental benefits are equally important.

If the Senator from California is concerned about ozone formation resulting from the introduction of ethanol, she should look to Chicago and Milwaukee where they have been essentially using ethanol blends for years with air quality steadily improving.

If the California Senators are concerned about benzene in their ground water, they should call for reductions in benzene and other aromatics in gasoline. These other aromatics, toluene and xylene, partially break down into benzene, a potent carcinogen, in the combustion process, both in the engine and the catalytic converter. Ethanol can replace these aromatics to the overall benefit of the environment.

California will ban MTBE in 2004. Yet, the California Senators oppose the introduction of ethanol to replace MTBE. They want to turn to the aromatics and alkylates to meet supply and octane needs. The availability and costs of alkylates are unknown. The adverse environmental and health effects of aromatics are well known. Therefore, to accept aromatics and to oppose ethanol is a disservice to the people of California.

The opponents of ethanol bring up the possibility of price fixing by the ethanol industry. I believe bringing such unsubstantiated claims to the Senate, and used as arguments to damage the ethanol industry in its entirety while the future of ethanol is being debated, is regrettable. This sudden flood of media on this issue cast suspicion on the reality of these claims, and leads one to believe that enemies of ethanol are simply continuing their campaign to tarnish ethanol's reputation and the industry in its entirety.

If there are concerns about the price of ethanol, the reality of the marketplace should provide needed comfort. At the wholesale level, ethanol prices are well below those for MTBE, ethanol-free gasoline, the aromatics and, we assume, alkylates, since wholesale prices for this gasoline component are not available.

The RFS is the best option we have to reduce our dangerous dependence on imported oil and to gain other benefits I have already outlined. It is time to bring this debate to a close and to seriously move forward with national determination to lead the world in the production of biofuels, bioelectricity and biochemicals using cellulosic biomass and waste streams as feedstocks.

Mr. President, I ask unanimous consent the op-ed from the Washington Post be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 24, 2002]

WHY WE CAN'T DRILL OUR WAY TO ENERGY INDEPENDENCE

(By William R. Freudenburg)

WASHINGTON, Apr. 24.—It's time for a reality check on energy policy.

Politicians are fond of claiming that increased domestic oil production can restore energy "independence," but anyone who actually believes those claims is living in a world of self-delusion. U.S. energy independence hasn't been physically possible since the days when Elvis was still singing, and if we're talking about oil, it won't ever be possible again.

There are two reasons. One is that the United States simply uses too much oil, too wastefully. The other is that we've already burned up almost all the petroleum we have. The calls for "energy independence" aren't based on realism; they're based on nostalgia.

To be fair, we've had quite a petroleum history. Back in 1859, the United States was the country where the idea of drilling for oil originated, and for nearly a century thereafter, we were a virtual one-nation OPEC. Save for a few years around the turn of the last century, the United States produced over half of all the oil in the world more or less continuously until 1953.

But ever since then, our proportion of world oil production has been dropping, with only minor fluctuations, no matter how much our politicians have tried to stop the slide. Ironically, around 1973, when President Nixon's "Project Independence" first brought the issue of energy policy (and the idea of energy "independence") to the minds of most Americans, the country moved decisively in just the opposite direction from independence. Even during the massive push to increase U.S. oil production in the years of Ronald Reagan and James Watt, the only real effect was a tiny increase in the U.S. proportion of world oil production—from 14.5 percent to 16.8 percent—between 1980 and 1985.

By the time Reagan left office, physical reality had reappeared, and the U.S. share of world oil production was even lower than when he started. In recent years, we have produced less than a tenth of the world's oil.

Why have politicians been arguing about oil exploration on the northern edge of Alaska, even as we keep moving further off the southern edge of the continent, into the ever-deeper waters of the Gulf of Mexico? It's simple: We've already drained almost everything in between.

Politically savvy spin doctors may be able to get many Americans to overlook the facts, at least in the short run, but they aren't going to change reality, and the aren't going to turn back the clock. According to the American Petroleum Institute, the United States is now down to just 3 percent of the world's proven reserves of oil. Wishful thinking isn't going to change that.

Unless the politicians can figure out how to turn their hot air into oil, we need to face the facts: It is no longer possible for the United States to drill its way to energy independence. This country simply doesn't have that much oil left, and if we use that oil faster, we will just run out sooner.

Only if we recognize the facts can we start to talk about a realistic energy policy. If the United States is ever to become energy-independent again, it won't be because of oil.

Mr. FEINGOLD. Mr. President, energy policy is an important issue for America, and my Wisconsin constituents take it very seriously. The bill before us seeks to address the balance of domestic production of energy resources versus foreign imports, the tradeoffs between the need for energy and the need to protect the quality of our environment, and the need for additional domestic efforts to improve our energy efficiency, and the wisest use of our energy resources. Given the importance of energy policy, an energy bill is a very serious matter, and I do not take a decision to oppose such a bill lightly. Mr. President, in my view, this bill does not achieve the correct balance on several important issues, and I will oppose this bill.

Though the bill as amended will revitalize the Federal Government's responsibility to regulate fuel economy, it weakens current law and exempts pickup trucks from any future increases in fuel economy standards. The amendment by the Senator from Michigan, Mr. LEVIN, on fuel economy which I supported requires the Department of Transportation to develop new fuel economy standards in 15 months for light trucks and 24 months for passenger cars. Taking pickup trucks off the table undermines a serious effort to re-think our fuel economy policy in a rulemaking context, and it is a direction I oppose.

In addition, Mr. President, as introduced, this bill contained a renewable energy portfolio standard requiring electric utilities to generate or purchase 10 percent of the electricity that they sell from renewable sources by 2020. I supported an amendment offered by the Senator from Vermont, Mr. JEFFORDS, to increase this percentage to 20 percent, but on the floor the Senate adopted amendments to water it down to 8 percent. Moreover, with the exemptions for some utilities added to the bill, the real effect will be about 4–5 percent new generation from renewable sources by 2010. We can and should do more to use renewable sources of energy, and this bill should have set a serious target.

In addition, this bill repeals the proconsumer Public Utility Holding Company Act, the Federal Government's most important mechanism to protect electricity consumers. The Senate failed to adopt the amendment by my colleague from Washington, Mrs. CANTWELL, to strengthen consumer protections which I helped write and co-sponsored. The bill should have given the Federal Government more oversight over utility mergers and should have prevented utilities from passing on the costs of bad investments to consumers and from using affiliate companies from undercutting small businesses. Also the electricity provisions of the bill do not re-regulate trading of energy derivatives. This would have been addressed by an amendment offered by the Senator from California, Mrs. FEINSTEIN, which I supported, which would have fostered a more stable market with transparent transactions and helped to prevent another Enron.

Finally, I am also concerned that we added $14 billion in tax breaks without paying for them on this bill. Our budget position has deteriorated significantly over the last year, in large part because of the massive tax cut that Congress enacted. We now face years of projected budget deficits. The only way we will climb out of this deficit hole is to return to some sense of fiscal responsibility, and first and foremost that means making sure that the bills we pass are offset. Without offsetting the cost of the tax package, we are digging our deficit hole even deeper and adding to the massive debt already facing our children and grandchildren.

The American people deserved better with this bill, and I cannot vote in favor of it. This measure will need to improve in Conference to get my vote, and I look forward to an improved bill.

Mrs. BOXER. Mr. President, I will vote against the energy bill because it is a bad bill for California and the nation.

The bill includes an ethanol mandate for California that will raise gas prices. Cleaner air for California can be achieved without this mandate. Ethanol has been given a liability waiver if there are adverse consequences from its use. I tried to eliminate this waiver but lost on a 42–57 vote. We already know that ethanol may spread plumes of harmful chemicals, such as benzene, toluene, ethyl benzene, and xylene. So this is a dangerous waiver.

The energy bill does not do enough to protect consumers from another electricity crisis. I worked to include a measure in this bill that would have guarded against future market manipulation by companies like Enron by increasing oversight of the electricity market. Companies would be far less likely to gouge consumers if these additional protections were in place, but the Senate refused to pass this vital measure.

Also, I am disappointed that the Senate walked away from reasonable fuel economy standards and stronger air conditioner efficiency standards, which are so important to our environment and to lessening our dependence on foreign oil.

The "good guys" have had few wins. We were able to keep the provision of the bill to provide tax credits for alternative energy sources and alternative fuel vehicles. And we defeated an attempt to open the Alaska Wildlife Refuge to drilling, for which I am very thankful to the grassroots of California for all their efforts. But drilling in Alaska did get 46 votes, and I am concerned that with the bill passing the Senate, drilling in Alaska may not be dead in the conference committee.

In conclusion, the bill does more harm than good for the people of California.

Mr. KENNEDY. Mr. President, I must rise, regrettably, to oppose the energy bill. This legislation means higher gas prices and lower environmental protections for the American people, and it should be opposed.

I commend Senators BINGAMAN and DASCHLE for their leadership and their tireless work on this initiative. I believe I could have lived with many sections of the bill as introduced. I know there are many issues regarding our national energy policy upon which Senator DASCHLE, Senator BINGAMAN and I agree. However, in my opinion the bill in its current form falls far short of the mark for environmental and consumer protections, and forces us to rely on oil more than innovation for our energy needs for the foreseeable future.

The energy bill as introduced wasn't as bold as it could have been, but it represented an improvement over the status quo. It had higher goals for renewable energy. It maintained some consumer protections. There are still provisions in this bill that deserve everyone's support. It's true that we are raising the bar a bit in calling for renewable energy, though not enough. We're providing some tax credits for renewable energy production and energy efficiency. We're improving pipeline safety. We're investing resources in making renewable energy more efficient and profitable. We're conducting research on finding the most appropriate and effective places to site renewable energy facilities. We spoke very clearly that drilling in the Arctic Natural Wildlife Refuge is not in the interests of our economic or national security.

I am also pleased with Senator BAYH's leadership on clean-burning school buses, and I look forward to continuing our work together on this very important issue.

But I think this bill doesn't do enough to ensure that efficiency is a serious component of our energy policy. I commend Senators KERRY and MCCAIN for their efforts on fuel economy standards, but I'm very disappointed in the vote on CAFE. I'm also disappointed that the Senate couldn't find an agreement to set broad goals for fuel consumption as reflected in the Carper amendment. I fear we will be forced to revisit this issue again sooner rather than later.

I'm very concerned that we didn't do enough to protect consumers in this bill. Energy industries wanted fewer regulatory restrictions, and were rewarded in this bill. The underlying bill had adequate consumer protections, but they were watered down by amendments. In today's fast-paced world of energy trading, and mergers, we should err on the side of transparency and consumer protection. The energy bill doesn't do that.

I'm particularly concerned about the potential harm to the environment in this bill. This bill supports hydraulic fracturing. It forces States to use ethanol—and while ethanol clearly addresses air pollution, I'm concerned that the residue created by ethanol, known as EBTE, could pollute our water supply. We shouldn't be trading clean water for clean air.

The fuel oxygenate mandate provisions are cumbersome for Massachusetts. It forces our state to use more ethanol than it will be able to accommodate for several years. The infrastructure to transfer ethanol is inadequate, and when Massachusetts finds itself unable to meet the mandate, it will be forced to pay a credit—increasing gas prices at the pump. I'm also concerned about the impact to the highway trust fund—Federal resources from the gas tax should be spent on repairing and constructing roads and bridges. More ethanol would reduce the revenues in this fund and compromise our ability to maintain our transportation infrastructure.

I am very concerned about the liability protections given to industry. We're subsidizing and capping the liability costs of the nuclear industry in this bill—I believe if you're not prepared to bear the total costs of nuclear power, then you shouldn't enter the business. We're giving blanket product liability protections to fuel additive manufacturers, even though we don't have adequate information on their safety if they drain into our drinking water. An energy bill should be about innovation, conservation, and security—not about providing yet more liability protections for corporations when their products hurt people or the environment.

This bill has some improvements, but I'm sure the Senate could do better.

Mr. MCCAIN. Mr. President, regarding this energy proposal before the Senate proceeds to a final vote today. For 6 weeks, we have debated various aspects of this energy proposal. It's been the most exhaustive debate on energy related issues since 1992 when previous energy legislation was enacted.

In that 10-year time span, unfortunately, conditions have only worsened. America's dependence on foreign oil has increased from 46 percent to 57 percent. In 1992, gas prices were $1.13 per gallon. But, in recent times, consumers have had to absorb several price spikes in gasoline prices, some in excess of $2 per gallon. Special interest tax subsidies are also on the rise. In 1992, the Congress enacted $1.5 billion for energy tax credits and benefits for 5 years. This Senate bill includes more than $13 billion for 10 years, and this amount could increase since the House-passed energy bill includes more than $30 billion in energy tax subsidies.

As I listened to many of my colleagues debate these various issues on the Senate floor, the consistent message I have heard from both sides of the aisle is the need for a balanced energy policy, increasing U.S. energy stability, and protecting American consumers. These are all laudable and important goals. The end result, however, is a bill that falls significantly short of these goals and represents more benefits to special interests than to the American people.

One of the stated objectives of this new energy policy is to reduce America's dependence on foreign oil. Regrettably, we missed a critical opportunity when the Senate rejected a proposal to increase fuel efficiency standards, which would have substantially decreased our Nation's dependence on foreign oil and also reduced greenhouse gas emissions. Had we adopted an increase of fuel efficiency standards to 36 mpg average by 2015, we could have potentially saved 2.6 million barrels of oil per day by 2020. This amount is about equal to present imports from the Persian Gulf.

The Senate also rejected a modest effort to mitigate the growth rate of our Nation's oil consumption, which increases each year by an estimated 2.5 percent, by requiring the Secretary of Transportation to reduce the amount of oil we use to power passenger cars and light trucks by 1 million barrels per day by the year 2015.

Both these critical measures would have gone far to improve energy efficiency, the environment, and public health. By increasing CAFE standards by 46 percent and reducing our consumption of oil, we could also have reduced greenhouse gas emissions by 25 percent in Arizona alone, significantly improving the air that is negatively impacting our citizens. Instead, pressure from car manufacturers and industry won the day, and we rejected these modest approaches to improving energy efficiency and public health.

Another big benefactor in this bill is the ethanol industry. Not only does this bill propose a ten-year extension of tax benefits for the ethanol industry, it also requires that ethanol use in gasoline shall be increased three-fold by 2012.

Proponents of the new reformulated fuel standard requirement suggest that their intention is to help farmers, small ethanol producers, and replace the controversial fuel additive, methyl tertiary butyl ether, MTBE, which has been proven to contaminate groundwater. This new ethanol requirement is so important to its sponsors that they willingly override continuing public and scientific concerns about ethanol's impacts on the environment and public health. Unanswered questions remain about the Nation's production and transportation readiness for this expanded market. Billions will continue to be drawn from the Federal treasury to subsidize the ethanol industry.

The ethanol industry has enjoyed extremely generous subsidies for close to 30 years. By any business standard, it should be more than aptly competitive. This is a free market economy, yet, here we are, essentially guaranteeing the ethanol industry a monopoly on the gasoline market for the next 10 years. Plus, this bill continues the 5.3 cents-a-gallon tax subsidy and other ethanol tax benefits, which drain $1 billion annually from the Federal treasury. By tripling the amount of ethanol use, this amount could raise to $2.5 to $3 billion a year. This is poorly conceived public policy, and blatant corporate welfare at its worst.

Back in March of this year, I voted for the Job Creation and Worker Assistance Act of 2002. It was the economic stimulus package that provided temporary assistance for unemployed Americans and their families. At the time, I stated that we should not ignore the plight of millions of Americans who were laid off and wanted to return to work. I also said that my vote for this legislation should not be interpreted as a total endorsement of all of its provisions. Indeed, I stated my serious reservations about a particular provision in the bill that extended a tax credit to the industry in the business of converting poultry waste into electricity until the end of 2003.

Well, guess what? The tax incentives in the energy bill address the very same provision again but with a twist that will cost taxpayers $2.3 billion over the next 10 years. In the past, this income tax credit has been allowed for the production of electricity from either qualified wind energy, "closed-loop" biomass, or poultry waste facilities. But the bill before us not only extends this tax credit until the end of 2006, it also expands the qualifying energy resources to include geothermal energy and solar energy, "open-loop" biomass, and swine and bovine waste nutrients.

I am certainly glad that we have gone beyond helping the chicken waste industry now. Now, we have eliminated the discrimination in favor of chickens. We are awarding the productive use of the waste of pigs and cows. But why don't we totally eliminate this animal waste discrimination. Why not give a credit for the waste of dogs, cats, mice, birds? The list is infinite. Let's end discrimination now and give a tax credit for converting all kinds of animal waste. I am very confident that the American taxpayer will feel that their hard-earned money is being well spent. And if you believe that statement, I'm sure that there is some waterfront property in Gila Bend, AZ, you would be interested in buying.

Again, my concern is that the special interests continue to benefit at the expense of hard-working American taxpayers. I regret that I cannot support a bill that is so detrimental to taxpayers and does little to improve national energy security.

Mr. KERRY. Mr. President, today the Senate completed consideration of the energy reform bill after 6 weeks of debate. I voted yea on final passage. Before we began debate on this legislation, I gave a talk here in Washington at the Center for National Policy outlining a sound energy policy for this Nation. Despite my vote for the energy bill, I believe that the Senate has fallen far short of crafting a sound energy policy for this nation.

The Senate did not enact a national energy policy today. I should add that the House and President has failed at that task, as well. Why then am I voting for the Senate bill? Because the Senate bill is far better than the President's plan or the House bill. It is critically important that the Senate have a voice in this discussion and put forward its work. After 17 years in the Senate, I can see from this debate, that while the bill we passed today falls far short of what the Nation needs, it is simply the most the political system can bear right now. The fundamental changes we need were resisted and ultimately defeated by the special interests that benefit from the status quo. And while it may be too much to ask, I hold out hope that the bill can be improved in the conference process. If it is not improved, I do not believe I will be able to support the conference report.

I want to quickly outline some of the strengths in this bill and some of the weaknesses.

The tax package is reasonable and balanced. It totals about $15 billion, with that cost nearly equally divided between coal, oil, gas, and nuclear and energy efficiency and renewable energy. In the context of this measure, I support the assistance to clean coal, marginal well production, and other areas. I strongly support the tax credit for hybrid, fuel cell, and alternative fuel vehicles. I strongly support tax credits for efficient air conditioners, water heaters and other appliances. I strongly support the tax credits for wind, solar, biomass, geothermal, and other renewable electricity and energy production.

The bill contains significant provisions to increase oil and gas production. As I have said, it includes new tax credits for marginal well and other production. It also includes loan guarantees and prices supports for the construction of a natural gas pipeline from the North Slope of Alaska to the Lower 48 States. This will move more than 35 trillion cubic feet of natural gas to market, be the largest private works project ever undertaken in North America, and create hundreds of thousands of jobs.

The bill also contains a very modest renewable portfolio standard that would require 10 percent of the Nation's electricity be produced from renewable energy sources by 2020. This standard is weaker than what I believe is possible. I have advocated that the Nation set a goal of producing 20 percent of its electricity from renewable sources by 2020. Unfortunately, the Senate not only accepted a lower target, but it adopted an amendment that undermines the integrity of the RPS system allowing for the purchase of inexpensive credits, credits potentially below the market price of renewable electricity. Nevertheless, it is important to enshrine this important concept of a renewable portfolio standard into law.

I supported the renewable fuel standard in the law. This provision was supported by the State of Massachusetts as a way to end more costly mandates under the Clean Air Act, ensure clean air, end the use of polluting MTBE, and create a national market for corn ethanol, biomass ethanol, and other renewable fuels.

The bill's most significant failure is that it does nothing to meaningfully reduce oil consumption or enhance efficiency in the transportation sector. The Senate rejected a proposal I crafted with Senator McCAIN that would have raised fuel economy standards for America's passenger vehicles and save 1 million barrels of oil per day by 2015. The result is that the Senate has foregone action on the single greatest step we can take as a nation to reduce our dependence on oil, protect the economy from oil price shocks, and reduce harmful pollution.

For the past year I have urged my colleagues to oppose drilling in the Arctic National Wildlife Refuge. I am grateful that a majority of the Senate voted to protect the refuge. I am grateful that, while this bill is inadequate, it does not open the refuge to oil drilling. I will oppose any attempt to add drilling in this bill in conference with the House.

As I have said, this energy bill is not an energy policy for the Nation. It is a collection of policies, many good and many bad, that will, in total, move the Nation only incrementally forward. It is not by any means a solution to the challenges that we face. While I voted for this bill today, I pledge myself to continuing the fight for clean, reliable, and domestic energy and for a real energy policy for this Nation.

Mrs. FEINSTEIN. Mr. President, when the members of the Senate Energy Committee, including Senator SCHUMER, Senator CANTWELL, Senator WYDEN, and I, began talking about doing a comprehensive energy bill more than a year ago there were three major things all of us said that we wanted to see in the bill.

First we believed that we needed to reduce our energy consumption and hence our country's dependence on foreign oil.

Second we wanted to get to the bottom of what was happening with energy markets in California and the West where electricity and natural gas prices were 10–25 times higher that they should have been.

And we wanted to do all we could to ensure that a crisis of this magnitude could never happen again.

And third, we wanted to address global warming by quantitatively and measurably reducing our emissions of greenhouse gases.

These are still the elements I support in an energy bill. But the simple fact of the matter is that these elements are not in this bill.

First the Senate rejected Senator CANTWELL's and my amendment to provide transparency, oversight and authority by the Commodity Futures Trading Commission (CFTC) on energy derivative trading.

What we saw in energy markets was the on-line trading of energy commodities like natural gas and electricity multiple times to drive up prices and escape any federal oversight or transparency whatsoever.

This is what Enron was doing through its on-line trading company, Enron On-Line before the company went bankrupt.

And Dynegy and Williams, two companies operating on-line exchanges similar to Enron On-Line have taken over some of Enron's market share and are trading without oversight or transparency either.

The Senate had the opportunity to address this problem which arose from the Commodity Futures Modernization Act of 2000.

But instead the Senate rejected our amendment which would have ensured that there was proper oversight for energy trading.

So I don't think this energy bill will do a single thing that assures me that we won't have another crisis in my state.

The Senate also had the opportunity to pass legislation to increase fuel economy standards. Senator SNOWE and I introduced legislation last year that would have closed what is known as the SUV Loophole.

That loophole allows SUVs and other light duty trucks to meet lower fuel economy standards than other passenger vehicles. The standard is 27.5 miles per gallon for cars and 20.7 miles per gallon for SUVs.

Our bill would have saved a million barrels of oil a day, reduced our dependence on foreign oil by 10 percent, and prevented more than 200 million tons of carbon dioxide from entering the atmosphere each year.

It was the single most important thing our country could have done not only to combat global warming, but to become more fuel-independent at the same time.

I regret that we did not have the opportunity to vote on this measure as the Senate instead overwhelmingly defeated a much more ambitious proposal to significantly raise standards for all vehicles.

I am convinced that had we not done that, the Feinstein-Snowe amendment would have had a real shot at winning.

By a longshot however, the ethanol mandate is the most troublesome provision in the Senate energy bill.

What was also sneaked into this bill without a hearing was essentially a new gas tax that will result in a wealth transfer from California and New York and other coastal States to States in the Midwest.

It actually triples the ethanol market by mandate.

And if a State does not need it, it forces that State to buy credits to pay for it.

In fact, the mandate extorts California to use 2.68 billion gallons of ethanol over nine years that it does not need.

All this for a substance that is already subsidized to the tune of 53 cents per gallon and protected from any foreign competition through significant tariffs.

No one knows for sure how much gas prices will increase because of this mandate.

One recent analysis indicates that prices will increase 4 to 10 cents per gallon across the United States if the Senate energy bill becomes law.

I believe that the price spikes in California will be even more severe beginning in about 2004 as our State is close to our refining capacity and using ethanol will shrink our gasoline supply and force us to refine more.

California also does not have the necessary infrastructure in place to transport the ethanol to market.

I am particularly concerned about the limited number of suppliers in the ethanol market.

In fact, one company ADM controls 41 percent of the market.

And of course, nobody really knows the long-term health and environmental effects of nearly tripling the amount of ethanol in our gasoline supply.

Some evidence suggests that (1) reformulated gasoline with ethanol produces more smog pollution than reformulated gas without it; and (2) ethanol enables the toxic chemicals in gasoline to seep further into groundwater and ever faster than conventional gasoline.

But just like when we introduced MTBE into our gasoline we simply don't know what the ramifications will be.

And of course to top it off this bill protects these energy producers from any future liability.

And the funniest thing of all is that all this is for a gasoline additive that California and other States hardly need.

With the exception of the winter months in some of the southern part of the State, California can meet all its Clean Air Act Standards with its own reformulated gasoline.

In actuality we need to use very little ethanol.

So that is why I strongly oppose this bill and I believe we will rue the day we passed this ethanol mandate and this energy bill.

Mr. BUNNING. Mr. President, I rise today to talk about biodiesel, an alternative source of energy. I believe that we have made great strides on this energy bill. A sensible energy policy requires that we boost production of domestic energy sources while also balancing conservation. Biodiesel as an alternative fuel is one good way this energy bill will increase domestic production and lessen our dependence on foreign oil.

I am very happy to hear that the Finance Committee's tax proposals were added to this bill. The tax proposals included provisions that promote conservation and expanded use of cleaner burning fuel.

Also in these provisions are tax credits for biodiesel. The tax credits are a good start at encouraging the use of biodiesel as an alternative fuel source. However, the tax provisions do not treat all biodiesel the same.

There are many types of biodiesel including animal fats, recycled cooking oils or restaurant greases, and vegetable oils made up of soybeans, sunflower seed, canola, safflower seed, and flaxseed. In the tax provisions, though, the vegetable oils are treated differently than the animal fat and recycled oils.

There should be equal tax treatment for biodiesel. The different tax credits for biodiesel sends a confusing signal to the biodiesel market. It encourages growth only in one area of this beneficial renewable fuel, vegetable oil.

In addition, vegetable production has highly federalized subsidies and a lucrative byproduct market. For instance, glycerin from soy refining is used in a variety of food and pharmaceutical processes, and has a value advantage of 10–15 cents per gallon of biodiesel. The rendering industry, the primary source of animal-based biodiesel feedstocks, receives no Federal support and has a more limited byproduct market.

The unequal tax treatment is in stark contrast to the remainder of the energy bill. The bill includes all domestic energy sources in its renewable energy provisions and treats animal and vegetable sources biodiesel equally.

Kentucky has a large amount of soybean crops. So, I support encouraging the use of vegetable oil and support the tax credits in the bill. However, tax incentives should not discriminate between different kinds of alternative fuels.

One of the goals of the pending energy bill is to encourage development of renewable energy supplies. Including all sources in the tax provision will further this effort and maximize the positive impact on U.S. agriculture.

I hope that we find a way to encourage all alternative sources of energy. This is important to our production and will strengthen our national security.

Mr. JEFFORDS. Mr. President, I wish to state my support for the amendment offered by my distinguished colleague from Illinois, Senator FITZGERALD, and to express my extreme disappointment that it was not agreed to by this body.

This very sensible amendment would have clarified that the incineration of municipal solid waste will not be treated as renewable energy for purposes of the renewable portfolio standard and for the Federal renewable energy purchase requirement.

This issue arises because the burning of landfill waste in incinerators is one method of producing electricity. It produces only a minimal percentage of our electricity, but creates almost one quarter of the nation's mercury emissions, and significant levels of dioxin.

Dioxin, a known carcinogen, cause impairment of immune, nervous, reproductive and endocrine systems, even at extremely low concentrations. Infants are particularly sensitive to dioxin because of dioxin concentrations in human breast milk. Studies of infants show up to 65 times the maximum dioxin exposure recommended by the Environmental Protection Agency.

The National Academy of Science has found that although waste incinerators have reduced their dioxin air emissions, total dioxin releases in fly ash, bottom ash and other revenues have not decreased.

According to the most recent EPA data, 2.2 tons of mercury were emitted from garbage incinerators in 2000. This accounts for almost 20 percent of the nation's mercury emissions. Toxic amounts of mercury exist in our lakes, rivers and groundwater. Mercury causes neurological damage and birth defects, resulting in developmental delays and cognitive defects.

The renewable portfolio standard contained in the bill is intended to provide incentives and market support for the production of clean, renewable energy technologies. These include wind, solar, geothermal and biolass energy. One of the primary reasons for promoting these energy sources is that they give us clean power. They provide electricity that is free of the toxic wastes and emissions associated with many of our traditional fuel supplies.

Including the incineration of municipal solid waste in this category flies in the face of reason. If we want to keep mercury flowing into our streams and rivers, we can just pour more money into coal-fired power plants. An energy source that cripples our infants and causes cancer is not something we should support under the umbrella of renewable energy.

I am aware that incinerators have made significant strides in reducing toxic emissions. However, as I have stated above, municipal solid waste incinerators still account for 20 percent of nationwide mercury emissions, and still contribute to the release of highly toxic dioxins.

It is completely inappropriate to incentivize the continued release of these toxic substances as part of a provision aimed at clean, renewable energy.

Neither the amendment nor the underlying bill language would in any way undermine or hamper the current incineration of municipal solid waste, and would not prohibit or discourage new incineration. Neither the amendment nor the underlying bill language will not create new regulations regarding incineration of municipal solid waste, nor change existing ones. All this amendment would have done is ensure that municipal solid waste is not encourage as a renewable energy resource.

Including energy sources that result in highly toxic emissions does however undermine the foundation of the renewable portfolio standard, which is to help clean, renewable energies to compete against other energy sources.

Mr. President, I am greatly disappointed that this amendment was defeated but intend to address this issue further in conference.

Mr. REID. Mr. President, the world's energy system has evolved for thousands of years.

Almost without trying, the global energy system has favored fuels that burn cleaner and more efficiently: from wood burning in prehistoric caves to the Franklin stove of the 18th century; to coal despite the fact that wood was more abundant; to oil required to meet the insatiable needs of a motorized transportation sector at the start of the 20th century; to natural gas, which can be distributed through a system of pipes right into the kitchen or a home furnace, or easily converted into electricity; and now to renewable energy sources.

Faced with uncertainties in electricity energy markets, turmoil in the Mideast, the need to cut back on the fossil fuel emissions linked to global warming, local and regional air pollution that contributes to high rates of asthma and smog-filled national parks, the United States must diversify its energy supply using renewable energy.

If State regulators approve Nevada Power's latest rate proposals for 2002, Las Vegas electricity rates will have jumped a total of 75 percent since 1999. In the same period, natural gas prices have doubled. We need to change the energy equation. We need to diversify the Nation's energy supply to reduce volatility and ensure a stable supply of electricity. We must harness the brilliance of the sun, the strength of the wind, and the heat of the Earth to provide clean, renewable energy for our Nation.

I am also pleased that the energy bill currently before the Senate contains a renewable portfolio standard requiring that a small, gradually growing percentage of the nation's power supply come from renewables such as wind, solar, biomass and geothermal sources over the next two decades.

I am pleased that the tax provisions of this bill strengthen the production tax credit for renewable energy resources.

Eligible renewable energy resources have been expanded from wind and poultry waste to include geothermal, solar, open-loop biomass, and animal waste. The credit has been extended for 5 years for geothermal and solar, and animal waste, and 3 years for biomass. We need this production tax credit to provide business certainty and ensure the growth of renewable energy development and to signal America's long-term commitment to renewable energy. It is time to level the playing field—subsidies for fossil fuels dominate the Federal Tax Code, with 62 percent of all Federal tax expenditures going to oil and gas companies.

After pouring billions into oil and gas, we need to invest in a clean energy future.

Other nations are developing renewable energy resources at a much faster rate than the United States. In 1990, America produced 90 percent of the world's wind power; today we generate less than 25 percent. Germany now has the lead in wind energy, and Japan in solar energy. Foreign corporations are using the same technology available to us—in fact, many of these technologies were developed in the U.S. But they have surpassed us because their governments have provide stable support for renewable energy production and use. America needs to reestablish its leadership in renewable energy.

In the U.S. today, we get less than 3 percent of our electricity from renewable energy sources like wind, solar, geothermal and biomass. But the potential for much greater supply is there. For example, Nevada, is considered the Saudi Arabia of geothermal. My state could use geothermal energy to meet one-third of its electricity needs, but today this source of energy only supplies 2-3 percent. This needs to change.

The good news is that the production tax credit for renewable energy resources really works to promote the growth of renewable energy.

In 1990, the cost of wind energy was 22.5 cents per kilowatt hour and, today, with new technology and the help of a modest production tax credit, wind is a competitive energy source at 3 to 4 cents per kilowatt hour. At the Nevada Test Site, a new wind farm will provide 260 megawatts to meet the needs of 260,000 people—more than 10 percent of Nevada's population within 5 years. In the last 5 years, wind energy has experienced a 30 percent growth rate. In 2001, wind energy capacity grew nationally from 2,600 Megawatts to 4,300 Megawatts, a 65 percent increase. With the benefit of the production tax credit, wind energy is the fastest growing renewable. We need to do the same for the other renewable energy resources.

America needs to build its energy future on an environmental foundation that protects air and water quality.

A recent article in The Journal of the American Medical Association revealed an alarming link between soot particles from power plants and motor vehicles and lung cancer and heart disease.

This was an exhaustive study of 500,000 people in 16 American cities, whose lives and health have been tracked since 1982. Experts gave the study high marks. Its conclusions are obvious—we need to do a better job protecting the air we breathe.

The adverse health effects of powerplant and vehicle emissions cost Americans billions in medical care, and our cost in human suffering is immeasurable. Simply put, the human cost of dirty air is staggering. If we factor in environmental and health effects, the real cost of energy becomes apparent, and renewables become the fuel of choice.

America's abundant and untapped renewable resources can fuel our journey into a more prosperous and safer tomorrow without compromising air and water quality. The potential is enormous. We need to expand and extend the production tax credit to enable renewable energy to compete on a playing field that currently is heavily inclined towards the continued production of oil, gas, and coal. In many States, including Nevada, expanded renewable energy production will provide jobs in rural areas—areas that are desperate for economic growth.

I urge my colleagues to support this tax package, with its provisions for a production tax credit to encourage the growth of renewable energy resources. Renewable energy—as an alternative to traditional energy sources—is a common-sense way to make sure that the American people have a reliable source of power at an affordable price. Renewable energy is the cornerstone of a successful, forward looking, and secure energy policy for the 21st century.

Mr. REID. Mr. President, it is my understanding we are now going to move to final passage. I would like to say, before everyone votes—and we will be very quick here—we have spent approximately 6 weeks on this bill. It has been a tremendous amount of time and I have been here a lot of the time. But I want to extend the full appreciation of the entire Senate for the work done by the two managers of this bill. Senator BINGAMAN and Senator MURKOWSKI have worked through some very difficult issues. I think they have made the Senate very proud in the work they have done.

Mr. LOTT. Mr. President, I cannot let this opportunity go by. I will be brief so we can vote. I know Senators have obligations they want to fulfill, but I have to say we do owe a debt of gratitude from the Senate as a whole to the chairman and the ranking member of the Energy and Natural Resources Committee. They have been at this for 6 weeks. It has been at least 5 years since we spent that long—I don't think, since I have been in the Senate, we have spent 6 weeks on a bill. So this is a monumental undertaking. It is coming to a positive result.

They provide bipartisan leadership. They have been persistent, and I thank them for that. I especially have to say to my colleague from Alaska, I appreciate his attitude. Even though I know his feelings on an issue that meant so much to him and the other Senator from Alaska, Mr. STEVENS, he said we had to move forward on an energy policy for this country.

You did the right thing for your country. I know in the end we are going to do the right thing for you and your State, too.

I yield the floor.

Mr. DASCHLE. Mr. President, we are now reaching the end of 6 weeks of debate on this energy bill. I want to thank Chairman BINGAMAN for his tireless leadership.

He began this process by coordinating the work of nine separate committees, and he has done an amazing job of shepherding this large, difficult, and sometimes contentious piece of legislation to its conclusion.

When we began this energy debate, I spoke about the need to keep in mind four key goals. I said that any energy plan we pass should increase our energy independence . . . it should be good for consumers . . . it should create jobs . . . and it should be responsible—both environmentally and fiscally.

In a number of places, this bill meets those goals. In some, it falls short. But overall, this is a far more responsible, progressive, consumer-friendly energy policy than the one advanced by the Administration, or passed by the House.

Our energy plan invests in new ideas, new technologies, and new approaches to old problems.

It demonstrates that our energy policy need not be a tug-of-war between increased production and increased conservation. This bill helps us do both.

For example, this bill encourages the construction of a pipeline to bring natural gas from Alaska to the lower forty-eight states. There are 35 trillion cubic feet of known natural gas reserves on the North Slope of Alaska.

Right now, that gas is being pumped back into the ground because there's no way to get it to the American consumers who need it.

Our nation faces a long-term shortage of natural gas, all experts agree. An Alaska pipeline would deliver at least 4.5 billion cubic feet of gas per day to the Midwest, the central point of the nation's gas delivery network. 4.5 billion cubic feet per day is nearly ten percent of America's daily gas consumption.

Last month, Alaska Governor Tony Knowles met with me to discuss the additional provisions he felt were needed to invigorate this project. At his urging, and with the strong support of Senators MURKOWSKI and STEVENS, the bill we are clearing for conference today not only assures that any gas pipeline from Prudhoe Bay will run through Alaska, it also seeks to assure access to the gas for residential and business users in Alaska, protects access to the pipeline for future gas discoveries, and reduces the financial risk resulting from wildly fluctuating gas prices.

The provisions we added are important to our nation's energy and economic security, and improve the viability of the Alaska gas pipeline project. They should be retained in conference, and I will work with Senator MURKOWSKI and Governor Knowles to protect them.

That pipeline is one example of how this bill will allow us to use our traditional fossil fuel supplies more intelligently.

Other examples include tax incentives to increase common-sense conservation in our homes, expand the use of renewable energy like wind, solar and geothermal power, and encourage investments in new technologies to help us use energy sources like coal in a more clean and efficient manner.

And, when it comes to energy efficiency, this bill also says that the federal government must lead by example.

I also said at the beginning of this debate that we already look for the "Made in America" label on our clothes. We need to put that same "Made in America" label on our energy, too.

That's why this bill includes tax incentives to help us diversify our energy supplies by harnessing the power of the wind, the sun, and the heat of the earth itself, and to keep the energy produced from those sources affordable.

And that's also why this bill triples the amount of ethanol we use.

Yesterday, I was out in South Dakota at an ethanol plant with President Bush. I agree with the President when he said, "[ethanol is] important for the agricultural sector of our economy, it's an important part of making sure we become less reliant on foreign sources of energy."

To that I would add that it's an important way of keeping our air clean, as well.

Tripling the use of ethanol is a win, win, win, and I'm glad that's what this bill does.

The electricity provisions in this bill will shore up the authority of the Federal Energy Regulatory Commission to make our electricity more reliable and competitive, and will establish a small but important renewable portfolio standard.

Remember, ethanol and renewable energies come from American farmers and producers, pass through American refiners, and fuel American energy needs.

No soldier will have to fight overseas to protect them. And no international cartel can turn off the spigot on us.

It is important we make sure these provisions stay as part of this bill in the conference.

On a personal note, I should add that crafting this fuels compromise took enormous effort, and I would like to thank Senators JIM JEFFORDS and BOB SMITH of the EPW Committee, as well as Senators TIM JOHNSON, DICK LUGAR, BEN NELSON and CHUCK HAGEL for their vision and hard work.

I do regret that we failed to keep the vehicle fuel-efficiency provisions that were originally in this bill—something that could have been done without affecting safety or performance.

That measure we would have saved American drivers billions of dollars—and saved our nation the same amount of oil we are currently importing from the Persian Gulf.

Bold steps like that would have moved us much closer to energy independence, and I hope that we can work to increase vehicle fuel efficiency in conference.

While I am frustrated that we didn't take that large step forward, Congress did the responsible thing by refusing to take a huge step backward by opening the Arctic National Wildlife Refuge for oil drilling.

Ultimately, a bipartisan majority of the Senate concluded that drilling in the Arctic Refuge would do very little to help our economic situation or increase our energy independence—but would do a lot to damage one of the last pieces of pristine wilderness in this country.

Finally, this bill reflects the growing bipartisan consensus that the threat of global climate change is real and, unless we act, will have devastating consequences for our children and grandchildren.

The climate change provisions in this bill will help restore American credibility in this area and begin the long-overdue process of American engagement in solving this growing problem.

In the end, this bill recognizes that we can't be content to pursue an energy policy based upon the old philosophy of dig, drill, and burn—and begins the process of moving towards more innovative approaches to our energy future.

It doesn't get us all the way there, but it gets us moving in the right direction.

I am hopeful that we can continue to move even further in that direction when this bill goes to conference. But for that to happen, we need to pass this bill now.

It has been six weeks on the floor.

We have had a good, open, and fair debate. We've debated and voted on dozens of amendments.

Let us acknowledge the important role of conservation and renewable sources for our nation's energy future.

Let us start moving towards a more balanced and far-sighted energy policy.

Let us pass this bill.

The PRESIDING OFFICER. Under the previous order, the substitute amendment, No. 2917, as amended, is agreed to.

The amendment (No. 2917), as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 517) was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 4 by title.

The legislative clerk read as follows:

A bill (H.R. 4) to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause is stricken and the text of S. 517, as amended, is inserted in lieu thereof, and the clerk will read the bill for the third time.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

Mr. BINGAMAN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 88, nays 11, as follows:

[Rollcall Vote No. 94 Leg.]

YEAS—88

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Fitzgerald
Frist
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NAYS—11

Boxer
Clinton
Feingold
Feinstein
Graham
Gramm
Kennedy
Kyl
McCain
Reed
Schumer

NOT VOTING—1

Helms

The bill (H.R. 4) was passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. BINGAMAN. I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment, requests a conference with the House on the disagreeing votes of the two Houses, and the Chair is authorized to appoint conferees in the following ratio: Energy Committee, 6 to 5; the Finance Committee, 3 to 2.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to consider two nominations.

The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I ask unanimous consent that one vote suffice for both judges on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. BREAUX. I object.

Mr. WELLSTONE. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I did not hear the request.

The PRESIDING OFFICER. The Senator from Oklahoma asked that one vote suffice for the two nominations.

Mr. WELLSTONE. I object.

Mr. LEAHY. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I wish the Senator had the courtesy of telling the chairman what he was going to recommend. I would have pointed out to him that under the Senate practice and procedure, that cannot be done. Therefore, I object.

The PRESIDING OFFICER. Objection is heard.

The majority leader.

Mr. DASCHLE. Mr. President, just for the information of our colleagues, there will be no more votes tonight after the two votes we have on the judges. The next vote will occur on Monday evening at approximately 5:30. There will be no votes tomorrow.

NOMINATION OF JOAN E. LANCASTER, OF MINNESOTA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF MINNESOTA

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the nomination of Joan E. Lancaster, of Minnesota, to be United States District Judge for the District of Minnesota, which the clerk will report.

The assistant legislative clerk read the nomination of Joan E. Lancaster, of Minnesota, to be United States District Judge for the District of Minnesota.

Mr. LEAHY. Mr. President, with today's votes on Judge William Griesbach to the U.S. District Court for the Eastern District of Wisconsin and Justice Joan Lancaster to the United States District Court for the District of Minnesota, the Senate will have confirmed its 40th and 41st district court judges in the less than 10 months since I became chairman this past summer. This is in addition to the nine judges confirmed to the courts of appeal.

With today's votes, the total number of Federal judges confirmed since the change in Senate majority will now be 50. As our action today demonstrates, again, we are moving to confirm President Bush's nominees at a faster pace than the nominees of prior Presidents.

It took almost 14 months for the Senate to confirm 50 judicial nominees for the Reagan administration. It took more than 15 months for the Senate to confirm 50 judicial nominees for the Clinton administration. And it took nearly 18 months for the Senate to confirm 50 judicial nominees for the George H.W. Bush administration.

At the risk of offending some of my colleagues, we have confirmed 50 judicial nominees in 10 months—while it took the Senate nearly twice that amount of time to confirm the same number of his father's judicial nominees and nearly 50 percent more time to confirm the same number of President Clinton's and President Reagan's nominees. With today's confirmations, in the fewer than 10 months since the shift to a Democratic majority in the Senate, President Bush's judicial nominees have been confirmed at a rate of five per month, a pace nearly double that of the average for the last three Presidents, two of whom had Senates led by their own party.

The confirmation of these nominees today demonstrates our commitment promptly to consider qualified, consensus nominees. I commend Senator KOHL and Senator FEINGOLD who worked with Chairman SENSENBRENNER to utilize a bipartisan commission process to recommend District Court nominees as has been the practice in Wisconsin for over 20 years.

Once confirmed, Judge Griesbach, who is a well-regarded judge in Eastern Wisconsin, will be the first District Judge to sit in Green Bay, WI.

Justice Lancaster, like Judge Griesbach, received the support of her Senators, Democrats who endorsed this Bush nominee. Both nominees appear to be the type of qualified, consensus nominees that the Senate has been confirming expeditiously to help fill vacancies on our Federal courts. I congratulate them and their families.

With today's votes on Judge Griesbach and Justice Lancaster, in fewer than 10 months of Democratic leadership, 50 judicial nominees have been confirmed. That number exceeds the number of judicial nominees confirmed during all of 2000, 1999, 1997 and 1996, four out of six full years under Republican leadership. I would like to commend all Senators, but in particular the members of the Judiciary Committee, for their efforts to consider scores of judicial nominees for whom we have held hearings and on whom we have had votes during the last several months.

Mr. HATCH. I rise to support the nomination of Joan Ericksen Lancaster to be U.S. District Judge for the District of Minnesota.

I have had the pleasure of reviewing Justice Lancaster's distinguished legal career, and I have concluded as did President Bush, that she is a fine jurist who will add a great deal to the federal bench in Minnesota.

Justice Lancaster's record of service in private practice and for the government is exemplary of the quality of judges the President has nominated.

Following her graduation from the University of Minnesota Law School, Justice Lancaster worked as an Assistant City Attorney, trying approximately 12 jury and 40 court trials.

From 1983 to 1993, Justice Lancaster served as an Assistant U.S. attorney for the District of Minnesota, representing the federal government in medical malpractice, tort, and insurance matters, and later prosecuting Federal crimes. Justice Lancaster then worked for several years as a partner with the Minneapolis firm of Leonard, Street & Deinard.

In 1995, Justice Lancaster was named as a District Court Judge in the 4th Judicial District in Minnesota, where she was assigned to family and juvenile cases. She also presided over adult civil and criminal matters.

Since 1998, she has served as an Associate Justice on the Minnesota Supreme Court.

Justice Lancaster is liaison to the Court's Juvenile Delinquency Rules Committee and has served as chair of the Minnesota Supreme Court Task Force on Juvenile Justice Services.

She has also served on a statewide task force devoted to addressing the problem of fetal alcohol syndrome.

I have every confidence that Justice Joan Lancaster will serve with distinction on the federal district court for the District of Minnesota.

Mr. WELLSTONE. Mr. President, I commend to the Senate for confirmation tonight the nomination of Justice Joan Ericksen Lancaster to serve as a judge of the United States District Court in Minnesota. I also thank Chairman LEAHY and Senator HATCH for moving this nomination through the Senate so quickly.

Chairman LEAHY has been criticized by some Republicans, at times grossly unfairly, for the pace with which certain nominees have come through the committee. This nomination, which has enjoyed broad bipartisan support here in the Senate, has moved very quickly, and for that I am very grateful. It is a model of how this process should work, and I would hope the White House would see it in those terms as the President makes future Federal judicial nominations.

The Senate will have no problem offering its advise and consent to experienced, able jurists like Joan Lancaster, with longstanding records of public service in their communities, who are deeply committed to equal justice and equal opportunity for all Americans. But when the President nominates controversial figures with very extreme views, or records which call into question their commitment to equal opportunity and equal justice, the Senate will take more time to scrutinize those records and to determine if they deserve its consent, and reject them if they don't.

Justice Lancaster's qualifications are outstanding. She is currently serving with distinction as an Associate Justice on the Minnesota Supreme Court, and has held that position since 1998. She has also served as a Judge of the 4th District Court in Hennepin County for three years, and as a Partner at the law firm of Leonard, Street and Deinard in Minneapolis for two years before that. Particularly relevant to the position for which she is being confirmed tonight are her ten years as an Assistant U.S. Attorney in the District of Minnesota, where she provided leadership in both the civil and criminal divisions.

Justice Lancaster's compassion, her deep commitment to creating a better, more just society and her record of public service are enormously impressive. She has lived what she speaks. She as a co-chair of the Governor's Task Force on Fetal Alcohol Syndrome, chaired the Minnesota Juvenile Justice Services Task Force, chaired a number of important committees on the operations of the court, and has served on the boards of a host of other important Minnesota-based organizations dedicated to the causes of children, the legal system, and education. Her stints as a distinguished law professor at the University of Minnesota and the William Mitchell College of Law highlight her impressive intellectual and courtroom talents.

Through these and her many other professional accomplishments, Justice Lancaster has earned the high regard of her peers. She received a well-qualified rating from the American Bar Association and she was reported out of the Judiciary Committee unanimously, and has from the start enjoyed my enthusiastic support and that of Senator DAYTON.

In my conversations with judges, and lawyers who have both practiced with an argued before Justice Lancaster, it is clear that she is widely respected and is seen as a brilliant, thoughtful and independent jurist with a deep commitment to justice and to the American promise of equal opportunity for all before the bar of justice. I thank Representative RAMSTAD and President Bush for this excellent nomination, and again than Senator LEAHY for moving her quickly through the process.

I congratulate Justice Lancaster and her wonderful children, John and Claire, whom I have had the pleasure to meet. I know Justice Lancaster will continue to serve as an outstanding jurist in Minnesota, and I offer her my warn congratulations, anticipating her confirmation. I commend her to the full Senate enthusiastically, and am confident she'll receive an overwhelming vote of support.

Mr. President, on behalf of myself and the Presiding Officer, Senator DAYTON—unless he is going to be able to join me on the floor—we congratulate Justice Joan Ericksen Lancaster, who will now serve as a judge for the United States District Court in Minnesota.

She is highly qualified. We thank Senator LEAHY and Senator HATCH for moving this so quickly. We thank all of our colleagues.

I want to say a special hello to her wonderful children, John and Claire. I believe she is watching this proceeding.

You should be proud, Judge Lancaster.

The PRESIDING OFFICER (Ms. CANTWELL). The Senator from Minnesota.

Mr. DAYTON. Madam President, I second the comments of the senior Senator from Minnesota.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Joan E. Lancaster, of Minnesota, to be United States District Judge for the District of Minnesota? The yeas and nays were previously ordered on the nomination. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 95 Ex.]

YEAS—99

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—1

Helms

The nomination was confirmed.

NOMINATION OF WILLIAM C. GRIESBACH, TO BE UNITED STATES DISTRICT COURT JUDGE FOR THE EASTERN DISTRICT OF WISCONSIN

The PRESIDING OFFICER. The clerk will report the nomination.

The legislative clerk read the nomination of William C. Griesbach, to be United States District Court Judge for the Eastern District of Wisconsin.

Mr. HATCH. Madam President, I rise to support the confirmation of William C. Griesbach to be U.S. District Judge for the District of Wisconsin.

I have had the pleasure of reviewing Mr. Griesbach's distinguished legal career, and I have come to the opinion that he is a fine lawyer who will add a great deal to the Federal bench in Wisconsin.

Judge Griesbach is a Wisconsin native and attended both college and law school in the area. He graduated from Marquette University in 1976 and from Marquette University Law School in 1979.

After graduation from law school, Judge Griesbach served as a law clerk to the Honorable Bruce F. Beilfuss, Chief Justice of the Wisconsin Supreme Court. He then worked for 2 years as a staff attorney for the U.S. Court of Appeals for the 7th Circuit before joining a Green Bay law firm where he spent 5 years as an attorney handling primarily civil cases, including personal injury, insurance, commercial and employment litigation.

In 1987, he returned to public service as an Assistant District Attorney in Brown County until 1995 when he was appointed to the Wisconsin Circuit Court for Brown County, the position in which he currently serves.

His docket has included the full range of cases appearing before a State trial court, including criminal, civil, juvenile and domestic matters.

In 1998, he was ranked highest among local circuit judges in several categories, including temperament, fairness, and judicial scholarship.

Judge Griesbach has also made substantial contributions to the community, serving as a board member for Wisconsin Family Ties, a non-profit organization that provides information and support to families with children that have mental, emotional and behavioral disorders; as a board member of the Family Violence Center in Green Bay; and as a board member of Legal Services of Northeast Wisconsin, a nonprofit organization that provides legal services for the poor.

I have every confidence that William Griesbach will serve with distinction on the Federal district court for the District of Wisconsin.

Mr. KOHL. Madam President, today is a proud day for the state of Wisconsin. For 10 years we have worked to establish the Green Bay judgeship that makes this day possible. And for far longer, Judge Griesbach has developed the ability, gained the experience and cultivated the temperament necessary to be the first Federal judge to sit in Green Bay.

We are confident that Judge Griesbach is the right man for the job. He possesses all the best-qualities that we look for in a judge: intelligence, diligence, humility, and integrity.

The Green Bay community has waited a long time for a Federal judge. When Judge Griesbach is sworn in we think they will find it was well worth the wait.

The lawyers who practice in front of Judge Griesbach agree. In a 1998 survey by the Green Bay News Chronicle, Brown County attorneys ranked Judge Griesbach as the best judge in the area. In fact, he was rated first in every category polled, including: temperament; fairness; legal scholarship; work habits; and decisiveness. That is quite a testament to his ability.

So, it came as no surprise that the bipartisan Wisconsin Federal Nominating Commission concluded that Judge Griesbach would make a fine Federal judge. For the past 23 years, Wisconsin has used a nominating commission to select candidates for the Federal bench. Through a great deal of cooperation and careful consideration, and by keeping politics to a minimum, we always find qualified candidates. Judge Griesbach's selection demonstrates that our process has succeeded once again.

The Commission's reasons for his recommendation became apparent when I met him for our interview. He was candid, humble, and thoughtful. He has impressed everyone. He also made a fine impression during his Senate Judiciary Committee hearing.

Judge Griesbach will inaugurate a tradition of fair and well-respected jurists in northeastern Wisconsin. I support Judge Griesbach's nomination and commend our colleagues for supporting this fine judge.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of William C. Griesbach, to be United States District Court Judge for the Eastern District of Wisconsin? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. NICKLES, I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Oklahoma (Mr. INHOFE), and the Senator from Kansas (Mr. BROWNBACK) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 96 Ex.]

YEAS—97

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—3

Brownback
Helms
Inhofe

The nomination was confirmed.

Mr. DASCHLE. Madam President, I wanted to make note of a very important fact with regard to judicial nominations. With the confirmation now of the two judges tonight, we have reached an even 50 so far since we have become members of the majority. Forty-one district judges and nine circuit judges have now been confirmed. We have now exceeded the number of judges confirmed in the first year of the Reagan administration, the first Bush administration, and the Clinton administration. We have done that in 10 months, not 12. We will do much more over the course of the next 2 months, but I think it is a record of which we can be very proud. It is a record about which we feel very strongly. It is a record we said we would deliver when we became members of the majority. It is a record I think bears some attention, especially now that we have reached 50 confirmations in this relatively brief period of time.

I yield the floor.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, I want to take a moment to congratulate, first, the extraordinary effort made by the Chair of the Energy Committee, Senator BINGAMAN. I think he has put more time on the floor in the last few weeks than anybody in recent times. Were it not for his patience and extraordinary willingness to work with all of us, we would not be celebrating the successful conclusion of this work today.

I know I speak for all Senators and congratulate him and commend him for the work and leadership he has shown and for the tremendous contributions he has made to public policy in energy today. I am grateful for his friendship, but I am especially appreciative of his leadership, and I think that ought to be recognized.

I also congratulate the ranking member, the Senator from Alaska, for his efforts as well. I know there may not be any more important legislation from the Senator from Alaska than this one. He has demonstrated a resolve and an extraordinary persistence, and were it not for his efforts and the work he has done, especially in recent weeks, we would not be here as well. So he also deserves special commendation and recognition for the remarkable job he has done.

Finally, as is the case in so many instances, the distinguished assistant Democratic leader deserves recognition. He does not like it when I do this, but I do think it is important for the historical record to note that his constant presence on the floor, his willingness to work with Senators in working through the amendment logjams on so many occasions was absolutely invaluable. So I thank him as well for his constant effort on the floor, but in particular on this bill.

I thank all of our colleagues, and I appreciate very much the work that has been done.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Madam President, before the majority leader leaves, let me return the compliment. This was the Daschle-Bingaman bill we passed in the Senate. It was his leadership that was absolutely essential in getting this to the floor and his continuing leadership in keeping it on the floor. He has devoted 6 weeks of Senate floor time to this bill, and at many crucial points he made absolutely essential decisions to get us to closure.

Let me also indicate what everyone in the Senate knows, and that is without the superb work that Senator REID, our assistant floor leader, does, without his tremendous effort, we could not possibly have completed this work. He was present every day, every hour, moving this bill forward, working with Senators on both sides of the aisle. To the extent we have succeeded, he deserves the lion's share of the credit.

Let me also acknowledge the great work Senator MURKOWSKI has done. He has been committed to getting an energy bill through the Senate for a very long time. He had strongly held views on certain aspects of that bill, with which we are all familiar. He was very committed also, though, to work with those of us on this side of the aisle to see to it that we got a bill through the Senate. So I compliment him.

I did want to also thank and compliment the excellent staff we had on the Energy Committee. First, I thank Bob Simon, who is the staff director for the Democratic side in the Energy Committee. He did a superb job working on every aspect of this.

I have a long list of folks to thank. I will run through the list. I acknowledge the tremendous contribution each one has made: Vicky Thorne, who is central to our activity, John Watts, Bill Wicker, Patty Beneke, Jonathan Black, David Brooks, Shelley Brown, Mike Connor, Deborah Estes, Kira Finkler, Sam Fowler, Amanda Goldman, Leon Lowery, Jennifer Michael, Shirley Neff, Malini Sekhar. All of those staff people on our Energy Committee did an absolutely superb job. My personal staff, James Dennis, John Epstein, and John Kotek, all made a great contribution.

The floor staff the cloakroom staff did a tremendous job, Lula and Marty and all the others who have worked on this bill. They work day in and day out on the floor and do a superb job. I appreciate their good work.

Senator DASCHLE's staff, Eric Washburn, Peter Umhofer, and Senator REID's staff, Peter Arapis, all did a wonderful job, and I appreciate the good work. Those of us who are elected to these jobs get to take the credit, but we know who actually does the work.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Briefly, I note the contribution of our staff. As is always the case, we could not do what we do were it not for them. On this particular bill, I think their contribution will never be fully calculable, but it was invaluable. I thank our floor staff profusely for their effort. As Senator BINGAMAN noted, Eric Washburn from my staff has been a remarkable contributor to our effort. Were it not for his daily counsel, I would not have been able to accomplish what we have.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the majority leader for his comments, and I thank my good friend Senator BINGAMAN. I think it is noteworthy that we are at the end of a long road towards a comprehensive energy policy. I, too, want to thank all of those who worked so tirelessly on the legislation that helped make this momentous achievement possible. I think it was nearly 7 weeks that we have been on this bill. We have lost a little track of time.

Indeed, the staffs of both the majority and the minority of the Energy Committee have done a tremendous job, and we owe them a debt of thanks. I think we have had over 400 amendments we have reviewed and dispensed with over the course of this period of time.

I, of course, thank my own team for their dedication and work. To those on the other side, I thank them as well for their work, their cooperation, their professionalism, and that of the professional staff. They can be very proud of their efforts.

I am appreciative of my relationship with Senator BINGAMAN and his commitment to proceed with this bill. He has truly proceeded as a gentleman during the debate.

I think the recognition of Senator REID is most noteworthy because Senator REID has been very cooperative in moving this process along, and Senator DASCHLE, without his overall support and commitment to stay with the bill, the bill may have been pulled at previous times or anywhere along the way. That was not the case. I think we both recognize that this bill came about in a rather unusual manner, but I think we worked diligently through the amendment process to come up with something of which we can be proud.

So I congratulate everyone on a job well done. I think it is fair to say that the passage of this bill culminates my almost 22 years in the Senate. It is not all I had wished for, but, by the same token, the glass is either half full or half empty. Today, as far as the Senator from Alaska is concerned, it is a little more than half full. Around here sometimes those are pretty good odds.

We did get the gas line provision in; we got a heavy oil provision, both of which are very important for my State as well. So as we look to the conference and the conferees, we look to proceeding with the work ahead.

I also thank the Republican leader, who has been with us in this entire matter. Senator LOTT, at the beginning of the 107th Congress, declared that getting an energy bill passed would be one of the Republicans' top five priorities. He stood by us side by side at the extended press conferences that we have had for over a year. He has always been supportive. Once the energy bill came to the floor this year, the leader established an energy task force and held daily meetings directing our efforts each morning at 9 a.m. I am not sure where we will go at 9 a.m., we are so programmed.

He promised, although we had reservations, it was our ticket to conference and we would work to improve it on the floor and get to conference. That is what has happened. Now, hopefully, the report will be forthcoming and we will get a bill to the President. We thank Senator LOTT for his leadership.

We made significant progress in many aspects. They speak for themselves: CAFE, electricity, renewables, and so forth.

I recognize the efforts of our Commander in Chief, President George W. Bush. Today is a great victory for George W. Bush and his programs. We all recognize the world is a different place today than it was when the effort started more than a year ago. We have seen the tragic events that reshaped our national focus. But we underscore the need for a national energy policy. Now more than ever we need an energy policy with solutions, solutions that begin at home.

The administration's national energy policy has served as a legislative blueprint for the energy debate that has taken place in the Congress. This is what we have had. We have had a committee process more or less on the floor of the Senate. We have made it work. Between the House-passed H.R. 4 and the Senate bill, nearly every one of the President's initiatives have been adopted. The President has been a true leader on this issue. Today marks a great victory for him. I am pleased to have been a part of this success.

Our work is not done. There is more to do. The Senate goes into conference with NASA programs dealing with ethanol, renewable portfolio standards, the Alaska gas issue, electricity, climate change, and ANWR is in the House bill. These provisions will have to be worked out in what will likely be a very difficult conference. We are up to the challenge and we look forward to working with our House Members and Chairman TAUZIN. I believe the House leadership and the administration certainly are up to it. Working with our colleagues on the other side, I think we can get a bill to the President this year.

In closing, remember, we must get a plan to the President not because it is the President's legislation or his priority, and not because it is the Senate's legislation or the Senate's priority, but because it is the people's priority. That is our obligation—reliable affordable energy supply that powers this Nation. It is up to us to deliver this comprehensive bill. Without such a stable energy supply, our security is threatened, whether it is economic security, personal security at home, at work, or our national security on the world stage. Energy means security.

I thank the staff director, Brian Malnak, for his tireless work; Jim Beirne, chief counsel; Bryan Hannegan, staff scientist. I thank staff assistants Dan Kish, Christine Drager, Mike Merge, Howard Useem, Colleen Deegan, David Woodruff, Joe Brenckle, Frank Gladics, Jack Phelps, Jim O'Toole, Josh Bowlen, Julia Gray, Shane Perkins, Jared Stubbs, Macy Bell, and Dick Bouts; our personal office staff: Alexander Polinsky, Joel Gilbertson, Chuck Kleeschulte, Charles Freeman, Isaac Edwards, Chris Eyler, Kristin Daimler, Julie Teer, Sarah Berk, Carrie Lehman, and Jerry Ritter. They have done a magnificent job.

If I left anybody off the payroll, I apologize.

I congratulate my good friend, Senator BINGAMAN, and Senator REID for making this possible.

The PRESIDING OFFICER. The Senator from Nevada.

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent the Senate proceed to a period of morning business, with Senators allowed to speak for a period not to exceed 5 minutes each, with the exception of Senator BIDEN, who wishes to speak for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Delaware.

SAUDI ARABIA

Mr. BIDEN. Madam President, today the Crown Prince of Saudi Arabia, Prince Abdullah, met with President Bush in Crawford, TX. Based on the reports from that meeting, there were several items on the agenda, one of which was the conflict between the Israelis and Palestinians, and the other was the nature of the Saudi-U.S. bilateral relationship.

A report this morning in the New York Times said that the Crown Prince intended to deliver a "blunt message" to President Bush. Apparently, a Saudi official indicated after that meeting that oil would not be used as a weapon. Earlier, an unnamed Saudi official said that we, the United States, may face a "strategic debacle" unless we alter our relationship with Israel.

There is nothing wrong with blunt messages and blunt talk between friends. I am confident the President of the United States was equally blunt in the message he delivered. No doubt the Crown Prince discussed ways to advance his initiative with regard to Israel, a breakthrough that I publicly stated several times in recent weeks has not been fully appreciated by the world.

The Saudis had endorsed unanimously at the Arab League meeting last month in Beirut a plan that holds out hope for normal peaceful relations between Arab States and Israel. However, laying down that plan is not enough. It is time for more mature leadership.

We have been asked by the rest of the world and the Crown Prince to take an active role in supporting this plan. That is fine. However, I add, I hope the President discussed what active role the Saudis should take in dealing with peace in the Middle East. When the Crown Prince goes home, what concrete steps will he take to move the process forward, to create a new environment that builds trust and hope for a political settlement?

I am troubled by the apparent disconnect between the initiatives for peace taken by the Crown Prince and his nation and the contradictory behavior that is prevalent in Saudi Arabia and its policies. For example, in March the Saudi newspaper, Al-Riyadh, carried a vile, anti-Semitic article by someone claiming to be a professor. The article resurrected the centuries-old blood libel that civilized people would have thought was a thing of the past. This Saudi professor, in a leading Saudi newspaper, wrote for the Jewish holidays: "Blood must be taken from a non-Jew, dried, and mixed with dough to make pastries." It goes on to say that using human blood in pastries was a "well-established fact historically and legally throughout the history of mankind and that this was one of the main reasons for the persecution of Jews and the exile of Jews in Europe and Asia at different times."

Finally, the article says: "The needles enter the body extremely slowly causing immense pain that gives the Jewish vampires extreme pleasure and they closely monitor this bloodletting in detail with pleasure and enjoyment that is beyond comprehension."

That is printed in a leading Saudi newspaper. The editor of that paper says that he was out of town when this article appeared, and later wrote that it was unworthy of publication.

Forgive me if I have a hard time believing that the article simply slipped through the cracks and that it was a fluke. I can believe many things about Saudi Arabia, but freedom of the press is not one of them. This article was published because no one who saw it believed that it contained anything offensive or untrue.

Imagine the outrage in Riyadh, in Cairo, in Amman, in the United Nations, and elsewhere if a Jewish professor published an article in an American paper saying that Muslim holiday feasts were prepared with the blood of ritualistically sacrificed Jews? Can anyone imagine what the Saudis would expect of the President of the United States, what the Saudis and the rest of the civilized world would rightly expect of all United States Senators who had nothing to do with it being published, but saw it published? The civilized world would demand of us, as they would have a right to, that we, the leaders of this country, stand up one at a time and disavow these vile, vile, vile diatribes.

What did people expect of us, and what did our President do, when a group of mostly Saudi citizens killed thousands of Americans on the 11th? The President did the right thing. He stood up and he said: This is not about Saudi Arabia, this is not about Muslims. He did the right thing.

I wonder what would have happened had it been the reverse. I wonder what would happen.

It is time for some mature leadership here. It is not enough just to lay down a good plan—and it is a good plan the Saudi Crown Prince laid down and which was adopted in Beirut. What would the Saudis expect us to say, though, were the roles reversed? What action would they demand of the President if in fact such vile lies were printed about Muslims and Saudis in an American paper? And what would the rest of the world have us say about such slander, in a country where there is freedom of the press, the United States?

Another example of this disconnect that baffles me is the recent telethon, ordered by King Fahd, which, according to press reports, raised over $85 million for families of so-called Palestinian martyrs. According to the Saudi Government, these people are defined as people "victimized by Israeli terror and violence." But in the common parlance of the region, this term often refers to suicide bombers.

In the aftermath of September 11, in which 15 Saudis engaged in the most deadly suicide attacks in history, one would hope the Saudi Government might think twice before offering financial incentives for so-called martyrdom.

Imagine if the President of the United States and the Members of the Congress contributed to a telethon for someone who walked into a hotel in Riyadh and killed 100 Muslims. What would we say? What would we be expected to say? What would we think? What would happen if the President of the United States said: We condemn it, but we understand the frustration of the Saudi people, in having no democracy? We understand the frustration of the Jewish people, being victims of suicide bombing? It would be an outrage, an outrage. And the whole world would say: Where is the moral leadership of the United States?

But the Saudi support for the cult of martyrdom is not restricted to offering financial incentives. Recently the Saudi Ambassador to the United Kingdom wrote a poem entitled "The Martyrs." The poem appeared in Arabic language newspapers and praised Palestinian suicide bombers, particularly a young deranged Palestinian woman from a refugee camp who killed herself and two Israelis on March 29. The Ambassador refers to her as "the bride of loftiness."

This is written by the Saudi Ambassador to the United Kingdom.

> She embraces death with a smile
> while the leaders are running away from death . . .

He goes on to say:

> We complained to the idols of a white house whose heart is filled with darkness.

Given the opportunity to renounce this poem, a Saudi spokesman said on United States television:

> The ambassador is a very well known poet . . . he was expressing the anger and frustration people feel.

Give me a break. That is not good enough. I personally met with this spokesman, who is a fine man. I expected more from a man as educated and sophisticated as Mr. Al-Jubeir. If an American diplomat wrote a poem—if the Ambassador from the United States to England wrote a poem extolling terrorism and attacking the leader of an ally, the President of the United States would have his or her head on a platter the next day. They would be fired.

What would happen if an ambassador of the United States to another great country wrote a poem that extolled the virtues of some Saudi citizen who—like bin Laden—attempted to assassinate or was engaged in a plot to do harm to the royal family? What would the Saudis expect of us? What would the Saudis, or any civilized nation, expect the United States President to do? They would expect him to do exactly what he would do: Fire the person on the spot, and vocally, in more than one language, disavow the poetry.

Since September 11, we have become all too familiar with the term "madrassa," a term probably few had ever heard of in the United States. We have learned that madrassas are religious schools. We have learned the extent to which funds from Saudi Arabia have supported madrassas, over 7,000 of them in Pakistan and in Afghanistan. We have learned that many madrassas indoctrinate children with distorted and hateful ideas.

But now we have learned that the problem with education is not simply outside of Saudi Arabian borders, but within the kingdom itself. According to an article in last October's New York Times, 10th grade textbooks in Saudi Arabia warn students to "consider the infidel their enemy."

Saudis claim such quotes are taken out of context, but in what context is religious prejudice acceptable?

Of course, hateful diatribes and words of incitement also are found in Palestinian textbooks.

While Arafat is talking about peace in Oslo, the textbooks in the West Bank talk about "the hated Jew." And they have long been accompanied by schoolroom maps in the Middle East that pointedly do not show, even on a map, Israel as a state. When our Saudi friends argue their support and funding for Palestinian causes is for humanitarian and educational purposes, I think it is fair to ask why they continue to turn a blind eye toward this fomenting of hate that exists in their region and their country.

I mention these examples to illustrate why there is a disconnect when we hear Saudi leaders talk of making peace with Israel.

Peace will not happen by itself. It has to be nurtured. Certainly those Arab nations we put in the moderate camp ought to prepare their people for the "normal, peaceful relations" they espoused in Beirut. If the Crown Prince means what he says about normal, peaceful relations with Israel—and I believe he does—then it is time for his government to prepare Saudi Arabia and the rest of the Arab world for this new day. No responsible leaders want to see bloodshed continue in the Middle East. We all want for it to end immediately. All of us would like to see a peaceful settlement. To make it happen, everyone—everyone—must shoulder responsibility.

It is time for big nations and serious leaders to stand up, to stand up and speak the truth. It is time for nations with the ability to directly influence events to exercise simply mature leadership.

I am not expecting the Saudis to all of a sudden take a pro-Israeli position. But I am expecting, I do demand of them as a civilized nation and a mature country, to do the right thing.

The United States must do its part, too. I have urged the administration to increase its involvement, not only in resolving the current crisis but also convening an international peace conference that would move the parties quickly to a political solution or at least provide a political horizon.

The Arab world must demonstrate mature leadership as well. It cannot simply demand that the United States abandon Israel, something we will never do.

Let me say that again: Something we will never do. Over my dead physical political body will we ever abandon Israel. But that does not mean we believe everything Israel does is right. It does mean, though, we will fight for Israel's right to exist within secure borders.

Mature leadership means taking risks and confronting those forces that hinder progress—not abetting those forces.

Mature leadership means condemning terrorism—not extolling the virtues of "martyrdom."

Mature leadership means halting the flow of funds to terrorists—not providing financial incentives for more terror.

Mature leadership means creating an educational system that provides the foundation for future progress—not text and textbooks that promote religious bigotry.

Mature leadership means being responsive to the legitimate demands of one's citizen for political openness and transparency—not stifling dissent and exporting your problems elsewhere.

Mature leadership means sitting down with the Israelis and talking peace—not treating them as pariahs.

I find it fascinating that the President was criticized for authorizing and directing the Secretary of State to sit down with the person who many Israelis consider a pariah and who many of us consider a pariah—Yasser Arafat. The Saudis thought that was essential. Why will they not sit down? Why will they not sit down with a man who is the elected leader of Israel, regardless of whether or not they think on the West Bank he is a pariah as many Israelis and Americans think is the case with Mr. Arafat?

The President has shown mature leadership. I may disagree with his approach, but why is it expected of us and not of them?

As the birthplace of Islam and the land of the holiest Muslim sites, Saudi Arabia has a critical role to play in resolving one of the most intractable conflicts of our time.

This is an opportunity for the Saudi Royal Family to make a real contribution to peace. They have taken the first steps with bold action that holds out hope for peace as they presented their peace plan.

Now let them take the next step of mature, consistent leadership. Let them denounce the Palestinian leadership that uses terror to gain political leverage. Let them denounce hateful language. Let them denounce the incitement to violence in textbooks and in the media.

I hope they will take the next step so the Saudi initiative will not become just another missed opportunity—an interesting footnote in history.

I hope our relationship with the Saudis can improve. I hope the Saudi Arabian citizens can begin to enjoy the freedom they deserve.

But these things can only occur with farsighted, mature leadership.

There has never been a time when we have needed such leadership more than it is needed now. I hope that kind of leadership will enable our two countries to move forward together to achieve progress and peace—not just for the Israelis and Palestinians but for all the people of the Middle East.

I urge the administration to increase its involvement—not only in the present circumstance but beyond.

Let us be honest. This is a historic opportunity. The Saudis have made a significant proposal. I beg them, do not squander the opportunity to be remembered for the century as the party and the force that was the catalyst for bringing an end to the suffering of the people in the Palestinian-Israeli conflict.

I yield the floor.

TRIBUTE TO BRIGADIER GENERAL DAN L. LOCKER, COMMANDER, 81ST MEDICAL GROUP AND LEAD AGENT, TRICARE REGION IV

Mr. LOTT. Mr. President, I would like to take a moment today to recognize one of the finest officers in the U.S. Air Force, Brigadier General Dan L. Locker. On July 31, 2002, General Locker will retire from the Air Force and his positions as Commander of the 81st Medical Group, Keesler Medical Center, Keesler Air Force Base, MS, and Lead Agent for Department of Defense TRICARE Region IV. During his time at Keesler Air Force Base, General Locker has exemplified the Air Force core values of integrity, service before self, and excellence in all endeavors. Many Members and staff have enjoyed the opportunity to meet with him on a variety of Department of Defense health care issues and have come to appreciate his many talents. Today it is my privilege to recognize some of Dan's many accomplishments since he entered the military 30 years ago, and to commend the superb service he provided the Air Force, the Congress, and our Nation.

Dan Locker was commissioned in the Air Force Reserve in 1970 through the Health Professions Scholarship Program. A proud Texan, he completed his bachelor's degree in biology at Southwest Texas State College in 1967. He entered active duty in 1972, and received his Doctor of Medicine degree in 1973 from the University of Texas Medical School in San Antonio. He then completed residencies in family practice at Scott Air Force Base, IL, and general surgery at Keesler Air Force Base, MS. An active chief flight surgeon, General Locker has logged more than 1,000 hours of flight time in numerous military aircraft, including 21 combat missions and 25 combat hours.

From early in his career, General Locker's exceptional leadership skills were always evident to both superiors and subordinates as he repeatedly proved himself in numerous select command positions. He was the Chief of Surgical Services in his first post-residency assignment at Mountain Home Air Force Base, ID. From there, he went overseas to serve as Chief of General Surgery and Director of U.S. Air Forces in Europe Flying Ambulance Surgical Trauma teams in Wiesbaden, Germany. While in Germany, he also was the military consultant to the Air Force Surgeon General for general surgery. Next, he moved to the Royal Air Force Lakenheath, England, where he served as deputy commander for hospital services. Then it was back to Texas to command, first, the 96th Strategic Hospital at Dyess Air Force Base, and then the 82nd Medical Group at Sheppard Air Force Base. After proving his staff proficiency as Director of Medical Service Officer Management at the Air Force Military Personnel Center at Randolph Air Force Base, TX, then-Colonel Locker, was summoned to be the Command Surgeon at Headquarters, U.S. Air Forces in Europe in Ramstein Air Base, Germany. While in that position, he was responsible for management, resources, and oversight of all health care provided at 12 Air Force clinics, hospitals, and medical centers throughout Europe.

In 1997, Dan Locker was promoted to brigadier general, and was selected for his current high-profile position as commander of the second largest medical center in the Air Force at Keesler Air Force Base in the great State of Mississippi. General Locker took Keesler Medical Center to new heights, earning the 81st Medical Group the Air Force Outstanding Unit Award, the Department of Defense TRICARE Customer Service Award, and the TRICARE Access to Care Award. The TRICARE honors resulted in a $100,000 cash award, that was used to improve the quality of life and benefit the more than 2,000 health care professionals of the 81st Medical Group at Keesler. General Locker has worked diligently to hone the military professionalism of the "Combat Medics" at Keesler Medical Center, which is responsible for the direct delivery of health care to more than 50,000 patients in the Keesler area, and provides referral and consultative services to an additional 605,000 beneficiaries in a 5-State region.

As Lead Agent for TRICARE Region IV, General Locker is responsible for the direction of all managed health care activities at 23 military treatment facilities throughout all of Mississippi, Alabama, Tennessee, and parts of Louisiana and Florida. In addition, through a $4 billion contract with Humana Military Healthcare Services, he is responsible for the provision of care to all military beneficiaries in the region. The Managed Care Support Contract relationship with Humana was so strong that both parties were recognized by the National Managed Health Care Congress with the 2001 AstraZeneca Partnership Award for improving the delivery of health care throughout the Gulf-South Region.

A dynamic and skilled lecturer, General Locker has delivered presentations around the world on a variety of clinical and technological health care issues to a broad range of audiences, both military and civilian. Still active in his surgical practice, he spends a week each winter, leading a team on a humanitarian mission trip to Mexico to help provide much-needed care to rural and under-served patients. Just last week, he was presented the prestigious Excalibur Award by the Society of Air Force Clinical Surgeons for demonstrating the highest personal dedication, surgical competence, and providing leadership and vision to further advance the field of surgery.

I offer my congratulations to Dan, his wife, Cynthia, daughters, Valerie and Rachel, and son, Ryan. The Congress and the country applaud the selfless commitment his entire family has made to the Nation in supporting his military career.

I know I speak for all of my colleagues in expressing my heartfelt appreciation to General Locker. He is a credit to both the Air Force and the United States. We wish our friend the best of luck in his retirement and we look forward to working with General Locker in his next career.

TRIBUTE TO BRIGADIER GENERAL ROOSEVELT "TED" MERCER, JR., COMMANDANT, JOINT FORCES STAFF COLLEGE

Mr. LOTT. Mr. President, I would like to take a moment today to recognize one of the finest officers in the United States Air Force, Brigadier General Roosevelt "Ted" Mercer, Jr. On May 9, 2002, General Mercer will become the Commandant of Joint Forces Staff College at the National Defense University in Norfolk, VA. He will be leaving the job as Commander of the 81st Training Wing at Keesler AFB MS, a position he has held and executed with great pride, leadership, and honor. During his time at Keesler, as Commander of the 81st Training Wing, General Mercer personified the Air Force core values of integrity, service before self, and excellence in all things. Many Members and staff enjoyed the opportunity to meet with him on a variety of Air Force issues and came to appreciate his many talents. Today it is my privilege to recognize some of Ted's many accomplishments since he entered the military 27 years ago, and to commend the superb service he provided the Air Force, the Congress and our Nation.

Ted Mercer entered the Air Force through the Reserve Officer Training Corps program at University of Puget Sound in Tacoma, Washington. While there, he completed his bachelor's degree in urban planning in 1975, as well as being a distinguished graduate of the university's ROTC program. Upon graduation, he was assigned to Vandenberg Air Force Base in California, where he became proficient in Titan II missile combat crew operations, so much so that by 1980 he became an instructor in missile combat crew operations at Vandenberg.

From early in his career, General Mercer's exceptional leadership skills were always evident to both superiors and subordinates as he repeatedly proved himself in numerous select command positions. He was the Commander of the 447th Strategic Missile Squadron at Grand Forks Air Force Base, North Dakota; Commander of the 45th Logistics Group at Patrick Air Force Base, Florida; and at Minot Air Force Base, North Dakota he was Commander of the 91st Operations Group. In June 1998, he assumed command of the 30th Space Wing at Vandenberg Air Force Base, California. As I've stated earlier, he superbly led the 81st Training Wing at Keesler Air Force Base, Mississippi from September 2000 until May 2002.

Ted Mercer also has excelled in a variety of key staff assignments. These include serving as Deputy Director of Operations, Headquarters U.S. Space Command at Peterson Air Force Base, Colorado; Vice Director of Plans, Directorate of Plans, Headquarters U.S. Space Command at Peterson Air Force Base, Colorado; Chief, Nuclear Division, Directorate of Plans and Policy, Headquarters U.S. European Command, Stuttgart, Germany; and Executive Officer, Directorate of Personnel Plans, Deputy Chief of Staff for Personnel, Headquarters U.S. Air Force, Washington DC. General Mercer also served as Chief of Congressional Affairs, Deputy Chief of Staff for Personnel, Headquarters U.S. Air Force in Washington DC, and has been awarded a Defense Superior Service Medal and Legion of Merit among other decorations.

We were all pleased to see General Mercer selected as Commandant of the Joint Forces Staff College at the National Defense University in Norfolk, VA. I offer my congratulations to him, his wife, Mike, and daughter, Sidnee, on this new assignment. The Congress and the country applaud the selfless commitment his entire family has made to the Nation in supporting his military career.

I know I speak for all of my colleagues in expressing my heartfelt appreciation to General Ted Mercer. He is a credit to both the Air Force and the United States of America. We wish our friend the best of luck in his new command.

* * *

ARTHUR M. SCHLESINGER, JR. ON AMERICAN DEMOCRACY

Mr. KENNEDY. Mr. President, few individuals have made a greater contribution to the study of American history than Professor Arthur M. Schlesinger, Jr.

Arthur's been a pre-eminent historian for over half a century, ever since 1946, when he won the Pulitzer Prize at the age of 28, for his book "The Age of Jackson."

As Oscar Wilde once said—anybody can make history but only a truly great man can write history. And Arthur Schlesinger has written about history with unsurpassed eloquence, and he's shaped that history with his unsurpassed wisdom and scholarship. In so many ways, Arthur Schlesinger represents the best of the liberal and progressive ideal in the 20th century.

Arthur Schlesinger continues to represent these ideals in the 21st century, and I believe that his article on the 2000 presidential election published in last month's issue of The American Prospect will be of interest to all of us in Congress. I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the American Prospect, Mar. 25, 2002]

NOT THE PEOPLE'S CHOICE

(By Arthur M. Schlesinger, Jr.)

The true significance of the disputed 2000 election has thus far escaped public attention. This was an election that made the loser of the popular vote the president of the United States. But that astounding fact has been obscured: first by the flood of electoral complaints about deceptive ballots, hanging chads, and so on in Florida; then by the political astuteness of the court-appointed president in behaving as if he had won the White House by a landslide; and now by the effect of September 11 in presidentializing George W. Bush and giving him commanding popularity in the polls.

"The fundamental maxim of republican government," observed Alexander Hamilton in the 22d Federalist, "requires that the sense of the majority should prevail." A reasonable deduction from Hamilton's premise is that the presidential candidate who wins the most votes in an election should also win the election. That quite the opposite can happen is surely the great anomaly in the American democratic order.

Yet the National Commission on Federal Election Reform, a body appointed in the wake of the 2000 election and co-chaired (honorarily) by former Presidents Gerald Ford and Jimmy Carter, virtually ignored it. Last August, in a report optimistically entitled To Assure Pride and Confidence in the Electoral Process, the commission concluded that it had satisfactorily addressed "most of the problems that came into national view" in 2000. But nothing in the ponderous 80-page document addressed the most fundamental problem that came into national view: the constitutional anomaly that permits the people's choice to be refused the presidency.

Little consumed more time during our nation's Constitutional Convention than debate over the mode of choosing the chief executive. The framers, determined to ensure the separation of powers, rejected the proposal that Congress elect the president. Both James Madison and James Wilson, the "fathers" of the Constitution, argued for direct election by the people, but the convention, fearing the parochialism of uninformed voters, also rejected that plan. In the end, the framers agree on the novel device of an electoral college. Each state would appoint electors equal in number to its representation in Congress. The electors would then vote for two persons. The one receiving a majority of electoral votes would then become president; the runner-up, vice president. And in a key sentence, the Constitution stipulated that of these two persons at least one should not be from the same state as the electors.

The convention expected the electors to be cosmopolitans who would know, or know of, eminences in other states. But this does not mean that they were created as free agents authorized to routinely ignore or invalidate the choice of the voters. The electors, said John Clopton, a Virginia congressman, are the "organs . . . acting from a certain and unquestioned knowledge of the choice of the people, by whom they themselves were appointed, and under immediate responsibility to them."

Madison summed it up when the convention finally adopted the electoral college: "The president is now to be elected by the people." The president, he assured the Virginia ratifying convention, would be "the choice of the people at large." In the First Congress, he described the president as appointed "by the suffrage of three million people."

"It was desirable," Alexander Hamilton wrote in the 68th Federalist, "that the sense of the people should operate in the choice of the person to whom so important a trust was to be confided." As Lucius Wilmerding, Jr., concluded in his magistral study of the electoral college: "The Electors were never meant to choose the President but only to pronounce the votes of the people."

Even with such a limited function, however, the electoral college has shaped the contours of American politics and thus captured the attention of politicians. With the ratification of the 12th Amendment in 1804, electors were required to vote separately for president and vice president, a change that virtually guaranteed that both would be of the same party. Though unknown to the Constitution and deplored by the framers, political parties were remolding presidential elections. By 1836 every state except South Carolina had decided to cast its votes as a unit—winner take all, no matter how narrow the margin. This decision minimized the power of third parties and created a solid foundation for a two-party system.

"The mode of appointment of the Chief Magistrate [President] of the United States," wrote Hamilton in the 68th Federalist, "is almost the only part of the system, of any consequence, which has escaped without severe censure." This may have been true when Hamilton wrote in 1788; it was definitely not true thereafter. According to the Congressional Research Service, legislators since the First Congress have offered more than a thousand proposals to alter the mode of choosing presidents.

No legislator has advocated the election of the president by Congress. Some have advocated modifications in the electoral college—to change the electoral units from states to congressional districts, for example, or to require a proportional division of electoral votes. In the 1950s, the latter approach received considerable congressional favor in a plan proposed by Senator Henry Cabot Lodge, Jr., and Representative Ed Gossett. The Lodge-Gossett amendment would have ended the winner-take-all electoral system and divided each state's electoral vote according to the popular vote. In 1950 the Senate endorsed the amendment, but the House turned it down. Five years later, Senator Estes Kefauver revived the Lodge-Gossett plan and won the backing of the Senate Judiciary Committee. A thoughtful debate ensued, with Senators John F. Kennedy and Paul H. Douglas leading the opposition and defeating the amendment.

Neither the district plan nor the proportionate plan would prevent a popular-vote loser from winning the White House. To correct this great anomaly of the Constitution, many have advocated the abolition of the electoral college and its replacement by direct popular elections. The first "minority" president was John Quincy Adams. In the 1824 election, Andrew Jackson led in both popular and electoral votes; but with four candidates dividing the electoral vote, he failed to win an electoral-college majority. The Constitution provides that if no candidate has a majority, the House of Representatives must choose among the top three. Speaker of the House Henry Clay, who came in fourth, threw his support to Adams, thereby making him president. When Adams then made Clay his secretary of state, Jacksonian cries of "corrupt bargain" filled the air for the next four years and helped Jackson win the electoral majority in 1828.

"To the people belongs the right of electing their Chief Magistrate," Jackson told Congress in 1829. "The first principle of our system," he said, is "that the majority is to govern." He asked for the removal of all "intermediate" agencies preventing a "fair expression of the will of the majority." And in a tacit verdict on Adams's failed administration, Jackson added: "A President elected by a minority can not enjoy the confidence necessary to the successful discharge of his duties."

History bears out Jackson's point. The next two minority presidents—Rutherford B. Hayes in 1877 and Benjamin Harrison in 1889—had, like Adams, ineffectual administrations. All suffered setbacks in their midterm congressional elections. None won a second term in the White House.

The most recent president to propose a direct-election amendment was Jimmy Carter in 1997. The amendment, he said, would "ensure that the candidate chosen by the votes actually becomes President. Under the Electoral College, it is always possible that the winner of the popular vote will not be elected." This had already happened, Carter said, in 1824, 1876, and 1888.

Actually, Carter placed too much blame on the electoral system. Neither J.Q. Adams in 1824 nor Hayes in 1876 owed his elevation to the electoral college. The House of Representatives, as noted, elected Adams. Hayes's anointment was more complicated.

In 1876, Samuel J. Tilden, the Democratic candidate, won the popular vote, and it appeared that he had won the electoral vote too. But the Confederate states were still under military occupation, and electoral boards in Florida, Louisiana, and South Carolina disqualified enough Democratic ballots to give Hayes, the Republican candidate, the electoral majority.

The Republicans controlled the Senate; the Democrats, the House. Which body would count the electoral votes? To resolve the deadlock, Congress appointed an electoral commission. By an 8-7 party-line vote, the commission gave all the disputed votes to Hayes. This was a supreme election swindle. But it was the rigged electoral commission, not the electoral college, that denied the popular-vote winner the presidency.

In 1888 the electoral college did deprive the popular-vote winner, Democrat Grover Cleveland, of victory. But 1888 was a clouded election. Neither candidate received a majority, and Cleveland's margin was only 100,000 votes. Moreover, the claim was made, and was widely accepted at the time and by scholars since, that white election officials in the South banned perhaps 300,000 black Republicans from the polls. The installation of a minority president in 1889 took place without serious protest.

The Republic later went through several other elections in which a small shift of votes would have given the popular-vote loser an electoral-college victory. In 1916, if Charles Evans Hughes had gained 4,000 votes in California, he would have won the electoral-college majority, though he lost the popular vote to Woodrow Wilson by more than half a million. In 1948, a shift of fewer than 30,000 votes in three states would have given Thomas E. Dewey the electoral-college majority, though he ran more than two million votes behind Harry Truman. In 1976, a shift of 8,000 votes in two states would have kept President Gerald Ford in office, though he ran more than a million and a half votes behind Jimmy Carter.

Over the last half-century, many other eminent politicos and organizations have also advocated direct popular elections: Presidents Richard Nixon and Gerald Ford; Vice Presidents Alben Barkley and Hubert Humphrey; Senators Robert A. Taft, Mike Mansfield, Edward Kennedy, Henry Jackson, Robert Dole, Howard Baker, and Everett Dirksen; the American Bar Association, the League of Women Voters, the AFL–CIO, and the U.S. Chamber of Commerce. Polls have shown overwhelming public support for direct elections.

In the late 1960s, the drive for a direct-election amendment achieved a certain momentum. Led by Senator Birch Bayh of Indiana, an inveterate and persuasive constitutional reformer, the campaign was fueled by the fear that Governor George Wallace of Alabama might win enough electoral votes in 1968 to throw the election into the House of Representatives. In May 1968, a Gallup poll recorded 66 percent of the U.S. public in favor of direct election—and in November of that year, an astonishing 80 percent. But Wallace's 46 electoral votes in 1968 were not enough to deny Nixon a majority, and complacency soon took over. "The decline in one-party states," a Brookings Institution study concluded in 1970, "has made it far less likely today that the runner-up in popular votes will be elected President."

Because the danger of electoral-college misfire seemed academic, abolition of the electoral college again became a low-priority issue. Each state retained the constitutional right to appoint its electors "in such manner as the legislature thereof directs." And all but two states, Maine and Nebraska, kept the unit rule.

Then came the election of 2000. For the fourth time in American history, the winner of the popular vote was refused the presidency. And Albert Gore, Jr., had won the popular vote not by Grover Cleveland's dubious 100,000 but by more than half a million. Another nearly three million votes had gone to the third-party candidate Ralph Nader, making the victor, George W. Bush, more than ever a minority president.

Nor was Bush's victory in the electoral college unclouded by doubt. The electoral vote turned on a single state, Florida. Five members of the Supreme Court, forsaking their usual deference to state sovereignty, stopped the Florida recount and thereby made Bush president. Critics wondered: if the facts had been the same but the candidates reversed, with Bush winning the popular vote (as indeed observers had rather expected) and Gore hoping to win the electoral vote, would the gang of five have found the same legal arguments to elect Gore that they used to elect Bush?

I expected an explosion of public outrage over the rejection of the people's choice. But there was surprisingly little in the way of outcry. It is hard to image such acquiescence in a popular-vote-loser presidency if the popular-vote winner had been, say, Adlai Stevenson or John F. Kennedy or Ronald Reagan. Such leaders attracted do-or-die supporters, voters who cared intensely about them and who not only would have questioned the result but would have been ardent in pursuit of fundamental reform. After a disappointing campaign, Vice President Gore simply did not excite the same impassioned commitment.

Yet surely the 2000 election put the Republic in an intolerable predicament—intolerable because the result contravened the theory of democracy. Many expected that the election would resurrect the movement for direct election of presidents. Since direct elections have obvious democratic plausibility and since few Americans understand the electoral college anyway, its abolition seems a logical remedy.

The resurrection has not taken place. Constitutional reformers seem intimidated by the argument that a direct-election amendment would antagonize small-population states and therefore could not be ratified. It would necessarily eliminate the special advantage conferred on small states by the two electoral votes handed to all states regardless of population. Small-state opposition, it is claimed, would make it impossible to collect the two-thirds of Congress and the three-fourths of the states required for ratification.

This is an odd argument, because most political analysts are convinced that the electoral college in fact benefits large states, not small ones. Far from being hurt by direct elections, small states, they say, would benefit from them. The idea that "the present electoral-college preserves the power of the small states," write Lawrence D. Longley and Alan G. Braun in The Politics of Electoral Reform, ". . . simply is not the case." The electoral-college system "benefits large states, urban interests, white minorities, and/or black voters." So, too, a Brookings Institution report: "For several decades liberal, urban Democrats and progressive, urban-suburban Republicans have tended to dominate presidential politics; they would lose influence under the direct-vote plan."

Racial minorities holding the balance of power in large states agree. "Take away the electoral college," said Vernon Jordan as president of the Urban League, "and the importance of being black melts away. Blacks, instead of being crucial to victory in major states, simply become 10 percent of the electorate, with reduced impact."

The debate over whom direct elections would benefit has been long, wearisome, contradictory, and inconclusive. Even computer calculations are of limited use, since they assume a static political culture. They do not take into account, nor can they predict, the changes wrought in voter dynamics by candidates, issues, and events.

As Senator John Kennedy said during the Lodge-Gossett debate: "It is not only the unit vote for the Presidency we are talking about, but a whole solar system of governmental power. If it is proposed to change the balance of power of one of the elements of the solar system," Kennedy observed, "it is necessary to consider all the others. . . . What the effects of these various changes will be on the Federal system, the two-party system, the popular plurality system and the large-State-small-State checks and balances system, no one knows."

Direct elections do, however, have the merit of correcting the great anomaly of the Constitution and providing an escape from the intolerable predicament. "The electoral college method of electing a President of the United States," said the American Bar Association when an amendment was last seriously considered, "is archaic, undemocratic, complex, ambiguous, indirect, and dangerous." In contrast, as Birch Bayh put it, "direct popular election of the president is the only system that is truly democratic, truly equitable, and can truly reflect the will of the people."

The direct-election plan meets the moral criteria of a democracy. It would elect the people's choice. It would ensure equal treatment of all votes. It would reduce the power of sectionalism in politics. It would reinvigorate party competition and combat voter apathy by giving parties the incentive to get out their votes in states that they have no hope of carrying.

The arguments for abolishing the electoral college are indeed powerful. But direct elections raise troubling problems of their own—especially their impact on the two-party system and on JFK's "solar system of governmental power."

In the nineteenth century, American parties inspired visiting Europeans with awe. Alexis de Tocqueville, in the 1830s, thought politics "the only pleasure which an American knows." James Bryce, half a century later, was impressed by the "military discipline" of the parties. Voting statistics justified transtlantic admiration. In no presidential election between the Civil War and the end of the century did turnout fall below 70 percent of eligible voters.

The dutiful citizens of these high-turnout years did not rush to the polls out of uncontrollable excitement over the choices they were about to make. The dreary procession of presidential candidates moved Bryce to write his famous chapter in The American Commonwealth titled "Why Great Men Are Not Chosen President." But the party was supremely effective as an agency of voter mobilization. Party loyalty was intense. People were as likely to switch parties as they were to switch churches. The great difference between then and now is the decay of the party as the organizing unit of American politics.

The modern history of parties has been the steady loss of the functions that gave them their classical role. Civil-service reform largely dried up the reservoir of patronage. Social legislation reduced the need for parties to succor the poor and helpless. Mass entertainment gave people more agreeable diversions than listening to political harangues. Party loyalty became tenuous; party identification, casual. Franklin D. Roosevelt observed in 1940: "The growing independence of voters, after all, has been proved by the votes in every presidential election since my childhood—and the tendency, frankly, is on the increase."

Since FDR's day, a fundamental transformation in the political environment has further undermined the shaky structure of American politics. Two electronic technologies—television and computerized polling—have had a devastating impact on the party system. The old system had three tiers: the politican at one end, the voter at the other, and the party in between. The party's function was to negotiate between the politician and the voter, interpreting each to the other and providing the links that held the political process together.

The electronic revolution has substantially abolished this mediating role. Television presents politicians directly to the voters, who judge candidates far more on what the box shows them than on what the party organization tells them. Computerized polls present voters directly to the politicians, who judge the electorate far more on what the polls show them than on what the party organization tells them. The political party is left to wither on the vine.

The last half-century has been notable for the decrease in party identification, for the increase in independent voting, and for the number of independent presidential candidacies by fugitives from the major parties: Henry Wallace and Strom Thurmond in 1948, George Wallace in 1968, Eugene McCarthy in 1976, John Anderson in 1980, Ross Perot in 1992 and 1996, and Ralph Nader and Pat Buchanan in 2000.

The two-party system has been a source of stability; FDR called it "one of the greatest methods of unification and of teaching people to think in common terms." The alternative is a slow, agonized descent into an era of what Walter Dean Burnham has termed "politics without parties." Political adventurers might roam the countryside like Chinese warlords, building personal armies equipped with electronic technologies, conducting hostilities against various rival warlords, forming alliances with others, and, if they win elections, striving to govern through ad hoc coalitions. Accountability would fade away. Without the stabilizing influences of parties, American politics would grow angrier, wilder, and more irresponsible.

There are compelling reasons to believe that the abolition of state-by-state, winner-take-all electoral votes would hasten the disintegration of the party system. Minor parties have a dim future in the electoral college. Unless third parties have a solid regional base, like the Populists of 1892 or the Dixiecrats of 1948, they cannot hope to win electoral votes. Millard Fillmore, the Know-Nothing candidate in 1856, won 21.6 percent of the popular vote and only 2 percent of the electoral vote. In 1912, when Theodore Roosevelt's candidacy turned the Republicans into a third party, William Howard Taft carried 23 percent of the popular vote and only 1.5 percent of the electoral votes.

But direct elections, by enabling minor parties to accumulate votes from state to state—impossible in the electoral-college system—would give them a new role and a new influence. Direct-election advocates recognize that the proliferation of minor candidates and parties would drain votes away from the major parties. Most direct-election amendments therefore provide that if no candidate receives 40 percent of the vote the two top candidates would fight it out in a runoff election.

This procedure would offer potent incentives for radical zealots (Ralph Nader, for example), freelance media adventures (Pat Buchanan), eccentric billionaires (Ross Perot), and flamboyant characters (Jesse Ventura) to jump into presidential contests; incentives, too, to "green" parties, senior-citizen parties, nativist parties, right-to-life parties, pro-choice parties, anti-gun-control parties, homosexual parties, prohibition parties, and so on down the single-issue line.

Splinter parties would multiply not because they expected to win elections but because their accumulated vote would increase their bargaining power in the runoff. Their multiplication might well make runoffs the rule rather than the exception. And think of the finagling that would take place between the first and second rounds of a presidential election! Like J.Q. Adams in 1824, the victors would very likely find that they are a new target for "corrupt bargains."

Direct election would very likely bring to the White House candidates who do not get anywhere near a majority of the popular votes. The prospect would be a succession of 41 percent presidents or else a succession of double national elections. Moreover, the winner in the first round might often be beaten in the second round, depending on the deals the runoff candidates made with the splinter parties. This result would hardly strengthen the sense of legitimacy that the presidential election is supposed to provide. And I have yet to mention the problem, in close elections, of organizing a nationwide recount.

In short, direct elections promise a murky political future. They would further weaken the party system and further destabilize American politics. They would cure the intolerable predicament—but the cure might be worse than the disease.

Are we therefore stuck with the great anomaly of the Constitution? Is no remedy possible?

There is a simple and effective way to avoid the troubles promised by the direct-election plan and at the same time to prevent the popular-vote loser from being the electoral-vote winner: Keep the electoral college but award the popular vote winner a bonus of electoral votes. This is the "national bonus" plan proposed in 1978 by the Twentieth Century Fund Task Force on Reform of the Presidential Election Process. The task force included, among others, Richard Rovere and Jeanne Kirkpatrick. (And I must declare an interest: I was a member, too, and first proposed the bonus plan in The Wall Street Journal in 1977.)

Under the bonus plan, a national pool of 102 new electoral votes—two for each state and the District of Columbia—would be awarded to the winner of the popular vote. This national bonus would balance the existing state bonus—the two electoral votes already conferred by the Constitution on each state regardless of population. This reform would virtually guarantee that the popular-vote winner would also be the electoral-vote winner.

At the same time, by retaining state electoral votes and the unit rule, the plan would preserve both the constitutional and the practical role of the states in presidential elections. By insulating recounts, it would simplify the consequences of close elections. By discouraging multiplication of parties and candidates, the plan would protect the two-party system. By encouraging parties to maximize their vote in states that they have no chance of winning, it would reinvigorate state parties, stimulate turnout, and enhance voter equality. The national-bonus plan combines the advantages in the historic system with the assurance that the winner of the popular vote will win the election, and it would thus contribute to the vitality of federalism.

The national-bonus plan is a basic but contained reform. It would fit comfortably into the historic structure. It would vindicate "the fundamental maxim of republican government . . . that the sense of the majority should prevail." It would make the American democracy live up to its democratic pretensions.

How many popular vote losers will we have to send to the White House before we finally democratize American democracy?

ADDITIONAL STATEMENTS

LOCAL LAW ENFORCEMENT ACT OF 2001

• Mr. SMITH of Oregon. Mr. President, I speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

A terrible crime occurred September 14, 1998 in Hayward, CA. A woman in a gay and lesbian bar was verbally assaulted and threatened by two men. Donald R. Santos, 40, and Lance E. Alves, 45, were charged with making terrorist threats and interference of civil rights because of sexual orientation, in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. By passing this legislation and changing current law, we can change hearts and minds as well.•

TAKE OUR DAUGHTERS TO WORK DAY

• Ms. LANDRIEU. Mr. President, as you walk the halls of the Senate today, you might have noticed many young and bright faces. Today we are celebrating the 10th anniversary of "Take Our Daughters to Work Day." Senate HUTCHINSON and I have been pleased to oversee today's activities with our colleagues.

Over 11-million girls ages 9–15 are spending today with their parents, relatives, friends, neighbors and other mentors experiencing the wide range of careers the world has to offer.

Since 1993, 71-million young women—and yes, some young men, too—have participated in this outstanding program. According to a recent poll commissioned by the Ms. Foundation for Women, girls believe the program increased their interest in education, broadened their thinking about the future, and strengthened their relationship with their parents and other caring adults.

This morning's Senate activities began with a breakfast and a tour of the Senate floor for approximately 200 girls and their sponsors, many of them Senate staff members and assistants who wanted to share with their girls the excitement and challenges of working in our Nation's Capitol, and in particular, here in the Senate.

This year I am happy to host ten young ladies, all with very promising futures, most from my home State of Louisiana. Please welcome: Miss Lily Cowles of Shreveport, LA; Miss Caroline Pullen and Miss Claire Pullen of Houston, TX; Miss Keely Childress of Monroe, LA; Miss Elisabeth Whitehead of Baton Rouge, LA; Miss Megan Haverstock and Miss Lauren Haverstock; Miss Kathleen Warner of Lynn Haven, FL; Miss Ashley Bageant of Spotsylvania, VA; Miss Annie Ballard of Baton Rouge, LA; Miss Erin Douget of Opelousas, LA.

In closing, I would like to thank the Ms. Foundation—the founder and organizer of this outstanding program that has impacted in a very positive way the lives of millions of girls and has become a tradition for thousands of workplaces across the country.•

IN RECOGNITION OF 1976 BROWN UNIVERSITY IVY LEAGUE CHAMPIONSHIP FOOTBALL TEAM

• Mr. CHAFEE. Mr. President, I rise today to recognize Brown University's 1976 Ivy League Championship Football Team, which recently was inducted into the Brown University Athletic Hall of Fame. In particular, I want to salute Joe Wirth, an assistant coach of that team, who was inducted into the Brown Hall of Fame in his own right in 1995, and who was an important influence on my own collegiate athletic career.

Joe coached at Brown from 1973 to 1979, and during his tenure, the Brown University Bears compiled an impressive 42–18–1 record. Joe Wirth was a defensive genius, and it certainly showed out on the field—the Brown defense was nationally ranked in five of those seven seasons. In the 1976 championship year, when the Bears led the way with an 8–1 record, they allowed the second-fewest points in the Ivy League. And that stingy defense translated into victories over the traditional league powers: Princeton, Harvard, and Yale. It was the first time in the school's history that they beat all three in the same season.

As if his responsibilities to the football team were not enough, Joe also was the coach of the wrestling team during that time and he helped keep the program alive. He produced a New England Champion in 1976. As one of Joe's co-captains on the 1975–76 wrestling team, I can attest that he had the respect and admiration of all of his wrestlers. We were all so grateful for his leadership and for his encouragement.

Despite the time commitments associated with his football and wrestling teams, Joe remained a family man. With his wife, Carol, he raised a wonderful family of six children.

To this day, Joe Wirth is a popular figure in Brown athletic circles. His players still recall his admonition to never give up "until the last white line is crossed." In honor of his accomplishments as a Brown coach, I will conclude with a toast first offered to the 1976 Ivy League Champions by my classics professor, John Rowe Workman:

> To your continued good health
> To your continued prosperity
> And to the maintenance of the great tradition•

NATIONAL PECAN MONTH

• Mr. DOMENICI. Mr. President, I rise today to recognize National Pecan Month. Each April the nation celebrates the pecan. Used in recipes ranging from pies and candy to soups and salads, the pecan is an important part of New Mexico's diet and economy.

New Mexico is the third largest pecan producing State following Georgia and Texas. The Pecan tree is uniquely native to North America. Pecans were first introduced to New Mexico in the early 1900's at the New Mexico State University and then in the Mesilla Valley. In 1932, the late Dean Stahmann Sr. planted the first commercial Pecan orchard, and pecans quickly became an important product of our State. In 2001, the State of New Mexico produced over 50 million pounds of pecans and had approximately 30,000 acres of pecan trees.

I am proud of the 15 New Mexico counties which produce pecans. Seven of the leading counties in pecan production include Chavez, Dona Ana, Eddy, Lea, Luna, Otero, and Sierra. Dona Ana county has more than 20,000 acres of pecan trees. Eight others including Bernalillo, Curry, De Baca, Grant, Hidalgo, Lincoln, Quay, and Roosevelt are all growing as valuable pecan producing counties.

Pecans not only taste great, but also may provide a way to help American's live healthier lives. A recently released study printed in the Journal of Nutrition reported regular consumption of pecans lowers cholesterol in conjunction with a step I diet of the American Heart Association. I encourage all American's to celebrate National Pecan Month with the people of New Mexico.•

TRIBUTE TO 2002 TEACHER OF THE YEAR: CALIFORNIAN CHAUNCEY VEATCH

• Mrs. FEINSTEIN. Mr. President, I rise today to pay tribute to a great Californian, Chauncey Veatch, whom I am very proud to know. Chauncey Veatch has been bestowed the highest honor available to teachers; he has been named the 2002 "Teacher of the Year."

I have had the honor of meeting Chauncey Veatch on two occasions. First when he became California's Teacher of the Year, and then again today. I could tell from my first meeting with Mr. Veatch that California was lucky to have a teacher like him in the State. His love for teaching and genuine concern for his students was apparent from the way he spoke about his classroom, students, and community.

Mr. Veatch did not always know he wanted to be a teacher. He came to teaching later in his career. He first spent 22 years in the Army infantry and medical services corps, working as a medical administrator.

After retiring in 1995, Mr. Veatch decided to follow in his siblings footsteps and become a teacher. He currently teaches social studies at Coachella Valley High in Thermal, California. The overwhelming number of his students come from migrant families, and nearly all of his students are Spanish-speaking. Mr. Veatch speaks Spanish to communicate with many of his students and to show respect for their culture.

His students and colleagues know Mr. Veatch as a courteous, tireless worker. He goes the extra mile for his students and his community. It is not uncommon for Mr. Veatch to spend hours after school helping students get caught up on their course work or to get ahead. One of his migrant students had to work with his family until November. A place was saved for him in the classroom, and Mr. Veatch worked with him everyday after school to make sure he caught up with the rest of the class. This is just one example of the many students he has helped.

Mr. Veatch's former principal, Rick Alvarez, said of his colleague: "Believing our students can succeed is not a desire or a facade, but is actually something Chauncey lives. This caring can be seen in his eyes and heard in his voice and felt in his presence, and mostly seen in his actions."

Chauncey Veatch said in the Rose Garden yesterday as President Bush presented him with his award, "If you'd like to be a part of America's tomorrows become a teacher today." Mr. Veatch is a living example of the difference each person can make in the life of a child. Along side him at the ceremony were two of his students whose lives he has touched and undoubtedly changed. His students are his legacy, as he commonly refers to them as his "kids." Through his actions, it is apparent to me that the terms "kids" is not only used a word to describe his classroom, but really how he thinks of his students. They are like family.

From Army Colonel to "Teacher of the Year," I am proud to know you Chauncey Veatch and to call you a Californian. In Mr. Veatch's words, "There is nothing more rewarding, nothing more patriotic than teaching. It is truly a joy and honor to be a teacher. This award belongs to my students."•

• Mrs. BOXER. Mr. President, I rise today to bring to the Senate's attention an exceptional person—Chauncey Veatch, a teacher from Coachella Valley High School in Thermal, California.

He teaches world history, government and ninth-grade career preparation at Coachella Valley High School. He also does much more. He has taught English as a Second Language and citizenship classes in evening adult school. He revived the high school's cadet program, which has grown to 170 students. And he is often found with his students and their families outside of school in the community. Although he has only been teaching since 1995, after 22 years of service in the U.S. Army, Mr. Veatch has become a mentor and an inspiration not only to his students, but to other teachers as well.

While he has never sought recognition, Chauncey Veatch was selected last year as California Teacher of the Year. More significantly he was recently honored at the White House as the 2002 National Teacher of the year.

Chauncey Veatch believes in his students and demonstrates that belief to them every day. The result is they believe in themselves. Their success in school, and in life, is remarkable.

California is extremely proud of Chauncey Veatch. I am honored to pay tribute to him. As National Teacher of the Year he will travel for a year as an education ambassador. I encourage my colleagues to join me in wishing Chauncey Veatch continued success as he spreads his positive message across our nation and beyond and as he continues his exceptional teaching.•

NUCLEAR SECURITY OFFICERS

• Mr. SMITH of New Hampshire. Mr. President, I rise to recognize the brave and patriotic security officers who protect the Seabrook Nuclear Power Station in my State of New Hampshire. Recently, allegations have been made that have caused great concern to these highly trained professions. The Local 501 Security, Police and Fire Professionals of America have written a letter to me and provided a position paper representing their views of security at Seabrook Station and responding to the issues raised by others. One particular part of the position paper caught my attention as it exemplifies the character of the brave men and women who serve and protect our nuclear power plants. It reads,

> The last thing that you should know about us is that we are your family, your friends and your neighbors. Most of us live within 20 miles of the plant. We have families and children of our own. Everything that we have worked so hard for and love is in close proximity to this plant. We are not cowards and will not run. God forbid the day ever comes, but if it does, we will stay and fight for you and for our friends and families.

I want to thank the President of Local 501, Clifford Bullock, and all of the professionals who are members of Local 501 for providing their well-informed perspective on security at Seabrook Station. Most importantly, Mr. President, I want to thank them for their bravery and commitment to protecting all of us—they are true patriots. I ask that the letter and position paper of Local 501 be printed in the Congressional Record.

April 24, 2002.

The Hon. Robert Smith,
U.S. Senate,
Washington, DC.

Dear Senator Smith: We understand from news media reports that two former security officers from Seabrook Station are planning to meet with various Congressional staff members to discuss concerns they have about their service at Seabrook.

As the Senator from New Hampshire and the ranking member of the Environment and Public Works Committee, we believe you would be interested in our position on the issues raised by the former officers. The attached paper represents the position of Local 501 of the Security, Police and Fire Professionals of America. We feel that it is especially important for you and your colleagues to have a full perspective on these issues.

We would be pleased to provide any additional information or respond to any other questions you may have.

Thank you for your consideration.

Sincerely,

Clifford Bullock,
President, Local 501, Security, Police and Fire Professionals of America.

Statement on Security at Seabrook Station From Security, Police and Fire Professionals of America—Local 501—April 23, 2002

Since the tragic events of September 11, the nation has been focused on its security like never before. The public and media have been quick to both praise and criticize the men and women tasked with keeping us safe from harm. Recently, light has been shed on a relatively unknown part of America's critical infrastructure; the protection of our nation's commercial nuclear power reactors. It seems that since September 11, hardly a week goes by that there is not a story in the news regarding the possibility of attacks against a nuclear power plant. This increased media attention has produced two results. It has shown us that prior to September 11, most people in this country were unaware of the importance of homeland security. It has also shown us that in this time of national uncertainty, anyone appearing on television, regardless of his or her background, education or experience, may be considered a "security expert".

In recent weeks, former newly hired security officers have expressed their perception that the security at the Seabrook Nuclear Power Station is inadequate. We would like the public to know that the concerns expressed by these individuals had been bought to the attention of management, and that they were being evaluated and any discrepancies addressed. The former officers' main area of concern centered on the initial training they received when they were hired in November 2001. They expressed discontent with the quality and quantity of tactical and weapons training they received during the six weeks of initial classroom and practical instruction. In an open letter to the public, one of the former officers stated that he fired only 96 rounds at the range before being declared "proficient" with his weapon. What he failed to disclose was that after firing 96 practice rounds, he then fired 120 rounds in order to qualify with his weapon using a state of New Hampshire and U.S. Nuclear Regulatory Commission-certified course of fire. After qualification came familiarization training on a stress-fire course and low-light firing. Only after successful completion of this training (300–350 rounds) is any officer declared "proficient" with his or her weapon.

Admittedly, we would all like more time to practice with our weapons, not only because we want to hone our skills, but also because we enjoy it and are very good at it.

The strategic doctrine of nuclear power facilities is not designed to be as extensive as that of a SWAT team or a Special Forces branch of the military. We are by our very nature, defensive, not offensive. During our initial training we spend approximately four days learning general and site-specific tactics. This training, coupled with an intimate knowledge of the plant, ongoing training and drills and a fair measure of common sense prepares an individual to protect this plant in the event of an attack.

Although for obvious reasons we cannot disclose the specifics of our tactical strategy, we want the public to know that it has been validated numerous times by both industry and military experts and that, as the people who will employ it into actual use, we are confident that it is sound.

On September 11, due to our heightened state of alert, we stopped conducting tactical training drills on shift. Drills, though, are an essential part of the training process, and in January of this year, we began to once again practice our defensive strategy. The resumption of drills coincided with the few weeks that the former officers actually worked on shift. In their statements, they criticized our ability to perform our jobs of protecting this plant and the public from a terrorist attack based upon what they saw. Drills are performed as "force on force" exercises, meaning that a mock adversary team actually "attacks" the on-shift security officers. Explosions, gunfire and "kills" are simulated, and after the drills are complete, a critique is completed and feedback given not only to those involved, but also to the officers who did not participate in the drills. A mistake or failure during a drill may serve to save that person's life during an actual attack on the plant. It should be noted that sometimes the defending officers do not win the drills. This is not a reflection of our abilities or aptitude, but rather of the difficulty of the exercises that are conducted. Adversary teams consist of well-trained officers and supervisors who are not only familiar with every square inch of the facility, but are also experts on our tactical and defensive strategy and can predict every movement of the defenders. Drills are meant to be difficult in order to reinforce the skills of the officers involved. With the odds stacked so far in favor of the adversaries, the public should take solace in the fact that we actually win many more drills than we lose. Initial training is only one step in the ongoing development of the skills and experience required to protect the public from the danger of a terrorist attack on our facility.

There was one last concern brought forth by these individuals that we wish to address as being not only erroneous, but also as nothing short of a personal attack on the hard-working men and women of the security staff at Seabrook Station. Our former co-workers have stated that in the event of an actual attack, the majority of officers would use their weapons to flee the plant. We want to state for the record that the dedication and integrity of the security force at Seabrook is unimpeachable.

Since September 11, despite long hours and few days off, no officer who was here prior to the terrorist attacks, has resigned or been terminated. Those of us who were here before have stayed, not because we cannot find other jobs, but because we are dedicated to what we do.

For those of you who do not know us, please allow us to introduce ourselves. We are educated, experienced and hard-working individuals. Thirty percent of us have college degrees. Eighty percent have prior military, law enforcement or security experience. On average we are 38 years old, and have worked as security officers at Seabrook Station for over eight years. Since September 11, we have worked roughly 60 hours per week. We know the dangers inherent in our work; we know the possibility of a terrorist attack on a U.S. nuclear power plant. Every day that we drive through the gate, we know that we are putting our lives at risk to protect the public, yet we continue to come.

The last thing that you should know about us is that we are your family, your friends and your neighbors. Most of us live within 20 miles of the plant. We have families and children of our own. Everything that we have worked so hard for and love is in close proximity to this plant. We are not cowards and we will not run. God forbid the day ever comes, but if it does, we will stay and fight for you and for our friends and families.

Members of the public should be confident that the security of Seabrook Station is tight, and will get tighter in the months ahead. We will be the first to admit that we are not perfect. As in any organization, we have areas in need of improvement. We have been addressing these areas and together with management, continue to strive towards making these improvements a reality. In the meantime, we will continue to be here to protect the public from the threat of radiological sabotage, just as we have been since well before September 11, 2001.

CLIFFORD BULLOCK,
President, Local 501—Security, Police and Fire Professionals of America.●

TRIBUTE TO MICHAEL JACOBS

● Ms. MIKULSKI. Mr. President, I rise today to pay tribute to Michael J. Jacobs as he leaves the National Security Agency. Mr. Jacobs has served our nation for more than 38 years. He has distinguished himself and the National Security Agency in positions of increasing responsibility. Mr. Jacobs capped his illustrious career as the Information Assurance Director of the National Security Agency.

Mr. Jacobs is an outstanding example of the many dedicated public servants who fulfill critical needs, often without public recognition. When Mr. Jacobs joined the NSA, the agency's existence was a secret. While the American people now know and appreciate more about the NSA, most of the attention goes to signals intelligence.

Mr. Jacobs made his mark fulfilling the NSA's other core mission: information assurance. He has led and shaped the essential effort to develop secure information systems. Our Presidents, our Armed Forces, our diplomats, our intelligence agencies, and other Government leaders depend on secure communications every day. During his tenure, Mr. Jacobs has shaped every part of how our government addresses the Information Assurance needs.

Mr. Jacobs demonstrated a real commitment to the long-range needs of America. His initiatives in research and education are key examples. He worked to sustain the Information Assurance Awareness and Training and Education Research Program. He also broke new ground in establishing NSA Centers of Excellence in Information Assurance Education at institutions of higher learning in Maryland and across the country.

Mr. Jacobs was stayed ahead of the curve in protecting America's critical information infrastructure. The White House recognized the Information Assurance System Security Education and Training Program (NIEPT) he developed as a model in Government.

Mr. Jacobs' embodies the best traditions of our civil service. That's why he has been recognized with the NSA Exceptional Civilian Service Award and the National Intelligence Medal of Achievement.

As the Senator from Maryland and a member of the Senate Select Committee on Intelligence, I want to thank Mr. Jacobs for his dedication to the United States of America. He has served our nation with honor. I wish Mike well as he enters a new phase of his life.●

THE INTERNATIONAL TRADE COMMISSION: LOOKING TO THE FUTURE

● Mr. GRASSLEY. Mr. President, this year marks the 76th year of operations for the U.S. International Trade Commission, ITC. Throughout that time, the Commission has played an essential role in the administration of U.S. trade remedy laws.

Today, I would like to emphasize two aspects of the ITC that I believe are critical to their ability to effectively administer U.S. trade remedy laws in the future.

First, it is important to remember that the ITC is an independent, impartial arbiter in international trade disputes under U.S. trade law. This independent stature was established and is guaranteed by the Congress. Inevitably, by deciding the cases on the merits, the Commission has made decisions that may be unpopular with certain industry sectors or individual Senators and Representatives—including me—and will doubtless to so again. But, despite disagreements the Congress continues to defend the Commission's independence. The fact that the Commission and Commissioners can rule on the merits, without fear of political pressure or retribution, is crucial to America's economy at home and our trade negotiations abroad.

As other nations begin to implement their own trade remedy laws, they often look to U.S. law and institutions for guidance. It is important the U.S. institutions serve as good models for other nations. One way to do that is for Congress to ensure that the independent nature of the ITC is preserved, regardless of the outcome of any particular case, just as we would any other quasi-judicial agency. It is our duty as elected representatives.

There is one other issue related to the ITC I would like to highlight, and that is the importance of having ITC Commissioners with an agriculture background. As the number of agricultural cases before the ITC increases, the appointment of a Commissioner with a substantive agricultural background is crucial to American agriculture. There are currently a number of antidumping orders and pending investigations affecting agricultural products. The ITC's commissioners must determine whether U.S. producers have suffered injury from unfairly traded products. A background in agriculture would assist the Commission in deciding these cases on the merits. I hope that the Administration will consider nominees with a background in agriculture, as current Commissioners' terms expire.●

NATIONAL ORGAN AND TISSUE DONOR AWARENESS WEEK

• Ms. STABENOW. Mr. President, I rise today to honor National Organ and Tissue Donor Awareness Week, April 21 through April 27, 2002. I want to commend the thousands of families each year whose selfless generosity helps save the lives of others. Since January, 115 people in my State of Michigan have received organ or tissue transplants. Unfortunately, in that same time, 40 people in Michigan have died waiting for needed organs.

Each day in America, about 63 people receive an organ transplant, but 16 die waiting. Over 79,000 Americans are on waiting lists for organs and tissues. For many of them, this issue is about their very survival. Right now, we have almost everything we need to save these lives. We have skilled doctors and medical professionals and we have hospitals with transplant facilities. All we need now are people who are willing to share the gift of life with others.

I would like to share the story of Maria Compagner, a 5-year-old girl who lives in Holland, MI. When Maria was 2 months old, she was diagnosed with hepatic hemangioendotheliomas on her liver, which caused her liver to grow at such a rapid pace that it pushed her other vital organs out of place. She was hospitalized, received chemotherapy and Alpha Inferon treatment, followed by steroid treatments. The treatments permanently damaged Maria's thyroid gland and inhibited growth hormone production. She will have to take synthetic hormones for the rest of her life.

Maria suffered from congestive heart failure, severe respiratory distress which led to many intubations, a pulmonary hemorrhage in her lung, several serious infections, hypothyroid condition, a collapsed lung, pneumonia, chronic emesis, aspiration, and severe reflux, all before her first birthday.

Just before her first birthday, Maria finally received a precious gift of life, a new liver. She spent the next year in and out of the hospital. After a little catching up, Maria is a happy and well-adjusted 5-year-old.

But she's not out of the woods yet. In November 2000, doctors discovered that Maria's portal vein and inferior vena cava are blocked and her hepatic artery is narrowed. She is now waiting for a second liver transplant to correct those problems.

This week, I urge all Americans to consider becoming an organ donor. I urge them to think about filling out a donor card. And most importantly, I urge them to talk to their families about their decision.

When you become an organ donor, you guarantee that you will live on not just in the memories of your loved ones. You will live on in the heart and soul of the fellow human beings you save, and in the heart and soul of every loved one that person gets to touch.●

60TH ANNIVERSARY OF THE UNITED WAY OF CHITTENDEN COUNTY

• Mr. JEFFORDS. Mr. President, I would like to take this opportunity to recognize and celebrate the United Way of Chittenden County on the occasion of their 60th Anniversary. Many Vermonters have worked tirelessly for this organization throughout the years and I take great pride in what they have accomplished.

Since Henry Way founded the organization under the name of the Burlington Community Chest in 1942, the United Way has brought vital services to generations of Vermonters and earned its reputation as a cornerstone of Chittenden County's collaborative community development.

Vermonters must never take for granted the key role the United Way plays in the well-being of our local communities. Sustainable, grassroots solutions to complex problems do not come easily. In partnership with citizens, businesses, services, State and Federal Government, the United Way helps to fund such worthy organizations as the Girl Scouts, YMCA, Red Cross, Salvation Army, and many more.

Communities throughout the United States are served well by their local United Way chapters. If founders Henry Way, C.P. Hasbrook, and I. Munn Boardman were alive today they would be proud of the organizational strength the United Way has built through the years. I commend the board, staff, contributors, and volunteers for their generous efforts in securing crucial resources for their communities. The legacy of these groundbreaking Vermonters is honored by sixty years of tenacious work. This proud history continues today under the apt leadership of Gretchen Morse. I am sure the United Way of Chittenden County will continue to be an example for other charitable organizations throughout the country.

The United Way is sure to meet their community's challenges in the next 60 years with the vision, leadership and perseverance demonstrated today.

I extend my hearty congratulations.●

DRAWING THE LINE ON GUN VIOLENCE

• Mr. LEVIN. Mr. President, I am pleased to call to the attention of my Senate colleagues, Mr. Hasani Tyus, a junior at Cass Technical High School in Detroit, MI. He has been drawing for years and has won several Motor City Comic Book Convention art awards. Hasani, along with his father, have been honored in a book of outstanding African-Americans for their artwork. Hasani is also a member of several academic societies, is a straight A student and recently earned his black belt in karate. More importantly, Hasani has done what so many young people across the Nation have done in the years following the Columbine tragedy. He has put his talents to use. He did so by urging us to "Draw the Line on Gun Violence."

Hasani is 1 of 13 national poster contest winners selected from more than 1,000 entries by the Alliance for Justice's Co/Motion Program, a national program that helps community organizations teach youth leaders to become advocates for a cause in their community. Co/motion partners with youth organizations, national service and service learning programs, schools and other community-based organizations to provide training to young adults in advocacy and organizing skills. Further, it empowers young people to take action to effect social change. Co/motion's Drawing the line on Gun Violence Poster Contest, the first of its kind, provided young people the opportunity to express their feelings about the issue of gun violence in a rewarding and artistic way. Hasani's award-winning poster is currently posted on my website (http://levin.senate.gov).

I had the pleasure of meeting Hasani earlier this week and I commended him on his hard work and honest depiction of the results of gun violence. I am sure that I speak for many of my Senate colleagues in congratulating Hasani Tyus on a job well done.●

ESSAY BY LELAND MILLER

• Mr. BIDEN. Mr. President, recently I was asked by a constituent of mine, Mr. Marshall Miller, if I would seek to have an essay on Central Asia that was written by his son, Leland, reprinted in the CONGRESSIONAL RECORD. Leland Miller is a second year law student at the University of Virginia. I ask that Mr. Miller's essay be printed in the RECORD.

The essay follows:

KEEPING CENTRAL ASIA'S KLEPTOCRATS AT ARM'S LENGTH

(By Leland R. Miller)

As American planes take off from Uzbek airstrips to provide support for the war against the Taliban, another conflict is occurring nearby, underneath the radar of the American media. Kazakhstan, the largest territory in Central Asia, is undergoing a palace coup. Yet few in Washington seem to know or care.

As the only major area on earth that is still "up for grabs," Central Asia may very well become a key geopolitical battleground of the 21st century. This is nothing new. In the early 20th century, British strategist Sir Halford J. Mackinder proclaimed that whoever controls Central Asia has the key to world domination. Yet a century later, it is almost an afterthought in American strategic thinking.

This is a major mistake, the result of two phenomena. First, the war in Afghanistan has convinced U.S. policy makers that the need for support—both rhetorical and substantive—from Central Asian regimes trumps all other considerations.

Second, the promise of the Caspian oil basin and other large business opportunities in the lucrative Central Asian energy markets have seduced Washington into turning a blind eye towards whom we are dealing with.

As a result of these dual factors, America is walking into a dangerous trap. As we open our arms to these unstable and authoritarian Central Asian regimes, they are gradually gaining the status not just of America's temporary allies but as our friends. This is a disastrous betrayal of U.S. interests. Granted, the promise of quick rewards is enticing. However, like all Faustian bargains, the sacrifice could be considerable.

Perhaps no country sings this siren song more effectively than Kazakhstan. Although it is one of the world's poorest countries, its president, Nursultan Nazarbayev, is ranked as the eighth richest man in the world. The reason? He and his two venal sons-in-law have run Kazakhstan as a family business. The family has sustained itself through gross corruption and the ruthless exploitation of would-be foreign investors.

The Kazakh leaders entice investments or loans, take over the investments under some pretext, then "sell the same horse" again to someone else. With abundant oil, uranium, and other resources, the country always seems able to find another group of gullible suitors. If that fails, pseudo-investments can be induced to cover up money laundering from the Russian mafia.

The recent crisis in Kazakhstan only reinforces this image. It began when Rakhat Aliyev, son-in-law to President Nursultan Nazabayev, was forced to resign his position as deputy chairman of the National Security Committee after reportedly making an Absalom-like run at his father-in-law's authority. He re-emerged just days later as the new head of the presidential guard, seemingly unscathed, but he had driven the first big split in the ruling family. His detractors used this opening to form a new party, Democratic Choice.

While some insiders have suggested that this new group may be nothing less than a second tier of crooks fighting Aliyev for a bigger piece of the pie, the government reacted swiftly. Prime Minister Kasymzhomart Tokayev, a Nazarbayev crony, angrily demanded (and received) the resignations of four top cabinet members, all of whom were founding members of the new party. Tokayev's justification?: "All those disagreeing with our policy and wishing to participate in political movements should resign."

Perhaps no one outside of the palace in Astana knows what's really going on. But in the world of Kazakh politics, it matters little whether this battle was an intrafamily fight for power or simply a battle amongst politicians unhappy with the current division of spoils. Either way, this is clearly not a regime that America should be too identified with.

True, Kazakhstan does draw some favorable comparisons, but only when contrasted with its neighbors. The fact is, Central Asian governments are among the most corrupt and repressive regimes in the world. Most inherited the apparatuses of their communist predecessors and many have been just as ruthless in wielding it. Most, like Nazarbayev's and Turkmenbashi's of Turkmenistan, are even extensions of the same communist party structure that they allegedly replaced.

Autocratic and corrupt governance is the rule, not the exception, in Central Asia. The lack of available political channels is so endemic in these countries that frustrated citizens are offered but two choices: attempt to mobilize politically, despite the obvious barriers, or else turn to extra-political means of empowerment.

It is this second possibility that so desperately deserves U.S. attention. Across Central Asia, ethnic and religious differences among the populations constitute a sizable obstacle to stability and democratic governance. Unlike the Balkans, however, it is not an insurmountable one.

Despite the pervasive following of Islam in the region, religious extremism does not have the same roots in Central Asia that it does in other parts of the world. Radical groups, such as the Islamic Movement of Uzbekistan (whose leader, Jumaboi Khojiev Namangani, was reportedly killed fighting in Afghanistan—some sources say he has merely gone into hiding) are fortunately still the exception.

However, this could certainly change if repressive regimes continue to kindle the flames of religious extremism by stifling virtually all other opportunities for political voice. The horrors of Algeria should not be replicated in Uzbekistan or Tajikistan.

Situated in the middle of Russia, China, and India, and with virtually untapped energy potential, Central Asia would be an area of importance to the United States even under the best of circumstances. However, the War on Terror has now considerably upped the ante. Support for the cause of Muslim fundamentalism in Central Asia not only threatens the region's stability, but is sure to mean more fuel for a global jihad. As the events of 9/11 have made clear, America has as much reason to fear that development as any of the regimes themselves.

The next generation of America's leaders must not be made apologists for today's policies aimed at the short-term and short-sighted advancement of U.S. interests. This means avoiding marriages of convenience with repressive Central Asian regimes that will inevitably prove harmful to the nation's future.

The New Great Game in Central Asia is very much a battle of good against evil. Democracy, not Islamic extremism, must fill the political void. While the U.S. has no role in fomenting or aiding these "coups of the apparatchiks," Americans are still beholden to one obligation: We need to at least make sure we are not rooting for the wrong side.•

TAKE OUR DAUGHTERS TO WORK DAY

• Ms. LANDRIEU. Mr. President, I have had the privilege of hosting some of the future leaders of America in my office as part of Ms. Magazine's Take Our Daughters to Work Day. As part of the day's activities I asked them to write a speech on what they would do if elected to serve as a United States Senator. I am proud to submit for the record some of their responses.

If I were a United States Senator by Annie Ballard, 5th Grade, Future US Senator 2021. As a Senator of the United States I will find equality for all peoples of the Nation. For every man, woman and child of all races and types. Every man and woman should have equal pay and treatment. In some places of the country, women and people of color are not payed or treated equally to whites and men. Hispanics might be payed $2.29 for 13 hours of work each day. Some women are qualified for jobs and have to give them up because of a less qualified man. Teams of sports will choose males over females in football, baseball and other sports. In this bill, I plan to equalize all jobs, sports and pay for all people of the United States of America.

What I would do if I were Senator, by Ashley Bageant. I would increase security at big buildings and airports so our environment can be more safe. I would do that by hiring more police officers. I would try to treat everybody the same. I would do what I would think would be right for our country. I would pay my people more money so they would have enough money to build homeless shelters to get homeless people off the street.

What I would do if I were Senator? By Kathleen Warner, 9th Grade, Future US Senator 2018. As a high school student and a Catholic, I am pro-life and feel that my opinion should be strongly considered. My reasoning on the abortion issue is that a child is a life from the point of conception and therefore should by the state just like any other citizen. Also, if a child is conceived unexpectedly the mother can put the child up for adoption where he or she has the same opportunity as other children to live a strong, successful life. Finally, let me say, I am proud to live in a country where I can express my opinion like this.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.

MESSAGE FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3763. An act to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes.

ENROLLED BILL SIGNED

At 3:19 p.m., a message from the House of Representatives delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 4167. An act to extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted.

MEASURERS REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3763. An act to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6572. A communication from the Deputy General Counsel, Office of National Drug Control Policy, Executive Office of the President, transmitting, pursuant to law, the report of a nomination confirmed for the position of Deputy Director for State and Local Affairs, received on April 17, 2002; to the Committee on the Judiciary.

EC–6573. A communication from the Deputy Assistant Director, Fish and Wildlife Service, Office of Law Enforcement, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Conferring Designated Port Status on Anchorage, Alaska" (RIN1018–AH75) received on April 22, 2002; to the Committee on Environment and Public Works.

EC–6574. A communication from the Chairman and Vice Chairman of the Federal Election Commission, transmitting jointly, the Fiscal Year 2003 Budget Request Amendment; to the Committee on Rules and Administration.

EC–6575. A communication from the Acting Chairman of the Merit Systems Protection Board, transmitting, a report relative to the Merit Systems Protection Board Reauthorization Act of 2002; to the Committee on Governmental Affairs.

EC–6576. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation entitled "National Defense Authorization Act for Fiscal Year 2003"; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–229. A resolution adopted by the Senate of the Legislature of the State of Michigan to support Federal assistance, through the Transportation Efficiency Act, for the Village of Holly/Rose Township Michigan Highway-Rail Life Safety Access Project; to the Committee on Appropriations.

SENATE RESOLUTION NO. 172

Whereas, Blockage of the Cogshall Road crossing creates a life-threatening danger to residents in Holly Shores, a mobile home subdivision, when emergency vehicles cannot gain access; and

Whereas, Proximity of wetland limits the areas that can be used to address the problem; and

Whereas, Local, state, and railroad matching contributions will be used in conjunction with the Transportation Efficiency Act (TEA–21) grant to extend a passing siding to ensure no extended blockage and thus access for emergency vehicles; and

Whereas, A permanent resolution is necessary to address this significant safety problem; now, therefore, be it

Resolved by the Senate, That the members of this legislative body memorialize the Congress of the United States to approve federal assistance, through the TEA–21 grant program, for the Village of Holly/Rose Township Michigan Highway-Rail Life Safety Access Project; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–230. A resolution adopted by the House of the General Assembly of the Commonwealth of Pennsylvania relative to economic stimulus legislation; to the Committee on Finance.

HOUSE RESOLUTION NO. 348

Whereas, The attack on America of September 11, 2001, was a shock to the Commonwealth of Pennsylvania and the nation; and

Whereas, There is an ongoing military and multidimensional response to terrorism that we strongly support; and

Whereas, The United States faces the potential of a serious recession, having already lost 50,000 manufacturing jobs in Pennsylvania since the beginning of the year, and the attack on America may cause the loss of an estimated additional 15,000 jobs; and

Whereas, The Congress of the United States has already taken critical action to support affected industries and is proposing additional aid to business; and

Whereas, The Congress is considering an economic stimulus package; and

Whereas, The core goal of an economic stimulus package is the stabilization of communities; and

Whereas, Supporting business to stabilize employment must be a critical part of any economic stimulus package to be adopted by the Congress; and

Whereas, Supporting workers must be included as part of any economic stimulus package to stabilize the economy; and

Whereas, Supporting state and local governments to avoid or lessen state or local tax revenues is a critical part of any economic stimulus package; and

Whereas, The economic stimulus package should include the following provisions: extending federally funded unemployment compensation, where needed, by 26 weeks; aiding workers by improving health care access by at least paying 75% of the COBRA health care costs and other health care assistance; aiding workers by fully funding targeted training and worker reemployment programs and taking such other actions to save personal homes and stabilize credit transactions; and

Whereas, If the Congress does not address the critical areas of economic stimulus, business workers and state and local government, these costs will have to be borne by state and local governments, workers and business; and

Whereas, The economic stimulus package adopted by the Congress on October 24, 2001, fails to adequately address the needs of workers in state and local government; therefore be it

Resolved, That the House of Representatives of the Commonwealth of Pennsylvania urge the Congress of the United States to address each of the three critical areas that will create economic stability and allow full growth; and be it further

Resolved, That the House of Representatives ask the Congress to help workers by considering the following provisions: extending federally funded unemployment compensation, where needed, by 26 weeks; aiding workers by improving health care access by at least paying 75% of the COBRA health care costs and other health care assistance; aiding workers by fully funding targeted training and worker reemployment programs and taking such other actions to save personal homes and stabilize credit transactions; and be it further

Resolved, That the House of Representatives respectfully request that the Congress provide aid to affected states to offset revenue deficits; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, to the presiding officer of each house of Congress and to each member of Congress from Pennsylvania.

POM–231. A resolution adopted by the Town Board of New Castle, New York relative to nuclear power plants; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 864: A bill to amend the Immigration and Nationality Act to provide that aliens who commit acts of torture, extrajudicial killings, or other specified atrocities abroad are inadmissible and removable and to establish within the Criminal Division of the Department of Justice an Office of Special Investigations having responsibilities under that Act with respect to all alien participants in war crimes, genocide, and the commission of acts of torture and extrajudicial killings abroad. (Rept. No. 107–144).

By Mr. JEFFORDS, from the Committee on Environment and Public Works, without amendment:

H.R. 495: A bill to designate the Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building."

H.R. 819: A bill to designate the Federal building located at 143 West Liberty Street, Medina, Ohio, as the "Donald J. Pease Federal Building."

H.R. 3093: A bill to designate the Federal building and United States courthouse located at 501 Bell Street in Alton, Illinois, as the "William L. Beatty Federal Building and United States Courthouse."

H.R. 3282: A bill to designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse."

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment and an amendment to the title and with a preamble:

S. Res. 109: A resolution designating the second Sunday in the month of December as "National Children's Memorial Day" and the last Friday in the month of April as "Children's Memorial Flag Day."

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 245: A resolution designating the week of May 5 through May 11, 2002, as "National Occupational Safety and Health Week."

S. Res. 249: A resolution designating April 30, 2002, as "Dia de los Ninos: Celebrating Young Americans", and for other purposes.

By Mr. LEAHY, from the Committee on the Judiciary, without amendment:

S. 410: A bill to amend the Violence Against Women Act of 2000 by expanding legal assistance for victims of violence grant program to include assistance for victims of dating violence.

By Mr. JEFFORDS, from the Committee on Environment and Public Works, with amendments and an amendment to the title:

S. 1721: A bill to designate the building located at 1 Federal Plaza in New York, New York, as the "James L. Watson United States Court of International Trade Building."

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1974: A bill to make needed reforms in the Federal Bureau of Investigation, and for other purposes.

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

S. Con. Res. 102: A concurrent resolution proclaiming the week of May 4 through May 11, 2002, as "National Safe Kids Week."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LEAHY for the Committee on the Judiciary.

John Edward Quinn, of Iowa, to be United States Marshal for the Northern District of Iowa for the term of four years.

David Phillip Gonzales, of Arizona, to be United States Marshal for the District of Arizona for the term of four years.

Edward Zahren, of Colorado, to be United States Marshal for the District of Colorado for the term of four years.

Charles M. Sheer, of Missouri, to be United States Marshal for the Western District of Missouri for the term of four years.

Gorden Edward Eden, Jr., of New Mexico, to be United States Marshal for the District of New Mexico for the term of four years.

John Lee Moore, of Texas, to be United States Marshal for the Eastern District of Texas for the term of four years.

Ronald Henderson, of Missouri, to be United States Marshal for the Eastern District of Missouri for the term of four years.

By Mr. GRAHAM for the Select Committee on Intelligence.

*John Leonard Helgerson, of Virginia, to be Inspector General, Central Intelligence Agency.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendations that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. CORZINE:

S. 2250. A bill to amend title 10, United States Code, to reduce the age for receipt of military retired pay for nonregular service from 60 to 55; to the Committee on Armed Services.

By Mr. SPECTER:

S. 2251. A bill to suspend temporarily the duty on a certain chemical; to the Committee on Finance.

By Mr. SPECTER:

S. 2252. A bill to suspend temporarily the duty on a certain chemical; to the Committee on Finance.

By Mr. SPECTER:

S. 2253. A bill to suspend temporarily the duty on a certain chemical; to the Committee on Finance.

By Mr. SPECTER:

S. 2254. A bill to suspend temporarily the duty on a certain chemical; to the Committee on Finance.

By Mr. SPECTER:

S. 2255. A bill to suspend temporarily the duty on copper 8-quinolinolate; to the Committee on Finance.

By Mr. SPECTER:

S. 2256. A bill to suspend temporarily the duty on a certain chemical; to the Committee on Finance.

By Mr. SPECTER:

S. 2257. A bill to include shoulder pads as a finding or trimming for the purposes of the African Growth and Opportunity Act, and the Caribbean Basin Economic Recovery Act, and for other purposes; to the Committee on Finance.

By Mr. SANTORUM:

S. 2258. A bill to suspend temporarily the duty on 2-Amino-5-sulfobenzoic acid; to the Committee on Finance.

By Mr. SANTORUM:

S. 2259. A bill to suspend temporarily the duty on 2-Amino-6-nitro phnol-4-sulfonic acid; to the Committee on Finance.

By Mr. SANTORUM:

S. 2260. A bill to suspend temporarily the duty on p-Aminoazobenzene-4-sulfonic acid and its monosodium salt; to the Committee on Finance.

By Mr. SANTORUM:

S. 2261. A bill to suspend temporarily the duty on 2,5-bis-[(1,3-Dioxobutyl)amino] benzene sulfonic acid; to the Committee on Finance.

By Mr. SANTORUM:

S. 2262. A bill to suspend temporarily the duty on 2-Mthyl-5-nitrobenzenesulfonic acid; to the Committee on Finance.

By Mr. SANTORUM:

S. 2263. A bill to suspend temporarily the duty on 3-[(4 Amino-3-methoxyphenyl) Azo] benzene sulfonic acid and its salts; to the Committee on Finance.

By Mr. SANTORUM:

S. 2264. A bill to extend the suspension of the duty on 11-Aminoundecanoic acid; to the Committee on Finance.

By Mr. SANTORUM:

S. 2265. A bill to provide for the elimination of duty on TOPSPIN; to the Committee on Finance.

By Mr. SANTORUM:

S. 2266. A bill to provide for the elimination of duty on Thiophanate-Methyl; to the Committee on Finance.

By Mr. GRASSLEY:

S. 2267. A bill to extend the temporary suspension of duty on a certain polymer; to the Committee on Finance.

By Mr. MILLER (for himself and Mr. CRAIG):

S. 2268. A bill to amend the Act establishing the Department of Commerce to protect manufacturers and sellers in the firearms and ammunition industry from restrictions on interstate or foreign commerce; to the Committee on Commerce, Science, and Transportation.

By Mr. CLELAND:

S. 2269. A bill to suspend temporarily the duty on certain textile machinery; to the Committee on Finance.

By Mr. CLELAND:

S. 2270. A bill to suspend temporarily the duty on certain textile machinery; to the Committee on Finance.

By Mr. SMITH of New Hampshire (for himself, Mr. INHOFE, and Mr. ENSIGN):

S. 2271. A bill to provide for research on, and services for, individuals with post-abortion depression and psychosis; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2272. A bill to clarify certain provisions of the Tariff Suspension and Trade Act of 2000; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2273. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2274. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2275. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2276. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2277. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2278. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2279. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2280. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2281. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2282. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2283. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2284. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2285. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2286. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2287. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2288. A bill to reliquidate certain entries of tomato sauce preparation; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2289. A bill to suspend temporarily the duty on benzoic acid, 2-amino-4[[(2,5-dichlorophenyl)amino]carbonyl]-, methyl ester; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2290. A bill to extend the temporary suspension of duty on Pigment Yellow 175; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2291. A bill to extend the temporary suspension of duty on Pigment Yellow 175; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2292. A bill to extend the temporary suspension of duty on Pigment Red 187; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2293. A bill to extend the temporary suspension of duty on Pigment Red 185; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2294. A bill to suspend temporarily the duty on p-amino benzamide; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2295. A bill to extend the temporary suspension of duty on Solvent Blue 124; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2296. A bill to extend the temporary suspension of duty on 4-Amino-2,5-dimethoxy-N-phenylbenzene sulfonamide; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2297. A bill to extend the temporary suspension of duty on Solvent Blue 104; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2298. A bill to extend the temporary suspension of duty on Pigment Yellow 154; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2299. A bill to extend the temporary suspension of duty on Pigment Red 176; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2300. A bill to extend the temporary suspension of duty on Pigment Yellow 214; to the Committee on Finance.

By Mr. REED (for himself and Mr. CHAFEE):

S. 2301. A bill to extend the temporary suspension of duty on Pigment Yellow 180; to the Committee on Finance.

By Mr. KERRY:

S. 2302. A bill to suspend temporarily the duty on certain filament yarns; to the Committee on Finance.

By Mr. KERRY:

S. 2303. A bill to suspend temporarily the duty on certain filament yarns; to the Committee on Finance.

By Mr. KERRY:

S. 2304. A bill to suspend temporarily the duty on certain high-performance loudspeakers; to the Committee on Finance.

By Mr. KERRY:

S. 2305. A bill to suspend temporarily the duty on parts for use in the manufacture of high-performance loudspeakers; to the Committee on Finance.

By Mr. KERRY:

S. 2306. A bill to suspend temporarily the duty on a certain chemical used in industrial coatings formulation; to the Committee on Finance.

By Mr. KERRY:

S. 2307. A bill to suspend temporarily the duty on a certain chemical used in industrial coatings formulation; to the Committee on Finance.

By Mr. KERRY:

S. 2308. A bill to suspend temporarily the duty on a certain chemical used in industrial coatings formulation; to the Committee on Finance.

By Mr. KERRY:

S. 2309. A bill to suspend temporarily the duty on a certain chemical used in industrial coatings formulation; to the Committee on Finance.

By Mr. KERRY:

S. 2310. A bill to suspend temporarily the duty on a certain chemical used in industrial coatings formulation; to the Committee on Finance.

By Mr. KERRY:

S. 2311. A bill to suspend temporarily the duty on a certain chemical used on industrial coatings formulation; to the Committee on Finance.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 2312. A bill to amend the Harmonized Tariff Schedule of the United States to provide for duty free treatment on certain manufacturing equipment; to the Committee on Finance.

By Mr. CORZINE:

S. 2313. A bill to suspend temporarily the duty on europium oxide; to the Committee on Finance.

By Mr. CORZINE:

S. 2314. A bill to suspend temporarily the duty on yttrium oxide; to the Committee on Finance.

By Mr. CORZINE:

S. 2315. A bill to suspend temporarily the duty on 3-sulfinobenzoic acid; to the Committee on Finance.

By Ms. LANDRIEU:

S. 2316. A bill to make technical and conforming changes to provide for the enactment of the Independence of the Chief Financial Officer Establishment Act of 2001, to establish a reporting event notification system to assist Congress and the District of Columbia in maintaining the financial stability of the District government and avoiding the initiation of a control period, to provide the District of Columbia with autonomy over its budgets, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DURBIN (for himself, Mr. BROWNBACK, Mr. KENNEDY, and Mr. KERRY):

S. 2317. A bill to provide for fire safety standards for cigarettes, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. CLINTON:

S. 2318. A bill to provide additional resources to States to eliminate the backlog of unanalyzed rape kits and to ensure timely analysis of rape kits in the future; to the Committee on the Judiciary.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 2319. A bill to provide for the liquidation of reliquidation of certain entries of certain manufacturing equipment; to the Committee on Finance.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 2320. A bill to provide for the liquidation for reliquidation of certain entries of certain manufacturing equipment; to the Committee on Finance.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 2321. A bill to provide for the liquidation or reliquidation of certain entries of certain manufacturing equipment; to the Committee on Finance.

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 2322. A bill to provide for the liquidation or reliquidation of certain entries of certain manufacturing equipment; to the Committee on Finance.

By Mr. GRAHAM:

S. 2323. A bill to amend the Harmonized Tariff Schedule of the United States to provide a tariff-rate quota for certified organic sugar; to the Committee on Finance.

By Mr. GRAHAM:

S. 2324. A bill to provide for the reliquidation of a certain drawback claim relating to juices; to the Committee on Finance.

By Mr. GRAHAM:

S. 2325. A bill to provide for the reliquidation of a certain drawback claim relating to juices; to the Committee on Finance.

By Mr. GRAHAM:

S. 2326. A bill to provide for the reliquidation of a certain drawback claim relating to juices; to the Committee on Finance.

By Mr. GRAHAM:

S. 2327. A bill to amend the Tariff Act of 1930 to permit duty drawback for articles shipped to the insular possessions of the United States; to the Committee on Finance.

By Mr. HARKIN (for himself, Mr. KENNEDY, Ms. MIKULSKI, and Mr. DODD):

S. 2328. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to ensure a safe pregnancy for all women in the United States, to reduce the rate of maternal morbidity and mortality, to eliminate racial and ethnic disparities in maternal health outcomes, to reduce pre-term, labor, to examine the impact of pregnancy on the short and long term health of women, to expand knowledge about the safety and dosing of drugs to treat pregnant women with chronic conditions and women who become sick during pregnancy, to expand public health prevention, education and outreach, and to develop improved and more accurate data collection related to maternal morbidity and mortality; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BREAUX (for himself, Mr. SMITH of Oregon, Mr. HOLLINGS, and Mr. MCCAIN):

S. 2329. A bill to improve seaport security; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER:

S. 2330. A bill to suspend temporarily the duty on certain telescopes; to the Committee on Finance.

By Mrs. BOXER:

S. 2331. A bill to provide for the reliquidation of certain entries involving machines used to replicate optical discs; to the Committee on Finance.

By Mr. VOINOVICH:

S. 2332. A bill to designate the Federal building and United States courthouse to be constructed at 10 East Commerce Street in Youngstown, Ohio, as the "Nathaniel R. Jones Federal Building And United States Courthouse"; to the Committee on Environment and Public Works.

By Mr. REID:

S. 2333. A bill to convey land to the University of Nevada at Las Vegas Research Foundation for a research park and technology center; to the Committee on Energy and Natural Resources.

By Mr. BURNS:

S. 2334. A bill to authorize the Secretary of Agriculture to accept the donation of certain land in the Mineral Hill-Crevice Mountain Mining District in the State of Montana, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JOHNSON (for himself, Mr. KERRY, Ms. CANTWELL, Mr. WELLSTONE, Mr. DASCHLE, Mr. BAUCUS, Mr. INOUYE, Mr. BINGAMAN, Ms. STABENOW, and Mrs. CLINTON):

S. 2335. A bill to establish the Office of Native American Affairs within the Small Business Administration, to create the Native American Small Business Development Program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WELLSTONE:

S. Res. 252. A resolution expressing the sense of the Senate regarding human rights violations in Tibet, the Panchen Lama, and the need for dialogue between the Chinese leadership and the Dalai Lama or his representatives; to the Committee on Foreign Relations.

By Mr. SMITH of Oregon (for himself, Mrs. CLINTON, Mr. SCHUMER, and Mr. HATCH):

S. Res. 253. A resolution reiterating the sense of the Senate regarding the rise of Anti-Semitic violence in Europe; to the Committee on Foreign Relations.

By Mr. LIEBERMAN (for himself, Mr. GREGG, Mr. CARPER, Mr. HUTCHINSON, and Mr. BAYH):

S. Res. 254. A resolution designating April 29, 2002, through May 3, 2002, as "National Charter Schools Week," and for other purposes; considered and agreed to.

ADDITIONAL COSPONSORS

S. 677

At the request of Mr. HATCH, the names of the Senator from Nevada (Mr. ENSIGN) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 677, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financing to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 830

At the request of Mr. HATCH, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 830, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 1054

At the request of Mr. NELSON of Florida, his name was added as a cosponsor of S. 1054, a bill to amend titles XVIII and XIX of the Social Security Act to prevent abuse of recipients of long-term care services under the Medicare and Medicaid programs.

S. 1258

At the request of Mr. DORGAN, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1258, a bill to improve academic and social outcomes for teenage youth.

S. 1346

At the request of Mr. SESSIONS, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1346, a bill to amend the Federal Food, Drug, and Cosmetic Act with regard to new animal drugs, and for other purposes.

S. 1408

At the request of Mr. ROCKEFELLER, the name of the Senator from Nebraska (Mr. NELSON) was added as a cosponsor of S. 1408, a bill to amend title 38, United States Code, to standardize the income threshold for copayment for outpatient medications with the income threshold for inability to defray necessary expense of care, and for other purposes.

S. 1742

At the request of Ms. CANTWELL, the names of the Senator from New York (Mr. SCHUMER) and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of S. 1742, a bill to prevent the crime of identity theft, mitigate the harm to individuals victimized by identity theft, and for other purposes.

S. 1749

At the request of Mr. KENNEDY, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1749, a bill to enhance the border security of the United States, and for other purposes.

S. 2038

At the request of Mrs. CLINTON, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 2038, a bill to provide for homeland security block grants.

S. 2039

At the request of Mr. DURBIN, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 2039, a bill to expand aviation capacity in the Chicago area.

S. 2051

At the request of Mr. REID, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 2051, a bill to remove a condition preventing authority for concurrent receipt of military retired pay and veterans' disability compensation from taking affect, and for other purposes.

S. 2055

At the request of Ms. CANTWELL, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 2055, a bill to make grants to train sexual assault nurse examiners, law enforcement personnel, and first responders in the handling of sexual assault cases, to establish minimum standards for forensic evidence collection kits, to carry out DNA analyses of samples from crime scenes, and for other purposes.

S. 2084

At the request of Mr. BOND, the name of the Senator from Tennessee (Mr. THOMPSON) was added as a cosponsor of S. 2084, a bill to amend the Internal Revenue Code of 1986 to clarify the exemption from tax for small property and casualty insurance companies.

S. 2215

At the request of Mrs. BOXER, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 2215, a bill to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil, and by so doing hold Syria accountable for its role in the Middle East, and for other purposes.

S. 2216

At the request of Mr. KOHL, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 2216, a bill to suspend temporarily the duty on fixed-ratio gear changers for truck-mounted concrete mixer drums.

S. 2221

At the request of Mr. ROCKEFELLER, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2221, a bill to temporarily increase the Federal medical assistance percentage for the medicaid program.

S. 2242

At the request of Mr. SMITH of New Hampshire, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2242, a bill to amend title 23, United States Code, to prohibit the collection of tolls from vehicles or military equipment under the actual physical control of a uniformed member of the Armed Forces, and for other purposes.

S. 2244

At the request of Mr. DORGAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2244, a bill to permit commercial importation of prescription drugs from Canada, and for other purposes.

S. RES. 249

At the request of Mr. HATCH, the names of the Senator from Arizona (Mr. MCCAIN), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Missouri (Mrs. CARNAHAN), and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. Res. 249, a resolution designating April 30, 2002, as "Dia de los Ninos: Celebrating Young Americans," and for other purposes.

AMENDMENT NO. 3230

At the request of Mr. WYDEN, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from Oregon (Mr. SMITH) were added as cosponsors of amendment No. 3230 proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

At the request of Mr. BURNS, his name was added as a cosponsor of amendment No. 3230 proposed to S. 517, supra.

AMENDMENT NO. 3239

At the request of Ms. SNOWE, her name was added as a cosponsor of amendment No. 3239 proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

AMENDMENT NO. 3256

At the request of Mr. VOINOVICH, his name was added as a cosponsor of amendment No. 3256 proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

AMENDMENT NO. 3311

At the request of Mrs. BOXER, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of amendment No. 3311 proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

AMENDMENT NO. 3355

At the request of Mr. TORRICELLI, his name was added as a cosponsor of amendment No. 3355 proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

AMENDMENT NO. 3360

At the request of Mr. TORRICELLI, the names of the Senator from Maine (Ms. SNOWE) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of amendment No. 3360 proposed to S. 517, a bill to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CORZINE:

S. 2250. A bill to amend title 10, United States Code, to reduce the age for receipt of military retired pay for nonregular service from 60 to 55; to the Committee on Armed Services.

• Mr. CORZINE. Mr. President, I rise today to introduce a bill that would reduce the retirement age for members of the National Guard and Reserve from 60 to 55. This change would allow 93,000 reservists currently aged 55 to 59 to retire with full benefits and would restore parity between the retirement systems for Federal civilian employees and reservists.

In the interests of fairness, the United States must act quickly to restore parity between the retirement age for civilian Federal employees and their reserve counterparts. When the reserve retirement system was created in 1947, the retirement age for reservists was identical to the age for civilian employees. At age 60, reservists and Government employees could hang up their uniforms and retire with full benefits. However, since 1947, the retirement age for civilian retirees has been lowered by 5 years, while the reserve retirement age has not changed.

The disparate treatment of Federal employees and reservists would have been serious enough had the nature of the work performed by the reserves not changed substantially over the past five decades. But America has never placed greater demands on its ready reserve than it does now. Today, some 80,000 reservists are serving their country in the war on terrorism, both at home and abroad. America's dependence on our ready reserve has never been more obvious, as reservists are now providing security at our nation's airports and air patrols over our major cities.

With call-ups that last several months and take reservists far from home, serving the Nation as a reservist has taken on more of the trappings of active duty service than ever before. Before the war on terrorism began, reservists were performing about 13 million man-days each year, more than a 10-fold increase over the 1 million man-days per year the reserves averaged just 10 years ago. These statistics, the latest numbers available, do not even reflect the thousands of reservists who have been deployed since September 11. There is little doubt there will be a dramatic increase in the number of man-days for 2001 and 2002. In my view, with additional responsibility should come additional benefits.

The Department of Defense typically has not supported initiatives like this. The Department has expressed concern over the proposal's cost, which is estimated to be approximately $20 billion over 10 years, although CBO figures are not yet available. However, I am concerned that the Department's position may be shortsighted.

At a time when there is a patriotic fervor and a renewed enthusiasm for national service, it is easy to forget that not long ago, the U.S. military was struggling to meet its recruitment and retention goals. In the aftermath of September 11, defense-wide recruitment and retention rates have improved. However, there is no guarantee that this trend will continue. Unless the overall package of incentives is enhanced, there is little reason to believe that we will be able to attract and retain highly-trained personnel.

Active duty military personnel have often looked to the reserves as a way of continuing to serve their country while being closer to family. With thousands of dollars invested in training active duty officers and enlisted soldiers, the United States benefits tremendously when personnel decide to continue with the reserves. But with reserve deployments increasing in frequency and duration, pulling reservists away from their families and civilian life for longer periods, the benefit of joining the reserves instead of active duty has been severely reduced. The more we depend on the reserves, the greater chance we have of losing highly trained former active duty servicemen and women. The added incentive of full retirement at 55 might provide an important inducement for some of them to stay on despite the surge in deployments.

Enacting this legislation will send the clear message that the United States values the increased sacrifice of our reservists during these trying times. The legislation has been endorsed by key members of the Military Coalition, including the Veterans of Foreign Wars, the Air Force Sergeants Association, the Air Force Association, the Retired Enlisted Association, the Fleet Reserve Association, the Naval Reserve Association, and the National Guard Association. The bill would restore parity between the reserve retirement system and the civilian retirement system, acknowledge the increased workload of reserve service, and provide essential personnel with an inducement to join and stay in the reserves until retirement.●

By Mr. SMITH of New Hampshire (for himself, Mr. INHOFE, and Mr. ENSIGN):

S. 2271. A bill to provide for research on, and services for, individuals with post-abortion depression and psychosis; to the Committee on Health, Education, Labor and Pensions.

● Mr. SMITH of New Hampshire. Mr. President, I rise today, along with Senators INHOFE and ENSIGN, to introduce the Post-Abortion Support and Services Act.

On November 1, 2001, the Senate unanimously passed an amendment I introduced to the Labor-HHS Appropriations bill recognizing the existence of post-abortion syndrome. The amendment encouraged the National Institute of Mental Health (NIMH) to "expand and intensify research and related activities" regarding this issue, and it is the first time that the United States Senate is on record acknowledging that post-abortion syndrome is a serious problem for American women.

This bill is an extension of what has already passed the Senate, and provides the National Institutes of Health with Federal resources to research the emotional impact of abortion on women. The bill also creates a $1.5 million grant program to fund the development of treatment programs for women who suffer from post-abortion syndrome.

What is post-abortion syndrome? Many people have never heard of it. Many others deny its existence.

Post-abortion syndrome is characterized by one or more of the following symptoms: severe depression, guilt, eating disorders, anxiety and panic attacks, addictions, anniversary grief, nightmares, lower self-esteem, intense anger, suicidal urges, sexual problems or promiscuity, difficulty with relationships, and unexplained sadness.

A new study from the prestigious British Medical Journal reports that women who abort a first pregnancy are at greater risk of subsequent long-term clinical depression compared to women who carry an unintended first pregnancy to term.

Among the key findings: the association between abortion and subsequent depression persists over at least 8 years. Many other studies show similar findings, and more.

Post-abortion syndrome is a treatable disorder if promptly diagnosed by a trained provider and attended to with a personalized regimen of care including social support, counseling, therapy, medication, and if necessary, hospitalization.

A number of women who have undergone abortions also experience debilitating physical health problems such as infection, cervical tearing, infertility, excess bleeding, and death. Thus, the bill also seeks to study the physical repercussions of abortion as well.

After 29 years of legalized abortion, it is time that we recognize the suffering that so many women have undergone by carefully examining the women's emotional and physical health following her abortion decision. We have a responsibility to understand what they are going through and how we can appropriately diagnose and treat them.

It is my sincere hope that we can pass this bill and give our support to potentially millions of women across the country who suffer alone with their private and profound guilt and depression. Many women who choose abortion have previously aborted. If we are ever going to end abortion in America, we must reach out with love and compassion to women who deeply regret their decision to abort their children, not only to encourage them through their present struggles, but also to help them so they will not choose abortion for themselves again in the future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Post-Abortion Support and Services Act".

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) About 3,000,000 women per year in the United States have an unplanned or unwanted pregnancy, and approximately 1,186,000 of these pregnancies end in elective abortion.

(2) Abortion can have severe and long-term effects on the mental and emotional well-being of women. Women often experience sadness and guilt following abortions with no one to console them. They may have difficulty in bonding with new babies, become overprotective parents, or develop problems in their relationships with their spouses. Problems such as eating disorders, depression, and suicide attempts have also been traced to past abortions.

(3) Negative emotional reactions associated with abortion include, depression, bouts of crying, guilt, intense grief or sadness, emotional numbness, eating disorders, drug and alcohol abuse, suicidal urges, anxiety and panic attacks, anger, rage, sexual problems or promiscuity, lowered self esteem, nightmares and sleep disturbances, flashbacks, and difficulty with relationships.

(4) Women who aborted a first pregnancy are four times more likely to report substance abuse compared to those who suffered a natural loss of their first pregnancy, and are five times more likely to report subsequent substance abuse than women who carried to term.

(5) Research shows that the more women attempt to cope with abortion using means of avoidance, mental disengagement, or denial, the more likely the women are to report post-abortion distress, intrusive thoughts, and dissatisfaction.

(6) Women who experience a lack of social support and strong feelings of ambivalence are statistically more likely to suffer severe negative emotional reactions to an abortion.

(7) Depression and other maladjustments to abortion can be prolonged by the failure of the medical community, loved ones, and society to recognize the complexity of post-abortion reactions.

(8) Many women submit to an abortion in violation of their own moral beliefs or maternal desires in order to satisfy the demands of others.

(9) Women who submit to an abortion because of social pressure are more likely to suffer from psychological distress in subsequent years.

(10) Post-abortion depression is a treatable disorder if promptly diagnosed by a trained provider and attended to with a personalized regimen of care including social support, therapy, medication, and when necessary, hospitalization.

(11) While there have been many studies regarding the emotional aftermath of abortion, very little research has been sponsored by the National Institutes of Health.

TITLE I—RESEARCH ON POST-ABORTION DEPRESSION AND PSYCHOSIS

SEC. 101. EXPANSION AND INTENSIFICATION OF ACTIVITIES OF THE NATIONAL INSTITUTE OF MENTAL HEALTH.

(a) IN GENERAL.—

(1) POST-ABORTION CONDITIONS.—The Secretary of Health and Human Services, acting through the Director of NIH and the Director of the National Institute of Mental Health (in this section referred to as the "Institute"), shall expand and intensify research and related activities of the Institute with respect to post-abortion depression and post-abortion psychosis (in this section referred to as "post-abortion conditions").

(2) ADDITIONAL CONDITIONS.—In addition to the post-abortion conditions under paragraph (1), the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, shall expand and intensify research and related activities of the National Institutes of Health with respect to the physical side effects of

having an abortion, including infertility, excessive bleeding, cervical tearing, infection, and death.

(b) Coordination With Other Institutes.—The Director of the Institute shall coordinate the activities of the Directors under subsection (a) with similar activities conducted by the other national research institutes and agencies of the National Institutes of Health to the extent that such Institutes and agencies have responsibilities that are related to post-abortion conditions.

(c) Programs for Post-Abortion Conditions.—In carrying out subsection (a), the Director of the Institute shall conduct or support research to expand the understanding of the causes of, and to find a cure for, post-abortion conditions. Activities under such subsection shall include conducting and supporting the following:

(1) Basic research concerning the etiology of the conditions.

(2) Epidemiological studies to address the frequency and natural history of the conditions and the differences among racial and ethnic groups with respect to the conditions.

(3) The development of improved diagnostic techniques.

(4) Clinical research for the development and evaluation of new treatments, including new biological agents.

(5) Information and education programs for health care professionals and the public.

(d) Longitudinal Study.—

(1) In general.—The Director of the Institute shall conduct a national longitudinal study to determine the incidence and prevalence of cases of post-abortion conditions, and the symptoms, severity, and duration of such cases, toward the goal of more fully identifying the characteristics of such cases and developing diagnostic techniques.

(2) Report.—Beginning not later than 3 years after the date of the enactment of this Act, and periodically thereafter for the duration of the study under paragraph (1), the Director of the Institute shall prepare and submit to the Congress reports on the findings of the study.

(e) Authorization of Appropriations.—For the purpose of carrying out this section, there is authorized to be appropriated $3,000,000 for each of the fiscal years 2002 through 2006.

TITLE II—DELIVERY OF SERVICES REGARDING POST-ABORTION DEPRESSION AND PSYCHOSIS

SEC. 201. ESTABLISHMENT OF PROGRAM OF GRANTS.

(a) In General.—The Secretary of Health and Human Services (in this title referred to as the "Secretary") shall, in accordance with this title, make grants to provide for projects for the establishment, operation, and coordination of effective and cost-efficient systems for the delivery of essential services to individuals with post-abortion depression or post-abortion psychosis (referred to in this section as a "post-abortion condition") and their families.

(b) Recipients of Grants.—A grant under subsection (a) may be made to an entity only if the entity—

(1) is a public or nonprofit private entity that may include a State or local government, a public or nonprofit private hospital, a community-based organization, a hospice, an ambulatory care facility, a community health center, a migrant health center, a homeless health center, or another appropriate public or nonprofit private entity; and

(2) had experience in providing the services described in subsection (a) before the date of the enactment of this Act.

(c) Certain Activities.—To the extent practicable and appropriate, the Secretary shall ensure that projects under subsection (a) provide services for the diagnosis and management of post-abortion conditions. Activities that the Secretary may authorize for such projects may also include the following:

(1) Delivering or enhancing outpatient and home-based health and support services, including case management, screening and comprehensive treatment services for individuals with or at risk for post-abortion conditions, and delivering or enhancing support services for their families.

(2) Improving the quality, availability, and organization of health care and support services (including transportation services, attendant care, day or respite care, and providing counseling on financial assistance and insurance) for individuals with post-abortion conditions and support services for their families.

(d) Integration With Other Programs.—To the extent practicable and appropriate, the Secretary shall integrate the program under this title with other grant programs carried out by the Secretary, including the program under section 330 of the Public Health Service Act.

(e) Limitation on Amount of Grants.—A grant under subsection (a) for any fiscal year may not be made in an amount exceeding $100,000.

SEC. 202. CERTAIN REQUIREMENTS.

A grant may be made under section 201 only if the applicant involved makes the following agreements:

(1) Not more than 5 percent of the grant will be used for administration, accounting, reporting, and program oversight functions.

(2) The grant will be used to supplement and not supplant funds from other sources related to the treatment of post-abortion conditions.

(3) The applicant will abide by any limitations deemed appropriate by the Secretary on any charges to individuals receiving services pursuant to the grant. As deemed appropriate by the Secretary, such limitations on charges may vary based on the financial circumstances of the individual receiving services.

(4) The grant will not be expended to make payment for services authorized under section 201(a) to the extent that payment has been made, or can reasonably be expected to be made, with respect to such services—

(A) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

(B) by an entity that provides health services on a prepaid basis.

(5) The applicant will, at each site at which the applicant provides services under section 201(a), post a conspicuous notice informing individuals who receive the services of any Federal policies that apply to the applicant with respect to the imposition of charges on such individuals.

SEC. 203. TECHNICAL ASSISTANCE.

The Secretary may provide technical assistance to assist entities in complying with the requirements of this title in order to make such entities eligible to receive grants under section 201.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out this title, there is authorized to be appropriated $300,000 for each of fiscal years 2002 through 2006.•

By Mr. CORZINE:

S. 2313. A bill to suspend temporarily the duty on europium oxide; to the Committee on Finance.

By Mr. CORZINE:

S. 2314. A bill to suspend temporarily the duty on yttrium oxide; to the Committee on Finance.

By Mr. CORZINE:

S. 2315. A bill to suspend temporarily the duty on 3-sulfinobenzoic acid; to the Committee on Finance.

• Mr. CORZINE. Mr. President, I rise today to introduce three bills to temporarily suspend duties on the importation of certain chemicals used by manufacturers in my State.

According to informational provided to my office, none of these chemicals are produced in the United States. Therefore, the suspension of the duties will not hurt any domestic chemical companies. In addition, suspension of these duties will not cost the US government more than $500,000 in revenue annually. It is my understanding that the Commerce Department and the International Trade Commission will verify that each of the chemicals for which I am requesting duty suspension meets these standards.

Mr. President, it makes little sense to impose duties on chemicals that are needed by American producers and that are not available from domestic sources. Such duties only hurt American businesses and consumers. In the case of these chemicals, companies in my State of New Jersey rely on these chemicals, and employ many New Jerseyans. The suspension of duties should strengthen these New Jersey businesses and the State's economy, and reduce costs to consumers.

I hope my colleagues will support the legislation.•

By Ms. LANDRIEU:

S. 2316. A bill to make technical and conforming changes to provide for the enactment of the Independence of the Chief Financial Officer Establishment Act of 2001, to establish a reporting event notification system to assist Congress and the District of Columbia in maintaining the financial stability of the District government and avoiding the initiation of a control period, to provide the District of Columbia with autonomy over its budgets, and for other purposes; to the Committee on Governmental Affairs.

• Ms. LANDRIEU. Mr. President, today I am introducing legislation to help continue the District of Columbia's fiscal resurgence. The District of Columbia Fiscal Integrity Act will give the District's Chief Financial Officer, CFO, authority to manage personnel, procurement practices, and to maintain independent control over the budget of the Office of the Chief Financial Officer. This bill was introduced in the House by Congresswoman Eleanor Holmes Norton and Congresswoman

CONNIE MORELLA. I appreciate their leadership on this issue and I am pleased to join with them in introducing this legislation here in the Senate.

As my colleagues know, from 1995 to 2000, a Control Board oversaw management of the District of Columbia in an attempt to reform the city's finances and administration. One of the key features of that reform was the establishment of a strong Chief Financial Officer for the District with wide-ranging authority over the fiscal management of the city. That model worked. The city balanced its budget, restored its investment bond rating, and improved many city services. As a result, the District met the requirements set forth by the Control Board Act and today the elected representatives of the District of Columbia are in charge and doing a great job. They do not want the Control Board to come back on their watch and neither do I.

It is critical that the Senate work its will by marking up and passing this legislation as quickly as possible. When the Control Board went out of business, some of the Chief Financial Officer's authorities lapsed, but his responsibility for the District's financial management was not put on hold. The Congress provided temporary authority for the CFO in the FY 2002 District of Columbia Appropriations Act to continue the smooth operation of the City, but this temporary authority will expire at the end of June this year. Congress must fulfill its responsibility to the District of Columbia by ensuring that local leaders have the authority and resources to maintain and promote the city's growth. I encourage the Government Affairs Committee to begin their work right away.

In addition to restoring some of the authorities the CFO previously exercised during the Control Board era, this bill establishes an early warning system, implemented by the CFO, to examine the city's financial management and the surrounding economic environment and determine whether the city's fiscal integrity is at risk. Should the CFO determine that trouble is on the horizon, the Mayor must develop an action plan to respond to the problem. This unique fiscal management tool will ensure accountability in how the District manages its finances.

Mr. President, in the past the congressional schedule has often interfered with the smooth operations of the District. Like the Federal Government, the District Government's fiscal year begins on October 1. We, the Congress, have the authority to approve the District's budget—a budget derived from locally-generated tax dollars. We rarely do that before the start of the fiscal year, in fact one or two months often go by before we pass the District's budget. This delay creates a great deal of uncertainty for District officials in their programming and financial planning.

To remedy this situation, this legislation establishes budget autonomy for the District of Columbia beginning with fiscal year 2004. The local budget would become effective once it has been approved by the City Council and signed by the Mayor. The Congress will retain the authority to approve the Federal funding now contained in the D.C. Appropriations bill and will continue its general oversight of the District. We can still pass general provisions governing city operations and we can still hold hearings, but this bill will ensure that Congress' schedule will not hamstring the smooth operation of the District.

Mr. President, the Mayor and the City Council have worked very hard to restore fiscal integrity to the District Government, as well as the people's faith in that government. The District is enjoying a renaissance. Once a fiscal and management nightmare, the city has turned its economic ship around. When once the city was ruled by the Control Board, today the accountable authority is vested in officials elected by the District's citizens. A rampant crime rate chased citizens from District neighborhoods into the suburbs, now people are coming back. Property values are rising, new businesses are opening, and the city is working to beautify the Anacostia waterfront. This legislation will continue this transformation by maintaining the strong independence of the Chief Financial Officer and will demonstrate Congress's confidence in he District's elected leadership and its citizens by giving them greater control over their local budget. I urge my colleagues to support this legislation. The Congress has a Constitutional responsibility to the District of Columbia, now is the time to support the city and ensure that locally-elected leaders have the necessary tools for success.•

By Mr. DURBIN (for himself, Mr. BROWNBACK, Mr. KENNEDY, and Mr. KERRY):

S. 2317. A bill to provide for fire safety standards for cigarettes, and for other purposes; to the Committee on Commerce, Science, and Transportation.

• Mr. DURBIN. Mr. President, I am honored to rise today to introduce the Joseph Moakley Memorial Fire Safe Cigarette Act of 2002. Joe Moakley started his effort to require less fire-prone cigarettes in 1979 and championed this issue until his death this past May. It is time to finish what he started. My colleagues Senators BROWNBACK, KENNEDY, and KERRY join me in introducing this legislation to solve a serious fire safety problem, namely, fires that are caused by cigarettes.

The statistics regarding cigarette-related fires are startling. Cigarette-ignited fires accounted for an estimated 140,800 fires in the United States. Such fires cause more than 900 deaths and 2,400 injuries each year. More than $400 million in property damage reported is due to a fire caused by a cigarette. According to the National Fire Protection Association, one out of every four fire deaths in the United States are attributed to tobacco products—by far the leading cause of civilian deaths in fires. Overall, the Consumer Product Safety Commission estimates that the cost of the loss of human life and personal property from not having a fire-safe cigarette standard is approximately $4.6 billion per year.

In my State of Illinois, cigarette-related fires have also caused too many senseless tragedies. In 1998 alone, the most recent year for which we have data, there were more than 1,700 cigarette-related fires, of which more than 900 were in people's homes. These fires led to 109 injuries and 8 deaths. Property losses resulting from those fires were estimated at $10.4 million.

Tobacco companies spend billions on marketing and learning how to make cigarettes appealing to kids. It is not unreasonable to ask those same companies to invest in safer cigarette paper to make their products less likely to burn down a house.

A Technical Study Group, TSG, was created by the Federal Cigarette Safety Act in 1984 to investigate the technological and commercial feasibility of creating a self-extinguishing cigarette. This group was made up of representatives of government agencies, the cigarette industry, the furniture industry, public health organizations and fire safety organizations. The TSG produced two reports that concluded that it is technically feasible to reduce the ignition propensity of cigarettes.

The technology is in place now to begin developing a performance standard for less fire prone cigarettes. The manufacture of less fire-prone cigarettes may require some advances in cigarette design and manufacturing technology, but the cigarette companies have demonstrated their capability to make cigarettes of reduced ignition propensity with no increase in tar, nicotine or carbon monoxide in the smoke. For example, six current commercial cigarettes have been tested which already have reduced ignition propensity. Furthermore, the overall impact on other aspects of the United States Society and economy will be minimal. Thus, it may be possible to solve this problem at costs that are much less than the potential benefits, which are saving lives and avoiding injuries and property damage.

The Joseph Moakley Memorial Fire Safe Cigarette Act requires Consumer Product Safety Commission to promulgate a fire safety standard, specified in the legislation, for cigarettes. Eighteen months after the legislation is enacted, the Consumer Product Safety Commission, CPSC, would issue a rule creating a safety standard for cigarettes. Thirty months after the legislation is enacted, the standards would become effective for the manufacture and importation of cigarettes. The CPSC would also have the authority to regulate the ignition propensity of cigarette paper for roll-your-own tobacco products.

The standard may be modified if new testing methodology enhances the fire-safety standard. It may also be modified for cigarettes with unique characteristics that cannot be tested using the specified methodology if the Commission determines that the proposed testing methodology and acceptance criterion predict an ignition strength for such cigarettes.

The Act gives the Consumer Product Safety Commission authority over cigarettes only for purposes of implementing and enforcing compliance with this Act and with the standard promulgated under the Act. It also allows states to pass more stringent fire-safety standards for cigarettes.

The Joseph Moakley Memorial Fire Safe Cigarette Act is supported by more than 25 public health groups including the American Cancer Society, the Campaign for Tobacco Free Kids and the American Academy of Pediatrics. It has been endorsed by the Congressional Fire Services Institute and its 42 member organizations. Tobacco giant Phillip Morris is also supporting the bill.

While the number of people killed each year by fires is dropping because of safety improvements and other factors, too many Americans are dying because of a product that could be less likely to catch fire if simple changes were made. Cigarettes may be less likely to cause fire if they were thinner, more porous or the tobacco were less dense. These common-sense changes could help prevent an all-too-common cause of fires.

When Joe Moakley set out more than two decades ago to ensure that the tragic cigarette-caused fire that killed five children and their parents in Westwood, Massachusetts was not repeated, he made a difference. He introduced three bills and passed two of them. One commissioned a study that concluded it was technically feasible to produce a cigarette with a reduced propensity to start fires. The second required that the National institute of Standards and Technology develop a test method for cigarette fire safety, and the last and final bill, the Fire-Safe Cigarette Act of 1999, mandates that the Consumer Product Safety Commission use this knowledge to regulate cigarettes with regard to fire safety.

Today we are here to reintroduce Moakley's bill and to accomplish what he set out to do. I hope that the Commerce Committee will consider this legislation expeditiously and that my colleagues will join me in supporting this effort. Joe waited long enough. He didn't have more time. Let's get this done for him.•

By Mr. HARKIN (for himself, Mr. KENNEDY, Ms. MIKULSKI, and Mr. DODD):

S. 2328. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to ensure a safe pregnancy for all women in the United States, to reduce the rate of maternal morbidity and mortality, to eliminate racial and ethnic disparities in maternal health outcomes, to reduce pre-term, labor, to examine the impact of pregnancy on the short and long term health of women, to expand knowledge about the safety and dosing of drugs to treat pregnant women with chronic conditions and women who become sick during pregnancy, to expand public health prevention, education and outreach, and to develop improved and more accurate data collection, related to maternal morbidity and mortality; to the Committee on Health, Education, Labor, and Pensions.

• Mr. HARKIN. Mr. President, over the last decade there has been a significant recognition of the importance and increase in funding of women's health research, including the establishment of Offices of Women's Health throughout various government agencies. Women's health issues and women, as participants, are now routinely included in research studies.

Despite this progress, many gaps still exist. In particular, there is a troubling lack of research on pregnancy-related health issues. Too often we take pregnancy for granted; we do not view pregnancy as a woman's health issue with short and long term health consequences.

Safe motherhood is a woman's ability to have a safe and healthy pregnancy and delivery. Of the 4 million women who give birth in the U.S. each year, over one-third—or one out of every 3—have a pregnancy-related complication before, during, or after delivery. These complications may cause long-term health problems or even death. Unfortunately, the causes and treatments of pregnancy-related complications are largely unknown and understudied.

If fact, the United States ranks only 20th in maternal mortality rates out of 49 developed countries—that is barely better than the 50th percentile, behind Cyprus, Singapore and Malta. Every day, two to there women die from pregnancy related complications. And despite the fact that maternal mortality was targeted in 1987 as part of Healthy People 2000, the maternal mortality rate in this country has not decreased in twenty years.

The scariest part of this problem is we can't answer the most basic questions—what causes the complications, what can we do to prevent them, and how can we treat them?

One example of this problem is preeclampsia, or high blood pressure. Yes, we know some indicators that place some women at greater risk than others for this complication. And yes, we know some steps that can be taken to reduce a women's risk. But we know shamefully little, with the exception of inducing labor, of how to really prevent or treat this problem. Yet 5 percent of all pregnancies are affected by this complication, which can cause blindness or even death and there has been a 40% increase in the incidence of preeclampsia over the last 10 years.

Likewise, we know almost nothing about which prescription drugs are safe for the fetus and effective for the mother. Most prescription drugs women take during pregnancy are necessary to maintain health. But only 1% of FDA approved drugs have been shown in controlled studies to show no risk to pregnant women and their babies. And 80% of FDA approved drugs lack adequate scientific evidence about use in pregnancy. That means that pregnant women are essentially forced to take these medications with little or no knowledge about their impact on the fetus.

Of course, we don't want pregnant women placed at risk by putting them in early stage clinical trials. But the fact is that pregnant women with chronic diseases, such as diabetes, asthma, or epilepsy, need to take medication to maintain their health and support the growth of the fetus. And even pregnant women who don't have chronic health conditions need across to safe and effective prescription drugs.

And while people in Washington tend to throw around statistics to make a point, it is important to remember that behind each of these statistics is a real person and family. And yesterday, I had the opportunity to talk to a group of moms from my State of Iowa.

Without exception, these moms talked about their frustration with a health care system that continues to fail to meet some of the most basic needs of pregnant women. They all rely on a group call Sidelines, that provides support and guidance to pregnant women on bed rest. While it is great that a group like Sidelines is there for our mom's, sisters, and daughters, it is shameful that there isn't more accurate and more widely available information to women and their providers.

That is why earlier today, I, along with some of my colleagues, introduced the Safe Motherhood Act for Research and Treatment, or, SMART Mom Act. The SMART Mom Act will address these concerns by: Increasing research and data collection to learn how to prevent, treat, and cure pregnancy related complications; providing comprehensive information to pregnant women, practitioners, and the public; and, improving information about medication and medical device for pregnant women.

Pregnancy is a natural and wonderful occurrence in a woman's life. The SMART Mom Act takes a critical step towards ensuring pregnancies and healthy outcomes for America's women.●

By Mr. BREAUX (for himself, Mr. SMITH of Oregon, Mr. HOLLINGS, and Mr. McCAIN):

S. 2329. A bill to improve seaport security; to the Committee on Commerce, Science, and Transportation.

● Mr. BREAUX. Mr. President, I am pleased to rise today to introduce the Ship, Seafarer and Container Security Act, along with my ranking subcommittee member, Senator GORDON, Senators HOLLINGS and McCAIN. This legislation will be crucial in providing the type of information and analysis that we need to protect the United States from potential acts of terrorism against our Nation through international trade at our seaports. This legislation is the product of field hearings that my Surface Transportation and Merchant Marine Subcommittee held at various seaports around the Nation. This legislation augments the Senate-passed seaport security bill, S. 1214, the Port and Maritime Security Act, and I intend to push for the inclusion of the provisions of this bill in the context of a House-Senate conference on seaport security legislation

The United States has more than 1,000 harbor channels and 25,000 miles of inland, intercoastal, and coastal waterways. These waterways serve 361 ports, and have more than 3,700 terminals handling passengers and cargo. The U.S. marine transportation system each year moves more than 2 billion tons of domestic and international freight, imports 3 billion tons of oil, transports 134 million passengers by ferry, and hosts more than 7 million cruise ship passengers. Of the more than 2 billion tons of freight, the majority of cargo is shipped in huge containers from ships directly onto trucks and railcars that immediately head onto our highways and rail systems. Oceangoing sea containers are a vital artery of the U.S. economy. Indeed, 46 percent of all goods imported into the United States, by value, arrive at our Nation's seaports, mostly in containers, and currently, we are able to physically inspect less than 2 percent of those containers.

Since September 11, we have faced up to the task of securing our seaport and affiliated transportation systems. We are now faced with the need to adapt the most efficient transportation system, with the most secure and efficient system of transportation. To do so, given the complexities of the task, we need to rely on all parties in the transportation chain, not just Federal agencies such as the Coast Guard, Customs and INS, but State law enforcement and the private sector. The enormity of the task we face, and the potential catastrophe we face if we do not strengthen our systems of security, mandates we work on this issue together.

In the aftermath of the terrorist attacks on the World Trade Center and the Pentagon, all U.S. airports were closed. Fortunately, we have a good degree of control of our aviation system and were able to re-exert a degree of normalcy 4 days after the September 11 attacks. If similar attacks had occurred at a U.S. port, I am not sure whether we would be comfortable opening our borders in 4 months.

We obviously have a huge stake in ensuring the protection of our maritime transportation system and respective arteries of business. To this end, I was disappointed the President's budget request did not include any funds to help our State port authorities and private ports secure the type of infrastructure and security equipment necessary to protect this Nation. Not providing funding to our seaports is clearly an unfunded mandate for States that have seaports, such as my home State of Louisiana, and it is our duty as a nation to secure all of our borders, including our maritime borders. This issue simply has to be addressed, and a Federal commitment is required to help secure our maritime boundaries, and secure our international trade.

As I mentioned seaport security is simply too important to disregard. While visiting the Port Everglades in Florida, the Ports of New Orleans, Houston and Charleston, SC, during my subcommittee hearings, I became aware of the incredible role that information plays in security strategy at our seaports. Given the scope of trade and security, it is necessary that we know more about ships, the seafarers on those ships that enter the United States, the systems that we use to secure cargo so it is not tampered with or used for illegal purposes, and also the system we uses to analyze the risks of shipping and to secure our marine environment.

The Ship, Seafarer, and Container Security Act requires certain vessels to carry transponders to allow their positions to be transmitted and tracked and ensure the Coast Guard can track United States and foreign vessels. When an aircraft leaves a U.S. airport we track it wherever it goes, however, when huge oil tankers and hazardous material ships carrying tons and tons of explosive cargoes enter U.S. waters, we do not. This is not right, and not prudent.

My bill will also require the Department of Transportation, DOT, to negotiate an international agreement in 2 years, or if the agreement has not been negotiated within 2 years to submit legislation to Congress, to: One, identify foreign seafarers; two, to provide greater transparency of the ownership of ship registration, so that we can track vessel ownership; and, three, mandate stronger standards for marine containers, and for anti-tampering and locking systems for marine containers. Importantly, the bill would also require DOT to better assess the risks posed by certain vessels, and areas they designate as secure zones, and require recommendations to better secure them.

Last year, the U.S. Coast Guard, identifed over 1,000 Panamanian seamen operating with licenses they fraudulently obtained for a couple of hundred dollars. At the time, it did not create that much of a ruckus, although perhaps it should have, because the primary focus was on the safe operation of the vessel. In the aftermath of September 11, it gives rise to the potential use of the system of maritime licensing to disguise entry into the United States. The system of registration and identification of vessels is equally obtuse. In the aftermath of the bombings of the U.S. Embassies in Mombassa and Dar-El-Salem, we attempted to track the shipping assets of Asama Bin Laden that were used to convey explosives. NATO experts reportedly indicated that tracking banking assets was far easier than identifying the shipping assets owned by the terrorists. I would also mention that, a recent report in Lloyd's List, a business publication specializing in ocean shipping and international trade, indicated that the Coast Guard interdicted at sea a container ship, with an improperly sealed container filled with nuclear warheads. According to the article, the cargo manifest, indicated that it was carrying explosives, and the master of the vessel was a citizen of Yemen, while the materials turned out to be without fissile materials, it still raises considerable concern about our shipping practices.

This legislation is another critical step in addressing some of the many crucial requirements to ensure our nation has a secure system of international trade, allow us to protect and foster our transportation chain, and provide public safety.

The issues facing our Nation in seaport security are very serious issues. The consequences of relying on our current systems of openness, and with our focus on efficiency could be disastrous. However, at the other end of the spectrum, is being so excessively obsessed with security that we cause the suffocation of trade and business. The system we had in place prior to 9-11 was insufficient. I believe that S. 1214 coupled with the legislation I am introducing will help remedy the flaws of pre- 9-11 security and enhance seaport security.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ship, Seafarer, and Container Security Act".

SEC. 2. AUTOMATIC IDENTIFICATION SYSTEM.

(a) IN GENERAL.—When operating in navigable waters of the United States (as defined in section 2101(17a) of title 46, United States Code), the following vessels shall be equipped with an automatic identification system:

(1) Any vessel subject to the Vessel Bridge-to-Bridge Radiotelephone Act (33 U.S.C. 1201 et seq.).

(2) Any small passenger vessel carrying more than a number of passengers determined by the Secretary of Transportation.

(3) Any commercial towing vessel while towing astern or pushing ahead or alongside, except commercial assistance towing vessels rendering assistance to disabled small vessels.

(4) Any other vessel for which the Secretary of Transportation determines that an automatic identification system is necessary for the safe navigation of the vessel.

(b) REGULATIONS; EFFECTIVE DATE.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall initiate a rulemaking to implement subsection (a).

(2) CONTENT.—Regulations promulgated pursuant to that rulemaking—

(A) may, subject to subparagraph (B), include effective dates for the application of subsection (a) to different vessels at different times;

(B) shall require all vessels to which subsection (a) applies to comply with the requirements of subsection (a) no later than December 31, 2004; and

(C) shall be issued in final form before December 31, 2004.

(3) EFFECTIVE DATE NOT DEPENDENT UPON FINAL RULE.—If regulations have not been promulgated in final form under this subsection before December 31, 2004, then subsection (a) shall apply to—

(A) any vessel described in paragraph (1) or (3) of that subsection on and after that date; and

(B) other vessels described in subsection (a) as may be provided in regulations promulgated thereafter.

SEC. 3. UNIQUE SEAFARER IDENTIFICATION.

(a) TREATY INITIATIVE.—The Secretary of Transportation should undertake the negotiation of an international agreement, or amendments to an international agreement that provides for a uniform, comprehensive, international system of identification for seafarers that will enable the United States and other countries to establish authoritatively the identity of any seafarer aboard a vessel within the jurisdiction, including the territorial waters, of the United States or such other country.

(b) LEGISLATIVE ALTERNATIVE.—If the Secretary fails to complete the international agreement negotiation or amendment process undertaken under subsection (a) within 24 months after the date of enactment of this Act, the Secretary shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a draft of legislation that, if enacted, would establish a uniform, comprehensive system of identification for seafarers.

SEC. 4. GREATER TRANSPARENCY OF SHIP REGISTRATION.

(a) TREATY INITIATIVE.—The Secretary of Transportation should undertake the negotiation of an international agreement, or the amendment of an international agreement, to provide greater transparency with respect to the registration and ownership of vessels entering or operating in the territorial waters of the United States.

(b) LEGISLATIVE ALTERNATIVE.—If the Secretary fails to complete the international agreement or amendment process undertaken under subsection (a) within 24 months after the date of enactment of this Act, the Secretary shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a draft of legislation that, if enacted, would provide for greater transparency with respect to the registration and ownership of vessels operating in international waters.

SEC. 5. INTERNATIONAL AGREEMENT ON CONTAINER INTEGRITY.

(a) TREATY INITIATIVE.—The Secretary of Transportation should undertake the negotiation of an international agreement, or amendments to an international agreement, to establish marine container integrity and anti-tampering standards for marine containers.

(b) LEGISLATIVE ALTERNATIVE.—If the Secretary fails to complete the international agreement negotiation or amendment process undertaken under subsection (a) within 24 months after the date of enactment of this Act, the Secretary shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure a draft of legislation that, if enacted, would establish marine container integrity and anti-tampering standards.

SEC. 6. COAST GUARD TO DEVELOP RISK-BASED ANALYSIS AND SECURITY ZONE SYSTEM FOR VESSELS.

(a) IN GENERAL.—The Commandant of the Coast Guard shall establish—

(1) a risk-based system for use in evaluating the potential threat to the national security of the United States of vessels entering the territorial waters of the United States; and

(2) a system of security zones for ports, territorial waters, and waterways of the United States.

(b) MECHANISMS AND SYSTEMS CONSIDERATIONS.—In carrying out subsection (a), the Commandant shall consider—

(1) the use of public/private partnerships to implement and enforce security within the security zones, shoreside protection alternatives, and the environmental, public safety, and relative effectiveness of such alternatives within the security zones; and

(2) technological means of enhancing the security within the security zones of ports, territorial waters, and waterways of the United States.

(c) GRANTS.—The Commandant of the Coast Guard may make grants to applicants for research and development of alternative means of providing the protection and security required by this section.

(d) REPORTS.—

(1) INITIAL REPORT.—Within 12 months after the date of enactment of this Act, the Commandant of the Coast Guard shall transmit, in a form that does not compromise security, to the Senate Committee on Commerce, Science, and Transportation and the House of Representative Committee on Transportation and Infrastructure a report that includes—

(A) a description of the methodology employed in evaluating risks to security;

(B) a list of security zones; and

(C) recommendations as to how protection of such vessels and security zones might be further improved.

(2) REPORT ON ALTERNATIVES.—Within 12 months after the Commandant has awarded grants under subsection (c), the Commandant shall transmit to the Senate Committee on Commerce, Science, and Transportation and the House of Representative Committee on Transportation and Infrastructure a report on the results of testing and research carried out with those grants.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Department in which the Coast Guard is operating for the use of the Coast Guard, $1,000,000 for fiscal year 2003 to make grants under subsection (c).●

By Mr. REID:

S. 2333. A bill to convey land to the University of Nevada at Las Vegas Research Foundation for a research park and technology center; to the Committee on Energy and Natural Resources.

Mr. REID. Mr. President, I rise today to introduce this bill, which will convey land to the University of Nevada at Las Vegas Research Foundation for a research park and technology center adjacent to McCarran International Airport.

This bill transfers a 115-acre parcel from the Clark County Department of Aviation to the University of Nevada at Las Vegas Research Foundation. The Foundation, in turn, will build a research and technology park on the parcel, which has been identified as the best location in the area for this kind of facility.

Nevada will benefit significantly from this bill. As you may know, Las Vegas is the fastest-growing city in the United States. The University of Nevada at Las Vegas needs space to grow. Building this type of research park will also further develop the high-tech industry in the State of Nevada. This is just the kind of thoughtful land planning and development that the Las Vegas Valley needs to ensure that Nevadans are able to maintain the high quality of life that they deserve.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the University of Nevada, Las Vegas, needs land in the greater Las Vegas area to provide for the future growth of the university;

(2) the proposal by the University of Nevada, Las Vegas, for construction of a research park and technology center in the greater Las Vegas area would enhance the high tech industry and entrepreneurship in the State of Nevada; and

(3) the land transferred to the Clark County Department of Aviation under section 4(g) of the Southern Nevada Public Land Management Act of 1998 (Public Law 105-263; 112 Stat. 2346) is the best location for the research park and technology center.

(b) PURPOSES.—The purposes of this Act are—

(1) to provide a suitable location for the construction of a research park and technology center in the greater Las Vegas area;

(2) to provide the public with opportunities for education and research in the field of high technology; and

(3) to provide the State of Nevada with opportunities for competition and economic development in the field of high technology.

SEC. 2. CONVEYANCE TO THE UNIVERSITY OF NEVADA AT LAS VEGAS RESEARCH FOUNDATION.

(a) CONVEYANCE.—Notwithstanding section 4(g)(4) of the Southern Nevada Public Land Management Act of 1998 (Public Law 105-263; 112 Stat. 2347), the Clark County Department of Aviation may convey, without consideration, all right, title, and interest in and to the parcel of land described in subsection (b) to the University of Nevada at Las Vegas Research Foundation for the development of a technology research center.

(b) DESCRIPTION OF LAND.—The parcel of land referred to in subsection (a) is the parcel of Clark County Department of Aviation land—

(1) consisting of approximately 115 acres;

(2) located in the SW ¼ of section 33, T. 21 S., R. 60 E., Mount Diablo Base and Meridian; and

(3) identified in the agreement entitled "Interim Cooperative Management Agreement Between the United States Department of the Interior-Bureau of Land Management and Clark County", dated November 4, 1992.

By Mr. BURNS:

S. 2334. A bill to authorize the Secretary of Agriculture to accept the donation of certain land in the Mineral Hill-Crevice Mountain Mining District in the State of Montana, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

• Mr. BURNS. I am pleased to announce the introduction of the Mineral Hill Historic Mining District Preservation Act of 2002. The purpose of this Act is for the Forest Service to accept a donation from TVX Mineral Hill, Inc., an inholding of approximately 570 acres of private land in the Gallatin National Forest. This inholding overlooks the Northern entrance of Yellowstone National Park and is within well known elk habitat. The donation also includes 194 acres of mineral right underlying federal lands.

This bill provides a win-win situation with benefits for the community, for wildlife, for the company, and for the environment. After a rich and storied history, the Mineral Hill mine is played out and the opportunity to extract minerals has passed.

The property is in very good condition and is being reclaimed in accordance with a reclamation plan approved by the Montana Department of Environmental Quality. The Forest Service has been closely involved during the reclamation planning and implementation processes to make certain that the property will remain in the excellent environmental state it is in today.

As an added guarantee, the United States will also be the beneficiary of a $10 million insurance policy provided by TVX to clean up the site in the unlikely event that hazardous materials are discovered in the future.

The Mineral Hill Mine is located in the historic Jardine Mining District which was established during the 1860s. Many of the buildings at the site go back to that time period. Some of the buildings will be preserved for interpretation purposes and will be available to the public. In addition, the site will be used in cooperation with Montana Tech of the University of Montana for mining and geologic education.

The Mineral Hill property is being donated by TVX to the government without the necessity of a payment. There will be ongoing permits issued by the State of Montana and by EPA for monitoring of water discharge. This bill allows for those permits to be upheld and for the water processes to be maintained. In a letter to my office dated June 25, 2001, the Greater Yellowstone Coalition observed that "we believe that there would be no adverse impact to the agency and indeed would be a benefit to the public that this donated land is conveyed with the obligation to maintain the NPDES permit already in force." This is exactly what the bill provides in Section 11.

I am pleased to say that this is a bill with the support of all key parties. The Forest Service has agreed to the transfer and management of the land and has been actively involved in this process. The Gardiner Chamber of Commerce supports the project, as do the Commissioners of Park County. The Greater Yellowstone Coalition also supports the donation.

Simply put, this legislation is in the public interest. On behalf of the people of Montana, I look forward to its passage.•

By Mr. JOHNSON (for himself, Mr. KERRY, Ms. CANTWELL, Mr. WELLSTONE, Mr. DASCHLE, Mr. BAUCUS, Mr. INOUYE, Mr. BINGAMAN, Ms. STABENOW, and Mrs. CLINTON):

S. 2335. A bill to establish the Office of Native American Affairs within the Small Business Administration, to create the Native American Small Business Development Program, and for other purposes; to the Committee on Small Business and Entrepreneurship.

• Mr. JOHNSON. Mr. President, today, I proudly join with Senator KERRY to introduce the Native American Small Business Development Act of 2002. This important legislation is designed to help American Indians, Alaska Natives, and Native Hawaiians to overcome barriers which inhibit business development and job creation. We greatly appreciate the support of the distinguished Senators who join us in sponsoring the legislation including Senators CANTWELL, WELLSTONE, DASCHLE, BAUCUS, INOUYE, BINGAMAN, STABENOW, and CLINTON. I encourage my colleagues to support this critical legislation.

The communities served by this initiative represent some of the most traditionally isolated, disadvantaged, and underserved populations in our country. Despite the unique and persistent challenges to business development in these areas, many of the supportive services the Federal Government provides to entrepreneurs are not available in these distressed regions. The Native American Small Business Development Act endeavors to develop and disseminate culturally tailored business assistance to assure Native American businesses may secure and sustain long-term success.

Among the achievements included in the bill is the establishment of a statutory office within the U.S. Small Business Administration to focus on concerns specific to Native American populations. The Office of Native American Affairs will serve as an advocate in the SBA for the interests of Native Americans. In addition to administering the Native American Development Program, the Assistant Administrator will consult with Tribal Colleges, Tribal Governments, Alaska Native Corporations and Native Hawaiian Organizations to enhance the development and implementation of culturally specific approaches to support the growth and prosperity of Native American small businesses.

Furthermore, the Act creates the Native American Development Program to provide necessary business development assistance. These services are vital to establish and support small businesses. The Federal Government currently invests to provide these services in communities throughout the country. It is past time for these services to be integrated into our efforts to promote self-sufficiency and economic development in Indian Country.

In addition, we recognize that in order to remain competitive, businesses and entrepreneurs must be innovative and flexible to change. This legislation reflects the needs of businesses, tribes, and regional interests to pursue unique approaches that will complement local needs and improve the overall quality of services. Two pilot programs are integrated in this approach to promote new and creative solutions to assist American Indians to awaken economic opportunities in their communities.

We must strive to eliminate the impediments that stifle Native American entrepreneurs. By providing business planning services and technical assistance to potential and existing small businesses, we can unlock the capacity for individuals and families to pursue their dreams of business ownership. Not only will these efforts combat poverty and unemployment, but they will bring new services and opportunities to communities that enhance the quality of life for local families.

We must also work to improve access to investment capital to support economic and community development for Native Americans. As the chairman of the Senate Banking Financial Institutions Subcommittee, I am conducting hearings to identify opportunities and techniques which may foster greater access to capital markets for Tribal and Native American entities.

Together, these initiatives will help to turn an important corner as we endeavor to enhance the livelihood of the first Americans.

I would like to thank Congressman UDALL for his leadership in the U.S. House of Representatives in bringing these issues to the forefront and for his cooperation on this historic legislation. I would like to thank Senator JOHN KERRY, chairman of the Senate Small Business and Entrepreneurship Committee, for his hard work on this legislation and his serious commitment to these critical issues. In addition, I would like to express my sincere appreciation for the strong support of the many cosponsors who join us in introducing the bill today.

I encourage the Senate to fully consider this historic legislation and to work expeditiously to enact it into law. The Native American Small Business Development Act will forge a more hopeful and prosperous future for Native American families and communities. By investing in adequate infrastructure and by making the appropriate tools available, we can empower individuals to pursue, achieve, and sustain economic opportunities that enrich their lives and their communities. The American dream will never be fully realized until it becomes a reality for all Americans. This legislation is critical to ensuring that economic growth and economic opportunity permeate the lives of Native American families.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2335

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Native American Small Business Development Act”.

SEC. 2. NATIVE AMERICAN SMALL BUSINESS DEVELOPMENT PROGRAM.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 36 as section 37; and

(2) by inserting after section 35 the following:

“SEC. 36. NATIVE AMERICAN SMALL BUSINESS DEVELOPMENT PROGRAM.

“(a) DEFINITIONS.—In this section—

“(1) the term ‘Alaska Native’ has the same meaning as the term ‘Native’ in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b));

“(2) the term ‘Alaska Native corporation’ has the same meaning as the term ‘Native Corporation’ in section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m));

“(3) the term ‘Assistant Administrator’ means the Assistant Administrator of the Office of Native American Affairs established under subsection (b);

“(4) the terms ‘center’ and ‘Native American business center’ mean a center established under subsection (c);

“(5) the term ‘Native American business development center’ means an entity providing business development assistance to federally recognized tribes and Native Americans under a grant from the Minority Business Development Agency of the Department of Commerce;

“(6) the term ‘Native American small business concern’ means a small business concern that is owned and controlled by—

“(A) a member of an Indian tribe or tribal government;

“(B) an Alaska Native or Alaska Native corporation; or

“(C) a Native Hawaiian or Native Hawaiian organization;

“(7) the term ‘Native Hawaiian’ has the same meaning as in section 625 of the Older Americans Act of 1965 (42 U.S.C. 3057k);

“(8) the term ‘Native Hawaiian organization’ has the same meaning as in section 8(a)(15) of this Act;

“(9) the term ‘tribal college’ has the same meaning as the term ‘tribally controlled college or university’ has in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4));

“(10) the term ‘tribal government’ has the same meaning as the term ‘Indian tribe’ has in section 7501(a)(9) of title 31, United States Code; and

“(11) the term ‘tribal lands’ means—

“(A) all lands within the exterior boundaries of any Indian reservation; and

“(B) all dependent Indian communities.

“(b) OFFICE OF NATIVE AMERICAN AFFAIRS.—

“(1) ESTABLISHMENT.—There is established within the Administration the Office of Native American Affairs, which, under the direction of the Assistant Administrator, shall implement the Administration's programs for the development of business enterprises by Native Americans.

“(2) PURPOSE.—The purpose of the Office of Native American Affairs is to assist Native American entrepreneurs to—

“(A) start, operate, and grow small business concerns;

“(B) develop management and technical skills;

“(C) seek Federal procurement opportunities;

“(D) increase employment opportunities for Native Americans through the start and expansion of small business concerns; and

“(E) increase the access of Native Americans to capital markets.

“(3) ASSISTANT ADMINISTRATOR.—

“(A) APPOINTMENT.—The Administrator shall appoint a qualified individual to serve as Assistant Administrator of the Office of Native American Affairs in accordance with this paragraph.

“(B) QUALIFICATIONS.—The Assistant Administrator appointed under subparagraph (A) shall have—

“(i) knowledge of the Native American culture; and

“(ii) experience providing culturally tailored small business development assistance to Native Americans.

“(C) EMPLOYMENT STATUS.—The Assistant Administrator shall be a Senior Executive Service position under section 3132(a)(2) of title 5, United States Code, and shall serve as a noncareer appointee, as defined in section 3132(a)(7) of title 5, United States Code.

“(D) RESPONSIBILITIES AND DUTIES.—The Assistant Administrator shall—

“(i) administer and manage the Native American Small Business Development program established under this section;

“(ii) recommend the annual administrative and program budgets for the Office of Native American Affairs;

“(iii) establish appropriate funding levels;

“(iv) review the annual budgets submitted by each applicant for the Native American Small Business Development program;

“(v) select applicants to participate in the program under this section;

“(vi) implement this section; and

“(vii) maintain a clearinghouse to provide for the dissemination and exchange of information between Native American business centers.

“(E) CONSULTATION REQUIREMENTS.—In carrying out the responsibilities and duties described in this paragraph, the Assistant Administrator shall confer with and seek the advice of—

“(i) Administration officials working in areas served by Native American business centers and Native American business development centers;

“(ii) the Bureau of Indian Affairs of the Department of the Interior;

“(iii) tribal governments;

“(iv) tribal colleges;

“(v) Alaska Native corporations; and

“(vi) Native Hawaiian organizations.

“(c) NATIVE AMERICAN SMALL BUSINESS DEVELOPMENT PROGRAM.—

“(1) AUTHORIZATION.—

“(A) IN GENERAL.—The Administration, through the Office of Native American Affairs, shall provide financial assistance to tribal governments, tribal colleges, Native Hawaiian organizations, and Alaska Native corporations to create Native American business centers in accordance with this section.

“(B) RESOURCE ASSISTANCE.—The Administration may also provide in-kind resource assistance to Native American business centers located on tribal lands. Such assistance may include—

“(i) personal computers;

“(ii) graphic workstations;

“(iii) CD-ROM technology and interactive videos;

“(iv) distance learning business-related training courses;

“(v) computer software; and

“(vi) reference materials.

“(C) USE OF FUNDS.—The financial and resource assistance provided under this subsection shall be used to overcome obstacles impeding the creation, development, and expansion of small business concerns, in accordance with this section, by—

“(i) reservation-based American Indians;

"(ii) Alaska Natives; and

"(iii) Native Hawaiians.

"(2) 5-YEAR PROJECTS.—

"(A) IN GENERAL.—Each Native American business center that receives assistance under paragraph (1)(A) shall conduct 5-year projects that offer culturally tailored business development assistance in the form of—

"(i) financial education, including training and counseling in—

"(I) applying for and securing business credit and investment capital;

"(II) preparing and presenting financial statements; and

"(III) managing cash flow and other financial operations of a business concern;

"(ii) management education, including training and counseling in planning, organizing, staffing, directing, and controlling each major activity and function of a small business concern; and

"(iii) marketing education, including training and counseling in—

"(I) identifying and segmenting domestic and international market opportunities;

"(II) preparing and executing marketing plans;

"(III) developing pricing strategies;

"(IV) locating contract opportunities;

"(V) negotiating contracts; and

"(VI) utilizing varying public relations and advertising techniques.

"(B) BUSINESS DEVELOPMENT ASSISTANCE RECIPIENTS.—The business development assistance under subparagraph (A) shall be offered to prospective and current owners of small business concerns that are owned by—

"(i) American Indians or tribal governments, and located on or near tribal lands;

"(ii) Alaska Natives or Alaska Native corporations; or

"(iii) Native Hawaiians or Native Hawaiian organizations.

"(3) FORM OF FEDERAL FINANCIAL ASSISTANCE.—

"(A) DOCUMENTATION.—

"(i) IN GENERAL.—The financial assistance to Native American business centers authorized under this subsection may be made by grant, contract, or cooperative agreement.

"(ii) EXCEPTION.—Financial assistance under this subsection to Alaska Native corporations or Native Hawaiian organizations may only be made by grant.

"(B) PAYMENTS.—

"(i) TIMING.—Payments made under this subsection may be disbursed—

"(I) in a single lump sum or in periodic installments; and

"(II) in advance or after costs are incurred.

"(ii) ADVANCE.—The Administration may disburse not more than 25 percent of the annual amount of Federal financial assistance awarded to a Native American small business center after notice of the award has been issued.

"(iii) NO MATCHING REQUIREMENT.—The Administration shall not require a grant recipient to match grant funding received under this subsection with non-Federal resources as a condition of receiving the grant.

"(4) CONTRACT AND COOPERATIVE AGREEMENT AUTHORITY.—A Native American business center may enter into a contract or cooperative agreement with a Federal department or agency to provide specific assistance to Native American and other under-served small business concerns located on or near tribal lands, to the extent that such contract or cooperative agreement is consistent with the terms of any assistance received by the Native American business center from the Administration.

"(5) APPLICATION PROCESS.—

"(A) SUBMISSION OF A 5-YEAR PLAN.—Each applicant for assistance under paragraph (1) shall submit a 5-year plan to the Administration on proposed assistance and training activities.

"(B) CRITERIA.—

"(i) IN GENERAL.—The Administration shall evaluate and rank applicants in accordance with predetermined selection criteria that shall be stated in terms of relative importance.

"(ii) PUBLIC NOTICE.—The criteria required by this paragraph and their relative importance shall be made publicly available, within a reasonable time, and stated in each solicitation for applications made by the Administration.

"(iii) CONSIDERATIONS.—The criteria required by this paragraph shall include—

"(I) the experience of the applicant in conducting programs or ongoing efforts designed to impart or upgrade the business skills of current or potential owners of Native American small business concerns;

"(II) the ability of the applicant to commence a project within a minimum amount of time;

"(III) the ability of the applicant to provide training and services to a representative number of Native Americans;

"(IV) previous assistance from the Small Business Administration to provide services in Native American communities; and

"(V) the proposed location for the Native American business center site, with priority given based on the proximity of the center to the population being served and to achieve a broad geographic dispersion of the centers.

"(6) PROGRAM EXAMINATION.—

"(A) IN GENERAL.—Each Native American business center established pursuant to this subsection shall annually provide the Administration with an itemized cost breakdown of actual expenditures incurred during the preceding year.

"(B) ADMINISTRATION ACTION.—Based on information received under subparagraph (A), the Administration shall—

"(i) develop and implement an annual programmatic and financial examination of each Native American business center assisted pursuant to this subsection; and

"(ii) analyze the results of each examination conducted under clause (i) to determine the programmatic and financial viability of each Native American business center.

"(C) CONDITIONS FOR CONTINUED FUNDING.—In determining whether to renew a grant, contract, or cooperative agreement with a Native American business center, the Administration—

"(i) shall consider the results of the most recent examination of the center under subparagraph (B), and, to a lesser extent, previous examinations; and

"(ii) may withhold such renewal, if the Administration determines that—

"(I) the center has failed to provide any information required to be provided under subparagraph (A), or the information provided by the center is inadequate;

"(II) the center has failed to provide any information required to be provided by the center for purposes of the report of the Administration under subparagraph (E); or

"(III) the information required to be provided by the center is incomplete.

"(D) CONTINUING CONTRACT AND COOPERATIVE AGREEMENT AUTHORITY.—

"(i) IN GENERAL.—The authority of the Administrator to enter into contracts or cooperative agreements in accordance with this subsection shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts.

"(ii) RENEWAL.—After the Administrator has entered into a contract or cooperative agreement with any Native American business center under this subsection, it shall not suspend, terminate, or fail to renew or extend any such contract or cooperative agreement unless the Administrator provides the center with written notification setting forth the reasons therefore and affords the center an opportunity for a hearing, appeal, or other administrative proceeding under chapter 5 of title 5, United States Code.

"(E) MANAGEMENT REPORT.—

"(i) IN GENERAL.—The Administration shall prepare and submit to the Committee on Small Business of the House of Representatives and the Committee on Small Business and Entrepreneurship of the Senate an annual report on the effectiveness of all projects conducted by Native American business centers under this subsection and any pilot programs administered by the Office of Native American Affairs.

"(ii) CONTENTS.—Each report submitted under clause (i) shall include, with respect to each Native American business center receiving financial assistance under this subsection—

"(I) the number of individuals receiving assistance from the Native American business center;

"(II) the number of startup business concerns formed;

"(III) the gross receipts of assisted concerns;

"(IV) the employment increases or decreases of Native American small business concerns assisted by the center since receiving funding under this Act;

"(V) to the maximum extent practicable, increases or decreases in profits of Native American small business concerns assisted by the center since receiving funding under this Act; and

"(VI) the most recent examination, as required under subparagraph (B), and the subsequent determination made by the Administration under that subparagraph.

"(7) ANNUAL REPORT.—Each entity receiving financial assistance under this subsection shall annually report to the Administration on the services provided with such financial assistance, including—

"(A) the number of individuals assisted, categorized by ethnicity;

"(B) the number of hours spent providing counseling and training for those individuals;

"(C) the number of startup small business concerns formed, maintained, and lost;

"(D) the gross receipts of assisted small business concerns;

"(E) the number of jobs created, maintained, or lost at assisted small business concerns; and

"(F) the number of Native American jobs created, maintained, or lost at assisted small business concerns.

"(8) RECORD RETENTION.—

"(A) APPLICATIONS.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

"(B) ANNUAL REPORTS.—The Administration shall maintain copies of the information collected under paragraph (6)(A) indefinitely.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for each of the fiscal years 2003 through 2007, to carry out the Native American Small Business Development Program, authorized under subsection (c).".

SEC. 3. PILOT PROGRAMS.

(a) DEFINITIONS.—In this section:

(1) INCORPORATION BY REFERENCE.—The terms defined in section 36(a) of the Small Business Act (as added by this Act) have the same meanings as in that section 36(a) when used in this section.

(2) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Small Business Administration.

(3) JOINT PROJECT.—The term 'joint project' means the combined resources and expertise of 2 or more distinct entities at a physical location dedicated to assisting the Native American community;

(b) NATIVE AMERICAN DEVELOPMENT GRANT PILOT PROGRAM.—

(1) AUTHORIZATION.—

(A) IN GENERAL.—There is established a 4-year pilot program under which the Administration is authorized to award Native American development grants to provide culturally-tailored business development training and related services to Native Americans and Native American small business concerns.

(B) ELIGIBLE ORGANIZATIONS.—The grants authorized under subparagraph (A) may be awarded to—

(i) any small business development center; or

(ii) any private, nonprofit organization that—

(I) has tribal government members, or their designees, comprising a majority of its board of directors;

(II) is a Native Hawaiian organization; or

(III) is an Alaska Native corporation.

(C) AMOUNTS.—The Administration shall not award a grant under this subsection in an amount which exceeds **$100,000** for each year of the project.

(D) GRANT DURATION.—Each grant under this subsection shall be awarded for not less than a 2-year period and not more than a 4-year period.

(2) CONDITIONS FOR PARTICIPATION.—Each entity desiring a grant under this subsection shall submit an application to the Administration that contains—

(A) a certification that the applicant—

(i) is a small business development center or a private, nonprofit organization under paragraph (1)(B)(i);

(ii) employs a full-time executive director or program manager to manage the facility; and

(iii) agrees—

(I) to a site visit as part of the final selection process;

(II) to an annual programmatic and financial examination; and

(III) to the maximum extent practicable, to remedy any problems identified pursuant to that site visit or examination;

(B) information demonstrating that the applicant has the ability and resources to meet the needs, including cultural needs, of the Native Americans to be served by the grant;

(C) information relating to proposed assistance that the grant will provide, including—

(i) the number of individuals to be assisted; and

(ii) the number of hours of counseling, training, and workshops to be provided;

(D) information demonstrating the effective experience of the applicant in—

(i) conducting financial, management, and marketing assistance programs designed to impart or upgrade the business skills of current or prospective Native American business owners;

(ii) providing training and services to a representative number of Native Americans;

(iii) using resource partners of the Administration and other entities, including universities, tribal governments, or tribal colleges; and

(iv) the prudent management of finances and staffing;

(E) the location where the applicant will provide training and services to Native Americans; and

(F) a multiyear plan, corresponding to the length of the grant, that describes—

(i) the number of Native Americans and Native American small business concerns to be served by the grant;

(ii) in the continental United States, the number of Native Americans to be served by the grant; and

(iii) the training and services to be provided to a representative number of Native Americans.

(3) REVIEW OF APPLICATIONS.—The Administration shall—

(A) evaluate and rank applicants under paragraph (2) in accordance with predetermined selection criteria that is stated in terms of relative importance;

(B) include such criteria in each solicitation under this subsection and make such information available to the public; and

(C) approve or disapprove each completed application submitted under this subsection not more than 60 days after submission.

(4) ANNUAL REPORT.—Each recipient of a Native American development grant under this subsection shall annually report to the Administration on the impact of the grant funding, including—

(A) the number of individuals assisted, categorized by ethnicity;

(B) the number of hours spent providing counseling and training for those individuals;

(C) the number of startup small business concerns formed, maintained, and lost;

(D) the gross receipts of assisted small business concerns;

(E) the number of jobs created, maintained, or lost at assisted small business concerns; and

(F) the number of Native American jobs created, maintained, or lost at assisted small business concerns.

(5) RECORD RETENTION.—

(A) APPLICATIONS.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

(B) ANNUAL REPORTS.—The Administration shall maintain copies of the information collected under paragraph (4) indefinitely.

(c) AMERICAN INDIAN TRIBAL ASSISTANCE CENTER GRANT PILOT PROGRAM.—

(1) AUTHORIZATION.—

(A) IN GENERAL.—There is established a 4-year pilot program, under which the Administration shall award not less than 3 American Indian Tribal Assistance Center grants to establish joint projects to provide culturally tailored business development assistance to prospective and current owners of small business concerns located on or near tribal lands.

(B) ELIGIBLE ORGANIZATIONS.—

(i) CLASS 1.—Not fewer than 1 grant shall be awarded to a joint project performed by a Native American business center, a Native American business development center, and a small business development center.

(ii) CLASS 2.—Not fewer than 2 grants shall be awarded to joint projects performed by a Native American business center and a Native American business development center.

(C) AMOUNTS.—The Administration shall not award a grant under this subsection in an amount which exceeds **$200,000** for each year of the project.

(D) GRANT DURATION.—Each grant under this subsection shall be awarded for a 3-year period.

(2) CONDITIONS FOR PARTICIPATION.—Each entity desiring a grant under this subsection shall submit to the Administration a joint application that contains—

(A) a certification that each participant of the joint application—

(i) is either a Native American Business Center, a Native American Business Development Center, or a Small Business Development Center;

(ii) employs a full-time executive director or program manager to manage the center; and

(iii) as a condition of receiving the American Indian Tribal Assistance Center grant, agrees—

(I) to an annual programmatic and financial examination; and

(II) to the maximum extent practicable, to remedy any problems identified pursuant to that examination;

(B) information demonstrating a historic commitment to providing assistance to Native Americans—

(i) residing on or near tribal lands; or

(ii) operating a small business concern on or near tribal lands;

(C) information demonstrating that each participant of the joint application has the ability and resources to meet the needs, including the cultural needs of the Native Americans to be served by the grant;

(D) information relating to proposed assistance that the grant will provide, including—

(i) the number of individuals to be assisted; and

(ii) the number of hours of counseling, training, and workshops to be provided;

(E) information demonstrating the effective experience of each participant of the joint application in—

(i) conducting financial, management, and marketing assistance programs, as described above, designed to impart or upgrade the business skills of current or prospective Native American business owners; and

(ii) the prudent management of finances and staffing; and

(F) a plan for the length of the grant, that describes—

(i) the number of Native Americans and Native American small business concerns to be served by the grant; and

(ii) the training and services to be provided.

(3) REVIEW OF APPLICATIONS.—The Administration shall—

(A) evaluate and rank applicants under paragraph (2) in accordance with predetermined selection criteria that is stated in terms of relative importance;

(B) include such criteria in each solicitation under this subsection and make such information available to the public; and

(C) approve or disapprove each application submitted under this subsection not more than 60 days after submission.

(4) ANNUAL REPORT.—Each recipient of an American Indian tribal assistance center grant under this subsection shall annually report to the Administration on the impact of the grant funding received during the reporting year, and the cumulative impact of the grant funding received since the initiation of the grant, including—

(A) the number of individuals assisted, categorized by ethnicity;

(B) the number of hours of counseling and training provided and workshops conducted;

(C) the number of startup business concerns formed, maintained, and lost;

(D) the gross receipts of assisted small business concerns;

(E) the number of jobs created, maintained, or lost at assisted small business concerns; and

(F) the number of Native American jobs created, maintained, or lost at assisted small business concerns.

(5) RECORD RETENTION.—

(A) APPLICATIONS.—The Administration shall maintain a copy of each application submitted under this subsection for not less than 10 years.

(B) ANNUAL REPORTS.—The Administration shall maintain copies of the information collected under paragraph (4) indefinitely.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) $1,000,000 for each of the fiscal years 2003 through 2006, to carry out the Native American Development Grant Pilot Program, authorized under subsection (b); and

(2) $1,000,000 for each of the fiscal years 2003 through 2006, to carry out the American Indian Tribal Assistance Center Grant Pilot Program, authorized under subsection (c).●

● Mr. KERRY. Mr. President, I am pleased today to join with my colleague, Senator JOHNSON, as well as the cosponsors of our legislation, Senators, CANTWELL, WELLSTONE, DASCHLE, BAUCUS, INOUYE, BINGAMAN, STABENOW, and CLINTON in introducing the Native American Small Business Development Act.

This legislation bears the same name as legislation that passed the House last year, H.R. 2538, which was introduced by Congressman TOM UDALL, a recognized leader in promoting the interests of American Indians. I would like to thank Congressman UDALL for his work in stewarding H.R. 2538 through the House and for his assistance in working with Senator JOHNSON and me in drafting the Senate version of our legislation.

I would also like to thank the National Indian Business Association, the National Center for American Indian Enterprise Development, the Association of Small Business Development Centers, ONABEN, Native American Management Services, Inc., and all of the tribes that met with us or provided information to help in the crafting of this legislation.

The Senate version of the Native American Small Business Development Act, while incorporating the heart of the Udall legislation, is more comprehensive and provides greater assistance to Native American communities. Senator JOHNSON, who serves on the Indian Affairs Committee, and I, as Chairman of the Senate Committee on Small Business and Entrepreneurship, were able to combine our resources in crafting this legislation.

Our desire to fashion a comprehensive assistance package for Native American small businesses stems in no small part from an apparent lack of commitment the Small Business Administration (SBA) has shown to our Native American communities under the Bush Administration.

While I applaud the Bush Administration for responding to congressional requests and including $1 million in the Administration's fiscal year 2003 budget request for Native American outreach, I was disappointed that it did not seek the full level of $2.5 million requested in a letter I sent with my colleagues Senators DASCHLE, WELLSTONE, JOHNSON, BINGAMAN and BAUCUS. Our request specifically sought funding for the SBA's Tribal Business Information Center (TBIC) program, started under the Clinton Administration and designed to address the unique conditions faced by American Indians when they seek to start or expand small businesses.

I do not believe that anyone in this Congress would dispute that economic development in Indian Country has often been difficult to achieve and that one important way to help American Indians who live on reservations is to provide them with assistance to open and run their own small businesses. Helping Native Americans open and run small businesses not only instills a sense of pride in the owner and his or her community, it also provides much-needed job opportunities, as well as other economic benefits.

Although underfunded, the TBIC program has provided assistance to a number of small businesses on Indian reservations. TBICs have the support of the American Indian communities they serve because they provide desperately needed, culturally tailored business development assistance in those communities. The administration should be seeking to strengthen its commitment to programs that assist Native American communities. Unfortunately, the SBA cut off TBIC funding on March 31, 2002, and has not met a request by a bipartisan group of Senators to begin the reprogramming process in order to keep the TBICs open for the remainder of the fiscal year.

The Native American Small Business Development Act will ensure that the SBA's programs to assist Native American Affairs (ONAA) a permanent office, create a statutory grant program, known as the Native American Development grant program, to assist Native Americans, establish two pilot programs to try new means of assisting Native American communities and require Native American communities to be consulted regarding the future of SBA programs designed to assist them. In short, our legislation will ensure that our Native American communities will receive the assistance they need to help start and grow small businesses.

The ONAA, to be headed by an Assistant Administrator, will be responsible for assisting Native Americans and Native American communities to start, operate, and grow small business concerns; develop management and technical skills; seek Federal procurement opportunities; increase employment opportunities through the start and expansion of small business concerns; and increase their access to capital markets.

To be selected to serve as the Assistant Administrator for ONAA, a candidate must have knowledge of Native American cultures and experience providing culturally tailored small business development assistance to Native Americans. Under our legislation, the Assistant Administrator would be statutorily required to consult with Tribal Colleges and Tribal Governments, Alaska Native Corporations (ANC) and Native Hawaiian Organizations (NHO) when carrying out responsibilities under this legislation. The Assistant Administrator for ONAA would be responsible for administering the Native American Development program and the pilot programs created by the Native American Small Business Development Act.

The Native American Development program is designed to be the SBA's primary program for providing business development assistance to Native American communities. To offer this support, the SBA will provide financial and resource assistance to establish and keep Native American Business Centers (NABC) in operation. Financial assistance under the Native American Development program would be available to Tribal Governments and Tribal Colleges. Unlike the SBA's TBIC program, however, ANCs and NHOs would also be eligible for the grants.

NABCs would address the unique conditions faced by reservation-based American Indians, as well as Native Hawaiians and Native Alaskans, in their efforts to create, develop and expand small business concerns. Grant funding would be used by the NABCs to provide culturally tailored financial education assistance, management education assistance, and marketing education assistance.

The first pilot program under the legislation establishes a Native American development grant. This grant is modeled after the Udall legislation and designed to bring the expertise of SBA's Small Business Development Centers (SBDC) to Native American communities. Additionally, any private nonprofit organization, whose board of directors consists of a majority of Tribal Government members or their designees, is an NHO or an ANC, may also apply for the grant. Nonprofits were included in the Senate version thanks to the thoughtful input of Senator Cantwell. Many American Indian communities in Washington State are served by an organization called ONABEN, which provides SBDC-like services to Native American communities in Washington, Oregon, Idaho, and California. Organizations like ONABEN should be encouraged to provide resources to Native American communities, and including them in the grant program available to SBDCs was an important addition to the legislation.

Finally, our legislation establishes a second pilot program to try a unique experiment in Indian Country. Grant funding would be made available to establish American Indian Tribal Assistance Centers. These centers will consist of joint entities, such as a partnership between an NABC, a Native American development center (which receive grants from the Department of Commerce) and possibly an SBDC. The purpose of this grant is to bring together experts from various entities to provide culturally tailored business development assistance to prospective and current owners of small business concerns on or near Tribal Lands.

I would again like to thank Senator JOHNSON and all of the cosponsors of this important legislation to assist our Native American communities. I would also, again, like to thank Congressman UDALL for taking the lead in the House on providing critical assistance for small businesses in Native American communities. I would urge all of my colleagues to cosponsor this legislation to help us fulfill our commitment to Native American communities.●

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 252—EXPRESSING THE SENSE OF THE SENATE REGARDING HUMAN RIGHTS VIOLATIONS IN TIBET, THE PANCHEN LAMA, AND THE NEED FOR DIALOGUE BETWEEN THE CHINESE LEADERSHIP AND THE DALAI LAMA OR HIS REPRESENTATIVES

Mr. WELLSTONE submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 252

Whereas Hu Jintao, Vice President of the People's Republic of China and former Party Secretary of the Tibet Autonomous Region, will visit the United States in April and May of 2002;

Whereas Gedhun Choekyi Nyima was taken from his home by Chinese authorities on May 17, 1995, at the age of 6, shortly after being recognized as the 11th incarnation of the Panchen Lama by the Dalai Lama;

Whereas the forced disappearance of the Panchen Lama violates fundamental freedoms enshrined in international human rights covenants to which the People's Republic of China is a party, including the Convention on the Rights of the Child;

Whereas the use of religious belief as the primary criteria for repression against Tibetans reflects a continuing pattern of grave human rights violations that have occurred since the invasion of Tibet in 1949–50;

Whereas the State Department Country Reports on Human Rights Practices for 2001 states that repressive social and political controls continue to limit the fundamental freedoms of Tibetans and risk undermining Tibet's unique cultural, religious, and linguistic heritage, and that repeated requests for access to the Panchen Lama to confirm his well-being and whereabouts have been denied; and

Whereas the Government of the People's Republic of China has failed to respond positively to efforts by the Dalai Lama to enter into dialogue based on his proposal for genuine autonomy within the People's Republic of China with a view to safeguarding the distinct identity of Tibet and protecting the human rights of the Tibetan people: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) Vice President Hu Jintao should be made aware of congressional concern for the Panchen Lama and the need to resolve the situation in Tibet through dialogue with the Dalai Lama or his representatives; and

(2) the Government of the People's Republic of China should—

(A) release the Panchen Lama and allow him to pursue his traditional role at Tashi Lhunpo monastery in Tibet; and

(B) enter into dialogue with the Dalai Lama or his representatives in order to find a negotiated solution for genuine autonomy that respects the rights of all Tibetans.

● Mr. WELLSTONE. Mr. President, I rise today to acknowledge and celebrate the 13th birthday of Gendun Choekyi Nyima, the boy recognized by the Dalai Lama in 1995 as the 11th reincarnation of the Panchen Lama, Tibet's second highest spiritual leader.

As you may know, shortly after the Dalai Lama recognized Gedhun Choekyi Nyima as the Panchen Lama in 1995, the Chinese government abducted him with his family. He was 6 years old at the time. Today, the Panchen Lama remains in detention, and his whereabouts are unknown. For the past 7 years repeated requests from both governments and private humanitarian organizations to meet with the boy have been denied. It is intolerable that the Chinese leadership is using this young child in their efforts to tighten their grip on Tibet. On his 13th birthday, he remains one of the world's youngest political and religious prisoners.

Tibetans are persecuted for their religious beliefs. Prior to the Chinese invasion of 1950, Tibet was a deeply religious society. Religion remains an integral part of the daily lives of Tibetans, and it forms the social fabric connecting them to the land. Since the Chinese take over, religious practice and belief have come at a great cost. Over 6,000 monasteries and sacred places have been destroyed by the Chinese. Religious leaders are incarcerated with great frequency. They are forced to perform "reeducation labor," and often subjected to torture, including electric shock, rape, and other serious forms of abuse.

The Chinese Government continues to exert power over Tibetans by requiring monks to sign a declaration rejecting independence for Tibet, rejecting the Panchen Lama, rejecting and denouncing the Dalai Lama, recognizing the unity of China and Tibet, and ignoring the voice of America. Monks who refuse to accept these terms risk expulsion from their monasteries, or possible incarceration. Fleeing is the only other option for Tibetans who refuse to accept these terms. Historically, up to 3,000 Tibetans enter Nepal each year to escape the conditions.

Religious persecution is not the only type of persecution in Tibet. Tibetans are also subject to political imprisonment. A few months ago, I had the honor of meeting with Ngawang Choephel, a former Fulbright scholar who taught at Middlebury College in Vermont, who was imprisoned in 1995. What was his crime, the crime for which his brave mother labored intensively to have him freed? He was arrested and jailed for espionage while filming a documentary on performing arts in Tibet. After serving more than 6 years, he was released on a medical parole. Regrettably, his story is emblematic of the daily struggles faced by Tibetans.

China has consistently used excessive military force to stifle dissent, which has resulted in untold cases of arbitrary arrests, imprisonment, torture, and execution. Moreover, the Tibetan people are denied the rights to self determination, freedom of speech, assembly, movement, expression and travel, rights enshrined in the Universal Declaration of Human Rights. Population transfers, environmental degradation, forced abortions and sterilizations, and the systematic destruction of the Tibetan language and culture continue unabated.

The problems in Tibet go beyond continuing human rights violations. As long as the Tibetan people are denied the right to self determination, human rights violations and political unrest will continue. For almost 40 years Chinese oppression in Tibet has been met by resistance. However, despite over four decades of force and intimidation, the Tibetan people have proven again and again that they will not succumb. Until a negotiated settlement is reached, Tibet will remain a contentious and potentially destabilizing issue for China. The only way to settle the question of Tibet is for the Chinese leadership to enter into negotiations with the Dalai Lama or his representatives.

Both publicly and privately, the Dalai Lama has stated his willingness to negotiate with the Chinese in his own words, "anywhere, anytime, and with no pre-conditions." Thus far, Beijing has refused to even consider talking to him. Despite the fact that the Dalai Lama is respected worldwide as a spiritual leader and was awarded the Nobel Peace Prize, Chinese Communist party leaders continue to eschew dialogue.

Next week, Chinese President Hu Jintao will visit the United States for the first time. Many believe that he will be the next Premier of China. As you may know, Hu Jintao was the Party Secretary in the Tibet Autonomous Region, TAR, from 1988 to 1992. During his tenure as Party Secretary, Hu Jintao made a name for himself as a tough administrator of Beijing's control mechanisms in Tibet, including the use of deadly force against unarmed Tibetan protestors.

Despite Hu Jintao's record as TAR Party Secretary, I, like some Tibetans, remain hopeful that he can play a positive role in the future. Because Hu has direct experience with the sentiments of Tibetans, he could be more responsive to Tibetan interests than past Chinese leaders. On November 9, 2001, Hu told journalists in Berlin, "I have been in Tibet for almost 4 years and I am very familiar with the situation." It is a positive factor that Hu Jintao knows conditions in Tibet from first-hand experience.

In light of his visit, I am submitting a resolution in the Senate calling for the release of the Panchen Lama. With this action, I am also hoping to see a serious and substantive discussion of the continued human rights violations in China and Tibet. I will continue to communicate these objectives directly to the administration and the Chinese leadership. Specifically, I strongly believe we should urge the Chinese leadership: To release the Panchen Lama and allow him to pursue his traditional role at Tashi Lhunpo monastery in Tibet; and to enter into dialogue with the Dalai Lama or his representatives in order to find a negotiated solution for genuine autonomy that respects the rights of all Tibetans.

Today, across America Tibetans and their supporters are staging events to draw international attention and support for Tibet. This includes five Tibetan men who are biking from the state capitol in St. Paul, MN, to the Chinese Embassy in Chicago. There, they are calling for the release of the Panchen Lama, the second highest leader in Tibetan Buddhism. Today, I ask that the Senate join their cause. Free the Panchen Lama.

I offer my deepest respect and prayers to them and to the countless brave men and women who have lost their lives in the struggle to bring freedom and democracy to Tibet. It is my hope that the United States will be "on the right side of history" by pressing hard for negotiations and a peaceful solution to the Tibetan situation, in accordance with U.N. resolutions.

Finally, I would like to commend the Tibetan people, who under the leadership of the Dalai Lama, have remained steadfast in their commitment to nonviolence. While in other parts of the world individuals seeking freedom have employed any means available, including violence and terrorism, the Tibetans have not altered from the path of nonviolence, even while their homeland, their families, their religion, and their culture are decimated. To turn away from the Tibetan people in their hour of need, would send a message to the world that the international community does not care about what is just. I urge Tibetans to stay the course of nonviolence.●

SENATE RESOLUTION 253—REITERATING THE SENSE OF THE SENATE REGARDING THE RISE OF ANTI-SEMITIC VIOLENCE IN EUROPE

Mr. SMITH of Oregon (for himself, Mrs. CLINTON, Mr. SCHUMER, and Mr. HATCH) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 253

Whereas many countries in Europe are protectors of human rights and have stood as shining examples of freedom and liberty to the world;

Whereas freedom of religion is guaranteed by all Organization for Security and Cooperation in Europe (OSCE) participating states;

Whereas the 1990 Copenhagen Concluding Document declares all participating OSCE States will "unequivocally condemn" anti-Semitism and take effective measures to protect individuals from anti-Semitic violence;

Whereas anti-Semitism was one of the most destructive forces unleashed during the last century;

Whereas there has been a startling rise in attacks on Jewish community institutions in cities across Europe in the last 18 months;

Whereas these violent incidents have targeted youth such as an assault on a Jewish teen soccer team in Bondy, France on 4/11/02 and the brutal beating of two Jewish students in Berlin, Germany, the burning of Jewish schools in Creteil and Marseille, France and even the stoning of a bus carrying Jewish schoolchildren;

Whereas attacks on Jewish houses of worship have been reported in many cities including Antwerp, Brussels, and Marseille and as recently as April 22nd an automatic weapon attack on a synagogue in Charleroi, Belgium;

Whereas the statue in Paris of Captain Alfred Dreyfus, who was the victim of anti-Semitic accusations and became a symbol of this prejudice in the last century, was defaced with anti-Jewish emblems;

Whereas the French Ministry of Interior documented hundreds of crimes against Jews and Jewish institutions in France in just the first two weeks of April 2002;

Whereas the revitalization of European right wing movements, such as the strong showing of the National Front party in France's presidential election, reaffirm the urgency for governments to assert a strong public stance against anti-Semitism, as well as other forms of xenophobia and intolerance;

Whereas some government leaders have repeatedly dismissed the significance of these attacks and attributed them to hooliganism and Muslim immigrant youth expressing solidarity with Palestinians;

Whereas the legitimization of armed struggle against Israeli civilians by some governments voting in the UN Commission on Human Rights has emboldened some individuals and organizations to lash out against Jews and Jewish institutions;

Whereas hostility frustration and disaffection over violence in the Middle East must never be permitted to justify personal attacks on Jewish citizens;

Whereas when governments have raised a strong moral voice against anti-Semitism and worked to promote and implement educational initiatives which foster tolerance, we have seen success; and

Whereas, Congress recognizes the vital historical alliance between nations of Europe and the United States and has high regard for the commitment of our allies to fighting discrimination, hatred, and violence on racial, ethnic or religious grounds,

Resolved, (a) That it is the sense of the Senate that Congress calls upon European governments to—

(1) acknowledge publicly and without reservation the anti-Semitic character of the attacks as violations of human rights; and to utilize the full power of its law enforcement tools to investigate the crimes and punish the perpetrators;

(2) decry the rationalizing of anti-Jewish attitudes and even violent attacks against Jews as merely a result of justified popular frustration with the conflict in the Middle East; and

(3) take measures to protect and ensure the security of Jewish citizens and their institutions, many of whom suffered so grievously in Europe in the past century.

(b) Further, it is the sense of the Senate that—

(1) both Congress and the Administration must raise this issue in its bilateral contacts;

(2) the State Department's Annual Country Reports on Human Rights should thoroughly document this phenomenon, not just in Europe but worldwide; and

(3) the Commission on International Religious Freedom should continue to document and report on this phenomenon in Europe and worldwide.

SENATE RESOLUTION 254—DESIGNATING APRIL 29, 2002, THROUGH MAY 3, 2002, AS "NATIONAL CHARTER SCHOOLS WEEK," AND FOR OTHER PURPOSES

Mr. LIEBERMAN (for himself, Mr. GREGG, Mr. CARPER, Mr. HUTCHINSON, and Mr. BAYH) submitted the following resolution; which was considered and agreed to:

S. RES. 254

Whereas charter schools are public schools authorized by a designated public body and operating on the principles of accountability, parental involvement, choice, and autonomy;

Whereas in exchange for the flexibility and autonomy given to charter schools, they are held accountable by their sponsors for improving student achievement and for their financial and other operations;

Whereas 37 States, the District of Columbia, and the Commonwealth of Puerto Rico have passed laws authorizing charter schools;

Whereas 37 States, the District of Columbia, and the Commonwealth of Puerto Rico will have received substantial assistance from the Federal Government by the end of the current fiscal year for planning, startup, and implementation of charter schools since their authorization in 1994 under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.);

Whereas 34 States, the District of Columbia, and the Commonwealth of Puerto Rico are serving more than 500,000 students in more than 2,431 charter schools during the 2001–2002 school year;

Whereas charter schools can be vehicles for improving student academic achievement for the students who attend them, for stimulating change and improvement in all public schools, and for benefiting all public school students;

Whereas charter schools must meet the same Federal student academic achievement accountability requirements as all public schools, and often set higher and additional goals, to ensure that they are of high quality and truly accountable to the public;

Whereas charter schools assess and evaluate students annually and often more frequently, and charter school student academic achievement is directly linked to charter school existence;

Whereas charter schools give parents new freedom to choose their public school, charter schools routinely measure parental approval, and charter schools must prove their ongoing and increasing success to parents, policymakers, and their communities;

Whereas two-thirds of charter schools report having a waiting list, the average size of such a waiting list is nearly one-half of the school's enrollment, and the total number of students on all such waiting lists is enough to fill another 1,000 average-sized charter schools;

Whereas students in charter schools nationwide have similar demographic characteristics as students in all public schools;

Whereas charter schools in many States serve significant numbers of students from families with lower income, minority students, and students with disabilities, and in a majority of charter schools almost half of the students are considered at risk or are former dropouts;

Whereas charter schools have enjoyed broad bipartisan support from the Administration, Congress, State Governors and legislatures, educators, and parents across the Nation; and

Whereas charter schools are laboratories of reform and serve as models of how to educate children as effectively as possible: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 29, 2002, through May 3, 2002, as "National Charter Schools Week";

(1) honors the 10th anniversary of the opening of the Nation's first charter school;

(2) acknowledges and commends the charter school movement and charter schools, teachers, parents, and students across the Nation for their ongoing contributions to education and improving and strengthening the Nation's public school system;

(3) supports the goals of National Charter Schools Week, an event sponsored by charter schools and charter school organizations across the Nation and established to recognize the significant impacts, achievements, and innovations of the Nation's charter schools; and

(4) requests that the President issue a proclamation calling on the people of the United States to conduct appropriate programs, ceremonies, and activities to demonstrate support for charter schools in communities throughout the Nation.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3376. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3352 proposed by Mr. BAUCUS (for himself and Mr. GRASSLEY) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes; which was ordered to lie on the table.

SA 3377. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3352 proposed by Mr. BAUCUS (for himself and Mr. GRASSLEY) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra; which was ordered to lie on the table.

SA 3378. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3352 proposed by Mr. BAUCUS (for himself and Mr. GRASSLEY) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra; which was ordered to lie on the table.

SA 3379. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3352 proposed by Mr. BAUCUS (for himself and Mr. GRASSLEY) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra; which was ordered to lie on the table.

SA 3380. Mr. BINGAMAN submitted an amendment intended to be proposed to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) supra.

TEXT OF AMENDMENTS

SA 3376. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3352 proposed by Mr. BAUCUS (for himself and Mr. GRASSLEY) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 7, line 10, strike "2005" and insert "2007".

SA 3377. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3352 proposed by Mr. BAUCUS (for himself and Mr. GRASSLEY) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 7, line 10, strike "2005" and insert "2007" and

On page 11, line 9, strike "2006" and insert "2008".

SA 3378. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3352 proposed by Mr. BAUCUS (for himself and Mr. GRASSLEY) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes; was which ordered to lie on the table; as follows:

On page 7, line 10, strike "2005" and insert "2006".

SA 3379. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3352 proposed by Mr. BAUCUS (for himself and Mr. GRASSLEY) to the amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes; which was ordered to lie on the table; as follows:

On page 7, line 10, strike "2005" and insert "2006" and

On page 11, line 9, strike "2006" and insert "2007".

SA 3380. Mr. BINGAMAN submitted an amendment intended to be proposed to amendment SA 2917 proposed by Mr. DASCHLE (for himself and Mr. BINGAMAN) to the bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes, which was ordered to lie on the table; as follows:

On page 307, after line 3, insert the following:

Subtitle E—Rural and Remote Communities

SEC. 941. SHORT TITLE.

This subtitle may be cited as the "Rural and Remote Community Fairness Act".

SEC. 942. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) a modern infrastructure, including energy-efficient housing, electricity, telecommunications, bulk fuel, waste water and potable water service, is a necessary ingredient of a modern society and development of a prosperous economy;

(2) the Nation's rural and remote communities face critical social, economic and environmental problems, arising in significant measure from the high cost of infrastructure development in sparsely populated and remote areas, that are not adequately addressed by existing Federal assistance programs;

(3) in the past, Federal assistance has been instrumental in establishing electric and other utility service in many developing regions of the Nation, and that Federal assistance continues to be appropriate to ensure that electric and other utility systems in rural areas conform with modern standards of safety, reliability, efficiency and environmental protection; and

(4) the future welfare of the Nation and the well-being of its citizens depend on the establishment and maintenance of viable rural and remote communities as social, economic and political entities.

(b) PURPOSE.—The purpose of this subtitle is the development and maintenance of viable rural and remote communities through the provision of efficient housing, and reasonably priced and environmentally sound energy, water, waste water, and bulk fuel, telecommunications and utility services to those communities that do not have those services or who currently bear costs of those services that are significantly above the national average.

SEC. 943. DEFINITIONS.

As used in this subtitle:

(1) The term "unit of general local government" means any city, county, town, township, parish, village, borough (organized or unorganized) or other general purpose political subdivision of a State, Guam, the Commonwealth of the Northern Mariana Islands, Puerto Rico, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, the Virgin Islands, and American Samoa, a combination of such political subdivisions that is recognized by the Secretary; and the District of Columbia; or any other appropriate organization of citizens of a rural and remote community that the Secretary may identify.

(2) The term "population" means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(3) The Term "Native American group" means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self Determination and Education Assistance Act (Public Law 93–638) or was considered an eligible recipient under chapter 67 of title 31, United States Code, prior to the repeal of such chapter.

(4) The term "Secretary" means the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Secretary of the Interior or the Secretary of Energy, as appropriate.

(5) The term "rural and remote community" means a unit of local general government or Native American group which is served by an electric utility that has 10,000 or less customers with an average retail cost per kilowatt hour of electricity that is equal to or greater than 150 percent of the average retail cost per kilowatt hour of electricity for all consumers in the United States, as determined by data provided by the Energy Information Administration of the Department of Energy.

(6) The term "alternative energy sources" include non-traditional means of providing electrical energy, including, but not limited to, wind, solar, biomass, municipal solid waste, hydroelectric, geothermal and tidal power.

(7) The term "average retail cost per kilowatt hour of electricity" has the same meaning as "average revenue per kilowatt hour of electricity" as defined by the Energy Information Administration of the Department of Energy.

SEC. 944. AUTHORIZATION OF APPROPRIATIONS.

The Secretary is authorized to make grants to rural and remote communities to carry out activities in accordance with the provisions of the subtitle. For purposes of assistance under section 947, there are authorized to be appropriated $100,000,000 for each of fiscal years 2003 through 2009.

SEC. 945. STATEMENT OF ACTIVITIES AND REVIEW.

(a) STATEMENT OF OBJECTIVES AND PROJECTED USE.—Prior to the receipt in any fiscal year of a grant under section 947 by any rural and remote community, the grantee shall have prepared and submitted to the Secretary of the agency providing funding a final statement of rural and remote community development objectives and projected use of funds.

(b) PUBLIC NOTICE.—In order to permit public examination and appraisal of such statements, to enhance the public accountability of grantees, and to facilitate coordination of activities with different levels of government, the grantee shall in a timely manner—

(1) furnish citizens information concerning the amount of funds available for rural and remote community development activities and the range of activities that may be undertaken;

(2) publish a proposed statement in such manner to afford affected citizens an opportunity to examine its content and to submit comments on the proposed statement and on the community development performance of the grantee;

(3) provide citizens with reasonable access to records regarding the past use of funds received under section 947 by the grantee; and

(4) provide citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds received under section 947 from one eligible activity to another.

The final statement shall be made available to the public, and a copy shall be furnished to the appropriate Secretary. Any final statement of activities may be modified or amended from time to time by the grantee in accordance with the same. Procedures required in this paragraph are for the preparation and submission of such statement.

(c) PERFORMANCE AND EVALUATION REPORT.—Each grantee shall submit to the appropriate Secretary, at a time determined by the Secretary, a performance and evaluation report, concerning the use of funds made available under section 947, together with an assessment by the grantee of the relationship of such use to the objectives identified in the grantee's statement under subsection (a) and to the requirements of subsection (b). The grantee's report shall indicate its programmatic accomplishments, the nature of and reasons for any changes in the grantee's program objectives, and indications of how the grantee would change its programs as a result of its experiences.

(d) RETENTION OF INCOME.—

(1) IN GENERAL.—Any rural and remote community may retain any program income that is realized from any grant made by the Secretary under section 947 if—

(A) Such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and

(B) such unit of general local government has agreed that it will utilize program income for eligible rural and remote community development activities in accordance with the provisions of this title.

(2) EXCEPTION.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the subsection creates an unreasonable administrative burden on the rural and remote community.

SEC. 946. ELIGIBLE ACTIVITIES.

(a) ACTIVITIES INCLUDED.—Eligible activities assisted under this subtitle may include only—

(1) weatherization and other cost-effective energy-related repairs of homes and other buildings;

(2) the acquisition, construction, repair, reconstruction, or installation of reliable and cost-efficient facilities for the generation, transmission or distribution of electricity, and telecommunications, for consumption in a rural and remote community or communities;

(3) the acquisition, construction, repair, reconstruction, remediation or installation of facilities for the safe storage and efficient management of bulk fuel by rural and remote communities, and facilities for the distribution of such fuel to consumers in a rural or remote community;

(4) facilities and training to reduce costs of maintaining and operating generation, distribution or transmission systems to a rural and remote community or communities;

(5) the institution of professional management and maintenance services for electricity generation, transmission or distribution to a rural and remote community or communities;

(6) the investigation of the feasibility of alternate energy sources for a rural and remote community or communities;

(7) acquisition, construction, repair, reconstruction, operation, maintenance, or installation of facilities for water or waste water service;

(8) the acquisition or disposition of real property (including air rights, water rights, and other interests therein) for eligible rural and remote community development activities; and

(9) activities necessary to develop and implement a comprehensive rural and remote development plan, including payment of reasonable administrative costs related to planning and execution or rural and remote community development activities.

(b) ACTIVITIES UNDERTAKEN THROUGH ELECTRIC UTILITIES.—Eligible activities may be undertaken either directly by the rural and remote community, or by the rural and remote community through local electric utilities.

SEC. 947. ALLOCATION AND DISTRIBUTION OF FUNDS.

For each fiscal year, of they amount approved in an appropriation act under section 903 for grants in any year, the Secretary shall distribute to each rural and remote community which has filed a final statement of rural and remote community development objectives and projected use of funds under section 945, an amount which shall be allocated among the rural and remote communities that filed a final statement of rural and remote community development objectives and projected use of funds under section 945 proportionate to the percentage that the average retail price per kilowatt hour of electricity for all classes of consumers in the rural and remote community exceeds the national average retail price per kilowatt hour for electricity for all consumers in the United States, as determined by data provided by the Department of Energy's Energy Information Administration. In allocating funds under this section, the Secretary shall give special consideration to those rural and remote communities that increase economies of scale through consolidation of services, affiliation and regionalization of eligible activities under this title.

SEC. 948. RURAL AND REMOTE COMMUNITY ELECTRIFICATION GRANTS.

Section 313 of the Rural Electrification Act of 1936 (7 U.S.C. 940c) is amended by adding after subsection (b) the following:

(c) RURAL AND REMOTE COMMUNITIES ELECTRIFICATION GRANTS.—The Secretary of Agriculture, in consultation with the Secretary of Energy and the Secretary of the Interior, may provide grants under this Act for the purpose of increasing energy efficiency, siting or upgrading transmission and distribution lines, or providing or modernizing electric facilities to—

"(1) a unit of local government of a State or territory; or

"(2) an Indian tribe or Tribal College or University as defined in section 316(b)(3) of the Higher Education Act (20 U.S.C. 1059c(b)(3)).

"(d) Grant Criteria.—The Secretary shall make grants based on a determination of cost-effectiveness and most effective use of the funds to achieve the stated purposes of this section.

"(e) Preference.—In making grants under this section, the Secretary shall give a preference to renewable energy facilities.

"(f) Definition.—For purposes of this section, the term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(g) Authorization.—For the purpose of carrying out subsection (c), there are authorized to be appropriated to the Secretary $20,000,000 for each of the seven fiscal years following the date of enactment of this subsection.".

SEC. 949. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated $5,000,000 for each of fiscal year 2003 through 2009 to the Denali Commission established by the Denali Commission Act of 1998 (42 U.S.C. 3121 note) for the purposes of funding the power cost equalization program.

SEC. 950. RURAL RECOVERY COMMUNITY DEVELOPMENT BLOCK GRANTS.

(a) Findings; Purpose.—

(1) Findings.—Congress finds that—

(A) a modern infrastructure, including affordable housing, wastewater and water service, and advanced technology capabilities is a necessary ingredient of a modern society and development of a prosperous economy with minimal environmental impacts;

(B) the Nation's rural areas face critical social, economic, and environmental problems, arising in significant measure from the growing cost of infrastructure development in rural areas that suffer from low per capita income and high rates of outmigration and are not adequately addressed by existing Federal assistance programs; and

(C) the future welfare of the Nation and the well-being of its citizens depend on the establishment and maintenance of viable rural areas as social, economic, and political entities.

(2) Purpose.—The purpose of this section is to provide for the development and maintenance of viable rural areas through the provision of affordable housing and community development assistance to eligible units of general local government and eligible Native American groups in rural areas with excessively high rates of outmigration and low per capital income levels.

(b) Definitions.—In this section:

(1) Eligible unit of general local government.—The term "eligible unit of general local government" means a unit of general local government that is the governing body of a rural recovery area.

(2) Eligible Indian tribe.—The term "eligible Indian tribe" means the governing body of an Indian tribe that is located in a rural recovery area.

(3) Grantee.—The term "grantee" means an eligible unit of general local government or eligible Indian tribe that receives a grant under this section.

(4) Native American group.—The term "Native American group" means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered en eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or was considered an eligible recipient under chapter 67 of title 31, United States Code, prior to the repeal of such chapter.

(5) Rural recovery area.—The term "rural recovery area" means any geographic area represented by a unit of general local government or a Native American group—

(A) the borders of which are not adjacent to a metropolitan area;

(B) in which—

(i) the population outmigration level equals or exceeds 1 percent over the most recent five year period, as determined by the Secretary of Housing and Urban Development; and

(ii) the per capita income is less than that of the national nonmetropolitan average; and

(C) that does not include a city with a population of more than 15,000.

(6) Unit of general local government.—

(A) In general.—The term "unit of general local government" means any city, county, town, township, parish, village, borough (organized or unorganized), or other general purpose political subdivision of a State; Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Puerto Rico, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions that, except as provided in section 106(d)(4), is recognized by the Secretary; and the District of Columbia.

(B) Other entities included.—The term also includes a State or a local public body or agency, community association, or other entity, that is approved by the Secretary for the purpose of providing public facilities or services to a new community.

(7) Secretary.—The term "Secretary" means the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Secretary of the Interior or the Secretary of Energy, as appropriate.

(c) Grant Authority.—The Secretary may make grants in accordance with this section to eligible units of general local government, Native American groups and eligible Indian tribes that meet the requirements of subsection (d) to carry out eligible activities described in subsection (f).

(d) Eligibility Requirements.—

(1) Statement of rural development objectives.—In order to receive a grant under this section for a fiscal year, an eligible unit of general local government, Native American group or eligible Indian tribe—

(A) shall—

(i) publish a proposed statement of rural development objectives and a description of the proposed eligible activities described in subsection (f) for which the grant will be used; and

(ii) afford residents of the rural recovery area served by the eligible unit of general local government, Native American groups or eligible Indian tribe with an opportunity to examine the contents of the proposed statement and the proposed eligible activities published under clause (i), and to submit comments to the eligible unit of general local government, Native American group or eligible Indian tribe, as applicable, on the proposed statement and the proposed eligible activities, and the overall community development performance of the eligible unit of general local government, Native American groups or eligible Indian tribe, as applicable; and

(B) Based on any comments received under subparagraph (A)(ii), prepare and submit to the Secretary—

(i) a final statement of rural development objectives;

(ii) a description of the eligible activities described in subsection (f) for which a grant received under this section will be used; and

(iii) a certification that the eligible unit of general local government, Native American groups or eligible Indian tribe, as applicable, will comply with the requirements of paragraph (2).

(2) Public notice and comment.—In order to enhance public accountability and facilitate the coordination of activities among different levels of government, an eligible unit of general local government, Native American groups or eligible Indian tribe that receives a grant under this section shall, as soon as practicable after such receipt, provide the residents of the rural recovery area served by the eligible unit of general local government, Native American groups or eligible Indian tribe, as applicable, with—

(A) a copy of the final statement submitted under paragraph (1)(B);

(B) information concerning the amount made available under this section and the eligible activities to be undertaken with that amount;

(C) reasonable access to records regarding the use of any amounts received by the eligible unit of general local government, Native American groups or eligible Indian tribe under this section in any preceding fiscal year; and

(D) reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of amounts received under this section from one eligible activity to another.

(e) Distribution of Grants.—

(1) In general.—In each fiscal year, the Secretary shall distribute to each eligible unit of general local government, Native American groups and eligible Indian tribe that meets the requirements of subsection (d)(1) a grant in an amount in paragraph (2).

(2) Amount.—Of the total amount made available to carry out this section in each fiscal year, the Secretary shall distribute to each grantee the amount equal to the greater of—

(A) the pro rata share of the grantee, as determined by the Secretary, based on the combined annual population out migration level (as determined by the Secretary of Housing and Urban Development) and the per capita income for the rural recovery area served by the grantee; or

(B) $200,000.

(f) Eligible Activities.—Each grantee shall use amounts received under this section for one or more of the following eligible activities, which may be undertaken either directly by the grantee, or by any local economic development corporation, regional planning district, nonprofit community development corporation, or statewide development organization authorized by the grantee:

(1) the acquisition, construction, repair, reconstruction, operation, maintenance, or installation of facilities for water and wastewater service or any other infrastructure needs determined to be critical to the further development or improvement of a designated industrial park;

(2) the acquisition or disposition of real property (including air rights, water rights,

and other interests therein) for rural community development activities;

(3) the development of telecommunications infrastructure within a designated industrial park that encourages high technology business development in rural areas;

(4) activities necessary to develop and implement a comprehensive rural development plan, including payment of reasonable administrative costs related to planning and execution of rural development activities; or

(5) affordable housing initiatives.

(g) PERFORMANCE AND EVALUATION REPORT.—

(1) IN GENERAL.—Each grantee shall annually submit to the appropriate Secretary a performance and evaluation report, concerning the use of amounts received under this section.

(2) CONTENTS.—Each report submitted under paragraph (1) shall include a description of—

(A) the eligible activities carried out by the grantee with amounts received under this section, and the degree to which the grantee has achieved the rural development objectives included in the final statement submitted under subsection (d)(1);

(B) the nature of and reasons for any change in the rural development objectives or the eligible activities of the grantee after submission of the final statement under subsection (d)(1); and

(C) any manner in which the grantee would change the rural development objectives of the grantee as a result of the experience of the grantee in administering amounts received under this section.

(h) RETENTION OF INCOME.—A grantee may retain any income that is realized from the grant, if—

(1) the income was realized after the initial disbursement of amounts to the grantee under this section; and

(2) the—

(A) grantee agrees to utilize the income for 1 or more eligible activities; or

(B) amount of the income is determined by the Secretary to be so small that compliance with subparagraph (A) would create an unreasonable administrative burden on the grantee.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section **$100,000,000** for each of fiscal years 2003 through 2009.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, April 25, 2002, at 10 a.m., in closed session to receive a briefing on the administration's request for a waiver in the certifications required for the Cooperative Threat Reduction Program and on a recent report from the Joint Atomic Energy Intelligence Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet Thursday, April 25, 2002, at 9:30 a.m., on Online Privacy and Protection Act of 2002.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet Thursday, April 25, 2002, at 2:30 p.m., on the nomination of Harold D. Stratton to be Commissioner and chairman of the Consumer Product Safety Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Thursday, April 25, 2002, at 2:30 p.m., to hear testimony on "Issues in TANF Reauthorization: Helping Hard-to-Employ Families."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, April 25, 2002, at approximately 3:30 p.m. (immediately following the first rollcall vote in a series of votes expected to begin at 3:30 p.m.), for a business meeting to consider the nomination of Paul A. Quander, Jr., to be Director of the District of Columbia Court Services and Offender Supervision Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on "IDEA: Behavioral Supports in Schools" during the session of the Senate on Thursday, April 25, 2002, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a nominations hearing on Thursday, April 25, 2002, in Dirksen room 226 at 10 a.m. The witness list is attached.

Tentative Witness List

Panel I: The Honorable Phil Gramm; the Honorable Kay Bailey Hutchison; the Honorable Fred Thompson; the Honorable Mike DeWine; the Honorable Bill Frist; the Honorable Ralph M. Hall; the Honorable Dave Hobson; the Honorable Harold E. Ford, Jr.; and the Honorable Max Sandlin.

Panel II: Julia Smith Gibbons to be United States Circuit Court Judge for the Sixth Circuit.

Panel III: Leonard E. Davis to be United States District Court Judge for the Eastern District of Texas; David C. Godbey to be United States District Court Judge for the Northern District of Texas; Andrew S. Hanen to be United States District Court Judge for the Southern District of Texas; Samuel H. Mays, Jr., to be United States District Court Judge for the Western District of Tennessee; and Thomas M. Rose to be United States District Court Judge for the Southern District of Ohio.

The PRESIDING OFFICER. Without objection, it is ordered.

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, April 25, 2002, at 10 a.m., in Dirksen Building room 226. The agenda is attached.

Agenda

I. Nominations

To be United States Marshal: Gordon Edward Eden, Jr. for the District of New Mexico; David Phillip Gonzales for the District of Arizona; Ronald Henderson for the Eastern District of Missouri; John Lee Moore for the Eastern District of Texas; John Edward Quinn for the Northern District of Iowa; Charles M. Sheer for the Western District of Missouri; and Edward Zahren for the District of Colorado.

II. Bills

S. 2031, Intellectual Property Protection Restoration Act of 2002 [Leahy/Brownback].

S. 2010, Corporate and Criminal Fraud Accountability Act of 2002 [Leahy/Daschle/Durbin].

S. 1974, Federal Bureau of Investigation Reform Act of 2002 [Leahy/Grassley].

S. 848, Social Security Number Misuse Prevention Act of 2001 [Feinstein/Gregg].

S. 1742, Restore Your Identity Act of 2001 [Cantwell].

S. 410, a bill to amend the Violence Against Women Act of 2000 by expanding legal assistance for victims of violence grant program to include assistance for victims of dating violence. [Crapo/Craig/Wellstone/Biden].

III. Resolutions

S. Res. 245, designating the Week of May 5 through May 11, 2002 as "National Occupational Safety and Health Week" [Durbin/Brownback/Feingold].

S. Res. 109, a resolution designating the second Sunday in the month of December as "National Children's Memorial Day" and the last Friday in the month of April as "Children's Memorial Flag Day" [Reid/Edwards].

S. Res. 249, a resolution designating April 30, 2002, as "Dia de los Ninos: Celebrating Young Americans" [Hatch].

S. Con. Res. 102, a concurrent resolution proclaiming the week of May 4 through May 11, 2002, as "National Safe Kids Week" [Dodd].

IV. Committee Business

Committee Resolution to Authorize Antitrust Subpoena.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, April 25, 2002, for a hearing on "Options to Nursing Homes—Is VA Prepared?"

The hearing will take place in SR–418 of the Russell Senate Office Building at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. REID. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, April 25, 2002, at 3:30 p.m., to hold a business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, April 25, 2002, at 2:30 p.m., to conduct an oversight hearing on "Transit in the 21st Century: Successes and Challenges."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC HEALTH

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Public Health, be authorized to meet for a hearing on "Addressing Unmet Needs in Women's Health" during the session of the Senate on Thursday, April 25, 2002, at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. GRASSLEY. Mr. President, I ask unanimous consent for interns on the floor from the Senate Finance Committee, Darius Marzec, Stephen Seale, and Elliott Langer, be granted floor privileges during the duration of the energy bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST—S. 625

Mr. REID. Mr. President, earlier this month, Attorney General Ashcroft announced that the defendant in the case where two women were killed in the Shenandoah National Park will be tried using the Hate Crimes Sentencing Enhancement Act. This is the first time in the history of our country that a Federal murder prosecution will use this provision of the law.

At his press conference announcing the indictments, Attorney General Ashcroft said:

> Criminal acts of hate run counter to what is best in America—our belief in equality and freedom.

He was absolutely right. Americans know that hate crimes injure the victim, the community, and the entire Nation. No one should be attacked simply because of his or her race, religion, gender, physical abilities, or sexual orientation.

As Senator EDWARD KENNEDY has said, until we pass the hate crimes legislation pending before Congress, the promise to aggressively prosecute hate crimes is really an empty promise.

For many years now, we have attempted to pass the hate crimes legislation that Senator KENNEDY and others have introduced. In the fall of 2000, this same bill passed the Senate as an amendment on the Department of Defense authorizations bill. However, despite strong bicameral, bipartisan support, it was stripped out of the conference report, as happens a lot of times.

The need is clear. The support is there. It is time to finish the job we started 2 years ago and pass the Local Law Enforcement Enhancement Act, and pass it quickly.

Therefore, Mr. President, I ask unanimous consent that the majority leader, after consultation with the Republican leader, may turn to the consideration of S. 625, the Local Law Enforcement Enhancement Act, and that it be considered under the following limitations: There be 4 hours for debate on the bill, equally divided between the chairman and ranking member of the Judiciary Committee; that each leader, or their designee, be permitted to offer two relevant first-degree amendments; that there be a time limitation of 1 hour for debate on each first-degree amendment; that no second-degree amendments be in order prior to a failed motion to table; that if a second-degree amendment is offered, it be relevant to the first degree and be limited to 30 minutes for debate; that upon the disposition of the amendments, and the use or yielding back of the time on the bill, the bill be read a third time, and the Senate vote on passage of the bill, without any intervening action or debate.

Prior to putting this to the Senate, I simply say, we are going to continually offer this unanimous consent request. This unanimous consent request tonight is not going to be approved tonight, and that is too bad. I wish it could be. We need to move this legislation. It is priority legislation for the Senate and, therefore, for this country.

Now, Mr. President, on behalf of the minority, the Republicans, I object. I explained to them I was going to move this forward. As you know, we have worked very long and hard on a number of different matters, and I indicated that it would not be necessary for a Senator to remain to simply object, as I have. But I do say that I am tremendously disappointed that I have to object on behalf of the minority. It is too bad. But we will revisit this in the near future.

The PRESIDING OFFICER. Objection is heard.

TERRORISM REINSURANCE

Mr. REID. Mr. President, I would like to read into the RECORD a letter that is written to the Honorable TOM DASCHLE, majority leader of the Senate; the Honorable TRENT LOTT, Republican leader of the Senate; the Honorable DENNIS HASTERT, Speaker of the House of Representatives; and the Honorable RICHARD GEPHARDT, House Democratic leader. The letter is dated April 15 of this year.

> DEAR CONGRESSIONAL LEADERS: As a result of the event of September 11th, the nation's property and casualty insurance companies have or will pay out losses that will exceed $35 billion dollars. Since the first of January, many insurance companies, self-insurers and states have been faced with a situation where they are unable to spread the risk that they insure because of the unavailability of reinsurance protection. In the event of another major attack, some companies or perhaps a segment of the industry would face insolvency. While most states have approved a limited exclusion for terrorism with a $25 million deductible, exclusions for workers' compensation coverage are not permitted by statute in any state. The present situation poses a grave risk to the solvency of the insurance industry, state insurance facilities, economic development initiatives, and the ability of our states to recover from impacts of the September 11th attacks.
>
> In the months after the attack on our nation, legislation passed in the House and was introduced in the Senate to create a backstop for the insurance industry so they could continue to provide protection to their customers. The Administration has also supported this concept. Currently, there is broad bi-partisan agreement for providing an insurance backstop. Governors believe this is an important goal that should not be inhibited by other issues.
>
> Since late December, the lack of a financial backstop has started to ripple through the economy and will continue to do so. This will further impact the ability of the economy to recover from the current recession.
>
> As Governors, we are facing many critical issues resulting from the September 11th crisis. The emerging problem in insurance coverage only serves to exacerbate our recovery efforts. In view of this, we the undersigned Governors, respectfully urge the Congress to quickly complete its work on the terrorism

reinsurance legislation in order to return stability to U.S. insurance markets.

Sincerely,

The letter is signed by Governor Hodges of the State of South Carolina; Governor Johanns of the State of Nebraska; Governor Patton of the State of Kentucky; Governor Martz of the State of Montana; Governor Siegelman of the State of Alabama; Governor Holden of the State of Missouri; Governor Warner of the State of Virginia; Governor McCallum of the State of Wisconsin; Governor Owens of the State of Colorado; Governor Ryan of the State of Illinois; Governor Geringer of the State of Wyoming; Governor Huckabee of the State of Arkansas; Governor King of the State of Maine; Governor Rowland of the State of Connecticut; Governor Bush of the State of Florida; Governor O'Bannon of the State of Indiana; Governor Taft of the State of Ohio; Governor Swift of the State of Massachusetts.

I have been advised that there are many other Governors who would have signed this letter. But as with all things, sometimes it is difficult to get the signatures from all of those Governors.

I personally have had many conversations regarding this issue. I have had conversations with people in the insurance industry. I have had conversations in my office right across the hall with people in the real estate business. I have had many conversations with people in the financial markets across the country, and people from home, people who want to continue one of the largest construction projects we have had in Nevada. It would be a huge mall. It is already half completed. It is a huge facility that they said they will have to stop construction by the first of June if that is not taken care of.

Senator DODD has worked incredibly hard to put together a bill that resolves this serious problem. The White House wants this bill to get to conference with the House, we are told. As I have indicated, these Governors, Democratic and Republican, have called for this action. I have personally spent a lot of time with the Presiding Officer, junior Senator from Florida, who, prior to coming here, was insurance commissioner of one of the largest States in the Union, and who has a very personal knowledge of the insurance industry. The leader has spoken to the Senator from Florida many times more than I have because we have looked to him for leadership on this issue.

I am prepared to move forward with a unanimous consent request relating to this issue. I will do so. The only question at this time is whether the Republican leader is in the building. I wouldn't want him to come from his residence. If he is not here in a reasonable period of time, I will be notified by staff. I will at that time make the consent request.

UNANIMOUS CONSENT REQUEST—H.R. 3210

Mr. REID. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Republican leader, may turn to the consideration of H.R. 3210, the terrorism insurance bill, and that it be considered under the following limitations: That the Dodd-Sarbanes-Schumer substitute be agreed to for purposes of original text; that there be a time limitation of 3 hours for debate on the bill and 1 hour for debate on each amendment equally divided in the usual form; that the only amendments in order be relevant to terrorism insurance; that in addition to a managers' amendment, the following be the only amendments in order: Senator HOLLINGS, relevant; Senator NELSON of Florida, relevant; Senator WYDEN, relevant; Senator LEAHY, relevant; that Senator LOTT, or his designee, be permitted to offer four first-degree amendments; that relevant second-degree amendments be in order and limited to 30 minutes for debate equally divided in the usual form; that upon the disposition of these amendments and the conclusion or yielding back of debate time, the bill be read a third time and the Senate vote, without any intervening debate, on final passage of the bill.

I would say that I have been advised, and certainly this has been the case in the past, that Senator LOTT, the Republican leader, would offer a counter to this agreement. I would simply say this is how we would like to go forward. This is what we have been asked to have cleared on our side for a long period of time. We have done that. It is cleared on our side.

I think it is a shame that we are not going to be able to get this approved. I believe this is something that is critical to be done. I am disappointed we will not be able to do that.

As I have indicated in relation to the hate crimes unanimous consent request, the Republicans have indicated that if I did offer this tonight, they would object. As I have said, there is absolutely no reason at this late hour that somebody wait because this would have taken an hour or two for them to wait around, and that was not necessary. So on behalf of the minority, I object to my own request.

The PRESIDING OFFICER. Objection is heard.

(Mr. REID assumed the chair.)

TERRORISM REINSURANCE LEGISLATION

Mr. NELSON of Florida. Mr. President, the hour is late, and I am not going to speak but a couple of minutes, just to lay the predicate for the subject that the distinguished Senator from Nevada has just raised, to which the Republican minority has entered an objection—the bill on providing Federal backup for the terrorism risk the insurance industry would assume.

I am assuming that eventually we will get some agreement to bring this legislation to the floor. I want the record to reflect that it is the considered judgment of this Senator, with the experience I have had in my former public service as insurance commissioner of Florida, that there needs to be some considerable tightening of this legislation, and the majority leader and the assistant majority leader have been kind enough to indicate that I will be protected in order to offer one of the amendments.

That amendment would simply be to make sure the rates are frozen on any further rate hike until the actuarial soundness can be determined of what should be the rate with regard to the terrorism risk. The problem for determining that is the fact that there is no data—very little, except for the data we now have from September 11, and that is the only experience we have, save the earlier decade of the nineties and the attempt at bombing the World Trade Center. Therefore, it is very difficult to determine what is an adequate rate. Because it is difficult, it is also easy to jack the rates up sky high.

So that is the burden I will come to the floor to try to address.

If the Republican minority ever releases their objection to this legislation, then we need to perfect this legislation so that the ratepayers, the consumers, are not paying a much higher rate for the terrorism risk than is justified by actuarial soundness.

I thank the assistant majority leader for presiding so I could come down to make this statement. I look forward to working with the leadership on this issue.

I yield the floor.

(Mr. NELSON of Florida assumed the chair).

DESIGNATING APRIL 30, 2002, AS "DIA DE LOS NINOS: CELEBRATING YOUNG AMERICANS"

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 355, S. Res. 249.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 249) designating April 30, 2002, as "Dia de los Ninos: Celebrating Young Americans," and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, en bloc, the motion to reconsider be laid on the table, and any statements regarding this matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 249) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 249

Whereas many nations throughout the world, and especially within the Western hemisphere, celebrate "Día de los Niños" on the 30th of April, in recognition and celebration of their country's future—their children;

Whereas children represent the hopes and dreams of the people of the United States;

Whereas children are the center of American families;

Whereas children should be nurtured and invested in to preserve and enhance economic prosperity, democracy, and the American spirit;

Whereas Hispanics in the United States, the youngest and fastest growing ethnic community in the Nation, continue the tradition of honoring their children on this day, and wish to share this custom with the rest of the Nation;

Whereas 1 in 4 Americans is projected to be of Hispanic descent by the year 2050, and there are, in 2002, approximately 12.3 million Hispanic children in the United States;

Whereas traditional Hispanic family life centers largely on children;

Whereas the primary teachers of family values, morality, and culture are parents and family members, and we rely on children to pass on these family values, morals, and culture to future generations;

Whereas more than 500,000 children drop out of school each year and Hispanic dropout rates are unacceptably high;

Whereas the importance of literacy and education are most often communicated to children through family members;

Whereas families should be encouraged to engage in family and community activities that include extended and elderly family members and encourage children to explore, develop confidence, and pursue their dreams;

Whereas the designation of a day to honor the children of the Nation will help affirm for the people of the United States the significance of family, education, and community;

Whereas the designation of a day of special recognition of children of the United States will provide an opportunity to children to reflect on their future, to articulate their dreams and aspirations, and find comfort and security in the support of their family members and communities;

Whereas the National Latino Children's Institute, serving as a voice for children, has worked with cities throughout the country to declare April 30 as "Día de los Niños: Celebrating Young Americans"—a day to bring together Latinos and other communities nationwide to celebrate and uplift children; and

Whereas the children of a nation are the responsibility of all its people, and people should be encouraged to celebrate the gifts of children to society—their curiosity, laughter, faith, energy, spirit, hopes, and dreams: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 30, 2002, as "Día de los Niños: Celebrating Young Americans"; and

(2) requests that the President issue a proclamation calling on the people of the United States to join with all children, families, organizations, communities, churches, cities, and States across the Nation to observe the day with appropriate ceremonies, including—

(A) activities that center around children, and are free or minimal in cost so as to encourage and facilitate the participation of all our people;

(B) activities that are positive, uplifting, and that help children express their hopes and dreams;

(C) activities that provide opportunities for children of all backgrounds to learn about one another's cultures and share ideas;

(D) activities that include all members of the family, and especially extended and elderly family members, so as to promote greater communication among the generations within a family, enabling children to appreciate and benefit from the experiences and wisdom of their elderly family members;

(E) activities that provide opportunities for families within a community to get acquainted; and

(F) activities that provide children with the support they need to develop skills and confidence, and find the inner strength—the will and fire of the human spirit—to make their dreams come true.

DESIGNATING THE WEEK OF APRIL 29–MAY 3, 2002, AS "NATIONAL CHARTER SCHOOLS WEEK"

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 254, submitted earlier today by Senators LIEBERMAN, GREGG, CARPER, and HUTCHINSON of Arkansas.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 254) designating April 29, 2002, through May 3, 2002, as "National Charter Schools Week," and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

Mr. LIEBERMAN. Mr. President, I am proud to join my colleagues, Senators GREGG, CARPER, HUTCHINSON, and BAYH in introducing this resolution today to salute the success of public charter schools in our country and to designate April 29, 2002 through May 3, 2002, as National Charter Schools Week.

This week also marks the 10th anniversary of the opening of the Nation's first charter school. Since the City Academy in St. Paul, MN, was founded, the idea has been catching on.

From seeing several charter schools up close, I am convinced that they represent one of the most promising engines of education reform in the country today. Charter schools grant educators freedom from top-heavy bureaucracies and their red tape in exchange for a commitment to meet high academic standards. In 1994, I was proud to join my colleague Dave Durenberger of Minnesota as sponsor of the bill authorizing the Federal Charter School Grant Program, which Congress passed with strong bipartisan majorities and which has provided more than $750 million since then for planning, startup and implementation of charter schools.

I also think it's important to note in many cases charter schools are built from the ground up by educational entrepreneurs, teachers, parents and local leaders seeking to reinvent the public school and take it back to the future, reconnecting public education to some of our oldest, most basic values—responsibility, opportunity, community, and refocusing its mission on doing what's best for the child instead of what's best for the system.

The results speak for themselves. Today, over 500,000 students attend more than 2,400 charter schools in 34 States, the District of Columbia, and the Commonwealth of Puerto Rico. And, nationwide charters schools have combined waiting lists long enough to fill another 1,000 schools. Parents and educators in turn have given these programs overwhelmingly very high marks. Growing research shows that charter schools are effectively serving diverse populations, particularly many of the disadvantaged and at-risk children that traditional public schools have struggled to educate.

Despite our achievements to date, we cannot rest on our laurels. We must strive to increase options, and replicate successes. Recently, some skeptics have criticized what they see as a slow down in the growth of charter schools and an increase in the number of schools that have closed. Although the hundreds of families on waiting lists clearly refutes these skeptics, we must rightly maintain our vigilance to ensure that charter schools reach our high academic expectations and demand accountability from those that our failing their students.

Unfortunately in too many cases, charter schools are the victims of poorly drafted charter school laws and inadequate funding. I am pleased that many of the reforms enacted under the recently signed No Child Left Behind Act will further strengthen the academic performance of charter schools and help put them on firmer fiscal footing. Recognizing that greater choice and accountability enhances our public education system, I recently urged all American colleges and universities to create charter schools. Parents are crying out for more high-quality public school options that prepare their children for college, and colleges are perfectly positioned to help.

The most remarkable aspect of the charter movement may be that it has managed to bring together educators, parents, community activists, business leaders and politicians from across the political spectrum in support of a common goal to better educate our children by offering more choice, more grassroots control and more accountability within our public schools. I am proud to salute these growing community efforts throughout our nation, and commend these frontline educational innovations for their commitment to expanding educational options for American families to ensure that all children reach high levels of academic achievement.

Mr. REID. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to, en bloc, the motion to reconsider be laid on the table, with no intervening action or debate, and that any statements thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 254) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 254

Whereas charter schools are public schools authorized by a designated public body and operating on the principles of accountability, parental involvement, choice, and autonomy;

Whereas in exchange for the flexibility and autonomy given to charter schools, they are held accountable by their sponsors for improving student achievement and for their financial and other operations;

Whereas 37 States, the District of Columbia, and the Commonwealth of Puerto Rico have passed laws authorizing charter schools;

Whereas 37 States, the District of Columbia, and the Commonwealth of Puerto Rico will have received substantial assistance from the Federal Government by the end of the current fiscal year for planning, startup, and implementation of charter schools since their authorization in 1994 under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.);

Whereas 34 States, the District of Columbia, and the Commonwealth of Puerto Rico are serving more than 500,000 students in more than 2,431 charter schools during the 2001-2002 school year;

Whereas charter schools can be vehicles for improving student academic achievement for the students who attend them, for stimulating change and improvement in all public schools, and for benefiting all public school students;

Whereas charter schools must meet the same Federal student academic achievement accountability requirements as all public schools, and often set higher and additional goals, to ensure that they are of high quality and truly accountable to the public;

Whereas charter schools assess and evaluate students annually and often more frequently, and charter school student academic achievement is directly linked to charter school existence;

Whereas charter schools give parents new freedom to choose their public school, charter schools routinely measure parental approval, and charter schools must prove their ongoing and increasing success to parents, policymakers, and their communities;

Whereas two-thirds of charter schools report having a waiting list, the average size of such a waiting list is nearly one-half of the school's enrollment, and the total number of students on all such waiting lists is enough to fill another 1,000 average-sized charter schools;

Whereas students in charter schools nationwide have similar demographic characteristics as students in all public schools;

Whereas charter schools in many States serve significant numbers of students from families with lower income, minority students, and students with disabilities, and in a majority of charter schools almost half of the students are considered at risk or are former dropouts;

Whereas charter schools have enjoyed broad bipartisan support from the Administration, Congress, State Governors and legislatures, educators, and parents across the Nation; and

Whereas charter schools are laboratories of reform and serve as models of how to educate children as effectively as possible: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 29, 2002, through May 3, 2002, as "National Charter Schools Week";

(1) honors the 10th anniversary of the opening of the Nation's first charter school;

(2) acknowledges and commends the charter school movement and charter schools, teachers, parents, and students across the Nation for their ongoing contributions to education and improving and strengthening the Nation's public school system;

(3) supports the goals of National Charter Schools Week, an event sponsored by charter schools and charter school organizations across the Nation and established to recognize the significant impacts, achievements, and innovations of the Nation's charter schools; and

(4) requests that the President issue a proclamation calling on the people of the United States to conduct appropriate programs, ceremonies, and activities to demonstrate support for charter schools in communities throughout the Nation.

ANDEAN TRADE PREFERENCE EXPANSION ACT—MOTION TO PROCEED

Mr. REID. Mr. President, I move to proceed to Calendar No. 295, H.R. 3009, the Andean Trade Preference Expansion Act, and send a cloture motion to the desk on the motion to proceed.

The PRESIDING OFFICER. The clerk will report the cloture motion.

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 295, H.R. 3009, the Andean Trade Preference Act:

Max Baucus, Zell Miller, Harry Reid, Tom Carper, Joseph Lieberman, Bob Graham, John Breaux, Blanche L. Lincoln, Ron Wyden, Dianne Feinstein, Ben Nelson, Trent Lott, Charles Grassley, Orrin G. Hatch, Jon Kyl, Rick Santorum, Pat Roberts.

Mr. REID. Mr. President, I ask unanimous consent that the mandatory live quorum under rule XXII be waived and that the vote on cloture on the motion to proceed occur at 6 p.m. on Monday, April 29.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR FRIDAY, APRIL 26, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m., Friday, April 26; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the motion to proceed to H.R. 3009, the Andean Trade Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, there will be no rollcall votes tomorrow. The next rollcall vote will occur on Monday at 6 p.m. on the cloture motion on the motion to proceed to the Andean trade bill.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:37 p.m., adjourned until Friday, April 26, 2002, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 25, 2002:

EXECUTIVE OFFICE OF THE PRESIDENT

RICHARD M. RUSSELL, OF VIRGINIA, TO BE AN ASSOCIATE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY, VICE ARTHUR BIENENSTOCK.

DEPARTMENT OF STATE

JAMES FRANKLIN JEFFREY, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ALBANIA.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

MARK SULLIVAN, OF MARYLAND, TO BE UNITED STATES DIRECTOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT, VICE KAREN SHEPHERD, RESIGNED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate April 25, 2002:

THE JUDICIARY

PERCY ANDERSON, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA.

JOAN E. LANCASTER, OF MINNESOTA, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF MINNESOTA.

WILLIAM C. GRIESBACH, OF WISCONSIN, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF WISCONSIN.

JOHN F. WALTER, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA.

SENATE—*Friday, April 26, 2002*

The Senate met at 10 a.m. and was called to order by the Honorable DEBBIE STABENOW, a Senator from the State of Michigan.

PRAYER

The guest Chaplain, Father Paul Lavin, St. Joseph's Catholic Church, offered the following prayer:

Let us listen to the words of the prophet Isaiah:

If you remove from your midst oppression,
False accusation and malicious speech;
If you bestow your bread on the hungry,
And satisfy the afflicted;
Then light shall rise for you in the darkness,
And the gloom shall become for you like midday;
Then the Lord will guide you always,
And give you plenty on the parched land.—Isaiah 58:9–11.

Let us pray.

Lord we thank You and we praise You for the goodness of our people and for the spirit of justice that fills our Nation. We thank You for the beauty and the fullness of the land, and for the challenge of the cities. We thank You for our work, for our rest, for one another, and for our homes.

Look with favor on the men and women who serve in this Senate. Help them to foster decency and to uphold justice and right. Strengthen them with Your grace and wisdom, and strengthen and support those who serve on their staffs. This morning we ask that You give strength of body, courage of spirit, and patience with pain to your servant Mary Jane Ogilvie, wife of the Chaplain of this Senate. With Your help she may soon be restored to health.

We ask this through Christ our Lord. Amen.

PLEDGE OF ALLEGIANCE

The Honorable DEBBIE STABENOW, a Senator from the State of Michigan, led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 26, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DEBBIE STABENOW, a Senator from the State of Michigan, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Ms. STABENOW thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. REID. Madam President, this morning the Senate will resume consideration of the motion to proceed to H.R. 2003, the Andean Trade Act. No rollcall votes will occur today. Cloture has been filed on the motion to proceed to Andean trade. The Senate will vote on cloture on the motion to proceed on Monday at 6 p.m.

THANKS TO ALL WHO MAKE THE SENATE WORK

Mr. REID. Madam President, yesterday we finished a very long and arduous task in working our way through the energy bill. There were almost 500 amendments offered on that bill. The 2 managers worked through 150 or 200 amendments. It was a very difficult, contentious debate that led to passage of that bill.

There was a lot said yesterday evening about how hard people worked. There was a lot of work done, but I think it is good once in a while to pause and talk about the people who make this body function and about whom we hear relatively nothing. For example, I have been truly amazed, since being a Member of this body, that when matters come up that deal with parliamentary procedures, we have a group of parliamentarians, Alan Frumin, Elizabeth MacDonough, and Peter Robinson who work for the Senate. I do not know their political registration—I do not know if anyone does—they really do a good job. They advise the Chair to make appropriate rulings, and we have a lot of extremely complicated rules in this body. You think you have them figured out one day, and the next day you are told there is some nuance that you did not know or did not understand.

I go to the parliamentarians on a frequent basis and always am convinced I get the best information they can give me. I know everyone who sits in the chair where the Senator from Michigan now sits feels the same way. They are to be complimented. The many people who watch C–SPAN should know one reason this body functions so well is the advice we get to keep this unruly body as ruly as possible.

In addition to the parliamentarians, we have the Legislative Clerks, Dave Tinsley, Kathleen Alverez, and Donnee Gray. When the roll is called, they make sure the Senators are counted when they say "yes" or "no" on the votes, and then there are people running in and out of this body, and sometimes it is hard to keep track of them, and they do a perfect job. Additionally, they keep track of all the amendments that are sent to the desk, and that is not an easy task.

Then there are the Journal Clerks, Scott Sanborn and Myra Baran, who keep the Senate Journal, and they do a wonderful job.

We have a CONGRESSIONAL RECORD that is the envy of the world. If somebody gets recognized in the CONGRESSIONAL RECORD, that is really an important day in the life of people. That is all done by these wonderful people who make sure we have a good record.

Behind me is the Democratic cloakroom where Trisha Engle, Paul Ordal, Joe Lapia, and Erik Pederson work. To my right is the Republican cloakroom. In there are people we never see. They take hundreds of phone calls every day from Senators and staff: When is there going to be a vote? Are we going to have to vote today? Is Senator such-and-such there? Would you get this message to them? If there is something that does not go right, they are the ones who get the brunt of the phone calls complaining about things. But they do a great job, again, allowing this body to run as well as it does.

In addition to the people I have mentioned, there are a very few select people who are the people who give the floor leaders the information we need to make sure we do the right thing, so when we go to the Parliamentarian, we have done what we are supposed to do.

On my side of the aisle, I have people on whom I depend every day for information, Marty Paone, Lula Davis, Gary Myrick, and Tim Mitchell these people we depend on so much for important information. They are really good at what they do.

On the Republican side, it is the same thing. We have Dave Schiappa, Denise Ramonas, and Malloy McDaniel,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

on whom the Republican floor leaders depend. I have to be frank that sometimes, when one of my people is off the floor, I have no problem going to one of the Republicans and saying: David, here is a question. Will you answer it for me?

So we are very fortunate to have these dedicated public servants who really make this great Capitol of ours operate as well as it does as far as the Senate is concerned.

I have left out so many important people. There are the people who are the security officials. They are here, and if one looks around, they can see them, but they do not notice them because they do their job so well. We have people who, of course, are armed; others are not. If something did go wrong, these people are some of the best trained in the world to take care of whatever contingency might arise.

That is why, when I speak to an elementary school, secondary school, or college, I tell the young people they should consider public service as a vocation, whether it is running for elective office, seeking a point of office, or going to work in another capacity for the Government, as the people I have mentioned today—people who devote their lives to seeing that our system of government works.

There was a period of time not long ago when people in high public office said the Government was the enemy. I have never believed that. I still don't believe that. I believe that government is our friend and that we look to government to help in situations when we cannot help ourselves. An example is the September 11 disaster that took place in New York City and behind us at the Pentagon. To whom did we look? We looked to the Government to help.

If I had been doing my work, I would have had all the names, but I thought it was totally appropriate—in light of all the good things said about a few select people yesterday—that we mention the scores of people who each day make this Senate a pleasant place to work and make it the best job in the world. The Presiding Officer, and this Senator from Nevada, believe we have the best jobs in the world. I don't know how a job could bring more satisfaction than working on the problems that face the people of our respective States and the country. I, like the other 99 Members of this body, am grateful to be here, but I think I speak for every Senator in recognizing the many talents that make our job pleasant and make the body run as efficiently as it does.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the motion to proceed to H.R. 3009, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that act, and for other purposes.

Mr. REID. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. REID. Madam President, I ask unanimous consent the Senate stand in recess pending the call of the Chair.

There being no objection, the Senate, at 10:25 a.m., recessed until 11:26 a.m. and reassembled when called to order by the Presiding Officer (Mr. JEFFORDS).

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. CORZINE. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUR NATION'S FISCAL AFFAIRS

Mr. CORZINE. Mr. President, I rise this morning to speak about a troubling and increasingly apparent problem that I think concerns the fiscal affairs of our great Nation. Each passing month, each passing quarter, we become more certain in our recognition that the fiscal strategy of our Nation is one that is undermining our future capacity and security as a nation.

I believe we have a failed fiscal strategy as a result of the overreaching tax cuts that we had last year, along with, obviously, the very significant changed circumstances—economically and with our war on terrorism. We have seen a projected surplus of $5.6 trillion over the succeeding 10 years virtually evaporate. As I say, each passing month and each passing quarter we get new verification of that.

Today, I read in the newspapers across the country that the latest indication of this is becoming even more apparent. Today's reports indicate that revenue is coming into the Government at a rate much lower than earlier projected. There is now a reason to believe we will have a $70 billion revenue shortfall from the projections that occurred as recently as a month and a half ago, 6 weeks ago. It is about a $70 billion revenue shortfall, which will push our budget deficit for this year, by many estimates, up to $125 billion. A unified budget deficit of that magnitude is hard to believe in the context of where we have come from, and I certainly believe that requires rethinking our fiscal strategy if we are to be responsible about how we manage the fiscal affairs of this Nation.

That is a doubling of the previous estimates of the unified deficit and, frankly, it doesn't even count the new spending that is expected from President Bush on requests that will deal with antiterrorism and homeland defense. For individual spending, whole life, trying to manage budgets, I consider this a stark and dangerous problem that could undermine the fiscal and, ultimately, the economic health of the Nation.

They highlight a fact that is equally disturbing to me and to a lot of my colleagues, which is that this year we are going to use Social Security payroll taxes that people had thought would be put in place to build up the Social Security trust fund almost completely, if not entirely, to fund these deficits.

I think this is a misuse of the Social Security contributions. I think it is one that the American people would be troubled with if they understood what was happening. I think it would require us to truly rethink our overall fiscal strategy. We should not be using Social Security funds to pay for anything other than Social Security, let alone financing these tax cuts that are a misallocation of resources relative to our Nation's needs—particularly, at a time when we are asking people to sacrifice on a whole series of issues regarding our national security.

I think I speak for many, if not most, Democrats in emphasizing this point, particularly as it relates to the Social Security trust fund.

In the long term, raids on Social Security threaten the security of hardworking American families. But there is also a second danger with regard to Social Security that is equally as important as the fiscal danger, and I think that is very important, quite obviously.

Last December, President Bush's Social Security Commission prepared privatization plans that call for deep cuts in Social Security benefits. In fact, it talks about taking $1 trillion out of the Social Security trust fund for transitionary costs to a privatization program.

Under these proposals that are on the table, some of the cuts in Social Security may be as much as 25 percent for those who will be retiring in about 20 years and could be as much as 45 percent for later retirees.

Think about that: 25 percent to 45 percent. The average Social Security benefit for an American is $10,000. We ought to put that in context. If we are going to take 25 percent, or $2,500, away from that $10,000 or, God forbid, the 45 percent, or a $4,500 cut, and apply it to the $10,000, one wonders how our seniors are going to meet their financial obligations with this poor social safety net.

Mr. President, $10,000 is not lavish, but the idea of a $5,500 benefit seems pretty scary in a world where one can spend that much on prescription drugs in a given year, before even paying for rent and other needs. Certainly in New Jersey—and I am sure this is the case in Vermont—nobody is going to be living high on the hog on $10,000, and certainly not $5,500.

We have a real issue with privatization of Social Security, as well as with this fiscal problem. They come together, and this is what I wish to talk about.

I know a lot of people believe we have to fight these cuts, and we probably will over the long run, because most people think they are just wrong. But we also need to make sure Social Security has the resources to maintain the benefits structure that is in place. The entire Social Security shortfall, according to the Social Security actuaries—that is the administration itself—is $3.7 trillion over the 75-year measured period. That may sound like a lot of money, and I guess it is.

I sit at Everett Dirksen's old desk, and he used to say: A billion here, a billion there is a lot of money. Mr. President, $3.7 trillion is a lot more money, but it is not a lot in the long-term fiscal potential of our Nation. In fact, last year's tax cuts alone will cost the Nation, over that 75-year period, $8.7 trillion. So we have $3.7 trillion to secure Social Security, and there is an $8.7 trillion tax cut. We can put those two together and say: Where are our priorities? What should we be emphasizing?

The Social Security shortfall is less than a half of the cost of last year's tax cut. Some tax cut was very good, and most of us would argue that is very much the case. It is just a matter of whether it is overreaching and whether it is, in the context of today's world, something we should continue to pursue.

Like most Democrats, I am fully committed—I actually think most of us in this Chamber are committed—to protecting and defending Social Security. This is an issue that deserves full and complete debate. Unfortunately, a number of folks, for political strategy reasons—particularly the leaders in the House and also President Bush, I suspect—have been trying to push this issue to the back burner. I do not think we can do that in this context of the deteriorating fiscal health of the Nation. We need to have this debate about the future of Social Security in front of the elections this year so that the American people can express their points of view.

Interestingly, the chairman of the Republican National Committee just this week, Gov. Mark Racicot, said Congress should debate Social Security privatization this year. I embrace that statement and think he is right. As a matter of fact, Mr. LEVIN, the distinguished Senator from Michigan, and I have sent a letter commending Governor Racicot for making his statement and encouraging that debate.

Social Security is going to impact every American—those retired today but, more importantly, those who will be retiring in the future.

I call on my colleagues in the House and Senate to get on with this privatization debate so that the public can make its choice whether they believe we ought to privatize, whether we ought to pull out and undermine guaranteed benefits that the American public has come to expect.

I do not think they are aware of the nature of some of the recommendations that have come out of the Commission, so-called "Save Social Security," that President Bush put together and came up with its report that would lead to 25- to 45-percent cuts in Social Security benefits.

I come here today to make two points. We have a serious reason to have a debate about the changed conditions of our fiscal policy. They are going to put pressure on a whole series of choices we make. As we go deeper and deeper in debt, and as we erode that $5.6 trillion that was the basis of how we made our judgments over the last 18 months, and certainly with regard to that tax cut, we need to understand that the world is different today, and it is particularly different as to how we are going to fund and secure Social Security in the months, years, and decades ahead. I, for one, think we need to get on with that debate, a fair debate, because it is important for the American people to participate in that process.

I hope all of us will stand up for those issues in which we believe. I certainly do, and I believe my colleagues on this side of the aisle believe strongly that Social Security should be placed first in our fiscal priorities, right after securing our national security and national defense.

Those are the points I wanted to make because I believe the numbers are real, they are telling, and they make it very clear that we need to have this overall review of our fiscal strategy in the context of a very seriously deteriorating situation.

I thank you, Mr. President, for this opportunity.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED

Mr. DORGAN. Mr. President, my understanding is a cloture motion has been filed on the motion to proceed on the Andean trade bill; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. And a cloture vote will occur on what date?

The PRESIDING OFFICER. The cloture vote will occur on the next day of session.

Mr. DORGAN. I will spend a few moments today saying a few words about the trade bill. We are now going to segue into a big debate about international trade. It comes by way of the Andean trade initiative, which will be amended with the Trade Adjustment Assistance Act, and then amended further, I understand, by something called Trade Promotion Authority, or TPA. TPA is a euphemism for what has traditionally been called fast-track trade authority. I am opposed to it, and I will describe why and what it has meant to our country in recent years.

The Constitution of the United States has something to say about international trade, at article I, section 8: "The Congress shall have Power . . . To regulate Commerce with foreign Nations. . . ."

It doesn't say "the President"; it doesn't say "the U.S. trade ambassador"; it doesn't say a bunch of trade negotiators on an airplane heading to a foreign land to negotiate a trade agreement. It says: "The Congress shall have Power . . . To regulate Commerce with foreign Nations. . . ."

Congress has largely ceded its power on international trade issues to the executive branch. Fast-track trade authority is a mechanism in which Congress is told, after a trade agreement is negotiated and brought back here, you have no right to offer one amendment, not even one amendment. Up or down, yes or no, expedited procedures, but no amendments.

That is fast track. It is the Congress saying: let's get together and handcuff ourselves. We have done it five times. Now we are prepared to do it again. I didn't support giving fast-track trade authority to President Clinton, I don't support giving it to President George W. Bush and I intend to explain why.

Will Rogers once said that the United States of America has never lost a war and never won a conference. He surely must have been speaking about international trade. When we talk about recent trade agreements, in almost every circumstance, we have given away too much and gotten too little.

Those who come to this floor of the Senate and talk about trade are always saying, the whole purpose of trade is to strike down the barriers in foreign markets that prevent American goods from getting into foreign markets. Were that the case, I would say good for us. I aspire to that goal. That is what we should be doing. We don't get enough pork into China. We don't get enough beef into Japan. We don't get enough cars into Korea. We don't get enough grain into Canada. We don't get enough high fructose sugar or sweetener into Mexico. We don't get enough wheat flour into Europe. I can talk about the barriers. They are chronicled in a book that is inches thick.

What happens with international trade when we have another trade agreement? Our trade deficit goes up, up, up, and up, to the point that we now have a merchandise trade deficit that is well over $400 billion a year. Every single day in this country we experience a trade deficit of well over $1 billion more coming in than we export.

Is that helpful to our country? It is the largest trade deficit in human history. Nobody seems to care much about it. Is it helpful to our country? No, it weakens our country.

Let me describe one of the trade agreements we negotiated and see what happened with that trade agreement. We negotiated a trade agreement with Canada and Mexico. It was called NAFTA, North American Free Trade Agreement. We had all these economists telling us it would create hundreds of thousands of new jobs, what a wonderful thing it would be.

When we negotiated it, we had a slight trade surplus with Mexico and a modest trade deficit with Canada. That was in 1993. Eight years later, we have a huge deficit with Mexico and a giant deficit with Canada. Has that trade agreement worked out? Has that been in our country's best interests? I don't think so.

Incidentally, currency fluctuations immediately emasculated these trade agreements. The high U.S. dollar against the Canadian dollar and the devaluation of the Mexican peso just emasculated NAFTA, as far as our trade with those countries is concerned. But that is an issue for another day.

My point is this: When we negotiate bad trade agreements and then we have some difficulty, we do not have the backbone or nerve as a country to stand up and say: Wait, on behalf of our American companies and workers, we demand fair trade. We will compete with anybody at any time, but we demand fair trade.

Let me give an example of how we behave.

Europe is upset with us about a recent 201 case, so Europe threatens retaliation. Do you know what Europe says it is going to retaliate on? Steel, textiles, and citrus products. Europe is going to get tough, they say.

So we have a trade dispute with Europe over beef exports, and it is our turn to threaten Europe with retaliation. Even the WTO says that we are authorized to retaliate, and we get to pick the products with which to retaliate. Do you know what our negotiators choose to retaliate on? Truffles, goose liver, and Roquefort cheese. The Europeans are still laughing over that one. And not surprisingly, our retaliation on truffles, goose liver, and Roquefort cheese has not done anything to get the Europeans to open up their markets to U.S. beef.

My point is we don't have the backbone and the will, as a country, to say to Europe, Japan, Korea, Canada, Mexico, China: We want to trade with you. Our country seeks free trade, open trade, and fair trade. Our market is open to your producers. God bless you; come in. Our consumers appreciate your goods. By all means, our markets are open to you. But your markets must be open to American producers as well—they must. If they are not, then you sell your goods in Kinshasa, in the Congo, and see how quickly they sell. The condition of access to the American marketplace must be fair trade; you must allow American goods into your marketplace.

Let me give an example with respect to Korea. I have talked about this before, and recently I received a letter from an association of Korean auto manufacturers, who are upset with me.

Last year, Korea sent 618,000 Korean automobiles to be sold in the United States of America. That is fine with me. Hyundais, Daewoos, I am sure they are fine cars—618,000 cars were manufactured in Korea and sent to the United States.

Do you know how many automobiles the United States was able to sell in Korea last year? It was 2,800. For every 217 cars that the Koreans shipped to our country, we were able to sell just one in Korea. Why? The letters from the Korean automobile organization say: You are just not competitive here; you are making the wrong kind of cars. But that is not it. They just don't want American cars in Korea.

Let me show you the market share. This chart shows the market share of automobiles in Korea. This will tell the story: 99.4 percent of the Korean marketplace for automobiles is for Korean automobiles. Why? Because that country says: We want only Korean automobiles sold inside our country.

They are interested in creating jobs in Korea to ship their cars to us and access our marketplace, but not interested in allowing our car manufacturers and auto workers to access their marketplace. Fair trade? I don't think so. Is anybody running around here trying to figure out how to fix that? I don't see any progress where it counts.

How about the issue of Brazilian sugar? Like many countries, we have limits on the importation of sugar, to make sure that our sugar producers are not undermined. But Brazilian sugar gets into our country through a loophole you can literally drive a truck through. Brazilian exporters send their sugar to Canada, where the sugar is loaded into molasses, so it becomes what is called stuffed molasses. The stuffed molasses are shipped to Michigan. The sugar is taken out of the molasses, and then the molasses are shipped back to Canada to get another load of sugar. That is how you move Brazilian sugar into the United States to undermine our sugar producers. Fair trade? No. Is anybody willing to do anything about it? Hardly.

My point is, time after time after time, these trade agreements leave us in a situation where the trade is unfair—unfair to our companies and unfair to our workers—and our trade officials shrug and say: Tough luck. They just want to go negotiate another new agreement with some other country.

My message is very simple. How about fixing a few of the problems you have created? Just fix a few of the problems that have been created in the last 20 years in international trade for American companies and American workers before you go negotiate a new agreement. Just fix a few.

If someone had demonstrated to me they wanted to fix a few of these problems, I would be here on the floor saying, God bless you, hooray for you. But you can't find anybody interested in fixing them. That is why I don't think we ought to give fast-track trade authority to anybody.

What we ought to do is demand on behalf of our country, with respect to an exploding trade deficit that is going to burden every American citizen and every American child with future obligations that are outrageous—what we ought to do is demand some action on these trade problems.

Our negotiators just want to negotiate new trade deals. It's what they enjoy. I would suggest that they wear jerseys, like they do in the Olympics, that say "USA." I think our trade representatives would benefit by being able to look down, from time to time, and see whom they represent. Judging from the trade deals they have negotiated in the past, I am not hopeful.

Let me tell you of my firsthand experience with that. I have mentioned many times previously my experience with Canada. I was serving in the House of Representatives, at the time that we negotiated a United States-Canada free trade agreement. A Trade Ambassador named Clayton Yeutter led the negotiations, and then other negotiators in USTR completed the deal. They came back and said what a terrific deal for America, what a wonderful thing this United States-Canada free trade agreement is.

The deal was brought to the Congress under fast-track trading authority for a vote. The vote in the Ways and Means Committee was 34 in favor and one against, and I cast the single vote against the deal. I was told by everybody that it was imperative to get a unanimous vote in this committee for this United States-Canada free trade agreement. But I still voted against it.

Why? Because what these negotiators have done is to pull the rug out from under our family farmers. They have weakened the trade remedies for unfair trade. They have pulled the rug out from under us, and shame on them. I voted against it. But the agreement passed overwhelmingly.

Almost immediately, an avalanche of unfairly subsidized Canadian grain came rushing across the border, sold to us by the Canadian Wheat Board, a monopoly which would be illegal in this country. The Canadian Wheat Board just flooded America with durum wheat.

As I have explained many times on the floor of the Senate, one day I went to the border with a man named Earl Jenson in a 12-year-old little orange truck with 200 bushels of durum wheat, raised on his farm in North Dakota, to take it across the border into Canada. All the way to the border were all these 18-wheeler trucks going south, dumping this grain into our marketplace. I bet we saw 20 to 25 18-wheel trucks in a matter of a half-hour bringing Canadian grain south.

But when we got to the border in that little 12-year-old orange truck, to try to take a small amount of durum into Canada, we were turned back. We could not do it.

Unfair trade? You bet your life it is unfair. It has been hurting our family farmers for years. No one is willing to do much about it.

Our trade ambassador just went through a long process investigating this, along with the International Trade Commission. USTR concluded that, yes, indeed, Canada is guilty of unfair trade—over a decade after we passed the U.S.-Canada Free Trade Agreement. Yes, Canada is guilty of unfair trade; but what is the USTR doing about it? The USTR says that it will take Canada to the WTO. Which means that maybe your great grandchildren will see results—but maybe not—decades and decades into the future.

The fact is, once again, our country lacks the will, the nerve, and the backbone to stand up for American producers. The question is, when can our country expect that our Government will stand up for its interests? When will we tell our trading partners, you had better treat our producers, our companies, and our workers fairly because we will treat you like you treat us. If your market is wide open to us, then our market is wide open to you; but if it is not, then this country is prepared to protect and support its companies and its workers.

This country has fought for 75 and 100 years for some basic principles about fairness in the workplace. We have had people die on the streets in this country because of violence over the issue of the right to organize as a labor union. We have had a major battle over the question of child labor laws, major confrontations over the issues of whether a manufacturing plant can dump chemicals into the water and pollutants into the air. Big battles about issues such as the minimum wage.

So after many decades of hard-fought labor struggles, we now have a country in which you can organize. Labor can organize a union in this country. We must have safe workplaces. We will not allow people to hire 12-year-old children, pay them 12 cents an hour, and work them 12 hours a day in this country. We will not allow that. The question is, will we allow the importation of products that come from a country that has 12-year-old kids, working 12 hours a day, paying them 12 cents an hour?

A group of us, when we consider the trade issue next week, will offer a range of amendments dealing with those issues: labor issues, environmental issues.

I am going to offer an amendment that deals with the issue of secrecy. The NAFTA tribunals that consider claims by foreign investors are still conducted secretly. This country should not be involved in secret tribunals. There is a responsibility to have those tribunals open, so people can see what is done in those dispute tribunals. I will have an amendment on that.

I regret that so-called trade promotion authority—TPA, as they call it, which is a euphemism for fast track—is brought to this floor as an amendment to an Andean trade bill. This is a very big issue. Having the Congress tie its hands and be unable to offer an amendment, as I was unable to do with the U.S.-Canada Free Trade Agreement, is not in the Congress' interest or the country's interest, in my judgment.

Had I been able to offer an amendment to the U.S.-Canada Free Trade Agreement some years ago, we probably would not have the kind of trade problems we now have, many with Canada in the area of agriculture.

We have used so-called fast-track trade authority five times. But We have negotiated many trade agreements without fast-track trade authority. Those who say you must have this to negotiate a trade agreement are just wrong.

We used fast track to negotiate, the Tokyo round of GATT, U.S.-Israel, U.S.-Canada, NAFTA, and WTO. I must say that after the last three, and also the GATT Tokyo round, we have seen a much, much larger trade deficit. We are not gaining ground; we are losing ground.

The question for this country and this Congress, as it confronts this issue in coming days, is, will we decide to handcuff ourselves and put us right back in the same position, where someone will negotiate an agreement in secret, bring it here, and say, "Oh, by the way, you have no right to amend it"? I hope we do not do that.

We have not used procedures that prevent amendments even on such things as nuclear arms agreements, which are very important, large issues. We have never had expedited procedures that prevent someone from offering an amendment, even on the most complicated nuclear arms control procedures and agreements we had with the old Soviet Union, and others.

So I do not think that we ought to consider granting fast-track authority to this President. As I said, I did not support giving it to the last President. I don't support giving it to this President.

What I would like to see, instead of fast track, is a demonstration on the part of the administration and our trade authorities to decide they are going to fix some problems—just a few; I am not asking them to fix a lot of problems—demonstrate their interest in fixing some problems, and clean up the mess that was made, rather than running out to create a new mess.

I feel as strongly as anybody in this Chamber, I want China's market to be open to us, I want Japan's market to be open to us, and I want the European and Korean markets to be open to us, and, yes, Canada and Mexico as well. The fact is, they are not open to us now, and they are restrictive on a range of our products. The negotiations that we engage in, by and large, have not forced those markets open. The negotiations have not been successful.

I think it is time for our country to try something different. We ought to have, as I said, a little backbone to stand up to these countries and say: If you are not going to allow our products into your marketplace, then, my friends, your products are not coming into ours. It is that simple. It is not about being punitive or about building walls or about retarding expanded trade that most of us want. It is just about prying open foreign markets.

You will not do that by being weak. You will only do it by being strong. And it is not being strong to send the same negotiators out to negotiate the same soft-headed kind of agreements we have had for decades, and then bring it back here and say: Oh, by the way, none of you men and women serving in Congress have a right to offer an amendment, not a single one. That is not being strong or thoughtful. That is being thoughtless in a way that, in my judgment, jeopardizes this country's long-term economic interest.

So, we will have a lot more to say about this subject next week when we turn to the specific issue, first on a cloture vote on the motion to proceed to the Andean trade bill, and then on subsequent cloture votes. There will be a great deal of debate. But, in the end, my hope is that enough Senators will agree that it is time for this country to do something different in forcing open foreign markets and forcing the components of fair trade to be central to our trade relationships with other countries.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, we have completed our difficult week, but we were able to complete the energy bill. I remind everybody that last night I proffered, on behalf of the majority, efforts to move forward with hate crimes legislation. That was objected to: And also the terrorism legislation, which was objected to. We will renew the requests next week.

We believe the time has long since passed that we should have hate crimes legislation that becomes law in this country. Certainly, with all we have heard from the insurance industry, the real estate industry, and the financial industry around this country, it is high time we did something with the terrorism insurance that they have indicated is so badly needed. So we would be ready next week to move forward on that. I am disappointed that we do not already have an agreement that would allow us to move on that next week. It is certainly something that should be done.

The majority leader has, in the past month or so, been able to do dual-track legislation. As a result, we were able to get some action taken. During the time we were doing the energy bill, we passed the border security legislation. We also passed the election reform legislation while we were working on the energy bill. So the mere fact that we are going to the trade bill should not, in any way, stop us from beginning and completing work on hate crimes legislation and certainly the terrorism legislation.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that we proceed to a period of morning business, with Senators permitted to speak therein for a period not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REGARDING THE CAREER OF JEFFREY KOPLAN M.D.

• Mr. HARKIN. I come to the floor today to recognize the accomplishments of an outstanding public servant, Dr. Jeffrey P. Koplan.

While it is a great loss to the Federal Government that he is leaving the Directorship of the Centers for Disease Control and Prevention, it is through his successful 26 years of public service that we have a healthier nation and world today.

I have come to know Dr. Koplan over the past 3½ years, during which he has so admirably led our country's premier disease prevention agency. I can say without reservation that you could not find a person with greater conviction and integrity. Dr. Koplan was the founding Director of the National Center for Chronic Disease Prevention and Health Promotion. As such, he led the nation to recognize the critical need for strong public health programs to address these leading causes of death and disability.

During his tenure, CDC has worked with a myriad of partners to raise and sustain immunization coverage levels to unprecedented levels. That effort has resulted in the lowest number of vaccine-preventable disease cases ever recorded for many diseases. In fact, during Dr. Koplan's watch, measles transmission in the United States was interrupted for the first time ever. I do not have the time to list all of Dr. Koplan's accomplishments, but these few highlight the reasons that Senator SPECTER and I have worked so closely with Dr. Koplan in funding the Centers for Disease Control and Prevention. He has been a model of cooperation between all levels and types of government working together to meet the needs of the nation.

On the personal side, I have come to know Dr. Koplan as: A man of great integrity and a scientist of great distinction; always putting the protection of people's health first—willing to make difficult decisions and take action on the basis of the best science available; recognizing the global dimensions of health—that infectious diseases, environmental hazards, bioterrorism, and chronic illnesses cross all borders—so we must learn from other countries and lend our support to them; and well known for his quick wit, extensive grasp of health issues, and complete dedication to CDC and its mission of protecting the health and safety, not only of all Americans, but the people of the world.

It is with regret and admiration that I say farewell to Dr. Koplan. He will be a hard act to follow.

Mr. SPECTER. I would like to echo the comments of my partner on the Appropriations Committee. Over the years, Senator HARKIN and I have funded the Centers for Disease Control and Prevention and we've been able to watch its growth under the able leadership of Dr. Jeffrey Koplan.

Let me list for you just a few of his many successes while working at CDC and as its Director.

Perhaps most important was Dr. Koplan's ambitious and much-needed campaign to upgrade CDC's buildings and facilities, enabling the agency to better protect the nation's health and safety. He invited Senator HARKIN and I to visit the CDC labs in Atlanta, where we found our nation's laboratories in a deplorable condition. We've been happy to support his effort to upgrade these facilities and, if any of you had the same opportunity to visit the CDC labs, I'm sure you'll agree that this effort was long overdue and will serve this country well for years to come.

Dr. Koplan had many other accomplishments during his tenure at CDC including the establishment of a system that will take the pulse of our nation's health through a quick computerized disease reporting system to which local health departments will be linked; focusing the nation's attention on the obesity and diabetes epidemics threatening the health of millions of Americans; and summarizing patterns of tobacco use among women and called for stronger national and local efforts to implement proven solutions to reduce and prevent tobacco use among women and girls.

Over the past two years, the CDC has aided State, local and international health authorities over 200 times, to investigate outbreaks of disease, including anthrax, West Nile Virus, Ebola, tuberculosis, sexually transmitted diseases, lead poisoning, birth defect clusters, homicide-suicide clusters, nutritional deficiencies, and flood-related illnesses. The CDC, along with NIH and FDA, initiated a new plan to prevent bovine spongioform encephalopathy, also known as "mad cow" disease, from affecting the U.S. food supply. As a result, the U.S. has one of the safest food supplies in the world.

Last but certainly not least, Dr. Koplan led our nation's public health authorities in becoming better prepared to respond quickly and effectively to a bioterrorist attack on this country. And, indeed, he was our country's public health leader during the first such attack, working around the clock to prevent people exposed to anthrax from developing the disease. Because this was a new reality for our nation, Dr. Koplan placed special emphasis on learning every lesson possible from the experience so that we are now better prepared should we face another attack.

I commend him for all that he has done to protect the health and wellbeing of the American people. I wish him well.•

HEALTH CARE HEROES

• Mr. SMITH of Oregon. Mr. President, I rise today to pay tribute to some of the health care heroes in my home state of Oregon. This week, I want to recognize the hard working people who staff the Merrill Clinic, in Merrill, Oregon.

The Merrill Clinic was started in October 1996 after its founder, Michael A. Sheets, retired as a commissioned officer in the U.S. Public Health Service. Before coming to Merrill, Mr. Sheets spent a number of years providing health care to underserved people all over the country. He has served on Indian reservations, attended to victims of mine disasters in Kentucky, and aided people involved in car accidents miles away from ambulance service. Upon arriving in Merrill, Mr. Sheets recognized that he was once again in a position to make a difference in the lives of people who lack access to high quality health care, and he started the Merrill Clinic. Prior to the opening of the Merrill Clinic, the people of Merrill had gone without a local clinic for 15 years.

The Merrill Clinic comes from humble beginnings. One early patient at the clinic paid for his services with a 6-pound trout. Now the clinic serves people from as far as 90 miles away—people for whom the Merrill Clinic is their first access to care. Last year alone, 8600 patients came to the clinic and its branch office in Bonanza, Oregon, to receive suturing, casting, biopsies, well child checks, family planning, and mental health services. Such services were previously out of reach for many of those 8600 patients. Even though the clinic serves so many from so far away, the clinic's 7 staff members find time to make house calls.

In recent months, the Merrill Clinic has provided much more than health care. Last year, during the height of the terrible drought and recession in the Klamath Falls area, one patient at the clinic mentioned that she knew of three families that had not eaten in several days. Mr. Sheets immediately enlisted the help of the Klamath and Lake County food banks and local volunteers to set up a makeshift food bank in the back of the clinic. While volunteers like the Lost River High School football team unloaded food from delivery trucks and operated the food bank during the day, the Merrill Clinic staff continued to attend to the health care needs of local patients. The Merrill Clinic food bank, run out a small kitchen, served as many as 300 people in a single day.

I believe that each and every staff member at the Merrill Clinic is a health care hero. The people at the Merrill Clinic are those rare professionals who expand their duties to meet the many needs of the community they serve. I believe that Mr. Sheets and his staff are to be commended for the pioneering work they do in Merrill and the surrounding area, and salute them as heroes for Oregon.•

RECOGNIZING THE HISTORY OF THE TOWN OF RIDGEFIELD, CONNECTICUT

• Mr. DODD. Mr. President, I rise today to recognize the town of Ridgefield, Connecticut, as it celebrates its rich historic and cultural heritage. Located in Southwestern Connecticut, Ridgefield was established by Norwalk settlers in 1708 on twenty-three square miles purchased from the Ramapoo Indian chief Catoohnah. A year later the town was chartered by the Connecticut General Assembly. At its founding, Ridgefield was a small town of farmers organized along a remarkable 8 mile long main street, then called Town Street. Slowly, shops and public buildings began to spring up on Town Street, including the Keeler Tavern, founded in 1772, which served as a meeting-place for the early Colonial settlers, and an inn for tired travelers. Indeed, the Keeler Tavern, which coincidentally still stands today as a museum, was a place for lively debate among Loyalists and Patriots in the nascent days of the Revolution, and became a meeting place for early Revolutionaries.

As Keith Jones, a town historian, has reported, on April 27, 1777, the Revolution arrived at the doorstep of the Keeler Tavern, as the village of Ridgefield became host to Connecticut's only in-land battle of the war. On that date, a small band of revolutionary colonists led by General Gold Selleck Sillman and General Benedict Arnold, before his traitorous switch to the British, arrived on Town Street shortly before noon with 500 Fairfield County men where they joined forces with Colonel Philip Burr Bradley and other troops from the Ridgefield-based 5th Connecticut line and the recently formed 1st Ridgefield militia. General Arnold quickly took command, and a barricade was formed on the north end of Town Street to await the British troops under General William Tryon who were advancing Southward from Danbury to retreat from the advancing Patriot Major General David Wooster who was closing in from the East.

The three forces engaged in what has now become commonly known as the Battle of Ridgefield. The fighting was fierce, with casualties on both sides, including the mortal wounding of General Wooster. In hours, British reinforcements joined Tryon's beleaguered forces, greatly outnumbering the Patriots while advancing on the barricade. Superior numbers carried the day, and the British stormed down Town Street, seizing the town. With 12 dead, and 24 wounded, General Arnold ordered the Patriots retreat. As he moved his troops back, Arnold's horse was shot out from underneath him, pinning him to the ground. He escaped and made it to rendevous with supporters the next day.

Despite the valiant efforts of the Patriots, the battle was a clear victory for the British who encamped South of town after burning six homes and the Episcopal church. On the way out of town, the British fired on the Keeler Tavern a few times, after having correctly learned that musket balls were being made in the basement. That day, a small cannonball was fired into the walls of the tavern, and today, the cannonball is still embedded in one of the corner posts of the Keeler Tavern. Word of the battle of Ridgefield spread quickly, and within six hours of the British army's departure, thousands of Patriot soldiers poured into the area to block future British attacks. They were successful in deterring new attacks, and no more inland battles were waged in Connecticut.

Beginning in 1877, Ridgefielders have held some form of ceremony remembering the battle every 25 years. This year, on the 225th anniversary of the battle, the town is planning an ambitious program called "Patriot Weekend." This weekend will include Revolutionary war storytelling for children, historical fact scavenger hunts, special theatrical performances, and a period craft fair. In addition, the Keeler Tavern will host a special exhibit of battle artifacts. Capping off the weekend, a large-scale recreation of the Battle of Ridgefield, complete with black-powder musketry, will be conducted by the Brigade of the American Revolution. Over 130 units representing all the various infantry, cavalry, artillery, artificers, and musicians of the war, will recreate the military tactics and maneuvers of the battle in painstakingly reproduced clothing, weapons, and gear. This will be a truly amazing spectacle, and one that brings the rich history of Ridgefield, and Connecticut, alive.

Ridgefielders are justly proud of their heritage, and I commend them for organizing this truly remarkable historic celebration. What began as a small farming town in the 1700's grew to become a weekend retreat for New Yorkers in the 1900's, and is now a vibrant town of 23,000. Historic Town Street, now called Main Street, still houses small shops and restaurants, and signs mark the locations of the key points of this exciting battle, while the world-renowned Aldrich Museum of Contemporary Art looks forward to the future. Connecticut is fortunate to be home to such rich cultural treasures as the town of Ridgefield, and I would like to take this opportunity to publicly express my commendation for this weekend's activities.•

LOCAL LAW ENFORCEMENT ACT OF 2001

• Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred December 25, 1995 in San Diego, CA. Six patrons at a gay bar were beaten with pool sticks. The attackers, three men, were heard to yell anti-gay epithets.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.•

MESSAGE FROM THE HOUSE

At 12:22 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 3231. An act to replace the Immigration and Naturalization Service with the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, and for other purposes.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3231. An act to replace the Immigration and Naturalization Service with the Office of the Associate Attorney General for Immigration Affairs, the Bureau of Citizenship and Immigration Services, and the Bureau of Immigration Enforcement, and for other purposes; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. FEINSTEIN:

S. 2336. A bill to provide for the reliquidation of certain steel wire rope entires; to the Committee on Finance.

By Mr. CLELAND:

S. 2337. A bill to reduce temporarily the duty on certain textile machinery; to the Committee on Finance.

By Mr. CLELAND:

S. 2338. A bill to suspend temporarily the duty on certain textile machinery; to the Committee on Finance.

By Mr. KERRY:

S. 2339. A bill to amend the Internal Revenue Code of 1986 to curb tax abuses by disallowing tax benefits claimed to arise from transactions without substantial economic substance, to curb tax abuses involving identified tax havens, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2340. A bill to suspend temporarily the duty on Methyl Cinnamate (methyl-3-phenylpropenoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2341. A bill to suspend temporarily the duty on Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate); to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2342. A bill to suspend temporarily the duty on Polydimethylsiloxane; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2343. A bill to suspend temporarily the duty on Baysilone Fluid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2344. A bill to suspend temporarily the duty on P-Nitro Toluene-O-Sulfonic Acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2345. A bill to suspend temporarily the duty on Fluorobenzene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2346. A bill to extend the temporary suspension of duty with respect to meta-Chlorobenzaldehyde; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2347. A bill to extend the temporary suspension of duty with respect to 2, 6, Dichlorotoluene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2348. A bill to extend the temporary suspension of duty with respect to 4-bromo-2-fluoroacetanilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2349. A bill to suspend temporarily the duty on Methoxy acetic acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2350. A bill to extend the temporary suspension of duty with respect to Propiophenone; to the Committee on Finance.

By Mr. THURMOND:

S. 2351. A bill to suspend temporarily the duty on Ethanediamide , N- (2-ethoxyphenyl)-N'-(4-isodecylphenyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2352. A bill to suspend temporarily the duty on 1-Acetyl-4-(3-Dodecyl-2), 5-Dioxo-1-Pyrrolidinyl)-2,2,6 ,6-Tetramethyl-Piperdine; to the Committee on Finance.

By Mr. THURMOND:

S. 2353. A bill to suspend temporarily the duty on Aryl phosphonite; to the Committee on Finance.

By Mr. THURMOND:

S. 2354. A bill to suspend temporarily the duty on Mono octyl malionate; to the Committee on Finance.

By Mr. THURMOND:

S. 2355. A bill to suspend temporarily the duty on 3,6 ,9-Trioxaundecanedioic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2356. A bill to suspend temporarily the duty on Crotonic acid ; to the Committee on Finance.

By Mr. THURMOND:

S. 2357. A bill to suspend temporarily the duty on 1 ,3-Benzenedicarboxamide, N, N'-Bis (2,2,6 ,6-tetramethyl-4-piperidinyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2358. A bill to suspend temporarily the duty on 3-Dodecyl1-(2 ,2,6,6-tetramethyl-4-piperidinyl)-2,5-pyrrolidinedione; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2359. A bill to suspend temporarily the duty with respect to Oxalic Anilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2360. A bill to suspend temporarily the duty on Reduced Vat Blue 43; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2361. A bill to suspend temporarily the duty on N-Metyl diisopropanolamine; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2362. A bill to suspend temporarily the duty on Sulfur Black 1; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2363. A bill to suspend temporarily the duty on Phenyl Propyl Alcohol (Benxyl ethyl alcohol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2364. A bill to suspend temporarily the duty on Benzyl Cinnamate (Benzyl beta phenylacrylate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2365. A bill to suspend temporarily the duty on Thymol (alpha-Cymophenol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2366. A bill to suspend temporarily the duty on Methyl Acetophenone-para (Melilot); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2367. A bill to suspend temporarily the duty on Frescolate (5-Methyl 2-(methylethyl)cyclohexyl alpha-hydroxypropanoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2368. A bill to suspend temporarily the duty on Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2369. A bill to suspend temporarily the duty on Allinat (Allyl isosulfocyanate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2370. A bill to suspend temporarily the duty on Acetanisole (Anisyl Methyl Ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2371. A bill to suspend temporarily the duty on NeoHeliopan MA (Menthyl Anthranilate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2372. A bill to suspend temporarily the duty on Majantol (2 ,2-Dimethyl-3-(3-methylphenyl)proponal); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2373. A bill to suspend temporarily the duty on Agrumex (o-t-Butyl cyclohexanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2374. A bill to suspend temporarily the duty on Globanone (Cyclohexadec-8-en-1-one) (CHD); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2375. A bill to suspend temporarily the duty on Benzyl Acetone (Methyl-phenylethyl ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2376. A bill to suspend temporarily the duty on Sodium Methylate Powder (Na Methylate Powder); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2377. A bill to suspend temporarily the duty on NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid); to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERRY:

S. 2339. A bill to amend the Internal Revenue Code of 1986 to curb tax abuses by disallowing tax benefits claimed to arise from transactions without substantial economic substance, to curb tax abuses involving identified tax havens, and for other purposes; to the Committee on Finance.

• Mr. KERRY. Mr. President, the recent demise of Enron Corporation has generated national attention and shed light on an alarming trend. A growing number of corporations and individuals are exploiting tax havens in the Caribbean and elsewhere to evade and avoid paying taxes.

Often cloaked in a web of bank secrecy and taxpayer privacy, businesses and individuals operating in offshore financial centers create sham corporations and partnerships. By sheltering tax-dodgers and tax cheats, these overseas tax havens undermine confidence and trust in our Federal Government. The spread of illegal tax haven activity punishes those who play by the rules. The end result is higher taxes on the little guy—those who comply with the law. They are stuck paying the tab, forced to make up for the lost revenue through unnecessarily high taxes.

The vast majority of American businesses and individuals do not engage in abusive tax schemes. These taxpayers' activities will be unaffected by the Tax Haven and Abusive Tax Shelter Reform Act of 2002. The legislation will not stand in the way of legitimate tax planning and business activity. However, the bill will create real consequences for those individuals who flout the law, and those businesses who engage in transactions with no real business purpose other than generating artificial losses and deductions.

The exact details of Enron's tax avoidance practices are still under investigation by the Senate Finance Committee. What we do know is the energy conglomerate held over 800 subsidiaries in tax haven jurisdictions. Enron created 692 subsidiaries in the Cayman Islands alone. Through the use of sophisticated financial instruments, at least one analyst estimates Enron was able to avoid income taxes in four of the last five years.

Enron is not alone. The use of offshore tax havens by corporations and wealthy individuals is widespread. Through accounting tricks and tax loopholes, large companies not only avoid corporate income taxes, they claim sizable tax refunds. In a typical example, a corporation establishes a foreign subsidiary not subject to American taxes, shifts profits to the subsidiary which then sends them back to the parent corporation in a form that is considered not taxable under U.S. law.

While some corporations use loopholes to skirt the edges of the law, other individuals use tax havens outright illegally. The Internet has simplified the process of launching a corporation or opening an account offshore. While Americans are taxed on their worldwide earnings, individuals operating in offshore financial centers gamble that the IRS will never uncover their overseas income.

Taxpayers select tax havens because they offer little or no taxation on income in their jurisdiction and have privacy rules that help taxpayers hide what they are doing. Once the transfers are established, income is often repatriated back to the U.S. owners through loans, credit cards, or debit cards. By using complex transactions and multiple entities, the individuals using these schemes hide their income and avoid potential tax liabilities.

The scope of the problem is daunting. Assets in offshore entities have climbed from an estimated $200 billion in 1983, to an estimated $5 trillion today. One private sector estimate suggests the use of tax havens to illegally shelter income results in the loss of $70 billion annually. The IRS estimates that in tax year 2000, about 740,000 taxpayers used abusive schemes, both domestic and offshore.

Clearly, Congress must act to restore public confidence in our federal tax system. We can start by ensuring that honest, middle-class Americans are not the only ones left holding the bill. Unfortunately, the Bush administration has shied away from aggressively attacking tax evasion. Last May, Treasury Secretary Paul O'Neill voiced support for abolishing the corporate income tax. The Treasury Department recently fought to water down an international campaign to reform tax haven practices led by the Organization for Economic Cooperation and Development, OECD. Last fall, the Administration sought to repeal the corporate alternative minimum tax, a tax designed to ensure that large corporations do not entirely escape taxation.

Exempting our Nation's largest firms from taxation altogether is not the answer. On the contrary, Congress should take steps to ensure that criminal tax evasion is detected and addressed accordingly. The Tax Haven and Abusive Tax Shelter Reform Act of 2002 would impose strict measures against nations identified as uncooperative tax havens those which use confidentiality rules and practices to undermine tax enforcement and administration or refuse to participate in effective information exchange agreements. The legislation would limit foreign tax credits claimed by taxpayers operating in uncooperative tax havens. It would require a strict reporting of outbound transfers by U.S. taxpayers. The bill imposes a new civil penalty on U.S. taxpayers who fail to report an interest in an offshore account. Finally, it mandates a comprehensive review of the offshore tax evasion problem, including specific mechanisms used by taxpayers to shelter income and assets. By imposing real consequences for jurisdictions which are identified as uncooperative tax havens, the bill pierces the veil of secrecy which shields tax cheats from scrutiny and provides a strong incentive for otherwise uncooperative tax havens to enter into commitments with the United States to reform their practices.

The peddling of abusive corporate tax shelters also demands attention. Prepackaged, tax-motivated transactions with no real economic risk or business purpose—but which capitalize on technical ambiguities in the tax code—are sold to corporations by creative practitioners to generate artificial losses and deductions. Provisions in the Tax Haven and Abusive Tax Shelter Reform Act of 2002, identical to those introduced in the House by Rep. LLOYD DOGGETT, D–TX, would disallow tax benefits from transactions that have no real business purpose other than tax savings. In addition, they expand disclosure requirements so that the IRS is fully aware of dubious tax schemes and tighten penalties against gross underpayments resulting from illegal tax shelters.

A tax system which asks working families to pay their fair share, but gives large corporations such as Enron a free ride, is a national disgrace. And as tax havens and shelters proliferate, confidence in the integrity and fairness of our tax system and government declines. Middle-class families rightly conclude that our own government cannot effectively enforce its laws. The administration, while proposing new disclosure requirements, has offered little in the way of substantive changes to alter the tax treatment of transactions which clearly serve no real business purpose other than tax avoidance. Furthermore, the administration has undermined international efforts to aggressively address sheltering activity in tax havens. The Tax Haven and Abusive Tax Shelter Reform Act of 2002 is the first step in what will surely be a long road to restoring the confidence and faith of the vast majority of hard-working, law-abiding Americans who pay taxes on every dollar they earn. I urge my colleagues to join me in this effort, and I ask unanimous consent that a summary of the legislation as well as the full text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2339

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tax Haven and Abusive Tax Shelter Reform Act of 2002".

TITLE I—CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE

SEC. 101. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) In General.—Section 7701 of the Internal Revenue Code of 1986 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) Clarification of Economic Substance Doctrine; Etc.—

"(1) General rules.—

"(A) In general.—In applying the economic substance doctrine, the determination of whether a transaction has economic substance shall be made as provided in this paragraph.

"(B) Definition of economic substance.—For purposes of subparagraph (A)—

"(i) In general.—A transaction has economic substance only if—

"(I) the transaction changes in a meaningful way (apart from Federal income tax effects) the taxpayer's economic position, and

"(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

"(ii) Special rule where taxpayer relies on profit potential.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

"(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

"(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

"(C) Treatment of fees and foreign taxes.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

"(2) Special rules for transactions with tax-indifferent parties.—

"(A) Special rules for financing transactions.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction are substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

"(B) Artificial income shifting and basis adjustments.—The form of a transaction with a tax-indifferent party shall not be respected if—

"(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

"(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

"(3) Definitions and special rules.—For purposes of this subsection—

"(A) Economic substance doctrine.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

"(B) Tax-indifferent party.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

"(C) Exception for personal transactions of individuals.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

"(D) Treatment of lessors.—In applying subclause (I) of paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease, the expected net tax benefits shall not include the benefits of depreciation, or any tax credit, with respect to the leased property and subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

"(4) Other common law doctrines not affected.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law referred to in section 6662(i)(2), and the requirements of this subsection shall be construed as being in addition to any such other rule of law.".

(b) Effective Date.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act.

TITLE II—PENALTIES

SEC. 201. INCREASE IN PENALTY ON UNDERPAYMENTS RESULTING FROM FAILURE TO SATISFY CERTAIN COMMON LAW RULES.

(a) In General.—Section 6662 of the Internal Revenue Code of 1986 (relating to imposition of accuracy-related penalty) is amended by adding at the end the following new subsection:

"(i) Increase in Penalty in Case of Failure To Satisfy Certain Common Law Rules.—

"(1) In general.—To the extent that an underpayment is attributable to a disallowance described in paragraph (2)—

"(A) subsection (a) shall be applied with respect to such portion by substituting '40 percent' for '20 percent', and

"(B) subsection (d)(2)(B) and section 6664(c) shall not apply.

"(2) Disallowances described.—A disallowance is described in this subsection if such disallowance is on account of—

"(A) a lack of economic substance (within the meaning of section 7701(n)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(n)(2),

"(B) a lack of business purpose for such transaction or because the form of the transaction does not reflect its substance, or

"(C) a failure to meet the requirements of any other similar rule of law.

"(3) Increase in penalty not to apply if compliance with disclosure requirements.—Paragraph (1)(A) shall not apply if the taxpayer discloses to the Secretary (as such time and in such manner as the Secretary shall prescribe) such information as the Secretary shall prescribe with respect to such transaction.".

(b) Modifications to Penalty on Substantial Understatement of Income Tax.—

(1) Modification of threshold.—Subparagraph (A) of section 6662(d)(1) of the Internal Revenue Code of 1986 is amended to read as follows:

"(A) In general.—For purposes of this section, there is a substantial understatement of income tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of—

"(i) $500,000, or

"(ii) the greater of 10 percent of the tax required to be shown on the return for the taxable year or $5,000.".

(2) Modification of penalty on tax shelters, etc.—Clauses (i) and (ii) of section 6662(d)(2)(C) of such Code are amended to read as follows:

"(i) In general.—Subparagraph (B) shall not apply to any item attributable to a tax shelter.".

"(ii) Determination of understatements with respect to tax shelters, etc.—In any case in which there are one or more items attributable to a tax shelter, the amount of the understatement under subparagraph (A) shall in no event be less than the amount of understatement which would be determined for the taxable year if all items shown on the return which are not attributable to any tax shelter were treated as being correct. A similar rule shall apply in cases to which subsection (i) applies, whether or not the items are attributable to a tax shelter.".

(c) Treatment of Amended Returns.—Subsection (a) of section 6664 of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: "For purposes of this subsection, an amended return shall be disregarded if such return is filed on or after the date the taxpayer is first contacted by the Secretary regarding the examination of the return.".

SEC. 202. PENALTY ON PROMOTERS OF TAX AVOIDANCE STRATEGIES WHICH HAVE NO ECONOMIC SUBSTANCE, ETC.

(a) Penalty.—

(1) In general.—Section 6700 of the Internal Revenue Code of 1986 (relating to promoting abusive tax shelters, etc.) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) Penalty on Substantial Promoters for Promoting Tax Avoidance Strategies Which Have No Economic Substance, Etc.—

"(1) Imposition of penalty.—Any substantial promoter of a tax avoidance strategy shall pay a penalty in the amount determined under paragraph (2) with respect to such strategy if such strategy (or any similar strategy promoted by such promoter) fails to meet the requirements of any rule of law referred to in section 6662(i)(2).

"(2) Amount of penalty.—The penalty under paragraph (1) with respect to a promoter of a tax avoidance strategy is an amount equal to 100 percent of the gross income derived (or to be derived) by such promoter from such strategy.

"(3) Tax avoidance strategy.—For purposes of this subsection, the term 'tax avoidance strategy' means any entity, plan, arrangement, or transaction a significant purpose of the structure of which is the avoidance or evasion of Federal income tax.

"(4) Substantial promoter.—For purposes of this subsection—

"(A) In general.—The term 'substantial promoter' means, with respect to any tax avoidance strategy, any promoter if—

"(i) such promoter offers such strategy to more than 1 potential participant, and

"(ii) such promoter may receive fees in excess of $500,000 in the aggregate with respect to such strategy.

"(B) Aggregation rules.—For purposes of this paragraph—

"(i) Related persons.—A promoter and all persons related to such promoter shall be treated as 1 person who is a promoter.

"(ii) Similar strategies.—All similar tax avoidance strategies of a promoter shall be treated as 1 tax avoidance strategy.

"(C) Promoter.—The term 'promoter' means any person who participates in the promotion, offering, or sale of the tax avoidance strategy.

"(D) Related person.—Persons are related if they bear a relationship to each other which is described in section 267(b) or 707(b).

"(4) Coordination with subsection (a).—No penalty shall be imposed by this subsection on any promoter with respect to a tax avoidance strategy if a penalty is imposed under subsection (a) on such promoter with respect to such strategy.".

(2) Conforming amendment.—Subsection (d) of section 6700 of such Code is amended—

(A) by striking "Penalty" and inserting "Penalties", and

(B) by striking "penalty" the first place it appears in the text and inserting "penalties".

(b) Increase in Penalty on Promoting Abusive Tax Shelters.—The first sentence of section 6700(a) of the Internal Revenue Code of 1986 is amended by striking "a penalty equal to" and all that follows and inserting "a penalty equal to the greater of $1,000 or 100 percent of the gross income derived (or to be derived) by such person from such activity.".

SEC. 203. MODIFICATIONS OF PENALTIES FOR AIDING AND ABETTING UNDERSTATEMENT OF TAX LIABILITY INVOLVING TAX SHELTERS.

(a) Imposition of Penalty.—Section 6701(a) of the Internal Revenue Code of 1986 (relating to imposition of penalty) is amended to read as follows:

"(a) Imposition of Penalties.—

"(1) In general.—Any person—

"(A) who aids or assists in, procures, or advises with respect to, the preparation or presentation of any portion of a return, affidavit, claim, or other document,

"(B) who knows (or has reason to believe) that such portion will be used in connection with any material matter arising under the internal revenue laws, and

"(C) who knows that such portion (if so used) would result in an understatement of the liability for tax of another person,

shall pay a penalty with respect to each such document in the amount determined under subsection (b).

"(2) Certain tax shelters.—If—

"(A) any person—

"(i) aids or assists in, procures, or advises with respect to the creation, organization, sale, implementation, management, or reporting of a tax shelter (as defined in section 6662(d)(2)(C)(iii)) or of any entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), and

"(ii) opines, advises, represents, or otherwise indicates (directly or indirectly) that the taxpayer's tax treatment of items attributable to such tax shelter or such entity, plan, arrangement, or transaction and giving rise to an understatement of tax liability would more likely than not prevail or not give rise to a penalty,

"(B) such opinion, advice, representation, or indication is unreasonable,

then such person shall pay a penalty in the amount determined under subsection (b). If a standard higher than the more likely than not standard was used in any such opinion, advice, representation, or indication, then subparagraph (A)(ii) shall be applied as if such standard were substituted for the more likely than not standard.".

(b) Amount of Penalty.—Section 6701(b) of the Internal Revenue Code of 1986 (relating to amount of penalty) is amended—

(1) by inserting "or (3)" after "paragraph (2)" in paragraph (1),

(2) by striking "subsection (a)" each place it appears and inserting "subsection (a)(1)", and

(3) by redesignating paragraph (3) as paragraph (4) and by adding after paragraph (2) the following new paragraph:

"(3) Tax shelters.—In the case of—

"(A) a penalty imposed by subsection (a)(1) which involves a return, affidavit, claim, or other document relating to a tax shelter or an entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), and

"(B) any penalty imposed by subsection (a)(2),

the amount of the penalty shall be equal to 100 percent of the gross proceeds derived (or to be derived) by the person in connection with the tax shelter or entity, plan, arrangement, or transaction.".

(c) Referral and Publication.—If a penalty is imposed under section 6701(a)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)) on any person, the Secretary of the Treasury shall—

(1) notify the Director of Practice of the Internal Revenue Service and any appropriate State licensing authority of the penalty and the circumstances under which it was imposed, and

(2) publish the identity of the person and the fact the penalty was imposed on the person.

(d) Conforming Amendments.—

(1) Section 6701(d) of the Internal Revenue Code of 1986 is amended by striking "Subsection (a)" and inserting "Subsection (a)(1)".

(2) Section 6701(e) of such Code is amended by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(3) Section 6701(f) of such Code is amended by inserting ", tax shelter, or entity, plan, arrangement, or transaction" after "document" each place it appears.

SEC. 204. FAILURE TO MAINTAIN LISTS.

Section 6708(a) of the Internal Revenue Code of 1986 (relating to failure to maintain lists of investors in potentially abusive tax shelters) is amended by adding at the end the following: "In the case of a tax shelter (as defined in section 6662(d)(2)(C)(iii)) or entity, plan, arrangement, or transaction that fails to meet the requirements of any rule of law referred to in section 6662(i)(2), the penalty shall be equal to 50 percent of the gross proceeds derived (or to be derived) from each person with respect to which there was a failure and the limitation of the preceding sentence shall not apply.".

SEC. 205. PENALTY FOR FAILING TO DISCLOSE REPORTABLE TRANSACTION.

(a) In General.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 (relating to assessable penalties) is amended by inserting after section 6707 the following new section:

"SEC. 6707A. PENALTY FOR FAILURE TO INCLUDE TAX SHELTER INFORMATION WITH RETURN.

"(a) Imposition of Penalty.—Any person who fails to include with its return of Federal income tax any information required to be included under section 6011 with respect to a reportable transaction shall pay a penalty in the amount determined under subsection (b). No penalty shall be imposed on any such failure if it is shown that such failure is due to reasonable cause.

"(b) Amount of Penalty.—

"(1) In general.—The amount of the penalty under subsection (a) shall be equal to the greater of—

"(A) 5 percent of any increase in Federal tax which results from a difference between the taxpayer's treatment (as shown on its return) of items attributable to the reportable transaction to which the failure relates and the proper tax treatment of such items, or

"(B) $100,000.

For purposes of subparagraph (A), the last sentence of section 6664(a) shall apply.

"(2) Listed transaction.—If the failure under subsection (a) relates to a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of section 6011, paragraph (1)(A) shall be applied by substituting '10 percent' for '5 percent'.

"(c) Reportable Transaction.—For purposes of this section, the term 'reportable transaction' means any transaction with respect to which information is required under section 6011 to be included with a taxpayer's return of tax because, as determined under regulations prescribed under section 6011, such transaction has characteristics which may be indicative of a tax avoidance transaction.

"(d) Coordination With Other Penalties.—The penalty imposed by this section is in addition to any penalty imposed under section 6662.".

(b) Conforming Amendment.—The table of sections for part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6707 the following in item:

"Sec. 6707A. Penalty for failure to include tax shelter information on return.".

SEC. 206. REGISTRATION OF CERTAIN TAX SHELTERS WITHOUT CORPORATE PARTICIPANTS.

Section 6111(d)(1)(A) of the Internal Revenue Code of 1986 (relating to certain confidential arrangements treated as tax shelters) is amended by striking "for a direct or indirect participant which is a corporation".

SEC. 207. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), the amendments made by this title shall apply to transactions after the date of the enactment of this Act.

(b) SECTION 201.—The amendments made by subsections (b) and (c) of section 201 shall apply to taxable years ending after the date of the enactment of this Act.

(c) SECTION 202.—The amendments made by subsection (a) of section 202 shall apply to any tax avoidance strategy (as defined in section 6700(c) of the Internal Revenue Code of 1986, as amended by this title) interests in which are offered to potential participants after the date of the enactment of this Act.

(d) SECTION 206.—The amendment made by section 206 shall apply to any tax shelter interest which is offered to potential participants after the date of the enactment of this Act.

TITLE III—DISCOURAGING USE OF IDENTIFIED TAX HAVENS

SEC. 301. REPORTING OF PAYMENTS TO PERSONS IN IDENTIFIED TAX HAVENS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6038C the following new section:

"SEC. 6038D. PAYMENTS TO PERSONS IN IDENTIFIED TAX HAVENS.

"(a) IN GENERAL.—Each United States person who transfers money or other property directly or indirectly to any identified tax haven or to any person who is a resident of any identified tax haven shall furnish to the Secretary, at such time and in such manner as the Secretary shall by regulations prescribe, such information with respect to such transfer as the Secretary may require in such regulations.

"(b) EXCEPTIONS.—Subsection (a) shall not apply to a transfer by a United States person if—

"(1) the transferee certifies to such person that information about such transfer shall be made available (in such manner and at such time as the Secretary shall prescribe) to the Secretary on request, or

"(2) the amount of money (and the fair market value of property) transferred is less than $10,000.

Related transfers shall be treated as 1 transfer for purposes of paragraph (2).

"(c) IDENTIFIED TAX HAVEN.—For purposes of this section—

"(1) IN GENERAL.—The term 'identified tax haven' means any foreign jurisdiction which is on the list maintained by the Secretary as being a jurisdiction—

"(A) which imposes no or nominal taxation either generally or on specified classes of income, and

"(B) has strict confidentiality rules and practices, or has ineffective information exchange practices, which effectively limit or restrict the ability of the United States to obtain information relevant to the imposition of taxes under this title.

"(2) INEFFECTIVE INFORMATION EXCHANGE PRACTICES.—For purposes of paragraph (1), a jurisdiction shall be treated as having ineffective information exchange practices during any period during which the Secretary determines that the exchange of information between the United States and such jurisdiction is inadequate to prevent evasion or avoidance of the United States income tax by United States persons or to permit the effective enforcement of the taxes imposed by this title.

"(d) PENALTY FOR FAILURE TO FILE INFORMATION.—If a United States person fails to furnish the information required by subsection (a) with respect to any transfer within the time prescribed therefor (including extensions), such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 20 percent of the amount of such transfer.

"(e) SIMPLIFIED REPORTING.—The Secretary may by regulations provide for simplified reporting under this section for United States persons making large volumes of similar payments.

"(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section."

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 6038C the following new item:

"Sec. 6038D. Payments to persons in identified tax havens."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

(d) REPORTS.—The Secretary of the Treasury shall submit annual reports to the Congress on the application of section 6038D of the Internal Revenue Code of 1986 (as added by this section).

SEC. 302. REDUCTION OF CERTAIN TAX BENEFITS WITH RESPECT TO INCOME FROM IDENTIFIED TAX HAVENS.

(a) LIMITATION ON DEFERRAL.—

(1) IN GENERAL.—Subsection (a) of section 952 of the Internal Revenue Code of 1986 (defining subpart F income) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ", and", and by inserting after paragraph (5) the following new paragraph:

"(6) an amount equal to the applicable fraction (as defined in subsection (e)) of the income of such corporation other than income which—

"(A) is attributable to earnings and profits of the foreign corporation included in the gross income of a United States person under section 951 (other than by reason of this paragraph or paragraph (3)(A)(i)), or

"(B) is described in subsection (b)."

(2) APPLICABLE FRACTION.—Section 952 of such Code is amended by adding at the end the following new subsection:

"(e) TAX HAVEN INCOME WHICH IS SUBPART F INCOME.—

"(1) IN GENERAL.—For purposes of subsection (a)(6), the term 'applicable fraction' means the fraction—

"(A) the numerator of which is the aggregate identified tax haven income for the taxable year, and

"(B) the denominator of which the aggregate income for the taxable year which is from sources outside the United States.

Rules similar to the regulations under section 999(c) shall apply for purposes of this paragraph.

"(2) IDENTIFIED TAX HAVEN INCOME.—For purposes of paragraph (1), the term 'identified tax haven income' means income for the taxable year which is attributable to a foreign jurisdiction for any period during which such jurisdiction is an identified tax haven (as defined in section 6038D(c))."

(b) DENIAL OF FOREIGN TAX CREDIT.—Section 901 of such Code (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (l) as subsection (m) and by inserting after subsection (k) the following new subsection:

"(l) REDUCTION OF FOREIGN TAX CREDIT, ETC., WITH RESPECT TO IDENTIFIED TAX HAVENS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to any foreign jurisdiction if such taxes are with respect to income attributable to a period during which such jurisdiction is an identified tax haven (as defined in section 6038D(c)), and

"(B) subsections (a), (b), (c), and (d) of section 904 and sections 902 and 960 shall be applied separately with respect to all income of a taxpayer attributable to periods described in subparagraph (A) with respect to all such jurisdictions.

"(2) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which treat income paid through 1 or more entities as derived from a foreign jurisdiction to which this subsection applies if such income was, without regard to such entities, derived from such jurisdiction."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 303. FAILURE TO REPORT INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 of the Internal Revenue Code of 1986 (relating to additions to tax, additional amounts, and assessable penalties) is amended by adding at the end the following new section:

"SEC. 6717. FAILURE TO MEET REQUIREMENTS WITH RESPECT TO INTERESTS IN FOREIGN FINANCIAL ACCOUNTS.

"(a) IMPOSITION OF PENALTY.—Any person who fails to keep any records, or fails to file any report, required under section 5314 of title 31, United States Code, with respect to any foreign financial agency transaction shall pay a penalty of $5,000 for each such failure.

"(b) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under subsection (a) with respect to any failure if it is shown that such failure is due to reasonable cause.

"(c) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty imposed under subsection (a) shall be in addition to any other penalty imposed by law, including any penalty imposed under section 5320(a)(5) or 5321 of title 31, United States Code.

"(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, any certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed under subsection (a)."

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 of such Code is amended by adding at the end the following new item:

"Sec. 6717. Failure to meet requirements with respect to interests in foreign financial accounts."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

SEC. 304. STUDY OF OFFSHORE TAX HAVENS.

(a) IN GENERAL.—The Joint Committee on Taxation shall conduct a study of the use of offshore tax havens by United States taxpayers to evade and avoid Federal income taxes. Such study shall include an examination of—

(1) mechanisms used by United States taxpayers to illegally hide income and assets from detection,

(2) the extent to which foreign tax, banking, and financial practices encourage noncompliance with Federal income tax laws,

(3) the status and effectiveness of information exchange agreements between the United States and tax haven jurisdictions,

(4) the status and effectiveness of efforts by the Organization for Economic Cooperation and Development (OECD) to identify and eliminate harmful tax practices in tax haven jurisdictions,

(5) the effectiveness of—

(A) efforts by Internal Revenue Service to identify sources of illegal offshore activity, and

(B) Federal civil and criminal penalties designed to deter offshore tax evasion, and

(6) the economic and revenue implications of tax avoidance activity.

(b) REPORT.—The Joint Committee on Taxation shall submit a report of the results of the study conducted under subsection (a) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 12 months after the date of the enactment of this Act. Such report shall include any recommendations, including recommendations for legislative changes, as the Joint Committee on Taxation determines appropriate to curb the spread of offshore tax avoidance and evasion.

TAX HAVEN AND ABUSIVE TAX SHELTER REFORM ACT OF 2002—SUMMARY OF PROVISIONS

I. ENDING MEANINGLESS AND ABUSIVE TAX TRANSACTIONS

Codification of the Economic Substance Doctrine. Large corporations and sophisticated individuals are increasingly taking advantage of vagueness and ambiguities in the tax law to devise complex and unnecessary transactions purely for the purpose of tax avoidance. The legislation, based on H.R. 2520 introduced by Rep. Lloyd Doggett, would codify the judicially-developed "economic substance" doctrine so that, when applying the doctrine, a transaction would have economic substance only if it changes in a meaningful way (apart from Federal income tax effects) the taxpayer's economic position, and the taxpayer has a substantial nontax purpose for entering into such transaction. In so doing, the Act would disallow sham transactions in which the economic activity purported to give rise to the desired tax benefits does not actually occur. The bill provides that if a profit potential is relied on to demonstrate that a transaction results in a meaningful change in economic position, the present value of the reasonably expected pre-tax profit must be substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected.

II. STRENGTHENING PENALTIES FOR PARTICIPANTS IN ABUSIVE TAX SHELTER TRANSACTIONS

Increase Penalty for Underpayments Resulting from Abusive Tax Shelters. Under current law the IRS may impose a 20% accuracy-related penalty where there is a substantial understatement of tax or there is negligence on the part of the taxpayer. The Act would increase the penalty to 40% for underpayments on account of transactions which lack economic substance or business purposes. The higher penalty can be avoided by fully disclosing the transaction. In addition, the bill would amend the definition of a substantial understatement to include underpayments which exceed $500,000, regardless of whether the underpayment exceeds 10 percent of the taxpayer's total tax liability.

Impose Penalty on Abusive Tax Shelter Promoters. The Act imposes a penalty on any substantial promoter of a disallowed tax shelter. The amount of the penalty equals 100 percent of the gross income derived by the promoter from the strategy. In addition, the bill modifies the current penalty for false or fraudulent statements with respect to tax shelters such that the amount of the penalty is the greater (rather than the lesser) of 41,000 or 100 percent of the gross income derived by the promoter.

Impose Penalty on Individuals Aiding and Abetting Abusive Tax Shelters. The Act would penalize the lawyers who write "penalty insurance" opinions that any reasonable person would know are unjustified. The Act would impose a penalty on those involved in a disallowed tax shelter if: (1) the person advises that the taxpayer's transaction would more likely than not prevail or not give rise to a penalty, and (2) the advice is unreasonable. An opinion would be considered unreasonable if a reasonably prudent and careful person under similar circumstances would not have offered such an opinion. The amount of the penalty is 100 percent of the gross proceeds derived by the person from the transaction.

Tighten Tax Shelter Disclosure Requirements

Failure to Maintain Lists. Under current law, any person who organizes a potentially abusive tax shelter must maintain a list that identifies each person who purchased an interest in the shelter. The penalty for failure to meet these requirements is $50 for each person, up to a maximum of $50,000. The Act increases the penalty to 50 percent of the gross proceeds derived from each person.

Failure to Disclose Reportable Transactions. Regulations require corporate taxpayers to include in their tax return information with respect to certain large transactions with characteristics that may be indicative of tax shelter activity. The Act imposes a penalty for failing to disclose the required information with respect to a reportable transactions. The penalty is equal to the greater of 5% of the increase in tax liability resulting from a correction or $100,000.

Registration of Shelters Offered to Non-Corporate Participants. A promoter of a confidential corporate tax shelter is required to register the tax shelter with the IRS. The penalty for failing to timely register a confidential corporate tax shelter is the greater of $10,000 or 50% of the fees payable to any promoter. The Act deletes the requirement that a direct or indirect participant must be a corporation.

III. COMBATING ILLEGAL TAX EVASION IN OVERSEAS TAX HAVENS

The legislation concentrates on two major problems inherent in tax haven jurisdictions: (1) confidentiality rules and practices which prevent the effective administration and enforcement of U.S. and foreign tax laws, and (2) lack of effective bilateral information exchange in civil and criminal tax matters. By imposing real consequences for jurisdictions which are identified as uncooperative tax havens, the legislation provides meaningful incentives for these nations to reform tax practices which impede the ability of the United States to enforce its laws. In addition, the legislation imposes consequences on U.S. taxpayers who hide income offshore and fail to report assets held in foreign accounts and mandates a thorough review of the problem of offshore tax evasion, including the economic and revenue implications of tax avoidance activity.

Reduction in Foreign Tax Credits and Other Tax Benefits. The Act denies foreign tax credits for taxes paid to jurisdictions that have been identified in a list of uncooperative tax havens to be published by the Treasury Secretary. A jurisdiction would be considered a tax haven and included in the list if the jurisdiction both (1) imposes no or nominal taxation ,either generally or on specified classes of income, and (2) has strict confidentiality rules and practices or has ineffective information exchange practices. In addition, the proposal would reduce a taxpayer's (1) otherwise allowable foreign tax credit attributable to income from an identified tax haven, and (2) income, attributable to an identified tax haven, that is otherwise eligible for deferral.

Reporting of Payments to Identified Tax Havens. The Act requires that all payments to entities, accounts, or individuals that are resident or located in identified uncooperative tax havens be reported on the taxpayer's income tax return. Exceptions would apply for payments less than $10,000 or if the recipient certifies to the payor that the information regarding the transaction will be provided to the IRS upon request. Related payments would be required to be aggregated for purposes of determining whether this threshold is exceeded. Failure to report a payment on a tax return that was required to be reported would result in the imposition of a penalty on the payor equal to 20% of the gross payment.

Reporting of Interest in a Foreign Financial Account. Recent evidence obtained in summons of offshore credit card records suggests that a significant number U.S. taxpayers are using offshore banks to illegally hide income and assets from taxation. In addition to existing criminal penalties, the legislation imposes a civil penalty of 45,000 for the failure to comply with the rules and regulations requiring the reporting of information requested on the "Report of Foreign Bank and Financial Accounts." The IRS would have the authority to waive the penalty, in whole or in part, if the taxpayer paid all U.S. tax due with respect to the taxpayer's foreign accounts and the taxpayer demonstrates that the failure to file this form was due to reasonable cause.

Offshore Tax Avoidance and Evasion Study. The full extent of the problem of offshore tax evasion is only beginning to come to light. The legislation mandates the Joint Committee on Taxation to conduct a study examining the use of offshore tax havens by U.S. taxpayers to evade and avoid federal income taxes. The study will review: (1) mechanisms used by U.S. taxpayers to illegally hide income and assets from detection, (2) the extent to which foreign tax, banking, and financial practices encourage noncompliance with U.S. tax laws, (3) the status and effectiveness of the United States' information exchange agreements with tax haven jurisdictions, (4) the status and effectiveness of efforts by the Organization for Economic Cooperation and Development (OECD) to identify and eliminate harmful tax practices in tax haven jurisdictions, (5) IRS efforts to identify sources of illegal offshore activity, and federal civil and criminal penalties designed to deter offshore tax evasion, and (6) the economic and revenue implications of offshore tax avoidance activity. Most importantly, the study will include recommendations for ways to curb the spread of offshore tax avoidance and evasion.●

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2340. A bill to suspend temporarily the duty on Methyl Cinnamate (methyl-3-phenylpropenoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2341. A bill to suspend temporarily the duty on Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate); to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2342. A bill to suspend temporarily the duty on Polydimethylsiloxane; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2343. A bill to suspend temporarily the duty on Baysilone Fluid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2344. A bill to suspend temporarily the duty on P-Nitro Toluene-O-Sulfonic Acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2345. A bill to suspend temporarily the duty on Fluorobenzene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2346. A bill to extend the temporary suspension of duty with respect to meta-Chlorobenzaldehyde; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2347. A bill to extend the temporary suspension of duty with respect to 2, 6, Dichlorotoluene; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2348. A bill to extend the temporary suspension of duty with respect to 4-bromo-2-fluoroacetanilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2349. A bill to suspend temporarily the duty on Methoxy acetic acid; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2350. A bill to extend the temporary suspension of duty with respect to Propiophenone; to the Committee on Finance.

By Mr. THURMOND:

S. 2351. A bill to suspend temporarily the duty on Ethanediamide, N-(2-ethoxyphenyl)-N'-(4-isodecylphenyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2352. A bill to suspend temporarily the duty on 1-Acetyl-4-(3-Dodecyl-2), 5-Dioxo-1-Pyrrolidinyl)-2,2,6,6-Tetramethyl-Piperdine; to the Committee on Finance.

By Mr. THURMOND:

S. 2353. A bill to suspend temporarily the duty on Aryl phosphonite; to the Committee on Finance.

By Mr. THURMOND:

S. 2354. A bill to suspend temporarily the duty on Mono octyl malionate; to the Committee on Finance.

By Mr. THURMOND:

S. 2355. A bill to suspend temporarily the duty on 3,6,9,-Trioxaundecanedioic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2356. A bill to suspend temporarily the duty on Crotonic acid; to the Committee on Finance.

By Mr. THURMOND:

S. 2357. A bill to suspend temporarily the duty on 1,3-Benzenedicarboxamide, N, N'-Bis (2,2,6,6-tetramethyl-4-piperidinyl)-; to the Committee on Finance.

By Mr. THURMOND:

S. 2358. A bill to suspend temporarily the duty on 3-Dodecyl1-(2,2,6,6-tetramethyl-4-piperidinyl)-2,5-pyrrolidinedione; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2359. A bill to suspend temporarily the duty with respect to Oxalic Anilide; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2360. A bill to suspend temporarily the duty on Reduced Vat Blue 43; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2361. A bill to suspend temporarily the duty on N-Metyl diisopropanolamine; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2362. A bill to suspend temporarily the duty on Sulfur Black 1; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2363. A bill to suspend temporarily the duty on Phenyl Propyl Alcohol (Benxyl ethyl alcohol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2364. A bill to suspend temporarily the duty on Benzyl Cinnamate (Benzyl beta phenylacrylate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2365. A bill to suspend temporarily the duty on Thymol (alpha-Cymophenol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2366. A bill to suspend temporarily the duty on Methyl Acetophenone-para (Melilot); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2367. A bill to suspend temporarily the duty on Frescolate (5-Methyl 2-(methylethyl)cyclohexyl alpha-hydroxypropanoate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2368. A bill to suspend temporarily the duty on Trimethyl Cyclo Hexanol (1-Methly-3,3-dimethylcyclohexanol-5); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2369. A bill to suspend temporarily the duty on Allinat (Allyl isosulfocyanate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2370. A bill to suspend temporarily the duty of Acetanisole (Anisyl Methyl Ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2371. A bill to suspend temporarily the duty on NeoHeliopan MA (Menthyl Anthranilate); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2372. A bill to suspend temporarily the duty on Majantol (2,2-Dimethyl-3-(3-methylphenyl)proponal); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2373. A bill to suspend temporarily the duty on Agrumex (o-t-Butyl cyclohexanol); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2374. A bill to suspend temporarily the duty on Globanone (Cyclohexadec-8-en-1-one)(CHD); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2375. A bill to suspend temporarily the duty on Benzyl Acetone (Methyl-phenylethyl ketone); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2376. A bill to suspend temporarily the duty on Sodium Methylate Powder (Na Methylate Powder); to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. CORZINE):

S. 2377. A bill to suspend temporarily the duty on NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid); to the Committee on Finance.

Mr. THURMOND. Mr. President, I rise today to introduce thirty-eight bills which will suspend the duties imposed on certain chemicals that are important components for a wide array of commercial applications. Currently, these chemicals are imported for use in the United States because there are no known domestic producers or readily available substitutes. Therefore, suspending the duties on these chemicals would not adversely affect domestic industries.

These bills would temporarily suspend the duty on the following:

Reduced Vat Blue 43;
Sulfur Black 1;
Mono Octyl Malionate;
Crotonic Acid;
Fluorobenzene;
Meta-Chlorobenzaldehyde;
2,6,Dichlorotoluene;
4-Bromo-2-Fluoroacetanilide;
Propiophenone;
Methoxy Acetic Acid;
Aryl Phosphonite;
Ethanediamide,—(2-Ethoxyphenyl)-N'-(4-Isodecylphenyl)-3,6,9-Trioxaundecanedioic Acid;
Oxalic Anilide;
NeoHeliopan MA (Menthyl Anthranilate);
Alliant (Allyl Isosulfocyante);
Frescolate (5-Methyl-2-(Methylethyl) cyclohexyl Alpha-hydroxypropanoate);
Phenyl Propyl Alcohol (Benxyl Ethyl Alcohol);
Benzyl Cinnamate (Benzyl Beta Phenylacrylate);
Methyl Cinnamate (Methyl-3-Phenylpropenoate);
Methyl Acetophenone-para (Melilot);
Trimethyl Cyclo Hexanol (1-Methyl-3,3-Dimethylcyclohexanol-5);
Acetanisole (Anisyl Methyl Ketone);
Majantol (2,2-Dimethyl-3-(3-Methylphenyl)Proponal);
Agrumex (O-T-Butyl Cyclohexanol);
Globanone (Cyclohexadec-8-EN-1-One) (CHD);
Benzyl Acetone (Methyl-Phenylethyl Ketone);
Sodium Methylate Powder (NA Methylate Powder);
NeoHeliopan Hydro (2-Phenylbenzimidazole-5-Sulfonic Acid);
Allyl Cyclo Hexyl Propionate (Allyl Hexahydro Phenylpropionate);
Thymol (Alpha-Cymophenol);
Baysilone Fluid;
N-Metyl Diisopropanolamine;
Polydimethylsiloxane;
1-Acetyl-4-(3-Dodecyl-2,5-Dioxo-1-Pyrrolidinyl)-2,2,6,6-Tetramethyl-Piperidine;
1,3-Benzenedicarboxamide,N,N'-Bis(2,2,6,6-Tetramethyl-4-Piperidinyl)-P-Nitro Toluene-O-Sulfonic acid; and
3-Dodecyl-1-(2,2,6,6-Tetramethyl-4-Piperidinyl)-2,5-Pyrrolidinedione.

These chemicals are used in a wide variety of manufacturing processes to produce agricultural chemicals, pharmaceuticals, fragrances, textile fibers, dyes, pigments, and other products.

Suspending the duty on these chemicals will benefit the consumer by stabilizing the costs of manufacturing the end-use products. Further, these suspensions will allow domestic producers to maintain or improve their ability to compete internationally. Finally, the importers of these products create jobs and incomes for Americans workers. I hope the Senate will consider these measures expeditiously.

I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. METHYL CINNAMATE (METHYL-3-PHENYLPROPENOATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.78	Methyl Cinnamate (methyl-3-phenylpropenoate) (CAS No. 103-26-4) (provided for in subheading 2916.39.20)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLYL CYCLO HEXYL PROPIONATE (ALLYL HEXAHYDRO PHENYLPROPIONATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.77	Allyl Cyclo Hexyl Propionate (Allyl hexahydro phenylpropionate) (CAS No. 2705-87-5) (provided for in subheading 2916.20.50)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

S. 2342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF DUTY ON POLYDIMETHYLSILOXANE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.02	Polydimethylsiloxane (CAS No. 63148–62–9) (provided for in subheading 3910.00.00).	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF DUTY ON BAYSILONE FLUID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.03	An Alkyl modified polydimethylsiloxane (CAS No. 102782–93–4) (provided for in subheading 3910.00.00)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF SUSPENSION OF DUTY ON P-NITRO TOLUENE-O-SULFONIC ACID.

(a) IN GENERAL.—Heading 9902.29.23 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/2001" and inserting "12/31/2005".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FLUOROBENZENE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new subheading:

"	9902.38.70	Fluorobenzene (CAS No. 462-06-6) (provided for in subheading 2903.69.70)	Free	No change	No change	On or before 12/31/2006	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. META-CHLOROBENZALDEHYDE.

(a) IN GENERAL.—Subheading 9902.28.17 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/2003" and inserting "12/31/2006".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 2,6, DICHLOROTOLUENE.

(a) IN GENERAL.—Subheading 9902.32.82 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/2003" and inserting "12/31/2006".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 4-BROMO-2-FLUOROACETANILIDE.

(a) IN GENERAL.—Subheading 9902.28.15 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/2003" and inserting "12/31/2006".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. METHOXY ACETIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.36	Methoxy acetic acid (CAS No. 625–45–6) (provided for in subheading 2918.90.50)	Free	No change	No change	On or before 12/31/ 2006	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROPIOPHENONE.

(a) IN GENERAL.—Subheading 9902.28.16 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/2003" and inserting "12/31/2006".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ETHANEDIAMIDE, N- (2-ETHOXYPHENYL)-N′- (4-ISODECYLPHENYL)-.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.33	Ethanediamide, N-(2-ethoxyphenyl)-N′-(4-isodecylphenyl)- (CAS No. 82493–14–9) (provided for in subheading 3812.30.60)	Free	Free	No change	On or before 12/31/ 2006	".

(b) EFFECTIVE DATE.—The amendment made by this subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 1-ACETYL-4-(3-DODECYL-2, 5-DIOXO-1-PYRROLIDINYL)-2,2,6,6-TETRAMETHYL-PIPERIDINE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.34	1-Acetyl-4-(3-Dodecyl-2, 5-Dioxo-1-Pyrrolidinyl)-2,2,6,6-Tetramethyl-Piperidine (CAS No.106917–31–1) (provided for in subheading 2933.39.61)	Free	Free	No change	On or before 12/31/ 2006.	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 1 5th day after the date of enactment of this Act.

S. 2353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ARYL PHOSPHONITE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.37	Aryl phosphonite (CAS No. 119345–01–6) (provided for in subheading 2931.00.10)	Free	Free	No change	On or before 12/31/ 2006.	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MONO OCTYL MALIONATE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.35	Mono octyl malionate (CAS No. 7423–42–9) (provided for in subheading 2917.19.20)	Free	No change	No change	On or before 12/31/ 2006	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 3,6,9-TRIOXAUNDECANEDIOIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.37	3,6,9-Trioxaundecanedioic acid (CAS No. 13887-98-4) (provided for in subheading 2918.90.50)	Free	No change	No change	On or before 12/31/2006	”.

(b) Effective Date.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2356

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CROTONIC ACID.

(a) In General.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.38	Crotonic acid (CAS No. 107-93-7) (provided for in subheading 2916.19.30)	Free	No change	No change	On or before 12/31/2006	”.

(b) Effective Date.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2357

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 1,3-BENZENEDICARBOXAMIDE, N, N′-BIS (2,2,6,6-TETRAMETHYL-4-PIPERIDINYL)-.

(a) In General.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.39	1,3-Benzenedicarboxamide, N, N′-Bis (2,2,6,6-tetramethyl-4-piperidinyl)- (CAS No. 42774-15-2) (provided for in subheading 2933.39.61)	Free	No change	No change	On or before 12/31/2006	”.

(b) Effective Date.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2358

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 3-DODECYL-1-(2,2,6,6-TETRAMETHYL-4-PIPERIDINYL)-2,5-PYRROLIDINEDIONE.

(a) In General.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.40	3-Dodecyl-1-(2,2,6,6-tetramethyl-4-piperidinyl)-2,5-pyrrolidinedione (CAS No. 79720-19-7) (provided for in subheading 2933.39.61)	Free	No change	No change	On or before 12/31/2006	”.

(b) Effective Date.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2359

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OXALIC ANILIDE.

(a) In General.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.44	Ethanediamide, N-(2-ethoxyphenyl-N′-(2-ethyophenyl)- (CAS No. 23949-66-8) (provided for in subheading 2924.29.76)	Free	No change	No change	On or before 12/31/2005	”.

(b) Effective Date.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCED VAT BLUE 43.

(a) In General.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.42	Reduced Vat Blue 43 [(CAS No.)] (provided for in subheading 3204.15.40)	Free	No change	No change	On or before 12/31/2006	”.

(b) Effective Date.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPENSION OF DUTY ON N-METYL DIISOPROPANOLAMINE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.29.48	1,1'-(methylimino) dipropan-2-ol (CAS No. 4402–30–6) (provided for in subheading 2922.19.95)	Free	No change	No change	On or before 12/31/2005	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2362

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SULFUR BLACK 1.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.41	Sulfur Black 1 (CAS No. 1326–82–5) (provided for in subheading 3204.19.30)	Free	No change	No change	On or before 12/31/2006	”.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PHENYL PROPYL ALCOHOL (BENXYL ETHYL ALCOHOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.69	Phenyl Propyl Alcohol (Benxyl ethyl alcohol) (CAS No. 122–97–3) (provided for in subheading 2906.29.20)	Free	No change	No change	On or before 12/31/2005	”.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BENZYL CINNAMATE (BENZYL BETA PHENYLACRYLATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.76	Benzyl Cinnamate (Benzyl beta phenylacrylate) (CAS No. 103–41–3) (provided for in subheading 2916.39.20)	Free	No change	No change	On or before 12/31/2005	”.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2365

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THYMOL (ALPHA-CYMOPHENOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.30.70	Thymol (alpha-Cymophenol) (CAS No. 89–83–8) (provided for in subheading 2907.19.40)	Free	No change	No change	On or before 12/31/2005	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2366

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. METHYL ACETOPHENONE-PARA (MELILOT).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.33.41	Methyl Acetophenone-para (Melilot) (CAS No. 122–00–9) (provided for in subheading 2914.39.00)	Free	No change	No change	On or before 12/31/2005	”.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FRESCOLATE (5-METHYL-2-(METHYLETHYL)CYCLOHEXYL ALPHA-HYDROXYPROPANOATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.79	Frescolate (5-Methyl-2-(methylethyl)cyclohexyl alpha-hydroxypropanoate) (CAS No. 59259–38–0) (provided for in subheading 2918.11.50)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRIMETHYL CYCLO HEXANOL (1-METHYL-3,3-DIMETHYLCYCLOHEXANOL-5).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.67	Trimethyl Cyclo Hexanol (1-Methyl-3,3-dimethylcyclohexanol-5) (CAS No. 116–02–9) (provided for in subheading 2906.19.50)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLINAT (ALLYL ISOSULFOCYANATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.81	Allinat (Allyl isosulfocyanate) (CAS No. 57–06–7) (provided for in subheading 2930.90.90)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ACETANISOLE (ANISYL METHYL KETONE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.33.41	Acetanisole (Anisyl Methyl Ketone) (CAS No. 100–06–1) (provided for in subheading 2914.50.30)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NEOHELIOPAN MA (MENTHYL ANTHRANILATE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.80	NeoHeliopan MA (Menthyl Anthranilate) (CAS No. 134–09–8) (provided for in subheading 2922.49.26)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MAJANTOL (2,2-DIMETHYL-3-(3-METHYLPHENYL)PROPONAL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.68	Majantol (2,2-Dimethyl-3-(3-methylphenyl)- proponal) (CAS No. 103694–68–4) (provided for in subheading 2906.29.20)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

S. 2373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AGRUMEX (O-T-BUTYL CYCLOHEXANOL).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.75	Agrumex (o-t-Butyl cyclohexanol) (CAS No. 20298-69-5 and 88-41-5) (provided for in subheading 2915.39.45)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2374

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. GLOBANONE (CYCLOHEXADEC-8-EN-1-ONE) (CHD).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.71	Globanone (Cyclohexadec-8-en-1-one) (CHD) (CAS No. 3100-36-5) (provided for in subheading 2914.29.50)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BENZYL ACETONE (METHYL-PHENYLETHYL KETONE).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.73	Benzyl Acetone (Methyl-phenylethyl ketone) (CAS No. 2550-26-7) (provided for in subheading 2914.39.90)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2376

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SODIUM METHYLATE POWDER (NA METHYLATE POWDER).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.66	Sodium Methylate Powder (Na Methylate Powder) (CAS No. 124-41-4) (provided for in subheading 2905.19.00)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2377

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NEOHELIOPAN HYDRO (2-PHENYLBENZIMIDAZOLE-5-SULFONIC ACID).

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.30.82	NeoHeliopan Hydro (2-Phenylbenzimidazole-5-sulfonic acid) (CAS No. 27503-81-7) (provided for in subheading 2933.90.75)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 104

At the request of Ms. SNOWE, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 104, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 946

At the request of Ms. SNOWE, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 946, a bill to establish an Office on Women's Health within the Department of Health and Human Services.

S. RES. 247

At the request of Mr. LIEBERMAN, the names of the Senator from New Jersey (Mr. CORZINE), the Senator from Mississippi (Mr. LOTT), the Senator from New York (Mr. SCHUMER), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

S. RES. 250

At the request of Ms. LANDRIEU, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S.

Res. 250, a resolution extending sympathy and condolences to the families of the Canadian soldiers who were killed and the Canadian soldiers who were wounded on April 18, 2002, in Afghanistan, and to all of the Canadian people.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Friday, April 26, 2002, at 9:30 a.m., in open session to receive testimony on pending military nominations: Admiral Thomas B. Fargo, USN, for reappointment to the grade of Admiral and to be commander in chief, United States Pacific Command; and Lieutenant General Leon J. LaPorte, USA, for appointment to the grade of general and to be commander in chief, United Nations Command/Combined Forces Command/Commander, United States Forces Korea.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CHILDREN AND FAMILIES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Children and Families, be authorized to meet for a hearing on "Families and Funeral Practices" during the session of the Senate on Friday, April 26, 2002, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Calendar Nos. 790, 791, 792, 793 through 800; that the nominations be confirmed; that the motions to reconsider be laid on the table; that the President be immediately notified of the Senate's action; that any statements thereon be printed in the RECORD as if given; and that the Senate return to legislative action, without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

James R. Stoner, Jr., of Louisiana, to be a Member of the National Council on the Humanities for a term expiring January 26, 2006.

Evelyn Dee Potter Rose, of Texas, to be a Member of the National Council on the Arts for a term expiring September 3, 2006.

DEPARTMENT OF LABOR

Kathleen M. Harrington, of the District of Columbia, to be an Assistant Secretary of Labor, vice Susan Robinson King.

DEPARTMENT OF JUSTICE

John Edward Quinn, of Iowa, to be United States Marshal for the Northern District of Iowa for the term of four years.

David Phillip Gonzales, of Arizona, to be United States Marshal for the District of Arizona for the term of four years.

Edward Zahren, of Colorado, to be United States Marshal for the District of Colorado for the term of four years.

Charles M. Sheer, of Missouri, to be United States Marshal for the Western District of Missouri for the term of four years.

Gorden Edward Eden, Jr., of New Mexico, to be United States Marshal for the District of New Mexico for the term of four years.

John Lee Moore, of Texas, to be United States Marshal for the Eastern District of Texas for the term of four years.

Ronald Henderson, of Missouri, to be United States Marshal for the Eastern District of Missouri for the term of four years.

CENTRAL INTELLIGENCE

John Leonard Helgerson, of Virginia, to be Inspector General, Central Intelligence Agency.

LEGISLATION SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

ORDER FOR RECORD TO REMAIN OPEN

Mr. REID. Mr. President, I ask unanimous consent that the RECORD remain open until 2 p.m. today for the introduction of legislation and the submission of statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PRINT H.R. 4

Mr. REID. Mr. President, I ask unanimous consent that H.R. 4, as passed by the Senate on April 25, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, APRIL 29, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 1 p.m. Monday, April 29; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the motion to proceed to H.R. 3009, the Andean Trade Act, with the time until 6 p.m. equally divided between the proponents and opponents of the motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE AT 6 P.M. MONDAY

Mr. REID. The next rollcall vote will occur this coming Monday at 6 p.m. on the motion to proceed to the Andean trade bill.

ADJOURNMENT UNTIL 1 P.M. MONDAY, APRIL 29, 2002

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 12:38 p.m., adjourned until Monday, April 29, 2002, at 1 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 26, 2002:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

JAMES R. STONER, JR., OF LOUISIANA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 26, 2006.

EVELYN DEE POTTER ROSE, OF TEXAS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2006.

DEPARTMENT OF LABOR

KATHLEEN M. HARRINGTON, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

CENTRAL INTELLIGENCE

JOHN LEONARD HELGERSON, OF VIRGINIA, TO BE INSPECTOR GENERAL, INTELLIGENCE AGENCY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

DEPARTMENT OF JUSTICE

JOHN EDWARD QUINN, OF IOWA, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF IOWA FOR THE TERM OF FOUR YEARS.

DAVID PHILIP GONZALES, OF ARIZONA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF ARIZONA FOR THE TERM OF FOUR YEARS.

EDWARD ZAHREN, OF COLORADO, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF COLORADO FOR THE TERM OF FOUR YEARS.

CHARLES M. SHEER, OF MISSOURI, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF MISSOURI FOR THE TERM OF FOUR YEARS.

GORDEN EDWARD EDEN, JR., OF NEW MEXICO, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEW MEXICO FOR THE TERM OF FOUR YEARS.

JOHN LEE MOORE, OF TEXAS, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF TEXAS FOR THE TERM OF FOUR YEARS.

RONALD HENDERSON, OF MISSOURI, TO THE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF MISSOURI FOR THE TERM OF FOUR YEARS.

EXTENSIONS OF REMRKS

HONORING THE WOODBRIDGE FATHERS BASEBALL LEAGUE ON THEIR 30TH ANNIVERSARY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Ms. DELAURO. Mr. Speaker, it is with great pleasure that I rise today to extend my sincere congratulations to an outstanding organization in our community, the Woodbridge Fathers Baseball League, as they celebrate their thirtieth anniversary. This Saturday, I will have the honor of joining the WFBL as they kick-off this season with their Opening Day ceremonies.

For three decades, the WFBL has provided children between the ages of 5 and 15 with the opportunity to participate in softball and baseball—your country's greatest pastime. The league was born out of the concern of several fathers in Woodbridge who wanted to provide a more competitive baseball league for their children. In only a few short months, the WFBL was formed and, in its initial season, had about 200 children that made up fifteen teams. Today, with the addition of softball and a Rookies League Division, the WFBL has 575 participating children, making up forty-eight teams.

Baseball and softball, like all sports, teaches us the value of team work, practice, camaraderie, and commitment to excellence. These are the skills that will serve our young people well as they begin to make a difference in the world. Through baseball or softball, the WFBL has given the children of Woodbridge and Bethany the opportunity to develop strong bonds of friendship based on many years of teamwork that often last well beyond their high school years. This is the true gift that the WFBL has and continues to give to the young people of Woodbridge and Bethany.

As a symbol of the start of spring, Opening Day has always been one of my favorite times to visit communities—especially Woodbridge, Connecticut. Every year, families from throughout the community gather to celebrate the beginning of the season—it is one of this community's most enjoyable spring rituals. Every team is in first place, dreaming of a championship that will be theirs at the end of the summer. The smell of a new glove, the crack of a bat, and the chatter of the outfield remind us why this is America's favorite pastime.

This year, as the Woodbridge community celebrates Opening Day and what has become a symbol of America, we will also take a moment to reflect on one of our country's greatest tragedies. In the months that have passed since September 11th, the American people have struggled to regain a sense of normalcy. Who can forget the truly awesome scene at Yankee Stadium, with the brilliant voice of a New York Police Officer singing God Bless America as an eagle swooped through the stadium—unifying our nation and strengthening our resolve. In these past months, communities across the nation have developed a new found respect for those who dedicate their careers to protecting our families and our communities. I am honored to join the Woodbridge Fathers Baseball League and the Woodbridge community in extending my deepest thanks and appreciation to the Woodbridge Volunteer Fire Department. Their commitment and unparalleled courage make a real difference in our community.

Celebrating thirty years of prosperity and fun, it is with my sincere thanks that I join the Woodbridge community in congratulating the Woodbridge Fathers Baseball League on their 30th Anniversary. From your first president, Tony Malafonte, to the current president Dwight Rowland, this organization has left an indelible mark on this community.

HONORING ROCCO COMPANARO

HON. FELIX J. GRUCCI, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. GRUCCI. Mr. Speaker, today I rise to honor Rocco Companaro, Field Plant Manager of American Bosch Arena, as he is recognized by the Long Island Federation of Labor.

Rocco Companaro, was a supervisor at Arma, a manufacturer of highly sensitive and sophisticated instruments for United States Naval battleships and submarines. Rocco supervised the ordering of new materials, machining of parts to final assembly, and testing prior to shipment to United States Government sites.

Rocco was Chairman of I.U.E. Organizing Committee at American Bosch Arma Corp., and was successful in organizing 6,500 new members. He negotiated the first contract for newly chartered Local 460, International Union of Electrical Workers.

American Bosch Arma's first major strike on Long Island was in 1955. 6,500 union members took to the streets over the issue of Equal Pay for Equal Work. The strike went on for four bitter cold winter months, November through February. They were victorious and became the first union in the country to have the clause, Equal Pay for Equal Work, in a contract.

Rocco Companaro was President of Nassau/Suffolk Congress of Industrial Unions in 1956–1959. In 1959 after the merger of CIO and AFL Councils into the Long Island Federation of Labor, Rocco was elected Vice President of the Federation. He had responsibility for carrying out all functions of the Federation and AFL–CIO Programs. Rocco has 55 years devoted to the Labor Movement.

PAYING TRIBUTE TO REGION 10

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Region 10 and congratulate all of its members on reaching an extraordinary milestone. As the organization celebrates its 30th anniversary, it is my sincere pleasure to congratulate each and every member on so many years of excellence in serving its communities and, indeed, the entire state. The efforts put forth by this organization are very much appreciated by everyone who lives in the six counties that it represents, and I am honored to stand before you today and bring its many accomplishments to the attention of this body of Congress. For 30 years this organization has worked diligently to represent the needs and desires of its communities, and I, along with the many residents that reside in your counties, am proud and thankful for what you have accomplished.

For thirty years, Region 10 has served as a clearinghouse, resource center and facilitator of targeted community and regional programs on behalf of the six Colorado counties that it represents, which include Delta, Gunnison, Montrose, San Miguel, Ouray and Hinsdale. It has effectively presented a regional voice and unified position to local, state and federal government, industries and organizations, and has always conducted itself with the best interests and well being of its citizens in mind. Region 10 serves its communities in a myriad of ways, including sharing information among communities about local projects and programs, establishing a network of resource information and contacts for use by its communities, serving as a vehicle for coordinating funding opportunities on behalf of its communities, and engaging its membership in discussions about common issues affecting its communities. The organization has truly done an extraordinary job in its determination to enhance its communities and the lives of each and every citizen that resides within them. Their diligence and hard work has, indeed, paid off, and the contributions that Region 10 has made over its thirty years of service are immeasurable.

Mr. Speaker, it is my distinct pleasure to be able to congratulate each and every member of Region 10 on this historic occasion, and wish each of them all the best in what I'm sure will be an even more eventful and exciting next thirty years. I commend each of you for your work in ensuring that the needs of the communities you represent are addressed, and I am delighted to bring the efforts of such an extraordinary organization to the attention of this body of Congress. Keep up the great work; I look forward to the next thirty years!

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

NATIONAL BOARD-CERTIFIED TEACHERS IN LOW-PERFORMING SCHOOLS ACT OF 2002

HON. SUSAN DAVIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mrs. DAVIS of California. Mr. Speaker, I am proud today to introduce the National Board-Certified Teacher in Low-Performing Schools Act of 2002.

Helping low-achieving students improve their academic performance has been called the most vital need for our country's future. How do we make this happen? Many studies have shown that the single most critical component for a child is the quality of each teacher.

The Elementary and Secondary Education Act, H.R. 1, known as the No Child Left Behind Act of 2001, calls for making sure that a well-qualified, credentialed teacher is in every classroom. This is a sentiment that has universal agreement, but making it happen will require a wide spectrum of approaches and strong federal support for a variety of strategies.

I applaud the portions of that bill that add support to programs like the Troops-to-Teachers program, which seeks to recruit mid-career individuals particularly with expertise in science, math, and technology. This program, as an example, provides monetary support for a fast-track into the classroom with some professional development support and with a rapid time-line for giving these new teachers the teaching skills to become credentialed.

But whether one is considering a troop recruit or a teacher recruited straight out of university, most of them end up as new, untested teachers in low-income, low-performing schools. Yet, these are the very schools where we need to assign our most skilled and experienced teachers. While new teachers may develop the skills to become experts, each needs the coaching and modeling of experienced professionals.

I am happy to report that in California we instituted a peer-coaching program for teachers in their probationary years. But we also recognized the need to identify and reward our most accomplished teachers and encourage them to request assignments in our lowest performing schools.

To accomplish this we did two things. One was to identify that an independent evaluation system for teacher quality is the National Board for Professional Teaching Standards. It uses a rigorous, standards-based classroom teaching evaluation and testing program carried out over a year of teaching through which teachers can become certified. It is so challenging that only about half of all candidates receive certification in the first year. Because we could identify these as exceptionally accomplished teachers, in California we reward each successful candidate with a $10,000 merit award. One result of this recognition has been that in each successive year the number of California candidates has doubled.

In addition, the state gives an annual $5,000 pay incentive for four years to each National Board Certified Teacher who will seek assignment to a low-performing school.

I propose to build on this method of providing incentives to urge these highly accomplished teachers to provide not only their fine teaching skills but also their availability as peers for the many new teachers assigned to these schools. I believe that both beginning teachers and experienced teachers grow in their teaching skills and can be inspired to accept the challenge of the certification process if they have the opportunity to work as a peer with a National Board Certified Teacher. Many teachers who have become certified report that the process itself improves their skills, as they must prepare standards-based, self-reflective portfolios of their teaching practices to submit for evaluation.

Therefore, I propose a pilot program for five years to pay up to 100 National Board Certified Teachers, each of whom is teaching in a low-income, low-performing school, $5,000 per year to act as a resident facilitator to introduce the members of the faculty to the National Board evaluation program. As a teacher must have taught for three years before applying for Board certification, the five-year period is needed to allow time for new teachers to be exposed to the process through the outreach program initiated by the facilitator.

The responsibilities of the facilitator would be to promote peer teacher participation and to work with the National Board for Professional Teaching Standards to recommend ways to encourage teachers to aspire to Board certification.

The facilitator would also receive a $1,000 bonus stipend for each teacher who completes the process for becoming Board-certified at the school for which the recipient is the resident facilitator.

I believe that this pilot program can be a triple winner. The children of the low performing school have another teacher who has been certified as being a highly accomplished teacher. The faculty of that school has a peer teacher with identifiable teaching skills as a resource. And the school may grow its own new crop of National Board Certified Teachers thus changing the image of being a low-performing school to having pride in being a school with a highly-skilled faculty.

TRIBUTE TO SENATOR LUTHER H. JORDAN, JR.

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. MCINTYRE. Mr. Speaker, I rise today to honor the life of North Carolina State Senator Luther Henry Jordan, Jr., who recently passed away. He was a man who made a difference—a positive difference—that was a testimony to who he was. I enjoyed working with Senator Jordan on several matters of common concern to our area and to North Carolina. He was always ready to listen, and he made himself available. I remember when he had dinner with my family and me and some close friends during my first term in office. His kindness and generosity were self-evident in private as it was in public. Senator Jordan was a man of character, courage and commitment.

Senator Jordan's character was reflected in his loyalty and integrity and unselfishness. His loyalty to his church and his community, his integrity in his personal, professional and political life, his unselfishness in giving of himself time and time again to improve the quality of life for all citizens—all are attributes of Senator Jordan's character. Second, in addition to his character, Senator Jordan's courage called forth the very best qualities of leadership. As a City Councilman in Wilmington for sixteen years, Luther Jordan always sought progress with harmony, building relationships and opening opportunities for everyone. As the first African-American Chairman of the Cape Fear Council of Governments, Luther Jordan knew how to reach out throughout our region, bringing together people and resources from communities and counties to improve all of Southeastern North Carolina. When he was elected to the State Senate, he always stepped forward and challenged others to do what was right, not just what was convenient or comfortable.

Third, Senator Jordan was committed. His commitment to public service touched persons from all walks of life. Everywhere he went, his firm commitment led him to rise to the top in whatever areas served—from Mayor ProTempore of the city, to Chairman of the Council of Governments, to Majority Whip of the Senate, to Second Vice-Chairman of the North Carolina Democratic Party, to Chairman of the Legislative Black Caucus, Luther Jordan was a leader whose steadfast commitment to help others set an example of never giving up and always moving forward.

Senator Luther Jordan—a man of character, courage and commitment, and a man whose leadership and friendship we will all miss. May God grant us more leaders—and friends—like Luther Henry Jordan, Jr.

TRIBUTE TO FRED LEWIS MASON

HON. DOUG OSE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. OSE. Mr. Speaker, I rise today to honor a constituent of mine, Fred Lewis Mason on the occasion of his 100th birthday. Mr. Mason was born on March 30, 1902 a half mile North of Stonyford School in Glenn County. Throughout his long life, Fred Mason has lived in different areas in the North State, yet always seemed to relocate back to the community of Stonyford.

During the last hundred years, Fred Mason has been a farmer, member of the United States Forest Service, and eventually retired from the County of Colusa. An active member of his community, Mr. Mason has been a member of the Snow Mountain Lodge #271 for 78 years, the Eastern Star Lodge for 75 years, a past member of the Maxwell Fire Department, and former Grand Marshall for the Maxwell Rodeo Parade. Among the long list of Mr. Mason's achievements is the instrumental role he played in the development of the new Grapevine outside of Stonyford as well as his work to improve roads throughout Colusa County.

Mr. Speaker, Fred Mason has lived through experiences that most can only read about in history books and throughout he has remained a dedicated member of his community. He has been a loving husband, father, grandfather, and great-grandfather. On the occasion of his 100th Birthday, he is more than deserving of this recognition and I urge my colleagues to join me in honoring this truly remarkable man.

PAYING TRIBUTE TO WALTER FOXWORTH

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize an outstanding individual who has raised the level of standards and commitment to the community for businesses throughout the nation. Over the years, Walter Foxworth has distinguished himself as a business, community, and industry leader going above and beyond what is needed to provide assistance to his state and community. His dedication to excellence as a businessman, family man, and citizen is impressive and it is my honor to be able to recognize such an individual before this body of Congress and this nation.

Walter has served as the National Director of the Mountain States Lumber and Building Material Dealers Association for over a decade. He is the President of the Foxworth-Galbraith Lumber Company, which services Colorado, New Mexico, Texas and Arizona and is the largest lumber dealer in the Southwest. His hard work and dedication has led to respect by his peers and he is viewed as a leader in the industry. He currently serves on the boards of the National Lumber and Building Materials Dealers Association, the Lumberman Association, as well as serving as past president of the Lumberman's Association of Texas.

Walter has not only devoted his time and energy to his career, but has selflessly given to his community and the several states he calls home. For the past five years Walter has provided emotional and financial support to the outreach program for the children of Taos Day School in Taos, New Mexico. He serves as the chairman of the Dallas Zoological Society, president of the Family Guidance Center, and a member of the Dallas Assembly. In addition he is well known throughout his community as a loving husband, devoted father of three, and grandfather to eight.

Mr. Speaker, Walter Foxworth's dedication and service to his communities has been repeatedly rewarded over the years, most notably through his colleagues as the Lumberman of the Year in 1992 and again in 2000 with the Mountain States Lumber Dealer's first ever Industry All Star Award. It is now my honor to congratulate Walter on his success as well as his dedication to his community. He has worked hard to achieve many great undertakings in his life and certainly deserves the recognition of this body of Congress and this nation. Keep up the hard work Walter and good luck in your future endeavors.

TRIBUTE TO CARL PELLONPAA ON 40 YEARS OF SERVICE TO THE FINNISH-AMERICAN COMMUNITY IN MICHIGAN'S UPPER PENINSULA

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. STUPAK. Mr. Speaker, I rise today to pay tribute to a unique cultural institution in my northern Michigan congressional district and to the individual who has been the inspiration and guiding force for that institution for 40 years.

Carl Pellonpaa started the show "Finland Calling!" in 1962 on WLUC–TV as a cultural bridge between Finland and the thousands of Finnish residents who call the Upper Peninsula of Michigan their home. Mr. Speaker, the presence of this large Finnish population is instantly clear to anyone who opens an Upper Michigan phone book like the Houghton-Hancock book and sees page after page of Finnish surnames—names like Haapala and Jurmu, Karvakko and Lahti and Manninen. One scan of such a phone book, Mr. Speaker, and you would not be surprised to know that Upper Michigan is also home to Finlandia University, the former Soumi College, the only university in the nation founded by Finns.

It was this strong connection between northern Michigan and Finland that Carl Pellonpaa tapped and reinforced with his first airing of "Finland Calling." Even though Carl and his show have themselves become part of Finnish-American culture, a job in television and a career as a media ambassador between two nations was not Carl's original aspiration. In fact, as a recent story in the Marquette Mining Journal points out, baseball was Carl's dream, and he pursued that dream all the way to a contract with the Boston Braves in 1949. The dream was shattered when he was accidently shot by a fellow hunter that very fall, taking buckshot in his head, neck, and the shoulder of his pitching arm. Although Carl was able to heal enough to serve a tour with the Army in Korea, the Big League fast ball was gone forever.

Married to his hometown sweetheart Doris, work led the couple away from the U.P. and then back to the Marquette area, where Carl took a job with radio station WJPD. In 1961 he joined the staff of TV–6, and March 25, 1962, marked the first broadcast of "Finland Calling!" or "Soumi Kutsuu!" as the show is called in Finnish. As Mining Journal writer A.M. Kelley notes, the original purpose of the show was to drum up a little travel business between Finland and the U.S.

Although his own parents came from Finland, Carl at first spoke little Finnish, and he has said the first shows, which are still broadcast in Finnish, made him "a laughingstock" with the Finns in the area. Clearly, however, no TV show in any market could log 40 continuous years—and still be going!—without acquiring a polished professionalism and without serving an essential need for its audience. "Finland Calling!" has performed the task of linking people with their relatives and their roots, and Carl, now fluent in his parents' native language, have even led tour groups back to Finland. As Jukka Valtasarri, the Finnish ambassador to the U.S., wrote Carl Pellonpaa earlier this month, "Your program has brought Finland closer to the Finnish-Americans and helped them understand their roots."

Although Carl has otherwise retired from broadcasting, he has continued his show, which we believe to be the longest continually-running show in the nation that celebrates a foreign language and culture. A man of tradition, Carl and his wife still live in Ishpeming, where his parents settled so many years ago. Carl and Doris have three children, Carl, Diane and Wendy.

Mr. Speaker, Carl Pellonpaa will record a special 40th anniversary edition of his show on Saturday, April 27. I ask you and our House colleagues to join me in offering our sense of appreciation and our congratulations to Carl Pellonpaa for his dedication to his community and for exemplifying the best qualities of positive relations with nations of the world.

TRIBUTE TO CINDY McKEE

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. UDALL of Colorado. Mr. Speaker, I rise today to pay tribute to Cindy McKee, an official in the Colorado State Office of the U.S. Bureau of Land Management (BLM). Cindy is retiring from the BLM after 30 years of dedicated and outstanding government service. She has been a shining example of the quality work of those who choose to serve their country and communities through working in the public sector.

Cindy came to the BLM shortly after passage of the Federal Land Policy and Management Act of 1976, the BLM's organic statute. She first served as an employee of the Public Affairs Office of the Wyoming State Office, and then quickly moved up to a position as a public affairs specialist. At this position, she edited the BLM's statewide newsletter and thus reported on the wide-ranging and at times controversial issues facing the agency.

She then moved to Colorado where she became the first public affairs officer assigned to the BLM's district office in Grand Junction. There she frequently appeared on television and radio describing and discussing BLM's policies and positions. In the early 1980s, she was involved in the debates related to oil shale development, coordinating environmental impact statements tied to the potential production of this resource on Colorado's western slope.

The BLM asked the Grand Junction Office to take the lead for a national celebration to commemorate the 50th anniversary of the Taylor Grazing Act, whose author was Representative Edward Taylor of Colorado. That Act provided for establishment of the Grazing Service, one of BLM's predecessor agencies. Cindy took charge of this effort, developing a series of events, public education materials and conferences to highlight public lands grazing and the Act. She also initiated a number of other projects that garnered national attention, such as the opening of the western slope fire operations center, a dinosaur discovery areas and the Little Book Cliffs wild horse area. During this time, Cindy won a number of BLM awards for her photographic work, and a number of her pictures appeared in national publications.

In 1992, she assisted the Federal Emergency Management Agency in community relations and public affairs support following the devastating Hurricane Andrew in Miami, Florida. From a makeshift tent community in Homestead, Florida, she conducted daily briefings on the efforts to respond to this disaster. She returned to Colorado where in this experience helped her meet the challenge of being one of the information officers responding to the tragic 1994 South Canyon fire near Glenwood Springs, Colorado, where 14 firefighters lost their lives. She was the lead in coordinating the media, various responding agencies as well as attending to the needs of the victim's families.

During the past ten years, Cindy has designed and taught media, public affairs roles and responsibilities, congressional relations, and fire information classes for a number of BLM and U.S. Forest Service offices. More recently, she served as the liaison between the BLM's Colorado Office and the Interior Department on the legislative transfer of the U.S. Naval Oil Shale Reserve lands in Colorado. She also was the lead public affairs coordinator for the recently created Gunnison Gorge National Conservation Area and the Colorado Canyons National Conservation Area in Colorado. And, she developed one of the first BLM websites, for which she received national recognition. It was voted one of the top 20 sites in Colorado.

For all of this and more, Cindy received the Superior Service Award from the Department of the Interior. Her approachable style has been well received by many who have had the pleasure to work with her and interact with the agency. I applaud Cindy for all of her efforts to improve the public's understanding and appreciation of our public lands and the important work of the land-management agencies. These lands are an important part of the western heritage and her work has helped promote and further that legacy.

I wish her well in her future endeavors and again thank her for the work she has done for Colorado, the BLM and the communities of Colorado.

HONORING PHIL REBERGER, OF BOISE, IDAHO, ON HIS RETIREMENT FROM THE UNITED STATES NAVAL RESERVE

HON. MICHAEL K. SIMPSON

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. SIMPSON. Mr. Speaker, I rise today to express my congratulations to Captain J. Philip Reberger, of Idaho, for his 22 years of exemplary service in the United States Navy and Naval Reserve.

Some join the Navy to see the world; Phil joined the Navy to serve his country—taking assignments from Boise to Seattle to Hawaii to Fort Meade. For more than two decades he embodied the Navy's motto, "Non sibi sed patriae"—Not Self But Country. The Navy recognized his great ability to lead and gain the trust of those under his command. He performed every leadership assignment with dignity. In the midst of the heated Vietnam War, Phil answered the call and served. And now, as our nation is in the midst of its War on Terrorism, our nation called again, and he answered that call to service.

Phil has both served his country and kept in perspective the importance of family while balancing difficult work and military commitments. For more than 35 years, he and his wife Nancy, have made a cohesive team, working to raise two wonderful children. He has made a tremendous commitment to public service as well—working for three United States Senators and now Idaho's Governor—Dirk Kempthorne. Those who know the name, "Phil Reberger" know it stands for honor, truth, courage and commitment.

As Phil now embarks on a new journey—retirement—I believe it is worthwhile to remember the Navy's hymm, "Eternal Father, Strong to Save:"

Our brethren shield in danger's hour;
From rock and tempest, fire and foe,
Protect them wheresoe'er they go;
Thus evermore shall rise to Thee
Glad hymns of praise from land and sea.

Anchors Away, Captain Reberger.

RECOGNITION OF PENELOPE CUTLER

HON. JOSEPH M. HOEFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. HOEFFEL. Mr. Speaker, I rise today to congratulate Penelope C. Cutler, on being named "Democrat of the Year" by the Cheltenham Democratic Committee in Cheltenham, Pennsylvania. Penelope has been an active supporter of the Democratic party and I am pleased to honor her.

Penelope was born in Rapid City, South Dakota and graduated from Carlton College where she received her bachelor of arts degree in math. She continued her education at Cornell University and in 1965 earned her masters degree in math. For over thirty years she taught in the Philadelphia school system before leaving to teach part-time at Temple University. She has lived in Jenkintown for the last nineteen years with her husband, William, and their three daughters.

Penelope is an active Democratic committee person and has worked tirelessly for Democrats in the 154th state legislative district. In addition, she represents Area 9 on the Executive Committee for Montgomery County Democrats. She has been an energetic and dedicated volunteer for many political races throughout the area.

I am pleased to have this opportunity to recognize Penelope Cutler for her dedication and commitment.

WOMEN'S HISTORY MONTH NOMINATIONS

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mrs. WILSON of New Mexico. Mr. Speaker, in the honor of Women's History Month, I asked New Mexicans to send me nominations of women in New Mexico who have given special service to our community, but may have never received recognition for their good deeds.

On Friday, March 29, 2002, I had the honor and privilege of recognizing thirty-eight worthy nominations describing sacrifices and contributions these women have made for our community. The people who nominated the women describe the dedication they have witnessed: volunteer hours for veterans services, Sunday School Teachers, service on non-profit boards, homeless programs, fund raising for scholarships for at risk youth, healthcare providers going above the call of duty, child advocates, volunteers at churches and synagogues, successful business woman, wives, mothers and friends.

Allow me to share information about a few of this year's nominees:

Joyce Becerra—Joyce is involved in programs that impact our community, such as the Valencia County Literacy Program, the Shelter for Domestic Violence, her church and the Pilots Club, for which she currently serves as the President-Elect. She is also instrumental in raising for the Cancer Society.

Phyllis Bibeau—Every Thursday for two and a half-hours since 1984, Phyllis goes to the Veteran's Hospital to assist the Veterans with writing. On Christmas Day, she delivers presents and Christmas cards to the patients. On Valentines Day, she delivers fresh carnations and valentines to the hospitalized veterans. And she also reads articles from the Veteran's Voice for cassette tape production for blind veterans.

Sharon Bishop—Sharon dedicates her time to volunteering at an APS Elementary School teaching Music in various classrooms and forming a chorus for 3rd, 4th and 5th graders. She believes that giving the gift of music makes a difference in lives. She has helped teachers put on musicals, staged incredible chorus programs and taught classroom music instruction.

Kathleen Blake, MD—Dr. Blake was in the forefront in brining the Heart Hospital to Albuquerque. She has been a leader in speaking about the heart attacks and problems associated with them in regards to women. Finally, she is a cardiologist who will listen to her patients when they present their feelings and fears.

Janette Carter, MD—Dr. Carter was a distinguished physician and researcher, social and community activist, outdoorswoman, daughter, wife, mother, friend, mentor and spiritual person. She received her Doctor of Medicine degree from UNM in 1978 and was certified in Internal Medicine and licensed to practice in NM. She served for 6 years in the US Indian Health Service as Director of the Diabetes Model Program and in 1990 she founded the

Native American Diabetes Program at UNM. In July 2002, she and her husband and their son were killed in a plane crash in Alaska. She is survived by her son, Alec, and her mother, Rosalie.

Rosalina Castaneda—Rosalina is the owner of Wigs Wigs and she volunteers for the Cancer Society's "Look Good, Feel Better" program. She helps patients who come to her wig shop by truly understanding their situation and lending an ear and a shoulder to cry on. Her customers readily affirm that Linda's love and understanding, in most cases, was the catalyst for their speedy recovery, physically and emotionally.

Rita Chacey—Rita is in the NM Army National Guard. She volunteers many hours working with the Counter Drug Task Force, the Moriarty JROTC, and the Family Support Annual Camps. She spends up to 2 weeks in the field with the kids as bus driver and medic, soothing scrapes and scratches, homesickness, bad attitudes and ailments. She comes home dirty and tired and she swears that she will never do it again, but when the call comes, she is right there. She truly is an "Army of One."

Mignon Donnellon—Migon is a military wife and mother of 4 adopted children who is active in the Family Support Section on KAFB. She graduated from college when most people are having "senior moments." In addition, she is the treasure of the Department of NM Reserve Officers Association Ladies Group, the CEO of an up and coming consultant company, MJD Business Systems and she is active in the Republican Party of NM.

Elizabeth Etigson—Elizabeth has developed a program of excellence for seniors in Sandoval County. Through education and direction, she coaches, nurses and trains seniors to be Peer Counselors for other elders in Sandoval County. Elizabeth makes a difference in the lives of many elders and their families.

Janet Everett—Janet is a single mother and business owner who donated money, services, and time to good causes. The following exemplifies how she makes a difference. She was shopping at a neighborhood store when she noticed a man eyeing several carts and then her billfold was missing. Janet ran after the man, threw herself on his car, keeping him from escape. Janet is an everyday hero making our community richer and safer.

Linda Foster Carraro—Linda is the single mother of 5 kids who has often held 3 jobs to support her family. She is a woman with many talents and a strong spirit. Linda is a giving person who is always willing to help those less fortunate than herself and she does without hesitation. She doesn't ask for recognition, even though it is much deserved.

Fawn Dolan—Fawn has worked with low income minority families since she was 16. She has served as a day camp counselor in Martineztown, a social worker, a middle school teacher, a Parent Involvement Coordinator, and currently, she provides clothing for women and families in transition. She also conducted Bound for Success summer camps and has been involved in child abuse prevention campaigns and pregnancy prevention campaigns. In addition, she is President of the Bernalillo Chamber of Commerce.

Theresa Garcia—Theresa makes a lot of impact in the election of judicial candidates who she feels will provide a positive, yet strong, adjudication of our current laws. She has been known to say that many times constituents neglect the judicial side of politics and feel that it is unapproachable. She believes that we must hold our judges accountable. Theresa has also donated much of her business infrastructure to help re-establish the Rio Grande Minority Purchasing Council, an organization that she believes must continue to provide opportunities to women and minority owned business.

Maurine Grammer—Mrs. Grammer and her husband founded the NM Teacher's Credit Union, and she taught school here in NM for over 35 years. She has donated millions of dollars to the Indian Cultural Center and she is the author of numerous books about Indian culture. Also, she supplied a depiction of Pocahontas for the NM Quarter that is in circulation.

Catherine Grandia—She has been a 4H Leader for Bernalillo County Riverside Club for more than 50 years. She is now teaching the children of members she had forty years ago! She has taught generations to be responsible, honest, active, involved, and loyal citizens of their communities. Her goodness will outlive her by far!

Pauline Gubbels—Representative Gubbels is a highly respected legislator who cares deeply about her constituents and doing the right thing for our state and she is an honest and ethical leader. She is a role model and mentor. She gives of her time and energy to help others.

Christine Hayoz—Christine is the mother of 5 children and the grandmother of 3. She is very active in the rural community of Mosquero, NM, where she served as Secretary of the Board of Education. She is always there for anyone who needs someone to talk to.

Lenya Heitzig—Lenya leads the Women's Ministry at Calvary Chapel. She works so hard and does so much to make the ministry a success. She is kind and intelligent and always makes women aware that they have so much potential and so much to give both in business and at home.

Rogene Henderson, MD—Dr. Henderson is a Senior Scientist at the Lovelace Respiratory Research Institute. She has a long extensive leadership career both in her scientific professional work and in her service to the community. She has served as: Chair of the National Research Council Advisory Committee, Chairman of the Central NM Section of the American Chemical Society, President of the Mountainwest Chapter of the Society of Toxicology, President of the Inhalation Specialty Section of the Society of Toxicology, Adjunct Professor appointment at Purdue University and Clinical Professor at the UNM College of Pharmacy. Dr. Henderson has served on the governing board of her church and served on the Christian Education Committee. She has taught Sunday school and led scouting activities. Once a month, she gives the children's sermon. Along with her husband, she provides major support for the community groups, such as the Storehouse, the Appropriate Rural Technology Agency, and Ghost Ranch.

Nikki Kull—Nikki is the Executive Vice President of the NM Boys and Girls Ranches, Inc., which is a faith-based organization that provides residential care of children and families. For over 30 years, Nikki has been instrumental in providing homes for abused and neglected children in NM.

Fran Langhoff—Fran began working in politics when Senator PETE DOMENICI was a city councilor. Since then, Fran has been a guiding light for young office seekers. She assists high school and college students understand the political process in NM. She is invaluable to the County and State Republican Party and is a wealth of knowledge. She also serves on the Board of Directors for Goodwill Industries and works for the Muscular Dystrophy Association and Cancer businessman.

Joan Leahigh—As Director of the Office of Social Justice with the Archdiocese of Santa Fe, Joan is one of Albuquerque's most respected advocates for low income and immigrant families. She has also supported the efforts of other women-led organizations, such as the Sawmill Land Trust and Economic Development Project, NM Community Development Load Fund, Mujeres En Accion, and La Mesa Cooperatives. Fourteen years ago, she and her late husband, John, started the Christmas gifts from an array of donated items so they are the ones who give the gifts to their kids.

PAYING TRIBUTE TO DOUGLAS CRAIG FRAZIER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to the life and memory of Douglas Craig Frazier who recently passed away in Cortez, Colorado on March 27, 2002. Douglas, known to most as Doug, will always be remembered as a true inspiration and contributor to his community. For some time, Doug battled a long and difficult disease that threatened to tax his body to the limit, but never was allowed to affect his spirit. After a long and demanding struggle, he eventually succumbed to the effects of bone cancer. His passing is a great loss for a town that relied on Doug for his kind heart, strong spirit, and unwavering friendship.

Mr. Speaker, not long ago I stood before this body of Congress to honor the Montezuma-Cortez Boys Basketball team and their well-deserved state championship. Today, I pay tribute to a source of inspiration for that title, a source of motivation to a young man, and a source of pride to a school's hometown community. As the Panthers moved forward in their quest for a state title, Doug Frazier was present every step of the way, providing support to the young players and of course, his son Layne. As the Panthers progressed through the season, Doug tried to attend every game, despite his pain, to see the team capture its ultimate prize. The young men succeeded in their goal and brought home the first state title for the school in nearly forty years, and Doug Frazier, confined to a wheelchair and medication as a result of the pain, was present with his support until the end. He passed away soon thereafter, but he achieved one of his final goals, to see his son and teammates claim the championship.

Mr. Speaker, Doug will be missed by the many whose lives he touched in the Cortez community. It has always been known that his greatest passion was his love and dedication to his family. He is survived by wife Paula, daughter Amanda, and son Layne, and a grateful community. It is with a solemn heart that we say goodbye and pay our respects to an inspiration of a Colorado community. Doug Craig Frazier dedicated the final days of his life to his family and the Cortez community, and his spirit continues to provide inspiration to those he affected with his drive and determination. Doug was a kind and generous soul, and he will be greatly missed.

HONORING BILL LINDSAY

HON. FELIX J. GRUCCI, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. GRUCCI. Mr. Speaker, today I rise to honor Bill Lindsay, Labor Leader, Community Activist and Member of the Suffolk County Legislature, as he is recognized by the Long Island Federation of Labor.

Bill Lindsay first and foremost is a representative of working people. For more than 23 years he has been a full-time labor leader, in the past ten years he has been the Business Manager of Local No. 25 of the International Brotherhood of Electrical Workers, one of Long Island's oldest and most respected labor unions.

Bill is responsible for employment referrals, organizing, negotiating and grievance handling for the 2,300 active union members. Additionally, he serves on the Boards of the Health & Benefit Fund, Pension Fund and Training Committee that provides fringe benefits for the more than 3,000 Local No. 25 families.

Mr. Lindsay is an electrician by trade who is a believer in education. He is a graduate of the Local No. 25 I.B.E.W. Joint Apprenticeship and Training Committee's state registered Apprentice Program. As Bill got involved in union activities he went back to school as an adult student and in 1977 he graduated from Cornell University Labor Liberal Arts Program. Not stopping there, he went on to earn a Bachelor's Degree from New York Institute of Technology.

Mr. Lindsay is happily married 33 years to his wife Pat and they have three grown children, Denise, Bill and Kathleen. In September 2001, Bill and Pat's life took a new turn as Denise gave birth to their first grandchildren, twin boys-Gabrielle and Daniel.

SAN DIEGO-IMPERIAL GIRL SCOUT COUNCIL'S OPERATION THIN MINT

HON. SUSAN DAVIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mrs. DAVIS of California. Mr. Speaker, I rise today in honor of the Girl Scouts in San Diego and Imperial Counties for their successful completion of Operation Thin Mint. Operation Thin Mint was created and implemented by our local Girls Scouts as a way to show support for our military personnel serving in Operation Enduring Freedom.

San Diego and Imperial County residents participated in Operation Thin Mint by ordering extra boxes of cookies. Between January 26 and March 17 of this year, the girls sold over 104,330 boxes of cookies for our troops overseas. In addition, Girl Scouts and local residents wrote a note to attach to each box expressing our gratitude for the sacrifices our service men and women are making for our country.

On April 9, the first shipment of cookies began their journey overseas. The Navy worked closely with the Girl Scouts to develop a plan to distribute the cookies, and together they have a goal of delivering one box to every U.S. service member deployed afloat in support of Operation Enduring Freedom.

As many of my colleagues know, this year marks the 90th anniversary of Girl Scouting. In this anniversary year, I can think of no better way to commemorate the role this important organization has played in the lives of young women than to highlight their work on Operation Thin Mint.

The success of Operation Thin Mint clearly demonstrates that the 33,000 Girl Scouts in San Diego and Imperial Counties are fulfilling the Girl Scout mission of helping all girls grow strong. There is no doubt that this invaluable organization will continue to help girls develop to their full potential, relate positively to others, develop values that provide the foundation for sound decisionmaking, and contribute to society.

A TRIBUTE TO THOMAS F. MIRIELLO

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. MCINTYRE. Mr. Speaker, it is with great pleasure that I rise today and honor Thomas F. Miriello, the Area Director for Cumberland County Mental Health. On April 26, 2002, Mr. Miriello will retire after serving the people of North Carolina for over thirty-six years.

Thomas Miriello was a strong and effective advocate for individuals and families affected by mental illness, substance abuse, and developmental disabilities. Mr. Miriello has received numerous awards spanning his career, including Mental Health Professional of the Year, the Lifetime Achievement Award from the North Carolina Foundation on Alcohol and Drug Studies, and Outstanding Young Men of America Award.

Advocating for the mentally ill and educating the public about mental illness were the passion of Mr. Miriello. He has made countless contributions to generating and enhancing services, support, and quality of life for those individuals affected by mental illness, substance abuse, and developmental disability. Throughout his illustrious career, Mr. Miriello has served our communities and our nation with devotion, dedication, and determination.

We owe Thomas Miriello our sincere appreciation for his thirty-six years of committed service to our state. His compassion for the people of North Carolina should serve as an example to us all.

May God bless him and his family, and may God bless the great state of North Carolina.

TRIBUTE TO JACK BARRETT

HON. DOUG OSE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. OSE. Mr. Speaker, I rise today to honor a constituent of mine, Jack Barrett. Mr. Barrett has been a resident of Colusa County in Maxwell since his birth 72 years ago. During World War II there was a manpwoer shortage in Maxwell and Jack was "drafted" into the Maxwell Fire Protection District at the age of 12 year old, while still in the 8th grade. At the time the Maxwell Fire Trucks would drive by the school and pick up the young men in order for them to assist in fighting fires. Since that time, Jack Barrett has faithfully served the Maxwell Fire Department and has provided excellent service to the citizens of the Maxwell Community for more than 60 years.

In 1955 Mr. Barrett was appointed Assistant Chief and has loyally and dutifully served in that capacity until his retirement in February of 2002. Jack Barrett is a staunch example of a public servant and I stand here today to recognize his dedication to his community, his devotion to the Maxwell Fire Department, and his steadfast commitment to public service.

TRIBUTE TO DENNIS LARSON, DETACHMENT COMMANDER OF THE SONS OF THE AMERICAN LEGION FOR THE STATE OF MICHIGAN

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. STUPAK. Mr. Speaker, I rise to salute Dennis Larson, a resident of Iron Mountain, Michigan, a community in my congressional district. Dennis is currently serving as Detachment Commander for the State of Michigan for the Sons of The American Legion.

As you know, Mr. Speaker, the Sons of The American Legion are the male descendants of veterans of World War I, World War II, the Korean War, the Vietnam War, Lebanon, Grenada, Panama or the Persian Gulf War. Like the American Legion, S.A.L. members work to foster patriotism, a sense of commitment to the community, and an appreciation of the sacrifice of America's veterans. I myself am a member of Squadron #50, where Dennis served as commander, adjutant and finance officer. Like myself, Dennis is also a former law enforcement officer.

In his veterans' work Dennis has established a track record of leadership, concern, foresight and involvement. He has continued to work to charter new squadrons across northern Michigan, a remarkable testimonial to his leadership in the context of declining memberships in clubs and organizations across much of the nation.

In his writings in Legion publications—and also in his speeches, which Dennis gives impromptu and from the heart—he has sought to strike those themes that are especially important since September 11—that in this war against terrorism we as a nation will stand strong and united. We must never forget those who fought in earlier struggles. Dennis' work on behalf of veterans at the veterans' medical facility in Iron Mountain is another testament to his dedication to these men and women who have served their nation so well.

In an effort to promote a sense of national participation and solidarity, Dennis is also a strong supporter of the Blue Star Banner program. The Blue Star Banner is displayed in the window of families who have a loved one serving on active duty in the armed forces. Because these banners remind friends, neighbors and relatives of those in service, the goal of uniting the community behind our Armed Forces is once again served.

Showing one's pride in having a family member in the military service comes naturally to Dennis, who is eligible for membership in the S.A.L. through the service of his father, Ernst Larson Sr., a World War II veteran, ex-POW and Purple Heart recipient. In addition, Dennis and his wife Barbara have three Blue Star Banners hanging in their window. Of the five children they have together, four have military ties—Todd is a staff sergeant in the Air Force, Tim and Danny are on active duty in the Navy, and Andy is a former Navy man. One daughter, Stephanie, is married and lives in North Carolina.

Mr. Speaker, I was proud to have the opportunity last June to second the nomination of Dennis Larson as Detachment Commander for the State of Michigan. Now his one-year tour of service nears completion, and Dennis will be honored at a testimonial dinner by his home squadron, Uren Cooper Johnson Squadron #50, on Saturday, April 27. I ask you and our House colleagues to Join me in thanking this dedicated and hard-working spokesman for veterans for a job well done.

PAYING TRIBUTE TO JUDGE T. PETER CRAVEN———

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002—

Mr. McINNIS. Mr. Speaker, it is an honor to rise today and recognize the dedication and hard work of Judge T. Peter Craven. For over ten years, Pete has served as a Ninth Judicial District judge, and for over three decades he has served the people of Colorado in the judicial system. I am proud to represent such an incredible individual. Because of his unparalleled dedication and extraordinary prowess in his field, Pete is being honored by the Colorado Judicial Institute with the Judicial Excellence Award. It is truly an honor to be able to bring his many accomplishments to the attention of this body of Congress.

Judge Craven is known throughout his district for his careful attention and deliberation on each and every case that comes before him. He clearly recognizes that although the next case may be the fortieth that he has seen this week, the outcome will change the lives of the participants. His care and attention is evidenced by the set of small tables and chairs found in his office, which contain paper and crayons for the children involved in his cases. He truly believes in the importance of children having as much a say as anyone in the cases that will affect their lives.

The Honorable Judge has also been involved in developing new programs to improve the legal system. He has been instrumental in creating a drug court, where the legal system can address the specific and unique needs of substance abuse cases and provide the structure that is needed to make progress in that area. Pete has helped to develop a child advocacy program to ensure that the best interests of children are always taken into consideration by the courts.

Mr. Speaker, Judge Craven's dedication, innovation, and talent are an extraordinary example to all Coloradans, and indeed the entire Nation. The level of integrity and honesty with which the Judge has conducted himself each and every day while overseeing the laws of the great state of Colorado and our great country is remarkable, and I can think of no one more deserving of the Judicial Excellence Award. The attitude of this man reflects the modesty and levelheaded spirit of my district, as even though Judge Craven deserves every bit of this award, he insists that he share this honor with the many people with whom he works every day. It is an honor to be able to bring the accomplishments of such an incredible man to the attention of this body of Congress. Thank you Judge Craven for all that you have done for your State and for your country.

HONORING CAROLYN McCARTHY

HON. FELIX J. GRUCCI, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. GRUCCI. Mr. Speaker, today I rise to honor Congresswoman CAROLYN MCCARTHY as she is recognized by the Long Island Federation of Labor for all her work and efforts on their behalf.

CAROLYN MCCARTHY, a life long resident of Mineola, was married to Dennis McCarthy in 1967 and they raised one son, Kevin. CAROLYN has 30 years experience as a nurse and is in her third term representing Long Island's 4th Congressional District.

CAROLYN received many honors during her second term, including one of Newsday's 100 Long Island Influentials, Congressional Quarterly's 50 Most Effective Legislators in Congress, one of nine Redbook Magazine's Mothers and Shakers, Ladies Home Journal list of America's 100 Most Important Women, and Advertising Age's list of "Most Impact by Women in 1999" along with U.S. Women's Soccer Team and Oprah Winfrey.

Congresswoman MCCARTHY serves on the Education and Workforce Committee, and the Budget Committee. As a member of the House Education and the Workforce Committee, CAROLYN advocates her goals of improving the quality of education, and keeping children safe from gun violence at school. Long Island schools, students and teachers remain the focus of MCCARTHY's work.

The Fourth Congressional District of New York is located on Long Island; it is a heavily suburban area with most of the residents commuting daily into New York City. A major commercial center, the Fourth District is also home to thousands of businesses.

STATEMENT ON IRAN

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. UDALL of Colorado. Mr. Speaker, in his State of the Union address, President George W. Bush rightly emphasized that "Iran aggressively pursues weapons [of mass destruction] and exports terror, while an unelected few repress the Iranian people's hope for freedom." This grim reality was recently underscored in the latest report by the U.N. Special Representative on the Situation of Human Rights in Iran who denounced an increase in public stonings, floggings, and executions in Iran.

Attorney General John Ashcroft pointed last year to the Iranian regime's role in the bombing of the Khobar Towers in Saudi Arabia. The Minister of the Revolutionary Guards at the time claimed responsibility for the 1983 bombing against Americans in Lebanon and said: "both the TNT and ideology which in one blast sent to hell 400 officers, NCOs and soldiers at the Marine Headquarters have been provided by Iran." The Iranian regime continues to support the terrorist and fundamentalist groups in the region. The intervention of the Revolutionary Guards in Afghanistan is of great concern as well.

The Iranian regime's track record inside the country is even worse, and includes the execution of some 120,000 and imprisonment of hundreds of thousands for political charges. In a resolution last December, the UN General Assembly condemned the "growing number of executions," in particular "public and especially cruel executions, such as stoning," and "the use of torture and other forms of cruel, inhuman and degrading punishment," as well as discrimination against persons belonging to minorities" and the "systematic discrimination against women." In the same month, the European Parliament in a unanimous resolution announced that the human rights situation in Iran has actually deteriorated in many aspects.

Five years after President Khatami's election, the Iranian regime continues to be the leading state sponsor of terrorism, pursues an ambitious weapons of mass destruction program, and has stepped up repression against its own population. This is further substantiated in the State Department human rights report released on March 4th of this year, which states that the regime's record "regarding freedom of expression, which has worsened during the past few years, continued to deteriorate;" that "the Government denies the universality of human rights;" and that "discrimination against women is reinforced by law" with the regime enforcing "gender segregation in most public spaces." Summarizing the horrific situation in Iran, the State Department report highlights that: "Systematic abuses include summary executions, disappearances, widespread use of torture and other degrading treatment. . . ."

The State Department report on human rights practices also acknowledges that resistance groups such as the Mojahedin have become the target of the political repression of the Iranian regime. The report states that supporters of political organizations "such as the Mojahedin, are believed to make up a large number of those executed each year." Photographic evidence of the flogging and hangings that supporters of the Mojahedin are subjected to was provided at a hearing on March 6, 2002 of the House Subcommittee on International Operations and Human Rights of the Committee on International Relations.

The President announced recently that in dealing with regimes such as Iran's, "the price of indifference would be catastrophic." I agree, and I urge the Administration to review all options available to hold the Iranian government accountable for its support of terrorism and its abysmal human rights record, and to help promote democratic change in the country.

PERSONAL EXPLORATION

HON. MICHAEL K. SIMPSON

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. SIMPSON. Mr. Speaker, I rise today to express my regret for having missed a vote last Thursday, April 18, because I was Chairing an important hearing before the Benefits Subcommittee of the House Veterans' Affairs Committee.

Had I been able to vote, I would have voted against the Smith Motion to Instruct the conferees to the 2002 Farm Bill on the Senate's payment limitation provision.

RECOGNITION OF DR. EARLE NOBLE WAGNER

HON. JOSEPH M. HOEFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. HOEFFEL. Mr. Speaker, I rise today to congratulate Dr. Earle Noble Wagner of Cheltenham, Pennsylvania, on his installment as the 90th President of the Pennsylvania Osteopathic Medical Association. Dr. Wagner has distinguished himself as a dedicated physician who continues providing exemplary family medicine.

Following his graduation from Cheltenham High School, Dr. Wagner attended Franklin and Marshall College in Lancaster, where he graduated in 1951. He went on to graduate from the Philadelphia College of Osteopathic Medicine.

Since 1956 Dr. Wagner has been in family practice. He has served five hospitals and continues to be on the staff of the Jeanes Hospital where he is the Chairman of the Family Practice Department and a member of the Executive Council. He has also served as the Medical Director of the Luther Woods Convalescent Center for twenty-three years.

Dr. Wagner has been a trustee-at-large of the Pennsylvania Medical Association and a delegate to the American Osteopathic Association. He has received many awards throughout his long career including the Pennsylvania Osteopathic Family Physicians Society Family Physician of the Year Award in 1999.

Dr. Wagner and his wife Helga, have been good friends of mine for many years. I am truly honored to recognize Dr. Earle Noble Wagner for all of his hard work, dedication and significant achievements.

WOMEN'S HISTORY MONTH NOMINATIONS

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mrs. WILSON of New Mexico. Mr. Speaker, in the honor of Women's History Month, New Mexico residents have sent me the nominations of women in our state who have exhibited exemplary service in their actions, yet who have never received acknowledgement for their contributions to the community.

On Friday, March 29, 2002, 1 had the honor and privilege of recognizing thirty-eight remarkable nominations describing sacrifices and contributions these women have made for our community. The people who nominated the women describe the dedication they have witnessed: volunteer hours for veterans services, Sunday School Teachers, service on non-profit boards, homeless programs, fund raising for scholarships for at risk youth, healthcare providers going above the call of duty, child advocates, volunteers at churches and synagogues, successful business women, wives, mothers and friends.

Allow me to share information about a portion of this year's nominees:

Fannie Maestas—Mrs. Maestas is a mother of 8 children and a retired special education teacher (she began teaching at the age of 17!) Mrs. Maestas taught at the Albuquerque Indian School for Bureau of Indian Affairs and taught at Catholic Schools, APS and Bernalillo Public Schools. She helped needy children by providing clothing for them—she even did laundry for one of her students so the other children would not tease him.

Annette Marrs—Annette has devoted many hours and much energy to assist local charities. Specifically, she has given special time and effort to the American Cancer Society's "Look Good, Feel Better", program, which was designed to help breast cancer survivors regain their normal lives. She has also opened her home on many occasions for fundraising events for political candidates and charitable organizations.

Sara Jane Mathis—Sara is the Adoption Coordinator for the Greyhound companions, a greyhound non-profit rescue organization. Sara is known to drive all night to racetracks all over the SW to pick up suffering animals and find them a loving home. She is also very involved with the LTNM Cancer Center, the Symphony Ball and Symphony Guild, and the Youth Diagnostic and Development Center, where she serves on the Advisory Board and works diligently on issues of improving the care for residents.

Barbara McGuire MD—Dr. McGuire is a highly respected physician in the Albuquerque Community. She attends community healthcare quality meetings on a regular basis and she donates the payments she receives to various charities in the city. She has touched the lives of many women in our community.

Barbara McKee—Barbara is a biweekly opinion columnist for the Albuquerque Tribune covering disability awareness issues. She has worked closely with the Governor's Committee on Concern's for the Handicapped on the Journal Pavilion situation. She exposed Ticket Master's practice of not allowing the disabled to order tickets online and provided the US Department of Justice the first complaint involved in coordinating the 2nd Annual Statewide Disabilities Conference. Formerly, she worked for Albuquerque Healthcare for the Homeless and now works for UNM Center for Development and Disability Studies. Her Feature Column, "What September 11 Means to the Disabled" was re-printed by several newspapers across the country and caused UNM to form a task force to improve evacuation procedures for the disabled.

Barbara Michels—Barbara has served the Girl Scouts for 50 years. Recently, she initiated the "Wider Responsibilities" program, the Girl Scouts premium program for rewarding exceptional scouts with travel and participation outside of the U.S. She is the former President of the NM Alzheimer's Association and she still travels statewide to give training sessions to caregivers and health professionals. She also provides weekly therapy to a disabled child in a church sponsored program. Finally, she has provided dozens of pies to the NM State Fair's Asbury Café for many years.

Jackie Kerby Moore—Jackie is the Director of Sandia Science and Technology Park and she is leading the effort to develop this premier research park, which will create thousands of jobs in NM. The Sandia Science and Technology Park enables commercialization of Sandia Labs technologies through private industry collaborations. From an empty 217-acre multiple landowner piece of desert, the park has become a national model of public-private sector partnering in economic development, containing 10 companies and employing over 590 employees. Jackie is making a difference in our community.

Susan Musgrave—Susan worked at the Los Alamos Chamber of Commerce when the Cerro Grande Fire occurred. She worked tirelessly to help the community get back on its feet. Currently, she is the President of the Community Bank of Los Alamos. She works hard in the community and serves as a role model for her daughter, Audrey.

Susan Otero Nuanes—Mrs. Nuanes has volunteered at the Barelas Community Center, served as a Brownie Leader to provide life-serving skills to young girls, and she served as a Scout Den Mother to give young boys from the Barelas neighborhood an opportunity to participate in wholesome activities. She is very active at the Office of Senior Affairs Multi-Cultural Center for the City of Albuquerque. She continues to be a strong lobbyist for all seniors. In addition, she works during national and local elections as a presiding judge and as a clerk for 40 years and is a recognized expert in her precinct.

Mo Palmer—Mo is the Photoarchivist at the Albuquerque Museum. She is responsible for the largest and one of the most important collections, as the Photoarchive now contains over 100,00 images related to the Albuquerque and Middle Rio Grande Valley. Mo is arguably the most knowledgeable scholar of Albuquerque's history. She is an excellent lecturer and thorough researcher, which makes listening to her a truly engaging experience as she makes history come alive. Mo is also a member of a number of professional associations, among them the Albuquerque Historical Society, the City of Albuquerque Cultural Heritage Council, the NM Route 66 Association, the Society of American Archivists and the SW Society of Archivists.

Carol Radosevich—A founder of Enchantment Land Certified Development Company and WESST Corp., Carol has worked in economic development for more than 20 years. She was instrumental in establishing the PNM Chair in Microsystems, Technology and Commercialization at the University of New Mexico. Carol has been recognized with local, regional and national awards for her work to improve the state's economic climate.

Pamela Ripka—Pamela is a Physician Assistant at the Gallup Indian Medical Center. She goes well over her way and beyond the call of duty. On numerous occasions, she has purchased meals for the hungry and bought clothing for those in need, using her personal funds, and having done so without recognition in the workplace or the community.

Bertha Winona Johnson Salisbury—Mrs. Salisbury was a Farmington Police Officer for 14 years, from 1956 to 1970. She was a fully commissioned officer and her duties included serving warrants, making arrests taking finger prints and her favorite duty, comforting lost children. She carried a service revolver and she won a number of shooting trophies on the target range, but she never had to shoot anyone during her duties. Upon the death of Mrs. Salisbury, the Farmington Police Department has two Motorcycle Policemen attend her services as an honor guard.

Sister Blandina Segale—Sister Blandina, a Sister of Charity, is one of the founders of St. Joseph Healthcare. In a personal account of her journey through the SW, she describes a legendary episode where she came face to face with Billy the Kid. Sister Blandina helped to treat one of his gang member who was ailing on condition that Billy the Kid promised to always protect the Sisters of Charity from harm from his gang. While in Santa Fe, Sister Blandina realized a need for a facility to treat miners and railroad workers and she assisted in soliciting money for Santa Fe's first hospital, St. Vincent Hospital. While in Albuquerque, Sister Blandina provided much needed education for children by opening Albuquerque's first public school, our Lady of the Angels. In addition, she saw a need for a hospital in the growing community of Albuquerque. She solicited the funds to build the first hospital in the city, the St. Joseph Sanatorium.

Lily Timmons—Lily's service to our community began when she was the Chair of a Mother's March of Dimes campaign in the 1950's. She served as Executive Director of the NM Multiple Sclerosis Society for 25 years and patient services were always her top priority. She served on the Governor's Committee on Concerns of the Handicapped, on Albuquerque's Sun Van Committee for transportation for the handicapped and on a citizens advisory committee to the NM Department of Vocational Rehabilitation. She worked with UNM to develop a swim program for people with MS at the therapeutic pool and started the lock and Roll Wheelchair Bowling Team.

Brenda Yager—Brenda, Manager of AAA's Government Affairs Office, has worked hard to improve traffic safety and awareness in NM. She has led coalitions that led to Changes in NM's child passenger safety laws and established NM's Graduated Driver's License law. She has kept the community informed on numerous safety and consumer issues. She has taken the initiative to improve school age children's awareness about school bus, pedestrian and bike safety.

PAYING TRIBUTE TO BOB MEISNER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Bob Meisner and thank him for his extraordinary contributions to his community and to his State. As a resident of Rifle, Colorado, Bob has dedicated himself to improving the Rifle community and the State by selflessly giving his time and energy to his job, his family, and his community. His remarkable business and philanthropic accomplishments are surpassed only by the hard work and dedication that he has poured into each and everything he has done. As we celebrate his tremendous accomplishment of earning the Rifle Chamber of Commerce, John Scalzo Lifetime Achievement Award, let it be known that I, along with the people of Rifle, applaud his efforts and are eternally grateful for all that he has done for his State and his community.

At the age of 72, Bob is most deserving of this lifetime achievement award, and I am honored to be able to bring his achievements to light. He began his extraordinary career in realty in 1955, beginning with a service station, and later a Phillips 66. After working for some time in the real estate business, he started Rifle Realty in 1973. Originally intended to capitalize on the shale boom in Rifle, the company was forced to reinvent itself as a property management company after the shale bust in 1982. Bob's ability to guide the business through both good times and bad is what truly differentiates him, and helped make him an unparalleled business leader in his community. He recently sold the business, so he could spend more time traveling with his wife, Lois.

Throughout his career, Bob has been active in the Rifle Chamber of Commerce, serving as president in 1973 and being named person of the year in 1975. He has also been active in the fire department, the hospital district board and has served on both the Rifle home rule charter committee and as a council member. His philanthropic interests have further served to set him apart in his community, and have earned him much well deserved respect throughout Rifle. Bob is truly a remarkable man, always eager to give his time and energy to the community, through both his professional and philanthropic endeavors.

Mr. Speaker, it is clear that Bob Meisner is a man of unparalleled dedication and commitment to his job, his community and his family. It is his unrelenting passion for each and every thing he does, as well as his spirit of honesty and selflessness with which he has always conducted himself, that I wish to bring before this body of Congress. Bob Meisner has achieved extraordinary things and enriched the lives of so many people, and it is my privilege to extend to him my sincere congratulations on earning the Rifle Chamber of Commerce, John Scalzo Lifetime Achievement Award, and wish him all the best in the future.

TANF REAUTHORIZATION

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Ms. DELAURO. Mr. Speaker, I believe we all have one goal in mind when it comes to reauthorizing welfare, and that is to improve the system so that more people can make the transition from welfare to work. We all want welfare recipients to move from assistance to jobs and self-sufficiency.

But the fact is that we need to take the necessary steps to ensure that people can stay in the workforce. I am disappointed that the Ways and Means and Education and the Workforce Subcommittees have chosen to ignore the roles that poverty reduction and child care can have in helping people move from welfare to work.

In Connecticut, we have the "Jobs First" program that imposes a 21-month limit on welfare benefits, but allows recipients to retain their benefits if they find employment. It is among the most effective state programs in the country.

But a recently released study also warns strongly that the gains we have made in Connecticut are at risk unless we do more to alleviate the tremendous financial stress young mothers are burdened with when they move from welfare to work while raising young children. It found that families were cutting back on the size of meals and had problems paying the rent.

That is why we must approach welfare as a two-generation program that makes a substantial investment in quality child-care. That is why we must also make vocational education count as credit toward work activity—not eliminate it as the Republicans have proposed so far. That is how we can help families move up the economic ladder.

Mr. Speaker, these people are trying. Let's let them succeed.

OPPOSING GOP WORKFARE IN TANF REAUTHORIZATION

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Ms. LEE. Mr. Speaker, Education and training which lead to good-paying jobs makes welfare to work work.

Unfortunately, or fortunately, I have personal experience with this issue. I know that real training and education is the best way to lift public assistance recipients and families out of poverty, so they can succeed at whatever career they choose—even in the United States Congress.

However, instead of helping TANF recipients have access to these vital job preparation and education programs, a minimum wage, and a guarantee of civil rights, the GOP welfare reform plan makes it significantly more difficult for families to transition off of welfare. Denying parents on welfare access to those educational and technical skills to make them self-sufficient is counterproductive.

Instead of making it easier for parents to prepare themselves for better jobs, the Republican welfare reauthorization plan *eliminates* the current law's ability to count up to a year of full-time education or training. This goes completely in the wrong direction.

Support real jobs, not workfare!

CORPORATE AND AUDITING ACCOUNTABILITY, RESPONSIBILITY, AND TRANSPARENCY ACT OF 2002

SPEECH OF

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 2002

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3763) to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes:

Mr. CONYERS. Mr. Chairman, I rise today to criticize the wholly inadequate auditing reforms passed today by the House. We in the Congress must stand up to big business and protect working Americans and their retirement savings.

HR 3763 will not make the wholesale changes necessary to restore investor confidence. This legislation will not hold corporate Chief Executive Officers accountable for fraudulent actions. It will not hold CEO's responsible for the accuracy of their companies financial statements. This legislation allows CEO's like Enron's Ken Lay to keep inflated salaries and bonuses while robbing innocent employees and investors. This legislation actually encourages the deceptive behavior that allows executives to pocket millions of dollars while their employees lose their health care benefits, retirement savings, and their confidence in the corporate elite.

Everyone is being affected by the failure of major corporations. Earlier this year DCT Inc., a metro Detroit corporation, went bankrupt and gave employees an hour's notice of lay-offs instead of the sixty days required by federal law. DCT employees were left without health care, back vacation pay, and matching 401K retirement funds. Their final paychecks bounced and, adding insult to injury, banks still charged the laid off workers $25 for the bounced paychecks.

Obviously no company is immune from financial difficulties, but it is hard to accept when the corporate elite are insulated from financial failures at the expense of the average worker. Kmart, for example, recently entered bankruptcy. Kmart retirement stock options that were worth $35,000 last August are now worth less than $1,800. Nonetheless, a judge recently approved a $1.5 million salary for Kmart's new CEO, a signing bonus of $2.5 million, and incentives worth another $1.875 million dollars. A bankrupt company is paying its new and unproven CEO upwards of $4 million dollars, while the average store worker faces an uncertain future. HR 3673 does nothing to prevent abuses to the common worker.

HR 3763 was intended to eliminate conflicts of interest between corporations and their auditors. However, much to this House's discredit, HR 3763 is a facade for regulation of ethical conduct that doesn't even prevent auditors from holding stock in the companies they audit. The legislation asks the SEC to "study" industry disclosure practices but does nothing to guarantee accuracy and transparency in existing disclosures. The American worker needs strong reform, both by corporations and by the SEC, in order to ensure that audits are accurate and reflect the true earnings of corporations and to eliminate conflicts of interest between corporations and their auditors.

My colleague, Congressman DENNIS KUCINICH, offered a substitute to the Republican bill that would have created a Bureau of Audits within the Securities and Exchange Commission. This Bureau would have generated unbiased audits, by removing auditing itself from the private sector. This proposal would have removed the auditor from the pay of the audited. Federal auditors would create an environment of neutrality, thereby fostering accurate and fair audits.

The Democratic substitute offered by Congressman JOHN LAFALCE, Ranking Member on the Financial Services Committee, would have mandated corporate responsibility and executive accountability by subjecting executives to criminal penalties for knowingly misleading investors, employees, and the financial community. Executives should be criminally liable for false representations regarding corporate assets that they are supposed to protect. Ken Lay and other members of the Enron executive board, their friends and families, which include members of the Bush Administration, profited from the losses of investors and employees. Tougher penalties would make it far less likely that future Enron's would occur. Enron isn't an isolated case, white collar fraud cases like it are popping up all over the place against companies such as Global Crossing, Qwest Communications and others. Their accountants, investment bankers and lawyers are now being investigated for possible collusion by regulatory agencies in Washington and by Congress itself.

Today, my colleagues turned a deaf ear to the voice of thousands that were affected by corporate fraud and deception. Instead the House has winked at the financial elite that have forsaken their fiduciary duty for personal gain. Hopefully, our colleagues in the Senate will improve on this fig leaf of reform and enact legislation that will truly strengthen the hand of the SEC and ensure the quality and independence of corporate auditors.

TANF REAUTHORIZATION

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Ms. WATERS. Mr. Speaker, right now, this Congress is working on reauthorization of Temporary Assistance to Needy Families, or TANF ("tan if"). There are some good bills out there that really address critical problems with welfare, such as PATSY MINK's bill, H.R. 3113.

Unfortunately, the bills that are actually moving toward the Floor have some very substantive problems. Those bills are H.R. 4090, introduced by WALLY HERGER, and H.R. 4092, introduced by BUCK MCKEON. Both bills follow closely along the lines of the Administration's proposal, and neither will make positive steps toward reducing poverty in this country.

The main theme for all of the Republican proposals is workfare. I'd like to talk for just a minute about what workfare is and what it is not.

Workfare is a program where people are herded like cattle into unskilled labor, where they are paid low wages and not given protections that non-welfare recipients have, such as minimum wage, OSHA protections, and civil rights regulations.

In New York's largest workfare-type program, 30,000 municipal jobs have been displaced by workfare jobs. The welfare workers who were doing the same jobs as the municipal workers have not been given minimum wage and work protections.

Workfare has been called ineffective by some states, and expensive by many others. The expense is so great that, to institute it on the level called for by HERGER or MCKEON's bill would divert resources from other initiatives. Doing so would cut off recipients from services they desperately need, such as training and child care. In a nutshell, it would be counterproductive.

At a time when the Administration's budget flat funds TANF, decreasing the value of the block grant by 22 percent, we cannot embark on new experiences that will waste the precious dollars we have.

What we do need is a new focus on education and training. Single female heads of households with a high school diploma are 60 percent more likely to have jobs. That number increases to 95 percent when they have an associate's degree. In addition, jobs requiring the least education experience the lowest professional growth, according to the U.S. Bureau of Labor Statistics.

The studies that have been done, and the stories from recipients tell us in no uncertain terms what we need to do to get people off of welfare and out of poverty. It is crucial that we pay attention to their suggestions, rather than going off in new directions with no proven track record.

IN MEMORY OF HAROLD P. FURTH

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. HOLT. Mr. Speaker, earlier this year, our nation lost a pioneer and leading intellect in the U.S. fusion energy program and the originator of the Tokamak Fusion Test Reactor (TFTR) project. The former director of the Princeton Plasma Physics Laboratory (PPPL) located in central New Jersey, Harold P. Furth died on February 21, 2002.

Furth made a career of research on controlled fusion, making countless contributions to the science of fusion plasmas (hot, ionized gases) and the fundamentals of plasma physics. He provided scientific and managerial leadership to the world fusion program throughout his career.

In the 1960s, Furth and others developed a critically important theoretical description of instabilities arising due to resistance in a plasma. Later, he and two others described a method for using energized ion beams to heat a plasma in such a way as to enhance fusion reactions. This breakthrough was critical to the design of TFTR and enabled the production of world-record levels of fusion power and the study of the fusion power reactions. Furth also was instrumental in research on the physics of ignited (self-sustained) plasmas.

In the early 1970s, he conceived the TFTR project, the most advanced and highest performance fusion device ever constructed in the United States. Furth served as Director of PPPL from 1981 to 1990, during which time TFTR was launched. The machine operated for 14 years, producing world record-setting and major scientific results before closing down in 1997.

A native of Vienna, Furth came to the U.S. in 1941. He received a Ph.D., in physics from Harvard in 1960 and worked on controlled magnetic fusion research at the Lawrence Radiation Laboratory (now the Lawrence Livermore National Laboratory) in California prior to joining PPPL in 1967 and being appointed Professor of Astrophysical Sciences at Princeton University. He co-headed the Experimental Division at the Laboratory from 1967 to 1978, when he was appointed Associate Director and Head of the Research Department at PPPL. He became Program Director in 1980 and Director of the Laboratory in 1981.

A fellow of the American Physical Society and the American Academy of Arts and Sciences and a member of the National Academy of Sciences, Furth served on the Board on Physics and Astronomy of the National Research Council's Commission on Physical Sciences, Mathematics and Resources. He received the E.O. Lawrence Memorial Award from the U.S. Atomic Energy Commission in 1974, the James Clerk Maxwell Prize in Plasma Physics from the American Physical Society in 1983, and the Delmer S. Fahrney Medal from the Committee on Science and The Arts of The Franklin Institute in 1992. In 1999, Furth said, "It is very good to imagine things, but actually to do things and get results that make scientific sense is a solemn and inspiring path."

He held more than 20 patents, primarily in the areas of controlled magnetic fusion technology and metal forming with pulsed magnetic fields, and had published more than 200 technical papers. In addition, Furth had served on committees and panels for the Department of Energy, Department of Defense, NASA, the National Academy of Sciences, and other scientific and technical organizations, as well as on various advisory committees for such organizations as the Max Planck Gesellschaft.

In 1999, Furth became Professor Emeritus of Astrophysical Sciences at Princeton University. He was active in research at PPPL until shortly before his death.

Harold Furth was my friend, advisor, and leader. He hired me as his Assistant Director at the Princeton Plasma Physics Laboratory. Although ill health forced him to step down as Director only a few months after I came to PPPL, those months working under Harold were exhilarating and exciting for me. He was indeed leading the research community on "a solemn and inspiring path"; his work and the work of those he led has taken the world much closer to a fundamental understanding of plasmas and to the practical application of an abundant, environmentally attractive energy source. However, I never found Harold himself to be solemn. It is true that the problems Harold worked on were momentous and of daunting difficulty and he took very seriously the welfare of the people for whose jobs he was responsible, yet there was such a deep playful and humorous strand in his character that he constantly delighted us with his sparkling intellect. Harold Furth has left an important scientific legacy for those who never knew him and rich personal memories for those who were fortunate enough to know him.

PAYING TRIBUTE TO CARL PARLAPIANO

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. McINNIS. Mr. Speaker, it is with profound sadness that I pay tribute today to former Pueblo District Attorney Carl Parlapiano, who recently passed away, but who will not soon be forgotten. In his 50 years of dedication to the legal profession, Carl embodied the ideals of integrity, honesty, and courage that we, as citizens and as Americans, have come to expect from those who prosecute and interpret our laws. As his family mourns his loss, I believe it is appropriate to remember Carl and pay tribute to him for his many contributions to his city, his State and his country.

Carl's long-time dedication to his profession and his community was both exceptional and inspirational, and he will be sorely missed. As a native of Pueblo, Carl graduated from Central High School and then the University of Colorado. He attended law school at the University of Denver, and then served in the Army during World War II. After the war, Carl returned to Pueblo and began his legal career in 1946. After a number of years in the legal profession, he became assistant District Attorney under Matt Kikel, and then District Attorney in 1962. While serving as Pueblo's chief prosecutor, he earned a reputation as a gentle, yet firm DA, who always kept the best interests of his community first. He served as District Attorney from 1962 until 1973, at which time he went back into private practice until 1996. He was an avid outdoorsman, enjoying fishing, bicycling, and traveling with his family. Carl is survived by his wife, Nell, daughters Carla and Mary Margaret, and siblings, Annabelle, Vivian and Joe.

Mr. Speaker, we are all terribly saddened by the loss of Carl Parlapiano, but take comfort in the knowledge that our grief is overshadowed only by the legacy of courage, selflessness, and love that he left with all of us. His life is the very embodiment of all that makes this country great, and I am deeply honored to be able to bring his life to the attention of this body of Congress.

SOCIAL SECURITY TRUST FUND

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. GREEN of Texas. Mr. Speaker, I commend to your attention an Editorial written by Helen Thomas regarding the state of the Social Security Trust Fund. I request that it be submitted for the RECORD.

Since its creation in 1935, Social Security has helped lift countless seniors out of poverty. This program is a solemn promise that our government will provide a meaningful retirement to all the individuals who work their entire lives to make this country great.

As Ms. Thomas points out, the Social Security Board of Trustees contends that the current system's funds will not be depleted until 2041. That's forty years from now. While I do not pretend that the pending retirement of the baby-boom generation will put on the strain on the system, I agree with Mrs. Thomas' assessment that we certainly have time to consider this problem and craft solutions.

Nonetheless, it seems like some in the Congress and the Administration would like to ram through a privatization scheme that could endanger the program and would threaten the safety-net that is the foundation of our social security program. They scare seniors by telling them about long-term shortfalls that might never materialize.

Mr. Speaker, I think our seniors are smarter than that, and recognize that these naysayers have a larger agenda—privatizing this system. I strongly oppose any efforts to privatize the system, and believe that we can make minor changes that will sustain Social Security without jeopardizing our economy or the program.

We need to make sure Social Security continues to provide the retirement safety net not only for our parent's generation, but also for our generation and our children's generation.

[Houston Chronicle, Apr. 10, 2002]

SOCIAL SECURITY FINE; WHY RUSH TO FIX IT?

(By Helen Thomas)

If it ain't broke, don't fix it. And the Social Security fund ain't broke.

In fact, it will be solvent until 2041, three years later than projected last year, according to a new report from the Social Security Board of Trustees.

The March 26 report says the system could run smoothly for nearly four decades with no cuts in benefits and no other changes.

So what is all this talk about a crisis?

President Bush and his cohorts, obsessed with trying to privatize the system, have painted it in doomsday terms. But they are not fooling grass-roots consumers, who increasingly want to keep the program out of the hands of Wall Street brokers.

The system's 46 million beneficiaries received about $432 billion in 2001, and its trust funds totaled $602 billion. But it seems this administration just can't stand the good news. Officials now insist there is a need to assure its solvency for 75 years.

I ask you, who knows what tomorrow will bring? The system's improved health could be extended even longer if the nation continues to have a strong economy and higher productivity.

Social Security Commissioner Jo Anne Barnhart admitted last month that the report's projections "suggest that we have not lost ground in the past year. However, the report still projects that, once the trust funds are exhausted, payroll tax revenues will be sufficient to meet only 73 percent of Social Security benefit obligations under current law. And projections for the late 21st century paint an even bleaker picture."

Is anyone dissatisfied at the moment with planning 40 years ahead? In that time, I'm sure, Americans will be resourceful enough to protect this great program, born in 1935 in the New Deal era, that is dedicated to helping the elderly, the disabled and dependent children.

Under Bush's partial privatization scheme, recipients would be allowed to invest some of their payroll tax money in securities instead of putting it in the Social Security fund.

It would be "a fundamental change in the way this program has always worked . . . (from) a guaranteed safety net program to one that would be put at risk in the stock market or bond market."

In setting up his Social Security commission to develop a privatization plan, Bush chose former Sen. Daniel Patrick Moynihan, D–N.Y., to co-chair the panel.

But their best-laid plans went awry when reality set in. First came the roller-coaster stock market, and then came more devastating news—the Enron scandal. Some 4,000 Enron workers had invested heavily in the company's stock, and many lost their life savings. But many executives did not lose. They sold their stock before the company came under federal investigation last fall.

The disillusionment brought into question the reliability of investing in stocks and bonds and caused Bush and other supporters to pause.

But only temporarily, it seems. There are still conservatives who remain ideologically opposed to the Social Security program and would like to abolish it.

However, if the administration continues to pursue its plan, it may pay a big political price.

A number of anti-privatization coalitions are popping up. One is US Action, a Washington-based grass-roots organization that claims 3 million members and 33 affiliates in 23 states.

With all the grass-roots pressure and the Enron fallout, I think it would be foolhardy of any lawmaker who wants to survive at the polls in November to propose a radical change in the system.

Bush, of course, is a multi-millionaire. So he won't have to depend on a Social Security check when he leaves the White House. Nor will Moynihan, who collects a number of monthly pension checks from his service in top administration Jobs and from his years on Capitol Hill.

At one point during Bush's campaign for the presidency, he showed that he did not even know that Social Security is a federal program, Well, he has learned a lot about it since then.

But he still has more to learn—that it's popular, it works and it ain't broke.

COMMENDING THE NATIONAL ASSOCIATION OF INSURANCE WOMEN

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mrs. MYRICK. Mr. Speaker, I rise today to commend the National Association of Insurance Women, International.

The National Association of Insurance Women, International has achieved an illustrious record of professional achievement and dedicated service to its clients and the nation and is deserving of public recognition and commendation. This highly esteemed association is composed of 359 local organizations numbering approximately 13,000 members, all of whom are competent women and men employed in various fields of the insurance industry.

Constantly creating good will through integrity and dedication, the National Association of Insurance Women, International has grown remarkably since it was founded in 1940, with some 39 women representing 17 regional insurance clubs. The major purpose of this effective organization is to encourage and foster educational programs designed to broaden the knowledge and the understanding of the insurance field and to cultivate increasing friendship, loyalty, and desire for service among its members.

The National Association of Insurance Women, International includes within its code of ethics the laudable pledge of service that is honest, thorough, gracious, and professional. This organization has been recognized as a vital resource by the Independent Insurance Agents of America, the American Association of Managing General Agents, the Insurance Institute of America, and the Chartered Property and Casualty Underwriters.

I am honored to recognize the National Association of Insurance Women, International and commend its members on their 41 years of dedication and hard work.

TRIBUTE TO SARA O'MEARA AND YVONNE FEDDERSON

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. KNOLLENBERG. Mr. Speaker, today I am honored to pay tribute to Sara O'Meara and Yvonne Fedderson, co-founders of Childhelp USA and recipients of the 2001 National Charity Lifetime Achievement Award.

Since its founding in 1959, Childhelp USA has provided for the physical, emotional, educational, and spiritual needs of abused and neglected children. Childhelp USA believes that every child has a unique contribution to make to the world, and therefore has put extraordinary effort into helping every child to heal and develop self-esteem.

Childhelp USA has committed to a "Continuum of Care" for abused and neglected children. Childhelp USA's programs include residential treatment centers with on-grounds educational programs, community-based group homes, foster homes, a National Child Abuse Hotline, and a National Policy Analysis Center. Currently, the Greater Detroit Auxiliary is pursuing a gift of land on which to build a Childhelp USA Assessment and Residential Treatment Center in Southeastern Michigan.

Throughout the years, Childhelp USA's dedication has earned them recognition and strong support. Recently, Sara O'Meara and Yvonne Fedderson were honored by President George W. Bush. Additionally, Childhelp USA's National Advisory Board consists of notables such as former First Lady Barbara Bush, Elizabeth Dole, Reverend Billy Graham, Jack Kemp, and Nancy Reagan.

And so, Mr. Speaker, I submit this tribute to be included in the archives of the history of our country. Leaders such as Sara O'Meara and Yvonne Fedderson are tremendous assets to those children in need of a helping hand.

PERSONAL EXPLANATION

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. RILEY. Mr. Speaker, I was unavoidably detained for rollcall No. 104, H.R. 3839, the Keeping Children and Families Safe Act of 2002. Had I been present I would have voted "yea."

I was also unavoidably detained for rollcall No. 105, the Dooley motion to instruct conferees on H.R. 2646, the Farm Security Act of 2002. Had I been present I would have voted "no."

I was also unavoidably detained for rollcall No. 106, the Baca motion to instruct conferees on H.R. 2646, the Farm Security Act of 2002. Had I been present I would have voted "no."

I was also unavoidably detained for rollcall No. 107, the Kucinich amendment to H.R. 3763, the Corporate and Auditing Accountability and Responsibility Act. Had I been present I would have voted "no."

POEM BY DEBBIE ROGERS

HON. JOHN BOOZMAN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. BOOZMAN. Mr. Speaker, I rise today to share a poem written by Ms. Debbie Rogers of Belleville, Arkansas.

Ms. Rogers is a mother, and grandmother whose heart was touched by the tragedy of September 11, 2001. Although she modestly claims not to be a poet, she wrote "God Bless America," a touching poem about America while reflecting on our nation's reaction to September 11th. With your consent, I ask that it be placed in the CONGRESSIONAL RECORD so that future generations can reflect on her moving thoughts about the tragedy.

GOD BLESS AMERICA

(By Debbie Rogers)

Twin towers once stood regally, but majestic in the sky,
Pure Evil took them down today, Americans stand and cry.
Two planes marked for death, As the world observes them crash,
Once Titanic against the skyline, now scattered in debris and ash.
Four planes all together, carrying innocent lives on each one,
Leaving disbelief and carnage, when the Hellish Butchers were done.
There was no kind of warning, no message did they send,
And the total devastation, is so hard to comprehend.
Emergency Crews work frantically, keeping hope always alive,
they dig with bleeding hands, Praying someone does survive,
thousands hurt and missing, death lingers in the air,
Familie in such torment, the world mourns in deep despair.
Our whole world has been disrupted, As we watch the Breaking News,
Praying they find survivors, and all the missing clues.
We need closure for the Families, and Justice for Us all,
We'll deal with this catastrophe, As Americans we stand tall.
We're proud to be Americans, We won't take this without a fight,
We'll rise above the smoke and ash, remembrance in Our heart,
Of all the innocent Families, these Monsters tore apart.
Now vengeance seems to call, like a beacon in the night,
God forgive our thoughts, two wrongs don't make a right.
But we'll stand on Honor and Justice, there'll be a reckoning day,
This deed won't go unpunished, God Bless the U.S.A.

Mr. Speaker, thank you for giving me the opportunity to honor Ms. Rogers's words.

PAYING TRIBUTE TO DONNA FRITZ

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to congratulate an outstanding individual from Colorado whose hard work and dedication has produced awards and accolades throughout her medical field. Donna Fritz, a nurse from Pueblo, Colorado, has just received a high honor from the medical community as she is the recipient of the Nightingale Award for Excellence in Human Caring. The award is presented on behalf of the University of Colorado and the Southeastern Colorado Health Education Center. I am honored to bring forth her accomplishments before this body of Congress and this nation.

Donna's official title is Oncology Nurse/Clinical Specialist and she specializes in caring for victims of cancer. Since she was a child, she had an interest in assisting cancer patients sparked by her father, a cancer surgeon. Almost three decades later, Donna continues to serve those affected by the disease as well as specializing in forms of pain management. She is known throughout her field and the hospital as a kind and caring soul. She is also strong willed and goes the extra mile to comfort her patients. She is truly a kind and caring spirit and no doubt a tremendous asset to the St. Mary—Corwin Medical Center.

Mr. Speaker, it is clear that Donna Fritz is a woman of unparalleled dedication and commitment to her professional endeavors and to the people of her medical community. Her efforts have greatly improved the lives of her patients and I am honored to bring forth her accomplishments before this body of Congress and this nation. She is a remarkable woman and it is my privilege to extend to her my congratulations on her selection for the Nightingale Award. Donna, congratulations and all the best in the future.

TRIBUTE TO SHARON EARLY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. SKELTON. Mr. Speaker, let me take this means to congratulate and pay tribute to Sharon Early, who was recently recognized by the Missouri Association of School Librarians with the Special Service Award.

Mrs. Early began her career in education 38 years ago after graduating from Central Missouri State University. She has spent her entire career in the Lee's Summit R-7 School District. She taught five years at Westview Elementary, was the Library Media Specialist at Lee's Summit Jr. High School for two years and Pleasant Lea Jr. High School for 16 years. She currently serves as Director of Library Media Services for the Lee's Summit School District. In this position, she coordinates twenty professional staff, four secretaries and twenty-nine library support staff.

Sharon Early helped to found and was later president of the Greater Kansas City Association of School Librarians. Her participation in the Missouri Association of School Librarians (MASL) has included time as president and treasurer, among other offices. Within the American Association of School Librarians, Mrs. Early has served as a delegate to the Affiliate Assembly and on various committees.

Her other professional affiliations include the American Library Association, Association for Supervision and Curriculum Development and Missouri State Teachers Association. She is currently serving on the Secretary of State's Council on Library Development, the Missouri Department of Elementary and Secondary Education's VIDEO/Technology Committee, the MASL Board of Directors and the MASL Leadership Team. She teaches graduate classes in library/media science as an adjunct professor for the University of Missouri and is a certified 7 Habits trainer. Additionally, she has presented workshops on copyright, integrated library/media curriculum, inspiration and the Internet.

MASL's Special Service Award may be presented annually to someone who has served library media organizations at the national, state and local levels. This person must also demonstrate leadership through improved library services in the educational setting, such as in workshops and development of innovative curriculum or media center programs. Finally, the winner must have made significant contributions to the promotion of school libraries outside the immediate school library arena such as to school administrators, community patrons, and state and federal legislators. Mr. Speaker, I know that my colleagues in the House will join me in saluting Sharon Early for receiving this well deserved award.

RECOGNIZING THE CONTRIBUTIONS OF THE AMERICAN SOCIETY OF CIVIL ENGINEERS

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. BARTON of Texas. Mr. Speaker, today I rise to acknowledge the great contributions made to our society by civil engineers. The American Society of Civil Engineers (ASCE) will soon celebrate its 150th anniversary as a professional organization. In recognition of this anniversary, I believe it is fitting to commend the ASCE for leadership in their profession. Civil engineers built railroads, bridges, and highways for commuting. They deliver clean water for drinking, and provide buildings for working and living. While these are just a few examples, they highlight the necessity for civil engineering in our everyday lives. As a fellow engineer, I am proud to recognize such a vital professional organization.

The ASCE has a membership of more than 125,000 civil engineers, and continues to be a major resource to the engineering profession. The Society's programs, publications, exhibits, competitions and conferences are just a small portion of the services this great organization renders to prepare civil engineers to compete in today's world and to educate the nation on the newest developments in the profession.

In recognition of its 150th anniversary, ASCE is highlighting a wide variety of programs and exhibits focusing on educating the public about the ways civil engineering shapes each person's life. The celebration kicked-off in October 2001 and will continue through the end of 2002. An array of activities will highlight the year honoring past accomplishments, examining the current climate, and determining the future path of the profession. The Society's anniversary will not only accent ASCE, but also showcase the accomplishments of the entire civil engineering profession.

In honor of these many accomplishments, I have introduced a Resolution honoring the American Society of Civil Engineers.

JAZZ APPRECIATION MONTH

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today in support of the first National Jazz Appreciation Month and the importance of music and arts education to America's youth. Jazz Appreciation Month (JAM) is intended to draw the public's attention to the glories of jazz as both a historical and a living treasure by encouraging public and private partnerships focused on arts education. A joint initiative of the Smithsonian National Museum of American History, the National Endowment for the Arts, the U.S. Department of Education, the National Association for Music Education, the International Association of Jazz Educators, and the U.S. Department of State, Jazz Appreciation Month will encourage special programs on jazz every April. The Smithsonian's National Museum of National History began to organize Jazz Appreciation Month in 1997 with a presentation to the International Association of Jazz Educators. Modeled after Black History Month, Jazz Appreciation Month is a global celebration of jazz, with events scheduled from Kansas City to Cleveland to South Africa.

Known as the mother of swing and the nurturer of Bebop, my district of Kansas City, Missouri is the birthplace of Charlie "Bird" Parker, the great alto saxophonist. Because of "Bird's" influence, jazz has been a cornerstone of Kansas City culture since the 1930s. A proud reflection of my district's dynamic musical heritage is the American Jazz Museum at 18th and Vine, which tells the story of jazz and its greatest performers through the sights and sounds of the movement. Tomorrow, I will attend an installation ceremony at the American Jazz Museum to dedicate "Jazz Pantheon," a commissioned sculpture by John T. Scott. This project was funded through the U.S. Department of Housing and Urban Development and the One-Percent-For-All Program by the City of Kansas City. This sculpture is part of the ongoing revitalization of the historic district of 18th and Vine and manifests the central role of jazz to the metropolitan Kansas City area.

In conjunction with Jazz Appreciation Month, the American Jazz Museum has organized two music educational events in my district. On April 25th, middle school students will be celebrating the culmination of this year's Duke Ellington Youth Project. This interdisciplinary program, which combines music, literature, and history will culminate with a music performance and arts exhibition celebrating the history of jazz and will include a reception at the American Jazz Museum for the participants and their families.

Jazz Storytelling is a second music educational program organized by the American Jazz Museum. It combines stories about jazz with live instrumental music for children between the ages of three and nine. A unique aspect of the Jazz Storytelling program is the Living Legends Series, which features Kansas City's own jazz legends, such as Myra Taylor, Luqman Hamza, Geneva Price, Eddie Saunders, and Ahmad Alaadlen, who share their amazing stories and the musical magic that made them great.

These programs organized by the American Jazz Museum are two of the arts and music education programs in the metropolitan Kansas City area. Jazz Appreciation events are scheduled throughout the country during the month of April. On April 16 in Los Angeles, the Recording Academy screened the recently restored concert film footage of Louis Armstrong in Prague, Dave Brubeck in Australia and the Bud Powell Trio in France. These films were restored as part of the GRAMMY Foundation's Music on Film Preservation Project, which is an ongoing effort to preserve America's music and film heritage. The National Museum of American History will spotlight the history and music of jazz through events such as a Tribute to Ella Fitzgerald by the Smithsonian Jazz Masterworks Orchestra and a public viewing of Louis Armstrong's first horn that he learned to play on while incarcerated as a youngster in New Orleans.

The importance of arts and music education to America's youth should not be underestimated. Affording children access to the arts through education yields great dividends to our society. The U.S. Department of Justice found that arts education reduced delinquency in San Antonio by 13%, increased communication skills of Atlanta students by 57%, and improved cooperation skills of Portland youth by 57%. In addition, the College Board has shown that college bound students who are involved in the arts have higher overall SAT scores than other students. Jazz Appreciation Month should serve as a reminder that we should appropriate additional resources for music and arts education programs, as it is America's children who will reap the benefits.

Last week, I was privileged to meet Lionel Hampton, one of the living legends of jazz. I am a proud cosponsor of the resolution passed by the House celebrating Lionel Hampton on his 94th birthday. I would like to personally congratulate Lionel on his birthday, and thank him for his dedication to music education. Lionel Hampton is at the forefront of music education, delineated by the naming of the Lionel Hampton School of Music at the University of Idaho, the first school of music named for a jazz musician. Mr. Hampton's devotion to teaching is evident from the thousands of students who have learned from him and the visiting jazz artists, scholars, and educators he has brought to the school. In addition to being a jazz legend and music educator, Lionel Hampton has a strong correlation to Jazz Appreciation Month, as he is one of the many leading figures in jazz who celebrate their birthday during April.

Mr. Speaker, as we celebrate Jazz Appreciation Month and the ongoing arts and music education events at the American Jazz Museum at 18th and Vine in Kansas City, Congress should commit federal resources to the provision of arts and music education programs for our youth all over America.

CELEBRATING LOYALTY DAY WITH THE FOURTH DISTRICT DEPARTMENT OF VIRGINIA VETERANS OF FOREIGN WARS

HON. ERIC CANTOR

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. CANTOR. Mr. Speaker, I rise today to celebrate Loyalty Day with the Fourth District Department of Virginia Veterans of Foreign Wars.

Loyalty Day, May first of each year, was designated by Congress in 1958 as a day on which Americans could pointedly counteract Communists who were using the day for annual hate demonstrations against our nation. The idea of staging patriotic demonstrations to offset the Communist rallies began in 1930, and the Veterans of Foreign Wars were instrumental in establishing the designation of Loyalty Day. I am honored that such an exceptional organization resides in the seventh district of Virginia.

Mr. Speaker, please join the Fourth District Department of Virginia Veterans of Foreign Wars and me in celebrating Loyalty Day.

HONORING DR. MICKEY McADOO AS NEW PRESIDENT OF TENNESSEE MEDICAL ASSOCIATION

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. TANNER. Mr. Speaker, I rise today in recognition of my friend, Dr. Mickey McAdoo. Tomorrow, he will become president of the Tennessee Medical Association.

The organization represents roughly 6,500 doctors in Tennessee and works to raise awareness of issues important to the medical community. The TMA is often the only voice to speak for the rights of Tennessee's patients.

Dr. McAdoo, a family physician in Milan, is in private practice with Dr. Wade Reeves and Dr. Jerry Wilson at Milan Medical Center. He also operates Integrity Clinical Research in Milan and is chief of staff and committee chair at Milan General Hospital.

A Tennessee native, Dr. McAdoo is a graduate of the University of Tennessee Martin and earned his medical degree from the University of Tennessee Center for Health Sciences.

Even outside of his medical capacity, Dr. McAdoo has long been valuable to our community. He has acted as president of the local

Chamber of Commerce, serves as team physician for Milan High School athletics and is an ordained deacon, teacher and Personnel Committee chair at First Baptist Church in Milan. He is a past president of the Tennessee Academy of Family Physicians.

Now, as he begins his tenure as Tennessee Medical Association President, I congratulate and applaud my friend Dr. McAdoo and wish him all the best in this important endeavor.

CONGRATULATING THE TOWN OF WAKEFIELD, VIRGINIA ON THEIR CENTENNIAL CELEBRATION

HON. J. RANDY FORBES

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. FORBES. Mr. Speaker, I rise today to congratulate the town of Wakefield, Virginia on the marking of their centennial this year.

Located in southeastern Sussex County, Wakefield represents the best of our Commonwealth. Few have left Wakefield without a greater appreciation for its traditions and small town charm. Wakefield is a community built on the ideals of faith, family, and service to one's community.

In 1902, Wakefield was granted its charter from the Virginia General Assembly. Since then, Wakefield has grown with the times while never forgetting its rich history and traditions.

Today, Wakefield, Virginia is a culturally and economically diverse community. Wakefield is home to America's finest peanuts and homestyle cooking. With its status as one of the best places to live in Virginia, and continued high standard of living and education, Wakefield is a community its residents can be proud to call home.

Mr. Speaker, I urge you and all of my colleagues to join me in congratulating Wakefield during its centennial year as the citizens of Wakefield begin an exciting new century.

HONORING DR. VERNON O. CRAWLEY ON TEN YEARS OF SERVICE AS PRESIDENT OF MORAINE VALLEY COMMUNITY COLLEGE

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mrs. BIGGERT. Mr. Speaker, I rise today to recognize Dr. Vernon O. Crawley for ten years of service as president of Moraine Valley Community College. Since 1991, Dr. Crawley has given his extraordinary talents and leadership to the students and faculty of Moraine Valley as well as to the people of the 13th Congressional District of Illinois. While ten years is a short amount of time, his contributions to the reputation of Moraine Valley Community College have been astonishing.

Under Dr. Crawley's distinguished leadership, Moraine Valley has grown by leaps and bounds. Internet based courses, an Associate of Fine Arts degree, and new campuses in Blue Island and Summit, Illinois, are just a sampling of the extensive growth Moraine Valley has experienced during his tenure. These new features have paid dividends with a continuing increase in enrollment—14,131 new students for the spring semester of 2002 alone. Under Dr. Crawley's watch, Moraine Valley was chosen as one of 12 Vanguard Colleges of Learning in North America.

Mr. Speaker, given the renewed commitment President Bush and Congress have made to the education of our youth, it is clear that positive role models are more important now than ever. Dr. Crawley embodies the values we as a nation applaud in our educators, and he serves as an excellent example to the students of Moraine Valley. I know that Moraine Valley Community College is a better institution for his leadership and I join with the students, faculty, and community in congratulating him on ten successful years of service.

CORPORATE AND AUDITING ACCOUNTABILITY, RESPONSIBILITY AND TRANSPARENCY ACT OF 2002

SPEECH OF

HON. CAROLYN C. KILPATRICK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 2002

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3763) to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes:

Ms. KILPATRICK. Mr. Chairman, yesterday, the House passed H.R. 3763. The bill was supposed to create a sense of security for workers and victims who are in fear of another Enron disaster. It does not, and for that reason I voted "no" on its passage.

The bill gives the Securities and Exchange Commission (SEC) the option to establish a Public Regulatory Organization (PRO) if it felt investigations or disciplinary measures were warranted. The problem is that there is no real power with an option. The SEC needs the legislative authority to create the type of PRO we want; yet H.R. 3763 lacks the explicit language mandating its creation. Without the express language, there is no guarantee the PRO would be created.

The Democratic substitute would explicitly create the Public Regulatory Organization. Additionally, the substitute would provide the PRO with the express power to supervise, oversee and discipline illegal activity. Under the substitute, the PRO could supersede the current regulations if more stringent ones were required. H.R. 3763 does nothing of the sort. It does not specify authority to a PRO, if the SEC decided to create one. Essentially, H.R. 3763 would only have the potential of creating a toothless organization with weak disciplinary authority.

H.R 3763 does not live up to its promises and will not prevent a reoccurrence of future Enron-like tragedies. The bill, if made law, will do nothing of substance. I want to make sure that my constituents and all American workers are safe from disasters such as Enron. I want to make sure that the victims feel their voices are heard. This issue is of great concern to me, and I will not vote for a bill that lulls workers into a false sense of security.

COMMEMORATION OF ARMENIAN GENOCIDE

SPEECH OF

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. PALLONE. Mr. Speaker, yesterday marked the 87th anniversary of the beginning of the Armenian Genocide. On April 24, 1915, 250 Armenian intellectuals and political leaders were arrested and later executed as the rulers of the Ottoman Empire implemented their plan to eradicate their Armenian subjects. This action against the Armenian community's elite marked the beginning of one of the most horrendous events in the history of humankind. Throughout this past week, Armenians have gathered worldwide to remember their martyrs and survivors and to seek universal affirmation of this crime against humanity. On Sunday, I joined hundreds of Armenian-Americans at a commemorative event in Times Square in New York City.

From 1915–1923, the Ottoman Empire brutally and systematically attempted to destroy its Armenian population, killing 1.5 million and expelling an additional 500,000 people from their homeland of 3,000 years. This was the first act of Genocide of the 20th century. It is a fact that no amount of revisionist history or blatant denial by the Turkish Government can change. It is our duty to the victims and survivors of the Armenian Genocide not to let denial prevail.

Every April 24th, Members of Congress come to the House and Senate floor to give support to the memory of the lives cut short by the Ottoman Empire. We do so to honor the memory of those innocent victims who were set upon for only one reason—they were Armenian. One and a half million men and women, young and old, able bodied or not, were driven from their ancestral homeland and brutally massacred. That number is almost incomprehensible, but let me try to put it in perspective.

In the 1990 census, the population of the City of Philadelphia, the fifth largest urban center in the United States, was listed at a little over 1.5 million people. The Ottoman Empire drove the equivalent of the entire population of this city, the birthplace of the United States Constitution, into the deserts to die.

As a matter of state policy, the Ottoman Turks marched entire populations of countless Armenian villages into the desert until they died of starvation, disease, exhaustion, or of the tortures and rapes that were a fixture on these death marches. Those who survived this merciless torment suffered inhumanities that no people should have to endure. Some made daring escapes in cover of night, and others were committed to slavery. It was not uncommon for a starved Armenian to be mistaken for dead and hide under the bodies of their friends and family members. There were no proper burials of the dead, no last rites given. If we continue to let Turkey deny that this Genocide of an ancient people took place, those who died will never have the justice they rightly deserve.

Two weeks ago, 161 Members of this House of Representatives and I sent a letter to President Bush asking that he fulfill his campaign promise and use the word "genocide" in his annual April 24th address. We sent a similar letter to the President last year, but with only 107 signatures. I feel that the 55-member increase in support of this just cause is a barometer of the House of Representatives. Members and their constituents are clearly calling on the President to characterize the Genocide accurately and fully.

The President's statement yesterday was a graphic depiction of the crimes against humanity that were perpetrated against the Armenians in the Ottoman Empire from 1915–1923. I was disappointed to see that President Bush did not use the word genocide in his address, but he did call on Turkey to recognize their history. He said "Transcending this venomous pattern requires painful introspection about the past and wise determination to forge a new future based on truth and reconciliation. In this spirit, I look forward to Turkey restoring economic, political, and cultural links with Armenia."

The message is clear; Turkey must recognize the genocide of its past and accept that Armenia is an integral and necessary sovereign neighbor. It must drop the illegal blockade against Armenia, and establish full and normal diplomatic and economic relations. Reconciliation with its past and normalization of relations with Armenia is the only way for Turkey to step out of the dark shadow of its history of genocide. The entire western world, which Turkey so desires to be a part of, demands it.

We have seen a tremendous amount of disregard for the sanctity of human life in the past year. No one could have predicted the terrorist attacks of September 11th, or the profound effect it has had on the American people. 3,000 innocent people perished in the fall of the World Trade Center Towers in New York City. It seems that everyone knew at least one person, directly or not, that lost their lives that day. It would take 5,000 Twin Towers to equal the number that died in the Genocide.

The importance of American affirmation of the Armenian Genocide grows every year. There are fewer survivors every April 24th, and their small numbers are dwindling rapidly. As important as remembering those that perished, we must learn the lessons that the loss of their lives gave us. The world stood by during the Genocide, and Adolf Hitler learned the lesson of indifference. In 1939, to quell the voices of discontent amongst his generals on the eve of his invasion of Poland, he said, "Who after all, speaks today of the annihilation of the Armenians?" He destroyed 6 million Jews and millions of others with those eleven cynical words.

As we embark on a new century, we must make sure that we have learned the lessons of the humankind's capacity for brutality, and we must combat this with truth about the past, compassion for our common man, and a refusal to let these crimes against humanity be repeated. We must remember and learn from tragic events that befell the Armenians. That is the only way that we can be certain that this horrific event, which almost destroyed one of the oldest cultures on the planet, from happening again.

COMMEMORATION OF ARMENIAN GENOCIDE

SPEECH OF

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 2002

Mr. SMITH of New Jersey. Mr. Speaker, I rise again, as we do at this time every year, to commemorate those who lost their lives, their families, and their livelihood in the Armenian genocide. That terrible tragedy, perpetrated by the Ottoman Empire in 1915 and afterwards, marked the first of the 20th century's state-ordered genocides against a minority group.

Traditionally, Armenians everywhere have set apart April 24 to mark the genocide in solemn remembrance. For friends of Armenians, this is an occasion to express solidarity with the worldwide Armenian community. We mourn the dead and express our condolences to their living descendants. On this occasion, we reflect upon the meaning and lessons of their suffering and sacrifice.

Surely the most basic lesson we should have learned from Armenia's catastrophe is elementary courtesy towards the truth in the face of horror. It is always better to build the future on a foundation of transparency, honesty and reconciliation about the past. We should not, we must not, shrink from the correct term to characterize what happened. I appreciated very much Governor George W. Bush's statement in February 2000 when he said, "The Armenians were subjected to a genocidal campaign that defies comprehension and commands all decent people to remember and acknowledge the facts and lessons of an awful crime in a century of bloody crimes against humanity." In a letter to the President last year, I noted my support for his "principled stand on the issue [which was] a welcome change from previous practice."

Mr. Speaker, as we commemorate this appalling tragedy of the last century resulting in the massacre of "as many as 1.5 million Armenians through forced exile and murder", let us not shy away from using the correct term: genocide.

I do agree with the President's statement yesterday "recognizing that demonizing others lays the foundation for a dark cycle of hatred. Transcending this venomous pattern requires painful introspection about the past and wise determination to forge a new future based on truth and reconciliation. In this spirit, I look forward to Turkey restoring economic, political, and cultural links with Armenia."

Mr. Speaker, next year, we will mark this somber anniversary once again. Let us hope that Armenians and their friends all over the world will take some solace in the vision of Armenia living in peace with her neighbors and in prosperity and impressing the world with the spiritual and material products of the unbreakable Armenian spirit.

PAYING TRIBUTE TO CENA TROUTMAN, RN—

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002—

Mr. McINNIS. It is a great honor to be able to recognize the hard work and dedication of a member of my district Ms. Cena Troutman. She is a woman whose compassion and dedication to improving the lives of her fellow man is a testament to the human spirit. Cena has selflessly given fifty years of incredible service to the people of Colorado as a nurse at the Heart of the Rockies Regional Medical Center. She is now retiring from her job and I can think of no better way to thank Cena and celebrate her retirement than to recognize her achievements.

Cena remembers wanting to be a nurse at an early age because of helping her grandmother. Cena has come a long way since then; she is now the supervisor for all of the nurses in the hospital. This requires expertise in each of the areas in the hospital including neo-natal resuscitation and advanced cardiac life support. This type of excellence can only be achieved by countless hours of hard work and tireless dedication. Cena's need to help others also inspired her to join the Navy medical unit. Shortly after she met a handsome young sailor, Russ Troutman who would become her husband. They were soon married and began their life as a family when Cena became pregnant with the couples first child. Cena then returned to the hospital to continue nursing, as a wife and a mother. Today she is the proud and loving mother of four, all of whom live in Colorado and lead successful lives. After fifty years of giving to both her own children and her patients, Cena is retiring to spend more time with her loving children.

Over the years, Cena has seen many changes in the health care profession—from the all white uniforms when she first started to the casual attire of today, and the technological advancements that make modern medicine possible. One thing, however, remains the same—the compassion she brings to her job. It is Cena's compassion that I wish to bring to the attention of this body of Congress and this nation. Her dedication and excellence is an example for us all. Thank you Cena for all that you have done for us and enjoy your well-deserved retirement.

TRIBUTE TO ALLEN MORRIS

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Ms. BROWN of Florida. Mr. Speaker, it is with sorrow that I announce the passing of my friend and mentor Allen Morris on April 22. Dr. Morris was the Clerk for the Florida House of Representatives from 1966 to 1986, and Clerk Emeritus until retiring in 1996.

In his role as Capitol reporter and political columnist, Morris helped write the House rules that he later served to interpret. He taught generations of legislators the rhyme and reason of the House and was the most knowledgeable person regarding the history of the legislature that I have ever met. Morris' name graced 28 editions of the Florida Handbook, the definitive guide to Florida's political history, and he was the originator of the Clerk's Manual.

Dr. Morris is survived by his wife of 36 years, Joan Morris, and his two children, David Morris of Tallahassee and Martha Marsh of Atlanta.

Florida has lost a precious resource. We will all miss him.

TRIBUTE TO THE BRONX SHEPHERDS RESTORATION CORPORATION

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. SERRANO. Mr. Speaker, for the past few years I have come before my colleagues to honor the Bronx Shepherds Restoration Corporation. This year, on their twenty-third anniversary, I am proud to say that this illustrious organization continues to thrive and serve the people of the South Bronx successfully.

The Bronx Shepherds Restoration Corporation is an organization that was founded on the idea that uplifting individuals one by one is the best way to uplift a community. Members of the Corporation work relentlessly to fulfill the needs of South Bronx residents and understand that by 'restoring' these people, they are aiding the restoration of the entire South Bronx community.

Mr. Speaker, this great organization serves as a prime example of how a solid structure, good foundation, and a genuine desire to reach out and lend a helping hand can endure the test of time. Over the past twenty-three years, The Bronx Shepherds Restoration Corporation has continued to grow and reach new levels each year. Such growth could not be possible without dedicated members who lend their expertise and passion daily and an innovative leader, to make sure that the Corporation always makes it to that next level. The entire Bronx community is grateful to all of the individuals who have filled these roles for the past twenty-three years.

The services provided by the Bronx Shepherds Restoration Corporation are vital for many individuals. Many people would not be able to accomplish many of their hopes and dreams for themselves and their children without the Corporation there to help them find affordable housing, continue their educations, or gain access to better health care.

I am happy to once again congratulate the Bronx Shepherds Restoration Corporation on another year of outstanding work. I am confident that many more years of great service are yet to come. I ask my esteemed colleagues to please join me in honoring the Bronx Shepherds Restoration Corporation on its twenty-third anniversary.

NATIONAL URBAN WATERSHED MODEL RESTORATION ACT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Ms. NORTON. Mr. Speaker, today, as we continue this week of emphasis on preserving and restoring the nation's environment, I am pleased to introduce the National Urban Watershed Model Restoration Act, a bill to establish a new approach to restoring urban waters. This pilot program, to be administered by the Environmental Protection Agency (EPA), will serve as a national model for the restoration of urban watersheds and community environments. The Anacostia River has been chosen as the pilot river because it is located in the nation's capital and much of its waste and pollution is from federal sources. The Anacostia has drawn national attention and thus can lead the way for community-involved cleanup approaches that can be modeled and taken up nationally.

To achieve more focused and rapid action, the new program will integrate the various regulatory and non-regulatory programs of the EPA with other federal, state, and local programs to restore and protect the Anacostia River and promote community risk reduction. The EPA is to coordinate its efforts with other federal partners, particularly the U.S. Army Corps of Engineers. In addition to addressing a major local environmental concern, this model program will provide a framework for urban communities around the nation to work towards sustainable community redevelopment and to meet national environmental goals.

Under the new program, the EPA shall allocate a total of $1,000,000 per year over the next 4 fiscal years to implement the provisions of the Model Program. The EPA may authorize no less than $500,000 annually in the form of grants, which are to be matched on a 75–25 basis with other federal funds and state, local, and private contributions.

Community involvement is a centerpiece of this bill. The EPA must develop and coordinate consensus strategies for the restoration and protection of urban watersheds in cooperation with not only federal and state officials, but also local groups, who are often in the best position to shape solutions to critical issues and needs facing urban rivers. The bill mandates that the Administrator of the EPA provide grants to local community groups and non-profit organizations to foster community involvement in the decision making process, environmental educational goals, and restoration strategies for urban watersheds. The Administrator must also provide opportunities for the education of school children and community groups on local environmental resources and on what individuals can do to reduce environmental risks.

The Anacostia River has been my top environmental priority since coming to Congress in 1991. In the 104th Congress, I worked through the Subcommittee on Water Resources and Environment to authorize $12 million of construction projects to help clean up and restore wetlands along the Anacostia watershed. I am pleased that Congress has appropriated the full $12 million for Anacostia projects since 1999. I am committed to whatever effort it takes to restore the river that runs through the neighborhoods and parks of the nation's capital. The bill that I introduce today marks a renewed effort, to use innovative approaches to advancing this top local environmental priority.

A TRIBUTE TO THE SANTA CRUZ COMMUNITY CREDIT UNION

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. FARR of California. Mr. Speaker, I rise today to honor the contributions and accomplishments of The Santa Cruz Community Credit Union. In celebrating their 25th anniversary, we not only celebrate their longevity in our community, but the important assistance they have provided to thousands of residents in Santa Cruz County.

The Santa Cruz Community Credit Union was founded in 1977 by a small group of activists concerned by the disparate levels of opportunity afforded individuals within the community. The Community Credit Union's mission to promote positive social and economic change has been the driving force behind their 25 year journey. And their mission has worked. Over the last 25 years, the Santa Cruz Community Credit Union has received the federal designation as a community development institution, received more than a million dollars to support their Individual Development Account Program, and the national Louise Herring Award for Philosophy in Action for their "Asset Development for Low-Income Members Program." The work of the dedicated staff of the Community Credit Union over the last 25 years has had a lasting impact in our community, helping those who need it the most.

The Santa Cruz Community Credit Union now serves more than 8200 members in the region. Their 25 years of service have proven beyond a doubt that a simple idea to help others help themselves by tying community development goals with traditional financial lending practices can have a positive impact on those seeking the American dream of economic independence. The Santa Cruz Community Credit Union is an invaluable asset to our community, and I hope that they continue their good work for many years to come.

HONORING DONALD ELLIOTT FLANAGAN

HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. LARSON of Connecticut. Mr. Speaker, I rise on behalf of myself and with my two colleagues from New Mexico, TOM UDALL and

HEATHER WILSON, to honor and place on the record the outstanding achievement and accomplishments of a native son of Mayberry Village in East Hartford, Connecticut. It is with great pride that we introduce for posterity the achievements of Donald Elliott Flanagan.

The Head Coach of the Women's Basketball team at the University of New Mexico has excelled at his position. How fitting that he is being inducted into the legendary Ray McKenna's "Tap-Off Club" Hall of Fame.

While the CONGRESSIONAL RECORD embodies the nation's history and the achievements of great Americans, we want to be clear that we remember Donald Flanagan first as one of Jim and Barb's six children, or simply as "Donny". While many will point to Don's athletic achievement, hard work and dedication we would like to mention a few childhood experiences that helped mold him. I have long maintained that Mayberry Village is the cradle of coaches and to their credit we know that Jim and Barbara Flanagan gave birth to four of them: Jay, Donny, David, and Jon. (Sorry Kev, the C.Y.O. doesn't qualify).

Mayberry is unique. How many neighborhoods have produced coaches of international talent like Harry Parker (Harvard Crew & The Olympics)? Or nationally recognized coaches like Jay Flanagan (Track & Field) and Donny (Basketball), and statewide coaches like Al Pelligrinelli (Football), Bill Barron (Track), Dick Brimley (Track), Maureen Rodgers (Basketball), and Craig Jordan to name a few.

Fundamentals are important, and so is competition, but few neighborhoods offer the athletic amenities of Mayberry where Donny honed his competitive skills. He started early with mastering the monkey bars at the Little Red Schoolhouse.

The true competitor emerged when he beat out "Bubby" Balkus on the gymnastically challenging Tarzan Swing. Manning the fastest washing machine box ever to traverse the big hill, digging a series of tunnels that would rival the Vietcong, and defeating Lester Wells regularly at tunnel tag are further testimony of his skills. The daring dexterity with which he led the labor field regulars along the Hockanum narrowly escaping the pursuit of the Clancy brothers was a true cross country experience that kept the likes of Ray Ramsey and Bill Mudano from the long arm of the law.

Don Flanagan, arguably the greatest women's basketball coach at New Mexico, may not seem like a man afraid of much, but he is, of flying. The idea that Flanagan is still a white-knuckler when it comes to air travel is rather paradoxical, however considering the heights to which he has taken UNM women's basketball in his first five years as head coach of the program.

Flanagan is entering his seventh season at UNM and has a career record of 144–71. Flanagan took over this struggling program and the Lobos have improved remarkably under his guidance. They have captured a conference regular-season championship, a conference tournament title and have made five consecutive postseason appearances, including the school's first-ever NCAA bid in 1998.

In fact, Flanagan posted a won-loss record at Eldorado High School in Albuquerque that will never be duplicated in New Mexico. His incredibly 401–13 career record in 16 years was good for a winning percentage of 97.0 percent.

Flanagan's accomplishments included 14 different tournament championships, 15 district championships, winning streaks of 77, 74, 69, 66, and 60 games and, his teams averaged 25 wins a year for 16 years. During those 16 years, Flanagan's teams at Eldorado High School went undefeated nine times. In 1987, Eldorado was honored as Albuquerque Sports Hall of Fame Team of the Year. Additionally under Flanagan, Eldorado was ranked nationally seven different years including 1980, 1981, 1984, 1988, 1990, 1991, and 1992.

And it didn't stop there. The honors for Flanagan have rolled in continuously year after year after year. Following the 1997–98 season, Flanagan was inducted into the Albuquerque Sports Hall of Fame for a lifetime of achievement. He was nominated for the National High School Coach of the Year honors on three occasions (1985, 1994, and 1995) and was named Region VRI Coach of the Year for 10 consecutive years (1985–1994). He was named Albuquerque Sports Hall of Fame Coach of the Year (1992), Bank of America Coach of the Year (1993 & 1994), Albuquerque Tribune Coach of the Year (1980, 1981, 1983, 1984, 1987, and 1990) and Albuquerque Journal Coach of the Year (1980, 1981, 1984, 1987, 1990, and 1992).

Flanagan earned his bachelor of arts from Fort Lewis College in 1971 where he was a member of the honor roll. He was also honored during college as a member of the Rocky Mountain Athletic Conference All-Academic team. Flanagan, 56, and his wife Wahleah, have three children, Sean, 31, Shane, 25, and Brent, 23.

Donny was a natural who we always looked up to and admired. Athlete, leader, competitor, friend, a credit to his family, his community, his states of New Mexico and Connecticut and the nation. I know Jim's smiling from ear to ear and we in East Hartford join with all the Flanagans in relishing this great moment. How proud Pop Elliot, and your Mom would be to see you being honored by the town you grew up in and by a legend like Ray McKenna.

It is with great pride and admiration that I am joined by my colleagues TOM UDALL and HEATHER WILSON to pay tribute to another kid from the Village. Congratulations Donny.

PAYING TRIBUTE TO COOPERATIVE CARE CENTER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to the Pueblo Cooperative Care Center and congratulate all of its volunteers on reaching an extraordinary milestone. As the Center celebrates its 20th anniversary, it is my sincere pleasure to congratulate each and every volunteer on so many years of excellence in serving the Pueblo community and, indeed, the entire State. The efforts put forth by the Center have been extraordinary, and are appreciated by each and every person whose lives it has touched. For 20 years, the Pueblo Cooperative Care Center has worked diligently to better the lives of the needy in its community, and I, along with the many residents of Pueblo, am proud and thankful for what you have accomplished.

For twenty years, the Cooperative Care Center has dedicated itself to enhancing the Pueblo community by helping those members who are less fortunate. In response to local steel mill layoffs in 1981, the center was created as a joint effort among a number of Pueblo churches in order to address the needs of unemployed workers and their families. During its tenure in the community, the Center has always operated with four objectives in mind: to reduce hunger in the community; to assist with clothing, transportation and limited prescriptions; to increase communication with all human resource agencies; and to provide recipients with information concerning other programs available to help needy families. The organization has truly done an extraordinary job in its determination to enhance its community and the lives of each and every citizen that resides within it. Its diligence and hard work has, indeed, paid off, and the contributions that the Center has made over its twenty years of service is immeasurable. –

Mr. Speaker, it is my distinct pleasure to be able to congratulate each and every volunteer from the Pueblo Cooperative Care Center on this historic occasion, and wish each of them all the best in what I'm sure will be an even more eventful and exciting next twenty years. I commend each of you for your work in ensuring that the needs of the community are addressed, and I am delighted to bring the efforts of such an extraordinary organization to the attention of this body of Congress. Keep up the great work; I look forward to the next twenty years!

THE JOSEPH MOAKLEY FIRE SAFE MEMORIAL CIGARETTE ACT OF 2002

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. MARKEY. Mr. Speaker, I rise to introduce the Joseph Moakley Memorial Fire Safe Cigarette Act of 2002, a culmination of over 20 years of effort to make cigarettes fire-safe by the true champion of this cause my good friend and colleague the late, great Representative Joseph Moakely. I introduce this bill today with my Republican colleague in the House Representative JIM HANSEN (R–UT), the entire Massachusetts Delegation.

Joe first became involved with this issue when a family of seven perished in a fire in his Congressional District ignited by a cigarette. Five children—all under the age of ten—were burned to death along with their parents. This terrible event took place on Memorial Day Weekend in 1979.

For over twenty years Joe fought to give the CPSC authority to promulgate a fire safety standard for cigarettes. Because of Joe's relentless efforts, two technical bills passed into law laying the foundation for fire-safe cigarette legislation.

The first bill, the Federal Cigarette Safety Act of 1984, mandated the formation of a Technical Study Group, which ultimately established that it was technically and economically feasible to make a fire-resistant cigarette. This was an extremely important step providing Congress with proof that it was possible to create a cigarette that could be altered in such a way as to significantly reduce its tendency to catch fire. Prior to this report, the tobacco industry argued that the technology to make cigarettes fire-safe was not feasible and that the standard would render their products commercially unviable. During this era, Joe recognized that the industry had successfully shifted the fire-resistance burden from cigarettes to mattresses, furniture and pajamas. As Joe liked to put it, the industry's solution was "to fire-proof the world against our torches."

The other important bill the Joe saw to passage was the The Federal Safe Cigarette Act of 1990, which established the methodology for testing the ignition propensity of cigarettes.

This methodology literally paved the way for New York to pass a fire-safe cigarette bill in 2000. And it set the stage for the establishment of the National Institutes of Standards and Technology fire-safe cigarette standard which is included in the bill introduced today.

What's more, there is already a fire-safe cigarette manufactured by Phillip Morris on the market. Tobacco companies once suspicious of a fire-safe cigarette standard are now demonstrating coming around. In fact, Phillip Morris endorses the language in this bill, along with The Campaign for Tobacco Free Kids and The Congressional Fire Services Institute, which includes the Foundation for American Fire Fighters, National Volunteer Fire Council and the Fire Department Safety Officers Association. It has also been endorsed by SAFE—Safer America For Everyone.

Each year thousands of innocent people are killed, maimed or permanently disfigured by carelessly discarded cigarettes. Under a typical cigarette fire scenario, the smoker falls asleep in bed or on a sofa with a burning cigarette, the ash smolders, then bursts into flames often in the middle of the night—a time when everyone is least prepared.

It is common knowledge that smoking is considered one of the nation's leading causes of preventable death, but it's less widely known that cigarettes are the leading cause of fatal fires. This translates to close to 1,000 deaths annually and nearly 2,400 injuries due to cigarette-caused fires. According to the Consumer Product Safety Commission (CPSC) these fires account for $4.6 Billion annually in societal costs and direct property damage.

The victims of these fires aren't just smokers—all too often they are the innocent and unsuspecting. A child asleep in an upstairs bedroom, an elderly neighbor who lives next door, or a brave firefighter called to the scene. But the real tragedy in these lost lives is that these fires can be prevented.

The Joseph Moakley Fire Safe Memorial Cigarette Bill establishes a strong federal firesafe cigarette standard by:

Requiring the Consumer Product Safety Commission (CPSC) to establish the standard specified in the legislation, by which cigarettes could be regulated with respect to their propensity to start fires.

Giving the Consumer Product Safety Commission authority over cigarettes only for purposes of implementing and enforcing compliance with the standard promulgated under the Act.

Allowing for the future establishment of an enhanced fire-safety standard.

And allowing states to pass more stringent fire-safety standards for cigarettes if they choose.

Today Joe's tenacity is paying dividends. This country is closer than ever to making Joe's "torches" self-extinguishable, and the horror of cigarette-caused fires a tragedy of the past.

On April 27th Joe Moakley would have celebrated his 75th birthday. Joe spent his entire career improving the lives of his constituents and fighting for important causes like this fire-safe cigarette standard—his spirit lives on in this legislation. I can think of no better birthday gift and no better way to honor his memory than to pass this fire-safe cigarette standard this year so that another 1,000 lives won't be lost next year.

2002 FRANKLIN INSTITUTE LAUREATES

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. BORSKI. Mr. Speaker, I rise today to congratulate the 2002 Franklin Institute Laureates, who will be honored in a gold-medal ceremony tonight at the Benjamin Franklin National Memorial in Philadelphia, for their groundbreaking achievements in science and technology.

The Franklin Institute began its Awards Program in 1824, to honor groundbreaking innovators in the fields of science and technology. In the early days, prizes went to those scientist and engineers whose products most enhanced the quality of life for our nation's citizens.

Today, the Institute bestows a series of endowed medals. The Franklin Medals, to an international group of brilliant scientists, engineers, and business leaders, whose achievements, innovations, and discoveries have truly changed the very way we live our lives and the way we think about our world. Additionally, the Institute awards the Bower Award for Business Leadership, as well as the Bower Award for Science Achievement, which carries with it one of the largest cash prizes in the world.

A list of previous Franklin Institute award winners read like a cannon of science and technology achievement for the past 200 years: Albert Einstein, Thomas Edison, Orville Wright, Pierre and Marie Curie, Stephen Hawking, David Packard, and Jacques Costeau, just to name a few.

Tonight, at the 177th annual Franklin Institute Awards Ceremony, eight outstanding scientists will join these venerable ranks, being honored for their globe-impacting achievements in fields ranging from computational chemistry to plant genetics:

The 2002 Benjamin Franklin Medallist in Life Sciences, Mary-Dell Chilton from Syngenta Biotechnology. Dr. Chilton's key discoveries led to the first major vector system allowing plant genetic engineering, which has enabled the production of larger, more nutritious, and more naturally pest-resistant crops.

The 2002 Benjamin Franklin Medallist in Engineering, Shuji Nakamura, from University of California at Santa Barbara. Dr. Nakamura's fundamental contributions to the technology of Gallium Nitride and his development of violet/blue Laser Diodes have exponentially improved current LED technology, and hold the potential of revolutionizing the lighting industry.

The 2002 Benjamin Franklin Medallist in Earth Science, Alexandra Navrotsky, from the University of California at Davis. Dr. Navrotsky's accomplishments in crystal chemistry have established, convincingly, the identity of materials at hundreds of kilometers of depth in the Earth that otherwise are inaccessible to direct observation, providing a window to the Earth's past.

The 2002 Benjamin Franklin Medallist in Chemistry, Norman L. Allinger, from University of Georgia at Athens. Dr. Allinger's pioneering work in computational chemistry, has found widespread application in the fundamental understanding of molecular structure, and is a paramount tool for practicing chemists all over the world.

The 2002 Benjamin Franklin Medallist in Physics, Sumio Iijima, from NEC Corporation and Meijo University, Japan. Dr. Iijima's discovery and elucidation of the atomic structure of carbon nanotubes has had an enormous impact on the rapidly growing condensed matter and materials science field, and holds the promise to revolutionize a wide spectrum of industries, including electronics.

The 2002 Benjamin Franklin Medallist in Computer and Cognitive Sciences, Lucy Suchman, from Lancaster University, England. Dr. Suchman has made many fundamental contributions to the ways in which interactive computer systems are designed, applicable to domains such as space exploration, medical monitoring of elders living on their own and large-scale document retrieval.

The 2002 Bower Award and Prize for Business Leadership Winner, Gordon Moore, from Intel Corporation. Dr. Moore has played a pioneering role in the semiconductor industry, and his technical and business leadership have resulted in the enhanced microprocessor speed, miniaturization, and reduced cost which have transformed the modern world. He has also distinguished himself through his generous commitment to community service.

The 2002 Bower Award and Prize for Achievement in Science Winner, John W. Cahn, from the National Institute of Standards and Technology. Dr. Cahn has made profound contributions to the understanding of the thermodynamics and kinetics of phase transformations inspiring generations of scientists and engineers to develop new materials, like stronger, more reliable steel, based on his groundbreaking theories.

Mr. Speaker, The City of Philadelphia, and the Commonwealth of Pennsylvania are thrilled to honor and welcome these amazing scientists and to host this fantastic celebration of their work. Moreover, Philadelphia and

Pennsylvania are proud of our favorite museum, The Franklin Institute, for carrying forward a legacy of recognizing genius in its purest form, and in bringing this national and international recognition to the region.

Finally, in the great tradition of Benjamin Franklin himself, these talented thinkers remind us that our greatest lessons from the past, and our greatest hopes for the future, lie in science and technology.

RECOGNIZING OUTSTANDING WORK BY UNIVERSITY OF VERMONT STUDENT CONGRESSIONAL TOWN MEETING

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. SANDERS. Dear Mr. Speaker, today, I recognize the outstanding work done by participants in my Student Congressional Town Meeting held this spring at the University of Vermont. These participants were part of a group of high school students from around Vermont who testified about the concerns they have as teenagers, and about what they would like to see government do regarding these concerns.

I respectfully request that the following be included in the CONGRESSIONAL RECORD.

ON BEHALF OF JESSICA WALTERS AND FALINDA HOUGH

REGARDING UNDERAGE DRINKING

April 8, 2001

JESSICA WALTERS: We are talking about teen alcohol. There is a lot of teen alcohol going around, and it needs to stop. If it doesn't stop, a lot more people are going to get killed. We think the reasons why teens drink is because they get into fights with their parents, and they get so mad where they end up drinking. Teens go to parties where they have peer pressure to drink, and they end up doing it because they think they will be cool. Then they get hooked on it where they can't stop. It only takes one time. It can also be inherited by their parents that are alcoholics, and it already is in their bloodstream.

Over in Canada, the teens are allowed to drink at the age of 18. They should not be allowed. They might be more responsible at that age, and then again, maybe not.

FALINDA HOUGH: Ways we can help. Police in every bar. The national government can give grants to cities that can help put police in every bar. Watch out for fake IDs. National governments can give states money to buy the technology where, when they enter the bar, they can scan on the back of IDs to tell whether they are of age or not.

ON BEHALF OF LEE GOLDSMITH, ROBBY SHORT, AND GREG HOWARD

REGARDING SCHOOL ID BADGES

April 8, 2001

LEE GOLDSMITH: Thank you for coming up this morning. Who is going to begin?

ROBBY SHORT: I will. A current issue at Mount Anthony is whether or not to have students wear ID badges. The main reason is to know who belongs at the school and who is actually not supposed to be there.

Currently, teachers at Mount Anthony are required to wear their ID badges. Visitors and substitutes are given stickers that say either "visitor" or "substitute" on them. So the only unknown factor is the students.

I do see all the subs and visitors wearing their badges, but I see many teachers not wearing theirs. I think the teachers feel that the ID badges are kind of tedious, and they don't need to be wearing them. And I think a lot of students feel the same way.

GREG HOWARD: We did the pros and cons.

Just to list some of the pros: There are several good reasons why students should wear identification tags at all times. If a fire or some other emergency occurs, it will be easier to identify students and to identify strangers by who is and who is not wearing the tags.

Another idea was that, if fire codes were put on the tags, they could be used for other things, such as to unlock doors and to check school books in and out of our library, at least. Other people wanted to use the cards, not only for ID, but as debit cards, so students could buy lunches.

And the last idea is that people could take attendance, or teachers could use the cards to take attendance in the morning, which would give them more time to teach their subjects instead of taking attendance.

LEE GOLDSMITH: Going over the cons, real quick. Basically, the biggest argument against this is there just isn't enough money and there are better things to spend it on.

And there were a lot of pros we came up with, and it would work very well in principle, but not in practice. We think that students would lose them a lot, and teachers and administrators would have a lot of trouble enforcing the rules and making students wear the identification. And people would just, you know, forget them.

And also, there are a lot of students who think that it's against our right to privacy, and a lot of people don't want to wear the tags, and they think that it's just—it will make us feel like we are in—not really a prison, but we are not, like, welcome there and we are not at home, which is obviously how we should feel.

ON BEHALF OF DAN HILL

REGARDING AFFORDABLE HOUSING

April 8, 2001

DAN HILL: I am presenting on affordable housing for young adults. Especially for people in Burlington here, there is not a lot of affordable housing for young adults.

I can read from my report, but I don't want to.

The housing situation here, especially here in Burlington, is horrible. If one has UVM here—pardon me, Professor. It is just, here in Burlington, you have 50 percent of the housing being taken by the colleges. And I believe you have about 14,000 students here. If you say that the University of Vermont provides about 49 percent of its housing here for its students, and all the rest of the students have to go out, and that is over 7,000 who have to find apartments here in Burlington. And we actually need 7,400 housing just to meet the current needs of the residents living here.

CONGRESSMAN SANDERS: Let me jump in and just ask you a question right now.

DAN HILL: Yes.

CONGRESSMAN SANDERS: We have a very serious housing crisis in the Burlington area, and in fact, we have a very serious crisis in communities around the state and all over the country. What do you think should be done?

DAN HILL: I think that more money should be put into building more suitable housing, affordable housing, for young adults, and not just young adults, but anyone who needs them. If you look at the problem and you just go anywhere, the rent is just so high here in Burlington. And not many people make that much money.

Especially when you are a young adult, you don't have your college diploma or anything, you are just out of high school, or in high school, and you have a job that pays you about $8 an hour, and you probably make 800 a month, net.

CONGRESSMAN SANDERS: Dan is making a very, very important point. And that is, if you are working, earning $8 an hour or $10 an hour, just do the arithmetic and figure out how you would be able to pay rents of—what?—500 or 600 a month?

DAN HILL: It's about $750 for a two-bedroom apartment.

CONGRESSMAN SANDERS: So if you had a kid and were making $8 an hour, you do the arithmetic. And what you find is that you end up spending 50 or 60 percent of your income for housing, which leaves very little left over to do other things that human beings need to do.

PAYING TRIBUTE TO CARL EDWIN McMILLEN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. McINNIS. Mr. Speaker, it is with a solemn heart that I take this opportunity to pay tribute to the life and memory of Carl Edwin McMillen who recently passed away in Montrose, Colorado. Carl was a valued member of the Montrose community and he will be deeply missed by those whose lives he touched. Carl's memory will continue to live on through his devoted wife, children, grandchildren, and friends and as they mourn his loss, I think it is appropriate that we remember Carl for his many contributions throughout his life.

Born, adopted and raised in Kansas, Carl graduated from high school in Winona, Kansas and went on to attend college in the city of McPherson. There he met his wife of sixty years, Betty and together they raised five children, later in life enjoying thirteen grandchildren and two great-grand children. As an orphan, Carl always took great pride and joy in his large and ever growing family and was known throughout the community as a kind and caring patriarch.

Carl served this country in WWII as a surgical technician in the United States Army Medical Corps. For his service to this Nation, he was awarded the World War II Victory Medal, the Good Conduct Medal, and the American Theater Medal. In 1964, Carl and his family moved to Colorado eventually ending up in Montrose. Carl served the people of his community for over twenty years at Montrose Memorial Hospital and after his retirement, continued to volunteer his time and experience to the hospital as a medical records clerk and van driver. A devoted Christian and member of the Montrose Christian Church, Carl felt strongly that anyone who wanted to attend church should have the chance to do so. As a result, he was frequently seen on Sundays driving hospital patients to and from services. In addition to his church service, he remained occupied with gardening, singing, the Lions Club, the Chipeta Chapter of the Colorado Archaeological Society, and the Moore Demoret 17 Chapter of the Disabled American Veterans. –

Mr. Speaker, after a long and full life, Carl passed away at the age of 81 of cancer. Carl had courageously faced the disease that would attack his body but never could touch his gentle spirit. Those who survive him must certainly feel lucky to have enjoyed him in their lives. It is a great honor to bring the life and compassion of Carl Edwin McMillen to the attention of this body of Congress and this nation. He was a gracious man and will be dearly missed.

FOCUS ON LITERACY, INC.

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. PAYNE. Mr. Speaker, I would like to call your attention to the outstanding accomplishments of the only New Jersey-based statewide literacy provider, Focus on Literacy, Inc. celebrates its 21st anniversary on July 2nd. In 1986 Focus on Literacy, Inc. through an Act of the United States Congress Established July 2nd as National Literacy Day. In 1989 Focus on Literacy, Inc. received the President's Volunteer Action Award Citation for its effort. This year is the 17th anniversary of National Literacy Day.

Illiteracy is a non-partisan issue that effects all ages and demographics. The consequences of illiteracy have a profound generational effect as illiteracy perpetuates illiteracy. The lack of literacy skills in adults has a direct and measurable effect on the education and the quality of life of their children. Illiteracy inhibits people from being viable and productive members of our society. Non-readers are not able to make contributions back to our communities.

It is estimated 70% of the unemployed and 65–85% of the incarcerated have reading problems. If literacy skill are improved there might not be a need for some of the tax dollar supported services currently in existence. Illiteracy costs the taxpayer billions of dollars in lost revenue as well as costs for additional programs such as welfare, job training, criminal rehabilitation, and insurance losses. Illiteracy is everyone's problem; it doesn't just affect the individual. The illiterate individual is our untapped resource for they do possess under utilized talents and abilities.

As a country we stand by the belief that everyone is entitled to an education, but those who cannot read must HEAR by word of mouth, since they are unable to read, that there is a free and private assistance available for them. Unless they are informed, the illiterate will not know where to get help let alone know enough to seek it. As a nation, it is everyone's responsibility to assist each other and make sure the information is disseminated to aid all concerned. There is no shame with being illiterate; the shame is not doing something about it.

July 2nd National Literacy Day was established to thank volunteers and to encourage the television and radio media to broadcast and advertise ONLY Public Service Announcements for free literacy services for this one day a year in order to publicize and inspire those in need to come forward to help themselves to correct their reading deficiency. Mr. Speaker, please join me in recognizing this group and its accomplishments.

IN HONOR OF THE EDUCATIONAL OPPORTUNITY PROGRAM AT THE NEW JERSEY INSTITUTE OF TECHNOLOGY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. MENENDEZ. Mr. Speaker, I rise today to honor the 30th anniversary of the Educational Opportunity Program (EOP) at the New Jersey Institute of Technology (NJIT). The celebration will take place on Friday, April 26, 2002, at NJIT's Van Houten Theater, and is followed by a gala in the Hazell Center Ballroom and Gallery.

For three decades, the Educational Opportunity Program has served New Jersey's underrepresented student population majoring in engineering, science, and technology. Each year, the EOP program provides educational support services including: tutorial and financial assistance; informational seminars to help freshmen learn about potential career opportunities; and required community service projects in Newark, providing sophomores with hands on experience in their field of study.

Having assisted over 3,150 full-time freshmen at NJIT, many of these students have won honors and awards for their academic and community work. The graduates of the Educational Opportunity Program have entered the workforce well equipped and prepared to make positive contributions to our community. These young people have turned into the professional adults of today, working for our country's major corporations and technological entities such as NASA, AT&T, Johnson & Johnson, Lucent Technologies, IBM, PSE&G, and many more.

Today, I ask my colleagues to join me in honoring the Educational Opportunity Program, which has recognized the importance of our youth by helping them succeed in their future endeavors.

PERSONAL EXPLANATION

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. SHOWS. Mr. Speaker, I am recorded as not having voted on Passage of H.R. 3763, the Corporate and Auditing Accountability and Responsibility Act, on April 24, 2002.

This is not correct, Mr. Speaker. On Rollcall 110, 1 voted AYE, to pass H.R. 3763.

I have asked the Office of Legislative Operations to inspect the voting machines. In the meantime, I want the Record to reflect that I did vote in favor of H.R. 3763, the, Corporate and Auditing Accountability and Responsibility Act.

MANFRED PEIPER: GUAM'S 2001 EXECUTIVE OF THE YEAR

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. UNDERWOOD. Mr. Speaker, For the past nineteen years, the Guam business community along with the local chapter of the American Red Cross puts together an annual event honoring Guam's "Executive of the Year." For 2001, the honor was bestowed upon Manfred H. Peiper, the general manager of the Hilton Guam Resort and Spa. A returning resident of Guam, Manfred was born in Hamburg, Germany on March 25, 1945. Orphaned at the age of sixteen, he was introduced to the hotel industry at an early age. Having had no choice but to fend for himself, he decided to take a job in the hotel business. A small family owned business called the Nienhause in Borken trusted him with a wide range of responsibilities and got him acquainted with the many facets of hotel management and operations. He later enrolled and graduated in 1966, from the Hotel Management School of Berlin where he earned the equivalent of a bachelor of arts degree in hotel management.

Manfred first joined Hilton International in 1969 taking a position at the Paris Hilton. He soon found himself working for the company in, among other locations, Deseldorf, Curacao and London. He took over as general manager for Hilton Guam in January 1988. His original plan to stay on the island for a few years eventually became a ten-year tour during which time he was able to secure $100 million worth of renovations and improvements to Hilton's facilities on Guam. Also under his direction, repairs were expeditiously completed after Hilton Guam sustained $44 million in damages from an 8.1 magnitude earthquake in 1993. In 1995, he took on additional responsibilities for the corporation as vice-president for East Asia and Thailand while maintaining his post as general manager on Guam.

Manfred and his family moved to Tokyo in 1998. Maintaining residence at the location of Hilton's flagship hotel for the region enabled him to better perform his corporate duties. For the next six years, he had the responsibility for 12 existing Hilton properties as well as a number of hotels under development in Japan, China, Korea, Taiwan, the Philippines and Guam. In 2000, he was welcomed back to his old post on Guam. His corporate level stint made him miss the challenges of direct interaction with employees, customers and the community.

On Guam, Manfred is well-known as both a leader and a team-player. The years he has spent on Guam is highlighted by a commendable record of service and contributions to community and civic organizations. In many instances, he has demonstrated his commitment to the advancement of tourism and the service industry on the island. As a manager, this work and dedication is reflected in the excellent service provided by his employees. As a community leader, he has accepted leadership posts and remains an active participant in civic activities. He has chaired the Guam Hotel and Restaurant Association and has been a board member of the Guam Visitors Bureau. Manfred is also a leading supporter of the Guam Symphony Society.

In light of his achievements and contributions, Manfred Peiper rightfully deserves to be honored. I join his wife, Li Wei, his daughter, Michelle, his sons, Nathly, Graham, and Mark-Alexander, in celebrating his accomplishments. The island community is elated with his desire to return to the island and we are hoping that he will be with us this time for good. Danke Schōn and Si Yu'os Ma'ase', Manfred!

Also deserving recognition are the 2001 nominees for "Executive of the Year"—Andrew D.M. Harford, Joseph E. Husslein, Karla Gonzalez Kehres, Ronald Leach, Gerald S.A. Perez, Karri Trahin Perez, Jay R. Shedd, Willie Tan and Gerald P. Yingling. As, with Manfred, these individuals have also made noteworthy contributions to the local business community. We commend them and appreciate their good work.

CONGRATULATIONS TO THE SONS & DAUGHTERS OF ST. CHRISTOPHER CHARITABLE AND BENEVOLENT SOCIETY, INC.

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. PAYNE. Mr. Speaker, I would like my colleagues here in the U.S. House of Representatives to join me in honoring a very special group, the Sons & Daughters of St. Christopher Charitable and Benevolent Society, Inc. On Sunday, May 26 , in East Hanover, New Jersey they will gather to celebrate their 60th Anniversary.

The Sons & Daughters of St. Christopher Charitable and Benevolent Society, Inc. of New Jersey was founded in the City of Newark, New Jersey in 1942 by a group of men and women from the Island of St. Kitts. The purpose of the Sons & Daughters of St. Christopher is to bring together its natives for the betterment of its social, intellectual and financial environment.

The Sons & Daughters of St. Christopher meets its objectives through several annual programs, such as a Fall Dance and Annual Scholarship Jazz Luncheon and an Oldies But Goodies Dance and other events. The Society has and continues to establish a relief program for the Island of St. Kitts during times of natural disaster.

The Sons & Daughters of St. Christopher have established the Thomas A. Nelson Scholarship Committee which has awarded in access of over $20,000.00 in Scholarships and the Esmond E. James Award given to every scholarship recipient who graduates with degree.

Mr. Speaker, let us offer our congratulations to the Sons & Daughters of St. Christopher Charitable and Benevolent Society, Inc. on this great occasion and express our very best wishes for continued success.

IN HONOR OF FRANCIS X. LAMPARELLO

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. MENENDEZ. Mr. Speaker, I rise today to honor Francis X Lamparello, Bayonne's "2002 Unico Man of The Year". Mr. Lamparello will be honored Saturday, April 27, 2002, at a Black Tie Dinner Dance at the Colonia Country Club in Colonia, New Jersey.

Francis Lamparello started his career with MCC Powers, later joined Monsen Engineering, and now serves as President and owner of Beacon Oil. From 1993 to 1995, Mr. Lamparello served as President of the Hudson County Fuel Dealers Organization, and was recognized as its Gold Seal Man of The Year in 1996. He also served as Fuel Merchants Association Convention Chairman in 1993, and member of the Finance Committee from 1995 to the present.

Attentive to the community's needs, Mr. Lamparello served the community as Treasurer and Building Chairman of Bayonne Family YMCA from 1994 to 1997, and then as President from 1997 to the present. As a member of the Board of Trustees for Marist High School, he served as Chairman of the Development and Advancement Committee, and the Building and Grounds Committee. He was chosen as a Trustee of the Bayonne Care at Home Board and as the Committee Chairman for NCCJ Brotherhood Week in 1999. A devoted member of the Bayonne Chapter of Unico National since 1991, he served the organization in all officer positions, including as President in 1998–1999.

Mr. Lamparello holds a Bachelor of Science in Mechanical Engineering from Rutgers University College of Engineering, a Master Plumber's license, and is licensed as a Professional Engineer in New Jersey.

Mr. Lamparello is happily married to Doreen and the proud father of daughter, Andrea Danielle, and son, Connor Xavier.

Today, I ask my colleagues to join me in honoring New Jersey's own Francis X. Lamparello. Along with the Bayonne Chapter of Unico, I would like to commend him for his outstanding contributions to our community.

HOUSE OF REPRESENTATIVES—*Monday, April 29, 2002*

The House met at 2 p.m. and was called to order by the Speaker pro tempore (Mr. CULBERSON).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 29, 2002.

I hereby appoint the Honorable JOHN ABNEY CULBERSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord, God eternal, over the weekend we assembled for worship, that we may keep Your commands and keep holy the day set aside for You.

Now we ask You to bless our work and our coworkers.

Make our labor holy because it is dedicated to You and performed in Your spirit.

Be attentive to the needs of this Nation and to all who serve in the military and in government.

We pray for the sick and those who care for them.

Show Your loving presence to all those who are fearful or in distress.

Grant determination and rehabilitation to all who suffer loss or are in recovery from drugs or natural disasters.

Hear the prayers we offer with renewed faith, for our trust is in You, now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

NUCLEAR WASTE STORAGE AT YUCCA MOUNTAIN

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today, I come to the well of the House to discuss the risk of storing high-level deadly nuclear waste in a hole in the Nevada desert called Yucca Mountain. Mr. Speaker, this will be the first gelogic repository for high-level nuclear waste.

No one can predict what the next 10,000 years will bring at Yucca Mountain, no matter whether we are discussing seismic activity, volcanic activity or meteorological activity. Mr. Speaker, how can we even decide what language to use on the "no trespassing" signs that will be pertinent 10,000 years from now?

Regardless of what the DOE crystal ball may show, the future is unknown, as is the stability of Yucca Mountain. Even DOE's own scientists question its suitability. No matter how many billions of dollars the DOE has spent on Yucca Mountain, they still cannot make that mountain a geologically-sound repository. Instead, they have to rely on engineered barriers, barriers which could just as easily be used on site, thereby diverting disastrous transportation risks.

Mr. Speaker, the Yucca Mountain project is fatally flawed; and no amount of money, nor square pegs in a round hole, can keep Nevadans and Americans safe from its failings.

COMMUNICATION FROM CHIEF OF STAFF OF HON. XAVIER BECERRA, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Krista Atteberry, Chief of Staff, of the Honorable XAVIER BECERRA, Member of Congress:

XAVIER BECERRA,
Washington, DC, April 22, 2002.

Hon. J. DENNIS HASTERT,
Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that the Custodian of Records, Office of Congressman XAVIER BECERRA, has been served with a subpoena for documents issued by the Los Angeles County Superior Court of California.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

KRISTA ATTEBERRY,
Chief of Staff.

OMISSION FROM THE CONGRESSIONAL RECORD OF APRIL 25, 2002, AT PAGE H1670

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. NORWOOD) is recognized for 5 minutes.

(Mr. NORWOOD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CORRECTION TO THE CONGRESSIONAL RECORD OF APRIL 25, 2002, AT PAGE H1670

The following 5 minute special order was inadvertently attributed to Mr. NORWOOD:

BANNING COCKFIGHTING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the opportunity to spend a moment on the floor of the House this afternoon dealing with an issue that passed this House by voice vote overwhelmingly during the discussion on the agricultural bill earlier this session.

We now have in conference the ag bill that seems to be moving forward. I have grave concerns in one particular area, Mr. Speaker, that I am going to be working over the course of the next few days to seek clarification because I want to make sure that the intent of the House and the Senate are preserved in the final form that comes out of conference.

Mr. Speaker, there has been a practice of cockfighting, game hens, that has been tolerated by this Congress even though it is now illegal in 47 States. The public long ago has come to the point that this practice is inherently inhumane and barbaric.

☐ 1545

The handlers of these fighting birds drug the animals to heighten their aggression and to clot the blood. They affix knives or ice picks like gaffs to their legs and place them into a pit to fight until one of them is dead, all for amusement and illegal gambling.

Mr. Speaker, this barbaric practice is slowly being made illegal around the country. It is currently legal in only three States. The problem is that under current law it is still legal to transport these birds from States where it is illegal to States that it is legal, and this loophole is exploited to

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

allow people to maintain, to train, and it facilitates illegal game bird fighting.

Last October, my colleague, the gentleman from Colorado (Mr. TANCREDO), and I offered two amendments to the farm bill that would close these loopholes and strengthen the penalty for violations of animal fighting laws. These two amendments were passed overwhelmingly by this body by voice vote, adopted in identical form in the Senate. This, in fact, should not even be a conference item. Identical language was adopted by both the House and the Senate. The intent of both Chambers was to close the loophole, ban foreign export of fighting animals, and increase the penalty.

According to the House Agriculture Committee's Web site, a conference committee is permitted to deal only with matters in disagreement between the House and the Senate. It may not change language that both have previously approved.

Unfortunately, it is pretty clear to me that people are, in fact, looking at watering down the penalty provisions in particular, and to deal with problems, some people are saying, I have been told by one high-ranking member of the conference committee that they are concerned that there is not a problem with 4–H clubs dealing with raising these chickens that the 4–H'ers produce.

Well, first of all, to prosecute a cockfighting case, law enforcement officers must have evidence of the illegal activity. The birds intended to be used in these cock fights are identifiable by several indicators, including the special structures that they are kept in, the fighting paraphernalia, the specific drugs that are provided to them to heighten the aggression and to aid the blood clotting.

The Animal Welfare Act already prohibits interstate transports for dogs for fighting purposes, and we have not had anybody come to this floor and say, well, we have these provisions in Federal law and we cannot have legitimate show-dog activities, that it is interfering with the buying, transport, and delivery of animals for purposes that do not impact animal fighting. Of course not. Reasonable people apply the laws reasonably, and this is absolutely specious.

There is a problem, however, because people will run through this loophole to continue to exploit the illegal game fighting that is happening in these States where it is illegal but it is legal to grow them, legal to train them, legal to transport them.

One of the problems is that the current penalties are 26 years old. They are not high enough to warrant prosecution of violations. What we hear from the U.S. Department of Justice and the USDA, that they have indicated that they would give more consideration if they were a felony and included higher fines and jail time.

That is what the House passed. That is what the conference committee should protect, and if we are not able to do that, Mr. Speaker, it is my intention to bring a motion to this floor to instruct the conferees to respect the rights and the will of the House and the Senate and to do what the American people want and end this cruel and barbaric practice.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on April 26, 2002 he presented to the President of the United States, for his approval, the following bills.

H.R. 861. To make technical amendments to section 10 of title 9, United States Code.

H.R. 4167. To extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted.

ADJOURNMENT

Mr. GIBBONS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 4 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, April 30, 2002, at 12:30 p.m., for morning hour debates.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and amended reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the third and fourth quarters of 2001, by Committees of the House of Representatives, as well as a consolidated report of foreign currencies and U.S. dollars utilized for speaker-authorized official travel during the third and fourth quarters of 2001, pursuant to Public Law 95–384, are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND THE WORKFORCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bob Schaffer	8/21	8/23	Lvov, Ukraine		479.52		(3)				479.52
	8/23	8/26	Kiev, Ukraine		907.68		(3)				907.68
Stephanie Milburn [4]	8/21	8/23	Lvov, Ukraine		479.52		(3)				479.52
	8/23	8/26	Kiev, Ukraine		907.68		(3)				907.68
Committee total					2,774.40						2,774.40

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] To participate in Schaffer CODEL.

JOHN BOEHNER, Chairman, Dec. 20, 2001.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 30 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Tony P. Hall	6/30	7/2	Australia		464.00						464.00
	7/2	7/5	East Timor		696.00						696.00
	7/5	7/8	Indonesia		741.00						741.00
	7/8	7/9	Singapore		242.00						242.00
	6/30	7/9					[3] 9,997.15				9,997.15
Vincent Randazzo	8/5	8/9	Italy		1,384.00		1,209.64				2,593.64
Seth Webb	8/5	8/9	Italy		1,384.00		1,209.64				2,593.64
Todd Gillenwater	8/5	8/9	Italy		1,384.00		1,209.64				2,593.64
Hon. David Dreier	8/17	8/18	Argentina		890.50						890.50

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 30 AND SEPT. 30, 2001—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	8/21	8/22									
	8/19	8/21	Chile		592.00						592.00
	8/22	8/22	Brazil		235.00						235.00
John Linder	8/17	8/18	Argentina		890.50						890.50
	8/21	8/22									
	8/19	8/21	Chile		592.00						592.00
	8/22	8/22	Brazil		235.00						235.00
Bradley Smith	8/17	8/18	Argentina		890.50						890.50
	8/21	8/22									
	8/19	8/21	Chile		592.00						592.00
	8/22	8/22	Brazil		235.00						235.00
Johanna Powers	8/17	8/18	Argentina		890.50						890.50
	8/21	8/22									
	8/19	8/21	Chile		592.00						592.00
	8/22	8/22	Brazil		235.00						235.00
Military air							(4)				
Matthew Reynolds	8/21	8/22	Argentina		470.50						470.50
	8/22	8/22	Brazil		235.00						235.00
	8/21	8/22					3,207.80				3,207.80
Committee total					13,870.50		16,833.87				30,704.37
Hon. Tony P. Hall	8/21	8/24	Canada		548.00		2,238.24				2,786.24
Committee total					548.00		2,238.24				2,786.24

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Estimate due to refunds in tickets from 7/5/01.
[4] Military air transportation.

DAVID DREIER, Chairman, Nov. 1, 2001 and Jan. 29, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE ADMINISTRATION, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Jim Forbes	8/4	8/9	Italy		1,384.00		1,209.64				
Reynold Schweikhardt	8/4	8/9	Italy		1,384.00		809.91				
Channing Nuss	8/4	8/9	Italy		1,384.00		1,209.64				
Committee total					4,152.00		3,229.19				

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ROBERT W. NEY, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
James Lewis	7/13	7/16	Europe		1,000.00						1,000.00
Commercial airfare							5,108.45				5,108.45
Hon. Sanford D. Bishop, Jr	7/14	7/16	Europe		611.00		(3)				611.00
Jay Jakub	7/23	7/24	Europe		250.00						250.00
	7/24	7/26	Africa		475.00						475.00
	7/26	7/27	Europe		425.00						425.00
Commercial airfare							5,108.45				5,108.45
Christine Healey	7/23	7/24	Europe		250.00						250.00
Commercial airfare							4760.82				4,760.82
Hon. Jim Gibbons	8/5	8/14	Europe		2,294.00						2,294.00
Commercial airfare							969.31				969.31
Hon. Collin C. Peterson	8/5	8/14	Europe		2,294.00						2,294.00
Commercial airfare							969.31				969.31
Brant Bassett	8/5	8/14	Europe		2,294.00						2,294.00
Commercial airfare							969.31				969.31
Hon. Nancy Pelsoi	8/6	8/12	Europe		2,013.00		(3)				2,013.00
Hon. Tim Roemer	8/6	8/12	Europe		2,013.00		(3)				2,013.00
Michael Sheehy	8/6	8/12	Europe		2,013.00		(3)				2,013.00
Hon. Douglas Bereuter	8/9	8/14	Asia		1,550.00						1,550.00
	8/15	8/18	Australia		696.00						696.00
Commercial airfare							7,023.86				7,023.86
Michael Ennis	8/9	8/16	Asia		2,014.00						2,014.00
Commercial airfare							4,231.82				4,231.82
Merrell Moorhead	8/9	8/11	Asia		854.00						854.00
	8/12	8/18	Australia		1,392.00						1,392.00
Commercial airfare							9,513.94				9,513.94
Hon. Porter Goss	8/13	8/18	Australia		696.00						696.00
Commercial airfare							9,376.43				9,376.43
Hon. Porter Goss	8/26	8/27	Europe		191.00						191.00
	8/28	8/30	Asia		524.00						524.00
	8/30	9/1	Europe		668.00		(3)				668.00
Timothy Sample	8/26	8/27	Europe		191.00						191.00
	8/28	8/30	Asia		524.00						524.00
	8/30	9/1	Europe		668.00		(3)				668.00
Committee total					25,900.00		48,031.70				73,931.70

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

PORTER J. GOSS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

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[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LARRY COMBEST, Chairman, Jan. 23, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total[1]	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Robert E. "Bud" Cramer	9/27	9/29	Russia		688.00						688.00
	9/29	9/30	Italy		346.00						346.00
	9/30	10/1	Turkey		234.00						234.00
Military air							(3)				
Hon. David L. Hobson	11/21	11/22	Germany		75.00						75.00
	11/22	11/25	Italy		1,518.00						1,518.00
	11/25	11/26	Ireland		312.00		(3)				312.00
Hon. Robert B. Aderholt	11/21	11/22	Germany		75.00						75.00
	11/22	11/25	Italy		1,518.00						1,518.00
	11/25	11/26	Ireland		312.00		(3)				312.00
Hon. Robert E. "Bud" Cramer	11/21	11/22	Germany		75.00						75.00
	11/22	11/25	Italy		1,397.00						1,397.00
	11/25	11/26	Ireland		312.00		(3)				312.00
John Scofield	11/21	11/22	Germany		75.00						75.00
	11/22	11/25	Italy		1,397.00						1,397.00
	11/25	11/26	Ireland		312.00		(3)				312.00
Brian Potts	11/21	11/22	Germany		75.00						75.00
	11/22	11/25	Italy		1,397.00						1,397.00
	11/25	11/26	Ireland		312.00		(3)				312.00
Therese McAuliffe	11/21	11/22	Germany		75.00						75.00
	11/22	11/25	Italy		1,397.00						1,397.00
	11/25	11/26	Ireland		312.00		(3)				312.00
Committee total					12,214.00		0.00				12,214.00
Committee on Appropriations, Survey and Investigations Staff:											
Downing, J.G	10/23	10/27	Taiwan		755.25		5,743.03		91.15		6,589.43
	10/27	10/30	Hong Kong		1,131.00						1,131.00
	10/30	11/02	PRC		734.00						734.00
Gardner, Norman H	10/15	10/19	Japan		925.50		7,581.70		119.98		8,627.18
	10/19	10/21	Hong Kong		754.00						754.00
	10/21	10/27	Thailand		1,092.00						1,092.00
	10/27	10/28	Japan		287.00						287.00
Hauver, Carroll L	10/15	10/19	Japan		925.50		7,581.70		263.27		8,770.47
	10/19	10/21	Hong Kong		754.00						754.00
	10/21	10/27	Thailand		1,092.00						1,092.00
	10/27	10/28	Japan		287.00						287.00
Pearre, Robert H., Jr	10/23	10/27	Taiwan		755.25		5,969.53		267.71		6,992.49
	10/27	10/30	Hong Kong		1,131.00						1,131.00
	10/30	11/02	PRC		734.50						734.50
Reitwiesner, Robert J	10/15	10/19	Japan		925.50		7,581.70		292.30		8,799.50
	10/19	10/21	Hong Kong		848.25						848.25
	10/21	10/22	Japan		287.00						287.00
Semich, Charles J	10/23	10/27	Taiwain		755.25		5,969.53		153.98		6,878.76
	10/27	10/30	Hong Kong		1,131.00						1,131.00
	10/30	11/02	PRC		734.50						734.50
Wyman, T. Peter	10/15	10/19	Japan		925.50		7,581.70		421.94		8,929.14
	10/19	10/21	Hong Kong		754.00						754.00
	10/21	10/27	Thailand		1,092.00						1,092.00
	10/27	10/28	Japan		287.00						287.00
Committee total					19,098.00		48,008.89		1,610.33		68,717.22

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[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

C.W. BILL YOUNG, Chairman, Jan. 9, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Travel to Russia, Italy and Turkey, September 27–October 1, 2001:											
Hon. Curt Weldon	9/27	9/29	Russia		688.00						688.00
	9/29	9/30	Italy		346.00						346.00
	9/30	10/1	Turkey		234.00						234.00
Hon. Solomon P. Ortiz	9/27	9/29	Russia		688.00						688.00
	9/29	9/30	Italy		346.00						346.00
	9/30	10/1	Turkey		234.00						234.00
Hon. Roscoe G. Bartlett	9/27	9/29	Russia		688.00						688.00
	9/29	9/30	Italy		346.00						346.00
	9/30	10/1	Turkey		234.00						234.00
Hon. Silvestre Reyes	9/27	9/29	Russia		688.00						688.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	9/29	9/30	Italy		346.00						346.00
	9/30	10/1	Turkey		234.00						234.00
Mr. Douglas C. Roach	9/27	9/29	Russia		688.00						688.00
	9/29	9/30	Italy		346.00						346.00
	9/30	10/1	Turkey		234.00						234.00
Delegation expenses	9/29	9/30	Italy				1,489.54		6,036.74		7,526.28
Travel to England, October 15–16, 2001:											
Hon. Curt Weldon	10/15	10/16	United Kingdom		344.00						344.00
Commercial airfare							5,842.53				5,842.53
Travel to Korea, November 3–4, 2001:											
Hon. Bob Riley	11/3	11/4	Korea		268.00						268.00
Commercial airfare							3,956.70				3,956.70
Travel to Italy, France and the Netherlands, November 9–13, 2001:											
Hon. Jim Ryun	11/9	11/10	Italy		360.00						360.00
	11/10	11/11	France		202.00						202.00
	11/11	11/13	Netherlands		440.00						440.00
Commercial airfare							1,002.00				1,002.00
Travel to Italy, Belgium and Turkey, November 20–24, 2001:											
Hon. Ellen O. Tauscher	11/20	11/22	Italy		413.00						413.00
	11/22	11/23	Belgium		58.00						58.00
	11/22	11/23	Turkey		205.00						205.00
Commercial airfare							5,385.66				5,385.66
Erin C. Conaton	11/20	11/22	Italy		413.00						413.00
	11/22	11/23	Belgium		182.00						182.00
	11/23	11/24	Turkey		205.00						205.00
Commercial airfare							5,385.66				5,385.66
Committeel total					9,430.00		23,062.09		6,036.74		38,528.83

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BOB STUMP, Chairman, Jan. 31, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BUDGET, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]	Foreign currency	Transportation		Other purposes		Total	
	Arrival	Departure			U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JIM NUSSLE, Chairman, Jan. 30, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND THE WORKFORCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN BOEHNER, Chairman, Jan. 29, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Ed Whitfield	11/21	11/22	Germany		75.00						75.00
	11/22	11/25	Italy		1,397.00						1,397.00
	11/25	11/26	Ireland		312.00						312.00
Hon. James Greenwood	11/30	12/2	France		259.98		6,757.77				7,017.79
Hon. John Shadegg	11/9	11/10	Italy		360.00						360.00
	11/10	11/11	France		202.00						202.00
	11/11	11/12	Netherlands		440.00						440.00
Committee total					3,045.98		6,757.771				9,803.75

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILLY TAUZIN, Chairman, Feb. 13, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MICHAEL G. OXLEY, Chairman, Jan. 28, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Mark Souder	11/9	11/10	Italy		360.00		206.25		209.37		
	11/10	11/11	France			202.00			328.82		
	11/11	11/12	Netherlands		440.00						
Christopher Donesa	11/9	11/10	Italy		360.00		206.25		209.37		
	11/10	11/11	France		202.00				328.82		
	11/11	11/12	Netherlands		440.00						
Kevin Long	11/9	11/10	Italy		360.00		206.25		209.37		
	11/10	11/11	France		202.00				328.82		
	11/11	11/12	Netherlands		440.00						
Nicholas Coleman	11/9	11/10	Rome		360.00		206.25		209.37		
	11/10	11/11	France		202.00				328.82		
	11/11	11/12	Amsterdam		440.00						
Elijah Cummings	11/9	11/10	Italy		360.00		2,429.19		209.37		
Tony Haywood	11/9	11/10	Italy		360.00		206.25		209.37		
	11/10	11/11	France		202.00				328.82		
	11/11	11/12	Netherlands		440.00						
Joshua Sharfstein	11/21	11/29	Switzerland		3,463.39		5,012.44				
Mark Souder	11/25	11/27	Canada		427.00		642.55				
Christopher Donesa	11/25	11/27	Canada		427.00		734.43				
Kevin Long	11/25	11/27	Canada		427.00		734.43				
Committee total					10,114.39		30,584.29		2,900.32		43,599.00

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN BURTON, Chairman, Jan. 20, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Cass Ballenger	11/3	11/5	Nicaragua		278.00		(3)		[4] 15,866.00		16,144.00
	11/11	11/12	Venezuela		196.76		(3)				196.76
Patrick (Ted) Brennan	11/3	11/5	Nicaragua		388.00		(3)				388.00
	11/11	11/12	Venezuela		153.00		(3)				153.00
Hon. John Cooksey	11/17	11/18	Syria		261.00		(3)				261.00
	11/18	11/19	Egypt		224.00		(3)				224.00
	11/19	11/20	Israel		362.00		(3)				362.00
Hon. William Delahunt	11/3	11/5	Nicaragua		888.00		(3)				888.00
	11/8	11/11	Cuba		588.00		463.25				1,051.25
	11/11	11/12	Venezuela		303.00		424.00				727.00
Adolfo Franco	12/15	12/18	Mexico		969.00		(3)				969.00
Paul Gallis	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Darrell Issa	11/17	11/18	Syria		261.00		(3)		[4] 4,012.49		4,273.49
	11/18	11/19	Egypt		224.00		(3)				224.00
	11/19	11/20	Israel		362.00		(3)				362.00
	12/15	12/18	Mexico		969.00		(3)				969.00
Hon. Brian Kerns	11/17	11/18	Syria		261.00		(3)				261.00
	11/18	11/19	Egypt		224.00		(3)				224.00
	11/19	11/20	Israel		362.00		(3)				362.00
	12/15	12/18	Mexico		969.00		(3)				969.00
David Killion	12/16	12/21	Japan		1,560.00		7,044.64				8,604.64
John Mackey	11/8	11/12	Cuba		595.00		882.00				1,477.00
	11/12	11/13	Mexico		240.00		187.00				427.00
Alan Makovsky	11/17	11/18	Syria		261.00		(3)				261.00
	11/18	11/19	Egypt		224.00		(3)				224.00
	11/19	11/20	Israel		362.00		(3)				362.00
Caleb McCarry	11/3	11/5	Nicaragua		388.00		(3)				388.00
Hon. Cynthia McKinney	12/8	12/10	Namibia		300.00		5,167.44				5,467.44
	12/26	12/27	France		299.00		6,308.15				6,707.15
Hon. Gregory Meeks	11/11	11/12	Venezuela		303.00		(3)				303.00
Paul Oostburg-Sanz	11/3	11/5	Nicaragua		407.00		(3)				407.00
	12/15	12/18	Mexico		969.00		(3)				969.00
Grover Joseph Rees	12/16	12/18	Japan		512.00		6,818.39				7,330.39
Doug Seay	12/15	12/18	Mexico		969.00		(3)				969.00
Hon. Christopher Smith	12/16	12/18	Japan		461.22		6,818.39				7,279.61
Sam Stratman	11/17	11/18	Syria		261.00		(3)				261.00
	11/18	11/19	Egypt		224.00		(3)				224.00
	11/19	11/20	Israel		362.00		(3)				362.00
Hon. Thomas Tancredo	12/15	12/18	Mexico		969.00		(3)				969.00
Josephine Weber	12/14	12/18	Mexico		1,292.00		513.64				1,805.64
Hillel Weinberg	11/17	11/18	Syria		261.00		(3)				261.00
	11/18	11/19	Egypt		224.00		(3)				224.00
	11/19	11/20	Israel		362.00		(3)				362.00
Committee total					20,951.98		34,626.90		19,878.49		75,457.37

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Indicates Delegation costs.

HENRY HYDE, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

FOR HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

F. JAMES SENSENBRENNER, Jr., Chairman, Feb. 4, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Nick Joe Rahall	11/17	11/18	Syria		261.00		(3)				261.00
	11/18	11/18	Lebanon				(3)				
	11/18	11/19	Egypt		224.00		(3)				224.00
	11/19	11/20	Israel		362.00		(3)				362.00
Kimo Kaloi	11/30	12/1	Japan		337.00						337.00
	12/1	12/7	Palau		1,890.00		[4] 5,943.74				7,833.74
Committee total					3,074.00		5,943.74				9,017.74

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Round trip.

JAMES V. HANSEN, Chairman, Jan. 30, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

FOR HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

SHERWOOD L. BOEHLERT, Chairman, Jan. 29, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Matthew Szymanski	11/3	11/10	England		1,800.00		[3] 600.00				2,400.00
Hon. Stephanie Tubbs-Jones	11/21	11/21	Ireland.								
	11/22	11/22	Germany.								
	11/23	11/23	Italy.								
					1,262.00		(4)				1,262.00
Committee total					3,062.00		600.00				3,662.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] State Department.
[4] Military air transportation.

DONALD A. MANZULLO, Chairman, Feb. 5, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

FOR HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOEL HEFLEY, Chairman, Jan. 28, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DON YOUNG, Chairman, Jan. 23, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Sander M. Levin	11/9	11/13	Qatar		1,290.00		6,846.20				8,136.20
Committee total					1,290.00		6,846.20				8,136.20

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL THOMAS, Chairman, Feb. 20, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, JOINT COMMITTEE ON TAXATION, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]

FOR HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL THOMAS, Chairman, Feb. 6, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. OLEH CHERNYK, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 21 AND AUG. 26, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Oleh Chernyk	8/21	8/23	Lvov, Ukraine		479.52		(3)				479.52
	8/23	8/26	Kyiv, Urkaine		907.68		(3)				907.68
Committee total					1,387.20						1,387.20

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

OLEH CHERNYK, Dec. 21, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO CANADA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 5 AND OCT. 9, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Doug Bereuter	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Ralph Regula	10/5	10/9	Canada		678.00		(3) 605.25				1283.25
Hon. Marge Roukema	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Joel Hefley	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Porter Goss	10/5	10/9	Canada		874.00		(3)				874.00
Hon. Vern Ehlers	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Scott McInnis	10/5	10/9	Canada		904.00		(3)				904.00
Hon. John Shimkus	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Thomas Reynolds	10/5	10/9	Canada		904.00		(3)				904.00
Hon. John Tanner	10/5	10/9	Canada		904.00		(3)				904.00
Hon. F. Allen Boyd	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Tom Udall	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Dennis Moore	10/5	10/9	Canada		904.00		(3)				904.00
Hon. Susan Olson	10/5	10/9	Canada		904.00		(3)				904.00
Robin Evans	10/5	10/9	Canada		904.00		(3)				904.00
Mike Ennis	10/5	10/9	Canada		904.00		(3)				904.00
Carol Lawrence	10/5	10/9	Canada		904.00		(3)				904.00
Scott Palmer	10/5	10/9	Canada		904.00		(3)				904.00
Patrick Prisco	10/5	10/9	Canada		904.00		(3)				904.00
Jo Weber	10/5	10/9	Canada		904.00		(3)				904.00
Committee total					17,824.00		605.25				18,429.25

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

DOUGLAS BEREUTER, Chairman, Nov. 7, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO CANADA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 6 AND OCT. 7, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. J. Dennis Hastert	10/6	10/7	Canada		206.00		(3)				206.00
Sam Lancaster	10/6	10/7	Canada		206.00		(3)				206.00
Paige Ralston	10/6	10/7	Canada		206.00		(3)				206.00
Chris Walker	10/6	10/7	Canada		206.00		(3)				206.00
Committee total					824.00						824.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportations.

J. DENNIS HASTERT, Chairman, Nov. 11, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO CANADA, HOUSE OF REPRESENTATIVES, EXPENDED ON NOV. 5, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. J.C. Watts, Jr	11/5	11/5	Canada								
Hon. Earl Hilliard	11/5	11/5	Canada								
Hon. Joe Knollenberg	11/5	11/5	Canada								
Jack Horner	11/5	11/5	Canada								
Elroy Sailor	11/5	11/5	Canada								
Jon VandenHeuvel	11/5	11/5	Canada								
Kyle Downey	11/5	11/5	Canada								
Committee total											

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

J.C. WATTS, Jr., Chairman, Nov. 6, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. XENIA HORCZAKIWSKYJ, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 27 AND OCT. 1, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Xenia Horczakiwskyj	9/27	9/29	Russia		688.00						
	9/29	9/30	Italy		346.00						
	9/30	10/1	Turkey		234.00						
Committee total											

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

XENIA HORCZAKIWSKYJ, Oct. 12, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. THOMAS DUNCAN, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 11 AND OCT. 15, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Thomas Duncan	10/11	10/15	Canada		936.00		739.54				1,675.5
Committee total					936.00		739.54				1,675.5

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

THOMAS DUNCAN, Oct. 26, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MS. CASSIE BEVAN, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN NOV. 8 AND NOV. 13, 2001

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Cassie Bevan	11/9	11/10	Italy	776,880	360.00			4.70	6.81	776,894.7	366.8
	11/10	11/11	France	1,474.60	202.00					1,474.60	202.00
	11/11	11/13	Amsterdam	1,086.80	440.00					1,086.80	440.00
Committee total					1,002.00						1,002.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CASSIE BEVAN, Dec. 4, 2001.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. TONY P. HALL, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 17 AND DEC. 21, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Tony P. Hall	12/18	12/21	South Korea		804.00		6,353.20				7,157.20
Committee total					804.00		6,353.20				7,157.20

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAVID DREIER, Chairman, Jan. 29, 2002.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. RICHARD A. CARNE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 17 AND DEC. 21, 2001

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Richard A. Carne	12/18	12/21	South Korea		804.00		4,605.20				5,409.20
Committee total					804.00		4,605.20				5,409.20

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD A. CARNE, Jan. 16, 2002.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6430. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Credit by Brokers and Dealers; List of Foreign Margin Stocks [Regulation T] received April 23, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6431. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Regulatory Flexibility Program—received April 23, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6432. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Organization and Operation of Federal Credit Unions—received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6433. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Definitions; Organization and Operation of Federal Credit Unions; Credit Union Service Corporations; Supervisory Committee Audits and Verifications; Member Business Loans; Central Liquidity Facility; Description of NCUA—received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6434. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Butler and Reynolds, Georgia) [MM Docket No. 01-5, RM-10028, RM-10107] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6435. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), FM Table of Allotments, FM Broadcast Stations (Manning and Moncks Corner, South Carolina) [MM Docket No. 01-121, RM-10125] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6436. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Medical Devices; Exemptions From Premarket Notification; Class II Devices [Docket No. 01N-0238] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6437. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Arkansas: Final Authorization of State Hazardous Waste Management Program Revisions [FRL-7173-7] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6438. A letter from the Legal Branch Chief, Common Carrier Bureau, Federal Communications Commission, transmitting the Commission's final rule—Telephone Number Portability [CC Docket No. 95-116] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6439. A letter from the Senior Deputy Bureau Chief, Common Carrier Bureau, Federal Communications Commission, transmitting the Commission's final rule—Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996 [CC Docket No. 96-128] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6440. A letter from the Assistant Chief Competition Policy Division, WTB, Federal Communications Commission, transmitting the Commission's final rule—Implementation of Further Streamlining Measures for Domestic Sections 214 Authorizations [CC Docket No. 01-150] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6441. A letter from the Chief, Enforcement Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Part 11 of the Commission's Rules Regarding the Emergency Alert System [EB Docket No. 01-66, RM-9156, RM-9215] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6442. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Jackson and Salyersville, Kentucky) [MM Docket No. 00-79, RM-9802] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6443. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Lincoln and Sherman, Illinois) [MM Docket No. 01-120, RM-10126] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6444. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Greenville and Cooper, Texas) [MM Docket No. 00-63, RM-9837] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6445. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Olathe, Colorado) [MM Docket No. 99-28, RM-9438] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6446. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Mount Pleasant and Hemlock, Michigan) [MM Docket No. 01-107, RM-10057] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6447. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Junction City and Marquand Missouri) [MM Docket

No. 01-48, RM-10062, RM-10117] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6448. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Oakville, Raymond, and South Bend, Washington) [MM Docket No. 00-41, RM-9369] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6449. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Boscobel, Wisconsin) [MM Docket No. 01-349, RM-10350] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6450. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Arriba, Bennett, Brush and Pueblo, Colorado; Pine Bluffs, Wyoming) [MM Docket No. 01-18, RM-10026, RM-10098] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6451. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Albuquerque, New Mexico) [MM Docket No. 01-160, RM-10159] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6452. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Bozeman, Montana) [MM Docket No. 01-163, RM-10134] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6453. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Mississippi State, Mississippi) [MM Docket No. 01-301, RM-10207] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6454. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Salem, Oregon) [MM Docket No. 00-117, RM-9810] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6455. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Kingston, New York) [MM Docket No. 00-121, RM-9674] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6456. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Macon, Georgia) [MM Docket No. 01-1, RM-10013] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6457. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Charleston, South Carolina) [MM Docket No. 01-335 RM-10338] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6458. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Tulsa, Oklahoma) [MM Docket No. 01-313 RM-10251] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6459. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Charleston, South Carolina) [MM Docket No. 01-222, RM-10240] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6460. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.606(b), Table of Allotments, Television Broadcast Stations (Pueblo, Colorado) [MM Docket No. 01-332 RM-10334] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6461. A letter from the Legal Advisor, WTB, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Part 1 of the Commission's Rules—Competitive Bidding Procedures [WT Docket No. 97-82] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6462. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Telluride and Norwood, Colorado) [MM Docket No. 01-249, RM-10272] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6463. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Cumberland, Kentucky and Weber City, Virginia; Glade Spring, Marion, Richlands and Grundy, Virginia) [MM Docket No. 99-244, RM-9678 RM-9873] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6464. A letter from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Rule, Texas) [MM Docket No. 01-183, RM-10192] received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6465. A letter from the Executive Secretary and Chief of Staff, Agency For International Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6466. A letter from the Executive Secretary and Chief of Staff, Agency For International Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6467. A letter from the Chief Executive Officer, Corporation for National and Community Service, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6468. A letter from the White House Liaison, Department of Education, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6469. A letter from the Executive Resources and Special Programs Divison, Environmental Protection Agency, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6470. A letter from the Special Counsel, Office of Special Counsel, transmitting the Counsel's FY 2001 Annual Performance Report; to the Committee on Government Reform.

6471. A letter from the Deputy Assistant, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Conferring Designated Port Status on Anchorage, Alaska (RIN: 1018-AH75) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6472. A letter from the Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 620 of the Gulf of Alaska [Docket No. 011218304-1304-01; I.D. 032502E] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6473. A letter from the Deputy Assistant Administrator for Regulatory Programs, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Western Alaska Community Development Quota Program [Docket No. 010710172-2039-02; I.D. 061301A] (RIN: 0648-AL92) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6474. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico and South Atlantic; Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic; Trip Limit Reduction [Docket No. 001005281-0369-02; I.D. 030602G] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6475. A letter from the Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Vessels Catching

Pacific Cod for Processing by the Offshore Component in the Central Regulatory Area of the Gulf of Alaska [Docket No. 011218304-1304-01; I.D. 032502B] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6476. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Vessels 60 feet Length Overall and Using Pot Gear in the Bering Sea and Aleutian Islands Management Area [Docket No. 011218304-1304-01; I.D. 031402A] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6477. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic; Closure [Docket No. 970930235-7235-01; I.D. 032102B] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6478. A letter from the Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries off West Coast States and in the Western Pacific; Coastal Pelagic Species Fisheries; Annual Specifications [Docket No. 011218302-1302-01; 120601A] (RIN: 0648-AP00) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6479. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off West Coast States and in the Western Pacific; West Coast Salmon Fisheries; Closure and Inseason Adjustments for the Recreational and Commercial Salmon Seasons from Queets River, WA, to Humbug Mountain, OR [Docket No. 010502110-110-01; I.D. 081601B] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6480. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Species in the Rock sole/Flathead sole/"Orther flatfish" Fishery Category by Vessels Using Trawl Gear in Bering Sea and Aleutian Islands management area [Docket No. 011218304-1304-01; I.D. 030102A] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6481. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Guidance on Certain Provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Notice 2000-4) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6482. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Changes in accounting periods and in methods of accounting (Rev. Proc. 2002-9) received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6483. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Rulings and determination letters [Rev. Proc. 2002-7] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6484. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Election in respect of losses attributable to a disaster (Rev. Rul. 2002-11) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6485. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Allocation of Loss with Respect to Stock and Other Personal Property [TD 8973] (RIN: 1545-AW09) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HANSEN: Committee on Resources. H.R. 3908. A bill to reauthorize the North American Wetlands Conservation Act, and for other purposes; with an amendment (Rept. 107-421). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Ms. NORTON:

H.R. 4617. A bill to amend title 5, United States Code, to eliminate the discriminatory treatment of the District of Columbia under the provisions of law commonly referred to as the "Hatch Act"; to the Committee on Government Reform.

By Mr. KENNEDY of Minnesota:

H. Con. Res. 389. Concurrent resolution honoring the University of Minnesota Golden Gophers men's hockey and wrestling teams and the University of Minnesota-Duluth Bulldogs women's hockey team for winning the 2002 National Collegiate Athletic Association championships; to the Committee on Education and the Workforce.

By Mr. SWEENEY (for himself, Mr. HOLDEN, Mr. STRICKLAND, and Mr. HORN):

H. Con. Res. 390. Concurrent resolution expressing the sense of Congress regarding the establishment of a National Correctional Officers and Employees Week; to the Committee on Government Reform.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

229. The SPEAKER presented a memorial of the House of Representatives of the State of Idaho, relative to House Joint Memorial No. 16 memorializing the United States Congress to make special education funding mandatory and fulfill its commitment on a long overdue promise to provide funding at the forty percent level; to the Committee on Education and the Workforce.

230. Also, a memorial of the House of Representatives of the State of Idaho, relative to House Joint Memorial No. 17 memorializing the United States Congress to pass a "School Prayer Amendment" to the Constitution of the United States reinstating protection for voluntary school prayer and other public religious speech; to the Committee on the Judiciary.

231. Also, a memorial of the House of Representatives of the State of Idaho, relative to House Joint Memorial No. 21 memorializing the United States Congress to enact legislation setting the level of obligations for federal-aid highway and highway safety construction programs for fiscal year 2003 at not less than $8.6 billion above the level set in the proposed fiscal year 2003 federal budget in order to continue the full benefit of transportation investments at fiscal year 2002 levels and avoid job losses; to the Committee on Transportation and Infrastructure.

232. Also, a memorial of the House of Representatives of the State of Idaho, relative to House Joint Memorial No. 18 memorializing the United States Congress to request that the Environmental Protection Agency suspend the current Draft Guidance; to the Committee on Transportation and Infrastructure.

233. Also, a memorial of the House of Representatives of the State of Idaho, relative to House Joint Memorial No. 15 memorializing the United States Congress to require all agencies to strictly comply with all TAA and NAFTA-TAA petition investigation and determination time requirements to ensure that determinations are made within the sixty day notification period required by the Worker Adjustment and Retraining Notification Act; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 80: Mr. MASCARA.

H.R. 471: Mr. KUCINICH and Mr. SAWYER.

H.R. 792: Mr. UDALL of New Mexico.

H.R. 826: Mr. PETERSON of Minnesota.

H.R. 914: Mr. GALLEGLY.

H.R. 1051: Mr. WATT of North Carolina.

H.R. 1086: Mr. PLATTS.

H.R. 1360: Ms. HARMAN, Mr. UDALL of New Mexico, and Mr. MOLLOHAN.

H.R. 1405: Ms. LEE and Mr. JACKSON of Illinois.

H.R. 1509: Mr. ROSS.

H.R. 1784: Mr. BISHOP.

H.R. 3550: Mr. PASCRELL.

H.R. 3615: Mr. FRANK.

H.R. 3626: Mr. MORAN of Kansas.

H.R. 3710: Mr. MCDERMOTT.

H.R. 3818: Mr. MCGOVERN.

H.R. 3831: Mr. SHOWS, Mr. BARCIA, Mr. BILIRAKIS, Mr. ROTHMAN, and Mr. OLVER.

H.R. 3956: Mr. SANDERS.

H.R. 4073: Ms. HART, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MCKINNEY, Mr. HOEFFEL, and Mr. ISSA.

H.R. 4074: Mr. LEVIN and Mr. JACKSON of Illinois.

H.R. 4083: Ms. HOOLEY of Oregon, Mr. CROWLEY, and Ms. LEE.

H.R. 4092: Mr. PLATTS, Mr. GRAHAM, and Mrs. ROUKEMA.

H.R. 4152: Mr. BILIRAKIS.

H.R. 4470: Ms. HART.

H.R. 4524: Mrs. KELLY, Mr. EHLERS, Mr. OWENS, and Mr. MCNULTY.

H.R. 4551: Mr. RODRIGUEZ, Mr. DEFAZIO, Mr. MCDERMOTT, Mr. BACA, Mr. ORTIZ, Mr. REYES, Ms. MCCOLLUM, Mr. STRICKLAND, Mr. CAPUANO, Mr. BORSKI, Mr. DOYLE, Mr. KANJORSKI, Mr. HOLDEN, Mr. BRADY of Pennsylvania, Mr. WU, Mr. BENTSEN, Ms. PELOSI, Ms. DELAURO, Mr. BROWN of Ohio, and Mr. MENENDEZ.

H. Con. Res. 181: Mr. MASCARA.

SENATE—*Monday, April 29, 2002*

The Senate met at 1 p.m. and was called to order by the Honorable BLANCHE L. LINCOLN, a Senator from the State of Arkansas.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Loving Father, You know us as we really are. You see beneath the polished surface of our projected adequacy. You know our true needs. The great need, at the core of all our needs is to truly experience Your presence. We need You, dear God. It is our most profound joy to know that the desire to know, love, and serve You today is the result of Your hand upon our shoulders. You motivate the desire to pray because You delight in us when we desire You above all else. More than anything You can give us or do for us, we long to live in communion with You. Our spirituality is what we do with our yearning. In this moment of honest prayer, we turn over to You the longings of our hearts; everything from our most personal anxieties to our relationships and responsibilities. How wonderful it is to know that You have motivated us to pray because You have solutions and resolutions for our most complex problems.

Bless the Senators today with an engaging conversation with You. Thank You that You are ready to give the guidance, wisdom, and vision that will be required in each hour. Go before them to show the way, reside in their minds to provide power, and replenish their assurance that what You have called them to do is the people's business in Government. This is the day You have made; we will rejoice and be glad in You! Amen.

PLEDGE OF ALLEGIANCE

The Honorable BLANCHE L. LINCOLN led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, April 29, 2002.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BLANCHE L. LINCOLN, a Senator from the State of Arkansas, to perform the duties of the Chair.
>
> ROBERT C. BYRD,
> *President pro tempore.*

Mrs. LINCOLN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the motion to proceed to H.R. 3009, which the clerk will report.

The legislative clerk read as follows:

> Motion to proceed to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that act, and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

Mr. REID. Madam President, today, as the Chair has announced, we are once again on the Andean trade legislation. We have a vote tonight at 6 o'clock on invoking cloture on the motion to proceed to this legislation. The time until 6 p.m. is equally divided between the proponents and opponents on the motion to proceed. The reports we have received are that it does not appear there will be a lot of debate prior to this vote tonight, although there are a few Members who wish to speak. There will be about 5 hours for debate, and it appears at this time that there will not be a lot of speakers.

Unless my friend from Wyoming has a statement, I suggest the absence of a quorum, and I ask that the time for the quorum call be charged equally against both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. THOMAS. Madam President, I wish to speak on the bill before us.

At 6 o'clock, as my friend from Nevada mentioned, we will be voting on the motion to proceed to one of the more important bills before us this year. I am glad we have some opportunity to talk about this legislation.

H.R. 3009 is the vehicle on which the Senate will be voting as to whether or not the Senate will proceed to three bills—the Trade Promotion Act, the Trade Adjustment Act, and the extension of the Generalized System of Preferences. I wish to focus on what I believe to be the more critical issue, and that is the Trade Promotion Act.

This is often called fast track. It is designed to give us a system to bargain, if you will, and negotiate treaties with other countries, hopefully to the benefit of the United States. I believe it is very critical to our economic future.

While other nations are negotiating treaties—and have been for some time—to open markets and strengthen their economies, the United States during these negotiations has been on the sidelines. Of the 134 free trade agreements in force, the United States is only party to 3. Mexico has signed 28 agreements. One-third of the world's exports are covered by the European Union's trade and customs agreements, where ours is less than 11 percent.

Since the authority for the President expired in 1994, the rest of the world has gone forward seeking to make trade agreements that are favorable to their countries. We have not been able to do that.

The TPA bill passed the Finance Committee 18 to 3, and, of course, has passed the House. I think it provides a reasonable solution to where we ought to be and where we need to be. All of us are concerned that trade be fair, that it be equitable, that it gives us the best opportunities it can, but that there is trade. Trade is there and billions of dollars move around the world every day.

We need to make sure our trade is as favorable as it can be and we are in step with the rest of the world in terms of being able to do that fairly.

President Bush said earlier it is important for America to understand we are good at what we do. We can compete with anyone in the world. We have the most productive workforce on the face of the Earth. Therefore, let us open our markets to sell our products. He asked the Senate to give him the ability to do that.

As I mentioned, the Trade Promotion Act expired in 1994 and we have sort of stood on the sidelines ever since. In December, the House passed a bipartisan trade promotion bill. The Senate Finance Committee then moved fairly quickly. I was fortunate enough, as was the Presiding Officer, to be a part of that and listened to that debate. It passed 18 to 3 to move it on and to do the things we want to do.

Certainly, there is room for discussion about trade and trade agreements. We have different views of it, depending a little on where we are and what we do at the time, but the fact is that trade agreements are very important to us. They expand markets for U.S. goods and services. They create higher paying jobs in America for those kinds of things that are exported. They give us a chance to show our productivity and our efficiency in doing the things we do well. So it tends to invigorate our economy, and certainly now is a time when we want to do that.

The absence of trade opportunities has created sort of an invisible tax on America that we pay whenever we shop. Better trade deals and lower tariffs can boost savings even higher, and I think it is time we do that.

Trade is essential, of course, to America's economy and our growth and our prosperity. Exports accounted for more than one-fourth of all economic growth in the 1990s. The jobs that are dependent on exports are estimated to be 13 to 18 percent higher than the national average. One-tenth of American workers, 12 million, are in jobs that depend on exports. So we need to think long and hard about the process we use.

Fast track sounds as if we are giving all the authority to the President to make these decisions, but that is not the case. What we are doing is setting up a system which allows the President and his people to do the negotiations within guidelines that are set in the bill, and then bring the results of those negotiations back to the Congress. The Constitution provides that the Congress deal with those Federal trade issues.

So as I mentioned before, a lot of these have been going on while we have not been able to do much about it, and the impact is fairly simple. One example is a $187,000 Caterpillar tractor made in America and shipped to Chile is slapped with a $13,000 trade tariff. The same tractor made in Brazil and sold to Chile is $3,000. The same tractor made in Canada and shipped to Chile, there is no tariff. So in terms of being able to compete, in terms of being able to be part of world trade, without an agreement and a system to bring in these kinds of things, we are left on the sidelines to some extent.

Trade is good for American farmers and ranchers. We have had several meetings and a couple of news conferences on agriculture. One in every three acres in this country is planted for exports. American farmers exported about $55 billion in agricultural products last year. Almost a third, nearly 40 percent, of agricultural products go into exports.

I understand different commodities are different and have different impacts, but, nevertheless, overall agriculture is certainly a valuable tool and one we have to have to have a strong economy. The same is true of small business. The same is true, of course, of all we do in the world.

Our relationships and our leadership, at least in part, have to do with the economic arrangements we have and our economy. The trade promotion authority is the one we are really looking at.

I mentioned it passed the House. It was a very close vote, as a matter of fact, but it was passed on and the committee has dealt with that. It would renew the trade agreement authority that expired in 1994.

Basically, it falls in two categories: the President's authority to proclaim changes in tariffs resulting from negotiations of reciprocal trade agreements and, two, procedures for implementing the provisions of these agreements which entail changes in U.S. law.

These procedures are commonly known as fast track, and they require an up-or-down vote of the Congress. It seems to me that is a reasonable thing. I cannot imagine 535 individuals trying to come up with some kind of trade negotiation. That does not work. So we have to delegate that and then have the overview of it in the Congress. That is basically what this does.

The key provisions include establishing the objectives of negotiations. Obviously, when we negotiate for the United States and the U.S. representatives, the purpose is to get as good a deal as we can possibly get for our country. There are congressional guidances to the President. It requires Presidential consultation with the Congress before, during, and after trade negotiations. So, again, it is not something that is apart from but is done in a particular way. It creates a congressional oversight group, a broad-based bipartisan organization, that has oversight of what is going on and can report and give information to the Congress. It is designed to do that.

So the Congress is very much involved. That is the key now. The way this is happening is what is called the Trade Adjustment Act. That is the bill that is before us with these other two that will be coming a part of that. One of them is Andean trade, which is a specific trade agreement set forth to work with States in South America. We, again, do not have agreements with them. One of them is Colombia where we are seeking to try to make some changes, of course. Another is Bolivia, Ecuador, and Peru. So this is one of the bills addressing that.

Then the trade adjustment authority is the one that has been in effect before. It has expired. It provides programs for employees who have felt the impact of trade agreements, such as the loss of jobs and the loss of their businesses. Financial trading and assistance has been available to firms and companies, and for displaced workers who face significant adjustments.

I always think about agriculture. Years ago, farmers and ranchers lived on the ranch and provided almost everything for themselves: clothing and food. They built their own houses. They did all of those things. Then as things changed we sought to do the things we do best and make our profits there and then buy from other people what they do best. That is sort of what happens in trade.

The new provision, however, is designed to go much further than what it did in the past, and I suspect this will be the controversial aspect of this negotiation in which there is a tendency on the part of particularly the folks on the other side of the aisle to bring forth a program that will be permanent, such as financing COBRA, where the insurance can be extended that one had with their company, paying for 75 percent of it from Government funds, and developing a permanent program where we are really looking for some rather short-term assistance until these folks can readjust or perhaps get rehired.

So that is kind of where we are. Certainly this is one of the issues the President has talked about a great deal in terms of our economy and in terms of all the many things that affect us. This has been one of his highest priorities.

I have to say, despite some of the conversation that goes on, the President's priorities have done rather well in terms of taxes, in terms of energy, and I think this is another one that must necessarily be handled and put into place.

Trade promotion is critical to our economic future. The President needs the authority to extend and expand our international trade capacities. Trade negotiators need legislation to ensure they are afforded a seat at the negotiation table.

I have already mentioned that many of these negotiations have gone on without us. This bill provides a reasonable and effective procedure for congressional consultation and involvement. It avoids establishing unwarranted mandates that would adversely affect the negotiating authority of the President. It ensures that the laws of the United States are maintained and protected.

I suspect this will be somewhat controversial. Each of us will have some of our parochial feelings about it. Wyoming is very involved in agriculture. Trade is important to Wyoming agriculture. It is important to beef, wool, wheat, and lamb. We have been through this. But TPA will provide the negotiators a chance to reduce those barriers and get us a better seat at the table.

Despite our relationship with Japan, I think there is still about a 40-percent tariff on beef. That is a high tariff in Japan. We need to work at reducing those tariffs because, for agriculture, one of the best futures we have is the opportunity to expand markets beyond our domestic market.

I look forward to this debate and discussion, and, frankly, I look forward to finishing the discussion this week so we can get on with protecting our markets and making our economy even stronger.

Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE ON EDUCATION

Mr. REID. Madam President, we speak frequently of Nevada's security needs. We speak frequently of the security needs of every State in the Union, especially after September 11. We speak frequently of American security needs, and understandably so. But we should also realize that the strength and security of our Nation require more than bombs and bullets and our brave men and women in uniform.

The future of our country will also be determined by our children and our grandchildren and how they are going to be educated. I believe we have a high priority for America to educate our children, making sure that all children have the tools and opportunity to succeed.

Nevada is similar to almost every State in the Union with regard to educational needs today. However, we also have unique problems. In the Las Vegas area, the Clark County School District is the sixth largest school district in America with 240,000 kids. We have built 18 new schools in 1 year to keep up with the growth.

In other parts of the State, teachers have been laid off because the population growth was not as rapid and there are fewer people living there. Jobs have been cut back, especially in places where mining is so important. Mines have been cut back.

The things I hear about education in Nevada I think can be applied all over the country. For example, a couple of weeks ago two women came to visit with me. They are schoolteachers in Nevada, one representing Las Vegas and one representing Reno. They specialize in educating kids who are really smart. They were here to tell me of the cutbacks in programs in both the Reno and Las Vegas areas. These children have IQs of more than 130. Those programs for smart kids in Clark County are basically gone. In Reno we still have some, but not as many as they should have.

In Nevada, the high school dropout rate is very high—one of the highest in the country. Twenty-seven percent of the children who drop out of high school in Clark County have IQs of more than 130. Think about that. The smart kids have no programs for their interests. They are geniuses. Anyone with an IQ that high is really smart. With all the cutbacks in funding for IDEA—a program for kids with special needs—we do not have the ability in Nevada and other parts of the country to educate those children.

Think about that—27 percent of the kids dropping out of high school in the sixth largest school district in America. That school district is one of leaders in high school dropouts. They are geniuses.

Often, education—especially elementary and secondary education—is viewed as a local issue because most decisions are made by local leaders, school boards, principals, teachers, and parents, as it should be. But the Federal Government should and does play an important role in helping to educate America's children.

One of the high points of my congressional service was when we joined together on a bipartisan basis to pass an education bill. We agreed to work to improve the quality of education in America's public schools. We worked in a bipartisan manner to reauthorize the ESEA. We passed a strong educational reform program that requires States to set high standards for every student, to strengthen Federal incentives to boost low-performing schools, and to significantly improve educational achievement. We even gave the legislation a catchy name—the No Child Left Behind Act.

Unfortunately, though, the President has not lived up to what I thought was the bipartisan spirit of the legislation we passed. We need to not only authorize legislation but we need to appropriate money for it.

Less than a month after signing this bill, the President proposed a budget which cuts almost $100 million in funding for the No Child Left Behind Act. In addition to that—in effect, rubbing salt into the wound—we learned that the President wants to squeeze $1.3 billion from the Federal student loan program that helps millions of college students, recent graduates, and their families. Actions speak louder than words. This administration should want to do more than just talk about education.

This administration can't claim to be committed to education while simultaneously making it more difficult and more expensive for students to pay for their college education.

What am I talking about? I am talking about the administration's recent pronouncement regarding Federal loan programs. Millions and millions of poor and middle-income students rely on student loans to pay for their education. Without these loans, these children and young adults would be left behind.

Currently, students and recent graduates can consolidate their loans and repay their debts with a fixed interest rate. The President's plan, however, would force students and graduates to pay thousands of dollars more by subjecting them to a variable interest rate.

What does this mean? It means you would borrow money and never know what the interest rate was going to be. You wouldn't be able to consolidate the loans. When students go to college and to graduate school, or a professional school, when they graduate and want to consolidate their loans, they should be able to do that and have one interest rate. The President is suggesting they can't do that anymore.

To be competitive in the future and remain in our leadership position with schools and colleges, America needs to encourage and support students seeking higher education.

People can quibble about public education. I am a great proponent of public education. About 95 percent of all kids in America go to public schools. There is some criticism due about the public education system—no question about that. But college education in this country is second to none.

Of the 131 top schools and colleges in the world, the United States has 124 of them. Colleges in America are the best. We have to maintain that superiority. The plan the President has put forth would close the gates of college campuses to many students. In a global economy, and increasingly tied to information technology, we will depend more and more on workers with advanced training and skills.

This is more than a student going to college to become a teacher or a doctor or a lawyer or an engineer; it is young men and women getting out of high school and becoming automobile mechanics or working in the health care profession.

When I graduated from high school, if you wanted to be an automobile mechanic, you went to work at the corner service station and became a mechanic. It is not that way anymore. To be hired to be an automobile mechanic at a car dealership, you have to have a certificate indicating you have been properly trained. That is what will happen at our local community colleges. That is something of which we have to be aware, that young men and women who want to do this need to be able to borrow money to get an education.

A college degree, long seen as a ticket to financial success, is becoming a prerequisite for achieving the American dream. At the same time, students face even higher tuition costs. Attending a 4-year private university can cost up to $40,000 a year. And even public universities are becoming too expensive for many students. Some students face double-digit percentage increases for tuition at State schools next year.

So we cannot allow this administration's plan to proceed as it deals with college loans because it would prevent many capable students from attending college. The administration's plan would also have a negative impact on those who have already attended college.

This month, millions of students will graduate from our Nation's colleges and universities. They and their families will be rightfully proud that they have earned a diploma. Yet they do not know what the true cost of their education will be, which they have largely financed with student loans. The President's plan will cost them thousands of dollars in additional interest payments.

Already, graduates are heavily burdened with student loan debt. As a consequence, they are often unable to pursue a job in the field of their choice and, instead, are forced to work in a higher paying job but a less personally fulfilling job, if they can find it.

There are wonderful young men and women who work in the Senate offices. They each work for one of us because they want to contribute to what they believe is a better society. They could go other places to work. I could pick lots of people from my office and use them as examples.

I have two people with Ph.D.s who work for me: One has a doctoral degree in physics and the other has a doctorate in geology from fine universities around America. They could work other places and make more money, but they love what they are doing here. I am so happy they work for me. They owe money on student loans. So we have to make sure the plan suggested by this administration will not go forward.

I could pick as examples lots of university graduates who have worked for me. I could pick, as I mentioned, Dr. Greg Jaczko. I could pick Dr. Kai Anderson. But as an example here today, I am going to pick Shannon Eagan.

Shannon is from Las Vegas. She works on my staff, and she is really good. She does legislative correspondence. She also does legislative assistance work. She is intelligent, talented, ambitious, and interested in a career in public service. But she has to repay tens of thousands of dollars in student loans because her parents are not wealthy.

The President's plan would require her to pay thousands and thousands of dollars in addition to what she already owes. Of course, she fears that a relatively low-paying Government job such as she has will not enable her to meet these needs. She is considering, sadly, seeking a higher paying, private sector job, even though she likes what she is dong in her job.

If she leaves my staff, I will lose a valuable employee, the State of Nevada will not be helped as much as it could be, and the Senate will lose a valuable employee. I think it will have a detrimental effect on our country, a very small, but significant detrimental effect.

So we have to watch this very closely. There are hundreds of thousands of young Americans who face the same dilemma as Shannon. They want to dedicate themselves to serving our country as teachers or social workers or working in the Congress of the United States. But when they do the math—calculating their salary and their expenses, including their student loan payments—they discover it simply is not possible.

Since we need more bright, motivated people to work in these occupations, including being a teacher, this is really a double whammy on us. If education is truly a priority for this administration, they will drop this plan to raise the cost of student loans. We all must be aware of this. It affects millions of people, and we should do everything we can so the students get the benefit, not the banks.

Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS

Mr. REID. Madam President, I ask unanimous consent that the Senate stand in recess until 3:45 today and that the time be equally divided from that time until the vote at 6.

There being no objection, the Senate, at 1:58 p.m., recessed until 3:45 p.m. and reassembled when called to order by the Presiding Officer (Mr. NELSON of Nebraska).

The PRESIDING OFFICER. In my capacity as a Senator from Nebraska, I suggest the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I wish to address my fellow Senators as in morning business for about 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MENTAL HEALTH PARITY MOVEMENT

Mr. GRASSLEY. Mr. President, I rise today to express my appreciation to President Bush for his commitment to bringing insurance parity to people with mental illness.

As a long time supporter of mental health parity legislation in the Senate, I found his statement today in New Mexico to be a breath of fresh air in a debate that has languished for too long here in Washington.

I will always believe that when it comes to health insurance coverage, mental illness should be treated like any physical ailment. Unfortunately, those suffering from mental health disorders have for years suffered undue discrimination at the hands of insurers who force them to pay higher costs than patients suffering from physical ailments.

I believe there simply is no scientific, clinical, fiscal or ethical reason for this discrimination.

I applaud President Bush for his commitment to ending it and leveling the health care playing field to require equal access to psychiatric treatment and care.

As President Bush pointed out today in New Mexico, people suffering from severe and persistent mental problems don't suffer alone. Their illness affects their families and loved ones, and even our country.

It is incredibly painful to watch someone you love struggle with an illness that affects their mind, their feelings and their relationships with others, and that difficulty is only exacerbated when care and treatment options are denied or placed out of reach due to high costs.

Remarkable treatments exist, yet many people—too many people in my view—remain untreated because insurance discrimination limits their access.

I am glad the President has asked all Americans for a commitment to bridge the insurance divide between people who are physically and mentally ill. Americans with mental illness deserve our attention. I believe we can and should this year act on mental health parity legislation that bridges those coverage chasms and also controls new health care costs.

For my part, I intend to continue working with my friend and colleague, Senator DOMENICI, on this important issue to ensure that nondiscrimination is the law of the land. We can do this in a bipartisan, fiscally responsible way, and I look forward to getting it done this year.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED—Continued

Mr. HOLLINGS. Mr. President, with respect to calling up the Andean trade pact for debate, someone could immediately question why the delay, trying to hold up on the actual calling of the bill? There will be plenty of time to submit amendments. I do not know of a more serious topic that will be discussed this year in the Congress, and yet discussion should be two ways: Those who are ready to propose and propound, and those who are ready to object to and explain why this is not in the economic interest of the United States. It is a one-way street, though, as it appears, in the Senate.

The temptation is to have a live quorum so somebody can be talked to. This has been the typical treatment of trade in the United States now for the past several years. What really happens is those for the fast-track agreement work on the members to vote their way. By one vote, the House passed it, with what my friend from Arizona, Senator MCCAIN, would call pork—little favors here, little favors there. After the passage of NAFTA some 8 years ago in 1994, the New York Times ran a story of the 26 different favors done by President Clinton at that particular time to get NAFTA and fast track passed. I think it was Congressman Pickle, who got a cultural center down in Austin, TX; another Congressman got a round of golf; another Congressman a round of golf personally with the President of the United States; another Congressman got two B-17 contracts, and so on. The New York Times wrote of the 26 different votes that were changed.

There was only one important vote to change this particular time in the House. When it comes to the Senate Finance Committee, it is an easy fix. Once it is fixed and ready to be presented in the Senate, they withhold the presentation of the particular measure until they have 60 votes to make sure they can get cloture as they cut off debate, limit the amendments, and limit the time for each of the individual Senators. And since the Senators know the debate is limited and the vote is fixed, no one listens.

I have to express my gratitude to the distinguished Senator from Minnesota for coming because I do not know of a more important subject than this. While cloture is obtained later at 6 p.m. today, we will again try to withhold the actual finalizing of the debate with another cloture vote after we present some amendments.

The bottom line is, if one had to answer their opposition it would be difficult to do. They are putting out the Andean trade bill, combining it with the come-ons not only of fast track but trade adjustment assistance, and they put those amendments on and then pass it altogether. After they have bundled together various wants, namely trade adjustment assistance and the fast track which the White House wants; and, of course, the Andean trade bill which others interested in this particular hemisphere want, what happens then is they package together and get a bad deal for America.

I say that advisedly for the simple reason, we are exporting jobs faster than we can create them. What happens is that in trying to create them, we are really facing organized society politically, economically, financially, and otherwise, in the United States against us. It is a very interesting thing.

I think about my friend Robert Kennedy. I have had his desk for years in the Senate. Robert Kennedy came to political notoriety in a book called "The Enemy Within." He was writing about James Hoffa and organized labor.

Today I could write a book on the enemy within. Instead of labor, it is management. How does that occur? It occurs because 30 percent of production costs, 30 percent of volume, is in labor. In manufacturing, particularly, 20 percent of manufacturing costs can be saved by moving production or manufacturing offshore, to a low-wage country such as Mexico. If you have $500 million in sales at a manufacturing facility, you can make $100 million pretax profit by moving offshore. Just keep your executive office and your sales force in-country and move your production offshore and you have made yourself $100 million. Or you can continue to work your own people and go bankrupt.

That is the job policy of the U.S. Government today. That is the job policy of the Senate. Who is supporting this? The Business Roundtable, the Conference Board, the U.S. Chamber of Commerce, the National Association of Manufacturers, and the National Federation of Independent Business.

My friend, Tom Donohue, at the Chamber of Commerce, has it orchestrated where the five move in. I saw it with Y2K. Chicken Little, the sky was going to fall if we did not hurry and pass that particular provision to protect Silicon Valley. Of course, the Republicans and Democrats were fighting hard in the Silicon Valley to get their financial contributions. The fight was not to protect the computers. It was to protect the financial wherewithal of campaigns. They could care less about Main Street America. They are for offshore production, thereby the offshore creation of jobs outside of America.

There is more. I will never forget the debates we had with respect to textile bills in my time. We passed five textile bills through the Senate. One did not get past the House; the other four that did were all vetoed after the President, of course, promised to sign them. The President promised to sign them in my State, in the city of Greenville the heart of textile industry. They forget about that.

I bought a shirt made in China and one made in New Jersey. I bought a catcher's mitt. One made in Korea and one made in Grand Rapids, MI. I showed that the markup on the imported article was much greater.

So the retailers are getting behind the movement of big business. Who follows behind? The newspapers. The retailers are seeing the newspapers hand out free trade, free trade, fast track, fast track. They are like parrots. The majority of the newspapers are for retail advertising. So they, in turn, join in. You ought to see how the special trade representatives are representing the Government in these giveaway programs. They have literally drained the jobs from the United States of America.

I was reading a book that has become required reading in the Washington area, "Theodore Rex," by Mr. Edmund Morris. He is describing the United States of America at the turn of the century, 100 years ago: The United States could consume only a fraction of what it produced.

> More than half the world's cotton, corn, copper, and oil flowed from the American cornucopia, and at least one third of all steel, iron, silver, and gold. Current advertisements in British magazines gave the impression that the typical Englishman woke to the ring of an Ingersoll alarm, shaved with a Gillette razor, combed his hair with Vaseline tonic, buttoned his Arrow shirt, hurried downstairs for Quaker Oats, California Figs, and Maxwell House Coffee, commuted in a Westinghouse tram (body by Fisher), rose to his office in an Otis elevator, and worked all day with his Waterman pen under the efficient glare of Edison lightbulbs. "It only remains," one Fleet Street wag suggested, "for us to take American coal to New Castle."

Behind the joke lay real concern: The United States was already supplying beer to Germany, pottery to Bohemia, and oranges to Valencia.

Now, instead of that Ingersoll alarm, we get that from Malaysia, Korea, or of course an expensive one from Switzerland. With respect to the Gillette razor, it comes from either Mexico or China. With respect to the Arrow shirt, we have bought those shirts out of China. And instead of the coffee, it is Brazilian or Colombian coffee. When they have mentioned that Westinghouse tram, I took the Acela, the fast Amtrak train the other day to New York, and found out it was made in Canada. When I got to Penn Station, I was sniffed by the dog from Czechoslovakia. The police dogs have been so over bred in the United States they have lost their smell propensities. So the dogs, now, for security, are imported from Czechoslovakia.

Now we have lost the watches, the cameras, the electronics. We are about to lose all the steel business and everything else. I could go down the list. We don't produce anything much to export, export, export as the fast track, fast track, fast track crowd will have us.

The fact is, more than half of what we consume today is imported. The majority of our consumption is imported articles, including furniture. I had to rebuild a house, and to my surprise I had to get furniture from the Philippines and Vietnam.

Yes, buy America, buy America. Well, I was a champion, still am, I hope, of trying to buy America, but I used to represent a bunch of automobile dealers. I think it was 20 some years ago, when I bought an American car, a Pontiac. I drove in front of my neighbor's place. He said:

> How much did you pay for that car, Fritz?

I said:

> I don't know, let me look at the sticker price.

As I looked at the sticker price—this was over 20 years ago it said—"Montreal, Canada." I had a foreign car. Why? Because automobile production had already moved across the border to save $800 per health contract on each of its employees.

But the so-called high-tech industry was supposed to save us. That was the motor of growth. We tried to point out in one of those debates during the 1990s, here, in the last 10 years, when we had this wonderful growth, that it wasn't the motor of growth at all because 42 percent of Silicon Valley was on part-time, and one-third of the Microsoft employees had to sue Microsoft in order to get benefits. That was Senator Abraham, from Michigan, who was running around all over the Chamber for immigration, immigration, immigration.

Why? Because you can get the Indian trade, Indian production, those experts coming over from India and China at $30,000 a year, maybe $35,000 a year; they are just as good as any you could ever find in the United States of America. So they were cutting their costs. That is why. There was not any shortage, any need to retrain or everything else of that kind.

But let's complete the thought. We are in desperate circumstances. If I have to make one particular point, it is this: Your security as a nation rests, as it were, upon a three-legged stool. The first leg is the values we have as a nation—our stand for individual rights, democracy, freedom—is known and respected around the world. The second leg, the military, is unquestioned. But the economic leg has been fractured, and intentionally so.

You see, after World War II we had the only industrial production. Trying to rebuild Europe and bring the Pacific rim to capitalism versus communism in that cold war, we sent over the Marshall Plan. We sent over the expertise, we sent over the technology and the equipment—and we won. No one regrets it. Everyone is proud of it. We defeated them—capitalism defeated communism in the cold war.

I testified back in the 1950s before the old Tariff Commission when Tom Dewey, representing the Japanese, ran me around the hearing room saying: Why don't you let these Third World countries make the shoes and the clothing and we will make the airplanes and the computers?

Our problem is they make the shoes, the clothing, the airplanes, the computers, and everything else. Our manufacturers, our industrial giants, learned of this moving their manufacturing offshore to a lower wage country. As you and I sit here in the Senate, talking about the environment and our standard of living and safety and otherwise, before you can open up Nelson Manufacturing, you have to have a minimum wage, clean air, clean water, Social Security, Medicare, Medicaid, plant closing notice, parental leave, safe working place, safe machinery—I could go on and on.

You can go down for 90 cents an hour to Mexico and have none of those requirements. You are guaranteed a profit. If your competition goes, you have to go or go bankrupt.

So what is the problem? The problem is that they have all joined together, as I have described, to move the jobs out of the country, whereas you and I, as public servants, have the job of trying to create jobs.

I can see the President now, after 9–11, saying: What can we do with this crisis we are in? Take a trip, go to Disney World with your family, live normally—whatever.

I will tell you what we can do: Create a job. Give your neighbor a job. That is why I am on the floor of the Senate, trying to hold up this fast track so we can listen and learn just exactly what is in it.

Article I, section 8, of the Constitution says that the Congress—not the President, not the Supreme Court, but the Congress of the United States—shall regulate trade or foreign commerce. We are abdicating our responsibility. It is a fix. The agreement is made downtown on K Street and with the White House and their minions. That is what happens. The interests that come to their Representatives in the House of Representatives and the Senate are wasting their time. The Senators and the House Members have nothing to do with it. It is a done deal at the time it is proposed, when they make these lousy agreements that continue to drain the United States of its economic strength.

Other than draining us of our economic strength in that fashion, with a fixed vote, we ought to be on the floor of the Senate debating, if you please, the significance.

Henry Ford, at the time he put on mass production, said: I want to make sure my employees make enough money to buy the article they are producing—so they could buy that car they were making. As a result, he started the benefits which resulted in the middle class. The labor movement over 100 years now has had difficulty developing and thereby holding on to these particular improvements to our standard of living, to health care, to different other benefits of that kind that we have now in the production contract that has created the middle class, or the strength of democracy itself.

What I am fearful of is we are going the way of England. At the end of World War II, they told the press: Don't worry, instead of a nation of brawn, we will be a nation of brains. Instead of producing products, we will provide services. Instead of creating wealth, we will handle it and be a financial center.

England has generally gone to hell in an economic handbasket. They have the haves and the have-nots. The middle class disappears, and downtown London is an amusement park.

That is exactly the road we are on. We have to get off that highway. We have to be competitive. We have to understand the word "trade" means just that—something for something, not aid, and not developing it so that we have, as was said on the floor, something that is immoral.

I heard my distinguished colleague from Florida say it was immoral for us to go along with these countries, and to even backtrack or hold the line with respect to Andean trade—that we owe them a duty to develop it. We all want to develop everything. But you can go forward and develop and develop until you become underdeveloped, which is our predicament today. Debt overseas stirs up trouble at home.

There is an article in Business Week that I ask unanimous consent to have printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Business Week, May 6, 2002]

DEBT OVERSEAS STIRS UP TROUBLE AT HOME

[By James C. Cooper and Kathleen Madigan]

The world economies are finally mounting a recovery from last year's slump. Even the latest word on Japan is a bit more upbeat. The reason, of course, is the upturn in the U.S. economy. The U.S. led the world into a downturn that hit different regions with varying impact, and it will be the locomotive for the recovery.

But therein lies a problem. U.S. financial obligations to the rest of the world are once again on the rise as America grows ever more dependent on foreign capital to finance its growth. Back in March, Federal Reserve Chairman Alan Greenspan noted that over the past six years, about 40% of the increase in the U.S. capital stock was financed by foreign investment, a pattern that will require an ever-larger flow of interest payments going out to foreigners. "Countries that have gone down this path invariably have run into trouble," said Greenspan, "and so would we."

Greenspan was highlighting the fact that the gap between what an economy consumes and what it produces cannot continue to widen indefinitely. At some point, foreigners come to the belief that either the country's overconsumption requires a policy adjustment, or that investment opportunities elsewhere begin to look more attractive.

The most important result of this shift is the softening of the debtor nation's currency. For the U.S., a weaker dollar won't be a problem if the adjustment occurs slowly and orderly. However, currency markets rarely move that way. And any sharp change in the dollar's value could wreak havoc in the financial markets as well as portend a higher level of inflation as the price of imports begins to rise. Consequently, the U.S.'s mounting external debt is clearly the most crucial structural problem facing the economy. And unlike other recent economic troubles, there may be no easy way out.

Typically, a recession helps narrow the trade deficit. But last year's slump was anything but typical, and the U.S. external imbalance did not improve much. Now, renewed growth in U.S. demand, coupled with the potent buying power of the U.S. dollar, is drawing in imports by the boatload (chart), which once again means the U.S. trade deficit is widening sharply. The January and February increase in imported goods was the largest two-month rise in two decades.

The trade gap is the main component of the current-account deficit, which is the broadest measure of U.S. financial obligations to other countries. After last year's respite, the external debt is starting to mount up anew. Last year's current-account gap hit 4.1% of gross domestic product, and it could reach 5% by the end of 2002. That would be the largest rate in the industrialized world and larger than in many emerging-market nations.

Finance ministers from the Group of Seven industrialized countries informally voiced concern about the U.S. current-account problem in Washington on Apr. 20 during the spring meeting of the International Monetary Fund and the World Bank. Europe, in particular, expressed worries that the imbalance could eventually put the dollar, financial markets, and U.S. and world growth at risk.

One solution would be a gradual weakening in the dollar. But stemming the dollar's rise has proved difficult. Even during the official recession months of 2001, the broad trade-weighted value of the dollar continued to rise (chart). And while last year's economic slump was much worse in the U.S. than in Europe, the dollar remains slightly stronger vs. the euro, compared with this time last year.

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Mr. HOLLINGS. Mr. President, we have a $400 billion deficit in the balance of trade. We have a horrendous budget deficit of $168 billion. We are in the red. Even after all the money came in on April 15, we are still in the red by $168 billion. We are going to be around $300 billion to $350 billion in the red by the end of September. That is our fiscal deficit.

We are not paying the bills. We are cutting taxes. We are running around saying we ought to make permanent the temporary tax cuts, which of course cost us another $4 trillion, and we are wondering why we have a deficit. In a similar fashion, we ought to be aware that we are in competition when we talk about trade.

Let me refer to just one little bit of history because you can't fault our globalization and trading partners. I have been in the game. In 1960, as South Carolina's governor, I took a trade mission to Latin America and to Europe. Today, we have 117 German plants in South Carolina. I will never forget calling on Michelin in downtown Paris in June of 1960 to come to America. Now, they have about 11,000 employees and 4 big facilities. I called upon Bowater in London. Now the Bowater headquarters are in Greenville, SC. We believe in trade, and we believe in development. I have to pay particular attention at this time to jobs in the United States.

That is what we did in the earliest days. We had just won our freedom when our friends in the mother country said: We will trade with the fledgling little United States of America with what it produces best, and England would trade with us what England produced best. Free trade, free trade, the doctrine of comparison advantage, as written by David Ricardo.

Alexander Hamilton wrote a little booklet, A Report on Manufactures. It was Hamilton and Madison who wrote our Federalist Papers. Hamilton is one of the most disregarded former Treasury Secretaries with a magnificent history of having built this industrial giant, the United States of America.

He countered to the Brits in that particular little booklet—I will not read it, but I will get a copy and put it in the RECORD during the debate—he told the Brits: Bug off. He said: We are not going to remain your colony shipping to you our coal, our timber, our rice, our cotton, our indigo, our iron ore, and import from England the manufactured products. We will become a nation state by developing our own manufacturing capacity.

As a result, on July 4, 1789, the second bill Congress passed was a protectionist measure, a tariff bill on various articles. We began the United States with protectionism.

When the Transcontinental Railroad was being built, they said: We can get the steel from England to build the railroad. President Lincoln said: No, not at all. We are going to build up our own steel mills. When we get through, we will not only have the Transcontinental Railroad but we will have the steel capacity.

Lincoln provided protectionism for steel; Roosevelt for agriculture; and Dwight Eisenhower in the 1950s, provided protectionism for oil with import quotas on oil. We built this industrial giant, the United States of America, with protectionism.

Don't go around here with these silly childish pollsters saying: Yes, you have to be for free trade, free trade. They do not know anything about it. They know nothing about the economy. They know nothing about the creation of jobs. They have never been in the business of trying to create jobs and bringing industrial expansion to your State and to this country. They just do not know. They automatically ask to be given free trade, free trade. The truth of the matter is that we have to put in a competitive trade policy.

Since I mentioned deficits, I would be glad if I could get a cosponsor or another vote in this body to put on a value-added tax. These are serious times. During every moment of the history of the United States of America in war, we paid for the war. We put on special tax and revenue provisions to pay for the war.

Now we have a President who comes and says: We are at war. We are going to have to run deficits. And, incidentally, the war will never end.

What kind of leadership is that? I would put on a value-added tax and say: Pay for that war. Get the deficits down. If anybody within the sound of my voice wants to help cosponsor it, let me know. I have put it in before at least two-times. I have thought it through thoroughly. One of the biggest disadvantages we have is we are the only industrialized nation that does not have that tax.

How does that work to our disadvantage?

If I manufacture this desk in the United States of America, in Washington, I have to pay all the different taxes. If I am over in Virginia, or in Maryland, I pay the State taxes, the corporate taxes, the personal income taxes, and I ship it to Europe and to downtown Paris. They will put on a 17-percent value-added tax.

In contrast, if I manufacture that desk in Europe, in Paris, they will put on a 17-percent value-added tax, but they rebate it when it leaves the border and is exported to Washington, DC. It is a given. The value-added taxes are rebated at the border. That is a big advantage which all of the trading partners have with us.

If we are going to get serious about fast track and Andean trade, I am not particularly interested in a copout.

Let's remove that 17-percent disadvantage immediately and pay for the government we are giving the people of the United States of America here this year.

Yes, by the end of September we are going to spend some $300 billion more than we take in. We can pay for it. We always have, but not under the leadership here. Everything is: Let's have more loss of the revenues. Let's run up the debt, the current accounts deficit and debt, the trade deficit, and the fiscal deficit of the United States of America. It is a tragic thing. But we could easily get that done.

Now, those competing nations say: Look, don't give me this environment stuff. Don't give me this label stuff. There is no chance of putting on the label and environmental protections, say the Mexicans, as we have here in the United States. That is an advantage. As long as those people suffer, that is a disadvantage as we see it, but that is an advantage to them, and they are going to continue so they can build up themselves economically and strong just as the United States of America did in its earliest days.

We did not even pass the income tax until 1913. We financed our entire Government with tariffs and protectionism. But we run around now in the 21st century: free trade, free trade, that we can't have any increase in taxes or pay the bill.

It's a very peculiar thing. If I run for Governor of South Carolina, I have to go all over the State and promise that I will pay the bill. If I run for the U.S. Senate in the same State, I run all over the same State promising I will not pay the bill. It is the same people, but that is the way the pollsters have conditioned it, and that is the way the media has covered that particular predicament. They have no idea. Yes, David Broder, the pre-eminent columnist, pointed out over the weekend how all the Governors and all the mayors all over the country are having to cut educational budgets, or else lose their credit ratings. If they lose their credit ratings, then they get no development, and then they even again lose more revenues or income from their different taxes. So they are having to cut back.

But we up here in Washington are all running for reelection, saying: We will pay. Let's make the tax cut permanent. Let's lose another $4 trillion. We don't care. By the way, there is a war on. We are going to have deficits. So sui pig. Everybody come. Anybody who wants anything, we have the money. We will just print it. And with respect to the economy, we can forget about jobs.

Let me, now that I have a good friend in the Senate Chamber, talk about the Washington solution because I have some other issues to talk about. But we have tomorrow and the next day and the next day.

Let's do it Washington's way. Washington says: Now you have to get with globalization and high tech and retrain and retrain. That was Mao Tse-tung, if I remember correctly. We are getting to be like China with Mao. And we are going to reeducate.

Well, let's say, down in Andrews, SC, where 40 years ago an Oneida plant came to the State of South Carolina to make T-shirts, now has to close. At the time of their closing, what they had was 487 employees. And the average age of the employees was 47 years of age. And then it is tomorrow morning and we have done it Washington's way. They are reeducated, they are retrained, they are now high tech, and we have 487 expert computer operators.

I ask, are you going to hire the 47-year-old computer operator or a 21-year-old computer operator? Are you going to take on the retirement costs for that 47-year-old, and take on the health costs for that 47-year-old, or are you going to cancel that on the books and take on the 21-year-old? The answer is obvious. Those people are stuck down there.

Down in Spartanburg, where we have a new BMW plant, unemployment was 3.2-percent last year. It is now at 6.1-percent. And in the surrounding counties, it is 11-percent, 12-percent, even 14-percent.

With NAFTA, we were going to create jobs, solve the immigration problem, and do away with the drug problem. It was going to be the finest thing since sliced bread. But instead of getting 200,000 jobs, we have lost 1.3 million manufacturing jobs. That is from the Bureau of Labor Statistics.

The drug problem has gotten worse, killing so many people. The immigration problem has gotten worse, to such a point that now we are passing legislation and breaking up the Immigration and Naturalization Service. I think the House is on track. We have to do something about immigration laws, and everything else of that kind.

In little South Carolina, since NAFTA we have lost 53,900 textile jobs alone. We did not create jobs. And you put my State into poverty and into welfare. And I take no comfort in the idea that now we are going to pass trade adjustment assistance like it is just a little temporary thing. The United States of America is going out of business. We are on the road, as England, of the haves and the have nots. And we are not going to be creating anything in manufacturing or producing anything to export.

So that is the trouble for the lethargic economy. It is not consumer confidence. It is not just the manufacturing because there is no manufacturing to boil up. You watch it. This recession downtime is going to last the rest of this year, and into next year, until we get a hold of ourselves and start rebuilding America.

Yes. When people ask what we should do as a result of 9-11, instead of President Bush saying, we should take a trip with our kids, getting our families to go to Disney World, let's give our neighbor a job.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I yield to my colleague from North Dakota.

The PRESIDING OFFICER. Will the Senator state whether he is speaking in support or in opposition to the cloture motion?

Mr. DORGAN. Mr. President, I ask unanimous consent the Senator from Ohio yield for a question.

Mr. DEWINE. I yield for a question.

The PRESIDING OFFICER. Is the Senator speaking in support or in opposition to the cloture motion?

Mr. DEWINE. The Senator is speaking in favor of the motion.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. DORGAN. Mr. President, I ask unanimous consent that I be recognized following Senator DEWINE's presentation for a period of 25 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I ask that my time be taken off the time of those in favor of the motion.

The PRESIDING OFFICER. The time will be subtracted.

Mr. DEWINE. Mr. President, as the trade debate in the Senate gets underway, I rise to talk about some of the important issues involved in this debate and the vital role trade plays in our Nation's foreign policy and, really, in the health of our overall economy.

The trade legislation before us represents a tremendous opportunity, an opportunity for the United States to demonstrate its leadership in hemispheric and world trade. The sad fact is that over the last decade, the United States has not led in this area. Of the more than 130 bilateral and free trade agreements worldwide, the United States is party to just three. The European Union, on the other hand, has free trade agreements with 27 countries. Mexico, the United States and my home State of Ohio's second leading trade partner, has negotiated 25 agreements in the past 8 years—25 compared to our 3. Quite simply, we have underutilized trade as a tool in foreign policy; I believe to the detriment of our Nation and our neighbors within the Western Hemisphere.

It is in our national interest to be surrounded by stable democracies. When we trade with our Latin American neighbors, we are helping them economically,. which in turn helps maintain internal stability, peace, and democratic reform.

It is also beneficial to the United States to trade within our hemisphere because if we don't, other nations and their businesses will take our markets. No country is waiting for us to act first. In the end, the longer we wait to pursue more free trade opportunities in our hemisphere and around the globe, the more we stand to lose.

Take, for example, my home State of Ohio. The future of our economy is linked in part at least to our ability to send our products overseas. When given the chance, Ohio's business men and women and Ohio's farmers can and do compete effectively on the world stage. Just listen to these figures: Ohio exported more than $28 billion worth of manufactured goods. In fact, one in every five manufacturing jobs in the State is tied to exports. In most years, one-third to one-half of Ohio's major cash crops in the agricultural field—corn, wheat, soybeans—is found in markets and meals outside our own country.

Look beyond Ohio to our entire hemisphere. With a combined gross domestic product of more than $10 trillion, which encompasses 800 million people, trade with our hemispheric neighbors represents vast opportunities.

These are opportunities we simply must not ignore. Right now, Europe, Asia, and Canada are all securing their economic fortunes throughout Latin America by trading with the Mercosur, a powerful trading block consisting of Brazil, Argentina, Paraguay, and Uruguay. As of now, the Mercosur countries are the EU's largest trading partners. Two-way trade between the EU and the Mercosur totaled $43 billion in the year 2000. That is compared to $38 billion from the United States in the Mercosur. The EU currently imports five times more from the Mercosur than the United States does. Between 1990 and 1998, the total value of trade flows between the Mercosur and the EU increased almost 125 percent.

It is becoming increasingly obvious that the EU is not going to sit idle and let the United States gain much of a new market share in this region. In fact, just last Friday, in Brussels, the EU was working to finalize a free trade agreement with Chile. Earlier this month, the EU set out its strategy for negotiating new economic partnerships with Africa, the Caribbean, and Pacific countries. And as we speak, the EU's trade commissioner is in Mexico addressing the EU's relationship with Mexico, almost 2 years after the free trade agreement they entered into went into effect.

This is the hemisphere in which we live. Those should be our markets. To lose them through neglect would be a truly shameful outcome for our country.

The bill before us this afternoon, the Andean Trade Preference Act, would renew but also enhance our commitment to helping the Andean region: Colombia, Ecuador, Peru, and Bolivia. It would help them, but it also would help us. It would help them to develop economic alternatives, for example, to drug crop production. The Andean Preference Act expired on December 4, 2001. The law provides preferential, mostly duty-free treatment on selected U.S. imports from the region.

The countries of the Andean region certainly need our help, and we need their help. For the past 10 years, the Andean Trade Preference Act has helped the United States and these four countries develop legitimate, strong, and expanding commercial ties. Between 1991 and 1999, total two-way trade nearly doubled between our countries.

During this same time period, U.S. exports grew 65 percent, and U.S. imports from these countries increased by 98 percent.

In 1999, a severe economic recession in the region did, in fact, curb U.S. exports, but U.S. imports continued to grow by 17 percent. U.S. imports to Colombia during this same time increased 155 percent since ATPA was enacted. The Colombian flower industry is a prime example of how U.S. trade policy can support important economic benefits both in Colombia and here at home and at the same time provide jobs and income to people so they do not feel the necessity to become involved in the drug trade.

In 1965, Colombia exported just $20,000 worth of flowers to the United States. Today, these exports total nearly $600 million. The flower industry generates 75,000 direct jobs in Colombia, jobs that offer year-round stability and health and retirement benefits, not to mention a legitimate economic alternative to elicit drug production.

The Colombian industry also directly generates 7,000 U.S. jobs. Indirectly, even more jobs are created, with U.S. supermarkets employing more than 24,000 people in their flower departments, and U.S. flower shops employing nearly 125,000 people.

We also have substantially increased our exports to the Andean region. Under ATPA, our exports have gone up by 84 percent, to $6.6 billion in the year 2000.

Despite these gains, ATPA must be expanded. NAFTA and the Caribbean Basin Initiative have changed the playing field and have created a competitive disadvantage for Andean countries. For example, most Caribbean apparel enters the United States duty free, while Andean apparel enters with a 14-percent duty. We also must remember that ATPA is about more than just trade. This is an issue of national security.

The stability of the Western Hemisphere is at stake. Open markets are absolutely vital for developing nations to overcome poverty and create opportunity. Fragile economies place peace and democracy at risk.

With aid, with trade, and with democracy, we can foster peace among our neighbors. It is in our national interest to pursue an aggressive trade agenda in the Western Hemisphere, to combat growing threats and promote prosperity. Free markets and open trade are the best weapons against poverty, against disease, against tyranny and, yes, against the drug dealers.

For example, if Africa, Asia, and Latin America were each to increase their share of world exports by just 1 percent, it would lift 128 million people out of poverty, with all the consequences that would have. Tariff barriers on products from the Third World are more than four times higher than those encountered by richer nations. Such barriers cost poor countries approximately $100 billion a year. That is twice as much as these nations receive in foreign aid. Tariff barriers on products from the Third World are more than four times higher than those encountered by richer nations.

Mr. President, I urge my colleagues to join me in support of renewing and expanding the Andean Trade Preference Expansion Act. It is the right thing to do for our neighbors and for our businesses at home. It is the right thing for our country.

HIV/AIDS IN OUR HEMISPHERE

Mr. DEWINE. Mr. President, I want to take a moment to discuss a critically important issue in our hemisphere—the growing problem of HIV/AIDS in the Caribbean and Latin America.

Today, there are an estimated 420,000 individuals living with HIV/AIDS in the Caribbean, and another 1.4 million living with the disease in Latin America. In Haiti alone, roughly 1 out of every 10 people has HIV/AIDS.

Yet despite these staggering numbers and despite the fact the highest prevalence of HIV/AIDS—outside of Sub-Saharan Africa—exists right in our own backyard, this region of the world is often forgotten, and the people who suffer there because of AIDS are often forgotten. While, understandably, much attention has been focused on the great tragedy caused by the disease in Sub-Saharan Africa—and we should never forget it—I think it is also important that we also focus our efforts on combating this disease in our own hemisphere.

That is why I want to call attention to a historic, day-long meeting held just last week in Georgetown, Guyana. While it received very little attention in the media, on April 20, senior U.S. and Caribbean health officials, including Health and Human Services Secretary Tommy Thompson, met in Guyana to sign a new Pan-Caribbean agreement against HIV/AIDS.

I commend Secretary Thompson, Secretary Powell, and President Bush for their leadership and follow through in making this vision a reality. Last week's meeting and subsequent agreement represents an unprecedented new partnership to fight the disease in the region. As part of this new agreement, the U.S. and Caribbean nations have pledged to improve collaborative efforts to make sure people living with HIV/AIDS, and those at risk, have good access to prevention and treatment services. As Secretary Thompson said:

> This will be an equal partnership—a sharing of technical know-how and experiences.

As part of this partnership, Secretary Thompson has pledged greater in-country collaboration with officials from the Centers for Disease Control and Prevention, and the Health Resources and Services Administration. These efforts will complement recently announced initiatives by the U.S. Agency for International Development to provide almost $162 million in new funding over the next 5 years to help countries in the Americas and worldwide expand HIV/AIDS prevention, patient care, and HIV/AIDS mitigation programs. This is in addition to the $20 million the United States is currently providing in HIV/AIDS funding to Latin America and the Caribbean under the Bush administration's Third Border Initiative. These are all important steps in the right direction toward developing an integrated approach to combat this devastating disease.

I urge my colleagues to share my support for these initiatives and to work with me to secure greater U.S. contributions for these international efforts in the future—through the Global Fund to Fight AIDS, as well as other bilateral assistance programs.

To borrow Secretary Colin Powell's words:

> Our response to this crisis must be no less comprehensive, and no less relentless, than the AIDS pandemic itself.

Mr. President, this is something that we need to work harder on in the United States, in Africa, in the Caribbean, and throughout the world—wherever people suffer from AIDS. I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARPER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED—Continued

Mr. DORGAN. Mr. President, I want to speak about fast-track trade authority, which is now known by the euphemism "trade promotion authority."

Before I do that, I want to talk for a moment about what is happening with respect to trade with Cuba. Since we are on the subject of trade, there is something happening with Cuba about which I believe I must alert the Senate.

As you know, a wide majority in both the U.S. Senate and the House has agreed that we should not use food as a weapon and that the 40-year embargo with Cuba—at least with respect to food and medicine—should be loosened. So by a vote of the House and of the Senate, we are now able to sell food to Cuba.

Yet under current law, the Cubans are not allowed to purchase food from the United States on credit. They cannot borrow from a private lender. They must pay cash. Following the hurricane in Cuba, Cuba is buying American grain and agricultural products to the tune of $70 million, but they have to pay cash and run the transaction through a French bank in order to buy commodities from American farmers. This is just bizarre.

The head of a group called Alimport, which is the organization in Cuba that purchases food for the Cuban Government, was invited to this country by farm leaders. His name is Pedro Alvarez. He was intending to come here—including to my State of North Dakota—and asked for a visa to do that. He was intending to purchase additional food from our country—and to pay cash. A visa was granted, but then the State Department abruptly reversed course and decided to revoke the visa. The State Department said: No, we don't want somebody from Cuba coming in to buy food or commodities from American farmers. When we called the State Department to ask them why they decided to revoke the visa to have the head of Cuban imports come into this country, they said: It is not our policy to encourage the sale of food to Cuba.

Now, I find it just byzantine that our State Department would say: No, we don't want the head of the Cuban agency that purchases agricultural commodities to come to our country to purchase those commodities and, therefore, we will revoke his visa.

When will those who take that position wake up and understand that using food as a weapon is merely shooting ourselves in the foot?

I have now written a letter to Pedro Alvarez in Alimport and said: I am inviting you to this country; a U.S. Senator is inviting you to this country. I would like you to come to America; I would like you to come to North Dakota; come to North Dakota and buy wheat from our wheat farmers and buy dried beans from those who plant dried beans.

I wrote a letter to the State Department saying: You have a responsibility to give these people visas to come here.

I do not know what on Earth the State Department is thinking. I have talked to someone at the State Department who indicated that the matter is being reviewed. I said: Can you tell me who decided to revoke the visas? Who decided that farmers in America should be the victims of this foreign policy nonsense? Who was it? Who made the phone calls? I want to know who said that this is political, this isn't trade policy, and the politics persuade us we ought to revoke visas from someone from Cuba who wants to come to this county and buy wheat, dried beans, apples, and other commodities from the United States.

I just do not understand why we have people in this country who still think that way. We ought never use food and medicine as a weapon. We have done it for 40 years with respect to Cuba. We can sell food to China. That is a Communist country. We can sell food to Vietnam. That is a Communist country. But for 40 years we have said no, you cannot sell food to Cuba.

We loosened that restriction. Cubans can now buy our food, and now we have the spectacle of the State Department deciding to revoke visas they already approved for people from Cuba who want to come to this country and buy from American farmers. That is unfair to our farmers. It is another embargo.

Cuba bought $1 billion worth of food last year. The Europeans are selling food to them, and the Canadians are selling food to them. We have sold them some now, but judging by the behavior of the State Department, it appears they do not want us to sell food to Cuba, despite the fact the Congress has already made the judgment that such sales should be lawful.

I intend tomorrow to press this case once again at the State Department, and I hope they will change their mind and make a rational decision, one that is in concert with what the Congress has already decided, both the House and the Senate.

Let me turn to the trade issue of fast track for a few moments. I see some colleagues in the Chamber who wish to speak. I will not speak as long as I had intended. They will want the opportunity to have a portion of this time as well.

Let me quickly put up a chart showing an excerpt from "Inside U.S. Trade," a publication on international trade. It quotes U.S. Trade Representative Zoellick speaking to a business group in Chicago. Mr. Zoellick described lawmakers and lobbyists who oppose a trade promotion authority bill sponsored by House Ways and Means Committee Chairman BILL THOMAS as "xenophobes and isolationists."

The Trade Ambassador says those who oppose fast track are xenophobes and isolationists. This really fits the way this thoughtless debate always plays out on trade. Instead of it being a thoughtful debate about what America's real trade policy ought to be to benefit this country, it turns quickly into a thoughtless debate by those who say there are only two sides: Those who support free trade, globalization, expanded trade, and have a world view that will allow them to see well over the horizon and understand the world much better than others, and those who are just xenophobic, isolationist stooges. That is how this debate is characterized: Those who think and those who do not.

There is an old saying: You ought not ever buy anything from somebody who is out of breath. There is a kind of breathless quality to this debate about fast track: It just has to be fast track; if it is not fast track, we cannot pursue international trade agreements.

That, of course, is total nonsense. We did not give Bill Clinton fast track when he was President. I did not support giving him fast-track trade authority when he was President, and I do not support giving George W. Bush fast-track authority either.

Yet in the Clinton Presidency they did negotiate trade agreements. How did they do that? They do not need fast track to negotiate trade agreements. Fast track is simply a mechanism by which the Congress says: Wait a minute, before you negotiate in secret the next trade agreement, let us handcuff our arms behind our back; please let us do that; then you negotiate in secret; and when you come back, we wear handcuffs so we will not be able to offer even one amendment to this trade agreement you have negotiated in secret. That is what fast track is.

There are a good many Members of Congress who sign up. I do not know, there is some kind of masochistic urge in trade, I guess, to say: Let's do this, let's tie our hands, and then allow someone else to negotiate in secret.

Here is what the Constitution says about the Congress. Article I, section 8, says:

> The Congress shall have Power . . . To regulate Commerce with foreign Nations. . . .

It does not say the President. It does not say the U.S. Trade Ambassador. It does not say some unnamed trade negotiators. The Constitution says:

The Congress shall have Power—

The word is "power."

> The Congress shall have Power . . . To regulate Commerce with foreign Nations. . . .

In recent decades—three decades, in fact—we have had Presidents negotiate just five trade agreements under fast track: GATT, United States-Israel, United States-Canada, NAFTA, and the WTO.

I want to show a chart showing the effects of one of these agreements. We gave fast-track trade authority to negotiate a trade agreement with Canada and Mexico. Prior to that, we had a small trade surplus with Mexico. Of course, after this agreement was done, it turned into a huge deficit. Prior to that, we had a modest deficit with Canada. After a trade agreement was negotiated with Canada, the deficit exploded. We turned a trade relation with Mexico that was a positive relationship into a negative relationship, and with Canada we had an explosion of the deficit.

I thought it would be interesting to take a look at a chart that showed what happened to our trade deficits through all of these trade agreements. Every time we have another agreement, the trade deficit goes up, up, and way up.

One might ask: What is the difference? The difference is this line means jobs in this country, good jobs, manufacturing jobs, and this line suggests an erosion of the manufacturing sector in this country.

Under fast-track trade authority, which Congress has given to some Presidents, the major export has been jobs. The Economic Policy Institute suggests somewhere over 3 million jobs have been lost comparing prior to NAFTA and WTO and after NAFTA and WTO.

Some say: This is just a global economy, and let's just move goods everywhere, and whatever happens happens. They ignore the fact that in this country, we have had people fight in the streets, we have had people killed in the streets for the right to form unions. We had people take to the streets to demand fair and safe workplaces. We had people marching in the streets in this country dealing with child labor laws. For 75 and 100 years, we have confronted all of these tough issues in the United States, and we have created an environment in which an employee has to have a safe workplace, be paid a decent wage, a business cannot hire kids, cannot dump pollutants into the stream and the air, and employees have a right to organize as a labor union.

Economists always remind us of the importance of comparative advantage in determining what country gets to produce what products. But should child labor be a comparative advantage in trade? The legal minimum age for child workers in Peru is 12 years old.

When someone takes the product of a 12-year-old, who works 12 hours a day and is paid 12 cents an hour, and ships it to Pittsburgh or Los Angeles or Denver or Fargo, and puts it on the store shelf, is that fair trade? Is that what we want American workers to compete with?

There are 3 million workers in Brazil under the age of 15. Fair competition? Or how about people making shoes for 24 cents an hour in Indonesia? Fair competition?

People say, well, America has to become competitive. Competitive with what? With 12-year-old kids making 12 cents an hour or 24 cents an hour? Is that the marketplace in which we describe fair trade competition?

Before we pass fast track, I would like to see a little bit of progress by our trade officials to solve a few problems they have created recently. I am not asking for the Moon. I am saying before they run off and, under fast track, negotiate new trade agreements, how about doing something that stands up for this country's economic interests? How about solving a few problems that have been created in past trade agreements?

I will talk first about Canadian wheat because that is a huge problem for my state of North Dakota. We had a trade agreement with Canada. We allowed Canada to sell its wheat through a sanctioned monopoly called the Canadian Wheat Board, which would be illegal in this country. It then sends an avalanche of unfairly subsidized Canadian grain into this country, taking money right out of the pockets of our farmers. It goes on year after year in a relentless way and no one stops it. Why? Because the remedies to stop unfair trade have been emasculated in our trade agreements.

We were promised with the U.S.-Canada free trade agreement that this would not happen, but it did. It not only happened and an avalanche of unfairly traded Canadian grain came down injuring our farmers, but when we got to the bottom of it, we found out that our trade ambassador entered into a secret side agreement with Canada, and our negotiators refused to tell the truth about it even in a committee hearing in the U.S. House of Representatives when asked directly about it.

This is what has happened with Canadian wheat exports in the United States and U.S. wheat exports to Canada: a pail versus a thimble, but that pail represents serious damage to U.S. farmers.

There are some other trade problems. I have spoken at great length about beef in Europe. We have not been able to get most U.S. beef into Europe for 10 years because they say we use beef hormones. They portray our cows as having two heads over in Europe.

We took Europe to the WTO, the World Trade Organization. We took our case to the WTO and we won. The WTO said, yes, Europe is wrong so you can go ahead and exact some penalties with respect to Europe.

Do you want to know what we did? We were upset that Europe would not allow our beef in. We went to the WTO. The WTO said, yes, Europe is guilty. So the United States says, all right, what we are going to do is we are going to retaliate. We retaliated against European shipments to the United States of goose liver, truffles, and Roquefort cheese. Now that is enough to scare the devil out of an opponent; is it not? A trading partner like Europe, we say they better watch it; we are going to slap them with goose liver, truffles, and Roquefort cheese? What kind of remedy is that? When Europe was upset about the recent steel decision, they said, we are going to respond with tariffs on U.S. steel, textiles, and citrus products.

How about Korean automobiles? Maybe we could ask our trade ambassador to fix that. I have gotten several letters from Korea recently because I have been talking about their automobile industry. Last year there were 618,000 Korean automobiles shipped into the United States, Daewoos and Hyundais, into our marketplace. That is fine with me, but do you know how many U.S. automobiles were shipped into Korea? We were able to sell 2,800 U.S. cars in Korea. For every 217 Korean cars sold in the U.S. marketplace, we were able to sell one in the country of Korea. Why? Because Korea does not want U.S. cars in the marketplace. It is very simple.

Is there somebody who will stand up and say this is unfair trade? Because, after all, this represents a loss of good manufacturing jobs in our country, when there is that kind of trade imbalance.

Is there someone who will fix that problem? The beef problem with Europe? The grain problem with Canada? Or how about wheat flour to Europe? Or eggs? Let me use eggs as an example. We cannot get American eggs in the European marketplace. Do you know why? Because American eggs are washed. They will not allow washed American eggs into the European marketplace. So we do not have a market for American eggs. Pork chops to China, T-bone steaks to Tokyo—I will speak tomorrow at much greater length about a range of these issues.

I ask this question: Mr. President and Mr. Trade Ambassador and others, you are so anxious to go negotiate a new trade agreement. How about solving a few of the trade problems that have been created?

Brazil sends sugar to Canada. It is loaded on molasses, liquid molasses, and sent into the United States. Molasses becomes the carrier for sugar that could otherwise not enter under U.S. law. They ship it down into Michigan, offload the sugar, send the molasses back to get another load of Brazilian sugar to Canada, fundamentally undercutting our sugar program. In my judgment, it is an abrogation of fair trade. It has been going on for years. Yet you cannot get anybody to do anything about it.

In the legislation that is going to come up on trade adjustment assistance, I believe that the molasses problem is being addressed by some concerned members of the Senate. But the point is that we have chronic trade issues and that administrations do not do enough about these problems.

We have an enforcement division down in the Commerce Department. We have some enforcement in USTR. I have not seen the statistics lately, but do you know how many people we have dealing with China and Japan? We have eight people enforcing trade agreements with Japan, a country with which we have a $60 billion to $70 billion trade deficit, and they cannot even tell us what the agreements are that we have with Japan, let alone tell us whether they are enforcing them.

This country does not do right by its producers, farmers, manufacturers, and others in the area of international trade. So we are now requested by this administration to give them fast-track authority so they can negotiate another agreement somewhere in the world. I say that we ought not give fast-track authority. I would not support it for President Clinton. I do not support it for this President.

I think it is time for us to stand up for this country's economic interest. No, not build a wall, not keep goods out of our country. This is not about isolationism. This is about standing up for this country's manufacturing sector and its workers, saying that we will compete any time, anywhere, as long as the conditions of competition are fair, but we demand fair trade.

One final point: I started by talking about Cuba. The revocation of the visas that I described is about politics. It is not about trade policy. It is about pointy-headed foreign policy.

For the first 25 years after the Second World War, our trade was almost all foreign policy. We could compete anywhere in the world with one hand tied behind our back. We were the biggest, the best, and the strongest. In the second 25 years, things have gotten tougher. Our competitors are shrewd, tough, international competitors, and it is time that our foreign policy stop being the dominant force in trade policy. It is time our country stand up for its own economic interests and demand fair trade. We ought to do that before we embark on any notion about fast-track authority for any President. That is in the best interest of this country, in my judgment.

I see my colleague from Iowa is in the Chamber. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, President Clinton used to brag—and I think correctly—during the years he was President that some 20 million jobs were created during his Presidency. Those are statistics that speak for themselves.

In regard to this debate before the Senate, President Clinton said about one-third of the jobs were created because of international trade. Quite obviously, the last Democrat President talked about the importance of trade. Jobs are created by trade. Those are jobs that pay very good wages—13 to 18 percent higher than the national average. It is estimated 1 in 10 Americans, 12 million people, are employed in jobs related to goods and services.

The important issue of trade promotion authority is before the Senate. It has worked, as has already been correctly stated. Presidents since President Ford have periodically have had trade promotion authority. It has led to trade agreements passed by Congress. They are now the law of the land.

When it was pointed out—correctly—that Congress has the power to regulate interstate and foreign commerce, that is very true. But remember that Congress does not have the ability to negotiate with other countries—particularly 144 countries in the World Trade Organization—in a way that could be considered an expeditious way of reaching an agreement.

We form a sort of contract with the President of the United States. This is not just for Republicans and Republican Presidents. Republicans in this body tried to form such a contract with President Clinton in the last administration, but his own party would not let him have this authority. Trade promotion authority is a type of contract between the Congress and the President of the United States in which the President, in very precise ways, is given the authority by Congress to agree, on the part of Congress, with goals that will be pursued at the negotiating table.

This legislation will help achieve those goals. It establishes a format for Congress to be consulted by the President of the United States in every step of that process. Congress reviews the agreement that the President brings it back. We have the last say. If we do not pass it, it does not become law, and there is no agreement, no matter how much the President negotiated with 143 other countries to bring that agreement back to Congress.

We in Congress do not see trade promotion authority as Congress giving away all its power over international trade to the President of the United States. Not at all. We cannot do that without amending the Constitution. We don't intend to amend the Constitution to do that.

However, trade promotion authority is a type of contract with the President of the United States to negotiate for us because the Congress of the United States, as the legislative arm of our Government, is not capable, with 535 men and women, of negotiating with 144 other countries in the World Trade Organization, or with another 30-some countries in the Western Hemisphere if you are talking about regional FTAA trade negotiations, or even on a bilateral basis negotiating with Chile or with Singapore, which are in process now.

We want our President to be credible at the negotiating table. When the President has Trade Promotion Authority, other countries, negotiating with the United States, know the President is a credible negotiator.

We have been told the United States loses so much when we negotiate. We don't lose anything when the rest of the world's tariffs are way up here and ours are much lower; we cannot go much lower. When we bring foreign tariffs down, even if we bring them just partway down and not down to our low level, it is a win-win situation for the United States.

I quote Harvard economist Jeff Frankel, estimating that the economic benefits of a successfully completed new round of WTO trade negotiations would mean $7,000 per individual or, as we measure in this country, the unit of the family, about $28,000 for a family of four. This estimate was even backed up by Chairman of the Federal Reserve Board, Alan Greenspan. He said before the Senate Finance Committee when he testified last year on the importance of trade promotion authority to the President, that the estimates made by Jeff Frankel, were very credible estimates.

As just one example of the advantage of a trade agreement to the United States, look at Caterpillar, located in several countries around the world, but with its main operation in the United States. The corporate headquarters is in the United States. I have an example of a $187,000 Caterpillar, model 140H, a motor grader tractor, made in America. If shipped to Chile, it is slapped with $13,090 in tariffs and duties, or 7 percent of the tractor's cost because we do not have a free trade agreement with Chile.

That same tractor can be made in Brazil by a Caterpillar plant in Brazil and shipped to Chile with only a $3,740 tariff because Brazil has some trade agreements with Chile. Obviously, not a free trade agreement but some agreements that reduce the tariff from 7 percent on a tractor made in the United States to 2 percent.

If that same tractor is made in Canada, because Canada has a free trade agreement with Chile, there are no tariffs whatsoever on that Caterpillar motor grader tractor made in Canada.

We have to ask ourselves, as Senators for the entire United States, would you not rather have the Caterpillar tractor made in America and shipped to Chile than have it made in Canada or have it made in Brazil and shipped to Chile?

This decision is a no-brainer, Mr. President. We have seen so much advancement in the rural economy since the process of reducing tariffs worldwide. Originally called GATT, now called the World Trade Organization process, WTO for short, that process has been going on since 1947. We ought to be satisfied with what world trade has done for America, that it is good for America, it is good for the world, and that if we are going to be in this business of having America's leadership continue as it is in the war against terrorism, but more based upon our military prowess than anything else, but backed up by economic strength, it seems to me if the President of the United States can have trade promotion authority and continue to be the leader in reduction of world tariff trade barriers and nontariff trade barriers, as the United States has been between 1947 and 1994 when the authority ran out, we are going to have an additional advantage—an additional tool for world leadership to use in pursuing peace sooner.

The other side of the coin is that if you are going to have an expanding world population—which we all know is underway and is going to be underway for decades to come—you cannot have stagnant world economic growth. More people with less material goods are only going to lead to social instability, political instability, and the opposite of world peace.

An expanding world economic pie can only come through the reduction of trade barriers, and that only comes through this process of global trade liberalization that in the WTO. That is the only way we are going to have an expanding world population with more people having more material goods, more prosperity, and more social stability and political stability as well, and the peace that will come with it.

Even though during these weeks of debate on trade promotion authority we are going to be talking about its economic benefits, and some other people will be talking about the economic harm they see coming from trade promotion authority, from my perspective it is not just an economic issue. It is also an issue of expanding the world economic pie for social stability, political stability, and eventually world peace.

Mr. President, I support cloture on the motion to proceed on one of the four trade bills that will be before the Senate in the next several weeks. The one before us is the Andean Trade Act. This vote is far more than a vote on cloture on the motion to proceed on the Andean bill. In the next few days, starting with and moving beyond this vote, we may finally take up other trade bills: trade promotion authority, trade adjustment assistance, the Generalized System of Preferences, or GSP, and trade adjustment assistance.

This vote is in reality a referendum on the future leadership of U.S. trade policy. After months of delay, it is finally a long overdue acknowledgment of the Senate's important constitutional and political responsibility for U.S. trade policy. As such, today is the start of the most important legislative period on the Senate floor for America's trade policy since trade negotiating authority for the President lapsed in April 1994.

It was in 1994 when a critical ingredient of American global leadership in trade policy was lost, trade promotion authority. As a result, in the last 8 years the United States has been severely handicapped in its ability to conduct major trade negotiations. Yes, we recently concluded a free trade agreement with Jordan and we have started Free Trade Area of the Americas negotiations. That is the Western Hemisphere regional free trade zone. We also have bilateral free trade negotiation going on with Singapore and with Chile right now.

We have been involved with three agreements in the last 6 years. The rest of the world has adopted 130 or more preferential trade agreements; 127 of which we were not a party to. That damages America's trade interests.

The European Union has 27 preferential or special customs agreements with other countries and is negotiating 15 more. Our international competitors, then, are clearly not waiting for the United States of America while they negotiate and while we get our act together. We have been, for about 6 years now, maybe 8 years, trying to get our act together.

The lack of trade promotion authority is already affecting our effectiveness at the negotiating table in the Western Hemisphere negotiations called the Free Trade Area of the Americas. I recently commissioned a General Accounting Office study on the status of the Free Trade Area of the Americas negotiations. They found the Western Hemisphere participants believed that the absence of the President's trade promotion authority has thwarted the negotiations to the extent that some countries are not willing to make the necessary concessions to move negotiations forward.

This lack of progress of the Free Trade Area of the Americas has enormous economic consequences for the United States. We currently sell less than 8 percent of our exported goods south of Mexico's southern border—meaning Central and South America.

In terms of competitiveness in exports, we are underperforming in our own hemisphere. A successful conclusion to the Free Trade Area of the Americas talks will help us catch up, but the President needs trade promotion authority to make that happen.

The United States is currently pursuing new World Trade Organization negotiations with 143 other nations in Geneva. These negotiations are, right now, underway. Our negotiators are meeting with their counterparts in Geneva almost as we speak to try to hammer out procedures for addressing the major issues in these important negotiations, issues such as market access for America's farmers and ranchers for all of our agricultural products. They are all on the table, but without trade promotion authority, our negotiators have one hand tied behind their backs. That is something that before this debate is over I hope I can convince the Senator from North Dakota of—who spoke previous to me—that it is very important not to negotiate from a position of disadvantage.

Right now, without trade promotion authority, do not have credibility at the negotiating table. We need credibility to set the agenda and to influence the scope and timing of these talks.

Without trade promotion authority, our foreign competitors will have the upper hand. They will determine the scope and the timing of the World Trade Organization negotiations to their advantage—obviously not to the advantage of the United States.

Last Friday the Agriculture Coalition for Trade Promotion Authority, which represents more than 80 food and agricultural groups, sent a letter to congressional leaders. It was signed by 29 university agricultural economists. I will read from a portion of that letter:

> . . . There is an important political dimension in all trade negotiations, and without trade promotion authority, the ability of the United States negotiators to press for agreements on our terms and our agenda will be fatally weakened. . . . Trade Promotion Authority is an indispensable tool that U.S. trade officials need now to keep U.S. agriculture on the path of prosperity and long-term economic growth.

The individuals who signed that letter are some of the most distinguished agricultural economists in our country. I am sure some of my colleagues would recognize their names. I hope we hear their message very clearly. I am suggesting it is wrong not to act on their advice.

I ask unanimous consent that entire letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TPA COALITION COMMENDS LETTER TO CONGRESSIONAL LEADERS FROM PROMINENT AGRICULTURAL ECONOMISTS

The Agricultural Coalition for Trade Promotion Authority today commended the 29 university agricultural economists who signed a letter in support of TPA that was sent Friday to Congressional leaders. The letter, which will go to every House and Senate member today, points out that without trade, the U.S. farm economy would be in a desperate situation and that without TPA, "the ability of U.S. negotiators to press for agreements on our terms and our agenda will be fatally weakened."

Following is the text of the letter. The Agriculture Coalition for TPA includes more than 80 food and agriculture groups dedicated to the passage of legislation granting the president Trade Promotion Authority. It is co-chaired by the National Pork Producers Council and Farmland Industries.

APRIL 26, 2002.

Hon. THOMAS A. DASCHLE,
U.S. Senate,
Washington, DC.
Hon. TRENT LOTT,
U.S. Senate,
Washington, DC.
Hon. RICHARD A. GEPHARDT,
U.S. House of Representatives
Washington, DC.
Hon. J. DENNIS HASTERT,
U.S. House of Representatives
Washington, DC.

DEAR SENATOR DASCHLE, SENATOR LOTT, REPRESENTATIVE GEPHARDT, AND MR. SPEAKER: We, the undersigned agricultural economists from the nation's agricultural colleges, universities and research institutions, strongly support trade negotiations to advance U.S. agriculture's interests in the global market.

Despite the frustrations some in the farm community voice today about recent trade agreements, U.S. agriculture would be substantially worse off had it not been for those arrangements. The fall in exports resulting from the Asian financial crisis and the unusual string of years of strong global crop production would have been worse without the access opportunities in Mexico and many other markets that NAFTA and the Uruguay Round provided.

Clearly, there remain important tariff and subsidy inequities that impede U.S. exports. Global food and agriculture tariffs average 62 percent, while U.S. food and agriculture tariffs average only 12 percent. But the only practical way to deal with these problems is through the multilateral, regional, and bilateral trade negotiations the Administration has undertaken, and for which it must have Trade promotion authority (TPA). While the regional and bilateral trade initiatives currently under negotiation are important, the most promising trade initiative for U.S. food and agriculture producers is the ongoing multilateral World Trade Organization (WTO) negotiations.

To put the importance of trade and the need for negotiations in perspective, it is worth pointing out that the value of U.S. agricultural exports—now around $54 billion—frequently tracks or exceeds the level of net farm income each year. Without exports, farm and ranch income would plummet.

The domestic U.S. market is, of course, the principal destination for most of our farm output. However, the U.S. population is only about 4 percent of the world's total. Increased access to the other 96 percent, which can only be accomplished through trade negotiations, would offer U.S. producers another—and potentially enormous—outlet for our high quality production.

As economists, we tend to view issues in terms of numbers: the data that show that a substantial portion of our production is exported, the strong recent growth in exports of job-creating high value and processed agricultural products, and the contribution exports make to the overall farm economy. However, we also recognize that there is an important political dimension in all trade negotiations, and that without TPA the ability of U.S. negotiators to press for agreements on our terms and our agenda will be fatally weakened. Indeed, there is a deadline of March 2003 in the ongoing WTO agriculture negotiations for establishing the framework of the final agreement—which is referred to by our trade negotiators as establishing the "modalities." If the U.S. is to provide effective leadership in establishing these modalities, our negotiating partners must know that U.S. leadership is based on and supported by authority from Congress. In short, TPA is an indispensable tool that U.S. trade officials need now to keep U.S. agriculture on the path of prosperity and long-term economic growth.

Sincerely,

Dermot Hayes, Ph.D., Professor of Economics, Iowa State University; Colin A. Carter, Ph.D., Professor, Agricultural Marketing, International Trade, UC Davis College of Agricultural and Environmental Sciences; Mechel S. Paggi, Ph.D., Director, Center for Agricultural Business, California State University, Fresno; Daniel A. Summer, Director, Agricultural Issues Center, University of California, Davis; Frank H. Buck, Jr., Professor, Department of Agricultural and Resource Economics, University of California, Davis; Michael Reed, Ph.D., Director, Graduate Studies, University of Kentucky; John C. Beghin, Ph.D, Professor of Economics, Iowa State University; Cary W. Herndon, Jr., Professor, Department of Agricultural Economics, Mississippi State University; Julian M. Alston, Professor & Agricultural Economist, University of California; Gary Storey, Agricultural Economics, University of Saskatchewan; Gail L. Cramer, Professor and Head Department of Agricultural Economics and Agribusiness, Louisiana State University; Timothy G. Taylor, Professor and Director, Center for Agibusiness, University of Florida; George C. Davis, Associate Professor, Texas A&M University; P. Lynn Kennedy, Ph.D., Department of Agricultural Economics & Agribusiness, Louisiana State University; Timothy E. Josling, Professor of Food Research, Stanford University; Gary W. Williams, Ph.D., Professor of Agricultural Economics, Texas A&M University; Barry Goodwin, Professor, Agricultural, Environmental & Development Economics, Ohio State University; Chris Barrett, Associate Professor, Applied Economics & Management, Cornell University; Thomas W. Hertel, Professor of Agricultural Economics, Purdue University; David Harvey, Ph.D., Professor of Agricultural Economics, University of Newcastle upon Tyne; Scott R. Pearson, Professor, Food Research Institute, Stanford University; David Abler, Ph.D., Professor and Graduate Officer, Agricultural, Environmental and Regional Economics, Penn State University; Eric Monke, Ph.D., Professor, Agriculture/Resource Economics, University of Arizona; David Blanford, Ph.D., Professor and Head, Department of Agricultural Economics and Rural Sociology, Pennsylvania State University; Maury E. Bredahl, Director, Center for International Trade Studies, Univerisity of Missouri-Columbia; James E. Ross, Ph.D., Courtesy Professor, International Trade and Development Center, Univerisity of Florida; Vernon Oley Roningen, Ph.D., Consulting Services and Economic Analysis, VORSIM; Jimmye Hillman, Ph.D., Professor Emeritus, International Agricultural Policy University of Arizona; and Luther G. Tweenten, Faculty Emeritus, Agricultural, Environmental & Development Economics, Ohio State University.

Mr. GRASSLEY. On the subject of another trade bill coming before us, I want people to know I strongly support what we have had since 1963, called trade adjustment assistance. It is coming up for reauthorization. It has been an integral part of our trade policy for about 40 years.

We need to update trade adjustment assistance and make it more effective for people whom it is designed to serve.

Finally, I would like to say a few words about the Andean trade bill. That is the bill which the cloture motion we are debating is on.

The Andean trade bill will enable the United States to constructively engage with our Latin American neighbors at a time when many of them face enormous economic and political challenges. There is political instability and the social instability in some of those countries because they face severe economic challenges. There are more people with less growth and fewer material goods for the people. What the Andean pact comes down to is that we need—and the Andean nations need—a trade policy that will positively affect trade between our countries.

Where I come from—the little town of New Hartford, IA—when your neighbor down the road has an emergency, or needs a hand, in that Midwestern spirit we reach out to help. The United States pretty much has adopted the same policy as part of our responsibility of world leadership since World War II. It happens all over America. Neighbors help and support each other.

When our Andean neighbors—Colombia, Peru, Bolivia, and Ecuador—found themselves under siege by narco-terrorists, we reached out to help these hemispheric neighbors. Through the Andean Trade Preference Act, we designed a plan that is based on trade—not aid—following the advice of President Kennedy 40 years ago that focuses upon people's self-help. That is what trade is all about. Aid is all about doing something for somebody instead of helping themselves. But trade is about helping people to help themselves so they eventually develop to a point—such as Korea, Japan, Taiwan, and Thailand have in the last 40 years—where they don't need our help.

The Andean pact uses trade to promote economic development through a diversified export base as an alternative to the allure of the drug trade. I also support the Andean trade bill because it recognizes that trade and prosperity go hand in hand. Trade is not just for rich countries such as the United States, it is also for countries that aspire to be rich.

What country looking at the United States wouldn't like to have the prosperity the United States has developed in the last hundred years and become the richest nation in the world? Countries want better and more secure lives for their people. Countries want better health care, better education, and a better future for their children.

Through the Andean Trade Preference Act and complementary trading initiatives, such as the free trade areas of the Americas, we can help achieve a new era of hemispheric economic cooperation that will not only benefit those countries to the south of us but it will benefit us as well. The Andean nations know that trade—not aid—is the best way to overcome the fragmentation of Latin American economies and build self-sustaining growth that nourishes democratic institutions.

The United States must get off the sidelines. We need to get back into the middle of the negotiating circle and back into our customary role as leader of the world economy in trade, as we have been generally since at least 1947. But we haven't been there in the last few years. The rest of the world is not going to stand around and wait for us. They are negotiating over 100 agreements, and we have negotiated 3.

The longer we wait, without credibility at the negotiating table, the more harm will be done to our political and economic interests. By not leading the world, we are not going to help the world economy grow as large as that world economy can grow.

It is very important to get this debate started. To get this debate started, we have to have a yes vote on cloture on this bill so we can overcome a few Members of the Senate who believe the United States ought to be more parochial and a little more isolated. That is not a place where America has been since 1947.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I rise today to express my support for the Andean Trade Preference Expansion Act and the cloture vote on the motion to proceed.

However, I believe the Senate should move forward on this important piece of legislation separately from consideration of Trade Promotion Authority.

I believe it is essential for the people of Ecuador, Colombia, Peru, and Bolivia and the people of the United States that the Senate expeditiously debate and act on the Andean Trade Preference Expansion Act on its own.

The original Andean Trade Preference Act was designed to discourage illicit drug production and help participating countries develop a broader export base.

The results over the past decade have been very encouraging. The Andean Trade Preference Act has generated $3.2 billion in new output and $1.7 billion in new exports to the United States. Export diversification has resulted in the creation of 140,000 jobs in the region.

The excellent cooperation of participating countries with the United States in the fight against narcotics production and trafficking has resulted in significant gains. For example, coca cultivation in Bolivia has fallen by 68 percent and in Peru by 74 percent.

Unfortunately, we have not seen similar progress in Colombia, but this is due more to political instability and the continuing struggle against narco-terrorism. I am hopeful that these difficult issues can be resolved and that Colombia will enjoy the full benefits of this bill.

Just as important, the Andean Trade Preference Act has given hope to the people of the region for a better tomorrow and has shown them that the journey from poverty to economic prosperity need not begin with the cultivation of illicit narcotics.

Nevertheless, despite these success stories, the Andean Trade Preference Act expired on December 4, 2001 and the 90-day suspension of import duties on eligible products issued by President Bush is set to expire on May 16.

The House passed its own version of the Andean Trade Preference Expansion Act on November 16, 2001. That bill has now come to the Senate floor and will be amended to include Trade Promotion Authority legislation. I am concerned that this will slow passage of the underlying bill.

If the United States continues to delay passage of the Andean Trade Preference Expansion Act, the participating countries will be put in a vulnerable position and could face devastating consequences. They will deal with increased narcotics production and trafficking, and the gains of the past ten years will be lost.

In addition, in a recent meeting, the ambassadors of Colombia, Ecuador, and Peru indicated to me that inaction on this bill would result in the loss of tens of thousands of jobs. The hopes of hard working families will be shattered.

Finally, Bolivia, Ecuador, and Colombia all face presidential elections this year, and the lack of closer trade ties with the United States could impede continued growth of democracy in the region.

The resulting weakness of the central governments will only serve to reenforce the strength of drug lords and their armies and destabilize the region even further.

We should also be concerned about our own economy and export growth. Between 1991 and 1999, U.S. exports to the Andean region increased by 65 percent. The United States is the largest source of imports for each of the participating countries.

The gains from an expanded Andean Trade Act, strengthened democracies and stronger, more vibrant economies, will encourage even more U.S. investment and exports to the region, creating more jobs at home and fostering greater economic growth.

My home State of California, the fifth largest economic engine in the world and a leader in global commerce, will greatly benefit from increased prosperity and political stability in the Andean region.

If we do not act, U.S. credibility and leadership in the region will suffer and future efforts to expand trade in Central and South America will be met with skepticism and resistance.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 295, H.R. 3009, the Andean Trade Preference Act:

Max Baucus, Zell Miller, Harry Reid, Tom Carper, Joseph Lieberman, Bob Graham, John Breaux, Blanche L. Lincoln, Ron Wyden, Dianne Feinstein, Ben Nelson, Trent Lott, Charles Grassley, Orrin G. Hatch, Jon Kyl, Rick Santorum, Pat Roberts.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 3009, an act to extend the Andean Trade Preference Act, to grant additional trade benefits under that act, and for other purposes, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Missouri (Mrs. CARNAHAN), the Senator from New Jersey (Mr. CORZINE), the Senator from Connecticut (Mr. DODD), the Senator from New York (Mr. SCHUMER), and the Senator from New Jersey (Mr. TORRICELLI) are necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Idaho (Mr. CRAIG), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arkansas (Mr. HUTCHINSON), and the Senator from Alaska (Mr. MURKOWSKI), are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "no."

The PRESIDING OFFICER (Mr. REED). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 69, nays 21, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—69

Akaka
Allard
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Campbell
Cantwell
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Crapo
Daschle
DeWine
Durbin
Edwards
Ensign
Enzi
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Hutchison
Inhofe
Jeffords
Johnson
Kerry
Kohl
Kyl
Landrieu
Leahy
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reid
Roberts
Santorum
Smith (NH)
Smith (OR)
Specter
Stabenow
Stevens
Thomas
Thompson
Voinovich
Wyden

NAYS—21

Allen
Bunning
Burns
Byrd
Dayton
Dorgan
Feingold
Hollings
Inouye
Kennedy
Levin
Mikulski
Reed
Rockefeller
Sarbanes
Sessions
Shelby
Snowe
Thurmond
Warner
Wellstone

NOT VOTING—10

Carnahan
Corzine
Craig
Dodd
Domenici
Helms
Hutchinson
Murkowski
Schumer
Torricelli

The PRESIDING OFFICER. On this vote, the yeas are 69, the nays are 21. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The Senator from Massachusetts.

STUDENT LOAN PROGRAM

Mr. KENNEDY. Mr. President, I am sure that when all of our colleagues travel back to their States and meet with parents and families, they are being asked about the increased cost of tuition at the universities and colleges across the country.

I know that is true in my own State of Massachusetts. The average fees at the University of Massachusetts, one of our fine universities, are going up in excess of $1,000 for this next year.

Quite frankly, in my part of the country, families are really concerned about the economic conditions. I know the economic indicators, the GDP indicators, are showing some improvement. Clearly, the unemployment figures are not reflecting the real situations of many Americans in many parts of the Nation. So many Americans are facing lay-offs and those that are finding new jobs are often taking pay cuts. As many states cut their higher education budgets, people are wondering how they are going to afford the increases in tuition.

Many of those attending school and recent graduates were very perplexed to read the story in the New York Times over the weekend that says: "Bush seeking to squeeze school loan program."

The student loan programs offer low-interest loans to full-time students. These programs are available to low and middle-income families. I have an AP story that says:

> The White House has suggested $5.2 billion savings from Federal student loan programs. The White House Budget Director Mitch Daniels proposed the savings to the House Speaker DENNIS HASTERT last week. Among Daniels's proposed savings is to require college students and graduates who wish to consolidate their Government-backed education loans to use variable interest rates, a change from the current program.

I want to share with the Senate what has happened in my own State, and it is replicated across the country. Just last year, we had some 36,000 families consolidate their loans, taking advantage of the lower fixed interest rates. It amounts to $1 billion. The average loan in my State is $29,000. Let me be very clear, Mr. President. If the proposal that is reported in the New York Times goes into effect, it will mean $3,000 more for every $10,000 a person owes to the guaranteed loan program—$3,000; $10,000 over a 30-year period. That is $10,000 additional over a 10-year period if that student owes $30,000.

In my State of Massachusetts, the average consolidated loan is $29,000. To do what? According to Mr. Daniels, for the next year, it will mean $1.3 billion in savings to the administration evidently so they can use it for the tax cut program for wealthy individuals. Talk about a financial transfer. This administration is going to balance its books at the expense of students. They are taking about $1.3 billion from students and middle-income families who will have to pay a variable rate on consolidated loans, instead of taking advantage of the lower fixed interest rates at the present time. This is an effort to effectively fix the system so that students and their families will pay more so this administration can afford more in tax cuts.

Families pay what they can afford in tuition for their children to go to school, and depend on the federal loan programs for the remainder of the tuition. When it comes time to help repay those student loans, they will have to pay higher interest rates, and they ask why. Hard working families should get the best deal on interest rate that is available.

The New York Times article goes on:

> "The Bush administration is seeking to ease its budget by squeezing $1.3 billion from the Federal student loan program," administration and congressional officials say today.

Whether it is the $1.3 billion as in the New York Times or the $5 billion, what they are basically saying is the students and middle-income families are going to have to pay a good deal more rather than taking advantage of the lowest interest rates.

That is poor education policy. It is grossly unfair to middle-income families, and it is clearly not in the national interest. Our national interest ought to be to encourage the best and the brightest to complete their education, to be involved in the communities of this country, and contribute to our Nation's democratic values and its economic values.

How can the administration make that kind of request to the Congress? Mr. President, I just want to make it very clear, as far as our committee goes, I can say without fear of any contradiction, this suggestion will not pass.

The last time we faced this type of proposal was in 1981 under President Reagan who suggested an origination fee which was an additional burden on students and their families who were taking out student loans. We were unsuccessful in stopping that fee, and I believe we will succeed in rejecting the elimination of the fixed rate consolidation loans. But I tell my colleagues, how in the world can you believe this administration is putting education first when it is trying to shortchange the students of this country in an unfair and, I think, unwise way?

Mr. SARBANES. Will the Senator yield for a question?

Mr. KENNEDY. I will be glad to yield.

Mr. SARBANES. I must say, when I saw that article, the first thing I thought to myself was: They must have figured out some sort of unique way to achieve some savings in the college loan program which will not affect the beneficiaries of the program. It never occurred to me until I read the article, to which the Senator has referred, that they were intending to take this money right out of the hide of the beneficiaries.

As I understand it, we have had this program where people can consolidate their loans and lock them into place with a fixed interest rate. That has helped, as I understand it, to significantly reduce the default rate on college loans, if I am not mistaken.

I think 10 years ago we had a default rate at about 22 percent, and now we have cut that rate to, what, about 5 percent?

Mr. KENNEDY. Five point six percent.

Mr. SARBANES. Five point six percent.

Mr. KENNEDY. Under the Clinton administration.

Mr. SARBANES. That is one of the benefits of providing a rational framework for students and their families to address these college loans.

First of all, we have to understand these students are taking on a tremendous burden as they move through college in order to get a college education. There are many people who argue we are not doing enough to help lift that burden. But the notion that we should now add to it in this significant manner that the head of the OMB is talking about I find outrageous.

How are these people going to afford this college education?

We have set up a system which seems to be working pretty well. If anything, we ought to provide more assistance, not less. I certainly commend the Senator for taking to the floor to underscore this problem. I gather they want to try to do it in the supplemental appropriations bill, with very little consideration of its impact or an opportunity to affect what is happening.

Mr. KENNEDY. The State PIRGs have completed an interesting study. It is an independent evaluation on higher education student loan debt. Their estimate on the cost to borrowers of switching from a fixed rate to a variable rate consolidation loan—this is their estimate, not mine—for an average graduate with $16,000 in college debt would have a $2,800 increase over the next 10 years and $6,300 if they chose to spread their payments over 20 years. If one has $16,000 they would pay an additional $2,800—the average loan is $29,000 in my State. Do you understand that? Mr. President, $16,000 is just about the national average loan. This is not my estimate, this is the estimate of the highly regarded and respected national group the Public Interest Research Group.

I do not know how many people are consolidating loans in the State of Maryland and the State of Illinois, but I do not think that higher rates are what these families deserve. They deserve the best possible low interest rates. They are uncertain about their economic future. They are planning their life. They have every right to consolidate at the lowest interest rates, and now the administration is attempting to force them to pay the rate at the time that they originate their loans.

Mr. DURBIN. Will the Senator yield?

Mr. KENNEDY. I will be glad to yield.

Mr. DURBIN. I thank the Senator for raising this issue, and I thank the Senator from Maryland for joining us. Roughly two out of three college graduates today leave college with a debt. The average debt across the United States for all college students is $16,000. That is a pretty substantial sum of money for somebody starting out to get their first job out of college.

Mr. SARBANES. Age 21, I might add, or 22, and they are already walking out, after getting their education, with a $16,000 average debt. A lot of them, as the Senator points out, have more.

Mr. DURBIN. I might say to the Senator from Massachusetts, the experience in Illinois is the same as in his State. Our average student loan, as consolidated under this program, is $30,000. What the Senator from Massachusetts tells us is that President Bush's administration has suggested adding $10,000 in cost to pay back that student loan.

So one might say to themselves, this must be some national emergency that would lead us to the point where we would take a young college graduate and say we are going to eliminate a program and heap on another $10,000 in debt for them to pay off. The national emergency appears to be making permanent the President's tax cut program.

We did a little analysis on this program recently, and I think the Senator from Massachusetts is aware that 65 percent of President Bush's tax cut goes to people making over $500,000 a year. So think about this for a second. The new college graduate coming out with a debt, in my State, of an average $29,000, just got a $10,000 bill to collect money, to do what? To give to the average person making over $500,000 a year a $39,000-a-year tax break.

What is wrong with this picture? Why are we not helping the young men and women who are going to lead this Nation with their education to take the kind of jobs that they need?

I know the Senators from Maryland and Massachusetts know the situation where so many young graduates want to go into teaching, for example, and they look at their student loans and say: This is impossible. I cannot make enough money as a teacher.

The Bush administration proposal would make their debt larger. For what? To give a tax break, two-thirds of which goes to people making over $500,000 a year. This is totally upside down.

The student loan obligations for students across America have doubled within the last 8 years. They are likely to go up in the future. The Bush administration proposal, I am afraid, is going to make it even more difficult for our sons and daughters and grandsons and granddaughters to pursue a higher education.

Mr. KENNEDY. May I add one point? I would be interested in my friend's reaction to this. If someone is receiving a Pell grant, the average family income for a Pell grant student is $17,000. These are gifted, talented individuals who could qualify for any of our greatest universities. Their family income is under $17,000, and the Pell grant is available to them. Reading from the Public Interest Research Group's analysis, even worse off are the students who depend on the Pell grants to finance their education. This would cost the typical Pell grant borrower $3,100, almost a thousand dollars more because since they are lower income, they have to pay—at the start they are paying higher rates.

So we are talking about students who are gifted and talented, who have every kind of asset except a large wallet or pocketbook, who have a great deal to contribute to our Nation, and whose family income is less than $17,000, people who are going ahead and working.

Sixty-three percent of the students in this country now who are on scholarship work 25 hours a week or more. That is extraordinary.

We wonder why the students are not talking about books and education; they are talking about their debts and their obligations. Well, I am wondering, if my two friends would not agree, when families of limited income, even though their children have the academic gifts and talents to go on to education, are going to be forced to say: No, count me out; I will just go on, wait on tables, I will park cars, because I am not going to put my family through that kind of indebtedness. That is the message that will go out with this proposal.

Mr. DURBIN. Asking the Senator to further yield, I will share with him this statistic: 39 percent of college students now graduate with debt loads that are termed unmanageable, meaning their monthly payments are more than 8 percent of their monthly incomes.

With this Bush administration change putting more debt on these students, it becomes impossible for them to deal with this.

Mr. KENNEDY. But the Republican response to that is these students are going to become lawyers and doctors so they will be able to afford it. Would not both my colleagues agree, we have a shortage of 2 million schoolteachers in this country? What we are talking about is schoolteachers. We are talking about social workers who we are trying to help. We are talking about those who would be childcare providers. We are talking about police officials and nurses. These are the ones who are entering low wage professions, trying to make it and to be responsible and pay off their debt. They are the ones who are going to find education virtually priced out.

Mr. SARBANES. Will the Senator yield?

Mr. KENNEDY. I am glad to yield.

Mr. SARBANES. The fact is that no other advanced country places as much of the burden of obtaining a college education on the individual student and the family as we do. We in the Congress have been trying to ease that burden through a combination of grants and loans, although we have been shifting from grants to loans increasingly over the years. Other countries do not do the same thing. Why not? Because they recognize the society and the nation benefit from developing the talents and the capacities of their young men and women; that it is not only the individual who gets the benefit but society gets a benefit from educating these people.

As my colleague from Illinois pointed out, if they walk out of college with this huge burden on their back, then obviously they are motivated to go to lucrative professions in order to pay off the debt.

I have talked to young people who have said: I really would like to teach but I cannot afford to teach because I have this debt burden that I have to pay off. Therefore, they are looking to go into some profession where they can make a lot of money. They are lost to the teaching profession.

Now that we have a system in place, we knock out one aspect. My understanding is the consolidation of loans has been in effect since the Reagan years. I understand it first went into place in 1986, the consolidation of loans. It makes good sense. We are always telling people they ought to consolidate their loans and we put it into place. Now we are taking away from people another support to try to help with higher education.

Mr. KENNEDY. The Senator is quite correct. There is a very interesting statistic for those who enter medical school. Eighty-five percent of medical students want to become general practitioners. They care about patients and want to be there on the front line treating the families of America. However, they end up borrowing so much to pay for their school costs that they need to enter specialization because of the salary differences at the very time we need more general practitioners.

I draw the attention of my colleagues to the chart and what has happened with grants and loans. My colleagues remember the great debates held on providing greater access to higher education for all Americans, those national debates go back to 1960. President Kennedy believed the size of your pocketbook should not determine what university a student attends, only your qualifications should determine where you could attend school. Grants, some loans, work-study programs, summer employment should add up to the cost of your tuition and fees. All of those match together in an economic package so a student can successfully go to the school of their choice.

I was in the Education Committee when Secretary Bennett said: Too bad. Those families can go where the loans will take them. That is our view of this Republican administration. That is the attitude. We do not want to limit opportunity. I know where that is in the RECORD.

We have seen the buying power of grants fail to keep up with the costs of college. The neediest children are forced to take out loans. Now we find at a time when these young students and graduates are trying to take advantage of refinancing their loans, we are hearing the administration saying: No, we need another $1.3 billion for our tax program so we are going to force students to wait and see what the interest rate will be every year instead of locking in at a fixed rate. That is regrettable.

I draw another chart to the attention of my colleagues. This is a women's issue. Education is one way that we can help women close the earnings gap. When you deny women the opportunities to continue education, you continue a perpetuation of the notable disparity taking place. Women, like their male counterparts, increase their earnings when they increase their education.

Once you put the economic binds by effectively denying people the ability to discharge debt, this will work against women students. We see it already. We will see it even grow over the period of time.

Mr. DURBIN. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. DURBIN. The Senator was part of an effort that many joined with President Bush: Leave no child behind. The idea was to improve the quality of education across America, to make certain, with accountability, that schools were graduating students who had the basic wherewithal to succeed in society.

One of the linchpins was to improve teachers in the classroom.

I would like the Senator from Massachusetts to tell me if I recall this correctly. Are we moving through President Bush's bill to a point where more and more teachers have to be certified in that they are going to teach in schools? In other words, you cannot be the gym teacher who says, I will teach biology. You have to stand in front of the classroom with students.

We are passing bills saying, teachers, we want you to stay in school, get more advanced degrees, and be more valuable in the marketplace but come back to the classroom. And now the Bush administration, months later, comes in and increases the cost of education for those who aspire to be those quality teachers. There is a disconnect.

Mr. KENNEDY. The Senator is absolutely correct. It is a powerful, powerful argument. We are trying to make sure we are going to have a well-qualified teacher in every classroom. More and more young people who are entering teaching are saddled with an enormous debt burden. As a national objective, have a well-qualified teacher in every classroom. How can these young professionals afford to pay off their loans when we know that too many teachers are underpaid.

And the Senator quite rightly points out that will require tens of thousands, hundreds of thousands, of teachers to get certification and to go back to universities and colleges, community colleges, to get these certifications.

This kind of activity is going to make it that much more expensive, that much more of a disincentive to go into teaching. That is enormously important and significant. I thank my colleague for bringing this critical fact to the floor.

I see my friend from Rhode Island who has been such a leader in education, and follows a very proud tradition in his state. We give fair notice to the administration that we are going to do everything we possibly can legislatively do to make sure this does not take place. We want to keep as many low-cost options for borrowers as possible to make sure that more people are getting college degrees. We will have more to say about this in the very near future.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KENNEDY). Without objection, it is so ordered.

The Senator from Illinois is recognized.

Mr. DURBIN. I thank the Chair.

(The remarks of Mr. DURBIN pertaining to the introduction of S. 2393 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DURBIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to a period of morning business, with Senators allowed to speak therein for a period not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I also ask unanimous consent that the time we are in morning business be charged against the 30 hours postcloture on the matter now before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNIZING THE UNIVERSITY MEDICAL CENTER VOLUNTEERS IN LAS VEGAS, NV

Mr. REID. Mr. President, as we celebrate National Volunteer Week I would like to recognize the 300 volunteers at the University Medical Center in Las Vegas, NV who are committed to providing young Nevadans with more promising futures.

As a group, U.M.C.'s 300 volunteers donated 49,700 hours of time in 2001. Their contribution of volunteer time and talent has enormously improved the efficiency and effectiveness of University Medical Center. Through their efforts, these volunteers have helped build a better community. The programs that they have participated in include U.M.C.'s Medical Explorer Program, the Volunteer Youth Corps, the "Pal" program of Las Vegas High School, and the "Medical Magnet Program of Rancho High School, all of which have positively impacted the youth of Nevada.

In addition, for almost 40 years U.M.C. Auxiliary, a group chartered by the Clark County Board of Trustees, has volunteered and raised millions of dollars for the discretionary use of the hospital including the purchase of needed medical equipment. Having recently been challenged to raise even more money for the hospital, the Auxiliary presented a donation of $300,000 to the Clark County Board of Trustees on April 16.

Dr. Martin Luther King, Jr. said that "everyone can be great because anyone can serve." U.M.C. volunteers have proven their greatness by serving the people of southern Nevada through the hours and money they have donated and by helping University Medical Center fulfill its mission.

NOMINATION OF JUDGE HENRY HUDSON TO THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA

Mr. WARNER. Mr. President, in my twenty-four years in the United States Senate, I have had the responsibility as a United States Senator, in keeping with the long standing traditions of the Senate, to recommend to the President of the United States well qualified Federal judicial nominees for Federal courts sitting in Virginia. I deem this one of my most important duties as a United States Senator.

Since his inauguration, I have the had the honor of recommending individuals to President George W. Bush for two positions on the Federal courts sitting in Virginia.

First, I was pleased to recommend Roger Gregory to serve as a judge on the United States Court of Appeals for the Fourth Circuit. President Bush subsequently nominated Mr. Gregory, and the Senate confirmed this nomination on July 20, 2001.

Today, I rise in support of another nominee that I have recommended to President Bush, Mr. Henry Hudson. On January 24, 2002, President Bush nominated Judge Hudson to serve on the United States District Court for the Eastern District of Virginia. Senator ALLEN and I both strongly support Judge Hudson's nomination.

Judge Hudson's background makes him highly qualified for this judgeship. And, it is important to note that the Virginia Bar Association "highly recommends" him as well.

Judge Hudson's experience with the law is extensive, beginning with his service as a Deputy Sheriff in Arlington County, Virginia, in 1969 and 1970. He then went to law school, graduating from American University in 1974.

Subsequent to his graduation from law school, Mr. Hudson entered legal practice as a prosecutor. First, he served as an Assistant Commonwealth's attorney for five years and then as an Assistant U.S. Attorney in the Eastern District of Virginia.

In 1986, Mr. Hudson was confirmed by the Senate and began his service as the United States Attorney for the Eastern District of Virginia, a role in which he served in until 1991.

After leaving the U.S. Attorney's office, Judge Hudson once again received Senate confirmation and served as the Director of the United States Marshal Service from 1992 to 1993.

After completing his work at the Marshal Service, Mr. Hudson entered private practice until he was sworn in as a Judge on the Fairfax County, Virginia Circuit Court. Judge Hudson has served as a judge on this important court since 1998.

During his time on the Fairfax County Circuit Court bench, Judge Hudson has been known as a fair, objective judge who conducts proceedings with dignity and with the appropriate judicial temperament. I am confident that he will continue his service on the Eastern District of Virginia bench consistent with his reputation.

Clearly, Judge Hudson is a highly qualified nominee. Accordingly, I will soon be speaking directly with Chairman LEAHY and Ranking Member HATCH about an appropriate time for a confirmation hearing for this nominee.

ADDITIONAL STATEMENTS

ON THE DEATH OF STUART R. PADDOCK

• Mr. FITZGERALD. Mr. President, today I pay tribute to the late Stuart R. Paddock, editor emeritus, publisher emeritus, and owner of the suburban Chicago newspaper, the Daily Herald. The Daily Herald, I am proud to say, is my hometown paper. A respected businessman, community leader, and World War II veteran, Mr. Paddock served the Daily Herald for nearly 65 years, during which time he transformed a struggling tri-weekly paper into Illinois' third largest daily newspaper. Mr. Paddock died last week at the age of 86.

Stuart Paddock's career with the Daily Herald began inauspiciously as a "printer's devil," the person responsible for pouring molten lead into molds for use in linotype. After graduating from Knox College and serving as a company commander in Europe during World War II, Mr. Paddock rejoined the newspaper in 1946. By 1948, he had been named vice president and board director. In 1970, just 2 years after assuming the Herald's top leadership position, he overcame fierce competition from other publications and established the Herald as a 5-day-a-week paper. For his hard work and dedication, Stuart Paddock earned the respect not only of Daily Herald readers and employees, but of his staunchest competitors. As the Chicago Tribune wrote, "Stuart R. Paddock Jr. put 'daily' in Daily Herald." The Herald enjoyed enormous success in the ensuing years, growing from a circulation of 11,800 in 1970 to nearly 130,000 by 1994. The Herald's success was so remarkable for a suburban paper that the Chicago Tribune proclaimed Stuart Paddock "the Sam Walton of suburban journalism." Throughout his career, Mr. Paddock was active in the Illinois Press Association, the Cook County Suburban Publishers Association, the Newspaper Committee for a Free and Competitive Press, and numerous other organizations. In recognition of his outstanding professional accomplishments, Mr. Paddock was inducted into the Chicago Area Entrepreneurship Hall of Fame in 2001.

Despite his success as a visionary and leader, Stuart Paddock, affectionately called "Stu" by his employees, never lost his sense of commitment to the family he represented and the readers he served. When the Herald's spectacular growth sparked lucrative offers from potential buyers of the paper, he respectfully declined, choosing instead to keep the paper a family business with strong ties to local communities.

I knew Mr. Paddock as a man of integrity and vision. He was a gentleman, in every sense of the word. He is beloved by the communities and people that knew him best, and will leave a remarkable void as a civic leader and patriarch of the Paddock and Daily Herald family.

In paying tribute to Stuart Paddock, we honor a groundbreaking journalist, a gentleman, and a great American.●

U.S. SUPPORT FOR ISRAEL

● Mrs. BOXER. Mr. President, there has seldom been a more important time for Congress to support Israel. Right now, both the United States and Israel are under attack, and we share a common enemy—terrorism.

The goals of these terrorists are clear. They want to kill innocent men, women, and children to further their cause—whatever it may be. They want to strike at our democracies and test the freedoms of the United States and our greatest democratic ally in the Middle East, Israel. They are willing to train their sons and daughters to murder others by strapping explosives to their bodies and detonating themselves in civilian areas. But this is a test both nations will pass.

Why is this so? I think it is because our shared ideals of respect for religion, freedom of thought, and peace throughout the world make us stronger than those who fly airplanes into buildings and blow up restarants. We will pass this test because the United States and Israel are united in our resolve that we will not change our ideals and our principles in the face of cowards. We can never be forced to surrender our freedoms.

Why do I have such faith and hope that Israel will weather this current storm of violence? I simply look at the history of Israel since independence nearly 54 years ago. I am struck by the resolve of the Israeli people. After the long-fought War for Independence, Israel suffered more than 10,000 acts of terrorism prior to the 1956 Sinai Campaign. That number is remarkable given that the population of Israel at the time was just 2 million.

In 1967, Israel overcame a hostile Arab alliance that threatened the existence of the nation from all sides. The early 1970s brought a massacre of Israeli athletes at the Munich Olympics and a surprise attack by Egypt and Syria on Judaism's most holy day. The 1980s were marked by the first intifadah, and the 1990s by Scud Missiles and the Gulf War.

Today, no Israeli man or woman can get on a bus or walk in a marketplace without fearing for his or her life. Israel and its people have always been faced with violence and terror, its very existence continuously threatened by its neighbors.

But how has Israel responded? By developing a thriving democracy that respects human rights. By working hard to create an economy that has successfully operated in the face of hostile Arab boycotts. And by showing over and over again its commitment to peace by reaching out to the world to sign the Camp David Accords with Egypt, to engage in the Oslo process with the Palestinians, to unilaterally withdraw from Lebanon and even by reaching out two years ago to one of the most notorious state-sponsors of terrorism, Syria.

And, today, in the face of everything, it is Prime Minister Ariel Sharon who is urging to a return to the peace table and laying out the roadmap that leads to peace.

Unfortunately, Israel's courage to make peace has, in large part, not been reciprocated in these cases, and it has certainly not be reciprocated by Yasser Arafat.

In 1993, Yitzhak Rabin took a bold step by entering into the Oslo Accords and beginning a process marked by the principle that peace in the Middle East could be achieved by trading land for peace. It's something that the Arab countries and the Palestinians said that they wanted. Did Israel live up to its commitments set out in the Oslo Accords? Yes, it did.

During the 1990s, Israel transferred control of 40 percent of West Bank land and 70 percent of the Gaza Strip to the Palestinian Authority. Yet Arafat was not able to, or did not want to, provide security and continuously violated the accords.

Then, President Clinton put a plan on the table. After all the land was already transferred to the Palestinians, Israel was willing to give up a staggering 95 percent of the West Bank during the Camp David talks. But Yasser Arafat walked away from that too. And I remember the despair I felt when this happened. You had to wonder, at that point, what this was really all about.

And not only did he walk away, Arafat started another intifadah. Now I want to take a minute to talk about a visit Democratic Senators had with Tom Friedman, a columnist who, over the years, has been very balanced in his approach to the Middle East. I cannot remember the exact conversation, so I will retell it to the best of my recollection. Mr. Friedman said that he was stunned that Arafat walked away after being offered 95 percent of what he wanted, he questioned the Palestinian leadership to learn why.

And the answer came back from the Palestinians that they needed more time to look this over, to see the details of the plan.

Mr. Friedman said that if that was all true why the intifadah. And the answer from the Palestinians was that they could not take one more day of the occupation.

Mr. Friedman was incredulous. The Palestinians could not take one more day of the occupation, yet refused offers that would have ended occupation. Where is the sense in this?

So this intifadah has been a calculated plan of violence. Mr. Friedman later wrote in a column that, "the world must understand that the Palestinians have not chosen suicide bombing out of desperation . . . stemming from the Israeli occupation . . . [It] is because they actually want to win their independence in blood and fire. All they can agree on as a community is what they want to destroy, not what they want to build."

We are left to ask ourselves, does Arafat want peace? I say the facts dictate that he does not. Arafat is telling us that he wants peace on one hand, but on the other he is leading the Palestinian people away from what it is in their best interests, a lasting peace with Israel.

A look back at history shows that Palestinian leaders have walked away from possible statehood and secure borders with Israel four times, once in 1937 and in 1947, and then twice under plans presented by Prime Minister Ehud Barak and President Clinton. How many times will it take before we realize that there is something else going on here. They were offered a homeland four times. The Palestinians need to understand: it's not about the homeland, it's about all the land.

This strategy of suicide bombing is barbaric, it is to be condemned, and I am shocked at how little condemnation you hear around the world for this tactic.

When I take this issue up with leaders from other Arab countries, the answer is "well, people are desperate and they will do desperate things." When I bring up the issue of women and girls blowing themselves up, they just give me the brush off.

We will never forget the Palestinian suicide bomber who killed 27 Israelis as they were sitting down for the traditional feast marking the beginning of Passover. Zeev Vidor was one of he Israelis killed in the attack and today his kidney is keeping alive a Palestinian woman who was in need of a transplant.

This is possible because the family of Zeev Vidor knew the value of using life to give life, whereas those who entice suicide bombers believe in using life to destroy life. And I think that whole story is a metaphor for what we are talking about. Since September 2000, 170 Israelis have been killed by more than 60 suicide bombers.

Last year I worked on a resolution with Senator GEORGE ALLEN right before September 11 to condemn suicide bombing. After September 11, the resolution was shelved briefly, but it eventually passed the Senate in October.

Earlier this year, when we saw the women strapping on bombs, I went to all the women in the United States Senate, 13 of us, Democrats and Republicans, and got them to sign on to a resolution that passed earlier this year. Then, I wrote to Palestinian envoy Dr. Hanan Ashrawi and urged her to speak out clearly against this horrible escalation of violence.

Women suicide bombers are a deadly tactic used by the al-Aqsa militant group that is linked to Yasser Arafat. An al-Aqas leader in Bethlehem has been quoted as saying that "we have 200 young women, from the Bethlehem area alone ready to sacrifice themselves for the homeland." You notice that the older people don't do this, they just entice the young, which adds to the horror.

One such suicide bombing by an 18-year-old Palestinian girl was responsible for the death of a 17-year-old Israeli girl named Rachel who was only on a quick errand to buy some herbs for the fish dinner her mother was preparing nearby. It is tragic when young women are willing to kill each other in this fashion. It is even more tragic that the people these women look to for guidance are actively encouraging these acts of terror. Earlier this month there was a story of one of the highest ranking Muslim leaders in Lebanon giving his blessing to female suicide bombers, calling them part of a "new glorious history for Arab and Muslim women."

And what about Mrs. Arafat, telling an interviewer that if she had a son, she could conceive of "no greater honor" than having him strap on an explosive belt.

I have to tell you, the truth we have to look at is horrible, but we better look at it. Believe me, I am the last one who wanted to be dismayed or discouraged. I am in politics because I want to see a peaceful world, because I want a healthy environment for everyone, because I want all children to have hope. But we have to look at this, and we have to be strong and clear. And I am going to be very clear.

I am proud to be a cosponsor of the McConnel-Feinstein legislation that says that Arafat must meet his commitments or be sanctioned by the United States. And I am honored to be the author of the Syrian Accountability Act.

This bill that I introduced would expand sanctions against Syria, a state sponsor of terrorism, if it continues to support groups like Hamas and Hisbalah, does not fully withdraw from Lebanon, continues to develop and deploy ballistic missiles, and remains in violation of U.N. Security Council resolutions.

From the death of innocent civilians in Israel, to attacks on Jews in the former Soviet Union; from Daniel Pearl saying "I am a Jew" shortly before his execution to the leader of a French political party saying that the gas chamber is just a detail of history, we know that this is a difficult and trying time for people of the Jewish faith.

I believe the Senate must send a message of hope and a message of action. We have friends outside the Jewish community who are standing with us. We ought to thank them and embrace them. Just as we had friends during the Holocaust, we must always embrace them. We must always form those coalitions. I believe that Americans of all faiths and people of all faiths across this world understand what is at stake here. Because it really is about humanity. Israel will come out of this strong, and remain a beacon of hope in the Middle East with the United States standing by as one of its greatest allies.

I agree with Prime Minister Sharon that the peace table must be rebuilt and there must once again be a process in place to resolve at long last the difficult challenges of the Middle East.•

LOCAL LAW ENFORCEMENT ACT OF 2001

• Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred November 1, 1992, in Miami Beach, FL. A 45-year-old Miami Beach man was beaten outside a gay nightclub. The assailants, two teenagers, were heard to make anti-gay threats toward the victim.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.•

CHILD CARE

• Mr. BINGAMAN. Mr. President, I rise today to share with my colleagues a letter sent by almost 300 State legislators—Republican and Democrat alike from 40 States—calling on Congress to add substantial new funding for child care.

Just as parents have provided moving testimony to Congress about their struggles to find and afford child care, these state legislators join them in urging us to better fund child care to help families work and children succeed in school. Unfortunately, the Child Care and Development Block Grant (CCDBG), is currently serving only one out of every seven eligible children. And any progress that States have made in recent years is now being threatened by the challenging economic situations that the States are confronting. I, along with Senators KERRY and TORRICELLI, introduced the Children First Act of 2002, S. 2070, to help children, families and the states meet their child care needs.

People in New Mexico recognize that accessible, quality child care is a vital support for working families. Increased availability of child care will help to ensure the success of welfare reform, while also providing a critical support for parents earning low-incomes who are struggling to support their families and stay off the welfare rolls. State legislators see firsthand the integral role of child care in helping families to work.

Quality child care also provides children with the early learning experience they need to achieve in school. States have been strong partners in the effort to improve public education across the nation. We must help them to provide children with the experiences they need to be ready to learn.

These State legislators, including 14 legislators from New Mexico, today join the growing chorus of voices that we have heard from in support of increased child care funding. I ask unanimous consent that the text of their letter be printed in the RECORD.

The letter follows.

APRIL 24, 2002.

Re: Child Care
Hon. JEFF BINGAMAN,
U.S. Senate, Hart Senate Office Building,
Washington, D.C.

DEAR SENATOR BINGAMAN: Quality child care is one of the most important investments we can make to help families to work and children to enter school ready to learn. The undersigned state legislators believe that substantial new investments for child care must be a top federal priority.

Congress has a unique opportunity to address child care this year. As you undertake the reauthorization of the Child Care and Development Block Grant (CCDBG), we urge you to make sufficient new investments to ensure that 2 million more eligible children can receive assistance and that quality improvements can be made. This additional funding would approximately double the number of children currently getting assistance while improving the quality of care. Now, just 1 in 7 eligible children are receiving this important assistance.

This additional investment serves two critical purposes. First, child care is an essential work support that will help ensure the success of welfare reform. Working parents need stable, affordable, and safe child care for their children in order to get a job and stay employed. Parents who work in low wage jobs struggle to find quality child care that they can afford. State legislators see firsthand the critical value of child care and its integral role in helping families to work.

Second, quality care provides children with the early education experience they need to be ready for school and success in later life. States have been strong partners in the effort to improve the education of our children; we must provide them with the strongest foundation possible to prepare them to be ready to learn and to succeed in school.

Substantial new funding for the CCDBG would help states ensure that parents can work and children can have the quality early learning experiences that help prepare them to achieve in school. Now, as states struggle to overcome difficult economic challenges, we hope that we can count on your leadership in making additional investments in the CCDBG. This investment is one we cannot afford NOT to make.

Sincerely,

Rep. Steven C. Adams (VT), Sen. Richard Alarcón (CA), Rep. Elaine R. Alfano (VT), Rep. David Allaire (VT), Sen. Dede Alpert (CA), Assm. Elaine Alquist (CA), Sen. Ellen Anderson (MN), Sen. Jean Ankeney (VT), Assm. Dion Aroner (CA), Rep. Kathy B. Ashe (GA), Rep. Loranne Ausley (FL), Rep. Catherine Barrett (OH), Sen. Susan Bartlett (VT), Del. Viola O. Baskerville (VA), Rep. Gail C. Beam (NM), Rep. Sharon Beasley-Teague (GA), Sen. Mike Beebe (AR), Rep. Bernie Benn (NH), Del. Joanne C. Benson (MD), Sen. Roseann Bentley (MO), Rep. Connie Bernardy (MN), Rep. Cindy Beshear (UT), Rep. Anne Betancourt (FL), Rep. Gary Biggs (AR), Sen. Mark Blade (IN), Sen. Patricia Blevins (DE), Rep. Lynn Bohi (VT), Rep. David Bolduc (VT), Rep. Johnnie Bolin (AR), Rep. John L. Bowman (MO), Rep. Betty Boyd (CO), Assm. James F. Brennan (NY), Del. Robert Brink (VA), Rep. Shane Broadway (AR), Rep. Tyrone Brooks (GA), Sen. Lisa Brown (WA), Sen. Robert Brown (GA), Sen. Brian Burke (WI), Del. Emmett C. Burns (MD), Rep. James Buskey (AL), Sen. Gloria Butler (GA), Rep. Kenneth A. Carano (OH), Rep. Karen R. Carter (LA), Assm. Gil Cedillo (CA).

Rep. Joseph Cervantes (NM), Rep. Duane Cheney (IN), Rep. Marvin Childers (AR), Assm. Joan K. Christensen (NY), Assm. Judy Chu (CA), Sen. J. Clement Cicilline (RI), Rep. Mary Cirelli (OH), Rep. Irma Clark (MI), Rep. Carol C. Cleven (MA), Sen. Eric Coleman (CT), Assm. Herb Conaway (NJ), Assm. Jack Conners (NJ), Rep. Edward G. Connolly (MA), Rep. Olin Cook (AR), Rep. Ken Cowling (AR), Rep. William Crawford (IN), Del. Flora D. Crittenden (VA), Rep. George C. Cross (VT), Rep. Judy B. Crowley (VT), Rep. LeRoy Dangeau (AR), Del. L. Karen Darner (VA), Rep. Dan K. Darrow (VT), Rep. Don P. Davis (VT), Rep. Lois DeBerry (TN), Rep. Michael DeBose (OH), Rep. David L. Deen (VT), Rep. Johannah L. Donovan (VT), Rep. Robert Dostis (VT), Rep. Patricia R. Doyle (VT), Rep. Carina Driscoll (VT), Rep. Dawnna Dukes (TX), Assm. John Dutra (CA), Rep. Dean Elliott (AR), Rep. Susan Emerson (NH), Rep. Alice Emmons (VT), Sen. Martha Escutia (CA), Assm. Arthur O. Eve (NY), Sen. Dede Feldman (NM), Sen. Joseph A. Fidel (NM), Sen. Vivian Davis Figures (AL), Sen. Eric D. Fingerhut (OH), Rep. Michael Fisher (VT), Rep. Mary E. Flowers (IL), Rep. John E. Follett (VT).

Rep. Betty Folliard (MN), Rep. Johnny Ford (AR), Sen. Vincent D. Fort (GA), Rep. Lois Frankel (FL), Sen. Rosa Franklin (WA), Rep. George French (AR), Rep. John Fritchey (IL), Rep. Anne Gannon (FL), Sen. Mary Jane García (NM), Rep. Dean George (VT), Rep. Avis L. Gervias (VT), Rep. Stanley J. Gerzofsky (ME), Assm. Deborah J. Glick (NY), Rep. Cedric Bradford Glover (LA), Rep. Pat Godchaux (MI), Assm. Jackie Goldberg (CA), Sen. Avel Louise Gordly (OR), Rep. Maxine Grad (VT), Assm. Aurelia Greene (NY), Rep. Jane Greimann (IA), Rep. Peter Groff (CO), Sen. Mary Ann Handley (CT), Sen. Alice V. Harden (MS), Sen. Toni Nathaniel Harp (CT), Sen. Ruth Hassell-Thompson (NY), Rep. David Charles Hausam (AR), Assm. Sally Havice (CA), Rep. Joe Hayes (AK), Sen. Robert L. Hedlund (MA), Sen. Robert Hernandez (CO), Rep. Steve Hingtgen (VT), Sen. Melvin "Kip" Holden (LA), Sen. Maxine Horner (OK), Rep. Don House (AR), Del. James W. Hubbard (MD), Del. Susan Hubbard (WV), Rep. Cola H. Hudson (VT), Sen. Vincent Hughes (PA), Rep. Margaret Hummel (VT), Rep. Kay Iles (LA), Sen. Paulette Irons (LA), Rep. Lei Ahu Isa (HI), Rep. Lydia P. Jackson (LA), Rep. Gilda Jacobs (MI), Assm. Rhoda Jacobs (NY), Rep. Pam Jochum (IA).

Assm. Susan V. John (NY), Sen. Emil Jones, Jr. (IL), Sen. Paula F. Julander (UT), Rep. Bertha C. Kawakami (HI), Rep. Helene M. Keeley (DE), Assm. Christine Kehoe (CA), Sen. Delores G. Kelley (MD), Del. Ruth M. Kirk (MD), Rep. Warren F. Kitzmiller (VT), Assm. David Koon (NY), Assm. Paul Koretz (CA), Rep. Luanne Koskinen (MN), Sen. Liz Krueger (NY), Rep. John LaBarge (VT), Assm. Ivan Lafayette (NY), Sen. Charles Langford (AL), Rep. Leigh B. Larocque (VT), Rep. Mark Larson (VT), Rep. Kathy Lavoie (VT), Sen. Alfred Lawson Jr. (FL), Sen. Connie Lawson (IN), Rep. Rob Leighton (MN), Sen. Burton Leland (MI), Rep. Bertha F. K. Leong (HI), Rep. Cindy Lerner (FL), Rep. John M. Lewellen (AR), Sen. Kimberly A. Lightford (IL), Rep. David Litvack (UT), Assm. Carol Liu (CA), Sen. Linda M. Lopez (NM), Rep. James Roger Madalena (NM), Rep. Liz Malia (MA), Assm. Virginia Strom Martin (CA), Rep. Bob Mathis (AR), Assm. Naomi C. Matusow (NY), Sen. Nathaniel J. McFadden (MD), Rep. Jack McGuire (IL), Rep. Mary Jo McGuire (MN), Rep. Terry McMellon (AR), Assm. Carole Migden (AR), Rep. Rick Miera (NM), Rep. Dale Miller (OH), Rep. Mark Miller (WI), Assm. Joan L. Millman (NY), Sen. Richard Mitchell (FL), Rep. Larry Molloy (VT).

Sen. Angela Monson (OK), Rep. Arthur A. Morrell (LA), Rep. Mary A. Morrissey (VT), Rep. Kevin J. Mullin (VT), Rep. Phyllis Mundy (PA), Rep. Pat Murphy (IA), Rep. Edwin R. Murray (LA), Rep. Elliott Naishtat (TX), Del. Shirley Nathan-Pulliam (MD), Rep. Wayne Nichols (AR), Rep. Alice W. Nitka (VT), Assm. Catherine Nolan (NY), Rep. Michael J. Obuchowski (VT), Rep. Pat O'Donnell (VT), Sen. Suzi Oppenheimer (NY), Rep. Donny Osman (VT), Rep. Robert J. Otterman (OH), Assm. Robert Pacheco (CA), Rep. Allen C. Palmer (VT), Rep. Laura C. Pantelakos (NH), Sen. Mary Kay Papen (NM), Sen. Sandy Pappas (MN), Rep. Carolyn Partridge (VT), Rep. Janet Petersen (IA), Rep. Danice Picaux (NM), Rep. Wilfred Pierre (LA), Sen. Edith P. Prague (CT), Rep. Joseph Preston, Jr. (PA), Assm. Mary Previte (NJ), Rep. Ann Pugh (VT), Sen. Bill Purcell (NC), Rep. Randy Rankin (AR), Rep. Michael S. Reese (VT), Rep. Nan H. Rich (FL), Rep. Barbara Hull Richardson (NH), Rep. Curtis Richardson (FL), Sen. John Riggs (AR), Sen. Elizabeth Roberts (RI), Rep. Debbie A. Rodella (NM), Rep. Jim Roebuck (PA), Rep. Tommy Roebuck (AR), Rep. Sandra Reyenga Rodgers (AR), Rep. Sara Romeo (FL), Rep. Don Ross (OK), Sen. Larry Rowe (WV), Rep. Ray Ruiz (NM).

Rep. Byron Rushing (MA), Rep. Robert Rusten (VT), Sen. John Sampson (NY), Assm. Steven Sanders (NY), Sen. Nellie R. Santiago (NY), Rep. Hank Schaefer (VT), Rep. Mark Schauer (MI), Sen. J. Thomas Schedler (LA), Sen. Eric T. Schneiderman (NY), Sen. Allyson Y. Schwartz (PA), Rep. Nancy Scovner (NH), Sen. Jack Scott (CA), Rep. Craig S. Scribner, Sr. (VT), Rep. Gloria Seldin (NH), Sen. William Shaw (IL), Rep. O.L. Shelton (MO), Sen. Mike Shoemaker (OH), Rep. Martha Shoffner (AR), Rep. Elizabeth C. Shultis (NH), Ren. Betty Sims (MO), Rep. Ricca Slone (IL), Rep. Harvey T. Smith (VT), Rep. Marjorie K. Smith (NH).

Assm. Richard A. Smith (NY), Rep. Shirley A. Smith (OH), Sen. Terry Smith (AR), Rep. Hilda Weyl Sokol (NH), Rep. Cynthia Soto (IL), Rep. Pamela A. Stanley (GA), Sen. Toby Ann Stavisky (NY), Assm. Darrell Steinberg (CA), Rep. Matthew Stevens (VT), Rep. Mimi Stewart (NM), Rep. Bill Stovall (AR), Rep. Fred Strahorn (OH), Rep. Benjamin Sulan (MA), Rep. Benjamin Swan (MA), Rep. Donna Sweaney (VT), Rep. Gaye Symngton (VT), Sen. Penfield W. Tate III (CO), Rep. Larry Teague (AR), Rep. Samuel "Buzz" Thomas (MI), Assm. Helen Thomson (CA).

Sen. Patricia S. Ticer (VA), Sen. Tom Torlakson (CA), Rep. John Patrick Tracy (VT), Sen. Sue Tucker (MA), Del. Frank S. Turner (MD), Del. Marina Van Landingham (VA), Rep. Barb Vander Veen (MI), Sen. John Vasconcellos (CA), Rep. Richard Vigil (NM), Rep. Cathy Voyer (VT), Sen. Jack Wagner (PA), Rep. Vicki Walker (OR), Rep. Don Webster (VT), Assm. Loretta Weinberg (NJ), Rep. Yvonne Welch (LA), Sen. Royce West (TX), Rep. Susan Wheeler (VT), Sen. Mary Margaret Whipple (VA), Sen. Celestino A. White, Sr. (VI), Rep. Doug Wiles (FL), Rep. Roberta Willis (CT), Rep. Frederica Wilson (FL), Rep. Philip Winters (VT), Rep. Larry W. Womble (NC), Rep. Jane Wood (NH), Rep. Jim Wood (AR), Rep. Kurt Wright (VT), Rep. Karen

Yarbrough (IL), Rep. David Zuckerman (VT).•

ROLLCALL VOTES FOR APRIL 24, 2002

• Mr. JOHNSON. Mr. President, I was unable to vote during the consideration of S. 517, the Senate energy bill, on Wednesday, April 24. I traveled to my home State on that day to welcome and meet the President of the United States on his trip to Wentworth, SD.

Had I been here, I would have voted "nay" on rollcall vote No. 80, a motion to table Cantwell amendment No. 3234, "Nay" on rollcall No. 81, a motion to table Bingaman amendment No. 3316, "Yea" on rollcall No. 82, a motion to table Carper amendment No. 3197, "Nay" on rollcall No. 83, a motion to table Nickles amendment No. 3256, and "Nay" on rollcall vote No. 84, a motion to table Fitzgerald amendment No. 3214.•

PRESCRIPTION DRUG PRICE PARITY FOR AMERICANS ACT

• Mr. LEVIN. Mr. President, in March 2002, the National Institute for Health Care Management announced that for yet another year, prescription drug prices rose more than ten percent. Often we see these rising costs attributed to the plethora of new drugs now available and to the resources needed to produce such innovative technologies. Yet, I find this argument difficult to accept when Fortune 500 reported this month that while most industries report dwindling earnings, pharmaceutical companies were showing impressive gains. Drug prices rising steadily in a year when the pharmaceutical industry trumped all other industries in profitability is a correlation that should come to nobody as a surprise.

Pharmaceutical companies continue to insist that they are sinking under the heavy cost of research and development. But R&D costs are not causing high drug prices. Excessive profits are causing high drug prices, and excessive profits are keeping necessary drugs out of the financial reach of millions. It is time for Congress to challenge the practices of U.S. drug manufacturers. The Prescription Drug Price Parity for Americans Act exposes drug manufacturers to international price competition by allowing the reimportation of FDA-approved drugs from Canada, where prices are almost 35 percent lower. In the face of such competition, drug companies will be confronted with the fact that, all along, their prices have not only been exorbitant, but unwarranted.

Over the past few years, I have brought to the Senate floor countless stories of Michigan residents who have crossed the border into Canada simply to get their hands on affordable prescription drugs. They continue to do so as we speak, and I do not blame them when just a few months ago I found that Prilosec, a commonly prescribed gastrointestinal drug, was fifty dollars less in a pharmacy in Windsor, Canada, than in a pharmacy in neighboring Detroit. U.S. pharmaceutical manufacturers continue to operate in a closed market. They are still able to get away with charging $50 more than their Canadian counterparts. Additionally, they are currently the only ones who are allowed to import drugs approved by the FDA. American pharmacists and distributors deserve this right, too. Pharmacists and distributors deserve not only the right to purchase lower costing FDA-approved drugs abroad, but to bring these critical drugs back to America where the savings can be passed on to our own citizens. The Prescription Drug Price Parity for Americans Act, which improves upon last year's enacted version, would make this access possible.

High drug prices impact everyone—the young and the old, the insured and the uninsured—we all lose when prescription drugs are unaffordable. Much more needs to be done to expand access to lower priced prescription drugs sold abroad and the bill we are introducing today will help to offer that opportunity.•

THE 100TH ANNIVERSARY OF SELBYVILLE, DELAWARE

• Mr. BIDEN. Mr. President, there are times, it seems, when we celebrate "small-town America" as an idea, either in nostalgic longing or as an homage to traditional values and a spirit of community that seem elusive in the rush of modern life.

But the values and spirit of our small towns is more than just an idea; it is real, it is alive, it not only endures but thrives, to the benefit of us all, in places across this country, and certainly in towns up and down my home State of Delaware.

The Town of Selbyville, in Sussex County, the southernmost part of our State, is one such place. And it gives me great pleasure to pay tribute to Selbyville, as we celebrate the 100th anniversary of its incorporation.

The history of the Town goes back much further than 1902, to the late 1770s, when Benjamin Long, Arthur McCabe, John Murray, Reuben Stevens and Elijah Campbell bought a 250-acre tract at the head of the St. Martin's River, where a gristmill and sawmill operated.

The tract had been known as Sandy Branch, but about 50 years after the purchase, a country store owner named Sampson Selby began to mark packages for delivery "Selby-Ville."

In 1872, the Frankford and Breakwater Railroad reached the Town, so that its strawberries could be shipped to more distant markets. By 1918, Selbyville was the East Coast's main supplier of strawberries, and strawberries remained an important commercial base for the Town through the late 1930s.

Agriculture is still important to Selbyville, although now it's poultry and pork, corn and soybeans that occupy most of the farmers. And the Town has grown beyond its original business center, reaching out to US 113 with service industries and a shopping center.

The highway has become more important than the railroad, Selbyville has grown, but it is still a small Town a place of living history, a place driven by the values that grow from long-time association and the work ethic of an agricultural community, a place that feels like home.

We neighbors of Selbyville congratulate Mayor Clifton C. Murray; Town Council members Jay C. Murray, C. Frank Smith, III, Clarence W. Tingle, Jr., and Richard A. Duncan, Sr.; and all the citizens and friends of the Town, as they look forward to their official 100th anniversary celebration on May 25th.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 324. Concurrent resolution commending President Pervez Musharraf of Pakistan for his leadership and friendship and welcoming him to the United States; to the Committee on Foreign Relations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-6577. A communication from the Secretary of State, transmitting, pursuant to law, the Department's Annual Program Performance Report for Fiscal Year 2001; to the Committee on Governmental Affairs.

EC-6578. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Kentucky Regulatory Program" (KY–225–FOR) received on April 24, 2002; to the Committee on Energy and Natural Resources.

EC–6579. A communication from the Acting General Counsel, Office of National Drug Control Policy, Executive Office of the President, transmitting, pursuant to law, the report of a nomination for the position of Deputy Director of Supply Reduction, received on April 17, 2002; to the Committee on the Judiciary.

EC–6580. A communication from the Acting General Counsel, Office of National Drug Control Policy, Executive Office of the President, transmitting, pursuant to law, the report of a nomination for the position of Deputy Director of National Drug Control Policy, received on April 17, 2002; to the Committee on the Judiciary.

EC–6581. A communication from the Acting General Counsel, Office of National Drug Control Policy, Executive Office of the President, transmitting, pursuant to law, the report of a nomination for the position of Deputy Director for State and Local Affairs, received on April 17, 2002; to the Committee on the Judiciary.

EC–6582. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation related to civilian personnel, home-to-work transportation of employees, small business matters, reporting requirements in the Office of Federal Procurement Policy Act, and contractor claims; to the Committee on Armed Services.

EC–6583. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation relating to the management and operations of the Department of Defense; to the Committee on Armed Services.

EC–6584. A communication from the Director, Financial Crimes Enforcement Network, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Financial Crimes Enforcement Network; Anti-Money Laundering Programs for Financial Institutions" (RIN1506–AA28) received on April 24, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–6585. A communication from the Director, Financial Crimes Enforcement Network, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Financial Crimes Enforcement Network; Anti-Money Laundering Programs for Operations of Credit Card Systems" (RIN1506–AA28) received on April 24, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–6586. A communication from the Director, Financial Crimes Enforcement Network, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Financial Crimes Network; Anti-Money Laundering Programs for Money Services Business" (RIN1506–AA28) received on April 24, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–6587. A communication from the Secretary of State, transmitting, pursuant to law, a report to review how consular officers issue visas in order to determine if consular shopping is a problem; to the Committee on Foreign Relations.

EC–6588. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, the report of additional legislative proposals for inclusion in the Foreign Relations Authorization Act, Fiscal Years 2002 and 2003; to the Committee on Foreign Relations.

EC–6589. A communication from the Director, Financial Crimes Enforcement Network, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Financial Crimes Enforcement Network; Anti-Money Laundering Programs for Mutual Funds" (RIN1506–AA28) received on April 24, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–6590. A communication from the Secretary of the Treasury, transmitting, a draft of proposed legislation entitled "Federal Hospital Insurance Trust Fund Restoration Act of 2001" to restore the HI Trust Fund to its correct financial position; to the Committee on Finance.

EC–6591. A communication from the Regulations Officer of the Social Security Administration, transmitting, pursuant to law, the report of a rule entitled "Administrative Procedure for Imposing Penalties for False or Misleading Statements" (RIN0960–AF20) received on April 24, 2002; to the Committee on Finance.

EC–6592. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "2001 Base Period T-Bill Rate" (RR–156448–01) received on April 25, 2002; to the Committee on Finance.

EC–6593. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Master-Feeder Guidance" (Rev. Proc. 2001–57, 2001–50) received on April 25, 2002; to the Committee on Finance.

EC–6594. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Disaster Relief Distributions by Charities to Victims of September 11, 2001 Terrorist Attacks" (Notice 2001–78, 2001–50) received on April 25, 2002; to the Committee on Finance.

EC–6595. A communication from the Chief of the Regulation Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Definition of Private Business Use" (RIN1545–AY88) received on April 25, 2002; to the Committee on Finance.

EC–6596. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, a draft of proposed legislation entitled "Nuclear Regulatory Commission Authorization Act for Fiscal Year 2003; to the Committee on Environment and Public Works.

EC–6597. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled "Risk Assessment Guidance for Superfund Volume III Part A: Process for Conducting Probabilistic Risk Assessment"; to the Committee on Environment and Public Works.

EC–6598. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled "Superfund Response Actions: Temporary Relocations Implementation Guidance OSWER 9230.00–97"; to the Committee on Environment and Public Works.

EC–6599. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; South Carolina: Approval of Revisions to the 1-Hour Ozone Maintenance State Implementation Plan for the Cherokee County" (FRL7202–4) received on April 24, 2002; to the Committee on Environment and Public Works.

EC–6600. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Delegation of New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants for Guam and the States of Arizona, California, Hawaii, and Nevada" (FRL7201–2) received on April 24, 2002; to the Committee on Environment and Public Works.

EC–6601. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Outer Continental Shelf Air Regulations Consistency Update for Alaska; Correction" (FRL7201–8) received on April 24, 2002; to the Committee on Environment and Public Works.

EC–6602. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Protection of Stratospheric Ozone; Availability of Allowances to Produce Methyl Bromide for Developing Countries" (FRL7202–6) received on April 24, 2002; to the Committee on Environment and Public Works.

EC–6603. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Revisions to the California State Implementation Plan, Ventura County Air Pollution Control District and South Coast Air Quality Management District" (FRL7170–5) received on April 24, 2002; to the Committee on Environment and Public Works.

EC–6604. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Section 126 Rule: Revised Deadlines" (FRL7203–2) received on April 24, 2002; to the Committee on Environment and Public Works.

EC–6605. A communication from the Attorney-Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Prohibitions on Sale or Lease of Defective and Noncompliant Motor Vehicles and Items of Motor Vehicle Equipment" (RIN2127–AI30) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6606. A communication from the Attorney-Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Placement of Wheelchair Restraints on Buses" (RIN2127–AH03) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6607. A communication from the Assistant Chief, Competition Policy Division, Wireline Competition Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations" (CC Doc. 01–150, FCC 02–78) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6608. A communication from the Acting Chief, Policy and Rules Division, Office of Engineering and Technology, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled

"Reallocation of the 216–220 MHz, 1427–1429 MHz, 1429–1432 MHz, 1432–1435 MHz, and 2385–2390 MHz, Government Transfer Bands" (ET Doc. No. 00-221, FCC 01-382) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6609. A communication from the Acting Chief, Policy and Rules Division, Office of Engineering and Technology, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendments of Part 15 of the Commission's Rules to allow certification of equipment in the 24.05–24.25 GHz band at field strength up to 2500 mv/m" (ET Doc. No. 98–156, FCC 01-357) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6610. A communication from the Acting Chief, Accounting Safeguards Division, Common Carrier Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "2000 Biennial Regulatory Review—Comprehensive Review of Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers" (FCC 02–68) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6611. A communication from the Acting Chief, Policy and Rules Division, Office of Engineering and Technology, Federal Communication Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Parts 2, 25 and 97 of the Commission's Rules with Regard to the Mobile-Satellite Service Above 1 GHz" (ET Doc. No. 98–142, FCC 02–23) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6612. A communication from the Chief, Enforcement Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "In the Matter of Amendment of Part 11 of the Commission's Rules Regarding the Emergency Alert System" (EB Doc. No. 01–66/FCC 02–64) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6613. A communication from the Legal Advisor, WTB/Auctions and Industry Analysis Division/Legal, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "In the Matter of Amendment of Part 1 of the Commission's Rules—Competitive Bidding Procedures" (WT Doc. No. 98–82; FCC 02–34) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6614. A communication from the Legal Branch Chief, Common Carrier Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Recovery of Carrier Specific Costs Directly Related to Providing Long-Term Number Portability" (FCC 02–16; CC Doc. 95–116) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6615. A communication from the Assistant Bureau Chief, Management, International Bureau, Federal Communications Commission, transmitting pursuant to law, the report of a rule entitled "Report and Order Establishing Rules and Policies for the Use of Spectrum for Mobile Satellite Services in the Upper and Lower L-Band" (IB Doc. No. 96–132, FCC 02–24) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6616. A communication from the Senior Deputy Bureau Chief, Common Carrier Bureau (Wireline Competition Bureau), Federal Communication Commission, transmitting, pursuant to law, the report of a rule entitled "Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Doc. No. 96–128" (FCC 02–22) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6617. A communication from the Chief, Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "In the Matter of Federal-State Joint Board on Universal Service, CC Docs. 96–45, 98–171, 90–571, 92–237, 99–200, 95–116, 98–170" (FCC02–43) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LIEBERMAN, from the Committee on Governmental Affairs, without amendment:

H.R. 2305: A bill to require certain Federal officials with responsibility for the administration of the criminal justice system of the District of Columbia to serve on and participate in the activities of the District of Columbia Criminal Justice Coordinating Council, and for other purposes. (Rept. No. 107–145).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CLELAND for the Committee on Armed Services.

Army nomination of Lt. Gen. Leon J. LaPorte.

By Mr. LEVIN for the Committee on Armed Services.

Air Force nomination of Maj. Gen. Daniel James III.

Air Force nominations beginning Brigadier General Thomas P. Maguire, Jr. and ending Colonel John M. White, which nominations were received by the Senate and appeared in the Congressional Record on April 22, 2002.

Marine Corps nomination of Maj. Gen. Gary H. Hughey.

Marine Corps nomination of Maj. Gen. James E. Cartwright.

Navy nomination of Adm. Thomas B. Fargo.

Navy nomination of Rear Adm. (lh) Charles H. Johnston, Jr.

Navy nomination of Vice Adm. Richard W. Mayo.

Navy nomination of Vice Adm. Walter F. Doran.

Mr. LEVIN. Mr. President, for the Committee on Armed Services I report favorably the following nomination lists which were printed in the RECORD on the dates indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Army nominations beginning Catherine E Abbott and ending Jeffrey N Williams, which nominations were received by the Senate and appeared in the Congressional Record on February 6, 2002.

Army nominations beginning Eli T Alford and ending Eugene C Wardynski, Jr., which nominations were received by the Senate and appeared in the Congressional Record on February 6, 2002.

Army nominations beginning Bradley G Anderson and ending Donald A Zimmer, which nominations were received by the Senate and appeared in the Congressional Record on February 6, 2002.

Army nomination of Mary B. Bedell.

Army nomination of Rodney E. Hudson.

Army nomination of James R. Uhl.

Army nominations beginning Robert G. Anisko and ending Craig A. Webber, which nominations were received by the Senate and appeared in the Congressional Record on March 21, 2002.

Marine Corps nomination of Jason K. Fettig.

Army nomination of William K.C. Parks.

Army nominations beginning Michael J. Bennett and ending Robert S. Hough, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 2002.

Army nominations beginning Frank E. Batts and ending Evelyn M. Wilson, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 2002.

Marine Corps nominations beginning Bamidele J Abogunrin and ending Jay K Zollmann, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 2002.

Army nominations beginning Michael D. Armour and ending David J. Wheeler, which nominations were received by the Senate and appeared in the Congressional Record on April 16, 2002.

Army nominations beginning Bryan T. Much and ending Lionel D. Robinson, which nominations were received by the Senate and appeared in the Congressional Record on April 16, 2002.

Army nominations beginning Carl V. Hopper and ending Timothy A. Reisch, which nominations were received by the Senate and appeared in the Congressional Record on April 16, 2002.

Army nomination of John R. Carlisle.

Army nomination of Bryan C. Sleigh.

Marine Corps nominations beginning Lester H. Evans, Jr. and ending Timothy M. Hathaway, which nominations were received by the Senate and appeared in the Congressional Record on April 16, 2002.

Marine Corps nomination of Thomas P. Barzditis.

Marine Corps nomination of Donald C. Scott.

Marine Corps nomination of John J. Fahey.

Air Force nominations beginning Loraine H. Anderson and ending Michael E. Young, which nominations were received by the Senate and appeared in the Congressional Record on March 6, 2002.

Air Force nomination of Marilyn D. Barton.

Air Force nomination of Larry O.* Goddard.

Navy nomination of Lawrence J. Holloway.

Navy nominations beginning Eric Davis and ending Frank D. Rossi, which nominations were received by the Senate and appeared in the Congressional Record on March 20, 2002.

Navy nomination of James E. Toczko.

Air Force nominations beginning Samuel E Aikele and ending Bryan M White, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 2002.

Navy nomination of Bruce R. Christen.

Navy nomination of Cole J. Kupec.

Navy nomination of James E. Lamar.

Navy nominations beginning Robert E Bebermeyer and ending Benjamin A Shupp, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 2002.

Air Force nomination of Michael B. Tierney.

Air Force nomination of Donald R. Copsey.

Army nominations beginning Mark H Abernathy and ending X0314, which nominations were received by the Senate and appeared in the Congressional Record on February 6, 2002.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. KERRY:

S. 2378. A bill to provide for the liquidation or reliquidation of certain entries; to the Committee on Finance.

By Mr. KERRY:

S. 2379. A bill to provide for the liquidation or reliquidation of certain entries of tomato sauce preparation; to the Committee on Finance.

By Mr. KERRY:

S. 2380. A bill to provide for the liquidation or reliquidation of certain entries of tomato sauce preparation; to the Committee on Finance.

By Mr. KERRY:

S. 2381. A bill to provide for the liquidation or reliquidation of certain entries of tomato sauce preparation; to the Committee on Finance.

By Mr. KERRY:

S. 2382. A bill to provide for the liquidation or reliquidation of certain entries of tomato sauce preparation; to the Committee on Finance.

By Mr. THURMOND:

S. 2383. A bill to amend chapter 71 of title 5, United States Code, to establish certain limitations relating to the use of official time by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LEVIN:

S. 2384. A bill to establish a joint United States-Canada customs inspection project; to the Committee on Finance.

By Mr. BINGAMAN:

S. 2385. A bill entitled "The Production Incentive Certificate Program Revision Act"; to the Committee on Finance.

By Mrs. LINCOLN (for herself and Mr. SPECTER):

S. 2386. A bill to amend title XVIII of the Social Security Act to authorize physical therapists to diagnose, evaluate, and treat medicare beneficiaries without a requirement for a physician referral, and for other purposes; to the Committee on Finance.

By Mr. SANTORUM (for himself and Mr. GRASSLEY):

S. 2387. A bill to amend title II of the Social Security Act to deny social security old-age, survivors, and disability insurance benefits to fugitive felons and individuals fleeing prosecution, and for other purposes; to the Committee on Finance.

By Mr. HOLLINGS:

S. 2388. A bill to direct the Secretary of the Interior to study certain sites in the historic district of Beaufort, South Carolina, relating to the Reconstruction Era; to the Committee on Energy and Natural Resources.

By Mr. ALLEN:

S. 2389. A bill to designate the facility of the United States Postal Service located at 205 South Main Street in Culpeper, Virginia, as the "D. French Slaughter, Jr. Post Office Building"; to the Committee on Governmental Affairs.

By Mr. DURBIN:

S. 2390. A bill to improve health care in rural areas; to the Committee on Finance.

By Mr. DURBIN:

S. 2391. A bill to amend the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 to permanently apply the Balanced Budget Act of 1997 medicaid disproportionate share transmission payment rule to public hospitals in all States, and for other purposes; to the Committee on Finance.

By Mr. EDWARDS (for himself, Mr. SMITH of Oregon, and Mrs. CLINTON):

S. 2392. A bill to amend the National and Community Service Act of 1990 to establish a Community Corps, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DURBIN (for himself, Mr. KENNEDY, Mr. WELLSTONE, and Mr. CORZINE):

S. 2393. A bill to amend the Public Health Service Act to provide protections for individuals who need mental health services, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. CLINTON (for herself, Mr. DEWINE, Mr. DODD, Mrs. MURRAY, and Mr. KENNEDY):

S. 2394. A bill to amend the Federal Food, Drug, and Cosmetic Act to require labeling containing information applicable to pediatric patients; to the Committee on Health, Education, Labor, and Pensions.

ADDITIONAL COSPONSORS

S. 410

At the request of Mr. CRAPO, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 410, a bill to amend the Violence Against Women Act of 2000 by expanding legal assistance for victims of violence grant program to include assistance for victims of dating violence.

S. 710

At the request of Mr. KENNEDY, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. 710, a bill to require coverage for colorectal cancer screenings.

S. 813

At the request of Mr. SANTORUM, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 813, a bill to amend title XVIII of the Social Security Act to increase payments under the Medicare Program to Puerto Rico hospitals.

S. 999

At the request of Mr. BINGAMAN, the names of the Senator from Michigan (Ms. STABENOW), the Senator from Nebraska (Mr. NELSON), and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1329

At the request of Mr. JEFFORDS, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1329, a bill to amend the Internal Revenue Code of 1986 to provide a tax incentive for land sales for conservation purposes.

S. 1370

At the request of Mr. MCCONNELL, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 1370, a bill to reform the health care liability system.

S. 2007

At the request of Mr. INHOFE, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2007, a bill to provide economic relief to general aviation entities that have suffered substantial economic injury as a result of the terrorist attacks perpetrated against the United States on September 11, 2001.

S. 2010

At the request of Mr. LEAHY, the names of the Senator from Georgia (Mr. CLELAND) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 2010, a bill to provide for criminal prosecution of persons who alter or destroy evidence in certain Federal investigations or defraud investors of publicly traded securities, to disallow debts incurred in violation of securities fraud laws from being discharged in bankruptcy, to protect whistleblowers against retaliation by their employers, and for other purposes.

S. 2079

At the request of Mr. ROCKEFELLER, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 2079, a bill to amend title 38, United States Code, to facilitate and enhance judicial review of certain matters regarding veteran's benefits, and for other purposes.

S. 2189

At the request of Mr. ROCKEFELLER, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2189, a bill to amend the Trade Act of 1974 to remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry.

S. 2194

At the request of Mrs. FEINSTEIN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2194, a bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes.

S. 2215

At the request of Mr. SANTORUM, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 2215, a bill to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil, and by so doing hold Syria accountable for its role in the Middle East, and for other purposes.

S. 2221

At the request of Mr. ROCKEFELLER, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2221, a bill to temporarily increase the Federal medical assistance percentage for the Medicaid Program.

S. 2233

At the request of Mr. THOMAS, the names of the Senator from Nebraska (Mr. NELSON) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 2233, a bill to amend title XVIII of the Social Security Act to establish a Medicare subvention demonstration project for veterans.

S. 2349

At the request of Mr. THURMOND, the name of the Senator from South Carolina (Mr. HOLLINGS) was withdrawn as a cosponsor of S. 2349, a bill to suspend temporarily the duty on Methoxy acetic acid.

S. 2359

At the request of Mr. THURMOND, the name of the Senator from South Carolina (Mr. HOLLINGS) was withdrawn as a cosponsor of S. 2359, a bill to suspend temporarily the duty with respect to Oxalic Anilide.

S. RES. 246

At the request of Mr. CAMPBELL, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. Res. 246, a resolution demanding the return of the USS *Pueblo* to the United States Navy.

S. RES. 247

At the request of Mr. LIEBERMAN, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 2383. A bill to amend chapter 71 of title 5, United States Code, to establish certain limitations relating to the use of official time by Federal employees, and for other purposes; to the Committee on Governmental Affairs.

Mr. THURMOND. Mr. President, I rise today to introduce the Workplace Integrity Act of 2002, a bill that would monitor and greatly restrict the time spent by Federal employees on union-related activities. Federal spending on union activities is spiraling out of control, and this legislation, if enacted into law, would send a message to the American people that Congress is committed to curbing wasteful practices in our government. I think that my colleagues on both sides of the aisle would agree that we have a duty to ensure that limited monies are used both reasonably and efficiently.

One area of labor-related spending that should be closely examined is the use of official time. Official time is paid time when Federal employees represent union employees and bargaining units. Federal employees may use official time to take part in activities such as employee-initiated grievance procedures and union-initiated representational duties. Surprisingly, there are few limits on the use of official time. If costs associated with this practice are not contained, these expenditures will become exorbitant drains on the Federal treasury. Congress should make the fiscally responsible decision to impose sensible limitations on this practice.

Although significant resources are spent on union activities in the Federal Government each year, current costs are unknown. Limited studies indicate that the costs are high. In 1998, the Office of Personnel Management issued a report that tallied the costs associated with union activity in the Federal Government. The report found that during the first six months of calendar year 1998, official time totaled 2,171,774 hours, and its cost had a dollar value of $48,110,284. An astounding 23,965 Federal employees used official time, and 946 employees spent an alarming 100 percent of their time performing union-related activities. The report also found that 912 employees spent between 75 percent and 100 percent of their work hours on official time, and 1,152 employees spent between 50 percent and 75 percent on official time. The Department of the Treasury alone spent over $9 million on official time during this six-month time period. Based on the amount spent in six months, it is not unreasonable to expect that Treasury spent over $18 million during the entire 1998 calendar year. This report demonstrates that large sums are being spent on union activity, and I feel strongly that Congress should insist on a regular accounting of these costs.

Additionally, other studies indicate that union-related costs are not only high, but are increasing. In 1996, the General Accounting Office issued a report on the costs of labor-related activities at the Social Security Administration. The report found a steady growth in costs at the SSA during the 1990s. From calendar year 1990 to 1995, the amount of time spent on union activities at SSA increased from 254,000 hours to 413,000 hours, at a cost increase of over $6 million. In Fiscal Year 1995 alone, the cost attributed to official time was $12.6 million, the equivalent of the salaries and expenses of approximately 200 employees. More recently, the Commissioner of Social Security reported that the total expenses of labor activities in Fiscal Year 2000 was $13.5 million, an increase of $1.1 million over the Fiscal Year 1999 level.

These increasing costs are not limited to the Social Security Administration. A 1996 hearing of the Civil Service Subcommittee of the House Government Reform and Oversight Committee revealed that the use of official time at the Internal Revenue Service increased 27 percent from 1992 to 1996. At the U.S. Customs Service, the rising cost of union activity was more dramatic. The amount spent on official time increased from $470,000 in 1993 to more than $1 million in 1996, a jump of 119 percent. I am particularly concerned about these reports of rapidly expanding costs.

Despite the high and increasing costs, we do not presently know the total amount spent by the Federal Government on official time. We can estimate based on incomplete data, but we do not regularly gather information that would enable us to know the true costs and spending trends. This is unacceptable.

Furthermore, we do not even know the true costs at the Social Security Administration, the one agency where the use of official time has been thoroughly studied. The GAO report on union activity at the SSA found that the reporting system did not track effectively the number of union representatives charging time to union activities or the actual time spent. A subsequent report issued in 1998 by the SSA Inspector General also called into question the reliability of the data collected by SSA's reporting system. The Inspector General's report concluded that almost half of the SSA managers who were surveyed indicated that the system for supervising official time spent by employees on union activities was either somewhat ineffective or very ineffective. These findings demonstrate that Congress must do a better job of monitoring the costs associated with labor-related activities in the Federal government.

My bill would accomplish two important objectives. First, this legislation would require the collection of data on the amount of money spent on official time in the entire Federal Government. By requiring the collection of data associated with official time, Congress will have the information necessary to control costs in the future. Second, my bill would help ensure that Federal funds are spent wisely and judiciously. This legislation would limit a Federal employee's use of official time to 25 percent of the employee's total hours worked. I believe that this limitation is entirely reasonable. It would allow Federal employees to spend up to a quarter of their time on union-related activities and would also protect American taxpayers from ever-increasing costs.

During a period of fiscal discipline, we should seek to know the true costs of any activities supported by the American taxpayers. I encourage my colleagues to support my effort to place reasonable limitations on the taxpayer financing of union-related activities. By bringing the true costs to light and by seeking to restrain these escalating expenses, Congress will responsibly exercise its power of the purse. Furthermore, this bill would send a message to American taxpayers that their hard-earned dollars will not be spent in an uncontrolled and wasteful manner. To turn a blind eye to costs would be an abdication of our duty to the American people.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2383

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Workplace Integrity Act of 2002".

SEC. 2. LIMITATIONS RELATING TO THE USE OF OFFICIAL TIME BY FEDERAL EMPLOYEES.

Section 7131 of title 5, United States Code, is amended to read as follows:

"§ 7131. Official time

"(a) Official time may only be granted to an employee representing an exclusive representative to allow such employee to—

"(1) present or process a grievance on behalf of another employee in a unit represented by the exclusive representative;

"(2) be present during a grievance proceeding involving an employee in a unit represented by the exclusive representative;

"(3) negotiate a collective bargaining agreement under this chapter; or

"(4) take part in any proceedings approved by the agency.

"(b) Official time may only be granted to an employee represented by an exclusive representative (in a circumstance not covered by subsection (a)) to allow such employee to—

"(1) present a grievance on the employee's own behalf under a negotiated grievance procedure; or

"(2) take part in any proceedings approved by the agency.

"(c) Notwithstanding subsections (a) and (b), official time may not be granted to any employee for activities relating to the internal business of a labor organization (including the solicitation of membership, elections of labor organization officials, or collection of dues).

"(d) Official time under subsections (a) and (b) may be granted in any amount that the agency and the exclusive representative involved agree to be reasonable, necessary, and in the public interest, but only to the extent that, with respect to any employee, the total amount of official time granted to such employee for use during the calendar year does not exceed 25 percent of the total amount of time the employee would otherwise be in duty status during the same period.

"(e)(1) Not later than April 1 of each year, the Office of Personnel Management shall submit to the President and each House of Congress a report on the use of official time under this section. The report shall apply with respect to the calendar year preceding the submission date.

"(2) Each report under this subsection shall include, in the aggregate and by each agency—

"(A) the total number of employees to whom official time was granted under this section;

"(B) the total number of employee-hours of official time granted under this section;

"(C) the total costs attributable to official time granted under this section; and

"(D) the total number of each activity (as categorized by the Office) for which official time was granted under this section.

"(3) Agencies shall submit to the Office such data as the Office may by regulation require in connection with any report under this subsection.".

SEC. 3. EFFECTIVE DATE.

The amendment made by this Act shall take effect on the date of enactment of this Act, except that the first report under section 7131(e) of title 5, United States Code (as added by this Act) shall be submitted on the first April 1, following the date occurring 6 months after the date of enactment of this Act.

By Mr. BINGAMAN:

S. 2385. A bill entitled "The Production Incentive Certificate Program Revision Act"; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, today I am introducing legislation to make several technical adjustments to the Production Incentive Certificate, PIC, program. The PIC program helps assure that the watch and jewelry industries in the U.S. insular possessions, particularly the U.S. Virgin Islands, USVI, will continue to provide critical sources of employment in the insular possessions. This legislation would improve the operation of the PIC program for both watch and jewelry manufacturers in the U.S. Virgin Islands and, over the longer term, would protect the PIC program and related duty incentives from the effects of any future reduction or elimination of watch tariffs.

The watch industry is the largest light manufacturing industry in the USVI and remains one of the most important direct and indirect sources of private sector employment in the Territory. The insular watch production industry is also highly import-sensitive and faces continued threats from multinational watch producers, who have continued to move their watch production to lower wage countries.

Congress and successive Administrations have recognized the importance of the watch industry to the USVI—and the import sensitivity of watches—through a series of significant enactments and decisions. The General Note 3(a) program, which Congress has incorporated in the Harmonized Tariff Schedule, grants duty-free treatment for qualifying insular possession watches and thereby provides a relative duty advantage vis-a-vis foreign watch producers. Through the PIC program, insular possession watch producers can obtain duty refunds based on creditable wages paid for watch production in the insular possessions. Additionally, in recognition of the relative advantage that duty-free treatment of watches provides to insular possession watch producers, Congress and successive Administrations have resisted efforts to eliminate watch duties on a worldwide basis.

In 1999, Congress extended the General Note 3(a) program and PIC program benefits to jewelry produced in the insular possessions. In doing so, Congress sought to promote vital employment in the insular possessions by extending existing watch industry incentives to jewelry production—an industry which utilizes many of the same skills and facilities as watch production. In recent months, three mainland jewelry manufacturing companies have established operations in the USVI and are expected to file for PIC benefits in the near future.

Recently, watch and jewelry producers in the Virgin Islands have consulted with the American Watch Association and U.S. watch firms that import substantial quantities of foreign made watches regarding proposals to preserve and protect benefits for insular possession watches and jewelry, while also mitigating the impact of any future reduction of duties on imported watches. These discussions have resulted in the parties' unified support for the legislation that I am introducing today.

The various technical adjustments set forth in this legislation would enhance the ability of insular watch and jewelry producers to utilize the PIC program while, at the same time, retaining overall PIC program unit and dollar value limits. Additionally, the legislation would establish a standby mechanism to mitigate the impact of any possible future reduction or elimination of watch duties on a worldwide basis through trade negotiations and congressional action. This mechanism—which has broad support among the insular and domestic watch manufacturing and distribution sectors—would ensure that any future reduction in watch duties does not disturb the relative value of current duty incentives and PIC program benefits for the insular watch industry. Importantly, this standby mechanism would have no effect on current watch duties or PIC program limits.

Under the PIC program, producers of watches and jewelry in the U.S. insular possessions are issued certificates by the Department of Commerce for specified percentages of the producer's verified creditable wages for production in the insular possessions. Based on these certificates, the producers are entitled to apply to the U.S. Customs Service for refunds on duties paid on watches. Certain technical provisions of the PIC program, however, impose unnecessary burdens on producers. These include unclear definitions, unduly complex PIC refund provisions and special issues relating to the extension of PIC benefits to jewelry. The legislation that I am introducing today includes technical adjustments to the PIC program to eliminate these burdens, while retaining overall PIC program limits on units and benefits.

Currently, producers must assemble often voluminous import entry information and apply to U.S. Customs for wage-based refunds. If a producer has not paid sufficient import duties, the producer must sell the PIC certificate to another firm, which then applies for the duty refund. In either event, the PIC program assures that an insular producer is compensated for a specified percentage of its verified production wages, regardless of whether it has paid the corresponding amount of import duties. The bill would simplify this refund process by providing producers with the option of applying directly to the Treasury Department for the full amount of their verified PIC program certificates.

For watches, the PIC program establishes a 750,000 unit limitation on the number of watches used to calculate an individual producer's PIC benefits. When the PIC program was extended to jewelry by Congress, this upper limit was also extended to each individual jewelry producer's qualifying jewelry production. While this limit may be appropriate for watches, which are technically sophisticated and relatively expensive, I am informed that it is likely to unduly limit jewelry production in the insular possessions, which relies on large quantities of relatively lower-priced units. My proposed legislation would address this issue by eliminating the 750,000 unit per producer limit for jewelry, while retaining the overall unit and dollar value limits for the PIC program as a whole.

When Congress extended the PIC program to jewelry in 1999, it sought to encourage the phased establishment of new jewelry production in the insular possessions through a transition rule. Under this rule, jewelry items that are assembled, but not substantially transformed, in the insular possessions before August 9, 2001 would be eligible for PIC program and duty-free benefits. Although this new provision has helped attract new jewelry production to the USVI, I am informed that some potential producers are facing administrative, technical and business delays which may severely erode the benefits of the transition rule. The bill would address this issue by extending this transition rule for new insular jewelry producers for an additional 18 months.

The bill would help to facilitate long term planning by existing insular producers and attract new producers to the insular possessions by extending the authorized term of the PIC program until 2015. The bill would also clarify current law by stating explicitly that verified wages include the amount of any fringe benefits.

For many years, multinational companies that import substantial quantities of foreign-made watches into the United States have sought to reduce or eliminate U.S. watch duties, either through multiple petitions for duty-free treatment for watches from certain GSP-eligible countries or through worldwide elimination of watch duties in trade negotiations. Insular possession watch producers have repeatedly opposed these efforts on the ground that the elimination of duties on foreign watches would eliminate the relative benefit that insular possession producers receive through duty-free treatment under the General Note 3(a) program and, in turn, lead to the eventual demise of the insular watch industry. Successive Congresses and Administrations have agreed with these arguments and refused to erode the benefits that insular possession producers receive under General Note 3(a) and the PIC program.

These continued battles over watch duties and the insular possession watch program have imposed significant resource burdens on Virgin Islands watch producers and the Government of the U.S. Virgin Islands, diverting resources and energy that could better be spent in enhancing growth and employment in the insular watch and jewelry industries. Virgin Islands watch producers, the AWA and representatives of U.S. firms that import foreign-made watches are seeking to address this long-standing issue by reconciling existing insular possession watch benefits with any worldwide reduction or elimination of watch duties. The legislation that I am introducing contains two mechanisms to help mitigate the impact of any future reduction or elimination of watch duties, while also preserving existing watch benefits.

The bill would put in place a standby mechanism that would preserve the benefits of duty-free treatment under General Note 3(a) in the event that Congress and a future Administration were to agree to eliminate or reduce duties on watches. This mechanism would preserve the relative tariff advantage that insular producers currently enjoy over foreign-made watches by incorporating a "hold harmless" provision in the PIC program. Under this standby mechanism, if watch duties were reduced or eliminated in the future, PIC payments to insular producers would also include an amount that reflects the value to the insular producers of the current General Note 3(a) benefit. This mechanism would facilitate the eventual reduction or elimination of watch duties on a worldwide basis while helping to assure that any such duty reduction does not lead to the demise of the insular industry.

Currently, payments under the PIC program are funded from watch duties. An alternative funding source would be required if watch duties were reduced or eliminated on a worldwide basis. The legislation that I am introducing provides that PIC benefits can be funded from jewelry duties or duties on other appropriate products.

It is important to bear in mind that these two mechanisms would only be activated in the event that watch duties are, in fact, reduced or eliminated in the future—decisions that would require considerable deliberation and consultation by the President and Congress. By assuring the continuation of current benefits for insular producers, however, these mechanisms would greatly mitigate the impact of any eventual decision by Congress to reduce or eliminate watch duties.

Congress has long recognized that the current watch industry incentives are critical to the health and survival of the watch industry in the U.S. Virgin Islands. By adopting this legislation, Congress can improve the operation of the PIC program for insular watch and jewelry producers and establish a mechanism to facilitate the eventual reduction or elimination of watch duties on a worldwide basis.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO UNITED STATES INSULAR POSSESSION PROGRAM.

(a) PRODUCTION CERTIFICATES.—Additional U.S. Note 5(h) to chapter 91 of the Harmonized Tariff Schedule of the United States is amended—

(1) by amending subparagraphs (i) and (ii) to read as follows:

"(i) In the case of each of calendar years 2002 through 2015, the Secretaries jointly, shall—

"(A) verify—

"(1) the wages paid in the preceding calendar year by each producer (including the value of usual and customary fringe benefits)—

"(I) to permanent residents of the insular possessions; and

"(II) to workers providing training in the insular possessions in the production or manufacture of watch movements and watches or engaging in such other activities in the insular possessions relating to such production or manufacture as are approved by the Secretaries; and

“(2) the total quantity and value of watches produced in the insular possessions by that producer and imported into the customs territory of the United States; and

“(B) issue to each producer (not later than 60 days after the end of the preceding calendar year) a certificate for the applicable amount.

“(ii) For purposes of subparagraph (i), except as provided in subparagraphs (iii) and (iv), the term ‘applicable amount’ means an amount equal to the sum of—

“(A) 90 percent of the producer's creditable wages (including the value of any usual and customary fringe benefits) on the assembly during the preceding calendar year of the first 300,000 units; plus

“(B) the applicable graduated declining percentage (determined each year by the Secretaries) of the producer's creditable wages (including the value of any usual and customary fringe benefits) on the assembly during the preceding calendar year of units in excess of 300,000 but not in excess of 750,000; plus

“(C) the difference between the duties that would have been due on the producer's watches (excluding digital watches) imported into the customs territory of the United States during the preceding calendar year if the watches had been subject to duty at the rates set forth in column 1 under this chapter that were in effect on January 1, 2001, and the duties that would have been due on the watches if the watches had been subject to duty at the rates set forth in column 1 under this chapter that were in effect for such preceding calendar year.”; and

(2) by amending subparagraph (v) to read as follows:

“(v)(A) Any certificate issued under subparagraph (i) shall entitle the certificate holder to secure a refund of duties equal to the face value of the certificate on watches, watch movements, and articles of jewelry provided for in heading 7113 that are imported into the customs territory of the United States by the certificate holder. Such refunds shall be made under regulations issued by the Treasury Department. Not more than 5 percent of such refunds may be retained as a reimbursement to the Customs Service for the administrative costs of making the refunds. If the Secretary of the Treasury determines that there is an insufficient level of duties from watch and watch-related tariffs, the Secretary may authorize refunds of duties collected on jewelry under chapter 71 or any other duties that the Secretary determines are appropriate.

“(B) At the election of the certificate holder and upon making the certification described in this clause, the Secretary of the Treasury shall pay directly to the certificate holder the face value of the certificate, less the value of—

“(1) any duty refund previously claimed by the holder under the certificate, and

“(2) a discount of not more than 2 percent of the face value of the certificate,

as determined by the Secretary of the Treasury.

“(C) Direct payments under clause (B) shall be made under regulations issued by the Secretary of the Treasury. Such regulations shall assure that a certificate holder is required to provide only the minimum documentation necessary to support an application for direct payment. A certificate holder shall not be eligible for direct payment under clause (B) unless the certificate holder certifies to the Secretaries that the funds received will be reinvested or utilized to support and continue employment in the Virgin Islands.

“(D) The Secretary of the Treasury is authorized to make the payments provided for in clause (B) from duties collected on watches, watch movements, and parts therefor. If such duties are insufficient, the Secretary of the Treasury is authorized to make the payments from duties collected on jewelry under chapter 71 or any other duties that the Secretary determines are appropriate.”.

(b) JEWELRY.—Additional U.S. Note 3 to chapter 71 of the Harmonized Tariff Schedule of the United States is amended—

(1) by redesignating paragraphs (b), (c), (d), and (e) as paragraphs (c), (d), (e), and (f), respectively;

(2) by inserting after paragraph (a) the following new paragraph:

“(b) The 750,000 unit limitation in additional U.S. Note 5(h)(ii)(B) to chapter 91 shall not apply to articles of jewelry subject to this note.”; and

(3) by striking paragraph (f), as so redesignated, and inserting the following:

“(f) Notwithstanding any other provision of law, any article of jewelry provided for in heading 7113 that is assembled in the Virgin Islands, Guam, or American Samoa by a jewelry manufacturer or jewelry assembler that commenced jewelry manufacturing or jewelry assembly operations in the Virgin Islands, Guam, or American Samoa after August 9, 2001, shall be treated as a product of the Virgin Islands, Guam, or American Samoa for purposes of this note and General Note 3(a)(iv) of this Schedule if such article is entered no later than 18 months after such jewelry manufacturer or jewelry assembler commenced jewelry manufacturing or jewelry assembly operations in the Virgin Islands, Guam, or American Samoa.”.

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to goods imported into the customs territory of the United States on or after January 1, 2002.

By Mr. SANTORUM (for himself and Mr. GRASSLEY):

S. 2387. A bill to amend title II of the Social Security act to deny social security old-age, survivors, and disability insurance benefits to fugitive felons and individuals fleeing prosecution, and for other purposes; to the Committee on Finance.

Mr. SANTORUM. Mr. President, the Federal Government should not be paying benefits to fugitives from justice. Today, I am introducing legislation which denies Social Security Old Age Survivors Insurance, OASI, and Social Security Disability Insurance, DI, benefits to fugitive felons and requires the Social Security Administration, SSA, to disclose information about the fugitives to law enforcement officers. I am pleased to be joined in this effort by the distinguished ranking member of the Finance Committee, Senator GRASSLEY.

There is precedent for this legislation in current law. The Personal Responsibility and Work Opportunity Act of 1996, P.L. 104–193, disqualified fugitive felons from receiving welfare cash assistance, Supplemental Security Income, SSI, food stamps, and housing benefits. Likewise, it allowed law enforcement officers to obtain the current addresses, photographs, and Social Security numbers of fugitives who received such assistance. I was the author of these prohibitions on Federal assistance for fugitive felons.

I am pleased to report that the current fugitive felons law is having a positive effect. It is saving taxpayers millions of dollars. More important, it is getting violent criminals off the streets. For instance, the Inspector General of USDA reported that as of January 2, 2001, more than 6,800 fugitive felon food stamp recipients were arrested. Similarly, SSA identified more than 28,000 fugitive SSI recipients, 14,000 of whom were identified in fiscal year 2000.

The legislation offered by Senator GRASSLEY and myself would further curtail a fugitive's financial ability to escape the law. In testimony before the Finance Committee on April 25, 2001, James G. Huse, Jr., Inspector General of the SSA, expressed frustration that SSA does not have the statutory authority to deny OASI and DI benefits to fugitive felons. The inability to cut off benefits to these fugitives costs the Social Security Trust Fund $39 million per year. He also testified that the Privacy Act prohibits SSA from providing law enforcement officials with information, such as the current addresses and Social Security numbers of fugitive felon recipients, which could lead to their apprehension. Mr. Huse told the Finance Committee,

> . . . this waste of Federal funds goes to the heart of our mission, and our inability to stop these payments is frustrating. What is more frustrating to us as a law enforcement organization is that these benefits were paid to some 17,300 fugitives, many of whom could have been apprehended had my office been able to provide law enforcement agencies with felons' addresses. The loss of money is disturbing; the thousands of criminals that could have been incarcerated but remain free is worse.

Mr. Huse further advised, “Congress may want to consider legislation, this session, that will permit us to treat felons as felons, regardless of the types of Social Security benefits they are using to finance their flight from justice.” That is exactly what this bill does.

The majority of Americans would agree it is bad policy to pay Federal benefits to fugitives from justice. The effect of such policy is to give criminals the financial means to continue avoiding the law. It is time to close legal loopholes which allow felons to receive OASI and DI payments while in fugitive status. I urge my colleagues to support this legislation.

Thank you, Mr. President.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. DENIAL OF SOCIAL SECURITY OLD-AGE AND SURVIVORS AND DISABILITY INSURANCE BENEFITS TO FUGITIVE FELONS AND INDIVIDUALS FLEEING PROSECUTION; PROVISION OF INFORMATION TO LAW ENFORCEMENT OFFICERS.

Section 202(x) of the Social Security Act (42 U.S.C. 402(x)) is amended—

(1) in the heading, by striking "Prisoners" and all that follows and inserting the following: "Prisoners, Certain Other Inmates of Publicly Funded Institutions, and Fugitives";

(2) in paragraph (1)(A)(ii)(IV), by striking "or" at the end;

(3) in paragraph (1)(A)(iii), by striking the period at the end and inserting a comma;

(4) by inserting after paragraph (1)(A)(iii) the following:

"(iv) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State, or

"(v) is violating a condition of probation or parole imposed under Federal or State law."; and

(5) in paragraph (3), by adding at the end the following new subparagraph:

"(C) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law (other than section 6103 of the Internal Revenue Code of 1986 and section 1106(c) of this Act), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, Social Security number, and photograph (if applicable) of any individual who receives a benefit under this title, if the officer furnishes the Commissioner with the name of the individual, and other identifying information as reasonably required by the Commissioner to establish the unique identity of the individual, and notifies the Commissioner that—

"(i) the individual—

"(I) is described in clause (iv) or (v) of paragraph (1)(A); and

"(II) has information that is necessary for the officer to conduct the officer's official duties; and

"(ii) the location or apprehension of the individual is within the officer's official duties.".

By Mr. EDWARDS (for himself, Mr. SMITH of Oregon, and Mrs. CLINTON):

S. 2392. A bill to amend the National and Community Service Act of 1990 to establish a Community Corps, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. EDWARDS. Mr. President, I'm very pleased to rise today to introduce the School Service Act of 2002. This is legislation that can help foster the next generation of great American citizens.

When we think about education, we usually think about English, math, and science. But I believe education needs to do more than provide knowledge and career skills. It also has to teach citizenship, the lesson that America is about not only rights but also responsibilities, and that each of us, however humble or wealthy, has a calling to our community and to our country. In my view, service to the community ought to be more than just another afterschool activity, like basketball or photography. Service should be a part of every child's education, as much as math or science or anything else. If our children are going to believe in serving their community, we have to give them the experience of service while they're young, so they know in their bones that it matters.

In the last few months, the President and several of my Senate colleagues have offered proposals to engage more adult Americans in expanded national service programs. These are promising ideas, but I believe they're left out one key group: school-age students, especially high schoolers.

In the best service initiatives with teenagers, we've seen remarkable benefits, for students and the communities they serve. In one program, adults who had completed service projects more than 15 years earlier were still more likely to be volunteers and voters than adults who hadn't. In another program, kids who served had a 60 percent lower drop-out rate and 18 percent lower rate of school suspension than kids who didn't.

Just as important, the service also has tremendous impacts on communities. High school kids have built community centers in run-down neighborhoods. They've cleaned up polluted ponds. They've helped small children learn to read, and offered comfort to the elderly and sick. People in the community say this work is worth four times more than it actually costs.

It's time to encourage more States and cities to develop service programs for all their students. It's not enough that students study history to graduate. We should expect them to contribute to history, too. Some of my favorite models for engaging children in service come from my own State, in fact, from the high school in Raleigh that my children have attended.

With these thoughts in mind, today I am introducing, together with Senator GORDON SMITH and Senator CLINTON, the School Service Act of 2002. The proposal is very simple: We say to a limited number of States and cities, if you have schools that will make sure students engage in high-quality service before graduation, we will support those schools' efforts.

The service can be based in the classroom. It can be based in an afterschool program. It can be based in a summer program. And it can be directed or supervised by AmeriCorps members who are leaders and coordinators.

All that we ask is that you ensure two things:

First: real service with real benefits to communities. The Corporation's own studies show that a dollar invested in a good service effort produces benefits worth over four dollars. We need to keep that up.

Second: we want service that means something to young people, service that students reflect on and talk about with each other. We want kids seeing these experiences not as another chore, but as an exciting initiation into long lives of active citizenship. And we know service is often just that. Kids who serve grow up to volunteer more and to vote more throughout their lives.

Finally, our bill will hold these programs to high standards and require measurable success.

Let me stress: I don't think we should require my State or city to do anything. Nor should this program operate nationwide. My proposal is that for the State and school districts with schools that are ready, we ought to make sure every child has the opportunity and the responsibility to engage in service. Here in Congress, it is our responsibility to give those opportunities for service to our young people. When we do, our country will be richly rewarded in the years and decades to come.

By Mr. DURBIN (for himself, Mr. KENNEDY, Mr. WELLSTONE, and Mr. CORZINE):

S. 2393. A bill to amend the Public Health Service Act to provide protections for individuals who need mental health services, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. DURBIN. Mr. President, I rise tonight to introduce the Mental Health Patient Rights Act. This legislation will break down one of the barriers faced by thousands of Americans who face discrimination in the individual health insurance market because they have been treated at some time in their life for a mental condition. Senators KENNEDY, WELLSTONE, and CORZINE have joined me in this effort.

Each year some 18 million Americans suffer from depression, and fully a quarter of the country's adult population is faced with some form of mental illness. Many of them are not part of group coverage provided by employers and must rely on individual policies that they purchased themselves. Without coverage, many who are dealing with mental disease do not seek treatment. Indeed, repeated surveys have shown that concerns about the cost of mental care is one of the most common reasons that individuals decline to seek care. The Mental Health Patient Rights Act limits the ability of health care plans to redline individuals with a preexisting mental health condition.

I undertook this initiative when I read a letter from one of my Illinois constituents who was turned away from health care plans in the private nongroup market, due solely to a past history of treatment for a mental condition. This constituent, whom I will call Mary, suffered severe depression over 10 years ago and received treatment, which was successful. It allowed her to return to work.

At that time Mary had employer-sponsored health insurance through her husband's employment. But in the fall of 1998, Mary and her husband lost this employer-based insurance coverage when Mary's husband lost his job.

Mary applied for a comprehensive health insurance plan offered to individuals. Her application was declined because, as per the insurance company notice, due to her medical history of depression, she did not meet the company's underwriting requirements.

Mary wrote:

> As I see it, we are being punished for accessing health care. In 1987, when I became clinically depressed, I could have chosen to avoid proper medical care, become unemployed and received Social Security disability. I did not. I obtained the help I needed and continued to support myself, my family and contribute positively to society. Depression is a treatable medical illness. Insurance companies must stop their indiscriminate denial of coverage.

The Washington Post recently ran a column that documented a similar story about the discrimination that individuals with a history of mental illness face in our current health insurance market.

The column conveys the dilemma of Michelle Witte who was denied health insurance coverage because she was successfully treated for depression during her adolescence.

Unfortunately, Mary and Michelle are not alone. While the majority of Americans under age 65 have employer-sponsored group coverage, a significant minority, approximately 12.6 million individuals, rely on private, individual health insurance.

Underwriting in the individual health insurance market is fierce.

Just last week The Wall-Street Journal reported that a Wisconsin-based insurer, American Medical Security Group, Inc., is actually re-underwriting individual policies on an annual basis. At each annual renewal, this company reviews the individual claims filed in the previous year and increases premiums to policyholders whose claims exceed the standard. Under the current system of care in the United States, individuals who are undergoing treatment or have a history of treatment for mental illness may find it particularly difficult to obtain private health insurance, especially if they must purchase it on their own and do not have an employer-sponsored group plan available to them.

That is why I have introduced this legislation. The Mental Health Patients' Rights Act closes this loophole by limiting any preexisting condition exclusion relating to a mental health condition to not more than 12 months and reducing this exclusion period by the total amount of previous continuous coverage.

It prohibits any health insurer that offers health coverage in the individual insurance market from imposing a preexisting condition exclusion relating to a mental health condition unless a diagnosis, medical advice or treatment was recommended or received within the 6 months prior to the enrollment date.

And it prohibits health plans in the individual market from charging higher premiums to individuals based solely on the determination that the individual has had a preexisting mental health condition.

These provisions apply to all health plans in the individual market, regardless of whether a state has enacted an alternative mechanism, such as high risk pool, to cover individuals with preexisting health conditions.

The Mental Health Patients' Rights Act complements ongoing efforts to enhance parity between mental health services and other health benefits.

This is because parity alone will not help individuals who do not have access to any affordable health insurance due to preexisting mental illness discrimination.

The Patients' Rights Act does not mandate that insurers provide mental health services if they are not already offering such coverage. It simply prohibits plans in the private non-group market from redlining individuals who apply for general health insurance based solely on a past history of treatment for a mental condition.

The legislation is backed by more than compelling anecdotal stories. I asked for a study from the GAO and last month they told me the new study documents that individuals with mental disorders, past or present, face restrictions in purchasing health insurance in the individual market that exceed restrictions for physical health preexisting conditions in the same cost category.

GAO interviewed insurance carriers that sell individual market insurance and sell insurance in most of the 34 states in which carriers are permitted to medically underwrite.

Collectively, these insurers cover more than one million individuals representing more than 10 percent of all individual market enrollees. Researchers found that carriers denied coverage for applicants with selected mental disorders more than half of the time, while denying coverage for applicants with other selected chronic conditions just 30 percent of the time.

Even in states which have established subsidized insurance options as a coverage option for applicants rejected in the individual insurance market, sometimes called high-risk pools, these options have higher premium rates.

High-risk pools also may include more restrictions on mental health benefits than other benefits and many have waiting lists due to budget constraints.

In the seven states without high-risk pools and without guaranteed issue requirements, applicants with a history of mental illness are likely to find themselves without any viable health insurance coverage option.

In other words, it is not about money. If the insurance company wants to ask you if you have a history in your family of cancer, heart disease, diabetes, things that might have some impact on the cost of health insurance, it is understood that is part of underwriting. But now they are including mental illness as part of this inquiry, and regardless of the fact that it doesn't seem to be, or prove out to be as expensive to the insurance companies, they are just discriminating against people who have this history of mental illness.

That is why I am introducing this legislation.

It does not make sense that a person is rendered uninsurable for all health needs simply because he or she seeks treatment for mental illness. Mental illness is a disease just as cancer or asthma or the flu is a disease.

Yet it is clear that when it comes to mental health millions of Americans must battle not only with their disease, but for their access to adequate insurance coverage.

I invite my colleagues to enlist in this important initiative to ensure that such individuals are not discriminated against when applying for health insurance coverage.

More than 80 organizations representing consumers, family members, health professionals and providers have endorsed the Mental Health Patient Rights Act. I urge you to do the same.

Some of us who saw the movie, "A Beautiful Mind," are reminded that there are people who have suffered from mental illness who have recovered and made great contributions to America, as John Nash has at Princeton, and as those who have been involved in so many other walks of life. It is unfair in America for us to discriminate against a person because of a history of mental illness. Yet it is a fact of life.

I salute my colleagues, Senators WELLSTONE and DOMENICI, for their leadership on this issue. I join them in their effort and hope this bill will complement what they are doing to not only make mental illness subject to coverage by health insurance but also to end this discrimination against those who have a history of that illness. We should be working to break down the stigma of mental illness, not to maintain it.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mental Health Patients' Rights Act".

SEC. 2. AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.

Subpart 1 of part B of the Public Health Service Act (42 U.S.C. 300gg-41 et seq.) is amended by adding at the end the following:

"SEC. 2745. LIMITATION ON PREEXISTING CONDITION EXCLUSION PERIOD AND PREMIUMS WITH RESPECT TO MENTAL HEALTH.

"(a) LIMITATION ON PREEXISTING CONDITION EXCLUSION PERIOD.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, a health insurance issuer that offers health insurance coverage in the individual market in a State may, with respect to an individual or dependent of such individual, impose a preexisting condition exclusion relating to a preexisting mental health condition only if—

"(A) such exclusion relates to a mental health condition, regardless of the cause of the condition, for which medical advice, diagnosis, care, or treatment was recommended or received within the 6-month period ending on the enrollment date;

"(B) such exclusion extends for a period of not more than 12 months after the enrollment date; and

"(C) the period of any such preexisting condition exclusion is reduced by the aggregate of the periods of creditable coverage (if any, as defined in paragraph (3)(A)) applicable to the individual or dependent of such individual as of the enrollment date.

"(2) DEFINITIONS.—In this section:

"(A) PREEXISTING MENTAL HEALTH CONDITION.—The term 'preexisting mental health condition' means, with respect to coverage, a mental health condition, including all categories of mental health conditions listed in the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition (DSM IV-TR), or the most recent edition if different than the Fourth Edition, that was present before the date of enrollment of such coverage, whether or not any medical advice, diagnosis, care, or treatment was recommended or received before such date.

"(B) OTHER TERMS.—The terms 'preexisting condition exclusion', 'enrollment date', and 'late enrollee' shall have the meanings given such terms in section 2701 as relating to individual health insurance coverage.

"(3) CREDITING PREVIOUS COVERAGE.—For purposes of subsection (a), the term 'creditable coverage' has the meaning given such term in section 2701(c) and includes coverage of the individual under any of the following:

"(A) A college-sponsored health plan, or a plan under which health benefits are offered by or through an institution of higher education (as defined in section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)) in relation to students at the institution (not including benefits offered to such a student as a participant or beneficiary in a group health plan).

"(B) Title XXI of the Social Security Act.

"(C) A State or local employee health plan.

"(b) PROHIBITION ON INCREASED PREMIUMS BASED ON PREEXISTING MENTAL HEALTH CONDITION.—A health insurance issuer that offers health insurance coverage in the individual market in a State may not, with respect to an individual or dependent of such individual, require any individual (as a condition of enrollment or continued enrollment) with a preexisting mental health condition to pay a premium or contribution which is greater than a premium or contribution for an individual without a preexisting mental health condition based solely on the determination that such individual has a preexisting mental health condition, as such term is defined in subsection (a)(2)(A).

"(c) NONAPPLICABILITY OF ACCEPTABLE ALTERNATIVE MECHANISMS.—The provisions of section 2741(a)(2) shall not apply to a health insurance issuer that offers health insurance coverage in the individual market in a State, but only with respect to an individual, or dependent of such individual, with a preexisting mental health condition desiring to enroll in such individual health insurance coverage.".

AMENDMENTS SUBMITTED AND PROPOSED

SA 3381. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3381. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

DIVISION D—EXTENSION OF CERTAIN PREFERENTIAL TRADE TREATMENT AND MISCELLANEOUS TRADE PROVISIONS

TITLE XLI—EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES

SEC. 4101. GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking "September 30, 2001" and inserting "December 31, 2006".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act.

(c) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—

(A) ENTRY OF CERTAIN ARTICLES.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), the entry—

(i) of any article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if the entry had been made on September 30, 2001;

(ii) that was made after September 30, 2001, and before the date of enactment of this Act; and

(iii) to which duty-free treatment under title V of that Act did not apply,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(B) ENTRY.—In this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

SEC. 4002. AMENDMENTS TO GENERALIZED SYSTEM OF PREFERENCES.

(a) INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—Section 507(4) of the Trade Act of 1974 (19 U.S.C. 2467(4)) is amended—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and";

(3) by adding at the end the following new subparagraph:

"(F) a prohibition on discrimination with respect to employment and occupation."; and

(4) by amending subparagraph (D) to read as follows:

"(D) a minimum age for the employment of children, and a prohibition on the worst forms of child labor, as defined in paragraph (6);".

(b) REVIEW OF ELIGIBILITY CRITERIA.—

(1) IN GENERAL.—Title V of the Trade Act of 1974 is amended by inserting after section 503, the following new section:

"SEC. 503A. REVIEWS.

"(a) ONGOING REVIEWS.—Notwithstanding any other provision of law, the President shall conduct on an ongoing basis a review of the eligibility criteria with respect to any country or article designated as eligible under this title. Such reviews, in addition to the reviews conducted pursuant to part 2007 of title 15, Code of Federal Regulations (as in effect on January 1, 2002), shall form the basis for any withdrawal, suspension, or limitation of benefits under section 502(d)(1) or section 503(c)(1).

"(b) WORKER RIGHTS REVIEWS.—

"(1) IN GENERAL.—In reviewing the eligibility criteria set forth in sections 502(b)(2)(G), 502(b)(2)(H), and 502(c)(7) as part of an ongoing review described in subsection (a) or as part of a specific request for review under part 2007 of title 15, Code of Federal Regulations, the President shall give special consideration to the findings of the International Labor Organization (or committees thereof) concerning the country under review.

"(2) REGULATIONS.—Not later than 180 days after the date of enactment of the Trade Act of 2002, the President shall promulgate regulations establishing guidelines for giving special consideration to the findings of the International Labor Organization (or committees thereof) as required by paragraph (1)".

(2) CONFORMING AMENDMENT.—The table of contents for title V of the Trade Act of 1974 is amended by inserting after the item relating to section 503, the following new item:

"Sec. 503A. Reviews.

TITLE XLII—MISCELLANEOUS TRADE PROVISIONS

SEC. 4201. IDENTIFICATION OF TRADE EXPANSION PRIORITIES.

Section 310(a)(1) of the Trade Act of 1974 (19 U.S.C. 2420(a)(1)) is amended by striking "Within 180 days after the submission in calendar year 1995 of the report required by section 181(b)" and inserting "Within 30 days after the submission of the report required by section 181(b)".

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. REID. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Monday, April 29, 2002, at 6:30 p.m. to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. GRASSLEY. Mr. President, I ask unanimous consent the privilege of the floor be granted to Tiffany McCullen, a Department of Commerce employee detailed to my staff on the Finance Committee, and to Elliott Langer, an intern from the Finance Committee for the duration of the Senate consideration of trade bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. REID. As in executive session, Mr. President, I ask unanimous consent that at 12 noon on Tuesday, April 30, the Senate proceed to executive session to consider Calendar Nos. 778 and 779, with the time until 12:30 equally divided and controlled between Senators LEAHY and HATCH or their designees; that upon the use or yielding back of the time, the Senate stand in recess until 2:15 p.m.; further, at 2:15 p.m., the Senate proceed to vote on Calendar No. 778, to be followed immediately by a vote on Calendar No. 779; that upon completion of the votes, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate return to legislative session, without further intervening action or debate.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. REID. Mr. President, I now ask unanimous consent that it be in order to request the yeas and nays on the nominations, with one show of hands for a sufficient second.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following promotions reported out earlier today by the Senate Armed Services Committee: Lt. Gen. Leon J. LaPorte to be general; and Adm. Thomas B. Fargo to be admiral; that the nominations be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, any statements thereon be printed in the RECORD, and the Senate return to legislative session, without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Lt. Gen. Leon J. LaPorte, 0933.

NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be admiral

Adm. Thomas B. Fargo, 9953.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDERS FOR TUESDAY, APRIL 30, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m. tomorrow, Tuesday, April 30; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the motion to proceed to H.R. 3009, the Andean Trade Act, with the time until 12 noon equally divided between the proponents and opponents of the motion; that the time during the adjournment of the Senate, the debate time, and the votes thereafter on the two judges be counted against cloture, and that the recess of the Senate tomorrow be counted against the cloture time; further, that the Senate recess from 12:30 to 2:15 tomorrow for our weekly party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. We appreciate the patience of the Presiding Officer.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:24 p.m., adjourned until Tuesday, April 30, 2002, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 29, 2002:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ALBERTO FAUSTINO TREVINO, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE SUSAN M. WACHTER, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

ELIAS ADAM ZERHOUNI, OF MARYLAND, TO BE DIRECTOR OF THE NATIONAL INSTITUTES OF HEALTH, VICE HAROLD VARMUS, RESIGNED.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIGADIER GENERAL ALAN D. BELL, 4514
BRIGADIER GENERAL JAMES A. CHEATHAM, 4975
BRIGADIER GENERAL CHARLES E. GORTON, 6077
BRIGADIER GENERAL ROBERT L. HEINE, 0778
BRIGADIER GENERAL LAWRENCE J. JOHNSON, 8824
BRIGADIER GENERAL DAVID E. KRATZER, 9689
BRIGADIER GENERAL DENNIS J. LAICH, 2608
BRIGADIER GENERAL COLLIS N. PHILLIPS, 1258

To be brigadier general

COLONEL STEVEN R. ABT, 2197
COLONEL RITA M. BROADWAY, 0473
COLONEL MICHAEL J. DIAMOND, 8630
COLONEL JAMES P. EGGLETON, 1830
COLONEL JAMES A. HASBARGEN, 2340
COLONEL ROSEMARY R. LOPER, 7572
COLONEL JOHN Y. H. MA, 4469
COLONEL MATTHEW C. MATIA, 3950
COLONEL MICHAEL W. MEANS, 0221
COLONEL JAMES E. PAYNE III, 1273
COLONEL ROBERT A. POLLMANN, 9222
COLONEL JAMES W. RAFFERTY, 9483
COLONEL JAMES F. REYNOLDS, 3816
COLONEL THOMAS D. ROBINSON, 1193
COLONEL JOSE M. ROSADO, 5331
COLONEL DEAN G. SIENKO, 8565
COLONEL JAMES L. SNYDER, 3847

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPTAIN ROBERT J. COX, 3723
CAPTAIN DERWOOD C. CURTIS, 9914
CAPTAIN PETER H. DALY, 8726
CAPTAIN KENNETH W. DEUTSCH, 9948
CAPTAIN MARK T. EMERSON, 8886
CAPTAIN JEFFREY L. FOWLER, 7245
CAPTAIN JOHN S. GODLEWSKI, 1227
CAPTAIN GARRY E. HALL, 1756
CAPTAIN LEENDERT R. HERING, 4873
CAPTAIN ALAN B. HICKS, 8932
CAPTAIN DEBORAH A. LOEWER, 8508
CAPTAIN CARL V. MAUNEY, 8015
CAPTAIN WILLIAM J. MCCARTHY, 8575
CAPTAIN BERNARD J. MCCULLOUGH III, 4147
CAPTAIN MICHAEL H. MILLER, 6300
CAPTAIN ALLEN G. MYERS, 2554
CAPTAIN MARC L. PURCELL, 9342
CAPTAIN JAMES W. STEVENSON JR., 1918
CAPTAIN WILLIAM G. TIMME, 0212
CAPTAIN JOSEPH A. WALSH, 7361
CAPTAIN MELVIN WILLIAMS JR., 9480
CAPTAIN JAMES A. WINNEFELD JR., 5212

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPT. GREGORY R. BRYANT, 4952

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPT. ANDREW M. SINGER, 1084

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPT. DAVID J. VENLET, 0404

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL SERVICE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

SHAIN BOBBITT, 9603
BARBARA LOCKBAUM, 1672

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER TO THE TEMPORARY GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 6222:

To be major

MICHAEL J. COLBURN, 2511

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

WILLIAM P. MCCLANE, 5688

THE FOLLOWING NAMED OFFICERS FOR ORIGINAL REGULAR APPOINTMENT AS PERMANENT LIMITED DUTY OFFICERS TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 5589:

To be captain

NEIL G ANDERSON, 1103
PETER G BAILIFF, 6502
ROY H BARRETT II, 4283
FERNADO S BLACKBURN, 8615
ALAN W BROWN, 4478
BEN A CACIOPPO JR., 1645
MICHAEL D CARROLL, 2475
ROBERT T CHARLTON, 0930
DANIEL M CLARK, 9101
VERNON L DARISO, 4433
JASON B DAVIS, 0451
CHRISTOPHER D DIEDERICH, 4833
MARK R DOEHRMANN, 1424
LEIGH A DUBIE, 0631
DARREN L DUCOING, 1586
CLETIS S EVANS JR., 4327
RICHARD W FIORVANTI JR., 8214
JEFFREY S FORBES, 0668
STEVEN C FREDERICK, 4574
ANTHONY J GIOVENCO JR., 0987
MICHAEL R GLASS, 8622
JEFFREY C HACKETT, 2950
DAVID W HILLMAN, 3671
SEAN P HOSTER, 9957
RICHARD A JAYROE, 6735
JAMES A JONES, 7963
TODD J KROME, 1980
CLARENCE E LAWSON JR., 0167
ANTHONY W LILLER, 9978
ROBERT L LOCKARD JR., 3033
TOMMY M MILLER, 0354
WILLIAM M MILLER, 5783
EDWARD M MOEN JR., 2633
JOHN L MYRKA, 5966
JUAN M ORTIZ JR., 1744
DENNIS L PARKS, 5751
ROBERT A PETERSEN, 0008
RALPH G PRATT, 2571
WALTER D ROMINE JR., 2568
ROGER N RUDD, 5720
TIMOTHY T RYBINSKI, 9947
JAMES I SAYLOR, 4464
RICHARD F SCHOFIELD, 6158
LEROY SUMTER, 6610
CHRISTOPHER A SUTHERLAND, 7608
BRIAN A TOBLER, 1543
RAUL TORRES, 8829
TIMOTHY D WHEELER, 7413
KEVIN R WILLIAMS, 4173
JEFFREY P WOOLDRIDGE, 9418
WESLEY L WOOLF JR., 2310

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS RESERVE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

JOHN F AHERN, 9689
JAMES T ANTHONY, 1805
DONALD F ARMENTO, 5861
CAROLYN A ARNOLD, 2960
KATHERINE A ASHTON, 8796
ELIZABETH K AUSTIN, 9088
LEANDRO E BAILEY, 1585
BARBARA U BALLARD, 6892
JOHN C BARGHUSEN, 2406
JESSE R BARKER, 9352
EDWARD J BARR, 6719
RICHARD O BARTCH JR., 1901
WILLIAM G BASSETT, 0448
MATTHEW F BOGDANOS, 9250
REED R BONADONNA, 4854
ROBERT A BOOTH JR., 8154
KENT W BRADFORD, 7604
JONATHAN P BRAZEE, 3337
PAUL W BRIER, 6492
ROBIN C BROOKINS, 8462
PAUL T BRUEMMER, 5496
WILLIAM H BUCKEY, 7695
CHRIS W BURKHART, 8323
KERRY L BURKHOLDER, 5790
GERALD L BUSBY JR., 7446
JOHN J BUTTIL, 5524
THOMAS C BYRON, 6478
TERRY K CAHILL, 8429
TIMOTHY J CASSIDY, 5172
JOSEPH F COLLINS, 2111
RAYMOND L COSS, 5454
MICHAEL T CRITES, 9407
JOHN P CROOK, 4281
KENNETH F CUSTER, 5276
ROBERT L DAVIS, 9638
TRACE P DENEKE, 7924
MICHELLE M DONAHUE, 4531
DANIEL A DONOHUE, 6481
MATTHEW J DOUGHERTY, 3662
RONALD R DUFF, 4877
MONTE E DUNARD, 1415
PRESTON E DUNPHY, 3093
RAYMOND G DUQUETTE, 5584
PATRICK J FERRAL, 1074
RONALD L FIELDS, 7477
ACENSION D FIERRO, 2601
THERESA A FINCH, 8992
GERARD W FISCHER, 0789
JANE M FITZGERALD, 4609
RICHARD B FITZWATER, 8493
MICHAEL R FOGAL, 7259
JOHN D FOLSOM II, 6298
RONALD K FORSBERG, 4124
HENRY J FOSHEE, 0910
STEPHEN W FOSTER, 2257
MARK K FRAMPTON, 2740
JAMES J FRAWLEY, 8253
ALBERTO GARCIA, 8421
WILLIAM C GAWLER JR., 4985
JOHN D GIGNAC JR., 5498
DENNIS A GOLDSMITH, 6309
CRAIG GRABOWSKY, 5206
DAVID J GRECO, 7763
BRIAN M GREEN, 8307
ROCKY A GREEN, 8858
ANTHONY D HARRISON, 3983
DALE W HETRICK, 4675
JEANPIERRE HILL, 7779
JON T HOFFMAN, 8478
PAUL K HOPPER, 8721
RAYMOND W HOWER, 4985
NATHANIEL F HUGHES, 3738
RICHARD F HUNT, 6498
CHARLES M IAQUINTO, 1471
MICHAEL T ILCZYSZYN, 1919
RICHARD M JAKUCS, 6240
AUNDRA J JEFFERSON, 8579
JOSEPH E JENKINS JR., 0419
LEE KORZAN, 6055
JEFFREY S KRONGAARD, 9770
MARIO LAPAIX, 4635
JAMES M LARIVIERE, 1304
TERRY A LARSON, 7541
JOSEPH K LASLAVIC, 8001
DENVER L LATIMORE, 8384
THOMAS C LATSKO, 0047
KENNETH LEE, 6948
STEVEN R LEE, 7543
THOMAS E LEONARD, 9241
CHARLES A LOWTHER, 8100
DANIEL J LUND, 1878
ROBERT T MAGUIRE, 4620
MICHAEL W MANSKE, 4028
DANA K MARTIN, 8627
DANNY M MCDADE, 8493
REX C MCMILLIAN, 9683
WILLIAM L MCMULLEN, 3608
DOUGLAS G MCPHERSON, 8188
CHRISTOPHER L MCRAE, 0115
GORDON S METROKA, 1303
MICHIAL M MICHALOVICH, 6424
DALE W MILLER, 7247
EDMUND C MITCHELL, 9169
KEVIN T MURPHY, 9785
SHAUN M MURPHY, 1045
MICHAEL F NILES, 5181
ROBERT M OLIVIER, 9868
SCOTT J OLSON, 1593
ANTHONY E OSTERMAN, 4430
WAYNE O OUZTS, 3477
LAURENCE S PATZMAN, 1945
WAYNE A PAVLISCHEK, 6595
MICHAEL W PIERCE, 8676
JOSEPH PIZZINO, 5193
STONE W QUILLIAN II, 6753
THOMAS J REIMANN, 1535
ANDREW REYNOSA III, 9604
BRYAN M RHOADES, 6269
JEFFREY F RICHARDSON, 1680
MICHAEL K RILEY, 2433
JOSEPH D ROMERO, 9087
JAMES P ROONEY JR., 8603
LIONEL J ROTELLI JR., 5952
CHRIS ROWAN, 7877
JEFFREY M SANKEY, 8423
ROBERT A SCHROEDER, 2689
ROBERT M SELLERS, 1431
TERRENCE L SENGER, 7881
JOHN R SHAMBURGER JR., 2820
JAMES P SHEAHAN, 5530
FREDERICK D SHROYER, 0918
TERRON D SIMS, 0838
CHARLES E SINGLEY JR., 6329
TIMOTHY S STANFORD III, 3455
GERALD H STEELE, 1475
MARK D STEPHENS, 0721
HAROLD C STODDARD, 4573
DOUGLAS R SUNDSTROM, 5952
RICHARD A SWEDBERG, 4793
HOWARD THOMAS, 1501
DAVID W THOMPSON, 7243
MARC R UHAZE, 4696
GARY A VAUGHAN, 2862
STEVEN C VEACH, 8044
RONALD E VONLEMBKE, 1857
MICHAEL E WAGNER, 0084
EDWARD M WARD, 1869
WILSON A WATERS JR., 1381
DANA A WHITEHOUSE, 6746
ROBERT A WHITTERS, 9426
STEPHEN S WOLF, 4355
CHRISTOPHER G WRIGHT, 9311
RANDLE L YARBERRY, 95[illegible]4
LARRY E ZIMMERMAN, 9591

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 621:

To be captain

JAMES E. RUSSELL, 2130

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

LYDIA R. ROBERTSON, 9211

CONFIRMATIONS

Executive Nominations Confirmed by the Senate April 29, 2002:

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. LEON J. LAPORTE

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be admiral

ADM. THOMAS B. FARGO

EXTENSIONS OF REMARKS

IN RECOGNITION OF HOSPITAL FOR SPECIAL SURGERY IN NEW YORK CITY

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mrs. MALONEY of New York. Mr. Speaker, I wish to recognize the Hospital for Special Surgery (HSS), founded and located in New York City, for receiving the first New York State Hospital Patient Safety Award for their superior effort to reduce medical errors. At a time when more attention is being paid to this area, the New York Department of Health created the award to promote measures to increase overall patient safety, and I am pleased that HSS has been the recipient of such an esteemed award.

Founded in 1863, the Hospital for Special Surgery is a world leader in orthopedics, rheumatology and rehabilitation. While the Hospital has monitored medication variances for many years, in July 2000 it began a project that required simple changes that yielded significant results. By asking doctors to use ballpoint pens, fax original requests and replace old fax machines, the program resulted in an astounding 97.6 percent decline in the number of illegible orders received in the pharmacy from November 2000 to December 2001.

These types of innovative developments of methodology and technology have resulted in the Hospital being consistently ranked among the top three orthopedic and rheumatology centers in the nation in US News & World Report's annual survey of America's best hospitals. To date, their emphasis has been on development of orthopedic devices, such as total joint replacements. For example, the first modern knee replacement was developed at HSS, a landmark innovation that has benefited the lives of millions of patients around the world. In efforts to continue to make strides in this important area of research, the Hospital for Special Surgery is establishing a National Center for Musculoskeletal Research.

HSS has also uniquely collaborated with education programs at Cornell University, Rensselaer Polytechnic Institute, City College of New York, and others that partner scientists and clinicians with faculty and students in mechanical engineering, materials science, civil engineering, veterinary medicine, and statistics to bring its biomedical advances to the bedside.

For these reasons and many others, the Department of Health for the United Kingdom of Great Britain has called upon HSS to train and mentor their physicians in order to improve orthopedic services in their countries. Currently, patients in Great Britain must wait 18 months before they may receive hip, knee or joint replacements, of which more than 70 percent require the use of a cane for more than a year after surgery. It is truly an honor for New York to have the Hospital for Special Surgery to be identified by the British healthcare system as a mentor and model for addressing this health challenge.

I applaud the Hospital for Special Surgery's commitment to better document, track and administer prescribed medications to patients and strongly support their efforts to identify and remedy one of the most preventable threats to patient safety. I am very supportive of the Hospital's National Center for Musculoskeletal Research, as its establishment will continue to pursue breakthroughs in researching the orthopedic and rheumatological conditions that affect millions of Americans.

TRIBUTE TO THE BELLEVILLE PUBLIC LIBRARY AND INFORMATION CENTER

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention the history and legacy of a groundbreaking institution, the Belleville Public Library and Information Center, in Belleville, New Jersey.

On Wednesday, April 24, 2002, friends, patrons, employees, and all those who have made the Belleville Public Library a cornerstone of its community gathered to celebrate its 100th anniversary.

It is thus only fitting that we honor the library's long history, in this, the permanent record of the greatest freely elected body on earth, for it has been a beacon of learning and information for generations.

The Belleville Public Library was founded on January 4, 1902 by the Tuesday Afternoon Reading Club. It was initially located in a small store on William Street with a collection of only 432 books. After a temporary move in 1904, the library was given its permanent home in 1909. With the help of philanthropist Andrew Carnegie and so many dedicated citizens, the building was erected at 221 Washington Avenue.

President John Fitzgerald Kennedy once said, "The goal of education is the advancement of knowledge and the dissemination of truth." The Belleville Public Library embodies this ideal, having made an impact on so many lives throughout its history.

One of the first libraries in the state to offer internet access, it today has sixteen computers. Citizens are provided free use of the internet and word processing programs. Well renowned for its cultural programming, the library also hosts monthly concerts, art lectures, poetry classes, video viewing, and book discussion groups.

The library's defining mark in the community, however, may be its work in serving the children of Belleville. With store hours for babies, toddlers, and preschoolers, as well as a major summer reading club and a myriad of activities throughout the year, the library's commitment to foster the growth of children is unwavering.

From its humble beginnings on William Street, the Belleville Public Library has grown into a public information center that had over 100,000 people pass through its doors in the year 2001.

Mr. Speaker, I ask that you join our colleagues, the Township of Belleville, and me in recognizing the Belleville Public Library and Information Center.

CONGRATULATING 17 NORTHWEST MISSOURI SCHOOL DISTRICTS

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. GRAVES. Mr. Speaker, I rise today to congratulate 17 Northwest Missouri school districts that have been recognized as "most-improved" by the Missouri Department of Elementary and Secondary Education. This recognition highlights the outstanding commitment Northwest Missouri has made to ensure that no child is left behind.

Since 1998, Missouri has administered the Missouri Assessment Program (MAP) tests yearly to measure a student's achievement. The mathematics assessment is given to fourth, seventh, and 10th graders. A communications arts assessment is given to third, seventh, and 11th graders, a science assessment is given to third, seventh, and 10th graders and a social studies assessment is given to the fourth, eighth, and 11th grades. A health/physical education assessment is given to fifth and ninth graders as well. These important tests help Missouri's schools identify both strong and weak academic areas. Most importantly, the MAP tests illustrate the progress Northwest Missouri's school districts have made in providing students with the best available education.

I would like to acknowledge the Saint Joseph school district, which appeared four times on the "most improved top ten" list. These schools are Hall Elementary, Webster Elementary (appeared twice), and Lafayette High School. Barry School, in Platte County, appeared three times on the top ten list, and Nodaway County placed four of its schools on the list.

Other Northwest Missouri schools appearing on the most improved list include Chillicothe High School, Penney High School, Pickering Elementary School, Tri-County High School, West Platte High School, Craig High School, Fairfax Elementary School, North Harrison High School, Northeast Nodaway High School,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Pattonsburg High School, Savannah High School, Smithville High School, South Nodaway High School, Southwest High School, Stanberry Elementary, Tri-County Elementary, West Nordaway High School, and West Nodaway Elementary.

Mr. Speaker, please join me in congratulating the above schools for their ongoing efforts to strengthen education and the hard-working students who demonstrated their knowledge. I am confident these schools will continue to successfully meet their educational goals.

BILL TO ELIMINATE THE DISCRIMINATORY TREATMENT OF THE DISTRICT OF COLUMBIA UNDER THE FEDERAL HATCH ACT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Ms. NORTON. Mr. Speaker, today I am introducing a bill to eliminate the discriminatory treatment of the District of Columbia under the federal Hatch Act. This bill would reverse the undemocratic and discriminatory inclusion of the District of Columbia, including its teachers, in the federal Hatch Act.

The introduction of this bill today follows the recent announcement by the U.S. Office of Special Counsel that the U.S. Merit Systems Protection Board (Board) had granted its petition for the removal of Mr. Tom Briggs, a D.C. public school teacher at Dunbar Senior High School. Mr. Briggs lost his job after the Board found that he had violated provisions of the federal Hatch Act that apply only to the District of Columbia and no other local jurisdiction. These provisions prohibit D.C. public school teachers and other D.C. government employees from being candidates for partisan political office, despite the fact that teachers in the 50 states are exempt from the Act, and despite the fact that the District of Columbia is the only local jurisdiction in the Act treated as if it were a federal agency. In 2000, Mr. Briggs ran as the Statehood Green party candidate for Ward 2 Council Member.

My bill would remove discriminatory provisions in the federal Hatch Act that apply only to the District of Columbia and would exempt D.C. teachers, like the teachers from the 50 states, from the federal Hatch Act prohibition against seeking partisan elective office. The effective date of the bill is the year 2000, in order to remove Mr. Briggs' apparent violation of an antiquated, anti-home rule law that cannot be justified today. The Briggs case is particularly harmful because the victims of this inequity are not D.C. employees but the children in Mr. Briggs' class, who will face severe disruption to the continuity of their learning by having their popular and energetic teacher removed prior to the close of the school year.

My bill would leave the District to craft its own local laws in accordance with local needs and norms. It is certain that the D.C. City Council would enact its own local law to avoid any gap, and I have secured the commitment of the appropriate members of the Council to introduce and guide the local law to passage.

This is not the first time I have objected to discriminatory treatment of the District of Columbia under the federal Hatch Act. Nearly a decade ago, Congress passed the Hatch Act Reform Amendments of 1993, a bill which ended most of the limitations on political rights of federal employees. However, the bill contained perverse provisions that leave D.C. government employees alone among employees of the 50 states and the four territories under the federal Hatch Act. Although I was successful in keeping the District of Columbia language out of the House version of the 1993 amendments, the Senate included the language. Opponents of Hatch Act reform blocked a conference on the House and Senate versions of the bill, where I had intended to press for the Senate to recede to the House's position. Consequently, the 1993 reform law passed ironically benefiting 62,000 federal employees who lived in the District and, if they taught at Dunbar could seek public office, yet punishing the 40,000 District employees targeted by the law. In my comments on the floor prior to passage of the 1993 bill, I said: "I serve notice now that I am not through today. I will not be through until, with the help of others in this House, I succeed in making District employees the equal of the employees of other state and local jurisdictions. Today, we must blush as we try to conceive of any justification for such disparate treatment. I pledge to work to eliminate the shameful distinction we create today."

After the 1993 fight, I subsequently introduced legislation in 1996 to free the District from discriminatory treatment under the federal Hatch Act. It has not been possible to move appropriate legislation since, largely because no overall review of the Hatch Act, where such changes are generally made, has occurred. However, in light of the Briggs termination, I am asking the House to pass a stand alone bill.

The case of Mr. Briggs simply brings home the sad fact that the District of Columbia, and particularly its school teachers, have been singled out in a manner that is a complete affront to fairness, democratic principles, and self government. I urge my colleagues to support this bill to eliminate the discriminatory treatment of the District of Columbia under the federal Hatch Act in order to remove this unjust anomaly without delay.

THE RETURN OF AN ANCIENT HATRED

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. FRANK. Mr. Speaker, one collateral disturbing aspect of the current crisis in the Middle East is the rise in anti-Semitism in various parts of the world. It is particularly distressing to see the virulent outburst of this vicious prejudice in Europe, where many of us had hoped that the terrible experience of the past formed a stronger barrier against it.

Obviously people have a right to be critical of particular policies of the government of Israel in a given time. Indeed, since Israel continues to be a vibrant democracy even in the face of the violence now occurring in that part of the world, some of the most trenchant criticisms of Israeli policy come from Israelis themselves. But there is a sharp line between expressing differences with particular actions of the Israeli government and expression of anti-Semitism, and, sadly, that line has been crossed far too often in recent months in Europe.

In a very well reasoned editorial on Saturday, April 20, the New York Times speaks out cogently against this renewed anti-Semitism. Because this is such a well reasoned and powerful statement on a subject of great importance to us in our deliberations, I ask that it be printed here.

THE RETURN OF AN ANCIENT HATRED

When many in the Muslim world blamed Israel and its supposed desire to discredit Islam for the Sept. 11 attacks, most Americans dismissed the report as a deformed joke. But just as the attacks forced Americans to face the fact that there are deadly serious groups seeking to destroy us, so some of the anti-Semitic actions in Europe in recent months cause us to wonder whether, six decades after the Holocaust, we are witnessing a resurgence of the virulent hatred that caused it.

Expressions of sympathy for the Palestinians or criticism of the Israeli military campaign in the West Bank are of course entirely appropriate. What is troubling are hateful statements and actions like the bombs thrown at Jewish schools, centers and groups in France, or the Orthodox Jews beaten on the streets of Belgium and Berlin or the truck bomb driven into the ancient synagogue in Tunisia. We worry that such actions, largely by Muslim extremists, touch a historic chord in Europe that is not being confronted.

Israelis have been too quick, over the years, to view criticism of their government as motivated by anti-Semitism. But it is hard to think of another word for the way some critics of Israel's policy toward the Palestinians are expressing their opposition. The dark of shadow of Europe's past seemed to be reappearing when the liberal Italian daily La Stampa depicted a baby Jesus looking up from the manger at an Israeli tank, saying, "Don't tell me they want to kill me again." Or when a Lutheran bishop in Denmark delivered a sermon in the Copenhagen Cathedral comparing Ariel Sharon's policies toward the Palestinians to those of King Herod, who ordered the slaughter of all male children under the age of 2 in Bethlehem.

Political opinion in Europe is certainly one-sided when it comes to the Mideast conflict. Members of the Norwegian Nobel committee have publicly called for the withdrawal of the Peace Prize from the Israeli foreign minister, Shimon Peres, but not from his co-winner, Yasir Arafat. The European Parliament voted to urge member governments to impose trade sanctions on Israel but urged no action against the Palestinian Authority. Historically, the far right and far left have not agreed on much. These days they seem united in their contempt for the Jewish state.

This was evident last summer at the international conference against racism in Durban, South Africa, which turned into a celebration of Israel hatred. Zionism was once again equated with racism and Israel's legitimacy came under repeated attack.

Focusing on the suffering of only one side is also not the same as anti-Semitism, although it is distressing. Just as there are

American politicians who believe they have no political room to maneuver when it comes to support for Israeli policies, so there are European politicians with large Muslim constituencies whose voters do not want to see them acknowledging gray areas in this fight. There are also other explanations for the European mood. Guilt over the Holocaust may be salved with the thought that Jews, too, can act with cruelty. And given American sponsorship of Israel, being fashionably anti-American can easily mean being anti-Israel.

But much of Europe has a special responsibility to be cautious. Its cultures are drenched in a history of anti-Semitism. The mixing of historic European anti-Semitism with the more modern version in the Muslim world is a dangerous cocktail.

All this does not mean that Israel should be above criticism. Far from it. But it does mean that when you read of hooded men shouting "Death to Jews" attacking a Jewish soccer team in suburban Paris, as happened recently, it should prompt some profound soul-searching about whether the past has come calling.

IN RECOGNITION OF HAROLD SNYDER

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mrs. MALONEY of New York. Mr. Speaker, I rise to pay tribute to Harold Snyder who will be celebrating his 80th birthday on April 25, 2002. Mr. Snyder has been a successful business man, a philanthropist, and a visionary.

Harold Snyder was born and raised in New York City. The son of immigrants, he grew up in desperate poverty, often going without adequate food or shelter. With determination and hard work, he helped raise his younger sister and in 1939 graduated from Erasmus Hall High School in Brooklyn, New York. After graduating, he served his country bravely and proudly in the Air Force from 1941 to 1945. He was able to use the benefits he received from his service to attend New York University, where he graduated in 1948. He then received his Master's degree from Columbia University in 1950.

With his wife Beatrice, Mr. Snyder began a personal and professional partnership that would last 50 years. In 1964, Harold and Beatrice co-founded Biocraft Laboratories, Inc. Under Mr. Snyder's leadership, Biocraft became one of the largest manufacturers of generic drugs in the United States. During the three decades of his tenure as President and Chief Executive Officer, Biocraft also became the first generic drug company listed on the New York Stock Exchange.

In 1996 Biocraft was acquired by Teva Pharmaceutical Industries Ltd., the largest pharmaceutical company in Israel. Mr. Snyder now serves on the Teva Pharmaceutical Industries, Ltd. Executive Committee and Board of Directors.

Along with his many professional accomplishments, Mr. Snyder was at the forefront of the effort to pass legislation to encourage the use of generic drugs, giving millions of people access to safe and effective low cost drugs. Mr. Snyder is one of the founders of the Pharmaceutical Industry Association and has lectured extensively on pharmaceutical manufacturing at various colleges and universities.

Mr. Snyder enjoyed 50 years with his beloved wife Beatrice, before she passed away in 1998. With their three children, Beryl, Jay and Brian, he formed the Beatrice Snyder Foundation which has championed a number of philanthropic causes, including the Lincoln Center of Performing Arts, the Memorial Sloan Cancer Center and the New York Hospital Medical Center of Queens. The generosity of the Snyder family has also touched the lives of those most greatly affected by the terrorist attacks on the World Trade Center, with their generous support of the September 11 Fund. Most recently, Mr. Snyder sponsored a scholarship to send an inner city high school student to Antarctica to work with scientists. By providing this exceptional opportunity, he hopes to inspire a talented young person to achieve.

Mr. Speaker, for his many contributions, I ask that my colleagues join me in saluting Mr. Harold Snyder.

TRIBUTE TO WILLIAM M. VACCA

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. PASCRELL. Mr. Speaker, I would like to call to your attention the work of an outstanding individual, Mr. William M. Vacca, of Totowa, New Jersey, who was recognized on Wednesday, April 17, 2002 for his lifelong dedication to Don Bosco Technical High School in Paterson, New Jersey.

Bill Vacca joined the Athletic Department at Don Bosco as a volunteer in 1970, and has been there ever since. A full time employee in Passaic County's historic textile industry, Bill has dedicated an immeasurable amount to those who make up the Don Bosco Tech family.

It is thus only fitting that he be honored, in this, the permanent record of the greatest freely elected body on earth. This is a man who has lived the phrase "give something back."

Born in Paterson on September 29, 1953, to William and Catherine Vacca, Bill attended local public grammar school before moving on to Don Bosco Tech. Upon his graduation in 1970, he immediately began to invest his energies back into the institution he loved. After eleven years as Assistant Athletic Director, Bill Vacca was named Athletic Director in 1981.

Sadly, Don Bosco Tech will be permanently closing its doors later this year. This does not obscure the fact that Bill Vacca, along with so many other caring colleagues, made Don Bosco Tech a special place.

Mr. Speaker, I sent all three of my sons to Don Bosco. I can say without reservation that the work of individuals like Bill Vacca will live on in the faces of those who attended that wonderful school.

While the closing of Don Bosco Technical High School will cause great sadness in the greater Paterson area, it also be a time for celebration. All those touched by Bill Vacca and the Don Bosco community will treasure the memories and honor the successes they achieved.

The job of a United States Congressman involves so much that is rewarding, yet nothing compares to recognizing the efforts of individuals like Bill Vacca.

Mr. Speaker, I ask that you join our colleagues, the City of Paterson, Bill's family and friends, the Don Bosco Technical High School family, and me in recognizing the outstanding and invaluable service of William M. Vacca.

HONORING CALHOUN HIGH SCHOOL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. PAUL. Mr. Speaker, I rise today to pay honor to the Calhoun High School "We the People . . . the Citizen and the Constitution" team from Port Lavaca, Calhoun County, Texas. Under the exemplary leadership of Gennie Burleson Westbrook, the 2001–2002 Calhoun High School team placed third in the statewide competition held on Janaury 5, 2002, at the University of Texas Law School in Austin, Texas, which was hosted by the State Bar of Texas. The team included the following students: Karin Chen, Candice Cook, Chelsea Ghiselin, Tiffany Harvey, Kimberlee Hobizal, Major Hoffman, Stephen Jedlicka, Scott Kelly, Josh McClellan, Thomas Nguyen, Matt Thomas, Vanessa Thorne, and Andrew Wu.

The "We the People" program was begun in 1987, with the goal of enhancing students' understanding of the institutions of American constitutional democracy, while guiding them to discover modern day applications of the Constitution and the Bill if Rights. It is a time consuming study requiring many hours of preparation, both in and out of the classroom. Each participant takes a multiple-choice test, and prepares for a simulated Congressional hearing in which students "testify" before a panel of judges.

Following a prepared five-minute presentation covering specific topics demonstrating their knowledge and understanding of constitutional principals, the judges quizzed the students with thought-provoking questions pertaining to their subject. The students took and defended their positions, using both historic and contemporary examples.

Preparation for the state contest also required assistance from members of the community who came forward to volunteer to work with the team members. I salute the following volunteers: Connie Hunt, Mark Daigle, Shannon Salyer, Britney Salyer, Edris Montalvo, Darren Hartl, Joane McDonough, Phillip Swope, and Larry Nichols.

I am proud to have these students in the 14th Congressional District of Texas. I am proud of the commitment to excellence and perseverance shown by each student. I am proud of the support shown by the parents and volunteers which helped them reach for their goal.

I trust all my colleagues join me in congratulating the 2001–2002 "We the People . . . the

Citizen and the Constitution” team on their third place win in state competition.

MEDIA MERGERS ATE OUR NEWS

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. SANDERS. Mr. Speaker, I would like to bring to your attention an excellent article that recently ran in Seven Days, a weekly newspaper in Burlington, Vermont. The article discusses the increasingly superficial reporting and a growing conservative agenda dominating the nation’s televisions, radios and newspapers. The article also highlights a Congressional Town Meeting that I held to discuss the topic of corporate control of the media.

[From the Seven Days, Apr. 24, 2002]

MEDIA MERGERS ATE OUR NEWS!

(By Susan Green)

The families flocking to Palmer? Here are some of the things that took place last Thursday: An Amtrak train derailed in Florida. Families of Flight 93 passengers listened to the September 11 cockpit voice recording. The Senate defeated a Bush administration proposal to drill in the Arctic National Wildlife Refuge. And four Canadian soldiers were killed by American “friendly fire” in Afghanistan.

But what did all three cable news channels—CNN, MSNBC and Fox—spend the night broadcasting? The arrest in Los Angeles of actor Robert Blake for murder. Their reports included his entire uneventful 40-minute ride to the police station.

“We’re inundated with scandal and sensationalism in the media. Important topics get very little attention,” suggests U.S. Congressman Bernie Sanders, who is alarmed that just a few multinational corporations “own and control the flow of information in the United States.”

This week Sanders will come home to host “The Media and Democracy,” two back-to-back forums on what he sees as increasingly superfical reporting and a growing right-wing agenda dominating the nation’s television, radio and newspapers. The town-meeting-style discussions, on Sunday in Montpelier and Monday in Burlington, will feature Robert McChesney and John Nichols, co-authors of It’s the Media Stupid.

Sanders and his two guests are particularly alarmed that a handful of media outlets—AOL/Time-Warner, Fox, NBC and Viacom—recently won a lawsuit to abolish a longstanding Federal Communications Commission rule that prohibited cable companies from acquiring local TV stations. In addition, any one company may soon be able to provide television service to more than 35 percent of the nation’s households, an arrangement that was previously forbidden. Smells like a monopoly.

“I’m organizing members of Congress to justify why it’s important to maintain those rules,” Sanders explains. “Radio was deregulated in 1996, and that’s been a disaster. Big companies, like Clear Channel, have bought up hundreds of locally owned stations across the country. Talk radio is now completely dominated by the Right. It’s a very frightening situation.” Of the 1225 stations Texas-owned Clear Channel owns nationwide 10 are in Vermont, four of those in the Burlington market—WCPV, WEZF, WJVT, and WXZO. Independents like Ken Squier find it challenging to compete. “They’ve got all the syndicated shows we might want and they go after the same advertising dollars,” says the head of Radio Vermont, a family of stations that includes WKDR, WCVT and WDEV. “Vermont Public Radio is also a problem. They are government-subsidized but hitting on the same sponsors we do.”

Vermont’s radio wars make more noise than corresponding battles in the print media. For one thing, there are fewer paper soldiers. The Burlington Free Press, purchased by the Virginia-based Gannett Corporation from a local publisher in the 1970s, maintains a moderate political tone in a one-daily town.

But “following the standard corporate line,” as Sanders puts it, may explain why the largest newspaper in Vermont never took a stand on the civil-union controversy, while David Moats at the independently owned Rutland Herald won a Pulitzer Prize for his editorials advocating equal rights for gay couples.

Author John Nichols, a Washington correspondent for The Nation, believes that the impending changes in FCC regulations “could have a profound effect on corporations like Gannett.” Despite owning 95 daily newspapers, 22 TV stations and the flagship national publication USA Today, the company is “not a major player” compared with an outsized media mogul like Rupert Murdock, says Nichols. Sanders asserts that the Australian honcho is an “extreme right-winger” who is “pushing the other media to the right.” The U.S. holdings include The New York Post and Fox. Murdoch’s News Corp. is fifth on a list of media monopolists, after Time Warner, Disney and Viacom. General Electric ranks seventh. Nichols thinks it’s probably just a matter of time before News Corp. or an equivalent mega-media organization grabs Gannett and turns all the little Free Press-like rags into strident conservative mouthpieces.

Of course, many Americans are getting out of the reading habit altogether. Television rules. Sanders points out that the three area network affiliates, WVNY, WPTZ and WCAX, are cogs in the machinery of giant conglomerates: Disney’s ABC, GE’s NBC and Viacom’s CBS, respectively.

Dianne Lynch, chair of the journalism department at St. Michael’s College in Colchester, suspects Sanders is “right about mainstream TV,” but, she suggests, “mainstream TV is no longer our only choice in getting information.”

As someone who’s professionally “wired”—she writes a column about women and technology for ABC.com—Lynch sees the Internet as a wellspring of diverse voices, along with cable television and many small publications. “When I was growing up, we only had four television channels to choose from. Today, I can get the BBC on my cable channel or read The London Times online,” she says. “People looking for a range of opinions know where to go for them.”

Nichols and McChesney believe those diverse views should come to us more easily—and claim it’s not too late to make sure they do. “We are actually at a critical transition point,” Nichols observes. If the 800-pound gorillas get their way, he contends, “in places like Burlington, newspapers, cable companies, TV and radio stations could all be owned by the same company. That’s not healthy—and I’m not overstating the case. We must be vigilant. A lot can be done at the grassroots level.”

That’s where Nichols, now 41, got his start. As a kid, he wrote for weekly newspapers in rural Wisconsin. “I’d take a camera and ride my bike to every little town meeting,” he recalls. “Apart from a few deviations into rock bands, journalism is what I’ve done all my life.”

In addition to the book he wrote with Robert McChesney, a University of Illinois research professor, Nichols penned last year’s Jews for Buchanan, about the 2000 presidential election fiasco in Florida. The duo teamed up again for Our Media, Not Theirs, a sequel to It’s the Media, Stupid due out this fall.

McChesney hosts “Media Matters,” a weekly radio AM program in his home state. He’s also written or edited a total of eight books, including Rich Media, Poor Democracy: Communication Politics in Dubious Times, which was published two years ago. Like Nichols, he has rock ’n’ roll roots. In 1979 McChesney founded a Seattle music magazine, The Rocket, that helped give birth to the grunge scene.

Not surprisingly, both men advocate self-empowerment. “The American people own the broadcast airways,” Nichols says.

“We have not begun to exercise our legitimate authority. But first, we have to think about what we would like. Once we imagine a media we want, then we can act. We have the ability to develop BBC-quality programming.”

Nichols acknowledges that the “unmitigated crap” now on TV should not be censored, however. “I’m not saying that, in my perfect media world, all we’d do is sit around and watch PBS. It doesn’t mean everything has to be of redeeming value. I just want citizens to understand they have a right to demand better.”

“Jerry Springer,” “Fear Factor” and “Judge Judy” should take note: Mindless programs can co-exist with more intellectual offerings. “But that lowest-common-denominator media does affect public policy,” Nichols says. “Stations like Fox have such jingoistic and irresponsible journalism. The Florida recount coverage was woefully inept, driven by the spin of the Democratic and the Republican camps. That’s what happens when you have bad media.”

Nichols, who has written for the New York Times and other prestigious publications also warns, “Until we get a better media, a lot of work we do on fundamental issues will go for naught. Without a media that allows diverse voices, it’s going to be hard to get the message out on all other important struggles.”

MSNBC runs a promo that boasts it’s a channel “with so many different points of view, one of them is bound to be yours.” But it’s unlikely any of them is Bernie’s. Sanders asserts that both newspapers and cable channels fail to present a true leftist or even balanced perspective. Programs devoted to serious news only explore opinions ranging from the center to the extreme right.

Oliver North, the Marine colonel who masterminded much of the covert and seemingly illegal Iran-Contra dealings in the ’80s, has been recruited by Fox News to command his own talk show. Not to be outdone, MSNBC boasts Alan Keyes, an ultra-conservative candidate in the last presidential election, now offering nightly punditry. CNN’s “Crossfire” always manages to find arch Republican cheerleaders like Robert Novak who can overpower even formidable Democratic operatives like James “Ragin’ Cajun” Carville.

Yet the tone of debate—when there is any—tends to be purposely theatrical. “Politics has become entertainment,” Sanders laments. Nobody’s talking about the nuts and bolts, he argues. "Despite all the hoopla over the economy, Americans are working longer hours for less wages. People have two or three jobs. That doesn't sound like a boom economy to me. Who's focussing on the plight of the middle class? It's a good issue, right? It's never discussed. The richest 1 percent owns more wealth than the bottom 95 percent does. Ever hear that on a TV program?"

Ditto for unionization, health care and a plethora of other themes neglected in favor of shallow examinations of movie stars who murder their wives, or the personal indiscretions of political figures. "We get endless coverage of sex, celebrity and crime," Sanders says.

He wonders why right-leaning news outfits have become so influential when "we are really a centrist country. Al Gore and Ralph Nader got a few million more votes than Bush, so actually we might be a hair to the left." Even in left-leaning Vermont, Sanders laments the dearth of progressive voices on the radio.

As one of only two Independents in the House of Representatives—Virgil Goode, Jr. of Virginia is the other—Sanders worries that the very notion of independence is being erased from what Americans see, hear and read. He compares the media monopoly by the Communist Party in the former Soviet union to today's corporate totalitarianism here.

The motivation is different, though. "If the progressive point of view was a marketplace seller, you would find it everywhere," Lynch suggests. "I do think everything's market-driven. Welcome to the world."

Whatever the agenda, Sanders sees diversity of viewpoints itself as crucial to our way of life. In a brochure announcing his "Media and Democracy" town meetings, he writes, "If just a few corporations are allowed to control both production and distribution of the news and programming across America, democracy itself is in danger." In a world in which cable companies, TV stations and local newspapers are all merged, "Millions of Americans will be receiving virtually all of their information from a single source," he points out.

Though she is also wary of "media consolidation," Lynch is more skeptical about championing the alternatives. "We have to be careful not to idealize independent ownership," she says. "Commercial pressures do not go away when you're individually owned. You don't suddenly have total freedom of expression, freedom from the marketplace. The homogeneity of the message is as much about commercial pressure as it is about corporate structure."

But Nichols hails the Green Mountain State as one of last bastions of media liberty. "Look at the Rutland Herald, a Pulitzer Prize-winning small newspaper. Vermont ain't perfect, but it's better than many places in the country. You still have a lot of locally owned operations. Things aren't so bad there."

Halfway around the globe, there's evidence of a movement to create a people's media. Nichols has spent time in New Zealand, which is "expanding the number of radio stations in the public sphere." He touts a station operated by the island nation's indigenous Maori people, and another "run by and for those under the age of 25."

In this corner of New England, "an individual state can have a lot of impact," Nichols adds. "You guys can really be part of a solution. Why not increase public funding for public radio or crate an all-news-all-the-time station? In the little state of Vermont, there is a lot you can do. If one place does it right, you can dramatically influence the rest of America."

Congressman Bernie Sanders, Robert McChesney and John Nichols weigh in on "The Media and Democracy" on Sunday, April 28, 7:30 p.m. at the Unitarian Church in Montpelier; and Monday, April 29, 7:30 p.m. at the CC Theater in Billings Student Center at the University of Vermont. A special free media workshop for teachers, and students and community members will be held on Monday at 4 p.m. in Waterman's Memorial Lounge at UVM.

IN RECOGNITION OF SENATOR ROY M. GOODMAN

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mrs. MALONEY of New York. Mr. Speaker, I rise to pay tribute to State Senator Roy M. Goodman, who was one of the most effective legislators ever to serve the East Side of Manhattan. Senator Goodman has devoted his career to making New York City a better place to live. His decision to retire from office has cost East Siders a remarkable leader and a renowned champion of the Arts.

A stalwart supporter of civic and community causes, Senator Goodman served 33 years in the State Senate. In recognition of his leadership skills, he was appointed the Senate's Deputy Majority Leader for Policy. During his tenure in Albany, more than 1,200 of the bills of which he was a sponsor became law.

Senator Goodman's major initiatives have included sponsorship of legislation to increase police patrols and toughen gun and ammunition controls; provide tax fairness for the owners of co-ops and condos; expand women's right to choose; increase protections against domestic violence; cut the state income and corporate taxes; provide better housing and tenant protection; protect children against abuse; combat discrimination; and expedite school construction. In addition, Senator Goodman was often chosen to be lead sponsor of the Mayor's proposals to increase state aid for New York City.

As the leading legislative advocate of the arts in New York State, he was Chairman of the Senate Special Committee on the Arts and Cultural Affairs. He is legendary for his success in obtaining state funding for New York's museums and cultural organizations. Senator Goodman was also appointed by President Bush and unanimously approved by the U.S. Senate as a member of the National Endowment for the Arts Council, on the basis of his distinguished service and eminence in the arts. In 1996, he was named Ambassador for the Arts by the National Endowment for the Arts in recognition of his unwavering support of the arts and cultural affairs.

From 1972 through 1975, Senator Goodman served as the Chairman of the New York State Charter Revision Commission for New York City, which significantly revised City government structure. In 1977, he was the Republican candidate for Mayor of New York City.

Father of three and grandfather of three, Senator Goodman received an A.B. degree with Honors from Harvard College in 1951 and a Master's Degree with Distinction from the Harvard Graduate School of Business Administration in 1953. He received an honorary Doctorate of Humane Letters from Pratt Institute.

Senator Goodman serves on the boards of the Carnegie Hall Corporation, Temple Emanu-El, and M & T Bank Corporation. He is also a member of the Harvard Overseer's Visiting Committee for the John F. Kennedy School of Government and a Fellow for Life of the Metropolitan Museum of Art. Additionally, he is President of the Goodman Family Foundation, a philanthropic trust. Senator Goodman will continue to play significant role in public life as CEO and President of the United Nations Development Corporation. I look forward to working with him in his new capacity.

In recognition of his many outstanding achievements, I ask my colleagues to join me in honoring State Senator Roy M. Goodman. Senator Goodman's years of devoted public service shine as a model for us all.

HONORING SAN MARCOS HIGH SCHOOL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. PAUL. Mr. Speaker, I rise today to pay honor to the San Marcos High School "We the People . . . the Citizen and the Constitution" team from San Marcos, Hays County, Texas. Under the exemplary leadership of Paula Wolking and Lezlie Wiederhold, the 2001–2002 Calhoun High School team placed second in the statewide competition held on January 5, 2002, at the University of Texas Law School in Austin, Texas, which was hosted by the State Bar of Texas. The team included the following 29 seniors: Kelli Avila, Jason Baen, Marisa Bell-Metereau, Erin Blum, Paul Buntyn, Mariah Campbell, Amy Carlson, John David Carson, Samantha Charleston, Justyn Contreras, Heather Davis, Jacob Delgado, Veronica De La Garza, Matt Diaz, Shelby Eastland, Jessica Gifford, Megan Hansen, Kari Howe, J R Manrique, Rachel Martin, Genesis McCoo, Jenny Morrison, Lani Ogle, Valerie Perez, Amara Richardson, Orlando Sanchez, Francesca Scanio, Kim Spire, and Joshua Yanity.

The "We the People" program was begun in 1987, with the goal of enhancing students' understanding of the institutions of American constitutional democracy, while guiding them to discover modern day applications of the Constitution and the Bill of Rights. It is a time consuming study requiring many hours of preparation, both in and out of the classroom. Each participant takes a multiple-choice test, and prepared for a simulated Congressional hearing in which students "testify" before a panel of judges.

Following a prepared five-minute presentation covering specific topics demonstrating their knowledge and understanding of constitutional principals, the judges quizzed the students with thought-provoking questions pertaining to their subject. The students took and defended their positions, using both historic and contemporary examples.

I am proud to have these students in the 14th Congressional District of Texas. I am proud of the commitment to excellence and perseverance shown by each student. I am proud of the support shown by the parents and volunteers which helped them reach their goal.

I trust all my colleagues join me in congratulating the 2001–2002 "We the People . . . the Citizen and the Constitution" team on their second place win in state competition.

CHILD CUSTODY PROTECTION ACT

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. GRAVES. Mr. Speaker, H.R. 476, the Child Custody Protection Act, is an important measure that Congress should pass and allow President Bush to sign. Transporting minors across State lines for abortions to circumvent State parental involvement laws is a widespread problem in our country.

In this Country we, as citizens, do not allow our minor children to drive a car, to buy alcohol, or cigarettes, or even to vote. How can we as parents allow minor children to travel across certain State lines to obtain an abortion, without parental consent?

The purpose of the Child Custody Protection Act is twofold. The first is to protect the health and safety of young girls by preventing valid and constitutional State parental involvement laws from being circumvented. This is not a Federal parental involvement law. This plainly ensures that these State laws are not evaded through interstate activity. This bill is the Federal reinforcement to the enacted State measures providing constitutionally sound parental involvement in their childrens lives. Parental involvement during one of the most terrifying decisions a minor girl will ever make will improve medical care and safety for those young women.

The second purpose is to protect the rights of parents to be involved in the medical decisions of their minor daughters. Parents need to be aware that their minor daughter may be subjected to surgery or to the administration of drugs that could be dangerous to her health. There may be a multiple of potential health risks that the minor has no knowledge about including a history of family illness or allergies.

This is something that affects our entire Nation. In fact, in 1997, a study in the American Journal of Public Health reported that a leading abortion provider in Missouri refers minors out of State for abortions if the girls do not want to involve their parents. Reproductive Health Services, which performs over half of the abortions performed in Missouri, refers minors to the Hope Clinic for Women in Granite City, Illinois. Research reveals that based on the available data the odds of a minor traveling out of State for an abortion increased by over 50 percent when Missouri's parental consent law went into effect. Furthermore, compared to older women, underage girls were significantly more likely to travel out of State to have their abortions.

A 1999 St. Louis Post-Dispatch news report confirms that the Hope Clinic in Illinois continues to attract underage girls seeking abortions without parental involvement. According to the report, the Hope Clinic performed 3,200 abortions on out-of-State women last year, and the clinic's executive director estimates that number is 45% of the total abortions performed at the clinic. The executive director also estimates that 13% of the clinic's clients are minors.

This legislation will work to protect our young children. I thank my colleagues for supporting this legislation and I look forward to swift action by the Senate. We cannot allow our children to make this life altering decision alone. Parents need to provide a protective hand; H.R. 476 is the protection our children deserve.

YMCA OF GREENVILLE, SOUTH CAROLINA

HON. JIM DeMINT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. DEMINT. Mr. Speaker, Whereas, the YMCA is dedicated to building strong kids, strong families and strong communities; and

Whereas, the YMCA serves people of all ages, incomes and abilities through a wide variety of programs and services designed to meet changing needs; and

Whereas, the YMCA of Greenville lives its mission every day, "To put Christian principles into practice through programs that build healthy spirit, mind and body for all"; and

Whereas, the YMCA of Greenville provides parents with high-quality, affordable child care, provides teens with a safe place to go after school; provides families a fun, affordable place to spend time together; provides seniors with social programs; and provides healthy programs and services for everyone in the community; and

Whereas, the YMCA of Greenville is part of a national movement that serves nine million children per year, that is the nation's largest child care provider, that currently serves one in ten teens, and that incorporate the values of caring, honesty, respect and responsibility into all of its programs; and

Whereas, the YMCA of Greenville will further its commitment to this community with the opening of the George I. Theisen North Greenville Family Branch YMCA.

Therefore, be it resolved by the United States Congress, that it takes great pleasure in recognizing the newest member of the Greenville YMCAs—the George I. Theisen North Greenville Branch YMCA—and acknowledging with great pride the positive impact of the organization in this community.

COMMEMORATE THE DEDICATION OF THE RENOVATED BETHESDA-CHEVY CHASE HIGH SCHOOL

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mrs. MORELLA. Mr. Speaker, I rise today to recognize and celebrate the dedication of a newly renovated Bethesda-Chevy Chase High School (B–CC High School). B–CC High School has, for the past seven decades, been a vital part of the community—growing from a little brick school house to the culturally diverse school it is today.

On April 28, B–CC alumni, families, former staff members, and students dedicated their renovated high school and highlighted the significant events occurring throughout the schools history. The origins of B–CC High School can be traced back to 1925, with a school house opening that was comprised of 14 classrooms and 388 students. The first graduating class in 1929, was comprised of six boys and eight girls.

During its history B–CC has created unforgettable moments for its students and community. In 1937, B–CC High School welcomed First Lady Eleanor Roosevelt to address its graduating class. During the 1940's, B–CC helped with the war effort by raising funds to help buy an amphibious tank for the army and other equipment. Also, 43 graduates of B–CC gave the ultimate sacrifice to ensure freedom during World War II. The 1950's brought change to B–CC as African-Americans were integrated into the school. In addition, the school was ranked as one of the top high schools in the country by Time magazine. The decade ended with future president John F. Kennedy delivering a commencement address in 1959.

On April 28, 2002, we celebrated the new era for B–CC High School with the dedication of the updated building. Principal Katy Harvey is fortunate to lead the school into the 21st century, with new architecture and technology that will enhance the learning environment. The new school is worth the wait and sacrifice you have all made. You reflect the diversity and strength that makes America great. Our community is richer because of the students, faculty, and administration of B–CC High School.

COMMEMORATING JOHN DYSON

HON. JOHN E. SWEENEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. SWEENEY. Mr. Speaker, today I recognize Mr. John Dyson, former Commissioner of Commerce for New York State, advocate of New York State businesses, and creator of the "I Love New York" advertising campaign—a campaign that is familiar to all of us—whether a resident of the state or first-time visitor. The slogan is still popular today and the tourism industry from the many diverse areas throughout the state have benefited from its success.

In 1975—the year John was hired as head of Commerce—New York State was in the midst of an economic recession. As state officials developed a campaign to market the state's vacation opportunities, John led a team that determined tourism could be a vehicle to reverse the state's economic position. The simple yet effective "I love New York" campaign aroused pride among New Yorkers and caught on quickly as it was easily applied to the city and the countryside and has grown world-famous.

In addition to creating a timeless campaign that is still relevant today and symbolic of everything the state has to offer—from the culture of the City to the lakes of Upstate—John proposed, fought for, and won legislation and tax cuts to keep business in the state. Without John and the incentives he spearheaded, we may not be able to go to a show at Radio City Music Hall or call New York City the home of the American Stock Exchange. Through John's determination, he engineered a deal to save Radio City Music Hall and spearheaded a state effort to keep The American Stock Exchange in New York City.

The success of New York State's tourism industry can be accredited to the dedication of John Dyson. New York had the unique culture and resources to offer, but John led the way in promoting those assets that had not yet been utilized to their fullest potential with a slogan that appears everywhere—from T-shirts to bumper stickers and was complemented by a jingle that plays over radio waves and television commercials. The extremely trying time of the September 11 terrorist attacks put New York to the test, but New Yorkers showed their strength and used the symbolic "I love New York" campaign to show their support and solidarity adapting the slogan to "I love New York Now More than Ever."

Mr. Speaker, please join me in recognizing the accomplishments of Mr. John Dyson and his devoted efforts on behalf of businesses and the tourism industry in New York State.

PERSONAL EXPLANATION

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. NETHERCUTT. Mr. Speaker, I was present on the floor during passage of H.R. 3231 (Roll no. 116) and intended to vote in favor of the bill. The record, however, does not reflect that I cast a vote. Apparently my vote was not electronically recorded; therefore, I wish the record to note that I fully support the bill.

PERSONAL EXPLANATION

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 29, 2002

Mr. KOLBE. Mr. Speaker, on April 24, 2002, I was on the House Floor but inadvertently failed to vote during passage of H.R. 3763, the Corporate and Auditing Accountability and Responsibility Act. Had I voted, I would have voted "yea" on this vote (#110).

CORPORATE AND AUDITING ACCOUNTABILITY, RESPONSIBILITY, AND TRANSPARENCY ACT OF 2002

SPEECH OF

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 2002

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3763) to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes:

Mr. OXLEY. Mr. Chairman, I want to take this opportunity to clarify several matters on this legislation. First, I want to discuss a specific provision of the legislation. H.R. 3763 provides enhancements necessary to support the Securities and Exchange Commission in its role to protect investors of public companies, including the unique relationships of auditors to the absentee shareholder. It is not intended to extend to auditors of privately-held companies or other, smaller regulated entities. These entities are uniquely different from global public companies in many ways. For example, many of these smaller companies do not have large executive staffs. Instead, they rely on their CPA/auditor to provide objective, trusted advice and counsel on a broad range of tax and business issues. Extending the reach of these restrictions to such firms could create unintended harmful consequences to an important segment of the U.S. economy.

It is for this reason that the bill contains section 2(j), clarifying the application of the bill. This section is intended to ensure that public regulatory organizations are properly focused on the auditors of public companies with respect to their audits of such companies. It is not meant to apply to the thousands of American accountants that continue to provide trusted advice to their small business clients.

Second, Mr. Chairman, I want to take this opportunity to correct a specific error that appeared in the Committee's report on the legislation. On page 31 of the Committee Report (H. Rept. 107–414), the sponsor of amendment No. 1b(5) is incorrectly identified as Ms. HOOLEY of Indiana. The correct sponsor should be Ms. HOOLEY of Oregon. I regret any confusion caused by this error and apologize to the gentlelady from Oregon (Ms. HOOLEY).

Finally, Mr. Chairman, I am including for the RECORD the cost estimate prepared by the Congressional Budget Office on H.R. 3763. It was not available at the time the Committee's report was filed on the bill, and I am including it here to ensure a complete legislative history for the bill.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 26, 2002.

Hon. MICHAEL G. OXLEY,
Chairman, Committee on Financial Services, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3763, the Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Ken Johnson (for federal costs), Paige Piper/Bach (for the private-sector impact), and Susan Sieg Tompkins (for the state and local impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, APRIL 26, 2002

[H.R. 3763: Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002, as passed by the House of Representatives on April 24, 2002]

SUMMARY

H.R. 3763 would establish a new board to oversee the accounting industry and would give the Securities and Exchange Commission (SEC) the authority to review the board's decisions. This new board would be known as the Public Regulatory Organization (PRO). Also, the act would require the SEC to review the financial statements of public companies no less than once every three years. H.R. 3763 would mandate that the agency receive and publicize certain filings related to insider trading in electronic format. The SEC and the General Accounting Office (GAO) also would be required to complete a number of studies and rulemakings within several months of enactment.

In addition, H.R. 3736 would allow the SEC to assess new civil penalties for violations of the act's provisions. The act also would require that any civil penalities collected by the SEC from Enron Corporation, or from Arthur Andersen L.L.C. concerning its audits of Enron, be paid directly to former Enron employees and others designated by the agency.

Based on information from the SEC, CBO estimates that implementing H.R. 3763 would cost about $150 million over the 2002–2007 period, assuming the appropriation of the necessary amounts. Under current law, the SEC's discretionary costs are offset by fees the agency collects from securities markets. Enactment of H.R. 3763 would not change the amount of fees expected to be collected in the future. CBO also estimates that H.R. 3763 would increase revenues and direct spending. Therefore, pay-as-you-go procedures would apply. We estimate that the net change in such effects would be insignificant each year.

H.R. 3763 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 3763 would impose several private-sector mandates, as defined by UMRA, on certain accountants, companies that issue registered securities, officers and directors of those companies, and certain owners of the securities. CBO cannot determine whether the total direct cost of those mandates would exceed the annual threshold established by UMRA for private-sector mandates

($115 million in 2002, adjusted annually for inflation), as we do not have sufficient information to estimate the cost of prohibiting insider trading during blackout periods when investment activity is restricted.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 3763 is shown in the following table. The costs of this legislation would fall within budget function 370 (commerce and housing credit).

	By fiscal year, in millions of dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION[1]					
Estimated Authorization Level[2]	36	31	31	31	31
Estimated Outlays[2]	28	31	30	30	30

[1] H.R. 3763 also would have negligible net effects on revenues and direct spending.

[2] Subject to appropriation acts, the gross spending of the SEC is offset by fees the agency collects from securities markets. CBO estimates that the SEC collections will average about $1.6 billion a year over the next five years.

BASIS OF ESTIMATE

For the purposes of this estimate, CBO assumes that H.R. 3763 will be enacted by the end of 2002. Assuming appropriation of the necessary funds, CBO estimates that implementing H.R. 3763 would cost $150 million during the 2003–2007 period. The SEC's gross spending is offset by fees the agency collects from securities markets on transactions registrations, and mergers of securities. The act also would affect both revenues and direct spending, but the net impact would be negligible for each year.

Spending Subject to Appropriation

H.R. 3763 would require the SEC to review financial statements from every public company at least once every three years. Currently, the SEC employs about 300 people who review about 14,000 annual financial statements submitted by publicly traded companies at a rate of once every five to seven years. Based on information from the SEC, CBO expects that shortening the time between reviews to three years would require doubling the workforce that conducts such reviews. At current pay rates, CBO estimates that salaries and expenses for the new personnel would cost about $30 million a year, assuming appropriation of the necessary funds.

In addition, implementing two provisions of H.R. 3763 would require the SEC to upgrade its computer systems. First, the act would require the agency to establish a new rating system to review the financial statements of riskier companies more frequently. Also, the agency would have to receive and publicize electronically certain filings related to insider trading. Based on information from the agency, CBO expects that the computer upgrades needed to fulfill these requirements would cost about $1 million in 2003 and less than $500,000 every year thereafter, subject to the availability of appropriated funds.

H.R. 3763 also would require the SEC to review any sanctions or rulemakings proposed by the PRO. Based on information from the SEC, CBO expects that the agency would need to hire additional workers to oversee the PRO. Assuming that these new personnel would be compensated at current pay rates, CBO estimates that implementing these provisions would cost less than $1 million a year, subject to the availability of appropriated funds.

H.R. 3763 would require SEC and GAO to complete a number of studies and rulemakings within several months of the act's enactment. Based on information from the CBO estimates that implementing these provisions would cost $4 million over the 2002–2004 period, assuming the appropriation of the necessary amounts.

Revenues and Direct Spending

H.R. 3763 would establish new civil penalties for people who mislead auditors in a way that distorts financial statements, officers who trade their companies' stock during periods when employees are not allowed to trade that sock, and other persons who violate the act's provisions. Such civil penalties are recorded in the budget as governmental receipts (revenues). Based on information from the SEC, CBO estimates that these provisions would increase revenues by less than $500,000 a year.

Under the act, any civil penalties collected by the SEC under current law from Enron Corporation, or from Arthur Andersen L.L.C. related to its Enron audits, would be paid directly to Enron employees and others. Because of the low probability that the SEC would both assess and be able to collect civil penalties from these two companies, we expect that any change in direct spending that would result from this provision would be negligible.

Under the act, all financial statements required to be filed with the SEC under the securities laws would have to be certified by an accountant that was deemed qualified to do so by the PRO. CBO expects this provision would give the SEC, acting through the PRO, substantial authority to regulate and control entry into the accounting industry. In addition, the SEC could control the appointment of officers to the PRO board, would approve its annual budget, and could grant the PRO board members the authority to subpoena witnesses. Because the PRO would have regulatory power over the accounting industry, thus exercising the sovereign power of the federal government, CBO would consider it a governmental entity. As a result, we believe that its collections and spending should be included in the federal budget.

H.R. 3763 would require that the board by self-funded, although the act does not specify the nature or the intended payers of any fees or charges it might assess. Based on information from the SEC, we expect the PRO would cost at least a few million dollars a year to operate. Without such details, we cannot determine whether these fees should be classified in the budget as governmental receipts or offsetting receipts. CBO estimates, however, that the net effect of the board's collections and spending under H.R. 3763 would not be significant in any year.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that H.R. 3763's net pay-as-you-go effects would be insignificant for each year.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 376 contains no intergovernmental mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 3763 would impose several private-sector mandates, as defined by UMRA, on certain accountants, companies that issued registered securities, officers and directors of those companies, and certain owners of the securities. CBO cannot determine whether the total direct cost of those mandates would exceed the annual threshold established by UMRA for private-sector mandates ($115 million in 2002, adjusted annually for inflation), as we do not have sufficient information to estimate the cost of prohibiting insider trading during the blackout periods when investment activity is restricted.

Under the bill, independent public or certified accountants would be: Subject to a system of review by a public regulatory organization to be established under the act; prohibited from offering both audit and certain nonaudit consulting services (financial information system design or implementation services or internal audit services); and required to prepare final audit work papers and maintain them and other information related to certified financial statements for at least seven years.

According to the American Institute of Certified Public Accountants and other industry representatives, the industry currently: Sponsors a private entity that reviews independent accountants; has voluntarily stopped offering both audit and such nonaudit consulting services; and retains financial statement working papers and records for seven years.

Therefore, CBO estimates that the direct cost to comply with those new mandates would be small, if any.

H.R. 3763 would require that the public regulatory organization be self-funded. Based on information from the SEC, the annual cost of operating the public regulatory organization would be at least a few million dollars. Although the act does not specify the nature of the intended payers of any fees or charges to fund the organization, it is likely that such fees would be levied on the accounting industry and other private entities involved in investment activities. Currently, the accounting industry is self-regulated and voluntarily provides the funding.

Accelerated Financial Information Disclosure

Under sections 4 and 6 of the act, the SEC would prescribe rules that would require companies that issue securities to file and make public certain financial information on a rapid and essentially contemporaneous basis and to provide additional financial information in periodic financial reports to the SEC. The cost of providing real-time disclosure of financial information and additional financial reporting would depend on rules to be prescribed by the SEC. Since the regulations have not been established, CBO cannot estimate the cost to comply with those mandates.

Section 4 would require officers and directors of companies that issue securities and certain owners of such securities to disclose electronically to the SEC any insider trading before the end to the next business day. According to the SEC, insider trading disclosure is currently required to be reported to the SEC by the tenth day of the month following the month in which the trade occurred. Under the act, the SEC is required to facilitate electronic filing and disclosure through revising forms needed for reporting. Thus, CBO estimates that the cost of providing such information on an expedited basis would be small.

Section 4 also would require a company that issues securities to provide on their corporate Web site insider trading information before the end of next business day after the day the disclosure is received by the SEC. According to the SEC, an average of 15 to 20 insider trades per company each year would need to be posted on the company's Web site. With the requirement that the SEC facilitate electronic filing and disclosure, CBO, therefore, estimates that the cost of posting insider trading information on a company's Web site would be small.

Periodic Restrictions on Insider Trading

Section 5 would prohibit certain owners and officers of a company from selling equity securities issued by that company during a period (called "blackout" periods) when participants in the retirement plan are restricted in their ability to direct investments. Such periods may occur for administrative reasons, for example, when a plan changes recordkeepers. This restriction would increase the financial exposure of affected owners and officers and, thus, could impose a cost of them. CBO does not have sufficient information to estimate the amount of that cost.

Code of Ethics Disclosures

Section 8 would require the SEC to prescribe rules that would require companies that issue securities to immediately disclose electronically any changes in, or waiver of, their code of ethics to the SEC. Based on information from the SEC, a change in a company's code of ethics occurs very infrequently; therefore, CBO estimates the direct cost to comply with this requirement would be minimal.

Estimate prepared by: Federal Costs: Ken Johnson; Impact on the Private Sector: Paige Piper/Bach; and Impact on State, Local, and Tribal Governments: Susan Sieg Tompkins.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, April 30, 2002 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 1

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings to examine the Treasury Department's report to Congress on International Economic and Exchange Rate Policy.
SD–538

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2003 for the National Aeronautics and Space Administration.
SD–138

Commerce, Science, and Transportation
To hold hearings on the President's proposed budget request for fiscal year 2003 for the National Oceanic & Atmospheric Administration.
SR–253

Health, Education, Labor, and Pensions
Business meeting to consider the nomination of Elias Zerhouni, to be Director of the National Institutes of Health, Department of Health and Human Services (pending receipt by the Senate).
SD–430

10 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2003 for the United States Navy.
SD–192

10:15 a.m.
Foreign Relations
To hold hearings to examine the future of the North Atlantic Treaty Organization.
SD–419

10:30 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2003 for the Office of the Senate Sergeant at Arms and U.S. Capitol Police.
SD–124

2:30 p.m.
Banking, Housing, and Urban Affairs
Housing and Transportation Subcommittee
To hold oversight hearings to examine proposed legislation authorizing funds for the Temporary Assistance for Needy Families and Federal Housing Policy.
SD–538

Intelligence
To hold closed hearings on pending intelligence matters.
SH–219

MAY 2

9:30 a.m.
Veterans' Affairs
To hold hearings to examine pending legislation.
SR–418

Governmental Affairs
Investigations Subcommittee
To resume hearings to examine how gasoline prices are set and why they have become so volatile.
SD–342

10 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings to examine bringing more Americans into the financial mainstream.
SD–538

Appropriations
To resume hearings to examine homeland security funding issues and proposed legislation making supplemental appropriations for the fiscal year ending September 30, 2002.
SD–192

Health, Education, Labor, and Pensions
Public Health Subcommittee
To hold hearings to examine certain provisions of the Hatch-Waxman Act, assuring greater access to affordable pharmaceuticals.
SSHR07

10:15 a.m.
Foreign Relations
International Operations and Terrorism Subcommittee
To hold hearings to examine the protection of U. S. citizens from terrorism abroad.
SD–419

2:30 p.m.
Judiciary
To hold hearings to examine restructuring issues within the Immigration and Naturalization Service, Department of Justice.
SD–226

MAY 3

10 a.m.
Governmental Affairs
International Security, Proliferation and Federal Services Subcommittee
To hold hearings to examine transformation plans of the United States Postal Service.
SD–342

MAY 7

9:30 a.m.
Governmental Affairs
Investigations Subcommittee
To hold hearings to examine the role of the Board of Directors in the collapse of the Enron Corporation.
SH–216

2:30 p.m.
Appropriations
To resume hearings to examine homeland security funding issues and proposed legislation making supplemental appropriations for the fiscal year ending September 30, 2002.
SD–192

3 p.m.
Armed Services
Airland Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–232A

4 p.m.
Armed Services
Personnel Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–222

5 p.m.
Armed Services
Readiness and Management Support Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–232A

MAY 8

9 a.m.
Armed Services
SeaPower Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–232A

10 a.m.
Armed Services
Strategic Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–222

11:30 a.m.
Armed Services
Emerging Threats and Capabilities Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–232A

2:30 p.m.
Armed Services
Closed business meeting to markup proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–222

MAY 9

9:30 a.m.
Finance
To hold hearings to examine revenue issues related to the Highway Trust Fund.
SD–215

Armed Services
Closed business meeting to continue to markup proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–222

MAY 10

9:30 a.m.
Armed Services
Closed business meeting to continue to markup proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR–222

MAY 17

10:30 a.m.
Governmental Affairs
International Security, Proliferation and Federal Services Subcommittee
To hold hearings to examine non-proliferation programs, focusing on U.S. cruise missile threat.
SD–342

MAY 21

9:30 a.m.
Governmental Affairs
International Security, Proliferation and Federal Services Subcommittee
To hold hearings to examine difficulties and solutions concerning nonproliferation disputes between Russia and China.
SD–342

CANCELLATIONS

MAY 2

9:30 a.m.
Environment and Public Works
Superfund, Toxics, Risk, and Waste Management Subcommittee
To hold hearings to examine asbestos remediation activities in Libby, Montana, and evaluate public health concerns related to vermiculite home insulation.
SD–406

SENATE—*Tuesday, April 30, 2002*

The Senate met at 10 a.m. and was called to order by the Honorable E. BENJAMIN NELSON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

A voice from the past calls us to make our work an expression of our faith. In 1780, the father of the American Revolution, Samuel Adams, said:

"If you carefully fulfill the various duties of life from a principle of obedience to your heavenly Father, you will enjoy a peace which the world cannot give nor take away."

Let us pray: Gracious Father, we seek to be obedient to You as we fulfill the sacred duties of this Senate today. May the Senators and all who assist them see the work of this day as an opportunity to glorify You by serving our country. We renew our commitment to excellence in all that we do. Our desire is to know and do Your will. Grant us a profound experience of Your peace, true serenity in our souls that comes from complete trust in You, and dependence on Your guidance. Free us of anything that would distract us or disturb us as we give ourselves to the task and challenges today. In the Lord's name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable E. BENJAMIN NELSON led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 30, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable E. BENJAMIN NELSON, a Senator from the State of Nebraska, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. NELSON of Nebraska thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the motion to proceed to H.R. 3009, which the clerk will report.

The assistant legislative clerk read as follows:

> Motion to proceed to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that act, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 12 noon shall be equally divided and controlled between the proponents and opponents of the motion.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. As the Chair has announced, we are now on the Andean trade bill. Until noon there will be remarks of those who favor it and those who are opposed to it. At noon we will vote on Michael Baylson and Cynthia Rufe to be United States District Judges for the State of Pennsylvania. There will be a half hour of debate on those two matters. Then we will vote this afternoon at 2:15, following our normal weekly party conferences.

Following disposition of these nominations, we will again go back to the Andean trade bill. A rollcall vote on adoption of the motion to proceed is expected today, sometime this evening. We hope those who wish to speak on this matter will do so. In the meantime, I ask unanimous consent that time under the quorum call I will initiate be equally charged against the proponents and opponents of this legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TORRICELLI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COLLEGE EDUCATION COSTS

Mr. TORRICELLI. Mr. President, last year, the Senate made significant strides in easing the burdens of American families facing the mounting costs of a college education. In an initiative that I have sponsored, and in which I take enormous pride—the tax reduction legislation of last year—there is a provision allowing partial tuition, for the first time in American history, to become tax deductible.

Another measure that I successfully authored raised a cap on interest on student loans so that they could become deductible. In many ways, for middle-income families—indeed, for all American families—this was enormously helpful in easing the burden of an expensive college education.

You can imagine how distressed I was to discover in recent days that the administration has a new initiative that would now increase the burden of financing a college education—just as we were making all of this progress. The proposal, of course, is to prohibit the consolidation of student loans at low, fixed interest rates. This will compound the problems of millions of American families who rely upon student loans to finance a college education.

Under their current program, a family can take their various student loans, consolidate them in a single loan, and fix them at a determined interest rate, which is predictable and will not alter for the life of the loan. The savings, obviously, will allow students to consider going beyond college to graduate education. It allows young people who have these debts to begin families, buy homes, and start their lives.

Under the alternative proposal by the administration, students graduating from college will have variable interest loans. That would make it impossible to plan young lives. The debts begin at high interest rates and they are then subject to the market.

Young families having children, buying homes, in 5 years could find interest rates at significantly higher levels. They can go from college to graduate school and in the middle of graduate school discover their interest rates are going up and they cannot remain in school. This will affect an incredible 700,000 students per year who will have their finances radically changed by this inability to consolidate loans.

The administration argues that most of this consolidation is being done by medical students or law students who are going to have very high incomes so they can face this burden.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

First, that is inaccurate. The average consolidated loan is $15,000. There are hundreds of thousands of students with these loans. Most of them are college students. They are getting bachelor's degrees. They may be going into teaching or social work or business; they may be young entrepreneurs; they could be of any walk of life; but they are at a stage of life when they cannot afford what amounts to a tax.

Make no mistake, this is a tax proposed by the Bush administration on middle-income families and college students. There is scarcely a segment of American society that can less afford a tax increase. This Senate recognized that fact last year. That is why my amendments to make college tuition tax deductible and to raise the cap on the deduction of student loans were accepted. We wanted to reduce the costs of college education, not increase them.

Even if the administration were right and many of these loans were going for medical students or law students or business students, does that make it the right priority for the country? Do we really want to make it even more expensive for people to go into medicine when doctors are already leaving the profession? Do we really want to make it harder for people to go to graduate school when we need engineers and businesspeople with real talents? This cannot be the right priority for the country.

I hope the administration will reconsider this proposal. The administration needs revenue. This cannot be the right way to approach it. Strangely, in this same Congress, while raising taxes on middle-income families and college students, the administration is proposing to revisit the estate tax, which we have already lowered, and increase the threshold so that only less than half of a percentage point of Americans are even subjected to the tax. And the rates on those people have been lowered. We are going to revisit that tax while taxing college students and middle-income families.

I cannot be the only person in this institution who thinks this does not make any sense for the country or the Congress. I hope we do not have a confrontation with the Bush administration on this point. I hope they reconsider it. I hope they withdraw it. It is just the wrong thing to do.

I yield the floor.

I suggest the absence of a quorum and the time be charged equally against both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INHOFE. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. CARNAHAN). Without objection, it is so ordered.

Mr. INHOFE. Madam President, I also ask unanimous consent that I be recognized as in morning business and that the time I use come off the postcloture time.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPENDING VALUABLE TIME WITH CONSTITUENTS

Mr. INHOFE. Madam President, first of all, I have been a little disturbed recently—I am not mad at anybody—about all of this discussion about what we are doing here and why it is necessary to be here on Mondays and on Fridays when on Tuesdays and Wednesdays and Thursdays we are spending most of our time in quorum calls.

I think there is this Washington, DC, mentality that floats around that somehow if we are not here in Washington, DC, we, as Senators, are not doing our work.

Let me tell you, for those of us who go back to the district and are with our people—in my case, the people of Oklahoma, who make much more sense than anybody makes around this place—that time is more valuable, and it is harder. Our hours are longer. We work long hours when we are back there. Yet we see the bed check votes such as the one that brought us back last night. We come back, and we vote on something we could have been voting on anytime—on Tuesday, Wednesday, or Thursday.

Then you see the press corps around Washington. They all think everything that is worthwhile is happening in Washington. You read the Hill and you read Roll Call and they say it is perfectly reasonable for the majority leader to say everyone ought to be in Washington all the time.

I can tell you one of the problems we have is people who are in Washington all the time lose sight of who real people are. It is so hard to explain to people around here, but people in my State of Oklahoma understand it very well. There aren't any real, normal people in Washington. Everyone is either a Member or they are a staffer or they are a lobbyist or somebody else. To be able to get what is needed for America, you need to get back into real America. Oklahoma is real America. I can cite some examples.

I will be talking to the Duma this afternoon, the Russian Duma, about our new relationship with Russia. When I go back to Oklahoma, they will say: Wait a minute; why do we still have an ABM Treaty that was set up in 1972?

Fortunately, we are going to get rid of that thing. But why did it take this long? It took this long because people around this town don't understand pure logic. The logic is that at one time there were two superpowers, the U.S.S.R. and the United States. And I have to admit, as a Republican, this was done in a Republican administration. Henry Kissinger, back in the Nixon administration, put together something that said: I will make you a deal, U.S.S.R. We won't defend ourselves against you, if you don't defend yourselves against us. And if you shoot us, we will shoot you, and everybody dies and everybody is happy. It is called mutual assured destruction.

That might have made sense to some people back in 1972. It didn't to me, but it might have to some other people. Now we have a totally different world out there in Russia, which is a friend and ally of ours; yet we do have Iraq, Iran, Syria, and Libya, other countries harboring terrorists, developing weapons that will reach the United States, missiles that will reach us. Already China, North Korea, and Russia have such missiles. So how does it make sense in today's world that we don't defend ourselves?

I don't get the answers, but I get the questions when I go back to Oklahoma. Then I have to try to explain to them. I was criticized the other day by some of my conservative friends as to why I voted on some of the amendments in the farm bill. I voted on those because I went back. I have town meetings, as I am sure the Chair is aware. I get around and have as many as five, six in a day.

Oklahoma, particularly in the western part of the State, is agricultural. In Oklahoma, our farmers have three sources of income: Grain, livestock, and oil. They have this so-called marginal production. For a sustained period of time, all three of these were down, and they were really hurting. I sat down in places such as Shattuck, OK, and Gage, OK. I had farmers coming in and saying: For the first time in five generations, we will have to sell our farm. We can no longer stay in business.

For that reason, I realized that we have to do something that is different than what we have done before in transitioning into a new farm policy. So we did. And some of the amendments I voted for were pretty expensive. Nonetheless, that came from going back to the State, being there and listening to them instead of staying around Washington on the weekends.

On energy and ANWR, I can't believe we took all the time we did in trying to open ANWR for exploration. Here we are in a threatened position. Everyone is aware of it. After September 11, all of a sudden we find ourselves dependent upon other countries for 57 percent of our energy. We don't even pass something that will allow us to open up the Alaska Wildlife Refuge for exploration. I have yet to find one person to go up there to the ANWR on the North Slope of Alaska and come back here shaking their head, wondering why in the world we call that a pristine wilderness. It is nothing but a mud flat. It is a tiny area up there that would give us a great capacity of domestic crude.

In my State of Oklahoma, if we had all of our marginal wells—a marginal well is one that produces 15 barrels or less a day—if we had them all opened, if we had those wells flowing that we have had closed over the last 10 years, that would have produced the same amount of oil as we are currently importing from Saudi Arabia.

When you go back, you talk to real people. Last week, when we were having a town meeting, they were talking about this community planning bill that was going to come out, and now it has come out of the Environment and Public Works Committee. It will be considered on this floor. Do you know what that is all about? What that is about is a recognition that no good decisions are made unless they are made in Washington, DC.

Many years ago when I was mayor of Tulsa, there was a guy named Dr. Robert Fryley. He had gone into San Diego. Pete Wilson was mayor at that time. I was mayor of Tulsa. He had drawn these concentric circles that said: This is the way you should plan your community.

He came to Tulsa in the first 2 or 3 weeks that I was in office. He started talking about Tulsa. I said: Wait a minute. This property is owned by people. These people bought this property. You are going to change the value of the property to these people.

They said: That is of no concern to us.

That is what we now will be considering on the floor of the Senate—a bill that is going to allow us in Washington to decide what we in Tulsa, OK, do with our property.

I see others seeking the floor. I was killing a little time.

The other day I was at Eisenhower School. It is a school that has done some great things in the public school system that others are emulating. I received some letters. I will just read a couple. This one says:

> Thank you for my class. Your speech about rights and responsibilities was great and interesting. I really enjoyed you coming. It was fun. I learned a lot. Sincerely, Maggie.

Here is another one:

> Thank you so much for your presentation today. Our class really enjoyed it. I liked it a lot. I liked the part where you answered my question. Once again I enjoyed it a lot. Sincerely, Lauren Smith.

I ask unanimous consent that the rest of these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEAR SENATOR INHOFE: I want to thank you for coming to our class. I really learned a lot like the pilgrims really wanted to get to freedom so they traveled even though they knew a lot of them wouldn't survive for a year. I also learned about the government. I learned that there are 100 senators. Two for each state. I felt proud that I got to meet you! It was a pleasure to have you come to our class! You really made it an interesting day!

Sincerely yours,

SUSAN DIAZ.

P.S. I bet you have a big responsibility!

DEAR MR. INHOFE: I wanted to thank you for coming to our class. I had a very good time. I learned new things too like there are 100 senators and 435 representatives. I really like to learn new stuff like that. Thanks again.

Sincerely,

NOAH ZEIGLER.

DEAR SENATOR INHOFE: I want to thank you for teaching me stuff I have never known before. You taught me that the English fought England. It was an interesting visitation. By by.

Sincerely,

KYIA W.

DEAR SENATOR: Thank you for coming to our school. It was very very interesting. I learned that there are 435 State representatives and 100 senators. I think it is amazing that we won the revolutionary war.

I learned that people would strap dynamite on themselves. They thought God would bring them into heaven no matter what. Thank you.

Sincerely,

EVA.

DEAR SENATOR INHOFE: I want to thank you so much for coming to our class. That was a big opportunity that most kids don't get to have.

What I learned over your visit that I thought was really interesting was that people think that God would send them straight to Heaven if they killed themselfs.

Sincerely,

DANIELLE P.

DEAR SENATOR INHOFE: Thank you for coming to our school I enjoyed your presentation. I learned a lot of stuff like how the pilgrims won the Revolutionary War and about our freedoms and laws. I also think it's great that Afganistan got a new government. Thanks again.

Sincerely,

COLIN FERGUSON.

DEAR SENATOR INHOFE: I want to thank you for coming to our classroom. I really enjoyed your presentation. I learned that in Afghanistan they have mountains that are about 12,000 feet tall. I also learned that there are 100 senators. Two come from each state.

Sincerely yours,

BRYCE S.

DEAR SENATOR INHOFE: We really enjoyed you coming to our school. It was one big pleasure that I will never forget. Now I know what is going on in Afghanistan. It is really terrible. I hope you can come back and talk more. I didn't know there were 100 senators.

Sincerely yours,

LATOYA.

DEAR SENATOR INHOFE: It was a pleasure to hear you talk about lots of interesting facts on the Bill of Rights, our religion, our responsibilities, and the revolutionary war. It was a lot of fun having you come. You have taught us a lot of interesting things like, different cultures, and the constitution.

Sincerely yours,

BEN RICKMAN.

DEAR SENATOR INHOFE: I want to thank you for coming to our class. I enjoyed you talking to us. I learned a lot about the government. I learned that there are one hundred senators in the United States. It was a pleasure having you here.

Sincerely,

MATTHEW BREULO.

DEAR SENATOR INHOFE: I want to thank you for coming today. I think Maggie was glad you came today. It was our pleasure to listen to you. Your subject was very interesting. I hope you're right about war. I never knew that there were military grounds in Lawton. I enjoyed listening to you.

Sincerely yours,

ABBY JONES.

DEAR SENATOR INHOFE: I want to thank you for coming and talking about the Bill of Rights and lots of very interesting stuff. I think the most interesting part was when you talked about the Constitution. I enjoyed it very much. It was a pleasure having you here. So thank you.

Sincerely,

AVERY BOYD.

DEAR SENATOR INHOFE: I want to thank you for coming to our class. When you were here I learned that there were 435 state representatives and 100 senators in the United States of America. In each state there are two senators. I also learned that the war with Afghanistan should last about four more years. I hope you have a good day.

Sincerely yours,

HALEY HOLTZSCHER.

DEAR SENATOR INHOFE: I want to thank you for coming. I learned that there is a military base in Lawton. I enjoyed it when we talked about the Bill of Rights.

Sincerely yours,

JACKSON.

SENATOR INHOFE: Thank you for coming to our class. I learned a lot from you. I learned that the pilgrims fought the toughest army on the face of the earth and won. I also learned that we've had peace since 1776.

Sincerely,

JOHN YUAN.

DEAR SENATOR INHOFE: I want to thank you for telling us about some Bill of Rights. The things that you told us was so interesting. I learned a lot about the pilgrims. How they fought for our freedom. And thanks again for teaching things that I didn't know.

Sincerely yours,

AUBRI SETTLE.

DEAR SENATOR INHOFE: Thank you for coming to our classroom. I learned there are 2 senators from each state. There are so many things I learned they won't fit on this paper. I wish you had more time in our classroom. I hope you have a good spring.

Sincerely,

ETHAN GEHRING.

DEAR SENATOR INHOFE: Thank you for coming to 3rd grade. I enjoyed you talking to us about the bill of rights. I learned that there are 100 senators. There are 2 in each state.

Sincerely,

LAUREN RUSSELL.

DEAR SENATOR INHOFE: I want to thank you for coming to our class. Thank you for telling us about the Constitution. Thank you for coming again. Thank you for telling us how you work. Now we know it's a big job.

Sincerely yours,

JOHN PHILIPS HUGHES.

Mr. INHOFE. I wanted to stand in the Chamber and say if we ran this place the way it should be run, we could very easily handle all of the votes we need to handle on Tuesday, Wednesday, and Thursday, and allow those of us who care about going back to our States, spending time with our people and sharing the wisdom we get from the States, as opposed to from Washington, I think we would be a lot better off.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. WELLSTONE. Madam President, the Senator from South Carolina is going to speak for 30 minutes. I ask unanimous consent that I follow the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Madam President, with respect to the Andean trade compact and its re-enactment, and particularly with respect to the intent to put fast track on the particular Andean trade agreement, the contention is that without this fast track, we are missing out on all of these wonderful deals.

I wish I had time to give the litany of the wonderful deals on how the United States of America—from the Tokyo Round, Uruguay Round, right on down to the present scheduled rounds with the WTO and otherwise—has been going out of business. Literally, intentionally, we are going out of business, I would say. What we were trying to do was win the cold war. We wanted to defeat communism with capitalism. We sent over the Marshall Plan, with technology and expertise, and it worked. Everyone is happy with that.

Now, after 50 years, hometowns have been totally depleted of any industrial manufacturing.

Let me get right to the point and bring out the actual facts, using not just the record made here by the U.S. Trade Representative, but by the morning news. Let's look and find out what we are talking about with respect to trade agreements that we have been missing.

Well, if you look at the recent edition of the 2001 Trade Policy Agenda of the President of the United States on the trade agreements program, you will find in the glossary in the back that there are some 200 trade agreements made without fast track.

Do I need to remind the Senate that we just voted on—without fast track—a free trade agreement with Vietnam? Do I need to remind the body that we just voted on a free trade agreement with Jordan? I supported both of those. Do I need to remind them that we passed the Sub-Saharan Africa trade agreement, the Caribbean Basin Initiative Agreement, and the 1997 WTO telecommunications agreement? You can go down the list—and they are all listed in here.

We have made some 200 agreements in the last 10 years—all without fast track. We didn't give total fast track authority to President Clinton because we wanted to deliberate and make sure the economy of the United States was protected. And it has been working. But look not only at the red book here, but with respect to the national news, in the Washington Post, it said this last Thursday:

> United States signs trade agreement with eight African nations.

There are eight more trade agreements. We aren't missing out on all these so-called trade agreements. I wish the chairman of the Finance Committee could read the morning paper. He could find out that we did it without fast track. According to the financial news—let me read this to you. This is in the morning Financial Times:

> John O'Leary, former U.S. Ambassador to Chile and campaigner on a bilateral accord, said yesterday he expected a deal to be signed this year whether or not Mr. Bush won trade negotiating authority.
>
> . . . "It's not a matter of consequence who is first past the finishing line," he said. "But the deal with the EU is helpful for Chile because it gives fresh momentum to their negotiations with the United States."

We read it. If they brought a Chilean trade agreement—I would have to look at it obviously, but why would I vote for it? They have relatively the same standard of living. They have a respected judiciary, they have property rights, they have labor rights, and they are strong on the environment. I voted for NAFTA with Canada because we have relatively the same standard of living. But this total farce that we are missing out on agreements all over the countryside is just wrong, wrong, wrong.

The problem is the loss of jobs. You only have to go to the morning's paper. I hope the chairman, who just left the floor, will listen to this one. Of course, right now the best bet for the next few quarters is probably a jobless recovery in which the gross domestic product rises but unemployment stays high. After all, the economy needs to grow at about 3.5 percent just to prevent the unemployment rate from rising, and the odds are at least even that the growth will fall short of that mark. The funny thing is that a slow jobless and profitless recovery is exactly what level-headed people, such as economists at the Federal Reserve, have been predicting for a long time. So how did a far more bullish view become not just prevalent but more or less mandatory on Wall Street? How, with the business landscape still strewn with the rubble from the bubble, did that manic optimism so quickly become popular again? It seems that hype springs eternal.

That is the morning news, and that is why the Senator from South Carolina only asks for just a closer look.

Let me fulfill my obligation under the Constitution. Article I, section 8, says that—not the President of the United States, not the Supreme Court—but this branch of Government, the Congress of the United States, shall regulate foreign commerce. Now, these pollster politicians who come to Washington and crowd around take the easy course. They say: Free trade, free trade, fast track, fast track—and they don't have to take any responsibility. So when you lose all the jobs in St. Louis and in Charleston, SC, and you look around, you have to sort of take it or leave it. I didn't want to be against free trade, and that is what I had to vote for.

Madam President, it is just terrible when you read in that same New York Times this morning:

> Auto Parts Makers Grinding to a Halt

I have another article on a poster board, and I will get into the board debate when some of the others come with their particular boards. But the automobile industry is moving out of the United States. We have foreign locations here. Mercedes is in Alabama, BMW is in South Carolina, and some others are trying to get into the market.

As far as the American manufacturer making that profit is concerned and as far as the American manufacturer keeping on the cutting edge of technology—why did they move to China? General Motors was told by the Chinese they didn't know how to trade. They don't run around saying, be fair, be fair, level the playing field, be fair. That is outrageous child's talk. That doesn't happen in commerce. You trade for the benefit and economic strength and the profit of your company. So the Chinese told General Motors: Not only do you manufacture that GM automobile over here, but the most modern automobile design plant in the world is in China. And that is as a result of that particular trade agreement that, of course, General Motors made with the People's Republic of China.

The auto parts suppliers are grinding to a halt. They are moving those now. They used to send those down to Mexico, and we would get the finished product—the automobile—back. But you have here a quote from Paul Craig Roberts. Paul Craig Roberts served in the Reagan administration. This was an article in the Washington Times just the other day:

> The result is a decline in higher paying jobs in the United States as companies move higher value-added operations abroad to take advantage of cheaper labor.

A recent Cornell University study:

> "The Impact of U.S.-China Trade Relations on Workers, Wages and Employment," concludes that U.S. companies shift their production to China in order to produce for the U.S. market with cheap Chinese labor. The study estimates that a minimum of 760,000 U.S. jobs have been lost to China since 1992.

"An increasing percentage of the jobs leaving the U.S. are in higher-paying industries producing goods such as bicycles, furniture, motors, compressors, generators, fiber optics, clocks, injection molding and computer components." The shift in production is so extensive that the U.S. has run a trade deficit with China in advanced technology goods since 1995.

That is the old wag I was given when as Governor of South Carolina I testified 42 years ago before the old International Tariff Commission. We were about to lose so much of our textile industry that 10 percent of the consumption of clothing textiles in the United States would be represented in imports. In looking around the Chamber right this minute, two-thirds of the clothing I am looking at is imported, 86 percent of the shoes.

Then Tom Dewey, who represented the Japanese at the hearing and ran me around the hearing room, he said: "But, Governor, let them make the shoes and the clothing. We will make the airplanes and the computers."

Fast forward to the reality of today. They make the shoes, they make the clothing, they make the airplanes, they make the computers. We have a deficit in the balance of trade in computers and semiconductors.

High-tech, globalization, you have to understand it. Come on. Do not tell this Senator what globalization is. I do not want to sound like Vice President Gore, that I invented it, but I did travel 40 years ago to South America and Europe as a Governor, soliciting their investment. I was looking for jobs. I have been in this game for over 40-some years. Today, we have 117 German plants in little South Carolina.

I will never forget calling on Michelin in June of 1960, down in Paris, France, and I have now four beautiful plants of the French company. I also have the North American wonderful plant of Bowater. I see that rather than me trying to move corporations from overseas to the United States, which I am still trying to do—or more particularly carpetbagging New York in the Northeast—they are overjumping me into Mexico, into China, into Malaysia, into India.

Hewlett-Packard, Motorola, and all the rest of these big-name companies, the high-tech companies, are not saving us. We have to retrain.

I have another page of the Washington Post, "Dupont Plans to Cut 2,000 Jobs." Some of them, of course, are in South Carolina. Everywhere we turn, we hear about cutting jobs, and it is not textiles or low wage jobs. It is high-tech jobs.

I hope the Finance Committee will give me a hearing sometime. I would be delighted to educate that crowd because this is a fix. They have a bunch of oil people and a bunch of farmers and they could care less, as long as they get their depletion allowance and their subsidies, and then they come around hollering, "Protectionism, protectionism."

Well, that is the fundamental of government. We have the Army to protect us from the enemies without, and the FBI to protect us from enemies within. We have laws to protect clean air, clean water, the environment. We have Medicare to protect us from ill health. We have antitrust laws to protect us from monopolization and predatory practices. We have safety laws to protect us, safe machinery, safe working places and everything else.

I was in the Rotunda on a cold January day when President Reagan was sworn in for his second term. He raised his hand to preserve, protect, and defend, and everybody clapped. We were all overjoyed, and then we came down into the Senate Chamber and had to listen to a bunch of children running around hollering, "Protectionism." That is the function of government, and the security of this Nation.

It is like a three-legged stool. There is the one leg of the values as a nation, unquestioned. We are admired the world around for America's stand for individual rights, freedom, and democracy.

The second leg is the military. We are the superpower, unquestioned.

The third leg, economics, that is my point. It has been fractured, fractured intentionally, with this so-called free trade. We knew we had to sort of spread the wealth, spread the capitalism in order to defeat communism. It has worked, now to a counterproductive point. We will not be in a position to produce foreign aid, we will not be able to defend freedom the world around unless we have a strong economy.

I will never forget Akio Morita of Sony. We were in Chicago. We had a seminar, and he was talking about Third World nations. He turned and he said: In the Third World, the emerging nations, they have to develop a strong manufacturing capacity in order to become a nation state. Then talking along, he pointed over, and he said: Senator, that world power that loses its manufacturing capacity will cease to be a world power.

And we wonder why we do not have the influence?

They try to transfer it to hate. It is not hate. I have traveled. We have all traveled around. They admire and they like Americans in the Arab countries and everywhere else. You can go into downtown Baghdad, you can go into downtown Tehran in Iran right now, and they will come up to you and talk to you and say glad to see you. Do not give me all that hate stuff.

What is happening is we are losing our economic clout and our economic strength because we are exporting the jobs faster than we can create them.

In the Los Angeles Times, April 2, "High-Paid Jobs Latest U.S. Export," the No. 1 story on the front page of the Los Angeles Times.

I do not believe they read over in the Finance Committee. They give you all of this: We are missing out on agreements; we have to retrain.

They sound like Mao Tse Tung: You have to go out and re-educate.

Let us try it on for size. I had a plant close not long ago, Oneida. They made T-shirts. At the time of their closing, they had more than 400 employees. The average age was 47 years old, and tomorrow morning we have done it Washington's way. We have retrained. We have more than 400 people who are now skilled computer operators. Is a company going to hire the 47-year-old computer operator or the 21-year-old computer operator? You are not taking on the health costs for the 47-year-old and above. You are not taking on those retirement costs. You are going for the youngster who is just as expert. There you go, like we do not understand what is going on.

"Levi Strauss Closing Most U.S. Plants," another article, again in April. Every time I look around, they are closing, and what we have, so it is understood, is we have an affirmative action plan to get rid of the jobs. Mind you me, that is what I say, an affirmative action plan to get rid of the jobs.

Why? Well, let me refer to this article from Business Week. Business Week, in 1999, reported on, of all people, Mr. Industrial Success, Mr. Industrialist of All Times, John F. Welch—Jack Welch.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

(From Business Week, Dec. 6, 1999)

WELCH'S MARCH TO THE SOUTH

By Aaron Bernstein

WASHINGTON, Dec. 6.—One of General Electric Co. CEO John F. Welch's favorite phrases is "squeeze the lemon," or wring out costs to maintain the company's stellar profits. In the past year, the lemon-squeezing at GE has been as never before. In a new, superagressive round of cost-cutting, the company is now demanding deep price cuts from its suppliers. To help them meet the stiff goals, several of GE's business units—including aircraft engines, power systems, and industrial systems—have been prodding suppliers to move to low-cost Mexico, where the industrial giant already employs 30,000 people. GE even puts on "supplier migration" conferences to help them make the leap.

GE's hard-nosed new push could spark other companies to emulate its tactics. The supplier crackdown is reminiscent of a similar attempt by former General Motors Corp. parts czar Jose Ignacio Lopez de Arriortua. His efforts largely failed in the face of stiff supplier resistance. But if GE succeeds, other companies could be inclined to try again. GE officials at headquarters in Fairfield, Conn., say the business units are simply carrying out Welch's larger campaign to globalize all aspects of the company. Says Rick Kennedy, a spokesman at GE Aircraft Engines (GEAE):

> "We're aggressively asking for double-digit price reductions from our suppliers. We have to do this if we're going to be part of GE."
>
> GE's efforts to get suppliers to move abroad come just as World Trade Organization ministers start gathering in Seattle on Nov. 30. That timing could help make the GE moves an issue at the talks, where critics will be pointing to just such strategies—and the resulting loss of U.S. jobs to low-wage countries—as the inevitable fruit of unregulated trade. GE's 14 unions hope to make an example in Seattle of the company's supplier policy, arguing that it's paving the way for a new wave of job shifts. They plan to send dozens of members to march with a float attacking Welch. PALTRY WAR CHEST. The campaign by GE's unions, which bargain jointly through the Coordinated Bargaining Committee (CBC), is also the opening salvo of bargaining talks over new labor contracts to replace those expiring next June. Because GE's unions are weak—fully half of their 47,000 members at the company belong to the nearly bankrupt International Union of Electronic workers (IUE)—they'll have a hard time mounting a credible strike threat. Instead, the CBC is planning a public campaign to tar Welch's image. They plan to focus on likely job losses at GE suppliers. The unions also suspect that GE may move even more unionized GE jobs to Mexico and other countries once it has viable supplier bases in place. "GE hasn't moved our jobs to Mexico yet because our skilled jobs are higher up the food chain," says Jeff Crosby, president of IUE Local 201 at GE's Lynn (Mass.) jet-engine plant. "But once they have suppliers there, GE can set up shop, too." His members from parts supplier Ametek Inc. picketed the plant on Nov. 19 to protest GE's pressure on Ametek to move to Monterrey, Mexico.
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> Although it has never openly criticized Welch before, the AFL–CIO is jumping into the fray this time. Federation officials have decided that Welch's widely admired status in Corporate America has lent legitimacy to a model of business success that they insist is built on job and wage cuts. "Welch is keeping his profit margins high by redistributing value from workers to shareholders, which isn't what U.S. companies should be doing," charges Ron Blackwell, the AFL–CIO's director of corporate affairs. Last year, the AFL–CIO proposed a bold plan to spend some $25 million on a massive new-member recruitment drive at GE, but the IUE wasn't willing to take the risk. So the federation is backing the new, less ambitious campaign that focuses on traditional tactics like rallies and protests. STRONG TIDE. GE's U.S. workforce has been shrinking for more than a decade as Welch has cut costs by shifting production and investment to lower-wage countries. Since 1986, the domestic workforce has plunged by nearly 50%, to 163,000, while foreign employment has nearly doubled, to 130,000. Some of this came from businesses GE sold, but also from rapid expansion in Mexico, India, and other Asian countries. Meanwhile, GE's union workforce has shriveled by almost two-thirds since the early 1980s, as work was relocated to cheaper, nonunion plants in the U.S. and abroad.
>
> Welch's supplier squeeze may accelerate the trend. In his annual pep talk to GE's top managers in Boca Raton, Fla., last January, he again stressed the need to globalize production to remain cost-competitive, as he had done in prior years. But this time, he also insisted that GE prod suppliers to follow suit. Several business units moved quickly to do so, with GEAE among the most aggressive. This year, GEAE has held what it calls "supplier migration" conferences in Cincinnati, near the unit's Evendale (Ohio) headquarters, and in Monterey, where an aerospace industrial park is going up.
>
> At the meetings, GEAE officials told dozens of suppliers that it wants to cut costs up to 14%, according to documents about the Monterey meeting at Paoli (Pa.)-based Ametek, whose aerospace unit makes aircraft instruments. The internal report, a copy of which BUSINESSES WEEK obtained, says: "GE set the tone early and succinctly: 'Migrate or be out of business; not a matter of if, just when. This is not a seminar just to provide information. We expect you to move and move quickly.'" Says William Burke, Ametek's vice-president for investor relations: "GE has made clear its desire that its suppliers move to Mexico, and we are evaluating that option. We have a long relationship with GE, and we want to preserve it."
>
> GEAE officials argue that heightened competition leaves them no choice. Jet engines sell for less than they did four years ago, says Kennedy, the unit's spokesman. Almost all GEAE's profits have come from contracts to maintain engines already sold. And that business is getting tougher, with rivals such as United Technologies Corp.'s Pratt & Whitney laying off thousands of workers to slash costs. "This company is going to make its net income targets, and to do it, we will have to take difficult measures," says Kennedy.
>
> Still, even some suppliers don't see the Mexico push as justified. They point out that GEAE's operating profit has soared by 80% since 1994, to $1.7 billion on sales of $10.3 billion. GE, they argue, is leading the cost cuts. "It's hard to give away 5% or 10% to a company making so much money when most of the suppliers are marginally profitable," says Barry Bucher, the CEO and founder of Aerospace International Materials, a $30 million distributor of specialty metals in Cincinnati. Nonetheless, Bucher says he's looking into a joint venture in Mexico in response to the demands from GE, his top customer.
>
> The unions, for their part, worry that GEAE will follow in the footsteps of GE's appliance unit. To remain competitive in that low-skilled, low-margin industry, GE Appliances has slashed its workforce nearly in half at its Appliance Park facility in Louisville, to some 7,500 today. Much of the work has been relocated to a joint venture in Mexico. Union leaders have tried to stave off further job shifts by offering concessions. In early November, the company agreed to a $200 million investment in Louisville in exchange for productivity improvements and lump-sum payments instead of wage hikes for its members. "We hope GE will see this as a solution they can adopt in jet engines and elsewhere," says IUE President Edward L. Fire.
>
> Labor's new campaign may embarrass Welsh and even prompt GE to tone down its demands on suppliers. But it won't rebuilt the union's clout at the bargaining table the way a serious organizing drive might have done. Until that happens, Welch probably has little to fear from his restive unions.

Mr. HOLLINGS. I read:

> One of General Electric Co. CEO John F. Welch's favorite phrases is "squeeze the lemon," or wring out costs to maintain the company's stellar profits.

How did you squeeze that lemon? I am thinking now that he is squeezing something else. Squeezing that lemon in Mexico, he said to all of his suppliers two years ago. You have to go down to Mexico and cut the cost of your particular supplies, or you will not be a supplier of General Electric.

When the best of the best blue-chip corporations of America has an affirmative action plan to get rid of the jobs and the industrial security of the United States of America, we are really in trouble. How does it occur? It is a natural thing.

In manufacturing, 30 percent of volume is in the labor costs. As much as 20 percent of sales can be saved by moving offshore to a low-wage country or down to Mexico, India, or China. If you retain your executive office, of course your sales force, but move your manufacturing offshore, if you have $500 million in sales, you can reap a profit of $100 million before taxes. Or you can stay in America, continue to work your own folks, and go broke. That is how they look at it.

So with the policies we have, they are not only moving their manufacturing, they are moving the executive office to Bermuda. They want the protection of the United States of America, but they don't want to participate in building up that protection. They want a free ride. That is why I say, in the Senate, we are in the hands of the Philistines. When my friend Bobby Kennedy really came in to national recognition he had published a book "The Enemy Within." He was talking about organized labor. Now I can write the book "The Enemy Within," and I can talk about management.

Who is opposing us in the Senate, trying to create jobs, trying to hold together the strength of our economy, trying to maintain our industrial backbone? Who opposes this? The Business Roundtable, the Conference Board, the National Association of Manufacturers, the Chamber of Commerce, the National Federation of Independent Business, the retailers that make a bigger profit, newspapers that take the handouts from the retail associations. They make the most of their profits in newspapers from retail advertising. So they put out those things, free trade, free trade, fast track, fast track, and here comes the whole K Street crowd.

I came here 35 years ago on the Commerce Committee. The very first person in the office on trade was a Japanese representative. No longer now. I haven't seen anyone from Japan in Lord knows when. I am trying to get there to see our Ambassador over there, Howard Baker. I respect their productivity and I have watched as we cry babied along. We never did open up their market. It was always a one-way street.

In fact, the Japanese got to the position of saying, wait a minute, we are not going to buy your bonds if that is what you want to do in trade. We found out long since that the Secretary of the Treasury really is trying to sell, as in the morning headlines, which says we have a deficit, so he is trying to issue $1 billion in bonds, borrowing $1 billion. We have had the Japanese juggle our trade policy.

But more than anything else, we have the arrogance now of the U.S. Chamber of Commerce. I speak advisedly of that body. Ten years ago I was their man. I was the Man of the Year of the U.S. Chamber of Commerce, if I quote correctly, Robert Thompson, who was the national president. He had me going around making talks and everything else because I had a standoff with my good friend Russell Long of Louisiana. We had labor law reform. On eight votes, up and down for cloture, I won and prevailed.

I don't come here as an enemy of business. I know way more in experience, I should say, about getting jobs and creating jobs, instituting technical training, imparting the tools, high tech, and globalization than most because I have been in the game. I am a friend of business, but I am a greater friend of the United States. I hate to see my country go to pot with this childish nonsense of free trade. We are missing out on agreements. Since NAFTA, I have lost 53,900 textile jobs alone. My friend, the Senator from North Carolina, Mr. HELMS, lost 124,000; 27,000 have been lost by the Senator from Mississippi. I don't know whether he is with us or not.

This is what the Chamber of Commerce, Tom Donohue, says, and he knows nothing about trade. In yesterday's National Journal's Congress Daily, I quote Tom Donohue, the president of the U.S. Chamber of Commerce. He said the Chamber would not accept a bill weighted down by amendments that exceed the average man or woman's sense of what is appropriate for the bill. We will kill it and the people who loaded it up will pay a political price. Donohue also said that the business community has been patient and supportive through the political process to get the trade authority bill before the Senate, but there will be dire consequences if the bill collapsed under partisan politics.

> I know of many manufacturing companies that will move their operations offshore. I brought that message home to specific legislators about firms and their States and districts.

That is a threat from the U.S. Chamber of Commerce.

Tell him to wake up. He headed the Trucking Association when Jack Welch was putting in his affirmative action plan to get rid of the jobs and move to Mexico. Donohue now will warn you they will move. Everybody knows this has been going on for 10 years. We are going out of business.

I wanted to bring that story home in this debate, not asking to vote pro or con with respect to a particular trade measure. As I say, I voted for Vietnam; I voted for Jordan; I voted for NAFTA with Canada. It is protecting not only your economy and your industrial strength but your standard of living.

Incidentally, on the one hand, you can certainly bar child employment, children and youth production. But you are not going to get Mexico to pass environmental laws we have. Or the labor laws. They have that advantage. In China, in India, in Malaysia, the competition can keep on whistling "Dixie," keep talking. It will not happen. It is not going to happen, and you can't blame them. If you were running the country of China, you would do the same thing. You wouldn't run around and say we have to get with the Americans and level the playing field, and put in these labor reforms, and put in these environmental requirements because we want to be seen as being fair. It is just absolute nonsense.

Madam President, what happens is Republican and Democrat Senators unanimously support these requirements before you open up Carnahan Manufacturing. Think about it. Before you open your manufacturing plant, you are going to have to have minimum wage, clean air, clean water, Social Security, Medicare, Medicaid, plant closing notice, parental leave, safe working place, safe machinery, antitrust provisions. And everything else of that kind.

You can go down to Mexico and pay 90 cents an hour and have none of those requirements.

In order to compete, is it the case we are going to go back and retrench on this high standard of living? No; not at all. That will never happen. But we will have to maintain a balance with respect to the economic strength. We have to maintain our steel production.

I will never forget, in 1961, before we got President Kennedy to enunciate his seven-point textile program, under the law—and, incidentally it is the law today—that before the President can take executive action unilaterally on a trade measure, he must prove that product is important to the national security of the United States. At that time we corralled five Cabinet members—one sub-Cabinet of the five, George Ball, because Dean Rusk was too busy, from the Department of State; Luther Hodges, Secretary of Commerce; Orville Freeman, the Secretary of Agriculture; Douglas Dillon, the Secretary of the Treasury, was there; and the Secretary of Labor, Arthur Goldberg.

They had hearings and we brought the witnesses. They made a finding, and the record is still there, that second to steel, textiles was the most important to our national security. The wag at the time was you cannot send them to war in a Japanese uniform—because they were bringing in all those textiles. The Japanese don't fool with textiles anymore. They have gone high-tech. Now you would say you wouldn't send them to war in a Chinese uniform and Gucci shoes. You have to have the clothing. You have to have the uniforms. So you have to have that measure because it is important to our national security.

We have to maintain a modicum of textile manufacturing. We certainly have to maintain the ability to produce steel. We have to retain these other industries—electronics, with respect to watch-making, and fine tooling, and hand tools, and computers. We have to retain some production of semiconductors and the like.

In doing that, let's correlate, if you please, our 28 agencies and departments into one department of trade and commerce. We are all over the lot. It is our fault. We have to begin to enforce our trade laws against dumping. We can't let Wal-Mart sell below cost. They would be in trouble. We would get them for antitrust, Robinson-Patman violations, and we would send them to the hoosegow. In international trade that happened in steel. Bob McNamara went running the world around saying to the Third World countries that in order to be a nation state, you have to have steel for the tools of agriculture and the weapons of war. So they had 2-percent steel plants built all over Latin America and the Middle East.

I have been into that game. Yes, the President was correct in moving on steel because they are dumping steel. I see it. My office is in Charleston, SC. I can look on the dock and see all of this Brazilian steel coming in at less than cost, putting out of business, 25 miles away, Nucor, the most productive of all steel plants in the world.

Please, spare me from the idea of productivity. If you go to the international section of the United Nations, if you go to the Labor Department, Department of Vital Statistics or otherwise, you will find they will agree the world around, the most productive industrial worker is the U.S. industrial worker. We keep nagging: We have to get productivity up. My steel plant is the most productive in the world, and they are dumping steel at less than cost and criticize the President for moving on this particular score. He was right. He is right. We have to maintain that.

We have to get a value-added tax to pay for this war on terrorism that is costing the country and offset the 17-percent value added tax advantage. For example, in Europe where it is rebated, it is costing us a 17-percent differential in trade right there.

Enforce our dumping laws, but please do not say you have to get more productive. What is not producing is not the industrial worker in the United States, it is the U.S. Congress. We haven't produced. We have been running around like lemmings: Free trade, free trade, fast track, fast track—having no idea in the Lord's world what we are doing; whereas we are exporting jobs faster than we can create them.

My time is up. I yield the floor.

Mr. REID. Madam President, we are, in a minute or 2, going to turn to two judicial nominations. We have had a number of Senators wishing to speak on the motion now before the Senate, so I ask unanimous consent that when the votes are completed this afternoon on the two judges, the Senator from Texas, Mrs. HUTCHISON, be recognized for up to 15 minutes; following her remarks, Senator WELLSTONE be recognized for up to 1 hour; following that hour, someone designated by the Republican leader would speak for 1 hour; and following that, Senator BAUCUS, chairman of the Finance Committee, would be recognized for 1 hour.

The majority leader wanted to have a vote on this tonight with the consent of Senator HOLLINGS and others, but it appears now there are a significant number of people who want to speak so that will probably necessitate carrying the vote over until tomorrow. I have not checked with the leader on that for sure.

I propound the request for the speakers who have been lined up. I have checked this out with the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, what is now the business before the Senate?

EXECUTIVE SESSION

NOMINATION OF MICHAEL M. BAYLSON, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA

NOMINATION OF CYNTHIA M. RUFE, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA

The PRESIDING OFFICER (Mrs. CLINTON). Under the previous order, the Senate will now go to executive session to proceed to the consideration of Executive Calendar Nos. 778 and 779.

The Senator from Nevada.

Mr. REID. Madam President, the two managers, Senators LEAHY and HATCH, are not here. I therefore ask unanimous consent that during the quorum call I will suggest in just a minute the time be charged—equally against the two managers—on the motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Madam President, is the Senator from Vermont correct that following the two parties' caucuses this afternoon there will be two rollcall votes on judicial nominees?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Madam President, I will speak about that, but, first, I compliment the distinguished Presiding Officer and her colleague from New York for their invaluable help behind the scenes as we were fighting for the farm bill. As a result, the dairy farmers in my State of Vermont and in her State of New York are better off. I thank both Senator CLINTON and Senator SCHUMER for their help in that regard.

With today's votes, the number of federal judges confirmed since the change in Senate majority fewer than 10 months ago now exceeds 50 and totals 52. Under Democratic leadership, the Senate has confirmed more judges in fewer than 10 months than were confirmed by the Republican-controlled Senate in the 1996 and 1997 sessions combined. We have accomplished in less than one year what our predecessors and critics took two years to do.

The number of judicial confirmations over these past 10 months—52—exceeds the number confirmed in four out of six full years under Republican leadership, during all 12 months of 2000, 1999, 1997 and 1996. And we are ahead of the pace for all the years of Republican control. It exceeds the number of confirmations in the first year of the Reagan Administration by a Republican Senate majority. It is almost double the number of confirmations in the first year of the Clinton Administration by a Democratic Senate majority. And it is more than triple the number of judges confirmed for the George H.W. Bush Administration by a Senate of the other party.

The confirmation of Judge Rufe and Mr. Baylson today illustrates the progress being made under Democratic leadership, and the fair and expeditious way in which we have considered nominees. With today's confirmations, we will have confirmed three district court judges to the Eastern District of Pennsylvania in fewer than four months. On April 18th, the Senate confirmed, by a vote of 94 to zero, Judge Legrome Davis to the U.S. District Court for the Eastern District of Pennsylvania. Judge Legrome Davis was first nominated to the position of U.S. District Court Judge for the Eastern District of Pennsylvania by President Clinton on July 30, 1998. The Republican-controlled Senate took no action on his nomination and it was returned to the President at the end of 1998. On January 26, 1999, President Clinton renominated Judge Davis for the same vacancy. The Senate again failed to hold a hearing for Judge Davis and his nomination was returned to the President on December 15, 2000, after two more years of inaction in a second full Congress while the Senate was controlled by a Republican majority. Under Republican leadership, Judge Davis languished before the Committee for 868 days without a hearing, notwithstanding the strong support of Senator SPECTER. But he was unable to get the support he needed for him to go through.

This year we have moved expeditiously to consider Judge Davis. Judge Davis was nominated by President Bush in late January 2002 and he received a unanimous vote by the Judiciary Committee on April 11th—fewer than three months after his nomination and less than one month after his paperwork was completed. The saga of Judge Davis recalls for us so many nominees from the period January 1995 through July 10, 2001, who never received a hearing or a vote and who were the subject of secret anonymous holds by Republicans for reasons that were never explained. Judge Davis was a nominee held up for almost three years and when the Senate was finally allowed to vote on his nomination, he was confirmed by a vote of 94 to 0.

Judge Rufe and Mr. Baylson help fill vacancies on the Pennsylvania District Courts that existed long before the majority shifted last summer. One of the two vacancies has existed since December 31, 1998. Despite the fact that President Clinton nominated David Fineman to fill this judicial vacancy, Mr. Fineman never received a hearing and his nomination was returned to the President without action at the end of 2000. In contrast, we have moved expeditiously, as with Judge Davis, to consider Judge Rufe and Mr. Baylson. Both nominees were nominated by President Bush in January, received a hearing within days of their files being complete, and are being confirmed approximately three months after their nominations. Both nominees have been practicing law for more than 25 years and have a distinguished history of public service.

As our action today demonstrates, again, we are moving at a fast pace to fill judicial vacancies with nominees who have strong bipartisan support. I have a chart—I always have a chart, Madam President—and it demonstrates, that we are moving at a fast pace to fill judicial vacancies, especially with those nominees who have strong bipartisan support.

Partisan critics of these accomplishments ignore the facts. The facts are that we are confirming President Bush's nominees at a faster pace than the nominees of prior presidents, including those who worked closely with a Senate majority of the same political party. I again point out these are nominees who, by and large, are Republicans, by and large, are conservative

Republicans, but, by and large, have bipartisan support.

As long as I am Chairman of the Senate Judiciary Committee, I will do everything possible to protect the integrity and the independence of the Federal judiciary. I will not support an effort by any President—Republican or Democrat—to hang a sign on the courthouse door saying: only people of a certain political persuasion can have a fair hearing before those judges. I do not want the American public to look at a court and say: I am eligible to have my case heard in that court, but only if I am a very conservative Republican or I am a very liberal Democrat or if I am White or if I am Black or if I am poor or if I am rich. That is not the way it should be.

The distinguished Presiding Officer is a lawyer, and she knows that the Federal courts are supposed to be our bulwark of independence. It is one of the first things you learn in law school: The Federal court is a place you go where not only is justice supposed to be colorblind, it is supposed to be politically blind. And I do not believe I am fulfilling my constitutional obligations in the Senate if I vote for nominees who are put in for a specific purpose, to give an ideological slant of either the right or the left to the Federal courts.

I want everyone to know that, when they come to a Federal court, it will make no difference whether they are Republican or Democrat or rich or poor. No matter what their color, no matter what their religion, no matter what their age, no matter what their background, they should know they are going to be treated the same.

The judges that we have confirmed, as shown on this chart, passed that test. That is why both Republicans and Democrats have voted for them.

Now, in fact, I should point out that the rate of confirmation in the past 10 months actually exceeds the rates of confirmation in the past three Presidencies.

For example, in the first 15 months of the Clinton administration, 46 judicial nominees were confirmed, a pace on average of 3.1 per month. In the first 15 months of the first Bush administration, judges were confirmed at a pace of 1.8 judges per month.

Even in the first 15 months of the Reagan Administration, when a staunchly Republican majority in the Senate was working closely with a Republican President, 54 judges were confirmed, a pace of 3.6 per month. In fewer than 10 months since the shift to a Democratic majority in the Senate, President George W. Bush's judicial nominees have been confirmed at a rate of more than 5.2 judges per month, a faster pace than for any of the past 3 Presidents.

During the six and one-half years of Republican control of the Senate, judicial confirmations averaged 38 per year a pace of consideration and confirmation that we have already exceeded under Democratic leadership over these past 10 months in spite of all of the challenges facing Congress and the Nation during this period and all of the obstacles Republicans have placed in our path. As of today, we have confirmed 52 judicial nominees in just 10 months. This is almost twice as many confirmations as George W. Bush's father had over a longer period—27 nominees in 15 months—than the period we have been in the majority in the Senate.

I suspect the reason you hear so many complaints from the Republican side is that they are hoping people will not look at the facts, that they are hoping the people will not remember what they did to President Clinton. They do not want to have to admit what is an irrefutable fact, that the Democratic-controlled Senate is treating President George W. Bush far better than a Republican-controlled Senate treated President William Jefferson Clinton.

And, frankly, I get a little bit weary of the misstatements, I get a little bit weary of having members of my committee attacked for their patriotism or for their religion by those who feel we are not automatically rubberstamping the President's nominees. The Constitution says: advise and consent. It does not say: rubberstamp.

But I have also been here with six Presidents. I have had the same position with Republican Presidents and Democratic Presidents. I will not vote for anybody who is going to diminish the independence of the Federal judiciary.

In fact the Republican critics, because they do not want to admit the fact that we are moving much faster than they did with a Democratic President, typically compare apples to oranges to mischaracterize the achievements of the last 10 months.

They complain that we have not done 24 months of work in the fewer than 10 months we have been in the majority.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LEAHY. Madam President, I see nobody seeking recognition. I ask unanimous consent to be able to continue for at least 1 minute after somebody else seeks recognition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Ironically, with today's confirmations, we even meet that unfair standard: Within the last 10 months we have confirmed about as many judges—52—as were confirmed by the Republican majority in the entire 1996 congressional session and in all of 1997 combined. We are now meeting their two-year figures is less than 10 months. Oh, and if you were wondering about Court of Appeals judges confirmed in the 1996 and 1997 sessions combined—their total was 7. We have already confirmed 9 in fewer than 10 months.

A fair examination of the rate of confirmation shows that Democrats are working harder and faster on judicial nominees, confirming judges at a faster pace than the rates of the past 20 years. The double standards asserted by Republican critics are just plain wrong and unfair, but that does not seem to matter to Republicans intent on criticizing and belittling every achievement of the Senate under a Democratic majority.

The Republican attack is based on the unfounded notion that the Senate has not kept up with attrition on the District Courts and the Courts of Appeals. Well, the Democratic majority in the Senate has not only been keeping up with attrition but outpacing it, and we have started to move the vacancies numbers in the right direction—down. By contrast, from January 1995 when the Republican majority took over control of the Senate until they relinquished control in June 2001, federal judicial vacancies rose by 65 percent, from 63 to 105.

The Republican majority assumed control of judicial confirmations in January 1995 and did not allow the Judiciary Committee to be reorganized after the shift in majority last summer until July 10, 2001. When I became Chairman of a Committee to which Members were finally assigned on July 10, we began with 110 judicial vacancies. With today's confirmation of Judge Rufe and Mr. Baylson, we have reduced the overall number of judicial vacancies to 88 and the number of district court vacancies to 58. Already, in fewer than 10 months in the majority, we more than kept up with attrition and begun to close the judicial vacancies gap that nearly doubled under the Republican majority. Under Democratic leadership, we have reduced the number of district court vacancies by almost 25 percent and the overall number of judicial vacancies by 20 percent, to below 90.

I happen to have a chart that shows what we have been doing. We see the trend under the Republican majority going up, and then we see the trend under the Democratic majority and how we have brought the vacancy number down.

The Democratic majority in the Senate has also kept up with attrition on the Courts of Appeals and been acting to close the vacancies gap on the Courts of Appeals that more than doubled under the Republican majority. Vacancies on the Courts of Appeals rose from 16 to 33 in the period January 1995 to July 2001, before the Senate was allowed to reorganize after the shift in majority last summer.

In the fewer than 10 months since the change in majority, the Senate has confirmed nine judges to the Courts of Appeals and more than kept up with the five vacancies that had arisen since July. In contrast, the Republican-controlled majority averaged only seven confirmations to the Courts of Appeals per year. Seven. This is what is somewhat distressing. I suppose they think if they keep saying it enough, the public will be fooled and the press will be fooled. I am willing to bet ultimately neither will.

In the fewer than 10 months the Democrats have been in the majority, we have already exceeded the annual number of Court of Appeals judges confirmed by our predecessors. The Senate in the last 10 months has confirmed as many Court of Appeals judges as were confirmed in all of 2000 and more than were confirmed in 1997 or 1999, and nine more than the zero from 1996. Another way to put it is that within the last 10 months, the Democratic majority in the Senate has confirmed as many Court of Appeals judges as were confirmed in the 2000 and 1996 sessions combined and confirmed more Court of Appeals judges than were confirmed in the 1999 and 1996 sessions combined or in the 1997 and 1996 sessions combined. Simply put, in fewer than 10 months we have already exceeded the number of Court of Appeals judges confirmed by a Republican majority in four of the six years in which they were in control. No matter what standard you use, we are moving very fast.

Under Republican leadership from 1995 through July 10, 2001, vacancies on the Courts of Appeals increased from 16 to 33, more than doubling.

When I became chairman of a Committee to which Members were finally assigned on July 10, we began with 33 Courts of Appeals vacancies. That is what I inherited. Since the shift in majority last summer, five additional vacancies have arisen on the Courts of Appeals around the country. With last week's confirmation of Judge Howard, we have reduced the number of circuit court vacancies to 29. That is, we have kept up with attrition by confirming five Court of Appeals judges and then acted to lower the number of vacancies by confirming four additional judges. Those are the facts. Since our Republican critics are so fond of using percentages, I will say that we will have now reduced the vacancies on the Courts of Appeals by more than 12 percent in the last 10 months.

Rather than the 38 vacancies that would exist if we were making no progress, as some have asserted, there are now 29 vacancies—that is more than keeping up with the attrition on the Circuit Courts. Republican critics unfairly seek to attribute to the Democratic majority the lack of action by the Republican majority before the historic change last summer.

While the Republican Senate majority increased vacancies on the Courts of Appeals by over 100 percent, it has taken the Democratic majority fewer than 10 months to reverse that trend, keep up with extraordinary turnover and, in addition, reduce circuit court vacancies overall. This is progress.

Rather than having the circuit vacancy numbers skyrocketing, as they did overall during the prior six and one-half years—more than doubling from 16 to 33—the Democratic-led Senate has reversed that trend. The vacancies numbers are moving in the right direction down.

Overall, in fewer than 10 months, the Senate Judiciary Committee has held 17 hearings involving 61 judicial nominations. With today's actions, we will have confirmed 52 of those nominees. By contrast, in the first 10 months of Republican control of nominations they held only 10 hearings and confirmed only 36 judges. We have held more hearings on judges than the Republican majority held in any year of its control of the Senate. The Republican majority never held 17 judicial confirmation hearings in 12 months.

Indeed, one-sixth of President Clinton's judicial nominees—more than 50—never got a Committee hearing and Committee vote from the Republican majority, which perpetuated longstanding vacancies into this year.

Despite the new-found concern from across the aisle about the number of judicial vacancies, no nominations hearings were held while the Republicans controlled the Senate in the 107th Congress last year. No judges were confirmed during that time from among the many qualified circuit court nominees received by the Senate on January 3, 2001, or from among the nominations received by the Senate on May 9, 2001.

The Democratic leadership acted promptly to address the number of district and circuit vacancies that had been allowed to grow when the Senate was in Republican control. The Judiciary Committee noticed the first hearing on judicial nominations within 10 minutes of the reorganization of the Senate and held that hearing on the day after the Committee was assigned new members.

That initial hearing included two District Court nominees and a Court of Appeals nominee on whom the Republican majority had refused to hold a hearing the year before. Within two weeks of the first hearing, we held a second hearing on judicial nominations that included another Court of Appeals nominee. I did try to schedule some District Court nominees for that hearing, but none of the files of the seven District Court nominees pending before the Committee was complete. Similarly, in the unprecedented hearings we held for judicial nominees during the August recess, we attempted to schedule additional District Court nominees but we could not do so if their paperwork was not complete. Had we had cooperation from the Republican majority and the White House in our efforts, we could have held even more hearings for more District Court nominees. Nevertheless, in fewer than 10 tumultuous months, the Committee has held 17 hearings involving 61 judicial nominations.

The Senate Judiciary Committee is holding regular hearings on judicial nominees and giving nominees a vote in Committee, in contrast to the practice of anonymous holds and other obstructionist tactics employed by some during the period of Republican control. The Democratic majority has reformed the process and practices used in the past to deny Committee consideration of judicial nominees. We have moved away from the anonymous holds that so dominated the process from 1996 through 2000. We have made home State Senators' blue slips public for the first time.

I do not mean by my comments to appear critical of Senator HATCH. Many times during the six and one-half years he chaired the Judiciary Committee, I observed that, were the matter left up to us, we would have made more progress on more judicial nominees. I thanked him during those years for his efforts. I know that he would have liked to have been able to do more and not have to leave so many vacancies and so many nominees without action.

I hope to hold additional hearings and make additional progress on judicial nominees. In our efforts to address the number of vacancies on the circuit and district courts we inherited from the Republicans, the Committee has focused on consensus nominees for all Senators. In order to respond to what Vice President CHENEY and Senator HATCH now call a vacancy crisis, the Committee has focused on consensus nominees. This will help end the crisis caused by Republican delay and obstruction by confirming as many of the President's judicial nominees as quickly as possible.

Most Senators understand that the more controversial nominees require greater review. This process of careful review is part of our democratic process. It is a critical part of the checks and balances of our system of government that does not give the power to make lifetime appointments to one person alone to remake the courts along narrow ideological lines, to pack the courts with judges whose views are outside of the mainstream of legal thought, and whose decisions would further divide our nation.

Some on the other side of the aisle have falsely charged that if a nominee has a record as a conservative Republican, he will not be considered by the Committee. That is simply untrue. The next time Republican critics are bandying around charges that the Democratic majority has failed to consider conservative judicial nominees, I hope someone will ask those critics about all the Federalist Society members we have confirmed and the Republican activists we have confirmed without a single dissenting vote. I do not believe that President Bush is nominating liberals and neither does the White House.

The Committee continues to try to accommodate Senators from both sides of the aisle. The Court of Appeals nominees included at hearings so far this year have been at the request of Senator GRASSLEY, Senator LOTT, Senator SPECTER, Senator ENZI, Senator SMITH, and Senator THOMPSON—six Republican Senators who each sought a prompt hearing on a Court of Appeals nominee who was not among those initially sent to the Senate in May 2001.

I tried to accommodate them. They asked if we could move their nominees ahead in the queue. We did. We heard them. We confirmed them. But knowing that no good deed goes unpunished, having moved nominees at the request of Republican Senators, moved theirs ahead of others, the same Republican Senators signed letters saying: It is terrible we are not moving them in order.

I have tried to accommodate them as much as I could. We would be moving a lot slower if we were going exactly in order. What we are trying to do is get those nominees on whom there is some consensus through first. That will put as many judges on the bench as possible.

I ask my colleagues, please, try to at least wait more than a week after I have accommodated you in moving your judge up for a hearing and getting them confirmed before you send out a letter saying: Why aren't you confirming more judges? I don't want to embarrass Senators by having a chart showing some of the letters and some of the statements they have made asking me to take their judges out of order, and then putting them side by side with their letters criticizing me for taking judges out of order. I am not going to do that, although I get sorely tempted.

I am also sorely tempted because the problems we are talking about arose on a Republican watch, while they were in the majority. It reminds me a little bit of an arsonist we had in Vermont when I was a prosecutor. There was a fellow who used to complain that the fire department wasn't responding fast enough. He was setting the fires. He was the one setting the fires. Rest his soul, he is no longer with us, but he used to complain they weren't responding fast enough, and he was the one setting the fires.

The whipsawing by the other side is truly remarkable. When we proceed on nominees that they support and on whom they seek action, we are criticized for not acting on others. When we direct our effort to trying to solve problems in one Circuit, they complain that we are not acting in another.

I imagine that over the next 10 days we will be hearing a refrain about the most controversial of President Bush's nominees who have not yet participated in a hearing. Some of them do not have the necessary home-state Senator support needed to proceed. Some will take a great deal of time and effort for the Committee to consider. I hope to be able to do something else that our Republican counterparts never did, which is to announce some scheduling decisions well in advance of hearings to come over the next several months.

But I do find it amazing that in spite of all we have done, all we are doing, and the fact that judges are moving much faster than they did in the past 6 years, our partisan critics will act as if we have not held a single hearing on a single judicial nominee. They will not acknowledge their role in creating what they now call a judicial vacancies crisis. They will not apologize for their harsh tactics in the six and one-half years that preceded the shift in majority.

They will not acknowledge that the Democratic majority has moved faster on more judges than they ever did. That will not acknowledge that we have been working at a record pace to seek to solve the problems they created.

We will keep on working. I am sure I will keep on listening to the partisan sniping, but we will keep moving faster than they ever did when they were in charge.

I remind everybody that this Senator would never vote for a nominee whose sole purpose in being there is to detract from the independence of the Federal judiciary and, instead, is intending to make the Federal judiciary ideologically pure one way or the other—and I don't care which way it goes; I will not vote for such a person. I want people to know that if any Vermonter or anybody from any State goes into a Federal court, they are going to have a fair hearing, and they will not be judged based on political party or political ideology. Whether they are plaintiff or defendant, whether they are Government or defendant, or whether they are rich or poor, they should be treated the same.

Each of the 52 nominees confirmed by the Senate has received the unanimous, bipartisan backing of the Committee. The confirmations of Judge Rufe and Mr. Baylson make the 51st and 52nd judicial nominees to be confirmed since I became Chairman last July. I would like to commend the members of the Judiciary Committee and our Majority Leader Senator DASCHLE and Assistant Majority Leader Senator REID for all of their hard work in getting us to this point.

The confirmation of the 52nd judge in fewer than 10 months, especially these last 10 months, in spite of the unfair and personal criticism to which they have each been subjected, is an extraordinary achievement and a real example of Democratic Senators acting in a bipartisan way even some on the other side have continued to make our efforts toward progress as difficult as possible.

U.S. POLICY TOWARD COLOMBIA

Mr. LEAHY. Madam President, I want to turn to another important topic—the situation in Colombia. Two weeks ago, Colombia's President, Andres Pastrana, was in Washington for what may have been his last official visit before the elections in May to choose his successor. He cannot run again under Colombia's Constitution. While I am sorry to see him leave, I am proud that he is departing through a democratic transfer of power, confirming, once again, his commitment to democracy in Colombia. I respect President Pastrana. I admire his attempts to bring peace to Colombia and his successes in improving relations between our two nations.

I do, however, have concerns about the administration's request for more assistance to Colombia. The reason we are given as to why we are spending such large sums of money in Colombia seems to change frequently—from fighting an insurgency to combating terrorism to protecting democracy to reducing the flow of drugs. Before we spend even more money down there, I hope the administration will articulate a clear plan, look carefully at the billions we have spent with little to show for it, and understand Colombia's need to take more responsibility for their own problem.

Colombia should not be blamed for America's drug problem. Even if no cocaine or heroin came here from Colombia, illegal drugs would still come into this country. As long as Americans spend billions on illegal drugs, somebody else is going to supply it.

In many ways Colombia fits into larger issues about our foreign assistance programs. I think it is time for us to re-examine the way foreign aid is being used. During the cold war, we would give foreign aid to countries simply because they claimed to be anti-Soviet Union. It didn't make any difference how it was used. After the Cold War, we starting giving money, while paying little attention to human rights violations by foreign militaries or security forces, to nations that would say that they would help fight drug trafficking. Today, I am worried that we are starting down a road where we give all sorts of assistance to governments that claim to be antiterrorist, irrespective of their commitment to democracy, human rights, or economic reform.

I have said over and over again that we should increase foreign assistance to many areas of the world. We have moral and strategic reasons for doing that. But we ought to at least stand for something when we provide this assistance. We can deliver a strong message that, while we don't expect an absolute replication of our form of government, we do expect you to respect human rights and other basic American values if you use our tax dollars.

There is no reason that countries cannot respect these values and use foreign aid effectively—these things go hand and hand. We have had some wonderful successes where we have done both. We have had some colossal disasters where we have not.

Madam President, I have known Colombia's President Pastrana for several years, and consider him a friend. He has worked diligently for peace, often at great personal risk, and while he ultimately was unable to obtain the peace agreement with the guerrillas that he so deeply wanted, his administration will be remembered for other achievements. Today, thanks to his efforts and those of Colombia's fine Ambassador, Luis Moreno, Colombia's relations with the United States, which had suffered under previous Colombian administrations, are strong and based on mutual respect.

I want to thank President Pastrana for his friendship, for the dignity that he restored to the presidency, for his dedication to his people. Although we did not always agree about U.S. policy toward Colombia, President Pastrana always treated me with respect and warmth. I am grateful to him, and wish him the best in the future. While I regret that I was unable to travel to his country during his term of office, I am determined to do so and look forward to visiting him there when I do.

The issue of U.S. policy toward Colombia is the subject of considerable concern in Washington, both because of President Pastrana's recent visit, and because of President Bush's supplemental appropriations request, which proposes to shift the focus of our assistance program in Colombia from counter-narcotics to counter-terrorism.

I am of mixed minds about this proposal, and want to take a moment to discuss some of my concerns.

Before we rush to bring the war against international terrorism to Colombia's jungle as the administration and some in Congress now urge, we would do well to understand that country's feudal history. We should also review what has been done with the nearly $2 billion we have appropriated for Colombia in the past two years.

"Plan Colombia," devised by the Clinton administration and the Colombian Government to counter the flourishing trade in cocaine from Colombia to the United States, called for $7.5 billion. Colombia was to contribute $4 billion, and, were told at the time, the U.S. share was $1.6 billion. Donations by other countries, mostly the Europeans, have not materialized. The Colombian Government's support has also fallen far short. For fiscal year 2003, the Bush administration seeks another $439 million in counter-drug aid, plus $98 million in military aid, for a total of $537 million.

So far, U.S. tax dollars have paid for a fleet of aircraft to spray chemical herbicide over large areas of the country planted in coca, combat helicopters to protect the planes from ground fire, and training and equipment for counter-drug battalions. More funds were provided for economic programs to give coca farmers alternative sources of income and to reform Colombia's dysfunctional justice system.

Because of the Colombian military's poor human rights record, Congress conditioned aid on the prosecution of military officers implicated in serious abuses, and on the severing of the military's links with illegal paramilitary groups. These groups, like the guerrillas, have been designated by the administration as terrorist organizations.

By any objective measure, Plan Colombia's results have been, at best, disappointing.

First, the State Department predicted a 30 percent reduction in coca cultivation by the end of 2002. Although 84,250 hectares were sprayed last year, coca cultivation in Colombia actually rose, by at least 21,100 hectares. There has not been any reduction in the flow of illegal drugs into the U.S., and virtually no one in the administration thinks there will be.

Second, while aerial spraying may at some point reduce the coca crop, there is vast territory ripe for future cultivation and a huge U.S. demand for drugs. Serious questions have been raised about the health and environmental impact of the spraying which need to be satisfactorily answered if this program is to continue. Manual eradication, as was done in Bolivia and Peru, should be reconsidered, and we should target the large growers, drug labs and traffickers. Moreover, any of these eradication efforts will ultimately fail without economic alternatives for those displaced by coca eradication.

Third, U.S.-funded economic programs have produced little in the way of viable alternatives. It is dangerous and difficult to implement these programs in conflict zones where coca is grown. The Colombian Government has not invested enough of its own money in these areas, and however much it has invested has produced few tangible results. Nor has it done enough to reform its sagging economy. This needs to be a partnership, and our support for alternative income programs should focus where the needs are greatest and programs can be sustained.

Fourth, senior military officers implicated in the murders of civilians, or who abet paramilitary violence and drug trafficking, have not been jailed despite the conditions on U.S. aid. Many remain on active duty and some have been promoted. Human rights investigators and prosecutors have been threatened, killed or forced to flee the country. While some soldiers have been suspended, none have been prosecuted and some have joined paramilitaries.

Under our law, the Secretary of State must certify that certain human rights conditions have been met prior to the release of military aid. Earlier this year, a number of high-ranking administration officials traveled to Colombia, and informed Colombian military officers that more progress was needed. Unfortunately, as far as I am aware, no such progress has taken place and therefore, to his credit, the Secretary has not made the certification. However, I am told the certification could come at any time, and if that is true I hope that it is based on facts and reflects a good faith application of the law.

Fifth, top paramilitary leaders, implicated in hundreds of murders, travel around the country and give press interviews despite numerous warrants for their arrest. One has to ask why these arrest warrants, many of which have been pending for years, have not been executed? Local military commanders share airfields, intelligence and logistics, and in some instances even coordinate attacks. While some members of paramilitaries have been captured, their influence has grown throughout the country and they are responsible for a large share of targeted assassinations and gruesome attacks against unarmed civilians. Like the guerrillas, the paramilitaries are deeply involved in drug trafficking. Continued U.S. aid to the Colombian military must be tied to accountability for abuses and to aggressively fighting the paramilitaries, particularly the United Self-Defense Forces of Colombia ("AUC").

Sixth, President Pastrana's brave efforts to negotiate peace, cynically spurned by the guerrillas, have collapsed. The violence has intensified and the guerrillas, especially the Revolutionary Armed Forces of Colombia ("FARC"), have sharply escalated kidnappings, assassinations and other terrorist acts. They are unlikely to be able to defeat the Colombian military, but they can lay siege to cities by cutting off water and power supplies. Colombia's generals are now asking the U.S. for aid to fight the war.

Americans need to understand that Colombia is really two "countries," which is at the heart of its problems. The thinly populated, impoverished eastern half, which the government has ignored for generations, is mired in the 19th Century, while the sophisticated, urban west is edging toward the 21st. There are deeply rooted social, economic and political reasons why Latin

America's oldest conflict is no closer to resolution, and why drug money, corruption and lawlessness permeate Colombian society. These problems, which ultimately only Colombians can solve, will not be fixed by attacking the symptoms, and an all out war against the twin terrorist threats—guerrillas and paramilitaries—would cost far more, take far longer, and wreak more havoc than anyone in Washington has acknowledged so far.

Until now we have confined our aid to fighting drugs. In the first sign of a shift, the administration asked Congress for an additional $98 million to protect 100 miles of an oil pipeline that has been a frequent target of guerrilla attacks that have cost Colombia $500 million a year in oil revenues. The White House is now seeking broad, new counter-terrorism authority in the fiscal year 2002 supplemental, opening the door to a deeper, open-ended U.S. involvement in Colombia.

If we go down that road what would be the likely result? Colombia is not Afghanistan, and no one supports sending U.S. troops. But while no two countries are the same, we gave over $5 billion to the military of El Salvador, a country with $\frac{1}{50}$th the land area of Colombia, and they could not defeat the guerrillas there. Are we, and the Colombian people who currently spend a meager 3 percent of GDP on the army, prepared for a wider war, the huge cost, many more displaced people, and the inevitable increase in civilian casualties? Is the only alternative to continue a limited, ineffective counter-drug strategy, and the growth in public support for the AUC which may ultimately pose a greater threat to the country than the FARC? Can the military be made to see their oft-times allies, the AUC, as terrorists to be fought as aggressively as the FARC? Should we send an envoy of the caliber of Richard Holbrooke to push for a cease fire, and actively support a much more inclusive negotiating strategy than was pursued previously? What about attacking the security problems that have given rise to the AUC, by strengthening Colombia's National Police, who have a cleaner human rights record and who may be more effective in responding to kidnappings and other terrorist acts?

We want to help Colombia, particularly as the FARC has evolved from a rebel movement with a political ideology to a drug-financed terrorist syndicate. But we and the Colombians need to be clear about our goals and what it would take to achieve them. We should not commit ourselves to a costly policy that is fogged with ambiguity, and we should not subvert our other objectives of promoting the rule of law, protecting human rights, and supporting equitable economic development. Goal-setting should also be coordinated, after the elections in May, with Colombia's new president, who may favor an entirely different approach.

Finally, just as Colombians need to take far more responsibility for their own problems, Colombia cannot solve America's drug problem. Too often, we unfairly blame Colombia, and the other Andean nations, for the epidemic of drug addiction in our own country. Our meager attempts to reduce demand for drugs have failed, and unless we devote far more effort to what we know works—education and treatment—the drugs will keep coming and Americans will keep dying.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUDICIAL NOMINATIONS

Mr. SPECTER. Madam President, I thank the Chair and I thank my colleague from Vermont for awaiting my arrival. We have just been at a news conference on the introduction of legislation on nuclear transplants. There were many questions beyond what we had anticipated. I did want to have an opportunity to appear briefly in support of these two nominees who are from my state.

NOMINATION OF CYNTHIA M. RUFE

The nomination of Judge Cynthia Rufe comes to this floor after having been approved unanimously by the Judiciary Committee. She has an excellent educational background: A bachelor's degree from Adelphi University, a J.D. from the State University of New York. She has extensive experience in the private practice of law. She was in the public defender's office for some 5 years. She has been solicitor in her home county, Bucks County, PA, and has been a judge on the State Court of Common Pleas from 1994 to the present. She presides over the Criminal Court, Juvenile Court and Protection From Abuse cases.

Prior to her election to the position of judge in 1993, she maintained law offices in Newtown, Pennsylvania practicing civil and criminal litigation, family law and specializing in child abuse cases.

Before entering private practice in 1982, Judge Rufe served Bucks County as Deputy Public Defender, coordinating that office's Juvenile Division.

She also served as Solicitor for the Bucks County Children and Youth Social Services Agency for four years.

The Pennsylvania Supreme Court has appointed Judge Rufe to sit on the Appellate Procedural Rules Committee. She also serves the Pennsylvania Conference of State Trial Judges on their Judicial Education, Juvenile Court and Corrections Committees.

In addition, she served on a Federal task force to improve the quality of mental health treatment and services for female inmates in the Bucks County jail system.

Judge Rufe has been an active member of several community agencies related to the improvement of youth, families, and drug and alcohol issues, including serving as a member of the Board of Directors of Youth Services, Inc.; Organization to Prevent Teenage Suicide, Inc.; Reaching-at-Problems, Inc. Group Home; and Prevention and Rehabilitation for Youth and Development, Inc.

Judge Rufe has received countless awards from various women law organizations in the Commonwealth of Pennsylvania.

NOMINATION OF MICHAEL M. BAYLSON

Michael Baylson is a man I have known since 1965. He was one of the first people I appointed as an assistant district attorney when I was elected in 1965. I have known him intimately for the course of the past 37 years. I can attest to his capability.

He is a graduate of the University of Pennsylvania, with both a Bachelor of Science and a law degree. Beyond serving as an assistant district attorney in my office, where he was chief of the homicide division, and he handled some of the most complicated criminal prosecutions known, he later served as a U.S. attorney from 1988 to 1993. He has been a senior partner in the distinguished Philadelphia law firm of Duane, Morris & Heckscher, working on some very tough litigation matters in the areas of commercial and securities litigation and antitrust law.

Mr. Baylson served as United States Attorney for the Eastern District of Pennsylvania from 1988 to 1993. He was heavily involved in the Weed and Seed Program.

From 1966 to 1969, he was an assistant district attorney in the Philadelphia District Attorney's Office, where he served as chief of the Narcotics and Homicide Divisions.

He is the chair of the Specialization Committee and past chair of the State Action Exemption and Noerr Doctrine Committee of the Antitrust Law Section of the American Bar Association, and is a fellow of the American Bar Foundation.

He has also been on the faculty of the University of Pennsylvania Law School.

He received the United States Department of Treasury's U.S. Attorneys award for Distinction in Financial Management, 1993; Attorney General's Special Commendation Award, 1993; Inspector General's Prospective Leadership Award, U.S. Health and Human Services, 1992; and the Distinguished Service to Law Enforcement Award from the County and State Detectives Association of Pennsylvania, 1992.

Baylson has provided pro bono services to prisoners asserting civil rights violations and has represented defendants accused of crimes on a pro bono basis.

Madam President, while my colleague from Vermont is still in the Chamber, I want to make a comment or two about some discussions he and I have had, and which I have had with other members of the Judiciary Committee. It is my hope that we will be able to agree on a protocol of where we can come to an agreement in the Judiciary Committee, and really in the full Senate, as to how we handle judicial nominations.

We have seen recurrent problems when we have a Republican President and a Senate controlled by the Democrats. When the shoe was on the other foot, we had a President who was a Democrat and the Senate was controlled by Republicans. Before that, we had a Republican President and the Senate was controlled by Democrats.

So that in my Senate tenure we have had three situations where the White House and the Senate were controlled by different parties.

When there is debate about what has happened and how long the nominations have taken, although I have been here and followed the situation closely, I get lost in the statistics. I think the American people do too.

I do believe there have been failures on both sides, by both parties. I think the time has come to move beyond recrimination and to try to establish a protocol. Hopefully this protocol will provide for a certain number of days after a nomination has been submitted to be accorded a hearing, so many days later for a markup in an executive session, so many days later to be considered by the full Senate. Delays could occur at the discretion of the chairman of the committee, after consultation with the ranking member—not the concurrence of the ranking member but the consultation—similarly with the majority leader, with consultation with the minority leader.

I wanted to make those comments because one might say it is hard for the issue to disintegrate further, but I do see it disintegrating further. On May 9, we are going to have a one year anniversary of the submission of eight circuit judges, and I hope we do not have dueling press conferences. I hope we are able to work this out where we will have rules and a protocol established, regardless of who controls what.

Again, I thank the Chair for sitting overtime and I thank my colleague from Vermont for staying overtime.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I am always happy for the cooperation of the Senator from Pennsylvania, and I do compliment him on the two judges who will be confirmed today, recommended by him, and his efforts to get a consensus for them. I am well aware we can have dueling press conferences.

I have mentioned a number of courts of appeals judges were heard out of order at the request of Republican Senators, and I am sure if some of those same Senators were then to speak of the fact that some of the judges, their own nominees especially, were heard ahead of others, that they would see delicious irony in that.

I know we are supposed to recess. I yield the floor.

NOMINATION OF MICHAEL BAYLSON

Mr. HATCH. Madam President, I rise in support of the confirmation of Mr. Michael Baylson to the District Court of Eastern Pennsylvania. Mr. Baylson is another fine example of the qualified attorneys President Bush has named to the federal bench, and I am convinced based on his record that he will make an outstanding addition to an already prestigious court.

Mr. Baylson earned his undergraduate degree from the University of Pennsylvania's Wharton School. He then graduated from the University's Law School. After working as a volunteer for the public defender in Philadelphia, he joined the Philadelphia District Attorney's Office. My colleagues will remember that my friend the distinguished senior Senator from Pennsylvania, Senator SPECTER, was the Philadelphia District Attorney at this time. Mr. Baylson was quickly promoted to supervise that office's Narcotics Unit and then it Homicide Unit.

Mr. Baylson worked in private practice at the law firm of Duane Morris and Heckscher. Then, in 1988, he returned to public service as the United States Attorney for the Eastern District of Pennsylvania. There, he became well-known for his aggressive drug prosecutions. Mr. Baylson also was a pioneer in developing the Violent Traffickers Project, a program that uses a different strategy than the traditional tactic of arresting smaller dealers and then "flipping" them in order to convict the leaders of a drug conspiracy.

After leaving the U.S. Attorney's Office, Mr. Baylson returned to Duane Morris and Heckscher as a partner and has specialized in antitrust, federal securities, RICO and white collar crime matters.

Clearly, Mr. Baylson is a very talented attorney with a great deal of experience. I have no doubt that he is an excellent choice to be a judge on the District Court of Eastern Pennsylvania.

NOMINATION OF JUDGE CYNTHIA M. RUFE

Madam President, I rise in support of the confirmation of Judge Cynthia Rufe to the U.S. District Court for the Eastern District of Pennsylvania. Judge Rufe's nomination is yet another example of President Bush's effort to enhance our excellent and diverse federal judiciary. Judge Rufe has had a distinguished legal career. She is an outstanding Pennsylvania state judge who will only add to the distinguished federal court in the Eastern District of Pennsylvania.

Judge Rufe graduated with a B.A. in Political Science and Education from Adelphi University in 1970. After receiving her teacher's certificate from Bloomsburg University in 1972 and teaching high school social studies, Judge Rufe graduated from SUNY-Buffalo Law School in 1977.

After law school, and mindful of each attorney's responsibility to "serve the disadvantaged," she joined the Bucks County Public Defenders Office. In this role, her case-load ran the gamut from misdemeanors to homicides. At the Public Defender's Office, Judge Rufe developed an expertise in representing abused and neglected children.

As a result of that expertise, she created and led the Public Defender's Juvenile Division. Later, Judge Rufe rose to the level of Deputy Public Defender. In this position, she was responsible for managing the office's trial caseload.

In 1982, she left the Defender's Office to begin a private practice. Judge Rufe concentrated on litigation, especially criminal and juvenile law. Over the years, the Judge Rufe's practice expanded to include cases on employment, discrimination, personal injury, defamation, contracts, adoptions, estates and family law.

But, during this period, she never forgot about her community, and she served as Solicitor of the Bucks County Children and Youth Social Services Agency.

In 1994, Judge Rufe re-entered public life when she was elected to the Bucks County Court of Common Pleas. For the last eight years, she has developed a well-earned reputation for hard work and fairness.

It is a pleasure and a privilege to support Judge Rufe's nomination to the federal bench.

JUDICIAL CONFIRMATIONS

Madam President, I would like to respond briefly to some comments made earlier today on the topic of judicial confirmations. I had no intention of bringing up this topic today, but now I find myself with no choice but to set the record straight. I want to make one observation and then two simple points.

Madam President, my observation is this: The American people want this Senate to help—rather than hinder—President Bush. And that is true of every President. Everyone understands that we are living at a time of great national importance. Our government is being put to a test. President Bush is performing extraordinarily well, and he is leading our country and our military in the right direction to achieve prosperity and security for all Americans.

The American people support President Bush and his administration, and they correctly believe that the Senate should do the same.

But the people who follow the Judiciary Committee's record on reviewing and approving President Bush's judicial nominations are frustrated—for good reason—with the way in which this body has treated President Bush. They know that President Bush gave great care and attention to finding nominees who are extremely well-qualified, highly talented legal thinkers who hold mainstream American values. There is not an ideologue among them. To the contrary, President Bush's picks for the judiciary are all principled and fair people, from a variety of backgrounds and experiences, who are committed to following precedent, applying the law as it exists, and standing firm against judicial activism. President Bush should not be forced to divert any more of his time and attention away from the war on terrorism and his many domestic priorities in order to persuade this body to do what is right for the American people.

Now, Mr. President, I would like to make two points that directly respond to the comments made earlier today.

Madam President, the current Senate leadership is not doing a better job this Congress than the Senate has done under other Presidents. I listened as my colleague explained that, if looked at through the right looking glass, or examined in the right subsection of the right time period of the right session of the right Congress, then the current numbers are pretty impressive.

The most important measure of performance should be how we are handling the most important courts: the Circuit Court of Appeals. Let's compare the treatment of President Bush's first 11 circuit court nominees to the first 11 of previous presidents. President Reagan, the first President Bush and President Clinton all enjoyed a 100 percent confirmation rate on their first 11 circuit court nominees, and all were confirmed well within a year. President Reagan's first 11 were confirmed in an average of 39 days, the first President Bush's first 11 averaged 88 days, and President Clinton's first 11—only 115 days. The longest any of these individuals were held up in committee was 202 days. In stark contrast to previous Presidents, 8 of President Bush's first 11 nominations—made on May 9, 2001, almost a year ago—are still pending in committee without so much as a hearing! That's nearly 365 days, and only 3 of the President's first 11 nominees are confirmed. Is this what the Democratic leadership considers a record-breaking pace? It may be record-breaking, all right, but not the record they're talking about. They are confirming with the velocity of molasses.

Now I heard my colleague suggest that some of the first 11 nominees may have been superseded out of courtesy to Republican Senators who requested some later-nominated judges to move first. Well, I know how difficult it is to chair the committee, and such requests do come in. But I would suggest to my friend that he do what I did for President Clinton: consider more than one circuit nominee per hearing. That's what we did, under Republican leadership, no fewer than 10 times. Why not two at a time?

Of course, the pace of confirming a President's first 11 nominees is not the only measure by which the current leadership is falling short. My colleague suggested that kudos should be awarded for bringing the circuit court vacancy rate down to 29. Well, it was never that high at the end of any Congress when Republicans controlled the Senate. And I certainly don't recall that, during my chairmanship, any of our circuit courts were facing the kind of crisis that is going on today in the 6th Circuit Court of Appeals, where the court is operating at half-staff despite the fact that president Bush has nominated seven highly qualified people to serve on that court.

The fact is that, at the close of the 106th Congress, when I was chairman of the Judiciary Committee, there were only 67 vacancies in the federal judiciary. In the space of one Democratic-controlled congressional session last year, that number shot up to nearly 100, where it remains today. Under Republican leadership, the Senate confirmed essentially the same number of judges for President Clinton—377—as it did for President Reagan—382—which proves bipartisan fairness—especially when you consider that President Reagan had six years of his party controlling the Senate, and President Clinton had only two.

So how did we go from 67 vacancies at the end of the Clinton administration to nearly 100 today? There can be only one answer: The current pace of hearings and confirmations is simply not keeping up with the increase in vacancies. We are moving so slowly that we are barely keeping up with natural attrition. President Bush nominated 66 highly qualified individuals to fill judicial vacancies last year. But in the first 4 months of Democratic control of the Senate last year, only 6 Federal judges were confirmed. At several hearings, the Judiciary Committee considered only one or two judges at a time. The committee voted on only 6 of 29 circuit court nominees in 2001, a rate of 21 percent, leaving 23 of them without any action at all.

This leads to my second point, which is that the current situation has nothing whatsoever to do with ideology. I was surprised to hear my friend, the chairman of the Judiciary Committee, address earlier today the question of introducing ideology into the judicial confirmation process. Some of my Democrat colleagues have made no bones about the fact that this is exactly what they are seeking to do. In July, they have even held hearings expressly on how to justify it. We saw what happened to Judge Charles Pickering.

What is now occurring is far beyond the mere tug-of-war politics that unfortunately surrounds Senate judicial confirmation since Robert Bork. Some of my colleagues are out to effect a fundamental change in our constitutional system, as they were instructed to do by noted liberal law professors at a retreat early last year. Rather than seeking to determine the judiciousness of a nominee and whether a nominee will be able to rule on the law or the Constitution without personal bias, they want to guarantee that our judges all think in the same way, a way that is much further to the left of mainstream than most of President Bush's nominees.

In the judiciary that some would create, citizens will have to worry about the personal politics of the judge to whom they come for justice under the law. I strongly object to that result.

The legitimacy of our courts, and especially the Supreme Court, comes from much more than black robes and a high bench. It comes from the people's belief that judges and justices will apply a judicial philosophy without regard to personal politics or bias.

In conclusion, Madam President, it is time for this Senate to examine the real situation in the Judiciary Committee, rather than listen to more inventive ways of spinning it. We have lots of work to do. There are 90 vacancies in the federal judiciary—a vacancy rate of more than 10.5 percent—and we have 50 nominees pending, including 4 nominees for the Court of Federal Claims. Nineteen of the pending nominees are for circuit court positions, yet the Senate has confirmed only nine circuit judges this Congress. This is despite a crisis of 29 vacancies pending in the circuit courts nationwide—virtually the same number of vacancies pending when the Democrats took control of the Senate in June of last year.

Madam President, the American people are disappointed in this process. They want the Senate to help—not hinder—President Bush. I urge my friends across the aisle to focus on this situation, to step up the pace of hearings and votes, and to do what's right for the country.

Thank you, Madam President. I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 p.m. having passed, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:43 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CLELAND).

* * *

EXECUTIVE SESSION—Continued

NOMINATION OF MICHAEL M. BAYLSON, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA

The PRESIDING OFFICER. The clerk will report the first nomination.

The assistant legislative clerk read the nomination of Michael M. Baylson, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Michael M. Baylson, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 98 Ex.]

YEAS—98

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—2

Dodd
Helms

The nomination was confirmed.

* * *

NOMINATION OF CYNTHIA M. RUFE, OF PENNSYLVANIA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA

The PRESIDING OFFICER. The clerk will report the next nomination.

The assistant legislative clerk read the nomination of Cynthia M. Rufe, of Pennsylvania, to be U.S. District Judge for the Eastern District of Pennsylvania.

The PRESIDING OFFICER. The question is, Shall the Senate advise and consent to the nomination of Cynthia M. Rufe, of Pennsylvania, to be U.S. District Judge for the Eastern District of Pennsylvania? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 99 Ex.]

YEAS—98

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Torricelli
Voinovich
Warner
Wellstone
Wyden

NOT VOTING—2

Dodd
Helms

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motions to reconsider the votes are laid on the table, and the President will be notified of these actions.

* * *

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

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ANDEAN TRADE PREFERENCE ACT—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I rise to talk about the trade promotion authority legislation that is before the Senate.

America has the most productive, creative workforce in the world. Our industries are diverse. Our products are second to none. Now we must expand our reach to bring more of these goods and services to the global marketplace by passing trade promotion authority legislation.

Trade promotion authority had been used since President Ford's administration to implement trade agreements until it lapsed in 1994. The President has not had this trade promotion authority since 1994. If America is going to increase trade opportunities around the world, Congress needs to pass this legislation so the President has the ability to negotiate trade agreements with the knowledge that, while Congress retains its right to approve or reject a treaty, it will not try to amend or delay it.

Without this legislation, foreign governments may not be willing to sit at the negotiation table with the United States, knowing that they may put all of this time into a negotiation that would then be delayed or changed by Congress.

Ninety-six percent of the world's consumers live outside of the United States, representing a vast potential market for American exports. Unfortunately, other countries are moving forward in promoting trade while we are standing on the sidelines. While we delay, other countries are entering into agreements that exclude us. Our competitors in Europe, Asia, and Latin America have sealed more than 130 free trade compacts. Yet we are party to only three—Jordan, Israel, and NAFTA with Mexico and Canada. Again, there are 130 free trade agreements in the world and the United States is a party to only 3 of those.

A lack of free trade agreements puts American exporters at a significant disadvantage. For example, a $180,000 tractor made in America and shipped to Chile incurs about $15,000 in tariffs and duties upon arrival. That same tractor would face only $3,700 in tariffs if it were made in Brazil, and there would be none if it were made in Canada.

American businesses, farmers, and ranchers are the best, but they should not have to compete with this kind of disparity. Our inability to negotiate agreements with foreign countries is hurting U.S. industry and limiting economic growth. The TPA offers the United States a chance to reclaim momentum in the global economy by adding foreign markets and expanding our opportunity for American producers and workers.

For 60 years, Presidents and members of both parties in Congress have worked together to open markets around the world. Now, as we launch the next round of global trade negotiations, close cooperation is critical. In Texas, we have experienced the benefits of free trade as a result of NAFTA. Since the agreement was implemented in January 1994, Texas exports have grown much faster than the overall U.S. exports of goods. Texas merchandise exports in 2000 went to more than 200 foreign markets, totaling $69 billion—an increase of more than 22 percent since 1997.

On the agricultural front, Texas ranks third among the 50 States in exports, with an estimated $3.3 billion in sales in foreign markets in 2000. We are leading exporters of beef, poultry, feed grain, and wheat. NAFTA has helped us secure the No. 1 cotton exporting State status. Since the agreement took effect, we have increased cotton exports to Mexico from 558,000 bales to 1.5 million bales in 2000.

Some people fear that trade will hurt the United States because they believe we will end up lowering barriers more than our trading partners. This is a legitimate question, but the fact is that the United States is already generally very low in barriers compared to our trading partners. For example, the average U.S. tariff on machinery imports is 1.2 percent, while foreign tariffs on U.S.-made machinery in countries such as Indonesia, India, Argentina, and Brazil are 30 times higher. By negotiating trade agreements, such as Free Trade Area of the Americas, the benefits we will receive by lowering those high barriers to our goods and services far outweigh the effect of lowering our very small tariffs.

Another fear is the extent to which lowering barriers to the U.S. market will cause job losses as companies move manufacturing overseas. This could happen, but we do have superior quality and work ethic—that is undeniable. Beyond that, however, we must consider the extent to which we are already losing jobs to overseas plants because of the high barriers to our goods.

Some countries try to attract manufacturing jobs by raising barriers to imports. This forces companies that would otherwise have production facilities in the United States and then export their products to build plants in these foreign countries so they get around the tariffs. For example, Mars, Inc., the candy and pet food manufacturer, has their largest production facility in Waco, TX. They and other U.S. confectionary makers face an average of 25 percent in tariffs on confectionary candy exports and candy products to the European Union, and they have a 55-percent tariff on these goods to India. But the United States has virtually no tariffs on confectionary products. The employees of domestic candy makers would be much more secure if the President were able to negotiate a trade agreement that lowered these barriers overseas so they were not penalized for having U.S.-based manufacturing.

In addition to trade promotion authority, we will be debating related trade bills over the next few weeks. The Andean Trade Preference Act, which is the base bill we are debating today, seeks to help our counternarcotics efforts by providing people of the Andean region—South America—with economic opportunity other than drug trade. This bill can help U.S. develop overseas markets. If the beneficiary countries are able to use their exports to the United States to develop a healthier economy, it will create market opportunities for U.S. exporters.

The Andean Trade Preference Act has been successful in this respect. Since it went into effect in 1991, the four Andean countries have experienced $3 billion in new output and $1.7 billion in new exports. This has led to the creation of 140,000 legitimate jobs in this region, providing employment alternatives to people who might otherwise get involved in the drug trade.

Similarly, by extending the General System of Preferences, which provides duty-free status to certain items from developing countries, we can help to develop healthier economies that will inevitably demand U.S. products.

The other bill we are addressing during this debate is Trade Adjustment Assistance. This is a good program that would help those who lose their jobs because of trade. But we must also make sure this is not a program that is going to be so expensive and a program that discriminates among certain unemployed workers versus other unemployed workers versus employed workers. I think we might be taking a big chance with that part of the bill—not being as fully vetted and researched as the two parts that are trade promotion and Andean preference. These are two trade promotion acts that will have direct benefits to the workers and the people of America. It will also help the consumers of America get the lowest prices for goods that are imported without those artificial barriers.

So in this time of increased tension in many parts of the world, American leadership on trade is more important than ever. Giving President Bush a strong hand to negotiate, helping other countries to use the benefits of trade to develop legitimate businesses and economic growth are what we are addressing in the Senate with this trade package. Passing this legislation will ensure the continued growth of our economy and make sure that we are exporting our greatest ideals to the world—freedom, free enterprise, and democracy.

We must give the President this trade promotion authority so we will not be left behind. If America is only a party to 3 trade agreements out of 130, you know that other relationships are forming that keep America out.

We made a very good start with NAFTA. We have seen the benefits of NAFTA, that free trade agreement. Now we must extend NAFTA to South America with the Andean nations with which we have had trade relations. We need to come back and put in place trade with those countries without those barriers that have been put forward in the last year. We need to have good relations all over the world.

I think it is clear, from what is happening in the world and the lack of understanding in many parts of the world what freedom and free enterprise are, that we should be the leaders in opening free trade markets under an agreement that provides a level playing field for our workers and the workers of a foreign country. We should be the leaders, not the followers; not the people who are being dragged kicking and screaming into the new century.

We need free and fair trade. We can only get it by negotiating trade agreements and making sure there is a level playing field. If we have no agreements, we can have small barriers, they can have big barriers, and that is not a level playing field. We want a level playing field. Trade promotion authority and the Andean Preference Act will give us that.

I yield the floor.

The PRESIDING OFFICER [Mr. CARPER]. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that before speaking on the fast track bill, I be allowed to speak on the Middle East, and I will take about 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. For colleagues who are watching, because I know there are a lot of people who want to speak, I probably will not take a full hour on my statement on fast track. I will try to proceed expeditiously, but first of all I do want to speak on the Middle East because I do not think we can ignore what is happening in the world. It has such a critical and crucial impact on our lives and our children's lives and our grandchildren's lives.

SEARCH FOR MIDDLE EAST PEACE

Mr. President, like many of my colleagues, I had enormous hopes for a permanent peace between Israel and the Palestinians before the collapse of the Oslo-Camp David peace process two years ago. Yet recently, as we all know, the situation in the Middle East has deteriorated dramatically, and what we have witnessed there is heartbreaking.

As I speak today, Palestinian gunmen remain holed up in the Church of Nativity, Israeli tanks are present in the West Bank, and Israeli and Palestinian civilians, seized by anxiety, fear stepping into the street in order to go about their daily lives. Across the region and in this country too, people are grieving for innocent Israelis and Palestinians who have lost their lives.

While there are new reports of clashes in Hebron, there is some positive news this morning. The month-long standoff at the Ramallah compound may be ending as U.S. and British security experts are expected to arrive today in the region to implement a U.S.-brokered plan. There are also signs of progress in Bethlehem, where there are news reports that many civilians not wanted by Israel will leave the church today.

Even in this time of terrible violence, however, we cannot lose hope, for the sake of Israelis and Palestinians everywhere who yearn for peace—and especially for their children, and the generations to follow. For them, we must continue to seek a pathway to peace.

To that end, Secretary Powell's mission to the region earlier this month was an important step. While a ceasefire was not achieved, the situation is less dangerous now than it might have been, without active U.S. engagement and Powell's vigorous diplomatic efforts. Events were spinning out of control earlier, especially on the border of Lebanon. But, the tense border situation seems to have cooled a bit, even if momentarily, due at least in part to Secretary Powell's work with the Syrians.

The real test, however, is whether the administration will stay engaged. It has finally left the side-lines and is onto the playing field of Middle East diplomacy, and it must stay in the game. Israeli officials say that conditions might worsen in the days to come, that Israel may witness a rash of suicide bombings as it pulls its forces back. If the administration, facing such an escalation of violence in the region, withdraws, as it has before, history will judge us harshly. If it continues to devote its time, energy and prestige to achieving the goals Mr. Bush laid out earlier this month, then the violence might be contained, and we may see progress. Engagement remains the only intelligent option for our country now.

We must pursue a courageous approach which seeks both to meet the critical need of the Israeli people to be free from terrorism and violence, and acknowledges the legitimate aspirations of the Palestinian people for their own state, a state which is economically and politically viable. Even in this horrific time, we must not lose sight of what should be our ultimate goal: Israel and a new Palestinian state living side-by-side, in peace, with secure borders.

For many, the last two years have shattered confidence in any peace process. It has raised questions in some people's minds about whether Palestinians and Israelis can ever really live and work together, supporting each other's aspirations for peace, prosperity and security.

We must do our best to work with the parties to restore calm, to end the bloodshed, and to get back to a political process that might address the underlying causes of this conflict.

I believe many of the elements of the path back to peace are known:

First, Palestinian leaders need to renew their severely damaged credibility as legitimate diplomatic partners by condemning terrorism and doing all in their power to combat it. Chairman Arafat has not consistently rejected or confronted terrorists; indeed if the evidence gather by the IDF is to be believed, he may have actually supported them. He cannot play both sides any longer, but must work to end terror and the sickening wave of suicide bombings Israel has suffered.

There must also be an end to the culture of violence and the culture of incitement in Arab media, in schools and elsewhere, which Arab and Palestinian leadership have allowed to go unchecked too long. Throughout the region, anti-Israel incitement is widespread and insidious: government-controlled press, television programs and school textbooks regularly demonize Israelis with vile language and images. Arab states must help put an end to this, as it badly damages all the parties and powerfully undermines the cause of the Palestinian people and their national aspirations.

President Bush and the international community have called on Israel to end its incursion into the West Bank, and Israel has begun a withdrawal, however partial and tentative. As President Bush stated, when Israel moves back, responsible Palestinian leaders and Israel's Arab neighbors must step forward, and demonstrate that they are working to establish peace: "the choice and the burden will be theirs." To that end, the Palestinian leadership must commit to resuming security cooperation with Israel, and the United States and the international community must assist the Palestinians in reconstituting an effective security mechanism so they can do so.

Second, Israel must show a respect for and concern about the human rights and dignity of the Palestinian people who are now and will continue to be their neighbors. It is critically important to distinguish between the terrorists and ordinary, innocent Palestinians who are trying to provide for their families and live an otherwise normal existence. Palestinians must no longer be subjected to the daily, often humiliating reminders that they lack basic freedom and control over their lives.

Third, the United States and the international community must begin immediately the urgent task of rebuilding so that ordinary Palestinians can resume a normal existence. The Palestinian economy has been battered and the infrastructure of the Palestinian Authority badly damaged. Last week, the World Bank identified a $2 billion need, estimating that the direct physical destruction of the public infrastructure alone is $300 million, and that at least 75 percent of the Palestinian workforce is now idle. At the same time, Israel is facing major economic challenges, with a serious recession and currency dropping to a new low recently. The international community and Israel's Arab neighbors must contribute to serious rehabilitation and economic development efforts.

Consistent with the UN Security Council resolutions, the United Nations fact-finding team must be allowed to visit the territories to examine what actually happened in the Jenin Refugee Camp. As Secretary Powell has declared, this is in the best interests of all concerned, especially in the best interests of the Israelis, to end speculation and have a full, accurate, public accounting of what actually occurred there. As soon as details on the composition of the team is resolved and the scope of its mission agreed upon, it must be allowed access to conduct its work.

Fourth, I believe there is no military solution to this conflict. The only path to a just and durable resolution is through negotiation. And there will be no lasting peace or regional stability without a strong and secure Israel, which is why the United States must maintain its commitment to preserving Israel's strength, and providing Israel substantial assistance.

I believe the United State must now push forward with specific and concrete ideas for rebuilding the shattered trust between the parties, bringing an end to the violence, and offering a new path back to the road of peace. The points of departure for such a plan are already in place—the UN Resolutions 242 and 338 and the earlier settlement negotiations conducted at Taba, Egypt in January 2001. The recent Arab League support of the Saudi proposal for normalization of relations between Israel and Arab nations is key. It acknowledges Israel's right to exist, and raises hope of a constructive Arab involvement in the search for peace. The United States should also consider supporting, with the consent of both parties, some kind of international observer force to enhance security for both sides. NATO might choose to take part in any such deployment, given Europe's continuing interest in containing the Middle East crisis. This could be followed, again with the agreement of all parties, with an international peace keeping force, if such a force could be helpful.

We cannot afford to dither. The administration should move decisively to convene a broad international conference loosely based on the Madrid conference of 1991, at which the exchange of land for peace became the basis for negotiation. The goals of the conference should be spelled out clearly: putting the breaks on the violence and speeding negotiations for a two-state solution.

Both sides will need to make painful choices if there is to be a just and stable peace. There must be a recognition of the tragic Palestinian refugee experience, and also an understanding that not all Palestinians refugees will be able to return to Israel. Many observers believe that the parties will eventually need to agree on a formula which would allow some refugees to return to Israel, and then provide for resettlement, and financial compensation for the remainder. And consistent with the Mitchell plan, Israeli settlement expansion in the occupied territories will have to be addressed and, as many observers have noted, some settlements may need to be dismantled. All of this should be negotiated by the parties themselves.

Despite the rage and raw feelings in the region now, most Israelis and most Palestinians crave a peaceful resolution to this conflict. This hunger for peace, and a sustained and vigorous engagement by the United States, are our best hope for achieving it.

ANDEAN TRADE

Mr. President, I debate this motion to proceed to fast track, the fast-track trade mechanism now known as the trade promotion authority. I oppose it on a lot of grounds.

First, I oppose the bill because of a principled opposition to the fast-track mechanism. I am not sure that for me this principle would in all cases be absolute and decisive, but I do lean against any fast-track mechanism for fundamental reasons. Second, I oppose the bill based on my judgement in advance of the unlikelihood of seeing negotiated trade agreements that I will be able to support on behalf of the people of Minnesota and of the nation. I base that judgement on the negative consequences of past trade agreements, the track-record of this administration so far, and on the text of the Trade Promotion Authority Act, which I believe is fundamentally flawed in its approach. Finally, I oppose moving to the fast-track bill because I believe it is irresponsible to discuss it before first addressing the urgent needs of workers in this nation.

Let me begin with my first reason for opposing the fast-track bill. I am inclined to oppose fast-track on general principles of democracy and representative accountability alone. Fast track procedures shorten necessary congressional debate and eliminate the option of amendments by elected and accountable representatives of the public. Under Article I, Section 8 of the Constitution, it is not the President but Congress that shall "regulate commerce with foreign nations" and I am not willing to shirk my responsibility to make fair trade policy by giving the President authority to determine trade policies without meaningful checks from Congress.

It is worth observing at the outset that when we say we are considering trade agreements under fast track procedures, the measures we are talking about generally entail the substantial changing of domestic laws. We are talking about packages of legislative changes that are the implementing bills for what the President and his representatives have negotiated with trading partners. We are not only discussing tariff schedules, important as those can be. We are talking about the alteration of domestic law. It is difficult to imagine good enough reasons to surrender our rights as Senators to unlimited debate on amendment of those measures before we have even seen them.

This bill, HR 3005, which the motion to proceed could bring before us by the end of the week if it is successful, would lock in fast-track rules now for debates and votes we will have later. By later, I mean at whatever point we consider implementing legislation for several of the trade agreements which the Administration is now negotiating such as an agreement entered into under the auspices of the World Trade Organization, agreements with Chile and Singapore, and an agreement establishing a Free Trade of the Americas or which it might negotiate under this authority between now and 2005. That is the duration of the bill's provisions if it is enacted. In other words, we are deciding now whether to establish special and highly restrictive rules which will govern our debate and votes later on implementing bills for agreements whose contents we will not know until that time.

That is the meaning of fast-track legislation. I wonder how many Americans are aware that the Senate might be willing to give away that much authority in the making of trade policy. If we pass this fast-track legislation, whatever agreement is negotiated and the changes in U.S. law that would be required in order for the United States to comply with it, will be considered automatically here in the Senate once that agreement is reached. This will take place on an expedited schedule, with no amendments, and with a limited number of hours of debate. Just one up-or-down vote on a giant bill changing numerous U.S. laws, with no amendments and limited debate. I am sorry to say that based on my experience, many of us in this body will probably be only partially aware of what is actually contained in such implementing bills. But in any case, even if we know every provision, we will not have the opportunity to change a single one.

During my time here in the U.S. Senate, I have consistently opposed the granting of fast-track authority for trade agreements. I opposed it for NAFTA. I opposed it for creation of the WTO. I have yet to be convinced of the need for any fast-track authority to achieve beneficial trade agreements. The record of the previous Administration appears to reinforce this conviction. During the 1990s we entered into nearly 200 international commercial agreements without fast-track, including the Caribbean Basin Initiative and agreements with sub-Saharan Africa, Jordan and Vietnam. I should repeat that nearly 200 trade agreements, and only two of those utilized fast track procedures. Last November, U.S. Trade Representative Robert Zoellick said that fast-track was a tool the administration could not live without. He said: "If I'm pressing my counterpart to go to his or bottom line, he or she is going to balk if they feel that Congress has the ability to re-open the deal. My counterparts fear negotiating once with the administration and then a second time with Congress."

Mr. President, if the previous Administration could so readily reach trade agreements without the benefit of fast-track, then I question the need to impose such procedures, which are inherently undemocratic. I also question what Mr. Zoellick is getting at. I would hope he understands that our system of government has three branches. That our system is based on checks and balances. And I would hope that in the nations with which we are negotiating trade agreements, that we are also promoting an agenda committed to democratic principles. Because when we talk about the fast-track mechanism, that is not the case. They shorten necessary debate. They eliminate the chance for amendment by elected and accountable representatives. They exclude meaningful participation in the legislative process by numerous groups which normally have at least some access to it.

For example, free trade is supposed to be good for the consumers. But how often do representatives of consumer organizations help to decide our negotiating goals? How many consumers are on the panels which advise negotiators? Corporations in various sectors help decide what our goals are, which is appropriate. But why not consumers? Consumers might argue that open trade is good; it can help bring higher quality goods and services at lower prices. But consumers might also point out that there need to be rules in an open trading system enforceable rules against downward harmonization of environmental and food-safety standards, enforceable rules against child labor, enforceable rules against the systematic violation of labor and human rights. These are not enforceable objectives of negotiators under this fast track bill. In fact, as negotiating objectives, they need not even be achieved for a trade agreement to come before the Senate and receive fast-track consideration. But they probably would be enforceable if we had a more democratic process for negotiating and considering trade agreements. And if the objectives were not achieved in the agreements, consumer advocates could find a member of the Senate willing to offer an amendment to change the proposal. But not under fast track.

I favor open trade. Open trade can contribute significantly to the expansion of wealth an opportunity. It can encourage innovation and improve productivity. It can deliver high quality goods and services to many consumers at better prices. Negotiated properly, trade agreements can help bring these benefits to all trading partners in fair way. However, I remain unconvinced of the need for a fast-track procedure in order for a president to achieve beneficial trade agreements.

Fast-track is not about politics. It is not be about providing the authority to a President whose trade policy we support, and not to one we do not. Fast track is about our responsibility as legislators to do our part to ensure fair trade in the global economy. Of course the White House should conduct trade negotiations. But there is no reason to give the White House autocratic power to do so. If a trade agreement cannot withstand the scrutiny of our democratic process, then it does not deserve to be enacted.

My second reason for opposing the motion to proceed to this bill is that I do not have confidence that the specific trade agreements that are likely to be negotiated with this fast-track authority would achieve an improvement in the standard of living and quality of life for a majority of Americans. Nor do I believe that such trade agreements would be likely to improve the lives of the majority of the populations of other countries, the countries with whom we trade. Therefore, I do not believe I am likely to support the agreements, or their implementing legislation. Why would I give up my right in advance to amend bills which I do not think I will be able to support?

We have had excellent debates over the nation's trade policy in recent years. We had a good debate over the North American Free Trade Agreement, the Uruguay Round of the General Agreement on Tariffs and Trade, which ultimately led to the creation of the WTO, over permanent normal trade relations with China, and more recently over trade and trade remedies regarding the steel industry. I would like to take a second to talk in particular about NAFTA and the WTO implementing legislation. I voted against the implementing legislation for those agreements because I believed those bills did not take this country in the right direction in trade policy. The results of those agreements have largely reinforced my view. I continue to regret that I did not have more opportunity to change those major pieces of legislation. I believe they have done us great harm.

I did not oppose NAFTA and the WTO because I am a protectionist. I am not. I don't have the slightest interest in building walls at our borders to keep out goods and services. Nor do I fear fair competition from workers and companies operating in other countries. I am not afraid of our neighbors. I don't fear other countries, nor their peoples. I am in favor of open trade, and I believe the President should negotiate trade agreements which lead generally to more open markets, here and abroad.

Indeed, I am very aware of the benefits of trade for the economy of Minnesota. I am told about them constantly. We have an extremely international-minded community of corporations, small businesses, working people and farmers in our state, and we have done relatively well in the international economy in recent years. Minnesota has lost some jobs to trade, as have most states. But we also benefit from trade. We benefit from both exports and imports. Exports create jobs, as we all know. But imports are not necessarily a bad thing either. They provide needed competition for consumers, and they also push our domestic companies to become better, to be as productive and efficient as they can be. Open trade can contribute significantly to the expansion of wealth and opportunity, and it tends to reward innovation and productivity. It can deliver higher quality goods and services at better prices. Negotiated properly, trade agreements can help bring all these benefits to all trading partners in a fair way.

My position is merely that Congress should exercise its proper role in regulating trade, which is what trade agreements do, so that the rules of international trade reflect American values. That is how American can lead in the world. It is how America should lead in the world.

What are American values when it comes to trade? We believe in generally open markets at home and abroad. But we also believe there is a legitimate governmental role in the protection and maintenance of certain fundamental standards when it comes to labor rights. There are certain fundamental standards when it comes to the environment. Standards when it comes to food safety and other consumer protections. Fundamental standards when it comes to democracy.

The question is how to pursue these values when we are negotiating trade agreements. The Bush administration believes that commercial property rights are primary in trade agreements, and should be enforceable with trade sanctions, and that environmental and labor rights are secondary. A majority of the Senate appears to agree. I do not. I don't believe most Americans agree with the President and the majority of the Senate on this question. I believe, and I believe that most Americans believe, that fundamental standard of living and quality-of-life issues are exactly what trade policy should be about. That is why strong and enforceable labor rights, environmental, consumer, and human rights protections must be included in all trade agreements, and as principle objectives in all trade negotiations. If trade agreements do not help to uphold democracy and respect for human rights, then they are deficient. That is my position. These should be the pillars of American leadership in the world.

At the same time we are told that America must lead on the issue of trade, we are also told that if we do not negotiate trade agreements, even ones which do not live up to our principles, then other countries will do so with each other in our absence. We will be left out. What a contradiction. We must lead, but we must do so by weakening our values. By leaving protection of workers rights out of the agreements we negotiate. By surrendering our principled linkage of human rights concerns to trade policy. Are we saying that when it comes down to it, money is what basically matters? Is that how we should lead the world? Not in my view.

Our trade policy should seek to create fair trading arrangements which lift up standards and people in all nations. It should foster competition based on productivity, quality and rising living standards, not competition based on exploitation and a race to the bottom. Protection of basic labor rights, environmental, and health and safety standards are just as important, and just as valid, as any other commercial or economic objectives sought by U.S. negotiators in trade agreements. We need to be encouraging good corporate citizenship, not the flight of capital and decimation of good-paying U.S. jobs. We ought not be pitting workers in Bombay against workers in Baltimore, making them compete against one another to get a decent living. Giving them ultimatums to accept an unlivable wage, or else. It is our responsibility in trade agreements to make the global trading system fair and workable.

It is the role of national governments to establish rules within which companies and countries trade. That is what trade agreements do. They set strict rules. If a country does not enforce respect for patents, trade sanctions can be invoked. If a country allows violations of commercial rules, trade sanctions can be invoked. You can bet that U.S. companies get right in the face of our negotiators to make sure that the rules in these agreements which protect their interests are iron clad and will be strictly enforced. Of course it is one of the goals of trade agreements to advance the interests of U.S. employers. But we are elected to help ensure that those agreements allows trade to benefit the interests of a majority of Americans, not only those with significant commercial interests abroad. I would go further and say that we also even have an interest in advancing the interest of a majority of people in other countries. Development abroad means more demand for products and services that we produce.

I believe our trade policy can achieve those goals. I wish that we would more often pursue them fully and in a balanced way. Our current trade policy is deeply skewed towards large corporate interests. That view is based on our experience with recent trade agreements. And unfortunately, this bill does little to require our negotiators to do better with new ones.

The negative effects of NAFTA, which took effect in 1994, and the WTO, created in 1995, demonstrate the harm in failure to negotiate important safeguards in trade agreements. NAFTA's damaging results have been documented by a range of reliable observers. They include loss of jobs, suppression of wages, and attacks upon and weakening of environmental and health and safety laws. Fast-track promoters want this authority to make it easier to extend NAFTA throughout the hemisphere in a proposed Free Trade of the Americas agreement and to expand the WTO in a new round of multilateral negotiation. If we repeat our past failure to include adequate labor, environmental, and health and safety provisions in new agreements, we only condemn ourselves to seeing some of NAFTA and other trade arrangements worst consequences again.

What have some of those consequence been? Let me draw from a report issued by the respected Economic Policy Institute. The report was issued in April of last year and is titled: "NAFTA at Seven: Its Impact on Workers in all Three Nations." E.P.I's study examined the effects of NAFTA seven years after it implementation and concluded that in the United States: "NAFTA eliminated some 766,000 actual and potential U.S. jobs between 1994 and 2000 because of the rapid growth in the U.S. export deficit with Mexico and Canada." Minnesota, according to the report, lost about 13,200 jobs due to the NAFTA related trade deficit. The report went on to say that in the U.S. "NAFTA has contributed to rising income inequality, suppressed real wages for production workers, weakened collective bargaining powers and ability to organize unions, and reduced fringe benefits." A second report released last October argues that when you look at the combined NAFTA and WTO trade-related job losses between 1994–2000, that number is over three million. According to the report, Minnesota lost nearly 50,000 jobs. E.P.I also estimates that 5 to 15 percent of the decline in real median wages can be explained by the increase in trade.

NAFTA also has not lived up to promises regarding the environment or domestic areas such as food safety. According to reports released by Public Citizen, since the implementation of NAFTA, U.S. food imports have skyrocketed, while U.S. inspections of imported food have declined significantly. Public Citizen notes that imports of Mexican crops documented by the U.S. government to be at high risk of pesticide contamination have dramatically increased under NAFTA, while inspection has decreased. It argues that U.S. border inspectors have simply been overwhelmed by the large volume of food imports entering the country from Mexico. In a report from September titled: "NAFTA Chapter 11 Investor-to-State Cases: Bankrupting Democracy," Public Citizen documents the frontal assault on American law by foreign investors using rights and privileges given to them in the NAFTA agreement. It states that "since the agreements enactment, corporate investors in all three NAFTA countries have used these new rights to challenge as NAFTA violations a variety of national, state and local environmental and public health policies, domestic judicial decisions, a federal procurement law and even a government's provision of a parcel delivery services."

Mr. President, our experience with NAFTA cannot be dismissed. It has contributed to a significant number of job losses and the suppression of real wages for production workers, who make up 70 percent of the workforce. Real wages have gone down in Mexico, too, despite the fact that some workers are performing high-skill, high-productivity labor. Our trade balance has dramatically worsened with respect to Mexico. And a number of U.S. firms not only have used the threat of relocating to Mexico to hold down wages, but some have even closed part of all of a plant in response to union organizing or bargaining. Violations of fundamental democratic principles, as well as of basic human and labor rights, continue to occur regularly in Mexico. And NAFTA's side agreement has not significantly improved Mexico's environment, or that of the U.S. Mexico border region.

NAFTA is a bad agreement. But I must also note briefly the tremendous weakness of this fast-track bill itself. The bill reported by the Finance Committee requires only that trading partners enforce existing labor and environmental laws. Nowhere in this bill does it state that parties must strive to ensure that their labor and environmental laws meet international standards. Nowhere in this bill do we demand that countries make progress in protecting the rights of workers and the environment. This is unacceptable. Have we learned nothing? Shouldn't we, at a minimum, require that countries try to do better?

The bill requires only that a country enforce its own laws as they stand today, and to add insult to injury, it has a loophole that allows countries to lower labor and environmental standards with impunity. It allows for strong enforcement of the provisions on intellectual property and other commercial rights, but then provides no adequate enforcement for violations of the labor and environmental provisions. In the real world, the effect of weak labor standards coupled with no enforcement mechanism means that while a U.S. company could easily bring a case against a country for not enforcing laws on copyright protection, that same country could fail to enforce minimum wage laws or even lower the minimum wage, and neither the U.S., nor a worker who is affected, could bring a case for violation of the trade agreement. I believe this provision shows exactly whose interests this bill is meant to benefit, and it's not the working man.

And unfortunately, the drafters have not learned from the mistakes of the NAFTA agreement when it comes to investor lawsuits. Just like under NAFTA, this bill does not forbid investor lawsuits that challenge domestic laws on the grounds of expropriation—expropriation that is not even limited to the long standing legal precedent that it must involve more than just a diminution in value or loss of profits. Today, as we debate the motion to proceed, a lawsuit is underway between a Canadian company and the U.S. government dealing with this very issue. Under NAFTA, the Canadian company Methanex has sued the U.S. government for $970 million in future profits due to California's banning of the chemical MTBE, which Methanex produces. Small leaks of MTBE from storage tanks, pipeline accidents, and car accidents were found to have contaminated 30 public drinking water systems in California. California banned the chemical on safety grounds and now we, the American people, are supposed to re-imburse the company that made the chemical for their lost profits? Absolutely not.

In 2000, another Canadian company, ADF Group Inc., filed a complaint using NAFTA's Chapter 11 on investment to challenge the federal requirement that U.S.-made steel be used in all federally funded highway projects. The case both challenges federal procurement policies and attacks a part of U.S. law that directly benefits American workers. Regardless of the outcome of this case, the fact that a private company could use NAFTA to challenge a popular domestic law that the U.S. has routinely tried to exempt from trade agreements, should trouble us all. The fast-track bill would do absolutely nothing to prevent more challenges to our Buy America Law in the future, and it would do nothing to guarantee that trade agreements will not be used to challenge laws we pass to protect our environment, public health and safety, and our workers.

Proponents of fast-track argue that these inadequate negotiating objectives will produce concrete gains in protecting workers' rights and the environment in future trade agreements, notably the FTAA, the WTO, and pending agreements with Chile and Singapore. But the Bush Administration has provided no basis for confidence that it is will willing to expend the necessary energy and political capital to actually move workers' rights and environmental provisions forward in any of these arenas. In fact, every word and action from the Bush Administration since it has been in office points to the contrary. It is simply untrustworthy when it comes to trade policy.

Section 131 of the Uruguay Round Agreements Act, as amended, directs the President to "seek the establishment . . . in the WTO . . . of a working party to examine the relationship of internationally recognized worker rights . . . to the articles, objectives, and related instruments of the GATT 1947 and of the WTO." Despite this crystal clear mandate from the U.S. Congress, the Bush Administration has refused even to propose a working party on worker rights at the WTO. U.S. Trade Representative Zoellick told the House Ways and Means Committee on October 9th that such a proposal "would kill our ability to launch the round . . . It has no chance whatsoever." The truth is, the Uruguay Round Agreements did not ask the President or his Trade Representative to evaluate the potential success of seeking a working party; it said the President "shall seek" such a party. Why would we give this President authority to negotiate trade agreements on an expedited basis, with no amendments, when it appears he already doesn't follow the instructions mandated by law from this body?

This Administration has publicly announced it will not enforce provisions negotiated in good faith by the Clinton Administration in the Jordan Free Trade Agreement. The Jordan agreement incorporated enforceable workers' rights and environmental protections in the core of the agreement subject to the same dispute resolution provisions as the commercial aspects. Yet in July, USTR Zoellick exchanged letters with the Jordanian ambassador to the U.S., in which both pledged not to use trade sanctions to resolve disputes under the agreement. This effectively gutted the path-breaking labor and environmental provisions in the Jordan agreement, since they are the only provisions not also covered by WTO rules, which authorize sanctions separately.

Also, the draft ministerial WTO declaration prepared for the next ministerial contains no progress on workers' rights whatsoever. There is not even a commitment for a formal cooperation agreement with the ILO, which would be a very minimal step forward, yet the Administration has not publicly criticized this aspect of the declaration.

The draft text of the FTAA, released in April, also contains no language whatsoever, not even as a proposal, linking trade benefits to workers' rights or environmental protection. If the FTAA negotiations continue on their current path, even the modest workers' provisions now included in the Generalized System of Preferences—which currently applies to virtually every Latin American country—will be rendered moot. In regard to the on-going Chile and Singapore negotiations, the Bush Administration has apparently retreated from the Jordan agreement commitments which were to be the baseline for the labor and environmental provisions of any new agreement. It has also failed to bring forth any proposals on labor and environment in the negotiations. Chilean negotiators have told reporters that the U.S. is only asking for monetary fines to enforce labor and environmental standards. This falls short of even the modest Jordan standard.

It is clear this Administration has no commitment to labor rights or the environment in its trade policy. In fact, it doesn't see them as fundamental principles necessary to achieve fairness in the global trading system—it sees them as "potential new forms of protectionism." This is what USTR Zoellick said in a speech to business associations in New Delhi last year. He also told the audience: "We can work cooperatively to thwart efforts to employ labor and environmental concerns for protectionist purposes."

Mr. President, we can not trust what this Administration says it will do when negotiating agreements because quite honestly, it doesn't believe what it is saying when it negotiates them. Worker's rights and protection of the environment in trade agreements are secondary to commercial interests. Period. They are secondary when it comes to workers and the environment abroad and they are secondary when it comes to workers' and the environment here.

For example, we have watched workers in the steel industry bear the brunt of ineffective trade policies and more recently, inadequate trade remedies on the part of this Administration. Although the President's recent Section 201 decision brought relief to some segments of the United States steel industry, it did nothing for Minnesota's Iron Range—nor for the iron ore industry in Michigan. While the President imposed a fairly significant tariff on every other product category for which the International Trade Commission (ITC) found injury, for steel slab he decided to impose "tariff rate quotas." This brings us virtually no relief.

Nearly 7 million tons of steel slab can continue to be dumped on our shores before any tariff is assessed. The injury will continue. Moreover, already some of our trading partners—Brazil, for example—are angling for exemptions that would drive the quota levels even higher. And, frankly, I fear this Administration might listen too sympathetically to such pleas.

In fact, members of the Senate's Steel Caucus recently received a letter warning of potentially devastating impact of grants of exclusions awarded by the Administration. As the President of the United Steelworkers of America, Mr. Gerard, says, "It would be tragic if having traveled so far to provide the industry and its workers and communities desperately needed relief, that the Administration now wasted this opportunity by making unwarranted exclusions at the behest of our trading partners."

Frankly, the commitment to protect domestically produced iron ore and the blast furnace capacity to process that iron ore is shockingly absent. We must remain vigilant.

All of this leads me to the final reason I oppose moving to the fast-track bill. It is obvious this nation has more urgent priorities than debating fast-track authority. America's manufacturing industry is in a deep, long-lasting crisis that threatens the future of American prosperity. Manufacturing job losses since July 2000 have totaled 1.3 million. Manufacturing employment peaked in March 1998 at 18.9 million, but since then has declined by more than 1.6 million jobs to a total of 17.3 million. Last year, total employment in manufacturing fell below 18 million for the first time since June 1965. From 1994 to the present, growing trade deficits have eliminated a net total of 3 million actual and potential jobs from the U.S. economy—nearly 50,000 of those jobs in Minnesota, representing 2% of the state's labor force. Let's be clear. This crisis is a result of a failure of economic and trade policy. We should be addressing this failure, not granting fast-track authority for major new trade negotiations.

Domestic companies are hurting and domestic jobs are being lost by the thousands because of unfair trading practices not adequately curbed or punished by our domestic trade policies. What's perhaps most troublesome is that the trade-related losses of the past decade happened during times of economic prosperity so their effect was masked. I think we are just starting to feel the real impact of this nation's misguided trade policies. And now the Administration wants even more authority—fast track authority—to perpetuate these misguided policies? Where are their priorities? Do they even recognize the needs of workers in America?

We must address the condition of the American worker first. Trade Adjustment Assistance is critical for thousands of American workers and their families, and it should not be bootstrapped to a flawed, undemocratic bill that will cause more long-term hardship. I support the trade adjustment assistance portion of this bill. It will provide important assistance that is urgently needed. But, I believe we should address TAA separately, on its own merits.

Congress established TAA in 1962 to assist workers whose job loss is associated with an increase in imports. Workers are eligible for up to 52 weeks of income support, provided they are enrolled in re-training. The program also provides job search and relocation assistance. Despite low unemployment through the second half of the 1990s, the number of workers eligible for TAA has increased. In 2000, approximately 35,000 workers received TAA benefits. Unfortunately, existing TAA eligibility requirements have not kept up with the changing times. TAA covers too few workers and fails to address major problems that workers and communities face. The TAA provision in this package would help change that.

It would broaden eligibility and expand benefits, providing benefits to secondary workers, including suppliers and downstream providers. For example, iron ore workers who faced layoffs because of increased steel imports would be covered. TAA eligibility would also be expanded to include workers affected by shifts in production, as well to those affected by increased imports. It would increase income maintenance from 52 to 78 weeks; substantially increase funds available for training; ensure workers who take a part-time job don't lose training benefits; and increase assistance for job relocation.

The expanded program would link TAA recipients to child care and health care benefits under existing programs, and provide assistance to recipients in making COBRA payments. When you lose your job you lose your health insurance, and unfortunately that often means you lose your healthcare. While I was in Minnesota last summer, I heard from working men and women who had lost their jobs because of the economic downturn. In the fall I spoke to many who had become unemployed as a direct consequence of September 11th. Many of them told me that they were eligible for COBRA assistance but couldn't afford it. The average cost of COBRA coverage for a family is $700, more than half the monthly unemployment benefit. 80% of dislocated workers don't purchase it because they can't afford it. They end up having to make an awful choice: the choice between food and clothes for their families and having health insurance. This is unacceptable. We must provide assistance to the unemployed to ensure they have affordable health insurance.

The TAA provision in this bill would recognize the special circumstances faced by family farmers, ranchers and independent fishermen, and would seek to provide assistance and technical support before they lose their businesses. It would provide wage insurance for older workers and help communities adjust to devastating job losses. Mr. President, entire communities are often affected by the closing of one textile factory or steel mill. We must coordinate federal assistance to these communities, help them develop strategic plans following job losses, and provide technical assistance, loans and grants.

As of December, in Minnesota over 3800 workers have applied for Trade Adjustment Assistance as a result of NAFTA. Entire companies have relocated to Mexico or Canada, or workers have been laid off do the increase in imports from those countries. We must guarantee that all Americans benefit from trade by providing adequate trade adjustment assistance. But even that is not enough. We must protect the standard of living and quality of life of the American worker. We must address decline in real median wages and the weakening of workers rights in this country. And we must do so before we even think about fast-track authority.

Why is it, for example, that we are proceeding to debate the need for expedited review of trade deals this Administration negotiates when we have yet to address the long over-due increase in the federal minimum wage. Have we considered the irony of this? Expedited review of trade agreements that cause us to lose jobs, that undermine worker safety and security around the globe, before we debate a paltry $1.50 increase in the minimum wage over three years?

Poverty has nearly doubled among full-time, year-round workers since the late 1970s—from about 1.3 million then to 2.4 million in 2000. There are millions of mothers and fathers toiling 40 hours a week, 52 weeks a year, who are still unable to meet their families' basic needs—food, medical care, housing, clothing. More than 32 million people in this country—more than 12 million of those children—were poor in 1999.

A key part of the problem is an unacceptably low minimum wage. Minimum wage employees working 40 hours a week, 52 weeks a year, earn only $10,712 a year—more than $4,300 below the poverty line for a family of three. The current minimum wage fails to provide enough income to enable minimum wage workers to afford adequate housing in any area of this country.

Mr. President, every day the minimum wage is not increased it continues to lose value, and workers fall farther and farther behind. Minimum wage workers have lost all of their gains since we last raised the minimum wage in 1997.

Today, the real value of the minimum wage is now $3.00 below what it was in 1968. To have the purchasing power it had in 1968, the minimum wage would have to be more than $8 an hour today, not $5.15. Since 1968, the ratio of the minimum wage to average hourly earnings dropped from 56% to 36%.

Members of Congress acted to raise their own pay by $4,900 last year—the fourth pay increase in six years. Yet we have not found time to provide any pay increase to the lowest paid workers, an increase that would add $3,000 to the income of full-time, year-round workers. Don't those who are most vulnerable in our society, those who are absolutely struggling to make ends meet, those who every day are forced to choose between food, clothing, shelter, or health care for their families, don't they deserve the modest increase in the minimum wage that is proposed in the legislation that has been stalled for far too long.

A gain of $3,000 would have an enormous impact on minimum wage workers and their families. It would be enough money for a low-income family of three to buy: over 15 months of groceries; over 8 months of rent; over 7 months of utilities; or put a family member through a 2-year community college program.

History clearly shows that raising the minimum wage has not had any negative impact on jobs, employment, or inflation. Rather, in the three years since the last minimum wage increase, the economy experienced its strongest growth in over three decades. Nearly 11 million new jobs were added, at a pace of 218,000 per month.

Nearly 9 million workers would directly benefit from the proposed minimum wage increase, many of whom are raising children. Thirty-five percent of these workers are the sole earners for their families. Sixty-one percent are women. Sixteen percent are African American and twenty percent are Hispanic American.

Finally, since a minimum wage increase goes to families who need every dollar for basic needs, raising the wage will provide a much-needed spur to our slowly recovering economy. Fifty-eight percent of the benefit of the 1996 and 1997 increases went to families in the bottom 40% of income groups. Over one-third of the benefit went to the poorest families, those in the bottom 20%.

A fair increase in the minimum wage is long overdue. This body should not be proceeding to this wrong-headed fast track measure at all. But at the least we should not be doing so in advance of considering a minimum wage increase to correct some of losses suffered as the result of our shameful inaction in the past. No one who works for a living should have to live in poverty.

I oppose the motion to proceed to fast-track authority for all the reasons I have laid out here today: the fast track mechanism is undemocratic, it is unlikely I will be able to support trade agreements negotiated under fast-track authority given the consequences of past trade agreements, the track-record of this Administration so far, and the text of the Trade Promotion Authority Act, and I believe is irresponsible to discuss fast-track authority before addressing the urgent needs of workers in this nation.

I know that I am not alone in my opposition to fast-track authority. And I know that proponents of it will try to cast this debate as one of protectionists versus free traders. Nothing can be farther than the truth. The debate today is one of free trade versus fair trade. I know the difference. The American people know the difference. The debate today is about the responsibility of this nation to ensure justice in the global trading regime, to ensure democracy, human rights and all the values that make this nation great are not swept aside in the name of trade promotion. And it is about ensuring the American worker is not swept under the rug in the name of free trade.

Mr. President, Americans and especially the American worker, understand the link between promoting human rights and democracy and promoting free trade. In fact, they demand that link. We have seen it in the street of Seattle, Washington; Genoa, Italy; and just two weeks ago here in Washington, DC. At the grassroots level, people are demanding that trade be more than the simple movement of capital. They are demanding that it be more than the protection of intellectual and investor property rights. They are demanding more than what we see in this fast-track bill. My position on trade agreements is their position. It is not "no, never." It is "yes, if." Yes to trade agreements if they protect democracy, human rights and internationally recognized labor rights; yes to trade agreements if they guarantee minimum safeguards for the environment; yes to trade agreements if they do not abandon family farmers to competition from export-oriented mega-farms abroad operating free from any environmental-regulation; yes to major trade agreements if they do not displace thousands of workers without any adjustment assistance. I oppose this motion to proceed and I will oppose the bill when it comes to the floor. To reiterate, Article I, section 8 of the Constitution says it is not the President but the Congress that shall regulate commerce with foreign nations.

I am not willing to shirk my responsibility of being a part of shaping a trade policy that can dramatically affect the quality of lives of families and people I represent in Minnesota. I do not understand how we could agree to a fast-track procedure whereby we could have a trade agreement which would entail actually changing some of our domestic laws that deal with consumer protection, that deal with worker rights, that deal with a whole range of issues, and that we basically surrender our rights to have the opportunity to have an amendment considered on the floor of the Senate. It makes no sense whatsoever.

This legislation locks us into fast-track rules now for debates and votes we will have later. The administration is talking about agreements with Chile and Singapore, the Free Trade Agreement of the Americas. In other words, we are deciding now whether to establish special and highly restrictive rules which will govern our debate on votes on pieces of legislation, votes that will take place later; an expedited schedule, no amendments, a limited number of debates. I don't understand it.

We can have trade legislation without this procedure. With fast track, any kind of trade agreement can come to the Senate floor. It can affect environmental laws that we pass in our States—in Delaware, in Minnesota. It can affect food safety legislation that we might pass in our States or pass in the Congress. It can overturn and declare trade illegal. It can be a trade agreement that we make with different countries, that further depress wages in our country. That means many working families will lose their jobs. That means no respect for basic child labor rights. And where there is no respect for human rights, there is no respect for democracy.

All of that can happen, and we are going to say through this legislation that we forfeit our right as Senators to represent people in our States and try and amend these agreements so we can provide protection for the people we represent? I say to colleagues, on principle alone, I oppose this.

By the way, I opposed the Democratic administration. It is not a matter of politics. I oppose any President having this authority. I don't believe we should give up what is not only our constitutional right but our responsibility as legislators.

Robert Zoellick discussed why he needs fast track: If I am pressing my counterpart to go to his bottom line, he or she will balk if they feel the Congress has the ability to reopen the deal. My counterparts fear negotiating once with the administration and a second time with the Congress.

From the floor of the Senate, I say for Mr. Zoellick, without acrimony, we have a system of checks and balances. We have three branches of Government. As a matter of fact, during the decade of the 1990s, we negotiated close to 200 trade agreements only two of which used the fast track procedure. I have a list of them. The list goes on and on and on.

Let me make a second point, which is more hard hitting. When I look at past trade agreements and some of the empirical evidence, I don't want to give up my right to amend future trade agreements which I think will have the same detrimental or an even more detrimental effect on families in the State of Minnesota or, for that matter, around the country.

Let's just take NAFTA. The Economic Policy Institute, a highly respected think-tank, issued a report last year entitled "NAFTA At Seven: Its Impact on Workers in all Three Nations." The report says:

> NAFTA eliminated some 766,000 actual and potential U.S. jobs between 1994 and 2000 because of the rapid growth in the U.S. export deficit with Mexico and Canada.

Minnesota lost 13,200 jobs due to the NAFTA-related deficit.

The report went on to say that in the United States:

> NAFTA has contributed to rising income inequality, suppressed real wages for production workers, weakened collective bargaining powers and ability to organize unions and reduced fringe benefits.

A second report released last October argues that when you look at the combined NAFTA and WTO trade-related job losses between 1994 and 2000—and I voted for neither agreement—the number is over 3 million. According to that report, Minnesota lost 50,000 jobs. The EPI estimates that 5 percent to 15 percent of the decline in real median wages can be explained by this increase in trade.

What are we saying? I will tell you something about potash workers. I was in Brainerd. It is so heartbreaking that 700 workers are out of work. When I called the CEO, he said to me: Senator, we can deal with any of the U.S. companies. We got killed by trade policy.

In greater Minnesota they were shut down and lost $20-an-hour jobs with health care benefits.

LTV's iron ore workers—slab steel is coming in, produced way below the cost of production, and 1,300 workers are out of work, having lost well-paying jobs with good health care benefits.

Apparel workers, textile workers, auto workers continue to lose their jobs. In all due respect, we are supposed to be the party that represents working people. We are supposed to be the party for jobs. I fail to see how we live up to this responsibility by signing on to a trade agreement where we do not even have the right to offer amendments.

These companies say to workers in this country: if you do not give up some of your health care benefits, or if you do not agree to keep your wages down, we are gone. They do not say to workers in Minnesota: we are going to North Carolina. They are leaving North Carolina, too. They are saying to American families: we are gone. We are going abroad. We are going to Juarez, or Singapore, or wherever. We are going to Vietnam. We are going to Cambodia where we can pay people 30 cents a day; we can hire little children; we can work them 18 hours a day; we can imprison people if they try to organize and form a union, and we can torture people and violate people's human rights. There are some 70 governments today in the world that systematically practice torture.

Then, what these companies say to these countries is: OK, we will come to your country, but if you dare ever pass legislation allowing people the right to organize and bargain collectively, then we will leave, or we will not come. You had better not have any environmental standards that make it hard on us, or then we will not stay. You had better not pass any laws that protect little children so they don't have to work 18 hours a day at age 11, or we will not invest in your country.

We are given all these arguments about how we should be internationalists. I am an internationalist. My father was born in Odessa, Ukraine. My father's family moved to stay one step ahead of the pogroms. He moved to Siberia in czarist Russia and then came here at age of 17. He fled czarist Russia. There was a revolution. He was going to go back, and his parents told him: Don't come back, the Communists have taken over, Kerenski is out and Lenin is in. He never saw his family again, and they, in all likelihood, were murdered by Stalin.

My father spoke 10 languages fluently. I don't. But I am an internationalist. That is not the issue.

I know we are part of an international economy. I just want to ask, are there not any new rules that go with this? Just as 100 years ago when we moved from a farm economy to a national economy to more of an industrial economy—remember what happened? The women said: We want the right to vote. And then workers organized for an 8-hour day and 40-hour week, and then other citizens, the farmers and Populists alliance, said: we want some antitrust action; these trusts are destroying our lives. And there was the Sherman Act and Clayton Act, and then other people said: we want direct election of Senators.

There was a group of citizens who in a democracy demanded what they as citizens in a democracy had the courage to demand, which was: As we move from an agrarian to a national economy, make that national economy work not just for these huge companies, but for all of us, for our families and our children.

Now we are in the 21st century. What we are saying is, with this new international economy, can't we make sure that this new economy works not just for large multinational corporations? Can't we make sure that this new international economy works for workers—workers here and workers in developing countries? Can't we make sure it works for the environment and works for human rights and democracy?

It breaks my heart that we are told we can lead, but we can't lead with American values. What we are hearing from the administration and some of the proponents of this is: We have to do this. We have to lead. But we dare not—and believe me, I will have an amendment on the floor that will do this—we dare not tie this to human rights or democracy. There cannot be any mention of human rights or democracy in any of these trade agreements. We are asked to lead, but not lead with our values. We are asked to lead, but not stand for human rights. We are asked to lead, but not stand for democracy. As a first-generation American, the son of a Jewish immigrant who fled persecution from Russia, I reject that proposition.

There is much I could say that is more technical, and I will as we get to amendments, but I have one other question. Why are we on this legislation? How about first raising the minimum wage? In the coffee shops of Minnesota, when I walk in with Sheila and have a cup of coffee and a piece of pie, people don't say: Are you going to get to fast track? People talk to me about wages. They talk to me a lot about education.

How about a debate about when we are going to fully fund special education and live up to our commitment? The Presiding Officer, as a former Governor, knows what that is all about in Delaware.

How about a debate about affordable prescription drugs for seniors, and for others as well? We should be able to reimport drugs from Canada. Farmers and consumers should be able to reimport drugs back from Canada, if they have met all their FDA requirements. It helps not only senior citizens but all of our citizens.

How about going from $5.15 an hour which, if it kept up with inflation, would be $8 an hour—$1.50 over the next 3 years?

In the State of Minnesota, to be able to afford housing at minimum wage, you would have to work 127 hours a week. There are not 127 hours in a week. It is just unbelievable. We are the Democratic Party. I am, today, speaking for the Democratic wing of the Democratic Party. Housing? In the State of Minnesota now, in the metro area, you will be lucky if you get a two-bedroom apartment for under $900.

Childcare? If you had a 2-year-old and 3-year-old, you would be very lucky if your expenses were less than $1,000 a month.

Of course, childcare workers make $6, $7, or $8 an hour with no health care benefits. You can't support yourself on minimum wage. If you are a single parent, that takes almost all of your income. It doesn't even meet the question of health care costs, food, transportation, and maybe once in a blue moon to go to a movie, or go out to eat.

Why aren't we focusing on the basic concerns of working families? I make this appeal on the floor of the Senate. Why aren't we talking about raising the minimum wage? Why aren't we talking about minimum wage jobs? Why aren't we talking about affordable prescription drugs? Why aren't we talking about health security for all? Why aren't we talking about how to meet these exorbitant health care expenses that small businesses can't meet? Why aren't we talking about what we are going to do as more and more of our neighbors, parents, or grandparents live to be 80 and 85 to make sure they can stay at home and live at home with dignity and not be forced to go to nursing homes? Why aren't we talking to our health care providers and to our physicians about adequate Medicare? Why aren't we talking about how we can have more support for nurses and attract more teachers? Why aren't we talking about retaining more teachers? Why aren't we talking about doing more for K–12? Why aren't we talking about affordable higher education, how we can make sure that every child by kindergarten knows how to spell his names, knows the alphabet, the colors, the shapes, and the sizes when they are ready to go to school?

Why in the world are we not focusing on these issues that are so important to the vast majority of the people we represent?

Why are we talking about fast track? Why are we calling upon all of us to give up our constitutional authority to amend trade agreements; to give up our responsibility to represent the people back in our States in case these trade agreements are antithetical to their rights as workers, or to their environment, or to their safety, or to their children; or to the rights of consumers?

I wouldn't do it for any President. Why don't I just lay my cards out on the table. Forgive me. I wouldn't do it for this President.

I don't see that this administration is at all committed to raising the minimum wage, or to making sure people have the right to organize and bargain collectively for labor law reform, or, for that matter, to protecting against repetitive stress injury, and to ensuring a safe workplace.

I don't think there is a great commitment on the part of this administration on behalf of the environment, consumers, or ordinary people who do not have all the capital and who make the huge contributions. I don't see a whole lot of commitment.

Now we are going to give this administration fast-track authority? I didn't vote to give it to the last administration. We can't come out here with an amendment to try to make things better. We can't fight to represent the people back in our States. And the trade agreements that I have seen so far—every single one—do not represent fair trade. They don't have child labor standards. They don't have basic human rights standards. They don't have any standards for protection of the environment. At the end of the day, there are depressed wages for workers not only in our country but in the developing countries as well. I think we can do better.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTEREST RATES FOR STUDENT LOANS

Mr. WELLSTONE. Mr. President, I have not had a chance to review the specifics of the President's proposal. Jill Morningstar works for me on education. She gave me a briefing last night, which I haven't had a chance to read.

As I understand it, the administration is now basically proposing that students will not be able to consolidate some of their students loans in order to lower the interest rates and give them a break on interest rates.

I want to say to the White House that this is a true no-brainer; that is to say, it is a nonstarter.

I think the more the administration hears from higher education students in the State of Minnesota and around the country, the more they are going to realize that it is not true that these students when not in school are traveling around the swank ski resorts or playing on all the swank golf courses because they have a ton of money. It is not true. If they are 18, 19, and 20, many of them are working several jobs 30 hours a week. Many of these students in my State—I bet in Delaware, too—are in their forties and fifties and are going back to school.

I am the beneficiary of the National Defense Education Act, which was a low-interest rate loan, and I only had to pay half of it back because I went into teaching.

We should be going in the direction of more affordable higher education—not less affordable.

I think the bind this administration is in with their proposal is they are trying to figure out ways of supporting the Pell Grant Program because so far in their budget they don't have the support for it and the ability to find other pots of money.

This is sort of an unconscionable tradeoff. This is not the way we get more funding for Pell grants or other worthy programs—basically by severely undercutting students' abilities to be able to combine their loans and pay a lower rate of interest.

This is really anti-education. Frankly, it is anti-student.

I want the higher education community in Minnesota to know that is why I came to the floor. I am adamantly opposed to this policy. I join the ranks of other Senators—Democrats and Republicans alike—in opposition.

I think for many middle-income families higher education ranks right up there as one of the huge issues. It is very important.

I imagine that back in my State—and other Senators and Representatives will be doing the same thing—I will be having some meetings with students. Unless I am wrong, I think we will see a tremendous reaction, a lot of organizing, and a lot of insistence that the administration change this policy.

I am on the floor of the Senate today to call upon the White House to basically back away. They are going in the wrong direction. They are going to really feel the political heat. You should really feel the political heat.

This is the bind we are in. All of these worthy programs are on a collision course with the tax cut. Let us have tax cuts. Let us do some of it, but there has to be balance.

We have done so much by way of tax cuts. Now they want to make these tax cuts permanent. We no longer have revenue when it comes to affordable higher education, prekindergarten, welfare reform, money for childcare, money for TANF, affordable housing, special education, title I, support for COPS, support for firefighters assistance grants, and more research for all kinds of disabling diseases and illnesses.

So many people in the last couple of days have come from our State asking about money for Alzheimer's, diabetes, Parkinson's, mental health, and on and on. The money isn't there. This is one little example.

I come to the floor of the Senate to make clear my opposition to the direction the administration is going. I call on students to organize for higher education to make sure their voices are heard. I think the administration needs to hear from you because they are about to make it harder for you to afford your education. That is a distorted priority. We ought not be making it harder for men and women—whatever their age—who want to pursue higher education. It makes no sense whatsoever.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JOHNSON). Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I rise this afternoon to express my strong support for the motion to proceed to the Andean Trade Preference Act.

Since 1991, the Andean Trade Preference Act has helped the countries of the Andean region—Bolivia, Peru, Ecuador, and Colombia—to more than double their exports to the United States, to nearly $2 billion in the year 2000.

At the same time, exports from the United States into the Andean nations saw a 65-percent increase between 1991 and 1999.

Colombia, Bolivia, Ecuador, and Peru have not only increased their exports, they have accomplished another important objective to them and to the United States; and that is, they are developing new, nontraditional sectors of their economy. They are developing legitimate commercial exports as alternatives to the illicit drug trade which has so bedeviled these countries in the recent past. This has been a huge benefit not only to the four countries of the Andean region but to the United States as well.

Today, as an example, 85 percent of Colombia's cut flowers go by export to the U.S. market. In fact, these flowers alone account for 80 percent of the air freight between the United States and Colombia.

In Peru, the asparagus industry has served as an example of what an alternative crop production can achieve—an alternative to illicit coca production. Asparagus, growing in Peru, now employs 40,000 people in a legal agricultural enterprise.

In spite of this progress, regrettably, the ATPA expired last year on December 4, its 10th birthday. It is in the national interest of the United states of America, as well as the national interest of the four nations of the Andean region, that this Congress act now to restore and enhance this highly successful program.

The House has already done so. In December of last year, it passed its version of Andean trade preference renewal and expansion. It is time for the Senate to do the same.

Why is this legislation important? And why is it important now?

I suggest three reasons: the grave consequences of inaction, the opportunity to strengthen the partnership between the United States and the Andean region, and as an important tool in our global war on terrorism.

What are some of the consequences of inaction?

The expiration of the ATPA is having an immediate and negative impact on the export industries that have blossomed under the benefits of this program, as well as industries that support this trade.

In February of this year, 2 months after the ATPA had expired, I requested that the administration grant a deferral on the collection of those additional duties which came due as a result of the expiration of the ATPA.

The President, in my judgment, agreed and used the administrative power to postpone the collection of those additional ATPA duties for 90 days with the expectation that Congress, during that period of time, would renew and extend ATPA.

That period of deferral is almost over. The 90-day clock runs out on May 16. If we have not completed all the work needed to pass this legislation into law by then—including passage by the Senate, a potential conference committee with the House of Representatives to resolve what differences might exist, and final signing into law by the President—if we do not do all of those acts by May 16, the U.S. Customs Service will start sending out bills for duties which would then be due and payable.

These bills will be steep for both importers and their customers. An example: Annual imports of flowers totaling $400 million from the region are liable for duties of up to 6.8 percent. Example: Annual imports of asparagus worth $50 million will get an additional 20-percent tariff. Example: Leather handbags and luggage imports of $20 million a year are subject to a 10-percent tariff. Example: Imports of precious metal jewelry, worth $140 million a year, will face up to 7-percent duties.

I know the Presiding Officer is a caring man and probably—I would say no doubt—gave to his wife, maybe to his mother as well, beautiful flowers for Valentine's Day and is preparing to do the same for Mother's Day. Chances are great that those flowers he has and will provide to his loved ones came from an Andean country. And the risk of applying these additional tariffs to the two most significant days of the year for the sale of flesh cut flowers, Valentine's Day and Mother's Day, representing 50 percent of the total cut flower imports, will be enormous.

Because of the temporary extension of ATPA, only the tariff duties have been deferred. Growers will still be responsible if the renewed ATPA fails to become law by May 16, only 4 days after Mother's Day. On top of that, if you send those flowers for Mother's Day, they will probably cost you about $6 more just because we have allowed ATPA to lapse.

With the proven, positive economic returns of the current ATPA, we must not only renew these trade benefits; the time has come to expand them.

The Andean landscape was noticeably changed in the year 2000 with the passage of the Caribbean Basin Trade Partnership Act. That legislation provided the Caribbean nations significant new trade benefits, essentially parity with the benefits which Mexico has received under the North American Free Trade Agreement Act. But in helping the Caribbean Basin, we have inadvertently hurt the Andean region.

The Andean apparel industry is tiny in comparison to the apparel industry in Mexico and the CBI countries. Of these three preferential trade arrangements in the Western Hemisphere, NAFTA accounts for approximately 55 percent of U.S. apparel imports. CBI has a 41-percent share. The Andean Trade Preference Act countries provide only 4 percent.

Despite its small share of our imports, the U.S. market is the recipient of over 90 percent of the Andean countries' apparel exports, so it is a small percentage of our imports of apparel from the Western Hemisphere. But our market is an extremely significant economic opportunity for these four countries. If Congress does not level the playing field between ATPA and the Caribbean Basin, the potential job loss is tremendous. Colombia alone stands to lose up to 100,000 jobs in just the apparel sector. As I will indicate later, there are already early indications of a significant relocation of the apparel assembly industry from the Andean trade area to CBI or Mexico because of the some 8- to 10-percent competitive advantage which Mexico and the Caribbean now have over the Andean region as it relates to the export of finished apparel products.

U.S. imports of apparel from Colombia in 2001 were down 18 percent over the year 2000. Total apparel exports to the United States from the Andean region were down over 11 percent for the same timeframe.

As a result, U.S. exports of cut pants to be assembled into apparel in the Andean countries was also down but down by an average of over 33 percent. This reduction in exports, which support the apparel industry, illustrates how the lack of trade benefits clearly hurts both the United States and the Andean countries.

We must create a business climate that can provide Andean citizens an alternative to illegal industries. Promoting legitimate economic development rather than leaving these countries at a competitive disadvantage with their near hemispheric neighbors, especially in highly mobile industries such as apparel, is a critical goal of this ATPA legislation.

If we are successful in our counternarcotics efforts in Colombia alone, it is estimated that there will be a quarter of a million people out of work. A quarter of a million people in Colombia earn their living in the elicit drug trade. It is our national policy and goal to try to eliminate that elicit drug trade. As part of that strategy, we have a role to play in developing legal alternative jobs for those people who we hope will lose their jobs in coca production and trafficking.

It is ironic that at the same time we are asking the region to eliminate an illegal industry that contributes almost 5 percent of its gross domestic product, we have created an environment which makes it more difficult for those same countries to retain legitimate industries.

It is imperative that we correct that inequality now and send a strong signal with a renewed and expanded Andean Trade Preference Act.

I have been talking about some of the immediate and microconsequences of inaction by the Senate. There are macroconsequences as well. As you can see in the chart I have brought, the Andean region is bordered on the north by Venezuela and on the south by Argentina. Venezuela, as evidenced by events in recent days, is facing an increasingly volatile and unstable political future. To the south, in Argentina, the economic situation is still reeling. Without active U.S. involvement in the region, the Andean nations could share the same fate as their northern and southern neighbors.

Our Andean neighbors are trying desperately to keep their houses from catching fire.

But the houses on both ends of the block are already in flames. The ATPA duty preferences expired, and the Andean countries are fighting that fire with water through buckets. We need a renewed and expanded ATPA to give them a big firetruck with a steady and reliable stream. We are sending exactly the wrong signal to our neighbors if we do not take active steps at this pivotal time.

The second reason this is important is the building of partnerships between the United States and the Andean region. While the clock is ticking on

Congress to act on ATPA legislation, there is another clock ticking in the Andean region and the Western Hemisphere, including the United States, in the area of apparel production. For now, many of the largest apparel assembly countries in Asia have been at a comparative advantage in the production of apparel. As an example, these two golf shirts, sold by the same company, same label, same color, would be considered identical. There is a difference. If you look inside the one, you will see that it was made in Nicaragua; the other was made in China. Other than that, they are identical.

One other area in which they are different—they both sell for approximately $20—is the shirt that is made in Nicaragua costs 10 percent more to produce than the shirt made in China. The shirt made in Nicaragua started as cotton grown in a U.S. field. That cotton was then made into the material from which this shirt was made. That material was then sent to Nicaragua, where it was assembled into this golf shirt. This shirt from China was made from Chinese cotton, converted into textile in a Chinese textile factory, and then assembled by Chinese workers.

That is a significant part of the reason, even though this had to come halfway around the world; whereas the one from Nicaragua only a few hundred miles, and the shirt from China costs 10 percent less to produce than did the shirt from Nicaragua. How has this imbalance been maintained? It has been maintained because the United States, as part of what is called the Multifiber Agreement, sets an annual limit on how much product of a particular apparel can be exported into the United States.

As an example, under current agreements, China is limited to exporting 2.374 million dozen golf shirts to the United States per year. That restriction on the amount of product that can be exported to the United States is a significant reason the partnership of the United States growing the raw material, converting it into clothing material, then shipping that to a Caribbean, Mexican, or Andean assembly factory for final conversion into the wearable product has been able to sustain itself.

In the year 2005, the Multifiber Agreement goes out of effect. In the next 3 years, the apparel industry in the Western Hemisphere must get substantially more efficient in order to compete with China and the other major Asian producers, which will likewise come out from under the restrictions of the Multifiber Agreement in 2005. Failure to become much more efficient, in my judgment, puts the whole partnership of U.S. agriculture, U.S. textile, and Caribbean, Mexican, or Andean assembly in serious jeopardy.

The assembly operations in this hemisphere, under our law—including the law we are now considering extending—must use U.S. fabric and yarn, buy U.S.-made sewing machines and equipment, and use U.S.-grown cotton and other fabric materials. If these industries do not become more efficient in the Andean region, the Caribbean, and Mexico, they will lose out in global competition to Asia. Then, American raw materials and equipment, and some 40,000 to 50,000 Americans who are involved in producing the material that goes into these garments that are assembled within the hemisphere will all be completely out of the picture. With the enhancement of the Caribbean Basin Initiative in 2000, fabric exports to Caribbean nations from America, or assembly of apparel items, rose 170 percent since 1999.

Last year, the United States exported $3 billion in cut parts to Caribbean nations, which supported some 60,000 jobs in the United States, 40,000 to 50,000 of which were in the textile industry. This increase in cut parts exports came despite an overall decline in U.S. exports of finished apparel from CBI countries.

What this all means is apparel manufacturers are substituting U.S. fabric and yarn for foreign inputs, proving that the partnership between the U.S. textile and yarn producers and the Caribbean assembly operators is working. That is the same result we hope to achieve in the Andean region. If we can make importing our fabrics more affordable, based on trade benefits and reduced tariffs, then American jobs will be saved.

But passing trade preference legislation is only part of the equation for making the apparel sector more efficient within our hemisphere. There must also be comprehensive implementation of both the letter of the law and the spirit behind it. Legislation expanding CBI in 2000 was a good example. Congress expanded the trade benefits for apparel assembled in the region from U.S. yarn and fabric. But there are still many more hurdles to clear before the region will be an efficient manufacturer of apparel—efficient in terms of our ability to compete with Asian manufacturers.

Secretary of Commerce Don Evans has taken the lead in coordinating the administration's long-term implementation of the Caribbean Basin Initiative. Last year, the Department of Commerce canvassed its overseas post in the Caribbean to identify other problems that are holding the countries back from more efficient production. The Department's exports identified issues such as poor transportation systems, high energy costs, unreliable energy supply, and the unpredictable business climate as obstacles to greater efficiency in the Caribbean assembly industry.

This year, the Department of Commerce has assembled an initiative to begin tackling some of these problems. When we pass Andean trade preference enhancement—and I am very optimistic that we will—there must be a similar effort to assure that not only are the trade benefits implemented but the region, as a whole, is prepared to meet the challenges of the sharply increased competition it will face in the post-2005 world.

The third and final reason I think this is important—and important now—is the role that this legislation will play in our effort to combat narcotics and counterterrorism. The ATPA is more than just good trade policy. The ATPA is a key tool in fighting our Nation's war against terrorism.

Recently, the Director of the CIA, Mr. George Tenet, came before the Senate Select Committee on Intelligence, of which I am privileged to be the Chair, and said Latin America is "becoming increasingly volatile as the potential for instability there grows." One reason he cited was the sluggish, oftentimes downward spiraling economy in Latin America. What was the other reason? Terrorism.

Some of the worst terror and violence in the world is happening in the Western Hemisphere. In Latin America, the evil hand of terror has become an everyday reality for too many. In Colombia, for example, paramilitary forces linked to the drug trade have instilled fear through random kidnappings and bombings. A statistic which I think would stun most citizens of the United States is this: In the year 2000, of all the worldwide incidents of terrorist attacks against United States citizens and United States interests, over 44 percent of those worldwide terrorist attacks against Americans occurred in a single country, Colombia.

Today in Colombia there is no substantial difference between one who is a drug trafficker and one who is a terrorist. Recent events, such as the indictment in a United States court of four members of the primary terrorist organization in Colombia, known by the name of FARC, on drug charges, confirm this trend.

In the early days in the Andean region the drug traffickers who were providing cocaine were highly centralized. They had a chief executive officer. They were vertically integrated. That started with growing of the coca in the fields to financing its distribution in the United States and other demand countries.

We made a major effort—we the civilized world, with the United States playing a key role—to take down these highly centralized drug organizations, particularly the Medellin and the Cali cartels. After a long period of significant investment and loss of life, we, the Colombians, and the international community were successful.

We thought that by taking the head off the drug cartel snake, we would kill the rest of the body. In fact, what we found in the late 1990s was these decapitated snakes were beginning to reconstitute themselves, and they were moving away from the large corporate model towards a more entrepreneurial model; where they used to have vertically integrated parts of the drug chain, now they have multiple, small drug traffickers for each phase of the process, from growing in the field to transporting, to the financing of the drug trade.

For a period of time, these new entrepreneurial drug traffickers found themselves at risk because they did not have the security blanket that the old centralized system had provided. So they turned to the modern economic guerrillas, the Al Capones of Colombia, and made a pact. The pact was: We will pay you well if you will provide us security so we can continue to conduct our illicit drug activities.

For awhile, that was the deal, but then the Scarfaces figured out: We are providing the capability of these drug traffickers to do their business, but they are making a lot more money in drug trafficking than we are in providing the security for the drug traffickers. So why do we not become drug traffickers ourselves? And they did.

By the end of the 1990s, the drug trade, particularly in Colombia, had been largely taken over by the former ideological guerrillas who had become the Al Capones and now were becoming drug traffickers.

The motives of those who commit violent acts throughout the world are variant, but one thread is predominant in nations plagued by terrorists: An economy unable to provide hope or a legitimate means for the people to earn a living. In Colombia, this condition is fed by the illegal businesses that are the root of violence: Drug cultivation and smuggling.

The recent escalation of tensions in Colombia magnifies the urgency of America's involvement in helping to sustain South America's oldest democracy, Colombia. At the same time, Peru, Ecuador, and Bolivia are also vulnerable to the surge of the illicit narcotics trade as they have developed alternative business programs.

Fifteen years ago, most of the cocaine in the region was grown in Peru and Bolivia and then transported to Colombia for processing. Those levels have been dramatically reduced, in large part because local farmers have been encouraged, in significant part through U.S. programs, to make the transition from illegal cocaine to a legal agricultural crop. With this continued commitment, our neighbors will have incentives to develop both legitimate economic alternatives to the production of drugs and real avenues to end the violence that plagues so much of our hemisphere.

If we are serious about halting the flow of illegal drugs to the United States, if we are committed to contributing to the stabilization of our nearest neighbors in the hemisphere, and if we are steadfast in our war against terrorism, then the United States must act now to both extend and expand these portrayed benefits, important for us and important for the four countries of the Andean region.

Time is short for the people of our regions who stand to lose should we fail to pass this legislation. The time is now. The days between now and when the crisis occurs on May 16 are few. I urge my colleagues to expeditiously move to the passage of this legislation, to the resolution of differences, and to accept the invitation to attend a signing ceremony in the Rose Garden and then to see that the roses of hope will begin to bloom again in the backyards and fields of our neighbors in the Andean region.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCAIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. CANTWELL). Without objection, it is so ordered.

Mr. MCCAIN. Madam President, I appreciate the indulgence of my colleague from South Carolina. I will speak for 5 or 10 minutes. I thank him for the courtesy.

Madam President, the Senate is embarking on a historic debate, one in which we have the opportunity to expand economies, promote job creation, and reduce poverty, in the United States and around the world. As we consider this package of trade bills and debate whether to grant the President trade promotion authority, I hope we remain focused on the big picture. Both collectively and individually, these bills promote the expansion of global free trade and the prosperity that attends it.

Since the end of World War II, the United States has served as a global leader and champion of free trade. Regrettably, a recent surge of protectionism, often driven by special interests that care nothing for the welfare of the average American consumer, has severely handicapped our leadership. Major U.S. trading partners doubt our dedication to free trade, and not without cause. Recent protectionist policies on lumber and, most egregiously, on steel have fueled the scorn of our global trading partners—and rightly so. Failing to pass trade promotion authority will forfeit our nation's legitimacy as a global free trade leader and confirm the views of critics around the world who don't take our devotion to free trade, and consequently our global leadership, seriously. We cannot let this happen.

The authority first established by the Trade Act of 1974 and now proposed in TPA expired eight years ago. Since then, numerous trade agreements, in which the United States has not participated, have been negotiated and implemented around the world. The simple fact is that our trading partners are unwilling to negotiate agreements with an administration that lacks TPA.

Today, there are 130 preferential trade agreements, and the United States is a party to three of them.

Similarly, the United States is a party to only one of the 30 free trade agreements in the Western Hemisphere. Those 156 agreements to which we are not a signatory represent missed opportunities for all Americans.

The American people benefit enormously from trade, even if they often don't realize it. Today, over 12 million U.S. jobs depend on exports, and those jobs pay wages that are 13 to 18 percent higher than the national average. Every day, American consumers reap the benefits of trade in the form of lower-priced goods and services. The office of the U.S. Trade Representative estimates that the combined benefits of the North American Free Trade Agreement, NAFTA, and the Uruguay round agreements have saved the average American family of four between $1,300 and $2,000 a year. A University of Michigan study found that a global reduction of trade barriers could result in an additional income gain of $2,500 for the average American family of four.

Too often, our Nation's approach to trade has been to open foreign markets to American goods and services while erecting domestic barriers to foreign imports. But trade does not work that way. It is, by definition, a two-way street. Continuing along this protectionist path will ultimately cause more damage to the very American industries clamoring for protection today. Without reciprocity, the farmers and corporations of this Nation will soon lose access to the valuable markets they depend on to sell their goods. Such an approach turns trade, a positive-sum game in which all parties benefit from expanded economic opportunity, into a zero-sum game strangely reminiscent of a discredited, mercantilist past.

Expanding free trade is a way to improve the well-being of all Americans, particularly the working poor. The most basic economic analysis shows that tariffs represent an unfair tax on an already overtaxed public. Reducing barriers to trade is the equivalent of a tax cut for every consumer. Presidential trade negotiating authority was necessary in the past to reach the agreements from which Americans currently benefit. That same authority is needed for this administration and others to negotiate future agreements, to build on our prosperity.

By enabling the negotiation of bilateral and multilateral trade agreements, TPA will empower the President to eliminate trade barriers, reduce tariffs, and open foreign markets to American goods and services. American workers, farmers, businessmen, and consumers will benefit from the successful completion of the World Trade Organization negotiations in Doha, regional free trade agreements like the Free Trade Area of the Americas, and bilateral trade agreements such as those we hope to achieve soon with Singapore and Chile.

On a regional level, it is particularly urgent that we support our allies in the hemisphere by deepening our trade relationship with them, in order to advance broader American interests in Latin America. Let there be no doubt: the Andean Trade Preference Expansion Act is important to U.S. national security and the security of the democratically elected governments in the Andean region.

In 1991, former President Bush signed into law the Andean Trade Act. In a fresh approach to the war on drugs, he argued that promoting trade between the United States and the countries of the Andean region would expand their economies, create jobs outside the drug trade, and increase stability in the Andean region. After a decade in which democracy has taken root in these nations, these goals are even more important.

Although the original Andean Trade Act represented a modest effort—granting duty-free or reduced tariff treatment to a limited number of goods from Bolivia, Colombia, Ecuador, and Peru—it has produced many successes. Two-way trade between the United States and the Andean nations has more than doubled since 1991, and new industries have emerged as a result of the reduced-tariff benefits or the agreements.

In Colombia, for example, the fresh-cut flower industry has created over 150,000 new jobs. These people are now harvesting and planting flowers rather than trafficking illegal drugs. Similarly, in Peru, the benefits of the Andean Trade Act encouraged farmers to cultivate asparagus, creating 50,000 new jobs, and making asparagus that country's largest export crop to the United States. Today, farmers in the region are choosing to plant products to be exported under the Andean Trade Act, rather than coca. Our strategic goals in the region require us to build upon these successes.

The Colombia conflict lends particular urgency to the need for swift congressional action on Andean trade expansion. Not only are Colombia's people at risk from the FARC terrorists, Colombia's democracy is at risk from the corrosive effects decades of civil war have had on her institutions and her economy. The military and intelligence assistance America provides to Colombia is critical, but it is only a part of our policy response. We have an obligation to help our ally not only to defeat the terrorists, but to build the foundation for a lasting peace by supporting economic development in Colombia. Andean trade expansion provides a way to do that without costing U.S. taxpayers a dime.

The government of the region, burdened by the spillover effects of the Colombian conflict, are the most eloquent advocates for the tangible benefits provided by the Andean trade agreement. The group of nations that benefit from the act are critical to the hemispheric stability, prosperity, and democracy America has worked to foster in the region. These nations stand with us in wanting to end the economic despair and dislocation the Colombian conflict has projected across their borders. It is in America's interest to counter the economic destabilization that war has brought to Colombia's neighbors with the broad-based economic growth that represents the region's best hope.

The arguments that drive support for the Andean Trade Preference Expansion Act demonstrate how trade and development in the Andean region increase our national security. I hope the Senate will act swiftly on the ATPA, given the expiration of existing Andean trade preferences on May 16, as we accelerate our efforts to build prosperity and consolidate democracy in the region.

As we consider this entire legislative package, I would caution my colleagues against further efforts to restrict free trade. I hope we will avoid the temptation to support veiled protectionist measures in order to secure passage of this bill. We cannot, in good faith, work to promote trade liberalization with one hand while restricting it with the other. Such an approach will not further the expansion of global free trade. Indeed, it will only solidify the distrust of our allies and trading partners while doing nothing to increase the prosperity of the American people.

A critical component of this trade bill is how to develop the best possible solution for providing assistance to hard-working Americans who may lose their health insurance coverage as an unintended result of this legislation. This is a real concern and one that we must take seriously. However, we can't allow this issue to be politicized and used to deter the passage of this important trade bill. Both sides of the aisle have made significant progress toward a compromise. Now we must continue compromising until we iron out a fair and sound solution for addressing the health care needs of our Nation's workers.

Ensuring access to affordable and quality health care for all Americans must be a priority, and I commend each of my colleagues who are fighting for health care protections for workers possibly impacted by this bill. But this simply can't be done if partisan politics prevent us from working together to find a solution that is good for our workers and the overall quality of our health care system.

I look forward to this broad trade debate. I believe it is healthy for our Nation and our democracy for our leaders to make what is a compelling intellectual case for free trade, and to demonstrate to the American people how successful trade liberalization represents money in the pockets. We now have the opportunity to reverse the recent protectionist tide. It is time that we look to the future, consider the long-term interests of our Nation, and work urgently to provide the President with the authority he needs to negotiate for free trade.

Madam President, I reiterate, the situation in the four countries of Colombia, Ecuador, Bolivia, and Peru is such that we cannot delay, longer than May 16, passage of the Andean Trade Preference Expansion Act. I cannot tell you the problems that will result in that very delicate region of our hemisphere at that time if the Andean Trade Preference Expansion Act is not renewed.

Colombia is in serious trouble. Peru has only recently emerged from a very difficult period. Ecuador has been directly impacted by the conflict within Colombia. And, of course, Bolivia has had severe economic problems for a long period of time.

This is a small step but a very important one. And our failure—our failure—to act on this legislation I think would send a very bitter message to our friends and allies in our own hemisphere.

After passage of the North American Free Trade Agreement, America's goal was to have a hemispheric free trade agreement within a short period of time. Obviously we have fallen very short of that.

I look forward to a vigorous debate with my friend from South Carolina and my friend from North Dakota who just came to the Chamber. I hope this debate is based on our mutual concern for the workers of America, but that concern should also be balanced by our concern for the average working men and families in America who will find that goods and services are less expensive to them. History proves it. No, we don't like to see lumber workers or cotton farmers or wheat farmers or anybody else harmed by free trade. We can take care of that impact on our economy and still serve the greater good of our entire Nation.

I have had the great privilege of visiting South Carolina on many occasions. One of the greatest products of free trade is the BMW plant, which the Senator from South Carolina was instrumental in attracting to that great

State. It is always a privilege for me to go back and visit.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, I thank my distinguished colleague from Arizona, ranking member and former chairman of our Commerce Committee.

The fact is, where we have that BMW plant, just 2 years ago, in Spartanburg County, we had 3.2 percent unemployment; it is now 6.1 percent. It is just an outflow, a stampede almost of the exportation of textile jobs in South Carolina. Since NAFTA we have lost 53,900 jobs. That is one of the things they are debating with respect to trade adjustment assistance to get health care. If you are going to have trade adjustment assistance, I certainly want to apply it to those lost jobs. They are out there struggling in the sense that almost, in a way, I don't have any more jobs to lose. I have to apply it to those because they are retrained and skilled.

I gave the example of Oneida, the little T-shirt plant where they had more than 400 employees with an average age of 47 years old, lose their jobs. So they trained them as expert computer operators, as Washington tells them to do. Who is going to hire the 47-year-old? They are going to hire 21-year-olds. So they are still out of a job. That is the desperate circumstance that is going on all over the country.

Mr. McCAIN. I thank my friend from South Carolina. He has the floor. May I ask unanimous consent for 1 minute to respond?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. I say to the Senator from South Carolina, I know there are individual and heartbreaking stories of people who have lost their jobs in the textile industry in South Carolina. The fact remains that history and the record show that every American family, whether they are unemployed or employed or rich or poor, has benefited by the importation of less expensive goods and services into the United States. We balance this with assistance, training, in every way we can, including reaching agreement on health benefits for dislocated workers.

I never have sold anything to a grocery store. I bought a lot from grocery stores. I buy flowers a lot cheaper when they are grown in Colombia than when they are grown in South Carolina. It has never been my ambition for any child to grow up to work in a textile factory. I would much rather have them work in a BMW plant or high-tech factory or other kinds of employment for which we can provide the training and education.

I hope the Senator understands the fact that Americans have profited by free trade enormously. Yet we can still address the specific problems that result from dislocated workers. That is what free trade is all about. That is why I believe this Nation will continue to prosper when we have free trade agreements consummated between ourselves and our neighbors. We should be concerned about the economy of countries such as Colombia because their narcotraffickers can take over that country and export their goods, which are drugs, into this one.

I thank the Senator from South Carolina. I look forward to a renewal of our spirited discussion which we have had for many years, always marked by respect for the views of the junior Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator from Arizona. There is no question that they are better jobs, but textiles are very good paying jobs at $10 and some odd cents an hour. Those are middle class Americans.

The Senator is correct, facts are facts. That is why this particular Senator, as Governor some 40 years ago, went to Europe to get that BMW plant. I didn't get BMW at that particular time. Since that time, in my travels to Germany, we now have in South Carolina 117 German plants in my little State. So, yes, we have gotten way better jobs. We have continued to work on that.

But I would just address a few comments with respect to the need for the trade bill. I heard my distinguished leader earlier today. He outlined the need for the trade bill. He said: Wait a minute, you have to understand, after all, these are just singular examples that I had given earlier in the morning's debate with respect to Vietnam and Jordan. Those are just one country. He said: But when you have multilateral countries, it is sort of hard to get them all together and then get an agreement, then bring it back to the Congress and have amendments.

Not so. The Andean trade agreement we are now discussing involves several countries. Without fast track, we have listed in the 2001 Trade Policy Agenda and 2000 Annual Report by the U.S. Trade Representative, some 100 different agreements. I have gleaned many of them. Of course, the African Growth Opportunity Trade Agreement, involved a few dozen countries. We got that without fast track. We told President Clinton we didn't want to abdicate our responsibility in regulating foreign commerce.

Article I, section 8 of the Constitution, says the Congress shall regulate foreign commerce. It doesn't say the President, or the Supreme Court, but the congressional branch, the legislative branch. We were not going to abdicate that authority, which we are being asked to do at the present time.

We didn't do it. And to refute that argument with respect to the multilateral requirements, the Caribbean Basin Initiative with nine countries; the chemical weapons treaty, of course, that we debated during the Clinton administration, there were over 100 countries; the semiconductor agreement with the European Union, the United States, Japan, and Korea, more than a dozen countries joined in that one without fast track; the telecommunications agreement with the Asia Pacific countries, that was more than a dozen countries involved there; the international tropical timber agreement with numerous countries, the United States; Central American Regional Trade Investment Agreement in November of 1998, there were nine countries; the WTO telecommunications agreement in 1997, that was some five dozen countries. So was the WTO financial agreement in 1999. I could go on and on.

Don't be sold a bill of goods about the difficulty of fine points and numerous countries. That happens right regularly, and that is why you have trade agreements, and that is why we have been able to get over a hundred during the past 10 years alone.

Now, Madam President, the next point that was made was that the United States has only 4 percent of the world's consumers. Of course, right to the point, the distinguished leadership is confusing the population with numbers of consumers. What we are really interested in is that 4 percent. Those who are opposing fast track are interested in those 4 percent of consumers because, unless you have a job and are making a living, we have consumers going out of business. That is the stopping, the cessation of consumption that has this economy in a funk.

I just had a gentleman, from SBC Communications, telling me how his stock had gone down. I said: Meet the group. MCI has changed leaders today. So you have all of these telecommunications companies that are high-tech, and more growth, and they are in a funk because we don't have manufacturing, we don't have jobs. We have been exporting jobs faster than we can possibly create them. The United States also has the most skilled and productive workforce in the world—what is left?

I pointed out here, with respect to the steel, that I commend President Bush for his recent actions. Mr. McNamara, the former Secretary of Defense and head of the World Bank, went running all around to the Third World emerging countries telling them they could not become a nation state unless they had steel—the capacity to produce steel for the weapons of war and the tools of agriculture. As a result, I look outside my office in Charleston at the dock, and they are off-loading Brazilian steel for construction all over the Southeast. Some 20 miles away is Nucor, the most productive, modern, competitive steel plant in the world. But how can they compete when the Brazilians are dropping steel off at less than cost on the dock there in Charleston. The rules are not being enforced.

What we need is not a free trade policy, we need competitive trade; we need to go back to the word itself—"trade"—something for something. Not aid. That is what the Andean thing is all about down there with Colombia, Ecuador, and Bolivia. They are saying: Look, get out of the drug business. That is what this initiative is about. Get out of the drug business and grow pineapples and bananas and that kind of thing.

I went and asked—in one of the meetings where I was getting a briefing in Bolivia a few years ago—what about this growing of pineapples. He looked at me and laughed. He said: You think I am going to struggle growing pineapples when I can get a little crop going and make a whole year's income in a week's time, when it would take a year with the pineapple crop, and have to worry about the weather?

He said: With these drugs, you don't worry about the weather.

Incidentally, he pointed out on the map an area as big as Georgia. He said: That is off limits for the Bolivian policy. We can grow anything we want to there.

Let's get into these trade agreements in depth and find out what is going on. The tail of the drug war is wagging the trade policy of America. I went up 14,000 feet to La Paz and they were chewing the drugs walking up and down the street. Oh, we had a wonderful thing. We had conquered a little bit of it. We had not conquered much. What was in Bolivia went into Colombia, and it gets into Peru and Ecuador—those four countries. The United States has one of the most open markets in the world. Well, that is exactly what they all argue, and everything else, that our open market is going to open their closed markets. In the 1990s, they argued that if we get these trade agreements, we will open the markets. We have yet to get into Japan or Korea.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. I ask unanimous consent—is the Senator from Arizona ready to speak?

Mr. KYL. I am. But if the Senator wants to close, that is okay.

Mr. REID. Mr. President, I yield from my time 10 minutes to the Senator from South Carolina.

Mr. HOLLINGS. I will complete this quickly.

Mr. DORGAN. Reserving the right to object, I ask unanimous consent to be recognized following Senator KYL's presentation.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, I have to respond to Senator KYL because this deals with Senator LEAHY's committee.

Mr. KYL. Madam President, if I might suggest this: Probably Senator REID and I will have a colloquy over a series of unanimous consent requests that I will make. I will just count that on my time. When I am done, I will certainly have no objection to the Senator from North Dakota speaking.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HOLLINGS. I thank the colleagues in the Chamber for allowing me to have a few more minutes. I wanted to make an important point.

Ten years ago, in 1992, they said that is what we needed, just exactly what they said—to open up the markets. We would get these agreements to open up the markets. So here is a booklet by the Special Trade Representative on foreign trade barriers, and it equaled some 262 pages. Now, after we have gotten the NAFTA agreement, which was to open up markets, and after we have gotten WTO, which is a multilateral agreement—incidentally, let's find out how many markets have been opened. The book now has gone from 262 pages to 455 pages. It has doubled.

We have doubled the foreign trade barriers. All these wonderful free trade agreements were supposed to open up the markets. You continually hear that, but that isn't what occurs. Twelve million export-related jobs are manufacturing jobs. There are less than 17 million manufacturing jobs left in the country. Manufacturing has gone from 26 percent of the workforce 10 years ago to 12 or 13 percent today. The export-related jobs pay 13 percent to 18 percent more. Definitely, the manufacturing jobs do pay more. The union jobs, in a general sense—such as the Longshoremen and the AFL–CIO—are the ones opposed to fast track, vigorously, because they are exporting their jobs out from under them.

The balance of trade—you cannot turn back the clock on trade any more than on technologies; namely, typewriters versus computers. This is the old argument about, wait a minute now, we went from the horse and buggy days to the automobile, and now in trade we are going from typewriters to computers.

Here is a sample of the U.S. trade deficit in the world. We have a $20 billion deficit in the balance of trade with computers. We have a deficit in the balance of trade with cellular telephones, pacemakers, night vision equipment and other telescopes, and electrocardiographs. I could go on and on. The idea that, son, you don't understand, we are moving into globalization, and we have moved now from typewriters to computers. I told the story years ago as a witness.

I was told: Look here, let them make the clothing and the shoes. We will make the airplanes and computers. The truth is they are making the shoes and clothing and the airplanes and computers.

Finally—and I am trying to close down for my distinguished friend from Arizona. In the 1990s, we liberalized trade and saw record economic growth and job creation, some 20 million new jobs created from 1994 to 2000, and without fast track.

I do not know who got these points up for the distinguished leader about why we need it, because, yes, we had wonderful economic growth, but we had that without fast track. That was due to another measure that we passed in 1993.

I thank the distinguished Senator, and I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Arizona.

JUDICIAL NOMINATIONS

Mr. KYL. Mr. President, I appreciate the remarks of the Senator from South Carolina, and I ask that the record reflect my agreement with my colleague, Senator McCAIN, on this matter. Since I have agreed with Senator REID to discuss another matter, I will simply indicate at a later time I will make remarks concerning both the Andean trade bill as well as trade promotion authority.

There is another matter which is very timely. As a matter of fact, it is important we speak on it now because there is scant time to get some very important business done in the Senate, which has to do with the confirmation of judges but more specifically the holding of hearings on judges because they cannot be confirmed until there has been a hearing on them. For too many of our judges, we do not even have hearings scheduled.

It would be one thing if we waited 2 or 3 months after a nomination to schedule a hearing, but I am speaking of people who have been nominated now for almost an entire year and there has never been a hearing scheduled for them. I am going to take a minute or two to talk about who they are.

I will quote briefly from a Washington Post editorial and then propound a series of unanimous consent requests that will perhaps move us toward the hearings we need to get these judges confirmed.

Preliminarily, Democrats and Republicans can both cite a lot of statistics about judges confirmed under one administration or another, and can pat themselves on the back about a job well done. But it seems to me one thing stands out that is unmistakably clear, and that is when the President has nominated a distinguished American to serve on a Federal district court or, in this case, a Federal circuit court of appeals, and the Senate does not deign to give those people a hearing for over a year, something is wrong.

There is no excuse for holding someone for a full year. It has now been a year, minus 1 week, since the President made his first circuit court of appeals nominations, 11 in all. Eight of them have never had a hearing.

Quoting briefly from this Washington Post article of April 22:

> It has been nearly a year since President Bush nominated his first batch of judges.

Parenthetically, that was done on May 9, 2001.

> Of the initial group of 11 appeals court nominees, 8 have still not had hearings before the Senate Judiciary Committee. Two of these nominees are of particular local interest: John Roberts and Miguel Estrada. Both have been nominated to the D.C. Circuit Court of Appeals, which currently has 4 of its 12 seats vacant. Both, on the surface anyway, seem well qualified, having done extensive appellate work in the solicitor general's office and in private practice. Both have high profile bipartisan support. Yet neither has moved. And while Judiciary Committee Chairman Patrick Leahy has said that Mr. Estrada will receive a hearing this year, he has pointedly failed to promise the same for Mr. Roberts.

Skipping part of the editorial to two other quotes:

> Nominees should receive timely consideration out of deference to the President, out of respect for the institutional needs of the judiciary, and out of a sense of fairness to the individuals. But delays are particularly objectionable when nobody will even come forward to make a case against the nomination.

The final three sentences of the editorial:

> If there is a case to be made against either nominee, the onus is on opponents to make it and its proper forum is a hearing. If there is no case, the Senate should move to a vote. Either way, further delay is not the answer.

I ask unanimous consent that this Washington Post editorial dated Monday, April 22, 2002, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 22, 2002]

GIVE 'EM HEARINGS

It has been nearly a year since President Bush nominated his first batch of judges. Of the initial group of 11 appeals court nominees, eight have still not had hearings before the Senate Judiciary Committee. Two of these nominees are of particular local interest: John Roberts and Miguel Estrada. Both have been nominated to the D.C. Circuit Court of Appeals, which currently has four of its 12 seats vacant. Both, on the surface anyway, seem well qualified—having done extensive appellate work in the solicitor general's office and in private practice. Both have high-profile bipartisan support. Yet neither has moved. And while Judiciary Committee Chairman Patrick Leahy (D-Vt.) has said that Mr. Estrada will receive a hearing this year, he has pointedly failed to promise the same for Mr. Roberts.

Mr. Leahy is in a tough spot. He has taken a beating for his handling of judicial nominations, a beating that is largely unfair. The Senate has confirmed 45 judges since he took over the committee, which is a respectable pace. He certainly has not yet begun to match the obstructionism with which the same Senate Republicans who now criticize him managed the confirmation process while they were in charge of it. Neither, however, has he entirely restored dignity and fairness to it. Rather, like his predecessor Orrin Hatch (R-Utah), he is allowing individual nominness to sit around with no explanation for what are turning out to be long periods of time. These delays are hard to justify under any circumstances. Nominees should receive timely consideration out of deference to the President, out of respect for the institutional needs of the judiciary, and out of a sense of fairness to the individuals. But delays are particularly objectionable when nobody will even come forward to make a case against the nomination.

So far, anyway, nobody has made a serious case against Mr. Roberts or Mr. Estrada—neither of whom has an extensive public record of statements or writings to criticize. Liberal groups have complained that Mr. Roberts, as a lawyer for the government, helped write briefs that argued against abortion rights. The more general anxiety seems to be that both men are young, talented conservatives who could upset the D.C. Circuit's ideological balance. It is true that President Clinton's nominees to the D.C. Circuit were held up also—as, incidentally, was Mr. Roberts when he was initially nominated by the elder President Bush. But government by tit-for-tat is an ugly spectacle. If there is a case to be made against either nominee, the onus is on opponents to make it and its proper forum is a hearing. If there is no case, the Senate should move to a vote. Either way, further delay is not the answer.

Mr. KYL. I will indicate the names of these 8 nominees, and I will point out that of the 11 who were nominated by the President on May 9, 2001, 3 have been confirmed. Two of those were judges previously nominated by President Clinton, and I think that is interesting. The Judiciary Committee chairman is willing to move people who were nominated by President Clinton but not by President Bush. So when we talk about nominees of President Bush having been confirmed to the circuit court of appeals, remember that two of the three of this initial group were originally nominated by President Clinton.

The eight nominees who have languished before the committee are the following, and they are individuals all of extraordinary experience, intellect, and character:

John Roberts is a nominee to the DC Circuit. He is one of the leading appellate advocates in the United States, having argued 36 cases before the U.S. Supreme Court. He served as Deputy Solicitor General. I doubt there is another lawyer in this country in the Solicitor General's Office who has argued 36 cases before the U.S. Supreme Court.

Miguel Estrada is nominated to the DC Circuit. He has argued 15 cases before the U.S. Supreme Court, worked as a Federal prosecutor, as Assistant Solicitor General, and a Supreme Court law clerk. He came to America as a teenager, spoke virtually no English and, if confirmed, would be the first Hispanic ever to serve on the DC Court of Appeals.

Justice Priscilla Owen, who is a nominee to the Fifth Circuit, has served on the Texas Supreme Court since 1994. In her successful reelection bid in 2000, every major newspaper in Texas endorsed her.

Michael McConnell is a nominee to the 10th Circuit. He is one of the Nation's leading constitutional scholars and lawyers. His reputation for fairness and integrity has generated support from hundreds of Democrat law professors across the country.

Jeffrey Sutton is a nominee to the Sixth Circuit, another of America's leading appellate lawyers. He graduated first in his class from Ohio State Law School, has gone on to argue over 20 cases before the U.S. Supreme Court and State supreme courts, and served as the solicitor in the State of Ohio.

Justice Deborah Cook is also a nominee to the Sixth Circuit. She has served as a justice on the Ohio Supreme Court since 1994 and, before becoming a judge, was the first woman partner at the oldest law firm in Akron, OH.

Judge Dennis Shedd, a nominee to the Fourth Circuit, was unanimously confirmed to be a Federal judge in 1990. He is strongly supported by his home State Senators, Democrat HOLLINGS of South Carolina and Republican THURMOND of South Carolina. He served in the past as chief counsel to the Senate Judiciary Committee.

Finally, Judge Terrence Boyle, a nominee to the Fourth Circuit, was unanimously confirmed to be a Federal district judge in 1984. The former chairman of the State Democratic Party supports Judge Boyle's nomination, stating that he gives everyone "a fair trial."

On January 25, Judiciary Committee Chairman LEAHY indicated that Justice Priscilla Owen, Michael McConnell, and Miguel Estrada would receive hearings this year. Each has waited nearly a year for a hearing and more than 2 months for a hearing since this statement.

Chief Justice Rehnquist recently stated that the present judicial vacancy crisis is alarming and, on behalf of the judiciary, implored the Senate to grant prompt hearings and to vote these nominees up or down.

I conclude by showing two things. On this chart it shows the President's rate of judicial confirmations by the Senate, comparing President Clinton and President Bush. The red line ends at exactly 11 months after each President nominated his first nominees. These are both district and circuit court nominees.

By the end of 11 months, President Clinton had 67 percent of his nominees confirmed. President Bush, 11 months after his first nominee was made, only had 44 percent of his confirmed. At the end of 14 months, as it shows, President Clinton had 90 percent of his nominees approved—14 months after the first nomination was made. At the rate we are going, President Bush will be lucky to have 50 percent.

Let's be specific about circuit court nominees because I think this is even more telling. This chart shows the circuit court confirmation rates by the Senate. Again, after 11 months, President Bush has had 31 percent of his circuit court nominees approved by the Senate. By contrast, 63 percent of President Clinton's nominees were approved to the circuit courts after 11 months, and 14 months after he made his first nominee, 86 percent of President Clinton's nominees had been approved by the Senate. At the rate we are going now, we are obviously not going to get to 86 percent. We cannot get the confirmation until we have had a hearing. It would be reasonable to expect hearings to be held on the eight nominees within a year of the time they were nominated. Whatever the record of success, whatever the number of hearings that have been held for district court nominees, whatever else one might say, there is absolutely no excuse for not even scheduling a hearing on a circuit court nominee for a full year after that nominee was nominated by the President.

UNANIMOUS CONSENT REQUEST

I have a unanimous consent request to propound, and I expect a fulsome response from the Senator from Nevada. I ask unanimous consent no later than May 9, 2002, the Judiciary Committee shall conclude hearings on each of the eight nominations remaining of those made by President Bush on May 9, 2001, to the United States Circuit Court of Appeals.

Mr. REID. Mr. President, reserving the right to object, I have a number of things to say. I don't mean to detain people unnecessarily, but I don't think this is unnecessarily. I will take some time. The Senator from Arizona is welcome to stay or not. I have something I want to say regarding this issue.

One thing I want to say in my reservation, and I will save the rest as I get the floor, I have the greatest respect for my friend from Arizona, a man who is an outstanding lawyer. I knew of JON KYL's legal reputation in Nevada. I knew of him in Nevada because of his reputation in Arizona as a lawyer. He was good at a lot of things.

One of the things we look to JON KYL for with respect is his great knowledge of water law. In the arid Southwest, when a lawyer understands water rights, someone in the legal profession, someone who bears a standard, one whom others look up to—not many people know water law.

The point I am trying to make is that the Senator from Arizona is a fine lawyer. He is a fine Senator. But I want to remind him as to one of the things he spent a little time discussing today, the DC Court of Appeals—Senator KYL discussed the need to fill vacancies in the DC Circuit—President Bush has nominated two people to the circuit court. Because they have been nominated by President Bush, my friend from Arizona, the lawyer whose credentials I have already established, has changed his tune. Lawyers can do that. When they do, sometimes you have to bring it to them.

On March 19, 1997, for President Clinton we were trying to get approved a man by the name of Merrick B. Garland, a lawyer from Maryland, to be a U.S. Circuit judge for the District of Columbia.

The Senator from Arizona said, among other things, when responding to Senator SESSIONS: Like my colleague from Alabama, my colleague from Iowa, and others, I believe the 12th seat on this circuit does not need to be filled. I am quite skeptical that the 11th seat, the seat to which Mr. Garland has been nominated, needs to be filled, either. The case against filling the 12th seat is very compelling and it makes me question the need to fill the 11th seat.

He goes on to say: In the fall of 1995, the court subcommittee of the Judiciary Committee held a hearing on the caseload of the D.C. Circuit. Judge Silberman pointed out that the courtroom normally used for en banc hearings seats only 11. In other words, that is all they can accommodate.

Mr. President, the Senator from Arizona, 4 or 5 years ago, thought there was no need to have these seats filled in this circuit court. But he has changed his tune now because we have a different President.

For this and other reasons, I object.

The PRESIDING OFFICER. The objection is heard.

Mr. KYL. Mr. President, I very much appreciate the kind remarks that the Senator from Nevada made about my law career, and I do appreciate that sincerely. He knows of my affection for him.

Before I make my next request, I point one thing out with respect to what the Senator from Nevada said about my opposition to filling the 12th position on the D.C. Circuit Court of Appeals. At that time, there were two vacancies. He correctly read my remarks. I said I didn't think we needed to fill the 12th, and I had questions about the 11th. But there are now 4 vacancies, and I don't think there is any doubt we need to fill numbers 9 and 10. When we get up to No. 11, maybe I will have a question still, and I might even not support filling the 12th. But that was a totally different situation because we were talking about the 12th and final vacancy.

Here we have four vacancies, and I have advocated that we fill two of them.

In view of the objection that was heard, let me ask my colleague if he would agree to the following, and I propound this request: I ask unanimous consent no later than May 9, 2002, the Judiciary Committee will conclude hearings on at least seven of the eight remaining of those nominations made by President Bush on May 9, 2001, to the D.C. Circuit Courts of Appeals.

Mr. REID. Reserving the right to object, I don't often smile on the Senate floor, but I really have to smile at this request. The reason I do that is I had a Senator come up to me today and say: Why are we voting on all these judges? We voted on four judges last week. We voted two judges today.

I have other things I will say, but I object.

The PRESIDING OFFICER. The objection is heard.

Mr. KYL. Mr. President, I appreciate the objection.

We have voted on several judges. I am talking about holding hearings on judges nominated over a year ago, not voting on them; just holding a hearing and trying to hold the hearings before the anniversary day.

In view of that objection, let me propound this request: That no later than May 9, 2002, the Judiciary Committee shall conclude hearings on at least six of the eight nominations remaining of those made by President Bush on May 9, 2001, to the U.S. Circuit Courts of Appeals?

Mr. REID. Mr. President, we could go through 6, 5, 4, 3, 2, 1. I object.

I reserve the right to object in this instance because the Judiciary Committee is working very hard. Let me lay the foundation.

Senator LEAHY became chairman of the Judiciary Committee. In fact, we didn't organize—he became chairman sometime in July or August—because we had trouble getting the organization going after we took control of the Senate. Immediately after he became chairman of the committee, however, 9–11 occurred, and a short time after that, anthrax in Senator DASCHLE's office basically closed up one office building and that took care of half the Senators.

In spite of 9–11, the new leadership role that Senator LEAHY obtained, and the anthrax scare, he went ahead and held all kinds of meetings of the Judiciary Committee. I attended one in the basement of the Capitol. There we had a circuit court judge, Judge Pickering. I remember that very well because I had one of my Nevada judges there. I testified for my judge. It was very crowded. Senator LEAHY was commended, as he should have been, for holding the hearing. There was really no room.

Senator LEAHY has gone to great lengths to make the Judiciary Committee one that functions well. I will lay out in some detail what he has done to maintain the Senate's proper role in the selection of judges. Remember, the Judiciary Committee had the lead role in a number of other very important items following September 11. The work that we did with antiterrorism legislation was all done in the Judiciary Committee. Senator LEAHY, with his counterpart, Senator HATCH, worked night and day for weeks to get that done. We finally got it passed. It took an inordinate amount of time.

I say to my friend from Arizona, with the deepest respect, Senator LEAHY and the Judiciary Committee are going to hold hearings. They have already held hearings.

As I have said on this floor on a number of occasions: This is not payback time. If it were payback time, we would not have already approved 52 Federal judges since Senator LEAHY took over that committee. But we have approved 52 Federal judges.

If it were payback time, we would not be holding any hearings. Remember, we had judges who waited more than 4 years for a hearing. We are not going to do that.

People who are selected by the President of the United States to be judges, whether they are trial court judges or circuit court judges, are going to have hearings. I assume there would be some exceptions, but I can say, with little reservation, Senator LEAHY is going to hold hearings for all these people and in as timely a fashion as he can.

I therefore object.

The PRESIDING OFFICER. Objection is heard.

Mr. KYL. Mr. President, in deference to the Senator from Michigan who is here, I gather, to speak, instead of going through the numbers of 5, 4, 3, let me just see if I could get my colleague to agree to this because we do have a full week left. I am a member of the Judiciary Committee, and I can tell you, we have not been that busy. We have had plenty of opportunities for hearings. These eight nominees have been sitting around for a year, and none of them has had a hearing. We could easily have a hearing for two of these nominees before the anniversary date of 1 year from their nomination by the President.

I ask unanimous consent that no later than May 9, 2002, the Judiciary Committee shall conclude hearings on at least two of the eight nominations remaining of those made by President Bush on May 9, 2001, to the U.S. Circuit Courts of Appeals.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object.

The PRESIDING OFFICER. The Senator reserves the right to object.

Mr. REID. Mr. President, I can assure the Senator from Arizona and anyone within the sound of my voice that Senator PAT LEAHY is going to do the very best he can in holding hearings for all nominees, not only circuit court but trial court judges. As to whether or not he can complete two judges within the next week—the next 9 days is what it is because tomorrow is May 1—I really cannot tell Senator KYL whether that will take place.

But I know the Senator from Vermont is going to do the best he can. I heard him in a conversation today, right here. He was right here because he was at the leader's desk this morning talking about the judges whom we approved. I heard him talking to a Senator regarding a circuit court judge, that he would do a hearing in the immediate future. Immediate is pretty quick. I know that will be done.

With respect and the knowledge that Senator LEAHY is going to move it forward as quickly as he can, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KYL. I think I know the answer to this, but it would certainly be possible for us to have a hearing on one nominee. As a member of the committee, I think it is doable, I can tell you. I think it is only fair that Senator LEAHY pick out one of these people and have a hearing for him or her 12 months after their nomination.

So, out of desperation, I ask unanimous consent that no later than May 9, 2002, the Judiciary Committee shall conclude hearings on at least one of those nominations remaining of those made by President Bush on May 9, 2001, to the U.S. Circuit Courts of Appeals.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, my friend should not be desperate. This is not a desperate situation. I am not on Senator LEAHY's committee. I can't speak for his committee. But I have some responsibility to try to see that the Senate operates in an orderly fashion, especially things that go on here in the Chamber. I am convinced Senator LEAHY will do everything he can to move these men and women forward who have been nominated.

Remember, I am sure we have had at least 52 hearings. We have 52 judges who have moved forward during the last few months. That is pretty good. So it is not as if there is a so-called stonewall. He is doing the best he can.

I say with some degree of apology to my friends from Michigan and Kansas, I am going to speak for a few minutes on the judges situation, so I think they should rest their legs for just a little bit because I am going to speak.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Yes, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KYL. Mr. President, I guess in light of this last objection, as the lawyers say, I will rest my case. I think I have made my point. I hope we can have this conversation again in the next 2 days. Having had an opportunity to confer with Senator LEAHY, I hope the Senator from Nevada will have better news for us, but especially for the eight nominees who have been languishing now for a full year, and we can quickly move to have a hearing on at least some of those nominations.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. KENNEDY. Will the Senator yield?

Mr. REID. I am happy to yield without losing my right to the floor.

Mr. KENNEDY. Mr. President, I ask unanimous consent that we consider an increase in the minimum wage no later than June 15.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Yes, Mr. President. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. I think I made my case.

The PRESIDING OFFICER. The Senator from Nevada, the assistant majority leader.

Mr. REID. Mr. President, I ask unanimous consent to speak as in morning business and the time count against the 30 hours, postcloture.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, just last week, as I indicated, the Senate confirmed its 50th judicial nominee. Today we got two more judges. This has happened in less than 10 months since the change in majority. More of President Bush's judicial nominees have been confirmed in less than 10 months than were confirmed in all 12 months of 4 of the 6 years Republicans controlled the Senate.

I have always been very dubious of numbers because even as one who did not have a degree in engineering or did not do much in the way of math in high school or college, I can still do a lot of things with numbers. We can manipulate numbers—you know that is easy to do. We can have all kinds of numbers games. I will run through a few numbers here this evening on judges.

The thing I want everyone to know is that Chairman PAT LEAHY is an honorable man. He represents a very small State in population, the State of Vermont. He takes a very close look at everything that affects Vermont. He does a great job for Vermont.

One reason I have so much respect for Chairman LEAHY is his view is of more than the State of Vermont. He has a national view. He has been a Senator for a long time, the first Democratic Senator ever elected from the State of Vermont.

He has been able to represent that State so well, but also do a good job for our country. A lot of times that is not easy to do, but he has done that.

He has been chairman of the Agriculture Committee. I served on the Appropriations Committee. He has been chairman of that very volatile Subcommittee on Foreign Operations, foreign aid—the committee from which people run. He doesn't run from that or anything else. He is a very courageous man, PAT LEAHY.

I only say that because we can do all kinds of things with numbers. My friend on the other side of the aisle can bring out fancy little charts and say this happened. I can bring them here and talk about what has happened. But I want everyone to look for just a minute in their mind's eye at PAT LEAHY. Does he want to leave a legacy in the Senate that he was the kind of person who would not approve people who are qualified lawyers who want to become Federal judges? The answer is no.

PAT LEAHY also before he came here was a prosecutor, a lawyer. He was a good one. He was a young man. But that is why he got elected to the Senate, because he was a great prosecutor.

Look at PAT LEAHY a little bit. Put yourself in his role. He wants to be recognized as somebody who runs the Judiciary Committee in a fair manner. I do not know of anyone who could question his honesty, his integrity, and therefore I say let's not really worry about all these numbers.

I can make a case with numbers. I think he has done more than he physically should have done, because it has just been so hard for him to do that. I talk about the committee hearing. My colleagues complained that we have only approved—I don't know how many circuit judges he said. But we had hearings on them. Pickering had a hearing. He couldn't make it out of committee. That is more than they gave our people.

He said some people on May 9 will have waited a year. Well, that is too long, and I recognize that. But it is not 4 years.

More than 50 of President Clinton's nominees never even got a vote. Others waited years to be confirmed. Still others languished for years and many months before a hearing and then no vote. They had hearings and never had a vote in the committee. The Judiciary Committee never voted. Where were the Republican voices of concern then?

Under Republicans, total court vacancies rose from 63 in 1995 to 110 in July 2001, when the committee reorganized, and circuit vacancies more than doubled from 16 to 33. The Republicans caused all the vacancies about which they are now complaining.

I had a big murder case when I practiced law. A young man shot his two parents. It was a very serious case, to say the least. But today people still joke about that case. There isn't anything to joke about. It is the old standard joke that you have heard a thousand times: He was now an orphan. He pled for the mercy of the court because he was an orphan. He killed his parents.

That is about what we have here. Republicans caused these vacancies. Vacancies continue to exist on the courts of appeals, in part because a Republican majority wasn't willing to hold a hearing or vote on more than half—56 percent—of President Clinton's circuit nominees in 1999 and 2000, and was not willing to confirm a single circuit judge during the entire 1996 session.

This is like somebody who kills his parents and then asks for mercy. They ask for mercy because they are an orphan.

They helped create these vacancies.

I repeat: On more than half—56 percent—of President Clinton's circuit nominees in 1999 and 2000, the Republicans were not willing to hold hearings and vote on them. In 1996, not a single circuit judge was confirmed. Some of the vacancies they are talking about go back to 1990, 1994, and 1996. They refused to fill the vacancies.

Under Senator LEAHY's leadership and Senator DASCHLE's leadership, judicial vacancies are going down, with 50 judges confirmed—as I indicated last week, it is now up to 52—including 9 circuit judges. That is more than were confirmed in all 12 months of 4 of the 6 years of Republican control. As of April 29, there were 90 vacancies, and 29 of them were circuit.

The Senate has already devoted a week in March to Senator LOTT's amendment, No. 3028, to the energy bill. One reason it took the energy bill so long is we had a week of time on the sense-of-the-Senate resolution demanding that those nominated last May 9 have a hearing by May 9. The Senate, of course, rejected this, as it should have done. An almost unanimous Senate supported, instead of the second-degree amendment to that resolution, the committee's continued fair treatment of judicial nominees and its efforts to schedule and hold regular hearings on judicial nominees.

That is what we said we would do. That is what Senator LEAHY is doing. The Judiciary Committee has continued its efforts in accord with the Senate resolution which passed this body. The Judiciary Committee held 17 hearings involving 61 judicial nominees. That is more hearings on judges than the Republican majority held in any year of its control of the Senate. They were considered en bloc form rather than one or two at a time. In effect, we have had at least 54 hearings.

I say that really skewing numbers a little bit because in some hearings more than one person was brought before the committee.

That is more hearings on judges than the Republican majority held in any year of its control of the Senate.

I repeat: The Judiciary Committee had 17 hearings in less than a year, and that is more than held in any year of the Senate when the Republicans controlled it.

Rather than berating the Judiciary Committee, I commend Senator LEAHY and the members of that Judiciary Committee for doing the good work they have done. Remember, they have more responsibility than just approving judges. The Republican leadership never followed a "first in, first out" rule. As the former chairman said in 2000, "If nominees were only considered in the order they were nominated, the process would grind to a halt as more qualified nominees would back up behind the questionable nominees." That makes sense.

The Democratic leadership has been working hard to process the nominations of qualified, noncontroversial nominees to address the vacancy crisis caused by previous Republican obstruction and inaction.

We are carefully reviewing the records of those nominated last May, as well as other nominees. All but one of those nominated last May 9 were chosen by the President without any consultation with both parties in the Senate. In spite of that, we have already expedited and confirmed three of them.

One of the May 9 nominees lacks home-State consent. Surely the minority is not suggesting overriding the Senate tradition of consent or what we call blue slips from both home-State Senators. Senator ORRIN HATCH—a dear friend—would never agree to that when he was chairman. He would never consider that. The other seven appear to be relatively more controversial nominees who require a great deal of background research. They will have hearings, but more work needs to be done. If the committee fails to do this thorough investigation of these men and women who would serve for life, it fails its job to the rest of us.

When these nominations come here, I depend on the Judiciary Committee. I am not a member of that committee. I assume that if there is a problem with one of them, someone is going to provide that for me. If they don't and something comes up later, I am going to be very upset, as well as Senator LEAHY and the other members of that committee. They need to take the time to do the job right.

Five of the May 9 nominees were nominated to seats that have been held vacant for years and years by Republicans. Well-qualified Clinton nominees to those seats were blocked by Republicans, including two well-qualified gentlemen active in the Hispanic community in Texas: Enrique Moreno and Judge Jorge Rangel; three distinguished lawyers from the African-American community: James Wynn and James Beatty of North Carolina, and Elan Kagen; and other nominees with equally outstanding credentials, such as Kent Markus of Ohio and Allen Snyder of the District of Columbia.

I would like to take just a little bit of time to pay our colleagues, our Republican counterparts, the courtesy of making sure that this request for unanimous consent for immediate action on Bush nominees is OK with them, including the anonymous Republican Senators who held up votes on Clinton nominees such as Bonnie Campbell, Judge Margaret Morrow, and many of the circuit court nominees who languished for years without ever receiving even a vote in committee.

The deep concern now expressed about vacancies was oddly silent when the minority—then the majority—was blocking more than 50 judicial nominees.

Some Republicans held these seats open for years for another President to fill. That President is President Bush. They wanted to save these seats for a Republican President. Maybe some thought these would be judicial activists for their agenda and would tilt the balance of numbers on these circuit courts to give Republican appointees a majority, with the hope of winning through these activists what they were not been able to win at the ballot box.

One of the people for whom I have the greatest respect—he is my friend, he has great Nevada roots, and he has all kinds of family in Nevada—is Karl Rove, a close confidant of the President. He has given speeches to conservative groups talking about he wants what he refers to as conservative judges. He has a right to say that. But that is why Chairman LEAHY has an obligation to look and make sure these people are qualified and that they have more credentials than just simply being conservative.

Advice and consent does not mean giving the President carte blanche to pack the courts. The committee's evaluation of nominees is a critical part of the checks and balances of our democratic Government that does not give the power to make lifetime appointments to one person alone to remake the courts along narrow ideological lines, to pack the courts with judges whose views are outside of the mainstream, and whose decisions would further divide our Nation.

President Bush has singled out Justice Scalia and Justice Thomas, the Supreme Court's most conservative Judges, as model Judges. Well, isn't it interesting he would do that. He has chosen Scalia and Thomas as model Judges. I wonder if that had anything to do with the decision they made dealing with Florida when they, in effect—there are not only articles written—lots of those—but there are books written of how Scalia steamrolled the other Judges. And Scalia elected George Bush President. Well, no wonder he thinks he is a model judge. I think if he selected me as President, as he did President Bush, I would also probably think he was a model.

The committee is acting responsibly. The Judiciary Committee, led by PAT LEAHY, is acting responsibly in its consideration and scheduling of nominees. We would be able to move more expeditiously on nominees if the White House were acting in a bipartisan way, by nominating more consensus nominees to these lifetime judgeships, conferring with the Judiciary Committee, conferring with home State Senators.

Even with the partisanship of the White House and the Republicans, Senator LEAHY's Judiciary Committee has had more confirmations of circuit court nominees in less than 10 months than were confirmed in a similar period for Presidents Reagan, Clinton, and the first President Bush.

Nine circuit court judges—consensus nominees—have been confirmed in less than 10 months. This is more confirmations of circuit nominees of President George W. Bush than in the first 10 months of the Reagan, Bush I, and Clinton administrations combined.

We also have the best pace of confirmation in recent history. The Democratic-led Senate is averaging 5 confirmations per month, as compared with 1.6 per month during Bush I, and 3.1 per month and 3.6 per month for President Clinton and President Reagan, even though they had Senate majorities from their own party.

So that is why I have objected to these motions. Chairman LEAHY and the Senate Judiciary Committee should be commended for reforming the process and practices used during the 6½ years of Republican leadership. We are holding more hearings for more nominees than in the recent past. We have moved away from the anonymous holds that so dominated the process from 1996 through 2000. We have made home State Senators' blue slips public for the first time.

The Democratic leadership and Majority Leader DASCHLE should be commended and not attacked with these unfair claims and motions.

Mr. President, I apologize to my friends, especially the Senator from Michigan, whom I know wishes to address the Senate. I also apologize and extend my deep appreciation to the Senator from Florida for his usual courtesy in remaining in the chair so the Senator from Michigan can speak. I am personally very grateful to the Senator.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, first, I indicate to our leader from Nevada that he is certainly welcome to take whatever time is necessary to talk about this very important issue and to set the record straight. I very much appreciate the Senator being able to do that in such articulate terms so that it is very clear that we, in fact, are moving ahead in a way that, frankly, has been unheard of when we have had a President of one party and the Senate majority of another party in terms of confirming judges.

So I certainly associate myself with the Senator's comments and very much appreciate his advocacy.

PRESCRIPTION DRUGS

Mr. President, I rise this evening to speak about an issue that is incredibly important. It is probably one of the most important challenges facing our families today; and that is the question of the cost of prescription drugs.

I cannot think of a more important issue facing older Americans, who, on average, use 18 different medications in a year, or a more important issue facing families, who, for example, may have a disabled child, or a more important issue for anyone who is struggling and does not have coverage under their insurance policy for prescription drugs.

We know that right now, even as we are at the dinner hour on a Tuesday evening, there are seniors who are sitting down at their kitchen table and deciding: Do I eat supper or do I take my medicine?

We are the greatest country in the world. I say shame on us for our inability to address this issue and to have a Medicare prescription drug plan that lowers the costs for everyone. This is an issue that now touches every part of our economy.

Today, I met with the leadership of Michigan Blue Cross-Blue Shield. Yesterday, I met with people who are involved with hospitals and home health care agencies and nursing homes.

I meet with small business owners who cannot afford to keep their insurance for their employees because the costs are going up 30 percent, 40 percent a year, and the majority of that is the uncontrolled costs of prescription drugs. I meet with the big three automakers, and I hear the same thing.

These costs are out of control. There is no accountability, and it affects every part of our economy and the lives of too many Americans.

So I rise this evening to ask our colleagues on the other side of the aisle, and to ask the President of the United States, to join with us in a serious effort—not words, not efforts that look as if they do something on paper but do not really solve the problem—but to join with us in a serious effort to provide a comprehensive prescription drug benefit under Medicare that is long overdue, and to join with us in a number of issues and a number of strategies to lower the costs of prescription drugs for every American.

I find it extremely frustrating, when we know that American taxpayers underwrite much of the research—certainly the initial basic research through the National Institutes of Health for new prescription drugs, new technologies, new cures—and I certainly support that. I support the fact that we allow research tax credits and deductions. And taxpayers subsidize those efforts as well. It is important for us.

But I am very frustrated that after we have patents that are given for 15 years, 20 years, to companies to recoup their costs, when they do not have to have competition, we create a way for them to come up with these new, wonderful drugs that are lifesaving, and yet, at the end of the line, Americans pay more than anyone in the world—and that is not an exaggeration—for those drugs. If someone is uninsured, Heaven help them—which the majority of seniors are in this country—because when they walk into the pharmacy, they are paying the highest prescription drug price of anyone in the world.

Tomorrow, we are going to start Older Americans Month. And I say again, shame on us for not addressing this issue in a comprehensive manner.

I ask my colleagues to join with us in a number of efforts. One, we want to make sure that generic drugs are more available and that we close loopholes that are now used by the companies to change patents or do other things that stop generics from coming on the market even though it is the same—a very comparable drug—at a dramatically reduced price. We certainly have legislation right now in the Senate which Senator SCHUMER and Senator McCAIN have put forward that needs to be addressed.

We also need to do something about the explosion of advertising. Since the FDA changed the rules a number of years ago on direct consumer advertising, I daresay you can't turn on your television set in any 5-minute increment and not see at least one advertisement for a prescription drug. They are nice ads. Many of them are very pretty. But we pay a heavy price for that advertising.

We also pay a heavy price for the promotions that are going on in the doctors' offices and all of the effort that goes into this question of advertising rather than putting the money into research for more lifesaving drugs.

We want to address that in the Senate, and we ask our colleagues to join with us to stop this spiraling situation where right now there is twice as much being spent on advertising in this country, advertising and promotion of prescription drugs, than on research to create new lifesaving drugs. We intend to put forward proposals to do that in the next week.

I specifically wish to talk for a moment about S. 2244, an effort my colleague from North Dakota, Senator DORGAN, and many of us have joined in to provide another way of creating cost savings; that is, to open the border to Canada. I find it ironic that at the time we are creating open trade, fast track, a trade bill on the floor of the Senate, we have in place walls at the border of Canada. And coming from Michigan, where it is 5 minutes across the bridge, 5 minutes across the tunnel, this is a very real wall where we are told, based on legislation passed back in the 1980s, that even though you can get your medications made in America, FDA approved, safe drugs, my citizens in Michigan or those from Florida or anyone cannot go 5 minutes across that Ambassador Bridge or that tunnel and lower their cost because of a law that was put in place to protect our companies from competition.

We believe, those of us who have put forward S. 2244, that the wall needs to come down. If we are going to talk about open trade, we should not close trade. We should not be allowing lack of competition on prescription drugs. If we did that, we could see amazing changes immediately. It would not cost money other than probably a small amount as it relates to the FDA. We are not talking about any large sum of money to be able to open the borders and immediately we could lower costs 40 percent, 50 percent or more.

I took two different bus trips to Canada to demonstrate, as other colleagues have, the cost differences, working with the Canadian Medical Society, going through a Canadian physician and a Canadian pharmacy to demonstrate the differences in the prices for prescription drugs. I wanted to share with you some of those differences.

Zocor is a drug for high cholesterol. In Michigan, it is $109 a month for the prescription; it is $46.17 in Canada—$109 versus $46.

Even more dramatic is Tamoxifen. We had women on our bus trip with breast cancer. In Michigan, they are paying $136.50 a month for Tamoxifen. In Canada, they purchased it for $15.92—$136 versus $15.

There is something seriously wrong when our citizens are having to pay such a large amount of money when compared to other countries, particularly our Canadian neighbor to the north, and at the same time they are having to juggle all of the other expenses in their life, and many people are not being able to purchase Tamoxifen or Zocor or Prilosec, all of the other drugs where there is such a disparity.

I invite colleagues tonight to join with us in supporting S. 2244, to become cosponsors, to join with us in an effort to say that we are going to open the borders; we are going to create competition; and we are going to make sure Americans who underwrite so much of the cost of the new medications being developed every day have the opportunity to get the very best price.

We need to do that. It is long overdue. From my perspective, there is no excuse at this time not to proceed to support this effort to open the border, to create new opportunities for generic drugs, to make sure we are addressing the high cost of advertising and to put some sense around that, and promoting research rather than more advertising. These are all items that need to happen, and they need to happen now.

My biggest concern is that we don't have the same sense of urgency in the Congress that I hear from my own family, from neighbors and constituents I represent in Michigan. This is not a theoretical debate. This is real. This is about whether or not people will be able to live longer because they can benefit from the medications being developed with the help of taxpayers or whether they are going to struggle every day to decide whether to eat, to pay the utility bill, or to get their medicines they so desperately need.

We can do better. Our older citizens, our families, our children, our businesses wanting to cover their employees for health care costs deserve better. We have an opportunity to do that in the Senate and to say to everyone: We have really done something that will make a difference in the lives of the people we represent. I suggest the time is now.

I yield the floor.

(Ms. STABENOW assumed the chair.)

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Madam President, I wanted to echo the eloquent comments the Presiding Officer, speaking in her capacity as the Senator from Michigan, has spoken about, a problem that is so rampant today.

Medicare was designed 37 years ago in 1965. Think of the condition of health care at that time. It was centered around acute care in hospitals. Thus, as we designed the system which would be a health insurance system for senior citizens to assist with medical expenses, what were most of the medical expenses? In 1965, they were expenses that were attendant to hospital care and physician services that often occurred in and around the hospital. Medicare Part B was set up for additional expenditures, primarily physician expenditures. That has served our senior citizens so very well, as a health insurance system at the time that they knew they needed health care, when, as we get older, things don't quite work as they did when we were 21.

Over that 37 years we have had these wonderful, I call them, miracles of modern medicine that have occurred through technology, through research, through the ingenuity of American enterprise. And as a result, we now have a health care system that produces prescription drugs that can often cure our ailments when compared with the state of medical care 37 years ago.

I talk about that little bit of history to follow the comments of the Senator from Michigan because it is instructive for us as to why we need to modernize the Medicare system 37 years later and now provide a prescription drug benefit.

There is no question in the State of Florida, with our abundance of wonderful, vibrant senior citizens, that people want Medicare modernized with a prescription drug benefit. Clearly, in the election of 2000, I talked about it, and I know both of the candidates for President talked about it in the State of Florida—indeed, they had signed up to the idea that we were going to be spending—then the figure was $300 billion to $350 billion over a 10-year period. That is what was thought to be the expenditures to give a fairly substantial Federal Government investment for providing prescription drugs to those who were eligible as senior citizens under Medicare. And here we are, a year and a half after that election, and we still have not enacted it.

The administration has come forth with a proposal for $190 billion over 10 years. That is not going to cut it because that is not what was promised. With the explosion of the cost of prescription drugs, the cost of that prescription drug benefit over the next decade might well be in excess of the $300 billion to $350 billion that we talked about during the campaign of 2000. So we ought to be addressing it here.

In the meantime, the Senator from Michigan has pointed out other ways that we can start addressing the cost of prescription drugs. Why could we not address a system by which we could suddenly pool the various needs and start buying in bulk and, therefore, bring down the cost per unit? That is a common economic principle. So as we approach a discussion of whether we are talking about trade or whether we are talking about judicial appointments, we need to constantly remind people about the promises and the expectations in the election for President in the year 2000, and those statements were very clear in the State of Florida, which became so critical for the outcome of the election.

ANDEAN TRADE

Madam President, since we are on the trade bill, I want to make a few comments about a tremendous dilemma that I have with regard to this trade bill. I am a free trader. I am for free and fair trade. That has basically been the kind of voting record that I have had in the last year and a half. I believe that a State such as my State, Florida, which is so affected by being not only a microcosm of America but now so much of a microcosm of the Western Hemisphere, will benefit economically by free and fair trade.

The dilemma in which I find myself, as does my colleague—my senior colleague, wonderful colleague, Senator BOB GRAHAM—is that the very premier industry of Florida, the citrus industry, the very industry whose symbol graces all of our license plates on our vehicles in Florida—the Florida orange—is threatened if we don't take action on an amendment in this bill.

What I have said is that I support free and fair trade. What we find is that, with the concentrated, frozen orange juice production, the country of Brazil has 50 percent of the world consumption of concentrated orange juice. Florida has 40 percent of the world's production, and that is primarily servicing the needs of the domestic market in the United States, a large part of which has been created as a result of the advertising over the last five decades by the Florida Citrus Commission, so that now orange juice is a regular staple of the diet at the breakfast table in America each morning. So it is 50 percent Brazil, 40 percent Florida, and the remaining 10 percent is spread throughout the rest of the planet.

The problem is that it is not free and fair trade if Brazil is allowed to undercut because of Brazil growers colluding into a cartel, undercutting the price of Florida, and dumping additional product on to the market. If there is not tariff protection for the Florida citrus industry, Brazil will be participating not in free and fair trade, but Brazil will have taken over the market and they will have a monopoly. A monopoly is exactly what we want to get away from in global economic markets. We want the crosscurrents of economic competition to bring the best product at the lowest price. That is not what is going to happen.

So the dilemma that my senior colleague, Senator GRAHAM, and I find ourselves in is wanting to support the administration on the trade promotion authority or, as some people call it, the fast track, where the administration can negotiate the agreement without every little detail having to be approved, except when the final agreement has to come back to the Congress, which I think is a step in the right direction, and facing the Hobson's choice that if we do so without an amendment that would protect this industry from a monopoly from foreign shores, our major citrus industry would be facing a life or death choice.

Now, that is not an easy choice for this Senator. So I call to the attention of the Senate the fact that Senator GRAHAM and I will be offering an amendment that doesn't specifically just speak to Florida orange juice but says that if there is an order by the International Trade Commission against dumping by companies or by a country, or if there is a countervailing duty as a result of an order by the Department of Commerce because foreign competition is subsidized by a foreign government and therefore it is not free and fair trade—if there is an order from either one of those two, whatever the commodity is, the tariff cannot be reduced until 1 year after that order by the Department of Commerce, or that order by the International Trade Commission has been removed, because that noncompetitive practice has been eliminated by that foreign country or those foreign corporations.

In other words, if we want to have free and fair trade and there is an order that another country is not being free and fair, we are not going to put the American industry at the disadvantage of having the tariff lowered so that anticompetitive action in that foreign country, against which there is already an order, is not able to protect that industry in America.

I am not just talking about orange juice. I am talking about steel. I am talking about salmon production in the Northwest. I am talking about honey production in Montana. I am talking about any commodity where organizations such as the Department of Commerce or the International Trade Commission say there is anticompetitive behavior, and therefore there is an order against that anticompetitive behavior; if that order is in place, then you cannot reduce the tariff.

That seems to me common sense. Therefore, there is no reason the administration should not accept Senator GRAHAM's and my amendment. Yet they will not. Just today Senator GRAHAM and I talked to the Secretary of Commerce: Well, we will look at it. I understand. That is a polite way of saying: No, we do not agree.

I have talked to people about this amendment until I was blue in the face. I have talked to the chief lobbyist for the White House as to why this is so important to Florida, which happens to be important to this administration. I have talked to members of the Finance Committee to get them to understand why this is so important, not only to Florida but to other States with regard to steel, salmon, and beekeepers in their honey production.

The fact is, the administration thinks it has the votes. In fact, it thinks it is filibuster proof; that it has more than 60 votes for this trade bill. Therefore, there is no willingness to engage in a discussion with Senator GRAHAM, me, and others about adding this amendment, as they did so vigorously in the House when, several months ago, they passed the trade promotion authority bill by the razor thin margin of one vote.

I can tell you, Madam President, it will not only be tonight, but I will continue to speak until my face, to use an old southern expression, turns blue. I will continue to speak every opportunity I have as we go about considering this trade bill over the course of the next 2 to 3 weeks.

I hope there are folks in the White House who are listening. The State of Florida has a great deal at stake in this debate. It is not that we are asking for any special protection; we are asking for free and fair trade. We do not want another country to have a monopoly of a single product that is so very important to our State of Florida.

Madam President, neither you nor I expected to be here at this late hour, but it was an opportunity for us to say something that is very important to this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Madam President, I rise to speak on the pending business, the trade promotion authority bill. I will be brief.

I believe I am the only Member of the Senate who has worked in the Trade Representative's office. In 1991, I had a wonderful experience as we were negotiating several major treaties at that time. Without qualification, for the United States to engage in more trade negotiations and more trade agreements is positive.

There will be sectors in the United States that have difficulty. That is why we have trade assistance provisions, to make those transitions better. But overall, for the U.S. consumers and the U.S. economy, trade promotion, reducing barriers and tariffs—and tariffs amount to nothing more than taxes; tariffs are taxes—this is a positive action for U.S. producers and U.S. consumers. Not that it is uniform for everybody, but for the overall economy this is positive. It has been positive and remains positive.

Narrowly for my State, the State of Kansas, where we have a lot of agricultural exports, where at least 1 out of 3 acres goes to the export market, the international market is a critical market for us. A lot of our livestock goes to the international marketplace. It is a very important part of our business.

Aviation is a main part of our industry. Much of that goes into the international marketplace as well.

This is positive. It is probably the best thing we can do at this time, on top of the tax cuts, to stimulate the U.S. economy, and expansion of our broad-band access is a third issue that can stimulate the overall economy. Trade is a key one. It is broadly supported in this body. It is not supported by everybody, but overall it has a strong base of support and that is because our economy is built on trade and so much of our opportunities to expand this economy are built on trade. The trade needs to be both free and fair.

I hope we can get a strong vote for trade promotion authority to encourage the President to engage in substantial trade agreements with key trading partners of the United States so we can aggressively move our economy forward and out of the sluggish position and the negative growth we had last year and continue strong, positive growth.

I wish to talk narrowly about a particular provision I would like to see us take up, and I will be putting forward an amendment with regard to this issue, and that is expansion of trade in central Asia. I am referring to those countries known as the "stans," that were under the Soviet Union—Kazakhstan; Uzbekistan became more familiar to us in the war on terrorism; Turkmenistan, Armenia, Azerbaijan, Kyrgyzstan, Tajikistan as well. We need to enter into permanent normal trade relations with these nations.

As we seek to engage them, as we seek to work closer with them in the battle on terrorism, as we seek to engage them internationally, particularly Kazakhstan on expanded oil production and gas production so we are not as dependent on the Middle East for oil, it is very important that we engage them in the area of permanent normal trade relations; that we are able to give to them the same status we give to virtually every country trading with the United States around the world.

They are key countries. They are key in the battle on terrorism, as we have already seen. They are key in our energy diversity. I am hoping we can get more of our energy production at home. That is what we debated over the last 5 weeks.

We also need to diversify our source of energy. One of the key areas to which we can go is Kazakhstan and also Azerbaijan. We need to have permanent normal trade relations to expand that energy supply and expand that energy exchange.

They want to grow with us. Some are trying to pull them into being a radicalized militant state against the United States. There are forces in several of these countries seeking to do that. One of the best things we can do with them is to broadly engage them economically.

We have the opportunity, but we do not have PNTR with these nations in the central Asian region. We do with Georgia, we do with Kyrgyzstan, but not the other countries I named.

I will be putting forward an amendment, hopefully with a number of cosponsors, that is going to be modeled after the Central Asian Trade Act of 2002. In this bill, we would like to bring up the issue of PNTR with these central Asian countries.

I hope my colleagues will look at this carefully, critically, and with an eye to what is best for this region and what is best for the United States.

In our battle on terrorism, it is best we be engaged with these countries. In our battle to diversify our energy sourcing, it is best we be engaged with these countries. For their stability in this region of the world long-term, it is best that we are engaged. One of the prerequisites for us being able to do that is PNTR.

I am quite hopeful we can take this up; that it will be a noncontroversial amendment; that it can be accepted, passed, and that we can move this on through so we can get PNTR for central Asia and we can start working so we are not engaged in this region militarily, pull out of the area, then we see more militant activity buildup and we have to go back in. Rather, let's be engaged in this region on a long-term basis so we do not have to go in episodically, with billions of dollars, and try to clean up a problem that evolved over a period of time.

This is one we can head off at the pass. We can deal with this, we should deal with this, and I am hopeful we are going to be able to take this amendment up on PNTR for central Asia during this debate.

I yield the floor.

Mr. WYDEN. Madam President, as the Senate debates the Andean Trade Preference Expansion Act, ATPEA, I wish to call attention to another issue vital to the long term success of the Andean nations in the world economy.

International arbitration was created in order to mitigate the risks of overseas investment due to political consideration and capricious changes that can affect legal institutions. It gives investors and sovereign nations an agreed-upon mechanism to resolve disputes. Arbitration is a key building block to attract foreign investment, promote modernized legal systems, and provide for the kind of legal economy that we are seeking to foster with this legislation.

For this reason, Congress stipulated in the recent Andean Trade Promotion Act, ATPA, that beneficiary countries were required to recognize as binding and enforce international arbitral awards in favor of U.S. citizens and companies. I am concerned that the U.S. Government has not done enough to ensure that one beneficiary in particular, Colombia, has lived up to this requirement. Before Congress passes new legislation on this matter, shouldn't we hold countries accountable for violating this criterion under the previous legislation?

Unfortunately, Colombia has a disturbing trend of disregarding binding arbitration rulings. The Colombian Government has refused to abide by rulings of arbitration tribunals that are unfavorable, launching aggressive campaigns to undermine arbitration. It has utilized the inefficiencies of its internal legal structures to avoid payment. This blatant disregard for arbitration harms companies that have already invested in Colombia, dissuades others from investing much needed capital, and violates the qualification criteria for ATPA and ATPEA.

In one case, a 22-month binding arbitration tribunal, agreed to by the Colombian Government, ruled that Colombia must pay $61 million due to what it defined as reprehensible behavior and breach of contract. Despite concerns raised by Members of Congress, the Colombian Government has refused to even discuss the issue with the American companies. The cost to the Colombia economy in lost international investment due to this lawless behavior may be greater than any aid that we can provide, and indeed, raises questions about U.S. aid.

For these reasons, I call on the President of the United States and the U.S. Trade Representative in particular to hold Colombia, and any other country that fails to uphold the qualification criteria for ATPEA, to the letter of the law under consideration today. The administration is seeking expanded trade benefits, but it should first require that Colombia implement the rulings of arbitration panels. To do otherwise would undermine the intended effect of this legislation in lifting these developing nations to the status of new industrial democracies governed by the rule of law.

Mr. ALLEN. Madam President, I rise today to address the House version of the Andean Trade Act (H.R. 3009). First, I strongly support fair and free trade. Second, I favor granting the President trade promotion authority. Third, I believe that certain improvements can be made to help workers who lose jobs due to international competition. And fourth, I do believe the current Andean Trade Act should be extended.

However, as currently drafted, this is an Act that could have an adverse impact on the people of Virginia. In particular, Southside Virginia has been especially hard hit the past few years by the loss of textile and apparel jobs. Textile manufacturers in the United States are finding it more difficult, if not impossible, to compete with the low cost of overseas labor and limited environmental protection laws.

We must fully consider the potential impact of this Andean Trade proposal rather than rush into a convoluted procedure for voting on unrelated, albeit important, issues. The men and women involved in the manufacturing and production of textile and apparel products are suffering. We need to find ways to help these individuals, not bring additional heartache. The House version of this bill unnecessarily increases the amount of non-U.S. yarn and fabric coming into our country. The existing law has been sufficiently beneficial.

The U.S. textile and apparel industry, which employs 1.4 million people and accounts for 8 percent of all workers in our country, has fallen on hard times. Over the past five years, the textile industry has lost about 180,000 jobs, nearly one-third of the industry's workers. During this same time, there have been at least 220 textile plants that have closed their doors and ceased operations.

Last year alone, 116 mills closed in the United States. The workers at these locations lost their jobs as domestic producers struggled to compete with cheaply priced imports. As a matter of fact, almost 140,000 textile and apparel employees have lot their jobs in the last 15 months.

Just yesterday, DuPont Textiles and Interiors announced that it will be reducing its workforce by more than 2,000 employees worldwide. Unfortunately, 200 of those workers will be from Virginia.

Also in Virginia, we've lost Tultex, VF Imagewear, and Pluma. And, Burlington Industries in Pittsylvania County, which makes synthetic and wool products, has been forced to eliminate thousands of jobs.

As you know, the Andean nations are well known for their production of these products as well. Burlington and others will no doubt be impacted by the increase of products into our nation from these Andean countries.

My vote to oppose cloture is to take a stand for the right of Senators to fully consider the House version of this bill and offer amendments. As I have stated, I am a firm believer in free and fair trade agreements that will, on balance, benefit millions of Americans. But what has been happening in the textile and apparel industry is not desirable for the people of Virginia.

One aspect of trade is that some workers will almost inevitably have to move to other jobs. When workers are displaced, we must reasonably help ease the impacts of international competition. A bill I introduced last year, the Homestead Preservation Act (S. 1848) can assist these workers who have lost jobs due to international competition. This proposal would provide workers who have been displaced from their jobs because of international competition to become eligible for a secured loan so that they my continue making their mortgage payments on their home for up to one year while they find new employment.

In summation, I strongly support trade promotion authority to tear down tariffs and barriers to American products, goods and services. But trade promotion authority ought to be considered separately from the extension of the Andean Trade Act. I, nevertheless, look forward in the next few weeks to working with my colleagues to fully examine the House passed version of the Andean Trade Act and am hopeful that the Senate will pass a version that is not so harmful to U.S. textile jobs. My vote on procedure is to allow Senators the opportunity and right to calmly review, debate and revise the House passed version of the Andean trade bill without the confluence and distraction of other issues that should be addressed separately.

In the end, we need to pass three separate bills dealing with trade promotion authority, trade adjustment assistance, and the Andean Trade Act. Each of these measures should be accorded individual scrutiny, amendment and ultimate passage. Indeed, the tactic of merging these issues together can result in the House rejecting the most important of all three—trade promotion authority. This ploy to join all these items together can culminate in the unfortunate failure to pass any of these measures this year.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, what is now before the Senate?

The PRESIDING OFFICER. The motion to proceed to H.R. 3009.

Mr. REID. I ask unanimous consent that I be allowed to speak as in morning business and the time run against the 30 hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

TERRORISM INSURANCE

Mr. REID. Madam President, I have used this illustration on other occasions—I hope not too many, but I know I have used it before—and the reason I do it is, for me, it is illustrative of what is taking place in the Senate.

When I was a little boy, I lived in a small town in southern Nevada. I had a brother who was 10 or 12 years older than I, and he got a job with Standard Stations one summer. That was a big deal for us. He was out of high school, and they transferred him to Las Vegas to be an assistant manager to a service station in Ask Fork, AZ. As a little boy, I never traveled anyplace, and he agreed to take his little brother to Ask Fork, AZ. Oh, I was excited about going there. I do not know how long he spent there, probably about a week or 10 days, but just the anticipation of the trip was really amazing because I had never been anyplace.

So I went to Ask Fork, AZ. It was a little railroad town in Arizona, very large compared to where I was raised, in Searchlight. When I arrived there, I learned my brother had a girlfriend. I thought he was going to be taking me every place, but he did not take me anyplace because he had this girl with whom he was involved.

He did take me to meet her little brother, who was about my age. So I spent a lot of time with him. I have never forgotten that because it was his house and they were his games and his equipment. Every game we started to play, I could beat him; it did not matter what it was. But I never won anything because he kept changing the rules so I could never win.

I went home, having seen a lot of the world, at least in my eyes—Ask Fork, AZ—having spent a week or 10 days with this boy about my age, and had never been victorious in anything because, I repeat, every time he would change the rules in the middle of the game anytime I was beginning to win.

I bring that to the attention of the Senate because that is what we have going on in the Senate now is the same kind of a deal with terrorism insurance. It does not matter what we do; it is not good enough. We start with this, we try that. Okay, that sounds good. We offer it in the form of a unanimous consent agreement. Well, that is not quite right; I think we had better change this. No, we cannot agree to allow you to bring that to the floor.

Weeks have gone by, and we now have no legislation in the Senate to deal with the serious problem the country is having. I will bet the Presiding Officer has had people call her and come to see her—realtors, people from banks and other financial institutions, insurance people, developers—saying: Senator, why have you not done something about terrorism insurance? My construction job cannot go forward. The insurance companies will not write me insurance.

They have come to me, and I have responded the way I think we all have: Well, this is something we should try to do something about.

Senator DASCHLE has been trying to get something to the Senate. He has worked with Senator DODD, he has worked with Senator HOLLINGS, he has worked with Senator SARBANES, and we have agreed to bring legislation to the floor. Last Thursday, I offered a unanimous consent agreement. I am not going to do that tonight—there is no one present for the minority—but I would like to, and I should. I would like to have them again object to the unanimous consent request to bring this legislation to the floor. We have also gone to the extreme. We first started out by saying: Why don't we have two amendments? They said: We want more than two. We said: How about four? Now we are at four amendments.

I cannot understand why we cannot do that. There is something about the bill that people do not like, have an up-or-down vote with an amendment.

We attempted to move the Dodd-Sarbanes-Schumer bill last December. There was no disagreement about the base bill, but over the amendments offered and the time to dispose of the amendments. On April 8, we tried to get another agreement to take up the legislation, and there was no objection to base text. The Republicans always agreed to the underlying Dodd-Sarbanes as the vehicle to bring to the floor. Now the objections are no longer about the number of amendments and the time agreements, but they are opposed to bringing it up.

A strange thing happened last June. The Democrats took control of the Senate. It is a slim margin, but we still have control of the Senate and we control the agenda. The minority might not like that but that is the way it is. That is the rules of the Senate. Therefore, Senator DASCHLE has a right to determine what legislation is going to be brought forward. The majority leader determines what bills are brought to the floor. If the minority is opposed, they have a right to offer amendments and attempt to modify the text of the bill. When it comes to terrorism insurance, this does not seem acceptable.

I want the world to know—because I don't want anyone from Nevada to think I am doing anything to hold up this legislation, or that any Democrat is doing anything to hold up this legislation; we are not—we are ready to legislate on terrorism insurance. As I have said, we have offered to bring up the bill with four amendments on each side. It gives everybody an opportunity to make the changes they seek. They object to this. The legislation is must-pass legislation. We need to get it out of here and get it to conference.

The White House says publicly they desperately want us to do something. They should weigh in with the Republican Members of this Senate and help move something forward. Treasury Secretary O'Neill testified today that the lack of terrorism insurance could cost 1 percent, at least, to gross domestic product because major products will not get financing due to lack of insurance.

It is not just insurance companies increasing their policies or changing them. Banks are refusing to finance large projects because they lack insurance coverage. Policies are going through the roof or they are excluding terrorism from the coverage. This has a devastating effect on the economy, and it will get worse.

I encourage my friends on the other side of the aisle to review today's testimony from Secretary O'Neill before Senator BYRD and the Appropriations Committee. The time to act is now. We can take up this legislation and move it very quickly or we can continue to keep changing the rules in the middle of the game and wind up with nothing. That would be very bad for our country.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DAYTON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, it is my understanding we are in a period of morning business; is that right?

The PRESIDING OFFICER. Not yet.

MORNING BUSINESS

Mr. REID. I ask unanimous consent the Senate now proceed to a period of morning business, with Senators allowed to speak during that period for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

INVESTING IN STUDENTS

• Mr. BAUCUS. Mr. President, I rise today to respond to a recent recommendation by the Administration to end fixed-rate consolidations of federal student loans in order to address a $1.3 billion shortfall in Pell Grant funds.

I fully agree with the President that we need to fund the Pell Grant program. But, as a constituent of mine in Montana recently said, "It makes no sense to rob Peter to pay Pell." Pell Grants are just one of the federal government's efforts to help students afford the rising costs of a college education. Moreover, Pell Grants are only available to low-income students.

Importantly, the federal government offers a variety of student aid, often in the form of subsidized or low-interest loans, to extend help to low- and middle-income students and families that don't qualify for Pell Grants. In fact, many Pell Grant recipients must also apply for loans in order to meet their education costs. These loans offer hope to students as they seek the advanced education, exposure to new ideas, and acquisition of new skills they require to secure good paying jobs.

We need to be consistent in sending that message of hope to students. In fact, we need to be more vigilant in sending that message in states like Montana, where the average cost of attending a public university has increased by 228 percent for in-state students and 257 percent for non-residents over the past 10 years. Those increases mean larger student loans, larger student debt, and greater student sacrifice. And I am very concerned about the kind of sacrifices Montana students must make to pay back an $18,000 student loan in a state whose average per capita income barely surpasses $20,000.

Simply put, we need to do more to help students invest in themselves, not less. Offering a fixed-rate interest on consolidated loans helps students; eliminating that option places additional financial stress on students. Good common sense tells me that we can not close this door on our students.•

NATIONAL CHARTER SCHOOL WEEK

• Mr. GREGG. Mr. President, last Thursday I joined my colleagues, Senators LIEBERMAN, HUTCHINSON, CARPER and BAYH, in introducing S. Res. 254, a resolution to designate the week of April 29th through May 2, 2002 as National Charter Schools Week. This year marks the 10th Anniversary of the opening of the nation's first charter school in Minnesota. In the last ten years, we have come a long way since that auspicious moment when one teacher collaborating with parents started a school specifically designed to meet the needs of the students in the community.

Today, we have well over 2,000 charter schools serving approximately 579,000 students. Charter schools are immensely popular: two-thirds of them report having waiting lists, and there are currently enough students on waiting lists to fill another 1,000 charter schools.

Charter schools are popular for a variety of reasons. They are generally free from the burdensome regulations and policies that govern traditional public schools. They are founded by principals, teachers and parents who share a common vision on education. Perhaps most importantly, charter schools are held accountable for student performance.

Since each charter school represents the unique vision of its founders, these schools vary greatly.

For example, in South Central Los Angeles, two former union teachers founded the Accelerated School, a charter school designed to serve students from the community. Students attending the school outperform students from neighboring schools. In fact, student performance at the Accelerated School exceeds district-wide average performance levels. Originally a K–8th grade school, the founders are now planning on adding a high school.

In Petoskey, Michigan, the Concord Academy provides an arts-focused curriculum that infuses the arts into the overall curriculum. The school has a 100 percent graduation rate which exceeds the graduation rate for the suburbs. The Concord Academy also spends an average of $2,500 less per student than traditional public schools. Like many charter schools, they are getting greater results using less money.

These are but a handful of the success stories in the charter school movement.

I expect that we will see the popularity of charter schools continue to grow. Last year, the President signed into law the No Child Left Behind Act, which gives parents in low-performing schools the option to transfer to another public school. The Act also provides school districts with the option of converting low-performing schools into charter schools. I believe these provisions will strengthen the charter school movement by creating more opportunities for charter school development. And, as parents exercise their right to school choice, the call for charters schools will grow.

I commend all those involved in the charter school movement. They have led the charge in education reform and have started a revolution. A recent study found that charter schools have had a positive impact on school districts. Districts with a large number of charter schools reported becoming more customer service oriented, creating new education programs, many of which are similar to those offered by charter schools, and increasing contact with parents.

I encourage my colleagues to visit a charter school this week to witness firsthand the ways in which these innovative schools are making a difference, both in the lives of the students they serve as well as in the community in which they reside.●

• Mr. HUTCHINSON. Mr. President, I rise in support of Senate Resolution 254, which designates April 29 through May 3, 2002, as "National Charter Schools Week," and was passed by unanimous consent on April 25, 2002. I am an original cosponsor of this resolution with Senators LIEBERMAN, GREGG, and CARPER, and I am proud to support our Nation's charter schools and highlight their impact on effective school reform across the country.

Charter schools are laboratories of reform and excellence. By allowing increased flexibility and autonomy, charter schools are able to implement new ideas, while still being held to high standards. Charter schools are also public schools, and must serve disadvantaged students and students with disabilities, often doing so with increased success. Studies have shown a link between increased student achievement and enrollment in charter schools. Most importantly, parents and communities are satisfied with charter schools, evidenced by two-thirds of charter schools having waiting lists.

The charter school movement continues to move forward as more and more states have passed laws authorizing charter schools. My home state of Arkansas is in the early stages of implementation, with six charter schools open at the beginning of the 2001 school year.

With the passage of the No Child Left Behind Act earlier this year and our continued support for charter schools across the country, we are saying to our parents, teachers, and students that our efforts are focused on increased academic achievement for all children. I hope that the charter school movement continues to grow and spurs innovation and reform to strengthen our nation's public school system.●

CONGRATULATING THE UNIVERSITY OF WISCONSIN-MADISON'S DAILY CARDINAL ON ITS 110TH ANNIVERSARY

• Mr. FEINGOLD. Mr. President, I am pleased to congratulate the University of Wisconsin-Madison's Daily Cardinal newspaper on its 110th year of independent publication. As a proud UW alumnus, I can attest to the Cardinal's tradition of public service and exceptional journalism.

Since 1892, student journalists at The Cardinal have gained valuable reporting experience while covering some of the country's most important news, from the declaration of war in 1941 to the events of September 11. The Cardinal's achievements have been recognized by the Los Angeles Times and Associated Collegiate Press and the Society of Professional Journalists, who named The Cardinal's Election 2000 coverage the Nation's best. Their excellence is further evidenced by the accomplishments of outstanding alumni like CNN correspondent Jeff Greenfield and ESPN chief of correspondents Andy Katz.

The Daily Cardinal is a source of pride for UW-Madison students past and present, and the State of Wisconsin. I commend The Cardinal for its accomplishments and look forward to celebrating its future success.●

CONGRATULATIONS TO SCOTT HIGH SCHOOL

• Mr. BUNNING. Mr. President, I rise today to honor the 17 members of the Scott High School Science Olympiad team for winning this year's state Science Olympiad Tournament on April 20 at Western Kentucky University in Bowling Green, Kentucky. Next, the team will have the unique opportunity to compete in the national competition at the University of Delaware on May 18.

Throughout the state competition, the students had the chance to compete in a variety of events covering all areas of science including: biology, chemistry, physics, anatomy, and mathematics. Some of these events required projects to be built in advance and taken to the competition while others include laboratory testing and other more conventional means of testing. I firmly believe that this competition was an extremely beneficial experience for all involved. The students have acquired useful and applicable information on a variety of interesting and engaging subjects while learning the importance of teamwork and competition. In order for Kentucky to keep up with the rapid pace of the scientific community, students, like those at Scott High School, must possess the desire to learn in depth about such topics as mathematics, biology, physics, and be able to apply this knowledge outside of the classroom.

I once again congratulate the Scott High School Science Olympiad team for their state title and wish them the best of luck in the upcoming national competition. Their dedication and hard work has not gone unnoticed. I would like to thank each and every one of them for their hard work and determination.•

CELEBRATING OXNARD HARBOR DISTRICT'S 65TH ANNIVERSARY

• Mrs. BOXER. Mr. President, the Oxnard Harbor District's Annual National Maritime Day Celebration will be particularly special this year, as the event will also recognize the district's 65th Anniversary on May 10, 2002.

Created in 1937, the Oxnard Harbor District owns and operates the Port of Hueneme, located in Ventura County, CA. The port greatly contributes to the economic success of California and the nation. More than $4 million worth of cargo moves through the port each year. In addition, the Port of Hueneme is the nation's number one seaport for exporting citrus products and conducts business with countries including Brazil, Costa Rica, Ecuador, Germany and Japan. The Oxnard Harbor District has every reason to be proud of its outstanding accomplishments and contributions to our nation's great maritime heritage.

To help recognize the district's long history, this year's event will feature the SS *Lane Victory*, one of America's last remaining World War II Victory ships, and a National Historic Landmark. It loaded its first cargo consignment in Port Hueneme in July 1945.

To conclude, I would like to add a special word of commendation to the International Mariners Center, whose unwavering and unparalleled support has been instrumental to the Oxnard Harbor District's success.

I thank the Oxnard Harbor District for their many contributions to the community, State and Nation, and wish the staff many more years of prosperity.•

THE SCHOOL SERVICE ACT OF 2002

• Mr. SMITH of Oregon. Mr. President, yesterday I joined my colleagues, Senator EDWARDS and Senator CLINTON, in introducing the School Service Act of 2002. This legislation will offer new support to school districts across America that want to give their students the opportunity to learn through community service.

Service-learning is much more than just community service done by school students, it is a method of classroom instruction that engages a student's intellect through hands-on work outside the classroom that benefits the community at large. Research shows that students participating in service-learning make gains on achievement tests, complete their homework more often, and increase their grade point averages. Service-learning is also associated with both increased attendance and reduced dropout rates. It is clear to educators across the country that service-learning helps students feel more connected to their own education while strengthening their connection to their community as well.

Thousands of students across Oregon participate in formal service-learning, and nearly every student in Oregon engages in community service through their schoolwork at some point or another, they just don't know that it's called service-learning. The School Service Act will give local schools and school districts the resources they need to formalize their commitment to service-learning. Under this legislation, school districts are eligible to apply for grants if they choose to make meaningful community service a requirement for graduation. It is my hope that schools will take advantage of this funding opportunity, and give their students the chance to experience the benefits of an education tied to community service.

My own State of Oregon is a national leader in service-learning, and I hope that this bill will help schools in my state continue their commitment to reclaiming the public purpose of education. I also hope that the School Service Act will encourage the further spread of service-learning across America, because I believe that it will improve education and, perhaps as important, instill students with an ethic of public service that will stay with them throughout their lives.•

VOTE EXPLANATION

• Mrs. CARNAHAN. Mr. President, early Sunday morning there were horrible tornadoes that killed a young child, injured many others and caused extensive damage throughout Marble Hill and other communities in southern Missouri. I believed it was important to visit the affected communities on Monday to comfort them and lend support. I regret that due to scheduling difficulties, I could not return to Washington in time for the vote on the motion to proceed to the Andean Trade Act.•

COLONEL DERRELL B. JEFFORDS, USAF

• Mr. McCAIN. Mr. President, I rise today to honor a great American patriot, Colonel Derrell B. Jeffords, USAF. As a young man, Colonel Jeffords knew that he wanted to serve his country in the military, dreaming of becoming an Air Force pilot. He began to realize his goals in June of 1944, when he graduated from the United States Army Air Force Cadet Flying School. Over the next 22 years of dedicated service, he distinguished himself not only as a skilled pilot, but also as an outstanding leader. After tours at 12 different bases in 20 years he answered his nation's call once more. In October of 1965, Colonel Jeffords reported to Vietnam for what would turn out to be his final deployment. On Christmas Eve 1965, just as President Johnson announced a week long bombing halt in North Vietnam, Colonel Jeffords' family received the painful telegram declaring him Missing in Action. His family learned that while on an armed reconnaissance mission, just south of Ban Bac, Laos, Colonel Jeffords' C–47 "Spooky" had been shot down.

Deryl Jeffords was only 13 years old when her father was shot down. She was forced to remember him through the letters that he wrote from Vietnam. Those letters never reflected any sign of fear, resentment or anger at being in Vietnam. To Colonel Jeffords, it was not a duty to serve in Vietnam, it was an honor. I was recently contacted by Ms. Jeffords, who told me about her father's life. Moved by the heroic story of Colonel Jeffords, I felt it necessary to rise on the floor of the United States Senate, to give her father the respect, honor, dedication and recognition that he so richly deserves from our country. Colonel Jeffords is an American hero, who fought for all citizens, so that we could keep the freedom that we enjoy today.

Colonel Jeffords will always be in the heart and soul of his family that he left behind. None of us should ever forget Colonel Derrell B. Jeffords, for he represents the very heart of what our country stands for. God Bless him.•

LOCAL LAW ENFORCEMENT ACT OF 2001

• Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred January 27, 1993 in Queens, NY. A gay man was beaten by two teenagers yelling anti-gay slurs. Junior Guerrero, 18, and Michael Ithier, 19, were arrested in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.•

TRIBUTE TO THE NASHUA HIGH SCHOOL AP GOVERNMENT CLASS

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Tarin Lafrance and her Nashua Senior High School AP government class. The class was chosen to represent the State of New Hampshire in the "We the People . . ." national competition. Nashua will compete against other States in analyzing and interpreting the Constitution of the United States as it applies in everyday life.

As a former schoolteacher, I commend Tarin Lafrance and the entire class for their hard work in this competition. The students' dedication is evident as shown through their strong commitment to excellence in education. I applaud their efforts and innovative interpretations of the Constitution. In working to gain a better understanding of our democratic Republic, the class studied the historical background of the Constitution, the three branches of government, judicial review, the Bill of Rights, and the Constitution as it applies in today's society. So much of our Nation's history revolves around the Constitution, and more importantly, this document serves as the foundation of all our Government's decisions. Nashua's commitment to education is a positive example for the Granite State.

I commend all members of the class and wish them continued success as they travel to Washington, DC, to showcase their presentation. Good luck to Julie dePointbriand, Beth Drolet, Jennifer Dube, Brendan Farrell, Kyle Gilbertson, Laurie Gorham, Ariella Green, Kelly Hogan, Jerry Hopkins, Sarah Janowitz, Zach Janowski, Michael Kiser, Candice LeCourt, Fariha Mahmud, Holly Masek, Jennifer McDonald, Lisa Minich, Linnea Sanderson, Lauren Schneider, Stephen Schuler, Katie Staab, and Heather Zimmerman. Go Panthers! It is an honor to represent you in the Senate.•

TRIBUTE TO LAURIE L. CHANDLER

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Laurie L. Chandler, senior vice president of Fleet's Private Clients Group. Laurie has been named New Hampshire's Women in Business Advocate of the Year by the Small Business Administration of the United States.

Laurie's 20 years of experience in the financial services industry have been indispensable to the women in New Hampshire's small business community. Along with serving her current position at Fleet, Laurie developed and administered the Women Building Wealth Program of Fleet. The program, which consists of monthly informal seminars for business women, has been crucial to those within New Hampshire. Laurie's time mentoring women has been above and beyond any call of duty. She has been credited with consistently going the extra mile for businesswomen to succeed and always extending herself within the business community.

I commend Laurie for her continued dedication to the women in New Hampshire's business community. Her actions set a positive example for the Granite State. Her commitment and business savvy are well respected and admired amongst her peers and are exemplified by her position within the Fleet organization. I look forward to seeing more of Laurie Chandler within our business community and wish her continued success. It is an honor to represent you in the Senate.•

TRIBUTE TO JERRY MILLER

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Jerry Miller of Hampton. Jerry has been chosen as the New Hampshire Business Journalist of the Year by the Small Business Administration of the United States. Jerry serves as a correspondent for the Union Leader and New Hampshire Sunday News for the Portsmouth and Seacoast regions of the State.

Jerry has worked tirelessly to report on New Hampshire's small businesses for the past 12 years, covering issues including Pease Air Force Base and the Portsmouth Naval Shipyard. His career has been long and distinguished in both print and broadcast journalism, reporting on hundreds of issues each year. His dedication to the readers of New Hampshire is evident in the stories he writes; I commend him on success. As Jerry so humbly stated, "I have never tired of covering business in the Granite State, where the entrepreneurial spirit is alive and well. It's a spirit I've seen every day in the men and women who take the risks associated with businesses and job creation, so that they and others may enjoy their perceptions of the American dream." This further exemplifies why he was such a deserving candidate for this award.

I applaud Jerry on receiving this award and wish him continued success in keeping New Hampshire well informed. His commitment to small business is a positive example for the State and I look forward to reading Jerry's next article. It is an honor to represent you in the Senate.•

TRIBUTE TO PETER F. BURGER

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Mr. Peter F. Burger of Concord. Peter was recently named New Hampshire's Special District Advocate of the Year by the U.S. Small Business Administration. Currently practicing with the law firm of Orr & Reno, Peter's exemplary contribution to the small business community over the year made him the likely recipient of this award.

I applaud Peter's commitment to the International Trade Resource Center of Portsmouth. He has made time over the past decade to volunteer his services and expertise to the center, teaching classes and taking clients on a pro bono basis. Peter's time spent volunteering has been crucial to the center's clients. Without his contributions, the ITRC would not have been able to offer competitive and complete services to New Hampshire's small businesses.

New Hampshire's small business community is privileged to have such a dedicated member of their community. Peter has generously volunteered his time advising on numerous issues including trademark protection and licensing, contract issues related to e-commerce, financing, and mergers and acquisitions. Without the competitive edge ITRC and Peter offer to our State's small businesses, they would be at a disadvantage to their competition. I commend Peter on his dedication to the Granite State. It is an honor to represent you in the Senate.•

TRIBUTE TO GT EQUIPMENT TECHNOLOGIES, INC.

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to GT Equipment Technologies, Inc of Nashua, which has been chosen as New Hampshire's Small Business Exporter of the Year by the Small Business Administration of the United States.

GTi began in 1994 as a two person home-based operation and has grown into an 80 employee firm with this year's projected annual sales of $30 million. As one of New Hampshire's great export success stories, GTi has gained national recognition and numerous business awards. In 1997 GTi was designated one of Entrepreneur Magazine's top 100 fastest growing companies, as well as the president and CEO Kedar P. Gupta being named Entrepreneur of the Year. Along with numerous entrepreneurial awards for both Kedar and the executive vice-president Jonathan A. Talbott, GTi received NASA's Commitment to Excellence award of 1998 and Deloitte & Touche's 2000 list of the top 50 fastest growing technology companies. I applaud the dedication and hard work that Jonathan and Kedar have shown in the rise of their company. They have set a positive example of the risk and reward associated with starting and owning a small business for the Granite State.

As a former small business owner, I can appreciate the efforts required to have a successful business, and I wish GTi continued success in the coming years. As Jonathan so humbly stated, "As a company we strive to meet and exceed the expectations of our customers, and that's the key to our success. This award is really our employees, for their hard work, dedication, and long hours." It is an honor to represent you in the Senate.●

TRIBUTE TO LAURA L. MONICA

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Laura L. Monica, New Hampshire's Small Business Person of the Year by the U.S. Small Business Administration. Laura is currently president and owner of the Bow based company, High Point Communications Group.

I applaud Laura's determination and hard work in making High Point one of New Hampshire's successful small businesses. As a former small business owner, I understand the amount of energy that starting and running your own business requires. Laura started as a one woman team and has taken her company to a nine-person staff, with revenues exceeding $2.2 million. Laura followed her dream of changing and evolving the typical "public relations" model into a new strategic communications model designed specifically for businesses.

By reaching out and taking risks, Laura was able to make her dream of innovative and creative strategic communications a reality. I commend her business savvy and exceptional work ethic in the field of public relations. She has brought High Point to a higher level of work productivity and created a company which is able to compete with corporations. I will continue to work hard to protect New Hampshire's small businesses as I am assured that Laura Monica will continue to work hard in putting High Point on the map. With High Point being named as one of the "Top Ten Best Companies To Work for in New Hampshire" by NH Business Magazine, we can be sure to see even more great things from Laura Monica and her team at High Point Communications. I wish her continued success in years to come, it is an honor to represent you in the Senate.●

TRIBUTE TO ROBERT G. CARON

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Mr. Robert G. Caron of Rye. Robert was named New Hampshire's SCORE Counselor of the Year by the U.S. Small Business Administration. His outstanding service to the Portsmouth Service Corps of Retired Executives made him the perfect candidate for this year's award.

I applaud his continued service and commitment to New Hampshire's small business community. His dedication to helping his fellow Granite Staters is exemplary. In his fourth year as a SCORE member, Robert is considered to be one of the most active counselors in the organization. Using his experience as the former senior vice president and CEO of an international chemical manufacturing company, he is able to effectively use his expertise in general management, marketing, profit and working capital improvement, strategic thinking and financial reporting.

The business savvy that Robert brings to New Hampshire's small business community is to be commended. His continued service to the Granite State is a positive example for others. Robert so humbly stated, "I'm grateful that SCORE has given me the opportunity to use my skills to help others in our community." New Hampshire is also grateful. It is an honor to represent you in the Senate.●

MESSAGE FROM THE HOUSE

Under the authority of the order of the Senate of January 3, 2001, the Secretary of the Senate, during the recess of the Senate, received a message from the House of Representatives announcing that the House has passed the following bill, without amendment:

S. 2248. An act to extend the authority of the Export-Import Bank until May 31, 2002.

ENROLLED BILL SIGNED

Under the authority of the order of the Senate of January 3, 2001, the following enrolled bill, previously signed by the Speaker of the House, was signed subsequently by the Acting President pro tempore (Mr. NELSON of Nebraska).

S. 2248. An act to extend the authority of the Export-Import Bank until May 31, 2002.

MEASURE HELD AT THE DESK

The following concurrent resolution was ordered held at the desk by unanimous consent:

S. Con. Res. 103. Concurrent resolution supporting the goals and ideals of National Better Hearing and Speech Month, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-6618. A communication from the Secretary of the Air Force, transmitting, pursuant to law, the report of an Average Procurement Unit Cost (APUC) breach; to the Committee on Armed Services.

EC-6619. A communication from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "West Virginia Regulatory Program" (WV-088-FOR) received on April 26, 2002; to the Committee on Energy and Natural Resources.

EC-6620. A communication from the Director, Office of Congressional Affairs, Nuclear Material Safety and Safeguards, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled Final Rules—10 CFR Part 35, "Medical Use of Byproduct Materials," 10 CFR Part 20, "Standards for Protection Against Radiation," and 10 CFR Part 32, "Specific Domestic Licenses to Manufacture or Transfer Certain Items Containing Byproduct Material" (RIN3150-AF74) received on April 26, 2002; to the Committee on Environment and Public Works.

EC-6621. A communication from the Vice Chairman of the Export-Import Bank, transmitting, a report relative to a transaction involving U.S. exports to Israel; to the Committee on Banking, Housing, and Urban Affairs.

EC-6622. A communication from the Vice Chairman of the Export-Import Bank, transmitting, pursuant to law, a report relative to a transaction involving U.S. exports to Malaysia; to the Committee on Banking, Housing, and Urban Affairs.

EC-6623. A communication from the Vice Chairman of the Export-Import Bank, transmitting, pursuant to law, a report relative to a transaction involving U.S. exports to Austria; to the Committee on Banking, Housing, and Urban Affairs.

EC-6624. A communication from the Administrator, Dairy Programs, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Milk in the Upper Midwest Marketing Area—Interim Order" (Doc. No. DA-01-03; AO-361-A35) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6625. A communication from the Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Marketing Order Regulating the Handling of Spearmint Oil Produced in the Far West; Salable Quantities and Allotment Percentages for the 2002-2003 Marketing Year" (Doc. No. FV02-985-1FR) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6626. A communication from the Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Olives Grown in California; Increased Assessment Rate" (Doc. No. FV02-932-1 FIR) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6627. A communication from the Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Tart Cherries Grown in the States of Michigan, et al.; Increased Assessment Rates" (Doc. No. FV02-930-2FR) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6628. A communication from the Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Grapes Grown in a Designated Area of Southeastern California ; Revision to Container and Pack Requirements" (Doc. No. FV02-925-2 IFR) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6629. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Citrus Canker Quarantined Areas; Technical Amendment" (Doc. No. 01-079-3) received on

April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6630. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Steam Treatment of Golden Nematode-Infested Farm Equipment, Construction Equipment, and Containers" (Doc. No. 01-050-2) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6631. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Limited Ports of Entry for Pet Birds, Performing or Theatrical Birds, and Poultry and Poultry Products" (Doc. No. 01-121-2) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6632. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Texas (Splenetic) Fever in Cattle; Incorporation by Reference" (Doc. No. 01-110-1) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6633. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Gypsy Moth Generally Infested Areas" (Doc. No. 01-049-2) received on April 29, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6634. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the 2000 Annual Report of the National Institution of Justice (NIJ); to the Committee on the Judiciary.

EC-6635. A communication from the Acting Attorney General, Department of Justice, transmitting, pursuant to law, a report relative to the Foreign Intelligence Surveillance Act of 1978; to the Committee on the Judiciary.

EC-6636. A communication from the Chief Justice of the Supreme Court of the United States, transmitting, amendments to the Federal Rules of Civil Procedure that have been adopted by the Supreme Court of the Untied States; to the Committee on the Judiciary.

EC-6637. A communication from the Chief Justice of the Supreme Court of the United States, transmitting, amendments to the Federal Rules of Bankruptcy Procedure that have been adopted by the Supreme Court of the United States; to the Committee on the Judiciary.

EC-6638. A communication from the Chief Justice of the Supreme Court of the United States, transmitting, amendments to the Federal Rules of Appellate Procedure that have been adopted by the Supreme Court of the United States; to the Committee on the Judiciary.

EC-6639. A communication from the Chief Justice of the Supreme Court of the United States, transmitting, amendments to the Federal Rules of Criminal Procedure that have been adopted by the Supreme Court of the United States; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. BIDEN (for himself, Mr. ALLEN, Mr. HOLLINGS, Mrs. BOXER, Mrs. MURRAY, Mr. SMITH of Oregon, Mr. NELSON of Nebraska, and Mr. DORGAN):

S. 2395. A bill to prevent and punish counterfeiting and copyright piracy, and for other purposes; to the Committee on the Judiciary.

By Mr. CARPER:

S. 2396. A bill to suspend temporarily the duty on prodiamine technical; to the Committee on Finance.

By Mr. CARPER:

S. 2397. A bill to suspend temporarily the duty on thiamethoxam technical; to the Committee on Finance.

By Mr. CARPER:

S. 2398. A bill to suspend temporarily the duty on mixtures of fluazinam; to the Committee on Finance.

By Mr. CARPER:

S. 2399. A bill to suspend temporarily the duty on benzyl carbazate; to the Committee on Finance.

By Mr. CARPER:

S. 2400. A bill to suspend temporarily the duty on esfenvalerate technical; to the Committee on Finance.

By Mr. CARPER:

S. 2401. A bill to suspend temporarily the duty on triflusulfuron methyl formulated product; to the Committee on Finance.

By Mr. CARPER:

S. 2402. A bill to suspend temporarily the duty on Avaunt and Steward; to the Committee on Finance.

By Mr. CARPER:

S. 2403. A bill to suspend temporarily the duty on 50% Homopolymer, 3-(dimethylamino) propyl amide, dimethyl sulfate-quaternized 50% polyricinoleic acid; to the Committee on Finance.

By Mr. CARPER:

S. 2404. A bill to suspend temporarily the duty on black CPW stage, 2,7-naphthalene disulfonic acid, 4-amino-3-[[4-[[-4-[(2 or 4-amino-4 or 2-hydroxylphenyl)azo] phenyl]amino]-3-sulfophenyl]azo]-5-hydroxy-6-(phenylazo)-trisodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2405. A bill to suspend temporarily the duty on fast black 287 NA paste, 1,3-benzenedicarboxylic acid, 5-[[4-[(7-amino-1-hydroxy-3-sulfo-2-naphthalenyl) azo]-1-naphthalenyl]azo]-, trisodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2406. A bill to suspend temporarily the duty on fast black 287 NA liquid feed, 1,3-benzenedicarboxylic acid, 5-[[4-[(7-amino-1-hydroxy-3-sulfo-2-naphthalenyl)azo]-1-naphthalenyl]az o]-, trisodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2407. A bill to suspend temporarily the duty on fast yellow 2 stage, 1,3-benzenedicarboxylic acid, 5,5'-[[6-(4-morpholinyl)-1,3,5-triazine-2,4-diyl]bis(imino-4,1-phenyleneazo)]bis-, ammonium/sodium/hydrogen salt; to the Committee on Finance.

By Mr. CARPER:

S. 2408. A bill to suspend temporarily the duty on cyan 1 RO feed, copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives, sodium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2409. A bill to suspend temporarily the duty on cyan 1 stage, copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives. Tetra methyl ammonium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2410. A bill to suspend temporarily the duty on cyan 1 OF stage, copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulf derivatives, sodium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2411. A bill to suspend temporarily the duty on cyan 9075 stage, copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives, sodium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2412. A bill to suspend temporarily the duty on yellow 1 stage, 1,5-naphthalenedisulfonic acid, 3 ,3'-[[6-[(2-hydroxyethyl)amino]-1,3,5-triazine-2 ,4-diyl]bis[imino(2-methyl-4,1-phenylene)azo]]bis-, tetrasodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2413. A bill to suspend temporarily the duty on yellow 1 G stage, benzenesulfonic acid, 3,3'-[carbonylbis[imino(3-methoxy-4 ,1-phenylene)azo]]bis-, disodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2414. A bill to suspend temporarily the duty on yellow 746 stage, 1,3- bipyridirium, 3-carboxy-5'-[(2-carboxy-4-sulfophenyl)azo]-1,2', dihydro-6'-hydroxy-4'-methyl-2'-oxo, inner salt, lithium/sodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2415. A bill to suspend temporarily the duty on black SCR stage, 2,7-naphthalene disulfonic acid, 4-amino-3-[[4-[[-4-[(2 or 4 -amino-4 or 2-hydroxyphenyl)azo]phenyl]amino]-3-sulfophenyl] axo]-5-hydroxy-6-(phenylazo)-trisodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2416. A bill to suspend temporarily the duty on magenta 3B-OA stage, 2-[[4-chloro-6[[8-hydroxy-3 ,6-disulphonate-7-[(1-sulpho-2-naphthalenyl) azo]-1-naphthalenyl] amino]-1,3,5-triazin-2-yl]amino]-5-sulphobenzoic acid, sodium/lithium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2417. A bill to suspend temporarily the duty on yellow 577 stage, 5-(4-[4-[4-(4 ,8-disulfonaphthalen-2-ylazo)-phenylamino]-6-(2-sulfoethylamino)-[1,3 ,5]triazin-2-ylamino]phenylazo)isophthalic acid/sodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2418. A bill to suspend temporarily the duty on cyan 485/4 stage, copper, [29H,31H-phthalocyaninato (2-)-xN29,xN30,xN31 ,xN32]-aminosylfonyl [(2-hydroxy-ethyl)amino] sulfonyl sulfo derivatives, sodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2419. A bill to suspend temporarily the duty on R118118 Salt; to the Committee on Finance.

By Mr. CARPER:

S. 2420. A bill to suspend temporarily the duty on NSMBA; to the Committee on Finance.

By Mr. FEINGOLD (for himself and Mr. DOMENICI):

S. 2421. A bill to amend section 402A of the Higher Education Act of 1965 to define the terms different campus and different population; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2422. A bill to suspend temporarily the duty on low expansion laboratory glass; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2423. A bill to suspend temporarily the duty on low expansion laboratory glass; to the Committee on Finance.

By Mrs. CLINTON (for herself and Mr. SCHUMER):

S. 2424. A bill to suspend temporarily the duty on low expansion laboratory glass; to the Committee on Finance.

By Mr. BAYH (for himself and Mr. BROWNBACK):

S. 2425. A bill to prohibit United States assistance and commercial arms exports to countries and entities supporting international terrorism; to the Committee on Foreign Relations.

By Mr. SCHUMER:

S. 2426. A bill to increase security for United States ports, and for other purposes; to the Committee on Finance.

By Mr. BINGAMAN:

S. 2427. A bill to require the National Institutes of Mental Health and the Human Resources and Services Administration to award grants to prevent and treat depression; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KERRY (for himself, Ms. SNOWE, Mr. HOLLINGS, Mr . STEVENS, Mr. BREAUX, Mr. MURKOWSKI, Mr. SARBANES, Mr. REED, and Mr. FEINGOLD):

S. 2428. A bill to amend the National Sea Grant College Program Act; to the Committee on Commerce, Science, and Transportation.

By Mr. HUTCHINSON (for himself, Mr. CRAIG, Mr. ENZI, Mr. GREGG, Mr. HAGEL, Mr. INHOFE, and Mr. SMITH of New Hampshire):

S. 2429. A bill to amend the Internal Revenue Code of 1986 to allow an above-the-line deduction from certain expenses in connection with the determination, collection, or refund of any tax; to the Committee on Finance.

By Mr. BREAUX (for himself, Mr. NICKLES, Mr. CLELAND, Mr. BROWNBACK, Mr. MILLER, Mrs. HUTCHISON, and Mr. HUTCHINSON):

S. 2430. A bill to provide for parity in regulatory treatment of broadband services providers and of broadband access services providers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. FEINSTEIN (for herself, Mr. HATCH, Ms. STABENOW, Mr. REID, Mrs. BOXER, Mr. KENNEDY, Mr. CLELAND, Ms. CANTWELL, Mr. WYDEN, Mr. THOMAS, Mr. BINGAMAN, Mr. DOMENICI, Mr. JEFFORDS, Mrs. MURRAY, Mr. ROBERTS, Mr. FEINGOLD, Mr. HELMS, Mr. SARBANES, and Mr. AKAKA):

S. Res. 255. A resolution to designate the week beginning May 5, 2002, as "National Correctional Officers and Employees Week"; to the Committee on the Judiciary.

By Mr. LOTT:

S. Res. 256. A resolution making Minority party appointments for the Special Committee on Aging for the 107th Congress; considered and agreed to.

By Mr. BYRD:

S. Res. 257. A resolution expressing the gratitude of the United States Senate for the service of Suzanne D. Pearson to the Office of Legislative Counsel; considered and agreed to.

By Mrs. CLINTON (for herself, Mr. CAMPBELL, Mr. DEWINE, Mr. EDWARDS, Mr. JOHNSON, Ms. LANDRIEU, Mr. LEVIN, Mrs. MURRAY, Mr. ROCKEFELLER, and Mr. TORRICELLI):

S. Con. Res. 103. A concurrent resolution supporting the goals and ideals of National Better Hearing and Speech Month, and for other purposes; ordered held at the desk.

ADDITIONAL COSPONSORS

S. 839

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 839, a bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the Medicare Program and to freeze the reduction in payments to hospitals for indirect costs of medical education.

At the request of Mrs. HUTCHISON, the names of the Senator from North Carolina (Mr. EDWARDS) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 839, supra.

S. 913

At the request of Ms. SNOWE, the names of the Senator from Delaware (Mr. BIDEN) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 913, a bill to amend title XVIII of the Social Security Act to provide for coverage under the Medicare Program of all oral anticancer drugs.

S. 999

At the request of Mr. BINGAMAN, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1194

At the request of Mr. SPECTER, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1194, a bill to impose certain limitations on the receipt of out-of-State municipal solid waste, to authorize State and local controls over the flow of municipal solid waste, and for other purposes.

S. 1339

At the request of Mr. CAMPBELL, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1339, a bill to amend the Bring Them Home Alive Act of 2000 to provide an asylum program with regard to American Persian Gulf War POW/MIAs, and for other purposes.

S. 1644

At the request of Mr. CAMPBELL, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1644, a bill to further the protection and recognition of veterans' memorials, and for other purposes.

S. 1917

At the request of Mr. JEFFORDS, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1917, a bill to provide for highway infrastructure investment at the guaranteed funding level contained in the Transportation Equity Act for the 21st Century.

S. 1998

At the request of Mr. ENSIGN, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1998, a bill to amend the Higher Education Act of 1965 with respect to the qualifications of foreign schools.

S. 2194

At the request of Mr. MCCONNELL, the names of the Senator from New Hampshire (Mr. SMITH), the Senator from Alabama (Mr. SESSIONS), and the Senator from Georgia (Mr. MILLER) were added as cosponsors of S. 2194, a bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes.

S. 2200

At the request of Mr. BAUCUS, the names of the Senator from Oklahoma (Mr. INHOFE), the Senator from Georgia (Mr. CLELAND), the Senator from Arkansas (Mrs. LINCOLN), and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 2200, a bill to amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

S. 2210

At the request of Mr. SANTORUM, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 2210, a bill to amend the International Financial Institutions Act to provide for modification of the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative.

S. 2215

At the request of Mrs. BOXER, the names of the Senator from New York (Mrs. CLINTON), the Senator from New York (Mr. SCHUMER), and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of S. 2215, a bill to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil, and by so doing hold Syria accountable for its role in the Middle East, and for other purposes.

S. 2384

At the request of Mr. LEVIN, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 2384, a bill to establish a joint United States-Canada customs inspection project.

S. RES. 247

At the request of Mr. LIEBERMAN, the names of the Senator from Montana (Mr. BAUCUS), the Senator from California (Mrs. BOXER), the Senator from Iowa (Mr. HARKIN), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Rhode Island (Mr. REED), and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BIDEN (for himself, Mr. ALLEN, Mr. HOLLINGS, Mrs. BOXER, Mrs. MURRAY, Mr. SMITH of Oregon, Mr. NELSON of Nebraska, and Mr. DORGAN):

S. 2395. A bill to prevent and punish counterfeiting and copyright piracy, and for other purposes; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, I rise today to introduce the Anticounterfeiting Amendments of 2002, along with Senators ALLEN, HOLLINGS, BOXER, MURRAY, SMITH of Oregon, NELSON of Nebraska, and DORGAN.

In February of this year, I held a hearing entitled, “Theft of American Intellectual Property: Fighting Crime Abroad and At Home,” and I issued a report on the status of our fight against this crime.

What I learned is that every day, thieves steal millions of dollars of American intellectual property from its rightful owners. Over a hundred thousand American jobs are lost as a result.

American innovation and creativity need to be protected by our government no less than our personal property, our homes and our streets. The Founding Fathers had the foresight to provide for protection of intellectual property, giving Congress the power to “promote the progress of science and useful arts” by providing copyrights and patents.

American intellectual property represents the largest single sector of the American economy, employing 4.3 million Americans. It has been estimated that software piracy alone cost the U.S. economy over 118,000 jobs and $5.7 billion in wage losses in the year 2000. Even more, the International Planning and Research Corporation estimates that the government loses more than a billion dollars worth of revenue every year from intellectual property theft.

To put that in perspective, with a billion dollars in additional revenue, the American government could pay for child care services for more than 100,000 children annually. Alternatively, $1 billion could be used to fund a Senate proposal to assist schools nationally with emergency school renovations and repairs.

There's another problem. Counterfeiters of software, music CDs and motion pictures are now tampering with authentication features. Holograms, certificates of authenticity, and other security features allow the copyright owners to distinguish genuine works from counterfeits. But now, highly sophisticated counterfeiters have found ways to tamper with these features to make counterfeit products appear genuine and to increase the selling price of genuine products and licenses. Put another way, not only do crooks illegally copy American intellectual property, they also now illegally fake or steal the very features property owners use to prevent that theft.

Copyrights mean nothing if government authorities fail to enforce the protections they provide intellectual property owners. The criminal code has not kept up with the counterfeiting operations of today's high-tech pirates, and it's time to make sure that it does. The Anticounterfeiting Amendments of 2002 update and strengthen the Federal criminal code, which currently makes it a crime to traffic in counterfeit labels or copies of certain forms of intellectual property, but not authentication features. For example, we can currently prosecute someone for trafficking in fake labels for a computer program, but we cannot go after them for faking the hologram that the software maker uses to ensure that copies of the software are genuine.

In addition, many actions that violate current law go unprosecuted in this day and age when priorities, such as the fight against terrorism and life-threatening crimes, necessarily take priority over crimes of property, be they intellectual or physical. Moreover, the victims of this theft often do not have a way to recover their losses from this crime. For this reason, the Anticounterfeiting Amendments of 2002 also provide a private cause of action, to permit the victims of these crimes to pursue the criminals themselves and recover damages in federal court.

Current law criminalizes trafficking in counterfeit documentation and packaging, but only for software programs. The Anticounterfeiting Amendments of 2002 update and expand these provisions to include documentation and packaging for phonorecords, motion pictures and other audiovisual works.

America is a place where we must encourage diverse ideas, and with that encouragement we must protect those ideas. They are the source of our music, our art, our novels, our movies, our software, all that is American culture and American know-how. The Anticounterfeting Amendments of 2002 give our ideas the protection they deserve.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Anticounterfeiting Amendments of 2002”.

SEC. 2. FINDINGS.

Congress finds that—

(1) American innovation, and the protection of that innovation by the government, has been a critical component of the economic growth of this Nation throughout the history of the Nation;

(2) copyright-based industries represent one of the most valuable economic assets of this country, contributing over 5 percent of the gross domestic product of the United States and creating significant job growth and tax revenues;

(3) the American intellectual property sector employs approximately 4,300,000 people, representing over 3 percent of total United States employment;

(4) the proliferation of organized criminal counterfeiting enterprises threatens the economic growth of United States copyright industries;

(5) the American intellectual property sector has invested millions of dollars to develop highly sophisticated authentication features that assist consumers and law enforcement in distinguishing genuine intellectual property products and packaging from counterfeits;

(6) in order to thwart these industry efforts, counterfeiters traffic in, and tamper with, genuine authentication features, for example, by obtaining genuine authentication features through illicit means and then commingling these features with counterfeit software or packaging;

(7) Federal law does not provide adequate civil and criminal remedies to combat tampering activities that directly facilitate counterfeiting crimes; and

(8) in order to strengthen Federal enforcement against counterfeiting of copyrighted works, Congress must enact legislation that—

(A) prohibits trafficking in, and tampering with, authentication features of copyrighted works; and

(B) permits aggrieved parties an appropriate civil cause of action.

SEC. 3. PROHIBITION AGAINST TRAFFICKING IN ILLICIT AUTHENTICATION FEATURES.

(a) IN GENERAL.—Section 2318 of title 18, United States Code, is amended—

(1) by striking the heading and inserting “TRAFFICKING IN COUNTERFEIT LABELS, ILLICIT AUTHENTICATION FEATURES, OR COUNTERFEIT DOCUMENTATION OR PACKAGING”;

(2) by striking subsection (a) and inserting the following:

“(a) Whoever, in any of the circumstances described in subsection (c), knowingly traffics in—

“(1) a counterfeit label affixed to, or designed to be affixed to—

“(A) a phonorecord;

“(B) a copy of a computer program;

“(C) a copy of a motion picture or other audiovisual work; or

“(D) documentation or packaging;

“(2) an illicit authentication feature affixed to or embedded in, or designed to be affixed to or embedded in—

“(A) a phonorecord;

“(B) a copy of a computer program;

“(C) a copy of a motion picture or other audiovisual work; or

“(D) documentation or packaging; or

"(3) counterfeit documentation or packaging,

shall be fined under this title or imprisoned for not more than 5 years, or both.";

(3) in subsection (b)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3)—

(i) by striking "and 'audiovisual work' have" and inserting the following: ", 'audiovisual work', and 'copyright owner' have"; and

(ii) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

"(4) the term 'authentication feature' means any hologram, watermark, certification, symbol, code, image, sequence of numbers or letters, or other physical feature that either individually or in combination with another feature is used by the respective copyright owner to verify that a phonorecord, a copy of a computer program, a copy of a motion picture or other audiovisual work, or documentation or packaging is not counterfeit or otherwise infringing of any copyright;

"(5) the term 'documentation or packaging' means documentation or packaging for a phonorecord, copy of a computer program, or copy of a motion picture or other audiovisual work; and

"(6) the term 'illicit authentication feature' means an authentication feature, that—

"(A) without the authorization of the respective copyright owner has been tampered with or altered so as to facilitate the reproduction or distribution of—

"(i) a phonorecord;

"(ii) a copy of a computer program;

"(iii) a copy of a motion picture or other audiovisual work; or

"(iv) documentation or packaging;

in violation of the rights of the copyright owner under title 17;

"(B) is genuine, but has been distributed, or is intended for distribution, without the authorization of the respective copyright owner; or

"(C) appears to be genuine, but is not.";

(4) in subsection (c)—

(A) by striking paragraph (3) and inserting the following:

"(3) the counterfeit label or illicit authentication feature is affixed to, is embedded in, or encloses, or is designed to be affixed to, to be embedded in, or to enclose—

"(A) a phonorecord of a copyrighted sound recording;

"(B) a copy of a copyrighted computer program;

"(C) a copy of a copyrighted motion picture or other audiovisual work; or

"(D) documentation or packaging; or"; and

(B) in paragraph (4), by striking "for a computer program";

(5) in subsection (d)—

(A) by inserting "or illicit authentication features" after "counterfeit labels" each place it appears;

(B) by inserting "or illicit authentication features" after "such labels"; and

(C) by inserting before the period at the end the following: ", and of any equipment, device, or materials used to manufacture, reproduce, or assemble the counterfeit labels or illicit authentication features"; and

(6) by adding at the end the following:

"(f) CIVIL REMEDIES FOR VIOLATION.—

"(1) IN GENERAL.—Any copyright owner who is injured by a violation of this section or is threatened with injury, may bring a civil action in an appropriate United States district court.

"(2) DISCRETION OF COURT.—In any action brought under paragraph (1), the court—

"(A) may grant 1 or more temporary or permanent injunctions on such terms as the court determines to be reasonable to prevent or restrain violations of this section;

"(B) at any time while the action is pending, may order the impounding, on such terms as the court determines to be reasonable, of any article that is in the custody or control of the alleged violator and that the court has reasonable cause to believe was involved in a violation of this section; and

"(C) may award to the injured party—

"(i) reasonable attorney fees and costs; and

"(ii)(I) actual damages and any additional profits of the violator, as provided by paragraph (3); or

"(II) statutory damages, as provided by paragraph (4).

"(3) ACTUAL DAMAGES AND PROFITS.—

"(A) IN GENERAL.—The injured party is entitled to recover—

"(i) the actual damages suffered by the injured party as a result of a violation of this section, as provided by subparagraph (B); and

"(ii) any profits of the violator that are attributable to a violation of this section and are not taken into account in computing the actual damages.

"(B) CALCULATION OF DAMAGES.—The court shall calculate actual damages by multiplying—

"(i) the value of the phonorecords or copies to which counterfeit labels, illicit authentication features, or counterfeit documentation or packaging were affixed or embedded, or designed to be affixed or embedded; by

"(ii) the number of phonorecords or copies to which counterfeit labels, illicit authentication features, or counterfeit documentation or packaging were affixed or embedded, or designed to be affixed or embedded,

unless such calculation would underestimate the actual harm suffered by the copyright owner.

"(C) DEFINITION.—For purposes of this paragraph, the term 'value of the phonorecord or copy' means—

"(i) the retail value of an authorized phonorecord of a copyrighted sound recording;

"(ii) the retail value of an authorized copy of a copyrighted computer program; or

"(iii) the retail value of a copy of a copyrighted motion picture or other audiovisual work.

"(4) STATUTORY DAMAGES.—The injured party may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for each violation of this section in a sum of not less than $2,500 or more than $25,000, as the court considers appropriate.

"(5) SUBSEQUENT VIOLATION.—The court may increase an award of damages under this subsection by 3 times the amount that would otherwise be awarded, as the court considers appropriate, if the court finds that a person has subsequently violated this section within 3 years after a final judgment was entered against that person for a violation of this section.

"(6) LIMITATION ON ACTIONS.—A civil action may not be commenced under this section unless it is commenced within 3 years after the date on which the claimant discovers the violation.

"(g) OTHER RIGHTS NOT AFFECTED.—Nothing in this section shall enlarge, diminish, or otherwise affect liability under section 1201 or 1202 of title 17.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The item relating to section 2318 in the table of sections at the beginning of chapter 113 of title 18, United States Code, is amended by inserting "or illicit authentication features" after "counterfeit labels".

By Mr. CARPER:

S. 2396. A bill to suspend temporarily the duty on prodiamine technical; to the Committee on Finance.

By Mr. CARPER:

S. 2397. A bill to suspend temporarily the duty on thiamethoxam technical; to the Committee on Finance.

By Mr. CARPER:

S. 2398. A bill to suspend temporarily the duty on fluazinam; to the Committee on Finance.

By Mr. CARPER:

S. 2399. A bill to suspend temporarily the duty on benzyl carbazate; to the Committee on Finance.

By Mr. CARPER:

S. 2400. A bill to suspend temporarily the duty on esfenvalerate technical; to the Committee on Finance.

By Mr. CARPER:

S. 2401. A bill to suspend temporarily the duty on triflusulfuron methyl formulated product; to the Committee on Finance.

By Mr. CARPER:

S. 2402. A bill to suspend temporarily the duty on Avaunt and Steward; to the Committee on Finance.

By Mr. CARPER:

S. 2403. A bill to suspend temporarily the duty on 50% Homopolymer, 3-(dimethylamino propyl amide, dimethyl sulfate-quaternized 50% polyricinoleic acid; to the Committee on Finance.

By Mr. CARPER:

S. 2404. A bill to suspend temporarily the duty on black CPW stage, 2,7-naphthalene disulfonic acid, 4-amino-3-[[4-[[-4-[(2 or 4-amino-4 or 2-hydroxylphenyl)azo] phenyl]amino]-3-sulfophenyl]azo]-5-hydroxy-6-(phenylazo)-trisodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2405. A bill to suspend temporarily the duty on fast black 287 paste, 1,3-benzenedicarboxylic acid 5-[[4[(7-amino-1-hydroxy-3-sulfo-2-naphthalenyl azo]-1-naphthalenyl]azo]-, trisodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2406. A bill to suspend temporarily the duty on fast black 287 NA liquid feed, 1, 3-benzenedicarboxylic acid, 5-[[4-[(7-amino-1-hydroxy-3-sulfo-2-naphthalenyl)azo]-1-naphthalenyl)azo]-, trisodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2407. A bill to suspend temporarily the duty on fast yellow 2 stage, 1, 3-benzenedicarboxylic acid 5,5′-[[6-(4-morpholinyl)-1, 3, 5-triazine-2,4-diyl]bis(im ino-4, 1-phenyleneazo)]bis-, ammonium/sodium/hydrogen salt; to the Committee on Finance.

By Mr. CARPER:

S. 2408. A bill to suspend temporarily the duty on cyan 1 RO feed, copper [29H, 31H-phthalocyaninato (2-) -N29,N30,N31,N32]-aminosulfonyl sulfo derivatives, sodium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2409. A bill to suspend temporarily the duty on cyan 1 stage, copper, [29H, 31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives. Tetra methyl ammonium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2410. A bill to suspend temporarily the duty on cyan 1 OF stage; copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives, sodium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2411. A bill to suspend temporarily the duty on cyan 9075 stage, copper [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives, sodium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2412. A bill to suspend temporarily the duty on yellow 1 stage, 1,5-naphthalenedisulfonic acid 3,3′-[[6-(2-hydroxyethy)amino]-1,3,5-triazine-2,4-diyl]bis[imino(2-methyl-4, 1-phenylene)az o]]bis-,tetrasodium salt, to the Committee on Finance.

By Mr. CARPER:

S. 2413. A bill to suspend temporarily the duty on yellow 1 G stage benzenesulfonic acid 3,3′-[carbonylbis[imino(3-methoxy-4, 1-phenylene)azo]]bis-, disodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2414. A bill to suspend temporarily the duty on yellow 746 state, 1,3-bipyridirium, 3-carboxy-5′-[(2-carboxy-4-sulfophenyl)azo]-1,2′, dihydro-6′-hydroxy-4′-methyl-2′-oxo, inner salt, lithium/sodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2415. A bill to suspend temporarily the duty on black SCR stage, 2,7-naphthalene disulfonic acid, 4-amino-3-[[-4-[(2 or 4 -amino-4 or 2-hydroxphenyl)azo]phenyl]amino]-3-sulfophenyl] axo]-5-hydroxy-6-(phenylazo)-trisodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2416. A bill to suspend temporarily the duty on magenta 3B–OA stage, 2-[[4-chloro-6[[8-hydroxy-3,6-disulphonate-7-[(1-sulpho-2-naphthalenyl)azo]-1-naphthalenyl]amino]-1,3,5-triazin-2-yl]amino]-5-sulphobenzoic acid, sodium/lithium salts; to the Committee on Finance.

By Mr. CARPER:

S. 2417. A bill to suspend temporarily the duty on yellow 577 stage, 5-{4-[4-[4-(4,8-disulfonapthalen-2-ylazo)-phenylamino]-6-(2-sulfoethylamino)-[1,3,5]triazin-2-ylamino]phenylazo}isophthalic acid/sodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2418. A bill to suspend temporarily the duty on cyan 485/4 stage, copper [29H,31H-phthalocyaninato (2-)-xN29,xN30,xN31,xN32]-aminosylfonyl[(2-hydroxy-ethyl)amino] sulfonyl sulfo derivatives, sodium salt; to the Committee on Finance.

By Mr. CARPER:

S. 2419. A bill to suspend temporarily the duty on R118118 Salt; to the Committee on Finance.

By Mr. CARPER:

S. 2420. A bill to suspend temporarily the duty on NSMBA; to the Committee on Finance.

Mr. CARPER. Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRODIAMINE TECHNICAL.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.35	Prodiamine technical - 1, 3-benzenediamine, 2,6-dinitro-N1,N1-dipropyl-4-(trifluoromethyl)- (CAS No. 29091-21-2) (provided in subheading 2921.43.80)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THIAMETHOXAM TECHNICAL.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.35	Thiamethoxam technical -4H-1,3,5-oxadiazin-4-imine, 3-[(2-chloro-5-thiazolyl] methyllletrahydro-5-methyl-N-nitro (CAS No. 153719-23-4) (provided in subheading 2934.10.20)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MIXTURES OF FLUAZINAM.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.35	Fluazinam mixed with - 2-pyridinamine,3-chloro-N-[3-chloro-2,6-dinitro-4-(trifluoromethyl)phenyl]-5-(trifluoromethyl) (CAS No. 79622-59-6) (provided in subheading 3808.20.15)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2399

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BENZYL CARBAZATE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in the numerical sequence the following new heading:

"	9902.29.48	Phenylmethyl hydrazinecarboxylate (CAS No. 5331-43-1) (provided for in subheading 2928.00.25)	Free	No change	No change	On or before 12/31/2007	".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESFENVALERATE TECHNICAL.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in the numerical sequence the following new heading:

"	9902.29.49	(S)-Cyano (3-phenoxy-phenyl)- methyl (S)-4-chloro-α-(1-methyethyl)-benzeneacetate (CAS No. 66230-04-4) (provided for in subheading 2926.90.30)	Free	No change	No change	On or before 12/31/2007	".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2401

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRIFLUSULFURON METHYL FORMULATED PRODUCT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.38.16	Mixtures of methyl 2-[[[[[4-(dimethylamino) -6-(2,2,2-trifluoroethoxy) -1,3,5-triazin-2-yl] -amino]carbonyl] aminc]sulfonyl]-3-methylbenzoate (CAS No. 126535-15-7) and application adjuvants (provided for in subheading 3808.10.15)	Free	No change	No change	On or before 12/31/2007	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2402

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AVAUNT AND STEWARD.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.38.17	Mixtures of (S)-methyl 7-chloro-2,5-dihydro-2-[[(methoxycarbonyl) [4 (trifluoromethoxy) phenyl] amino]-carbonyl] indeno [1,2-e][1,3,4] oxadiazine-4a-(3H)-carboxylate (CAS Nos. 144171-61-9 and 173584-44-6) and application adjuvants (provided for in subheading 3808.10.25)	Free	No change	No change	On or before 12/31/2007	".

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2403

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 50% HOMOPOLYMER, 3-(DIMETHYLAMINO) PROPYL AMIDE, DIMETHYL SULFATE-QUATERNIZED 50% POLYRICINOLEIC ACID.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.38.34	50% homopolymer, 3-(dimethylamino) propyl amide, dimethyl sulfate-quaternized 50% polyricinoleic acid (provided for in subheading 3824.90.40.90)	Free	No change	No change	On or before 12/31/2007	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2404

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BLACK CPW STAGE, 2,7-NAPHTHALENE DISULFONIC ACID, 4-AMINO-3-[[4-[[-4-[(2 OR 4 –AMINO-4 OR 2-HYDROXYPHENYL)AZO] PHENYL]AMINO]-3- SULFOPHENYL]AZO]-5-HYDROXY-6-(PHENYLAZO)-TRISODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.40	Black CPW stage, 2,7-naphthalene disulfonic acid, 4-amino-3-[[4-[[-4-[(2 or 4 -amino-4 or 2-hydroxyphenyl)azo] phenyl]amino]-3- sulfophenyl]azo]-5-hydroxy-6-(phenylazo)-trisodium salt. (CAS No. 85631-88-5) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2405

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FAST BLACK 287 NA PASTE, 1,3-BENZENEDICARBOXYLIC ACID, 5-[[4-[(7-AMINO-1-HYDROXY-3-SULFO-2-NAPHTHALENYL)AZO]-1-NAPHTHALENYL]AZO]-, TRISODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.35	Fast black 287 NA paste, 1,3-benzenedicarboxylic acid, 5-[[4-[(7-amino-1-hydroxy-3-sulfo-2-naphthalenyl)azo]-1-naphthalenyl]azo]-, trisodium salt. (CAS No. not available) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FAST BLACK 287 NA LIQUID FEED, 1,3-BENZENEDICARBOXYLIC ACID, 5-[[4-[(7-AMINO-1-HYDROXY-3-SULFO-2-NAPHTHALENYL)AZO]-1-NAPHTHALENYL]AZO]-, TRISODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.35	Fast black 287 NA liquid feed, 1,3-benzenedicarboxylic acid, 5-[[4-[(7-amino-1-hydroxy-3-sulfo-2-naphthalenyl)azo]-1-naphthalenyl]azo]-, trisodium salt. (CAS No. not available) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2407

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FAST YELLOW 2 STAGE, 1,3-BENZENEDICARBOXYLIC ACID, 5,5′-[[6-(4-MORPHOLINYL)-1,3,5-TRIAZINE-2,4-DIYL]BIS(IMINO-4,1-PHENYLENEAZO)]BIS-, AMMONIUM/SODIUM/HYDROGEN SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.36	Fast yellow 2 stage, 1,3-benzenedicarboxylic acid, 5,5′-[[6-(4-morpholinyl)-1,3,5-triazine-2,4-diyl]bis(imino-4,1-phenyleneazo)]bis-, ammonium/sodium/hydrogen salt. (CAS No. not available) (provided for in subheading 3215.19.00.60)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CYAN 1 RO FEED, COPPER, [29H,31H-PHTHALOCYANINATO(2-)-N29,N30,N31,N32]-, AMINOSULFONYL SULFO DERIVATIVES, SODIUM SALTS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.37	Cyan 1 RO feed, copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives, sodium salts. (CAS No. 90295-11-7) (provided for in subheading 3204.14.50)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2409

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CYAN 1 STAGE, COPPER, [29H,31H- PHTHALOCYANINATO(2-)-N29,N30,N31,N32]-, AMINOSULFONYL SULFO DERIVATIVES. TETRA METHYL AMMONIUM SALTS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.41	Cyan 1 stage, copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives. Tetra methyl ammonium salts. (CAS No. not available) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CYAN 1 OF STAGE, COPPER, [29H,31H-PHTHALOCYANINATO(2-)-N29,N30,N31,N32]-, AMINOSULFONYL SULFO DERIVATIVES, SODIUM SALTS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.42	Cyan 1 OF stage, copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives, sodium salts. (CAS No. 90295-11-7) (provided for in subheading 3204.14.50)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CYAN 9075 STAGE, COPPER, [29H,31H-PHTHALOCYANINATO(2-)-N29,N30,N31,N32]-, AMINOSULFONYL SULFO DERIVATIVES, SODIUM SALTS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.43	Cyan 9075 stage, copper, [29H,31H-phthalocyaninato(2-)-N29,N30,N31,N32]-, aminosulfonyl sulfo derivatives, sodium salts. (CAS No. 90295-11-7) (provided for in subheading 3204.14.50)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2412

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. YELLOW 1 STAGE, 1,5-NAPHTHALENEDISULFONIC ACID, 3,3′-[[6-[(2-HYDROXYETHYL)AMINO]-1,3,5-TRIAZINE-2,4-DIYL]BIS[IMINO(2-METHYL-4,1-PHENYLENE)AZO]]BIS-, TETRASODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.39	Yellow 1 stage, 1,5-naphthalenedisulfonic acid, 3,3′-[[6-[(2-hydroxyethyl)amino]-1,3,5-triazine-2,4-diyl]bis[imino(2-methyl-4,1-phenylene)azo]]bis-, tetrasodium salt. (CAS No. 50925-42-3 (confidential TSCA listing)) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2413

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. YELLOW 1 G STAGE, BENZENESULFONIC ACID, 3,3′-[CARBONYLBIS[IMINO(3-METHOXY-4,1-PHENYLENE)AZO]]BIS-, DISODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.38	Yellow 1 G stage, benzenesulfonic acid, 3,3′-[carbonylbis[imino(3-methoxy-4,1-phenylene)azo]]bis-, disodium salt. (CAS No. 10114-86-0) (provided for in subheading 3204.14.50)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2414

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. YELLOW 746 STAGE, 1,3-BIPYRIDIRIUM, 3-CARBOXY-5′-[(2-CARBOXY-4-SULFOPHENYL)AZO]-1′,2′, DIHYDRO-6′-HYDROXY-4′-METHYL-2′-OXO-, INNER SALT, LITHIUM/SODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.44	Yellow 746 stage, 1,3-bipyridirium, 3-carboxy-5′-[(2-carboxy-4-sulfophenyl)azo]-1′,2′, dihydro-6′-hydroxy-4′-methyl-2′-oxo-, inner salt, lithium/sodium salt. (CAS No. not available) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2415

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BLACK SCR STAGE, 2,7-NAPHTHALENE DISULFONIC ACID, 4-AMINO-3-[[4-[[-4-[(2 OR 4 -AMINO-4 OR 2-HYDROXYPHENYL)AZO]*COM003*PHENYL]AMINO]-3-SULFOPHENYL] AZO]-5-HYDROXY-6-(PHENYLAZO)-TRISODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.47	Black SCR stage, 2,7-naphthalene disulfonic acid, 4-amino-3-[[4-[[-4-[(2 or 4 -amino-4 or 2-hydroxyphenyl)azo] phenyl]amino]-3-sulfophenyl] azo]-5-hydroxy-6-(phenylazo)-trisodium salt. (CAS No. 85631-88-5) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MAGENTA 3B-OA STAGE, 2-[[4-CHLORO-6[[8-HYDROXY-3,6-DISULPHONATE-7-[(1-SULPHO-2-NAPHTHALENYL) AZO]-1-NAPHTHALENYL] AMINO]-1,3,5-TRIAZIN-2-YL]AMINO]-5-SULPHOBENZOIC ACID, SODIUM/LITHIUM SALTS.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.45	Magenta 3B-OA stage, 2-[[4-chloro-6[[8-hydroxy-3,6-disulphonate-7-[(1-sulpho-2-naphthalenyl) azo]-1-naphthalenyl] amino]-1,3,5-triazin-2-yl]amino]-5-sulphobenzoic acid, sodium/lithium salts. (CAS No. 12237-00-2) (provided for in subheading 3204.16.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. YELLOW 577 STAGE, 5-[4-[4-[4-(4,8-DISULFONAPHTHALEN-2-YLAZO)-PHENYLAMINO]-6-(2-SULFOETHYLAMINO)-[1,3,5]TRIAZIN-2-YLAMINO]PHENYLAZO]ISOPHTHALIC ACID/SODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.46	Yellow 577 stage, 5-{4-[4-[4-(4,8-disulfonaphthalen-2-ylazo)-phenylamino]-6-(2-sulfoethylamino)-[1,3,5]triazin-2-ylamino] phenylazo}isophthalic acid/sodium salt. (CAS No. not available) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CYAN 485/4 STAGE, COPPER, [29H,31H-PHTHALOCYANINATO (2-)- XN29,XN30,XN31,XN32]-AMINOSYLFONYL [(2-HYDROXYETHYL)AMINO] SULFONYL SULFO DERIVATIVES, SODIUM SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

“	9902.39.48	Cyan 485/4 stage, copper, [29H,31H-phthalocyaninato (2-)- xN29,xN30, xN31,xN32] -aminosylfonyl [(2-hydroxyethyl)amino] sulfonyl sulfo derivatives, sodium salt. (CAS No. not available) (provided for in subheading 3204.14.30)	Free	No change	No change	On or before 12/31/2007	”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. R118118 SALT.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.35	R118118 Salt - benzoic acid, 3-[2-chloro-4-(trifluoromethyl) phenoxy]-(CAS No. 63734-62-3) (provided in subheading 2918.90.20)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

S. 2420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NSMBA.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.39.35	NSMBA - Benzoic acid, 4-(methylsulfonyl)-2-nitro (CAS No. 110964-79-9) (provided in subheading 2916.39.45)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

By Mr. FEINGOLD (for himself and Mr. DOMENICI):

S. 2421. A bill to amend section 402A of the Higher Education Act of 1965 to define the terms different campus and different population; to the Committee of Health, Education, Labor, and Pensions.

Mr. FEINGOLD. Mr. President, I rise today with my colleague from New Mexico to introduce the TRIO Education Access Act of 2002, which will improve access to higher education by ensuring that these programs are available to all those in need.

While many students in my State benefit immensely from the TRIO programs, misguided regulations are preventing Wisconsin's two year colleges from receiving funds to begin more than one TRIO program for the entire State.

Many students today dream of going to college, but the things that can put college out of reach for some students don't always get the attention that they deserve. Students who face these additional barriers to higher education need a helping hand, and thanks to the TRIO Program, more students are getting the help they need.

The TRIO Program was so named because there were originally three programs, all of which had roots dating back to Lyndon Johnson's administration in the 1960s. Today TRIO consists of eight programs that offer vital advice and academic support to middle and high school students hoping to get into college, and it continues to offer that support to students after they enter college and begin working toward their diploma.

Many Federal education programs have come and gone, but the TRIO programs have not only survived, they've thrived and expanded to aid more than 10 million Americans.

In my home State of Wisconsin, many students at the University of Wisconsin's two-year colleges could reap tremendous benefits from the services the TRIO programs have to offer.

But today, because of the way that TRIO grants are structured, UW's 13 two-year colleges can only be considered for TRIO grants collectively, instead of applying for grants to serve each campus.

The Department of Education has ruled that the unique structure of the University of Wisconsin's two-year system, a centrally run system with 13 branch campuses, does not meet the criteria of having "independent" campuses.

This decision deeply concerns me, as the Federal Government is simply penalizing UWs' two-year colleges simply because of their administrative structure.

As a result of the Department of Education's decision, only one TRIO Program, the Student Support Services Program, is available to these two-year colleges. UW—Waukesha is home to a thriving Student Support Services Program, which offers students counseling and vital academic support and skills development.

But UW's two-year colleges deserve to have access to all the TRIO Programs available to four-year institutions, such as Upward Bound, Talent Search, and Educational Opportunity Centers.

In different ways, each of these programs has helped students break through difficult economic or physical circumstances to successfully enter and graduate from college. Students in the Upward Bound program are four times more likely to earn an undergraduate degree than those students from similar backgrounds who did not participate in TRIO.

Students in the TRIO Student Support Services program are more than twice as likely to remain in college than those students from similar backgrounds who did not participate in the program.

By discriminating against the unique structure of the University of Wisconsin's two year colleges, the Department of Education hurts the very population the TRIO Programs aim to serve.

That's why it's so important that the rules at the Department of Education be changed, so that Wisconsin's two-year colleges have the opportunity to apply individually for the TRIO grants they see fit.

By clarifying the "Different Campus" and "Different Population of Participants" in the TRIO regulations, this legislation makes UW's two-year colleges eligible for all the programs TRIO has to offer. No definition or regulation should get in the way of qualified Wisconsin students gaining access to TRIO programs and the chance to earn a college degree.

I have heard from many Wisconsinites who have shared their personal stories about how TRIO had made a difference in their lives. TRIO offers hope to millions of students across the country who dream of a college education, and students at the University of Wisconsin's two-year colleges should be no exception. Waukesha can be proud of the TRIO program that has served so many students at UW-Waukesha.

Now it's time to give UW-Waukesha, and other two-year colleges around my State, an opportunity to open more

TRIO programs, and open the doors of higher education to more Wisconsin students.

I urge my colleagues to co-sponsor this legislation.

By Mr. BAYH (for himself and Mr. BROWNBACK):

S. 2425. A bill to prohibit United States assistance and commercial arms exports to countries and entities supporting international terrorism; to the Committee on Foreign Relations.

Mr. BAYH. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Cooperative Antiterrorism Act of 2002".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The use of terrorism is detestable and an illegitimate means of political expression.

(2) International terrorist organizations pose a direct threat to the United States, and this threat is becoming more acute and more difficult to prevent.

(3) The threat from international terrorism is made far more dangerous by the proliferation of chemical, biological, and radiological weapons and the means to produce those weapons.

(4) The prosecution of the war against international terrorist organizations must continue until the threat they pose to the people and interests of the United States is eliminated.

(5) The United States can only win the war against terrorism if it receives cooperation from other countries and entities.

(6) Protecting the United States homeland and United States interests overseas from terrorism is of the highest priority in the foreign relations of the United States.

(7) Cooperation in the global war against international terrorism must be a primary focus of United States foreign relations, United States assistance, and international security relations.

(8) Winning the global war against international terrorism requires cooperation from the international community, especially in the areas of preventing the financing of terror, sharing information on international terror networks, eliminating terror cells, and in preventing the promotion of virulent anti-Americanism with the intent to incite violence and the glorification of terrorism in state-owned media and state-controlled schools.

(9) The promotion of terrorism, intolerance, and virulent anti-Americanism in state-owned media and state-controlled education systems is abhorrent and poses a long-term threat to the safety and security of the United States as well as the community of nations.

(10) All countries and entities must be encouraged to cooperate in the global war against international terrorism.

(11) Some foreign governments and entities are doing little to counter proterrorist and prointolerance messages to mass audiences, including to school age children.

(12) Countries providing direct or indirect assistance to international terrorist organizations undermine the direct security interests of the United States.

(13) Countries demonstrating indifference to or providing actual endorsement of international terror as a legitimate political tool make a direct threat to the security interests of the United States.

(14) United States economic assistance programs and the transfer of United States Munitions List items are a critical tool of United States foreign policy and winning the global war against international terrorism.

(15) Countries receiving United States assistance and the export of items on the United States Munitions List should be expected to support the global war against international terror.

(16) Several existing laws, including the USA Patriot Act of 2001, the Antiterrorism and Effective Death Penalty Act of 1996, the Foreign Assistance Act of 1961, the Arms Export Control Act, and the Export Administration Act of 1979 (or successor statute), prohibit the provision of United States assistance, and the licensing for export of items on the United States Munitions List, to countries supporting terror or not fully cooperating in antiterror efforts of the United States. It would be appropriate in the implementation of these laws to apply the definition of "fully cooperative in the global war against international terrorism" set forth in this Act, including preventing promotion of terror in state-owned and state-controlled media and educational systems.

SEC. 3. STATEMENT OF POLICY.

It shall be the policy of the United States that—

(1) no United States economic assistance, other than humanitarian assistance, may be provided to any foreign country or entity that is not making a maximum effort to be fully cooperative in the global war against international terrorism; and

(2) no license for export of an item on the United States Munitions List to a country or entity may be issued if that country or entity is not making a maximum effort to be fully cooperative in the global war against international terrorism.

SEC. 4. PROHIBITION ON UNITED STATES ECONOMIC ASSISTANCE AND COMMERCIAL ARMS EXPORTS.

(a) UNITED STATES ECONOMIC ASSISTANCE.—If the President determines that a country or entity is not making a maximum effort to be fully cooperative in the global war against international terrorism—

(1) no United States economic assistance may be provided to such country or entity; and

(2) the United States shall oppose and vote against any lending from any international financial institution, including the World Bank, the International Monetary Fund, the Asian Development Bank, or other related institutions to such country or entity.

(b) COMMERCIAL ARMS EXPORTS.—No license for the export of an item on the United States Munitions List to any country or entity may be issued if the President determines that such country or entity is not making a maximum effort to be fully cooperative in the global war against international terrorism.

SEC. 5. REQUIREMENT FOR AN ANNUAL REPORT.

(a) REQUIREMENT FOR REPORT.—The President, in consultation with the Secretary of State, the Secretary of the Treasury, the Administrator of the United States Agency for International Development, and the Director of Central Intelligence, shall prepare an unclassified annual report that—

(1) contains a list of each country or entity for which the President has determined that there is credible evidence that such country or entity is not being fully cooperative in the global war against international terrorism under section 4; and

(2) describes for each country or entity listed under paragraph (1)—

(A) the specific failures of each country or entity to be fully cooperative in the global war against international terrorism;

(B) the reasons why such country or entity is not fully cooperative;

(C) the efforts being made by the United States Government to promote greater adherence by such countries or entities with the global war against international terrorism; and

(D) any removal of a country or entity from the list in paragraph (1).

(b) TRANSMISSION TO CONGRESS.—

(1) REPORT.—The report required by this section shall be submitted to Congress every year as a section of the annual country reports on terrorism required by section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656(f)).

(2) BRIEFING.—The President shall make the appropriate officials available to provide a classified briefing to the appropriate committees of Congress if such committees request additional clarifying details on why a country or entity is listed under subsection (a)(1).

SEC. 6. PRESIDENTIAL WAIVER.

United States economic assistance or exports prohibited by section 4 may be provided to a country or entity described in that section if the President—

(1) determines that permitting such assistance or exports is important to the national security interests of the United States; and

(2) not later than 15 days before permitting such assistance or exports, furnishes a report describing the United States economic assistance or exports to be provided to the appropriate committees of Congress.

SEC. 7. DEFINITIONS.

In this Act:

(1) EXPRESSION OF SUPPORT FOR TERRORISM AGAINST THE UNITED STATES.—The term "expression of support for terrorism against the United States" means a pattern of actions or expressions that are designed to provoke or incite anti-American violence, advocate international terrorism, or to glorify the use of violence against citizens or government officials of the United States.

(2) FULLY COOPERATIVE IN THE GLOBAL WAR AGAINST INTERNATIONAL TERRORISM.—The term "fully cooperative in the global war against international terrorism" means a country or entity that has the necessary legal framework and, to the maximum extent possible, is enforcing efforts to—

(A) prevent the knowing financing of terrorism, including preventing—

(i) direct financial payments to any terrorist organization;

(ii) any terrorist organization or any entity supporting a terrorist organization from receiving financial services such as brokering, lending, or transferring currency or credit;

(iii) any person from soliciting funds or items of value for a terrorist group; and

(iv) any humanitarian or other nongovernmental organization from providing financial support to terrorist organizations;

(B) share intelligence information with the United States, including—

(i) releasing information to the United States related to any terrorist organization;

(ii) cooperating in investigations conducted by the United States; and

(iii) providing, to the extent possible, access to individuals suspected of or supporting terrorist organizations to United States investigators; and

(C) act against terrorist organizations, including—

(i) preventing terrorist organizations from committing or inciting to commit terrorist acts against the United States or its interests overseas;

(ii) preventing terrorist organizations from operating safe houses or providing transportation, communication, documentation, identification, weapons (including chemical, biological, or radiological weapons), explosives, or training to terrorists; and

(iii) in the cases of a country—

(I) investigating suspected terrorists within its national territory;

(II) enforcing international agreements and United Nations Security Council Resolutions against terrorism; and

(III) curbing any domestic expression of support for terrorism against the United States and its allies in state-owned media, state-sanctioned gatherings, state-governed religious institutions, and state-sanctioned school and textbooks.

(3) HUMANITARIAN ASSISTANCE.—The term "humanitarian assistance" means any humanitarian goods and services, including foodstuffs, medicines, and health assistance programs.

(4) TERRORIST ORGANIZATION.—The term "terrorist organization" means an organization designated as a foreign terrorist organization by the Secretary of State under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(5) UNITED STATES ECONOMIC ASSISTANCE.—The term "United States economic assistance" means—

(A) any assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2, relating to the Overseas Private Investment Corporation);

(B) sales, or financing on any terms, under the Arms Export Control Act;

(C) the provision of agricultural commodities, other than food, under the Agricultural Trade Development and Assistance Act of 1954;

(D) financing under the Export-Import Bank Act of 1945; and

(E) does not include humanitarian assistance or other assistance that is intended to support cooperative antiterrorism, peacekeeping, counter-narcotics, nonproliferation and counter-proliferation programs, or funding for nongovernmental organizations promoting education and democratic institutions.

(6) UNITED STATES MUNITIONS LIST.—The term "United States Munitions List" means the defense articles and defense services controlled by the President under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

By Mr. KERRY (for himself, Ms. SNOWE, Mr. HOLLINGS, Mr. STEVENS, Mr. BREAUX, Mr. MURKOWSKI, Mr. SARBANES, Mr. REED, and Mr. FEINGOLD):

S. 2428. A bill to amend the National Sea Grant College Program Act; to the Committee on Commerce, Science, and Transportation.

Mr. KERRY. Mr. President, I rise today to introduce with my colleagues, Ms. SNOWE, Mr. HOLLINGS, Mr. STEVENS, Mr. BREAUX, Mr. SARBANES, Mr. REED and Mr. FEINGOLD the National Sea Grant College Program Act Amendments of 2002, legislation to reauthorize the National Sea Grant College Program Act.

Congress established the Sea Grant program back in 1966. Since that time Sea Grant has provided the Administration and Congress a comprehensive vehicle that engages our best universities to respond to complex and changing ocean, coastal, and Great Lakes issues. The 31 Sea Grant programs, located in coastal and Great Lakes States and Puerto Rico, serve as the core of this dynamic national network of over 300 participating institutions involving more than 3,000 scientists, engineers, educators, students, and outreach experts.

Sea Grant's legislative charge is to "increase the understanding, assessment, development, utilization, and conservation of the nation's ocean and coastal resources by providing assistance to promote a strong education base, responsive research and training activities, and broad and prompt dissemination of knowledge and techniques". Sea Grant has consistently proven its value to taxpayers as a program that supports rigorous, high quality research that is directly responsive to the concerns of coastal constituents. The Sea Grant Program brings academic creativity and expertise to bear on a host of issues affecting the oceans, coasts and Great Lakes.

Most decisions that affect the coastal environment are made locally, and, through the Sea Grant Colleges, the federal government has the ability to partner with state and local constituencies to address national problems at state and local levels. Moreover, many coastal issues cross State jurisdictions and need to be addressed regionally. In addition to its state-based infrastructure, Sea Grant has developed a system of regional networks for organizing multi-state responses to regional/ecosystem-level problems.

The current administration proposed moving the Sea Grant program from the National Oceanic and Atmospheric Administration, NOAA, to the National Science Foundation, NSF. I do not support such a move. The Sea Grant program has been a success in NOAA and one has to wonder if something is not broke why should we fix it. This is obviously the case with Sea Grant and I see no reason why we should move the program from NOAA to NSF.

Allow me for a moment to point out one area where the Sea Grant/NOAA partnership is working. As Chairman of the Oceans, Fisheries and Atmosphere Subcommittee I know first-hand the struggles that commercial fishermen face as we try and rebuild our stocks. Sea Grant is currently working in coastal communities to better document the social and economic impacts of fishery regulations on communities, so that we can develop regulations that not only preserve and protect are valuable marine resources but also protect the fabric of our coastal communities. As you may know, the National Marine Fisheries Service is one of five line offices within NOAA, that is charged with regulating all of our domestic commercial fisheries. One thing that all of us from coastal states will agree on is the need to improve our knowledge of fishing communities and how regulations affect the lives of the people who live there.

A unique feature of the existing National Sea Grant College Program Act, which is maintained through this reauthorization bill, is that the majority of grants awarded require that every $2 of federal funds be matched by $1 of non-federal funds that are usually provided by host universities, as well as state or local governments, thus providing outstanding leverage as well as strong regional support for the federal funds awarded.

Because Sea Grant is non-regulatory and science-based, it serves as an "honest broker" among a wide range of constituents. In an age that emphasizes multi-disciplinary, goal-oriented, performance-measured partnerships, Sea Grant has demonstrated its capability to effectively deliver relevant science and services.

In short, Sea Grant offers numerous economic opportunities, problem-solving processes and programmatic efficiencies for the federal government to achieve its marine and coastal science agenda. Based on the Sea Grant College Program's remarkable capabilities, excellent track record, and cost effective use of federal funds, I ask for your support in quick passage of this reauthorization bill.

I ask unanimous consent the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Sea Grant College Program Act Amendments of 2002".

SEC. 2. AMENDMENTS TO FINDINGS.

FINDINGS.—Section 202(a)(6) of the National Sea Grant College Program Act (33 U.S.C. 1121(a)(6)) is amended by striking the period at the end and inserting ", including strong collaborations between Administration scientists and scientists at academic institutions.".

SEC. 3. REQUIREMENTS APPLICABLE TO NATIONAL SEA GRANT COLLEGE PROGRAM.

(a) QUADRENNIAL STRATEGIC PLAN.—Section 204 (c)(1) of the National Sea Grant College Program Act (33 U.S.C. 1123 (c)(1)) is amended to read as follows: "The Secretary, in consultation with the panel, sea grant colleges, and sea grant institutes, shall develop at least every 4 years a strategic plan which establishes priorities for the national sea grant college program, provides an appropriately balanced response to local, regional, and national needs, and is reflective of integration with the strategic plans of the Department of Commerce and of NOAA.".

(b) Allocation of Funding.—Section 204(d)(3)(B) of the National Sea Grant College Program Act (33 U.S.C. 1123(d)(3)(B)) is amended.—

(1) by striking "and" after the semicolon at the end of clause (ii);

(2) by adding at the end the following:

"(iv) encourage and promote coordination and cooperation between the research, education, and outreach programs of the Administration and those of academic institutions; and".

(c) Ensuring Equal Access.—Section 208(a) of such Act (33 U.S.C. 1127(a)) is amended by adding at the end the following: "The Secretary shall strive to ensure equal access for minority and economically disadvantaged students to the program carried out under this subsection.".

SEC. 4. TERMS OF MEMBERSHIP FOR SEA GRANT REVIEW PANEL.

Section 209(c)(2) of the National Sea Grant College Program Act (33 U.S.C. 1128(c)(2)) is amended by striking the first sentence and inserting the following: "The term of office of a voting member of the panel shall be 3 years for a member appointed before the date of enactment of the National Sea Grant College Program Act Amendments of 2002, and 4 years for a member appointed or reappointed after the date of enactment of the National Sea Grant College Program Act Amendments of 2002. The Director may extend the term of office of a voting member of the panel appointed before the date of enactment of the National Sea Grant College Program Act Amendments of 2002 by up to 1 year.".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—Subsections (a) and (b) of section 212 of the National Sea Grant College Program Act (33 U.S.C. 1131) are amended to read as follows:

"(a) Authorization.—

"(1) In general.—There are authorized to be appropriated to the Secretary to carry out this title—

"(A) $75,000,000 for fiscal year 2004;

"(B) $77,500,000 for fiscal year 2005;

"(C) $80,000,000 for fiscal year 2006;

"(D) $82,500,000 for fiscal year 2007; and

"(E) $85,000,000 for fiscal year 2008.

"(2) Priority research.—In addition to the amount authorized under paragraph (1), there are authorized to be appropriated for each of fiscal years 2004 through 2008—

"(A) $5,000,000 for competitive grants for university research on biology and control of zebra mussels and other important non-native species as identified in section 1301(b)(4)(A) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4171(b)(4)(A));

"(B) $5,000,000 for competitive grants for university research on oyster diseases, oyster restoration, and oyster-related human health risks;

"(C) $5,000,000 for competitive grants for university research on the biology, prevention, and forecasting of harmful algal blooms, including Pfiesteria piscicida; and

"(D) $3,000,000 for competitive grants for research contributing to the fisheries extension program to enhance, not supplant, existing core program funding.

"(b) Limitations.—

"(1) Administration.—There may not be used for administration of programs under this title in a fiscal year more than 5 percent of the lesser of—

"(A) the amount authorized to be appropriated under this title for the fiscal year; or

"(B) the amount appropriated under this title for the fiscal year.

"(2) Use for other offices or programs.—Sums appropriated under the authority of subsection (a)(2) shall not be available for administration of this title by the National Sea Grant Office, for any other Administration or department program, or for any other administrative expenses.".

(b) Distribution of Funds.—Such section is further amended by striking subsection (c) and inserting the following:

"(c) Distribution of Funds.—In any fiscal year in which the appropriations made pursuant to subsection (a)(1) exceed the amounts appropriated for fiscal year 2003 for the purposes described in such subsection, the Secretary shall distribute the excess amounts (except amounts used for the administration of programs) solely to—

"(1) State sea grant programs on a merit reviewed, competitive basis to support, enhance, and reward programs that are best managed and carry out the highest quality research, education, extension, and training programs; and

"(2) national strategic initiatives.".

By Mr. HUTCHINSON (for himself, Mr. Craig, Mr. Enzi, Mr. Gregg, Mr. Hagel, Mr. Inhofe, and Mr. Smith of New Hampshire):

S. 2429. A bill to amend the Internal Revenue Code of 1986 to allow an above-the-line deduction from certain expenses in connection with the determination, collection, or refund of any tax; to the Committee on Finance.

Mr. HUTCHINSON. Mr. President, I rise today to introduce legislation that will help ease the financial burden for the millions of Americans that find themselves extremely confused and frustrated every year as they try to prepare their tax returns. This year's tax filing deadline expired on April 15 for most American taxpayers, and the 17,000-page, 2.8 million-word tax code was more complex than ever. One estimate is that it now takes 28 hours and six minutes to tackle the Internal Revenue Service's 1040 form and do the necessary record keeping.

According to the Tax Foundation, it is estimated that in 2002, individuals and small businesses will spend approximately 5.8 billion hours complying with the Federal income tax code, with an estimated compliance cost of over $194 billion. This amounts to imposing a more than 20 cent tax compliance surcharge for every dollar the tax system collects. By 2007, the compliance surcharge is conservatively estimated at $244.3 billion. Under current law, there is a way for those taxpayers who itemize and accumulate tax preparation fees up to at least 2 percent of their Adjusted Gross Income to receive a financial break from the IRS to help offset the cost of having a tax preparer calculate their tax. The problem is that there are millions more low- or middle-income individuals and small business owners trying to decipher the same complicated instructions and forms, for which there is no tax break.

Since 1985, we have more than doubled the pages in the instruction booklet that accompanies the 1040. In response to this increased complexity, American taxpayers are seeking professional help at a record level that equals almost 60 percent of all returns filed. I believe it is time that we acknowledge how difficult our current tax system has become and help the millions of Americans who have to look to outside help in filing their yearly tax returns. I suggest that since the Federal Government is the party responsible for creating this overly complicated code, it is the Federal Government that should bear the burden of the costs that are incurred in its compliance.

My proposal is simple, my legislation provides for the expenses that are incurred by a taxpayer in having their return prepared to be fully deducted. This would be treated as an above-the-line deduction and would allow for anyone who pays for these services to deduct up to $500 of these costs. Further, for those who already qualify to have their preparation cost be deducted because they reach the 2 percent threshold, they can opt not to have this deduction apply and continue to have their tax preparation fees be deducted under the current guidelines.

I believe the legislation that I have introduced today will provide much needed relief to the millions of American taxpayers that are forced to comply with this complex code. I ask my colleagues for their support.

I ask unanimous consent that the text of the legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ABOVE-THE-LINE DEDUCTION FOR CERTAIN EXPENSES IN CONNECTION WITH THE DETERMINATION, COLLECTION, OR REFUND OF ANY TAX.

(a) Deduction Allowed Whether or Not Taxpayer Itemizes Other Deductions.—Section 62(a) of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (18) the following new paragraph:

"(19) Certain tax expenses.—Unless the taxpayer elects to not have this paragraph apply, the deduction allowed by paragraph (3) of section 212 with respect to so much of the expenses described in such paragraph as does not exceed $500.".

(b) Effective Date.—The amendment made by this section shall apply to expenses paid or incurred in taxable years beginning after the date of the enactment of this Act.

By Mr. BREAUX (for himself, Mr. Nickles, Mr. Cleland, Mr. Brownback, Mr. Miller, Mrs. Hutchison, and Mr. Hutchinson):

S. 2430. A bill to provide for parity in regulatory treatment of broadband services providers and of broadband access services providers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. BREAUX. Mr. President, I rise today along with Senators NICKLES, CLELAND, BROWNBACK, MILLER, HUTCHISON, and HUTCHINSON to introduce legislation that is designed to rejuvenate the struggling telecommunications and high-tech sectors of our economy. The Broadband Regulatory Parity Act of 2002 requires the Federal Communications Commission, FCC, to adopt rules that establish a level playing field for all broadband service providers in order to spur investment in broadband technology and to ensure that consumers can obtain the benefits of free and open competition.

Federal and State regulations on the books today governing high-speed Internet access are based largely on an outdated view of the telecom and high-tech industry. Both Federal and State regulators continue to view the emerging broadband market through different sets of eyes, focusing their regulatory policies on the type of provider rather than the type of service. Cable, wireless, and satellite providers face no regulation of their broadband networks, while telephone companies are heavily regulated. The effect of this disparate regulatory treatment among providers has been to construct a barrier to new investment in broadband networks by incumbent local telephone companies.

I am not alone in calling on the FCC to level the regulatory playing field for broadband providers. Several weeks ago, the High Tech Broadband Coalition, a group comprised of six leading trade associations representing the computer, telecommunications equipment, semiconductor, consumer electronics, software and manufacturing industries, filed comments with the FCC requesting the removal of burdensome, outdated regulations that are hindering investment and limiting competition in high-speed Internet access.

In order to promote free and fair competition in the broadband market, my legislation requires the FCC to promulgate regulations, within 120 days of enactment, to achieve regulatory parity between broadband services providers and facilities. The key provision in my bill is, I believe, the 120-day requirement for FCC action. The FCC, to its credit, is attempting by means of a tortuously slow process to move in the direction of regulatory parity among broadband services and providers. Once the FCC completes action on its rulemakings, however, its orders will certainly be appealed, just as the FCC's March 14, 2002, order declaring cable modem service to be an information service has already been appealed to the United States Court of Appeals for the Ninth Circuit. To effect this needed regulatory parity, we need the expert agency to accomplish this reform with the necessary fine tuning that will further the public interest, but we need the force of Congressional action to bring about prompt results. I urge prompt action on this legislation.

Mr. NICKLES. Mr. President, I'm pleased to join Senator BREAUX today to introduce a bill that will allow all providers of broadband services to compete under the same rules and regulations. This bill will bring certainty to the regulatory environment ensuring more Americans will have a choice in their broadband service provider.

Access to broadband is crucial to consumers and communities in today's economy. High-speed connections to the Internet can provide a lifeline to small businesses, schools and hospitals, and can help communities prosper and grow in the Information Age.

But unfortunately, different rules for competing high-speed Internet companies are stifling competition. Phone companies that offer the same service as wireless, satellite, and cable companies face different rules and regulations that raise costs and slow innovation. These rules make it more difficult and expensive for phone companies to provide broadband service, leaving millions of consumers without access to high-speed connections and millions more with only one choice.

This service disparity is growing wider, and dozens of communities are at risk of being left behind, especially rural areas and inner-city neighborhoods. This bill will help close the Digital Divide and help ensure that all Americans have choices for high-speed Internet services. This issue is not about choosing winners and losers, it is about helping to ensure that high speed Internet service is not only available but competitive and affordable all across the country.

The Breaux-Nickles bill is a free-market, deregulatory approach to encourage private companies to rapidly deploy this new technology. It does nothing to change what the 1996 Telecom Act sought to accomplish, to open up the local voice telephone market to competition. At the time, no one envisioned the growth of the Internet. In fact, the web browser had just been invented. This bill simply eliminates regulations that were intended for the legacy network but have been mistakenly applied to new infrastructure investment.

The goal of this bill is to provide an economic incentive for local telephone companies to upgrade their networks and to rapidly deploy high-speed, broadband services throughout the U.S. According to the most recent nationwide data, there are approximately 11 million high speed Internet subscribers. Of that total, 7.2 million currently use high-speed cable modems and 3.5 million use Digital Subscriber Lines (DSL) provided by the telephone companies.

Today's rules are not only unfair but they are a disincentive to deployment. No company will invest the capital required to upgrade their network and deploy new technologies when they are required to provide this new, upgraded technology to their competitors at a government-set price. If high speed, broadband service is going to be deployed rapidly throughout the country, especially in rural areas, the answer is not more rules and regulations, but a market-based deregulatory approach.

For a new market to evolve quickly and efficiently, government should not regulate the market out of existence before it has a chance to flourish. In fact, yesterday's Wall Street Journal had an editorial expressing concern about over-regulation at a critical time, it states, "Then the digital revolution ran headlong into the FCC and Congress, whose tender mercies enfolded consumer broadband at the moment of creation." It is not too late to encourage growth and innovation. As the Wall Street Journal points out, "There's still plenty of Internet and telecom enthusiasm out there, if only regulators will let it blossom."

With regulatory certainty, companies have the incentive to invest. For example, earlier this week, in my home State of Oklahoma, less than two weeks after Gov. Frank Keating signed the first state broadband parity law in the country, SBC Southwestern Bell announced a massive program of technology investment that will nearly double the number of Oklahoma towns with access to high-speed DSL Internet Access Service.

This initiative will bring high-speed DSL Internet service to 37 more towns, and expand access by building new broadband equipment in another 25 towns that already have the service. The initiative will make DSL available to about 137,000 more homes and businesses in 62 Oklahoma communities. SBC is making this investment at a time when they, and other telecommunications companies, have dramatically slashed capital spending throughout the country.

This is the kind of investment that regulatory certainty and real competition bring and that is why I strongly support this legislation. If we can do for the country what we have done for the state of Oklahoma, Congress will go a long way toward reversing the economic slide currently enveloping the telecom sector. When all broadband providers are allowed to compete under the same rules, consumers win and the economy wins. I am pleased to sponsor this bipartisan approach to promoting competition for broadband services.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 255—TO DESIGNATE THE WEEK BEGINNING MAY 5, 2002, AS "NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK"

Mrs. FEINSTEIN (for herself, Mr. HATCH, Ms. STABENOW, Mr. REID, Mrs. BOXER, Mr. KENNEDY, Mr. CLELAND, Ms. CANTWELL, Mr. WYDEN, Mr. THOMAS, Mr. BINGAMAN, Mr. DOMENICI, Mr. JEFFORDS, Mrs. MURRAY, Mr. ROBERTS, Mr. FEINGOLD, Mr. HELMS, Mr. SARBANES, and Mr. AKAKA) submitted the following resolution, which was referred to the Committee on the Judiciary.

S. RES. 255

Whereas the operation of correctional facilities represents a crucial component of our criminal justice system;

Whereas correctional personnel play a vital role in protecting the rights of the public to be safeguarded from criminal activity;

Whereas correctional personnel are responsible for the care, custody, and dignity of the human beings charged to their care; and

Whereas correctional personnel work under demanding circumstances and face danger in their daily work lives: Now, therefore, be it

Resolved,

SECTION 1. DESIGNATION OF NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK.

That the Senate—

(1) designates the week beginning May 5, 2002, as "National Correctional Officers and Employees Week"; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

Mrs. FEINSTEIN. Mr. President, I rise today to submit a resolution honoring our Nation's correctional officers and employees. This resolution reaffirms our support for the more than 200,000 corrections professionals who work in the face of danger while monitoring and reforming criminals and maintaining the safety of our communities.

I am pleased that Senators HATCH, STABENOW, REID, BOXER, KENNEDY, CLELAND, CANTWELL, WYDEN, THOMAS, BINGAMAN, DOMENICI, JEFFORDS, MURRAY, ROBERTS, FEINGOLD, HELMS, SARBANES, and AKAKA have joined me in submitting this resolution today.

The job of correctional officers and employees is a dangerous, and often thankless, one. Most of us leave for work knowing that we will return home safe and sound at the end of the day. But, corrections personnel are not afforded this luxury. They put their lives on the line every time they begin a shift.

Tragically, many correctional officers have been permanently injured or killed in the line of duty. In all, more than 361 correctional officers and employees have died while on duty. This year, we honor nine: John Burkett III, Wayne Mitchell, James Salvino, Gregory Collins, George Turner, Richard Huffman, Virgil Reel, Timothy Williams, and Rodney Welch, whom we lost during the past year. We must not forget the sacrifices made by these heroic individuals for our public safety.

These courageous officers all died while performing the normal day-to-day tasks their jobs asked of them. Whether they died transporting inmates or responding to disturbances within their facilities, their loss reminds us of the many brave acts that take place daily among correctional officers and employees.

Since prison security never rests, officers work all hours of the day and night, weekends, and even holidays. But, corrections professionals do much more than just watch over prisoners. They also play an important role in reforming them and in lowering recidivism rates. Through literacy programs and vocational training, they work hard to transform offenders into productive, law-abiding members of society, which is sometimes no easy task.

The efforts of America's correctional officers and employees to make our world a better, safer place too often go unnoticed. Few of us can truly appreciate the perils faced daily by these courageous public servants. We not only owe them our recognition, but our gratitude as well. To that end, I am pleased to offer this resolution to designate the week beginning May 5, 2002, as National Correctional Officers and Employees Week, and to honor and acknowledge their diligence and dedication to our public safety.

SENATE RESOLUTION 256—MAKING MINORITY PARTY APPOINTMENTS FOR THE SPECIAL COMMITTEE ON AGING FOR THE 107TH CONGRESS

Mr. LOTT submitted the following resolution; which was considered and agreed to:

S. RES. 256

Resolved, That the following be the minority membership on the Special Committee on Aging for the remainder of the 107th Congress, or until their successors are appointed:

Special Committee on Aging: Mr. Craig, Mr. Burns, Mr. Shelby, Mr. Santorum, Ms. Collins, Mr. Enzi, Mr. Hutchinson, Mr. Ensign, Mr. Hagel, and Mr. Smith of Oregon.

SENATE RESOLUTION 257—EXPRESSING THE GRATITUDE OF THE UNITED STATES SENATE FOR THE SERVICE OF SUZANNE D. PEARSON TO THE OFFICE OF LEGISLATIVE COUNSEL

Mr. BYRD submitted the following resolution; which was considered and agreed to:

S. RES. 257

Whereas Suzanne Pearson became an employee of the Senate on February 10, 1970, and since that date has ably and faithfully upheld the high standards and traditions of the Office of the Legislative Counsel of the United States Senate for almost 32 years;

Whereas Suzanne Pearson from January 1, 1991, to December 31, 2001, served as the Office Manager of the Office of the Legislative Counsel and demonstrated great dedication, professionalism, and integrity in faithfully discharging the duties and responsibilities of her position;

Whereas Suzanne Pearson retired on December 31, 2001, after more than 33 years of Government service; and

Whereas Suzanne Pearson has met the needs of the Senate with unfailing professionalism, skill, dedication, and good humor during her entire career: Now, therefore, be it

Resolved, That the United States Senate commends Suzanne D. Pearson for her almost 32 years of faithful and exemplary service to the United States Senate and the Nation, and expresses its deep appreciation and gratitude for her long, faithful, and outstanding service.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Suzanne D. Pearson.

SENATE CONCURRENT RESOLUTION 103—SUPPORTING THE GOALS AND IDEALS OF NATIONAL BETTER HEARING AND SPEECH MONTH, AND FOR OTHER PURPOSES

Mrs. CLINTON (for herself, Mr. CAMPBELL, Mr. DEWINE, Mr. EDWARDS, Mr. JOHNSON, Ms. LANDRIEU, Mr. LEVIN, Mrs. MURRAY, Mr. ROCKEFELLER, and Mr. TORRICELLI) submitted the following concurrent resolution; which was ordered held at the desk:

S. CON. RES. 103

Whereas the National Institute on Deafness and Other Communication Disorders (NIDCD) reports that approximately 42,000,000 people in the United States suffer from a speech, voice, language, or hearing impairment;

Whereas almost 28,000,000 people in the United States suffer from hearing loss;

Whereas 1 out of every 3 people in the United States over 65 years of age suffers from hearing loss;

Whereas although more than 25,000,000 people in the United States would benefit from the use of a hearing aid, fewer than 7,000,000 people in the United States use a hearing aid;

Whereas sounds louder than 80 decibels are considered potentially dangerous and can lead to hearing loss;

Whereas the number of young children who suffer hearing loss as a result of environmental noise has increased;

Whereas every day in the United States approximately 33 babies are born with significant hearing loss;

Whereas hearing loss is the most common congenital disorder in newborns;

Whereas a delay in diagnosing a newborn's hearing loss can affect the child's social, emotional, and academic development;

Whereas the average age at which newborns with hearing loss are diagnosed is between 12 and 25 months;

Whereas more than 1,000,000 children received speech or language disorder services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) during the school year ending in 1998;

Whereas children with language impairments are 4 to 5 times more likely than their peers to experience reading problems;

Whereas 10 percent of children entering the first grade have moderate to severe speech disorders, including stuttering;

Whereas stuttering affects more than 2,000,000 people in the United States;

Whereas approximately 1,000,000 people in the United States have aphasia, a language disorder inhibiting spoken communication that results from damage caused by a stroke or other traumatic injury to the language centers of the brain; and

Whereas for the last 75 years, May has been celebrated as National Better Hearing and Speech Month in order to raise awareness regarding speech, voice, language, and hearing impairments and to provide an opportunity for Federal, State, and local governments, members of the private and nonprofit sectors, speech and hearing professionals, and the people of the United States to focus on preventing, mitigating, and curing such impairments: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) supports the goals and ideals of National Better Hearing and Speech Month;

(2) commends the 41 States that have implemented routine hearing screenings for every newborn before the newborn leaves the hospital;

(3) supports the efforts of speech and hearing professionals in their efforts to improve the speech and hearing development of children; and

(4) encourages the people of the United States to have their hearing checked regularly and to avoid environmental noise that can lead to hearing loss.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3382. Mr. DAYTON (for himself, Mr. Craig, Mr. Durbin, Mr. Shelby, Mr. Kerry, Mr. Helms, Mr. Wellstone, Ms. Collins, Ms. Mikulski, Mr. Smith of New Hampshire, Mr. Dorgan, Mr. Allen, Mr . Hollings, Mr. Warner, and Mr. Levin) submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3382. Mr. DAYTON (for himself, Mr. Craig, Mr. Durbin, Mr. Shelby, Mr. Kerry, Mr. Helms, Mr. Wellstone, Ms. Collins, Ms. Mikulski, Mr. Smith of New Hampshire, Mr. Dorgan, Mr. Allen, Mr. Hollings, Mr. Warner, and Mr. Levin) submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the end of section 3(b), add the following:

(4) Limitations on trade authorities procedures.—

(A) In general.—Notwithstanding any other provision of law, the provisions of section 151 of the Trade Act of 1974 (trade authorities procedures) shall not apply to any provision in an implementing bill that modifies or amends, or requires a modification of, or an amendment to, any law of the United States that provides safeguards from unfair foreign trade practices to United States businesses or workers, including—

(i) imposition of countervailing and antidumping duties (title VII of the Tariff Act of 1930; 19 U.S.C. 1671 et seq.);

(ii) protection from unfair methods of competition and unfair acts in the importation of articles (section 337 of the Tariff Act of 1930; 19 U.S.C. 1337);

(iii) relief from injury caused by import competition (title II of the Trade Act of 1974; 19 U.S.C. 2251 et seq.);

(iv) relief from unfair trade practices (title III of the Trade Act of 1974; 19 U.S.C. 2411 et seq.); or

(v) national security import restrictions (section 232 of the Trade Expansion Act of 1962; 19 U.S.C. 1862).

(B) Point of order in senate.—

(i) In general.—When the Senate is considering an implementing bill, upon a point of order being made by any Senator against any part of the implementing bill that contains material in violation of subparagraph (A), and the point of order is sustained by the Presiding Officer, the part of the implementing bill against which the point of order is sustained shall be stricken from the bill.

(ii) Waivers and appeals.—

(I) Waivers.—Before the Presiding Officer rules on a point of order described in clause (i), any Senator may move to waive the point of order and the motion to waive shall not be subject to amendment. A point of order described in clause (i) is waived only by the affirmative vote of at least three-fifths of the Members of the Senate, duly chosen and sworn.

(II) Appeals.—After the Presiding Officer rules on a point of order under this subparagraph, any Senator may appeal the ruling of the Presiding Officer on the point of order as it applies to some or all of the provisions on which the Presiding Officer ruled. A ruling of the Presiding Officer on a point of order described in clause (i) is sustained unless at least three-fifths of the Members of the Senate, duly chosen and sworn, vote not to sustain the ruling.

(III) Debate.—Debate on a motion to waive under subclause (I) or on an appeal of the ruling of the Presiding Officer under subclause (II) shall be limited to 1 hour. The time shall be equally divided between, and controlled by, the majority leader and the minority leader, or their designees.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, May 7, beginning at 9:30 a.m., in room 366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to review the outlook for this year's wildland fire season as well as to assess the Federal land management agencies' state of readiness and preparedness for the wildland fire season.

Because of the limited time available for the hearing, witnesses may testify by invitation only. Those wishing to submit written testimony for the hearing record should e-mail it to shelly_brown@energy.senate.gov or fax it to 202-224-4340.

For further information, please contact Kira Finkler of the Committee staff at (202) 224-8164.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. LEVIN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs will hold a hearing entitled "The Role of the Board of Directors in Enron's Collapse." The subcommittee will call on past and present members of the Enron Board of Directors to obtain an insider's perspective on the board's oversight efforts, interactions with Enron management and Andersen, and failure to identify and respond adequately to warning signs of Enron's impending collapse.

The hearing will take place on Tuesday, May 7, 2002, at 9:30 a.m., in room 216 of the Hart Senate Office Building. For further information, please contact Elise J. Bean of the subcommittee staff at 224-3721.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on Richard Carmona, to be Surgeon General and Elias Zerhouni, to be Director of the National Institutes of Health during the session of the Senate on Tuesday, April 30, 2002, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Tuesday, April 30, 2002, at 9:30 a.m., in room 438A of the Russell Senate Office Building to conduct a joint hearing with the Senate Small Business Committee on "Small Business Development in Native American Communities: Is the Federal Government meeting its obligations?".

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

COMMITTEE ON INDIAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Small Business and Entrepreneurship and the Committee on Indian Affairs be authorized to meet during the session of the Senate for a joint hearing entitled "Small Business Development in

Native American Communities: Is the Federal Government Meeting Its Obligations?" on Tuesday, April 30, 2002, beginning at 9:30 a.m., in room 428A of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS AND COMPETITION

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Antitrust, Business Rights and Competition be authorized to meet to conduct a hearing on "Hospital Group Purchasing: Lowering Costs at the Expense of Patient Health and Medical Innovations?" on Tuesday, April 30, 2002, at 2:30 p.m., in SD226.

Witness List: Ms. Trisha Barrett BSN, Assistant Director, Materiel Services, Value Analysis Facilitator, UCSF Medical Center, San Francisco, CA; Mr. Lynn R. Detlor, Principal, GPO Concepts, Inc., San Diego, CA; Dr. Mitchell Goldstein, Neonatologist, Citrus Valley Medical Center, West Covina, CA; Mr. Joe Kiani, President and Chief Executive Officer, Masimo Corporation, Irvine, CA, Mr. Mark McKenna, President, Novation, LLC, Irving, TX; Mr. Richard A. Norling, Chief Executive Officer, Premier, Inc., San Diego, CA; and Ms. Elizabeth A. Weatherman, Managing Director, Warburg Pincus, LLC, New York, NY.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, RESTRUCTURING AND THE DISTRICT OF COLUMBIA

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia be authorized to meet on Tuesday, April 30, 2002, at 2:30 p.m., for a hearing to examine "Kids and Cafeterias: How Safe are Federal School Lunches?".

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet on Tuesday, April 30, 2002, at 9:30 a.m., for a hearing entitled "Gas Prices: How Are They Really Set?".

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that privileges of the floor be granted to Fiona Wright during the debate on H.R. 3009.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I ask unanimous consent that a congressional fellow in my office, Ms. Tiffany Smith, be granted floor privileges for the remainder of the debate on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar Nos. 802 and 804 through 809; and all nominations placed on the Secretary's desk.

I further ask unanimous consent that the nominations be confirmed en bloc, the motion to reconsider be laid upon the table, any statements be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate resume legislative session, with the preceding all occurring without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

AIR FORCE

The following Air National Guard of the United States officers for appointment in the Reserve of the Air Force to the grades indicated under title 10, U.S.C., section 12203:

To be major general

Brigadier General Thomas P. Maguire, Jr., 5939

To be brigadier general

Colonel LaRita A. Aragon, 1042
Colonel Robert B. Bailey, 8474
Colonel Tod M. Bunting, 3552
Colonel Lawrence J. Cerfoglio, 1952
Colonel Eugene R. Chojnacki, 3930
Colonel Thorne A. Davis, 7660
Colonel Allen R. Dehnert, 7273
Colonel Dana B. Demand, 3810
Colonel R. Anthony Haynes, 6893
Colonel Stanley J. Jaworski, Jr., 3640
Colonel Riley P. Porter, 8822
Colonel Richard L. Rayburn, 0291
Colonel Timothy R. Rush, 5351
Colonel Ronald L. Shultz, 1008
Colonel John M. White, 5135

MARINE CORPS

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Gary H. Hughey, 9286

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. James E. Cartwright, 5961

NAVY

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral

Rear Adm. (lh) Charles H. Johnston, Jr., 2065

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Vice Adm. Richard W. Mayo, 4195

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be admiral

Vice Adm. Walter F. Doran, 4942

AIR FORCE

PN1496 Air Force nominations (13) beginning Loraine H. Anderson, and ending Michael E. Young, which nominations were received by the Senate and appeared in the Congressional Record of March 6, 2002.

PN1548 Air Force nomination of Marilyn D. Barton, which was received by the Senate and appeared in the Congressional Record of March 20, 2002.

PN1549 Air Force nomination of Larry O. Goddard, which was received by the Senate and appeared in the Congressional Record of March 20, 2002.

PN1655 Air Force nomination of Michael B. Tierney, which was received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1656 Air Force nomination of Donald R. Copsey, which was received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1622 Air Force nominations (51) beginning Samuel E. Aikele, and ending Bryan M. White, which nominations were received by the Senate and appeared in the Congressional Record of April 9, 2002.

ARMY

PN1550 Army nomination of Mary B. Bedell, which was received by the Senate and appeared in the Congressional Record of March 20, 2002.

PN1551 Army nomination of Rodney E. Hudson, which was received by the Senate and appeared in the Congressional Record of March 20, 2002.

PN1552 Army nomination of James R. Uhl, which was received by the Senate and appeared in the Congressional Record of March 20, 2002.

PN1588 Army nominations (10) beginning Robert G. Anisko, and ending Craig A. Webber, which nominations were received by the Senate and appeared in the Congressional Record of March 21, 2002.

PN1623 Army nomination of William K.C. Parks, which was received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1624 Army nominations (5) beginning Michael J. Bennett, and ending Robert S. Hough, which nominations were received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1625 Army nominations (8) beginning Frank E. Batts, and ending Evelyn M. Wilson, which nominations were received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1657 Army nominations (6) beginning Michael D. Armour, and ending David J. Wheeler, which nominations were received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1658 Army nominations (2) beginning Bryan T. Much, and ending Lionel D. Robinson, which nominations were received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1659 Army nominations (2) beginning Carl V. Hopper, and ending Timothy A. Reisch, which nominations were received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1660 Army nomination of John R. Carlisle, which was received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1661 Army nomination of Bryan C. Sleigh, which was received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1405 Army nominations (24) beginning Catherine E. Abbott, and ending Jeffrey N. Williams, which nominations were received by the Senate and appeared in the Congressional Record of February 6, 2002.

PN1406 Army nominations (41) beginning Eli T. Alford, and ending Eugene C. Wardynski Jr., which nominations were received by the Senate and appeared in the Congressional Record of February 6, 2002.

PN1407 Army nominations (66) beginning Bradley G. Anderson, and ending Donald A. Zimmer, which nominations were received by the Senate and appeared in the Congressional Record of February 6, 2002.

PN1408–1 Army nominations (339) beginning Mark H. Abernathy, and ending X0314, which nominations were received by the Senate and appeared in the Congressional Record of February 6, 2002.

MARINE CORPS

PN1621 Marine Corps nomination of Jason K. Fettig, which was received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1626 Marine Corps nominations (725) beginning Bamidele J. Abogunrin, and ending Jay K. Zollmann, which nominations were received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1662 Marine Corps nominations (2) beginning Lester H. Evans, Jr., and ending Timothy M. Hathaway, which nominations were received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1664 Marine Corps nomination of Thomas P. Barzditis, which was received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1667 Marine Corps nomination of Donald C. Scott, which was received by the Senate and appeared in the Congressional Record of April 16, 2002.

PN1668 Marine Corps nomination of John J. Fahey, which was received by the Senate and appeared in the Congressional Record of April 16, 2002.

NAVY

PN1554 Navy nominations (2) beginning Eric Davis, and ending Frank D. Rossi, which nominations were received by the Senate and appeared in the Congressional Record of March 20, 2002.

PN1589 Navy nomination of James E. Toczko, which was received by the Senate and appeared in the Congressional Record of March 21, 2002.

PN1627 Navy nomination of Bruce R. Christen, which was received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1628 Navy nomination of Cole J. Kupec, which was received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1629 Navy nomination of James E. Lamar, which was received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1630 Navy nominations (12) beginning Robert E. Bebermeyer, and ending Benjamin A. Shupp, which nominations were received by the Senate and appeared in the Congressional Record of April 9, 2002.

PN1553 Navy nomination of Lawrence J. Holloway, which was received by the Senate and appeared in the Congressional Record of March 20, 2002.

*Signifies nominee's commitment to respond to requests to appear and testify before any duly constituted committees of the Senate.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

MAKING MINORITY APPOINTMENTS FOR SPECIAL COMMITTEE ON AGING

Mr. REID. I ask unanimous consent that the Senate proceed to S. Res. 256, which is at the desk.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 256) making minority party appointments for the special committee on aging for the 107th Congress.

There being no objection, the Senate proceeded to the immediate consideration of the resolution.

Mr. REID. I ask unanimous consent the resolution be agreed to, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 256) was agreed to, as follows:

S. RES. 256

Resolved, That the following be the minority membership on the Special Committee on Aging for the remainder of the 107th Congress, or until their successors are appointed.

Special Committee on Aging: Mr. Craig, Mr. Burns, Mr. Shelby, Mr. Santorum, Ms. Collins, Mr. Enzi, Mr. Hutchinson, Mr. Ensign, Mr. Hagel, and Mr. Smith of Oregon.

THE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed en bloc to the consideration of the following calendar items: Calendar No. 357, H.R. 495; Calendar No. 358, H.R. 819; Calendar No. 359, H.R. 3093; Calendar No. 360, H.R. 3282; and Calendar No. 361, S. 1721.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I further ask consent the committee amendments, where applicable, be agreed to; the bills be read three times, passed, and the motions to reconsider be laid on the table en bloc; and the title amendments, where applicable, be agreed to, that any statements be printed in the RECORD, and that the consideration of these items appear separately in the RECORD, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RON DE LUGO FEDERAL BUILDING

The bill (H.R. 495) to designate the Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building," was considered, ordered to a third reading, read the third time, and passed.

DONALD J. PEASE FEDERAL BUILDING

The bill (H.R. 819 to designate the Federal building located at 143 West Liberty Street, Medina, Ohio, as the "Donald J. Pease Federal Building," was considered, ordered to a third reading, read the third time, and passed.

WILLIAM L. BEATTY FEDERAL BUILDING AND UNITED STATES COURTHOUSE

The bill (H.R. 3093) to designate the Federal building and United States courthouse located at 501 Bell Street in Alton, Illinois, as the "William L. Beatty Federal Building and United States Courthouse," was considered, ordered to a third reading, read the third time, and passed.

MIKE MANSFIELD FEDERAL BUILDING AND UNITED STATES COURTHOUSE

The bill (H.R. 3282) to designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse," was considered, ordered to a third reading, read the third time, and passed.

JAMES L. WATSON UNITED STATES COURTHOUSE

The Senate proceeded to consider the bill (S. 1721) to designate the building located at 1 Federal Plaza in New York, New York, as the "James L. Watson United Court of International Trade Building," which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(Omit the parts in black brackets and insert the parts printed in italic.)

S. 1721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. DESIGNATION OF JAMES L. WATSON UNITED STATES COURT OF INTERNATIONAL TRADE BUILDING.]

SECTION 1. DESIGNATION OF JAMES L. WATSON UNITED STATES COURTHOUSE.

The building located at 1 Federal Plaza in New York, New York, shall be known and designated as the [“James L. Watson United States Court of International Trade Building”.] *“James L. Watson United States Courthouse”.*

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in section 1 shall be deemed to be a reference [to the James L. Watson United States Court of International Trade Building.] *to the James L. Watson United States Courthouse.*

The committee amendments were agreed to.

The bill (S. 1721), as amended, was read the third time and passed, as follows:

S. 1721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF JAMES L. WATSON UNITED STATES COURTHOUSE.

The building located at 1 Federal Plaza in New York, New York, shall be known and designated as the “James L. Watson United States Courthouse”.

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in section 1 shall be deemed to be a reference to the James L. Watson United States Courthouse.

The title was amended so as to read: “A bill to designate the building located at 1 Federal Plaza in New York, New York, as the ‘James L. Watson United States Courthouse’.”.

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to the consideration of the following calendar items: Calendar No. 352, S. Con. Res. 102; Calendar No. 353, S. Res. 109; Calendar No. 354, S. Res. 245.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I further ask unanimous consent any committee amendment, where applicable, be agreed to, the concurrent resolution and resolutions and preambles be agreed to, en bloc, the title amendment, where appropriate, be agreed to, and the motions to reconsider be laid on the table, en bloc, and any statements be printed in the RECORD, and consideration of these items appear separately in the RECORD with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SAFE KIDS WEEK

The Senate proceeded to consider the resolution (S. Con. Res. 102) proclaiming the week of May 4 through May 11, 2002, as “National Safe Kids Week.”

The concurrent resolution (S. Con. Res. 102) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 102

Whereas unintentional injury is the number 1 killer of children under 15 years of age;

Whereas in 2000, more than 373,000 children under 15 years of age were treated in hospital emergency rooms for bicycle-related injuries, and more than 16,600 children under 15 years of age were treated for equestrian-related injuries;

Whereas more than 40 percent of all bicycle-related deaths are due to head injuries, approximately three-fourths of all bicycle-related head injuries occur among children under 15 years of age, and 60 percent of all equestrian-related deaths are related to head injury;

Whereas the single most effective safety device available to reduce head injury and death from bicycle and equestrian accidents is a properly fitted and safety certified helmet;

Whereas national estimates report that helmet use among child bicyclists is only between 15 and 25 percent;

Whereas every dollar spent on a bicycle helmet saves this Nation $30 in direct medical costs and other costs to society;

Whereas there is no national safety standard in place for equestrian helmets;

Whereas the National Safe Kids Campaign supports efforts to reduce equestrian-related head injuries;

Whereas the National Safe Kids Campaign promotes childhood injury prevention by uniting diverse groups into State and local coalitions, developing innovative educational tools and strategies, initiating legislative changes, promoting new technology, and raising awareness through the media; and

Whereas the National Safe Kids Campaign, with the support of founding sponsor Johnson & Johnson, has planned special childhood injury prevention activities and community-based events for National Safe Kids Week 2002, which will focus on the prevention of wheel-related traumatic brain injuries: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) proclaims the week of May 4 through May 11, 2002, as “National Safe Kids Week”;

(2) supports the efforts and activities of the National Safe Kids Campaign to prevent childhood injuries, including bicycle-related traumatic brain injuries and equestrian-related brain injuries; and

(3) requests that the President issue a proclamation calling upon the people of the United States to observe National Safe Kids Week with appropriate ceremonies and activities.

NATIONAL CHILDREN'S MEMORIAL DAY AND CHILDREN'S MEMORIAL FLAG DAY

The Senate proceeded to consider the resolution (S. Res. 109) designating the second Sunday in the month of December as “National Children's Memorial Day” and the last Friday in the month of April as “Children's Memorial Flag Day” which was reported with an amendment and an amendment to the title.

[Omit the part in black brackets and insert the part printed in italic.]

S. RES. 109

Whereas approximately 80,000 infants, children, teenagers, and young adults of families living throughout the United States die each year from myriad causes;

Whereas the death of an infant, child, teenager, or young adult of a family is considered to be one of the greatest tragedies that a parent or family will ever endure during a lifetime;

Whereas a supportive environment, empathy, and understanding are considered critical factors in the healing process of a family that is coping with and recovering from the loss of a loved one; and

Whereas April is National Child Abuse Prevention month: Now, therefore, be it

Resolved,

SECTION 1. DESIGNATION OF NATIONAL CHILDREN'S MEMORIAL DAY AND CHILDREN'S MEMORIAL FLAG DAY.

The Senate—

[(1) designates the second Sunday in the month of December as “National Children's Memorial Day” and the last Friday in the month of April as “Children's Memorial Flag Day”; and]

(1) designates December 8, 2002, as “National Children's Memorial Day” and April 26, 2002, as “Children's Memorial Flag Day”; and

(2) requests that the President issue a proclamation calling upon the people of the United States to—

(A) observe “National Children's Memorial Day” with appropriate ceremonies and activities in remembrance of the many infants, children, teenagers, and young adults of families in the United States who have died; and

(B) fly the Children's Memorial Flag on “Children's Memorial Flag Day”.

Amend the title so as to read: “A Resolution designating December 8, 2002, as ‘National Children Memorial Day’ and April 26, 2002, as ‘Children's Memorial Flag Day’.”.

The committee amendment was agreed to.

The resolution (S. Res. 109), as amended, was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 109

Whereas approximately 80,000 infants, children, teenagers, and young adults of families living throughout the United States die each year from myriad causes;

Whereas the death of an infant, child, teenager, or young adult of a family is considered to be one of the greatest tragedies that a parent or family will ever endure during a lifetime;

Whereas a supportive environment, empathy, and understanding are considered critical factors in the healing process of a family that is coping with and recovering from the loss of a loved one; and

Whereas April is National Child Abuse Prevention month: Now, therefore, be it

Resolved,

SECTION 1. DESIGNATION OF NATIONAL CHILDREN'S MEMORIAL DAY AND CHILDREN'S MEMORIAL FLAG DAY.

The Senate—

(1) designates December 8, 2002, as “National Children's Memorial Day” and April 26, 2002, as “Children's Memorial Flag Day”; and

(2) requests that the President issue a proclamation calling upon the people of the United States to—

(A) observe “National Children's Memorial Day” with appropriate ceremonies and activities in remembrance of the many infants, children, teenagers, and young adults of families in the United States who have died; and

(B) fly the Children's Memorial Flag on “Children's Memorial Flag Day”.

The title was amended so as to read: “A Resolution designating December 8, 2002, as 'National Children's Memorial Day' and April 26, 2002, as 'Children's Memorial Flag Day'."

NATIONAL OCCUPATIONAL SAFETY AND HEALTH WEEK

The Senate proceeded to consider the resolution (S. Res. 245) designating the week of May 5 through May 11, 2002, as "National Occupational Safety and Health Week."

The resolution (S. Res. 245) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 245

Whereas every year, more than 6,000 people die from job-related injuries and millions more suffer occupational injuries or illnesses;

Whereas every day, millions of people go to and return home from work safely due, in part, to the efforts of many unsung heroes—the occupational safety, health, and environmental professionals who work day in and day out identifying hazards and implementing safety advances in all industries and at all workplaces, thereby reducing workplace fatalities and injuries;

Whereas these safety professionals work to prevent accidents, injuries, and occupational diseases, create safer work and leisure environments, and develop safer products;

Whereas the more than 30,000 members of the 90-year-old nonprofit American Society of Safety Engineers, based in Des Plaines, Illinois, are safety professionals committed to protecting people, property, and the environment globally;

Whereas the American Society of Safety Engineers, in partnership with the Canadian Society of Safety Engineers, has designated May 5 through May 11, 2002, as North American Occupational Safety and Health Week (referred to in this resolution as "NAOSH week");

Whereas the purposes of NAOSH week are to increase understanding of the benefits of investing in occupational safety and health, to raise the awareness of the role and contribution of safety, health, and environmental professionals, and to reduce workplace injuries and illnesses by increasing awareness and implementation of safety and health programs;

Whereas during NAOSH week the focus will be on hazardous materials—what they are, emergency response information, the skills and training necessary to handle and transport hazardous materials, relevant laws, personal protection equipment, and hazardous materials in the home;

Whereas over 800,000 hazardous materials are shipped every day in the United States, and over 3,100,000,000 tons are shipped annually; and

Whereas the continued threat of terrorism and the potential use of hazardous materials make it vital for Americans to have information on these materials: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of May 5 through May 11, 2002, as "National Occupational Safety and Health Week";

(2) commends safety professionals for their ongoing commitment to protecting people, property, and the environment;

(3) encourages all industries, organizations, community leaders, employers, and employees to support educational activities aimed at increasing awareness of the importance of preventing illness, injury, and death in the workplace; and

(4) requests that the President issue a proclamation calling on the people of the United States to observe "National Occupational Safety and Health Week" with appropriate ceremonies and activities.

EXPRESSING THE GRATITUDE OF THE UNITED STATES SENATE FOR THE SERVICE OF SUZANNE D. PEARSON TO THE OFFICE OF LEGISLATIVE COUNSEL

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to the consideration of S. Res. 257, submitted earlier today by Senator BYRD.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 257) expressing the gratitude of the United States Senate for the service of Suzanne D. Pearson to the Office of Legislative Counsel.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, I rise to commend Ms. Suzanne Pearson who retired on December 31, 2001, after serving for almost 32 years in the Senate Office of the Legislative Counsel, including the last 10 years as Office Manager.

Mr. President, as President pro tempore of the Senate, it was my pleasure to oversee the Office of the Legislative Counsel when Suzanne Pearson was appointed to her position as Office Manager and also at the time of her retirement. I appreciated the great professionalism and dedication she displaced in her role as Office Manager, particularly the meticulous attention she paid to detail in preparing the expense vouchers of the Office for my approval.

We all rely on staff to effectively carry out our legislative responsibilities. Ms. Pearson has seen to it that the Office of Legislative Counsel and all Members of the Senate were well served due to her professionalism and dedication in helping to prepare legislative drafts.

Mr. President, I am proud to sponsor this resolution. Suzanne Pearson has served her Nation well for over 33 years. I wish Suzanne the very best for the future, especially time spent with her sisters, Catherine and Adrienne, and her nephews.

Mr. THURMOND. Madam President, I am proud to have co-sponsor with Senator BYRD a resolution commending Ms. Suzanne Pearson, who retired from the Senate on December 31, 2001. While serving as President pro tempore of the Senate, I had the pleasure of overseeing the work of the Office of the Legislative Counsel and, in particular, of working with Suzanne in her position as Office Manager.

I wish to join with Senator BYRD, and with all Senators, in expressing our deepest gratitude to Suzanne Pearson for her long years of service to the U.S. Senate. She has been part of the Office of the Legislative Counsel for almost 32 years, including the last 10 years as Office Manager; during that time she has provided valuable assistance to me and to my staff.

I and my staff appreciated the great dedication and professionalism she displayed in her work for the Senate. I know that her departure will leave a void that is difficult to fill. In adopting this resolution, the Senate recognizes her years of commitment to the Senate.

Madam President, I wish Suzanne Pearson well in her retirement.

Mr. REID. I ask unanimous consent the resolution and preamble be agreed to, en bloc, and the motions to reconsider be laid on the table, with no intervening action or debate.

The resolution (S. Res. 257) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 257

Whereas Suzanne Pearson became an employee of the Senate on February 10, 1970, and since that date has ably and faithfully upheld the high standards and traditions of the Office of the Legislative Counsel of the United States Senate for almost 32 years;

Whereas Suzanne Pearson from January 1, 1991, to December 31, 2001, served as the Office Manager of the Office of the Legislative Counsel and demonstrated great dedication, professionalism, and integrity in faithfully discharging the duties and responsibilities of her position;

Whereas Suzanne Pearson retired on December 31, 2001, after more than 33 years of Government service; and

Whereas Suzanne Pearson has met the needs of the Senate with unfailing professionalism, skill, dedication, and good humor during her entire career: Now, therefore, be it

Resolved, That the United States Senate commends Suzanne D. Pearson for her almost 32 years of faithful and exemplary service to the United States Senate and the Nation, and expresses its deep appreciation and gratitude for her long, faithful, and outstanding service.

SEC. 2 The Secretary of the Senate shall transmit a copy of this resolution to Suzanne D. Pearson.

MEASURE HELD AT THE DESK—S. CON. RES. 103

Mr. REID. Mr. President, I ask unanimous consent that S. Con. Res. 103 be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, MAY 1, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today it adjourn until the hour of 9:30 a.m., Wednesday, May 1. Following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the motion to proceed to H.R. 3009 and vote on that motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask consent that it be in order to ask for the yeas and nays on that motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:12 p.m., adjourned until Wednesday, May 1, 2002, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 30, 2002:

THE JUDICIARY

MICHAEL M. BAYLSON, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

CYNTHIA M. RUFE, OF PENNSYLVANIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIGADIER GENERAL THOMAS P. MAGUIRE, JR.

To be brigadier general

COLONEL LARITA A. ARAGON
COLONEL ROBERT B. BAILEY
COLONEL TOD M. BUNTING
COLONEL LAWRENCE J. CERFOGLIO
COLONEL EUGENE R. CHOJNACKI
COLONEL THORNE A. DAVIS
COLONEL ALLEN R. DEHNERT
COLONEL DANA B. DEMAND
COLONEL R. ANTHONY HAYNES
COLONEL STANLEY J. JAWORSKI, JR.
COLONEL RILEY P. PORTER
COLONEL RICHARD L. RAYBURN
COLONEL TIMOTHY R. RUSH
COLONEL RONALD L. SHULTZ
COLONEL JOHN M. WHITE

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. GARY H. HUGHEY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES E. CARTWRIGHT

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) CHARLES H. JOHNSTON, JR.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. RICHARD W. MAYO

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be admiral

VICE ADM. WALTER F. DORAN

AIR FORCE NOMINATIONS BEGINNING LORAINE H. ANDERSON AND ENDING MICHAEL E. YOUNG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 6, 2002.

AIR FORCE NOMINATION OF MARILYN D. BARTON.

AIR FORCE NOMINATION OF LARRY O.* GODDARD.

AIR FORCE NOMINATIONS BEGINNING SAMUEL E AIKELE AND ENDING BRYAN M WHITE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 9, 2002.

AIR FORCE NOMINATION OF MICHAEL B. TIERNEY.

AIR FORCE NOMINATION OF DONALD R. COPSEY.

ARMY NOMINATIONS BEGINNING CATHERINE E ABBOTT AND ENDING JEFFREY N WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 6, 2002.

ARMY NOMINATIONS BEGINNING ELI T ALFORD AND ENDING EUGENE C WARDYNSKI, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 6, 2002.

ARMY NOMINATIONS BEGINNING BRADLEY G ANDERSON AND ENDING DONALD A

ZIMMER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 6, 2002.

ARMY NOMINATIONS BEGINNING MARK H ABERNATHY AND ENDING X0314, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON FEBRUARY 6, 2002.

ARMY NOMINATION OF MARY B. BEDELL.

ARMY NOMINATION OF RODNEY E. HUDSON.

ARMY NOMINATION OF JAMES R. UHL.

ARMY NOMINATIONS BEGINNING ROBERT G. ANISKO AND ENDING CRAIG A. WEBBER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 21, 2002.

ARMY NOMINATION OF WILLIAM K.C. PARKS.

ARMY NOMINATIONS BEGINNING MICHAEL J. BENNETT AND ENDING ROBERT S HOUGH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 9, 2002.

ARMY NOMINATIONS BEGINNING FRANK E. BATTS AND ENDING EVELYN M. WILSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 9, 2002.

ARMY NOMINATIONS BEGINNING MICHAEL D. ARMOUR AND ENDING DAVID J. WHEELER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 16, 2002.

ARMY NOMINATIONS BEGINNING BRYAN T. MUCH AND ENDING LIONEL D. ROBINSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 16, 2002.

ARMY NOMINATIONS BEGINNING CARL V. HOPPER AND ENDING TIMOTHY A. REISCH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 16, 2002.

ARMY NOMINATION OF JOHN R. CARLISLE.

ARMY NOMINATION OF BRYAN C. SLEIGH.

MARINE CORPS NOMINATION OF JASON K. FETTIG.

MARINE CORPS NOMINATIONS BEGINNING BAMIDELE J ABOGUNRIN AND ENDING JAY K ZOLLMANN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 9, 2002.

MARINE CORPS NOMINATIONS BEGINNING LESTER H. EVANS, JR. AND ENDING TIMOTHY M. HATHAWAY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 16, 2002.

MARINE CORPS NOMINATION OF THOMAS P. BARZDITIS.

MARINE CORPS NOMINATION OF DONALD C. SCOTT.

MARINE CORPS NOMINATION OF JOHN J. FAHEY.

NAVY NOMINATION OF LAWRENCE J. HOLLOWAY.

NAVY NOMINATIONS BEGINNING ERIC DAVIS AND ENDING FRANK D. ROSSI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 20, 2002.

NAVY NOMINATION OF JAMES E. TOCZKO.

NAVY NOMINATION OF BRUCE R. CHRISTEN.

NAVY NOMINATION OF COLE J. KUPEC.

NAVY NOMINATION OF JAMES E. LAMAR.

NAVY NOMINATIONS BEGINNING ROBERT E BEBERMEYER AND ENDING BENJAMIN A SHUPP, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 9, 2002.

HOUSE OF REPRESENTATIVES—*Tuesday, April 30, 2002*

The House met at 12:30 p.m.

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority leader, the minority leader, or the minority whip limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Illinois (Mr. WELLER) for 5 minutes.

PROVIDING PERMANENT TAX CUTS

Mr. WELLER. Mr. Speaker, I come to the floor today to draw attention to an issue that so many in this House have worked on over the last several years and that is an issue of fairness.

Over the last several years we have asked a basic question. Is it right, is it fair, that under our tax code a married working couple, where both the husband and wife are in the workforce, pay higher taxes than if they chose not to get married? That is an issue I was so pleased and when this House under the gentleman from Illinois' (Mr. HASTERT) leadership and with the leadership of the gentleman from California (Mr. THOMAS) of the Ways and Means Committee, that we succeeded as part of what is now known as the Bush tax cut, succeeded in passing legislation which eliminated the marriage tax penalty for almost 43 million married working couples who on average paid $1,700 more in higher taxes.

Let me give my colleagues an example of a married couple from Joliet, Illinois. This is Jose and Magdalena Castillo. They are laborers in Joliet, Illinois. They have a combined income of about $85,000. Their marriage tax penalty prior to the Bush tax cut was about $1,125 that Jose and Magdalena paid in higher taxes just because they are married. I also want to introduce their children, Eduardo and Carolina Castillo, and their benefit of the Bush tax cut from the doubling of the $500 per child tax credit as well. Of course, that was $500. We raised that to $1,000.

Here is the issue. Unfortunately, there are some arcane rules over in the other body which may require that the Bush tax cut sunset in the year 2011. What that means is in a few years, elimination of the marriage tax penalty and the $1,000 per child tax credit that the Castillo family benefits from will be eliminated, which means that their taxes will go up. Taxes go up $1,000 per child, as well as at least $1,125 a year when the marriage tax penalty elimination expires.

We had a very, very important vote, an important vote that was important for families like Jose and Magdalena Castillo on this House floor 2 weeks ago, and that vote was on making the Bush tax cut permanent. What that vote was all about was whether or not to impose a tax increase on over 100 million American taxpayers who benefit from the Bush tax cut, because if we fail to make the Bush tax cut permanent, which lowered rates for all taxpayers, which provided opportunities to set aside more in an IRA and a 401(k) and an education savings account, eliminated the marriage tax penalty for 43 million company couples like Jose and Magdalena Castillo, and also wiped out the death tax so we can keep the family farm and the family business in the family and in business when the founder passes on.

Unfortunately, as I said earlier, it is going to expire, and unfortunately, our friends on the other side of the aisle overwhelmingly on the Democratic side voted to increase taxes by opposing efforts to make permanent the Bush tax cut. That is why I think it is very, very important that we put a human face on those who would suffer and be hurt by Democratic efforts to raise taxes once again, by either suspending, eliminating or preventing the permanency of what we now call as the Bush tax cut.

As I said earlier, there are 43 million couples like Jose and Magdalena Castillo who benefit from the marriage tax penalty relief in the Bush tax cut, and in this case, Jose and Magdalena also benefit from $1,000 per child tax credit which helps families with children. They would also lose that if we fail to make the Bush tax cut permanent.

It is often said, and those who argue against cutting taxes always say, that if someone pays taxes they are rich. We know that over 100 million Americans benefit from the Bush tax cut. Some of those who really truly benefited are 3.9 million Americans who no longer pay Federal income taxes because of the Bush tax cut that we moved through this House of Representatives, thanks to the leadership of the gentleman from Illinois (Mr. HASTERT), and if the Democrats succeed in rescinding or repealing or preventing the permanency of the Bush tax cut, 3.9 million Americans, including 3 million Americans with children, will once again be placed back on the tax rolls. Voting against permanency of the Bush tax cut is a tax increase.

Let me go back to the issue which I first raised at the beginning of my remarks, and that is the whole issue of fairness. The tax code is complicated, and prior to the Bush tax cut, the complications of our Federal income tax forced 43 million Americans like Jose and Magdalena Castillo to pay higher taxes just because they are married.

What caused that is Jose and Magdalena are each in the workforce, they each work as laborers, and when someone gets married, they file their taxes jointly which pushes them into a higher tax bracket. We fixed that in the Bush tax cut. Let us make marriage tax elimination permanent.

My hope is before the end of this year that our friends in the other body as well as our friends on the other side of the aisle will work with us to help couples like Jose and Magdalena Castillo.

PROVIDING A PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore (Mr. BOOZMAN). Pursuant to the order of the House of January 23, 2002, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, I came to the floor today to talk about prescription drugs, how little this Congress is doing to provide a prescription drug benefit and how this body is doing even less to control the cost of prescription drugs, but I feel compelled to comment on the previous speaker's comments.

It is always nice to put a nice-looking family's picture in front of TV viewers and in front of this Congress and this Chamber and in front of the gallery to show how we care about people in this country, but the picture that he should have put in front of the voters, in front of the viewer, in front of this body is a picture of Ken Lay of Enron which got literally hundreds of millions of dollars in tax breaks as a result of the Bush administration's fervor for cutting taxes overwhelmingly for the rich and his fervor for protecting every corporate interest in the country and his fervor for giving tax giveaways, tax breaks to all of the biggest corporations in the country.

Six months ago this Congress gave $5 billion to the airlines in tax breaks, and in this case, in airlines, simply subsidies and in terms of just dollars from the Federal Treasury, but did nothing for laid-off workers. Similarly, the Bush tax program that my friend from Illinois just mentioned as he put the picture of a nice working-class family, that tax benefit goes overwhelmingly to the richest people in this country.

Last year 100 million people, he said, in America benefited from the tax cut. That may be true. People got a check for $300, but 43 percent of all the tax benefits from the Bush tax cut goes to the 1 percent richest people in this country. Eighty percent of the benefits go to the 10 percent wealthiest people in this country.

What does that say? It says that Congress last year and last week, as it did it again, made a choice. They made a choice. Do we give tax cuts to Ken Lay and Enron and United Airlines and the biggest corporations and the richest individuals in this country, or do we provide a prescription drug benefit to 15 million senior citizens who have no drug coverage? We made a choice. The Republicans in this body last week and last year made a choice. Do we cut taxes on the richest people in the country, on the largest corporations in the country and a few dollars from the rest of us, or do we pass legislation that provides money for education?

On issue after issue after issue, this Congress made the choice. It sides with corporate interests, on the chemical company on arsenic legislation. It sides with the insurance companies on privatizing Medicare. It sides with Wall Street in privatizing Social Security. It sides with the oil industry in writing environmental policy. It sides with Enron when writing energy policy. That is a choice. The choice is do we do what is right for the great majority of Americans or do we take the side of the wealthiest or the biggest corporations and the wealthiest individuals?

That picture, notwithstanding that my friend from Illinois put up, the fact is that that family may have gotten a little bit of money back in tax cuts, but that family will not be eligible for a prescription drug benefit because Congress, as they get older, because Congress will not do anything about prescription drugs because the money is not there. I repeat, Congress made the choice last week and made the choice last year, do my colleagues want a prescription drug benefit for the elderly or do they want to give tax cuts to the richest people in the country and the largest corporations in the country? Do they want to fully fund the education programs in this country that Congress says it wants to fund or do they want to give those tax breaks again to the wealthiest people? Do they fund our Medicare system which cuts payments for home healthcare, which cuts doctors' fees too much, which cuts hospitals, especially city hospitals in intercity and rural hospitals, or do they want to fund them properly or do they want to give away tax breaks to the richest citizens?

That is the choice we make here every day. That is the difference between Republicans and Democrats. Do we move forward and provide prescription drug benefits, provide for education, provide for Head Start, provide for food safety inspections, provide for strong environmental laws, or do we do the bidding of corporate America on issue after issue after issue? Give them the big tax breaks, weaken environmental laws, weaken food safety laws, weaken laws that protect the American public?

That is the choice we make. That is the choice that Congress made that was wrong in the last year and that the President and the administration has made. That is wrong. That is why we need to correct it.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 44 minutes p.m.), the House stood in recess until 2 p.m. today.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. CULBERSON) at 2 p.m.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Preserved in Your grace, O Lord, at times we may seem at a standstill. But momentary inactivity may mean a fermenting of resolve.

Lord, grant to the Members of the House of Representatives a patience to listen to deepest convictions buried within the heart and their delegation. Inspire a practical wisdom that is wrapped in the art of timing.

Help all of Your people of this great Nation grow in perseverance. Deliver them from headline success, pollster popularity, and personal insecurity. Strengthened by faith in You, may quiet and stronger commitments prevail and produce enlightened options born of creative repression. Let yesterday's setbacks and compromise only store up energy for tomorrow's leap forward.

By taking one step at a time, may every American persevere in pursuing higher goals than those found in immediate satisfaction. May we prove faithful in seeking Your plan for us before reaction to every circumstance, now and forever. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from North Carolina (Mr. COBLE) come forward and lead the House in the Pledge of Allegiance.

Mr. COBLE led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

TRIBUTE TO THADDEUS STEVENS

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, on this day 136 years ago, one of the predecessors from my congressional district, a man named Thaddeus Stevens, stood in this Chamber and introduced the 14th amendment to the Constitution. The Civil War was over, but African Americans still were not guaranteed the rights of citizens. The 13th amendment had banned slavery, but many States were still refusing basic rights to black people.

In 1868, Thaddeus Stevens of Lancaster, Pennsylvania introduced the 14th amendment to fix that. His amendment guaranteed that all persons born in the United States were citizens, not just of this country, but also of the State where they lived. Thaddeus Stevens fought hard for the 14th amendment.

However, the 14th amendment was not enough for him. He wanted full equality among the races, but that was too much for his contemporaries. Disappointed, Stevens said that he would "Take all I can get in the cause of humanity and leave it to be perfected by better men in better times."

Stevens died soon afterwards and was buried in the only cemetery in Lancaster that did not discriminate. His tombstone reads this way: "I repose in this quiet and secluded spot, that I might illustrate in my death the principes which I advocated through a long life: equality of man before his Creator."

Mr. Speaker, Thaddeus Stevens was a great man indeed.

THE GIRL SCOUTS ARE A FIRST CLASS ORGANIZATION

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, when the Girl Scouts came to call on me for their annual visit to give me Girl Scout cookies, I said to them, I never hear from you all except at cookie time. They said, well, why not talk about us from time to time. So today I am going to talk about the Girl Scouts, Mr. Speaker.

Mr. Speaker, the Girl Scouts of the USA is the world's preeminent organization dedicated solely to girls, all girls where, in an accepting and nurturing environment, they build character and skills for success in the real world. In partnership with committed adult volunteers, girls develop qualities that will serve them all of their lives, like leadership, strong values, social conscience and conviction about their own potential and self-worth. Today, there are 3.7 million Girl Scouts, 2.7 million girl members, and 915 adult members.

Mr. Speaker, I encourage my colleagues to continue to purchase and consume Girl Scout cookies, but let us promote them year-round. The Girl Scouts are, indeed, a first-class organization.

TAINTED WATER SUPPLY AT YUCCA MOUNTAIN

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, on such a beautiful sunny day here in the Nation's Capitol, do we not think it might be refreshing to once in a while have a drink from a glass of cool refreshing water? Would we trust that water if it was from a well in southern Nevada 20 years from now?

Well, Mr. Speaker, are my colleagues aware that Yucca Mountain, Nevada, the space designated for the world's high-level nuclear waste dump, sits on a water reservoir? And are my colleagues aware that the Department of Energy has admitted that the rate of water infiltration into Yucca Mountain is 100 times higher than that which the Federal Government originally intended for the site? And did my colleagues know that even the smallest earthquake at Yucca Mountain could jar the repository, could break the casks that hold this high-level nuclear waste? If my colleagues knew that this glass of water may contain radioactive nuclides from spent fuel, they would not drink it.

Well, Mr. Speaker, Nevadans will not either. Storing spent fuel at Yucca Mountain, Nevada is a dangerous endeavor and needs to be stopped, for Nevada and for every American.

NATO EXPANSION SHOULD INCLUDE ROMANIA

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, I rise to express my strong support for Romania's membership into NATO. I was warmly welcomed to Cluj-Napoca, the sister city of Columbia, South Carolina, and I have seen firsthand as the roots of democracy flourish in Romania.

A recent article in The Washington Post cited the successful reform efforts of Romania, as well as the cooperation that Romania has offered to America to fight the war on terrorism. Romania has unconditionally opened its airspace to its allies with 20 NATO military flights daily. Its brave young men and women serve as peacekeepers in Kabul, and the Romanian government has offered a specialized mountain unit for service in the rugged terrain in Afghanistan.

I commend the efforts of Ambassador Sorin Ducaru, Foreign Minister Mircea Geoana, and Deputy Chief of Mission Stelian Stoian for their continuing important reforms and for joining the war on terrorism. Romania is proving itself as a trustworthy ally and should be granted membership to NATO with its neighbor, Bulgaria.

TANF REAUTHORIZATION

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, as we approach the reauthorization of TANF, let us be mindful of the fact that 75 percent of all new jobs are created in suburban communities, outside large inner cities. If we are to be successful with moving people from welfare to work, then we must make sure that there is adequate money, resources for transportation, so that the people can get from where there are virtually no jobs to where the jobs are.

Mr. Speaker, let us make sure that transportation is a part of TANF reauthorization so that people can get from welfare to where the jobs are.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate has concluded on motions to suspend the rules, but not before 6:30 p.m. today.

NOTIFICATION AND FEDERAL EMPLOYEE ANTIDISCRIMINATION AND RETALIATION ACT OF 2001

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 169) to require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws; to require that each Federal agency post quarterly on its public Web site, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency; and for other purposes.

The Clerk read as follows:

Senate Amendments:

Page 2, line 6, strike out "2001" and insert "2002".

Page 2, in the table of contents, strike out

"TITLE I—GENERAL PROVISIONS"

"Sec. 101. Findings."
"Sec. 102 Definitions."
"Sec. 103 Effective date."

and insert

TITLE I—GENERAL PROVISIONS

Sec. 101. Findings.
Sec. 102. Sense of Congress.
Sec. 103. Definitions.
Sec. 104. Effective date.

Page 2, in the table of contents, strike out

"Sec. 206 Study by the General Accounting Office regarding exhaustion of administrative remedies."

and insert

"Sec. 206. Studies by General Accounting Office on exhaustion of remedies and certain Department of Justice costs."

Page 2, strike out all after line 9 over to and including line 13 on page 4 and insert:

SEC. 101. FINDINGS.

Congress finds that—

(1) Federal agencies cannot be run effectively if those agencies practice or tolerate discrimination;

(2) Congress has heard testimony from individuals, including representatives of the National Association for the Advancement of Colored People and the American Federation of Government Employees, that point to chronic problems of discrimination and retaliation against Federal employees;

(3) in August 2000, a jury found that the Environmental Protection Agency had discriminated against a senior social scientist, and awarded that scientist $600,000;

(4) in October 2000, an Occupational Safety and Health Administration investigation found that the Environmental Protection Agency had retaliated against a senior scientist for disagreeing with that agency on a matter of science and for helping Congress to carry out its oversight responsibilities;

(5) there have been several recent class action suits based on discrimination brought against Federal agencies, including the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco, and Firearms, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Service, the Department of Agriculture, the United States Information Agency, and the Social Security Administration;

(6) notifying Federal employees of their rights under discrimination and whistleblower laws should increase Federal agency compliance with the law;

(7) requiring annual reports to Congress on the number and severity of discrimination and whistleblower cases brought against each Federal agency should enable Congress to improve its oversight over compliance by agencies with the law; and

(8) requiring Federal agencies to pay for any discrimination or whistleblower judgment, award, or settlement should improve agency accountability with respect to discrimination and whistleblower laws.

SEC. 102. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) Federal agencies should not retaliate for court judgments or settlements relating to discrimination and whistleblower laws by targeting the claimant or other employees with reductions in compensation, benefits, or workforce to pay for such judgments or settlements;

(2) the mission of the Federal agency and the employment security of employees who are blameless in a whistleblower incident should not be compromised;

(3) Federal agencies should not use a reduction in force or furloughs as means of funding a reimbursement under this Act;

(4)(A) accountability in the enforcement of employee rights is not furthered by terminating—

(i) the employment of other employees; or

(ii) the benefits to which those employees are entitled through statute or contract; and

(B) this Act is not intended to authorize those actions;

(5)(A) nor is accountability furthered if Federal agencies react to the increased accountability under this Act by taking unfounded disciplinary actions against managers or by violating the procedural rights of managers who have been accused of discrimination; and

(B) Federal agencies should ensure that managers have adequate training in the management of a diverse workforce and in dispute resolution and other essential communication skills; and

(6)(A) Federal agencies are expected to reimburse the General Fund of the Treasury within a reasonable time under this Act; and

(B) a Federal agency, particularly if the amount of reimbursement under this Act is large relative to annual appropriations for that agency, may need to extend reimbursement over several years in order to avoid—

(i) reductions in force;

(ii) furloughs;

(iii) other reductions in compensation or benefits for the workforce of the agency; or

(iv) an adverse effect on the mission of the agency.

Page 4, line 14, strike out “102.” and insert “103”.

Page 4, line 18, strike out “agency,” and insert “agency”;

Page 4, line 21, strike out “303,” and insert “303”;

Page 4, line 25, strike out “Commission,” and insert “Commission”;

Page 5, line 2, strike out “agency,” and insert “agency”;

Page 5, line 5, strike out “agency,” and insert “agency”;

Page 5, line 9, strike out “103.” and insert “104”.

Page 6, line 3, strike out “(c),” and insert “(c)”;

Page 6, line 19, strike out “of the” and insert “,”

Page 7, line 2, strike out “of the” and insert “,”

Page 7, strike out lines 3 and 4

Page 7, line 14, strike out “law,” and insert “law”;

Page 7, line 15, strike out “if to the extent that” and insert “if, or to the extent that”,

Page 8, line 8, after “ate,” insert “the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, each committee of Congress with jurisdiction relating to the agency,”

Page 8, line 14, strike out “alleged,” and insert “alleged”;

Page 8, line 16, strike out “(1),” and insert “(1)”;

Page 8, line 21, strike out “any,” and insert “any”;

Page 8, line 25, strike out “(1),” and insert “(1)”;

Page 9 , line 3, strike out “, and” and insert “;”

Page 9, strike out lines 4 through 14 and insert

(6) a detailed description of—

(A) the policy implemented by that agency relating to appropriate disciplinary actions against a Federal employee who—

(i) discriminated against any individual in violation of any of the laws cited under section 201(a) (1) or (2); or

(ii) committed another prohibited personnel practice that was revealed in the investigation of a complaint alleging a violation of any of the laws cited under section 201(a) (1) or (2); and

(B) with respect to each of such laws, the number of employees who are disciplined in accordance with such policy and the specific nature of the disciplinary action taken;

(7) an analysis of the information described under paragraphs (1) through (6) (in conjunction with data provided to the Equal Employment Opportunity Commission in compliance with part 1614 of title 29 of the Code of Federal Regulations) including—

(A) an examination of trends;

(B) causal analysis;

(C) practical knowledge gained through experience; and

(D) any actions planned or taken to improve complaint or civil rights programs of the agency; and

(8) any adjustment (to the extent the adjustment can be ascertained in the budget of the agency) to comply with the requirements under section 201.

Page 9, strike out lines 18 and 19 and insert “years (or, if data are not available for all 5 fiscal years, for each of those 5 fiscal years for which data are available)”.

Page 9, line 23, strike out “title,” and insert “title”;

Page 9, strike out all after line 23 over to and including line 6 on page 10 and insert

(2) rules to require that a comprehensive study be conducted in the executive branch to determine the best practices relating to the appropriate disciplinary actions against Federal employees who commit the actions described under clauses (i) and (ii) of section 203(a)(6)(A); and

Page 10, line 20, strike out “guidelines,” and insert “guidelines”;

Page 10, lines 22 and 23, strike out “guidelines,” and insert “guidelines”;

Page 11, strike out all after line 9 over to and including line 16 on page 12 and insert

SEC. 206. STUDIES BY GENERAL ACCOUNTING OFFICE ON EXHAUSTION OF ADMINISTRATIVE REMEDIES AND ON ASCERTAINMENT OF CERTAIN DEPARTMENT OF JUSTICE COSTS.

(a) STUDY ON EXHAUSTION OF ADMINISTRATIVE REMEDIES.—

(1) STUDY.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the General Accounting Office shall conduct a study relating to the effects of eliminating the requirement that Federal employees aggrieved by violations of any of the laws specified under section 201(c) exhaust administrative remedies before filing complaints with the Equal Employment Opportunity Commission.

(B) CONTENTS.—The study shall include a detailed summary of matters investigated, information collected, and conclusions formulated that lead to determinations of how the elimination of such requirement will—

(i) expedite handling of allegations of such violations within Federal agencies and will streamline the complaint-filing process;

(ii) affect the workload of the Commission;

(iii) affect established alternative dispute resolution procedures in such agencies; and

(iv) affect any other matters determined by the General Accounting Office to be appropriate for consideration.

(2) REPORT.—Not later than 90 days after completion of the study required by paragraph (1), the General Accounting Office shall submit to the Speaker of the House of Representatives, the President pro tempore of the Senate, the Equal Employment Opportunity Commission, and the Attorney General a report containing the information required to be included in such study.

(b) STUDY ON ASCERTAINMENT OF CERTAIN COSTS OF THE DEPARTMENT OF JUSTICE IN DEFENDING DISCRIMINATION AND WHISTLEBLOWER CASES.—

(1) STUDY.—Not later than 180 days after the date of enactment of this Act, the General Accounting Office shall conduct a study of the methods that could be used for, and the extent of any administrative burden that would be imposed on, the Department of Justice to ascertain the personnel and administrative costs incurred in defending in each case arising from a proceeding identified under section 201(a) (1) and (2).

(2) REPORT.—Not later than 90 days after completion of the study required by paragraph (1), the General Accounting Office shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate a report containing the information required to be included in the study.

Page 12, after line 16, insert

(c) STUDIES ON STATUTORY EFFECTS ON AGENCY OPERATIONS.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the General Accounting Office shall conduct—

(A) a study on the effects of section 201 on the operations of Federal agencies; and

(B) a study on the effects of section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) on the operations of Federal agencies.

(2) CONTENTS.—Each study under paragraph (1) shall include, with respect to the applicable statutes of the study—

(A) a summary of the number of cases in which a payment was made in accordance with section 2414, 2517, 2672, or 2677 of title 28, United States Code, and under section 1304 of title 31, United States Code;

(B) a summary of the length of time Federal agencies used to complete reimbursements of payments described under subparagraph (A); and

(C) conclusions that assist in making determinations on how the reimbursements of payments described under subparagraph (A) will affect—

(i) the operations of Federal agencies;

(ii) funds appropriated on an annual basis;

(iii) employee relations and other human capital matters;

(iv) settlements; and

(v) any other matter determined by the General Accounting Office to be appropriate for consideration.

(3) REPORTS.—Not later than 90 days after the completion of each study under paragraph (1), the General Accounting Office shall submit a report on each study, respectively, to the Speaker of the House of Representatives, the President pro tempore of the Senate, the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Attorney General.

Page 12, after line 16, insert

(d) STUDY ON ADMINISTRATIVE AND PERSONNEL COSTS INCURRED BY THE DEPARTMENT OF THE TREASURY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the General Accounting Office shall conduct a study on the extent of any administrative and personnel costs incurred by the Department of the Treasury to account for payments made in accordance with section 2414, 2517, 2672, or 2677 of title 28, United States Code, and under section 1304 of title 31, United States Code, as a result of—

(A) this Act; and

(B) the Contracts Dispute Act of 1978 (41 U.S.C. 601 note; Public Law 95–563).

(2) REPORT.—Not later than 90 days after the completion of the study under paragraph (1), the General Accounting Office shall submit a report on the study to the Speaker of the House of Representatives, the President pro tempore of the Senate, the Committee on Governmental Affairs of the Senate, the Committee on Government Reform of the House of Representatives, and the Attorney General.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 169 now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Federal Government must be the role model for civil rights, not for civil rights violations. For far too long there has been little accountability which Federal agencies discriminate and retaliate against their employees. I am happy to say that this is about to change with the enactment of the No FEAR bill, a bill that I introduced, together with the gentlewoman from Texas (Ms. JACKSON-LEE), and the gentlewoman from Maryland (Mrs. MORELLA), after a year-long investigation.

That investigation, as well as several General Accounting Office investigations, indicated a serious problem in the Federal Government. The congressional investigation found evidence that a Federal agency was allowing discrimination and retaliation against its employees. This evidence was supported by the GAO reports that investigated discrimination in the Federal workforce during the 1990s and found that complaints of discrimination by Federal agencies grew tremendously.

In fact, by 1999, the number of such complaints to the EEOC increased by almost 130 percent over the number of complaints in 1991. The GAO reported that complaints alleging retaliation against employees who had participated in the complaint process also increased.

The problem in the Federal workforce is threefold. First, because of inadequate notification requirements, many employees are not aware of their rights and many managers are not aware of their responsibilities. Second, Federal agencies and Congress cannot assess the extent of the problem due to inadequate reporting. Third, Federal agencies are not accountable for the misdeeds of their employees, because they simply tap the general Treasury to pay for court judgments and settlements in discrimination cases.

The No FEAR Act targets these 3 problems. The bill will require agencies to pay for all court settlements and judgments for discrimination and retaliation cases, instead of allowing the agency to use a government-wide slush fund. This will make agencies more accountable.

The bill has a notification requirement aimed at improving workforce relations by increasing managers' and employees' knowledge of their respective rights and responsibilities.

The Act also has reporting requirements that will help determine if a pattern of misconduct exists within an agency and whether that agency is taking appropriate action to address the problem. The GAO testified on May 9 that such tracking of complaints, cases, and costs are not occurring, but that it is critical to understanding whether a problem exists.

As the National Taxpayers Union stated in urging Congress to enact the legislation, "The No FEAR Act promotes the virtues of fiscal responsibility and accountability in government." And, as Jack White of Time Magazine stated, the No FEAR bill is the "first new civil rights law of the 21st century."

The No FEAR Act passed the House back in October of 2001 with a 420 to zero vote. The Senate, after 6 months, finally passed the bill and sent it back here with a few minor changes to the reporting requirements and 2 new GAO studies.

In closing, Mr. Speaker, this bill never would have happened without the hard work of Dr. Marsha Coleman-Adebayo, the Federal whistleblower who brought this issue to the forefront; Mr. Leroy Warren of the NAACP, and Steven Kohn of the National Whistle Blowers Center.

Mr. Speaker, the Federal Government should be a model of the best practices for a fair and open work environment. That was not the case in the 1990s, but must be the case in the 21st century. I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, though this might seem to be a little bit flowery, there are often times when we bring legislation to the floor of the House that has worked its will, and it makes a difference and it changes lives, and we are glad that it passed.

□ 1415

But sometimes we can call legislation a labor of love, and I would like to think that the work that the chairman of the Committee on the Judiciary has done symbolizes that.

I would like to personally thank the gentleman from Wisconsin (Chairman SENSENBRENNER) for having the stick-to-it-iveness to collaborate with me and to be responsive to issues that came to our attention when we were members of the Committee on Science. The gentleman from Wisconsin was chairman, and I was a member of that committee. I remain a member of that committee and the Committee on the Judiciary, and we remain colleagues working together. This legislation represents a challenge to all of us.

Finally, the story has a positive ending. It represents changing lives. Mr. Speaker, I might say, some lives were lost. This is an important initiative on the floor of the House today. Because of its importance, I took all necessary means from Texas to get here on time, and I am glad I just made it.

But let me speak to the No FEAR Act regarding the legislation that is now before us that has come to us from the United States Senate. This is a major step in our fight to end the insidious practice of discrimination and retaliation in our Nation's Federal workforce.

Mr. Speaker, in the fiscal year 2000, Federal employees filed nearly 25,000 complaints against Federal agencies through the EEOC process. These complaints resulted in over $26 million in discrimination complaint settlements and judgments, with an average process time of 384 days per complaint in 1998, while a case traveling through the entire complaint process, from filing through appeal, could take up to 38 months.

Some would say that is a waste of money. Some would say that this legislation will, in fact, save the government money by creating an atmosphere of tolerance and nondiscrimination, as the chairman said, in the 21st century. These numbers and process times indicate that discrimination is pervasive now in our Federal workplace, and we must change it.

Under the Civil Rights Act of 1964, it is illegal to discriminate against Federal employees on the basis of race, color, sex, religion, national origin, age, or disability. These laws have taken us a long way towards ensuring equality, job security, and the rule of law in the Federal workplace by protecting Federal employees from retaliation when filing complaints against either the agency or other employees of the Federal Government who act in supervisory roles.

Currently, Federal whistleblowers may file reprisal complaints with the Office of Special Counsel, the Merit System Protection Board, the Department of Labor, the Occupation and Safety Health Administration, OSHA. Federal whistleblowers are protected under several Federal laws, the primary one being the Whistleblower Protection Act of 1989.

But the number of actions and extensive process times indicate that this legislation is greatly needed. The No FEAR Act is instructive and important. Since its introduction in the 106th Congress as H.R. 5516, the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2000, No FEAR, has stood for the principle that Federal employees should have no fear reporting discriminatory behavior by their Federal agency employers.

Like its predecessor, the legislation before us today, H.R. 169, demands that agencies be held accountable for their misdeeds, but H.R. 169 expands accountability through the entire Federal Government.

The American Federation of Government Employees have No FEAR because we are here to work with them. We know of the conscientious and well-meaning and hardworking Federal employees, and we affirm them today. The only thing this legislation attempts to do is to work with them to ensure that we have a Federal workplace that all of us can be proud of.

Let me put a face on this problem, Mr. Speaker. On October 2, 2000, the House Committee on Science held a hearing entitled "Intolerance at EPA, Harming People, Harming Science." That is when our hero, Dr. Marsha Coleman-Adebayo, an EPA whistleblower, won a $600,000 jury decision against EPA for race and sex discrimination under Title VII of the Civil Rights Act of 1964.

During that hearing, then chairman of the Committee on Science, the gentleman from Wisconsin (Mr. SENSENBRENNER) illuminated the dangerous precedent set by the EPA, stating "While EPA has a clear policy on dealing with employees who discriminate, harass, or retaliate against other EPA employees, no one apparently involved in the Coleman-Adebayo or Nolan cases have yet to be disciplined by EPA."

Here is what we have: We have a situation where Dr. Coleman-Adebayo was faced with constant harassment and discrimination, and it did not change. Could Members imagine that in a subsequent report, those employees that discriminated against her were applauded and complimented for their work? Do Members realize that in the testimony, a number of those stories that were not able to be presented personally, a number of those stories resulted in illnesses that employees suffered. One employee lost his life because of the stress.

The No FEAR bill now responds to a workplace that can be safe and hospitable.

First, the bill requires accountability throughout our Federal workplace, and disturbingly, under current law, Federal agencies are not held liable when they lose judgments. The No FEAR Act recognizes that accountability is important.

The No FEAR Act, secondly, requires Federal agencies to notify employees about any applicable discrimination and whistleblower protection laws, and report to Congress. That is a big step. If they come as new or old employees, they do not know.

Third, No FEAR recognizes Congress' intent that such legislation is necessary, but should not otherwise limit the ability of Federal employees to exercise their other rights.

Finally, No FEAR requires each Federal agency to send in an annual report to Congress listing, among other things, the number of cases the agency is involved in.

Let me applaud the Senate, Mr. Speaker, and say that I am gratified at the amendments they offered, the one expressing the sense of Congress that we should not be punitive on one side to help another side. We should not use a reduction of workforce or forced furloughs in order to pay for settlements.

I am very gratified that they have an amendment that will allow the reports to go to all committees of jurisdiction, and their third amendment that will ask for a study to see how much the cost is.

Mr. Speaker, I believe this labor of love is long overdue, creating a hospitable workplace, but applauding the working people of the Federal Government, and at the same time weeding out and pushing out discrimination.

I'd like to thank Judiciary Chairman JAMES SENSENBRENNER, Ranking Member JOHN CONYERS, and all my colleagues from both sides of the aisle for supporting this important civil rights legislation. This bill before us today, a substitute to H.R. 169 (the No Fear Act), is a major step in our fight to end the insidious practice of discrimination and retaliation in our Nation's federal workplace.

My friends, in fiscal year 2000, federal employees filed nearly 25,000 complaints against federal agencies through the EEOC process. These complaints resulted in over $26 million in discrimination complaint settlements and judgements, with an average process time of 384 days per complaint in 1998, while a case traveling through the entire complaint process from filing through appeal could take up to 38 months. These numbers and process times indicate that discrimination is pervasive in our federal workplace.

Under the Civil Rights Act of 1964, it is illegal to discriminate against federal employees on the basis of race, color, sex, religion, national origin, age, or disability. These laws have taken us a long way towards ensuring equality, job security, and the rule of law in the federal workplace by protecting federal employees from retaliation for filing complaints against either the agency or other employees of the federal government who act in supervisory roles.

Currently, federal whistleblowers may file reprisal complaints with the Office of Special Counsel ("OSC"), the Merit Systems Protection Board ("MSPB"), and the Department of Labor's Occupational Safety and Health Administration ("OSHA"). Federal whistleblowers are protected under several federal laws, the primary one being the Whistleblower Protection Act of 1989. But the numbers of actions and extensive process times indicate that further legislation is greatly needed.

Since its introduction in the 106th Congress as H.R. 5516, the Notification and Federal Employee Anti-discrimination And Retaliation Act of 2000 (No FEAR Act), has stood for the principle that federal employees should have "no fear" in reporting discriminatory behavior by their federal agency employers. Like its predecessor, the legislation before us today, H.R. 169, demands that agencies be held accountable for their misdeeds, but H.R. 169 expands accountability throughout the entire Federal Government.

Let me put a face on this problem. On October 2, 2000, the House Science Committee held a hearing entitled "Intolerance at EPA—Harming People, Harming Science?" Dr. Marshal Coleman-Adebayo, an EPA whistleblower, won a $600,000 jury decision against EPA for race and sex discrimination under Title VII of the Civil Rights Act of 1964. During that hearing, then Chairman of the Science Committee Sensenbrenner illuminated the dangerous precedent set by the EPA, stating, "While EPA has a clear policy on dealing with employees that discriminate, harass and retaliate against other EPA employees, no one apparently involved in the Coleman-Adebayo or Nolan cases have yet to be disciplined by EPA."

I note with concern that an internal EPA memo dated August 2, 2001 praised the managers named in Dr. Coleman-Adebayo's case as environmental leaders without a single mention of their role in violating her civil rights. When coupled with the high profile nature of the Dr. Coleman-Adebayo's case, I believe these actions send the wrong message to EPA and federal employees.

No FEAR contains four major provisions which address this problem. First, the bill requires accountability throughout our federal workplace. Disturbingly, under current law, federal agencies are not held liable when they lose judgements, awards or compromise settlements in whistleblower and discrimination cases. This has the effect of discouraging accountability because the Federal Government pays such awards out of a government-wide judgement fund. The No FEAR Act recognizes that accountability is the cornerstone of good management policy, and as such requires that when agencies lose judgments, awards, or compromise settlements in whistleblower and discrimination cases, the responsible agency must pay for the judgment out of its own budget, rather than out of a general federal judgment fund as currently occurs.

Second, No FEAR requires Federal agencies to notify employees about any applicable discrimination and whistleblower protection laws and report to Congress and the Attorney General on the number of discrimination and whistleblower cases within each agency.

Third, No FEAR recognizes Congress' intent that such legislation is necessary but should not otherwise limit the ability of federal employees to exercise other rights available to them under federal law.

Finally, No FEAR requires each federal agency to send an annual report to Congress listing, among other things: (a) The number of cases in which an agency was alleged to have violated any of the discrimination and whistleblower statues; (b) the disposition of each of these cases; (c) the total of all monetary awards charged against the agency from these cases; and (d) the number of agency employees disciplined for discrimination or harassment.

The Senate Amendments added a new section expressing the sense of the Congress that agencies should not use a reduction in force or furloughs as a means of funding a reimbursement under the Act. This amendment also ensures that managers have adequate training in the management of a diverse workforce and in communication skills.

The Senate amendment also strengthens the bill's reporting requirements specifying that the reports must be sent to the Government Affairs Committee, the House Governmental Reform Committee and other committees of jurisdiction; requiring agencies to report on their policies relating to disciplining employees who commit prohibited personnel practices revealed in the investigation of a discrimination complaint.

Finally, The Senate amendment requires GAO to study the methods that could be used by the DOJ to determine its costs of defending each discrimination and whistleblower case, and the extent of any administrative burden that making such determination would entail.

In all, No FEAR makes our agencies more accountable by creating incentives for them to monitor themselves.

Mr. Speaker, we have come a long way towards eliminating the culture of discrimination and harassment that exists in our federal workplace. As Members of Congress, we must make every effort possible to ensure that those victims and heroes who come forward to warn us of the violations existing in the federal workplace are protected from retaliation, treated with the respect and dignity, and are afforded the due process to which they are entitled to under the law.

Our federal employees cannot and must not live in fear. This bi-partisan legislation will ensure that they do not. I urge my colleagues to support it.

Finally, I would like to express my appreciation to Dr. Marsha Coleman. Adebayo, all the employees that I met with on this issue the entire workplace task force, the NAACP, the Chicago branch of the NAACP and President of the NAACP Kweisi Mfume for their leadership, help, persistence and commitment to the passage of the No FEAR legislation.

Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Illinois (Mr. DAVIS), the distinguished ranking member of the Committee on Government Reform's Subcommittee on Civil Service and Agency Organization.

Mr. DAVIS of Illinois. Mr. Speaker, I thank the gentlewoman from Texas for yielding time to me.

Mr. Speaker, I rise in strong support of what is being commonly called the No FEAR Act. I want to commend the gentleman from Wisconsin (Chairman SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) for their hard work, diligence, and tenacity in pursuing this legislation to get it to the floor today. They both have done outstanding work, and I appreciate their efforts.

Mr. Speaker, our goal should be to always have in place the most open and responsive workplace that can be created. This means that employees must feel free, uninhibited, and able to operate without fear. They must be able to operate knowing that should they reveal information, that should they bring to the surface what they have seen, and should they report what they know, that there will be no reprisals, there will be no retaliation, and there will be nothing that anybody will ever be able to do that will cause them grief.

I think the day is great because it means that the Federal Government is exercising the kind of leadership that we ought to provide. The Federal Government should be the barometer, the leader in causing our country to function a certain way. I have always been told that you cannot lead where you do not go. So if we expect the private sector to come on line, then it is only apt that the Federal Government lead the way, lead the way in tolerance, nondiscrimination, and no retaliation against those who would exercise the right to be responsible.

So again, Mr. Speaker, I commend the gentleman from Wisconsin (Chairman SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) for their leadership on this issue, and urge strong support. I look forward to its passage.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me again thank the gentleman for this long journey that we took, and mention my thanks to the other body in the framework that I am allowed to do so in accordance with the rules of the House.

Let me conclude by simply saying that we are our brothers' and sisters' keepers. I appreciate the distinguished gentleman from Illinois because of his leadership on civil service issues. His support on this is, of course, making it a bill that responds to all of our concerns.

Mr. Speaker, I would simply say that this bill helps the government to do its work. Part of the problem with the Environmental Protection Agency is that sociologists could not do science work, but they could do good sociologists work. The problems is that they were mistreated such that they were forced to do a certain kind of work that they were not prepared for, and therefore resulted in a whole series of inhospitable working conditions.

So this legislation is good for the government because it creates an atmosphere where we can do our maximum best work, and work collectively together without discrimination.

Mr. Speaker, I ask my colleagues to enthusiastically support H.R. 165, the No FEAR Act.

Mr. Speaker, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this bill is now reaching its final legislative consideration, and when the Senate amendments are concurred in, it will go to the White House for the President's signature. This shows that our system of representative government works.

All too often we hear complaints that elected officials never listen, or, "My speaking out does not make any difference." I think this bill shows that elected officials do listen, and a few people speaking out when they have right on their side can bring about a change in the laws of the United States of America, which I hope will have a far-reaching impact in preventing discrimination and retaliation within the Federal workforce.

If it were not for the work of Dr. Marsha Coleman-Abebayo and the NAACP Federal Workforce Task Force, I do not think that the Congress could ever have known about how bad the situation was in the EPA. But they did speak out, they did present a convincing case. They convinced both the Committee on Science in the last Congress and the Committee on the Judiciary in this Congress, as well as this House and the other body, that we needed to change the law to try to clean up some of these abusive practices.

I hope that this legislation will go a long way to doing this by making the agency financially accountable for settlements and judgments caused by the misdeeds of their supervisors. The system does work, Mr. Speaker.

Ms. JACKSON-LEE of Texas. Will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding to me.

I just wanted to add my appreciation to the NAACP and to all of the employees and the task force, and particularly acknowledge Mr. Kweisi Mfume, who was one of our witnesses, for his leadership and interest on this issue. I want to express my appreciation to all who were engaged in helping with this legislation.

Mrs. MORELLA. Mr. Speaker, I rise today in strong support of H.R. 169, the NO FEAR legislation. This bill provides essential help to whistleblowers and those that suffer discrimination, and it penalizes agencies that attempt to practice discrimination or punish whistleblowers. Under current law, most judgments or awards against the federal government, including federal agencies, are paid out of a general judgment fund and are not attributed to, or accounted for, by the agency responsible for the claim. This bill requires federal agencies to reimburse the government's judgment fund for amounts paid out in response to a court settlement, award or judgment against an agency in a discrimination or whistleblower protection lawsuit. Hopefully, by making agencies responsible for their actions, we can further decrease the reprehensible practice of discrimination and the needless punishing of whistleblowers.

This bill has several other important provisions which my colleague from Wisconsin has mentioned and so I would just like to take this opportunity to point out and recognize two individuals, Dr. Marsha Coleman-Adebayo and Mr. Leroy Warren, Jr. Both of these individuals live in my district, Montgomery County, Maryland and played an instrumental role in helping this legislation come to the floor today.

Mr. Warren is Chairman of the NAACP Federal Sector Task Force and was asked to investigate and address the ever-growing number of complaints of discrimination within the federal government. Mr. Warren's task force did an admirable job in bringing to light much of the discrimination that federal employees faced.

Dr. Coleman-Adebayo has become well known for her courageous fight against discrimination by the EPA.

She is someone who suffered terribly from her battle but persevered and won her case against the EPA. She has testified in front of both the Science and Judiciary Committees to alert all of us to the seriousness of what transpired in her case. And now, hopefully, because of the NO FEAR bill, the first civil rights bill of the 21st Century, victims of racial, sexual, and hostile work environments, and whistleblowers, will not have to suffer the pain and abuse that Dr. Coleman-Adebayo endured. Let us hope instead that H.R. 169 will push federal agencies to spend their time devising effective plans to address all forms of discrimination in the workplace.

I urge my colleagues to support this bill.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 169.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SENSENBRENNER. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

☐ 1430

YOSEMITE NATIONAL PARK EDUCATION IMPROVEMENT ACT

Mr. RADANOVICH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3421) to provide adequate school facilities within Yosemite National Park, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Yosemite National Park Education Improvement Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) The three elementary schools serving the children of employees of Yosemite National Park are served by the Bass Lake Joint Union Elementary School District and the Mariposa Unified School District.

(2) The schools are in remote mountainous areas and long distances from other educational and administrative facilities of the two local educational agencies.

(3) Because of their remote locations and relatively small number of students, schools serving the children of employees of the Park provide fewer services in more basic facilities than the educational services and facilities provided to students that attend other schools served by the two local educational agencies.

(4) Because of the long distances involved and adverse weather and road conditions that occur during much of the school year, it is impractical for the children of employees of the Park who live within or near the Park to attend other schools served by the two local educational agencies.

(b) PURPOSE.—The purpose of this Act is to authorize the Secretary of the Interior to provide supplemental funding and other services that are necessary to assist the State of California or local educational agencies in California in providing educational services for students attending schools located within the Park.

SEC. 3. PAYMENTS FOR EDUCATIONAL SERVICES.

(a) AUTHORITY TO PROVIDE FUNDS.—For fiscal years 2003 through 2007, the Secretary may provide funds to the Bass Lake Joint Union Elementary School District and the Mariposa Unified School District for educational services to students who are dependents of persons engaged in the administration, operation, and maintenance of the Park or students who live at or near the Park upon real property of the United States.

(b) LIMITATION ON USE OF FUNDS.—Payments made by the Secretary under this section may not be used for new construction, construction contracts, or major capital improvements, and may be used only to pay public employees for services otherwise authorized by this Act.

(c) LIMITATION ON AMOUNT OF FUNDS.—Payments made under this section shall not exceed the lesser of $750,000 in any fiscal year or the amount necessary to provide students described in subsection (a) with educational services that are normally provided and generally available to students who attend public schools elsewhere in the State of California.

(d) ADJUSTMENT OF PAYMENTS.—Subject to subsection (c), the Secretary is authorized to adjust payments made under this section if the State of California or the appropriate local educational agencies do not continue to provide funding for educational services at Park schools at per student levels that are equivalent to or greater than those provided in the fiscal year prior to the date of enactment of this Act.

(e) SOURCE OF PAYMENTS.—

(1) AUTHORIZED SOURCES.—Except as provided in paragraph (2), in order to make payments under this section, the Secretary may use funds available to the National Park Service from appropriations, donations, or fees.

(2) EXCEPTIONS.—Funds from the following sources may not be used to make payments under this section:

(A) Fees authorized and collected under the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–4 et seq.).

(B) The recreational fee demonstration program under section 315 of the Department of the Interior and Related Agencies Appropriations Act, 1996 (as contained in section 101(c) of Public Law 104–134; 16 U.S.C. 460l–6a note).

(C) The national park passport program established under section 602 of the National Parks Omnibus Management Act of 1998 (16 U.S.C. 5992).

(D) Emergency appropriations for Yosemite flood recovery.

(f) DEFINITIONS.—For the purposes of this Act, the following definitions apply:

(1) LOCAL EDUCATIONAL AGENCIES.—The term "local educational agencies" has the meaning given that term in section 9101(26) of the Elementary and Secondary Education Act of 1965.

(2) EDUCATIONAL SERVICES.—The term "educational services" means services that may include maintenance and minor upgrades of facilities and transportation to and from school.

(3) PARK.—The term "Park" means Yosemite National Park.

(4) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the rule, the gentleman from California (Mr. RADANOVICH) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. RADANOVICH).

Mr. RADANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3421, which I introduced, would authorize the Secretary of the Interior to provide supplemental funding and other services necessary to assist local school districts in providing educational services for students attending three schools located within Yosemite National Park.

The three schools in question are Yosemite Valley, which serves 46 students in K through eighth grades; El Portel Elementary, which serves 50 students in seven grades; and Wawona Elementary, which serves 20 students in grades K through 8 with only one teacher.

All three schools represent those one-room schools of yesteryear.

Mr. Speaker, California schools are unique in that operating funds for schools are based on an average daily attendance. Since the devastating 1997 Merced River flood, there has been a dramatic reduction in the number of park employees and thus fewer school children attending these schools. With fewer and fewer children attending these schools, fewer State dollars are committed. The result is that the superintendent for Yosemite National Park and the concessionaire serving park visitors are attracting less than qualified candidates to work in the park because families are not provided with adequate schools.

Meanwhile, while the Federal funding sources such as Impact Aid and PILT, which is Payment In Lieu of Taxes, are made available to Mariposa and Madera Counties where these schools exist and through which money is distributed, the reality is very few dollars are actually used to fund these classrooms. In light of these realities, I was able to secure special funding in the amount of $111,000 in FY 2002 Interior appropriations bills for these schools. However, going to the appropriators every fall for this critical assistance is not the most productive approach.

Therefore, for the reasons I have outlined, the solution before the House today is the best long-term approach to this problem.

Mr. Speaker, during subcommittee and committee considerations, I made a number of changes to H.R. 3421 that address issues raised by the administration, members of the Committee on Resources, and the Committee on Education and the Workforce. For example, the bill makes clear that funds made available by the Secretary under H.R. 3421 will not go towards new construction, construction contracts or major capital improvements, and thus would be limited to general upkeep, maintenance, and classroom teaching. I do not think that we should stand by and permit children of the Park Service and concessionaire employees from being deprived of their education simply because their parents have chosen to work in Yosemite National Park.

Mr. Speaker, H.R. 3421 as amended is supported by the administration and the minority and majority of the Committee on Resources. I urge my colleagues to support H.R. 3421, as amended.

Mr. Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, H.R. 3421, sponsored by my distinguished colleague and chairman, the gentleman from California (Mr. RADANOVICH), authorizes the National Park Service to provide funds and services to supplement the educational services and facilities provided to the children of Yosemite National Park employees and the park concessionaire at three small local schools located within the park.

The legislation provides a very unique arrangement for funding local schools. As such, a number of issues and problems with the bill as you have heard were raised during a December 2001 hearing on this bill. In fact, while the National Park Service expressed sympathy with the purpose of the bill, they, on behalf of the administration, initially opposed the measure. I appreciate the willingness of the gentleman from California (Mr. RADANOVICH) to make a number of changes requested by the minority, including deleting the use of entrance and user fees to pay for the program, limiting funds to operations and services, and eliminating the authority of the Secretary to assume operation of the schools. There were also negotiations with the Committee on Education and the Workforce which shares jurisdiction on this matter with the Committee on Resources.

As the result of those negotiations, the bill was further amended to include among other things a limit on the authorization of funds to 5 years and a cap on the funds of the lesser of $750,000 or the amount necessary to provide students with normal educational services.

Mr. Speaker, as I noted earlier, this legislation provides a unique arrangement for funding what should be a local responsibility. However, with the changes that have been made to the bill, I have no objection to its consideration and passage today.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. RADANOVICH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. RADANOVICH) that the House suspend the rules and pass the bill, H.R. 3421, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GUNN McKAY NATURE PRESERVE ACT

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3909) to designate certain Federal lands in the State of Utah as the Gunn McKay Nature Preserve, and for other purposes.

The Clerk read as follows:

H.R. 3909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gunn McKay Nature Preserve Act".

SEC. 2. DEFINITIONS.

For the purposes of this Act:

(1) PRESERVE.—The term "Preserve" means the Gunn McKay Nature Preserve as so designated by section 3(a).

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 3. NATURE PRESERVE.

(a) DESIGNATION.—The approximately 15 acres of National Forest System land generally depicted on the map entitled "Proposed Gunn McKay Nature Preserve" and dated March 2002, are hereby designated as the "Gunn McKay Nature Preserve".

(b) MANAGEMENT.—

(1) MANAGEMENT PLAN.—Not later than 120 days after the date of the enactment of this Act, the Secretary, in consultation with the City of Huntsville, Utah, and the Gunn McKay Nature Preserve Foundation, Inc., a nonprofit corporation, shall develop a management plan for the Preserve.

(2) COOPERATIVE AGREEMENT.—The Secretary is authorized to enter into a cooperative agreement with the Gunn McKay Nature Preserve Foundation, Inc. for the management of the Preserve.

(c) WITHDRAWAL.—Subject to valid existing rights, the Preserve is hereby withdrawn from all forms of location, entry, and patent under the public land laws, and the mining and mineral leasing laws of the United States, including geothermal.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3909 would designate approximately 15 acres of Forest Service land in the State of Utah as the Gunn McKay Nature Preserve in honor of my predecessor, who served in this body from 1971 to 1981. Gunn passed away October of 2000.

Several years ago, residents of Huntsville, Utah, learned that the U.S. Forest Service was planning to build a helicopter landing area. The site near the city limits was to have been on undeveloped Federal lands and used to facilitate fighting wildfires in the surrounding forests.

Huntsville residents became concerned about helicopters landing and taking off in such close proximity in their neighborhoods. They proposed to the Forest Service that this open space instead be designated as a nature preserve. A non-profit organization was formed and the Forest Service agreed with the residents' proposal.

In addition to designating 15 acres as the nature preserve, this bill authorizes the Forest Service to work with the city of Huntsville and the Gunn McKay Nature Preserve Foundation to develop a management plan.

The preserve would be managed by the U.S. Forest Service in cooperation with the Gunn McKay Nature Preserve Foundation. This area will not only serve as a buffer between the residential area of Huntsville and nearby Pineview Reservoir, but it will also stand as a fitting tribute to a man whose commitment to Utah's First Congressional District and preservation of Utah's natural beauty was outstanding. When visitors go to the preserve to contemplate the solitude, hike on the trails or just enjoy nature, they will also pass by a plaque in the entrance summarizing Gunn's life and many accomplishments.

Just as the preserve will be managed in perpetuity, so will Gunn's memory live on.

I urge my colleagues to support H.R. 3909.

Mr. Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I am pleased to join my chairman in support of H.R. 3909, the Gunn McKay Nature Preserve Act, which was introduced by the chairman of the Committee on Resources, the gentleman from Utah (Mr. HANSEN), in honor of former Congressman Gunn McKay.

Congressman McKay represented Utah's First Congressional District from 1971 until 1980 when he was defeated by the gentleman from Utah (Mr. HANSEN). The bill would designate 15 acres of land near Huntsville, Utah, as the Gunn McKay Nature Preserve. The land is presently managed by the Forest Service for recreational purposes. The Secretary of Agriculture in consultation with the city of Huntsville, Utah, and the Gunn McKay Nature Preserve Foundation would develop the plan for the preserve. No new mining claims would be permitted within the area.

This bill honors Congressman McKay, who died last year. I urge the adoption of the bill.

Mr. Speaker, I yield such time as he might consume to the gentleman from Utah (Mr. MATHESON).

Mr. MATHESON. Mr. Speaker, I rise today to give my support to this legislation.

When we talk about public land in Utah, we are used to speaking in terms of 100,000 acres or million-acre parcels. We speak in terms of mountain ranges, entire deserts, and swaths of forests. But today, we are giving our blessing to the setting aside of a relatively small but immensely beautiful and important piece of land.

The creation of the Gunn McKay Nature Preserve would protect 15 acres of forest land in Huntsville, Utah. Mr. Speaker, Gunn McKay was a devoted member of the Utah delegation, and he served our State with honor and dignity from 1971 to 1981.

He was a Coast Guard veteran, a school teacher, a successful businessman, and a chief of staff for Utah Governor Cal Rampton.

Although he told the Democratic leader, "I do not want to run for Congress; I have nine kids and a mortgage," run he did. A few terms later he was the senior member of Utah's congressional delegation, a member of the House Committee on Appropriations, and a champion for the people of his district.

Congressman McKay was a true public servant. He was quoted in one newspaper article a few years ago saying, "The greatest satisfaction was helping people who needed an advocate."

This refuge will not only serve as a lasting memorial to the work and dedication of Congressman McKay, it is also a testament to the statesmanship of the chairman, the gentleman from Utah (Mr. HANSEN). Too often in politics we get caught up in petty political squabbles. We lose sight of the bigger picture, of getting important work done for the good of our constituents. The passage of this bill shows that the chairman has not lost sight of the goal. He is a true gentleman of the House, and he spent the last 20 years representing the State of Utah with the class and dignity that is true to the people who have elected him.

Mrs. CHRISTENSEN. Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for his kind remarks. I also thank my colleague, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), on this piece of legislation.

Mrs. CHRISTENSEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HANSEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 3909.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

RECOGNIZING THE HISTORICAL SIGNIFICANCE OF THE AQUIA SANDSTONE QUARRIES OF STAFFORD COUNTY, VIRGINIA TO CONSTRUCTION OF CAPITAL OF THE UNITED STATES

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 261) recognizing the historical significance of the Aquia sandstone quarries of Government Island in Stafford County, Virginia, for their contributions to the construction of the Capital of the United States.

The Clerk read as follows:

H. RES. 261

Whereas the First Congress passed the Residence Act authorizing the establishment of a Federal Capital as the seat of Government of the new Republic;

Whereas President George Washington, acting under the authority of the Residence Act, selected the present site of the District of Columbia as the new Federal Capital and seat of government;

Whereas President Washington, aided by then Secretary of State Thomas Jefferson, took personal charge of the plans for the development of the new seat of government;

Whereas President Washington decided that the public buildings of the new capital city should be faced in stone so that these buildings would equal or exceed in beauty the buildings of the established capitals of Europe and promote permanence and majesty on the Potomac;

Whereas President Washington, a boyhood resident of Stafford County, Virginia, recommended that the freestone quarries on Aquia Creek in Stafford County be purchased by the Commissioners of Public Buildings as stone quarries for the public buildings of the District of Columbia, a recommendation acted on by Pierre L'Enfant, the planner of the new capital city;

Whereas the new quarries, later named Government Island, became the major source of building stone for the Capitol, the White House, and numerous other public buildings in the District of Columbia;

Whereas there exists substantial evidence of 18th and 19th century stone cutting and quarrying techniques on Government Island, and this physical evidence sheds light on a valuable and informative chapter in the development of the United States Capital; and

Whereas the Board of Supervisors and residents of Stafford County, Virginia, have undertaken action to preserve Government Island for posterity and to make it available for the education and enlightenment of the public: Now, therefore, be it

Resolved, That the House of Representatives—

(1) recognizes the national historical significance of the Aquia sandstone quarries of Government Island in Stafford County, Virginia, for their substantial contribution to the construction of the new Capital of the United States under the direction of President George Washington; and

(2) commends the Board of Supervisors and residents of Stafford County, Virginia, for their efforts to preserve Government Island and to make it available for visitation by the public.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentlewoman from the Virgin Islands (Mrs.

CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 261, introduced by the gentlewoman from Virginia (Mrs. JO ANN DAVIS), would recognize the historical significance of the Aquia sandstone quarries of Government Island in Stafford County, Virginia, for their contribution for the construction of our Nation's Capital city.

The stone, selected by our first President, George Washington, was used to build the Capitol, the White House, and numerous other Federal buildings in the District of Columbia.

This stone was wisely selected by our first President in an effort to ensure that this Nation's Capital would be every bit as elegant and stately as the capital cities of Europe.

The resolution also recognized the great efforts of the residents of Stafford County to protect Government Island and to safeguard the history surrounding this important contribution to our Nation's Capital.

I commend my colleague, the gentlewoman from Virginia (Mrs. JO ANN DAVIS), for her excellent efforts in introducing this legislation. I urge my colleagues to support its passage.

Mr. Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, this House Resolution recognizes, as you have heard, the historical significance of the Aquia sandstone quarries of Government Island in Stafford County, Virginia, for their contributions to the construction of the Capital of the United States and commend the Stafford County commissioners and local residents for their efforts to preserve the quarries.

The stone from these particular quarries dates back to the late 17th century and was chosen by then President George Washington for use at Mt. Vernon as well as the construction of the U.S. Capitol, the White House, the original Treasury building, the Patent office, and the earliest locks and bridges of the C&O Canal.

Over time, the quarries were exhausted and the site has since been through a number of private hands and has entered in and out of public ownership.

We support this resolution commending the local community for their latest efforts to preserve this interesting area.

Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield as much time as she may consume to the gentlewoman from Virginia (Mrs. JO ANN DAVIS), the author of this legislation.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, I am very proud of the many historically significant contributions the Commonwealth of Virginia has offered this great Nation. Virginia has given America eight of its distinguished men to the Office of Presidency, three of whom were born in the first district that I represent, and countless other elected officials, military heroes and active citizens to the cause of freedom and democracy.

Today, I rise to pay a specific tribute to the Aquia quarries of Government Island in Stafford, Virginia, for their contributions to the construction of our Nation's Capitol building and the White House, among many other prominent structures.

As our forefathers struggled to create a nation through a Declaration of Independence and an enduring revolution, they sought to express permanency in their new-found freedom. Led by Virginia native George Washington, America began to plan a city that would dignify the grandeur of the new United States of America. They chose the land situated geographically centered in the new Nation up the Potomac River and to the top of what was known as Jenkin's Hill, a place Pierre Charles L'Enfant, the city's planner called "a pedestal waiting for a monument."

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I could not agree more. Our Capitol has survived over 200 years, through the War of 1812, the Civil War, and more recently, the building was a suspected target of the recent horrific terrorist attack on our country. This building has grown and matured into the great symbol of America. The freedoms that we hold so dear and recent events have only hardened my deep fondness for our Capitol and what it represents.

Although little known, the north section of the north wing of the Capitol and the White House were constructed of Aquia sandstone quarried from Government Island and along the Aquia Creek in Stafford County, Virginia; another proud Virginia contribution.

Stafford County's board of supervisors, County Administrator C.M. Williams, county historian Jane Conner, and the county's citizens should be commended for making the preservation of this island a priority. Their good work will ensure that this area is preserved for future generations to explore and enjoy.

I ask my colleagues to join me today in support of this resolution to honor the enduring construction of this building, the cornerstone of our democracy, and all that it represents.

I would like to thank the entire Virginia delegation for cosponsoring this House resolution commemorating the United States Capitol and the White House, highlighting their humble Virginia beginnings. Additionally, I would like to thank the Committee on Resources chairman, the gentleman from Utah (Mr. HANSEN) and the gentleman from West Virginia (Mr. RAHALL), the ranking member, and the Subcommittee on National Parks, Recreation and Public Lands for moving this important Virginia initiative.

I again encourage my colleagues' support.

Mrs. CHRISTENSEN. Mr. Speaker, I yield back the balance of my time.

Mr. HANSEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and agree to the resolution, H. Res. 261.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING STUDY OF VIRGINIA KEY BEACH, FLORIDA, FOR POSSIBLE INCLUSION IN NATIONAL PARK SYSTEM

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2109) to authorize the Secretary of the Interior to conduct a special resource study of Virginia Key Beach, Florida, for possible inclusion in the National Park System, as amended.

The Clerk read as follows:

H.R. 2109

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STUDY AND REPORT.

(a) STUDY.—The Secretary of the Interior (in this Act referred to as "the Secretary") shall conduct a study of Virginia Key Beach Park in Biscayne Bay, Florida, which was used for recreation by African Americans at a time when public beaches were racially segregated by law. The study shall evaluate the national significance of the site and the suitability and feasibility of establishing the site as a unit of the National Park System.

(b) CRITERIA.—In conducting the study required by subsection (a), the Secretary shall use the criteria for the study of areas for potential inclusion in the National Park System contained in section 8 of Public Law 91–383 (16 U.S.C. 1a–5; popularly known as the National Park System General Authorities Act).

(c) REPORT.—Upon completion of the study, the Secretary shall transmit to the Congress a report on the findings of the study and the conclusions and recommendations of the Secretary.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2109, introduced by the gentlewoman from Florida (Mrs. MEEK) would authorize the Secretary of the Interior to conduct a resource study of Virginia Key Beach Park in Miami, Florida, to determine the suitability and feasibility of including this site as a unit of the National Park System.

Virginia Key Beach Park, located just off the coast of Miami between Key Biscayne and Fisher Island, was for decades the only beach in South Florida where African Americans were permitted during the days of segregation. This beach was very significant in the local community for its numerous gatherings, which included baptisms and religious services, courtship and honeymoons, organizational gatherings, visiting celebrities and family recreation.

However, in 1982 the city of Miami, citing the high cost of maintaining and operating the park, closed the beach. Since that time, the city of Miami has explored various options regarding ownership and the future of the beach, although nothing has yet come to fruition. Nevertheless, it is my understanding that the local community continues to be very interested in the fate of the park due in large measure to its historical significance.

This bill would authorize the Park Service to conduct a study to examine the possibility of including Virginia Key Beach Park as a unit of the National Park Service.

Mr. Speaker, this legislation is supported by both majority and minority, and I urge my colleagues to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2109, which was introduced by my friend and our colleague, the gentlewoman from Florida (Mrs. MEEK), would authorize a special resource study of the historic Virginia Key Beach Park located on Biscayne Bay in Florida.

Virginia Key Beach derives its importance from its history more so than from its natural or recreational qualities, although there are those as well. It was the first beach in south Florida to be opened to African Americans, and for many years it was the only beach available to us. Encompassing just 77 acres, the beach was a popular recreational area for local African American families, churches and other organizations, and as we have heard, it was a site of many important private and public events.

At the hearing before the Subcommittee on National Parks, Recreation and Public Lands, the National Park Service testified in support of a park study of this important area.

It is important that we look for ways to commemorate and preserve not only the history of this site but also the natural and recreational qualities as well.

I want to commend the sponsor, the gentlewoman from Florida (Mrs. MEEK), for her leadership on H.R. 2109. I am pleased to support this study legislation, and I urge my colleagues to do likewise.

Mr. Speaker, it is my pleasure to yield such time as she may consume to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I want to thank the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), and I want to thank the gentleman from California (Mr. RADANOVICH).

I rise with great pride, Mr. Speaker, and in strong support of H.R. 2109, my bill to authorize the Secretary of the Interior to conduct a special resource study of Virginia Key Beach in Miami, Florida, for its possible inclusion in the National Park System.

I want to again thank the gentleman from Utah (Mr. HANSEN), the chairman, and the gentleman from West Virginia (Mr. RAHALL), the ranking member of the full Committee on Resources, the gentleman from California (Mr. RADANOVICH), the chairman, and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), the ranking member of the subcommittee, and their respective staffs for their assistance and cooperation.

I also want to thank my delegation in south Florida, a bipartisan delegation, for cosponsoring this bill.

Mr. Speaker, Virginia Key Beach is a historically important and environmentally significant place, worthy of being preserved and studied for its inclusion in the National Park System.

Virginia Key was the only beach in Miami where African Americans could go to swim in the 1940s, 1950s and early 1960s. It was called "Virginia Key Beach at that time, a Dade County Park for the exclusive use of Negros." It opened on August 1, 1945. Until that time, Miami's beaches had been reserved for whites only. In those days of segregation, Virginia Key Beach was the only way blacks could legally enjoy the ocean in Dade County.

Dade County created this park in response to the efforts of the African American community to integrate the beaches in Miami.

The location of this beach was less than ideal, Mr. Speaker. There was no bridge, and the only way to get to it was by taking a boat from the Miami River.

Despite these impediments, African Americans have made Virginia Key Beach a very thriving center for social and cultural activities. The beach became a cherished getaway, a social gathering place and even a sacred site for religious services.

I attended many baptisms at Virginia Key Beach. The beach was the site for many baptisms, courtships, honeymoons, organizational gatherings, visiting celebrities and family recreation. Even after integration granted everyone a free choice of recreation areas, Virginia Key Beach remained the popular preference for many in the African American community.

Mr. Speaker, this legislation is near and dear to my heart because I know the long way we have come because I used this park frequently myself and brought my children there when they were young. The fact that I am a Congresswoman today shows how much society has changed in the intervening years.

Virginia Key Beach is a national treasure that stands as a monument to America's journey toward racial equality. As a reminder of our national heritage, Virginia Key Beach symbolizes the struggle of African Americans in the 20th century during racial segregation in the South and the onset of the civil rights movement.

Mr. Speaker, there are very few sites in the National Park System that recognizes the struggle for civil rights. Out of 385 units currently in the park system, only 4 have been designated to commemorate the civil rights era. We need to do more to recognize the civil rights era. It is important to remember that segregation affected every aspect of our lives, even our leisure time.

In addition to representing an important part of the history of African Americans, it is also an exceptional natural resource characterized by a unique and sensitive natural environment. The beach is a part of an area known as Virginia Key. It is a 1,000 acre barrier island. There has been some limited development, but the island is non-residential and includes ponds and waterways, a tropical hardwood hammocks and a large wildlife conservation area.

The Key is home to more than 25 species of birds during the winter, while its shallow waters contain extensive grass beds that support manatees, young sea turtles and many juvenile fishes. The United States Army Corps of Engineers, through their shoreline damage program, is currently restoring the beach and native plants on the islands.

Finally, let me note, thanking this committee and my colleagues, the chairman and the ranking member, Virginia Key Beach is an excellent location and it is very accessible. Other national attractions in south Florida, such as Everglades National Park, Big Cypress and Biscayne National Park, have extraordinary resources, but they are not readily accessible for individuals without personal transportation; Virginia Key Park is. There is a good Miami-Dade bus connection there, and it is further enhanced by a link to south Florida's rail system.

Mr. Speaker, Virginia Key Beach occupies a special place in the heart of all of us from south Florida. It is a wonderful reminder of the struggle of African Americans for civil rights and social justice.

Inclusion in the National Park System would help ensure that Virginia Key Beach is preserved and protected for future generations. A special resource study is the first step.

This committee has taken the first step to bring this to the floor. I urge my colleagues to support this important legislation.

Mr. HASTINGS of Florida. Mr. Speaker, I come before you today to encourage my colleagues to support H.R. 2109, a bill which would authorize the Secretary of the Interior to conduct a special resource study of historic Virginia Key Beach, FL, for the inclusion into the National Park System. Mr. Speaker, I am proud to support a very important bill which will allow Congress to preserve and protect this beautiful beach site area.

This legislation allows for the beautiful palm-studded old Florida beach located on a 1,000-acre barrier island, one of Miami's real treasures, to be recognized as a National Park. Miami's historical Virginia Key Beach has been one of Florida's most beautiful and unique areas since 1896. When I was growing up, Virginia Key was at one time one of Miami's most popular beaches for African-Americans to enjoy. With its scant four-tenths of a mile of actual shoreline, the park was the only bathing beach in the county legally available to African-Americans.

Mr. Speaker, this bill does not add to the national debt, therefore I urge my colleagues to realize there is no need to oppose it for economic reasons. This bill does not change any of the requirements for the inclusion process for national parks. All this bill calls for is the recognition of the 77-acre historic Virginia Key Beach site in Miami, FL. Passing this bill would be a reasonable and responsible approach in recognizing the significant value of this former "colored beach."

Florida needs a place that is recognized for its historical significance, a place that can be enjoyed today for both recreational purposes and so that people can learn about the history of this extraordinary scenic recreational site that was once cherished as a "Paradise."

I respectfully ask that my colleagues in this Congress vote in favor of H.R. 2109 which would induct historic Virginia Key Beach into the National Park System.

Mrs. CHRISTENSEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 2109, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the Secretary of the Interior to conduct a special resource study of Virginia Key Beach Park in Biscayne Bay, Florida, for possible inclusion in the National Park System.".

A motion to reconsider was laid on the table.

MUSCLE SHOALS NATIONAL HERITAGE AREA, ALABAMA

Mr. HANSEN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2628) to direct the Secretary of the Interior to conduct a study of the suitability and feasibility of establishing the Muscle Shoals National Heritage Area in Alabama, and for other purposes.

The Clerk read as follows:

H.R. 2628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Muscle Shoals National Heritage Area Study Act of 2001".

SEC. 2. STUDY.

The Secretary of the Interior, in consultation with appropriate State historic preservation officers, States historical societies, and other appropriate organizations, shall conduct a study regarding the suitability and feasibility of designating the study area described in section 3 as the Muscle Shoals National Heritage Area. The study shall include analysis, documentation, and determination regarding whether the study area—

(1) has an assemblage of natural, historic, and cultural resources that together represent distinctive aspects of American heritage worthy of recognition, conservation, interpretation, and continuing use, and are best managed through partnerships among public and private entities and by combining diverse and sometimes noncontiguous resources and active communities;

(2) reflects traditions, customs, beliefs, and folklife that are a valuable part of the national story;

(3) provides outstanding opportunities to conserve natural, historic, cultural, or scenic features;

(4) provides outstanding recreational and educational opportunities;

(5) contains resources important to the identified theme or themes of the study area that retain a degree of integrity capable of supporting interpretation;

(6) includes residents, business interests, nonprofit organizations, and local and State governments that are involved in the planning, have developed a conceptual financial plan that outlines the roles of all participants (including the Federal Government), and have demonstrated support for the concept of a national heritage area;

(7) has a potential management entity to work in partnership with residents, business interests, nonprofit organizations, and local and State governments to develop a national heritage area consistent with continued local and State economic activity; and

(8) has a conceptual boundary map that is supported by the public.

SEC. 3. BOUNDARIES OF THE STUDY AREA.

The study area referred to in section 2 shall be comprised of the following:

(1) The part of the Tennessee River's watershed in northern Alabama.

(2) The cities of Florence, Sheffield, Tuscumbia, and Muscle Shoals City, Alabama.

(3) The towns of Anderson, Cherokee, Courtland, Leighton, Lexington, Littleville, Red Bay, Rogersville, Russellville, Town Creek, and Waterloo, Alabama, and their environs.

(4) Colbert, Lauderdale, Franklin, and Lawrence Counties, Alabama.

(5) Other areas that have heritage aspects that are similar to those aspects that are in the areas described in paragraphs (1) through (4) and which are adjacent to or in the vicinity of those areas.

SEC. 4. REPORT.

Not later than 3 fiscal years after the date on which funds are first made available for this Act, the Secretary of the Interior shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the findings, conclusions, and recommendations of the study.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Utah (Mr. HANSEN) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2628, introduced by the gentleman from Alabama (Mr. CRAMER) would direct the Secretary of the Interior to conduct a study to determine the suitability and feasibility of establishing the Muscle Shoals National Heritage Area in northwest Alabama.

Mr. Speaker, the city of Muscle Shoals and the surrounding area of northwest Alabama has played an integral part in shaping many aspects of Alabama and southern culture.

☐ 1500

It is the birthplace of Helen Keller, setting for Henry Ford's utopian 75-Mile City, which inspired Frank Lloyd Wright's Broadacre City, a number of Victorian arts and crafts residences, and plays host to the annual music festival named for blues musician W. C. Handy. It is also the home of the Tennessee Valley Authority, the first piece of the New Deal legislation. A number of historic trails also transverse the area, including the Natchez Trail and the Trail of Tears.

Mr. Speaker, H.R. 2628 is supported by both the majority and the minority of the committee and the administration. I urge my colleagues to support H.R. 2628.

Mr. Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2628, introduced by my colleague, the gentleman from Alabama (Mr. CRAMER), would direct the Secretary of the Interior to do a National Heritage Area study of the Muscle Shoals area of northern Alabama.

The Muscle Shoals area has a long history of industry, transportation and music, among other things.

When the Subcommittee on National Parks, Recreation, and Public Lands held a hearing on H.R. 2628 earlier this year, the National Park Service testified in support of the study. Our other witnesses, including the gentleman from Alabama (Mr. CRAMER), also detailed and expanded upon the history of the Muscle Shoals area for the subcommittee. It is obvious that the communities of the Muscle Shoals area value their heritage and are looking for ways to maintain and enhance the historical and natural resources of the area.

Mr. Speaker, H.R. 2628 is a good bill. It is also noncontroversial. I support the passage of the legislation and urge its favorable consideration by the House today.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. CRAMER), the sponsor of this measure.

Mr. CRAMER. Mr. Speaker, I want to thank the Committee on Resources and the Subcommittee on National Parks, Recreation, and Public Lands for moving H.R. 2628, which is my bill, as well as the chairman, the gentleman from Utah (Mr. HANSEN), and the ranking member, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), very much for their consideration.

Both the chairman and the ranking member have made reference to this unique area of Alabama that has an extraordinary history. H.R. 2628 would allow us to do a study to determine the feasibility of collecting that history and naming our area a national heritage study area. It was passed by the committee itself by unanimous consent, so it is a very uncontroversial piece.

This area of northwest Alabama is adjacent to the State of Tennessee and the State of Mississippi as well, so my colleagues in the House, the gentleman from Mississippi (Mr. WICKER) and the gentleman from Alabama (Mr. ADERHOLT), both are cosponsors of this piece of legislation.

As the chairman referred to and the ranking member referred to in their remarks about H.R. 2628, this area of northwest Alabama has an extraordinary history of involvement. Native Americans were active in this particular area, and we have an Indian Mound Museum there that is one of the most extraordinary museums in the country.

As we move on through history, the Tennessee River has defined our area culturally as well as in terms of transportation issues as well. In the early 1920s, the Wilson Locks and Dam was built there even before TVA came into existence. At the time it was the largest lock and dam on the Tennessee River and one of the largest dams in the country as well.

President Roosevelt visited that area and was so impressed by the potential that he saw there that he was inspired to form the Tennessee Valley Authority, which has given us a significant part of our prosperity there, not only in the State of Alabama but in Tennessee and the entire region as well.

But as the chairman referred to, we are the home of the W. C. Handy Festival. That is a blues festival. W. C. Handy, unbeknownst to a lot of people in the country, is the "Father of the blues." He was born in Florence, Alabama, which is located in northwest Alabama. This festival has existed for 20 years and has brought thousands of music specialists from all over the country.

We have a verbal history that is available in our area of the music tradition that there is. Now, the Muscle Shoals Studio was a recent era of music that really was born out of the blues era. It is a sound recording studio that has been used by many musicians around the world. All of that kind of heritage was started back in the early 1920s and built on from there as well. So this feasibility study would give us the chance to catalogue a lot of that information.

Helen Keller was born in Tuscumbia, Alabama. That is within 5 miles of this Tennessee River, and within 10 miles of Florence, Alabama as well. Her home, Ivy Green, was preserved as a museum. There is a Helen Keller Festival there as well. A lot of Helen Keller relatives come back to that area to this particular festival.

Jesse Owens was born in Lawrence County, again, another 7 miles from the very center of the area we are talking about. There is a museum to celebrate his contributions to American history there as well.

The Frank Lloyd Wright structures we have in this area all combine to give our area of Alabama a unique history which we think is deserving of this declaration as a National Heritage Area study place.

I want to thank again the committee for giving us this opportunity, and I urge my colleagues to pass this important bill, H.R. 2628.

Mr. HANSEN. Mr. Speaker, I yield back the balance of my time.

Mrs. CHRISTENSEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Utah (Mr. HANSEN) that the House suspend the rules and pass the bill, H.R. 2628.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the five bills just considered, H.R. 3421, H.R. 3909, H. Res. 261, H.R. 2109, and H.R. 2628.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

STRENGTHENING SCIENCE AT THE ENVIRONMENTAL PROTECTION AGENCY ACT

Mr. EHLERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 64) to provide for the establishment of the position of Deputy Administrator for Science and Technology of the Environmental Protection Agency, and for other purposes, as amended.

The Clerk read as follows:

H.R. 64

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Strengthening Science at the Environmental Protection Agency Act".

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term "Administrator" means the Administrator of the Agency;

(2) the term "Agency" means the Environmental Protection Agency;

(3) the term "Deputy" means the Deputy Administrator for Science and Technology appointed under section 4; and

(4) the term "research" means research, development, and demonstration.

SEC. 3. RESEARCH MISSION OF AGENCY.

Conducting, sponsoring, and evaluating environmental science and technology research shall be a central mission of the Agency. The results of such research shall be used to help initiate, formulate, and carry out the Agency's agenda, and the Agency shall seek to increase the public's understanding of environmental science and technology by making those research results available to the public.

SEC. 4. DEPUTY.

(a) APPOINTMENT.—The President shall appoint, by and with the advice and consent of the Senate, a Deputy Administrator for Science and Technology, who shall coordinate and oversee the science and technology activities of the Agency and ensure that Agency decisions are informed by the results of appropriate and relevant research.

(b) RESPONSIBILITIES.—The Deputy shall—

(1) provide advice to the Administrator regarding science and technology issues and their relationship to Agency policies, procedures, and decisions;

(2) participate in developing the Agency's strategic plans and policies and review the science and technology aspects of those plans and policies;

(3) coordinate the acquisition and compilation of relevant science and technology information available from academic sources, government agencies, and the private sector;

(4) develop and oversee guidelines for the dissemination of research results conducted,

sponsored, or cited by the Agency to the public, including historically black colleges and universities, Hispanic-serving institutions, minority communities, and rural communities; and

(5) develop and oversee guidelines for peer review of science and technology research.

(c) QUALIFICATIONS.—An individual appointed under subsection (a) shall be a person who has an outstanding science and technology background, including research accomplishments, scientific reputation, and public policy experience.

(d) CONSULTATION.—Before appointing an individual under subsection (a), the President shall consult with the National Academy of Sciences, the National Academy of Engineering, the Science Advisory Board of the Agency, and other appropriate scientific organizations.

(e) COMPENSATION.—The Deputy shall be compensated at the rate provided for level III of the Executive Schedule pursuant to section 5314 of title 5, United States Code.

(f) CONFORMING AMENDMENT.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

"Deputy Administrator for Science and Technology of the Environmental Protection Agency.".

SEC. 5. ASSISTANT ADMINISTRATOR FOR RESEARCH AND DEVELOPMENT.

(a) TITLE AND TERM.—There shall be an Assistant Administrator for Research and Development of the Agency, who shall also have the title of Chief Scientist of the Agency. Appointments to such position made after the date of the enactment of this Act shall be for a term of 5 years unless sooner removed by the President.

(b) QUALIFICATIONS.—An individual appointed under subsection (a) shall be a person who has an outstanding science and technology background, including research accomplishments, scientific reputation, and experience in leading a research and development organization.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. EHLERS) and the gentleman from Washington (Mr. BAIRD) will each control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. EHLERS).

GENERAL LEAVE

Mr. EHLERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on H.R. 64, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EHLERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of H.R. 64, the Strengthening Science at the Environmental Protection Agency Act.

Time and time again I have heard my colleagues say, "What I really want is the use of sound science at the EPA." The perception of how EPA decisionmakers use science in their regulatory actions seems to fall into two camps: One view comes from the regulated community who claims that controversial decisions have ignored the underlying science. The other view comes from environmental and public advocacy communities who claim that the Agency ignores the underlying science while letting the regulated community unduly influence the process.

While these constituency may forever disagree on controversial decisions, one theme is common to both camps and to Members of Congress and the Judiciary, they doubt that the EPA uses science appropriately in its regulatory decisions.

How should the EPA use science? Is science simply a cudgel used to win a court battle? Is it simply an afterthought to the regulatory process? No. Rather, science should be at the beginning, middle, and end of the agency's decision-making process. It should infuse every issue from the beginning of discussions on that issue.

Several independent reviews have concluded that there are significant problems with the way science is used within the EPA's decision-making structure. These reviews include expert panels of scientists commissioned by the Congress, the EPA, the MITRE Corporation, and the National Academy of Public Administration. The latest and most influential review, the National Academy of Sciences' 2000 report concluded: "The importance of science in EPA's decision-making process should be no less than that afforded to legal considerations. Just as the advice of the Agency's general counsel is relied upon by the administrator to determine whether a proposed action is legal, an appropriately qualified and adequately empowered scientific official is needed to attest to the administrator and the Nation that the proposed action is scientific."

H.R. 64 provides for that qualified scientific official. This legislation would establish a new Deputy Administrator for Science and Technology to serve as an advocate for, and reviewer of, sciences at the most senior levels of the Agency. Second, the legislation would convert the position of the Assistant Administrator of the Office of Research and Development to a set term and give that position the title of Chief Scientist for the Agency.

The Deputy Administrator position will bring a much-needed change to the culture of the EPA and ensure that science has a higher profile in the Agency's decision-making process. This person would not only be accountable to the administrator for improving and overseeing science at the Agency, but would also be accountable to the Congress. This relationship would bolster Congress' confidence in the appropriate role of science at the EPA and, therefore, in regulatory decisions.

The Deputy Administrator is also needed to coordinate research between the regulatory and scientific arms of the Agency. A common problem with trying to ensure that science is involved throughout the regulatory process is that the head of the scientific arm of the Agency, the Assistant Administrator for ORD, shares the same rank as the heads of the regulatory offices. The authors of the Academy report argued since the new Deputy would rank higher than the existing Associate Administrators, this person could foster research relationships between the Office of Research and Development and the regulatory offices.

While this first objective of H.R. 64 is intended to increase the political impact that science has at the Agency, the second objective, to establish a set term for the Associate Administrator of the Office of Research and Development, seeks to decrease political pressures on this office. Although the political aspect of the Associate Administrator's job often receives attention, the most important aspects of the job are not political. Since the Deputy Administrator could bear many of the political pressures inside the Agency, the Associate Administrator could focus his or her role as the Agency's chief scientist on inspiring and supervising a world class scientific organization.

Before I close, let me mention that this legislation has garnered support from a wide array of outside groups. It has received backing from prestigious scientific groups such as the American Chemical Society, the American Society of Mechanical Engineers, and the Society of Toxicology; from business groups, including the National Association of Manufacturers and the Business Roundtable; and from universities and other interested parties, including the National Association of State universities and Land Grant Colleges, and members of EPA's Scientific Advisory Board.

The time has come to strengthen science at the EPA. Congress can act now by passing H.R. 64.

Mr. Speaker, I reserve the balance of my time.

Mr. BAIRD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 64, a bill that will strengthen the use of science at the Environmental Protection Agency. I am proud to cosponsor this legislation.

The chairman has done a great job of describing the bill. I would like to make just a few additional points. H.R. 64 will ensure that science plays its proper role at the EPA, providing the basis for sound regulations that do not unduly impede economic development while protecting our environment.

The bill creates the new position of Deputy Administrator for Science and Technology. It also makes the Assistant Administrator for the Office of Research and Development a 5-year position, much like the directors of the NIH and the National Science Foundation.

There is another important section that clarifies that research is integral to the mission of EPA to protect human health and the environment.

□ 1515

Mr. Speaker, the bill is supported by a wide array of business and scientific organizations. I believe the Committee on Science has crafted a good bill that will help ensure that the best and most recent science is considered when the administrator makes regulatory decisions.

Ultimately, it will be up to the EPA administrator to listen to the scientists, but this bill will provide the experts with an opportunity to present their findings in a timely fashion. There are concerns both from the administration and environmental groups that this bill might create yet another layer of bureaucracy at the agency. This conceivably could occur by giving the deputy administrator a veto over regulations.

Mr. Speaker, I would like to ask the gentleman from Michigan (Mr. EHLERS) whether he agrees or disagrees with that view, and whether he would be willing to work with me and others to address continuing concerns within the bill?

Mr. EHLERS. Mr. Speaker, will the gentleman yield?

Mr. BAIRD. I yield to the gentleman from Michigan.

Mr. EHLERS. Mr. Speaker, I am happy to continue to work with the gentleman on these issues.

I would like to comment that the issue of creating another layer of bureaucracy has been raised by other Members, and that is totally false. It does not create another layer of bureaucracy, it creates two positions side by side in the same layer, and I believe it is an appropriate role for the science administrator to have an equal status with the administrator who runs the rest of the agency.

That is the real objective of this bill, to have science at a higher level, and I do not consider that an additional layer of bureaucracy; but I am pleased to work with the gentleman.

Mr. BAIRD. Mr. Speaker, I appreciate the clarification, and concur with the gentleman's position.

Mr. Speaker, I thank the gentleman from New York (Mr. BOEHLERT) for his outstanding work on this bill and his leadership of our committee. I also thank the gentleman from Michigan (Mr. EHLERS) for his work.

Mr. Speaker, I reserve the balance of my time.

Mr. EHLERS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BOEHLERT), the chairman of the Committee on Science, and also express my appreciation for his work on this issue.

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, I want to point out to Members that this measure is brought forward by the gentleman from Michigan (Mr. EHLERS), a doctor, a distinguished scientist in his own right, who is providing invaluable service to the Committee on Science. He and another gentleman from Michigan (Mr. BARCIA), are a dynamic duo who have worked tirelessly to advance this bill to the point where we have it on the floor today under the Suspension Calendar, which is reserved for noncontroversial measures. This is noncontroversial.

No Member in their right mind can come up with any logical reason why we should not have a chief scientist in the Environmental Protection Agency. No one in their right mind can come up with any reason why we should not have, as this bill provides, a deputy administrator for science and technology. We are in an institution and in a town where people love to say that they favor science-based decision-making. Some of those people favor it as long as it is politically convenient. When the conclusion of the scientist is not politically convenient, they look elsewhere. There will be no escaping what this bill does, and its intent. We want to have the best possible scientific guidance for the administrator of the Environmental Protection Agency, and we want the Environmental Protection Agency to give the administration and Congress the best possible advice that is based on sound science.

If we have that, I am convinced we can continue to go forward in a very responsible way to deal with such issues as global climate change.

Mr. Speaker, I applaud the gentleman from Michigan (Mr. EHLERS) for his work on this, and the dedicated work of the staff on both sides of the aisle. The Committee on Science has an outstanding staff. I think it is second to none, very capable individuals, individuals with advanced degrees in various science disciplines, and that serves us all well.

Mr. Speaker, I urge Members to pay attention to what we are doing here today, and I would expect unanimous support for this very worthy bill.

Mr. BAIRD. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for his leadership, and the gentleman from Michigan (Mr. EHLERS) for his leadership on this issue.

I think the words which have been spoken are particularly instructive. As a member of the Committee on Science for a number of years, and having oversight over the Environmental Protection Agency, this legislation that provides for an administrator for science and technology emphasizes the partnership between what the agency does and science.

Everything that we have had the opportunity to investigate in the Committee on Science permeates the words "science and technology," and particularly over these last years we have been utilizing the concept of technology: Technology and weather, technology in the science of pollution and clean air, technology as it relates to education, technology as it relates to the whole concept of keeping our communities safer and cleaner. So in order to provide greater advice to the administration and to ensure that the Environmental Protection Agency is an agency that is strengthened with science, I believe this legislation is the right direction.

Mr. Speaker, I hope that as this legislation moves, we will be able to implement the position very quickly because I am seeing with the changing focus on the utilization of science and technology, the greater need for that expertise, expertise to the Congress and to the administration. It is my pleasure to add my support to this legislation because it strengthens the Environmental Protection Agency upon which we rely greatly as well as our local communities, and it gives the insight that is necessary to make the process of the environment and science holistic.

Mr. EHLERS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. MORELLA), who has worked so hard on science issues, particularly the need to recruit women and minorities into science.

Mrs. MORELLA. Mr. Speaker, I thank the gentleman from Michigan (Mr. EHLERS) for yielding me this time, and offer my commendation to the chairman of the Committee on Science, the gentleman from New York (Mr. BOEHLERT) and the ranking member, the gentleman from Texas (Mr. HALL), and the ranking member of the subcommittee, the gentleman from Michigan (Mr. BARCIA), and the gentleman from Washington (Mr. BAIRD) for this piece of legislation that comes before us today.

Mr. Speaker, it is with great pleasure that I rise in support and as a proud cosponsor of H.R. 64, the Strengthening Science at the Environmental Protection Agency Act. This bill makes important changes to the administrative structure at the EPA, establishing for the first time a clear chain of command for EPA science, and a dedicated office responsible for maintaining the highest possible standards.

With this bill, the House Committee on Science continues its mission to advance common sense bipartisan legislation that directly confronts deficiencies in our scientific enterprise. I am proud of our work together, and I thank the gentleman from Michigan (Mr. EHLERS) and the gentleman from Michigan (Mr. BARCIA) and the gentleman from Washington (Mr. BAIRD) for upholding that tradition in bringing the bill before us today.

Recent reviews of the Environmental Protection Agency have rated the quality of the science high. As individuals, the dedicated men and women of the EPA are doing their jobs with the professionalism and integrity we have come to expect, and have every right to demand. They should be proud of their efforts.

Unfortunately, these same reviews have been critical of the organization and focus of the research. The work is piecemeal, and not always directly applicable. The overall mission is unclear, and important areas are unsupported. We clearly need a more top-down approach, and this bill provides one.

Sound science requires strong leadership. Administrator Whitman has made a commitment to improve oversight of the S&T initiatives at EPA, and I applaud her efforts to conduct a thorough review of her agency. She has the will, and it is time for Congress to provide the way. This bill would create a deputy administrator for science and technology, and provide a clear mandate for the coordination and oversight of research activities. It also provides a chief scientist for the agency to provide guidance and perspective. These improvements are sorely needed.

Two years ago, the National Research Council issued a comprehensive review of EPA, and specifically called for the offices created by this legislation. In that review, the NRC highlighted the growing concerns about EPA science. They found the quality of work extremely high, but the perception low. The committee unanimously judged the lack of a top science official a major contributor, calling this state a "formula for poor scientific credibility outside the agency." This is simply not acceptable.

The EPA's work is too important to suffer from poor perception. A regulatory agency cannot function without the public's trust. As the agency with primary oversight of the Nation's environment, the scientific basis for EPA's regulatory decisions must be beyond reproach. We will always have debates over trade-offs between environmental and economic prosperity, between fair use and exploitation, and too much regulation and not enough. We cannot afford to have debates about the science. It must be reliable, timely and sound.

No corporation is run without a head and no enterprise succeeds without a leader. The EPA needs a clear hierarchy and a dedicated office to oversee the science portfolio and take responsibility for its focus and direction. The importance of the work requires it. The impact of the decisions demand it, and the American people deserve no less. I urge Members to support H.R. 64.

Mr. BARCIA. Mr. Speaker, I rise in support of H.R. 64, the Strengthening Science at the Environmental Protection Agency Act, legislation that will ensure that science plays a proper role at the Environmental Protection Agency. We must be sure that science will serve as the basis for sound regulations that do not unduly impede economic development.

I want to thank Congressman SHERWOOD BOEHLERT and VERNON EHLERS who worked closely with myself and Congressman RALPH HALL to craft a truly bipartisan piece of legislation. This legislation addresses recommendations made by the National Academy of Sciences and will do much to improve the quality of science at the Environmental Protection Agency.

This legislation emphasizes that research is integral to the mission of EPA to protect human health and the environment.

The creation of a Deputy Administrator for Science and Technology will ensure that science has an equal seat at the table when important decisions are made. Any regulation issued by the EPA must be based on the best scientific information available. I believe that the elevated status of this new position will ensure this is the case.

I urge my colleagues to support H.R. 64.

Mr. SMITH of Michigan. Mr. Speaker, I rise in support of this legislation sponsored by my good friend and colleague from Michigan, Mr. EHLERS.

This legislation, which establishes a Deputy Administrator for Science and Technology at the Environmental Protection Agency, fulfills a recommendation made in a report of the National Academy of Sciences. It is intended to give science a more visible role at EPA and to ensure a sound foundation for science at the agency.

As many in this body know, there is a widespread perception that politics more than science influences regulatory decisions at EPA. This bill addresses this problem, but it is only the beginning.

There needs to be a real change in the culture at EPA. Many have asked whether it is appropriate to have a regulatory body conducting and overseeing the science used to support its regulatory determinations. It seems to me that there is an inherent conflict of interest in such an arrangement. Even when EPA science is sound, there is an inescapable perception that the regulatory decision drove the science, not the other way around. This bill is a good start at raising the profile and centrality of science at EPA.

I want to thank the gentleman from Michigan for his leadership on this issue, and I urge my colleagues to support H.R. 64.

Mr. HOLT. Mr. Speaker, I rise today in support of H.R. 64, the Strengthening Science at the Environmental Protection Agency Act.

In a report published in June of 2000, the National Academy of Sciences recommended the restructuring of the EPA's science programs to strengthen the role that science plays in the decision-making process. The National Academy's recommendations call for the establishment of a Deputy Administrator for Science and Technology and an appointment for the position of Assistant Administrator for Research and Development.

I am pleased that Mr. EHLERS introduced H.R. 64, which will make these recommendations a reality. Protection of our environment is dependent on science both to assess problems and to develop solutions. This bill enhances the mission of the Environmental Protection Agency to include conducting, sponsoring, and evaluating environmental science and technology research. The agency will then use the results of this research to carry out the EPA's agenda with regard to protecting the environment.

With this shift to a more science-based decision-making process at the Environmental Protection Agency, it only makes sense that the people who oversee science and technology at the EPA should be well-respected researchers who understand the scientific process. This bill directs the President to appoint a Deputy Administrator for Science and Technology and an Assistant Administrator for Research and Development (or Chief Scientist) who both have outstanding backgrounds, including research accomplishments, scientific reputation and leadership experience.

Although I support this effort, I wanted to sound one cautionary note. As we pass this bill, we will need to monitor its implementation carefully. We want to make sure that our direction that EPA has a Deputy Administrator for Science and Technology and an appointment for the position of Assistant Administrator for Research and Development not be distorted by anyone with a political agenda. We want to make sure the people who fill these new positions at EPA are truly scientists, not politicians intent on using junk science or biased science to fulfill a political agenda. That is equally true for pro-industry and pro-environmental positions.

All too often in the environmental arena we see decisionmaking being dictated by a reliance on studies created or funded by industry. In many instances, we don't have access to the raw data underlying these studies. As any scientist will tell you, this is a perversion of the peer review process that is the basis of all good science. We have also seen groups make wild claims that have no basis in scientific analysis.

Mr. Speaker, H.R. 64 is a well-intentioned bill and a step forward to see that our decisions are guided by the best available data. I urge my colleagues to support it.

Mr. BAIRD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. EHLERS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Michigan (Mr. EHLERS) that the House suspend the rules and pass the bill, H.R. 64, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

EXTENDING AUTHORITY OF EXPORT-IMPORT BANK UNTIL MAY 31, 2002

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2248) to extend the authority of the Export-Import Bank until May 31, 2002.

The Clerk read as follows:

S. 2248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF EXPORT-IMPORT BANK.

Notwithstanding the dates specified in section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of Public Law 103–428, the Export-Import Bank of the United States shall continue to exercise its functions in connection with and in furtherance of its objects and purposes through May 31, 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Vermont (Mr. SANDERS) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 2248, and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member rises today in support of S. 2248, which is being considered today under suspension of the rules. This legislation simply extends the authorization for the Export-Import Bank until May 31, 2002, nothing more. Under current law, the most recent short-term reauthorization of the Export-Import Bank expires on April 30, 2002. If this subsequent short term authorization extension is not signed into law, the Export-Import Bank could not engage in new transactions and would have to wind down its current operations as of today, April 30.

Without the passage of this legislation the Export-Import Bank will not have the legal authority to issue new financing commitments in support of the export of U.S. made goods and U.S. origin services.

□ 1530

Each year, the bank supports more than 2,300 export transactions. Eighty-six percent of those transactions are for small and medium-sized businesses. The bank processes a daily flow of export cases and any expiration of the bank's charter will jeopardize pending sales and the jobs of U.S. workers tied to those transactions.

Even more important to small business, the Export-Import Bank has a Credit Committee which approves small business transactions. This Credit Committee meets often each week. If this extension is not passed, the Credit Committee will not be able to do their business, and small businesses in turn will be hurt the most.

Therefore, it is extraordinarily important that we approve this legislation today. I say that because tomorrow, in fact, we will be debating the Export-Import Bank Reauthorization Act of 2001 under a rule. That bill, introduced by this Member, of course, had careful attention in subcommittee and committee, and we are prepared to take it to the House floor tomorrow under a rule which is expected to be prepared this evening for consideration tomorrow.

Mr. Speaker, in conclusion, for these reasons and many others, it is extraordinarily important that we approve this 1-month authorization extension for the Export-Import Bank today.

Mr. Speaker, I reserve the balance of my time.

Mr. SANDERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, with all due respect to my very good friend, the gentleman from Nebraska (Mr. BEREUTER), I rise as the ranking member of the Subcommittee on International Monetary Policy and Trade in strong opposition to this 30-day extension to the Export-Import Bank. I think it is time to send this bank a message, and I think we should vote down this extension and this bill this afternoon.

This bill, I should say, is being opposed by 10 of my colleagues who have sent a letter to every Member of Congress urging a "no" vote on this legislation. These Representatives are the gentleman from California (Mr. ROHRABACHER), the gentleman from Michigan (Mr. CONYERS), the gentleman from Texas (Mr. PAUL), the gentleman from Oregon (Mr. DEFAZIO), the gentleman from Ohio (Mr. KUCINICH), the gentleman from New York (Mr. HINCHEY), the gentlewoman from California (Ms. LEE), the gentleman from Missouri (Mr. CLAY), the gentleman from Ohio (Mr. BROWN) and the gentleman from New York (Mr. TOWNS).

This bill is also opposed by the Paper Allied Chemical and Energy Workers International, PACE, a union with over 300,000 members. It is opposed by the Independent Steel Workers Union. It is opposed by the U.S. Business and Industry Council and by the CATO Institute, a conservative think tank.

Mr. Speaker, this is an example of where progressives, such as myself, and conservatives, are coming together to protect the American taxpayer and the workers of this country in opposition to an outrageous example of corporate welfare.

While I do not often agree with the conservative columnist Robert Novak, I urge Members to read the article he wrote which appeared in yesterday's Washington Post which raises some very strong concerns about the Export-Import Bank.

Mr. Speaker, many supporters of the Export-Import Bank argue that the bank is necessary in order to create jobs. What I want to know, therefore, is if this bank is supposed to create jobs, how come the major beneficiaries of the Export-Import Bank, the corporations who have received the most assistance year after year, have substantially reduced their American workforce? In other words, instead of creating new jobs, these large corporations have taken money from the Export-Import Bank and, year after year, they have thrown tens and tens of thousands of American workers out on the street.

I think it is time to tell those folks who are at the trough for corporate welfare that if they want money from the taxpayers of this country, if they want help from the working people of this country, you do not lay off hundreds of thousands of American workers.

Mr. Speaker, some have talked about how 86 percent of the transactions from Ex-Im go to small business. That is correct. But that is a bit misleading, because 82 percent of the money, what is really important, goes to the Fortune 500 companies, while only 18 percent of the dollars and the subsidies go to small business.

Mr. Speaker, let me give a few examples of the work and the actions of some of the major beneficiaries of the Export-Import Bank. General Electric has received over $2.5 billion in direct loans and loan guarantees from the Export-Import Bank. They are, I believe, the second largest major beneficiary. Not exactly a small business. In fact, they are one of the largest corporations in the world. So all the taxpayers in America who are struggling to keep their heads above water, GE thanks you very, very much for your assistance.

What is this company doing? What do they say. Jack Welch, as everybody knows, was the very successful CEO of GE for many years. Let me quote Mr. Welch: "Ideally, you have every plant you own on a barge."

That is his philosophy. I respect the guy. He is up front. He says that the way you make money is to move to China and Mexico, pay workers there sub-standard wages, and throw American workers out on the streets. That is his business. I do not have a problem with that, but I do have a serious problem that American taxpayers' money, American workers' money, goes to companies who say, "Hey, wouldn't it be ideal if we could have all of our jobs on a barge and move to any country in the world where wages are lower?"

GE has moved jobs from State to State and country to country in search of lower wages. The company's biggest export is, in fact, jobs. In 1975, GE had 667,000 American workers. In 1995, they employed 398,000, a decline of 269,000 jobs. Now, is that not something? What a success story for Ex-Im; the number 2 recipient lays off hundreds of thousands of jobs.

Now, I was a mayor of a city for 8 years and we provided help to the business communities. But, you know what? We did not just give them a blank check. We said if you want taxpayer money, this is what we want from you in return. And I would suggest very strongly that what the taxpayers of this country want when they subsidize corporations is they want those corporations to reinvest in America, create jobs in America, and not run to China, Mexico and every country in the world where they can pay workers starvation wages.

Mr. Speaker, I reserve the balance of my time.

Mr. BEREUTER. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Ohio (Mr. OXLEY), the distinguished chairman of the Committee on Financial Service.

Mr. OXLEY. Mr. Speaker, I rise today to support the 30-day extension of Ex-Im's reauthorization. Let me take a few minutes to outline for my colleagues why this extension is so critical.

Without this 30 day extension, the Ex-Im Bank will not be forced to close its doors, but it will be prevented from doing any new business transactions. What does that mean? It means many U.S. manufacturers will have to sit idle waiting for a full-term authorization, losing millions of dollars in business every day. It means that workers whose jobs depend on exports financed by the Ex-Im Bank will face an unclear future.

It means that the international export community will view the U.S. Congress as unsupportive of U.S. exporters and will seek to capitalize by convincing foreign markets that they cannot rely any longer on U.S. manufacturers. I have already received a copy of a letter that calls into question the ability of Ex-Im to transact future deals. That is the international perception. It is critical that we refute that view by passing this legislation.

Mr. Speaker, tomorrow the House is scheduled to consider a 4-year reauthorization of Ex-Im that was approved by the Committee on Financial Services in October of last year. That legislation, H.R. 2871, received broad bipartisan support in the committee and was approved by a voice vote.

I want to thank the gentleman from Nebraska (Mr. BEREUTER), the chairman of the Subcommittee on International Monetary Policy and Trade, who, over the past several months, has worked closely with the administration to remedy some of its concerns related to the original legislation. Many of those concerns have been addressed and will be included in a manager's amendment to the legislation.

Mr. Speaker, the Ex-Im Bank is a vital tool for the American exporting community. The Ex-Im Bank provides loan guarantees, insurance and direct loans to U.S. manufacturers that seek to reach overseas markets when there is no available commercial financing or direct competition from another export credit agency.

There are over 70 foreign export credit agencies supplying more than $500 billion in financing for international exports. In order to remain competitive in the international arena, U.S. exporters need the Ex-Im Bank to compete on a level playing field. Without Ex-Im, our manufacturers would face an international market full of goods receiving government sponsored support, making it more difficult for them to offer their goods at a competitive price. Additionally, without Ex-Im, it will be more difficult for U.S. goods to reach emerging markets, effectively closing out the opportunity for U.S. businesses to build a customer base in those countries.

Let me reiterate, Mr. Speaker we will take up the full authorization for the Ex-Im Bank tomorrow, but today we must extend the charter of the bank for 30 days to ensure that Ex-Im can continue to create new business. I urge my colleagues to join me in voting to approve this 30-day extension of the bank and let the world know that we support American manufacturers, we support American workers and we support the American economy.

Mr. SANDERS. Mr. Speaker, I am happy to yield such time as he may consume to the gentleman from New York (Mr. LAFALCE), the ranking member of the Committee on Financial Services.

Mr. LAFALCE. Mr. Speaker, I find myself in agreement with much of what has been said by my friend the gentleman from Nebraska (Mr. BEREUTER) and my friend the gentleman from Ohio (Mr. OXLEY), so I rise in strong support of this 30-day extension of the Ex-Im Bank.

I think it is imperative that we continue the existence of Ex-Im Bank until no other country has the means of subsidizing their exports. Otherwise, we would be engaging in unilateral disarmament. We cannot do that. I do not foresee the day in the near future when we are going to have a multilateral agreement that ends all subsidies of exports.

So, this is really a necessity for survival. If we did not extend Ex-Im Bank, basically you would have to shut down its operations. That is just untenable.

Having said that, let me also say I share some of the concerns of my good friend, the gentleman from Vermont (Mr. SANDERS), both with respect to procedure and with respect to substance. About 30 days ago when we had another 30-day extension, I said that it would be difficult for me to support another extension unless we had come to the floor or would be coming to the floor with the authorization bill.

I wish we had done it in the past 30 days, but we are doing it tomorrow. So that is good enough, we are doing it tomorrow. But also my assumption is, and I am supporting the 30-day extension on the assumption that the gentleman from Vermont (Mr. SANDERS) and others who have differences of opinion, who want to perfect the bill, will be given the opportunity to offer their amendments on the floor of the House so they can be voted up or down.

On the basis of that assumption, I can and do support the bill.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, I would like to confirm the gentleman's understanding and expectation. This Member has specifically urged the Committee on Rules and our colleagues in the Committee on Financial Services to make in order, for example, the Sanders amendment and the amendment of the gentlewoman from Illinois (Ms. SCHAKOWSKY) and others that were offered in committee but which were not approved.

I expect and am very assured that we are going to have a structured but broadly open bill for discussion tomorrow and that the concerns of the distinguished gentleman (Mr. LAFALCE) will be addressed tomorrow in the debate.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. LAFALCE. I yield to the gentleman from Nebraska.

Mr. LAFALCE. Mr. Speaker, reclaiming my time, I find that a very persuasive reason for supporting today's bill. I thank the gentleman from Nebraska.

Mr. SANDERS. Mr. Speaker, I am very happy to yield such time as he may consume to the distinguished gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, I thank the ranking member for yielding me time.

Mr. Speaker, I just heard this last colloquy with the gentleman from New York. If he still has faith in the Committee on Rules around here, that we are going to get a rule that will allow us to offer our amendments, I am going to pray tonight, I will burn a candle, I will do everything necessary, but let us see what happens about that tonight.

Now, the Export-Import Bank, I do not get this around here. $673 million in loans and loan guarantees for projects related to the Enron Corporation. Has that corporation been lifted up into this debate? Does anybody want to defend that? I will yield to them right now. $673 million in loans, leaving the taxpayers exposed to $514 million in loans.

Then they approved a $300 million loan for an Enron-related project in India, even though the World Bank, for whom I have not always praise, has refused to finance the very same project because it was not economically viable.

□ 1545

So what goes on here? This was created in the Depression to create jobs, and now they are operating in a totally reverse strategy. Is this new information to the committee? And they are providing the money to the Fortune 500 corporations, which are nice people and I like them a lot, but they are the ones that are contracting the labor force into United States as we meet.

So I come to this debate a little bit confused.

Mr. SANDERS. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Speaker, the gentleman comes from Detroit where General Motors is. How many workers have been laid off by General Motors, a major recipient of the Export-Import Bank? Does the gentleman have any idea?

Mr. CONYERS. Yes, Mr. Speaker. Roughly 200,000.

Mr. SANDERS. Well, they must be doing a good job with the money that they are getting. They sure are.

Mr. CONYERS. Mr. Speaker, from 559,000 to 314,000, and that is just one of the automobile corporations; they are all contracting. And most of the Fortune 500 companies are contracting their workforce. So how do we end up thinking that this is very important because this does not protect American workers? Why are we here?

Mr. BEREUTER. Mr. Speaker, it is my pleasure to yield 5 minutes to the distinguished gentlewoman from New York (Mrs. MALONEY), a member of the Committee on Financial Services.

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in bipartisan support of the 30-day extension reauthorization of the Export-Import Bank. One month ago Congress successfully passed a 30-day reauthorization by voice vote, and I urge my colleagues to once again support keeping the bank in business as we finish the reauthorization tomorrow.

Since 1934, the Ex-Im Bank has helped finance the sale of U.S. products around the world by providing loan guarantees, loans, and export credit insurance for U.S. businesses. While some opponents of the bank argue that it has outlived its use, I believe its mission is increasingly relevant in today's competitive global economy, especially as new opportunities for U.S. exports increase in emerging markets.

In politically developing regions like Eastern Europe and the former Soviet Union, projects often require the support of an export credit agency, and without Ex-Im Bank, they would be more likely to fall to foreign competitors.

Exports are increasingly important to the U.S. economy. The U.S. is far more dependent on exports today, which form a larger share of the GNP, than in the 1930s. In fiscal year 2000, the bank supported over $15.5 billion in U.S. exports, on a subsidy of $759 million.

The important point to remember about the bank is that it is a lender of last resort. It offers guarantees for loans that otherwise would not be made. Mr. Speaker, $15.5 billion may not be a large number in relation to the entire U.S. economy, but this $15.5 billion represents economic activity and U.S. jobs that, without Ex-Im Bank, support would not be available to American workers.

Across the country, Ex-Im Bank support goes to businesses, both large and small. I am frequently visited by constituents who use the Ex-Im Bank. In my district in New York, the bank has worked with financial institutions, import-exporters and manufacturers, totaling over $1 billion in exports since 1995. During this period, the bank has supported 72 different businesses in my district alone, including 19 small businesses.

While today's vote will keep the bank in business for 30 days, the House will consider the bank's reauthorization through 2005 tomorrow.

With the leadership of the ranking member, the gentleman from New York (Mr. LAFALCE) and the chairman of the committee, the gentleman from Ohio (Mr. OXLEY) and the subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER), this reauthorization builds on the bank's past successes. It has strong bipartisan support, and it also includes an amendment I offered in the subcommittee giving the bank explicit authority to turn down an application for Ex-Im support when a company has engaged in fraudulent business practices.

Mr. Speaker, this is an important institution, and I urge its continued support, both today and tomorrow.

Mr. SANDERS. Mr. Speaker, I yield myself such time as I may consume.

Last summer, I worked with my very good friend, the distinguished chairman of the subcommittee, the gentleman from Nebraska (Mr. BEREUTER) on issues relating to the Export-Import Bank. In fact, we introduced a bill, H.R. 2517, that would have gone a very long way in protecting the taxpayers of this country from corporate welfare and in protecting American workers, and I want to thank the gentleman from Nebraska for his support of that effort. A markup was scheduled to take place on that bill but, out of nowhere, the markup was canceled, and my suspicion is that the moneyed interests who like the Export-Import Bank as it is right now sent down the word from on top that that markup never take place. What we have in front of us is an outrageous example of corporate welfare.

Mr. Speaker, my feeling is that the American people who, in many instances, are working longer hours for lower wages than was the case 20 or 30 years ago, many of whom have no health insurance, our seniors do not have prescription drugs, we face a housing crisis, a child care crisis; in the midst of all of this, people are saying, why are the taxpayers of this country providing huge subsidies and loans to the largest multinational corporations in the world who pay their CEOs huge salaries, give them huge benefits, and companies that take this money from the taxpayers say, thank you very much and, oh, by the way, we are laying you off because we are going to China and hiring somebody at 20 cents an hour.

I think the American people want us to protect their dollars. I think they want us to protect American workers.

What is so bad about saying to a corporation, if you want taxpayers' money, then you have to protect American jobs? What a radical idea. But it is an idea that has not yet come to the Export-Import Bank.

There are a number of reasons why we should vote "no" and send a message to the Export-Import Bank.

Number 1, major corporations take the money, lay off American workers, and run abroad.

Number 2, the Export-Import Bank, as the gentleman from Michigan (Mr. CONYERS) indicated, has provided $673 million in financing to questionable Enron-related projects, projects, in some instances, that the taxpayers of this country may have to pick up the tab for.

Number 3, the Export-Import Bank is hurting steel workers. The Export-Import Bank has provided an $18 million loan to help a Chinese steel mill purchase equipment to modernize their plant. This Chinese company has been accused of illegally dumping steel into the U.S. According to the United Steel Workers of America, "It is disgraceful that the U.S. Government is bankrolling Chinese steel production when U.S. steel companies are declaring bankruptcy and American workers are being laid off."

Number 4, the Export-Import Bank is helping the Chinese military. The Export-Import Bank is subsidizing Boeing aircraft sales to the Chinese military. According to the President of Machinist Local 751, "Boeing used to make tail sections for the 747s in Wichita, but they moved the work to a military factory in Xian, China. Is this Boeing's definition of free trade, to have American workers compete with Chinese labor making $50 a month under military discipline?"

Number 5, the Export-Import Bank is helping General Electric ship jobs to Mexico.

Number 6, the Export-Import Bank is helping AT&T ship jobs to China. And on and on and on it goes.

Mr. Speaker, in my view, if we keep the Export-Import Bank, we should have firm guarantees from the companies that receive the money that they are going to grow American jobs, they are going to hire more and more workers, not lay them off. In my view, a much larger percentage of money from the Export-Import Bank should go to the small business community, the people who are creating jobs in America, not to the big corporations who are sending our jobs abroad.

So, Mr. Speaker, I believe that the time is now to send a message to the Export-Import Bank who have, for so long, ignored the needs of the American taxpayer and have ignored the needs of American workers. Let us shut them down. Let them think. Give them some time to think. This is going to be a very good reflective time, contemplative time. They could take the time off, go home, meditate, and try to understand how they can represent American workers and American taxpayers, rather than just the multinational corporations.

So I urge a "no" vote. I will insert into the RECORD at this time a statement from the United States Business and Industry Council, which opposes the extension; a statement from the Cato Institute that opposes the extension; and a statement on behalf of the Paper, Allied-Industrial, Chemical and Energy Workers representing 320,000 American workers who want to keep their jobs in this country.

The statements are as follows:

UNITED STATES BUSINESS AND INDUSTRY COUNCIL,
April 29, 2002.

OPPOSE THE 30-DAY EXTENSION OF THE EXPORT-IMPORT BANK—REQUIRE THAT IT SUPPORT JOBS AND INDUSTRY IN AMERICA, NOT OVERSEAS

On Tuesday, April 30, 2002, a 30-day extension of the Export-Import Bank will be on the House Suspension Calendar. On behalf of our domestic American member companies, we urge that you vote against S. 2248.

The Export-Import Bank was created in 1934 to increase U.S. jobs through exports. Today, the Export-Import Bank has strayed from this mission. It is now providing billions of dollars to multinational companies that are laying-off hundreds of thousands of American workers and shipping their jobs overseas.

By opposing the 30-day extension, you will be sending a message to the Export-Import Bank that it should only support companies and projects that increase jobs in the United States.

EXPORT-IMPORT BANK'S TOP CLIENTS CUT THEIR WORKFORCE

Time Magazine reports the top 5 recipients of Ex-Im subsidies over the past decade have reduced their workforce by 38%—more than a third of a million jobs lost. These five companies, which include giants Boeing and General Electric, have received more than 60% of all Ex-Im subsidies.

THE EXPORT-IMPORT BANK HAS HELPED CHINESE STEELMAKERS

The Export-Import Bank has provided an $18 million loan to help a Chinese steel mill purchase equipment to modernize their plant. This Chinese company has been accused of illegally dumping steel into the American market. The U.S. government should not bankroll Chinese steel production when U.S. steel companies are being forced into bankruptcy by imports.

THE EXPORT-IMPORT BANK IS HELPING THE CHINESE MILITARY

The Export-Import Bank is subsidizing Boeing aircraft sales to China. Yet, Boeing has been increasing the amount of aircraft production it does in China. It used to make tail sections for the 737 in Wichita, but then moved the work to a military factory in Xian, China. Besides being questionable on commercial grounds, such deals amount to the Ex-Im Bank subsidizing Beijing's defense industry at a time when China's military buildup threatens the stability of Asia.

These practices must end. Oppose the 30-day extension of the Export-Import Bank.

THE CATO Institute,
April 30, 2002.

TIME TO RETIRE THE EXPORT-IMPORT BANK, CATO STUDY CONCLUDES

WASHINGTON.—The House of Representatives faces a vote this week on whether to reauthorize the Export-Import Bank of the United States. A recent study published by the Cato Institute, "Rethinking the Export-Import Bank," finds that, "the Ex-Im Bank is a Great Depression-era agency that has little relevance in a time of increasingly open and sophisticated global markets."

According to the study:

Generous export subsidies don't equal better export performance. The United States exported roughly twice as much in 2000 as it did in 1990. By comparison, Germany's exports increased by 34%, Japan's by 66%, the U.K.'s by 51%, and France's by 36%. Yet according to a 1997 GAO analysis of official export support, the United States subsidized a much smaller share of its exports than any of these other nations. In addition, most (more than 80%) beneficiaries of Ex-Im financing do not face subsidized competition.

Export subsidies don't increase net employment or "improve" the trade balance. By overriding the market, the Bank directs credit to less efficient uses, creating distortions in the national economy, and imposing opportunity costs that are higher than the added value of the Bank's intervention.

It is neither fair nor constitutional that taxpayer dollars are being used to support particular businesses, including Enron, GE, and numerous other multibillion-dollar beneficiaries. Indeed, in FY2000, the top 10 recipients of the Bank's loans and long-term guarantees were large corporations that got 86% of those services. Private credit markets are far deeper and are more accessible than during the Great Depression when the Bank was founded, and large corporations should have no trouble financing creditworthy projects.

"Rethinking the Export-Import Bank" can be found at *http://www.freetrade.org/pubs/briefs/tbp-015es.html*. Daniel Griswold, associate director of Cato's Center for Trade Policy Studies, is available to provide comments and background. He can be reached at (202) 789-5260, or dgriswold@cato.org.

PACE,
April 29, 2002.

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the Paper, Allied-Industrial, Chemical and Energy Workers International Union (PACE) and our 320,000 members I would like to express our opposition of the bill to provide for a 30-day extension of the Export-Import Bank. The bill will be on the Suspension Calendar for Tuesday, April 30, 2002. We urge that you vote against this legislation.

The Export-Import Bank was created in 1934, in the midst of the Great Depression, to increase U.S. jobs through exports. Unfortunately, the Export-Import Bank has reversed this strategy and is now providing billions of dollars in corporate welfare to large, multinational companies. In many instances, the companies that receive Export-Import Bank support are precisely the ones that are laying-off hundreds of thousands of American workers and shipping those jobs overseas to China and Mexico.

By opposing the 30-day extension, we will be sending a message to the Export-Import Bank and its supporters: start protecting American workers, stop financing Enron-related projects, support our struggling steel industry, and only support companies that are working hard to increase jobs in the United States—not the ones that are exporting jobs. If we are successful, the Export-Import Bank may have to close its doors for one day. Hopefully, this 24-hour period will enable the bank to consider changing its policies to help American workers—not the multi-national companies that are shipping jobs overseas.

Here are the top five reasons to oppose this bill:

1. The Export-Import Bank Provides Corporate Welfare To Companies That Ship jobs Overseas.

On August 8, 1996, the director of the AFL–CIO task force on trade said that: "Ex-Im financing is corporate welfare with a fig leave of U.S. jobs."

According to Time Magazine, the top 5 recipients of Ex-Im subsidies over the past decade which include Boeing and General Electric have reduced their workforce by 38%—more than a third of a million jobs down the drain. These same 5 companies have received more than 60 percent of all Export-Import subsidies.

2. The Export-Import Bank Has Provided $673 million in Financing to Questionable Enron-related projects.

Since 1994, the Export-Import Bank has provided $673 million in loans and loan guarantees for projects related to the Enron Corporation leaving taxpayers exposed to $514 million. The Ex-Im Bank approved a $300 million loan for an Enron-related project in India even though the World Bank repeatedly refused to finance this project because it was "not economically viable."

According to Human Rights Watch, Amnesty International, Friends of the Earth and the Indian media, "Enron subsidiaries paid local law enforcement to suppress opposition to its power plant in which they arbitrarily beat and arrested dozens of villagers."

3. The Export-Import Bank Is Hurting Steelworkers.

The Export-Import Bank has provided an $18 million loan to help a Chinese steel mill purchase equipment to modernize their plant. This Chinese company has been accused of illegally dumping steel into the U.S. According to the United Steelworkers of America, "It's disgraceful that the U.S. government is bankrolling Chinese steel production when U.S. steel companies are declaring bankruptcy and American workers are being laid-off."

4. The Export-Import Bank Is Helping Boeing Ship Jobs to China.

The Export-Import Bank is subsidizing Boeing aircraft sales to China. According to the President of Machinists' Local 751: "Boeing used to make tail sections for the 737 in Wichita, but they moved the work to a military factory in Xian, China. Is this Boeing's definition of free trade, to have American workers compete with Chinese labor making $50 a month under military discipline?"

5. The Export-Import Bank Is Helping General Electric Ship Jobs to Mexico.

The Ex-Im Bank insured a $3-million loan to aid General Electric build a factory where Mexican workers will make parts for appliances to export back to the United States. This project is responsible for the loss of 1,500 American jobs in Bloomington, Indiana. Their jobs will now be performed by Mexican workers who are making $2 per hour.

These practices must end. Oppose the 30-day extension of the Export-Import Bank bill.

Sincerely,

LOWELL "PETE" STRADER.

Mr. Speaker, I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in fact, the legislation that we will take up tomorrow will be requiring an increase of Ex-Im Bank funds for small business—a requirement of not less than 20%. Already, 86 percent of the transactions of the Export-Import Bank do involve small business.

This is not a question about sending a message to the Export-Import Bank by failing to approve this 1-month extension today. This is a very serious matter for it would not be just a 24-hour hiatus. This, in fact, will disturb the Ex-Im transactions now under review. It will be particularly damaging to the small business community, as I pointed out in my earlier remarks.

A "Dear Colleague" has been sent around to Members of the House. It states that, in fact, this is only a small message, a 24-hour period. As I said, this is not accurate. If the House does not vote in favor of Ex-Im's 30-day reauthorization, the bank will not be able to transact any new business until there is agreement between the House and the Senate on the terms of Ex-Im's reauthorization. In fact, the unfortunate message that would be sent is a real one to American exporters that we have no confidence in the Export-Import Bank.

I would like to address 4 specific points that were made in the "Dear Colleague" letter. First of all, the Export-Import Bank is not corporate welfare. As I mentioned, 86 percent of Ex-Im's transactions are with small businesses. Ex-Im charges interest on its direct loans and premiums for its guarantees and insurance, costs that the U.S. exporters usually pass through to the overseas customers. Those charges usually range from 5 percent to 17 percent of the financing obtained, depending upon the risk.

Number 2, the Export-Import Bank, like other institutions was, in fact, a victim of Enron. The entire U.S. economy was caught off guard when Enron folded, including the Ex-Im Bank.

□ 1600

But Ex-Im is receiving installment payments from Enron for all Enron-related transactions. Ex-Im is participating fully in the Justice Department investigation to determine if Enron made any false statements to the government with respect to export-import transactions.

Number three, the Export-Import Bank Extension Act does fight for steelworkers. The full reauthorization bill, which will come to the floor tomorrow, has a very important provision added at the suggestion or at the amendment of our colleague from the committee, the gentleman from Pennsylvania (Mr. TOOMEY).

That legislation addresses the $18 billion guarantee approved by the Export-Import Bank in December of 2000 to support the sale of computer software by American exporters to Benxi Iron and Steel Company in China. The Benxi Company was subject to a final determination of steel dumping by the International Trade Commission subsequent to that transaction approval.

The bill conforms Ex-Im lending to current U.S. trade laws now, because of the Toomey amendment, by barring any Ex-Im loan or guarantee for production of substantially the same product that is the subject of a countervailing duty or anti-dumping order or a section 201 determination by the International Trade Commission.

The legislation now also requires the Export-Import Bank to develop procedures for loans and loan guarantees to a business, which is subject to a preliminary countervailing trade duty or an anti-dumping determination of material injury. So we have taken very specific action in the committee on the Toomey amendment to address the concerns that came out of the Benxi steel case.

Fourth, I would say the Export-Import Bank is critical in maintaining U.S. jobs. It creates thousands of jobs every year.

I would like to give a quote from John J. Sweeney, the President of AFL-CIO. He says, "As far as we're concerned, corporations which receive subsidies from the Export-Import Bank are merely vehicles through which jobs and income for American workers are created."

I might also mention, this legislation is supported by the International Association of Machinists and Aerospace Workers. They strongly support passage of the legislation.

Now is not the time to take an action that is not responsible. We need to approve the 1-month extension today to keep the disruption from the Export-Import Bank's customers, the American exporters, from taking place.

We will have a full debate tomorrow. I am confident that the bill will give the gentleman from Vermont (Mr. SANDERS), for example, and other key members of the committee, as well as certain other Members of the House who have important amendments, an opportunity to present such amendments to be fully debated, and if necessary, a vote in the House.

Mr. Speaker, it is important we approve this legislation today under suspension. I urge my colleagues to support the passage of S. 2248.

Mr. LAFALCE. Mr. Speaker, I rise in strong support of this 30-day extension of authorization for the Export-Import Bank. Absent this extension, the Bank's authorization will expire, forcing Ex-Im to begin liquidation of its existing contracts and prohibiting any new transactions.

It is very important to understand that this 30-day extension is independent of consideration of H.R. 2871, the 4-year reauthorization of the Ex-Im Bank. H.R. 2871 will be considered tomorrow under a rule, which will give Members an opportunity to offer and debate amendments to the bill. That is the appropriate venue for consideration of more substantive issues related to the Bank's authorization. Today's 30-day extension is necessary to avert a major disruption of Ex-Im operations during the time it takes to consider H.R. 2871 and conference it with the Senate.

Failure to pass the 30-day extension will not only harm the reputation of the Ex-Im Bank. It will also cause serious economic harm to American businesses, including the thousands of small business exporters that account for 90 percent of the Bank's transactions. It will be a setback for U.S. credibility in the global economy, potentially triggering lack of confidence in the U.S. government as a creditor and guarantor in international financial transactions. And it will send the wrong message on the foreign policy front at a time when we are working hard to engage with other countries in the war on terorism.

Mr. BEREUTER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the Senate bill, S. 2248.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SANDERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

PERSONAL EXPLANATION

Ms. HARMAN. Mr. Speaker, on roll call vote 114 last Thursday, April 24, I am not listed as having voted, although I am quite certain I placed my voting card into the voting machine.

Let the record show I intended to vote no on roll call vote 114, the Issa amendment to the Immigration Reform and Accountability Act.

AUTHORIZING USE OF CAPITOL GROUNDS FOR NATIONAL PEACE OFFICERS' MEMORIAL SERVICE

Mrs. CAPITO. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 347) authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service.

The Clerk read as follows:

H. CON. RES. 347

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. USE OF CAPITOL GROUNDS FOR NATIONAL PEACE OFFICERS' MEMORIAL SERVICE.

(a) IN GENERAL.—The National Fraternal Order of Police and its auxiliary (in this resolution referred to as the "sponsor") shall be permitted to sponsor a public event, the 21st annual National Peace Officers' Memorial Service (in this resolution jointly referred to as the "event"), on the Capitol Grounds, in order to honor the law enforcement officers who died in the line of duty during 2001.

(b) DATE OF EVENT.—The event shall be held on May 15, 2002, or on such other date as the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate jointly designate.

SEC. 2. TERMS AND CONDITIONS.

(a) IN GENERAL.—Under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board, the event shall be—

(1) free of admission charge and open to the public; and

(2) arranged not to interfere with the needs of Congress.

(b) EXPENSES AND LIABILITIES.—The sponsor shall assume full responsibility for all expenses and liabilities incident to all activities associated with the event.

SEC. 3. EVENT PREPARATIONS.

Subject to the approval of the Architect of the Capitol, the sponsor is authorized to erect upon the Capitol Grounds such stage, sound amplification devices, and other related structures and equipment, as may be required for the event.

SEC. 4. ENFORCEMENT OF RESTRICTIONS.

The Capitol Police Board shall provide for enforcement of the restrictions contained in section 4 of the Act of July 31, 1946 (40 U.S.C. 193d; 60 Stat. 718), concerning sales, advertisements, displays, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds, in connection with the event.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 347 authorizes the use of the Capitol Grounds for the 21st Annual National Peace Officers' Memorial Service to be held on May 15, 2002.

In 2001, over 230 Federal, State, and local law enforcement officers were killed in the line of duty protecting and serving our Nation. The officers remembered in this service represent the risk involved in civilian protection, as well as the selflessness necessary to perform their duties. This memorial service will honor the courage and commitment of these men and women.

The memorial service will be one part of the annual Police Week, which is sponsored by the National Law Enforcement Officers Memorial Fund. This week of special events always occurs during the calendar week in which the National Peace Officers Memorial Day falls.

The week features such events as the Eighth Annual Blue Mass at St. Patrick's Catholic Church, the National Police Challenge 50K relay, the 7th Annual Motorcycle Dice Ride, the Seventh Annual Law Ride, the 14th Annual Candlelight Vigil at the National Law Enforcement Officers' Memorial, the Fraternal Order of Police and Auxiliary Wreath-laying Ceremony, and the memorial service authorized by this resolution.

I am proud and honored to bring this bipartisan resolution to the floor. I urge my colleagues to join me in supporting this resolution, which honors the many brave men and women of law enforcement who gave their lives in the line of duty to make America a safer place to live and work. I urge my colleagues to join me in supporting this resolution.

Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 347 authorizes the use of the Capitol Grounds for the 21st Annual National Peace Officers' Memorial Service, a most solemn and respectful public event honoring our Nation's brave civil servants. The event, scheduled for May 15, will be coordinated with the Office of the Architect of the Capitol and the Capitol Hill Police.

I strongly support this tribute to Federal, State, and local police who gave their lives in the daily work of protecting our families, our homes, our places of work, and us. Over 230 brave men and women were killed in the line of duty during 2001. Included in that number are the 72 officers who lost their lives on September 11, 2001.

On average, one officer is killed in this country every other day, approximately 23,000 are injured every year, and thousands are assaulted going about their daily routines.

During 2001, 219 policemen and 11 policewomen were killed. The average age of those killed was 38 years, and they had an average of 11.7 years of service. The youngest was 21 years old and the oldest was 78 years. Their years of service range from being a rookie to 38 years.

Today, peace officers often must keep the peace even in the homeland, as we saw on September 11, especially here in the District of Columbia. They must be prepared for the unimagined, not only to prevent crime but to prevent disaster, biological and terror.

Mr. Speaker, the ceremony to be held on May 15 is the 21st anniversary of this memorial service. Consistent with all Capitol Hill events, the memorial service will be free and open to the public.

I support the resolution, and I urge my colleagues to join me in supporting this tribute to our fallen peace officers.

Mr. OBERSTAR. Mr. Speaker, I rise in support of H. Con. Res. 347 and urge my colleagues to join me in support of this important resolution, which authorizes the use of the Capitol Grounds for the National Peace Officers' Memorial Service on May 15, 2002.

President Kennedy proclaimed May 15th as National Peace Officers' Memorial Day. Each year on this date we, as a Nation, have an opportunity to honor the dedication and devotion of our Nation's peace officers. This May will mark the 21st anniversary of the Memorial Service on the Capitol Grounds. The tragic events of September 11 have reminded us of the great personal sacrifices that our Nation's peace officers make in order to serve the public. Their selflessness has become a model of American strength and courage.

There are approximately 700,000 sworn law enforcement officers serving the American public today. During 2001, more than 230 peace officers were killed in the line of duty, of those killed, eleven were women. The average age of those killed in the line of duty was 38 years. The youngest officer killed was 21; the oldest was 78.

It is most fitting and proper to honor the lives, sacrifices, and public service of our brave peace officers.

I urge support for H. Con. Res. 347.

Mr. COSTELLO. Mr. Speaker, H. Con. Res. 347 authorizes use of the Capitol Grounds for the 21st annual National Peace Officers Memorial Service—a most solemn and respectful service. As a former law enforcement official, this ceremony has a special meaning to me, and I strongly support this resolution that honors the police officers, 230 brave men and women, who gave their lives in the daily work of protecting our families and us.

On average, one officer is killed in this country every other day, approximately 23,000 are injured every year, and thousands are assaulted going about their daily routines.

During last year very devoted, heroic officers from the ranks of State, local and Federal service were killed in the line of duty—219 men, and 11 women were killed. The average age of those killed was 38 years, and they had an average of 11.7 years in service.

In my State of Illinois 7 brave police officers dies in the line of duty during 2001—At this time I would like to read their names into the RECORD:

Myron Deckard—Vermillion County, Illinois
Stanley Talbor—Illinois State Police
Brian T. Strause—Chicago
Kevin Rice, Sr.—Rockford
Eric D. Lee—Chicago
Donan J. Faulkner, Jr.—Peoria
Hector A. Silva—Chicago

Mr. Speaker, the ceremony to be held on May 15 is the 21st anniversary of this memorial service. I support the resolution and urge my colleagues to join me in supporting this tribute to our fallen Peace Officers.

Mrs. NORTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. CAPITO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from West Virginia (Mrs. CAPITO) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 347.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING USE OF CAPITOL GROUNDS FOR NATIONAL BOOK FESTIVAL

Mrs. CAPITO. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 348) authorizing the use of the Capitol Grounds for the National Book Festival.

The Clerk read as follows:

H. CON. RES. 348

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION OF USE OF CAPITOL GROUNDS FOR NATIONAL BOOK FESTIVAL.

(a) IN GENERAL.—The Library of Congress (in this resolution referred to as the "sponsor"), in cooperation with the First Lady, may sponsor the National Book Festival (in this resolution referred to as the "event") on the Capitol Grounds.

(b) DATE OF EVENT.—The event shall be held on September 21, 2002, or on such other date as the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate jointly designate.

SEC. 2. TERMS AND CONDITIONS.

(a) IN GENERAL.—Under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board, the event shall be—

(1) free of admission charge and open to the public; and

(2) arranged not to interfere with the needs of Congress.

(b) EXPENSES AND LIABILITIES.—The sponsor shall assume full responsibility for all expenses and liabilities incident to all activities associated with the event.

SEC. 3. EVENT PREPARATIONS.

(a) STRUCTURES AND EQUIPMENT.—Subject to the approval of the Architect of the Capitol, the sponsor may cause to be placed on the Capitol Grounds such stage, seating, booths, sound amplification and video devices, and other related structures and equipment as may be required for the event, including equipment for the broadcast of the event over radio, television, and other media outlets.

(b) ADDITIONAL ARRANGEMENTS.—The Architect of the Capitol and the Capitol Police Board may make any additional arrangements as may be required to carry out the event.

SEC. 4. ENFORCEMENT OF RESTRICTIONS.

The Capitol Police Board shall provide for enforcement of the restrictions contained in section 4 of the Act of July 31, 1946 (40 U.S.C. 193d; 60 Stat. 718), concerning sales, displays, advertisements, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds in connection with the event.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 348 authorizes the use of the Capitol Grounds for the Library of Congress's National Book Festival, to be held on September 21, 2002. The National Book Festival is a two-day event that will educate children, promote the use of libraries, and encourage the joys of reading.

On Saturday, September 21, First Lady Laura Bush will launch the Second Annual National Book Festival by connecting with children all across America through live satellite feeds and Web casting of the event. This will be hosted from the main reading room of the Library of Congress for a captivating afternoon reading program. The reading celebration continues at the Thomas Jefferson Building and on the grounds of the United States Capitol.

Much of the weekend's festivities are modeled after a similar book festival that the First Lady launched in Texas. A variety of noted authors and national celebrities will participate, offering readings throughout the afternoon. In addition, folk, jazz, and blues artists will chronicle American storytelling through music.

The President and First Lady have been strong advocates of education and reading, since it serves as the foundation from which we all learn and grow. I encourage any Members in town that weekend to attend this event with their young family members, in addition to encouraging their constituents to participate in this event, either those that live here in Washington or via the Internet.

I support the resolution, and strongly urge my colleagues to join in support.

Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join the gentlewoman from West Virginia (Mrs. CAPITO) in support of House Concurrent Resolution 348, to authorize using the Capitol Grounds on September 21 for the National Book Festival.

The event, jointly hosted by the Library of Congress and First Lady Laura Bush, is intended to promote the Nation's libraries and celebrate the joys of reading. The book festival, held in September of 2001, was a huge success, drawing approximately 30,000 people to Capitol Hill to enjoy public readings and listen to poetry and music.

The book signings by the festival's invited authors proved to be so popular that the authors had to be moved out of doors to deal with the long lines of loyal fans, leaving many of them to comment that they felt like rock stars.

The book festival 2002 is also expected to be as successful, with prominent authors, music, and other activities throughout the day. As with all events on the Capitol grounds, it is open to the public and is free of charge, and has the support of the Joint Committee on the Library.

The sponsors of this event will coordinate with the Architect of the Capitol and the Capitol Police.

Mr. Speaker, cities all over the United States, localities of every kind, are choosing books for the entire locality to read to once again promote the joy of reading in our society.

I can think of no more worthwhile on-site activity for this Congress to authorize than promoting the reading of books and the joy of reading itself for adults and children alike.

The book festival is a very worthwhile endeavor, and I urge my colleagues to support this resolution.

Mr. Speaker, I yield back the balance of my time.

Mrs. CAPITO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from West Virginia (Mrs. CAPITO) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 348.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING USE OF CAPITOL GROUNDS FOR DISTRICT OF COLUMBIA SPECIAL OLYMPICS LAW ENFORCEMENT TORCH RUN

Mrs. CAPITO. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 354) authorizing the use of the Capitol Grounds for the District of Columbia Special Olympics Law Enforcement Torch Run.

The Clerk read as follows:

H. CON. RES. 354

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION OF USE OF CAPITOL GROUNDS FOR D.C. SPECIAL OLYMPICS LAW ENFORCEMENT TORCH RUN.

On June 7, 2002, or on such other date as the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate may jointly designate, the 2002 District of Columbia Special Olympics Law Enforcement Torch Run (in this resolution referred to as the "event") may be run through the Capitol Grounds as part of the journey of the Special Olympics torch to the District of Columbia Special Olympics summer games at Gallaudet University in the District of Columbia.

SEC. 2. RESPONSIBILITY OF CAPITOL POLICE BOARD.

The Capitol Police Board shall take such actions as may be necessary to carry out the event.

SEC. 3. CONDITIONS RELATING TO PHYSICAL PREPARATIONS.

The Architect of the Capitol may prescribe conditions for physical preparations for the event.

SEC. 4. ENFORCEMENT OF RESTRICTIONS.

The Capitol Police Board shall provide for enforcement of the restrictions contained in section 4 of the Act of July 31, 1946 (40 U.S.C. 193d; 60 Stat. 718), concerning sales, advertisements, displays, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds, in connection with the event.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 353 authorizes the 2002 District of Columbia Special Olympics Law Enforcement Torch Run, to be conducted through the grounds of the Capitol on June 7, 2002. The Capitol Police will host the opening ceremonies for the run, starting on Capitol Hill, which will be free of charge and open to the public.

Over 2000 law enforcement officers representing 60 local and Federal law enforcement agencies will carry the Special Olympics torch in honor of and to show their support for the 2,500 Special Olympians who will participate in this annual event.

For over a decade, Congress has supported this worthy endeavor by enacting resolutions for the use of the grounds. Since its inception, the Torch Run has been launched from the West Terrace of the Capitol building.

I urge my colleagues to support this resolution.

Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this event needs little introduction. 2002 marks the 34th anniversary of the D.C. Special Olympics. The torch relay event is a traditional part of the opening ceremony for the Special Olympics, which takes place at the Gallaudet University here in the District of Columbia.

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Each year, approximately 2,500 Special Olympians compete in over a dozen events and over one million children and adults with special needs participate in the Special Olympics worldwide programs. The event is supported by literally thousands of volunteers. The goal of the games is to help bring mentally handicapped individuals into the larger society under conditions whereby they are accepted and respected. Confidence and self-esteem are the building blocks of these Olympic games.

I enthusiastically support this resolution and the very worthwhile endeavor of the Special Olympics. I urge passage of H. Con. Res. 354.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. CAPITO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). The question is on the motion offered by the gentlewoman from West Virginia (Mrs. CAPITO) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 354.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING USE OF CAPITOL GROUNDS FOR GREATER WASHINGTON SOAP BOX DERBY

Mrs. CAPITO. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 356) authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

The Clerk read as follows:

H. CON. RES. 356

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZATION OF SOAP BOX DERBY RACES ON CAPITOL GROUNDS.

The Greater Washington Soap Box Derby Association (in this resolution referred to as the "Association") shall be permitted to sponsor a public event, soap box derby races, on the Capitol Grounds on June 22, 2002, or on such other date as the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate may jointly designate.

SEC. 2. CONDITIONS.

The event to be carried out under this resolution shall be free of admission charge to the public and arranged not to interfere with the needs of Congress, under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board; except that the Association shall assume full responsibility for all expenses and liabilities incident to all activities associated with the event.

SEC. 3. STRUCTURES AND EQUIPMENT.

For the purposes of this resolution, the Association is authorized to erect upon the Capitol Grounds, subject to the approval of the Architect of the Capitol, such stage, sound amplification devices, and other related structures and equipment as may be required for the event to be carried out under this resolution.

SEC. 4. ADDITIONAL ARRANGEMENTS.

The Architect of the Capitol and the Capitol Police Board are authorized to make any such additional arrangements that may be required to carry out the event under this resolution.

SEC. 5. ENFORCEMENT OF RESTRICTIONS.

The Capitol Police Board shall provide for enforcement of the restrictions contained in section 4 of the Act of July 31, 1946 (40 U.S.C. 193d; 60 Stat. 718), concerning sales, advertisements, displays, and solicitations on the Capitol Grounds, as well as other restrictions applicable to the Capitol Grounds, with respect to the event to be carried out under this resolution.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentlewoman from West Virginia (Mrs. CAPITO).

Mrs. CAPITO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 356 authorizes the use of the Capitol grounds for the greater Washington Soap Box Derby qualifying races to be held on June 22, 2002.

The event is open to the public and free of charge and the sponsor assumes responsibility for all expenses and liabilities related to the event.

The races are to take place on Constitution Avenue between Delaware Avenue and Third Street Northwest. The participants competing in the events are residents of the Washington metropolitan area and range in ages from 9 to 16. Participants will compete in three open divisions based on their experience in building their vehicles. This event is currently one of the oldest of its kind in the country, having taken place for over 55 years. The winner will go on to represent the Washington metropolitan area at the national finals to be held in Akron, Ohio, later in the summer.

Participants in these events learn the value of hard work, dedication and attention to detail, since any loose parts or screws may affect their time in the event.

I support the resolution and urge my colleagues to do the same.

Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am delighted to join the sponsor in supporting H. Con. Res. 356 and acknowledging the efforts of the gentleman from Maryland (Mr. HOYER), who has been such a great champion for his constituents for this event.

As usual, this event has bipartisan support with co-sponsors including the gentlewoman from Maryland (Mrs. MORELLA), the gentleman from Virginia (Mr. WOLF) and the gentleman from Virginia (Mr. MORAN), the gentleman from Maryland (Mr. WYNN), and myself.

H. Con. Res. 356 authorizes use of the Capitol grounds for the Greater Washington Soap Box Derby. Youngsters ages 9 through 16 construct and operate their own soap box vehicles. On June 22, 2002, these youngsters of the greater Washington area race down Constitution Avenue to test the principles of aerodynamics in hand-designed and -constructed soap box vehicles.

Many hundreds of volunteers donate considerable time supporting the events and providing families with a fun-filled day. The event has grown in popularity and Washington is now known as one of the outstanding race cities. In keeping with standard procedures, the event is conducted under conditions prescribed by the Architect of the Capitol and the Police Board. It is free and open to the public.

Mr. Speaker, I support H. Con. Res. 356 and thank the gentleman from Maryland (Mr. HOYER) for his work in originating this resolution.

Mr. HOYER. Mr. Speaker, for the past ten years, I have sponsored a resolution for the Greater Washington Soap Box Derby to hold its race along Constitution Avenue.

Once again, I am proud to have sponsored H. Con. Res. 356 to permit the 65th race of the Greater Washington Soap Box Derby. It is scheduled to take place on the Capitol grounds on Saturday, June 22, 2002.

This resolution authorizes the Architect of the Capitol, the Capitol Police Board, and the Greater Washington Soap Box Derby Association to negotiate the necessary arrangements for conducting the race in complete compliance with the rules and regulations governing the use of the Capitol grounds.

I request my colleagues to join with me, and other co-sponsors including representative JIM MORAN, CONNIE MORELLA, ELEANOR HOLMES NORTON, FRANK WOLF, and ALBERT WYNN in supporting this resolution.

The Soap Box Derby has been in the Washington, D.C., area since 1992. It has attracted over 50 contestants each year. The participants range from ages 9 to 16.

The participants work very hard to prepare for the local Soap Box Derby. They are given an opportunity to learn basic skills of workmanship. They build their own race cars from a kit provided by the All-American Soap Box Derby Program. The participants are able to enhance their building skills to create a basic style car.

Winners of three levels of the local race become eligible to compete in the National Soap Box Derby races held in Akron, Ohio. Prior to the National races, they attend a week of camp in "Derbytown" where they make lasting friendships while participating in a variety of sporting activities. The National races are held in August and give the participants a chance to win scholarships and merchandise prizes.

Mr. Speaker, this even has been called "The Greatest Amateur Racing Event in the World". This is a wonderful opportunity for our children from the District of Columbia, Maryland, and Virginia to venture into the world of science, while experiencing the spirit of competition.

Ms. NORTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. CAPITO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from West Virginia (Mrs. CAPITO) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 356.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. CAPITO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Concurrent Resolutions 347, 348, 354, 356, the measures just considered by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from West Virginia?

There was no objection.

SUPPORTING NATIONAL BETTER HEARING AND SPEECH MONTH

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 358) supporting the goals and ideals of National Better Hearing and Speech Month, and for other purposes.

The Clerk read as follows:

H. CON. RES. 358

Whereas the National Institute on Deafness and Other Communication Disorders (NIDCD) reports that approximately 42,000,000 people in the United States suffer from a speech, voice, language, or hearing impairment;

Whereas almost 28,000,000 people in the United States suffer from hearing loss;

Whereas 1 out of every 3 people in the United States more than 65 years of age suffers from hearing loss;

Whereas although more than 25,000,000 people in the United States would benefit from the use of a hearing aid, fewer than 7,000,000 people in the United States use a hearing aid;

Whereas sounds louder than 80 decibels are considered potentially dangerous and can lead to hearing loss;

Whereas the number of young children who suffer hearing loss as a result of environmental noise has been increasing;

Whereas every day in the United States approximately 33 babies are born with significant hearing loss;

Whereas hearing loss is the most common congenital disorder in newborns;

Whereas a delay in diagnosing a newborn's hearing loss can affect the child's social, emotional, and academic development;

Whereas the average age at which newborns with hearing loss are diagnosed is between 12 and 25 months;

Whereas more than 1,000,000 children received speech or language disorder services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) during the school year ending in 1998;

Whereas children with language impairments are 4 to 5 times more likely than their peers to experience reading problems;

Whereas 10 percent of children entering the first grade have moderate to severe speech disorders, including stuttering;

Whereas stuttering affects more than 2,000,000 people in the United States;

Whereas approximately 1,000,000 people in the United States have aphasia, a language disorder inhibiting spoken communication that results from damage caused by a stroke or other traumatic injury to the language centers of the brain; and

Whereas for the last 75 years May has been celebrated as National Better Hearing and Speech Month in order to raise awareness regarding speech, voice, language, and hearing impairments and to provide an opportunity for Federal, State, and local governments, members of the private and nonprofit sectors, speech and hearing professionals, and the people of the United States to focus on preventing, mitigating, and curing such impairments: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) supports the goals and ideals of National Better Hearing and Speech Month;

(2) commends the 41 States that have implemented routine hearing screenings for every newborn before the newborn leaves the hospital;

(3) supports the efforts of speech and hearing professionals in their efforts to improve the speech and hearing development of children; and

(4) encourages the people of the United States to have their hearing checked regularly and to avoid environmental noise that can lead to hearing loss.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material on H. Con. Res. 358.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of H. Con. Res. 358, which supports the goals and ideals of a National Better Hearing and Speech Month. Approximately 42 million Americans suffer from a speech, voice, language or hearing disability. For the last 75 years, the month of May has been celebrated as National Better Hearing and Speech Month to help raise awareness on how to prevent, mitigate and cure these impairments.

Communication is indispensable for learning, working, playing, and enjoying family life and friendships. Children with listening difficulties due to hearing loss continue to be an underidentified and underserved population. The earlier the problem is diagnosed and addressed, the less serious the long-term impact. That is why I was so pleased that provisions relating to hearing loss in infants were included in the Children's Health Act of 2000. My good friend from New York (Mr. WALSH) was instrumental in this effort.

This resolution commended the 41 States that have implemented routine hearing screening for every newborn delivered in a hospital. I am happy to report that my home State of Florida vigorously promotes this policy by screening the newborns at all birthing facilities prior to discharge. Recent developments have shown that interventions to address auditory problems in newborns greatly enhanced the success rate in overcoming hearing-loss issues. Each adult and child with hearing loss is affected differently, which is why it is critical to detect hearing loss early and to determine the extent of loss in order to intervene appropriately.

This resolution encourages all Americans to have their hearing checked regularly and encourages individuals to avoid environmental noise that can lead to hearing loss.

Mr. Speaker, I urge my colleagues to support H. Con. Res. 358.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the National Institute of Deafness and Other Communication Disorders reports that some 40 million people suffer from a speech, voice, language, or hearing impediments.

Many of these impairments are found at birth. Every day about 33 babies are born with hearing loss, the most common congenital disorder in newborns. For the past 75 years, May has been celebrated as National Better Hearing and Speech Month, raising awareness about speech, voice, hearing, and language impairments.

Federal, State, and local governments, as well as members of the speech and hearing profession, have used May as an opportunity to educate the public about preventing, mitigating, and treating these impairments.

This resolution commends their work and that of the 41 States that have implemented routine hearing screening for every newborn.

I want to thank my colleague, the gentleman from Kansas (Mr. RYUN), and others for introducing this resolution; and I hope my colleagues would support it.

I would add, Mr. Speaker, as we occupy time on the House floor today doing not inconsequential things but things that do not directly have major positive impact on people's lives, passing resolutions like this, which I do support, and using them to educate the public about preventing and mitigating and treating speech and hearing loss, I think this Congress needs to do more on real health issues. That means issues like prescription drugs, issues like access to health care, issues like ensuring 40 million Americans are insured. Because to be sure, Mr. Speaker, checking for hearing, doing screenings, all of these things are programs that we can do something about.

In addition to doing a resolution, I would hope this Congress would put aside its fervor to cut taxes on the wealthiest people and instead would be using some of those resources for prescription drugs, for hearing and speech screening, for all the kinds of things that will make people's health care better and make people's lives better.

Mr. Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. RYUN), who not only is the author of this resolution but who has personally experienced this problem and who has shared that with many of us over the years.

Mr. RYUN of Kansas. Mr. Speaker, today I come to the House in support of the National Better Hearing and Speech Month. For 75 years, the month of May has been designated as a time to celebrate the hope available to Americans with speech and hearing impairments and to raise awareness about the need to protect their hearing.

Speech and hearing impairments impair the lives of many Americans. In fact, almost 28 million people in the United States suffer from a hearing loss. One out of every three people in the United States of an age greater than 65 suffer some sort of a hearing loss and every day in the United States approximately 33 babies are born with significant hearing loss.

As someone who has had a hearing impairment, I certainly know what a gift sound is, and I also know some of the struggles that go along with finding a proper hearing aid. My hearing loss is as a result of an illness that I had as a child. It was discovered a time later, and then it was decades before I could find the proper hearing devices to help me.

My wife, Ann, served as my hearing aid. She graciously helped me communicate for years before I could find the solution that would help me and I could work with.

Many dedicated professionals have assisted me over the years in my quest to find the help I have sought. And I would like to thank them for the work they have done in making not only my life better but so many others.

For those who have yet to have a hearing loss and have good hearing, I urge you to avoid harsh environments with noises that can damage your hearing and cause permanent hearing loss. Any sounds over 85 decibels can damage your hearing. For example, listening to an ambulance siren for 9 seconds, a smoke alarm for a minute and a half, or airplane cabin noise for a couple of minutes can damage your hearing. And I will say it is not retraceable. It is much easier to protect your hearing now than to suffering from hearing impairments.

I urge my colleagues to support May as National Better Hearing and Speech Month. It would be an encouragement not only to your constituents but those who suffer some sort of hearing and speech impairment back in the district, as well as those dedicated professionals who have worked together to help make this a better field.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, speaking earlier today, in fact, walking over from my office in Rayburn to the House floor to work with the gentleman from Florida (Mr. BILIRAKIS) on the Ryun legislation today, and I was talking to some people whose families have Alzheimer's, who are advocating for Alzheimer's patients, again, this Congress is falling short on substantive kinds of issues to help people with Alzheimer's. There are some four or five million people suffering from Alzheimer's today.

If we do not do the research right, if we do not take care of those people well enough, that number is going to be as high, they say, in the next few years as 14 million patients.

We are falling short on what we are doing for community health centers and the National Health Service Corps, from the Community Access Program that my friend, the gentleman from Texas (Mr. GREEN), has worked on, the Chronic Disease Prevention program with CDC, nurses shortage, pharmacist shortage, the problems with home health care reimbursement, the problems with physician reimbursements, the problems with hospitals, especially rural hospital and inner-city hospitals reimbursement.

Those are the kinds of issues this Congress should work on. Not to belittle this resolution, which is important to educate people on speech and hearing loss, but this Congress needs to get its act in gear and begin to deal with issues like prescription drugs and reimbursements issues for providers and all the kinds of public health issues that this Republican Congress does not seem too very interested in.

The gentleman from Florida (Mr. BILIRAKIS), the chairman of our subcommittee, has done yeoman's work in trying to bring these issues forward. Unfortunately, the Republican leadership is not nearly so interested as many of us are on the committee in moving forward on public health issues, on prescription drug issues, community health centers and community access programs and CDC, and all the things that really will make a difference beyond the passage of a few resolutions that this Congress seems intent on doing week after week after week.

□ 1630

Mr. Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Before I yield to the gentleman from New York (Mr. WALSH), I would thank the gentleman from Ohio (Mr. BROWN) for his kind remarks. Certainly I do not disagree with them. I think it is important that all of us, rather than just a lot of rhetoric, sit down and try to work these things out, and if we have basically hard, fast, nonobjective thoughts about how things ought to be, nothing is ever going to get done.

I dare say that the gentleman from Ohio is not among the category of some people who would rather have an issue November. I really feel with my heart that he wants to do something about these things, and hopefully, working together, we can accomplish it.

Mr. Speaker, I yield such time as he might consume to the gentleman from New York (Mr. WALSH), the author of the hearing bill in the year 2000, who along with the gentleman from Kansas (Mr. RYUN) has really been the conscience of the Congress on this issue.

Mr. WALSH. Mr. Speaker, I thank the gentleman from Florida (Mr. BILIRAKIS) for the leadership that he provides in this Congress on health issues and especially those that affect children.

I would respectfully disagree with my colleague from Ohio who spoke earlier. There is no partisanship in this issue. There is great leadership on both sides of the aisle from both parties. Our health is something we all hold in common.

I rise today in strong support of H. Con. Res. 358 designating May 2002 as National Better Hearing and Speech Month. I commend my colleague, the gentleman from Kansas (Mr. RYUN), for introducing this resolution and also for his hard work and contributions as a co-chair of the bipartisan Congressional Hearing Health Caucus. Because of his personal experience with hearing loss, he brings firsthand knowledge of living with hearing loss to our caucus and to the public as a whole.

Thirteen years ago I began working with the deaf and hard-of-hearing community to craft legislation to have all infants screened for hearing loss at birth. At that time, only three hospitals in the country had programs, and only 3 percent of all infants born in the United States were being screened.

Since passage of the Newborn Infant Hearing Screening and Intervention Act of 1999, which gives States seed money through HRSA and CDC to set up their own screening and intervention programs, we are now screening 66 percent of infants born. This is remarkable progress, and yet we have much more to do.

Unfortunately, this year's budget zeros out funding at HRSA for these programs and basically level-funds the programs at CDC. I am working very closely with my fellow caucus cochairs, the gentleman from Kansas (Mr. RYUN), the gentlewoman from California (Mrs. CAPPS), and the gentlewoman from New York (Mrs. MCCARTHY), to ensure that this critical program receives additional appropriations so that we can screen all children.

The science in this area is clear. By identifying children with hearing loss by age 3 months and beginning intensive intervention by age 6 months, these children can and do develop communication skills on par with their normal hearing counterparts by the time they are ready to enter school. The next step is to ensure that children identified get appropriate interventions through the medical, audiological, educational and community support systems. All of these components are equally important.

Before I close, I want to invite all of my colleagues to a hearing health fair to be held on Wednesday, May 8, 2002, from 11:00 a.m. to 1:00 p.m. in the Rayburn House Office Building foyer. At this event our Federal agency counterparts, as well as several advocacy groups, will have representatives at booths to meet with anyone needing information on hearing health issues. I encourage everyone to attend as this will be a wonderful opportunity to have questions answered on anything from hearing aids to testing and living with hearing loss.

While most of my comments have focused on infants with hearing loss, the issue affects people of all ages. Regardless of whether hearing loss is genetic, disease-based, a function of the aging process or of unknown etiology, most people can be helped to maximize their hearing capabilities and communication skills, and I encourage my colleagues to take the opportunity to get a hearing screening during National Better Hearing and Speech Month.

Mr. Speaker, in closing, I would just like again to thank the gentleman from Florida (Mr. BILIRAKIS) for his leadership. He is one of the newest members of the Health Hearing Caucus. We are delighted that he is and we urge him to continue his important leadership.

Mr. DINGELL. Mr. Speaker, for 75 years, May has been designated Better Hearing and Speech Month. With an estimated 42 million Americans affected by speech, language, and hearing disorders, audiologist and speech language pathologist have made a special effort during this month to inform, educate, and raise awareness about this critical health care issue.

It is estimated that one in six Americans has a hearing, speech, or language problem—a condition that makes it difficult to communicate with others. An impairment of the ability to hear, speak, or understand effectively can affect anyone, of any age, at any time. If left untreated these problems can limit a person at home, school, and work. With proper treatment, however, the isolating effects of communication disorders can be minimized or completely eliminated.

As with most health care conditions, it is critical that communication disorders be diagnosed early. As the most common congenital birth defect, hearing loss can severely affect a child's social, emotional, and academic development. That is why I urge all 50 states to follow the example of my home state of Michigan, and implement routine hearing screens for every newborn before they leave the hospital. Also, hearing loss among Americans age 65 and over affects one out of three people, but without effective screening, many are condemned to suffer in silence. We must seek comprehensive hearing screening for all Americans.

Therefore, I support this resolution recognizing May as Better Hearing and Speech Month and urge the people of the United States to focus on preventing, mitigating, and curing communication disorders.

Mrs. MCCARTHY of New York. Mr. Speaker, I rise today in support of H. Con. Res. 358 and in celebration of May, National Better Hearing and Speech Month.

Did you know that 28 million people in the United States today suffer from hearing loss, and 16 million people have a speech or language disorder? 42 million people have a speech, language, voice or hearing impediment. Hearing loss is the most common congenital disorder found in newborns, and ten percent of children entering the first grade suffer from mild speech disorders like stuttering.

As a nurse, I know the issue of speech and hearing health affects many different people, from infants to adults to senior citizens. You can be born with a disorder, or you can develop one later in life due to late onset of a specific impediment, a stroke or traumatic event. But many Americans don't realize the extent to which our society deals with speech and hearing disorders. That is why, since 1927, the speech and hearing community has celebrated May as a month to increase national awareness of this health problem.

As a nurse, I understand the importance of getting the right healthcare immediately, especially when it comes to our children. Deafness is the most common birth defect; that out of the 12,000 babies born in the U.S. each year with hearing loss, 4,000 of them are profoundly deaf and need a cochlear implant, and 8,000 need hearing aids. Unless a child gets medical attention by the time they are two, permanent damage is done to his or her language and speech.

A newborn hearing test is simple and easy, and only costs $35. Our babies are subjected to batteries of other tests, and I think it's crucial for this one to be included.

As a founding member of the Congressional Hearing Caucus, I am extremely proud of H. Con. Res. 358. Not only does this resolution support the goals and ideals of National Better Hearing and Speech Month, it calls attention to and commends the 41 states that have implemented routine hearing screenings of every newborn before the baby leaves the hospital.

The resolution also supports the efforts of speech and hearing professionals to improve the speech and hearing development of children and encourages all Americans to have their hearing checked regularly and to avoid environmental noise that can lead to hearing loss.

All across the United States, people are trying to make a difference. I commend everyone in the speech and hearing community for their education and awareness efforts, as well as the extraordinary level of care and medical attention they give to their patients.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I do not have any further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WALDEN of Oregon). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 358.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ESTABLISHING A NATIONAL MINORITY HEALTH AND HEALTH DISPARITIES MONTH

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 388) expressing the sense of the Congress that there should be established a National Minority Health and Health Disparities Month, and for other purposes.

The Clerk read as follows:

H. CON. RES. 388

Whereas in 2000, the Surgeon General of the Public Health Service announced as a goal the elimination by 2010 of health disparities experienced by racial and ethnic minorities in health access and outcome in 6 areas: infant mortality, cancer screening, cardiovascular disease, diabetes, acquired immunodeficiency syndrome and human immunodeficiency virus infection, and immunizations;

Whereas despite notable progress in the overall health of the Nation there are continuing health disparities in the burden of illness and death experienced by African-Americans, Hispanics, Native Americans, Alaska Natives, Asians, and Pacific Islanders, compared to the United States population as a whole;

Whereas minorities are more likely to die from cancer, cardiovascular disease, stroke, chemical dependency, diabetes, infant mortality, violence, and, in recent years, acquired immunodeficiency syndrome;

Whereas there is a national need for scientists in the fields of biomedical, clinical, behavioral, and health services research to focus on how best to eliminate health disparities;

Whereas individuals such as underrepresented minorities and women in the workforce enable society to address its diverse needs; and

Whereas behavioral and social sciences research has increased awareness and understanding of factors associated with health care utilization and access, patient attitudes toward health services, and risk and protective behaviors that affect health and illness, and these factors have the potential to be modified to help close the health disparities gap among ethnic minority populations: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) a National Minority Health and Health Disparities Month should be established to promote educational efforts on the health problems currently facing minorities and other health disparity populations;

(2) the Secretary of Health and Human services should, as authorized by the Minority Health and Health Disparities Research and Education Act of 2000, present public service announcements on health promotion and disease prevention among minorities and other health disparity populations in the United States and educate the public and health care professionals about health disparities;

(3) the President should issue a proclamation recognizing the immediate need to reduce health disparities in the United States and encouraging all health organizations and Americans to conduct appropriate programs and activities to promote healthfulness in minority and other health disparity communities;

(4) Federal, State, and local governments should work in concert with the private and nonprofit sector to emphasize the recruitment and retention of qualified individuals from racial, ethnic, and gender groups that are currently underrepresented in health care professions;

(5) the Agency for Healthcare Research and Quality should continue to collect and report data on health care access and utilization on patients by race, ethnicity, socioeconomic status, and where possible, primary language, as authorized by the Minority Health and Health Disparities Research and Education Act of 2000, to monitor the Nation's progress toward the elimination of health care disparities; and

(6) the information gained from research about factors associated with health care utilization and access, patient attitudes toward health services, and risk and protective behaviors that affect health and illness, should be disseminated to all health care professionals so that they may better communicate with all patients, regardless of race or ethnicity, without bias or prejudice.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 388.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of H. Con. Res. 388. Thanks to numerous medical advances, Americans are healthier than they have ever been before.

Unfortunately, not all Americans have equally shared in this progress. During the 106th Congress, the Committee on Commerce, Subcommittee on Health and Environment, which I chaired, reviewed the health disparities that persist between minority groups and the non-Hispanic white population. Hepatitis C, heart disease, diabetes, lupus, lung cancer and cervical cancer are but a few of the diseases that disproportionately affect minorities in this country.

Congress took an important step forward in addressing health disparities when it passed the Minority Health and Health Disparities Research and Education Act of 2000 late in the 106th Congress. This important legislation created a new National Center on Minority Health and Health Disparities which coordinates biomedical and behavioral research on these issues at the National Institutes of Health. I was pleased to move this legislation through my subcommittee and support it on the House floor.

Among other things, the resolution we are considering today would call for the establishment of a National Minority Health and Health Disparities Month to focus educational efforts on the health problems disproportionately affecting minorities. It also calls on the Secretary of Health and Human Services to develop public service announcements on health promotion and disease prevention. Finally, H. Con. Res. 388 calls for dissemination of information that would help health care professionals communicate in a culturally sensitive manner with all of their patients.

Raising awareness of existing health disparities is necessary to improving the overall health and well-being of the American people. Mr. Speaker, I urge my colleagues to support H. Con. Res. 388.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 2 minutes.

I rise in support of the Christensen resolution. Our values and success as a Nation are a function of multiple races, multiple ethnicities and multiple cultures. The Nation's health care system, our medical research, our medical education and our medical care, should reflect that fact, but we have major work to do.

Minority populations have higher rates of cancer, higher rates of heart disease, especially higher rates of diabetes, higher rates of HIV/AIDS. Minorities have shorter life expectancies, higher infant mortality rates and a high, much too high, incidence of premature death. Minorities are less likely in this health care system to receive cancer screening and monitoring. Minorities are less likely to receive childhood and adult vaccinations.

Unless we initiate changes explicitly aimed at reducing disparities in health and health care, those disparities will persist. This resolution is a good start. Among other things, it would encourage the establishment of the Minority Health and Health Disparities Month. It asks the Secretary to deliver public service announcements on health promotion and disease prevention among minorities. It encourages governments to work with the private sector to recruit and to retain qualified individuals from racial and ethnic and gender groups underrepresented in health care professions.

Mr. Speaker, I want to thank the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) for sponsoring this resolution. I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Oklahoma (Mr. WATTS), one of our Republican leaders who has been so very much involved in this legislation but also the legislation we passed in the last Congress.

Mr. WATTS of Oklahoma. Mr. Speaker, I appreciate the gentleman from Florida (Mr. BILIRAKIS) yielding me the time.

Mr. Speaker, I rise to support and increase the awareness of a very serious problem in our Nation today. Despite so much progress in the field of medicine, there is a significant discrepancy in the health of ethnic minorities compared to the rest of our American population. The silent reality should spur more than indignation. The facts and statistics that make up this crisis must be a wake-up call to all of us, regardless of the color of our skin.

The resolution before the House today aims to raise the level of awareness to the disparity of health care concerning members of minority communities. It calls for a dedicated month of minority health care recognition, urges the Secretary of Health and Human Services to develop public service announcements on health promotion and disease prevention among minorities, requests the President to issue a proclamation on minority health care, and encourages better use of data and statistics in order to help eliminate health disparities.

Hispanics, black Americans, Indians and other members of racial minorities have had higher levels of cancer, cardiovascular disease, stroke, diabetes and infant mortality. This is more than a misfortune. It is a systemic emergency that we must view as a call to action.

Hippocrates recognized the importance of quality health care over 2400 years ago when he said, "A wise man should consider that health is the greatest of human blessings." Let us make sure that all Americans have access to the care they need to sustain a healthy life.

I thank the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) for sponsoring this resolution with me, and I urge my colleagues to support our legislation to increase the level of attention America pays to minority health disparities. With a heightened level of awareness, we can make our country a healthier Nation and better the lives of all her citizens.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) who is the sponsor of this resolution.

Mrs. CHRISTENSEN. Mr. Speaker, I thank the gentleman from Ohio (Mr. BROWN) for yielding me the time.

I am pleased to rise in support of H. Con. Res. 388, expressing the sense of Congress that there should be established a National Minority Health and Disparities Month, and I want to begin by expressing my gratitude to my cosponsors of the resolution, my colleagues, Chairman of the House Republican Conference, the gentleman from Oklahoma (Mr. WATTS), and chairman of the Subcommittee on Workforce Protections of the Committee on Education and the Workforce, the gentleman from Georgia (Mr. NORWOOD) for their willingness to join me in putting this important resolution forward.

I also want to thank the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) for their support in making it possible to bring this resolution to the floor of the House today.

Mr. Speaker, pick any minority community across our great Nation or any of our Nation's rural areas and the reports will be the same. Minorities and people living in those rural areas, of all races and ethnicities, are dying of preventable diseases in alarmingly excessive numbers. Heart disease, hypertension, HIV/AIDS, cancer, diabetes, stroke and kidney disease predominate as the leading causes of death in these groups in far greater numbers than that of white suburban or urban America.

In addition, substance abuse and diminished mental health continue to take a staggering toll on many individuals in this group and undermine the well-being of our communities.

This resolution in establishing a special month of focus on this national tragedy will hopefully forge a national resolve to close these gaps through increasing the awareness that gross disparities in health care continue to exist for people of color and those in our rural areas, which disrupt families, damage community and threaten our national security.

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While this resolution is only a beginning, I am pleased and honored to have had a role in bringing it to the floor today, because the existence and the impact of the centuries of disparities in health is a dark blot on this country's legacy, and it must be erased.

Achieving this important goal will not only take a strong and unwavering commitment, but also a significant investment, which would yield immeasurable dividends in terms of the health of our constituents and our Nation. To do otherwise would result in dire consequences of monumental and far-reaching threats, not only to the financial stability of this Nation, but also to our collective productivity, global competitiveness, and our defense capacity. These are risks we cannot afford and must not take.

While health is influenced by only three factors, genetics, environment and behavior, it is my belief that there has been too much focus on the behavior as individuals and not enough on the behavior of institutions that are supposed to serve us and the system that is supposed to provide us with health care. Just this past spring, following on three other important reports, failure to collect needed health data by race and ethnicity by Summit Health, a health care quality survey by the Commonwealth Fund, and another on language interpretation in health care settings by the National Health Law Program, the Institutes of Medicine, following on those, released a hard-hitting eye-opening report entitled Unequal Treatment: Confronting

Racial and Ethnic Disparities in Health Care.

Mr. Speaker, I am grateful for the opportunity that H. Con. Res. 388 provides to highlight the disparities in health care experienced by racial and ethnic minorities in our country and in our rural communities. The importance of such a month cannot be overestimated. Again, I want to thank my colleagues for their cosponsorship and support, and I urge everyone to support its passage and hope in doing so it will serve as a catalyst to recommit all of us to the creation of a health care system in this country where there are disparities for none and equity in access for all.

Mr. Speaker, I am pleased to rise in support of H. Con. Res. 388, expressing the sense of Congress that there should be established a national Minority Health and Health Disparities Month.

I want to begin by expressing my gratitude to my cosponsors of the resolution, my colleagues, the Chairman of the House Republican Conference, JC WATTS and the Chairman of the Workforce Protections Subcommittee of the Education and the Workforce Committee, CHARLIE NORWOOD, for their willingness to join me in putting this important resolution forward.

I also want to thank the Chairman and Ranking Member of the Energy and Commerce Committee for their support in making it possible for the resolution to be on the floor of the House today.

Mr. Speaker, pick any minority community across our great country, whether it be California or Virginia, New York or Texas, the U.S. Virgin Islands or Illinois or any of our nation's rural areas and the reports will all be the same: Minorities and people living in our rural areas, of all races and ethnicities, are dying of preventable diseases in alarmingly excessive numbers. Heart disease, hypertension, HIV/AIDS, cancer, diabetes, stroke and kidney disease predominate as the leading causes on the death certificates these groups in far greater numbers than that of white suburban or urban America.

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While this resolution is only a beginning, I am pleased and honored to have had a role in bringing it to the floor today, because the existence and impact of the centuries of disparities in health is a dark blot on this country's legacy, and must be erased.

Achieving this important goal will not only take strong, and unwavering commitment, but also a significant investment, which would yield immeasurable dividends, in terms of the health of our constituents and of our nation. To do otherwise would result in dire consequences of monumental and far reaching threats not only to the financial stability of this nation, but also to our collective productivity, global competitiveness, and our defense capacity—Risks we cannot afford and must not take.

Let me share some statistics, but let us never forget that each number represents a real person, who is a part of a real and living family and a community that needs him to her to be a part;

Around 40 million Americans have no health insurance of which 50% are minorities.

Rural populations which are disproportionately poor, uninsured and underserved compared to urban populations, and whose residents are often eligible but unenrolled in publicly sponsored programs are also at particular risk.

This lack of coverage alone, results in 83,000 deaths every year.

HIV/AIDS has become primarily a disease and epidemic of communities of color: In 2002 the rate of reported AIDS cases among African Americans was 8 times the rate for whites and 2 times the rate for Hispanics, which was about three times that of whites.

All minorities except Alaska Natives have a prevalence of type 2 diabetes that is 2 to 6 times greater than that of the white population.

Native American elders are 173% more likely to experience diabetes than the general population;

African Americans and other people of color are likely to seek care later and die in greater numbers from cancer.

This is particularly true for African Americans, whose men, for example, are 2 to 3 times as likely to die of prostate cancer as white men.

According to the national Kidney Foundation, African Americans, Asian and Pacific Islanders and Hispanics are three-times more likely to suffer from end-stage renal disease—complete failure of the kidneys to function—than whites.

In my own district, the U.S. Virgin Islands, we have the highest adjusted mortality rate for circulatory disease (namely heart disease and hypertension) in the Americas.

Our nation's poor, who are more likely to be rural or of color are more likely to be living with mental illness, and be untreated.

These are just a few of many areas where disparities are rampant.

Why is this so? One leading health expert at the National Institutes of Health has repeatedly pointed out that health or lack of it is influenced by three factors, behavior, genetics and environment.

While there is much in the news today about the role of genetics in the diseases that we all face, the evidence is that it plays only a small part.

Today, we are learning more about the relationship between health and the environment, which requires more attention as we can directly seek redress of those issues. And while some point to the fact that many of us in communities of color wait too long to seek treatment, eat the wrong foods, don't exercise or that we continue to smoke or engage in high risk behavior, there are other significant factors, which continue to lead to early death in our families which until now have largely been ignored.

It is my belief that there has been too much focus on our behavior as individuals and as a community and not enough focus on the behavior of the institutions that are supposed to help to serve us, and the system that is supposed to provide us with healthcare.

Just this last spring, following on three other important reports, on failure to collect needed health data by race and ethnicity by SHIRE, and a Health Care quality survey by the Commonwealth Fund, and one on the need for language interpretation in health care settings by the National Health Law Program, the Institutes of Medicine at the National Academy of Sciences released a hard hitting, eye opening report entitled; Unequal Treatment: Confronting Racial and Ethnic Disparities in Healthcare.

Mr. Speaker, I ask to submit testimony and summaries of these reports and one from the Kaiser Family foundation, which expand on these issues into my statement, into the record.

In this review of all current research and reports on health care delivery in this country tells an ugly story of health care deferred and denied simply because of race, ethnicity and language.

Mr. Speaker, I am greatful for the opportunity that H. Con. Res. 388 provides to highlight the disparities in health care experienced by racial and ethnic minorities in our country.

The importance of such a month and the need to have one is underscored by the reminder just today at a briefing on the hill from Dr. Brian Smedley of the Institute of Medicine that the issue of disparities is one of life and death, and testimony from Dr. Marsha Lillie Blanton, Vice President for Health Policy of the Henry J. Kaiser Family Foundation at our recent hearing, who stated in a representative survey sample, that most Americans, including people of color did not know that Blacks generally fare worse than whites in terms of infant mortality or that Latinos are less likely than Whites to have health insurance as well as other important facts about health disparities. To further aggravate an already bad condition, some of the same misperceptions are shared by health care providers.

Again I want to thank my colleagues for their cosponsorship and support.

I urge my colleagues to support its passage and hope that in so doing it will serve as the catalyst to recommit all of us to the creation of a health care system where there are disparities for none and equity in access for all.

Mr. Speaker, I submit the summary report I referred to earlier for the RECORD.

ELIMINATING RACIAL/ETHNIC DISPARITIES IN MEDICAL CARE: PROGRESS AND CHALLENGES

MARSHA LILLIE-BLANTON, DRPH, VICE-PRESIDENT, HEALTH POLICY, THE HENRY J. KAISER FAMILY FOUNDATION, FOR HEARING ON THE STATUS AND PROGRESS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES INITIATIVE TO ELIMINATE RACIAL AND ETHNIC HEALTH DISPARITIES

THE CONGRESSIONAL BLACK CAUCUS, THE CONGRESSIONAL HISPANIC CAUCUS, AND THE CONGRESSIONAL ASIAN PACIFIC AMERICAN CAUCUS

APRIL 12, 2002

Good morning. First, I'd like to thank the members of the Congressional Black Caucus (CBC), the Congressional Hispanic Caucus

(CHC), and the Congressional Asian Pacific American Caucus (CAPAC) for holding today's hearing on the status and progress of the Department of Health and Human Services' initiative to eliminate racial and ethnic health disparities. I am Marsha Lillie-Blanton, a vice-president of the Henry J. Kaiser Family Foundation and director of the Foundation's work on access to care for vulnerable populations.

The recently released IOM report, Unequal Treatment, has helped to refocus the nation's attention on racial and ethnic disparities in medical care. The problem is by no means new, but seldom gets priority attention in public policy discussions around the health care system. Few would disagree that for most of this nation's history, race has been a major factor in determining if and where medical care was obtained; however, its influence today has become more subtle. Public policy efforts, most notably the enactment of Medicaid and Medicare and enforcement of the 1964 Civil Rights Act, have made an enormous difference in reducing the health care divides for some of this nation's most vulnerable populations. So much progress has been achieved that many tend to think that the problems that remain are inconsequential.

The IOW report provides compelling evidence to the contrary. After an extensive review of the research, IOM concluded that there is a "preponderance" of evidence that racial and ethnic disparities in medical care persist for a number of health conditions and services, some of which may contribute to the poorer health outcomes of people of color. The findings are consistent with those of a comprehensive review of the literature by Robert Mayberry and colleagues from the Morehouse School of Medicine, undertaken about a year ago with funding support from the Foundation.

While there are some who will question whether the racial/ethnic differences in the studies cited by IOM are real or a function of factors not well-measured, the IOM report should help to shift the research focus from documenting disparities to investigating their underlying causes and the impact of interventions. Investigating the underlying causes will be a challenge in large part because the influence of race on the health care system is deeply intertwined with other forces—especially economic and educational opportunities—that shape life in America. Disentangling this web of interrelated factors should be helpful in developing more targeted interventions, but pursuing that research agenda need not delay efforts to address those factors now known to create a barrier in obtaining greater equity in access to quality medical care.

As noted in the IOM report, many factors likely contribute to racial/ethnic disparities in medical care, including patient, provider, and health system related factors. Differences in the extent of health insurance coverage (see Figure 1) are perhaps the most widely recognized of factors, other than health needs, that account for variations in the medical care obtained. The uninsured are less likely than those who are insured to get appropriate care. However, evidence of racial/ethnic differences among individuals who are similarly insured is particularly disturbing since health coverage is considered the "great equalizer" in the health system. In a recent study by Johns Hopkins University researchers Daumit and Powe, the racial disparity in cardiac procedures among men and women was sharply reduced when patients with chronic renal disease qualified for Medicare. However, this study also found that even after enrolling in Medicare, black men with chronic renal disease were less likely to undergo invasive cardiac procedures than white men who were of similar age, clinical characteristics, and other sociodemographic factors (see Figure 2). This study provides strong evidence that race—independent of other factors—is associated with the medical care obtained.

Why such a challenging problem to address

Efforts to address racial inequalities throughout varying sectors of society are challenging for many different reasons, including the troubling history of race relations in America. However, misperceptions about the nature and extent of the problem in the health care system adds a new level of complexity to efforts to eliminate health and health care disparities. The battle we are waging is with perceptions, as well as the reality of life in America. Two issues, in particular deserve note.

First, the public has a marginal, at best, awareness of racial/ethnic disparities in our health system. In a 1999 national survey of a representative sample of about 4,000 adults, we learned that most Americans, including people of color, didn't know that blacks generally fare worse than whites in terms of infant mortality, or that Latinos are less likely than whites to have health insurance—two indicators that have received considerable attention in the media. The survey also found that a significant majority of whites perceive that African Americans and Latinos get the same quality of care as they do; however, the majority of African Americans and Latinos perceive that they get lower quality care than whites (see Figure 3). These findings make it clear that the public's knowledge about disparities should not be assumed and the challenge we face is one of public perceptions as well as reality. Not surprisingly, some of the misperceptions of the public are also found among providers of care.

Second, there is a common perception that disparities in medical care are largely a result of patient characteristics (their financial resources, education, help-seeking behavior, preferences for care). This perception persists despite an abundance of studies that control for patient level characteristics (e.g., as measured by income, education, severity of health condition). There are fewer studies that have assessed patient preferences for care, but some offer insight on this issue. In a study of the quality of medical care provided for congestive heart failure and pneumonia—two common health problems in which the care is fairly low-tech and thus assumed to be influenced less by patient choice—Harvard University researchers, Ayanian and colleagues, found that elderly black patients with Medicare received lower quality care than whites based on defined clinical criteria. Similar findings were observed for women relative to men. The analysis adjusted for age, income, and hospital teaching status and used the Rand appropriateness criteria to assess health need.

Perceptions of a problem often influence the actions taken (or not taken) to change policy and practices. If the public is unaware that a problem exists or misunderstands the nature of the problem, it will be difficult to mount effective efforts to address that problem. Societal change requires a public understanding and willingness as well as the resources to address the problem.

Strengthening the Federal response

In 1999, the U.S. Department of Health and Human Services (DHHS), under the leadership of former Surgeon General, Dr. David Satcher, took a bold step in announcing a national initiative to eliminate health disparities in six health areas by 2010. The Congress provided important leadership to this effort by legislatively mandating the IOM study of health care disparities, creating in statute a Center on Minority Health and Health Disparities at the National Institutes on Health (NIH), and requiring DHHS in 2003 to annually produce a report on the nation's progress in reducing health care disparities as a companion to the National Healthcare Quality Report.

From the leadership of the former Surgeon General and the Congress have come a number of DHHS agency-wide related efforts, including the establishment of Healthy People 2010 goals that are the same for everyone, regardless of race/ethnic identity. Also, DHHS agencies have developed strategic plans for their efforts to eliminate disparities and have funded new initiatives—both research and interventions—to address disparities. Most relevant to eliminating health care disparities are the nine centers of excellence grants of the Agency of Healthcare Research and Quality (AHRQ), which are financed through funds of AHRQ and NIH. These initiative also have served as the catalyst for a number of foundation and other private sector efforts to reduce disparities.

These efforts are an incredibly important start. Government, however, can and should do more. The interventions recommended by the IOM report are critical next steps. Moreover, the DHHS initiative now appears to lack visible senior leadership to direct and garner support for the efforts underway in the various agencies. Such leadership is essential for such a controversial initiative. To strengthen the federal response the initiative also will require, at the very least:

First, a strategic linking of the work to existing Department efforts around improving the quality of medical care and patient safety.

Initiatives on quality and patient safety have new dollars and the attention of clinicians and policymakers. It would be a missed opportunity if the medical care needs and concerns of people of color are not well integrated into the plans for research and new interventions in these areas. Also, efforts regarding disparities appear to be competing for scarce new resources. The view that focused efforts need new resources rather than an integration and allocation of some of the existing resources will hamper the short-term progress that can be achieved. This shift in direction will be no small feat to accomplish since DHHS staff and funded projects focused on quality issues and those focused on racial disparities generally are moving on separate tracks without much collaboration.

Second, an improvement of the information systems and the data used to answer questions about the health and medical care use of people of color.

DHHS has an important role to play in data collection and analysis. One reason we know so little about the health of Latinos, Asians, and Native Americans is that we simply have not collected the data. Even most national surveys that now over-sample African Americans and Latinos to produce reliable estimates are unable to provide estimates for Asian ethnic subgroups or Native Americans. Further complicating an assessment of disparities is that many health plans serving privately and publicly insured enrollees (whether in fee-for-service or managed care arrangements) do not collect data on the race and ethnicity of their patients. DHHS must encourage the collection of data in the private sector and collect and analyze the data on those who are publicly insured.

Third, a continuation of the Department's efforts to improve the public's awareness that the nation continues to be challenged in assuring that every American has timely access to high-quality medical care.

DHHS, through its partnerships and conferences, has already been engaged in efforts to promote dialogue and understanding about disparities. These efforts are extremely important. The Foundation, working in partnership with the medical community, is about to launch an initiative to raise physician awareness about racial disparities in medical care and encourage physicians to review the evidence and engage in a national dialogue about the issue. This is, at best, the beginning of national dialogue among one segment of the public—physicians. DHHS, working through respected and trusted leadership, should continue to improve awareness of disparities among the public generally. Whites need to be more aware of the real-life circumstances that face people of color. People of color need to be more aware of disparities so they can be more proactive in seeking needed care. This knowledge should result in greater acceptance of initiatives to remedy disparities.

In closing, let me say that race clearly matters in our health system, but so do many other factors—especially insurance coverage. Attention should be given to assuring that existing sources of coverage are not undermined. Medicaid, for example, is an essential source of coverage for about 1 in 5 non-elderly African Americans, Latinos, and Native Americans. In addition, people of color are disproportionately uninsured, and priority attention should be given to efforts to eliminate the insurance gap. It is also important to remember, however, that racial disparities among persons who are insured are an indication that expansions in coverage, though necessary, are not sufficient. The IOM report provides a blueprint for comprehensive reform to close the racial/ethnic divide in the health system.

Thank you for the opportunity to testify. I welcome any questions.

Mr. BILIRAKIS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON), Chair of the Congressional Black Caucus, who also is a nurse.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, let me express my appreciation for those who have helped to work on this resolution, because it is one that hopefully will start the ball rolling in getting some corrective action taken.

I stand before my colleagues today as a former health care professional to share really disturbing news. Sadly, in the year 2002, decades after the end of legal segregation, inequality based on race and ethnicity exists within our health care system. African Americans are 30 percent more likely to die of heart disease and cancer than Anglo Americans. Hispanics are more likely to be diagnosed with a chronic disease or a condition such as a heart attack, diabetes, or cancer than Anglo Americans. Infant mortality rates are more than twice as high for African Americans than Anglo Americans. In 2000, 47 percent of all HIV/AIDS cases reported in the U.S. were among African Americans and 21 percent among Hispanics.

Unfortunately, the bad news gets worse. Despite this glaring data revealing the health disparities between minorities and white Americans, the National Academy of Sciences tells us that minorities lag behind white Americans on nearly every measure of health care and treatment and are dying at higher rates. Minorities are less likely to be given appropriate cardiac medication or to undergo bypass surgery to treat a cardiovascular disease. Minorities are less likely to be placed on a waiting list for kidney transplants or to receive kidney dialysis or transplants.

My father was one of those. Minorities with HIV infection are less likely to receive antiretroviral therapy and other state-of-the-art treatments which could forestall the onset of AIDS. And minorities are less likely to receive appropriate cancer diagnostic tests and treatment.

There is really more bad news. Significantly, these disparities in treatment exist even when insurance status, income, age, and severity of conditions in minorities and whites are the same.

The good news is that we can address this problem by educating the public and the medical community about these disparities and take action to reduce them. House Concurrent Resolution 388 is a step in the right direction.

I agree with the gentleman, the chairman of the committee, it should not be a campaign issue. It is a serious issue that must be addressed. It would establish a National Minority Health and Health Disparities Month and calls for the government, private and nonprofit sectors, and the medical community to promote educational efforts, perform research, and conduct health care programs so that we may end health care disparities.

I urge my colleagues to support this resolution and work toward the elimination of racial and ethnic disparities in health care so that we can have some good news to share in the future.

Mr. BILIRAKIS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding me this time, and I want to congratulate the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) for her continuing work as chair of the CBC Brain Trust and for bringing her practice of medicine, which she had to leave in order to become a Member of the House, right into this House in the way in which she fastens our attention on health care, and particularly for improved health care for minorities.

But I have to say, Mr. Speaker, when they give you a whole month, it is because of what you do not have. And what minorities in this country do not have is health. And that is like saying what you do not have is the difference between life and death.

The racial and ethnic disparities are quite intolerable. About 10 percent of whites in this country do not have health care; three times as many Hispanics; twice as many blacks. The fact is minorities have to do for themselves, because we know that a lot of health care is related to life-style. And I am a strong proponent, for example, of harnessing overweight and obesity. I am a race walker. You have to do what you can do to deal with your health care. But obesity and overweight is a national problem, and yet there are some folks who have some health care to get them some advice as to what to do about it.

The current recession and the consequences of September 11 and anthrax have simply exacerbated the health care crisis in our country. And we are not close to closing this intolerable gap with placebos like tax credits. Let me tell my colleagues something: Low-income people do not pay a lot of taxes because they do not have a lot of money. So tax credits, for example, is like throwing crumbs at people who are very hungry.

But let me tell my colleagues something else. The American middle class has a very sensitive barometer to health care. In the early 1990s, there were Members who lost their seats in this House and in the Senate over the single issue of health care. And the reason is that health care is always a sleeper issue. And when we have the volatile mix of a recession and people losing their health care, watch out, Congress of the United States.

But we deserve to be called to account. The permanently uninsured are unable to raise the issue because they are the least powerful people in the society. It is only when there is a recession, when people who have a little bit of clout, the middle class, who lose their health care, that health care then rises to the top of the agenda. It is close to being there now.

In the 1990s, we were kind of creeping up on universal health care, going toward universal health care for children. And of course, there is universal health care for the very poor. But what about the working poor? What about the disincentive to go to work when you lose your health care? What about saying to welfare mothers you better go to work, and yet in the long run, lose your health care?

Poor health care in the United States has a disproportionately black and brown face, and yet in countries where there are nothing but black and brown faces, in many Third World countries, there is universal health care. Hey, what happened to the United States of America?

Some minimum of health care is what everybody deserves simply for being human. It is time we met that minimum standard in our own great country.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume to advise the gentlewoman that in our Committee on Energy and Commerce, as the gentleman from Ohio (Mr. BROWN) knows, just last week we marked up a piece of welfare legislation which afforded transitional Medicaid assistance for those people, with a recognition that of course the words of the gentlewoman are so very true. And so, hopefully, we are helping towards that.

Mr. Speaker, I continue to reserve the balance of my time, but also make available to the gentleman from Ohio (Mr. BROWN) any additional time he may need for his speakers.

Mr. BROWN of Ohio. Mr. Speaker, I thank my friend for the generous offer. We have a couple more speakers. We may not need that time.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentleman for yielding me this time, and I also want to commend the gentlewoman from the Virgin Islands for her outstanding work on this issue and commend all of these who have been instrumental in bringing this matter to the floor.

I rise in enthusiastic support of H. Con. Res. 388, which expresses the sense of Congress that there should be established a National Minority Health and Health Disparities Month. Dr. W. E. B. Dubois suggested that the problem of the 20th Century would be that of the color line. Dr. Dubois was profound and prophetic in his analysis, but we still have not solved the problem of the color line in the 21st century and it is vivid in our health care delivery system.

The persistent problem of health disparities continues to be the reality; that there is serious separation in this Nation. I stand here today to suggest that as long as health disparities persist, we will remain a Nation divided; divided along the lines of those who have and those who have not.

According to the report that we have been discussing, issued by the Institute of Medicine last month, racial and ethnic minorities experience a lower quality of health services and are less likely to receive even routine medical procedures than whites. The report goes on to suggest that when it comes to diagnostic exams for heart disease, cancer, end-stage renal disease, and kidney transplantation, African Americans and other minority groups receive less care than whites.

This report suggests that African Americans and other racial minorities die early and often because of a lack of quality care. The report, which is extensive, entitled "Unequal Treatment," really underscores the need to establish a National Minority Health and Disparities Month, a month that is set aside so that we can refocus, take a hard look, better understand, better realize the disparities, and then find the resources that are necessary to move us from the position of inequities to equality, to equal treatment, equal understanding, and equal recognition.

So again, I commend all of those who have been instrumental. I commend the chairman, the gentleman from Florida (Mr. BILIRAKIS), the gentleman from Ohio (Mr. BROWN), and certainly the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) for all of their serious leadership on these matters.

Mr. BILIRAKIS. Mr. Speaker, I continue to reserve the balance of my time, but make available to the gentleman from Ohio (Mr. BROWN) any time he may need.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

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Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member, the gentleman from Ohio (Mr. BROWN), for his constant and persistent leadership as it relates to health issues in general. I thank the gentleman from Florida (Mr. BILIRAKIS) for his leadership, and I acknowledge the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), the gentleman from Oklahoma (Mr. WATTS), and the gentleman from Georgia (Mr. NORWOOD) for bringing this resolution to our attention.

Clearly this is a resolution that will speak loudly in its passage to the American people. In my district, I am often spoken to by constituents of their caring and concern about those individuals far and wide that we have to address, such as the catastrophe in Afghanistan, the crisis in Africa with HIV-AIDS; and at the same time, they are clearly concerned with the home front.

This legislation deals with the importance of dealing with the questions of minority health. With some 50 percent of the minority community without insurance, with the impact on rural areas, with African Americans and Hispanics being impacted in large numbers by HIV-AIDS, and in particular with a study that was just recently issued that suggested that even when minorities access health care, the difficulty is that there is unequal treatment. There are determinations made as to whether or not the individual that accessed the health care should be treated long term for diabetes, should be given the opportunity for triple or quadruple bypass and surgery. We have a crisis.

What we want to do with this resolution is focus on changing the attitude. At the same time, let me acknowledge that I hope this legislation will encourage the Bush administration to not repeal the requirement of low-income children being tested for lead poisoning. That would put thousands of our children in minority communities at risk. My district happens to be a very multicultural district. It has people from all walks of life; but one of the most crowded places in my district is the Harris County Public Hospital system. It is because people desire health care, and do not have the ability to access private health coverage, so they are at our public hospital systems. Those institutions need assistance from the Federal Government to assist them in lead poisoning testing for our children. They need assistance in making sure that Medicaid payments are being paid, and making sure that if someone needs quadruple heart surgery, that they can be referred out to our very fine institutions in the medical center. The partnership is extremely important.

So this resolution is of utmost importance. I thank the members of the Committee on Energy and Commerce, the Congressional Black Caucus and the Hispanic Caucus Health Task Force, which the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) and Congressman RODRIGUEZ lead, and I am a member of, and for the leadership behind educating both Congress and the American public.

Finally, racial and ethnic minorities tend to receive lower-quality health care than whites do, even when insurance status income, age, and severity of conditions are comparable according to the National Academies Institute of Health. Thousands of people suffer in America that is why we must pass this legislation to create a responsive and equal health system in America.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CUMMINGS).

Mr. BILIRAKIS. Mr. Speaker, I yield 2½ minutes to the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Mr. Speaker, this afternoon I rise in support of H. Con. Res. 388, a resolution to designate April as National Minority Health and Health Disparities Month.

In 2000, the Department of Health and Human Services and the U.S. Surgeon General established National Minority Health Month to promote national health and disease prevention. The goal was to build a public-private partnership, foster cultural competency among health care providers, encourage health education and training, and expand the use of state-of-the-art technology.

It is intended to be an inclusive initiative that addresses the health needs of African Americans, Hispanics, Asians, Native Americans, Pacific Islanders, Alaskan Natives and Native Hawaiians. Because the month will be nationally recognized, it will serve to raise awareness and reduce the problem of minority health disparity.

Mr. Speaker, a few weeks ago, the Congressional Black Caucus held its annual Health Braintrust. This year's focus was on minority health disparities. Testifying at the hearing from my district were Dr. Martha N. Hill, Dean of the Johns Hopkins School of Nursing; Professor Thomas E. Perez, who was the immediate past director of the Office on Civil Rights at HHS; and Dr. Thomas LaVeist, Johns Hopkins University, and an active health care researcher, including the role of race in health care services.

Also testifying were the authors of the Institute of Medicine's report, "Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care." The primary finding of this report publication, "Unequal Treatment," states that due to disparities in health care treatment, blacks and other minorities do not live as long as Caucasians.

Why is that? Because according to the Institute of Medicine's publication of "Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care," even those of us who are fortunate enough to have health insurance receive inferior medical care compared to our caucasian counterparts, even when insurance coverages are the same.

I would like to cite some of the specific facts for the record, and I think my colleagues might find them very, very disturbing.

African Americans were 1.5 times more likely to be denied managed care authorization in an urban emergency room. For senior citizens, African American patients were four times less likely than Caucasians to receive needed coronary bypass surgery. Black male seniors were nearly two times less likely to receive treatment for prostate cancer. And this is incredible, but black seniors were 3.6 times more likely to have lower limbs amputated due to diabetes. Think about it. Due to poor health care, African Americans and other minorities do not live as long as Caucasians. Blacks are 24 percent less likely to receive life-preserving medications for HIV and AIDS; 20 percent of blacks and 33 percent of Hispanics lack health insurance. This is two and three times greater than the rate for Caucasians. These disparities permeate in minority communities.

For example, as a Social Security issue, blacks collect fewer retirement benefits because we die earlier. I guess on the upside, while we comprise about 12 percent of the United States population, we collect about 23 percent of the Social Security disability benefits. Think about it. This is not a Social Security issue; it is a health issue.

Mr. Speaker, if there were equity in health care, African Americans would be able to work longer and live longer. Think about it. The economic impact of poor health care created for all Americans is crucial.

Mr. Speaker, I urge all Members to vote in favor of this. I thank the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), and I thank the other side for their courtesy and kindness.

Mr. DINGELL. Mr. Speaker, I rise to voice my strong support for H. Con. Res. 388, establishing a National Minority Health and Health Disparities Month. This resolution has been crafted by my good friend and colleague, Representative CHRISTENSEN. The resolution was reported unanimously by the Committee on Energy and Commerce last week.

Mr. Speaker, this resolution will help to keep our attention focused on a disturbing fact of life. That fact is that people of color face devastating disparities in research, quality, access, and other measures of health care. Women are particularly hard hit, as reflected in the statistics. The prestigious Institute of Medicine recently published yet another study that shows we still have a long way to go before we can say that all Americans share equally in the benefits of modern medicine.

Mr. Speaker, I am pleased that this resolution specifically mentions the Minority Health and Health Disparities Research and Education Act of 2000. I was proud to join my colleagues, including Representatives JOHN LEWIS and JESSE JACKSON, JR., in that effort. That bill recognized that disparities exist throughout the development and delivery of health care. It was a good step, but clearly much more needs to be done. The entire health care system, from "bench to bedside," needs to be vigilant and to address disparities wherever and however they occur.

I applaud Representative CHRISTENSEN for bringing this resolution to the floor. I urge my colleagues to support her work and to support substantive efforts to eradicate health disparities in all programs that come before this body.

Ms. WATERS. Mr. Speaker, I rise to support H. Con. Res. 388, which would support the establishment of a National Minority Health and Health Disparities Month. The United States is a nation with a health system marked by its disparities. Too often, low-income Americans, racial minorities and individuals who lack health insurance find that quality health care is unavailable to them. At the request of Congress, the Institute of Medicine released a report this year confirming the existence of serious racial disparities in American health care.

Racial disparities in access to cancer screening contribute to higher cancer death rates for minorities. Black and Hispanic women are less likely to receive breast cancer screening with mammograms than white women, and black and Hispanic men are more likely to be diagnosed with more advanced forms of prostate cancer than white men. Last year, I introduced H.R. 3336, The Cancer Testing, Education, Screening and Treatment (Cancer TEST) Act, to provide cancer screening and treatment services for minorities and low-income populations. This bill now has 49 cosponsors.

Racial minorities have been disproportionately impacted by the HIV–AIDS epidemic. They now represent a majority of new AIDS cases and a majority of Americans living with AIDS. I am circulating a letter to the Chairman and Ranking Member of the House Subcommittee on Labor, Health and Human Services and Education Appropriations to request an appropriation of $540 million for the Minority AIDS Initiative in fiscal year 2003. Ninety Members of Congress have agreed to sign my letter.

Unfortunately, the problems in our nation's health system are only getting worse. A survey of California employers by the Kaiser Family Foundation shows that health insurance premiums increased by 9.9 percent in 2001. That is more than double California's 4.3 percent inflation rate. Furthermore, Calpers, the State of California's employee benefits system, plans to raise rates for its HMO premiums by 25 percent next year.

I urge my colleagues to vote in favor of H. Con. Res. 388 and support legislation that will guarantee every man, woman and child in America quality health care services, regardless of race, level of income or place or employment. Quality health care should be for everyone.

Mr. BILIRAKIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WHITFIELD). The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 388.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HEMATOLOGICAL CANCER RESEARCH INVESTMENT AND EDUCATION ACT OF 2001

Mr. BILIRAKIS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1094) to amend the Public Health Service Act to provide for research, information, and education with respect to blood cancer.

The Clerk read as follows:

S. 1094

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hematological Cancer Research Investment and Education Act of 2001".

SEC. 2. FINDINGS.

Congress finds that:

(1) An estimated 109,500 people in the United States will be diagnosed with leukemia, lymphoma, and multiple myeloma in 2001.

(2) New cases of the blood cancers described in paragraph (1) account for 8.6 percent of new cancer cases.

(3) Those devastating blood cancers will cause the deaths of an estimated 60,300 persons in the United States in 2001. Every 9

minutes, a person in the United States dies from leukemia, lymphoma, or multiple myeloma.

(4) While less than 5 percent of Federal funds for cancer research are spent on those blood cancers, those blood cancers cause 11 percent of all cancer deaths in the United States.

(5) Increased Federal support of research into leukemia, lymphoma, and multiple myeloma has resulted and will continue to result in significant advances in the treatment, and ultimately the cure, of those blood cancers as well as other cancers.

SEC. 3. RESEARCH, INFORMATION, AND EDUCATION WITH RESPECT TO BLOOD CANCER.

Part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by inserting after section 419C the following:

"SEC. 417D. RESEARCH, INFORMATION, AND EDUCATION WITH RESPECT TO BLOOD CANCER.

"(a) Joe Moakley Research Excellence Program.—

"(1) In general.—The Director of NIH shall expand, intensify, and coordinate programs for the conduct and support of research with respect to blood cancer, and particularly with respect to leukemia, lymphoma, and multiple myeloma.

"(2) Administration.—The Director of NIH shall carry out this subsection through the Director of the National Cancer Institute and in collaboration with any other agencies that the Director determines to be appropriate.

"(3) Authorization of appropriations.—For the purpose of carrying out this subsection, there is authorized to be appropriated such sums as may be necessary for fiscal year 2002 and each subsequent fiscal year. Such authorizations of appropriations are in addition to other authorizations of appropriations that are available for such purpose.

"(b) Geraldine Ferraro Cancer Education Program.—

"(1) In general.—The Secretary shall direct the appropriate agency within the Department of Health and Human Services, in collaboration with the Director of NIH, to establish and carry out a program to provide information and education for patients and the general public with respect to blood cancer, and particularly with respect to the treatment of leukemia, lymphoma, and multiple myeloma.

"(2) Administration.—The Agency determined by the Secretary under paragraph (1) shall carry out this subsection in collaboration with private health organizations that have national education and patient assistance programs on blood-related cancers.

"(3) Authorization of appropriations.—For the purpose of carrying out this subsection, there is authorized to be appropriated such sums as may be necessary for fiscal year 2002 and each subsequent fiscal year. Such authorizations of appropriations are in addition to other authorizations of appropriations that are available for such purpose.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. BILIRAKIS) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BILIRAKIS).

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 1094, and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today to encourage my colleagues to support S. 1094, the Hematological Cancer Research Investment and Education Act, introduced by Senator KAY BAILEY HUTCHINSON in the Senate, with a companion legislation in the House, H.R. 2629, introduced by the gentleman from Illinois (Mr. CRANE). Senator KAY BAILEY HUTCHINSON is present with us today, which is an indication of how significant the gentlewoman considers this legislation.

Blood cancers affect over 110,000 Americans. These devastating diseases are in desperate need of a cure. I am pleased to support the efforts of the National Institutes of Health to increase the research activities on these diverse cancers. Taxpayer dollars are wisely spent on research to help cure, and even better, prevent disease. For the past 5 years, Congress has committed to doubling the budget of the NIH. Last year alone, Congress dedicated over $23.3 billion to NIH. As we double the budget of any agency, we must ensure that these funds are appropriately focused at finding cures to our Nation's health problems.

The Hematological Cancer Research Investment and Education Act ensures that the Federal Government focuses appropriate resources on programs to address blood cancers, particularly leukemia, lymphoma and multiple myeloma. In particular, the bill directs the NIH to coordinate all blood cancer programs under the newly named "Joe Moakley Research Excellence Program." The bill establishes the "Geraldine Ferraro Cancer Education Program," to provide detection and treatment options for blood cancers, and I might add that the former Congresswoman Geraldine Ferraro is with us here today.

I thank both Senator KAY BAILEY HUTCHINSON and the gentleman from Illinois (Mr. CRANE) for their tireless efforts to raise public awareness about blood cancers. And I also recognize the health staff of the gentleman from Illinois (Mr. CRANE), Shalla Ross, who has worked diligently to ensure passage of this important legislation. I urge my colleagues to support S. 1094.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I rise in support of this legislation which sets the stage for a coordinated Federal research effort to combat blood cancers and launches a patient and public education campaign to get the word out on these cancers.

The death of our colleague, the esteemed Joe Moakley, raised the profile in this institution of leukemia and other blood cancers for all of us. More than 100,000 Americans will be diagnosed with blood cancers this year, and more than 60,000 will lose their lives to one of these cancers.

Former Congresswoman Geraldine Ferraro, who has joined us today, was diagnosed with multiple myeloma a few years ago. Since her announcement, she has turned a very private battle with cancer into a public campaign, educating Americans and policy makers, making a difference in their lives, educating us all about the disease and the need for enhanced research on cancer.

The bill we are considering today includes two important initiatives in honor of these two remarkable American leaders. It establishes the Joe Moakley Research Excellence Program to expand and intensify NIH research on blood cancers; and the Geraldine Ferraro Cancer Education Program, which will establish education programs designed for patients and for their families. It is an excellent bill. I urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BARTON).

□ 1715

Mr. BARTON of Texas. Mr. Speaker, I rise today in strong support of the Senate bill, S. 1094, presented in the Senate by my good friend, the Senator from Texas, Senator KAY BAILEY HUTCHINSON, who is on the floor with us today. Without her untiring work, we would not be here passing this bill on Blood Cancer Day. She has worked, I think, in a very positive, cooperative way. It is very rare for the Longhorns and the Aggies to work together, but on this bill the head Longhorn came to one of the head Aggies and we have made it happen.

There are a number of other people we need to thank: Obviously, the gentleman from Florida (Mr. BILIRAKIS) for allowing the bill to come on the suspension calendar; the full committee chairman, the gentleman from Louisiana (Mr. TAUZIN); the ranking member, the gentleman from Michigan (Mr. DINGELL); the gentleman from Ohio (Mr. BROWN); and the majority leader, the gentleman from Texas (Mr. ARMEY) has worked on this.

We have a number of distinguished visitors watching the proceedings today, I am told, including Senator HUTCHINSON's brother, Alan Bailey, who has a form of blood cancer. We also have the distinguished former Congresswoman and Vice Presidential candidate, Geraldine Ferraro, who has fought a courageous battle against blood cancer. Kathy Guisti is the President of the National Myeloma Association. And, as we pointed out, this is named in honor of former Congressman, Joe Moakley, and former Congresswoman Geraldine Ferraro, who is with us today.

Various forms of blood cancer afflict over 100,000 Americans every year. 60,000 Americans die of the disease. It is a disease that can strike with sudden swiftness and extreme ferocity. Some of the more common forms we know of are leukemia, lymphoma and multiple myeloma. If you have this disease in your family, it is a heartache to have to try to face up to it. My brother, the late John Barton, died of liver cancer, so I know from a personal perspective how tragic any kind of cancer is.

But with the passage of this bill that Senator HUTCHINSON has worked so hard for, we are going to begin to fight back. This would create an educational program, a research program, the Joe Moakley Research Excellence Program, and the Geraldine Ferraro Cancer Education Act. We can educate Americans all around the country. We can encourage the National Institutes of Health to provide more funding for research and education and outreach, and hopefully some day find a cure and find treatments for those that are already afflicted with the disease.

So I want to thank my good friend from Dallas, Texas, Senator HUTCHINSON, for moving the bill, I want to thank my good friend the gentleman from Florida (Mr. BILIRAKIS), for putting it on the suspension calendar, and I would encourage all Members to vote for it in the affirmative when we are given that opportunity.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WHITFIELD). The Chair will remind all Members that it is not in order to refer to a Senator visiting the House Chamber.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Massachusetts (Mr. McGOVERN), who was a long-term colleague, friend and employee of Mr. Moakley.

Mr. McGOVERN. Mr. Speaker, I want to first thank the gentleman from Florida (Chairman BILIRAKIS) and ranking member, the gentleman from Ohio (Mr. BROWN), for bringing this bill to the floor today. I want to thank our distinguished colleague from the other body, the junior Senator from Texas, for moving this bill forward. We are honored by her presence on the House floor today.

This bill, quite simply, directs the NIH to direct more funds to research, information and education on blood cancer diseases. As my colleagues here on the floor know so well, while less than 5 percent of Federal funds for cancer research are spent on blood cancers, they cause 11 percent of all deaths. One of those deaths was our colleague, Joe Moakley.

As many in this Chamber know, I worked for Joe Moakley for many years, from 1982 to 1996. He served not only as my teacher and mentor, but he was also my dear friend, in fact, my best friend.

Joe was a guy who, in many respects, represented the miracles of medical research and science. During years I knew him, he survived kidney cancer, a gangrenous gall bladder, prostate cancer, skin cancer, and hepatitis, that ultimately led to a successful liver transplant. Through it all, Joe Moakley emerged with flying colors, stronger and better than ever. However, when he was diagnosed with leukemia, it was a disease that he just could not beat.

There is not a day that goes by, Mr. Speaker, that I do not miss Joe Moakley, and I wish he were still here with us fighting the good fight, standing up for the causes that he believed in, and even entertaining us with his humor. I wish there had been a cure for the leukemia that took his life, and I believe that some day there will be a cure. The issue is not can there be a cure, rather, the issue is when, and that will depend on the money and resources that we invest in medical research.

One section of this bill will establish the Joe Moakley Research Excellence Program at NIH to expand, intensify and coordinate programs that support research on blood cancers, particularly leukemia, lymphoma and multiple myeloma. This, Mr. Speaker, is a honorable legacy, but, as Joe Moakley would say, the name means nothing if we do not put the money down, and I hope that we will do that.

I also want to say I am honored that former Congresswoman Geraldine Ferraro is with us today. I was a staff person when she was a Member of this House, and, being from Massachusetts, I remember what Tip O'Neill once said about her when she was nominated to be the Vice Presidential candidate for the Democrats, he said she will be not only a great vice president, but some day she will be a great president. I think he was right in that assessment. I admire her courage for coming forward with her own health challenges. She indeed is the inspiration for another section of this bill which would result in disseminating information on blood cancer diseases throughout this country.

Mr. Speaker, I urge my colleagues to pass this bill, and I hope the funds are there to carry out this important authorization.

Mr. BILIRAKIS. Mr. Speaker, I continue to reserve my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, it was just a couple of months ago when a few current Members of Congress had the honor and pleasure of gathering to listen to the Honorable Geraldine Ferraro. It was a joyous occasion, and it was a delight to be able to fellowship with our colleague, someone that many of us admired, some who had the opportunity to serve with her, and some, like myself, who did not. But certainly her history and her leadership are well-known to women around the Nation.

Her remarks were instructive and inspiring. But, as she concluded, she made an announcement that caused a pause, and many of us stopped midway in our thoughts and our speech and caught our breath. But she did not allow us to linger on our thoughts about what we perceived to be a catastrophic illness which she had announced that she had. She began energizing us and speaking about living, and how we could support their legislation before us to help some lives.

So today I come to the floor of the House in tribute to Congresswoman Geraldine Ferraro, and as well, to acknowledge my support for S. 1094, focusing on the blood cancer diseases that have taken the lives of so many, and, yes, to likewise thank the Committee on Energy and Commerce and its leadership, the chairman and ranking member of the full committee and chairman and ranking member of this subcommittee, and to acknowledge my colleague-friend from the other body, the junior Senator from Texas, thanking both of them as women to acknowledge that we can fight these diseases.

We can fight the fact that an estimated 109,500 people in the United States will be diagnosed with leukemia, lymphoma and multiple myeloma in 2002. We can fight the fact that these devastating blood cancers will cause the deaths of an estimated 60,000 persons. We can fight the fact that while less than 5 percent of Federal funds for cancer research are spent on these blood cancers, these blood cancers cause 11 percent of all cancer deaths.

That is why I am proud to support legislation that creates the Congressman Joe Moakley Research Excellence Program, our friend and colleague, who was such a fighter. It will now instruct the director of NIH to expand, intensify and coordinate programs for the conduct and support of research in this area. Then, as well, to be able to affirm the Geraldine Ferraro Cancer Education Program, that will direct the secretary to direct the appropriate agency within the Department of Health, in collaboration with the director of NIH, to provide education and information and encouragement to those who would understand better.

The aspects of this bill are powerful, research and education, and I cannot thank enough those who saw fit to carry this legislation in an expedited manner. Just sharing with both proponents on the floor of the House it was brought to my attention that those of us in the minority community may even be impacted in a more devastating manner. But this bill speaks to all of us as Americans, and it focuses on saving lives, for those who have suffered with blood cancer diseases, those who have lost their lives.

This is, in fact, an enormous tribute, but, most importantly, it shows we are going to act. I would encourage both the passage and the funding of this legislation, for tribute comes by action and not just words. I thank the distinguished members of this committee.

I ask my colleagues to support this legislation.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members that a proper reference to a Senator is as a sponsor of the measure.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BILIRAKIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. BILIRAKIS) that the House suspend the rules and pass the Senate bill, S. 1094.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

SUPPORTING NATIONAL CHARTER SCHOOLS WEEK

Mr. CASTLE. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 386) supporting a National Charter Schools Week, and for other purposes

The Clerk read as follows:

H. CON. RES. 386

Whereas charter schools are public schools authorized by a designated public body and operating on the principles of accountability, parental involvement, choice, and autonomy;

Whereas in exchange for the flexibility and autonomy given to charter schools, they are held accountable by their sponsors for improving student achievement and for their financial and other operations;

Whereas 37 States, the District of Columbia, and the Commonwealth of Puerto Rico have passed laws authorizing charter schools;

Whereas 37 States, the District of Columbia, and the Commonwealth of Puerto Rico will have received substantial assistance from the Federal Government by the end of the current fiscal year for planning, startup, and implementation of charter schools since their authorization in 1994 under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.);

Whereas 34 States, the District of Columbia, and the Commonwealth of Puerto Rico are serving over 580,000 students in more than 2,431 charter schools during the 2001–2002 school year;

Whereas charter schools can be vehicles for improving student achievement for students who attend them, for stimulating change and improvement in all public schools, and for benefiting all public school students;

Whereas charter schools must meet the same Federal student achievement accountability requirements as all public schools, and often set higher and additional goals, to ensure that they are of high quality and truly accountable to the public;

Whereas charter schools assess and evaluate students annually and often even more frequently, and charter school student achievement is directly linked to charter school existence;

Whereas charter schools give parents new freedom to choose their public school, charter schools routinely measure parental approval, and charter schools must prove their ongoing and increasing success to parents, policymakers, and their communities;

Whereas two-thirds of charter schools report having a waiting list, the average size of such a waiting list is nearly one-half of the school's enrollment, and the total number of students on all such waiting lists is enough to fill another 1,000 average-sized charter schools;

Whereas students in charter schools nationwide have similar demographic characteristics as students in all public schools;

Whereas charter schools in many States serve significant numbers of students from families with lower income, minority students, and students with disabilities, and in a majority of charter schools, almost half the students are considered at risk or are former dropouts;

Whereas charter schools have enjoyed broad bipartisan support from the Administration, the Congress, State Governors and legislatures, educators, and parents across the Nation; and

Whereas charter schools are laboratories of reform and serve as models of how to educate children as effectively as possible: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That—

(1) the Congress honors the 10th anniversary of the opening of the Nation's first charter school;

(2) the Congress acknowledges and commends the charter school movement and charter schools, teachers, parents, and students across the Nation for their ongoing contributions to education and improving and strengthening the Nation's public school system;

(3) the Congress supports the goals of National Charter Schools Week, an event sponsored by charter schools and charter school organizations across the Nation and established to recognize the significant impacts, achievements, and innovations of the Nation's charter schools; and

(4) it is the sense of the Congress that the President should issue a proclamation calling on the people of the United States to conduct appropriate programs, ceremonies, and activities to demonstrate support for charter schools in communities throughout the Nation.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Delaware (Mr. CASTLE) and the gentleman from Indiana (Mr. ROEMER) each will control 20 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

GENERAL LEAVE

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 386.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. CASTLE. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Florida (Mr. KELLER), who is the author of this legislation.

Mr. KELLER. Mr. Speaker, I thank the gentleman from Delaware for yielding me time.

Mr. Speaker, I rise today in support of my resolution to honor National Charter Schools Week House Concurrent Resolution 386. This resolution recognizes the many contributions charter schools have made to strengthen America's public school system. I introduced this resolution because of my firm conviction that charter schools work to benefit all students and all schools.

This resolution honors the 10th anniversary of the opening of the Nation's first charter schools. It acknowledges and commends the charter school movement and it honors the parents, teachers and students across the Nation for their ongoing contributions to education and for strengthening the Nation's public school system.

Since 90 percent of the children in this country go to public schools, it is critical that we do what we can to strengthen the public school systems. Charter schools have done just that. In just 10 short years, there are already almost 2,500 charter schools serving half a million students across the country.

Currently, 37 States, D.C. and Puerto Rico have passed charter school laws. Florida's public school system already has over 200 charter schools serving almost 30,000 children. There are 11 charter schools in my districts alone. I often hear of the successes of Lake Eola Charter School and Hope Charter School in Orlando, Florida.

What are charter schools and why do they offer alternatives for our parents and children? Charter schools are public schools established under State law that are given varying degrees of autonomy from State and local regulations. Charter schools must meet the same Federal student achievement accountability requirements as all other public schools, and they often set higher and additional goals to ensure that they are a high quality and truly accountable to the public.

□ 1730

This flexibility and exchange for accountability often translates into higher test scores and innovative practices. They provide an option to parents, often from low-income families, who desire an alternative to their local school.

Charter schools, by their very nature, place more emphasis on parental involvement, increased instruction, higher academic standards, and character education. They routinely measure parental approval and student progress. Otherwise, they would cease to exist. A charter school is created out of the demand for an alternative to the local school and is often started up through a group of active parents and teachers. Many of them serve a specific need in the community. Some can be oriented toward math and sciences and others exist to satisfy a need for liberal arts. Each is unique, but necessary.

President Bush's landmark legislation, the No Child Left Behind Act, contains multiple provisions which support the expansion of charter schools. It provides for an additional $200 million to help establish 700 new charter schools, and we expect an additional $100 million this year for construction of new charter school facilities.

Mr. Speaker, I would again like to congratulate the students, parents, teachers, principals, and administrators who have embraced the charter school movement and have made it such a success. The bottom line is that charter schools work because they are free from burdensome regulations and, in return, are held accountable for academic results. I urge my colleagues to recognize the role charter schools have made to strengthen our public school system and vote "yes" on House Concurrent Resolution 386.

Mr. ROEMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I obviously rise in support, strong support, of this resolution commending the very important contribution that charter schools make to our public schools across this great land, and also to designate a week of Charter School Appreciation Week.

I want to talk a little bit about the past, the present, and the future of charter schools. Our families and our parents and our teachers are all very excited and very concerned about the prospect of public education in America today. It continues to rank as one of the highest issues when we poll, when we go to town meetings, when we ask any families about their priority concerns across the United States.

The past of charter schools, when we first got into this issue, was working with the new Democrats here in the House of Representatives and working with the DLC, the Democratic Leadership Council, and the PPI, and coming up with more opportunities for parents to get public school choice; not to rip money away from public schools and transfer it to private schools, but help support the foundation of public schools, while also helping the reform movement, the accountability movement, the change movement, the new opportunities for students, parents, and teachers movement; to try to get new curriculum and new ideas in our public schools. This has caught fire, and a host of States now have passed enabling legislation at the State level to create charter schools. The Federal Government is passing new laws and new help, providing new resources for charter schools to go forward in today's education environment.

So the past has been our efforts to help at the national level to create incentives and carrots to foster more public school charter schools in the United States. Last year, Indiana became the 38th charter school State, and I am very proud of that.

What is the present state of charter schools? As I said before, charter schools stress accountability, parental involvement, choice, and autonomy, and I am glad that this type of innovation is now beginning in Indiana. Charter schools are public schools that respond to an increasingly high demand for choices from parents, from teachers, and from students. They represent reform, improvement, and innovation in public education. Charter schools often serve our at-risk students. Nearly 60 percent of charters serve a population in which more than 40 percent of students qualify for free or reduced lunches. More than half of all charter schools serve a population in which 40 percent of the students are minorities. Nearly half of all charter schools serve a population in which more than 40 percent of students are considered at risk or former dropouts.

So this is not going out and picking the best students and forming a school and then trying to raise test scores and separating the public students more and more, or cherry-picking the best and leaving some of the at-risk students behind. In fact, many of the charter schools are designed to go after those dropouts, to go after those at-risk students, to go after those students most in need.

Mr. Speaker, 34 States, including the District of Columbia and Puerto Rico, including Indiana, are serving more than 500,000 students in about 2,430 charter schools. I mentioned the District of Columbia, and I want to note the support of the gentlewoman from the District of Columbia (Ms. NORTON) for these charter schools. I have visited many of these schools in the D.C. area, and I want to say for the record that I think some of those schools are the most innovative, the strongest, some of the schools with the best teachers and students and success rates as any charter schools in America. I know that she is very proud of those charter schools.

So what is the future of charter schools? What do we need to concentrate on to make sure that these charter schools remain viable choices for parents, teachers, and students?

One obstacle for charter schools is to overcome the difficulties and problems of start-up costs. They need to get in a building, and oftentimes procuring that building is the single biggest impediment to starting that charter school. We need to provide Federal resources, maybe matching with bonds and other State incentives, to help start these charter schools.

Secondly, we need to share best practices. If there are some good charter schools in one State, we need to find ways to share those best practices, those successful schools with other charter movements in other States, and strengthen the accountability, because these schools need to be held accountable. If they are not working, they can be closed. We need to make sure that the State laws are good charter school laws.

Thirdly, we need to look at the per-pupil expenditures so that they are equal to other public schools. We are talking about public charter schools and other public schools, so let us make sure that these students get equal access, whether they go to a public charter school or a previous public school.

So I am very excited about this movement that is catching fire across this country. I am very excited about the New Democrats' support for this back 5 and 6 and 7 years ago when it was a new idea. I am very supportive in a bipartisan way of working with the Republicans and the administration to find new ways to support the growth of charter schools, as I have outlined, in the future.

Mr. Speaker, I reserve the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of H. Con. Res. 386, recognizing the charter school movement for its contribution to improving our Nation's public schools.

Charter schools are independent public schools that are created by parents and teachers and operated with exemptions from most State laws and regulations. In just 10 years, the charter school movement has grown to over 2,400 schools enrolling 580,000 students in 34 States, the District of Columbia, and Puerto Rico. These schools provide new choices for parents of public schoolchildren and they serve as laboratories for innovative educational practices that improve student achievement.

In my State of Delaware, the first charter school located in Wilmington opened in 1996. Unlike other schools, Wilmington Charter School focused its curriculum on math and science and it has achieved top scores in the Delaware assessments in math, reading, writing and science. Like many charter schools, Wilmington Charter School boasts high parental involvement, excellent student behavior, and state-of-the-art technology in every classroom. Unlike many traditional public schools, however, charter schools are subject to an unprecedented level of accountability. They have detailed written performance contracts, and where they are unable to meet the terms of the contracts, the schools are closed.

Recently citing financial instability, the Delaware Department of Education took a first step toward the revocation of the charter of a charter school in my State. Many parents and students waged a heroic battle to keep the school doors open, attempting to fund the school with bake sales and auctions, and many are still reeling from the decision. Despite this setback, many Delaware charter schools continue to have more applications for admissions than they can currently accommodate. In my mind, this reinforces the need for alternative public education in Delaware.

Combined with high parent satisfaction and improved academic achievement, the strong support for Delaware charter schools has caused many school officials to acknowledge some of the failures of our traditional public schools, and they tell me it compels them to improve. With this week being National Charter Schools Week, April 29 to May 3, it is therefore fitting that we recognize our Nation's charter schools as another way to improve student achievement and increase parental involvement.

In conclusion, I want to thank the gentleman from Florida (Mr. KELLER) for his leadership on this issue, and I urge an "aye" vote.

Mr. Speaker, I reserve the balance of my time.

Mr. ROEMER. Mr. Speaker, I yield 4 minutes to the gentlewoman from the District of Columbia (Ms. NORTON), my classmate.

Ms. NORTON. Mr. Speaker, I appreciate the gentleman for yielding me this time, and I appreciate all of his work on this issue. He has been one of the movers and shakers for charter schools in this Congress. This is only one of the reasons I am in mourning that he is leaving the Congress. I want to thank the author of the resolution, H. Con. Res. 386, as well.

Mr. Speaker, the District of Columbia, our Nation's Capital, is supporting charter schools in a way that counts with the largest number of charter schools per capita in the United States. Fourteen percent of our youngsters go to charter schools, more than in any other State. We have 2 chartering authorities, including one that was authorized by this Congress pursuant to a bill I sponsored in 1995 with the agreement of the District of Columbia. All of our charter schools are public, nonsectarian schools. There are 13 elementary schools, 11 middle schools, and 16 high schools. I want to draw attention to one in particular, the Seed School, which is the first inner city charter boarder school in the United States. Yes, that is right. A boarding school of 14 children in a classroom, and it has attracted all kinds of private funds. We can imagine how surrounding these children with what such a school has to offer, what it means in terms of their career opportunities and their ability to get into top-flight schools.

We think our charter school movement here is a model for how to promote competition to the traditional public schools. This House may recall that there was fierce opposition in the District which this Congress tried to impose on the District vouchers, fierce opposition, rage, and yet the District has embraced charter schools like its second skin. They have proven to be better than vouchers because they are far less controversial and have a far greater variety of schools than we could ever have gotten with vouchers.

These schools are very independent. They are not tied to the bureaucracy of the public schools of the District of Columbia at all.

For those who say that the public schools need competition, they are right. Boy, has there been competition for our public schools. I think they have made our public schools better. The scores in the public schools are better than the scores in the charter schools, but at the very bottom, the very bottom, the charter schools are doing better, and that may be because of the teacher-student ratio, because there are a smaller number of students in those schools.

□ 1745

The competition is good, but it has been publicly accountable competition.

What the charter schools and the public schools do is really enable us to compare schools that are apples and apples, because there is an even playing field here. Both of them get public money; both of them must take every student; none of them can cream off the top; none of them can discriminate based on where they come from or what their parents are or what the test scores are; and they all have the same health, safety, financial, and reporting regulations.

So we are probably going to be the first jurisdiction with a critical mass that is able to compare how students do in charter schools with how students do in traditional public schools.

In some jurisdictions, I want to caution the Congress that charter schools have become more controversial. They are seen less as competition and more as a distraction. I regret that. That has not yet happened in the District of Columbia.

But caution has to be taken to make sure that where a critical mass of money is necessary to run a public school system, that that remains intact, and that the number of charter schools relative to the number of traditional public schools remains in some kind of balance, and people do not go off chartering, catch-as-catch-can, charter schools.

In any case, the District, its parents, its students, are embracing charter schools. What is happening in the District of Columbia, in the Nation's capital, there is a real, live, thriving charter school movement helping to improve educational opportunity by providing a variety of public school vehicles from which our public school children, indeed any child in the District of Columbia, can choose.

I urge Members to look at this model to see what it may have to offer for their own jurisdiction. I thank the gentleman for his work on this issue.

Mr. CASTLE. Mr. Speaker, I yield 3½ minutes to the gentleman from Wisconsin (Mr. PETRI)

Mr. PETRI. Mr. Speaker, I am pleased to speak in support of this resolution, as it once again recognizes the charter school movement for its contribution to improving America's schools.

Although Congress has been supporting the growth of charter schools for almost 10 years now, we should remember that this is, in fact, a grassroots movement. The movement was really started in the early 1990s by concerned parents and frustrated teachers who were fed up with the status quo, weary of fighting the bureaucracy that defeats innovation, and tired of seeing their children consigned to mediocrity and to failure.

In my State of Wisconsin, I am proud to say that we have a strong charter school program that was one of the first in the Nation to be established. I recently participated in the charter school conference held near my district. I was excited to learn of the innovation going on in my State.

For example, Wisconsin will soon have two virtual charter schools, which are public charter schools that conduct classes online. Thanks to Wisconsin's open enrollment law, children from anywhere in the State can apply to enroll in these schools. These virtual charter schools will provide a computer and Internet access to the enrolled children.

In these virtual schools, the parents have great control, and the parents make final decisions as to their child's personalized learning plan while still having full access to professionally-prepared curriculum and teacher support. Thus, this approach utilizes the advantages of home schooling, charters, and public school choice to create a unique educational experience.

I would like to thank my colleague, the gentleman from Florida (Mr. KELLER) for bringing forward this resolution. I appreciate the opportunity to speak in its support, and I urge my colleagues to support a National Charter

Schools Week, and to continue to encourage the growth of this important and successful reform movement.

Mr. CASTLE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio (Mr. BOEHNER), chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, in honor of National Charter Schools Week, I rise in strong support of House Concurrent Resolution 386 introduced by my friend and colleague, the gentleman from Florida (Mr. KELLER), also a member of our committee.

This week-long celebration, which runs through Friday, is cosponsored by more than 75 grassroots charter school support organizations in 45 States, and is coordinated by the Charter Friends National Network and the Center for Education Reform.

Also during this week there will be six charter school nights at major league baseball games in Colorado and in California. In addition, other national organizations have signed on as national supporting organizations for National Charter Schools Week, including the National Council of La Raza, the National Cooperative Bank Development Corporation, the Gates-EdVisions Project, and Youthbuild USA.

Although a relatively new phenomenon, charter schools have been at the cutting edge of educational reform for the past several years. Nowhere is this more true than in Dayton, Ohio, a new part of my district, the site of one of the fastest growing charter school movements in the Nation.

In Dayton, more than a dozen charter schools are up and running, serving thousands of area children. In Dayton and across the Nation, the contributions of charter schools are helping to strengthen our Nation's public schools. They are playing a key role in the effort to raise expectations and ensure that every child of every income and ethnic background has the chance for a safe and world-class education.

There are not many things that I and the editors of the Dayton Daily News agree on usually, but they were right on this one earlier this month when they wrote, and I will quote, "Charter schools deserve a chance. They can serve as models for public schools, and the competition they provide is a good thing."

In exchange for flexibility and freedom from regulations, charter schools are held accountable for improving the academic achievement of their students. This new-found flexibility and freedom has not only translated into higher test scores, but also innovative practices. I think it has empowered parents with the ability to seek out the best education possible for their own children.

In fact, we mirror these same principles of freedom, flexibility, and accountability through the Elementary and Secondary Education Act in H.R. 1, the No Child Left Behind Act, which the President signed into law earlier this year.

Currently, 37 States, the District of Columbia, and Puerto Rico have passed charter school laws, and more than a half a million students attend charter schools somewhere nationwide. My hope is that every State will have passed a charter school law in the very near future.

That said, Mr. Speaker, I would like to congratulate all of the students, parents, teachers, principals, and administrators who have embraced the charter school movement and are working to make it a success.

I would also like to recognize the efforts of two Ohio officials, State auditor Jim Petro and State Representative Jon Husted of Dayton, who have worked tirelessly on behalf of our State's charter schools.

Finally, I want to thank the gentleman from Florida (Mr. KELLER), the gentleman from Georgia (Mr. ISAKSON), the gentleman from Michigan (Mr. UPTON), and the gentleman from Indiana (Mr. ROEMER) for their efforts in bringing this resolution to the floor.

Mr. CASTLE. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. ISAKSON).

Mr. ISAKSON. Mr. Speaker, I thank the gentleman from Delaware for yielding time to me.

Mr. Speaker, I am pleased to rise in support of this resolution. I commend the gentleman from Florida (Mr. KELLER) for introducing it, because it recognizes an important principle: We in government know that regulation, with the best of intentions, is not always successful.

The charter school movement recognizes that empowerment of parents, teachers, and the children is almost always successful. That is the basic principle of the charter school movement. It engages the parents in setting the goals, it engages the faculty with the parents in setting the goals, and it asks for regulation waivers in return for the accountability for achievement and higher standards.

In my district in Georgia, the first charter school in our State was approved, and it has subsequently been reapproved. The results are remarkable. The parents are proud, the kids are engaged, and the faculty is a part of the decision-making process, the change, and the reform that has made the school movement a success.

So I commend the gentleman from Florida (Mr. KELLER), I commend those parents, as the gentleman from Ohio (Chairman BOEHNER) has said, and I commend those around the country that are trying to help public schools with that key process of parental involvement and teacher involvement in higher goals and better achievement.

Lastly, I want to add a comment. At our recess a few weeks ago, I traveled with USAID to Egypt and Ethiopia. In Ethiopia, I observed a program known as BESO, sponsored by Save the Children, CARE, World Learning, and USAID. It is a program that engaged, due to the following: It is basic educational structural overhaul. The result is, it is charter schools.

There in Ethiopia, where we have problems with AIDS, problems with Muslim children being able to go to school, problems with economic development because of poor job training, we are bringing in parents, most of whom never had an education, to be part of the school with their children and the teachers to set goals.

We saw children in the worst of impoverished situations achieving higher goals because their parents were involved, their government supported change, and because teachers, parents, and students were partners together.

The resolution of the gentleman from Florida (Mr. KELLER) is a good one. The charter school movement is a tremendous asset to public education. I commend the gentleman from Florida for its introduction. I support the resolution.

Mr. CASTLE. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for yielding time to me. I rise in strong support of this important resolution.

Mr. Speaker, our Nation's charter schools have been a great boon to America's education system. My great State of Minnesota enjoys being at the forefront of many movements. Charter schools are no exception. St. Paul Academy in St. Paul, Minnesota, and Bluffview Montessori School in Winona, Minnesota, are America's first charter schools. These schools received their charters back in 1993.

Charter schools provide an innovative curriculum. Students are able to explore specific interests in a unique environment. Charter schools address the special needs of students who may not otherwise prosper in traditional public education systems.

Minnesota features charter schools that specifically address the needs of Hmong and Native American students.

A new agricultural charter school just opened in the Twin Cities. This is an excellent opportunity for urban students to expand their knowledge. Too many adults do not know enough about how food is produced. Charter schools are providing the innovative solutions to that gap of understanding.

As a component of public education, charter schools are a testing ground for education delivery systems, and they are proving very successful. With an enrollment of 175 students, Bluffview continues to prosper. Their students, with the guidance of 15 teachers, have consistently scored higher than national and State averages on standardized tests.

Charter schools provide a creative answer to the question of parental involvement, flexibility and accountability in the public school system, higher standards, and oversight by a sponsoring public district maintain quality and continuity in each school.

In the case of parental involvement, I want to tell Members about Sandy Bauer. Her children have already graduated from Bluffview. Her experience as a parent was so positive that she continues to be a volunteer. That is commitment. Her actions tell me that Bluffview is doing something right.

Accountability is best demonstrated by the creation of a charter document. This document specifically outlines the goals for achievement. I firmly believe in planning your work and working your plan. Charter schools, by their very nature, must meet the goals of their charter or they lose that charter.

I am proud to celebrate National Charter Schools Week. I wholeheartedly commend the charter schools, the movement, the charter school teachers, the parents, and the students for their ongoing contributions to education. They are leading our country to a brighter future for all students, and I am happy to cosponsor this important resolution.

Mr. ROEMER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I conclude by stating my very strong support for this resolution. I want to thank the gentleman from Delaware (Mr. CASTLE) for his support on this bipartisan resolution today, as well.

Mr. Speaker, I yield back the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank the gentleman from Florida (Mr. KELLER) for his sponsorship of this, and the gentleman from Indiana (Mr. ROEMER).

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WHITFIELD). The question is on the motion offered by the gentleman from Delaware (Mr. CASTLE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 386.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. CASTLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1800

EDUCATION SCIENCES REFORM ACT OF 2002

Mr. CASTLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3801) to provide for improvement of Federal education research, statistics, evaluation, information, and dissemination, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EDUCATION SCIENCES REFORM

SEC. 101. SHORT TITLE.

This title may be cited as the "Education Sciences Reform Act of 2002".

SEC. 102. TABLE OF CONTENTS.

The table of contents for this title is as follows:

Sec. 101. Short title.
Sec. 102. Table of contents.

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PART B—NATIONAL CENTER FOR EDUCATION RESEARCH

Sec. 131. Establishment.
Sec. 132. Commissioner for Education Research.
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PART D—NATIONAL CENTER FOR EDUCATION EVALUATION

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PART E—GENERAL PROVISIONS

Sec. 181. Definitions.
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Sec. 184. Confidentiality.
Sec. 185. Availability of data.
Sec. 186. Performance management.
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Sec. 188. Vacancies.
Sec. 189. Scientific or technical employees.
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Sec. 191. Fellowships.
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Sec. 193. Authorization of appropriations.

PART A—ACADEMY OF EDUCATION SCIENCES

SEC. 111. ESTABLISHMENT.

(a) ESTABLISHMENT.—There shall be in the Department an Academy of Education Sciences, to be administered by a Director (as provided in section 115) and a board of directors (as provided in section 117).

(b) MISSION.—The mission of the Academy is to provide national leadership in expanding fundamental knowledge and understanding of education, in order to provide parents, educators, students, researchers, policymakers, and the general public with reliable information about the condition and progress of education in the United States, educational practices that support learning and improve academic achievement for all students, and the effectiveness of Federal and other education programs. In carrying out this mission, the Academy shall conduct research, evaluation, statistics, and dissemination activities supported by Federal funds through the Academy and ensure that such activities—

(1) conform to high standards of quality, integrity, and accuracy; and

(2) are objective, secular, neutral, and nonideological and are free of partisan political influence and racial, cultural, gender, or regional bias.

SEC. 112. ORGANIZATION.

The Academy consists of the following:

(1) The Office of the Director (as set out in section 115).

(2) The National Board for Education Sciences (as set out in section 117).

(3) The Office of Educational Resources and Dissemination (as set out in section 119).

(4) The National Education Centers, which include—

(A) the National Center for Education Research (as set out in part B);

(B) the National Center for Education Statistics (as set out in part C); and

(C) the National Center for Education Evaluation (as set out in part D).

SEC. 113. FUNCTIONS.

The Academy, directly or through grants, contracts, or cooperative agreements, shall—

(1) conduct and support scientifically valid research activities, including basic and applied research, statistics activities, scientifically valid education evaluation, development, and dissemination;

(2) disseminate the findings and results of scientifically valid research in education;

(3) promote the application of knowledge gained from scientifically valid research activities;

(4) strengthen the national capacity to conduct scientifically valid research in education; and

(5) promote the coordination of scientifically valid research in education within the Department and the Federal Government.

SEC. 114. DELEGATION.

(a) DELEGATION OF AUTHORITY.—Notwithstanding section 412 of the Department of Education Organization Act (20 U.S.C. 3472), the Secretary shall delegate to the Director all functions for carrying out this title (other than administrative and support functions), except that—

(1) nothing in this title or in the National Assessment of Educational Progress Authorization Act may be construed to alter or diminish the role, responsibilities, or authority of the National Assessment Governing

Board with respect to the National Assessment of Educational Progress from those authorized by the National Education Statistics Act of 1994 immediately before the enactment of this Act;

(2) members of the National Assessment Governing Board shall continue to be appointed by the Secretary;

(3) section 302(f)(1) of the National Assessment of Educational Progress Authorization Act shall apply to the National Assessment Governing Board in the exercise of its responsibilities under this Act;

(4) sections 116 and 117(b)(2) shall not apply to the National Assessment of Educational Progress; and

(5) sections 116 and 117 shall not apply to the National Assessment Governing Board.

(b) OTHER ACTIVITIES.—The Secretary may assign the Academy responsibility for administering other activities, if those activities are consistent with—

(1) the Academy's priorities, as approved by the National Board for Education Sciences under section 116; or

(2) the Academy's mission, if the activities are not consistent with such priorities.

SEC. 115. OFFICE OF THE DIRECTOR.

(a) APPOINTMENT.—Except as provided in subsection (b)(2), the President, with the advice and consent of the Senate, shall appoint the Director of the Academy.

(b) TERM.—

(1) IN GENERAL.—The Director shall serve for a term of 6 years, beginning on the date of appointment of the Director, but may be removed by the President prior to the expiration of that term.

(2) FIRST DIRECTOR.—The President, without the advice and consent of the Senate, may appoint the Assistant Secretary for the Office of Educational Research and Improvement (as such office existed on the day before the date of enactment of this Act) to serve as the first Director of the Academy.

(3) SUBSEQUENT DIRECTORS.—The Board may make recommendations to the President with respect to the appointment of a Director, other than a Director appointed under paragraph (2).

(c) PAY.—The Director shall receive the rate of basic pay for level III of the Executive Schedule.

(d) QUALIFICATIONS.—The Director shall be selected from individuals who are highly qualified authorities in the fields of scientifically valid research, statistics, or evaluation in education, as well as management within such areas, and have a demonstrated capacity for sustained productivity and leadership in these areas.

(e) ADMINISTRATION.—The Director shall—

(1) administer, supervise, and coordinate the activities carried out under the Academy, including the activities of the National Education Centers; and

(2) coordinate and approve budgets and operating plans for each of the National Education Centers for submission to the Secretary.

(f) DUTIES.—The duties of the Director shall include the following:

(1) To propose to the Board priorities for the Academy, in accordance with section 116(a).

(2) To ensure the methodology applied in conducting research, evaluation, and statistical analysis is consistent with the standards for such activities under this title.

(3) To coordinate education research and related activities carried out by the Academy with such research and activities carried out by other agencies within the Department and the Federal Government.

(4) To advise the Secretary on research, evaluation, and statistics activities relevant to the activities of the Department.

(5) To establish necessary procedures for technical and scientific peer review of the activities of the Academy, consistent with section 117(b)(3).

(6) To ensure that all participants in research conducted or supported by the Academy are afforded their privacy rights and other relevant protections as research subjects, in accordance with section 184 of this title, section 552a of title 5, United States Code, and sections 444 and 445 of the General Education Provisions Act (20 U.S.C. 1232g, 1232h).

(7) To ensure that activities conducted or supported by the Academy are objective, secular, neutral, and nonideological and are free of partisan political influence and racial, cultural, gender, or regional bias.

(8) To undertake initiatives and programs to increase the participation of researchers and institutions that have been historically underutilized in Federal education research activities in the activities of the Academy, including historically Black colleges and universities and other institutions of higher education with large numbers of minority students.

(9) To coordinate with the Secretary to promote and provide for the coordination of research and development activities and technical assistance activities between the Academy and the regional governing boards and regional entities described in section 203 of the Regional Assistance Act of 2002 to ensure collaboration and resource sharing and reduce redundancy in such activities.

(10) To solicit and consider the recommendations of education stakeholders, in order to ensure that there is broad and regular public and professional input from the educational field in the planning and carrying out of the Academy's activities.

(11) At the discretion of the Director and in consultation with the National Academy of Sciences, to conduct a study to determine—

(A) a standard by which States may accurately measure the rate at which students drop out of or graduate from secondary schools in the United States (including on-time graduation); and

(B) the use of alcohol or illegal narcotics as contributing factors to incidents of school violence committed by students during the regular school day and while participating in other school-related activities.

(12) To carry out and support other activities consistent with the priorities and mission of the Academy.

(g) EXPERT GUIDANCE AND ASSISTANCE.—The Director may establish technical and scientific peer-review groups and scientific program advisory committees that the Director determines are necessary to carry out the requirements of this title. The Director shall appoint such personnel, except that officers and employees of the United States shall comprise no more than one-fourth of the members of any such group or committee and shall not receive additional compensation for their service as members of such a group or committee. The Director shall ensure that reviewers are highly qualified and capable to appraise education research and development projects. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to a peer-review group or an advisory committee established under this subsection.

SEC. 116. PRIORITIES.

(a) PROPOSAL.—The Director shall propose to the Board priorities for the Academy (taking into consideration long-term research and development on core issues conducted through the national research and development centers (as defined in section 181)) identifying topics that may require long-term research and topics that are focused on understanding and solving particular education problems and issues, including those associated with the goals and requirements established in the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), such as—

(1) closing the achievement gap between high-performing and low-performing children, especially achievement gaps between minority and nonminority children and between disadvantaged children and their more advantaged peers; and

(2) ensuring that all children reach, at a minimum, proficiency on challenging State academic achievement standards and assessments.

(b) APPROVAL.—The Board shall approve or disapprove the priorities for the Academy proposed by the Director, including any necessary revision of those priorities. The Board shall transmit any priorities so approved to the appropriate congressional committees.

(c) CONSISTENCY.—The Board shall ensure that priorities of the Academy and the National Education Centers are consistent with the mission of the Academy.

(d) PUBLIC AVAILABILITY AND COMMENT.—

(1) PRIORITIES.—Before submitting to the Board proposed priorities for the Academy, the Director shall make such priorities available to the public for comment (including by means of the Internet and through publishing such priorities in the Federal Register). The Director shall provide to the Board a copy of each such comment submitted.

(2) PLAN.—Upon approval of such priorities, the Director shall make the Academy's plan for addressing such priorities available for public comment in the same manner as under paragraph (1).

SEC. 117. NATIONAL BOARD FOR EDUCATION SCIENCES.

(a) ESTABLISHMENT.—The Academy shall have a board of directors, which shall be known as the National Board for Education Sciences.

(b) DUTIES.—The duties of the Board shall be the following:

(1) To advise the Director on the policies of the Academy.

(2) To consider and approve priorities under section 116 to guide the work of the Academy.

(3) To review and approve procedures for scientific peer review of the activities of the Academy.

(4) To advise the Director on the development of activities to be supported by the Academy, including the general areas of research to be carried out by the National Center for Education Research.

(5) To present to the Director such recommendations as it may find appropriate for—

(A) the strengthening of education research; and

(B) the funding of the Academy.

(6) To advise the Director on the funding of applications for grants, contracts, and cooperative agreements for research, after the completion of peer review.

(7) To review and regularly evaluate the work of the Academy, to ensure that scientifically valid research, evaluation, and statistical analysis are consistent with the standards for such activities under this title.

(8) To advise the Director on ensuring that activities conducted or supported by the

Academy are objective, secular, neutral, and nonideological and are free of partisan political influence and racial, cultural, gender, or regional bias.

(9) To solicit advice and information from those in the educational field, particularly practitioners and researchers, to recommend to the Director topics that require long-term, sustained, systematic, programmatic, and integrated research efforts, including knowledge utilization and dissemination of research, consistent with the priorities and mission of the Academy.

(10) To advise the Director on opportunities for the participation in, and the advancement of, women, minorities, and persons with disabilities in education research, statistics, and evaluation activities of the Academy.

(11) To recommend to the Director ways to enhance strategic partnerships and collaborative efforts among other Federal and State research agencies.

(12) To recommend to the Director individuals to serve as Commissioners of the National Education Centers.

(c) Composition.—

(1) Voting members.—The Board shall have 15 voting members appointed by the President, with the advice and consent of the Senate.

(2) Advice.—The President shall solicit advice on individuals to serve on the Board from the National Academy of Sciences, the National Science Foundation, and the Office of Science and Technology Policy.

(3) Nonvoting ex officio members.—The Board shall have the following nonvoting ex officio members:

(A) The Director of the Academy of Education Sciences.

(B) Each of the Commissioners of the National Education Centers.

(C) The Director of the National Institute of Child Health and Human Development.

(D) The Director of the Census.

(E) The Commissioner of Labor Statistics.

(F) The Director of the National Science Foundation.

(4) Appointed membership.—

(A) Qualifications.—Members appointed under paragraph (1) shall be highly qualified to appraise education research, statistics, evaluations, or development, and shall include individuals from each of the following groups:

(i) Educators, including classroom teachers, principals, and other school administrators.

(ii) Parents.

(iii) Business leaders.

(iv) Experts and scientists in research, statistics, evaluation, or development, who are recognized in their discipline as highly qualified to represent such discipline.

(B) Special rule.—A majority of the voting members of the Board must be appointed from the groups described in clauses (i) and (iv) of subparagraph (A).

(C) Terms.—Each member appointed under paragraph (1) shall serve for a term of 4 years, except that—

(i) each such member may be removed by the President before the expiration of that term;

(ii) the terms of the initial members appointed under such paragraph shall (as determined by a random selection process at the time of appointment) be for staggered terms of—

(I) 4 years for each of five members;

(II) 3 years for each of five members; and

(III) 2 years for each of five members; and

(iii) no member appointed under such paragraph shall serve for more than two consecutive terms.

(D) Unexpired terms.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

(5) Chair.—The Board shall elect a chairperson from among the members of the Board.

(6) Compensation.—Members of the Board shall serve without pay for such service. Members of the Board who are officers or employees of the United States may not receive additional pay, allowances, or benefits by reason of their service on the Board.

(7) Travel expenses.—The members of the Board shall receive travel expenses, including per diem in lieu of subsistence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(8) Powers of the board.—

(A) Executive director.—The Board shall have an Executive Director who shall be appointed by the Board.

(B) Additional staff.—The Board shall utilize such additional staff as may be appointed or assigned by the Director, in consultation with the Chair.

(C) Detail of personnel.—The Board may use the services and facilities of any department or agency of the Federal Government. Upon the request of the Board, the head of any Federal department or agency may detail any of the personnel of that department or agency to the Board to assist the Board in carrying out this Act.

(D) Contracts.—The Board may enter into contracts or make other arrangements as may be necessary to carry out its functions.

(E) Information.—The Board may, to the extent otherwise permitted by law, obtain directly from any executive department or agency of the Federal Government such information as the Board deems necessary to carry out its functions.

(9) Meetings.—The Board shall meet not less than four times each year. The Board shall hold additional meetings at the call of the chairperson or upon the written request of at least six voting members of the Board.

(10) Quorum.—A majority of the voting members of the Board shall constitute a quorum.

(d) Standing Committees.—

(1) Establishment.—The Board may establish standing committees—

(A) to each serve one of the National Education Centers; and

(B) to advise, consult with, and make recommendations to the Director and the Commissioner of the appropriate National Education Centers.

(2) Membership.—A majority of the members of each standing committee shall be voting members of the Board whose expertise is needed for the functioning of the committee. In addition, the membership of each standing committee may include, as appropriate—

(A) experts and scientists in research, statistics, evaluation, or development who are recognized in their discipline as highly qualified to represent such discipline and who are not members of the Board, but who may have been recommended by the Commissioner of the appropriate National Education Center and approved by the Board;

(B) ex officio members of the Board; and

(C) policymakers and expert practitioners with knowledge of, and experience using, the results of research, evaluation, and statistics who are not members of the Board, but who may have been recommended by the Commissioner of the appropriate National Education Center and approved by the Board.

(3) Duties.—Each standing committee shall—

(A) at the discretion of the Board or the standing committee, review and comment on any grant, contract, or cooperative agreement entered into (or proposed to be entered into) by the applicable National Education Center;

(B) prepare for, and submit to, the Board an annual evaluation of the operations of the applicable National Education Center;

(C) review and comment on the relevant plan for activities to be undertaken by the applicable National Education Center for each fiscal year; and

(D) periodically report to the Board regarding the activities of the committee and the applicable National Education Center.

(e) Annual Report.—The Board shall submit to the Director, the Secretary, and the appropriate congressional committees, not later than July 1 of each year, a report that assesses the effectiveness of the Academy in carrying out its priorities and mission, especially as such priorities and mission relate to carrying out scientifically valid research, conducting unbiased evaluations, and collecting and reporting accurate education statistics.

(f) Recommendations.—The Board shall submit to the Director, the Secretary, and the appropriate congressional committees a report that includes any recommendations regarding any actions that could be taken to enhance the ability of the Academy to carry out its priorities and mission. The Board shall submit an interim report not later than 3 years after the date of enactment of this Act and a final report not later than 5 years after such date of enactment.

SEC. 118. COMMISSIONERS OF THE NATIONAL EDUCATION CENTERS.

(a) Appointment.—The National Education Centers shall each be headed by a Commissioner appointed by the Director. In appointing Commissioners, the Director shall seek to promote continuity in leadership of the National Education Centers and shall consider individuals recommended by the Board. The Director may appoint a Commissioner to carry out the functions of a National Education Center without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(b) Pay.—The Commissioners shall each receive the rate of basic pay for level IV of the Executive Schedule.

(c) Qualifications.—Each Commissioner shall be highly qualified in the field of education research, statistics, or evaluation.

(d) Service and Removal.—Each Commissioner shall report to the Director and may be removed by the Director. A Commissioner shall serve for a period of no more than 6 years, unless reappointed by the Director, except that a Commissioner may serve for an additional period, not to exceed 1 year, until a successor has been appointed by the Director.

SEC. 119. OFFICE OF EDUCATIONAL RESOURCES AND DISSEMINATION.

(a) Establishment.—There is established within the Academy an Office of Educational Resources and Dissemination.

(b) Duties.—The Office of Educational Resources and Dissemination shall—

(1) disseminate information on scientifically valid research, statistics, and evaluation on education to the public, the media,

voluntary organizations, and other constituencies, especially with respect to information relating to, at a minimum—

(A) the core academic areas of reading, mathematics, and science;

(B) closing the achievement gap between high-performing students and low-performing students;

(C) educational practices that improve academic achievement and promote learning; and

(D) education technology, including software;

(2) manage the National Library of Education described in subsection (e), and other sources of digital information on education research; and

(3) make such information accessible in a user-friendly, timely, and efficient manner (including through use of a searchable Internet web-based online database) to schools, educators, parents, administrators, policymakers, researchers, public and private entities, entities responsible for carrying out technical assistance through the Department, and the general public.

(c) Additional Duties.—In carrying out subsection (b), the Office of Educational Resources and Dissemination shall—

(1) ensure that information disseminated under this section is provided in a cost-effective, nonduplicative manner, including the most current research findings, which may include through the continuation of individual clearinghouses authorized under the Educational Research, Development, Dissemination, and Improvement Act of 1994 (title IX of the Goals 2000: Educate America Act; 20 U.S.C. 6001 et seq.) (as such Act existed on the day before the date of enactment of this Act) or the clearinghouse authorized under section 2102(b) of the Elementary and Secondary Education Act of 1965 (as such section existed on the day before the date of enactment of the No Child Left Behind Act of 2001 (Public Law 107–110));

(2) prominently describe the type of scientific evidence that is used to support the findings that are disseminated;

(3) clearly explain the scientifically appropriate and inappropriate uses of—

(A) the findings that are disseminated; and

(B) the types of evidence used to support those findings; and

(4) respond, as appropriate, to inquiries from schools, educators, parents, administrators, policymakers, researchers, public and private entities, and entities responsible for carrying out technical assistance.

(d) Continuation.—The Director shall continue the existing awards of the Educational Resources Information Center Clearinghouses (established under section 941(f) of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (as such provision existed on the day before the date of enactment of this Act)) for the duration of those existing awards, in accordance with the terms and agreements of such awards.

(e) National Library of Education.—There is established within the Office of Educational Resources and Dissemination a National Library of Education that shall be headed by an individual who is highly qualified in library science and shall collect and archive information, including products and publications developed through, or supported by, the Academy, and other relevant and useful education-related research, statistics, and evaluation and other information, projects, and publications that are consistent with scientifically valid research or the priorities and mission of the Academy and are developed by the Department, other Federal agencies, or entities (including entities supported under the Regional Educational Technical Assistance Act).

PART B—NATIONAL CENTER FOR EDUCATION RESEARCH

SEC. 131. ESTABLISHMENT.

(a) Establishment.—There is established in the Academy a National Center for Education Research (in this part referred to as the "Research Center").

(b) Mission.—The mission of the Research Center is—

(1) to sponsor sustained research that will lead to the accumulation of knowledge and understanding of education, particularly to improve student academic achievement and close the achievement gap between high-performing and low-performing students, including through the improvement of teaching and learning of reading, writing, mathematics, science, and other academic subjects;

(2) to support the synthesis and, as appropriate, the integration of education research;

(3) to promote quality and integrity through the use of accepted practices of scientific inquiry to obtain knowledge and understanding of the validity of education theories, practices, or conditions; and

(4) to promote scientifically valid research findings that can provide the basis for improving academic instruction and lifelong learning.

SEC. 132. COMMISSIONER FOR EDUCATION RESEARCH.

The Research Center shall be headed by a Commissioner for Education Research (in this part referred to as the "Research Commissioner") who shall have substantial knowledge of the activities of the Research Center, including a high level of expertise in the fields of research and research management.

SEC. 133. DUTIES.

(a) General Duties.—The Research Center shall—

(1) maintain published peer-review standards and standards for the conduct and evaluation of all research and development carried out under the auspices of the Research Center in accordance with this part;

(2) propose to the Director a research plan that—

(A) is consistent with the priorities and mission of the Academy and the mission of the Research Center and includes the activities described in paragraph (3); and

(B) shall be carried out pursuant to paragraph (4) and, as appropriate, be updated and modified;

(3) carry out specific, long-term research activities that are consistent with the priorities and mission of the Academy, and are approved by the Director;

(4) implement the plan proposed under paragraph (2) to carry out scientifically valid research that—

(A) uses objective and measurable indicators, including timelines, that are used to assess the progress and results of such research;

(B) meets the procedures for peer review established by the Director under section 115(f)(5) and the standards of research described in section 135; and

(C) includes both basic research and applied research, which shall include research conducted through field-initiated studies and may include ongoing research initiatives;

(5) promote the use of scientifically valid research within the Federal Government, including active participation in interagency research initiatives;

(6) ensure that research conducted by the Research Center is relevant to education practice and policy;

(7) synthesize and disseminate, through the Office of Educational Resources and Dissemination, the findings and results of education research conducted or supported by the Research Center;

(8) prepare and submit to the Director for approval a biennial report, as described in section 134, which shall be made available to the public through such means as the Internet; and

(9) carry out research on successful State and local education reform activities that result in increased academic achievement and narrowing of achievement gaps, as approved by the Director.

(b) Eligibility.—Research carried out under subsection (a) through contracts, grants, or cooperative agreements shall be carried out only by recipients with the ability and capacity to conduct scientifically valid research.

(c) National Research and Development Centers.—

(1) Support.—In carrying out activities under subsection (a)(3), the Director, acting through the Research Commissioner, shall support national research and development centers.

(2) Scope.—Support for a national research and development center shall be for a period of not more than 5 years, shall be of sufficient size and scope to be effective, and notwithstanding section 135(b), may be renewed without competition for not more than 5 additional years if the Director, in consultation with the Research Commissioner and the Board, determines that the research of the national research and development center—

(A) continues to address priorities of the Academy; and

(B) merits renewal (applying the procedures and standards established in section 135).

(3) Limit.—No national research and development center may be supported under this subsection for a period of more than 10 years without competition.

(4) Continuation of awards.—The Director, acting through the Research Commissioner, shall continue awards made to the national research and development centers in effect on the day before the date of enactment of this Act in accordance with the terms of those awards and may renew them in accordance with paragraphs (2) and (3).

SEC. 134. BIENNIAL REPORT.

The Director shall, on a biennial basis, transmit to the President, the Board, and the appropriate congressional committees and make widely available to the public (including by means of the Internet), a report containing the following:

(1) A description of the activities carried out by and through the Research Center during the prior fiscal year.

(2) A detailed summary of each grant, contract, and cooperative agreement in excess of $100,000 funded during the prior fiscal year, including, at a minimum, the amount, duration, recipient, purpose, and goal of the award and its relationship to the priorities and mission of the Academy, and the reports and publications produced, which shall be available in a user-friendly electronic database.

(3) A description of how the activities of the Research Center are consistent with the principles of scientifically valid research and the priorities and mission of the Academy.

(4) Such additional comments, recommendations, and materials as the Director considers appropriate.

SEC. 135. STANDARDS FOR CONDUCT AND EVALUATION OF RESEARCH.

(a) IN GENERAL.—In carrying out this part, the Director, acting through the Research Commissioner, shall—

(1) ensure that all research conducted under the direction of the Research Center follows scientifically based research standards;

(2) develop such other standards as may be necessary to govern the conduct and evaluation of all research, development, and dissemination activities carried out by the Research Center to assure that such activities meet the highest standards of professional excellence;

(3) review the procedures utilized by the National Institutes of Health, the National Science Foundation, and other Federal departments or agencies engaged in research and development and actively solicit recommendations from research organizations and members of the general public in the development of the standards described in paragraph (2); and

(4) ensure that all research complies with Federal guidelines relating to research misconduct.

(b) RESEARCH AWARDS.—

(1) IN GENERAL.—Research carried out under this part through grants, contracts, or cooperative agreements, at a minimum, shall—

(A) be awarded through a process of open competition; and

(B) be subject to a system of peer review of highly qualified individuals with an in-depth knowledge of the subject to be investigated—

(i) for reviewing and evaluating all applications for grants and cooperative agreements and bids for contracts that exceed $100,000; and

(ii) for evaluating and assessing the performance of all recipients of grants, cooperative agreements, and contracts.

(2) EVALUATION.—The Director, acting through the Research Commissioner, shall—

(A) develop the procedures to be used in evaluating applications for research grants, cooperative agreements, and contracts and specify the criteria and factors which shall be considered in making such evaluations; and

(B) evaluate the performance of each recipient of an award of a research grant, contract, or cooperative agreement at the conclusion of the award.

(c) LONG-TERM RESEARCH.—The Director, acting through the Research Commissioner, shall assure that not less than 50 percent of the funds made available for research for each fiscal year shall be used to fund long-term research programs of not less than 5 years, which support the priorities and mission of the Academy and the mission of the Research Center.

PART C—NATIONAL CENTER FOR EDUCATION STATISTICS

SEC. 151. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is established in the Academy a National Center for Education Statistics (in this part referred to as the "Statistics Center").

(b) MISSION.—The mission of the Statistics Center shall be—

(1) to collect and analyze education information and statistics in a manner that meets the highest methodological standards;

(2) to report education information and statistics in a timely manner; and

(3) to collect, analyze, and report education information and statistics in a manner that—

(A) is objective, secular, neutral, and nonideological and is free of partisan political influence and racial, cultural, gender, or regional bias; and

(B) is relevant and useful to practitioners, researchers, policymakers, and the public.

SEC. 152. COMMISSIONER FOR EDUCATION STATISTICS.

The Statistics Center shall be headed by a Commissioner for Education Statistics (in this part referred to as the "Statistics Commissioner") who shall have substantial knowledge of statistical methodologies and activities undertaken by the Statistics Center.

SEC. 153. DUTIES.

(a) GENERAL DUTIES.—The Statistics Center shall collect, report, analyze, and disseminate statistical data related to education in the United States and in other nations, including—

(1) collecting, acquiring, compiling (where appropriate, on a State-by-State basis), and disseminating full and complete statistics on the condition and progress of education, at the preschool, elementary, secondary, postsecondary, and adult levels in the United States, including data on—

(A) student achievement in, at a minimum, the core academic areas of reading, mathematics, and science at all levels of education;

(B) secondary school completions, dropouts, and adult literacy and reading skills;

(C) educational access to, and opportunity for, postsecondary education, including data on financial aid to postsecondary students;

(D) teaching, including—

(i) data on in-service professional development, including a comparison of courses taken in the core academic areas of reading, mathematics, and science with courses in noncore academic areas; and

(ii) the percentage of teachers who are highly qualified (as such term is defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)) in each State and, where feasible, in each local educational agency and school;

(E) instruction, the conditions of the education workplace, and the supply of, and demand for, teachers;

(F) the incidence, frequency, seriousness, and nature of violence affecting students, school personnel, and other individuals participating in school activities, as well as other indices of school safety, including information regarding—

(i) the relationship between victims and perpetrators;

(ii) demographic characteristics of the victims and perpetrators; and

(iii) the type of weapons used in incidents, as classified in the Uniform Crime Reports of the Federal Bureau of Investigation;

(G) the financing and management of education, including data on revenues and expenditures;

(H) the social and economic status of children, including their academic achievement;

(I) the existence and use of educational technology and access to the Internet in elementary schools and secondary schools;

(J) educational access to, and opportunity for, early childhood education; and

(K) the availability of, and access to, before-school and after-school programs (including such programs during school recesses);

(2) conducting and publishing reports on the meaning and significance of the statistics described in paragraph (1);

(3) collecting, analyzing, cross-tabulating, and reporting, to the extent feasible, information by gender, race, ethnicity, socioeconomic status, limited English proficiency, mobility, and disability, when such disaggregated information would facilitate educational and policy decisionmaking;

(4) assisting public and private educational agencies, organizations, and institutions in improving and automating statistical and data collection activities, which may include assisting State educational agencies and local educational agencies with the disaggregation of data;

(5) acquiring and disseminating data on educational activities and student achievement (such as the Third International Math and Science Study) in the United States compared with foreign nations; and

(6) conducting longitudinal and special data collections necessary to report on the condition and progress of education.

(b) TRAINING PROGRAM.—The Director, acting through the Statistics Commissioner, may establish a program to train employees of public and private educational agencies, organizations, and institutions in the use of standard statistical procedures and concepts and may establish a fellowship program to appoint such employees as temporary fellows at the Statistics Center in order to assist the Statistics Center in carrying out its duties.

SEC. 154. PERFORMANCE OF DUTIES.

(a) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—In carrying out the duties under this part, the Director, acting through the Statistics Commissioner, may award grants, enter into contracts and cooperative agreements, and provide technical assistance.

(b) GATHERING INFORMATION.—

(1) SAMPLING.—The Statistics Commissioner may use the statistical method known as sampling (including random sampling) to carry out this part.

(2) SOURCE OF INFORMATION.—The Statistics Commissioner may, as appropriate, use information collected—

(A) from States, local educational agencies, public and private schools, preschools, institutions of postsecondary education, vocational and adult education programs, libraries, administrators, teachers, students, the general public, and other individuals, organizations, agencies, and institutions (including information collected by States and local educational agencies for their own use); and

(B) by other offices within the Academy and by other Federal departments, agencies, and instrumentalities.

(3) COLLECTION.—The Director, acting through the Statistics Commissioner, may—

(A) enter into interagency agreements for the collection of statistics;

(B) arrange with any agency, organization, or institution for the collection of statistics; and

(C) assign employees of the Statistics Center to any such agency, organization, or institution to assist in such collection.

(4) TECHNICAL ASSISTANCE AND COORDINATION.—In order to maximize the effectiveness of Department efforts to serve the educational needs of children and youth, the Statistics Commissioner shall—

(A) provide technical assistance to the Department offices that gather data for statistical purposes; and

(B) coordinate with other Department offices in the collection of data.

SEC. 155. REPORTS.

(a) PROCEDURES FOR ISSUANCE OF REPORTS.—The Director, acting through the

Statistics Commissioner, shall establish procedures, in accordance with section 187, to ensure that the reports issued under this section are relevant, of high quality, useful to customers, subject to rigorous peer review, produced in a timely fashion, and free from any partisan political influence.

(b) REPORT ON CONDITION AND PROGRESS OF EDUCATION.—Not later than June 1, 2002, and each succeeding June 1 thereafter, the Director, acting through the Statistics Commissioner, shall submit to the President and the appropriate congressional committees a statistical report on the condition and progress of education in the United States.

(c) STATISTICAL REPORTS.—The Director, acting through the Statistics Commissioner, shall issue regular and, as necessary, special statistical reports on education topics, particularly in the core academic areas of reading, mathematics, and science, consistent with the priorities and mission of the Academy and the mission of the Statistics Center.

SEC. 156. DISSEMINATION.

(a) GENERAL REQUESTS.—

(1) IN GENERAL.—The Statistics Center may furnish transcripts or copies of tables and other statistical records and make special statistical compilations and surveys for State and local officials, public and private organizations, and individuals.

(2) COMPILATIONS.—The Statistics Center shall provide State and local educational agencies opportunities to suggest the development of particular compilations of statistics, surveys, and analyses that would assist those educational agencies.

(b) CONGRESSIONAL REQUESTS.—The Statistics Center shall furnish such special statistical compilations and surveys as the relevant congressional committees may request.

(c) JOINT STATISTICAL PROJECTS.—The Statistics Center may engage in joint statistical projects related to the mission of the Center, or other statistical purposes authorized by law, with nonprofit organizations or agencies, and the cost of such projects shall be shared equitably.

(d) FEES.—

(1) IN GENERAL.—Statistical compilations and surveys under this section, other than those carried out pursuant to subsections (b) and (c), may be made subject to the payment of the actual or estimated cost of such work.

(2) FUNDS RECEIVED.—All funds received in payment for work or services described in this subsection may be used to pay directly the costs of such work or services, to repay appropriations that initially bore all or part of such costs, or to refund excess sums when necessary.

(e) ACCESS.—

(1) OTHER AGENCIES.—The Statistics Center shall, consistent with section 184, cooperate with other Federal agencies having a need for educational data in providing access to educational data received by the Statistics Center.

(2) INTERESTED PARTIES.—The Statistics Center shall, in accordance with such terms and conditions as the Center may prescribe, provide all interested parties, including public and private agencies, parents, and other individuals, direct access, in the most appropriate form (including, where possible, electronically), to data collected by the Statistics Center for the purposes of research and acquiring statistical information.

SEC. 157. COOPERATIVE EDUCATION STATISTICS SYSTEMS.

The Statistics Center may establish one or more national cooperative education statistics systems for the purpose of producing and maintaining, with the cooperation of the States, comparable and uniform information and data on early childhood education, elementary and secondary education, postsecondary education, adult education, and libraries, that are useful for policymaking at the Federal, State, and local levels.

SEC. 158. STATE DEFINED.

In this part, the term "State" means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

PART D—NATIONAL CENTER FOR EDUCATION EVALUATION

SEC. 171. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is established in the Academy a National Center for Education Evaluation (in this part referred to as the "Evaluation Center").

(b) MISSION.—The mission of the Evaluation Center shall be to conduct evaluations of Federal education programs administered by the Secretary (and as time and resources allow, other education programs) to determine the impact of such programs (especially on student academic achievement in the core academic areas of reading, mathematics, and science), to support synthesis and dissemination of results of evaluation research, and to encourage the use of scientifically valid education evaluation throughout the United States.

SEC. 172. COMMISSIONER FOR EDUCATION EVALUATION.

(a) IN GENERAL.—The Evaluation Center shall be headed by a Commissioner for Education Evaluation (in this part referred to as the "Evaluation Commissioner") who—

(1) shall possess a demonstrated capacity for sustained productivity and leadership in education evaluation, and be technically competent in conducting scientifically valid education evaluations; and

(2) shall oversee all evaluation activities of the Evaluation Center, the development of evaluation methodology, the reporting of findings of evaluations to the public and appropriate congressional committees, and other duties essential to carrying out the mission of the Evaluation Center.

(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—In carrying out the duties under this part, the Director, acting through the Evaluation Commissioner, may award grants, enter into contracts and cooperative agreements, and provide technical assistance.

SEC. 173. DUTIES.

(a) GENERAL DUTIES.—

(1) IN GENERAL.—The Evaluation Center shall—

(A) conduct or support evaluations consistent with the Evaluation Center's mission as described in section 171(b);

(B) evaluate programs under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.);

(C) coordinate the activities of the Evaluation Center with other evaluation activities in the Department; and

(D) review and, where feasible, supplement Federal education program evaluations, particularly those by the Department, to determine or enhance the quality and relevance of the evidence generated by those evaluations.

(2) ADDITIONAL REQUIREMENTS.—Each evaluation conducted by the Evaluation Center pursuant to paragraph (1) shall adhere to the highest possible standards of quality for conducting scientifically valid education evaluation.

(3) REPORT.—The Director, acting through the Evaluation Commissioner, shall submit to the President and the appropriate congressional committees a report on the Evaluation Center's evaluation activities on a biennial basis.

(b) ADMINISTRATION OF EVALUATIONS UNDER TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—The Director, acting through the Evaluation Commissioner, consistent with the mission of the Evaluation Center under section 171(b), shall administer all operations and contracts associated with evaluations authorized by part E of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6491 et seq.) and administered by the Department as of the date of enactment of this Act.

PART E—GENERAL PROVISIONS

SEC. 181. DEFINITIONS.

In this title:

(1) The terms "elementary school", "secondary school", "local educational agency", and "State educational agency" have the meanings given those terms in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801) and the terms "freely associated states" and "outlying area" have the meanings given those terms in section 1121(c) of such Act (20 U.S.C. 6331(c)).

(2) The term "Academy" means the Academy of Education Sciences established under section 111.

(3) The term "applied research" means research—

(A) to gain knowledge or understanding necessary for determining the means by which a recognized and specific need may be met; and

(B) that is specifically directed to the advancement of practice in the field of education.

(4) The term "basic research" means research—

(A) to gain fundamental knowledge or understanding of phenomena and observable facts, without specific application toward processes or products; and

(B) for the advancement of knowledge in the field of education.

(5) The term "Board" means the National Board for Education Sciences established under section 117.

(6) The term "Department" means the Department of Education.

(7) The term "development" means the systematic use of knowledge or understanding gained from the findings of scientifically valid research that may prove useful in areas (such as the preparation of materials and new methods of instruction and practices in teaching), that may lead to the improvement of the academic skills of students, and that are replicable in different educational settings.

(8) The term "Director" means the Director of the Academy of Education Sciences.

(9) The term "dissemination" means the communication and transfer of the results of scientifically valid research, statistics, and evaluations, in forms that are understandable, easily accessible, and usable, or adaptable for use in, the improvement of educational practice by teachers, administrators, librarians, other practitioners, researchers, policymakers, and the public, through the provision of technical assistance, electronic transfer, and other means.

(10) The term "field-initiated research" means basic research or applied research in which specific questions and methods of study are generated by investigators (including teachers and other practitioners) and that conforms to standards of scientifically valid research.

(11) The term "institution of higher education" has the meaning given that term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(12) The term "national research and development center" means a research and development center under section 931(c)(1)(B) of the Education Research, Development, Dissemination, and Improvement Act of 1994 (20 U.S.C. 6031(c)(1)(B)) (as such provision existed on the day before the date of enactment of this Act).

(13)(A) The term "scientifically based research standards" means research standards that—

(i) apply rigorous, systematic, and objective methodology to obtain reliable and valid knowledge relevant to education activities and programs; and

(ii) present findings and make claims that are appropriate to and supported by the methods that have been employed.

(B) The term includes, appropriate to the research being conducted—

(i) employing systematic, empirical methods that draw on observation or experiment;

(ii) involving data analyses that are adequate to support the general findings;

(iii) relying on measurements or observational methods that provide reliable data;

(iv) making claims of causal relationships only in random assignment experiments or other designs (to the extent such designs substantially eliminate plausible competing explanations for the obtained results);

(v) ensuring that studies and methods are presented in sufficient detail and clarity to allow for replication or, at a minimum, to offer the opportunity to build systematically on the findings of the research;

(vi) obtaining acceptance by a peer-reviewed journal or approval by a panel of independent experts through a comparably rigorous, objective, and scientific review; and

(vii) using research designs and methods appropriate to the research question posed.

(14) The term "scientifically valid education evaluation" means an evaluation that—

(A) adheres to the highest possible standards of quality with respect to research design and statistical analysis;

(B) provides an adequate description of the programs evaluated and, to the extent possible, examines the relationship between program implementation and program impacts;

(C) provides an analysis of the results achieved by the program with respect to its projected effects;

(D) employs experimental designs using random assignment, when feasible, and other research methodologies that allow for the strongest possible causal inferences when random assignment is not feasible; and

(E) may study program implementation through a combination of scientifically valid and reliable methods.

(15) The term "scientifically valid research" includes applied research, basic research, and field-initiated research in which the rationale, design, and interpretation are soundly developed in accordance with scientifically based research standards.

(16) The term "Secretary" means the Secretary of Education.

(17) The term "State" includes (except as provided in section 158 and in the National Assessment of Educational Progress Authorization Act) each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the freely associated states, and the outlying areas.

(18) The term "technical assistance" means—

(A) assistance in identifying, selecting, or designing solutions (including professional development and training to implement such solutions) leading to—

(i) improved educational practices and classroom instruction based on scientifically valid research; and

(ii) improved planning, design, and administration of programs;

(B) assistance in interpreting, analyzing, and utilizing statistics and evaluations; and

(C) other assistance necessary to encourage the adoption or application of scientifically valid research.

SEC. 182. INTERAGENCY DATA SOURCES AND FORMATS.

The Secretary, in consultation with the Director, shall ensure that the Department and the Academy use common sources of data in standardized formats.

SEC. 183. PROHIBITIONS.

(a) NATIONAL DATABASE.—Nothing in this title may be construed to authorize the development of a nationwide database of individually identifiable information on individuals involved in studies or other collections of data under this title.

(b) FEDERAL GOVERNMENT AND USE OF FEDERAL FUNDS.—Nothing in this title may be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control the curriculum, program of instruction, or allocation of State or local resources of a State, local educational agency, or school, or to mandate a State, or any subdivision thereof, to spend any funds or incur any costs not provided for under this title.

(c) ENDORSEMENT OF CURRICULUM.—Notwithstanding any other provision of Federal law, no funds provided under this title to the Academy, including any office, board, committee, or center of the Academy, may be used by the Academy to endorse, approve, or sanction any curriculum designed to be used in an elementary school or secondary school.

(d) FEDERALLY SPONSORED TESTING.—

(1) IN GENERAL.—Subject to paragraph (2), no funds provided under this title to the Secretary or to the recipient of any award may be used to develop, pilot test, field test, implement, administer, or distribute any federally sponsored national test in reading, mathematics, or any other subject, unless specifically and explicitly authorized by law.

(2) EXCEPTIONS.—Subsection (a) shall not apply to international comparative assessments developed under the authority of section 153(a)(5) of this title or section 404(a)(6) of the National Education Statistics Act of 1994 (20 U.S.C. 9003(a)(6)) (as such section existed on the day before the date of enactment of this Act) and administered to only a representative sample of pupils in the United States and in foreign nations.

SEC. 184. CONFIDENTIALITY.

(a) IN GENERAL.—All collection, maintenance, use, and dissemination of data by the Academy, including each office, board, committee, and center of the Academy, shall conform with the requirements of section 552a of title 5, United States Code, the confidentiality standards of subsection (c) of this section, and sections 444 and 445 of the General Education Provisions Act (20 U.S.C. 1232g, 1232h).

(b) STUDENT INFORMATION.—The Director shall ensure that all individually identifiable information about students, their academic achievements, and their families, and information with respect to individual schools, remains confidential in accordance with section 552a of title 5, United States Code, subsection (c) of this section, and sections 444 and 445 of the General Education Provisions Act (20 U.S.C. 1232g, 1232h).

SEC. 185. AVAILABILITY OF DATA.

Subject to section 184, data collected by the Academy, including any office, board, committee, or center of the Academy, in carrying out the priorities and mission of the Academy, shall be made available to the public, including through use of the Internet.

SEC. 186. PERFORMANCE MANAGEMENT.

The Director shall ensure that all activities conducted or supported by the Academy or a National Education Center make customer service a priority. The Director shall ensure a high level of customer satisfaction through the following methods:

(1) Establishing and improving feedback mechanisms in order to anticipate customer needs.

(2) Disseminating information in a timely fashion and in formats that are easily accessible and usable by researchers, practitioners, and the general public.

(3) Utilizing the most modern technology and other methods available, including arrangements to use data collected electronically by States and local educational agencies, to ensure the efficient collection and timely distribution of information, including data and reports.

(4) Establishing and measuring performance against a set of indicators for the quality of data collected, analyzed, and reported.

(5) Continuously improving management strategies and practices.

(6) Making information available to the public in an expeditious fashion.

SEC. 187. AUTHORITY TO PUBLISH.

(a) PUBLICATION.—The Director may prepare and publish (including through oral presentation) such research, statistics, and evaluation information and reports from any office, board, committee, and center of the Academy as needed to carry out the priorities and mission of the Academy.

(b) PEER REVIEW.—All research, statistics, and evaluation reports conducted by, or supported through, the Academy shall be subjected to rigorous peer review before being published or otherwise made available to the public.

(c) ADVANCE COPIES.—The Director shall provide the Secretary an advance copy of any information to be published under this section at least 30 days before publication.

(d) ITEMS NOT COVERED.—Nothing in subsection (a) or (b) shall be construed to apply to—

(1) information on current or proposed budgets, appropriations, or legislation;

(2) information prohibited from disclosure by law or the Constitution, classified national security information, or information described in section 552(b) of title 5, United States Code; and

(3) review by officers of the United States in order to prevent the unauthorized disclosure of information described in paragraph (1) or (2).

SEC. 188. VACANCIES.

Any member appointed to fill a vacancy on the Board occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A vacancy in an office, board, committee, or center of the Academy shall be filled in the manner in which the original appointment was made. This section does not apply to employees appointed under section 189.

SEC. 189. SCIENTIFIC OR TECHNICAL EMPLOYEES.

(a) APPOINTMENT AND PAY.—The Director may appoint for limited periods of time and fix the pay of certain scientific or technical employees to carry out the functions of the Academy or the office, board, committee, or center, respectively, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, provided that—

(1) at least 30 days before the appointment of any employee under this subsection, the Director shall give public notice of the availability of such position and shall provide an opportunity for qualified individuals to apply and compete for the position; and

(2) the Director may not appoint an employee under this subsection unless the employee is necessary to provide the Academy with scientific or technical expertise that could not otherwise be obtained by the Academy through the competitive service and such necessity can be justified in a clear and convincing fashion.

(b) Maximum Number.—Employees appointed under this section and employed at the Academy at any particular time shall not exceed the greater of 20 percent of the total employees of the Academy or a total of 60 individuals.

(c) Maximum Pay Rate.—An employee appointed under this section may not be paid at a rate that exceeds the rate of basic pay for level V of the Executive Schedule, except that not more than 10 individuals appointed under this section may be paid at a rate that does not exceed the rate of basic pay for level IV of the Executive Schedule.

(d) Duration.—An employee appointed under this section may not serve longer than 6 years.

SEC. 190. VOLUNTARY SERVICE.

The Secretary, acting through the Director, may accept voluntary and uncompensated services to carry out and support activities that are consistent with the priorities and mission of the Academy.

SEC. 191. FELLOWSHIPS.

In order to strengthen the national capacity to carry out high-quality research, evaluation, and statistics related to education, the Director shall establish and maintain research, evaluation, and statistics fellowships in the Academy and institutions of higher education (which may include the establishment of such fellowships in historically Black colleges and universities and other institutions of higher education with large numbers of minority students) that support graduate and postdoctoral study, particularly for women and minorities, with such stipends and allowances (including travel and subsistence expenses) as the Director may determine necessary to obtain the assistance of highly qualified research, evaluation, and statistics fellows.

SEC. 192. RULEMAKING.

Notwithstanding section 437(d) of the General Education Provisions Act (20 U.S.C. 1232(d)), the exemption for public property, loans, grants, and benefits in section 553(a)(2) of title 5, United States Code, shall apply to the Academy.

SEC. 193. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated to administer and carry out this title $400,000,000 for fiscal year 2003 and such sums as may be necessary for each of the 5 succeeding fiscal years, of which—

(1) no less than the amount provided to the National Center for Education Statistics (as such Center was in existence on the day before the date of enactment of this Act) for fiscal year 2002 shall be provided to the National Center for Education Statistics, as authorized under part C; and

(2) the lesser of 2 percent of such funds or $1,000,000 shall be made available to carry out section 117 (relating to the National Board for Education Sciences).

(b) Availability.—Amounts made available under this section shall remain available until expended.

TITLE II—REGIONAL EDUCATIONAL APPLIED RESEARCH AND TECHNICAL ASSISTANCE

SEC. 201. SHORT TITLE.

This title may be cited as the "Regional Assistance Act of 2002".

SEC. 202. TABLE OF CONTENTS.

The table of contents for this title is as follows:

Sec. 201. Short title.
Sec. 202. Table of contents.
Sec. 203. Regional educational applied research and technical assistance entities.
Sec. 204. Regional advisory committees.
Sec. 205. Priorities and evaluations.
Sec. 206. Authorization of appropriations.
Sec. 207. General provisions.

SEC. 203. REGIONAL EDUCATIONAL APPLIED RESEARCH AND TECHNICAL ASSISTANCE ENTITIES.

(a) Establishment.—

(1) In general.—The Secretary shall support, through competitive contracts, a system of regional educational applied research and technical assistance entities (in this title referred to as "regional entities") to provide applied research, dissemination, training, technical assistance, and development activities related to the administration and implementation of Federal education programs and other regional education needs to States, local educational agencies, schools, Indian tribes, community-based organizations, and other appropriate entities.

(2) Regions.—In establishing geographical regions to be served by the regional entities, the Secretary shall serve the same geographical regions as served by the regional educational laboratories established under section 941(h) of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (as such provision existed on the day before the date of enactment of this Act).

(3) Allocation.—From the funds appropriated under section 206, the Secretary shall allocate for each region for each fiscal year an amount of funds that is comparable in proportion to the amount of funds awarded to serve the needs of that region under prior regional assistance programs under section 3141 and parts A and C of title XIII of the Elementary and Secondary Education Act of 1965 (as such provisions existed on the day before the date of enactment of the No Child Left Behind Act of 2001 (Public Law 107–110)) and section 941(h) of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (as such Act existed on the day before the date of enactment of this Act).

(b) Activities of the Regional Entities.—

(1) Regional support activities.—The system of regional entities, established under subsection (a)(1), shall support applied research, development, dissemination, and technical assistance activities by—

(A) providing training and technical assistance regarding, at a minimum—

(i) the administration and implementation of programs under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.);

(ii) scientifically valid research in education on teaching methods and assessment tools for use by teachers and administrators in, at a minimum—

(I) the core academic areas of mathematics, science, and reading; and

(II) education technology; and

(iii) the facilitation of communication between education experts, school officials, teachers, parents, and librarians, as appropriate;

(B) disseminating and providing scientifically valid research, information, reports, and publications that are usable for improving academic achievement, narrowing achievement gaps, and encouraging and sustaining school improvement, to—

(i) schools, educators, parents, and policymakers within the applicable region in which the entity is located; and

(ii) the Office of Educational Resources and Dissemination;

(C) carrying out applied research projects that are designed to serve the particular educational needs of the region, that reflect findings from scientifically valid research, and that result in user-friendly, replicable classroom applications geared toward promoting increased student achievement; and

(D) supporting development activities and contributing to the current base of education knowledge by addressing enduring problems in elementary and secondary education.

(2) Coordination and collaboration.—Each regional entity shall coordinate its activities, collaborate, and regularly exchange information with the Secretary, the Director of the Academy of Education Sciences, the Office of Educational Resources and Dissemination of the Academy, and other appropriate entities (including educational service agencies, as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)).

(3) Allocation of resources.—Each regional entity shall direct its resources under this title to, and within, each State in a manner that reflects the need for assistance, taking into account factors such as the proportion of economically disadvantaged students and the cost burden in areas of sparse populations, and giving priority to—

(A) schools with high percentages or numbers of students from low-income families, as determined under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6313(a)(5)), including such schools in rural and urban areas, and schools participating in schoolwide programs under title I of that Act (20 U.S.C. 6301 et seq.);

(B) local educational agencies in which high percentages or numbers of school-age children are from low-income families, as determined under section 1124(c)(1)(A) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(c)(1)(A)), including such local educational agencies in rural and urban areas; and

(C) schools that have been identified for school improvement under section 1116 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6316).

(4) Report to secretary.—Each regional entity shall submit to the Secretary an annual report, at such time, in such manner, and containing such information as the Secretary may require, which shall include the following:

(i) The information described in paragraph (5)(E).

(ii) A summary of the entity's activities during the preceding year.

(iii) A listing of the States, local educational agencies, and schools the entity assisted during the preceding year.

(5) REGIONAL CONTRACT BOARDS.—

(A) ESTABLISHMENT.—Not later than 120 days after entering into a contract under this section, a regional entity shall establish a regional contract board.

(B) COMPOSITION.—

(i) IN GENERAL.—The regional contract board shall be composed of—

(I) the chief State school officers (or other State officials in each State served by the regional entity who have primary responsibility under State law for elementary and secondary education in the State), or their designees, in the region served by the regional entity; and

(II) not more than 15 other members who are representative of the educational interests in the region served by the regional entity and are selected jointly by the officials specified in subclause (I) and the Governors of each State within the region, including the following:

(aa) Representatives of local educational agencies, including representatives of local educational agencies serving urban and rural areas.

(bb) Representatives of institutions of higher education.

(cc) Parents.

(dd) Practicing educators, including classroom teachers, principals, and administrators.

(ee) Representatives of business.

(ff) Policymakers, expert practitioners, and researchers with knowledge of, and experience using, the results of research, evaluation, and statistics.

(ii) SPECIAL RULE.—In the case of a State in which the Governor has the primary responsibility under State law for elementary and secondary education in the State, the Governor shall consult with the State educational agency in selecting additional members of the regional contract board under clause (i)(II).

(C) DUTIES.—The regional contract board shall—

(i) oversee, guide, and direct the regional entity's performance of its contract awarded under this section, subject to the Secretary's ultimate authority to enforce the contract;

(ii) ensure that the activities of the regional entity under this section monitor and address the educational needs of the region, on an ongoing basis;

(iii) ensure that the regional entity attains and maintains a high standard of quality in the performance of its activities, consistent with the standards established under section 205(b); and

(iv) ensure that the regional entity carries out its duties in a manner that promotes progress toward reforming schools and educational systems.

(D) ACCEPTANCE OF OTHER ASSISTANCE.—Each regional contract board may accept gifts, in-kind contributions, services, or other assistance to facilitate its activities.

(E) BOARD REPORT.—The regional contract board shall submit to the regional entity, for inclusion in the entity's annual report under paragraph (4), the following:

(i) A summary of the board's activities during the preceding year.

(ii) A description of how well the regional entity is meeting the educational needs of the region.

(iii) Any other information the Secretary may require.

(c) APPLICATION.—

(1) SUBMISSION.—Each regional entity seeking a contract under this section shall submit an application at such time, in such manner, and containing such additional information as the Secretary may reasonably require.

(2) PLAN.—Each application submitted under paragraph (1) shall contain a 5-year plan for carrying out the activities described in subsection (b) in a manner that addresses the priorities established under section 205(a) and addresses the needs of all States (and to the extent practicable, of local educational agencies) within the region, on an ongoing basis.

(3) ELIGIBLE APPLICANTS.—Contracts under this section may be made with private or public, for-profit or nonprofit research organizations, institutions, agencies, institutions of higher education, or partnerships among such entities, or individuals, with the demonstrated ability or capacity to carry out the activities described in subsection (b), which may include regional entities that carried out activities under the Educational Research, Development, Dissemination, and Improvement Act of 1994 (as such Act existed on the day before the date of enactment of this Act) and title XIII of the Elementary and Secondary Education Act of 1965 (as such title existed on the day before the date of enactment of the No Child Left Behind Act of 2001 (Public Law 107-110)).

(4) OUTREACH.—In conducting competitions for contracts under this section, the Secretary shall—

(A) actively encourage potential applicants to compete for such awards by making widely available information and technical assistance relating to the competition; and

(B) seek input from Governors, chief State school officers, educators, and parents regarding the need for applied research, dissemination, training, technical assistance, and development activities authorized by this title in the regions to be served and how those educational needs would be addressed most effectively.

(5) OBJECTIVES AND INDICATORS.—Before entering into a contract under this section, the Secretary shall design specific objectives and measurable indicators, using the results of the survey conducted under section 204(d), to be used to assess the particular programs or initiatives, and ongoing progress and performance, of the regional entities, in order to ensure that the educational needs of the region are being met and that the latest and best research and proven practices are being carried out as part of school improvement efforts.

(d) AUTHORITY.—

(1) IN GENERAL.—To carry out the activities described in subsection (b), the Secretary shall—

(A)(i) enter into contracts for a 5-year period with at least two regional entities for each region described in subsection (a)(2), of which at least one shall be a nonprofit entity;

(ii) ensure that the primary duties of at least one regional entity shall include activities described in subsection (b)(1)(A); and

(iii) ensure that the primary duties of at least one regional entity shall include activities described in subsections (b)(1)(C) and (b)(1)(D); and

(B) ensure that the regional entities have strong and effective governance, organization, management, and administration, and employ qualified staff.

(2) COORDINATION.—In order to ensure coordination and prevent unnecessary duplication of activities among the regions, the Secretary shall—

(A) share information about the activities of each regional entity with each other regional entity and with the Department, including the Director of the Academy of Education Sciences and the National Board for Education Sciences;

(B) create a strategic plan for ensuring that each regional entity increases collaboration and resource-sharing in such activities;

(C) where appropriate, ensure that the activities of each regional entity also serve national interests; and

(D) ensure that each of the regional entities funded under this title coordinates its activities with the activities of the other regional entities.

(e) CONTINUATION.—In order to carry out this title and facilitate the transition to regional entities, the Secretary—

(1) shall continue the existing awards of the regional educational laboratories established under section 941(h) of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (as such provision existed on the day before the date of enactment of this Act), the Eisenhower Regional Mathematics and Science Education Consortia established under part M of such Act (as such part existed on the day before the date of enactment of this Act), and the Regional Technology in Education Consortia under section 3141 of the Elementary and Secondary Education Act of 1965 (as such section existed on the day before the date of enactment of the No Child Left Behind Act of 2001 (Public Law 107-110)), for the duration of those existing awards in accordance with the terms and agreements of such awards; and

(2) may extend for no more than 2 years the awards of the Comprehensive Regional Assistance Centers established under part K of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (as such part existed on the day before the date of enactment of this Act).

SEC. 204. REGIONAL ADVISORY COMMITTEES.

(a) ESTABLISHMENT.—The Secretary shall establish a regional advisory committee for each region described in section 203(a)(2).

(b) MEMBERSHIP.—

(1) COMPOSITION.—The membership of each regional advisory committee shall—

(A) not exceed 25 members;

(B) contain a balanced representation of States in the region; and

(C) include not more than one representative of each State educational agency geographically located in the region.

(2) ELIGIBILITY.—The membership of each regional advisory committee may include the following:

(A) Representatives of local educational agencies, including rural and urban local educational agencies.

(B) Representatives of institutions of higher education, including individuals representing university-based education research and university-based research on subjects other than education.

(C) Parents.

(D) Practicing educators, including classroom teachers, principals, administrators, school board members, and other local school officials.

(E) Representatives of business.

(F) Researchers.

(3) RECOMMENDATIONS.—In choosing individuals for membership on a regional advisory committee, the Secretary shall consult with, and solicit recommendations from, the Governors, chief State school officers, and education stakeholders within the applicable region.

(4) SPECIAL RULE.—The total number of members on each committee who are selected under subparagraphs (A), (C), and (D) of paragraph (2), collectively, shall exceed the total number of members who are selected under paragraph (1)(C) and subparagraphs (B), (E), and (F) of paragraph (2), collectively.

(c) DUTIES.—Each regional advisory committee shall advise the Secretary on the following:

(1) The educational needs of its region (using the results of the survey conducted under subsection (d)), in order to assist in making decisions regarding the priorities established under section 205(a) and the priorities established under section 116 of the Education Sciences Reform Act of 2002.

(2) The quality of the applications submitted under section 203(c).

(3) The quality of the regional entity's performance of its contract.

(d) REGIONAL SURVEYS.—Each regional advisory committee shall—

(1) conduct a survey of the educational needs, strengths, and weaknesses within the region to be served;

(2) in conducting the survey under paragraph (1), seek input from Governors, chief State school officers, educators, and parents (including through a process of open hearings to solicit the views and needs of schools (including public charter schools), teachers, administrators, parents, local educational agencies, librarians, businesses, State educational agencies, and other customers (such as adult education programs) within the region) regarding the need for the activities described in section 203(b)(1) and how those needs would be most effectively addressed; and

(3) submit the survey to the Secretary and to the Director of the Academy of Education Sciences, at such time, in such manner, and containing such information as the Secretary may require.

SEC. 205. PRIORITIES AND EVALUATIONS.

(a) PRIORITIES.—The Secretary may establish priorities for the regional entities to address. The priorities shall directly correspond with the educational needs of the region, using the regional survey conducted under section 204(d).

(b) STANDARDS.—The Secretary shall establish standards, consistent with those established under section 135(a) of the Education Sciences Reform Act of 2001, for the conduct of research and development and the dissemination of scientifically based research by the regional entities.

(c) EVALUATIONS.—The Secretary shall provide for ongoing independent evaluations of the regional entities receiving contracts under this title, the results of which shall be transmitted to the appropriate congressional committees and the Director of the Academy of Education Sciences. Such evaluations shall include an analysis of the services provided under this title, the extent to which each of the regional entities meets the objectives of its respective plan (as submitted in its application under section 203(c)(2)), and whether such services meet the educational needs of State educational agencies and local educational agencies and schools in the region.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title $189,000,000 for fiscal year 2003 and such sums as may be necessary for each of the 5 succeeding fiscal years.

(b) LIMITATION.—Not more than 5 percent of the funds appropriated under subsection (a) for a fiscal year may be used to establish and administer the regional advisory committees required under section 204 and to conduct the evaluations required under section 205(c).

SEC. 207. GENERAL PROVISIONS.

Part E of the Education Sciences Reform Act of 2002 applies to this title, as appropriate, except that any duty of the Director of the Academy of Education Sciences under that part shall be a duty of Secretary under this title.

TITLE III—NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

SEC. 301. SHORT TITLE.

This title may be referred to as the "National Assessment of Educational Progress Authorization Act".

SEC. 302. DEFINITIONS.

In this title:

(1) The term "Director" means the Director of the Academy of Education Sciences.

(2) The term "State" means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated—

(1) for fiscal year 2003—

(A) $4,600,000 to carry out section 302 (relating to the National Assessment Governing Board); and

(B) $107,500,000 to carry out section 303 (relating to the National Assessment of Educational Progress); and

(2) such sums as may be necessary for each of the 5 succeeding fiscal years to carry out sections 302 and 303.

(b) AVAILABILITY.—Amounts made available under this section shall remain available until expended.

TITLE IV—AMENDATORY PROVISIONS

SEC. 401. REDESIGNATIONS.

(a) CONFIDENTIALITY.—Section 408 of the National Education Statistics Act of 1994 (20 U.S.C. 9007) is amended—

(1) by striking "center", "Center", and "Commissioner" each place any such term appears and inserting "Director";

(2) in subsection (a)(2)(A), by striking "statistical purpose" and inserting "research, statistics, or evaluation purpose under this title";

(3) so that paragraph (1) of subsection (b) reads as follows:

"(1) IN GENERAL.—

"(A) DISCLOSURE.—No Federal department, bureau, agency, officer, or employee and no recipient of a Federal grant, contract, or cooperative agreement may, for any reason, require the Director, any Commissioner of a National Education Center, or any other employee of the Academy to disclose individually identifiable information that has been collected or retained under this title.

"(B) IMMUNITY.—Individually identifiable information collected or retained under this title shall be immune from legal process and shall not, without the consent of the individual concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

"(C) APPLICATION.—This paragraph does not apply to requests for individually identifiable information submitted by or on behalf of the individual identified in the information.";

(4) in paragraphs (2) and (6) of subsection (b), by striking "subsection (a)(2)" each place such term appears and inserting "subsection (c)(2)";

(5) in paragraphs (3) and (7) of subsection (b), by striking "Center's" each place such term appears and inserting "Director's"; and

(6) by striking the section heading and transferring all the subsections (including subsections (a) through (c)) and redesignating such subsections as subsections (c) through (e), respectively, at the end of section 184 of this Act.

(b) CONFORMING AMENDMENT.—Sections 302 and 303 of this Act are redesignated as sections 304 and 305, respectively.

(c) NATIONAL ASSESSMENT GOVERNING BOARD.—Section 412 of the National Education Statistics Act of 1994 (20 U.S.C. 9011) is amended—

(1) in subsection (a), by striking "referred to as the 'Board'" and inserting "referred to as the 'Assessment Board'";

(2) by striking "Board" each place such term appears (other than in subsection (a)) and inserting "Assessment Board";

(3) by striking "Commissioner" each place such term appears and inserting "Commissioner for Education Statistics";

(4) in subsection (a) by inserting "(carried out under section 303)" after "for the National Assessment";

(5) in subsection (b)(2)—

(A) by striking "ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH" in the heading and inserting "DIRECTOR OF THE ACADEMY OF EDUCATION SCIENCES"; and

(B) by striking "Assistant Secretary for Educational Research and Improvement" and inserting "Director of the Academy of Education Sciences";

(6) in subsection (e)(1)(A), by striking "section 411(b)" and inserting "section 303(b)";

(7) in subsection (e)(1)(B), by striking "section 411(e)" and inserting "section 303(e)";

(8) in subsection (e)(1)(E), by striking ", including the Advisory Council established under section 407";

(9) in subsections (e)(1)(F) and (e)(1)(I), by striking "section 411" each place such term appears and inserting "section 303";

(10) in subsection (e)(5), by striking "and the Advisory Council on Education Statistics";

(11) in subsection (e)(6), by striking "section 411(e)" and inserting "section 303(e)"; and

(12) by transferring and redesignating the section as section 302 (following section 301) of title III of this Act.

(d) NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS.—Section 411 of the National Education Statistics Act of 1994 (20 U.S.C. 9010) is amended—

(1) by striking "Commissioner" each place such term appears and inserting "Commissioner for Education Statistics";

(2) by striking "National Assessment Governing Board" and "National Board" each place either such term appears and inserting "Assessment Board";

(3) in subsection (a)—

(A) by striking "section 412" and inserting "section 302";

(B) by striking "and with the technical assistance of the Advisory Council established under section 407,"; and

(C) by inserting "(awarded by the Director, acting through the Commissioner for Education Statistics)" after "cooperative agreements";

(4) in subsection (b)(1), by inserting "of" after "academic achievement and reporting";

(5) in subsection (b)(3)(A)—

(A) in clause (i), by striking "paragraphs (1)(B) and (1)(E)" and inserting "paragraphs (2)(B) and (2)(E)";

(B) in clause (ii), by striking "paragraph (1)(C)" and inserting "paragraph (2)(C)"; and

(C) in clause (iii), by striking "paragraph (1)(D)" and inserting "paragraph (2)(D)";

(6) in subsection (b)(5), by striking "(c)(2)" and inserting "(c)(3)";

(7) in subsection (c)(2)(D), by striking "subparagraph (B)" and inserting "subparagraph (C)";

(8) in subsection (e)(4), by striking "subparagraph (2)(C)" and inserting "paragraph (2)(C) of such subsection";

(9) in subsection (f)(1)(B)(iv), by striking "section 412(e)(4)" and inserting "section 302(e)(4)"; and

(10) by transferring and redesignating the section as section 303 (following section 302) of title III of this Act.

SEC. 402. AMENDMENTS TO DEPARTMENT OF EDUCATION ORGANIZATION ACT.

The Department of Education Organization Act (20 U.S.C. 3401 et seq.) is amended as follows:

(1) Paragraph (4) of section 202(b) (20 U.S.C. 3412(b)) is amended to read as follows:

"(4) There shall be in the Department a Director of the Academy of Education Sciences who shall be appointed in accordance with section 115(a) of the Education Sciences Reform Act of 2002 and perform the duties described in that Act.".

(2) Section 208 (20 U.S.C. 3419) is amended to read as follows:

"ACADEMY OF EDUCATION SCIENCES

"SEC. 208. There shall be in the Department of Education an Academy of Education Sciences, which shall be administered in accordance with the Education Sciences Reform Act of 2002 by the Director appointed under section 115(a) of that Act.".

(3) In the table of contents in section 1 (20 U.S.C. 3401 note), the item relating to section 208 is amended to read as follows:

"Sec. 208. Academy of Education Sciences.".

SEC. 403. REPEALS.

The following provisions of law are repealed:

(1) The National Education Statistics Act of 1994 (title IV of the Improving America's Schools Act of 1994; 20 U.S.C. 9001 et seq.).

(2) Parts A through E and K through N of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (title IX of the Goals 2000: Educate America Act) (20 U.S.C. 6001 et seq.).

(3) Paragraph (2) of section 401(b) of the Department of Education Organization Act (20 U.S.C. 3461(b)(2)).

SEC. 404. CONFORMING AND TECHNICAL AMENDMENTS.

(a) GOALS 2000: EDUCATE AMERICA ACT.—The table of contents in section 1(b) of the Goals 2000: Educate America Act (20 U.S.C. 5801 note) is amended by striking the items relating to parts A through E of title IX (including the items relating to sections within those parts).

(b) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 5314, by inserting a period after "Under Secretary of Education"; and

(2) in section 5315, by striking the following:

"Commissioner, National Center for Education Statistics.".

(c) GENERAL EDUCATION PROVISIONS ACT.—Section 447(b) of the General Education Provisions Act (20 U.S.C. 1232j) is amended by striking "section 404(a)(6) of the National Education Statistics Act of 1994 (20 U.S.C. 9003(a)(6))" and inserting "section 153(a)(5) of the Education Sciences Reform Act of 2002".

(d) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended as follows:

(1) Section 1111(c)(2) is amended by striking "section 411(b)(2) of the National Education Statistics Act of 1994" and inserting "section 303(b)(2) of the National Assessment of Educational Progress Authorization Act".

(2) Section 1112(b)(1)(F) is amended by striking "section 411(b)(2) of the National Education Statistics Act of 1994" and inserting "section 303(b)(2) of the National Assessment of Educational Progress Authorization Act".

(3) Section 1117(a)(3) is amended—

(A) by inserting "(as such section existed on the day before the date of enactment of the Education Sciences Reform Act of 2002)" after "Act of 1994"; and

(B) by inserting "regional educational applied research and technical assistance entities established under section 203 of the Regional Assistance Act of 2002 and" after "assistance from".

(4) Section 1501(a)(3) is amended by striking "section 411 of the National Education Statistics Act of 1994" and inserting "section 303 of the National Assessment of Educational Progress Authorization Act".

(5) The following provisions are each amended by striking "Office of Educational Research and Improvement" and inserting "Academy of Education Sciences":

(A) Section 3222(a) (20 U.S.C. 6932(a)).

(B) Section 3303(1) (20 U.S.C. 7013(1)).

(C) Section 5464(e)(1) (20 U.S.C. 7253c(e)(1)).

(D) Paragraphs (1) and (2) of section 5615(d) (20 U.S.C. 7283d(d)).

(E) Paragraphs (1) and (2) of section 7131(c) (20 U.S.C. 7451(c)).

(6) Paragraphs (1) and (2) of section 5464(e) (20 U.S.C. 7253c(e)) are each amended by striking "such Office" and inserting "such Academy".

(7) Section 5613 (20 U.S.C. 7283b) is amended—

(A) in subsection (a)(5), by striking "Assistant Secretary of the Office of Educational Research and Improvement" and inserting "Director of the Academy of Education Sciences"; and

(B) in subsection (b)(2)(B), by striking "research institutes of the Office of Educational Research and Improvement" and inserting "National Education Centers of the Academy of Education Sciences".

(8) Sections 5615(d)(1) and 7131(c)(1) (20 U.S.C. 7283d(d)(1), 7451(c)(1)) are each amended by striking "the Office" and inserting "the Academy".

(9) Section 9529(b) is amended by striking "section 404(a)(6) of the National Education Statistics Act of 1994" and inserting "section 153(a)(5) of the Education Sciences Reform Act of 2002".

(e) SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.—Section 404 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6194) is amended by inserting "(as such Act existed on the day before the date of enactment of the Education Sciences Reform Act of 2002)" after "Act of 1994".

SEC. 405. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 2002.

SEC. 406. SEVERABILITY.

If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which the provision is held invalid, shall not be affected thereby.

SEC. 407. ORDERLY TRANSITION.

The Secretary of Education shall take such steps as are necessary to provide for the orderly transition to, and implementation of, the offices, boards, committees, and centers (and their various functions and responsibilities) established or authorized by this Act, and by the amendments made by this Act, from those established or authorized by the Educational Research, Development, Dissemination, and Improvement Act of 1994 (20 U.S.C. 6001 et seq.) and the National Education Statistics Act of 1994 (20 U.S.C. 9001 et seq.).

The SPEAKER pro tempore (Mr. WHITFIELD). Pursuant to the rule, the gentleman from Delaware (Mr. CASTLE) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

GENERAL LEAVE

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous information on H.R. 3801.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of H.R. 3801, the Education Science Reform Act Legislation, which transforms the Office of Education Research into a streamlined, more independent Academy of Education Sciences.

Earlier this year President Bush signed landmark education reforms into law, demanding new and more challenging standards of accountability from our States and improved student achievement from our schools. Recognizing that any successful education reform effort requires the best information on how children learn, the words "scientifically-based research" appear more than 100 times in the new law.

The reason for the focus on scientific research is simple: Educators need to know what works if they are to improve student achievement and narrow the gap between our lowest and highest performing students. Unfortunately, too much of what we recognize as education research is simply opinion buttressed by anecdotes. Consider the following examples:

Recently Congress established a national panel to evaluate existing research on the most effective way to teach children to read. They examined more than 100,000 federally-funded studies on reading, some written as far back as 1966, and concluded only 10,000 met their standards for scientific rigor.

From 1967 to 1976, the Federal Government managed the largest education research project ever conducted in the United States, comparing more than 20 different teaching programs on more than 70,000 students in 180 schools. Yet at the end of the study, all of the programs, those that were successful and those that failed, were recommended for distribution to schools. Today schools invest untold time and resources in one education fad after another. Without sound science to back program claims, teachers and school administrators are forced to use guesswork to determine the best classroom practices in students and students' achievement often suffers.

Even when scientific research is conducted, news of the findings seldom reaches teachers in the classrooms. When it does, it is often not relevant to the needs or it is not translated into understandable classroom applications. Two years ago I introduced legislation to improve the rigor and relevance of education research and to provide educators and policy-makers access to unbiased and reliable information.

The legislation before us today, H.R. 3801, picks up where that bill left off. It ensures that tried and true scientific information, not fads or fiction, form the basis for setting education policy and improving education practice. Specifically, H.R. 3801 attempts to address what I have come to know as serious shortcomings in the fields of education research, including the creeping influence of short-lived partisan or political operatives, the funding and dissemination of questionable studies, programs, and practices, and an overly bureaucratic office with no real sense of mission, mired by duplicative programs and competing interests.

Among other things, H.R. 3801 replaces the current Office of Education Research and Improvement with the new streamlined Academy of Education Science; insulates the new academy from inappropriate partisan or political influences; ensures that high quality standards put an end to education fads that masquerade as sound science; and creates a culture of science by allowing the new director to attract and retain the best researchers, evaluators and statisticians to the academy. It ensures that the research activities of the academy are driven by the needs of parents, teachers and school administrators, not ivory tower researchers; and ensures that technical assistance, including help in implementing the No Child Left Behind Act, is accountable to States and schools.

For more than 30 years, we have heard excuses on why education could not be held to the same standards as other professions, and for 30 years Federal research conducted by the Office of Educational Research and Improvement has been, to a large extent, a disappointment.

If we are to lift those who are struggling to achieve proficiency in reading, math and science, we must give our educators the information they need to help their students learn. For that to happen, we must expect more from our Federal investment in education research. We must expect scientific rigor and we must ensure that what works in education informs classroom practice.

To that end, H.R. 3801 makes long overdue changes to the Office of Education Research and Improvement. I urge my colleagues to support this bipartisan common sense legislation and send a strong message to the other body that the successful implementation of No Child Left Behind Act requires a Federal office that can deliver a high quality education research product.

Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today's consideration of H.R. 3801 marks an important step in this committee's addressing the equal and effectiveness of education research and technical assistance. I believe our work on this legislation over the last 2 years has produced a good bipartisan product that warrants our support today. I do want to thank the gentleman from Delaware (Mr. CASTLE) and the gentleman from Ohio (Mr. BOEHNER) for their willingness to address Democratic concerns on this legislation.

This legislation addresses several critical issues in the area of education research. First is adequate resources. H.R. 3801 authorizes over $700 million for the department's research and technical assistance activities, nearly double existing funding. This level of funding is vital in the research academy created under this legislation to become a top flight education research organization.

This bill also includes the provisions sought by the gentleman from New York (Mr. OWENS), long a leader in Congress on education issues, to increase outreach and involvement of historically black colleges and universities and Hispanic-serving institutions, and to permit fellowships to build research, knowledge and experience.

In addition, H.R. 3801 ensures that research is conducted through national research and development centers and that 50 percent of research funding is for long-term research, both critical elements necessary to ensure high quality and effective research. This legislation also seeks to maintain the current governance relationship between the national assessment of educational process, the Department of Education, and the national assessment governing board, and in no way undermines any present authority provided to the board.

It is my intent that the changes made by this bill do not modify the manner in which the National Center for Education Statistics administers the national assessment.

Lastly, the bill ensures that we have a strong regional development and technical assistance focus that allows the continuation of existing life quality regional laboratories in comprehensive centers. Each region will competitively fund entities similar to the existing regional education laboratories and comprehensive assistance centers.

Our colleague, the gentleman from Wisconsin (Mr. KIND), has worked hard to ensure the bill's technical assistance focus would be responsive to local needs.

Mr. Speaker, a strong research focus at the Department of Education is vital to improving the educational achievement of our children. Coupled with the elements of the recently passed reauthorization of the Elementary and Secondary Education Act, this legislation can play a critical role in providing high quality research, technical assistance, and developmental activities. It is my belief that this legislation moves us in the right direction to accomplish these feats, and I urge Members to support it today.

Mr. Speaker, I reserve the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. BOEHNER) the chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, the reauthorization of the Office of Education Research and Improvement has been waiting for more than 3 years to receive action on the floor of the House. And today we have the Education Science Reform Act of 2002 here through the hard work of the chairman of the subcommittee, the gentleman from Delaware (Mr. CASTLE), the ranking Democrat on the subcommittee, the gentleman from Michigan (Mr. KILDEE), who have done a marvelous job in bringing this bill together through subcommittee and full committee and here on the floor today. And without the leadership of the gentleman from Delaware (Mr. CASTLE), it just would not have happened at all.

Providing high quality, scientifically based education research is vital if we are going to improve our Nation's schools. The Education Science Act of 2002 does just that. In addition, it provides technical assistance to regions, States, districts, and schools that is accountable, customer-driven and focused on the implementation of the No Child Left Behind Act. Let me emphasize that the reforms in this bill will greatly assist in helping the No Child Left Behind Act, successfully transform and reform our schools.

Mr. Speaker, I especially want to thank the gentleman from Delaware (Mr. CASTLE) and the gentleman from Michigan (Mr. KILDEE) for their bipartisan leadership in working out this agreement. This is no small task since we have so few legislative days this year and I want to thank both of them very much. But they are not alone. The gentleman from Florida (Mr. KELLER), the gentleman from Colorado (Mr. SCHAFFER), the gentleman from Michigan (Mr. EHLERS), the gentleman from

Virginia (Mr. SCOTT), the gentleman from Wisconsin (Mr. KIND), the gentleman from New York (Mr. OWENS) and others have rolled up their sleeves and worked out the many differences that were in this bill.

The result was the bill went through both the subcommittee and the full committee by unanimous consent, and we expect the same level of support today here on the House floor. The President and the administration also support this bill. I especially want to thank Assistant Secretaries Russ Whitehurst and Becky Campoverde who, with their staff, worked closely with us as we brought this legislation forward. My thanks also to Jay Lefkowitz and Noel Franciso from the Office of Policy Development at the White House for their help.

Once again, I want to thank my colleague, the ranking Democrat on our committee, the gentleman from California (Mr. GEORGE MILLER), for making this bipartisan process work. We have continued the good relationship we had during the year-long work on the No Child Left Behind Act, and I am hopeful that we have set a new tone and a new example for the Congress, and that the approval of the House today of the Education Sciences Reform Act of 2002 demonstrates once again that we can do great things when we work together. The staff of the committee on both sides of the aisle is to be commended as well for all of their efforts in working with the Members and really doing the grunt work that brings us to a successful conclusion today. With that, I am going to thank my colleagues once again.

Mr. KILDEE. Mr. Speaker, I yield two minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I rise to commend the gentleman from Delaware's (Mr. CASTLE) and the gentleman from Michigan's (Mr. KILDEE) contributions, particularly on our side from the gentleman from New York (Mr. OWENS), and the gentleman from Wisconsin (Mr. KIND), to improve the underlying bill to address the research and reform needed in this country to better share best practices throughout the United States to improve our school system.

The chairman mentioned one aspect of this bill that I have a caveat and a concern about, and that is the money that is provided for carrying out the No Child Left Behind Act, actually to provide training and technical assistance that will begin to take the first steps for the No Child Left Behind Act. The chairman said, I think, very articulately that that act was a bipartisan act, the Democrats and Republicans working with the President to maybe pass some of the most significant reforms in the past 20 years. I agree with that as well. However, if we do not provide the resources and the money to go along with the reforms to improve Title I programs, to support the teacher development, to help the schools in corrective action, then that bill starts to fall apart.

I would include after my statement an article by David Broader from this Sunday's Washington Post that says this: "The gap between the reality and the Washington rhetoric about raising standards in school while ensuring that no child is left behind is alarmingly large."

If the appropriators do not appropriate the significant funds and the sufficient funds to ensure that we can lock in these reforms, and the States are cutting their budgets and not providing us money to the State schools, then this reform, no child left behind, grows increasingly in peril of backsliding and going backwards on its commitments to children in this country.

I hope we keep our eye on the appropriations process.

The article mentioned is as follows:

[From The Washington Post]

A MATTER OF MONEY . . .

(By David S. Broder)

Last week Oregon newspapers carried an Associated Press report that more than 4,600 taxpayers had voluntarily donated almost $700,000 of their tax refunds from the state to a newly created fund for support of public schools.

It was a small percentage of the $240 million automatically rebated when revenue for the 1999–2001 biennium exceeded estimates. But with the economic slowdown now causing a budget crunch in Oregon, as in more than 40 other states, these taxpayers recognized that education is in jeopardy. A recent special session found the Oregon legislature cutting the schools' budget by $112 million.

What is happening in Oregon is happening across the country. The National Conference of State Legislatures reported last week that in the current fiscal year, 17 states faced reductions in their budgets for elementary and secondary schools, and 29 faced cuts for colleges and universities.

The gap between this reality and the Washington rhetoric about raising standards in schools while ensuring that "no child is left behind" is alarmingly large.

In just the past few days, parents and students in state after state have heard disturbing news about the schools. The Massachusetts House of Representatives received a committee-approved budget that would cut school spending 10 percent across the board, reducing state aid to local districts by $320 million.

In Tennessee, seven "Governor's Schools," where gifted and talented high school students lived together in dormitories for a month of challenging summer studies of science, the arts and even international relations, have been canceled. The $15 million cost apparently is more than the sate can afford to invest in its most promising young people.

At the other end of the educational spectrum, the administration of freshman New Jersey Gov. Jim McGreevey has petitioned for relief from the court order requiring the state to put extra funds in to the 30 poorest school districts. These districts—urban areas with low property-tax bases—were supposed to get $83 million extra in state funds to help them repair buildings, hire teachers and improve instruction. Instead, like every other district, they will be level-funded next year.

No governors or legislators want to damage the schools their constituents use. But the requirement to balance budgets in a time of slumping revenues has left them little choice. While Washington goes blithely on its way, cutting taxes, running up deficits and borrowing from Social Security, the states are in a jam.

What is happening to elementary and secondary schools is minor compared with the hit on higher education. In the face of rising enrollments, Pennsylvania is cutting its higher ed budget by almost 5 percent. Penn State students, who were hit with an 8 percent tuition increase this year, will face another tuition boost and a fee increase of up to $600 when they come back to school.

They are better off than students at the University of Washington, where the budget calls for a 16 percent tuition increase. And in education-conscious Iowa, the presidents of the three largest state universities said in a joint statement that the legislature's cuts "will unquestionably compromise the quality of our educational programs." State funding, which once paid 77 percent of the bills, now pays 60 percent, and most of the falloff has been made up by raising tuition.

The irony is that even as all this is happening, a poll released last week reaffirms the importance of education to most voters. The Public Education Network and Education Week newspaper reported that when it comes to balancing state budgets, voters overwhelmingly say that schools are the top priority. Education leads the No. 2 choice, health care, by a 3-to-1 margin. Law enforcement, welfare, services for seniors, transportation and economic development lag far behind.

But that is not what the budgets reflect. Medicaid payments are the fastest-growing state expenditures, and those costs leave little room for education or other programs.

Washington is not helping much. The federal government is still falling far short on its promise to pay 40 percent of the bills for special education students, whose needs are a crippling cost for local school districts.

After boosts in education spending by healthy double-digit percentages in the last year of the Clinton administration and the first year of the Bush administration, this year's federal budget calls for only a 2.8 percent increase.

With the feds preferring tax cuts to education aid, and the states cutting back because of their budget squeeze, America is in serious danger of backsliding on the promise to improve its schools.

Mr. CASTLE. Mr. Speaker, I have no further speakers and I continue to reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield four minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I thank the gentleman for yielding me time.

I rise in support of the bill H.R. 3801 which restructures and refocuses the research branch of the Department of Education. I would like to thank the committee chairman, the gentleman from Delaware (Mr. CASTLE), and the ranking member, the gentleman from Michigan (Mr. KILDEE), for their leadership in crafting this bipartisan bill.

The bill before us significantly restructures the current research office, known as the Office of Educational Research and Improvement, into a new Academy of Educational Sciences.

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The reformation of Federal educational research is absolutely essential if we are to close the achievement gaps and assure that all children have an opportunity of an equal educational opportunity. The work that we are doing on this issue will be critical in helping educators meet these challenges set forth in H.R. 1, the newly signed education bill.

As the Assistant Secretary of Education noted in his testimony before the Committee on Education and the Workforce, H.R. 1 mentions scientifically-based research over 110 times as it relates to educational programs. Yet there are significant deficits in what we know about how children learn and which programs work, especially when it comes to children who are disadvantaged, have limited English proficiency or have disabilities.

While our present educational system serves most children fairly well, it struggles to meet the needs of children with special challenges in their paths. The newly structured academy can help us figure out how to better serve all children, close achievement gaps and ensure that all children get a quality education.

In crafting this legislation, we paid special attention to making sure that the research conducted by the academy was focused on producing useful findings, that is, teaching methodologies that we could actually put into practice. We need to find programs that are scientifically proven to be effective in educating students who have traditionally been disadvantaged so that they, and their schools, can meet the standards set forth in H.R. 1.

Structuring the academy so that it concentrates on research that can be put into practice will be beneficial to all 15,000 school districts in the United States. The academy will serve as a national resource so that valuable time is not lost by each individual school and each individual teacher trying to reinvent the wheel and come up with educational programs to serve their students.

I am especially pleased that we are authorizing $400 million, double the funds now available for OERI. Funding for educational research has been anemic over the years, and no amount of restructuring will achieve the needed results if appropriate resources are not applied.

I would again like to thank the subcommittee chair and the ranking member for a chance to work on this bipartisan bill that restructures Federal educational research that empowers teachers and schools to be better able to do their jobs.

Mr. CASTLE. Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Just briefly, I want to thank the gentleman from Delaware (Mr. CASTLE) for our work together. He has always been open and frank, honest, and we had some very fruitful discussions, sometimes some differences with which we were determined to work out. It is always a pleasure to work with Governor CASTLE, and when the President signs this bill into law, he will be able to add another item to an already illustrious record, both as governor and as a Member of this House.

Mr. Speaker, I yield back the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume.

Let me just return the compliment to the gentleman from Michigan (Mr. KILDEE). Disagreeing with the gentleman is better than agreeing with most people I have learned. He is a great pleasure to work with. We have worked together on a number of issues now, and these are contentious issues I might add, and have been able to work them out, greatly to his credit, and I appreciate that.

I would also like to take this time to extend my heartfelt thanks to the many Members, staff and administration officials that made this bipartisan reform effort possible.

Although education research is not an area that commands the attention of many Americans, or even many Members of Congress for all that matter, I was fortunate to work with a group of dedicated professionals who wanted to make education research better. They include obviously the Subcommittee on Education Reform ranking member, the gentleman from Michigan (Mr. KILDEE); but also the gentleman from Colorado (Mr. SCHAFFER), the vice-chairman; the gentleman from California (Mr. GEORGE MILLER), full committee ranking member; as well as the gentleman from Florida (Mr. KELLER), the gentleman from Wisconsin (Mr. KIND), the gentleman from Georgia (Mr. ISAKSON), the gentleman from Virginia (Mr. SCOTT); the gentleman from Colorado (Mr. TANCREDO), and the gentleman from New York (Mr. OWENS). I thank all of them for their important contributions.

I also want to extend my gratitude to the gentleman from Ohio (Mr. BOEHNER), the chairman of the Education and Workforce Committee. Without his leadership and thoughtful counsel, we would not be on the floor today.

I would also be remiss if I did not thank President Bush, Secretary Paige and Under Secretary Hickock and Assistant Secretary Russ Whitehurst and Becky Campoverde. I am indebted to them all for raising the profile of this issue and for their year-long counsel and unwaivering support of the principles embodied in this bill.

Last but certainly not least, I want to thank the staff for their hard work and abiding interest in education reform. Often vacations were sacrificed and family dinners were put on hold to get us to the floor of the House of Representatives. I think one has to be a Member of the House to understand how important staffs are to us and the extraordinary work they did.

Although many offered a helping hand, I want to especially thank Sally Lovejoy, the boss in all this; Doug Mesecar, who is to my left; Bob Sweet, Patrick Lyden, Jo-Marie St. Martin; on the other side, Alex Nock, Denise Forte and Charlie Barone, all of whom did a superb job. This team really went above and beyond the call of duty, and I am grateful to them for their efforts.

I would particularly like to thank Kara Haas of my staff who has dedicated all the recent years to education issues and has done a wonderful job of pulling all of this together.

Mrs. MINK of Hawaii. Mr. Speaker, I rise in support of H.R. 3801, the Education Science Reform Act of 2002.

H.R. 3801 marks a significant step forward in the Congress' effort to improve the research, evaluation, and technical assistance focus of the Department of Education, High quality research, statistics, development, and technical assistance is critical to improving education in the 21st century.

H.R. 3801 authorizes a total of $700 million for the Department of Education's research, statistics, evaluations, and technical assistance activities. This is nearly double the current funding and ensures that almost 1 percent, or $400 million, of the Department's budget will be reserved for research activities. This ensures that the Academy of Education Sciences that the bill creates will become a premier education research organization that is capable of producing high quality research.

H.R. 3801 also creates the Regional Development and Technical Assistance program that provides funds for two entities per region. One entity will provide applied research and development while the other will provide technical assistance. These entities are governed by a local regional board that incorporates all States in the region and whose membership is chosen by the chief State school officer of each State.

I am pleased that H.R. 3801 will continue to allow all four states of the Federated States of Micronesia (FSM) (Chuuk, Kosrae, Pohnpei, and Yap) to participate in the program and be fully represented on the regional boards. Hawaii's educational laboratory, research, and technical assistance provider, the Pacific Resources for Education and Learning (PREL), has been successful and effective in meeting the needs of all the States in Hawaii's region, which includes Hawaii, the outlying area (Guam, American Samoa, and the Northern Mariana Islands) and the freely associated states (FAS)(Palau, the Marshall Islands, and the four States of the FSM, Chuuk, Kosrae, Pohnpei, and Yap) because of the participation of all the chief State school officers.

Mr. Speaker, I am pleased that Congress is committing to creating a strong office of research, statistics, evaluation, development, and technical assistance in the Department of Education. The Academy will be vital to future increases in student achievement and in the management and operation of our Nation's schools. H.R. 3801 makes the needed changes and adds the necessary resources to making this office a reality. I urge my colleagues to support this bill.

Mr. KIND. Mr. Speaker, I rise today in support of H.R. 3801, the Education Sciences Reform Act of 2002. As a member of the Education and Workforce committee, I am proud to have been a part of the bipartisan effort to strengthen the quality of public education in all regions of the country. This bill restructures the Office of Education Research and Improvement, OERI, first authorized in 1994, maintaining the regional support structures to help our schools succeed.

This issue is of special importance to the people of my district in western Wisconsin. The small, rural schools of my district strive to provide quality educational opportunities for their students, but need a support structure to help implement the many changes recently required by the Federal Government in the No Child Left Behind Act. OERI provides such a structure through regional laboratories and comprehensive centers. During reauthorization, I advocated for the continued funding of these regional entities that provide applied research and development along with technical assistance to schools in rural areas. At the same time, I support the need for a competitive environment geared toward performance-oriented funding for these regional entities. Without this type of regional structure, there would be no guarantee that schools such as those in my district would continue to receive these services.

The comprehensive centers and regional educational laboratories are invaluable resources for providing quality education to children in our small, rural schools. The mission of the regional comprehensive center is to provide technical assistance to schools and districts, while the regional labs create strategies to promote student improvement through applied research. Schools in rural areas are often faced with the challenges of serving a community with a small population, making it difficult to maintain adequate funding and a strong technology infrastructure. The labs and comprehensive centers offer the assistance needed to meet the needs of students in these areas. By supporting these entities, children in rural schools can be afforded the same types of educational tools that their counterparts in large, more urban schools receive: access to educational technologies, enrichment in math and science, and gifted and talented education, all of which help prepare our children everywhere for the workforce of the future.

In particular, the Wisconsin Center for Education Research, located in my home State, is able to provide schools with the tools they need for success. This comprehensive center at the University of Wisconsin-Madison School of Education provides services to Iowa, Michigan, Minnesota, North Dakota, South Dakota, and Wisconsin. All of these States contain a large number of small, rural schools in need of the technical assistance and applied research to continue providing quality education to the students of their districts. The Wisconsin Center provides proven, quality research dedicated to improving education for students of all ages, and is indeed one of the premier comprehensive centers in the Nation.

Mr. Speaker, I am proud to have been a part of the committee that recognized the importance of strong research and evaluation in providing quality education to students of our country. I would like to thank the subcommittee chairman from Delaware, Mr. CASTLE, the ranking member from Michigan, Mr. KILDEE, and the other members of the subcommittee for the continued efforts to make this bipartisan bill as strong as possible. Through our efforts we will continue to ensure that no child is left behind in our education system.

Mr. GEORGE MILLER of California. Mr. Speaker, I want to first applaud the achievement of Chairman CASTLE and Congressman KILDEE and their staffs for their work on this bill. Both members have championed the need for quality education research and this legislation reflects their leadership on this issue.

H.R. 3801 complements the bipartisan effort that started with the No Child Left Behind Act. In that landmark reform measure, states and schools district are now accountable for providing a quality education to all children. And, the availability of scientifically based research that demonstrates what works and what doesn't work will be critical in this effort. H.R. 3801 establishes the framework to make this happen.

This legislation injects a much needed culture of science into education research through the newly established Academy of Education Sciences.

The Academy will be responsible for ensuring that the research used by school districts in their reform efforts will be of the highest quality and meet the highest standards. The Academy will also conduct new research and be the arm through which this research is disseminated to the field.

H.R. 3801 will bring research directly into the classroom where it is needed the most. Through a system of regional technical assistance, school districts will be able to receive support tailored to their needs.

And, perhaps most important this legislation authorizes a new level of investment in education research to match the demand for quality science on what works to improve education.

Again, I commend the work of my colleagues Congressmen CASTLE and KILDEE and look forward to working with them as it continues through the legislative process.

Again, I want to applaud the work of the chairman and ranking member.

Mr. SMITH of Michigan. Mr. Speaker, I rise in support of the Education Science Reform Act.

As one famous scientist observed, "It is nothing short of a miracle that the modern methods of instruction have not yet entirely strangled the holy curiosity of enquiry." That scientist was Albert Einstein, and its apparent that since his day things haven't changed all that much.

Our colleges and universities are still the best in the world, but as international tests show, U.S.K.–12 students do not measure up to their peers in other industrialized countries.

As Chairman of the Subcommittee on Research, we have been advocating that we devote more of our education research funding to research on how kids learn. Our current knowledge of how children acquire such academic skills as reading and math is not well advanced. Further, we know very little about the how to link fundamental research and educational practice in the classroom.

We have to find out what works in the classroom, and what doesn't. In hearings before my subcommittee, we have found that new teaching methods and technologies are often introduced into classrooms with little or no data showing that they are effective.

This is unfortunate, and it means that many of our kids will not be prepared for the high-tech future. If we want to do a better job of imparting to students the skills they need to be successful in science and math, we have to employ the most effective teaching methods from kindergarten to college. To help do that, we must conduct the kind of research and date collections to better discover what works.

Currently, federal funding for education research is a fraction of a percent of all education spending. It stands to reason that increasing funding in this area will allow us to develop policies and programs that will spend the other 99+ percent of funding on education programs more effectively.

I am pleased that National Mathematics and Science Partnerships Act, which passed the House last summer, contains language I proposed to have NSF establish centers for education research. These multidisciplinary centers will focus on research that has the potential to transform education research and teaching practice.

Complementing this effort is the work being done by the Department of Education authorized in this bill. I am particularly pleased that the bill establishes "scientifically-based research standards" for this program. Witnesses before my subcommittee testified to the shortcomings of the research being conducted by the Education Department. This legislation brings scientific rigor to an area of research that often lacks it, and I want to commend the gentleman from Delaware, Mr. CASTLE, and the Chairman of the Education Committee, Mr. BOEHNER, for their work in making this needed reform.

Mr. Speaker, it is in this country's best interest to see that students receive the education they will need to compete and win in the global marketplace of the future. This bill will help us achieve that goal.

Mr. HOLT. Mr. Speaker, I rise today to speak on HR 3801, the Education Sciences Reform Act. The bill restructures the current statute governing the Office of Educational Research and Improvement by creating the Academy of Education Sciences.

While there are many positive things in this bill, it also has a number of weaknesses that should be addressed. Unfortunately, because this bill is on the suspension calendar, we will not get a chance to amend it. This legislation is missing two important initiatives, the Eisenhower Regional Mathematics and Science Consortia and the Eisenhower National Clearinghouse.

We must continue to make science education a priority in order to be prepared to compete in the global market place.

One way of doing this is the Eisenhower Regional Mathematics and Science Consortia. Currently, the 10 regional Eisenhower Mathematics and Science Consortia provide expert, research-based advice to teachers, schools, and states on how to improve their math and science programs and accountability systems.

The Consortia have economies of scale for expert staff and programs that most school districts could never duplicate; and as a network, their use of Federal resources is even more efficient.

With their regional partners, the Consortia provide professional development and technical assistance that enables teachers and policymakers learn from math and science research in their efforts to improve math and science teaching and learning.

The Consortia work with National Science Foundation to disseminate exemplary teaching methods for science and math.

The Consortia coordinate resources on math and science within their regions to maximize their collective impact.

The Consortia deliver customized services without red tape. Without the Consortia, teachers and administrators must procure other funds with the associated paperwork for assistance that the Consortia proactively supply without administrative burdens.

The other important science and mathematics institution is the Eisenhower National Clearinghouse.

The Eisenhower National Clearinghouse acquires and catalogs mathematics and science curriculum resources, creating the most comprehensive collection in the nation.

The clearinghouse provides the best selection of math and science education resources on the Internet.

The clearinghouse also supports teachers' professional development in math, science, and the effective use of technology.

Most importantly it serves all K–12 educators, parents, and students with free products and services. To help them do the best possible job of teaching math and science to our kids.

We must supply the resources for our schools and teachers for math and science education. Giving all children an understanding of science is one of the greatest challenges facing our nation today. The degree to which our children acquire these important skills will help determine their future economic success and, in turn, will help shape the productivity and economic future of the entire United States.

A quality science education is important for reasons of economics or national security. But it is also important for personal well-being and for the well-being of our democracy.

Science brings order, harmony, and balance to our lives. It teaches us that our world is intelligible and not capricious. They give us the skill for lifelong learning, for creating progress itself.

Mr. Speaker, this bill will pass today, but as it moves forward we should correct this oversight regarding the Eisenhower Regional Mathematics and Science Consortia and the Eisenhower National Clearinghouse.

Mr. CASTLE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WHITFIELD). The question is on the motion offered by the gentleman from Delaware (Mr. CASTLE) that the House suspend the rules and pass the bill, H.R. 3801, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 3801, EDUCATION SCIENCES REFORM ACT OF 2002

Mr. CASTLE. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3801, the Clerk be authorized to make technical corrections and conforming changes to the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

HONORING UNIVERSITY OF MINNESOTA GOLDEN GOPHERS MEN'S HOCKEY AND WRESTLING TEAMS AND UNIVERSITY OF MINNESOTA-DULUTH BULLDOGS WOMEN'S HOCKEY TEAM FOR WINNING 2002 NCAA CHAMPIONSHIPS

Mr. ISAKSON. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 391) honoring the University of Minnesota Golden Gophers men's hockey and wrestling teams and the University of Minnesota-Duluth Bulldogs women's hockey team for winning the 2002 National Collegiate Athletic Association championships.

The Clerk read as follows:

H. CON. RES. 391

Whereas the University of Minnesota Gophers men's hockey team recently won the 2002 National Collegiate Athletic Association championship for the 4th time in the university's history;

Whereas the Minnesota Gophers men's hockey team had an impressive overall record of 32-8-4;

Whereas all but 1 of the players on the Minnesota Gophers men's hockey team are from Minnesota;

Whereas the Minnesota Gophers wrestling team won their second consecutive NCAA championship in 2002;

Whereas the Minnesota Gophers wrestling team was undefeated in the 2002 season and won the Big 10 Conference tournament;

Whereas the Minnesota Gophers wrestling team finished in the top 3 in the Nation for the 6th consecutive year;

Whereas 7 members of the Minnesota Gophers wrestling team earned All-American honors;

Whereas the Minnesota Gophers wrestling team produced 2 individual national champions;

Whereas on March 24, 2002, the defending NCAA Women's Ice Hockey National Champion, the University of Minnesota-Duluth Bulldogs, won the national championship for the second straight year;

Whereas the Minnesota-Duluth Bulldogs women's hockey team defeated Brown University in the championship game by the score of 3–2, having previously defeated Niagara University in the semi-final by the same score;

Whereas during the 2001–2002 season, the Minnesota-Duluth Bulldogs women's hockey team won 24 games, while losing only 6, and tying 4; and

Whereas all of the players on the Minnesota-Duluth Bulldogs women's hockey team showed tremendous dedication throughout the season toward the goal of winning the national championship;

Whereas all 3 of these teams display academic excellence by maintaining an average grade point average above the university-wide average; and

Whereas Congress should honor the excellence of athletic teams and encourage participation in collegiate athletics in order to build teamwork and dedication: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress honors the University of Minnesota Golden Gophers men's hockey and wrestling teams and the University of Minnesota-Duluth Bulldogs women's hockey team for winning the 2002 National Collegiate Athletic Association championships.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. ISAKSON) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. ISAKSON).

GENERAL LEAVE

Mr. ISAKSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 391.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ISAKSON. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of House Concurrent Resolution 391, a resolution that congratulates the University of Minnesota men's hockey and wrestling teams and University of Minnesota-Duluth women's hockey team for winning the 2002 National Collegiate Athletic Association Championships. I am very pleased to commend the gentleman from Minnesota (Mr. KENNEDY) for bringing this resolution, and I encourage all the Members of the House to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

I am very happy to rise to support H. Con. Res. 391 which honors the University of Minnesota Golden Gophers men's hockey and wrestling teams, and University of Minnesota-Duluth women's hockey team for winning the 2002

National Collegiate Athletic Association championship. They certainly are worthy of the accolades of this House.

Mr. Speaker, I reserve the balance of my time.

Mr. ISAKSON. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. KENNEDY), the author of the resolution.

Mr. KENNEDY of Minnesota. Mr. Speaker, as basketball great Michael Jordan once said, "Talent wins games but teamwork and intelligence wins championships." It is with great pride that I rise today to introduce a resolution to honor the three Minnesota national champions, the Golden Gophers men's hockey and wrestling teams, and University of Minnesota-Duluth women's hockey team for winning the 2002 NCAA championships.

Minnesota has had a long and proud tradition of hockey. This is the fourth time that the University of Minnesota Gophers have won their national championship. I congratulate the team and their head coach Don Lucia. As Don Lucia says, "Hockey and Minnesota are synonymous with each other."

The Golden Gophers wrestling team became the first back-to-back Gopher national champions since 1940 and 1941, when the Minnesota Gophers won back-to-back football championships and consecutive national titles. I congratulate the team and their head coaches, Robinson and Morgan.

The University of Minnesota-Duluth women's hockey team captured their second straight NCAA championship. In the championship game, they beat Brown three to two. Congratulations to the team and their head coach, Shannon Miller.

All three of these should be considered and honored for their academic excellence as well. All three maintained grade point averages above the school average. Their hard work on and off the ice and mat have made them champions in the eyes of all Minnesotans.

I congratulate each and every player on these teams and their coaches for their hard work, perseverance and teamwork. The entire Minnesota delegation congratulates them.

Mr. KILDEE. Mr. Speaker, I reserve the balance of my time.

Mr. ISAKSON. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman from Georgia (Mr. ISAKSON) for yielding me the time, and I want to thank my colleague the gentleman from Minnesota (Mr. KENNEDY) for bringing this resolution forward. I am a happy and proud co-sponsor of it.

There are two sports that we take very seriously back in the State of Minnesota. One of them is hockey and the other is wrestling. Part of the reason I think we take them so seriously is because if one is going to excel in these two sports, they have to have enormous amounts of dedication to those spores.

So on behalf of all of the people of the great State of Minnesota, I rise in support of this resolution to congratulate the young men and women who have earned this recognition.

First of all, to win the national championship in hockey is something that is extremely difficult to do. We know that because in Minnesota, we have young people as old as 4 years old, parents are taking them down to the ice arenas. At 4 years old they are called mites, and they start skating and they start learning the sport of hockey, and to win a national championship is an honor that they can only dream of one day, and obviously it is with the leadership of the University of Minnesota and the Gophers, what they did today, that will give them even more impetus to work hard to try to achieve that dream.

Also, on behalf of the people of the State of Minnesota, we want to thank and congratulate the young women at the University of Minnesota-Duluth for their amazing accomplishment to win back-to-back national championships.

Finally, if there is any sport that requires more dedication than hockey it is wrestling, and for the University of Minnesota Golden Gophers to win that championship means an awful lot.

So again congratulations to all of the Gophers and the Bulldogs for their amazing dedication in winning these national championships. I hope my colleagues will please excuse us if our buttons seem to be bursting today, but we are extremely proud of the accomplishments of these young athletes. They demonstrate the pursuit of excellence is alive and well. It is living in Minnesota.

Mr. KILDEE. Mr. Speaker, I yield as much time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman from Michigan (Mr. KILDEE) for yielding me the time, and I will be brief, but the University of Minnesota-Duluth women's hockey team is in my Congressional district, and I have visited with the team members on many occasions and especially with Chancellor Kathryn Martin, who is the first woman to hold the position of chancellor of the University of Minnesota-Duluth. It was under her leadership that the women's hockey program was nurtured and developed to the national prominence it has achieved.

If any person who is looking for a display of pure hockey as it should be played with skill, with passing precision and respect for players on each side of the rink, they should have followed the women's NCAA frozen four championship rounds because there one saw the display of hockey at its very best, without the body slams, without the sticks in the face, but with skill, precision passing, skill of skating and speed and superb demonstration of goalie skill on both sides of the rink.

All the teams that participated credited themselves remarkably by their display of sportsmanship and skill, but there is only one team that wins and 2-years in a row it has been the University of Minnesota-Duluth women's hockey team, and this year they were joined by their brothers, the men's hockey team. UMD was there before them.

☐ 1830

They won back-to-back championships. And this year, the men's hockey team won as well. As my colleague, the gentleman from Minnesota (Mr. GUTKNECHT) noted, the men's wrestling team won as well.

I might add a footnote to all this pride in hockey. The University of Minnesota Duluth Theater Troop has, for the fifth time in the 34 years of the competition, won the Kennedy Center National Collegiate Theater Competition. And for the second time in 3 years, drama is also a part of the human spirit.

To Kathryn Martin's credit, she has nurtured the drama program; herself a theater and drama professor and coach, she has nurtured this program. And to the great credit of UMD, the theater troop, for the second time in 3 years, was one of the four final winners of the Kennedy Center Theater Performance.

University of Minnesota on the athletic side as well as on the intellectual and spiritual side of lifting the human spirit has contributed enormously to the northland. And to all the scholar athletes and scholar theater performers who have participated and won national honors, as the gentleman said, our buttons indeed are bursting a bit. It is appropriate for us to offer this recognition on the House floor.

I thank the gentleman for the time, and I congratulate the University of Minnesota Duluth and the University of Minnesota main campus on their achievements.

Mr. KILDEE. Mr. Speaker, I yield back the balance of my time.

Mr. ISAKSON. Mr. Speaker, I yield myself such time as I may consume to conclude by commending the gentleman from Minnesota (Mr. KENNEDY) on offering the resolution, and I encourage my colleagues in the House to support it.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WHITFIELD). The question is on the motion offered by the gentleman from Georgia (Mr. ISAKSON) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 391.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on motions to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

Concurring in Senate amendments to H.R. 169, by the yeas and nays;

S. 2248, by the yeas and nays; and

H. Con. Res. 386, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

NOTIFICATION AND FEDERAL EMPLOYEE ANTIDISCRIMINATION AND RETALIATION ACT OF 2001

The SPEAKER pro tempore. The pending business is the question of suspending the rules and concurring in the Senate amendments to the bill, H.R. 169.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 169, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 412, nays 0, not voting 22, as follows:

[Roll No. 117]

YEAS—412

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Callahan
Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NOT VOTING—22

Blagojevich
Buyer
Cannon
Clayton
Crane
DeMint
Frank
Gutierrez
Mascara
Millender-McDonald
Murtha
Pombo
Riley
Schaffer
Smith (WA)
Souder
Tanner
Tauzin
Traficant
Watkins (OK)
Weldon (FL)
Wynn

☐ 1859

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WHITFIELD). Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

EXTENDING AUTHORITY OF EXPORT-IMPORT BANK UNTIL MAY 31, 2002

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 2248.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the Senate bill, S. 2248, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 318, nays 92, not voting 24, as follows:

[Roll No. 118]

YEAS—318

Ackerman
Aderholt
Allen
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barr
Barrett
Barton
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (SC)
Bryant
Burr
Burton
Callahan
Calvert
Camp
Cantor
Capito

Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chambliss
Clyburn
Collins
Combest
Cooksey
Cramer
Crenshaw
Crowley
Cubin
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Everett
Farr
Ferguson
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hefley
Herger
Hill
Hilliard
Hinojosa
Hobson
Hoeffel
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McIntyre
McKeon
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Miller, Dan
Miller, Gary
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Osborne
Ose
Oxley
Pastor
Pelosi
Peterson (PA)
Phelps
Pickering
Pitts
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Snyder
Spratt
Stearns
Stenholm
Stump
Sullivan
Tauscher
Taylor (MS)
Terry
Thomas
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Turner
Udall (CO)
Upton
Velázquez
Vitter
Walden
Walsh
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (AK)

NAYS—92

Abercrombie
Akin
Andrews
Armey
Baldwin
Barcia
Bartlett
Bass
Bilirakis
Bonior
Brady (PA)
Brown (OH)
Chabot
Clay
Coble
Condit
Conyers
Costello
Cox
Coyne
Culberson
Davis, Jo Ann
DeFazio
DeLay
Doolittle
Duncan
Evans
Fattah
Flake
Gekas
Goode
Gutknecht
Hastings (FL)
Hayes
Hayworth
Hilleary
Hinchey
Hoekstra
Holden
Hostettler
Hunter
Jackson (IL)
Jones (NC)
Jones (OH)
Kerns
Kildee
Kucinich
Lee
Lewis (GA)
Matheson
McHugh
McInnis
McKinney
Meek (FL)
Miller, George
Miller, Jeff
Mink
Mollohan
Oberstar
Olver
Otter
Owens
Pallone
Pascrell
Paul
Payne
Pence
Peterson (MN)
Petri
Platts
Rahall
Rivers
Rohrabacher
Royce
Sanders
Sensenbrenner
Shadegg
Smith (MI)
Solis
Stark
Strickland
Stupak
Sununu
Sweeney
Tancredo
Taylor (NC)
Thompson (CA)
Towns
Udall (NM)
Visclosky
Wamp
Waters

NOT VOTING—24

Blagojevich
Buyer
Cannon
Clayton
Clement
Crane
DeMint
Frank
Gutierrez
Mascara
Millender-McDonald
Murtha
Pombo
Riley
Schaffer
Smith (WA)
Souder
Tanner
Tauzin
Traficant
Watkins (OK)
Weldon (FL)
Wynn
Young (FL)

□ 1908

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SUPPORTING NATIONAL CHARTER SCHOOLS WEEK

The SPEAKER pro tempore (Mr. WHITFIELD). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 386.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Delaware (Mr. CASTLE) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 386, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 404, nays 3, answered "present" 2, not voting 25, as follows:

[Roll No. 119]

YEAS—404

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Callahan
Calvert
Camp
Cantor
Capito
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
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Inslee
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Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
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Keller
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Kennedy (MN)
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Kilpatrick
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McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
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Oxley
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Pascrell
Pastor
Paul
Payne
Pelosi
Pence
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Pitts
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Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
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Reyes
Reynolds
Rodriguez

Roemer
Rogers (KY)
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Ros-Lehtinen
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Ryun (KS)
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Sawyer
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Smith (MI)
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Wamp
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Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Young (AK)

NAYS—3

Hinchey
Jones (OH)
Rivers

ANSWERED "PRESENT"—2

Capuano
Kucinich

NOT VOTING—25

Blagojevich
Buyer
Cannon
Capps
Clayton
Crane
DeMint
Frank
Gutierrez
Mascara
Millender-McDonald
Murtha
Pombo
Riley
Roukema
Schaffer
Smith (WA)
Souder
Tanner
Tauzin
Traficant
Watkins (OK)
Weldon (FL)
Wynn
Young (FL)

□ 1919

Mr. CAPUANO changed his vote from "yea" to "present."

So (two-thirds having voted in favor thereof), the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF INTENT TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 2215, THE 21ST CENTURY DEPARTMENT OF JUSTICE APPROPRIATIONS AUTHORIZATION ACT

Ms. DEGETTE. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby announce my intention to offer a motion to instruct conferees on H.R. 2215 tomorrow.

The form of the motion is as follows:

I move that the managers on the part of the House at the conference on the disagreeing votes of the 2 Houses on the Senate amendment to the bill H.R. 2215 be instructed to:

1, agree to title IV of the Senate amendment (establishing a Violence Against Women Office); and

2, insist upon section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968, as added by section 402 of the House bill (establishing duties and functions of the Director of the Violence Against Women Office).

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT ON H.R. 2646, FARM SECURITY ACT OF 2001

Mr. ACKERMAN. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby announce my intention to offer a motion to instruct conferees on H.R. 2646.

The form of the motion is as follows:

I move that the managers on the part of the House at the conference on the disagreeing votes of the 2 Houses on the Senate amendment to the bill H.R. 2646 be instructed to insist on the provisions contained in section 945 of the House bill relating to unlawful stockyard practices involving nonambulatory livestock.

ANNOUNCEMENT OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 2646, FARM SECURITY ACT OF 2001

Mr. BLUMENAUER. Mr. Speaker, pursuant to clause 7(c) of rule XXII, I hereby announce my intention to offer a motion to instruct conferees on H.R. 2646.

The form of the motion is as follows:

I move that the House conferees on H.R. 2646, an act to provide for the continuation of agricultural programs through fiscal year 2011, be instructed to leave intact the House provisions of the House and Senate bills, specifically those which:

amend section 26 of the Animal Welfare Act, (7 U.S.C. 2156), subsection (e), to strike "$5,000" and insert "$15,000"; and to strike "1 year penalty provision" and insert "2 years";

and it provide that the amendments to section 26 of the Animal Welfare Act take effect 30 days after the date of enactment of this act.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PENCE). Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on remaining motions to suspend the rules will be taken tomorrow.

CONGRATULATING THE UNIVERSITY OF CONNECTICUT HUSKIES FOR WINNING THE 2002 NATIONAL COLLEGIATE ATHLETIC ASSOCIATION DIVISION I WOMEN'S BASKETBALL CHAMPIONSHIP

Mr. ISAKSON. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 401) congratulating the University of Connecticut Huskies for winning the 2002 National Collegiate Athletic Association Division I women's basketball championship.

The Clerk read as follows:

H. RES. 401

Whereas the University of Connecticut Huskies women's basketball team won its second National Collegiate Athletic Association championship in 3 years by defeating the University of Oklahoma by the score of 82–70;

Whereas the team, coached by NCAA Division I women's basketball Coach of the Year, Geno Auriemma, finished the 2002 season with a perfect 39–0 record, becoming only the 4th NCAA Division I women's basketball team to finish a season undefeated;

Whereas Sue Bird was chosen as the national women's Player of the Year;

Whereas Swin Cash was named the Final Four Most Outstanding Player;

Whereas Sue Bird, Swin Cash, Diana Taurasi, Asjha Jones, and Tamika Williams were selected as All-Americans;

Whereas the University of Connecticut Huskies' 35-point average margin of victory during the regular season was the largest average margin of victory in NCAA Division I women's basketball history;

Whereas the University of Connecticut Huskies dominated this year's championship tournament, averaging 83.3 points and a 27-point margin of victory en route to the championship;

Whereas the high caliber of the University of Connecticut Huskies in both athletics and academics has significantly advanced the sport of women's basketball and provided inspiration for future generations of young men and women alike; and

Whereas the University of Connecticut Huskies' championship season has rallied Connecticut residents of all ages behind a common purpose and triggered a wave of euphoria across the State: Now, therefore, be it

Resolved, That the House of Representatives commends the University of Connecticut Huskies women's basketball team for winning the 2002 National Collegiate Athletic Association Division I women's basketball championship and for completing the 2001–2002 season with a 39–0 record.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. ISAKSON) and the gentlewoman from Connecticut (Ms. DELAURO) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. ISAKSON).

GENERAL LEAVE

Mr. ISAKSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 401.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ISAKSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 401. This resolution congratulates the University of Connecticut Huskies for winning the 2002 NCAA Division I women's basketball championship. This is the University of Connecticut's second NCAA championship in 3 years. As my colleagues may know, the team finished the 2002 season with an unblemished perfect record of 39 and 0 and became only the fourth

NCAA Division I women's team to finish the season undefeated. This is an amazing accomplishment and one worthy of recognition.

Mr. Speaker, I want to thank the gentleman from Connecticut (Mr. SIMMONS) for introducing this resolution, and I extend my congratulations to the team, their coach, and the university. I ask all of my colleagues to support this resolution.

Mr. Speaker, I reserve the balance of my time.

Ms. DELAURO. Mr. Speaker, I yield myself such time as I may consume.

First, let me just thank the gentleman from Georgia (Mr. ISAKSON) for bringing this resolution to the floor, and those of us in Connecticut accept his good wishes on this issue. I also want to thank the gentleman from the Connecticut delegation (Mr. SIMMONS) for introducing the resolution honoring the Huskies for capping a perfect 39 and 0 season. That is right. Say it again; a perfect 39 and 0 season, with their third NCAA women's basketball championship. Under the guidance of NCAA division Coach of the Year, Geno Auriemma, the Huskies dominated their opponents on the court. The 2002 Huskies are destined to be remembered as one of the best basketball teams in sports history.

The people of Connecticut are justly excited and proud of their Huskies who have set an example for us all with their teamwork and with their standard for perfection. They ranked number 1 in the Nation in scoring, 3-point shooting percentage, scoring defense, and field-goal percentage allowed. They set an NCAA record with a season-long average victory margin of 35.4 points, and set a national record with 831 assists. Throughout the entire season, only 1 opponent lost by less than 10 points.

The individual talent of the Huskies' players, and particularly the 5 starters, meshed to make them an unbeatable force. Their talent was recognized with a number of accolades. All 5 of the starters, Asja Jones, Swin Cash, Tamika Williams, Diana Taurasi, and Sue Bird, made the Big East All Tournament team and they were also selected as All Americans. Swin Cash was named the final 4 most outstanding player. Sue Bird, who scored 14 points in the championship game, was chosen as the National Championship Player of the Year and won the Honda Award for women's basketball.

These women have illustrated for us the results of Congress's commitment, through Title IX, to getting girls involved in sports.

I might just add on a personal note, many, many, many years ago at the Academy of Our Lady of Mercy in Milford, Connecticut, I played basketball. I am so old in this process that women could only play half court at that time. We have really turned things around.

Really what title IX has provided is that it has shown that given the resources, that women are just as talented and as exciting to watch as any men's team that is out there. With their hard work, their absolute determination, and their commitment to teamwork and, quite frankly, doing what they love to do on and off the court, these talented young women have proven themselves to be role models for girls and boys across this great Nation. They have set a new standard of excellence that teams in the future will strive to match. The UCONN Huskies have achieved perfection and inspired us all.

Mr. Speaker, I congratulate the Huskies on their championship win and on their perfect season. They have truly earned this recognition. Go Huskies.

Mr. Speaker, I reserve the balance of my time.

Mr. ISAKSON. Mr. Speaker, I am pleased to yield 3 minutes to the distinguished gentleman from Connecticut (Mr. SIMMONS), the author of the resolution.

Mr. SIMMONS. Mr. Speaker, I thank the gentleman from Georgia (Mr. ISAKSON) for yielding me this time.

I rise today and join all of my Connecticut colleagues to honor the 2002 NCAA women's basketball champions, the University of Connecticut Huskies.

This resolution recognizes a team that my home State is so proud of, a group of young women who have excelled both on and off the court. Led by NCAA Player of the Year and WNBA number 1 draft pick, Sue Bird, along with her senior teammates, Asja Jones, Tamika Williams, and NCAA most outstanding player Swin Cash, the Huskies capped a perfect 39 and 0 season by beating the University of Oklahoma 82 to 70; 82 to 70. Mr. Speaker, 3½ million viewers, including all of Connecticut, watched with pride as the Huskies claimed their place as the undefeated national champions and one of the all-time greatest basketball teams in history.

Founded in 1881, the University of Connecticut has a rich history of providing educational opportunities for undergraduates of diverse interests, abilities and backgrounds, and the Huskies now add another national championship title to their world class academic reputation.

So many outstanding young women helped make the 2001–2002 season a smashing success, and I mentioned 4 seniors. But in addition to these, we have the fifth Huskie starter, Diana Taurasi, and other players on the team, all of whom could have started just about anywhere in the country.

□ 1930

There were Jessica Moore, Ashley Battle, Maria Conlon, Morgan Valley, Ashley Valley, and Stacey Marron. A special "Way to go, Huskies," goes to head coach Geno Auriemma, associate coach Chris Daily, and coaches Tonya Cardoza and Jamelle Elliott, as well as to athletic director Lou Perkins, and the parents of this team. Finally, I commend UConn President Phillip Austin and his administration for fielding such a fine team of scholar athletes.

Mr. Speaker, I look forward to standing on the floor next year, hopefully, to commend yet another UConn women's NCAA basketball champion. But for today, it is the 2002 team.

Mr. ISAKSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Speaker, I thank the gentleman for yielding time to me, Mr. Speaker. This is going to be kind of an echo of the gentlewoman from Connecticut (Ms. DELAURO). We are going to say the same things, but every time we say it, we like it even more.

My constituents and all of Connecticut congratulate the University of Connecticut Lady Huskies for winning the 2002 NCAA Women's Basketball Championship. These Huskies truly deserve the title "Best in Show." In my expert opinion, this is the greatest team, the greatest team in the history of women's college basketball, and who knows if it will ever be repeated.

How good were the Huskies? Consider that in posting their 39 and O record, they never once trailed in the second half all season. Their average margin of victory was a remarkable 35 points. During the NCAA tournament, they won their six games by an average margin of 27 points.

At 87.5 points per game, they were the highest-scoring team in the Nation, and with an average of 51.4 points allowed, they had the second stingiest defense.

Mr. Speaker, this team is characterized by its quick passes, ferocious rebounding, intense defense, and precision shooting, all of which were a cut above the rest of the competition, a big cut above.

But most of all, what strikes me about the Lady Huskies is their emphasis on teamwork, their awesome teamwork: 831 assists. What a pleasure to watch them.

On their way to their second championship in three years, the Lady Huskies were led by the unselfish play of four sensational seniors and a super sophomore: National Player of the Year and All-American Sue Bird, Final Four Most Outstanding Player and an all-American, Swin Cash, and All-Americans Asjha Jones, Tamika Williams, and Diana Taurasi.

The Lady Huskies were also a team feared for their depth. I want to take a moment to recognize Maria Conlon, Stacey Marron, and two sisters, Morgan and Ashley Valley.

NCAA Coach of the Year, Geno Auriemma, put together an unbelievable team with his coaching staff.

These UConn Huskies are the new measure that all teams have to meet. They were really a joy to watch, and I congratulate them on all they have achieved.

I also want to congratulate them for being such extraordinary role models for Americans young and old.

Mr. ISAKSON. Mr. Speaker, I am very pleased to yield 2½ minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), whose height might be challenging for basketball, but whose spirit is national championship caliber.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman from Georgia, but I would remind him in those days when speed mattered more than height, I was quite okay.

Mr. Speaker, I rise with my colleagues from Connecticut to pay tribute to a truly great team. These young women have played now, four of them, for 4 years for UConn, and it is not just the top team that is so impressive, it is all the way down through the bench that this team is truly a model for all young women across the Nation.

First of all, let me remind Members that on Sunday, March 31, they defeated Oklahoma University to win the NCAA tournament with a perfect record of 39 wins to zero losses.

I would also like to offer special congratulations to the head coach, Geno Auriemma, who won his third national title, and all the players this season, including the departing seniors, who have had a most remarkable 4 years.

Geno is a remarkable coach, and I think this team is, as his previous teams were, evidence not only of his skill and leadership, but their character and intelligence.

I rise today because these young women are not just champions in the basketball world, as important as that is. They are not only skilled individual basketball players, but they are outstanding team players, and it is that that their coach, Geno, has taught them: How to work together, how to help the other guy, how to make sure that each brings out the very best in the rest of the team, because success is never the consequence of any one individual player's skill, as in life success is never the consequence of one individual human being's actions, but always of the teamwork and interaction among free, capable, and skilled people.

But these young women are not just skilled athletes and great team members. They are, in fact, fine students. They do extremely well in their courses, and they are women of integrity and character.

Their concern for one another, the way they treat one another, the respect for one another, their honesty, their integrity, and their moral character has been an inspiration to the young women of our State and across the Nation, as well as their skill and teamwork.

I salute them here tonight on the floor of the House, and I join my colleagues from Connecticut and the people across our great State in saluting this women's basketball team for their enormous victory on Sunday, March 31.

Ms. DELAURO. Mr. Speaker, I yield myself such time as I may consume.

I just want to say that I think we can hear from what my colleagues from Connecticut and myself are saying as to how the UConn Huskies, the women, have captured the enthusiasm of the State, whether young or old, men or women, but particularly women.

I will just say that my mother, Louise DeLauro, is 88 years old. She is fixed to the TV when the women are playing, and I will tell Members why. When she was growing up, and I did not know this until really listening to her and watching her watch this game and looking at the plays, and it was just amazing to me, she talked about women's leagues when she was in school, in which she played in the city of New Haven, eight leagues of women playing in one city in our State. And given that she is 88 years old, Members can figure out how many years ago that was.

We literally have come full circle. This is intergenerational. We have Louise DeLauro at age 88 fixed to the TV, and we have young women all over our State looking at these women as real role models. It is a change in how not only our State, but this country views women in competitive sports and views women's basketball.

Mr. SHAYS. Mr. Speaker, will the gentlewoman yield?

Ms. DELAURO. I yield to the gentleman from Connecticut.

Mr. SHAYS. Very briefly, I would love to just say, Mr. Speaker, that this basketball team and the teams that Lew Perkins has put together, the athletic director, have brought Connecticut together.

I represent a part of Connecticut closer to New York City, and sometimes my constituents think they vote for the Governor of New York instead of Connecticut. But this basketball team has done an amazing job of making all of us so proud and feel so much a part of Connecticut.

I would say one other thing. When we watch this team, we are not going to see their names on the back of their Jerseys because Geno points out that they are all a team, and no one is better than the other. Their names are not there. They are the team, the UConn Huskies. They do a great job.

Ms. DELAURO. Mr. Speaker, I yield back the balance of my time.

Mr. ISAKSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have no further questions, but I join with the gentlewoman from Connecticut (Ms. DELAURO), the gentleman from Connecticut (Mr. SIMMONS), the author of this legislation, the gentlewoman from Connecticut (Mrs. JOHNSON), and the gentleman from Connecticut (Mr. SHAYS) and others.

I commend it to the House and urge its adoption.

Mr. LARSON of Connecticut. Mr. Speaker, I rise today to honor the extraordinary dedication, hard work, and ability of the 2002 National Collegiate Athletic Association's Women's Basketball Champions, the Huskies of the University of Connecticut. I am proud to be an original cosponsor of House Concurrent Resolution—to honor the University of Connecticut women's basketball team for their incredible achievement. On Sunday, March 31, the Huskies completed their perfect season with a hard-earned victory over the Oklahoma Sooners. With a record of 39 wins and no losses, the Huskies were named for the second time in three years as the NCAA champions.

Of the five starters this season, four were seniors: Sue Bird, Swin Cash, Tamika Williams, and Asjha Jones. During their four years at the University of Connecticut, they had a record of 136–9, made three Final Fours, and won two National Championships. They were only the fourth team in women's college basketball history to go undefeated, tying the record for the most wins. Throughout the season the team had an average margin victory of 35.4 points, and never trailed in the second half of a basketball game.

Members of the team won various awards this season. Sue Bird won the Wade Trophy for National Women's Player of the Year, Naismith Player of the Year, and was selected for AP First Team All-America Honors. Swin Cash and sophomore Diana Taurasi were selected to the All-America Second Team, Asjha Jones made the All-America Third Team, and Tamika Williams received Honorable Mention All-America. Coach Geno Auriemma was selected as Naismith Coach of the Year and 2002 Russell Athletic/WBCA Division I National Coach of the Year.

Those associated with women's college basketball have claimed that this Husky basketball team is among, if not, the best team in the history of the Women's game. I believe the ultimate compliment was paid to this team when Pat Summitt, coach of the Tennessee Lady Vols, said: "[Geno's] done a great job with them and they're big play people all across the board. And what I really admire about this Connecticut team is how hard they play and how inspired they are in every possession. I did not recall seeing a player not play hard every possession. And that speaks for their character and what they brought to the court tonight against us. But I may do to the graduation and cheer. You think they'll let me go? I might be there.

I would like to extend my personal congratulations to the UConn Husky women's basketball team. The entire State of Connecticut is proud of the Husky team, which has helped turn Connecticut into the center of women's college basketball. Therefore, I ask my colleagues to join me in support of this resolution and to celebrate the talents of this exceptional team.

Mr. ISAKSON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PENCE). The question is on the motion offered by the gentleman from Georgia (Mr. ISAKSON) that the House suspend the rules and agree to the resolution, H. Res. 401.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1950

Mr. DAVIS of Illinois. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1950.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2871, EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2001

Mrs. MYRICK (during debate on H. Res. 401) from the Committee on Rules, submitted a privileged report (Rept. No. 107–423) on the resolution (H. Res. 402) providing for consideration of the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes, which was referred to the House Calendar and ordered to be printed.

THE REAUTHORIZATION OF TANF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, as we move towards the reauthorization of TANF, and as we look at the whole question, the whole issue of welfare reform, I think there are some principles and concepts and realities and truisms that we need to deal with.

First of all, we need to understand that in order for people to move from welfare to work, that more education and training is needed and necessary, as opposed to more work requirements.

The 24-hour direct work-related activity that is proposed is too strict. The only 16-hour non-direct work-related activity does not allow an individual to receive adequate educational or vocational training, and does not allow the ability for adequate job training and education.

We need to understand, Mr. Speaker, that education is needed for recipients to get off welfare permanently. We need to allow recipients the opportunity of 24 months of job training or vocational training, and 2 years of degree attainment. That is to suggest that they need to be afforded the opportunity to acquire at least an Associate of Arts degree.

Recipients must compete with the lagging economy and the fact that more college graduates are now stuck in low-paying jobs. We need to understand that recipients need education, education, and education if they are to increase the possibility of moving from welfare to work.

We need to allow for high school diploma attainment, English language learner classes, and adult basic education, including adult literacy programs. Education and training make a critical difference in employability, earnings, and job retention.

In 1998, 28 percent of TANF recipients worked for substandard pay while still qualifying for aid. People leaving welfare earn around $6.61 per hour, or from $8,000 to $12,000 a year.

□ 1945

More education is obviously needed if they are to earn enough to earn a decent living. Welfare rolls dropped 22 percent between 1995 and 1997. However, poverty among families headed by single mothers dropped only 1 percent. The reality is that the poor are getting poorer. Many must choose between child care and work. We must reduce the extent and severity of poverty and promote self-sufficiency among families if we are doing anything serious about moving people from welfare to work. Child care funding needs to be adjusted for inflation. We must increase Federal funding for the child development funds to meet the needs of all eligible children. And we must invest enough in child care to make a difference. Mothers who work low-wage jobs often do not have benefits to leave work when the child is sick or they work conflicting hours. The annual cost of child care is $4,000 to $6,000 and can rise as high as 10,000. Child care must be an integral part of any effort to move people from poverty, from welfare to work.

So I urge, Mr. Speaker, that as we move towards reauthorization of TANF we realize what we are trying to do is to move people not from just welfare to work but from poverty to a decent level of living.

HONORING YOUTH NEED PRIME TIME

The SPEAKER pro tempore (Mr. KELLER). Under a previous order of the House, the gentleman from Indiana (Mr. PENCE) is recognized for 5 minutes.

Mr. PENCE. Mr. Speaker, I come today to this Chamber having had an extraordinary morning in east central Indiana. At my side was the conference chairman for the Republican majority of the Congress, J.C. Watts, who is, among other accolades including Orange Bowl hall of famer, a football player and one of the best known members of this institution nationally. He is a man, as I learned today, deeply committed to the least of these and to coming alongside those in community, not sadly, Mr. Speaker, often associated with the Republican Party in this day and age, but a community that is nonetheless deeply in need of attention and, specifically, legislative attention by this Congress.

Today J.C. Watts and I traveled to the west side of Anderson into, Mr. Speaker, a ramshackle house, dilapidated, the floors creaking beneath us, an old refrigerator humming in the back room full of Cokes and snacks. We stood before some 30 people, teenagers, largely minority young men and women, all of them from disadvantaged families, each of them from one degree or another in trouble with the law, in trouble at school. And all of these students gathered as this football player-turned-Congressman and as this talk show-host-turned-Congressman stood in front of them extolling the virtues of the leader of that organization, Youth Need Prime Time, Thomas Jackson; the work that he had done in that place and in lesser places, Mr. Speaker, over the last 16 years, touching the lives of some 3,000 young people in one of the most disadvantaged areas of the Second Congressional District of Indiana.

I heard J.C. Watts as he spoke about the lies on the street, having grown up in a disadvantaged black family himself. His father, Buddy, having not ever gone to school beyond the second grade, J.C. Watts was able to speak with authority to these young people about the lies of believing that it will never happen to me, believing that the rules of law and the rules of nature will never catch up with them and least of all the long arm of the law.

I saw those young people, Mr. Speaker, with rapt attention as they listened. But my heart nevertheless went out to the leaders of that organization who make it, Mr. Speaker, hand to mouth, barely paying the rent, barely having the resources to run the organization as it has impacted so many lives since 1986.

And my mind wandered to the legislation that we passed in this House almost now a year ago, legislation known as the Community Solutions Act. It was legislation commonly described as the faith-based initiative that would encourage charitable giving, expanding charitable choice to include faith-based organizations just like Youth Need Prime Time; and saying to these organizations that they would be allowed to compete for Federal grants in the areas of housing, job training, child welfare, child care services, crime prevention programs and the like.

As I looked this morning into the eyes of Sharekia, a 14-year-old girl who had made a decision, Mr. Speaker, to say yes to life, bringing a small child into the world even at that tender age, I thought of the frustration of a system that discriminates against ministries like Youth Need Prime Time simply because on occasion they mention God, on occasion they have a Bible study or have a cross on the wall.

So I simply rise today to speak of an extraordinary experience with J.C. Watts, a man of extraordinary voice in our party. But I also think, Mr. Speaker, of the critical need for this Congress and this government to amend the laws of this Nation, to come alongside organizations like Youth Need Prime Time, to courageous men like Thomas Jackson and his family and the volunteers that are there every day of the week, day in and day out, coming alongside some of the most troubled and disadvantaged young people in the district that I serve and saying that not only is the American dream alive, but it is alive for them if they will but have the faith and the self-sacrifice and the determination to reach it. Let us in this Congress extend the faith-based initiative and come alongside the least of these.

MUSHARRAF EASING UP ON TERRORISTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, since September 11 the United States and the rest of the world have been curiously watching President Musharraf of Pakistan and the role he has been playing on the war on terrorism. Fortunately, Mr. Speaker, he has been cooperative with the United States in our anti-terrorist activities. But unfortunately, Musharraf has shown no dedication to quelling terrorist activities in his own backyard, Pakistan and Kashmir.

Musharraf has created a double standard where he fights against terrorism globally, but winks at terrorist activity locally.

Mr. Speaker, following the October 1 attack on the Jammu and Kashmir State Assembly and the December 13 attack on the Indian Parliament last year, it was clear that action against Islamic militants needed to take place. At that time, it was reported that President Musharraf outlawed two organizations responsible for terrorism in Kashmir, Jaish e-Muhammad and Lashkar-e-Taiba, in addition to arresting nearly 2,000 men supposedly linked to terrorists. This was done in an effort to crack down on terrorists. The impression was also given by Musharraf that the madrassahs, those schools with training in fundamental Islamic principles which were directly linked to terrorism, would be closed throughout Pakistan. But, Mr. Speaker, this is in fact not the case at all.

To begin with, the 2,000 supposed militants rounded up were for the most part arrested for minor crimes. From my understanding, there were two exceptions to this: the arrest of Masood Azar, head of Jaish-e-Muhammad and the arrest of Hafiz Saeed, leader of Lashkar-e-Taiba.

At this point, however, Mr. Azar has been demoted to house arrest, Mr. Saeed has been freed, and most of the 2,000 others that have been arrested have been released under the condition that they maintain good behavior.

There is no accountability, Mr. Speaker, for terrorist activity in Pakistan or Kashmir.

Musharraf is reversing his crackdown on terrorists, and terrorist groups that formerly existed are now rejoining other groups under new names.

Mr. Speaker, President Musharraf is cozying up to the United States and its allies under the pretense that he is leading Pakistan in a war against terrorism, while at the same time he is condoning terrorism at home, in Pakistan, as well as in Kashmir. This is not only exemplified by the release of those arrested, but also by the continued operation of the religious schools with curricula that encourage violence. This double standard is unacceptable and should no longer be tolerated by the United States.

Mr. Speaker, it is no coincidence that Musharraf has released many of these arrested, including the leaders of terrorist organizations at the same time as the referendum which would continue his dictatorship for 5 more years.

Musharraf relies on the militant fundamentalists to maintain his illegal seizure of power as president. He does not have the legitimacy that comes from being elected president by the people of Pakistan. He is required to link his military rule to a fundamentalist religious theocracy in order to justify staying in office.

Mr. Speaker, I also believe that peace between India and Pakistan and the negotiated settlement of the Kashmir issue is inevitably linked to a democratic government in Pakistan. Democracies rarely war with each other and are more likely to settle their differences through peaceful means.

General Musharraf's actions are moving in the opposite direction. An extension of his military regime will mean more encouragement to terrorism in Kashmir and ultimately I unfortunately think the greater likelihood of war with India.

EXPRESSING SUPPORT FOR ABSTINENCE EDUCATION PROGRAMS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Michigan (Mr. UPTON) is recognized for 60 minutes as the designee of the majority leader.

Mr. UPTON. Mr. Speaker, I know that there are a number of Members wishing to come over tonight to talk on this Special Order, and I also know that there is a markup going on in the Committee on Armed Services, so a number of Members may put their remarks in as an extension of remarks.

We are holding this Special Order tonight to provide our colleagues and the public with information about a key component of the 1996 welfare reform law, title V, Abstinence Education Block Grant program. When we passed welfare reform in 1996, we emphasized a number of points, two specifically: work and responsibility. And we have made great strides in promoting work, but too many young people's dreams have been cut short by poor decisions that dramatically affect the course of their lives.

Teen birth rates have been falling for the last 9 years and that is good news. But nearly half a million teens are giving birth each year, a rate higher than those of most industrialized nations. And 8,519 births last year are to girls under the age of 15. We know that out-of-wedlock births and teen births take a high toll on the teen mom, the child and our society as a whole; and we know that that life is rough for them as well. And while the teen birth rate may be falling, sexually transmitted diseases, STDs, have reached epidemic proportions in this country, placing the health and the very lives of sexually-active teens in peril.

Today, one in four sexually-active teens is infected with an STD. Numerous studies show that if you give abstinence education a chance to work, it does. I know in my State of Michigan we have been at the forefront of this effort, and we have made significant progress in reducing teen births and the number of abortions through education and mentoring programs, and that has got to be our national goal.

Mr. Speaker, President Bush got it right when he said that abstinence is not just about saying no to sex, it is about saying yes to a happy, healthier future. Anyone who thinks abstinence education does not work has only to examine the Michigan record, my State. Begun back in 1993, Michigan's Abstinence Partnership, MAP, the MAP program, is an innovative approach implemented through the community empowerment model.

Community coalitions plan, implement, evaluate, revise and monitor the program. Parent education is provided to encourage effective communication with youth about the importance and the benefits of choosing abstinence. For the last 3 years in a row, Michigan has received a bonus award from the Department of Health and Human

Services given each year to up to five States which experience the largest decrease in their ratio of out-of-wedlock to total births while also experiencing a reduction in their abortion rate.

□ 2000

Michigan is far from alone in embracing abstinence education as an effective means of reducing teen pregnancies in out-of-wedlock births and of protecting our young people from the scourge of sexually transmitted diseases.

State participation in the title V abstinence program is voluntary, and for every $4 in Federal funding States receive, they must put $3 into non-Federal funding. So it is a 4-to-3 match, and yet interest in this program is very high.

Today 49 out of the 50 States are participating in the program. Over one-third of all school districts in the Nation now choose to teach abstinence education in their classrooms, and as part of their abstinence education programs, States and local grantees have launched media campaigns to influence attitudes and behavior, develop abstinence curriculum, revamp sexual education classes, start mentoring programs and implement other creative and effective approaches to encourage abstinence.

It is important to note that reauthorization of title V abstinence education program, which we did in the Committee on Energy and Commerce last week, will in no way affect Federal support for other teenage pregnancy prevention sexual programs. Let me say that again. The reauthorization of this program last week in no way affects other Federal support for other teen pregnancy prevention programs. There are at least 25 Federal programs providing funding for contraceptive and sex education while there are only three abstinence-focused programs.

Contrary to claims that my colleagues may have heard about restrictions about what may be discussed in abstinence education programs, nothing in the Federal law or the guidelines to the States prohibits the discussion of any subject.

Contrary to the claim that there is no scientific evidence that abstinence programs work, there are, in fact, 10 scientific evaluations available now showing that abstinence education is effective in reducing sexual activity.

Since 1996, the enactment of the Welfare Reform bill included abstinence education, teen pregnancy and birthrates have been falling. That is great news, but we need to continue and build on that success. Out-of-wedlock births are often disastrous for mothers, children, society as a whole, and children born out-of-wedlock are far more likely to be poor, suffer ill health, drop out of school. In the case of boys, they are twice as likely to commit a crime, lead to incarceration by the time they reach their early 30s.

STDs have reached epidemic proportions in our country, placing the health and lives of sexually active young people in serious peril. In fact, in the 1960s, one in 47 sexually active teenagers were infected with an STD. Today it is not one out of 47, it is one out of 4. Young people need to know that having sexual relations puts them at risk not only for HIV/AIDS but also herpes, which is obviously incurable, and may affect babies during birth, resulting in severe damage or death.

Teens need to know they are at risk for human papillomavirus, PHV, which is the leading viral STD and which causes nearly all cases of cervical cancer, and they need to know that scientific research shows that condom use offers relatively little protection from herpes and no protection from HPV. Abstinence education programs provide the right information.

Too many of our kids' dreams have been cut short by poor decisions that dramatically alter the course of their lives. Abstinence education programs give our young both the inspiration and education that they need to make good, healthful decisions. Our young people look to us for clear messages and for help in setting high standards for themselves. Abstinence education programs will, in fact, give them that help.

I would yield to my friend and colleague, the gentleman from Oklahoma (Mr. SULLIVAN).

Mr. SULLIVAN. Mr. Speaker, I thank the gentleman from Michigan (Mr. UPTON) for yielding me the time.

Mr. Speaker, I am here tonight to raise some very important issues and shed light on the importance of abstinence education. Some would say we are sending a mixed message with both abstinence education and sex education. To say kids are hearing two messages which are confusing and that one should go away is absurd. Do we tell them if they are going to drink and drive to make sure they wear a seat belt? Do we tell them if they are going to use potentially deadly inhalers that they should sniff slowly?

No. We know that drinking and driving is wrong, period. We know that inhaling potentially deadly substances is wrong, period. In my opinion, sex ed or the just-in-case message is the cause of confusion for kids. Just as we expect kids not to drink and drive, because of the dangers they pose to themselves and others, we should teach them to be safe, truly safe, and have self-confidence in themselves without looking for their self-worth in physical activity that may put themselves and others at risk. Just as we expect them to excel at their studies, we should expect them to excel in making wise choices for themselves.

I believe this is truly compassionate conservatism. I know that certain behaviors will affect children adversely, and to work towards helping them understand how to act and why it is important in their own lives. What are the risks of not staying abstinent? STD, out-of-wedlock births, abortion, and physical and emotional injury. Here are some facts to consider.

In the 1960s, the dominant diseases related to sexual activity were syphilis and gonorrhea. Today they are incurable viral diseases. Approximately 6 percent of adolescent females tested at family planning clinics are infected with Chlamydia, which leads to the scarring of the fallopian tubes and is the fastest growing cause of infertility, and the National Institutes on Health Workshop on the Scientific Evidence of Condom Effectiveness for STD Prevention reported that there is no evidence that condoms reduce the sexual transmission of HPV, and no evidence that condom use reduces the risk for transmission of herpes.

In 1995, the year before we enacted welfare reform, 66 percent of families with children headed by a single parent were living in poverty. Living in a single-parent family approximately doubles the likelihood that a child will become a high school dropout. Is this the legacy we should be teaching kids to pass to their children?

No. I think we should teach children to act responsibly. I want to tell my colleagues about a great program in my district, KEEP. KEEP teaches kids outside the school setting how to build solid relationships and avoid peer pressure that might lead them down the road of sexual promiscuity. They help kids understand rules and boundaries necessary in relationships so that unplanned pregnancies can be avoided, and they do it in such a way as to make kids think, to answer questions and understand consequences, not just preach to them.

I commend them for their work and I firmly believe this approach is the correct one. Kids need to think through things before they take actions that may affect them adversely later in life.

One of the greatest tragedies of our days is not just that our babies are having babies, but that our young daughters are often taking the lives of their unborn children through abortion. Studies are beginning to show a link between breast cancer and abortion. Our young girls must be taught this, must know what the possibilities are when they choose to have sex outside of marriage and choose to have an abortion.

The psychological consequences of abortion are well known, even to women who have abortions, and the physical consequences range from the inability to conceive later to serious medical emergencies which threaten the life of the woman. Abstinence teaches self-respect and gives a path for kids to follow that does not lead them down a path like this.

There are consequences of early sexual activity, emotional, psychological injury. Sexually active youth live with anxiety about the possibilities of unwanted pregnancy or contracting a devastating sexually transmitted disease.

As the quotes we read from young people participating in abstinence programs unfortunately indicate, becoming sexually active makes young people vulnerable to emotional and psychological injury. Many young girls report experiencing regret or guilt after their initial sexual experience. So let us review.

Abstinence education teaches kids to avoid STDs, to avoid unplanned pregnancies, to avoid going down the path that leads towards abortion, to avoid the possibility of physical or emotional scars, towards self-confidence, and it gives the States the flexibility to decide which programs to fund.

It is a win-win situation all around, and I hope my colleagues in the House will support a strong abstinence education definition and continued funding for strong abstinence education programs.

Mr. UPTON. Mr. Speaker, I thank the gentleman from Oklahoma for his great statement, and I would yield to the gentleman from Florida (Mr. BILIRAKIS), my friend and colleague, and the Chairman of the Subcommittee on Health, who helped carry the abstinence reauthorization through the committee last week.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman from Michigan (Mr. UPTON) for scheduling today's special order.

I, too rise, this evening to talk about an issue that the Committee on Energy and Commerce, Subcommittee on Health, which I chair, examined last week. I am referring, of course, to the Abstinence Only Education Funds, which are provided through title V of the Social Security Act.

The Committee on Energy and Commerce favorably reported legislation last week that would reauthorize this important program through fiscal year 2007. These Abstinence Only Education Funds were first included as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which reformed our Nation's welfare laws to put an emphasis on work and end the seemingly endless cycle of dependency that was present under the old Aid to Families With Dependent Children Program.

Title V allocated $50 million for fiscal years 1998 to 2002 for block grants to States for the development of Abstinence Only Education programs. To date, 49 of the 50 States have elected to participate in this program. I am very pleased, of course, that my own State of Florida has elected to participate in this program.

In fact, during my subcommittee's hearing last week, we heard from Ms. Jacqueline Del Rosario, who runs a project in Miami titled ReCapturing the Vision. Ms. Del Rosario started the program in a middle school in an impoverished area of Miami, Dade County. In its 8 years of operation, participants in ReCapturing the Vision have only a 1.1 percent pregnancy rate, and I repeat that. In its 8 years of operation, participants in ReCapturing the Vision have only a 1.1 percent pregnancy rate.

Ms. Del Rosario testified that one reason why she believes her program has been so successful is because, "ReCapturing the Vision does not just teach teens to say no to sex, but we also build their values and cause them to embrace the future."

Ms. Del Rosario went on to add that "Contraceptives cannot protect a 15 year old from the erosion of her dignity and self-worth. There must be another value that causes teens to raise their standards and protect their emotional and physical health."

She further argued that diluting the Abstinence Only message was harmful. She went on to say, "I had heard it said that abstinence with contraceptives was a 'mixed message' but I never believed it to be true." However, she learned that, "Kids need a concise and clear message. To hear it from the students caused me to believe that we must be the voice that tells them that we expect them to abstain and we believe they can do it."

By continuing title V funding for another 5 years, we can encourage the development of more successful programs like ReCapturing the Vision. This is so critically important because the consequences of ill-advised sexual activity by young people is severe, and I asked her specifically during the hearing if the other title V programs in the rest of the country are somewhat similar to hers or at least follow basically the same concept, and her answer is, yes, they are.

Again, I want to emphasize, these are not "just say no" programs. They go into the broad work and the character of the individual. This is so critically important because the consequences of ill-advised sexual activity by young people is severe.

Another one of our witnesses, Dr. Joe McIlhaney, told us that, "Sexually transmitted infection is highly prevalent among adolescents. 3 to 4 million sexually transmitted diseases are contracted yearly by 15 to 19 year olds, and another 5 to 6 million sexually transmitted diseases are contracted annually by 20 to 24 year olds." As we all agree, and everybody agreed, abstinence is the only sure way to prevent the spread of sexually transmitted diseases, as well as out-of-wedlock pregnancies.

□ 2015

I would like to point out one important fact that I highlighted during my subcommittee's hearing and the subsequent full committee markup. Abstinence-only programs do not prohibit educators from discussing the facts about the effectiveness of contraceptives, the spread of sexually-transmitted diseases, or any other topic that might be raised. The only requirement is that the use of contraceptives cannot be advocated; only abstinence can.

In a recently-release interim report on the effectiveness of abstinence-only programs, the highly-respected research firm Mathematica noted that, and I quote, "Obtaining clear and definitive evidence on the success of abstinence evidence programs is a difficult task that requires time." Until this comprehensive assessment is complete, in spite of the fact we hear about the success rates by Ms. Del Rosario and others, until the assessment is complete, and given the anecdotal success we have learned about from programs like ReCapturing the Visions and others, we should continue to fund these programs so we can have an accurate picture of their effectiveness and to gain the value of the good that they do. The proven good they do.

I thank the gentleman for yielding.

Mr. UPTON. Mr. Speaker, I thank the gentleman from Florida for participating again tonight and for his leadership, which was certainly appreciated last week in committee.

Next I would like to yield to my friend, a member of the subcommittee that I chair, the Subcommittee on Telecommunications and the Internet, the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. Mr. Speaker, I thank my chairman. I appreciate that he is doing this special order tonight to bring the message out to the people of America what this good Congress is doing for our youth.

The gentleman was here in 1996 when this Congress passed the Welfare Reform Act with this important provision.

Mr. UPTON. Actually passed it four times.

Mr. TERRY. Four times. Well, the gentleman had a little trouble convincing some other people of the importance of not only helping people up out of poverty by teaching them special skills so they could become employed, but also on such important issues as teaching abstinence to our children.

It confuses me. I was simply a city councilman in 1996 when the gentleman were wrestling with this issue and facing several vetoes by the White House then. But I appreciate that the gentleman continued to persevere through those and eventually triumph, because I really feel it has been an important message to our youth that we adopt this Title V program where we have a specific, and let me stress that, a specific program to teach abstinence to our youth. It is the first time, as I understand, that Congress did this, in 1996.

I would assume that the Congress did it for the good-hearted and compassionate reason that when we want to lift people out of poverty, it is hard when we are trying to help a teenage mother out of poverty. If anything locks someone into their current status of poverty, it is having a child when one is 13, 14, 15, 16, and 17 years old. So it was certainly the compassionate thing to do, and I appreciate that.

It is just unbelievable to me now, entering my fourth year of Congress, and, again, I was not here in 1996, but that we are having these same battles again. It is just unbelievable when we look at the importance of such a program.

Let us talk a little bit about one of the reasons why I would assume it was such an important tenet in the Welfare Reform Act of 1996, and that is to try to help teenagers learn and understand the importance of not becoming a mother or a father when you are 14, 15, 16 years of age. So we are hoping to reduce the teenage pregnancy rate. In 1994, 46.6 out of every 1,000 teenagers became pregnant out-of-wedlock. Now, what is important, since the passage of this Act and this program, as of January 2000, this teenage pregnancy rate has fallen to 39.6 per 1,000 teenagers. That is incredible improvement over a short period of time.

The abstinence education programs that Congress began funding in 1996, I believe, has significantly contributed to this decrease. Here is a chart I brought for the American public tonight, and what we see here is at the zero level. This goes back to the 1940s when teenage pregnancy was really pretty rare all the way up to, and I am going to have to get away from the microphone here, but the spot I am pointing to is 1994, the critical year of the passage of the Title V abstinence program funding. That was the peak. That was the peak of teenage pregnancy.

I do not think it is coincidental that the time that we as a Nation agreed that abstinence was an important message for our teenagers that we have seen a dramatic drop in teenage pregnancy since then. When we had our hearing last week, some of the naysayers kept telling us, there is no evidence. There is no evidence. There is no evidence. But, my God, this is pretty dramatic. Does my colleague agree?

Mr. UPTON. Absolutely. I look at my State and that is exactly when teen pregnancies began to drop. And the nice thing about this program is it is not just Federal dollars, it encourages the States to establish their programs and it becomes a match. For every $4 of Federal dollars, the States have to come up with $3. And then there are incentives and awards if they actually do work.

Michigan has had a great program under the leadership of our governor, and we have seen that work and we have seen those rates continue to decline year after year.

Mr. TERRY. We in Nebraska have shared the same statistics because we have embraced the abstinence programs. We have several school districts, our public schools, that have adopted these programs and apply for reimbursement.

Mr. UPTON. One of the things I said last week during the markup in a discussion on the bill is that I visit a school, just like the gentleman does, just about every week, because I also serve on the Committee on Education and the Workforce. I go to all different sizes. I was on the Western Michigan University campus earlier this morning. But whether it be an elementary school, a high school, a private school, a charter school, and we passed a great charter school bill earlier this evening, but one of the toughest times that I have had sitting down with students is when I have met with kids that have kids, 13, 14, 15-year-old girls. They thought it was fun until they had the child. They see now what the work is and they have a tough life ahead of them. They really do. It is all we can do to encourage them to stay in school because their lives are changed dramatically if they do not continue to get that high school diploma or GED afterwards.

And as I have sat down with those girls, kids really is what it is, they know how tough it is. And it is that message, and I am now 49 years old and they do not always want to hear from a 49-year-old guy, so it is better for them to hear from their own peers. And they do not have a very good story to tell. We really got that discussion, as I said, at a number of different schools. We just sat around the table and they outlined for me the hardships that they now face and the realization that they probably should not have done what they did. And, frankly, it was before a lot of these programs came into play.

Abstinence does work. Those programs and that funding is important, and it keeps them on a much better path. Project Reality, a group from Illinois, came out with six good reasons to fund abstinence education: One, teens want to learn about abstinence. Nearly all teens, 93 percent, said they should be given a strong message about abstinence.

Mr. TERRY. Ninety-three percent felt they needed a strong message.

Mr. UPTON. Second, abstinence is the only 100 percent effective method of prevention. We know that. Three, most teens are not sexually active and most of those who are do not want to be.

The Center for Disease Control reports that about 36 percent of high school students are considered sexually active.

Four, abstinence education teaches the benefits of marriage and family. Surveys show that three out of four teens hope to have a good marriage and family life.

But here are two things that really stand out. Abstinence education offers significant economic and sociological benefits. Teens who choose abstinence are less likely to engage in other risk-related behaviors, such as underage drinking, smoking, and the use of illegal drugs. Pretty incredible.

Mr. TERRY. So a positive message goes across the board in their life.

Mr. UPTON. That is right. It is character and all the things we want. This program builds on that.

Mr. TERRY. Building character, self-esteem, the power to say no, to make those tough choices that our teenagers have to make on a daily basis.

Mr. UPTON. That is right.

Mr. TERRY. That is what this program teaches. It is not just the sex part, but it is teaching them the internal strength to say no; to recognize the situations where they can be manipulated by their peers; to identify that situation and remove themselves, but also to teach them the internal strength, the self-esteem to be able to say no once they have recognized that situation. That is important.

Mr. UPTON. Absolutely it is. That is why we had a very strong bipartisan vote last week to get this plan adopted. I think it was 35 to 17 in the committee. We look forward to having it on the floor for debate and a vote as early as next week as part of the welfare reform reauthorization bill.

Mr. TERRY. I look forward to that. And I really believe the abstinence program the Congress passed in 1996 and we get to authorize is one of the major causes of the drop in teenage pregnancy.

But we still have a long way to go. We have to recognize that while the hard empirical evidence may not be there for us yet, because of the fact that we are in the early stages of such an important program, that is not a reason to throw it out, as the 17 in our committee wanted to do.

Mr. UPTON. Well, imagine, as we look at the great progress that has happened on welfare reform. And it is on both sides of the aisle. The governors have done a terrific job. I have met with our Department of Social Services, now called our FIA offices back in Michigan. But as we look at the tremendous progress that we have had; more money for job training, assistance to help with health benefits, particularly Medicaid for families that before had an incentive to stay on welfare rather than go on to work, take a look at this program, the abstinence program, it is such a small amount of money really relative to the whole scheme of things. Fifty million dollars.

Mr. TERRY. Fifty million dollars.

Mr. UPTON. But look at the importance. Look at that drop, that fall off of the cliff of the birth rates for unmarried teens. Imagine if we went back to this program, to reauthorize it, as the governors have asked, and I think we have a strong bipartisan majority, certainly both in our Committee on Education and the Workforce and the Committee on Energy and Commerce, the committee we both serve on, but in this Congress as well, and imagine if we saw this program come to the brink of whether it gets reauthorized or not, something that all of us want, and somehow this program for abstinence was not included, despite the numbers showing the very positive effects of having this program included. Imagine if we just said no, we are not going to do that and then watched those numbers then rise.

Now, the jury is still out. We will see what the Congress does, this side as well as the other side of the Capitol, but imagine if all of a sudden we do not do it and the numbers go back up. Think of the impact on those kids that the gentleman and I see every day and of those families in virtually every single community across the country. I do not know that I could vote for a bill without this program.

Mr. TERRY. Not only on the sure ways that it affects teenagers' lives, but just think of the message that Congress sends, the message we would send the American public and the teenagers, which is that we do not care whether they abstain. Our only message is to teach them how to put a condom on right. That is a terrible message to send to our teenagers today that are looking, as the gentleman said earlier, for the right message.

Now, in this chart, and the gentleman and I have just talked about the importance of teaching a message to our teenagers to abstain from sex to prevent an unwanted pregnancy and, in essence, putting themselves into a position of perhaps perpetual poverty, but it is also health reasons, as we discussed in great detail in our committee last week. It is sexually-transmitted diseases.

As we have learned from the testimony, and the chairman of our Subcommittee on Health was up here and gave some great testimony from his witnesses that testified before his subcommittee, but the testimony that was presented to the rest of us in our committee was that when we really look at the true science of other ways of preventing STDs, sexually transmitted diseases, and how infective they can truly be, there is only one 100 percent sure way to avoid a sexually transmitted disease.

□ 2030

Mr. Speaker, from the testimony in our committee, I was very, very disheartened. It was depressing to learn that 3 million teenagers per year get a sexually transmitted disease, some of which they can never get rid of. It is not just go to the doctor and get a shot; some are deadly, or stay with them for the rest of their lives.

Mr. UPTON. Mr. Speaker, we learned that some of those diseases are not prevented with the use of a condom.

Mr. TERRY. That is right. The Journal of the American Medical Association published the results of a study on the effectiveness of condoms, which are the focus of most of the safe sex programs out there. It is 1,251 women whose partners consistently used condoms participated in the study. By its end, 34 percent of them had either contracted a sexually transmitted disease or became pregnant.

How do we teach our children safe sex, how to use contraceptives, how to use a condom, and look them straight in the eye and say they are safe?

Mr. UPTON. They are not. That is what the answer was, they are not. That is why this is the program that works best of all.

Mr. TERRY. Mr. Speaker, I was frustrated with the attempts for amendments in our committee by that small minority, and I am pleased that it has been pointed out this is a bipartisan effort. The vast majority agree that the abstinence message is the correct one for our teenagers. It is disheartening that there is a small minority out there.

Throwing away scientific studies, how do we look a teenager in the eye and say this is the proper way to put on a condom, and send them a message of abstinence at the same time? To a 16-year-old, that is tacit to approval, when an adult says the best thing is to abstain, but we know that you are not going to, so I am going to teach you to have safe sex using condoms correctly.

Now the testimony that the gentleman received in the Subcommittee on Health, and I truly believe to be plain common sense, that is tacit to approval. While safe sex education may be a proper place for parents and even in some discussions in more formal settings outside of the house, the fact of the matter is I do not know how we teach abstinence and safe sex at the same time. That is one of the issues that we are going to face when this bill is brought to the House floor. We are going to have to beat back several amendments to try and change an abstinence program into a safe sex program.

As I understand the way it works in Nebraska, and perhaps the gentleman can expand on how it works in Michigan, an entity, we have all the way from the Girls and Boys Town U.S.A., to Norfolk and Omaha public schools, to scouting that will adopt an abstinence-only program and teach that. Then they apply for reimbursement from the Federal Government out of that $50 million that we will allot with the reauthorization of this program. So it is not that we mandate on the public schools or other entities that this is the only thing that they can do. We say this is the most effective message or at least that is what I say is the most effective measure how to teach our children how to avoid sexually transmitted diseases and unwanted pregnancy, but we are not mandating. We are saying we will help you with the cost of this. I am proud in Nebraska we have several successful abstinence programs in place today.

Mr. UPTON. Mr. Speaker, we have been able to talk to participants that have participated in the program across the country. Whether it is Nebraska or Michigan or South Carolina, just about every State, and California is the one that does not participate, but the other 49 States do. In almost every single State we have testimonials from students that have participated that have said thank you. For those that did involve themselves with sex before, they are sorry. They talk about it in a number of testimonials that we have. It is important, and it is that type of peer pressure that works that we build upon as we see this program work in State after State after State.

Mr. TERRY. Mr. Speaker, according to our Nebraska Health and Human Services, since the program was implemented in 1996, we in Nebraska have brought this program to 15,000 students. It takes time to get a program like this up and running, the curriculum set, the standard set so they can move forward. 15,000 students is only in the last couple of years. But to exemplify the message that the gentleman just gave, let me read a letter from Girls and Boys Town. It used to be Boys Town, but they changed name to Girls and Boys Town.

In this letter it says, "Risk reduction sexuality education has been funded for many years. We are asking only for an equal opportunity to promote risk elimination. Changing the definition of abstinence to include birth control information and promotion will make it nearly impossible to tell which approach is the most effective in keeping our youth safe from disease and out-of-wedlock programs."

The counselors and the people that have developed the program at Girls and Boys Town are national leaders in this, and that is what they say: It confuses the message. They simply want the opportunity, when we have had years of funding sex education and reduction, let us go to prevention and teach that message. One more quote, if the gentleman will allow me to close with this, and I thank the gentleman for having this conversation with me.

This is from Lancaster County, that is Lincoln, Nebraska, and those in

Michigan know where Lincoln, Nebraska is, the home of the University of Nebraska. In the city of Norfolk, they have probably the most established abstinence programs in Nebraska.

Mike Huckabee, one of the counselors that helped develop this one in Lincoln, wrote to us, and forgive me for being a little wordy, but he has a paragraph that I think nails it for us. "Is abstinence effective? I firmly believe it is. Can I provide you with the evidence? The faces of those young people and parents tell me this is the message they are seeking to hear. They tell me they do not want the risk of STDs and pregnancies, that sex is not worth that. They tell me they can wait, they just need someone to support them in that decision. The evidence is around the corner, but for now I can only point you to the families who continue to tell us in droves to keep sending the message of abstinence until marriage, nothing else works. Abstinence works."

Let me go back to one sentence in my conclusion here. They just need someone to support them in that decision. Our teenagers, as the gentleman pointed out, are looking for their parents and the adults in society to support them in their decision for abstinence, and it is incumbent upon us in this Congress to support our teenagers when they decide to abstain from sex.

Mr. UPTON. Mr. Speaker, I thank the gentleman for his remarks tonight. As we look at a host of issues over this last year, a number of the votes that we have cast on other things, we have asked for science and the right equations be used as we cast these yes and no votes. The science is here. We know that this program works, and it would be wrong to deny this as a part of welfare reform as we look to have it reauthorized and continue to work and do what all of us want to have happen, and that is to move people that are currently able-bodied and have the tools to in fact lead productive lives and lead their families out of welfare and into a productive sector of our economy. This is a program that works.

The science shows that it does, and we have to make sure that we not only continue it, but we build upon it, allowing the governors to have the flexibility to match with their dollars to save more lives. That is what it is all about.

Mr. Speaker, I yield to the gentleman from Virginia (Mr. FORBES).

Mr. FORBES. Mr. Speaker, I thank the gentleman for his efforts in this regard.

I have listened to this debate tonight and I hear when people are talking about abstinence and all of the statistics, but let me give one actual fact. In one city that I represent, I had some of the leadership in that city that came to me and they said this, which just startled me. They said that 81 percent of the live births in that city were to unwed mothers, mostly teenagers. If we just stop and think about that, 81 percent, the economic and social consequences from that are enormous. The programs that they have been using, you can list all of them, but the one that is not there is abstinence education. We say this is a child problem. This is not a child problem, this is an adult problem.

I was amazed in Virginia when I had legislation there that would have allowed us to have abstinence education as a part of their curriculum, and in doing the debate and going through all of the issues that were there, there was one real culminating statement that was made by the opposition, and this was just to whether or not we should allow abstinence education to be taught. Somebody on the other side said we should not even teach abstinence education because it would confuse our children. If you do not think that our children are confused, all you have to do is spend 24 hours with them, and they are pulled in every direction imaginable, and they are looking to us not to confuse them more, but to set standards.

We do that every day. In government classes, we put them in at a high standard because we want them to be the best they can be in government. In English courses, we set a high English standard, and we say this is where you ought to reach and aspire to attain to. In our mathematics courses, we also do that.

The real question for us today is not whether abstinence works, it is whether or not we want it to work. The real question is not whether this standard is too high, it is whether we want a standard at all.

I have a great example of a student that I know back in one of the cities that I represent. He is now the most popular government teacher in that entire city; and yet he was at a point in his career when he was in high school, he did not know what he was going to do. One day a principal walking down the hall looked at that student, called him by name. He turned around and said, you would be a good teacher, you ought to be a teacher. Then he turned around and kept walking down the hall. It changed his life because that principal cared enough to set a standard and say you can do this. He became the best government teacher in that particular city.

Mr. Speaker, imagine if that teacher would stop our students and say when it comes to all of the problems that you have with sex today, if you would have abstinence, look at what would happen. One thing that we know is not every child would reach that goal, any more than they would in government or mathematics or English when we set high standards. But we know the ones that reach that goal, here are the things that would not happen to them: That student would not develop a sexually transmitted disease because of their abstinence; that student would not get an unwanted pregnancy because of their abstinence; that student would not keep from developing the career that they had always dreamed of because of that decision regarding abstinence; that student would not keep from going to college because of their decision to have abstinence. It certainly would not cause them to suffer from the guilt of making a bad decision that could negatively impact them for the rest of their lives.

□ 2045

But I would say to our chairman, despite all of your good works and all of the discussions we have heard here tonight and will continue to hear, I do not think we are ever going to reach the goal of having abstinence education in this country until parents really are demanding of us as leaders and educators, when they stand up and say our children deserve to have a program that works, and abstinence works.

I just thank the gentleman for his efforts on this. We will continue to work to make sure that all of our children get an opportunity to hear this standard and can strive to reach it.

Mr. UPTON. Mr. Speaker, I have a question of the gentleman. I know he is a great leader on this when he was in the legislature before he ran for Congress. Have his numbers been like Michigan's and other States across the country? Has the gentleman seen a real decline in pregnancy rates among teen moms?

Mr. FORBES. Ours is still at a point where it is too early probably for us to statistically be able to answer that. We believe that is what the numbers are indicating.

But let me tell you an even more compelling fact: I spend a lot of time going around to schools. I do not think one can just read about what students are thinking in a magazine or in a document or have some lobbyist tell you and that be the fact. I think the way you find out is to go in the schools and talk to the students.

There is not a school in my district that I am not in every year, once a year at least, talking to those students. When you do, and you sit down and you look at them and you talk to them, they are the ones that tell you this program works. They are looking for standards.

They are looking to us. We have been there. They do put more credibility in us sometimes than we give them credit for. When we tell them you can do well in college if you just try, a lot of them do that. When we tell them that abstinence works, it does work and they see the proof in the pudding. But if we tell them nothing, then they have no standards, no goals to reach.

So I suggest it is working not just because of statistics I see on paper, but looking into eyes of students I get to talk to, and they tell me it is working.

Mr. UPTON. I appreciate the gentleman's leadership. In the days past, and, obviously, in the days ahead, we have some big votes next week if we take this welfare reform bill up. This is an important component of that. I am delighted we passed it out of my committee, the Committee on Energy and Commerce, on a strong vote of 35 to 17, and we have to make sure we carry the day when we take this issue to the House floor for debate next week.

Mr. WILSON of South Carolina. Mr. Speaker, Heritage Community Services was formed as a coalition of community-based abstinence educators from across South Carolina with combined experience in the field totaling nearly 75 years. It was awarded a Title V abstinence education grant for implementing a state-wide program in 1998. Schools and communities have responded enthusiastically.

The Heritage programs are community-wide, serving more than 29,000 adolescents. The program's founder and CEO, Mrs. Anne Badgley, has been invited to address a number of Title V training programs across the country, as well as brief Pentagon undersecretaries of defense, the Army and Navy, and has testified before Congress.

GENERAL LEAVE

Mr. UPTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order just given.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE ABCs OF SECURING THE FUTURE OF OUR CHILDREN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Florida (Mr. BOYD) is recognized for 60 minutes as the designee of the minority leader.

Mr. BOYD. Mr. Speaker, I appreciate the opportunity to address the House and Nation tonight for a few minutes. The Blue Dog Coalition is going to use this hour to talk a little bit about ABCs.

Mr. Speaker, some may wonder, well, that is unusual for the Blue Dogs to be talking about the ABCs, but let me tell you a little bit about the Blue Dogs. We are a group of 33 Members of Congress, men and women, from all around the Nation that spends a great deal of our focus and efforts and time and resources here in Congress asking the Congress to act responsibly in its fiscal and budgeting matters.

We believe that this Congress and this Nation in the last year-plus has moved away from fiscal responsibility, and, as a result, we are endangering our children's future. So what we want to do tonight, Mr. Speaker, is talk about the ABCs of securing our children's future.

When Congress considered the budget last year, Mr. Speaker, the Blue Dogs warned about the danger of making long-term commitments for tax cuts or new spending programs based on projected surpluses. In less than a year's time, we have seen a dramatic reversal of the once promising budgetary outlook. We now face projections of deficits and increasing debt for the rest of the decade that go far beyond the temporary impact of the economic downturn or cost of the war on terrorism.

Congress and the President need to sit down, we need to roll up our sleeves, and we need to have an honest and open discussion about what we need to do as a Nation, as a Congress, to put the budget back in order, starting with the ABCs of fiscal discipline.

The Blue Dogs have outlined four solutions to avoid leaving our children and our grandchildren with the consequences of today's irresponsible budgeting decisions. The members of the Blue Dogs who are here tonight to address this House are going to talk about those four solutions. I want to outline them very briefly.

Number one is assuring honesty and accountability. We believe that the Budget Act of 1990, which expires later this year, should be reinstituted by this Congress. Unless we renew our budget discipline, Congress will continue to find ways to break its own rules and pass more legislation that puts more red ink on the national ledger.

The Budget Enforcement Act, of course, has two major provisions. One, it sets in place discretionary spending limits for 5 years; secondly, it extends and expands pay-go rules. The pay-go rule is simply legislation that says that mandatory spending or revenues that increase the deficit must be offset.

Secondly, the "B" of the ABCs is balancing the budget without raiding Social Security. We believe that this Congress should pass a balanced budget amendment to the Constitution which makes it a violation of the Constitution to deficit spend, unless there is an extraordinary vote of the Congress or an extraordinary reason to do so.

Thirdly, we believe that the third point that we would advance is what we call climbing out of the deficit ditch. That is, there should be a plan to restore balance to our Federal books, and that, of course, is going to be an issue that we get to talk about a lot in the near future because of the need to raise the Federal debt ceiling.

Fourthly, the fourth part of our ABCs is Defending Our Children From Paying Our Bills Act. This would require a supermajority to borrow money by the U.S. Congress. Many in this Chamber have, over the years, proposed that we would require a three-fifths vote to consider legislation that would raise taxes or some other sort of supermajority. Many of the Members of Congress support this notion, and we think that there ought to be also legislation which would require a three-fifths vote to borrow money.

I would like at this time to call on Members of the Blue Dogs, Mr. Speaker, that are in the Chamber. I would like to yield first to the gentleman from Illinois (Mr. PHELPS).

Mr. PHELPS. Mr. Speaker, I want to thank my friend and colleague, the gentleman from Florida (Mr. BOYD) for yielding. Let me first express my sincere appreciation for his leadership. He has been a consistent Member of Congress, not only of our Blue Dog Coalition, that has been steady at the helm in trying to bring attention to a problem with deficit spending and the need for balancing the budget and staying within our means. I appreciate coming on after his leadership being here before I entered Congress and helping us steer this direction. So I thank all my fellow Blue Dogs for giving me the opportunity to speak about a very important issue.

This is not our first and only time of trying to make this issue more paramount and put emphasis on what really needs to be done as we get through this session in terms of the money that is available and what we have hanging over our heads as debt in this country and the priority of our spending needs and how we should look at balancing the budget.

So tonight I just want to focus my time on discussing the Blue Dog plan for putting the budget back in order, starting with fiscal discipline. The Blue Dogs have consistently focused on fiscal discipline, having advocated honesty and responsibility in the budgeting process.

When Congress considered the budget last year, the Blue Dogs warned then about the danger of making long-term commitments for tax cuts or new spending programs based on projected surpluses. The projected surpluses were based on the very best of the situation that we were realizing through the high peaks of the economy in the last several years. That is not good, sound fiscal policy, to base anything on the very best. I believe we should look at the more reasonable moderate projections.

We did not. So, in less than a year's time, we have seen a dramatic reversal of the once promising budgetary outlook. We now face projections of deficits and increasing debt for the rest of the decade that go far beyond the temporary impact of the economic downturn or cost of the war on terrorism.

Congress and the President need to sit down, roll up our sleeves and have an honest discussion about what we need to put the budget back in order, starting with the ABCs of the fiscal situation we bring to your attention tonight.

The Blue Dogs have outlined four solutions, as the gentleman from Florida (Mr. BOYD) opened up our session tonight to say, to avoid leaving our children and our grandchildren with the consequences of today's irresponsible budgeting solutions.

The reason we keep drilling that point home about our children and our grandchildren is because we try to focus on what all of us hold sacred and dear, and that very much is an emotional tie back home to the real world. Sometimes the disconnect out here makes I think a lot of times people feel like we are not real people with real families, with real needs, and that we are somehow someone different.

We are just like any of you out there, and that is why we are trying to say we should treat this budget, which you have sent us here to lead the country with, as we would treat our own, that affects our own household, our children and our grandchildren.

So, we have outlined four solutions to avoid this particular problem. We want to assure honesty and accountability, and budget enforcement. Unless we renew our budget discipline, Congress will continue to find ways to break its own rules and pass more legislation that puts still more red ink on the national ledger. Enforceable budget restraints will shine a light on deceptive practices and construct a fiscal guardrail, keeping our spending within the Nation's fiscal means.

We are a unique body here. We can break the rules. We do, too often. And, guess what? We do not get caught at it often enough. That is what is happening here right now as this session unfolds. We are not dealing with the real numbers. The American people are not being told the true story, and yet they are being led to believe we can do all the good things that we asked and requested and promised we would do in our campaigns to get here to do what once we get here? To continue the deception? Or to lay it out in real terms, as we should, in honest measures. So budget enforcement is a real item.

☐ 2100

Balancing the budget without raiding Social Security. There is not one politician, not one campaigner, who said anything about getting into the Social Security trust funds or the surpluses. In fact, we said we have them locked away, right? Well, someone found the key. And when we open that door, there is an IOU there adding on to the other IOUs that we put on the American people for the past several decades. So this is adding on to the deficit that we already have in the Social Security and Medicare trust funds.

So we want to balance the budget without raiding Social Security. Well, how do we do that? Well, we need a constitutional amendment. We must vote on a balanced budget amendment to the Constitution that requires the President to submit, and Congress to enact, a budget that is in balance without using the Social Security surplus. Now, that takes courageous leaders. Every one of us claimed that we would be and that we were in order to be elected. Now we are here. Let us produce it. Let us not lend rhetoric; let us prove that we are those leaders that can make the tough decisions.

The amendment, to my way of thinking, could be waived in times of war or disaster, military conflict, or other threats to our national security. That does not mean that the present war on terrorism that we are in dictates the need for us to get into the Social Security and Medicare trust funds; it does not. Without the tax cuts that were imposed and the surpluses that were eroded and squandered because of that and other reasons, because of things that we did not look at last year or anticipate or ignored, whichever word we want to use to serve our purposes better, that is why we are where we are now. But we are talking about a military conflict or national security being compromised that is beyond our control, not because of what we added to the mistakes to get us to where we are now.

So I believe that a constitutional amendment is very much needed, and I am prepared to support it.

This would also include excluding the Social Security trust funds. Balancing the budget is meaningless if we borrow from our children and our grandchildren, as we said, to do it. This bill improves on other balanced budget amendments by excluding the Social Security trust funds from receipts. It is more of a crutch to lean on if we still depend on the Social Security trust funds to say we are going to have a constitutional amendment, not to get into the Social Security trust funds. So excluding those trust funds from the receipts would, I think, serve the purpose to keep us fiscally restrained and on the right path.

It also provides that when the trust funds begin to run a deficit, then Social Security would be placed back on budget, requiring that the government account for deficits elsewhere in the budget. See, that is what we do not embrace too often. We divert the attention away from those other things that sort of creep up in the budget, but we do not want seemingly the American people to discover what those are, so we divert it to the other priorities and things that we know that are popular. At least some want to do that.

Climbing out of the deficit ditch. Debt limit with a plan. Now, I have heard people on this floor of the opposite party say, show us your plan. Well, the plans that we have had cannot even get out of the Committee on Rules for a debate on the floor or to be voted on. Do we know why? Because they are afraid it would pass. It makes too much sense. It would put too much marginal people running in an election year on a compromising path. That is too uncomfortable. Let us deal with that later. That is the common cry we hear. Later, later, and the next thing we know, we are in our grandchildren's generation.

Blue Dogs believe that Congress has a responsibility to cover obligations through the end of the fiscal year, September 30, 2002, but that raising the debt limit by $750 billion as requested by the President is risky business, folks. First, the President and Congress must create a plan to put our fiscal house back in order, just as a family facing financial problems must work with a bank to establish a financial plan in order to get approval to refinance their debt, all their debts. That is all we are asking. It makes sense.

Defending our children from paying our bills. A supermajority, a three-fifths vote, would be required to borrow money. That is what I feel would be one of the four points of our plan that should be followed. All too often, we as Congress people and the President have been unwilling to make the tough choices to balance our priorities and have chosen to leave future generations, as I said and emphasized, to pay the bill for policies which benefit the current generation by increasing the borrowing. Making it harder for Congress to borrow money, just as we should make it harder to increase taxes, by requiring a supermajority, will protect the rights of future generations who are not represented in our political system, but will bear the burden of our decisions today.

Finally, just let me leave my colleagues with a personal situation. Being from Illinois, having served 14 years in the Illinois House, I have a little bit of knowledge of what goes on there with the budgetary policies in Illinois. Illinois, like probably all of the State legislatures across our land, shared the same maybe artificial enthusiasm, maybe overexaggerated the good times of our economic peaks as we have had in the last few years and said everything is hunky-dory, no problems. What that meant is, Members, bring your projects, bring everything to the forefront here and smooth sailing, because we are rolling high.

Well, in Illinois, just as here in Congress, a year ago, or even before that, Illinois was in good shape, fiscally in good shape. But because of misguided management from the top in Illinois, and too many that took advantage of an artificial, overpromoted situation, guess what now? We have prisons in my district, and we have unemployment rates exceeding 12 to 15 percent down State, southern-most Illinois. We are good neighbors in saying, we will take in the prisons in our communities where other parts of the State said, no, we do not want those kind of jobs here in our community. But we were hurting enough with the coal mine shutting down and a lot of other depressed, deprived situations in our economy, we said, we will be a good neighbor.

So I have one of every kind of penal institution the State has to offer in my district, even in my old State district, and we are proud to promote those economic jobs, economic builders. But now, now the Governor of Illinois and leaders of the State are saying, we have to close some of these prisons because we are broke. Somebody was asleep at the switch, and our own comptroller of the State over a year ago said, you better have a rainy-day fund, just like you do in your household when that roof might leak. Instead of just continuing to mop it up and treating the effect; you have to get the source of the problem where the hole in the roof is. That is what we have ignored in Illinois, even though there are a lot of good leaders who sounded the alarm, both in the legislature and constitutional officers, but not enough of the authority at the top.

So now we even have threatened Medicaid patients that will not get their due service, many that are the most vulnerable of our society, senior citizens. This is terrible. It could have been avoided. That is why we are stressing this four-point plan. Let us do what is responsible. Let us get to the source; and the source is recognizing that there should be honesty in budgeting, recognizing the true source of funds that we have that the Congressional Budget Office is reporting, instead of turning our heads the other way, hoping that the economy is going to get better and maybe make us right at some point down the road. That may be too late. Let us embrace what reality obviously is serving us now.

Mr. BOYD. Mr. Speaker, I want to thank the gentleman from Illinois. It is obvious to me, as he described his experience in the State legislature, that his State, like mine, is prohibited from borrowing money and must balance its budget. I believe that is the way that the Federal Government should do; and certainly one of the shortcomings in the way our Constitution is drafted is that we are allowed to borrow money in ordinary circumstances and, actually, we did run deficits from the late 1960s until about the year 2000, primarily in peace times. So we had a wonderful opportunity here in the 1990s, or here in the year 2000, 2001, now that we have worked so hard to get back into balance to do some really good things and pay down the Federal debt. We seem to have passed, or missed, that opportunity.

Mr. Speaker, I yield now to the gentleman from Utah (Mr. MATHESON), a member of our Blue Dog team who is actually a rising star in this Congress, I believe; and he is an excellent blue puppy.

Mr. MATHESON. Mr. Speaker, I thank the gentleman for his leadership. As one of the cochairs of the Blue Dog group, I just appreciate all he does. I am real proud to be a part of the Blue Dog Coalition, a group of 33 fiscally-conservative Democrats who like to talk about being fiscally responsible. We have been coming out here many times, Tuesday night. Every week we have been coming out here for the last few weeks, and we have been talking about issues of fiscal responsibility; and in particular, we have focused on what we see as a growing concern about increasing the debt that we incur in this country

Now, we have just been talking about this four-point plan; and I want to talk about one of those points, which is the notion that we need to climb out of this deficit ditch that we have gotten ourselves into in this country.

The Secretary of the Treasury has come to Congress three different times now and said, we are really up against our debt limit; we need Congress to raise our debt limit, and we need Congress to raise it by $750 billion. Now, that is a lot of money. We talk about numbers and throw out figures in Congress a lot, but $750 billion is a lot of money. What is unfortunate is that that request comes in with no plan, no suggestion of how we are going to get out of this pattern of deficit spending. I just do not think it is appropriate, and the Blue Dogs do not think it is appropriate for us to just give a blank check to both Congress and the administration to run up another three-quarters of a trillion dollars in debt.

We have been talking about this issue for the last few weeks. Some people say, why do you keep talking about it? Because this issue has not gone away and, no matter what we do in the short term, this issue is still not going away. It is not going to go away until we figure out a way to behave in a responsible way.

What the Blue Dogs are suggesting is this, for the short term. We recognize that this country faces some short-term deficit pressures. We understand we have a war on terrorism and homeland security concerns that are taking more resources than we thought would be needed when we passed a budget a year ago. We recognize the economy is in a recession. We do not want to force the government to have to take extraordinary actions because it is bumping up against the debt limit. So as a short-term proposal, our suggestion is that we do increase the debt limit by $150 billion, not $750 billion, but by $150 billion, which is still a lot of money; but that is the circumstance we are in right now. We think that will take us through the obligations of our current fiscal year, September 30 of this year.

Now, as part of this plan, what we are suggesting is that we offer this increase in the debt limit of $150 billion, but that it comes with a couple of other provisions. First is that we are going to prohibit any increase in debt limit beyond September 30 without a defined plan to balance the budget. It requires the President to submit to Congress, and for us to enact, a plan to balance the budget without using the Social Security surplus.

Now, we do not have to pass exactly what the President submits; but he has to submit something, and we have to pass something that is going to show that we get our budget in balance by the year 2007. So we are not talking about something radical that has to be done instantaneously as of October 1 of this year; we are allowing some time to get on the path to a balanced budget. But we are not going to offer too much time, because if we do not show some discipline around here, we are just going to keep running up more debt.

We also in this legislation, in offering to raise the debt limit by $150 billion, we require that the President conduct an annual threat vulnerability assessment, so that we can develop a coherent homeland security strategy. How life has changed since September 11. These were not issues that we were facing as a country, and these are critical issues; and Blue Dogs support the efforts of this country to address terrorist threats and provide homeland security.

□ 2115

We are adamant that it is important. We support those efforts, and it is going to take resources to conduct those efforts. We understand that.

But we need to address that new challenge in a rational way, and that means it is important that we have a defined homeland security strategy so that we as Congress can behave responsibly and fund in an appropriate way what it is going to take to provide reasonable homeland defense.

I think that this is a reasonable proposal. I think the Blue Dogs as a group feel real strongly about doing this. We may not be right on everything. We are open to suggestion. I call on other Members of Congress from both sides of the aisle, please discuss this plan we are promoting tonight. We are very open to suggestion. That is one of the hallmarks of the Blue Dogs is that we are happy to talk with anybody and put the numbers out on the table and have a frank discussion. It is too important for this country not to do this.

So we are going to keep coming back here and we are going to keep talking about this issue until Congress behaves in a responsible way. We are not going to just go off and agree to raise the debt limit by $750 billion with no plan, no sense of how we are going to get out of this, and dump it on the next generation. That is just not what we should be doing here. Our constituents did not elect us to avoid the tough decisions; they elected us to take on the tough issues. That is what the Blue Dogs are trying to do tonight. We are trying to start this dialogue with this four-point plan.

I encourage all of our colleagues to take a look at it, and let us let the dialogue begin.

Mr. BOYD. Mr. Speaker, I want to thank the gentleman from Utah. He makes a good point. I think any prudent family or business or local government in Utah or in Florida that suddenly found themselves in a situation where their spending obligations were greater than the revenue they were taking in would sit down with their family or business partners and maybe their banker and develop a plan in a hurry to figure out how to get out of that situation, to get back into black and out of red ink.

So I want to commend the gentleman from Utah for his very thoughtful presentation and his involvement in this process of helping us develop this four-point plan.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I want to thank the gentleman from Florida for yielding to me and for his outstanding leadership, not only for the Blue Dog Coalition, but for this Congress and what I think are the next generations.

Mr. Speaker, this is not rocket science. Anybody that can add and subtract can figure this out. We know what we need to do. A year ago at this time, the Blue Dog Coalition met with the director of the Office of Management and Budget, Mr. Daniels. He made a presentation to us at that time.

He said this, and I will never forget it. He said, our greatest fear is that we are going to have so much money we are going to pay off all of the debt, and no one will have a safe place to invest their money because there will not be a U.S. Treasury bond.

When we hear that said now, it seems absolutely and utterly ridiculous. To the Blue Dogs at that time, it seemed a bit risky and foolish to even think that way, but the fact is, we have squandered the surplus. We have squandered a great opportunity in this country. One thing that we know we must get under control is the spending. We know that we cannot continue to borrow and spend and pass the debt on to our children and grandchildren.

The Blue Dogs have a four-point plan. We have worked diligently to come up with an honest assessment and an honest plan for what we need to do in this country to protect our children and grandchildren.

We come to this floor almost on a weekly basis, and have a great debate about protecting the unborn. I personally believe that we should, and I always vote to protect the unborn. And yet, we will come here and vote for a policy that will allow us to pass massive debt on to the unborn. We vote for a policy that allows our fighting men and women to go overseas and serve this country with great distinction, and then we ask them, now, after the war is over, after their fighting is done, come back to this country and go to work, because we borrowed the money from them to pay for it.

That is not right. It is immoral for us to continue to do that. Our plan would provide for the Budget Enforcement Act of 1990 to be enhanced and reauthorized. It would provide that if we are going to spend additional money or we are going to reduce the amount of money coming in to the government, that we would reduce spending in a way to go along with that so we maintain a balanced budget.

We provide a constitutional amendment that would allow this country to have a balanced budget without using the Social Security trust fund money to do it. It is not a balanced budget if we have to borrow the money from the Social Security trust fund to pay the bills. It is not a balanced budget if we just imagine that it is going to be balanced some day, like we have done in the past year. We cannot continue to do that.

The Social Security taxes that are paid in by the senior citizens, that have been paid in by the senior citizens, and that are paid in today by the working men and women of this country are supposed to be used and set aside in a trust fund to pay the Social Security benefits when those people come of age.

But right now, it amounts to only another income tax that is paid by the working men and women of this country, because we are spending every dime of it. We are not making any provisions to preserve the trust fund. We are not making any provisions to see that these obligations that we have when these people come of age to draw that money, that they are going to be able to receive it. It is irresponsible, and we should not continue to let this happen.

It is amazing to me that we can have a budget this year that does not provide for medicine for our senior citizens in this country. We are going to spend money on a lot of things in this budget. We are going to appropriate money for a lot of things. Some of them are absolutely critical, but very few are more important than the good health of our senior citizens.

It is amazing to me that we should allow one more year to pass in this Congress and not have a prescription drug benefit for our seniors because we have squandered the opportunity. The Blue Dogs have a plan to get out of the deficit ditch. We have a plan to prevent our children from having to pay the debts that we run up.

I think it is time for the Congress and the administration to sit down, be honest, look at the real numbers, look at what we know we have to do, and not continue to pass the burden on to our children and grandchildren.

One of the things I am proudest of in the time that I have served and represented the First Congressional District in the United States Congress is being a member of the Blue Dog Coalition. I think it is one of the most honest, determined groups that exist in this Congress. I think that their integrity is held together because they believe this is the right thing to do.

I want to say once again how proud I am of their plan, and that I think that the Congress should take a serious look at this plan and pass these bills that we are proposing, and do something real for the future of our children.

Mr. BOYD. Mr. Speaker, I want to thank the gentleman from Arkansas for his leadership. He has been a leader, especially on the health care issues, as a member of the Blue Dogs, and has worked diligently on the Patients' Bill of Rights, a prescription drug plan, and others, in addition to the fiscal and budget issues. So I thank the gentleman from Arkansas (Mr. BERRY) for being here tonight.

Next, Mr. Speaker, I yield to the gentleman from Arkansas (Mr. ROSS), his delegation mate, the blue puppy.

Mr. ROSS. Mr. Speaker, I thank my good friend, the gentleman from Florida, for yielding to me, one of the cochairs of the Democratic Blue Dog Coalition.

We have heard a lot of talk tonight about the Democratic Blue Dog Coalition. We are a group of 33 fiscally conservative Democrats that believe we ought to get our government, its budget, and our debt under control.

We are a group that is sick and tired of all the partisan bickering that goes on at our Nation's Capitol. It should not be about what makes the Democrats look good or bad or the Republicans look good or bad; it ought to be about doing right by the people who sent us to the Nation's Capitol to be their voice in government.

About this time last year, there was a lot of debate going on in this very Chamber about a surplus, a surplus that was projected to exceed $5 trillion over the next 10 years. Back last year when we stood here on the floor of the United States House of Representatives and talked about this projected $5 trillion surplus, the Blue Dogs tried to bring some fiscal responsibility to this Chamber and to the floor of the United States House of Representatives.

As that debate was going on, I voted against the Democratic budget last year. I voted against the Republican budget. I am trying to be bipartisan here. The Blue Dogs developed their own budget, and back in the days when we thought we had a surplus, when we were told that we had a surplus of $5 trillion over the next 10 years, here is what the Blue Dogs had to say about it 1 year ago.

We said that we ought to take that surplus and take 50 percent of it and pay down our Nation's debt, that we should take 25 percent of it and provide a tax cut for working families and those who need it the most, and take the remaining 25 percent and do things like truly modernize Medicare to include medicine for our seniors, strengthen our national defense, something we were talking about way before September 11 ever happened.

Of course, the Blue Dog budget failed. It did not pass. We passed a budget, or this Chamber passed a budget, without my vote, and now we have another budget before us this year which I voted against, a budget where in less than a year we went from talking about a $5 trillion surplus over the next 10 years to a budget for fiscal year 2003 that some say will cause us to deficit spend $80 billion, on the conservative side, and some say we will deficit spend to the tune of $120 billion.

Throughout the debate last year, we were told we had a surplus but it will not materialize. Rather, for the first time since 1997, this year's budget, fiscal year 2003, will put us back in the days of deficit spending for the first time since 1997. But when they were talking about that supposed surplus last year, we did not hear a lot of talk about the debt, a 5.9 trillion national debt.

Some people think we spend too much money in this country on food stamps. That is a couple of billion dollars a month. Some people in this country think we spend too much on foreign aid. That is $1 billion a month.

Mr. Speaker, we spend $1 billion every single day in America simply paying interest, not principal but interest, on the national debt. How much is $1 billion? I put that number in my calculator and I get that little "e" at the end.

What does it mean to us in our every-day lives? I will tell the Members what it means. One billion dollars can build 200 brand new elementary schools every single day in America. The $1 billion we are paying every day in interest on the national debt can complete important infrastructure projects.

In my congressional district, in the southern half of Arkansas, I have three interstates pending right now. There is Interstate 49. Give me a day and a half of the interest that we are now paying on the national debt and I can complete Interstate 49. Give me about a week of it and I can complete Interstate 69. Give me a few hours of it and I can complete Interstate 530. These are projects that are vital to provide economic opportunities for people from all walks of life.

□ 2130

That is what this debt means to us in our every-day lives, and the drain it is having on being able to do things like truly modernize Medicare to include medicine for our seniors. Medicare is the only health insurance plan I know of that does not include medicine, yet it is the plan that nearly every single senior citizen relies on day in and day out to stay healthy and to get well.

My grandparents left this country just a little bit better off than they found it for my parents. And my parents have left this country just a little bit better off than they found it for my generation. But I wonder, is this Congress, is this Government, is our generation going to leave this country just a little bit better off than we found it for the next generation, our children and our grandchildren?

Social Security is another issue that involves the debt. We have borrowed, our Government has borrowed $1 trillion from the Social Security trust fund with no provision on how it ever gets paid back. When you and I go to the bank to borrow money for a car or a home, what do the bankers ask you? They want to know how are you going to pay that money back. How much can you pay a month? How many years will you take to pay it back? And yet our Government has raided Social Security trust funds to the tune of over $1 trillion with no provision on how that gets paid back. And guess what? If we figure out how it does get paid back, Social Security as we know it today is still broke in 2041.

So our response to all this is simple. On Thursday, April 25, the Democratic Blue Dog coalition, 33 fiscally conservative Democrats, outlined four principles to prevent our children and grandchildren from being stuck with the burdens that our country is accumulating today because of our generation's budget decisions. We call these four principals the ABCs of fiscal discipline. A, assure honesty and accountability; B, balancing the budget without raiding Social Security; C, climbing out of the deficit ditch; and D, defending children from paying our bills.

The ABCs of fiscal discipline say we need enforceable budget constraints that will expose deceptive budget practices and provide our guardrail to keep our spending within the government's means. It says we need a balanced budget amendment to the Constitution that requires us to balance that budget every single year, an amendment that could only be waived in extraordinary times such as a war or military conflict, and that takes Social Security completely off the table. It will stop the politicians in Washington from raiding the Social Security and Medicare trust fund.

I served for 10 years in the Arkansas State Senate. Our Constitution required us to have a balanced budget, and for my 10 years there I took my experience as a small business owner to our State capital, and for 10 years I helped balance that State budget. If we can do it at the State level, if we can do it at the small town family pharmacy that my wife and I own in Prescott, Arkansas, then, yes, the United States government can do it as well.

It says that if we have to raise the limits on our national debt that we do so with a plan that will put our fiscal house back in order, just like a family facing financial hardships works to get approval to refinance their debts. And, finally, it says that Congress must have a super majority, a three-fifths majority vote to approve additional government borrowing.

We believe following the ABCs of fiscal discipline is the right thing to do for this Congress, for our Nation, and for the future of our children and grandchildren.

Mr. BOYD. Mr. Speaker, I want to thank the gentleman from Arkansas (Mr. ROSS) for his thoughtful remarks. He has, I think, outlined it very well.

I, too, as I said earlier, come from a State legislature in which it was against the rules of Constitution to spend money you did not have, that is, to borrow money. And it meant, Mr. Speaker, that we had to make some tough decisions at times. We had to go in and redo budgets at times. We had to go back and cut education and cut Medicaid, but at least we were not mortgaging the future of our children, and then we had to come back and figure out how we pay for those particular programs.

Mr. Speaker, it is just not right for us to, as American citizens today, to demand that we have these programs that are very costly and not be willing to step forward and pay for those and say to our children and grandchildren, we are going to have this program today for us, but we want you to pay the bill later down the road.

Now I think our business community is beginning to take a good, long, hard look also at what this extended deficit spending that we are looking at over the next decade is going to mean. Obviously, we know that we came through the decade of the 1970s and the 1980s with some huge deficits over the years. And who can ever forget in the 1970s where we had interest rates that went into the high teens and in some cases the low 20 percent interest rate? It made it very difficult. I was in business then, and I remember how difficult it was to continue to run my small business as I was leveraged pretty heavily. And so you had to take 20 cents out of the first dollar that you made and pay on the interest on your debt. I said that the business community is beginning to take a look at it.

I want to, Mr. Speaker, read from today's Wall Street Journal on the front page and the article is entitled "U.S. Debt Is Set to Rise Not Fall for Second Quarter." It is a very short article. I want to read it. It says the Treasury Department said it expected to borrow a net $1 billion during the April-to-June quarter. That is three months. The Treasury Department said it expected to borrow $1 billion, not repay a net $89 billion as it said it would do earlier this year in January.

So in January the Treasury Department was predicting that it would repay $89 billion of the Federal debt that we owed as a Government, but today they are saying no, we are not going to repay $89 billion. We will not repay anything. We will have to borrow an additional $1 billion during that quarter period.

The announcement, the department's first official acknowledgment of its dismal tax collections during the important April filing season, increases the likelihood that the Federal budget will linger in deficit for longer than the two years cited in congressional estimates. The government's troubled finances could even damp prospects for recovery by flooding debt markets and driving up interest rates.

I am sure that does concern the business community. "It is really a remarkably negative commentary on the government's financial fortunes," said John Youngdahl, an economist for Goldman Sachs. At a time when the economy might be picking up momentum, increasing private sector borrowing, the government's increased demand for debt runs the risk of creating more friction and consequently spurring somewhat higher rates than otherwise would be the case, Mr. YOUNGdahl said. That is one thing to be concerned about.

I think it is something that we are all concerned about, not only the business community. But what you have is for the home owner who has got a home mortgage, if he has got a $100,000 mortgage on his home and his interest rate goes up 200 points, that is $2,000 a year. Car loans, business loans, personal loans, I think this thing could be very, very serious, and we only hope that it will turn around quickly.

We know how to turn it around. We have got to plan and we are willing and ready to sit down with the administration leaders, the leaders of President Bush's administration and the leader of the Congress, lay out a plan, get us back into balance. It can be done. We did it in 1997 and certainly we can do it again.

Mr. Speaker, I want to thank the gentleman from Arkansas (Mr. ROSS) and the others who came to speak here tonight.

WATER SHORTAGE IN COLORADO

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. McINNIS) is recognized for 60 minutes.

Mr. McINNIS. Mr. Speaker, this evening I want to talk about a number of different subjects, but primarily the subject is going to center around natural resources and water, especially water as it pertains to the West.

As many of you know, my district is the third Congressional district in the State of Colorado. The State of Colorado is the highest place, when you take the average elevation, it is the highest place on the North American continent. And as a result of that elevation and the mountainous terrain and the arid region that Colorado is kind of the apex of, there are a lot of different issues that deal with the West that you do not find in the East.

But before I do this, I want to talk a little about this weekend. I read tonight, maybe you will read it here in the next couple of days in the paper, but I read where a celebrity here in the United States, a celebrity who has been the beneficiary of the great things that this country offers, a celebrity who, to the best of my knowledge, has never had to pick up a weapon to defend their country, a celebrity who has made the comments that are about to be established from his yacht, his 130-foot or 150-foot yacht.

And as I understand these comments, and, again, this is being credited to him or it is in this interview, as I understand these comments from this celebrity, this celebrity is criticizing the Fox News station for being too patriotic, for being too patriotic. This celebrity has come out and said that the station had too much red, white and blue on their station, on their news network at September 11.

Can you envision that? Did you ever think that anyone in this country, that our forefathers would ever think that a celebrity who is the beneficiary of all the fruits that this country has provided to him, would have the audacity to say that our country is too patriotic?

I want to compare these short-sighted remarks, those selfish remarks, to what I experienced this weekend out in Colorado, and all of you have, I am sure, experienced the same things when you get out with the people that you represent.

I was in Pueblo, Colorado. I started out the day by going to a group of a number of probably about 200 young people, I would guess anywhere from 13 years old to 19 years old. These kids, they were trying to tell them to stay off of drugs. It was amazing. Drugs, alcohol, and drive with your seatbelts on. It was a great assembly that was put together. But I was surprised and, frankly, I was very encouraged and felt very positive by talking to these kids, how many of these young people wanted as a career to go in and serve our country in the military, how strongly these kids felt about the United States of America. And from this assembly I went on to a couple of town meetings.

Do you think in any of these town meetings I heard from constituents any indication at all that we should be less patriotic or our news networks are too patriotic? In fact, what you generally hear is just the opposite. How come they never tell the side of the greatest country in the history of the world? How come they always make us look like the bad guys? That is the kind of things you might hear.

Then that afternoon I have to go and I listen and I have an opportunity to participate in awarding the Korean medal for a former veteran. This veteran had received five bronze stars and this veteran had his entire family, 70, maybe 80 people at their function where we have presented the medal. And I tell you something, you talk about pride in this country and you talk about feeling good about the future of this country, the gentleman to whom I presented the medal served in the Korean War. He was in his 70s, maybe in his early 80s, so he had three generations, he had great-grandchildren there. And the red, white and blue around that yard, I wish I could have grabbed that celebrity and brought him to this yard, back yard in Pueblo, Colorado, and shown him what people in America feel about patriotism.

The United States of America has nothing to apologize about. What this celebrity ought to be doing is talking about what America has done for the rest of the world. There is no country in the history of the world, no country in the history of the world that has given away more in charity to the rest of the world, that has educated more people for the world, that offers better health care than anywhere else in the world, that has provided more tractors and more agricultural resources so that people can grow food and be more efficient on the growth of food than any other country in the world. There is no other country in the world that has offered more freedoms than the United States of America. None, zero, zip. No other country in the history of the world that has offered the freedoms that the United States of America has.

□ 2145

There is no other country in the history of the world that has stood up and put its young men and women, paying the ultimate sacrifice, at risk in other continents, to save those continents as we did in World War I, as we did in World War II, as we did to try in an attempt, a failed attempt, an attempt to stop communism from moving on to Vietnam, as we did in other places, as we are doing today.

The United States of America is a great country. It is a strong country; but it is a strong country that demands upon every generation, including our generation, and probably especially on those of us who were elected to serve the people, to represent the people, to pass on to the next generation that sense of patriotism, that sense of obligation, to make sure that the greatness of this country continues to the generation that follows them, that responsibility to be good Americans, to care about your family, to care about the defense of your country.

Bill Bennett wrote a book and says why do we fight. My colleagues will want to read that book. In fact, I think if I knew this celebrity would get the book I would buy a copy and send it to him. I was a little saddened by one of the people in our country, one of the people, this celebrity, the fruits he enjoys today would have been available to him probably anywhere else in the world, but in the country which gave it to him, he decides that maybe one of the news networks is too patriotic. Very short-sighted comment and a comment that I hope that individual at some point, at least in his own mind, retracts and begins to appreciate the sacrifice that a lot of people, generation after generation after generation in this country's history, the sacrifice that they have given so that people like him and other Americans can enjoy the fruits of our country.

What is most exciting to me is all of the things that go right. My colleagues do not hear some of these celebrities talking about what is going right in this country. It seems to many a lot of time what comes out of Hollywood is criticism of the President. We hear the movie actors that say, well, we are going to leave the country if George W. Bush becomes our President, and by the way, none of them did leave the country. They changed their mind because they realized what they had here, and some of these people ought to take a little time and talk about what is going right in our country.

When we look at what is going right as compared to what is going wrong, there is so much more that is right than wrong. Look at the young people and juniors and seniors and applicants to our academies, our military academies. These are some of the most qualified young people in the history of this country. Their capabilities, the tools that they have to learn, their focus is immense and I think is much greater than the previous generations.

What we read in the media is they focus on the drug problems of this generation. They focus on the sex problems of this young generation; but what is beginning to happen, that young generation is showing that they do have the capabilities to carry on the responsibilities, to continue to make this country great. We are beginning to see a movement toward family. We are beginning to see more religious involvement with these young people. We are beginning to see absolutely much, much more learning in their preschool years as they come up.

So there are a lot of things that are going right, and that is what made me feel good about the weekend. I spent the weekend seeing things that were going right, only to read this quote or these quotes that have been attributed to this celebrity, and I think that my colleagues may have seen it in today's papers or certainly will be in tomorrow's papers about what this person has said. I hope any of my colleagues that have admired this person somewhat discount that admiration when they take a look at the comments that this particular person made.

That is enough for that. Let me move on to the subject that I really want to talk about this evening and that is water. As I mentioned earlier at the opening of my remarks, the western United States geographically, obviously, is different than the eastern half of the United States. There are a lot of things that differentiate the West from the East, and one of them is water.

I want to show my colleagues a map. This map here will depict a number of things which we will go over here in just a minute. Let me tell my colleagues about the first thing the map is going to depict. That is the ownership of public lands versus public lands in the East. Remember that upon settlement of the United States, the population, when our country just got started, as we all know, the population was along the east coast and that as our country began to grow, in order to get people out into the land, we had to give them some kind of incentive.

Back in those days, one could not just get a deed that says you own the land. They actually needed to possess the land; and as I said before, that is where the saying that possession is nine-tenths of the law comes from. So for our country to grow, we needed one incentive to get people to move off the comfort of the east coast into the new land that this country wanted to expand into, and we wanted to get possession of that property so that another country could not come and take that land from us so we could protect the land.

In order to do that, the government made a very conscious decision, and that is, to give land away through what is called land grants. They had first made land grants actually in an attempt to bribe British soldiers to defect from the British troops to help us in the Revolutionary War, saying to these soldiers we are starting a new country and if you come with us we will give you land in our new country. That is how the Homestead Act in this country, actually what we would call the land grants, first came from.

This worked pretty effectively. What they would do is they would send families west. They would give them, say, 160 acres; and 160 acres in most of the eastern United States was enough acreage for a family to survive upon, and let me point out here. My colleagues will note that on this map, most of the map east of, say, Denver, Colorado, here in this point, we come right down here, most of the white part of this map is land that is privately owned. That is because in almost all of these locations here where the white is and almost all of those locations, one can support a family off 160 acres. The land is very fertile.

In fact, to give my colleagues an idea of the water, and we will go over this point again, but 73 percent of the water precipitation, surface water, stream water in this country is in this part of the country. So this is a very, very, very fertile land. Once we get west of Denver, Colorado, into this land with all the color that is where we get into the public lands, and that land is very, very dry, very arid, very dependent upon dams.

What happened is the settlers began to come west. This idea of putting people out on the land was working pretty effectively, but then all of the sudden when they got to Denver and they hit the Rocky Mountains, word got back to Washington, they are not settling up there. They are going around it. They could not feed a family off 160 acres. They had to go out to the Imperial Valley in California to find that kind of fertile land.

Washington knew that they needed to do something, something to claim that land for the country. What did we do? How do we figure out how to get people to occupy those lands so that the government knows our citizens are on it? So what they decided to do in that mountain country where 160 acres could not support a family is one of the ideas, well, let us go ahead and give them an equivalent amount of land, maybe let us give them like $3,000 acres maybe, that is the equivalent of what needs to match 160 acres in the fertile grounds of eastern Colorado or Nebraska or some of these other States.

At the time, they had given a lot of land to railroads, and they were under a lot of political pressure not to give that land away. So they decided instead, in this west, in this arid part, they would allow the people to go ahead and use it. They would give them incentives to use it, but they would retain the title to the government and keep those as public lands, but they always had the concept that these public lands would envision multiple use, many uses.

When I grew up and we went into a national forest or public lands, there was always a sign that hung there, for example, "Welcome to the White River National Forest, Land of Many Uses."

That is the concept upon which the West was really settled as far as land ownership goes.

The reason I am telling my colleagues this or the reason why we are reviewing the public lands and private lands issue is because it has a lot to do with the water issues that we face out in the West that again differentiates us from the East. Remember my statistics and let me draw on this map for just a moment.

If we drew a line approximately like this, 73 percent, 73 percent of the water, surface water in the country is in this portion of the United States. That is where 73 percent of it is. We have got about 13 percent of the water in the Pacific Northwest. We have got 13 percent of the water there, and then the rest of it, the rest here for that many States, that is 14 percent of the water. Look at those numbers again. Seventy-three percent of the water on this part of the country, 13 percent up here in this section, and 14 percent for all of these States down there.

This is arid country. This is country where out here a lot of times the dispute is in the East on how to get rid of the excess water. Hey, do not drain it on my property. How are we going to drain it? Put it here; put it there. In the West, our primary issues are how do we conserve the water, how do we store the water, how do we use the water. And of course, in the West, as in many lands in the east, agricultural plays a very important part.

Remember when we talked about water, there are a number of different things to keep in mind. First of all, 97 percent of the water in the world, 97 percent of it is salt water, and under today's technology, we really do not have an economical way to convert that to desalinate that water from ocean water to clear drinking water. So right off the bat we are dealing with 3 percent of the world's water. Three percent of the world's water, about 78 percent of that 3 percent, about 78 percent of that 3 percent, is tied up in the polar icecaps. So the actual amount of water that we have to deal with is really very, very small.

In fact, if we wanted to use a percentage number, I will write it on the chart here, but how much of the world's water rivers contains, it looks like this, .001 percent. That is what small amount of water is contained in the rivers in the world, and the rivers are our life blood. In fact, in the Colorado State capital, in their rotunda written on there, they have something to the effect that I think it was Hornsberry that wrote, that says in this land life is written in water, and many people have said water runs almost as thick as blood out there in this dry region.

Let me talk about real quickly how water is used. One of the things that amazed me as I got into water, remember, water is a very boring subject. Most people do not care much about water until they turn on the faucet and there is no water coming out of the faucet and they flush the toilet and no water comes into the bowl or they go out to recreate or fish and the stream's dried up. There are a lot of different uses of water.

I started studying water about 20 years ago; and to this day, to this day, the most amazing thing about water to me is the quantity of water that is necessary to do things in our everyday life, and I am going to go over a few of those things with my colleagues right now.

Take a look. Water usage, here is a fun chart. Direct uses of water daily, this is what the average person uses in a day drinking and cooking, 2 gallons. Flushing the toilet, 5 to 7 gallons per flush, although we have newer toilets, more advanced toilets that can now do it with 3 gallons. Washing machine, 20 gallons per load. Dishwasher, 25 per loads. Just to take a shower, 7 to 9 gallons per minute.

Remember that using water is not like using gasoline. Water is a renewable resource. On gasoline, once it is used, it is gone; but with water they have often said one person's waste is another person's water, and there is a lot to be said there. Water recirculates. It has got an entire lifecyle of its own so that when we use water for these daily needs, it does not mean that we have wasted the water, but we still have to conserve that water. We have got to be careful that we do not go to excess.

Take a look at what it requires to grow food, and I will give some acreage, some interesting statistics on acreage; but if we look over here to my left, look at this. Growing food for a loaf of bread, it takes 150 gallons of water from the time someone starts to prepare the field to grow the wheat, they grow the wheat and the other ingredients to mill the flour and things like that. By the time that loaf of bred is produced, they have used 150 gallons of water. An egg, one egg, not a dozen eggs, one egg, 120 gallons of water.

□ 2200 A

quart of milk, 223 gallons of water. To have one quart of milk. One pound of oranges, 47 gallons. One pound of potatoes, 23 gallons.

On average, and my colleagues probably did not know this, it takes more than 1,000 gallons of water to produce three meals a day for one person. More than 1,000 gallons of water a day to give us three balanced meals per day. Pretty interesting.

What happens to 50 glasses of water? Forty-four glasses are used for agriculture, three glasses are used by industry, two glasses are used by cities, and a half a glass is used in the countryside. So, obviously, of those 50 glasses, if we had 50 glasses of water that represented the usage in our country, 44 of those glasses of water go to agriculture.

Why so much water for agriculture? Again, some pretty interesting statistics. To grow an acre of corn we can expect off that acre that we will have 4,000 gallons of water a day evaporate off that acre. It takes 135,000 gallons to grow one ton of alfalfa. A hundred thirty-five thousand gallons. As I said, it takes 1,400 gallons of water to produce the meal of a quarter pound hamburger, an order of fries, and a soft drink. So if my colleagues go down to the local McDonald's restaurant and buy a hamburger, a soft drink and fries, 1,400 gallons of water were necessary for the complete process to get that food to the table.

Forty-eight thousand gallons are needed to produce the typical American Thanksgiving dinner for eight people. Imagine that. When we go to Thanksgiving dinner, eight people sit down to have dinner, 48,000 gallons of water were utilized to bring all of the tidings of Thanksgiving to that table. It is immense the use of water that we have.

That is why water is such a critical subject for us. It is boring, but if I had my way about it, I would make it a mandatory course in every classroom in every school in America. I would make it required so that all Americans have a better understanding of just how critical that resource is and has become.

It takes 39,000 gallons of water to produce a domestic automobile, 1,800 gallons of water just to produce the cotton in a pair of jeans, and 400 gallons of water just to produce enough cotton for one shirt. So the shirt I am wearing right here, which is 100 percent cotton, took 400 gallons of water to get that shirt to where I can wear it. It is amazing. It is incredible.

What is happening now, this year, of course, is that we have a drought. And as I mentioned earlier, the drought has hit different parts of the country very hard. Here in the east last weekend we had some good rains. I think we got up to 2 inches in this particular area. But in the west we face a drought conditions that, in many cases, we have not seen in 100 years. And the reason we say 100 years is that that is the first time records were kept. So I wanted to visit just a little about what that impact is and why it is so critical for those of us that live in the arid States to store our water, to have that capability.

Remember, in a State like Colorado, and my district is the high mountains of Colorado, in an average year we have all the water we could possibly use for about a 60-to-90-day-period of time. When is that period of time? That period of time, on a typical year, is what is called the spring runoff, when the snow melts off those high peaks and we have that runoff. Sometimes, in fact, it floods, and we have terrible floods. But the dams have helped us control those floods.

When that 60-to-90 day period of time is over, what do we do for water then? Again, the dams come back in. In the west, we need to have those dams because we cannot count on water continuously year-round. Unfortunately, these water resources have not been evenly allocated across this great country of ours, so the dams play more and more of an important role, for not only human consumption, but for electrical generation.

Take a look at this chart. This reflects the primary use of dams. I think this is pretty interesting. The primary purpose or benefit of dams in the United States. And by the way, there is about 70,000 to 80,000 dams in the United States. Now, when we think of dams we think of Hoover Dam, Glen Canyon Dam, or smaller dams, like the Shoshoni Dam in the Glenwood Canyon, or different ones like that. But the first dams, for example, that we know of in the United States were actually the Anasazi Indians down in the southwestern part of Colorado, the Four Corners area. And there is evidence there that when they came and they learned how to dam up the water, because the water was again in such an arid area, it is thought that one of two things drove the Anasazi Indians into extinction, or at least out of that area.

One of them was the lack of water or, two, dealing with the enemy. They had enemies out there, and somehow the enemies were able to get into the cliff dwellings. But we think primarily it was water.

Look at the primary purpose or benefit of U.S. dams. Recreation, 32 percent; irrigation, 10 percent; public water supply, 19 percent; flood control, 14 percent; hydroelectricity, 2 percent; and stock and farm ponds, 17 percent.

Now, you will see some national organizations that oppose dams. They oppose a dam no matter how justified it is. No matter how well planned it is, no matter what kind of protections have been placed for the environment and to the benefit of the environment, no matter what is done, there are large well-financed organizations that oppose dams regardless of the merits. But they do not understand, or maybe they do understand and it is a way of restricting the life-style that we have in the west, but it is so critical to look closely and get an idea of what happens to us out in Colorado, for example, after that 90 days or so when the spring runoff trickles down to small streams and our mighty Colorado is reduced dramatically in size, and what we have to do for water to get through the rest of the year.

And it is not just drinking water. Take a look at now the dependency we have on hydroelectricity. That is the cleanest way to produce power of any power that we know, outside of nuclear. And even cleaner than the nuclear, because with nuclear we still have a waste material, as many of my colleagues know with our debate on Yucca Mountain in Nevada and so on. Water is truly the cleanest way to generate our electricity. The difficulty is we do not have enough rivers or enough dams to produce hydroelectricity in such a way that it could become our primary generation of electricity in this country. But where we can utilize it we should utilize it.

And a natural benefit of a dam, when you back up water, you also provide recreation opportunities. In the western United States, the greatest recreational facility, I think, from a water perspective, is Lake Powell. The Colorado River, which is about 1,500 miles long, has several major dams on it, and one of those lakes that has been backed up as a result of Glen Canyon is Lake Powell. Lake Powell actually has more shoreline than the entire Pacific West Coast. Recreation is critical. For those who talk about family recreation and the importance for us to bring families back together, recreation on a lake like Lake Powell is an important factor out there in the west.

Flood control. We have had some horrendous floods. Again, unfortunately, the laws of nature do not allow the river, like the Colorado, to run at a steady flow 12 months of the year. Sometimes it runs with horrendous bursts. In fact, if any of my colleagues ever have an opportunity and are near Gunnison or Montrose, Colorado, take the time to go see the Black Canyon National Park. It is a beautiful, beautiful national park. And when you get to the visitor's center at the Black Canyon National Park you will see rocks the size of this table over here to my right, the size of this table and probably twice as high. That is a sample of the rocks that are thrown through that river. That is how powerful that river is going through that canyon. That rumbling down of those rocks sounds like a tornado going on down there in the spring runoff.

We have to be able to control floods. And take a look, while on the way to the Black Canyon National Park and, hopefully, you will go through a beautiful town called Grand Junction, Colorado. Grand Junction used to be desert. Desert still remains on the other side of it. But take a look at what irrigation did for that community. Grand junction, Colorado, is probably the clearest example in the country of what happens when you have water and what happens when you do not have water.

The dividing point there is the interstate highway. As you go down the interstate in Grand Junction, when you look to the north, or if you are headed westbound, when you look to the right it is arid desert land. It is beautiful in its own way, but there are no people living out there. There is not much wildlife out there. In fact, there is not much life. There are no trees or plants out there. It is dry dirt. On the left-hand side, which is the south side, left hand as you are going west, the south side is the result of irrigation. There are orchards; wine orchards, apple orchards, and lots of wildlife.

Obviously, that is where the people live. It is because we had the ability to store water and to release that water year-round so that side of the highway can stay green. Year-round, that portion of land can support wildlife, human habitation and, frankly, I think increase and improve the areas of the environment that we think are important, gold medal fishing, for example, and a lot of other things.

Water is such a critical resource for us. Again, I urge my colleagues here in the east, during times when we have decisions to make about the west, please understand we are not trying to make a battle or make a geographical difference with the country. We do want Members to come to the realization, or at least understand that our needs in the west are dramatically different when it comes to some of these natural resources, whether we are talking about private lands or public lands, or whether we are taking about lots of water, like here in the east, where 73 percent of the Nation's surface water exists. Out there, in the center of the west, we have 14 percent.

So when we talk about our water storage facilities, listen to us, support us. There is a move out there to take down Lake Powell. Many of in this room have never been to Lake Powell. If you want to do your family a favor, if you want to have a great trip, one of those kind of vacations that your family will remember for many, many, many years into the future, go to Lake Powell. Take a look at that dam there, how much electricity that generates, and take a look at the flood control. As a Congressman, they will give you a tour. They give general tours, but tell them you really want to know about this project.

I urge my colleagues from the east to take a trip and go out there, and have one of your days set aside simply to learn about the project. So that when the radical fanatics come to these Chambers and try to get you to sign on to a resolution to tear down the dam at Lake Powell, you will have a very clear and immediate understanding of the ramifications that that has to the western half of your country, the kind of ramifications it has not only for hydroelectricity but for flood control, for water storage, for recreation, for farms. Remember that when you hear somebody approach you and say we need to take down dams.

One of my biggest problems with the Clinton administration was the Clinton administration was always trying to show that they were the environmental administration, so they made some pretty brash statements and they made some pretty illogical decisions, like the Grand Escalante Staircase, without any input from State officials; with proclamations that we need to start taking down dams, not building dams. It was almost as if that administration had an anti-human bias built into their policy. Well, fortunately, that has been moderated and a common sense approach will allow people in the east to understand the special circumstances of those of us who live in the west.

Let me mention something else. I want to show the drought conditions that we are currently experiencing. This is a color-coded map. Here are the codes: Abnormal dry, which means just an off year; drought moderate is the light brown; the dark brown is drought severe, and the red is drought extreme.

If you look to the left of the poster, here is the State of Colorado. This actually is the Colorado River right here, going down like this. The Colorado River runs about 1,500 miles. Only a small part of it is in Colorado. The Colorado provides 75 percent of the water that goes into it. Maybe 200 miles of the Colorado River is in Colorado, of the 1,500 miles total. It goes down through Utah, Arizona, and actually ends up in Mexico.

But my point here is to look at the drought conditions that we face. Now, we face some of these similar conditions on the East Coast, but out here in the west, where we start out with very arid conditions, look how much of it is in a moderate drought. All the light brown. But look what is in severe extreme drought. Look how much of that portion down here.

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Look at what this is. This is a tough situation this year. Do you know how we are going to get through it? Do you know how we got through the semi-dryness last year? Because generations before us had the foresight to build major storage projects so when we ran out of water or did not have enough snow in the high peaks, we would have enough water to give us a crutch to get through to the next snow season. That is exactly why we will survive the drought in Colorado, even though it is severe, a drought that we have not seen since 1977 is the last time I recall. It appears that this one is going to be much more severe.

But we will be able to, we will be crippled, but we will be able to get through it because we have water storage. We have the capability to draw down on reservoirs. It is like your bank account. You always want to have a surplus in your bank account so if you have an emergency you can draw down on your savings. That is what these storage projects allow us.

But what has happened in the last few years through a huge public relations effort, they have been very successful in giving a negative connotation to the world dams and water storage projects. We in the West find ourselves constantly trying to explain, look, it is not a nasty word. It is a word that is necessitated by our lifestyles out in the West. It is necessitated by our needs for the environment. It is necessitated for our electricity. It is necessitated for flood control. These water storage projects are very, very important for us.

Now, what else happens when we face drought conditions? Fire. This year looks to be, if the conditions stay the same as they have up through this last week, this year could be the worst fire year since we kept records in this country. I want to say through the hard efforts of people like Gale Norton at the Department of the Interior, and Ann Veneman over at the Department of Agriculture, the head of the parks, these teams have come together and we have created a National Fire Council.

Last year through a lot of efforts, both Republican and Democrat, we put together the resources necessary to upgrade our firefighting capabilities in this country. We hired an additional 5,000 firemen. We picked up thousands of pieces of new equipment. In the last several months, we have disbursed those equipment and resources throughout the country so when we have a fire, as we had in Bailey up in Park County, Colorado, last weekend, we were within a very short period of time able to devote substantial resources to fighting that fire.

We have made dramatic improvements. Not only do we have a dry year, but we have had years and years and years of policies on the public lands, remember earlier my comments when we talked about the public lands, we have had years and years of policies of not allowing those forests to be cleaned. In essence, ignoring some of those forests. We now have lots of wastes on the floor of the forest. I call it gunpowder. What you see on my left, that will not be an uncommon sight in the mountains. We are going to see some of our biggest fires in Florida and in the East.

I think this year we have the team together. We never know what we are going to face, but based on past history, we think that with a little luck and a little blessing and the good Lord, we are going to be able to fight these fires successfully, but it is going to be a challenge.

Again, the importance of water storage. When we get out to some of these fires, one of the most important things to have is access to water. What does every fire truck in the West carry with them? They carry tarps. Why? A simple reason. As soon as they get to the scene of a fire, they create a dam. Think about it. Out in the rural areas, and I used to be a volunteer fireman, one of the first things that we learned was how to use a tarp. Firefighters put it in the stream and very quickly build up a dam so we have a water reservoir that we could pull the water out of to fight the fire. Again, another use of dams, another use of water storage that a lot of us do not think about in our day-to-day lives.

Let me show Members the inferno. These are the kinds of things that we are going to face this summer. That is a blow up, meaning the wind and heat. All of the conditions are perfect for what is called a blow up. That kind of inferno, unfortunately, will occur. To a large extent we cannot help it. We cannot have more rain. That is up to the good Lord. We cannot control where lightning strikes; that is up to the good Lord.

But in the management of our forests and in the management of our firefighting resources and in the allocation of our land management resources, a lot of these fires can be impacted or alleviated with proper land management. Again in the East, you deal with it differently because you do not have the public lands. In the West, we have lots of public pressure, a lot of times from people in the East who have never experienced life in the West, who are not acquainted with what it is like to be completely surrounded by public lands.

In my district, I have about 120 communities. These are small towns with the exception of two which are fairly large. All but one of them are completely surrounded. In other words, 119 are completely surrounded by public lands. And the rules and regulations that we deal with with public lands restrict the amount of freedom. In a lot of cases, it is very justified. But as in most cases where the government gets involved, you will find on some occasions they go overboard. Sometimes they go overboard, for example, by not allowing people to clean up the forests. This is a contributing cause to this kind of inferno.

Let me talk just a few more minutes about the importance of water in the West, about the importance of water storage in the West. I have made several key points to Members, and I want to summarize them. Keep in mind that 97 percent of the water in the world is in the oceans. It is salt water. We do not have an economic way to convert that water to drinking water that is affordable on any kind of mass scale. Of the remaining 3 percent, clear water, nonsalt water, 78 percent of that water is tied up in the polar ice caps. So we have a very small amount of water that is either not tied up in the ice caps or not salt water for our usage. Conservation is a critical element for us.

As our country continues to grow in population, obviously we need to practice more and more conservation. But remember that conservation and water is much trickier than, say, conservation of fuel or electricity. I will give Members an idea. When somebody comes in and says we want you to line your irrigation ditches, in other words put in concrete, and we can prevent seepage so you lose less water. The difficulty is that your seepage in your ditch may very well be providing the water for the spring 3 or 4 miles away.

Mr. Speaker, our generation does not have the capability to radar underneath the ground very effectively. We can pick up things above the ground, but what future generations will have the capability to do is they will have the capability to look underneath the ground, and at some point they will be able to figure out the logistics of those millions of miles of water streams underneath the Earth's surface. Then water management will make a lot more sense. Then conservation will be able to be done with much more precise science; but today, conservation is important.

But the key of my comments to Members this evening is not only to ask, as I have done on a number of occasions from this very podium, to ask for your indulgence when we talk about land issues in the West, because of the fact that the public lands really for the most part are in the West, they are not in the East, so I ask cooperation from my colleagues from the East, try and take a few moments, really you have the responsibility to take a few moments and understand the issues that we deal with because we have public lands. We have to deal with the government every minute of our lives out there when your community is surrounded by public lands. Our communities are completely, not partially, and this is not an exaggeration, our communities are completely dependent upon the Federal lands.

When we talk about water, out in my district, the water in my district either comes across, stores or ponds or originates on public lands. It is a big, big issue for us. The concept of multiple use is critical for our life-style. All of our highways, whether it is a radio antenna, whether it is our power lines, our fishing, our farming, our environmental protection, we deal with the government in every phase of that. Many in the East do not have to deal with any phase of that, at least as it pertains to the issue of public and private lands. You own the lands. We do not in the West. It is the same thing. There is the same kind of differential that begins to emerge when we talk about building water storage facilities on public lands, when we talk about the importance of water storage in the West.

Remember my earlier statistic, 73 percent of the water in this country is east of the Mississippi. Seventy-three percent of the surface water is east of the Mississippi. The western mountain region, that western area which is huge, which is about half of the United States, not quite but almost half of the United States in land mass, we have 14 percent of the water. Fourteen percent of the water, and almost half the land mass of the United States. So water storage is so, so critical for us out there.

Finally, keep in mind what water storage, what it does. It provides flood control. It provides hydroelectricity. It provides recreation. And probably as important as anything that I have just mentioned, probably more important than anything that I have just mentioned, it allows us to save water and build up a reservoir so when we face the kind of drought conditions that we are facing today in the West, we have the capability to draw from that reservoir, at least from a limited period of time to try and get us through until the next snow season.

Colleagues, I appreciate your time this evening. I appreciate the fact that I am allowed, and have this great privilege in this country to come to this House well and try to work with my colleagues in the East, Republican or Democrat, to tell you how important it is that you understand the geographical differences, the water differences between the eastern United States and the western United States.

Mr. Speaker, I appreciate this time, and look forward to Members' cooperation on these issues in the future.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MASCARA (at the request of Mr. GEPHARDT) for today on account of personal reasons.

Ms. MILLENDER-MCDONALD (at the request of Mr. GEPHARDT) for today and the balance of the week on account of important legislative business in the district.

Mr. CRANE (at the request of Mr. ARMEY) for today on account of personal reasons.

Mr. CANNON (at the request of Mr. ARMEY) for today and the balance of the week on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DAVIS of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Ms. BERKLEY, for 5 minutes, today.

(The following Member (at the request of Mr. SULLIVAN) to revise and extend his remarks and include extraneous material:)

Mr. PENCE, for 5 minutes, today.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2248. An act to extend the authority of the Export-Import Bank until May 31, 2002.

ADJOURNMENT

Mr. MCINNIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 30 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 1, 2002, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6486. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Infectious Salmon Anemia; Payment of Indemnity [Docket No. 01-126-1] received April 12, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6487. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule—Farm Loan Programs Account Servicing Policies—Reduction of Amortized Shared Appreciation Recapture Amortization Rate (RIN: 0560-AG43) received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6488. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule—Lamb Promotion, Research, and Information Order [No. LS-01-12] (RIN: 0581-AC06) received April 19, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6489. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Fluazinam; Pesticide Tolerance [OPP-2002-0003; FRL-6831-8] (RIN: 2070-AB78) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6490. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Fenhexamid; Pesticide Tolerance [OPP-301228; FRL-6829-9] (RIN: 2070-AB78) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6491. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Sodium Starch Glycolate; Exemption from the Requiremnt of a Tolerance [OPP-2002-0018; FRL-6833-9] (RIN: 2070-AB78) received April 16, 2002, pursuant to 5

U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6492. A letter from the Director, FDIC Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Engaged In The Business of Receiving Deposits Other Than Trust Funds (RIN: 3064-AC49) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6493. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determinations—received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6494. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—National Flood Insurance Program (NFIP); Increased Rates for Flood Coverage (RIN: 3067-AD27) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6495. A letter from the Acting Assistant General Counsel for Regulatory Services, Department of Education, transmitting the Department's final rule—Program of Research on Reading Comprehension—received April 19, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

6496. A letter from the Director, Regulations Policy and Management, Department of Health and Human Services, transmitting the Department's final rule—Medical Devices; Reclassification of Three Anesthesiology Preamendments Class III Devices into Class II [Docket No. 99N-0035] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6497. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Prescription Drug Marketing Act of 1987; Prescription Drug Amendments of 1992; Policies, Requirements, and Administrative Procedures; Delay of Effective Date [Docket No. 92N-0297] (RIN: 0905-AC81) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6498. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Medical Devices; Device Tracking [Docket No. 00N-1034] received April 17, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6499. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Topical Antifungal Drug Products for Over-the-Counter Human Use; Amendment of Final Monograph [Docket No. 99N-4063] (RIN: 0910-AA01) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6500. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Cold, Cough, Allergy, Bronchodilator, and Antiasthmatic Drug Products for Over-the-Counter Human Use; Partial Final Rule for Combination Drug Products Containing a Bronchodilator; Correction [Docket No. 76N-052G] (RIN: 0910-AA01) received April 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6501. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Food Additives Permitted for Direct Addition to Food for Human Consumption; Change in Specifications for Gum or Wood Rosin Derivatives in Chewing Gum Base; Correction [Docket No. 99F-2533] received March 19, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6502. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Topical Nitrofurans; Extralabel Animal Drug Use; Order of Prohibition [Docket No. 01N-0499] received April 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6503. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Georgia: Approval of Revisions to State Implementation Plan [GA-46-200221(a); FRL-7172-7] received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6504. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; New Hampshire; Post—1996 Rate of Progress Plans [NH-046b; A-1 FRL-7171-9] received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6505. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; State of New York [Region II Docket No. NY56-240; FRL-7172-6] received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6506. A letter from the Acting Chief, Policy and Rules Division, Federal Communications Commission, transmitting the Commission's final rule—Reallocation of the 216-220 MHz, 1390-1395 MHz, 1427-1429 MHz, 1429-1432 MHz, 1432-1435 MHz, 1670-1675 MHz, and 2385-2390 MHz Government Transfer Bands; and ; Amendment of Parts 2 and 95 of the Commission's Rules to Create a Wireless Medical Telemetry Service; and Amendments to Part 90 of the Commission's Rules Concerning Private Land Mobile Radio Services [ET Docket No. 00-221, RM-9267, RM-9692, RM-9797, RM-9854; ET Docket No. 99-255, PR Docket No. 92-235; WT Docket No. 97-153] Received April 25, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6507. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Absence and Leave; Use of Restored Annual Leave (RIN: 3206-AJ51) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

6508. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Basic Pay for Employees of Temporary Organizations (RIN: 3206-AJ47) received April 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

6509. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Placement Assistance and Reduction in Force Notices (RIN: 3206-AJ18) received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

6510. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Federal Employment Priority Consideration Program for Displaced Employees of the District of Columbia Department of Corrections (RIN: 3206-AI28) received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

6511. A letter from the National Oceanic and Atmoshperic Administration, transmitting the Administration's final rule—Endangered and Threatened Species; Final Rule to Remove Umpqua River Cutthroat Trout From the Federal List of Endangered and Threatened Species [Docket No. 000404093-0093-01; I.D. 121198A] (RIN: 0648-AN90) received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6512. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 of the Gulf of Alaska [Docket No. 011218304-1304-01; I.D. 031202A] received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6513. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Highly Migratory Species; Commercial Shark Management Measures [Docket No. 011218303-1303-01; I.D. 110501B] (RIN: 0648-AP70) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6514. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic; Closure [Docket No. 001005281-0369-02; I.D. 111601A] received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6515. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Vessels Catching Pacific Cod for Processing by the Inshore Component in the Western Regulatory Area of the Gulf of Alaska [Docket No. 011218304-1304-01; I.D. 022502D] received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6516. A letter from the Director, Policy Directives and Instructions Branch, INS, Department of Justice, transmitting the Department's final rule—Release of Information Regarding Immigration and Naturalization Service Detainees in Non-Federal Facilities [INS No. 2203-02] (RIN: 1115-AG67) received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

6517. A letter from the Secretary of the Commission, Bureau of Competition, Federal Trade Commission, transmitting the Commission's final rule—Premerger Notification; Reporting and Waiting Period Requirements—received April 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

6518. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Hazard Mitigation Planning and Hazard Mitigation

Grant Program (RIN: 3067-AD22) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6519. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Assistance to Firefighters Grant Program (RIN: 3067-AD21) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

6520. A letter from the General Counsel, National Science Foundation, transmitting the Foundation's final rule—Misconduct in Science and Engineering—received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

6521. A letter from the Acting Deputy General Counsel, SBA, Small Business Administration, transmitting the Administration's final rule—Small Business Size Standards; Inflation Adjustment to Size Standards (RIN: 3245-AE56)—received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

6522. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Investment Credit on Transition Property—received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6523. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Intermet Corporation & Subs V. Commissioner [Docket No. 8246-97] received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6524. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—2002 Limitations Adjusted As Provided In Section 415(d) (Notice 2001-84) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOEHLERT: Committee on Science. H.R. 2051. A bill to provide for the establishment of regional plant genome and gene expression research and development centers; with amendments (Rept. 107–422). Referred to the Committee of the Whole House on the State of the Union.

Mrs. MYRICK: Committee on Rules. House Resolution 402. Resolution providing for the consideration of the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes (Rept. 107–423). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. HUNTER (for himself, Mr. Cunningham, and Mr. Saxton):

H.R. 4618. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act to provide for the conservation of stocks of Pacific highly migratory species by directing the Secretary of Commerce to prohibit pelagic longline fishing in the exclusive economic zone off the coasts of the States of California, Oregon, and Washington; to the Committee on Resources.

By Mr. NETHERCUTT:

H.R. 4619. A bill to authorize the Secretary of the Army to provide a credit toward the non-Federal share of the cost of the feasibility study for the project for flood control in the vicinity of Sprague, Lincoln County, Washington, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. OTTER (for himself, Mr. Hansen, Mr. Pombo, Mr. Radanovich, Mr. Stump, Mr. Hefley, Mr. Gibbons, Mr. Simpson, and Mr. Hunter):

H.R. 4620. A bill to accelerate the wilderness designation process by establishing a timetable for the completion of wilderness studies on Federal lands, and for other purposes; to the Committee on Resources.

By Mr. PETERSON of Minnesota (for himself, Mr. McGovern, Mr. Rohrabacher, Mr. Lynch, Mr. Faleomavaega, Mr. Kildee, Mr. Sanders, and Ms. Ros-Lehtinen):

H.R. 4621. A bill to amend title 39, United States Code, to authorize additional compensation to be paid to certain veterans in receipt of compensation for a service-connected disability rated totally disabling for whom a family member dependent on the veteran for support provides care; to the Committee on Veterans' Affairs.

By Mr. RADANOVICH:

H.R. 4622. A bill to require Federal land managers to support, and to communicate, coordinate, and cooperate with, designated gateway communities, to improve the ability of gateway communities to participate in Federal land management planning conducted by the Forest Service and agencies of the Department of the Interior, and to respond to the impacts of the public use of the Federal lands administered by these agencies, and for other purposes; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Texas (for himself, Mr. Pomeroy, Mr. Foley, Ms. Hart, Mr. DeLay, Mr. Bryant, Mr. Goodlatte, Mr. Jenkins, Mr. Cannon, Mr. Green of Wisconsin, Mr. Keller, Mrs. Johnson of Connecticut, Mr. Stearns, Mr. Nussle, Mrs. Capito, Mr. Gilchrest, Mr. Culberson, Mr. Weller, and Mr. Upton):

H.R. 4623. A bill to prevent trafficking in child pornography and obscenity, to proscribe pandering and solicitation relating to visual depictions of minors engaging in sexually explicit conduct, to prevent the use of child pornography and obscenity to facilitate crimes against children, and for other purposes; to the Committee on the Judiciary.

By Mrs. TAUSCHER (for herself and Mr. Spratt):

H.R. 4624. A bill to promote the non-proliferation of nuclear weapons and other weapons of mass destruction; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Minnesota (for himself, Mr. Gutknecht, Mr. Ramstad, Ms. McCollum, Mr. Sabo, Mr. Luther, Mr. Peterson of Minnesota, and Mr. Oberstar):

H. Con. Res. 391. Concurrent resolution honoring the University of Minnesota Golden Gophers men's hockey and wrestling teams and the University of Minnesota-Duluth Bulldogs women's hockey team for winning the 2002 National Collegiate Athletic Association championships; to the Committee on Education and the Workforce. considered and agreed to.

By Mr. STARK:

H. Con. Res. 392. Concurrent resolution to protect private decisions about marriage; to the Committee on Education and the Workforce.

By Mr. SIMMONS (for himself, Mr. Shays, Mrs. Johnson of Connecticut, Mr. Larson of Connecticut, Ms. DeLauro, and Mr. Maloney of Connecticut):

H. Res. 401. A resolution congratulating the University of Connecticut Huskies for winning the 2002 National Collegiate Athletic Association Division I women's basketball championship; to the Committee on Education and the Workforce. considered and agreed to.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. LATOURETTE introduced a bill (H.R. 4625) for the relief of Zdanko Lisak; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 113: Mr. Sherman.

H.R. 198: Mr. Burton of Indiana.

H.R. 292: Mr. McGovern.

H.R. 348: Mr. Rodriguez.

H.R. 488: Mr. Blagojevich.

H.R. 602: Mr. Leach.

H.R. 690: Ms. Sanchez.

H.R. 730: Mr. Payne.

H.R. 792: Mr. Bentsen.

H.R. 898: Ms. McKinney, Mr. Kennedy of Rhode Island, Ms. Millender-McDonald, Mr. McNulty, Mr. Clement, Mr. Udall of New Mexico, Mrs. Maloney of New York, Ms. Carson of Indiana, Mrs. Jones of Ohio, and Ms. Norton.

H.R. 938: Mr. Jackson of Illinois.

H.R. 1005: Mr. Souder.

H.R. 1081: Mr. Wolf and Mr. Taylor of Mississippi.

H.R. 1086: Ms. Norton.

H.R. 1108: Mr. Foley and Mrs. Tauscher.

H.R. 1109: Mr. Collins, Mr. McCrery, Mr. Herger, Mr. Kingston, and Mr. Simmons.

H.R. 1177: Mr. Ackerman.

H.R. 1213: Mr. Strickland.

H.R. 1268: Mr. Foley.

H.R. 1309: Mr. Houghton.

H.R. 1343: Mr. Sweeney.

H.R. 1353: Mr. Thune.

H.R. 1465: Mr. Abercrombie.

H.R. 1475: Mr. Mascara.

H.R. 1581: Mr. Price of North Carolina, Mr. Shays, Mrs. Myrick, and Mr. Houghton.

H.R. 1613: Ms. Harman and Mr. Larson of Connecticut.

H.R. 1651: Mr. Mascara.

H.R. 1759: Mr. Price of North Carolina.

H.R. 1764: Mr. Oberstar.

H.R. 1808: Mr. Mascara, Ms. Velázquez, Mr. Gutierrez, Mr. Lampson, Mr. Capuano, Mr. Costello, and Mrs. Mink of Hawaii.

H.R. 1822: Mr. Pastor.

H.R. 1861: Mr. LaFalce.

H.R. 1873: Mr. Kind.

H.R. 1904: Mr. Hall of Ohio.

H.R. 1935: Mr. Boucher, Mr. Crowley, Mr. Scott, Mr. Thompson of Mississippi, Mr. Tiberi, Ms. Kilpatrick, Ms. Rivers, Mr. Portman, Mr. DeMint, Mr. Stupak, Ms. Ros-Lehtinen, and Mrs. Roukema.

H.R. 1983: Mr. Cannon.

H.R. 2029: Mr. McCrery.

H.R. 2055: Mr. Dan Miller of Florida.

H.R. 2117: Mr. Stark, Mr. Jones of North Carolina, and Mr. Evans.

H.R. 2161: Mr. Holden and Mr. Smith of Washington.

H.R. 2173: Ms. McCollum and Mrs. Capps.

H.R. 2357: Mr. Weller.

H.R. 2466: Mr. Price of North Carolina, Mr. Bentsen, Mr. McInnis, Mr. LaHood, and Mr. Collins.

H.R. 2487: Mr. Neal of Massachusetts and Mr. Olver.

H.R. 2570: Ms. Velázquez, Mr. Rahall, and Ms. Brown of Florida.

H.R. 2623: Mrs. Biggert.

H.R. 2638: Mr. Shows, Mr. Wu, Mr. Vitter, Mr. Bonilla, and Mr. Schaffer.

H.R. 2662: Mr. McDermott.

H.R. 2735: Mr. Akin, Mr. Sweeney, and Mr. Pastor.

H.R. 2763: Mr. Brown of South Carolina.

H.R. 2788: Mr. Payne and Mr. Bishop.

H.R. 2820: Mr. Markey, Ms. Kilpatrick, Mr. Hoyer, Mr. Bishop, Mr. Engel, Mr. Olver, and Ms. Lofgren.

H.R. 2837: Mr. Blumenauer.

H.R. 2874: Mr. Sanders, Mr. Rodriguez, Mr. Rangel, Ms. Carson, of Indiana, Mr. Coyne, and Mr. George Miller of California.

H.R. 2974: Ms. Rivers and Mrs. Napolitano.

H.R. 3132: Mr. Thompson of California, Mr. Frank, Mr. Meehan, and Ms. Baldwin.

H.R. 3185: Mr. George Miller of California.

H.R. 3324: Ms. McCollum, Ms. Brown of Florida, Ms. Dunn, Mr. Paul, Mr. Israel, Mr. Lampson, and Mr. Frank.

H.R. 3335: Mr. Schiff.

H.R. 3414: Mr. Olver.

H.R. 3424: Ms. McCarthy of Missouri, Mr. Hilleary, and Mr. Young of Florida.

H.R. 3430: Mr. Wilson of South Carolina.

H.R. 3450: Mr. Gilman, Mrs. Napolitano, Mr. Weller, and Ms. Waters.

H.R. 3464: Mr. Cummings, Mr. Larson of Connecticut, Mr. Lantos, Mr. Holt, and Mr. Rangel.

H.R. 3469: Mr. Farr of California, Mr. Frank, Mr. Maloney of Connecticut, Mr. Brady of Pennsylvania, Mr. Ford, Ms. McKinney, Mrs. Davis of California, Mr. Wu, Mr. Jackson of Illinois, Mrs. Clayton, Mr. Frost, Mr. Rangel, Mr. McDermott, Mr. Hinchey, Mr. Nadler, Mr. McGovern, Mr. Thompson of California, Mr. Honda, Mr. Owens, and Mr. Kucinich.

H.R. 3478: Mr. Thompson of California, Mr. Hayes, and Mr. Calvert.

H.R. 3491: Mr. English.

H.R. 3521: Mr. Ackerman.

H.R. 3524: Mr. Rodriguez.

H.R. 3552: Mr. Pallone, Mr. Doyle, and Ms. Carson of Indiana.

H.R. 3569: Mrs. Jo Ann Davis of Virginia.

H.R. 3631: Ms. Eshoo.

H.R. 3663: Mr. Ackerman.

H.R. 3686: Ms. Carson of Indiana.

H.R. 3729: Ms. Solis, Mrs. Lowey, and Mr. Sanders.

H.R. 3747: Mr. Moran of Virginia.

H.R. 3794: Mr. Moran of Virginia, Ms. Schakowsky, Mr. Hinchey, Ms. Pelosi, and Mr. Ramstad.

H.R. 3804: Mr. Gilchrest, Mr. Frank, Ms. Kaptur, Mr. McDermott, Ms. Woolsey, Ms. Rivers, Mr. Abercrombie, Mr. DeFazio, Mr. George Miller of California, Mr. Rahall, Mr. McGovern, Mrs. Maloney of New York, Mr. Kucinich, Mr. Sawyer, Ms. McCollum, Mr. Tierney, Mr. Allen, Mr. Davis of Illinois, and Mr. Lewis of Georgia.

H.R. 3805: Mr. Pence and Mr. DeLay.

H.R. 3831: Ms. Carson of Indiana.

H.R. 3833: Mr. Wynn, Mr. Weller, and Mr. Pomeroy.

H.R. 3834: Mr. Levin, Mr. Kanjorski, Mr. Radanovich, Mr. Wamp, Mr. McDermott, Mr. Thune, Mr. Leach, and Mr. Ross.

H.R. 3884: Ms. Schakowsky.

H.R. 3887: Mr. McGovern, Ms. Velázquez, Mr. Udall of Colorado, and Ms. Roybal-Allard.

H.R. 3895: Mr. Forbes.

H.R. 3898: Mrs. Christensen.

H.R. 3899: Mr. Bishop.

H.R. 3915: Mrs. Morella.

H.R. 3916: Mrs. Mink of Hawaii and Mr. Towns.

H.R. 3932: Mr. Greenwood, Mr. Sabo, Mr. Hall of Ohio, and Mr. Delahunt.

H.R. 3961: Mr. Blagojevich.

H.R. 3973: Mr. Paul.

H.R. 3976: Mr. Frank.

H.R. 3995: Mr. Kennedy of Minnesota, Mr. Whitfield, Mrs. Johnson of Connecticut, Mr. Upton, Ms. Pryce of Ohio, and Mr. Young of Alaska.

H.R. 4000: Mr. Wamp and Mr. Farr of California.

H.R. 4003: Mr. Hinchey.

H.R. 4012: Mr. Radanovich.

H.R. 4017: Mr. Gutierrez, Mr. Hinchey, Mr. McGovern, Mr. Snyder, Mr. Wexler, Mr. Filner, Mr. Lipinski, Mr. Bilirakis, Mr. Frank, and Mr. Gonzalez.

H.R. 4018: Ms. Baldwin.

H.R. 4043: Mr. Burton of Indiana.

H.R. 4055: Mr. Dan Miller of Florida.

H.R. 4066: Mr. Bartlett of Maryland, Mr. Moran of Virginia, Mr. Green of Texas, Mr. Olver, Mr. Kirk, Mr. Hall of Ohio, Mr. Filner, and Mr. Platts.

H.R. 4071: Mr. Deutsch.

H.R. 4073: Mr. Roemer, Mr. Hyde, Mr. Lantos, and Mr. Houghton.

H.R. 4078: Mr. Acevedo-Vilá, Mr. Tiberi, and Mr. Blumenauer.

H.R. 4098: Mr. Markey.

H.R. 4099: Mr. Callahan.

H.R. 4163: Mr. Hinchey, Ms. Carson of Indiana, Mr. Ford, and Mr. McGovern.

H.R. 4209: Mrs. Capps, Mr. Waxman, Mr. Shaw, Mr. Deutsch, and Mr. Udall of Colorado.

H.R. 4447: Mr. LoBiondo.

H.R. 4448: Mr. LoBiondo.

H.R. 4481: Mr. Oberstar, Mr. Lipinski, and Mr. Baker.

H.R. 4483: Mr. Wamp, Mr. Linder, Mr. Gutierrez, Mr. Pence, Mr. Lampson, Mr. Wilson of South Carolina, Mr. Aderholt, Mr. McGovern, Mr. Berman, Mr. Weiner, Mr. Wexler, Mr. Ramstad, Mr. Sweeney, and Mr. Foley.

H.R. 4496: Mr. Callahan.

H.R. 4498: Mr. Callahan.

H.R. 4515: Mr. Oberstar.

H.R. 4524: Ms. Schakowsky, Mr. English, Mrs. Meek of Florida, and Mr. McGovern.

H.R. 4582: Mr. McGovern.

H.R. 4584: Mr. Burr of North Carolina, Mr. Whitfield, and Mr. Pickering.

H.R. 4585: Mr. Burr of North Carolina, Mr. Whitfield, and Mr. Pickering.

H.R. 4592: Ms. Pelosi, Mrs. Napolitano, Ms. Watson, Mr. Berman, Mr. Filner, Mr. George Miller of California, Mrs. Tauscher, Mr. Gallegly, Ms. Harman, Mr. Schiff, Ms. Roybal-Allard, Mr. Radanovich, and Mr. Lantos.

H.R. 4593: Mr. Israel, Ms. Sanchez, Mr. John, and Mr. Sandlin.

H.R. 4600: Mrs. Capito, Mr. Sessions, Mr. Pitts, and Mr. Wamp.

H.R. 4608: Mr. Ryun of Kansas and Mr. Moore.

H.J. Res. 40: Mr. Sweeney.

H.J. Res. 90: Ms. Sanchez.

H. Con. Res. 238: Mr. Brown of South Carolina.

H. Con. Res. 271: Mr. Ferguson.

H. Con. Res. 315: Mr. Jones of North Carolina.

H. Con. Res. 336: Mr. George Miller of California.

H. Con. Res. 345: Mr. Baird.

H. Con. Res. 350: Mr. Hefley and Mr. Coble.

H. Con. Res. 386: Mr. Ehrlich and Mr. Gutknecht.

H. Con. Res. 389: Mr. Gutknecht, Mr. Ramstad, Ms. McCollum, Mr. Sabo, Mr. Luther, Mr. Peterson of Minnesota, and Mr. Oberstar.

H. Con. Res. 390: Mr. Israel, Mr. Gilman, Mr. Walsh, Mr. McGovern, Mr. Meehan, Mr. Bonior, and Mr. McNulty.

H. Res. 269: Mr. Israel.

H. Res. 393: Mrs. Morella, Mr. English, Mr. Sherman, Mr. McGovern, Mr. Grucci, Mr. Holden, Mr. Cantor, Mr. Sweeney, and Mr. Shays.

H. Res. 400: Mr. Weldon of Florida, Mr. Greenwood, Mr. Castle, Mr. Hinchey, and Mr. Waxman.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1950: Mr. Davis of Illinois.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2871

Offered By: Mr. Sanders

Amendment No. 1: At the end of the bill, add the following:

SEC. . INFORMATION AND CERTIFICATIONS REQUIRED FROM COMPANIES SEEKING OR RECEIVING NEW ASSISTANCE.

Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is further amended by adding at the end the following:

"(g)(1) As a condition of providing assistance to a company in connection with a transaction entered into on or after the date of the enactment of this subsection, the Bank shall require the company to submit to the Bank the following information on an annual basis:

"(A) The number of individuals employed by the company in the United States and its territories.

"(B) The number of individuals employed by the company outside the United States and its territories.

"(C) A description of the wages and benefits being provided to the employees of the company in the United States and its territories.

"(2)(A) Beginning 1 year after the Bank provides assistance to a company in connection with a transaction entered into on or after the date of the enactment of this subsection, the company shall, on an annual basis, provide the Bank with a written certification of—

"(i) the percentage of the workforce of the company employed in the United States or its territories that has been laid off or induced to resign from the company during the preceding year; and

"(ii) the percentage of the total workforce of the company that has been laid off or induced to resign from the company during the preceding year.

"(B)(i) If, in the certification provided by the company, the percentage described in subparagraph (A)(i) is greater than the percentage described in subparagraph (A)(ii), then the company shall be ineligible for further assistance from the Bank until the company provides to the Bank a new written certification in which, for the year covered by the new certification, the percentage described in subparagraph (A)(i) is not greater than the percentage described in subparagraph (A)(ii).

"(ii) If the company does not provide a certification required by subparagraph (A), or provides a false certification under this paragraph, then 60 days thereafter the Bank shall withdraw all assistance from the company, and the company shall thereafter be ineligible for assistance from the Bank.".

EXTENSIONS OF REMARKS

TRIBUTE TO THE ORRSTOWN LODGE NO. 262 F & A.M.

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. SHUSTER. Mr. Speaker, I rise today to pay tribute to the Orrstown Lodge No. 262 F & A.M. for their one hundred and fiftieth anniversary. On March 1st, 1852, the Grand Lodge of Pennsylvania granted a charter for the establishment of a masonic lodge in Orrstown. The charter members were: Henry Ruby, John Orr, James B. Orr, William Orr, William F. Breckenridge, Joseph Johnston, John Wunderlich, and Jacob Heck, who all lived in Orrstown and the vicinity. James B. Orr, the first Worshipful Master, and the seven other charter members, desired a lodge in their own town, not just for more accessibility, but because they knew that the community of Orrstown would uphold the values, traditions, and beliefs of Freemasonry. On May 6th, the first meeting of the masonic lodge of Orrstown came to order and opened in Ancient form. They would meet on the first and third Thursday of the month until November 20, 1879, when they became a moon lodge. Since that time they have met on the Thursday night on or before a full moon.

I would like to impress upon my colleagues that although their longevity is impressive, the traditions and values that have been passed on through these years are their most notable achievements. Freemasons began as a society that was based on the principles of morality and brotherhood. A society in which education and charity are bricks in the foundation of their existence and altruism is central in the character of its members. A mason is a man of integrity and honor. Attributes that are not only beneficial to the man who possesses them but to the community where the man resides. The Orrstown Lodge has been instrumental in helping to develop such qualities.

In the popular Masonic book "The Builders," author Joseph Fort Newton answers the question: "When is a man a Mason?" He writes, "When he can look out over the rivers, the hills and the far horizon with a profound sense of his own littleness in the vast scheme of things, and yet have faith, hope and courage, which is the root of every virtue * * *. When he knows how to sympathize with men in their sorrows, yea even in their sins—knowing that each man fights a hard fight against many odds. When he has learned how to make friends and to keep them and above all, how to keep friends with himself * * *. When he knows how to pray, how to love, how to hope. When he has kept faith with himself, with his God; in his hand a sword for evil, in his heart a bit of a song; glad to live, but not afraid to die. Such a man has found the only secret of Freemasonry, and the one which it is trying to give to all the world." The world would be a better place if only we had more of such men.

Mr. Speaker, I urge you to join me In congratulating the Orrstown Lodge on their one hundred and fifty year anniversary. I wish the members of this extraordinary organization the very best in the years to come.

ON THE 32ND ANNIVERSARY OF EARTH DAY

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. UNDERWOOD. Mr. Speaker, as the 32nd anniversary of Earth Day was recently celebrated, it was wonderful to note how environmental conservation issues have become part of the public consciousness. The grassroots movement that established the environment as an important political issue in the 1970s has brought lasting changes on both the national and local level. In Congress, the need for environmental legislation has resulted in the passage of the Clean Air Act, the Clean Water Act, the Federal Environmental Pesticide Control Act, the Endangered Species Act, and the Safe Drinking Water Act. On the local level, communities all over the nation, including those in my district of Guam, continue to celebrate Earth Day.

Our local environmental agency, the Guam Environmental Protection Agency (GEPA), has organized numerous activities to celebrate Earth Day. The programs planned by GEPA embrace the theme "Environmental Education is for Everyone". All the activities promote environmental awareness and the idea that individual action makes a difference. GEPA is celebrating Earth Day by holding activities through the month of April. Projects include island wide trash clean-ups, hazardous waste and 'white good' collections, and a Run/Walk/Jog to raise environmental awareness. Other planned activities include a young person's art competition to illustrate environmental success stories sponsored by the United Nations, and two coral reef clean-ups to be performed by local scuba divers. Today, I wish to congratulate and commend GEPA's efforts to improve the state of the environment on Guam.

Environmental protection and resource conservation help make the planet a healthy place to live and save critical resources for the future. Thus, our actions today benefit not only ourselves, but the generations yet to come. As we say in Chamorro, "Prutehi i tano'-ta": we must protect our land.

Earth Day is an important reminder that we must all work together to sustain our island resources and to remember that every action does make a difference, On the national level, I will continue to advocate for the environment and the people of Guam, supporting bills that promote wise management of our coastal zone, protect our resources, and conserve our coral reefs. However, it is the actions of local agencies and people who effect real environmental change. On this anniversary of Earth Day, I would like to thank the Guam Environmental Protection Agency and the people of Guam who work to preserve our natural marine and terrestrial resources, to achieve clean air, land, and water, and to protect the natural environment on our island.

THE PACIFIC HIGHLY MIGRATORY SPECIES CONSERVATION ACT OF 2002

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. HUNTER. Mr. Speaker, today I am proud to introduce the Pacific Highly Migratory Species Conservation Act of 2002, which amends the Magnuson-Stevens Fishery Conservation and Management Act to keep the West Coast Exclusive Economic Zone (EEZ) free of pelagic long-line fishing.

For those new to the issue, pelagic long-lining is a fishing method that uses long-lines more than 20 miles in length, which are suspended horizontally over the water by surface floats. Attached to that long-line are lines and hooks that dangle vertically in the water for as long as twelve hours. Those baited hooks are meant to catch highly migratory species of fish such as swordfish and tuna, but they have the unintended consequence of also catching many other sea creatures swimming by in search of a meal. On the East Coast, the species that are caught in this gear by mistake (called by-catch) include endangered sea turtles, dolphins, pilot whales, porpoises and even sea birds. These creatures are stuck on the longline until it is reeled in, which takes several hours. Many cannot withstand the long soak time while stuck on the line, and they have no escape from predators.

A lesson from history is proof of the need to address this problem: For over 150 years on the East Coast, commercial swordfish harpooners maintained a strong viable fishery by targeting fish that were adults and that have spawned more than once. After the introduction of drift long-lining in the late 1960s, swordfish and marlin stocks decreased at a rapid rate. In fact, it took less than 30 years to virtually bring these species to their dangerously low levels of today. We have a thriving harpoon industry in California with exceptionally high quality product that should be protected.

Congress has debated how to restrict or eliminate the use of the pelagic long-line gear in East Coast and Gulf of Mexico waters over the last three years. Unfortunately, the National Marine Fisheries Service is considering

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

allowing the experimental use of these non-selective and destructive long-lines within the 200 mile West Coast EEZ. This would have a devastating impact on all West Coast pelagic fisheries, but most particularly in California, where long-lining has not been previously permitted.

My bill will protect the species in the West Coast waters from long-line gear, remove pelagic longline gear from the West Coast EEZ from the Canadian border with Washington State to the Mexican border with California. Our marine ecosystems will be protected from the devastating impact of the gear and serve as a successful example of sound fisheries management. In California's commercial fisheries, there are more selective ways to target economically valuable pelagic species. We should not let the mistakes made in the East Coast and Gulf of Mexico waters replicate themselves on the West Coast.

CELEBRATING THE 90TH ANNIVERSARY OF GIRL SCOUTS OF THE USA

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. KLECZKA. Mr. Speaker, I congratulate the Girl Scouts of the USA this year for their 90th anniversary. Since 1912, the Girl Scouts have strived to help all girls grow strong by teaching them to develop to their true potential. Through girl scouting, girls acquire self-confidence and expertise, take on responsibility, and are encouraged to think creatively: all qualities essential for good citizens and leaders.

Today, with a membership of 3.8 million, the Girl Scouts are the largest organization for girls in the world. Of that 3.8 million, almost one million of those are adult volunteers, who dedicate their time and enthusiasm to ensure that Girl Scouting is available to every girl in every community, reaching beyond racial, ethnic, socioeconomic or geographic boundaries.

Scouting encourages girls to study fields that are typically male dominated, such as science, technology, health and sports. Of the more than 50 million women who are Girl Scout Alumnae, over two-thirds are doctors, lawyers, educators, or community leaders—including many Congresswomen. Former Girl Scouts include Eileen Collins, the first female space shuttle commander, Olympic Gold Medallist Jackie Joyner-Kersee and Senator HILLARY RODHAM CLINTON.

For 90 years, Girl Scouts have paved the way for girls of all ages, empowering them to become leaders, and community activists. Through their dedication, Girl Scouts have improved our communities, and adults have realized they can be positive role models to children. Many thanks and congratulations to the Girl Scouts for their invaluable achievements over the last 90 years.

RECOGNIZING RICHARD DARMANIAN

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. DOOLEY of California. Mr. Speaker, I rise today to recognize the accomplishments of Richard Darmanian, an exemplary citizen deeply admired by all who have worked with him, especially members in the Armenian community throughout California and the United States for his assiduous devotion as an educator and community leader.

This month, Mr. Darmanian's peers recognized him for his fifty years of altruistic service to his community, wherein he served as director of the Armenian National Committee (ANC) of Central California from 1988 to 1996 and as an educator and administrator in the Fresno Unified School District since 1952.

Mr. Darmanian is a respected leader whose efforts championed the vision of an established Armenian community in the San Joaquin Valley. Twenty-five years ago, he was instrumental in founding the Armenian Community School of Fresno, an institution that has helped to teach Armenian children their heritage and language.

At a time when leadership is in high demand, Mr. Darmanian is a beacon to the young, enabling a new generation of leaders. His work has brought the Central Valley a deeper understanding and appreciation of the Armenian culture.

Mr. Speaker, I ask that you and my distinguished colleagues join me in congratulating Mr. Richard Darmanian on being recognized by the Armenian National Committee of Central California. His commitment and dedication to the entire community deems him more than worthy of this acclamation. I wish him continued success, both personally and professionally.

HONORING MYRON PITTMAN ON HIS 102ND BIRTHDAY

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. OXLEY. Mr. Speaker, it is my honor today to pay tribute to a distinguished resident of Bucyrus, OH, on the occasion of his 102nd birthday.

Myron J. Pittman was born on April 30, 1900, in northwest Ohio. He graduated from high school in 1918, and subsequently went to work for the Ohio State University, checking and reporting on dairy herd production throughout the State of Ohio. Mr. Pittman later attended Otterbein College—until, as he says, he "ran out of money."

He moved to Crawford County in the mid-1930s and ran a dairy farm there through the 1960s. At various times, Mr. Pittman also worked as a rural mail carrier and for the Ohio Department of Highways. A dedicated community supporter, he served as a member of the Whetstone Local School District Board of Education for 9 years. Mr. Pittman is a longtime member of Woodlawn United Methodist Church in Bucyrus.

Mr. Pittman and his wife Opal enjoyed more than 74 years of marriage before she passed away in 2000. He has two daughters, Mary Gast of Marion County and Barbara Quaintance of Crawford County, and enjoys spending time with his 4 grandchildren and 4 great-grandchildren.

Mr. Pittman is in good health and takes no medications. He has a sharp mind, and keeps a close eye on the goings-on in Washington. His voting record is truly inspirational: he has voted in every Presidential election since the Coolidge/Davis contest of 1924.

I know that my colleagues join me in saluting Mr. Pittman's contributions to his community and in wishing him a happy 102nd birthday.

TRIBUTE TO SALLY ANN ROBISON

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. DOOLITTLE. Mr. Speaker, today I wish to remember and honor a woman who was a leader in public education in Northern California, Mrs. Sally Ann Robison. After a lifetime of dedication to her family, faith, and students, Sally passed away on April 25, 2002. She was 58 years old.

The former Sally Ann Franklin was born in Riverside, California, on September 30, 1943, to Albert John Franklin and Mary Jane Richards. She grew up in the Cities of Stockton and Sacramento, where she attended C.K. McClatchy High School and Sacramento City College. After graduating from California State University, Chico, Sally earned a Master of Arts degree in education from California State University, Sacramento. With this training, she forged a lifetime of public service in the field of education.

Her long and distinguished career as an educator spanned from North America's Pacific Coast to Western Europe, and from the classroom to the boardroom. While stationed in Germany with her husband, Air Force Academy graduate Jim T. Robison, Sally taught school for six years. Upon returning to California, she was an instructor for three years in the Sacramento City Unified School District and for one year in Gridley, California. Then, for 22 years, she taught at Noralto Elementary School in the North Sacramento Unified School District. Most recently, she taught kindergarten for six years at Pasadena Avenue Elementary School in the San Juan Unified School District.

Aside from her efforts in the classroom, Sally's passion for teaching children to read led her to serve on the California State Textbook Adoption Committee. Additionally, she was greatly concerned with higher education. Since December 1992, she served on the Sierra College Board of Trustees. Thus, she had a role in shaping the lives of students from kindergarten to college, the beginning and ending of one's academic experience.

Being both socially-conscious and socially active, Sally belonged to many community organizations. These included the San Juan

Teachers Association, the California Teachers Association, the National Education Association, and the South Placer County Republican Women, Federated. While known for her quiet, friendly demeanor, Sally also had great integrity and a steely resolve. Standing for what was right at all times was important to her, even if it meant standing alone.

Most importantly, Sally Robison was devoted to her family and was a committed member of the Sunset Christian Center in Rocklin, California.

She is survived by her husband of 32 years, Jim, her daughters, Amy and Ashley Robison, and her granddaughter, Alexis Robison. I join with her family, friends, and community in mourning her passing.

May you rest in peace, Sally.

HONORING DONNA LLOYD

HON. DALE E. KILDEE

OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 30, 2002

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to the Executive Director of Community Home Health Hospice, Donna Lloyd. Donna is leaving her position after sixteen years providing end-of-life care.

Donna Lloyd has worked tirelessly to ensure the dying are given comfort and a high quality of life. Under her direction Community Home Health and Hospice has maintained a significant place in the health care community of Michigan. Aiding patients in Genesee, Oakland, Livingston, Shiawassee and Lapeer Counties, it has served as a role model for other community based hospices. Currently occupying a 19,000 square foot facility, patients may live out the remainder of their days in a familiar and home-like setting.

Over the years, Donna has been recognized as a leader in the hospice movement. She was nominated for the "Heart of Hospice" award by the National Hospice Organization in 1993. She helped write the standards and regulations for Hospice Residences in Michigan. Her experience organizing, and expanding a hospice gave her a unique perspective for this work.

Mr. Speaker, I ask the House of Representatives to join me today in congratulating Donna Lloyd as she begins a new phase of her life. Her compassion for the dying has benefited everyone.

RETIREMENT OF PITTSBURGH POLICE COMMANDER GWEN ELLIOTT

HON. WILLIAM J. COYNE

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 30, 2002

Mr. COYNE. Mr. Speaker, I rise today to observe that Pittsburgh Police Commander Gwendolyn J. Elliott is retiring after more than 25 years of service with the Pittsburgh Bureau of Police.

Commander Elliott has a long and commendable career of public service. She served from 1964 until 1969 in the United States Air Force. She subsequently served in the Air National Guard from 1969 until 1973 and in the Army Reserves from 1974 until 1979. She worked as a Crisis Intervention Counselor at a Massachusetts community-based treatment center, and as a mental health counselor, before joining the Pittsburgh Bureau of Police in May 1976. After working as a Patrol Officer for eight years, she was promoted to the rank of Sergeant. Two years later, she was promoted to Commander and served as the Night Watch Commander commanding five precincts until June 1990. From June 1990 until October she served as Commander in Charge of the Office of Family Violence, Youth, and Missing Persons, where she supervised 30 Detectives. She also served as Assistant to the Mayor for Youth Policy from January 1994 to January 1996. Most recently, she served as the Commander in Charge of the Zone 3 Station.

Commander Elliott has also been actively involved in a number of community activities. She has served as President of the Women Police of Western Pennsylvania and of the East Liberty Business & Professional Women's Club. She has served on a number of boards, including the boards of Pittsburgh Community Services, the Center for Victims of Violent Crimes, United Cerebral Palsy, Three Rivers Youth, and the Parental Stress Center. She is a member of a number of other civic organizations as well.

Today is Commander Elliott's last day on the job. Upon her retirement, she will be working on a new project—Gwen's Girls, a local agency with a mission to reach out and help at-risk adolescent girls. On behalf of the people of Pennsylvania's 14th Congressional District, I want to commend Commander Elliott for her many years of dedicated public service and wish her well in this new endeavor.

TRIBUTE TO RON CAWDREY

HON. GRACE F. NAPOLITANO

OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 30, 2002

Mrs. NAPOLITANO. Mr. Speaker, I rise today to honor and pay tribute to Ron Cawdrey, a remarkable community activist and public servant who recently passed away at the age of 65. As we join his family and friends and mourn for their loss, it is only appropriate that we remember Ron and his significant contributions to the community.

Ron Cawdrey served as an officer on almost all the civic organizations in the City of Redondo Beach: the Rotary Club, the Chamber of Commerce, the Redondo Beach Roundtable, the Eagles, the American Legion, the Knights of Columbus, and most importantly, the city council are greatly indebted to a man whose mission in life was to serve his fellow citizens. Few individuals have been more devoted to their hometown than Ron has to Redondo Beach, a fact that was recognized when he was presented the first Mayor's Lifetime Community Service Award.

It is rare to find people whose sense of civic duty, are on par with Ron Cawdrey. At the young age of 19, Ron began his journey of public service by managing youth baseball teams. He had a six-year interruption when he was drafted and proudly served in the 82nd Airborne Division of the U.S. Army. Upon his return, Ron continued to pursue his passion in community service and became actively involved with local Democratic politics along with the local union, where he ultimately served as vice president of the Communications Workers of America, Local 9400, representing 10,000 members in California.

Ron Cawdrey will be remembered and missed not only by his family but also by a grateful community. Therefore, I ask my colleagues to join me in paying tribute to Ron Cawdrey for his exemplary service to his community and his country.

RECOGNITION OF THE TWENTIETH ANNIVERSARY OF THE WHITEHEAD INSTITUTE

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 30, 2002

Mr. CAPUANO. Mr. Speaker, twenty years is not a long time as historic institutions go in Cambridge, Massachusetts, but it's an epoch in a rapidly evolving field like biomedicine. In the past 20 years, science has begun to understand diseases, such as cancer and HIV/AIDS, at the molecular level and illuminated the processes that impel human growth and development. It has begun to use the regenerative powers of the body's own stem cells for therapeutic purposes.

The Whitehead Institute in Cambridge, Massachusetts, has been significantly involved in all these advances. Jack Whitehead, a visionary businessman and entrepreneur, made possible its creation. Endowed by a major gift from Mr. Whitehead, and with continuing support and guidance from the Whitehead family, the Whitehead Institute celebrates two decades of remarkable progress and looks forward to a future on the very frontiers of science.

Researchers at Whitehead are among the Nation's best competitors for competitive research dollars. Often, their work pushes the boundaries of established academic disciplines and explores problems that are part chemistry, part biology, part engineering, part computing, not quite "owned" or funded by any single field. Yet it is this kind of inquiry that often yields the greatest breakthroughs: the whole may be far greater than the sum of its parts. The Whitehead encourages and participates in imporant collaborations—between disciplines, between institutions, and even between countries.

For the past 20 years, the Institute has developed innovative ideas and methods that have been adopted by the world scientific community. Perhaps the most noteworthy has been an entirely new way to sequence the human genome and uncover the genetic codes that make our bodies what they are. The Center for Genome Research at Whitehead was a principal contributor to the human gene map unveiled two years ago at the White House.

While the Institute's reach is national and global, I want to note and commend its work in Massachusetts. Its distinguished staff finds time for an annual program of activities for high school teachers and students, helping them understand and benefit from their research. Every year, hundreds of local residents attend the Whitehead's science symposium and a regular series of colloquia on issues in science and public policy.

On the occasion of its 20th Anniversary in 2002, Mr. Speaker, I am pleased to commend the generosity of the Whitehead family that created this great research institute and recognize also the many subsequent donors who have sustained it. The faculty and staff of the Whitehead Institute may take credit for many biomedical advances that promise to assuage human suffering and prolong human life. We can look forward with great anticipation to its future discoveries.

TO PROTECT PRIVATE DECISIONS ABOUT MARRIAGE

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. STARK. Mr. Speaker, I rise to introduce a resolution "To Protect Private Decisions About Marriage." The decision to marry is one of the most personal and important decisions that many of us will make in our lifetime. When you ask someone to spend the rest of his or her life with you, it should be done out of love, admiration, devotion and respect. Choosing to get married is a truly monumental decision and is usually one of the most memorable moments of our lives.

Because the decision to marry is such a personal one, interference from outside parties is rarely warranted or appreciated. Many Americans turn to their friends, family or religious leaders when making a decision about marriage. Others turn only to their future partner. No one, however, turns to the government. And for good reason. Government interference in decisions about marriage is simply not warranted.

Unfortunately, President Bush does not agree. The Bush Administration has proposed to spend $30 million dollars to promote marriage in this year's welfare reauthorization bill. This misguided policy intrudes on private decision between adults and takes needed funds away from programs that actually help raise poor people out of poverty.

This year, Congress must consider legislation to reauthorize the welfare program. The Temporary Assistance for Needy Families (TANF) program, passed in 1995, helped many citizens find work, but not necessarily work that pays a living wage. As we consider reauthorizing TANF, we have an opportunity to direct our welfare program toward the important goal of lifting the poor out of poverty. The Bush administration, however, would rather push poor people into marriage.

Stable, healthy marriages are very important for raising our children. The very institution of marriage is a cornerstone of our society and is a critical element in creating stable families. Marriage is not for everyone, though. Some people simply cannot make marriages work, for personal, religious or other reasons. In more tragic cases, marriage is literally not safe because of an abusive spouse. Government involvement in marriage, therefore, is just not appropriate.

The American people agree. According to a recent Pew Research Center study, 79 percent of Americans believe the government should not develop programs to encourage people to marry or remain married. Furthermore, 66 percent of Americans who identify themselves as "strongly religious" believe the government should not interfere with decisions about marriage, according to the same poll. The American people clearly do not agree with the President's proposal.

In addition, government interference in promoting or coercing people to marry could have unintended, tragic consequences. According to a joint report by the Departments of Justice and Health and Human Services, 25 percent of women said they have been raped or physically assaulted by their current or former spouse. More alarming still, research shows that 60 percent of women on welfare have suffered from domestic violence. As these statistics confirm, if government were to encourage or coerce someone on welfare to get married, it would not guarantee a healthier or safer family, and it could endanger the lives of mothers and children.

Not only is government involvement in promoting marriage a potentially dangerous endeavor and an unnecessary intrusion of privacy, it also takes money away from programs that really do create more stable and healthy families.

The problems facing poor people on welfare won't be solved by getting married. What families on welfare need is greater access to childcare, healthcare and job training. Evidence shows that an overwhelming obstacle for welfare parents looking for a job is the lack of quality, affordable childcare for their children. Providing better, stable childcare has proven working adults in employment. This applies to healthcare and job training as well. By providing better healthcare and more access to job training, we can equip poor families with the tools they need to provide for their families and have more stable lives. Why should we waste $300 million coercing people to get married when that money could be better spent helping people out of poverty?

The Bush Administration's marriage promotion proposal is misguided, potentially harmful, and not supported by the American people. The resolution that I am introducing today says it is the sense of Congress that government resources not be used to influence, promote, or coerce individuals' private decisions about marriage. I hope my colleagues will join with me in supporting this important resolution and I call on the Bush Administration to reconsider this ill-advised proposal.

HONORING THE PONTIAC NATIONAL ASSOCIATION OF NEGRO BUSINESS AND PROFESSIONAL WOMEN'S CLUB AWARD RECIPIENTS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. KILDEE. Mr. Speaker, I ask the House of Representatives to join me in congratulating the recipients of the annual awards presented by the Pontiac National Association of Negro Business and Professional Women's Club. The awards will be presented at a luncheon on May 4th.

Over the past 37 years the Pontiac Club of the National Association of Negro Business and Professional Women will present the awards to individuals and organizations that have strived to improve the common good of all people. At the ceremony Lillie Nicholas will receive the Sojourner Truth Award, Hobert Maxey will receive the the Frederick Douglass Award, the Honorable Brenda Lawrence, Dr. Sharon L. Blackman, and Patricia L. Guthery will receive the Black Woman Achiever Award. Donald and Patricia Cordell and Alma M. Bradley-Pettress will receive the Community Service Award. The Ombudswoman Award will be presented to Karen Barner.

Mr. Speaker, the Pontiac Club of the National Association of Negro Business and Professional Women has given over $36,000 in scholarships. This has enabled many African American students to pursue further education. I ask the House of Representatives to join me in commending the Club and their members for their contributions to the Pontiac area and their efforts to promote education.

BLOOMFIELD CITIZENS COUNCIL AWARDS

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. COYNE. Mr. Speaker, I rise today to pay tribute to a number of Pittsburgh residents who will be honored on May 4th with Bloomfield Citizens Council Awards.

Every year, the Bloomfield Citizens Council gives out these awards to recognize members of the community who have improved the quality of life in the Bloomfield neighborhood of Pittsburgh. I would like to take this opportunity to commend the 2002 award winners for their efforts to make Bloomfield a better place to live.

Robert Scullion, Jr. has been selected as the 2002 recipient of the Mary Cercone Outstanding Citizen Award. This award is given to individuals who demonstrate "an unselfish commitment to others and a deep love for the community of Bloomfield." Mr. Scullion, a lifelong Bloomfield resident, has demonstrated his commitment and love in a great number of ways, including his efforts on behalf of organizations like the Blind Outdoor Leisure Organization and the National Alliance for Autistic

Research, his volunteer work for the St. Francis Hospital Ministry and the Prison Ministry for Western Penitentiary, and his participation in a number of Bloomfield sports leagues.

A Community Commitment Award will go to Mr. Joseph Covelli, who has served the community through his job as Principal of Elizabeth Seton Elementary School, as well as his work on such annual events as the Halloween parade and the Bloomfield Citizens Council Marathon Festival. Mr. Covelli also coaches a girls' softball team, and he has been very active in church affairs.

The Bloomfield Citizens will present four individuals with its Youth Dedication Award this year. Mrs. Lisa Thompson Gallagher will receive the Youth Dedication Award for coaching softball for the Bloomfield Girls Athletic Association for 15 years. Ms. Marlene Scholze will receive this award for volunteering as a softball coach for nearly 20 years. Mrs. Beverly Helwich was selected to receive a Youth Dedication award for her many years of coaching softball and basketball. She also has volunteered her time to the Immaculate Conception Athletic Association, which sponsors elementary school football. Mrs. Kim Schimmel Spears will receive a Youth Dedication Award for her many years of coaching basketball, softball, tee-ball, and Little League.

The Bloomfield Citizens Council will again present a number of awards for Christmas decorations this year. Mrs. Pat Donatelli Melfi and her sons will receive the Keeping Christ in Christmas Award for the nativity scene they created. Brian and Tresmarie Foulton Scanlon will receive the Most Outstanding and Completely Decorated Home Award this year. They are repeat award winners, having won this award previously in 1998. Finally, the Most Creative Design Award will be presented to Mrs. Pat and Miss Dana Smith for a decoration scheme that accented many of the architectural features of their home.

In closing, let me just say that all of the individuals receiving 2002 Bloomfield Citizens Council awards have made important contributions to the quality of life in Bloomfield. On behalf of the residents of Bloomfield and the rest of the 14th Congressional District, I thank them for their efforts and congratulate them on their selection as recipients of 2002 Bloomfield Citizens Council awards.

IN MEMORY OF KIMBERLY "KIM" ANNE HOLLOWAY

HON. GRACE F. NAPOLITANO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mrs. NAPOLITANO. Mr. Speaker, I rise today to honor the memory of a young woman, Kimberly "Kim" Anne Holloway who unexpectedly passed away on March 2, 2002 due to complications from a kidney infection. I ask my colleagues to join me, together with her family and friends in mourning for her untimely death.

Kim was born on June 10, 1974 in Santa Monica, California to Daniel and Hilda Holloway. Growing up in LaPuente, California, she graduated from William Workman High School and proceeded to Mount San Antonio College. Kim was an honor student and talented athlete who excelled in soccer and track. To help pay for college, she worked as a scheduler at Disneyland in Anaheim. Kim later transferred to California State University at Fullerton, and was looking forward to graduating in June.

Kim loved the simple things in life; literature, music, movies, and like every other teen, fashion. But what endeared Kim to her family and friends was that she was always there when they needed her. Always ready to help out her brother or sisters, or a friend in need.

Mr. Speaker, a person's life is not measured by the length of their stay here on Earth, but rather by the quality of the life they lived. By this measure, Kimberly Anne Holloway is richer than many of us could ever become. She was a dedicated student, a hardworking employee, a loyal friend, and most importantly, a loving daughter.

CALLAWAY GARDENS 50TH ANNIVERSARY

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. COLLINS. Mr. Speaker, on May 21, 2002 one of Georgia's treasures will celebrate its 50th anniversary. Created as a place "prettier than anything since the Garden of Eden," Cason and Virginia Callaway envisioned a verdant preserve of some of the most beautiful flora and fauna in our nation. Today, Callaway Gardens is all of that and so much more.

Featuring the world's largest man-made inland, white-sand beach, a world-class resort, world's largest azalea garden, acclaimed golf, birds of prey program, and a collection of plumleaf azaleas, a plant which the Callaway's rescued from the verge of extinction, Callaway Gardens has been a place of relaxation and beauty for generations of Americans.

Keats once wrote,

> "A thing of beauty is a joy for ever:
> Its loveliness increases; it will never
> Pass into nothingness; but still will keep
> A bower quiet for us, and a sleep
> Full of sweet dreams, and health, and quiet
> breathing."

That is the most appropriate description I have ever heard for Callaway Gardens.

As the family of Cason and Virginia Callaway celebrate the 50th anniversary of their parents' dream, I congratualte them for continuing to make that dream a reality. A friend of farmers, environmentalists, and those who appreciate beauty, the Callaways have crafted a marvel of modern day horticulture and botany in the midst of rural Georgia. I am pleased to represent the people who work at and lead Callaway Gardens, and I am pleased that such a thing of beauty is located in the Third District of the great State of Georgia.

STUDENT CONGRESSIONAL TOWN MEETING

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. SANDERS. Mr. Speaker, today, I recognize the outstanding work done by participants in my Student Congressional Town Meeting held this spring at the University of Vermont. These participants were part of a group of high school students from around Vermont who testified about the concerns they have as teenagers, and about what they would like to see government do regarding these concerns.

I respectfully request that the following testimonials be included in the CONGRESSIONAL RECORD.

ON BEHALF OF SAM PARKER, BECCA VAN HORN, AND ELI BRANNON REGARDING FREE TRADE

(April 8, 2002)

ELI BRANNON: Free trade is a method for countries to trade internationally without having to worry about tariffs or barriers. The first step towards free trade was taken in 1948 with the creation of GAT, the General Agreement Tariffs rate. GAT was formed as a way to provide rules for countries to dismantle trade barriers and organize a system of commercial business. Unfortunately, it did not live up to expectations.

GATT was transformed into the World Trade Organization, or WTO, on January 1, 1995. Before the World Trade Organization was created, North America had already created its own system of trade, the North American Free Trade Agreement, or NAFTA. NAFTA has grown to include Canada, the U.S. and Mexico. Free trade is supposed to help support the countries involved. It does create more jobs, lowers taxes on trade, and makes some Second World Nations like South Korea and Taiwan want to attend trade liberalization. However, the advantages are overshadowed by the numerous disadvantages, including worker exploitation, job loss effects on the agricultural community, and the obvious attempt for corporate profit.

SAM PARKER: NAFTA was originally established to help solve North America's problems, increase of trade surplus, standard of living, and better jobs, among other things. Before NAFTA, the U.S. agricultural trade surplus with Mexico and Canada was $203 million. Since NAFTA was established in 1994, this surplus fell $1.498 million.

What NAFTA does not openly stop our economy's advancement, it has set it far behind. NAFTA promised an increase in jobs for Americans. Not only has this not happened, but more than 350 U.S. workers have lost their jobs. Many of these jobs were given to Mexican workers being paid one-third of what Americans are paid.

Another promise of NAFTA was to boost the agricultural economy. The farming community has been given nothing but false hopes with the promise of more jobs. Farming income has declined and consumer prices have gone up.

Although NAFTA and free trade look appealing on the outside, the effects are devastating to most working-class persons.

BECCA VAN HORN: I pledge allegiance to the flag of the multinational corporations, and to the profit for which they stand, one interlocking directorate under no government, indivisible, with monopoly and cheap labor for all.

This pledge epitomizes the only noticeable progress of the World Trade Organization. Free trade, and therefore NAFTA and the World Trade Organization, which attempts to globalize economies without globalizing human rights, only leads to big corporations exploiting the Third World. While supporting the capitalists, the big corporations who benefit most from free trade, the World Trade Organization advances by exploiting the Third World proletarians, opposing human rights and demands for adequate working conditions.

The World Trade Organization thrives on maintaining the status quo by taking American jobs and giving them to eleven-year-old Indonesian children working in a Nike factory for 83 cents per day. Free trade helps the First World, but leaves the poorest with barely .4 percent of all global trade. That is barbaric. You do not keep the standard of living for America by exploiting one group of people. The Third World has taken an incredible hit.

The World Trade Organization supports groups like the International Monetary Fund, whose only purpose is to loan money to countries in dire situations, and then demand the money back at an incredibly high interest rate. By supporting organizations like the IMF, and only looking at how the rich can flourish, the World Trade Organization is dooming the Third World to never advance economically.

This is not an impossible situation. If free trade focuses on advancing all social classes, it will be beneficial to the First and Third worlds. There would be more American jobs, farmers could prosper, and, although big corporations would lose money, they could begin to cleanse their moral values.

If the Third World is able to focus on trading with each other and the First World on an equal basis, their children could go to school and their economy progress. If an organization like the U.N. helped put that eleven-year-old Indonesian child into a plausible trade, their population would not be doomed to factory work at subsistence wages and no benefits.

Of course, it would be difficult. But free trade attempts to globalize only one aspect of our world, increasing the disparity in every other way. Free trade, and therefore NAFTA and the WTO, globalizes economies, not for the betterment of the world, but for corporations and consumerism, creating a never-ending spiral of the rich remaining rich and the poor remaining poor.

ON BEHALF OF RUTH BLAKE

REGARDING STRAIGHT TALK VERMONT

(April 8, 2002)

RUTH BLAKE: Straight Talk Vermont is one of the programs run out of the Community Justice Center, and some of the things they are involved in is Arts are Wonderful, a group of high school students getting together and working on art projects and learning different types of art. They have a Team Reaching In, which is like a song-poetry kind of group. They have Art from the Inside Out, which is a group of UVM art majors who are teaching majors, teaching middle schoolers and young students art. And the Teen Expressions, which is what I'm part of. It is a group of high schoolers from around the area, and they get together, and plan different events, and fun things to do, as something else to do besides drinking and drugs and that kind of stuff.

Straight Talk Vermont is the overall thing. They help people at high risk, and it—they just help build and become better. What I'm involved in is the Teen Expressions Dance Company, and they're putting on a dance performance. It is a group of young amateur performers. We are just getting together and choreographing and dancing, performing.

GRIMES TO BE HONORED BY GREATER PITTSTON CHAMBER

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. KANJORSKI. Mr. Speaker, I rise today to call the attention of the House of Representatives to the well-deserved recognition that the Greater Pittston Chamber of Commerce will provide to Mr. John F. Grimes, a good friend of mine, at its 80th annual dinner meeting on May 1.

It is with good reason that the Chamber refers to Jack as its "secret weapon" for attracting quality businesses to sites in the Pittston area. He was instrumental in the recently announced agreement to bring 1,200 jobs to the area at the new TJ Maxx distribution center to be located in the Vogelbacher Industrial Park. In all, the Chamber credits Jack as being responsible for bringing 4,500 jobs to the Greater Pittston Area since his involvement began with the Chamber.

Jack has deep roots in the community—he was born in Pittston and has lived there all of his life. In 1942, after graduating from St. John the Evangelist High School, Jack began a 21-year career with the Lehigh Valley Railroad. Within just a few years of beginning his career with the railroad, Jack was appointed assistant division engineer and became the youngest person ever to be assigned to that position of responsibility. During his career, Jack earned two professional licenses: surveyor and civil engineer.

Although Jack remained very committed to his job, he has also made community service a major part of his life. He served as the president of the Lions Club of Pittston, and has been a lector and usher at St. Mary's Church. He has also contributed to the city of Pittston by serving as a member, secretary and president of the planning commission over a period of more than 30 years.

Knowing of Jack's commitment to his community, his colleagues called on him to be the executive director of the Pittston Chamber of Commerce. During his tenure, Jack reactivated the Pittston Area Industrial Development Authority as a subsidiary function of the chamber. He has aggressively campaigned to bring new industry to the region, and he has helped publicize Pittston's strongest assets to companies seeking to relocate in the city. Jack Grimes has become a valuable partner with local, county, and State officials who diligently work to revitalize the Greater Pittston area. For all of these reasons, the Friendly Sons of St. Patrick rightly honored Jack as their Man of the Year in 1996.

Mr. Speaker, on behalf of the people of the Greater Pittston area, I extend my deepest appreciation to Jack Grimes for his lifetime of commitment to promoting industrial and business development throughout his community. I am pleased to call to the attention of the House of Representatives his service to the community and the well-deserved tribute he will receive on May 1, and I wish him all the best.

THE MARTIN'S COVE LAND TRANSFER ACT (H.R. 4103) SHOULD BE ADOPTED BY THE CONGRESS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. LANTOS. Mr. Speaker, I rise today to express my strong support for H.R. 4103, the Martin's Cove Land Transfer Act, introduced in this House by our distinguished colleague from Utah, Mr. HANSEN, the Chair of the Committee on Resources. The legislation directs the Secretary of the Interior to offer to convey to the Church of Jesus Christ of Latter-day Saints federal lands in the state of Wyoming known as Martin's Cove. The Church would be required to pay the fair market value for acquisition of the land and any improvements.

Generally speaking, Mr. Speaker, I have strongly supported the acquisition of lands by the federal government. During the time I have served in this body, I have introduced and supported a number of bills which have provided for the addition of new lands to the Golden Gate National Recreation Area in California and the acquisition of other lands for preservation and protection by the federal government.

It may appear to be an unusual step that I support this legislation which would provide for the sale of federal lands. The land at Martin's Cove, however, is unique. Clearly the transfer of this parcel of land from the federal government to the Mormon Church makes good sense for all concerned.

Mr. Speaker, this site is a particularly important historical site for Latter-day Saints. At or near Martin's Cove in 1856 some 150 emigrants of the Willies and Martin handcart companies lost their lives in an early fall snowstorm. Those who perished were buried where they died, and many were placed in common graves because of the difficult and trying conditions.

Many members of these two groups had begun their trek to Salt Lake City in Europe, and others joined the group in the eastern United States. They sought a new life in the American West and the freedom to practice their religion. This loss of life was one of the most tragic events in the entire westward migration on the Oregon and Mormon trails in mid-nineteenth century America.

It is obvious that this site holds a special significance for the many descendants of those who survived this ordeal, many of whom are Latter-day Saints. But it is also a holy place as well for other members of the church who give special honor to their pioneer heritage.

Mr. Speaker, the church's interest in acquiring this site is consistent with the federal government's interest in public access and preservation of this location. The church has an interest in preserving this place as an authentic historic site. It has an interest in maintaining relics and evidences of the Mormon, Oregon and Pony Express trails that pass through the area. The church also has an interest in making the area accessible to visitors in a way that will preserve the historic significance of the place. Furthermore, I believe that the church's commitment to this site in care, concern and funds is likely to be much greater than that of the federal government, and as a result the area will be better preserved under Latter-day Saint stewardship than under federal control.

Finally, Mr. Speaker, I do not see this legislation for the transfer of this particular piece of land to be establishing any precedent for the sale or transfer of other federal lands. Clearly this is a unique situation. The Church of Jesus Christ of Latter-day Saints has an interest that is very similar to the federal interest to preserve, protect and provide public access to the site. This land transfer makes eminent sense, but it clearly does not change any federal policies or practices regarding the protection and preservation of public lands.

Mr. Speaker, I commend my colleague from Utah, Mr. HANSEN, for introducing this legislation, and I urge my colleagues to join me in supporting it.

RECOGNITION OF VOLUNTEER SKY MARSHALS

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. MOORE. Mr. Speaker, after the tragic events of September 11th, many dedicated Americans served our nation as volunteer Sky Marshals. I recently received a piece of correspondence from one of my constituents, Bob Dremann, whose son John served as a volunteer Sky Marshal after September 11th. I have included a copy of Mr. Dremann's correspondence, and agree with him that volunteers like his son John deserve Congress's recognition for their service.

Rep. MOORE: My son, John S. Dremann, just completed his detail as a volunteer Sky Marshal. He volunteered shortly after the 9/11 attacks. They were looking for persons who had federal law enforcement training and those who carried a handgun as a part of their jobs. He is now being relieved by persons who were hired and trained to be a Sky Marshal after 9/11. John is now going back to his previous job as an Avation Specialist with the U.S. Customs Service. He flies in a corporate jet looking for the bad guys, breaking laws off the Florida coast. Volunteers from other agencies also served as volunteer Sky Marshals. They are all returning to their old jobs, but, I feel they deserve our special thanks for the work that they did to protect us. The purpose of this note is to encourage you to create a Congressional recognition program for my son and all of the other brave persons who served as a Sky Marshal volunteer during the recent emergency. I would not rely on the FAA or Customs to do an adequate job of recognizing these persons. Besides, they protected all of us, so wouldn't it be very appropriate for the Congress to come up with a recognition program. Something he could show his grandchildren someday. Thank you for your help on this.

Sincerely,

BOB DREMANN.

PERSONAL EXPLANATION

HON. JOHN R. THUNE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. THUNE. Mr. Speaker, on April 24, while fulfilling my responsibilities as a member of Congress and escorting President Bush to South Dakota, I was unable to vote on roll call votes 107 through 110. If I had been present I would have voted NO on roll call vote 107; NO on roll call vote 108; NO on roll call vote 109 and YEA on roll call vote 110. I ask unanimous consent that this, along with a statement, be placed at the appropriate place in the CONGRESSIONAL RECORD.

POEM FOR VIETNAM VETERANS

HON. MARK GREEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. GREEN of Wisconsin. Mr. Speaker, I submit this poem for the RECORD.

WRITTEN AND DEDICATED TO ALL THE VIETNAM VETERANS

(By Boatswains Mate Robert W. Perry)

We were the men sent to Nam
We were there to save the day
And for protecting these people's freedom
We were paid about four bucks a day

We walked through these smelly paddies
It was always so damn hot
My buddies just kept dying
In a land that God forgot

We trudged through the bush with our sixteens
Eating and breathing orange dust
We worked like we were on a chain gang
And always too tired to cuss

All the time them bullets kept coming
It was more than we could stand
Hell folks we weren't convicts
We were defenders for their foreign land

So when this life is over
And there are no more worries to stand
We're gonna do our last parading in the far away
Promised Land

Once there, St. Peter will greet us and he will yell
"Come on in you men from Nam, you've done your stretch in hell."

Sadly missed by the American people. We will never forget their plight.

HONORING THE GRADUATE CLUB AS THEY CELEBRATE THE 100TH ANNIVERSARY OF THEIR HOME AT 155 ELM STREET

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Ms. DELAURO. Mr. Speaker, it is with great pride that I rise today to extend my sincere congratulations to New Haven, Connecticut's Graduate Club as they celebrate their 100th anniversary at 155 Elm Street. Throughout its history, the Graduate Club has been a social institution in our community—bringing town and gown together for nearly 200 years.

Established in 1892, the Graduate Club was founded to provide a place where faculty and graduates could socialize and work. While there were many clubs, organizations, and public resorts, they were generally dominated by undergraduates. Their first president, Arthur W. Colton, Yale 1890, with a number of other men, held the first meeting in November of 1892 and adopted the name Graduate Club, only because the more common University Club was already being used by undergraduates.

The Graduate Club found its first home at the Anktell House where it remained until the Spring of 1894 when it was forced to seek other quarters due to the expansion of Yale University. It was in their second home on Chapel Street that members signed the Articles of Association. Blending academic and civic interests, membership grew and steadily strengthened the young organization. With the turn of the century membership continued to increase and a mounting waiting list continued to expand. It was evident that the Club had to seek a larger venue.

Closely following the bicentennial celebration of Yale University, the Graduate Club acquired the historic home of Eli W. Blake at 155 Elm Street. Though there was a need for alteration and enlargement of the property, a date was set for the formal laying of the cornerstone: April 26, 1902. The celebration of a centennial anniversary is always a special occasion. It is especially so for the Graduate Club because they are recognizing the anniversary of the establishment of their home. Being able to remain in the same building, particularly during the many phases of revitalization, is a great accomplishment.

What began as a means to distinguish a collegiate generation gap has grown into a popular and respected gathering place. You can often find New Haveners dining in the Club and it is sought out for meetings or social gatherings. It has become a true New Haven landmark. I am honored to rise today to join the New Haven community in congratulating the past and present membership on this wonderful occasion.

IN RECOGNITION OF METHODIST HOSPITAL'S NEW STROKE CENTER

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. BENTSEN. Mr. Speaker, I rise to congratulate the Texas Medical Center's Methodist Hospital as it dedicates its new Stroke Center on May 1, 2002, located in Houston, Texas. The dedication will provide the hospital with an opportunity to showcase the comprehensive new facility for the treatment and care of stroke patients.

Founded in 1919, Methodist Hospital, the anchor facility for the Methodist Health Care System, has earned nationwide recognition. Methodist Health Care System is a nonprofit, comprehensive medical service and health care organization. It has expanded the world-renowned clinical and service excellence of its founding entity, Methodist Hospital, through community hospitals, a health plan with multiple products and an acclaimed home health agency. Affiliated with the Texas Conference of the United Methodist Church, Methodist Health Care System strides to treat everyone it serves as a person of sacred worth and value.

As the primary, private, adult teaching hospital for Baylor College of Medicine, Methodist Hospital, directs millions of research dollars into patient care and offers the latest innovations in medical, surgical and diagnostic techniques. For the past eighty years the hospital has established a legacy of medical milestones that continues to attract patients from around the world. Its international physician referral network and affiliations with hospitals that span four continents, including information centers in Guatemala City, Istanbul, and Mexico City, have placed Methodist at the forefront of the world's medical research and education.

As you may know, much has been learned about the causes and prevention of strokes. In an effort to respond to those patients suffering from a stroke, who at one time were thought of as untreatable, Methodist Stroke Center has coordinated a multi-disciplinary rapid response system. This system consists of a highly trained team of experts ranging from neurologists, cardiologists, to rehabilitative specialist. The services provided arc extensive and cover all aspects of stroke treatment. The Stroke Center is one of the many facilities within the Methodist Health Care System that has been nationally recognized by the medical community. In fact, Methodist Hospital was named among the country's top centers for urology, otolaryngology, kidney disease, ophthalmology, and neurology in U.S. News and World Report's 2001 Annual Guide to "America's Best Hospital." Additionally, the hospital is consistently ranked as most preferred in Houston's Biannual Healthpoll Survey and was recognized by Hospitals and Health Networks as one of "Health Care's 100 Most Wired" health care facilities. The medical staff includes dozens of physicians listed in The Best Doctors in America.

Mr. Speaker, I congratulate Texas Medical Center's Methodist Hospital for its eighty-three years of excellence and innovation in improving the quality of life and I look forward to the medical advances that will continue to emanate from its exceptional staff.

A TRIBUTE TO SPENCER MARK RITCHIE

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise to pay tribute to Spencer Ritchie who is leaving the Hill this week to finish his last semester and pursue his degree at Texas Tech University in Lubbock, Texas, and then maybe even law school. The efforts and energy of Spencer will be missed dearly by all members of my office.

Spencer is a first-rate Southern gentleman with a keen understanding of people, poise and patience; the latter is most needed when juggling numerous tasks while managing the front desk.

He conquered the thankless jobs of being the gatekeeper, all the while supporting my entire staff and office guests. Because of his academic performance and student leadership, Texas Tech selected Spencer to represent the University as a Presidential Intern—and they could not have selected a more well-rounded young man who puts priorities like faith and family first.

Although he's only been with the office for a short time, he's left a lasting impression on many. Numerous constituents and visitors have commented to my staff and me that Spencer has an amazing way with making people feel welcome. Spencer has the unique ability to make every guest feel like family—and after meeting Spencer, they wanted to be Texans too!

His knowledge, insight, guidance and generosity have been inspiring to others. Though Spencer's good graces will be missed in Washington, I know that our loss is most definitely Texas Tech's gain.

He enjoyed a unique and historic experience and one which I hope will serve him well as he continues his education and begins his career. You name it—he's done it. No job is too big or too little for Spencer. He just does it—and he does it enthusiastically with a smile on his face and a laugh for others. He's given Capitol tours in the wake of September 11th. He's welcomed tired tourists from Texas! He's written letters and called constituents. I was proud to have him up front as an ambassador, if you will, for the people of the Third District.

So much of what we do in Congress is done for the next generation, for young people like Spencer. He can be proud that what we have done in this Congress has not only been done for him—but with him.

Like each Member of Congress, he is now a part of this institution. And as of Friday, he will be a part of its history. I wouldn't be surprised if he may even be part of its future, returning some day as a staff member or even a Representative!

Too many Americans do not have a full understanding of how hard the staffs of Members of Congress work, how conscientious they are and how much they care about doing the right thing for their country, regardless of whether they are conservatives or liberals, moderates, Republicans, Democrats or Independents.

Spencer has learned that lesson firsthand. So he will have something that many of his neighbors and friends and relatives will not have had: hands on experience of how the greatest democratic institution in the world works.

He will have the opportunity to go back and tell our fellow citizens that the system works—and that it works well! And that they need to participate, not necessarily run for Congress, but to participate by voting. By speaking out. By writing. By communicating—by involving themselves in the democratic process that makes our great nation a beacon of freedom and liberty!

I wish Spencer luck and look forward to the day when I meet him again—as a proud Texas Tech graduate and SAM JOHNSON office alum!

PERSONAL EXPLANATION

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. MOORE. Mr. Speaker, I rise in support of Representative CAL DOOLEY's motion to instruct conferees to agree to Senate provisions that would lift a ban on private financing of agricultural sales to Cuba. Unfortunately due to reasons beyond my control, I was not able to vote; had I been able to vote, I would have voted in favor of lifting the ban on private financing of agricultural sales to Cuba.

The Dooley motion to instruct conferees, relating to Sec. 335 of the farm bill and agricultural trade with Cuba, permits only private financing of agricultural sales to Cuba, and maintains the United States ban on government financing. The Dooley provision says that that private enterprise should make lending decisions. The Federal Government should not be in the position of denying private entities the right to finance sales of agricultural goods to Cuba. Under current law, no provision of credit from a United States financial entity of any kind is allowed. United States agricultural exporters must either arrange for credit through an overseas bank, or must insist on cash in advance from the Cuban importer.

Even with these cumbersome restrictions, United States farmers have been able to realize more than $35 million in sales to Cuba within the last 3 months, including Kansas wheat. Cuba has purchased a wide range of American products, including rice, chicken, soybeans, wheat, corn, and vegetable oil.

The Cuba Policy Foundation recently released a study showing the embargo of Cuba is costing United States farmers up to $1.24 billion in annual exports to Cuba, and another $3.6 billion in agricultural related output. Moreover, the American public supports agricultural trade with Cuba. In a 2001 poll, conducted for the Cuba Policy Foundation, 71.3 percent of Americans agreed that American companies should be allowed to sell food to Cuba. My

State of Kansas' potential income from Cuban food exports is predicted at $38,770,000 per year including the creation of 1,098 new jobs.

Today, the 40-plus year-old embargo against Cuba has failed to achieve the policy objectives of the United States. The cold war has been history for well over a decade; why continue to make the Cuban people and American farmers suffer for a war we won on so many other fronts?

TRIBUTE TO CHAPLAIN JAMES E. WALKER

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to a man of great principle and faith, U.S. Army Chaplain James E. Walker of Columbia, South Carolina. This is a man whose path I crossed 30 years ago to the month. He was a bright, young student at C.A. Johnson High School in Columbia then, and was selected to introduce me as the speaker of their Honors and Awards Day, when I was in Governor John West's office. The event was a memorable one for me, but I had no idea that my comments at the time would touch the soul of young James Walker. To this day, he still has the program from the event and remembers my urging to set goals and make plans to achieve them. These sentiments I have expressed countless times over the years when visiting school groups. Yet this is one of few opportunities I have had to join in celebrating with a young man who took my words to heart and achieved amazing things as an adult.

On Thursday, May 2, 2002, Chaplain Walker receives the promotion to Army Colonel at the U.S. Army Chaplain Center and School at Fort Jackson in Columbia, South Carolina. On that day his story will come full circle to the place where it began. In his hometown, Chaplain Walker will officially achieve this well-deserved ranking as a reflection of his hard work and dedication.

On September 11, 2001, I was on Capitol Hill watching the smoke rise from the Pentagon in disbelief. However, Chaplain Walker had no time that day to stop and watch the tragedies unfold before his eyes. He, too, was in the Washington area. He was at Ground Zero—the Pentagon—ministering to those who were wounded and in shock. In the subsequent weeks, Chaplain Walker served tirelessly at the Pentagon's makeshift triage station for three weeks to "care for the wounded, minister to the living and honor the dead." For this service, our nation owes him a debt of gratitude.

This tremendous strength in the face of adversity is a hallmark of Chaplain Walker's career. He is one of 138 African-American Army Chaplains among the 2,000 Chaplains serving the Army worldwide. His military service has taken him to Desert Storm where he ministered to troops in Saudi Arabia, Iraq and Kuwait. For his skilled pastoral work in trying times, he was awarded the Saudi-Kuwait Liberation Medal. Chaplain Walker has received numerous other commendations including the Bronze Star, Meritorious Service Medal, Army Commendation Medal, Army Achievement Medal, National Defense Service Medal, Southeast Asia Service Medal, and the Army Service Ribbon.

This outstanding service record was built on the strong foundation he received growing up in Columbia. He graduated C.A. Johnson High School and earned a Bachelor of Science from my alma mater, South Carolina State College. He served seven years in the Army as a Signal Officer before becoming a chaplain. He received his Master of Divinity and Doctor of Ministry from Andover Newton Theological School in Newton Center, Massachusetts. His thirst for knowledge also led him to attain a Master of Business Administration from Western New England College and Master of Arts degrees from Boston College both in Massachusetts.

Mr. Speaker, although my duties here in Washington prevent me from sharing this memorable day with in person, I ask that you and my colleagues join me in congratulating Chaplain James E. Walker for his outstanding service and well-deserved promotion. He is a fine example of what can be achieved in life with a strong desire to learn and a willingness to serve others. It is fitting that he receives this promotion while in his hometown. I wish him good luck Godspeed as he returns to service at the Office of the Chief of Chaplains in Arlington, Virginia.

MOURNING THE LOSS OF A GREAT MAN

HON. STEVE C. LaTOURETTE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. LATOURETTE. Mr. Speaker, on April 11, one of our area's most beloved citizens passed away—former Congressman J. William Stanton, who served in the House of Representatives from 1965 to 1982. I am honored to have known Bill Stanton, whom I considered a dear friend and mentor. In fact, I know that I would not be a Congressman today had it not been for his unparalleled guidance and support.

Bill Stanton was born in Painesville in 1924, and was a longtime resident of my hometown, Madison. Bill was a graduate of Culver Military Academy, and was the institution's Man of the Year in 1994. He also was a graduate of Georgetown's School of Foreign Service. In addition, he was a proud veteran and was the Army's youngest commanding officer in the Pacific Theater during World War II—attaining the rank of captain at the age of 21. He returned from war with the Bronze Star with Oak Leaf Cluster, the Purple Star, and other decorations.

When Bill came home, he ran a Lincoln-Mercury dealership, making him the youngest franchised dealer in Ford history in 1948 at the age of 24. He also had the distinction of giving legendary football coach Don Shula his very first job—selling cars. Don Shula and Bill Stanton remained lifelong friends.

Bill got his political start in Lake County, and served as a Lake County Commissioner for 8 years starting in 1956. He often called those years the "happiest time of his political career." He then proudly represented Madison and the former 11th Congressional District in Congress for 18 years, from 1964 to 1982. He served his district with great honor and distinction, and was an amazingly popular Congressman. In one election, he lost only five precincts in his entire district.

Of course, it wasn't always such smooth sailing. When Bill was running for re-election after serving one term in Congress, he was campaigning down in Ravenna in Portage County, which then was part of the 11th district. Bill met an older woman at an event and introduced himself, saying: "My name's Bill Stanton and I hope you'll vote for me in Congress."

The woman looked at him and replied, "I certainly will, young man. We've gotta get rid of that guy we've got there now."

When Bill retired from Congress, he devoted his time to causes that were important to him. He became an advisor to the World Bank, a post he held until 1993, and he also served on the board of Bread for the World, an organization devoted to easing world hunger. In addition, he was on the Board of Regents of Catholic University.

Bill's passing was unexpected and certainly too soon. Just a few weeks before his death, he returned home to attend an event where I was roasted to benefit the United Way. I was thrilled to see Bill, and was so honored that he'd traveled so far to be with me on that special night.

I also am pleased that a few years ago we were able to dedicate the Old Camp Isaac Jogues in Madison and rename it in Bill's honor. The Madison park was always loved by Bill Stanton, and his family had ties to it. Bill's father, Frank built the chapel that still stands at the park.

Bill Stanton was a great man and a great friend, and I miss him greatly. My thoughts and prayers are with his wife, Peggy Smeeton Stanton, his daughter, Kelly Fordon of Grosse Pointe, MI, and his three grandchildren—Jack, Charles, and Megan.

IN RECOGNITION OF SEXUAL ASSAULT AWARENESS MONTH

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Ms. PELOSI. Mr. Speaker, I commend Congresswoman CAROLYN KILPATRICK and Congresswoman DEBORAH PRYCE for their leadership and thank them for organizing today's statements in recognition of Sexual Assault Awareness Month.

An estimated 302,100 women and 92,700 men are forcibly raped each year in the United States. There were 9,443 reported forcible rapes in California in 1999 alone. This number is undoubtedly low, since a majority of rapes and sexual assaults are never reported. Sexual assault is a problem of sweeping proportions across the nation.

One way that we can combat sexual assault is by raising public awareness, both here in

Congress and in our local communities. California officially recognized Sexual Assault Awareness Month by resolution in 1987.

Sexual assault is a problem for us all. As legislators, we are responsible for letting women and families know that we take the problem of sexual assault seriously. The Violence Against Women Act provides funding to battered women's shelters, rape crisis centers, a hotline for domestic violence community programs on domestic violence, and rape education and prevention. With the reauthorization of the Violence Against Women Act in 2000, Congress reaffirmed this nation's commitment to ending domestic and sexual violence.

Full funding of the Violence Against Women Act will allow communities across the country to carry this legacy forward. Unfortunately, President Bush's budget falls $111.3 million short of fully funding critically important programs such as transitional housing for victims of domestic violence, shelter services, and rape education and prevention. As we recognize Sexual Assault Awareness Month, I urge my colleagues to dedicate the necessary resources to fulfill the mission of the Violence Against Women Act.

HONORING THE 50TH ANNIVERSARY OF THE ESTABLISHMENT OF ALBERTS PLASTERING

HON. MARK GREEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. GREEN of Wisconsin. Mr. Speaker, I offer these remarks before the House today to honor the 50-year anniversary of the establishment of Alberts Plastering, Inc., a fine family business in my district.

When Morris "John" Alberts founded Alberts Plastering 50 years ago in 1952, he set a high standard for his craft that is still maintained by Alberts Plastering today. Over the years, he and his son John worked very hard to build not just their business, but also our communities and our state.

Morris "John" Alberts passed away 12 years ago, but his legacy is now carried forward by John Alberts and a dedicated and hardworking group of over 100 professionals.

A business is only as strong as its people and its ideals. Alberts Plastering has lasted 50 years because it is made up of great folks and is built on a foundation of solid values. I'm confident those people and ideals are strong enough to carry it forward for another 50 years and beyond.

WORKERS MEMORIAL DAY

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mr. MOORE. Mr. Speaker, on Sunday, April 28, 2002, American workers across the nation recognized the significant contributions of American labor to the founding and growth of our country. Every year, Workers Memorial Day gives working men and women an opportunity to acknowledge labor's great achievements and promote much needed improvements in working conditions.

While decades of hard work and struggle by workers and their unions have resulted in vast improvements in working conditions, the toll of workplace injuries, illnesses and deaths remains unacceptably high. According to recent figures from the Bureau of Labor Statistics, 5,915 workers died from on-the-job injuries in 2000, while an additional 50,000 to 60,000 workers die each year from occupation-related injuries and diseases. Another 6 million workers sustain serious injuries every year while at work.

Workers Memorial Day is held on April 28 to commemorate the creation of the Occupational Safety and Health Administration [OSHA], which has dedicated itself to reducing workplace injuries since its inception in 1971. Over the past three decades, workplace fatalities have been cut in half and occupational injury and illness rates have declined 40%. At the same time, U.S. employment has doubled from 56 million workers at 3.5 million worksites to 6 million workers at approximately 7 million sites.

I believe our country must do even more to reduce workplace injuries and illnesses. Congress can and should dedicate itself to achieving these goals by passing common sense and long overdue ergonomics legislation. Unfortunately, last year Congress passed a Disapproval Resolution that overturned the Clinton Administration's sensible ergonomics rule. President Bush signed this resolution into law in March 2001, and the Bush Administration recently announced its plans to push for voluntary ergonomics standards.

The ergonomics guidelines developed during the Clinton Administration were developed after years of studies and analyses, and were based upon sound science. I disapprove of Congress's elimination of the important rule designed to identify and remove hazards to workers' health, and will continue to urge my colleagues to pass legislation requiring the Department of Labor to draft a meaningful ergonomics standard.

As we remember the millions of workers who have sustained injuries and, in many cases, died as a result of workplace hazards, members of Congress and working Americans must continue to fight for stronger safety and health protections for workers everywhere. Working men and women deserve these protections, and have certainly earned them. While we celebrate Workers Memorial Day once a year, we must dedicate ourselves to improving safety and health in every American workplace on a daily basis.

CORPORATE AND AUDITING ACCOUNTABILITY, RESPONSIBILITY, AND TRANSPARENCY ACT OF 2002

SPEECH OF

HON. JOHN R. THUNE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 2002

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3763) to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes:

Mr. THUNE. Mr. Chairman, there is little debate and even less doubt that our economic system is the best in the world. However, we learned last year that companies have the capacity to violate laws, deceive investors, and through those actions defraud the public. This is not a fault of our economic system. Instead it is the result of action of a few dishonest and irresponsible few, and it underscores our nation's reliance on, and the value of, the rule of law throughout our society.

I believe that because of these actions Congress must restore confidence in our economic system by recognizing and acting on the excesses of those few bad actors. Today, Mr. Chairman, Congress will act, in the wake of the Enron collapse, to pass legislation designed to protect investors and employees from what happened at Enron.

First, this legislation acts to restore confidence in accounting practices. It is important that we have a strong and healthy accounting industry to keep companies financially sound and to provide investors with solid information. This bill creates a new, public regulatory board with strong oversight authority that will be under the direct authority of the Security and Exchange Commission (SEC) and will have to certify any accountant wishing to audit the financial statements required from public issuers of stock.

Second, the bill increases corporate disclosure and responsibility. Investors rely on information to make their financial decisions. This legislation will increase the amount of real-time information made available to American investors, employees and the general public. For example, off-balance sheet transactions, like the special entities made famous by Enron, would have to be fully disclosed, and companies would be required to disclose information about their financial health more quickly and in plain English. Lastly, it would make it unlawful for anyone associated with a company to interfere with the auditing process.

It is also vital for workers to be able to maintain a safe and secure retirement. For that reason, the bill helps to protect 401 (k) retirement plans by prohibiting corporate executives from making insider stock sales when other employees can't.

Lastly, this legislation strengthens the SEC by increasing its budget and allowing it to perform additional tasks and oversight duties. The SEC will also be required to conduct regular and thorough reviews of the largest and most widely-traded companies.

We've seen the excesses that dishonesty in our economic system can bring. Today, Congress will act to make sure that dishonest businessmen can't game our economic system, deceive investors and ruin the lives of their employees. This bill does that, which is why I support this common-sense legislation.

HOUSE OF REPRESENTATIVES—*Wednesday, May 1, 2002*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. GUTKNECHT).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 1, 2002.

I hereby appoint the Honorable GIL GUTKNECHT to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Reverend Jim Congdon, Pastor, Topeka Bible Church, Topeka, Kansas, offered the following prayer:

Almighty God, we pause this morning to give You thanks.

We thank You for another day to live and work in the United States.

We thank You for Your Word, which teaches us righteousness and justice and equity.

We thank You for giving us a system of government that honors our dignity and checks our depravity.

We repent for the spirit of self-sufficiency that tells us we do not need You and the spirit of arrogance that tells us we do not need others.

On this first day of May, dear Father, we make a new commitment to live our Nation's motto, In God We Trust.

For You are the rock of our salvation.

You are our hiding place in times of terror.

You are the truth in whom we can rely.

Our Nation needs a third great spiritual awakening. May it begin here with each of us.

Bless these men and women who represent America. Bless them in their deliberations to seek and find Your wisdom, that Thy will be done on earth as it is in heaven.

Hear our prayer, for You are our Lord and savior. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York (Mr. McNULTY) come forward and lead the House in the Pledge of Allegiance.

Mr. McNULTY led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOMING PASTOR JIM CONGDON, PASTOR, TOPEKA BIBLE CHURCH

(Mr. RYUN of Kansas asked and was given permission to address the House for 1 minute.)

Mr. RYUN of Kansas. Mr. Speaker, I rise this morning to welcome my good friend, Pastor Jim Congdon, to the floor of the House of Representatives. It was my distinct honor to invite Pastor Congdon to deliver our opening prayer this morning, and I am grateful for his willingness to do so.

Pastor Congdon is from Topeka, Kansas, and pastors the Topeka Bible Church, which my family and I attended for several years. It was a privilege to call Jim my pastor, and I am grateful for his continued friendship and dedication to the ministry.

I also want to welcome Jim's wife, Melody, to the House Chamber. I know she came with Jim and she speaks for a lot of different people in the church. She is a constant source of strength and support in the ministry at the Topeka Bible Church.

Finally, I want to welcome the 62 students from Cair Paravel Latin School that are seated in the gallery. Pastor Congdon teaches philosophy at Cair Paravel, and these 9th and 10th graders are in D.C. for part of their studies. I thank them all for being here.

I thank Jim and Melody for their presence, and God bless them.

CONGRATULATING FLORIDA INTERNATIONAL UNIVERSITY SCHOOL OF NURSING

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, keeping in mind the national nursing shortage that health care experts cite could become pervasive, I would like to congratulate the School of Nursing at my two-time alma mater, Florida International University, for its commitment to the future of nursing.

The school recently celebrated its 20th year of existence and already has produced exceptional nurses, nurse practitioners and nursing leaders who contribute to the health and well-being of south Florida. Its prominent faculty includes as director Dr. Divina Grossman; Dr. Kathleen Blais; Dr. Marie-Luise Friedemann; Paula Alexander-Delpech; and Dr. John McDonough.

By reaching out to high school and first year college students, focusing on underrepresented minority groups and retraining foreign doctors for nursing, the school is working toward a slogan of Solving the Nursing Shortage Through Excellence and Opportunity.

Mr. Speaker, the FIU School of Nursing has come a long way, and I ask that my colleagues join me in congratulating it for 20 years of unparalleled excellence for our community and indeed our Nation.

APRIL IS SEXUAL ASSAULT AWARENESS MONTH

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, April is Sexual Assault Awareness Month, and I join with all of those across the country who are taking the opportunity to raise this issue, and that is the issue of sexual assault that occurs far too often, often goes unreported, often leaves individuals feeling shameful and feeling that they have no place to turn.

That is a kind of terror and a kind of terrorism that our country must rid itself of. So I urge all of us to join together to make sure that we can reduce the incidences of sexual assault.

ASTHMA AWARENESS DAY

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, today is Asthma Awareness Day, and as a former suffering asthmatic, I want to commend this Congress for the work and research efforts that have been undertaken by the National Institutes of Health.

I want to give my colleagues a few of the statistics that are startling: 4.8 million children have asthma; 10.6 million people have experienced an asthma

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

attack or episode in the past 12 months; 3.9 million asthma-related outpatient visits to private physicians; and another 2 million asthma-related visits to emergency departments. Over 12,288 people died of asthma-related symptoms. The cost, of course, is staggering, $12.7 billion. Missed school days, 10.1 million annually, and missed work days, over 3 million.

Much work needs to be done, but the first most important work is to continue to promote asthma awareness and research, hopefully to bring a breath of life to young children and cure this disease.

RADIOACTIVE MATERIAL MOVING ACROSS AMERICA

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, do my colleagues recognize this symbol here, the national symbol for dangerous radioactivity? I hope so. Because these signs, and we should get used to them, will soon be in our neighborhoods, our communities, near our schools and parks, along our highways and railways in our districts.

The most dangerous toxic type of radioactive material known to man, spent nuclear fuel, is very close to being carried through 44 States, 703 counties and 109 major metropolitan areas, and probably through my colleagues' own neighborhood. If this Congress votes to pass the resolution designating Yucca Mountain as the Nation's nuclear waste dump, we will see this symbol driving by our homes, schools and churches for at least the next 38 years.

Mr. Speaker, are our constituents prepared to live near a nuclear shipping route that leads to Yucca Mountain? Are the 123 million Americans living near these routes prepared for a nuclear disaster? Let us protect our rail and highways and, more importantly, our American families. Vote no on House Joint Resolution 87.

SEXUAL ASSAULT AWARENESS MONTH

(Ms. KILPATRICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KILPATRICK. Mr. Speaker, I rise today in support of the over 260,000 women who are sexually assaulted in America every year. We just concluded sexual assault month last month as we ended the month of April.

Today, May 1, I want to make sure that Americans know that sexual assault will not be tolerated. There are programs in our government, both public and private, that help sexual assault victims reach their potential if they have been horrendously assaulted. This is a better country than that. We are better people than that. There are programs both for the assaulter, as well as the woman or man who has been assaulted.

It is our responsibility as families, as leaders, to work with these people who need additional assistance. Mr. Speaker, I would hope that we as American citizens reach out to those people, support the programs and move this country forward.

TEN COMMANDMENTS AND CHILD PORNOGRAPHY

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, a week ago hundreds of my constituents watched something very sad in my district. A work crew placed a piece of sheet metal over a plaque depicting the Ten Commandments that hung on the wall of the Chester County Courthouse for over 80 years. The county commissioners did not want to do it, but a Federal judge ordered it.

This week, a newspaper, the Pittsburgh Post Gazette, all the way on the other end of the State, said the court's order was reminiscent of the Taliban and the Buddha statues, but I find it more disturbing than that.

Last week, the Supreme Court ruled that computer child pornography was perfectly legal as long as real kids were not used making it. We can turn on the TV at 4:00 in the afternoon, watch Jerry Springer interview people about their most disgusting sexual activities. The American Nazi Party is told they have a constitutional right to march through a Jewish neighborhood in Illinois, but a plaque of the Ten Commandments is so offensive we have to cover it up.

I am not exaggerating. The woman who sued our county said she was offended every time she went to the courthouse seeing the plaque. Mr. Speaker, something is very, very wrong with America's court system when child pornography is protected, can be viewed on computers, but the Ten Commandments have to be covered up.

MAKE EVERY MONTH SEXUAL ASSAULT AWARENESS MONTH

(Ms. SCHAKOWSKY asked and was given permission to address the House for 1 minute.)

Ms. SCHAKOWSKY. Mr. Speaker, the month of April, which was Sexual Assault Awareness Month, has come to an end. However, I propose that we make every month sexual assault awareness month until there is no longer a woman in this world who fears being raped or assaulted.

We are devoting extensive resources to ending terror around the world, while at the same time 1 in 6 women continue to be terrorized by sexual assaults in their lifetime. Sadly, this is not new or shocking news as each year the statistics change very little.

It is time to take a stand. It is time that we make ending violence against women a national priority. It is time that we devote the same amount of resources to ending a form of violence that terrorizes over half the population of this globe as we provide to the war on terrorism.

We can do something about it today. There will be a motion to instruct today introduced by the gentlewoman from Colorado (Ms. DEGETTE) which will instruct conferees to agree that we should strengthen the Violence Against Women Office and make it independent within the Department of Justice. This will make sure that we put the kind of attention and resources that we need to stop violence against women.

RECOGNIZING THE GOODWILL AND ALTRUISM AT THE PLACENTIA TRAIN ACCIDENT

(Mr. GARY G. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARY G. MILLER of California. Mr. Speaker, on April 23, a terrible train accident occurred in my district in Placentia, California. Tragically 2 people lost their lives while hundreds of others were injured.

I rise today not to add commentary to the unfortunate accident, but rather to recognize the goodwill and altruism that is very much a part of America in a post-September 11 world.

Mr. Speaker, the fire, police and ambulance services, along with the local hospitals, all reacted swiftly to the accident. There were bystanders who rushed to the scene to offer aid and comfort to those who were hurt. One of those bystanders, a convenience store owner, rushed to the scene with cases of bottled water. Another grabbed a first aid kit from her car and rushed to help. Employees from a local telephone company brought dozens of cell phones to the emergency center so people could call their loved ones.

Despite the tragedy of the situation, average Americans rose to the occasion to help strangers and friends alike.

Mr. Speaker, if there is anyone who wonders what makes an American an American, they need only look at the simple acts of kindness and charity that citizens everywhere engage in when something terrible happens. America is the same today as it was in the wake of September 11. It is strong and will remain so regardless of whatever hardships are thrown our way.

GROWTH IN THE ECONOMY

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, we heard about the Bush recession on this floor months ago, even though the recession in which we found ourselves had begun a matter of weeks after George Bush became President of the United States. So I am waiting, Mr. Speaker, to begin to hear about the Bush recovery on this floor from our friends on the other side of aisle.

The Department of Commerce announced the economy grew by 5.8 percent in the first quarter of 2002, and even The Washington Post credited tax cuts in part for fueling this recovery.

There is more that needs to be done. There is not yet good news in the area of unemployment, so we must practice fiscal discipline and additional tax relief to certify the Bush recovery. We must make last year's tax cuts permanent, Mr. Speaker, and we must not spend one penny more than the President's request in the upcoming defense supplemental.

Tax relief, fiscal discipline, the cornerstone of the Bush recovery.

□ 1015

BRING OUR CITIZENS HOME

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, well, here we are at the beginning of May 2002. Ludwig Koonz was taken to Italy in 1994. Jeff Koonz, his father, won court cases prior to that giving him custody. Jeff continues to fight the fight to get his son returned, the U.S. citizen's son returned, to the United States of America.

The mother who took the child, Ilona Staller is still doing her pornography. She still has her Web site up. She is still doing exotic sex shows all over the world, raising her son in that environment. We have not heard from our State Department. We do not know exactly what they are doing about this to fight to bring every U.S. citizen who is outside of this country and who wants to be here in the United States home, where they belong.

All I can ask is that you consider, my colleagues, what you would do if it were your child. Would you sit by complacently, like we are doing; or would you be standing on the shores of our country demanding that every child taken out of our country be returned? Help us bring our children home.

STRENGTHEN WELFARE REFORM

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, I am honored to be part of the effort to strengthen the historic 1996 welfare reform law, TANF, or Temporary Assistance to Needy Families.

Since 1996, nearly 3 million children have been lifted from poverty. Nine million citizens have left the welfare rolls altogether. And the black child poverty rate is at its lowest point in history.

Mr. Speaker, over the past 6 years, we have found that a paycheck is the best path from poverty to self-sufficiency. The Republican plan and the President's plan will help even more low-income parents know the dignity that comes from a paycheck instead of a welfare check.

Through welfare reform, we can assist even more low-income Americans improve the quality of their lives for themselves and their children.

PRAYERS FOR MARTIN AND GRACIA BURNHAM

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, today marks the 340th day that Martin and Gracia Burnham have been held captive by Muslim terrorists in the Philippines.

Today is May Day, traditionally a festive day to celebrate spring time. This May Day will not be festive for Martin and Gracia. It will be a day of terror, as each of the past 339 days has been. Unfortunately, it will not be a joyous day for their children either, Jeff, Mindy, and Zach. It will another day these children are without their beloved parents.

America has the personnel, the necessary tools, the training, and the ability to rescue Martin and Gracia Burnham from the Islamic terrorists that hold them hostage. All we lack is the political will to do it.

I ask my colleagues: What would you want if you were held captive today by terrorists? I can answer that for you. You would want your government to do everything it possibly could as quickly as it could to get you free. That is exactly what we should encourage our administration to do.

As always, I ask you to join me in prayer for Martin and Gracia and for their loved ones that this nightmare may soon be over.

EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2001

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 402 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 402

Resolved, That any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. After passage of H.R. 2871, it shall be in order to take from the Speaker's table S. 1372 and to consider the Senate bill in the House. All points of order against the Senate bill and against its consideration are waived. It shall be in order to move to strike all after the enacting clause of the Senate bill and to insert in lieu thereof the provisions of H.R. 2871 as passed by the House. All points of order against that motion are waived. If the motion is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendment to S. 1372 and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida (Mr. HASTINGS); pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Yesterday, the Committee on Rules met and granted a structured rule providing for consideration of the bill H.R.

2871, the Export-Import Bank Reauthorization Act of 2001. The rule waives all points of order against consideration of the bill and provides for 1 hour of general debate equally divided and controlled by the chairman and ranking member of the Committee on Financial Services.

The rule further provides the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. It waives all points of order against the bill as amended and makes in order only those amendments printed in the report of the Committee on Rules accompanying the resolution.

H. Res. 402 provides that the amendments printed in the report shall be considered only in the order printed in the report, may be offered by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to an amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The rule also waives all points of order against the amendments printed in the report and provides one motion to recommit with or without instructions.

Finally, it provides that after the passage of H.R. 2817, it shall be in order to take from the Speaker's table S. 1372, consider it in the House, and move to strike all after the enacting clause and insert the text of H.R. 2871 as passed by the House. It waives all points of order against consideration of the Senate bill and the motion to strike and insert.

If the motion is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendments and request a conference.

H. Res. 402 is a bipartisan, fair rule; and it allows for four Democrat amendments.

Mr. Speaker, the Export-Import Bank Reauthorization Act of 2001 reauthorizes the bank for 4 years and has important provisions that encourage small business transactions; and it allows other key changes that will improve the operations of Ex-Im.

The mission of Ex-Im is to support export financing of U.S. goods and services. Ex-Im is designed to help U.S. exporters match competition from foreign export credit agencies in Japan, Germany, France, and other countries.

By law, Ex-Im is intended only to fill gaps in commercially available financing for U.S. exports by serving as a lender of last resort and not competing with private lenders. Ex-Im is also required by law to work towards securing international agreements to reduce government-subsidized export financing, thereby promoting free and fair trade.

I want to commend my colleague, the gentleman from Nebraska (Mr. BEREUTER), for responding to concerns about the dumping of steel products on the U.S. markets. He has included a provision that directs Ex-Im to reevaluate the adverse-impact test it performs. This bill now seeks to ensure the bank takes into account the interest of U.S. industries before approving a transaction.

H.R. 2871 is a strong piece of legislation that will help American manufacturers, American workers, and the American economy. This bill was crafted with substantial Democrat input and was reported out of the Committee on Financial Services on a bipartisan vote. I urge my colleagues to support this rule and to support the commonsense legislation that it underlies.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume. I would like to thank my good friend, the gentlewoman from Charlotte, North Carolina (Mrs. MYRICK), for yielding me this time.

Mr. Speaker, this bill reauthorizes the Export-Import Bank of the United States through fiscal year 2005. It mandates changes in bank programs and creates a new division in the Bank for Africa. And I would like to personally extend my thanks to my colleague and good friend, the gentleman from Nebraska (Mr. BEREUTER), for enhancing this bill through working with our colleagues to provide that provision.

The Export-Import Bank operates under a renewable charter, the Export-Import Bank Act of 1935, and was last fully authorized in 1997 through September 30, 2001. A short-term extension through April 30, 2002, was passed by voice vote on March 19. I supported that measure in 1997 and likely will support the base bill today.

But, Mr. Speaker, although some amendments were permitted, five, and I think each of them highlights concerns that our Congress Members have, certainly I do, of the many amendments that were not accepted, one in particular, in my judgment, should have been. That amendment, authored by the gentlewoman from Illinois (Ms. SCHAKOWSKY), represented the creation of a Human Rights Impact Assessment Office within the bank. That office would have been tasked to ensure that the bank identify human rights' concerns when projects were considered for financing.

In addition, the amendment would have directed that the new office would report to the President and the Congress on the potential human rights impact of every proposed project of $10 million or more.

Mr. Speaker, if the bank is using taxpayer dollars to fund projects, it should also have at its disposal the tools to ensure that those projects do not violate human rights. In my view, this should be a minimum expectation.

On the subject of human rights, one amendment has been permitted to be considered. It was also authored by the gentlewoman from Illinois (Ms. SCHAKOWSKY). It states the sense of the Congress that the bank should have available to them an assessment of each financed project's potential impact on human rights.

This is a good start, Mr. Speaker; but it does not direct the bank to report on the human rights impacts of its projects, nor does it identify where the bank will get this data.

□ 1030

Mr. Speaker, another important amendment accepted for consideration with this bill was introduced by the gentleman from Vermont (Mr. SANDERS). This incredibly thoughtful amendment would prohibit companies from receiving future Export-Import Bank assistance if they lay off a greater percentage of workers in the United States than they lay off in foreign countries.

Mr. Speaker, the original bill was introduced in 1935 to create jobs in the midst of the Great Depression. We need to make sure that the bank fulfills that mission, and does not simply finance large corporations with little or no thought to American workers.

An investigation in the other Chamber recently revealed that over $650 million loans were given to Enron. We still do not know if those loans will be defaulted at the taxpayers' expense. Once again, a major corporation, Enron, had a party, and the American people may have a hangover.

Mr. Speaker, this bill does take some positive steps, but in my view it does not go nearly far enough. These two amendments that I just mentioned address human rights and American workers issues which are critical to the original intent of the bill. I urge my colleagues to support these amendments, and give active attention to the debate as it progresses today.

Mr. Speaker, I reserve the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska (Mr. BEREUTER), the chairman of the Subcommittee on International Monetary Policy and Trade.

Mr. BEREUTER. Mr. Speaker, I rise in strong support of H. Res. 402, which is a rule under which the Export-Import Bank Reauthorization Act of 2001 will be debated, and I thank the gentlewoman for yielding me this time, and for the effort of the gentleman from Florida (Mr. HASTINGS) as well. And the whole Rules Committee and especially the chairman and ranking member of the committee, the gentleman from California (Mr. DREIER) and the gentleman from Texas (Mr. FROST) and their staff are owed great credit and appreciation for their assistance in crafting the rule.

The gentleman from Florida (Mr. HASTINGS) is exactly right, as the gentlewoman from North Carolina (Mrs. MYRICK) also recognized, that the legislation covered by this Rule comes to the House through a bipartisan effort, with substantial input from numerous members. In fact, I think the very complete input from both sides of the aisle, and the democratic process certainly had its positive impact at both the subcommittee and the committee level.

The Export-Import Bank is an independent U.S. Government agency that creates and sustains American jobs by providing direct loans to buyers of U.S. exports, guarantees to commercial loans to buyers of U.S. products, and insurance products which greatly benefit short-term small business sales. The Export-Import Bank finances exports such as civilian aircraft, electronics, engineering services, vehicles, agricultural equipment, and so on. It is also important to note that the Export-Import Bank charges risk-based interest and fees on the users of its credit products. As a result, last year, the Export-Import Bank generated $1 billion of net income to the U.S. Government.

To illustrate the importance of the bank, in fiscal year 2000, they supported $15.5 billion in U.S. exports through an appropriation of $759 million. Moreover, in the past 60 years, the Export-Import Bank has supported more than $300 billion in U.S. exports. It also needs to be noted that the Ex-Im Bank is only intended to be the lender of last resort, and the Bank is not intended to compete with private lenders.

Mr. Speaker, this legislation is not simply a reauthorization. While the executive branch, regardless of who is in the White House, always seems simply to want a straightforward reauthorization of everything, this committee has taken the time and made the effort to give us some basic reforms.

For example, we provide in greater detail how the following subjects will be addressed, to enhance the role of small and medium-sized businesses in using the bank, to have a dramatic outreach program, and to increase the percentage of the total resources that go to small and medium-sized businesses. The gentleman from Florida (Mr. HASTINGS) has mentioned our special effort with respect to Africa, both the reauthorization of the advisory committee for Sub-Saharan Africa, and the creation of an Office of Africa within the bank, and the latter comes from one of our Member's initiatives.

The gentleman from Pennsylvania (Mr. TOOMEY) has taken the controversial Ex-Im Bank transaction for American exporters to Benxi Iron and Steel firm, and he has given us some very important reform legislation which is a part of the bill today. It relates to American exports to those businesses abroad that are parts of sectors for which a 201 case has been made under the International Trade Commission or where dumping is formally ruled to be taking place.

Finally, the gentleman from Florida (Mr. HASTINGS) made one point about the initiative of the gentlewoman from Illinois (Ms. SCHAKOWSKY), a distinguished member of the subcommittee and committee. The only disagreement this Member has had with her approach is that she would mandate a special human rights report to be made by the Export-Import Bank. In fact, the State Department issues such country human rights reports, and we have in this legislation recognized it the key agency to provide human rights information to all of the agencies of the Federal Government.

The gentlewoman's alternative amendment, which is made in order, certainly is one I can support. And, in fact, we can strengthen it by insisting that the State Department's human rights country report for the particular country that would be the destination for an American export be considered by the Export-Import Bank by report language during a House-Senate Conference.

Mr. Speaker, I urge support of the legislation.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, to respond to the gentleman with reference to the amendment offered by the gentlewoman from Illinois (Ms. SCHAKOWSKY), my feeling is that the human rights division of the State Department does cover many of these measures; but I do believe that they would have to rely upon the information that they receive from the Export-Import Bank. If the Export-Import Bank does like some agencies do, then they very well may not have a full report.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, maybe I was not clear. I expect to support and urge support for the gentlewoman's amendment that has been made in order, and to strengthen provisions of her amendment by the report language.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from Vermont (Mr. SANDERS), the former mayor of Burlington, Vermont, who has particularly keen insight into the matter the gentleman is about to discuss.

Mr. SANDERS. Mr. Speaker, I thank the Committee on Rules for making my amendment in order which we will be debating later today, and I especially thank the subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER), who promised me that he would support getting that amendment on the floor, and he did.

Mr. Speaker, I rise as the ranking member of the relevant subcommittee, and I must say, unlike many others, and perhaps as one of two independents in the House of Representatives, I have some very, very strong concerns about the direction of the Export-Import Bank. It is my belief that unless we make fundamental changes in that bank and the way that it functions, that we should eliminate it because as presently constituted, it amounts to huge corporate welfare for some of the largest multinational corporations in America.

The truth of the matter is, and I think it is high time Congress woke up to it, and this goes well beyond the Export-Import Bank, the trade policy of the United States is a failure.

Mr. Speaker, we have a $300-plus billion trade deficit. It is not just steel, it is not just textiles. All over America, in rural America, in my State, small manufacturing plants are going out of business because they cannot compete with imports that come into this country made in China where workers are being paid 20 cents an hour. The big untold story of trade policy is that corporate America has sold out American workers, sold out the American people, laid off millions of American workers in search of cheap labor all over the world. We have a $360 billion trade deficit, tell me how our trade policy is successful. The mythology out there is we do not have to worry about old manufacturing jobs, steel, textiles, cars, those are not good jobs. All of our young people are going to have high tech, computer jobs, minimum $50,000 a year, let the Mexicans and the Chinese have those other jobs. What a terrible thing to say to millions of workers.

The result is that high school graduates today who go into the job market are making 20 percent less than was the case 25 years because the factory jobs are not there, and what is there are McDonald's and Burger King, low wages, part-time, no benefits. We have to rebuild manufacturing in this country and create decent paying jobs for our working people.

Export-Import Bank is part of the problem, not the cause. Check the record. Over 80 percent of the money that comes from Export-Import Bank goes to large, Fortune 500 corporations. We give them the money, and General Electric and Motorola and Boeing say thanks, taxpayers. By the way, we are laying off American workers because we are off to China and Mexico; but give us some more money.

Some of us have a radical idea. We think before we give taxpayer money out to large, multinational corporations, maybe, just maybe, we might want to insist that they do something about creating jobs in the United States of America. I know that that is a very radical idea, that taxpayer money be used to create jobs in America. The bottom line is that if we are going to give these Fortune 500 companies money, let them sign on the line and work on ways to create jobs in America. The major companies that have received Ex-Im money are the major job cutters in America. I want somebody to explain that to the workers in America that have been laid off, that their tax dollars go to precisely the companies that are laying off more workers than anyone else. It is absurd on the surface.

Mr. Speaker, I have an amendment that will address it, and I hope we will get strong bipartisan support. It is time that we change the trade policy in America. This is a good way to start.

Mr. HASTINGS of Florida. Mr. Speaker, I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mrs. MYRICK). Pursuant to House Resolution 402 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2871.

□ 1042

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes, with Mr. GUTKNECHT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from New York (Mr. LAFALCE) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to urge my colleagues to support H.R. 2871, the Export-Import Bank Reauthorization Act of 2001. This is an extremely important piece of legislation for American manufacturers, American workers and the American economy. By reauthorizing the Export-Import Bank, we will demonstrate our commitment to promoting U.S. goods throughout the world. This legislation reauthorizes the Export-Import Bank for 4 years, and makes several important changes in how Ex-Im operates.

This is the first major piece of legislation relating to international trade to come out of the Committee on Financial Services. H.R. 2871 was reported by voice vote with strong bipartisan support on October 31 of last year. I am proud of all of the hard work by the committee on this bill, and I would like to take this opportunity to thank the chairman of the subcommittee on International Monetary Policy and Trade, the gentleman from Nebraska (Mr. BEREUTER), for his leadership and dedication in crafting this bill. The gentleman has invested a lot of time and energy ensuring that Export-Import Bank remains true to its mission of supporting U.S. exports and sustaining U.S. jobs.

Mr. Chairman, reducing the trade deficit is critical to aiding the economic recovery of the United States. Our manufacturers currently face stiff competition from foreign companies seeking to expand the sale of their goods overseas.

□ 1045

There is little argument that goods made in the U.S. are of the highest quality and are in great demand. At the same time, however, foreign companies are getting lots of assistance from their export credit agencies in finding markets and negotiating prices for their goods. Without Ex-Im, U.S. importers would be forced to compete in this international marketplace with one hand tied behind their backs. Ex-Im levels the playing field of international trade by allowing U.S. companies to compete on the quality of their product.

In a perfect world we would not need export credit agencies and the free market would operate without market distortions. However, because foreign governments are in the practice of aiding their manufacturers through export credit agencies, the United States must fight fire with fire. Ex-Im works to ensure that U.S. manufacturers receive equal treatment and serves to promote U.S. exports overseas. Currently some 70 governments around the world have export credit agencies like Ex-Im providing about $500 billion a year in government-backed financing.

Mr. Chairman, as long as foreign governments are financing export credit agencies, we must support Ex-Im to ensure that our manufacturers and workers remain competitive in the global marketplace.

Increasingly, financing is a key to winning export sales. In many emerging markets, where the greatest export growth opportunities now exist, commercial banks are often unwilling to provide financing, even for creditworthy customers. In those cases, government export credit agencies step in to finance the sales, either through direct loans to the customer or through guarantees and insurance that a commercial lender will be repaid by the customer. With guarantees and insurance, commercial banks are willing to provide financing. A key role that Ex-Im plays is to help open markets to U.S. exporters and promote follow-on sales. Ex-Im has led the way in several markets, resulting in a return of commercial financing for transactions.

A good example is the efforts Ex-Im undertook in Asia after the currency crisis that that region experienced in the 1990s. When commercial banks saw that Ex-Im was able to effectively transact business in this region, they reentered this market, which contributed to Asia's economic recovery.

Many critics of Ex-Im claim that it is a giveaway for large corporations. That is simply not accurate, for several reasons. First, approximately 90 percent of Ex-Im's transactions are with small businesses. Those businesses rely on Ex-Im to help them reach overseas markets that they would otherwise not be able to reach.

Secondly, while many of Ex-Im's higher dollar transactions go to larger companies, we should remember that those large companies utilize supplies from many small and medium-sized businesses in order to create their products.

Finally, Ex-Im serves as the lender of last resort for U.S. exporters when commercial financing is not available for export sales and when the U.S. exporter is confronted with foreign competitors with financing available from their own government.

Ex-Im charges interest on its direct loans and premiums for its guarantees and insurance costs that the U.S. exporter usually passes through to its overseas customer. Those charges usually range from 5 to 17 percent of the financing obtained, depending on the risk.

From the exporters' and customers' point of view, the bank does not subsidize the cost of financing an export transaction. Ex-Im is no less expensive to use than a commercial bank or other financial intermediary.

I will defer to my colleague, the gentleman from Nebraska (Chairman BEREUTER), to describe the details of this legislation. However, I would like to highlight some of the key provisions.

First, in this bill we seek to greatly expand the use of Ex-Im by small businesses. That is achieved by expanding the required volume of small business transactions from 10 percent to 18 percent, which will ensure that more Ex-Im-related funds are getting to more local businesses. The bill also authorizes more funds to be used to increase small business outreach efforts and improve technology so that more people can effectively use Ex-Im.

Second, H.R. 2871 contains strong provisions relating to U.S. trade laws that will ensure Ex-Im adheres to U.S. policies and does not contribute to overcapacity or dumping of goods on U.S. markets.

Third, this measure modifies a Tied Aid Credit Program by renaming it the Export Competitiveness Program and Fund and outlining its operation. The Secretary of the Treasury is empowered to establish how this fund will operate and the Ex-Im Bank Board will have the final determination of when the fund is used, thus maintaining the co-equal roles of Treasury and Ex-Im.

The fund will be used to combat tied aid, untied aid and market windows, all of which are tools that have been commonly used by foreign governments to subvert export pricing agreements.

Finally, H.R. 2871 makes many important policy changes to Ex-Im's charter. The bill contains provisions encouraging renewable energy programs and efforts to combat corruption and terrorism, and requires the Universal Declaration of Human Rights, as adopted by the UN, to be the standard by which Ex-Im's transactions are reviewed.

The committee held its first hearing on the reauthorization of Ex-Im one year ago tomorrow. At that hearing the administration submitted its authorization request for a basic 4-year reauthorization. After an additional hearing and intensive investigation, the gentleman from Nebraska (Chairman BEREUTER) crafted H.R. 2871 to reauthorize Ex-Im and make important changes in how the bank operates.

This past fall the subcommittee and the full committee reported this bill by voice vote with strong bipartisan support. Since that time, the committee and the gentleman from Nebraska (Chairman BEREUTER) have been working diligently to remedy some concerns the administration had with the original text. The results of these discussions is the manager's amendment, which makes several technical changes requested by the administration.

Mr. Chairman, Ex-Im provides assistance to both large and small corporations across the United States. Without the guarantees, insurance and direct loans provided by Ex-Im, many of those businesses would not reach high risk or emerging markets with their products. As a result, production levels would be lowered, the U.S. trade deficit would be larger and fewer Americans would be employed in high paying manufacturing jobs.

Mr. Chairman, I strongly urge my colleagues to vote in favor of U.S. manufacturers, in favor of U.S. workers, and in favor of the U.S. economy by voting yes on H.R. 2871.

Mr. Chairman, I reserve the balance of my time.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am very pleased that the Committee on Financial Services, under the able leadership of my friends, the gentleman from Ohio (Mr. OXLEY) and, on this particular bill, the gentleman from Nebraska (Mr. BEREUTER) was able to complete its work on H.R. 2871 and bring it to the floor of the House, the Export-Import Bank Reauthorization Act. One difficulty with it is its title, of course, because it has nothing to do with imports, it only has to do with exports, and one of these days we ought to change the name of the bank to the Export Bank of the United States, or the United States Export-Other Countries Import Bank. It would avoid needless confusion.

The bill, very importantly, reauthorizes Ex-Im Bank for 4 years. We have to get over the 30 days, we have to get over the 1 year, 2 year. We need a multiyear reauthorization, and 4 years is a good time frame. But, most importantly, it also contains very important provisions that could better define and guide Ex-Im's policies and programs.

Before I go into that, I want to give credit to another individual, and that is the ranking Democrat on the relevant subcommittee, the gentleman from Vermont (Mr. SANDERS), who has attempted to even better define its mission, its policies and its programs so that it could work in the best interests of working Americans.

While we may agree or disagree on a specific prescription, we surely agree on his intent and motivations, and I am hoping that, to the maximum extent possible, Ex-Im Bank officials will work to implement the existing and future laws in a manner that will effectuate those shared goals.

Some individuals suggest that Ex-Im transactions are nothing more than corporate subsidies, no better than some of the worst corporate handouts contained in the Tax Code. That is not quite true.

First, Ex-Im operates in a very competitive international environment, an environment in which export credit agencies in other countries have become increasingly aggressive in supporting the exports of the companies from their countries, our competitors. So it is critical to have Ex-Im to counter those transactions, and, in doing so, to provide leverage for the United States to negotiate a gradual reduction in export subsidy activities amongst OECD Members. That must work hand in hand. The United States must become ever more aggressive in negotiating those reductions in subsidies, but, of course, this must be done on a multilateral basis.

In short, absent the United States Ex-Im Bank, U.S. exporters would find themselves competing at a significant disadvantage against foreign exporters, who do enjoy government subsidies. With the loss or diminution of key export markets would also come the loss of export-oriented jobs in the United States, jobs which pay 18 percent more on average than non-export jobs.

Ex-Im also has the charge of providing critical export financing in cases where there is a market failure in private lending. Frequently these failures relate to the nature of the exporter; very often, for example, small businesses who face difficulties obtaining private credit for export transactions. As a result, Ex-Im has been a very important source of support for small business exporters nationwide. With the advent of the Internet and Internet marketing, this becomes ever more important for the small business person.

Market failures also relate to the nature and vocation of export markets. Markets in Sub-Saharan Africa and elsewhere in the developing world are frequently overlooked by private export credit, and Ex-Im goes where private lenders are unwilling to go, to the ultimate benefit of not only our exporters, but to the ultimate benefit of these developing countries.

That Ex-Im is charged to go into underserved markets is particularly relevant today when economic engagement with other countries is an essential element of foreign policy and national security. In the months since last September we have had to move very quickly to determine how best to reach out to countries and people who were previously of too little interest to the United States and other wealthy industrialized countries. Certainly much has been achieved already in the war on terrorism by high level engagement between the Bush administration and foreign leaders, but top level diplomacy will ultimately fail if it is not supported by bottom-up engagement in the political, the social, and the economic spheres. It is here where institutions like the Ex-Im Bank have a critical role to play.

With each export transaction supported by the bank, we have made a new connection. We have developed a new familiarity with a market, a people, and a country that had been previously slightly more foreign to us. With thousands of these transactions, we can take 1,000 steps forward toward a world of interdependence and prosperity; in short, a world in which terrorism would find it much more difficult to exist.

Let me describe just a few of the key elements of H.R. 2871. I am particularly pleased that the reauthorization bill emphasizes the need to expand outreach to small businesses. We spent a great deal of time assessing the barriers to Ex-Im assistance for small business, and I became convinced that technology enhancements, as I mentioned earlier, would be critical to any meaningful effort to expand services for that sector.

For Ex-Im's large clients, user-friendliness is not a significant issue. Large corporations have adequate resources and knowledge in-house to interact with Ex-Im rather smoothly. But for small businesses, working with Ex-Im could be a daunting prospect, so we drafted the legislation, convinced that Ex-Im could go even further toward bringing in new small businesses and serving them better by expanding the use of technology throughout the transaction process. As a result, the legislation expands the budget authority for technology upgrades, and provides guidance to Ex-Im on the implementation of new technologies.

But the bill creates important improvements on bank policies in a number of other areas, too. In drafting the legislation, we took very seriously concerns about the condition of the United States steel industry and Ex-Im activities that may have exacerbated problems in the industry.

So the bill establishes meaningful standards to ensure that Ex-Im does not support transactions that would contradict existing countervailing duty or anti-dumping orders. The bill also raises the bar of scrutiny for transactions that may have the effect of contributing to any material injury of a U.S. industry.

□ 1100

Finally, I would like to emphasize that the bill increases authorizations for the bank's administrative expenses and for the allotment ceiling on the total amount of lending and credit the bank is authorized to have outstanding. As we require the bank to expand its assistance and outreach to small businesses, we must, in turn, be providing more, not less, funding for the administrative expenses that necessarily come with this effort.

Mr. Chairman, I reserve the balance of my time.

Mr. OXLEY. Mr. Chairman, it gives me great pleasure to yield 5 minutes to the gentleman from Nebraska (Mr. BEREUTER) who has undertaken a very difficult task and done it superbly.

Mr. BEREUTER. Mr. Chairman, I rise in strong support of the Export-Import Bank Reauthorization Act of 2001.

Mr. Chairman, I want to particularly thank the gentleman from Ohio (Mr. OXLEY), the chairman of the full committee, and the gentleman from New York (Mr. LAFALCE), the ranking minority member, for their assistance in bringing this legislation to the floor. It has not been easy, but we have, of course, attempted to do something that is not always done around here, and that is to make some basic reforms in the authorizing legislation. It is oftentimes resisted by the executive branch. But I think it is true that the members of the subcommittee and committee have worked together in trying to bring the necessary reforms to that agency in order to help our business sector and, particularly, to help the employees of our business sectors that are involved in exports. We have done that with this bill.

Both Members, the chairman and ranking member, are quite familiar with this program. They have outlined very, very well and in excellent fashion the provisions of the bill, particularly those that are new or which are reform measures.

I would say, thinking back about the comments of the gentleman from New York about the title of the agency, that he is absolutely right. We would be better off to call it the Export Agency, because that is the only part of the trade subject for which they have authorization. It is easy to make the statutory change of the agency's name, but not so easy to make all the legal changes necessary to change the name. He and the gentleman from Massachusetts (Mr. FRANK), are probably the 2 Members that, along with me, have worked the longest on legislation on this bank over the years. But to the gentleman from Vermont (Mr. SANDERS), the ranking member of the subcommittee, I want to particularly thank him for his role in crafting this legislation, as we have worked together from the beginning on it. I am also appreciative of all of the members of the subcommittee, and the committee as well, who have offered their ideas about how to make this legislation better.

I would reiterate that the Export-Import Bank is an independent U.S. Government agency that creates and sustains American jobs by providing direct loans to buyers of U.S. exports, guarantees to commercial loans to buyers of U.S. products, and insurance products which greatly benefit short-term small business sales. For example, with respect to small business, already 86 percent of the transactions of the Ex-Im Bank in FY 2000 are with small or medium-sized American export firms. This bill pushes the envelope even farther for even more assistance to small business exporters through the efforts of the gentleman from Vermont (Mr. SANDERS), this Member, the chairman, and ranking minority member of the committee, and others.

The bill has been well explained already, particularly the new parts of it, but I would just briefly summarize six provisions of this legislation. First, of course, it reauthorizes the program and administrative budgets and it moves them along towards implementing greater information and office technology in the Export Import Bank, and that would be a particular benefit to small businesses as they do not always have the capability to take advantage of the programs of the Export Import Bank without improved information access.

Second, it reauthorizes the Sub-Saharan Africa Advisory Committee and provides additional emphasis on our businesses' interest in exporting to Africa.

Third, it provides for small business increases, pushing them to require at least 20 percent of the financial resources to go to small and medium-sized businesses.

Fourth, it increases the Ex-Im Bank's statutory ceiling for loans, grants and insurance assistance.

Fifth, it addresses the Tied Aid War Chest, and this is, of course, the most contentious part of the bill as far as the administration was concerned. In this bill we have made necessary changes so that ideologues in Treasury, Ex-Im or OMB, regardless of what administration is in office, do not misuse the fund, but to instead focus it on really helping our exporters and consistently doing that.

Sixth, it addresses the Ex-Im Bank transaction with Benxi Iron and Steel Company in China. American exporters provided exports to that company which undoubtedly increased that Chinese firm's efficiency in making steel. The gentleman from Pennsylvania (Mr. TOOMEY) has given us an amendment for part of the bill that is a very important advance.

This bill, of course, reauthorizes the bank through September 30 2005. As a result of this provision, the program budget which supports loans, guarantees and insurance products of Ex-Im Bank, is effectively authorized for such sums as are appropriated through fiscal year 2005.

During the subcommittee's first hearing on the subject, the Ex-Im Bank personnel testified that they were in desperate need of technology upgrades which would particularly benefit small business users of the Ex-Im Bank. As a result, this legislation authorizes $80 million for the administrative budget, which includes funding for information technology for fiscal year 2002, and indexes this authorization level for inflation between fiscal year 2003 through 2005. Also, as I mentioned, among other changes, we make important changes to focus the Ex-Im Bank even more on exports to Africa. More detail on that will come out in the ensuing debate on this legislation.

Mr. Chairman, I urge my colleagues to support this legislation. It is reform legislation. It moves us in the right direction.

Mr. OXLEY. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska (Mr. BEREUTER) be permitted to control the time for general debate on our side.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished ranking member for yielding me this time.

Mr. Chairman, let me congratulate the committee and its chairman and subcommittee chair and full committee chair and full committee ranking member, and certainly the gentleman from New York (Mr. LAFALCE), the full committee ranking member, and also as well, the ranking subcommittee member, whose leadership we appreciate greatly. Let me add my support to this legislation today. I think in coming to Congress, coming from Houston, Texas that has one of the largest numbers of consular offices, it has an enormously international community and, as well, it is a community that believes in the opportunities for creating vehicles to create American jobs and, as well, to insist and to help American businesses. That is what Ex-Im Bank, I think, is most successful at. Supporting U.S. jobs through exports is Ex-Im Bank's core mission.

I also want to congratulate the new chairman, Eduardo Aguirre from Houston who I believe will foster that mission and help small and minority businesses access Ex-Im Bank.

Ex-Im Bank is an independent Federal agency that helps to finance the export of American products and services that would otherwise not go forward, and I think that is an important statement, because there is great concern when we begin to talk internationally, it is important for the Nation to understand that this is an advocate for jobs going to Americans, but products and services going internationally. And in its 68-year history, Ex-Im Bank has supported over $400 billion of U.S. exports, sustaining and creating millions of jobs.

One of the other important points is that it sustains and creates thousands and tens upon thousands of jobs, so jobs that are here, it helps to hold them.

It is a great supporter of small businesses, and that is one of the reasons I rise today, because my community, the 18th congressional district, is a community that thrives with small businesses and it is also a community in which I encourage small business to utilize services such as OPIC and Ex-Im Bank.

Ex-Im Bank authorized more than $1.6 billion in support of small business exports, nearly 18 percent of total dollar value of its authorization, and they supported $4 billion in exports during this same time. Ex-Im Bank's dedication to small businesses becomes even more dramatic when we look at the Ex-Im Bank's finance transactions for the year. Ex-Im Bank approved 2,124 small business transactions in fiscal year 2001, 90 percent of their total number of transactions.

That is why I would like to support and agree with the gentleman from New York (Mr. LAFALCE) on the expanded help that this new legislation gives to small businesses, by giving them access to technology resources, giving more funding for technology resources to help small businesses. Then again, I appreciate the fact that there is language that prevents the dumping of foreign products in conflict to our laws, particularly with respect to the steel industry.

Let me just simply say, Mr. Chairman, that this is a bill that helps the continent of sub-Saharan Africa, also wih greater investment for those countries. This is a bill that I believe will help create more jobs.

Might I just conclude by saying that I do believe the amendments by the gentleman from Oregon (Mr. DEFAZIO), the gentleman from Ohio (Mr. KUCINICH), the gentleman from Vermont (Mr. SANDERS) and the gentlewoman from Illinois (Ms. SCHAKOWSKY) will be helpful in the debate and I will be rising to support those amendments as well.

Corporations that benefit from the Ex-Im Bank should not engage in corruption.

Mr. Chairman, I ask my colleagues to support this legislation.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 3 minutes to the gentlewoman from New York (Mrs. KELLY), a small businesswoman herself.

Mrs. KELLY. Mr. Chairman, I thank the gentleman from Nebraska for yielding me this time.

Mr. Chairman, I rise in strong support for H.R. 2871, the Export Import Bank Reauthorization Act. This legislation needs to be passed for one simple reason: saving U.S. jobs.

The core mission of the Ex-Im Bank is support for U.S. jobs. The bank does this by providing credit guarantees for U.S. exports deemed too risky by private lenders. In addition, Ex-Im will make loans, offer financing, and offer insurance on U.S.-made products.

In our global economy, companies must constantly be seeking new markets for our products, and our government must support these efforts, because it supports U.S. jobs. Unfortunately, we do not live in a world in which our trading partners play fair with U.S. businesses and our U.S. businesses must compete with nations which directly subsidize their competitors. In order to add some level of fairness, we created the Ex-Im Bank.

Last year, Ex-Im supported $12.5 billion of U.S. exports. In my area of New York, this translated to over $70 million, which benefited a total of 12 large and small businesses involving thousands of jobs in my district alone, and tens of thousands of jobs in New York State.

As we have heard today, 90 percent of the total number of Ex-Im Bank's transactions were in support of small businesses. This is good, but we must also work to increase the amount of funds which are used by small businesses. In this committee's review of the Ex-Im's performance, we determined that a greater effort must be made to increase the amount of funds which go to these small businesses. Hence, this legislation requires a 10 percent increase in the volume of funds going to small businesses, and that is good for our small businesses in the United States. Ex-Im Bank cannot stop there, however. We have challenged them to go even further.

I strongly support the committee's work to improve the operation of the Tied Aid Credit Program. I believe the changes the committee has made to this program in this bill will permit the program to operate more efficiently and effectively, while maintaining the coequal role of Ex-Im and the Treasury Department.

Ex-Im provides an invaluable service to U.S. workers. Many U.S. products and services would never have been able to find new buyers in the global marketplace without the assistance of the Ex-Im. The international market presents many new problems for the U.S. businesses that are seeking new opportunities, and we have to work to alleviate these problems for U.S. employers, or the incentives to move jobs overseas will only grow and the pressure will be strong. One way we ensure that more products bear the "made in the USA" label abroad is by supporting this legislation. I urge my colleagues on both sides of the aisle to support this legislation.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Chairman, I thank the gentleman from New York (Mr. LAFALCE) for yielding me this time.

I rise in support of H.R. 2871, the Export Import Bank Reauthorization Act. As a businessman from the United States-Mexico border region, I know how important exports are to our economy and to businesses, both large and small and medium. The Export Import Bank has been an important partner in helping companies find foreign markets and to export their goods.

In the 15th congressional district of Texas that I represent, the Export-Import Bank has provided over $145 million of assistance in the form of loan guarantees, insurance, and working capital. Access to capital means expansion of business firms who create many jobs in neglected regions like mine where the unemployment rate was in double digits for over 3 decades.

The Export-Import Bank is partially responsible for helping reduce the rate from 20 percent to only 10.5 percent in Hidalgo County in south Texas. One company, for example, Hermes Trading Company in Pharr, Texas, is a small company that sells musical instruments. The assistance from the Ex-Im Bank has allowed them to expand their business into new markets, and they have doubled their sales. I agree with the gentleman from New York (Mr. LAFALCE), the ranking member, in his efforts to raise the level of awareness and importance of this important bank.

Mr. Chairman, I urge my colleagues to support this bill and reauthorize the Export Import Bank.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. HINOJOSA. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, the gentleman mentioned his community that the Export-Import Bank has impacted. I represent a district that has a large percentage of minority businesses and I have seen the impact there.

Does the gentleman believe that this legislation will help generate more opportunities for minority businesses?

Mr. HINOJOSA. Yes, Mr. Chairman, I agree with the gentlewoman. I can tell my colleague that in south Texas, three out of every four businesses are owned by minority businesses and they are benefitting a great deal from this bank.

□ 1115

My region is one of the areas that has grown 48 percent from 1990 to 2000, and has created, with the help of the bank and the Small Business Administration, the Women's Development Center, hundreds of new small businesses, creating four and five jobs in each one, and that is what is helping drive down the unemployment rate to my region.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I know the work the gentleman has done, and I think this new emphasis on small businesses will be very helpful to encourage our minority businesses to utilize this.

I do want to note that the President selected Eduardo Aguirre from my congressional community to be the chairperson, who has a sensitivity to expanding the outreach to small businesses.

I hope that, with the passage of this legislation, we will be able to do more outreach to small businesses and minority businesses to take advantage of helping to create this income trail, if you will, internationally. I thank the gentleman.

Mr. HINOJOSA. I thank the gentlewoman for helping us crystallize the importance of this bank in areas like ours, Houston, and, of course, San Antonio, and the Rio Grande valley of south Texas.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), a member of the Subcommittee on Trade of the Committee on Ways and Means and a person very much involved in exports.

Ms. DUNN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 2871, the Export-Import Bank Reauthorization Act. It is a vital program that helps United States exporters compete overseas.

For most United States companies, access to foreign markets is no longer an optional business practice, but it is a necessity in order to survive. To compete and succeed in a global market, U.S. companies must have access to financing resources.

This is exactly why the Export-Import Bank is very important to us. By providing guarantees, loans, and insurance to American companies, the Export-Import Bank helps to reduce the risks involved in exporting and ensure that our exporters have access to credits that may not be available in the private sector.

The Export-Import Bank helps both small and large businesses, as we have already heard in this debate. In 2001, 90 percent of the tax credits, representing 18 percent of the Ex-Im Bank's dollar volume, directly benefited small business; and in my State of Washington, Ex-Im Bank helped 56 small companies export $16.8 million in goods and services over the past 5 years.

Large exporters, like the Boeing Company in Washington State, also benefit from Export-Import Bank. Over the past 5 years, Boeing and its workers have benefited from $19.5 billion of loans for the sales of our aircraft overseas. Traditionally, half of the Boeing aircraft sales are for overseas customers, and this is a trend that will continue, if not increase, in the future.

Of the planes that are sold to foreign airlines, over 20 percent are financed by the Export-Import Bank. This program not only benefits Boeing, but it also benefits thousands of other United States companies that provide supplies and parts needed to manufacture commercial aircraft.

In a State like mine, where one out of three jobs are related to trade, the Ex-Im Bank is critical in keeping Puget Sound businesses competitive overseas while helping to create jobs, those jobs that are so dearly needed to stimulate our economic recovery.

I ask my colleagues to support this fine legislation to reauthorize the Ex-Im Bank.

Mr. LAFALCE. Mr. Chairman, I reserve the balance of my time.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 3 minutes to the distinguished gentleman from Illinois (Mr. MANZULLO), chairman of the Committee on Small Business and a member of the Committee on Financial Services, very much committed and interested in trade issues.

Mr. MANZULLO. Mr. Chairman, our Nation's small manufacturer exporters are hurting across the Nation. The main city in the district I represent, Rockford, Illinois, has an economy based on 35 percent manufacturing, double the average of most U.S. cities. They already experience thin profit margins from stiff foreign competition, both here at home and in markets abroad.

They have a problem with the strong American dollar; and in addition, those who use steel in their production now have to pay up to 30 percent more for the price of this raw material.

There are very few banks that extend international finance; and for those that do, credit standards have tightened over the past year. This is on top of the huge regulatory and tax burden that they already face.

Ex-Im Bank was one of the few government programs that actually serve small businesses. The number of small business exporters increased by more than three-fold between 1987 and 1999, going from 66,000 to 224,000. I am proud the Committee on Financial Services has greatly enhanced more of these loans that will be going to small businesses.

This is not just about money going directly to Boeing to help that company; but when money goes for Boeing aircraft, it goes to 60 subcontractors in the district that I represent that provide $232 million worth of goods and services. That is good news for the employees at Dip Seal Plastics; Wells Manufacturing; Eclipse, Incorporated; and Ipsen International.

There are also some new aspects of Ex-Im financing. United Parcel Service, which has the Midwest hub in Rockford, Illinois, owns a bank, and they are one of the largest volume dealers of export-import financing. UPS helps make the match between the foreign manufacturer and the American company. They do the documentation for financing, if necessary. They will do domestic financing and then factor in the international agreement. If international financing is necessary, they will provide the Ex-Im Bank. They do the collection, and then they do the transportation.

So the Ex-Im Bank provides a very useful tool by which small businesses across the Nation, especially those involved in manufacturing, really have the opportunity in this tremendous economy that we have. With regard to the challenges that face small business people, Ex-Im provides that opportunity to get involved in more exports.

I would respectfully request that the Members will take a look at what is going on with Ex-Im in their home districts and then vote to reauthorize the bill.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 3 minutes to the gentleman from Pennsylvania (Mr. TOOMEY), who has taken an issue, a controversial issue, addressed it by amendment, and dramatically improved this bill.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. TOOMEY).

The CHAIRMAN. The gentleman from Pennsylvania (Mr. TOOMEY) is recognized for 4 minutes.

Mr. TOOMEY. Mr. Chairman, I thank the distinguished gentlemen for yielding time to me. I also thank the full committee chairman and the full committee ranking member for their important work on this bill.

I really want to commend the gentleman from Nebraska (Mr. BEREUTER) for crafting a very good bill, making Export-Import Bank more accountable to taxpayers.

Specifically, I thank the gentleman from Nebraska for working with me to be sure Export-Import Bank does not reward foreign industries and companies that are in violation with U.S. trade law with money from the pockets of U.S. taxpayers.

As most of us appreciate, the domestic steel industry has simply been devastated by a global steel overcapacity. Since 1997, at least, perhaps further back, the domestic steel industry has been overwhelmed by a flood of imports. Foreign governments subsidize their steel production. That creates overcapacity, which in turn leads to a glut of steel on the international markets. That, of course, depresses prices; and the result has been devastating.

Nobody disputes that this has happened. Our own Commerce Department and the ITC have confirmed this, and the result has been that over 33 American steel companies have been forced into bankruptcy since 1997. Bethlehem Steel, headquartered in my district, filed Chapter 11 last year and joined that long list of companies devastated by this phenomenon.

Of course, the result of all these bankruptcies is an uncertain future, at best, for over 72,000 steelworkers, their communities, and their families. But it has also jeopardized the retirement security of hundreds of thousands of steel retirees, who are also dependent on the continued success of American steel companies for their health care benefits, for their pension. There are tens of thousands of such steel retirees in my district about whom I am very concerned.

Well, despite the recognized problem, widely acknowledged problem of global overcapacity, in early 2000, in the midst of this entire crisis Export-Import Bank granted a loan to a Chinese steel producer, which further increased by 1.5 million metric tons the world's excess steel capacity.

In taking this action, the Export-Import Bank ignored on-the-record objections from the Secretary of the Treasury, the Secretary of Commerce, the Steel Caucus, the entire steel industry. What this tax credit really amounted to was the Ex-Im Bank using American taxpayer dollars to subsidize a foreign company, making a serious American economic problem worse.

That is why I offered my amendment in the Committee on Financial Services, and I am delighted the committee adopted my amendment. The language is in this bill.

What the amendment is is a bipartisan, long-term solution to prevent a similar situation to that loan guarantee that went to the Benxi Iron and Steel Company from ever recurring in steel or any other industry. Specifically, it would prohibit the Export-Import Bank from extending loans to foreign companies that are in violation of U.S. trade law. It would do that by prohibiting the extension of financial assistance to an entity for the production of a product that is subject to a countervailing duty or antidumping order, and it would also prohibit the extension of a loan or guarantee to any entity subject to a definitive conclusion by the ITC under section 201 of our trade laws.

In other words, we would not grant loans to companies that are already proven to be violating U.S. laws and harming American industries.

I think this is a very balanced approach. We worked this out in the committee, discussed various ways of addressing the difficult and challenging issue. We have set a significant hurdle that has to be overcome before this prohibition would be invoked, and I think we have reached a very reasonable conclusion on this.

I appreciate the cooperation on both sides of the aisle, especially from the subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER). I would also like to thank the American Iron and Steel Institute, the United Steelworkers of America, and the Congressional Steel Caucus for their support of this provision.

Mr. Chairman, I include for the RECORD their letters of support, and I urge my colleagues to support this bill, because this does not merely extend authorization for the Export-Import Bank, but it makes substantive, positive reforms in that authorization.

I would like to commend my colleagues for a job well done.

The material referred to is as follows:

UNITED STEELWORKERS OF AMERICA,
Washington, DC, October 30, 2001.

HOUSE FINANCIAL SERVICES COMMITTEE,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE: The United Steelworkers of America wishes to express its support for an amendment to the Export-Import Bank Reauthorization Bill which will be marked up in the Financial Services Committee tomorrow.

This amendment addresses a very serious issue which affects the economic recovery and viability of the America steel industry. First, the amendment would prohibit Ex-Im Bank loans and guarantees to companies found to be in violation of U.S. trade laws. Second, the amendment would prohibit any transaction which adds to the production of a product in oversupply where the U.S. government has determined that there is a glut of imports causing serious domestic injury.

In December, 2000, the Ex-Im Bank approved a loan guarantee for a project which will increase China's hot-rolled steel capacity at the Benxi Iron and Steel Company by 1.5 million metric tons. This action was taken by the Bank at a time when the Organization for Economic Co-Operation and Development (OECD) has found over 300 million tons of excess steelmaking capacity worldwide. China is already the largest steel producer in the world.

The American steel industry and our steelworkers are reeling from a collapse in domestic steel prices directly attributable to the flood of foreign steel being imported to the U.S., including foreign steel which has been "dumped" into the U.S. market in violation of our trade laws. Since 1998, 23 American steel companies have filed for bankruptcy. Six of these have ceased operations. Some 27,000 steelworkers have lost their jobs.

The Ex-Im Bank's loan to China is an example of gross insensitivity to the plight of American steel companies and steelworkers. We urge you to vote for the amendment when it comes up for a vote.

Sincerely,

WILLIAM J. KLINEFELTER,
Assistant to the President, Legislative and Political Director.

AMERICAN IRON AND STEEL INSTITUTE,
Washington, DC, September 19, 2001.

PLEASE SUPPORT THE TOOMEY AMENDMENT TO H.R. 2871, THE EXPORT-IMPORT REAUTHORIZATION BILL.

TO: MEMBERS OF THE SUBCOMMITTEE ON INTERNATIONAL MONETARY POLICY AND TRADE.

Background: In December 2000, the Export-Import Bank (EXIM) approved a loan guarantee for a project that will increase by 1.5 million tons the hot-rolled steel capacity of China. At a time of massive world steel overcapacity and crisis in the U.S. and world steel industry, EXIM made their decision—over the strong objection of the Commerce Department, many Members of Congress and the U.S. steel industry—to provide $18 million in official financing support. While ill-advised, misguided and almost certainly harmful to U.S. industry, the decision was technically permissible under the Bank's authorizing law and its rules of practice.

Situation: On Friday, September 21, the House Subcommittee on International Monetary Policy and Trade will be marking up H.R. 2871, the Export-Import Reauthorization Bill. Representative Pat Toomey (R–PA) will offer an amendment to establish reasonable and adequate safeguards to ensure that the EXIM take into account any serious adverse effect its loans and guarantees would have on U.S. industry and employment.

Argument: While the AISI position on steel project EXIM requests has been shaped by the crisis in the steel sector and by the role of world steel overcapacity in helping to cause the crisis, it is important to understand that AISI is not anti-EXIM. To the contrary, we have always supported—and we continue to support—the authorization and appropriation of adequate EXIM resources to help U.S. manufacturers compete worldwide. We do however have a recognized, persistent problem, which is massive world steel overcapacity, perpetuated and exacerbated by governments assistance for additional, unneeded steel capacity buildups. AISI cannot support taxpayer dollars being used to harm U.S. industry and employment.

Action Requested: Please support Rep. Toomey's amendment to be offered this Friday (September 21) at the Subcommittee markup of H.R. 2871, the Export-Import Reauthorization Bill. Please contact Gregg Richard in Rep. Toomey's Office (x5-6411) for more detailed information.

Thank you for your continued support on behalf of the American steel industry.

ANDREW G. SHARKEY III,
President and CEO.

Mr. BEREUTER. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, just one clarification or point for emphasis. The credit instruments of the Export-Import Bank can only go to American exporters in any case; but in the case of the Benxi Steel, the kind of assistance that went to an American exporter ended up helping Benxi Steel. That is something the gentleman's amendment has stopped for all time.

Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from California (Mr. ROHRABACHER), a distinguished member of the House who may have a different view on this.

Mr. LAFALCE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ROHRABACHER).

The CHAIRMAN. The gentleman from California (Mr. ROHRABACHER) is recognized for 3 minutes.

Mr. ROHRABACHER. Yes, I do, Mr. Chairman, have a different view. I rise in strong opposition to reauthorizing the Export-Import Bank.

We in Congress have had little hesitation to get ordinary American citizens off of welfare after 5 years, but we cannot seem to get our biggest corporations off of welfare after 5 years. We authorize the Export-Import Bank.

We just heard an example a moment ago of how our tax dollars were going to destroy American jobs. The last time we reauthorized the Export-Import Bank, we were told that was impossible, that is not what is going on; we are actually subsidizing exports of American goods, and we were not putting people out of work.

Surprise, surprise. After all these years, we find out right here in the debate an example of how Export-Import money has eliminated U.S. jobs. Let me contend that that will still go on and go on.

We keep hearing that the money is going to be going to small businesses, and that never changes. Apparently only 18 percent of the Export-Import Bank loans go to small businesses, or their funds go to small businesses.

Time Magazine suggests that the top five recipients of the Export-Import Bank subsidies receive 60 percent of all funds. Just to let Members know, of those five major recipients, they, in total, have reduced their workforce by 38 percent over the last decade.

Now, why is that? That is because much of the money that we are being told is creating jobs here, that is not creating jobs here. What we are doing is subsidizing and guaranteeing loans for American businesses to set up factories in other countries. That is what is going on.

Many of these loans about so-called selling our own products end up with little clauses in them. They say, yes, we will buy your product, and the Export-Import Bank will actually subsidize it or guarantee the loan, but you are going to have to, in order to sell us the product, build a factory in our country. This is common practice.

So what do we have here? We have a situation where, in the name of selling vacuum cleaners or whatever it is to a country like China, we end up subsidizing the creation of a vacuum factory in China.

□ 1130

And then what do they do? They do not sell those vacuums, by the way, just in China. They end up exporting them to the United States and putting our people out of work. And we just heard an example of how that was happening just a few moments ago by a proponent of this legislation. But that has all been cleared up now. That has not been cleared up. You can mark my words that has not been cleared up. Five years from now we will find lots of other examples of just that very same thing, maybe not the steel industry but other industries.

Come on. It is time to realize that when the government starts giving away money in terms of subsidies and loan guarantees, you are going to have very wealthy and powerful interests manipulating that for their own benefit. And that is what is happening with the Export-Import Bank. Yes, there are a few little guys who get help but the vast majority of funds, not the vast majority of loans, goes to the very wealthiest corporations to create jobs overseas. I am against the Export-Import Bank. Let us not reauthorize it.

Mr. LAFALCE. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) has 13½ minutes remaining.

Mr. LAFALCE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in permitting me to speak on this bill.

Mr. Chairman, I take modest exception with my colleague from California. Over time the majority of the loans have gone to small business, but at issue for me is not small business, large business, it is whether or not we are going to be able to help American companies penetrate difficult markets around the world. I have had an example in my own community.

We have a company, a freight liner, that is the largest manufacturer of heavy trucks in the country. It employs all union employees, primarily machinists. They are paid family wages in order to do their work. But they are undergoing tough times in Oregon. They have been involved with significant layoffs. They have benefitted from a loan from the Ex-Im Bank to be able to transact a shipment of 10 trucks to Chile, it would not have happened without that loan. It would have gone to somebody else. It kept people in my community working and it helped us penetrate the market.

There are lots of subsidies that we know around the world. In fact, that is one of the problems that American companies face as they attempt to compete internationally, that other countries have subtle ways of subsidizing activities for other companies. This is a way for us to be able to give access to capital for American companies going into tough markets to be able to secure their place in the market place. I would rather, frankly, have the Chinese dealing with Boeing than Airbus. I understand that there is some difficult issues that are going on there.

I listen to some of my friends from the other side of this issue, but it is pretty stark. We are going to be a lot worse off if we are not able to penetrate those markets around the world. I strongly urge that we reauthorize the Ex-Im Bank.

I hope that each year as we come up with issues here that raise questions, there are areas of refinements. I think we ought to increase their sensitivity in terms of the application of those loans to the environment, to worker rights, to be able to make sure that we are targeting where we want it the most. But the Ex-Im Bank, OPIC, these are tools that have made a difference in my community. I have seen it for small and medium size businesses, I have seen it for large businesses that are struggling, when we are trying to compete around the world when we are facing some difficult economic times at home. This is not the time to turn our back on it. I strongly urge support for the legislation.

Mr. BEREUTER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. PAUL), a member of the committee.

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, we are here today to reauthorize the Export-Import Bank, but it has nothing to do with a bank, do not mislead anybody. This has to do with an agency of the government that allocates credit to special interests and to the benefit of foreign entities. So it is not a bank in that sense. To me it is immoral in the fact that it takes from some who cannot defend themselves to give to the rich who get the benefits. And I just do not see that as being a very good function and a very good program for the U.S. Congress. Besides, I would like to see where somebody gives me the constitutional authority for doing what we do here and we have been doing, of course, for a long time.

But I do not want to talk about the immorality of this so-called bank or the unconstitutionality of it. I want to talk just a second or two about the economics of it. It is really bad economics. It is pointed that it helps a company here or there, but what it has never talked about what you do not see. This is credit allocation.

In order to take billions of dollars and give it to one single company, it is taken out of the pool of funds available. And nobody talks about that. There is an expense. Why would not a bank loan when it is guaranteed by the government? Because it is guaranteed. So if you are a smaller investor or a marginal investor, there is no way that you are going to get the loan. For that investor to get the loan, the interest rates have to be higher.

So it is a form of credit allocation, and it is also a form of protectionism. We do a lot of talk around here about free trade. Of course, there is a lot of tariff activity going on as well, but this is a form of protectionism. Because some argue, well, this company has to compete and another government subsidizes their company so, therefore, we have to compete. So it is competitive subsidization of special interest corporations in order to do this.

Now, it seems strange that we here in the Congress are willing to give the beneficiary China the most number of dollars. They qualify for nearly $6 billion worth of credits. And that just does not seem like the reasonable thing for us to do. So I strongly urge a no vote on this bill.

Mr. Chairman, Congress should reject H.R. 2871, the Export-Import Reauthorization Act, for economic, constitutional, and moral reasons. The Export-Import Bank (Eximbank) takes money from American taxpayers to subsidize exports by American companies. Of course, it is not just any company that receives Eximbank support; the majority of Eximbank funding benefit large, politically powerful corporations.

Enron provides a perfect example of how Eximbank provides politically-powerful corporations competitive advantages they could not obtain in the free market. According to journalist Robert Novak, Enron has received over $640 million in taxpayer-funded "assistance" from Eximbank. This taxpayer-provided largesse no doubt helped postpone Enron's inevitable day of reckoning.

Eximbank's use of taxpayer funds to support Enron is outrageous, but hardly surprising. The vast majority of Eximbank funds benefit Enron-like outfits that must rely on political connections and government subsidies to survive and/or multinational corporations who can afford to support their own exports without relying on the American taxpayer.

It is not only bad economics to force working Americans, small business, and entrepreneurs to subsidize the export of the large corporations: it is also immoral. In fact, this redistribution from the poor and middle class to the wealthy is the most indefensible aspect of the welfare state, yet it is the most accepted form of welfare. Mr. Speaker, it never ceases to amaze me how members who criticize welfare for the poor on moral and constitutional grounds see no problem with the even more objectionable programs that provide welfare for the rich.

The moral case against Eximbank is strengthened when one considers that the government which benefits most from Eximbank funds is communist China. In fact, Eximbank actually underwrites joint ventures with firms owned by the Chinese government! Whatever one's position on trading with China, I would hope all of us would agree that it is wrong to force taxpayers to subsidize in any way this brutal regime. Unfortunately, China is not an isolated case: Colombia and Sudan benefit from taxpayer-subsidized trade, courtesy of the Eximbank!

At a time when the Federal budget is going back into deficit and Congress is once again preparing to raid the Social Security and Medicare trust funds, does it really make sense to use taxpayer funds to benefit future Enrons, Fortune 500 companies, and communist China?

Proponents of continued American support for the Eximbank claim that the bank "creates jobs" and promotes economic growth. However, this claim rests on a version of what the great economist Henry Hazlitt called, the "broken window" fallacy. When a hoodlum throws a rock through a store window, it can be said he has contributed to the economy, as the store owner will have to spend money having the window fixed. The benefits to those who repaired the window are visible for all to see, therefore it is easy to see the broken window as economically beneficial. However, the "benefits" of the broken window are revealed as an illusion when one takes into account what is not seen: the businesses and workers who would have benefited had the store owner not spent money repairing a window, but rather had been free to spend his money as he chose.

Similarly, the beneficiaries of Eximbank are visible to all. What is not seen is the products that would have been built, the businesses that would have been started, and the jobs that would have been created had the funds used for the Eximbank been left in the hands of consumers.

Some supporters of this bill equate supporting Eximbank with supporting "free trade," and claim that opponents are "protectionists" and "isolationists." Mr. Chairman, this is nonsense, Eximbank has nothing to do with free trade. True free trade involves the peaceful, voluntary exchange of goods across borders, not forcing taxpayers to subsidize the exports of politically powerful companies. Eximbank is not free trade, but rather managed trade, where winners and losers are determined by how well they please government bureacrats instead of how well they please consumers.

Expenditures on the Eximbank distort the market by diverting resources from the private sector, where they could be put to the use most highly valued by individual consumers, into the public sector, where their use will be determined by bureaucrats and politically powerful special interests. By distorting the market and preventing resources from achieving their highest valued use, Eximbank actually costs Americans jobs and reduces America's standard of living!

Finally, Mr. Chairman, I would like to remind my colleagues that there is simply no constitutional justification for the expenditure of funds on programs such as Eximbank. In fact, the drafters of the Constitution would be horrified to think the Federal Government was taking hard-earned money from the American people in order to benefit the politically powerful.

In conclusion, Mr. Chairman, Eximbank distorts the market by allowing government bureaucrats to make economic decisions in place of individual consumers. Eximbank also violates basic principles of morality, by forcing working Americans to subsidize the trade of wealthy companies that could easily afford to subsidize their own trade, as well as subsidizing brutal governments like Red China and the Sudan. Eximbank also violates the limitations on congressional power to take the property of individual citizens and use it to benefit powerful special interests. It is for these reasons that I urge my colleagues to reject H.R. 2871, the Export-Import Bank Reauthorization Act.

Mr. LAFALCE. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank the ranking member from the great State of New York for giving me the time and for his leadership on this important bill.

Mr. Chairman, after a successfully passing two 30-day reauthorizations of the Ex-Im Bank in the last month, I am pleased to rise today to support the reauthorization of the Ex-Im Bank through 2005.

As my colleagues have stated, the Export-Import Bank is a successful government entity that facilitates and supports American business and worker interest by making exports possible to areas of the world that would otherwise be closed to U.S. companies. Through its loan guarantee, insurance and direct lending programs, the Ex-Im Bank supported over $15.5 billion in U.S. exports on a subsidy of $759 million in fiscal year 2000.

While a small fraction of U.S. exports, the bank acts very much as a lender of last resort supporting U.S. exports and U.S. jobs that otherwise would fail to, would go to foreign competitors. The Ex-Im allows U.S. exporters to match competition from foreign export credit agencies. Japan, Germany, France, Canada, and other countries. This support is especially critical in today's global economy which is increasingly dependent on trade.

While the bank is a proven success, the changes in the reauthorization will make a positive impacts on its future. The reauthorization contains new provisions ensuring that Ex-Im complies with U.S. anti-dumping and countervailing duty laws. It includes an amendment I offered in the Committee on Financial Services giving the bank explicit authority to turn down an application for Ex-Im bank support for companies that have a history of engaging and fraudulent business practices. The reauthorization also continues the banks commitment to small business and to working with African countries.

Across the country, Ex-Im Bank support goes to businesses both large and small. In my district, the bank has supported over 70 different businesses with exports valued at over $1 billion since 1995. The work of the Ex-Im Bank is highly complex, and shepherding this reauthorization to the House floor has proven very challenging. I want to compliment the leaders of the Committee on Financial Services for moving the bill to this point today.

The ranking member, the gentleman from New York (Mr. LAFALCE) has been an extremely thoughtful and effective leader on the Democratic side. My good friend and subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER) and his staff likewise have worked tremendously hard to produce this bill today.

In the hearings we heard testimony from the bank, the business community, labor and environmental organizations. The final product that we are considering today benefitted from all of this input and puts the bank on solid footing for the next 4 years. I further appreciate the work in making sure is that we have a fair rule today, that the Republican party did allow important amendments from the ranking member, the gentleman from Vermont (Mr. SANDERS) and the gentleman from Ohio (Mr. KUCINICH). I believe that that is fair and I support the rule and I support the bill.

The CHAIRMAN. The Chair would announced that the gentleman from Nebraska (Mr. BEREUTER) has 2¼ minutes remaining. The gentleman from New York (Mr. LAFALCE) has 7 minutes remaining.

Mr. BEREUTER. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. GARY G. MILLER) a distinguished member of the committee.

Mr. GARY G. MILLER of California. Mr. Chairman, I would like to acknowledge the gentleman from Nebraska (Mr. BEREUTER) for his efforts on H.R. 2871, the Export-Import Bank Reauthorization Act.

Mr. Chairman, in my opinion, many government programs do not work. However, that is not the case with the Export-Import Bank. Specifically, the Export-Import Bank benefits California. During the fiscal years 1996 to 2000, 722 California companies benefitted, 225 communities benefitted. The value of exports was $8.5 billion from California and there were 120,403 jobs sustained.

Some try to make you believe this only benefits large businesses but that is not the fact. 72 percent of the transactions benefitted small businesses and those are nice figures but let us put a face on those figures.

ZMG Enterprises in Walnut, California owned by Mr. Joe Gomez is a longstanding user of the bank's short term multi-buyer insurance policy to cover to sale of nearly $11 million in annual sales of canned vegetables, fruits and table sauces, primarily to Mexico. Mexico has benefitted on this and we have because our products are going there. Mexico has been a traditional COD country, and the insurance policy backed by the bank enables Mr. Gomez to offer short-term credit to Mexican supermarkets so the grocers can purchase more of his products in a single sale.

That benefits small businesses. And there is an old saying that I really believe in and it boils down to the simple fact that when you help small businesses, you help American.

Mr. LAFALCE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to make about three points in reference to comments that have been made by members in opposition.

First of all, there is no credit assistance extended by the Ex-Im Bank to a foreign country. They are extended only to American exporters. It happens, in fact, that we have huge market potential in China, so a large number of our people want to export to China, and the kind of products that can be exported is controlled under the Export Administration Act.

Secondly, I would note that 86 percent of all transactions go to small and medium-sized businesses. That is about 18 percent of the total financial assistance from its Ex-Im Bank and we are pushing them to do more and they will.

Finally, I want to say, the gentleman from California (Mr. ROHRABACHER) has kind of turned the argument on the Ex-Im Bank purposes on its head either unintentionally or cleverly. American and other countries' corporations are really footloose today. What this legislation does is give an incentive to Americans to continue to produce the exports here. Instead of moving plants and jobs abroad, they will continue to have an opportunity, under the Export-Import Bank, to compete with foreign countries for those exports and that will keep American jobs here, not send them abroad. It will help keep them here.

We reduce the incentives for American firms to export part of their operations abroad by the passage of this legislation. I ask for my colleagues to give this bill a strong vote of support.

AEROSPACE INDUSTRIES ASSOCIATION, AMERICAN BUSINESS COUNCIL OF THE GULF COUNTRIES, AMT—THE ASSOCIATION FOR MANUFACTURING TECHNOLOGY, BANKERS ASSOCIATION FOR FINANCE AND TRADE, COALITION FOR EMPLOYMENT THROUGH EXPORTS, EMERGENCY COMMITTEE FOR AMERICAN TRADE, INTERNATIONAL ENERGY DEVELOPMENT COUNCIL, NATIONAL ASSOCIATION OF MANUFACTURERS, NATIONAL FOREIGN TRADE COUNCIL, SMALL BUSINESS EXPORTERS ASSOCIATION, U.S. CHAMBER OF COMMERCE, U.S.-CHINA BUSINESS COUNCIL, U.S. COUNCIL FOR INTERNATIONAL BUSINESS, U.S.-RUSSIA BUSINESS COUNCIL,

April 26, 2002.

Re: House action on H.R. 2871, Ex-Im Bank Reauthorization

Hon. DOUG BEREUTER,
2184 RHOB, Washington, DC.

DEAR REPRESENTATIVE BEREUTER: As the House prepares to consider H.R. 2871, to reauthorize the Export-Import Bank, we write to reiterate our strong support for the Bank. Our collective members include many of the U.S. exporters and financial institutions that rely on the Bank as the lender of last resort in meeting the fierce competition for export opportunities in world markets. In FY 2001 alone, the Bank financed some 2,300 export transactions, 90 percent of which were for small and medium-sized firms.

Ex-Im Bank plays a crucial role in supporting the export of American-made goods and American-provided services in markets where commercial financing is difficult to obtain and when foreign competitors have the active support of their governments' export credit agencies. In 2000 alone, the most-active export credit agencies worldwide financed more than $500 billion in exports. Ex-Im Bank financed $15.5 billion in U.S. exports that year.

To deal with this increasingly aggressive foreign competition, H.R. 2871 would authorize the Bank to respond to new export financing programs offered by foreign governments, including so-called "market windows". The bill also provides the Bank with clear authority to use the tied-aid war chest to respond aggressively to foreign governments' use of foreign assistance to supplement their export credit activities (so-called "tied-aid").

It is important to note that Ex-Im charges risk-based interest, premiums and other fees for its loans, loan guarantees and insurance. These fees are paid by exporters, banks and overseas customers. Last year, the Bank's revenues generated a $1 billion net income for the U.S. government. Moreover, the Bank maintains some $10 billion in reserves to protect against the risk of loss. The Bank's conservative lending policies and aggressive loss-recovery efforts have resulted in a very low 1.9 percent historical loss rate.

Amendments of concern

Two amendments may be offered which, in our judgement, would impede the ability of U.S. exporters to effectively utilize the Bank, thus weakening the Bank's programs and causing a loss of U.S. exports and the jobs of American workers. We urge you to oppose these amendments if offered during House floor action:

(1) Rep. Sanders may offer an amendment to deny Ex-Im Bank financing for U.S. companies that are growing internationally. It would make the Bank completely unusable for any U.S. exporter that is succeeding in

world markets. The proposal runs contrary to U.S. trade policy and market-based economic growth. It would make no sense for the Congress to seek open world markets, but then deny U.S. firms access to one of the key tools to take advantage of these new opportunities. Since Ex-Im Bank only finances U.S.-origin goods and services, shutting off the Bank would only result in making the Bank less effective in creating and keeping U.S. jobs here at home.

(2) Rep. Schakowsky may offer an amendment to require a human rights assessment of about 600 export transactions supported by the Bank annually. This proposal is unnecessary because the Export-Import Bank Act already includes a procedure under which the Bank relies on the U.S. State Department for human rights analysis. The amendment would require the Bank to establish an unnecessary new bureaucracy that would duplicate the long-established State Department human rights office. The amendment would require U.S. exporters to submit any proposed transaction over $10 million to a costly and time-consuming notice and comment period, which inevitably would lead to the loss of export sales to our foreign competitors. The current, long-established, process works well to ensure that human rights issues are analyzed by the State Department's experts and included in the Bank's consideration of export transactions.

We urge the House to approve H.R. 2871 and to oppose amendments that would weaken the Bank and impede U.S. exports.

Sincerely,

Don Carlson, President, AMT—The Association for Manufacturing Technology.

Calman J. Cohen, President, Emergency Committee for American Trade.

Timothy E. Deal, Senior Vice President, U.S. Council for International Business.

John W. Douglass, President and CEO, Aerospace Industries Association.

John Hardy, Chairman, Standing Committee, International Energy Development Council.

Robert Kapp, President, U.S.-China Business Council.

Eugene Lawson, President, U.S.-Russia Business Council.

James Morrison, President, Small Business Exporters Association.

John Pratt, Chairman, American Business Council of the Gulf Countries.

William Reinsch, President, National Foreign Trade Council.

Edmund B. Rice, President, Coalition for Employment Through Exports.

Consider W. Ross, Executive Director, Bankers Association for Finance and Trade.

Franklin J. Vargo, Vice President, National Association of Manufacturers.

Willard A. Workman, Senior Vice President, U.S. Chamber of Commerce.

Date: April 30, 2002

To: Members of the United States House of Representatives

From: Donald G. Ogilvie, Executive Vice President, American Bankers Association, Consider W. Ross, Executive Director, Bankers' Association for Finance and Trade

Re: Support H.R. 2871, Export-Import Bank Reauthorization Act

As the House prepares to consider H.R. 2871, the Export-Import Bank Reauthorization Act, we write to urge you to vote for the bill and oppose any amendments that would impede the Bank's ability to assist American exports. The Export-Import Bank is vitally important to our members that finance the sale of U.S. products and services for their exporter customers.

The Export-Import Bank supports only American-made goods and American-supplied services. It is one of the few tools available to help sustain export-related jobs in the United States. Without the Export-Import Bank, the ability of U.S. companies to compete for export sales would be reduced.

Our exporter customers need the Export-Import Bank because overseas companies and banks are aggressively using their export credit agencies to take sales from the United States. Every major trading nation has a government export credit agency. Those agencies together issue more than $500 billion a year in export financing. By contrast, the U.S. Export-Import Bank is small, supporting only $12-15 billion a year in U.S. exports.

The Export-Import Bank is a fee-for-service agency. Fees and interest are paid for the Export-Import Bank support. In the last two years, the Export-Import's revenues have generated a net $1.3 billion surplus for the U.S. Treasury. The Bank has a very low 1.9 percent historical loss rate and has $10 billion in reserves to protect the U.S. taxpayer.

Please support passage of H.R. 2871 so Congress can complete the reauthorization of the Export-Import Bank and help thousands of exporters compete on a more level playing field in world markets.

Mr. RANGEL. Mr. Chairman, H.R. 2871, the Export-Import Reauthorization Act, strengthens an important tool to promote U.S. exports and U.S. jobs. By law, the Export-Import Bank finances only exports made in the United States. In other words, the Bank supports American jobs. Last year, the Bank supported $12.5 billion in U.S. exports, which in turn supported tens of thousands of American jobs. In the 67 years of its existence, the Bank has supported more than $400 billion of U.S. exports and the hundreds of thousands of jobs that depend on those exports.

I would like to note my support for many of the important provisions in the reauthorization. First, I am pleased to see the substantial increase in the Bank's aggregate loan, guarantee, and insurance authority. Second, I am particularly happy to see the new provisions creating an Office of Africa within the Bank to promote exports to sub-Saharan Africa. The Export-Import Bank's role in recent years in strengthening the role and expanding the opportunities for U.S. business in sub-Saharan Africa, particularly in the wake of passage in 2000 of the African Growth and Opportunity Act, has been critical. Third, I am pleased to see the required increases in the Bank's lending to small businesses, which often have difficulty accessing foreign markets.

The Export-Import Bank is also important to help U.S. companies compete abroad. The export banks in many other countries—including Canada, the European countries, and Japan—often provide much higher levels of assistance to exporters from those countries. If U.S. firms and their workers did not have the Export-Import Bank, they would be at a real disadvantage when competing in the international marketplace. Moreover, the Export-Import Bank does its job efficiently. It is a fee-for-service agency. In the last two years, the Bank's revenues have generated a net $1.3 billion surplus for the U.S. Treasury.

In conclusion, the Export-Import Bank helps American exports and it helps American jobs. We can debate about whether or not there are some things wrong with U.S. trade policy, but the Export-Bank is not one of them. I support its activities and I urge my colleagues to do the same.

Mr. BLUMENAUER. Mr. Chairman, one of my priorities in Congress is strengthening the economies of my community and of nations around the world. By supporting HR 2897, I support an institution that provides assistance to businesses who often operate in riskier markets where financing is not available from private banks.

The Bank has a strong record of supporting U.S. businesses. In FY2001, Export-Import Bank (Ex-Im Bank) supported over $12.5 billion in U.S. exports to markets worldwide. Some critics argue that these loans primarily benefited large multinational corporations, however, in reality the majority of the Bank's transactions—9 out of 10—benefited small businesses.

The fact is that each year more than 2,000 American companies—large, medium, and small—in almost every state utilize Ex-Im Bank services. One of these small businesses in my district is Oxis International, Inc.—a manufacturer of medical diagnostic equipment used to test levels of therapeutic drugs in the blood. Oxis used Ex-Im Bank's multibuyer short-term insurance policy for almost five years, and the company's exports grew from one-third to approximately one-half of sales. According to Jon Pitcher, chief financial officer of Oxis International, Inc. "As a result of using Ex-Im Bank's insurance policy, we have been able to increase our sales, and these exports are now the fastest-growing part of our business."

In another instance, Pacific/Hoe Saw and Knife Company of Portland, a manufacturer of saw blades, industrial saws, and wholesale sawmill equipment, has used Ex-Im Bank's multibuyer short-term (up to 180 days) insurance policy for 10 years to increase sales to South America, Africa, Asia, Australia, and New Zealand. Following this successful trend, last September Portland's Calbag Metal Company recently paid off their $50 million loan to the Ex-Im bank on schedule. Finally Freightliner LLC—a heavy-duty truck manufacturer that employs 14,000 people—benefited from a guarantee that made it possible for Freightliner to transport ten trucks to Santiago, Chile where they were sold. The prices for these trucks would have likely been undercut, the trucks never shipped, and the jobs associated with building the trucks never allocated, if Ex-Im Bank did not assist Freightliner.

Overall, the past five years Ex-Im Bank has supported $190 million in exports for companies like Freightliner, Oxis, Calbag Metals, Pacific/Hoe Saw and Knife Company that are based in Oregon. A closure of the bank would feasibly reduce these companies' exports, jeopardize the jobs that are associated with those sales, and make them unable to counter export financing packages provided by foreign governments to their own exporters.

I withhold my support of the Sanders Amendment. This provision naively assumes that firms produce only one product when in reality many corporations produce a variety of products that affect employment levels across product lines in different ways. Because

Freightliner, for example, is a subsidiary of DaimlerChrysler, the amendment would make Freightliner ineligible for Bank funding if a greater percentage of their truck machinists are laid off in Portland than those who build Mercedes-Benz's in Brazil. Clearly the semi-truck market and the luxury automobile market are not related and should not be irrationally penalized.

I urge my colleagues to support the overall bill. It helps strengthen American businesses, create jobs, and improve critical trade relations with foreign markets.

Mr. WATTS of Oklahoma. Mr. Chairman, I rise in support of H.R. 2871 the Export-Import Bank Reauthorization Act. I would like to commend Mr. OXLEY, the Chairman of the Financial Services Committee, and Mr. LAFALCE, the Ranking Member, and also the sponsor, Mr. BEREUTER, for crafting a bill that reauthorizes the Export-Import Bank, with several significant improvements, and thereby enhances American competitiveness in the global marketplace.

It is our responsibility in the U.S. Congress to foster an environment where business, and therefore the nation's economy, can flourish. The Importance of foreign trade to the U.S. economy and its impact on American jobs is clear. The Export-Import Bank plays a critical role in enabling our businesses to compete more effectively overseas. In fact, according to USA Exports, a Coalition for Employment through Exports, "Ex-Im Bank returns to the U.S. economy an average of $18 of export value for every $1 appropriated by the U.S. Congress—a true "bang for the buck."

One element of this bill that I strongly support is the emphasis on small business. Small business is the major job creator in America, and it is where minorities and women are making their greatest economic advances. In Oklahoma we call Small Business—Big Business. Enabling such companies to engage in foreign trade benefits the nation.

In addition, Mr. Chairman, I strongly support the provision to create an Office for Africa at the Export-Import Bank. Africa faces daunting challenges. But during my two trips to the region last year, with representatives of more than 30 U.S. companies, under the auspices of the Trade-Aid Coalition, we witnessed significant efforts in several countries to build an economic infrastructure. This foundation is essential to future growth, and is based on their evolving appreciation for the principles of open markets, free trade, and private enterprise. Fostering this appreciation is the goal of the Trade-Aid Coalition. And the efforts of U.S. business, supported by the Export-Import Bank, to trade with these nations reinforce these positive developments.

I do understand that there is not unanimous agreement on all aspects of this bill. It is my understanding that the current bill language would remove the Treasury Department's ability to direct how funds for the Tied Aid War Chest should be used. The Treasury Department has used the Tied Aid War Chest since 1986 to successfully reduce subsidies by other governments.

This has saved taxpayers hundreds of millions of dollars and has helped increase U.S. exports by an average of over $1 billion dollars a year. It is my understanding that the Senate bill preserves the Treasury's role in using the Tied Aid War Chest. I would urge that in conference we find a satisfactory compromise that protects the interests of U.S. taxpayers and does not undermine the Treasury's ability to fight foreign subsidies or other trade distorting measures.

Mr. Chairman, as our nation adjusts to a changing world after September 11, we face two inescapable facts: First, we must focus on economic security, by working to ensure a strong economy that creates jobs for the American people. Second, we must reach out to developing nations across the globe, often beset by forces of terror, and demonstrate how free markets, open trade, and private enterprise under the rule of law can lead to prosperity for their citizens. Our national security improves when global stability prevails.

Reauthorizing the Export-Import Bank helps accomplish both of these goals, and I encourage my colleagues to vote "yes."

Ms. VELAZQUEZ. Mr. Chairman, I rise in support of H.R. 2871, the Export-Import Bank Reauthorization Act of 2001.

When people think of American exports, most think of the cars, computers, machinery and agricultural products made by major American corporations. But this perception is only part of the reality. Just as small businesses set the pace for the American economy, they also are pioneers in international trade.

In fact, 88 percent of American exporters are small businesses with fewer than 100 employees. That statistic, while impressive, does not tell the whole story. The Department of Commerce also estimates that only 2 percent of small manufacturers with export potential actually engage in trade. Clearly, a great potential for expanding trade opportunities exists with the many small businesses that may want to export but are intimidated by those prospects.

The Export-Import Bank is one of the most powerful tools that we have for growing the number of small business exporters. The export loans and insurance programs provided by the Ex-Im Bank help to reduce both anxiety and economic risk for potential small business exporters.

Since the Bank was established in 1945, it has supported billions of dollars in small business exports. Last year, the Bank supported $1.6 billion in small business exports in 2,124 transactions. This represented almost 18 percent of the total export loan volume and over 90 percent of total trade transactions. More importantly, the Bank supported over $32 million in exports by women-owned businesses and $34 million in exports by minority-owned businesses.

While these are impressive achievements, more can—and should—be done. The bill that we are considering this afternoon is a step in the right direction. It would increase the target for small business loan volume from 10 percent to 20 percent and create an office within the Bank that is dedicated to making small business loans. Lastly, H.R. 2871 would authorize an additional $1 million to increase its small business marketing activities.

Ex-Im Bank has had great success marketing its programs to small businesses. This bill will go even further by recognizing those gains while providing the Bank with a renewed small business emphasis and additional resources to expand this mission.

While this bill will go a long way to increasing the Bank's focus on small business exporters, it is only one step in the right direction. We need to work with the Bank to improve service on small business transactions.

Small businesses are particularly sensitive to delays in closing deals. A three-week delay in obtaining transaction financing can be the difference between a successful sale and a missed opportunity. Through the creation of a small business office in the Bank, we will need to continue to monitor how well small business needs are met.

To this end, we will need to harmonize the Capital Guarantee programs of both the Ex-Im Bank and the Small Business Administration. There is no reason that these programs, which can operate as one, should be crushed by the weight of different rules, applications, uses, and lenders. Two similar but competing programs only will confuse the small business exporter. In the coming year, I hope to resolve the twin problems of expedited service and harmonization of the capital guarantee programs.

I appreciate the opportunity to speak in favor of this important legislation. It is hard to underestimate the impact that small businesses have in both the domestic and international marketplace, and this bill is a huge leap in the right direction toward supporting further small business participation in the global marketplace.

Mr. BENTSEN. Mr. Chairman, I rise today in strong support of H.R. 2871, the Export-Import (Ex-Im) Bank Reauthorization Act. As a senior member of the House Financial Services Committees, I believe we need to act to ensure that Ex-Im bank can continue to operate to ensure the U.S. companies can export their products and services to foreign countries. I believe that this legislation is necessary to ensure the American companies enjoy the same export financing that other nations provide for their companies.

In 2000, the Ex-Im bank helped to provide $12.6 billion in loans, guarantees, and insurance for the export of the U.S.-made goods and services which is equal to approximately 2 percent of U.S. exports annually. In my congressional district, the Ex-Im bank has helped to finance more than $130 million in projects during the past five years. I am particularly pleased that this financing has helped many small businesses in my district to sell their products and services to foreign nations. For example, Hickham Industries in LaPorte, Texas is using an Ex-Im bank loan and guarantees to sell $226,000 worth of their products to other nations. I also believe it is important to highlight that none of these financial mechanisms are available through our capital markets. By law, the Ex-Im bank is the leader of last resort, when no other commercial entity will help with a project.

I also want to highlight several reforms included in this legislation to improve the Ex-Im Bank. For instance, this legislation would establish an Office of Small Business Exporters so small businesses could go directly to one location within the Ex-Im bank to explore financing options. This Office would be required to conduct outreach to small businesses. In addition, this bill requires the Ex-Im bank to provide at least 8 percent of their financing to small businesses with less than 100 employees and encourages the Ex-Im bank to increase its percentage of small business transactions from 10 percent to 20 percent. In addition, this legislation direct the Ex-Im bank to make certain technology improvements so small businesses can better access information about the Ex-Im bank using the Internet and other technologies.

This measure also included critically important provisions to ensure that Ex-Im bank financing is not used in industries which are subject to a countervailing duty or anti-dumping duty under U.S. trade laws. We must ensure that the taxpayers funds are not used to supersede our trade laws. This bill also encourages the Ex-Im bank to evaluate whether a nation has been helpful in our efforts to eradicate terrorism. I believe that all of these reforms will enhance the Ex-Im bank.

By targeting financing gaps and officially supported competition, the Ex-Im Bank supports export sales that otherwise could not move forward. These export sales expand employment in sectors where jobs are among the highest paid in the country, and has an important effect on the overall strength of our economy. I urge my colleagues to support this legislation which helps to create jobs an expands the markets for U.S.-made products.

Mrs. ROUKEMA. Mr. Chairman, I have been a strong supporter of the Ex-Im Bank since coming to Congress in 1981. The Bank plays a very significant role in US trade policy. It ensures that US businesses will not be denied access to overseas markets because of market imperfections that prevent them from obtaining financing from the private sector or because of unfair competition from foreign export agencies. Ex-Im has initiated thousands of transactions in foreign markets that commercial banks deem too risky to enter. Because of the Ex-Im, U.S. businesses export more goods and develop new and stronger trading relationships abroad. More intense need now in our global incoming and with Trade Promotion Authority currently ready for authorization.

The world of finance and the international trading system are changing fast. Other countries are finding more sophisticated ways of assisting their exporters and new financing mechanisms are being developed. Instead of placing restrictions on the Ex-Im and cutting its funding, we should be working to enhance the banks capabilities to assist business abroad by making sure they have the tools necessary to assist US exporters in this changing global economy.

In fiscal year 2001 Ex-Im Bank financed nearly $12.5 billion of US exports world wide which supported millions of US jobs. Nearly 90 percent of Ex-Im Bank's transaction in fiscal year 2001 was on behalf of small businesses.

In New Jersey alone, the Ex-Im Bank has suppported over 214 companies and 138 communities. It is estimated that over 44,974 jobs are sustained by Ex-Im efforts. For example, JB Williams Company located in Glen Rock, New Jersey, is a small, 45-employee manufacturer of specialty soaps and bath products that has been using Ex-Im Bank's short-term export credit insurance sine 1998 to expand its exports to Saudi Arabia, Poland, Korea, Colombia, and other countries.

H.R. 2871, the Export-Import Bank Reauthorization Act of 2001, extends the charter of the U.S. Export-Import Bank for 4 years and creates offices on Small Business Exporters and on Africa within the Bank. The legislation also increases the value of transactions that the Bank can hold in its portfolio at any time, raises the percentage of small business transactions the Bank should pursue, and improves the operation of the Tied Aid Credit Program. This measure further mandates that the Bank take into consideration U.S. trade laws when considering a transaction, examine whether a recipient company has been involved in any corrupt practices prior to a transaction's approval, and assess whether a country has been helpful or unhelpful in U.S. efforts to combat terrorism.

The Financial Services Committee authorized an increase in the administrative expenses of Ex-Im to $80 million adjusted annually for inflation. This budgetary increase was deemed necessary for Ex-Im to retain qualified staff, to improve its technology infrastructure and increase outreach to small businesses. The mandate for small business activity will be raised from 10 percent to 20 percent of the total value of Ex-Im transactions, with 8 percent of the total going to businesses with less than 100 employees. H.R. 2871 also raises the level of total Ex-Im portfolio (loans guarantees, and insurance) outstanding at any one time from the current level of $75 billion to $130 billion by FY 2005.

Consistent with and supplemental to the trade bills we have "Fast Track" better known as Trade Promotion Authority.

The Ex-Im Bank improves America's competitiveness overseas promotes small business and creates and sustains U.S. jobs. I urge my colleagues to support HR 2871, the Export Import Bank Reauthorization Act.

Mr. SHAYS. Mr. Chairman, I rise in support of reauthorizing the Export-Import Bank.

Exports are an extremely vital part of our nation's economic well-being. The Export-Import Bank is a relatively modest investment that promotes U.S. businesses abroad and creates jobs back home.

With financing moving across borders faster and faster and more frequently than at any time in history, and with every corner of the world touched by globalization, Ex-Im helps U.S. businesses stay connected to emerging markets they would otherwise have difficulty reaching.

For a variety of reasons, from currency devaluation to political instability, U.S. firms find it difficult to secure financing for these markets. Private-sector lenders, perceiving a risk, are oftentimes reluctant to provide long-term financing to emerging markets and to support small business exports. This is unfortunate because nearly 90 percent of the world's population is in these countries, and this is where the greatest increase in economic growth will occur.

That's where the Ex-Im Bank steps in. The agency acts as a "lender of last resort," allowing U.S. goods to access hard-to-reach markets. It places an emphasis on small business exports, and today's legislation raises the statutory requirement for small business financing from a minimum of 10 percent of Ex-Im's activities to 20 percent.

Mr. Chairman, last year, Ex-Im Bank authorized $9.2 billion in loans, guarantees and export credit insurance, supporting $12.5 billion of U.S. exports. I urge my colleagues to support this reauthorization bill, so we can continue to expand U.S. exports and promote economic growth.

Mr. BEREUTER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 2871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Export-Import Bank Reauthorization Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Clarification that purposes include United States employment.
Sec. 3. Extension of authority.
Sec. 4. Administrative expenses.
Sec. 5. Increase in aggregate loan, guarantee, and insurance authority.
Sec. 6. Activities relating to Africa.
Sec. 7. Small business.
Sec. 8. Technology.
Sec. 9. Tied Aid Credit Fund.
Sec. 10. Expansion of authority to use Tied Aid Credit Fund.
Sec. 11. Renaming of Tied Aid Credit Program and Fund as Export Competitiveness Program and Fund.
Sec. 12. Annual competitiveness report.
Sec. 13. Renewable energy sources.
Sec. 14. GAO reports.
Sec. 15. Human rights.
Sec. 16. Steel.
Sec. 17. Correction of references.
Sec. 18. Authority to deny application for assistance based on fraud or corruption by the applicant.
Sec. 19. Consideration of foreign country helpfulness in efforts to eradicate terrorism.
Sec. 20. Outstanding orders and preliminary injury determinations.
Sec. 21. Sense of the Congress relating to renewable energy targets.

SEC. 2. CLARIFICATION THAT PURPOSES INCLUDE UNITED STATES EMPLOYMENT.

Section 2(a)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(a)(1)) is amended by striking the 2nd sentence and inserting the following: "The objects and purposes of the Bank shall be to aid in financing and to facilitate exports of goods and services, imports, and the exchange of commodities and services between the United States or any of its territories or insular possessions and any foreign country or the agencies or nationals of any such country, and in so doing to contribute to the employment of United States workers. To further meet the objective set forth in the preceding sentence, the Bank shall ensure that its loans, guarantees, insurance, and credits are contributing to maintaining or increasing employment of United States workers.".

SEC. 3. EXTENSION OF AUTHORITY.

Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) and section 1(c) of Public Law 103–428 (12 U.S.C. 635 note; 108 Stat. 4376) are each amended by striking "2001" and inserting "2005".

SEC. 4. ADMINISTRATIVE EXPENSES.

(a) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—Section 3 of the Export-Import Bank Act of 1945 (12 U.S.C. 635a) is amended by adding at the end the following:

"(f) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.—

"(1) IN GENERAL.—For administrative expenses incurred by the Bank, including technology-related expenses to carry out section 2(b)(1)(E)(x), there are authorized to be appropriated to the Bank not more than—

"(A) for fiscal year 2002, $80,000,000; and

"(B) for each of fiscal years 2003 through 2005, the amount authorized by this paragraph to be appropriated for the then preceding fiscal year, increased by the inflation percentage (as defined in section 6(a)(2)(B)) applicable to the then current fiscal year.

"(2) OUTREACH TO SMALL BUSINESSES WITH FEWER THAN 100 EMPLOYEES.—Of the amount appropriated pursuant to paragraph (1), there shall be available for outreach to small business concerns (as defined under section 3 of the Small Business Act) employing fewer than 100 employees, not more than—

"(A) $2,000,000 for fiscal year 2002; and

"(B) for each of fiscal years 2003 through 2005, the amount required by this paragraph to be made available for the then preceding fiscal year, increased by the inflation percentage (as defined in section 6(a)(2)(B)) applicable to the then current fiscal year.".

(b) REQUIRED BUDGET SUBCATEGORIES.—Section 1105(a) of title 31, United States Code, is amended by adding at the end the following:

"(34) with respect to the amount of appropriations requested for use by the Export-Import Bank of the United States, a separate statement of the amount requested for its program budget, the amount requested for its administrative expenses, and of the amount requested for its administrative expenses, the amount requested for technology expenses and the amount requested for expenses for outreach to small business concerns (as defined under section 3 of the Small Business Act) employing fewer than 100 employees.".

(c) SENSE OF THE CONGRESS ON THE IMPORTANCE OF TECHNOLOGY IMPROVEMENTS.—

(1) FINDINGS.—The Congress finds that—

(A) the Export-Import Bank of the United States is in great need of technology improvements;

(B) part of the amount budgeted for administrative expenses of the Export-Import Bank is used for technology initiatives and systems upgrades for computer hardware and software purchases;

(C) the Export-Import Bank is falling behind its foreign competitor export credit agencies' proactive technology improvements;

(D) small businesses disproportionately benefit from improvements in technology;

(E) small businesses need Export-Import Bank technology improvements in order to export transactions quickly, with as great paper ease as possible, and with a quick Bank turn-around time that does not overstrain the tight resources of such businesses;

(F) the Export-Import Bank intends to develop a number of e-commerce initiatives aimed at improving customer service, including web-based application and claim filing procedures which would reduce processing time, speed payment of claims, and increase staff efficiency;

(G) the Export-Import Bank is beginning the process of moving insurance applications from an outdated mainframe system to a modern, web-enabled database, with new functionality including credit scoring, portfolio management, work flow and e-commerce features to be added; and

(H) the Export-Import Bank wants to continue its e-commerce strategy, including web site development, expanding online applications and establishing a public/private sector technology partnership.

(2) SENSE OF THE CONGRESS.—The Congress emphasizes the importance of technology improvements for the Export-Import Bank of the United States, which are of particular importance for small businesses.

SEC. 5. INCREASE IN AGGREGATE LOAN, GUARANTEE, AND INSURANCE AUTHORITY.

Section 6(a) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(a)) is amended to read as follows:

"(a) LIMITATION ON OUTSTANDING AMOUNTS.—

"(1) IN GENERAL.—The Export-Import Bank of the United States shall not have outstanding at any one time loans, guarantees, and insurance in an aggregate amount in excess of the applicable amount.

"(2) APPLICABLE AMOUNT.—

"(A) IN GENERAL.—In paragraph (1), the term 'applicable amount' means—

"(i) during fiscal year 2002, $100,000,000,000, increased by the inflation percentage applicable to fiscal year 2002;

"(ii) during fiscal year 2003, $110,000,000,000, increased by the inflation percentage applicable to fiscal year 2003;

"(iii) during fiscal year 2004, $120,000,000,000, increased by the inflation percentage applicable to fiscal year 2004; and

"(iv) during fiscal year 2005, $130,000,000,000, increased by the inflation percentage applicable to fiscal year 2005.

"(B) INFLATION PERCENTAGE.—For purposes of subparagraph (A) of this paragraph, the inflation percentage applicable to any fiscal year is the percentage (if any) by which—

"(i) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on December 31 of the immediately preceding fiscal year; exceeds

"(ii) the average of the Consumer Price Index (as so defined) for the 12-month period ending on December 31 of the 2nd preceding fiscal year.

"(3) SUBJECT TO APPROPRIATIONS.—All spending and credit authority provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.".

SEC. 6. ACTIVITIES RELATING TO AFRICA.

(a) EXTENSION OF ADVISORY COMMITTEE FOR SUB-SAHARAN AFRICA.—Section 2(b)(9)(B)(iii) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)(B)(iii)) is amended by striking "4 years after the date of enactment of this subparagraph" and inserting "on September 30, 2005".

(b) COORDINATION OF AFRICA ACTIVITIES.—Section 2(b)(9)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)(A)) is amended by inserting ", in consultation with the Department of Commerce and the Trade Promotion Coordinating Council," after "shall".

(c) CONTINUED REPORTS TO THE CONGRESS.—Section 7(b) of the Export-Import Bank Reauthorization Act of 1997 (12 U.S.C. 635 note) is amended by striking "4" and inserting "8".

(d) CREATION OF OFFICE ON AFRICA.—Section 3 of the Export-Import Bank Act of 1945 (12 U.S.C. 635a) is further amended by adding at the end the following:

"(g) OFFICE ON AFRICA.—

"(1) ESTABLISHMENT.—There is established in the Bank an Office on Africa.

"(2) FUNCTION.—The Office on Africa shall focus on increasing Bank activities in Africa and increasing visibility among United States companies of African markets for exports.

"(3) REPORTS.—The Office on Africa shall, from time to time not less than annually, report to the Board on the matters described in paragraph (2).".

SEC. 7. SMALL BUSINESS.

(a) IN GENERAL.—Section 2(b)(1)(E)(v) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(E)(v)) is amended—

(1) by striking "10" and inserting "20"; and

(2) by inserting ", and from such amount, not less than 8 percent of such authority shall be made available for small business concerns employing fewer than 100 employees" before the period.

(b) OUTREACH TO BUSINESSES OWNED BY SOCIALLY DISADVANTAGED INDIVIDUALS OR WOMEN.—Section 2(b)(1)(E)(iii)(II) of such Act (12 U.S.C. 635(b)(1)(E)(iii)(II)) is amended by inserting after "Bank" the following: ", with particular emphasis on conducting outreach and increasing loans to businesses not less than 51 percent of which are directly and unconditionally owned by 1 or more socially disadvantaged individuals (as defined in section 8(a)(5) of the Small Business Act) or women,".

(c) OFFICE FOR SMALL BUSINESS EXPORTERS.—Section 3 of such Act (12 U.S.C. 635a) is further amended by adding at the end the following:

"(h) OFFICE FOR SMALL BUSINESS EXPORTERS.—

"(1) ESTABLISHMENT.—There is established in the Bank an Office for Small Business Exporters.

"(2) FUNCTION.—The Office for Small Business Exporters shall focus on increasing Bank activities to enhance small business exports and to meet the unique trade finance needs of small business exporters.

"(3) REPORTS.—The Office for Small Business Exporters shall, from time to time not less than annually, report to the Board on the how the Office for Small Business Exporters is achieving the goals as described in paragraph (2).

"(4) SENSE OF CONGRESS.—It is the sense of the Congress that the Bank should redirect and prioritize existing resources and personnel to establish the Office for Small Business Exporters.".

SEC. 8. TECHNOLOGY.

(a) SMALL BUSINESS.—Section 2(b)(1)(E) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(E)) is amended by adding at the end the following:

"(x) The Bank shall implement technology improvements which are designed to improve small business outreach, including allowing customers to use the Internet to apply for all Bank programs.".

(b) ELECTRONIC TRACKING OF PENDING TRANSACTIONS.—Section 2(b)(1) of such Act (12 U.S.C. 635(b)(1)) is amended by adding at the end the following:

"(J) The Bank shall implement an electronic system designed to track all pending transactions of the Bank.".

(c) REPORTS.—

(1) IN GENERAL.—During each of fiscal years 2002 through 2005, the Export-Import Bank of the United States shall submit to the Committees on Financial Services and on Appropriations of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and on Appropriations of the Senate an interim report and a final report on the efforts made by the Bank to carry out subsections (E)(x) and (J) of section 2(b)(1) of the Export-Import Bank Act of 1945, and on how the efforts are assisting small businesses.

(2) TIMING.—The interim report required by paragraph (1) for a fiscal year shall be submitted April 30 of the fiscal year, and the final report so required for a fiscal year shall be submitted on November 1 of the succeeding fiscal year.

SEC. 9. TIED AID CREDIT FUND.

(a) PROCESS AND STANDARDS.—Section 10(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i–3(b)) is amended—

(1) in paragraph (2)(A), by striking "Secretary's recommendations" and all that follows and inserting "process and standards developed pursuant to paragraph (5);"; and

(2) by adding at the end the following:

"(5) PROCESS AND STANDARDS GOVERNING USE OF THE FUND.—

"(A) IN GENERAL.—The Secretary shall develop a process for, and the standards to be used in, determining how the amounts in the Tied Aid Credit Fund could be used most effectively and efficiently to carry out the purposes of subsection (a)(6).

"(B) CONTENT OF PROCESS AND STANDARDS.—

"(i) CONSIDERATION OF CERTAIN STANDARDS.—In developing the standards referred to in subparagraph (A), the Secretary shall consider administering the Tied Aid Credit Fund in accordance with the following standards:

"(I) The Tied Aid Credit Fund will be used to counter a foreign tied aid credit confronted by a United States exporter when bidding for a capital project.

"(II) Credible information about an offer of foreign tied aid will be required before the Tied Aid Credit Fund is used to offer specific terms to match such an offer.

"(III) The Tied Aid Credit Fund will be used to enable a competitive United States exporter to pursue further market opportunities made possible by the use of the Fund.

"(IV) Each use of the Tied Aid Credit Fund will be in accordance with the Arrangement unless a breach of the Arrangement has been committed by a foreign export credit agency.

"(V) The Tied Aid Credit Fund will be used to defend potential sales by United States companies to a project that is environmentally sound.

"(VI) The Tied Aid Credit Fund will be used to preemptively counter potential foreign tied aid offers without triggering foreign tied aid use.

"(ii) LIMITATION.—The process and standards referred to in subparagraph (A) shall not result in the Secretary having the authority to veto a specific deal.

"(C) INITIAL REPORT.—As soon as is practicable but not later than 6 months after the date of the enactment of this paragraph, the Secretary shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on the process and standards developed pursuant to subparagraph (A).

"(D) TRANSITIONAL STANDARDS.—The standards set forth in subparagraph (B)(i) shall govern the use of the Tied Aid Credit Fund until the report required by subparagraph (C) is submitted.

"(E) UPDATE AND REVISION; REPORTS.—The Secretary should update and revise, as needed, the process and standards developed pursuant to subparagraph (A), and, on doing so, shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on the process and standards so updated and revised.".

(b) RECONSIDERATION OF BOARD DECISIONS ON USE OF FUND.—Section 10(b) of such Act (12 U.S.C. 635i–3(b)) is further amended by adding at the end the following:

"(6) RECONSIDERATION OF DECISIONS.—

"(A) IN GENERAL.—Taking into consideration the time sensitivity of transactions, the Board of Directors of the Bank shall expeditiously reconsider a decision of the Board to deny an application of the use of the Tied Aid Credit Fund if the applicant submits the request for reconsideration within 3 months of the denial.

"(B) PROCEDURAL RULES.—In any such reconsideration, the applicant may, but shall not be required to, provide new information on the application.".

SEC. 10. EXPANSION OF AUTHORITY TO USE TIED AID CREDIT FUND.

(a) UNTIED AID.—

(1) NEGOTIATIONS.—The Secretary of the Treasury shall seek to negotiate an OECD Arrangement on Untied Aid. In the negotiations, the Secretary shall seek agreement on subjecting untied aid to the rules governing the Arrangement, including the rules governing disclosure.

(2) REPORT TO THE CONGRESS.—Within 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on the successes, failures, and obstacles in reaching the agreement described in paragraph (1).

(b) MARKET WINDOWS.—

(1) NEGOTIATIONS.—The Secretary of the Treasury shall seek to negotiate an OECD Arrangement on Market Windows. In the negotiations, the Secretary shall seek agreement on subjecting market windows to the rules governing the Arrangement, including the rules governing disclosure.

(2) REPORT TO THE CONGRESS.—Within 2 years after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on the successes, failures, and obstacles in reaching the agreement described in paragraph (1).

(c) USE OF TIED AID CREDIT FUND TO COMBAT UNTIED AID AND MARKET WINDOWS.—Section 10 of the Export-Import Bank Act of 1945 (12 U.S.C. 635i–3) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting ", and market windows used by" before "other countries";

(B) in paragraph (4), by striking "and" at the end;

(C) in paragraph (5), by inserting ", or market windows," before "for commercial" the 1st and 3rd places it appears; and

(D) by redesignating paragraph (5) as paragraph (6) as inserting after paragraph (4) the following:

"(5) the Bank has, at a minimum, the following two tasks:

"(A)(i) First, the Bank should match, and even overmatch, foreign export credit agencies when they engage in tied aid outside the confines of the Arrangement and when they exploit loopholes, such as market windows and untied aid;

"(ii) such matching and overmatching is needed to provide the United States with leverage in efforts at the OECD to reduce the overall level of export subsidies;

"(iii) only through matching or bettering foreign export credit offers can the Bank buttress United States negotiators in their efforts to bring these loopholes within the disciplines of the Arrangement; and

"(iv) in order to bring market windows within the discipline of the Arrangement, the Bank should sometimes initiate highly competitive financial support when the Bank learns that foreign market window support may be part of a transaction; and

"(B) Second, the Bank should support United States exporters when the exporters face foreign competition that is consistent with the letter and spirit of the Arrangement and the Subsidies Code of the World Trade Organization, but which nonetheless is more generous than the terms available from the private financial market; and"; and

(2) in subsection (b)(1)—

(A) in subparagraph (A), by inserting "and market windows used" after "extended"; and

(B) in subparagraph (B)(i), by inserting "or market windows" after "untied aid credits".

(d) DEFINITION OF MARKET WINDOW.—Section 10(h) of such Act (12 U.S.C. 635i–3(h)) is amended by adding at the end the following:

"(7) MARKET WINDOW.—The term 'market window' means the provision of export financing through an institution (or a part of an institution) that claims to operate on a commercial basis while benefiting directly or indirectly from some level of government support.".

SEC. 11. RENAMING OF TIED AID CREDIT PROGRAM AND FUND AS EXPORT COMPETITIVENESS PROGRAM AND FUND.

Section 10 of the Export-Import Bank Act of 1945 (12 U.S.C. 635i–3) is further amended—

(1) by striking all that precedes paragraph (1) of subsection (a) and inserting the following:

"SEC. 10. EXPORT COMPETITIVENESS FUND.

"(a) FINDINGS.—The Congress finds that—";

(2) in subsection (a)(6) (as so redesignated by section 9(c)(1)(D) of this Act), by striking "tied aid program" and inserting "export competitiveness program";

(3) in the heading of subsection (b), by striking "TIED AID CREDIT" and inserting "EXPORT COMPETITIVENESS";

(4) in subsection (b)(1)—

(A) by striking "tied aid credit program" and inserting "export competitiveness program"; and

(B) by striking "Tied Aid Credit fund" and inserting "Export Competitiveness Fund";

(5) in subsection (b)(2), by striking "tied aid credit program" and inserting "export competitiveness program";

(6) in subsection (b)(3)—

(A) by striking "tied aid credit program" and inserting "export competitiveness program"; and

(B) by striking "Tied Aid Credit Fund" and inserting "Export Competitiveness Fund";

(7) in subsection (b)(5) (as added by section 9(a)(2) of this Act), by striking "Tied Aid Credit Fund" each place it appears and inserting "Export Competitiveness Fund";

(8) in subsection (b)(6) (as added by section 9(b) of this Act), by striking "Tied Aid Credit Fund" and inserting "Export Competitiveness Fund";

(9) in subsection (c)—

(A) in the subsection heading, by striking "TIED AID CREDIT" and inserting "EXPORT COMPETITIVENESS"; and

(B) in paragraph (1), by striking "Tied Aid Credit" and inserting "Export Competitiveness";

(10) in subsection (d), by striking "tied aid credit" and inserting "export competitiveness"; and

(11) in subsection (g)(2)(C), by striking "Tied Aid Credit" and inserting "Export Competitiveness".

SEC. 12. ANNUAL COMPETITIVENESS REPORT.

(a) TIMING.—

(1) IN GENERAL.—Section 2(b)(1)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(A)) is amended in the 4th sentence by striking "on an annual basis" and inserting "on June 30 of each year".

(2) APPLICABILITY.—The amendment made by paragraph (1) shall apply to reports for calendar years after calendar year 2000.

(b) ADDITIONAL MATTERS TO BE ADDRESSED.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is amended by adding at the end the following: "The Bank shall include in the annual report a description of the volume of financing provided by each foreign export credit agency, and a description of all Bank transactions which shall be classified according to their principal purpose, such as to correct a market failure or to provide matching support.".

(c) Number of Small Business Suppliers of Bank Users.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is further amended by adding at the end the following: "The Bank shall estimate on the basis of an annual survey or tabulation the number of entities that are suppliers of users of the Bank and that are small business concerns (as defined under section 3 of the Small Business Act) located in the United States, and shall include the estimate in the annual report.".

(d) Outreach to Businesses Owned by Socially Disadvantaged Individuals or by Women.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is further amended by adding at the end the following: "The Bank shall include in the annual report a description of outreach efforts made by the Bank to any business not less than 51 percent of which is directly and unconditionally owned by 1 or more socially disadvantaged individuals (as defined in section 8(a)(5) of the Small Business Act) or women, and any data on the results of such efforts.".

SEC. 13. RENEWABLE ENERGY SOURCES.

(a) Promotion.—Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)), as amended by section 8(b) of this Act, is amended by adding at the end the following:

"(K) The Bank shall promote the export of goods and services related to renewable energy sources.".

(b) Description of Efforts to be Included in Annual Competitiveness Report.—Section 2(b)(1)(A) of such Act (12 U.S.C. 635(b)(1)(A)) is further amended by adding at the end the following: "The Bank shall include in the annual report a description of the efforts undertaken under subparagraph (K).".

SEC. 14. GAO REPORTS.

(a) Potential of WTO To Remedy Untied Aid and Market Windows.—Within 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that examines—

(1) whether a case could be brought by the United States in the World Trade Organization seeking relief against untied aid and market windows, and if so, the kinds of relief that would be available if the United States were to prevail in such a case; and

(2) the scope of penalty tariffs that the United States could impose against imports from a country that uses untied aid or market windows.

(b) Comparative Reserve Practices of Export Credit Agencies and Private Banks.—Within 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that examines the reserve ratios of the Export-Import Bank of the United States as compared with the reserve practices of private banks and foreign export credit agencies.

SEC. 15. HUMAN RIGHTS.

Section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(B)) is amended by inserting "(as provided in the Universal Declaration of Human Rights adopted by the United Nations General Assembly on December 10, 1948)" after "human rights".

SEC. 16. STEEL.

(a) Reevaluation.—The Export-Import Bank of the United States shall re-assess the effects of the approval by the Bank of an $18,000,000 medium-term guarantee to support the sale of computer software, control systems, and main drive power supplies to Benxi Iron & Steel Company, in Benxi, Liaoning, China, for the purpose of evaluating whether the adverse impact test of the Bank sufficiently takes account of the interests of United States industries.

(b) Report to the Congress.—Within 1 year after the date of the enactment of this Act, the Export-Import Bank of the United States shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on the re-assessment required by subsection (a).

SEC. 17. CORRECTION OF REFERENCES.

(a) Section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(B)) is amended by striking "Banking and".

(b) Each of the following provisions of the Export-Import Bank Act of 1945 is amended by striking "Banking, Finance and Urban Affairs" and inserting "Financial Services":

(1) Section 2(b)(6)(D)(i)(III) (12 U.S.C. 635(b)(6)(D)(i)(III)).

(2) Section 2(b)(6)(H) (12 U.S.C. 635(b)(6)(H)).

(3) Section 2(b)(6)(I)(i)(II) (12 U.S.C. 635(b)(6)(I)(i)(II)).

(4) Section 2(b)(6)(I)(iiii) (12 U.S.C. 635(b)(6)(I)(iii)).

(5) Section 10(g)(1) (12 U.S.C. 635i–3(g)(1)).

SEC. 18. AUTHORITY TO DENY APPLICATION FOR ASSISTANCE BASED ON FRAUD OR CORRUPTION BY THE APPLICANT.

Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is amended by adding at the end the following:

"(f) Authority to Deny Application for Assistance Based on Fraud or Corruption by Party to the Transaction.—In addition to any other authority of the Bank, the Bank may deny an application for assistance with respect to a transaction if the Bank has substantial credible evidence that any party to the transaction has committed an act of fraud or corruption in connection with a transaction involving a good or service that is the same as, or substantially similar to, a good or service the export of which is the subject of the application.".

SEC. 19. CONSIDERATION OF FOREIGN COUNTRY HELPFULNESS IN EFFORTS TO ERADICATE TERRORISM.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is further amended by adding at the end the following:

"(L) It is further the policy of the United States that, in considering whether to guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product, technical data, or information by a national or agency of any nation, the Bank shall take into account the extent to which the nation has been helpful or unhelpful in efforts to eradicate terrorism. The Bank shall consult with the Department of State to determine the degreee to which each relevant nation has been helpful or unhelpful in efforts to eradicate terrorism.".

SEC. 20. OUTSTANDING ORDERS AND PRELIMINARY INJURY DETERMINATIONS.

Section 2(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(e)) is amended—

(1) in paragraph (2), by striking "Paragraph (1)" and inserting "Paragraphs (1) and (2)"; and

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4) and by inserting after paragraph (1) the following:

"(2) Outstanding orders and preliminary injury determinations.—

"(A) Orders.—The Bank shall not provide any loan or guarantee to an entity for the resulting production of substantially the same product that is the subject of—

"(i) a countervailing duty or antidumping order under title VII of the Tariff Act of 1930; or

"(ii) a determination under title II of the Trade Act of 1974.

"(B) Affirmative determination.—Within 60 days after the date of the enactment of this Act, the Bank shall establish procedures regarding loans or guarantees provided to any entity that is subject to a preliminary determination of a reasonable indication of material injury to an industry under title VII of the Tariff Act of 1930. The procedures shall help to ensure that these loans and guarantees are likely to not result in a significant increase in imports of substantially the same product covered by the preliminary determination and are likely to not have a significant adverse impact on the domestic industry. The Bank shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the implementation of these procedures.

"(C) Comment period.—The Bank shall establish procedures under which the Bank shall notify interested parties and provide a comment period with regard to loans or guarantees reviewed pursuant to subparagraph (B).".

SEC. 21. SENSE OF THE CONGRESS RELATING TO RENEWABLE ENERGY TARGETS.

(a) Allocation of Assistance Among Energy Projects.—It is the sense of the Congress that, of the total amount available to the Export-Import Bank of the United States for the extension of credit for transactions related to energy projects, the Bank should, not later than the beginning of fiscal year 2006, use—

(1) not more than 95 percent for transactions related to fossil fuel projects; and

(2) not less than 5 percent for transactions related to renewable energy and energy efficiency projects.

(b) Definition of Renewable Energy.—In this section, the term "renewable energy" means projects related to solar, wind, biomass, fuel cell, landfill gas, or geothermal energy sources.

The CHAIRMAN. No amendment to that amendment is in order except those printed in House Report 107–423. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

It is now in order to consider Amendment No. 1 printed in House Report 107–423.

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AMENDMENT NO. 1 OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. BEREUTER:

Page 12, line 19, strike "PROCESS AND" and insert "PRINCIPLES, PROCESS, AND".

Page 12, strike lines 22 through 25 and insert the following:

(1) in paragraph (2), by striking subparagraph (A) and inserting the following:

"(A) in consultation with the Secretary and in accordance with the principles, process, and standards developed pursuant to paragraph (5) of this subsection and the purposes described in subsection (a)(5);"; and

Page 13, line 2, strike "PROCESS AND" and insert "PRINCIPLES, PROCESS, AND".

Page 13, line 4, after "Secretary" insert "and the Bank jointly".

Page 13, line 5, insert "principles and" before "standards".

Page 13, line 10, strike "PROCESS AND" and insert "PRINCIPLES, PROCESS, AND".

Page 13, strike line 13 and insert "PRINCIPLES AND STANDARDS.—In developing the principles and standards".

Page 13, line 15, after "retary" insert "and the Bank".

Page 13, line 17, insert "principles and" before "standards".

Page 13, after line 17, insert the following:

"(I) The Tied Aid Credit Fund should be used to leverage multilateral negotiations to restrict the scope for aid-financed trade distortions through new multilateral rules, and to police existing rules.".

Page 13, line 18, strike "(I)" and insert "(II)".

Page 13, line 23, strike "(II)" and insert "(III)".

Page 14, line 3, strike "(III)" and insert "(IV)".

Page 14, line 6, insert "on commercial terms" after "opportunities".

Page 14, line 8, strike "(IV)" and insert "(V)".

Page 14, line 13, strike "(V)" and insert "(VI)".

Page 14, line 14, strike "will" and insert "may only".

Page 14, line 17, strike "(VI)" and insert "(VII)".

Page 14, line 18, strike "will" and insert "may".

Page 14, line 21, insert "principles," before "process".

Page 15, line 1, strike "REPORT" and insert "PRINCIPLES, PROCESS, AND STANDARDS".

Page 15, line 3, after "Secretary" insert "and the Bank".

Page 15, line 7, strike "report on the process" and insert "copy of the principles, process,".

Page 15, line 10, insert "PRINCIPLES AND" before "STANDARDS".

Page 15, line 11, insert "principles and" before "standards".

Page 15, line 13, strike "report" and insert "principles, process, and standards".

Page 15, line 13, strike "is" and insert "are".

Page 15, line 15, strike "; REPORTS".

Page 15, line 16, after "Secretary" insert "and the bank jointly".

Page 15, line 17, strike "process and" and insert "principles, process, and".

Page 15, line 22, strike "report on the process" and insert "copy of the principles, process,".

Page 16, line 8, after "tiously" insert "pursuant to paragraph (2)".

Page 16, line 14, strike ", but shall not".

Page 16, line 22, strike "shall" and insert "should".

Page 17, line 7, after "in" insert "initiating negotiations, and if negotiations were initiated, in".

Page 17, line 13, strike "shall" and insert "should".

Page 17, line 22, after "in" insert "initiating negotiations, and if negotiations were initiated, in".

Page 17, line 25, strike "AND MARKET WINDOWS".

Page 18, strike lines 2 through 6 and insert "amended in subsection (a)—".

Page 18, line 7, strike "(B)" and insert "(A)".

Page 18, line 9, strike "(C)" and insert "(B)".

Page 18, line 10, strike "market windows" and insert "untied aid".

Page 18, line 12, strike "(D)" and insert "(C)".

Page 18, line 13, strike "as" and insert "and".

Page 18, line 18, insert "and aid agencies" after "agencies".

Page 18, line 21, strike "market windows and".

Page 19, line 6, strike "market windows" and insert "untied aid".

Page 19, beginning on line 10, strike "market window support may be part of a transaction" and insert "untied aid offers will be made".

Page 19, line 19, strike "; and" and insert a period.

Page 19, strike lines 20 through 24.

The CHAIRMAN. Pursuant to House Resolution 402, the gentleman from Nebraska (Mr. BEREUTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume to explain the manager's amendment.

Mr. Chairman, the changes in the manager's amendment are to the Tied Aid War Chest section of the legislation and are the result of negotiations with the administration.

As a way of background, this legislation would make important clarifications in the administration of the Tied Aid War Chest which finances tied aid transactions. The Tied Aid War Chest was intended to be used by the Ex-Im Bank to protect American exporters by matching the concessionary financing of foreign export credit agencies. The Tied Aid War Chest has been grossly underutilized, which is due in part to the disagreements between the Ex-Im Bank and the Department of Treasury over the years on how to use the funds.

These past problems would be addressed in this legislation by the creation of a new definitive step-by-step process to be followed by the Ex-Im Bank and the Treasury Department regarding how the Tied Aid War Chest is to be administered. The manager's amendment would make the following changes to how the Tied Aid War Chest is administered.

Number 1, under the bill as reported, the Secretary of the Treasury would set the process and standards on how the amounts in the Tied Aid War Chest can be effectively used and efficiently used, and it would do this in consultation with the Ex-Im Bank. In the manager's amendment, the word "principles" is inserted before the word "process." This change is made throughout the manager's amendment where applicable.

Number 2, the Ex-Im Bank would be allowed to jointly set the principles, process and standards which govern the use of the Tied Aid War Chest with the Secretary of the Treasury.

Three, the Tied Aid War Chest also must be used in accordance with the purposes described in section 10(a)(5) of the Ex-Im Bank charter. This reference to section 10(a)(5) is in current law.

Number 4, adds a new standard which will govern the use of the Tied Aid War Chest in the interim period before the Secretary of the Treasurer and the Ex-Im Bank submit their principles, process and standards to Congress. This new standard states that the Tied Aid War Chest should be used to leverage multilateral negotiations in such places as the OECD in Paris to restrict the scope of aid-financed trade distortions and to police existing rules. This new standard is added to the six existing standards in the bill as reported.

Number 5, under H.R. 2871, as reported, an applicant for the Tied Aid War Chest is given an opportunity for an expeditious reconsideration by the Ex-Im Bank board within 3 months of the denial of an application for assistance. Under this legislation, as reported, the applicant may, but shall not be required to provide any information for the application to be reconsidered. That is at the suggestion of the administration. The manager's amendment states that the applicant may be required to provide new information in order for the application to be reconsidered.

Number 6, under the bill, as reported, the Tied Aid War Chest can be used to combat untied aid and market windows. Under the current law, the Tied Aid War Chest can only be used to combat tied aid from foreign export credit agencies. The manager's amendment does not allow the Tied Aid War Chest to be used for market windows. Market windows are defined as export financing that claims to operate on a commercial basis while benefiting directly or indirectly from some level of government support.

This change was made at the request of the administration because the Ex-Im Bank is still trying to understand how countries such as Germany and Canada use the market windows device. As a result, this Member believes that we should not legislate an issue until we fully understand how the market windows device actually functions.

Number 7, finally, the manager's amendment also makes other minor technical corrections.

Mr. Chairman, in summary, as a result of the manager's amendment, the Export-Import Bank will administer the Tied Aid War Chest in consultation with the Secretary of the Treasury in accordance with both the principles, process and standards developed jointly by the Secretary of the Treasury and the Ex-Im Bank and in accordance the purposes which are currently listed in the Ex-Im charter. This Member believes that the changes in the manager's amendment are essential to further clarify the administration of the Tied Aid War Chest.

Mr. Chairman, in conclusion, this Member would urge his colleagues to support the manager's amendment to H.R. 2871.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Who rises to claim the time in opposition?

Mr. LAFALCE. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN. The gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Chairman, I yield myself such time as I may consume. I am very pleased to rise in support of the gentleman from Nebraska's (Mr. BEREUTER) amendment which attempts to meet objections to the bill raised by the Treasury Department, and I know that the gentleman from Nebraska has negotiated in great faith with Treasury officials.

Unfortunately, they have withheld support for the bill, primarily due to the tied aid credit fund provisions within it, and I am appreciative of the gentleman's enormous efforts to address Treasury's concerns during the past 5 months over what is essentially a territorial dispute.

The manager's amendment represents his best effort to accommodate Treasury. To that end, I fully support it. I only regret that it has taken 5 months for the Republican House leadership to decide that the U.S. Treasury Department does not set the schedule in the House of Representatives.

Having said that, let me also add that I did support a 6-month extension of the authorization for Ex-Im Bank last year, and then I supported an additional 30-day extension, and yesterday I supported an additional 30-day extension. We have until the Memorial Day recess to reconcile the differences between the House Ex-Im reauthorization bill and the Senate Ex-Im reauthorization bill.

The differences are not that great. We should be able to resolve them at one meeting which could take place this week or next week. Most of the issues, I should not say this, could be settled by a flip of the coin between the House and Senate. Treasury might still oppose, and if Treasury is allowed to hold up the conference report, I just tell them now that I will not support another extension.

Mr. Chairman, I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, I yield myself the balance of the time, and I want to thank the distinguished gentleman from New York (Mr. LAFALCE) for his patience and his support through this process. I actually welcome the statement the gentleman made about the upcoming House-Senate conference, and his suggestion is exactly the method that I am going to try to advance, with the Chairman's help, if, in fact, we have an opportunity to go to conference today, as I expect.

I would like to say to the gentleman that he and I have shared frustration for so many years over the lack of use of the war chest when it is appropriate, and in part, that failure or deficiency is because of the subject that I think we are addressing in the manager's amendment.

Again, I thank the gentleman for his support and his patience through this long consultation process with the administration. We have made as many accommodations as we possibly can without making the ultimate one because we understand what they want is not consistent with what this body, as a legislative body, should do.

I urge support of the manager's amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report No. 107–423.

AMENDMENT NO. 2 OFFERED BY MR. DEFAZIO

Mr. DEFAZIO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. DEFAZIO: At the end of the bill, add the following:

SEC. . BAN ON ASSISTANCE FOR PROJECT INVOLVING PRIVATIZATION OF GOVERNMENT-HELD INDUSTRY OR SECTOR.

Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by adding at the end the following:

"(13) BAN ON ASSISTANCE FOR PROJECT INVOLVING PRIVATIZATION OF GOVERNMENT-HELD INDUSTRY OR SECTOR.—The Bank may not guarantee, insure, or extend (or participate in the extension of) credit in connection with the export of any good or service for a project that involves the privatization of a government-held industry or sector if—

"(A) the privatization transaction is not implemented in a transparent manner;

"(B) the privatization transaction is not implemented in a manner that adequately protects the interests of workers, small investors, and vulnerable groups in society to the extent that they are affected by the privatization transaction; or

"(C) appropriate regulatory regimes have not been established to esnure the proper function of competitive markets in the industry or sector.".

The CHAIRMAN. Pursuant to House Resolution 402, the gentleman from Oregon (Mr. DEFAZIO) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Chairman, I yield myself such time as I may consume. We will not use all of the time here.

The amendment which I drafted is based substantially on language which will be included in legislation to come up later today, H.R. 2604, the Multinational Development Bank Reauthorization. It is a bipartisan piece of legislation which the gentleman from Nebraska (Mr. BEREUTER) as the Chairman of the Subcommittee on International Monetary Policy and Trade introduced and was cosponsored by the gentleman from New York (Mr. LAFALCE), ranking member, and the gentleman from Vermont (Mr. SANDERS).

I looked at that legislation, and although I will admit that the issue before us here, the Ex-Im Bank, is not normally the principal source of funding for potential privatization efforts, but there are instances where Ex-Im Bank has followed in acquisitions and has essentially been linked to privatization efforts.

Oftentimes there may well be nothing wrong with the U.S. firm being involved in a privatization effort overseas, as long as there is a regulatory structure in place, as long as the government or the taxpayers of that country get full value in a process which is transparent in terms of the bidding, but unfortunately, there have been a number of cases, a couple of which involved the Enron corporation in Panama and the Dominican Republic, where that was not the case. In fact, a study after the fact in the Dominican Republic found that the assets were undervalued by $907 million, and the Panama case, there was a problem with basically some corruption within the government which had led to a low bid and an improper acquisition.

I think putting in place some basic rules is needed to make sure that the Ex-Im Bank either in the first instance or in follow-on to U.S. acquisition, in supplying follow-on to that, does not become involved in improper privatization efforts.

The standards are quite simple: That the assistance should only go to projects that are implemented in a transparent manner; that they are implemented in a manner that protects the interests of workers, small investors, vulnerable groups in society; or, if appropriate, the regulatory regimes have been established to ensure properly functioning competitive markets.

It is further my understanding that the Chairman has some concerns about the capability of enforcing this and statutory language but would perhaps be willing to support this as a sense of Congress within the conference.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding. I would have claimed the time in opposition, but the gentleman has accurately described the derivation of this language, and there is certainly nothing wrong with the intent.

He is also right in recognizing that the primary entities that could have an impact on such a situation, as described in this amendment, are multilateral development banks, but if the gentleman would withdraw this amendment, I will do my best to assure that language like this, probably exactly like it, would be a included as sense of the Congress language or, at least that if we have problems with the Senate conferees, it be included in report language. But it would be my intent to attempt to add such language as sense of the Congress language, as the gentleman has offered it.

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman for his support and his great work on the legislation to come up later today. I believe these are essential reforms and limitations that should be put into the law, and I thank the gentleman.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report No. 107–423.

AMENDMENT NO. 3 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. KUCINICH:

At the end of the bill, add the following:

SEC. __. REQUIREMENT THAT APPLICANTS FOR ASSISTANCE DISCLOSE WHETHER THEY HAVE VIOLATED THE FOREIGN CORRUPT PRACTICES ACT; MAINTENANCE OF LIST OF VIOLATORS.

Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is further amended by adding at the end the following:

"(M) The Bank shall require an applicant for assistance from the Bank to disclose whether the applicant has been found by a court of the United States to have violated the Foreign Corrupt Practices Act, and shall maintain a list of persons so found to have violated such Act.".

Amend the table of contents accordingly.

The CHAIRMAN. Pursuant to House Resolution 402, the gentleman from Ohio (Mr. KUCINICH) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment will require the Ex-Im Bank to gather information relating to compliance by applicants with the Foreign Corrupt Practices Act, as amended.

The Foreign Corrupt Practices Act of 1977 makes it unlawful for any domestic corporation to corruptly bribe a foreign official in order to obtain or retain business. It also requires those companies that are required to register with the Securities and Exchange Commission to keep detailed and accurate books, records, and accounts of corporate payments and transactions.

Under my amendment, Ex-Im would request that applicants report whether or not they had been found guilty by a U.S. court to be in violation of the Foreign Corrupt Practices Act, and importantly, the Ex-Im Bank would also independently keep a list of companies that had violated the Act.

Mr. Chairman, this amendment is based upon the following premise: That taxpayers should not subsidize the venture of companies that use corrupt methods to obtain business or deceive taxpayers with false financial reports.

Recently, a large multinational energy corporation based in the United States was revealed to have intentionally misled the public about its finances and its profits, leading to drastic consequences for shareholders and its employees. In part, Enron accomplished this deception by concealing the complex corporate transactions that allowed it to inflate its profits.

□ 1200

Now, what if a company like this one used similar practices in order to cover up its bribery of a foreign official? How would this affect its application for financing from the Ex-Im Bank?

Under current practice, applicants for Ex-Im financing are required to certify they have not violated and will not violate the Foreign Corrupt Practices Act. That is good, and this amendment is not meant to stop the Ex-Im Bank from doing this. But the Ex-Im Bank is not required on its own to compile a list of FCPA violators. So a company that lied about its Foreign Corrupt Practices Act history on its application would not be in danger of discovery by the Ex-Im Bank.

Is such a scenario out of the realm of possibility? Our experience with Enron should make it clear that it is not. A recent Enron loan application to the Ex-Im Bank for a natural gas plant in Venezuela included the company's 1998 annual report, which Enron admitted was falsified. Did Ex-Im discover this? No. Has the Ex-Im taken any action against Enron for submitting falsified materials? Not that I know of. In a recent column by Bob Novak this matter is detailed.

In fact, Ex-Im loaned Enron nearly $200 million for this project, according to this report by the Institute for Policy Studies. Overall, Ex-Im has financed Enron projects to the tune of $826 million.

Now, ideally, this amendment should be passed in conjunction with another amendment I submitted to the Committee on Rules. The second amendment would have barred Ex-Im from providing financing to any company that violated the Foreign Corrupt Practices Act. Unfortunately, the rule for this bill did not make the second amendment in order. Nevertheless, the current amendment makes an important contribution by codifying Ex-Im's current practice of requiring applicants to certify their compliance with the Foreign Corrupt Practices Act and, further, by requiring the Ex-Im Bank to independently compile a list of companies that are in violation of this act. I encourage my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. BEREUTER. Mr. Chairman, I rise to claim the time in opposition.

The CHAIRMAN pro tempore (Mr. SIMPSON). The gentleman from Nebraska (Mr. BEREUTER) is recognized for 15 minutes.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume, and I do not intend to oppose the gentleman's amendment. Actually, I think it is quite appropriate.

The Foreign Corrupt Practices Act does regulate the practices of American businesses doing business abroad. It requires them to keep accurate books, records and accounts. It requires issuers to register with the Securities and Exchange Commission to maintain a responsible and internal accounting control system, and it prohibits bribery by American corporations of foreign officials.

In the way of background, the Foreign Corrupt Practices Act was a U.S. initiative and we have tried very hard, through the Organization for Economic Cooperation and Development in Europe, OECD, to have other countries adopt similar kinds of national legislation. Until recently, many of our west European export competitors have actually permitted their corporations to have their bribes as tax deductible, incredible as that may seem. We have recently had positive action by many of these countries in that respect, but now the proof is in the pudding. That is to say, will they, in fact, have enforcement to make sure that no such bribery is not encouraged or permitted under their tax codes.

In any case, the gentleman's amendment, I think, is highly appropriate. This kind of information should be made available and, in fact, generated, if necessary, within the Export-Import Bank. And it is my expectation that as a result of having that information and being encouraged to give it careful consideration the Ex-Im Bank will be able to avoid providing any kind of transaction assistance to an American firm that would be in violation of the Foreign Corrupt Practices Act.

Mr Chairman, my hope is that in fact something like the Foreign Corrupt Practices Act can be applied internationally by actions of national legislative bodies. So I do speak in support of the gentleman's amendment, and I thank him for his initiative in offering it.

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume to thank the gentleman for his expression of support for transparency and integrity in international transactions.

Mr. Chairman, I submit for the Record the article by Bob Novak I referred to earlier:

[From the Chicago Sun-Times, Apr. 29, 2002]

Enron's Corporate Welfare

(By Robert Novak)

A bipartisan Senate Finance Committee investigation has found that Enron Corp., no paragon of free-market deregulation, gorged itself on corporate welfare. The Clinton administration gave more than $650 million in Export-Import Bank loans to Enron-related companies. While the Senate now probes whether the bankrupt energy company falsified loan requests, the bigger question is why Enron was subsidized at all.

Export-Import officials early this year, expressing confidence in the accuracy of information provided by Enron in its loan applications, were not interested in an investigation. However, Ex-Im Vice Chairman Eduardo Aguirre sang a different tune in his April 23 letter to Sen. Chuck Grassley of Iowa, the Finance Committee's senior Republican. "Please let me assure you that Ex-Im Bank takes very seriously potential violations of law . . . and works very closely with the Department of Justice," Aguirre wrote.

Finance staffers have found that Ex-Im, as well as the Overseas Private Investment Corp., in a Democratic administration routinely approved loan requests from a supposedly Republican company. Lavish bipartisan political contributions may have helped, as well as a top Enron executive sitting on Ex-Im's Advisory Committee.

Actually, one official of the agency informed a Senate investigator that all Ex-Im really monitors is loan repayment. Ironically, it is unclear whether Enron loans will be defaulted at American taxpayer expense. While the rationale for the Export-Import Bank's existence is to give U.S. businesses a level playing field against government-subsidized foreign competition, the Enron loans merely buttressed questionable projects where the company often was both producer and exporter.

The classic case is a September 1994 Ex-Im direct loan of $302 million ($175 million of which remains unpaid) to Dabhol Power Co. in India, then 80 percent owned by Enron. In this deal, Enron was the "foreign" company, and its allies, Bechtel Group and General Electric, were the exporters. With an Indian utility that could not pay its bills (and was pressured by the Bush administration to do so) as its only customer, Dabhol went bankrupt even before Enron.

A less-publicized loan scrutinized by Senate investigators provided $135 million (only $4 million of which has repaid) to the Accroven partnership for a natural gas plant in Venezuela. Nearly half the company's stock was owned by Enron while Enron also was the exporter. Thus, the U.S. taxpayer was paying Enron money so that Enron could buy gas from Enron.

Enron's loan application for the Accroven project included the company's 1998 annual report, which the company has admitted was falsified. "I'm troubled by the Ex-Im's seeming lack of interest in this matter," Grassley wrote Aguirre on April 2.

Ex-Im lent $250 million to Trakya Elektrik of Turkey, owned 50 percent by Enron, which was buying goods and services from Enron. Ex-Im insured a $3.6 million Citibank loan to Promigas in Colombia, owned 42.3 percent by Enron. Whether or not these loans were based on misleading information, it is difficult to see how any of these deals fulfills the Export-Import Bank's avowed purpose of promoting American competition against the world.

While Democratic Sen. Ernest F. Hollings delivered his memorable judgment that Enron benefitted from the Bush presidency on a cash-and-carry basis, the symbiosis between big business and the purveyors of corporate welfare is bipartisan. Just as Enron gave to both parties, Bechtel has contributed $820,000 to Republicans and $730,000 to Democrats since the 1992 elections. Rebecca A. McDonald, CEO of Enron Global Assets, was on Ex-Im's Advisory Committee under President Clinton in 2000 and remained there under President Bush in 2001. How can it be that a major recipient of government largess is advising the agency handing it out?

Except for a fitful effort to trim it down in the early months of the Reagan administration in 1981 and some by the current Bush administration, the Export-Import Bank has sailed through governments of both parties—hardly noticed and never critically examined. A broader scrutiny of the agency's global pursuits is still wanting.

Mr. KUCINICH. Mr. Chairman, I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. Kucinich).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 4 printed in House Report 107–423.

AMENDMENT NO. 4 OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. Sanders:

At the end of the bill, add the following:

SEC. . INFORMATION AND CERTIFICATIONS REQUIRED FROM COMPANIES SEEKING OR RECEIVING NEW ASSISTANCE.

Section 2 of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is further amended by adding at the end the following:

"(g)(1) As a condition of providing assistance to a company in connection with a transaction entered into on or after the date of the enactment of this subsection, the Bank shall require the company to submit to the Bank the following information on an annual basis:

"(A) The number of individuals employed by the company in the United States and its territories.

"(B) The number of individuals employed by the company outside the United States and its territories.

"(C) A description of the wages and benefits being provided to the employees of the company in the United States and its territories.

"(2)(A) Beginning 1 year after the Bank provides assistance to a company in connection with a transaction entered into on or after the date of the enactment of this subsection, the company shall, on an annual basis, provide the Bank with a written certification of—

"(i) the percentage of the workforce of the company employed in the United States or its territories that has been laid off or induced to resign from the company during the preceding year; and

"(ii) the percentage of the total workforce of the company that has been laid off or induced to resign from the company during the preceding year.

"(B)(i) If, in the certification provided by the company, the percentage described in subparagraph (A)(i) is greater than the percentage described in subparagraph (A)(ii), then the company shall be ineligible for further assistance from the Bank until the company provides to the Bank a new written certification in which, for the year covered by the new certification, the percentage described in subparagraph (A)(i) is not greater than the percentage described in subparagraph (A)(ii).

"(ii) If the company does not provide a certification required by subparagraph (A), or provides a false certification under this paragraph, then 60 days thereafter the Bank shall withdraw all assistance from the company, and the company shall thereafter be ineligible for assistance from the Bank.".

The CHAIRMAN pro tempore. Pursuant to House Resolution 402, the gentleman from Vermont (Mr. Sanders) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Vermont (Mr. Sanders).

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I hereby submit for the Record a letter sent to the Speaker of the House, the gentleman from Illinois (Mr. Hastert), by every large multinational corporate trade organization in the country, people who contribute hundreds of millions of dollars into the political process, because they are opposed to the amendment.

Aerospace Industries Association, American Business Council of the Gulf Countries, AMT—The Association for Manufacturing Technology, Bankers Association for Finance and Trade, Coalition for Employment Through Exports, Emergency Committee for American Trade, International Energy Development Council, National Association of Manufacturers, National Foreign Trade Council, Small Business Exporters Association, U.S. Chamber of Commerce, U.S.-China Business Council, U.S Council for International Business,

April 16, 2002.

Hon. Dennis Hastert,
Speaker of the House,
House of Representatives, Washington, DC.

Dear Mr. Speaker: As the House Republican leadership considers scheduling floor action on H.R. 2871, to reauthorize the Export-Import Bank, we write to reiterate our strong support for the Bank. Our collective members include many of the U.S. exporters and financial institutions that rely on the Bank as the lender of last resort in meeting the fierce competition for export opportunities in world markets. In FY 2001 alone, the Bank financed some 2,300 export transactions, 90 percent of which were for small and medium-sized firms.

Ex-Im Bank plays a crucial role in supporting the export of American-made goods and American-provided services in markets where commercial financing is difficult to obtain and when foreign competitors have the active support of their governments' export credit agencies. In 2000 alone, the most-active export credit agencies worldwide financed more than $500 billion in exports. Ex-Im Bank financed $15.5 billion in U.S. exports that year.

To deal with this increasingly aggressive foreign competition, H.R. 2871 would authorize the Bank to respond to new export financing programs offered by foreign governments, including so-called "market windows". The bill also provides the Bank with clear authority to use the tied-aid war chest to respond aggressively to foreign governments' use of foreign assistance to supplement their export credit activities (so-called "tied-aid").

It is important to note that Ex-Im charges risk-based interest, premiums and other fees for its loans, loan guarantees and insurance. These fees are paid by exporters, banks and overseas customers. Last year, the Bank's revenues generated a $1 billion net income for the U.S. government. Moreover, the Bank maintains some $10 billion in reserves to protect against the risk of loss. The Bank's conservative lending policies and aggressively loss-recovery efforts have resulted in a very low 1.9 percent historical loss rate.

AMENDMENTS OF CONCERN

Two amendments may be offered which, in our judgment, would impede the ability of U.S. exporters to effectively utilize the Bank, thus weakening the Bank's programs and causing a loss of U.S. exports and the jobs of American workers. We urge you to oppose these amendments if offered during House floor action:

(1) Rep. Sanders may offer an amendment to deny Ex-Im Bank financing for U.S. companies that are growing internationally. It would make the Bank completely unusable for any U.S. exporter that is succeeding in world markets. The proposal runs contrary to U.S. trade policy and market-based economic growth. It would make no sense for the Congress to seek open world markets, but then deny U.S. firms access to one of the key tools to take advantage of these new opportunities. Since Ex-Im Bank only finances U.S.-origin goods and services, shutting off the Bank would only result in making the Bank less effective in creating and keeping U.S. jobs here at home.

Rep. Schakowsky may offer an amendment to require a human rights assessment of about 600 export transactions supported by the Bank annually. This proposal is unnecessary because the Export-Import Bank Act already includes a procedure under which the Bank relies on the U.S. State Department for human rights analysis. The amendment would require the Bank to establish an unnecessary new bureaucracy that would duplicate the long-established State Department human rights office. The amendment would require U.S. exporters to submit any proposed transaction over $10 million to a costly and time-consuming notice and comment period, which inevitably would lead to the loss of export sales to our foreign competitors. The current, long-established, process works well to ensure that human rights issues are analyzed by the State Department's experts and included in the Bank's consideration of export transactions.

We urge the House to approve H.R. 2871 and to oppose amendments that would weaken the Bank and impede U.S. exports.

Sincerely,

Don Carlson, President, AMT–The Association For Manufacturing Technology; Calman J. Cohen, President, Emergency Committee For American Trade; Timothy E. Deal, Senior Vice President, U.S. Council for International Business; John W. Douglass, President, and CEO, Aerospace Industries Association; John Hardy, Chairman, Standing Committee, International Energy Development Council; Robert Kapp, President, U.S.-China Business Council; James Morrison, President, Small Business Exporters Association; John Pratt, Chairman, American Business Council of the Gulf Countries; William Reinsch, President, National Foreign Trade Council; Edmund B. Rice, President, Coalition For Employment Through Exports; Consider W. Ross, Executive Director, Bankers Association for Finance and Trade; Franklin J. Vargo, Vice President, National Association of Manufacturers; Willard A. Workman, Senior Vice President, U.S. Chamber of Commerce.

Mr. Chairman, these gentlemen, representing the largest multinational corporations in this country, are opposed to this amendment. And why not? They are receiving huge amounts of corporate welfare. They think it is a good deal. So, yes, they will be opposed to the amendment. And I would hope that gives Members a good reason why they should think about voting for this amendment.

I am very proud that this amendment is cosponsored by the gentleman from Texas (Mr. PAUL) and the gentleman from Oregon (Mr. DEFAZIO), and we are united, along with many other Members here, to protect American workers and to fight corporate welfare.

Mr. Chairman, some of my colleagues will say that the Ex-Im Bank has helped businesses and workers throughout the United States. They are right. But that should not be a great surprise for an agency that has a budget of some $1 billion and has the capability of guaranteeing some $15 billion in loans a year. If we stood outside on street corners all over America and gave out money, we would do some good. We would help people. We would create jobs.

The question that we want to ask is: Given the amount of money that we are spending, are American taxpayers and are American workers getting good value for their dollars? And I think any objective analysis of Ex-Im would suggest that we are not.

At the present moment, Ex-Im is wasteful, it is inefficient, and it is a major example of corporate welfare. If we cannot make fundamental changes in the way that program is run, it should be killed.

Mr. Chairman, let us be clear about who the major beneficiaries of Ex-Im are. My colleagues have heard a lot about how small businesses are benefiting. The reality, however, is that 80 percent of the real dollars goes to the Fortune 500, some of the largest corporations in America. Now, let us hear who those tiny small businesses are who receive this corporate welfare from the American people.

Well, they are Boeing, General Electric, Caterpillar, and Mobile Oil. They are a struggling small company. Westinghouse and AT&T. Another little tiny mom and pop company. Motorola, Lucent Technologies, Enron, IBM, FedEx, General Motors, Haliburton, Siemens, Raytheon, and United Technologies. The list goes on and on.

Workers in this country, working 50, 60 hours a week to keep their heads above water, veterans not getting the benefits they are entitled to, but, hey, all these little tiny companies they are on the welfare line. Name the largest multinational corporation in America, many of whom make substantial campaign contributions, and there they are getting their money from Ex-Im.

Further, many of these companies pay exorbitant salaries and benefits to their CEOs. One example, which I have experience with, IBM, on the welfare line, gave their former CEO Lou Gerstner, over $260 million in stock options, while they cut back on pensions and retirement health benefits of their workers and retirees and they are opening plants in China. No doubt, no doubt that the American taxpayers should be giving them their welfare check.

Now, even more importantly, what else do these companies have in common? What they have in common is that company after company that receive Ex-Im money are some of the largest job cutters in America. In the name of job creation, we are giving huge amounts of money to large corporations who are laying off hundreds of thousands of American workers, and they are moving their plants to China, where they are paying desperate people there 20 cents an hour; moving to Mexico, moving to Vietnam, moving anyplace in the world where they can get cheap labor. Well, that is a smart public-policy move on our part.

Let me give a couple of examples. General Electric has received over $2.5 billion in direct loans and loan guarantees from Ex-Im Bank. And what was the result? From 1985 to 1995, GE reduced its workforce from 243,000 to 150,000. A real success story for the Ex-Im Bank.

General Motors. They received $500 million in direct loans and loan guarantees from Ex-Im. The result, GM has shrunk its U.S. workforce from 559,000 to 314,000. Congratulations Ex-Im.

Motorola. They have reduced their workforce; only 56 percent of their workers are from the United States.

Now, if a company wants to receive taxpayer support, fine. But what that company has got to do is say we pledge to protect American jobs. And the amendment that I am offering is very, very simple. What it says is that if a company is going to lay off workers, then they cannot lay off more American workers than they lay off people abroad. Now, I do not think that is too much to ask for companies that receive subsidies from the American taxpayer.

Mr. Chairman, I reserve the balance of my time.

Mr. BEREUTER. Mr. Chairman, I claim the time in opposition, and would be glad to allow the gentleman from Vermont to continue to yield.

The CHAIRMAN pro tempore. The gentleman from Nebraska (Mr. BEREUTER) is recognized for 15 minutes.

Mr. SANDERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR), who has been one of the strongest fighters in the U.S. Congress for American workers.

Ms. KAPTUR. Mr. Chairman, I rise in strong support of this Sanders amendment. It is eminently reasonable and aims to protect the jobs of American workers and strike a blow against the corporate welfare state.

This amendment is beautifully simple. It says no more Export-Import Bank help for corporations that lay off a greater percentage of workers in America than in other countries where they employ workers, including Mexico or China and other low-wage platforms. No more Export-Import Bank help for General Electric when it cans workers in Bloomington, Indiana, and exports all their jobs to Mexico.

Why cut workers' throats in our country with their own taxpayer dollars? Eighty percent of Ex-Im subsidies go to the biggest boys on the block, the Fortune 500 countries with global reach. And how do they return the favor to the American taxpayer? Well, General Motors gets more than $.5 billion from Ex-Im and then shrinks its U.S. workforce from 559,000 to 314,000 workers. That is almost a quarter million lost jobs in America. Motorola took $.5 billion from the taxpayers in the form of Export-Import Bank help and then slashed the American percentage of its workforce down to 56 percent.

Here is how I see it: if we cannot have the Ex-Im Bank for American workers, then at least we should stop cutting our own throats with this giveaway to the runaway multinational companies that export jobs and leave American workers, American families, and American communities holding the bag.

Say "no" to this abuse of taxpayer dollars and this betrayal of American communities. Stand up for the Sanders amendment. Vote "yes" on the Sanders amendment, which actually says, "Do not hurt America first." If we have to take cuts, at least make those cuts equal globally to other countries. It does not say only serve America, it only says be fair to all concerned.

Support the Sanders amendment.

Mr. BEREUTER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BEREUTER) having assumed the chair, Mr. SIMPSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes, had come to no resolution thereon.

CONFERENCE REPORT ON H.R. 2646, FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

Mr. COMBEST submitted the following conference report and statement on the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011.

CONFERENCE REPORT (H. REPT. 107–424)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2646), to provide for the continuation of agricultural programs through fiscal year 2011, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Farm Security and Rural Investment Act of 2002".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 1001. Definitions.

Subtitle A—Direct Payments and Counter-Cyclical Payments

Sec. 1101. Establishment of base acres and payment acres for a farm.
Sec. 1102. Establishment of payment yield.
Sec. 1103. Availability of direct payments.
Sec. 1104. Availability of counter-cyclical payments.
Sec. 1105. Producer agreement required as condition of provision of direct payments and counter-cyclical payments.
Sec. 1106. Planting flexibility.
Sec. 1107. Relation to remaining payment authority under production flexibility contracts.
Sec. 1108. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.
Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
Sec. 1203. Term of loans.
Sec. 1204. Repayment of loans.
Sec. 1205. Loan deficiency payments.
Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 1207. Special marketing loan provisions for upland cotton.
Sec. 1208. Special competitive provisions for extra long staple cotton.
Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.

Subtitle C—Peanuts

Sec. 1301. Definitions.
Sec. 1302. Establishment of payment yield and base acres for peanuts for a farm.
Sec. 1303. Availability of direct payments for peanuts.
Sec. 1304. Availability of counter-cyclical payments for peanuts.
Sec. 1305. Producer agreement required as condition on provision of direct payments and counter-cyclical payments.
Sec. 1306. Planting flexibility.
Sec. 1307. Marketing assistance loans and loan deficiency payments for peanuts.
Sec. 1308. Miscellaneous provisions.
Sec. 1309. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.
Sec. 1310. Repeal of superseded price support authority and effect of repeal.

Subtitle D—Sugar

Sec. 1401. Sugar program.
Sec. 1402. Storage facility loans.
Sec. 1403. Flexible marketing allotments for sugar.

Subtitle E—Dairy

Sec. 1501. Milk price support program.
Sec. 1502. National dairy market loss payments.
Sec. 1503. Dairy export incentive and dairy indemnity programs.
Sec. 1504. Dairy product mandatory reporting.
Sec. 1505. Funding of dairy promotion and research program.
Sec. 1506. Fluid milk promotion.
Sec. 1507. Study of national dairy policy.
Sec. 1508. Studies of effects of changes in approach to national dairy policy and fluid milk identity standards.

Subtitle F—Administration

Sec. 1601. Administration generally.
Sec. 1602. Suspension of permanent price support authority.
Sec. 1603. Payment limitations.
Sec. 1604. Adjusted gross income limitation.
Sec. 1605. Commission on application of payment limitations.
Sec. 1606. Adjustments of loans.
Sec. 1607. Personal liability of producers for deficiencies.
Sec. 1608. Extension of existing administrative authority regarding loans.
Sec. 1609. Commodity Credit Corporation Inventory.
Sec. 1610. Reserve stock level.
Sec. 1611. Farm reconstitutions.
Sec. 1612. Assignment of payments.
Sec. 1613. Equitable relief from ineligibility for loans, payments, or other benefits.
Sec. 1614. Tracking of benefits.
Sec. 1615. Estimates of net farm income.
Sec. 1616. Availability of incentive payments for certain producers.
Sec. 1617. Renewed availability of market loss assistance and certain emergency assistance to persons that failed to receive assistance under earlier authorities.
Sec. 1618. Producer retention of erroneously paid loan deficiency payments and marketing loan gains.

TITLE II—CONSERVATION

Subtitle A—Conservation Security

Sec. 2001. Conservation security program.
Sec. 2002. Conservation compliance.
Sec. 2003. Partnerships and cooperation.
Sec. 2004. Administrative requirements for conservation programs.
Sec. 2005. Reform and assessment of conservation programs.
Sec. 2006. Conforming amendments.

Subtitle B—Conservation Reserve

Sec. 2101. Conservation reserve program.

Subtitle C—Wetlands Reserve Program

Sec. 2201. Reauthorization.
Sec. 2202. Enrollment.
Sec. 2203. Easements and agreements.
Sec. 2204. Changes in ownership; agreement modification; termination.

Subtitle D—Environmental Quality Incentives

Sec. 2301. Environmental quality incentives program.

Subtitle E—Grassland Reserve

Sec. 2401. Grassland reserve program.

Subtitle F—Other Conservation Programs

Sec. 2501. Agricultural management assistance.
Sec. 2502. Grazing, wildlife habitat incentive, source water protection, and Great Lakes basin programs.
Sec. 2503. Farmland protection program.
Sec. 2504. Resource conservation and development program.
Sec. 2505. Small watershed rehabilitation program.
Sec. 2506. Use of symbols, slogans, and logos.
Sec. 2507. Desert terminal lakes.

Subtitle G—Conservation Corridor Demonstration Program

Sec. 2601. Definitions.
Sec. 2602. Conservation corridor demonstration program.
Sec. 2603. Implementation of conservation corridor plan.
Sec. 2604. Funding requirements.

Subtitle H—Funding and Administration

Sec. 2701. Funding and administration.
Sec. 2702. Regulations.

TITLE III—TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

Sec. 3001. United States policy.
Sec. 3002. Provision of agricultural commodities.
Sec. 3003. Generation and use of currencies by private voluntary organizations and cooperatives.
Sec. 3004. Levels of assistance.
Sec. 3005. Food Aid Consultative Group.
Sec. 3006. Maximum level of expenditures.
Sec. 3007. Administration.
Sec. 3008. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
Sec. 3009. Sale procedure.
Sec. 3010. Prepositioning.
Sec. 3011. Transportation and related costs.
Sec. 3012. Expiration date.
Sec. 3013. Micronutrient fortification programs.
Sec. 3014. John Ogonowski Farmer-to-Farmer Program.

Subtitle B—Agricultural Trade Act of 1978

Sec. 3101. Exporter assistance initiative.
Sec. 3102. Export credit guarantee program.
Sec. 3103. Market access program.
Sec. 3104. Export enhancement program.
Sec. 3105. Foreign market development cooperator program.
Sec. 3106. Food for progress.
Sec. 3107. McGovern-Dole International Food for Education and Child Nutrition Program.

Subtitle C—Miscellaneous

Sec. 3201. Surplus commodities for developing or friendly countries.
Sec. 3202. Bill Emerson Humanitarian Trust Act.
Sec. 3203. Emerging markets.
Sec. 3204. Biotechnology and agricultural trade program.
Sec. 3205. Technical assistance for specialty crops.
Sec. 3206. Global market strategy.
Sec. 3207. Report on use of perishable commodities and live animals.
Sec. 3208. Study on fee for services.
Sec. 3209. Sense of Congress concerning foreign assistance programs.
Sec. 3210. Sense of the Senate concerning agricultural trade.

TITLE IV—NUTRITION PROGRAMS

Sec. 4001. Short title.

Subtitle A—Food Stamp Program

Sec. 4101. Encouragement of payment of child support.
Sec. 4102. Simplified definition of income.
Sec. 4103. Standard deduction.
Sec. 4104. Simplified utility allowance.
Sec. 4105. Simplified determination of housing costs.
Sec. 4106. Simplified determination of deductions.
Sec. 4107. Simplified definition of resources.
Sec. 4108. Alternative issuance systems in disasters.
Sec. 4109. State option to reduce reporting requirements.
Sec. 4110. Cost neutrality for electronic benefit transfer systems.
Sec. 4111. Report on electronic benefit transfer systems.
Sec. 4112. Alternative procedures for residents of certain group facilities.
Sec. 4113. Redemption of benefits through group living arrangements.
Sec. 4114. Availability of food stamp program applications on the Internet.
Sec. 4115. Transitional food stamps for families moving from welfare.
Sec. 4116. Grants for simple application and eligibility determination systems and improved access to benefits.
Sec. 4117. Delivery to retailers of notices of adverse action.
Sec. 4118. Reform of quality control system.
Sec. 4119. Improvement of calculation of State performance measures.
Sec. 4120. Bonuses for States that demonstrate high or most improved performance.
Sec. 4121. Employment and training program.
Sec. 4122. Reauthorization of food stamp program and food distribution program on Indian reservations.
Sec. 4123. Expanded grant authority.
Sec. 4124. Consolidated block grants for Puerto Rico and American Samoa.
Sec. 4125. Assistance for community food projects.
Sec. 4126. Availability of commodities for the emergency food assistance program.

Subtitle B—Commodity Distribution

Sec. 4201. Commodity supplemental food program.
Sec. 4202. Commodity donations.
Sec. 4203. Distribution of surplus commodities to special nutrition projects.
Sec. 4204. Emergency food assistance.

Subtitle C—Child Nutrition and Related Programs

Sec. 4301. Commodities for school lunch program.
Sec. 4302. Eligibility for free and reduced price meals.
Sec. 4303. Purchases of locally produced foods.
Sec. 4304. Applicability of Buy-American requirement to Puerto Rico.
Sec. 4305. Fruit and vegetable pilot program.
Sec. 4306. Eligibility for assistance under the special supplemental nutrition program for women, infants, and children.
Sec. 4307. WIC farmers' market nutrition program.

Subtitle D—Miscellaneous

Sec. 4401. Partial restoration of benefits to legal immigrants.
Sec. 4402. Seniors farmers' market nutrition program.
Sec. 4403. Nutrition information and awareness pilot program.
Sec. 4404. Hunger fellowship program.
Sec. 4405. General effective date.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 5001. Direct loans.
Sec. 5002. Financing of bridge loans.
Sec. 5003. Amount of guarantee of loans for farm operations on tribal lands.
Sec. 5004. Guarantee of loans made under State beginning farmer or rancher programs.
Sec. 5005. Down Payment Loan Program.
Sec. 5006. Beginning farmer and rancher contract land sales program.

Subtitle B—Operating Loans

Sec. 5101. Direct loans.
Sec. 5102. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.

Subtitle C—Emergency Loans

Sec. 5201. Emergency loans in response to an emergency resulting from quarantines.

Subtitle D—Administrative Provisions

Sec. 5301. Evaluations of direct and guaranteed loan programs.
Sec. 5302. Eligibility of trusts and limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
Sec. 5303. Debt settlement.
Sec. 5304. Temporary authority to enter into contracts; private collection agencies.
Sec. 5305. Interest rate options for loans in servicing.
Sec. 5306. Elimination of requirement that Secretary require county committees to certify in writing that certain loan reviews have been conducted.
Sec. 5307. Simplified loan guarantee application available for loans of greater amounts.
Sec. 5308. Inventory property.
Sec. 5309. Administration of certified lenders and preferred certified lenders programs.
Sec. 5310. Definitions.
Sec. 5311. Loan authorization levels.
Sec. 5312. Reservation of funds for direct operating loans for beginning farmers and ranchers.
Sec. 5313. Interest rate reduction program.
Sec. 5314. Reamortization of recapture payments.
Sec. 5315. Allocation of certain funds for socially disadvantaged farmers and ranchers.
Sec. 5316. Waiver of borrower training certification requirement.
Sec. 5317. Timing of loan assessments.
Sec. 5318. Annual review of borrowers.
Sec. 5319. Loan eligibility for borrowers with prior debt forgiveness.
Sec. 5320. Making and servicing of loans by personnel of State, county, or area committees.
Sec. 5321. Eligibility of employees of State, county, or area committee for loans and loan guarantees.

Subtitle E—Farm Credit

Sec. 5401. Repeal of burdensome approval requirements.

Sec. 5402. Banks for cooperatives.
Sec. 5403. Insurance corporation premiums.

Subtitle F—General Provisions

Sec. 5501. Technical amendments.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Consolidated Farm and Rural Development Act

Sec. 6001. Eligibility of rural empowerment zones and rural enterprise communities for direct and guaranteed loans for essential community facilities.
Sec. 6002. Water or waste disposal grants.
Sec. 6003. Rural business opportunity grants.
Sec. 6004. Child day care facilities.
Sec. 6005. Rural water and wastewater circuit rider program.
Sec. 6006. Multijurisdictional regional planning organizations.
Sec. 6007. Loan guarantees for certain rural development loans.
Sec. 6008. Tribal college and university essential community facilities.
Sec. 6009. Emergency and imminent community water assistance grant program.
Sec. 6010. Water and waste facility grants for Native American tribes.
Sec. 6011. Grants for water systems for rural and native villages in Alaska.
Sec. 6012. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
Sec. 6013. Loans and loan guarantees for renewable energy systems.
Sec. 6014. Rural business enterprise grants.
Sec. 6015. Rural cooperative development grants.
Sec. 6016. Grants to broadcasting systems.
Sec. 6017. Business and industry loan modifications.
Sec. 6018. Use of rural development loans and grants for other purposes.
Sec. 6019. Simplified application forms for loan guarantees.
Sec. 6020. Definition of rural and rural area.
Sec. 6021. National Rural Development Partnership.
Sec. 6022. Rural telework.
Sec. 6023. Historic barn preservation.
Sec. 6024. Grants for NOAA weather radio transmitters.
Sec. 6025. Grants to train farm workers in new technologies and to train farm workers in specialized skills necessary for higher value crops.
Sec. 6026. Rural community advancement program.
Sec. 6027. Delta Regional Authority.
Sec. 6028. Northern Great Plains Regional Authority.
Sec. 6029. Rural business investment program.
Sec. 6030. Rural strategic investment program.
Sec. 6031. Funding of pending rural development loan and grant applications.

Subtitle B—Rural Electrification Act of 1936

Sec. 6101. Guarantees for bonds and notes issued for electrification or telephone purposes.
Sec. 6102. Expansion of 911 access.
Sec. 6103. Enhancement of access to broadband service in rural areas.

Subtitle C—Food, Agriculture, Conservation, and Trade Act of 1990

Sec. 6201. Alternative Agricultural Research and Commercialization Corporation.
Sec. 6202. Rural electronic commerce extension program.
Sec. 6203. Telemedicine and distance learning services in rural areas.

Subtitle D—SEARCH Grants for Small Communities

Sec. 6301. Definitions.
Sec. 6302. SEARCH grant program.
Sec. 6303. Report.
Sec. 6304. Funding.

Subtitle E—Miscellaneous

Sec. 6401. Value-added agricultural product market development grants.
Sec. 6402. Agriculture innovation center demonstration program.
Sec. 6403. Fund for Rural America.
Sec. 6404. Rural local television broadcast signal loan guarantees.
Sec. 6405. Rural firefighters and emergency personnel grant program.
Sec. 6406. Sense of Congress on rural policy coordination.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

Sec. 7101. National rural information center clearinghouse.
Sec. 7102. Grants and fellowships for food and agricultural sciences education.
Sec. 7103. Policy research centers.
Sec. 7104. Human nutrition intervention and health promotion research program.
Sec. 7105. Pilot research program to combine medical and agricultural research.
Sec. 7106. Nutrition education program.
Sec. 7107. Continuing animal health and disease research programs.
Sec. 7108. Appropriations for research on national or regional problems.
Sec. 7109. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 7110. National research and training virtual centers.
Sec. 7111. Hispanic-serving institutions.
Sec. 7112. Competitive grants for international agricultural science and education programs.
Sec. 7113. University research.
Sec. 7114. Extension service.
Sec. 7115. Supplemental and alternative crops.
Sec. 7116. Aquaculture research facilities.
Sec. 7117. Rangeland research.
Sec. 7118. National genetics resources program.
Sec. 7119. High-priority research and extension initiatives.
Sec. 7120. Nutrient management research and extension initiative.
Sec. 7121. Agricultural telecommunications program.
Sec. 7122. Assistive technology program for farmers with disabilities.
Sec. 7123. Partnerships for high-value agricultural product quality research.
Sec. 7124. Biobased products.
Sec. 7125. Integrated research, education, and extension competitive grants program.
Sec. 7126. Equity in Educational Land-Grant Status Act of 1994.
Sec. 7127. 1994 Institution research grants.
Sec. 7128. Endowment for 1994 Institutions.
Sec. 7129. Precision agriculture.
Sec. 7130. Thomas Jefferson Initiative for crop diversification.
Sec. 7131. Support for research regarding diseases of wheat, triticale, and barley caused by fusarium graminearum or by tilletia indica.
Sec. 7132. Office of Pest Management Policy.
Sec. 7133. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 7134. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 7135. Agricultural experiment stations research facilities.
Sec. 7136. Competitive, special, and facilities research grants national research initiative.
Sec. 7137. Federal agricultural research facilities authorization of appropriations.
Sec. 7138. Critical agricultural materials research.
Sec. 7139. Aquaculture.

Subtitle B—Modifications

Sec. 7201. Equity in Educational Land-Grant Status Act of 1994.
Sec. 7202. Carryover for experiment stations.
Sec. 7203. Authorization percentages for research and extension formula funds.
Sec. 7204. Carryover for eligible institutions.
Sec. 7205. Initiative for future agriculture and food systems.
Sec. 7206. Eligibility for integrated grants program.
Sec. 7207. Agricultural Research, Extension, and Education Reform Act of 1998.
Sec. 7208. Food, Agriculture, Conservation, and Trade Act of 1990.
Sec. 7209. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 7210. Biotechnology risk assessment research.
Sec. 7211. Competitive, special, and facilities research grants.
Sec. 7212. Matching funds requirement for research and extension activities of 1890 Institutions.
Sec. 7213. Matching requirements for research and extension formula funds for insular area land-grant institutions.
Sec. 7214. Definition of food and agricultural sciences.
Sec. 7215. Federal Extension Service.
Sec. 7216. Policy research centers.
Sec. 7217. Availability of competitive grant funds.
Sec. 7218. Organic agriculture research and extension initiative.
Sec. 7219. Senior scientific research service.
Sec. 7220. Termination of certain schedule a appointments.
Sec. 7221. Biosecurity planning and response programs.
Sec. 7222. Indirect costs for small business innovation research grants.
Sec. 7223. Carbon cycle research.

Subtitle C—Repeal of Certain Activities and Authorities

Sec. 7301. Food Safety Research Information Office and National Conference.
Sec. 7302. Reimbursement of expenses under Sheep Promotion, Research, and Information Act of 1994.
Sec. 7303. Market expansion research.
Sec. 7304. National Advisory Board on Agricultural Weather.
Sec. 7305. Agricultural information exchange with Ireland.
Sec. 7306. Pesticide resistance study.
Sec. 7307. Expansion of education study.
Sec. 7308. Task force on 10-year strategic plan for agricultural research facilities.

Subtitle D—New Authorities

Sec. 7401. Subtitle definitions.
Sec. 7402. Research equipment grants.
Sec. 7403. Joint requests for proposals.

Sec. 7404. Review of Agricultural Research Service.
Sec. 7405. Beginning farmer and rancher development program.
Sec. 7406. Sense of Congress regarding doubling of funding for agricultural research.
Sec. 7407. Organic production and market data initiatives.
Sec. 7408. International organic research collaboration.
Sec. 7409. Report on producers and handlers of organic agricultural products.
Sec. 7410. Report on genetically modified pest-protected plants.
Sec. 7411. Study of nutrient banking.
Sec. 7412. Grants for youth organizations.

Subtitle E—Miscellaneous

Sec. 7501. Resident instruction and distance education at institutions of higher education in United States insular areas.
Sec. 7502. Definitions.
Sec. 7503. Resident instruction and distance education grants program for insular area institutions of higher education.
Sec. 7504. Declaration of extraordinary emergency and resulting authorities.
Sec. 7505. Agricultural biotechnology research and development for developing countries.
Sec. 7506. Land acquisition authority, national peanut research laboratory, Dawson, Georgia.

TITLE VIII—FORESTRY

Subtitle A—Cooperative Forestry Assistance Act of 1978

Sec. 8001. Repeal of forestry incentives program and stewardship incentive program.
Sec. 8002. Establishment of forest land enhancement program.
Sec. 8003. Enhanced community fire protection.

Subtitle B—Amendments to Other Laws

Sec. 8101. Sustainable forestry outreach initiative; renewable resources extension activities.
Sec. 8102. Office of International Forestry.

Subtitle C—Miscellaneous Provisions

Sec. 8201. McIntire-Stennis cooperative forestry research program.

TITLE IX—ENERGY

Sec. 9001. Definitions.
Sec. 9002. Federal procurement of biobased products.
Sec. 9003. Biorefinery development grants.
Sec. 9004. Biodiesel fuel education program.
Sec. 9005. Energy audit and renewable energy development program.
Sec. 9006. Renewable energy systems and energy efficiency improvements.
Sec. 9007. Hydrogen and fuel cell technologies.
Sec. 9008. Biomass research and development.
Sec. 9009. Cooperative research and extension projects.
Sec. 9010. Continuation of bioenergy program.

TITLE X—MISCELLANEOUS

Subtitle A—Crop Insurance

Sec. 10001. Equal crop insurance treatment of potatoes and sweet potatoes.
Sec. 10002. Continuous coverage.
Sec. 10003. Quality loss adjustment procedures.
Sec. 10004. Adjusted gross revenue insurance pilot program.
Sec. 10005. Sense of Congress on expansion of crop insurance coverage.
Sec. 10006. Report on specialty crop insurance.

Subtitle B—Disaster Assistance

Sec. 10101. Reference to sea grass and sea oats as crops covered by noninsured crop disaster assistance program.
Sec. 10102. Emergency grants to assist low-income migrant and seasonal farmworkers.
Sec. 10103. Emergency loans for seed producers.
Sec. 10104. Assistance for livestock producers.
Sec. 10105. Market loss assistance for apple producers.
Sec. 10106. Market loss assistance for onion producers.
Sec. 10107. Commercial fisheries failure.
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TITLE I—COMMODITY PROGRAMS

SEC. 1001. DEFINITIONS.

In this title (other than subtitle C):

(1) AGRICULTURAL ACT OF 1949.—The term "Agricultural Act of 1949" means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301).

(2) BASE ACRES.—The term "base acres", with respect to a covered commodity on a farm, means the number of acres established under section 1101 with respect to the covered commodity on the election made by the owner of the farm under subsection (a) of such section.

(3) COUNTER-CYCLICAL PAYMENT.—The term "counter-cyclical payment" means a payment made to producers on a farm under section 1104.

(4) COVERED COMMODITY.—The term "covered commodity" means wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds.

(5) DIRECT PAYMENT.—The term "direct payment" means a payment made to producers on a farm under section 1103.

(6) EFFECTIVE PRICE.—The term "effective price", with respect to a covered commodity for

a crop year, means the price calculated by the Secretary under section 1104 to determine whether counter-cyclical payments are required to be made for that crop year.

(7) EXTRA LONG STAPLE COTTON.—The term "extra long staple cotton" means cotton that—

(A) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(B) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(8) LOAN COMMODITY.—The term 'loan commodity' means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, soybeans, other oilseeds, wool, mohair, honey, dry peas, lentils, and small chickpeas.

(9) OTHER OILSEED.—The term "other oilseed" means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(10) PAYMENT ACRES.—The term "payment acres" means 85 percent of the base acres of a covered commodity on a farm, as established under section 1101, on which direct payments and counter-cyclical payments are made.

(11) PAYMENT YIELD.—

(A) IN GENERAL.—The term "payment yield" means the yield established under section 1102 for a farm for a covered commodity.

(B) UPDATED PAYMENT YIELD.—The term "updated payment yield" means the payment yield elected by the owner of a farm under section 1102(e) to be used in calculating the counter-cyclical payments for the farm.

(12) PRODUCER.—The term "producer" means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(13) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(14) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(15) TARGET PRICE.—The term "target price" means the price per bushel (or other appropriate unit in the case of upland cotton, rice, and other oilseeds) of a covered commodity used to determine the payment rate for counter-cyclical payments.

(16) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.

Subtitle A—Direct Payments and Counter-Cyclical Payments

SEC. 1101. ESTABLISHMENT OF BASE ACRES AND PAYMENT ACRES FOR A FARM.

(a) ELECTION BY OWNER OF BASE ACRES CALCULATION METHOD.—

(1) ALTERNATIVE CALCULATION METHODS.—For the purpose of making direct payments and counter-cyclical payments with respect to a farm, the Secretary shall give an owner of the farm an opportunity to elect 1 of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(A) Subject to paragraphs (3) and (4), the 4-year average of the following:

(i) Acreage planted on the farm to covered commodities for harvest, grazing, haying, silage, or other similar purposes for the 1998 through 2001 crop years.

(ii) Any acreage on the farm that the producers were prevented from planting during the 1998 through 2001 crop years to covered commodities because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary.

(B) Subject to paragraph (3), the sum of the following:

(i) The contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) used by the Secretary to calculate the fiscal year 2002 payment authorized under section 114 of such Act (7 U.S.C. 7214) for the covered commodities on the farm.

(ii) The 4-year average of eligible oilseed acreage on the farm for the 1998 through 2001 crop years, as determined by the Secretary under paragraph (2).

(2) ELIGIBLE OILSEED ACREAGE.—

(A) CALCULATION.—For purposes of paragraph (1)(B)(ii), the eligible acreage for each oilseed on a farm during each of the 1998 through 2001 crop years shall be determined in the manner provided in paragraph (1)(A), except that the total acreage for all oilseeds on the farm for a crop year may not exceed the difference between—

(i) the total acreage determined under paragraph (1)(A) for all covered commodities for that crop year; and

(ii) the total contract acreage determined under paragraph (1)(B)(i).

(B) EFFECT OF NEGATIVE NUMBER.—If the subtraction performed under subparagraph (A) results in a negative number, the eligible oilseed acreage on the farm for that crop year shall be zero for purposes of determining the 4-year average.

(C) OFFSET OF CONTRACT ACREAGE.—The owner of a farm may increase the eligible acreage for an oilseed on the farm by reducing the contract acreage determined under paragraph (1)(B)(i) for 1 or more covered commodities on an acre-for-acre basis, except that the total base acreage for each oilseed on the farm may not exceed the 4-year average of each oilseed determined under paragraph (1)(B)(ii).

(3) INCLUSION OF ALL 4 YEARS IN AVERAGE.—For the purpose of determining a 4-year acreage average under this subsection for a farm, the Secretary shall not exclude any crop year in which a covered commodity was not planted.

(4) TREATMENT OF MULTIPLE PLANTING OR PREVENTED PLANTING.—For the purpose of determining under paragraph (1)(A) the acreage on a farm that producers planted or were prevented from planting during the 1998 through 2001 crop years to covered commodities, if the acreage that was planted or prevented from being planted was devoted to another covered commodity in the same crop year (other than a covered commodity produced under an established practice of double cropping), the owner may elect the commodity to be used for that crop year in determining the 4-year average, but may not include both the initial commodity and the subsequent commodity.

(b) SINGLE ELECTION; TIME FOR ELECTION.—

(1) NOTICE OF ELECTION OPPORTUNITY.—As soon as practicable after the date of enactment of this Act, the Secretary shall provide notice to owners of farms regarding their opportunity to make the election described in subsection (a). The notice shall include the following:

(A) Notice that the opportunity of an owner to make the election is being provided only once.

(B) Information regarding the manner in which the election must be made and the time periods and manner in which notice of the election must be submitted to the Secretary.

(2) ELECTION DEADLINE.—Within the time period and in the manner prescribed pursuant to paragraph (1), the owner of a farm shall submit to the Secretary notice of the election made by the owner under subsection (a).

(c) EFFECT OF FAILURE TO MAKE ELECTION.—If the owner of a farm fails to make the election under subsection (a) or fails to timely notify the Secretary of the election made, as required by subsection (b), the owner shall be deemed to have made the election described in subsection (a)(1)(B) to determine base acres for all covered commodities on the farm.

(d) APPLICATION OF ELECTION TO ALL COVERED COMMODITIES.—The election made under subparagraph (A) or (B) of subsection (a)(1), or deemed to be made under subsection (c), with respect to a farm shall apply to all of the covered commodities on the farm.

(e) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

(1) IN GENERAL.—The Secretary shall provide for an adjustment, as appropriate, in the base acres for covered commodities for a farm whenever either of the following circumstances occurs:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) SPECIAL PAYMENT RULES.—For the crop year in which a base acres adjustment under paragraph (1) is first made, the owner of the farm shall elect to receive either direct payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) PAYMENT ACRES.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the covered commodity.

(g) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the base acres for 1 or more covered commodities for the farm or the base acres for peanuts for the farm under subtitle C so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any base acres for peanuts for the farm under subtitle C.

(B) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) SELECTION OF ACRES.—The Secretary shall give the owner of the farm the opportunity to select the base acres or the base acres for peanuts for the farm under subtitle C against which the reduction required by paragraph (1) will be made.

(4) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

(5) COORDINATED APPLICATION OF REQUIREMENTS.—The Secretary shall take into account section 1302(f) when applying the requirements of this subsection.

(h) PERMANENT REDUCTION IN BASE ACRES.—The owner of a farm may reduce, at any time, the base acres for any covered commodity for the farm. The reduction shall be permanent and made in the manner prescribed by the Secretary.

SEC. 1102. ESTABLISHMENT OF PAYMENT YIELD.

(a) ESTABLISHMENT AND PURPOSE.—For the purpose of making direct payments and counter-cyclical payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) USE OF FARM PROGRAM PAYMENT YIELD.—Except as otherwise provided in this section, the payment yield for each of the 2002 through 2007 crops of a covered commodity for a farm shall be the farm program payment yield established for the 1995 crop of the covered commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465), as adjusted by the Secretary to account for any additional yield payments made with respect to that crop under section 505(b)(2) of that Act.

(c) FARMS WITHOUT FARM PROGRAM PAYMENT YIELD.—In the case of a farm for which a farm program payment yield is unavailable for a covered commodity (other than soybeans or other oilseeds), the Secretary shall establish an appropriate payment yield for the covered commodity on the farm taking into consideration the farm program payment yields applicable to the commodity under subsection (b) for similar farms, but before the yields for the similar farms are updated as provided in subsection (e).

(d) PAYMENT YIELDS FOR OILSEEDS.—

(1) DETERMINATION OF AVERAGE YIELD.—In the case of soybeans and each other oilseed, the Secretary shall determine the average yield per planted acre for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero.

(2) ADJUSTMENT FOR PAYMENT YIELD.—The payment yield for a farm for an oilseed shall be equal to the product of the following:

(A) The average yield for the oilseed determined under paragraph (1).

(B) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops.

(3) USE OF PARTIAL COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of an oilseed for a farm for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that oilseed, the Secretary shall assign a yield for that crop year equal to 75 percent of the county yield for the purpose of determining the average under paragraph (1).

(e) OPPORTUNITY TO PARTIALLY UPDATE YIELDS USED TO DETERMINE COUNTER-CYCLICAL PAYMENTS.—

(1) ELECTION TO UPDATE.—If the owner of a farm elects to use the base acres calculation method described in section 1101(a)(1)(A), the owner shall also have a 1-time opportunity to elect to use 1 of the methods described in paragraph (3) to partially update the payment yields that would otherwise be used in calculating any counter-cyclical payments for covered commodities on the farm.

(2) TIME FOR ELECTION.—The election under paragraph (1) shall be made at the same time and in the same manner as the Secretary prescribes for the election required under section 1101.

(3) METHODS OF UPDATING YIELDS.—If the owner of a farm elects to update yields under this subsection, the payment yield for a covered commodity on the farm, for the purpose of calculating counter-cyclical payments only, shall be equal to the yield determined using either of the following:

(A) The sum of the following:

(i) The payment yield applicable for direct payments for the covered commodity on the farm.

(ii) 70 percent of the difference between—

(I) the average yield per planted acre for the crop of the covered commodity on the farm for the 1998 through 2001 crop years, as determined by the Secretary, excluding any crop year in which the acreage planted to the crop of the covered commodity was zero; and

(II) the payment yield applicable for direct payments for the covered commodity on the farm.

(B) 93.5 percent of the average of the yield per planted acre for the crop of the covered commodity on the farm for the 1998 through 2001 crop years, as determined by the Secretary, excluding any crop year in which the acreage planted to the crop of the covered commodity was zero.

(4) USE OF PARTIAL COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of the covered commodity for a farm for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that commodity, the Secretary shall assign a yield for that crop year equal to 75 percent of the county yield for the purpose of determining the average yield under paragraph (3).

(5) APPLICATION OF ELECTION AND METHOD TO ALL COVERED COMMODITIES.—The owner of a farm may not elect the method described in paragraph (3)(A) for 1 covered commodity on the farm and the method described in paragraph (3)(B) for other covered commodities on the farm.

SEC. 1103. AVAILABILITY OF DIRECT PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2002 through 2007 crop years of each covered commodity, the Secretary shall make direct payments to producers on farms for which payment yields and base acres are established.

(b) PAYMENT RATE.—The payment rates used to make direct payments with respect to covered commodities for a crop year are as follows:

(1) Wheat, $0.52 per bushel.
(2) Corn, $0.28 per bushel.
(3) Grain sorghum, $0.35 per bushel.
(4) Barley, $0.24 per bushel.
(5) Oats, $0.024 per bushel.
(6) Upland cotton, $0.0667 per pound.
(7) Rice, $2.35 per hundredweight.
(8) Soybeans, $0.44 per bushel.
(9) Other oilseeds, $0.0080 per pound.

(c) PAYMENT AMOUNT.—The amount of the direct payment to be paid to the producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—The Secretary shall make direct payments—

(A) in the case of the 2002 crop year, as soon as practicable after the date of enactment of this Act; and

(B) in the case of each of the 2003 through 2007 crop years, not before October 1 of the calendar year in which the crop of the covered commodity is harvested.

(2) ADVANCE PAYMENTS.—At the option of the producers on a farm, up to 50 percent of the direct payment for a covered commodity for any of the 2003 through 2007 crop years shall be paid to the producers in advance. The producers shall select the month within which the advance payment for a crop year will be made. The month selected may be any month during the period beginning on December 1 of the calendar year before the calendar year in which the crop of the covered commodity is harvested through the month within which the direct payment would otherwise be made. The producers may change the selected month for a subsequent advance payment by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a producer on a farm that receives an advance direct payment for a crop year ceases to be a producer on that farm, or the extent to which the producer shares in the risk of producing a crop changes, before the date the remainder of the direct payment is made, the producer shall be responsible for repaying the Secretary the applicable amount of the advance payment, as determined by the Secretary.

SEC. 1104. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2002 through 2007 crop years for each covered commodity, the Secretary shall make counter-cyclical payments to producers on farms for which payment yields and base acres are established with respect to the covered commodity if the Secretary determines that the effective price for the covered commodity is less than the target price for the covered commodity.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for a covered commodity is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price received by producers during the 12-month marketing year for the covered commodity, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the applicable period under subtitle B.

(2) The payment rate in effect for the covered commodity under section 1103 for the purpose of making direct payments with respect to the covered commodity.

(c) TARGET PRICE.—

(1) 2002 AND 2003 CROP YEARS.—For purposes of the 2002 and 2003 crop years, the target prices for covered commodities shall be as follows:

(A) Wheat, $3.86 per bushel.
(B) Corn, $2.60 per bushel.
(C) Grain sorghum, $2.54 per bushel.
(D) Barley, $2.21 per bushel.
(E) Oats, $1.40 per bushel.
(F) Upland cotton, $0.7240 per pound.
(G) Rice, $10.50 per hundredweight.
(H) Soybeans, $5.80 per bushel.
(I) Other oilseeds, $0.0980 per pound.

(2) SUBSEQUENT CROP YEARS.—For purposes of each of the 2004 through 2007 crop years, the target prices for covered commodities shall be as follows:

(A) Wheat, $3.92 per bushel.
(B) Corn, $2.63 per bushel.
(C) Grain sorghum, $2.57 per bushel.
(D) Barley, $2.24 per bushel.
(E) Oats, $1.44 per bushel.
(F) Upland cotton, $0.7240 per pound.
(G) Rice, $10.50 per hundredweight.
(H) Soybeans, $5.80 per bushel.
(I) Other oilseeds, $0.1010 per pound.

(d) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to a covered commodity for a crop year shall be equal to the difference between—

(1) the target price for the covered commodity; and

(2) the effective price determined under subsection (b) for the covered commodity.

(e) PAYMENT AMOUNT.—If counter-cyclical payments are required to be paid for any of the 2002 through 2007 crop years of a covered commodity, the amount of the counter-cyclical payment to be paid to the producers on a farm for

that crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield or updated payment yield for the farm, depending on the election of the owner of the farm under section 1102.

(f) Time for Payments.—

(1) General rule.—If the Secretary determines under subsection (a) that counter-cyclical payments are required to be made under this section for the crop of a covered commodity, the Secretary shall make the counter-cyclical payments for the crop as soon as practicable after the end of the 12-month marketing year for the covered commodity.

(2) Availability of partial payments.—If, before the end of the 12-month marketing year for a covered commodity, the Secretary estimates that counter-cyclical payments will be required for the crop of the covered commodity, the Secretary shall give producers on a farm the option to receive partial payments of the counter-cyclical payment projected to be made for that crop of the covered commodity.

(3) Time for partial payments.—

(A) 2002 through 2006 crop years.—When the Secretary makes partial payments available under paragraph (2) for a covered commodity for any of the 2002 through 2006 crop years—

(i) the first partial payment for the crop year shall be made not earlier than October 1, and, to the maximum extent practicable, not later than October 31, of the calendar year in which the crop of the covered commodity is harvested;

(ii) the second partial payment shall be made not earlier than February 1 of the next calendar year; and

(iii) the final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for the covered commodity.

(B) 2007 crop year.—When the Secretary makes partial payments available for a covered commodity for the 2007 crop year—

(i) the first partial payment shall be made after completion of the first 6 months of the marketing year for the covered commodity; and

(ii) the final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for the covered commodity.

(4) Amount of partial payments.—

(A) 2002 through 2006 crop years.—

(i) First partial payment.—For each of the 2002 through 2006 crop years of a covered commodity, the first partial payment under paragraph (3) to the producers on a farm may not exceed 35 percent of the projected counter-cyclical payment for the covered commodity for the crop year, as determined by the Secretary.

(ii) Second partial payment.—The second partial payment for a covered commodity for a crop year may not exceed the difference between—

(I) 70 percent of the projected counter-cyclical payment (including any revision thereof) for the crop of the covered commodity; and

(II) the amount of the payment made under clause (i).

(iii) Final payment.—The final payment for a covered commodity for a crop year shall be equal to the difference between—

(I) the actual counter-cyclical payment to be made to the producers for the covered commodity for that crop year; and

(II) the amount of the partial payments made to the producers under clauses (i) and (ii) for that crop year.

(B) 2007 crop year.—

(i) First partial payment.—For the 2007 crop year, the first partial payment under paragraph (3) to the producers on a farm may not exceed 40 percent of the projected counter-cyclical payment for the covered commodity for the crop year, as determined by the Secretary.

(ii) Final payment.—The final payment for the 2007 crop year shall be equal to the difference between—

(I) the actual counter-cyclical payment to be made to the producers for the covered commodity for that crop year; and

(II) the amount of the partial payment made to the producers under clause (i).

(5) Repayment.—The producers on a farm that receive a partial payment under this subsection for a crop year shall repay to the Secretary the amount, if any, by which the total of the partial payments exceed the actual counter-cyclical payment to be made for the covered commodity for that crop year.

SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDITION OF PROVISION OF DIRECT PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) Compliance With Certain Requirements.—

(1) Requirements.—Before the producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the producers shall agree, during the crop year for which the payments are made and in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 1106;

(D) to use the land on the farm, in a quantity equal to the attributable base acres for the farm and any base acres for peanuts for the farm under subtitle C for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary; and

(E) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (D).

(2) Compliance.—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(3) Modification.—At the request of the transferee or owner, the Secretary may modify the requirements of this subsection if the modifications are consistent with the objectives of this subsection, as determined by the Secretary.

(b) Transfer or Change of Interest in Farm.—

(1) Termination.—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm in base acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall take effect on the date determined by the Secretary.

(2) Exception.—If a producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with rules issued by the Secretary.

(c) Acreage Reports.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers on a farm to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

(d) Tenants and Sharecroppers.—In carrying out this subtitle, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(e) Sharing of Payments.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the producers on a farm on a fair and equitable basis.

SEC. 1106. PLANTING FLEXIBILITY.

(a) Permitted Crops.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) Limitations Regarding Certain Commodities.—

(1) General limitation.—The planting of an agricultural commodity specified in paragraph (3) shall be prohibited on base acres unless the commodity, if planted, is destroyed before harvest.

(2) Treatment of trees and other perennials.—The planting of an agricultural commodity specified in paragraph (3) that is produced on a tree or other perennial plant shall be prohibited on base acres.

(3) Covered agricultural commodities.—Paragraphs (1) and (2) apply to the following agricultural commodities:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(c) Exceptions.—Paragraphs (1) and (2) of subsection (b) shall not limit the planting of an agricultural commodity specified in paragraph (3) of that subsection—

(1) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in subsection (b)(3), as determined by the Secretary, in which case the double-cropping shall be permitted;

(2) on a farm that the Secretary determines has a history of planting agricultural commodities specified in subsection (b)(3) on base acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(3) by the producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in subsection (b)(3), except that—

(A) the quantity planted may not exceed the average annual planting history of such agricultural commodity by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(B) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

(d) Special Rule for 2002 Crop Year.—For the 2002 crop year only, if the calculation of base acres under section 1101(a) results in total base acres for a farm in excess of the contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) for the farm used to calculate the fiscal year 2002 payment authorized under section 114 of such Act (7 U.S.C. 7214), paragraphs (1) and (2) of subsection (b) shall not limit the harvesting of an agricultural commodity specified in paragraph (3) of that subsection on the excess base acres, except that direct payments and counter-cyclical payments for the 2002 crop year shall be reduced by an acre for each acre of the excess base acres planted to such an agricultural commodity.

SEC. 1107. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.

(a) Termination of Superseded Payment Authority.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any

other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of enactment of this Act under a production flexibility contract entered into under section 111 of that Act (7 U.S.C. 7211) unless requested by the producer that is a party to the contract.

(b) CONTRACT PAYMENTS MADE BEFORE ENACTMENT.—If a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the direct payment otherwise due the producer for the 2002 crop year under section 1103 by the amount of the fiscal year 2002 payment received by the producer under the production flexibility contract.

SEC. 1108. PERIOD OF EFFECTIVENESS.

This subtitle shall be effective beginning with the 2002 crop year of each covered commodity through the 2007 crop year.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR LOAN COMMODITIES.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2007 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm.

(2) TERMS AND CONDITIONS.—The marketing assistance loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 1202 for the loan commodity.

(b) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a loan commodity produced on the farm.

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to producers on a farm that would be eligible to obtain a marketing assistance loan, but for the fact the loan commodity owned by the producers on the farm commingled with loan commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers obtaining the loan agree to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of loan commodities under subtitle C of title I of such Act.

SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) 2002 AND 2003 CROP YEARS.—For purposes of the 2002 and 2003 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

(1) In the case of wheat, $2.80 per bushel.

(2) In the case of corn, $1.98 per bushel.

(3) In the case of grain sorghum, $1.98 per bushel.

(4) In the case of barley, $1.88 per bushel.

(5) In the case of oats, $1.35 per bushel.

(6) In the case of upland cotton, $0.52 per pound.

(7) In the case of extra long staple cotton, $0.7977 per pound.

(8) In the case of rice, $6.50 per hundredweight.

(9) In the case of soybeans, $5.00 per bushel.

(10) In the case of other oilseeds, $0.0960 per pound.

(11) In the case of graded wool, $1.00 per pound.

(12) In the case of nongraded wool, $0.40 per pound.

(13) In the case of mohair, $4.20 per pound.

(14) In the case of honey, $0.60 per pound.

(15) In the case of dry peas, $6.33 per hundredweight.

(16) In the case of lentils, $11.94 per hundredweight.

(17) In the case of small chickpeas, $7.56 per hundredweight.

(b) 2004 THROUGH 2007 CROP YEARS.—For purposes of the 2004 through 2007 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

(1) In the case of wheat, $2.75 per bushel.

(2) In the case of corn, $1.95 per bushel.

(3) In the case of grain sorghum, $1.95 per bushel.

(4) In the case of barley, $1.85 per bushel.

(5) In the case of oats, $1.33 per bushel.

(6) In the case of upland cotton, $0.52 per pound.

(7) In the case of extra long staple cotton, $0.7977 per pound.

(8) In the case of rice, $6.50 per hundredweight.

(9) In the case of soybeans, $5.00 per bushel.

(10) In the case of other oilseeds, $0.0930 per pound.

(11) In the case of graded wool, $1.00 per pound.

(12) In the case of nongraded wool, $0.40 per pound.

(13) In the case of mohair, $4.20 per pound.

(14) In the case of honey, $0.60 per pound.

(15) In the case of dry peas, $6.22 per hundredweight.

(16) In the case of lentils, $11.72 per hundredweight.

(17) In the case of small chickpeas, $7.43 per hundredweight.

SEC. 1203. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each loan commodity, a marketing assistance loan under section 1201 shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(b) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

SEC. 1204. REPAYMENT OF LOANS.

(a) GENERAL RULE.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for a loan commodity (other than upland cotton, rice, and extra long staple cotton) at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity;

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally; and

(E) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries.

(b) REPAYMENT RATES FOR UPLAND COTTON AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 1201 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 1207, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for upland cotton and rice, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for upland cotton and rice.

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act through July 31, 2008, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 1202, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the "Northern Europe price").

(2) FURTHER ADJUSTMENT.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling $1\frac{3}{32}$-inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) GOOD FAITH EXCEPTION TO BENEFICIAL INTEREST REQUIREMENT.—For the 2001 crop year only, in the case of the producers on a farm that marketed or otherwise lost beneficial interest in a loan commodity for which a marketing assistance loan was made under section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231) before repaying the *loan, the Secretary shall permit the producers to repay the loan at the appropriate repayment rate that was in effect for the loan commodity under section 134 of that Act (7 U.S.C. 7234) on the date that the producers lost beneficial interest, as determined by the Secretary, if the Secretary determines the producers acted in good faith.*

SEC. 1205. LOAN DEFICIENCY PAYMENTS.

(a) Availability of Loan Deficiency Payments.—

(1) In general.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under section 1201 with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for loan deficiency payments under this section.

(2) Unshorn pelts, hay, and silage.—Nongraded wool in the form of unshorn pelts and hay and silage derived from a loan commodity are not eligible for a marketing assistance loan under section 1201. However, effective for the 2002 through 2007 crop years, the Secretary may make loan deficiency payments available under this section to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity.

(b) Computation.—A loan deficiency payment for a loan commodity or commodity referred to in subsection (a)(2) shall be computed by multiplying—

(1) the payment rate determined under subsection (c) for the commodity; by

(2) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a marketing assistance loan under section 1201.

(c) Payment Rate.—

(1) In general.—In the case of a loan commodity, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for the loan commodity; exceeds

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

(2) Unshorn pelts.—In the case of unshorn pelts, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for ungraded wool; exceeds

(B) the rate at which a marketing assistance loan for ungraded wool may be repaid under section 1204.

(3) Hay and silage.—In the case of hay or silage derived from a loan commodity, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for the loan commodity from which the hay or silage is derived; exceeds

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

(d) Exception for Extra Long Staple Cotton.—This section shall not apply with respect to extra long staple cotton.

(e) Effective Date for Payment Rate Determination.—The Secretary shall determine the amount of the loan deficiency payment to be made under this section to the producers on a farm with respect to a quantity of a loan commodity or commodity referred to in subsection (a)(2) using the payment rate in effect under subsection (c) as of the date the producers request the payment.

(f) Special Loan Deficiency Payment Rules.—

(1) First-time loan commodities.—For the 2002 crop of wool, mohair, honey, dry peas, lentils and small chickpeas, in the case of producers of such a crop that would be eligible for a loan deficiency payment under this section except for the fact that the producers lost beneficial interest in the crop prior to the date of publication of the regulations implementing this section, the producers shall be eligible for a loan deficiency payment as of the date producers marketed or otherwise lost beneficial interest in the crop, as determined by the Secretary.

(2) 2001 crop year.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) is amended—

(A) in subsection (a)(2), by striking "2000 crop year" and inserting "2000 and 2001 crop years"; and

(B) by adding at the end the following:

"(g) Effective Date for Payment Rate Determination.—For the 2001 crop year, the Secretary shall determine the amount of the loan deficiency payment to be made under this section to the producers on a farm with respect to a quantity of a loan commodity using the payment rate in effect under subsection (c) as of the earlier of the following:

"(1) The date on which the producers marketed or otherwise lost beneficial interest in the crop of the loan commodity, as determined by the Secretary.

"(2) The date the producers requested the payment.".

SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) Eligible Producers.—

(1) In general.—Effective for the 2002 through 2007 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 1205 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(2) Grazing of triticale acreage.—Effective for the 2002 through 2007 crop years, with respect to a producer on a farm that uses acreage planted to triticale for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of triticale on that acreage.

(b) Payment Amount.—

(1) In general.—The amount of a payment made under this section to a producer on a farm described in subsection (a)(1) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(ii) the payment yield in effect for the calculation of direct payments under subtitle A with respect to that loan commodity on the farm or, in the case of a farm without a payment yield for that loan commodity, an appropriate yield established by the Secretary in a manner consistent with section 1102(c).

(2) Grazing of triticale acreage.—The amount of a payment made under this section to a producer on a farm described in subsection (a)(2) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect for wheat, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of triticale; and

(ii) the payment yield in effect for the calculation of direct payments under subtitle A with respect to wheat on the farm or, in the case of a farm without a payment yield for wheat, an appropriate yield established by the Secretary in a manner consistent with section 1102(c).

(c) Time, Manner, and Availability of Payment.—

(1) Time and manner.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 1205.

(2) Availability.—The Secretary shall establish an availability period for the payments authorized by this section. In the case of wheat, barley, and oats, the availability period shall be consistent with the availability period for the commodity established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) Prohibition on Crop Insurance Indemnity or Noninsured Crop Assistance.—A 2002 through 2007 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) Cotton User Marketing Certificates.—

(1) Issuance.—During the period beginning on the date of the enactment of this Act through July 31, 2008, the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 1202.

(2) Value of certificates or payments.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the fourth week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) Administration of marketing certificates.—

(A) Redemption, marketing, or exchange.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(4) DELAYED APPLICATION OF THRESHOLD.—Through July 31, 2006, the Secretary shall make the calculations under paragraphs (1)(A) and (2) without regard to the 1.25 cent threshold provided under those paragraphs.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act through July 31, 2008, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) $1\frac{3}{32}$-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(E) DELAYED APPLICATION OF THRESHOLD.—Through July 31, 2006, the Secretary shall make the calculation under subparagraph (B) without regard to the 1.25 cent threshold provided under that subparagraph.

(2) QUANTITY.—The quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

(3) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION.—In this subsection, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 5 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.

(c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act through July 31, 2008, the Secretary shall carry out a program—

(1) to maintain and expand the domestic use of extra long staple cotton produced in the United States;

(2) to increase exports of extra long staple cotton produced in the United States; and

(3) to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive 4-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) ELIGIBLE RECIPIENTS.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States that enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive 4-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive 4-week period.

(e) FORM OF PAYMENT.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

SEC. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON.

(a) HIGH MOISTURE FEED GRAINS.—

(1) RECOURSE LOANS AVAILABLE.—For each of the 2002 through 2007 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm that—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield used to make counter-cyclical payments under subtitle A or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) HIGH MOISTURE STATE DEFINED.—In this subsection, the term "high moisture state" means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 1201.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2002 through 2007 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

(d) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, grain sorghum, and seed cotton under such section.

Subtitle C—Peanuts

SEC. 1301. DEFINITIONS.

In this subtitle:

(1) BASE ACRES FOR PEANUTS.—The term "base acres for peanuts" means the number of acres assigned to a farm by historic peanut producers pursuant to section 1302(b).

(2) COUNTER-CYCLICAL PAYMENT.—The term "counter-cyclical payment" means a payment made under section 1304.

(3) EFFECTIVE PRICE.—The term "effective price" means the price calculated by the Secretary under section 1304 for peanuts to determine whether counter-cyclical payments are required to be made under that section for a crop year.

(4) DIRECT PAYMENT.—The term "direct payment" means a payment made under section 1303.

(5) HISTORIC PEANUT PRODUCER.—The term "historic peanut producer" means a producer on a farm in the United States that produced or was prevented from planting peanuts during any or all of the 1998 through 2001 crop years.

(6) PAYMENT ACRES.—The term "payment acres" means—

(A) for the 2002 crop of peanuts, 85 percent of the average acreage determined under section 1302(a)(2) for an historic peanut producer; and

(B) for the 2003 through 2007 crops of peanuts, 85 percent of the base acres for peanuts assigned to a farm under section 1302(b).

(7) PAYMENT YIELD.—The term "payment yield" means the yield assigned to a farm by historic peanut producers pursuant to section 1302(b).

(8) PRODUCER.—The term "producer" means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop on a farm and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this subtitle.

(9) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(10) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term "target price" means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term "United States", when used in a geographical sense, means all of the States.

SEC. 1302. ESTABLISHMENT OF PAYMENT YIELD AND BASE ACRES FOR PEANUTS FOR A FARM.

(a) AVERAGE YIELD AND ACREAGE AVERAGE FOR HISTORIC PEANUT PRODUCERS.—

(1) DETERMINATION OF AVERAGE YIELD.—

(A) IN GENERAL.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer planted peanuts for harvest for the 1998 through 2001 crop years, excluding any crop year in which the producer did not plant or was prevented from planting peanuts.

(B) ASSIGNED YIELDS.—For the purposes of determining the 4-year average yield for an historic peanut producer under this paragraph, the historic peanut producer may elect to substitute for a farm, for not more than 3 of the 1998 through 2001 crop years in which the producer planted peanuts on the farm, the average yield for peanuts produced in the county in which the farm is located for the 1990 through 1997 crop years.

(2) DETERMINATION OF ACREAGE AVERAGE.—

(A) IN GENERAL.—The Secretary shall determine, for each historic peanut producer, the 4-year average of the following:

(i) Acreage planted to peanuts on each farm on which the historic peanut producer planted peanuts for harvest for the 1998 through 2001 crop years.

(ii) Any acreage on each farm that the historic peanut producer was prevented from planting to peanuts during the 1998 through 2001 crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historic peanut producer, as determined by the Secretary.

(B) INCLUSION OF ALL 4 YEARS IN AVERAGE.—For the purposes of determining the 4-year acreage average for an historic peanut producer under this paragraph, the Secretary shall not exclude any crop year in which the producer did not plant peanuts.

(C) PROPORTIONAL SHARES.—If more than 1 historic peanut producer shared in the risk of producing the crop on a farm, the historic peanut producers shall receive their proportional share of the number of acres planted (or prevented from being planted) to peanuts for harvest on the farm based on the sharing arrangement that was in effect among the producers for the crop.

(3) TIME FOR DETERMINATIONS.—The Secretary shall make the determinations required by this subsection as soon as practicable after the date of enactment of this Act.

(4) SPECIAL CONSIDERATIONS.—In making the determinations required by this subsection, the Secretary shall take into account changes in the number, identity, or interest of producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm—

(A) when an historic peanut producer is no longer living;

(B) when an entity composed of historic peanut producers has been dissolved; or

(C) in other appropriate situations, as determined by the Secretary.

(b) ASSIGNMENT OF AVERAGE YIELDS AND AVERAGE ACREAGE TO FARMS.—

(1) ASSIGNMENT BY HISTORIC PEANUT PRODUCERS.—The Secretary shall give each historic peanut producer an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for each farm of the historic peanut producer to cropland on that farm or another farm in the same State or a contiguous State.

(2) LIMITATION ON ACREAGE ASSIGNMENT.—Notwithstanding paragraph (1), the average acreage determined under subsection (a)(2) for a farm may not be assigned to a farm in a contiguous State unless—

(A) the historic peanut producer making the assignment produced peanuts in that State during at least 1 of the 1998 through 2001 crop years; or

(B) as of March 31, 2003, the historic peanut producer is a producer on a farm in that State.

(3) NOTICE OF ASSIGNMENT OPPORTUNITY.—The Secretary shall provide notice to historic peanut producers regarding their opportunity to assign average peanut yields and average acreages to farms under paragraph (1). The notice shall include the following:

(A) Notice that the opportunity to make the assignments is being provided only once.

(B) A description of the limitation in paragraph (2) on their ability to make the assignments.

(C) Information regarding the manner in which the assignments must be made and the time periods and manner in which notice of the assignments must be submitted to the Secretary.

(4) ASSIGNMENT DEADLINES.—Not later than March 31, 2003, an historic peanut producer shall submit to the Secretary notice of the assignments made by the producer under this subsection. If an historic peanut producer fails to submit the notice by that date, the notice shall be submitted in such other manner as the Secretary may prescribe.

(c) PAYMENT YIELD.—The average of all of the yields assigned by historic peanut producers under subsection (b) to a farm shall be considered to be the payment yield for that farm for the purpose of making direct payments and counter-cyclical payments under this subtitle.

(d) BASE ACRES FOR PEANUTS.—Subject to subsection (e), the total number of acres assigned by historic peanut producers under subsection (b) to a farm shall be considered to be the farm's base acres for peanuts for the purpose of making direct payments and counter-cyclical payments under this subtitle.

(e) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

(1) IN GENERAL.—The Secretary shall provide for an adjustment, as appropriate, in the base acres for peanuts for a farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) SPECIAL PAYMENT RULES.—For the crop year in which a base acres for peanuts adjustment under paragraph (1) is first made, the owner of the farm shall elect to receive either direct payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) PREVENTION OF EXCESS BASE ACRES FOR PEANUTS.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for peanuts for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the base acres for peanuts for the farm or the base acres for 1 or more covered commodities under subtitle A for the farm so that the sum of the base acres for peanuts and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any base acres for the farm under subtitle A.

(B) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) SELECTION OF ACRES.—The Secretary shall give the owner of the farm the opportunity to select the base acres for peanuts or the subtitle A base acres against which the reduction required by paragraph (1) will be made.

(4) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

(5) COORDINATED APPLICATION OF REQUIREMENTS.—The Secretary shall take into account section 1101(g) when applying the requirements of this subsection.

(g) PERMANENT REDUCTION IN BASE ACRES FOR PEANUTS.—The owner of a farm may reduce, at any time, the base acres for peanuts assigned to the farm. The reduction shall be permanent and made in the manner prescribed by the Secretary.

SEC. 1303. AVAILABILITY OF DIRECT PAYMENTS FOR PEANUTS.

(a) PAYMENT REQUIRED.—

(1) 2002 CROP YEAR.—For the 2002 crop year, the Secretary shall make direct payments under this section to historic peanut producers.

(2) SUBSEQUENT CROP YEARS.—For each of the 2003 through 2007 crop years for peanuts, the Secretary shall make direct payments to the producers on a farm to which a payment yield and base acres for peanuts are assigned under section 1302.

(b) PAYMENT RATE.—The payment rate used to make direct payments with respect to peanuts for a crop year shall be equal to $36 per ton.

(c) PAYMENT AMOUNT FOR 2002 CROP YEAR.—The amount of the direct payment to be paid to an historic peanut producer for the 2002 crop of peanuts shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres of the historic peanut producer.

(3) The average peanut yield determined under section 1302(a)(1) for the historic peanut producer.

(d) PAYMENT AMOUNT FOR SUBSEQUENT CROP YEARS.—The amount of the direct payment to be paid to the producers on a farm for the 2003 through 2007 crops of peanuts shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres on the farm.

(3) The payment yield for the farm.

(e) TIME FOR PAYMENT.—

(1) IN GENERAL.—The Secretary shall make direct payments—

(A) in the case of the 2002 crop year, as soon as practicable after the date of enactment of this Act; and

(B) in the case of each of the 2003 through 2007 crop years, not later than September 30 of the calendar year in which the crop is harvested.

(2) ADVANCE PAYMENTS.—At the option of the producers on a farm, up to 50 percent of the direct payment for any of the 2003 through 2007 crop years shall be paid to the producers in advance. The producers shall select the month within which the advance payment for a crop year will be made. The month selected may be any month during the period beginning on December 1 of the calendar year before the calendar year in which the crop is harvested through the month within which the direct payment would otherwise be made. The producers may change the selected month for a subsequent advance payment by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a producer on a farm that receives an advance direct payment for a crop year ceases to be a producer on that farm, or the extent to which the producer shares in the risk of producing a crop changes, before the date the remainder of the direct payment is made, the producer shall be responsible for repaying the Secretary the applicable amount of the advance payment, as determined by the Secretary.

SEC. 1304. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) PAYMENT REQUIRED.—

(1) IN GENERAL.—During the 2002 through 2007 crop years for peanuts, the Secretary shall make counter-cyclical payments under this section with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the target price for peanuts.

(2) 2002 CROP YEAR.—If counter-cyclical payments are required for the 2002 crop year, the Secretary shall make the payments to historic peanut producers.

(3) SUBSEQUENT CROP YEARS.—If counter-cyclical payments are required for any of the 2003 through 2007 crop years for peanuts, the Secretary shall make the payments to the producers on a farm to which a payment yield and base acres for peanuts are assigned under section 1302.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for peanuts is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price for peanuts received by producers during the 12-month marketing year for peanuts, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for peanuts in effect for the applicable period under this subtitle.

(2) The payment rate in effect under section 1303 for the purpose of making direct payments.

(c) TARGET PRICE.—For purposes of subsection (a), the target price for peanuts shall be equal to $495 per ton.

(d) PAYMENT RATE.—The payment rate used to make counter-cyclical payments for a crop year shall be equal to the difference between—

(1) the target price; and

(2) the effective price determined under subsection (b).

(e) PAYMENT AMOUNT FOR 2002 CROP YEAR.—If counter-cyclical payments are required to be paid for the 2002 crop of peanuts, the amount of the counter-cyclical payment to be paid to an historic peanut producer for that crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres of the historic peanut producer.

(3) The average peanut yield determined under section 1302(a)(1) for the historic peanut producer.

(f) PAYMENT AMOUNT FOR SUBSEQUENT CROP YEARS.—If counter-cyclical payments are required to be paid for any of the 2003 through 2007 crops of peanuts, the amount of the counter-cyclical payment to be paid to the producers on a farm for that crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres on the farm.

(3) The payment yield for the farm.

(g) TIME FOR PAYMENTS.—

(1) GENERAL RULE.—If the Secretary determines under subsection (a) that counter-cyclical payments are required to be made under this section for a crop year, the Secretary shall make the counter-cyclical payments as soon as practicable after the end of the 12-month marketing year for the crop.

(2) AVAILABILITY OF PARTIAL PAYMENTS.—If, before the end of the 12-month marketing year, the Secretary estimates that counter-cyclical payments will be required under this section for a crop year, the Secretary shall give producers on a farm (or, in the case of the 2002 crop year, historic peanut producers) the option to receive partial payments of the counter-cyclical payment projected to be made for that crop.

(3) TIME FOR PARTIAL PAYMENTS.—

(A) 2002 THROUGH 2006 CROP YEARS.—When the Secretary makes partial payments available under paragraph (2) for any of the 2002 through 2006 crop years—

(i) the first partial payment for the crop year shall be made not earlier than October 1, and, to the maximum extent practicable, not later than October 31, of the calendar year in which the crop is harvested;

(ii) the second partial payment shall be made not earlier than February 1 of the next calendar year; and

(iii) the final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for that crop.

(B) 2007 CROP YEAR.—When the Secretary makes partial payments available for the 2007 crop year—

(i) the first partial payment shall be made after completion of the first 6 months of the marketing year for that crop; and

(ii) the final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for that crop.

(4) AMOUNT OF PARTIAL PAYMENTS.—

(A) 2002 CROP YEAR.—

(i) FIRST PARTIAL PAYMENT.—In the case of the 2002 crop year, the first partial payment under paragraph (3) to an historic peanut producer may not exceed 35 percent of the projected counter-cyclical payment for the crop year, as determined by the Secretary.

(ii) SECOND PARTIAL PAYMENT.—The second partial payment may not exceed the difference between—

(I) 70 percent of the projected counter-cyclical payment (including any revision thereof) for the 2002 crop year; and

(II) the amount of the payment made under clause (i).

(iii) FINAL PAYMENT.—The final payment shall be equal to the difference between—

(I) the actual counter-cyclical payment to be made to the historic peanut producer; and

(II) the amount of the partial payments made to the historic peanut producer under clauses (i) and (ii).

(B) 2003 THROUGH 2006 CROP YEARS.—

(i) FIRST PARTIAL PAYMENT.—For each of the 2003 through 2006 crop years, the first partial payment under paragraph (3) to the producers on a farm may not exceed 35 percent of the projected counter-cyclical payment for the crop year, as determined by the Secretary.

(ii) SECOND PARTIAL PAYMENT.—The second partial payment for a crop year may not exceed the difference between—

(I) 70 percent of the projected counter-cyclical payment (including any revision thereof) for the crop year; and

(II) the amount of the payment made under clause (i).

(iii) FINAL PAYMENT.—The final payment for a crop year shall be equal to the difference between—

(I) the actual counter-cyclical payment to be made to the producers for that crop year; and

(II) the amount of the partial payments made to the producers under clauses (i) and (ii) for that crop year.

(C) 2007 CROP YEAR.—

(i) FIRST PARTIAL PAYMENT.—For the 2007 crop year, the first partial payment under paragraph (3) to the producers on a farm may not exceed 40 percent of the projected counter-cyclical payment for the crop year, as determined by the Secretary.

(ii) FINAL PAYMENT.—The final payment for the 2007 crop year shall be equal to the difference between—

(I) the actual counter-cyclical payment to be made to the producers for that crop year; and

(II) the amount of the partial payment made to the producers under clause (i).

(5) REPAYMENT.—The producers on a farm (or, in the case of the 2002 crop year, historic peanut producers) that receive a partial payment under this subsection for a crop year shall repay to the Secretary the amount, if any, by which the total of the partial payments exceed the actual counter-cyclical payment to be made for that crop year.

SEC. 1305. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF DIRECT PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive direct payments or counter-cyclical payments under this subtitle with respect to the farm, the producers shall agree, during the crop year for which the payments are made and in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 1306;

(D) to use the land on the farm, in a quantity equal to the attributable base acres for peanuts and any base acres for the farm under subtitle A, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary; and

(E) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (D).

(2) COMPLIANCE.—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(3) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of this subsection if the modifications are consistent with the objectives of this subsection, as determined by the Secretary.

(b) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm in the base acres for peanuts for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to those acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall take effect on the date determined by the Secretary.

(2) EXCEPTION.—If a producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with rules issued by the Secretary.

(c) ACREAGE REPORTS.—As a condition on the receipt of direct payments, counter-cyclical payments, marketing assistance loans, or loan deficiency payments under this subtitle, the Secretary shall require the producers on a farm to which a payment yield and base acres for peanuts are assigned under section 1302 to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

(d) TENANTS AND SHARECROPPERS.—In carrying out this subtitle, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(e) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the producers on a farm on a fair and equitable basis.

SEC. 1306. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on the base acres for peanuts on a farm.

(b) LIMITATIONS REGARDING CERTAIN COMMODITIES.—

(1) GENERAL LIMITATION.—The planting of an agricultural commodity specified in paragraph (2) shall be prohibited on base acres for peanuts unless the commodity, if planted, is destroyed before harvest.

(2) TREATMENT OF TREES AND OTHER PERENNIALS.—The planting of an agricultural commodity specified in paragraph (3) that is produced on a tree or other perennial plant shall be prohibited on base acres for peanuts.

(3) COVERED AGRICULTURAL COMMODITIES.—Paragraphs (1) and (2) apply to the following agricultural commodities:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(c) EXCEPTIONS.—Paragraphs (1) and (2) of subsection (b) shall not limit the planting of an agricultural commodity specified in paragraph (3) of that subsection—

(1) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in subsection (b)(3), as determined by the Secretary, in which case the double-cropping shall be permitted;

(2) on a farm that the Secretary determines has a history of planting agricultural commodities specified in subsection (b)(3) on the base acres for peanuts, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(3) by the producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in subsection (b)(3), except that—

(A) the quantity planted may not exceed the average annual planting history of such agricultural commodity by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(B) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

SEC. 1307. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2007 crops of peanuts, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(2) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under this subsection for any quantity of peanuts produced on the farm.

(3) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subsection, the Secretary shall make loans to producers on a farm that would be eligible to obtain a marketing assistance loan, but for the fact the peanuts owned by the producers on the farm are commingled with other peanuts in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers obtaining the loan agree to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(4) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the producers on a farm through—

(A) a designated marketing association or marketing cooperative of producers that is approved by the Secretary; or

(B) the Farm Service Agency.

(5) STORAGE OF LOAN PEANUTS.—As a condition on the Secretary's approval of an individual or entity to provide storage for peanuts for which a marketing assistance loan is made under this section, the individual or entity shall agree—

(A) to provide such storage on a nondiscriminatory basis; and

(B) to comply with such additional requirements as the Secretary considers appropriate to accomplish the purposes of this section and promote fairness in the administration of the benefits of this section.

(6) PAYMENT OF PEANUT STORAGE COSTS.—Effective for the 2002 through 2006 crops of peanuts, to ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall use the funds of the Commodity Credit Corporation to pay storage, handling, and other associated costs. This authority terminates beginning with the 2007 crop of peanuts.

(7) MARKETING.—A marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that conforms to consumer needs, including the separation of peanuts by type and quality.

(b) LOAN RATE.—The loan rate for a marketing assistance loan under for peanuts subsection (a) shall be equal to $355 per ton.

(c) TERM OF LOAN.—

(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of

the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

(d) REPAYMENT RATE.—

(1) IN GENERAL.—The Secretary shall permit producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

(A) the loan rate established for peanuts under subsection (b), plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(B) a rate that the Secretary determines will—

(i) minimize potential loan forfeitures;

(ii) minimize the accumulation of stocks of peanuts by the Federal Government;

(iii) minimize the cost incurred by the Federal Government in storing peanuts; and

(iv) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) GOOD FAITH EXCEPTION TO BENEFICIAL INTEREST REQUIREMENT.—For the 2002 crop year only, in the case of the producers on a farm that marketed or otherwise lost beneficial interest in the peanuts for which a marketing assistance loan was made under this section before repaying the loan, the Secretary shall permit the producers to repay the loan at the applicable repayment rate that was in effect for peanuts under this subsection on the date that the producers lost beneficial interest, as determined by the Secretary, if the Secretary determines the producers acted in good faith.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for loan deficiency payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the producers, excluding any quantity for which the producers obtain a marketing assistance loan under subsection (a).

(3) PAYMENT RATE.—For purposes of this subsection, the payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) EFFECTIVE DATE FOR PAYMENT RATE DETERMINATION.—

(A) IN GENERAL.—The Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as of the date the producers request the payment.

(B) SPECIAL RULE FOR 2002 CROP YEAR.—For the 2002 crop year only, the Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as of the earlier of the following:

(i) The date on which the producers marketed or otherwise lost beneficial interest in the crop, as determined by the Secretary.

(ii) The date the producers request the payment.

(f) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF ADMINISTRATIVE EXPENSES.—The Secretary may implement any reimbursable agreements or provide for the payment of administrative expenses under this subtitle only in a manner that is consistent with such activities in regard to other commodities.

SEC. 1308. MISCELLANEOUS PROVISIONS.

(a) MANDATORY INSPECTION.—All peanuts marketed in the United States shall be officially inspected and graded by Federal or Federal-State inspectors.

(b) TERMINATION OF PEANUT ADMINISTRATIVE COMMITTEE.—The Peanut Administrative Committee established under Marketing Agreement No. 146 issued pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is terminated.

(c) PEANUT STANDARDS BOARD.—

(1) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish a Peanut Standards Board for the purpose of advising the Secretary regarding the establishment of quality and handling standards for domestically produced and imported peanuts.

(2) MEMBERSHIP AND APPOINTMENT.—

(A) TOTAL MEMBERS.—The Board shall consist of 18 members, with representation equally divided between peanut producers and peanut industry representatives.

(B) APPOINTMENT PROCESS FOR PRODUCERS.—The Secretary shall appoint—

(i) 3 producers from the Southeast (Alabama, Georgia, and Florida) peanut producing region;

(ii) 3 producers from the Southwest (Texas, Oklahoma, and New Mexico) peanut producing region; and

(iii) 3 producers from the Virginia/Carolina (Virginia and North Carolina) peanut producing region.

(C) APPOINTMENT PROCESS FOR INDUSTRY REPRESENTATIVES.—The Secretary shall appoint 3 peanut industry representatives from each of the 3 peanut producing regions in the United States.

(3) TERMS.—

(A) IN GENERAL.—A member of the Board shall serve a 3-year term.

(B) INITIAL APPOINTMENT.—In making the initial appointments to the Board, the Secretary shall stagger the terms of the members so that—

(i) 1 producer member and peanut industry member from each peanut producing region serves a 1-year term;

(ii) 1 producer member and peanut industry member from each peanut producing region serves a 2-year term; and

(iii) 1 producer member and peanut industry member from each peanut producing region serves a 3-year term.

(4) CONSULTATION REQUIRED.—The Secretary shall consult with the Board in advance whenever the Secretary establishes or changes, or considers the establishment of or a change to, quality and handling standards for peanuts.

(5) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board.

(d) PRIORITY.—The Secretary shall make identifying and combating the presence of all quality concerns related to peanuts a priority in the development of quality and handling standards for peanuts and in the inspection of domestically produced and imported peanuts. The Secretary shall consult with appropriate Federal and State agencies to provide adequate safeguards against all quality concerns related to peanuts.

(e) CONSISTENT STANDARDS.—Imported peanuts shall be subject to the same quality and handling standards as apply to domestically produced peanuts.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—In addition to other funds that are available to carry out this section, there is authorized to be appropriated such sums as are necessary to carry out this section.

(2) TREATMENT OF BOARD EXPENSES.—The expenses of the Peanut Standards Board shall not be counted toward any general limitation on the expenses of advisory committees, panels, commissions, and task forces of the Department of Agriculture, whether enacted before, on, or after the date of enactment of this Act, unless the limitation specifically refers to this paragraph and specifically includes the Peanut Standards Board within the general limitation.

(g) TRANSITION RULE.—

(1) TEMPORARY DESIGNATION OF PEANUT ADMINISTRATIVE COMMITTEE MEMBERS.—Notwithstanding the appointment process specified in subsection (c) for the Peanut Standards Board, during the transition period, the Secretary may designate persons serving as members of the Peanut Administrative Committee on the day before the date of enactment of this Act to serve as members of the Peanut Standards Board for the purpose of carrying out the duties of the Board described in this section.

(2) FUNDS.—The Secretary may transfer any funds available to carry out the activities of the Peanut Administrative Committee to the Peanut Standards Board to carry out the duties of the Board described in this section.

(3) TRANSITION PERIOD.—In paragraph (1), the term "transition period" means the period beginning on the date of enactment of this Act and ending on the earlier of—

(A) the date the Secretary appoints the members of the Peanut Standards Board pursuant to subsection (c); or

(B) 180 days after the date of enactment of this Act.

(h) EFFECTIVE DATE.—This section shall take effect with the 2002 crop of peanuts.

SEC. 1309. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), as in effect on the day before the date of enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1). Section 1308(g)(2) shall also apply to the 2001 crop of peanuts.

(b) COMPENSATION CONTRACT REQUIRED.—

(1) IN GENERAL.—The Secretary shall offer to enter into a contract with each person that the Secretary determines is an eligible peanut quota holder under subsection (f) for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a).

(2) PAYMENT PERIOD.—The Secretary shall make payments under the contracts during fiscal years 2002 through 2006.

(c) TIME FOR PAYMENT.—

(1) PAYMENT IN INSTALLMENTS.—The payments required under the contracts shall be provided in 5 equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(2) SINGLE PAYMENT.—At the request of an eligible peanut quota holder entitled to payments under a contract, the Secretary shall provide the entire payment amount determined under subsection (d) with respect to the eligible peanut quota holder for the 5 fiscal years in a single lump sum during the fiscal year specified by the eligible peanut quota holder.

(d) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to an eligible peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(1) $0.11 per pound; by

(2) the number of pounds of quota with respect to which the person qualifies as a peanut quota holder under subsection (f).

(e) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made under the contracts. A person making an assignment of the payment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(f) ELIGIBLE PEANUT QUOTA HOLDER.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall consider a person to be an eligible peanut quota holder for the purposes of this section if the person, as of the date of enactment of this Act, owned a farm that, also as of that date, was eligible for a permanent peanut quota under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)), irrespective of temporary leases, transfers of quotas for seed, or quotas for experimental purposes.

(2) EFFECT OF PURCHASE CONTRACT.—If there was a written contract for the purchase of all or a portion of a farm described in paragraph (1) as of the date of enactment of this Act and the parties to the sale are unable to agree to the disposition of eligibility for payments under this section, the Secretary, taking into account any incomplete permanent transfer of quota that has otherwise been agreed to, shall provide for the equitable division of the payments among the parties by adjusting the determination of who is the eligible peanut quota holder with respect to particular pounds of the quota.

(3) EFFECT OF AGREEMENT FOR PERMANENT QUOTA TRANSFER.—If the Secretary determines that there was in existence, as of the date of enactment of this Act, an agreement for the permanent transfer of quota, but that the transfer was not completed by that date, the Secretary shall consider the peanut quota holder to be the party to the agreement who, as of that date, was the owner of the farm to which the quota was to be transferred.

(4) PROTECTED BASES.—A person that owns a farm with a peanut poundage quota which is protected under a conservation reserve program contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) shall be considered to be an eligible quota holder with respect to the protected poundage.

(5) SECRETARIAL DISCRETION.—Notwithstanding the preceding paragraphs, the Secretary may declare a person to be the eligible peanut quota holder with respect to certain pounds of quota or otherwise for purposes of this section if the Secretary considers the declaration is needed to insure a fair and equitable administration of the payments provided for in this section, so long as the Secretary does not, in exercising this authority, effectively increase the total quota in excess of the quota that was available to all producers for the 2001 crop year for other than seed or experimental use.

(6) LIMITATION ON QUANTITY OF QUOTA HELD.—A person shall be considered an eligible peanut quota holder for purposes of this section only with respect to that number of permanent pounds that qualifies the person as a peanut quota holder under one of the preceding paragraphs. The determination of the peanut poundage amount for which the person qualifies shall be made based on the 2001 crop quota levels and shall take into account sales of the farm that occurred before the date of enactment of this Act and any permanent transfers of quota that took place before that date, consistent with the preceding paragraphs. The Secretary shall not take into account, or allow eligibility for, quotas for seed, granted as experimental quotas, or obtained by temporary lease or transfer.

(g) SUCCESSIONS IN PAYMENT ELIGIBILITY AND ATTACHMENT OF ELIGIBILITY TO PERSONS.—

(1) ELIGIBILITY ATTACHES TO PERSONS.—Once a person is eligible for payments under this section, as determined under subsection (f), the continued eligibility of the person for the payments does not run with a farm, but shall remain with the person for the term of this section irrespective of whether the person sells, or continues to have an interest in, the farm that had the quota that qualified the person as an eligible peanut quota holder under subsection (f) and irrespective of whether the person has a continuing interest in the production of peanuts.

(2) SUCCESSION.—If a person eligible for payments under this section dies, in the case of an individual, or ceases to exist, in the case of other persons, the payment eligibility of the person shall pass to the person's personal or organizational successor, as determined by the Secretary.

(h) CONFORMING AMENDMENTS.—

(1) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking "peanuts,".

(2) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(A) in the first sentence of subsection (a), by striking "peanuts,"; and

(B) in the first sentence of subsection (b), by striking "peanuts".

(3) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(A) in the first sentence of subsection (a)—

(i) by striking "peanuts," each place it appears;

(ii) by inserting "and" after "from producers,"; and

(iii) by striking "for producers, all" and all that follows through the period at the end of the sentence and inserting "for producers."; and

(B) in subsection (b), by striking "peanuts,".

(4) EMINENT DOMAIN.—Section 378(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378(c)) is amended in the first sentence—

(A) by striking "cotton," and inserting "cotton and"; and

(B) by striking "and peanuts,".

SEC. 1310. REPEAL OF SUPERSEDED PRICE SUPPORT AUTHORITY AND EFFECT OF REPEAL.

(a) REPEAL OF PRICE SUPPORT AUTHORITY.—

(1) IN GENERAL.—Section 155 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271) is repealed.

(2) CONFORMING AMENDMENTS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(A) in section 101(b) (7 U.S.C. 1441(b)), by striking "and peanuts"; and

(B) in section 408(c) (7 U.S.C. 1428(c)), by striking "peanuts,".

*(3) TECHNICAL AMENDMENT.—The chapter heading of chapter 2 of subtitle D of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. prec. 7271) is amended by striking "**PEANUTS AND**".*

(b) DISPOSAL.—Notwithstanding any other provision of law or previous declaration made by the Secretary, the Secretary shall ensure that the disposal of all peanuts for which a loan for the 2001 crop of peanuts was made under section 155 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271) before the date of enactment of this Act is carried out in a manner that prevents price disruptions in the domestic and international markets for peanuts.

(c) TREATMENT OF CROP INSURANCE POLICIES FOR 2002 CROP YEAR.—

(1) APPLICABILITY.—This subsection shall apply for the 2002 crop year only notwithstanding any other provision of law or crop insurance policy.

(2) PRICE ELECTION.—The nonquota price election for segregation I, II, and III peanuts shall be 17.75 cents per pound and shall be used for all aspects of the policy relating to the calculations of premium, liability, and indemnities.

(3) QUALITY ADJUSTMENT.—For the purposes of quality adjustment only, the average support price per pound of peanuts shall be a price equal to 17.75 cents per pound. Quality under the crop insurance policy for peanuts shall be adjusted under procedures issued by the Federal Crop Insurance Corporation.

Subtitle D—Sugar

SEC. 1401. SUGAR PROGRAM.

(a) EXTENSION AND MODIFICATION OF EXISTING SUGAR PROGRAM.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended to read as follows:

"SEC. 156. SUGAR PROGRAM.

"(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound for raw cane sugar.

"(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

"(c) LOAN RATE ADJUSTMENTS.—

"(1) IN GENERAL.—The Secretary may reduce the loan rate specified in subsection (a) for domestically grown sugarcane and subsection (b) for domestically grown sugar beets if the Secretary determines that negotiated reductions in export subsidies and domestic subsidies provided for sugar of other major sugar growing, producing, and exporting countries in the aggregate exceed the commitments made as part of the Agreement on Agriculture.

"(2) EXTENT OF REDUCTION.—The Secretary shall not reduce the loan rate under subsection (a) or (b) below a rate that provides an equal measure of support to that provided by other major sugar growing, producing, and exporting countries, based on an examination of both domestic and export subsidies subject to reduction in the Agreement on Agriculture.

"(3) ANNOUNCEMENT OF REDUCTION.—The Secretary shall announce any loan rate reduction to be made under this subsection as far in advance as is practicable.

"(4) DEFINITIONS.—In this subsection:

"(A) AGREEMENT ON AGRICULTURE.—The term "Agreement on Agriculture" means the Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)), or any amendatory or successor agreement.

"(B) MAJOR SUGAR COUNTRIES.—The term "major sugar growing, producing, and exporting countries" means—

"(i) the countries of the European Union; and

"(ii) the 10 foreign countries not covered by subparagraph (A) that the Secretary determines produce the greatest quantity of sugar.

"(d) TERM OF LOANS.—

"(1) IN GENERAL.—A loan under this section during any fiscal year shall be made available

not earlier than the beginning of the fiscal year and shall mature at the earlier of—

"(A) the end of the 9-month period beginning on the first day of the first month after the month in which the loan is made; or

"(B) the end of the fiscal year in which the loan is made.

"(2) SUPPLEMENTAL LOANS.—In the case of a loan made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

"(A) be made at the loan rate in effect at the time the second loan is made; and

"(B) mature in 9 months less the quantity of time that the first loan was in effect.

"(e) LOAN TYPE; PROCESSOR ASSURANCES.—

"(1) NONRECOURSE LOANS.—The Secretary shall carry out this section through the use of nonrecourse loans.

"(2) PROCESSOR ASSURANCES.—

"(A) IN GENERAL.—The Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for the sugar beets and sugarcane delivered by producers to the processor.

"(B) MINIMUM PAYMENTS.—

"(i) IN GENERAL.—Subject to clause (ii), the Secretary may establish appropriate minimum payments for purposes of this paragraph.

"(ii) LIMITATION.—In the case of sugar beets, the minimum payment established under clause (i) shall not exceed the rate of payment provided for under the applicable contract between a sugar beet producer and a sugar beet processor.

"(iii) EFFECT OF DISASTER.—The Secretary may not bar a beet sugar processor from eligibility to obtain a loan under this section because of the failure of the processor to provide the appropriate minimum payment established under this subsection if the failure—

"(I) occurred during a crop year prior to the date of enactment of the Farm Security and Rural Investment Act of 2002; and

"(II) was related, at least in part, to the effects of a natural disaster, including damage from freeze.

"(3) ADMINISTRATION.—The Secretary may not impose or enforce any prenotification requirement, or similar administrative requirement not otherwise in effect on the date of enactment of the Farm Security and Rural Investment Act of 2002, that has the effect of preventing a processor from electing to forfeit the loan collateral (of an acceptable grade and quality) on the maturity of the loan.

"(f) LOANS FOR IN-PROCESS SUGAR.—

"(1) DEFINITION OF IN-PROCESS SUGARS AND SYRUPS.—In this subsection, the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished product that is otherwise eligible for a loan under subsection (a) or (b).

"(2) AVAILABILITY.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from the crop.

"(3) LOAN RATE.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, as determined by the Secretary on the basis of the source material for the in-process sugars and syrups.

"(4) FURTHER PROCESSING ON FORFEITURE.—

"(A) IN GENERAL.—As a condition of the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b).

"(B) TRANSFER TO CORPORATION.—Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Commodity Credit Corporation.

"(C) PAYMENT TO PROCESSOR.—On transfer of the sugar, the Secretary shall make a payment to the processor in an amount equal to the amount obtained by multiplying—

"(i) the difference between—

"(I) the loan rate for raw cane sugar or refined beet sugar, as appropriate; and

"(II) the loan rate the processor received under paragraph (3); by

"(ii) the quantity of sugar transferred to the Secretary.

"(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may obtain a loan under subsection (a) or (b) for the raw cane sugar or refined beet sugar, as appropriate.

"(6) TERM OF LOAN.—The term of a loan made under this subsection for a quantity of in-process sugars and syrups, when combined with the term of a loan made with respect to the raw cane sugar or refined beet sugar derived from the in-process sugars and syrups, may not exceed 9 months, consistent with subsection (d).

"(g) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

"(1) IN GENERAL.—Subject to subsection (e)(3), to the maximum extent practicable, the Secretary shall operate the program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

"(2) INVENTORY DISPOSITION.—

"(A) IN GENERAL.—To carry out paragraph (1), the Commodity Credit Corporation may accept bids to obtain raw cane sugar or refined beet sugar in the inventory of the Commodity Credit Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (acting in conjunction with the producers of the sugarcane or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

"(B) ADDITIONAL AUTHORITY.—The authority provided under this paragraph is in addition to any authority of the Commodity Credit Corporation under any other law.

"(h) INFORMATION REPORTING.—

"(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

"(2) DUTY OF PRODUCERS TO REPORT.—

"(A) PROPORTIONATE SHARE STATES.—As a condition of a loan made to a processor for the benefit of a producer, the Secretary shall require each producer of sugarcane located in a State (other than the Commonwealth of Puerto Rico) in which there are in excess of 250 producers of sugarcane to report, in the manner prescribed by the Secretary, the sugarcane yields and acres planted to sugarcane of the producer.

"(B) OTHER STATES.—The Secretary may require each producer of sugarcane or sugar beets not covered by subparagraph (A) to report, in a manner prescribed by the Secretary, the yields of, and acres planted to, sugarcane or sugar beets, respectively, of the producer.

"(3) DUTY OF IMPORTERS TO REPORT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require an importer of sugars, syrups, or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption to report, in the manner prescribed by the Secretary, the quantities of the products imported by the importer and the sugar content or equivalent of the products.

"(B) TARIFF-RATE QUOTAS.—Subparagraph (A) shall not apply to sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are subject to the lower rate of duties.

"(4) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(5) MONTHLY REPORTS.—Taking into consideration the information received under this subsection, the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

"(i) SUBSTITUTION OF REFINED SUGAR.—For purposes of Additional U.S. Note 6 to chapter 17 of the Harmonized Tariff Schedule of the United States and the reexport programs and polyhydric alcohol program administered by the Secretary, all refined sugars (whether derived from sugar beets or sugarcane) produced by cane sugar refineries and beet sugar processors shall be fully substitutable for the export of sugar and sugar-containing products under those programs.".

"(j) EFFECTIVE PERIOD.—This section shall be effective only for the 1996 through 2007 crops of sugar beets and sugarcane.".

(b) EFFECTIVE DATE OF ASSESSMENT TERMINATION.—Subsection (f) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(f)), as in effect immediately before the enactment of the Farm Security and Rural Investment Act of 2002, is deemed to have been repealed effective as of October 1, 2001.

(c) INTEREST RATE.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended—

(1) by inserting "(a) IN GENERAL.—" before "Notwithstanding"; and

(2) by adding at the end the following:

"(b) SUGAR.—For purposes of this section, raw cane sugar, refined beet sugar, and in-process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.".

SEC. 1402. STORAGE FACILITY LOANS.

(a) IN GENERAL.—Notwithstanding any other provision of law and as soon as practicable after the date of enactment of this Act, the Commodity Credit Corporation shall amend part 1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to construct or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) ELIGIBLE PROCESSORS.—A storage facility loan described in subsection (a) shall be made available to any processor of domestically produced sugarcane or sugar beets that (as determined by the Secretary)—

(1) has a satisfactory credit history;

(2) has a need for increased storage capacity, taking into account the effects of marketing allotments; and

(3) demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—A storage facility loan described in subsection (a) shall—

(1) have a minimum term of 7 years; and

(2) be in such amounts and on such terms and conditions (including terms and conditions relating to downpayments, collateral, and eligible facilities) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

SEC. 1403. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to read as follows:

"PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR

"SEC. 359a. DEFINITIONS.

"In this part:

"(1) MAINLAND STATE.—The term 'mainland State' means a State other than an offshore State.

"(2) OFFSHORE STATE.—The term 'offshore State' means a sugarcane producing State located outside of the continental United States.

"(3) STATE.—Notwithstanding section 301, the term 'State' means—

"(A) a State;

"(B) the District of Columbia; and

"(C) the Commonwealth of Puerto Rico.

"(4) UNITED STATES.—The term 'United States', when used in a geographical sense, means all of the States.

"SEC. 359b. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

"(a) SUGAR ESTIMATES.—

"(1) IN GENERAL.—Not later than August 1 before the beginning of each of the 2002 through 2007 crop years, the Secretary shall estimate—

"(A) the quantity of sugar that will be consumed in the United States during the crop year;

"(B) the quantity of sugar that would provide for reasonable carryover stocks;

"(C) the quantity of sugar that will be available from carry-in stocks for consumption in the United States during the crop year;

"(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and

"(E) the quantity of sugars, syrups, and molasses that will be imported for human consumption or to be used for the extraction of sugar for human consumption in the United States during the crop year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff-rate quota.

"(2) EXCLUSION.—The estimates under this subsection shall not apply to sugar imported for the production of polyhydric alcohol or to any sugar refined and reexported in refined form or in products containing sugar.

"(3) REESTIMATES.—The Secretary shall make reestimates of sugar consumption, stocks, production, and imports for a crop year as necessary, but no later than the beginning of each of the second through fourth quarters of the crop year.

"(b) SUGAR ALLOTMENTS.—

"(1) IN GENERAL.—By the beginning of each crop year, the Secretary shall establish for that crop year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar established under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272).

"(2) PRODUCTS.—The Secretary may include sugar products, whose majority content is sucrose for human consumption, derived from sugarcane, sugar beets, molasses, or sugar in the allotments under paragraph (1) if the Secretary determines it to be appropriate for purposes of this part.

"(c) PROHIBITIONS.—

"(1) IN GENERAL.—During any crop year or portion thereof for which marketing allotments have been established, no processor of sugar beets or sugarcane shall market a quantity of sugar in excess of the allocation established for such processor, except to enable another processor to fulfill an allocation established for such other processor or to facilitate the exportation of such sugar.

"(2) CIVIL PENALTY.—Any processor who knowingly violates paragraph (1) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar involved in the violation.

"(3) DEFINITION OF MARKET.—For purposes of this part, the term 'market' shall mean to sell or otherwise dispose of in commerce in the United States (including the forfeiture of sugar under the loan program for sugar under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) and, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process).

"SEC. 359c. ESTABLISHMENT OF FLEXIBLE MARKETING ALLOTMENTS.

"(a) IN GENERAL.—The Secretary shall establish flexible marketing allotments for sugar for any crop year in which the allotments are required under section 359b(b) in accordance with this section.

"(b) OVERALL ALLOTMENT QUANTITY.—

"(1) IN GENERAL.—The Secretary shall establish the overall quantity of sugar to be allotted for the crop year (in this part referred to as the 'overall allotment quantity') by deducting from the sum of the estimated sugar consumption and reasonable carryover stocks (at the end of the crop year) for the crop year, as determined under section 359b(a)—

"(A) 1,532,000 short tons, raw value; and

"(B) carry-in stocks of sugar, including sugar in Commodity Credit Corporation inventory.

"(2) ADJUSTMENT.—The Secretary shall adjust the overall allotment quantity to avoid the forfeiture of sugar to the Commodity Credit Corporation.

"(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the crop year shall be allotted between—

"(1) sugar derived from sugar beets by establishing a marketing allotment for a crop year at a quantity equal to the product of multiplying the overall allotment quantity for the crop year by 54.35 percent; and

"(2) sugar derived from sugarcane by establishing a marketing allotment for a crop year at a quantity equal to the product of multiplying the overall allotment quantity for the crop year by 45.65 percent.

"(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—

"(1) CANE SUGAR.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane.

"(2) BEET SUGAR.—Each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.

"(e) STATE CANE SUGAR ALLOTMENTS.—

"(1) IN GENERAL.—The allotment for sugar derived from sugarcane shall be further allotted, among the States in the United States in which sugarcane is produced, after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner as provided in this subsection and section 359d(b)(1)(D).

"(2) OFFSHORE ALLOTMENT.—

"(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

"(B) INDIVIDUALLY.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

"(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

"(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

"(iii) past processings of sugar from sugarcane, based on the 3-year average of the 1998 through 2000 crop years.

"(3) MAINLAND ALLOTMENT.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

"(A) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

"(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

"(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.

"(f) FILLING CANE SUGAR ALLOTMENTS.—Except as provided in section 359e, a State cane sugar allotment established under subsection (e) for a crop year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.

"(g) ADJUSTMENT OF MARKETING ALLOTMENTS.—

"(1) IN GENERAL.—The Secretary shall, based on reestimates under section 359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner, as the Secretary determines appropriate, to reflect changes in estimated sugar consumption, stocks, production, or imports.

"(2) ALLOCATION TO PROCESSORS.—In the case of any increase or decrease in an allotment, each allocation to a processor of the allotment under section 359d, and each proportionate share established with respect to the allotment under section 359f(c), shall be increased or decreased by the same percentage that the allotment is increased or decreased.

"(3) CARRY-OVER OF REDUCTIONS.—Whenever a marketing allotment for a crop year is required to be reduced during the crop year under this subsection, if, at the time of the reduction, the quantity of sugar marketed exceeds the processor's reduced allocation, the allocation of an allotment next established for the processor shall be reduced by the quantity of the excess sugar marketed.

"(h) SUSPENSION OF ALLOTMENTS.—Whenever the Secretary estimates or reestimates under section 359b(a), or has reason to believe, that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1,532,000 short tons

(raw value equivalent) (excluding any imports attributable to reassignment under paragraph (1)(D) or (2)(C) of section 359e(b)), and that the imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments established under this section until such time as the imports have been restricted, eliminated, or reduced to or below the level of 1,532,000 short tons (raw value equivalent).

"SEC. 359d. ALLOCATION OF MARKETING ALLOTMENTS.

"(a) ALLOCATION TO PROCESSORS.—Whenever marketing allotments are established for a crop year under section 359c, in order to afford all interested persons an equitable opportunity to market sugar under an allotment, the Secretary shall allocate each such allotment among the processors covered by the allotment.

"(b) HEARING AND NOTICE.—

"(1) CANE SUGAR.—

"(A) IN GENERAL.—The Secretary shall make allocations for cane sugar after a hearing, if requested by the affected sugarcane processors and growers, and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of the allocations under this paragraph. Each such allocation shall be subject to adjustment under section 359c(g).

"(B) MULTIPLE PROCESSOR STATES.—Except as provided in subparagraphs (C) and (D), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based on—

"(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

"(ii) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year; and

"(iii) past processings of sugar from sugarcane, based on the average of the 3 highest years of production during the 1996 through 2000 crop years.

"(C) TALISMAN PROCESSING FACILITY.—In the case of allotments under subparagraph (B) attributable to the operations of the Talisman processing facility before the date of enactment of this subparagraph, the Secretary shall allocate the allotment among processors in the State under subparagraph (A) in accordance with the agreements of March 25 and 26, 1999, between the affected processors and the Secretary of the Interior.

"(D) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based on—

"(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

"(ii) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

"(iii) past processings of sugar from sugarcane, based on the average of the 2 highest crop years of crop production during the 1997 through 2001 crop years.

"(E) NEW ENTRANTS.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (B) and (D), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this subparagraph, and after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, may provide the processor with an allocation that provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located.

"(ii) PROPORTIONATE SHARE STATES.—In the case of proportionate share States, the Secretary shall establish proportionate shares in a quantity sufficient to produce the sugarcane required to satisfy the allocations.

"(iii) LIMITATIONS.—The allotment for a new processor under this subparagraph shall not exceed—

"(I) in the case of the first crop year of operation of a new processor, 50,000 short tons (raw value); and

"(II) in the case of each subsequent crop year of operation of the new processor, a quantity established by the Secretary in accordance with this subparagraph and the criteria described in subparagraph (B) or (D), as applicable.

"(iv) NEW ENTRANT STATES.—

"(I) IN GENERAL.—Notwithstanding subparagraphs (A) and (C) of section 359c(e)(3), to accommodate an allocation under clause (i) to a new processor located in a new entrant mainland State, the Secretary shall provide the new entrant mainland State with an allotment.

"(II) EFFECT ON OTHER ALLOTMENTS.—The allotment to any new entrant mainland State shall be subtracted, on a pro rata basis, from the allotments otherwise allotted to each mainland State under section 359c(e)(3).

"(v) ADVERSE EFFECTS.—Before providing an initial processor allocation or State allotment to a new entrant processor or a new entrant State under this subparagraph, the Secretary shall take into consideration any adverse effects that the provision of the allocation or allotment may have on existing cane processors and producers in mainland States.

"(vi) ABILITY TO MARKET.—Consistent with section 359c and this section, any processor allocation or State allotment made to a new entrant processor or to a new entrant State under this subparagraph shall be provided only after the applicant processor, or the applicable processors in the State, have demonstrated the ability to process, produce, and market (including the transfer or delivery of the raw cane sugar to a refinery for further processing or marketing) raw cane sugar for the crop year for which the allotment is applicable.

"(vii) PROHIBITION.—Not more than 1 processor allocation provided under this subparagraph may be applicable to any individual sugar processing facility.

"(F) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), if a sugarcane processor is sold or otherwise transferred to another owner or is closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, successor in interest, or any remaining processor of an affiliated entity, as applicable, of the processor.

"(2) BEET SUGAR.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph and sections 359c(g), 359e(b), and 359f(b), the Secretary shall make allocations for beet sugar among beet sugar processors for each crop year that allotments are in effect on the basis of the adjusted weighted average quantity of beet sugar produced by the processors for each of the 1998 through 2000 crop years, as determined under this paragraph.

"(B) QUANTITY.—The quantity of an allocation made for a beet sugar processor for a crop year under subparagraph (A) shall bear the same ratio to the quantity of allocations made for all beet sugar processors for the crop year as the adjusted weighted average quantity of beet sugar produced by the processor (as determined under subparagraphs (C) and (D)) bears to the total of the adjusted weighted average quantities of beet sugar produced by all processors (as so determined).

"(C) WEIGHTED AVERAGE QUANTITY.—Subject to subparagraph (D), the weighted quantity of beet sugar produced by a beet sugar processor during each of the 1998 through 2000 crop years shall be (as determined by the Secretary)—

"(i) in the case of the 1998 crop year, 25 percent of the quantity of beet sugar produced by the processor during the crop year;

"(ii) in the case of the 1999 crop year, 35 percent of the quantity of beet sugar produced by the processor during the crop year; and

"(iii) in the case of the 2000 crop year, 40 percent of the quantity of beet sugar produced by the processor (including any quantity of sugar received from the Commodity Credit Corporation) during the crop year.

"(D) ADJUSTMENTS.—

"(i) IN GENERAL.—The Secretary shall adjust the weighted average quantity of beet sugar produced by a beet sugar processor during the 1998 through 2000 crop years under subparagraph (C) if the Secretary determines that the processor—

"(I) during the 1996 through 2000 crop years, opened a sugar beet processing factory;

"(II) during the 1998 through 2000 crop years, closed a sugar beet processing factory;

"(III) during the 1998 through 2000 crop years, constructed a molasses desugarization facility; or

"(IV) during the 1998 through 2000 crop years, suffered substantial quality losses on sugar beets stored during any such crop year.

"(ii) QUANTITY.—The quantity of beet sugar produced by a beet sugar processor under subparagraph (C) shall be—

"(I) in the case of a processor that opened a sugar beet processing factory, increased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this subparagraph) for each sugar beet processing factory that is opened by the processor;

"(II) in the case of a processor that closed a sugar beet processing factory, decreased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this subparagraph) for each sugar beet processing factory that is closed by the processor;

"(III) in the case of a processor that constructed a molasses desugarization facility, increased by 0.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this subparagraph) for each molasses desugarization facility that is constructed by the processor; and

"(IV) in the case of a processor that suffered substantial quality losses on stored sugar beets, increased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this subparagraph).

"(E) PERMANENT TERMINATION OF OPERATIONS OF A PROCESSOR.—If a processor of beet sugar has been dissolved, liquidated in a bankruptcy proceeding, or otherwise has permanently terminated operations (other than in conjunction with a sale or other disposition of the processor or the assets of the processor), the Secretary shall—

"(i) eliminate the allocation of the processor provided under this section; and

"(ii) distribute the allocation to other beet sugar processors on a pro rata basis.

"(F) SALE OF ALL ASSETS OF A PROCESSOR TO ANOTHER PROCESSOR.—If a processor of beet sugar (or all of the assets of the processor) is

sold to another processor of beet sugar, the Secretary shall transfer the allocation of the seller to the buyer unless the allocation has been distributed to other sugar beet processors under subparagraph (E).

"(G) SALE OF FACTORIES OF A PROCESSOR TO ANOTHER PROCESSOR.—

"(i) IN GENERAL.—Subject to subparagraphs (E) and (F), if 1 or more factories of a processor of beet sugar (but not all of the assets of the processor) are sold to another processor of beet sugar during a crop year, the Secretary shall assign a pro rata portion of the allocation of the seller to the allocation of the buyer to reflect the historical contribution of the production of the sold factory or factories to the total allocation of the seller.

"(ii) APPLICATION OF ALLOCATION.—The assignment of the allocation under clause (i) shall apply—

"(I) during the remainder of the crop year during which the sale described in clause (i) occurs (referred to in this subparagraph as the 'initial crop year'); and

"(II) each subsequent crop year (referred in this subparagraph as a 'subsequent crop year'), subject to clause (iii).

"(iii) SUBSEQUENT CROP YEARS.—

"(I) IN GENERAL.—The assignment of the allocation under clause (i) shall apply during each subsequent crop year unless the acquired factory or factories continue in operation for less than the initial crop year and the first subsequent crop year.

"(II) REASSIGNMENT.—If the acquired factory or factories do not continue in operation for the complete initial crop year and the first subsequent crop year, the Secretary shall reassign the temporary allocation to other processors of beet sugar on a pro rata basis.

"(iv) USE OF OTHER FACTORIES TO FILL ALLOCATION.—If the transferred allocation to the buyer for the purchased factory or factories cannot be filled by the production of the purchased factory or factories for the initial crop year or a subsequent crop year, the remainder of the transferred allocation may be filled by beet sugar produced by the buyer from other factories of the buyer.

"(H) NEW ENTRANTS STARTING PRODUCTION OR REOPENING FACTORIES.—

"(i) IN GENERAL.—Except as provided by clause (ii), if an individual or entity that does not have an allocation of beet sugar under this part (referred to in this paragraph as a 'new entrant') starts processing sugar beets after the date of enactment of this subparagraph, or acquires and reopens a factory that produced beet sugar during previous crop years that (at the time of acquisition) has no allocation associated with the factory under this part, the Secretary shall—

"(I) assign an allocation for beet sugar to the new entrant that provides a fair and equitable distribution of the allocations for beet sugar; and

"(II) reduce the allocations for beet sugar of all other processors on a pro rata basis to reflect the new allocation.

"(ii) EXCEPTION.—If a new entrant acquires and reopens a factory that previously produced beet sugar from sugar beets and from sugar beet molasses but the factory last processed sugar beets during the 1997 crop year and the new entrant starts to process sugar beets at such factory after the date of enactment of this clause, the Secretary shall—

"(I) assign an allocation for beet sugar to the new entrant that is not less than the greater of 1.67 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years as determined under subsection (b)(2)(C), or 1,500,000 hundredweights; and

"(II) reduce the allocations for beet sugar of all other processors on a pro rata basis to reflect the new allocation.

"(I) NEW ENTRANTS ACQUIRING ONGOING FACTORIES WITH PRODUCTION HISTORY.—If a new entrant acquires a factory that has production history during the period of the 1998 through 2000 crop years and that is producing beet sugar at the time the allocations are made from a processor that has an allocation of beet sugar, the Secretary shall transfer a portion of the allocation of the seller to the new entrant to reflect the historical contribution of the production of the sold factory to the total allocation of the seller.

"SEC. 359e. REASSIGNMENT OF DEFICITS.

"(a) ESTIMATES OF DEFICITS.—At any time allotments are in effect under this part, the Secretary, from time to time, shall determine whether (in view of then-current inventories of sugar, the estimated production of sugar and expected marketings, and other pertinent factors) any processor of sugarcane will be unable to market the sugar covered by the portion of the State cane sugar allotment allocated to the processor and whether any processor of sugar beets will be unable to market sugar covered by the portion of the beet sugar allotment allocated to the processor.

"(b) REASSIGNMENT OF DEFICITS.—

"(1) CANE SUGAR.—If the Secretary determines that any sugarcane processor who has been allocated a share of a State cane sugar allotment will be unable to market the processor's allocation of the State's allotment for the crop year—

"(A) the Secretary first shall reassign the estimated quantity of the deficit to the allocations for other processors within that State, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to it and taking into account the interests of producers served by the processors;

"(B) if after the reassignments the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit proportionately to the allotments for other cane sugar States, depending on the capacity of each other State to fill the portion of the deficit to be assigned to it, with the reassigned quantity to each State to be allocated among processors in that State in proportion to the allocations of the processors;

"(C) if after the reassignments the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the Commodity Credit Corporation and shall sell such quantity of sugar from inventories of the Corporation unless the Secretary determines that such sales would have a significant effect on the price of sugar; and

"(D) if after the reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

"(2) BEET SUGAR.—If the Secretary determines that a sugar beet processor who has been allocated a share of the beet sugar allotment will be unable to market that allocation—

"(A) the Secretary first shall reassign the estimated quantity of the deficit to the allotments for other sugar beet processors, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to it and taking into account the interests of producers served by the processors;

"(B) if after the reassignments the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the Commodity Credit Corporation and shall sell such quantity of sugar from inventories of the Corporation unless the Secretary determines that such sales would have a significant effect on the price of sugar; and

"(C) if after the reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

"(3) CORRESPONDING INCREASE.—The allocation of each processor receiving a reassigned quantity of an allotment under this subsection for a crop year shall be increased to reflect the reassignment.

"SEC. 359f. PROVISIONS APPLICABLE TO PRODUCERS.

"(a) PROCESSOR ASSURANCES.—

"(1) IN GENERAL.—If allotments for a crop year are allocated to processors under section 359d, the Secretary shall obtain from the processors such assurances as the Secretary considers adequate that the allocation will be shared among producers served by the processor in a fair and equitable manner that adequately reflects producers' production histories.

"(2) ARBITRATION.—

"(A) IN GENERAL.—Any dispute between a processor and a producer, or group of producers, with respect to the sharing of the allocation to the processor shall be resolved through arbitration by the Secretary on the request of either party.

"(B) PERIOD.—The arbitration shall, to the maximum extent practicable, be—

"(i) commenced not more than 45 days after the request; and

"(ii) completed not more than 60 days after the request.

"(b) SUGAR BEET PROCESSING FACILITY CLOSURES.—

"(1) IN GENERAL.—If a sugar beet processing facility is closed and the sugar beet growers that previously delivered beets to the facility elect to deliver their beets to another processing company, the growers may petition the Secretary to modify allocations under this part to allow the delivery.

"(2) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the processing company to which the growers elect to deliver their sugar beets, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries.

"(3) DECREASED ALLOCATION FOR CLOSED COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation shall be unaffected.

"(4) TIMING.—The determinations of the Secretary on the issues raised by the petition shall be made within 60 days after the filing of the petition.

"(c) PROPORTIONATE SHARES OF CERTAIN ALLOTMENTS.—

"(1) IN GENERAL.—

"(A) STATES AFFECTED.—In any case in which a State allotment is established under section 359c(f) and there are in excess of 250 sugarcane producers in the State (other than Puerto Rico), the Secretary shall make a determination under subparagraph (B).

"(B) DETERMINATION.—The Secretary shall determine, for each State allotment described in subparagraph (A), whether the production of sugarcane, in the absence of proportionate shares, will be greater than the quantity needed to enable processors to fill the allotment and provide a normal carryover inventory of sugar.

"(2) ESTABLISHMENT OF PROPORTIONATE SHARES.—If the Secretary determines under paragraph (1) that the quantity of sugarcane produced by producers in the area covered by a State allotment for a crop year will be in excess of the quantity needed to enable processors to fill the allotment for the crop year and provide a normal carryover inventory of sugar, the Secretary shall establish a proportionate share for each sugarcane-producing farm that limits the acreage of sugarcane that may be harvested on the farm for sugar or seed during the crop year *the allotment is in effect as provided in this subsection. Each such proportionate share shall be subject to adjustment under paragraph (7) and section 359c(g).*

"(3) METHOD OF DETERMINING.—For purposes of determining proportionate shares for any crop of sugarcane:

"(A) The Secretary shall establish the State's per-acre yield goal for a crop of sugarcane at a level (not less than the average per-acre yield in the State for the 2 highest years from among the 1999, 2000, and 2001 crop years, as determined by the Secretary) that will ensure an adequate net return per pound to producers in the State, taking into consideration any available production research data that the Secretary considers relevant.

"(B) The Secretary shall adjust the per-acre yield goal by the average recovery rate of sugar produced from sugarcane by processors in the State.

"(C) The Secretary shall convert the State allotment for the crop year involved into a State acreage allotment for the crop by dividing the State allotment by the per-acre yield goal for the State, as established under subparagraph (A) and as further adjusted under subparagraph (B).

"(D) The Secretary shall establish a uniform reduction percentage for the crop by dividing the State acreage allotment, as determined for the crop under subparagraph (C), by the sum of all adjusted acreage bases in the State, as determined by the Secretary.

"(E) The uniform reduction percentage for the crop, as determined under subparagraph (D), shall be applied to the acreage base for each sugarcane-producing farm in the State to determine the farm's proportionate share of sugarcane acreage that may be harvested for sugar or seed.

"(4) ACREAGE BASE.—For purposes of this subsection, the acreage base for each sugarcane-producing farm shall be determined by the Secretary, as follows:

"(A) The acreage base for any farm shall be the number of acres that is equal to the average of the acreage planted and considered planted for harvest for sugar or seed on the farm in the 2 highest of the 1999, 2000, and 2001 crop years.

"(B) Acreage planted to sugarcane that producers on a farm were unable to harvest to sugarcane for sugar or seed because of drought, flood, other natural disaster, or other condition beyond the control of the producers may be considered as harvested for the production of sugar or seed for purposes of this paragraph.

"(5) VIOLATION.—

"(A) IN GENERAL.—Whenever proportionate shares are in effect in a State for a crop of sugarcane, producers on a farm shall not knowingly harvest, or allow to be harvested, for sugar or seed an acreage of sugarcane in excess of the farm's proportionate share for the crop year, or otherwise violate proportionate share regulations issued by the Secretary under section 359h(a).

"(B) DETERMINATION OF VIOLATION.—No producer shall be considered to have violated subparagraph (A) unless the processor of the sugarcane harvested by such producer from acreage in excess of the proportionate share of the farm markets an amount of sugar that exceeds the allocation of such processor for a crop year.

"(C) CIVIL PENALTY.—Any producer on a farm who violates subparagraph (A) by knowingly harvesting, or allowing to be harvested, an acreage of sugarcane in excess of the farm's proportionate share shall be liable to the Commodity Credit Corporation for a civil penalty equal to one and one-half times the United States market value of the quantity of sugar that is marketed by the processor of such sugarcane in excess of the allocation of such processor for the crop year. The Secretary shall prorate penalties imposed under this subparagraph in a fair and equitable manner among all the producers of sugarcane harvested from excess acreage that is acquired by such processor.

"(6) WAIVER.—Notwithstanding the preceding subparagraph, the Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other proportionate share requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of proportionate shares.

"(7) ADJUSTMENTS.—Whenever the Secretary determines that, because of a natural disaster or other condition beyond the control of producers that adversely affects a crop of sugarcane subject to proportionate shares, the amount of sugarcane produced by producers subject to the proportionate shares will not be sufficient to enable processors in the State to meet the State's cane sugar allotment and provide a normal carryover inventory of sugar, the Secretary may uniformly allow producers to harvest an amount of sugarcane in excess of their proportionate share, or suspend proportionate shares entirely, as necessary to enable processors to meet the State allotment and provide a normal carryover inventory of sugar.

"(8) PROCESSING FACILITY CLOSURES.—

"(A) IN GENERAL.—If a sugarcane processing facility subject to this subsection is closed and the sugarcane growers that delivered sugarcane to the facility prior to closure elect to deliver their sugarcane to another processing company, the growers may petition the Secretary to modify allocations under this part to allow the delivery.

"(B) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the processing company to which the growers elect to deliver the sugarcane, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries.

"(C) DECREASED ALLOCATION FOR CLOSED COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation shall be unaffected.

"(D) TIMING.—The determinations of the Secretary on the issues raised by the petition shall be made within 60 days after the filing of the petition.

"SEC. 359g. SPECIAL RULES.

"(a) TRANSFER OF ACREAGE BASE HISTORY.—For the purpose of establishing proportionate shares for sugarcane farms under section 359f(c), the Secretary, on application of any producer, with the written consent of all owners of a farm, may transfer the acreage base history of the farm to any other parcels of land of the applicant.

"(b) PRESERVATION OF ACREAGE BASE HISTORY.—If for reasons beyond the control of a producer on a farm, the producer is unable to harvest an acreage of sugarcane for sugar or seed with respect to all or a portion of the proportionate share established for the farm under section 359f(c), the Secretary, on the application of the producer and with the written consent of all owners of the farm, may preserve for a period of not more than 5 consecutive years the acreage base history of the farm to the extent of the proportionate share involved. The Secretary may permit the proportionate share to be redistributed to other farms, but no acreage base history for purposes of establishing acreage bases shall accrue to the other farms by virtue of the redistribution of the proportionate share.

"(c) REVISIONS OF ALLOCATIONS AND PROPORTIONATE SHARES.—The Secretary, after such notice as the Secretary by regulation may prescribe, may revise or amend any allocation of a marketing allotment under section 359d, or any proportionate share established or adjusted for a farm under section 359f(c), on the same basis as the initial allocation or proportionate share was required to be established.

"(d) TRANSFERS OF MILL ALLOCATIONS.—

"(1) TRANSFER AUTHORIZED.—A producer in a proportionate share State, upon written consent from all crop-share owners (or the representative of the crop-share owners) of a farm, and from the processing company holding the applicable allocation for such shares, may deliver sugarcane to another processing company if the additional delivery, when combined with such other processing company's existing deliveries, does not exceed the processing capacity of the company.

"(2) ALLOCATION ADJUSTMENT.—Notwithstanding section 359d, the Secretary shall adjust the allocations of each of such processing companies affected by a transfer under paragraph (1) to reflect the change in deliveries, based on the product of—

"(A) the number of acres of proportionate shares being transferred; and

"(B) the State's per acre yield goal established under section 359f(c)(3).

"SEC. 359h. REGULATIONS; VIOLATIONS; PUBLICATION OF SECRETARY'S DETERMINATIONS; JURISDICTION OF THE COURTS; UNITED STATES ATTORNEYS.

"(a) REGULATIONS.—The Secretary or the Commodity Credit Corporation, as appropriate, shall issue such regulations as may be necessary to carry out the authority vested in the Secretary in administering this part.

"(b) VIOLATION.—Any person knowingly violating any regulation of the Secretary issued under subsection (a) shall be subject to a civil penalty of not more than $5,000 for each violation.

"(c) PUBLICATION IN FEDERAL REGISTER.—Each determination issued by the Secretary to establish, adjust, or suspend allotments under this part shall be promptly published in the Federal Register and shall be accompanied by a statement of the reasons for the determination.

"(d) JURISDICTION OF COURTS; UNITED STATES ATTORNEYS.—

"(1) JURISDICTION OF COURTS.—The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, this part or any regulation issued thereunder.

"(2) UNITED STATES ATTORNEYS.—Whenever the Secretary shall so request, it shall be the duty of the several United States attorneys, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties provided for in this part. The Secretary may elect not to refer to a United States attorney any violation of this part or regulation when the Secretary determines that the administration and enforcement of this part would be adequately served by written notice or warning to any person committing the violation.

"(e) NONEXCLUSIVITY OF REMEDIES.—The remedies and penalties provided for in this part shall be in addition to, and not exclusive of, any remedies or penalties existing at law or in equity.

"SEC. 359i. APPEALS.

"(a) IN GENERAL.—An appeal may be taken to the Secretary from any decision under section 359d establishing allocations of marketing allotments, or under section 359f, by any person adversely affected by reason of any such decision.

"(b) PROCEDURE.—

"(1) NOTICE OF APPEAL.—Any such appeal shall be taken by filing with the Secretary,

within 20 days after the decision complained of is effective, notice in writing of the appeal and a statement of the reasons therefor. Unless a later date is specified by the Secretary as part of the Secretary's decision, the decision complained of shall be considered to be effective as of the date on which announcement of the decision is made. The Secretary shall deliver a copy of any notice of appeal to each person shown by the records of the Secretary to be adversely affected by reason of the decision appealed, and shall at all times thereafter permit any such person to inspect and make copies of appellant's reasons for the appeal and shall on application permit the person to intervene in the appeal.

"(2) HEARING.—The Secretary shall provide each appellant an opportunity for a hearing before an administrative law judge in accordance with sections 554 and 556 of title 5, United States Code. The expenses for conducting the hearing shall be reimbursed by the Commodity Credit Corporation.

"(c) SPECIAL APPEAL PROCESS REGARDING BEET SUGAR ALLOCATIONS.—

"(1) APPEAL AUTHORIZED.—Beginning after the 2006 crop year, a processor that has an allocation of the beet sugar allotment under this part (referred to in this subsection as a 'petitioner') may file a notice of appeal with the Secretary regarding the petitioner's beet sugar allocation. Except as provided in paragraph (2), the Secretary shall consider the appeal if the notice alleges that any processor that has a beet sugar allocation has failed to fill at least 82.5 percent of its allocation of the beet sugar allotment with sugar produced by it or received from the Commodity Credit Corporation in 2 out of the 3 crop years preceding the crop year in which the appeal is filed. A processor that is alleged to have failed to fill at least 82.5 percent of its allocation shall be allowed to fully participate in the appeal.

"(2) EXCEPTIONS.—An appeal under paragraph (1) shall not be based on the failure of a processor to fill at least 82.5 percent of its allocation because of drought, flood, hail, or other weather disaster, as determined by the Secretary. The determination by the Secretary shall not require a formal disaster declaration.

"(3) RESPONSE TO APPEAL.—Upon the petitioner making an appeal to the Secretary, and upon a review by the Secretary of how processors have filled their allocations, the Secretary may—

"(A) assign an increased allocation for beet sugar to the petitioner that provides a fair and equitable distribution of the allocations for beet sugar, taking into account—

"(i) production history during the period beginning on April 4, 1996, and through the date of enactment of the Farm Security and Rural Investment Act of 2002;

"(ii) capital investment during that period;

"(iii) increases in United States sugar consumption; and

"(iv) the ability or inability of processors to fill the allocations they have received under this part; and

"(B) reduce, correspondingly, the allocation for beet sugar of each processor determined to have failed to fill at least 82.5 percent of its allocation of the beet sugar allotment as described in paragraph (1).

"(4) FILING DEADLINE.—For purposes of the filing deadline specified in subsection (b)(1), the 20-day period shall commence on the date on which the Secretary announces the allocations for the subsequent crop year or October 1, whichever is earlier.

"SEC. 359j. ADMINISTRATION.

"(a) USE OF CERTAIN AGENCIES.—In carrying out this part, the Secretary may use the services of local committees of sugar beet or sugarcane producers, sugarcane processors, or sugar beet processors, State and county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), and the departments and agencies of the United States Government.

"(b) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the services, facilities, funds, and authorities of the Commodity Credit Corporation to carry out this part.

"SEC. 359k. REALLOCATING SUGAR QUOTA IMPORT SHORTFALLS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, on or after June 1 of each of the 2002 through 2007 calenda. years, the United States Trade Representative, in consultation with the Secretary, shall determine the amount of the quota of cane sugar used by each qualified supplying country for that crop year, and may reallocate the unused quota for that crop year among qualified supplying countries.

"(b) QUALIFIED SUPPLYING COUNTRY DEFINED.—In this section, the term 'qualified supplying country' means one of the following foreign countries that is allowed to export cane sugar to the United States under an agreement or any other country with which the United States has an agreement relating to the importation of cane sugar:

Argentina
Australia
Barbados
Belize
Bolivia
Brazil
Colombia
Republic of the Congo
Costa Rica
Dominican Republic
Ecuador
El Salvador
Fiji
Gabon
Guatemala
Guyana
Haiti
Honduras
India
Cote D'Ivoire, formerly known as the Ivory Coast
Jamaica
Madagascar
Malawi
Mauritius
Mexico
Mozambique
Nicaragua
Panama
Papua New Guinea
Paraguay
Peru
Philippines
St. Kitts and Nevis
South Africa
Swaziland
Taiwan
Thailand
Trinidad-Tobago
Uruguay
Zimbabwe.".

Subtitle E—Dairy

SEC. 1501. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on June 1, 2002, and ending on December 31, 2007, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) PURCHASE PRICES.—

(1) UNIFORM PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary.

(2) SUFFICIENT PRICES.—The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK PURCHASE PRICES.—

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 1502. NATIONAL DAIRY MARKET LOSS PAYMENTS.

(a) DEFINITIONS.—In this section:

(1) CLASS I MILK.—The term "Class I milk" means milk (including milk components) classified as Class I milk under a Federal milk marketing order.

(2) ELIGIBLE PRODUCTION.—The term "eligible production" means milk produced by a producer in a participating State.

(3) FEDERAL MILK MARKETING ORDER.—The term "Federal milk marketing order" means an order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(4) PARTICIPATING STATE.—The term "participating State" means each State.

(5) PRODUCER.—The term "producer" means an individual or entity that directly or indirectly (as determined by the Secretary)—

(A) shares in the risk of producing milk; and

(B) makes contributions (including land, labor, management, equipment, or capital) to the dairy farming operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of the operation.

(b) PAYMENTS.—The Secretary shall offer to enter into contracts with producers on a dairy farm located in a participating State under which the producers receive payments on eligible production.

(c) AMOUNT.—Payments to a producer under this section shall be calculated by multiplying (as determined by the Secretary)—

(1) the payment quantity for the producer during the applicable month established under subsection (d);

(2) the amount equal to—

(A) $16.94 per hundredweight; less

(B) the Class I milk price per hundredweight in Boston under the applicable Federal milk marketing order; by

(3) 45 percent.

(d) PAYMENT QUANTITY.—

(1) IN GENERAL.—Subject to paragraph (2), the payment quantity for a producer during the applicable month under this section shall be equal

to the quantity of eligible production marketed by the producer during the month.

(2) LIMITATION.—The payment quantity for all producers on a single dairy operation during the months of the applicable fiscal year for which the producers receive payments under subsection (b) shall not exceed 2,400,000 pounds. For purposes of determining whether producers are producers on separate dairy operations or a single dairy operation, the Secretary shall apply the same standards as were applied in implementing the dairy program under section 805 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–387; 114 Stat. 1549A–50).

(3) RECONSTITUTION.—The Secretary shall promulgate regulations to ensure that a producer does not reconstitute a dairy operation for the sole purpose of receiving additional payments under this section.

(e) PAYMENTS.—A payment under a contract under this section shall be made on a monthly basis not later than 60 days after the last day of the month for which the payment is made.

(f) SIGNUP.—The Secretary shall offer to enter into contracts under this section during the period beginning on the date that is 60 days after the date of enactment of this Act and ending on September 30, 2005.

(g) DURATION OF CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (h), any contract entered into by producers on a dairy farm under this section shall cover eligible production marketed by the producers on the dairy farm during the period starting with the first day of month the producers on the dairy farm enter into the contract and ending on September 30, 2005.

(2) VIOLATIONS.—If a producer violates the contract, the Secretary may—

(A) terminate the contract and allow the producer to retain any payments received under the contract; or

(B) allow the contract to remain in effect and require the producer to repay a portion of the payments received under the contract based on the severity of the violation.

(h) TRANSITION RULE.—In addition to any payment that is otherwise available under this section, if the producers on a dairy farm enter into a contract under this section, the Secretary shall make a payment in accordance with the formula specified in subsection (c) on the quantity of eligible production of the producer marketed during the period beginning on December 1, 2001, and ending on the last day of the month preceding the month the producers on the dairy farm entered into the contract.

SEC. 1503. DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking "2002" and inserting "2007".

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking "1995" and inserting "2007".

SEC. 1504. DAIRY PRODUCT MANDATORY REPORTING.

Section 272(1) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637a(1)) is amended—

(1) by striking "means manufactured dairy products" and inserting "means—

"(A) manufactured dairy products";

(2) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(B) substantially identical products designated by the Secretary.".

SEC. 1505. FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM.

(a) DEFINITIONS.—Section 111 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502) is amended—

(1) in subsection (k), by striking "and" at the end;

(2) in subsection (l), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(m) the term 'imported dairy product' means any dairy product that is imported into the United States (as defined in subsection (l)), including dairy products imported into the United States in the form of—

"(1) milk, cream, and fresh and dried dairy products;

"(2) butter and butterfat mixtures;

"(3) cheese; and

"(4) casein and mixtures;

"(n) the term 'importer' means a person that imports an imported dairy product into the United States; and

"(o) the term 'Customs' means the United States Customs Service.".

(b) REPRESENTATION OF IMPORTERS ON BOARD.—Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by inserting "NATIONAL DAIRY PROMOTION AND RESEARCH BOARD.—" after "(b)";

(2) by designating the first through ninth sentences as paragraphs (1) through (5) and paragraphs (7) through (10), respectively, and indenting the paragraphs appropriately;

(3) in paragraph (2) (as so designated), by striking "Members" and inserting "Except as provided in paragraph (6), the members";

(4) by inserting after paragraph (5) (as so designated) the following:

"(6) IMPORTERS.—

"(A) INITIAL REPRESENTATION.—In making initial appointments to the Board of importer representatives, the Secretary shall appoint 2 members who represent importers of dairy products and are subject to assessments under the order.

"(B) SUBSEQUENT REPRESENTATION.—At least once every 3 years after the initial appointment of importer representatives under subparagraph (A), the Secretary shall review the average volume of domestic production of dairy products compared to the average volume of imports of dairy products into the United States during the previous 3 years and, on the basis of that review, shall reapportion importer representation on the Board to reflect the proportional share of the United States market by domestic production and imported dairy products.

"(C) ADDITIONAL MEMBERS; NOMINATIONS.—The members appointed under this paragraph—

"(i) shall be in addition to the total number of members appointed under paragraph (2); and

"(ii) shall be appointed from nominations submitted by importers under such procedures as the Secretary determines to be appropriate."; and

(5) in paragraph (8) (as so designated), by striking "is produced" and inserting "is produced as well as importers of dairy products".

(c) BUDGETS.—Section 113(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)) is amended—

(1) by striking "(e)" and inserting:

"(e) BUDGETS.—

"(1) PREPARATION AND SUBMISSION.—";

(2) by striking the last sentence; and

(3) by adding at the end the following:

"(2) FOREIGN MARKET EFFORTS.—The order shall authorize the Board to expend in the maintenance and expansion of foreign markets an amount not to exceed the amount collected from United States producers for a fiscal year. Of those funds, for each of the 2002 through 2007 fiscal years, the Board's budget may provide for the expenditure of revenues available to the Board to develop international markets for, and to promote within such markets, the consumption of dairy products produced or manufactured in the United States.".

(d) IMPORTER ASSESSMENT.—Section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)) is amended—

(1) by inserting "ASSESSMENTS.—" after "(g)";

(2) by designating the first through fifth sentences as paragraphs (1) through (5), respectively, and indenting appropriately;

(3) in paragraph (3) (as so designated)—

(A) by inserting "for milk produced in the United States and imported dairy products" after "The rate of assessment"; and

(B) by inserting before the period at the end the following: ", as determined by the Secretary"; and

(4) by adding at the end the following:

"(6) IMPORTERS.—

"(A) IN GENERAL.—The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.

"(B) TIME FOR PAYMENT.—The assessment on imported dairy products shall be paid by the importer to Customs at the time the entry documents are filed with Customs. Customs shall remit the assessments to the Board. For purposes of this subparagraph, the term 'importer' includes persons who hold title to foreign-produced dairy products immediately upon release by Customs, as well as persons who act on behalf of others, as agents, brokers, or consignees, to secure the release of dairy products from Customs.

"(C) USE OF ASSESSMENTS ON IMPORTED DAIRY PRODUCTS.—Assessments collected on imported dairy products shall not be used for foreign market promotion.".

(e) RECORDS.—Section 113(k) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(k)) is amended in the first sentence by striking "person receiving" and inserting "importer of imported dairy products, each person receiving".

(f) IMPORTER ELIGIBILITY TO VOTE IN REFERENDUM.—Section 116(b) of the Dairy Promotion Stabilization Act of 1983 (7 U.S.C. 4507(b)) is amended—

(1) in the first sentence—

(A) by inserting after "of producers" the following: "and importers"; and

(B) by inserting after "the producers" the following: "and importers"; and

(2) in the second sentence, by inserting after "commercial use" the following: "and importers voting in the referendum (who have been engaged in the importation of dairy products during the same representative period, as determined by the Secretary)".

(g) ORDER IMPLEMENTATION AND INTERNATIONAL TRADE OBLIGATIONS.—Section 112 of the Dairy Promotion Stabilization Act of 1983 (7 U.S.C. 4503) is amended by adding at the end the following:

"(d) ORDER IMPLEMENTATION AND INTERNATIONAL TRADE OBLIGATIONS.—The Secretary, in consultation with the United States Trade Representative, shall ensure that the order is implemented in a manner consistent with the international trade obligations of the Federal Government.".

(h) CONFORMING AMENDMENTS TO REFLECT ADDITION OF IMPORTERS.—The Dairy Production Stabilization Act of 1983 is amended—

(1) in section 110(b) (7 U.S.C. 4501(b))—

(A) in the first sentence—

(i) by inserting after "commercial use" the following: "and on imported dairy products"; and

(ii) by striking "products produced in the United States." and inserting "products."; and

(B) in the second sentence, by inserting after "produce milk" the following: "or the right of any person to import dairy products"; and

(2) in section 111(d) (7 U.S.C. 4502(d)), by striking "produced in the United States".

SEC. 1506. FLUID MILK PROMOTION.

(a) DEFINITION OF FLUID MILK PRODUCT.—Section 1999C of the Fluid Milk Promotion Act

of 1990 (7 U.S.C. 6402) is amended by striking paragraph (3) and inserting the following:

"(3) Fluid Milk Product.—The term 'fluid milk product' has the meaning given the term in—

"(A) section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made by the Secretary; or

"(B) any successor regulation.".

(b) Definition of Fluid Milk Processor.—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking "500,000 pounds of fluid milk products in consumer-type packages per month" and inserting "3,000,000 pounds of fluid milk products in consumer-type packages per month (excluding products delivered directly to the place of residence of a consumer)".

(c) Elimination of Order Termination Date.—Section 1999O of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 1507. STUDY OF NATIONAL DAIRY POLICY.

(a) Study Required.—The Secretary of Agriculture shall conduct a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) Report.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the study required by this section.

(c) National Dairy Policy Defined.—In this section, the term "national dairy policy" means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Act of 1937.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program established under section 1401.

(6) Export programs regarding milk and dairy products, such as the dairy export incentive program established under section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14).

SEC. 1508. STUDIES OF EFFECTS OF CHANGES IN APPROACH TO NATIONAL DAIRY POLICY AND FLUID MILK IDENTITY STANDARDS.

(a) Federal Dairy Policy Changes.—The Secretary of Agriculture shall conduct a study of the effects of—

(1) terminating all Federal programs relating to price support and supply management for milk; and

(2) granting the consent of Congress to cooperative efforts by States to manage milk prices and supply.

(b) Fluid Milk Identity Standards.—The Secretary shall conduct a study of the effects of including in the standard of identity for fluid milk a required minimum protein content that is commensurate with the average nonfat solids content of bovine milk produced in the United States.

(c) Reports.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the studies required by this section.

Subtitle F—Administration

SEC. 1601. ADMINISTRATION GENERALLY.

(a) Use of Commodity Credit Corporation.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title.

(b) Determinations by Secretary.—A determination made by the Secretary under this title shall be final and conclusive.

(c) Regulations.—

(1) In general.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this title.

(2) Procedure.—The promulgation of the regulations and administration of this title shall be made without regard to—

(A) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act");

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) the notice and comment provisions of section 553 of title 5, United States Code.

(3) Congressional review of agency rulemaking.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(d) Treatment of Advance Payment Option.—The protection that was afforded producers that had an option to elect to accelerate the receipt of any payment under a production flexibility contract payable under the Federal Agriculture Improvement and Reform Act of 1996, as provided by section 525 of Public 106–170 (113 Stat. 1928; 7 U.S.C. 7212 note), shall also apply to the option to receive—

(1) the advance payment of direct payments and counter-cyclical payments under subtitle A and subtitle C; and

(2) the single payment of compensation for eligible peanut quota holders under section 1310.

(e) Adjustment Authority Related to Uruguay Round Compliance.—

(1) Required determination; adjustment.—If the Secretary determines that expenditures under subtitles A through E that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)), as in effect on the date of enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary shall, to the maximum extent practicable, make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed such allowable levels.

(2) Congressional notification.—Before making any adjustment under paragraph (1), the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report describing the determination made under that paragraph and the extent of the adjustment to be made.

SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) Agricultural Adjustment Act of 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2002 through 2007 crops of covered commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2007:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326–1351).

(2) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(3) Subtitle D of title III (7 U.S.C. 1379a–1379j).

(4) Title IV (7 U.S.C. 1401–1407).

(b) Agricultural Act of 1949.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2002 through 2007 crops of covered commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act and through December 31, 2007:

(1) Section 101 (7 U.S.C. 1441).

(2) Section 103(a) (7 U.S.C. 1444(a)).

(3) Section 105 (7 U.S.C. 1444b).

(4) Section 107 (7 U.S.C. 1445a).

(5) Section 110 (7 U.S.C. 1445e).

(6) Section 112 (7 U.S.C. 1445g).

(7) Section 115 (7 U.S.C. 1445k).

(8) Section 201 (7 U.S.C. 1446).

(9) Title III (7 U.S.C. 1447–1449).

(10) Title IV (7 U.S.C. 1421–1433d), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).

(11) Title V (7 U.S.C. 1461–1469).

(12) Title VI (7 U.S.C. 1471–1471j).

(c) Suspension of Certain Quota Provisions.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2002 through 2007.

(d) Conforming Amendment.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking "2002" the first place appears and inserting "2001".

SEC. 1603. PAYMENT LIMITATIONS.

(a) Limitation on Amounts Received.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking the section heading, "Sec. 1001.", and all that follows through the end of paragraph (4) and inserting the following:

"SEC. 1001. PAYMENT LIMITATIONS.

"(a) Definitions.—In this section:

"(1) Covered commodity.—The term 'covered commodity' has the meaning given that term in section 1001 of the Farm Security and Rural Investment Act of 2002.

"(2) Loan commodity.—The term 'loan commodity' has the meaning given that term in section 1001 of the Farm Security and Rural Investment Act of 2002, except that the term does not include wool, mohair, or honey.

"(3) Secretary.—The term 'Secretary' means the Secretary of Agriculture.

"(b) Limitation on Direct Payments.—

"(1) Covered commodities.—The total amount of direct payments made to a person during any crop year under subtitle A of title I of the Farm Security and Rural Investment Act of 2002 for 1 or more covered commodities may not exceed $40,000.

"(2) Peanuts.—The total amount of direct payments made to a person during any crop year under subtitle C of title I of the Farm Security and Rural Investment Act of 2002 may not exceed $40,000.

"(c) Limitation on Counter-Cyclical Payments.—

"(1) Covered commodities.—The total amount of counter-cyclical payments made to a person during any crop year under subtitle A of *title I of the Farm Security and Rural Investment Act of 2002 for 1 or more covered commodities may not exceed $65,000.*

"(2) PEANUTS.—The total amount of counter-cyclical payments made to a person during any crop year under subtitle C of title I of the Farm Security and Rural Investment Act of 2002 may not exceed $65,000.

"(d) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

"(1) LOAN COMMODITIES.—The total amount of the following gains and payments that a person may receive during any crop year may not exceed $75,000:

"(A) Any gain realized by a producer from repaying a marketing assistance loan for 1 or more loan commodities under subtitle B of title I of the Farm Security and Rural Investment Act of 2002 at a lower level than the original loan rate established for the loan commodity under that subtitle.

"(B) Any loan deficiency payments received for 1 or more loan commodities under that subtitle.

"(2) OTHER COMMODITIES.—The total amount of the following gains and payments that a person may receive during any crop year may not exceed $75,000:

"(A) Any gain realized by a producer from repaying a marketing assistance loan for peanuts, wool, mohair, or honey under subtitle B or C of title I of the Farm Security and Rural Investment Act of 2002 at a lower level than the original loan rate established for the commodity under those subtitles.

"(B) Any loan deficiency payments received for peanuts, wool, mohair, and honey under those subtitles.".

(b) CLERICAL AND CONFORMING AMENDMENTS TO SECTION 1001.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (5)—

(A) by striking "(5)" and inserting "(e) DEFINITION OF PERSON.—"

(B) by redesignating subparagraphs (A) through (E) as paragraphs (1) through (5), respectively;

(C) in paragraph (1), as so redesignated—

(i) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(ii) by striking the second sentence; and

(D) in paragraph (2), as so redesignated—

(i) by redesignating clause (i) as subparagraph (A) and, in such subparagraph (as so redesignated)—

(I) by striking "subparagraph (A), subject to clause (ii)" and inserting "paragraph (1), subject to subparagraph (B)"; and

(II) by redesignating subclauses (I), (II), and (III), as clauses (i), (ii), and (iii), respectively;

(ii) by redesignating clause (ii) as subparagraph (B) and, in such subparagraph (as so redesignated), by redesignating subclauses (I), (II), and (III), as clauses (i), (ii), and (iii), respectively; and

(iii) by redesignating clause (iii) as subparagraph (C) and, in such subparagraph (as so redesignated)—

(I) by striking "as described in paragraphs (1) and (2)" and inserting "as described in subsections (b), (c), and (d)"; and

(II) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively;

(2) in paragraph (6), by striking "(6)" and inserting "(f) PUBLIC SCHOOLS.—"; and

(3) in paragraph (7), by striking "(7)" and inserting "(g) TIME LIMITS; RELIANCE.—".

(c) CONFORMING AMENDMENTS TO OTHER LAWS.—

(1) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended—

(A) in subsections (a)(1) and (b)(2)(B), by striking "section 1001(5)(B)(i)(II)" and inserting "section 1001(e)(2)(A)(ii)"; and

(B) in subsections (a)(1) and (b)(1), by striking "section 1001(5)(B)(i)" and inserting "section 1001(e)(2)(A)"; and

(2) Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended by striking "as described in paragraphs (1) and (2)" and inserting "as described in subsections (b), (c), and (d)".

(3) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended by inserting "title I of the Farm Security and Rural Investment Act of 2002," after "made available under".

(d) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of any covered commodity.

SEC. 1604. ADJUSTED GROSS INCOME LIMITATION.

The Food Security Act of 1985 is amended—

(1) by redesignating section 1001D (7 U.S.C. 1308–4) and section 1001E (7 U.S.C. 1308–5) as sections 1001E and 1001F, respectively; and

(2) by inserting after section 1001C (7 U.S.C. 1308–3) the following:

"SEC. 1001D. ADJUSTED GROSS INCOME LIMITATION.

"(a) DEFINITION OF AVERAGE ADJUSTED GROSS INCOME.—

"(1) IN GENERAL.—In this section, the term 'average adjusted gross income', with respect to an individual or entity (for purposes of this section, as defined in section 1001(e)(2)(A)(ii)), means the 3-year average of the adjusted gross income or comparable measure of the individual or entity over the 3 preceding tax years, as determined by the Secretary.

"(2) SPECIAL RULES FOR CERTAIN INDIVIDUALS AND ENTITIES.—In the case of an entity that is not required to file a Federal income tax return or an individual or entity that did not have taxable income in 1 or more of the tax years used to determine the average under paragraph (1), the Secretary shall provide, by regulation, a method for determining the average adjusted gross income of the individual or entity for purposes of this section.

"(b) LIMITATION.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) during a crop year if the average adjusted gross income of the individual or entity exceeds $2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.

"(2) COVERED BENEFITS.—Paragraph (1) applies with respect to the following:

"(A) A direct payment or counter-cyclical payment under subtitle A or C of title I of the Farm Security and Rural Investment Act of 2002.

"(B) A marketing loan gain or payment described in section 1001(d) of this Act.

"(C) A payment under any program under title XII of this Act or title II of the Farm Security and Rural Investment Act of 2002.

"(c) CERTIFICATION.—To comply with the limitation under subsection (b), an individual or entity shall provide to the Secretary—

"(1) a certification by a certified public accountant or another third party that is acceptable to the Secretary that the average adjusted gross income of the individual or entity does not exceed the limitation specified in that subsection; or

"(2) information and documentation regarding the adjusted gross income of the individual or entity through other procedures established by the Secretary.

"(d) COMMENSURATE REDUCTION.—In the case of a benefit described in subsection (b)(2) made in a crop year to an entity, general partnership, or joint venture, the amount of the benefit shall be reduced by an amount that is commensurate with the direct and indirect ownership interest in the entity, general partnership, or joint venture of each individual who has an average adjusted gross income in excess of the limitation specified in subsection (b) for the average of the 3 preceding crop years.

"(e) EFFECTIVE PERIOD.—This section shall apply only during the 2003 through 2007 crop years.".

SEC. 1605. COMMISSION ON APPLICATION OF PAYMENT LIMITATIONS.

(a) ESTABLISHMENT.—There is established a commission to be known as the "Commission on the Application of Payment Limitations for Agriculture" (referred to in this section as the "Commission").

(b) DUTIES.—The Commission shall conduct a study on the potential impacts of further payment limitations on the receipt of direct payments, counter-cyclical payments, and marketing loan gains and loan deficiency payments on—

(1) farm income;

(2) land values;

(3) rural communities;

(4) agribusiness infrastructure;

(5) planting decisions of producers affected; and

(6) supply and prices of covered commodities, loan commodities, specialty crops (including fruits and vegetables), and other agricultural commodities.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 10 members as follows:

(A) 3 members appointed by the Secretary.

(B) 3 members appointed by the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(C) 3 members appointed by the Committee on Agriculture of the House of Representatives.

(D) The Chief Economist of the Department of Agriculture.

(2) FEDERAL GOVERNMENT EMPLOYMENT.—The membership of the Commission may include 1 or more employees of the Department of Agriculture or other Federal agencies.

(3) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(4) TERM; VACANCIES.—

(A) TERM.—A member shall be appointed for the life of the Commission.

(B) VACANCIES.—A vacancy on the Commission—

(i) shall not affect the powers of the Commission; and

(ii) shall be filled in the same manner as the original appointment was made.

(5) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

(d) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number of members may hold hearings.

(e) CHAIRPERSON.—The Secretary shall appoint 1 of the members of the Commission to serve as Chairperson of the Commission.

(f) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the study required by subsection (b), including such recommendations as the Commission considers appropriate.

(g) HEARINGS.—The Commission may hold such hearings, meet and act at such times and

places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this section.

(h) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this section. On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

(i) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

(j) ASSISTANCE FROM SECRETARY.—The Secretary may provide to the Commission appropriate office space and such reasonable administrative and support services as the Commission may request.

(k) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL EMPLOYEES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) FEDERAL EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

(3) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

(l) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission or any proceeding of the Commission.

SEC. 1606. ADJUSTMENTS OF LOANS.

Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by striking "this title" and inserting "this title and title I of the Farm Security and Rural Investment Act of 2002".

SEC. 1607. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking "this title" each places it appears and inserting "this title and title I of the Farm Security and Rural Investment Act of 2002".

SEC. 1608. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended—

(1) in subsection (a), by striking "subtitle C" and inserting "subtitle C of this title and subtitle B and C of title I of the Farm Security and Rural Investment Act of 2002"; and

(2) in subsection (c)(1), by striking "subtitle C" and inserting "subtitle C of this title and subtitle B and C of title I of the Farm Security and Rural Investment Act of 2002".

SEC. 1609. COMMODITY CREDIT CORPORATION INVENTORY.

Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended in the last sentence by inserting before the period at the end the following: "(including, at the option of the Corporation, the use of private sector entities)".

SEC. 1610. RESERVE STOCK LEVEL.

Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

(1) in clause (i), by striking "100,000,000" and inserting "60,000,000"; and

(2) in clause (ii), by striking "15 percent" and inserting "10 percent".

SEC. 1611. FARM RECONSTITUTIONS.

(a) IN GENERAL.—Section 316(a)(1)(A)(ii) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314b(a)(1)(A)(ii)) is amended by adding at the end the following: "Notwithstanding any other provision of law, for the 2002 crop only, the Secretary shall allow special farm reconstitutions, in lieu of lease and transfer of allotments and quotas, under this section, in accordance with such conditions as are established by the Secretary.".

(b) STUDY.—

(1) IN GENERAL.—The Secretary shall conduct a study on the effects on the limitation on producers to move quota to a farm other than the farm to which the quota was initially assigned under part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.).

(2) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the study.

SEC. 1612. ASSIGNMENT OF PAYMENTS.

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of this Act. The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 1613. EQUITABLE RELIEF FROM INELIGIBILITY FOR LOANS, PAYMENTS, OR OTHER BENEFITS.

(a) DEFINITIONS.—In this section:

(1) AGRICULTURAL COMMODITY.—The term "agricultural commodity" means any agricultural commodity, food, feed, fiber, or livestock that is subject to a covered program.

(2) COVERED PROGRAM.—

(A) IN GENERAL.—The term "covered program" means—

(i) a program administered by the Secretary under which price or income support, or production or market loss assistance, is provided to producers of agricultural commodities; and

(ii) a conservation program administered by the Secretary.

(B) EXCLUSIONS.—The term "covered program" does not include—

(i) an agricultural credit program carried out under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.); or

(ii) the crop insurance program carried out under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(3) PARTICIPANT.—The term "participant" means a participant in a covered program.

(4) STATE CONSERVATIONIST.—The term "State Conservationist" means the State Conservationist with respect to a program administered by the Natural Resources Conservation Service.

(5) STATE DIRECTOR.—The term "State Director" means the State Executive Director of the Farm Service Agency with respect to a program administered by the Farm Service Agency.

(b) EQUITABLE RELIEF.—The Secretary may provide relief to any participant that is determined to be not in compliance with the requirements of a covered program, and therefore ineligible for a loan, payment, or other benefit under the covered program, if the participant—

(1) acting in good faith, relied on the action or advice of the Secretary (including any authorized representative of the Secretary) to the detriment of the participant; or

(2) failed to comply fully with the requirements of the covered program, but made a good faith effort to comply with the requirements.

(c) FORMS OF RELIEF.—The Secretary may authorize a participant in a covered program to—

(1) retain loans, payments, or other benefits received under the covered program;

(2) continue to receive loans, payments, and other benefits under the covered program;

(3) continue to participate, in whole or in part, under any contract executed under the covered program;

(4) in the case of a conservation program, reenroll all or part of the land covered by the program; and

(5) receive such other equitable relief as the Secretary determines to be appropriate.

(d) REMEDIAL ACTION.—As a condition of receiving relief under this section, the Secretary may require the participant to take actions designed to remedy any failure to comply with the covered program.

(e) EQUITABLE RELIEF BY STATE DIRECTORS AND STATE CONSERVATIONISTS.—

(1) IN GENERAL.—A State Director, in the case of programs administered by the State Director, and the State Conservationist, in the case of programs administered by the State Conservationist, may grant relief to a participant in accordance with subsections (b) through (d) if—

(A) the amount of loans, payments, and benefits for which relief will be provided to the participant under this subsection is less than $20,000;

(B) the total amount of loans, payments, and benefits for which relief has been previously provided to the participant under this subsection is not more than $5,000; and

(C) the total amount of loans, payments, and benefits for which relief is provided to similarly situated participants under this subsection is not more than $1,000,000, as determined by the Secretary.

(2) CONSULTATION, APPROVAL, AND REVERSAL.—The decision by a State Director or State Conservationist to grant relief under this subsection—

(A) shall not require prior approval by the Administrator of the Farm Service Agency, the Chief of the Natural Resources Conservation Service, or any other officer or employee of the Agency or Service;

(B) shall be made only after consultation with, and the approval of, the Office of General Counsel of the Department of Agriculture; and

(C) is subject to reversal only by the Secretary (who may not delegate the reversal authority).

(3) NONAPPLICABILITY.—The authority of a State Director or State Conservationist under this subsection does not apply to the administration of—

(A) payment limitations under—

(i) sections 1001 through 1001F of the Food Security Act of 1985 (7 U.S.C. 1308 et seq.); or

(ii) a conservation program administered by the Secretary.

(B) highly erodible land and wetland conservation requirements under subtitle B or C of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.).

(4) OTHER AUTHORITY.—The authority provided to a State Director and State Conservationist under this subsection is in addition to any other applicable authority and does not limit other authority provided by law or the Secretary.

(f) JUDICIAL REVIEW.—A discretionary decision by the Secretary, the State Director, or the State Conservationist under this section shall be final, and shall not be subject to review under chapter 7 of title 5, United States Code.

(g) REPORTS.—Not later than February 1 of each year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes for the previous calendar year—

(1) the number of requests for equitable relief under subsections (b) and (e) and the disposition of the requests; and

(2) the number of requests for equitable relief under section 278(d) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6998(d)) and the disposition of the requests.

(h) RELATIONSHIP TO OTHER LAW.—The authority provided in this section is in addition to any other authority provided in this or any other Act.

(i) FINALITY RULE.—Section 281(a) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)) is amended—

(1) by striking "Consolidated Farm Service Agency" each place it appears and inserting "Farm Service Agency";

(2) in paragraph (1)—

(A) by striking "This subsection" and inserting the following:

"(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection"; and

(B) by adding at the end the following:

"(B) NONAPPLICABILITY.—This subsection does not apply to—

"(i) a function performed under section 376 of the Consolidated Farm and Rural Development Act; or

"(ii) a function performed under a conservation program administered by the Natural Resources Conservation Service."; and

(3) in paragraph (2), by inserting ", before the end of the 90-day period," after "unless the decision".

(j) CONFORMING AMENDMENTS.—

(1) Section 326 of the Food and Agriculture Act of 1962 (7 U.S.C. 1339a) is repealed.

(2) Section 278(d) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6998(d)) is amended in the first sentence by striking "section 326 of the Food and Agriculture Act of 1962 (7 U.S.C. 1339a)" and inserting "section 1613 of the Farm Security and Rural Investment Act of 2002".

(3) Section 1230A of the Food Security Act of 1985 (16 U.S.C. 3830a) is repealed.

SEC. 1614. TRACKING OF BENEFITS.

As soon as practicable after the date of enactment of this Act, the Secretary shall establish procedures to track the benefits provided, directly or indirectly, to individuals and entities under titles I and II and the amendments made by those titles.

SEC. 1615. ESTIMATES OF NET FARM INCOME.

In each issuance of projections of net farm income, the Secretary shall include (as determined by the Secretary)—

(1) an estimate of the net farm income earned by commercial producers in the United States; and

(2) an estimate of the net farm income attributable to commercial producers of each of the following:

(A) Livestock.

(B) Loan commodities.

(C) Agricultural commodities other than loan commodities.

SEC. 1616. AVAILABILITY OF INCENTIVE PAYMENTS FOR CERTAIN PRODUCERS.

(a) INCENTIVE PAYMENTS REQUIRED.—Subject to subsection (b), the Secretary shall make available a total of $20,000,000 of funds of the Commodity Credit Corporation during the 2003 through 2005 crop years to provide incentive payments to producers of hard white wheat.

(b) CONDITIONS ON IMPLEMENTATION.—The Secretary shall implement subsection (a)—

(1) only with regard to production that meets minimum quality criteria; and

(2) on not more than 2,000,000 acres or the equivalent volume of production.

(c) DEMAND FOR WHEAT.—To be eligible to obtain an incentive payment under subsection (a), a producer shall demonstrate to the satisfaction of the Secretary that buyers and end-users are available for the wheat to be covered by the incentive payment.

SEC. 1617. RENEWED AVAILABILITY OF MARKET LOSS ASSISTANCE AND CERTAIN EMERGENCY ASSISTANCE TO PERSONS THAT FAILED TO RECEIVE ASSISTANCE UNDER EARLIER AUTHORITIES.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—The Secretary of Agriculture may use such funds of the Commodity Credit Corporation as are necessary to provide market loss assistance and other emergency assistance under a provision of law specified in subsection (c) to persons that, as determined by the Secretary)—

(1) were eligible to receive the assistance under the provision of law; but

(2) did not receive the assistance before October 1, 2001.

(b) LIMITATION.—The amount of assistance provided under a provision of law specified in subsection (c) and this section to a person shall not exceed the amount of assistance the person would have been eligible to receive under the provision had the claim of the producer under the provision been timely resolved.

(c) COVERED MARKET LOSS ASSISTANCE AUTHORITIES.—The following provisions of law are covered by this section:

(1) Sections 1, 2, 3, 4, and 5 of Public Law 107–25 (115 Stat. 201).

(2) Sections 805, 806, and 814 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–387; 114 Stat. 1549).

(3) Sections 201, 202, 204(a), 204(d), 257, and 259 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1421 note).

(4) Sections 802, 803(a), 804, and 805 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000 (Public Law 106–78; 113 Stat. 1135).

(5) The livestock indemnity program under the heading "COMMODITY CREDIT CORPORATION FUND" in chapter 1 of title I of the 1999 Emergency Supplemental Appropriations Act (Public 106–31; 113 Stat. 59).

(6) Section 1111(a) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (as contained in section 101(a) of division A of Public Law 105–277; 112 Stat. 2681–44).

SEC. 1618. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding any other provision of law, the Secretary and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

TITLE II—CONSERVATION

Subtitle A—Conservation Security

SEC. 2001. CONSERVATION SECURITY PROGRAM.

(a) IN GENERAL.—Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by inserting after chapter 1 the following:

"CHAPTER 2—CONSERVATION SECURITY AND FARMLAND PROTECTION

"Subchapter A—Conservation Security Program

"SEC. 1238. DEFINITIONS.

"In this subchapter:

"(1) BASE PAYMENT.—The term 'base payment' means an amount that is—

"(A) determined in accordance with the rate described in section 1238C(b)(1)(A); and

"(B) paid to a producer under a conservation security contract in accordance with clause (i) of subparagraph (C), (D), or (E) of section 1238C(b)(1), as appropriate.

"(2) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning given the term under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).

"(3) CONSERVATION PRACTICE.—The term 'conservation practice' means a conservation farming practice described in section 1238A(d)(4) that—

"(A) requires planning, implementation, management, and maintenance; and

"(B) promotes 1 or more of the purposes described in section 1238A(a).

"(4) CONSERVATION SECURITY CONTRACT.—The term 'conservation security contract' means a contract described in section 1238A(e).

"(5) CONSERVATION SECURITY PLAN.—The term 'conservation security plan' means a plan described in section 1238A(c).

"(6) CONSERVATION SECURITY PROGRAM.—The term 'conservation security program' means the program established under section 1238A(a).

"(7) ENHANCED PAYMENT.—The term 'enhanced payment' means the amount paid to a producer under a conservation security contract that is equal to the amount described in section 1238C(b)(1)(C)(iii).

"(8) NONDEGRADATION STANDARD.—The term 'nondegradation standard' means the level of measures required to adequately protect, and prevent degradation of, 1 or more natural resources, as determined by the Secretary in accordance with the quality criteria described in handbooks of the Natural Resources Conservation Service.

"(9) PRODUCER.—

"(A) IN GENERAL.—The term 'producer' means an owner, operator, landlord, tenant, or sharecropper that—

"(i) shares in the risk of producing any crop or livestock; and

"(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

"(B) HYBRID SEED GROWERS.—In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract.

"(10) RESOURCE-CONSERVING CROP ROTATION.—The term 'resource-conserving crop rotation' means a crop rotation that—

"(A) includes at least 1 resource-conserving crop (as defined by the Secretary);

"(B) reduces erosion;

"(C) improves soil fertility and tilth;

"(D) interrupts pest cycles; and

"(E) in applicable areas, reduces depletion of soil moisture (or otherwise reduces the need for irrigation).

"(11) RESOURCE MANAGEMENT SYSTEM.—The term 'resource management system' means a system of conservation practices and management relating to land or water use that is designed to prevent resource degradation and permit sustained use of land, water, and other natural resources, as defined in accordance with the technical guide of the Natural Resources Conservation Service.

"(12) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Chief of the Natural Resources Conservation Service.

"(13) TIER I CONSERVATION SECURITY CONTRACT.—The term 'Tier I conservation security contract' means a contract described in section 1238A(d)(5)(A).

"(14) TIER II CONSERVATION SECURITY CONTRACT.—The term 'Tier II conservation security contract' means a contract described in section 1238A(d)(5)(B).

"(15) TIER III CONSERVATION SECURITY CONTRACT.—The term 'Tier III conservation security contract' means a contract described in section 1238A(d)(5)(C).

"SEC. 1238A. CONSERVATION SECURITY PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish and, for each of fiscal years 2003 through 2007, carry out a conservation security program to assist producers of agricultural operations in promoting, as is applicable with respect to land to be enrolled in the program, conservation and improvement of the quality of soil, water, air, energy, plant and animal life, and any other conservation purposes, as determined by the Secretary.

"(b) ELIGIBILITY.—

"(1) ELIGIBLE PRODUCERS.—To be eligible to participate in the conservation security program (other than to receive technical assistance under section 1238C(g) for the development of conservation security contracts), a producer shall—

"(A) develop and submit to the Secretary, and obtain the approval of the Secretary of, a conservation security plan that meets the requirements of subsection (c)(1); and

"(B) enter into a conservation security contract with the Secretary to carry out the conservation security plan.

"(2) ELIGIBLE LAND.—Except as provided in paragraph (3), private agricultural land (including cropland, grassland, prairie land, improved pasture land, and rangeland), land under the jurisdiction of an Indian tribe (as defined by the Secretary), and forested land that is an incidental part of an agricultural operation shall be eligible for enrollment in the conservation security program.

"(3) EXCLUSIONS.—

"(A) CONSERVATION RESERVE PROGRAM.—Land enrolled in the conservation reserve program under subchapter B of chapter 1 shall not be eligible for enrollment in the conservation security program.

"(B) WETLANDS RESERVE PROGRAM.—Land enrolled in the wetlands reserve program established under subchapter C of chapter 1 shall not be eligible for enrollment in the conservation security program.

"(C) GRASSLAND RESERVE PROGRAM.—Land enrolled in the grassland reserve program established under subchapter C of chapter 2 shall not be eligible for enrollment in the conservation security program.

"(D) CONVERSION TO CROPLAND.—Land that is used for crop production after the date of enactment of this subchapter that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date (except for land enrolled in the conservation reserve program under subchapter B of chapter 1) or that has been maintained using long-term crop rotation practices, as determined by the Secretary, shall not be the basis for any payment under the conservation security program.

"(4) ECONOMIC USES.—The Secretary shall permit a producer to implement, with respect to all eligible land covered by a conservation security plan, economic uses that—

"(A) maintain the agricultural nature of the land; and

"(B) are consistent with the natural resource and conservation objectives of the conservation security program.

"(c) CONSERVATION SECURITY PLANS.—

"(1) IN GENERAL.—A conservation security plan shall—

"(A) identify the designated land and resources to be conserved under the conservation security plan;

"(B) describe the tier of conservation security contract, and the particular conservation practices to be implemented, maintained, or improved, in accordance with subsection (d) on the land covered by the conservation security contract for the specified term; and

"(C) contain a schedule for the implementation, maintenance, or improvement of the conservation practices described in the conservation security plan during the term of the conservation security contract.

"(2) RESOURCE PLANNING.—The Secretary may assist producers that enter into conservation security contracts in developing a comprehensive, long-term strategy for improving and maintaining all natural resources of the agricultural operation of the producer.

"(d) CONSERVATION CONTRACTS AND PRACTICES.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT OF TIERS.—The Secretary shall establish, and offer to eligible producers, 3 tiers of conservation contracts under which a payment under this subchapter may be received.

"(B) ELIGIBLE CONSERVATION PRACTICES.—

"(i) IN GENERAL.—The Secretary shall make eligible for payment under a conservation security contract land management, vegetative, and structural practices.

"(ii) DETERMINATION.—In determining the eligibility of a practice described in clause (i), the Secretary shall require, to the maximum extent practicable, that the lowest cost alternatives be used to fulfill the purposes of the conservation security plan, as determined by the Secretary.

"(2) ON-FARM RESEARCH AND DEMONSTRATION OR PILOT TESTING.—With respect to land enrolled in the conservation security program, the Secretary may approve a conservation security plan that includes—

"(A) on-farm conservation research and demonstration activities; and

"(B) pilot testing of new technologies or innovative conservation practices.

"(3) USE OF HANDBOOK AND GUIDES; STATE AND LOCAL CONSERVATION CONCERNS.—

"(A) USE OF HANDBOOK AND GUIDES.—In determining eligible conservation practices and the criteria for implementing or maintaining the conservation practices under the conservation security program, the Secretary shall use the National Handbook of Conservation Practices of the Natural Resources Conservation Service.

"(B) STATE AND LOCAL CONSERVATION PRIORITIES.—The conservation priorities of a State or locality in which an agricultural operation is situated shall be determined by the State Conservationist, in consultation with—

"(i) the State technical committee established under subtitle G; and

"(ii) local agricultural producers and conservation working groups.

"(4) CONSERVATION PRACTICES.—Conservation practices that may be implemented by a producer under a conservation security contract (as appropriate for the agricultural operation of a producer) include—

"(A) nutrient management;

"(B) integrated pest management;

"(C) water conservation (including through irrigation) and water quality management;

"(D) grazing, pasture, and rangeland management;

"(E) soil conservation, quality, and residue management;

"(F) invasive species management;

"(G) fish and wildlife habitat conservation, restoration, and management;

"(H) air quality management;

"(I) energy conservation measures;

"(J) biological resource conservation and regeneration;

"(K) contour farming;

"(L) strip cropping;

"(M) cover cropping;

"(N) controlled rotational grazing;

"(O) resource-conserving crop rotation;

"(P) conversion of portions of cropland from a soil-depleting use to a soil-conserving use, including production of cover crops;

"(Q) partial field conservation practices;

"(R) native grassland and prairie protection and restoration; and

"(S) any other conservation practices that the Secretary determines to be appropriate and comparable to other conservation practices described in this paragraph.

"(5) TIERS.—Subject to paragraph (6), to carry out this subsection, the Secretary shall establish the following 3 tiers of conservation contracts:

"(A) TIER I CONSERVATION SECURITY CONTRACTS.—A conservation security plan for land enrolled under a Tier I conservation security contract shall—

"(i) be for a period of 5 years; and

"(ii) include conservation practices appropriate for the agricultural operation, that, at a minimum (as determined by the Secretary)—

"(I) address at least 1 significant resource of concern for the enrolled portion of the agricultural operation at a level that meets the appropriate nondegradation standard; and

"(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.

"(B) TIER II CONSERVATION SECURITY CONTRACTS.—A conservation security plan for land enrolled under a Tier II conservation security contract shall—

"(i) be for a period of not less than 5 nor more than 10 years, as determined by the producer;

"(ii) include conservation practices appropriate for the agricultural operation, that, at a minimum—

"(I) address at least 1 significant resource of concern for the entire agricultural operation, as determined by the Secretary, at a level that meets the appropriate nondegradation standard; and

"(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.

"(C) TIER III CONSERVATION SECURITY CONTRACTS.—A conservation security plan for land enrolled under a Tier III conservation security contract shall—

"(i) be for a period of not less than 5 nor more than 10 years, as determined by the producer; and

"(ii) include conservation practices appropriate for the agricultural operation that, at a minimum—

"(I) apply a resource management system that meets the appropriate nondegradation standard for all resources of concern of the entire agricultural operation, as determined by the Secretary; and

"(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.

"(6) MINIMUM REQUIREMENTS.—The minimum requirements for each tier of conservation contracts implemented under paragraph (5) shall be determined and approved by the Secretary.

"(e) CONSERVATION SECURITY CONTRACTS.—

"(1) IN GENERAL.—On approval of a conservation security plan of a producer, the Secretary shall enter into a conservation security contract with the producer to enroll the land covered by *the conservation security plan in the conservation security program.*

"(2) MODIFICATION.—

"(A) OPTIONAL MODIFICATIONS.—A producer may apply to the Secretary for a modification of the conservation security contract of the producer that is consistent with the purposes of the conservation security program.

"(B) OTHER MODIFICATIONS.—

"(i) IN GENERAL.—The Secretary may, in writing, require a producer to modify a conservation security contract before the expiration of the conservation security contract if the Secretary determines that a change made to the type, size, management, or other aspect of the agricultural operation of the producer would, without the modification of the contract, significantly interfere with achieving the purposes of the conservation security program.

"(ii) PARTICIPATION IN OTHER PROGRAMS.—If appropriate payment reductions and other adjustments (as determined by the Secretary) are made to the conservation security contract of a producer, the producer may—

"(I) simultaneously participate in—

"(aa) the conservation security program;

"(bb) the conservation reserve program under subchapter B of chapter 1; and

"(cc) the wetlands reserve program under subchapter C of chapter 1; and

"(II) may remove land enrolled in the conservation security program for enrollment in a program described in item (bb) or (cc) of subclause (I).

"(3) TERMINATION.—

"(A) OPTIONAL TERMINATION.—A producer may terminate a conservation security contract and retain payments received under the conservation security contract, if—

"(i) the producer is in full compliance with the terms and conditions (including any maintenance requirements) of the conservation security contract as of the date of the termination; and

"(ii) the Secretary determines that termination of the contract would not defeat the purposes of the conservation security plan of the producer.

"(B) OTHER TERMINATION.—A producer that is required to modify a conservation security contract under paragraph (2)(B)(i) may, in lieu of modifying the contract—

"(i) terminate the conservation security contract; and

"(ii) retain payments received under the conservation security contract, if the producer has fully complied with the terms and conditions of the conservation security contract before termination of the contract, as determined by the Secretary.

"(4) RENEWAL.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), at the option of a producer, the conservation security contract of the producer may be renewed for an additional period of not less than 5 nor more than 10 years.

"(B) TIER I RENEWALS.—In the case of a Tier I conservation security contract of a producer, the producer may renew the contract only if the producer agrees—

"(i) to apply additional conservation practices that meet the nondegradation standard on land already enrolled in the conservation security program; or

"(ii) to adopt new conservation practices with respect to another portion of the agricultural operation that address resource concerns and meet the nondegradation standard under the terms of the Tier I conservation security contract.

"(f) NONCOMPLIANCE DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—The Secretary shall include in the conservation security contract a provision, and may permit modification of a conservation security contract under subsection (e)(1), to ensure that a producer shall not be considered in violation of a conservation security contract for failure to comply with the conservation security contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary.

"SEC. 1238B. DUTIES OF PRODUCERS.

"Under a conservation security contract, a producer shall agree, during the term of the conservation security contract—

"(1) to implement the applicable conservation security plan approved by the Secretary;

"(2) to maintain, and make available to the Secretary at such times as the Secretary may request, appropriate records showing the effective and timely implementation of the conservation security plan;

"(3) not to engage in any activity that would interfere with the purposes of the conservation security program; and

"(4) on the violation of a term or condition of the conservation security contract—

"(A) if the Secretary determines that the violation warrants termination of the conservation security contract—

"(i) to forfeit all rights to receive payments under the conservation security contract; and

"(ii) to refund to the Secretary all or a portion of the payments received by the producer under the conservation security contract, including any advance payments and interest on the payments, as determined by the Secretary; or

"(B) if the Secretary determines that the violation does not warrant termination of the conservation security contract, to refund to the Secretary, or accept adjustments to, the payments provided to the producer, as the Secretary determines to be appropriate.

"SEC. 1238C. DUTIES OF THE SECRETARY.

"(a) TIMING OF PAYMENTS.—The Secretary shall make payments under a conservation security contract as soon as practicable after October 1 of each fiscal year.

"(b) ANNUAL PAYMENTS.—

"(1) CRITERIA FOR DETERMINING AMOUNT OF PAYMENTS.—

"(A) BASE PAYMENT.—A base payment under this paragraph shall be (as determined by the Secretary)—

"(i) the average national per-acre rental rate for a specific land use during the 2001 crop year; or

"(ii) another appropriate rate for the 2001 crop year that ensures regional equity.

"(B) PAYMENTS.—A payment for a conservation practice under this paragraph shall be determined in accordance with subparagraphs (C) through (E).

"(C) TIER I CONSERVATION SECURITY CONTRACTS.—The payment for a Tier I conservation security contract shall consist of the total of the following amounts:

"(i) An amount equal to 5 percent of the applicable base payment for land covered by the contract.

"(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county costs of practices for the 2001 crop year that are included in the conservation security contract, as determined by the Secretary, including the costs of—

"(I) the adoption of new management, vegetative, and land-based structural practices;

"(II) the maintenance of existing land management and vegetative practices; and

"(III) the maintenance of existing land-based structural practices that are approved by the Secretary but not already covered by a Federal or State maintenance requirement.

"(iii) An enhanced payment that is determined by the Secretary in a manner that ensures equity across regions of the United States, if the producer—

"(I) implements or maintains multiple conservation practices that exceed minimum requirements for the applicable tier of participation (including practices that involve a change in land use, such as resource-conserving crop rotation, managed rotational grazing, or conservation buffer practices);

"(II) addresses local conservation priorities in addition to resources of concern for the agricultural operation;

"(III) participates in an on-farm conservation research, demonstration, or pilot project;

"(IV) participates in a watershed or regional resource conservation plan that involves at least 75 percent of producers in a targeted area; or

"(V) carries out assessment and evaluation activities relating to practices included in a conservation security plan.

"(D) TIER II CONSERVATION SECURITY CONTRACTS.—The payment for a Tier II conservation security contract shall consist of the total of the following amounts:

"(i) An amount equal to 10 percent of the applicable base payment for land covered by the conservation security contract.

"(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county cost of adopting or maintaining practices for the 2001 crop year that are included in the conservation security contract, as described in subparagraph (C)(ii).

"(iii) An enhanced payment that is determined in accordance with subparagraph (C)(iii).

"(E) TIER III CONSERVATION SECURITY CONTRACTS.—The payment for a Tier III conservation security contract shall consist of the total of the following amounts:

"(i) An amount equal to 15 percent of the base payment for land covered by the conservation security contract.

"(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county cost of adopting or maintaining practices for the 2001 crop year that are included in the conservation security contract, as described in subparagraph (C)(ii).

"(iii) An enhanced payment that is determined in accordance with subparagraph (C)(iii).

"(2) LIMITATION ON PAYMENTS.—

"(A) IN GENERAL.—Subject to paragraphs (1) and (3), the Secretary shall make an annual payment, directly or indirectly, to an individual or entity covered by a conservation security contract in an amount not to exceed—

"(i) in the case of a Tier I conservation security contract, $20,000;

"(ii) in the case of a Tier II conservation security contract, $35,000; or

"(iii) in the case of a Tier III conservation security contract, $45,000.

"(B) LIMITATION ON BASE PAYMENTS.—In applying the payment limitation under each of clauses (i), (ii), and (iii) of subparagraph (A), an individual or entity may not receive, directly or indirectly, payments described in clause (i) of paragraph (1)(C), (1)(D), or (1)(E), as appropriate, in an amount that exceeds—

"(i) in the case of Tier I contracts, 25 percent of the applicable payment limitation; or

"(ii) in the case of Tier II contracts and Tier III contracts, 30 percent of the applicable payment limitation.

"(C) OTHER USDA PAYMENTS.—A producer shall not receive payments under the conservation security program and any other conservation program administered by the Secretary for the same practices on the same land.

"(D) COMMENSURATE SHARE.—To be eligible to receive a payment under this subchapter, an individual or entity shall make contributions (including contributions of land, labor, management, equipment, or capital) to the operation of

the farm that are at least commensurate with the share of the proceeds of the operation of the individual or entity.

"(3) EQUIPMENT OR FACILITIES.—A payment to a producer under this subchapter shall not be provided for—

"(A) construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or

"(B) the purchase or maintenance of equipment or a non-land based structure that is not integral to a land-based practice, as determined by the Secretary.

"(c) MINIMUM PRACTICE REQUIREMENT.—In determining a payment under subsection (b) for a producer that receives a payment under another program administered by the Secretary that is contingent on complying with requirements under subtitle B or C (relating to the use of highly erodible land or wetland), a payment under this subchapter on land subject to those requirements shall be for practices only to the extent that the practices exceed minimum requirements for the producer under those subtitles, as determined by the Secretary.

"(d) REGULATIONS.—The Secretary shall promulgate regulations that—

"(1) provide for adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing payments, on a fair and equitable basis; and

"(2) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (b).

"(e) TRANSFER OR CHANGE OF INTEREST IN LAND SUBJECT TO CONSERVATION SECURITY CONTRACT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the transfer, or change in the interest, of a producer in land subject to a conservation security contract shall result in the termination of the conservation security contract.

"(2) TRANSFER OF DUTIES AND RIGHTS.—Paragraph (1) shall not apply if, not later than 60 days after the date of the transfer or change in the interest in land, the transferee of the land provides written notice to the Secretary that all duties and rights under the conservation security contract have been transferred to, and assumed by, the transferee.

"(f) ENROLLMENT PROCEDURE.—In entering into conservation security contracts with producers under this subchapter, the Secretary shall not use competitive bidding or any similar procedure.

"(g) TECHNICAL ASSISTANCE.—For each of fiscal years 2003 through 2007, the Secretary shall provide technical assistance to producers for the development and implementation of conservation security contracts, in an amount not to exceed 15 percent of amounts expended for the fiscal year.".

(b) REGULATIONS.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations implementing the amendment made by subsection (a).

SEC. 2002. CONSERVATION COMPLIANCE.

(a) HIGHLY ERODIBLE LAND.—Section 1211 of the Food Security Act of 1985 (16 U.S.C. 3811) is amended—

(1) by striking the section heading and all that follows through "Except as provided in" and inserting the following:

"SEC. 1211. PROGRAM INELIGIBILITY.

"(a) IN GENERAL.—Except as provided in"; and

(2) by adding at the end the following:

"(b) HIGHLY ERODIBLE LAND.—The Secretary shall have, and shall not delegate to any private person or entity, authority to determine whether a person has complied with this subtitle.".

(b) WETLAND.—Section 1221 of the Food Security Act of 1985 (16 U.S.C. 3821) is amended by adding at the end the following:

"(e) WETLAND.—The Secretary shall have, and shall not delegate to any private person or entity, authority to determine whether a person has complied with this subtitle.".

SEC. 2003. PARTNERSHIPS AND COOPERATION.

Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is amended by adding at the end the following:

"(f) PARTNERSHIPS AND COOPERATION.—

"(1) IN GENERAL.—In carrying out any program under subtitle D, the Secretary may use resources provided under that subtitle to enter into stewardship agreements with State and local agencies, Indian tribes, and nongovernmental organizations and to designate special projects, as recommended by the State Conservationist, after consultation with the State technical committee, to enhance technical and financial assistance provided to owners, operators, and producers to address natural resource issues related to agricultural production.

"(2) CRITERIA FOR SPECIAL PROJECTS.—The purposes of special projects carried out under this subsection shall be to encourage—

"(A) producers to cooperate in the installation and maintenance of conservation practices that affect multiple agricultural operations;

"(B) the sharing of information and technical and financial resources among producers;

"(C) cumulative conservation benefits in geographic areas; and

"(D) the development and demonstration of innovative conservation methods.

"(3) INCENTIVES.—To realize the purposes of the special projects under paragraph (1), the Secretary may provide special incentives to owners, operators, and producers participating in the special projects to encourage partnerships and enrollments of optimal conservation value.

"(4) FLEXIBILITY.—

"(A) IN GENERAL.—The Secretary may enter into stewardship agreements with States (including State agencies and units of local government), Indian tribes, and nongovernmental organizations that have a history of working with agricultural producers to allow greater flexibility to adjust the application of eligibility criteria, approved practices, innovative conservation practices, and other elements of the programs under this title to better reflect unique local circumstances and purposes in a manner that is consistent with—

"(i) conservation enhancement and long-term productivity of the natural resource base; and

"(ii) the purposes and requirements of this title.

"(B) PLAN.—Each party to a stewardship agreement under subparagraph (A) shall submit to the Secretary, for approval by the Secretary, a special project area plan for each program to be carried out by the party that includes—

"(i) a description of the requested resources and adjustments to program implementation (including a description of how those adjustments will accelerate the achievement of conservation benefits);

"(ii) an analysis of the contribution those adjustments will make to the effectiveness of programs in achieving the purposes of the special project;

"(iii) a timetable for reevaluating the need for or performance of the proposed adjustments;

"(iv) a description of non-Federal programs and resources that will contribute to achieving the purposes of the special project; and

"(v) a plan for the evaluation of progress toward the purposes of the special project.

"(5) FUNDING.—

"(A) IN GENERAL.—In addition to resources from programs under subtitle D, subject to subparagraph (B), the Secretary shall use not more than 5 percent of the funds made available for each fiscal year under section 1241(a) to carry out activities that are authorized under conservation programs under subtitle D.

"(B) UNUSED FUNDING.—Any funds made available for a fiscal year under subparagraph (A) that are not obligated by April 1 of the fiscal year may be used to carry out other activities under conservation programs under subtitle D during the fiscal year in which the funding becomes available.".

SEC. 2004. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

(a) IN GENERAL.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

"SEC. 1244. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

"(a) BEGINNING FARMERS AND RANCHERS AND INDIAN TRIBES.—In carrying out any conservation program administered by the Secretary, the Secretary may provide to beginning farmers and ranchers and Indian tribes (as those terms are defined in section 1238) and limited resource agricultural producers incentives to participate in the conservation program to—

"(1) foster new farming and ranching opportunities; and

"(2) enhance environmental stewardship over the long term.

"(b) PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.—

"(1) INFORMATION RECEIVED FOR TECHNICAL AND FINANCIAL ASSISTANCE.—

"(A) IN GENERAL.—In accordance with section 552(b)(3) of title 5, United States Code, except as provided in subparagraph (C) and paragraph (2), information described in subparagraph (B)—

"(i) shall not be considered to be public information; and

"(ii) shall not be released to any person or Federal, State, local agency or Indian tribe (as defined by the Secretary) outside the Department of Agriculture.

"(B) INFORMATION.—The information referred to in subparagraph (A) is information—

"(i) provided to the Secretary or a contractor of the Secretary (including information provided under subtitle D) for the purpose of providing technical or financial assistance to an owner, operator, or producer with respect to any natural resources conservation program administered by the Natural Resources Conservation Service or the Farm Service Agency; and

"(ii) that is proprietary (within the meaning of section 552(b)(4) of title 5, United States Code) to the agricultural operation or land that is a part of an agricultural operation of the owner, operator, or producer.

"(C) EXCEPTION.—Nothing in this section affects the availability of payment information (including payment amounts and the names and addresses of recipients of payments) under section 552 of title 5, United States Code.

"(2) EXCEPTIONS.—

"(A) RELEASE AND DISCLOSURE FOR ENFORCEMENT.—The Secretary may release or disclose to the Attorney General information covered by paragraph (1) to the extent necessary to enforce the natural resources conservation programs referred to in paragraph (1)(B)(i).

"(B) DISCLOSURE TO COOPERATING PERSONS AND AGENCIES.—

"(i) IN GENERAL.—The Secretary may release or disclose information covered by paragraph (1) to a person or Federal, State, local, or tribal agency working in cooperation with the Secretary in providing technical and financial assistance described in paragraph (1)(B)(i) or collecting information from data gathering sites.

"(ii) USE OF INFORMATION.—The person or Federal, State, local, or tribal agency that receives information described in clause (i) may

release the information only for the purpose of assisting the Secretary—

"(I) in providing the requested technical or financial assistance; or

"(II) in collecting information from data gathering sites.

"(C) STATISTICAL AND AGGREGATE INFORMATION.—Information covered by paragraph (1) may be disclosed to the public if the information has been transformed into a statistical or aggregate form without naming any—

"(i) individual owner, operator, or producer; or

"(ii) specific data gathering site.

"(D) CONSENT OF OWNER, OPERATOR, OR PRODUCER.—

"(i) IN GENERAL.—An owner, operator, or producer may consent to the disclosure of information described in paragraph (1).

"(ii) CONDITION OF OTHER PROGRAMS.—The participation of the owner, operator, or producer in, and the receipt of any benefit by the owner, operator, or producer under this title or any other program administered by the Secretary may not be conditioned on the owner, operator, or producer providing consent under this paragraph.

"(3) VIOLATIONS; PENALTIES.—Section 1770(c) shall apply with respect to the release of information collected in any manner or for any purpose prohibited by this subsection.

"(4) DATA COLLECTION, DISCLOSURE, AND REVIEW.—Nothing in this subsection—

"(A) affects any procedure for data collection or disclosure through the National Resources Inventory; or

"(B) limits the authority of Congress or the General Accounting Office to review information collected or disclosed under this subsection.".

(b) NATIONAL RESOURCES INVENTORY.—Section 1770 of the Food Security Act of 1985 (7 U.S.C. 2276) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "or" at the end;

(B) in paragraph (2), by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(3) in the case of information collected under the authority described in subsection (d)(12), disclose the information to any person or any Federal, State, local, or tribal agency outside the Department of Agriculture, unless the information has been converted into a statistical or aggregate form that does not allow the identification of the person that supplied particular information."; and

(2) in subsection (d)—

(A) in paragraph (9), by striking "or" at the end;

(B) in paragraph (11), by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(12) section 302 of the Rural Development Act of 1972 (7 U.S.C. 1010a) regarding the authority to collect data for the National Resources Inventory.".

SEC. 2005. REFORM AND ASSESSMENT OF CONSERVATION PROGRAMS.

(a) IN GENERAL.—The Secretary of Agriculture shall develop a plan to coordinate land retirement and agricultural working land conservation programs that are administered by the Secretary to achieve the goals of—

(1) eliminating redundancy;

(2) streamlining program delivery; and

(3) improving services provided to agricultural producers (including the reevaluation of the provision of technical assistance).

(b) REPORT.—Not later than December 31, 2005, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that describes—

(1) the plan developed under subsection (a); and

(2) the means by which the Secretary intends to achieve the goals described in subsection (a).

SEC. 2006. CONFORMING AMENDMENTS.

(a) Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by striking the chapter heading and inserting the following:

"CHAPTER 1—COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM".

(b) Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended—

*(1) in the section heading, by striking "**ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM**" and inserting "**COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM**";*

(2) in subsection (a)(1), by striking "an environmental conservation acreage reserve program" and inserting "a comprehensive conservation enhancement program";

(3) by striking subsection (c); and

(4) by striking "ECARP" each place it appears and inserting "CCEP".

(c) Section 1230A of the Food Security Act of 1985 (16 U.S.C. 3830a) is repealed.

(d) Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is amended by striking the section heading and inserting the following:

"SEC. 1243. ADMINISTRATION OF CCEP.".

Subtitle B—Conservation Reserve

SEC. 2101. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended to read as follows:

"Subchapter B—Conservation Reserve

"SEC. 1231. CONSERVATION RESERVE.

"(a) IN GENERAL.—Through the 2007 calendar year, the Secretary shall formulate and carry out a conservation reserve program under which land is enrolled through the use of contracts to assist owners and operators of land specified in subsection (b) to conserve and improve the soil, water, and wildlife resources of such land.

"(b) ELIGIBLE LAND.—The Secretary may include in the program established under this subchapter—

"(1) highly erodible cropland that—

"(A)(i) if permitted to remain untreated could substantially reduce the agricultural production capability for future generations; or

"(ii) cannot be farmed in accordance with a plan that complies with the requirements of subtitle B; and

"(B) the Secretary determines had a cropping history or was considered to be planted for 4 of the 6 years preceding the date of enactment of the Farm Security and Rural Investment Act of 2002 (except for land enrolled in the conservation reserve program as of that date).

"(2) marginal pasture land converted to wetland or established as wildlife habitat prior to November 28, 1990;

"(3) marginal pasture land to be devoted to appropriate vegetation, including trees, in or near riparian areas, or devoted to similar water quality purposes (including marginal pastureland converted to wetland or established as wildlife habitat);

"(4) cropland that is otherwise ineligible if the Secretary determines that—

"(A) if permitted to remain in agricultural production, the land would—

"(i) contribute to the degradation of soil, water, or air quality; or

"(ii) pose an on-site or off-site environmental threat to soil, water, or air quality;

"(B) the land is a—

"(i) newly-created, permanent grass sod waterway; or

"(ii) a contour grass sod strip established and maintained as part of an approved conservation plan;

"(C) the land will be devoted to newly established living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips devoted to trees or shrubs; or

"(D) the land poses an off-farm environmental threat, or a threat of continued degradation of productivity due to soil salinity, if permitted to remain in production; and

"(E) enrollment of the land would facilitate a net savings in groundwater or surface water resources of the agricultural operation of the producer;

"(5) the portion of land in a field not enrolled in the conservation reserve in a case in which more than 50 percent of the land in the field is enrolled as a buffer, if—

"(A) the land is enrolled as part of the buffer; and

"(B) the remainder of the field is—

"(i) infeasible to farm; and

"(ii) enrolled at regular rental rates.

"(c) PLANTING STATUS OF CERTAIN LAND.—For purposes of determining the eligibility of land to be placed in the conservation reserve established under this subchapter, land shall be considered to be planted to an agricultural commodity during a crop year if—

"(1) during the crop year, the land was devoted to a conserving use; or

"(2)(A) during the crop year or during any of the 2 years preceding the crop year, the land was enrolled in the water bank program; and

"(B) the contract of the owner or operator of the cropland expired or will expire in calendar year 2000, 2001, or 2002.

"(d) MAXIMUM ENROLLMENT.—The Secretary may maintain up to 39,200,000 acres in the conservation reserve at any 1 time during the 2002 through 2007 calendar years (including contracts extended by the Secretary pursuant to section 1437(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 3831 note; Public Law 101–624)).

"(e) DURATION OF CONTRACT.—

"(1) IN GENERAL.—For the purpose of carrying out this subchapter, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.

"(2) CERTAIN LAND.—

"(A) IN GENERAL.—In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter after October 1, 1990, and land devoted to such uses under contracts modified under section 1235A, the owner or operator of the land may, within the limitations prescribed under this section, specify the duration of the contract.

"(B) HARDWOOD TREES.—In the case of land that is devoted to hardwood trees under a contract entered into under this subchapter prior to October 1, 1990, the Secretary may extend the contract for a term of not to exceed 5 years, as agreed to by the owner or operator of such land and the Secretary.

"(3) 1-YEAR EXTENSION.—In the case of a contract described in paragraph (1) the term of which expires during calendar year 2002, an owner or operator of land enrolled under the contract may extend the contract for 1 additional year.

"(f) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—On application by the appropriate State agency, the Secretary shall designate watershed areas of the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia), the Great Lakes Region, the Long Island Sound Region, and other areas of special environmental sensitivity as conservation priority areas.

"(2) ELIGIBLE WATERSHEDS.—Watersheds eligible for designation under this subsection shall include areas with actual and significant adverse water quality or habitat impacts related to agricultural production activities.

"(3) EXPIRATION.—Conservation priority area designation under this subsection shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw a watershed's designation—

"(A) on application by the appropriate State agency; or

"(B) in the case of an area covered by this subsection, if the Secretary finds that the area no longer contains actual and significant adverse water quality or habitat impacts related to agricultural production activities.

"(4) DUTY OF SECRETARY.—In carrying out this subsection, the Secretary shall attempt to maximize water quality and habitat benefits in the watersheds described in paragraph (1) by promoting a significant level of enrollment of land within the watersheds in the program under this subchapter by whatever means the Secretary determines are appropriate and consistent with the purposes of this subchapter.

"(g) MULTI-YEAR GRASSES AND LEGUMES.—For purposes of this subchapter, alfalfa and other multi-year grasses and legumes in a rotation practice, approved by the Secretary, shall be considered agricultural commodities.

"(h) PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.—

"(1) PROGRAM.—

"(A) IN GENERAL.—During the 2002 through 2007 calendar years, the Secretary shall carry out a program in each State under which the Secretary shall include eligible acreage described in paragraph (2) in the program established under this subchapter.

"(B) PARTICIPATION AMONG STATES.-The Secretary shall ensure, to the maximum extent practicable, that owners and operators in each State have an equitable opportunity to participate in the pilot program established under this subsection.

"(2) ELIGIBLE ACREAGE.—

"(A) IN GENERAL.—Subject to subparagraphs (B) through (D), an owner or operator may enroll in the conservation reserve under this subsection—

"(i) a wetland (including a converted wetland described in section 1222(b)(1)(A)) that was cropped during at least 3 of the immediately preceding 10 crop years; and

"(ii) buffer acreage that—

"(I) is contiguous to the wetland described in clause (i);

"(II) is used to protect the wetland; and

"(III) is of such width as the Secretary determines is necessary to protect the wetland, taking into consideration and accommodating the farming practices (including the straightening of boundaries to accommodate machinery) used with respect to the cropland that surrounds the wetland.

"(B) EXCLUSIONS.—An owner or operator may not enroll in the conservation reserve under this subsection—

"(i) any wetland, or land on a floodplain, that is, or is adjacent to, a perennial riverine system wetland identified on the final national wetland inventory map of the Secretary of the Interior; or

"(ii) in the case of an area that is not covered by the final national inventory map, any wetland, or land on a floodplain, that is adjacent to a perennial stream identified on a 1-24,000 scale map of the United States Geological Survey.

"(C) PROGRAM LIMITATIONS.—

"(i) IN GENERAL.—The Secretary may enroll in the conservation reserve under this subsection not more than—

"(I) 100,000 acres in any 1 State referred to in paragraph (1); and

"(II) not more than a total of 1,000,000 acres.

"(ii) RELATIONSHIP TO PROGRAM MAXIMUM.—Subject to clause (iii), for the purposes of subsection (d), any acreage enrolled in the conservation reserve under this subsection shall be considered acres maintained in the conservation reserve.

"(iii) RELATIONSHIP TO OTHER ENROLLED ACREAGE.—Acreage enrolled under this subsection shall not affect for any fiscal year the quantity of—

"(I) acreage enrolled to establish conservation buffers as part of the program announced on March 24, 1998 (63 Fed. Reg. 14109); or

"(II) acreage enrolled into the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965).

"(iv) REVIEW; POTENTIAL INCREASE IN ENROLLMENT ACREAGE.—Not later than 3 years after the date of enactment of this clause, the Secretary shall—

"(I) conduct a review of the program under this subsection with respect to each State that has enrolled land in the program; and

"(II) notwithstanding clause (i)(I), increase the number of acres that may be enrolled by a State under clause (i)(I) to not more than 150,000 acres, as determined by the Secretary.

"(D) OWNER OR OPERATOR LIMITATIONS.—

"(i) WETLAND.—

"(I) IN GENERAL.—The maximum size of any wetland described in subparagraph (A)(i) of an owner or operator enrolled in the conservation reserve under this subsection shall be 10 contiguous acres, of which not more than 5 acres shall be eligible for payment.

"(II) COVERAGE.—All acres described in subclause (I) (including acres that are ineligible for payment) shall be covered by the conservation contract.

"(ii) BUFFER ACREAGE.—The maximum size of any buffer acreage described in subparagraph (A)(ii) of an owner or operator enrolled in the conservation reserve under this subsection shall be the greater of—

"(I) 3 times the size of any wetland described in subparagraph (A)(i) to which the buffer acreage is contiguous; or

"(II) 150 feet on either side of the wetland.

"(iii) TRACTS.—The maximum size of any eligible acreage described in subparagraph (A) in a tract (as determined by the Secretary) of an owner or operator enrolled in the conservation reserve under this subsection shall be 40 acres.

"(3) DUTIES OF OWNERS AND OPERATORS.—Under a contract entered into under this subsection, during the term of the contract, an owner or operator of a farm or ranch shall agree—

"(A) to restore the hydrology of the wetland within the eligible acreage to the maximum extent practicable, as determined by the Secretary;

"(B) to establish vegetative cover (which may include emerging vegetation in water) on the eligible acreage, as determined by the Secretary; and

"(C) to carry out other duties described in section 1232.

"(4) DUTIES OF THE SECRETARY.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in return for a contract entered into by an owner or operator under this subsection, the Secretary shall make payments and provide assistance to the owner or operator in accordance with sections 1233 and 1234.

"(B) CONTINUOUS SIGNUP.—The Secretary shall use continuous signup under section 1234(c)(2)(B) to determine the acceptability of contract offers and the amount of rental payments under this subsection.

"(C) INCENTIVES.—The amounts payable to owners and operators in the form of rental payments under contracts entered into under this subsection shall reflect incentives that are provided to owners and operators to enroll filterstrips in the conservation reserve under section 1234.

"(i) ELIGIBILITY FOR CONSIDERATION.—On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be considered for reenrollment in the conservation reserve.

"(j) BALANCE OF NATURAL RESOURCE PURPOSES.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure, to the maximum extent practicable, an equitable balance among the conservation purposes of soil erosion, water quality, and wildlife habitat.

"SEC. 1232. DUTIES OF OWNERS AND OPERATORS.

"(a) IN GENERAL.—Under the terms of a contract entered into under this subchapter, during the term of the contract, an owner or operator of a farm or ranch shall agree—

"(1) to implement a plan approved by the local conservation district (or in an area not located within a conservation district, a plan approved by the Secretary) for converting eligible land normally devoted to the production of an agricultural commodity on the farm or ranch to a less intensive use (as defined by the Secretary), such as pasture, permanent grass, legumes, forbs, shrubs, or trees, substantially in accordance with a schedule outlined in the plan;

"(2) to place highly erodible cropland subject to the contract in the conservation reserve established under this subchapter;

"(3) not to use the land for agricultural purposes, except as permitted by the Secretary;

"(4) to establish approved vegetative cover (which may include emerging vegetation in water), water cover for the enhancement of wildlife, or, where practicable, maintain existing cover on the land, except that—

"(A) the water cover shall not include ponds for the purpose of watering livestock, irrigating crops, or raising fish for commercial purposes; and

"(B) the Secretary shall not terminate the contract for failure to establish approved vegetative or water cover on the land if—

"(i) the failure to plant the cover was due to excessive rainfall or flooding;

"(ii) the land subject to the contract that could practicably be planted to the cover is planted to the cover; and

"(iii) the land on which the owner or operator was unable to plant the cover is planted to the cover after the wet conditions that prevented the planting subsides;

"(5) on a violation of a term or condition of the contract at any time the owner or operator has control of the land—

"(A) to forfeit all rights to receive rental payments and cost sharing payments under the contract and to refund to the Secretary any rental payments and cost sharing payments received by the owner or operator under the contract, together with interest on the payments as determined by the Secretary, if the Secretary, after considering the recommendations of the soil conservation district and the Natural Resources Conservation Service, determines that the violation is of such nature as to warrant termination of the contract; or

"(B) to refund to the Secretary, or accept adjustments to, the rental payments and cost sharing payments provided to the owner or operator, as the Secretary considers appropriate, if the Secretary determines that the violation does not warrant termination of the contract;

"(6) on the transfer of the right and interest of the owner or operator in land subject to the contract—

"(A) to forfeit all rights to rental payments and cost sharing payments under the contract; and

“(B) to refund to the United States all rental payments and cost sharing payments received by the owner or operator, or accept such payment adjustments or make such refunds as the Secretary considers appropriate and consistent with the objectives of this subchapter;

unless the transferee of the land agrees with the Secretary to assume all obligations of the contract, except that no refund of rental payments and cost sharing payments shall be required if the land is purchased by or for the United States Fish and Wildlife Service, or the transferee and the Secretary agree to modifications to the contract, in a case in which the modifications are consistent with the objectives of the program, as determined by the Secretary;

“(7) not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that the Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during nesting seasons for birds in the area)—

“(A) managed harvesting and grazing (including the managed harvesting of biomass), except that in permitting managed harvesting and grazing, the Secretary—

“(i) shall, in coordination with the State technical committee—

“(I) develop appropriate vegetation management requirements; and

“(II) identify periods during which harvesting and grazing under this paragraph may be conducted;

“(ii) may permit harvesting and grazing or other commercial use of the forage on the land that is subject to the contract in response to a drought or other emergency; and

“(iii) shall, in the case of routine managed harvesting or grazing or harvesting or grazing conducted in response to a drought or other emergency, reduce the rental payment otherwise payable under the contract by an amount commensurate with the economic value of the activity; and

“(B) the installation of wind turbines, except that in permitting the installation of wind turbines, the Secretary shall determine the number and location of wind turbines that may be installed, taking into account—

“(i) the location, size, and other physical characteristics of the land;

“(ii) the extent to which the land contains wildlife and wildlife habitat; and

“(iii) the purposes of the conservation reserve program under this subchapter;

“(8) not to conduct any planting of trees on land that is subject to the contract unless the contract specifies that the harvesting and commercial sale of trees such as Christmas trees are prohibited, nor otherwise make commercial use of trees on land that is subject to the contract unless it is expressly permitted in the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that no contract shall prohibit activities consistent with customary forestry practice, such as pruning, thinning, or stand improvement of trees, on land converted to forestry use;

“(9) not to adopt any practice specified by the Secretary in the contract as a practice that would tend to defeat the purposes of this subchapter; and

“(10) to comply with such additional provisions as the Secretary determines are desirable and are included in the contract to carry out this subchapter or to facilitate the practical administration of this subchapter.

“(b) CONSERVATION PLANS.—The plan referred to in subsection (a)(1)—

“(1) shall set forth—

“(A) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and

“(B) the commercial use, if any, to be permitted on the land during the term; and

“(2) may provide for the permanent retirement of any existing cropland base and allotment history for the land.

“(c) FORECLOSURE.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, an owner or operator who is a party to a contract entered into under this subchapter may not be required to make repayments to the Secretary of amounts received under the contract if the land that is subject to the contract has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment.

“(2) RESUMPTION OF CONTROL.—

“(A) IN GENERAL.—This subsection shall not void the responsibilities of an owner or operator under the contract if the owner or operator resumes control over the land that is subject to the contract within the period specified in the contract.

“(B) CONTRACT.—On the resumption of the control over the land by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

“SEC. 1233. DUTIES OF THE SECRETARY.

“In return for a contract entered into by an owner or operator under section 1232, the Secretary shall—

“(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest; and

“(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—

“(A) the conversion of highly erodible cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use; and

“(B) the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently.

“SEC. 1234. PAYMENTS.

“(a) TIMING.—The Secretary shall provide payment for obligations incurred by the Secretary under a contract entered into under this subchapter—

“(1) with respect to any cost-sharing payment obligation incurred by the Secretary, as soon as practicable after the obligation is incurred; and

“(2) with respect to any annual rental payment obligation incurred by the Secretary—

“(A) as soon as practicable after October 1 of each calendar year; or

“(B) at the option of the Secretary, at any time prior to such date during the year that the obligation is incurred.

“(b) FEDERAL PERCENTAGE OF COST SHARING PAYMENTS.—

“(1) IN GENERAL.—In making cost sharing payments to an owner or operator under a contract entered into under this subchapter, the Secretary shall pay 50 percent of the cost of establishing water quality and conservation measures and practices required under each contract for which the Secretary determines that cost sharing is appropriate and in the public interest.

“(2) LIMITATION.—The Secretary shall not make any payment to an owner or operator under this subchapter to the extent that the total amount of cost sharing payments provided to the owner or operator from all sources would exceed 100 percent of the total cost of establishing measures and practices described in paragraph (1).

“(3) HARDWOOD TREES, WINDBREAKS, SHELTERBELTS, AND WILDLIFE CORRIDORS.—

“(A) APPLICABILITY.—This paragraph applies to—

“(i) land devoted to the production of hardwood trees, windbreaks, shelterbelts, or wildlife corridors under a contract entered into under this subchapter after November 28, 1990; and

“(ii) land converted to such production under section 1235A.

“(B) PAYMENTS.—In making cost share payments to an owner or operator of land described in subparagraph (A), the Secretary shall pay 50 percent of the reasonable and necessary costs, as determined by the Secretary, incurred by the owner or operator for maintaining trees or shrubs, including the cost of replanting (if the trees or shrubs were lost due to conditions beyond the control of the owner or operator), during not less than the 2-year, and not more than the 4-year, period beginning on the date of the planting of the trees or shrubs, as determined appropriate by the Secretary.

“(4) HARDWOOD TREE PLANTING.—The Secretary may permit owners or operators that contract to devote at least 10 acres of land to the production of hardwood trees under this subchapter to extend the planting of the trees over a 3-year period if at least 1/3 of the trees are planted in each of the first 2 years.

“(5) OTHER FEDERAL COST SHARE ASSISTANCE.—An owner or operator shall not be eligible to receive or retain cost share assistance under this subsection if the owner or operator receives any other Federal cost share assistance with respect to the land under any other provision of law.

“(c) ANNUAL RENTAL PAYMENTS.—

“(1) IN GENERAL.—In determining the amount of annual rental payments to be paid to owners and operators for converting highly erodible cropland normally devoted to the production of an agricultural commodity to less intensive use, the Secretary may consider, among other things, the amount necessary to encourage owners or operators of highly erodible cropland to participate in the program established by this subchapter.

“(2) METHOD OF DETERMINATION.—The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subchapter may be determined through—

“(A) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or

“(B) such other means as the Secretary determines are appropriate.

“(3) ACCEPTANCE OF CONTRACT OFFERS.—In determining the acceptability of contract offers, the Secretary may—

“(A) take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, wildlife habitat, or provide other environmental benefits; and

“(B) establish different criteria in various States and regions of the United States based on the extent to which water quality or wildlife habitat may be improved or erosion may be abated.

“(4) HARDWOOD TREE ACREAGE.—In the case of acreage enrolled in the conservation reserve established under this subchapter that is to be devoted to hardwood trees, the Secretary may consider bids for contracts under this subsection on a continuous basis.

“(d) CASH OR IN-KIND PAYMENTS.—

“(1) IN GENERAL.—Except as otherwise provided in this section, payments under this subchapter—

“(A) shall be made in cash or in commodities in such amount and on such time schedule as is agreed on and specified in the contract; and

"(B) may be made in advance of determination of performance.

"(2) METHOD OF PROVIDING IN-KIND PAYMENTS.—If the payment to an owner or operator is made with in-kind commodities, the payment shall be made by the Commodity Credit Corporation—

"(A) by delivery of the commodity involved to the owner or operator at a warehouse or other similar facility located in the county in which the highly erodible cropland is located or at such other location as is agreed to by the Secretary and the owner or operator;

"(B) by the transfer of negotiable warehouse receipts; or

"(C) by such other method, including the sale of the commodity in commercial markets, as is determined by the Secretary to be appropriate to enable the owner or operator to receive efficient and expeditious possession of the commodity.

"(3) CASH PAYMENTS.—

"(A) COMMODITY CREDIT CORPORATION STOCKS.—If stocks of a commodity acquired by the Commodity Credit Corporation are not readily available to make full payment in kind to the owner or operator, the Secretary may substitute full or partial payment in cash for payment in kind.

"(B) SPECIAL CONSERVATION RESERVE ENHANCEMENT PROGRAM.—Payments to an owner or operator under a special conservation reserve enhancement program described in subsection (f)(4) shall be in the form of cash only.

"(e) PAYMENTS ON DEATH, DISABILITY, OR SUCCESSION.—If an owner or operator that is entitled to a payment under a contract entered into under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person that renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

"(f) PAYMENT LIMITATION FOR RENTAL PAYMENTS.—

"(1) IN GENERAL.—The total amount of rental payments, including rental payments made in the form of in-kind commodities, made to a person under this subchapter for any fiscal year may not exceed $50,000.

"(2) REGULATIONS.—

"(A) IN GENERAL.—The Secretary shall promulgate regulations—

"(i) defining the term 'person' as used in this subsection; and

"(ii) providing such terms and conditions as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established by this subsection.

"(B) CORPORATIONS AND STOCKHOLDERS.—The regulations promulgated by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970 (7 U.S.C. 1307), shall be used to determine whether corporations and their stockholders may be considered as separate persons under this subsection.

"(3) OTHER PAYMENTS.—Rental payments received by an owner or operator shall be in addition to, and not affect, the total amount of payments that the owner or operator is otherwise eligible to receive under the Farm Security and Rural Investment Act of 2002.

"(4) SPECIAL CONSERVATION RESERVE ENHANCEMENT PROGRAM.—

"(A) IN GENERAL.—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note; Public Law 100–203), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special conservation reserve enhancement program carried out by that entity that has been approved by the Secretary.

"(B) AGREEMENTS.—The Secretary may enter into such agreements for payments to States (including political subdivisions and agencies of States) that the Secretary determines will advance the purposes of this subchapter.

"(g) OTHER STATE OR LOCAL ASSISTANCE.—In addition to any payment under this subchapter, an owner or operator may receive cost share assistance, rental payments, or tax benefits from a State or subdivision thereof for enrolling land in the conservation reserve program.

"SEC. 1235. CONTRACTS.

"(a) OWNERSHIP OR OPERATION REQUIREMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no contract shall be entered into under this subchapter concerning land with respect to which the ownership has changed in the 1-year period preceding the first year of the contract period unless—

"(A) the new ownership was acquired by will or succession as a result of the death of the previous owner;

"(B) the new ownership was acquired before January 1, 1985;

"(C) the Secretary determines that the land was acquired under circumstances that give adequate assurance that the land was not acquired for the purpose of placing the land in the program established by this subchapter; or

"(D) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law.

"(2) EXCEPTIONS.—Paragraph (1) shall not—

"(A) prohibit the continuation of an agreement by a new owner after an agreement has been entered into under this subchapter; or

"(B) require a person to own the land as a condition of eligibility for entering into the contract if the person—

"(i) has operated the land to be covered by a contract under this section for at least 1 year preceding the date of the contract or since January 1, 1985, whichever is later; and

"(ii) controls the land for the contract period.

"(b) SALES OR TRANSFERS.—If, during the term of a contract entered into under this subchapter, an owner or operator of land subject to the contract sells or otherwise transfers the ownership or right of occupancy of the land, the new owner or operator of the land may—

"(1) continue the contract under the same terms or conditions;

"(2) enter into a new contract in accordance with this subchapter; or

"(3) elect not to participate in the program established by this subchapter.

"(c) MODIFICATIONS.—

"(1) IN GENERAL.—The Secretary may modify a contract entered into with an owner or operator under this subchapter if—

"(A) the owner or operator agrees to the modification; and

"(B) the Secretary determines that the modification is desirable—

"(i) to carry out this subchapter;

"(ii) to facilitate the practical administration of this subchapter; or

"(iii) to achieve such other goals as the Secretary determines are appropriate, consistent with this subchapter.

"(2) PRODUCTION OF AGRICULTURAL COMMODITIES.—The Secretary may modify or waive a term or condition of a contract entered into under this subchapter in order to permit all or part of the land subject to such contract to be devoted to the production of an agricultural commodity during a crop year, subject to such conditions as the Secretary determines are appropriate.

"(d) TERMINATION.—

"(1) IN GENERAL.—The Secretary may terminate a contract entered into with an owner or operator under this subchapter if—

"(A) the owner or operator agrees to the termination; and

"(B) the Secretary determines that the termination would be in the public interest.

"(2) NOTICE TO CONGRESSIONAL COMMITTEES.—At least 90 days before taking any action to terminate under paragraph (1) all conservation reserve contracts entered into under this subchapter, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate written notice of the action.

"(e) EARLY TERMINATION BY OWNER OR OPERATOR.—

"(1) EARLY TERMINATION.—

"(A) IN GENERAL.—The Secretary shall allow a participant that entered into a contract under this subchapter before January 1, 1995, to terminate the contract at any time if the contract has been in effect for at least 5 years.

"(B) LIABILITY FOR CONTRACT VIOLATION.—The termination shall not relieve the participant of liability for a contract violation occurring before the date of the termination.

"(C) NOTICE TO SECRETARY.—The participant shall provide the Secretary with reasonable notice of the desire of the participant to terminate the contract.

"(2) CERTAIN LAND EXCEPTED.—The following land shall not be subject to an early termination of contract under this subsection:

"(A) Filterstrips, waterways, strips adjacent to riparian areas, windbreaks, and shelterbelts.

"(B) Land with an erodibility index of more than 15.

"(C) Other land of high environmental value (including wetland), as determined by the Secretary.

"(3) EFFECTIVE DATE.—The contract termination shall become effective 60 days after the date on which the owner or operator submits the notice required under paragraph (1)(C).

"(4) PRORATED RENTAL PAYMENT.—If a contract entered into under this subchapter is terminated under this subsection before the end of the fiscal year for which a rental payment is due, the Secretary shall provide a prorated rental payment covering the portion of the fiscal year during which the contract was in effect.

"(5) RENEWED ENROLLMENT.—The termination of a contract entered into under this subchapter shall not affect the ability of the owner or operator that requested the termination to submit a subsequent bid to enroll the land that was subject to the contract into the conservation reserve.

"(6) CONSERVATION REQUIREMENTS.—If land that was subject to a contract is returned to production of an agricultural commodity, the conservation requirements under subtitles B and C shall apply to the use of the land to the extent that the requirements are similar to those requirements imposed on other similar land in the area, except that the requirements may not be more onerous than the requirements imposed on other land.

"SEC. 1235A. CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.

"(a) CONVERSION TO TREES.—

"(1) IN GENERAL.—The Secretary shall permit an owner or operator that has entered into a contract under this subchapter that is in effect on November 28, 1990, to convert areas of highly erodible cropland that are subject to the contract, and that are devoted to vegetative cover, from that use to hardwood trees, windbreaks, shelterbelts, or wildlife corridors.

"(2) TERMS.—

"(A) EXTENSION OF CONTRACT.—With respect to a contract that is modified under this section that provides for the planting of hardwood trees, windbreaks, shelterbelts, or wildlife corridors, if the original term of the contract was less than 15 years, the owner or operator may extend the contract to a term of not to exceed 15 years.

"(B) COST SHARE ASSISTANCE.—The Secretary shall pay 50 percent of the cost of establishing conservation measures and practices authorized under this subsection for which the Secretary determines the cost sharing is appropriate and in the public interest.

"(b) CONVERSION TO WETLAND.—The Secretary shall permit an owner or operator that has entered into a contract under this subchapter that is in effect on November 28, 1990, to restore areas of highly erodible cropland that are devoted to vegetative cover under the contract to wetland if—

"(1) the areas are prior converted wetland;

"(2) the owner or operator of the areas enters into an agreement to provide the Secretary with a long-term or permanent easement under subchapter C covering the areas;

"(3) there is a high probability that the prior converted area can be successfully restored to wetland status; and

"(4) the restoration of the areas otherwise meets the requirements of subchapter C.

"(c) LIMITATION.—The Secretary shall not incur, through a conversion under this section, any additional expense on the acres, including the expense involved in the original establishment of the vegetative cover, that would result in cost share for costs under this section in excess of the costs that would have been subject to cost share for the new practice had that practice been the original practice.

"(d) CONDITION OF CONTRACT.—An owner or operator shall as a condition of entering into a contract under subsection (a) participate in the Forest Stewardship Program established under section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a).".

(b) STUDY ON ECONOMIC EFFECTS.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the economic and social effects on rural communities resulting from the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

(2) COMPONENTS.—The study under paragraph (1) shall include analyses of—

(A) the impact that enrollments in the conservation reserve program have on rural businesses, civic organizations, and community services (such as schools, public safety, and infrastructure), particularly in communities with a large percentage of whole farm enrollments;

(B) the effect that those enrollments have on rural population and beginning farmers (including a description of any connection between the rate of enrollment and the incidence of absentee ownership);

(C)(i) the manner in which differential per acre payment rates potentially impact the types of land (by productivity) enrolled;

(ii) changes to the per acre payment rates that may affect that impact; and

(iii) the manner in which differential per acre payment rates could facilitate retention of productive agricultural land in agriculture; and

(D) the effect of enrollment on opportunities for recreational activities (including hunting and fishing).

Subtitle C—Wetlands Reserve Program

SEC. 2201. REAUTHORIZATION.

Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking "2002" and inserting "2007".

SEC. 2202. ENROLLMENT.

Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) ENROLLMENT CONDITIONS.—

"(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the wetlands reserve program shall not exceed 2,275,000 acres, of which, to the maximum extent practicable, the Secretary shall enroll 250,000 acres in each calendar year.

"(2) METHODS OF ENROLLMENT.—The Secretary shall enroll acreage into the wetlands reserve program through the use of permanent easements, 30-year easements, restoration cost share agreements, or any combination of those options."; and

(2) by striking subsection (g).

SEC. 2203. EASEMENTS AND AGREEMENTS.

Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended by striking subsection (h).

SEC. 2204. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

Section 1237E(a) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)) is amended by striking paragraph (2) and inserting the following:

"(2)(A) the ownership change occurred because of foreclosure on the land; and

"(B) immediately before the foreclosure, the owner of the land exercises a right of redemption from the mortgage holder in accordance with State law; or".

Subtitle D—Environmental Quality Incentives

SEC. 2301. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) is amended to read as follows:

"SEC. 1240. PURPOSES.

"The purposes of the environmental quality incentives program established by this chapter are to promote agricultural production and environmental quality as compatible goals, and to optimize environmental benefits, by—

"(1) assisting producers in complying with local, State, and national regulatory requirements concerning—

"(A) soil, water, and air quality;

"(B) wildlife habitat; and

"(C) surface and ground water conservation;

"(2) avoiding, to the maximum extent practicable, the need for resource and regulatory programs by assisting producers in protecting soil, water, air, and related natural resources and meeting environmental quality criteria established by Federal, State, tribal, and local agencies;

"(3) providing flexible assistance to producers to install and maintain conservation practices that enhance soil, water, related natural resources (including grazing land and wetland), and wildlife while sustaining production of food and fiber;

"(4) assisting producers to make beneficial, cost effective changes to cropping systems, grazing management, nutrient management associated with livestock, pest or irrigation management, or other practices on agricultural land; and

"(5) consolidating and streamlining conservation planning and regulatory compliance processes to reduce administrative burdens on producers and the cost of achieving environmental goals.

"SEC. 1240A. DEFINITIONS.

"In this chapter:

"(1) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning provided under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)).

"(2) ELIGIBLE LAND.—

"(A) IN GENERAL.—The term 'eligible land' means land on which agricultural commodities or livestock are produced.

"(B) INCLUSIONS.—The term 'eligible land' includes—

"(i) cropland;

"(ii) grassland;

"(iii) rangeland;

"(iv) pasture land;

"(v) private, nonindustrial forest land; and

"(vi) other agricultural land that the Secretary determines poses a serious threat to soil, air, water, or related resources.

"(3) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means a site-specific nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, air quality management, or other land management practice carried out on eligible land that the Secretary determines is needed to protect from degradation, in the most cost-effective manner, water, soil, or related resources.

"(4) LIVESTOCK.—The term 'livestock' means dairy cattle, beef cattle, laying hens, broilers, turkeys, swine, sheep, and other such animals as are determined by the Secretary.

"(5) PRACTICE.—The term 'practice' means 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices.

"(6) STRUCTURAL PRACTICE.—The term 'structural practice' means—

"(A) the establishment on eligible land of a site-specific animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, tailwater pit, permanent wildlife habitat, constructed wetland, or other structural practice that the Secretary determines is needed to protect, in the most cost effective manner, water, soil, or related resources from degradation; and

"(B) the capping of abandoned wells on eligible land.

"SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—During each of the 2002 through 2007 fiscal years, the Secretary shall provide cost-share payments and incentive payments to producers that enter into contracts with the Secretary under the program.

"(2) ELIGIBLE PRACTICES.—With respect to practices implemented under this chapter—

"(A) a producer that implements a structural practice in accordance with this chapter shall be eligible to receive cost-share payments; and

"(B) a producer that implements a land management practice, or develops a comprehensive nutrient management plan, in accordance with this chapter shall be eligible to receive incentive payments.

"(b) PRACTICES AND TERM.—

"(1) PRACTICES.—A contract under this chapter may apply to 1 or more structural practices, land management practices, and comprehensive nutrient management practices.

"(2) TERM.—A contract under this chapter shall have a term that—

"(A) at a minimum, is equal to the period beginning on the date on which the contract is entered into and ending on the date that is 1 year after the date on which all practices under the contract have been implemented; but

"(B) not to exceed 10 years.

"(c) BIDDING DOWN.—If the Secretary determines that the environmental values of 2 or

more applications for cost-share payments or incentive payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program established under the program.

"(d) Cost-Share Payments.—

"(1) In general.—Except as provided in paragraph (2), the cost-share payments provided to a producer proposing to implement 1 or more practices under the program shall be not more than 75 percent of the cost of the practice, as determined by the Secretary.

"(2) Exceptions.—

"(A) Limited resource and beginning farmers.—The Secretary may increase the amount provided to a producer under paragraph (1) to not more than 90 percent if the producer is a limited resource or beginning farmer or rancher, as determined by the Secretary.

"(B) Cost-share assistance from other sources.—Except as provided in paragraph (3), any cost-share payments received by a producer from a State or private organization or person for the implementation of 1 or more practices on eligible land of the producer shall be in addition to the payments provided to the producer under paragraph (1).

"(3) Other payments.—A producer shall not be eligible for cost-share payments for practices on eligible land under the program if the producer receives cost-share payments or other benefits for the same practice on the same land under chapter 1 and the program.

"(e) Incentive Payments.—

"(1) In general.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more land management practices.

"(2) Special rule.—In determining the amount and rate of incentive payments, the Secretary may accord great significance to a practice that promotes residue, nutrient, pest, invasive species, or air quality management.

"(f) Modification or Termination of Contracts.—

"(1) Voluntary modification or termination.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

"(A) the producer agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination is in the public interest.

"(2) Involuntary termination.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

"(g) Allocation of Funding.—For each of fiscal years 2002 through 2007, 60 percent of the funds made available for cost-share payments and incentive payments under this chapter shall be targeted at practices relating to livestock production.

"SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

"In evaluating applications for cost-share payments and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

"(1) encourage the use by producers of cost-effective conservation practices; and

"(2) address national conservation priorities.

"SEC. 1240D. DUTIES OF PRODUCERS.

"To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

"(1) to implement an environmental quality incentives program plan (including a comprehensive nutrient management plan, if applicable) that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;

"(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

"(3) on the violation of a term or condition of the contract at anytime the producer has control of the land—

"(A) if the Secretary determines that the violation warrants termination of the contract—

"(i) to forfeit all rights to receive payments under the contract; and

"(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary; or

"(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

"(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under the program, as determined by the Secretary;

"(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and

"(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

"SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

"(a) In General.—To be eligible to receive cost-share payments or incentive payments under the program, a producer shall submit to the Secretary for approval a plan of operations that—

"(1) specifies practices covered under the program;

"(2) includes such terms and conditions as the Secretary considers necessary to carry out the program, including a description of the purposes to be met by the implementation of the plan; and

"(3) in the case of a confined livestock feeding operation, provides for development and implementation of a comprehensive nutrient management plan, if applicable.

"(b) Avoidance of Duplication.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program under this chapter and comparable conservation programs.

"SEC. 1240F. DUTIES OF THE SECRETARY.

"To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

"(1) providing cost-share payments or incentive payments for developing and implementing 1 or more practices, as appropriate; and

"(2) providing the producer with information and training to aid in implementation of the plan.

"SEC. 1240G. LIMITATION ON PAYMENTS.

"An individual or entity may not receive, directly or indirectly, cost-share or incentive payments under this chapter that, in the aggregate, exceed $450,000 for all contracts entered into under this chapter by the individual or entity during the period of fiscal years 2002 through 2007, regardless of the number of contracts entered into under this chapter by the individual or entity.

"SEC. 1240H. CONSERVATION INNOVATION GRANTS.

"(a) In General.—The Secretary may pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production, through the program.

"(b) Use.—The Secretary may provide grants under this section to governmental and nongovernmental organizations and persons, on a competitive basis, to carry out projects that—

"(1) involve producers that are eligible for payments or technical assistance under the program;

"(2) implement projects, such as—

"(A) market systems for pollution reduction; and

"(B) innovative conservation practices, including the storing of carbon in the soil; and

"(3) leverage funds made available to carry out the program under this chapter with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production.

"(c) Cost Share.—The amount of a grant made under this section to carry out a project shall not exceed 50 percent of the cost of the project.

"SEC. 1240I. GROUND AND SURFACE WATER CONSERVATION.

"(a) Establishment.—In carrying out the program under this chapter, subject to subsection (b), the Secretary shall promote ground and surface water conservation by providing cost-share payments, incentive payments, and loans to producers to carry out eligible water conservation activities with respect to the agricultural operations of producers, to—

"(1) improve irrigation systems;

"(2) enhance irrigation efficiencies;

"(3) convert to—

"(A) the production of less water-intensive agricultural commodities; or

"(B) dryland farming;

"(4) improve the storage of water through measures such as water banking and groundwater recharge;

"(5) mitigate the effects of drought; or

"(6) institute other measures that improve groundwater and surface water conservation, as determined by the Secretary, in the agricultural operations of producers.

"(b) Net Savings.—The Secretary may provide assistance to a producer under this section only if the Secretary determines that the assistance will facilitate a conservation measure that results in a net savings in groundwater or surface water resources in the agricultural operation of the producer.

"(c) Funding.—Of the funds of the Commodity Credit Corporation, in addition to amounts made available under section 1241(a)(6) to carry out this chapter, the Secretary shall use—

"(1) to carry out this section—

"(A) $25,000,000 for fiscal year 2002;

"(B) $45,000,000 for fiscal year 2003; and

"(C) $60,000,000 for each of fiscal years 2004 through 2007; and

"(2) $50,000,000 to carry out water conservation activities in Klamath Basin, California and Oregon, to be made available as soon as practicable after the date of enactment of this section.".

Subtitle E—Grassland Reserve

SEC. 2401. GRASSLAND RESERVE PROGRAM.

Chapter 2 of the Food Security Act of 1985 (as amended by section 2001) is amended by adding at the end the following:

"Subchapter C—Grassland Reserve Program

"SEC. 1238N. GRASSLAND RESERVE PROGRAM.

"(a) Establishment.—The Secretary shall establish a grassland reserve program (referred to in this subchapter as the 'program') to assist owners in restoring and conserving eligible land described in subsection (c).

''(b) ENROLLMENT CONDITIONS.—

''(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 2,000,000 acres of restored or improved grassland, rangeland, and pastureland.

''(2) METHODS OF ENROLLMENT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall enroll in the program from a willing owner not less than 40 contiguous acres of land through the use of—

''(i) a 10-year, 15-year, or 20-year rental agreement;

''(ii)(I) a 30-year rental agreement or permanent or 30-year easement; or

''(II) in a State that imposes a maximum duration for easements, an easement for the maximum duration allowed under State law.

''(B) WAIVER.—The Secretary may enroll in the program such parcels of land that are less than 40 acres as the Secretary determines are appropriate to achieve the purposes of the program.

''(3) LIMITATION ON USE OF EASEMENTS AND RENTAL AGREEMENTS.—Of the total amount of funds expended under the program to acquire easements and rental agreements described in paragraph (2)(A)—

''(A) not more than 40 percent shall be used for rental agreements described in paragraph (2)(A)(i); and

''(B) not more than 60 percent shall be used for easements and rental agreements described in paragraph (2)(A)(ii).

''(c) ELIGIBLE LAND.—Land shall be eligible to be enrolled in the program if the Secretary determines that the land is private land that is—

''(1) grassland, land that contains forbs, or shrubland (including improved rangeland and pastureland); or

''(2) land that—

''(A) is located in an area that has been historically dominated by grassland, forbs, or shrubland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is—

''(i) retained in the current use of the land; or

''(ii) restored to a natural condition; or

''(3) land that is incidental to land described in paragraph (1) or (2), if the incidental land is determined by the Secretary to be necessary for the efficient administration of an agreement or easement.

"SEC. 1238O. REQUIREMENTS RELATING TO EASEMENTS AND AGREEMENTS.

''(a) REQUIREMENTS OF LANDOWNER.—

''(1) IN GENERAL.—To be eligible to enroll land in the program through the grant of an easement, the owner of the land shall enter into an agreement with the Secretary—

''(A) to grant an easement that applies to the land to the Secretary;

''(B) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

''(C) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

''(D) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

''(E) to comply with the terms of the easement and restoration agreement.

''(2) AGREEMENTS.—To be eligible to enroll land in the program under an agreement, the owner or operator of the land shall agree—

''(A) to comply with the terms of the agreement (including any related restoration agreements); and

''(B) to the suspension of any existing cropland base and allotment history for the land under a program administered by the Secretary.

''(b) TERMS OF EASEMENT OR RENTAL AGREEMENT.—An easement or rental agreement under subsection (a) shall—

''(1) permit—

''(A) common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species common to that locality;

''(B) subject to appropriate restrictions during the nesting season for birds in the local area that are in significant decline or are conserved in accordance with Federal or State law, as determined by the Natural Resources Conservation Service State conservationist, haying, mowing, or harvesting for seed production; and

''(C) fire rehabilitation and construction of fire breaks and fences (including placement of the posts necessary for fences);

''(2) prohibit—

''(A) the production of crops (other than hay), fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

''(B) except as permitted under this subsection or subsection (d), the conduct of any other activity that would disturb the surface of the land covered by the easement or rental agreement; and

''(3) include such additional provisions as the Secretary determines are appropriate to carry out or facilitate the administration of this subchapter.

''(c) EVALUATION AND RANKING OF EASEMENT AND RENTAL AGREEMENT APPLICATIONS.—

''(1) IN GENERAL.—The Secretary shall establish criteria to evaluate and rank applications for easements and rental agreements under this subchapter.

''(2) CONSIDERATIONS.—In establishing the criteria, the Secretary shall emphasize support for—

''(A) grazing operations;

''(B) plant and animal biodiversity; and

''(C) grassland, land that contains forbs, and shrubland under the greatest threat of conversion.

''(d) RESTORATION AGREEMENTS.—

''(1) IN GENERAL.—The Secretary shall prescribe the terms of a restoration agreement by which grassland, land that contains forbs, or shrubland that is subject to an easement or rental agreement entered into under the program shall be restored.

''(2) REQUIREMENTS.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including the Federal share of restoration payments and technical assistance).

''(e) VIOLATIONS.—On a violation of the terms or conditions of an easement, rental agreement, or restoration agreement entered into under this section—

''(1) the easement or rental agreement shall remain in force; and

''(2) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

"SEC. 1238P. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of an easement, or the execution of a rental agreement, by an owner under this subchapter, the Secretary shall, in accordance with this section—

''(1) make easement or rental agreement payments to the owner in accordance with subsection (b); and

''(2) make payments to the owner for the Federal share of the cost of restoration in accordance with subsection (c).

''(b) PAYMENTS.—

''(1) EASEMENT PAYMENTS.—

''(A) AMOUNT.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

''(i) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

''(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

''(B) SCHEDULE.—Easement payments may be provided in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

''(2) RENTAL AGREEMENT PAYMENTS.—In return for entering into a rental agreement by an owner under this subchapter, the Secretary shall make annual payments to the owner during the term of the rental agreement in an amount that is not more than 75 percent of the grazing value of the land covered by the contract.

''(c) FEDERAL SHARE OF RESTORATION.—The Secretary shall make payments to an owner under this section of not more than—

''(1) in the case of grassland, land that contains forbs, or shrubland that has never been cultivated, 90 percent of the costs of carrying out measures and practices necessary to restore functions and values of that land; or

''(2) in the case of restored grassland, land that contains forbs, or shrubland, 75 percent of those costs.

''(d) PAYMENTS TO OTHERS.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.

"SEC. 1238Q. DELEGATION TO PRIVATE ORGANIZATIONS.

''(a) IN GENERAL.—The Secretary may permit a private conservation or land trust organization (referred to in this section as a 'private organization') or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, subject to the right of the Secretary to conduct periodic inspections and enforce the easement, if—

''(1) the Secretary determines that granting the permission will promote protection of grassland, land that contains forbs, and shrubland;

''(2) the owner authorizes the private organization or State agency to hold and enforce the easement; and

''(3) the private organization or State agency agrees to assume the costs incurred in administering and enforcing the easement, including the costs of restoration or rehabilitation of the land as specified by the owner and the private organization or State agency.

''(b) APPLICATION.—A private organization or State agency that seeks to hold and enforce an easement under this subchapter shall apply to the Secretary for approval.

''(c) APPROVAL BY SECRETARY.—The Secretary may approve a private organization to hold and enforce an easement under this subchapter if (as determined by the Secretary) the private organization—

''(1)(A) is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code; or

''(B) is described in section 509(a)(3), and is controlled by an organization described in section 509(a)(2), of that Code;

''(2) has the relevant experience necessary to administer grassland and shrubland easements;

"(3) has a charter that describes the commitment of the private organization to conserving ranchland, agricultural land, or grassland for grazing and conservation purposes; and

"(4) has the resources necessary to effectuate the purposes of the charter.

"(d) REASSIGNMENT.—

"(1) IN GENERAL.—If a private organization holding an easement on land under this subchapter terminates, not later than 30 days after termination of the private organization, the owner of the land shall reassign the easement to—

"(A) a new private organization that is approved by the Secretary; or

"(B) the Secretary.

"(2) NOTIFICATION OF SECRETARY.—

"(A) IN GENERAL.—If the easement is reassigned to a new private organization, not later than 60 days after the date of reassignment, the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

"(B) FAILURE TO NOTIFY.—If the owner and the new organization fail to notify the Secretary of the reassignment in accordance with subparagraph (A), the easement shall revert to the control of the Secretary.".

Subtitle F—Other Conservation Programs

SEC. 2501. AGRICULTURAL MANAGEMENT ASSISTANCE.

Section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524) is amended by striking subsection (b) and inserting the following:

"(b) AGRICULTURAL MANAGEMENT ASSISTANCE.—

"(1) AUTHORITY.—The Secretary shall provide financial assistance to producers in the States of Connecticut, Delaware, Maryland, Massachusetts, Maine, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

"(2) USES.—A producer may use financial assistance provided under this subsection to—

"(A) construct or improve—

"(i) watershed management structures; or

"(ii) irrigation structures;

"(B) plant trees to form windbreaks or to improve water quality;

"(C) mitigate financial risk through production or marketing diversification or resource conservation practices, including—

"(i) soil erosion control;

"(ii) integrated pest management;

"(iii) organic farming; or

"(iv) to develop and implement a plan to create marketing opportunities for the producer, including through value-added processing;

"(D) enter into futures, hedging, or options contracts in a manner designed to help reduce production, price, or revenue risk;

"(E) enter into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk; or

"(F) conduct any other activity relating to an activity described in subparagraphs (A) through (E), as determined by the Secretary.

"(3) PAYMENT LIMITATION.—The total amount of payments made to a person (as defined in section 1001(5) of the Food Security Act (7 U.S.C. 1308(5))) under this subsection for any year may not exceed $50,000.

"(4) COMMODITY CREDIT CORPORATION.—

"(A) IN GENERAL.—The Secretary shall carry out this subsection through the Commodity Credit Corporation.

"(B) FUNDING.—

"(i) IN GENERAL.—Except as provided in clause (ii), the Commodity Credit Corporation shall make available to carry out this subsection not less than $10,000,000 for each fiscal year.

"(ii) EXCEPTION.—For each of fiscal years 2003 through 2007, the Commodity Credit Corporation shall make available to carry out this subsection $20,000,000.".

SEC. 2502. GRAZING, WILDLIFE HABITAT INCENTIVE, SOURCE WATER PROTECTION, AND GREAT LAKES BASIN PROGRAMS.

(a) IN GENERAL.—Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) is amended to read as follows:

"CHAPTER 5—OTHER CONSERVATION PROGRAMS

"SEC. 1240M. CONSERVATION OF PRIVATE GRAZING LAND.

"(a) PURPOSE.—It is the purpose of this section to authorize the Secretary to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

"(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;

"(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;

"(3) conserving and improving wildlife habitat on private grazing land;

"(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;

"(5) protecting and improving water quality;

"(6) improving the dependability and consistency of water supplies;

"(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and

"(8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

"(b) DEFINITIONS.—In this section:

"(1) DEPARTMENT.—The term 'Department' means the Department of Agriculture.

"(2) PRIVATE GRAZING LAND.—The term 'private grazing land' means private, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, grazed forest land, and hay land.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(c) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

"(1) ASSISTANCE TO GRAZING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations for this section, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

"(A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;

"(B) implementing grazing land management technologies;

"(C) managing resources on private grazing land, including—

"(i) planning, managing, and treating private grazing land resources;

"(ii) ensuring the long-term sustainability of private grazing land resources;

"(iii) harvesting, processing, and marketing private grazing land resources; and

"(iv) identifying and managing weed, noxious weed, and brush encroachment problems;

"(D) protecting and improving the quality and quantity of water yields from private grazing land;

"(E) maintaining and improving wildlife and fish habitat on private grazing land;

"(F) enhancing recreational opportunities on private grazing land;

"(G) maintaining and improving the aesthetic character of private grazing land;

"(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises; and

"(I) encouraging the use of sustainable grazing systems, such as year-round, rotational, or managed grazing.

"(2) PROGRAM ELEMENTS.—

"(A) FUNDING.—If funding is provided to carry out this section, it shall be provided through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.

"(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.

"(d) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

"(1) FINDINGS.—Congress finds that—

"(A) there is a severe lack of technical assistance for farmers and ranchers that graze livestock;

"(B) Federal budgetary constraints preclude any significant expansion, and may force a reduction of, current levels of technical support; and

"(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

"(2) ESTABLISHMENT OF GRAZING DEMONSTRATION.—In accordance with paragraph (3), the Secretary may establish 2 grazing management demonstration districts at the recommendation of the grazing land conservation initiative steering committee.

"(3) PROCEDURE.—

"(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established.

"(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the producers.

"(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

"(i) is reasonable;

"(ii) will promote sound grazing practices; and

"(iii) contains provisions similar to the provisions contained in the beef promotion and research order issued under section 4 of the Beef Research and Information Act (7 U.S.C. 2903) in effect on April 4, 1996.

"(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of an application by farmers or ranchers.

"(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

"(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of ranchers, farmers, and technical experts.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $60,000,000 for each of fiscal years 2002 through 2007.

"SEC. 1240N. WILDLIFE HABITAT INCENTIVE PROGRAM.

"(a) IN GENERAL.—The Secretary, in consultation with the State technical committees established under section 1261, shall establish within the Natural Resources Conservation Service a program to be known as the wildlife habitat incentive program (referred to in this section as the 'program').

"(b) COST-SHARE PAYMENTS.—

"(1) IN GENERAL.—Under the program, the Secretary shall make cost-share payments to landowners to develop—

"(A) upland wildlife habitat;

"(B) wetland wildlife habitat;

"(C) habitat for threatened and endangered species;

"(D) fish habitat; and

"(E) other types of wildlife habitat approved by the Secretary.

"(2) INCREASED COST SHARE FOR LONG-TERM AGREEMENTS.—

"(A) IN GENERAL.—In a case in which the Secretary enters into an agreement or contract to protect and restore plant and animal habitat that has a term of at least 15 years, the Secretary may provide cost-share payments in addition to amounts provided under paragraph (1).

"(B) FUNDING LIMITATION.—The Secretary may use, for a fiscal year, not more than 15 percent of funds made available under section 1241(a)(7) for the fiscal year to carry out contracts and agreements described in subparagraph (A).

"(c) REGIONAL EQUITY.—In carrying out this section, the Secretary shall, to the maximum extent practicable, ensure that regional issues of concern relating to wildlife habitat are addressed in an appropriate manner.

"SEC. 1240O. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

"(a) IN GENERAL.—The Secretary shall establish a national grassroots water protection program to more effectively use onsite technical assistance capabilities of each State rural water association that, as of the date of enactment of this section, operates a wellhead or groundwater protection program in the State.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2007.

"SEC. 1240P. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

"(a) IN GENERAL.—The Secretary, in consultation with the Great Lakes Commission created by Article IV of the Great Lakes Basin Compact (82 Stat. 415) and in cooperation with the Administrator of the Environmental Protection Agency and the Secretary of the Army, may carry out the Great Lakes basin program for soil erosion and sediment control (referred to in this section as the 'program').

"(b) ASSISTANCE.—In carrying out the program, the Secretary may—

"(1) provide project demonstration grants, provide technical assistance, and carry out information and education programs to improve water quality in the Great Lakes basin by reducing soil erosion and improving sediment control; and

"(2) provide a priority for projects and activities that directly reduce soil erosion or improve sediment control.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2007.".

(b) CONFORMING AMENDMENT.—Sections 386 and 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b, 3836a) are repealed.

SEC. 2503. FARMLAND PROTECTION PROGRAM.

(a) IN GENERAL.—Chapter 2 of the Food Security Act of 1985 (as amended by section 2001) is amended by adding at the end the following:

"Subchapter B—Farmland Protection Program

"SEC. 1238H. DEFINITIONS.

"In this subchapter:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) any agency of any State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law); or

"(B) any organization that—

"(i) is organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

"(ii) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

"(iii) is described in section 509(a)(2) of that Code; or

"(iv) is described in section 509(a)(3), and is controlled by an organization described in section 509(a)(2), of that Code.

"(2) ELIGIBLE LAND.—

"(A) IN GENERAL.—The term 'eligible land' means land on a farm or ranch that—

"(i)(I) has prime, unique, or other productive soil; or

"(II) contains historical or archaeological resources; and

"(ii) is subject to a pending offer for purchase from an eligible entity.

"(B) INCLUSIONS.—The term 'eligible land' includes, on a farm or ranch—

"(i) cropland;

"(ii) rangeland;

"(iii) grassland;

"(iv) pasture land; and

"(v) forest land that is an incidental part of an agricultural operation, as determined by the Secretary.

"(3) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(4) PROGRAM.—The term 'program' means the farmland protection program established under section 1238I(a).

"SEC. 1238I. FARMLAND PROTECTION.

"(a) IN GENERAL.—The Secretary, acting through the Natural Resources Conservation Service, shall establish and carry out a farmland protection program under which the Secretary shall purchase conservation easements or other interests in eligible land that is subject to a pending offer from an eligible entity for the purpose of protecting topsoil by limiting nonagricultural uses of the land.

"(b) CONSERVATION PLAN.—Any highly erodible cropland for which a conservation easement or other interest is purchased under this subchapter shall be subject to the requirements of a conservation plan that requires, at the option of the Secretary, the conversion of the cropland to less intensive uses.

"(c) COST SHARING.—

"(1) FARMLAND PROTECTION.—

"(A) SHARE PROVIDED UNDER THIS SUBSECTION.—The share of the cost of purchasing a conservation easement or other interest in eligible land described in subsection (a) provided under section 1241(d) shall not exceed 50 percent of the appraised fair market value of the conservation easement or other interest in eligible land.

"(B) SHARE NOT PROVIDED UNDER THIS SUBSECTION.—As part of the share of the cost of purchasing a conservation easement or other interest in eligible land described in subsection (a) that is not provided under section 1241(d), an eligible entity may include a charitable donation by the private landowner from which the eligible land is to be purchased of not more than 25 percent of the fair market value of the conservation easement or other interest in eligible land.

"(2) BIDDING DOWN.—If the Secretary determines that 2 or more applications for the purchase of a conservation easement or other interest in eligible land described in subsection (a) are comparable in achieving the purposes of this section, the Secretary shall not assign a higher priority to any 1 of those applications solely on the basis of lesser cost to the farmland protection program established under subsection (a).

"SEC. 1238J. FARM VIABILITY PROGRAM.

"(a) IN GENERAL.—The Secretary may provide to eligible entities identified by the Secretary grants for use in carrying out farm viability programs developed by the eligible entities and approved by the Secretary.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section such sums as are necessary for each of fiscal years 2002 through 2007.".

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note; Public Law 104–127) is repealed.

(B) Section 211 of the Agriculture Risk Protection Act of 2000 (16 U.S.C. 3830 note; Public Law 106–224) is amended—

(i) by striking subsection (a); and

(ii) in subsection (b)—

(I) by striking the subsection designation and the subsection heading;

(II) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and indenting appropriately;

(III) in subsection (a) (as so redesignated), by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and indenting appropriately;

(IV) in subsection (b) (as so redesignated), by striking "ASSISTANCE" and inserting "ASSISTANCE"; and

(V) by striking "subsection" each place it appears and inserting "section".

(2) EFFECT ON CONTRACTS.—The amendment made by paragraph (1)(A) shall have no effect on any contract entered into under section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) that is in effect as of the date of enactment of this Act.

SEC. 2504. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

Subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.) is amended to read as follows:

"Subtitle H—Resource Conservation and Development Program

"SEC. 1528. DEFINITIONS.

"In this subtitle:

"(1) AREA PLAN.—The term 'area plan' means a resource conservation and use plan developed through a planning process by a council for a designated area of 1 or more States, or of land under the jurisdiction of an Indian tribe, that includes 1 or more of the following elements:

"(A) A land conservation element, the purpose of which is to control erosion and sedimentation.

"(B) A water management element that provides 1 or more clear environmental or conservation benefits, the purpose of which is to provide for—

"(i) the conservation, use, and quality of water, including irrigation and rural water supplies;

"(ii) the mitigation of floods and high water tables;

"(iii) the repair and improvement of reservoirs;

"(iv) the improvement of agricultural water management; and

"(v) the improvement of water quality.

"(C) A community development element, the purpose of which is to improve—

"(i) the development of resources-based industries;

"(ii) the protection of rural industries from natural resource hazards;

"(iii) the development of adequate rural water and waste disposal systems;

"(iv) the improvement of recreation facilities;

"(v) the improvement in the quality of rural housing;

"(vi) the provision of adequate health and education facilities;

"(vii) the satisfaction of essential transportation and communication needs; and

"(viii) the promotion of food security, economic development, and education.

"(D) A land management element, the purpose of which is—

"(i) energy conservation, including the production of energy crops;

"(ii) the protection of agricultural land, as appropriate, from conversion to other uses;

"(iii) farmland protection; and

"(iv) the protection of fish and wildlife habitats.

"(2) BOARD.—The term 'Board' means the Resource Conservation and Development Policy Advisory Board established under section 1533(a).

"(3) COUNCIL.—The term 'council' means a nonprofit entity (including an affiliate of the entity) operating in a State that is—

"(A) established by volunteers or representatives of States, local units of government, Indian tribes, or local nonprofit organizations to carry out an area plan in a designated area; and

"(B) designated by the chief executive officer or legislature of the State to receive technical assistance and financial assistance under this subtitle.

"(4) DESIGNATED AREA.—The term 'designated area' means a geographic area designated by the Secretary to receive technical assistance and financial assistance under this subtitle.

"(5) FINANCIAL ASSISTANCE.—The term 'financial assistance' means a grant or loan provided by the Secretary (or the Secretary and other Federal agencies) to, or a cooperative agreement entered into by the Secretary (or the Secretary and other Federal agencies) with, a council, or association of councils, to carry out an area plan in a designated area, including assistance provided for planning, analysis, feasibility studies, training, education, and other activities necessary to carry out the area plan.

"(6) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(7) LOCAL UNIT OF GOVERNMENT.—The term 'local unit of government' means—

"(A) any county, city, town, township, parish, village, or other general-purpose subdivision of a State; and

"(B) any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district.

"(8) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means any organization that is—

"(A) described in section 501(c) of the Internal Revenue Code of 1986; and

"(B) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986.

"(9) PLANNING PROCESS.—The term 'planning process' means actions taken by a council to develop and carry out an effective area plan in a designated area, including development of the area plan, goals, purposes, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in the actions.

"(10) PROJECT.—The term 'project' means a project that is carried out by a council to achieve any of the elements of an area plan.

"(11) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(12) STATE.—The term 'State' means—

"(A) any State;

"(B) the District of Columbia; or

"(C) any territory or possession of the United States.

"(13) TECHNICAL ASSISTANCE.—The term 'technical assistance' means any service provided by the Secretary or agent of the Secretary, including—

"(A) inventorying, evaluating, planning, designing, supervising, laying out, and inspecting projects;

"(B) providing maps, reports, and other documents associated with the services provided;

"(C) providing assistance for the long-term implementation of area plans; and

"(D) providing services of an agency of the Department of Agriculture to assist councils in developing and carrying out area plans.

"SEC. 1529. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

"The Secretary shall establish a resource conservation and development program under which the Secretary shall provide technical assistance and financial assistance to councils to develop and carry out area plans and projects in designated areas—

"(1) to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in primarily rural areas of the United States; and

"(2) to encourage and improve the capability of State, units of government, Indian tribes, nonprofit organizations, and councils to carry out the purposes described in paragraph (1).

"SEC. 1530. SELECTION OF DESIGNATED AREAS.

"The Secretary shall select designated areas for assistance under this subtitle on the basis of the elements of area plans.

"SEC. 1531. POWERS OF THE SECRETARY.

"In carrying out this subtitle, the Secretary may—

"(1) provide technical assistance to any council to assist in developing and implementing an area plan for a designated area;

"(2) cooperate with other departments and agencies of the Federal Government, States, local units of government, local Indian tribes, and local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

"(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical assistance and financial assistance to any council; and

"(4) enter into agreements with councils in accordance with section 1532.

"SEC. 1532. ELIGIBILITY; TERMS AND CONDITIONS.

"(a) ELIGIBILITY.—Technical assistance and financial assistance may be provided by the Secretary under this subtitle to any council to assist in carrying out a project specified in an area plan approved by the Secretary only if—

"(1) the council agrees in writing—

"(A) to carry out the project; and

"(B) to finance or arrange for financing of any portion of the cost of carrying out the project for which financial assistance is not provided by the Secretary under this subtitle;

"(2) the project is included in an area plan and is approved by the council;

"(3) the Secretary determines that assistance is necessary to carry out the area plan;

"(4) the project provided for in the area plan is consistent with any comprehensive plan for the area;

"(5) the cost of the land or an interest in the land acquired or to be acquired under the plan by any State, local unit of government, Indian tribe, or local nonprofit organization is borne by the State, local unit of government, Indian tribe, or local nonprofit organization, respectively; and

"(6) the State, local unit of government, Indian tribe, or local nonprofit organization participating in the area plan agrees to maintain and operate the project.

"(b) LOANS.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), a loan made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe.

"(2) TERM.—A loan for a project made under this subtitle shall have a term of not more than 30 years after the date of completion of the project.

"(3) INTEREST RATE.—A loan made under this subtitle shall bear interest at the average rate of interest paid by the United States on obligations of a comparable term, as determined by the Secretary of the Treasury.

"(c) APPROVAL BY SECRETARY.—Technical assistance and financial assistance under this subtitle may not be made available to a council to carry out an area plan unless the area plan has been submitted to and approved by the Secretary.

"(d) WITHDRAWAL.—The Secretary may withdraw technical assistance and financial assistance with respect to any area plan if the Secretary determines that the assistance is no longer necessary or that sufficient progress has not been made toward developing or implementing the elements of the area plan.

"SEC. 1533. RESOURCE CONSERVATION AND DEVELOPMENT POLICY ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Advisory Board.

"(b) COMPOSITION.—

"(1) IN GENERAL.—The Board shall be composed of at least 7 employees of the Department of Agriculture selected by the Secretary.

"(2) CHAIRPERSON.—A member of the Board shall be designated by the Secretary to serve as chairperson of the Board.

"(c) DUTIES.—The Board shall advise the Secretary regarding the administration of this subtitle, including the formulation of policies for carrying out this subtitle.

"SEC. 1534. EVALUATION OF PROGRAM.

"(a) IN GENERAL.—The Secretary, in consultation with councils, shall evaluate the program established under this subtitle to determine whether the program is effectively meeting the needs of, and the purposes identified by, States, units of government, Indian tribes, nonprofit organizations, and councils participating in, or served by, the program.

"(b) REPORT.—Not later than June 30, 2005, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation, together with any recommendations of the Secretary for continuing, terminating, or modifying the program.

"SEC. 1535. LIMITATION ON ASSISTANCE.

"In carrying out this subtitle, the Secretary shall provide technical assistance and financial assistance with respect to not more than 450 active designated areas.

"SEC. 1536. SUPPLEMENTAL AUTHORITY OF THE SECRETARY.

"The authority of the Secretary under this subtitle to assist councils in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

"SEC. 1537. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be such sums as are necessary to carry out this subtitle.

"(b) LOANS.—The Secretary shall not use more than $15,000,000 of any funds made available for a fiscal year to make loans under this subtitle.

"(c) AVAILABILITY.—Funds appropriated to carry out this subtitle shall remain available until expended.".

SEC. 2505. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012) is amended by striking subsection (h) and inserting the following:

"(h) FUNDING.—

"(1) FUNDS OF COMMODITY CREDIT CORPORATION.—In carrying out this section, of the funds of the Commodity Credit Corporation, the Secretary shall make available, to remain available until expended—

"(A) $45,000,000 for fiscal year 2003;

"(B) $50,000,000 for fiscal year 2004;

"(C) $55,000,000 for fiscal year 2005;

"(D) $60,000,000 for fiscal year 2006;

"(E) $65,000,000 for fiscal year 2007; and

"(F) $0 for fiscal year 2008.

"(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated to the Secretary to carry out this section, to remain available until expended—

"(A) $45,000,000 for fiscal year 2003;

"(B) $55,000,000 for fiscal year 2004;

"(C) $65,000,000 for fiscal year 2005;

"(D) $75,000,000 for fiscal year 2006; and

"(E) $85,000,000 for fiscal year 2007.".

SEC. 2506. USE OF SYMBOLS, SLOGANS, AND LOGOS.

Section 356 of the Federal Agriculture Improvement Act of 1996 (16 U.S.C. 5801 et seq.) is amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(B) by inserting after paragraph (3) the following:

"(4) on the written approval of the Secretary, to use, license, or transfer symbols, slogans, and logos of the Foundation (exclusive of any symbol or logo of a governmental entity);"; and

(2) in subsection (d), by adding at the end the following:

"(3) USE OF SYMBOLS, SLOGANS, AND LOGOS OF THE FOUNDATION.—

"(A) IN GENERAL.—The Secretary may authorize the Foundation to use, license, or transfer symbols, slogans, and logos of the Foundation.

"(B) INCOME.—

"(i) IN GENERAL.—All revenue received by the Foundation from the use, licensing, or transfer of symbols, slogans, and logos of the Foundation shall be transferred to the Secretary.

"(ii) CONSERVATION OPERATIONS.—The Secretary shall transfer all revenue received under clause (i) to the account within the Natural Resources Conservation Service that is used to carry out conservation operations.".

SEC. 2507. DESERT TERMINAL LAKES.

"(a) IN GENERAL.—Subject to subsection (b), as soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall transfer $200,000,000 of the funds of the Commodity Credit Corporation to the Bureau of Reclamation Water and Related Resources Account, which funds shall—

"(1) be used by the Secretary of the Interior, acting through the Commissioner of Reclamation, to provide water to at-risk natural desert terminal lakes; and

"(2) remain available until expended.

"(b) LIMITATION.—The funds described in subsection (a) shall not be used to purchase or lease water rights.

Subtitle G—Conservation Corridor Demonstration Program

SEC. 2601. DEFINITIONS.

In this subtitle:

(1) DELMARVA PENINSULA.—The term "Delmarva Peninsula" means land in the States of Delaware, Maryland, and Virginia located on the east side of the Chesapeake Bay.

(2) DEMONSTRATION PROGRAM.—The term "demonstration program" means the Conservation Corridor Demonstration Program established under this subtitle.

(3) CONSERVATION CORRIDOR PLAN; PLAN.—The terms "conservation corridor plan" and "plan" mean a conservation corridor plan required to be submitted and approved as a condition for participation in the demonstration program.

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 2602. CONSERVATION CORRIDOR DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall carry out a demonstration program, to be known as the "Conservation Corridor Demonstration Program", under which any of the States of Delaware, Maryland, and Virginia, a local government of any 1 of those States with jurisdiction over land on the Delmarva Peninsula, or a combination of those States, may submit a conservation corridor plan to integrate agriculture and forestry conservation programs of the Department of Agriculture with State and local efforts to address farm conservation needs.

(b) SUBMISSION OF CONSERVATION CORRIDOR PLAN.—

(1) SUBMISSION AND PROPOSAL.—To be eligible to participate in the demonstration program, a State, local government, or combination of States referred to in subsection (a) shall—

(A) submit to the Secretary a conservation corridor plan that—

(i) proposes specific criteria and commitment of resources in the geographic region designated in the plan; and

(ii) describes how the linkage of Federal, State, and local resources will improve—

(I) the economic viability of agriculture; and

(II) the environmental integrity of the watersheds in the Delmarva Peninsula; and

(B) demonstrate to the Secretary that, in developing the plan, the State, local government, or combination of States has solicited and taken into account the views of local residents.

(2) DRAFT MEMORANDUM OF AGREEMENT.—If the conservation corridor plan is submitted by more than 1 State, the plan shall provide a draft memorandum of agreement among entities in each submitting State.

(c) REVIEW OF PLAN.—Not later than 90 days after the date of receipt of a conservation corridor plan, the Secretary—

(1) shall review the plan; and

(2) may approve the plan for implementation under this subtitle if the Secretary determines that the plan meets the requirements specified in subsection (d).

(d) CRITERIA FOR APPROVAL.—The Secretary may approve a conservation corridor plan only if, as determined by the Secretary, the plan provides for each of the following:

(1) VOLUNTARY ACTIONS.—Actions taken under the plan—

(A) are voluntary;

(B) require the consent of willing landowners; and

(C) provide a mechanism by which the landowner may withdraw such consent without adverse consequences other than the loss of any payments to the landowner conditioned on continued enrollment of the land.

(2) LAND OF HIGH CONSERVATION VALUE.—Criteria specified in the plan ensure that land enrolled in each conservation program incorporated through the plan are of exceptionally high conservation value, as determined by the Secretary.

(3) NO EFFECT ON UNENROLLED LAND.—The enrollment of land in a conservation program incorporated through the plan will neither—

(A) adversely affect any adjacent land not so enrolled; nor

(B) create any buffer zone on such unenrolled land.

(4) GREATER BENEFITS.—The conservation programs incorporated through the plan provide benefits greater than the benefits that would likely be achieved through individual application of the conservation programs.

(5) SUFFICIENT STAFFING.—Staffing, considering both Federal and non-Federal resources, is sufficient to ensure success of the plan.

SEC. 2603. IMPLEMENTATION OF CONSERVATION CORRIDOR PLAN.

(a) MEMORANDUM OF AGREEMENT.—On approval of a conservation corridor plan, the Secretary may enter into a memorandum of agreement with the State, local government, or combination of States that submitted the plan to—

(1) guarantee specific program resources for implementation of the plan;

(2) establish various compensation rates to the extent that the parties to the agreement consider justified; and

(3) provide streamlined and integrated paperwork requirements.

(b) CONTINUED COMPLIANCE WITH PLAN APPROVAL CRITERIA.—The Secretary shall terminate the memorandum of agreement entered into under subsection (a) with respect to an approved conservation corridor plan and cease the provision of resources for implementation of the plan if the Secretary determines that, in the implementation of the plan—

(1) the State, local government, or combination of States that submitted the plan has deviated from—

(A) the plan;

(B) the criteria specified in section 2602(d) on which approval of the plan was conditioned; or

(C) the cost-sharing requirements of section 2604(a) or any other condition of the plan; or

(2) the economic viability of agriculture in the geographic region designated in the plan is being hindered.

(c) PROGRESS REPORT.—At the end of the 3-year period that begins on the date on which funds are first provided with respect to a conservation corridor plan under the demonstration program, the State, local government, or combination of States that submitted the plan shall submit to the Secretary—

(1) a report on the effectiveness of the activities carried out under the plan; and

(2) an evaluation of the economic viability of agriculture in the geographic region designated in the plan.

(d) DURATION.—The demonstration program shall be carried out for not less than 3 nor more than 5 years beginning on the date on which funds are first provided under the demonstration program.

SEC. 2604. FUNDING REQUIREMENTS.

(a) COST SHARING.—

(1) REQUIRED NON-FEDERAL SHARE.—Subject to paragraph (2), as a condition on the approval of a conservation corridor plan, the Secretary shall

require the State and local participants to contribute financial resources sufficient to cover at least 50 percent of the total cost of the activities carried out under the plan.

(2) EXCEPTION.—The Secretary may reduce the cost-sharing requirement in the case of a specific project or activity under the demonstration program on good cause and on demonstration that the project or activity is likely to achieve extraordinary natural resource benefits.

(b) RESERVATION OF FUNDS.—The Secretary may consider directing funds on a priority basis to the demonstration program and to projects in areas identified by the plan.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subtitle for each of fiscal years 2002 through 2007.

Subtitle H—Funding and Administration

SEC. 2701. FUNDING AND ADMINISTRATION.

Subtitle E of the Food Security Act of 1985 is amended by striking sections 1241 and 1242 (16 U.S.C. 3841, 3842) and inserting the following:

"SEC. 1241. COMMODITY CREDIT CORPORATION.

"(a) IN GENERAL.—For each of fiscal years 2002 through 2007, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under subtitle D (including the provision of technical assistance):

"(1) The conservation reserve program under subchapter B of chapter 1.

"(2) The wetlands reserve program under subchapter C of chapter 1.

"(3) The conservation security program under subchapter A of chapter 2.

"(4) The farmland protection program under subchapter B of chapter 2, using, to the maximum extent practicable—

"(A) $50,000,000 in fiscal year 2002;

"(B) $100,000,000 in fiscal year 2003;

"(C) $125,000,000 in each of fiscal years 2004 and 2005;

"(D) $100,000,000 in fiscal year 2006; and

"(E) $97,000,000 in fiscal year 2007.

"(5) The grassland reserve program under subchapter C of chapter 2, using, to the maximum extent practicable $254,000,000 for the period of fiscal years 2003 through 2007.

"(6) The environmental quality incentives program under chapter 4, using, to the maximum extent practicable—

"(A) $400,000,000 in fiscal year 2002;

"(B) $700,000,000 in fiscal year 2003;

"(C) $1,000,000,000 in fiscal year 2004;

"(D) $1,200,000,000 in each of fiscal years 2005 and 2006; and

"(E) $1,300,000,000 in fiscal year 2007.

"(7) The wildlife habitat incentives program under section 1240N, using, to the maximum extent practicable—

"(A) $15,000,000 in fiscal year 2002;

"(B) $30,000,000 in fiscal year 2003;

"(C) $60,000,000 in fiscal year 2004; and

"(D) $85,000,000 in each of fiscal years 2005 through 2007.

"(b) SECTION 11.—Nothing in this section affects the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).

"(c) REGIONAL EQUITY.—Before April 1 of each fiscal year, the Secretary shall give priority for funding under the conservation programs under subtitle D (excluding the conservation reserve program under subchapter B of chapter 1, the wetlands reserve program under subchapter C of chapter 1, and the conservation security program under subchapter A of chapter 2) to approved applications in any State that has not received, for the fiscal year, an aggregate amount of at least $12,000,000 for those conservation programs.

"SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.

"(a) IN GENERAL.—The Secretary shall provide technical assistance under this title to a producer eligible for that assistance—

"(1) directly; or

"(2) at the option of the producer, through a payment, as determined by the Secretary, to the producer for an approved third party, if available.

"(b) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Farm Security and Rural Investment Act of 2002, the Secretary shall, by regulation, establish a system for—

"(A) approving individuals and entities to provide technical assistance to carry out programs under this title (including criteria for the evaluation of providers or potential providers of technical assistance); and

"(B) establishing the amounts and methods for payments for that assistance.

"(2) EXPERTISE.—In promulgating regulations to carry out this subsection the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering (including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies), are eligible to become approved providers of the technical assistance.

"(3) INTERIM ASSISTANCE.—

"(A) IN GENERAL.—A person that has provided technical assistance in accordance with an agreement between the person and the Secretary before the date of enactment of the Farm Security and Rural Investment Act of 2002 may continue to provide technical assistance under this section until the date on which the Secretary establishes the system described in paragraph (1).

"(B) EVALUATION.—If a person described in subparagraph (A) seeks to continue to provide technical assistance after the date referred to in subparagraph (A), the Secretary shall evaluate the person using criteria referred to in paragraph (1).

"(4) NON-FEDERAL ASSISTANCE.—The Secretary may request the services of, and enter into cooperative agreements or contracts with, non-Federal entities to assist the Secretary in providing technical assistance necessary to develop and implement conservation programs under this title.".

SEC. 2702. REGULATIONS.

(a) IN GENERAL.—Except as otherwise provided in this title or an amendment made by this title, not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture, in consultation with the Commodity Credit Corporation, shall promulgate such regulations as are necessary to implement this title.

(b) APPLICABLE AUTHORITY.—The promulgation of regulations under subsection (a) and administration of this title—

(1) shall—

(A) be carried out without regard to chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act); and

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804) relating to notices of proposed rulemaking and public participation in rulemaking; and

(2) may—

(A) be promulgated with an opportunity for notice and comment; or

(B) if determined to be appropriate by the Secretary of Agriculture or the Commodity Credit Corporation, as an interim rule effective on publication with an opportunity for notice and comment.

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808(2) of title 5, United States Code.

TITLE III—TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 3001. UNITED STATES POLICY.

Section 2 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) is amended—

(1) in paragraph (4), by striking "and" at the end;

(2) in paragraph (5), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(6) prevent conflicts.".

SEC. 3002. PROVISION OF AGRICULTURAL COMMODITIES.

Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) in subsection (b), by adding at the end the following:

"(3) PROGRAM DIVERSITY.—The Administrator shall—

"(A) encourage eligible organizations to propose and implement program plans to address 1 or more aspects of the program under section 201; and

"(B) consider proposals that incorporate a variety of program objectives and strategic plans based on the identification by eligible organizations of appropriate activities, consistent with section 201, to assist development of foreign countries.";

(2) in subsection (e)(1), by striking "not less than $10,000,000, and not more than $28,000,000," and inserting "not less than 5 percent nor more than 10 percent of the funds"; and

(3) by adding at the end the following:

"(h) STREAMLINED PROGRAM MANAGEMENT.—

"(1) IMPROVEMENTS.—Not later than 1 year after the date of enactment of this subsection, the Administrator shall—

"(A) streamline program procedures and guidelines under this title for agreements with eligible organizations for programs in 1 or more countries; and

"(B) effective beginning with fiscal year 2004, to the maximum extent practicable, incorporate the changes into the procedures and guidelines for programs and the guidelines for resource requests.

"(2) STREAMLINED PROCEDURES AND GUIDELINES.—In carrying out paragraph (1), the Administrator shall make improvements in the Office of Food for Peace management systems that include—

"(A) expedition of and greater consistency in the program review and approval process under this title;

"(B) streamlining of information collection and reporting systems by identifying the critical information that needs to be monitored and reported on by eligible organizations; and

"(C) for approved programs, provision of greater flexibility for an eligible organization to make modifications in program activities to achieve program results with streamlined procedures for reporting such modifications.

"(3) CONSULTATION.—

"(A) IN GENERAL.—Paragraphs (1) and (2) shall be carried out in accordance with section 205 and subsections (b) and (c) of section 207.

"(B) CONSULTATION WITH CONGRESSIONAL COMMITTEES.—Not later than 180 days after the date of enactment of this subsection, the Administrator shall consult with the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on progress made in carrying out this subsection.

"(4) REPORT.—Not later than 270 days after the date of enactment of this subsection, the Administrator shall submit to the Committee on Agriculture and the Committee on International

Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the improvements made and planned upgrades in the information management, procurement, and financial management systems to administer this title.".

SEC. 3003. GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in the section heading, by striking "**FOREIGN**";

(2) in subsection (a), by striking "the recipient country, or in a country" and inserting "1 or more recipient countries, or 1 or more countries";

(3) in subsection (b)—

(A) by striking "in recipient countries, or in countries" and inserting "1 or more recipient countries, or in 1 or more countries"; and

(B) by striking "foreign currency";

(4) in subsection (c)—

(A) by striking "foreign currency"; and

(B) by striking "the recipient country, or in a country" and inserting "1 or more recipient countries, or in 1 or more countries"; and

(5) in subsection (d)—

(A) by striking "Foreign currencies" and inserting "Proceeds";

(B) in paragraph (2)—

(i) by striking "income generating" and inserting "income-generating"; and

(ii) by striking "the recipient country or within a country" and inserting "1 or more recipient countries or within 1 or more countries"; and

(C) in paragraph (3)—

(i) by inserting a comma after "invested"; and

(ii) by inserting a comma after "used".

SEC. 3004. LEVELS OF ASSISTANCE.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) by striking "1996 through 2002" each place it appears and inserting "2002 through 2007";

(2) in paragraph (1), by striking "2,025,000" and inserting "2,500,000"; and

(3) in paragraph (2), by striking "1,550,000 metric tons" and inserting "1,875,000 metric tons".

SEC. 3005. FOOD AID CONSULTATIVE GROUP.

Section 205(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725(f)) is amended by striking "2002" and inserting "2007".

SEC. 3006. MAXIMUM LEVEL OF EXPENDITURES.

Section 206 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726) is repealed.

SEC. 3007. ADMINISTRATION.

Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a)—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

"(1) RECIPIENT COUNTRIES.—A proposal to enter into a nonemergency food assistance agreement under this title shall identify the recipient country or countries that are the subject of the agreement.

"(2) TIMING.—Not later than 120 days after the date of receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall determine whether to accept the proposal.";

(2) in subsection (b), by striking "guideline" each place it appears and inserting "guideline or annual policy guidance"; and

(3) by adding at the end the following:

"(e) TIMELY APPROVAL.—

"(1) IN GENERAL.—The Administrator is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of each fiscal year.

"(2) REPORT.—Not later than December 1 of each year, the Administrator shall submit to the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains—

"(A) a list of programs, countries, and commodities approved to date for assistance under this section; and

"(B) a statement of the total amount of funds approved to date for transportation and administrative costs under this section.".

SEC. 3008. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is amended by striking "and 2002" and inserting "through 2007".

SEC. 3009. SALE PROCEDURE.

(a) IN GENERAL.—Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

(1) in subsection (e)—

(A) by striking "In carrying" and inserting the following:

"(1) IN GENERAL.—In carrying"; and

(B) by adding at the end the following:

"(2) SALE PRICE.—Sales of agricultural commodities described in paragraph (1) shall be made at a reasonable market price in the economy where the agricultural commodity is to be sold, as determined by the Secretary or the Administrator, as appropriate."; and

(2) by adding at the end the following:

"(l) SALE PROCEDURE.—

"(1) IN GENERAL.—Subsections (b) and (h) shall apply to sales of commodities in recipient countries to generate proceeds to carry out projects under—

"(A) titles I and II;

"(B) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)); and

"(C) the Food for Progress Act of 1985 (7 U.S.C. 1736o).

"(2) CURRENCY.—A sale described in paragraph (1) may be made in United States dollars or other currencies.".

(b) CONFORMING AMENDMENTS.—

(1) Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended by adding at the end the following:

"(10) SALE PROCEDURE.—In approving sales of commodities under this subsection, the Secretary shall follow the sale procedure described in section 403(l) of the Agricultural Trade Development and Assistance Act of 1954.".

(2) Subsection (f) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(f)) is amended by adding at the end the following:

"(5) SALE PROCEDURE.—In making sales of eligible commodities under this section, the Secretary shall follow the sale procedure described in section 403(l) of the Agricultural Trade Development and Assistance Act of 1954.".

SEC. 3010. PREPOSITIONING.

Section 407(c)(4) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a(c)(4)) is amended by striking "and 2002" and inserting "through 2007".

SEC. 3011. TRANSPORTATION AND RELATED COSTS.

Section 407(c)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a(c)(1)) is amended—

(1) by striking "The Administrator" and inserting the following:

"(A) IN GENERAL.—The Administrator"; and

(2) by adding at the end the following:

"(B) CERTAIN COMMODITIES MADE AVAILABLE FOR NONEMERGENCY ASSISTANCE.—In the case of agricultural commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the agricultural commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.".

SEC. 3012. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking "2002" and inserting "2007".

SEC. 3013. MICRONUTRIENT FORTIFICATION PROGRAMS.

Section 415 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g-2) is amended—

(1) in the section heading, by striking "**PILOT PROGRAM.**" and inserting "**PROGRAMS.**";

(2) in subsection (a)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and adjusting the margins appropriately;

(B) by striking the first sentence and inserting the following:

"(1) PROGRAMS.—Not later than September 30, 2003, the Administrator, in consultation with the Secretary, shall establish micronutrient fortification programs."; and

(C) in the second sentence, by striking "The purpose of the program" and inserting the following:

"(2) PURPOSE.—The purpose of a program"; and

(D) in paragraph (2) (as designated by subparagraph (C))—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B)—

(I) by striking "whole"; and

(II) by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(C) assess and apply technologies and systems to improve and ensure the quality, shelf life, bioavailability, and safety of fortified food aid commodities, and products of those commodities, that are provided to developing countries, by using the same mechanism that was used to assess the micronutrient fortification program in the report entitled 'Micronutrient Compliance Review of Fortified P.L. 480 Commodities', published October 2001 with funds from the Bureau for Humanitarian Response of the United States Agency for International Development.";

(3) in subsection (b), by striking "the pilot program" and inserting "a program under this section";

(4) in the first sentence of subsection (c)—

(A) by striking "the pilot program, whole" and inserting "a program,";

(B) by striking "the pilot program may" and inserting "a program may";

(C) by striking "including" and inserting "such as"; and

(D) by striking "and iodine" and inserting "iodine, and folic acid"; and

(5) in subsection (d)—

(A) by striking "the pilot program" and inserting "programs"; and

(B) by striking "2002" and inserting "2007".

SEC. 3014. JOHN OGONOWSKI FARMER-TO-FARMER PROGRAM.

Section 501 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737) is amended to read as follows:

“SEC. 501. JOHN OGONOWSKI FARMER-TO-FARMER PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) CARIBBEAN BASIN COUNTRY.—The term ‘Caribbean Basin country’ means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

“(2) EMERGING MARKET.—The term ‘emerging market’ means a country that the Secretary determines—

“(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

“(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.

“(3) MIDDLE INCOME COUNTRY.—The term ‘middle income country’ means a country that has developed economically to the point at which the country does not receive bilateral development assistance from the United States.

“(4) SUB-SAHARAN AFRICAN COUNTRY.—The term ‘sub-Saharan African country’ has the meaning given the term in section 107 of the Trade and Development Act of 2000 (19 U.S.C. 3706).

“(b) PROVISION.—Notwithstanding any other provision of law, to further assist developing countries, middle-income countries, emerging markets, sub-Saharan African countries, and Caribbean Basin countries to increase farm production and farmer incomes, the President may—

“(1) establish and administer a program, to be known as the ‘John Ogonowski Farmer-to-Farmer Program’, of farmer-to-farmer assistance between the United States and such countries to assist in—

“(A) increasing food production and distribution; and

“(B) improving the effectiveness of the farming and marketing operations of agricultural producers in those countries;

“(2) use United States agricultural producers, agriculturalists, colleges and universities (including historically black colleges and universities, land grant colleges or universities, and foundations maintained by colleges or universities), private agribusinesses, private organizations (including grassroots organizations with an established and demonstrated capacity to carry out such a bilateral exchange program), private corporations, and nonprofit farm organizations to work in conjunction with agricultural producers and farm organizations in those countries, on a voluntary basis—

“(A) to improve agricultural and agribusiness operations and agricultural systems in those countries, including improving—

“(i) animal care and health;

“(ii) field crop cultivation;

“(iii) fruit and vegetable growing;

“(iv) livestock operations;

“(v) food processing and packaging;

“(vi) farm credit;

“(vii) marketing;

“(viii) inputs; and

“(ix) agricultural extension; and

“(B) to strengthen cooperatives and other agricultural groups in those countries;

“(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on an individual basis, to those countries while enhancing the democratic process by supporting private and public agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

“(4) to the maximum extent practicable, make grants to or enter into contracts or other cooperative agreements with private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available under subsection (d) or has otherwise been provided in advance in appropriation Acts);

“(5) coordinate programs established under this section with other foreign assistance programs and activities carried out by the United States; and

“(6) to the extent that local currencies can be used to meet the costs of a program established under this section, augment funds of the United States that are available for such a program through the use, within the country in which the program is being conducted, of—

“(A) foreign currencies that accrue from the sale of agricultural commodities and products under this Act; and

“(B) local currencies generated from other types of foreign assistance activities.

“(c) SPECIAL EMPHASIS ON SUB-SAHARAN AFRICAN AND CARIBBEAN BASIN COUNTRIES.—

“(1) FINDINGS.—Congress finds that—

“(A) agricultural producers in sub-Saharan African and Caribbean Basin countries need training in agricultural techniques that are appropriate for the majority of eligible agricultural producers in those countries, including training in—

“(i) standard growing practices;

“(ii) insecticide and sanitation procedures; and

“(iii) other agricultural methods that will produce increased yields of more nutritious and healthful crops;

“(B) agricultural producers in the United States (including African-American agricultural producers) and banking and insurance professionals have agribusiness expertise that would be invaluable for agricultural producers in sub-Saharan African and Caribbean Basin countries;

“(C) a commitment by the United States is appropriate to support the development of a comprehensive agricultural skills training program for those agricultural producers that focuses on—

“(i) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

“(ii) teaching modern agricultural techniques that would facilitate a continual analysis of crop production, including—

“(I) the identification and development of standard growing practices; and

“(II) the establishment of systems for recordkeeping;

“(iii) the use and maintenance of agricultural equipment that is appropriate for the majority of eligible agricultural producers in sub-Saharan African or Caribbean Basin countries;

“(iv) the expansion of small agricultural operations into agribusiness enterprises by increasing access to credit for agricultural producers through—

“(I) the development and use of village banking systems; and

“(II) the use of agricultural risk insurance pilot products; and

“(v) marketing crop yields to prospective purchasers (including businesses and individuals) for local needs and export; and

“(D) programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign agricultural producers have been effective in promoting improved agricultural techniques and food security and the extension of additional resources to such farmer-to-farmer exchanges is warranted.

“(2) GOALS FOR PROGRAMS CARRIED OUT IN SUB-SAHARAN AFRICAN AND CARIBBEAN COUNTRIES.—The goals of programs carried out under this section in sub-Saharan African and Caribbean Basin countries shall be—

“(A) to expand small agricultural operations in those countries into agribusiness enterprises by increasing access to credit for agricultural producers through—

“(i) the development and use of village banking systems; and

“(ii) the use of agricultural risk insurance pilot products;

“(B) to provide training to agricultural producers in those countries that will—

“(i) enhance local food security; and

“(ii) help mitigate and alleviate hunger;

“(C) to provide training to agricultural producers in those countries in groups to encourage participants to share and pass on to other agricultural producers in the home communities of the participants, the information and skills obtained from the training, rather than merely retaining the information and skills for the personal enrichment of the participants; and

“(D) to maximize the number of beneficiaries of the programs in sub-Saharan African and Caribbean Basin countries.

“(d) MINIMUM FUNDING.—Notwithstanding any other provision of law, in addition to any funds that may be specifically appropriated to carry out this section, not less than 0.5 percent of the amounts made available for each of fiscal years 2002 through 2007 to carry out this Act shall be used to carry out programs under this section, with—

“(1) not less than 0.2 percent to be used for programs in developing countries; and

“(2) not less than 0.1 percent to be used for programs in sub-Saharan African and Caribbean Basin countries.

“(e) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out programs under this section in sub-Saharan African and Caribbean Basin countries $10,000,000 for each of fiscal years 2002 through 2007.

“(2) ADMINISTRATIVE COSTS.—Not more than 5 percent of the funds made available for a fiscal year under paragraph (1) may be used to pay administrative costs incurred in carrying out programs in sub-Saharan African and Caribbean Basin countries.”.

Subtitle B—Agricultural Trade Act of 1978

SEC. 3101. EXPORTER ASSISTANCE INITIATIVE.

Title I of the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

“SEC. 107. EXPORTER ASSISTANCE INITIATIVE.

“To provide a comprehensive source of information to facilitate exports of United States agricultural commodities, the Secretary shall maintain on a website on the Internet information to assist exporters and potential exporters of United States agricultural commodities.”.

SEC. 3102. EXPORT CREDIT GUARANTEE PROGRAM.

(a) TERMS OF SUPPLIER CREDIT PROGRAM.—Section 202(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(a)) is amended by adding at the end the following:

“(3) EXTENDED SUPPLIER CREDITS.—

“(A) IN GENERAL.—Subject to the appropriation of funds under subparagraph (B), in carrying out this section, the Commodity Credit Corporation may issue guarantees for the repayment of credit made available for a period of more than 180 days, but not more than 360 days, by a United States exporter to a buyer in a foreign country.

“(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to fund the additional costs attributable to the portion of any guarantee issued under this paragraph to cover the *repayment of credit beyond the initial 180-day period.".*

(b) PROCESSED AND HIGH-VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking ", 2001, and 2002" and inserting "through 2007".

(c) REPORT.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following:

"(l) CONSULTATION ON AGRICULTURAL EXPORT CREDIT PROGRAMS.—The Secretary and the United States Trade Representative shall consult on a regular basis with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of multilateral negotiations regarding agricultural export credit programs.".

(d) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking "2002" and inserting "2007".

SEC. 3103. MARKET ACCESS PROGRAM.

Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(2) by striking "The Commodity" and inserting the following:

"(1) IN GENERAL.—The Commodity";

(3) by striking subparagraph (A) (as so redesignated) and inserting the following:

"(A) in addition to any funds that may be specifically appropriated to implement a market access program, not more than $90,000,000 for fiscal year 2001, $100,000,000 for fiscal year 2002, $110,000,000 for fiscal year 2003, $125,000,000 for fiscal year 2004, $140,000,000 for fiscal year 2005, and $200,000,000 for each of fiscal years 2006 and 2007, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation; and"; and

(4) by adding at the end the following:

"(2) PROGRAM PRIORITIES.—In providing any amount of funds made available under paragraph (1)(A) for any fiscal year that is in excess of the amount made available under paragraph (1)(A) for fiscal year 2001, the Secretary shall, to the maximum extent practicable—

"(A) give equal consideration to—

"(i) proposals submitted by organizations that were participating organizations in prior fiscal years; and

"(ii) proposals submitted by eligible trade organizations that have not previously participated in the program established under this title; and

"(B) give equal consideration to—

"(i) proposals submitted for activities in emerging markets; and

"(ii) proposals submitted for activities in markets other than emerging markets.".

SEC. 3104. EXPORT ENHANCEMENT PROGRAM.

(a) IN GENERAL.—Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking "fiscal year 2002" and inserting "each of fiscal years 2002 through 2007".

(b) UNFAIR TRADE PRACTICES.—Section 102(5)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(5)(A)) is amended—

(1) in clause (i), by striking "or" at the end; and

(2) by striking clause (ii) and inserting the following:

"(ii) in the case of a monopolistic state trading enterprise engaged in the export sale of an agricultural commodity, implements a pricing practice that is inconsistent with sound commercial practice;

"(iii) provides a subsidy that—

"(I) decreases market opportunities for United States exports; or

"(II) unfairly distorts an agricultural market to the detriment of United States exporters;

"(iv) imposes an unfair technical barrier to trade, including—

"(I) a trade restriction or commercial requirement (such as a labeling requirement) that adversely affects a new technology (including biotechnology); and

"(II) an unjustified sanitary or phytosanitary restriction (including any restriction that, in violation of the Uruguay Round Agreements, is not based on scientific principles;

"(v) imposes a rule that unfairly restricts imports of United States agricultural commodities in the administration of tariff rate quotas; or

"(vi) fails to adhere to, or circumvents any obligation under, any provision of a trade agreement with the United States.".

SEC. 3105. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) VALUE-ADDED PRODUCTS.—

(1) IN GENERAL.—Section 702(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5722(a)) is amended by inserting ", with a continued significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets" after "products".

(2) REPORT TO CONGRESS.—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

"(c) REPORT TO CONGRESS.—The Secretary shall annually submit to the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on activities under this section describing the amount of funding provided, the types of programs funded, the value-added products that have been targeted, and the foreign markets for those products that have been developed.".

(b) FUNDING.—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C. 5723) is amended to read as follows:

"SEC. 703. FUNDING.

"(a) IN GENERAL.—To carry out this title, the Secretary shall use funds of the Commodity Credit Corporation, or commodities of the Commodity Credit Corporation of a comparable value, in the amount of $34,500,000 for each of fiscal years 2002 through 2007.

"(b) PROGRAM PRIORITIES.—In providing any amount of funds or commodities made available under subsection (a) for any fiscal year that is in excess of the amount made available under this section for fiscal year 2001, the Secretary shall, to the maximum extent practicable—

"(1) give equal consideration to—

"(A) proposals submitted by organizations that were participating organizations in prior fiscal years; and

"(B) proposals submitted by eligible trade organizations that have not previously participated in the program established under this title; and

"(2) give equal consideration to—

"(A) proposals submitted for activities in emerging markets; and

"(B) proposals submitted for activities in markets other than emerging markets.".

SEC. 3106. FOOD FOR PROGRESS.

(a) IN GENERAL.—Subsections (f)(3), (k), and (l)(1) of the Food for Progress Act of 1985 (7 U.S.C. 1736o) are each amended by striking "2002" and inserting "2007".

(b) DEFINITIONS; PROGRAM.—

(1) IN GENERAL.—The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended by striking subsections (b) and (c) and inserting the following:

"(b) DEFINITIONS.—In this section:

"(1) COOPERATIVE.—The term 'cooperative' has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

"(2) CORPORATION.—The term 'Corporation' means the Commodity Credit Corporation.

"(3) DEVELOPING COUNTRY.—The term 'developing country' has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

"(4) ELIGIBLE COMMODITY.—The term 'eligible commodity' means an agricultural commodity, or a product of an agricultural commodity, in inventories of the Corporation or acquired by the President or the Corporation for disposition through commercial purchases under a program authorized under this section.

"(5) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) the government of an emerging agricultural country;

"(B) an intergovernmental organization;

"(C) a private voluntary organization;

"(D) a nonprofit agricultural organization or cooperative;

"(E) a nongovernmental organization; and

"(F) any other private entity.

"(6) FOOD SECURITY.—The term 'food security' means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(7) NONGOVERNMENTAL ORGANIZATION.—The term 'nongovernmental organization' has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

"(8) PRIVATE VOLUNTARY ORGANIZATION.—The term 'private voluntary organization' has the meaning given the term in section 402 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1732).

"(9) PROGRAM.—The term 'program' means a food assistance or development initiative proposed by an eligible entity and approved by the President under this section.

"(c) PROGRAM.—In order to use the food resources of the United States more effectively in support of developing countries, and countries that are emerging democracies that have made commitments to introduce or expand free enterprise elements in their agricultural economies through changes in commodity pricing, marketing, input availability, distribution, and private sector involvement, the President may enter into agreements with eligible entities to furnish to the countries eligible commodities made available under subsections (e) and (f).".

(2) CONFORMING AMENDMENTS.—The Food for Progress Act of 1985 (7 U.S.C. 136o) is amended—

(A) in the first sentence of subsection (d), by striking "food";

(B) in subsection (l)(2), by striking "agricultural";

(C) in subsection (m)(1), by striking "these";

(D) in subsections (d), (e), (f), (h), (j), (l), and (m), by striking "commodities" each place it appears and inserting "eligible commodities"; and

(E) in subsections (e), (f), and (l), by striking "Commodity Credit Corporation" each place it appears and inserting "Corporation"; and

(F) by striking subsection (o).

(c) CONSIDERATION FOR AGREEMENTS.—Subsection (d) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(d)) is amended by striking "(d) In determining" and inserting "(d) CONSIDERATION FOR AGREEMENTS.—In determining".

(d) FUNDING OF ELIGIBLE COMMODITIES.—Subsection (e) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(e)) is amended—

(1) by striking "(e)" and inserting "(e) FUNDING OF ELIGIBLE COMMODITIES.—";

(2) in paragraph (2), by inserting ", and subsection (g) does not apply to eligible commodities furnished on a grant basis or on credit terms

under that title" before the period at the end; and

(3) by adding at the end the following:

"(5) NO EFFECT ON DOMESTIC PROGRAMS.—The President shall not make an eligible commodity available for disposition under this section in any amount that will reduce the amount of the eligible commodity that is traditionally made available through donations to domestic feeding programs or agencies, as determined by the President.

(e) PROVISION OF ELIGIBLE COMMODITIES TO DEVELOPING COUNTRIES.—Subsection (f) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(f)) is amended—

(1) by striking "(f)" and inserting "(f) PROVISION OF ELIGIBLE COMMODITIES TO DEVELOPING COUNTRIES.—"; and

(2) in paragraph (3), by striking "$30,000,000 (or in the case of fiscal year 1999, $35,000,000)" and inserting "$40,000,000".

(f) MINIMUM TONNAGE.—The Food for Progress Act of 1985 is amended by striking subsection (g) (7 U.S.C. 1736o(g)) and inserting the following:

"(g) MINIMUM TONNAGE.—Subject to subsection (f)(3), not less than 400,000 metric tons of eligible commodities may be provided under this section for the program for each of fiscal years 2002 through 2007.".

(g) PROHIBITION ON RESALE OR TRANSSHIPMENT OF ELIGIBLE COMMODITIES.—Subsection (h) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(h)) is amended by striking "(h) An agreement" and inserting "(h) PROHIBITION ON RESALE OR TRANSSHIPMENT OF ELIGIBLE COMMODITIES.—An agreement".

(h) DISPLACEMENT OF UNITED STATES COMMERCIAL SALES.—Subsection (i) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(i)) is amended by striking "(i) In entering" and inserting "(i) DISPLACEMENT OF UNITED STATES COMMERCIAL SALES.—In entering".

(i) MULTICOUNTRY OR MULTIYEAR BASIS.—Subsection (j) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(j)) is amended—

(1) by striking "(j) In carrying out this section, the President may," and inserting the following: "(j) MULTICOUNTRY OR MULTIYEAR BASIS.—

"(1) IN GENERAL.—In carrying out this section, the President,";

(2) by striking "approve" and inserting "is encouraged to approve";

(3) by striking "multiyear" and inserting "multicountry or multiyear"; and

(4) by adding at the end the following:

"(2) DEADLINE FOR PROGRAM ANNOUNCEMENTS.—Before the beginning of any fiscal year, the President shall, to the maximum extent practicable—

"(A) make all determinations concerning program agreements and resource requests for programs under this section; and

"(B) announce those determinations.

"(3) REPORT.—Not later than December 1 of each fiscal year, the President shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of programs, countries, and eligible commodities, and the total amount of funds for transportation and administrative costs, approved to date for the fiscal year under this section.".

(j) EFFECTIVE AND TERMINATION DATES.—Subsection (k) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(k)) is amended by striking "(k) This section" and inserting "(k) EFFECTIVE AND TERMINATION DATES.—This section".

(k) ADMINISTRATIVE EXPENSES.—Subsection (l) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(l)) is amended—

(1) by striking "(l)" and inserting "(l) ADMINISTRATIVE EXPENSES.—";

(2) in paragraph (1), by striking "$10,000,000" and inserting "$15,000,000";

(3) in paragraph (3), by striking "local currencies" and inserting "proceeds"; and

(4) by adding at the end the following:

"(4) HUMANITARIAN OR DEVELOPMENT PURPOSES.—The Secretary may authorize the use of proceeds to pay the costs incurred by an eligible entity under this section for—

"(A)(i) programs targeted at hunger and malnutrition; or

"(ii) development programs involving food security;

"(B) transportation, storage, and distribution of eligible commodities provided under this section; and

"(C) administration, sales, monitoring, and technical assistance.".

(l) PRESIDENTIAL APPROVAL.—Subsection (m) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(m)) is amended by striking "(m) In carrying" and inserting "(m) PRESIDENTIAL APPROVAL.—In carrying".

(m) PROGRAM MANAGEMENT.—The Food for Progress Act of 1985 is amended by striking subsection (n) (7 U.S.C. 1736o(n)) and inserting the following:

"(n) PROGRAM MANAGEMENT.—

"(1) IN GENERAL.—The President shall ensure, to the maximum extent practicable, that each eligible entity participating in 1 or more programs under this section—

"(A) uses eligible commodities made available under this section—

"(i) in an effective manner;

"(ii) in the areas of greatest need; and

"(iii) in a manner that promotes the purposes of this section;

"(B) in using eligible commodities, assesses and takes into account the needs of recipient countries and the target populations of the recipient countries;

"(C) works with recipient countries, and indigenous institutions or groups in recipient countries, to design and carry out mutually acceptable programs authorized under this section; and

"(D) monitors and reports on the distribution or sale of eligible commodities provided under this section using methods that, as determined by the President, facilitate accurate and timely reporting.

"(2) REQUIREMENTS.—

"(A) IN GENERAL.—Not later than 270 days after the date of enactment of this paragraph, the President shall review and, as necessary, make changes in regulations and internal procedures designed to streamline, improve, and clarify the application, approval, and implementation processes pertaining to agreements under this section.

"(B) CONSIDERATIONS.—In conducting the review, the President shall consider—

"(i) revising procedures for submitting proposals;

"(ii) developing criteria for program approval that separately address the objectives of the program;

"(iii) pre-screening organizations and proposals to ensure that the minimum qualifications are met;

"(iv) implementing e-government initiatives and otherwise improving the efficiency of the proposal submission and approval processes;

"(v) upgrading information management systems;

"(vi) improving commodity and transportation procurement processes; and

"(vii) ensuring that evaluation and monitoring methods are sufficient.

"(C) CONSULTATIONS.—Not later than 1 year after the date of enactment of this paragraph, the President shall consult with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on changes made in regulations and procedures.

"(3) REPORTS.—Each eligible entity that enters into an agreement under this section shall submit to the President, at such time as the President may request, a report containing such information as the President may request relating to the use of eligible commodities and funds furnished to the eligible entity under this section.".

SEC. 3107. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section, the term "agricultural commodity" means an agricultural commodity, or a product of an agricultural commodity, that is produced in the United States.

(b) PROGRAM.—Subject to subsection (l), the President may establish a program, to be known as "McGovern-Dole International Food for Education and Child Nutrition Program", requiring the procurement of agricultural commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school food for education programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

(c) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible to be provided under this section;

(2) as necessary to achieve the purposes of this section, funds appropriated under this section may be used to pay—

(A)(i) the cost of acquiring agricultural commodities;

(ii) the costs associated with packaging, enrichment, preservation, and fortification of agricultural commodities;

(iii) the processing, transportation, handling, and other incidental costs up to the time of the delivery of agricultural commodities free on board vessels in United States ports;

(iv) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;

(v) the costs associated with transporting agricultural commodities from United States ports to designated points of entry abroad in the case—

(I) of landlocked countries;

(II) of ports that cannot be used effectively because of natural or other disturbances;

(III) of the unavailability of carriers to a specific country; or

(IV) of substantial savings in costs or time that may be effected by the utilization of points of entry other than ports; and

(vi) the charges for general average contributions arising out of the ocean transport of agricultural commodities transferred pursuant thereto;

(B) all or any part of the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the President determines that—

(i) payment of the costs is appropriate; and

(ii) the recipient country is a low income, net food-importing country that—

(I) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; and

(II) has a national government that is committed to or is working toward, through a national action plan, the goals of the World Declaration on Education for All convened in 1990

in Jomtien, Thailand, and the followup Dakar Framework for Action of the World Education Forum, convened in 2000;

(C) the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(D) the costs of meeting the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations that are implementing activities under this section.

(d) GENERAL AUTHORITIES.—The President shall designate 1 or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in the country.

(e) ELIGIBLE ENTITIES.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments of developing countries and their agencies, and other organizations.

(f) PROCEDURES.—

(1) IN GENERAL.—In carrying out subsection (b), the President shall ensure that procedures are established that—

(A) provide for the submission of proposals by eligible entities, each of which may include 1 or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multiyear basis;

(C) ensure that eligible entities demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible entities on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible entities to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency may consider the ability of eligible entities to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are 5 years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are 5 years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, including maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation of the programs and activities to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of programs in the recipient country.

(g) USE OF FOOD AND NUTRITION SERVICE.—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (b)(1) and on implementation of the programs in the field in recipient countries.

(h) MULTILATERAL INVOLVEMENT.—

(1) IN GENERAL.—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs similar to programs supported under this section.

(2) REPORTS.—The President shall annually submit to the Committee on International Relations and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(i) PRIVATE SECTOR INVOLVEMENT.—The President is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

(j) GRADUATION.—An agreement with an eligible organization under this section shall include provisions—

(1) to—

(A) sustain the benefits to the education, enrollment, and attendance of children in schools in the targeted communities when the provision of commodities and assistance to a recipient country under a program under this section terminates; and

(B) estimate the period of time required until the recipient country or eligible organization is able to provide sufficient assistance without additional assistance under this section; or

(2) to provide other long-term benefits to targeted populations of the recipient country.

(k) REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a)) applies with respect to the availability of commodities under this section.

(l) FUNDING.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the President shall use $100,000,000 for fiscal year 2003 to carry out this section.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2004 through 2007.

(3) ADMINISTRATIVE EXPENSES.—Funds made available to carry out this section may be used to pay the administrative expenses of any Federal agency implementing or assisting in the implementation of this section.

Subtitle C—Miscellaneous

SEC. 3201. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking "foreign currency" each place it appears;

(2) in clause (ii)—

(A) by striking "Foreign currencies" and inserting "Proceeds"; and

(B) by striking "foreign currency"; and

(3) in clause (iv)—

(A) by striking "Foreign currency proceeds" and inserting "Proceeds";

(B) by striking "country of origin" the second place it appears and all that follows through "as necessary to expedite" and inserting "country of origin as necessary to expedite";

(C) by striking "; or" and inserting a period; and

(D) by striking subclause (II).

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) (as amended by section 3009(b)) is amended—

(1) in paragraph (8), by striking "(8)(A)" and all that follows through "(B) The Secretary" and inserting the following:

"(8) ADMINISTRATIVE PROVISIONS.—

"(A) EXPEDITED PROCEDURES.—To the maximum extent practicable, expedited procedures shall be used in the implementation of this subsection.

"(B) ESTIMATE OF COMMODITIES.—The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the types and quantities of commodities and products that will be available under this section for the fiscal year.

"(C) FINALIZATION OF AGREEMENTS.—The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.

"(D) REGULATIONS.—The Secretary"; and

(2) by adding at the end the following:

"(11) REQUIREMENTS.—

"(A) IN GENERAL.—Not later than 270 days after the date of enactment of this subparagraph, the Secretary shall review and, as necessary, make changes in regulations and internal procedures designed to streamline, improve, and clarify the application, approval, and implementation processes pertaining to agreements under this section.

"(B) CONSIDERATIONS.—In conducting the review, the Secretary shall consider—

"(i) revising procedures for submitting proposals;

"(ii) developing criteria for program approval that separately address the objectives of the program;

"(iii) pre-screening organizations and proposals to ensure that the minimum qualifications are met;

"(iv) implementing e-government initiatives and otherwise improving the efficiency of the proposal submission and approval processes;

"(v) upgrading information management systems;

"(vi) improving commodity and transportation procurement processes; and

"(vii) ensuring that evaluation and monitoring methods are sufficient.

"(C) CONSULTATIONS.—Not later than 1 year after the date of enactment of this subparagraph, the Secretary shall consult with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on changes made in regulations and procedures under this paragraph.".

SEC. 3202. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended by striking "2002" each place it appears in subsection (b)(2)(B)(i) and paragraphs (1) and (2) of subsection (h) and inserting "2007".

SEC. 3203. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 *note) is amended in subsections (a) and (d)(1)(A)(i) by striking "2002" and inserting "2007".*

SEC. 3204. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

The Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 1543 (7 U.S.C. 3293) the following:

"SEC. 1543A. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

"(a) ESTABLISHMENT.—There is established in the Department the biotechnology and agricultural trade program.

"(b) PURPOSE.—The purpose of the program shall be to remove, resolve, or mitigate significant regulatory nontariff barriers to the export of United States agricultural commodities (as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602)) into foreign markets through public and private sector projects funded by grants that address—

"(1) quick response intervention regarding nontariff barriers to United States exports involving—

"(A) United States agricultural commodities produced through biotechnology;

"(B) food safety;

"(C) disease; or

"(D) other sanitary or phytosanitary concerns; or

"(2) developing protocols as part of bilateral negotiations with other countries on issues such as animal health, grain quality, and genetically modified commodities.

"(c) ELIGIBLE PROGRAMS.—Depending on need, as determined by the Secretary, activities authorized under this section may be carried out through—

"(1) this section;

"(2) the emerging markets program under section 1542; or

"(3) the Cochran Fellowship Program under section 1543.

"(d) FUNDING.—There is authorized to be appropriated $6,000,000 for each of fiscal years 2002 through 2007.".

SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the "program") to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) FUNDING.—For each of fiscal years 2002 through 2007, the Secretary shall make available $2,000,000 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

SEC. 3206. GLOBAL MARKET STRATEGY.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, and biennially thereafter, the Secretary of Agriculture shall consult with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the formulation and implementation of a global market strategy for the Department of Agriculture that, to the maximum extent practicable—

(1) identifies opportunities for the growth of agricultural exports to overseas markets;

(2) ensures that the resources, programs, and policies of the Department are coordinated with those of other agencies; and

(3) remove barriers to agricultural trade in overseas markets.

(b) REVIEW.—The consultations under subsection (a) shall include a review of—

(1) the strategic goals of the Department; and

(2) the progress of the Department in implementing the strategic goals through the global market strategy.

SEC. 3207. REPORT ON USE OF PERISHABLE COMMODITIES AND LIVE ANIMALS.

Not later than 120 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on international food aid programs of the United States that evaluates—

(1) the implications of storage and transportation capacity and funding for the use of perishable agricultural commodities and semiperishable agricultural commodities; and

(2) the feasibility of the transport of lambs and other live animals under the program.

SEC. 3208. STUDY ON FEE FOR SERVICES.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report on the feasibility of instituting a program under which the Secretary would charge and retain a fee to cover the costs incurred by the Department of Agriculture, acting through the Foreign Agricultural Service or any successor agency, in providing persons with commercial services provided outside the United States.

(b) PURPOSE OF PROGRAM.—The purpose of a program described in subsection (a) would be to supplement and not replace any services currently offered overseas by the Foreign Agricultural Service.

(c) MARKET DEVELOPMENT STRATEGY.—A program under subsection (b) would be part of an overall market development strategy for a particular country or region.

(d) PILOT PROGRAM.—A program under subsection (a) would be established on a pilot basis to ensure that the program does not disadvantage small- and medium-sized companies, including companies that have never engaged in exporting.

SEC. 3209. SENSE OF CONGRESS CONCERNING FOREIGN ASSISTANCE PROGRAMS.

(a) FINDINGS.—Congress finds that—

(1) the international community faces a continuing epidemic of ethnic, sectarian, and criminal violence;

(2) poverty, hunger, political uncertainty, and social instability are the principal causes of violence and conflict around the world;

(3) broad-based, equitable economic growth and agriculture development facilitates political stability, food security, democracy, and the rule of law;

(4) democratic governments are more likely to advocate and observe international laws, protect civil and human rights, pursue free market economies, and avoid external conflicts;

(5) the United States Agency for International Development has provided critical democracy and governance assistance to a majority of the nations that successfully made the transition to democratic governments during the past 2 decades;

(6) 43 of the top 50 consumer nations of American agricultural products were once United States foreign aid recipients;

(7) in the past 50 years, infant child death rates in the developing world have been reduced by 50 percent, and health conditions around the world have improved more during this period than in any other period;

(8) the United States Agency for International Development child survival programs have significantly contributed to a 10 percent reduction in infant mortality rates worldwide in just the past 8 years;

(9) in providing assistance by the United States and other donors in better seeds and teaching more efficient agricultural techniques over the past 2 decades have helped make it possible to feed an additional 1,000,000,000 people in the world;

(10) despite this progress, approximately 1,200,000,000 people, one-quarter of the world's population, live on less that $1 per day, and approximately 3,000,000,000 people live on only $2 per day;

(11) 95 percent of new births occur in developing countries, including the world's poorest countries; and

(12) only ½ percent of the Federal budget is dedicated to international economic and humanitarian assistance.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) United States foreign assistance programs should play an increased role in the global fight against terrorism to complement the national security objectives of the United States;

(2) the United States should lead coordinated international efforts to provide increased financial assistance to countries with impoverished and disadvantaged populations that are the breeding grounds for terrorism; and

(3) the United States Agency for International Development and the Department of Agriculture should substantially increase humanitarian, economic development, and agricultural assistance to foster international peace and stability and the promotion of human rights.

SEC. 3210. SENSE OF THE SENATE CONCERNING AGRICULTURAL TRADE.

(a) AGRICULTURE TRADE NEGOTIATING OBJECTIVES.—It is the sense of the Senate that the principal negotiating objective of the United States with respect to agricultural trade in all multilateral, regional, and bilateral negotiations is to obtain competitive opportunities for the export of United States agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of agricultural trade in bulk and value-added commodities by—

(1) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for the export of United States agricultural commodities, giving priority to United States agricultural commodities that are subject to significantly higher tariffs or subsidy regimes of major producing countries;

(2) immediately eliminating all export subsidies on agricultural commodities worldwide while maintaining bona fide food aid and preserving United States agricultural market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(3) leveling the playing field for United States agricultural producers by disciplining domestic supports such that no other country can provide greater support, measured as a percentage of total agricultural production value, than the United States does while preserving existing green box category to support conservation activities, family farms, and rural communities;

(4) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities for United States agricultural commodities or distort agricultural markets to the detriment of the United States, including—

(A) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, with emphasis on—

(i) requiring price transparency in the operation of state trading enterprises and such other mechanisms; and

(ii) ending discriminatory pricing practices for agricultural commodities that amount to de facto export subsidies so that the enterprises or other mechanisms do not (except in cases of bona fide food aid) sell agricultural commodities in foreign markets at prices below domestic market prices or prices below the full costs of acquiring and delivering agricultural commodities to the foreign markets;

(B) unjustified trade restrictions or commercial requirements affecting new agricultural technologies, including biotechnology;

(C) unjustified sanitary or phytosanitary restrictions, including restrictions that are not based on scientific principles, in contravention of the Agreement on the Application of Sanitary and Phytosanitary Measures (as described in section 101(d)(3) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(3)));

(D) other unjustified technical barriers to agricultural trade; and

(E) restrictive and nontransparent rules in the administration of tariff rate quotas;

(5) improving import relief mechanisms to recognize the unique characteristics of perishable agricultural commodities;

(6) taking into account whether a party to negotiations with respect to trading in an agricultural commodity has—

(A) failed to adhere to the provisions of an existing bilateral trade agreement with the United States;

(B) circumvented obligations under a multilateral trade agreement to which the United States is a signatory; or

(C) manipulated its currency value to the detriment of United States agricultural producers or exporters; and

(7) otherwise ensuring that countries that accede to the World Trade Organization—

(A) have made meaningful market liberalization commitments in agriculture; and

(B) make progress in fulfilling those commitments over time.

(b) PRIORITY FOR AGRICULTURE TRADE.—It is the sense of the Senate that—

(1) reaching a successful agreement on agriculture should be the top priority of United States negotiators in World Trade Organization talks; and

(2) if the primary export competitors of the United States fail to reduce their trade distorting domestic supports and eliminate export subsidies in accordance with the negotiating objectives expressed in this section, the United States should take steps to increase the leverage of United States negotiators and level the playing field for United States producers, within existing World Trade Organization commitments.

(c) CONSULTATION WITH CONGRESSIONAL COMMITTEES.—It is the sense of the Senate that—

(1) before the United States Trade Representative negotiates a trade agreement that would reduce tariffs on agricultural commodities or require a change in United States agricultural law, the United States Trade Representative should consult with the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate;

(2) not less than 48 hours before initialing an agreement relating to agricultural trade negotiated under the auspices of the World Trade Organization, the United States Trade Representative should consult closely with the committees referred to in paragraph (1) regarding—

(A) the details of the agreement;

(B) the potential impact of the agreement on United States agricultural producers; and

(C) any changes in United States law necessary to implement the agreement; and

(3) any agreement or other understanding (whether verbal or in writing) that relates to agricultural trade that is not disclosed to Congress before legislation implementing a trade agreement is introduced in either the Senate or the House of Representatives should not be considered to be part of the agreement approved by Congress and should have no force and effect under Unites States law or in any dispute settlement body.

TITLE IV—NUTRITION PROGRAMS

SEC. 4001. SHORT TITLE.

This title may be cited as the "Food Stamp Reauthorization Act of 2002".

Subtitle A—Food Stamp Program

SEC. 4101. ENCOURAGEMENT OF PAYMENT OF CHILD SUPPORT.

(a) EXCLUSION.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: "and child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,".

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

"(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

"(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

"(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6)."; and

(2) by adding at the end the following:

"(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies, at the option of the State agencies, to determine the amount of any legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) concerning payments made in prior months in lieu of obtaining current information from the households.".

SEC. 4102. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking "and (15)" and inserting "(15)"; and

(2) by inserting before the period at the end the following: ", (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), and (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels".

SEC. 4103. STANDARD DEDUCTION.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

"(1) STANDARD DEDUCTION.—

"(A) IN GENERAL.—

"(i) DEDUCTION.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, and the Virgin Islands of the United States in an amount that is—

"(I) equal to 8.31 percent of the income standard of eligibility established under subsection (c)(1); but

"(II) not more than 8.31 percent of the income standard of eligibility established under subsection (c)(1) for a household of 6 members.

"(ii) MINIMUM AMOUNT.—Notwithstanding clause (i), the standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, and the Virgin Islands of the United States shall be not less than $134, $229, $189, and $118, respectively.

"(B) GUAM.—

"(i) IN GENERAL.—The Secretary shall allow a standard deduction for each household in Guam in an amount that is—

"(I) equal to 8.31 percent of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

"(II) not more than 8.31 percent of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia for a household of 6 members.

"(ii) MINIMUM AMOUNT.—Notwithstanding clause (i), the standard deduction for each household in Guam shall be not less than $269.".

SEC. 4104. SIMPLIFIED UTILITY ALLOWANCE.

Section 5(e)(7)(C)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)(C)(iii)) is amended—

(1) in subclause (I)(bb), by inserting "(without regard to subclause (III))" after "Secretary finds"; and

(2) by adding at the end the following:

"(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).".

SEC. 4105. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended by adding at the end the following:

"(D) HOMELESS HOUSEHOLDS.—

"(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

"(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).".

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking "subsection (e)(7)" and inserting "subsection (e)(6)".

SEC. 4106. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

"(C) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

"(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next recertification of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

"(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

"(I) any reported change of residence; or

"(II) under standards prescribed by the Secretary, any change in earned income.".

SEC. 4107. SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended—

(1) in paragraph (1), by striking "a member who is 60 years of age or older" and inserting "an elderly or disabled member"; and

(2) by adding at the end the following:

"(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

"(A) IN GENERAL.—Subject to subparagraph (B), a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

"(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

"(B) LIMITATIONS.—Except to the extent that any of the types of resources specified in clauses (i) through (iv) are excluded under another paragraph of this subsection, subparagraph (A) does not authorize a State agency to exclude—

"(i) cash;

"(ii) licensed vehicles;

"(iii) amounts in any account in a financial institution that are readily available to the household; or

"(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program.".

SEC. 4108. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

(a) IN GENERAL.—Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting "issuance methods and" after "shall adjust"; and

(2) in the second sentence, by inserting ", any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable," after "personnel".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4109. STATE OPTION TO REDUCE REPORTING REQUIREMENTS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking "on a monthly basis"; and

(2) by adding at the end the following:

"(D) FREQUENCY OF REPORTING.—

"(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

"(I) not less often than once each 6 months; but

"(II) not more often than once each month.

"(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the income standard of eligibility established under section 5(c)(2).".

SEC. 4110. COST NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 4111. REPORT ON ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) DEFINITION OF EBT SYSTEM.—In this section, the term "EBT system" means an electronic benefit transfer system used in issuance of benefits under the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(b) REPORT.—Not later than October 1, 2003, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) describes the status of use by each State agency of EBT systems;

(2) specifies the number of vendors that have entered into a contract for an EBT system with a State agency;

(3)(A) specifies the number of State agencies that have entered into an EBT-system contract with multiple EBT-system vendors; and

(B) describes, for each State agency described in subparagraph (A), how responsibilities are divided among the various vendors;

(4) with respect to any State in which an EBT system is not operational throughout the State as of October 1, 2002—

(A) provides an explanation of the reasons why an EBT system is not operational throughout the State;

(B) describes how the reasons are being addressed; and

(C) specifies the expected date of operation of an EBT system throughout the State;

(5) provides a description of—

(A) the issues faced by any State agency that has awarded a second EBT-system contract in the 2-year period preceding the date of the report; and

(B) the steps that the State agency has taken to address those issues;

(6) provides a description of—

(A) the issues faced by any State agency that will award a second EBT-system contract within the 2-year period beginning on the date of the report; and

(B) strategies that the State agency is considering to address those issues;

(7) describes initiatives being considered or taken by the Department of Agriculture, food retailers, EBT-system vendors, and client advocates to address any outstanding issues with respect to EBT systems; and

(8) examines areas of potential advances in electronic benefit delivery in the 5- to 10-year period beginning on the date of the report, including—

(A) access to EBT systems at farmers' markets;

(B) increased use of transaction data from EBT systems to identify and prosecute fraud; and

(C) fostering of increased competition among EBT-system vendors to ensure cost containment and optimal service.

SEC. 4112. ALTERNATIVE PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALTERNATIVE PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

"(1) IN GENERAL.—

"(A) APPLICABILITY.—

"(i) IN GENERAL.—Subject to clause (ii), at the option of the State agency, allotments for residents of any facility described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) (referred to in this subsection as a 'covered facility') may be determined and issued under this paragraph in lieu of subsection (a).

"(ii) LIMITATION.—Unless the Secretary authorizes implementation of this paragraph in all States under paragraph (3), clause (i) shall apply only to residents of covered facilities participating in a pilot project under paragraph (2).

"(B) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in subparagraph (A) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of covered facilities.

"(C) ISSUANCE OF ALLOTMENT.—

"(i) IN GENERAL.—The State agency shall issue an allotment determined under this paragraph to a covered facility as the authorized representative of the residents of the covered facility.

"(ii) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a covered facility does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the covered facility.

"(D) DEPARTURES OF RESIDENTS OF COVERED FACILITIES.—

"(i) NOTIFICATION.—Any covered facility that receives an allotment for a resident under this paragraph shall—

"(I) notify the State agency promptly on the departure of the resident; and

"(II) notify the resident, before the departure of the resident, that the resident—

"(aa) is eligible for continued benefits under the food stamp program; and

"(bb) should contact the State agency concerning continuation of the benefits.

"(ii) ISSUANCE TO DEPARTED RESIDENTS.—On receiving a notification under clause (i)(I) concerning the departure of a resident, the State agency—

"(I) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

"(II) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this paragraph unless the departed resident reapplies to participate in the food stamp program.

"(iii) STATE OPTION.—The State agency may elect not to issue an allotment under clause (ii)(I) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

"(iv) EFFECT OF REAPPLICATION.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this paragraph.

"(2) PILOT PROJECTS.—

"(A) IN GENERAL.—Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out, at the request of 1 or more State agencies and in 1 or more areas of the United States, such number of pilot projects as the Secretary determines to be sufficient to test the feasibility of determining and issuing allotments to residents of covered facilities under paragraph (1) in lieu of subsection (a).

"(B) PROJECT PLAN.—To be eligible to participate in a pilot project under subparagraph (A), a State agency shall submit to the Secretary for approval a project plan that includes—

"(i) a specification of the covered facilities in the State that will participate in the pilot project;

"(ii) a schedule for reports to be submitted to the Secretary on the pilot project;

"(iii) procedures for standardizing allotment amounts that takes into account the allotments typically received by residents of covered facilities; and

"(iv) a commitment to carry out the pilot project in compliance with the requirements of this subsection other than paragraph (1)(B).

"(3) AUTHORIZATION OF IMPLEMENTATION IN ALL STATES.—

"(A) IN GENERAL.—The Secretary shall—

"(i) determine whether to authorize implementation of paragraph (1) in all States; and

"(ii) notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the determination.

"(B) DETERMINATION NOT TO AUTHORIZE IMPLEMENTATION IN ALL STATES.—

"(i) IN GENERAL.—If the Secretary makes a finding described in clause (ii), the Secretary—

"(I) shall not authorize implementation of paragraph (1) in all States; and

"(II) shall terminate all pilot projects under paragraph (2) within a reasonable period of time (as determined by the Secretary).

"(ii) FINDING.—The finding referred to in clause (i) is that—

"(I) an insufficient number of project plans that the Secretary determines to be eligible for approval are submitted by State agencies under paragraph (2)(B); or

"(II)(aa) a sufficient number of pilot projects have been carried out under paragraph (2)(A); and

"(bb) authorization of implementation of paragraph (1) in all States is not in the best interest of the food stamp program.".

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking "(i) 'Household' means (1) an" and inserting the following:

"(i)(1) 'Household' means—

"(A) an";

(B) in the first sentence, by striking "others, or (2) a group" and inserting the following: "others; or

"(B) a group";

(C) in the second sentence, by striking "Spouses" and inserting the following:

"(2) Spouses";

(D) in the third sentence, by striking "Notwithstanding" and inserting the following:

"(3) Notwithstanding";

(E) in paragraph (3) (as designated by subparagraph (D)), by striking "the preceding sentences" and inserting "paragraphs (1) and (2)";

(F) in the fourth sentence, by striking "In no event" and inserting the following:

"(4) In no event";

(G) in the fifth sentence, by striking "For the purposes of this subsection, residents" and inserting the following:

"(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

"(A) Residents"; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking "Act, or are individuals" and inserting the following: "Act.

"(B) Individuals";

(ii) by striking "such section, temporary" and inserting the following: "that section.

"(C) Temporary";

(iii) by striking "children, residents" and inserting the following: "children.

"(D) Residents";

(iv) by striking "coupons, and narcotics" and inserting the following: "coupons.

"(E) Narcotics"; and

(v) by striking "shall not" and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking "the third sentence of section 3(i)" each place it appears and inserting "section 3(i)(4)".

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking "the last sentence of section 3(i)" and inserting "section 3(i)(5)".

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking "the last 2 sentences of section 3(i)" and inserting "paragraphs (4) and (5) of section 3(i)".

SEC. 4113. REDEMPTION OF BENEFITS THROUGH GROUP LIVING ARRANGEMENTS.

(a) IN GENERAL.—Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by inserting after the first sentence the following: "Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem coupons through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(i) has been implemented.".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 4114. AVAILABILITY OF FOOD STAMP PROGRAM APPLICATIONS ON THE INTERNET.

(a) IN GENERAL.—Section 11(e)(2)(B)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)(B)(ii)) is amended—

(1) by inserting "(I)" after "(ii)";

(2) in subclause (I) (as designated by paragraph (1)), by adding "and" at the end; and

(3) by adding at the end the following:

"(II) if the State agency maintains a website for the State agency, shall make the application available on the website in each language in which the State agency makes a printed application available;".

(b) EFFECTIVE DATE.—The amendments made by this section take effect 18 months after the date of enactment of this Act.

SEC. 4115. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

"(s) TRANSITIONAL BENEFITS OPTION.—

"(1) IN GENERAL.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may receive transitional food stamp benefits for a period of not more than 5 months after the date on which cash assistance is terminated.

"(3) AMOUNT OF BENEFITS.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for the change in household income as a result of—

"(A) the termination of cash assistance; and

"(B) at the option of the State agency, information from another program in which the household participates.

"(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

"(A) require the household to cooperate in a recertification of eligibility; and

"(B) initiate a new certification period for the household without regard to whether the preceding certification period has expired.

"(5) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

"(A) loses eligibility under section 6;

"(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

"(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.

"(6) APPLICATIONS FOR RECERTIFICATION.—

"(A) IN GENERAL.—A household receiving transitional benefits under this subsection may apply for recertification at any time during the transitional benefits period under paragraph (2).

"(B) DETERMINATION OF ALLOTMENT.—If a household applies for recertification under subparagraph (A), the allotment of the household for all subsequent months shall be determined without regard to this subsection.".

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: "The limits specified in this subsection may be extended until the end of any transitional benefit period established under section 11(s).".

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking "No household" and inserting "Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household".

SEC. 4116. GRANTS FOR SIMPLE APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS AND IMPROVED ACCESS TO BENEFITS.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) (as amended by section 4115(a)) is amended by adding at the end the following:

"(t) GRANTS FOR SIMPLE APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS AND IMPROVED ACCESS TO BENEFITS.—

"(1) IN GENERAL.—For each of fiscal years 2003 through 2007, the Secretary shall use not more than $5,000,000 of funds made available under section 18(a)(1) to make grants to pay 100 percent of the costs of eligible entities approved by the Secretary to carry out projects to develop and implement—

"(A) simple food stamp application and eligibility determination systems; or

"(B) measures to improve access to food stamp benefits by eligible households.

"(2) TYPES OF PROJECTS.—A project under paragraph (1) may consist of—

"(A) coordinating application and eligibility determination processes, including verification practices, under the food stamp program and other Federal, State, and local assistance programs;

"(B) establishing methods for applying for benefits and determining eligibility that—

"(i) more extensively use—

"(I) communications by telephone; and

"(II) electronic alternatives such as the Internet; or

"(ii) otherwise improve the administrative infrastructure used in processing applications and determining eligibility;

"(C) developing procedures, training materials, and other resources aimed at reducing barriers to participation and reaching eligible households;

"(D) improving methods for informing and enrolling eligible households; or

"(E) carrying out such other activities as the Secretary determines to be appropriate.

"(3) LIMITATION.—A grant under this subsection shall not be made for the ongoing cost of carrying out any project.

"(4) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this subsection, an entity shall be—

"(A) a State agency administering the food stamp program;

"(B) a State or local government;

"(C) an agency providing health or welfare services;

"(D) a public health or educational entity; or

"(E) a private nonprofit entity such as a community-based organization, food bank, or other emergency feeding organization.

"(5) SELECTION OF ELIGIBLE ENTITIES.—The Secretary—

"(A) shall develop criteria for the selection of eligible entities to receive grants under this subsection; and

"(B) may give preference to any eligible entity that consists of a partnership between a governmental entity and a nongovernmental entity.".

(b) CONFORMING AMENDMENTS.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(1) by striking subsection (i); and

(2) by redesignating subsections (j) and (k) as subsections (i) and (j), respectively.

SEC. 4117. DELIVERY TO RETAILERS OF NOTICES OF ADVERSE ACTION.

(a) IN GENERAL.—Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by striking paragraph (2) and inserting the following:

"(2) DELIVERY OF NOTICES.—A notice under paragraph (1) shall be delivered by any form of delivery that the Secretary determines will provide evidence of the delivery.".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 4118. REFORM OF QUALITY CONTROL SYSTEM.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) by striking "(c)(1) The program" and all that follows through the end of paragraph (1) and inserting the following:

"(c) QUALITY CONTROL SYSTEM.—

"(1) IN GENERAL.—

"(A) SYSTEM.—In carrying out the food stamp program, the Secretary shall carry out a system that enhances payment accuracy and improves administration by establishing fiscal incentives that require State agencies with high payment error rates to share in the cost of payment error.

"(B) ADJUSTMENT OF FEDERAL SHARE OF ADMINISTRATIVE COSTS FOR FISCAL YEARS BEFORE FISCAL YEAR 2003.—

"(i) IN GENERAL.—Subject to clause (ii), with respect to any fiscal year before fiscal year 2003, the Secretary shall adjust a State agency's federally funded share of administrative costs under subsection (a), other than the costs already shared in excess of 50 percent under the proviso in the first sentence of subsection (a) or under subsection (g), by increasing that share of all such administrative costs by 1 percentage point to a maximum of 60 percent of all such administrative costs for each full $^1/_{10}$ of a percentage point by which the payment error rate is less than 6 percent.

"(ii) LIMITATION.—Only States with a rate of invalid decisions in denying eligibility that is less than a nationwide percentage that the Secretary determines to be reasonable shall be entitled to the adjustment under clause (i).

"(C) ESTABLISHMENT OF LIABILITY AMOUNT FOR FISCAL YEAR 2003 AND THEREAFTER.—With respect to fiscal year 2004 and any fiscal year thereafter for which the Secretary determines that, for the second or subsequent consecutive fiscal year, a 95 percent statistical probability exists that the payment error rate of a State agency exceeds 105 percent of the national performance measure for payment error rates announced under paragraph (6), the Secretary shall establish an amount for which the State agency may be liable (referred to in this paragraph as the 'liability amount') that is equal to the product obtained by multiplying—

"(i) the value of all allotments issued by the State agency in the fiscal year;

"(ii) the difference between—

"(I) the payment error rate of the State agency; and

"(II) 6 percent; and

"(iii) 10 percent.

"(D) AUTHORITY OF SECRETARY WITH RESPECT TO LIABILITY AMOUNT.—With respect to the liability amount established for a State agency under subparagraph (C) for any fiscal year, the Secretary shall—

"(i)(I) waive the responsibility of the State agency to pay all or any portion of the liability amount established for the fiscal year (referred to in this paragraph as the 'waiver amount');

"(II) require that a portion, not to exceed 50 percent, of the liability amount established for the fiscal year be used by the State agency for new investment, approved by the Secretary, to improve administration by the State agency of the food stamp program (referred to in this paragraph as the 'new investment amount'), which new investment amount shall not be matched by Federal funds;

"(III) designate a portion, not to exceed 50 percent, of the amount established for the fiscal year for payment to the Secretary in accordance with subparagraph (E) (referred to in this paragraph as the 'at-risk amount'); or

"(IV) take any combination of the actions described in subclauses (I) through (III); or

"(ii) make the determinations described in clause (i) and enter into a settlement with the State agency, only with respect to any waiver amount or new investment amount, before the end of the fiscal year in which the liability amount is determined under subparagraph (C).

"(E) PAYMENT OF AT-RISK AMOUNT FOR CERTAIN STATES.—

"(i) IN GENERAL.—A State agency shall pay to the Secretary the at-risk amount designated under subparagraph (D)(i)(III) for any fiscal year in accordance with clause (ii), if, with respect to the immediately following fiscal year, a liability amount has been established for the State agency under subparagraph (C).

"(ii) METHOD OF PAYMENT OF AT-RISK AMOUNT.—

"(I) REMISSION TO THE SECRETARY.—In the case of a State agency required to pay an at-risk amount under clause (i), as soon as practicable after completion of all administrative and judicial reviews with respect to that requirement to pay, the chief executive officer of the State shall remit to the Secretary the at-risk amount required to be paid.

"(II) ALTERNATIVE METHOD OF COLLECTION.—

"(aa) IN GENERAL.—If the chief executive officer of the State fails to make the payment under subclause (I) within a reasonable period of time determined by the Secretary, the Secretary may reduce any amount due to the State agency under any other provision of this section by the amount required to be paid under clause (i).

"(bb) ACCRUAL OF INTEREST.—During any period of time determined by the Secretary under item (aa), interest on the payment under subclause (I) shall not accrue under section 13(a)(2).

"(F) USE OF PORTION OF LIABILITY AMOUNT FOR NEW INVESTMENT.—

"(i) REDUCTION OF OTHER AMOUNTS DUE TO STATE AGENCY.—In the case of a State agency that fails to comply with a requirement for new investment under subparagraph (D)(i)(II) or clause (iii)(I), the Secretary may reduce any amount due to the State agency under any other provision of this section by the portion of the liability amount that has not been used in accordance with that requirement.

"(ii) EFFECT OF STATE AGENCY'S WHOLLY PREVAILING ON APPEAL.—If a State agency begins required new investment under subparagraph (D)(i)(II), the State agency appeals the liability amount of the State agency, and the determination by the Secretary of the liability amount is reduced to $0 on administrative or judicial review, the Secretary shall pay to the State agency an amount equal to 50 percent of the new investment amount that was included in the liability amount subject to the appeal.

"(iii) EFFECT OF SECRETARY'S WHOLLY PREVAILING ON APPEAL.—If a State agency does not begin required new investment under subparagraph (D)(i)(II), the State agency appeals the liability amount of the State agency, and the determination by the Secretary of the liability amount is wholly upheld on administrative or judicial review, the Secretary shall—

"(I) require all or any portion of the new investment amount to be used by the State agency for new investment, approved by the Secretary, to improve administration by the State agency of the food stamp program, which amount shall not be matched by Federal funds; and

"(II) require payment of any remaining portion of the new investment amount in accordance with subparagraph (E)(ii).

"(iv) EFFECT OF NEITHER PARTY'S WHOLLY PREVAILING ON APPEAL.—The Secretary shall promulgate regulations regarding obligations of the Secretary and the State agency in a case in which the State agency appeals the liability amount of the State agency and neither the Secretary nor the State agency wholly prevails.

"(G) CORRECTIVE ACTION PLANS.—The Secretary shall foster management improvements by the States by requiring State agencies, other than State agencies with payment error rates of less than 6 percent, to develop and implement corrective action plans to reduce payment errors.";

(2) in paragraph (4), by striking "(4)" and all that follows through the end of the first sentence and inserting the following:

"(4) REPORTING REQUIREMENTS.—The Secretary may require a State agency to report any factors that the Secretary considers necessary to determine a State agency's payment error rate, liability amount or new investment amount under paragraph (1), or performance under the performance measures under subsection (d).";

(3) in paragraph (5)—

(A) by striking "(5)" and all that follows through the end of the second sentence and inserting the following:

"(5) PROCEDURES.—To facilitate the implementation of this subsection, each State agency shall expeditiously submit to the Secretary data concerning the operations of the State agency in each fiscal year sufficient for the Secretary to establish the State agency's payment error rate, liability amount or new investment amount under paragraph (1), or performance under the performance measures under subsection (d)."; and

(B) in the last sentence, by striking "paragraph (1)(C)" and inserting "paragraph (1)";

(4) in paragraph (6)—

(A) by striking "(6) At" and inserting the following:

"(6) NATIONAL PERFORMANCE MEASURE FOR PAYMENT ERROR RATES.—

"(A) ANNOUNCEMENT.—At";

(B) in subparagraph (A) (as designated by subparagraph (A)), by striking "and incentive payments or claims pursuant to paragraphs (1)(A) and (1)(C)";

(C) in the first and third sentences, by striking "paragraph (5)" each place it appears and inserting "paragraph (8)";

(D) by striking "Where a State" and inserting the following:

"(B) USE OF ALTERNATIVE MEASURE OF STATE ERROR.—Where a State";

(E) by striking "The announced" and inserting the following:

"(C) USE OF NATIONAL PERFORMANCE MEASURE.—The announced";

(F) in subparagraph (C) (as designated by subparagraph (E)), by striking "the State share of the cost of payment error under paragraph (1)(C)" and inserting "the liability amount of a State under paragraph (1)(C)"; and

(G) by adding at the end the following:

"(D) NO ADMINISTRATIVE OR JUDICIAL REVIEW.—The national performance measure announced under this paragraph shall not be subject to administrative or judicial review.";

(5) in paragraph (7)—

(A) by striking "(7) If the Secretary asserts a financial claim against" and inserting the following:

"(7) ADMINISTRATIVE AND JUDICIAL REVIEW.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), if the Secretary asserts a financial claim against or establishes a liability amount with respect to";

(B) in subparagraph (A) (as designated by subparagraph (A)), by striking "paragraph (1)(C)" and inserting "paragraph (1)"; and

(C) by adding at the end the following:

"(B) DETERMINATION OF PAYMENT ERROR RATE.—With respect to any fiscal year, a determination of the payment error rate of a State agency or a determination whether the payment error rate exceeds 105 percent of the national performance measure for payment error rates shall be subject to administrative or judicial review only if the Secretary establishes a liability amount with respect to the fiscal year under paragraph (1)(C).

"(C) AUTHORITY OF SECRETARY WITH RESPECT TO LIABILITY AMOUNT.—An action by the Secretary under subparagraph (D) or (F)(iii) of paragraph (1) shall not be subject to administrative or judicial review."; and

(6) in paragraph (8)—

(A) in subparagraph (A), by striking "paragraph (1)(C)" and inserting "paragraph (1)";

(B) in subparagraph (C)—

(i) in clause (i), by striking "payment claimed against State agencies; and" and inserting "payment claimed against State agencies or liability amount established with respect to State agencies;";

(ii) in clause (ii), by striking "claims." and inserting "claims or liability amounts; and"; and

(iii) by adding at the end the following:

"(iii) provide a copy of the document providing notification under clause (ii) to the chief executive officer and the legislature of the State."; and

(C) in subparagraphs (D) and (H), by inserting "or liability amount" after "claim" each place it appears.

(b) AUTHORITY TO SETTLE CLAIMS CONCERNING AT-RISK AMOUNTS.—Section 13(a) of the Food Stamp Act of 1977 (7 U.S.C. 2022(a)) is amended—

(1) by striking "(a)(1) The" and inserting the following:

"(a) GENERAL AUTHORITY OF THE SECRETARY.—

"(1) DETERMINATION OF CLAIMS.—Except in the case of an at-risk amount required under section 16(c)(1)(D)(i)(III), the";

(2) by striking the fourth sentence;

(3) by striking "To the extent" and inserting the following:

"(2) CLAIMS ESTABLISHED UNDER QUALITY CONTROL SYSTEM.—To the extent";

(4) in paragraph (2) (as designated by paragraph (3)), by striking "section 16(c)(1)(C)" and inserting "section 16(c)(1)";

(5) by striking "Any interest" and inserting the following:

"(3) COMPUTATION OF INTEREST.—Any interest"; and

(6) by striking "(2) Each adult" and inserting the following:

"(4) JOINT AND SEVERAL LIABILITY OF HOUSEHOLD MEMBERS.—Each adult".

(c) CREDITING OF PAYMENTS TO FOOD STAMP APPROPRIATIONS ACCOUNT.—Section 18(e) of the Food Stamp Act of 1977 (7 U.S.C. 2027(e)) is amended in the first sentence—

(1) by striking "11(g) and (h), and" and inserting "subsections (g) and (h) of section 11,"; and

(2) by inserting "and section 16(c)(1)," after "section 13,".

(d) CONFORMING AMENDMENTS.—Section 22(h) of the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is amended—

(1) in the second sentence, by striking "section 16(c)(1)(C)" and inserting "section 16(c)(1)"; and

(2) by striking the third sentence.

(e) APPLICABILITY.—The amendments made by this section shall not apply with respect to any sanction, appeal, new investment agreement, or other action by the Secretary of Agriculture or a State agency that is based on a payment error rate calculated for any fiscal year before fiscal year 2003.

SEC. 4119. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking "180 days after the end of the fiscal year" and inserting "the first May 31 after the end of the fiscal year referred to in subparagraph (A)"; and

(2) in subparagraph (C), by striking "30 days thereafter" and inserting "the first June 30 after the end of the fiscal year referred to in subparagraph (A)".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4120. BONUSES FOR STATES THAT DEMONSTRATE HIGH OR MOST IMPROVED PERFORMANCE.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (d) and inserting the following:

"(d) BONUSES FOR STATES THAT DEMONSTRATE HIGH OR MOST IMPROVED PERFORMANCE.—

"(1) FISCAL YEARS 2003 AND 2004.—

"(A) GUIDANCE.—With respect to fiscal years 2003 and 2004, the Secretary shall establish, in guidance issued to State agencies not later than October 1, 2002—

"(i) performance criteria relating to—

"(I) actions taken to correct errors, reduce rates of error, and improve eligibility determinations; and

"(II) other indicators of effective administration determined by the Secretary; and

"(ii) standards for high and most improved performance to be used in awarding performance bonus payments under subparagraph (B)(ii).

"(B) PERFORMANCE BONUS PAYMENTS.—With respect to each of fiscal years 2003 and 2004, the Secretary shall—

"(i) measure the performance of each State agency with respect to the criteria established under subparagraph (A)(i); and

"(ii) subject to paragraph (3), award performance bonus payments in the following fiscal year, in a total amount of $48,000,000 for each fiscal year, to State agencies that meet standards for high or most improved performance established by the Secretary under subparagraph (A)(ii).

"(2) FISCAL YEARS 2005 AND THEREAFTER.—

"(A) REGULATIONS.—With respect to fiscal year 2005 and each fiscal year thereafter, the Secretary shall—

"(i) establish, by regulation, performance criteria relating to—

"(I) actions taken to correct errors, reduce rates of error, and improve eligibility determinations; and

"(II) other indicators of effective administration determined by the Secretary;

"(ii) establish, by regulation, standards for high and most improved performance to be used in awarding performance bonus payments under subparagraph (B)(ii); and

"(iii) before issuing proposed regulations to carry out clauses (i) and (ii), solicit ideas for performance criteria and standards for high and most improved performance from State agencies and organizations that represent State interests.

"(B) PERFORMANCE BONUS PAYMENTS.—With respect to fiscal year 2005 and each fiscal year thereafter, the Secretary shall—

"(i) measure the performance of each State agency with respect to the criteria established under subparagraph (A)(i); and

"(ii) subject to paragraph (3), award performance bonus payments in the following fiscal year, in a total amount of $48,000,000 for each fiscal year, to State agencies that meet standards for high or most improved performance established by the Secretary under subparagraph (A)(ii).

"(3) PROHIBITION ON RECEIPT OF PERFORMANCE BONUS PAYMENTS.—A State agency shall not be eligible for a performance bonus payment with respect to any fiscal year for which the State agency has a liability amount established under subsection (c)(1)(C).

"(4) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to award a performance bonus payment under this subsection shall not be subject to administrative or judicial review.".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 4121. EMPLOYMENT AND TRAINING PROGRAM.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A), by striking clause (vii) and inserting the following:

"(vii) for each of fiscal years 2002 through 2007, $90,000,000.";

(2) by striking subparagraph (B) and inserting the following:

"(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available

to and reallocated among State agencies under a reasonable formula that—

"(i) is determined and adjusted by the Secretary; and

"(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o).''; and

(3) by striking subparagraphs (E) through (G) and inserting the following:

"(E) ADDITIONAL ALLOCATIONS FOR STATES THAT ENSURE AVAILABILITY OF WORK OPPORTUNITIES.—

"(i) IN GENERAL.—In addition to the allocations under subparagraph (A), from funds made available under section 18(a)(1), the Secretary shall allocate not more than $20,000,000 for each of fiscal years 2002 through 2007 to reimburse a State agency that is eligible under clause (ii) for the costs incurred in serving food stamp recipients who—

"(I) are not eligible for an exception under section 6(o)(3); and

"(II) are placed in and comply with a program described in subparagraph (B) or (C) of section 6(o)(2).

"(ii) ELIGIBILITY.—To be eligible for an additional allocation under clause (i), a State agency shall make and comply with a commitment to offer a position in a program described in subparagraph (B) or (C) of section 6(o)(2) to each applicant or recipient who—

"(I) is in the last month of the 3-month period described in section 6(o)(2);

"(II) is not eligible for an exception under section 6(o)(3);

"(III) is not eligible for a waiver under section 6(o)(4); and

"(IV) is not exempt under section 6(o)(6).''.

(b) CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall be rescinded on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking '', except that the State agency may limit such reimbursement to each participant to $25 per month''.

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking "such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and'' and inserting "the amount of the reimbursement for dependent care expenses shall not exceed''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4122. REAUTHORIZATION OF FOOD STAMP PROGRAM AND FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking "2002'' and inserting "2007''; and

(2) in subparagraph (B)(ii), by striking "2002'' and inserting "2007''.

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking "2002'' and inserting "2007''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking "1996 through 2002'' and inserting "2003 through 2007''.

SEC. 4123. EXPANDED GRANT AUTHORITY.

(a) IN GENERAL.—Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking '', by way of making contracts with or grants to public or private organizations or agencies,'' and inserting "enter into contracts with or make grants to public or private organizations or agencies under this section to''; and

(2) by adding at the end the following: "The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4124. CONSOLIDATED BLOCK GRANTS FOR PUERTO RICO AND AMERICAN SAMOA.

(a) CONSOLIDATED FUNDING.—Section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028) is amended—

(1) by striking the section heading and "(a)(1)(A) From'' and all that follows through "(2) The'' and inserting the following:

"SEC. 19. CONSOLIDATED BLOCK GRANTS FOR PUERTO RICO AND AMERICAN SAMOA.

"(a) PAYMENTS TO GOVERNMENTAL ENTITIES.—

"(1) DEFINITION OF GOVERNMENTAL ENTITY.—In this subsection, the term 'governmental entity' means—

"(A) the Commonwealth of Puerto Rico; and

"(B) American Samoa.

"(2) BLOCK GRANTS.—

"(A) AMOUNT OF BLOCK GRANTS.—From the sums appropriated under this Act, the Secretary shall, subject to this section, pay to governmental entities to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C)—

"(i) for fiscal year 2003, $1,401,000,000; and

"(ii) for each of fiscal years 2004 through 2007, the amount specified in clause (i), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2002, and June 30 of the immediately preceding fiscal year.

"(B) PAYMENTS TO COMMONWEALTH OF PUERTO RICO.—

"(i) IN GENERAL.—For fiscal year 2003 and each fiscal year thereafter, the Secretary shall use 99.6 percent of the funds made available under subparagraph (A) for payment to the Commonwealth of Puerto Rico to pay—

"(I) 100 percent of the expenditures by the Commonwealth for the fiscal year for the provision of nutrition assistance included in the plan of the Commonwealth approved under subsection (b); and

"(II) 50 percent of the related administrative expenses.

"(ii) EXCEPTION FOR EXPENDITURES FOR CERTAIN SYSTEMS.—Notwithstanding clause (i), the Commonwealth of Puerto Rico may spend in fiscal year 2002 or 2003 not more than $6,000,000 of the amount required to be paid to the Commonwealth for fiscal year 2002 under this paragraph (as in effect on the day before the date of enactment of this clause) to pay 100 percent of the costs of—

"(I) upgrading and modernizing the electronic data processing system used to carry out nutrition assistance programs for needy persons;

"(II) implementing systems to simplify the determination of eligibility to receive the nutrition assistance; and

"(III) operating systems to deliver the nutrition assistance through electronic benefit transfers.

"(C) PAYMENTS TO AMERICAN SAMOA.—For fiscal year 2003 and each fiscal year thereafter, the Secretary shall use 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay 100 percent of the expenditures by American Samoa for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

"(D) CARRYOVER OF FUNDS.—For fiscal year 2002 and each fiscal year thereafter, not more than 2 percent of the funds made available under this paragraph for the fiscal year to each governmental entity may be carried over to the following fiscal year.

"(3) TIME AND MANNER OF PAYMENTS TO COMMONWEALTH OF PUERTO RICO.—The'';

(2) in subsection (b), by striking "subsection (a)(1)(A)'' each place it appears and inserting "subsection (a)(2)(B)''; and

(3) in subsection (c), by striking "subsection (a)(1)(A)'' each place it appears and inserting "subsection (a)(2)(A)''.

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section apply beginning on October 1, 2002.

(2) EXCEPTIONS.—Subparagraphs (B)(ii) and (D) of section 19(a)(2) of the Food Stamp Act of 1977 (as amended by subsection (a)(1)) apply beginning on the date of enactment of this Act.

(d) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4125. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

(a) IN GENERAL.—Section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034) is amended—

(1) in subsection (a)—

(A) by striking "(1)'' and inserting "(1)(A)'';

(B) by redesignating paragraphs (2) and (3) as subparagraphs (B) and (C), respectively, of paragraph (1);

(C) in paragraph (1)(C) (as redesignated by subparagraph (B)), by striking the period at the end and inserting ''; or''; and

(D) by adding at the end the following:

"(2) meet specific State, local, or neighborhood food and agricultural needs, including needs for—

"(A) infrastructure improvement and development;

"(B) planning for long-term solutions; or

"(C) the creation of innovative marketing activities that mutually benefit agricultural producers and low-income consumers.'';

(2) in subsection (b)(2)(B)—

(A) by striking "$2,500,000'' and inserting "$5,000,000''; and

(B) by striking "2002'' and inserting "2007'';

(3) in subsection (d), by striking paragraph (4) and inserting the following:

"(4) encourage long-term planning activities, and multisystem, interagency approaches with multistakeholder collaborations, that build the long-term capacity of communities to address the food and agricultural problems of the communities, such as food policy councils and food planning associations.''; and

(4) by striking subsection (h) and inserting the following:

"(h) INNOVATIVE PROGRAMS FOR ADDRESSING COMMON COMMUNITY PROBLEMS.—

"(1) IN GENERAL.—The Secretary shall offer to enter into a contract with, or make a grant to, 1 nongovernmental organization that meets the requirements of paragraph (2) to coordinate with Federal agencies, States, political subdivisions, and nongovernmental organizations (collectively referred to in this subsection as 'targeted entities') to gather information, and recommend to the targeted entities, innovative programs for addressing common community problems, including—

"(A) loss of farms and ranches;

"(B) rural poverty;

"(C) welfare dependency;

"(D) hunger;

"(E) the need for job training; and

"(F) the need for self-sufficiency by individuals and communities.

"(2) NONGOVERNMENTAL ORGANIZATION.—The nongovernmental organization referred to in paragraph (1) shall—

"(A) be selected by the Secretary on a competitive basis;

"(B) be experienced in working with other targeted entities and in organizing workshops that demonstrate programs to other targeted entities;

"(C) be experienced in identifying programs that effectively address community problems described in paragraph (1) that can be implemented by other targeted entities;

"(D) be experienced in, and capable of, receiving information from and communicating with other targeted entities throughout the United States;

"(E) be experienced in operating a national information clearinghouse that addresses 1 or more of the community problems described in paragraph (1); and

"(F) as a condition of entering into the contract or receiving the grant referred to in paragraph (1), agree—

"(i) to contribute in-kind resources toward implementation of the contract or grant;

"(ii) to provide to other targeted entities information and guidance on the innovative programs referred to in paragraph (1); and

"(iii) to operate a national information clearinghouse on innovative means for addressing community problems described in paragraph (1) that—

"(I) is easily usable by—

"(aa) Federal, State, and local government agencies;

"(bb) local community leaders;

"(cc) nongovernmental organizations; and

"(dd) the public; and

"(II) includes information on approved community food projects.

"(3) AUDITS; EFFECTIVE USE OF FUNDS.—The Secretary shall establish auditing procedures and otherwise ensure the effective use of funds made available to carry out this subsection.

"(4) FUNDING.—Not later than 90 days after the date of enactment of this paragraph, and on October 1 of each of fiscal years 2003 through 2007, the Secretary shall allocate to carry out this subsection $200,000 of the funds made available under subsection (b), to remain available until expended.".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4126. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2036(a)) is amended—

(1) by striking "1997 through 2002" and inserting "2002 through 2007"; and

(2) by striking "$100,000,000" and inserting "$140,000,000".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2001.

Subtitle B—Commodity Distribution

SEC. 4201. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) COMMODITY DISTRIBUTION PROGRAM.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the first sentence by striking "2002" and inserting "2007".

(b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) GRANTS PER ASSIGNED CASELOAD SLOT.—

"(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2007, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

"(2) AMOUNT OF GRANTS.—

"(A) FISCAL YEAR 2003.—For fiscal year 2003, the amount of each grant per assigned caseload slot shall be equal to the amount of the grant per assigned caseload slot for administrative costs in 2001, adjusted by the percentage change between—

"(i) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30, 2001; and

"(ii) the value of that index for the 12-month period ending June 30, 2002.

"(B) FISCAL YEARS 2004 THROUGH 2007.—For each of fiscal years 2004 through 2007, the amount of each grant per assigned caseload slot shall be equal to the amount of the grant per assigned caseload slot for the preceding fiscal year, adjusted by the percentage change between—

"(i) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

"(ii) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.";

(2) in subsection (d)(2), by striking "2002" each place it appears and inserting "2007"; and

(3) by striking subsection (l) and inserting the following:

"(l) USE OF APPROVED FOOD SAFETY TECHNOLOGY.—

"(1) IN GENERAL.—In acquiring commodities for distribution through a program specified in paragraph (2), the Secretary shall not prohibit the use of any technology to improve food safety that—

"(A) has been approved by the Secretary; or

"(B) has been approved or is otherwise allowed by the Secretary of Health and Human Services.

"(2) PROGRAMS.—A program referred to in paragraph (1) is a program authorized under—

"(A) this Act;

"(B) the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

"(C) the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.);

"(D) the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.); or

"(E) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).".

(c) ADDITIONAL FUNDING FOR CERTAIN STATES.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available an amount equal to the amount that the Secretary of Agriculture determines to be necessary to permit each State that began administering the commodity supplemental food program under the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) in the 2000 caseload cycle to administer the program, through the 2002 caseload cycle, at a caseload level that is not less than the originally assigned caseload level of the State.

(2) PROVISION TO STATES.—The Secretary shall provide to each State described in paragraph (1) for the purpose described in that paragraph the funds made available under that paragraph.

(d) EFFECTIVE DATE.—The amendment made by subsection (b)(3) takes effect on the date of enactment of this Act.

SEC. 4202. COMMODITY DONATIONS.

(a) IN GENERAL.—The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended—

(1) by redesignating sections 17 and 18 as sections 18 and 19, respectively; and

(2) by inserting after section 16 the following:

"SEC. 17. COMMODITY DONATIONS.

"(a) IN GENERAL.—Notwithstanding any other provision of law concerning commodity donations, any commodities acquired in the conduct of the operations of the Commodity Credit Corporation and any commodities acquired under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to the extent that the commodities are in excess of the quantities of commodities that are essential to carry out other authorized activities of the Commodity Credit Corporation and the Secretary (including any quantity specifically reserved for a specific purpose), may be used for any program authorized to be carried out by the Secretary that involves the acquisition of commodities for use in a domestic feeding program, including any program conducted by the Secretary that provides commodities to individuals in cases of hardship.

"(b) PROGRAMS.—A program described in subsection (a) includes a program authorized by—

"(1) the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.);

"(2) the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

"(3) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

"(4) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.); or

"(5) such other laws as the Secretary determines to be appropriate.".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4203. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking "2002" and inserting "2007".

SEC. 4204. EMERGENCY FOOD ASSISTANCE.

Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking "$50,000,000" and inserting "$60,000,000";

(2) by striking "1991 through 2002" and inserting "2003 through 2007";

(3) by striking "administrative";

(4) by inserting "storage," after "processing,"; and

(5) by inserting ", including commodities secured by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100–435))" after "sources".

Subtitle C—Child Nutrition and Related Programs

SEC. 4301. COMMODITIES FOR SCHOOL LUNCH PROGRAM.

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking "2001" and inserting "2003".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 4302. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

"(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 4303. PURCHASES OF LOCALLY PRODUCED FOODS.

Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is amended by adding at the end the following:

"(j) PURCHASES OF LOCALLY PRODUCED FOODS.—

"(1) IN GENERAL.—The Secretary shall—

"(A) encourage institutions participating in the school lunch program under this Act and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) to purchase, in addition to other food purchases, locally produced foods for school meal programs, to the maximum extent practicable and appropriate;

"(B) advise institutions participating in a program described in subparagraph (A) of the policy described in that subparagraph and post information concerning the policy on the website maintained by the Secretary; and

"(C) in accordance with requirements established by the Secretary, provide startup grants to not more than 200 institutions to defray the initial costs of equipment, materials, and storage facilities, and similar costs, incurred in carrying out the policy described in subparagraph (A).

"(2) AUTHORIZATION OF APPROPRIATIONS.—

"(A) IN GENERAL.—There is authorized to be appropriated to carry out this subsection $100,000 for each of fiscal years 2003 through 2007, to remain available until expended.

"(B) LIMITATION.—No amounts may be made available to carry out this subsection unless specifically provided by an appropriation Act.".

SEC. 4304. APPLICABILITY OF BUY-AMERICAN REQUIREMENT TO PUERTO RICO.

Section 12(n) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760(n)) is amended by adding at the end the following:

"(4) APPLICABILITY TO PUERTO RICO.—Paragraph (2)(A) shall apply to a school food authority in the Commonwealth of Puerto Rico with respect to domestic commodities or products that are produced in the Commonwealth of Puerto Rico in sufficient quantities to meet the needs of meals provided under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).".

SEC. 4305. FRUIT AND VEGETABLE PILOT PROGRAM.

(a) IN GENERAL.—Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended by adding at the end the following:

"(g) FRUIT AND VEGETABLE PILOT PROGRAM.—

"(1) IN GENERAL.—In the school year beginning July 2002, the Secretary shall carry out a pilot program to make available to students in 25 elementary or secondary schools in each of 4 States, and in elementary or secondary schools on 1 Indian reservation, free fresh and dried fruits and fresh vegetables throughout the school day in 1 or more areas designated by the school.

"(2) PUBLICITY.—A school that participates in the pilot program shall widely publicize within the school the availability of free fruits and vegetables under the pilot program.

"(3) REPORT.—Not later than May 1, 2003, the Secretary, acting through the Administrator of the Economic Research Service, shall report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the results of the pilot program.

"(4) FUNDING.—The Secretary shall use not more than $6,000,000 of funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to carry out this subsection (other than paragraph (3)).".

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 4306. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking "basic allowance for housing" and inserting the following: "basic allowance—

"(I) for housing";

(2) by striking "and" at the end and inserting "or"; and

(3) by adding at the end the following:

"(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 4307. WIC FARMERS' MARKET NUTRITION PROGRAM.

(a) IN GENERAL.—Section 17(m)(9) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)) is amended—

(1) by striking "(9)(A) There" and inserting the following:

"(9) FUNDING.—

"(A) IN GENERAL.—

"(i) AUTHORIZATION OF APPROPRIATIONS.—There"; and

(2) in subparagraph (A), by adding at the end the following:

"(ii) MANDATORY FUNDING.—Not later than 30 days after the date of enactment of the Food Stamp Reauthorization Act of 2002, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection $15,000,000, to remain available until expended.".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

Subtitle D—Miscellaneous

SEC. 4401. PARTIAL RESTORATION OF BENEFITS TO LEGAL IMMIGRANTS.

(a) RESTORATION OF BENEFITS TO DISABLED ALIENS.—Section 402(a)(2)(F) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(F)) is amended by striking "(i) was" and all that follows through "(II) in the case" and inserting the following:

"(i) in the case of the specified Federal program described in paragraph (3)(A)—

"(I) was lawfully residing in the United States on August 22, 1996; and

"(II) is blind or disabled (as defined in paragraph (2) or (3) of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a))); and

"(ii) in the case".

(b) RESTORATION OF BENEFITS TO ALL QUALIFIED ALIEN CHILDREN.—

(1) IN GENERAL.—Section 402(a)(2)(J) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(J)) is amended by striking "who" and all that follows through "is under" and inserting "who is under".

(2) CONFORMING AMENDMENTS.—

(A) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

"(L) Assistance or benefits provided to individuals under the age of 18 under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).".

(B) Section 421(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)) is amended by adding at the end the following:

"(3) This section shall not apply to assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to the extent that a qualified alien is eligible under section 402(a)(2)(J).".

(C) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) is amended by inserting before the period at the end the following: ", or to any alien who is under 18 years of age".

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on October 1, 2003.

(c) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—

(1) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

"(L) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any qualified alien who has resided in the United States with a status within the meaning of the term 'qualified alien' for a period of 5 years or more beginning on the date of the alien's entry into the United States.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on April 1, 2003.

SEC. 4402. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall use $5,000,000 for fiscal year 2002, and $15,000,000 for each of fiscal years 2003 through 2007, of the funds available to the Commodity Credit Corporation to carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community supported agriculture programs to low-income seniors;

(2) to increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community supported agriculture programs; and

(3) to develop or aid in the development of new and additional farmers' markets, roadside stands, and community supported agriculture programs.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program.

SEC. 4403. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture may establish, in not more than 5 States,

for a period not to exceed 4 years for each participating State, a pilot program to increase the domestic consumption of fresh fruits and vegetables.

(b) PURPOSE.—

(1) IN GENERAL.—Subject to paragraph (2), the purpose of the program shall be to provide funds to States solely for the purpose of assisting eligible public and private sector entities with cost-share assistance to carry out demonstration projects—

(A) to increase fruit and vegetable consumption; and

(B) to convey related health promotion messages.

(2) LIMITATION.—Funds made available to a State under the program shall not be used to disparage any agricultural commodity.

(c) SELECTION OF STATES.—

(1) IN GENERAL.—In selecting States to participate in the program, the Secretary shall take into consideration, with respect to projects and activities proposed to be carried out under the program—

(A) experience in carrying out similar projects or activities;

(B) innovative approaches; and

(C) the ability of the State to promote and track increases in levels of fruit and vegetable consumption.

(2) ENHANCEMENT OF EXISTING STATE PROGRAMS.—The Secretary may use the pilot program to enhance existing State programs that are consistent with the purpose of the pilot program specified in subsection (b).

(d) ELIGIBLE PUBLIC AND PRIVATE SECTOR ENTITIES.—

(1) IN GENERAL.—A participating State shall establish eligibility criteria under which the State may select public and private sector entities to carry out demonstration projects under the program.

(2) LIMITATION.—No funds made available to States under the program shall be provided by a State to any foreign for-profit corporation.

(e) FEDERAL SHARE.—The Federal share of the cost of any project or activity carried out using funds provided under this section shall be 50 percent.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2007.

SEC. 4404. HUNGER FELLOWSHIP PROGRAM.

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the "Congressional Hunger Fellows Act of 2002".

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

(D) The special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all.

(E) These two outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(b) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government the Congressional Hunger Fellows Program (hereinafter in this section referred to as the "Program").

(c) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD OF TRUSTEES.—

(A) APPOINTMENT.—The Board shall be composed of 6 voting members appointed under clause (i) and one nonvoting ex officio member designated in clause (ii) as follows:

(i) VOTING MEMBERS.—(I) The Speaker of the House of Representatives shall appoint two members.

(II) The minority leader of the House of Representatives shall appoint one member.

(III) The majority leader of the Senate shall appoint two members.

(IV) The minority leader of the Senate shall appoint one member.

(ii) NONVOTING MEMBER.—The Executive Director of the program shall serve as a nonvoting ex officio member of the Board.

(B) TERMS.—Members of the Board shall serve a term of 4 years.

(C) VACANCY.—

(i) AUTHORITY OF BOARD.—A vacancy in the membership of the Board does not affect the power of the remaining members to carry out this section.

(ii) APPOINTMENT OF SUCCESSORS.—A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(iii) INCOMPLETE TERM.—If a member of the Board does not serve the full term applicable to the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), members of the Board may not receive compensation for service on the Board.

(ii) TRAVEL.—Members of the Board may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the program.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as may be appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Such bylaws and other regulations shall include provisions—

(I) for appropriate fiscal control, funds accountability, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board and in the selection and placement of individuals in the fellowships developed under the program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) TRANSMITTAL TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(B) BUDGET.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. All spending by the program shall be pursuant to such budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board of Trustees shall determine the priority of the programs to be carried out under this section and the amount of funds to be allocated for the Emerson and Leland fellowships.

(d) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

(2) AUTHORITY.—The program is authorized to develop such fellowships to carry out the purposes of this section, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS OF BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) FOCUS OF MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iv) WORKPLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including specific duties and responsibilities related to those objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than 1 year.

(ii) LELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than 2 years. Not less than 1 year of the fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded pursuant to a nationwide competition established by the program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or actual leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as determined to be appropriate by the Board.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an "Emerson Fellow".

(II) LELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a "Leland Fellow".

(4) EVALUATION.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:

(A) An assessment of the successful completion of the work plan of the fellow.

(B) An assessment of the impact of the fellowship on the fellows.

(C) An assessment of the accomplishment of the purposes of the program.

(D) An assessment of the impact of the fellow on the community.

(e) TRUST FUND.—

(1) ESTABLISHMENT.—There is established the Congressional Hunger Fellows Trust Fund (hereinafter in this section referred to as the "Fund") in the Treasury of the United States, consisting of amounts appropriated to the Fund under subsection (i), amounts credited to it under paragraph (3), and amounts received under subsection (g)(3)(A).

(2) INVESTMENT OF FUNDS.—The Secretary of the Treasury shall invest the full amount of the Fund. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary in consultation with the Board, has a maturity suitable for the Fund.

(3) RETURN ON INVESTMENT.—Except as provided in subsection (f)(2), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(f) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the program from the amounts described in subsection (e)(3) and subsection (g)(3)(A) such sums as the Board determines are necessary to enable the program to carry out the provisions of this section.

(2) LIMITATION.—The Secretary may not transfer to the program the amounts appropriated to the Fund under subsection (i).

(3) USE OF FUNDS.—Funds transferred to the program under paragraph (1) shall be used for the following purposes:

(A) STIPENDS FOR FELLOWS.—To provide for a living allowance for the fellows.

(B) TRAVEL OF FELLOWS.—To defray the costs of transportation of the fellows to the fellowship placement sites.

(C) INSURANCE.—To defray the costs of appropriate insurance of the fellows, the program, and the Board.

(D) TRAINING OF FELLOWS.—To defray the costs of preservice and midservice education and training of fellows.

(E) SUPPORT STAFF.—Staff described in subsection (g).

(F) AWARDS.—End-of-service awards under subsection (d)(3)(D)(iii)(II).

(G) ADDITIONAL APPROVED USES.—For such other purposes that the Board determines appropriate to carry out the program.

(4) AUDIT BY GAO.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the program.

(B) BOOKS.—The program shall make available to the Comptroller General all books, accounts, financial records (including records of salaries of the Executive Director and other personnel), reports, files, and all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit a copy of the results of each such audit to the appropriate congressional committees.

(g) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers necessary and appropriate to carry out the functions of the provisions of this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay payable for level GS–15 of the General Schedule.

(3) POWERS.—In order to carry out the provisions of this section, the program may perform the following functions:

(A) GIFTS.—The program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the program. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(B) EXPERTS AND CONSULTANTS.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—The program may contract, with the approval of a majority of the members of the Board, with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(h) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the program carried out during the previous fiscal year, and shall include the following:

(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.

(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (g)(3)(A)), and the total amount of such funds that were expended to carry out the program that fiscal year.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $18,000,000 to carry out the provisions of this section.

(j) DEFINITION.—In this section, the term "appropriate congressional committees" means—

(1) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

SEC. 4405. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title take effect on October 1, 2002.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 5001. DIRECT LOANS.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking "operated" and inserting "participated in the business operations of".

SEC. 5002. FINANCING OF BRIDGE LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(E) refinancing a temporary bridge loan made by a commercial or cooperative lender to a farmer or rancher for the acquisition of land for a farm or ranch, if—

"(i) the Secretary approved an application for a direct farm ownership loan to the farmer or rancher for acquisition of the land; and

"(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.".

SEC. 5003. AMOUNT OF GUARANTEE OF LOANS FOR FARM OPERATIONS ON TRIBAL LANDS.

Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended—

(1) in paragraph (4), by striking "paragraphs (5) and (6)" and inserting "paragraphs (5), (6), and (7)"; and

(2) by adding at the end the following:

"(7) AMOUNT OF GUARANTEE OF LOANS FOR FARM OPERATIONS ON TRIBAL LANDS.—In the case of an operating loan made to a farmer or rancher whose farm or ranch land is subject to the jurisdiction of an Indian tribe and whose loan is secured by 1 or more security instruments that are subject to the jurisdiction of an Indian tribe, the Secretary shall guarantee 95 percent of the loan.".

SEC. 5004. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

"(j) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.".

SEC. 5005. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "30 percent" and inserting "40 percent"; and

(B) in paragraph (3), by striking "10 years" and inserting "15 years"; and

(2) in subsection (c)(3)(B), by striking "10-year" and inserting "15-year".

SEC. 5006. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

"SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

"(a) IN GENERAL.—If the Secretary makes a determination that the risk is comparable under subsection (b), the Secretary shall carry out a pilot program in not fewer than 5 States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2007 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets applicable underwriting criteria and a commercial lending institution agrees to serve as escrow agent.

"(b) DATE OF COMMENCEMENT OF PROGRAM.—Not later than October 1, 2002, the Secretary shall make a determination on whether guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.".

Subtitle B—Operating Loans

SEC. 5101. DIRECT LOANS.

Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1)—

(A) in the matter that precedes subparagraph (A), by striking "paragraph (3)" and inserting "paragraphs (3) and (4)"; and

(B) in subparagraph (A), by striking "who has not" and all that follows through "5 years"; and

(2) by adding at the end the following:

"(4) WAIVERS.—

"(A) FARM AND RANCH OPERATIONS ON TRIBAL LANDS.—The Secretary shall waive the limitation under paragraph (1)(C) or (3) for a direct loan made under this subtitle to a farmer or rancher whose farm or ranch land is subject to the jurisdiction of an Indian tribe and whose loan is secured by 1 or more security instruments that are subject to the jurisdiction of an Indian tribe if the Secretary determines that commercial credit is not generally available for such farm or ranch operations.

"(B) OTHER FARM AND RANCH OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) or (3) for a direct operating loan if the borrower demonstrates to the satisfaction of the Secretary that—

"(i) the borrower has a viable farm or ranch operation;

"(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

"(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

"(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).".

SEC. 5102. SUSPENSION OF LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

During the period beginning January 1, 2002, and ending December 31, 2006, section 319(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949(b)) shall have no force or effect.

Subtitle C—Emergency Loans

SEC. 5201. EMERGENCY LOANS IN RESPONSE TO AN EMERGENCY RESULTING FROM QUARANTINES.

(a) LOAN AUTHORITY.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

(1) in each of the 1st and 3rd sentences, by striking "a natural disaster in the United States or by" and inserting "a quarantine imposed by the Secretary under the Plant Protection Act or the animal quarantine laws (as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990), a natural disaster in the United States, or"; and

(2) in the 4th sentence—

(A) by striking "a natural disaster" and inserting "such a quarantine or natural disaster"; and

(B) by striking "by such natural disaster" and inserting "by such quarantine or natural disaster".

(b) CONFORMING AMENDMENT.—Section 323 of such Act (7 U.S.C. 1963) is amended by inserting "quarantine," before "natural disaster".

Subtitle D—Administrative Provisions

SEC. 5301. EVALUATIONS OF DIRECT AND GUARANTEED LOAN PROGRAMS.

(a) STUDIES.—The Secretary of Agriculture shall conduct 2 studies of the direct and guaranteed loan progams under sections 302 and 311 of the Consolidated Farm and Rural Development Act, each of which shall include an examination of the number, average principal amount, and delinquency and default rates of loans provided or guaranteed during the period covered by the study.

(b) PERIODS COVERED.—

(1) FIRST STUDY.—One study under subsection (a) shall cover the 1-year period that begins 1 year after the date of the enactment of this section.

(2) SECOND STUDY.—One study under subsection (a) shall cover the 1-year period that begins 3 years after such date of enactment.

(c) REPORTS TO THE CONGRESS.—At the end of the period covered by each study under this section, the Secretary of Agriculture shall submit to the Congress a report that contains an evaluation of the results of the study, including an analysis of the effectiveness of loan programs referred to in subsection (a) in meeting the credit needs of agricultural producers in an efficient and fiscally responsible manner.

SEC. 5302. ELIGIBILITY OF TRUSTS AND LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) IN GENERAL.—Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), and 1961(a)) are each amended by striking "and joint operations" each place it appears and inserting "joint operations, trusts, and limited liability companies".

(b) CONFORMING AMENDMENT.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking "or joint operations" each place it appears and inserting "joint operations, trusts, or limited liability companies".

SEC. 5303. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended—

(1) by striking "The Secretary may release" and inserting "After consultation with a local or area county committee, the Secretary may release"; and

(2) by striking "carried out—" and all that follows through "(B) after" and inserting "carried out after".

SEC. 5304. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) IN GENERAL.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

SEC. 5305. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended—

(1) by striking "lower of (1) the" and inserting the following: "lowest of—

"(1) the"; and

(2) by striking "original loan or (2) the" and inserting the following: "original loan;

"(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

"(3) the".

SEC. 5306. ELIMINATION OF REQUIREMENT THAT SECRETARY REQUIRE COUNTY COMMITTEES TO CERTIFY IN WRITING THAT CERTAIN LOAN REVIEWS HAVE BEEN CONDUCTED.

Section 333(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983(2)) is amended to read as follows:

"(2) except with respect to a loan under section 306, 310B, or 314—

"(A) an annual review of the credit history and business operation of the borrower; and

"(B) an annual review of the continued eligibility of the borrower for the loan;".

SEC. 5307. SIMPLIFIED LOAN GUARANTEE APPLICATION AVAILABLE FOR LOANS OF GREATER AMOUNTS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking "$50,000" and inserting "$125,000".

SEC. 5308. INVENTORY PROPERTY.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in clause (i), by striking "75 days" and inserting "135 days"; and

(ii) by adding at the end the following:

"(iv) COMBINING AND DIVIDING OF PROPERTY.—To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers and ranchers to purchase real property acquired by the Secretary under this title by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate."; and

(B) in subparagraph (C)—

(i) by striking "75 days" and inserting "135 days"; and

(ii) by striking "75-day period" and inserting "135-day period"; and

(2) by striking paragraph (2) and inserting the following:

"(2) Previous lease.—In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).".

SEC. 5309. ADMINISTRATION OF CERTIFIED LENDERS AND PREFERRED CERTIFIED LENDERS PROGRAMS.

Section 339 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1989) is amended by adding at the end the following:

"(e) Administration of Certified Lenders and Preferred Certified Lenders Programs.—The Secretary may administer the loan guarantee programs under subsections (c) and (d) through central offices established in States or in multi-State areas.".

SEC. 5310. DEFINITIONS.

(a) Qualified Beginning Farmer or Rancher.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking "25 percent" and inserting "30 percent".

(b) Debt Forgiveness.—Section 343(a)(12)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is amended to read as follows:

"(B) Exceptions.—The term 'debt forgiveness' does not include—

"(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

"(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.".

SEC. 5311. LOAN AUTHORIZATION LEVELS.

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended to read as follows:

"(1) In general.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,796,000,000 for each of fiscal years 2003 through 2007, of which, for each fiscal year—

"(A) $770,000,000 shall be for direct loans, of which—

"(i) $205,000,000 shall be for farm ownership loans under subtitle A; and

"(ii) $565,000,000 shall be for operating loans under subtitle B; and

"(B) $3,026,000,000 shall be for guaranteed loans, of which—

"(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

"(ii) $2,026,000,000 shall be for guarantees of operating loans under subtitle B.".

SEC. 5312. RESERVATION OF FUNDS FOR DIRECT OPERATING LOANS FOR BEGINNING FARMERS AND RANCHERS.

Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(ii)(III)) is amended by striking "2000 through 2002" and inserting "2003 through 2007".

SEC. 5313. INTEREST RATE REDUCTION PROGRAM.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (a)—

(A) by striking "Program.—" and all that follows through "The Secretary" and inserting "Program.—The Secretary"; and

(B) by striking paragraph (2); and

(2) in subsection (e), by striking paragraph (2) and inserting the following:

"(2) Maximum amount of funds.—

"(A) In general.—The total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed $750,000,000.

"(B) Beginning farmers and ranchers.—

"(i) In general.—The Secretary shall reserve not less than 15 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.

"(ii) Duration of reservation of funds.—Funds reserved for beginning farmers or ranchers under clause (i) for a fiscal year shall be reserved only until March 1 of the fiscal year.".

SEC. 5314. REAMORTIZATION OF RECAPTURE PAYMENTS.

Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended by adding at the end the following:

"(D) Reamortization.—

"(i) In general.—The Secretary may modify the amortization of a recapture payment referred to in subparagraph (A) of this paragraph on which a payment has become delinquent by using loan service tools under section 343(b)(3) if—

"(I) the default is due to circumstances beyond the control of the borrower; and

"(II) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

"(ii) Limitations.—

"(I) Term of reamortization.—The term of a reamortization under this subparagraph may not exceed 25 years from the date of the original amortization agreement.

"(II) No reduction or principal or unpaid interest due.—A reamortization of a recapture payment under this subparagraph may not provide for reducing the outstanding principal or unpaid interest due on the recapture payment.

SEC. 5315. ALLOCATION OF CERTAIN FUNDS FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

The last sentence of section 355(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(c)(2)) is amended to read as follows: "Any funds reserved and allocated under this paragraph but not used within a State shall, to the extent necessary to satisfy pending applications under this title, be available for use by socially disadvantaged farmers and ranchers in other States, as determined by the Secretary, and any remaining funds shall be reallocated within the State.".

SEC. 5316. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and inserting the following:

"(f) Waivers.—

"(1) In general.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

"(2) Criteria.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.".

SEC. 5317. TIMING OF LOAN ASSESSMENTS.

Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking "After an applicant is determined eligible for assistance under this title by the appropriate county committee established pursuant to section 332, the" and inserting "The".

SEC. 5318. ANNUAL REVIEW OF BORROWERS.

Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking "biannual" and inserting "annual".

SEC. 5319. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR DEBT FORGIVENESS.

Section 373(b)(2)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008h(b)(2)(A)) is amended—

(1) in clause (i), by striking "or";

(2) in clause (ii), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(iii) received debt forgiveness on not more than 1 occasion resulting directly and primarily from a major disaster or emergency designated by the President on or after April 4, 1996, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).".

SEC. 5320. MAKING AND SERVICING OF LOANS BY PERSONNEL OF STATE, COUNTY, OR AREA COMMITTEES.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008j) is amended by adding at the end the following:

"SEC. 376. MAKING AND SERVICING OF LOANS BY PERSONNEL OF STATE, COUNTY, OR AREA COMMITTEES.

"The Secretary shall use personnel of a State, county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C 590h(b)(5)) to make and service loans under this title to the extent the personnel have been trained to do so.".

SEC. 5321. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY, OR AREA COMMITTEE FOR LOANS AND LOAN GUARANTEES.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008j) is further amended by adding at the end the following:

"SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY, OR AREA COMMITTEE FOR LOANS AND LOAN GUARANTEES.

"(a) In General.—The Secretary shall not prohibit an employee of a State, county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) or an employee of the Department of Agriculture from obtaining a loan or loan guarantee under subtitle A, B or C of this title.

"(b) Approvals.—

"(1) County or area office.—In the case of a loan application from an employee in a county or area office, the Farm Service Agency State office shall be responsible for reviewing and approving the application.

"(2) State office.—In the case of a loan application from an employee of a State office, the Farm Service Agency national office shall be responsible for reviewing and approving the application.".

Subtitle E—Farm Credit

SEC. 5401. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) Banks for Cooperatives.—Section 3.1(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) Other System Banks; Associations.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(1), by striking "3.1(11)(B)(iv)" and inserting "3.1(11)(B)(iii)"; and

(2) by striking subsection (c).

SEC. 5402. BANKS FOR COOPERATIVES.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking "farm supplies" each place it appears and inserting "agricultural supplies"; and

(2) by adding at the end the following:

"(4) Definition of agricultural supply.—In this subsection, the term 'agricultural supply' includes—

"(A) a farm supply; and

"(B)(i) agriculture-related processing equipment;

"(ii) agriculture-related machinery; and

"(iii) other capital goods related to the storage or handling of agricultural commodities or products.".

SEC. 5403. INSURANCE CORPORATION PREMIUMS.

(a) Reduction in Premiums for GSE-Guaranteed Loans.—

(1) IN GENERAL.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking "government-guaranteed loans provided for in subparagraph (C)" and inserting "loans provided for in subparagraphs (C) and (D)";

(II) in subparagraph (B), by striking "and" at the end;

(III) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(IV) by adding at the end the following:

"(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation at the sole discretion of the Corporation."; and

(ii) by adding at the end the following:

"(4) DEFINITION OF GOVERNMENT SPONSORED ENTERPRISE-GUARANTEED LOAN.—In this section and sections 1.12(b) and 5.56(a), the term 'Government Sponsored Enterprise-guaranteed loan' means a loan or credit, or portion of a loan or credit, that is guaranteed by an entity that is chartered by Congress to serve a public purpose and the debt obligations of which are not explicitly guaranteed by the United States, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System."; and

(B) in subsection (e)(4)(B), by striking "government-guaranteed loans described in subsection (a)(1)(C)" and inserting "loans described in subparagraph (C) or (D) of subsection (a)(1)".

(2) CONFORMING AMENDMENTS.—

(A) Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting "and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) provided for in paragraph (4)" after "government-guaranteed loans (as defined in section 5.55(a)(3)) provided for in paragraph (3)";

(ii) in paragraph (2), by striking "and" at the end;

(iii) in paragraph (3), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(4) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as so defined) made by the association, or by the other financing institution and funded by or discounted with the Farm Credit Bank, that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)(D).".

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended—

(i) in paragraph (1), by inserting "and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))" after "government-guaranteed loans";

(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(iii) by inserting after paragraph (3) the following:

"(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status;".

(b) APPLICABILITY.—The amendments made by this section shall apply with respect to determinations of premiums for calendar year 2002 and for any succeeding calendar year, and to certified statements with respect to such premiums.

Subtitle F—General Provisions

SEC. 5501. TECHNICAL AMENDMENTS.

(a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking "Disaster Relief and Emergency Assistance Act" each place it appears and inserting "Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)".

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986(b)) is amended in the second sentence by striking "provided for in section 332 of this title".

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(1)) is amended by striking "established pursuant to section 332,".

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Consolidated Farm and Rural Development Act

SEC. 6001. ELIGIBILITY OF RURAL EMPOWERMENT ZONES AND RURAL ENTERPRISE COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the first sentence the following: "The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, or as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 112 Stat. 2681, 2681–37), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.".

SEC. 6002. WATER OR WASTE DISPOSAL GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended—

(1) by striking "(2) The" and inserting the following:

"(2) WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.—

"(A) AUTHORITY.—

"(i) IN GENERAL.—The";

(2) by striking "aggregating not to exceed $590,000,000 in any fiscal year";

(3) by striking "The amount" and inserting the following:

"(ii) AMOUNT.—The amount";

(4) by striking "paragraph" and inserting "subparagraph";

(5) by striking "The Secretary shall" and inserting the following:

"(iii) GRANT RATE.—The Secretary shall"; and

(6) by adding at the end the following:

"(B) REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS.—

"(i) IN GENERAL.—The Secretary may make grants to qualified private, nonprofit entities to capitalize revolving funds for the purpose of providing financing to eligible entities for—

"(I) predevelopment costs associated with proposed water and wastewater projects or with existing water and wastewater systems; and

"(II) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

"(ii) ELIGIBLE ENTITIES.—To be eligible to obtain financing from a revolving fund under clause (i), an eligible entity must be eligible to obtain a loan, loan guarantee, or grant under paragraph (1) or this paragraph.

"(iii) MAXIMUM AMOUNT OF FINANCING.—The amount of financing made to an eligible entity under this subparagraph shall not exceed—

"(I) $100,000 for costs described in clause (i)(I); and

"(II) $100,000 for costs described in clause (i)(II).

"(iv) TERM.—The term of financing provided to an eligible entity under this subparagraph shall not exceed 10 years.

"(v) ADMINISTRATION.—The Secretary shall limit the amount of grant funds that may be used by a grant recipient for administrative costs incurred under this subparagraph.

"(vi) ANNUAL REPORT.—A nonprofit entity receiving a grant under this subparagraph shall submit to the Secretary an annual report that describes the number and size of communities served and the type of financing provided.

"(vii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subparagraph $30,000,000 for each of fiscal years 2002 through 2007.".

SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended—

(1) by striking "$7,500,000" and inserting "$15,000,000"; and

(2) by striking "2002" and inserting "2007".

SEC. 6004. CHILD DAY CARE FACILITIES.

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by adding at the end the following:

"(C) RESERVATION OF FUNDS FOR CHILD DAY CARE FACILITIES.—

"(i) IN GENERAL.—For each fiscal year, not less than 10 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing day care facilities for children in rural areas.

"(ii) RELEASE.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.".

SEC. 6005. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

"(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—

"(A) IN GENERAL.—The Secretary shall establish a national rural water and wastewater circuit rider program that is based on the rural water circuit rider program of the National Rural Water Association that (as of the date of enactment of this paragraph) receives funding from the Secretary, acting through the Rural Utilities Service.

"(B) RELATIONSHIP TO EXISTING PROGRAM.—The program established under subparagraph (A) shall not affect the authority of the Secretary to carry out the circuit rider program for which funds are made available under the heading "RURAL COMMUNITY ADVANCEMENT PROGRAM" in title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 (115 Stat. 719).

"(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $15,000,000 for fiscal year 2003 and each fiscal year thereafter.".

SEC. 6006. MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 6005) is amended by adding at the end the following:

"(23) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.—

"(A) GRANTS.—The Secretary shall provide grants to multijurisdictional regional planning and development organizations to pay the Federal share of the cost of providing assistance to local governments to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

"(B) PRIORITY.—In determining which organizations will receive a grant under this paragraph, the Secretary shall give priority to an organization that—

"(i) serves a rural area that, during the most recent 5-year period—

"(I) had a net out-migration of inhabitants, or other population loss, from the rural area that equals or exceeds 5 percent of the population of the rural area; or

"(II) had a median household income that is less than the nonmetropolitan median household income of the applicable State; and

"(ii) has a history of providing substantive assistance to local governments and economic development organizations.

"(C) FEDERAL SHARE.—A grant provided under this paragraph shall be for not more than 75 percent of the cost of providing assistance described in subparagraph (A).

"(D) MAXIMUM AMOUNT OF GRANTS.—The amount of a grant provided to an organization under this paragraph shall not exceed $100,000.

"(E) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $30,000,000 for each of fiscal years 2003 through 2007.".

SEC. 6007. LOAN GUARANTEES FOR CERTAIN RURAL DEVELOPMENT LOANS.

(a) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925(a)) (as amended by section 6006) is amended by adding at the end the following:

"(24) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—

"(A) IN GENERAL.—The Secretary may guarantee a loan made to finance a community facility or water or waste facility project in a rural area, including a loan financed by the net proceeds of a bond described in section 142(a) of the Internal Revenue Code of 1986.

"(B) REQUIREMENTS.—To be eligible for a loan guarantee under subparagraph (A), an individual or entity offering to purchase the loan shall demonstrate to the Secretary that the person has—

"(i) the capabilities and resources necessary to service the loan in a manner that ensures the continued performance of the loan, as determined by the Secretary; and

"(ii) the ability to generate capital to provide borrowers of the loan with the additional credit necessary to properly service the loan.".

(b) LOAN GUARANTEES FOR CERTAIN LOANS.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

"(h) LOAN GUARANTEES FOR CERTAIN LOANS.—The Secretary may guarantee loans made under subsection (a) to finance the issuance of bonds for the projects described in section 306(a)(24).".

SEC. 6008. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 6007(a)) is amended by adding at the end the following:

"(25) TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.—

"(A) IN GENERAL.—The Secretary may make grants to tribal colleges and universities (as defined in section 316 of the Higher Education Act of 1965 (20 U.S.C. 1059c)) to provide the Federal share of the cost of developing specific tribal college or university essential community facilities in rural areas.

"(B) FEDERAL SHARE.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall, by regulation, establish the maximum percentage of the cost of the facility that may be covered by a grant under this paragraph.

"(ii) MAXIMUM AMOUNT.—The amount of a grant provided under this paragraph for a facility shall not exceed 75 percent of the cost of developing the facility.

"(iii) GRADUATED SCALE.—The Secretary shall provide for a graduated scale of the percentages of the cost covered by a grant made under this paragraph that provides higher percentages for facilities in communities that have lower community population and income levels, as determined by the Secretary.

"(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $10,000,000 for each of fiscal years 2003 through 2007.".

SEC. 6009. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended—

(1) in the section heading, by inserting "and imminent" after "emergency";

(2) in subsection (a)—

(A) in paragraph (1), by inserting ", or when such a decline is imminent" before the semicolon at the end; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking "acute" and inserting "acute, or imminent,"; and

(ii) in subparagraph (B), by striking "decline" and inserting "decline, or imminent decline,";

(3) in subsection (c)(2), by striking "occurred" and inserting "occurred, or will occur,";

(4) in subsection (d), by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—Grants made under this section may be used—

"(A) for waterline extensions from existing systems, laying of new waterlines, repairs, significant maintenance, digging of new wells, equipment replacement, and hook and tap fees;

"(B) for any other appropriate purpose associated with developing sources of, treating, storing, or distributing water;

"(C) to assist communities in complying with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or the Safe Drinking Water Act (42 U.S.C. 300f et seq.); and

"(D) to provide potable water to communities through other means.";

(5) in subsection (f)(2), by striking "$75,000" and inserting "$150,000";

(6) in subsection (h)—

(A) in the second sentence of paragraph (1), by striking "decline" and inserting "decline, or imminent decline,"; and

(B) by striking paragraph (2) and inserting the following:

"(2) TIMING OF REVIEW OF APPLICATIONS.—

"(A) SIMPLIFIED APPLICATION.—The application process developed by the Secretary under paragraph (1) shall include a simplified application form that will permit expedited consideration of an application for a grant filed under this section.

"(B) PRIORITY REVIEW.—In processing applications for any water or waste grant or loan authorized under this title, the Secretary shall afford priority processing to an application for a grant under this section to the extent funds will be available for an award on the application at the conclusion of priority processing.

"(C) TIMING.—The Secretary shall, to the maximum extent practicable, review and act on an application under this section within 60 days after the date on which the application is submitted to the Secretary."; and

(7) by striking subsection (i) and inserting the following:

"(i) FUNDING.—

"(1) RESERVATION.—

"(A) IN GENERAL.—For each fiscal year, not less than 3 nor more than 5 percent of the total amount made available to carry out section 306(a)(2) for the fiscal year shall be reserved for grants under this section.

"(B) RELEASE.—Funds reserved under subparagraph (A) for a fiscal year shall be reserved only until July 1 of the fiscal year.

"(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds made available under paragraph (1), there is authorized to be appropriated to carry out this section $35,000,000 for each of fiscal years 2003 through 2007.".

SEC. 6010. WATER AND WASTE FACILITY GRANTS FOR NATIVE AMERICAN TRIBES.

Section 306C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926c) is amended by striking subsection (e) and inserting the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated—

"(A) for grants under this section, $30,000,000 for each fiscal year;

"(B) for loans under this section, $30,000,000 for each fiscal year; and

"(C) in addition to grants provided under subparagraph (A), for grants under this section to benefit Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), $20,000,000 for each fiscal year.

"(2) EXCEPTION.—An entity eligible to receive funding through a grant made under section 306D shall not be eligible for a grant from funds made available under paragraph (1)(C).".

SEC. 6011. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking "and 2002" and inserting "through 2007".

SEC. 6012. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act is amended by inserting after section 306D (7 U.S.C. 1926d) the following:

"SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

"(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term 'eligible individual' means an individual who is a member of a household the members of which have a combined income (for the most recent 12-month period for which the information is available) that is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

"(b) GRANTS.—

"(1) IN GENERAL.—The Secretary may make grants to private nonprofit organizations for the purpose of providing loans to eligible individuals for the construction, refurbishing, and *servicing of individual household water well systems in rural areas that are or will be owned by the eligible individuals.*

"(2) TERMS OF LOANS.—A loan made with grant funds under this section—

"(A) shall have an interest rate of 1 percent;

"(B) shall have a term not to exceed 20 years; and

"(C) shall not exceed $8,000 for each water well system described in paragraph (1).

"(3) ADMINISTRATIVE EXPENSES.—A recipient of a grant made under this section may use grant funds to pay administrative expenses associated with providing the assistance described in paragraph (1), as determined by the Secretary.

"(c) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2003 through 2007.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on October 1, 2002.

SEC. 6013. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting "and other renewable energy systems (including wind energy systems and anaerobic digestors for the purpose of energy generation)" after "solar energy systems".

SEC. 6014. RURAL BUSINESS ENTERPRISE GRANTS.

Section 310B(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(c)(1)) is amended—

(1) by striking "(1) IN GENERAL.—The Secretary" and inserting the following:

"(1) GRANTS.—

"(A) IN GENERAL.—The Secretary"; and

(2) by adding at the end the following:

"(B) SMALL AND EMERGING PRIVATE BUSINESS ENTERPRISES.—

"(i) IN GENERAL.—For the purpose of subparagraph (A), a small and emerging private business enterprise shall include (regardless of the number of employees or operating capital of the enterprise) an eligible nonprofit entity, or other tax-exempt organization, with a principal office in an area that is located—

"(I) on land of an existing or former Native American reservation; and

"(II) in a city, town, or unincorporated area that has a population of not more than 5,000 inhabitants.

"(ii) USE OF GRANT.—An eligible nonprofit entity, or other tax exempt organization, described in clause (i) may use assistance provided under this paragraph to create, expand, or operate value-added processing in an area described in clause (i) in connection with production agriculture.

"(iii) PRIORITY.—In making grants under this paragraph, the Secretary shall give priority to grants that will be used to provide assistance to eligible nonprofit entities and other tax exempt organizations described in clause (i).".

SEC. 6015. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended—

(1) in paragraph (5)(F), before the period at the end the following: ", except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382))"; and

(2) in paragraph (9), by striking "2002" and inserting "2007".

SEC. 6016. GRANTS TO BROADCASTING SYSTEMS.

Section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)) is amended by adding at the end the following:

"(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000 for each of fiscal years 2002 through 2007.".

SEC. 6017. BUSINESS AND INDUSTRY LOAN MODIFICATIONS.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsection (g) and inserting the following:

"(g) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—

"(1) DEFINITION OF BUSINESS AND INDUSTRY LOAN.—In this subsection, the term 'business and industry loan' means a business and industry direct or guaranteed loan that is made or guaranteed by the Secretary under subsection (a)(1).

"(2) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

"(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to individual farmers or ranchers for the purpose of purchasing capital stock of a farmer or rancher cooperative established for the purpose of processing an agricultural commodity.

"(B) PROCESSING CONTRACTS DURING INITIAL PERIOD.—A cooperative described in subparagraph (A) for which a farmer or rancher receives a guarantee to purchase stock under subparagraph (A) may contract for services to process agricultural commodities, or otherwise process value-added agricultural products, during the 5-year period beginning on the date of the startup of the cooperative in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

"(C) FINANCIAL INFORMATION.—Financial information required by the Secretary from a farmer or rancher as a condition of making a business and industry loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the area.

"(3) LOANS TO COOPERATIVES.—

"(A) IN GENERAL.—The Secretary may make or guarantee a business and industry loan to a cooperative organization that is headquartered in a metropolitan area if the loan is used for a project or venture described in subsection (a) that is located in a rural area or a loan guarantee that meets the requirements of paragraph (6).

"(B) REFINANCING.—A cooperative organization that is eligible for a business and industry loan shall be eligible to refinance an existing business and industry loan with a lender if—

"(i) the cooperative organization—

"(I) is current and performing with respect to the existing loan; and

"(II) is not, and has not been, in payment default, or the collateral of which has not been converted, with respect to the existing loan; and

"(ii) there is adequate security or full collateral for the refinanced loan.

"(4) LOAN APPRAISALS.—The Secretary may require that any appraisal made in connection with a business and industry loan be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

"(5) FEES.—The Secretary may assess a 1-time fee for any guaranteed business and industry loan in an amount that does not exceed 2 percent of the guaranteed principal portion of the loan.

"(6) LOAN GUARANTEES IN NONRURAL AREAS.—

"(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to a cooperative organization for a facility that is not located in a rural area if—

"(i) the primary purpose of the loan guarantee is for a facility to provide value-added processing for agricultural producers that are located within 80 miles of the facility;

"(ii) the applicant demonstrates to the Secretary that the primary benefit of the loan guarantee will be to provide employment for residents of a rural area; and

"(iii) the total amount of business and industry loans guaranteed for a fiscal year under this paragraph does not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(1).

"(B) PRINCIPAL AMOUNTS.—The principal amount of a business and industry loan guaranteed under this paragraph may not exceed $25,000,000.

"(7) INTANGIBLE ASSETS.—In determining whether a cooperative organization is eligible for a guaranteed business and industry loan, the Secretary may consider the market value of a properly appraised brand name, patent, or trademark of the cooperative.

"(8) LIMITATIONS ON LOAN GUARANTEES FOR COOPERATIVE ORGANIZATIONS.—

"(A) PRINCIPAL AMOUNT.—

"(i) IN GENERAL.—Subject to clause (ii), the principal amount of a business and industry loan made to a cooperative organization and guaranteed under this subsection shall not exceed $40,000,000.

"(ii) USE.—To be eligible for a guarantee under this subsection for a business and industry loan made to a cooperative organization, the principal amount of the any such loan in excess of $25,000,000 shall be used to carry out a project—

"(I) in a rural area; and

"(II) that provides for the value-added processing of agricultural commodities.

"(B) APPLICATIONS.—If a cooperative organization submits an application for a guarantee under this subsection of a business and industry loan with a principal amount that is in excess of $25,000,000, the Secretary—

"(i) shall review and, if appropriate, approve the application; and

"(ii) may not delegate the approval authority.

"(C) MAXIMUM AMOUNT.—The total amount of business and industry loans made to cooperative organizations and guaranteed for a fiscal year under this subsection with principal amounts that are in excess of $25,000,000 may not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(1).".

SEC. 6018. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 5006) is amended by adding at the end the following:

"SEC. 310G. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

"If, after making a loan or a grant described in section 381E(d), the Secretary determines that the circumstances under which the loan or grant was made have sufficiently changed to make the project or activity for which the loan or grant was made available no longer appropriate, the Secretary may allow the loan borrower or grant recipient to use property (real and personal) purchased or improved with the loan or grant funds, or proceeds from the sale of property (real and personal) purchased with such funds, for another project or activity that (as determined by the Secretary)—

"(1) will be carried out in the same area as the original project or activity;

"(2) meets the criteria for a loan or a grant described in section 381E(d); and

"(3) satisfies such additional requirements as are established by the Secretary.".

SEC. 6019. SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.

Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) (as amended by section 5307) is amended by striking subsection (g) and inserting the following:

"(g) SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.—

"(1) IN GENERAL.—The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of—

"(A) farmer program loans the principal amount of which is $125,000 or less; and

"(B) business and industry guaranteed loans under section 310B(a)(1) the principal amount of which is—

"(i) in the case of a loan guarantee made during fiscal year 2002 or 2003, $400,000 or less; and

"(ii) in the case of a loan guarantee made during any subsequent fiscal year—

"(I) $400,000 or less; or

"(II) if the Secretary determines that there is not a significant increased risk of a default on the loan, $600,000 or less.

"(2) WATER AND WASTE DISPOSAL GRANTS AND LOANS.—The Secretary shall develop an application process that accelerates, to the maximum extent practicable, the processing of applications for water and waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 306(a) the grant award amount or principal loan amount, respectively, of which is $300,000 or less.

"(3) ADMINISTRATION.—In developing an application under this subsection, the Secretary shall—

"(A) consult with commercial and cooperative lenders; and

"(B) ensure that—

"(i) the form can be completed manually or electronically, at the option of the lender;

"(ii) the form minimizes the documentation required to accompany the form;

"(iii) the cost of completing and processing the form is minimal; and

"(iv) the form can be completed and processed in an expeditious manner.".

SEC. 6020. DEFINITION OF RURAL AND RURAL AREA.

(a) IN GENERAL.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by adding at the end the following:

"(13) RURAL AND RURAL AREA.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the terms 'rural' and 'rural area' mean any area other than—

"(i) a city or town that has a population of greater than 50,000 inhabitants; and

"(ii) the urbanized area contiguous and adjacent to such a city or town.

"(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1), (2), and (24) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.

"(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), (21), and (24) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of not more than 20,000 inhabitants.

"(D) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS; NATIONAL RURAL DEVELOPMENT PARTNERSHIP.—In sections 306(a)(23) and 378, the term 'rural area' means—

"(i) all the territory of a State that is not within the boundary of any standard metropolitan statistical area; and

"(ii) all territory within any standard metropolitan statistical area within a census tract having a population density of less than 20 persons per square mile, as determined by the Secretary according to the most recent census of the United States as of any date.

"(E) RURAL BUSINESS INVESTMENT PROGRAM.—In subtitle H, the term 'rural area' means an area that is located—

"(i) outside a standard metropolitan statistical area; or

"(ii) within a community that has a population of 50,000 inhabitants or less.".

(b) CONFORMING AMENDMENTS.—

(1) Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by striking paragraph (7).

(2) Section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(3) Section 735 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (112 Stat. 2681–29) is repealed.

SEC. 6021. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 5321) is amended by adding at the end the following:

"SEC. 378. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

"(a) DEFINITIONS.—In this section:

"(1) AGENCY WITH RURAL RESPONSIBILITIES.—The term 'agency with rural responsibilities' means any executive agency (as defined in section 105 of title 5, United States Code) that implements a Federal law, or administers a program, targeted at or having a significant impact on rural areas.

"(2) COORDINATING COMMITTEE.—The term 'Coordinating Committee' means the National Rural Development Coordinating Committee established by subsection (c).

"(3) PARTNERSHIP.—The term 'Partnership' means the National Rural Development Partnership continued by subsection (b).

"(4) STATE RURAL DEVELOPMENT COUNCIL.—The term 'State rural development council' means a State rural development council that meets the requirements of subsection (d).

"(b) PARTNERSHIP.—

"(1) IN GENERAL.—The Secretary shall continue the National Rural Development Partnership composed of—

"(A) the Coordinating Committee; and

"(B) State rural development councils.

"(2) PURPOSES.—The purposes of the Partnership are to empower and build the capacity of States and rural communities to design flexible and innovative responses to their own special rural development needs, with local determinations of progress and selection of projects and activities.

"(3) GOVERNING PANEL.—

"(A) IN GENERAL.—A panel consisting of representatives of the Coordinating Committee and State rural development councils shall be established to lead and coordinate the strategic operation, policies, and practices of the Partnership.

"(B) ANNUAL REPORTS.—In conjunction with the Coordinating Committee and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

"(4) ROLE OF FEDERAL GOVERNMENT.—The role of the Federal Government in the Partnership may be that of a partner and facilitator, with Federal agencies authorized—

"(A) to cooperate with States to implement the Partnership;

"(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;

"(C) to ensure that the head of each agency with rural responsibilities designates a senior-level agency official to represent the agency on the Coordinating Committee and directs appropriate field staff to participate fully with the State rural development council within the jurisdiction of the field staff; and

"(D) to enter into cooperative agreements with, and to provide grants and other assistance to, the Coordinating Committee and State rural development councils.

"(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

"(1) ESTABLISHMENT.—The Secretary shall establish a National Rural Development Coordinating Committee within the Department of Agriculture.

"(2) COMPOSITION.—The Coordinating Committee shall be composed of—

"(A) 1 representative of each agency with rural responsibilities; and

"(B) representatives, approved by the Secretary, of—

"(i) national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

"(ii) national public interest groups;

"(iii) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee; and

"(iv) the private sector. .

"(3) DUTIES.—The Coordinating Committee shall—

"(A) support the work of the State rural development councils;

"(B) facilitate coordination of rural development policies, programs, and activities among Federal agencies and with those of State, local, and tribal governments, the private sector, and nonprofit organizations;

"(C) review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas and gather and provide related information;

"(D) develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments; and

"(E) require each State rural development council receiving funds under this section to submit an annual report on the use of the funds, including a description of strategic plans, goals, performance measures, and outcomes for the State rural development council of the State.

"(4) FEDERAL PARTICIPATION IN COORDINATING COMMITTEE.—

"(A) IN GENERAL.—A Federal employee shall fully participate in the governance and operations of the Coordinating Committee, including activities related to grants, contracts, and other agreements, in accordance with this section.

"(B) CONFLICTS.—Participation by a Federal employee in the Coordinating Committee in accordance with this paragraph shall not constitute a violation of section 205 or 208 of title 18, United States Code.

"(5) ADMINISTRATIVE SUPPORT.—The Secretary may provide such administrative support for the Coordinating Committee as the Secretary determines is necessary to carry out the duties of the Coordinating Committee.

"(6) PROCEDURES.—The Secretary may prescribe such regulations, bylaws, or other procedures as are necessary for the operation of the Coordinating Committee.

"(d) STATE RURAL DEVELOPMENT COUNCILS.—

"(1) ESTABLISHMENT.—Notwithstanding chapter 63 of title 31, United States Code, each State

may elect to participate in the Partnership by entering into an agreement with the Secretary to recognize a State rural development council.

"(2) COMPOSITION.—A State rural development council shall—

"(A) be composed of representatives of Federal, State, local, and tribal governments, nonprofit organizations, regional organizations, the private sector, and other entities committed to rural advancement; and

"(B) have a nonpartisan and nondiscriminatory membership that—

"(i) is broad and representative of the economic, social, and political diversity of the State; and

"(ii) shall be responsible for the governance and operations of the State rural development council.

"(3) DUTIES.—A State rural development council shall—

"(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that have an impact on rural areas of the State;

"(B) monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas of the State;

"(C) as part of the Partnership, in conjunction with the Coordinating Committee, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments; and

"(D)(i) provide to the Coordinating Committee an annual plan with goals and performance measures; and

"(ii) submit to the Coordinating Committee an annual report on the progress of the State rural development council in meeting the goals and measures.

"(4) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—

"(A) IN GENERAL.—A State Director for Rural Development of the Department of Agriculture, other employees of the Department, and employees of other Federal agencies with rural responsibilities shall fully participate as voting members in the governance and operations of State rural development councils (including activities related to grants, contracts, and other agreements in accordance with this section) on an equal basis with other members of the State rural development councils.

"(B) CONFLICTS.—Participation by a Federal employee in a State rural development council in accordance with this paragraph shall not constitute a violation of section 205 or 208 of title 18, United States Code.

"(e) ADMINISTRATIVE SUPPORT OF THE PARTNERSHIP.—

"(1) DETAIL OF EMPLOYEES.—

"(A) IN GENERAL.—In order to provide experience in intergovernmental collaboration, the head of an agency with rural responsibilities that elects to participate in the Partnership may, and is encouraged to, detail to the Secretary for the support of the Partnership 1 or more employees of the agency with rural responsibilities without reimbursement for a period of up to 1 year.

"(B) CIVIL SERVICE STATUS.—The detail shall be without interruption or loss of civil service status or privilege.

"(2) ADDITIONAL SUPPORT.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

"(3) INTERMEDIARIES.—The Secretary may enter into a contract with a qualified intermediary under which the intermediary shall be responsible for providing administrative and technical assistance to a State rural development council, including administering the financial assistance available to the State rural development council.

"(f) MATCHING REQUIREMENTS FOR STATE RURAL DEVELOPMENT COUNCILS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a State rural development council shall provide matching funds, or in-kind goods or services, to support the activities of the State rural development council in an amount that is not less than 33 percent of the amount of Federal funds received from a Federal agency under subsection (g)(2).

"(2) EXCEPTIONS TO MATCHING REQUIREMENT FOR CERTAIN FEDERAL FUNDS.—Paragraph (1) shall not apply to funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance received by a State rural development council from a Federal agency that are used—

"(A) to support 1 or more specific program or project activities; or

"(B) to reimburse the State rural development council for services provided to the Federal agency providing the funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance.

"(3) DEPARTMENT'S SHARE.—The Secretary shall develop a plan to decrease, over time, the share of the Department of Agriculture of the cost of the core operations of State rural development councils.

"(g) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2003 through 2007.

"(2) FEDERAL AGENCIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law limiting the ability of an agency, along with other agencies, to provide funds to the Coordinating Committee or a State rural development council in order to carry out the purposes of this section, a Federal agency may make grants, gifts, or contributions to, provide technical assistance to, or enter into contracts or cooperative agreements with, the Coordinating Committee or a State rural development council.

"(B) ASSISTANCE.—Federal agencies are encouraged to use funds made available for programs that have an impact on rural areas to provide assistance to, and enter into contracts with, the Coordinating Committee or a State rural development council, as described in subparagraph (A).

"(3) CONTRIBUTIONS.—The Coordinating Committee and a State rural development council may accept private contributions.

"(h) TERMINATION.—The authority provided under this section shall terminate on the date that is 5 years after the date of enactment of this section.".

SEC. 6022. RURAL TELEWORK.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6021) is amended by adding at the end the following:

"SEC. 379. RURAL TELEWORK.

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE ORGANIZATION.—The term 'eligible organization' means a nonprofit entity, an educational institution, an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or any other organization, in a rural area (except for the institute), that meets the requirements of this section and such other requirements as are established by the Secretary.

"(2) INSTITUTE.—The term 'institute' means a rural telework institute established using a grant under subsection (b).

"(3) TELEWORK.—The term 'telework' means the use of telecommunications to perform work functions at a rural work center located outside the place of business of an employer.

"(b) RURAL TELEWORK INSTITUTE.—

"(1) IN GENERAL.—The Secretary shall make 1 or more grants to an eligible organization to pay the Federal share of the cost of establishing and operating a national rural telework institute to carry out projects described in paragraph (2).

"(2) PROJECTS.—The institute shall use grant funds received under this subsection to carry out a 5-year project—

"(A) to serve as a clearinghouse for telework research and development;

"(B) to conduct outreach to rural communities and rural workers;

"(C) to develop and share best practices in rural telework throughout the United States;

"(D) to develop innovative, market-driven telework projects and joint ventures with the private sector that employ workers in rural areas in jobs that promote economic self-sufficiency;

"(E) to share information about the design and implementation of telework arrangements;

"(F) to support private sector businesses that are transitioning to telework;

"(G) to support and assist telework projects and individuals at the State and local level; and

"(H) to perform such other functions as the Secretary considers appropriate.

"(3) NON-FEDERAL SHARE.—

"(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to—

"(i) during each of the first, second, and third years of a project, 30 percent of the amount of the grant; and

"(ii) during each of the fourth and fifth years of the project, 50 percent of the amount of the grant.

"(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use any Federal funds made available to the Indian tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

"(C) FORM.—The non-Federal contributions required under subparagraph (A) may be in the form of in-kind contributions, including office equipment, office space, computer software, consultant services, computer networking equipment, and related services.

"(c) TELEWORK GRANTS.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (5), the Secretary shall make grants to eligible organizations to pay the Federal share of the cost of—

"(A) obtaining equipment and facilities to establish or expand telework locations in rural areas; and

"(B) operating telework locations in rural areas.

"(2) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible organization shall submit to the Secretary, and receive the approval of the Secretary of, an application for the grant that demonstrates that the eligible organization has adequate resources and capabilities to establish or expand a telework location in a rural area.

"(3) NON-FEDERAL SHARE.—

"(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to 50 percent of the amount of the grant.

"(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

"(C) SOURCES.—The non-Federal contributions required under subparagraph (A)—

"(i) may be in the form of in-kind contributions, including office equipment, office space, computer software, consultant services, computer networking equipment, and related services; and

"(ii) may not be made from funds made available for community development block grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

"(4) DURATION.—The Secretary may not provide a grant under this subsection to expand or operate a telework location in a rural area after the date that is 3 years after the establishment of the telework location.

"(5) AMOUNT.—The amount of a grant provided to an eligible organization under this subsection shall be not less than $1,000,000 and not more than $2,000,000.

"(d) APPLICABILITY OF CERTAIN FEDERAL LAW.—An eligible organization that receives funds under this section shall be subject to the provisions of Federal law (including regulations) administered by the Secretary of Labor or the Equal Employment Opportunity Commission that govern the responsibilities of employers to employees.

"(e) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

"(f) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 2002 through 2007, of which $5,000,000 shall be provided to establish and support an institute under subsection (b).".

SEC. 6023. HISTORIC BARN PRESERVATION.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6022) is amended by adding at the end the following:

"SEC. 379A. HISTORIC BARN PRESERVATION.

"(a) DEFINITIONS.—In this section:

"(1) BARN.—The term 'barn' means a building (other than a dwelling) on a farm, ranch, or other agricultural operation for—

"(A) housing animals;

"(B) storing or processing crops;

"(C) storing and maintaining agricultural equipment; or

"(D) serving an essential or useful purpose related to agricultural activities conducted on the adjacent land.

"(2) ELIGIBLE APPLICANT.—The term 'eligible applicant' means—

"(A) a State department of agriculture (or a designee);

"(B) a national or State nonprofit organization that—

"(i) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

"(ii) has experience or expertise, as determined by the Secretary, in the identification, evaluation, rehabilitation, preservation, or protection of historic barns; and

"(C) a State historic preservation office.

"(3) HISTORIC BARN.—The term 'historic barn' means a barn that—

"(A) is at least 50 years old;

"(B) retains sufficient integrity of design, materials, and construction to clearly identify the barn as an agricultural building; and

"(C) meets the criteria for listing on National, State, or local registers or inventories of historic structures.

"(4) SECRETARY.—The term 'Secretary' means the Secretary, acting through the Under Secretary of Rural Development.

"(b) PROGRAM.—The Secretary shall establish a historic barn preservation program—

"(1) to assist States in developing a list of historic barns;

"(2) to collect and disseminate information on historic barns;

"(3) to foster educational programs relating to the history, construction techniques, rehabilitation, and contribution to society of historic barns; and

"(4) to sponsor and conduct research on—

"(A) the history of barns; and

"(B) best practices to protect and rehabilitate historic barns from the effects of decay, fire, arson, and natural disasters.

"(c) GRANTS.—

"(1) IN GENERAL.—The Secretary may make grants to, or enter into contracts or cooperative agreements with, eligible applicants to carry out an eligible project under paragraph (2).

"(2) ELIGIBLE PROJECTS.—A grant under this subsection may be made to an eligible applicant for a project—

"(A) to rehabilitate or repair a historic barn;

"(B) to preserve a historic barn through—

"(i) the installation of a fire protection system, including fireproofing or fire detection system and sprinklers; and

"(ii) the installation of a system to prevent vandalism; and

"(C) to identify, document, and conduct research on a historic barn to develop and evaluate appropriate techniques or best practices for protecting historic barns.

"(3) REQUIREMENTS.—An eligible applicant that receives a grant for a project under this subsection shall comply with any standards established by the Secretary of the Interior for historic preservation projects.

"(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.".

SEC. 6024. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6023)) is amended by adding at the end the following:

"SEC. 379B. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.

"(a) IN GENERAL.—The Secretary, acting through the Administrator of the Rural Utilities Service, may make grants to public and nonprofit entities, and borrowers of loans made by the Rural Utilities Service, for the Federal share of the cost of acquiring radio transmitters to increase coverage of rural areas by the all hazards weather radio broadcast system of the National Oceanic and Atmospheric Administration.

"(b) ELIGIBILITY.—To be eligible for a grant under this section, an applicant shall provide to the Secretary—

"(1) a binding commitment from a tower owner to place the transmitter on a tower; and

"(2) a description of how the tower placement will increase coverage of a rural area by the all hazards weather radio broadcast system of the National Oceanic and Atmospheric Administration.

"(c) FEDERAL SHARE.—A grant provided under this section shall be not more than 75 percent of the total cost of acquiring a radio transmitter, as described in subsection (a).

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.".

SEC. 6025. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6024) is amended by adding at the end the following:

"SEC. 379C. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

"(a) IN GENERAL.—The Secretary shall make grants to nonprofit organizations, or to a consortium of nonprofit organizations, agribusinesses, State and local governments, agricultural labor organizations, farmer or rancher cooperatives, and community-based organizations with the capacity to train farm workers.

"(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2007.".

SEC. 6026. RURAL COMMUNITY ADVANCEMENT PROGRAM.

(a) NATIONAL RESERVE PROGRAM.—Section 381E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d) is amended—

(1) in subsection (b)—

(A) by striking paragraph (4); and

(B) by redesignating paragraph (5) as paragraph (4);

(2) by striking subsection (e);

(3) by redesignating subsections (f) through (h) as subsections (e) through (g), respectively; and

(4) in subsection (g) (as so redesignated), by striking "subsection (g) of this section" and inserting "subsection (f)".

(b) RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.—Section 381O of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n) is repealed.

(c) CONFORMING AMENDMENTS.—Section 381G of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f(a)) is amended—

(1) in subsection (a), by striking "section 381E(g)" each place it appears and inserting "section 381E(f)"; and

(2) in subsection (b)(1), by striking "section 381E(h)" and inserting "section 381E(g)".

SEC. 6027. DELTA REGIONAL AUTHORITY.

(a) VOTING.—Section 382B(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–1(c)) is amended by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—

"(A) TEMPORARY METHOD.—During the period beginning on the date of enactment of this subparagraph and ending on December 31, 2004, a decision by the Authority shall require the affirmative vote of the Federal cochairperson and a majority of the State members (not including any member representing a State that is delinquent under subsection (g)(2)(C)) to be effective.

"(B) PERMANENT METHOD.—Effective beginning on January 1, 2005, a decision by the Authority shall require a majority vote of the Authority (not including any member representing a State that is delinquent under subsection (g)(2)(C)) to be effective.".

(b) AUTHORITY TO ISSUE REGULATIONS.—Section 382B(e)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–1(e)(4)) is amended by striking "and rules" and inserting ", rules, and regulations".

(c) ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.—Section 382C(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–2(b)) is amended by striking paragraph (3).

(d) SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.—Section 382D of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–3) is amended to read as follows:

"SEC. 382D. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.

"(a) FINDING.—Congress finds that certain States and local communities of the region, including local development districts, may be unable to take maximum advantage of Federal grant programs for which the States and communities are eligible because—

"(1) the States or communities lack the economic resources to provide the required matching share; or

"(2) there are insufficient funds available under the applicable Federal law authorizing the Federal grant program to meet pressing needs of the region.

"(b) FEDERAL GRANT PROGRAM FUNDING.—Notwithstanding any provision of law limiting the Federal share, the areas eligible for assistance, or the authorizations of appropriations of any Federal grant program, and in accordance with subsection (c), the Authority, with the approval of the Federal cochairperson and with respect to a project to be carried out in the region—

"(1) may increase the Federal share of the costs of a project under the Federal grant program to not more than 90 percent (except as provided in section 382F(b)); and

"(2) shall use amounts made available to carry out this subtitle to pay the increased Federal share.

"(c) CERTIFICATIONS.—

"(1) IN GENERAL.—In the case of any project for which all or any portion of the basic Federal share of the costs of the project is proposed to be paid under this section, no Federal contribution shall be made until the Federal official administering the Federal law that authorizes the Federal grant program certifies that the project—

"(A) meets (except as provided in subsection (b)) the applicable requirements of the applicable Federal grant program; and

"(B) could be approved for Federal contribution under the Federal grant program if funds were available under the law for the project.

"(2) CERTIFICATION BY AUTHORITY.—

"(A) IN GENERAL.—The certifications and determinations required to be made by the Authority for approval of projects under this Act in accordance with section 382I—

"(i) shall be controlling; and

"(ii) shall be accepted by the Federal agencies.

"(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON.—In the case of any project described in paragraph (1), any finding, report, certification, or documentation required to be submitted with respect to the project to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of the Federal grant program under which the project is carried out shall be accepted by the Federal cochairperson.".

(e) GRANTS TO LOCAL DEVELOPMENT AGENCIES.—Section 382E(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–4(b)(1)) is amended by striking "may" and inserting "shall".

(f) APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.—Section 382I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–8) is amended—

(1) in subsection (a), by inserting "and approved" after "reviewed"; and

(2) in subsection (d), by striking "VOTES FOR DECISIONS.—" and inserting "APPROVAL OF GRANT APPLICATIONS.—".

(g) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking "2002" and inserting "2007".

(h) TERMINATION OF AUTHORITY.—Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking "2002" and inserting "2007".

(i) DELTA REGION AGRICULTURAL ECONOMIC DEVELOPMENT.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6025) is amended by adding at the end the following:

"SEC. 379D. DELTA REGION AGRICULTURAL ECONOMIC DEVELOPMENT.

"(a) IN GENERAL.—The Secretary may make grants to assist in the development of state-of-the-art technology in animal nutrition (including research and development of the technology) and value-added manufacturing to promote an economic platform for the Delta region (as defined in section 382A) to relieve severe economic conditions.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $7,000,000 for each of fiscal years 2002 through 2007.".

(j) DEFINITION OF LOWER MISSISSIPPI.—Section 4(2)(I) of the Delta Development Act (42 U.S.C. 3121 note; Public Law 100–460) is amended by inserting "Butler, Conecuh, Escambia, Monroe," after "Russell,".

SEC. 6028. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle G—Northern Great Plains Regional Authority

"SEC. 383A. DEFINITIONS.

"In this subtitle:

"(1) AUTHORITY.—The term 'Authority' means the Northern Great Plains Regional Authority established by section 383B.

"(2) FEDERAL GRANT PROGRAM.—The term 'Federal grant program' means a Federal grant program to provide assistance in—

"(A) implementing the recommendations of the Northern Great Plains Rural Development Commission established by the Northern Great Plains Rural Development Act (7 U.S.C. 2661 note; Public Law 103–318);

"(B) acquiring or developing land;

"(C) constructing or equipping a highway, road, bridge, or facility;

"(D) carrying out other economic development activities; or

"(E) conducting research activities related to the activities described in subparagraphs (A) through (D).

"(3) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(4) REGION.—The term 'region' means the States of Iowa, Minnesota, Nebraska, North Dakota, and South Dakota.

"SEC. 383B. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established the Northern Great Plains Regional Authority.

"(2) COMPOSITION.—The Authority shall be composed of—

"(A) a Federal member, to be appointed by the President, by and with the advice and consent of the Senate;

"(B) the Governor (or a designee of the Governor) of each State in the region that elects to participate in the Authority; and

"(C) a member of an Indian tribe, who shall be a chairperson of an Indian tribe in the region or a designee of such a chairperson, to be appointed by the President, by and with the advice and consent of the Senate.

"(3) COCHAIRPERSONS.—The Authority shall be headed by—

"(A) the Federal member, who shall serve—

"(i) as the Federal cochairperson; and

"(ii) as a liaison between the Federal Government and the Authority;

"(B) a State cochairperson, who—

"(i) shall be a Governor of a participating State in the region; and

"(ii) shall be elected by the State members for a term of not less than 1 year; and

"(C) the member of an Indian tribe, who shall serve—

"(i) as the tribal cochairperson; and

"(ii) as a liaison between the governments of Indian tribes in the region and the Authority.

"(b) ALTERNATE MEMBERS.—

"(1) ALTERNATE FEDERAL COCHAIRPERSON.—The President shall appoint an alternate Federal cochairperson.

"(2) STATE ALTERNATES.—

"(A) IN GENERAL.—The State member of a participating State may have a single alternate, who shall be—

"(i) a resident of that State; and

"(ii) appointed by the Governor of the State.

"(B) QUORUM.—A State alternate member shall not be counted toward the establishment of a quorum of the members of the Authority in any case in which a quorum of the State members is required to be present.

"(3) ALTERNATE TRIBAL COCHAIRPERSON.—The President shall appoint an alternate tribal cochairperson, by and with the advice and consent of the Senate.

"(4) DELEGATION OF POWER.—No power or responsibility of the Authority specified in paragraphs (2) and (3) of subsection (c), and no voting right of any member of the Authority, shall be delegated to any person who is not—

"(A) a member of the Authority; or

"(B) entitled to vote in Authority meetings.

"(c) VOTING.—

"(1) IN GENERAL.—A decision by the Authority shall require a majority vote of the Authority (not including any member representing a State that is delinquent under subsection (g)(2)(D)) to be effective.

"(2) QUORUM.—A quorum of State members shall be required to be present for the Authority to make any policy decision, including—

"(A) a modification or revision of an Authority policy decision;

"(B) approval of a State or regional development plan; and

"(C) any allocation of funds among the States.

"(3) PROJECT AND GRANT PROPOSALS.—The approval of project and grant proposals shall be—

"(A) a responsibility of the Authority; and

"(B) conducted in accordance with section 383I.

"(4) VOTING BY ALTERNATE MEMBERS.—An alternate member shall vote in the case of the absence, death, disability, removal, or resignation of the Federal, State, or Indian tribe member for whom the alternate member is an alternate.

"(d) DUTIES.—The Authority shall—

"(1) develop, on a continuing basis, comprehensive and coordinated plans and programs to establish priorities and approve grants for the economic development of the region, giving due consideration to other Federal, State, tribal, and local planning and development activities in the region;

"(2) not later than 220 days after the date of enactment of this subtitle, establish priorities in a development plan for the region (including 5-year regional outcome targets);

"(3) assess the needs and assets of the region based on available research, demonstrations, investigations, assessments, and evaluations of the region prepared by Federal, State, tribal, and local agencies, universities, local development districts, and other nonprofit groups;

"(4) formulate and recommend to the Governors and legislatures of States that participate in the Authority forms of interstate cooperation;

"(5) work with State, tribal, and local agencies in developing appropriate model legislation;

"(6)(A) enhance the capacity of, and provide support for, local development districts in the region; or

"(B) if no local development district exists in an area in a participating State in the region, foster the creation of a local development district;

"(7) encourage private investment in industrial, commercial, and other economic development projects in the region; and

"(8) cooperate with and assist State governments with economic development programs of participating States.

"(e) ADMINISTRATION.—In carrying out subsection (d), the Authority may—

"(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute a description of the proceedings and reports on actions by the Authority as the Authority considers appropriate;

"(2) authorize, through the Federal, State, or tribal cochairperson or any other member of the Authority designated by the Authority, the administration of oaths if the Authority determines that testimony should be taken or evidence received under oath;

"(3) request from any Federal, State, tribal, or local agency such information as may be available to or procurable by the agency that may be of use to the Authority in carrying out the duties of the Authority;

"(4) adopt, amend, and repeal bylaws and rules governing the conduct of business and the performance of duties of the Authority;

"(5) request the head of any Federal agency to detail to the Authority such personnel as the Authority requires to carry out duties of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

"(6) request the head of any State agency, tribal government, or local government to detail to the Authority such personnel as the Authority requires to carry out duties of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

"(7) provide for coverage of Authority employees in a suitable retirement and employee benefit system by—

"(A) making arrangements or entering into contracts with any participating State government or tribal government; or

"(B) otherwise providing retirement and other employee benefit coverage;

"(8) accept, use, and dispose of gifts or donations of services or real, personal, tangible, or intangible property;

"(9) enter into and perform such contracts, leases, cooperative agreements, or other transactions as are necessary to carry out Authority duties, including any contracts, leases, or cooperative agreements with—

"(A) any department, agency, or instrumentality of the United States;

"(B) any State (including a political subdivision, agency, or instrumentality of the State);

"(C) any Indian tribe in the region; or

"(D) any person, firm, association, or corporation; and

"(10) establish and maintain a central office and field offices at such locations as the Authority may select.

"(f) FEDERAL AGENCY COOPERATION.—A Federal agency shall—

"(1) cooperate with the Authority; and

"(2) provide, on request of the Federal cochairperson, appropriate assistance in carrying out this subtitle, in accordance with applicable Federal laws (including regulations).

"(g) ADMINISTRATIVE EXPENSES.—

"(1) FEDERAL SHARE.—The Federal share of the administrative expenses of the Authority shall be—

"(A) for fiscal year 2002, 100 percent;

"(B) for fiscal year 2003, 75 percent; and

"(C) for fiscal year 2004 and each fiscal year thereafter, 50 percent.

"(2) NON-FEDERAL SHARE.—

"(A) IN GENERAL.—The non-Federal share of the administrative expenses of the Authority shall be paid by non-Federal sources in the States that participate in the Authority.

"(B) SHARE PAID BY EACH STATE.—The share of administrative expenses of the Authority to be paid by non-Federal sources in each State shall be determined by the Authority.

"(C) NO FEDERAL PARTICIPATION.—The Federal cochairperson shall not participate or vote in any decision under subparagraph (B).

"(D) DELINQUENT STATES.—If a State is delinquent in payment of the State's share of administrative expenses of the Authority under this subsection—

"(i) no assistance under this subtitle shall be provided to the State (including assistance to a political subdivision or a resident of the State); and

"(ii) no member of the Authority from the State shall participate or vote in any action by the Authority.

"(h) COMPENSATION.—

"(1) FEDERAL AND TRIBAL COCHAIRPERSONS.—The Federal cochairperson and the tribal cochairperson shall be compensated by the Federal Government at the annual rate of basic pay prescribed for level III of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

"(2) ALTERNATE FEDERAL AND TRIBAL COCHAIRPERSONS.—The alternate Federal cochairperson and the alternate tribal cochairperson—

"(A) shall be compensated by the Federal Government at the annual rate of basic pay prescribed for level V of the Executive Schedule described in paragraph (1); and

"(B) when not actively serving as an alternate, shall perform such functions and duties as are delegated by the Federal cochairperson or the tribal cochairperson, respectively.

"(3) STATE MEMBERS AND ALTERNATES.—

"(A) IN GENERAL.—A State shall compensate each member and alternate representing the State on the Authority at the rate established by State law.

"(B) NO ADDITIONAL COMPENSATION.—No State member or alternate member shall receive any salary, or any contribution to or supplementation of salary from any source other than the State for services provided by the member or alternate member to the Authority.

"(4) DETAILED EMPLOYEES.—

"(A) IN GENERAL.—No person detailed to serve the Authority under subsection (e)(6) shall receive any salary or any contribution to or supplementation of salary for services provided to the Authority from—

"(i) any source other than the State, tribal, local, or intergovernmental agency from which the person was detailed; or

"(ii) the Authority.

"(B) VIOLATION.—Any person that violates this paragraph shall be fined not more than $5,000, imprisoned not more than 1 year, or both.

"(C) APPLICABLE LAW.—The Federal cochairperson, the alternate Federal cochairperson, and any Federal officer or employee detailed to duty on the Authority under subsection (e)(5) shall not be subject to subparagraph (A), but shall remain subject to sections 202 through 209 of title 18, United States Code.

"(5) ADDITIONAL PERSONNEL.—

"(A) COMPENSATION.—

"(i) IN GENERAL.—The Authority may appoint and fix the compensation of an executive director and such other personnel as are necessary to enable the Authority to carry out the duties of the Authority.

"(ii) EXCEPTION.—Compensation under clause (i) shall not exceed the maximum rate for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title.

"(B) EXECUTIVE DIRECTOR.—The executive director shall be responsible for—

"(i) the carrying out of the administrative duties of the Authority;

"(ii) direction of the Authority staff; and

"(iii) such other duties as the Authority may assign.

"(C) NO FEDERAL EMPLOYEE STATUS.—No member, alternate, officer, or employee of the Authority (except the Federal cochairperson of the Authority, the alternate and staff for the Federal cochairperson, and any Federal employee detailed to the Authority under subsection (e)(5)) shall be considered to be a Federal employee for any purpose.

"(i) CONFLICTS OF INTEREST.—

"(1) IN GENERAL.—Except as provided under paragraph (2), no State member, Indian tribe member, State alternate, officer, or employee of the Authority shall participate personally and substantially as a member, alternate, officer, or employee of the Authority, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other matter in which, to knowledge of the member, alternate, officer, or employee—

"(A) the member, alternate, officer, or employee;

"(B) the spouse, minor child, partner, or organization (other than a State or political subdivision of the State or the Indian tribe) of the member, alternate, officer, or employee, in which the member, alternate, officer, or employee is serving as officer, director, trustee, partner, or employee; or

"(C) any person or organization with whom the member, alternate, officer, or employee is negotiating or has any arrangement concerning prospective employment;

has a financial interest.

"(2) DISCLOSURE.—Paragraph (1) shall not apply if the State member, Indian tribe member, alternate, officer, or employee—

"(A) immediately advises the Authority of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter presenting a potential conflict of interest;

"(B) makes full disclosure of the financial interest; and

"(C) before the proceeding concerning the matter presenting the conflict of interest, receives a written determination by the Authority that the interest is not so substantial as to be likely to affect the integrity of the services that the Authority may expect from the State member, Indian tribe member, alternate, officer, or employee.

"(3) VIOLATION.—Any person that violates this subsection shall be fined not more than $10,000, imprisoned not more than 2 years, or both.

"(j) VALIDITY OF CONTRACTS, LOANS, AND GRANTS.—The Authority may declare void any contract, loan, or grant of or by the Authority in relation to which the Authority determines that there has been a violation of any provision under subsection (h)(4) or subsection (i) of this subtitle, or sections 202 through 209 of title 18, United States Code.

"SEC. 383C. ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.

"(a) IN GENERAL.—The Authority may approve grants to States, Indian tribes, local governments, and public and nonprofit organizations for projects, approved in accordance with section 383I—

"(1) to develop the transportation and telecommunication infrastructure of the region for the purpose of facilitating economic development in the region (except that grants for this purpose may be made only to States, Indian tribes, local governments, and nonprofit organizations);

"(2) to assist the region in obtaining the job training, employment-related education, and business development (with an emphasis on entrepreneurship) that are needed to build and maintain strong local economies;

"(3) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for improving basic public services;

"(4) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for equipping industrial parks and related facilities; and

"(5) to otherwise achieve the purposes of this subtitle.

"(b) FUNDING.—

"(1) IN GENERAL.—Funds for grants under subsection (a) may be provided—

"(A) entirely from appropriations to carry out this section;

"(B) in combination with funds available under another Federal grant program; or

"(C) from any other source.

"(2) PRIORITY OF FUNDING.—To best build the foundations for long-term economic development and to complement other Federal, State, and tribal resources in the region, Federal funds available under this subtitle shall be focused on the activities in the following order or priority:

"(A) Basic public infrastructure in distressed counties and isolated areas of distress.

"(B) Transportation and telecommunication infrastructure for the purpose of facilitating economic development in the region.

"(C) Business development, with emphasis on entrepreneurship.

"(D) Job training or employment-related education, with emphasis on use of existing public educational institutions located in the region.

"SEC. 383D. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.

"(a) FINDING.—Congress finds that certain States and local communities of the region, including local development districts, may be unable to take maximum advantage of Federal grant programs for which the States and communities are eligible because—

"(1) they lack the economic resources to provide the required matching share; or

"(2) there are insufficient funds available under the applicable Federal law authorizing the Federal grant program to meet pressing needs of the region.

"(b) FEDERAL GRANT PROGRAM FUNDING.—Notwithstanding any provision of law limiting the Federal share, the areas eligible for assistance, or the authorizations of appropriations, under any Federal grant program, and in accordance with subsection (c), the Authority, with the approval of the Federal cochairperson and with respect to a project to be carried out in the region—

"(1) may increase the Federal share of the costs of a project under any Federal grant program to not more than 90 percent (except as provided in section 383F(b)); and

"(2) shall use amounts made available to carry out this subtitle to pay the increased Federal share.

"(c) CERTIFICATIONS.—

"(1) IN GENERAL.—In the case of any project for which all or any portion of the basic Federal share of the costs of the project is proposed to be paid under this section, no Federal contribution shall be made until the Federal official administering the Federal law that authorizes the Federal grant program certifies that the project—

"(A) meets (except as provided in subsection (b)) the applicable requirements of the applicable Federal grant program; and

"(B) could be approved for Federal contribution under the Federal grant program if funds were available under the law for the project.

"(2) CERTIFICATION BY AUTHORITY.—

"(A) IN GENERAL.—The certifications and determinations required to be made by the Authority for approval of projects under this Act in accordance with section 383I—

"(i) shall be controlling; and

"(ii) shall be accepted by the Federal agencies.

"(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON.—In the case of any project described in paragraph (1), any finding, report, certification, or documentation required to be submitted with respect to the project to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of the Federal grant program under which the project is carried out shall be accepted by the Federal cochairperson.

"SEC. 383E. LOCAL DEVELOPMENT DISTRICTS AND ORGANIZATIONS AND NORTHERN GREAT PLAINS INC.

"(a) DEFINITION OF LOCAL DEVELOPMENT DISTRICT.—In this section, the term 'local development district' means an entity—

"(1) that—

"(A) is a planning district in existence on the date of enactment of this subtitle that is recognized by the Economic Development Administration of the Department of Commerce; or

"(B) is—

"(i) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

"(ii) governed by a policy board with at least a simple majority of members consisting of—

"(I) elected officials or employees of a general purpose unit of local government who have been appointed to represent the government; or

"(II) individuals appointed by the general purpose unit of local government to represent the government;

"(iii) certified to the Authority as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region—

"(I) by the Governor of each State in which the entity is located; or

"(II) by the State officer designated by the appropriate State law to make the certification; and

"(iv)(I) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;

"(II) a nonprofit agency or instrumentality of a State or local government;

"(III) a public organization established before the date of enactment of this subtitle under State law for creation of multi-jurisdictional, area-wide planning organizations; or

"(IV) a nonprofit association or combination of bodies, agencies, and instrumentalities described in subclauses (I) through (III); and

"(2) that has not, as certified by the Federal cochairperson—

"(A) inappropriately used Federal grant funds from any Federal source; or

"(B) appointed an officer who, during the period in which another entity inappropriately used Federal grant funds from any Federal source, was an officer of the other entity.

"(b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

"(1) IN GENERAL.—The Authority may make grants for administrative expenses under this section.

"(2) CONDITIONS FOR GRANTS.—

"(A) MAXIMUM AMOUNT.—The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the local development district receiving the grant.

"(B) MAXIMUM PERIOD.—No grant described in paragraph (1) shall be awarded to a State agency certified as a local development district for a period greater than 3 years.

"(C) LOCAL SHARE.—The contributions of a local development district for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

"(c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—A local development district shall—

"(1) operate as a lead organization serving multicounty areas in the region at the local level; and

"(2) serve as a liaison between State, tribal, and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens that—

"(A) are involved in multijurisdictional planning;

"(B) provide technical assistance to local jurisdictions and potential grantees; and

"(C) provide leadership and civic development assistance.

"(d) NORTHERN GREAT PLAINS INC.—Northern Great Plains Inc., a nonprofit corporation incorporated in the State of Minnesota to implement the recommendations of the Northern Great Plains Rural Development Commission established by the Northern Great Plains Rural Development Act (7 U.S.C. 2661 note; Public Law 103–318)—

"(1) shall serve as an independent, primary resource for the Authority on issues of concern to the region;

"(2) shall advise the Authority on development of international trade;

"(3) may provide research, education, training, and other support to the Authority; and

"(4) may carry out other activities on its own behalf or on behalf of other entities.

"SEC. 383F. DISTRESSED COUNTIES AND AREAS AND NONDISTRESSED COUNTIES.

"(a) DESIGNATIONS.—Not later than 90 days after the date of enactment of this subtitle, and annually thereafter, the Authority, in accordance with such criteria as the Authority may establish, shall designate—

"(1) as distressed counties, counties in the region that are the most severely and persistently distressed and underdeveloped and have high rates of poverty, unemployment, or outmigration;

"(2) as nondistressed counties, counties in the region that are not designated as distressed counties under paragraph (1); and

"(3) as isolated areas of distress, areas located in nondistressed counties (as designated under paragraph (2)) that have high rates of poverty, unemployment, or outmigration.

"(b) DISTRESSED COUNTIES.—

"(1) IN GENERAL.—The Authority shall allocate at least 75 percent of the appropriations made available under section 383M for programs and projects designed to serve the needs of distressed counties and isolated areas of distress in the region.

"(2) FUNDING LIMITATIONS.—The funding limitations under section 383D(b) shall not apply to a project to provide transportation or telecommunication or basic public services to residents of 1 or more distressed counties or isolated areas of distress in the region.

"(c) NONDISTRESSED COUNTIES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no funds shall be provided under this subtitle for a project located in a county designated as a nondistressed county under subsection (a)(2).

"(2) EXCEPTIONS.—

"(A) IN GENERAL.—The funding prohibition under paragraph (1) shall not apply to grants to fund the administrative expenses of local development districts under section 383E(b).

"(B) MULTICOUNTY PROJECTS.—The Authority may waive the application of the funding prohibition under paragraph (1) to—

"(i) a multicounty project that includes participation by a nondistressed county; or

"(ii) any other type of project;

if the Authority determines that the project could bring significant benefits to areas of the region outside a nondistressed county.

"(C) ISOLATED AREAS OF DISTRESS.—For a designation of an isolated area of distress for assistance to be effective, the designation shall be supported—

"(i) by the most recent Federal data available; or

"(ii) if no recent Federal data are available, by the most recent data available through the government of the State in which the isolated area of distress is located.

"(d) TRANSPORTATION, TELECOMMUNICATION, AND BASIC PUBLIC INFRASTRUCTURE.—The Authority shall allocate at least 50 percent of any funds made available under section 383M for transportation, telecommunication, and basic public infrastructure projects authorized under paragraphs (1) and (3) of section 383C(a).

"SEC. 383G. DEVELOPMENT PLANNING PROCESS.

"(a) STATE DEVELOPMENT PLAN.—In accordance with policies established by the Authority, each State member shall submit a development plan for the area of the region represented by the State member.

"(b) CONTENT OF PLAN.—A State development plan submitted under subsection (a) shall reflect the goals, objectives, and priorities identified in the regional development plan developed under section 383B(d)(2).

"(c) CONSULTATION WITH INTERESTED LOCAL PARTIES.—In carrying out the development planning process (including the selection of programs and projects for assistance), a State may—

"(1) consult with—

"(A) local development districts; and

"(B) local units of government; and

"(2) take into consideration the goals, objectives, priorities, and recommendations of the entities described in paragraph (1).

"(d) PUBLIC PARTICIPATION.—

"(1) IN GENERAL.—The Authority and applicable State and local development districts shall encourage and assist, to the maximum extent practicable, public participation in the development, revision, and implementation of all plans and programs under this subtitle.

"(2) REGULATIONS.—The Authority shall develop guidelines for providing public participation described in paragraph (1), including public hearings.

"SEC. 383H. PROGRAM DEVELOPMENT CRITERIA.

"(a) IN GENERAL.—In considering programs and projects to be provided assistance under this subtitle, and in establishing a priority ranking of the requests for assistance provided to the Authority, the Authority shall follow procedures that ensure, to the maximum extent practicable, consideration of—

"(1) the relationship of the project or class of projects to overall regional development;

"(2) the per capita income and poverty and unemployment and outmigration rates in an area;

"(3) the financial resources available to the applicants for assistance seeking to carry out the project, with emphasis on ensuring that projects are adequately financed to maximize the probability of successful economic development;

"(4) the importance of the project or class of projects in relation to other projects or classes of projects that may be in competition for the same funds;

"(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic development of the area to be served by the project; and

"(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures and the results of the expenditures may be evaluated.

"(b) NO RELOCATION ASSISTANCE.—No financial assistance authorized by this subtitle shall be used to assist a person or entity in relocating from one area to another, except that financial assistance may be used as otherwise authorized by this title to attract businesses from outside the region to the region.

"(c) MAINTENANCE OF EFFORT.—Funds may be provided for a program or project in a State under this subtitle only if the Authority determines that the level of Federal or State financial assistance provided under a law other than this subtitle, for the same type of program or project in the same area of the State within the region, will not be reduced as a result of funds made available by this subtitle.

"SEC. 383I. APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.

"(a) IN GENERAL.—A State or regional development plan or any multistate subregional plan that is proposed for development under this subtitle shall be reviewed by the Authority.

"(b) EVALUATION BY STATE MEMBER.—An application for a grant or any other assistance for a project under this subtitle shall be made through and evaluated for approval by the State member of the Authority representing the applicant.

"(c) CERTIFICATION.—An application for a grant or other assistance for a project shall be approved only on certification by the State member that the application for the project—

"(1) describes ways in which the project complies with any applicable State development plan;

"(2) meets applicable criteria under section 383H;

"(3) provides adequate assurance that the proposed project will be properly administered, operated, and maintained; and

"(4) otherwise meets the requirements of this subtitle.

"(d) VOTES FOR DECISIONS.—On certification by a State member of the Authority of an application for a grant or other assistance for a specific project under this section, an affirmative vote of the Authority under section 383B(c) shall be required for approval of the application.

"SEC. 383J. CONSENT OF STATES.

"Nothing in this subtitle requires any State to engage in or accept any program under this subtitle without the consent of the State.

"SEC. 383K. RECORDS.

"(a) RECORDS OF THE AUTHORITY.—

"(1) IN GENERAL.—The Authority shall maintain accurate and complete records of all transactions and activities of the Authority.

"(2) AVAILABILITY.—All records of the Authority shall be available for audit and examination by the Comptroller General of the United States and the Inspector General of the Department of Agriculture (including authorized representatives of the Comptroller General and the Inspector General of the Department of Agriculture).

"(b) RECORDS OF RECIPIENTS OF FEDERAL ASSISTANCE.—

"(1) IN GENERAL.—A recipient of Federal funds under this subtitle shall, as required by the Authority, maintain accurate and complete records of transactions and activities financed with Federal funds and report to the Authority on the transactions and activities to the Authority.

"(2) AVAILABILITY.—All records required under paragraph (1) shall be available for audit by the Comptroller General of the United States, the Inspector General of the Department of Agriculture, and the Authority (including authorized representatives of the Comptroller General, the Inspector General of the Department of Agriculture, and the Authority).

"(c) ANNUAL AUDIT.—The Inspector General of the Department of Agriculture shall audit the activities, transactions, and records of the Authority on an annual basis.

"SEC. 383L. ANNUAL REPORT.

"Not later than 180 days after the end of each fiscal year, the Authority shall submit to the President and to Congress a report describing the activities carried out under this subtitle.

"SEC. 383M. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There is authorized to be appropriated to the Authority to carry out this subtitle $30,000,000 for each of fiscal years 2002 through 2007, to remain available until expended.

"(b) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount appropriated under subsection (a) for a fiscal year shall be used for administrative expenses of the Authority.

"(c) MINIMUM STATE SHARE OF GRANTS.—Notwithstanding any other provision of this subtitle, for any fiscal year, the aggregate amount of grants received by a State and all persons or entities in the State under this subtitle shall be not less than ⅓ of the product obtained by multiplying—

"(1) the aggregate amount of grants under this subtitle for the fiscal year; and

"(2) the ratio that—

"(A) the population of the State (as determined by the Secretary of Commerce based on the most recent decennial census for which data are available); bears to

"(B) the population of the region (as so determined).

"SEC. 383N. TERMINATION OF AUTHORITY.

"The authority provided by this subtitle terminates effective October 1, 2007.".

SEC. 6029. RURAL BUSINESS INVESTMENT PROGRAM.

The Consolidated Farm and Rural Development Act (as amended by section 6028) is amended by adding at the end the following:

"Subtitle H—Rural Business Investment Program

"SEC. 384A. DEFINITIONS.

"In this subtitle:

"(1) ARTICLES.—The term 'articles' means articles of incorporation for an incorporated body or the functional equivalent or other similar documents specified by the Secretary for other business entities.

"(2) DEVELOPMENTAL VENTURE CAPITAL.—The term 'developmental venture capital' means capital in the form of equity capital investments in rural business investment companies with an objective of fostering economic development in rural areas.

"(3) EMPLOYEE WELFARE BENEFIT PLAN; PENSION PLAN.—

"(A) IN GENERAL.—The terms 'employee welfare benefit plan' and 'pension plan' have the meanings given the terms in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

"(B) INCLUSIONS.—The terms 'employee welfare benefit plan' and 'pension plan' include—

“(i) public and private pension or retirement plans subject to this subtitle; and

“(ii) similar plans not covered by this subtitle that have been established, and that are maintained, by the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State) for the benefit of employees.

“(4) EQUITY CAPITAL.—The term ‘equity capital’ means common or preferred stock or a similar instrument, including subordinated debt with equity features.

“(5) LEVERAGE.—The term ‘leverage’ includes—

“(A) debentures purchased or guaranteed by the Secretary;

“(B) participating securities purchased or guaranteed by the Secretary; and

“(C) preferred securities outstanding as of the date of enactment of this subtitle.

“(6) LICENSE.—The term ‘license’ means a license issued by the Secretary as provided in section 384D(e).

“(7) LIMITED LIABILITY COMPANY.—The term ‘limited liability company’ means a business entity that is organized and operating in accordance with a State limited liability company law approved by the Secretary.

“(8) MEMBER.—The term ‘member’ means, with respect to a rural business investment company that is a limited liability company, a holder of an ownership interest or a person otherwise admitted to membership in the limited liability company.

“(9) OPERATIONAL ASSISTANCE.—The term ‘operational assistance’ means management, marketing, and other technical assistance that assists a rural business concern with business development.

“(10) PARTICIPATION AGREEMENT.—The term ‘participation agreement’ means an agreement, between the Secretary and a rural business investment company granted final approval under section 384D(e), that requires the rural business investment company to make investments in smaller enterprises in rural areas.

“(11) PRIVATE CAPITAL.—

“(A) IN GENERAL.—The term ‘private capital’ means the total of—

“(i)(I) the paid-in capital and paid-in surplus of a corporate rural business investment company;

“(II) the contributed capital of the partners of a partnership rural business investment company; or

“(III) the equity investment of the members of a limited liability company rural business investment company; and

“(ii) unfunded binding commitments from investors that meet criteria established by the Secretary to contribute capital to the rural business investment company, except that—

“(I) unfunded commitments may be counted as private capital for purposes of approval by the Secretary of any request for leverage; but

“(II) leverage shall not be funded based on the commitments.

“(B) EXCLUSIONS.—The term ‘private capital’ does not include—

“(i) any funds borrowed by a rural business investment company from any source;

“(ii) any funds obtained through the issuance of leverage; or

“(iii) any funds obtained directly or indirectly from the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State), except for—

“(I) funds obtained from the business revenues (excluding any governmental appropriation) of any federally chartered or government-sponsored enterprise established prior to the date of enactment of this subtitle;

“(II) funds invested by an employee welfare benefit plan or pension plan; and

“(III) any qualified nonprivate funds (if the investors of the qualified nonprivate funds do not control, directly or indirectly, the management, board of directors, general partners, or members of the rural business investment company).

“(12) QUALIFIED NONPRIVATE FUNDS.—The term ‘qualified nonprivate funds’ means any—

“(A) funds directly or indirectly invested in any applicant or rural business investment company on or before the date of enactment of this subtitle, by any Federal agency, other than the Department of Agriculture, under a provision of law explicitly mandating the inclusion of those funds in the definition of the term ‘private capital’; and

“(B) funds invested in any applicant or rural business investment company by 1 or more entities of any State (including by a political subdivision, agency, or instrumentality of the State and including any guarantee extended by those entities) in an aggregate amount that does not exceed 33 percent of the private capital of the applicant or rural business investment company.

“(13) RURAL BUSINESS CONCERN.—The term ‘rural business concern’ means—

“(A) a public, private, or cooperative for-profit or nonprofit organization;

“(B) a for-profit or nonprofit business controlled by an Indian tribe on a Federal or State reservation or other federally recognized Indian tribal group; or

“(C) any other person or entity;

that primarily operates in a rural area, as determined by the Secretary.

“(14) RURAL BUSINESS INVESTMENT COMPANY.—The term ‘rural business investment company’ means a company that—

“(A) has been granted final approval by the Secretary under section 384D(e); and

“(B) has entered into a participation agreement with the Secretary.

“(15) SMALLER ENTERPRISE.—The term ‘smaller enterprise’ means any rural business concern that, together with its affiliates—

“(A) has—

“(i) a net financial worth of not more than $6,000,000, as of the date on which assistance is provided under this subtitle to the rural business concern; and

“(ii) an average net income for the 2-year period preceding the date on which assistance is provided under this subtitle to the rural business concern, of not more than $2,000,000, after Federal income taxes (excluding any carryover losses), except that, for purposes of this clause, if the rural business concern is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined by allowing a deduction in an amount equal to the total of—

“(I) if the rural business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the net income (determined without regard to this clause), multiplied by the marginal State income tax rate (or by the combined State and local income tax rates, as applicable) that would have applied if the business concern were a corporation; and

“(II) the net income (so determined) less any deduction for State (and local) income taxes calculated under subclause (I), multiplied by the marginal Federal income tax rate that would have applied if the rural business concern were a corporation; or

“(B) satisfies the standard industrial classification size standards established by the Administrator of the Small Business Administration for the industry in which the rural business concern is primarily engaged.

“SEC. 384B. PURPOSES.

“The purposes of the Rural Business Investment Program established under this subtitle are—

“(1) to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental venture capital investments in smaller enterprises primarily located in rural areas; and

“(2) to establish a developmental venture capital program, with the mission of addressing the unmet equity investment needs of small enterprises located in rural areas, by authorizing the Secretary—

“(A) to enter into participation agreements with rural business investment companies;

“(B) to guarantee debentures of rural business investment companies to enable each rural business investment company to make developmental venture capital investments in smaller enterprises in rural areas; and

“(C) to make grants to rural business investment companies, and to other entities, for the purpose of providing operational assistance to smaller enterprises financed, or expected to be financed, by rural business investment companies.

“SEC. 384C. ESTABLISHMENT.

“In accordance with this subtitle, the Secretary shall establish a Rural Business Investment Program, under which the Secretary may—

“(1) enter into participation agreements with companies granted final approval under section 384D(e) for the purposes set forth in section 384B;

“(2) guarantee the debentures issued by rural business investment companies as provided in section 384E; and

“(3) make grants to rural business investment companies, and to other entities, under section 384H.

“SEC. 384D. SELECTION OF RURAL BUSINESS INVESTMENT COMPANIES.

“(a) ELIGIBILITY.—A company shall be eligible to apply to participate, as a rural business investment company, in the program established under this subtitle if—

“(1) the company is a newly formed for-profit entity or a newly formed for-profit subsidiary of such an entity;

“(2) the company has a management team with experience in community development financing or relevant venture capital financing; and

“(3) the company will invest in enterprises that will create wealth and job opportunities in rural areas, with an emphasis on smaller enterprises.

“(b) APPLICATION.—To participate, as a rural business investment company, in the program established under this subtitle, a company meeting the eligibility requirements of subsection (a) shall submit an application to the Secretary that includes—

“(1) a business plan describing how the company intends to make successful developmental venture capital investments in identified rural areas;

“(2) information regarding the community development finance or relevant venture capital qualifications and general reputation of the management of the company;

“(3) a description of how the company intends to work with community-based organizations and local entities (including local economic development companies, local lenders, and local investors) and to seek to address the unmet equity capital needs of the communities served;

“(4) a proposal describing how the company intends to use the grant funds provided under this subtitle to provide operational assistance to smaller enterprises financed by the company, including information regarding whether the company intends to use licensed professionals, as

necessary, on the staff of the company or from an outside entity;

"(5) with respect to binding commitments to be made to the company under this subtitle, an estimate of the ratio of cash to in-kind contributions;

"(6) a description of the criteria to be used to evaluate whether and to what extent the company meets the purposes of the program established under this subtitle;

"(7) information regarding the management and financial strength of any parent firm, affiliated firm, or any other firm essential to the success of the business plan of the company; and

"(8) such other information as the Secretary may require.

"(c) STATUS.—Not later than 90 days after the initial receipt by the Secretary of an application under this section, the Secretary shall provide to the applicant a written report describing the status of the application and any requirements remaining for completion of the application.

"(d) MATTERS CONSIDERED.—In reviewing and processing any application under this section, the Secretary—

"(1) shall determine whether—

"(A) the applicant meets the requirements of subsection (e); and

"(B) the management of the applicant is qualified and has the knowledge, experience, and capability necessary to comply with this subtitle;

"(2) shall take into consideration—

"(A) the need for and availability of financing for rural business concerns in the geographic area in which the applicant is to commence business;

"(B) the general business reputation of the owners and management of the applicant; and

"(C) the probability of successful operations of the applicant, including adequate profitability and financial soundness; and

"(3) shall not take into consideration any projected shortage or unavailability of grant funds or leverage.

"(e) APPROVAL; LICENSE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may approve an applicant to operate as a rural business investment company under this subtitle and license the applicant as a rural business investment company, if—

"(A) the Secretary determines that the application satisfies the requirements of subsection (b);

"(B) the area in which the rural business investment company is to conduct its operations, and establishment of branch offices or agencies (if authorized by the articles), are approved by the Secretary; and

"(C) the applicant enters into a participation agreement with the Secretary.

"(2) CAPITAL REQUIREMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subtitle, the Secretary may approve an applicant to operate as a rural business investment company under this subtitle and designate the applicant as a rural business investment company, if the Secretary determines that the applicant—

"(i) has private capital of more than $2,500,000;

"(ii) would otherwise be approved under this subtitle, except that the applicant does not satisfy the requirements of section 384I(c); and

"(iii) has a viable business plan that—

"(I) reasonably projects profitable operations; and

"(II) has a reasonable timetable for achieving a level of private capital that satisfies the requirements of section 384I(c).

"(B) LEVERAGE.—An applicant approved under subparagraph (A) shall not be eligible to receive leverage under this subtitle until the applicant satisfies the requirements of section 384I(c).

"(C) GRANTS.—An applicant approved under subparagraph (A) shall be eligible for grants under section 384H in proportion to the private capital of the applicant, as determined by the Secretary.

"SEC. 384E. DEBENTURES.

"(a) IN GENERAL.—The Secretary may guarantee the timely payment of principal and interest, as scheduled, on debentures issued by any rural business investment company.

"(b) TERMS AND CONDITIONS.—The Secretary may make guarantees under this section on such terms and conditions as the Secretary considers appropriate, except that the term of any debenture guaranteed under this section shall not exceed 15 years.

"(c) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 381H(i) shall apply to any guarantee under this section.

"(d) MAXIMUM GUARANTEE.—Under this section, the Secretary may—

"(1) guarantee the debentures issued by a rural business investment company only to the extent that the total face amount of outstanding guaranteed debentures of the rural business investment company does not exceed the lesser of—

"(A) 300 percent of the private capital of the rural business investment company; or

"(B) $105,000,000; and

"(2) provide for the use of discounted debentures.

"SEC. 384F. ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.

"(a) ISSUANCE.—The Secretary may issue trust certificates representing ownership of all or a fractional part of debentures issued by a rural business investment company and guaranteed by the Secretary under this subtitle, if the certificates are based on and backed by a trust or pool approved by the Secretary and composed solely of guaranteed debentures.

"(b) GUARANTEE.—

"(1) IN GENERAL.—The Secretary may, under such terms and conditions as the Secretary considers appropriate, guarantee the timely payment of the principal of and interest on trust certificates issued by the Secretary or agents of the Secretary for purposes of this section.

"(2) LIMITATION.—Each guarantee under this subsection shall be limited to the extent of principal and interest on the guaranteed debentures that compose the trust or pool.

"(3) PREPAYMENT OR DEFAULT.—

"(A) IN GENERAL.—In the event a debenture in a trust or pool is prepaid, or in the event of default of such a debenture, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest the prepaid debenture represents in the trust or pool.

"(B) INTEREST.—Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Secretary only through the date of payment of the guarantee.

"(C) REDEMPTION.—At any time during its term, a trust certificate may be called for redemption due to prepayment or default of all debentures.

"(c) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 381H(i) shall apply to any guarantee of a trust certificate issued by the Secretary under this section.

"(d) SUBROGATION AND OWNERSHIP RIGHTS.—

"(1) SUBROGATION.—If the Secretary pays a claim under a guarantee issued under this section, the claim shall be subrogated fully to the rights satisfied by the payment.

"(2) OWNERSHIP RIGHTS.—No Federal, State, or local law shall preclude or limit the exercise by the Secretary of the ownership rights of the Secretary in a debenture residing in a trust or pool against which 1 or more trust certificates are issued under this section.

"(e) MANAGEMENT AND ADMINISTRATION.—

"(1) REGISTRATION.—The Secretary shall provide for a central registration of all trust certificates issued under this section.

"(2) CREATION OF POOLS.—The Secretary may—

"(A) maintain such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate the creation of trusts or pools backed by debentures guaranteed under this subtitle; and

"(B) issue trust certificates to facilitate the creation of those trusts or pools.

"(3) FIDELITY BOND OR INSURANCE REQUIREMENT.—Any agent performing functions on behalf of the Secretary under this paragraph shall provide a fidelity bond or insurance in such amount as the Secretary considers to be necessary to fully protect the interests of the United States.

"(4) REGULATION OF BROKERS AND DEALERS.—The Secretary may regulate brokers and dealers in trust certificates issued under this section.

"(5) ELECTRONIC REGISTRATION.—Nothing in this subsection prohibits the use of a book-entry or other electronic form of registration for trust certificates issued under this section.

"SEC. 384G. FEES.

"(a) IN GENERAL.—The Secretary may charge such fees as the Secretary considers appropriate with respect to any guarantee or grant issued under this subtitle.

"(b) TRUST CERTIFICATE.—Notwithstanding subsection (a), the Secretary shall not collect a fee for any guarantee of a trust certificate under section 384F, except that any agent of the Secretary may collect a fee approved by the Secretary for the functions described in section 384F(e)(2).

"(c) LICENSE.—

"(1) IN GENERAL.—The Secretary may prescribe fees to be paid by each applicant for a license to operate as a rural business investment company under this subtitle.

"(2) USE OF AMOUNTS.—Fees collected under this subsection—

"(A) shall be deposited in the account for salaries and expenses of the Secretary; and

"(B) are authorized to be appropriated solely to cover the costs of licensing examinations.

"SEC. 384H. OPERATIONAL ASSISTANCE GRANTS.

"(a) IN GENERAL.—In accordance with this section, the Secretary may make grants to rural business investment companies and to other entities, as authorized by this subtitle, to provide operational assistance to smaller enterprises financed, or expected to be financed, by the entities.

"(b) TERMS.—Grants made under this section shall be made over a multiyear period (not to exceed 10 years) under such terms as the Secretary may require.

"(c) USE OF FUNDS.—The proceeds of a grant made under this section may be used by the rural business investment company receiving the grant only to provide operational assistance in connection with an equity or prospective equity investment in a business located in a rural area.

"(d) SUBMISSION OF PLANS.—A rural business investment company shall be eligible for a grant under this section only if the rural business investment company submits to the Secretary, in such form and manner as the Secretary may require, a plan for use of the grant.

"(e) GRANT AMOUNT.—

"(1) RURAL BUSINESS INVESTMENT COMPANIES.—The amount of a grant made under this section to a rural business investment company shall be equal to the lesser of—

"(A) 10 percent of the private capital raised by the rural business investment company; or

"(B) $1,000,000.

“(2) OTHER ENTITIES.—The amount of a grant made under this section to any entity other than a rural business investment company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to rural business investment companies under this subtitle.

“SEC. 384I. RURAL BUSINESS INVESTMENT COMPANIES.

“(a) ORGANIZATION.—For the purpose of this subtitle, a rural business investment company shall—

“(1) be an incorporated body, a limited liability company, or a limited partnership organized and chartered or otherwise existing under State law solely for the purpose of performing the functions and conducting the activities authorized by this subtitle;

“(2)(A) if incorporated, have succession for a period of not less than 30 years unless earlier dissolved by the shareholders of the rural business investment company; and

“(B) if a limited partnership or a limited liability company, have succession for a period of not less than 10 years; and

“(3) possess the powers reasonably necessary to perform the functions and conduct the activities.

“(b) ARTICLES.—The articles of any rural business investment company—

“(1) shall specify in general terms—

“(A) the purposes for which the rural business investment company is formed;

“(B) the name of the rural business investment company;

“(C) the area or areas in which the operations of the rural business investment company are to be carried out;

“(D) the place where the principal office of the rural business investment company is to be located; and

“(E) the amount and classes of the shares of capital stock of the rural business investment company;

“(2) may contain any other provisions consistent with this subtitle that the rural business investment company may determine appropriate to adopt for the regulation of the business of the rural business investment company and the conduct of the affairs of the rural business investment company; and

“(3) shall be subject to the approval of the Secretary.

“(c) CAPITAL REQUIREMENTS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the private capital of each rural business investment company shall be not less than—

“(A) $5,000,000; or

“(B) $10,000,000, with respect to each rural business investment company authorized or seeking authority to issue participating securities to be purchased or guaranteed by the Secretary under this subtitle.

“(2) EXCEPTION.—The Secretary may, in the discretion of the Secretary and based on a showing of special circumstances and good cause, permit the private capital of a rural business investment company described in paragraph (1)(B) to be less than $10,000,000, but not less than $5,000,000, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

“(3) ADEQUACY.—In addition to the requirements of paragraph (1), the Secretary shall—

“(A) determine whether the private capital of each rural business investment company is adequate to ensure a reasonable prospect that the rural business investment company will be operated soundly and profitably, and managed actively and prudently in accordance with the articles of the rural business investment company;

“(B) determine that the rural business investment company will be able to comply with the requirements of this subtitle;

“(C) require that at least 75 percent of the capital of each rural business investment company is invested in rural business concerns and not more than 10 percent of the investments shall be made in an area containing a city of over 150,000 in the last decennial census and the Census Bureau defined urbanized area containing or adjacent to that city;

“(D) ensure that the rural business investment company is designed primarily to meet equity capital needs of the businesses in which the rural business investment company invests and not to compete with traditional small business financing by commercial lenders; and

“(E) require that the rural business investment company makes short-term non-equity investments of less than 5 years only to the extent necessary to preserve an existing investment.

“(d) DIVERSIFICATION OF OWNERSHIP.—The Secretary shall ensure that the management of each rural business investment company licensed after the date of enactment of this subtitle is sufficiently diversified from and unaffiliated with the ownership of the rural business investment company so as to ensure independence and objectivity in the financial management and oversight of the investments and operations of the rural business investment company.

“SEC. 384J. FINANCIAL INSTITUTION INVESTMENTS.

“(a) IN GENERAL.—Except as otherwise provided in this section and notwithstanding any other provision of law, the following banks, associations, and institutions are eligible both to establish and invest in any rural business investment company or in any entity established to invest solely in rural business investment companies:

“(1) Any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

“(2) Any Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

“(b) LIMITATION.—No bank, association, or institution described in subsection (a) may make investments described in subsection (a) that are greater than 5 percent of the capital and surplus of the bank, association, or institution.

“(c) LIMITATION ON RURAL BUSINESS INVESTMENT COMPANIES CONTROLLED BY FARM CREDIT SYSTEM INSTITUTIONS.—If a Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)) holds more than 15 percent of the shares of a rural business investment company, either alone or in conjunction with other System institutions (or affiliates), the rural business investment company shall not provide equity investments in, or provide other financial assistance to, entities that are not otherwise eligible to receive financing from the Farm Credit System under that Act (12 U.S.C. 2001 et seq.).

“SEC. 384K. REPORTING REQUIREMENTS.

“(a) RURAL BUSINESS INVESTMENT COMPANIES.—Each rural business investment company that participates in the program established under this subtitle shall provide to the Secretary such information as the Secretary may require, including—

“(1) information relating to the measurement criteria that the rural business investment company proposed in the program application of the rural business investment company; and

“(2) in each case in which the rural business investment company under this subtitle makes an investment in, or a loan or grant to, a business that is not located in a rural area, a report on the number and percentage of employees of the business who reside in those areas.

“(b) PUBLIC REPORTS.—

“(1) IN GENERAL.—The Secretary shall prepare and make available to the public an annual report on the program established under this subtitle, including detailed information on—

“(A) the number of rural business investment companies licensed by the Secretary during the previous fiscal year;

“(B) the aggregate amount of leverage that rural business investment companies have received from the Federal Government during the previous fiscal year;

“(C) the aggregate number of each type of leveraged instruments used by rural business investment companies during the previous fiscal year and how each number compares to previous fiscal years;

“(D) the number of rural business investment company licenses surrendered and the number of rural business investment companies placed in liquidation during the previous fiscal year, identifying the amount of leverage each rural business investment company has received from the Federal Government and the type of leverage instruments each rural business investment company has used;

“(E) the amount of losses sustained by the Federal Government as a result of operations under this subtitle during the previous fiscal year and an estimate of the total losses that the Federal Government can reasonably expect to incur as a result of the operations during the current fiscal year;

“(F) actions taken by the Secretary to maximize recoupment of funds of the Federal Government expended to implement and administer the Rural Business Investment Program under this subtitle during the previous fiscal year and to ensure compliance with the requirements of this subtitle (including regulations);

“(G) the amount of Federal Government leverage that each licensee received in the previous fiscal year and the types of leverage instruments each licensee used;

“(H) for each type of financing instrument, the sizes, types of geographic locations, and other characteristics of the small business investment companies using the instrument during the previous fiscal year, including the extent to which the investment companies have used the leverage from each instrument to make loans or equity investments in rural areas; and

“(I) the actions of the Secretary to carry out this subtitle.

“(2) PROHIBITION.—In compiling the report required under paragraph (1), the Secretary may not—

“(A) compile the report in a manner that permits identification of any particular type of investment by an individual rural business investment company or small business concern in which a rural business investment company invests; and

“(B) may not release any information that is prohibited under section 1905 of title 18, United States Code.

“SEC. 384L. EXAMINATIONS.

“(a) IN GENERAL.—Each rural business investment company that participates in the program established under this subtitle shall be subject to examinations made at the direction of the Secretary in accordance with this section.

“(b) ASSISTANCE OF PRIVATE SECTOR ENTITIES.—An examination under this section may be conducted with the assistance of a private sector entity that has the qualifications and the expertise necessary to conduct such an examination.

“(c) COSTS.—

“(1) IN GENERAL.—The Secretary may assess the cost of an examination under this section, including compensation of the examiners, against the rural business investment company examined.

“(2) PAYMENT.—Any rural business investment company against which the Secretary assesses costs under this paragraph shall pay the costs.

"(d) Deposit of Funds.—Funds collected under this section shall—

"(1) be deposited in the account that incurred the costs for carrying out this section;

"(2) be made available to the Secretary to carry out this section, without further appropriation; and

"(3) remain available until expended.

"SEC. 384M. INJUNCTIONS AND OTHER ORDERS.

"(a) In General.—

"(1) Application by Secretary.—Whenever, in the judgment of the Secretary, a rural business investment company or any other person has engaged or is about to engage in any act or practice that constitutes or will constitute a violation of a provision of this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may apply to the appropriate district court of the United States for an order enjoining the act or practice, or for an order enforcing compliance with the provision, rule, regulation, order, or participation agreement.

"(2) Jurisdiction; relief.—The court shall have jurisdiction over the action and, on a showing by the Secretary that the rural business investment company or other person has engaged or is about to engage in an act or practice described in paragraph (1), a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

"(b) Jurisdiction.—

"(1) In general.—In any proceeding under subsection (a), the court as a court of equity may, to such extent as the court considers necessary, take exclusive jurisdiction over the rural business investment company and the assets of the rural business investment company, wherever located.

"(2) Trustee or receiver.—The court shall have jurisdiction in any proceeding described in paragraph (1) to appoint a trustee or receiver to hold or administer the assets.

"(c) Secretary As Trustee or Receiver.—

"(1) Authority.—The Secretary may act as trustee or receiver of a rural business investment company.

"(2) Appointment.—On the request of the Secretary, the court shall appoint the Secretary to act as a trustee or receiver of a rural business investment company unless the court considers the appointment inequitable or otherwise inappropriate by reason of any special circumstances involved.

"SEC. 384N. ADDITIONAL PENALTIES FOR NONCOMPLIANCE.

"(a) In General.—With respect to any rural business investment company that violates or fails to comply with this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may, in accordance with this section—

"(1) void the participation agreement between the Secretary and the rural business investment company; and

"(2) cause the rural business investment company to forfeit all of the rights and privileges derived by the rural business investment company under this subtitle.

"(b) Adjudication of Noncompliance.—

"(1) In general.—Before the Secretary may cause a rural business investment company to forfeit rights or privileges under subsection (a), a court of the United States of competent jurisdiction must find that the rural business investment company committed a violation, or failed to comply, in a cause of action brought for that purpose in the district, territory, or other place subject to the jurisdiction of the United States, in which the principal office of the rural business investment company is located.

"(2) Parties authorized to file causes of action.—Each cause of action brought by the United States under this subsection shall be brought by the Secretary or by the Attorney General.

"SEC. 384O. UNLAWFUL ACTS AND OMISSIONS; BREACH OF FIDUCIARY DUTY.

"(a) Parties Deemed To Commit a Violation.—Whenever any rural business investment company violates this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), by reason of the failure of the rural business investment company to comply with this subtitle or by reason of its engaging in any act or practice that constitutes or will constitute a violation of this subtitle, the violation shall also be deemed to be a violation and an unlawful act committed by any person that, directly or indirectly, authorizes, orders, participates in, causes, brings about, counsels, aids, or abets in the commission of any acts, practices, or transactions that constitute or will constitute, in whole or in part, the violation.

"(b) Fiduciary Duties.—It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct of the affairs of a rural business investment company to engage in any act or practice, or to omit any act or practice, in breach of the fiduciary duty of the officer, director, employee, agent, or participant if, as a result of the act or practice, the rural business investment company suffers or is in imminent danger of suffering financial loss or other damage.

"(c) Unlawful Acts.—Except with the written consent of the Secretary, it shall be unlawful—

"(1) for any person to take office as an officer, director, or employee of any rural business investment company, or to become an agent or participant in the conduct of the affairs or management of a rural business investment company, if the person—

"(A) has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

"(B) has been found liable in a civil action for damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust; and

"(2) for any person to continue to serve in any of the capacities described in paragraph (1), if—

"(A) the person is convicted of a felony or any other criminal offense involving dishonesty or breach of trust; or

"(B) the person is found liable in a civil action for damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust.

"SEC. 384P. REMOVAL OR SUSPENSION OF DIRECTORS OR OFFICERS.

"Using the procedures established by the Secretary for removing or suspending a director or an officer of a rural business investment company, the Secretary may remove or suspend any director or officer of any rural business investment company.

"SEC. 384Q. CONTRACTING OF FUNCTIONS.

"(a) In General.—Notwithstanding any other provision of law, to carry out the day-to-day management and operation of the program authorized by this subtitle on behalf of the Secretary, the Secretary shall enter into an interagency agreement under section 1535 of title 31, United States Code, with another Federal agency that has considerable expertise in operating a program under which capital is provided for equity investments in private sector companies.

"(b) Funding.—The costs incurred by a Federal agency entering into an agreement under subsection (a) shall be reimbursed in accordance with section 1535 of title 31, United States Code, from amounts made available under section 384S(a)(2).

"SEC. 384R. REGULATIONS.

"The Secretary may promulgate such regulations as the Secretary considers necessary to carry out this subtitle.

"SEC. 384S. FUNDING.

"(a) In General.—Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall make available—

"(1) such sums as may be necessary for the cost of guaranteeing $280,000,000 of debentures under this subtitle; and

"(2) $44,000,000 to make grants under this subtitle.

"(b) Availability of Funds.—Funds transferred under subsection (a) shall remain available until expended.".

SEC. 6030. RURAL STRATEGIC INVESTMENT PROGRAM.

The Consolidated Farm and Rural Development Act (as amended by section 6029) is amended by adding at the end the following:

"Subtitle I—Rural Strategic Investment Program

"SEC. 385A. PURPOSE.

"The purpose of this subtitle is to establish a rural strategic investment program—

"(1) to provide rural communities with flexible resources to develop comprehensive, collaborative, and locally-based strategic planning processes; and

"(2) to implement innovative community and economic development strategies that optimize regional competitive advantages.

"SEC. 385B. DEFINITIONS.

"In this subtitle:

"(1) Benchmark.—The term 'benchmark' means an annual set of strategies and goals of a Regional Board established for the purpose of measuring performance in meeting the regional plan of the Regional Board.

"(2) Conference.—The term "Conference" means the National Conference on Rural America conducted under section 385H.

"(3) Eligible area.—

"(A) In general.—The term 'eligible area' means a nonmetropolitan county (as defined by the Secretary) that has a population of 50,000 inhabitants or less.

"(B) Inclusion.—

"(i) In general.—Subject to clause (ii), the term 'eligible area' includes an unincorporated or other area of a county that has a population of more than 50,000 inhabitants if the unincorporated area or other area is adjacent to an eligible rural area described in subparagraph (A).

"(ii) Participation.—An area described in clause (i) may be represented on a Regional Board.

"(C) Exclusion.—The term 'eligible area' does not include any area designated by the Secretary as a rural empowerment zone or rural enterprise community.

"(4) Innovation grant.—The term 'innovation grant' means an innovation grant made by the National Board to a Regional Board under section 385G.

"(5) National board.—The term 'National Board' means the National Board on Rural America established under section 385D(a).

"(6) National plan.—The term 'national plan' means a national strategic investment plan of the National Board developed under section 385D(d)(3).

"(7) Planning grant.—The term 'planning grant' means a regional strategic investment planning grant made by the National Board to a Regional Board under section 385F.

"(8) Program.—The term 'program' means the rural strategic investment program established under this subtitle.

"(9) Region.—The term 'region' means the eligible areas that—

"(A) are under the jurisdiction of a Regional Board; and

"(B) meet criteria established by the National Board not later than 1 year after the date of enactment of this subtitle.

"(10) Regional board.—The term 'Regional Board' means a Regional Investment Board certified under section 385C(a).

"(11) Regional plan.—The term 'regional plan' means a regional strategic investment plan of a Regional Board developed under section 385C(b)(3)(B).

"SEC. 385C. REGIONAL INVESTMENT BOARDS.

"(a) In General.—The National Board may certify a group representing the interests described in subsection (b)(2)(A) as a Regional Investment Board created to develop and implement a regional strategic investment plan for grants made under this subtitle to promote investment in eligible areas.

"(b) Requirements for Certification.—

"(1) In general.—A Regional Board shall meet the requirements of this subsection for certification.

"(2) Composition.—

"(A) In general.—A Regional Board shall be composed of residents of the region that broadly represent diverse public, nonprofit, and private sector interests in investment in the region, including (to the maximum extent practicable) representatives of—

"(i) units of local government (including multijurisdictional units of local government);

"(ii) in the case of regions with Indian populations, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

"(iii) private nonprofit community-based development organizations;

"(iv) regional development organizations;

"(v) private business organizations;

"(vi) other entities and organizations, as determined by the Regional Board; and

"(vii) consortia of entities and organizations described in clauses (i) through (vii).

"(B) Local public-private representation.—Of the members of a Regional Board, to the maximum extent practicable—

"(i) ½ of the members shall be representatives of units of local government and Indian tribes described in subparagraph (A); and

"(ii) ½ of the members shall be representatives of nonprofit, regional, private, and other entities and organizations described in subparagraph (A).

"(C) Ex-officio members.—

"(i) In general.—An officer or employee of a Federal or State agency may serve as an ex-officio, non-voting member of a Regional Board representing the agency.

"(ii) Conflicts.—Participation by a Federal officer or employee in activities of the Regional Board shall not constitute a violation of section 205 or 208 of title 18, United States Code.

"(D) Certification.—To be certified by the National Board, a Regional Board shall demonstrate to the National Board that the Regional Board is broadly representative of the interests described in subparagraph (A).

"(E) Appeals.—

"(i) In general.—Prior to certification of the Regional Board by the National Board, representatives of interests described in subparagraph (A) that participated in the development of a Regional Board may appeal the composition of the Regional Board to the National Board on the ground that—

"(I) the composition of the Regional Board does not adequately reflect the purposes of the program; or

"(II) the selection process for the Regional Board unfairly disadvantaged those interests.

"(ii) Action by national board.—The National Board shall act on any appeal of the composition of a Regional Board before taking action on the certification of the Regional Board.

"(3) Duties and purpose.—The organizational documents of the proposed Regional Board shall demonstrate that, on certification, the Regional Board shall—

"(A) create a collaborative, inclusive public-private planning process;

"(B) develop, and submit to the National Board for approval, a regional strategic investment plan that meets the requirements of section 385F, with benchmarks, to promote investment in eligible areas through the use of grants made available under this subtitle;

"(C) implement the approved regional plan;

"(D) provide annual reports to the Secretary and the National Board on progress made in achieving the benchmarks of the regional plan, including an annual financial statement; and

"(E) select a non-Federal organization (such as a regional development organization) in the local area served by the Regional Board that has previous experience in the management of Federal funds to serve as fiscal manager of any funds of the Regional Board.

"SEC. 385D. NATIONAL BOARD ON RURAL AMERICA.

"(a) Establishment.—

"(1) In general.—The Secretary shall establish a National Board on Rural America to carry out the rural strategic investment program established under this subtitle.

"(2) Supervision and direction.—Except as otherwise provided in this subtitle, the National Board shall be subject to the general supervision and direction of the Secretary.

"(b) Composition.—

"(1) In general.—

"(A) Appointment.—In addition to the Secretary or the designee of the Secretary, the National Board shall consist of 14 members appointed by the Secretary from among—

"(i) representatives of nationally recognized entrepreneurship organizations;

"(ii) representatives of regional planning and development organizations;

"(iii) representatives of community-based organizations;

"(iv) elected members of county governments;

"(v) elected members of State legislatures;

"(vi) representatives of the rural philanthropic community; and

"(vii) representatives of Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)).

"(B) Recommendations.—In appointing the members of the National Board under subparagraph (A), the Secretary shall consider recommendations made by—

"(i) the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate;

"(ii) the Majority Leader of the Senate; and

"(iii) the Speaker of the House of Representatives.

"(3) Term of office.—

"(A) In general.—Subject to subparagraph (B), the term of office of a member of the National Board appointed under paragraph (1)(A) shall be 4 years.

"(B) Staggered initial terms.—Of the initial members of the National Board appointed under paragraph (1)(A), the term of office of—

"(i) 5 members shall be 4 years;

"(ii) 5 members shall be 3 years; and

"(iii) 4 members shall be 2 years.

"(4) Initial appointments.—Not later than 90 days after the date of enactment of this subtitle, the Secretary shall appoint the initial members of the National Board under paragraph (1)(A).

"(5) Ex-officio members.—

"(A) Special assistant to the president for rural policy.—If appointed by the President under section 6406(1) of the Farm Security and Rural Investment Act of 2002, the Special Assistant to the President for Rural Policy shall serve as an ex-officio, non-voting member of the National Board.

"(B) Other members.—In consultation with the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Secretary may appoint not more than 3 other officers or employees of the Executive Branch to serve as ex-officio, non-voting members of the National Board.

"(6) Vacancies.—A vacancy on the National Board shall be filled in the same manner as the original appointment.

"(7) Compensation.—A member of the National Board shall receive no compensation for service on the National Board, but shall be reimbursed for travel and other expenses incurred in carrying out the duties of the member of the National Board in accordance with section 5702 and 5703 of title 5, United States Code.

"(8) Chairperson.—The National Board shall select a chairperson from among the members of the National Board.

"(9) Meetings.—

"(A) Time and place.—The National Board shall meet at the call of the chairperson.

"(B) Quorum.—A quorum of the National Board shall consist of a majority of the members.

"(C) Majority vote.—A decision of the National Board shall be made by majority vote.

"(10) Federal status.—For purposes of Federal law, a member of the National Board shall be considered a special Government employee (as defined in section 202(a) of title 18, United States Code).

"(11) Conflict of interest.—

"(A) In general.—Except as provided in subparagraph (C), no member of the National Board shall vote on any matter respecting any application for a grant or other particular matter pending before the National Board in which, to the knowledge of the member, the member, spouse, or child of the member, partner, or organization in which the member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom the member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

"(B) Violations.—A violation of subparagraph (A) by a member of the National Board shall be cause for removal of the member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the National Board in which the member participated.

"(C) Exception.—Subparagraph (A) shall not apply to the extent a member of the National Board advises the National Board of the nature of the particular matter in which the member proposes to participate, if—

"(i) the member makes a full disclosure of the financial interest; and

"(ii) prior to any participation by the member, the National Board determines, by majority vote of the other members of the National Board, that the financial interest is too remote or too inconsequential to affect the integrity of the services of the member to the National Board in that matter.

"(c) Administrative Support.—The Secretary, on a reimbursable basis, may provide such administrative support to the National Board as the Secretary determines is necessary to carry out the duties of the National Board.

“(d) DUTIES.—The National Board shall—

“(1) certify Regional Boards in accordance with section 385C, with the initial certification of Regional Boards occurring not later than 540 days after the date of enactment of this subtitle;

“(2) approve, negotiate, or disapprove each regional plan that is submitted by a Regional Board to the National Board under section 385C;

“(3) develop, and submit to the Secretary for approval, a national strategic investment plan;

“(4) use the amount received from the Secretary under section 385E to make planning grants and innovation grants to Regional Boards and to otherwise carry out the program;

“(5) provide leadership and advice to Regional Boards on issues, best practices, and emerging trends relating to rural development;

“(6) evaluate the progress of each Regional Board in achieving the benchmarks of the regional plan using annual reports submitted under section 385C(b)(3)(D) and any other information that is available to the Regional Board; and

“(7) submit an annual report on the performance of Regional Boards and the program to—

“(A) the Committee on Agriculture of the House of Representatives;

“(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

“(C) the Secretary.

“SEC. 385E. RURAL STRATEGIC INVESTMENT PROGRAM.

“(a) IN GENERAL.—If the Secretary approves a national strategic investment plan submitted by the National Board, of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the National Board $100,000,000, to remain available until expended, for the Board to use to make planning grants and innovation grants to Regional Boards and to otherwise carry out this subtitle.

“(b) USE BY NATIONAL BOARD.—Of the amount transferred by the Secretary to the National Board under subsection (a), the National Board shall use—

“(1) not less than $8,000,000 to make planning grants to Regional Boards under section 385F;

“(2) not less than $87,000,000 to make innovation grants to Regional Boards under section 385G; and

“(3) the remainder of the funds to carry out section 385H and administer this subtitle (other than section 385H).

“SEC. 385F. REGIONAL STRATEGIC INVESTMENT PLANNING GRANTS.

“(a) IN GENERAL.—The National Board shall use amounts made available under section 385E(b)(1) to make not fewer than 80 planning grants, on a competitive basis, to applicant Regional Boards to develop, maintain, evaluate, and report progress on regional strategic investment plans in accordance with section 385C and this section.

“(b) REGIONAL PLANS.—A regional plan for a region covered by a Regional Board shall, to the maximum extent practicable, cover—

“(1) basic infrastructure needs of the region;

“(2) basic services within the region;

“(3) opportunities for economic diversification and innovation within the region, with particular attention to entrepreneurial support and innovation;

“(4) the current and future human resource capacity of the region;

“(5) access to market-based financing and venture and equity capital in the region;

“(6) the development of innovative public and private collaborations for investments in the region; and

“(7) other appropriate matters, as determined by the National Board and the Secretary.

“(c) PREFERENCES.—In awarding planning grants, the National Board shall give a preference to planning grants that will be used to address community capacity building and community sustainability.

“(d) AMOUNT.—The total amount of a planning grant made to a Regional Board shall not exceed $100,000.

“(e) COST SHARING.—

“(1) IN GENERAL.—Subject to paragraphs (2) and (3), the share of the costs of developing, maintaining, evaluating, and reporting on a regional plan funded by a grant under this section shall not exceed 50 percent.

“(2) FORM.—

“(A) IN GENERAL. Except as provided in subparagraph (B), a Regional Board shall pay the grantee share of the costs described in paragraph (1) in the form of cash, services, materials, or other in-kind contributions.

“(B) LIMITATION.—A grantee shall not pay more than 50 percent of the grantee share in the form of services, materials, or other in-kind contributions.

“(3) INCREASED SHARE.—The National Board may increase the share of the costs covered by a planning grant made to a Regional Board under this section if a limited ability of the Regional Board to pay would otherwise create a barrier to full participation in the program.

“SEC. 385G. INNOVATION GRANTS.

“(a) IN GENERAL.—The National Board shall use amounts made available under section 385E(b)(2) to make innovation grants, on a competitive basis, to Regional Boards to implement projects that are identified in the regional plans of the Regional Boards.

“(b) ELIGIBILITY.—

“(1) IN GENERAL.—For a Regional Board to be eligible to receive an innovation grant, the National Board shall determine that—

“(A) the regional plan of a Regional Board meets the requirements of this subtitle;

“(B) the management and organizational structure of the Regional Board is sufficient to oversee grant projects;

“(C) the Regional Board will be able to provide the grantee share required under this section; and

“(D) the Regional Board agrees to achieve, to the maximum extent practicable, the performance-based benchmarks of the regional plan.

“(2) RELATIONSHIP TO PLANNING GRANTS.—A Regional Board that meets the requirements of paragraph (1) shall be eligible to receive an innovation grant, regardless of whether the Regional Board receives a planning grant.

“(c) SELECTION.—Subject to subsection (d), of the applications submitted by Regional Boards for innovation grants, the National Board shall, to the maximum extent practicable, select not fewer than 30 regional boards to receive innovation grants.

“(d) PREFERENCES.—In awarding innovation grants, the National Board shall give a preference (in order of priority) to Regional Boards that—

“(1) exhibit collaborative innovation and entrepreneurship, particularly within a public-private partnership;

“(2) represent a broad coalition of interests described in section 385C(b)(2)(A);

“(3) demonstrate a plan to leverage public (Federal and non-federal) and private funds and existing assets, including natural assets and public infrastructure;

“(4) address gaps in existing basic services within a region;

“(5) address economic diversification, including agricultural and non-agriculturally based economies, within a regional framework;

“(6) demonstrate a plan to achieve multijurisdictional regional planning and development, with particular evidence of economic development successes within diverse stakeholder frameworks; or

“(7) meet other community development needs identified by a Regional Board.

“(e) USES.—

“(1) LEVERAGE.—A Regional Board shall prioritize projects, in part, on the degree to which the Regional Board is able to leverage additional funds for the implementation of the projects.

“(2) PURPOSES.—A Regional Board may use an innovation grant provided for a region—

“(A) to support the development of critical infrastructure necessary to facilitate economic development in the region;

“(B) to provide assistance to entities within the region that provide basic public services;

“(C) to assist with job training, workforce development, or other needs related to the development and maintenance of strong local and regional economies;

“(D) to assist in the development of unique new collaborations that link public, private, and philanthropic resources to achieve collaboratively designed regional advancement; and

“(E) to provide support to business investment.

“(3) OTHER DEPARTMENT PROGRAMS.—A Regional Board may not use an innovation grant provided for a region for any purpose for which funding may be obtained under any other rural development program of the Department of Agriculture unless—

“(A) the Regional Board—

“(i) has submitted an application for the funding under the other program; and

“(ii) withdraws the application; and

“(B) the National Board approves use of the innovation grant for that purpose.

“(4) OPERATING EXPENSES.—A Regional Board may use for administrative costs in carrying out programs and activities related to the grant the greater of—

“(A) $100,000; or

“(B) 5 percent of the amount of an innovation grant provided.

“(f) AMOUNT.—

“(1) IN GENERAL.—The amount of an innovation grant made to a Regional Board shall not exceed $3,000,000.

“(2) AVAILABILITY.—The amount of an innovation grant made to a Regional Board shall remain available until expended.

“(g) COST SHARING.—

“(1) IN GENERAL.—Subject to paragraphs (2) and (3), the share of the costs of projects covered by an innovation grant made to a Regional Board under this section shall not exceed 75 percent, as determined by the National Board.

“(2) FORM.—A Regional Board may pay the grantee share of the costs of projects covered by an innovation grant in the form of cash or services, materials, or other in-kind contributions.

“(3) WAIVER OF GRANTEE SHARE.—The National Board may waive the grantee share of the costs of projects covered by an innovation grant made to a Regional Board under this section if the National Board determines that such a waiver is appropriate.

“(4) OTHER FEDERAL PROGRAMS.—For the purpose of determining grantee share requirements for any other Federal programs, funds provided for innovation grants shall be considered to be non-Federal funds.

“(h) NEGOTIATION.—The National Board may—

“(1) negotiate with a Regional Board on the substance, size, and scope of a regional plan; and

“(2) approve an innovation grant for an amount that is lower than the amount requested by the Regional Board.

“(i) NONCOMPLIANCE.—If a Regional Board fails to comply with the requirements of this section, the National Board may take such actions as are necessary to obtain reimbursement of unused grant funds.

"(j) OTHER USES.—The National Board may use not more than 5 percent of the amounts made available for innovation grants—

"(1) to provide assistance to interests described in section 385C(b)(2)(A) to obtain certification of a Regional Board;

"(2) to provide assistance for emergent innovative opportunities that are not covered by existing regional plans;

"(3) to provide technical assistance, research, organizational support, and other capacity building infrastructure to support existing Regional Boards;

"(4) to provide assistance for other entrepreneurial opportunities to advance the goals of the program; or

"(5) to advance a more integrative rural policy framework for the United States.

"(k) TRANSFERS.—To ensure maximum use of funds provided under this subtitle, the National Board may transfer not more than 10 percent of the amount of funds made available between planning grants and innovation grants.

"SEC. 385H. NATIONAL CONFERENCE ON RURAL AMERICA.

"(a) IN GENERAL.—The President shall call and conduct a National Conference on Rural America, which shall be held not earlier than November 1, 2002, and not later than October 30, 2004.

"(b) PURPOSE.—The purpose of the Conference shall be to bring together the resources of governmental agencies and the private and nonprofit sectors to develop—

"(1) policy recommendations and integrative strategies for addressing the unique challenges facing rural areas of the United States; and

"(2) an implementation plan, with outcome-based measurements, for addressing the challenges.

"(c) COMPOSITION.—

"(1) IN GENERAL.—The Conference shall be comprised of—

"(A) representatives of organizations devoted to rural development;

"(B) Members of Congress, including the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate;

"(C) representatives of the Department of Agriculture and other Federal agencies;

"(D) State, local, and tribal elected officials and representatives;

"(E) representatives of colleges and universities, State and tribal extension services, and State rural development councils; and

"(F) individuals with specialized knowledge of and expertise in rural and community development, cooperative business, agricultural credit, venture capital, health care, and rural demography.

"(2) SELECTION.—Of the participants in the Conference described in paragraph (1)—

"(A) ⅓ of the members shall be selected by the President;

"(B) ⅓ of the members shall be selected by the Chairman and the ranking member of the Committee on Agriculture of the House of Representatives; and

"(C) ⅓ of the members shall be selected by the Chairman and the ranking member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(3) REPRESENTATION.—In selecting the participants of the Conference, the President and the Chairman of each Committee referred to in paragraph (2) shall ensure, to the maximum extent practicable, that the participants are representative of the ethnic, racial, and linguistic diversity of rural areas of the United States.

"(d) REPORT.—

"(1) REPORT TO PRESIDENT.—Not later than 120 days after the termination of the Conference, the Conference shall submit to the President a report that contains the findings and recommendations of the Conference, including findings and recommendations to address needs related to—

"(A) telecommunications;

"(B) rural health issues;

"(C) transportation;

"(D) opportunities for economic diversification and innovation within rural America, with particular attention to entrepreneurial support and innovation;

"(E) the current and future human resource capacity of rural America;

"(F) access to market-based financing and venture and equity capital in rural America; and

"(G) the development of innovative public and private collaborations for investments in rural America.

"(2) REPORT MADE PUBLIC AND TO CONGRESS.—Not later than 90 days after receipt by the President, the President shall—

"(A) make the report public; and

"(B) transmit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the report and a statement of the President containing recommendations for implementing the report.

"(3) PUBLICATION AND DISTRIBUTION.—

"(A) IN GENERAL.—The Conference shall publish and distribute the report described in paragraph (1).

"(B) MANDATORY DISTRIBUTION.—The Conference shall provide a copy of a report published under subparagraph (A), at no cost, to—

"(i) each Federal depository library; and

"(ii) on request, each State, tribal, and local elected official in a rural area of the United States.

"(e) FUNDING.—Not later than 180 days after the establishment of the National Board, the National Board shall transfer not more than $2,000,000 to the Office of the President to carry out this section, to remain available until expended.".

SEC. 6031. FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.

(a) DEFINITION OF APPLICATION.—In this section, the term "application" does not include an application for a loan or grant that, as of the date of enactment of this Act, is in the preapplication phase of consideration under regulations of the Secretary of Agriculture in effect on the date of enactment of this Act.

(b) USE OF FUNDS.—Subject to subsection (c), the Secretary of Agriculture shall use funds made available under subsection (d) to provide funds for applications that are pending on the date of enactment of this Act for—

(1) water or waste disposal grants or direct loans under paragraph (1) or (2) of section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)); and

(2) emergency community water assistance grants under section 306A of that Act (7 U.S.C. 1926a).

(c) LIMITATIONS.—

(1) APPROPRIATED AMOUNTS.—Funds made available under this section shall be available to the Secretary to provide funds for applications for loans and grants described in subsection (b) that are pending on the date of enactment of this Act only to the extent that funds for the loans and grants appropriated in the annual appropriations Act for fiscal year 2002 have been exhausted.

(2) PROGRAM REQUIREMENTS.—The Secretary may use funds made available under this section to provide funds for a pending application for a loan or grant described in subsection (b) only if the Secretary processes, reviews, and approves the application in accordance with regulations in effect on the date of enactment of this Act.

(3) PRIORITY.—In providing funding under this section for pending applications for loans or grants described in subsection (b), the Secretary shall provide funding in the following order of priority (until funds made available under this section are exhausted):

(A) Pending applications for water systems.

(B) Pending applications for waste disposal systems.

(d) FUNDING.—Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall use $360,000,000 to carry out this section, to remain available until expended.

Subtitle B—Rural Electrification Act of 1936

SEC. 6101. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

(a) IN GENERAL.—The Rural Electrification Act of 1936 is amended by inserting after section 313 (7 U.S.C. 940c) the following:

"SEC. 313A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

"(a) IN GENERAL.—Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis if the proceeds of the bonds or notes are used to make loans for any electrification or telephone purpose eligible for assistance under this Act, including section 4 or 201 or to refinance bonds or notes issued for such purposes.

"(b) LIMITATIONS.—

"(1) OUTSTANDING LOANS.—A lender shall not receive a guarantee under this section for a bond or note if, at the time of the guarantee, the total principal amount of such guaranteed bonds or notes outstanding of the lender would exceed the principal amount of outstanding loans of the lender for electrification or telephone purposes that have been made concurrently with loans approved for such purposes under this Act.

"(2) GENERATION OF ELECTRICITY.—The Secretary shall not guarantee payment on a bond or note issued by a lender, the proceeds of which are used for the generation of electricity.

"(3) QUALIFICATIONS.—The Secretary may deny the request of a lender for the guarantee of a bond or note under this section if the Secretary determines that—

"(A) the lender does not have appropriate expertise or experience or is otherwise not qualified to make loans for electrification or telephone purposes;

"(B) the bond or note issued by the lender would not be investment grade quality without a guarantee; or

"(C) the lender has not provided to the Secretary a list of loan amounts approved by the lender that the lender certifies are for eligible purposes described in subsection (a).

"(4) INTEREST RATE REDUCTION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a lender may not use any amount obtained from the reduction in funding costs as a result of the guarantee of a bond or note under this section to reduce the interest rate on a new or outstanding loan.

"(B) CONCURRENT LOANS.—A lender may use any amount described in subparagraph (A) to reduce the interest rate on a loan if the loan is—

"(i) made by the lender for electrification or telephone projects that are eligible for assistance under this Act; and

"(ii) made concurrently with a loan approved by the Secretary under this Act for such a project, as provided in section 307.

"(c) FEES.—

"(1) IN GENERAL.—A lender that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary.

"(2) AMOUNT.—The amount of an annual fee paid for the guarantee of a bond or note under this section shall be equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

"(3) PAYMENT.—A lender shall pay the fees required under this subsection on a semiannual basis.

"(4) RURAL ECONOMIC DEVELOPMENT SUBACCOUNT.—Subject to subsection (e)(2), fees collected under this subsection shall be—

"(A) deposited into the rural economic development subaccount maintained under section 313(b)(2)(A), to remain available until expended; and

"(B) used for the purposes described in section 313(b)(2)(B).

"(d) GUARANTEES.—

"(1) IN GENERAL.—A guarantee issued under this section shall—

"(A) be for the full amount of a bond or note, including the amount of principal, interest, and call premiums;

"(B) be fully assignable and transferable; and

"(C) represent the full faith and credit of the United States.

"(2) LIMITATION.—To ensure that the Secretary has the resources necessary to properly examine the proposed guarantees, the Secretary may limit the number of guarantees issued under this section to 5 per year.

"(3) DEPARTMENT OPINION.—On the timely request of a lender, the General Counsel of the Department of Agriculture shall provide the Secretary with an opinion regarding the validity and authority of a guarantee issued to the lender under this section.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

"(2) FEES.—To the extent that the amount of funds appropriated for a fiscal year under paragraph (1) are not sufficient to carry out this section, the Secretary may use up to ⅓ of the fees collected under subsection (c) for the cost of providing guarantees of bonds and notes under this section before depositing the remainder of the fees into the rural economic development subaccount maintained under section 313(b)(2)(A).

"(f) TERMINATION.—The authority provided under this section shall terminate on September 30, 2007.".

(b) ADMINISTRATION.—

(1) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to carry out the amendments made by this section.

(2) IMPLEMENTATION.—Not later than 240 days after the date of enactment of this Act, the Secretary shall implement the amendment made by this section.

SEC. 6102. EXPANSION OF 911 ACCESS.

Title III of the Rural Electrification Act of 1936 (7 U.S.C. 931 et seq.) is amended by adding at the end the following:

"SEC. 315. EXPANSION OF 911 ACCESS.

"(a) IN GENERAL.—Subject to such terms and conditions as the Secretary may prescribe, the Secretary may make telephone loans under this title to borrowers of loans made by the Rural Utilities Service, State or local governments, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or other public entities for facilities and equipment to expand or improve 911 access and integrated emergency communications systems in rural areas.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.".

SEC. 6103. ENHANCEMENT OF ACCESS TO BROADBAND SERVICE IN RURAL AREAS.

(a) IN GENERAL.—The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

"TITLE VI—RURAL BROADBAND ACCESS

"SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

"(a) PURPOSE.—The purpose of this section is to provide loans and loan guarantees to provide funds for the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service in eligible rural communities.

"(b) DEFINITIONS.—In this section:

"(1) BROADBAND SERVICE.—The term 'broadband service' means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, and video.

"(2) ELIGIBLE RURAL COMMUNITY.—The term 'eligible rural community' means any incorporated or unincorporated place that—

"(A) has not more than 20,000 inhabitants, based on the most recent available population statistics of the Bureau of the Census; and

"(B) is not located in an area designated as a standard metropolitan statistical area.

"(c) LOANS AND LOAN GUARANTEES.—

"(1) IN GENERAL.—The Secretary shall make or guarantee loans to eligible entities described in subsection (d) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

"(2) PRIORITY.—In making or guaranteeing loans under paragraph (1), the Secretary shall give priority to eligible rural communities in which broadband service is not available to residential customers.

"(d) ELIGIBLE ENTITIES.—

"(1) IN GENERAL.—To be eligible to obtain a loan or loan guarantee under this section, an entity shall—

"(A) have the ability to furnish, improve, or extend a broadband service to an eligible rural community; and

"(B) submit to the Secretary a proposal for a project that meets the requirements of this section.

"(2) STATE AND LOCAL GOVERNMENTS.—A State or local government (including any agency, subdivision, or instrumentality thereof (including consortia thereof)) shall be eligible for a loan or loan guarantee under this section to provide broadband services to an eligible rural community only if, not later than 90 days after the Administrator has promulgated regulations to carry out this section, no other eligible entity is already offering, or has committed to offer, broadband services to the eligible rural community.

"(3) SUBSCRIBER LINES.—An entity shall not be eligible to obtain a loan or loan guarantee under this section if the entity serves more than 2 percent of the telephone subscriber lines installed in the aggregate in the United States.

"(e) BROADBAND SERVICE.—The Secretary shall, from time to time as advances in technology warrant, review and recommend modifications of rate-of-data transmission criteria for purposes of the identification of broadband service technologies under subsection (b)(1).

"(f) TECHNOLOGICAL NEUTRALITY.—For purposes of determining whether or not to make a loan or loan guarantee for a project under this section, the Secretary shall use criteria that are technologically neutral.

"(g) TERMS AND CONDITIONS FOR LOANS AND LOAN GUARANTEES.—Notwithstanding any other provision of law, a loan or loan guarantee under subsection (c) shall—

"(1) bear interest at an annual rate of, as determined by the Secretary—

"(A) in the case of a direct loan—

"(i) the cost of borrowing to the Department of the Treasury for obligations of comparable maturity; or

"(ii) 4 percent; and

"(B) in the case of a guaranteed loan, the current applicable market rate for a loan of comparable maturity; and

"(2) have a term not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.

"(h) USE OF LOAN PROCEEDS TO REFINANCE LOANS FOR DEPLOYMENT OF BROADBAND SERVICE.—Notwithstanding any other provision of this Act, the proceeds of any loan made or guaranteed by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications loan made under this Act if the use of the proceeds for that purpose will further the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

"(i) REPORTS.—Not later than 1 year after the date of enactment of this section, and biennially thereafter, the Administrator shall submit to Congress a report that—

"(1) describes how the Administrator determines under subsection (a)(1) that a service enables a subscriber to originate and receive high-quality voice, data, graphics, and video; and

"(2) provides a detailed list of services that have been granted assistance under this section.

"(j) FUNDING.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

"(A) $20,000,000 for each of fiscal years 2002 through 2005, to remain available until expended; and

"(B) $10,000,000 for each of fiscal years 2006 and 2007, to remain available until expended.

"(2) TELEVISION FUNDS.—

"(A) IN GENERAL.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section, without further appropriation any funds made available under section 1011(a)(2)(B) of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1109(a)(2)(B)).

"(B) USE OF TELEVISION FUNDS.—The Secretary shall use any funds received under subparagraph (A) in equal amounts for each remaining fiscal year on receipt of the funds (including the fiscal year of receipt) through fiscal year 2007.

"(3) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available under this subsection, there are authorized to be appropriated such sums as necessary to carry out this section for each of fiscal years 2003 through 2007.

"(4) ALLOCATION OF FUNDS.—

"(A) IN GENERAL.—From amounts made available for each fiscal year under this subsection, the Secretary shall—

"(i) establish a national reserve for loans and loan guarantees to eligible entities in States under this section; and

"(ii) allocate amounts in the reserve to each State for each fiscal year for loans and loan guarantees to eligible entities in the State.

"(B) AMOUNT.—The amount of an allocation made to a State for a fiscal year under subparagraph (A) shall bear the same ratio to the amount of allocations made for all States for the fiscal year as the number of communities with a population of 2,500 inhabitants or less in the State bears to the number of communities with a population of 2,500 inhabitants or less in all States, as determined on the basis of the latest available census.

"(C) UNOBLIGATED AMOUNTS.—Any amounts in the reserve established for a State for a fiscal year under subparagraph (B) that are not obligated by April 1 of the fiscal year shall be available to the Secretary to make loans and loan guarantees under this section to eligible entities in any State, as determined by the Secretary.

"(k) TERMINATION OF AUTHORITY.—No loan or loan guarantee may be made under this section after September 30, 2007.".

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendment made by subsection (a).

(2) PROCEDURE.—The promulgation of the regulations shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

Subtitle C—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 6201. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) REPEAL OF CORPORATION AUTHORIZATION.—Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is repealed.

(b) DISPOSITION OF ASSETS.—On the date of enactment of this Act—

(1) the assets, both tangible and intangible, of the Alternative Agricultural Research and Commercialization Corporation (referred to in this section as the "Corporation"), including the funds in the Alternative Agricultural Research and Commercialization Revolving Fund as of the date of enactment of this Act, are transferred to the Secretary of Agriculture; and

(2) notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) and any other law that prescribes procedures for procurement, use, and disposal of property by a Federal agency, the Secretary shall have authority to manage and dispose of the assets transferred under paragraph (1) in a manner that, to the maximum extent practicable, provides the best value to the Federal Government.

(c) USE OF ASSETS.—

(1) IN GENERAL.—Funds transferred under subsection (b), and any income from assets or proceeds from the sale of assets transferred under subsection (b), shall be deposited in an account in the Treasury, and shall remain available to the Secretary until expended, without further appropriation, to pay—

(A) any claims against, or obligations of, the Corporation; and

(B) the costs incurred by the Secretary in carrying out this section.

(2) FINAL DISPOSITION.—On final disposition of all assets transferred under subsection (b), any funds remaining in the account described in paragraph (1) shall be transferred into miscellaneous receipts in the Treasury.

(d) CONFORMING AMENDMENTS.—

(1) Section 5315 of title 5, United States Code, is amended by striking "Executive Director of the Alternative Agricultural Research and Commercialization Corporation".

(2) Section 730 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5902 note; Public Law 104–127) is repealed.

(3) Section 211(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6911(b)) is amended by striking paragraph (5).

(4) Section 404(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(d)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(5) The Herger-Feinstein Quincy Library Group Forest Recovery Act (16 U.S.C. 2104; Public Law 105–277; 112 Stat. 2681–305) is amended by striking subsection (m).

(6) Section 9101(3) of title 31, United States Code, is amended by striking subparagraph (Q).

SEC. 6202. RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM.

Subtitle H of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 1669 (7 U.S.C. 5922) the following:

"SEC. 1670. RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) DEVELOPMENT CENTER.—The term 'development center' means—

"(A) the North Central Regional Center for Rural Development;

"(B) the Northeast Regional Center for Rural Development or its designee;

"(C) the Southern Rural Development Center; and

"(D) the Western Rural Development Center or its designee.

"(2) EXTENSION PROGRAM.—The term 'extension program' means the rural electronic commerce extension program established under subsection (b).

"(3) MICROENTERPRISE.—The term 'microenterprise' means a commercial enterprise that has 5 or fewer employees, 1 or more of whom own the enterprise.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Administrator of the Cooperative State Research, Education, and Extension Service.

"(5) SMALL BUSINESS.—The term 'small business' has the meaning given the term 'small-business concern' by section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

"(b) ESTABLISHMENT.—The Secretary shall establish a rural electronic commerce extension program to expand and enhance electronic commerce practices and technology to be used by small businesses and microenterprises in rural areas.

"(c) GRANTS.—

"(1) IN GENERAL.—The Secretary shall carry out the program established under subsection (b) by making—

"(A) grants to each of the development centers; and

"(B) competitive grants to land-grant colleges and universities (or consortia of land-grant colleges and universities) and to colleges and universities (including community colleges) with agricultural or rural development programs—

"(i) to develop and facilitate innovative rural electronic commerce business strategies; and

"(ii) to assist small businesses and microenterprises in identifying, adapting, implementing, and using electronic commerce business practices and technologies.

"(2) ELIGIBILITY.—The selection criteria established for grants awarded under paragraph (1)(B) shall include—

"(A) the ability of an applicant to provide training and education on best practices, technology transfer, adoption, and use of electronic commerce in rural communities by small businesses and microenterprises;

"(B) the extent and geographic diversity of the area served by the proposed project or activity under the extension program;

"(C) in the case of a land-grant college or university, the extent of participation of the land-grant college or university in the extension program (including any economic benefits that would result from that participation);

"(D) the percentage of funding and in-kind commitments from non-Federal sources that would be needed by and available for a proposed project or activity under the extension program; and

"(E) the extent of participation of low-income and minority businesses or microenterprises in a proposed project or activity under the extension program.

"(3) NON-FEDERAL SHARE.—

"(A) IN GENERAL.—As a condition of the receipt of funds under this section, a development center or grant applicant shall agree to obtain from non-Federal sources (including State, local, nonprofit, or private sector sources) contributions of an amount equal to 50 percent of the grant amount.

"(B) FORM.—The non-Federal share required under subparagraph (A) may be provided in the form of in-kind contributions.

"(C) EXCEPTION.—The non-Federal share required under subparagraph (A) may be reduced to 25 percent if the grant recipient serves low-income or minority-owned businesses or microenterprises, as determined by the Secretary.

"(d) REPORT.—Not later than 2 years after the date of enactment of this section, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

"(1) the policies, practices, and procedures used to assist rural communities in efforts to adopt and use electronic commerce techniques; and

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $60,000,000 for each of fiscal years 2002 through 2007, of which not less than ⅓ of the amount made available for each fiscal year shall be used to carry out activities under subsection (c)(1)(A).".

SEC. 6203. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) IN GENERAL.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking "2002" and inserting "2007".

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking "1997" and inserting "2007".

Subtitle D—SEARCH Grants for Small Communities

SEC. 6301. DEFINITIONS.

In this subtitle:

(1) COUNCIL.—The term "council" means an independent citizens' council established by a State rural development director under section 6302(c).

(2) ENVIRONMENTAL PROJECT.—

(A) IN GENERAL.—The term "environmental project" means a project that—

(i) improves environmental quality; and

(ii) is necessary to comply with an applicable environmental law (including a regulation).

(B) INCLUSION.—The term "environmental project" includes an initial feasibility study of a project.

(3) REGION.—The term "region" means a geographic area of a State, as determined by the State rural development director, in coordination with the environmental protection director of the State.

(4) SEARCH GRANT.—The term "SEARCH grant" means a grant awarded under section 6302(f).

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(6) SMALL COMMUNITY.—The term "small community" means an incorporated or unincorporated rural community with a population of 2,500 inhabitants or less.

(7) STATE.—The term "State" has the meaning given the term in section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009).

SEC. 6302. SEARCH GRANT PROGRAM.

(a) IN GENERAL.—The Secretary, in coordination with the Administrator of the Environmental Protection Agency, may establish the SEARCH grant program.

(b) ALLOCATION TO STATE RURAL DEVELOPMENT DIRECTORS.—

(1) IN GENERAL.—Subject to paragraph (2) and section 6304(a)(2), not later than 60 days after the date on which the Director of the Office of Management and Budget apportions any amounts made available under this subtitle for any of fiscal years 2002 through 2007, the Secretary, on request of a State rural development director (in coordination with the environmental protection director of the State), shall allocate to the State rural development director an amount not to exceed $1,000,000, to be used by the State rural development director to award SEARCH grants under subsection (d).

(2) GRANTS TO STATES.—The total amount of funds allocated to State rural development directors in all States other than Alaska, Hawaii, or the 48 contiguous States for a fiscal year under this subsection shall not exceed $1,000,000.

(c) INDEPENDENT CITIZENS' COUNCIL.—

(1) ESTABLISHMENT.—The State rural development director of a State shall establish an independent citizens' council to carry out the duties described in this section.

(2) COMPOSITION.—

(A) IN GENERAL.—A council shall be composed of 9 members, appointed by the State rural development director, in coordination with the environmental protection director of the State.

(B) REPRESENTATION; RESIDENCE.—Each member of a council shall—

(i) represent an individual region of the State, as determined by the State rural development director; and

(ii) reside in a small community in the State.

(d) ELIGIBILITY.—A SEARCH grant shall be awarded under this section only to a small community for 1 or more environmental projects for which the small community—

(1) needs funds to carry out initial feasibility or environmental studies as required by Federal or State law before applying to traditional funding sources; and

(2) demonstrates that the small community has been unable to obtain sufficient funding from traditional funding sources.

(e) APPLICATIONS.—To be eligible to receive a SEARCH grant, a small community in a State shall submit to the State rural development director of the State an application that includes—

(1) a description of the proposed environmental project (including an explanation of how the project would assist the small community in complying with a Federal or State environmental law (including a regulation);

(2) an explanation of why the project is important to the small community;

(3) a description of all actions taken with respect to the project as of the date of the application, including any attempt to secure funding; and

(4) a description of demonstrated need for funding for the project.

(f) AWARDS.—

(1) IN GENERAL.—Not later than May 1 of each fiscal year, a State rural development director, in coordination with the council and the environmental protection director of the State, shall—

(A) review all applications received by the State rural development director under subsection (e); and

(B) award SEARCH grants to small communities based on—

(i) an evaluation of whether the proposed project meets the eligibility criteria under subsection (d); and

(ii) the content of the application.

(2) ADMINISTRATION.—In awarding a SEARCH grant, a State rural development director—

(A) shall award the funds for any recommended environmental project in a timely and expeditious manner; and

(B) shall not award a SEARCH grant to a grantee or project in violation of any Federal or State law (including a regulation).

(3) MATCHING REQUIREMENT.—A small community that receives a SEARCH grant under this section may be required to provide matching funds.

(g) UNEXPENDED FUNDS.—

(1) IN GENERAL.—If, for any fiscal year, any unexpended funds remain after SEARCH grants are awarded by a State rural development director under subsection (f), the State rural development director, in coordination with the environmental protection director of the State, may repeat the application and review process so that any remaining funds are recommended for award, and awarded, not later than July 30 of the fiscal year.

(2) RETENTION OF FUNDS.—

(A) IN GENERAL.—Any unexpended funds that are not awarded under subsection (f) or paragraph (1) shall be retained by the State rural development director for award during the following fiscal year.

(B) LIMITATION.—A State SEARCH account that accumulates a balance of unexpended funds described in subparagraph (A) in excess of $2,000,000 shall be ineligible to receive additional funds for SEARCH grants until such time as the State rural development director awards grants in the amount of the excess.

SEC. 6303. REPORT.

Not later than 30 days after the end of the first fiscal year for which SEARCH grants are awarded, and annually thereafter, the Secretary shall submit to the Committee on Energy and Commerce and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) describes the number of SEARCH grants awarded during the fiscal year;

(2) identifies each small community that received a SEARCH grant during the fiscal year;

(3) describes the project or purpose for which each SEARCH grant was awarded, including a statement of the benefit to public health or the environment of the environmental project receiving the grant funds; and

(4) describes the status of each project or portion of a project for which a SEARCH grant was awarded, including a project or portion of a project for which a SEARCH grant was awarded for any previous fiscal year.

SEC. 6304. FUNDING.

(a) ALLOCATION TO STATE RURAL DEVELOPMENT DIRECTORS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 6302(b) $51,000,000 for each of fiscal years 2002 through 2007, of which not to exceed $1,000,000 shall be used to make grants under section 6302(b)(2).

(2) ACTUAL APPROPRIATION.—If funds to carry out section 6302(b) are made available for a fiscal year in an amount that is less than the amount authorized under paragraph (1) for the fiscal year, the Secretary shall divide the appropriated funds for the fiscal year equally among the 50 States.

(b) OTHER EXPENSES.—There are authorized to be appropriated such sums as are necessary to carry out this subtitle (other than section 6302(b)).

Subtitle E—Miscellaneous

SEC. 6401. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

(a) IN GENERAL.—Section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively;

(2) by striking subsection (a) and inserting the following:

"(a) DEFINITION OF VALUE-ADDED AGRICULTURAL PRODUCT.—

"(1) IN GENERAL.—The term 'value-added agricultural product' means any agricultural commodity or product that—

"(A)(i) has undergone a change in physical state;

"(ii) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary; or

"(iii) is physically segregated in a manner that results in the enhancement of the value of the agricultural commodity or product; and

"(B) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced or segregated—

"(i) the customer base for the agricultural commodity or product has been expanded; and

"(ii) a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.

"(2) INCLUSION.—The term 'value-added agricultural product' includes farm- or ranch-based renewable energy.

"(b) GRANT PROGRAM.—

"(1) IN GENERAL.—From amounts made available under paragraph (4), the Secretary shall award competitive grants—

"(A) to an eligible independent producer (as determined by the Secretary) of a value-added agricultural product to assist the producer—

"(i) in developing a business plan for viable marketing opportunities for the value-added agricultural product; or

"(ii) in developing strategies that are intended to create marketing opportunities for the producer; and

"(B) to an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture (as determined by the Secretary) to assist the entity—

"(i) in developing a business plan for viable marketing opportunities in emerging markets for a value-added agricultural product; or

"(ii) in developing strategies that are intended to create marketing opportunities in emerging markets for the value-added agricultural product.

"(2) AMOUNT OF GRANT.—

"(A) IN GENERAL.—The total amount provided under this subsection to a grant recipient shall not exceed $500,000.

"(B) MAJORITY-CONTROLLED PRODUCER-BASED BUSINESS VENTURES.—The amount of grants provided to majority-controlled producer-based business ventures under paragraph (1)(B) for a fiscal year may not exceed 10 percent of the amount of funds that are used to make grants for the fiscal year under this subsection.

"(3) GRANTEE STRATEGIES.—A grantee under paragraph (1) shall use the grant—

"(A) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural product; or

"(B) to provide capital to establish alliances or business ventures that allow the producer of the value-added agricultural product to better compete in domestic or international markets.

"(4) FUNDING.—Not later than 30 days after the date of enactment of this paragraph, on October 1, 2002, and on each October 1 thereafter through October 1, 2006, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection $40,000,000, to remain available until expended.";

(3) in subsection (c)(1) (as redesignated by paragraph (1))—

(A) by striking "subsection (a)(2)" and inserting "subsection (b)(2)";

(B) by striking "$5,000,000" and inserting "5 percent"; and

(C) by striking "subsection (a)" and inserting "subsection (b)"; and

(4) in subsection (d) (as redesignated by paragraph (1)), by striking "subsections (a) and (b)" and inserting "subsections (b) and (c)".

(b) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) apply beginning on October 1, 2002.

(2) FUNDING.—Funds made available under section 231(b)(4)(A)(i) of the Agricultural Risk Protection Act of 2000 (as amended by subsection (a)(2)) shall be made available not later than 30 days after the date of enactment of this Act.

SEC. 6402. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

(a) PURPOSE.—The purpose of this section is to direct the Secretary of Agriculture to establish a demonstration program under which agricultural producers are provided—

(1) technical assistance, consisting of engineering services, applied research, scale production, and similar services, to enable the agricultural producers to establish businesses to produce value-added agricultural commodities or products;

(2) assistance in marketing, market development, and business planning; and

(3) organizational, outreach, and development assistance to increase the viability, growth, and sustainability of businesses that produce value-added agricultural commodities or products.

(b) DEFINITIONS.—In this section:

(1) PROGRAM.—The term "Program" means the Agriculture Innovation Center Demonstration Program established under subsection (c).

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(c) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a demonstration program, to be known as the "Agriculture Innovation Center Demonstration Program" under which the Secretary shall—

(1) make grants to assist eligible entities in establishing Agriculture Innovation Centers to enable agricultural producers to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible entities in establishing Agriculture Innovation Centers through the research and technical services of the Department of Agriculture.

(d) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An entity shall be eligible for a grant and assistance described in subsection (c) to establish an Agriculture Innovation Center if—

(A) the entity—

(i) has provided services similar to the services described in subsection (a); or

(ii) demonstrates the capability of providing such services;

(B) the application of the entity for the grant and assistance includes a plan, in accordance with regulations promulgated by the Secretary, that outlines—

(i) the support for the entity in the agricultural community;

(ii) the technical and other expertise of the entity; and

(iii) the goals of the entity for increasing and improving the ability of local agricultural producers to develop markets and processes for value-added agricultural commodities or products;

(C) the entity demonstrates that adequate resources (in cash or in kind) are available, or have been committed to be made available, to the entity, to increase and improve the ability of local agricultural producers to develop markets and processes for value-added agricultural commodities or products; and

(D) the Agriculture Innovation Center of the entity has a board of directors established in accordance with paragraph (2).

(2) BOARD OF DIRECTORS.—Each Agriculture Innovation Center of an eligible entity shall have a board of directors composed of representatives of each of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the eligible entity is located.

(B) The department of agriculture, or similar State department or agency, of the State in which the eligible entity is located.

(C) Entities representing the 4 highest grossing commodities produced in the State, determined on the basis of annual gross cash sales.

(e) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (i), under the Program, the Secretary shall make, on a competitive basis, annual grants to eligible entities.

(2) MAXIMUM AMOUNT OF GRANTS.—A grant under paragraph (1) shall be in an amount that does not exceed the lesser of—

(A) $1,000,000; or

(B) twice the dollar amount of the resources (in cash or in kind) that the eligible entity demonstrates are available, or have been committed to be made available, to the eligible entity in accordance with subsection (d)(1)(C).

(3) MAXIMUM NUMBER OF GRANTS.—

(A) FIRST FISCAL YEAR OF PROGRAM.—In the first fiscal year of the Program, the Secretary shall make grants to not more than 5 eligible entities.

(B) SECOND FISCAL YEAR OF PROGRAM.—In the second fiscal year of the Program, the Secretary may make grants to—

(i) the eligible entities to which grants were made under subparagraph (A); and

(ii) not more than 10 additional eligible entities.

(4) STATE LIMITATION.—

(A) IN GENERAL.—Subject to subparagraph (B), in the first 3 fiscal years of the Program, the Secretary shall not make a grant under the Program to more than 1 entity in any 1 State.

(B) COLLABORATION.—Nothing in subparagraph (A) precludes a recipient of a grant under the Program from collaborating with any other institution with respect to activities conducted using the grant.

(f) USE OF FUNDS.—An eligible entity to which a grant is made under the Program may use the grant only for the following purposes (but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224)):

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the Agriculture Innovation Center of the eligible entity.

(4) The making of matching grants, each of which shall be in an amount not to exceed $5,000, to agricultural producers, except that the aggregate amount of all such matching grants made by the eligible entity shall be not more than $50,000.

(5) Legal services.

(6) Any other related cost, as determined by the Secretary.

(g) RESEARCH ON EFFECTS ON THE AGRICULTURAL SECTOR.—

(1) IN GENERAL.—Of the amount made available under subsection (i) for each fiscal year, the Secretary shall use $300,000 to support research at a university concerning the effects of projects for value-added agricultural commodities or products on agricultural producers and the commodity markets.

(2) RESEARCH ELEMENTS.—Research under paragraph (1) shall systematically examine, using linked, long-term, global projections of the agricultural sector, the potential effects of projects described in subparagraph (A) on—

(A) demand for agricultural commodities;

(B) market prices;

(C) farm income; and

(D) Federal outlays on commodity programs.

(h) REPORT TO CONGRESS.—

(1) IN GENERAL.—Not later than 3 years after the date on which the last of the first 10 grants is made under the Program, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on—

(A) the effectiveness of the Program in improving and expanding the production of value-added agricultural commodities or products; and

(B) the effects of the Program on the economic viability of agricultural producers.

(2) REQUIRED ELEMENTS.—The report under paragraph (1) shall—

(A) include a description of the best practices and innovations found at each of the Agriculture Innovation Centers established under the Program; and

(B) specify the number and type of activities assisted, and the type of assistance provided, under the Program.

(i) FUNDING.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224) for each fiscal year, the Secretary shall use to carry out this section—

(1) not less than $3,000,000 for fiscal year 2002; and

(2) not less than $6,000,000 for each of fiscal years 2003 and 2004.

SEC. 6403. FUND FOR RURAL AMERICA.

(a) IN GENERAL.—Section 793 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f) is repealed.

(b) CONFORMING AMENDMENT.—Section 2(b)(8)(B) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(8)(B)) is amended in the second sentence by striking "smaller college or university (as described in section 793(c)(2)(ii) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(2)(ii))" and inserting "college, university, or research foundation maintained by a college or university that ranks in the lowest ⅓ of such colleges, universities, and research foundations on the basis of Federal research funds received".

SEC. 6404. RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.

(a) IN GENERAL.—Section 1011(a) of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1109(a)) is amended—

(1) by striking "For" and inserting the following:

"(1) AUTHORIZATION OF APPROPRIATIONS.—For"; and

(2) by adding at the end the following:

"(2) COMMODITY CREDIT CORPORATION FUNDS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, subject to subparagraph (B), in addition to amounts made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available for loan guarantees to carry out this title $80,000,000 for the period beginning on the date of enactment of this paragraph and ending on December 31, 2006, to remain available until expended.

"(B) BROADBAND LOANS AND LOAN GUARANTEES.—

"(i) IN GENERAL.—Amounts made available under subparagraph (A) that are not obligated as of the release date described in clause (ii) shall be available to the Secretary to make loans and loan guarantees under section 601 of the Rural Electrification Act of 1936.

"(ii) RELEASE DATE.—For purposes of clause (i), the release date is the date that is the earlier of—

"(I) the date the Secretary determines that at least 75 percent of the designated market areas (as defined in section 122(j) of title 17, United States Code) not in the top 40 designated market areas described in section 1004(e)(1)(C)(i) of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1103(e)(1)(C)(i)) have access to local television broadcast signals for virtually all households (as determined by the Secretary); or

"(II) December 31, 2006.

"(C) ADVANCED APPROPRIATIONS.—Subsections (c) and (h)(1)(B) of section 1004 and section 1005(n)(3)(B) shall not apply to amounts made available under this paragraph.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) APPROVAL OF LOAN GUARANTEES.—Section 1004 of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1103) is amended—

(A) in subsection (b)(1)—

(i) by striking "section 5" and inserting "section 1005"; and

(ii) by striking "section 11" and inserting "section 1011";

(B) in subsection (d)(1), by striking "section 3" and inserting "section 1003"; and

(C) in the first sentence of subsection (h)(2)(D), by striking "section 5" and inserting "section 1005".

(2) ADMINISTRATION OF LOAN GUARANTEES.—Section 1005 of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1104) is amended—

(A) in subsection (a), by striking "sections 3 and 4" and inserting "sections 1003 and 1004";

(B) in subsection (b)—

(i) in paragraph (1)(D), by striking "section 6(a)(2)" and inserting "section 1006(a)(2)"; and

(ii) in paragraph (3), by striking "section 4(d)(3)(B)(iii)" and inserting "section 1004(d)(3)(B)(iii)"; and

(C) in subsection (e)(3), by striking "section 4(g)" and inserting "section 1004(g)".

SEC. 6405. RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANT PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture may make grants to units of general local government and Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) to pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas.

(b) USE OF FUNDS.—

(1) SCHOLARSHIPS.—

(A) IN GENERAL.—Not less than 60 percent of the amounts made available for competitively-awarded grants under this section shall be used to provide grants to fund partial scholarships for training of individuals at training centers approved by the Secretary.

(B) PRIORITY.—In awarding grants under this paragraph, the Secretary shall give priority to grant applicants that provide for training within the region (or locality) of the applicant.

(2) GRANTS FOR TRAINING CENTERS.—

(A) IN GENERAL.—A grant under subsection (a) may be used to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel.

(B) LIMITATION.—Not more than $750,000 shall be provided to any single training center for any fiscal year under this paragraph.

(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $10,000,000 for each of fiscal years 2003 through 2007, to remain available until expended.

SEC. 6406. SENSE OF CONGRESS ON RURAL POLICY COORDINATION.

It is the sense of Congress that the President should—

(1) appoint a Special Assistant to the President for Rural Policy;

(2) designate within each Federal agency with jurisdiction over rural programs or activities 1 or more senior officers or employees to provide rural policy leadership for the agency; and

(3) create an intergovernmental rural policy working group comprised of—

(A) the Special Assistant to the President for Rural Policy, who should serve as Chairperson; and

(B) the senior officers and employees designated under paragraph (2).

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

SEC. 7101. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "2002" and inserting "2007".

SEC. 7102. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (a)—

(A) by striking "and" after "economics,"; and

(B) by inserting ", and rural economic, community, and business development" before the period;

(2) in subsection (b)—

(A) in paragraph (1), by inserting ", or in rural economic, community, and business development" before the semicolon;

(B) in paragraph (2), by inserting ", or in rural economic, community, and business development" before the semicolon;

(C) in paragraph (3), by inserting ", or teaching programs emphasizing rural economic, community, and business development" before the semicolon;

(D) in paragraph (4), by inserting ", or programs emphasizing rural economic, community, and business development," after "programs"; and

(E) in paragraph (5), by inserting ", or professionals in rural economic, community, and business development" before the semicolon;

(3) in subsection (d)—

(A) in paragraph (1), by inserting ", or in rural economic, community, and business development," after "sciences"; and

(B) in paragraph (2), by inserting ", or in the rural economic, community, and business development workforce," after "workforce"; and

(4) in subsection (l), by striking "2002" and inserting "2007".

SEC. 7103. POLICY RESEARCH CENTERS.

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking "2002" and inserting "2007".

SEC. 7104. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking "2002" and inserting "2007".

SEC. 7105. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking "2002" and inserting "2007".

SEC. 7106. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking "2002" and inserting "2007".

SEC. 7107. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking "2002" and inserting "2007".

SEC. 7108. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking "2002" and inserting "2007".

SEC. 7109. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking "$15,000,000 for each of fiscal years 1996 through 2002" and inserting "$25,000,000 for each of fiscal years 2002 through 2007".

SEC. 7110. NATIONAL RESEARCH AND TRAINING VIRTUAL CENTERS.

(a) AUTHORIZATION.—Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended by striking "2002" each place it appears in subsections (a)(1) and (f) and inserting "2007".

(b) REDESIGNATION.—Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended—

(1) in the section heading, by striking "**CENTENNIAL**" and inserting "**VIRTUAL**"; and

(2) by striking "centennial" each place it appears and inserting "virtual".

SEC. 7111. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking "2002" and inserting "2007".

SEC. 7112. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking "2002" and inserting "2007".

SEC. 7113. UNIVERSITY RESEARCH.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended—

(1) in subsection (a), by striking "$850,000,000 for each of the fiscal years 1991 through 2002" and inserting "such sums as may be necessary for each of fiscal years 1991 through 2007"; and

(2) in subsection (b), by striking "$310,000,000 for each of the fiscal years 1991 through 2002" and inserting "such sums as may be necessary for each of fiscal years 1991 through 2007".

SEC. 7114. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "$420,000,000 for fiscal year 1991, $430,000,000 for fiscal year 1992, $440,000,000 for fiscal year 1993, $450,000,000 for fiscal year 1994, and $460,000,000 for each of fiscal years 1995 through 2002" and inserting "such sums as may be necessary for each of fiscal years 1991 through 2007".

SEC. 7115. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking "2002" and inserting "2007".

SEC. 7116. AQUACULTURE RESEARCH FACILITIES.

The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking "2002" and inserting "2007".

SEC. 7117. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking "2002" and inserting "2007".

SEC. 7118. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking "2002" and inserting "2007".

SEC. 7119. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking "2002" and inserting "2007.

SEC. 7120. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking "2002" and inserting "2007".

SEC. 7121. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking "2002" and inserting "2007".

SEC. 7122. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking "2002" and inserting "2007".

SEC. 7123. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking "2002" and inserting "2007".

SEC. 7124. BIOBASED PRODUCTS.

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking "2001" and inserting "2007".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of such Act (7 U.S.C. 7624(h)) is amended by striking "2002" and inserting "2007".

SEC. 7125. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626) is amended—

(1) by redesignating subsection (e) as subsection (f);

(2) by inserting after subsection (d) the following:

"(e) TERM OF GRANT.—A grant under this section shall have a term of not more than 5 years."; and

(3) in subsection (f) (as so redesignated), by striking "2002" and inserting "2007".

SEC. 7126. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(f) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended—

(1) in subsection (b)(1), by striking "2002" and inserting "2007"; and

(2) in subsection (c), by striking "$1,700,000 for each of fiscal years 1996 through 2002" and inserting "such sums as are necessary for each of fiscal years 2002 through 2007".

SEC. 7127. 1994 INSTITUTION RESEARCH GRANTS.

Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "2002" and inserting "2007".

SEC. 7128. ENDOWMENT FOR 1994 INSTITUTIONS.

The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "$4,600,000" and all that follows through the period and inserting "such sums as are necessary to carry out this section for each of fiscal years 1996 through 2007.".

SEC. 7129. PRECISION AGRICULTURE.

Section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is amended by striking "2002" and inserting "2007".

SEC. 7130. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking "2002" and inserting "2007".

SEC. 7131. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended—

(1) by striking "$5,200,000" and inserting "such sums as may be necessary"; and

(2) by striking "2002" and inserting "2007".

SEC. 7132. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking "2002" and inserting "2007".

SEC. 7133. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking "2002" and inserting "2007".

SEC. 7134. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking "2002" and inserting "2007".

SEC. 7135. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking "2002" and inserting "2007".

SEC. 7136. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.

Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended by striking "2002" and inserting "2007".

SEC. 7137. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking "2002" and inserting "2007".

SEC. 7138. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking "2002" and inserting "2007".

SEC. 7139. AQUACULTURE.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking "2002" each place it appears and inserting "2007".

Subtitle B—Modifications

SEC. 7201. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "$50,000" and inserting "$100,000".

(b) CHANGE OF INDIAN STUDENT COUNT FORMULA.—Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "(as defined in section 390(3) of the Carl D. Perkins Vocational and Applied Technology Education Act, as such section was in effect on the day preceding the date of enactment of the Carl. D. Perkins Vocational and Applied Technology Education Amendments of 1998 (Oct. 31, 1998)) for each 1994 Institution for the fiscal year" and inserting "(as defined in section 2(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a)))".

(c) ACCREDITATION REQUIREMENT FOR RESEARCH GRANTS.—Section 533(a)(3) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "sections 534 and 535" and inserting "sections 534, 535, and 536".

(d) TECHNICAL AMENDMENT TO REFLECT NAME CHANGES.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking paragraphs (1) through (30) and inserting the following:

"(1) Bay Mills Community College.

"(2) Blackfeet Community College.

"(3) Cankdeska Cikana Community College.

"(4) College of Menominee Nation.

"(5) Crownpoint Institute of Technology.

"(6) D-Q University.

"(7) Dine College.

"(8) Chief Dull Knife Memorial College.

"(9) Fond du Lac Tribal and Community College.

"(10) Fort Belknap College.

"(11) Fort Berthold Community College.

"(12) Fort Peck Community College.

"(13) Haskell Indian Nations University.

"(14) Institute of American Indian and Alaska Native Culture and Arts Development.

"(15) Lac Courte Oreilles Ojibwa Community College.

"(16) Leech Lake Tribal College.

"(17) Little Big Horn College.

"(18) Little Priest Tribal College.

"(19) Nebraska Indian Community College.

"(20) Northwest Indian College.

"(21) Oglala Lakota College.

"(22) Salish Kootenai College.

"(23) Sinte Gleska University.

"(24) Sisseton Wahpeton Community College.

"(25) Si Tanka/Huron University.

"(26) Sitting Bull College.

"(27) Southwestern Indian Polytechnic Institute.

"(28) Stone Child College.

"(29) Turtle Mountain Community College.

"(30) United Tribes Technical College.

"(31) White Earth Tribal and Community College.".

(e) Report Recommending Criteria for Additional Eligible Entities.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit a report containing recommended criteria for designating additional 1994 Institutions to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 7202. CARRYOVER FOR EXPERIMENT STATIONS.

Section 7 of the Hatch Act of 1887 (7 U.S.C. 361g) is amended by striking subsection (c) and inserting the following:

"(c) Carryover.—

"(1) In general.—The balance of any annual funds provided under this Act to a State agricultural experiment station for a fiscal year that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

"(2) Failure to expend full allotment.—

"(A) In general.—If any unexpended balance carried over by a State is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the State.

"(B) Redistribution.—Federal funds that are deducted under subparagraph (A) for a fiscal year shall be redistributed by the Secretary in accordance with the formula set forth in section 3(c) to those States for which no deduction under subparagraph (A) has been taken for that fiscal year.".

SEC. 7203. AUTHORIZATION PERCENTAGES FOR RESEARCH AND EXTENSION FORMULA FUNDS.

(a) Extension.—Section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended—

(1) by striking "(a) There" and inserting the following:

"(a) Authorization of Appropriations.—

"(1) In general.—There";

(2) by striking the second sentence; and

(3) in the third sentence, by striking "Beginning" through "6 per centum" and inserting the following:

"(2) Minimum amount.—Beginning with fiscal year 2003, there shall be appropriated under this section for each fiscal year an amount that is not less than 15 percent";

(3) by striking "Funds appropriated" and inserting the following:

"(3) Uses.—Funds appropriated"; and

(4) by striking "No more" and inserting the following:

"(4) Carryover.—No more".

(b) Research.—Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)) is amended—

(1) by striking "(a) There" and inserting the following:

"(a) Authorization of Appropriations.—

"(1) In general.—There";

(2) by striking the second sentence and inserting the following:

"(2) Minimum amount.—Beginning with fiscal year 2003, there shall be appropriated under this section for each fiscal year an amount that is not less than 25 percent of the total appropriations for the fiscal year under section 3 of the Hatch Act of 1887 (7 U.S.C. 361c).";

(3) by striking "Funds appropriated" and inserting the following:

"(3) Uses.—Funds appropriated";

(4) by striking "The eligible" and inserting the following:

"(4) Coordination.—The eligible"; and

(5) by striking "No more" and inserting the following:

"(5) Carryover.—No more".

SEC. 7204. CARRYOVER FOR ELIGIBLE INSTITUTIONS.

Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)) (as amended by section 7203 of this Act) is further amended by striking paragraph (5) and inserting the following:

"(5) Carryover.—

"(A) In general.—The balance of any annual funds provided to an eligible institution for a fiscal year under this section that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

"(B) Failure to expend full amount.—

"(i) In general.—If any unexpended balance carried over by an eligible institution is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the eligible institution.

"(ii) Redistribution.—Federal funds that are deducted under clause (i) for a fiscal year shall be redistributed by the Secretary in accordance with the formula set forth in subsection (b)(2)(B) to those eligible institutions for which no deduction under clause (i) has been taken for that fiscal year.".

SEC. 7205. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) Funding.—Section 401(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)) is amended—

(1) in paragraph (1), by striking "2002" and inserting "2001"; and

(2) by adding at the end the following:

"(3) Other funding.—Out of funds in the Commodity Credit Corporation, the Secretary shall transfer to the Account—

"(A) on October 1, 2003, $120,000,000;

"(B) on October 1, 2004, $140,000,000;

"(C) on October 1, 2005, $160,000,000; and

"(D) on October 1, 2006, and each October 1 thereafter, $200,000,000.".

(2) by amending subsection (c)(1) to read as follows:

"(1) Critical emerging agricultural and rural issues.—The Secretary shall use the funds in the Account for research, extension, and education grants (referred to in this section as 'grants') to address critical emerging agricultural and rural issues related to—

"(A) future food production;

"(B) environmental quality and natural resource management;

"(C) farm income; or

"(D) rural economic and business and community development policy."; and

(3) in subsection (e)(1), by striking "small and mid-sized" and inserting "small, mid-sized, and minority-serving".

SEC. 7206. ELIGIBILITY FOR INTEGRATED GRANTS PROGRAM.

Section 406(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(b)) is amended by inserting "and 1994 Institutions" before "on a competitive basis".

SEC. 7207. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) Precision Agriculture.—Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)—

(A) in paragraph (3)—

(i) in subparagraph (A), inserting ", horticultural," following "agronomic" the second place it appears; and

(ii) in subparagraph (C), by striking "or" at the end;

(iii) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(iv) by adding at the end the following:

"(E) using such information to enable intelligent mechanized harvesting and sorting systems for horticultural crops.";

(B) in paragraph (4)—

(i) in subparagraph (C), by striking "or" at the end;

(ii) in subparagraph (D), by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

"(E) robotic and other intelligent machines for use in horticultural cropping systems."; and

(C) in paragraph (5)(F), by inserting "(including improved use of energy inputs)" after "farm production efficiencies";

(2) in subsection (c)(2)—

(A) by inserting "or horticultural" after "agronomic"; and

(B) by striking "and meteorological variability" and inserting "product variability, and meteorological variability";

(3) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) by inserting after paragraph (3) the following:

"(4) Improve farm energy use efficiencies.".

(b) Thomas Jefferson Initiative for Crop Diversification.—Section 405(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(a)) is amended by striking "and marketing" and inserting ", marketing, and efficient use".

(c) Coordinated Program of Research, Extension, and Education To Improve Viability of Small- and Medium-Size Dairy, Livestock, and Poultry Operations.—Section 407(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting "(including improved use of energy inputs)" after "poultry systems that increase efficiencies".

(d) Support for Research Regarding Diseases of Wheat, Triticale, and Barley Caused by Fusarium Graminearum or By Tilletia Indica.—

(1) Research grant authorized.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended to read as follows:

"(a) Research Grant Authorized.—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by Fusarium graminearum and related fungi (referred to in this section as 'wheat scab') or by Tilletia indica and related fungi (referred to in this section as 'Karnal bunt').".

(2) Research components.—Section 408(b) of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting "or of Karnal bunt," after "epidemiology of wheat scab";

(B) in paragraph (1), by inserting “, triticale,” after “occurring in wheat”;

(C) in paragraph (2), by inserting “or Karnal bunt” after “wheat scab”;

(D) in paragraph (3)(A), by striking “and barley for the presence of” and inserting “, triticale, and barley for the presence of Karnal bunt or of”;

(E) in paragraph (3)(B), by striking “and barley infected with wheat scab” and inserting “, triticale, and barley infected with wheat scab or with Karnal bunt”;

(F) in paragraph (3)(C), by inserting “wheat scab” after “to render”;

(G) in paragraph (4), by striking “and barley to wheat scab” and inserting “, triticale, and barley to wheat scab and to Karnal bunt”; and

(H) in paragraph (5)—

(i) by inserting “and Karnal bunt” after “wheat scab”; and

(ii) by inserting “, triticale,” after “resistant wheat”.

(3) COMMUNICATIONS NETWORKS.—Section 408(c) of such Act (7 U.S.C. 7628(c)) is amended by inserting “or Karnal bunt” after “wheat scab”.

*(4) TECHNICAL AMENDMENTS.—(A) The section heading for section 408 of such Act is amended by striking “**AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM**” and inserting “, **TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA**”.*

(B) The table of sections for such Act is amended by striking “and barley caused by fusarium graminearum” in the item relating to section 408 and inserting “, triticale, and barley caused by Fusarium graminearum or by Tilletia indica”.

(e) PROGRAM TO CONTROL JOHNE'S DISEASE.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following new section:

“SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

“(a) ESTABLISHMENT.—The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2007.”.

SEC. 7208. FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.

(a) AGRICULTURAL GENOME INITIATIVE.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in paragraph (3), by inserting “pathogens and” before “diseases causing economic hardship”;

(2) in paragraph (6), by striking “and” at the end;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph:

“(7) reducing the economic impact of plant pathogens on commercially important crop plants; and”.

(b) HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.—Section 1672(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended by adding at the end the following new paragraphs:

“(25) GENETICALLY MODIFIED AGRICULTURE PRODUCTS (GMAP) RESEARCH.—Research grants may be made under this section for the purposes of providing unbiased, science-based evaluation of the risks and benefits to the public and the environment of specific genetically modified plant and animal products. Grants may be used to form interdisciplinary teams to review and conduct research on scientific, social, economic, and ethical issues during the review process, to answer questions raised by the release of new genetically modified agriculture products, to conduct fundamental studies on the health and environmental safety of genetically modified agriculture products (including quantitative risk assessment, the effect of specific genetically modified agriculture products on human health, and gene flow studies), to communicate the risk of genetically modified agriculture products through extension and education programs, and to engage the public and industry in relevant issues.

“(26) WIND EROSION RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

“(27) CROP LOSS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating crop loss models.

“(28) LAND USE MANAGEMENT RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

“(29) WATER AND AIR QUALITY RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

“(30) REVENUE AND INSURANCE TOOLS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of better understanding the impact of revenue and insurance tools on farm income.

“(31) AGROTOURISM RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts of agrotourism.

“(32) HARVESTING PRODUCTIVITY FOR FRUITS AND VEGETABLES.—Research and extension grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

“(33) NITROGEN-FIXATION BY PLANTS.—Research and extension grants may be made under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

“(34) AGRICULTURAL MARKETING.—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

“(35) ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identified environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

“(36) LIVESTOCK DISEASE RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

“(37) PLANT GENE EXPRESSION.—Research grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.

“(38) ANIMAL INFECTIOUS DISEASES RESEARCH.—Research and extension grants may be made under this section for the purpose of developing prevention and control methodologies for animal infectious diseases (including evaluation under field conditions in countries in which an animal disease occurs) such as laboratory tests for quicker detection of infected animals and presence of disease, prevention strategies (including vaccination programs), and rapid diagnostic techniques for animal disease agents considered to be risks for agricultural bioterrorism attack.

“(39) PROGRAM TO COMBAT CHILDHOOD OBESITY.—Research and extension grants may be made under this section to institutions of higher education with demonstrated capacity in basic and clinical obesity research, nutrition research, and community health education research to develop and evaluate community-wide strategies that catalyze partnerships between families and health care, education, recreation, mass media, and other community resources to reduce the incidence of childhood obesity.

“(40) INTEGRATED PEST MANAGEMENT.—Research and extension grants may be made under this section to coordinate and improve research, education, and outreach on, and implementation on farms of, integrated pest management.

“(41) BEEF CATTLE GENETICS.—Research and extension grants for beef cattle genetics evaluation research may be made under this section to consortia of institutions of higher education that have expertise in beef cattle genetic evaluation research and technology and that have been actively involved for at least 20 years in the estimation and prediction of progeny differences for publication and use by seed stock producer breed associations.

“(42) DAIRY PIPELINE CLEANER.—Research and extension grants may be made under this section for the purpose of preventing and eliminating the dangers of dairy pipeline cleaner, including development of safer packaging and transfer mechanisms, outlining accident causes and potential prevention measures, and other means of improving efforts to prevent ingestion of dairy pipeline cleaner.

“(43) DEVELOPMENT OF PUBLICLY HELD PLANTS AND ANIMAL VARIETIES.—Research and extension grants may be made under this section for the purpose of development of publicly held plants and animal varieties (including germplasm for identity-preserved markets) and genetic resource conservation activities.

“(44) SUGARCANE GENETICS.—Research grants may be made under this section for the purpose of maintaining acceptable yields under reduced production inputs, implementing marker-assisted breeding strategies and other basic plant genomic technologies to screen for improved plant resistance to diseases, weeds, and insects toward minimizing pesticide use, enhancing food, fiber and energy production, and developing varieties for maximum performance under

prevailing conditions, including management for improved soil and water conservation.''.

(c) ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.—Section 1680(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(a)) is amended by adding at the end the following new paragraph:

''(6) CONSIDERATION FOR GRANTS FOR NEW PROGRAMS.—For each fiscal year that amounts are made available for grants under this subsection, the Secretary may make grants in a manner that ensures that eligible entities who apply for grants, but have not previously received a grant under this subsection, are given full consideration.''.

SEC. 7209. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

(a) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)(1), by striking ''30 members'' and inserting ''31 members'';

(2) in subsection (b)(3)—

(A) by redesignating subparagraphs (R) through (DD) as subparagraphs (S) through (EE), respectively; and

(B) by inserting after subparagraph (Q) the following new subparagraph:

''(R) 1 member representing a non-land grant college or university with a historic commitment to research in the food and agricultural sciences.'';

(3) in subsection (c)(1), by striking ''and land-grant colleges and universities'' and inserting '', land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate''; and

(4) in subsection (d)(1), inserting ''consult with any appropriate agencies of the Department of Agriculture and'' after ''the Advisory Board shall''.

(b) GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended—

(1) in subsection (a)(2), by inserting ''and animal fats and oils'' after ''industrial oilseed crops''; and

(2) in subsection (a)(4), by inserting ''or triglycerides'' after ''other industrial hydrocarbons''.

(c) FAS OVERSEAS INTERN PROGRAM.—Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(10) establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.''.

(d) RANGELAND RESEARCH GRANTS.—Section 1480 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3333) is amended to read as follows:

''SEC. 1480. RANGELAND RESEARCH GRANTS.

''(a) IN GENERAL.—The Secretary may make grants to—

''(1) land-grant colleges and universities, State agricultural experiment stations, and colleges, universities, and Federal laboratories having a demonstrable capacity in rangeland research, as determined by the Secretary, to carry out rangeland research; and

''(2) the Joe Skeen Institute for Rangeland Restoration for the purposes of facilitating and expanding ongoing State-Federal range management, animal husbandry, and agricultural research, education, and extension programs to meet the targeted, emerging, and future needs of western United States rangelands and associated natural resources.

''(b) MATCHING REQUIREMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), this grant program shall be based on a matching formula of 50 percent Federal and 50 percent non-Federal funding.

''(2) EXCEPTION.—Paragraph (1) shall not apply to a grant to a Federal laboratory or a grant under subsection (a)(2).''.

SEC. 7210. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended to read as follows:

''SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

''(a) PURPOSE.—It is the purpose of this section—

''(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

''(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

''(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered animals, plants, and microorganisms into the environment.

''(c) RESEARCH PRIORITIES.— The following types of research shall be given priority for funding:

''(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals, plants, and microorganisms.

''(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals, plants, and microorganisms.

''(3) Research designed to further existing knowledge with respect to the characteristics, rates, and methods of gene transfer that may occur between genetically engineered animals, plants, and microorganisms and related wild and agricultural organisms.

''(4) Environmental assessment research designed to provide analysis which compares the relative impacts of animals, plants, and microorganisms modified through genetic engineering to other types of production systems.

''(5) Other areas of research designed to further the purposes of this section.

''(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

''(1) made on the basis of the quality of the proposed research project; and

''(2) available to any public or private research or educational institution or organization.

''(e) CONSULTATION.— In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

''(f) PROGRAM COORDINATION.— The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.— There are authorized to be appropriated such sums as necessary to carry out this section.

''(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least 2 percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment.

''(3) APPLICATION OF FUNDS.—Funds made available under this subsection shall be applied, to the maximum extent practicable, to risk assessment research on all categories identified in subsection (c).''.

SEC. 7211. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

Section 2(b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2)) is amended by striking ''in—'' and inserting the following: ''in the areas described in subparagraphs (A) through (F). Such needs shall be determined by the Secretary, in consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board, not later than July 1 of each fiscal year for the purposes of the following fiscal year.''.

SEC. 7212. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended—

(1) by amending subsection (c) to read as follows:

''(c) MATCHING FORMULA.—Notwithstanding any other provision of this subtitle, for each of fiscal years 2003 through 2007, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than—

''(1) 60 percent of the formula funds to be distributed to the eligible institution for fiscal year 2003;

''(2) 70 percent of the formula funds to be distributed to the eligible institution for fiscal year 2004;

''(3) 80 percent of the formula funds to be distributed to the eligible institution for fiscal year 2005;

''(4) 90 percent of the formula funds to be distributed to the eligible institution for fiscal year 2006; and

''(5) 100 percent of the formula funds to be distributed to the eligible institution for fiscal year 2007 and each fiscal year thereafter.''; and

(2) by amending subsection (d) to read as follows:

''(d) WAIVER AUTHORITY.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for any fiscal year for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement.''.

SEC. 7213. MATCHING REQUIREMENTS FOR RESEARCH AND EXTENSION FORMULA FUNDS FOR INSULAR AREA LAND-GRANT INSTITUTIONS.

(a) EXPERIMENT STATIONS.—Section 3(d) of the Hatch Act of 1887 (7 U.S.C. 361c(d)) is amended by striking paragraph (4) and inserting the following:

"(4) EXCEPTION FOR INSULAR AREAS.—

"(A) IN GENERAL.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

"(B) WAIVERS.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.".

(b) COOPERATIVE AGRICULTURAL EXTENSION.—Section 3(e) of the Smith-Lever Act (7 U.S.C. 343(e)) is amended by striking paragraph (4) and inserting the following:

"(4) EXCEPTION FOR INSULAR AREAS.—

"(A) IN GENERAL.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

"(B) WAIVERS.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.".

SEC. 7214. DEFINITION OF FOOD AND AGRICULTURAL SCIENCES.

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

"(3) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' has the meaning given that term in section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).".

SEC. 7215. FEDERAL EXTENSION SERVICE.

Section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) is amended—

(1) by striking "$5,000,000" and inserting "such sums as are necessary"; and

(2) by adding after the first sentence the following new sentence: "The balance of any annual funds provided under the preceding sentence for a fiscal year that remains unexpended at the end of that fiscal year shall remain available without fiscal year limitation.".

SEC. 7216. POLICY RESEARCH CENTERS.

Section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(c)(3)) is amended by striking "collect and analyze" and inserting "collect, analyze, and disseminate".

SEC. 7217. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1469 (7 U.S.C. 3315) the following:

"SEC. 1469A. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

"Except as otherwise provided by law, funds made available to the Secretary to carry out a competitive agricultural research, education, or extension grant program under this or any other Act shall be available for obligation for a 2-year period beginning on October 1 of the fiscal year for which the funds are made available.".

SEC. 7218. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting ", breeding," after "production";

(B) in paragraph (2), by striking "and" at the end;

(C) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

"(4) determining desirable traits for organic commodities;

"(5) identifying marketing and policy constraints on the expansion of organic agriculture; and

"(6) conducting advanced on-farm research and development that emphasizes observation of, experimentation with, and innovation for working organic farms, including research relating to production and marketing and to socioeconomic conditions."; and

(2) by amending subsection (e) to read as follows:

"(e) FUNDING.—On October 1, 2003, and each October 1 thereafter through October 1, 2007, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer $3,000,000 to the Secretary of Agriculture for this section.".

SEC. 7219. SENIOR SCIENTIFIC RESEARCH SERVICE.

Subtitle B of title VI of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7651 et seq.) is amended by adding at the end the following:

"SEC. 620. SENIOR SCIENTIFIC RESEARCH SERVICE.

"(a) IN GENERAL.—There is established in the Department of Agriculture the Senior Scientific Research Service (referred to in this section as the 'Service').

"(b) MEMBERS.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (4), the Secretary shall appoint the members of the Service.

"(2) QUALIFICATIONS.—To be eligible for appointment to the Service, an individual shall—

"(A) have conducted outstanding research in the field of agriculture or forestry;

"(B) have earned a doctoral level degree at an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)); and

"(C) meet qualification standards prescribed by the Director of the Office of Personnel Management for appointment to a position at level GS–15 of the General Schedule.

"(3) NUMBER.—Not more than 100 individuals may serve as members of the Service at any 1 time.

"(4) OTHER REQUIREMENTS.—

"(A) IN GENERAL.—Subject to subparagraph (B) and subsection (d)(2), the Secretary may appoint and employ a member of the Service without regard to—

"(i) the provisions of title 5, United States Code, governing appointments in the competitive service;

"(ii) the provisions of subchapter I of chapter 35 of title 5, United States Code, relating to retention preference;

"(iii) the provisions of chapter 43 of title 5, United States Code, relating to performance appraisal and performance actions;

"(iv) the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates; and

"(v) the provisions of chapter 75 of title 5, United States Code, relating to adverse actions.

"(B) EXCEPTION.—A member of the Service appointed and employed by the Secretary under subparagraph (A) shall have the same right of appeal to the Merit Systems Protection Board and the same right to file a complaint with the Office of Special Counsel as an employee appointed to a position at level GS–15 of the General Schedule.

"(c) PERFORMANCE APPRAISAL SYSTEM.—The Secretary shall develop a performance appraisal system for members of the Service that is designed to—

"(1) provide for the systematic appraisal of the employment performance of the members; and

"(2) encourage excellence in employment performance by the members.

"(d) COMPENSATION.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall determine the compensation of members of the Service.

"(2) LIMITATIONS.—The rate of pay for a member of the Service shall—

"(A) not be less than the minimum rate payable for a position at level GS–15 of the General Schedule; and

"(B) not be more than the rate payable for a position at level I of the Executive Schedule, unless the rate is approved by the President under section 5377(d)(2) of title 5, United States Code.

"(e) RETIREMENT CONTRIBUTIONS.—

"(1) IN GENERAL.—On the request of a member of the Service who was an employee of an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) immediately prior to appointment as a member of the Service and who retains the right to continue to make contributions to the retirement system of the institution, the Secretary may contribute an amount not to exceed 10 percent of the basic pay of the member to the retirement system of the institution on behalf of the member.

"(2) FEDERAL RETIREMENT SYSTEM.—

"(A) IN GENERAL.—Subject to subparagraph (B), a member for whom a contribution is made under paragraph (1) shall not, as a result of serving as a member of the Service, be covered by, or earn service credit under, chapter 83 or 84 of title 5, United States Code.

"(B) ANNUAL LEAVE.—Service of a member of the Service described in subparagraph (A) shall be creditable for determining years of service under section 6303(a) of title 5, United States Code.

"(f) INVOLUNTARY SEPARATION.—

"(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding the provisions of title 5, United States Code, governing appointment in the competitive service, in the case of an individual who is separated from the Service involuntarily and without cause—

"(A) the Secretary may appoint the individual to a position in the competitive civil service at level GS–15 of the General Schedule; and

"(B) the appointment shall be a career appointment.

"(2) EXCEPTED CIVIL SERVICE.—In the case of an individual described in paragraph (1) who immediately prior to appointment as a member of the Service was not a career appointee in the civil service or the Senior Executive Service, the appointment of the individual under paragraph (1)—

"(A) shall be to the excepted civil service; and

"(B) may not exceed a period of 2 years.".

SEC. 7220. TERMINATION OF CERTAIN SCHEDULE A APPOINTMENTS.

(a) TERMINATION.—Not later than January 31, 2003, the Secretary of Agriculture shall terminate each appointment listed as an excepted position under schedule A of the General Schedule made by the Secretary to the Federal civil service of an individual who holds dual government appointments, and who carries out agricultural extension work in a program at a college or university eligible to receive funds, under—

(1) the Smith-Lever Act (7 U.S.C. 341 et seq.);

(2) section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221); or

(3) section 208(e) of the District of Columbia Public Postsecondary Education Reorganization Act (88 Stat. 1428).

(b) Continuation of Certain Federal Benefits.—

(1) In general.—Notwithstanding title 5, United States Code, and subject to paragraph (2), an individual described in subsection (a), during the period the individual is employed in an agricultural extension program described in subsection (a) without a break in service, shall continue to—

(A) be eligible to participate, to the same extent that the individual was eligible to participate (on the day before the date of enactment of this Act), in—

(i) the Federal Employee Health Benefits Program;

(ii) the Federal Employee Group Life Insurance Program;

(iii) the Civil Service Retirement System;

(iv) the Federal Employee Retirement System;

(v) the Thrift Savings Plan; and

(vi) the Federal Long Term Care Insurance Program; and

(B) receive Federal Civil Service employment credit to the same extent that the individual was receiving such credit on the day before the date of enactment of this Act.

(2) Limitations.—An individual may continue to be eligible for the benefits described in paragraph (1) if—

(A) in the case of an individual who remains employed in the agricultural extension program described in subsection (a) on the date of enactment of this Act, the employing college or university continues to fulfill the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(B) in the case of an individual who changes employment to a second college or university described in subsection (a)—

(i) the individual continues to work in an agricultural extension program described in subsection (a), as determined by the Secretary of Agriculture;

(ii) the second college or university—

(I) fulfills the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(II) within 1 year before the date of the employment of the individual, had employed a different individual described in subsection (a) who had performed the same duties of employment; and

(iii) the individual was eligible for those benefits on the day before the date of enactment of this Act.

SEC. 7221. BIOSECURITY PLANNING AND RESPONSE PROGRAMS.

(a) Biosecurity.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end the following:

“Subtitle N—Biosecurity

“SEC. 1484. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

“(a) Authorization of Appropriations.—In addition to amounts for agricultural research, extension, and education under this Act, there are authorized to be appropriated for agricultural research, education, and extension activities for biosecurity planning and response such sums as are necessary for each of fiscal years 2002 through 2007.

“(b) Use of Funds.—Using any authority available to the Secretary, the Secretary shall use funds made available under this section to carry out agricultural research, education, and extension activities (including through competitive grants) for the following:

“(1) To reduce the vulnerability of the United States food and agricultural system to chemical or biological attack.

“(2) To continue partnerships with institutions of higher education and other institutions to help form stable, long-term programs to enhance the biosecurity of the United States, including the coordination of the development, implementation, and enhancement of diverse capabilities for addressing threats to the Nation’s agricultural economy and food supply with special emphasis on planning, training, outreach, and research activities related to vulnerability analyses, incident response, and detection and prevention technologies.

“(3) To make competitive grants to universities and qualified research institutions for research on counterbioterrorism.

“(4) To counter or otherwise respond to chemical or biological attack.

“SEC. 1485. AGRICULTURE RESEARCH FACILITY EXPANSION AND SECURITY UPGRADES.

“(a) In General.—To enhance the security of agriculture in the United States against threats posed by bioterrorism, the Secretary shall make expansion or security upgrade grants on a competitive basis to colleges and universities (as defined in section 1404(4)).

“(b) Limitation on Grants.—Grants to a recipient under this section shall not exceed $10,000,000 in any fiscal year.

“(c) Requirements for Grants.—The Secretary shall make a grant under this section only if the grant applicant provides satisfactory assurances to the Secretary that—

“(1) sufficient funds are available to pay the non-Federal share of the cost of the proposed expansion or security upgrades; and

“(2) the proposed expansion or security upgrades meet such reasonable qualifications as may be established by the Secretary with respect to biosafety and biosecurity requirements necessary to protect facility staff, members of the public, and the food supply.

“(d) Additional Requirements for Grants for Facility Expansion.—The Secretary shall make a grant under this section for the expansion, renovation, remodeling, or alteration (collectively referred to in this section as “expansion”) of a facility only if the grant applicant provides such assurances as the Secretary determines to be satisfactory to ensure the following:

“(1) For not less than 20 years after the grant is awarded, the facility shall be used for the purposes of the research for which the facility was expanded, as described in the grant application.

“(2) Sufficient funds will be available, as of the date of completion of the expansion, for the effective use of the facility for the purposes of the research for which the facility was expanded.

“(3) The proposed expansion—

“(A) will increase the capability of the applicant to conduct research for which the facility was expanded; or

“(B) is necessary to improve the quality of the research of the applicant.

“(e) Amount of Grant.—The amount of a grant awarded under this section shall be determined by the Secretary.

“(f) Federal Share.—The Federal share of the cost of any expansion or security upgrade carried out using funds from a grant provided under this section shall not exceed 50 percent.

“(g) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section such sums as are necessary for each fiscal year.”.

(b) Sense of Congress on Increasing Capacity for Research on Biosecurity and Animal and Plant Health Diseases.—It is the sense of Congress that funding for the Agricultural Research Service, the Animal and Plant Health Inspection Service, and other agencies of the Department of Agriculture with responsibilities for biosecurity should be increased as necessary to improve the capacity of the agencies to conduct research and analysis of, and respond to, bioterrorism and animal and plant diseases.

SEC. 7222. INDIRECT COSTS FOR SMALL BUSINESS INNOVATION RESEARCH GRANTS.

Section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310) is amended—

(1) by inserting “(a) In General.—” before “Except”; and

(2) by adding at the end the following:

“(b) Exception.—Subsection (a) shall not apply to a grant awarded competitively under section 9 of the Small Business Act (15 U.S.C. 638).”.

SEC. 7223. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407), as amended by section 9009 of this Act, is amended—

(1) in subsection (a), by striking “Of the amount” and all that follows through “to provide” and inserting “To the extent funds are made available for this purpose, the Secretary shall provide”;

(2) in subsection (f), by striking “under subsection (a)” and inserting “for this section”; and

(3) by adding at the end the following new subsection:

“(g) Authorization of Appropriations.—There are authorized to be appropriated for fiscal years 2002 through 2007 such sums as may be necessary to carry out this section.”.

Subtitle C—Repeal of Certain Activities and Authorities

SEC. 7301. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.

(a) Repeal.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.

(b) Conforming Amendments.—

(1) Generally.—Section 615 of such Act is amended—

(A) in the section heading, by striking **“AND NATIONAL CONFERENCE”**;

(B) by striking “(a) Food Safety Research Information Office.—”;

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) in subsection (c) (as so redesignated), by striking “this subsection” and inserting “this section”.

(2) Table of sections.—The table of sections for such Act is amended by striking “and National Conference” in the item relating to section 615.

SEC. 7302. REIMBURSEMENT OF EXPENSES UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.

Section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 607) is repealed.

SEC. 7303. MARKET EXPANSION RESEARCH.

Section 1436 of the Food Security Act of 1985 (7 U.S.C. 1632) is repealed.

SEC. 7304. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

(a) Repeal.—Section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

(b) Conforming Amendment.—Section 1640(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854(b)) is amended by striking "take into" and all that follows through "Weather and".

SEC. 7305. AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND.

Section 1420 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1551) is repealed.

SEC. 7306. PESTICIDE RESISTANCE STUDY.

Section 1437 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1558) is repealed.

SEC. 7307. EXPANSION OF EDUCATION STUDY.

Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1559) is repealed.

SEC. 7308. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.

(a) Repeal.—Section 4 of the Research Facilities Act (7 U.S.C. 390b) is repealed.

(b) Conforming Amendment.—Section 2 of such Act (7 U.S.C. 390) is amended by striking paragraph (5).

Subtitle D—New Authorities

SEC. 7401. SUBTITLE DEFINITIONS.

In this subtitle:

(1) Department.—The term "Department" means the Department of Agriculture.

(2) Secretary.—The term "Secretary" means the Secretary of Agriculture.

SEC. 7402. RESEARCH EQUIPMENT GRANTS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1462 (7 U.S.C. 3310) the following:

"SEC. 1462A. RESEARCH EQUIPMENT GRANTS.

"(a) In General.—The Secretary may make competitive grants for the acquisition of special purpose scientific research equipment for use in the food and agricultural sciences programs of eligible institutions described in subsection (b).

"(b) Eligible Institutions.—The Secretary may make a grant under this section to—

"(1) a college or university; or

"(2) a State cooperative institution.

"(c) Maximum Amount.—The amount of a grant made to an eligible institution under this section may not exceed $500,000.

"(d) Prohibition on Charge of Equipment as Indirect Costs.—The cost of acquisition or depreciation of equipment purchased with a grant under this section shall not be—

"(1) charged as an indirect cost against another Federal grant; or

"(2) included as part of the indirect cost pool for purposes of calculating the indirect cost rate of an eligible institution.

"(e) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2002 through 2007.".

SEC. 7403. JOINT REQUESTS FOR PROPOSALS.

(a) Purposes.—The purposes of this section are—

(1) to reduce the duplication of administrative functions relating to grant awards and administration among Federal agencies conducting similar types of research, education, and extension programs;

(2) to maximize the use of peer review resources in research, education, and extension programs; and

(3) to reduce the burden on potential recipients that may offer similar proposals to receive competitive grants under different Federal programs in overlapping subject areas.

(b) Authority.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1473A (7 U.S.C. 3319a) the following:

"SEC. 1473B. JOINT REQUESTS FOR PROPOSALS.

"(a) In General.—In carrying out any competitive agricultural research, education, or extension grant program authorized under this or any other Act, the Secretary may cooperate with 1 or more other Federal agencies (including the National Science Foundation) in issuing joint requests for proposals, awarding grants, and administering grants, for similar or related research, education, or extension projects or activities.

"(b) Administration.—

"(1) Secretary.—The Secretary may delegate authority to issue requests for proposals, make grant awards, or administer grants, in whole or in part, to a cooperating Federal agency.

"(2) Cooperating Federal Agency.—The cooperating Federal agency may delegate to the Secretary authority to issue requests for proposals, make grant awards, or administer grants, in whole or in part.

"(c) Regulations.—The Secretary and a cooperating Federal agency may agree to make applicable to recipients of grants—

"(1) the post-award grant administration regulations applicable to recipients of grants from the Secretary; or

"(2) the post-award grant administration regulations applicable to recipients of grants from the cooperating Federal agency.

"(d) Joint Peer Review Panels.—Subject to section 1413B, the Secretary and a cooperating Federal agency may establish joint peer review panels for the purpose of evaluating grant proposals.".

SEC. 7404. REVIEW OF AGRICULTURAL RESEARCH SERVICE.

(a) In General.—Not later than 90 days after the date of enactment of this Act, the Secretary shall establish a task force to—

(1) conduct a review of the Agricultural Research Service; and

(2) evaluate the merits of establishing one or more National Institutes focused on disciplines important to the progress of food and agricultural science.

(b) Membership.—

(1) In general.—The Task Force shall consist of 8 members, appointed by the Secretary, that—

(A) have a broad-based background in plant, animal, and agricultural sciences research, food, nutrition, biotechnology, crop production methods, environmental science, or related disciplines; and

(B) are familiar with the role and infrastructure used to conduct Federal and private research, including—

(i) the Agricultural Research Service;

(ii) the National Institutes of Health;

(iii) the National Science Foundation;

(iv) the National Aeronautics and Space Administration;

(v) the Department of Energy laboratory system; or

(vi) the Cooperative State Research, Education, and Extension Service.

(2) Private sector.—Of the members appointed under paragraph (1), the Secretary shall appoint at least 6 members that are members of the private sector or come from institutions of higher education.

(3) Plant and agricultural sciences research.—Of the members appointed under paragraph (1), the Secretary shall appoint at least 3 members that have an extensive background and preeminence in the field of plant, animal, and agricultural sciences research.

(4) Chairperson.—Of the members appointed under paragraph (1), the Secretary shall designate a Chairperson that has significant leadership experience in educational and research institutions and indepth knowledge of the research enterprises of the United States.

(5) Consultation.—Before appointing members of the Task Force under this subsection, the Secretary shall consult with the National Academy of Sciences and the Office of Science and Technology Policy.

(c) Duties.—The Task Force shall—

(1) conduct a review of the purpose, efficiency, effectiveness, and impact on agricultural research of the Agricultural Research Service;

(2) conduct a review and evaluation of the merits of establishing one or more National Institutes (such as National Institutes for Plant and Agricultural Sciences) focused on disciplines important to the progress of food and agricultural sciences, and, if establishment of one or more National Institutes is recommended, provide further recommendations to the Secretary, including the structure for establishing each Institute, the multistate area location of each Institute, and the amount of funding necessary to establish each Institute; and

(3) submit the reports required by subsection (d).

(d) Reports.—Not later than 12 months after the date of enactment of this Act, the Task Force shall submit to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary—

(1) a report on the review and evaluation required under subsection (c)(1); and

(2) a report on the review and evaluation required under subsection (c)(2).

(e) Funding.—The Secretary shall use to carry out this section not more than 0.1 percent of the amount of appropriations available to the Agricultural Research Service for fiscal year 2003.

SEC. 7405. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

(a) Definition of Beginning Farmer or Rancher.—In this section, the term "beginning farmer or rancher" means a person that—

(1)(A) has not operated a farm or ranch; or

(B) has operated a farm or ranch for not more than 10 years; and

(2) meets such other criteria as the Secretary may establish.

(b) Program.—The Secretary shall establish a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers.

(c) Grants.—

(1) In general.—In carrying out this section, the Secretary shall make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers, including programs and services (as appropriate) relating to—

(A) mentoring, apprenticeships, and internships;

(B) resources and referral;

(C) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;

(D) innovative farm and ranch transfer strategies;

(E) entrepreneurship and business training;

(F) model land leasing contracts;

(G) financial management training;

(H) whole farm planning;

(I) conservation assistance;

(J) risk management education;

(K) diversification and marketing strategies;

(L) curriculum development;

(M) understanding the impact of concentration and globalization;

(N) basic livestock and crop farming practices;

(O) the acquisition and management of agricultural credit;

(P) environmental compliance;

(Q) information processing; and

(R) other similar subject areas of use to beginning farmers or ranchers.

(2) ELIGIBILITY.—To be eligible to receive a grant under this subsection, the recipient shall be a collaborative State, tribal, local, or regionally-based network or partnership of public or private entities, which may include—

(A) a State cooperative extension service;

(B) a Federal, State, or tribal agency;

(C) a community-based and nongovernmental organization;

(D) a college or university (including an institution awarding an associate's degree) or foundation maintained by a college or university; or

(E) any other appropriate partner, as determined by the Secretary.

(3) TERM OF GRANT.—The term of a grant under this subsection shall not exceed 3 years.

(4) MATCHING REQUIREMENT.—To be eligible to receive a grant under this subsection, a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the funds provided by the grant.

(5) SET-ASIDE.—Not less than 25 percent of funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

(A) limited resource beginning farmers or ranchers (as defined by the Secretary);

(B) socially disadvantaged beginning farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)); and

(C) farmworkers desiring to become farmers or ranchers.

(6) PROHIBITION.—A grant made under this subsection may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(7) ADMINISTRATIVE COSTS.—The Secretary shall use not more than 4 percent of the funds made available to carry out this subsection for administrative costs incurred by the Secretary in carrying out this section.

(d) EDUCATION TEAMS.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall establish beginning farmer and rancher education teams to develop curricula and conduct educational programs and workshops for beginning farmers or ranchers in diverse geographical areas of the United States.

(2) CURRICULUM.—In promoting the development of curricula, the Secretary shall, to the maximum extent practicable, include modules tailored to specific audiences of beginning farmers or ranchers, based on crop or regional diversity.

(3) COMPOSITION.—In establishing an education team for a specific program or workshop, the Secretary shall, to the maximum extent practicable—

(A) obtain the short-term services of specialists with knowledge and expertise in programs serving beginning farmers or ranchers; and

(B) use officers and employees of the Department with direct experience in programs of the Department that may be taught as part of the curriculum for the program or workshop.

(4) COOPERATION.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary shall cooperate, to the maximum extent practicable, with—

(i) State cooperative extension services;

(ii) Federal and State agencies;

(iii) community-based and nongovernmental organizations;

(iv) colleges and universities (including an institution awarding an associate's degree) or foundations maintained by a college or university; and

(v) other appropriate partners, as determined by the Secretary.

(B) COOPERATIVE AGREEMENT.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement to reflect the terms of any cooperation under subparagraph (A).

(e) CURRICULUM AND TRAINING CLEARINGHOUSE.—The Secretary shall establish an online clearinghouse that makes available to beginning farmers or ranchers education curricula and training materials and programs, which may include online courses for direct use by beginning farmers or ranchers.

(f) STAKEHOLDER INPUT.—In carrying out this section, the Secretary shall seek stakeholder input from—

(1) beginning farmers and ranchers;

(2) national, State, tribal, and local organizations and other persons with expertise in operating beginning farmer and rancher programs; and

(3) the Advisory Committee on Beginning Farmers and Ranchers established under section 5 of the Agricultural Credit Improvement Act of 1992 (7 U.S.C. 1929 note; Public Law 102–554).

(g) PARTICIPATION BY OTHER FARMERS AND RANCHERS.—Nothing in this section prohibits the Secretary from allowing farmers and ranchers who are not beginning farmers or ranchers from participating in programs authorized under this section to the extent that the Secretary determines that such participation is appropriate and will not detract from the primary purpose of educating beginning farmers and ranchers.

(h) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2002 through 2007.

SEC. 7406. SENSE OF CONGRESS REGARDING DOUBLING OF FUNDING FOR AGRICULTURAL RESEARCH.

It is the sense of Congress that—

(1) Federal funding for food and agricultural research has been essentially constant for 2 decades, putting at risk the scientific base on which food and agricultural advances have been made;

(2) the resulting increase in the relative proportion of private sector, industry investments in food and agricultural research has led to questions about the independence and objectivity of research and outreach conducted by the Federal and university research sectors; and

(3) funding for food and agricultural research should be at least doubled over the next 5 fiscal years—

(A) to restore the balance between public and private sector funding for food and agricultural research; and

(B) to maintain the scientific base on which food and agricultural advances are made.

SEC. 7407. ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.

The Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing.

SEC. 7408. INTERNATIONAL ORGANIC RESEARCH COLLABORATION.

The Secretary, acting through the Agricultural Research Service (including the National Agricultural Library) and the Economic Research Service, shall facilitate access by research and extension professionals, farmers, and other interested persons in the United States to, and the use by those persons of, organic research conducted outside the United States.

SEC. 7409. REPORT ON PRODUCERS AND HANDLERS OF ORGANIC AGRICULTURAL PRODUCTS.

Not later than 1 year after funds are made available to carry out this section, the Secretary shall submit to Congress a report that—

(1) describes—

(A) the extent to which producers and handlers of organic agricultural products are contributing to research and promotion programs of the Department;

(B) the extent to which producers and handlers of organic agricultural products are surveyed for ideas for research and promotion;

(C) ways in which the programs reflect the contributions made by producers and handlers of organic agricultural products and directly benefit the producers and handlers; and

(D) the implementation of initiatives that directly benefit organic producers and handlers; and

(2) evaluates industry and other proposals for improving the treatment of certified organic agricultural products under Federal marketing orders, including proposals to target additional resources for research and promotion of organic products and to differentiate between certified organic and other products in new or existing volume limitations or other orderly marketing requirements.

SEC. 7410. REPORT ON GENETICALLY MODIFIED PEST-PROTECTED PLANTS.

It is the sense of Congress that, not later than 1 year after the date of enactment of this Act, the Secretary should—

(1) review the recommendations of the Committee on Genetically Modified Pest-Protected Plants of the Board on Agriculture and Natural Resources of the National Research Council made during 2000 and the Committee on Environmental Impacts Associated with Commercialization of Transgenic Plants made during 2002, concerning food safety, ecological research, monitoring needs for transgenic crops with plant incorporated protectants, and the environmental effects of transgenic plants; and

(2) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes actions taken to implement those recommendations by agencies within the Department, including agencies that develop or implement programs or objectives relating to marketing, regulation, food safety, research, education, or economics.

SEC. 7411. STUDY OF NUTRIENT BANKING.

(a) IN GENERAL.—The Secretary may conduct a study to evaluate nutrient banking for the purpose of enhancing the health and viability of watersheds in areas with large concentrations of animal producing units.

(b) COMPONENTS.—In conducting any study under subsection (a), the Secretary shall evaluate the costs, needs, and means by which litter may be collected and distributed outside the applicable watershed to reduce potential point source and nonpoint source phosphorous pollution.

(c) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of any study conducted under subsection (a).

SEC. 7412. GRANTS FOR YOUTH ORGANIZATIONS.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 7206(e)) is amended by adding at the end the following:

"SEC. 410. GRANTS FOR YOUTH ORGANIZATIONS.

"(a) IN GENERAL.—The Secretary, acting through the Administrator of the Cooperative State Research, Education, and Extension Service, shall make grants to the Girl Scouts of the United States of America, the Boy Scouts of America, the National 4–H Council, and the National FFA Organization to establish pilot projects to expand the programs carried out by the organizations in rural areas and small towns (including, with respect to the National

4-H Council, activities provided for in Public Law 107–19 (115 Stat. 153)).

"(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available $8,000,000 for fiscal year 2002, which shall remain available until expended.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2003 through 2007.".

Subtitle E—Miscellaneous

SEC. 7501. RESIDENT INSTRUCTION AND DISTANCE EDUCATION AT INSTITUTIONS OF HIGHER EDUCATION IN UNITED STATES INSULAR AREAS.

(a) PURPOSE.—It is the purpose of this subtitle to promote and strengthen higher education in the food and agricultural sciences at institutions of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))) that have demonstrable capacity to carry out teaching and extension programs in food and agricultural sciences and that are located in the insular areas of the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery systems.

SEC. 7502. DEFINITIONS.

(a) IN GENERAL.—Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by redesignating paragraphs (10) through (17) as paragraphs (11) through (18), respectively;

(2) by inserting after paragraph (9) the following:

"(10) INSULAR AREA.—The term 'insular area' means—

"(A) the Commonwealth of Puerto Rico;

"(B) Guam;

"(C) American Samoa;

"(D) the Commonwealth of the Northern Mariana Islands;

"(E) the Federated States of Micronesia;

"(F) the Republic of the Marshall Islands;

"(G) the Republic of Palau; and

"(H) the Virgin Islands of the United States."; and

(3) by striking paragraph (13) (as so redesignated) and inserting the following:

"(13) STATE.—The term 'State' means—

"(A) a State;

"(B) the District of Columbia; and

"(C) any insular area.".

(b) EFFECT OF AMENDMENTS.—The amendments made by subsection (a) shall not affect any basis for distribution of funds by formula (in effect on the date of enactment of this Act) to—

(1) the Federated States of Micronesia;

(2) the Republic of the Marshall Islands; or

(3) the Republic of Palau.

SEC. 7503. RESIDENT INSTRUCTION AND DISTANCE EDUCATION GRANTS PROGRAM FOR INSULAR AREA INSTITUTIONS OF HIGHER EDUCATION.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end the following:

"Subtitle O—Institutions of Higher Education in Insular Areas

"SEC. 1489. DEFINITION.

"For the purposes of this subtitle, the term 'eligible institution' means an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)) in an insular area that has demonstrable capacity to carry out teaching and extension programs in the food and agricultural sciences.

"SEC. 1490. DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.

"(a) IN GENERAL.—The Secretary may make competitive or noncompetitive grants to eligible institutions in insular areas to strengthen the capacity of such institutions to carry out distance food and agricultural education programs using digital network technologies.

"(b) USE.—Grants made under this section shall be used—

"(1) to acquire the equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure necessary to teach students and teachers about technology in the classroom;

"(2) to develop and provide educational services (including faculty development) to prepare students or faculty seeking a degree or certificate that is approved by the State or a regional accrediting body recognized by the Secretary of Education;

"(3) to provide teacher education, library and media specialist training, and preschool and teacher aid certification to individuals who seek to acquire or enhance technology skills in order to use technology in the classroom or instructional process;

"(4) to implement a joint project to provide education regarding technology in the classroom with a local educational agency, community-based organization, national nonprofit organization, or business; or

"(5) to provide leadership development to administrators, board members, and faculty of eligible institutions with institutional responsibility for technology education.

"(c) LIMITATION ON USE OF GRANT FUNDS.—Funds provided under this section shall not be used for the planning, acquisition, construction, rehabilitation, or repair of a building or facility.

"(d) ADMINISTRATION OF PROGRAM.—The Secretary may carry out this section in a manner that recognizes the different needs and opportunities for eligible institutions in the Atlantic and Pacific Oceans.

"(e) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may establish a requirement that an eligible institution receiving a grant under this section shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the grant.

"(2) WAIVERS.—If the Secretary establishes a matching requirement under paragraph (1), the Secretary shall retain an option to waive the requirement for an eligible institution for any fiscal year if the Secretary determines that the institution will be unlikely to meet the matching requirement for the fiscal year.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2002 through 2007.

"SEC. 1491. RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.

"(a) IN GENERAL.—The Secretary of Agriculture shall make competitive grants to eligible institutions to—

"(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

"(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need in the food and agriculture sciences;

"(3) facilitate cooperative initiatives between two or more insular area eligible institutions, or between those institutions and units of State Government or organizations in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

"(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists

"(b) GRANT REQUIREMENTS.—

"(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (a), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this section are to be used.

"(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2007 to carry out this section.".

SEC. 7504. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.

(a) REVIEW OF PAYMENT OF COMPENSATION.—Section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)) is amended by inserting before the final period the following: "or a review of longer than 60 days by any officer or employee of the Federal Government other than the Secretary or the designee of the Secretary".

(b) REVIEW OF CERTAIN DECISIONS.—Section 442 of the Plant Protection Act (7 U.S.C. 7772) is amended by adding at the end the following new subsection:

"(c) SECRETARIAL DISCRETION.—The action of any officer, employee, or agent of the Secretary in carrying out this Act, including determining the amount of and making any payment authorized to be made under this title, shall not be subject to a review of longer than 60 days by any officer or employee of the Federal Government other than the Secretary or the designee of the Secretary.".

(c) METHYL BROMIDE.—The Plant Protection Act (7 U.S.C. 7701 et seq.) is amended by inserting after section 418 the following new section:

"SEC. 419. METHYL BROMIDE.

"(a) IN GENERAL.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement. The Secretary shall not authorize such treatments or applications unless the Secretary finds there is no other registered, effective, and economically feasible alternative available.

"(b) METHYL BROMIDE ALTERNATIVE.—The Secretary, in consultation with State, local and tribal authorities, shall establish a program to identify alternatives to methyl bromide for treatment and control of plant pests and weeds. For uses where no registered, effective, economically feasible alternatives available can currently be identified, the Secretary shall initiate research programs to develop alternative methods of control and treatment.

"(c) REGISTRY.—Not later than 180 days after the date of enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.

"(d) ADMINISTRATION.—

"(1) TIMELINE FOR DETERMINATION.—Upon the promulgation of regulations to carry out this section, the Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

"(2) CONSTRUCTION.—Nothing in this section shall be construed to alter or modify the authority of the Administrator of the Environmental Protection Agency or to provide any authority to the Secretary of Agriculture under the Clean Air Act or regulations promulgated under the Clean Air Act.".

SEC. 7505. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

"SEC. 411. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

"(a) ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

"(A) an institution of higher education that offers a curriculum in agriculture or the biosciences;

"(B) a nonprofit organization; or

"(C) a consortium of for-profit institutions and agricultural research institutions.

"(b) GRANT PROGRAM.—

"(1) IN GENERAL.—The Secretary (acting through the Foreign Agricultural Service) shall establish and administer a program to make competitive grants to eligible entities to develop agricultural biotechnology for developing countries.

"(2) USE OF FUNDS.—Funds provided to an eligible entity under this section may be used for projects that use biotechnology to—

"(A) enhance the nutritional content of agricultural products that can be grown in developing countries;

"(B) increase the yield and safety of agricultural products that can be grown in developing countries;

"(C) increase the yield of agricultural products that are drought- and stress-resistant and that can be grown in developing countries;

"(D) extend the growing range of crops that can be grown in developing countries;

"(E) enhance the shelf-life of fruits and vegetables grown in developing countries;

"(F) develop environmentally sustainable agricultural products that can be grown in developing countries; and

"(G) develop vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically-engineered agricultural products.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2002 through 2007.".

SEC. 7506. LAND ACQUISITION AUTHORITY, NATIONAL PEANUT RESEARCH LABORATORY, DAWSON, GEORGIA.

The limitation on the authority of the Agricultural Research Service to acquire lands by purchase using funds appropriated under the heading AGRICULTURAL RESEARCH SERVICE-SALARIES AND EXPENSES in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 (Public Law 107–76; 115 Stat. 708), shall not apply to the purchase of land for a research farm for the National Peanut Research Laboratory in Dawson, Georgia, for which a lease with an option to purchase has been entered into before the date of enactment of this Act.

TITLE VIII—FORESTRY

Subtitle A—Cooperative Forestry Assistance Act of 1978

SEC. 8001. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

(a) REPEAL.—The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

(b) USE OF REMAINING FUNDS.—Notwithstanding the amendment made by subsection (a), the Secretary of Agriculture may use funds appropriated for fiscal year 2002 for the forestry incentives program or the stewardship incentive program, but not expended before the date of enactment of this Act, to carry out sections 4 and 6 of the Cooperative Forestry Assistance Act of 1978, as in effect on the date before the date of enactment of this Act.

SEC. 8002. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) PURPOSES.—The purposes of this section are—

(1) to strengthen the commitment of the Secretary of Agriculture to sustainable forest management to enhance the productivity of timber, fish and wildlife habitat, soil and water quality, wetland, recreational resources, and aesthetic values of forest land; and

(2) to establish a coordinated and cooperative Federal, State, and local sustainable forestry program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest land.

(b) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following:

"SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary of Agriculture shall establish a forest land enhancement program—

"(A) to provide financial assistance to State foresters; and

"(B) to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of nonindustrial private forest lands, through State foresters, in more actively managing the nonindustrial private forest lands and related resources of those owners through the use of State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

"(2) COORDINATION AND CONSULTATION.—The Secretary, acting through State foresters, shall implement the program—

"(A) in coordination with the State Forest Stewardship Coordinating Committees; and

"(B) in consultation with other Federal, State, and local natural resource management agencies, institutions of higher education, and a broad range of private sector interests.

"(b) PROGRAM OBJECTIVES.—In implementing the program, the Secretary shall target resources to achieve the following objectives:

"(1) Investing in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, soil, water, and air quality, wetlands, and riparian buffers.

"(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.

"(3) Reducing the risks and helping restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

"(4) Increasing and enhancing carbon sequestration opportunities.

"(5) Enhancing implementation of agroforestry practices.

"(6) Maintaining and enhancing the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.

"(7) Preserving the aesthetic quality of nonindustrial private forest lands and providing opportunities for outdoor recreation.

"(c) STATE PRIORITY PLAN.—

"(1) DEVELOPMENT.—The State Forester and State Forest Stewardship Coordinating Committee of a State shall jointly develop and submit to the Secretary a State priority plan that is intended to promote forest management objectives in that State.

"(2) REPORT.—Not later than September 30, 2006, each State that implemented a State priority plan shall submit to the Secretary a report describing the status of all activities and practices funded under the program as of that date.

"(d) OWNER ELIGIBILITY FOR ASSISTANCE.—

"(1) ELIGIBILITY CRITERIA.—To be eligible for cost-share assistance under the program, an owner of nonindustrial private forest lands shall agree—

"(A) to develop and implement, in cooperation with a State forester, another State official, or a professional resources manager, a management plan that—

"(i) except as provided in paragraph (2) or (3), provides for the treatment of not more than 1,000 acres of nonindustrial private forest lands;

"(ii) is approved by the State forester; and

"(iii) addresses site specific activities and practices; and

"(B) to implement approved activities and practices in a manner consistent with the management plan for a period of not less than 10 years, unless the State forester approves a modification to the plan.

"(2) PUBLIC BENEFIT EXCEPTION.—The Secretary may increase the acreage limitation specified in paragraph (1)(A)(i) to not more than 5,000 acres for an owner of nonindustrial private forest lands if the Secretary, in consultation with the State forester, determines that significant public benefits will accrue as a result of the provision of cost-share assistance under the program for the treatment of the additional acreage.

"(3) PLAN DEVELOPMENT EXCEPTION.—An owner may receive cost-share assistance under the program for the purpose of developing a management plan under subsection (e) that provides for the treatment of acreage in excess of the acreage limitations specified in paragraphs (1)(A)(i) and (2), except that the owner's eligibility for cost-share assistance to implement approved activities and practices under the management plan remains subject to the acreage limitation specified in paragraph (1)(A)(i) or, if the Secretary makes the determination described in paragraph (2), the acreage limitation specified in that paragraph.

"(e) MANAGEMENT PLAN.—

"(1) SUBMISSION AND CONTENT.—An owner of nonindustrial private forest lands that seeks to participate in the program shall submit to the State forester of the State in which the lands are located a management plan that—

"(A) identifies and describes projects and activities to be carried out by the owner to protect or enhance soil, water, air, range and aesthetic quality, recreation, timber, water, wetland, or fish and wildlife resources on the lands in a manner that is compatible with the objectives of the owner;

"(B) addresses any criteria established by the State and the applicable Committee; and

"(C) meets the other requirements of this section.

"(2) LANDS COVERED.—At a minimum, the management plan shall apply to those portions of the nonindustrial private forest lands of the owner on which any project or activity funded under the program will be carried out. In a case in which a project or activity may affect acreage outside the portion of the land on which the project or activity is carried out, the management plan shall apply to all lands of the owner that are in forest cover and may be affected by the project or activity.

"(f) APPROVED ACTIVITIES.—

"(1) STATE LIST.—The Secretary shall develop for each State a list of approved forest activities and practices eligible for cost-share assistance that meets the purposes of the program. The Secretary shall develop the list for a State in consultation with the State forester and the Committee for that State.

"(2) TYPES OF ACTIVITIES.—Approved activities and practices under paragraph (1) may consist of activities and practices for the following purposes:

"(A) The establishment, management, maintenance, and restoration of forests for shelterbelts, windbreaks, aesthetic quality, and other conservation purposes.

"(B) The sustainable growth and management of forests for timber production.

"(C) The restoration, use, and enhancement of forest wetland and riparian areas.

"(D) The protection of water quality and watersheds through—

"(i) the planting of trees in riparian areas; and

"(ii) the enhanced management and maintenance of native vegetation on land vital to water quality.

"(E) The management, maintenance, restoration, or development of habitat for plants, fish, and wildlife.

"(F) The control, detection, monitoring, and prevention of the spread of invasive species and pests on nonindustrial private forest lands.

"(G) The restoration of nonindustrial private forest land affected by invasive species and pests.

"(H) The conduct of other management activities, such as the reduction of hazardous fuels, that reduce the risks to forests posed by, and that restore, recover, and mitigate the damage to forests caused by, fire or any other catastrophic event, as determined by the Secretary.

"(I) The development of management plans;

"(J) The conduct of energy conservation and carbon sequestration activities.

"(K) The conduct of other activities approved by the Secretary, in consultation with the State forester and the appropriate Committees.

"(g) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—In the case of an eligible owner that has an approved management plan, the Secretary shall share the cost of implementing the approved activities and practices that the Secretary determines are appropriate.

"(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making those payments.

"(3) MAXIMUM COST SHARE.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent, or a lower percentage as determined by the State forester, of the total cost to the owner to implement the approved activities and practices under the management plan.

"(4) AGGREGATE PAYMENT LIMIT.—The Secretary shall determine the maximum aggregate amount of cost-share payments that an owner may receive under the program.

"(5) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

"(h) RECAPTURE.—

"(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement an approved activity or practice specified in the management plan for which the owner received cost-share payments.

"(2) ADDITIONAL REMEDY.—The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.

"(i) DISTRIBUTION OF COST-SHARE FUNDS.—The Secretary, acting through the State foresters, shall distribute funds available for cost sharing under the program only after giving appropriate consideration to the following factors:

"(1) The public benefits that would result from the distribution.

"(2) The total acreage of nonindustrial private forest lands in each State.

"(3) The potential productivity of those lands, as determined by the Secretary.

"(4) The number of owners eligible for cost sharing in each State.

"(5) The opportunities to enhance nontimber resources on those lands, including—

"(A) the protection of riparian buffers and forest wetland;

"(B) the preservation of fish and wildlife habitat;

"(C) the enhancement of soil, air, and water quality; and

"(D) the preservation of aesthetic quality and opportunities for outdoor recreation.

"(6) The anticipated demand for timber and nontimber resources in each State.

"(7) The need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather.

"(8) The need and demand for agroforestry practices in each State.

"(9) The need to maintain and enhance the forest landbase.

"(10) The need for afforestation, reforestation, and timber stand improvement.

"(j) AVAILABILITY OF FUNDS.—The Secretary shall use $100,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on the date of enactment of the Farm Security and Rural Investment Act of 2002 and ending on September 30, 2007.

"(k) DEFINITIONS.—In this section:

"(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term 'nonindustrial private forest lands' means rural lands, as determined by the Secretary, that—

"(A) have existing tree cover or are suitable for growing trees; and

"(B) are owned by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands.

"(2) COMMITTEE.—The terms 'State Forest Stewardship Coordinating Committee' and 'Committee' means a State Forest Stewardship Coordinating Committee established under section 19(b).

"(3) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(4) OWNER.—The term 'owner' means an owner of nonindustrial private forest land.

"(5) PROGRAM.—The term 'program' means the forest land enhancement program established by this section.

"(6) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(7) STATE FORESTER.—The term 'State forester' means the director or other head of a State Forestry Agency or equivalent State official.".

(c) CONFORMING AMENDMENT.—Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking "forestry incentive program" and inserting "forest land enhancement program".

SEC. 8003. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds the following:

(1) The severity and intensity of wildland fires has increased dramatically over the past few decades as a result of past fire and land management policies.

(2) The record 2000 fire season is a prime example of what can be expected if action is not taken.

(3) Wildland fires threaten not only the forested resources of the United States, but also the thousands of communities intermingled with the wildlands in the wildland-urban interface.

(4) The National Fire Plan, if implemented to achieve appropriate priorities, is the proper, coordinated, and most effective means to address the issue of wildfires.

(5) While adequate authorities exist to tackle the wildfire issues at the landscape level on Federal lands, there is limited authority to take action on most private lands, and the largest threat to life and property exists on private lands.

(6) There is a significant Federal interest in enhancing community protection from wildfire.

(b) ENHANCED PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following:

"SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

"(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and equivalent State officials in the management of lands in the United States for the following purposes:

"(1) Aid in wildfire prevention and control.

"(2) Protect communities from wildfire threats.

"(3) Enhance the growth and maintenance of trees and forests that promote overall forest health.

"(4) Ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

"(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

"(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Community and Private Land Fire Assistance program (in this subsection referred to as the 'Program')—

"(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

"(B) to augment Federal projects that establish landscape level protection from wildfires;

"(C) to expand outreach and education programs to homeowners and communities about fire prevention; and

"(D) to establish space around homes and property of private landowners that is defensible against wildfires.

"(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Forest Service and implemented through State foresters or equivalent State officials.

"(3) COMPONENTS.—In coordination with existing authorities under this Act, the Secretary, in consultation with the State forester or equivalent State official, may undertake on non-Federal lands—

"(A) fuel hazard mitigation and prevention;

"(B) invasive species management;

"(C) multiresource wildfire planning;

"(D) community protection planning;

"(E) community and landowner education enterprises, including the program known as FIREWISE;

"(F) market development and expansion;

"(G) improved wood utilization; and

"(H) special restoration projects.

"(4) CONSENT REQUIRED.—Program activities undertaken by the Secretary on non-Federal lands shall be undertaken only with the consent of the owner of the lands.

"(5) CONSIDERATIONS.—The Secretary shall use persons in the local community wherever possible to carry out projects under the Program.

"(c) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Administrator of the United States Fire Administration, the Director of the National Institute of Standards and Technology, and the heads of other Federal agencies, as necessary.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary to carry out this section—

"(1) $35,000,000 for each of fiscal years 2002 through 2007; and

"(2) such sums as are necessary for fiscal years thereafter.".

Subtitle B—Amendments to Other Laws

SEC. 8101. SUSTAINABLE FORESTRY OUTREACH INITIATIVE; RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following:

"SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

"The Secretary shall establish a program, to be known as the 'Sustainable Forestry Outreach Initiative', to educate landowners concerning the following:

"(1) The value and benefits of practicing sustainable forestry.

"(2) The importance of professional forestry advice in achieving sustainable forestry objectives.

"(3) The variety of public and private sector resources available to assist the landowners in planning for and practicing sustainable forestry.".

(b) RENEWABLE RESOURCES EXTENSION ACTIVITIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended by striking the first sentence and inserting the following: "There is authorized to be appropriated to carry out this Act $30,000,000 for each of fiscal years 2002 through 2007.".

(2) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95–306) is amended by striking "2000" and inserting "2007".

SEC. 8102. OFFICE OF INTERNATIONAL FORESTRY.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (7 U.S.C. 6704(d)) is amended by striking "2002" and inserting "2007".

Subtitle C—Miscellaneous Provisions

SEC. 8201. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–788 (16 U.S.C. 582a et seq.), commonly known as the "McIntire-Stennis Cooperative Forestry Act".

TITLE IX—ENERGY

SEC. 9001. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) BIOBASED PRODUCT.—The term "biobased product" means a product determined by the Secretary to be a commercial or industrial product (other than food or feed) that is composed, in whole or in significant part, of biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials.

(3) BIOMASS.—

(A) IN GENERAL.—The term "biomass" means any organic material that is available on a renewable or recurring basis.

(B) INCLUSIONS.—The term "biomass" includes—

(i) agricultural crops;

(ii) trees grown for energy production;

(iii) wood waste and wood residues;

(iv) plants (including aquatic plants and grasses);

(v) residues;

(vi) fibers;

(vii) animal wastes and other waste materials; and

(viii) fats, oils, and greases (including recycled fats, oils, and greases).

(C) EXCLUSIONS.—The term "biomass" does not include—

(i) paper that is commonly recycled; or

(ii) unsegregated solid waste.

(4) RENEWABLE ENERGY.—The term "renewable energy" means energy derived from—

(A) a wind, solar, biomass, or geothermal source; or

(B) hydrogen derived from biomass or water using an energy source described in subparagraph (A).

(5) RURAL SMALL BUSINESS.—The term "rural small business" has the meaning that the Secretary shall prescribe by regulation.

(6) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 9002. FEDERAL PROCUREMENT OF BIOBASED PRODUCTS.

(a) APPLICATION OF SECTION.—Except as provided in subsection (c), each Federal agency shall comply with the requirements set forth in this section and any regulations issued under this section, with respect to any purchase or acquisition of a procurement item where the purchase price of the item exceeds $10,000 or where the quantity of such items or of functionally equivalent items purchased or acquired in the course of the preceding fiscal year was $10,000 or more.

(b) PROCUREMENT SUBJECT TO OTHER LAW.—Any procurement, by any Federal agency, which is subject to regulations of the Administrator under section 6002 of the Solid Waste Disposal Act (42 U.S.C. 6962), shall not be subject to the requirements of this section to the extent that such requirements are inconsistent with such regulations.

(c) PROCUREMENT PREFERENCE.—(1) Except as provided in paragraph (2), after the date specified in applicable guidelines prepared pursuant to subsection (e) of this section, each Federal agency which procures any items designated in such guidelines shall, in making procurement decisions, give preference to such items composed of the highest percentage of biobased products practicable, consistent with maintaining a satisfactory level of competition, considering such guidelines.

(2) AGENCY FLEXIBILITY.—Notwithstanding paragraph (1), an agency may decide not to procure such items if the agency determines that the items—

(A) are not reasonably available within a reasonable period of time;

(B) fail to meet the performance standards set forth in the applicable specifications or fail to meet the reasonable performance standards of the procuring agencies; or

(C) are available only at an unreasonable price.

(3) After the date specified in any applicable guidelines prepared pursuant to subsection (e) of this section, contracting offices shall require that, with respect to biobased products, vendors certify that the biobased products to be used in the performance of the contract will comply with the applicable specifications or other contractual requirements.

(d) SPECIFICATIONS.—All Federal agencies that have the responsibility for drafting or reviewing specifications for procurement items procured by Federal agencies shall, within one year after the date of publication of applicable guidelines under subsection (e), or as otherwise specified in such guidelines, assure that such specifications require the use of biobased products consistent with the requirements of this section.

(e) GUIDELINES.—

(1) IN GENERAL.—The Secretary, after consultation with the Administrator, the Administrator of General Services, and the Secretary of Commerce (acting through the Director of the National Institute of Standards and Technology), shall prepare, and from time to time revise, guidelines for the use of procuring agencies in complying with the requirements of this section. Such guidelines shall—

(A) designate those items which are or can be produced with biobased products and whose procurement by procuring agencies will carry out the objectives of this section;

(B) set forth recommended practices with respect to the procurement of biobased products and items containing such materials and with respect to certification by vendors of the percentage of biobased products used; and

(C) provide information as to the availability, relative price, performance, and environmental and public health benefits, of such materials and items and where appropriate shall recommend the level of biobased material to be contained in the procured product.

(2) CONSIDERATIONS.—In making the designation under paragraph (1)(A), the Secretary shall, at a minimum, consider—

(A) the availability of such items; and

(B) the economic and technological feasibility of using such items, including life cycle costs.

(3) FINAL GUIDELINES.—The Secretary shall prepare final guidelines under this section within 180 days after the date of enactment of this Act.

(f) OFFICE OF FEDERAL PROCUREMENT POLICY.—The Office of Federal Procurement Policy, in cooperation with the Secretary, shall implement the requirements of this section. It shall be the responsibility of the Office of Federal Procurement Policy to coordinate this policy with other policies for Federal procurement to implement the requirements of this section, and, every two years beginning in 2003, to report to the Congress on actions taken by Federal agencies and the progress made in the implementation of this section, including agency compliance with subsection (d).

(g) PROCUREMENT PROGRAM.—(1) Within one year after the date of publication of applicable guidelines under subsection (e), each Federal agency shall develop a procurement program which will assure that items composed of biobased products will be purchased to the maximum extent practicable and which is consistent with applicable provisions of Federal procurement law.

(2) Each procurement program required under this subsection shall, at a minimum, contain—

(A) a biobased products preference program;

(B) an agency promotion program to promote the preference program adopted under subparagraph (A); and

(C) annual review and monitoring of the effectiveness of an agency's procurement program.

(3) In developing the preference program, the following options shall be considered for adoption:

(A) CASE-BY-CASE POLICY DEVELOPMENT.—Subject to the limitations of subsection (c)(2) (A) through (C), a policy of awarding contracts to the vendor offering an item composed of the highest percentage of biobased products practicable. Subject to such limitations, agencies may make an award to a vendor offering items with less than the maximum biobased products content.

(B) MINIMUM CONTENT STANDARDS.—Minimum biobased products content specifications which are set in such a way as to assure that the biobased products content required is consistent with the requirements of this section, without violating the limitations of subsection (c)(2) (A) through (C).

Federal agencies shall adopt one of the options set forth in subparagraphs (A) and (B) or a substantially equivalent alternative, for inclusion in the procurement program.

(h) LABELING.—

(1) IN GENERAL.—The Secretary, in consultation with the Administrator, shall establish a voluntary program under which the Secretary authorizes producers of biobased products to use the label "U.S.D.A. Certified Biobased Product".

(2) ELIGIBILITY CRITERIA.—Within one year after the date of enactment of this Act, the Secretary, in consultation with the Administrator, shall issue criteria for determining which products may qualify to receive the label under paragraph (1). The criteria shall encourage the purchase of products with the maximum biobased content, and should, to the maximum extent possible, be consistent with the guidelines issued under subsection (e).

(3) USE OF THE LABEL.—The Secretary shall ensure that the label referred to in paragraph (1) is used only on products that meet the criteria issued pursuant to paragraph (2).

(4) RECOGNITION.—The Secretary shall establish a voluntary program to recognize Federal agencies and private entities that use a substantial amount of biobased products.

(i) LIMITATION.—Nothing in this section shall apply to the procurement of motor vehicle fuels or electricity.

(j) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(2) FUNDING FOR TESTING OF BIOBASED PRODUCTS.—

(A) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use $1,000,000 for each of fiscal years 2002 through 2007 to support testing of biobased products to carry out this section.

(B) USE OF FUNDS.—Amounts made available under subparagraph (A) may be used to support contracts or cooperative agreements with entities that have experience and special skills to conduct such testing.

(C) PRIORITY.—At the discretion of the Secretary, the Secretary may give priority to the testing of products for which private sector firms provide cost sharing for the testing.

SEC. 9003. BIOREFINERY DEVELOPMENT GRANTS.

(a) PURPOSE.—The purpose of this section is to assist in the development of new and emerging technologies for the use of biomass, including lignocellulosic biomass, so as to—

(1) develop transportation and other fuels, chemicals, and energy from renewable sources;

(2) increase the energy independence of the United States;

(3) provide beneficial effects on conservation, public health, and the environment;

(4) diversify markets for raw agricultural and forestry products; and

(5) create jobs and enhance the economic development of the rural economy.

(b) DEFINITIONS.—In this section:

(1) ADVISORY COMMITTEE.—The term "Advisory Committee" means the Biomass Research and Development Technical Advisory Committee established by section 306 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224).

(2) BIOREFINERY.—The term "biorefinery" means equipment and processes that—

(A) convert biomass into fuels and chemicals; and

(B) may produce electricity.

(3) BOARD.—The term "Board" means the Biomass Research and Development Board established by section 305 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224).

(4) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(c) GRANTS.—The Secretary shall award grants to eligible entities to assist in paying the cost of development and construction of biorefineries to carry out projects to demonstrate the commercial viability of 1 or more processes for converting biomass to fuels or chemicals.

(d) ELIGIBLE ENTITIES.—An individual, corporation, farm cooperative, association of farmers, national laboratory, institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)), State or local energy agency or office, Indian tribe, or consortium comprised of any of those entities shall be eligible to receive a grant under subsection (c).

(e) COMPETITIVE BASIS FOR AWARDS.—

(1) IN GENERAL.—The Secretary shall award grants under subsection (c) on a competitive basis after consulting the Board and Advisory Committee.

(2) SELECTION CRITERIA.—

(A) IN GENERAL.—In selecting projects to receive grants under subsection (c), the Secretary—

(i) shall select projects based on the likelihood that the projects will demonstrate the commercial viability of a new and emerging process for converting biomass into fuels, chemicals, or energy; and

(ii) may consider the likelihood that the projects will produce electricity.

(B) FACTORS.—The factors to be considered under subparagraph (A) may include—

(i) the potential market for the product or products;

(ii) the level of financial participation by the applicants;

(iii) the availability of adequate funding from other sources;

(iv) the beneficial impact on resource conservation, public health, and the environment;

(v) the participation of producer associations and cooperatives;

(vi) the timeframe in which the project will be operational;

(vii) the potential for rural economic development;

(viii) the participation of multiple eligible entities; and

(ix) the potential for developing advanced industrial biotechnology approaches.

(f) COST SHARING.—

(1) IN GENERAL.—The amount of a grant for a project awarded under subsection (c) shall not exceed 30 percent of the cost of the project.

(2) FORM OF GRANTEE SHARE.—

(A) IN GENERAL.—The grantee share of the cost of a project may be made in the form of cash or the provision of services, material, or other in-kind contributions.

(B) LIMITATION.—The amount of the grantee share of the cost of a project that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share determined under paragraph (1).

(g) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.

SEC. 9004. BIODIESEL FUEL EDUCATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall, under such terms and conditions as are appropriate, make competitive grants to eligible entities to educate governmental and private entities that operate vehicle fleets, other interested entities (as determined by the Secretary), and the public about the benefits of biodiesel fuel use.

(b) ELIGIBLE ENTITIES.—To receive a grant under subsection (a), an entity—

(1) shall be a nonprofit organization or institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001));

(2) shall have demonstrated knowledge of biodiesel fuel production, use, or distribution; and

(3) shall have demonstrated the ability to conduct educational and technical support programs.

(c) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(d) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $1,000,000 for each of fiscal years 2003 through 2007.

SEC. 9005. ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM.

(a) IN GENERAL.—The Secretary shall make competitive grants to eligible entities to carry out a program to assist farmers, ranchers, and rural small businesses in becoming more energy efficient and in using renewable energy technology and resources.

(b) ELIGIBLE ENTITIES.—Entities eligible to carry out a program under subsection (a) are—

(1) a State energy or agricultural office;

(2) a regional or State-based energy organization or energy organization of an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

(3) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) or other institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001));

(4) a rural electric cooperative or utility;

(5) a nonprofit organization; and

(6) any other entity, as determined by the Secretary.

(c) MERIT REVIEW.—

(1) MERIT REVIEW PROCESS.—The Secretary shall establish a merit review process to review applications for grants under subsection (a) that uses the expertise of other Federal agencies, industry, and nongovernmental organizations.

(2) SELECTION CRITERIA.—In reviewing applications of eligible entities to receive grants under subsection (a), the Secretary shall consider—

(A) the ability and expertise of the eligible entity in providing professional energy audits and renewable energy assessments;

(B) the geographic scope of the program proposed by the eligible entity;

(C) the number of farmers, ranchers, and rural small businesses to be assisted by the program;

(D) the potential for energy savings and environmental and public health benefits resulting from the program; and

(E) the plan of the eligible entity for educating farmers, ranchers, and rural small businesses on the benefits of energy efficiency and renewable energy development.

(d) USE OF GRANT FUNDS.—

(1) REQUIRED USES.—A recipient of a grant under subsection (a) shall use the grant funds to conduct and promote energy audits for farmers, ranchers, and rural small businesses to provide farmers, ranchers, and rural small businesses recommendations on how to improve energy efficiency and use renewable energy technology and resources.

(2) PERMITTED USES.—In addition to the uses described in paragraph (1), a recipient of a grant may use the grant funds to make farmers, ranchers, and rural small businesses aware of, and ensure that they have access to—

(A) financial assistance under section 9006; and

(B) other Federal, State, and local financial assistance programs for which farmers, ranchers, and rural small businesses may be eligible.

(e) COST SHARING.—A recipient of a grant under subsection (a) that conducts an energy audit for a farmer, rancher, or rural small business under subsection (d)(1) shall require that, as a condition of the energy audit, the farmer, rancher, or rural small business pay at least 25 percent of the cost of the audit.

(f) USE OF COST-SHARE FUNDS.—Funds collected by a recipient of a grant under subsection (e) as a result of activities carried out using the grant funds shall be used to conduct activities authorized under this section, as approved by the Secretary.

(g) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(h) REPORTS.—Not later than 4 years after the date of enactment of this Act, the Secretary shall submit to Congress a report on the implementation of this section.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.

SEC. 9006. RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS.

(a) IN GENERAL.—In addition to exercising authority to make loans and loan guarantees under other law, the Secretary shall make loans, loan guarantees, and grants to farmers, ranchers, and rural small businesses to—

(1) purchase renewable energy systems; and

(2) make energy efficiency improvements.

(b) ELIGIBILITY.—To be eligible to receive a grant under subsection (a), a farmer, rancher, or rural small business shall demonstrate financial need as determined by the Secretary.

(c) COST SHARING.—

(1) IN GENERAL.—

(A) GRANTS.—The amount of a grant shall not exceed 25 percent of the cost of the activity funded under subsection (a).

(B) MAXIMUM AMOUNT OF COMBINED GRANT AND LOAN.—The combined amount of a grant and loan made or guaranteed shall not exceed 50 percent of the cost of the activity funded under subsection (a).

(2) FACTORS.—In determining the amount of a grant or loan, the Secretary shall take into consideration, as applicable—

(A) the type of renewable energy system to be purchased;

(B) the estimated quantity of energy to be generated by the renewable energy system;

(C) the expected environmental benefits of the renewable energy system;

(D) the extent to which the renewable energy system will be replicable;

(E) the amount of energy savings expected to be derived from the activity, as demonstrated by an energy audit comparable to an energy audit under section 9005;

(F) the estimated length of time it would take for the energy savings generated by the activity to equal the cost of the activity; and

(G) other factors as appropriate.

(d) INTEREST RATE.—

(1) IN GENERAL.—A loan made by the Secretary under subsection (a) shall bear interest at the rate equivalent to the rate of interest charged on Treasury securities of comparable maturity on the date the loan is approved.

(2) DURATION.—The interest rate for each loan will remain in effect for the term of the loan.

(e) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Secretary of Energy.

(f) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $23,000,000 for each of fiscal years 2003 through 2007.

SEC. 9007. HYDROGEN AND FUEL CELL TECHNOLOGIES.

(a) IN GENERAL.—The Secretary and the Secretary of Energy shall enter into a memorandum of understanding under which the Secretary and the Secretary of Energy shall cooperate in the application of hydrogen and fuel cell technology programs for rural communities and agricultural producers.

(b) DISSEMINATION OF INFORMATION.—Under the memorandum of understanding, the Secretary shall work with the Secretary of Energy to disseminate information to rural communities and agricultural producers on potential applications of hydrogen and fuel cell technologies.

SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.

(a) FUNDING.—The Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended—

(1) in section 307, by striking subsection (f);

(2) by redesignating section 310 as section 311; and

(3) by inserting after section 309 the following:

"SEC. 310. FUNDING.

"(a) FUNDING.—Of funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this title—

"(1) $5,000,000 for fiscal year 2002; and

"(2) $14,000,000 for each of fiscal years 2003 through 2007;

to remain available until expended.

"(b) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts transferred under subsection (a), there are authorized to be appropriated to carry out this title $49,000,000 for each of fiscal years 2002 through 2007.".

(b) TERMINATION OF AUTHORITY.—Section 311 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) (as redesignated by subsection (a)) is amended by striking "December 31, 2005" and inserting "September 30, 2007".

SEC. 9009. COOPERATIVE RESEARCH AND EXTENSION PROJECTS.

Section 221 of the Agricultural Risk Protection Act of 2000 (114 Stat. 407) is amended—

(1) by redesignating subsection (d) as subsection (f); and

(2) by inserting after subsection (c) the following:

"(d) COOPERATIVE RESEARCH.—

"(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary, in cooperation with departments and agencies participating in the U.S. Global Change Research Program (which may use any of their statutory authorities) and with eligible entities, may carry out research to promote understanding of—

"(A) the flux of carbon in soils and plants (including trees); and

"(B) the exchange of other greenhouse gases from agriculture.

"(2) ELIGIBLE ENTITIES.—Research under this subsection may be carried out through the competitive awarding of grants and cooperative agreements to colleges and universities (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 1303)).

"(3) COOPERATIVE RESEARCH PURPOSES.—Research conducted under this subsection shall encourage collaboration among scientists with expertise in the areas of soil science, agronomy, agricultural economics, forestry, and other agricultural sciences to focus on—

"(A) developing data addressing carbon losses and gains in soils and plants (including trees) and the exchange of methane and nitrous oxide from agriculture;

"(B) understanding how agricultural and forestry practices affect the sequestration of carbon in soils and plants (including trees) and the exchange of other greenhouse gases, including the effects of new technologies such as biotechnology and nanotechnology;

"(C) developing cost-effective means of measuring and monitoring changes in carbon pools in soils and plants (including trees), including computer models;

"(D) evaluating the linkage between federal conservation programs and carbon sequestration;

"(E) developing methods, including remote sensing, to measure the exchange of carbon and other greenhouse gases sequestered, and to evaluate leakage, performance, and permanence issues; and

"(F) assessing the applicability of the results of research conducted under this subsection for developing methods to account for the impact of agricultural activities (including forestry) on the exchange of greenhouse gases.

"(4) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2002 through 2007.

"(e) EXTENSION PROJECTS.—

"(1) IN GENERAL.—The Secretary, in cooperation with departments and agencies participating in the U.S. Global Change Research Program (which may use any of their statutory authorities), and local extension agents, experts from institutions of higher education that offer a curriculum in agricultural and biological sciences, and other local agricultural or conservation organizations, may implement extension projects (including on-farm projects with direct involvement of agricultural producers) that combine measurement tools and modeling techniques into integrated packages to monitor the carbon sequestering benefits of conservation practices and the exchange of greenhouse gas emissions from agriculture which demonstrate the feasibility of methods of measuring and monitoring—

"(A) changes in carbon content and other carbon pools in soils and plants (including trees); and

"(B) the exchange of other greenhouse gases.

"(2) EXTENSION PROJECT RESULTS.—The Secretary may disseminate to farmers, ranchers, private forest landowners, and appropriate State agencies in each State information concerning—

"(A) the results of projects under this subsection; and

"(B) the manner in which the methods used in the projects might be applicable to the operations of the farmers, ranchers, private forest landowners, and State agencies.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2002 through 2007.".

SEC. 9010. CONTINUATION OF BIOENERGY PROGRAM.

(a) DEFINITIONS.—In this section:

(1) BIOENERGY.—The term "bioenergy" means—

(A) biodiesel; and

(B) fuel grade ethanol.

(2) BIODIESEL.—The term "biodiesel" means a monoalkyl ester that meets the requirements of an appropriate American Society for Testing and Materials standard.

(3) ELIGIBLE COMMODITY.—The term "eligible commodity" means—

(A) wheat, corn, grain sorghum, barley, oats, rice, soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard, crambe, sesame seed, and cottonseed;

(B) a cellulosic commodity (such as hybrid poplar and switch grass);

(C) fats, oils, and greases (including recycled fats, oils, and greases) derived from an agricultural product; and

(D) any animal byproduct (in addition to oils, fats, and greases) that may be used to produce bioenergy, as determined by the Secretary.

(4) ELIGIBLE PRODUCER.—The term "eligible producer" means a producer that uses an eligible commodity to produce bioenergy.

(b) BIOENERGY PROGRAM.—

(1) CONTINUATION.—The Secretary shall continue the program under part 1424 of title 7, Code of Federal Regulations (or any successor regulation), under which the Secretary makes payments to eligible producers to encourage increased purchases of eligible commodities for the purpose of expanding production of such bioenergy and supporting new production capacity for such bioenergy.

(2) CONTRACTS.—To be eligible to receive a payment, an eligible producer shall—

(A) enter into a contract with the Secretary to increase bioenergy production for 1 or more fiscal years; and

(B) submit to the Secretary such records as the Secretary may require as evidence of increased purchase and use of eligible commodities for the production of bioenergy.

(3) PAYMENT.—

(A) IN GENERAL.—Under the program, the Secretary shall make payments to eligible producers, based on the quantity of bioenergy produced by the eligible producer during a fiscal year that exceeds the quantity of bioenergy produced by the eligible producer during the preceding fiscal year.

(B) PAYMENT RATE.—

(i) PRODUCERS OF LESS THAN 65,000,000 GALLONS.—An eligible producer that produces less than 65,000,000 gallons of bioenergy shall be reimbursed 1 feedstock unit for every 2.5 feedstock units of eligible commodity used for increased production.

(ii) PRODUCERS OF 65,000,000 OR MORE GALLONS.—An eligible producer that produces 65,000,000 or more gallons of bioenergy shall be reimbursed 1 feedstock unit for every 3.5 feedstock units of eligible commodity used for increased production.

(C) QUARTERLY PAYMENTS.—The Secretary shall make payments to an eligible producer for each quarter of the fiscal year.

(4) PRORATION.—If the amount made available for a fiscal year under subsection (c) is insufficient to allow the payment of the amount of the payments that eligible producers (that apply for the payments) otherwise would receive under this subsection, the Secretary shall prorate the amount of the funds among all such eligible producers.

(5) OVERPAYMENTS.—If the total amount of payments that an eligible producer receives for a fiscal year under this section exceeds the amount that the eligible producer should have received under this subsection, the eligible producer shall repay the amount of the overpayment to the Secretary, with interest (as determined by the Secretary).

(6) LIMITATION.—No eligible producer shall receive more than 5 percent of the total amount made available under subsection (c) for a fiscal year.

(7) OTHER REQUIREMENTS.—To be eligible to receive a payment under this subsection, an eligible producer shall meet other requirements of Federal law (including regulations) applicable to the production of bioenergy.

(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

(1) not more than $150,000,000 for each of fiscal years 2003 through 2006; and

(2) $0 for fiscal year 2007.

TITLE X—MISCELLANEOUS

Subtitle A—Crop Insurance

SEC. 10001. EQUAL CROP INSURANCE TREATMENT OF POTATOES AND SWEET POTATOES.

Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended in the first sentence by striking "and potatoes" and inserting ", potatoes, and sweet potatoes".

SEC. 10002. CONTINUOUS COVERAGE.

Section 508(e)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(4)) is amended—

(1) in the paragraph heading, by striking "TEMPORARY PROHIBITION" and inserting "PROHIBITION"; and

(2) by striking "through 2005" and inserting "and subsequent".

SEC. 10003. QUALITY LOSS ADJUSTMENT PROCEDURES.

Section 508(m) of the Federal Crop Insurance Act (7 U.S.C. 1508(m)) is amended—

(1) in paragraph (3)—

(A) by striking "The Corporation" and inserting the following:

"(A) REVIEW.—The Corporation"; and

(B) by striking "Based on" and inserting the following:

"(B) PROCEDURES.—Effective beginning not later than the 2004 reinsurance year, based on"; and

(2) by adding at the end the following:

"(4) QUALITY OF AGRICULTURAL COMMODITIES DELIVERED TO WAREHOUSE OPERATORS.—In administering this title, the Secretary shall accept, in the same manner and under the same terms and conditions, evidence of the quality of agricultural commodities delivered to—

"(A) warehouse operators that are licensed under the United States Warehouse Act (7 U.S.C. 241 et seq.);

"(B) warehouse operators that—

"(i) are licensed under State law; and

"(ii) have entered into a storage agreement with the Commodity Credit Corporation; and

"(C) warehouse operators that—

"(i) are not licensed under State law but are in compliance with State law regarding warehouses; and

"(ii) have entered into a commodity storage agreement with the Commodity Credit Corporation.".

SEC. 10004. ADJUSTED GROSS REVENUE INSURANCE PILOT PROGRAM.

Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended by adding at the end the following:

"(e) ADJUSTED GROSS REVENUE INSURANCE PILOT PROGRAM.—

"(1) IN GENERAL.—The Corporation shall carry out, through at least the 2004 reinsurance year, the adjusted gross revenue insurance pilot program in effect for the 2002 reinsurance year.

"(2) ADDITIONAL COUNTIES.—

"(A) IN GENERAL.—In addition to counties otherwise included in the pilot program, the Corporation shall include in the pilot program for the 2003 reinsurance year at least 8 counties in the State of California and at least 8 counties in the State of Pennsylvania.

"(B) SELECTION CRITERIA.—In carrying out subparagraph (A), the Corporation shall work with the respective State Departments of Agriculture to establish criteria to determine which counties to include in the pilot program.".

SEC. 10005. SENSE OF CONGRESS ON EXPANSION OF CROP INSURANCE COVERAGE.

It is the sense of Congress that the Federal Crop Insurance Corporation should address needs of producers through the expansion of pilot programs and coverage under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), including—

(1) crop revenue insurance for the producers of pecans in the State of Georgia; and

(2) coverage for continuous crops of wheat produced in the State of Kansas.

SEC. 10006. REPORT ON SPECIALTY CROP INSURANCE.

Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

(1) the progress made by the Federal Crop Insurance Corporation in research and development of innovative risk management products to include cost of production insurance that provides coverage for specialty crops, paying special attention to apples, asparagus, blueberries (wild and domestic), cabbage, canola, carrots, cherries, Christmas trees, citrus fruits, cucumbers, dry beans, eggplants, floriculture, grapes, greenhouse and nursery agricultural commodities, green peas, green peppers, hay, lettuce, maple, mushrooms, pears, potatoes, pumpkins, snap beans, spinach, squash, strawberries, sugar beets, and tomatoes; and

(2) the progress made by the Corporation in increasing the use of risk management products offered through the Corporation by producers of specialty crops, by small- and moderate-sized farms, and in areas that are underserved, as determined by the Secretary.

Subtitle B—Disaster Assistance

SEC. 10101. REFERENCE TO SEA GRASS AND SEA OATS AS CROPS COVERED BY NONINSURED CROP DISASTER ASSISTANCE PROGRAM.

Section 196(a)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)(B)) is amended by inserting "sea grass and sea oats," after "fish),".

SEC. 10102. EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS.

Section 2281(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a(a)) is amended by striking ", not to exceed $20,000,000 annually,".

SEC. 10103. EMERGENCY LOANS FOR SEED PRODUCERS.

Section 253(b)(5)(B) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 423) is amended by striking "18 months" and inserting "36 months".

SEC. 10104. ASSISTANCE FOR LIVESTOCK PRODUCERS.

(a) AVAILABILITY OF ASSISTANCE.—In such amounts as are provided in advance in appropriation Acts, the Secretary of Agriculture may provide assistance to dairy and other livestock producers to cover economic losses incurred by such producers in connection with the production of livestock.

(b) TYPES OF ASSISTANCE.—The assistance provided to livestock producers may be in the following forms:

(1) Indemnity payments to livestock producers who incur livestock mortality losses.

(2) Livestock feed assistance to livestock producers affected by shortages of feed.

(3) Compensation for sudden increases in production costs.

(4) Such other assistance, and for such other economic losses, as the Secretary considers appropriate.

(c) LIMITATIONS.—The Secretary may not use the funds of the Commodity Credit Corporation to provide assistance under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.

SEC. 10105. MARKET LOSS ASSISTANCE FOR APPLE PRODUCERS.

(a) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use $94,000,000 for fiscal year 2002 to make payments, as soon as practicable after the date of enactment of this Act, to apple producers for the loss of markets during the 2000 crop year.

(b) PAYMENT QUANTITY.—The payment quantity of apples for which the producers on a farm are eligible for payments under this section shall be equal to the lesser of—

(1) the quantity of the 2000 crop of apples produced by the producers on the farm; or

(2) 5,000,000 pounds of apples produced on the farm.

(c) LIMITATIONS.—Subject to subsection (b)(2), the Secretary shall not establish a payment limitation, or income eligibility limitation, with respect to payments made under this section.

(d) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall promulgate such regulations as are necessary to implement this section.

(2) PROCEDURE.—The promulgation of the regulations and administration of this section shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 10106. MARKET LOSS ASSISTANCE FOR ONION PRODUCERS.

The Secretary of Agriculture shall use $10,000,000 of the funds of the Commodity Credit Corporation to make a grant to the State of New York to be used to support onion producers in Orange County, New York, that have suffered losses to onion crops during 1 or more of the 1996 through 2000 crop years.

SEC. 10107. COMMERCIAL FISHERIES FAILURE.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the Secretary of Commerce, shall provide emergency disaster assistance for the commercial fishery failure under section 308(b)(1) of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107(b)(1)) with respect to Northeast multispecies fisheries.

(b) PROGRAM REQUIREMENTS.—Amounts made available to carry out this section shall be used to support a voluntary fishing capacity reduction program in the Northeast multispecies fishery that—

(1) is certified by the Secretary of Commerce to be consistent with section 312(b) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(b)); and

(2) permanently revokes multispecies limited access fishing permits so as to obtain the maximum sustained reduction in fishing capacity at the least cost and in the minimum period of time and to prevent the replacement of fishing capacity removed by the program.

(c) APPLICATION OF REGULATIONS.—The program shall be carried out in accordance with the regulations codified at part 648 of title 50, Code of Federal Regulations, and any corresponding rule issued in accordance with the regulations.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(e) TERMINATION OF AUTHORITY.—The authority provided under this section terminates on the date that is 1 year after the date of enactment of this Act.

SEC. 10108. STUDY OF FEASIBILITY OF PRODUCER INDEMNIFICATION FROM GOVERNMENT-CAUSED DISASTERS.

(a) FINDINGS.—Congress finds that the implementation of Federal disaster assistance programs fails to adequately address situations in which disaster conditions are caused primarily by Federal action.

(b) AUTHORITY.—The Secretary of Agriculture shall conduct a study of the feasibility of expanding eligibility for crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), and noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333), to agricultural producers experiencing disaster conditions caused primarily by Federal agency action restricting access to irrigation water, including any lack of access to an adequate supply of water caused by failure by the Secretary of the Interior to fulfill a contract in accordance with the Central Valley Project Improvement Act (106 Stat. 4706).

(c) REPORT.—Not later than 150 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study, including any recommendations.

Subtitle C—Tree Assistance Program

SEC. 10201. DEFINITIONS.

In this subtitle:

(1) ELIGIBLE ORCHARDIST.—The term "eligible orchardist" means a person that produces annual crops from trees for commercial purposes.

(2) NATURAL DISASTER.—The term "natural disaster" means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, lightning, and other occurrence, as determined by the Secretary.

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(4) TREE.—The term "tree" includes a tree, bush, and vine.

SEC. 10202. ELIGIBILITY.

(a) LOSS.—Subject to subsection (b), the Secretary shall provide assistance under section 10203 to eligible orchardists that planted trees for commercial purposes but lost the trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if the tree mortality of the eligible orchardist, as a result of damaging weather or related condition, exceeds 15 percent (adjusted for normal mortality).

SEC. 10203. ASSISTANCE.

Subject to section 10204, the assistance provided by the Secretary to eligible orchardists for losses described in section 10202 shall consist of—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the option of the Secretary, sufficient seedlings to reestablish a stand.

SEC. 10204. LIMITATIONS ON ASSISTANCE.

(a) AMOUNT.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed $75,000, or an equivalent value in tree seedlings.

(b) ACRES.—The total quantity of acres planted to trees or tree seedlings for which a person shall be entitled to receive payments under this subtitle may not exceed 500 acres.

(c) REGULATIONS.—The Secretary shall promulgate regulations—

(1) defining the term "person" for the purposes of this subtitle, which shall conform, to the maximum extent practicable, to the regulations defining the term "person" promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

(2) promulgating such regulations as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 10205. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this subtitle.

Subtitle D—Animal Welfare

SEC. 10301. DEFINITION OF ANIMAL UNDER THE ANIMAL WELFARE ACT.

Section 2(g) of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended in the first sentence by striking "excludes horses not used for research purposes and" and inserting the following: "excludes (1) birds, rats of the genus Rattus, and mice of the genus Mus, bred for use in research, (2) horses not used for research purposes, and (3)".

SEC. 10302. PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.

(a) IN GENERAL.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) SPONSORING OR EXHIBITING AN ANIMAL IN AN ANIMAL FIGHTING VENTURE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for any person to knowingly sponsor or exhibit an animal in an animal fighting venture, if any animal in the venture was moved in interstate or foreign commerce.

"(2) SPECIAL RULE FOR CERTAIN STATES.—With respect to fighting ventures involving live birds in a State where it would not be in violation of the law, it shall be unlawful under this subsection for a person to sponsor or exhibit a bird in the fighting venture only if the person knew that any bird in the fighting venture was knowingly bought, sold, delivered, transported, or received in interstate or foreign commerce for the purpose of participation in the fighting venture.";

(2) in subsection (b), by striking "or deliver to another person or receive from another person" and inserting "deliver, or receive"; and

(3) in subsection (d), by striking "subsections (a), (b), or (c) of this section" and inserting "subsection (c)".

(b) EFFECTIVE DATE.—The amendments made by this section take effect 1 year after the date of enactment of this Act.

SEC. 10303. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) IN GENERAL.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting "PENALTIES.—" after "(e)"; and

(B) by striking "$5,000" and inserting "$15,000"; and

(2) in subsection (g)(2)(B), by inserting before the semicolon at the end the following: "or from any State into any foreign country".

(b) Effective Date.—The amendment made by this section takes effect 1 year after the date of enactment of this Act.

SEC. 10304. REPORT ON RATS, MICE, AND BIRDS.

(a) In General.—Not later than 1 year after the date of enactment of this Act, the National Research Council shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the implications of including rats, mice, and birds within the definition of animal under the regulations promulgated under the Animal Welfare Act (7 U.S.C. 2131 et seq.)

(b) Requirements.—The report under subsection (a) shall—

(1) be completed with input, consultation, and recommendations from—

(A) the Secretary of Agriculture;

(B) the Secretary of Health and Human Services; and

(C) the Institute for Animal Laboratory Research within the National Academy of Sciences;

(2) contain an estimate of—

(A) the number and types of entities that use rats, mice, and birds for research purposes; and

(B) which of the entities—

(i) are subject to regulations of the Department of Agriculture;

(ii) are subject to regulations or guidelines of the Department of Health and Human Services; or

(iii) voluntarily comply with the accreditation requirements of the Association for Assessment and Accreditation of Laboratory Animal Care;

(3) contain an estimate of the numbers of rats, mice, and birds used in research facilities, with an indication of which of the facilities—

(A) are subject to regulations of the Department of Agriculture;

(B) are subject to regulations or guidelines of the Department of Health and Human Services; or

(C) voluntarily comply with the accreditation requirements of the Association for Assessment and Accreditation of Laboratory Animal Care;

(4) contain an estimate of the additional costs likely to be incurred by breeders and research facilities resulting from the additional regulatory requirements needed in order to afford the same level of protection to rats, mice, and birds as is provided for species regulated by the Department of Agriculture, detailing the costs associated with individual regulatory requirements;

(5) contain recommendations for minimizing such costs, including—

(A) an estimate of the cost savings that would result from providing a different level of protection to rats, mice, and birds than is provided for species regulated by the Department of Agriculture; and

(B) an estimate of the cost savings that would result if new regulatory requirements were substantially equivalent to, and harmonized with, guidelines of the National Institutes of Health;

(6) contain an estimate of the additional funding that the Animal and Plant Health Inspection Service would require to be able to ensure that the level of compliance with respect to other regulated animals is not diminished by the increase in the number of facilities that would require inspections if a rule extending the regulatory definition of animal to rats, mice, and birds were to become effective; and

(7) contain recommendations for—

(A) minimizing the regulatory burden on facilities subject to—

(i) regulations of the Department of Agriculture;

(ii) regulations or guidelines of the Department of Health and Human Services; or

(iii) accreditation requirements of the Association for Assessment and Accreditation of Laboratory Animal Care; and

(B) preventing any duplication of regulatory requirements.

SEC. 10305. ENFORCEMENT OF HUMANE METHODS OF SLAUGHTER ACT OF 1958.

(a) Sense of Congress.—It is the sense of Congress that the Secretary of Agriculture should—

(1) continue tracking the number of violations of Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the "Humane Methods of Slaughter Act of 1958") and report the results and relevant trends annually to Congress; and

(2) fully enforce Public Law 85–765 by ensuring that humane methods in the slaughter of livestock—

(A) prevent needless suffering;

(B) result in safer and better working conditions for persons engaged in slaughtering operations;

(C) bring about improvement of products and economies in slaughtering operations; and

(D) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce.

(b) United States Policy.—It is the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with slaughter shall be carried out only by humane methods, as provided by Public Law 85–765.

Subtitle E—Animal Health Protection

SEC. 10401. SHORT TITLE.

This subtitle may be cited as the "Animal Health Protection Act".

SEC. 10402. FINDINGS.

Congress finds that—

(1) the prevention, detection, control, and eradication of diseases and pests of animals are essential to protect—

(A) animal health;

(B) the health and welfare of the people of the United States;

(C) the economic interests of the livestock and related industries of the United States;

(D) the environment of the United States; and

(E) interstate commerce and foreign commerce of the United States in animals and other articles;

(2) animal diseases and pests are primarily transmitted by animals and articles regulated under this subtitle;

(3) the health of animals is affected by the methods by which animals and articles are transported in interstate commerce and foreign commerce;

(4) the Secretary must continue to conduct research on animal diseases and pests that constitute a threat to the livestock of the United States; and

(5)(A) all animals and articles regulated under this subtitle are in or affect interstate commerce or foreign commerce; and

(B) regulation by the Secretary and cooperation by the Secretary with foreign countries, States or other jurisdictions, or persons are necessary—

(i) to prevent and eliminate burdens on interstate commerce and foreign commerce;

(ii) to regulate effectively interstate commerce and foreign commerce; and

(iii) to protect the agriculture, environment, economy, and health and welfare of the people of the United States.

SEC. 10403. DEFINITIONS.

In this subtitle:

(1) Animal.—The term "animal" means any member of the animal kingdom (except a human).

(2) Article.—The term "article" means any pest or disease or any material or tangible object that could harbor a pest or disease.

(3) Disease.—The term "disease" has the meaning given the term by the Secretary.

(4) Enter.—The term "enter" means to move into the commerce of the United States.

(5) Export.—The term "export" means to move from a place within the territorial limits of the United States to a place outside the territorial limits of the United States.

(6) Facility.—The term "facility" means any structure.

(7) Import.—The term "import" means to move from a place outside the territorial limits of the United States to a place within the territorial limits of the United States.

(8) Indian tribe.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(9) Interstate commerce.—The term "interstate commerce" means trade, traffic, or other commerce—

(A) between a place in a State and a place in another State, or between places within the same State but through any place outside that State; or

(B) within the District of Columbia or any territory or possession of the United States.

(10) Livestock.—The term "livestock" means all farm-raised animals.

(11) Means of conveyance.—The term "means of conveyance" means any personal property used for or intended for use for the movement of any other personal property.

(12) Move.—The term "move" means—

(A) to carry, enter, import, mail, ship, or transport;

(B) to aid, abet, cause, or induce carrying, entering, importing, mailing, shipping, or transporting;

(C) to offer to carry, enter, import, mail, ship, or transport;

(D) to receive in order to carry, enter, import, mail, ship, or transport;

(E) to release into the environment; or

(F) to allow any of the activities described in this paragraph.

(13) Pest.—The term "pest" means any of the following that can directly or indirectly injure, cause damage to, or cause disease in livestock:

(A) A protozoan.

(B) A plant.

(C) A bacteria.

(D) A fungus.

(E) A virus or viroid.

(F) An infectious agent or other pathogen.

(G) An arthropod.

(H) A parasite.

(I) A prion.

(J) A vector.

(K) Any organism similar to or allied with any of the organisms described in this paragraph.

(14) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(15) State.—The term "State" means any of the States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States, or any territory or possession of the United States.

(16) This subtitle.—Except when used in this section, the term "this subtitle" includes any regulation or order issued by the Secretary under the authority of this subtitle.

(17) United States.—The term "United States" means all of the States.

SEC. 10404. RESTRICTION ON IMPORTATION OR ENTRY.

(a) In General.—With notice to the Secretary of the Treasury and public notice as soon as practicable, the Secretary may prohibit or restrict—

(1) the importation or entry of any animal, article, or means of conveyance, or use of any means of conveyance or facility, if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction into or

dissemination within the United States of any pest or disease of livestock;

(2) the further movement of any animal that has strayed into the United States if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock; and

(3) the use of any means of conveyance in connection with the importation or entry of livestock if the Secretary determines that the prohibition or restriction is necessary because the means of conveyance has not been maintained in a clean and sanitary condition or does not have accommodations for the safe and proper movement of livestock.

(b) Regulations.—

(1) Restrictions on import and entry.—The Secretary may issue such orders and promulgate such regulations as are necessary to carry out subsection (a).

(2) Post importation quarantine.—The Secretary may promulgate regulations requiring that any animal imported or entered be raised or handled under post-importation quarantine conditions by or under the supervision of the Secretary for the purpose of determining whether the animal is or may be affected by any pest or disease of livestock.

(c) Destruction or Removal.—

(1) In general.—The Secretary may order the destruction or removal from the United States of—

(A) any animal, article, or means of conveyance that has been imported but has not entered the United States if the Secretary determines that destruction or removal from the United States is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock;

(B) any animal or progeny of any animal, article, or means of conveyance that has been imported or entered in violation of this subtitle; or

(C) any animal that has strayed into the United States if the Secretary determines that destruction or removal from the United States is necessary to prevent the introduction into or dissemination within the United States of any pest or disease of livestock.

(2) Requirements of owners.—

(A) Orders to disinfect.—The Secretary may require the disinfection of—

(i) a means of conveyance used in connection with the importation of an animal;

(ii) an individual involved in the importation of an animal and personal articles of the individual; and

(iii) any article used in the importation of an animal.

(B) Failure to comply with orders.—If an owner fails to comply with an order of the Secretary under this section, the Secretary may—

(i) take remedial action, destroy, or remove from the United States the animal or progeny of any animal, article, or means of conveyance as authorized under paragraph (1); and

(ii) recover from the owner the costs of any care, handling, disposal, or other action incurred by the Secretary in connection with the remedial action, destruction, or removal.

SEC. 10405. EXPORTATION.

(a) In General.—The Secretary may prohibit or restrict—

(1) the exportation of any animal, article, or means of conveyance if the Secretary determines that the prohibition or restriction is necessary to prevent the dissemination from or within the United States of any pest or disease of livestock;

(2) the exportation of any livestock if the Secretary determines that the livestock is unfit to be moved;

(3) the use of any means of conveyance or facility in connection with the exportation of any animal or article if the Secretary determines that the prohibition or restriction is necessary to prevent the dissemination from or within the United States of any pest or disease of livestock; or

(4) the use of any means of conveyance in connection with the exportation of livestock if the Secretary determines that the prohibition or restriction is necessary because the means of conveyance has not been maintained in a clean and sanitary condition or does not have accommodations for the safe and proper movement and humane treatment of livestock.

(b) Requirements of Owners.—

(1) Orders to disinfect.—The Secretary may require the disinfection of—

(A) a means of conveyance used in connection with the exportation of an animal;

(B) an individual involved in the exportation of an animal and personal articles of the individual; and

(C) any article used in the exportation of an animal.

(2) Failure to comply with orders.—If an owner fails to comply with an order of the Secretary under this section, the Secretary may—

(A) take remedial action with respect to the animal, article, or means of conveyance referred to in paragraph (1); and

(B) recover from the owner the costs of any care, handling, disposal, or other action incurred by the Secretary in connection with the remedial action.

(c) Certification.—The Secretary may certify the classification, quality, quantity, condition, processing, handling, or storage of any animal or article intended for export.

SEC. 10406. INTERSTATE MOVEMENT.

The Secretary may prohibit or restrict—

(1) the movement in interstate commerce of any animal, article, or means of conveyance if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction or dissemination of any pest or disease of livestock; and

(2) the use of any means of conveyance or facility in connection with the movement in interstate commerce of any animal or article if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction or dissemination of any pest or disease of livestock.

SEC. 10407. SEIZURE, QUARANTINE, AND DISPOSAL.

(a) In General.—The Secretary may hold, seize, quarantine, treat, destroy, dispose of, or take other remedial action with respect to—

(1) any animal or progeny of any animal, article, or means of conveyance that—

(A) is moving or has been moved in interstate commerce or has been imported and entered; and

(B) the Secretary has reason to believe may carry, may have carried, or may have been affected with or exposed to any pest or disease of livestock at the time of movement or that is otherwise in violation of this subtitle;

(2) any animal or progeny of any animal, article, or means of conveyance that is moving or is being handled, or has moved or has been handled, in interstate commerce in violation of this subtitle;

(3) any animal or progeny of any animal, article, or means of conveyance that has been imported, and is moving or is being handled or has moved or has been handled, in violation of this subtitle; or

(4) any animal or progeny of any animal, article, or means of conveyance that the Secretary finds is not being maintained, or has not been maintained, in accordance with any post-importation quarantine, post-importation condition, post-movement quarantine, or post-movement condition in accordance with this subtitle.

(b) Extraordinary Emergencies.—

(1) In general.—Subject to paragraph (2), if the Secretary determines that an extraordinary emergency exists because of the presence in the United States of a pest or disease of livestock and that the presence of the pest or disease threatens the livestock of the United States, the Secretary may—

(A) hold, seize, treat, apply other remedial actions to, destroy (including preventative slaughter), or otherwise dispose of, any animal, article, facility, or means of conveyance if the Secretary determines the action is necessary to prevent the dissemination of the pest or disease; and

(B) prohibit or restrict the movement or use within a State, or any portion of a State of any animal or article, means of conveyance, or facility if the Secretary determines that the prohibition or restriction is necessary to prevent the dissemination of the pest or disease.

(2) State action.—

(A) In general.—The Secretary may take action in a State under this subsection only on finding that measures being taken by the State are inadequate to control or eradicate the pest or disease, after review and consultation with—

"(i) the Governor or an appropriate animal health official of the State; or

"(ii) in the case of any animal, article, facility, or means of conveyance under the jurisdiction of an Indian tribe, the head of the Indian tribe.

(B) Notice.—Subject to subparagraph (C), before any action is taken in a State under subparagraph (A), the Secretary shall—

(i) notify the Governor, an appropriate animal health official of the State, or head of the Indian tribe of the proposed action;

(ii) issue a public announcement of the proposed action; and

(iii) publish in the Federal Register—

(I) the findings of the Secretary;

(II) a description of the proposed action; and

(III) a statement of the reasons for the proposed action.

(C) Notice after action.—If it is not practicable to publish in the Federal Register the information required under subparagraph (B)(iii) before taking action under subparagraph (A), the Secretary shall publish the information as soon as practicable, but not later than 10 business days, after commencement of the action.

(c) Quarantine, Disposal, or Other Remedial Action.—

(1) In general.—The Secretary, in writing, may order the owner of any animal, article, facility, or means of conveyance referred to in subsection (a) or (b) to maintain in quarantine, dispose of, or take other remedial action with respect to the animal, article, facility, or means of conveyance, in a manner determined by the Secretary.

(2) Failure to comply with orders.—If the owner fails to comply with the order of the Secretary, the Secretary may—

(A) seize, quarantine, dispose of, or take other remedial action with respect to the animal, article, facility, or means of conveyance under subsection (a) or (b); and

(B) recover from the owner the costs of any care, handling, disposal, or other remedial action incurred by the Secretary in connection with the seizure, quarantine, disposal, or other remedial action.

(d) Compensation.—

(1) In general.—Except as provided in paragraph (3), the Secretary shall compensate the owner of any animal, article, facility, or means of conveyance that the Secretary requires to be destroyed under this section.

(2) Amount.—

(A) In general.—Subject to subparagraphs (B) and (C), the compensation shall be based on the fair market value, as determined by the Secretary, of the destroyed animal, article, facility, or means of conveyance.

(B) Limitation.—Compensation paid any owner under this subsection shall not exceed the difference between—

(i) the fair market value of the destroyed animal, article, facility, or means of conveyance; and

(ii) any compensation received by the owner from a State or other source for the destroyed animal, article, facility, or means of conveyance.

(C) REVIEWABILITY.—The determination by the Secretary of the amount to be paid under this subsection shall be final and not subject to judicial review or review of longer than 60 days by any officer or employee of the Federal Government other than the Secretary or the designee of the Secretary.

(3) EXCEPTIONS.—No payment shall be made by the Secretary under this subsection for—

(A) any animal, article, facility, or means of conveyance that has been moved or handled by the owner in violation of an agreement for the control and eradication of diseases or pests or in violation of this subtitle;

(B) any progeny of any animal or article, which animal or article has been moved or handled by the owner of the animal or article in violation of this subtitle;

(C) any animal, article, or means of conveyance that is refused entry under this subtitle; or

(D) any animal, article, facility, or means of conveyance that becomes or has become affected with or exposed to any pest or disease of livestock because of a violation of an agreement for the control and eradication of diseases or pests or a violation of this subtitle by the owner.

SEC. 10408. INSPECTIONS, SEIZURES, AND WARRANTS.

(a) GUIDELINES.—The activities authorized by this section shall be carried out consistent with guidelines approved by the Attorney General.

(b) WARRANTLESS INSPECTIONS.—The Secretary may stop and inspect, without a warrant, any person or means of conveyance moving—

(1) into the United States, to determine whether the person or means of conveyance is carrying any animal or article regulated under this subtitle;

(2) in interstate commerce, on probable cause to believe that the person or means of conveyance is carrying any animal or article regulated under this subtitle; or

(3) in intrastate commerce from any State, or any portion of a State, quarantined under section 10407(b), on probable cause to believe that the person or means of conveyance is carrying any animal or article quarantined under section 10407(b).

(c) INSPECTIONS WITH WARRANTS.—

(1) IN GENERAL.—The Secretary may enter, with a warrant, any premises in the United States for the purpose of making inspections and seizures under this subtitle.

(2) APPLICATION AND ISSUANCE OF WARRANTS.—

(A) IN GENERAL.—On proper oath or affirmation showing probable cause to believe that there is on certain premises any animal, article, facility, or means of conveyance regulated under this subtitle, a United States judge, a judge of a court of record in the United States, or a United States magistrate judge may issue a warrant for the entry on premises within the jurisdiction of the judge or magistrate to make any inspection or seizure under this subtitle.

(B) EXECUTION.—The warrant may be applied for and executed by the Secretary or any United States marshal.

SEC. 10409. DETECTION, CONTROL, AND ERADICATION OF DISEASES AND PESTS.

(a) IN GENERAL.—The Secretary may carry out operations and measures to detect, control, or eradicate any pest or disease of livestock (including the drawing of blood and diagnostic testing of animals), including animals at a slaughterhouse, stockyard, or other point of concentration.

(b) COMPENSATION.—

(1) IN GENERAL.—The Secretary may pay a claim arising out of the destruction of any animal, article, or means of conveyance consistent with the purposes of this subtitle.

(2) REVIEWABILITY.—The action of the Secretary in carrying out paragraph (1) shall not be subject to review of longer than 60 days by any officer or employee of the Federal Government other than the Secretary or the designee of the Secretary.

SEC. 10410. VETERINARY ACCREDITATION PROGRAM.

(a) IN GENERAL.—The Secretary may establish a veterinary accreditation program that is consistent with this subtitle, including the establishment of standards of conduct for accredited veterinarians.

(b) CONSULTATION.—The Secretary shall consult with State animal health officials and veterinary professionals regarding the establishment of the veterinary accreditation program.

(c) SUSPENSION OR REVOCATION OF ACCREDITATION.—

(1) IN GENERAL.—The Secretary may, after notice and opportunity for a hearing on the record, suspend or revoke the accreditation of any veterinarian accredited under this title who violates this subtitle.

(2) FINAL ORDER.—The order of the Secretary suspending or revoking accreditation shall be treated as a final order reviewable under chapter 158 of title 28, United States Code.

(3) SUMMARY SUSPENSION.—

(A) IN GENERAL.—The Secretary may summarily suspend the accreditation of a veterinarian whom the Secretary has reason to believe knowingly violated this subtitle.

(B) HEARINGS.—The Secretary shall provide the veterinarian with a subsequent notice and an opportunity for a prompt post-suspension hearing on the record.

(d) APPLICATION OF PENALTY PROVISIONS.—The criminal and civil penalties described in section 10414 shall not apply to a violation of this section that is not a violation of any other provision of this subtitle.

SEC. 10411. COOPERATION.

(a) IN GENERAL.—To carry out this subtitle, the Secretary may cooperate with other Federal agencies, States or political subdivisions of States, national governments of foreign countries, local governments of foreign countries, domestic or international organizations, domestic or international associations, Indian tribes, and other persons.

(b) RESPONSIBILITY.—The person or other entity cooperating with the Secretary shall be responsible for the authority necessary to carry out operations or measures—

(1) on all land and property within a foreign country or State, or under the jurisdiction of an Indian tribe, other than on land and property owned or controlled by the United States; and

(2) using other facilities and means, as determined by the Secretary.

(c) SCREWWORMS.—

(1) IN GENERAL.—The Secretary may, independently or in cooperation with national governments of foreign countries or international organizations or associations, produce and sell sterile screwworms to any national government of a foreign country or international organization or association, if the Secretary determines that the livestock industry and related industries of the United States will not be adversely affected by the production and sale.

(2) PROCEEDS.—

(A) INDEPENDENT PRODUCTION AND SALE.—If the Secretary independently produces and sells sterile screwworms under paragraph (1), the proceeds of the sale shall be—

(i) deposited into the Treasury of the United States; and

(ii) credited to the account from which the operating expenses of the facility producing the sterile screwworms have been paid.

(B) COOPERATIVE PRODUCTION AND SALE.—

(i) IN GENERAL.—If the Secretary cooperates to produce and sell sterile screwworms under paragraph (1), the proceeds of the sale shall be divided between the United States and the cooperating national government or international organization or association in a manner determined by the Secretary.

(ii) ACCOUNT.—The United States portion of the proceeds shall be—

(I) deposited into the Treasury of the United States; and

(II) credited to the account from which the operating expenses of the facility producing the sterile screwworms have been paid.

(d) COOPERATION IN PROGRAM ADMINISTRATION.—The Secretary may cooperate with State authorities, Indian tribe authorities, or other persons in the administration of regulations for the improvement of livestock and livestock products.

(e) CONSULTATION AND COORDINATION WITH OTHER FEDERAL AGENCIES.—

(1) IN GENERAL.—The Secretary shall consult and coordinate with the head of a Federal agency with respect to any activity that is under the jurisdiction of the Federal agency.

(2) LEAD AGENCY.—Subject to the consultation and coordination requirement in paragraph (1), the Department of Agriculture shall be the lead agency with respect to issues related to pests and diseases of livestock.

SEC. 10412. REIMBURSABLE AGREEMENTS.

(a) AUTHORITY TO ENTER INTO AGREEMENTS.—The Secretary may enter into reimbursable fee agreements with persons for preclearance of animals or articles at locations outside the United States for movement into the United States.

(b) FUNDS COLLECTED FOR PRECLEARANCE.—Funds collected for preclearance activities shall—

(1) be credited to accounts that may be established by the Secretary for carrying out this section; and

(2) remain available until expended for the preclearance activities, without fiscal year limitation.

(c) PAYMENT OF EMPLOYEES.—

(1) IN GENERAL.—Notwithstanding any other law, the Secretary may pay an officer or employee of the Department of Agriculture performing services under this subtitle relating to imports into and exports from the United States for all overtime, night, or holiday work performed by the officer or employee at a rate of pay determined by the Secretary.

(2) REIMBURSEMENT.—

(A) IN GENERAL.—The Secretary may require a person for whom the services are performed to reimburse the Secretary for any expenses paid by the Secretary for the services under this subsection.

(B) USE OF FUNDS.—All funds collected under this subsection shall—

(i) be credited to the account that incurs the costs; and

(ii) remain available until expended, without fiscal year limitation.

(d) LATE PAYMENT PENALTIES.—

(1) COLLECTION.—On failure by a person to reimburse the Secretary in accordance with this section, the Secretary may assess a late payment penalty against the person, including interest on overdue funds, as required by section 3717 of title 31, United States Code.

(2) USE OF FUNDS.—Any late payment penalty and any accrued interest shall—

(A) be credited to the account that incurs the costs; and

(B) remain available until expended, without fiscal year limitation.

SEC. 10413. ADMINISTRATION AND CLAIMS.

(a) ADMINISTRATION.—To carry out this subtitle, the Secretary may—

(1) acquire and maintain real or personal property;

(2) employ a person;

(3) make a grant; and

(4) notwithstanding chapter 63 of title 31, United States Code, enter into a contract, cooperative agreement, memorandum of understanding, or other agreement.

(b) TORT CLAIMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may pay a tort claim, in the manner authorized by the first paragraph of section 2672 of title 28, United States Code, if the claim arises outside the United States in connection with an activity authorized under this subtitle.

(2) REQUIREMENTS.—A claim may not be allowed under this subsection unless the claim is presented in writing to the Secretary not later than 2 years after the date on which the claim arises.

SEC. 10414. PENALTIES.

(a) CRIMINAL PENALTIES.—

(1) OFFENSES.—

(A) IN GENERAL.—A person that knowingly violates this subtitle, or knowingly forges, counterfeits, or, without authority from the Secretary, uses, alters, defaces, or destroys any certificate, permit, or other document provided for in this subtitle shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.

(B) DISTRIBUTION OR SALE.—A person that knowingly imports, enters, exports, or moves any animal or article, for distribution or sale, in violation of this subtitle, shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

(2) MULTIPLE VIOLATIONS.—On the second and any subsequent conviction of a person of a violation of this subtitle under paragraph (1), the person shall be fined under title 18, United States Code, imprisoned not more than 10 years, or both.

(b) CIVIL PENALTIES.—

(1) IN GENERAL.—Except as provided in section 10410(d), any person that violates this subtitle, or that forges, counterfeits, or, without authority from the Secretary, uses, alters, defaces, or destroys any certificate, permit, or other document provided under this subtitle may, after notice and opportunity for a hearing on the record, be assessed a civil penalty by the Secretary that does not exceed the greater of—

(A)(i) $50,000 in the case of any individual, except that the civil penalty may not exceed $1,000 in the case of an initial violation of this subtitle by an individual moving regulated articles not for monetary gain;

(ii) $250,000 in the case of any other person for each violation; and

(iii) $500,000 for all violations adjudicated in a single proceeding; or

(B) twice the gross gain or gross loss for any violation or forgery, counterfeiting, or unauthorized use, alteration, defacing or destruction of a certificate, permit, or other document provided under this subtitle that results in the person's deriving pecuniary gain or causing pecuniary loss to another person.

(2) FACTORS IN DETERMINING CIVIL PENALTY.—In determining the amount of a civil penalty, the Secretary shall take into account the nature, circumstance, extent, and gravity of the violation or violations and the Secretary may consider, with respect to the violator—

(A) the ability to pay;

(B) the effect on ability to continue to do business;

(C) any history of prior violations;

(D) the degree of culpability; and

(E) such other factors as the Secretary considers to be appropriate.

(3) SETTLEMENT OF CIVIL PENALTIES.—The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty that may be assessed under this subsection.

(4) FINALITY OF ORDERS.—

(A) FINAL ORDER.—The order of the Secretary assessing a civil penalty shall be treated as a final order reviewable under chapter 158 of title 28, United States Code.

(B) REVIEW.—The validity of the order of the Secretary may not be reviewed in an action to collect the civil penalty.

(C) INTEREST.—Any civil penalty not paid in full when due under an order assessing the civil penalty shall thereafter accrue interest until paid at the rate of interest applicable to civil judgments of the courts of the United States.

(c) LIABILITY FOR ACTS OF AGENTS.—In the construction and enforcement of this subtitle, the act, omission, or failure of any officer, agent, or person acting for or employed by any other person within the scope of the employment or office of the officer, agent, or person, shall be deemed also to be the act, omission, or failure of the other person.

(d) GUIDELINES FOR CIVIL PENALTIES.—Subject to the approval of the Attorney General, the Secretary shall establish guidelines to determine under what circumstances the Secretary may issue a civil penalty or suitable notice of warning in lieu of prosecution by the Attorney General of a violation of this subtitle.

SEC. 10415. ENFORCEMENT.

(a) COLLECTION OF INFORMATION.—

(1) IN GENERAL.—The Secretary may gather and compile information and conduct any inspection or investigation that the Secretary considers to be necessary for the administration or enforcement of this subtitle.

(2) SUBPOENAS.—

(A) IN GENERAL.—The Secretary shall have power to issue a subpoena to compel the attendance and testimony of any witness and the production of any documentary evidence relating to the administration or enforcement of this subtitle or any matter under investigation in connection with this subtitle.

(B) LOCATION OF PRODUCTION.—The attendance of any witness and production of documentary evidence relevant to the inquiry may be required from any place in the United States.

(C) ENFORCEMENT.—

(i) IN GENERAL.—In case of disobedience to a subpoena by any person, the Secretary may request the Attorney General to invoke the aid of any court of the United States within the jurisdiction in which the investigation is conducted, or where the person resides, is found, transacts business, is licensed to do business, or is incorporated, to require the attendance and testimony of any witness and the production of documentary evidence.

(ii) NONCOMPLIANCE.—In case of a refusal to obey a subpoena issued to any person, a court may order the person to appear before the Secretary and give evidence concerning the matter in question or to produce documentary evidence.

(iii) CONTEMPT.—Any failure to obey the order of the court may be punished by the court as contempt of the court.

(D) COMPENSATION.—

(i) WITNESSES.—A witness summoned by the Secretary under this subtitle shall be paid the same fees and mileage that are paid to a witness in a court of the United States.

(ii) DEPOSITIONS.—A witness whose deposition is taken, and the person taking the deposition, shall be entitled to the same fees that are paid for similar services in a court of the United States.

(E) PROCEDURES.—

(i) PUBLICATION.—The Secretary shall publish procedures for the issuance of subpoenas under this section.

(ii) REVIEW.—The procedures shall include a requirement that subpoenas be reviewed for legal sufficiency and, to be effective, be signed by the Secretary.

(iii) DELEGATION.—If the authority to sign a subpoena is delegated to an agency other than the Office of Administrative Law Judges, the agency receiving the delegation shall seek review of the subpoena for legal sufficiency outside that agency.

(b) AUTHORITY OF ATTORNEY GENERAL.—The Attorney General may—

(1) prosecute, in the name of the United States, all criminal violations of this subtitle that are referred to the Attorney General by the Secretary or are brought to the notice of the Attorney General by any person;

(2) bring an action to enjoin the violation of or to compel compliance with this subtitle, or to enjoin any interference by any person with the Secretary in carrying out this subtitle, in any case in which the Secretary has reason to believe that the person has violated, or is about to violate this subtitle or has interfered, or is about to interfere, with the actions of the Secretary; or

(3) bring an action for the recovery of any unpaid civil penalty, funds under a reimbursable agreement, late payment penalty, or interest assessed under this subtitle.

(c) COURT JURISDICTION.—

(1) IN GENERAL.—The United States district courts, the District Court of Guam, the District Court of the Northern Mariana Islands, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of the other territories and possessions are vested with jurisdiction in all cases arising under this subtitle.

(2) VENUE.—Any action arising under this subtitle may be brought, and process may be served, in the judicial district where a violation or interference occurred or is about to occur, or where the person charged with the violation, interference, impending violation, impending interference, or failure to pay resides, is found, transacts business, is licensed to do business, or is incorporated.

(3) EXCEPTION.—Paragraphs (1) and (2) do not apply to sections 10410(c) and 10414(b).

SEC. 10416. REGULATIONS AND ORDERS.

The Secretary may promulgate such regulations, and issue such orders, as the Secretary determines necessary to carry out this subtitle.

SEC. 10417. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this subtitle.

(b) TRANSFER OF FUNDS.—

(1) IN GENERAL.—In connection with an emergency under which a pest or disease of livestock threatens any segment of agricultural production in the United States, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department of Agriculture such funds as the Secretary determines are necessary for the arrest, control, eradication, or prevention of the spread of the pest or disease of livestock and for related expenses.

(2) AVAILABILITY.—Any funds transferred under this subsection shall remain available until expended, without fiscal year limitation.

(3) REVIEWABILITY.—The action of any officer, employee, or agent of the Secretary in carrying out this section (including determining the amount of and making any payment authorized to be made under this subtitle) shall not be subject to review of longer than 60 days by any officer or employee of the Federal Government other than the Secretary or the designee of the Secretary.

(c) USE OF FUNDS.—In carrying out this subtitle, the Secretary may use funds made available to carry out this subtitle for—

(1) the employment of civilian nationals in foreign countries; and

(2) the construction and operation of research laboratories, quarantine stations, and other buildings and facilities for special purposes.

SEC. 10418. REPEALS AND CONFORMING AMENDMENTS.

(a) REPEALS.—The following provisions of law are repealed:

(1) Public Law 97–46 (7 U.S.C. 147b).

(2) Section 101(b) of the Act of September 21, 1944 (7 U.S.C. 429).

(3) The Act of August 28, 1950 (7 U.S.C. 2260).

(4) Section 919 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2260a).

(5) Section 306 of the Tariff Act of 1930 (19 U.S.C. 1306).

(6) Sections 6 through 8 and 10 of the Act of August 30, 1890 (21 U.S.C. 102 through 105).

(7) The Act of February 2, 1903 (21 U.S.C. 111, 120 through 122).

(8) Sections 2 through 9, 11, and 13 of the Act of May 29, 1884 (21 U.S.C. 112, 113, 114, 114a, 114a–1, 115 through 120, 130).

(9) The first section and sections 2, 3, and 5 of the Act of February 28, 1947 (21 U.S.C. 114b, 114c, 114d, 114d–1).

(10) The Act of June 16, 1948 (21 U.S.C. 114e, 114f).

(11) Public Law 87–209 (21 U.S.C. 114g, 114h).

(12) The third and fourth provisos of the fourth paragraph under the heading “BUREAU OF ANIMAL INDUSTRY” of the Act of May 31, 1920 (21 U.S.C. 116).

(13) The first section and sections 2, 3, 4, and 6 of the Act of March 3, 1905 (21 U.S.C. 123 through 127).

(14) The first proviso under the heading “GENERAL EXPENSES, BUREAU OF ANIMAL INDUSTRY” under the heading “BUREAU OF ANIMAL INDUSTRY” of the Act of June 30, 1914 (21 U.S.C. 128).

(15) The fourth proviso under the heading “SALARIES AND EXPENSES” under the heading “ANIMAL AND PLANT HEALTH INSPECTION SERVICE” of title I of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (21 U.S.C. 129).

(16) The third paragraph under the heading “MISCELLANEOUS” of the Act of May 26, 1910 (21 U.S.C. 131).

(17) The first section and sections 2 through 6 and 11 through 13 of Public Law 87–518 (21 U.S.C. 134 through 134h).

(18) Public Law 91–239 (21 U.S.C. 135 through 135b).

(19) Sections 12 through 14 of the Federal Meat Inspection Act (21 U.S.C. 612 through 614).

(20) Chapter 39 of title 46, United States Code.

(b) CONFORMING AMENDMENTS.—

(1) Section 414(b) of the Plant Protection Act (7 U.S.C. 7714(b)) is amended—

(A) in paragraph (1), by striking “, or the owner's agent,”; and

(B) in paragraph (2), by striking “or agent of the owner” each place it appears.

(2) Section 423 of the Plant Protection Act (7 U.S.C. 7733) is amended—

(A) by striking subsection (b) and inserting the following:

“(b) LOCATION OF PRODUCTION.—The attendance of any witness and production of documentary evidence relevant to the inquiry may be required from any place in the United States.”;

(B) in the third sentence of subsection (e), by inserting “to an agency other than the Office of Administrative Law Judges” after “is delegated”; and

(C) by striking subsection (f).

(3) Section 11(h) of the Endangered Species Act of 1973 (16 U.S.C. 1540(h)) is amended in the first sentence by striking “animal quarantine laws (21 U.S.C. 101–105, 111–135b, and 612–614)” and inserting “animal quarantine laws (as defined in section 2509(f) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a(f))”.

(4) Section 18 of the Federal Meat Inspection Act (21 U.S.C. 618) is amended by striking “of the cattle” and all that follows through “as herein described” and inserting “of the carcasses and products of cattle, sheep, swine, goats, horses, mules, and other equines”.

(5) Section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a) is amended—

(A) in subsection (c), by inserting after paragraph (1) the following:

“(2) VETERINARY DIAGNOSTICS.—The Secretary may prescribe and collect fees to recover the costs of carrying out the provisions of the Animal Health Protection Act that relate to veterinary diagnostics.”; and

(B) in subsection (f)(1), by striking subparagraphs (B) through (O) and inserting the following:

“(B) section 9 of the Act of August 30, 1890 (21 U.S.C. 101);

“(C) the Animal Health Protection Act; or

“(D) any other Act administered by the Secretary relating to plant or animal diseases or pests.”.

(c) EFFECT ON REGULATIONS.—A regulation issued under a provision of law repealed by subsection (a) shall remain in effect until the Secretary issues a regulation under section 10404(b) or 10416 that supersedes the earlier regulation.

Subtitle F—Livestock

SEC. 10501. TRANSPORTATION OF POULTRY AND OTHER ANIMALS.

Section 5402(d)(2) of title 39, United States Code, is amended—

(1) in subparagraph (A), by inserting “, honeybees,” after “poultry”; and

(2) by striking subparagraph (C).

SEC. 10502. SWINE CONTRACTORS.

(a) DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)), is amended by adding at the end the following:

“(12) SWINE CONTRACTOR.—The term ‘swine contractor’ means any person engaged in the business of obtaining swine under a swine production contract for the purpose of slaughtering the swine or selling the swine for slaughter, if—

“(A) the swine is obtained by the person in commerce; or

“(B) the swine (including products from the swine) obtained by the person is sold or shipped in commerce.

“(13) SWINE PRODUCTION CONTRACT.—The term ‘swine production contract’ means any growout contract or other arrangement under which a swine production contract grower raises and cares for the swine in accordance with the instructions of another person.

“(14) SWINE PRODUCTION CONTRACT GROWER.—The term ‘swine production contract grower’ means any person engaged in the business of raising and caring for swine in accordance with the instructions of another person.”.

(b) SWINE CONTRACTORS.—

(1) IN GENERAL.—The Packers and Stockyards Act, 1921, is amended by striking “packer” each place it appears in sections 202, 203, 204, and 205 (7 U.S.C. 192, 193, 194, 195) (other than section 202(c)) and inserting “packer or swine contractor”.

(2) CONFORMING AMENDMENTS.—

(A) Section 202(c) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(c)), is amended by inserting “, swine contractor,” after “other packer” each place it appears.

(B) Section 308(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 209(a)), is amended by inserting “or swine production contract” after “poultry growing arrangement”.

(C) Sections 401 and 403 of the Packers and Stockyards Act, 1921 (7 U.S.C. 221, 223), are amended by inserting “any swine contractor, and” after “packer,” each place it appears.

SEC. 10503. RIGHT TO DISCUSS TERMS OF CONTRACT.

(a) DEFINITIONS.—In this section:

(1) PRODUCER.—The term “producer” means any person engaged in the raising and caring for livestock or poultry for slaughter.

(2) PROCESSOR.—The term “processor” means any person engaged in the business of obtaining livestock or poultry for the purpose of slaughtering the livestock or poultry.

(b) NO PROHIBITION OF DISCUSSION.—Notwithstanding a provision in any contract between a producer and a processor for the production of livestock or poultry, or in any marketing agreement between a producer and a processor for the sale of livestock or poultry for a term of 1 year or more, that provides that information contained in the contract is confidential, a party to the contract shall not be prohibited from discussing any terms or details of the contract with—

(1) a Federal or State agency;

(2) a legal adviser to the party;

(3) a lender to the party;

(4) an accountant hired by the party;

(5) an executive or manager of the party;

(6) a landlord of the party; or

(7) a member of the immediate family of the party.

(c) EFFECT ON STATE LAWS.—Subsection (b) does not—

(1) preempt any State law that addresses confidentiality provisions in contracts for the sale or production of livestock or poultry, except any provision of State law that makes lawful a contract provision that prohibits a party from, or limits a party in, engaging in discussion that subsection (b) requires to be permitted; or

(2) deprive any State court of jurisdiction under any such State law.

(d) APPLICABILITY.—This section applies to each contract described in subsection (b) that is entered into, amended, renewed, or extended after the date of enactment of this Act.

SEC. 10504. VETERINARY TRAINING.

The Secretary of Agriculture may develop a program to maintain in all regions of the United States a sufficient number of Federal and State veterinarians who are well trained in recognition and diagnosis of exotic and endemic animal diseases.

SEC. 10505. PSEUDORABIES ERADICATION PROGRAM.

Section 2506(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 114i(d)) is amended by striking “2002” and inserting “2007”.

Subtitle G—Specialty Crops

SEC. 10601. MARKETING ORDERS FOR CANEBERRIES.

(a) IN GENERAL.—Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in subsection (2)(A), by inserting “caneberries (including raspberries, blackberries, and loganberries),” after “other than pears, olives, grapefruit, cherries,”; and

(2) in subsection (6)(I), by striking “tomatoes,,” and inserting “tomatoes, caneberries (including raspberries, blackberries, and loganberries),”.

(b) CONFORMING AMENDMENT.—Section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e–l(a)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in the first sentence by striking “or apples” and inserting “apples, or caneberries (including raspberries, blackberries, and loganberries)”.

SEC. 10602. AVAILABILITY OF SECTION 32 FUNDS.

The second undesignated paragraph of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), is amended by striking "$300,000,000" and inserting "$500,000,000".

SEC. 10603. PURCHASE OF SPECIALTY CROPS.

(a) General Purchase Authority.—Of the funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for fiscal year 2002 and each subsequent fiscal year, the Secretary of Agriculture shall use not less than $200,000,000 each fiscal year to purchase fruits, vegetables, and other specialty food crops.

(b) Purchase Authority.—

(1) Purchase.—Of the amount specified in subsection (a), the Secretary of Agriculture shall use not less than $50,000,000 each fiscal year for the purchase of fresh fruits and vegetables for distribution to schools and service institutions in accordance with section 6(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(a)).

(2) Servicing Agency.—The Secretary of Agriculture shall provide for the Secretary of Defense to serve as the servicing agency for the procurement of the fresh fruits and vegetables under this subsection on the same terms and conditions as provided in the memorandum of agreement entered into between the Agricultural Marketing Service, the Food and Consumer Service, and the Defense Personnel Support Center during August 1995 (or any successor memorandum of agreement).

(c) Definitions.—In this section, the terms "fruits", "vegetables", and "other specialty food crops" shall have the meaning given the terms by the Secretary of Agriculture.

SEC. 10604. PROTECTION FOR PURCHASERS OF FARM PRODUCTS.

(a) Definition of Effective Financing Statement.—Section 1324(c)(4) of the Food Security Act of 1985 (7 U.S.C. 1631(c)(4)) is amended—

(1) in subparagraph (B), by striking "signed" and inserting "signed, authorized, or otherwise authenticated by the debtor,";

(2) by striking subparagraph (C);

(3) in subparagraph (D)—

(A) in clause (iii), by adding "and" after the semicolon at the end; and

(B) in clause (iv), by striking "applicable;" and all that follows and inserting "applicable, and the name of each county or parish in which the farm products are produced or located;";

(4) in subparagraph (E), by striking "signed" and inserting "signed, authorized, or otherwise authenticated by the debtor";

(5) in subparagraph (G), by striking "notice signed" and inserting "notice signed, authorized, or otherwise authenticated"; and

(6) by redesignating subparagraphs (D) through (I) as subparagraphs (C) through (H), respectively.

(b) Purchases Subject to Security Interests.—Section 1324(e) of the Food Security Act of 1985 (7 U.S.C. 1631(e)) is amended—

(1) in paragraph (1)(A)(ii)—

(A) in subclause (III), by adding "and" after the semicolon at the end; and

(B) in subclause (IV), by striking "crop year," and all that follows and inserting "crop year, and the name of each county or parish in which the farm products are produced or located;";

(2) in paragraph (1)(A)(iii), by striking "similarly signed" and inserting "similarly signed, authorized, or otherwise authenticated";

(3) in paragraph (1)(A)(iv), by striking "notice signed" and inserting "notice signed, authorized, or otherwise authenticated";

(4) in paragraph (1)(A)(v), by inserting "contains" before "any payment"; and

(5) in paragraph (3)—

(A) in subparagraph (A), by striking "subparagraph" and inserting "subsection"; and

(B) in subparagraph (B), by striking "; and" and inserting a period.

(c) Certain Sales Subject to Security Interest.—Section 1324(g)(2)(A) of the Food Security Act of 1985 (7 U.S.C. 1631(g)(2)(A)) is amended—

(1) in clause (ii)—

(A) in subclause (III), by adding "and" after the semicolon at the end; and

(B) in subclause (IV), by striking "crop year," and all that follows and inserting "crop year, and the name of each county or parish in which the farm products are produced or located;";

(2) in clause (iii), by striking "similarly signed" and inserting "similarly signed, authorized, or otherwise authenticated";

(3) in clause (iv), by striking "notice signed" and inserting "notice signed, authorized, or otherwise authenticated"; and

(4) in clause (v), by inserting "contains" before "any payment".

SEC. 10605. FARMERS' MARKET PROMOTION PROGRAM.

(a) In General.—The Farmer-to-Consumer Direct Marketing Act of 1976 is amended by inserting after section 5 (7 U.S.C. 3004) the following:

"SEC. 6. FARMERS' MARKET PROMOTION PROGRAM.

"(a) Establishment.—The Secretary shall carry out a program, to be known as the 'Farmers' Market Promotion Program' (referred to in this section as the 'Program'), to make grants to eligible entities for projects to establish, expand, and promote farmers' markets.

"(b) Program Purposes.—

"(1) In general.—The purposes of the Program are—

"(A) to increase domestic consumption of agricultural commodities by improving and expanding, or assisting in the improvement and expansion of, domestic farmers' markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer market opportunities; and

"(B) to develop, or aid in the development of, new farmers' markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer infrastructure.

"(2) Limitations.—An eligible entity may not use a grant or other assistance provided under the Program for the purchase, construction, or rehabilitation of a building or structure.

"(c) Eligible Entities.—An entity shall be eligible to receive a grant under the Program if the entity is—

"(1) an agricultural cooperative;

"(2) a local government;

"(3) a nonprofit corporation;

"(4) a public benefit corporation;

"(5) an economic development corporation;

"(6) a regional farmers' market authority; or

"(7) such other entity as the Secretary may designate.

"(d) Criteria and Guidelines.—The Secretary shall establish criteria and guidelines for the submission, evaluation, and funding of proposed projects under the Program.

"(e) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.".

(b) Technical and Conforming Amendments.—

(1) Survey.—Section 4 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3003) is amended—

(A) in the first sentence, by striking "a continuing" and inserting "an annual"; and

(B) by striking the second sentence.

(2) Direct marketing assistance.—Section 5 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3004) is amended—

(A) in subsection (a)—

(i) in the first sentence, by striking "Extension Service of the United States Department of Agriculture" and inserting "Secretary"; and

(ii) in the second sentence—

(I) by striking "Extension Service" and inserting "Secretary"; and

(II) by striking "and on the basis of which of these two agencies, or combination thereof, can best perform these activities" and inserting ", as determined by the Secretary";

(B) by redesignating subsection (b) as subsection (c); and

(C) by inserting after subsection (a) the following:

"(b) Development of Farmers' Markets.—The Secretary shall—

"(1) work with the Governor of a State, and a State agency designated by the Governor, to develop programs to train managers of farmers' markets;

"(2) develop opportunities to share information among managers of farmers' markets;

"(3) establish a program to train cooperative extension service employees in the development of direct marketing techniques; and

"(4) work with producers to develop farmers' markets.".

SEC. 10606. NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.

(a) In General.—Of funds of the Commodity Credit Corporation, the Secretary of Agriculture (acting through the Agricultural Marketing Service) shall use $5,000,000 for fiscal year 2002, to remain available until expended, to establish a national organic certification cost-share program to assist producers and handlers of agricultural products in obtaining certification under the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

(b) Federal Share.—

(1) In general.—Subject to paragraph (2), the Secretary shall pay under this section not more than 75 percent of the costs incurred by a producer or handler in obtaining certification under the national organic production program, as certified to and approved by the Secretary.

(2) Maximum amount.—The maximum amount of a payment made to a producer or handler under this section shall be $500.

SEC. 10607. EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM ASSESSMENTS.

(a) In General.—Section 501 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401) is amended by adding at the end the following:

"(e) Exemption of Certified Organic Products From Assessments.—

"(1) In general.—Notwithstanding any provision of a commodity promotion law, a person that produces and markets solely 100 percent organic products, and that does not produce any conventional or nonorganic products, shall be exempt from the payment of an assessment under a commodity promotion law with respect to any agricultural commodity that is produced on a certified organic farm (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)).

"(2) Regulations.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall promulgate regulations concerning eligibility and compliance for an exemption under paragraph (1).".

(b) Technical Amendments.—Section 501(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(a)) is amended—

(1) in paragraph (17), by striking "or";

(2) in paragraph (18), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(19) any other provision of law enacted after April 4, 1996, that provides for the establishment and operation of a promotion program described in the first sentence.".

SEC. 10608. CRANBERRY ACREAGE RESERVE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE AREA.—The term "eligible area" means a wetland or buffer strip adjacent to a wetland that, as determined by the Secretary—

(A)(i) is used, and has a history of being used, for the cultivation of cranberries; or

(ii) is an integral component of a cranberry-growing operation;

(B) is located in an environmentally sensitive area.

(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(b) PROGRAM.—The Secretary shall establish a program to purchase permanent easements in eligible areas from willing sellers.

(c) PURCHASE PRICE.—The Secretary shall ensure, to the maximum extent practicable, that each easement purchased under this section is for an amount that appropriately reflects the range of values for agricultural and nonagricultural land in the region in which the eligible area subject to the easement is located (including whether that land is located in 1 or more environmentally sensitive areas, as determined by the Secretary).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000.

Subtitle H—Administration

SEC. 10701. INITIAL RATE OF BASIC PAY FOR EMPLOYEES OF COUNTY COMMITTEES.

Section 5334 of title 5, United States Code, is amended by striking subsection (e) and inserting the following:

"(e) An employee of a county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may, on appointment to a position subject to this subchapter, have the initial rate of basic pay of the employee fixed at—

"(1) the lowest rate of the higher grade that exceeds the rate of basic pay of the employee with the county committee by not less than 2 step-increases of the grade from which the employee was promoted, if the Federal Civil Service position under this subchapter is at a higher grade than the last grade the employee had while an employee of the county committee;

"(2) the same step of the grade as the employee last held during service with the county committee, if the Federal Civil Service position under this subchapter is at the same grade as the last grade the employee had while an employee of the county committee; or

"(3) the lowest step of the Federal grade for which the rate of basic pay is equal to or greater than the highest previous rate of pay of the employee, if the Federal Civil Service position under this subchapter is at a lower grade than the last grade the employee had while an employee of the county committee.".

SEC. 10702. COMMODITY FUTURES TRADING COMMISSION PAY COMPARABILITY.

(a) APPOINTMENT AND COMPENSATION OF EMPLOYEES OF THE COMMISSION.—Section 2(a) of the Commodity Exchange Act (7 U.S.C. 2(a)) is amended—

(1) by redesignating paragraphs (7) through (11) as paragraphs (8) through (12), respectively; and

(2) by inserting after paragraph (6) the following:

"(7) APPOINTMENT AND COMPENSATION.—

"(A) IN GENERAL.—The Commission may appoint and fix the compensation of such officers, attorneys, economists, examiners, and other employees as may be necessary for carrying out the functions of the Commission under this Act.

"(B) RATES OF PAY.—Rates of basic pay for all employees of the Commission may be set and adjusted by the Commission without regard to chapter 51 or subchapter III of chapter 53 of title 5, United States Code.

"(C) COMPARABILITY.—

"(i) IN GENERAL.—The Commission may provide additional compensation and benefits to employees of the Commission if the same type of compensation or benefits are provided by any agency referred to in section 1206(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833b(a)) or could be provided by such an agency under applicable provisions of law (including rules and regulations).

"(ii) CONSULTATION.—In setting and adjusting the total amount of compensation and benefits for employees, the Commission shall consult with, and seek to maintain comparability with, the agencies referred to in section 1206(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833b(a)).".

(b) REPORTING OF INFORMATION BY THE COMMISSION.—Section 1206 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833b) is amended—

(1) by striking "The Federal" and inserting the following:

"(a) IN GENERAL.—The Federal"; and

(2) by adding at the end the following:

"(b) COMMODITY FUTURES TRADING COMMISSION.—In establishing and adjusting schedules of compensation and benefits for employees of the Commodity Futures Trading Commission under applicable provisions of law, the Commission shall—

"(1) inform the heads of the agencies referred to in subsection (a) and Congress of such compensation and benefits; and

"(2) seek to maintain comparability with those agencies regarding compensation and benefits.".

(c) CONFORMING AMENDMENTS.—

(1) Section 3132(a)(1) of title 5, United States Code, is amended—

(A) in subparagraph (C), by striking "or" at the end;

(B) in subparagraph (D), by adding "or" at the end; and

(C) by adding at the end the following:

"(E) the Commodity Futures Trading Commission;".

(2) Section 5316 of title 5, United States Code, is amended—

(A) by striking "General Counsel, Commodity Futures Trading Commission."; and

(B) by striking "Executive Director, Commodity Futures Trading Commission.".

(3) Section 5373(a) of title 5, United States Code, is amended—

(A) in paragraph (2), by striking "or" at the end;

(B) in paragraph (3), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(4) section 2(a)(7) of the Commodity Exchange Act (7 U.S.C. 2(a)(7)).".

SEC. 10703. OVERTIME AND HOLIDAY PAY.

(a) IN GENERAL.—The Secretary of Agriculture may—

(1) pay employees of the Department of Agriculture employed in an establishment subject to the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) or the Poultry Products Inspection Act (21 U.S.C. 451 et seq.) for all overtime and holiday work performed at the establishment at rates determined by the Secretary, subject to applicable law relating to minimum wages and maximum hours; and

(2) accept from the establishment reimbursement for any sums paid by the Secretary for the overtime and holiday work, at rates determined under paragraph (1).

(b) AVAILABILITY.—Sums received by the Secretary under this section shall remain available until expended without further appropriation and without fiscal year limitation, to carry out subsection (a).

(c) CONFORMING AMENDMENTS.—

(1) Section 25 of the Poultry Products Inspection Act (21 U.S.C. 468) is amended by striking "except that the cost" and all that follows and inserting "except the cost of overtime and holiday pay paid pursuant to the section 10703 of the Farm Security and Rural Investment Act of 2002.".

(2) The Act of June 5, 1948 (21 U.S.C. 695), is amended by striking "overtime" and all that follows and inserting "overtime and holiday pay paid pursuant to section 10703 of the Farm Security and Rural Investment Act of 2002.".

(3) The matter under the heading "BUREAU OF ANIMAL INDUSTRY" of the Act of July 24, 1919, is amended by striking the next to the last paragraph (7 U.S.C. 394).

(4) Section 5549 of title 5, United States Code is amended by striking paragraph (1) and inserting the following:

"(1) section 10703 of the Farm Security and Rural Investment Act of 2002;".

SEC. 10704. ASSISTANT SECRETARY OF AGRICULTURE FOR CIVIL RIGHTS.

(a) IN GENERAL.—Section 218 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6918) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (2), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(3) Assistant Secretary of Agriculture for Civil Rights."; and

(2) by striking subsections (d) and (e) and inserting the following:

"(d) DUTIES OF ASSISTANT SECRETARY OF AGRICULTURE FOR CIVIL RIGHTS.—The Secretary may delegate to the Assistant Secretary for Civil Rights responsibility for—

"(1) ensuring compliance with all civil rights and related laws by all agencies and under all programs of the Department;

"(2) coordinating administration of civil rights laws (including regulations) within the Department for employees of, and participants in, programs of the Department; and

"(3) ensuring that necessary and appropriate civil rights components are properly incorporated into all strategic planning initiatives of the Department and agencies of the Department.".

(b) COMPENSATION.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Agriculture (2)" and inserting "Assistant Secretaries of Agriculture (3)".

(c) CONFORMING AMENDMENTS.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in paragraph (3), by striking "or" at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(5) the authority of the Secretary to establish within the Department the position of Assistant Secretary of Agriculture for Civil Rights, and delegate duties to the Assistant Secretary, under section 218.".

SEC. 10705. OPERATION OF GRADUATE SCHOOL OF DEPARTMENT OF AGRICULTURE.

(a) AUDITS OF RECORDS.—Section 921 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2279b) is amended by adding at the end the following:

"(k) AUDITS OF RECORDS.—The financial records of the Graduate School (including records relating to contracts or agreements entered into under subsection (c)) shall be made available to the Comptroller General for purposes of conducting an audit.".

(b) CONFORMING REPEAL.—Section 1669 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5922) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

SEC. 10706. IMPLEMENTATION FUNDING AND INFORMATION MANAGEMENT.

(a) ADDITIONAL FUNDS FOR ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—The Secretary of Agriculture, acting through the Farm Service Agency, may use not more than $55,000,000 of funds of the Commodity Credit Corporation to cover administrative costs associated with the implementation of title I and the amendments made by that title.

(2) AVAILABILITY.—The funds referred to in paragraph (1) shall remain available to the Secretary until expended.

(3) SET-ASIDE.—Of the amount specified in paragraph (1), the Secretary shall use not less than $5,000,000, but not more than $8,000,000, to carry out subsection (b).

(b) INFORMATION MANAGEMENT.—

(1) DEVELOPMENT OF SYSTEM.—The Secretary of Agriculture shall develop a comprehensive information management system, using appropriate technologies, to be used in implementing the programs administered by the Federal Crop Insurance Corporation and the Farm Service Agency.

(2) ELEMENTS.—The information management system developed under this subsection shall be designed to—

(A) improve access by agricultural producers to programs described in paragraph (1);

(B) improve and protect the integrity of the information collected;

(C) meet the needs of the agencies that require the data in the administration of their programs;

(D) improve the timeliness of the collection of the information;

(E) contribute to the elimination of duplication of information collection;

(F) lower the overall cost to the Department of Agriculture for information collection; and

(G) achieve such other goals as the Secretary considers appropriate.

(3) RECONCILIATION OF CURRENT INFORMATION MANAGEMENT.—The Secretary shall ensure that all current information of the Federal Crop Insurance Corporation and the Farm Service Agency is combined, reconciled, redefined, and reformatted in such a manner so that the agencies can use the common information management system developed under this subsection.

(4) ASSISTANCE FOR DEVELOPMENT OF SYSTEM.—The Secretary shall enter into an agreement or contract with a non-Federal entity to assist the Secretary in the development of the information management system. The Secretary shall give preference in entering into an agreement or contract to entities that have—

(A) prior experience with the information and management systems of the Federal Crop Insurance Corporation; and

(B) collaborated with the Corporation in the development of the identification procedures required by section 515(f) of the Federal Crop Insurance Act (7 U.S.C. 1515(f)).

(5) USE.—The information collected using the information management system developed under this subsection may be made available to—

(A) any Federal agency that requires the information to carry out the functions of the agency; and

(B) any approved insurance provider, as defined in section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)), with respect to producers insured by the approved insurance provider.

(6) RELATION TO OTHER ACTIVITIES.—This subsection shall not interfere with, or delay, existing agreements or requests for proposals of the Federal Crop Insurance Corporation or the Farm Service Agency regarding the information management activities known as data mining or data warehousing.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under subsection (a)(3), there are authorized to be appropriated such sums as are necessary to carry out subsection (b) for each of fiscal years 2003 through 2008.

SEC. 10707. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

(a) DEFINITIONS.—Section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)) is amended by adding at the end the following:

"(4) DEPARTMENT.—The term 'Department' means the Department of Agriculture.

"(5) ELIGIBLE ENTITY.—The term 'eligible entity' means any of the following:

"(A) Any community-based organization, network, or coalition of community-based organizations that—

"(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

"(ii) has provided to the Secretary documentary evidence of work with socially disadvantaged farmers and ranchers during the 2-year period preceding the submission of an application for assistance under subsection (a); and

"(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986.

"(B) An 1890 institution or 1994 institution (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)), including West Virginia State College.

"(C) An Indian tribal community college or an Alaska Native cooperative college.

"(D) An Hispanic-serving institution (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)).

"(E) Any other institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region.

"(F) An Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) or a national tribal organization that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region.

"(G) An organization or institution that received funding under subsection (a) before January 1, 1996, but only with respect to projects that the Secretary considers are similar to projects previously carried out by the organization or institution under such subsection.

"(6) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.".

(b) OUTREACH AND ASSISTANCE.—Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

"(a) OUTREACH AND ASSISTANCE.—

"(1) PROGRAM.—The Secretary of Agriculture shall carry out an outreach and technical assistance program to encourage and assist socially disadvantaged farmers and ranchers—

"(A) in owning and operating farms and ranches; and

"(B) in participating equitably in the full range of agricultural programs offered by the Department.

"(2) REQUIREMENTS.—The outreach and technical assistance program under paragraph (1) shall—

"(A) enhance coordination of the outreach, technical assistance, and education efforts authorized under various agriculture programs; and

"(B) include information on, and assistance with—

"(i) commodity, conservation, credit, rural, and business development programs;

"(ii) application and bidding procedures;

"(iii) farm and risk management;

"(iv) marketing; and

"(v) other activities essential to participation in agricultural and other programs of the Department.

"(3) GRANTS AND CONTRACTS.—

"(A) IN GENERAL.—The Secretary may make grants to, and enter into contracts and other agreements with, an eligible entity to provide information and technical assistance under this subsection.

"(B) RELATIONSHIP TO OTHER LAW.—The authority to carry out this section shall be in addition to any other authority provided in this or any other Act.

"(C) OTHER PROJECTS.—Notwithstanding paragraph (1), the Secretary may make grants to, and enter into contracts and other agreements with, an organization or institution that received funding under this section before January 1, 1996, to carry out a project that is similar to a project for which the organization or institution received such funding.

"(4) FUNDING.—

"(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2002 through 2007.

"(B) INTERAGENCY FUNDING.—In addition to funds authorized to be appropriated under subparagraph (A), any agency of the Department may participate in any grant, contract, or agreement entered into under this subsection by contributing funds, if the agency determined that the objectives of the grant, contract, or agreement will further the authorized programs of the contributing agency.".

(c) CONFORMING AMENDMENTS.—Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended—

(1) in subsection (d)(1), by striking "of Agriculture" after "Department"; and

(2) in subsection (g)(1), by striking "of Agriculture" after "Department".

SEC. 10708. TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS; PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.

(a) TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.—The Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 2501 (7 U.S.C. 2279) the following:

"SEC. 2501A. TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

"(a) PURPOSE.—The purpose of this section is to ensure compilation and public disclosure of data to assess and hold the Department of Agriculture accountable for the nondiscriminatory participation of socially disadvantaged farmers and ranchers in programs of the Department.

"(b) DEFINITION OF SOCIALLY DISADVANTAGED FARMER OR RANCHER.—In this section, the term 'socially disadvantaged farmer or rancher' has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

"(c) COMPILATION OF PROGRAM PARTICIPATION DATA.—

"(1) ANNUAL REQUIREMENT.—For each county and State in the United States, the Secretary shall compute annually the participation rate of socially disadvantaged farmers and ranchers as a percentage of the total participation of all farmers and ranchers for each program of the Department of Agriculture established for farmers or ranchers.

"(2) REPORTING PARTICIPATION.—In reporting the rates of participation under paragraph (1), the Secretary shall report the participation rate of socially disadvantaged farmers and ranchers according to race, ethnicity, and gender.".

(b) PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.—Section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) is amended by striking subparagraph (B) and inserting the following:

"(B) ESTABLISHMENT AND ELECTIONS FOR COUNTY, AREA, OR LOCAL COMMITTEES.—

"(i) ESTABLISHMENT.—

"(I) IN GENERAL.—In each county or area in which activities are carried out under this section, the Secretary shall establish a county or area committee.

"(II) LOCAL ADMINISTRATIVE AREAS.—The Secretary may designate local administrative areas within a county or a larger area under the jurisdiction of a committee established under subclause (I).

"(ii) COMPOSITION OF COUNTY, AREA, OR LOCAL COMMITTEES.—A committee established under clause (i) shall consist of not fewer than 3 nor more than 5 members that—

"(I) are fairly representative of the agricultural producers within the area covered by the county, area, or local committee; and

"(II) are elected by the agricultural producers that participate or cooperate in programs administered within the area under the jurisdiction of the county, area, or local committee.

"(iii) ELECTIONS.—

"(I) IN GENERAL.—Subject to subclauses (II) through (V), the Secretary shall establish procedures for nominations and elections to county, area, or local committees.

"(II) NONDISCRIMINATION STATEMENT.—Each solicitation of nominations for, and notice of elections of, a county, area, or local committee shall include the nondiscrimination statement used by the Secretary.

"(III) NOMINATIONS.—

"(aa) ELIGIBILITY.—To be eligible for nomination and election to the applicable county, area, or local committee, as determined by the Secretary, an agricultural producer shall be located within the area under the jurisdiction of a county, area, or local committee, and participate or cooperate in programs administered within that area.

"(bb) OUTREACH.—In addition to such nominating procedures as the Secretary may prescribe, the Secretary shall solicit and accept nominations from organizations representing the interests of socially disadvantaged groups (as defined in section 355(e)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)(1)).

"(IV) OPENING OF BALLOTS.—

"(aa) PUBLIC NOTICE.—At least 10 days before the date on which ballots are to be opened and counted, a county, area, or local committee shall announce the date, time, and place at which election ballots will be opened and counted.

"(bb) OPENING OF BALLOTS.—Election ballots shall not be opened until the date and time announced under item (aa).

"(cc) OBSERVATION.—Any person may observe the opening and counting of the election ballots.

"(V) REPORT OF ELECTION.—Not later than 20 days after the date on which an election is held, a county, area, or local committee shall file an election report with the Secretary and the State office of the Farm Service Agency that includes—

"(aa) the number of eligible voters in the area covered by the county, area, or local committee;

"(bb) the number of ballots cast in the election by eligible voters (including the percentage of eligible voters that cast ballots);

"(cc) the number of ballots disqualified in the election;

"(dd) the percentage that the number of ballots disqualified is of the number of ballots received;

"(ee) the number of nominees for each seat up for election;

"(ff) the race, ethnicity, and gender of each nominee, as provided through the voluntary self-identification of each nominee; and

"(gg) the final election results (including the number of ballots received by each nominee).

"(VI) NATIONAL REPORT.—Not later than 90 days after the date on which the first election of a county, area, or local committee that occurs after the date of enactment of the Farm Security and Rural Investment Act of 2002 is held, the Secretary shall complete a report that consolidates all the election data reported to the Secretary under subclause (V).

"(VII) ELECTION REFORM.—

"(aa) ANALYSIS.—If determined necessary by the Secretary after analyzing the data contained in the report under subclause (VI), the Secretary shall promulgate and publish in the Federal Register proposed uniform guidelines for conducting elections for members and alternate members of county, area, and local committees not later than 1 year after the date of completion of the report.

"(bb) INCLUSION.—The procedures promulgated by the Secretary under item (aa) shall ensure fair representation of socially disadvantaged groups described in subclause (III)(bb) in an area covered by the county, area, or local committee, in cases in which those groups are underrepresented on the county, area, or local committee for that area.

"(cc) METHODS OF INCLUSION.—Notwithstanding clause (ii), the Secretary may ensure inclusion of socially disadvantaged farmers and ranchers through provisions allowing for appointment of 1 additional voting member to a county, area, or local committee or through other methods.

"(iv) TERM OF OFFICE.—The term of office for a member of a county, area, or local committee shall not exceed 3 years.

"(v) PUBLIC AVAILABILITY AND REPORT TO CONGRESS.—

"(I) PUBLIC DISCLOSURE.—The Secretary shall maintain and make readily available to the public, via website and otherwise in electronic and paper form, all data required to be collected and computed under section 2501A(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 and clause (iii)(V) collected annually since the most recent Census of Agriculture.

"(II) REPORT TO CONGRESS.—After each Census of Agriculture, the Secretary shall report to Congress the rate of loss or gain in participation by each socially disadvantaged group, by race, ethnicity, and gender, since the previous Census.".

Subtitle I—General Provisions

SEC. 10801. COTTON CLASSIFICATION SERVICES.

(a) EXTENSION OF AUTHORITY TO PROVIDE SERVICES.—The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the "Cotton Statistics and Estimates Act"; 7 U.S.C. 473a), is amended by striking "2002" and inserting "2007".

(b) REPEAL OF OBSOLETE EFFECTIVE DATE PROVISIONS.—

(1) 1984 AMENDMENT.—The first section of Public Law 98–403 (98 Stat. 1479) is amended by striking ", effective for the period beginning October 1, 1984, and ending September 30, 1988,".

(2) 1987 AMENDMENTS.—Section 2 of the Uniform Cotton Classing Fees Act of 1987 (Public Law 100–108; 101 Stat. 728) is amended by striking "Effective for the period beginning on the date of enactment of this Act and ending September 30, 1992, section" and inserting "Section".

(3) 1991 AMENDMENTS.—Section 120 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102–237; 105 Stat. 1842) is amended by striking subsection (e).

SEC. 10802. PROGRAM OF PUBLIC EDUCATION REGARDING USE OF BIOTECHNOLOGY IN PRODUCING FOOD FOR HUMAN CONSUMPTION.

(a) PUBLIC INFORMATION CAMPAIGN.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall develop and implement a program to communicate with the public regarding the use of biotechnology in producing food for human consumption. The information provided under the program shall include the following:

(1) Science-based evidence on the safety of foods produced with biotechnology.

(2) Scientific data on the human outcomes of the use of biotechnology to produce food for human consumption.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.

SEC. 10803. CHINO DAIRY PRESERVE PROJECT.

Notwithstanding any other provision of law, the Secretary of Agriculture, acting through the Natural Resources Conservation Service, may provide financial and technical assistance to the Chino Dairy Preserve Project, San Bernadino County, California.

SEC. 10804. GRAZINGLANDS RESEARCH LABORATORY.

Notwithstanding any other provision of law, before December 31, 2007, the Federal land and facilities at El Reno, Oklahoma, currently administered by the Secretary of Agriculture as the Grazinglands Research Laboratory shall not, without specific authorization by Congress—

(1) be declared to be excess or surplus under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.); or

(2) be conveyed or otherwise transferred in whole or in part.

SEC. 10805. FOOD AND AGRICULTURAL POLICY RESEARCH INSTITUTE.

(a) AUTHORITY.—The Secretary of Agriculture may award grants to the Food and Agricultural Policy Research Institute for the purpose of funding prospective, independent research on the effects of alternative domestic, foreign, and trade policies, on the agricultural sector, including research on the effects of those policies on—

(1) commodity prices for—

(A) feed; and

(B) food grains, oilseeds, cotton, livestock, and products thereof;

(2) supply and demand conditions for similar products;

(3) costs to the Federal Government;

(4) farm income;

(5) food costs;

(6) the volume and value of trade in agricultural commodities; and

(7) exporter and importer supply, demand, and trade.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $6,000,000 for each of fiscal years 2003 through 2007.

SEC. 10806. MARKET NAMES FOR CATFISH AND GINSENG.

(a) CATFISH LABELING.—

(1) IN GENERAL.—Notwithstanding any other provision of law, for purposes of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.)—

(A) the term "catfish" may only be considered to be a common or usual name (or part thereof) *for fish classified within the family Ictaluridae; and*

(B) only labeling or advertising for fish classified within that family may include the term "catfish".

(2) Amendment.—Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end the following:

"(t) If it purports to be or is represented as catfish, unless it is fish classified within the family Ictaluridae.".

(b) Ginseng Labeling.—

(1) In general.—Notwithstanding any other provision of law, for purposes of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.)—

(A) the term "ginseng" may only be considered to be a common or usual name (or part thereof) for any herb or herbal ingredient derived from a plant classified within the genus Panax; and

(B) only labeling or advertising for herbs or herbal ingredients classified within that genus may include the term "ginseng".

(2) Amendment.—Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) (as amended by subsection (a)(2)) is amended by adding at the end the following:

"(u) If it purports to be or is represented as ginseng, unless it is an herb or herbal ingredient derived from a plant classified within the genus Panax.".

SEC. 10807. FOOD SAFETY COMMISSION.

(a) Establishment.—

(1) In general.—There is established a commission to be known as the "Food Safety Commission" (referred to in this section as the "Commission").

(2) Membership.—

(A) Composition.—The Commission shall be composed of 15 members (including a Chairperson, appointed by the President.

(B) Eligibility.—

(i) In general.—Members of the Commission—

(I) shall have specialized training or significant experience in matters under the jurisdiction of the Commission; and

(II) shall represent, at a minimum—

(aa) consumers;

(bb) food scientists;

(cc) the food industry; and

(dd) health professionals.

(ii) Federal employees.—Not more than 3 members of the Commission may be Federal employees.

(C) Date of appointments.—The appointment of the members of the Commission shall be made as soon as practicable after the date on which funds authorized to be appropriated under subsection (e)(1) are made available.

(D) Vacancies.—A vacancy on the Commission—

(i) shall not affect the powers of the Commission; and

(ii) shall be filled—

(I) not later than 60 days after the date on which the vacancy occurs; and

(II) in the same manner as the original appointment was made.

(3) Meetings.—

(A) Initial meeting.—The initial meeting of the Commission shall be conducted not later than 30 days after the date of appointment of the final member of the Commission.

(B) Other meetings.—The Commission shall meet at the call of the Chairperson.

(4) Quorum; standing rules.—

(A) Quorum.—A majority of the members of the Commission shall constitute a quorum to conduct business.

(B) Standing rules.—At the first meeting of the Commission, the Commission shall adopt standing rules of the Commission to guide the conduct of business and decisionmaking of the Commission.

(b) Duties.—

(1) Recommendations.—The Commission shall make specific recommendations to enhance the food safety system of the United States, including a description of how each recommendation would improve food safety.

(2) Components.—Recommendations made by the Commission under paragraph (1) shall address all food available commercially in the United States.

(3) Report.—Not later than 1 year after the date on which the Commission first meets, the Commission shall submit to the President and Congress—

(A) the findings, conclusions, and recommendations of the Commission, including a description of how each recommendation would improve food safety;

(B) a summary of any other material used by the Commission in the preparation of the report under this paragraph; and

(C) if requested by 1 or more members of the Commission, a statement of the minority views of the Commission.

(c) Powers of the Commission.—

(1) Hearings.- The Commission may, for the purpose of carrying out this section, hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable.

(2) Information from federal agencies.—

(A) In general.—The Commission may secure directly, from any Federal agency, such information as the Commission considers necessary to carry out this section.

(B) Provision of information.—

(i) In general.—Subject to subparagraph (C), on the request of the Commission, the head of a Federal agency described in subparagraph (A) may furnish information requested by the Commission to the Commission.

(ii) Administration.—The furnishing of information by a Federal agency to the Commission shall not be considered a waiver of any exemption available to the agency under section 552 of title 5, United States Code.

(C) Information to be kept confidential.—

(i) In general.—For purposes of section 1905 of title 18, United States Code—

(I) the Commission shall be considered an agency of the Federal Government; and

(II) any individual employed by an individual, entity, or organization that is a party to a contract with the Commission under this section shall be considered an employee of the Commission.

(ii) Prohibition on disclosure.—Information obtained by the Commission, other than information that is available to the public, shall not be disclosed to any person in any manner except to an employee of the Commission as described in clause (i), for the purpose of receiving, reviewing, or processing the information.

(d) Commission Personnel Matters.—

(1) Members.—

(A) Compensation.—A member of the Commission shall serve without compensation for the services of the member on the Commission.

(B) Travel expenses.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

(2) Staff.—

(A) In general.—The Chairperson of the Commission may, without regard to the civil service laws (including regulations), appoint and terminate the appointment of an executive director and such other additional personnel as are necessary to enable the Commission to perform the duties of the Commission.

(B) Confirmation of executive director.—The employment of an executive director shall be subject to confirmation by the Commission.

(C) Compensation.—

(i) In general.—Except as provided in clause (ii), the Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(ii) Maximum rate of pay.—The rate of pay for the executive director and other personnel shall not exceed the rate payable for level II of the Executive Schedule under section 5316 of title 5, United States Code.

(3) Detail of federal government employees.—

(A) In general.—An employee of the Federal Government may be detailed to the Commission, without reimbursement, for such period of time as is permitted by law.

(B) Civil service status.—The detail of the employee shall be without interruption or loss of civil service status or privilege.

(4) Procurement of temporary and intermittent services.—The Chairperson of the Commission may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level II of the Executive Schedule under section 5316 of that title.

(e) Authorization of Appropriations.—

(1) In general.—There is authorized to be appropriated such sums as are necessary to carry out this section.

(2) Limitation.—No payment may be made under subsection (d) except to the extent provided for in advance in an appropriations Act.

(f) Termination.—The Commission shall terminate on the date that is 60 days after the date on which the Commission submits the recommendations and report under subsection (b)(3).

SEC. 10808. PASTEURIZATION.

(a) Pasteurization of Meat and Poultry.—

(1) In general.—Effective beginning not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall conduct an education program regarding the availability and safety of processes and treatments that eliminate or substantially reduce the level of pathogens on meat, meat food products, poultry, and poultry products.

(2) Authorization of appropriations.—There is authorized to be appropriated such sums as are necessary to carry out this subsection.

(b) Pasteurization of Food As Pasteurized.—Section 403(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(h)) is amended—

(1) by striking "or" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; or"; and

(3) by adding at the end the following:

"(3) a food that is pasteurized unless—

"(A) such food has been subjected to a safe process or treatment that is prescribed as pasteurization for such food in a regulation promulgated under this Act; or

"(B)(i) such food has been subjected to a safe process or treatment that—

"(I) is reasonably certain to achieve destruction or elimination in the food of the most resistant microorganisms of public health significance that are likely to occur in the food;

"(II) is at least as protective of the public health as a process or treatment described in subparagraph (A);

"(III) is effective for a period that is at least as long as the shelf life of the food when stored under normal and moderate abuse conditions; and

"(IV) is the subject of a notification to the Secretary, including effectiveness data regarding the process or treatment; and

"(ii) at least 120 days have passed after the date of receipt of such notification by the Secretary without the Secretary making a determination that the process or treatment involved has not been shown to meet the requirements of subclauses (I) through (III) of clause (i).

For purposes of paragraph (3), a determination by the Secretary that a process or treatment has not been shown to meet the requirements of subclauses (I) through (III) of subparagraph (B)(i) shall constitute final agency action under such subclauses.".

SEC. 10809. RULEMAKING ON LABELING OF IRRADIATED FOOD; CERTAIN PETITIONS.

The Secretary of Health and Human Services (referred to in this section as the "Secretary") shall publish a proposed rule and, with due consideration to public comment, a final rule to revise, as appropriate, the current regulation governing the labeling of foods that have been treated to reduce pest infestation or pathogens by treatment by irradiation using radioactive isotope, electronic beam, or x-ray. Pending promulgation of the final rule required by this subsection, any person may petition the Secretary for approval of labeling, which is not false or misleading in any material respect, of a food which has been treated by irradiation using radioactive isotope, electronic beam, or x-ray. The Secretary shall approve or deny such a petition within 180 days of receipt of the petition, or the petition shall be deemed denied, except to the extent additional agency review is mutually agreed upon by the Secretary and the petitioner. Any denial of a petition under this subsection shall constitute final agency action subject to judicial review by the United States Court of Appeals for the District of Columbia Circuit. Any labeling approved through the foregoing petition process shall be subject to the provisions of the final rule referred to in the first sentence of the subparagraph on the effective date of such final rule.

SEC. 10810. PENALTIES FOR VIOLATIONS OF PLANT PROTECTION ACT.

Section 424 of the Plant Protection Act (7 U.S.C. 7734) is amended by striking subsection (a) and inserting the following:

"(a) Criminal Penalties.—

"(1) Offenses.—

"(A) In general.—A person that knowingly violates this title, or knowingly forges, counterfeits, or, without authority from the Secretary, uses, alters, defaces, or destroys any certificate, permit, or other document provided for in this title shall be fined under title 18, United States Code, imprisoned not more than 1 year, or both.

"(B) Movement.—A person that knowingly imports, enters, exports, or moves any plant, plant product, biological control organism, plant pest, noxious weed, or article, for distribution or sale, in violation of this title, shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

"(2) Multiple violations.—On the second and any subsequent conviction of a person of a violation of this title under paragraph (1), the person shall be fined under title 18, United States Code, imprisoned not more than 10 years, or both.".

SEC. 10811. PRECLEARANCE QUARANTINE INSPECTIONS.

(a) Preclearance Inspections Required.—The Secretary of Agriculture, acting through the Administrator of the Animal and Plant Health Inspection Service, shall conduct preclearance quarantine inspections of persons, baggage, cargo, and any other articles destined for movement from the State of Hawaii to any of the following—

(1) The continental United States.

(2) Guam.

(3) Puerto Rico.

(4) The United States Virgin Islands.

(b) Inspection Locations.—The preclearance quarantine inspections required by subsection (a) shall be conducted at all direct departure and interline airports in the State of Hawaii.

(c) Limitation.—The Secretary shall not implement this section unless appropriations for necessary expenses of the Animal and Plant Health Inspection Service for inspection, quarantine, and regulatory activities are increased by an amount not less than $3,000,000 in an Act making appropriations for fiscal year 2003.

SEC. 10812. CONNECTICUT RIVER ATLANTIC SALMON COMMISSION.

Section 3(2) of Public Law 98–138 (Public Law 98–138; 97 Stat. 870) is amended by striking "twenty" and inserting "40".

SEC. 10813. PINE POINT SCHOOL.

Section 802(b)(2) of the No Child Left Behind Act of 2001 (Public Law 107–110) is amended by striking "2002" each place it appears and inserting "2000".

SEC. 10814. 7-MONTH EXTENSION OF CHAPTER 12 OF TITLE 11 OF THE UNITED STATES CODE.

(a) Amendments.—Section 149 of title I of division C of Public Law 105–277 is amended—

(1) by striking "June 1, 2002" each place it appears and inserting "January 1, 2003"; and

(2) in subsection (a)—

(A) by striking "September 30, 2001" and inserting "May 31, 2002"; and

(B) by striking "October 1, 2001" and inserting "June 1, 2002".

(b) Effective Date.—The amendments made by subsection (a) shall take effect on June 1, 2002.

SEC. 10815. PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

(a) Report.—The Secretary of Agriculture shall investigate and submit to Congress a report on—

(1) the scope of nonambulatory livestock;

(2) the causes that render livestock nonambulatory;

(3) the humane treatment of nonambulatory livestock; and

(4) the extent to which nonambulatory livestock may present handling and disposition problems for stockyards, market agencies, and dealers.

(b) Authority.—Based on the findings of the report, if the Secretary determines it necessary, the Secretary shall promulgate regulations to provide for the humane treatment, handling, and disposition of nonambulatory livestock by stockyards, market agencies, and dealers.

(c) Administration and Enforcement.—For the purpose of administering and enforcing any regulations promulgated under subsection (b), the authorities provided under sections 10414 and 10415 shall apply to the regulations in a similar manner as those sections apply to the Animal Health Protection Act. Any person that violates regulations promulgated under subsection (b) shall be subject to penalties provided in section 10414.

SEC. 10816. COUNTRY OF ORIGIN LABELING.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

"Subtitle D—Country of Origin Labeling

"SEC. 281. DEFINITIONS.

"In this subtitle:

"(1) Beef.—The term 'beef' means meat produced from cattle (including veal).

"(2) Covered commodity.—

"(A) In general.—The term 'covered commodity' means—

"(i) muscle cuts of beef, lamb, and pork;

"(ii) ground beef, ground lamb, and ground pork;

"(iii) farm-raised fish;

"(iv) wild fish;

"(v) a perishable agricultural commodity; and

"(vi) peanuts.

"(B) Exclusions.—The term 'covered commodity' does not include an item described in subparagraph (A) if the item is an ingredient in a processed food item.

"(3) Farm-raised fish.—The term 'farm-raised fish' includes—

"(A) farm-raised shellfish; and

"(B) fillets, steaks, nuggets, and any other flesh from a farm-raised fish or shellfish.

"(4) Food service establishment.—The term 'food service establishment' means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public.

"(5) Lamb.—The term 'lamb' means meat, other than mutton, produced from sheep.

"(6) Perishable agricultural commodity; retailer.—The terms 'perishable agricultural commodity' and 'retailer' have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(b)).

"(7) Pork.—The term 'pork' means meat produced from hogs.

"(8) Secretary.—The term 'Secretary' means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

"(9) Wild fish.—

"(A) In general.—The term 'wild fish' means naturally-born or hatchery-raised fish and shellfish harvested in the wild.

"(B) Inclusions.—The term 'wild fish' includes a fillet, steak, nugget, and any other flesh from wild fish or shellfish.

"(C) Exclusions.—The term 'wild fish' excludes net-pen aquacultural or other farm-raised fish.

"SEC. 282. NOTICE OF COUNTRY OF ORIGIN.

"(a) In General.—

"(1) Requirement.—Except as provided in subsection (b), a retailer of a covered commodity shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity.

"(2) United States country of origin.—A retailer of a covered commodity may designate the covered commodity as having a United States country of origin only if the covered commodity—

"(A) in the case of beef, is exclusively from an animal that is exclusively born, raised, and slaughtered in the United States (including from an animal exclusively born and raised in Alaska or Hawaii and transported for a period not to exceed 60 days through Canada to the United States and slaughtered in the United States);

"(B) in the case of lamb and pork, is exclusively from an animal that is exclusively born, raised, and slaughtered in the United States;

"(C) in the case of farm-raised fish, is hatched, raised, harvested, and processed in the United States;

"(D) in the case of wild fish, is—

"(i) harvested in waters of the United States, a territory of the United States, or a State; and

"(ii) processed in the United States, a territory of the United States, or a State, including the waters thereof; and

"(E) in the case of a perishable agricultural commodity or peanuts, is exclusively produced in the United States.

"(3) Wild fish and farm-raised fish.—The notice of country of origin for wild fish and farm-raised fish shall distinguish between wild fish and farm-raised fish.

"(b) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Subsection (a) shall not apply to a covered commodity if the covered commodity is—

"(1) prepared or served in a food service establishment; and

"(2)(A) offered for sale or sold at the food service establishment in normal retail quantities; or

"(B) served to consumers at the food service establishment.

"(c) METHOD OF NOTIFICATION.—

"(1) IN GENERAL.—The information required by subsection (a) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

"(2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.

"(d) AUDIT VERIFICATION SYSTEM.—The Secretary may require that any person that prepares, stores, handles, or distributes a covered commodity for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to verify compliance with this subtitle (including the regulations promulgated under section 284(b)).

"(e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

"(f) CERTIFICATION OF ORIGIN.—

"(1) MANDATORY IDENTIFICATION.—The Secretary shall not use a mandatory identification system to verify the country of origin of a covered commodity.

"(2) EXISTING CERTIFICATION PROGRAMS.—To certify the country of origin of a covered commodity, the Secretary may use as a model certification programs in existence on the date of enactment of this Act, including—

"(A) the carcass grading and certification system carried out under this Act;

"(B) the voluntary country of origin beef labeling system carried out under this Act;

"(C) voluntary programs established to certify certain premium beef cuts;

"(D) the origin verification system established to carry out the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766); or

"(E) the origin verification system established to carry out the market access program under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

"SEC. 283. ENFORCEMENT.

"(a) IN GENERAL.—Except as provided in subsections (b) and (c), section 253 shall apply to a violation of this subtitle.

"(b) WARNINGS.—If the Secretary determines that a retailer is in violation of section 282, the Secretary shall—

"(1) notify the retailer of the determination of the Secretary; and

"(2) provide the retailer a 30-day period, beginning on the date on which the retailer receives the notice under paragraph (1) from the Secretary, during which the retailer may take necessary steps to comply with section 282.

"(c) FINES.—If, on completion of the 30-day period described in subsection (b)(2), the Secretary determines that the retailer has willfully violated section 282, after providing notice and an opportunity for a hearing before the Secretary with respect to the violation, the Secretary may fine the retailer in an amount of not more than $10,000 for each violation.

"SEC. 284. REGULATIONS.

"(a) GUIDELINES.—Not later than September 30, 2002, the Secretary shall issue guidelines for the voluntary country of origin labeling of covered commodities based on the requirements of section 282.

"(b) REGULATIONS.—Not later than September 30, 2004, the Secretary shall promulgate such regulations as are necessary to implement this subtitle.

"(c) PARTNERSHIPS WITH STATES.—In promulgating the regulations, the Secretary shall, to the maximum extent practicable, enter into partnerships with States with enforcement infrastructure to assist in the administration of this subtitle.

"SEC. 285. APPLICABILITY.

"This subtitle shall apply to the retail sale of a covered commodity beginning September 30, 2004.".

Subtitle J—Miscellaneous Studies and Reports

SEC. 10901. REPORT ON SPECIALTY CROP PURCHASES.

Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the quantity and type of—

(1) fruits, vegetables, and other specialty food crops that are purchased under section 10603; and

(2) other commodities that are purchased under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c).

SEC. 10902. REPORT ON POUCHED AND CANNED SALMON.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to Congress a report on efforts to expand the promotion, marketing, and purchasing of pouched and canned salmon harvested and processed in the United States under food and nutrition programs administered by the Secretary.

(b) COMPONENTS.—The report under subsection (a) shall include—

(1) an analysis of pouched and canned salmon inventories in the United States that, as of the date on which the report is submitted, are available for purchase;

(2) an analysis of the demand for pouched and canned salmon and value-added products (such as salmon "nuggets") by—

(A) partners of the Department of Agriculture (including other appropriate Federal agencies); and

(B) consumers; and

(3) an analysis of impediments to additional purchases of pouched and canned salmon, including—

(A) any marketing issues; and

(B) recommendations for methods to resolve those impediments.

SEC. 10903. STUDY ON UPDATING YIELDS.

(a) IN GENERAL.—The Comptroller General shall conduct a study and make findings and recommendations with respect to determining how producer income would be affected by updating yield bases, including—

(1) whether crop yields have increased over the past 20 crop years for program crops and oilseeds;

(2) whether program payments would be disbursed differently under title I if yield bases were updated further;

(3) what impact the target prices under title I would have on producer income if the yield bases of the target prices were further updated; and

(4) what impact lower target prices with updated yield bases would have on producer income, as compared with the impact of target prices under title I.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Comptroller General shall submit to Congress a report on the study, findings, and recommendations required by subsection (a).

SEC. 10904. REPORT ON EFFECT OF FARM PROGRAM PAYMENTS.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that direct payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) CASE STUDY RELATED TO RICE PRODUCTION.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other fixed payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) REPORT AND RECOMMENDATIONS.—

(1) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected for the review and the case study and any findings made on the basis of the information.

(2) RECOMMENDATIONS.—The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on—

(A) producers who are tenants;

(B) the agricultural economies in farming areas generally;

(C) particular areas described in subsection (a); and

(D) on the area that is the subject of the case study conducted under subsection (b).

SEC. 10905. CHILOQUIN DAM FISH PASSAGE FEASIBILITY STUDY.

(a) IN GENERAL.—The Secretary of the Interior, in collaboration with all interested parties (including the Modoc Point Irrigation District, the Klamath Tribes, and the Oregon Department of Fish and Wildlife), shall conduct a study of the feasibility of providing adequate upstream and downstream passage for fish at the Chiloquin Dam on the Sprague River, Oregon.

(b) SUBJECTS.—The study shall include—

(1) a review of all alternatives for providing passage described in subsection (a), including the removal of the dam;

(2) the determination of the most appropriate alternative;

(3) the development of recommendations for implementing that alternative; and

(4) examination of mitigation needed for upstream and downstream water users, and for Klamath tribal nonconsumptive uses, as a result of the implementation of the alternative.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior shall submit to Congress a report that describes the findings, conclusions, and recommendations of the study.

SEC. 10906. REPORT ON GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.

(a) DEFINITION OF GEOGRAPHICALLY DISADVANTAGED FARMER OR RANCHER.—In this section, the term "geographically disadvantaged farmer or rancher' means a farmer or rancher in—

(1) an insular area (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) (as amended by section 7502(a)); or

(2) a State other than 1 of the 48 contiguous States.

(b) Report.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

(1) barriers to efficient and competitive transportation of inputs and products by geographically disadvantaged farmers and ranchers; and

(2) means of encouraging and assisting geographically disadvantaged farmers and ranchers—

(A) to own and operate farms and ranches; and

(B) to participate equitably in the full range of agricultural programs offered by the Department of Agriculture.

SEC. 10907. STUDIES ON AGRICULTURAL RESEARCH AND TECHNOLOGY.

(a) Scientific Studies.—

(1) In general.—The Secretary of Agriculture may conduct scientific studies on—

(A) the transmission of spongiform encephalopathy in deer, elk, and moose; and

(B) chronic wasting disease (including the risks that chronic wasting disease poses to livestock).

(2) Report.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of any scientific studies conducted under paragraph (1).

(b) Vaccines.—

(1) Vaccine storage study.—The Secretary may—

(A) conduct a study to determine the number of doses of livestock disease vaccines that should be available to protect against livestock diseases that could be introduced into the United States; and

(B) compare that number with the number of doses of the livestock disease vaccines that are available as of that date.

(2) Stockpiling of vaccines.—If, after conducting the study and comparison described in paragraph (1), the Secretary determines that there is an insufficient number of doses of a particular vaccine referred to in that paragraph, the Secretary may take such actions as are necessary to obtain the required additional doses of the vaccine.

SEC. 10908. REPORT ON TOBACCO SETTLEMENT AGREEMENT.

Not later than December 31, 2002, and annually thereafter through 2006, the Comptroller General shall submit to Congress a report that describes all programs and activities that States have carried out using funds received under all phases of the Master Settlement Agreement of 1997.

SEC. 10909. REPORT ON SALE AND USE OF PESTICIDES FOR AGRICULTURAL USES.

Not later than 180 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the manner in which the Agency is applying regulations of the Agency governing the sale and use of pesticides for agricultural use to electronic commerce transactions.

SEC. 10910. REVIEW OF OPERATION OF AGRICULTURAL AND NATURAL RESOURCE PROGRAMS ON TRIBAL TRUST LAND.

(a) Review.—The Secretary of Agriculture (referred to in this section as the "Secretary") shall conduct a review of the operation of agricultural and natural resource programs available to farmers and ranchers operating on tribal and trust land, including—

(1) agricultural commodity, price support, and farm income support programs (collectively referred to in this section as "agricultural commodity programs");

(2) conservation programs (including financial and technical assistance);

(3) agricultural credit programs;

(4) rural development programs; and

(5) forestry programs.

(b) Criteria for Review.—In carrying out the review under subsection (a), the Secretary shall consider—

(1) the extent to which agricultural commodity programs and conservation programs are consistent with tribal goals and priorities regarding the sustainable use of agricultural land;

(2) strategies for increasing tribal participation in agricultural commodity programs and conservation programs;

(3) the educational and training opportunities available to Indian tribes and members of Indian tribes in the practical, technical, and professional aspects of agriculture and land management; and

(4) the development and management of agricultural land under the jurisdiction of Indian tribes in accordance with integrated resource management plans that—

(A) ensure proper management of the land;

(B) produce increased economic returns;

(C) promote employment opportunities; and

(D) improve the social and economic well-being of Indian tribes and members of Indian tribes.

(c) Consultation.—In carrying out this section, the Secretary shall consult with—

(1) the Secretary of the Interior;

(2) local officers and employees of the Department of Agriculture; and

(3) program recipients.

(d) Report.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report that contains—

(1) a description of the results of the review conducted under this section;

(2) recommendations for program improvements; and

(3) a description of actions that will be taken to carry out the improvements.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the bill, insert the following: "An Act to provide for the continuation of agricultural programs through fiscal year 2007, and for other purposes.".

And the Senate agree to the same.

From the Committee on Agriculture, for consideration of the House bill and Senate amendment and modifications committed to conference:

Larry Combest,
Bob Goodlatte,
Richard Pombo,
Terry Everett,
Frank D. Lucas,
Saxby Chambliss,
Jerry Moran,
Charles W. Stenholm,
Gary Condit,
Collin C. Peterson,
Eva M. Clayton,
Tim Holden,

As additional conferees from the Committee on the Budget, for consideration of sec. 197 of the Senate amendment, and modifications committed to conference:

Jim Nussle,

From the Committee on Education and the Workforce, for consideration of secs. 453–5, 457–9, 460–1, and 464 of the Senate amendment and modifications committed to conference:

Michael N. Castle,
Tom Osborne,
Dale E. Kildee,

From the Committee on Energy and Commerce, for consideration of secs. 213, 605, 627, 648, 652, 902, 1041, and 1079E of the Senate amendment, and modifications committed to conference:

Billy Tauzin,
Joe Barton,
John D. Dingell,

From the Committee on Financial Services, for consideration of secs. 335 and 601 of the Senate amendment, and modifications committed to conference:

Michael G. Oxley,
Spencer Bachus,
John J. LaFalce
(except for sec. 335),

From the Committee on International Relations, for consideration of title III of the House bill and title III of the Senate amendment, and modifications committed to conference:

Henry Hyde,
Christopher Smith,
Tom Lantos,

From the Committee on the Judiciary, for consideration of secs. 940–1 of the House bill and secs. 602, 1028–9, 1033–5, 1046, 1049, 1052–3, 1058, 1068–9, 1070–1, 1098, and 1098A of the Senate amendment, and modifications committed to conference:

Mark Green,

From the Committee on Resources, for consideration of secs. 201, 203, 211, 213, 215–7, 262, 721, 786, 806, 810, 817–8, 1069, 1070, and 1076 of the Senate amendment, and modifications committed to conference:

James V. Hansen,
Don Young,

From the Committee on Science, for consideration of secs. 808, 811, 902–3, and 1079 of the Senate amendment, and modifications committed to conference:

Sherwood Boehlert,
Roscoe G. Bartlett,
Ralph M. Hall,

From the Committee on Ways and Means, for consideration of secs. 127 and 146 of the House bill and sections 144, 1024, 1038, and 1070 of the Senate amendment, and modifications committed to conference:

Charles B. Rangel,
Managers on the Part of the House.

Tom Harkin,
Patrick Leahy,
Kent Conrad,
Tom Daschle,
Thad Cochran,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The Managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

Short Title; Table of Contents

(1) Short Title

The House bill cites that this Act may be cited as the "Farm Security Act of 2001". (Section 1)

The Senate amendment cites that the Act may be cited as the "Agriculture, Conservation, and Rural Enhancement Act of 2002". (Section 1)

The Conference substitute cites this Act as the "Farm Security and Rural Investment Act of 2002". (Section 1000)

Title I—Commodity Programs

(2) Definitions

The House bill defines terms necessary for implementation of this Act: Agricultural Act of 1949, base acres, counter-cyclical payment, covered commodity, effective price, eligible producer, fixed decoupled payment, other oilseed, payment acres, payment yield, producer, Secretary, State, target price and United States. (Section 101)

The Senate amendment defines terms necessary for implementation of this Act: Agricultural Act of 1949, considered planted, contract, contract acreage, contract commodity, contract payment, Department, ELS Cotton, loan commodity, oilseed, payment yield, producer, Secretary, State and United States. (Section 101)

The Conference substitute defines terms necessary for implementation of this Act: Agricultural Act of 1949, base acres, counter-cyclical payment, covered commodity, direct payment, effective price, extra long staple cotton, loan commodity, other oilseed, payment acres, payment yield, updated payment yield, producer, Secretary, State, target price and United States. (Section 1001)

SUBTITLE A—FIXED DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS

(3) Payments to Eligible Producers

The House bill provides that beginning with the 2002 crop year, the Secretary will make fixed decoupled payments and counter-cyclical payments to eligible producers, including producers that would have been eligible for an AMTA contract payment in 2002 and other producers of a covered commodity on a farm in the United States as described in section 103(a).

Defines a producer eligible to share in a fixed, decoupled and counter-cyclical payment as "an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title".

Requires the Secretary to protect the interests of tenants and sharecroppers in carrying out this title.

Sharing of Contract Payments.—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the eligible producers on a farm on a fair and equitable basis.

The Senate amendment provides that the Secretary shall offer to enter into a contract with an eligible owner or producer on a farm containing eligible cropland under which the eligible owner or producer will receive direct and counter-cyclical payments under sections 113 and 114, respectively.

For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments available to eligible owners and producers on a farm that have entered into a contract to receive payments under this section.

For each of the 2002 through 2006 crop years, the Secretary shall make counter-cyclical payments to eligible owners and producers on a farm of each contract commodity that have entered into a contract to receive payments under this section.

An eligible owner or producer on a farm, subject to the provisions for share-rent tenants, cash-rent tenants and cash-rent owners, shall be eligible to enter into a contract.

Share-rent Tenant.—A producer on eligible cropland that is a tenant with a share-rent lease of the eligible cropland shall be eligible to enter into a contract, regardless of the length of the lease, if the owner enters into the same contract.

Cash-Rent Tenant.—Contracts With Long-Term Lease—A producer on eligible cropland that cash rents the eligible cropland under a lease expiring on or after the termination of the contract shall be eligible to enter into a contract.

Contracts With Short-Term Lease.—A producer that cash rents the eligible cropland under a lease expiring before the termination of the contract shall be eligible to enter into a contract in addition to the owner. Provides that the owner must consent if a producer elects to enroll less than 100 percent of the eligible cropland in the contract.

Cash-Rent Owner.—An owner of eligible cropland that cash rents under a lease that expires before the end of the 2006 crop year shall be eligible to enter into a contract if the tenant declines to do so, however the Secretary shall not make contract payments to the owner under the contract until the lease held by the tenant terminates.

Requires the Secretary to protect the interest of tenants and sharecroppers in carrying out this subtitle.

Requires the Secretary to provide for the sharing of contract payments among the eligible producers on a farm on a fair and equitable basis. (Section 111)

The Conference substitute deletes both the House and the Senate provisions, except provides in section 1105 for the protection of the interest of tenants and sharecroppers and requires the sharing of direct and counter-cyclical payments among the producers on a farm on a fair and equitable basis. (Section 1105)

The Managers intend that the Secretary will consider acreage and production data from producers' federal crop insurance records, as well as records provided to the Farm Service Agency to qualify for market assistance loan benefits during the relevant crop years.

(4) Establishment of Payment Yield

The House bill requires the Secretary to establish payment yields for each farm for each covered commodity. The yield for a farm will be the payment yield in effect for the 2002 crop of the commodity as provided under section 505 of the Agricultural Act of 1949. If no yield is available, the Secretary shall establish an appropriate payment yield taking into account the payment yields applicable to the commodity for similar farms in the area.

Relative to soybeans and other oilseeds, the Secretary will establish a yield for a farm by determining the average yield from 1998 through 2001, excluding years where the acreage planted to the oilseed was zero. If a farm would have satisfied disaster eligibility requirements under the FY1999 Agriculture Appropriations Bill in any of the 1998 through 2001 crop years, the Secretary will assign a yield to the farm equal to 65 percent of the county yield for that year in determining the 4-year average.

The payment yield for a farm for an oilseed shall be equal to the product of the following: (A) the average yield for the oilseed determined under paragraph (1). The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops. (Section 102)

The Senate amendment provides that subject to subsection (h), an eligible owner or producer that has entered into a contract under this subtitle may make a 1-time election to have the payment yield for each of the contract commodities for a farm be equal to an amount that is the greater of: (1) the average yield per harvested acre for the crop of the contract commodity for the farm for the 1998–2001 crop years, excluding any crop year for which the producers on the farm did not plant the contract crop and, at the option of the producers, 1 additional crop year or the farm program payment yield adjusted for any additional yields. If no yield records are available for a contract commodity, including land devoted to oilseed under a conservation reserve contract, the Secretary shall establish an appropriate payment yield taking into account the payment yields applicable to the commodity for similar farms in the area. (Section 111)

The Conference substitute requires the Secretary to establish payment yields for each farm for each covered commodity. The yield for a farm will be the payment yield in effect for the 2002 crop of the commodity as provided under section 505 of the Agricultural Act of 1949, as adjusted by the Secretary to account for any additional yield payments. If no yield is available, the Secretary shall establish an appropriate payment yield taking into account the payment yields applicable to the commodity for similar farms in the area, but before the yields for the similar farms are updated to reflect the actual yield per planted acre for the period 1998 through 2001.

Relative to soybeans and other oilseeds, the Secretary will establish a yield for a farm by determining the average yield from 1998 through 2001, excluding years where the acreage planted to the oilseed was zero.

The payment yield for a farm for an oilseed shall be equal to the product of the following: (A) The average yield for the oilseed for the 1998 through 2001 crops. (B) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops.

If the yield per planted acre for a crop of an oilseed for a farm for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that oilseed, the Secretary shall assign a yield for that crop year equal to 75 percent of the county yield for purposes of determining the average yield for the 1998 through 2001 crop years.

If the owner of a farm elects to update the crop acreage base for all covered commodities using the average of the planted and prevented from planting acreage for 1998 through 2001, the owner shall also have a 1-time opportunity to elect to partially update the payment yields that would be used in calculating any counter-cyclical payments for covered commodities on the farm. If yields are updated for counter-cyclical payments for one covered commodity, they must be updated for all covered commodities on the farm.

If the owner of a farm elects to update yields for payments, the counter-cyclical payment yield for a covered commodity on the farm shall be equal to the yield determined using either of the following: (A) The sum of the payment yield applicable for direct payments for the covered commodity on the farm and 70 percent of the difference between the average of the yield per planted acre for the crop of the covered commodity on the farm for the 1998 through 2001 crop years and the payment yield applicable for direct payments for the covered commodity on the farm, or (B) 93.5 percent of the average yield per planted acre for the crop of the covered commodity for the farm for the 1998 through 2001 crop years.

If the yield per planted acre for a crop of the covered commodity for a farm for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that commodity, the Secretary shall assign a yield for that crop year equal to 75 percent of the county for the purpose of determining the average yield.

Owners electing to partially update yields are required to have the partially updated yield determined on the average yield per planted acre, excluding any year in which the crop was not planted. The Managers intend that the Secretary recognize that those producers planting crops for grazing that will be included as base acreage are unable to furnish production evidence similar to that furnished by producers that harvest crops for grain. For those owners intending to partially update a crop's counter-cyclical yield that have this situation, the Managers intend for the Secretary to equitably determine the yield on the grazed acreage to be used for purposes of proven yields by either assigning a yield based on the actual production for that year on similar farms that harvested for grain or other method determined appropriate by the Secretary. (Section 1102)

(5) Establishment of Base Acres and Payment Acres for a Farm

The House bill provides that the Secretary will give producers a choice in determining their base acres. Producers may choose base acres reflecting the four-year average of acreage planted or prevented from being planted to the commodity for harvest, grazing, haying, silage, and other similar purposes during the 1998 through 2001 crop years. Alternatively, producers may choose base acres reflecting contract acreage that would otherwise be used to calculate the fiscal year 2002 production flexibility contract payments.

Producers may make an election of base acres only once and provide notice of the election to the Secretary no later than 180 days after the date of enactment of this Act. If a producer fails to make an election of base acreage, or fails to timely notify the Secretary of the selected base acreage, the producers shall be deemed to have chosen base acres reflecting the production flexibility contract acreage.

The election made by the producer shall apply to all covered commodities on the farm.

In the case of producers on a farm that elect as their base acreage the contract acreage used by the Secretary to calculate the fiscal year 2002 payment, the Secretary will restore base acres when land under a conservation reserve contract expires, is voluntary terminated, or is released by the Secretary. (Conservation Reserve Program Signup 1–14)

For the fiscal year and crop year in which a base acre adjustment is first made, the producers on the farm shall elect to receive either fixed decoupled payments and counter-cyclical payments with respect to the acreage added to the farm or a prorated payment under the conservation reserve contract, but not both.

In the case of producers on a farm that elect as their base acreage the contract acreage used by the Secretary to calculate the fiscal year 2002 payment, the Secretary will restore base acres when land under a conservation reserve contract expires, is voluntary terminated, or is released by the Secretary. (Conservation Reserve Program Signup 15 and greater)

Payment acres for both the fixed decoupled and the counter-cyclical payment shall be equal to 85% of the base acres.

The sum of base acres, peanut acres and acreage enrolled in CRP, WRP, or other programs in which a producer agrees not to produce a commodity on acreage in exchange for a payment, cannot exceed the actual cropland acreage on the farm. The Secretary shall give producers on the farm the opportunity to select base acres or peanuts acres against which the reduction will be made. The Secretary shall make an exception in the case of double cropping. (Section 103)

The Senate amendment provides that land shall be considered to be cropland eligible for coverage under a contract only if the land has with respect to a contract commodity, contract acreage attributable to the land and a payment yield or was subject to a conservation reserve contract with a term that expired, or was voluntarily terminated on or after the date of enactment.

Provides that an eligible owner or producer may enroll as contract acreage under this subtitle all or a portion of the eligible cropland on the farm.

Provides that an owner or producer that enters into a contract may subsequently reduce the quantity of contract acreage covered by the contract.

Subject to subsection (h) the Secretary shall provide eligible owners and producers on the farm with an opportunity to elect 1 of the following methods as the method by which the contract acreage for the 2002 through 2006 crops of all contract commodities for a farm are determined: (1) the 4-year average of acreage planted or considered planted to a contract commodity for harvest, grazing, haying, silage, or other similar purposes during the 1998 through 2001 crop years or (2) contract acreage that would be used to calculate the fiscal year 2002 production flexibility contract payments and the 4-year average for each oilseed produced on the farm.

In making the contract acreage and yield elections, eligible owners and producers on a farm shall elect to update the contract acreage using the 4-year 1998 through 2001 average acreage and the 1998 through 2001 average yield per harvested acre (adjusted for years with no planted acreage and at the option of the producer, 1 additional crop year) or the 2002 production flexibility contract crop acreage plus the 4-year average of oilseeds and the farm program payment yield for current contract crops and for oilseeds, the 1998 through 2001 average yield per harvested acre (adjusted for years with no planted acreage and at the option of the producer, 1 additional crop year).

At the beginning of each fiscal year, the Secretary shall allow an eligible owner or producer on a farm covered by a conservation reserve contract that terminated after 180 days after the enactment of this Act to enter into or expand a contract to cover the eligible cropland of the farm that was subject to the former conservation reserve contract.

For the fiscal year and crop year for which a contract acreage adjustment is made as a result of the termination of a conservation reserve program contract the eligible owners and producers on the farm shall elect to receive direct payments and counter-cyclical payments with respect to the acreage added to the farm or a prorated payment under the conservation reserve contract.

The sum of the contract acreage, peanut acres and acreage enrolled in CRP, WRP, or other acreage on a farm enrolled in a voluntary Federal conservation program under which production of any agricultural commodity is prohibited, cannot exceed the actual cropland acreage on a farm. The Secretary shall give owners and producers on the farm the opportunity to select contract acreage or peanut acres against which the reduction will be made. The Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm. (Section 111)

The Conference substitute provides that for the purpose of making direct and counter-cyclical payments to a farm, the Secretary shall give an owner of the farm an opportunity to elect the method by which the base acres of all covered commodities on the farm are to be determined. Subject to the provision requiring the base acreage to be determined based on a 4-year average, including the years in which the crop was not planted, and the treatment of multiple plantings or prevented planting on the same acreage, owners may choose the farms crop acreage base by either: (1) using the acreage planted on the farm to covered commodities for harvest, grazing, haying, silage, or other similar purposes for the 1998 through 2001 crop years including any acreage on the farm that the producers were prevented from planting to covered commodities because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary or (2) contract acreage that would be used to calculate the fiscal year 2002 production flexibility contract payments and the 4-year average for each oilseed produced on the farm for the 1998 through 2001 crop years. The eligible acreage for each oilseed on a farm shall be the average of each oilseed for the 1998 through 2001 crop years, except that the total acreage for all oilseeds on the farm for a crop year may not exceed the difference between the total acreage determined for all covered commodities for that crop year and the total contract acreage used by the Secretary to calculate the fiscal year 2002 production flexibility contract payment.

The owner of a farm may increase the eligible acreage for an oilseed on the farm by reducing the production flexibility contract acreage for one or more covered commodities on an acre-for-acre-basis, except that the total base acreage for each oilseed on the farm may not exceed the 4-year average of each oilseed.

The Secretary shall not exclude any crop year in which a covered commodity was not planted for purposes of determining a 4-year acreage average.

For the purposes of determining the 4-year average of acreage planted or prevented from being planted during the 1998 through 2001 crop years to covered commodities, acreage that was planted or prevented from being planted that was devoted to another covered commodity in the same crop year may only be used in the base calculation after the owner determines whether the initial commodity or the subsequent commodity, but not both, will be used.

As soon as practicable after the date of enactment of this Act, the Secretary shall provide notice to owners of farms regarding their opportunity to make the applicable base election. The notice shall include: (1) notice that the opportunity of an owner to make the election is being provided only once and (2) information regarding the manner in which the election must be made and the time periods and manner in which notice of the election must be submitted to the Secretary.

The owner may make an election of base acres only once and must provide notice of the election to the Secretary within the time period and in the manner prescribed by the Secretary. If an owner fails to make an election of base acreage, or fails to timely notify the Secretary of the election made, the owner shall be deemed to have chosen base acres reflecting the production flexibility contract acreage, plus oilseeds if applicable.

The election made by the producer shall apply to all covered commodities on the farm.

The Secretary shall provide for an appropriate adjustment in the base acres for covered commodities for a farm whenever land under a conservation reserve contract expires, is voluntary terminated, or is released by the Secretary.

For the crop year in which a base acre adjustment is first made, the owner on the farm shall elect to receive either direct payments and counter-cyclical payments with respect to the acreage added to the farm or a prorated payment under the conservation reserve contract, but not both.

Payment acres for both the direct and the counter-cyclical payment shall be equal to 85% of the base acres.

The sum of base acres, base acres for peanuts and acreage enrolled in CRP, WRP, or other conservation programs which restrict or prohibit the production of an agricultural commodity cannot exceed the actual cropland acreage on the farm. The Secretary shall give producers on the farm the opportunity to select base acres or base acres for peanuts against which the reduction will be made. The Secretary shall make an exception in the case of double cropping.

The owner of a farm may reduce, at any time, base acreage for any covered commodity for the farm provided the reduction of base acreage is permanent.

In implementing Section 1101, the Secretary shall also allow owners of a farm who did not hold a production flexibility contract under the Federal Agriculture Improvement and Reform Act of 1996 to elect to calculate base acreage for planting history on the farm for crop years 1998–2001. The intent of this section is to provide the opportunity to owners to update base acreage to reflect a more recent planting history, to allow owners not holding a production flexibility contract to receive farm program benefits under this Act, and to allow owners holding production flexibility contracts the opportunity to retain their base acreage and add oilseeds in a limited manner.

The Managers expect the Secretary to recognize that although the owner of the farm will be allowed the opportunity to make the applicable base election under Section 1101, it is important that other producers on the farm are notified of the acreage options available to the owner. In addition to providing notice to the owner of the farm, the Managers expect the Secretary to provide notice to operators or producers on a farm of the owner's opportunity to elect the method in which to calculate base acres at the time the Secretary provides notice to the owner.

The Managers are aware that production flexibility contract acreage was not protected on acreage enrolled into the Conservation Reserve Program during CRP signup number 15 and later. The Managers intend that the Secretary develop a method that provides for the restoration of base acreage on farms that permanently reduced contract acreage because of enrollment in CRP. Since soybeans and other oilseeds did not have contract acreage prior to this Act, the Managers expect the Secretary to treat soybeans and other oilseeds in a manner that is similar and consistent with other covered commodities. (Section 1101)

(5) Elements of Contracts

The Senate amendment provides the Time for Contracting—

(1) Commencement.—To the extent practicable, the Secretary shall commence entering into contracts not later than 45 days after the date of enactment of this title.

(2) Except as provided in paragraph the Secretary may not enter into a contract after the date that is 180 days after the date of enactment.

(3) At the beginning of each fiscal year, the Secretary shall allow an eligible owner or producer on a farm with a conservation reserve contract that terminated after the final date to enroll eligible cropland in a direct and counter-cyclical payment contract to enter into or expand a contract to cover the eligible cropland that was subject to the former conservation reserve contract.

Duration of Contract.—The term of a contract shall begin with the 2002 crop or in the case of acreage that was subject to a conservation reserve contract that is subsequently terminated, the date the contract was entered into or expanded to cover the terminated acreage. Unless earlier terminated by eligible owners or producer, the contract shall extend through the 2006 crop. (Section 111)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(6) Availability of Fixed, Decoupled Payments

The House bill provides that the Secretary shall make fixed decoupled payments to eligible producers for each of the 2002 through 2011 crop years at a payment rate of $0.53 per bushel for wheat, $0.30 per bushel for corn, $0.36 per bushel for grain sorghum, $0.25 per bushel for barley, $0.025 per bushel for oats, $0.0667 per pound for upland cotton, $2.35 per hundredweight for rice, $0.42 per bushel for soybeans, and $0.0074 per pound for other oilseeds.

The amount of the fixed, decoupled payment will be equal to the product of the payment rate of the applicable base crop, the payment acres, and the payment yield.

Fixed decoupled payments shall be paid no later than September 30 of fiscal years 2002 through 2011, except that in fiscal year 2002 payments may be made on or after December 1, 2001.

A producer may elect to receive 50 percent of the fixed decoupled payment in advance anytime on or after December 1 of a fiscal year. The producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

If a producer who receives an advance fixed decoupled payment ceases to be an eligible producer by the time final fixed decoupled payments are to be made, the producer must repay the advance amount.

The Senate amendment provides that the Secretary shall make direct payments available to eligible owners and producers that have entered into a contract at a payment rate as follows:

	2002–03	2004–05	2006
Wheat (bu)	$0.45	$0.225	$0.113
Corn (bu)	0.27	0.135	0.068
Barley (bu)	0.20	0.100	0.050
Oats (bu)	0.05	0.025	0.013
Cotton (lb)	0.13	0.065	0.0325
Rice (cwt)	2.45	2.400	2.400
Soybeans (bu)	0.55	0.275	0.138
Other oilseeds (lb)	0.01	0.005	0.0025
Grain sorghum (bu)	2002—0.31 2003—0.27	0.135	0.068

The amount of direct payment will be equal to the product of the payment rate for the contract crop for the applicable year, contract acreage and the payment yield.

A final direct payment (less the amount of any initial payment made to the producers on the farm of the contract commodity) shall be made not later than September 30 of the fiscal year.

A producer may elect to receive 50% of the direct payment in advance anytime on or after December 1 of the fiscal year. (Section 111)

The Conference substitute provides that the Secretary shall make direct payments to eligible producers for each of the 2002 through 2007 crop years at a payment rate of $0.52 per bushel for wheat, $0.28 per bushel for corn, $0.35 per bushel for grain sorghum, $0.24 per bushel for barley, $0.024 per bushel for oats, $0.0667 per pound for upland cotton, $2.35 per hundredweight for rice, $0.44 per bushel for soybeans, and $0.008 per pound for other oilseeds.

The amount of the direct payment will be equal to the product of the payment rate of the applicable base crop, the payment acres, and the payment yield.

For 2002, the Secretary is directed to make payments as soon as practicable after the date of enactment of this Act and for 2002 through 2007, but not before October 1 of the calendar year in which the crop of the covered commodity is harvested.

A producer may elect to receive up to 50 percent of the direct payment in advance in any month after December 1 of the calendar year before the calendar year in which the crop of the covered commodity is harvested. The producer may change the selected month for a subsequent crop year by providing advance notice to the Secretary.

If a producer who receives an advance fixed decoupled payment ceases to be a producer or changes share before the date the remainder of the direct payments are to be made, the producer must repay the applicable amount of the advance payment.

The Managers are aware that producers that elect to receive up to 50 percent of an advance direct payment might cease to be a producer on the farm before the date the remainder of the direct payment is made. The Managers assume the Secretary recognizes that different reasons exist for a producer ceasing to be a producer on a farm. These reasons would include bankruptcy, foreclosure and other similar situations that would preclude the producer from repaying the advance direct payment. Specifically, the Managers would not intend for this provision to apply in situations where a producer with winter wheat harvested a crop or failed to harvest the crop for weather related reasons beyond their control and the acreage was subsequently under the control of another producer that intended to plant a subsequent crop, or other similar situations. Conversely, the Managers expect there are a number of situations where the producer receiving the advance direct payment ceases to be a producer on the farm and should refund the advance direct payment. (Section 1103)

(7) Availability of Counter-Cyclical Payments

The House bill provides that the Secretary shall make counter-cyclical payments relative to a covered commodity whenever the effective price is less than the target price.

The target price is $4.04 per bushel for wheat, $2.78 per bushel for corn, $2.64 per bushel for grain sorghum, $2.39 per bushel for barley, $1.47 per bushel for oats, $0.736 per pound for upland cotton, $10.82 per hundredweight for rice, $5.86 per bushel for soybeans, and $0.1036 per pound for other oilseeds.

The effective price is equal to the sum of (1) the higher of the national average market price during the 12-month marketing year for the commodity or the national average loan rate for the commodity, and (2) the payment rate for fixed decoupled payments for the commodity.

The payment rate for counter-cyclical payments is equal to the difference between the target price and the effective price for the commodity.

The payment amount for counter-cyclical payments is the product of the payment rate, the payment acres, and the payment yield.

The Secretary shall make counter-cyclical payments for a covered commodity as soon as possible after determining that such payments are required.

The Secretary may provide a partial payment up to 40 percent of the projected counter-cyclical payment to producers upon completion of the first 6 months of the marketing year for that crop.

The producer must repay the amount, if any, by which the partial payment exceeds the counter-cyclical payment to be made in that crop year.

If the Secretary uses the authority to designate another oilseed for counter-cyclical payments the Secretary may modify the target price in subsection (c) (9) that would otherwise apply to that oilseed.

For purposes of calculating the effective price for barley the Secretary shall use the loan rate in effect for barley under section 122(b)(3) except in the case of producers who received the higher loan rate provided under such section for barley used only for feed purposes, the Secretary shall use the that higher loan rate. (Section 105)

The Senate amendment provides that the Secretary shall make counter-cyclical payments relative to a contract commodity to owners and producers on a farm that have entered into a contract to receive such payments.

The income protection price is $3.4460 per bushel for wheat, $2.3472 per bushel for corn, $2.3472 per bushel for grain sorghum, $2.1973 per bushel for barley, $1.5480 per bushel for oats, $0.6793 per pound for upland cotton, $9.2914 per hundredweight for rice, $5.7431 per bushel for soybeans, and $0.1049 per pound for other oilseeds.

The payment rate for counter-cyclical payments shall equal the difference between the income protection price and the total of the higher of (1) the average price of the contract commodity during the first 5 months of the marketing year of the contract commodity or the loan rate for the commodity, and (2) the direct payment for the contract crop for the fiscal year that precedes the date of payment under this section.

The payment amount for counter-cyclical payments is the product of the payment rate for the contract crop, the contract acreage, and the payment yield.

The Secretary shall make counter-cyclical payments not later than 190 days after the beginning of the marketing year for the applicable contract crop. (Section 114)

The Conference substitute provides that the Secretary shall make counter-cyclical payments to producers on farms for which payment yields and bases acres are established with respect to a covered commodity whenever the effective price is less than the target price.

The effective price is equal to the sum of (1) the higher of the national average market price during the 12-month marketing year for the commodity or the national average loan rate for the commodity, and (2) the payment rate for direct payments for the commodity.

For the 2002 and 2003 crop years, the target price is $3.86 per bushel for wheat, $2.60 per bushel for corn, $2.54 per bushel for grain sorghum, $2.21 per bushel for barley, $1.40 per bushel for oats, $0.724 per pound for upland cotton, $10.50 per hundredweight for rice, $5.80 per bushel for soybeans, and $0.098 per pound for other oilseeds.

For the 2004 and 2007 crop years, the target price is $3.92 per bushel for wheat, $2.63 per bushel for corn, $2.57 per bushel for grain sorghum, $2.24 per bushel for barley, $1.44 per bushel for oats, $0.724 per pound for upland cotton, $10.50 per hundredweight for rice, $5.80 per bushel for soybeans, and $0.1010 per pound for other oilseeds.

The payment rate for counter-cyclical payments is equal to the difference between the target price and the effective price for the commodity.

The payment amount for counter-cyclical payments is the product of the payment rate, the payment acres, and the payment yield or updated payment yield, depending on the election of the owner of the farm.

If the Secretary determines that a counter-cyclical payment is required to be made for a covered commodity, the Secretary shall make the counter-cyclical payments for the crop as soon as practicable after the end of the 12-month marketing year for the covered commodity.

If the Secretary estimates counter-cyclical payments will be required, the Secretary shall give producers the option to receive partial payments.

When the Secretary makes partial payments for any of the 2002 through 2006 crop years, the first partial payment for the crop shall be made not earlier than October 1 and to the maximum extent practicable, not later than October 31, of the calendar year in which the crop is harvested. The second partial payment shall be made not earlier than February 1 of the next calendar year and the third and final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for the covered commodity.

For the 2002 through 2006 crop years, the first partial payment may not exceed 35 percent of the projected counter-cyclical payment for the covered commodity for the crop year. The second partial payment may not exceed the difference between 70 percent of the revised projection of the counter-cyclical payment for the crop of the covered commodity and the amount of the payment made under clause (i). The final payment shall be equal to the difference between the actual counter-cyclical payment to be made to the producer and the amount of the first and second partial payment.

For the 2007 crop year, the first partial payment shall be made after completion of the first 6 months of the marketing year and the second and final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for the covered commodity.

For the 2007 crop year, the first partial payment may not exceed 40 percent of the projected counter-cyclical payment. The final payment shall be equal to the difference between the actual counter-cyclical payment to be made to the producer and the amount of the partial payment.

The producer must repay the amount, if any, by which the partial payment exceeds the counter-cyclical payment to be made in that crop year. (Section 1104)

(8) Producer Agreement Required as Condition on Provision of Fixed, Decoupled Payments and Counter-Cyclical Payments

The House bill provides that before producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments to comply with applicable conservation requirements, applicable wetland protection requirements, planting flexibility requirements and to use the land on the farm, in an amount equal to the base acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

The Secretary may issue such rules to ensure compliance with these requirements.

A producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable treatment. This subsection shall not void the responsibilities of the producer to comply with conservation, wetlands protection, planting flexibility and agriculture land use requirements if the producer continues or resumes operation, or control of the farm. On the resumption of operation or control over the farm by the producer, the above noted requirements in effect on the date of the foreclosure shall apply.

A transfer of (or change in) the interest of a producer in base acres for which fixed decoupled or counter-cyclical payments are made shall result in the termination of the payments with respect to bases acres, unless the transferee or owner of the acreage agrees to assume all obligations under conservation, wetland, planting flexibility or agriculture land use provisions. The termination shall be effective on the date of the transfer or change.

There is no restriction on the transfer of base acres or payment yield as part of a change in the producers on the farm.

At the request of the transferee or owner, the Secretary may modify the conservation, wetlands protection, planting flexibility and agriculture land use requirements if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

If a producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

Requires a producer who receives fixed decoupled payments, counter-cyclical payments, or marketing loan assistance to submit acreage reports to the Secretary.

A determination of the Secretary under this section shall be considered an adverse decision for purposes of availability of administrative review. (Section 106)

The Senate amendment provides that under the terms of a contract, the owner or producer shall agree, in exchange for annual payments to comply with applicable highly erodible land conservation requirements, applicable wetland conservation requirements, planting flexibility requirements and to use a quantity of land on the farm equal to the contract acreage, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary. (Section 111)

The Conference substitute provides that before producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments to comply with applicable conservation requirements, applicable wetland protection requirements, planting flexibility requirements, to use the land on the farm in a quantity attributable to the base acres for an agricultural or conserving use and not for a nonagricultural commercial or industrial use, as determined by the Secretary and on noncultivated land attributable to the base acres, control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices.

The Secretary may issue rules to ensure compliance with these requirements.

At the request of the transferee or owner, the Secretary may modify the requirements of this subsection if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

A transfer of (or change in) the interest of a producer in base acres for which direct or counter-cyclical payments are made shall result in the termination of the payments with respect to bases acres, unless the transferee or owner of the acreage agrees to assume all obligations under conservation, wetland, planting flexibility, agriculture land use provisions and controlling noxious weeds provisions. The termination shall take effect on the date determined by the Secretary.

If a producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

A producer who receives direct payments, counter-cyclical payments, or marketing loan benefits is required to submit annual acreage reports with respect to all cropland on the farm to the Secretary.

The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the producers on a farm on a fair and equitable basis.

When there is a transfer (or change in) the interest of a producer in base acres for which direct or counter-cyclical payments are made, the Managers intend for the Secretary to provide a time frame for the succession to occur that is farmer-friendly.

Acreage reports provide important information such as assisting in determining the eligibility of land to be accepted into the Conservation Reserve Program. The Managers are aware that in prior years, the Secretary has imposed penalties on producers that submit acreage reports that the Secretary later determines to be inaccurate. The Managers understand that under prior acreage limiting and acreage reduction programs there was a need for very accurate reporting. However, under this Act, with the exception of determining the amount of fruits, vegetables, and wild rice planted on base acreage, there is no such need or requirement for the level of accuracy. Therefore, under this provision the Managers do not intend for any penalty to be applicable to inaccurate acreage reports on covered commodities or peanuts, provided the producer has made a good faith effort to accurately report acreage. (Section 1105)

(9) Violations of Contracts

The Senate amendment is the same as current law except for amending language in existing law to add a provision for a planting flexibility violation. Makes corrections to add:

Planting Flexibility.—In the case of a first violation of the planting flexibility provisions by an eligible owner or producer that has entered into a contract and that acted in good faith, in lieu of terminating the contract under subsection (a), the Secretary shall require a refund or reduce a future contract payment under subsection (b) in an amount that does not exceed twice the amount otherwise payable under the contract on the number of acres involved in the violation. (Section 112)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(10) Planting Flexibility

The House bill provides that all rules concerning planting flexibility are unchanged with the exception of adding wild rice as a prohibited crop.

Subject to the limitations in subsection (b), any commodity may be planted on base acres on a farm.

The planting of fruits, vegetables (excluding lentils, mung beans, and dry peas) and wild rice are prohibited on base acres.

The 3 exceptions to this rule in current law are also unchanged.

(1) Fruits, vegetables or wild rice may be planted on base acres in a region where the Secretary determines there is a history of double cropping of covered commodities with fruits, vegetables or wild rice.

(2) Fruits, vegetables or wild rice may be planted on base acres on a farm that the Secretary determines has a history of planting fruits, vegetables or wild rice on base acres, except that fixed decoupled payments and counter-cyclical payments will be reduced for each acre planted. Fruits and vegetables also may be planted by a producer who the Secretary determines has an established planting history of a specific fruit, vegetable or wild rice, except that the quantity planted may not exceed the producer's annual planting history of such agricultural commodity from the 1991 through 1995 crop years, as determined by the Secretary, and fixed, decoupled payments and counter-cyclical payments will be reduced for each acre planted. (Section 107)

The Senate amendment provides that all rules concerning planting flexibility are unchanged with the exception of adding chickpeas as a permitted exception, wild rice as a prohibited crop for 2003 and beyond, and by changing the base period from 1991 through 1995 to 1996 through 2001 to establish a planting history for a producer.

Limitations.—The planting of the following agricultural commodities shall be prohibited on contract acreage: (A) Fruits. (B) Vegetables (other than lentils, mung beans, dry peas, and chickpeas). (C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice";

Same as current law except for the change in base period (for a producer) as noted directly below.

Sec. 118(b)(2)(C) by striking "1991 through 1995" and inserting "1996 through 2001". (Section 113)

The Conference substitute adopts the House provision with an amendment that provides that the planting of fruits, vegetables (other than lentils, mung beans and dry peas) and wild rice shall be prohibited on base acreage unless the commodity, if planted, is destroyed before harvest.

The planting of fruits and vegetables produced on trees and other perennials shall be prohibited on base acres.

The Secretary shall establish a producer planting history for fruits, vegetables and wild rice planted by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years.

For the 2002 crop year, if the calculation of base acres results in total base acres for a farm in excess of the contract acreage for the farm that was used to calculate the fiscal year 2002 payment, the planting of fruits, vegetables and wild rice on new base acres is allowed, provided the direct and counter-cyclical payments for the 2002 crop year are reduced on an acre-for-acre basis. (Section 1106)

(11) Relation to Remaining Payment Authority Under Production Flexibility Contracts

The House bill provides authority to make production flexibility contract payments for the 2002 fiscal year is terminated upon enactment. If a producer receives an PFC contract payment for the 2002 fiscal year before enactment of this legislation, the amount of the producer's fixed decoupled payment for fiscal year 2002 will be reduced by the amount of the PFC contract payment. (Section 108)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that terminates the authority of the Secretary to make production flexibility contract payments on the date of the enactment of this Act, unless requested by the producer. Any direct payments due a producer under this Act would be reduced by any fiscal year 2002 payments made under a production flexibility contract. (Section 1107)

(12) Payment Limitations

The House bill provides fixed decoupled payments and counter-cyclical payments are subject to the payment limitations contained in sections 1001 through 1001C of the Food Security Act of 1985 as amended. Limitations are based on a crop year and the fixed, decoupled limitation is $50,000 and the counter-cyclical limitation is $75,000. (Section 109)

The Senate amendment amends Section 1001 of the Food Security Act of 1985. The total of direct and counter-cyclical payments that an individual or entity may receive during any fiscal year for program commodities shall not exceed $75,000. The total of marketing loan gains, forfeiture gains, gains from marketing certificates and loan deficiency payments that a person is entitled to receive for program crops, peanuts, honey and wool is $150,000 per crop year.

During a fiscal and corresponding crop year, the total amount of payments and benefits that a married couple may receive from direct, counter-cyclical and marketing loan is $75,000 and $150,000 respectively, plus a combined total of an additional $50,000.

Provides that an individual or entity shall not be eligible for a direct, income-protection and marketing loan program benefits if the average adjusted gross income of the individual or entity exceeds $2.5 million. (Section 169)

The Conference substitute provides the total direct and counter-cyclical payments to a person for corn, grain sorghum, barley, oats, wheat, soybeans, minor oilseeds, cotton and rice may not exceed $40,000 and $65,000, respectively. The total marketing loan gains and loan deficiency payments for corn, grain sorghum, barley, oats, wheat, soybeans, minor oilseeds, cotton, rice, lentils, dry peas and small chickpeas that a person is entitled to receive is $75,000.

Provides for a separate direct and counter-cyclical payment limitation for peanuts of $40,000 and $65,000, respectively. Provides for a separate marketing loan gain and loan deficiency payments limitation for peanuts, wool, mohair and honey of $75,000.

Retains current rules on husband and wife, 3-entities, actively engaged, generic certificates and adopts the $2.5 million adjusted gross income means test.

The Conference substitute refers to levels of adjusted gross income or comparable measures of income. The Managers intend that the comparable measure provision be utilized when necessary and in cases of applicants for whom, because of their status under the Internal Revenue Code, adjusted gross income is not measured or reported. For example, participants who are organized as C Corporations, S Corporations, or as non-profit organizations, the Managers intend for the Secretary to use this direction to adopt alternative income measurements that compare most closely to adjusted gross income. The Managers expect the Secretary to implement this provision in a manner that provides equitable treatment, to the maximum extent practicable to all producers regardless of the legal structure of their farming operation.

For purposes of subsection (b), the Managers expect the Secretary to determine the individual or entity to be ineligible only if the adjusted gross income or similar equivalent exceeds $2.5 million and less than 75 percent of the adjusted gross income is derived from farming, ranching or forestry operations as determined by the Secretary. (Section 1603)

(13) Period of Effectiveness

The House bill provides that the subtitle is effective from the 2002 crop year through the 2011 crop year. (Section 110)

The Senate amendment provides that the term of a contract shall extend through the 2006 crop, unless earlier terminated by the eligible owners or producers on a farm. (Section 111)

The Conference substitute adopts the House provision with an amendment that the subtitle is effective through the 2007 crop year. (Section 1109)

(14) Pilot Program for Farm Counter-Cyclical Savings Accounts

The Senate amendment amends Subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C 7211 et seq.) to authorize and fund a pilot program for farm counter-cyclical savings accounts. Eligible producers may establish such accounts in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary of Agriculture. A savings account shall consist of B contributions of the producer; matching contributions of the Secretary; and interest earned on account balances.

To be eligible, a producer must share in the risk of producing an agricultural commodity for the applicable year; have filed a farm business-related federal income tax return during each of the previous 5 years, or be a beginning farmer or rancher, and have at least $50,000 in average adjusted gross farm revenue, except for limited resource farmers as determined by the Secretary.

An eligible producer may deposit such amounts in the account of the producer as the producer considers appropriate. The Secretary shall provide a matching contribution on the amount deposited by the producer into the account, except that matching contributions may not exceed 2 percent of the producer's average adjusted gross farm revenue, or $5,000 for any applicable fiscal year. The Secretary shall provide the required matching contributions for a producer as of the date that a majority of the commodities grown by the producer are harvested.

In any year, a producer may withdraw funds from the account in an amount up to the difference between 30 percent of the producer's average adjusted gross revenue and the producers adjusted gross revenue in that year. A producer that ceases to be actively engaged in farming, as determined by the Secretary, may withdraw the full balance from, and close, the account; and may not establish another account.

The Secretary shall administer this program through the Farm Service Agency and local, county, and area offices of the Agriculture Department. For each of fiscal years 2003 through 2005, the Secretary shall establish a farm counter-cyclical savings account pilot program in 3 States, as determined by the Secretary. The total amount of matching contributions in a State may not exceed $4 million per State for each of fiscal years 2003 through 2005. (Section 114)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

SUBTITLE B—MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS

(15) Availability of Nonrecourse Marketing Assistance Loans for Covered Commodities

The House bill provides that the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for covered commodities produced on the farm, including extra long staple cotton, for each of the 2002 through 2011 crop years.

Any production of a covered commodity on a farm is eligible for a marketing assistance loan.

Producers that would otherwise be eligible for the assistance, but for the fact the covered commodity is commingled with covered commodities of other producers in facilities unlicensed for the storage of commodities, if the producer obtaining the loan agrees to immediately redeem the loan collateral.

Producers are required to comply with applicable conservation requirements and applicable wetland protection requirements as a condition to receiving marketing loan assistance.

Extra long staple cotton is defined.

Marketing assistance loans for the 2002 crop of covered commodities shall not be made under subtitle C of title I of such Act. (Section 121)

The Senate amendment provides that the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm through the 2006 crop.

The FAIR Act is amended by striking the definition of eligible production and redefining as: Eligible Production.—The producers on a farm shall be eligible for a marketing loan under subsection (a) for any quantity of a loan commodity produced on the farm.

Sec. 169 may restrict quantity. (Section 121)

The Conference substitute provides that the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm, including extra long staple cotton, wool, mohair, honey, dry peas, lentils and small chickpeas for each of the 2002 through 2007 crop years.

Any production of a loan commodity on a farm is eligible for a marketing assistance loan, however loan commodities harvested for hay and silage, and unshorn pelts are eligible only for a loan deficiency payment.

The Secretary shall make loans to producers that would otherwise be eligible for the assistance, but for the fact the loan commodity is commingled with loan commodities of other producers in facilities unlicensed for the storage of commodities, if the producer obtaining the loan agrees to immediately redeem the loan collateral.

Producers are required to comply with applicable conservation requirements and applicable wetland protection requirements as a condition to receiving marketing loan assistance.

Marketing assistance loans for the 2002 crop of loan commodities shall not be made under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996.

Beginning with the 2002 crop, the Managers intend for marketing loan and loan deficiency program benefits to be made available for all farms producing loan commodities, regardless of whether the farm does or does not have base acreage. (Section 1201)

(16) Loan Rates for Nonrecourse Marketing Assistance Loans

The House bill provides loan rates (per bushel or pound, as applicable) are maintained at not more than $2.58 for wheat, $1.89 for corn and grain sorghum, $1.65 for barley except not more than $1.70 for barley used only for feed purposes, $1.21 for oats, $0.5192 for upland cotton (and not less than $0.50), $0.7965 for extra long staple cotton, $4.92 for soybeans, and $0.087 for other oilseeds, and equal to $6.50 per cwt. for rice.

Amends section 162(b) of the FAIR Act by striking "this title" and inserting "this title and title I of the Farm Security Act of 2001". (Section 122)

The Senate amendment provides loan rates are $2.9960 per bushel for wheat, $2.0772 per bushel for corn and grain sorghum, $1.9973 per bushel for barley, $1.4980 per bushel for oats, $0.5493 per pound for upland cotton, $0.7965 per pound for extra long staple cotton, $6.4914 per hundredweight for rice, $5.1931 per bushel for soybeans, $0.0949 per pound for other oilseeds, $6.78 per hundredweight for dry peas, $12.79 per hundredweight for lentils, $17.44 per hundredweight for large chickpeas and $8.10 per hundredweight for small chickpeas.

Sec. 132(b)(1) of the FAIR Act. No change from existing law except instead of referencing "commodity", "loan commodity" is referenced.

Sec. 132(b)(2) of the FAIR Act is consistent with Sec 162(b) of existing law. Sec. 123(b) Repeals Sec. 162(c) of current law, but Sec. 171(b)(2) repeals Sec. 123(b). (Section 123)

The Conference substitute provides for loan rates for the 2002 and 2003 crop years that are different than loan rates for the 2004 through 2007 crop years for most crops.

Loan rates for the 2002 and 2003 crop years are $2.80 per bushel for wheat, $1.98 per bushel for corn, $1.98 per bushel for grain sorghum, $1.88 per bushel for barley, $1.35 per bushel for oats, $0.52 per pound for upland cotton, $0.7977 per pound for extra long staple cotton, $5.00 per bushel for soybeans, $0.096 per pound for other oilseeds, and $6.50 per hundredweight for rice, $6.33 per hundredweight for dry peas, $11.94 per hundredweight for lentils and $7.56 per hundredweight for small chickpeas.

Loan rates for the 2004 through 2007 crop years are $2.75 per bushel for wheat, $1.95 per bushel for corn, $1.95 per bushel for grain sorghum, $1.85 per bushel for barley, $1.33 per bushel for oats, $0.52 per pound for upland cotton, $0.7977 per pound for extra long staple cotton, $5.00 per bushel for soybeans, $0.093 per pound for other oilseeds, and $6.50 per hundredweight for rice, $6.22 per hundredweight for dry peas, $11.72 per hundredweight for lentils and $7.43 per hundredweight for small chickpeas.

Loan rates for the 2002 through 2007 crop years are $1.00 per pound for graded wool, $0.40 per pound for ungraded wool and unshorn pelts and $4.20 per pound for mohair.

Loan rate for the 2002 through 2007 crop years for honey is $0.60 per pound.

The Managers anticipate the Secretary will take advantage of the change in national average loan rates to review and adjust as appropriate the county loan rates.

To the extent practicable, for purposes of making loans and loan deficiency payments, the Secretary should designate loan rates in those units that are consistent with the units in common usage in the industry.

It is the intention of the Committee that the provision for non-graded wool be made available for wool that has not been objectively measured for fiber diameter (micron) and yield. Documentation of objective measurement is commonly known as a core test, which is available through laboratory analysis. It is the intent of the Managers that the Secretary provide the graded wool loan rate to wool that meets the terminology used by the wool industry to define graded wool, such as core tested. (Section 1202)

(17) Term of Loans

The House bill provides that the term for marketing assistance loans is unchanged. For all covered commodities except upland cotton and extra long staple cotton, the term of the loan is nine months beginning on the first day of the first month after the month in which the loan is made.

For upland cotton and extra long staple cotton, the term of the loan is 10 months beginning on the first day of the month in which the loan is made.

Prohibits extension of a marketing assistance loan for a covered commodity. (Section 123)

The Senate amendment provides that the term for marketing assistance loans for all commodities shall be 9 months beginning on the first day of the first month after the month in which the loan is made. (Section 124)

The Conference substitute adopts the Senate provision with respect to the term of loans and adopts the House provision with respect to the prohibition on extension of loans. (Section 1203)

(18) Repayment of Loans

The House bill provides repayment of marketing assistance loans is unchanged. The Secretary will permit producers of wheat, corn, grain sorghum, barley, oats, soybeans, and other oilseeds to repay a marketing assistance loan at a rate that is the lesser of the loan rate for the commodity plus interest or a rate that the Secretary determines will minimize forfeitures, accumulation of stocks, storage costs, and allow the commodity to be marketed freely and competitively.

The Secretary will permit producers of upland cotton and rice to repay a marketing assistance loan at a rate that is the lesser of the loan rate for the commodity plus interest or the prevailing world market price (adjusted to U.S. quality and location), as determined by the Secretary.

The Secretary will permit producers of extra long staple cotton to repay a marketing assistance loan at the loan rate plus interest.

The Secretary will prescribe by regulation the formula to determine the prevailing world market price and a mechanism to periodically announce this price.

The adjustment of the prevailing world market price for upland cotton is unchanged.

In the case of a producer that marketed or lost beneficial interest before repaying the loan, the Secretary shall permit the producer to repay the loan at the lowest repayment rate that was in effect for the covered commodity under this section as of the date that the producer lost beneficial interest. (Section 124)

The Senate amendment amends Section 134(a) of the FAIR Act by striking the reference to wheat, corn, grain sorghum, barley, oats and oilseeds and inserting "a loan commodity (other than upland cotton, rice, and extra long staple cotton)" (in effect, adding wool, honey, dry peas, lentils and chickpeas to the list of commodities) and adding "minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries" to the other 4 factors the Secretary is required to use in determining a loan repayment rate.

Amends Sec. 1001 of the Food Security Act of 1985. Sec. 1001(c) Limitations on marketing loan gains, loan deficiency payments, and commodity certificate transactions and Sec. 1001(d) Settlement of certain loans may restrict the eligibility of some producers to repay loans at a lower repayment rate.

Amends Sec. 134(e)(1) of the FAIR Act by authorizing the program through July 31, 2007. (Section 125, 121, and 169)

The Conference substitute permits producers of wheat, corn, grain sorghum, barley, oats, soybeans, other oilseeds, dry peas, lentils, small chickpeas, wool, mohair, and honey to repay a marketing assistance loan at a rate that is the lesser of the loan rate for the commodity plus interest or a rate that the Secretary determines will minimize forfeitures, accumulation of stocks, storage costs, allow the commodity to be marketed freely and competitively, and minimizes discrepancies in marketing loan benefits across State boundaries and county boundaries.

The Secretary will permit producers of upland cotton and rice to repay a marketing assistance loan at a rate that is the lesser of the loan rate for the commodity plus interest or the prevailing world market price (adjusted to U.S. quality and location), as determined in accordance with section 163 of the FAIR Act.

The Secretary will permit producers of extra long staple cotton to repay a marketing assistance loan at the loan rate plus interest as determined in accordance with section 163 of the FAIR Act.

The Secretary will prescribe by regulation the formula to determine the prevailing world market price for upland cotton and rice and a mechanism to periodically announce this price.

The adjustment of the prevailing world market price for upland cotton is unchanged.

For the 2001 crop, in the case of a producer that marketed or lost beneficial interest before repaying the loan, the Secretary shall permit the producer to repay the loan at the appropriate repayment rate that was in effect for the loan commodity under as of the date that the producer lost beneficial interest, if the Secretary determines the producers acted in good faith.

The Managers intend that in determining loan repayment rates for loan commodities other than upland cotton and rice, the Secretary will consider alternative methodologies, including establishing the Posted County Prices for grains and oilseeds at levels that reflect market prices at both terminal markets for counties with two terminal markets. The Managers expect the Secretary to determine whether assigning equal weight to two terminal markets will better reflect local market prices than the current system of using the higher of the two terminal markets to establish the Posted County Price.

In implementing the marketing assistance loan program for minor oilseeds, the Managers expect the Secretary to establish a single sunflower loan rate in each county for oil-type, confection and other-type sunflowers combined. Managers also expect the Secretary to continue to announce weekly loan repayment rates for sunflowers reflecting local market prices that minimize potential loan forfeitures. Accordingly, sunflower seed loan repayment rates should reflect oil-type sunflower seed local market prices.

The Conference substitute established a marketing assistance loan program for pulse crops—dry peas, lentils and small chickpeas. The loan rate for dry peas is based on U.S. feed pea prices; the loan rate for lentils is based on the price of U.S. No. 3 lentils; and the loan rate for small chickpeas is based on the price of chickpeas that drop below a 20/64 screen. Accordingly, the Managers expect the Secretary to calculate regional pulse loan rates and repayment rates based on the prices of feed peas, No. 3 lentils, and chickpeas that drop below a 20/64 screen. (Section 1204)

(19) Loan Deficiency Payments

The House bill provides loan deficiency payments are maintained. The Secretary will make loan deficiency payments available to producers who, although eligible for a marketing assistance loan, agree to forgo a loan in favor of receiving a payment.

The loan deficiency payment is determined by multiplying the loan payment rate by the quantity of the covered commodity produced, excluding any commodity for which the producer obtained a loan.

The loan payment rate is the amount by which the loan rate exceeds the rate at which the loan may be repaid.

Loan deficiency payments do not apply to extra long staple cotton.

The Secretary shall make a loan deficiency payment on the earlier of the date the producer marketed or lost beneficial interest in the commodity, or the date the producer requests the payment.

Provides for loan deficiency payments on crop year 2001 covered commodities on farms that do not have an AMTA contract. (Section 125)

The Senate amendment amends Sec. 135 of the FAIR Act. Makes loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan with respect to a loan commodity, agree to forgo obtaining the loan in return for payments under this section.

Strikes subsections (e) and (f) of section 135 of the FAIR Act and inserts language comparable to the House provision except the provision is applicable for the 2001–2006 crops. The Secretary shall make a loan deficiency payment only if the producer has beneficial interest in the loan commodity as of the earlier of the date on which the producers on the farm marketed or otherwise lost beneficial interest in the loan commodity or the date the producers on the farm request the payment.

Amends section 135(a)(2) to provide for loan deficiency payments on crop year 2001 contract commodities on farms that do not have a production flexibility contract. (Section 126)

The Conference substitute provides for the continuation of loan deficiency payments. The Secretary will make loan deficiency payments available to producers who, although eligible for a marketing assistance loan, agree to forgo a loan in favor of receiving a payment.

Unshorn pelts, hay and silage derived from a loan commodity are not eligible for a marketing assistance loan, however the commodities are eligible for loan deficiency payments when unshorn pelts, hay or silage are derived from a loan commodity.

The loan deficiency payment is determined by multiplying the payment rate by the quantity of the loan commodity produced, excluding any commodity for which the producer obtained a loan.

The payment rate is the amount by which the loan rate exceeds the rate at which the loan may be repaid.

Provides that the loan deficiency payment for unshorn pelts is based on the rate in effect for ungraded wool and the loan deficiency payment for hay and silage is based on the loan commodity from which the hay and silage is derived.

Loan deficiency payments do not apply to extra long staple cotton.

The Secretary shall make a loan deficiency payment on the date the producer requests the payment.

Provides for loan deficiency payments on crop year 2001 loan commodities on farms that do not have an AMTA contract.

For the 2001 crop, the Secretary shall make a loan deficiency payment on the earlier of the date the producer marketed or lost beneficial interest in the loan commodity, or the date the producer requested the payment. (Section 1205)

(20) Payments in Lieu of Loan Deficiency Payments for Grazed Acreage

The House bill provide that the Secretary will make payments in lieu of loan deficiency payments for grazed acreage to producers that would be eligible for such a loan deficiency payment for wheat, barley, or oats but elects to use the acreage planted to the crops for livestock grazing.

To receive a payment, the producer must agree to forgo any other harvesting of the commodity on that acreage.

The payment amount is determined by multiplying the loan deficiency payment rate by the payment quantity, which is determined by multiplying the quantity of grazed acreage in which the producer elects to forgo harvesting by the payment yield.

The time, manner, and availability of these payments are to be consistent with the general loan deficiency payment and marketing assistance loan provisions for wheat, barley, and oats.

Producers who receive a loan deficiency payment under this section are ineligible for crop insurance or noninsured crop assistance as to that acreage. (Section 126)

The Senate amendment adds Sec. 138 to Subtitle C of the FAIR Act. The Secretary will make payments in lieu of loan deficiency payments for grazed acreage to producers that would be eligible for such a loan deficiency payment for wheat, grain sorghum, barley, or oats but who elect to use the acreage planted to the crops for livestock grazing.

To receive a payment, the producer must agree to forgo any other harvesting of the commodity on that acreage.

The payment amount is determined by multiplying the loan deficiency payment rate by the payment quantity, which is determined by multiplying the quantity of grazed acreage in which the producer elects to forgo harvesting by the payment yield.

The time, manner, and availability of these payments are to be consistent with the general loan deficiency payment and marketing assistance loan provisions for wheat, grain sorghum, barley, and oats.

Producers who receive a loan deficiency payment under this section are ineligible for crop insurance or noninsured crop assistance as to that acreage. (Section 127)

The Conference substitute adopts the House provision with an amendment that provides payments to producers with triticale for grazing when the producer agrees to forgo any other harvesting of the acreage.

For purposes of determining the loan deficiency payment to be used in calculating the payment for the grazing of triticale acreage only, the Managers intend for the Secretary to take into account the predominate class of wheat grown in the county in which the farm is located. (Section 1206)

(21) Special Marketing Loan Provisions for Upland Cotton

The House bill provides that the special marketing loan provisions for upland cotton remain unchanged, including provisions relating to cotton user marketing certificates, the special import quota, and the limited global import quota for upland cotton.

Authorizes through July 31, 2012. (Section 127)

The Senate amendment amends section 136(a) of the FAIR Act by adding language that removes the 1.25-cent threshold for Step-2 cotton payments beginning on the date of enactment of this paragraph and ending on July 31, 2003.

Amends Sec. 136 of the FAIR Act by authorizing program through July 31, 2007. (Section 121 and 128)

The Conference substitute adopts the House provision with an amendment that accepts the Senate provision removing the 1.25-cent threshold for cotton Step-2 payments through July 31, 2006. (Section 1207)

(22) Special Competitive Provisions for Extra Long Staple Cotton

The House bill provides that the special competitive provisions for extra long staple cotton remain unchanged, including provisions relating to the competitiveness program, payments under the program, eligibility, and the amount and form of payment. (Section 128)

The Senate amendment amends Sec. 136(A)(a) of the FAIR Act by authorizing the program through July 31, 2007. (Section 121)

The Conference substitute adopts the House provisions through July 31, 2008. (Section 1208)

(23) Availability of Recourse Loans for High Moisture Feed Grains and Seed Cotton and other Fibers

The House bill provides that the availability of recourse loans for high moisture feed grains and seed cotton remains unchanged. Authority under the FAIR Act to provide this assistance for the 2002 crop year is terminated. (Section 129)

The Senate amendment amends Sec. 137 of the FAIR Act by authorizing the loans through the 2006 crops. Otherwise retains current law. (Section 121)

The Conference substitute adopts the House provision with an amendment that provides that a loan under this subsection shall be made on a quantity of acquired grain determined by multiplying the acreage in a high moisture state on the farm by the lower of the farm program payment yield used for counter-cyclical payments under subtitle A or the actual yield on a field, as determined by the Secretary. (Section 1209)

(24) Availability of Nonrecourse Marketing Assistance Loans for Wool and Mohair

The House bill provides that the Secretary will make nonrecourse marketing assistance loans available to producers of wool and mohair for the 2002 through 2011 marketing years.

The graded wool loan rate is not more than $1.00 per pound. The non-graded wool loan rate is not more than $0.40 per pound. The mohair loan rate is not more than $4.20 per pound.

The term of the loan is one year beginning on the first day of the first month after the month in which the loan is made.

Producers may repay the loan at a rate that is the lesser of the loan rate established for the commodity plus interest or at a rate that the Secretary determines will minimize forfeitures, accumulation of stocks, storage costs, and that allows the commodity to be marketed freely and competitively.

Loan deficiency payments are also authorized to those producers who agree to forgo obtaining a loan.

The loan payment rate shall be the amount by which the loan rate in effect for the commodity exceeds the rate at which a loan may be repaid.

The Secretary shall make a loan deficiency payment on the earlier of the date the producer marketed or lost beneficial interest in the commodity or the date the producer requests the payment.

The marketing loan gains and loan deficiency payment a producer may receive under the wool and mohair program is subject to a separate but equal payment limitation than other covered commodities receiving marketing loan benefits. (Section 130)

The Senate amendment amends Sec. 132 of the FAIR Act. Loan rates are $1.00 per pound for graded wool, $0.40 per pound for nongraded wool and unshorn pelts. The Senate amendment contains no provisions for mohair.

Amends Sec. 133 of the FAIR Act to establish a 9-month loan term for all loan commodities.

Amends Sec. 134(a) of the FAIR Act to provide loan repayment rate criteria for wool and other loan commodities. (Section 123, 124 and 125)

The Conference substitute accepts the House provisions with an amendment that adds unshorn pelts as a commodity eligible for a loan deficiency payment. In addition, all marketing loan and loan deficiency provisions for wool and mohair are integrated into the same sections in subtitle B as for other loan commodities.

(25) Availability of Nonrecourse Marketing Assistance Loans for Honey

The House bill provides that the Secretary will make nonrecourse marketing assistance loans available to producers of honey for the 2002 through 2011 marketing years.

The honey loan rate shall be equal to $0.60 per pound.

The term of the loan is one year beginning on the first day of the first month after the month in which the loan is made.

Producers may repay the loan at a rate that is the lesser of the loan rate established for the commodity plus interest or at the prevailing domestic market price for honey.

Loan deficiency payments are also authorized to those producers who agree to forgo obtaining a loan.

The loan payment rate shall be the amount by which the loan rate in effect for the commodity exceeds the rate at which a loan may be repaid.

The Secretary shall make a loan deficiency payment on the earlier of the date the producer marketed or lost beneficial interest in the commodity or the date the producer requests the payment.

The marketing loan gains and loan deficiency payment a producer may receive under the honey program is subject to a separate but equal payment limitation than other covered commodities receiving marketing loan benefits.

This section shall be carried out in a manner as to minimize forfeitures of honey. (Section 131)

The Senate amendment amends Sec. 132 of the FAIR Act. Loan rate is $0.60 per pound.

Amends Sec. 133 of the FAIR Act to establish a 9-month loan term for all loan commodities.

Amends Sec. 134(a) of the FAIR Act to provide loan repayment rate criteria for honey and other loan commodities. (Section 123, 124, and 125)

The Conference substitute accepts the House provisions with an amendment that includes honey in the same marketing loan and loan deficiency sections as for other loan commodities in subtitle B.

(26) Availability of Nonrecourse Marketing Assistance Loans for Dry Peas, Lentils and Chickpeas

The Senate amendment amends Sec. 132 of the FAIR Act. Loan rate for dry peas is $6.78 per hundredweight, loan rate for lentils is $12.79 per hundredweight, loan rate for large chickpeas is $17.44 per hundredweight, and loan rate for small chickpeas is $8.10 per hundredweight.

Amends Sec. 133 of the FAIR Act to establish a 9-month loan term for all loan commodities.

Amends Sec. 134(a) of the FAIR Act to provide loan repayment rate criteria for dry peas, lentils, chickpeas and other loan commodities. (Section 123, 124, and 125)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that provides a loan rate for the 2002 and 2003 crop years at $7.56 per hundredweight for small chickpeas, $11.94 per hundredweight for lentils and $6.33 per hundredweight for dry peas.

Provides a loan rate for the 2004 through 2007 crop years at $7.43 per hundredweight for small chickpeas, $11.72 per hundredweight for lentils and $6.22 per hundredweight for dry peas. (Section 1202)

(27) Producer Retention of Erroneously Paid Loan Deficiency Payments and Marketing Loan Gains

The House bill provides that neither the Secretary nor CCC shall require producers in Erie County, Pennsylvania, to repay 1998 and 1999 loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned. In the case of a producer who has already made repayment, CCC shall reimburse the producer the full amount of the repayment. (Section 132)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1618)

SUBTITLE C—OTHER COMMODITIES

Chapter 1—Dairy

(28) Milk Price Support Program

The House bill provides that the Milk Price Support Program is authorized through December 31, 2011 at a rate of $9.90/cwt on a 3.67% milk fat basis. The Secretary is authorized to purchase butter, nonfat dry milk powder or cheese at established prices in order to maintain the $9.90/cwt support price. The purchase prices for butter and nonfat dry milk powder may be allocated so as to minimize expenditures from the Commodity Credit Corporation. The Secretary may modify purchase prices for butter and nonfat dry milk not more than 2 times per year. (Section 141)

The Senate amendment amends the Federal Agriculture Improvement and Reform Act of 1996 extending the price support program through December 31, 2006. It also retains provisions of the 1996 Act to provide that at the program's termination, it shall be considered to have expired notwithstanding section 257 (relating to the baseline) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 907). (Section 131)

The Conference substitute adopts the House provision (including an enduring budgetary baseline) with an amendment providing for the program's operation through December 31, 2007.

(29) Repeal of Recourse Loan Program For Processors

The House bill provides that the Recourse Loan Program for Processors (7 U.S.C. 7252) is repealed (Section 142)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision. P.L. 107–76 repealed the Recourse Loan Program.

(30) Extension of Dairy Export Incentive and Dairy Indemnity Programs

The House bill provides that the Dairy Export Incentive Program (15 U.S.C. 713a–14(a)) is extended through 2011. The Dairy Indemnity Program (7 U.S.C. 4501) is extended through 2011. (Section 143)

The Senate amendment extends the Dairy Export Incentive Program and the Dairy Indemnity Program through 2006. (Section 133)

The Conference substitute adopts the House provision with an amendment to extend both programs through 2007.

(31) Fluid Milk Promotion

The House bill provides that the Fluid Milk Processor Promotion Program (7 U.S.C. 6402) is amended to repeal the termination of authority, and to make technical changes to the definitions of "Fluid Milk Product" and "Fluid Milk Processor." (Section 144)

The Senate amendment is similar with technical amendments within the definition of fluid milk processor regarding exclusion for products delivered directly to the place of residence of a consumer. (Section 134)

The Conference substitute adopts the Senate provision.

(32) Dairy Product Mandatory Reporting

The House bill provides that the Dairy Product Mandatory Reporting (7 U.S.C. 1637a(1)) is amended to make technical corrections regarding products to be reported. (Section 145)

The Senate amendment is similar with technical amendments regarding the definition of manufactured dairy products. (Section 135)

The Conference substitute adopts the Senate provision.

The managers want to ensure the enforcement of federal standards of identity that apply for fluid milk products purchased by the federal government for distribution in all federally supported feeding and nutrition programs. If the Secretary of Health and Human Services determines that the federal standards are not being enforced, the Secretary is urged to develop and implement procedures for the enforcement of federal standards of identity for fluid milk products purchased by the federal government within 1 year of enactment of this legislation.

(33) Funding of Dairy Promotion and Research Program

The House bill provides that the Dairy Promotion Program (7 U.S.C. 4502) is amended to require dairy importers to pay an assessment equivalent to domestic dairy producers. Importers would be eligible to vote in referenda and would have representation on the National Dairy Promotion and Research Board. (Section 146)

The Senate amendment is the same (Section 136)

The Conference substitute adopts the House provision with amendments to authorize the Secretary of Agriculture to reapportion the representation levels of domestic producers and importers to reflect a proportion of domestic production and imports supplying the United States market; to make clear that assessments from importers will not be used for foreign export promotion purposes; to clarify when the importer must pay the assessment; to make clear that the domestic milk rate shall be applied to imports on a milk-equivalent basis; to make clear that national dairy promotion program and order must promote milk and dairy products without regard to origin; and to require that in implementing an order under this section, the Secretary consults with the United States Trade Representative in order to ensure consistency with the international trade obligations of the United States.

The Conferees note that since 1990, the provisions of 7 U.S.C. 2278 have been in effect and apply generally to research and promotion programs administered by the Department of Agriculture. Those provisions require that the Secretary consult with the U.S. Trade Representative when research and promotion orders are modified or implemented to apply to imported products, and take steps to ensure that international trade obligations are met. The Conferees intend that the similar provision included specifically in the conference substitute with respect to assessments on imports for the dairy promotion program not be regarded as being in conflict with current law.

(34) Study of National Dairy Policy and Studies of Effects of Changes in Approach to National Dairy Policy and Fluid Milk Identity Standards

The House bill requires the Secretary of Agriculture to conduct an economic analysis of various options for a National Dairy Program and report to Congress not later than April 30, 2002. (Section 147)

The Senate amendment requires studies of the effects of terminating all Federal dairy programs and establishing regional compacts, and a study of the effects of establishing minimum protein standards to be reported to Congress not later than September 30, 2002. (Section 137)

The Conference substitute adopts the both the House and Senate provisions with an amendment to require that each report be issued one year after the date of enactment of this Act.

(35) National Dairy Program

The Senate amendment creates a national dairy support program with two components. The National Dairy Market Loss Assistance Program is authorized from December 1, 2001, through September 30, 2005. The program covers producers in statesnot included in the Northeast Dairy Market Loss Payment program. Payment is calculated by taking 40% of the difference between the all-milk price and the historical five-year average multiplied by eligible production. Eligible production is based on taking the lesser of (A) the average quantity of milk marketed for commercial use in which the producer has had a direct or indirect interest during each of the 1999 through 2001 fiscal years, (B) 8,000,000 pounds, or (C) actual production for the time period. The program is capped at $1.5 billion.

The Northeast Dairy Market Loss Payment program is authorized from December 1, 2001 through September 30, 2005. The program covers the states of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia. Payment is based on a target price of $16.94. Eligible production is based on the lesser of (A) the average quantity of milk marketed for commercial use in which the producer had a direct or indirect interest during each of the 1999 through 2001 fiscal years, (B) 8,000,000 pounds, or (C) actual production for the time period. The program is capped at $500 million. (Section 132)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision to create a single national program using the payment formula established under the proposed Northeast Dairy Market Loss Assistance Program. Under this program, participating dairy producers will receive monthly payments equal to 45 percent of the difference between $16.94 and the price per hundredweight of Class I fluid milk in Boston under the applicable federal milk marketing order. No payments will be made for months during which the fluid milk price in Boston is $16.94 or higher. Payments will be made not later than 60 days after the end of the month for which a payment is made. Producers, on an operation-by-operation basis, may receive payments on no more than 2.4 million pounds of milk marketed per year. Retroactive payments will be made covering market losses due to low prices since December 1, 2001. The program is authorized through September 30, 2005.

The Managers understand that previous Dairy Market Loss Assistance Programs provided discretion to the Secretary to limit payments to individual dairy operations. It is the intent of the Managers that this program shall be administered in the same manner, thereby limiting payments on an operation-by-operation basis. Accordingly, a producer might qualify for separate limits on separate operations.

The managers intend that in carrying out this section, the Secretary utilize information available through the Agricultural Marketing Service monthly milk marketing's by producers.

Chapter 2—Sugar

(36) Sugar Program

The House bill subsection (a) reauthorizes the sugar program through the 2011 crop year.

Subsection (b) terminates the marketing assessment on sugar effective October 1, 2001.

Subsection (c) provides the Secretary of Agriculture the discretion to reduce loan rates for U.S. sugar producers in the event that support for foreign competitors is reduced beyond that required under the Agreement on Agriculture.

Subsection (d) ensures that notification requirements do not frustrate the purposes of the nonrecourse loan program.

Subsection (e) authorizes nonrecourse loans on in-process sugars.

Subsection (f) requires the Secretary of Agriculture to administer the sugar program at no net cost to the federal government to the maximum extent practicable. The subsection also authorizes the CCC to accept bids from processors for the purchase of sugar inventory in exchange for reduced production.

Subsection (g) establishes reporting guidelines for producers and importers relative to yields and acreage planted and amounts imported. Requires reporting by sugar cane producers in proportionate share states.

Subsection (h) makes section 163 of the FAIR Act inapplicable to sugar. (Section 151)

The Senate amendment subsection (i) reauthorizes the sugar program through the 2006 crop year.

Subsection (c) terminates the marketing assessment on sugar effective October 1, 2001.

Subsection (a) provides the Secretary of Agriculture the discretion to reduce loan rates for U.S. sugar producers in the event that support for foreign competitors is reduced beyond that required under the Agreement on Agriculture.

Paragraph (2) of subsection (b) ensures that notification requirements do not frustrate the purposes of the nonrecourse loan program.

Subsection (e) authorizes nonrecourse loans on in-process sugars.

Subsection (f) requires the Secretary of Agriculture to administer the sugar program at no net cost to the federal government to the maximum extent practicable and subject to subsection (e)(3) (which bars the Secretary from imposing pre notification requirements as a condition to forfeiture). The subsection also authorizes the CCC to accept bids from processors for the purchase of sugar inventory in exchange for reduced production.

Subsection (g) establishes reporting guidelines for producers and importers relative to yields and acreage planted and amounts imported. Loan assistance is conditioned on reporting by sugar cane producers located in proportionate share states.

Subsection (j) makes section 163 of the FAIR Act inapplicable to sugar.

Subsection(b)(1) modifies provisions to assure that loan benefits are passed through to producers by allowing beet producers to contract minimum payments and by providing for the use of CCC funds to compensate producers in the event of bankruptcy or insolvency of the processor.

Subsection (h) allows substitutability of all refined sugar for re-export. (Section 141)

The Conference substitute adopts the Senate sugar provisions, with technical and clarifying amendments, except that the provision providing for the use of CCC funds to compensate producers in the event of processor bankruptcy or insolvency is excluded.

(37) Reauthorize Provisions of Agricultural Adjustment Act of 1938 Regarding Sugar

The House bill subsection (a) repeals repetitive reporting provisions.

Subsection (b) requires the Secretary to establish marketing allotments for domestically grown sugar to eliminate forfeitures through 2011.

Subsection (c) updates the allotment formula to take into account current U.S. import obligations. The subsection also assigns allotments between sugarcane and sugarbeets. Finally the subsection authorizes the Secretary to suspend allotments whenever imports exceed a certain level.

Subsection (d) updates the base periods and other factors applicable to the allocation of sugarcane and sugar beet allotments among sugarcane and sugar beet processors, respectively.

Subsection (e) establishes procedures for the Secretary to reassign allotments if a processor cannot meet the allocation.

Subsection (f) prescribes the manner in which allotment disputes are settled and provides for certain adjustments in the event a processor closes.

Subsection (g) allows the Secretary to preserve certain acreage base history for a longer period and also defines the term "offshore states".

Subsection (h) lifts the suspension on allotments for the 2002 crop. (Section 152)

The Senate amendment subsection (a) repeals repetitive reporting provisions.

Subsection (b) requires the Secretary to establish marketing allotments for domestically grown sugar to eliminate forfeitures through 2006.

Subsection (c) updates the allotment formula to take into account current U.S. import obligations. The subsection also assigns allotments between sugarcane and sugar beets. Finally the subsection authorizes the Secretary to suspend allotments whenever imports exceed a certain level.

Subsection (d) updates the base periods and other factors applicable to the allocation of sugarcane and sugar beet allotments among sugarcane and sugar beet processors, respectively. Adds provisions for new entrant states. Provides formula for beet sugar allocation.

Subsection (e) establishes procedures for the Secretary to reassign allotments if a processor cannot meet the allocation.

Subsection (f) prescribes the manner in which allotment disputes are settled and provides for certain adjustments in the event a processor closes.

Subsection (g) allows the Secretary to preserve certain acreage base history for a longer period and also defines the term "offshore states".

Sec. 165(2)(A) strikes the suspension of price support authority for sugar. (Section 143)

The Conference substitute adopts the Senate sugar provisions, with technical and clarifying amendments.

Subsections (b)(1)(D) and (b)(2)(C) of section 359(e) of the Agricultural Adjustment Act of 1938, as amended by section 1403 of the conference agreement, provide for the reassignment of unused marketing allotments for cane sugar and beet sugar, respectively to imports of sugar under certain specified conditions. It is the intent of the conferees that in the event that any allotments are reassigned to imports, the appropriate agency shall accommodate the allotted imports by increasing the tariff-rate quota for sugar in an amount equal to the total amount of the allotments reassigned to imports. By doing so, the market balance sought by the allotment system should be maintained and will not result in a reduction in the overall allotment quantity, a suspension of the allotments, or any increase in the prospect of the forfeiture of domestically produced sugar to the Commodity Credit Corporation.

(38) Storage Facility Loans

The House bill subsection (a) requires the CCC to amend the Code of Federal Regulations to establish a sugar storage facility loan program. Subsection (b) requires the CCC to make such loans to processors of domestically produced sugar that have satisfactory credit history, that need increased storage, and that demonstrate an ability to repay the loan. Subsection (c) provides for a 7-year term for the loan. Subsection (d) requires the program be administered using the services, facilities, and funds of the CCC. (Section 153)

The Senate amendment subsection (a) requires the CCC to amend the Code of Federal Regulations to establish a sugar storage facility loan program. Subsection (b) requires the CCC to make such loans to processors of domestically produced sugar that have satisfactory credit history, that need increased storage, and that demonstrate an ability to repay the loan. Subsection (c) provides for a 7-year term for the loan. (Section 142)

The Conference substitute adopts the Senate provision.

(39) Reallocation of Sugar Quota

The Senate amendment requires the U.S. Trade Representative in consultation with the Secretary, by June 1 of each year, to determine the amount of the quota of cane sugar used by each qualified supplying country for that country for that fiscal year. The Trade Representative may reallocate the unused quota. (Section 144)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment with technical amendments.

Chapter 3—Peanuts

(40) Definitions

The House bill defines terms necessary for implementation of this act, including counter-cyclical payment, effective price, historic peanut producer, fixed, decoupled payment, payment acres, peanut acres, payment yield, peanut producer, Secretary, State, target price, and United States. (Section 161)

The Senate amendment defines terms necessary for implementation of this act, including counter-cyclical payment, direct payment, effective price, historical peanut producers on a farm, income protection price, payment acres, peanut acres, payment yield, and peanut producer. (Section 151)

The Conference substitute adopts the House provision with an amendment that clarifies the definition of "producer", changes the term "peanut acres" to "base acres for peanuts", changes the term "fixed, decoupled payment" to "direct payment", and provides 2002 transitional payment language under the term "payment acres". (Section 1301)

(41) Establishment of Payment Yield, Peanut Acres, and Payment Acres for a Farm.

The House bill provides that the Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer produced peanuts for the 1998 through 2001 crops years, excluding any crop year in which the producer did not produce peanuts.

If, for any of these four crop years in which peanuts were planted on a farm by the producer, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act 1999, the Secretary shall assign a yield for the producer for that year equal to 65 percent of the county yield, as determined by the Secretary. (Section 162)

The Secretary shall determine, for each historic peanut producer, the four-year average of acreage actually planted in peanuts by the historic peanut producer for harvest on one or more farms during crop years 1998, 1999, 2000, and 2001 and any acreage that the producer was prevented from planting to peanuts during such crops years because of drought, flood or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

If more than one historic peanut producer shared in the risk of producing the crop on the farm, the historic peanut producers shall receive their proportional share of the number of acres planted (or prevented from being planted) to peanuts for harvest on the farm based on the sharing arrangement that was in effect among the producers for the crop.

The Secretary shall make the determinations required by this subsection not later than 90 days after the date of the enactment of this Act. In making such determinations, the Secretary shall take into account changes in the number and identity of persons sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when the historic peanut producer is no longer living or an entity composed of historic peanut producers has been dissolved.

The Secretary shall give each historic peanut producer an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the producer to cropland on a farm.

The average of all of the yields assigned by historic peanut producers to a farm shall be deemed to be the payment yield for that farm for the purpose of making fixed, decoupled payments and counter-cyclical payments under this chapter.

Subject to subsection (e), the total number of acres assigned by historic peanut producers to a farm shall be deemed to be the peanut acres for a farm for the purpose of making fixed, decoupled payments and counter-cyclical payments under this chapter.

The opportunity to make the assignments described in subsection (b) shall be available to historic peanut producers only once. The historic peanut producers shall notify the Secretary of the assignments made by such producers under such subsections not later than 180 days after the date of the enactment of this Act.

The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

If the sum of the peanut acres for a farm, together with the base acres for the farm under subtitle A, any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program, and any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage, exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or base acres for one of more covered commodities for the farm as necessary so that sum of peanut acres and other covered acreage does not exceed the actual cropland acreage of the farm. The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or base acres against which the reduction will be made.

In applying paragraph (1), the Secretary shall make an exception in the case of double cropping as determined by the Secretary (Section 162)

The Senate amendment provides that the Secretary shall determine, for each historical peanut producer, the average yield for peanuts on all farms of the historical peanut producer for the 1998 through 2001 crop years, excluding any crop year during which the producers did not produce peanuts.

If, for any of the crop years in which peanuts were planted on a farm by the historical peanut producer, the historical peanut producer has satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, the Secretary shall assign to the historical peanut producer a yield for the farm for the crop year equal to 65 percent of the average yield for peanuts for the previous 5 crop years.

Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years, and any acreage that was prevented from being planted to peanuts during the crop years because of drought, flood or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

If a county in which a historical peanut producer is located is declared a disaster area during 1 or more of the four crop years, for purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 year of the crop years during which a disaster is declared (A) the State average of acreage actually planted to peanuts; or (B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2)

The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section. In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

The Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm

The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter

Not later than 180 days after the date of enactment of this section, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

If the total of the peanut acres for a farm, together with the contract acreage for the farm under subtitle B, any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program, and any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agriculture commodity on the acreage, exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for one or more covered commodities for the farm as necessary so that the total of the peanut acres and other covered acreage does not exceed the actual cropland acreage of the farm. The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contact acreage against which the reduction will be made.

In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary. (Section 151)

The Conference substitute adopts the House provision with an amendment. The amendment allows the historic peanut producer to elect to substitute for a farm, for not more than 3 of the 1998 through 2001 crop years in which the producer planted peanuts on the farm, the average yield for peanuts produced in the county in which the farm is located for the 1990 through 1997 crop years.

The amendment requires the historic peanut producer to assign average base acreage and average yield to a farm by March 31, 2003. In addition, the amendment sets a series of criteria that a historic peanut producer must meet for them to assign average base acreage and average yield across state lines. The Secretary shall provide notice to historic peanut producers regarding their opportunity to assign average peanut yields and average acreages to farms. The amendment states that the notice shall include: notice that the opportunity to make the assignments is being provided once, a description of the limitation of assigning average acres and average yields across state lines, and information regarding the manner in which the assignments must be made and the time periods and manner in which the notice of the assignments must be submitted to the Secretary.

The amendment further states the Secretary shall provide for an adjustment in the base acres for peanuts for a farm whenever a conservation reserve contract with respect to the farm expires or is voluntarily terminated, or the Secretary releases cropland from coverage under a conservation reserve contract. Also included is a provision to allow the owner of a farm to reduce at any time the base acres for peanuts assigned to the farm. (Section 1302)

The Managers are aware that AMTA contract acreage was not protected on acreage enrolled into CRP during CRP signups 15 and later. The Managers intend that the Secretary develop a method that provides for the restoration of base acreage on farms that permanently reduced contract acreage because of enrollment in CRP. Since soybeans and other oilseeds did not have contract acreage prior to this Act, the Managers expect the Secretary to treat soybeans and other oilseeds in a manner that is similar and consistent with other covered commodities. (Section 1302)

(42) Availability of Fixed, Decoupled Payments for Peanuts

The House bill provides that for each of the 2002 through 2011 crop years, the Secretary shall make fixed, decoupled payments to peanut producers on a farm. The payment-rate used to make fixed, decoupled payments with respect to peanuts for a crop year shall be equal to $36 per ton.

The amount of the fixed, decoupled payment to be paid to the peanut producers on a farm for a covered commodity for a crop year shall be equal to the product of the payment rate, the payment acres and the payment yield.

Fixed, decoupled payments shall be paid not later than September 30 of each of the fiscal years 2002 through 2011. In the case of the 2002 crop, payments may begin to be made on or after December 1, 2001.

At the option of a peanut producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the peanut producer. The selected date shall be on or after December 1 of that fiscal year, and the peanut producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

If a peanut producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be a peanut producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary, the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment. (Section 163)

The Senate amendment provides that for each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 158B. The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying the payment rate, the payment acres, and the payment yield.

The Secretary shall make direct payments in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm. The selected date for a fiscal year shall be on or after December 1 of the fiscal year. The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary, the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment. (Section 151)

The Conference substitute adopts the House provision with an amendment to clarify payment rules for the 2002 crop year by directing the Secretary to make direct payments to historic peanut producers for the 2002 crop year. For each of the 2003 through 2007 crop years for peanuts, the Secretary shall make direct payments to the producers on a farm to which a payment yield and base acres for peanuts are assigned under section 1302.

The payment rate used to make direct payments with respect to peanuts for a crop year shall be equal to $36 per ton. (Section 1303)

(43) Availability of Counter-Cyclical Payment for Peanuts

The House bill provides that during the 2002 through 2011 crop years for peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts whenever the Secretary determines that the effective price for peanuts is less than the target price.

The effective price for peanuts is equal to the sum of higher of either (A) the national average market price received by peanut producers during the 12-month marketing year for peanuts, as determined by the Secretary; or (B) the national average loan rate for a marketing assistance loan for peanuts in effect for the same period under this chapter; and the payment rate in effect under section 163 for the purpose of making fixed, decoupled payments.

The target price for peanuts is $480 per ton.

The payment rate for counter-cyclical payments is equal to the difference between the target price for peanuts and the effective price for the peanuts.

The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product of the payment rate, the payment acres, by the payment yield.

The Secretary shall make counter-cyclical payments for a peanut crop as soon as possible after determining that such payments are required for that crop year.

The Secretary may permit, and, if so permitted, a peanut producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a peanut crop upon completion of the first six months of the marketing year for that crop. The peanut producer shall repay the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that crop. (Section 164)

The Senate amendment provides for each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

The effective price for peanuts is equal to the total of the greater of either (A) the national average market price received by peanut producers during the 12-month marketing year for peanuts or (B) the national average loan rate for a marketing assistance loan for peanuts under section 158G in effect for the 12-month marketing year for peanuts under this chapter; and the payment rate in effect for peanuts under section 158C for the purpose of making direct payments with respect to peanuts.

The income protection price for peanuts is $520 per ton.

The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying the payment rate, the payment acres, by the payment yield.

The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between the income protection price for peanuts and the effective price for peanuts.

The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first six months of the marketing year for the crop. The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section. (Section 151)

The Conference substitute adopts the Senate provision with an amendment to clarify payment rules for the 2002 crop year by directing the Secretary to make counter-cyclical payments to historic peanut producers for the 2002 crop year. For each of the 2003 through 2007 crop years for peanuts, the Secretary shall make counter-cyclical payments to the producers on a farm to which a payment yield and base acres for peanuts are assigned under section 1302.

The amendment changes the effective price definition to state the effective price for peanuts is equal to the sum of the higher of (a) the national average market price for peanuts received by producers during the 12-month marketing year for peanuts or (b) the national average loan rate for a marketing assistance loan for peanuts in effect for the applicable period under this subtitle; plus the payment rate in effect under section 1303 for the purpose of making direct payments.

If before the end of the 12-month marketing year, the Secretary estimates that counter-cyclical payments will be required under this section for a crop year, the Secretary shall give producers on a farm (or, in the case of the 2002 crop year, historic peanut producers) the option to receive partial payments of the counter-cyclical payment projected to be made for that crop.

When the Secretary makes partial payments for any of the 2002 through 2006 crop years the first partial payment for the crop year shall be made not earlier than October 1, and, to the maximum extent practicable, not later than October 31, of the calendar year in which the crop is harvested; the second partial payment shall be made not earlier than February 1 of the next calendar year; and the final payment shall be made as soon as practicable after the end of the 12-month marketing year for that crop.

When the Secretary makes partial payments available for the 2007 crop year the first partial payment shall be made after completion of the first 6 months of the marketing year for that crop; and the final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for that crop.

In the case of the 2002 crop year, the first partial payment to an historic peanut producer may not exceed 35 percent of the projected counter-cyclical payment for the crop year, as determined by the Secretary. The second partial payment may not exceed the difference between 70 percent of the revised projection of the counter-cyclical payment for the 2002 crop year and the amount of the first partial payment. The final payment shall be equal to the difference between the actual counter-cyclical payment to be made to the historic peanut producer and the amount of the partial payment already made to the historic peanut producers under clauses (i) and (ii).

For each of the 2003 through 2006 crop years, the first partial payment to the producers on a farm may not exceed 35 percent of the projected counter-cyclical payment for the crop year, as determined by the Secretary. The second partial payment may not exceed the difference between 70 percent of the revised projection of the counter-cyclical payment for the 2002 crop year and the amount of the first partial payment. The final payment shall be equal to the difference between the actual counter-cyclical payment to be made to the producers for that crop year and the amount of the partial payment already made to the producers under clauses (i) and (ii) for that crop year.

For the 2007 crop year, the first partial payment to the producers on a farm may not exceed 40 percent of the projected counter-cyclical payment for that crop year, as determined by the Secretary. The final payment for the 2007 crop year shall be equal to the difference between the actual counter-cyclical payment to be made to the producers for that crop year and the amount of the partial payment made to the producers under clause (i).

The producers on a farm (or, in the case of the 2002 crop year, historic peanut producers) must repay the amount, if any, by which the partial payment exceeds the counter-cyclical payment to be made in that crop year. (Section 1304)

The target price for peanuts shall be equal to $495 per ton. (Section 1304)

(44) Producer Agreement Required As Condition On Provision of Fixed, Decoupled Payments and Counter-Cyclical Payments

The House bill provides that before the peanut producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the peanut producers shall agree, in exchange for the payments to comply with applicable conservation and wetland protection requirements, to comply with the planting flexibility requirements, and to use the land on the farm, in an amount equal to the peanut acres for an agriculture or conserving use.

The Secretary may issue such rules as the Secretary considers necessary to ensure peanut producer compliance with the requirements of paragraph (1).

A peanut producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that the forgiving the repayments is appropriate to provide fair and equitable treatment.

This subsection shall not void the responsibilities of the peanut producer under subsection (a) if the peanut producer continues or resumes operation or control of the farm.

On the resumption of operation or control over the farm by the producer, the requirements of subsection (a) in effect on the date of foreclosure shall apply.

Except as provided in paragraph (4), a transfer or change in the interest of a peanut producer in peanut acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

There is no restriction on the transfer of a farm's peanut acres or payment yield as part of a change in the peanut producers on the farm.

At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

If a peanut producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

As a condition on the receipt of any benefits under this chapter, the Secretary shall require peanut producers to submit to the Secretary acreage reports.

In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis. (Section 165)

The Senate amendment provide that before the peanut producers on a farm may receive direct payments or counter cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for payments to comply with applicable highly erodible land conservation requirements, to comply with applicable wetland conservation requirements, to comply with planting flexibility requirements, and to agree to use a quantity of the land on the farm equal to peanut acres for an agriculture or conserving use.

The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a), if the peanut producers on the farm continue or resume operation, or control, of the farm.

On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

Except as provided in paragraph (5), a transfer of or change in the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination takes effect on the date of the transfer or change.

The Secretary shall not impose any restrictions on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis. (Section 151)

The Conference substitute provides that before producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments to comply with applicable conservation requirements, applicable wetland protection requirements, planting flexibility requirements, to use the land on the farm in a quantity attributable to the base acres for an agricultural or conserving use and not for a nonagricultural commercial or industrial use, as determined by the Secretary and on noncultivated land attributable to the base acres, control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices.

The Secretary may issue rules to ensure compliance with these requirements.

At the request of the transferee or owner, the Secretary may modify the requirements of this subsection if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

A transfer of (or change in) the interest of a producer in base acres for which direct or counter-cyclical payments are made shall result in the termination of the payments with respect to bases acres, unless the transferee or owner of the acreage agrees to assume all obligations under conservation, wetland, planting flexibility, agriculture land use provisions and controlling noxious weeds provisions. The termination shall take effect on the date determined by the Secretary.

If a producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

A producer who receives direct payments, counter-cyclical payments, or marketing loan benefits is required to submit annual acreage reports with respect to all cropland on the farm to the Secretary.

The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the producers on a farm on a fair and equitable basis.

When there is a transfer (or change in) the interest of a producer in base acres for which direct or counter-cyclical payments are made, the Managers intend for the Secretary to provide a time frame for the succession to occur that is farmer-friendly.

Acreage reports provide important information such as assisting in determining the eligibility of land to be accepted into the Conservation Reserve Program. The Managers are aware that in prior years, the Secretary has imposed penalties on producers that submit acreage reports that the Secretary later determines to be inaccurate. The Managers understand that under prior acreage limiting and acreage reduction programs there was a need for very accurate reporting. However, under this Act, with the exception of determining the amount of fruits, vegetables, and wild rice planted on base acreage, there is no such need or requirement for the level of accuracy. Therefore, under this provision the Managers do not intend for any penalty to be applicable to inaccurate acreage reports on covered commodities or peanuts, provided the producer has made a good faith effort to accurately report acreage. (Section 1305)

(45) Planting Flexibility

The House bill provides that generally, producers may plant any commodity on the peanut acres of a farm, except fruits and vegetables (other than lentils, mung beans, and dry peas), and wild rice.

Paragraph (1) shall not limit the planting of an agriculture commodity in (A) any region in which there is a history of double-cropping of peanuts with agriculture commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted; (B) on a farm that the Secretary determines has a history of planting agriculture commodities specified in paragraph (1) on peanut acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agriculture commodity; or (C) by a peanut producer who the Secretary determines has an established planting history of a specific agriculture commodity specified in paragraph (1), except that the quantity planted may not exceed the peanut producer's average annual planting history of such agriculture commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made); and fixed decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agriculture commodity. (Section 166)

The Senate amendment provides that generally, producers may plant any commodity on the peanut acres of a farm, except fruits and vegetables (other than lentils, mung beans, and dry peas), and in the case of the 2003 and subsequent crops of an agriculture commodity, wild rice.

Paragraph (1) shall not limit the planting of an agriculture commodity in (A) any region in which there is a history of double-cropping of peanuts with agriculture commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted; (B) on a farm that the Secretary determines has a history of planting agriculture commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agriculture commodity; or (C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agriculture commodity specified in paragraph (1), except that the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary and direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agriculture commodity. (Section 151)

The Conference substitute adopts the House provision with an amendment that provides that the planting of fruits, vegetables (other than lentils, mung beans and dry peas) and wild rice shall be prohibited on base acreage unless the commodity, if planted, is destroyed before harvest.

The planting of fruits and vegetables produced on trees and other perennials shall be prohibited on base acres.

The Secretary shall establish a producer planting history for fruits, vegetables and wild rice planted by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years. (Section 1306)

(46) Marketing Assistance Loans and Loan Deficiency Payments for Peanuts

The House bill provides that for each of the 2002 through 2011 crop of peanuts, the Secretary shall make available to peanut producers on a farm non-recourse marketing assistance loans for peanuts produced on the farm. Any production of peanuts on a farm shall be eligible for a marketing assistance loan.

In carrying out this subsection, the Secretary shall make loans to a peanut producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the peanuts owned by the peanut producer are commingled with other peanuts in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Improvement and Reform Act of 1996.

A marketing assistance loan and loan deficiency payments may be obtained at the option of the peanut producer through a designated marketing association of peanut producers that is approved by the Secretary; or the Farm Service Agency.

The loan rate for a marketing assistance loan for peanuts shall be equal to $350 per ton.

A marketing assistance loan for peanuts under subsection (a) shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan under subsection (a).

The Secretary shall permit producers to repay a marketing assistance loan for peanuts at a rate that is the lesser of the loan rate for the commodity plus interest; or a rate that the Secretary determines will minimize loan forfeitures, accumulation of stocks, storage costs, and allow peanuts produced in the United States to be marketed freely and competitively.

The Secretary may make loan deficiency payments available to peanut producers who, although eligible to obtain a marketing assistance loan for peanuts, agree to forgo obtaining the loan for the peanuts in return for payments.

A loan deficiency payment shall be computed by multiplying the loan payment rate and the quantity of the peanuts produced by the peanut producers, excluding any quantity for which the producers obtain a loan under subsection (a).

The loan payment rate shall be the amount by which the loan rate exceeds the rate at which a loan may be repaid.

The Secretary shall make a payment under this subsection to a peanut producer with respect to a quantity of peanuts as of the earlier of (A) the date on which the peanut producer marketed or otherwise lost beneficial interest in the peanuts or (B) the date the peanut producer requests the payment.

As a condition of the receipt of a marketing assistance loan, the peanut producer shall comply with applicable conservation and wetland protection requirements, during the term of the loan.

To the extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with such activities in regard to other commodities.

This section terminates section 155 of the Federal Agriculture Improvement and Reform Act of 1996, which provided superseded price support authority. (Section 166)

The Senate amendment provides that for each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm non-recourse marketing assistance loans for peanuts produced on the farm. The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan, but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 158E.

A marketing assistance loan and loan deficiency payments may be obtained at the option of the peanut producers on a farm through (A) a designated marketing association of peanut producers that is approved by the Secretary, (B) the Farm Service Agency, or (C) a loan servicing agent approved by the Secretary.

The loan rate for a marketing assistance loan for peanuts shall be equal to $400 per ton.

A marketing assistance loan for peanuts under subsection (a) shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts at a rate that is the lesser of the loan rate for peanuts plus interest or a rate that the Secretary determines will minimize forfeitures, accumulation of stocks, storage costs; and allow peanuts produced in the United States to be marketed freely and competitively.

The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

A loan deficiency payment shall be obtained by multiplying the loan payment rate by the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on a farm obtain a loan under subsection (a).

The loan payment rate shall be the amount by which the loan rate exceeds the rate at which a loan may be repaid.

The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of (A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary or (B) the date the peanut producers on the farm request the payment.

As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with applicable conservation and wetland protection requirements.

To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

This section terminates Section 155 of the Federal Agriculture Improvement and Reform Act of 1996 is repealed. (Section 151)

The Conference substitute adopts the House provision with an amendment modifying the options the producer has for obtaining a marketing assistance loan and loan deficiency payments to not only include a designated marketing association and the Farm Service Agency, but also a marketing cooperative of producers.

Effective for the 2002 through 2006 crop of peanuts, to ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall use the funds of the Commodity Credit Corporation to pay storage, handling, and other associated costs. This authority terminates beginning with the 2007 crop of peanuts. Also included is nondiscriminatory language for individuals or entities seeking approval to store peanuts for which a marketing loan is made.

The amendment added language that a marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that conforms to consumer needs, including the separation of peanuts by type and quality.

The amendment added language on good faith exemptions to the beneficial interest requirement for the 2002 crop of peanuts. In the case of the producers on a farm that marketed or otherwise lost beneficial interest in the peanuts for which a marketing assistance loan was made under this section before repaying the loan, the Secretary shall permit the producers to repay the loan at the appropriate repayment rate that was in effect for peanuts under this subsection as of the date that the producers lost beneficial interest, as determined by the Secretary, if the Secretary determines the producers acted in good faith.

The amendment establishes a special rule for the 2002 crop year loan deficiency payments. For the 2002 crop year only, the Secretary shall determine the amount of the loan deficiency payment to be made to the producers on a farm with respect to a quantity of peanuts using the payment rate for peanuts as of the earlier of the following: the date on which the producers marketed or otherwise lost beneficial interest in the crop, as determined by the Secretary, or the date the producers request the payment.

The loan rate for a marketing assistance loan for peanuts shall be equal to $355 per ton. (Section 1307)

The Managers encourage the Department to continue its traditional practice of accounting for all commingled peanuts such that all peanuts stored commingled with peanuts covered by a marketing assistance loan are graded and exchanged on a dollar value basis unless it is the determination of the Secretary that the beneficial interest in peanuts covered by the marketing assistance loan have been transferred to other parties prior to demand for delivery.

(47) Quality Improvement

The House bill peanuts placed under a marketing assistance loan under section 167 shall be officially inspected and graded by Federal or State inspectors. Peanuts not placed under a marketing assistance loan may be graded at the option of the producer.

This section terminates the Peanut Administrative Committee and the Secretary is directed to establish a Peanut Standards Board for the purpose of assisting in the establishment of quality standards for peanuts. The authority of the Board is limited to assisting in the establishment of quality standards for peanuts. The members of the Board should fairly reflect all regions and segments of the peanut industry.

This section shall take effect with the 2002 crop of peanuts. (Section 168)

The Senate amendment provides that all peanuts placed under a marketing assistance loan under section 158G shall be officially inspected and graded by a Federal or State inspector. Peanuts not placed under a marketing assistance loan may be graded at the option of the peanut producers on a farm.

The Senate amendment provides that this section terminates the Peanut Administrative Committee. The Secretary shall establish a Peanut Standards Board for the purpose of assisting in the establishment of quality standards with respect to peanuts. The Secretary shall appoint members to the Board that, to the maximum extent practicable, reflect all regions and segments of the peanut industry. The Board shall assist the Secretary in establishing quality standards for peanuts.

This section shall apply beginning with the 2002 crop of peanuts. (Section 151)

The Conference substitute adopts the Senate provision with an amendment requiring all peanuts marketed in the United States to be officially inspected and graded by Federal or Federal-State inspectors.

The amendment clarifies the composition of the Peanut Standards Board, the terms for members, and provides language to transition from the Peanut Administrative Committee to the Peanut Standards Board. (Section 1308)

It is the Managers' intention that the definition of "peanut industry representatives" includes, but is not limited to, representatives of the manufacturers, shellers, buying points, marketing associations and marketing cooperatives.

The Managers expect the Secretary, when developing inspection and grading standards, to encourage the use of the latest technology and evaluation systems to eliminate costs and increase efficiency in the inspection and grading process. The Secretary should also encourage the use of the latest research and technology to assist in the elimination and prevention of aflatoxin.

(48) Payment Limitations

The House bill provides that separate payment limitations shall apply to peanuts with respect to fixed, decoupled payments, counter-cyclical payments, and limitations on marketing loan gains and loan deficiency payments.

The Senate amendment contains no comparable provision in Chapter 3.

The Conference substitute provides the total direct and counter-cyclical payments to a person for corn, grain sorghum, barley, oats, wheat, soybeans, minor oilseeds, cotton and rice may not exceed $40,000 and $65,000, respectively. The total marketing loan gains and loan deficiency payments for corn, grain sorghum, barley, oats, wheat, soybeans, minor oilseeds, cotton, rice, lentils, dry peas and small chickpeas that a person is entitled to receive is $75,000.

Provides for a separate direct and counter-cyclical payment limitation for peanuts of $40,000 and $65,000, respectively. Provides for a separate marketing loan gain and loan deficiency payments limitation for peanuts, wool, mohair and honey of $75,000.

Retains current rules on husband and wife, 3-entities, actively engaged and generic certificates.

Adopts the $2.5 million adjusted gross income means test.

The Conference substitute refers to levels of adjusted gross income or comparable measures of income. The Managers intend that the comparable measure provision be utilized when necessary and in cases of applicants for whom, because of their status under the Internal Revenue Code, adjusted gross income is not measured or reported. Forexample, participants who are organized as C Corporations, S Corporations, or as non-profit organizations, the Managers intend for the Secretary to use this direction to adopt alternative income measurements that compare most closely to adjusted gross income. (Section 1309)

The Managers expect the Secretary to implement this provision in a manner that provides equitable treatment, to the maximum extent practicable to all producers regardless of the legal structure of their farming operation.

For purposes of subsection (b), the Managers expect the Secretary to determine the individual or entity to be ineligible only if the adjusted gross income or similar equivalent exceeds $2.5 million and less than 75 percent of the adjusted gross income is derived from farming, ranching or forestry operations as determined by the Secretary.

(49) Termination of Marketing Quota Programs for Peanuts and Compensation to Peanut Quota Holders for Loss of Quota Asset Value

The House bill repeals the marketing quota for peanuts, part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938.

The marketing quota as in effect the day before the date of enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts.

The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts. Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006. The payments required under the contracts shall be provided in five equal installments not later than September 30 of each of the fiscal years 2002 through 2006.

The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying $0.10 per pound by the actual farm poundage quota (excluding seed and experimental peanuts) established for the peanut quota holder's farm for the 2001 marketing year.

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act, relating to the assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment or the assignee, shall provide the Secretary with notice, in such a manner as the Secretary may require, of any assignment made under this subsection.

This section defines peanut quota holder as a person or enterprise that owns a farm that was eligible, immediately before the date of the enactment of this Act, to have a peanut quota established upon it; if there are not quotas currently established, would be eligible to have a quota established upon it for the succeeding crop year; or is otherwise a farm that was eligible for such a quota at the time the general quota establishment authority was repealed.

The Secretary shall apply this definition without regard to temporary leases or transfers or quotas for seed or experimental purposes. (Section 170)

The Senate amendment provides the effective beginning with the 2002 crop of peanuts, part VI of subtitle B of title III of the Agriculture Adjustment Act of 1938 is repealed.

This section and the amendments made by this section apply beginning with the 2002 crop of peanuts.

The Secretary shall offer to enter into a contract with peanut quota holders for the purpose of providing compensation for the lost value of quota as a result of the repeal of the marketing quota program for peanuts. Under a contract, the Secretary shall make payments to an eligible peanut quota holder for each of fiscal years 2002 through 2006. The payments required under the contracts shall be provided in 5 equal installments not later than September 30 of each of the fiscal years 2002 through 2006.

The amount of the payment for a fiscal year to a peanut quota holder under contract shall be equal to the product obtained by multiplying $0.11 by the actual farm poundage quota (excluding any quantity for seed and experimental peanuts) established for the farm of a peanut quota holder for the 2001 marketing year.

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act, relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such a manner as the Secretary may require, of any assignment made under this subsection.

This section defines peanut quota holder as a person or entity that owns a farm that (I) held a peanut quota established for the farm for the 2001 crop of peanuts; (II) if there was not such a quota established for the farm for the 2001 crop of peanuts, would be eligible to have such a quota established for the farm for the 2002 crop of peanuts; (III) is otherwise a farm that was eligible for such a quota as of the effective date of the amendments made by this section.

The Secretary shall apply the definition of peanut quota holder without regard to temporary leases, transfers, or quotas for seed or experimental purposes. (Section 152)

The Conference substitute adopts the House provision with clarifying language to the quota holder definition. The quota compensation payment shall be $0.11 per year for a total of five years. The amendment gives an option to eligible peanut quota holders entitled to payments under a contract to receive the entire payment in a single lump sum.

The amendment adds disposal language to allow the Secretary to ensure that the disposal of peanuts for which a loan for the 2001 crop was made is carried out in a manner that prevents price disruptions in the domestic and international markets for peanuts.

The amendment adds language on the effect of termination on crop insurance policies. The subsection shall apply for the 2002 crop year only notwithstanding any other provision of law or crop insurance policy. The nonquota price election for segregation I, II, and III shall be 17.75 cents per pound and shall be used for all aspects of the policy relating to the calculations of premium, liability, and indemnities. For the purposes of quality adjustment only, the average support price per pound of peanuts shall be a price equal to 17.75 cents per pound. Quality under the crop insurance policy for peanuts shall be adjusted under procedures issued by the Federal Crop Insurance Corporation. (Section 1310)

SUBTITLE D—ADMINISTRATION

(50) Administration Generally

The House bill provides that:

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement this title. The issuance of the regulations shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804) relating to notices of proposed rulemaking and public participation in rulemaking, and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(d) PROTECTION OF PRODUCERS.—The protection afforded producers that elect the option to accelerate the receipt of any payment under a production flexibility contract payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212 note) shall also apply to the advance payment of fixed, decoupled payments and counter-cyclical payments.

(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels. (Section 181)

The Senate amendment provides that:

(a) IN GENERAL.—The Secretary of Agriculture may promulgate such regulations as are necessary to implement this Act and the amendments made by this Act.

(b) PROCEDURE.—The promulgation of the regulations and administration of title I and sections 456 and 508 and the amendments made by title I and sections 456 and 508 shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and (3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(c) Congressional Review of Agency Rule-Making.—In carrying out subsection (b), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

Amends Section 161 of the FAIR Act to allow the Secretary to adjust the amount of domestic support to assure compliance with Uruguay Round obligations.

Requires the Secretary to report to Congress of intent to make adjustment and allows adjustment unless a joint resolution disapproving the adjustments is enacted by both Houses of Congress within 60 days.

Requires annual reports on domestic support by April 30 of each year. (Section 164 and 1099)

The Conference substitute adopts the House provision with an amendment that provides for the Secretary, to the maximum extent practicable, make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed such allowable levels.

Before making any adjustment, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report describing the determination made and the extent of the adjustment made.

The Conference has made it a priority to craft a program that provides assistance to producers in a way that is consistent with our obligations under the Uruguay Round Agreement on Agriculture. (Section 1601)

(51) Extension of Suspension of Permanent Price Support Authority

The House bill amends Section 171 of the FAIR Act.

(a) Agricultural Adjustment Act of 1938.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking "2002" both places it appears and inserting "2011".

(b) Agricultural Act of 1949.—Section 171(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended by striking "2002" both places it appears and inserting "2011".

(c) Suspension of Certain Quota Provisions.—Section 171(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended by striking "2002" and inserting "2011". (Section 182)

The Senate amendment amends Section 171 of the Fair Act. Section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301) is amended—

(1) by striking "2002" each place it appears and inserting "2006"; and

(2) in subsection (a)(1)—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (I) as subparagraphs (E) through (H), respectively. (Section 165)

The Conference substitute adopts the House provision with an amendment. (Section 1602)

(52) Commodity Purchases

The Senate Amendment provides new mandatory spending for commodity purchases with a specific amount for specialty crops, for the Department of Defense nutrition program and for the Emergency Food Assistance Program. (Section 166)

The House Bill contains no similar provision.

The Conference Substitute adopts the Senate provision with an amendment to provide a minimum of $200 million per year from Section 32 funds for the purchase of fruits, vegetables and other specialty food crops. A minimum of $50 million per year of these funds is to be spent on the Department of Defense Fresh Program. And the Secretary shall submit a report not later than 1 year after the date of the enactment of thisAct, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that analyzes by type the commodities purchased under this section as well as by type the commodities purchased using all other Section 32 funds. (Section 10603)

The Managers intend that the funds made available under this section are to be used for additional purchases of fruits and vegetables, over and above the purchases made under current law or that might otherwise be made without this authority. The Managers expect the $200 million to be a minimum amount for fruit and vegetable purchases under Section 32 funds; it is not intended to interfere with or decrease from Agricultural Marketing Service's historical purchases of fruits and vegetables [e.g. $243 million in 2001; $232 million in 2000] or to decrease or displace other commodity purchases. It is the Managers' further intention that tree nuts may be included in the Secretary's definition of "other specialty food crops" purchases for this section. The Managers intend that none of the amounts made available under this section for the purchases of fruits, vegetables, and other specialty food crops may be used to purchase apples for 2002 and 2003. The Secretary may continue to purchase apples under other existing authority.

The amendment requires that a minimum of $50 million from the $200 million made available under section 10603 be used exclusively for additional purchases of fresh fruits and vegetables for the schools through the "DoD Fresh" program. The Department of Agriculture currently provides $25 million in funding each year for the purchase of fresh fruits and vegetables for the schools, pursuant to existing authority under the School Lunch Act. Through a 1995 memorandum of agreement between the Agricultural Marketing Service, the Food & Consumer Service, and the Defense Personnel Support Center, the Department of Defense serves as the servicing agency for the procurement of these fresh fruits and vegetables through the "DoD Fresh" program. The Managers strongly support efforts to fully utilize this program to assist small businesses, specialty crop producers, and schools in providing greater quantities of fresh fruits and vegetables in USDA feeding programs, and expects the Secretary to review the effectiveness of the program in meeting these goals on an ongoing basis.

(53) Hard White Wheat Incentive Payments

The Senate amendment amends Sec. 193 of the FAIR Act. For crop years 2003 through 2005, this section requires the Secretary to use $40 million of funds of the Commodity Credit Corporation to provide incentive payments to producers of hard white wheat. The program offers wheat producers an alternative crop to meet a growing international market opportunity. (Section 167)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that provides for the 2003 through 2005 crop years, a total of $20 million in hard white wheat incentive payments to growers that demonstrate that buyers and end-users are available for the wheat to be covered by the incentive payment. (Section 1616)

(54) Limitations

The House bill amends section 1001 of the Food Security Act of 1985 to delete the references to production flexibility contract and AMTA and include fixed, decoupled and counter-cyclical payment limitations. The total fixed, decoupled payments and counter-cyclical payments to a person may not exceed $50,000 and $75,000, respectively. The total of marketing loan gains and loan deficiency payments that a person is entitled to receive is $150,000.

Peanuts, honey and wool and mohair have limitations for the applicable programs separate from other commodities. (Section 183)

The Senate amendment amends Section 1001 of the Food Security Act of 1985. The total of direct and counter-cyclical payments that an individual or entity may receive during any fiscal year for program commodities shall not exceed $75,000. The total of marketing loan gains, forfeiture gains, gains from marketing certificates and loan deficiency payments that a person is entitled to receive for program crops, peanuts, honey and wool is $150,000 per crop year.

During a fiscal and corresponding crop year, the total amount of payments and benefits that a married couple may receive from direct, counter-cyclical and marketing loan is $75,000 and $150,000 respectively, plus a combined total of an additional $50,000. (Section 169)

The Conference substitute provides the total direct and counter-cyclical payments to a person for corn, grain sorghum, barley, oats, wheat, soybeans, minor oilseeds, cotton and rice may not exceed $40,000 and $65,000, respectively. The total marketing loan gains and loan deficiency payments for corn, grain sorghum, barley, oats, wheat, soybeans, minor oilseeds, cotton, rice, lentils, dry peas and small chickpeas that a person is entitled to receive is $75,000.

Provides for a separate direct and counter-cyclical payment limitation for peanuts of $40,000 and $65,000, respectively. Provides for a separate marketing loan gain and loan deficiency payments limitation for peanuts, wool, mohair and honey of $75,000.

Retains current rules on husband and wife, 3–entities, actively engaged, generic certificates and adopts the $2.5 million adjusted gross income means test.

The Conference substitute refers to levels of adjusted gross income or comparable measures of income. The Managers intend that the comparable measure provision be utilized when necessary and in cases of applicants for whom, because of their status under the Internal Revenue Code, adjusted gross income is not measured or reported. For example, participants who are organized as C Corporations, S Corporations, or as nonprofit organizations, the Managers intend for the Secretary to use this direction to adopt the use of income measure terms that compare most closely to adjusted gross income. The Managers expect the Secretary to implement this provision in a manner that provides equal treatment, to the maximum extent practicable across all producers regardless of the legal structure of their farming operation.

For purposes of subsection (b), the Managers expect the Secretary to determine the individual or entity to be ineligible only if the adjusted gross income or similar equivalent exceeds $2.5 million and less than 75 percent of the adjusted gross income is derived from farming, ranching or forestry operations as determined by the Secretary. (Section 1603)

(55) Adjustments of Loans

The House bill extends current authority to adjust loans so, to the maximum extent practicable, the average loan level for a commodity will be equal to the level of support determined appropriate under this Act. (Section 184)

The Senate amendment retains current law as section 162 of the FAIR Act with "loan commodity" reference. (Section 171)

The Conference substitute adopts the House provision. (Section 1606)

(56) Personal Liability of Producers for Deficiencies

The House bill amends Section 164 of the FAIR Act by striking "this title" and inserting "this title and title I of the Farm Security Act of 2001". The liability of a producer is limited if the collateral securing any nonrecourse loan is sold as long as the sale was not fraudulent. (Section 185)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1607)

(57) Extension of Existing Administrative Authority Regarding Loans

The House bill amends Section 166 of the FAIR Act. The full protection of marketing loan assistance to producers is extended under this Act. (Section 186)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that includes a reference to this Act. (Section 1608)

(58) Assignment of Payments

The House bill provides that producers may assign any payments received under this Act by providing notice in a manner prescribed by the Secretary. (Section 187)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1612)

(59) Report on Effect of Certain Farm Payments

The House bill requires the Secretary to review the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure. The review shall include a case study on the effects these payments are likely to have on rice producers, millers and the economies of rice farming areas in Texas. (Section 187)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section ???)

(61) Reserve Stock Level

The Senate amendment reduces the reserve stock level for Flue-cured tobacco from 100 million pounds (farm sales weight) to 75 million pounds or 10 percent of the national marketing quota. (Section 162)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that reduces the reserve stock level for Flue-cured tobacco from 100 million pounds (farm sales weight) to 60 million pounds. (Section 1610)

(62) Farm Reconstitutions

The Senate amendment provides for the 2002 crop only, the Secretary shall allow special farm reconstitutions, in lieu of lease of tobacco quota. Requires a study on the effects of limitation on producers who move quota. (Section 163)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1611)

(63) Livestock Assistance Program

The Senate amendment authorizes appropriations of $500 million for each of fiscal years 2003 through 2008 for the livestock assistance program. (Section 168)

The House bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 10104)

(64) Restriction of Commodity and Crop Insurance Payments, Loans and Benefits to Previously Cropped Land

The Senate amendment restricts commodity and crop insurance payments to previously cropped land. To be eligible for benefits, land must have been planted, considered planted or devoted to an agricultural commodity (excluding forage, livestock, timber, forest products, or hay) at least 1 of the 5 crop years preceding the 2002 crop year, or at least 3 of the 10 crop years preceding the 2002 crop year, or at least 1 of the 20 crop years preceding 2002 crop year if the land has been maintained, using long-term crop rotation practices.

There are exceptions for land enrolled in the conservation reserve program and land under the jurisdiction of an Indian tribe. (Section 170)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(65) Reports of Equitable Relief and Misaction-Misinformation Requests

The Senate amendment requires the Secretary to submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report the describes the requests for equitable relief. (Section 172)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that provides State Executive Directors of the Farm Service Agency and State Conservationists with the Natural Resource Conservation Service authority to grant relief in special circumstances. In addition, a report is required to be provided annually that describes for the previous calendar year, the number of requests for equitable relief and the disposition of the requests. (Section 1613)

(66) Estimates of Net Farm Income

The Senate amendment requires the Secretary to include—

"(1) an estimate of the net farm income earned by commercial producers in the United States; and

"(2) an estimate of the net farm income attributable to commercial producers of each of—

"(A) livestock;

"(B) loan commodities; and

"(C) agricultural commodities other than loan commodities." (Section 173)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1615)

(67) Commodity Credit Corporation Inventory

The Senate amendment authorizes the Commodity Credit Corporation to use of private sector entities when purchasing and selling commodities. (Section 174)

The House bill contains no comparable provision.

The Conference substitute accepts the Senate provision. (Section 1609)

(68) Agricultural Producers Supplemental Payments and Assistance

The Senate amendment authorizes the Secretary to make payments to persons who are eligible to receive assistance under Public Law 107-25 but who did not receive the payments or assistance prior to October 1, 2001.

The amount of payments or assistance shall not exceed the amount of payments or assistance the person would have been eligible to receive under Public Law 107-25.

The House bill contains no comparable provision.

The Conference substitute accepts the Senate provision with an amendment to also include producers participating in 1998, 1999, 2000 or 2001 economic or disaster assistance programs that have not been paid. (Section 1617)

SUBTITLE E—PAYMENT LIMITATION COMMISSION

(69) Establishment of Commission

The Senate amendment establishes commission, specifies membership, establishes terms, meetings, quorum, and provides that the Secretary appoint one commissioner to serve as Chair. (Section 181)

The House bill contains no comparable provision.

The Conference substitute provides for the establishment of a Commission on the Application of Payment Limitations for Agriculture.

The Commission shall be composed of 10 members of which 3 members are appointed by the Secretary of Agriculture, 3 members by the Committee on Agriculture, Nutrition and Forestry of the Senate, 3 members by the Committee on Agriculture of the House of Representatives and the Chief Economist of the Department of Agriculture.

The Managers encourage the appointing authorities to ensure that the membership of the commission has a diversity of experiences and expertise on the issues to be studied by the Commission. (Section 1605)

(70) Duties

The Senate amendment requires the commission to conduct a comprehensive review of payment limitations. (Section 182)

The House bill contains no comparable provision.

The Conference substitute requires that the Commission conduct a study on the potential impacts of further payment limitations on the receipt of direct payments, counter-cyclical payments, and marketing loan gains and loan deficiency payments on farm income, land values, rural communities, agribusiness infrastructure, planting decisions, supply and prices of covered commodities and other agriculture commodities, including fruits and vegetables.

Not later than 1 year after the date of enactment of this Act, the Commission shall submit a report containing the results of the study, including such recommendations as the Commission considers appropriate.

The Managers intend for the Commission to examine the feasibility of improving the application and effectiveness of payment limitation requirements, including the use of commodity certificates and unlimited forfeiture of loan collateral. (Section 1605)

(71) Powers

The Senate amendment authorizes the commission to hold hearings and obtain information from Federal agencies. (Section 183)

The House bill contains no comparable provision.

The Conference substitute provides that the Commission may hold such hearings, meet and act, take testimony and receive evidence the Commission considers advisable to carry out their duties. (Section 1605)

(72) Commission Personnel Matters

The Senate amendment provides for compensation of members. (Section 184)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1605)

(73) Federal Advisory Committee Act

The Senate amendment exempts the commission from the Federal Advisory Committee Act. (Section 185)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1605)

(74) Funding

The Senate amendment authorizes the Secretary to use not more than $100,000 of the funds of the CCC to carry out this subtitle. (Section 186)

The House bill contains no comparable provision.

The Conference substitute provides that the Commission may use the mail in the same manner and under the same conditions as other agencies of the Federal Government, allows the Secretary to provide appropriate office space and allows for the reimbursement of travel expenses. (Section 1605)

(75) Termination of Commission

The Senate amendment provides that the Commission terminates on the day after the Commission submits its report. (Section 187)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

SUBTITLE F—EMERGENCY AGRICULTURE ASSISTANCE

(76) Income Loss Assistance

The Senate amendment provides $500 million in emergency livestock assistance for 2001 losses. (Section 192)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(77) Market Loss Assistance for Apple Producers

The Senate amendment provides $100 million for apple producers for the loss of markets during the 2000 crop year and further specifies payment quantity and payment/eligibility limitations parameters. (Section 193)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments to provide $94 million to apple producers for the loss of markets during the 2000 crop year, payment quantity parameters are retained, the Secretary shall not establish a payment limitation or an income eligibility limitation with respect to payments made on the payment quantity of 5 million pounds of apples produced on the farm; and promulgation of regulations and administration of this section will be exempt from the rulemaking requirements and Paperwork Reduction Act. Also provides $10 million as a grant to the State of New York to be used to support current onion producers in Orange County, New York, who have suffered losses to onion crops during one or more of the 1996 through 2000 crop years. (Section 10105)

(78) Commodity Credit Corporation

The Senate amendment authorizes the Secretary to use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subtitle. (Section 194)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(79) Administrative Expenses

The Senate amendment authorizes the transfer of $50 million from the Treasury to the Department of Agriculture to pay salaries and expenses in carrying out this subtitle.(Section 195)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(80) Regulations

The Senate amendment authorizes the Secretary to promulgate rules and regulations to implement this subtitle. (Section 196)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(81) Emergency Requirement

The Senate amendment designates the entire amount necessary to carry out this subtitle as emergency spending. (Section 197)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

TITLE II—CONSERVATION

SUBTITLE A—CONSERVATION SECURITY PROGRAM

(1) Conservation Security Act

The Senate amendment establishes the Conservation Security Program (CSP) and provides the applicable definitions. (Section 201 (Section 1238))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modification. The Managers expect the Secretary to implement the CSP to encourage the widest participation possible at a level that ensures resources are protected at a non-degradation level. (Sec. 2001)

(2) Conservation Security Program

The Senate amendment establishes the CSP for fiscal years 2003 through 2006 to assist producers in implementing various conservation practices as applicable for each individual operation. Eligible lands include private cropland, grassland, prairie land, pasture land and rangeland and private forest land in agro-forestry practices.

The Senate amendment establishes three tiers of conservation contracts that provide flexibility to farmers. Eligible practices may include the continuation of some practices combined with the adoption of new practices. Producers must adopt or maintain practices to address a resource concern of the operation, such as soil or water quality.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modification. The CSP, which is open to all producers for maintaining or adopting practices on private agricultural land, will be established from fiscal years 2003 through 2007. Only private agricultural lands and forested land that is incidental to an agricultural operation is eligible for enrollment. Lands enrolled in the Conservation Reserve Program (CRP), the Wetlands Reserve Program (WRP), or the Grasslands Reserve Program (GRP) and not eligible for enrollment, nor are lands that have not been cropped for more than four out of the past six years. This change is to help discourage producers from using the program as an inducement to cultivate land. Because this is a working lands program, producers will be allowed economic use of the land, in a manner consistent with the program. (Section 2001)

Agricultural producers are longtime stewards of America's lands. In establishing the CSP, the Managers recognize the need to support ongoing stewardship by providing incentive payments for producers to maintain and enhance conservation practices at a non-degradation level.

The Managers intend to assist agriculture producers to concentrate on resource problems, including soil, air, water, plant and animal (including wildlife) and energy conservation, on their particular operation using a broad array of conservation practices. Participation does not require a producer to address a locally-identified priority. Instead, a producer may receive an enhanced payment for addressing locally-identified priorities which will be determined by the state technical committees working with local working groups and agricultural producers. Overall, the Managers intend that the enhanced payments be used to ensure and optimize environmental benefits. The enhanced payments should reward producers who go beyond the minimum requirements of the program to address additional resource concerns.

The Managers intend that the Secretary shall provide base payments based on the average national rental rate for the specific land use type. The Managers encourage the Secretary to look at alternative approaches for a base payment that is not based on rental rates. In applying another appropriate rate to ensure regional equity, the Secretary shall not provide a rate lower than the national average rental rate.

The Managers intend the Secretary will not employ an environmental bidding or ranking system in implementing CSP and approve should approve a producer's contract that meets the standards of the program. The Managers are aware that many agricultural producers who want to adopt conservation practices have not had access to conservation program funding. Together, with the overall increase in funds for all conservation programs, agriculture producers who chose to employ conservation practices should have access to funding.

The Secretary should provide cost-share payments at a rate not exceeding 75 per cent. The Secretary should provide cost-share assistance at a comparable rate as that provided under the Environmental Quality Incentives Program for the same practices. In limiting cost-share for land-based structures, payments should be limited to those structures that are integral to the land-based conservation system.

The Managers expect the Secretary to implement the CSP in a manner that will allow all agricultural producers, including fruit and vegetable producers and livestock producers, to participate equitably in the program. The Managers also direct the Secretary to begin CSP at the full national level as soon as practicable.

While CSP is directed toward practices on working agricultural lands, the Managers recognize that some land use practices may involve alternative uses of the land, such as providing for wildlife habitat or the corners on center-pivot irrigation systems, and expect the Secretary to include these parcels, when incidental to the operation, as part of the CSP contract.

The Managers are aware of the unique conservation and production practices utilized by specialty crop growers throughout the United States. The Managers expect the Department to ensure that adequate resources are made available for specialty crop conservation practices under CSP. They also expect that, in carrying out the financial assistance provisions of various conservation programs the unique production practices involved in fruit and vegetable production, are taken into account when drafting and implementing regulations to carry out those programs.

(3) Partnerships and Cooperation

The Senate amendment allows the Secretary to designate special projects and enter into agreements with nonfederal entities to provide enhanced technical and financial assistance to be used by owners to meet the purposes of the Clean Water Act, Safe Drinking Water Act and Clean Air Act, and other Federal, state or local laws, and to address environmental issues associated with watersheds of special significance or other geographic areas of environmental sensitivity such as wetlands.

It also allows the Secretary to provide incentive payments to producers participating in special projects to encourage partnerships and sharing of technical and financial resources among owners, producers, government and non-governmental organizations and to adjust the application of eligibility criteria, approved practices, innovative conservation practices and other elements of the conservation programs to better reflect unique local circumstances, if consistent with environmental enhancement and purposes and requirements of the title. Participating parties must submit a plan to the Secretary. The purposes of the special projects include the installation of systems affecting multiple agricultural operations and innovative techniques. This provision directs the Secretary to use 5 percent of the funds made available for the EQIP to carry out special projects consistent with the purposes of EQIP. (Section 203) The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modification. The Secretary may enter into agreements to enhance technical and financial assistance provided to owners, operators, and producers to address natural resource issues related to agricultural production. The Secretary may provide incentives for special projects to encourage partnerships and enrollments of optimal conservation value. (Section 2003)

The Managers intend for the Secretary to use this authority to help producers avoid the need for further federal and state regulation to protect clean water and air. The Secretary is strongly encouraged to be proactive in establishing partnerships in critical areas such as the Chesapeake Bay.

(4) Administrative Requirements for Conservation Programs

(a) Good-faith reliance

The Senate amendment requires the Secretary to provide relief to owners, operators or producers injured by good faith reliance based on an action or on the advice of an employee of the Secretary.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision due to the adoption of a general good faith reliance provision covering both the commodity and conservation titles. (Section 2004)

(b) Education, assessment and evaluation

The Senate amendment requires the Secretary to provide education, outreach, training, monitoring, evaluation, and technical assistance to agricultural producers. Allows Secretary to enter contracts with nonfederal entities to provide these services.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. The Secretary has been providing education and outreach to agricultural producers, beginning farmers and ranchers and Indian tribes. The Managers intend that education, monitoring, and assessment of the programs under Subtitle D of the 1985 Food Security Act be conducted as a part of the technical assistance for these programs. In carrying out these activities, the Managers would also expect the Secretary to utilize the experience and expertise of outside entities such as, states (including state agencies and local units of government), educational institutions, and nonprofit groups with a demonstrated history of working with agricultural producers. The Managers expect $10 million per year from technical assistance funds for the conservation programs to be used for these purposes.

(c) Beginning and limited-resource farmers

The Senate amendment allows the Secretary to provide beginning farmers and ranchers and Indian tribes and limited-resource producer incentives to participate in conservation programs.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision for beginning farmers and ranchers. (Section 2004)

(d) Maintenance of conservation data

The Senate amendment requires the Secretary to maintain data concerning conservation plans and programs.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. (Section 2004)

(e) Mediation

The Senate amendment requires the Secretary to provide aggrieved producers mediation services or an informal hearing on the matter.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. (Section 2004)

(f) Privacy

The Senate amendment directs the Secretary to ensure the privacy of individual information provided to USDA to secure technical or financial assistance for conservation programs. Information may be released to the Attorney General to enforce programs. (Section 204)

The House bill amended the Freedom of Information Act to provide similar protections for producer-provided information.

The Conference substitute adopts the Senate provision with modification.

(g) Cooperation with tribal governments

The Senate amendment directs the Secretary to cooperate with the tribal government of Indian tribes when administering lands under the jurisdiction of an Indian tribe.

The House bill contains no comparable provision.

The Conference substitute deletes this provision due to the adoption of similar provisions in the Miscellaneous Title. (Section 2004)

(5) Reform and Assessment of Conservation Programs

The Senate amendment directs the Secretary to develop a plan for coordinating conservation plans and programs to facilitate implementation and delivery of conservation programs and provide a report to Congress within 180 days after enactment of this Act. (Section 205)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modification. (Section 2005)

(6) Conservation Security Program Regulations

The Senate amendment states that the Secretary may promulgate regulations for implementation of the CSP upon enactment of this Act. (Section 206)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 2702)

(7) Conforming Amendments

The House bill reauthorizes the Environmental Conservation Acreage Reserve Program (ECARP) through 2011 and removes provisions establishing conservation priority areas. (Section 201)

The Senate amendment renames the ECARP the Comprehensive Conservation Enhancement Program (CCEP), reauthorizes the CCEP programs through 2006, and directs the Secretary to give priority to areas in which designated land would facilitate the most rapid completion of projects that are ongoing as of the date of the application. (Sections 207 and 211)

The Conference substitute adopts the Senate provision, with a modification that removes priority areas from CCEP as well as the reference to priority being given to the most rapid completion of projects. Also, the substitute extends the program to 2007. (Section 2006)

The Managers find that bobwhite quail are a valued traditional symbol of farmed landscapes, but their populations have declined by two-thirds since 1980. The Managers further find that the success of the Southeast Quail Study Group's new "Northern Bobwhite Conservation Initiative" is largely dependent upon land management actions by agricultural producers and non-industrial private forestland owners. The Managers further find that many conservation programs of this farm bill have large potential to contribute to bobwhite quail habitat objectives and encourage the Secretary to support the goal of restoring habitat for this species.

The Managers intend that the CRP, the CREP, the Wildlife Habitat Incentives Program (WHIP), the EQIP, the WRP, the GRP, the CSP and other USDA programs could be helpful in supplementing the Comprehensive Everglades Restoration Program. The Secretary is encouraged to work with appropriate state and federal officials to develop and implement a coordinated plan toward this end.

SUBTITLE B—CONSERVATION RESERVE PROGRAM

(1) Reauthorization

The House bill reauthorizes the CRP through 2011 and adds conservation and improvement of wildlife resources to the scope of the program's purpose. (Section 211)

The Senate amendment reauthorizes the CRP through 2006. (Section 212(a))

The Conference substitute adopts the House provision with a modification that extends the program to 2007. (Section 2101)

(2) Enrollment

The House bill modifies language on land eligibility to add: (1) marginal pasturelands devoted to natural vegetation in or near riparian areas or for similar water quality purposes, (2) land that the Secretary determines will contribute to the degradation of soil, water or air quality or poses an environmental threat if permitted to remain in production, (3) land where soil, water and air quality objectives cannot be achieved under the Environmental Quality Incentives Program (EQIP), and (4) land where enrollment would contribute to the conservation of ground or surface water. (Section 212(a))

The Senate amendment modifies language on vegetative cover, providing that in the case of marginal pastureland, an owner or operator shall not be required to plant trees if the land is to be restored as a wetland or with appropriate native riparian vegetation. (Sec. 212 (g))

The Conference substitute adopts the House provision with a technical change. Marginal pastureland should be devoted to appropriate vegetation, including trees, in or near riparian areas or for similar water quality purposes, including marginal pastureland converted to wetlands or established as wildlife habitat. (Section 2101)

The Conference substitute adopts the House provision on land which would contribute to degradation of soil, water or air quality if permitted to remain in production. The substitute also adopts the provision on land where enrollment would contribute to the conservation of ground or surface water, with modification that land may only been rolled where the measure would provide a net savings in ground or surface water resources on the agricultural operation of the producer. This is a new factor, under CRP, that should not be given a significant increase in points under the Environmental Benefits Index. (Section 2101)

(3) Eligibility and Cropping History

The House amendment modifies the language on eligibility to limit enrollment of land that has not been in production for at least four years.

The Senate amendment modifies language on eligibility of highly-erodible cropland that cannot be farmed in accordance with a conservation plan, and requires that the land have a cropping history or be considered to have been planted for three of the six years preceding the enactment of this legislation, and modifies language on land eligibility to add: (1) the portion of land in a field in cases where more than 50 percent of the land in the field is enrolled as a buffer, and (2) land (including land with no cropping history) enrolled through the continuous sign-up program or Conservation Reserve Enhancement Program (CREP). (Section 212 (b))

The Conference substitute adopts the Senate provision, with modification requiring that land have a cropping history or be considered to have been planted for four of the six years preceding the enactment of this legislation to be eligible. The Managers are concerned about reports that producers are planting crops on non-cropped lands as a means of being eligible to participate in CRP. This language is intended to prevent the enrollment of these lands under CRP. (Section 2101)

The Conference substitute deletes the Senate provision on land, other than cropland, being enrolled in the continuous sign-up program. However, the Managers understand the Secretary is currently reviewing the land eligibility criteria, including the eligibility of non-cropland that could be restored to serve as buffers. The Managers expect the Secretary to do this examination expeditiously. (Section 212(b)) (Section 2101)

The Conference substitute adopts the Senate provision with modification on the eligibility of partial fields. The provision allows producers to enroll entire fields through the continuous CRP as buffers in cases in which more than 50 percent of the field is eligible for enrollment and the remainder of the field is infeasible to farm. The modification restricts payments on the remaining acreage to general sign-up rates. (Section 212 (b)(1)(B)) (Section 2101)

The Managers intend the USDA to allow prescribed burning and other measures that are intended to enhance forage for the benefit of pheasants and other wildlife species on land enrolled in the CRP.

In carrying out the CRP, the Managers direct the Secretary to evaluate qualifications and criteria relating to spring wind erosion of sandy soils not currently recognized by the Wind Erosion Equation.

The Managers expect the Secretary to develop ways to make land prone to frequent seasonal flooding, such as 3 out of the last 5 years, eligible for enrollment in the CRP, including, but not limited to, designating the area as a conservation priority area.

(4) Acreage Limitations

The House bill increases the acreage cap to 39.2 million acres. (Section 212(b))

The Senate amendment increases the acreage cap to 41.1 million acres. (Section 212 (c))

The Conference substitute adopts the House provision on raising the acreage cap to 39.2 million acres. (Section 2101)

(5) Priority Areas

The House bill deletes priority areas and requires that on the expiration of a CRP contract the land shall be eligible to be considered for re-enrollment in the program. (Section 212)

The Senate amendment modifies language regarding priority areas to direct the Secretary to give priority to areas in which designated land would facilitate the most rapid completion of projects that are ongoing and that meet the purposes of the program.

The Conference substitute adopts the Senate provision that retains priority areas. The Managers recognize that conservation benefits may increase from cumulative enrollment and encourages the Secretary to consider these cumulative benefits by enrolling lands in areas where land is currently enrolled. (Section 2101)

The Managers expect the Secretary to revisit the issue of how the CRP national priority area for the Prairie Pothole Region was determined and direct the Secretary to utilize the Prairie Pothole Joint Venture Implementation Plan map as the area to be considered the national CRP priority area for the Prairie Pothole Region.

The Conference substitute adopts the House provision on requiring land to be considered for re-enrollment in CRP. It is the intent of the Managers not to provide an automatic re-enrollment of these lands, but instead require that these lands go through the normal application process. (Section 2101)

(6) Balance of Natural Resources

The House bill requires the Secretary to do a rule making that balances CRP contracts between soil erosion, water quality and wildlife habitat. (Section 212)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision to conduct a rulemaking to achieve a balance between natural resource purposes. (Section 2101)

The Managers are concerned that a general sign-up has not taken place for several years. The Managers expect the Secretary to hold a general sign-up as soon as practicable.

(7) Hardwood Trees

The Senate amendment permits the Secretary to extend the duration of CRP contracts for an additional 15 years in the case of land devoted to hardwood trees. The Secretary may provide rental payments in an amount not exceeding 50 percent of the applicable rental payment before the contract was extended. For new CRP contracts with hardwood trees, the Secretary may allow 30-year contracts at reduced rates. The bill provides a one-year extension on 15-year contracts required to be terminated by statute. (Section 212 (d))

The House bill contains no comparable provision.

The Conference substitute strikes the Senate provision regarding longer-term contracts for hardwood trees, but the substitute adopts the Senate provision regarding one-year extensions. (Section 2101)

It has come to the attention of the Managers that CRP offers that include the planting of longleaf pines may not be receiving a weight equal to those assigned to other softwoods planted on CRP contract acres. The Managers encourage the Secretary to take such measures as may be necessary to ensure that a portion of land accepted for CRP contracts devoted to pine trees include longleaf pines.

(8) Irrigated Land Rates

The Senate amendment makes irrigated land eligible for enrollment at irrigated land rates unless the Secretary determines that other compensation is appropriate. (Section 212 (f))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. (Section 2101)

(9) Signing and Practice Incentive Payments

The Senate amendment directs the Secretary to provide signing and practice incentive payments for landowners who implement a practice under the conservation buffer or CREP programs at the highest rate currently provided. (Section 212(i))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. (Section 2101)

The Managers are concerned that the payments for practices may not reflect the conservation benefits of the practices. Grass wind strips, shelterbelts, living snow fences and wellhead protection are particular activities that should receive serious consideration for signing and practice incentive payments. The Managers strongly encourage the Secretary to re-examine the procedures used to determine the incentive payment. The Managers intend that the Secretary should continue current signing and practice incentive payments throughout the duration of this legislation.

(10) Payment Limits for Conservation Buffers and CREP

The Senate amendment creates an exception to the CRP payment limit for payments received for conservation buffers and the CREP. (Section 212(j))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. (Section 2101)

(11) County Acreage Limitation

The Senate amendment exempts land enrolled under continuous sign-up from the limitation on the percentage of land in a county eligible for enrollment. (Section 212 (k))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. (Section 2101)

(12) Report on Economic and Social Impacts

The Senate amendment requires the Secretary to submit a report to the House and Senate Agriculture Committees about the economic and social impacts on rural communities resulting from the CRP within 270 days from the date of enactment of this legislation. (Section 212(l)).

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modifications that require the Secretary to submit the report within 18 months and require the Secretary to consider the economic value from recreational opportunities (including hunting and fishing). (Section 2101)

(13) Duties of Owners and Operators

The House bill permits landowners to maintain existing cover where practicable. In addition, it authorizes the Secretary to permit managed haying and grazing, wind turbines and biomass recovery as long as these activities are consistent with the conservation of soil, water quality and wildlife habitat. Finally, the House bill deletes the environmental use and alley-cropping provisions. (Section 213)

The Senate amendment permits owners of marginal pasture land not to plant trees if native prairie grass may be retained or restored or if land is restored as a wetland; directs the Secretary to permit harvesting or grazing for maintenance purposes, without a reduction in rental payment, on acres that are enrolled to establish conservation buffers and acres enrolled into the CREP in a manner that is consistent with the purposes of the CRP; allows the Secretary to permit an owner of CRP land, other than that enrolled under continuous sign-up, to install wind turbines on the land at a reduced rate; and modifies language regarding duties of participating landowners to say that an owner also agrees not to produce a crop for the duration of the CRP contract on any other highly erodible land without a cropping history that the owner owns or operates with exemptions of land used as a homestead or building site. (Section 212 (g), (h))

The Conference substitute adopts the House provision to permit landowners to continue with existing cover where practicable and consistent with wildlife reserve benefits of CRP. (Section 2101)

The Conference substitute adopts the House provision on managed haying (including for biomass) and grazing and wind turbines, with modification. USDA will permit, consistent with the conservation of soil, water quality and wildlife habitat, managed harvesting and grazing on the land at a reduced rate. Harvesting and grazing or other commercial use of the forage is permitted in response to a drought or other emergency. In addition, the Secretary shall ensure that all precautions are taken to protect against overgrazing or haying or use of land during a period that may adversely impact wildlife habitat or wildlife directly, especially ensuring that activities take place after nesting season is completed. USDA, with the State technical committees, will develop appropriate vegetation management requirements including appropriate harvesting and grazing periods. In determining the appropriate use of CRP lands for haying and grazing (including the frequency and time period), the Secretary shall require the State Technical Committees to consider the type of grass (shrubs, forbs or bushes) on the land as well as the local ecosystem. (Section 2101)

The Secretary shall permit wind turbines on CRP land, whether commercial in nature or not, in a manner that does not interfere with wildlife. In so doing, the Secretary may restrict the number and location of wind turbines that may be installed on a tract of land. The Secretary shall take special care when allowing wind turbines on small parcels of land, especially buffers, so that turbines are spaced in a manner that does not interfere with wildlife habitat, flyways or movement. (House Section 213(1)(C)) (Section 212 (h)(f))

The Conference substitute deletes the Senate provision requiring an owner to agree not to produce a crop for the duration of the CRP contract on any other highly erodible land without a cropping history that the owner owns or operates. (Section 2101)

The Conference substitute adopts the House provision to delete the environmental use and alley-cropping provisions.

(14) Reference to Conservation Reserve Payments

The House bill replaces the term rental payment with conservation reserve payment. (Section 214)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision. (Section 2101)

(15) Expansion of Pilot Program to All States

The House bill reauthorizes the project through 2011, directs the Secretary to carry out a project in each state and limits enrollment to not more than 150,000 acres in any state.

The Senate amendment reauthorizes the pilot program through 2006 in Minnesota, Montana, Nebraska, Iowa, North Dakota and South Dakota. Expands the maximum size of any wetland enrolled to 10 contiguous acres with not more than 5 acres being eligible for payment. (Section 212(e))

The Conference substitute adopts the House provision with modification. The Secretary shall carry out a nationwide program, limiting enrollment to 100,000 acres in any state and a million acres nationwide. After three years the Secretary may reallocate another 50,000 acres to interested states, based on their original allocation. The provision also expands the maximum size of any wetland enrolled to 10 contiguous acres with not more than 5 acres being eligible for payment. This change was made to facilitate enrollment of lands that meet the eligibility of the program and will achieve the goals of this program. The Secretary shall ensure that changes to regulations to the program do not have a significant impact on the original 6 states involved in the pilot program. (Section 2101)

In expanding the CRP Wetland Pilot nationwide, the Managers recognize that the playa lakes found throughout the Southern Great Plains states of Kansas, Oklahoma, Colorado, New Mexico and Texas, are also worthy of protection as they function as recharge points for the Ogalalla Aquifer, help in containing flood waters and provide habitat for hundreds of bird species. Playa lakes are the most significant topographical and hydrological attribute in the Southern Great Plains. Playa lakes are often dry enough to be farmed due to the annual precipitation rates and high evaporation rates that occur in the high plains.

(16) Water Conservation

The Senate amendment requires the Secretary to provide up to 500,000 acres for CREP for water conservation measures in California, Maine, Nevada, New Hampshire, New Mexico, Oregon, and Washington. (Section 215)

The House bill contains no comparable provision.

The Conference substitute strikes the Senate provision. (Section 2101)

The Managers encourage the Secretary to allow states to have flexibility in creating CREP programs.

SUBTITLE C—WETLANDS RESERVE PROGRAM

(1) Enrollment

The House bill allows the Secretary to enroll an additional 150,000 acres per year. Any acres not enrolled may be carried over to subsequent years. (Section 221)

The Senate amendment clarifies that technical assistance is provided under the WRP and allows the Secretary to raise the acreage cap to 2.225 million acres. Of this acreage, the Secretary may enroll not more than 25,000 acres per year in the Wetlands Reserve Enhancement Program (WREP). (Section 214 (a) and (b))

The Conference substitute adopts the Senate provision with modification to increase the acreage cap up to 2.275 million acres. Also, the substitute requires the Secretary to enroll 250,000 acres per year to the maximum extent practicable. (Section 2202)

(2) Easements and Cost-Share Allocations

The House bill strikes language requiring the Secretary to enroll acres with numeric allocations to particular methods. Directs the Secretary to enroll acres through easements, restoration cost share agreements or both. (Section 221)

The Senate amendment has no comparable provision.

The Conference substitute strikes the House provision. It modifies current law to clarify that land can be enrolled with 30-year or permanent easements, restoration cost share agreements or both. The Conference substitute also continues to require the Secretary to enroll lands in proportion to landowner interest. (Section 1237(b)(2)(B)). (Section 2203)

(3) Reauthorization

The House bill extends the WRP through 2011. (Section 221)

The Senate amendment extends the WRP through 2006. (Section 214 (c))

The Conference substitute extends the WRP through 2007. (Section 2201)

(4) Wetlands Reserve Enhancement Program

The Senate amendment creates a WREP under which the Secretary may enter into cooperative with state or local governments, and with private organizations, to conduct wetland restoration activities that address critical environmental issues. (Section 214 (d))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. (Section 2202)

(5) Technical Assistance, Monitoring and Maintenance

The Senate amendment clarifies that technical assistance includes monitoring and maintenance of the terms and conditions of the easement and the plan. (Section 214 (e))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. (Section 2203)

(6) Easements and Agreements

The House bill consolidates the language defining prohibited activities to prohibit the alteration of wildlife habitat and other natural features of such land, unlessspecifically permitted by the plan. Consolidates the language describing the length of a WRP easement to say that easements shall be consistent with applicable state law, and strikes redundant language stating that the Secretary can enroll land into the WRP using restoration cost-share agreements. (Section 222)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provisions on prohibited activities and length of easements. In addition, it strikes the redundant provision in current law regarding restoration cost-share agreements. (Section 2203)

(7) Duties of the Secretary

The House bill deletes a provision that requires the Secretary to give priority to obtaining permanent conservation easements and easements designed to protect and enhance habitat for migratory birds and other wildlife. (Section 223)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision. (Section 2203)

(8) Changes in Ownership: Agreement Modification; Termination

The House bill amends the language regarding changes in ownership to provide that no easement can be created on land that has changed ownership in the past 12 months unless: (1) the new ownership was acquired by will or succession as a result of the death of the previous owner, (2) the ownership change occurred due to foreclosure on the land and the owner of the land exercises a right of redemption from the mortgage holder in accordance with state law, or (3) the Secretary determines that the land was acquired under circumstances which give adequate assurances that such land was not acquired for the purposes of placing it in the WRP. (Section 223)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision with a modification to replace the section on changes in ownership due to a foreclosure with new language. (Section 1237E(a)(2)) (Section 2204)

SUBTITLE D—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

(1) Purposes

The House bill strikes language describing the purpose of the EQIP as combining four previous conservation programs into a single program; strikes language regarding carrying out a program to maximize the environmental benefits per dollar expended; and rewords language about assisting farmers and ranchers who face the most serious environmental threats to providing assistance to farmers and ranchers to address environmental needs; adds air to the list of resources to be addressed; and replaces the terms farmers and ranchers with producers. (Section 231)

The Senate amendment rewrites the purposes of the EQIP to promote agricultural production and environmental quality as compatible national goals and to: (1) Assist producers in complying with federal, state and local environmental laws, (2) avoid the need for regulatory programs, (3) provide assistance to producers for installing and maintaining conservation systems, (4) assist producers in making certain conservation changes, (5) facilitate partnerships between producers, government and nongovernmental organizations, and (6) consolidating and streamlining conservation planning; retains language regarding a program goal to maximize the environmental benefits per dollar expended; and includes air in the purposes of the EQIP. (Section 213(a))

The Conference substitute adopts the Senate provision on the purposes of the program with a modification to subsection (1) stating that the purposes of EQIP are to promote agricultural production and environmental quality as compatible goals and to optimize environmental benefits by assisting producers in complying with local, state and national regulatory requirements concerning soil, water, and air quality, wildlife habitat, and surface and ground water conservation. (Section 1240) (Section 2301)

The Conference substitute adopts the Senate provision with a modification changing the phrase conservation systems to conservation practices. (Section 1240(3)) (Section 2301)

The Managers expect the Secretary to continue carrying out EQIP with the goal of optimizing environmental benefits. (Section 213(a))

(2) Definitions

The House bill adds the term non-industrial private forestland to the definition of eligible land. Further, the House bill changes the definition of eligible land by striking reference to land that poses a serious threat and inserting that provides increased environmental benefits to air, soil, water or related resources, and adds the term non-industrial private forestland to the definition of producer. (Section 2302)

The Senate amendment defines the term eligible land to include private non-industrial private forestland, defines producer with the same meaning given to the term in the Agricultural Market Transition Act.

The definition section includes definitions for: beginning farmer and rancher, comprehensive nutrient management, eligible land, innovative technology, land management practice, livestock, maximize environmental benefits per dollar expended, practice, producer and structural practice. (Section 213(a))

The Conference substitute adopts the Senate definition of beginning farmer, land management practice, livestock, structural practice, and practice. (Section 2301)

The Conference substitute adopts the Senate definition of eligible land with an amendment that adds air to the list of protected resources but excludes specific threatening conditions. (Section 2301)

The Conference substitute deletes the Senate provisions defining innovative technology and comprehensive nutrient management plan. (Section 2301)

The Conference substitute deletes the Senate provisions defining managed grazing, innovative technology, producer, and program. The substitute also deletes the Senate provision defining the term "maximize environmental benefits per dollar expended," thus striking the provision throughout the program. (Section 1240(A)(8)) (Section 2301)

(3) Establishment and Administration

The House bill re-authorizes the EQIP through 2011; amends the permissible term of EQIP contracts to allow for agreements ranging from one to ten years; amends language governing the selection process for structural practice applications. Strikes references to priorities established in the EQIP and factors to maximize the environmental benefits per dollar expended replaces with language directing theSecretary to base the selection process on achieving the purposes established under this subtitle; removes prohibition on large confined livestock operations getting cost-share assistance to build waste management facilities; and replaces the language regarding incentive payments with new language directing the Secretary to make incentive payments to encourage producers to perform multiple land management practices and to promote the enhancement of soil, water, wildlife habitat, air and related resources. Permits the Secretary to give great weight to practices that include residue, nutrient, pest, invasive species and air quality management. (Section 233)

The Senate amendment reauthorizes the EQIP through 2006; directs the Secretary to provide conservation education; amends the permissible term of EQIP contracts to allow for agreements ranging from three to ten years; prohibits a producer from entering into more than one contract for structural practices relating to livestock nutrient management from fiscal years 2002 through 2006; directs the Secretary to develop an application and evaluation process for awarding assistance that maximizes the environmental benefits per dollar expended; prohibits the Secretary from assigning a higher priority to an application based solely on the reason that it presents the least cost to the program; cost-share payments shall not exceed 75 percent of the cost of the practice; cost-share payments to limited resource and beginning farmers shall not exceed 90%; removes prohibition on large confined livestock operations getting cost-share assistance to build waste management facilities; directs the Secretary to make incentive payments in an amount and rate determined to be necessary to encourage a producer to perform 1 or more practices; directs the Secretary to give incentive payments to producers to be used to obtain technical assistance associated with the development of any component of a comprehensive nutrient management plan from certified providers. (Section 213(a)) (Section 2301)

The Conference substitute adopts the Senate provision with modification providing incentive payments for producers who develop a comprehensive nutrient management plan. (Section 1240B(a)(2)) (Section 2301)

The Conference substitute deletes the Senate provision on education. (Section 1240B(a)(3)) (Section 2301)

The Conference substitute adopts the Senate provision with modification on the application and term of contracts. At a minimum, the contract should have a term of one year beyond the date of completion of the project. (Section 1240B(b)) (Section 2301)

The Conference substitute adopts the Senate provision on incentive payments with modification, by including a special rule for priority under incentive payments. (House Section 233(e)) (Section 2301)

The Conference substitute adopts the House provision by striking the provision on the application and evaluation process for awarding assistance that maximizes the environmental benefits per dollar expended. (House Section 233(c), Senate 213(a) (1240B(c))) (Section 2301)

The Conference substitute adopts the Senate provision to remove the bidding down procedure that assigns a higher priority to an application because it costs less. (Section 1240B(c)(4)) (Section 2301)

The Conference substitute adopts the Senate provision on increased cost-share payments for beginning and limited resource farmers. (Section 1240B(d)) (Section 2301)

The Conference substitute adopts the House provision on technical assistance in EQIP. All technical assistance will be addressed in Subtitle E in the Administration and Technical Assistance section. (Section 1240B(f)) (Section 2301)

(4) Evaluation of Offers and Payments

The House bill strikes existing language. Replaces with language directing the Secretary to give a higher priority to EQIP offers that: (1) Aid producers in complying with federal and state environmental laws, (2) promote the use of animal manure or other similar soil amendments, and (3) encourage the utilization of sustainable grazing systems. (Section 234)

The Senate amendment directs the Secretary to give priority to applications that: (1) maximize the environmental benefits per dollar expended, (2) national conservation priority areas, (3) are provided in conservation priority areas, (4) are provided in special projects, or (5) include an innovative technology in connection with a structural practice or land management practice. (Section 213(a)) (Section 2301)

The Conference substitute adopts the Senate provision with modification on giving higher priority to applications that use cost-effective conservation practices and address national conservation priorities. (Section 1240C(a)(2)) (Section 2301)

The Conference substitute deletes the Senate provision on special projects and innovative technology. (Section 2301)

Inhibitor Technology.—To make efficient use of urea and ammonium fertilizers, reduce nitrate run-off and leaching, and the emission of ammonia and greenhouse gases, the incorporation of urease inhibitors and nitrification inhibitors into urea and ammonium containing fertilizers should be recommended as a best management practice.

Nutrient Management.—Since enactment of the Food, Agriculture, Conservation and Trade Act of 1990, Congress has been concerned about the impact federal, state and local environmental laws eventually would have on U.S. agricultural producers and their ability to maintain viable farming and ranching operations.

In the past few years, those laws, regulations and court orders have been focused on agriculture. Those provisions reflect a disconnect between regulators and agricultural producers as well as rural communities. In this posture, U.S. farmers and ranchers feel as though they are pressed against an inflexible wall of legal and environmental requirements. These requirements are issued from Washington in a top-down management style that attempts to fit all areas of the country into a national program. Congress has responded with financial and technical assistance implemented through the USDA.

In 1996, Congress created the EQIP to help farmers and ranchers meet environmental laws. The Managers believe EQIP is a valuable tool to help producers avoid the need for future regulation, and the Secretary shall manage the program to maximize this purpose. As legislation was developed to improve EQIP and provide additional resources to it, Congress was specifically concerned about how the U.S. livestock industry would meet new Clean Water Act requirements on animal feeding operations. In that regard, the Managers agree that nutrient management, especially animal waste management, is both a problem to address and a resource to be used. To that extent, the Managers encourage the Secretary to evaluate EQIP contract offers ontheir use of animal manures and other similar soil amendments that improve soil health, tilth, and water-holding capacity.

Managed Grazing.—The Managers further encourage the use of grazing systems, such as year-round, rotational or managed grazing systems, that enhance productive livestock operations.

(5) Duties of Producers

The Senate amendment requires producers to implement a conservation plan; not conduct any practices that defeat the purposes of the program; take actions upon termination of a contract and supply information to determine compliance, and submit a list of all confined livestock feeding operations wholly or partially-owned or operated by the applicant. (Section 213(a))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a modification removing the requirement to submit a list of all confined livestock feeding operations wholly or partially-owned or operated by the applicant. (Section 2301)

(6) Environmental Quality Incentives Program Plan

The House bill strikes language regarding practices and principles that the Secretary deems necessary. Replaces with language requiring the producer to submit a plan that provides or will continue to provide increased environmental benefits to air, soil, water or related resources. (Section 235)

The Senate amendment requires a producer to submit an EQIP plan that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary. Confined livestock feeding operations with an animal waste system must develop and implement comprehensive nutrient management plans if applicable. (Section 1240E(a))

The Senate amendment requires the Secretary to eliminate duplication, to the maximum extent practicable, of planning activities under EQIP and other conservation programs. (Section 1240E(b))

The Conference substitute adopts the Senate provision with modification. All livestock producers that receive funding for animal waste manure systems must have a comprehensive nutrient management plan. The Managers believe that there will be few cases in which a comprehensive nutrient management plan will not be required. The Managers recognize the importance of comprehensive nutrient management plans for the proper use and storage of animal waste and for that reason require these plans. (Section 2301)

The Conference substitute also adopts the Senate provision on eliminating duplication. (Section 1240E(a), (b)) (Section 2301)

(7) Duties of the Secretary

The House bill requires the Secretary to provide technical assistance and cost-share payments for developing structural practices or land management practices. (Section 236)

The Senate amendment requires the Secretary to provide cost-share assistance and incentive payments for developing and implementing one or more practices. (Section 213 (a) (1240F)

The Conference substitute adopts the Senate provision. (Section 2301)

The Managers are aware of the unique conservation and production practices utilized by specialty crop growers throughout the United States. The Managers expect the USDA to ensure that adequate resources are made available for specialty crop conservation practices under the EQIP. The Managers also expect that, in carrying out the financial assistance provisions of the various conservation programs, the unique production practices involved in fruit and vegetable production are taken into account when drafting and implementing regulations to carry out those programs. In particular, the Managers would direct the Secretary when enrolling a producer who is already undertaking activities related to integrated pest management, make those ongoing activities eligible for financial assistance after the date of enrollment.

(8) Limitation on Payments

The House bill raises the payment limits to $50,000 in any fiscal year and $200,000 for any multi-fiscal year contract, strikes reference to the phrase "maximization of environmental benefits per dollar expended" in discussion of exceptions to the annual limit, and strikes prohibition on payment in the same fiscal year in which the contract is entered into. (Section 237)

The Senate amendment raises the payment limitations to $30,000 in any fiscal year and $150,000 for any multi-year contract of four or more years and permits payment during the first year of the contract. The Secretary may waive the annual limit. (Section 213 (a))

The Conference substitute adopts the House provision with modification. A producer may receive, directly or indirectly, up to $450,000 in any combination of contracts over the life of the farm bill. The Managers recognize that the Secretary may need to adjust cost-share percentages provided under a contract to maximize participation and optimize environmental benefits. (Section 2301)

(9) Ground and Surface Water Conservation

The House bill replaces the entire section with a new program within the EQIP providing cost-share, low-interest loans and incentive payments to encourage ground and surface water conservation, and funds at $30 million in fiscal year 2002, $45 million in fiscal year 2003 and $60 million for fiscal years 2004 through 2011. (Section 238)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision with modification. Water conservation activities that are eligible for incentive payments and cost-share include the lining of ditches and installation of piping, tail water return systems, low-energy precision irrigation systems, low-flow irrigation systems, off-stream and groundwater storage, and conversion from gravity or flood irrigation to higher efficiency systems. In addition, the Secretary may provide cost-share and incentive payments under this section only if the assistance will facilitate a conservation measure that results in a net savings in ground or surface water resources on the agricultural operations of the producers. (Section 2301)

Of the $600 million in funding made available for this program, the Secretary should make available $50 million per year to assist producers in the Klamath Basin.

In providing funding for water conservation incentives, the Managers recognize that the High Plains Aquifer underlying the states of Texas, New Mexico, Oklahoma, Kansas, Colorado, South Dakota, Wyoming, and Nebraska is a critical source of groundwater for agricultural and municipal uses.

The Managers encourage the Secretary to give producers in the High Plains Aquifer the highest priority for funding under this program. The communities on the High Plains depend on the Aquifer as their major water supply. Due to the scope and significance of this geological feature, there is a need for regional efforts to address groundwater management in the High Plains Aquifer. The Managers urge the Secretary to work with state water or conservation agencies and agricultural producers in the High Plains region to coordinate federal assistance with state programs and to encourage cooperation between states in implementing conservation incentives and water reduction practices.

(10) Desert Terminal Lakes

The Conference substitute directs the Secretary to transfer $200 million to the Bureau of Reclamation to be used to provide water to at-risk natural desert terminal lakes. These funds cannot be used for the purchase or lease of water rights. (Section 2507)

(11) Conservation Grants

The Senate amendment allows the Secretary to use up to $100 million in each of fiscal years 2003 through 2006 for competitive grants that are intended to stimulate innovative approaches to leveraging federal investment in environmental enhancement and protection through the use of the EQIP. Funds not obligated by April 1st of the fiscal year shall be used to carry out other activities under EQIP. (Section 213 (a) (Section 1240H)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision by authorizing the Secretary to provide innovation grants. The Managers encourage the Secretary to allow funding for these grants, including for practices that foster markets for nutrient trading and for the continued implementation and acceleration of programs for demonstrating innovative nutrient management technology systems for animal feeding operations. (Section 2301)

This section has been included as a discretionary use of EQIP funds to foster the adoption of innovative, cost effective approaches to addressing a broad base of conservation needs.

This Managers intend that these grants be used to provide for the use of incentives to farmers—as opposed to regulations—to address some of the nation's most difficult conservation needs. By establishing market-based incentives, an efficient mechanism is created to improve water quality and create environmentally beneficial income alternatives for farmers.

By leveraging Federal funds through competitive grants, the Managers expect other sectors of the economy, such as States, and the conservation and philanthropic communities will be engaged in helping find and deliver the best solutions to environmental needs.

(12) Southern High Plains Aquifer Groundwater Conservation

The Senate amendment creates a southern High Plains Aquifer groundwater conservation program. Directs the Secretary to provide cost-share payments, incentive payments and groundwater education assistance to producers that draw water from the southern High Plains Aquifer. Funds at $15 million for fiscal year 2003, $25 million for fiscal years 2004 and 2005, $35 million for fiscal year 2006 and $0 for fiscal year 2007. Funds not expended by April 1st of each fiscal year shall be made available for other states under EQIP. (Section 213(a) section 1240I)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision, but recognizes the importance of providing producers access to funds to aid their efforts in water conservation. (Section 2301)

(13) Pilot Programs

The Senate amendment creates a drinking water suppliers pilot program in selected watersheds to allow the Secretary to work cooperatively with local water utilities to improve water quality. The Secretary shall also carry out a nutrient reduction pilot program in the Chesapeake Bay watershed for fiscal years 2003 through 2006 to reduce nutrient loads in the Chesapeake Bay. Funds at $10 million for fiscal year 2003, $15 million for fiscal year 2004, $20 million for fiscal year 2005, $25 million for fiscal year 2006 and $0 for fiscal year 2007. Funds not obligated by April 1st shall be made available under EQIP. (Section 213(a) (Section 1240J(a), (b))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision on the drinking water suppliers pilot program. In so doing, the Managers believe that coordination with third parties, including drinking water suppliers should be encouraged. Any projects which involve drinking water suppliers and EQIP participants should encouraged. (Section 1240J(a)) (Section 2301)

The Conference substitute deletes the Senate provision on the nutrient reduction pilot program.

(14) Section 11

The Senate amendment amends Section 11 of the Commodity Credit Corporation (CCC) Charter Act to exclude transfers and allotments for conservation technical assistance from the current limitation. (Section 213(c))

The House bill contains no comparable provision.

The Conference deletes the Senate provision. The Managers understand the critical nature of providing adequate funding for technical assistance. For that reason, technical assistance should come from each individual program. (Section 2301)

(15) Water Benefits Program

The Senate amendment states that the Secretary shall establish a Water Benefits Program, run through the Natural Resources Conservation Service (NRCS), in Nevada, California, New Mexico, Oregon, Washington, Maine and New Hampshire for cost-share payments for practices, including irrigation efficiency infrastructures and conversions from a water-intensive crop to a crop that requires less water, aimed at conservation of water to benefit fish and wildlife, with special emphasis on threatened and endangered species. (Section 1240R)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

SUBTITLE E—FUNDING AND ADMINISTRATION

(1) Reauthorization

The House bill reauthorizes these programs through 2011. (Section 241)

The Senate amendment has no comparable provision.

The Conference substitute reauthorizes the CCEP programs through 2007. (Section 2701)

(2) Funding

The House bill funds EQIP at $1.025 billion in fiscal years 2002 and 2003, $1.2 billion in fiscal years 2004, 2005 and 2006, $1.4 billion in fiscal years 2007, 2008 and 2009, and $1.5 billion fiscal years 2010 and 2011. (Section 242)

The Senate amendment funds EQIP at $500 million in fiscal year 2002, $1.3 billion in fiscal year 2003, $1.45 billion in fiscal years 2004 and 2005, and $1.5 billion in fiscal year 2006 and $850 million in fiscal year 2007. (Section 213(b))

The Conference substitute funds EQIP at $400 million in fiscal year 2002, $700 million in fiscal year 2003, $1 billion in fiscal year 2004, $1.2 in fiscal years 2005 and 2006, and $1.3 billion in fiscal year 2007. (Section 2701)

(3) Allocation for Livestock Production

The House bill extends the allocation of 50 percent of the EQIP funding to livestock through 2011. (Section 243)

The Senate amendment removes the allocation formula.

The Conference substitute adopts the House provision with modification to allow 60 percent for practices related livestock and 40 percent for practices related to crops through fiscal year 2007. (Section 2701)

(4) Administration and Technical Assistance

The House bill broadens the exception to the acreage limitation by striking the requirement that operators in the county be having difficulties complying with a conservation plan, and requires the Secretary to reevaluate the provision of and amount of technical assistance made available under CRP, WRP and EQIP. (Section 244)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision with modification. The Managers provide that funds for technical assistance shall come directly from the mandatory money provided for conservation programs under Subtitle D. (Section 2701)

In order to ensure implementation, the Managers believe that technical assistance must be an integral part of all conservation programs authorized for mandatory funding. Accordingly, the Managers have provided for the payment of technical assistance from program accounts. The Managers expect technical assistance for all conservation programs to follow the model currently used for the EQIP whereby the Secretary determines, on an annual basis, the amount of funding for technical assistance. Furthermore, the Managers intend that the funding will cover costs associated with technical assistance, such as administrative and overhead costs.

(5) Third-Party Providers

The House bill requires the Secretary to develop a system for approving third-party providers to give technical assistance within six months of the enactment of this subsection. (Section 244)

The Senate amendment requires the Secretary to establish provisions for increased technical assistance by nonfederal providers, including certification of providers (without undermining private certification organizations). The Secretary may also enter cooperative agreements with state, local and nongovernmental groups to provide technical assistance. The Secretary shall require certification (including payment of a fee) for providers of technical assistance and offer waivers for both certification and fee payment. The Secretary shall establish an advisory committee with federal, state, local and private representatives charged with advising the Secretary on third-party technical assistance. (Section 204(f))

The Conference substitute adopts the House provision with modification. The Managers strongly encourage the Secretary to design a certification program for approving individuals and entities to provide technical assistance that includes individuals currently providing technical assistance through agreements or contracts, including cooperative agreements and memorandums of understanding. Persons that have provided technical assistance through a previous agreement such as a memorandum of understanding contract or cooperative agreement with the Secretary may continue to provide technical assistance. Their certification should be evaluated according to the criteria established by the regulations. In addition, the Secretary may request the services of, and enter into a cooperative agreement or a contract with, non-federal entities, a state water quality agency, a state fish and wildlife agency, a state forestry agency, a state conservation agency or conservation district, a land grant institution or other institutions of higher learning, or any other governmental or non-governmental organization. (Section 2701)

Today there is considerable interest in both the private and public sectors to provide technical assistance for USDA conservation programs. In the past, USDA has been the primary provider of technical assistance to conservation program participants. However, it will be difficult to meet the increased demand for technical services as financial assistance increases over the life of the farm bill. The potential volume of many new, as well as returning, USDA conservation program participants may overwhelm the assistance available through existing resources. To meet this demand, assistance from third-party providers will be needed.

It is the intent of the Managers that the third-party technical assistance certification program will result in a pool of individuals and organizations and agencies that are qualified to provide technical assistance to producers related to the development and implementation of conservation practices. The Managers intend for the Secretary to seek to optimize the delivery of technical assistance through public and private sources, and in conjunction with USDA staff, to effectively, efficiently, and expeditiously deliver conservation programs.

The Managers intend that third-party vendors accepting federal technical assistance payments will follow all the applicable Federal laws. Furthermore, theManagers intend for third parties to accept the appropriate liability for the adequacy of their plans, practice designs, and implementation procedures, and to comply with all appropriate privacy and confidentiality requirements.

It is the Managers intent in this section that third-party private providers may certify that the technical assistance meets USDA standards, but it is not intended as a certification for approval of program payment.

SUBTITLE F—OTHER PROGRAMS

(1) Private Grazing Land and Conservation Assistance

The House bill adds sustainable grazing systems to the list of activities eligible for assistance. (Section 251)

The Senate amendment reauthorizes program to 2006. (Section 217 (Section 1240P))

The Conference substitute adopts the Senate provision, with a modification to remove the findings section. The substitute reauthorizes the program through 2007. (Section 2501)

(2) Wildlife Habitat Incentives Program

The Senate amendment allows the Secretary to provide cost-share payments and technical assistance to landowners to develop and enhance wildlife habitat. Funds the Wildlife Habitat Incentive Program (WHIP) at $50 million in fiscal year 2002, $225 million for fiscal year 2003, $275 million for fiscal year 2004, $325 million for fiscal year 2005, $355 million for fiscal year 2006, and $50 million for fiscal year 2007. The amendment reserves at least 15 percent of funds for projects to benefit endangered, threatened and sensitive species, allows the Secretary to establish a pilot program using up to 15 percent of the funds to enroll lands for at least 15 years for essential habitat, and allows the Secretary to provide grants to individuals or nonprofit groups that lease public lands for enhancing wildlife habitat, if the work on the public land if it directly benefits private land. (Section 217)

The House bill funds WHIP at $25 million in fiscal year 2002, $30 million in fiscal years 2003 and 2004, $35 million in fiscal years 2005 and 2006, $40 million in fiscal year 2007, $45 million in fiscal years 2008 and 2009, and $50 million in fiscal years 2010 and 2011. (Section 252)

The Conference substitute adopts the House amendment with modification. Cost-share payments will be made to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fish and other types of wildlife habitat. Up to 15 percent of annual funds under this section may be for increased cost-share payments to producers to protect and restore essential plant and animal habitat using agreements with a duration of at least 15 years. The Managers strongly encourage the Secretary to continue using at least 15 percent of funds for threatened and endangered species. (Section 2502)

The Conference substitute funds the program as follows: $15 million for fiscal year 2002; $30 million for fiscal year 2003; $60 million for fiscal year 2004; $85 million for each of fiscal years 2005 through 2007. (Section 2502)

Where private lands adjoin public lands that are leased by the same producer, the Secretary may provide WHIP assistance if the conservation purpose directly benefits the adjacent private lands.

(3) Farmland Protection Program

(a) Acreage and eligibility

The House bill strikes the acreage limitation, and makes agricultural land that contains historic or archaeological resources eligible for enrollment. (Section 253)

The Senate amendment strikes the Farmland Protection Program (FPP) from the 1996 FAIR Act and moves to the 1985 Farm Bill, strikes the acreage limitation, expands the definition of eligible land, and makes agricultural land that contains historic or archaeological resources eligible for enrollment. (Section 218)

The Conference substitute adopts the Senate provision. (Section 1238H(1)) (Section 2503)

The Conference substitute adopts the Senate provision with clarification that forested land can only be enrolled if it is an incidental part of the agricultural operation. (Section 1238H(2)) (Section 2503)

FPP has been a successful program and the Managers' intent is that it continue to protect the nation's best working agricultural lands. Although the name of the FPP shall remain the same for the purpose of continuity, the purpose of the program has been expanded to also include grazing, pasture, range, and forestland that is a part of an agricultural operation.

In order to ensure that all states can participate in the program, the Managers have added non-profit organizations as eligible entities. In addition, the Managers recognize the need to protect important historic and archaeological resources located on farms and ranches.

(b) Funding

The House bill increases funding to $50 million per year in FY 2002 through 2011. (Section 253)

The Senate amendment increases FPP funding to $150 million in fiscal year 2002, $250 million in fiscal year 2003; $400 million in fiscal year 2004, $450 million for fiscal year 2005, $500 million in fiscal year 2006, and $100 million for fiscal year 2007. (Section 218)

The Conference substitute funds the program as follows: $50 million for fiscal year 2002, $100 million for fiscal year 2003, $125 million for fiscal years 2004 and 2005, $100 million for fiscal year 2006, and $97 million for fiscal year 2007. (Section 2503)

(c) Purchase of conservation easements

The House bill clarifies entities that are eligible to receive funding for the purchase of conservation easements. (Section 253)

The Senate amendment clarifies entities that are eligible to receive funding for the purchase of conservation easements. (Section 218)

The Conference substitute adopts the Senate provision. (Section 2503)

The Managers expect the Secretary to utilize funds out of the FPP to protect from development the farm operated by American Airlines Captain John Ogonowski, the pilot of AA Flight 11 that was hijacked on September 11, 2001. The Managers direct the Secretary to work with the Dracut Land Trust, Incorporated, in Dracut, Massachusetts, to preserve this prime farmland as a working memorial to Captain Ogonowski. The Managers understand that the Dracut Land Trust would intend to keep a portion of the farm available for the New Entry Sustainable Farming Project that assists immigrant farmers from Cambodia, a project that Captain Ogonowski was deeply involved with from its inception.

(d) Market viability grants

The Senate amendment allows the Secretary to use up to $10 million annually to provide matching market viability grants. The grantee must provide matching funds, limits federal cost-share to 50 percent of the appraised fair market value of the easement. (Section 218)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modification allowing for authorization of funding for market viability grants. (Section 218(b)) (Section 2503)

(4) Resource Conservation and Development Program

The House bill provides permanent authorization for the Resource Conservation and Development (RC&D) program and makes technical and conforming changes necessary to the program. (Section 254)

The Senate amendment provides permanent authorization for the RC&D program and makes technical and conforming changes necessary to the program. (Section 216)

The Conference substitute adopts the Senate provision with the modification that Senate amendment section 1532(e) will be struck, thereby disallowing an RC&D Council from using another person or entity to assist in developing and implementing an area plan. (Section 2504)

(5) Grassland Reserve Program

(a) Establishment

The House amendment establishes a Grasslands Reserve Program (GRP) under which the Secretary may enroll up to 2 million acres (1 million acres of restored grassland, 1 million acres of virgin (never cultivated) grassland) using ten, fifteen and twenty-year contracts as well as thirty-year and permanent easements.

The Senate amendment establishes a GRP under which the Secretary may enroll up to 2 million acres of natural grassland or land that was historically natural grassland using thirty-year rental agreements, easements or permanent easements.

The Conference substitute adopts the House provision with modification that the total number of acres shall not exceed 2 million acres of restored, improved, or natural grassland, rangeland and pastureland, including prairie. The Secretary shall enroll not less than 40 contiguous acres of land using ten-year, fifteen-year, twenty-year and thirty-year contracts as well as thirty-year and permanent easements. The Secretary may provide a waiver for smaller tracts of land in the case of exceptional acreage that meets the purposes of the program. (Section 2401)

The Managers expect the Secretary to use 40 percent of the funds to conduct the sign-up and enrollment for the ten, fifteen, and twenty-year GRP contracts in a manner similar to the method currently used by the Secretary for the CRP. This should allow for enrollment competition that will limit the cost per acre but encourage the producer to maintain or initiate sound grazing practices commonly used in the local area. For long-term agreements and easements, the Managers intend that the sign-up be conducted in a manner similar to the WRP. The standards for grazing should be no more stringent than those used in the CRP, the CSP or the FPP. All grasslands should receive equitable treatment in the sign-up and enrollment process.

(b) Funding

The House amendment provides $254 million in funding. Not more than one-third of this money may be used to acquire permanent easements.

The Senate amendment directs that funding shall be provided through the CCC.

The Conference substitute adopts the House provision with modification that 60 percent of this money may be used to enter into thirty-year agreements and acquire thirty-year and permanent easements. (Section 2401)

(c) Eligible practices

The House bill permits common grazing practices where consistent with maintaining the viability of natural grass and shrub species indigenous to that locality, allows for haying, mowing or haying for seed production except during the nesting season for birds in the local area which are in significant decline or are conserved pursuant to state or federal law as determined by NRCS. The bill also permits the construction of firebreaks and fences. The House bill prohibits the production of any agricultural commodity (other than hay) and any other activity that would disturb the surface of the land covered by the agreement.

The Senate amendment permits common grazing practices where consistent with maintaining the viability of natural grass, shrub, forb and wildlife species indigenous to that locality and allows for haying, mowing or haying for seed production except during the nesting or brood-rearing season for birds in the local area which are in significant as determined by NRCS. It permits the construction of firebreaks and fences and gives emphasis to support for native grassland and land containing shrubs or forb, grazing operations, and plant and animal bio-diversity under the threat of conversion. The Senate amendment prohibits the production of any agricultural commodity (other than hay) and any other activity that would disturb the surface of the land covered by the agreement. The Secretary together with the State technical committee shall establish criteria for ranking applications, but shall emphasize support for grazing operations, biodiversity and lands under greatest threat of conversion.

The Conference substitute adopts the House provision with modification. (Section 2401)

The Managers intend that the Secretary shall permit common grazing practices. In permitting such activities, the Managers intend that the Secretary will allow for maintenance and necessary cultural practices common to grazing systems utilized throughout the various regions of the country. These management practices may include such things as: controlled burning, aeration, over-seeding, reseeding, planting of new native species or any other practice as determined by the Secretary to be necessary for grazing management. Beyond maintenance, the Managers intend that the Secretary will permit haying, mowing, or harvesting for seed production, subject to appropriate restrictions for completion of the nesting season for birds in the local area which are in significant decline or are conserved pursuant to state or federal law, as determined by the NRCS state conservationist.

(d) Payments

The House amendment directs that contract payments shall be made annually in an amount that is not more than 75 percent of the grazing value of the land. Easement payments may be made as a single payment or a series of annual payments. In the caseof a permanent easement, the payment shall be equal to the fair market value of the land less the grazing value of the land encumbered by the easement. With respect to a thirty-year easement, the payment shall be equal to 30 percent of the fair market value of the land less the grazing value of the land for the period that the land is encumbered by the easement. In addition to incentive payments, the Secretary is authorized to provide cost-share assistance for restoration projects. In the case of virgin grassland, these payments may not exceed 90 percent of the restoration costs. With respect to restored grasslands, these payments may not exceed 75 percent of such costs. (Section 255)

The Senate amendment establishes payments for permanent easements that shall equal the fair market value of the land less the grazing value and for 30-year easements, 30% of the fair market value of the land less the grazing value. 30-year rental agreements shall be equal, to the maximum extent possible, to the payment for 30-year easements. The Secretary shall provide up to 75% of cost-share for restoration of grassland. The Secretary may permit an eligible private organization or state agency to hold and enforce an easement. (Section 219)

The Conference substitute adopts the House provision with modification to use the Senate formula for thirty-year agreements as well as thirty-year and permanent easements. (Section 2401)

(6) Farmland Stewardship Program

The House bill establishes a new program to use federal conservation programs in conjunction and cooperation with state and local conservation efforts, and enables the Secretary to implement or combine together the features of the WRP, WHIP, FPP, the new Forest Land Enhancement Program (FLEP) or other conservation programs where feasible. (Section 256)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision. (Section 2502)

(7) Small Watershed Rehabilitation Program

The House bill authorizes appropriations to fund the program at $15 million annually for fiscal year 2002 and each succeeding fiscal year. (Section 257)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision, providing $275 million over the length of this legislation and reauthorizes the program. (Section 2505)

(8) Provision of Assistance For Repaupo Creek Tide Gate and Dike Restoration Project, New Jersey

The House bill directs the Secretary, acting through NRCS, to provide assistance for planning and implementation of the Repaupo Creek Tide Gate and Dike Restoration Project. (Section 258)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision. (Section 2501)

(9) Conservation Corridor Demonstration Program

The Conference substitute adopts a new provision not contained in either bill that requires the Secretary of Agriculture to establish a conservation corridor demonstration program on the Delmarva Peninsula in the states of Delaware, Maryland and Virginia located on the east side of the Chesapeake Bay. A state, local government or combination of states must submit a plan and commit resources in order to participate in the program that is designed to demonstrate local conservation and economic cooperation using existing agriculture and forestry conservation programs of the Department of Agriculture.

The Managers intend that this new program may use only conservation program funds for which they are authorized and annually appropriated by the Congress.

SUBTITLE G—MISCELLANEOUS

(1) Grassroots Source Water Protection Program

The Senate amendment authorizes $5 million annually from fiscal years 2002 to 2006 for a national grassroots water protection program to more effectively use technical capabilities of each state rural water association that operates a well-head or groundwater protection program. (Section 217 (Section 1240Q))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(2) Underserved States

The Conference substitute adopts a provision adding $10 million per year for USDA's Agriculture Management Assistance Program for fiscal years 2003 through 2007. The program assists states found by USDA to be under-served in the Agricultural Risk Protection Act of 2000.

(3) Organic Agriculture Research Trust Fund

The Senate amendment establishes an Organic Agriculture Research Trust Fund.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with funding of $3 million a year through the life of the bill. (Section 231)

(4) Establishment of National Organic Research Endowment Institute

The Senate amendment states that the Secretary shall establish a National Organic Research Endowment Institute.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(5) Allocation of Conservation Funds by State

The Senate amendment states that the Secretary shall, to the maximum extent possible, provide each state with a minimum of $12 million annually from conservation programs. Each state shall be provided $5 million from EQIP and a minimum of $7 million from other conservation programs administered by the Secretary. Any funds not obligated under this provision by April 1 of the fiscal year shall be available to carry out activities under Subtitle D. (Section 241)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modification. Before April 1 of each fiscal year, priority for funding for conservation programs, excluding CRP, CSP and WRP, shall be given to approved applications in any state that has notreceived cumulative conservation funding for the fiscal year of at least $12 million. The Managers understand that only participants who qualify under the individual program from which funds will be provided shall be eligible to receive this priority under this program.

(6) Watershed Risk Reduction

The Senate amendment states that the Secretary, acting through NRCS, shall cooperate with landowners and land users to conduct projects (including the purchase of flood plain easements) to safeguard lives and property from floods, drought, and the products of erosion on any watershed. Priority shall be given to any project or activity that is carried out on a flood plain adjacent to a major river and there is authorized to be appropriate $15 million for each of fiscal years 2002 through 2006. (Section 217 (Section 1240N))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(7) Great Lakes Basin Program For Soil Erosion and Sediment Control

The Senate amendment authorizes the Secretary of Agriculture, in consultation with the Great Lakes Commission, and in cooperation with the Administrator of the Environmental Protection Agency and the Secretary of the Army to carry out a program in the Great Lakes basin for soil erosion and sediment control. There is an authorization of appropriations of $5 million for each of the fiscal years 2002 through 2006. (Sec. 12400)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate amendment.

(8) Cranberry Acreage Reserve Program

The Senate amendment states that the Secretary shall establish a program to purchase permanent easements on wetlands or buffer strips adjacent to a wetland that is environmentally sensitive and has or is used for cultivation of cranberries. The purchase price should reflect the range of values for agricultural and non-agricultural lands. The section authorizes appropriations of $10 million. (Section 261)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision and moves the item to the Miscellaneous Title of this legislation.

(9) Klamath Basin

The Senate amendment provides that the Secretary shall, in coordination with the Secretary of the Interior, establish the Klamath Basin Interagency Task Force composed of relevant federal agencies to use conservation programs to address the environmental and agricultural needs of the Klamath Basin. (Section 262)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision, however, funding is provided to assist producers in the Klamath Basin under the new section 1240I, Ground and Surface Water Conservation.

The Managers encourage the U.S. Department of Agriculture to make full use of specific funding of $50,000,000 for the Klamath Basin contained in the new water conservation program to help farmers and ranchers with cost-share assistance, incentive payments and technical assistance.

(10) State Technical Committees

The Senate amendment expands and updates membership of State Technical Committee to include NRCS (instead of the Soil Conservation Service) as chair, Farm Service Agency, land grant colleges and universities, and forestry experts. (Section 1261)

The House bill contains no comparable provision

The Conference substitute deletes the Senate provision.

The Managers strongly encourage updating the involvement of interested experts, including those with expertise in forestry and land grant colleges. Also, the Managers are concerned about reports that in some states, members of state technical committees are not fully included. The Managers strongly encourage the Secretary to ensure that chairpersons of the committee strive to increase involvement.

SUBTITLE H—REPEALS

(1) Provisions of the Food Security Act of 1985

The House bill repeals various authorities including the wetlands mitigation-banking program (1222(k)), environmental easement program (chapter 3 of subtitle D), conservation farm option (chapter 5 of subtitle D) and tree planting initiative (1256). Repeals various provisions of the CRP and WRP. (Section 261)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision.

(2) National Natural Resources Conservation Foundation Act

The House bill repeals subtitle F of Title III of the 1996 FAIR Act. (Section 262)

The Senate amendment permits the Secretary to authorize the Foundation to use, license or transfer symbols, slogans and logos of the Department. Requires that all revenues be transferred to NRCS account to carry out conservation operations. (Section 221)

The Conference substitute adopts the Senate provision with a modification to authorize the Foundation to license logos of the Foundation and explicitly prohibits the licensing of any symbol or logo of a government entity. (Section 2506)

TITLE III—TRADE

(1) Market Access Program

The House bill reauthorizes the Market Access Program through 2011 and increases funding to $200 million. (Section 301)

The Senate amendment reauthorizes MAP through 2006, and increases MAP funding to: $100 million in 2002, $120 million in 2003, $140 million in 2004, $180 million in 2005, and $200 million in 2006. It also establishes priority for new program participants and programs in emerging markets for amounts above $90 million and authorizes the new Quality Export Initiative to identify high quality U.S. agricultural products. This initiative will be subject to appropriations. (Section 322)

The Conference substitute adopts the Senate provision on reauthorization through 2007, at the following annual funding levels: $100 million in 2002, $110 million in 2003, $125 million in 2004, $140 million in 2005, and $200 million in 2006 and subsequent years. It establishes that proposals submitted by new program participants and programs in emerging markets shall receive consideration equal to that given to current program participants for new funds made available. It includes no provision dealing with the Quality Export Initiative program. (Section 3103)

(2) Food for Progress

The House bill includes the following: reauthorizes Food for Progress through 2011; increases the limits on Commodity Credit Corporation funding for administrative costs to $15 million; increases the limits on Commodity Credit Corporation funding for transportation costs related to distribution of commodities to $40 million; excludes from the limitations on tonnage in Section 1110(g) of Food for Progress those commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954; increases limits on amounts of commodities to 1,000,000 metric tons; encourages the President to approve agreements that provide commodities to be made available for distribution or sale on a multi-year basis; allows for the use of U.S. dollars and other currencies for the monetization of commodities by authorizing the President to use "proceeds"; adds a new provision that encourages the Secretary to finalize program agreements and requests before the beginning of the relevant fiscal year; and requires the Secretary to provide the House Committee on Agriculture, House Committee on International Relations and the Senate Committee on Agriculture, Nutrition and Forestry a list of approved programs, countries and commodities, and the total amounts of funds approved for transportation and administrative costs related to Food for Progress by November 1 of the relevant fiscal year. (Section 302)

The Senate amendment includes the following: rewrites Food for Progress as a new Title VIII of the 1978 Agricultural Trade Act called "Food for Progress and Education Programs," authorized through 2006; permits USDA to provide agricultural commodities to support introduction or expansion of free trade enterprises in recipient country economies; defines eligible commodities as "agricultural commodities (including vitamins and minerals) acquired by the Secretary or the Corporation for disposition in a program authorized under this title"; provides that not more than $55 million of the funds made available may be used to cover non-commodity costs, of which not more than $12 million may be used to cover administrative costs; establishes a 400,000 MT minimum tonnage per year for the program; allows multiyear PVO agreements and certified institutional partners status for PVO's; allows monetization in U.S. dollars; encourages timely and streamlined approval programs; directs the Secretary to make program announcements before the beginning of the fiscal year; requires eligible organizations with agreements under this title to submit reports to the Secretary containing such information as is required relating to the use of commodities and funds provided for said agreements; requires that assistance under this title shall be coordinated with other forms of foreign assistance under the mechanism designated by the President; requires the Secretary to ensure that each eligible organization is optimizing the use of donated commodities, as follows: (1) taking into account the needs of target populations in recipient countries; (2) working with recipient countries and institutions or groups within those countries to design mutually acceptable programs; (3) monitor and report on distribution and sale of eligible commodities using accurate and timely reporting methods; (4) periodically evaluate the eligible organization's program effectiveness; and (5) consider means of improving program operation.

Agricultural commodities shall be made available under this title without regard to political, geographic, ethnic, or religious identity of the recipient. The Secretary is barred from providing commodities under any agreement that requires or permits the distribution or handling of those commodities by any military forces, except when non-military channels are not available and the Secretary deems that conditions require such distributions occur.

The Senate amendment also authorizes the appropriation of such sums as may be necessary to carry out the title, plus permits the use of P.L. 480 Title I funds; Provides that all commodities related expenses must be in addition to any other P.L. 480 assistance. (Section 325)

The Conference substitute adopts the House bill provisions in the following areas: (1) the program is reauthorized through 2007; (2) an exclusion from the limitation on tonnage for those commodities furnished on a grant basis or on credit terms under title I; (3) encouragement of the President to finalize agreements before the beginning of the relevant fiscal year, and provision by the President to the relevant Committees a list of approved programs, countries, and commodities by December 1 of the relevant fiscal year; (4) definition of eligible commodities, and (5) funding levels for the program, both for non-commodity costs and administrative expenses.

The Conference substitute adopts the following House provisions with modifications. The President was encouraged to approve agreements on a multi-year basis; the provision was expanded to include all eligible organizations rather than just PVO's and to encourage multi-country agreements as well, subject to the availability of commodities.

The Conference substitute adopts the Senate provisions on monetization of commodities in U.S. dollars, on minimum tonnage. In recognition of the Senate provision on certified institutional partners, the Conference substitute adopts language to streamline, improve and clarify the application, approval, and implementation processes pertaining to agreements under the Food for Progress program. It also requires the Department to undertake consultation with the relevant Congressional Committees within one year of enactment of the Act on the Department's progress in achieving streamlining. Unlike the certified institutional partners provisions, the streamlining provisions will apply equally to all eligible organizations, whether or not they have previously participated in the program.

The Conference substitute amends the existing Food for Progress Act of 1985, rather than establishes a new Title VIII of the Agricultural Trade Act of 1978. Out of the Senate amendment, it incorporates a definition section in the statute, establishes quality assurance requirements, and requires the President to ensure that each eligible organization is optimizing the use of donated commodities, as follows: (1) taking into account the needs of target populations in recipient countries; (2) working with recipient countries and institutions or groups within those countries to design mutually acceptable programs; (3) monitor and report on distribution and sale of eligible commodities using accurate and timely reporting methods; and (4) periodically evaluate the eligible organization's program effectiveness. It also establishes the purposes of the program. (Section 3106)

The Managers are aware of the Food Aid Review conducted by the Administration, which is a continuing process of review of all foreign food aid programs. The Administration plans to make several changes beginning in FY 2003, which include USDA administering all government-to-government programs as a result of funding Food for Progress programs through Title I and USAID administering most private voluntary programs through Title II.

Under the current Food for Progress statute, eligible organizations include private voluntary organizations, cooperatives, other non-governmental and intergovernmental organizations, as well as foreign governments. In providing additional resources and establishing a minimum tonnage requirement for the Food for Progress program under this section, the Managers wish to see the program accessible to all eligible organizations submitting proposals. The Administration's ongoing food aid review should take this into consideration. In many circumstances, the institutional experience of private voluntary organizations and other organizations may be crucial in determining the success or failure of projects in emerging markets under the Food for Progress program.

(3) Surplus Commodities for Developing or Friendly Countries

The House bill authorizes the use of U.S. dollars and other currencies for the monetization of commodities and requires the Secretary to publish in the Federal Register by October 31 of each fiscal year an estimate of the total commodities available under this section for that fiscal year and encourages the Secretary to finalize agreements by Dec. 31. (Section 303)

The Senate amendment authorizes the use of U.S. dollars and other currencies for the monetization of commodities, strikes subparagraph 416(b)(8)(A), allows direct delivery of commodities to milling or processing facilities in recipient countries, with proceeds of transactions going to eligible organizations to carry out the approved project, permits PVO's to apply to become certified institutional partners, and provides that PVO's may submit multi-country proposals. (Section 334)

The Conference substitute adopts the House provision with respect to monetization and requiring the Secretary to report by October 31 the commodities available under this section for that fiscal year. The Conference substitute adopts the Senate provision with respect to encouraging submission of multi-country proposals, expanded to include all eligible organizations rather than just PVO's, and to encourage multi-year agreements as well, subject to the availability of commodities. The conference substitute omits the Senate provision on direct delivery of commodities.

The Conference substitute also adopts the Senate provision on certified institutional partners, with the following changes: within 270 days, the Secretary shall review and, as necessary, make changes in regulations and internal procedures designed to streamline, improve, and clarify the application, approval, and implementation processes pertaining to agreements under Section 416(b). It also requires the Secretary to undertake consultation with the relevant Congressional Committees within one year of enactment of the Act on the Secretary's progress in achieving streamlining. These new procedures will apply equally to all eligible organizations, whether or not they have previously participated in the program. (Section 3201)

The Managers believe that the use of donated American agricultural commodities to support rural electrification overseas is a highly appropriate use of surplus commodity monetization, particularly where the USDA's own rural electrification expertise can be added to the on-going efforts of American electric cooperatives to "export" the successful rural electrification model that was established with the Rural Electrification Administration. The Conferees encourage the Secretary of Agriculture to direct a more aggressive rural electrification development effort as part of USDA's monetization programs under section 416(b) of the Agricultural Act of 1949, including collaboration with other international development agencies in leveraging funds to build on the successful experience of American electric co-op projects in less developed countries.

(4) Export Enhancement Program

The House bill extends the Export Enhancement Act through 2011 at the current funding level. (Section 304)

The Senate amendment extends the Export Enhancement Act through 2006 at the current funding level and expands definition of unfair trade practices to include (1) pricing practices by an exporting state trading enterprise that "are not consistent with sound commercial practices conducted in the ordinary course of trade," or (2) changing U.S. "export terms of trade through a deliberate change in the dollar exchange rate of a competing exporter." (Section 323)

The Conference substitute adopts the House provision with respect to reauthorization of the program through 2007. The Conference substitute adopts the Senate provision on unfair trade practices, with the following changes: amends paragraph (2) to clarify the type of state trading enterprise covered by this definition, drops the exchange rate reference, and inserts the following list of activities: subsidies that decrease market opportunities for United States exports or unfairly distort agricultural markets to the detriment of the United States; unjustified trade restrictions or commercial requirements, such as labeling, that affect new technologies, including biotechnology; unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements; other unjustified technical barriers to trade; rules that unfairly restrict imports of United States agricultural products in the administration of tariff rate quotas; and the failure of a country to adhere to the provision of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements. (Section 3104)

(5) Foreign Market Development Cooperator Program

The House bill includes the following: reauthorizes the Foreign Market Development Cooperator Program through 2011; authorizes such sums as may be necessary to carry out this title, and in addition to any sums appropriated, authorizes $37 million from the Commodity Credit Corporation for each of fiscal years 2002 through 2011 to carry out the program; directs the Secretary to carry out the Foreign Market Development Cooperator Program with a significant emphasis on the importance of exporting value-added agricultural products to emerging markets; specifies that the Secretary shall report to the House Committees on Agriculture and International Relations, and the Committees on Agriculture, Nutrition and Forestry and Foreign Relations of the Senate, on the funding and success of the Foreign Market Development Cooperator Program. (Section 305)

The Senate amendment contains the following: reauthorizes Foreign Market Development Cooperator Program through 2006; authorizes, from the Commodity Credit Corporation: $37.5 million for 2002, $40 million for 2003, and $42.5 million for 2004,2005 and 2006; establishes priority for new program participants and programs in emerging markets for amounts above $35 million. (Section 324)

The Conference substitute adopts the Senate provision on reauthorizing the program through 2007, and establishes that proposals submitted by new program participants and programs in emerging markets shall receive consideration equal to that given to current program participants for additional funds made available. The substitute authorizes, from the Commodity Credit Corporation, $34.5 million for each fiscal year between 2002 and fiscal year 2007.

The Conference substitute adopts the House provision with respect to a significant emphasis on value-added products, with clarification that the emphasis required is a 'continued significant emphasis', to recognize that USDA already places a significant emphasis on value-added, accounting for about one-third of the program. It also requires a report on funding and success of the Foreign Market Development Cooperator Program to the relevant Congressional Committees. (Section 3105)

(6) Export Credit Guarantee Program

The House bill reauthorizes the Export Credit Guarantee Program through 2011, and continues for fiscal years 2002 through 2011 the current requirement that not less than 35 percent of the export credit guarantees issued be used to promote the export of processed or high-value agricultural products. (Section 306)

The Senate amendment reauthorizes Export Credit Guarantee Program through 2006, continues for fiscal years 2002 through 2006 the current requirement that not less than 35 percent of the export credit guarantees issued be used to promote the export of processed or high-value agricultural products; extends terms of repayment for the supplier credit guarantee program from 180 days to 12 months, and requires Secretary to provide a report, one year after enactment of the law, on the status of multilateral export credit negotiations at the WTO and OECD. (Section 321)

The Conference substitute adopts the Senate provision and reauthorizes the program through 2007. It changes the subsection that requires the Secretary to provide a report on multilateral export credit negotiations to requiring the Secretary and the United States Trade Representative to regularly consult with the relevant House and Senate Committees on that issue. The substitute also changes the new terms of repayment for the supplier credit guarantee program from 12 months to 360 days, if an authorization of appropriations to fund loan terms greater than current length of 180 days is provided. (Section 3102)

(7) Food for Peace Program and the International Food Relief Partnership Act

The House bill reauthorizes the Food for Peace Program and the International Food Relief Partnership Act through 2011, and adds conflict prevention as a program objective. (Section 307)

The Senate amendment reauthorizes the Food for Peace Program and the International Food Relief Partnership Act through 2006, and adds conflict prevention as a program objective. (Section 311)

The Conference substitute adopts the House provision, reauthorizing the program through 2007. Program approvals should be based on the potential benefits of the program on food security and the choice of the appropriate commodity for the intended use. (Section 3011)

(8) Non-emergency Assistance

The Senate amendment adds a new provision under "(b) Nonemergency Assistance" requiring the Administrator to foster program diversity by encouraging eligible organizations to propose and implement plans that address 1 or more aspects of Food for Peace and incorporate a variety of program objectives to assist development in foreign countries. (Section 302)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision, with an amendment clarifying that plans shall address program objectives specified in Section 201 of the Agricultural Trade, Development and Assistance Act of 1954. (Section 3002)

(9) Funding

The House bill provides that the funding for transportation, storage and handling of P.L. 480 commodities shall be not less than 5 percent and not more than 10 percent of the funds made available under title II in each fiscal year. (Section 307)

The Senate amendment provides that the funding for transportation, storage and handling of P.L. 480 commodities shall be not less than 5 percent and not more than 10 percent of the funds made available under title II in each fiscal year. (Section 302)

The Conference substitute adopts the Senate provision. (Section 3002)

(10) Private Voluntary Organization Authority (PVO)

The House bill grants PVO's authority to submit multi-country proposals. (Section 307)

The Senate amendment grants PVO's authority to submit multi-country proposals. Also requires US-AID or USDA, as applicable, to establish a process enabling PVO's and cooperatives that can demonstrate their capacity to carry out the programs, to qualify as "certified institutional partners," which would entitle them to use streamlined application procedures, including expedited review, to receive commodities. (Section 302)

The Conference substitute adopts the House provision with the following changes: the inclusion of all eligible organizations rather than just PVO's and to encourage multi-year agreements as well.

The Conference substitute also adopts the Senate provision with the following changes: within one year after enactment of this Act, requires the Administrator to establish streamlined guidelines and application procedures for programs under Title II, to be effective for fiscal year 2004, to the maximum extent practicable, for resource allocation for existing projects and for new project proposals. It also requires US-AID to undertake stakeholder consultation using statutory procedures, as well as consultation with the relevant Congressional Committees, within six months of enactment, on the Agency's progress in achieving streamlining. A report is to be submitted within 270 days on progress achieved in modernizing US-AID's information management, procurement, and financial management systems to accommodate Title II needs. (Section 3002)

(11) Use of U.S. Dollars

The House bill allows PVO's to use U.S. dollars when monetizing commodities in foreign countries. (Section 307)

The Senate amendment allows the use of U.S. dollars when monetization is done in foreign countries. (Section 303)

The Conference substitute adopts the Senate provision on permitting eligible organizations to monetize commodities in U.S. dollars in foreign countries. (Section 3003)

(12) Minimum Level of Commodities

The House bill increases the minimum level of commodities available to 2,250,000 metric tons. (Section 307)

The Senate amendment increases the minimum level of commodities available from 2,025,000 MT to: 2,100,000 metric tons for 2002; 2,200,000 metric tons for 2003; 2,300,000 metric tons for 2004; 2,400,000 metric tons for 2005; and 2,500,000 metric tons for 2006. It also adds crude degummed soybean oil to list of value-added commodities under Title II. (Section 304)

The Conference substitute adopts the House provision, with a change to 2,500,000 metric tons per year as the minimum level of commodities beginning in fiscal year 2002.

The Conference substitute adopts a new provision, changing the sub-minimum requirement for non-emergency programs to 1,875,000 tons annually (Section 3004)

The Managers ask the Administrator to examine the commodities currently shipped under Title II non-emergency programs, and determine which ones qualify as value-added products to satisfy the sub-minimum requirement under Section 204(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724).

(13) Food Aid Consultative Group

The House bill reauthorizes the food aid consultative group through 2011. (Section 307)

The Senate amendment reauthorizes the food aid consultative group through 2006. (Section 305)

The Conference substitute adopts the House provision, reauthorizing the consultative group through 2007. (Section 3005)

(14) Title II Spending

The House bill eliminates the $1 billion cap on spending for Title II. (Section 307)

The Senate amendment raises the cap on Title II spending from $1 billion to $2 billion annually. (Section 306)

The Conference substitute adopts the House provision. (Section 3006)

(15) Duties of the Administrator of US–AID

The House bill requires that the Administrator of US-AID make decisions on program proposals, received from PVO's, not later than 120 days after receipt. (Section 307)

The Senate amendment requires that the Administrator of US-AID make decisions on program proposals, received from PVO's, not later than 120 days after receipt, requires the Administrator to treat proposed policy determinations the same as guidelines, and allows direct delivery of commodities to milling or processing facilities in recipient countries, with proceeds of transactions going to eligible organizations to carry out the approved project. (Section 307)

The Conference substitute adopts the Senate provision, with the technical change that the 120 day period begins after submission of the proposal to the Administrator rather than receipt of the proposal by the Administrator, and that to the maximum extent practicable, the Administrator is encouraged to make decisions on program proposals within that period. The annual policy guidance letter issued by the Administrator shall be subject to notice and comment requirements. The conference substitute omits the Senate provision on direct delivery of commodities. (Section 3007)

The Managers note that at present, milling or processing facilities located in or near countries receiving food aid are occasionally unable to process commodities or arrange for the monetization of commodities because the non-governmental organizations coordinating or arranging the food aid delivery do not interact on a timely basis with the milling or processing facilities. This often leads to delay and inefficiencies in the food aid program.

The streamlining of procedures and regulatory requirements, and acceleration of the approval and review of projects involving food aid programs administered by USDA and US-AID are a priority in this legislation. It is equally important that participating non-governmental organizations also expedite the delivery of their projects by consulting with milling or processing facilities prior to filing project applications with USDA or US-AID. It is necessary for USDA, US-AID, and participating non-governmental organizations to act in concert to streamline and expedite procedures and activities to achieve a more effective and timely food aid delivery process.

(16) Funding for Stockpiling and Rapid Transportation, Delivery, and Distribution of Shelf-Stable Prepackaged Foods

The House bill reauthorizes at current funding level through 2011. (Section 307)

The Senate amendment reauthorizes at current funding level through 2006. (Section 308)

The Conference substitute adopts the House provision, reauthorizing the funding through 2007. (Section 3008)

(17) Sale Procedure

The House bill adds a new subsection, (l), to section 403 that provides that (b) and (h) shall apply to titles II and III of Food for Peace, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. It also allows for monetization in the sales to generate proceeds under these designated sections and titles. (Section 307)

The Senate amendment adds a new subsection, (l), to section 403 that provides that (b) shall apply to section 416(b) of the Agricultural Act of 1949, and title VIII of the Agricultural Trade Act of 1978. It also allows for monetization in the sales to generate proceeds under these programs, and defines reasonable market price for purposes of monetization of commodities. (Section 310)

The Conference substitute adopts the House provision with respect to sale procedure and adopts the Senate provision with respect to reasonable market price. (Section 3009)

The reasonable market price provision requires that commodities be sold at a reasonable market price in the economy where the commodity is to be sold. This would generally bethe locally prevailing price for the same or a similar commodity.

The Managers understand that, as with commercial sales, the actual sales price will be affected by product quality and delivery and payment terms. There are two primary purposes for this provision. The first is to ensure that commodities are sold at the prevailing local market price, rather than imposing an arbitrary formula approach.

The Managers believe that a relatively inflexible formula approach is undesirable because in situations in which local prices are above the formula value, the formula does not maximize proceeds from sales of commodities. Conversely, in cases in which the formula produces a price significantly above locally prevailing prices, no sales are likely to result, to the possible detriment of program operations in recipient countries.

The second reason for this provision is to bring consistency to the approaches currently used by US-AID and USDA. The Managers understand that although the two agencies generally operate in different countries at different times, some monetization programs may overlap. The Managers expect that, should this occur, the two agencies will consult to ensure that, to the extent possible, a uniform sales price is established. More generally, the Managers expect the two agencies to adopt methodologies for determining a reasonable market price that will tend to produce similar results in determining sales prices.

Finally, the Managers note that this provision is intended to be consistent with the goal of maximizing proceeds from commodity sales. In deciding whether to approve a proposed sale of commodities at the local market price, the Managers expect that both agencies will take into account the prevailing U.S. and world market prices of a commodity, including U.S. acquisition costs, transportation costs, and any localized factors that might result in significant differences between prevailing local market prices and those prices that would be expected to prevail in a pure free market. In cases in which high-quality U.S. agricultural products are purchased for the program, it should be noted that the market in the recipient country may not be sufficiently sensitive to fully reflect quality premiums.

(18) Lamb Program

The Senate amendment permits the Secretary to establish a program to provide live lamb on an emergency food relief basis to Afghanistan. (Section 309)

The House bill contains no comparable provision.

The Conference substitute incorporates the Senate provision into another section of this title dealing with a report on use of perishable commodities in food aid programs. (Sec. 3207)

(19) Reauthorize Limits on Funding for Prepositioning

The House bill reauthorizes limits on funding for prepositioning through 2011. (Section 307)

The Senate amendment reauthorizes limits on funding for prepositioning through 2006. (Section 311)

The Conference substitute adopts the Senate provision, reauthorizing the funding through 2007. (Section 3010)

(20) Authority for Paying Transportation Costs Under Title II Non-Emergency Program

The House bill adds a provision providing the authority for the US-AID Administrator to pay for transportation costs for non-emergency assistance under Title II, and only to least developed countries. (Section 307)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 3012)

(21) Expiration Date

The House bill extends the expiration date to December 31, 2011. (Section 307)

The Senate amendment extends the expiration date to December 31, 2006. (Section 312)

The Conference substitute adopts the House provision, reauthorizing the program through fiscal year 2007. (Section 3011)

(22) Reauthorize Farmer-to-Farmer Program

The House bill reauthorizes the Farmer-to-Farmer Program through 2011 at the current funding level of 0.4 percent of the funds made available under titles I and II of P.L. 480 (Section 307)

The Senate amendment reauthorizes the Farmer-to-Farmer Program through 2006 and increases the share of P.L.-480 title I and title II funding which can be diverted for support of the program from 0.4 to 0.5 percent. (Section 314)

The Conference substitute adopts the House provision, reauthorizing the program through 2007 and the Senate provision that increases funding for the program. (Section 3014)

(23) Micronutrient Fortification Pilot Program

The Senate amendment re-authorizes the micronutrient fortification pilot program. (Section 313)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with technical corrections, also adding folic acid as a fortifying element that can be used under the program. The US-AID sponsored "Micronutrient Assessment Project" study (report issued in 1999), found significant quality problems in fortified food aid commodities, including low micronutrient levels and the loss of highly labile vitamins. A US-AID-sponsored "Micronutrient Compliance Review of Fortified P.L. 480 Commodities" (report issued in 2001) found that while progress has been made, additional follow-up is needed to assure adequate micronutrient levels in the fortified commodities and to standardize procedures used to test and monitor for compliance. Additional concerns, such as lack of shelf-life information, bioavailibility and package durability have also been reported. The organization that conducted the 1999 and 2001 assessments uses an effective approach of engaging technical experts from food industries to improve the quality and nutritional content of food products for developing countries. This provision calls on the Administrator, in consultation with the Secretary, to use the same mechanism to follow-up on the 2001 compliance review recommendations to improve and assure the quality of fortified food aid commodities. (Section 3013)

(24) Emerging Markets

The House bill reauthorizes the Emerging Markets program through 2011, and increases the amount of assistance the Secretary shall provide for the AgriculturalFellowship Program from $10 million to $13 million. (Section 308)

The Senate amendment reauthorizes the Emerging Markets program at current levels through 2006, but does not increase the amount of assistance. (Section 332)

The Conference substitute adopts the Senate provision reauthorizing the program through 2007. (Section 3203)

(25) Bill Emerson Humanitarian Trust

The House bill extends the Bill Emerson Humanitarian Trust Act through 2011. (Section 309)

The Senate amendment extends the Bill Emerson Humanitarian Trust Act through 2006. (Section 331)

The Conference substitute adopts the Senate provision, reauthorizing the program through 2007. (Section 3202)

(26) Technical Assistance for Specialty Crops

The House bill establishes an export assistance program to address barriers to the export of United States specialty crops; provides direct assistance through public and private sector projects; and technical assistance to remove, resolve, and/or mitigate sanitary or phytosanitary and related barriers to trade. It also gives priority to time sensitive and market access projects based on the trade effect and trade impact and authorizes $3 million annually from the Commodity Credit Corporation. (Section 310)

The Senate amendment directs USDA to assist U.S. exporters harmed by "unwarranted and arbitrary" barriers to trade due to marketing of biotechnology products, food safety, disease, or other SPS concerns and authorizes appropriations of $1 million annually through 2006. (Section 333)

The Conference substitute adopts the House provision, with funding provided at $2 million per year from the Commodity Credit Corporation. (Section 3205)

(27) Farmers From Africa and Caribbean Basin Program

The House bill authorizes $10 million for the President to establish and administer bilateral exchange programs whereby U.S. farmers and farming specialists provide technical advice and assistance to eligible farmers in Africa and the Caribbean Basin countries. (Section 311)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision, to be incorporated into the existing Farmer-to-Farmer program, authorizing appropriations, while allowing the Administrator to use up to five percent of those appropriated funds to cover administrative expenses in operating the program. (Section 3014)

(28) George McGovern-Robert Dole International Food for Education and Child Nutrition Program

The House bill authorizes the President to direct the provision of U.S. agricultural commodities and financial and technical assistance for foreign preschool and school feeding programs to reduce hunger and improve literacy (particularly among girls) and nutrition programs for pregnant and nursing women and young children. It also authorizes the appropriation of such sums as may be necessary each year through FY2011. The President has the authority to designate the administering federal agency. For this program, eligible recipients are PVO's, cooperatives, governments and their agencies, and other organizations. Funds may be used to pay commodity transportation and storage costs, in-country activities that enhance the programs, and certain providers' administrative expenses. The House bill specifies a list of priorities for program funding and provides guidelines for application process, encourages multilateral involvement and private sector involvement, and requires assurances that local production and marketing in recipient countries are not disrupted. Annual reports to Congress are required. (Section 312)

The Senate amendment requires the establishment of an International Food for Education and Nutrition Program, as a separately funded program within the new Food for Progress title, whereby USDA may provide commodities and technical and nutrition assistance for programs that improve food security and enhance educational opportunities for preschool and primary school children in the recipient countries. USDA is authorized to use not more than $150 million per year for four years to carry out this program. Eligible organizations are PVO's, cooperatives, nongovernmental organizations, or foreign countries, as determined by USDA. Permitted uses of funds, and various other requirements not specified here are the same as those that apply to Food for Progress activities generally. The Senate amendment includes a "graduation requirement" to provide for continuation of the program when funding terminates. It also encourages other donor and private sector involvement and requires an annual report to Congress. (Section 325(c))

The Conference substitute adopts the House bill provisions, with the following modifications: (1) accepts Senate provisions on graduation; (2) accept Senate language on availability of funds for internal shipping, transportation, and handling costs, and (3) provides $100 million in mandatory funding for fiscal year 2003 to continue existing pilot projects. The program is to be named the McGovern-Dole International Food for Education and Child Nutrition program. (Section 3107)

The Managers expect that mandatory funds provided for fiscal year 2003 will be utilized to continue the operation of projects approved under the pilot program.

(29) Study on Fee for Services

The House bill instructs the Secretary to report to Congress on the feasibility of instituting a program charging fees to cover the costs of services performed abroad on matters within the authority of the Department of Agriculture administered by the Foreign Agriculture Service. (Section 313)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with the clarification that the report would address the feasibility of a program that charged fees would be assessed only for services performed beyond those already provided by the Foreign Agricultural Service as part of an overall market development strategy for a particular country or region. (Section 3208)

(30) National Export Strategy Report

The House bill directs the Secretary to prepare a long-range comprehensive agricultural trade strategy and to report to the House Committees on Agriculture and International Relations, and the Senate Committee on Agriculture, Nutrition and Forestry, on the activities the Department of Agriculture has undertaken to implement the National Export Strategy Report. (Section 314)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision, changing the report to consultations with relevant Congressional Committees which will occur within six months of enactment, and every two years subsequently. (Section 3206)

(31) Exporter Assistance Initiative

The Senate amendment authorizes development of a federal website to assist aspiring exporters to learn all they need to know about getting started. An authorization of appropriations is provided at the following levels: $1 million for each of 2003 and 2004 and $500,000 for 2005 and 2006. (Section 326)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision, amended to instruct the Secretary to maintain a website to assist exporters or potential exporters of U.S. agricultural products. No appropriations are authorized. (Section 3101)

The Managers observe that knowledge about legal and regulatory requirements that apply to the export of an agricultural product is basic to any transaction. This applies to the country in which the exporter is located and the importing foreign country. Many countries already provide at least this much assistance to private exporters. In the United States, a small exporter that cannot afford to hire a trade consultant has been forced to navigate among numerous Federal laws and regulations that impact an export transaction. Today, the Internet provides a propitious vehicle for making such information accessible. The Foreign Agricultural Service at USDA has developed a website that provides information about USDA programs that may affect the exporter, recommendations on how to develop a marketing plan, and tariff and sanitary/phytosanitary requirements of several countries. However the website does not alert the small exporter to U.S. laws such as, for example, the Corrupt Practices Act that may impact the export. Linkage to the website of the Treasury Department for detailed information about the Corrupt Practices Act is also necessary. A new Government website, 'FirstGov', provides access to the Department of the Treasury's website, but the FAS website does not provide a link to FirstGov.

Other U.S. agencies such as the Treasury Department's Office of Foreign Assets Control and the Commerce Department's Bureau of Export Administration enforce laws and regulations which bear on international business transactions involving agricultural products. Access to the websites of these agencies is also necessary to ensure that a potential or current exporter has access to a maximum amount of information relevant to the international commercial transaction. A small exporter needs more than just information about U.S. laws and regulations. Information about tariff and non-tariff regulations of importing countries is needed. Information about private companies in this country and abroad that may impact a marketing plan and decision to proceed with the export transaction is also necessary. A new website established by USDA, the Export Directory of U.S. Food Distribution Companies, provides a good start. The Secretary of Agriculture is directed to improve and maintain the FAS website consistent with the requirements of this provision and to coordinate the content of this website with the agency responsible for the FirstGov website. The Secretary is further directed to improve the FAS website so that an exporter may connect to links with oversees governmental, private sector, and non-profit sector websites that provide information on market opportunities, marketing requirements and restrictions, product preferences, foreign legal considerations, and other information that may assist the exporter with marketing an agricultural product in a foreign market.

(32) Biotechnology and Agriculture Trade Program

The Senate amendment requires USDA to establish a program to assist exporters facing problems with biotech-based agricultural products. The Senate amendment requires $15 million of CCC funding per year through 2006. (Section 333)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision establishing a stand-alone program, providing an authorization of appropriations. The provision is also revised to reflect a narrower purpose than the original Senate provision, focusing on technical assistance in addressing barriers to trade. (Section 3204)

(33) Agricultural Trade with Cuba

The Senate amendment strikes restrictions on private financing of sales of food and medicine to Cuba that were established in the FY2001 Agricultural Appropriations bill. (Section 335)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(34) Sense of Congress Regarding Agricultural Trade

The Senate amendment establishes Congressional priorities and concerns for bilateral and multilateral agricultural trade negations. (Section 336)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision, changing it to reflect the Sense of the Senate rather than the Congress. Similar priorities are also reflected in the Trade Promotion Authority bill (H.R. 3005) passed by the House in 2001. (Section 3210)

(35) Report on Use of Perishable Commodities in Food Aid

The Senate amendment requires the Secretary to report on transportation, storage, and funding deficiencies that limit the use of perishable and semi-perishable commodities in USDA international food aid programs. (Section 337)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision, with technical changes and adds a requirement to examine the cost of shipping live lambs and other animals for use in U.S. food aid programs. (Section 3207)

(36) Sense of Senate Regarding Foreign Assistance Programs

The Senate amendment notes past success of U.S. foreign assistance in helping democratize developing nations and create U.S. commercial customers, and urges increased role of such programs in countries with impoverished and disadvantaged populations that are the breeding grounds for terrorism. (Section 338)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision, changing it to reflect the Sense of the Congress rather than the Senate. (Section 3209)

TITLE IV—NUTRITION

(1) Short Title

The Senate Amendment names Title IV the Food Stamp Reauthorization Act of 2001. (Section 401)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4001)

SUBTITLE A—FOOD STAMP PROGRAM

(2) Simplified Definition of Income

The House bill adds new types of income exclusions: at state option, education assistance that is required to be excluded under its Medicaid rules; "state complementary assistance program payments" that are excluded under Medicaid rules; and at state option, any income the state does not consider when determining eligibility for cash assistance under its Temporary Assistance for Needy Families (TANF) program or eligibility for medical assistance under its Medicaid program. Under the third exclusion authority, states are specifically not permitted to exclude earned income, various Social Security Act payments (e.g., Supplemental Security Income (SSI), Social Security disability and retirement benefits, and foster care and adoption assistance payments), or other types of income the Secretary judges essential to equitable eligibility determinations. (Section 401)

The Senate amendment adds new income exclusions: education assistance, "state complementary assistance program payments," same as the House bill with technical differences and at state option; any types of income the state does not consider when determining eligibility for or the amount of cash assistance under its TANF program or eligibility for medical assistance under its Medicaid program. Under the third exclusion authority, states are specifically not permitted to exclude wages or salaries, various Social Security Act payments, regular payments from a government source (such as unemployment benefits and general assistance), workers' compensation, child support payments (for the recipient), or other types of income the Secretary judges essential to equitable eligibility determinations. It is the intent of this provision to align, to the extent possible, with Medicaid and TANF rules and that the Secretary will only add additional types of income that are judged to be absolutely essential to make equitable determinations of eligibility in the food stamp program. (Section 412)

The Conference substitute adopts the Senate provision. (Section 4102)

The Managers intend that this provision will allow states to eliminate consideration of any types of income they do not consider when judging eligibility for temporary assistance to needy families (TANF) cash assistance or those required to be covered by Medicaid. It does not include items that are included in the definition of income but part of which are disregarded for the purposes of TANF and Medicaid by state agencies.

(3) Standard Deduction

The House bill establishes multiple standard deductions equal to 9.7 percent of the federal poverty income guideline amounts used for food stamp income eligibility determinations in FY2002. The new standard deductions would remain fixed over time. It also requires that the new standard deductions not be less than the current amount for each jurisdiction or greater than 9.7 percent of the FY2002 poverty guideline amounts for a 6-person household. In the case of the Virgin Islands, the new standard deductions would be similar to those for the 48 states and the District of Columbia. In the case of Guam, a special rule would maintain standard deduction levels at about twice the levels for the 48 states and the District of Columbia. (Section 402)

The Senate amendment establishes multiple standard deductions equal to an increasing percentage of the inflation-indexed federal poverty income guideline amounts used for food stamp income eligibility determinations: for FY2002–FY2004, the new standard deductions would equal 8 percent of each year's poverty guideline amounts; for FY2005–FY2007, the new standard deductions would equal 8.5 percent of each year's poverty guideline amounts; for FY2008–FY2010, the new standard deductions would equal 9 percent of each year's poverty guideline amounts; and for FY2011 and each following year, the new standard deductions would equal 10 percent of each year's poverty guideline amounts. The Senate amendment also requires that the new standard deductions not be less than the current amount for each jurisdiction or greater than the applicable percentage (noted above) of the poverty guideline amounts for a 6-person household. In the case of the Virgin Islands, the new standard deductions would be similar to those for the 48 states and the District of Columbia. In the case of Guam, a special rule would maintain standard deduction levels at about twice the levels for the 48 states and the District of Columbia. (Section 171(c)(2), replacing Section 413)

The Conference substitute adopts the House provision with an amendment that sets the standard deduction equal to 8.31 percent of the inflation-indexed federal poverty income guideline used for food stamp income eligibility determinations and includes comparable provisions for the Virgin Islands and Guam. (Section 4103)

(4) Transitional Food Stamps for Families Moving From Welfare

The House bill provides, at state option, for 6 months of transitional food stamp benefits for families no longer eligible to receive Temporary Assistance for Needy Families (TANF). Households could receive transitional benefits for up to 6 months after termination of cash assistance, regardless of whether their certification period expires during the transitional period. The transitional benefit amount would be equal to the monthly allotment households received in the month immediately prior to termination. Households receiving transitional benefits could apply for food stamps under regular rules at any time during the transitional period. In the final month of the transitional period, states could require a household to cooperate in a re-determination of eligibility in order to receive continued benefits.

Transitional benefits would not be allowed for (1) households sanctioned under food stamp rules for intentional program violations, failure to cooperate, failure to meet work requirements, transferring assets to gain eligibility, failure to perform an action required under a federal, state, or local means-tested public assistance program, multiple receipt of food stamp benefits, or failure to fulfill child-support-related requirements and (2) households sanctioned for failure to perform an action required by federal, state, or local law relating to TANF cash assistance. (Section 403)

The Senate amendment permits states to provide transitional food stamp benefits to households who cease to receive TANF cash assistance. Under this option, households could receive transitional benefits for up to 6 months after termination of cash assistance, without regard to normal eligibility reviews or termination of an eligibility review period. During the transitional period, food stamp benefits generally would be frozen, without required reports of changed circumstances. Transitional benefits would be equal to the monthly allotment received in the month immediately prior to termination adjusted for (1) the change in household income because of termination of cash assistance and (2) any changes in circumstances that could increase household benefits (if the household elects to report them). In the final month of the transitional period, states could require a household to cooperate in a re-determination of eligibility in order to receive continued benefits.

Transitional benefits would not be allowed for households (1) losing eligibility under food stamp rules for intentional program violations, failure to cooperate or meet work-requirements, post-secondary students, transferring assets to gain eligibility, failure to perform an action required by a means-tested assistance program, receipt of multiple benefits, fleeing felons, or failure to fulfill child-support-related requirements, (2) sanctioned for failure to perform an action required by a federal, state, or local TANF law, or (3) in any state-designated category. (Section 429)

The Conference substitute adopts the Senate provision with an amendment that allows households to receive transitional benefits for up to 5, instead of up to 6, months after termination of cash assistance, without regard to normal eligibility reviews or termination of an eligibility review period. In addition, transitional benefits are equal to the monthly allotment received in the month immediately prior to termination, adjusted for the change in household income because of termination of cash assistance but not adjusted for any other changes in circumstances that could increase household benefits and which the household may report. The Conference substitute retains the House bill language that enables households receiving transitional benefits to apply for food stamps under regular rules at any time during the transitional period. (Section 4115)

(5) Quality Control Systems

The House bill reforms the food stamp quality control program to require the Secretary to use a 95 percent statistical probability (lower bound) in calculating state error rates. States with a total payment error rate (lower bound) between 6 percent and the national performance measure (plus 1 percentage point) receive no special treatment, but have to develop and implement corrective action plans to reduce errors. The bill provides that, in determining sanctions against states for high error rates, sanctions are delayed until the third consecutive year in which a state's error rate (lower bound) exceeds the national average error rate by more than 1 percentage point.

Sanctions are figured as follows: First, the state's potential total liability amount is calculated. This is the difference between its total payment error rate (point estimate) and the national performance measure plus one percentage point, multiplied by the dollar value of benefits issued in the state for the year. Then, the state's actual penalty/sanction is calculated. This assessment is "scaled" according to how far above 10 percent the state's total payment error rate (point estimate) is.

The House bill also requires the Secretary to measure states' performance with respect to (1) compliance with deadlines for prompt determinations of eligibility and issuance of benefits and (2) the percentage of negative eligibility decisions that are made correctly for each of fiscal years 2002 through 2007. It provides for "excellence bonus payments" of $1 million each to (1) the 5 states with the highest combined performance in the 2 measures noted above and (2) the 5 states whose combined performance in the 2 measures noted above is most improved for each of fiscal years 2002–2007. (Section 404)

The Senate amendment reforms the system that measures the degree to which states make erroneous eligibility and benefit decisions so that only states with serious, persistent problems would be sanctioned. For states with error rates below 6 percent, enhanced federal matching is reduced for 2001 and then discontinued in subsequent years. States with a total payment error rate between 6 percent and the national average plus 1 percentage point would receive no special treatment. All states are required to develop and implement corrective action plans to reduce payment errors. Each year, the Secretary is required to investigate the administration of the food stamp program in states with a total payment error rate above the national average plus one percentage point, unless sufficient information is already available to review the state's administration. A "good cause" exception is provided. If the investigation/review results in a determination that the state has been "seriously negligent" (under standards promulgated by the Secretary), the state has to pay a fine ("initial sanction") that reflects the extent of negligence (again, under standards promulgated by the Secretary) not to exceed 5 percent of the federal match for state administrative costs. States with a total payment error rate above the national average plus 1 percentage point are assessed fiscal penalties if they have been the subject of an investigation/review or sanctioned for high error rates in each of the 2 preceding years. This effectively sanctions states with a payment error rate above the national average plus 1 percentage point for 3 consecutive years, in the third year as in the House bill. Sanctions are figured in the same way as is done in the House bill.

Beginning with error rates calculated for FY2002, the Senate amendment establishes in law a requirement that the Secretary adjust states' total payment error rates to take into account any increases in errors because a state serves high percentages of households with earnings or households containing non-citizens. The adjustments are similar to those carried out under current policy for states subject to penalties/sanctions; however, they are somewhat more liberal in the measurement standard they use to identify states with "high" proportions of error-prone households, likely qualifying more states for an adjustment. For error rates figured for FY2003 and later years, additional adjustments to states' total payment error rates are permitted, as the Secretary determines consistent with achieving the purposes of the Food Stamp Act. (Section 431)

The Senate amendment beginning with FY2002, requires the Secretary to measure states' performance with respect to the proportion of households with children having (a) income below 130 percent of the federal poverty income guidelines and (b) annual earnings of at least half the full-time minimum wage equivalent who receive food stamps. Beginning with FY2002, it also requires the Secretary to measure states' performance with respect to four additional measures established by the Secretary in consultation with the National Governors Association, the American Public Human Services Association, and the National Conference of State Legislatures. The additional four measures must be established not later than 180 days after enactment, and at least 1 measure must relate to the provision of timely and appropriate services to food stamp applicants and recipients.

In FY2003 and each following year, it requires the Secretary to make "high performance bonus payments" totaling $6 million for each of the 5 measures noted above. For each measure, payments (allocated by caseload size) are to be made to the 6 states with (1) the greatest improvement in performance, (2) the highest level of performance, or (3) a combination of greatest improvement and highest performance. Among the 6 states chosen for payments under each measure, payments are allocated according to caseload size.

The Senate amendment prohibits bonus payments to states subject to a quality control system sanction for that fiscal year and it provides that the Secretary's determinations relating to whether and in what amount bonus payments are made are not subject to judicial review. (Section 433)

The Conference substitute adopts the Senate provisions with amendments. In general, the new system eliminates features of current law under which approximately half the states must be assessed sanctions each year, reconfigures the formula for determining sanction amounts, delays any sanctions until a state has shown a persistently high error rate, explicitly recognizes a policy for new investment in improved administration by states with high error rates, places some limits on the Secretary's ability to excuse payment of sanctions, and replaces the current system for rewarding states with very low error rates with a requirement to pay bonuses to states that exhibit exemplary administrative performance. The major features of the Conference substitute are as follows.

Threshold for potential sanctions: The threshold for sanctions is set at 105 percent of the national average, rather than the national average as under current law.

Calculation of state error rates: A state is not considered to be above the threshold unless there is a 95 percent statistical certainty that the state's error rate is truly above the threshold.

Sanction Notification and Method of Payment: When the Secretary determines that a state must pay a sanction, the state agency, the Governor, and the state legislature must be notified. The Chief Executive Officer of the state subject to a sanction must remit the amount of the sanction or the state's letter of credit will be reduced.

Corrective action plans: States with combined error rates of 6 percent or more are required to provide a corrective action plan to the Secretary.

Time period for sanctions: States will not have a sanction amount calculated until the second consecutive year in which their error rates exceed the threshold. If, in the following year, they still exceed the threshold, they will be required to pay an amount the Secretary has determined to be at risk.

State liability: States' potential liability amounts will equal dollar issuance multiplied by ten percent of the amount by which a state's error rate exceeds a six percent threshold. Under the Conference substitute, the Secretary has the authority to resolve the liability (calculated for the second consecutive year in which the state exceeds the threshold) in one of three ways: require the state to reinvest up to 50 percent of the liability; hold up to 50 percent of the liability "at risk," to be paid as a sanction by the state the following year only if the state's error rate continues to exceed the threshold; or to waive any amount that is not reinvested or held at risk. If a state fails to reduce its error rate to below the threshold for a third consecutive year, it must pay its 'at-risk' amount to the federal government. The Secretary may settle amounts required to be reinvested.

Waivers, Adjustments and Appeals: The Secretary retains the authority to waive any amount of a state's potential liability and to make adjustments to claims against states. States continue to have the full right to appeal liability amounts.

Enhanced funding and bonus payments: Enhanced funding is eliminated for Fiscal Year 2003 and beyond and replaced by bonuses to states. The Secretary must issue regulations regarding the criteria for bonus awards for FY2005 and succeeding years. Performance criteria specified in legislation include those related to actions taken to correct errors; reduce rates of error; and improve eligibility determinations, including in the area of service delivery (such as timeliness and a low rate of improper denials). The Secretary is directed to solicit concrete ideas within these general areas from state agencies and organizations that represent state interests prior to issuing proposed regulations. For FY2003 and FY2004, the Secretary is provided the authority to issue guidance to the state regarding criteria for bonus awards.

Effective dates: The new policy is effective for error rates measured in FY2003 and sanctions and enhanced funding laws and regulations are unchanged for FY2002 and prior years. (Sections 4118 and 4120)

(6) Simplified Application and Eligibility Determination Systems

The House bill requires the Secretary to spend up to $9.5 million to provide grants to states to develop and implement programs that improve the food stamp application and eligibility determination process. (Section 405)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to establish a program of grants to states and other eligible entities to simplify food stamp application and eligibility determination systems and to improve access to the food stamp program. The Secretary would be required to fund grants totaling up to $5 million per year for projects: to coordinate application and eligibility procedures; establish methods for applying and determining eligibility that use electronic alternatives; otherwise improve program administration; or improve access to the Program. Grants could not be made for on-going costs and preference would be given to government/non-government partnerships.

In addition to the types of projects described in the amendment, the Managers believe that other types of projects may be permissible under this section. These projects include but are not limited to:

(a) establishing a single site at which individuals may apply for food stamp benefits, supplemental security income, Medicaid, states' children's health insurance program benefits, WIC benefits and benefits under other programs as determined by the Secretary;

(b) developing systems to enable increased participation in the provision of benefits under the food stamp program through farmers' markets, roadside stands, and other community-supported agriculture programs, including wireless electronic benefit transfer systems and other systems appropriate to open-air settings where farmers and other vendors sell directly to consumers;

(c) encouraging consumption of fruit and vegetables by developing a cost-effective system for providing discounts for purchases of fruit and vegetables made through use of electronic benefit transfer cards; or,

(d) reducing barriers to participation by individuals, with emphasis on working families, eligible immigrants, elderly individuals, and individuals with disabilities.

The Conference substitute repeals existing grant authority (Section 17(i)), dependent on appropriations, in the expectation that similar grants may be made under this new authority. (Section 4116)

(7) Authorization of Appropriations: Employment and Training Programs

The House bill reauthorizes the existing food stamp employment and training program through FY2011. It sets the annual amount of unmatched federal funds at the current FY2002 level of $165 million. It also preserves the current requirement to use at least 80 percent of unmatched federal funding for able-bodied adults without dependents (ABAWDs). (Section 406(a))

The Senate amendment extends the requirement for unmatched federal funding for employment and training programs through FY2006; and sets the basic amount of unmatched federal funding at $90 million a year for FY2002–FY2006.

In addition to the basic $90 million a year, the Senate amendment requires the Secretary to allocate up to $25 million a year for FY2002–FY2006 to reimburse states for services to able-bodied adults without dependents (ABAWDs). In order to be eligible for a share of this unmatched funding, a state must (1) exhaust its basic funding allocation and (2) make and comply with a commitment to offer an employment/training placement ("position") to all applicant/recipient ABAWDs who are in the last month of their 6-month eligibility period under ABAWD work rules and not eligible for an exemption.

The Senate amendment rescinds any unmatched federal funding provided through FY2001 unless obligated by a state before enactment. However, the new $90 million basic grant money would remain available until expended, while the new $25 million ABAWD grant money would not. It also provides that the basic $90 million a year in unmatched federal funding be allocated among states according to a formula established and adjusted by the Secretary that takes into account their ABAWD populations; and eliminates the requirement to use at least 80 percent of unmatched federal funding for ABAWDs.

The Senate amendment eliminates the "maintenance of effort" requirement, whereby states must maintain expenditures on employment and training programs at a level not less than FY1996 spending in order to receive a portion of their allocation of unmatched federal funding; and eliminates the authority for the Secretary to set reimbursement levels for each qualifying employment and training slot that a state offers or fills. (Section 434)

The Senate amendment eliminates the $25 per-month limit on the amount that states provide to participants in employment and training programs for transportation and other costs (other than dependent care costs) that are reasonably necessarily and directly related to their participation. (Section 169(c)(3)) It also eliminates the limit on federal matching payments for these costs. (Section 169(c)(4))

The Conference substitute adopts the Senate provision with technical changes, and amendments to: provide unmatched funding through FY2007, reduce the allocation from "up to $25 million a year" to "up to $20 million a year" to reimburse states for services provided only to ABAWDs, and eliminate the requirement that states must exhaust their basic funding allocation before being eligible for a share of this unmatched funding. (Section 4121)

(8) Authorization of Appropriations: Cost Allocation

The House bill extends the required reduction in federal matching payments to states for administrative costs through FY2011. (Section 406(b))

The Senate amendment extends the required reduction in federal matching payments to states for administrative costs through FY2006. (Section 435(a))

The Conference substitute adopts the House provision with an amendment to reauthorize the required reduction in federal matching payments to states for administrative costs through FY2007. (Section 4122)

(9) Authorization of Appropriations: Cash Payment Pilot Projects

The House bill extends the authority for cash payment projects through FY2011, if the state requests. (Section 406(c))

The Senate amendment extends authority for cash payment projects through FY2006, if the state requests. (Section 435(b))

The Conference substitute adopts the House provision with an amendment to extend the authority for cash payment projects through FY2007, if the state requests. (Section 4122)

(10) Authorization of Appropriations: Outreach Demonstration Projects

The House bill extends the authority for outreach demonstration projects through FY2011. (Section 406(d))

The Senate amendment extends the authority for outreach demonstration projects through FY2006. (Section 435(c))

The Conference substitute repeals the authority for outreach demonstration projects and replaces it with new grant authority found in Section 4116. (Section 4122)

(11) Authorization of Appropriations

The House bill extends the authorization of appropriations for the Food Stamp Act through FY2011. This includes the food stamp program as well as the Food Distribution Program on Indian Reservations. (Section 406(e))

The Senate amendment extends the authorization of appropriations for the Food Stamp Act through FY2006. This includes the food stamp program as well as the Food Distribution Program on Indian Reservations. (Section 435(d))

The Conference substitute adopts the House provision with an amendment to extend the authorization of appropriations for the Food Stamp Act through FY2007. This includes the food stamp program as well as the Food Distribution Program on Indian Reservations. (Section 4122)

(12) Puerto Rico and Territory of American Samoa

The House bill extends Puerto Rico's nutrition assistance block grant through FY2011, retaining annual indexing for food-price inflation using changes in the cost of the

Thrifty Food Plan. It also authorizes the use of up to $6 million to pay for upgrading and modernizing electronic data processing systems and implementing systems to simplify eligibility determinations without regard to the regular 50 percent administrative cost matching requirement. (Section 406(f))

The House bill extends American Samoa's nutrition assistance grant through FY2011 and increases the size of the annual grant to $5.75 million in FY2002 and $5.8 million a year for FYs 2003–2011. (Section 406(g))

The Senate amendment consolidates funding for Puerto Rico's nutrition assistance block grant and American Samoa's nutrition assistance grant and establishes the consolidated "mandatory" grant through FY2006. The base consolidated grant amount would be $1.356 billion (FY2002), which would then be adjusted for food-price inflation using changes in the cost of the Thrifty Food Plan starting with FY2003. Under the terms of the consolidated grant, Puerto Rico would receive 99.6 percent of the annual total. Of the amount paid to Puerto Rico in FY2002, up to $6 million could be used to pay for upgrading and modernizing electronic data processing systems, implementing systems to simplify eligibility determinations, and operating electronic benefit transfer systems without regard to the regular 50 percent administrative cost matching requirement. Not later than 270 days after enactment, the Senate amendment requires the GAO to develop and submit a report to Congress that: describes the similarities and differences (in program administration, rules, benefits, and requirements) between the regular Food Stamp program and Puerto Rico's nutrition assistance program; specifies the costs and savings associated with each similarity and difference; and? states the recommendation of the GAO as to whether additional funding should be provided to carry out Puerto Rico's nutrition assistance program. Effective on the date of submission of the report, it authorizes additional appropriations for the new consolidated nutrition assistance block grant at a level of $50 million a year.

Under the terms of the consolidated grant, American Samoa would receive .4 percent of the annual total. (Section 439)

The Conference substitute adopts the Senate provision with a number of amendments: authorizing the consolidated grant through FY2007; deleting reference to the report and authorization for appropriations; increasing the base consolidated grant amount by (approximately $10 million per year for Puerto Rico) to $1.401 billion in FY2003; allowing carryover of up to two-percent of funds; allowing the one-time authority to use $6 million for upgrading and modernizing electronic data processing systems, implementing systems to simplify eligibility determinations, and operating electronic benefit transfer systems without regard to the regular 50 percent administrative cost matching requirement, in either FY2002, FY2003 or in both years. (Section 4124)

(13) Authorization of Appropriations: Assistance for Community Food Projects

The House bill extends the authority for community food project grants through FY2011 and increases the amount reserved to $7.5 million a year, beginning in FY2002. (Section 406)

The Senate amendment extends the authority for community food project grants through FY2006; and maintains the amount reserved at $2.5 million a year. It also increases the federal share of projects' costs to 75 percent.

The Senate amendment broadens the list of projects that must be given preference by: modifying the 4th preference category to projects that encourage long-term planning activities and multi-system, interagency approaches with multi-stakeholder collaborations, that build the long-term capacity of communities to address their food and agriculture problems (such as food policy councils and food planning associations); and adding a 5th preference category of projects that meet (through grants not exceeding $25,000 each) specific neighborhood, local, or state food and agriculture needs including: needs for infrastructure improvement and development (purchase of equipment for production, handling, or marketing of locally produced food), needs for planning for long-term solutions, or needs for the creation of innovative marketing activities that mutually benefit farmers and low-income consumers. (Section 440)

The Conference substitute adopts the House provision with amendments to increase funding for the projects to $5 million per year, extend the authority for community food project grants through FY2007, and add additional language describing other purposes for community food projects which must meet specific state, local, or neighborhood food and agriculture needs, including needs for infrastructure improvement and development; planning for long-term solutions; or, the creation of innovative marketing activities that mutually benefit agricultural producers and low-income consumers.

The Conference substitute includes language from former Senate section 443 ("Innovative Programs for Addressing Common Community Problems") as a new subsection (h) and provides funding for additional years such that not later than 90 days after enactment, and on October 1 of each of fiscal years 2003 through 2007, the Secretary must allocate $200,000 out of the funds made available under this section, to implement subsection (h), and to remain available until expended. The Conference language permits the Secretary in selecting a non-governmental organization (NGO) to carry out this provision to either contract with that NGO or provide a grant to that NGO indicating the responsibilities to be completed for the $200,000. (Section 4125)

As was the case with the Senate amendment, the Managers intend that the NGO selected by the Secretary to carry out this subsection shall: be experienced in gathering relevant information about successful innovative programs; be experienced in working with other targeted entities (NGOs, federal agencies, states, and political subdivisions) and be experienced in providing information about such innovative programs; and be experienced in operating a national information clearinghouse. In addition, the Managers intend that the NGO selected under subsection (h) shall contribute in-kind resources toward implementation of any contract or grant and should be prepared to coordinate with targeted entities and with the Community Food Security Coalition.

(14) Authorization of Appropriations: Availability of Commodities for Emergency Food Assistance Programs

The House bill extends the requirement to purchase commodities for The Emergency Food Assistance Program (TEFAP) through FY2011 and increases to $140 million a year through FY2011 the amount of commodities the Secretary must purchase for TEFAP. Beginning in FY2002, the House bill requires the Secretary to use $10 million a year of the TEFAP funds to pay for direct and indirect costs related to processing, storing, transporting, and distributing commodities, including gleaned commodities. (Section 406(i))

The Senate amendment extends the requirement to purchase commodities for TEFAP through FY2006 and increases the amount reserved for TEFAP to $110 million a year for FY2002–2006. The provision setting aside $10 million a year is the same as the House bill, but through FY2006. (Section 441)

The Conference substitute adopts the House funding level of $140 million a year with an amendment extending the purchasing requirement through FY2007, eliminating the $10 million a year set-aside, and increasing the authorization of appropriations from $50 million to $60 million a year for direct and indirect costs related to processing, storing, transporting, and distributing commodities, including gleaned commodities. (Section 4126)

SUBTITLE B—COMMODITY DISTRIBUTION

(15) Distribution of Surplus Commodities to Special Nutrition Projects

The House bill extends this requirement through FY2011. (Section 441)

The Senate amendment reauthorizes the commodity distribution program through FY2006. (Section 451(c))

The Conference substitute adopts the Senate provision with an amendment to reauthorize the program through FY2007. (Section 4203)

(16) Commodity Supplemental Food Program

The House bill reauthorizes the commodity supplemental food program through FY2011. (Section 442)

The Senate amendment reauthorizes the commodity supplemental food program through FY2006. (Section 451(a))

The Senate amendment also replaces the current rule limiting administrative payments to 20 percent of the Commodity Supplemental Food Program (CSFP) appropriation with a requirement for "grants per caseload slot." The amendment requires the Secretary to provide each state CSFP agency (from discretionary funds for the current year or carried over) an administrative grant per assigned caseload slot, as follows: for FY2003, the grant would be $50 per assigned caseload slot adjusted for the percentage change in the state and local government price index of the Bureau of Economic Analysis between the 12-month period ending June 30, 2001, and the 12-month period ending June 30, 2002. For later years, the per-slot grant would be adjusted in the same manner. (Section 451(b))

The Conference substitute adopts the Senate provision with amendments reauthorizing the program through FY2007; requiring the Secretary to use the FY2001 fiscal year grant-per-assigned slot as the baseline from which the administrative cost grant per assigned caseload slot is calculated, rather than using $50 as the base; requiring the Secretary to spend the amount necessary to permit all states that began to participate in the Commodity Supplemental Food Program in the FY2000 caseload cycle to participate at a caseload level not less than their originally assigned caseload through the FY2002 caseload cycle , as determined by the Secretary. Funding from the Commodity Credit Corporation (CCC) is provided to permit the Secretary to alleviate an unusual situation that has arisen in two states that have recently implemented the CSFP. This is a one-time emergency use of CCC funds and is not intended as a precedent for drawing on the CCC to supplement appropriations for the CSFP. (Section 4201)

(17) Emergency Food Assistance

The House bill reauthorizes TEFAP administrative cost appropriations through FY2011 and revises the definition of costs to be covered to include the costs to the states related to the processing, storage, transporting, and distributing commodities. (Section 443)

The Senate amendment reauthorizes TEFAP administrative cost appropriations through FY2006 and revises the definition of costs to be covered to include the costs to the states related to the processing, storage, transporting, and distributing commodities. (Section 451(d))

The Conference substitute adopts the House provision with an amendment to reauthorize TEFAP administrative costs through FY2007. (Section 4204)

SUBTITLE C—MISCELLANEOUS PROVISIONS

(18) Hunger Fellowship Program

The House bill establishes an independent agency of the Legislative Branch of the U.S. government, the Congressional Hunger Fellows Program. (Section 461)

The Senate amendment establishes a Congressional Hunger Fellowship. This formalizes an internship program already being carried out by the Congressional Hunger Center and funded under annual appropriations bills. (Section 462)

The Conference substitute adopts the House provision but deletes a reference to "a commitment to social change" as a required attribute for fellows. In addition, it directs the program to make available to the General Accounting Office the salaries of the Executive Director and personnel, in addition to the other materials already included, to carry out audits. (Section 4404)

(19) General Effective Date

The House bill designates that the amendments made by this title shall take effect on October 1, 2002, unless otherwise specified. (Section 462)

The Senate amendment designates that the amendments made by this title shall take effect on September 1, 2002, except that a state agency may elect to implement any or all of the amendments on October 1, 2002. (Section 464)

The Conference substitute adopts the House provision. (Section 4405)

(20) Payment limitations; Nutrition and Commodity Programs

The Senate amendment increases the cap on the amount that may be claimed as an excess shelter expense deduction. For FY2003, the cap would be $390 a month for the 48 states and the District of Columbia, $624 for Alaska, $526 for Hawaii, $458 for Guam, and $307 for the Virgin Islands. For FY2004–FY2009, amounts would be annually adjusted for changes in the Consumer Price Index for All Urban Consumers (CPI–U). Effective, FY2010, the cap is eliminated. (Section 169(c)(2))

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(21) Encouragement of Payment of Child Support

The Senate amendment permits states to (1) exclude completely from a household's counted income any legally obligated child support payments made by a household member (before calculating any deductions) or (2) continue to deduct them in the calculation of net income (as under current law). Regardless of a state's exclusion or deduction choice, the Senate amendment requires the Secretary to establish simplified procedures that allow a state option to determine the amount of child support paid. These must include procedures that permit states to rely on information from state child support enforcement agencies about payments made in prior months in lieu of obtaining current information from the household. The amendment also allows states to freeze the amount of any child support payment exclusion or deduction until the eligibility of the household is re-determined. (Section 411)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment and an amendment that deletes the state option to freeze the amount of child support payment exclusion or deduction. In addition, states are allowed to rely on information from child support enforcement agencies about payments made in prior months. (Section 4101)

(22) Simplified Determination of Housing Costs

The Senate amendment mandates that states treat any required payment to a landlord as a housing or shelter cost when determining a household's shelter expenses for application of the excess shelter expense deduction. The payments are included without regard to the specific charges they cover. It also permits states to allow homeless households not receiving free shelter throughout the month to choose a standard shelter deduction from income (set by law at $143 a month) in lieu of any excess shelter expense deduction. Sates could deny this deduction to households with extremely low shelter costs. Homeless households would continue to be permitted to choose the regular excess shelter expense deduction that is based on actual shelter costs. (Section 414)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that strikes the section mandating that states treat any required payment to a landlord as a housing or shelter cost when determining a household's shelter expenses for application of the excess shelter expense deduction. It does, however, permit states to allow homeless households not receiving free shelter throughout the month to receive a standard deduction from income in lieu of any excess shelter expense deduction.

The Conference substitute deletes the Senate provision that allows all required payments to landlords to count as eligible shelter costs for the purpose of calculating a food stamp excess shelter expense deduction. The Secretary should review current rules governing allowable shelter costs and their implementation and identify any means, within existing authority, to modify or communicate these rules in a manner that makes the determination of eligible shelter costs less complicated and error prone for food stamp participants and eligibility workers. (Section 4105)

(23) Simplified Utility Allowances

The Senate amendment allows states choosing to make standard utility allowances (SUAs) mandatory to do so without regard to the current metered public housing and prorating rules. SUAs could be used in lieu of actual costs for all households incurring a heating or cooling expense and covered by a mandatory SUA without having to determine their utility metering status or prorated expenses. (Section 415)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4104)

(24) Simplified Procedure for Determination of Earned Income

The Senate amendment allows states to elect to determine monthly-earned income by multiplying weekly income by 4 and biweekly income by 2. The amendment requires states making this election to adjust the earned income deduction (normally 20 percent of earnings) downward for all households with earnings to the extent necessary to prevent the election from resulting in increased benefit costs consistent with standards promulgated by the Secretary. (Section 416)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(25) Simplified Determination of Deductions

The Senate amendment establishes a state option to disregard most types of changes in household circumstances that affect the amount of those deductions until the next determination of eligibility. The amendment makes clear that states are not permitted to disregard (1) any reported change in residence or (2) under standards prescribed by the Secretary, any change in earned income. (Section 417)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. States will be able to disregard changes in: household size; the costs for dependent care; the amount of child support payments; medical expenses for elderly or disabled individuals; and shelter costs, unless they were the result of a move. (Section 4106)

(26) Simplified Definition of Resources

The Senate amendment requires the Secretary to promulgate regulations under which a state may exclude any types of financial resources that it does not consider when determining eligibility for cash assistance under its TANF program, or medical assistance under its Medicaid program. This authority would not allow the exclusion of cash, vehicles (except to the extent states already are allowed to use their TANF standard to exclude vehicles), and readily available amounts in any account in a financial institution, or any similar type of resource the Secretary judges essential to equitable determinations of eligibility. The intent of this provision is to align with, to the extent possible, Medicaid and TANF rules. The Secretary will only count types of resources that are required by law or judged to be absolutely essential to equitable determinations of eligibility in the food stamp program. (Section 418)

The Senate amendment also adds households with disabled members to those covered by the current $3,000 liquid asset limit applied to the elderly. (Section 171(c)(1))

The House bill contains no comparable provisions.

The Conference substitute adopts the Senate provisions. (Section 4107)

(27) Alternative Issuance Systems in Disasters

The Senate amendment allows the Secretary to adjust issuance systems in disaster situations to take into account any conditions that make reliance on EBT systems impracticable, effectively permitting the issuance of cash or other forms of benefits. (Section 419)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4108)

The Managers expect the authority provided in this section for alternative issuances in disaster programs will only be used in the most extreme circumstances, after the Secretary, working with the state, has exhausted all other means of benefit delivery and determined that electronic systems cannot be restored in a timely fashion and that the use of food coupons is impractical.

(28) State Option to Reduce Reporting Requirements

The Senate amendment allows states to establish semi-annual reporting requirements for any household, independent of the presence of earners or other characteristics. However, households required to report less often than once each 3 months are required to report, in a manner prescribed by the Secretary, if their income exceeds the food stamp gross income eligibility limit (130 percent of the federal poverty income guidelines). (Section 420)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4109)

(29) Benefits for Adults Without Dependents

The Senate amendment changes the "3-months-out-of-36 months" rule to make able-bodied adults without dependents (ABAWDs) ineligible if, during the preceding 24 months they received benefits for 6 months while not meeting work-related requirements. ABAWDS ineligible under this new "6-months-out-of-24-months" rule may become eligible during any period in which they work 20+ hours a week, participate in a work program 20+ hours a week, or participate in a workfare program. In implementing the new "6-months-out-of-24-months" rule, states are required to disregard any period before enactment during which an individual received food stamps.

The Senate amendment changes the definition of a qualifying work program to include job search or job search training programs if (1) they meet standards set by the Secretary to ensure that participants are continuously and actively seeking private-sector employment and (2) no position is available for the participant in another employment or training program. (Section 421)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(30) Preservation of Access to Electronic Benefits

The Senate amendment requires that no benefits provided through EBT systems be taken "off-line" (or otherwise made inaccessible) because of inactivity until at least 180 days have elapsed since the recipient household last accessed the account. Where benefits are taken off-line or made inaccessible, it requires that the household be sent a notice that explains how to reactivate benefits and offers assistance if the household is having difficulty doing so. These requirements apply to states as they enter into EBT contracts. (Section 422)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(31) Cost Neutrality for Electronic Benefit Transfer Systems

The Senate amendment eliminates the current requirement that EBT systems not cost the federal government more than the prior paper issuance systems. (Section 423)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4110)

The Managers encourage the Department to continue its cost containment and competition efforts and its efforts to work with the states on this issue. Information about these efforts will be provided in the report detailed in Section 4110.

(32) Alternative Procedures for Residents of Certain Groups' Facilities

The Senate amendment provides a state option that allows the provision of an inflation-adjusted standardized monthly benefit to residents of group homes, rather than going through the individualized benefit calculation for each resident. The group homes that are eligible include those for the disabled; shelters for battered women/children or the homeless, and substance abuse treatment centers. Recipients' benefits are calculated according to standardized procedures established by the Secretary and take into account benefits typically received by recipients in these group living facilities.

States shall issue benefits to the facility (as an authorized representative), and the Secretary shall establish procedures to ensure that the facility does not receive a greater proportion of a recipient's monthly benefits than the proportion of the month during which the recipient lived there.

Group living facilities are required to (1) notify the state when a recipient departs and (2) notify the recipient that the recipient is eligible for continued benefits and should contact the state about continuation of benefits.

On receiving notification that a recipient has departed a group living facility, the state is required to issue the recipient a benefit allotment covering the remainder of the month (calculated in a manner prescribed by the Secretary) unless the recipient re-applies for food stamps or the state cannot locate the recipient. The state also is permitted to issue a benefit allotment for the month following departure calculated under the standardized procedures used to set the amount received while the departed recipient lived in the group living facility. Recipients who have left group facilities and re-apply for food stamps will have their benefits determined under regular food stamp rules. (Section 424)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to convert this provision to a pilot program that tests, at the request of a state agency or state agencies, the feasibility of the alternative procedures for determining allotments for residents of groups living in certain group facilities. If an insufficient number of pilot projects are proposed by state agencies or the Secretary concludes that this is not in the best interest of the food stamp program, the Secretary must inform the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture, and will not implement this provision nationwide. (Section 4112)

(33) Redemption of Benefits Through Group Living Arrangements

The Senate amendment allows the Secretary to authorize group living facilities to redeem food stamp benefits through direct use of EBT cards, if they are equipped with "point-of-sale" devices. This provision allows authorized group living facilities to continue a practice they have been carrying out using waiver authority. (Section 425)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4113)

(34) Availability of Food Stamp Program Applications on the Internet

The Senate amendment requires states to make food stamp applications available on their agencies' Internet websites in each language in which printed applications available. (Section 426)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to change the effective date for this provision to 18 months after enactment of this Act. Section 504 of the Rehabilitation Act requires state agencies to make their web sites accessible to people with disabilities. The requirement includes ensuring that documents are in a format in which browsers for the visually impaired can read them, and that they can be converted to Braille documents; that graphic elements that convey meaning have text explanations available; and that English language text is also available in other languages, as appropriate. Many states have already adopted standards that comply with this requirement. States should, therefore, not incur additional costs to put their food stamp application forms on their web sites. (Section 4114)

(36) Simplified Determinations of Continuing Eligibility

The Senate amendment provides for procedures for re-determining recipient households' continuing eligibility that are consistent with re-determination procedures in other programs serving low-income families. It replaces assigned certification periods and the rules governing recertification with new "eligibility review periods" under which states periodically review the eligibility status of recipient households. Eligibility review periods are up to 12 months (or 24 months if all adult household members are elderly or disabled), and states are required to have at least 1 contact with each household every 12 months. Eligibility review periods are not necessarily assigned to each household when their eligibility is established. Instead, states are mandated to periodically require each household to cooperate in a re-determination of eligibility. Each redetermination is based on information supplied by the household and has to conform to standards established by the Secretary, and the interval between redeterminations cannot exceed 12 or 24 months. Where households are found ineligible (or eligible for a reduced amount) in their re-determination, they can continue to receive benefits until the conclusion of any fair hearing process. (Section 427)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(37) Clearinghouse for Successful Nutrition Education Efforts

The Senate amendment requires the Secretary to (1) ask states for descriptions of successful nutrition education programs for the food stamp and other nutrition assistance programs, (2) make them available on the Agriculture Department's website, and (3) inform states of their availability on the website. (Section 428)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. In March 2002, the U.S. Department of Agriculture unveiled a Website that features a clearinghouse for nutrition education efforts described in the Senate amendment.

(38) Delivery to Retailers of Notices of Adverse Action

The Senate amendment permits notices of adverse action against retailers to be delivered by any form of delivery that the Secretary determines will provide evidence of delivery. (Section 430)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4117)

(39) Improvement of Calculation of State Performance Measures

The Senate amendment changes the deadline for completion of error-rate determinations and arbitration of state-federal differences to May 31st; it also changes the deadline for the determination of final error rates and claims against states to June 30th. (Section 432)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4119)

(40) Coordination of Program Information Efforts

The Senate amendment permits states to use Temporary Assistance for Needy Families (TANF) funds to conduct food stamp information informational activities. (Section 436)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers understand that, to further the purposes of TANF, it is current policy to allow states to use TANF (and "maintenance of effort") funds for food stamp informational activities directed to families, long as they do not also charge these same costs to the food stamp program. The Managers expect the Secretary and the Secretary of Health and Human Services to issue guidance that clearly informs states of this policy.

(41) Expanded Grant Authority

The Senate amendment extends the Secretary's waiver authority to cover any and all contracts and grants authorized under this section. (Section 437)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4123)

(42) Access and Outreach Pilot Programs

The Senate amendment requires the Secretary to make grants to states and other entities to pay the federal share (75 percent) of the cost of projects to improve access to food stamp benefits or outreach to eligible individuals. It authorizes appropriations totaling $3 million for FY2003–FY2005 for pilot programs and requires the Secretary to evaluate funded projects, but limits spending on evaluations to no more than 10 percent of funds made available. Criteria for selecting grantees are to be developed by the Secretary and include a record of serving low-income individuals, ability to reach hard-to-serve populations, innovative proposals in the application, and the development of public-private partnerships and community linkages. Preference is required for project partnerships between states and private/public entities (e.g., food banks, community-based organizations, public schools and health clinics, nonprofit health or welfare agencies). At least 1 grantee has to be selected from each Food and Nutrition Service (FNS) region and additional rural or urban areas chosen by the Secretary. The Secretary is not required to select grantees where an insufficient number of applications have been received. (Section 438)

The House bill contains no comparable provision.

The Conference substitute combines Section 405 of the House Bill with Section 438 of the Senate amendment, as described in Section 4116: "Grants for simple application and eligibility determination systems and improved access to benefits."

(43) Use of Approved Food Safety Technology

The Senate amendment bars the Secretary from prohibiting the use of "any technology that has been approved by the Secretary or the Secretary of Health and Human Services" in acquiring commodities for distribution through TEFAP, the Food Distribution Program on Indian Reservations (FDPIR), the Commodity Supplemental Food Program (CSFP), and programs under the Richard B. Russell National School Lunch Act and the Child Nutrition Act. This bar is effective on enactment. (Section 442)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment that clarifies that the Secretary cannot prohibit the use of any technology to improve food safety that has been approved or is otherwise allowed by the Secretary or the Secretary of Health and Human Services. In implementing this provision, the Secretary is not expected to set aside established, well-founded procurement practices. (Section 4201)

The Managers expect the Secretary to continue to make commodity purchases, taking into consideration the acceptability by recipients of products purchased and considering the relative costs of products available for purchase.

(44) Innovative Programs Addressing Common Community Problems

The Senate amendment requires the Secretary to offer a contract to a non-governmental organization to coordinate with federal agencies, states, political subdivisions, and nongovernmental organizations ("targeted entities") to develop, and recommend to the targeted entities, innovative programs for addressing "common community problems" including loss of farms, rural poverty, welfare dependency, hunger, the need for job training, juvenile crime prevention, and individuals' and communities' need for self-sufficiency. The organization must be selected competitively and must (1) be experienced in working with targeted entities and organizing workshops that demonstrate programs to targeted entities, (2) be experienced in identifying programs that effectively address "common community problems," (3) agree to contribute in-kind resources and provide targeted entities information free of charge, (4) be experienced in and capable of receiving information from (and communicating with) targeted entities throughout the U.S., and (5) be experienced in operating a national information clearinghouse that addresses "common community problems." It also makes available to the Secretary mandatory funding totaling $400,000 to carry out the contract in two installments effective on enactment.

This Senate provision was based in part on a project (called "Reinvesting in America") in which a non-profit group headquartered in New York, called World Hunger Year, gathered information about successful innovative local programs and then advised other NGOs, communities, or city, state or federal agencies (targeted entities) about these successful projects and about how to replicate them. This turned out to be a very efficient approach because other communities or agencies would be aware of the lessons learned by the community that originated the idea. World Hunger Year held "replication workshops" in which they advised these targeted entities about how to replicate those successful programs in other areas. World Hunger Year officials also provided information about some of these programs to the Community Food Security Coalition and to federal Departments. (Section 443)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. The Conference substitute includes a variation of this provision in House Section 440, as described in Section 4125.

(45) Report on Use of Electronic Benefit Transfer Systems

The Senate amendment requires the Secretary to submit a report to Congress on (1) difficulties relating to use of EBT systems, (2) the extent of fraud and the types of fraud that exist, and (3) the efforts being made by the Secretary, retailers, EBT contractors, and states to address difficulties and fraud in EBT systems. The report is due no later than one year after enactment. (Section 444)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that changes the elements to be included in the report. The report will include: a description of the status of statewide EBT implementation in the food stamp program; an indication of the number of vendors that currently hold an EBT-related contract with the states; information on the number of states that are working with multiple vendors and a description of how responsibilities are divided among the various vendors and other organizations within a given state; an explanation of the reasons any state is not operational statewide by October 1, 2002, how these issues are being addressed, and the expected date for statewide EBT operations; a description of the issues faced by any states that have awarded a second EBT contract in the last two years and the steps taken to resolve them; a description of the issues faced by any states that will award a second EBT contract within the next two years and strategies they are considering to address these issues; initiatives being considered or taken by USDA, food retailers, EBT vendors, and client advocates to address any outstanding issues with respect to EBT systems; and an examination of areas of potential advances in electronic benefit delivery in the next 5–10 years including but not limited to access to electronic benefits in farmers' markets, increased use of EBT transaction data to identify and prosecute fraud, and the fostering of increased EBT vendor competition to ensure cost-containment and optimal service. (Section 4111)

(46) Vitamin and Mineral Supplements

The Senate amendment adds dietary supplements that "provide exclusively 1 or more vitamins or minerals" to the food items that may be purchased with food stamp benefits.

Not later than April 1, 2003, the amendment requires the Secretary to contract with a scientific research organization to study and develop a report on technical issues, economic impacts, and health effects associated with allowing individuals to use food stamp benefits to purchase dietary vitamin-mineral supplements. The report is to be submitted to the Secretary no later than 2 years after the contract is entered into. The Senate amendment authorizes $3 million for the report. At a minimum, the report is to examine: the extent to which problems arise in the purchase of vitamin-mineral supplements with EBT cards; the extent of any difficulties in distinguishing vitamin-mineral supplements from herbal and botanical supplements (for which food stamp benefits may not be used); whether recipients spend more on vitamin-mineral supplements than nonrecipients; the extent to which vitamin-mineral supplements are substituted for other foods purchased with food stamp benefits; the proportion of the average food stamp allotment that is being used to purchase vitamin-mineral supplements; and the extent to which the quality of recipients' diets has changed as the result of allowing them to use food stamp benefits to purchase vitamin-mineral supplements. (Section 445)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(47) Partial Restoration of Benefits to Legal Immigrants

The Senate amendment makes legal permanent residents under age 18 eligible for food stamps without regard to date of entry. It also exempts them from requirements that their sponsors' financial resources be deemed to them in determining food stamp eligibility. The Senate amendment also reduces the work history requirement for legal permanent residents' eligibility for food stamps to 16 quarters (4 years); removes the 7-year limit on eligibility for refuges and people seeking asylum, Cuban/Haitian entrants, certain aliens whose deportation is being withheld for humanitarian reasons, and Vietnam-born Americans fathered by U.S. citizens; and makes eligible legal permanent residents receiving government disability benefits regardless of date of entry so long as they meet any non citizen test applied by the program under which they receive benefits. (Section 452)

Effective April 1, 2003, the Senate amendment makes eligible individuals who have continuously resided in the U.S. as "qualified aliens" for a period of 5 years or more beginning on the date on which the qualified alien entered the U.S. However, eligibility based on this new 5-year residence rule would not apply in the case of an alien who enters the country illegally and remains illegally for a period of one year or more (or has been an "illegal alien" for one year or more) unless the alien has continuously resided in the U.S. for a period of 5 years or more as of the "date of enactment." (Section 170(b) and (c))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that eliminates the provision that restricts application of the new 5-year residence rule by denying it to aliens who enter the country illegally and remain illegally for a period of one year or more. The substitute also eliminates the provision that changes the work history requirement provision for legal permanent residents' from 40 quarters (in current law) to 16 quarters and the removal of the 7-year limit on the length of time that refugees and people seeking asylum may participate in the program. The Managers note that application of the new 5-year residence rule to refugees and asylees has the same effect as lifting the 7-year limit. (Section 4401)

(48) Commodities for School Lunch Programs

The Senate amendment extends, until FY2004, provisions of current law that remove a mandate that any "bonus" commodities acquired for agricultural support purposes and donated to schools be counted toward a minimum requirement that 12 percent of all school lunch assistance be in the form of commodities. The provision, therefore, mandates that only entitlement commodities count toward the 12 percent requirement through FY2003. (Section 453)

The House bill contains no comparable provisions.

The Conference substitute adopts the Senate provision. (Section 4301)

(49) Eligibility for Free and Reduced-Price School Meals: Military Housing

Effective on enactment and through FY2003, the Senate amendment requires that, in cases where military personnel live in "privatized" housing, their housing allowance not be counted as income in determining eligibility for free and reduced-price school meals. (Section 454)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4302)

(50) Eligibility for Assistance Under the Special Supplemental Nutrition Program From Women, Infants, and Children

Effective on enactment, the Senate amendment adds an option for states to exclude any housing allowance in cases in which military personnel live in "privatized" housing whether on base or off base. (Section 455)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4306)

(51) Report on Conversion of the WIC Program Into an Individual Entitlement Program

The Senate amendment requires, no later than December 31, 2002, a report from the Secretary to the House Committee on Education and the Workforce and the Senate Committee on Agriculture, Nutrition, and Forestry that analyzes the conversion of the WIC program from a discretionary program into an individual entitlement program. It also requires the Secretary to use funds made available to carry out the WIC program to fund the cost of the report. (Section 456)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

The Managers expect that, in preparation for child nutrition programs' reauthorization in FY2003, the Department will work with the Congressional Budget Office, the Office of Management and Budget and others to review the current WIC funding approach and alternative approaches to ensure an appropriate level of funding is available throughout the fiscal year. Also in preparation for this legislation, the Managers encourage the continued development, refinement, and testing of a national standard for WIC electronic benefit transfer (EBT) transactions. The Managers encourage the completion of work on a national standard for WIC EBT transactions prior to WIC reauthorization.

In addition, the Managers understand that several states differentiate between 100 percent fruit juice and blended 100 percent fruit juices in formulating an approved WIC list. The Managers are aware that a number of factors are considered by a state when selecting products for its approved WIC list. The Managers encourage states not to limit the availability of eligible food choices of WIC participants, and strongly urge states to evaluate objectively the merits of WIC-eligible food products. The Managers encourage the Department to provide guidance to the states, making them aware that blended 100 percent fruit juices are permissible WIC products.

(52) Use of Commodities for Domestic Feeding Programs

The Senate amendment provides that, notwithstanding any provision of law concerning commodity donations, any commodities acquired in the conduct of CCC operations and any "Section 32" commodities may be used for any domestic feeding program involving acquisition and use of commodities. This authority applies to the extent that the commodities involved are in excess of quantities needed to carry out other obligations (including quantities otherwise reserved for a specific purpose). The domestic feeding programs covered by this authority include TEFAP, and programs authorized under the Richard B. Russell National School Lunch Act, the Child Nutrition Act, the Older Americans Act, or other laws the Secretary determines appropriate. (Section 457)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4202)

The Managers recognize that, under current law, the source of funding for the purchase of a particular commodity can limit the eligible recipient programs. As a result, distribution of commodities to the Department's School Nutrition Programs and other domestic programs has sometimes been difficult or prevented entirely. The limitation in the current law has stymied the two-fold purposes of commodity purchases—to support American agriculture and to provide nutritious foods through our domestic feeding programs. For purposes of this distribution authority, the Managers consider eligible excess commodities to be those that are purchased by the Commodity Credit Corporation or by the Secretary and remain available after all other authorized distributions, including distribution of specific quantities reserved for specific purposes, have been satisfied. This section allows more efficient, expeditious and direct distribution of excess commodities by expanding the Secretary's existing distribution authorities.

(53) Purchase of Locally Produced Foods

The Senate amendment requires the Secretary to: encourage institutions participating in the School Lunch and Breakfast programs to purchase locally produced foods, to the maximum extent practicable and appropriate and in addition to other food purchases; advise these institutions of the locally produced food policy; and provide start-up grants to up to 200 institutions to defray initial costs of equipment, materials, storage facilities, and similar costs incurred in carrying out the locally produced food policy. Also it authorizes appropriations of $400,000 a year for FY2002–FY2006. (Section 458)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

The intent of the Managers is to authorize the Secretary to award modest start-up grants for equipment, materials and similar costs associated with purchasing locally produced foods. It is not the intent to create a geographical preference for purchases of locally produced foods or purchases made with grant funds. All purchases are to be made competitively, consistent with federal procurement laws and regulations.

The Conference substitute also includes an amendment that treats Puerto Rico in the same way as Hawaii is treated under the Buy America provision in the National School Lunch Act. It extends, to the extent practicable, an advantage of domestic grown or produced products over foreign products, to Puerto Rico for purposes of the School Lunch Program. The Buy America provision originally applied only to the 48 contiguous states with the later addition of Hawaii.

The Managers want to make clear that school food authorities are still required to follow federal procurement rules calling for free and open competition and limit local product purchases to those that are practicable. Furthermore, while products from Puerto Rico will have an advantage over foreign products, this provision will not give an advantage to products produced or grown in one of the 48 contiguous states or Hawaii. (Section 4303)

(54) WIC Farmers' Market Nutrition Program

The Senate amendment makes available an additional $15 million in mandatory funding for the WIC farmers' market nutrition program no later than 30 days after enactment. (Section 460)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that funding for the program is made available out of the Commodity Credit Corporation. This emergency allocation of CCC funding to the WIC farmers' market nutrition program is made to meet a one-time shortfall and is not intended to set a precedent for the use of CCC resources to support the WIC farmers' market nutrition program. (Section 4307)

(55) Fruit and Vegetable Pilot Program

The Senate amendment requires the Secretary to use "Section 32" funds to conduct a pilot program to make free fruits and vegetables available to students in 25 schools in each of four states and students in schools on one Indian reservation, in the 2002–2003 school year. It also requires an evaluation of the pilot to determine whether students take advantage, whether interest increased or lessened over time, and what effect the pilot has on vending machine sales and sales of school meals. The Secretary is required to use $200,000 in "Section 32" funds to carry out the evaluation. The evaluation is to be conducted through the Economic Research Service and submitted to the House Committee on Education and the Workforce and the Senate Committee on Agriculture, Nutrition, and Forestry not later than one year after implementation of the pilot program. (Section 461)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments: The pilot will begin in July 2002 and last one year; free fresh and dried fruits and fresh vegetables will be made available throughout the school day in one or more areas designated by the school; not later than one year after the implementation of the pilot program, the Secretary (acting through the Economic Research Service) shall report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, the results of the pilot program; $6 million of Section 32 funds shall be made available to carry out this pilot program. (Section 4305)

The Managers agree that the intent of the pilot program is to determine the feasibility of carrying out such a program and its success as determined by the students' interest in participating in the program. The Managers encourage USDA to work with the schools to collect information on the types of schools that ultimately participate in the program, how schools choose to implement the program (including information on whether or not they incorporate nutrition education), and reasons for different implementation approaches. The Department is encouraged to find out from the schools about lessons learned and whether or not (and why) they are interested in continuing to participate in a similar program. To the extent practical, the Department is also asked to find out from teachers and/or students about students' attitudes and actual behavior over the course of time. The Managers recommend the selection of the following four states to participate in the pilot: Indiana, Iowa, Michigan, and Ohio. The Secretary will select the Indian reservation and the schools within each of the states that will participate in the pilot project.

(56) Nutrition Information and Awareness Pilot Program

The Senate amendment authorizes the Secretary to establish—in not more than 15 states—a pilot program to increase domestic consumption of fresh fruits and vegetables and convey related health messages. It authorizes appropriations of $25 million a year for FY2002–FY2006. The federal share of project costs is 50 percent and funds are not available to any foreign for-profit corporation. Where practicable, the amendment requires the Secretary to: establish the program in states where production of fresh fruits and vegetables is a significant industry; and base the program on "strategic initiatives," including health promotion and education interventions, public service and paid marketing activities, and health promotion and social marketing campaigns. In selecting states, the Senate amendment requires the Secretary to take into account the state's experience in: carrying out similar activities and its ability to be innovative, conduct marketing campaigns to promote produce consumption, track increases in levels of produce consumption, and to optimize the availability of produce. (Section 463)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments: establishing in not more than 5 states, and for a period not to exceed 4 years for each participating state, a pilot program for the purpose of increasing the domestic consumption of fresh fruits and vegetables and conveying related health promotion messages; funds may not be used to disparage any other agricultural commodities and funds made available to states under this program may not be provided by a state to any foreign for-profit corporation; regarding the Secretary selecting states to participate in the program, the funds may be used to enhance existing state programs that are consistent with the purposes of this section, and the Secretary shall take into consideration states' experience in carrying out similar projects or activities, innovative approaches, and the ability of the state to promote and track increases in levels of produce consumption; participating states shall establish eligibility criteria under which the states may select public and private sector entities to carry out demonstration projects under this program ; authorizing to be appropriated $10 million per fiscal year 2002 through 2007 to carry out this section. (Section 4403)

TITLE V—CREDIT

1(1) Eligibility of Limited Liability Companies for Farm Ownership Loans, Farm Operating Loans, and Emergency Loans

The House bill includes limited liability companies as entities eligible for USDA farmer loan programs. (Sec. 501)

The Senate amendment is identical to the House provision. (Sec. 521)

The Conference substitute adopts the House provision and also includes trusts as eligible entities. (Sec. 532)

(2) Suspension of Effectiveness of Certain Provision

The House bill provides that Sec. 319(b) of the Consolidated Farm and Rural Development Act (ConAct) limiting loan eligibility of borrowers with Farm Service Agency loan guarantees will have no effect through December 31, 2006. (Section 501)

The Senate amendment amends Sec. 311(c) of the ConAct by adding new provisions—(1) to require the Secretary to waive the direct OL loan eligibility limitations to a farmer or rancher who is a member of an Indian tribe and whose operation is within an Indian reservation; and (2) to authorize the Secretary, on a case-by-case basis, to grant a waiver for a direct OL loan to a borrower one time for a period of two years if the borrower demonstrates, a) he has a viable farm or ranch operation; b) he has applied for commercial credit from two commercial lenders; c) he was unable to obtain a commercial loan, including a loan guarantee; and d) he has completed successfully or will complete within one year a borrower's training course required under Sec. 359 of the ConAct. (Section 502(b))

The Conference substitute adopts the House provision with regard to loan eligibility under Section 319 (b) of the ConAct. (Sec. 512)

The Conference substitute adopts the Senate provision with regard to the case by case determination on the one time waiver of two years. The substitute also permits the Secretary to waive limitations with respect to direct loans for farmers and ranchers who farm land subject to the jurisdiction of an Indian Tribe, or when applicable security interests are subject to such jurisdiction, if commercial credit is not generally available. (Sec. 511)

(3) Administration of Certified Lenders and Preferred Certified Lenders Programs.

The House bill amends Sec. 331(b) of the ConAct to add a new provision authorizing the Secretary to administer the certified and preferred lender guaranteed loan programs through central offices in states or multistate areas. (Sec. 503)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to make the authority discretionary. (Sec. 539)

(4) Simplified Loan Guarantee Application Available for Loans of Greater Amounts.

The House bill amends Sec. 333A(g)(1) of the ConAct to increase the loan amount of the guaranteed program using a simplified short form to a maximum of $150,000. (Sec. 504)

The Senate amendment amends Sec. 333A(g)(1) to increase the loan amount of the guaranteed program using a simplified short from to $100,000. (Sec. 526)

The Conference substitute sets the loan amount at $125,000. (Sec. 537)

(5) Elimination of Requirement That Secretary Require County Committees To Certify in Writing That Certain Loan Reviews Have Been Conducted

The House bill strikes Sec. 333(2) of the ConAct to remove the requirement that county committees must certify in writing annually that farmer program borrowers' business operations and credit histories have been reviewed for the borrowers to continue to be eligible for the loan program. (Sec. 505)

The Senate amendment amends Sec. 333(2) by removing the requirement that local or area FSA committees must certify in writing that they have reviewed the credit histories, business operations and continued eligibility of all borrowers. The amendment retains language requiring that these annual reviews be conducted. (Sec 525)

The Conference substitute adopts the Senate provision. (Sec. 536)

(6) Authority To Reduce Percentage of Loan Guaranteed if Borrower Income Is Insufficient to Service Debt

The House bill amends Sec. 339(c)(4)(A) and (d)(4)(A) of the ConAct dealing with the certified and preferred guaranteed lending program to authorize the Secretary to guarantee less than 80 percent of farm program loans even though the borrower does not show adequate income as described in current law. (Sec. 506)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(7) Timing of Loan Assessments

The House bill strikes language in Sec. 360(a) of the ConAct to conform to a provision of the 1994 USDA Reauthorization Act that eliminated a requirement for the local county committee to approve a borrower's eligibility for farmer program loans. (Sec. 507)

The Senate amendment amends Sec. 360(a) of the ConAct by striking the words, "established pursuant to section 332". (Sec 552(d))

The Conference substitute adopts the House provision. (Sec. 546)

(8) Making and Servicing of Loans by Personnel of State, County or Area Committees

The House bill amends Subtitle D of the ConAct to add a new section 376 to require the Secretary to use Farm Service Agency state, area or county office employees to make and service farmer program loans if the personnel are trained to do so. This authority overrides the 90-day finality rule of FSA state, area or county office employees in Sec. 281(a)(1) of the USDA reorganization act. (Sec. 508)

The Senate amendment amends Sec. 281(a)(1) of the Department of Agriculture Reorganization Act so that the finality rule does not apply to an agricultural credit decision made by a state, area or county FSA employee. (Sec. 551)

The Conference substitute adopts the House provision. (Sec. 549)

This section would enable the Secretary to employ personnel of a State, county or area committee to make and service USDA farm loans to the extent the personnel are trained to do so. The Managers believe that the Secretary should provide that these individuals have been adequately trained in these areas in a comparable manner as USDA Farm Service Agency employees with the same job responsibilities. Furthermore, the Secretary should ensure that the credit decisions of these individuals are subject to the same USDA loan review as any USDA employee making credit decisions, including internal control review, and disciplinary action to protect against the misuse of government funds.

(9) Eligibility of Employees of State, County, or Area Committees for Loans and Loan Guarantees

The House bill Amends Subtitle D of the ConAct to add a new section 377 to make eligible Farm Service Agency local county office employees and USDA employees for farmer program loans so long as a local county office other than the applicant's home office approves the loan application. (Sec. 509)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment providing that when applying for loans, local/county employees apply to the State level and State employees apply to the federal level. (Sec. 550)

This section would allow employees of a State, county or area committee to be eligible for USDA farm loans as long as these loans are approved at a higher level within the Farm Service Agency, either at the state office or national level. The Managers believe it is important for these employees, many of whom are farmers in their communities, to have access to the same farm loan programs as other producers. Nevertheless, the Managers believe that a higher level of review is appropriate to alleviate concerns regarding the eligibility of these individuals for the farm loan programs.

(10) Emergency Loans in Response to an Economic Emergency Resulting From Sharply Increasing Energy Costs

The House bill amends: (1) Sec. 321(a) of the ConAct to include among natural disasters economic disasters caused by high energy costs and crop and livestock quarantines for which farmers, ranchers or persons engaged in aquaculture may be eligible for disaster loans; (2) Sec. 323 of the ConAct to conform disasters or emergencies referred to in this section caused by plant or animal quarantines or sharply rising energy costs; (3) Sec. 329 of the ConAct by adding a new subsection (b) requiring the Secretary to make financial assistance available when energy costs for any three-month period is at least 50 percent greater than the average of the preceding five years and the applicant's income loss was incurred to prevent livestock mortality, degradation of perishable commodities or damage to field crops; and (4) Sec. 324(a) of the ConAct by adding two provisions to limit the amount of any loan made in response to a quarantine to $500,000 and any loan made in response to an energy emergency to $200,000. (Sec. 510)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision only on providing new authority to make emergency loans for plant or animal quarantines. (Sec. 521)

(11) Extension of Authority To Contract for Servicing of Farmer Program Loans

The House bill reauthorizes the program in Sec. 331(d) of the ConAct through 2011 to allow the Secretary to contract with regulated financial institutions to service farmer program loans under the ConAct and removes the "temporary" designation of this program. (Sec. 511)

The Senate amendment amends Sec. 331 by striking subsections (d) [loan servicing pilot program for farm loans] and (e) [authority for the Secretary to use private debt collection agencies] and provides that any existing contracts are unaffected by this provision. (Sec. 523)

The Conference substitute adopts the Senate provision. (Sec. 534)

(12) Authorization for Loans

The House bill amends Sec. 346(b)(1) by reauthorizing the farmer loan programs at such sums as may be necessary. (Sec. 512)

The Senate amendment amends Sec. 346(b)(1) of the ConAct by providing not more than $3,796,000,000 for each of the fiscal years 2002 through 2006.

Of the above amount in each fiscal year, $770,000,000 shall be for direct loans of which—

(1) $205,000,000 shall be for farm ownership loans; and

(2) $565,000,000 shall be for operating loans.

Of the remainder of the above amount in each fiscal year, $3,026,000,000 shall be for guaranteed loans of which—

(1) $1,000,000,000 shall be for guaranteed farm ownership loans; and—

(2) $2,000,026,000 shall be for guaranteed operating loans. (Sec. 529(1)(A))

The Conference substitute adopts the Senate provision with an amendment to provide the authorization from fiscal years 2002 to 2007. (Sec. 541)

(13) Reservation of Funds for Direct Operating Loans for Beginning Farmers and Ranchers

The House bill amends Sec. 346(b)(2)(A)(ii)(III) of the ConAct to reauthorize the reservation of beginning farmer and ranchers loan amounts at 35 percent of the funds through 2011. (Sec. 513)

The Senate amendment amends Sec. 346(b)(2)(A)(ii) of the ConAct to provide that the Secretary shall reserve during fiscal years 2002 through 2006 35 percent of the funds made available for direct operating loans authorized to be appropriated under the ConAct. Further, in addition to funds made available under Agricultural Appropriations, the Secretary shall use $5,000,000 of funds of the CCC for fiscal year 2002 to make loans described in section 346(b)(2)(A)(i). (Sec. 529(1)(B))

The Conference substitute adopts the House provision with an amendment to provide the authorization from fiscal years 2002 to 2007. (Sec. 542)

(14) Extension of Interest Rate Reduction Program

The House bill amends Sec. 351(a)(2) to reauthorize the interest rate buy-down program for farmer program loan guarantees through 2011. (Sec. 514)

The Senate amendment amends Sec. 351 of the ConAct and replaces subsection (c) by providing an interest rate reduction of three percent for farmers and ranchers and four percent for beginning farmers and ranchers; authorizes $750,000,000 to carry out this program; and requires the Secretary to reserve until April of each fiscal year not less than 25 percent of the funds for the interest rate reduction program for beginning farmers and ranchers. (Sec. 530)

The Conference substitute adopts the Senate provision with an amendment that retains current law on the interest rate, but reserves 15% of funds in a fiscal year for beginning farmers and ranchers until March 1st and provides for a permanent authorization of $750 million annually. (Sec. 543)

(15) Increase in Duration of Loans under Down Payment Loan Program.

The House bill amends Sec. 310E (b)(3) of the beginning farmer and rancher down payment loan program by increasing the loan repayment period to 15 years and makes a conforming amendment to Sec. 310E (c)(3)(B). (Sec. 515)

The Senate amendment amends Sec. 310E (b)(3) of the beginning farmer and rancher down payment loan program by increasing the repayment period to 20 years (Sec. 507(1)(B)). The Senate amendment also makes a conforming amendment to Sec. 310E (c)(3)(B). (Sec. 507(2))

The Conference substitute adopts the House provision. (Sec. 505)

(16) Horse Breeder Loans

The House bill (1) defines a horse breeder as a person that derives more than 70 percent of the income of the person from the business of breeding, boarding, raising, training or selling horses during the shorter of (a) the five-year period ending on Jan. 1, 2001; or (b) the period the person has been engaged in the business; (2) directs the Secretary to make a loan to an eligible horse breeder for losses suffered from mare reproductive loss syndrome; (3) defines eligible breeders are those a) who suffered at least a 30 percent loss of mare offspring as a result of mare reproductive loss syndrome during the periods of Jan. 1, 2000–Oct. 1, 2000, or Jan. 1, 2001–Oct. 1, 2001. Losses could be from mares having failed to conceive, or miscarried, aborted or otherwise failed to produce a live healthy foal. Mares could be owned by a breeder or boarded on a farm owned, operated or leased by a breeder; b) who, during the period Jan. 1, 2000, and ending on Sept. 30, 2002, were unable to meet financial obligations in connection with breeding, boarding, raising, training, or selling horses; (c) who were unable to obtain sufficient credit elsewhere (within the meaning of Sec. 321(a) of the ConAct; (4) directs the Secretary shall determine the amount of the loan based on the amount losses suffered by a breeder but a loan may not exceed $500,000; (5) directs the Secretary shall determine the duration of the loan but any loan may not exceed 15 years; (6) establishes the interest rate shall be at a rate prescribed by Sec. 324(b)(1) of the ConAct; (7) directs the Secretary shall take a security interest in the loan; (8) establishes that a breeder must submit a loan application by Sept. 30, 200; (9) directs the Secretary shall carry out this section using funds made available for the emergency loan program under subtitle C of the ConAct; and (10) establishes the authority for this loan program expires on Sept. 30, 2003. (Sec. 516)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(17) Evaluations of Direct and Guaranteed Loan Programs

The House bill (1) requires the Secretary to conduct two studies of the direct and guaranteed farm ownership and operating loan programs. Each will include an examination of the number, average principal amount, and delinquency and default rates of loans during the period covered by the study. (2) The first study shall cover the one-year period that begins one year after enactment. The second study shall cover the one-year period that begins three years after enactment. (3) At the end of the period covered by each study, the Secretary shall submit reports to Congress that contains an evaluation of the results of the study, including an analysis of the effectiveness of the loan programs in meeting the credit needs of agricultural producers. (Sec. 517)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 531)

(18) Loan Eligibility for Borrowers With Prior Debt Forgiveness

The House bill amends Sec. 373(b)(1) of the ConAct to authorize the Secretary to make loans to borrowers who have not received debt forgiveness on loans or loan guarantees more than two times and to guarantee loans to borrowers who have not received debt forgiveness on loans or loan guarantees more than three times. (Sec. 519)

The Senate amendment contains no comparable provisions.

The Conference substitute deletes the House provision and provides for the Secretary to make an operating loan to a borrower who has received debt forgiveness on not more than one occasion that was directly and primarily resulting from a natural disaster as designated by the President. (Sec. 548)

(19) Allocation of Certain Funds for Socially Disadvantaged Farmers and Ranchers

The House bill amends Sec. 355(c)(2) of the ConAct to authorize the Secretary to provide unused funds allocated for socially disadvantaged farmers and ranchers within a state to other states where there are pending loan applications for (SDA) farmers and ranchers. Any remaining unused SDA funds within a state may be reallocated to other applicants in that state. (Sec. 520)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 544)

(20) Horses Considered To Be Livestock Under the Consolidated Farm and Rural Development Act

The House bill amends Sec. 343 of the ConAct to include horses within the meaning of livestock (Sec. 521)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(21) Temporary Suspension of Foreclosure on Certain Real Property Owned by, and Recovery of Certain Payments From, Borrowers With Shared Appreciation Arrangements

The House bill directs the Secretary upon enactment of the bill and through Dec. 31, 2002, to suspend foreclosure on real property secured by a shared appreciation arrangement and not attempt to recover payments on the terms of any shared appreciation arrangement entered into between the Secretary and a borrower. (Sec. 522)

The Senate amendment amends Sec. 353(e)(7) to provide alternatives to repaying the recapture amount of a shared appreciation arrangement by—(1) financing the recapture agreement; or (2) granting the Secretary an agricultural use protection and conservation easement on the secured property which is subject to the shared appreciation arrangment.

An agricultural use protection and conservation easement shall—(1) be for all of the real security property subject to the shared appreciation arrangement in lieu of payment of the recapture amount; (2) be for a term of 25 years; (3) require that the property subject to the easement be used or conserved for agricultural or conservation purposes in accordance with sound farming and conservation practices; and (4) provide that the borrower who is financing the recapture amount may replace the financing with an agricultural use protection and conservation easement.

The amendments shall apply to a shared appreciation arrangement that—(1) matures on or after the date of enactment; or (2) matured before the date of enactment if—(a) the recapture was reamortized under sec. 353(e)(7) or (b)(1) the recapture amount had not been paid before the date of enactment because of circumstances beyond the control of the borrower; and (b)(2) the borrower acted in good faith in attempting to repay the recapture amount. (Sec. 531)

The Conference substitute provides that the Secretary may modify a recapture loan on which a payment has become delinquent by using loan servicing tools if the default was beyond the control of the borrower and the borrower acted in good faith in attempting to repay the recapture loan. A reamortized loan may not exceed 25 years from the date of the original amortization agreement or provide for reducing the outstanding principal or unpaid interest due on the loan.

The Managers expect the Secretary to review USDA appeal policies regarding appraisals used for shared appreciation agreements. The Managers expect the Secretary to establish policies that will result in the use of the most accurate appraisal of assets, including the use of independent appraisals provided on appeal by the borrower that are consistent with Federal appraisal standards.

(22) Authority To Make Business and Industry Guaranteed Loans for Farmer-Owned Projects That Add Value to or Process Agricultural Products

The House bill amends Sec. 310B(a)(1) by expanding the Secretary's loan making authority in the business and industry loan program to larger than rural communities if a majority of the project involved is owned by individuals who reside and have farming operations in rural communities and the project adds value to or processes agricultural commodities. (Sec. 523)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(23) Direct Loans

The Senate amendment amends Sec. 302(b)(1) to authorize the Secretary to make direct farm ownership loans to farmers and ranchers who have "participated in the business operations of" a farm or ranch for not less than three years. (Sec. 501)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 501)

The Managers are aware of the limiting impact of the requirement for 3 years of operating experience on the eligibility of qualified beginning farmers and ranchers for farm ownership loans. The Managers intend for the Department to examine potential borrowers comprehensively in terms of their participation in the business operations of a farm or ranch, whether or not the potential borrower was the primary or senior operator. In making these determinations, the Department should ensure the borrower fully meets the training and experience requirement of section 302(a). The Department should also place considerable weight on whether the borrower has enrolled and will successfully complete the borrower training program.

(24) Financing of Bridge Loans

The Senate amendment amends Sec. 303(a)(1) to add a new purpose authorizing the refinancing of short-term temporary bridge loans made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of a farm or ranch if—the Secretary approved an application for a direct farm ownership loan for acquisition of the land and the funds for direct farm ownership loans were not available at the time the application was approved. (Sec. 502)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to refinance bridge loans made by commercial or cooperative lenders to borrowers who have a direct ownership loan approved and for which funds are available. (Sec. 502)

(25) Limitation on Amount of Farm Ownership Loans

The Senate amendment amends Sec. 305(a) to limit the unpaid indebtedness of any borrower to the lesser of—(1) the value of the farm or other security; or (2) in the case of a direct loan to a beginning farmer or rancher **$250,000** (adjusted for inflation) or **$200,000** to other farmers or ranchers; or in the case of a guaranteed loan, **$700,000** (adjusted for inflation and reduced by the amount of any unpaid indebtedness on guaranteed operating loans of the borrower). (Sec. 503)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(26) Joint Financing Arrangements

The Senate amendment amends Sec. 307(a)(3)(D) to require the Secretary to charge a rate of interest to beginning farmers or ranchers that is 50 basis points less than the rate charged to other farmers and ranchers on a direct loan that is part of a joint financing arrangement. (Sec. 504)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(27) Guarantee Percentage for Beginning Farmers and Ranchers

The Senate amendment amends Sec. 305(h)(6) to require the Secretary to guarantee 95 percent of a farm ownership loan to a beginning farmer or rancher participating in the down payment loan program or an operating loan to a beginning farmer or rancher who is participating in the down payment loan program during the period the borrower has an outstanding direct farm ownership loan. (Sec. 505)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(28) Guarantee of Loans Made Under State Beginning Farmer or Rancher Programs

The Senate amendment amends Sec. 309 by adding a new subsection to authorize the Secretary to guarantee loans made under a state beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond pursuant to the federal tax code. (Sec. 506)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 504)

(29) Down Payment Loan Program

The Senate amendment amends Sec. 310E (b)(1) to increase the principal amount of the down payment loan to be equal to 40 percent of the purchase price of the land acquisition. (Sec. 507(1)(A))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 505)

The Managers are aware that on an average per dollar basis, funds used for down payment loans serve over 3 times as many borrowers as regular farm ownership loans, and thus help to stretch limited loan funds and increase new farming and ranching opportunities. The Managers encourage the Secretary to widely publicize the availability of loans under this section as amended among potentially eligible recipients of the loans, retiring farmers and ranchers, and applicants for farm ownership loans under this subtitle and to coordinate the loan program established by this section with State programs that provide farm ownership or operating loans for beginning farmers and ranchers. The Managers strongly encourage the Secretary to establish performance goals for each state with a significant volume of real estate loans under this subtitle, with a goal of attaining down payment loan volumes consistent with the loan reservation percentage for down payment loans.

(30) Beginning Farmer and Rancher Contract Land Sales Program

The Senate amendment adds a new Sec. 310F to the ConAct to require the Secretary to carry out a pilot program by Oct. 1, 2002, in at least 10 geographically dispersed states. The Secretary is required to guarantee at least five loans per state in each of the fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets the applicable underwriting standards and a commercial lending institution agrees to serve as escrow agent. The Secretary shall start the program on making a determination that guarantees of contract land sales present a risk comparable to the risk presented in the case of guarantees to commercial lenders. (Sec. 508)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment requiring a pilot program in not fewer than 5 states to guarantee loans made by a private seller to a beginning farmer or rancher on a contract land sale basis commencing once the Secretary makes a determination and authorizing the program through 2007 if it is carried out. (Sec. 506)

The Managers are aware that contract land sales are prevalent in many states and encourage the Secretary to create a pilot program for guaranteeing the financing of such contract land sales. The Managers intend for the Secretary to approve any loan guarantee under this pilot program using its normal underwriting criteria. The Managers envision that land contracts between the seller and buyer will contain a side escrow agreement that outlines the duties and responsibilities of the escrow agent.

(31) Direct Loans

The Senate amendment amends Sec. 311(c)(1)(A) to delete the requirement that a direct loan may not be made to a farmer or rancher who has operated a farm or ranch for five years or more. (Sec. 511)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 511)

(32) Amount of Guarantee of Loans for Tribal Farm Operations; Waiver of Limitations for Tribal Operations and Other Operations

The Senate amendment adds a new paragraph (7) to Sec. 309(h) requiring the Secretary to guarantee 95 percent of operating loans made to a farmer or rancher who is a member of an Indian tribe whose farm or ranch is within an Indian reservation. (Sec. 512(a))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment requiring the Secretary to guarantee 95% of operating loans made to any farmer or rancher whose operation is subject to the jurisdiction of an Indian tribe. (Sec. 503)

(33) Debt Settlement

The Senate amendment amends Sec. 331(b)(4) by deleting the provision that the Secretary may not release a borrower from a debt obligation on more favorable terms than that recommended by the county committee under Sec. 332. Note: Sec. 332 was repealed by the 1994 USDA reorganization act. (Sec. 522)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to change the role of local or area Farm Service Agency committees in debt settlement to consultation only regarding a potential debt settlement agreement. (Sec. 533)

(34) Interest Rate Options for Loans in Servicing

The Senate amendment amends Sec. 331B to require the Secretary, when restructuring a farmer program loan, to charge the lowest of (1) the rate of the original loan; (2) the rate being charged when the borrower applies for restructuring the loan; or (3) the rate being charged when the borrower restructures the loan. (Sec. 524)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 535)

(35) Inventory Property

The Senate amendment amends Sec. 335(c) dealing with the sale of inventory property by—(1) providing a greater number of days that the property must be held by the Secretary and offered for sale to beginning farmers and ranchers; (2) authorizing the Secretary to bundle or parcel real estate in such ways as to maximize the sale of such real estate to beginning farmers and ranchers; (3) authorizing the Secretary to sell farm real estate that has been acquired and leased before April 4, 1996, to beginning farmers and ranchers within 60 days of the expiration of the lease arrangements; and (4) authorizing the Secretary, for purposes of farmland preservation and in consultation with the State Conservationist, to sell or grant easements, restrictions or development rights to states, political subdivisions within states or private nonprofit organizations of real estate held in inventory. (Sec. 527)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to extend the period of time inventory property must be offered to beginning farmers and ranchers and to maximize the purchase of inventory property by combining or dividing parcels of property as appropriate. (Sec. 538)

(36) Definitions

The Senate amendment amends Sec. 343(a)(11)(F) to replace the 25 percent limitation on ownership of the median ownership acreage within a county for purposes of determining a beginning farmer or rancher with a 30 percent acreage limitation. (Sec. 528(a))

The House bill contains no comparable provisions.

The Conference substitute adopts the Senate provision. (Sec. 540)

(37) Waiver of Borrower Training Certification Requirement

The Senate amendment amends Sec. 359(f) by authorizing the Secretary to waive the educational training requirements of Sec. 359 if the Secretary determines that the borrower demonstrates adequate knowledge in financial and farm management. The Secretary shall establish standards for this waiver that is implemented consistently in all counties. (Sec. 532)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 545)

The Managers are aware that waivers have not always been applied consistently and are concerned that in many areas waivers are exceptionally high, exceeding the 50% level. The Managers intend for the Secretary to issue clear and transparent criteria for waivers as quickly after enactment as possible and to re-assert the importance of borrower training to the success of borrowers and the effectiveness of the direct lending programs.

(38) Repeal of Burdensome Approval Requirements

The Senate amendment amends Sec. 3.1(11)(B) to delete a provision that restricts without prior approval the loan participation activities of a bank for cooperatives in the lending territory of a Farm Credit Bank or association. The Senate amendment also amends Sec. 4.18A to make conforming changes to loan participation activities of banks for cooperatives and FCS institutions that operate under separate titles of the Farm Credit Act. (Sec. 541)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 551)

The Managers understand that although this provision eliminates certain territorial concurrence requirements on Farm Credit System lenders so that lenders may participate in loan syndications or other multiple-lender arrangements for "similar entity" loans originated in other Farm Credit System geographic territories without seeking the permission of the Farm Credit System lender in that territory. Current law requires System institutions to obtain permission from one another when participating in similar entity transactions in which a commercial bank originates the loan and then sells the loan to a group of lenders (including the System institution). The change eliminates these requirements only as they pertain to similar entity loans that the System does not originate. Territorial concurrence for loans other than similar entity loans are not affected by this change. The Managers are expressing no opinion with this provision on pending litigation regarding participation regulations issued by the Farm Credit Administration on April 25, 2000.

(39) Banks for Cooperatives

The Senate amendment amends Sec. 3.7(b) of the Farm Credit Act to replace the words "farm supplies" with "agricultural supplies" and to add a definition of an agricultural supply to include farm supply, agriculture-related processing equipment, agriculture-related machinery and other capital goods related to the storage or handling of agricultural commodities or products. (Sec. 542)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 552)

(40) Insurance Corporation Premiums

The Senate amendment amends Sec. 5.55 of the Farm Credit Act to include government sponsored enterprise-guaranteed loans or credits and establishes the rate at which these loans or credits in accrual or non-accrual status are used to fund the Insurance Fund. (Sec. 543)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision and makes it applicable to calendar year 2002. (Sec. 553)

(41) Board of Directors of the Federal Agricultural Mortgage Corporation

The Senate amendment amends Sec. 8.2(b) to increase the board to 17 members. The two new members of the board shall be elected by Class A (commercial banks and other financial institutions) and Class B (Farm Credit System institutions) stockholders, and the two new members shall be the chief executive officer and another executive officer of Farmer Mac. The Senate amendment also amends Sec. 8.2(b)(9) to provide for the election of the chairperson from among the board members instead of by appointment by the President. (Sec. 544)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(42) Technical Amendments

See Sec. 505 of the House bill

The Senate amendment strikes references to Sec. 332 and corrects the reference to the "Robert T. Stafford Disaster Relief and Emergency Assistance Act". (Sec. 552)

The Conference substitute adopts the Senate provisions. (Sec. 561)

(43) Effective Date

The Senate amendment makes for the amendments made by this title, except for subsection (b) of this section and section 543(b), take effect on Oct. 1, 2002. (Sec. 553)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

TITLE VI—RURAL DEVELOPMENT

(1) Funding for Rural Local Television Broadcast Signal Loan Guarantees

The House bill amends the Launching Our Communities' Access to Local Television Act of 2000 to provide $200 million for loan guarantees for fiscal years 2002–2006 without fiscal year limitation. (Section 601)

The Senate amendment contain no comparable provision

The Conference substitute adopts the House provision with an amendment to provide $80 million for loan guarantees from the date of enactment through December 31, 2006, without fiscal year limitation. (Section 6404)

It is the view of the Managers that funding dedicated to providing access to signals of local television stations should be made available by the Secretary for rural broadband deployment either upon expiration of the LOCAL TV Act on December 31, 2006, or when the RUS Administrator certifies that the goals of the program have already been met.

(2) Expanded Eligibility for Value-Added Agricultural Product Market Development Grants

The House bill amends the Agricultural Risk Protection Act of 2000 to allow $60 million ($50 million plus $10 million from Sec. 943) to be used for value-added grants for each of the fiscal years 2002–2011. This section is designed to increase the participation in the Value-Added Agricultural Products Market Development Grants by allowing broader standards of eligibility for this specific grant category only so that public bodies and trade association can compete along with non-profit institutions and universities for grants designed to develop value-added products for foreign markets. Extends the current program with increased mandatory spending. (Section 602)

The Senate amendment amends ARPA, Section 231, to spend $75 million each year 2002–2006. Eligible independent producers and nonprofit entities may receive grants with a priority given to proposals requesting less than $200,000. Defines value added as undergoing a change in the physical state or produced in a manner that enhances its value to consumers. No less than 5% of the funding shall be used to assist producers of certified organic agricultural products. The Senate amendment provides 7.5% of the $75 million per year be allocated to the established Agricultural Marketing Resource Center authorized in ARPA. (Section 606)

The Conference substitute adopts the Senate provision with an amendment to make technical corrections, expand eligibility, strike the priority designations and reserve, and modify funding for the established innovation center. This provision provides $40 million each fiscal year 2002 through 2007. Of this amount, five percent of the funds will be used for the Agricultural Marketing Resource Center. (Section 6401)

The Managers intend that the Department, in administering the program, will seek to fund a broad diversity of projects that help increase agricultural producers' share of the food and agricultural system profit, including projects likely to increase the profitability and viability of small and medium-sized farms and ranches. The Managers intend for the Department to consider a project's potential for creating self-employment opportunities in farming and ranching and the likelihood that the project will contribute to conserving and enhancing the quality of land, water and other natural resources.

When making these grants, the Managers expect the Secretary to consider applications from a variety of agricultural sectors, such as renewable energy, wineries, high value products from major crops, agri-marketing ventures, and community supported agricultural projects. The inclusion of renewable energy includes farm or ranch based wind, solar, hydrogen, and other renewable energy.

An exception from the normal rural area requirement is made for majority controlled producer based business ventures. It is the Managers intent that the Department award grants, to the maximum extent practicable, to projects located in rural areas. However, state rules and regulations and other circumstances may hinder some worthy value-added agricultural projects from meeting the Department's specific definition of "rural". One such example is wineries in certain areas. In this instance, the Managers expect the Department to consider the importance and value of the project to area agriculture producers who will be the ultimate beneficiaries of the project, including the consistency of the project with the intent of the program.

(3) Agriculture Innovation Center Demonstration Program

The House bill provides that the Secretary shall make grants to establish centers to provide producers with technical assistance, marketing, and development assistance for value-added agricultural businesses. The Secretary shall use not less than $5 million for fiscal year 2002 and not less than $10 million for fiscal years 2003 and 2004. This money is part of the $50 million being used for Section 602 activities. The Secretary shall use $300,000 of the funds made available each year to support research at a university on the effects of value-added projects on producers and commodity markets. The Secretary shall submit a report to the House and Senate Agriculture Committees on the effectiveness of this demonstration program. (Section 603)

The Senate amendment provides 7.5% of the $75 million per year that is allocated to the established Agricultural Marketing Resource Center authorized in ARPA. (Section 606)

The Conference substitute adopts the House provision with an amendment that the Secretary shall use not less than $3 million for fiscal year 2002 and not less than $6 million for fiscal years 2003 and 2004. (Section 6402)

(4) Funding of Community Water Assistance Grant Program

The House bill directs the Secretary to use $30 million for each of the fiscal years 2002-2011 to fund drinking water assistance grants. Extends current program and makes it mandatory spending. Strikes the word "emergency" in the subtitle.

Increases funding by another $45 million per year, for a total of $75 million per year. (Section 604 and 943)

The Senate amendment extends authority of the program through 2006 with no changes.

See also section 603 of the Senate amendment, which fully funds existing backlog of applications for this grant program and other rural development loan and grant programs. (Section 629)

The Conference substitute adopts the House provision with an amendment to make rural areas and small communities eligible for grants in cases where a significant decline in quantity and quality of water is imminent, in addition to where there is an emergency. No less than 3 percent but no more than 5 percent of appropriated funds shall be used for these grants. (Section 6009)

The Managers are acutely aware of the ongoing needs of rural communities in maintaining water systems to provide adequate and safe drinking water for its residents. The Managers are particularly concerned about current drought conditions in many areas of the United States and its dire impact on a rural area's drinking water needs. Many areas are faced not only with the lack of potable water but with the lack of any water at all. For this reason, the provision allowing for potable water includes the delivery of bottled water where necessary.

The Managers expect this provision to provide USDA, Rural Development with a flexible program with a certainty of funds to meet the emergency and imminent drinking water needs of rural areas. The Secretary should ensure that communities eligible for assistance under this program receive immediate attention.

(5) Loan Guarantees for the Financing of the Purchase of Renewable Energy Systems

The House bill provides that the Secretary may provide to persons or individuals a loan guarantee under Section 4 of the Rural Electrification Act to finance the purchase of a renewable energy system, including a wind energy system and anaerobic digesters for the purpose of energy generation. (Section 605)

The Senate amendment provides that the Secretary, in addition to making loans and loan guarantees under other laws, shall make low interest rate loans (4%), loan guarantees, and grants to be used by producers for the purchase of renewable energy systems and energy efficiency improvements. Provides $33 million per year for such purposes. (Only those producing agricultural products with a market value of less than $1,000,000 in the preceding year are eligible.) (Section 902)

The Conference substitute deletes the House provision.

(6) Loans and Loan Guarantees for Renewable Energy Systems

The House bill amends Section 310B of the ConAct by inserting "and other renewable energy systems including wind energy systems and anaerobic digesters for the purpose of energy generation". (Section 606)

The Senate amendment provides that the Secretary, acting through the Rural Business Cooperative Service shall establish a program to make loans, loan guarantees (in addition to loans and loan guarantees under other laws) and competitively award grants to cooperatives or other rural business ventures to enable producers to own and market sources of renewable energy and increase the quantity of electricity available from renewable energy sources. Loans would be used to provide capital for start-up costs associated with rural business ventures or the promotion of the aggregation of renewable electric energy sources. Grants would be used to develop business plans or perform feasibility studies. (much like existing Value-Added Grants). (Section 902)

The Conference substitute adopts the House provision. (Section 6013)

(7) Reauthorization of Programs through 2011

The House amendment reauthorizes current programs through 2011. Those programs are Rural Business Opportunity Grants (Sec. 607), Grants for Water Systems for Rural and Native Villages in Alaska (Sec. 608), Rural Cooperative Development Grants (Sec. 609), National Reserve Account for Rural Development Trust Fund (Sec. 610), and the Rural Venture Capital Demonstration Program (Sec. 611). (Sections 607, 608, 609, 610, and 611)

The Senate amendment reauthorizes Rural Business Opportunity Grants (same as House Sec. 607) except that authorization is increased from $7.5 million to $15 million a year, and authority runs through 2006.

Reauthorizes Grants for Water Systems for Rural and Native Villages in Alaska (same as House Sec. 608) except that authority runs through 2006.

Reauthorizes Rural Cooperative Development Grants (same as House Sec. 609) except that it prohibits the Secretary from requiring a non-federal share of more than 5% for 1994 institutions, and authority runs through 2006.

The Senate amendment contains no comparable provisions on the National Reserve Account for Rural Development Trust Fund or the Rural Venture Capital Demonstration Program. (Section 622, 631, and 633)

The Conference substitute adopts the Senate provision on Rural Business Opportunity Grants. (Section 6003)

The Conference substitute adopts the House provision on Grants for Water Systems for Rural and Native Villages in Alaska. (Section 6011)

The Conference substitute adopts the Senate provision on Rural Cooperative Development Grants. (Section 6015)

The Conference substitute adopts the House provisions with an amendment to repeal the National Reserve Account for Rural Development Trust Fund and the Rural Venture Capital Demonstration Program. (Section 6026)

(8) Increase in Limit on Certain Loans for Rural Development

The House bill increases the loan limit of the Business and Industry lending program authorized by Sec. 310B of the ConAct from $25 million to $100 million. (Section 612)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that the Secretary may guarantee a loan that may not exceed $40 million for a project that is located in a rural area and provides for the value-added processing of agricultural commodities. The Secretary may not delegate the approval authority. (Section 6017)

(9) Pilot Program for Rural Development Strategic Plans and Implementation

The House bill provides that the Secretary shall select states to implement rural development strategic plans. This is a new program that provides mandatory spending of $2 million in grants for each fiscal year 2002-2011 (plus another 2/13 or approximately $6.9 million from Sec. 943.).

Provides mandatory spending of $13 million for grants to implement the plans for each fiscal year 2002-2011 (plus 11/13 or approximately $38 million from Sec. 943.).

The Strategic Planning Initiative and Implementation provision authorizes a matching grant pilot program of $2 million (plus $6.9 million) per year to entities for regional, collaborative rural development strategic plans in those states that are chosen by the Secretary. Community-based and grassroots organizations' support and participation are critically important to successful planning. The matching grant requirement will help ensure that there is a commitment at the local level for the planning process. The provision allows the Secretary to require up to a 50% matching grant. This requirement is not intended to serve as a barrier to limited resource communities in fully participating in the program. The Secretary should require matching grants commensurate with a community's ability to pay, even to the point of only requiring a nominal amount in order to ensure the broadest participation.

In developing a regional development plan it is imperative that local specialists representing many varied areas of expertise be included. The Secretary should give priority to grant applicants whose proposals include the broadest coalitions of regional and local organizations—both public and private. Entities eligible for matching grants include but are not limited to Councils of Government, Area Development Districts, Economic Development Districts, Local Development Districts, Planning and Development Districts, Regional Planning Commissions and Regional Councils of Government. (Section 613)

The Senate amendment spends $5 million in 2002 for planning grants to conditionally approved program entities under Sec. 385C(d). Spends $2 million in 2002 for private technical assistance under Sec. 358C(h).

Amends the ConAct to create a Program that will provide rural communities with technical and financial assistance to develop and implement community development strategies. The Secretary shall approve a program entity to receive grants if the entity meets certain criteria, and once approved, the entity shall establish an endowment fund. The Secretary may award supplemental grants, not to exceed $100,000, to approved entities to assist in developing a strategy (Sec. 385C(d) see above). To be eligible for an endowment grant, approved entities shall develop and obtain the approval of the Secretary for a comprehensive strategy. An approved entity shall receive final approval if the strategy meets certain requirements, and the Secretary may make grants, not to exceed $6 million, to these entities to implement the strategy (Sec. 385C(f) see above). Approved entities must provide a 50% match of the amount received in grant funds, except in certain cases where it is determined that a lower non-federal share is allowable to invest and then use the funds for infrastructure improvements and/or investments in enterprises that will improve the area. Grants may be made, not to exceed $100,000, to qualified intermediaries to provide technical assistance and capacity building to approved entities (Sec. 358C(h) see above). Authorizes such sums as are necessary for fiscal years 2004–2006. (Section 604)

The Conference substitute adopts the House provision with an amendment to establish a National Board on Rural America that will make planning grants and innovation grants to certified Regional Investment Boards. A National Conference on Rural America will be held to address challenges in rural areas. A total of $100 million is available to carry out this section. (Section 6030)

For over 40 years rural policy scholars and analysts have recognized the absolute necessity of a more integrated, comprehensive rural policy framework. In establishing this framework, Section 6030, will require the active participation of all Federal agencies, rural units of local government, development organizations, community-based organizations, rural nongovernmental organization, and the private and philanthropic sectors. While a collaborative effort and comprehensive planning is essential for success of any endeavor, no plan can succeed without resources for its implementation and completion.

This program is designed to use Federal funds as a catalyst to bring together the various sectors from rural areas in order to make maximum use of Federal, state and local resources.

The Managers intend that the appropriate population of an eligible area is between 50,000 and 150,000; however, the Managers expect the regional and national boards to make exceptions as needed. The target population does not include a metropolitan area which may be participating in a regional plan.

The Managers understand the diversity of governance, governmental entities and governmental structure in the 50 states. In composing the regional boards, the Managers expect that it will include the broadest possible collection of public and private entities representative of the area or region of the eligible area.

In appointing the National Board on Rural America, the Managers expect the Secretary to carefully consider individuals recommended by the Chairman and Ranking Members of the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry, the Speaker of the House of Representatives, and the Majority Leader of the Senate. The Secretary is encouraged to consider seven recommendations from the House of Representatives and seven recommendations from the Senate.

(10) Grants to Nonprofit Organizations to Finance the Construction, Refurbishing, and Servicing of Individually-Owned Household Water Well Systems in Rural Areas for Individuals with Low or Moderate Incomes

The House bill amends the water and wastewater authorities under the ConAct to authorize the Secretary to make grants and loans to provide individual residential water wells. (Section 614)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting loans to $8,000 per water well system and authorizing the program at $10 million per fiscal year. (Section 6012)

(11) National Rural Development Partnership

The House bill adds a new section to Subtitle E of the ConAct to establish a National Rural Development Partnership composed of the Coordinating Committee and the state rural development councils. (Section 615)

The Senate amendment amends Subtitle D of the ConAct to add the NRDP composed of the Coordinating Committee and the state rural development councils. (Section 611)

The Conference substitute adopts the Senate provision with an amendment clarifying the Senate language and authorizing up to $10 million per fiscal year. (Section 6021)

The Conference substitute includes provisions which are intended to ensure the accountability of State Rural Development Councils (SRDCs) to the rural residents they are expected to serve and to agencies which provide financial support for their operations. The Managers specifically intend that all SRDCs will continue to abide by or come into compliance with the structural and process guiding principles of this section. The Managers also intend that USDA/Rural Development State Directors and other employees of USDA and other Federal agencies with rural responsibilities will fully participate as voting members in the governance and operations of SRDCs on an equal basis with other SRDC members.

The Managers expect the National Rural Development Coordinating Committee to make significant progress toward the goal of better coordinating the rural policies and programs of Federal agencies and developing greater collaboration between the Federal government, the States, and others with resources to invest in rural areas.

The Partnership has depended on voluntary contributions of discretionary funds from multiple Federal agencies to support its activities. This system has not met all of the needs of the SRDC. Accordingly, the Conference substitute contains an authorization for annual appropriations of $10 million. The Managers encourage Federal agencies, whether or not they have contributed to the Partnership in the past, to financially support collaborative initiatives managed by SRDCs. The Managers specifically intend that all Federal funds that are provided to the SRDCs will be used solely for SRDC operations and projects and that the use of these funds will be controlled exclusively by the SRDCs' governing boards. The Managers also strongly urge SRDCs to identify additional sources of non-Federal funds to support their activities.

SRDCs currently operate in 40 States. The Managers encourage the Secretary to work with the remaining 10 States to establish SRDCs.

(12) Eligibility of Rural Empowerment Zones, Rural Enterprise Communities, and Champion Communities for Direct and Guaranteed Loans for Essential Community Facilities

The House bill amends Sec. 306(a) of the ConAct to authorize the Secretary to make or insure loans to communities designated as rural empowerment zones, rural enterprise communities or as champion communities to install or improve essential community facilities. (Section 616)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to strike "champion communities". (Section 6001)

The Managers intend that this provision affect only two communities—Lewiston, Maine, and Eagle Pass, Texas. These communities were designated rural Enterprise Communities in 1999, and this amendment would make them eligible for participation in essential community facility programs only.

(13) Grants to Train Farm Workers in New Technologies and to Train Farm Workers in Specialized Skills Necessary for Higher Value Crops

The House bill provides that the Secretary may make grants to an entity to train farm workers to use new technologies and develop specialized skills for agricultural development. Authorizes no more than $10 million be appropriated to the Secretary for fiscal years 2002–2011 to make such grants. (Section 617)

The Senate amendment is the same except it authorizes grants through 2006. (Section 646)

The Conference substitute adopts the House provision with an amendment making technical changes and adding "farmer cooperatives" as an eligible entity. (Section 6025)

(14) Loan Guarantees for the Purchase of Stock in a Farmer Cooperative Seeking to Modernize or Expand

The House bill amends Sec. 310B of the ConAct to provide loan guarantees for individual farmers to purchase capital stock of a farmer cooperative established for an agricultural purpose. (Section 618)

See also Sec. 523 (Credit Title) of the House bill, which contains additional modifications to the B&I Loan Program to provide for guaranteed loans to projects in areas other than rural communities, in the case of insured loans, if a majority of the project involved is owned by individuals who reside and have farming operations in rural communities, and the project adds value to or processes agricultural commodities.

The Senate amendment amends Sec. 310B of the ConAct to provide loan guarantees to farmers, ranchers or cooperatives to purchase start-up capital stock for expanding or creating an agriculture coop. The Secretary may guarantee a loan to a producer to join a coop in order to sell products he produces. Farmer coops eligible for B&I loans shall be eligible to refinance existing loans. The Secretary may establish appraisal standards for the Business and Industry Loan Program. The Secretary may assess a one-time fee for a loan guarantee, not to exceed 2% of the guaranteed principal portion of the loan. (Section 635)

The Conference substitute adopts the Senate provision with an amendment to provide loan guarantees to purchase capital stock. The Secretary may make or guarantee a loan to a cooperative organization headquartered in a metropolitan area if the loan is used for a project in a rural area or meets the criteria of a cooperative generally. A cooperative organization shall be eligible to refinance an existing loan if certain requirements are met. The Secretary may guarantee a loan to a cooperative for a facility that is not located in a rural area if the facility provides value-added processing to producers located within 80 miles of the facility; if the primary benefit of the guarantee provides employment to rural areas;

and the total amount of loans guaranteed does not exceed 10 percent of total loan guarantees in a fiscal year. The Secretary may consider the value of a properly appraised brand name, patent, or trademark of the cooperative in determining whether the cooperative organization is eligible for a loan guarantee. The Secretary may guarantee a loan that may not exceed $40 million for a project that is located in a rural area and provides for the value-added processing of agricultural commodities and the Secretary may not delegate the approval authority for such a guarantee. (Section 6017)

There is a 2% limit on an initial fee. That limit does not prevent annual fees which may be needed to preserve an appropriate program level.

The Managers expect the Secretary, to consider on a priority basis, Business and Industry loan and loan guarantee program applications from eligible marketing cooperatives of agriculture producers for the purpose of constructing peanut storage facilities and for value-added agriculture and renewable energy. In regard to paragraphs (6) and (8), the 10 percent limit in each of those paragraphs is not a goal to be worked toward, but a limit. The Managers recognize that the loans or loan guarantees provided may be less than that level.

(15) Intangible Assets and Subordinated Unsecured Debt Required to be Considered in Determining Eligibility of Farmer-Owned Cooperative for Business and Industry Guaranteed Loan

The House bill amends Sec. 310B of the ConAct for this purpose. In considering applications for a loan guarantee from an agricultural cooperative, the Rural Business-Cooperative Service may consider the value of intangible assets such as trademarks, patents, licenses, and brands subject to appraisal, when evaluating the eligibility of an agricultural cooperative for loan guarantees. The same consideration may be given to unsecured subordinated debt, which may be viewed as the equivalent of equity in the cooperative. Both intangible assets and unsecured subordinated debt may be considered in determining the viability of a cooperative's balance sheet. (Section 619)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that the Secretary may consider the value of a properly appraised brand name, patent, or trademark of a cooperative. (Section 6017)

(16) Ban on Limiting Eligibility of Farmer Cooperative for Business and Industry Loan Guarantee Based on Population of Area in which Cooperative is Located

The House bill amends the ConAct so that in determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan, the Secretary shall not apply any lending restrictions based on population to the area in which the cooperative is located. (Section 620)

The Senate amendment provides for that loans can be made to coops headquartered in a metropolitan area if the project is in a rural area. (Section 635)

The Conference substitute adopts the House provision with an amendment that the Secretary may guarantee a loan to a cooperative for a facility that is not located in a rural area if the facility provides value-added processing to producers located within 80 miles of the facility; if the primary benefit of the guarantee provides employment to rural areas; and the total amount of loans guaranteed does not exceed 10 percent of total loan guarantees in a fiscal year. (Section 6017)

(17) Rural Water and Waste Facility Grants

The House bill removes the appropriation authorization from the rural water and waste water program under the ConAct, in effect providing such sums as may be necessary. (Section 621)

The Senate amendment increases current law from $590 million in total spending per year to a new authorization of $1.5 billion per year. The Secretary may make grants to entities to capitalize revolving funds to provide loans to eligible borrowers to finance up to $100,000 of the costs of predevelopment, equipment, replacement, small systems extensions and other small water and wastewater projects. Authorizes appropriations of $30 million each fiscal year 2002–2006 for this subparagraph. (Section 621)

The Conference substitute adopts the Senate provision with an amendment to authorize such sums as necessary for the rural water and waste water program. (Section 6002)

(18) Rural Water Circuit Rider Program

The House bill establishes permanently under the ConAct a national rural water circuit rider program to provide technical expertise to existing and start-up rural water systems throughout the country. Provides an authorization of appropriations of $15 million per year (Section 622)

The Senate amendment is nearly identical to House bill except for (B) that contains language that says the new program "shall not affect the authority of the Secretary to carry out the circuit rider program for which funds are made available under the heading RCAP for 2002." Also, the authorization for $15 million is only through 2006. (Section 623)

The Conference substitute adopts the Senate provision with an amendment making the program permanent. (Section 6005)

(19) Rural Water Grassroots Source Water Protection Program

The House bill establishes a national source water protection program within the U.S. Department of Agriculture that will enable rural water associations to provide better services in the implementation of wellhead and ground water protection programs. The program is authorized at an annual appropriation of $5 million. (Section 623)

The Senate amendment contains no comparable provision in rural development title, but see conservation title.

The Conference substitute adopts the Senate provision. (Section 217 (1240Q))

(20) National Rural Cooperative and Business Equity Fund

The Senate amendment amends the ConAct to establish the Fund, governed by a board of directors, to revitalize rural communities and sustain rural business development by providing federal funds and credit enhancements to a private equity fund in order to encourage investments by authorized private investors. The Secretary shall make $150 million available (subject to appropriations) for the fund which is to be matched by the investors; guarantee 50% of each investment up to $300 million made by a Fund investor; guarantee 100% of the repayment of principal and accrued interest on approved debentures issued by the Fund, not to exceed $500 million. No single investment shall exceed the greater of $2 million or 7% of the Fund. The total investment made in a company may not exceed 20% of the total investment in the project. Authorizes such sums as are necessary. (Senate 601)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(21) Rural Business Investment Program

The Senate amendment spends $70 million in 2002 for subsidies and $50 million in 2002 for grants.

Adds a new subtitle H to the ConAct that establishes a Rural Business Investment Program (RBIP) administered by the Secretary that, among other things, promotes economic development and the creation of wealth and job opportunities in rural areas.

New Sec. 384A. defines various terms used by the Secretary to implement the RBIP, including the term Rural Business Investment Company (RBIC).

New Sec. 384B. sets out the purposes of the RBIP to promote economic development and to establish a developmental venture capital program that addresses the unmet investment needs of small enterprises. The Secretary is authorized to enter into participation agreements with RBICs, guarantee RBIC debentures and make grants to RBICs.

New Sec. 384C. establishes the RBIP.

New Sec. 384D provides for the eligibility of companies to apply to participate in the RBIP if 1) the company is newly formed forprofit or a subsidiary of such company; 2) the company has a management team experienced in financing community development; and 3) the company will invest in enterprises that will create wealth and job opportunities.

Applications to participate must contain a business plan, information about management's experience in financing rural development, a description of how the company intends to work with community organizations to meet unmet capital needs, a proposal on how the company will use grant funds, an estimate of cash to in-kind contributions the company will have in binding commitments, a description of the evaluation standards the company will use to determine whether or not it is meeting the RBIP's purposes, information regarding the financial strength of the parent company or its subsidiary, and any other information the Secretary requires.

The Secretary must issue within 90 days a status report about an application to participate and must approve or disapprove the application within a reasonable time and, on approval, issue a license for the operation of the applicant. If disapproved, the Secretary must notify the applicant in writing.

The Secretary is required to make determinations about the applicant when reviewing and processing the application, including finding that the management personnel of the applicant are qualified to carry out the RBIP and generally have a good business reputation.

The Secretary shall approve and designate the applicant as a RBIC if it is determined that the applicant qualifies, the area in which the RBIC will operate is acceptable and the applicant enters into a participation agreement. The applicant has a capital requirement of at least $2.5 million.

New Sec. 384E provides that the Secretary is authorized to guarantee, using the full faith and credit of the United States, the timely payment of principal and interest on debentures issued by the RBIC. Debenture guarantees may not exceed 15 years. Such guarantees may not exceed the lesser of 300 percent of the private capital of the RBIC or $105 million, and may provide for use of discounted debentures.

New Sec. 384F authorizes the Secretary to issue trust certificates that represent partial or full ownership of RBIC debentures. The Secretary may pool RBIC debentures on which the certificates are based and may guarantee the timely payment of principal and interest on the certificates. The Secretary may administer the guaranteed trust or pool to provide for prepayment of or defaults on debentures. Trust certificates are backed by the full faith and credit of the U.S.

The Secretary is required to provide for a central registration of all trust certificates and will subrogate and retain ownership rights over a debenture on which a claim is satisfied. The Secretary may maintain bank accounts and investments to facilitate the creation of trusts or pools of debentures. The Secretary may regulate brokers and dealers in RBIP trust certificates and require any person functioning as the Secretary's agent to provide a bond or evidence of insurance.

New Sec. 384G authorizes the Secretary to charge fees for the guarantee of debentures or grants, and the Secretary's agents may collect a fee for operating a trust pool. The Secretary may charge a fee to license a RBIC. The Secretary shall use the fees to cover salaries and expenses of the Secretary and are authorized for covering the costs of licensing exams.

New Sec. 384H authorizes the Secretary to make grants to RBICs over a multi-year period to be used only to provide operational assistance. RBICs must show how they will use grant funds. The amount of the grant can be up to the lesser of 10% of the private capital raise or $1 million. NOTE: INTENT was to also limit such funds to the lesser of twice the match provided by the RBIC. The Secretary may make grants to entities other than a RBIC under the same terms as it would to an RBIC.

New Sec. 384I sets out the legal organization of RBICs, including their articles of incorporation if incorporated, and minimum levels of private capital acceptable to operate as a RBIC. The Secretary may accommodate lesser capital standards upon the showing of special circumstances and good cause. The Secretary shall ensure that the private capital is adequate for success and that at least 75 percent of the capital is invested in rural business and not more than 10% may be invested in a city of over 100,000 or its surrounding urbanized area. That the minimum amount of capital required for RBICs authorized to be issued guarantees on debentures shall be $10,000,000 or $5,000,000 with a determination by the Secretary regarding risk. Secretary also is required to ensure that the RBIC management is diversified and unaffiliated with the ownership of the RBIC.

New Sec. 384J provides that national banks, Federal Reserve member banks, federal savings associations, Farm Credit System (FCS) institutions and other insured banks may invest in RBICs but in no event may a lending institution make a greater than five percent investment of its capital and surplus in RBICs. In the case of a FCS institution or a combination of FCS institutions holding more than 15 percent of the voting stock in a RBIC, the RBIC may not provide financial or equity investment assistance to any entity not otherwise eligible to receive financing from the FCS.

The total invested by any of the described financial institutions shall not exceed 5% of their capital.

New Sec. 384K sets out the reporting requirements.

New Sec. 384L provides for the Secretary to direct a private sector entity to exam the books, records and operations of participating RBICs, and the Secretary may charge RBICs for the costs of such examinations.

New Sec. 384M authorizes the Secretary to use the federal district courts to enforce compliance of all provisions of the RBIP set out in rules, regulations, orders or participation agreements should the Secretary have reason to believe a RBIC is engaging in or about to engage in any act or practice that violates the RBIP. In the event of violations, a court of competent jurisdiction may issue temporary or permanent injunctions, restraining orders or other orders to prohibit further activities and may appoint a trustee or receiver to manage the assets of a RBIC. The Secretary may act as a trustee or receiver.

New Sec. 384N authorizes the Secretary to void RBICs' participation agreements and to stop the exercise of all rights and privileges as a RBIC. A RBIC must be found to be in violation of the RBIP before the loss of such privileges.

New Sec. 384O provides that RBICs and other, associated persons involved in any activity that violates the act to be held together to the extent the associated persons authorize or otherwise bring about the violation. Any mismanagement or misconduct shall be a breach of fiduciary responsibility and unlawful. Any person associated with the RBIC that commits any unlawful act or practice, or fails in any act or practice, that would result in the RBIC suffering financial losses has breached his fiduciary responsibility. This section further provides suitability rules for officers or agents of the RBIC and makes any breach of those rules to be unlawful acts.

Sec. 384P provides procedures for removing officers or agents of a RBIC.

Sec. 384Q requires the Secretary to enter into an interagency agreement with the Small Business Administration to carry out the day-to-day management and operation of the RBIP.

Sec. 384R authorizes the Secretary to write regulations to carry out the RBIP.

Sec. 384S provides $350 million for the guarantee of debentures and $50 million for grants from Treasury funds not otherwise appropriated to carry out the RBIP. Such funds shall remain available until spent.

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making clarifying changes and that the Secretary shall enter into an interagency agreement with another federal agency that has expertise in operating a program of this nature. The Conference substitute provides $100 million to carry out this program. (Section 6029)

This program addresses the crucial problem of limited equity capital in rural America. The program allows investment companies to considerably leverage their equity resources, increasing the equity funds available in rural America by attracting capital for the program and through the leverage that the program provides. Only for profit Rural Business Investment Companies (RBIC) may apply because the profit motive and danger of loss will help minimize losses to the government. The Managers believe that a high quality management team of the applicants is crucial for success and expects that this factor will be given solid consideration.

Financial institutions may participate in the program as set forth in the program. The Managers intend that financial institution regulators including the Farm Credit Administration, the Office of the Comptroller, the Federal Reserve, state bank regulators, and other financial institution regulators continue to have the authority to impose on any financial institution that they regulate any safeguard, limitation, or condition that the regulator considers to be appropriate (including, without limitation, any investment limit that is lower than the investment limit that this section imposes on insured depository institutions). The strong expectation of the Managers is that RBICs will not normally engage in lending of a type performed by regulated financial institutions except in circumstances where such assistance is not likely to be available and where the equity investment makes such arrangements prudent given the overall risks involved.

The program is modeled after the Small Business Investment Company program, where considerable expertise in operating the program that provides capital for equity investments has been developed. That program shares many of the same provisions with the RBIC program that is being enacted allowing day-to-day management to follow almost identical practices with a few exceptions such as those dealing with the grants program and rural targeting of investments. It is the expectation of the Managers that the Secretary enter into an agreement under the Economy Act within 60 days of enactment with that appropriate agency.

It is the expectation of the Managers that a considerable share of the rules and operating procedures for this program will be the same as the rules and operating procedures for the Small Business Investment Company program. Given that reality, it is the Manager's expectation that rules implementing this program can be proposed in a very short time period. The grant provisions are similar to the New Markets Venture Capital Program.

(22) Full Funding of Pending Rural Development Loan and Grant Applications

The Senate amendment spends a CBO estimated $454 million in 2002 (no future spending) to close out the backlog in the following rural development programs: community facility direct loans and grants; water and waste disposal direct loans and grants; rural water or wastewater technical assistance and training grants; emergency community water assistance grants; B&I guaranteed loans; solid waste management grants. Applications in the preapplication phase are not eligible for funding under this provision. (Section 603)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide $360 million to fund pending applications for water and waste disposal system grants and loans, with priority to water systems. (Section 6031)

(23) Enhancement of Access to Broadband in Rural Areas

The Senate amendment spends $100 million each year 2002–2006. Amends the Rural Electrification Act. The Secretary shall make grants, loans, and loan guarantees at 4% or market rate interest to construct, improve, acquire facilities and equipment to provide broadband service to rural communities with no more than 20,000 residents. Funding will be allocated to states, and funds not obligated by April 1 will go in a national pool to be used by the Secretary to make grants, loans, and loan guarantees in any state. (Section 605)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide loans and loan guarantees for broadband service and to clarify what entities are eligible to receive a loan or loan guarantee. (Section 6103)

The Managers expect that the state government or local government or any agency, subdivision or instrumentality thereof (including consortia thereof) will be permitted to file applications during the three-month waiting period after the RUS has promulgated rules on the broadband program in order to keep their place in line for the next available round of funding.

The Managers expect the RUS to evaluate the priority status of all pending broadband applications as soon as practicable after the date of enactment. Any completed application which meets the priority criteria should be evaluated for expedited approval. The Managers expect the Agency to determine the priority status of applications on hand at least once every quarter. In general, all other applications should be evaluated and awarded on a first come first serve basis.

The Managers are aware that in the current broadband pilot program RUS has generally used the FCC's definition of broadband services. It is the Manager's intent that this practice should continue and that is why the Manager's used the definition of broadband services that is currently being used by the FCC and the RUS. The Managers want to make clear that the purpose behind using this definition was to maintain the current high standard used by RUS in determining what a broadband service is.

However, the Managers expect the Administrator will apply a definition of broadband services to encourage new broader bandwidth technologies in rural areas and that the program will foster the development of a variety of technological applications including terrestrial and satellite wireless services. This is a critical function since this is a rapidly changing technology.

The Managers have taken no position on particular technologies and believe that it is very important for the Department not to choose among adequate technologies. The Managers expect the Secretary to participate in any FCC proceedings or Department of Commerce study of the future of broadband services and the markets for such services.

The Managers are aware that the RUS has administered a telecommunications program for over 50 years. To date there has not been a loan loss in that program. The Managers expect, that given that record, program levels will fully take that reality into account. The Managers intend for direct loans to be made at the treasury rate of interest in most circumstances.

(24) National Rural Development Information Clearinghouse

The House bill extends the National Rural Information Center Clearing-House—(7 U.S.C. 3125b(c)) through 2011. (Section 701)

The Senate amendment amends Section 2381 of the Food, Agriculture, Conservation, and Trade Act of 1990 to establish a Clearinghouse at USDA to collect and disseminate information about programs and services available to a person or entity in a rural area regarding financial, technical or other assistance. The Clearinghouse will maintain an Internet website, and the Secretary shall use not more than $600,000 of the funds available to RHS, RUS, RBS each fiscal year to operate and maintain the Clearinghouse. (Section 607)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7101)

The Managers expect the Rural Development mission area of the Department to highlight the existence and resources of the Rural Information Center of the National Agricultural Library on its websites and in its informational materials.

(25) Multijurisdictional Regional Planning Organizations

The Senate amendment amends the ConAct to allow the Secretary to provide grants up to $100,000 to multijurisdictional regional planning organizations to pay for costs of assisting local governments to improve infrastructure, services and business development capabilities. Authorizes appropriations for $30 million in each year 2003–2006. A local match is required. (Section 624)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6006)

(26) Certified Nonprofit Organizations Sharing Expertise

The Senate amendment amends Sec. 306(a) of the ConAct. The Secretary shall certify nonprofit organizations (which may include an institutions of higher education) that demonstrate experience in providing technical assistance to improve infrastructure, services and business development capabilities of local governments, and make this list available to the public. Authorizes appropriations of $20 million each fiscal year 2003–2006 to make grants to certified organizations. (Section 625)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(27) Loan Guarantees for Certain Rural Development Loans

The Senate amendment amends Sec. 306(a) to authorize the Secretary to guarantee loans made for community facilities or water and sewer systems, including loans financed by bond issuances described by Section 144(a)(12)(B)(ii) of the IR code. (NOTE: currently, projects with bonds receiving assistance under that section may not receive other government support. This section does not impact the IRS provision). Any individual or entity offering to buy these loans may receive the guarantee if the individual or entity demonstrates that person can continue the performance of the loan and can generate capital to assist borrowers of loans with additional credit needs to ensure servicing of loans.

Amends Sec. 310B. to authorize the Secretary to guarantee loans made to finance bond issues for the provision of community facilities or water and sewer systems. (Section 626)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to change the reference to section 142(a) of the Internal Revenue Code of 1986. (Section 6007)

The Managers intent is that this section will allow the Department to provide support for noted projects in the event the IRS code is modified to allow such support without adversely affecting tax benefits.

(28) Rural Firefighters and Emergency Personnel Grant Program

The Senate amendment spends $10 million in 2002 and then $30 million each year 2003–2006. Amends the ConAct to establish a grant program to provide scholarships to local government units to train firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous material and bioagents. Not less than 60% of the funds shall be used for this purpose. Grants may be used for facility improvements, equipment, operating, or establishing regional training centers. Not more than 40% may be used for the facility grants. The federal share of the facility grants shall not exceed 50%. (Section 627)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment to clarify that the Secretary shall give priority to grant applicants that provide for training within the region or locality in which the grant applicant is located. The Conference substitute provides for a funding level of $10 million for each of fiscal years 2003 through 2007, and as a result of this lower level of overall funding for the program, reduces the $2 million limitation for any single training center in any single year to $750,000. (Section 6405)

The Managers expect that efforts will be made to minimize travel costs in order to maximize actual training provided. In order to minimize costs, appropriate training facilities within the area or region should be utilized whenever possible. Many firefighter and first responder training facilities, some with specialized functions such as farm safety have received USDA or FEMA assistance in the past, have excellent reputations but have significant facility needs. It is expected that the Department give a high priority to such facility needs.

(29) Tribal College and University Essential Community Facilities

The Senate amendment amends Section 306(a) of the ConAct to add a provision allowing the Secretary to make grants to tribal colleges and universities to help them develop essential community facilities in rural areas. The federal share is not to exceed 75% of the total cost of these facilities. Authorizes $10 million a year for each of fiscal years 2003 through 2006. (Section 628)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6008)

(30) Water and Waste Facility Grants for Native American Tribes

The Senate amendment amends Section 306C of the ConAct to authorize appropriations for $30 million in grants, $30 million in loans, and $20 million in grants to benefit Indian tribes each year 2002–2006. (Section 630)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6010)

(31) Rural Business Enterprise Grants

The Senate amendment amends Section 310B(c)(1) of the ConAct by creating a priority in awarding grants under this program to non-profit entities operating on tribal land in an area with a population of no more than 5,000. (Section 632)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6014)

In many rural tribal communities, tribes and tribal governments play a dominant role in the economic development of the area. As a result, unique patterns of economic development exist whereby the local economy is often composed of a single dominant employer. Because of these circumstances, many organizations located in isolated tribal communities are often unable to receive assistance from the Rural Business Enterprise Grant program. The Managers recognize the different patterns of economic development that exist in many rural tribal communities.

It is the Managers expectation that funds made available under this provision will be used to assist in the financing or development of small and emerging businesses located in communities of less than 5,000 people on tribal lands or former tribal lands without respect to revenue or employee limitations. Funds made available under this provision may only be used to create, expand or operate value-added agricultural processing facilities.

(32) Grants to Broadcasting Systems

The Senate amendment amends section 310B(f) of the ConAct by adding: $5 million is authorized per year from 2002–2006 for this subsection. (Section 634)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6016)

(33) Value-Added Intermediary Relending Program

The Senate amendment amends sec. 310B of the ConAct. The Secretary shall make loans to eligible intermediaries, including State agencies, to make loans to recipients for projects to establish, enlarge, or operate enterprises adding value to agriculture products and commodities. Intermediaries shall give preference to bioenergy projects. Limits loans to $2 million except in cases where the intermediary is a state agency. Authorizes $15 million to be appropriated for fiscal years 2003–2006. (Section 636)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(34) Use of Rural Development Loans and Grants for Other Purposes

The Senate amendment amends subtitle A of the ConAct. If, after making a loan or grant, the Secretary determines the circumstances under which the loan or grant was made have sufficiently changed, the Secretary may allow the recipient to use the loan or grant for other purposes, meeting certain requirements. (Section 637)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6018)

(35) Simplified Application Forms for Loan Guarantees

The Senate amendment amends Sec. 333A of the ConAct. The Secretary shall provide lenders a simplified application for guarantees of farmer program loans under $100,000 and B&I guaranteed loans under $400,000. It also provides that after 2003, USDA may increase to $600,000 the limit on the size B&I loans eligible to use the simplified application process. The Secretary shall develop a process that accelerates processing applications for water and waste disposal grants and loans. (Section 638)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to allow the simplified application process to be used for guarantees of farmer program loans under $125,000. (Section 6019)

(36) Definition of Rural and Rural Area

The Senate amendment amends sec 343(a) of the ConAct so that a "rural area" means a city, town or unincorporated area with a population of 50,000 or less (applied to Community Facility loans and grants, B&I direct and guaranteed loans, Sections 601 and 638); 10,000 or less for water and waste disposal grants and loans. Other definitions of rural are provided for multijurisdictional regional planning organizations and the microenterprise program (Section 639)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment to clarify the definition of "rural" and "rural areas", and reduce the population requirement for the Community Facilities Program from 50,000 to 20,000. (Section 6020)

(37) Rural Enterprises and Microenterprise Assistance Program

The Senate amendment spends $10 million each year from 2002–2006. Amends Subtitle D of the ConAct to establish a Program to provide low- and moderate-income individuals with skills to start new small businesses in rural areas, and to provide continuing technical assistance through local organizations as these new businesses begin operating. Grants may be made to qualified organizations to provide training and technical assistance. (Section 642)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(38) Rural Seniors

The Senate amendment amends Subtitle D of the ConAct. The Secretary shall establish an interagency committee to examine special problems of rural seniors and report recommendations to the Senate and House Ag Committees.

Authorizes $25 million to be appropriated each fiscal year 2003–2006 for grants to nonprofit organizations of up to 20% of the cost of programs that provide facilities, equipment and technology for seniors.

Reserves no less than 12.5% of the Community Facilities program funds for Senior Facilities up to April 1 of each fiscal year.

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(39) Children's Day Care Facilities

The Senate amendment provides that Sec 306(a)(19) of the ConAct is amended to reserve no less than 10% of the Community Facilities funds for grants to pay the cost share of developing and constructing day care facilities for children in rural areas up to April 1 of each fiscal year. (Section 642)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6004)

(40) Rural Telework

The Senate amendment amends Subtitle D of the ConAct. The Secretary shall make a grant to an eligible organization to pay the cost of establishing a national rural telework institute. Nonprofit organizations and educational institutions may receive a grant of up to $500,000 for obtaining equipment and facilities to establish, expand or operate telework locations in rural areas. A 50% match is required. Authorizes $30 million for each fiscal year 2002–2006, of which $5 million each year will establish the institute. (Section 643)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that the matching requirement for a grant be 30 percent the first three years of a project and 50 percent during the fourth and fifth years. The Conference substitute also prescribes non-federal contribution requirements and grant amounts. (Section 6022)

(41) Historic Barn Preservation

The Senate amendment provides that Subtitle D of the ConAct is amended so the Secretary may make grants or enter into agreements with states to rehabilitate, preserve, or identify historic barns. Authorizes $25 million total for fiscal years 2002–2006. (Section 644)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to authorize such sums as necessary. (Section 6023)

(42) Grants for Emergency Weather Radio Transmitters

The Senate amendment amends Subtitle D of the ConAct. Authorizes $2 million each fiscal year 2002–2006 so the Secretary may make grants to public and nonprofit entities for acquiring radio transmitters to increase coverage of rural areas by the emergency weather broadcast system. (Section 645)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment. (Section 6024)

The Managers are concerned that many rural and remote areas in the United States do not have access to timely and accurate alerts and warnings regarding severe weather in the vicinity. In many cases, timely weather warnings may be the difference between life and death for individuals in the path of severe weather. It is the Managers intent that this grant program increase the coverage area of the all hazards weather radio broadcast system of the National Oceanic and Atmospheric Administration to as many rural and remote areas as possible.

(43) Delta Regional Authority

The Senate amendment provides that Sec. 382D of the Con Act is amended to clarify (as a drafting matter) the provision relating to supplements to federal grant programs. Subtitle D of the Con Act is amended to add 4 Alabama counties to the definition of Lower Mississippi, and to allow grants for research at a particular university. Sec. 382M(a) of the Con Act is amended by extending authorization of appropriations and authority to 2006. (Section 647)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying the voting structure. (Section 6027)

(44) SEARCH Grants for Small Communities

The Senate amendment amends the ConAct. States may establish a Council that may apply for a grant of no more than $1 million. The Council will use this funding to award SEARCH (special environmental assistance for the regulation of communities and habitat) grants to communities with a population with 2,500 or less for an environmental project or to comply with an environmental law. Authorizes $51 million in appropriations and such sums as are necessary to carry out this section. (Section 648)

The House bill contains no comparable provision.

The Conference substitute does not amend the ConAct. It adopts the Senate provision with an amendment to administer this program through the State Rural Development

Directors, in coordination with the environmental protection director of the State. (Sections 6301, 6302, 6303, 6304)

The consultation and coordination provided by the Environmental Protection Agency is for technical and informational purposes; the Managers intend that the State rural development directors award SEARCH grants in each state. Annual appropriations are authorized at $1,000,000 per state per year.

The State rural development directors are expected to appoint the members of the independent citizens' councils, which will help receive and review SEARCH grant applications from communities in the state. After a review of the applications by the council, in coordination with the State rural development director and the state environmental protection director, the State rural development directors will award SEARCH grants to communities for environmental projects that are necessary to carry out initial feasibility studies or to assist communities that demonstrate an inability to obtain sufficient funding from traditional sources as determined by the State rural development directors, in coordination with state environmental directors and the Council. Some State and Federal environmental laws and regulations require initial feasibility or environmental studies prior to undertaking an environmental project. It is the Managers' intent that SEARCH grants provided to communities for the purposes of carrying out an initial feasibility or environmental study be consistent with applicable State and Federal laws. It is not the Managers' intent to prohibit SEARCH grants to communities for initial feasibility or environmental studies where such requirements do not exist.

The Managers are aware that many communities do not have experts with the technical ability to complete the paperwork and other documents accompanying traditional funding programs. Therefore, it is the Managers' intent that the application process be simplified and streamlined as is practicable. State rural development directors should work with rural communities to identify the requirements of such a simplified application process.

Many communities coping with environmental laws and regulations are economically distressed and lack the resources to comply with mandates without grant assistance. It is the Managers' intent that State rural development directors not seek a local match from communities for grants awarded if it will result in economic hardship to the community in question. State rural development directors should reserve match requirements for specific situations and circumstances, and allow communities reasonable amounts of flexibility to provide, in lieu of cash payment, in-kind contributions when calculating the cost-share amount.

(45) Northern Great Plains Regional Authority

The Senate amendment amends the ConAct to establish the Authority to be composed of one member appointed by the President and confirmed by the Senate, and the Governors of the states participating in the Authority (Iowa, Minnesota, Nebraska, North Dakota and South Dakota). The Authority may approve grants to state and local governments, public and nonprofit entities for projects including transportation and telecommunication infrastructure, business development, and job training. Establishes distressed areas in which to target funding as well as a minimum requirement for the distribution of funds among the states. State and regional development plans and grant applications must be approved by the Authority. Authorizes $30 million each fiscal year 2002–2006 for the Authority, which expires in 2006. (Section 649)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision (Section 6028)

The Northern Great Plains Regional Authority is authorized in the states of Iowa, Minnesota, Nebraska, North Dakota, and South Dakota. The Authority is expected to develop a series of comprehensive coordinated plans for the economic development of the region. The Conference substitute authorizes appropriations of $30,000,000 in each of fiscal years 2002 through 2007.

Grants will be made by the Authority particularly to those counties which are distressed, with a special emphasis on transportation, telecommunications, and basic infrastructure such as sewer and water facilities as funds become available. The Managers recognize the ongoing rural development efforts that have evolved from the recommendations of the Northern Great Plains Rural Development Commission. The Commission was established in 1994 through the passage of P.L. 103–318 to prepare a 10-year rural development strategy for the Northern Great Plains Region. The Managers support the efforts of the Northern Great Plains, Inc. to implement the Commission's recommendations and urge the Department, along with this organization, to continue to advance the findings of the Commission.

It is the expectation of the Managers that staff resources of that organization are allocated in a balanced manner to the benefit of all parts of the region. Grants to the Authority must be allocated geographically so each state receives at least one third of its proportional population share without regard to the level of distress of counties in that state.

(46) Alternative Agricultural Research and Commercialization Corporation

The House bill extends Sec. 722. Alternative Agricultural research and commercialization revolving fund. (7 U.S.C. 5908(g)(1) and capitalization (7 U.S.C. 5908(g)(2) through 2011. (Section 651)

The Senate amendment repeals Subtitle G of Title XVI of the 1990 FACTA. The assets of the Corporation are transferred to the Secretary, and funds and any income shall be deposited into an account in the Treasury to pay outstanding claims or obligations of the Corporation and the cost of carrying out this section. There are other conforming amendments. (Section 651)

The Conference substitute adopts the Senate provision with a technical amendment. (Section 6201)

(47) Telemedicine and Distance Learning Services in Rural Areas

The Senate amendment amends Section 2335A of the 1990 FACTA to extend this provision through 2006. (Section 652)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6203)

The Managers direct that public television entities are eligible to receive assistance under this section for high speed telecommunication services in rural areas to provide educational programming for schools and communities in rural areas.

(48) Guarantees for Bonds and Notes Issued for Electrification or Telephone Purposes

The Senate amendment amends the REA. The Secretary shall guarantee bonds and notes issued by an eligible private lender if the proceeds are used for electrification or telephone projects eligible for assistance under this Act. The Secretary may not guarantee the bonds if they are not of reasonable and sufficient quality and for several other reasons. Bonds funding electric generation projects are specifically excluded from this program. Authorizes such sums as are necessary. Provides for fees for the issuance of the guarantees.

Proceeds from the fees minus certain costs are placed in an economic development subaccount. Grants as provided by current law are made from the subaccount for economic development. (Section 661)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment. (Section 6101)

This section provides for a new source of private funding for the Rural Economic Development Loan and Grant (REDLG) program. Since enactment in 1987, the REDLG program has provided approximately $185 million in economic development assistance to rural communities in the form of grants and zero-interest loans for rural development projects such as water and waste, business incubator, schools, hospitals, emergency services, and general economic and community development.

Private funding is provided through the payment of an annual 30 basis point fee by lenders that issue bonds or notes guaranteed by the Administrator of RUS under this section. These fees are placed in a sub-account for the purpose of providing the budget authority for eligible economic development projects through intermediaries participating in the REDLG program.

The provision provides for safety and soundness and permits the Administrator to deny the request of a lender for a guarantee if the lender does not have expertise and experience in rural utility lending, or issues bonds that, without the guarantee, would not be of investment grade quality. In addition, a lender should provide documentation that the proceeds of a guaranteed bond or note are used for eligible REAct purposes.

This provision further requires that a private lender make payments on the bonds or notes even if a loan made using the proceeds of such bond or note is not repaid to the lender. This effectively places the lender between the RUS and the borrower minimizing the risk to the government

(49) Expansion of 911 Access

The Senate amendment amends Title III of the REA. The Secretary may make telephone loans to state or local governments, Indian tribes, or other public entities for facilities and equipment to expand 911access in rural areas. Authorizes such sums as are necessary. (Section 662)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment. (Section 6102)

TITLE VII—RESEARCH AND RELATED MATTERS

SUBTITLE A—EXTENSIONS

(1) Market Expansion Research

The House bill extends section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(c)) through 2011. (Section 700)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to repeal Section 1436 (b)(3)(C) of the Food Security Act of 1985. (Section 7303)

(2) National Rural Information Center Clearing-House

The House bill extends section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) through 2011. (Section 701)

The Senate amendment amends and generally revises section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 and transfers authority from the research mission area to the rural development mission area. (Section 607)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. The Managers expect the Rural Development mission area of the Department to highlight the existence and resources of the Rural Information Center of the National Agricultural Library on its websites and in its informational materials. (Section 7101)

(3) Grants and Fellowships for Food and Agricultural Sciences Education

The House bill extends section 1417(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(1)) through 2011. (Section 702)

The Senate amendment amends section 1417 of NARETPA in several places to expressly include teaching and educational programs in "rural economic, community, and business development" as eligible purposes or recipients under this grant program and extends the authorization through 2006. (Section 703)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7102)

(4) Policy Research Centers

The House bill extends section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) through 2011. (Section 703)

The Senate amendment extends NARETPA (7 U.S.C. 3155(d)) through 2006. (Section 706(2)).

The Conference Substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7103)

(5) Human Nutrition Intervention and Health Promotion Research Program

The House bill extends section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) through 2011. (Section 704)

The Senate amendment amends section 1424 of NARETPA to extend authorization through 2006. (Section 707)

The Conference Substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7104)

(6) Pilot Research Program To Combine Medical and Agricultural Research

The House bill extends section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) through 2011. (Section 705)

The Senate amendment extends section 1424A of the NARETPA through 2006. (Section 708)

The Conference Substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7105)

(7) Nutrition Education Program

The House bill extends section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) through 2011. (Section 706)

The Senate amendment extends section 1425 of NARETPA through 2006. (Section 709)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7106)

(8) Continuing Animal Health and Disease Research Programs

The House bill extends section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) through 2011. (Section 707)

The Senate amendment extends section 1433 of NARETPA through 2006. (Section 710)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7107)

(9) Appropriations for Research on National or Regional Problems

The House bill extends section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) through 2011. (Section 708)

The Senate amendment extends section 1434 of NARETPA through 2006. (Section 711)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7108)

(10) Grants to Upgrade Agricultural and Food Sciences Facilities at 1890 Land-Grant Colleges, Including Tuskegee University

The House bill extends section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) through 2011. (Section 709)

The Senate amendment amends section 1447 of NARETPA to increase the authorization from $15 million to $25 million and extends the authorization through 2006. (Section 760)

The Conference substitute adopts the Senate provision with an amendment authorizing such sums as necessary and extending the authorization through 2007. (Section 7109) (Section 7109)

(11) National Research and Training Centennial Centers at 1890 Land-Grant Institutions

The House bill extends section 1448(a)(1) and (f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a) (1) and (f)) through 2011. (Section 710)

The Senate amendment extends section 1448 of NARETPA through 2006 and strikes "centennial" and replaces it with "virtual" each place it appears. (Section 761)

The Conference Substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7110)

(12) Hispanic Serving Institutions

The House bill extends section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) through 2011. (Section 711)

The Senate amendment extends section 1455 of NARETPA through 2006. (Section 712)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7111)

(13) Competitive Grants for International Agricultural Science and Education Programs

The House bill extends section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b (c)) through 2011. (Section 712)

The Senate amendment extends section 1459A of NARETPA through 2006. (Section 713)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7112)

(14) University Research

The House bill extends subsections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) through 2011. (Section 713)

The Senate amendment extends section 1463(a) of NARETPA to increase the authorization from $850 million per year to $1.5 billion per year, and extends the authorizations in subsections (a) and (b) to 2006. (Section 716)

The Conference substitute adopts the House provision with an amendment authorizing such sums as necessary and extending the authorization through 2007. (Section 7113)

The Managers encourage the Secretary to review USDA competitive grants programs administered by the Cooperative States Research, Education and Extension Service and provide to Congress a report that includes an accounting of the success of minority-serving institutions in accessing competitive research funding during the applicable fiscal year, and recommendations for steps that Congress, the Administration and the minority-serving institutions might take to achieve greater success by minority-serving institutions in securing competitively awarded grant funds.

(15) Extension Service

The House bill extends section 1464 the National Agricultural, Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) through 2011. (Section 714)

The Senate amendment extends section 1464 of NARETPA to increase the authorization from $420 million to $500 million and extend it through 2006. (Section 717)

The Conference substitute adopts the House provision with an amendment authorizing such sums as necessary and extending the authorization through 2007. (Section 7113)

The Managers recognize the importance of ensuring that America's farmers and ranchers have the tools necessary to remain the most productive, efficient and competitive producers in the global marketplace. Due to the complexity of marketing and management issues, intensive educational efforts have proven effective in helping producers increase their returns. The Agricultural Risk Protection Act acknowledged the need to establish a risk management education program to inform agricultural producers about the full range of risk management activities available to them.

One program that has proven to be successful is the Master Marketer Educational System (MMES) conducted by Texas Cooperative Extension. This intensive training course takes producers from an intermediate to an advanced level in marketing/risk management. Program graduates serve as volunteer leaders in establishing and /or revitalizing marketing clubs in their home county to share what they have learned. Two-year post-training surveys have indicated that graduates have increased their returns by $25,000 to $30,000 per year. While the Master Marketer training and marketing clubs are the cornerstones of the system, MMES also includes an advanced topic series for producers and an in-depth risk management training for lenders. The Managers encourage the Secretary of Agriculture to expand such programs to provide quality risk management training for farmers across the country.

(16) Supplemental and Alternative Crops

The House bill extends section 1473D(a) the National Agricultural, Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) through 2011. (Section 715)

The Senate amendment extends section 1473D of NARETPA through 2006. (Section 720)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7115)

(17) Aquaculture Research Facilities

The House bill extends section 1477 of the National Agricultural, Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) through 2011. (Section 716)

The Senate amendment extends section 1477 of NARETPA through 2006. (Section 721)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7116)

(18) Rangeland Research

The House bill extends section 1483(a) of the National Agricultural, Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) through 2011. (Section 717)

The Senate amendment extends section 1483 of NARETPA through 2006. (Section 722)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7117)

(19) National Genetics Resources Program

The House bill extends section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is extended through 2011. (Section 718)

The Senate amendment extends section 1635 of the FACT Act through 2006. (Section 731)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7118)

(20) High-Priority Research and Extension Initiatives

The House bill extends section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is extended through 2011. (Section 719)

The Senate amendment extends section 1672 of the FACT Act through 2006. Section 734)

The Conference substitute combines the House and Senate provision, conforming to the format of the House provision and extending the authorization through 2007. (Section 7119)

The Managers note that the US Department of Agriculture has relocated the Western Human Nutrition Research Center (WHNRC) to the University of California, Davis campus. In order to ensure that the full potential of a research and education partnership between the WHNRC and the University is realized, the Managers fully expect the Secretary of Agriculture to establish a Cooperative Agreement, to replace the current Memorandum of Understanding, with the University of California for the management of the WHNRC by August 1, 2002.

The Managers expect that the Secretary shall, in making grants under paragraph 41, give priority to proposals to: i) establish and coordinate priorities for genetic evaluation of domestic beef cattle; (ii) consolidate research efforts to reduce duplication of effort and maximize the return to beef industry; (iii) streamline the process between the development and adoption of new genetic evaluation methodologies by the industry; (iv) identify new traits and technologies for inclusion in genetic programs in order to reduce the costs of beef production and provide consumers with a high nutritional value, healthy, and affordable protein source or create decision making tools that incorporate the increasing number of traits being evaluated and the increasing amount of information from DNA technology into genetic improvement programs, with the goal of optimizing the overall efficiency, product quality and safety, and health of the domestic beef cattle herd resource.

The Managers recognize the importance of proper management and stewardship of the Ogallala Aquifer and other natural resources to the long-term viability of agricultural enterprises and communities in the Central and Southern Great Plains. The Managers recognize the ongoing efforts of educational institutions and agricultural entities in this region that have expertise in developing enhanced management strategies for conserving water, natural resources and associated agricultural infrastructure in order to protect the region's economic integrity over the long term. The Managers commend multi-disciplinary research efforts to develop new technologies and strategies to manage and utilize water and natural resources to produce sustainable economic returns.

To maintain the economic vitality and rural population base of the Central and Southern Great Plains, the Secretary is encouraged to give priority to and fund collaborative research efforts that seek to protect the water and natural resources of this region.

(21) Nutrient Management Research and Extension Initiative

The House bill extends section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) through 2011. (Section 720)

The Senate amendment extends section 1672A of the FACT Act through 2006. (Section 735)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7120)

The Managers acknowledge the many benefits of the worm farming industry. Worm farms, while not recognized in any specific program within the USDA, provide considerable environmental benefits. By recycling organic waste, worms fertilize our agriculturally productive lands and improve nutrient-deficient soil. The Managers encourage the USDA to study and promote worm farming industry techniques that are beneficial to the environment.

(22) Agriculture Telecommunications Program

The House bill extends section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) through 2011. (Section 721)

The Senate amendment extends section 1673 of the FACT Act through 2006. (Section 737)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7121)

(23) Alternative Agricultural Research and Commercialization Revolving Fund

The House bill extends section 1664(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908(g)(1) and the capitalization section 1664(g)(2)of the FACT Act (7 U.S.C. 5908(g)(2)) is extended through 2011.(Section 722)

The Senate amendment repeals the provision and provides authority to the Secretary for the orderly disposal of AARCC assets. (Section 651)

The Conference substitute adopts the Senate provision (Sec. 6201).

(24) Assistive Technology Program for Farmers With Disabilities

The House bill extends section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) through 2011.

The Senate amendment extends section 1680 of the FACT Act through 2006.

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7122)

(25) Partnerships for High-Value Agricultural Product Quality Research

The House bill extends section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) through 2011.(Section 724)

The Senate amendment extends section 402 of AREERA through 2006. (Section 742)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Secion 7123)

(26) Biobased Products

The House bill extends section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) and section 404(h) the authorization of appropriations of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(h)) through 2011. (Section 725)

The Senate amendment extends section 404 of AREERA for the basic authorization for the program and the authority to conduct the pilot project through 2006. (Section 744)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7124)

(27) Integrated Research, Education, and Extension Competitive Grants Program

The House bill extends section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) through 2011. (Section 726)

The Senate amendment amends section 406 of AREERA to provide that the term for a grant under that section shall not exceed 5 years and to extend the authorization through 2006. (Section 746)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7125)

(28) Institutional Capacity Building Grants

The House bill extends section 535(b)(1) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) through 2011. (Section 727)

The Senate amendment amends section 535 of the Act to extend the authorization for institutional capacity building grants through 2006 and change the authorized amount from $1.7 million per year to such sums as necessary. (Section 755(f))

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7126)

(29) 1994 Institution Research Grants

The House bill extends section 536(c) of the Equity in Educational Land-grant States

Act of 1994 (7 U.S.C. 301 note) through 2011. (Section 728)

The Senate amendment amends section 536 of the Act to extend the authorization for the research grants program through 2006. (Section 755(g)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7127)

(30) Endowment for 1994 Institutions

The House bill extends section 533(b) of the Equity in Educational Land-grant States Act of 1994 (7 U.S.C. 301 note) through 2011. Current authorization limit of $4,600,000 is amended to "such sums as are necessary". (Section 729)

The Senate amendment extends the authorization of the 1994 Institutions endowment under section 533 of the Act through 2006 and changes the amount from $4.6 million per fiscal year to such sums as are necessary. (Section 755(c))

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7128)

(31) Precision Agriculture

The House bill extends section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i) through 2011. (Section 730)

The Senate amendment extends section 403 of AREERA through 2006. (Section 743)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7129)

(32) Thomas Jefferson Initiative for Crop Diversity

The House bill extends section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h) through 2011. (Section 731)

The Senate amendment extends section 405 of AREERA through 2006. (Section 745)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7130)

(33) Support for Research Regarding Diseases of Wheat, Triticale, and Barley Caused by Fusarium graminearum or by Tilletitia indica

The House bill extends section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e) through 2011.

The Senate amendment extends section 408 of AREERA through 2006. (Section 747)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007 and strike the dollar figure and authorize such sums as are necessary. (Section 7131)

(34) Office of Pest Management Policy

The House bill extends section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) through 2011. (Section 733)

The Senate amendment extends section 614 of AREERA through 2006. (Section 750A)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7132)

(35) National Agricultural Research, Extension, Education and Economics Advisory Board

The House bill extends section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h) through 2011. (Section 734)

The Senate amendment amends section 1408 of NARETPA to extend the term of the Board through 2006. (Section 702)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7133)

(36) Grants for Research on Production and Marketing of Alcohols and Industrial Hydrocarbons From Agricultural Commodities and Forest Products

The House bill extends section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) through 2011. (Section 735)

The Senate amendment extends section 1419 of NARETPA through 2006. (Section 705)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7134)

(37) Biomass Research and Development

The House bill extends title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) through 2011. (Section 736)

The Senate amendment extends title III of ARPA through 2006. (Section 903)

The Conference Substitute adopts the Senate provision with amendments. The conference substitute provides $12,500,000 annually for each fiscal year 2002–2007. (Section 9008)

(38) Agricultural Experiment Stations Research Facilities

The House bill extends section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) through 2011. (Section 737)

The Senate amendment extends section 6 of the Research Facilities Act through 2006. (Section 782)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7135)

(39) Competitive, Special, and Facilities Research Grants, National Research Initiative

The House bill extends subsection 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450(i)(b)(10)) through 2011. (Section 738)

The Senate amendment extends subsection (b)(10) through 2006. (Section 784)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7136)

(40) Federal Agricultural Research Facilities Authorization of Appropriations

The House bill extends section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (P.L. 99–198; 99 Stat. 1556) through 2011. (Section 739)

The Senate amendment extends section 1431 of the NARETPA through 2006. (Section 783)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7137)

(41) Cotton Classification Services

The House bill extends the first sentence of section 3a of the Act of March 3, 1927 (commonly known as the "Cotton Statistics and Estimates Act; 7 U.S.C. 473a) through 2011. (Section 740)

The Senate amendment extends the first sentence of section 3a of the Act of March 3, 1927 through 2006. (Section 1047)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Sec. 10501)

(42) Critical Agricultural Materials Research

The House bill extends section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) through 2011. (Section 740A)

The Senate amendment extends section 16 of the Act through 2006. (Section 781)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7138)

SUBTITLE B—MODIFICATIONS

(43) Equity in Educational Land-Grant Status Act of 1994

The House bill amends section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) by increasing the authorization of appropriations from $50,000 to $100,000; by modifying the definition by which full-time equivalent Indian Student Count is calculated; by making accreditation requirements; and by updating the names of the 1994 institutions. (Section 741)

The Senate amendment has the same language but also adds White Earth Tribal and Community College to the list of 1994 Institutions. (Section 755)

The Conference substitute adopts the House provision for 741(a), the Senate provision for 741(b), the Senate provision for 741(c), and the Senate provision for 741(d) with an amendment that adds White Earth Tribal and Community College to list of 1994 Institutions and requires USDA to report to Congress with guidance on standards for future additions. (Section 7201)

(44) The National Agricultural Research, Extension, and Teaching Policy Act of 1977

The House bill amends Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7.U.S.C. 3103(4)) by adding 1994 institutions to the definition of colleges and universities. Intent is to make 1994 land grant institution eligible for competitive grants. (Section 742)

The Senate amendment has the same intent, but adds the 1994 Institutions to the list of institutions eligible for the Integrated Grants Program in section 406 of AREERA. (Section 756)

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7209)

(45) Agricultural Research, Extension, and Education Reform Act of 1998

The House bill amends section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) by adding:

(1) alternative fuels and renewable energy sources to Priority Mission Areas ;

(2) by including energy efficiency in priority research areas in Precision Agriculture (7 U.S.C. 7623; by including energy efficiency in priority research areas of the Thomas Jefferson Initiative for Crop Diversity (7 U.S.C. 7625(a));

(3) by including energy efficiency and renewable resources in priority research areas of the Coordinated Program of Research, Extension, and Education to Improve Viability of Small and Medium Size Dairy, Livestock, and Poultry Operations (7 U.S.C. 7627);

(4) by amending section 408 of AREERA, Support for Research Regarding Diseases of Wheat, Triticale, and Barley caused by Fusarium graminearum or by Tilletitia Indica (7 U.S.C. 7628(a)) to include research related to Karnal bunt identification and control; and

(5) by adding a new section to the Agricultural Research, Extension, and Education

Reform Act of 1998 (7 U.S.C. 7621 et seq) to authorize a Program to Control Johne's Disease. (Section 743)

The Senate amendment provides for the definition of precision agriculture, adds "horticultural" into subsection (a)(3)(A), adds a new subsection (a)(3) (E) to read "using such information to enable intelligent mechanized harvesting and sorting systems for horitcultural crops"; and adds a new subsection (a)(4)(E) to read "robotic and other intelligent machines for use in horticultural cropping systems" and in subsection (c)(2) by adding "horticultural" after "agronomic" and adding "product variability". (Section 743)

The Conference substitute adopts the Senate provision from 743(a) and the House provision from 743(b), (c), (d), (e), and (f). (Section 7207)

The Managers do not intend that any future funds made available for Tilletia indica (commonly referred to as Karnal Bunt) research would be taken from the amount presently made available for research related to Fusarium graminearum (commonly referred to as Wheat Scab).

(46) Food, Agriculture, Conservation, and Trade Act of 1990

The House bill amends section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) to include plant pathogens as an eligible research priority. The House bill also amends the High-Priority Research and Education Initiative section 1672(e) of the FACT Act (7 U.S.C. 5925(e)) to include several new high-priority research and extension projects:

research to protect the United States food supply and agriculture from bioterrorism

wind erosion research

crop loss research and extension

land use management research and extension

water and air quality research and extension

revenue and insurance tools research and extension

agrotourism research and extension

harvesting productivity for fruits and vegetables

nitrogen-fixation by plants

agricultural marketing

environment and private lands research and extension

livestock disease research and extension

plant gene expression (Section 744)

The Senate amendment amends section 1672 of the FACT Act to extend the authorization through 2006 and add the following new high-priority research and extension areas:

animal infectious diseases research and extension

program to combat childhood obesity

integrated pest management

beef cattle genetics

dairy pipeline cleaner (with a set-aside of not less than $100,000 of authorized funds for this purpose)

plant and animal varieties (Section 743)

The Conference substitute adopts the House provision for Section 744(a) and the Senate provision for Section 744(b) with an amendment conforming Senate provisions to the format of the House provision and combining both the House and Senate lists of high priority research and extension projects. Additional priorities to be named are Genetically Modified Agriculture Products Research, Publicly Held Plant and Animal Varieties, and Sugarcane Genetics. New language is added to the assistive technology program for farmers with disabilities to ensure full consideration is given to entities applying for grants but have not previously received grants.. (Section 7208)

The Managers recognize the success of state AgrAbility programs that have benefited from assistive technology competitive grants. The Managers understand the difficulty faced by new applicants in competing with established programs for limited funds. To continue the success of this program and broaden its scope to additional states, the Managers encourage full funding of the program and urge the Secretary to give full consideration to the potential merits of eligible programs that have not previously received a grant award.

(47) The National Agricultural Research, Extension, Education and Teaching Policy Act of 1977

The House bill amends section 1408 of the National Agricultural Research Extension, Education and Teaching Policy Act of 1977—National Agricultural Research, Extension, Education, and Economics Advisory Board. (7 U.S.C. 3123) to add a non Land-grant college or university representative to the board, and provide authority for the board to consult with Congress and non-research agencies of the U.S. Department of Agriculture. Total Membership of the Advisory Board is increased from 30 to 31 members; and section 1419 of that Act—Grants for Research on Production and Marketing of Alcohols and Industrial Hydrocarbons from Agricultural Commodities and Forest Products (7 U.S.C. 3154) to include industrial oilseed crops.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is also amended to authorize an internship program in Foreign Agriculture Service overseas offices. (Section 745)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to move the provision concerning the total number of Advisory Board Members from subsection (c) to subsection (a) of House Section 745. New language amends current law to allow for funding of the Joe Skeen Institute for Rangeland Restoration. (Sec. 7209)

(48) Biomass Research and Development

The House bill amends title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) to include biodiesel in the Congressional Statement of Findings, to include animal by-products in the definition of "Biomass", and to add a livestock trade association representative to the Biomass Research and Development Technical Advisory Committee. (Section 746)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(49) Biotechnology Risk Assessment Research

The House bill amends section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) to ensure that risk assessment projects carried out under this program compare the risks associated with products of agricultural biotechnology to those associated with traditionally bred plants and animals. Assessment is increased from 1% to 3%. (Section 747)

The Senate amendment amends section 1668 of the FACT Act by inserting a new subsection providing priorities for grant award and raising from 1 percent to 3 percent the amount to be withheld from USDA biotech research outlays for the purpose of making grants under this section for research on biotechnology risk assessment, with new language specifying that the research be "on all categories identified by the Secretary of Agriculture as biotechnology".

Under the new language, "the Secretary shall give priority to public and private research or educational institutions and organizations the goals of which include—

(1) formation of interdisciplinary teams to review or conduct research on the environmental effects of the release of new genetically modified agricultural products;

(2) conduct of studies relating to biosafety of genetically modified agricultural products;

(3) evaluation of the cost and benefit for development of an identity preservation system for genetically modified agricultural products;

(4) establishment of international partnerships for research and education on biosafety issues; or

(5) formation of interdisciplinary teams to renew and conduct research on the nutritional enhancement and environmental benefits of genetically modified agricultural products. (Section 732)

The Conference substitute adopts the House provision with an amendment adding genetically engineered microorganisms as a priority topic for risk assessment research, including international partnerships on biosafety as a research priority, and reducing the amount withheld from biotechnology research funding from 3% to 2%. (Section 7210)

(50) Competitive, Special, and Facilities Research Grants

The House bill amends section 2(a) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(a)) to provide for consultation on development of program priorities with the National Agriculture Research, Extension, Education, and Economics Advisory Board. (Section 748)

The Senate amendment amends subsection (b)(2) of the Act to strike the stated substantive areas of national and multistate needs under high priority research and instead provide for the Secretary to determine those needs in consultation with the REE Board not later than July 1 of each fiscal year for the following fiscal year. (Section 784)

The Conference substitute adopts the Senate provision with an amendment to retain the high priority research focuses prescribed in current law. (Section 7211)

(51) Matching Funds Requirement for Research and Extension Activities of 1890 Institutions

The House bill amends section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) to phase in an increased matching requirement for non-Federal funds for 1890 land-grant colleges and universities to 100% by 2007. The Secretary is granted authority to waive the matching requirement if it is unlikely that a Territorial college will be able to satisfy the matching requirement in an individual fiscal year. (Section 749)

The Senate amendment amends the matching requirements for 1890 Institution research and extension formula funds in section 1449 of NARETPA to require that a State must match 60 percent of Federal funds provided an 1890 Institution in FY 2003 and provide a match of 110 percent of the amount required to be matched in the prior fiscal year for FY 2004 through 2006. For fiscal years 2003 through 2006, the Secretary may waive any amount of the match above 50 percent for an institution if the Secretary determines that the State will be unlikely to meet the matching requirement. (Section 762)

The Conference substitute adopts the House provision with an amendment to require a unified approach to a phase-in of 100% matching requirement over 5 years; extended through 2007. (Section 7212)

(52) Matching Fund Requirement for Research and Extension Activities for the United States Territories

The House bill amends Section 3(d)4 of the Hatch Act of 1877 (7 U.S.C. 361c(d)(4)) and section 3(e)4 of the Smith-Lever (7 U.S.C. 343(e)(4)) making a technical correction to establish matching requirements. (Section 749A)

The Senate amendment has the same intent, but legislative language is drafted significantly differently. (Section 776)

The Conference substitute adopts the Senate provision. (Section 7213)

(53) The Initiative for Future Agriculture and Food Systems

The House bill amends section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) to provide a total of $1,160,000,000 to be transferred from the Treasury in equal increments for each fiscal year beginning on October 1, 2003 through September 30, 2011. Funds transferred beginning on October 1, 2003 would be available until expended Funds will be deposited directly into the Commodity Credit Corporation accounts as opposed to a separate account in the Treasury. (Section 750)

The Senate amendment amends section 401 of AREERA to retain $130 million in mandatory money for 2002 and extend the program for fiscal years 2003 through 2006 at $225 million per fiscal year in mandatory money. Encourages Secretary to set aside 10% of available funds for minority serving institutions. (Section 741)

The Conference substitute adopts the House provision with an amendment adding "minority-serving institutions" to the list of those institutions that have not previously been successful in obtaining competitive grants under current law, adding rural economic policy analysis as a critical issue for research, and extending the authorization for the program through 2007. New language creates a budgetary baseline and provides $1.3 billion in new mandatory funding. (Section 7205)

In making grants to address rural economic and business and community development policy issues, the Managers encourage the agency to solicit and fund research, education, and extension projects on rural policy, rural economic and community development, agriculturally-based development, new and alternative markets, locally-owned value-adding enterprises, and self employment and entrepreneurial opportunities. The Managers also encourage the agency to solicit project proposals addressing critical issues related to improving the effectiveness of Federal rural and agricultural development programs, including projects directly involving rural organizations and rural entrepreneurs that participate in Federal rural development programs.

The Managers note the importance of funding for the farm efficiency and profitability priority mission area. The Mangers encourage the agency to solicit and fund projects which promote the development of management and marketing systems that improved profitability, including development of diversification and input cost reduction strategies; effective local, regional, and international marketing programs; farm-based value-added processing and new high return production and marketing niches; improved methods of managing risk; and means to improve management and marketing of natural and environmental resources. Also, as part of this priority mission area, the Managers encourage the agency to solicit and fund research and development of farm tenure, transfer, succession, finance, management, production, and marketing models and strategies that foster new farming and ranching opportunities for beginning farmers and ranchers.

(54) Carbon Cycle Research

The House bill amends section 221 of the Agricultural Risk Protection Act of 2000 (P.L. 106–224; 114 Stat. 407) to provide an authorization of appropriations so that a discretionary program could be continued. (Section 751)

The Senate amendment is similar but authorization is extended only through 2006. (Section 787)

The Conference substitute adopts the House provision with an amendment to extend the authorization through 2007. (Section 7223)

The Managers recognize the success of the carbon cycle research consortium (created by Sec. 221 of the Agriculture Risk Protection Act of 2000) and encourage these institutions to continue their cooperative work. The Managers understand that the consortium network may be expanded, as deemed appropriate by the consortium, to include additional institutions with interest or expertise in carbon cycle research.

(55) Definition of Food and Agricultural Sciences.

The House bill amends section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) to strike the definition of Food and Agricultural Sciences and instead refer to the definition of Food and Agricultural Sciences in section 1408(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)). (Section 752)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7214)

(56) Federal Extension Service

The House bill amends section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) to provide that "such sums as are necessary" may be appropriated to carry out this section. (Section 753)

The Senate amendment rewrites section 3(b)(3) of the Smith-Lever Act, which authorizes extension funds for the 1994 Institutions, to change the authorization from $5 million to such sums as necessary beginning in FY 2002, to change the manner of distribution of such funds from a competitive application basis to a formula to be developed and implemented by the Secretary in consultation with the 1994 Institutions, and allows payments for extension activities that may be carried out in more than one fiscal year. (Section 754)

The Conference substitute adopts the House provision with an amendment to allow the carry-over of funding until expended. (Section 7215)

(57) Policy Research Centers

The House bill amends section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act (7 U.S.C. 3155(c)(3)) to provide that grant funding may be used to disseminate policy research information. (Section 754)

The Senate amendment is the same language.

The Conference substitute adopts the Senate provision. (Section 7216)

SUBTITLE C—RELATED MATTERS

(58) Resident Instruction at Land-grant Colleges in U.S. Territories

The House bill provides new authority for resident instruction at land-grant colleges in United States Territories, subject to the availability of appropriations. (Section 761)

The Senate amendment amends section 1404 of the NARETPA of 1977 to add a definition for "insular area" to include the Commonwealth of Puerto Rico and U.S. Territories. (Section 701)

Also amends NARETPA to add a new subtitle O—Land Grant Institutions in Insular Areas. The "insular areas" are defined in section 1404 of NARETPA as amended by section 701 of the bill. New section 1489 under that subtitle provides an authorization of $4 million per fiscal year through 2006 for the Secretary to make competitive or noncompetitive grants to State cooperative institutions (i.e., land-grants) in insular areas to strengthen the capacity of such institutions to carry out distance food and agricultural education programs using digital network technologies. Grants may be used: (1) to acquire equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure necessary to teach students and teachers about technology in the classroom; (2) to develop and provide educational services (including faculty development) to prepare students or faculty seeking a degree or certificate approved by the State or a DOE recognized regional accrediting body; (3) to provide teacher education, library and media specialist training, and preschool and teacher aid certification to those who seek to acquire or enhance technology skills for use of technology in the instructional process; (4) to implement a joint project to provide technology education in the classroom with a local educational agency, community-based organization, national nonprofit, or a business; (5) to provide leadership development to administrators, board members, and faculty of eligible institutions with responsibility for technology education. Funds may not be used for the planning, acquisition, construction, rehab, or repair of buildings. The Secretary may carry out the program in a manner that recognizes the different needs and opportunities between institutions in the Pacific and those in the Atlantic. The Secretary may establish a matching requirement of up to 50 percent, which is subject to waiver. (Section 775)

The Conference substitute adopts the House provision with an amendment to combine House section 761 with Senate sections 701 and 775. The amendment also makes technical changes in Senate section 775, strikes the reference to businesses located within a HUB Zone under the Small Business Act, authorizes funding at such sums as are necessary, and extends the authorization through 2007. (Section 7503)

(59) Declaration of Extraordinary Emergency and Resulting Authorities

The House bill amends section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)), section 442 of the Plant Protection Act (7 U.S.C. 7772), section 11 of the Act of May, 1884, commonly known as the "Animal Industry Act"(21 U.S.C. 114a) and the first section of the Act of September 25, 1981 (7 U.S.C. 147b) to provide for more efficient management of declarations of extraordinary emergencies and transfer of funds from the Commodity Credit Corporation.

A new section (419(a)) is added to the Plant Protection Act that requires the Secretary to determine if uses of methyl bromide required by state, local and tribal authorities to control the spread of plant pests and noxious weeds shall be authorized. In addition, the Secretary would maintain a registry of authorized uses. (Section 762)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision for 762(a) and deletes the House provision for 762(b). For Section 762(c), the Conference substitute adopts the House provision with an amendment to require the Secretary of Agriculture to consider the availability of methyl bromide alternatives prior to making a determination under this section, and to establish a program, in consultation with State, local and tribal authorities to identify methyl bromide alternatives. Exemptions from regulatory procedures under the Administrative Procedures Act and Paperwork Reduction Act are eliminated. A rule of construction is included to provide that nothing in this section would alter or modify the authority of the Administrator of the Environmental Protection Agency or to provide authority to the Secretary of Agriculture under the Clean Air Act or regulations promulgated under the Clean Air Act. (Section 7504)

(60) Agricultural Biotechnology Research and Development for the Developing world

The House bill authorizes the Secretary to use $5 million for each of the fiscal years 2004 through 2008 from funds allocated to the Initiative for Future Food and Agriculture Systems to establish a competitive grants program for the development of agricultural biotechnology in the developing world. (Section 763)

The Senate amendment provides an authorization of $5 million per year from 2002 through 2006 for the Secretary, acting through FAS, to carry out a competitive grant program to develop agricultural biotechnology for developing countries. Eligible recipients would include historically black colleges and universities, Hispanic-serving institutions, tribal colleges or universities that offer a curriculum in agriculture or the biosciences, a nonprofit organization, or a consortium of for-profit institutions and agricultural research institutions. Grants would be available for biotechnology projects that:

(1) enhance nutritional content of agricultural products that can be grown in developing countries;

(2) increase the yield and safety of agricultural products that can be grown in the developing countries;

(3) increase the yield of agricultural products that are drought and stress-resistant and that can be grown in developing countries

(4) extend the growing range of crops that can be grown in developing countries;

(5) enhance the shelf-life of fruits and vegetables grown in countries;

(6) develop environmentally sustainable agricultural products that can be grown in developing countries; and

(7) develop vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically engineered agricultural products. (Section 750)

The Conference substitute adopts the Senate provision with an amendment to modify the definition of "eligible entity" to include all colleges and universities with an agricultural or bioscience curriculum and to authorize such sums as necessary through 2007. (Section 7505)

SUBTITLE D—REPEAL OF CERTAIN ACTIVITIES AND AUTHORITIES

(61) Food safety research information office and national conference

The House bill repeals subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) National Conference and (c)) Food Safety Report. (Section 771)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7301)

(62) Reimbursement of expenses under sheep promotion, research, and information Act of 1994

The House bill repeals section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (P.L. 105–185; 112 Stat. 607).

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7302)

(63) National Genetic Resources Program

The House bill repeals section 1634 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5843). (Section 773)

The Senate amendment extends section 1634 of the FACT Act through 2006. (Section 731)

The Conference substitute adopts the Senate provision with an amendment to authorize through 2007. (Section 7118)

(64) National Advisory Board on Agricultural Weather

The House bill repeals section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853). (Section 774)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7304)

(65) Agricultural Information Exchange with Ireland

The House bill repeals section 1420 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (P.L. 99–198; 99 Stat. 1551)

No comparable provision. (Section 775)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7305)

(66) Pesticide Resistance Study

The House bill repeals section 1437 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (P.L. 99–198; 99 Stat. 1558). (Section 775)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7306)

(67) Expansion of Education Study

The House bill repeals section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (P.L. 99–198; 99 Stat. 1559). (Section 777)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7307)

(68) Support for advisory board

The House bill repeals section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127). (Section 778)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(69) Task force on 10-year strategic plan for agricultural research facilities

The House bill repeals section 4 of the Research Facilities Act (7 U. S. C. 390b). (Section 779)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7308)

SUBTITLE E—AGRICULTURE FACILITY PROTECTION

(70) Additional Protections for Animal or Agricultural Enterprises, Research Facilities, and other Entities.

The House bill amends the Research Facilities Act (7 U.S.C. 390 et seq.) by adding a new section to provide the Secretary with authority to investigate and assess civil penalties in cases of reckless or intentional destruction of animal or agricultural enterprises. A civil penalty assessed by the Secretary against a person for a violation shall be not less than the total cost incurred by the Secretary and the total cost of the economic damage suffered by the agricultural enterprise. A fund to assist victims of disruption would be established in the Treasury consisting of that portion of each civil penalty that represents the recovery of economic damages. The Secretary of Agriculture shall use the fund to compensate an animal or agricultural enterprise for economic losses. (Section 790)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(71) Competitive Research Facilities Grant Program

The Senate amendment amends NARETPA to add a new section 1417A providing an authorization for a new competitive food and agricultural research facilities grant program 1862 Institutions, 1890 Institutions, 1994 Institutions, Hatch experiment stations, McIntire-Stennis schools, veterinary schools under the animal and health disease formula program authorized in NARETPA, and Hispanic-serving institutions. Grants awarded have to support the national research purposes specified in section 1402, States with more than one institution must coordinate proposals, and the Secretary may require a match and may afford an evaluation preference for matches made with cash. (Section 704)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(72) Indirect Costs

The Senate amendment amends section 1462 of NARETPA by striking the 19 percent cap on indirect costs for competitive agricultural research, education, and extension grants under the authority of the Under Secretary for REE and providing instead that the cap shall be the "negotiated indirect cost rate established for an institution by the cognizant Federal audit agency for that institution" and also adds a new subsection specifying that the cap does not apply to SBIR grants (Section 714)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to exempt grants awarded competitively under the Small Business Act. (Section 7222)

(73) Research Equipment Grants

The Senate amendment adds a new section 1462A to NARETPA providing an authorization for $50,000,000 per year for a competitive research equipment grants program for the acquisition of special purpose scientific research equipment for use in the food and agricultural sciences programs of colleges and universities and 1862 Institutions, 1890 Institutions, 1994 Institutions, Hatch experiment stations, McIntire-Stennis schools, veterinary schools under the animal and health disease formula program authorized in NARETPA, and Hispanic-serving institutions. The maximum amount of a grant is $500,000 and the costs of acquisition or depreciation of equipment purchased with a grant may not be charged as an indirect cost. (Section 715)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to authorize such sums as necessary and extend the authorization through 2007. (Section 7402)

(74) Availability of Competitive Grant Funds

The Senate amendment adds a new section 1469A to NARETPA to provide that funds made available to the Secretary to carry out any competitive agricultural research, education, or extension grant programs under NARETPA or any other Act shall be available for obligation for two fiscal years. (Section 718)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7217)

(75) Joint Requests for Proposals

The Senate amendment adds a new section 1473B to NARETPA to authorize the Secretary, in carrying out competitive agricultural research, education, or extension grant programs, to cooperate with other Federal agencies in issuing joint request for proposals, awarding grants, and administering grants, for similar or related research, education, or extension projects or activities. Under the provision, with respect to issuing joint requests for proposals, making awards, and administering grants, the Secretary and a cooperating agency each are given authority to: (1) transfer funds to the other; (2) delegate authority to the other; (3) and choose which agencies post-award grant administration regulations and indirect rates shall apply to grant awards made by the Secretary and the cooperating agency. Funds transferred may only be used in accordance with the laws authorizing the appropriation and to make grants only to recipients eligible to receive grants under such laws. The Secretary and cooperating agencies may establish joint peer review panels exempt from FACA to evaluate grant proposals.

Subsection (b) allows the Secretary to transfer funds to cooperating agencies subject to applicable laws.

Subsection (c) allows the Secretary to delegate her authority to an appropriate coordinating agency.

Subsection (d) provides the Secretary with authority to coordinate regulations and indirect rates with a cooperating agency.

Subsection (e) allows joint peer review panels to be established. (Section 719)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to strike the authority to transfer appropriated funds between Federal Departments and Agencies and to prohibit authority to adopt "negotiated" indirect cost recovery rates. (Section 7403)

(76) Biosecurity Planning and Response Programs

The Senate amendment subsection (a) adds a new subtitle N—Biosecurity to NARETPA. Chapter 1 of the new subtitle (sections 1484 through 1486) deals with agriculture infrastructure security. Authorizations are provided of such sums as necessary through 2006 to establish an Agriculture Infrastructure Security Fund Account (the Fund) in the Treasury and an Agriculture Infrastructure Security Commission. New section 1484 sets forth definitions of "agricultural research facility," "Commission," and "Fund".

New section 1485 authorizes the establishment of the Fund. The Fund would be financed from any appropriations, proceeds from the sale of assets as provided for in this chapter, and gifts accepted as provided for in this chapter, and such amounts would remain available until expended. Subsection (b) sets for the purposes of the Fund as to provide funding to protect and strengthen the Federal food safety and agricultural infrastructure that—(1) safeguards against animal and plant diseases and pests; (2) ensures the safety of the food supply; and (3) ensures sound science in support of food and agricultural policy. Amounts in the Fund may be used by the Secretary for: (1) the costs of planning, design, development, construction, acquisition, modernization, leasing, and disposal of facilities, equipment, and technology used by USDA in carrying out programs related to the purposes specified in subsection (b), notwithstanding the Federal Property and Administrative Services Act of 1949, or any other law that prescribes procedures for the procurement, use, or disposal of property or services by a Federal agency; (2) the costs of specialized services relating to the purposes specified in subsection (b); (3) the costs of cooperative arrangements (notwithstanding the Federal Grant and Cooperative Agreement Act) with State, tribal, and local governments, and other public and private entities to carry out programs related to the purposes specified in subsection (b); and (4) administrative costs at a rate of not more than 1 percent per fiscal year of amounts in the fund on October 1 of that fiscal year beginning in 2003. Amounts in the Fund may not be used to create any new full or part-time Federal employee positions. Notwithstanding the Federal Property and Administrative Services Act, the Secretary by sale may dispose of all or any part of any right or title in land, facilities, or equipment in the full control of the Department used for the purposes specified in subsection (b), with the exception of National Forest System land and land and facilities at the Beltsville Agricultural Research Center. The Secretary is authorized to accept gifts and bequests of funds property (real, personal, and intangible), equipment, services, and other in-kind contributions from any public or private source to carry out the purposes specified in subsection (b). For the purposes of gifts, the Secretary shall not consider a State, local, or tribal government, other public entity, or college or university as a prohibited source under USDA gift acceptance policies, and the Secretary may accept gifts from private entities or individuals that would be considered prohibited sources only if the Secretary determined it was in the public interest to accept such gifts.

New section 1486 authorizes the Secretary to establish the Agriculture Infrastructure Security Commission to: (1) advise the Secretary on the uses of the Fund; (2) to review all agricultural research facilities for research importance and importance to agriculture infrastructure security, (3) to identify any agricultural research facility that should be closed, realigned, consolidated, or modernized to carry out the research agenda of the Secretary and to protect agriculture infrastructure security; (4) to develop recommendations concerning agricultural research facilities; and (5) to evaluate the agricultural research facilities acquisition and modernization system used by USDA and make recommendations for improvement to that system based on that evaluation. An "agricultural research facility" as defined in new section 1484 means a facility- "(A) at which agricultural research is regularly carried out or proposed to be carried out; and (B) that is—(i)(I) an Agricultural Research Service facility; (II) a Forest Service facility; or (III) an Animal and Plant Health Inspection Service facility; (ii) a Federal agricultural facility in the process of being planned or being constructed; or (iii) any other facility under the full control of the Secretary." The Commission is to use the 10-year strategic plan prepared by the Strategic Planning Task Force established under section 4 of the Research Facilities Act to assist it in carrying out its duties. The Commission shall be composed of 15 voting members appointed by the Secretary that represent a balance of the public and private sectors and that have combined expertise in facilities development, modernization, construction, security, consolidation, and closure; plant diseases and pests; animal diseases and pests; food safety; biosecurity; the needs of farmers and ranchers; public health; State, local, and tribal government; and any other area related to agriculture infrastructure security, as determined by the Secretary. Nonvoting members of the Commission shall include the Secretary, four representatives appointed by the Secretary of HHS, 1 each from PHS, CDC, FDA, and NIH; one representative appointed by the Attorney General; one representative appointed by the Director of Homeland Security; and not more than four USDA representatives appointed by the Secretary. The term of office for Commission members is 4 years. The Commission is exempted from FACA, but open meetings and records are required with exceptions provided for purposes of national security. Not later than 240 days after enactment of this Act, and each June 1 thereafter, the Commission shall submit a report of its findings and recommendations to the Committees on Agriculture and Appropriations of the House and Senate, and the Secretary shall provide a written response to that report within 90 days as to the manner and extent to which she will implement the recommendations made. The report, and the Secretary's response, shall be publicly available unless the Secretary or the Commission determine that the report or response, or any portion thereof, shall not be released in the interest of national security, and any portion so classified shall not be releasable under FOIA. Provision is made for compensation of non-Federal voting members at a rate equivalent to GS–15 and travel to be paid at the rate for a Federal employee. The Secretary shall provide the Commission with any personnel or other resources as the Secretary determines appropriate. New chapter 2 of the new subtitle N includes two new sections for other biosecurity programs.

New section 1487 provides a special supplemental authorization of such sums as are necessary for biosecurity planning and response through 2006. Funds provided under section 1487 may be used in accordance with any authority available to the Secretary to carry out agricultural research, education, and extension activities (including competitive grants) necessary: (1) to reduce the vulnerability of the United States food and agricultural system to chemical or biological attack; (2) to continue joint research initiatives between the Agricultural Research Service, universities, and industry on counterbioterrorism efforts; (3) to make competitive grants to universities and qualified research institutions for research on counterbioterrorism; and (4) to counter or otherwise respond to chemical or biological attack.

New section 1488 provides an authorization of $100 million per year through 2006 for a competitive research facilities construction grants program for land-grant colleges and universities to enhance the security of agriculture in the United States against threats posed by bioterrorism. To be eligible to receive a grant, a land-grant institution must have (1) demonstrated expertise in the area of animal and plant diseases; (2) substantial animal and plant diagnostic laboratories; and (3) well-established working relationships with the agricultural industry and farm and commodity organizations. In making grants, the Secretary shall give priority to institutions with demonstrated expertise in (1) animal and plant disease prevention; (2) pathogen and toxin mitigation; (3) cereal disease resistance; (4) grain milling and processing; (5) livestock production practices; (6) vaccine development; (7) meat processing; (8) pathogen detection and control; or (9) food safety. An institution may not receive more than $10,000,00 of grants under this section per fiscal year, and the Federal share of any construction project shall not exceed 50 percent. Finally, subsection (b) of section 723 of the bill includes a sense of Congress that funding for ARS, APHIS, and other USDA agencies with biosecurity responsibilities should be increased as necessary to improve the capacity of the agencies to conduct research and analysis of, and respond to, bioterrorism and animal and plant diseases.(Section 723)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment deleting the Agriculture Infrastructure Security Fund and the Agriculture Infrastructure Security Commission. The Conference adopts the Senate program for agriculture bioterrorism research facilities with an amendment authorizing grants for expansion and security upgrades of agriculture research facilities. (Section 7221)

The Managers encourage the Secretary to give priority in awarding grants for the expansion of biosecurity research facilities to those universities or institutions which have demonstrated expertise in the area of animal and plant diseases; substantial animal and plant diagnostic laboratories; and well-established working relationships with the agriculture industry and farm and commodity organizations.

(77) Rural Electronic Commerce Extension Program

The Senate amendment adds a new section 1670 to the FACT Act providing an authorization for a Rural Electronic Commerce Extension Program. The Secretary would be required to establish within CSREES an Office of Rural Electronic Commerce to carry out this program. The purposes of the program are: (1) to expand and enhance electronic commerce practices and technology to be used by small businesses and microenterprises in rural areas; (2) disseminate information and expertise through a cooperative extension service clearinghouse in rural areas; (3) disseminate management, scientific, engineering, and technical information to small businesses in rural areas through the extension program; and (4) use, when appropriate, the expertise, technology, and capabilities of other organizations, including State and local governments, Federal agencies, institutions of higher education, nonprofit organizations, small businesses and microenterprises that have experience in electronic commerce practice and technology, and the development centers established under this section. In carrying out this program, the Secretary shall: (1) provide leadership, support, and coordination for the program; (2) establish policies, practices, and procedures to assist rural communities in the adoption and use of electronic commerce techniques; (3) identify and strengthen existing mechanisms designed to assist rural areas in the adoption and use of electronic commerce techniques; (4) provide grants to fund projects and activities under the program; and (5) establish a clearinghouse system for States, communities, and businesses to obtain information on best practices, technology transfer, training, education, adoption, and use of electronic commerce in rural areas.

The Secretary shall make grants to the North Central Regional Center for Rural Development, the Northeast Regional Center for Development, the Southern Rural Development Center, and a development center in the Western Region, as determined by the State Extension Program Directors in the Western Region, to (1) assemble regional expertise, and develop innovative education programs, that may be adapted and refined by State extension programs; (2) train State-based cooperative extension agents to deliver rural electronic commerce education programs; and establish networks among universities, local governments, and private industries to focus on regional economic issues.

The Secretary also is authorized to make competitive grants to cooperative extension programs at land-grant institutions, or consortia of such institutions), to develop and facilitate nationally innovative rural electronic commerce business strategies, and to assist small businesses and microenterprises in identifying, adapting, implementing, and using electronic commerce business practices and technologies. The provision also includes selection criteria for grant awards. As a condition of funding, during the years of funding under a grant the recipient must provide from non-Federal sources 50 percent (25 percent if the grant recipient serves low-income or minority-owned businesses or microenterprises of the estimated capital and annual operating and maintenance costs of the extension program, and after expiration of the grant funding period the recipient must provide 100 percent of such costs from non-Federal sources. Awards are limited to $900,000 for an individual land-grant institution, either individually or as a member of a consortium, and funds awarded to a consortium must be shared equally among its members. The provision also establishes an evaluation panel and process to evaluate projects and activities funded under the program beginning one year after grant award. The Secretary is required to report to the Agriculture Committees on activities under this section 2 years after the date of enactment.

The program is authorized at $60,000,000 each fiscal year through 2006, with $20,000,000 of that set aside for funding the regional development centers. The Secretary is authorized to use up to 2 percent of funds made available for administrative costs to carry out this section. (Section 733)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying the Senate provision and expanding the eligibility for grants to include colleges and universities with agricultural or rural development programs. (Section 6202)

The Committee authorizes $60 million to establish a Rural Electronic Commerce Extension Program within the Cooperative State Research, Education, and Extension Service. Electronic commerce represents an opportunity for small businesses and micro enterprises in the domestic and international market, but there is currently no mechanism available in rural areas to enable individuals or organizations to both learn and take advantage of innovative technologies and business practices. The United States has a strong interest in ensuring that small businesses and micro enterprises in rural areas participate in electronic commerce as it will promote productivity and economic growth throughout the United States. The specific objectives of the program are: (1) expand and enhance electronic commerce practices and technology to be used by small businesses and micro enterprises in rural areas; (2) disseminate information and expertise through a cooperative extension service clearinghouse; (3) disseminate management, scientific, and technical information to small businesses and micro enterprises in rural areas through the extension program, and (4) use, when appropriate, the expertise, technology, and capabilities of other institutions and organizations—examples being state and local governments, Federal departments and agencies, institutions of higher education, non-profit organizations, small businesses and micro enterprises with previous experience in this area, and regional development centers—to achieve the stated objectives. The program will be competitive and merit-based, with grants being provided to cooperative extension service programs at land-grant colleges and universities (or consortia of land-grant colleges and universities) and to colleges and universities with agriculture or rural development programs. Using language in the legislation as guidelines, the Cooperative State Research, Education, and Extension Service shall establish appropriate criteria for the submission, evaluation, and funding of applications for grants to implement projects and activities for the program and shall be responsible for evaluating, ranking, and selecting grant applications.

(78) Organic Agricultural Research and Extension Initiative

The Senate amendment amends section 1672B of the FACT Act to require the Secretary to consult with the National Organics Standards Board as well as the REE Board in making grants, and to add the following purposes for which grants may be awarded:

"(4) determining desirable traits for organic commodities using advanced genomics, field trials, and other methods;

"(5) pursuing classical and marker-assisted breeding for publicly held varieties of crops and animals optimized for organic systems;

"(6) identifying marketing and policy constraints on the expansion of organic agriculture; and

"(7) conducting advanced on-farm research and development that emphasizes observation of, experimentation with, and innovation for working organic farms, including research relating to production and to socioeconomic conditions." (Section 736, 231, 232)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to include breeding, marketing, and policy research as priority areas and include $3 million in new mandatory funding from 2003 through 2007. (Section 7218)

It is the intent of the Managers that these funds shall be allocated for high priority aspects of organic agricultural systems research, education, and extension. Priority concerns encompass biological, physical, and social sciences (including economics). The authorization of these funds shall not preclude or preempt the allocation of funds for other organic farming research, education, and extension programs under any other competitive or special grants programs, integrated activity, or formula funding. Rather, it is the intent of the Managers that organic agriculture be recognized as a legitimate priority of all Research, Education, and Economics programs, and should be recognized accordingly in appropriate USDA Research, Education and Extension program plans and requests for proposals.

(79) Grants for Youth Organizations

The Senate amendment amends AREERA by adding a new section 410 providing $8 million in mandatory money from CCC (to remain available until expended), and such sums as necessary for 2002 through 2006, for the Secretary, acting through CSREES, to make grants to the Girl Scouts, the Boy Scouts, the National 4-H Council, and the National FFA organization to establish pilot projects to expand the programs carried out by the organizations in rural areas and small towns, and for purposes of the 4-H Centennial under Pub. L. 107-19. (Section 749)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007.

(80) Senior Scientific Research Service

The Senate amendment adds a new section to subtitle B of AREERA establishing within USDA a Senior Scientist Research Service of not more than 100 members. To be eligible to be appointed to the Service by the Secretary, an individual must (1) have conducted outstanding research in the field of agriculture or forestry, (2) have a PhD, and meet OPM qualification standards for a GS-15 position. The Secretary may appoint and employ a member of the Service with regard to Federal civil service laws regarding competitive service appointments, retention preferences, performance appraisal and performance actions, pay rates and classification, and adverse actions, except that a member of the Service will have the same rights as a GS-15 appointee to appeal to the Merits Systems Protection Board or the Office of Special Counsel. The Secretary must develop a performance appraisal system for the Service that provides for systematic appraisals and encourages excellence. The Secretary shall set compensation in a range between a GS-15 and an ES-I appointment, with an exception to ES-I maximum for a rate approved by the President by law. A member appointed to the Service from a prior position at an institution of higher education who retains the right to make contributions to that institution's retirement system may request that the Secretary contribute an amount not to exceed 10 percent of his pay to that system, but such a member shall not earn service credit under Federal law for time served in the Service except for purposes crediting annual leave. Any person involuntarily separated from the Service without cause may be appointed by the Secretary to a career appointment at the GS-15 level in the competitive service, unless that person was not a career appointee in the civil service of excepted service prior to his appointment to the Service, in which case that person's appointment following separation shall be to the excepted service for a term not to exceed 2 years. (Section 750B)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7219)

(81) Carryover

The Senate amendment amends the Hatch Act to allow a State agricultural institution to carryover the balance of any fiscal year's allocation of funding remaining at the end of the fiscal year to the next fiscal year, and if that balance is not spent in the succeeding fiscal year, an amount equivalent to that remaining shall be deducted from the following fiscal year allocation to that State. (Section 751)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7202)

(82) Reporting of Technology Transfer Activities

The Senate amendment amends the Hatch Act to require a State to include in its plan of work a description of the technology transfer activities conducted with respect to federally-funded agricultural research. (Section 752)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers expect the Secretary to require land-grant universities to include descriptions of technology transfer activities in any annual or other regular reports made to the Secretary regarding research activities funded by the Department.

(83) Compliance with Multistate and Integration Requirements

The Senate amendment amends the Hatch and Smith-Lever Act requirements for multistate extension and integrated research and extension activities to require:

(1) that in order to receive Smith-Lever Act funding a State must expend an amount equal to not less than 25 percent of Smith-Lever Act funds received by the State in a prior year on multistate activities, and in determining compliance with that requirement the Secretary shall include all cooperative extension funds expended by the State in the prior year, including Federal, State, and local funds; and

(2) that in order to receive Hatch and Smith-Lever Act funding, a State must expend an amount equal to not less than 25 percent of Smith-Lever Act and Hatch Act of 1887 funds received by the State in a prior year on integrated research and extension activities, and in determining compliance with that requirement the Secretary shall include all cooperative research and extension funds expended by the State in the prior year, including Federal, State, and local funds. This amendment would be effective October 1, 2002. (Section 753)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(84) Authorization Percentages for Research and Extension Formula Funds

The Senate amendment subsection (a) amends section 1444 of NARETPA to increase the authorization level for 1890 Institutions extension appropriations from not less than 6 percent of the amount appropriated annually for extension at the 1862 Institutions under the Smith-Lever Act to not less than 15 percent of the amount appropriated annually under the Smith-Lever Act, and strikes obsolete language. Subsection (b) amends section 1445 of NARETPA to increase the authorization level for 1890 Institutions research appropriations from not less than 15 percent of the amount appropriated annually for research at the 1862 Institutions under the Hatch Act of 1887 to not less than 25 percent of the amount appropriated annually under the Hatch Act of 1887, and strikes obsolete language. (Section 757)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7203) It is the intent of the Managers that increased formula funding for 1890 institutions be the mechanism for reaching this increased ratio, rather than a redistribution of the current limited formula funds.

(85) Carryover

The Senate amendment provides that in the same manner as the amendment made by section 751 for 1862 Institutions, this provision amends section 1445 of NARETPA to allow an 1890 Institution to carryover the balance of any fiscal year's allocation of funding remaining at the end of the fiscal year to the next fiscal year, and if that balance is not spent in the succeeding fiscal year, an amount equivalent to that remaining shall be deducted from the following fiscal year allocation to that 1890 Institution. (Section 758)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7204)

(86) Reporting of Technology Transfer Activities

The Senate amendment provides that in the same manner as the amendment made by section 752 for 1862 Institutions, this section amends section 1445 of NARETPA to require an 1890 Institution to include in its plan of work a description of the technology transfer activities conducted with respect to federally-funded agricultural research. (Section 759)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers expect the Secretary to require land-grant universities to include descriptions of technology transfer activities in any annual or other regular reports made to the Secretary regarding research activities funded by the Department.

(87) Priority-Setting Process

The Senate amendment amends requirement in section 102(c)(1) of AREERA for land-grant colleges to obtain stakeholder input to require that the process for obtaining that input "reflects transparency and opportunity for input from producers of diverse agricultural crops and diverse geographic and cultural communities." (Section 771)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(88) Termination of Certain Schedule A Appointments

The Senate amendment provision provides for the termination 60 days after enactment of Schedule A, dual Federal-State appointments, of employees working in agricultural extension programs at 1862 Institutions, 1890 Institutions, and the University of the District of Columbia. An individual whose appointment is terminated but who remains employed in the agricultural extension program will continue to be eligible, to the same extent as before enactment of this provision, to participate in the Federal Employee Health Benefits Program, the Federal Employee Group Life Insurance Program, the Civil Service Retirement System, the Federal Employee Retirement System, and the Thrift Savings Plan, and will continue to receive Federal civil service employment credit to the same extent the individual was receiving that credit prior to enactment of this provision, as long as the employing college or university continues to fulfill the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits. If an individual changes employment from an agricultural extension program at one institution to that in another, the individual will continue to receive such benefits as long as the second institution fulfills its administrative and financial responsibilities and the second institution had employed another person in the same position within 120 days before the date of employment of the individual.(Section 772)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment changing the effective date to January 31, 2003, and adding "federal long-term care benefits" to the list of covered benefits. (Section 7220)

(89) Risk Management Education for Beginning Farmers and Ranchers

The Senate amendment amends the risk management education grant program in section 524(a)(3) of the Federal Crop Insurance Act to give the Secretary authority to target grants to programs specifically for beginning farmers and ranchers, and makes a technical amendment to section 524(b) of that Act. (Section 785)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(90) Joint Subcommittee on Aquaculture

The Senate amendment extends authorization for National Aquaculture Act of 1980 through 2006. (Section 786)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to extend the authorization through 2007. (Section 7139)

SUBTITLE F—NEW AUTHORITIES (SECTIONS 791–798D)

(91) Definitions

The Senate amendment defines "Department" and "Secretary" for purposes of the subtitle. (Section 791)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7401)

(92) Regulatory and Inspection Research

The Senate amendment authorizes the Secretary to use a public or private source, and requires the Secretary to use the most practicable source to provide timely cost-effective means of providing the research, to meet the urgent applied research needs of an inspection or regulatory agency of the Department (defined as APHIS, FSIS, GIPSA, and AMS) in carrying out agricultural marketing programs; programs to protect the animal and plant resources of the United States; and education programs or special studies to improve the safety of the food supply of the United States. Provision also requires the Secretary to establish guidelines to prevent any conflict of interest that may arise if an inspection or regulatory agency obtains research from a Federal agency the work or technology transfer efforts of which are funded in part by an industry subject to the jurisdiction of the inspection or regulatory agency. (Section 792)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(93) Emergency Research Transfer Authority

The Senate amendment, in addition to any transfer authority she may have, authorizes the Secretary to transfer up to 2 percent of any appropriation account of the Department for agricultural research, extension, marketing, animal and plant health, nutrition, food safety, nutrition education, or forestry programs to any other appropriation account of the Department for emergency research, extension, or education activities needed to address imminent threats to animal and plant health, food safety, or human nutrition, including bioterrorism. Such transfers are limited by three conditions: (1) the Secretary must determine the need is so imminent that the need will not be timely met by annual, supplemental, or emergency appropriations; (2) the aggregate total of such transfers cannot exceed $5 million per fiscal year; and (3) transfers must be approved by OMB. (Section 793)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(94) Review of Agricultural Research Service

The Senate amendment requires the Secretary to conduct a review of the purpose, efficiency, effectiveness, and impact on agricultural research of ARS, using persons outside the Department, with a report to be submitted to the Agriculture Committees by September 30, 2004; and provides that Secretary shall use no more than 0.1 percent of appropriations made available to ARS in fiscal years 2002 through 2004 to carry out the study. (Section 794)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment creating a task force appointed by the Secretary to conduct a review of ARS and examining the merits of establishing National Institutes focused on disciplines important to the progress of food and agriculture sciences. The report is to be submitted one year after enactment of this legislation. (Section 7404)

The sciences related to plant biology and agriculture have contributed greatly to human welfare. The gains in the next decades have the potential to be astonishing. The challenge is to establish appropriate mechanisms, with adequate funding, to ensure that the United States is home to highest quality research and is able to maximize its benefits to its economy. In 1999, food and agriculture accounted for 16.4% of the GDP (or $1.5 trillion) yet attracted less than two percent of the federal research budget. In real terms, the U.S. now spends less on food and agricultural research than was spent in 1978.

The Managers believe a new model for plant and agricultural research might be patterned after the highly successful biomedical research conducted by the National Institutes of Health (NIH). The mechanisms employed by NIH and the National Science Foundation (NSF) have advanced science of the highest quality, attracted the best young scientists to careers in research and teaching, and provided a stream of discoveries that has been rapid and highly beneficial to society. The Managers intend that any new research institute would supplement, not supplant, the successful programs of USDA and other existing federal research programs. As such, the conferees urge the Secretary to place high priority in establishing a task force of members, the majority of which should be from the private sector, including institutions of higher education, that have extensive background and preeminence in field of plant and agricultural sciences research. In addition, the Secretary is urged to designate a Chairperson that has significant leadership experience in educational and research institutions and in depth knowledge of the research enterprises of the United States in leading the evaluation of the merits of establishing a National Institutes for Plant and Agricultural Sciences and provide recommendations to the Committees. In addition, the task force is charged with conducting a separate review of the purpose, efficiency, effectiveness, and impact of agricultural research conducted by the Agricultural Research Service. Together, these two separate reports should provide a roadmap for the future of the federal government concerning plant and agriculture research and the potential benefits that could be realized.

(95) Technology Transfer for Rural Development

The Senate amendment directs the Secretary, through RBS and ARS, to establish a program to promote USDA tech transfer opportunities to rural businesses and residents through a website featuring information on such technologies, an annual joint program for State economic development directors and Department rural development directors regarding such opportunities, and programs at each ARS lab at least biennially, with participation of other Federal labs as appropriate. Funding for the program is to come from amounts available to ARS and amounts available to RBS for salaries and expenses. (Section 795)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers expect the Rural Business-Cooperative Service to promote to rural businesses and residents the availability of technology transfer opportunities with the Agricultural Research Service (ARS), research facilities of the Forest Service, and other research activities of the Department. The Managers also expect ARS to continue its efforts to promote and publicize technology transfer opportunities available to the private sector, and especially those opportunities that would provide employment in rural areas.

(96) Beginning Farmer and Rancher Development Program

The Senate amendment provides $15 million in mandatory money in each of fiscal years 2002 through 2006 for the Secretary to carry out a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers. A "beginning farmer or rancher" is defined as a person that has not operated a farm or ranch, or operated one for less than 10 years, and meeting such other criteria as the Secretary prescribes.

The program has three parts:

(1) The Secretary may make competitive grants to new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers, including programs and services (as appropriate) relating to: (A) mentoring, apprenticeships, and internships; (B) resources and referral; (C) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers; (D) innovative farm and ranch transfer strategies; (E) entrepreneurship and business training; (F) model land leasing contracts; (G) financial management training; (H) whole farm planning; (I) conservation assistance; (J) risk management education; (K) diversification and marketing strategies; (L) curriculum development; (M) understanding the impact of concentration and globalization; (N) basic livestock and crop farming practices; (O) the acquisition and management of agricultural credit; (P) environmental compliance; (Q) information processing; and (R) other similar subject areas. Entities eligible to receive grants include collaborative State, local, tribal or regionally-based networks or partnerships of private or public entities including State cooperative extension services, Federal, State, and tribal agencies, community-based and nongovernmental organizations, colleges and universities (including community colleges) and others as determined by the Secretary. Grants are for 3-years, are subject to a 25% matching requirement, and not less than 25 percent of funds used to carry out the grant program must be set aside to support programs that address needs of limited resource beginning farmers and ranchers, socially disadvantaged beginning farmers and ranchers, and farmworkers desiring to become farmers or ranchers.

(2) The Secretary is authorized to establish teams to develop curricula and conduct educational programs and workshops for beginning farmers and ranchers tailored to diverse crop and regional areas. In establishing such teams, the Secretary can use the services of specialists in beginning farmer and rancher training and USDA employees who can offer program expertise. The Secretary is authorized to enter into cooperative agreements with the same entities that are eligible for the grants to carry out team programs.

(3) The Secretary is required to establish an online clearinghouse to make curricula, training materials, and online courses available for beginning farmers and ranchers.

The Secretary is required to obtain stakeholder input from beginning farmers and ranchers; national, state, tribal, and local organizations or other persons with expertise in operating beginning farmer and rancher programs; and the Advisory Committee on Beginning Farmers and Ranchers.

The provision allows for participation of non-beginning farmers and ranchers in these programs to the extent that the Secretary determines it will not detract from the primary purpose of beginning farmer and rancher education.

In addition to the mandatory funding provided, the Secretary is authorized to collect and use fees for the delivery of programs or workshops by beginning farmer and rancher education teams or by the online clearinghouse, and the Secretary is authorized to receive contributions under cooperative agreements for program delivery by education teams.

Four percent of funds used for grants may be used by the Secretary for administrative costs. Funds provided remain available for obligation for two fiscal years. (Section 796)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the 4% set-aside for administrative costs apply only to competitive grants appropriations and making the mandatory funding subject to appropriations. (Section 7405)

(97) Sense of Congress Regarding Doubling of Funding for Agricultural Research

The Senate amendment expresses sense of Congress that food and agricultural research funding should be doubled over next five years. (Section 797)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7406)

(98) Rural Policy Research

The Senate amendment provides $15 million in mandatory money in each of fiscal years 2002 through 2006 for the Secretary to make competitive research grants for applied and outcome oriented research and policy research and analysis of rural issues relating to: (1) rural sociology; (2) effects of demographic change, including aging population, outmigration, and labor resources; (3) needs of groups of rural citizens, including senior citizens, families, youth, children, and socially disadvantaged individuals; (4) rural community development; (5) rural infrastructure, including water and waste, community facilities, telecommunications, electricity, and high-speed broadband services; (6) rural business development, including credit, venture capital, cooperatives, value-added enterprises, new and alternative markets, farm and rural enterprise formation, and entrepreneurship; (7) farm management, including strategic planning, business and marketing opportunities, risk management, natural resources and environmental management, organic and sustainable farming systems, and intergenerational transfer strategies; (8) rural education and extension programs, including methods of delivery, availability of resources, and use of distance learning; and (9) rural health, including mental health, on-farm safety, and food safety.

The Secretary must seek stakeholder input in making grants, and ensure that grants will provide high-quality research of use to public policymakers and private entities in making decisions that affect development in rural areas.

Eligible grantees include individuals, colleges and universities, a State cooperative institution, a community college, a nonprofit organization, institution, or association, a business association, or a regional partnership of public and private entities.

Grant terms may be up to 5 years. The Secretary may establish a matching requirement, but a grant to a business association is subject to a 100 percent match. Up to four percent of funds may be used by the Secretary for administrative costs. Funds provided remain available for two fiscal years. (Section 798)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(99) Priority for Farmers and Ranchers Participating in Conservation Programs

The Senate amendment requires the Secretary, in carrying out new on-farm research or extension programs or projects authorized by this bill, amendments made by this bill, and any later enacted law, to give priority to carrying out such programs or projects using farms and ranchers of farmers and ranchers that participate in Federal agricultural conservation programs. (Section 798A)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(100) Organic Production and Market Data Initiatives

The Senate amendment requires the Secretary to ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing. (Section 798B)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7407)

(101) Organically Produced Product Research and Education

The Senate amendment requires the Secretary, in consultation with the Advisory Committee on Small Farms, to submit a report to the Agriculture Committees by December 1, 2004 on:

(1) the impact on small farms of the implementation of the national organic program; and (2) the production and marketing costs to producers and handlers associated with transitioning to organic production. (Section 798C)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(102) International Organic Research Collaboration

The Senate amendment requires the Agricultural Research Service and the National Agricultural Library to facilitate access by research and extension professionals to organic research conducted outside the United States. (Section 798D)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7408)

(103) Report on Producers and Handlers of Organic Agricultural Products

The Senate amendment provides for a report to be submitted not later than 1 year after funds are made available to carry out this section. (Section 798E)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7409)

TITLE VIII—FORESTRY INITIATIVES

(1) Repeal of Forestry Incentives Program (FIP) and Stewardship Incentive Program (SIP)

The House bill repeals the Forestry Incentives Program and the Stewardship Incentives Program. (Sec. 801)

The Senate amendment reauthorizes the Forestry Incentives Program through 2006. The Senate amendment contains no comparable provision regarding the Stewardship Incentives Program. (Sec. 804)

The Conference substitute adopts the House provision. (Sec. 801)

(2) Establishment of New Cost Share Assistance Program

The House bill amends the Cooperative Forestry Assistance Act of 1978 by inserting a new section 4. (Sec. 802)

The Senate amendment amends the Cooperative Forestry Assistance Act of 1978 by inserting a new program after section 6. (Sec. 806)

The Conference substitute adopts the House provision. (Sec. 802)

(3) Findings

The House bill sets forth Congressional findings with respect to dependence on private non-industrial forest lands, demand for assistance from owners of non-industrial private forest land, environmental benefits of good stewardship of forest land, economic benefits resulting from non-industrial private forest lands, wildfire threats, and development pressure faced by owners of non-industrial private forest land. (Sec. 802(a))

The Senate amendment sets forth Congressional findings with respect to dependence on private non-industrial forest lands, demand for assistance from owners of non-industrial private forest land, environmental benefits of good stewardship of forest land, economic benefits resulting from non-industrial private forest lands, wildfire threats, development pressure faced by owners of non-industrial private forest land, federal and state cooperation in forest fire prevention, difficulty for owners of non-industrial private forest land to invest in the management of long-rotation forest stands, and the benefits of comprehensive, multi-resource planning assistance to landowners. (Sec. 806(a)(1))

The Conference substitute deletes both provisions.

(4) Purpose

The House bill describes the purpose of the new section as: (1) strengthening the commitment of the Secretary to sustainable forest management, and (2) establishing a coordinated and cooperative federal, state and local sustainable forestry program for non-industrial private forest land. (Sec. 802(b))

The Senate amendment describes the purpose of the new section as: (1) strengthening the commitment of the Secretary to sustainable forest management, and (2) establishing a coordinated and cooperative federal, state and local sustainable forestry program for non-industrial private forest land. (Sec. 806(a)(2))

The Conference substitute adopts the Senate provision. (Sec. 806(a)(2))

(5) Forest Land Enhancement Program

The House bill establishes a Forest Land Enhancement Program by inserting a new section 4 in the Cooperative Forestry Assistance Act of 1978. (Sec. 802(c))

The Senate amendment establishes a Sustainable Forest Management Program by inserting a new section 6A in the Cooperative Forestry Assistance Act of 1978. (Sec. 806(b))

The Conference substitute adopts the House provision. (Sec. 802 (c))

(6) Definitions

The House bill defines: (1) non-industrial private forestland, (2) owner, (3) Secretary, and (4) state forester. (Sec. 802)

The Senate amendment defines: (1) committee, (2) Indian tribe, (3) program, (4) non-industrial private forestland, (5) owner, and (6) state forester. (Sec. 806)

The Conference substitute adopts the House provision with amendment to include definitions for the terms Committee and Indian Tribe.

(7) Establishment

The House bill (1) directs the Secretary to establish a Forest Land Enhancement Program (FLEP) for the purposes of providing financial, technical, educational, and related assistance to State Foresters to assist private landowners in actively managing their land through the utilization of management expertise, financial assistance and educational programs; (2) directs the Secretary to administer the program through NRCS; (3) directs the Secretary to implement the program in coordination with the State Foresters. (Sec. 802)

The Senate amendment (1) directs the Secretary to establish a Sustainable Forestry Management Program for the purposes of providing financial assistance to State foresters, and encouraging the long-term sustainability of non-industrial private forestland in U.S. by assisting owners in actively managing land and related resources through the use of State, Federal, and private sector resource management expertise, financial assistance, and educational programs; (2) directs the Secretary to administer the program through the State Foresters, in coordination with the Committees, and in consultation with Federal State, and local natural resource management agencies, institutions of higher education and a broad range of private sector interests. (Sec. 806)

The Conference substitute the Senate provision. (Sec. 806)

(8) Program Objectives

The House bill directs the Secretary to target resources to achieve a list of objectives including: (1) making investments in practices to establish, restore, protect, manage, maintain and enhance the health and productivity of non-industrial private forest land, (2) ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed, (3) reducing the risks and helping to restore, recover and mitigate damage caused by fire, insects, invasive species, disease, and weather, (4) increasing and enhancing carbon sequestration, (5) enhancing implementation of agro forestry practices, and (6) maintaining and enhancing the forest land base and leveraging State and local financial and technical assistance. (Sec. 802)

The Senate amendment directs the Secretary to allocate the resources among the states (in accordance with the distribution formula described below) to encourage: (1) the investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of non-industrial private forest land, and (2) the occurrence of afforestation, reforestation, improvement of poorly stocked stands, practices necessary to improve seedling growth and survival, and growth enhancement practices as needed to enhance and sustain the long-term productivity of timber and non-timber forest resources to meet public demand for forest resources, provide environmental benefits, protect riparian buffers and wetlands, maintain and enhance fish and wildlife habitat, enhance soil, air and water quality, reduce soil erosion and maintain soil quality, maintain and enhance the forest land base, reduce the threat of catastrophic wildfires, and preserve aesthetic quality and opportunities for outdoor recreation. (Sec. 806)

The Conference substitute adopts the House provision with minor amendments.

(9) Eligibility

The House bill makes an owner of non-industrial private forest land eligible for cost-share assistance if the owner: (1) agrees to develop and implement a forest plan developed in coordination with and/or approved by the State forester, state official, or private sector program in consultation with the State Forester, (2) agrees to implement the plan for a period of 10 years unless the State Forester approves a modification to such plan, and (3) meets acreage restrictions determined by the State Forester in conjunction with the State Forest Stewardship Coordinating Committee. (Sec. 802)

The Senate amendment (a) makes an owner of non-industrial private forest land eligible for cost-share assistance if the owner: (1) develops a management plan that addresses site-specific activities and practices and is approved by the State Forester, (2) agrees to implement the plan for at least 10 years unless the State Forester approves a modification to the management plan, and (3) owns not more than 1,000 acres; and (b) creates an exception to the above acreage restriction requirement for owners with more than 1,000 acres but less than 5,000 acres where the Secretary, in consultation with the State forester, determines that significant public benefits will accrue as a result of the owner's participation. (Sec. 806)

The Conference substitute adopts the House provision with minor changes.

(10) State Priorities

The House bill allows the Secretary to develop State priorities for cost-share assistance in consultation with the State Forester and the State Forest Stewardship Coordinating Committee. (Sec. 802)

The Senate amendment (1) directs the State Forester and the Committee of the State to develop and submit to the Secretary a 5-year plan that describes the funding priorities of the state and makes this requirement a condition of receipt of funding under the Sustainable Forest Management program; (2) requires the state priority plan to include documentation of public participation in the development of the plan; (3) requires the Secretary to ensure, to the maximum extent practicable, that the need for expanded technical assistance programs for owners is met in the annual funding priorities of each State. (Sec. 806)

The Conference substitute adopts the Senate provision with minor changes.

(11) Development of Plan

The House bill makes a landowner eligible for cost-share assistance for the development of a forest management plan required to participate in the FLEP. (Sec. 802)

The Senate amendment requires a landowner to submit a plan to the State Forester that is prepared by a professional resource manager, identifies and describes projects and activities to protect certain environmental qualities in a manner that is compatible with the objectives of the owner, addresses criteria established by the State and Committee, and applies to the portion of the land on which any project or activity funded under the program will be carried out. In addition, the landowner must also agree that all projects and activities conducted on the land will be consistent with the management plan. (Sec. 806)

The Conference substitute adopts the Senate provision with minor changes. (Sec. 806)

(12) Approved Activities

The House bill directs the Secretary, in consultation with the State Forester and State Forest Stewardship Coordinating Committee, to develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the FLEP within each State. In developing this list, the Secretary is required to attempt to achieve the establishment, restoration, management, maintenance and enhancement of forests and trees for the following: sustainable growth and management for timber production, water quality, energy conservation, habitat, invasive species control, hazardous fuels reduction, development of forest or stand management plans and other activities approved by the Secretary. (Sec. 802)

The Senate amendment requires the Secretary, in consultation with the State Forester and appropriate committee, to develop a list of approved forest activities and practices eligible for cost-share assistance. Approved activities may include: (1) the establishment, management, maintenance and restoration of forests for shelterbelts, windbreaks, aesthetic quality and other conservation purposes, (2) sustainable growth and management for timber production, (3) the protection of water quality, (4) the preservation, restoration or development of habitat, (5) invasive species control, (6) the conduct of other management activities such as hazardous fuels reduction that reduce the risks to forests posed by fire, (7) the development of management plans, (8) the acquisition of permanent conservation easements, and (9) the conduct of other activities approved by the Secretary. (Sec. 806)

The Conference substitute adopts the Senate provision with minor changes including an amendment to strike the acquisition of permanent easements as an eligible activity.

(13) Reimbursement of Eligible Activities

The House bill (1) directs the Secretary to share the cost of implementing the approved activities that the Secretary determines are appropriate to carry out the Forest Land Enhancement Program; (2) directs the Secretary to determine the appropriate reimbursement rate for cost-share payments and the schedule for making such payments; (3) prohibits the Secretary from making cost-share payments in an amount that exceeds 75% of the total cost, or a lower percentage as determined by the State Forester; (4) directs the Secretary to determine the maximum payment made to any one owner. (Sec. 802)

The Senate amendment allows the Secretary to provide cost-share assistance to an owner to develop a sustainable forest management plan.

The Senate amendment prevents an owner from receiving any cost-share assistance for management of non-industrial private forest land if the owner receives assistance for that land under the FIP, SIP or any conservation program administered by the Secretary.

The Senate amendment directs the Secretary, in consultation with the State forester, to determine the rate and timing of cost-share payments.

The Senate amendment limits the amount of a cost-share payment to the lesser of: 75% of the total cost of implementing the project or activity or such lesser percentage of the total cost of implementing the project or activity as is determined by the appropriate State forester; and requires the Secretary to determine the maximum aggregate amount of cost-share payments that each owner may receive. (Sec. 806)

The Conference substitute adopts the House provision. (Sec. 802)

(14) Recapture

The House bill directs the Secretary to establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity for which the owner received cost-share payments under the Forest Land Enhancement Program. (Sec. 802)

The Senate amendment directs the Secretary to establish a procedure to recapture cost-share payments in any case in which the recipient fails to implement a project or activity in accordance with the management plan or comply with any requirement of Sustainable Forest Management Program. (Sec. 806)

The Conference substitute adopts the House provision. (Sec. 802)

(15) Distribution

The House bill directs the Secretary to consider the following in distributing funds to the states under the Forest Land Enhancement program: the number of owners eligible in each state; demand for timber; demand for agro forestry; need to improve forest health, etc. (Sec 802)

The Senate amendment directs the Secretary, acting through the State Foresters and considering the program objectives (described above), to develop a nationwide funding formula for the Sustainable Forest Management program. In developing the formula, the Secretary is required to assess the public benefits that would result from the distribution as well as the following factors: the total acreage of non-industrial private forest land in each state, the potential productivity of that land, the number of owners eligible for cost-sharing in each state, the opportunities to enhance non-timber resources on that land, the anticipated demand for timber and non-timber resources, the need to improve forest health, the need and demand for agro forestry practices in each state, the need to maintain and enhance the forest land base, and the need for afforestation, reforestation and timber stand improvement. (Sec. 806)

The Conference substitute adopts the Senate provision with minor changes.

(16) Availability of Funds

The House bill makes $200 million available from the CCC for carrying out the Forest Land Enhancement program from October 1, 2001 to September 30, 2011. (Sec. 802).

The Senate amendment makes $48 million available from the Treasury during fiscal years 2002 through 2005 to fund the Sustainable Forest Management Program. (Sec. 806).

The Conference substitute provides for $100 million from the CCC to carry out the program.

(17) Conforming Amendment

The House bill amends section 246(b)(2) of Department of Agriculture Reorganization Act of 1994 by striking "forestry incentive program" and inserting "Forest Land Enhancement Program". (Sec. 802(d))

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 802(d))

(18) Reports

The Senate amendment (1) directs the states to submit an interim report to the Secretary not later than 2½ years after the date on which funds are made available to implement a state Sustainable Forest Management priority plan. The report must describe the status of projects and activities being funded under the plan; and (2) requires states to submit a final report no later than 5 years after the date on which funds are made available to implement a state priority plan. The report must describe the status of all projects and activities funded under the plan as of that date. (Sec. 806)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with changes to require one report one year prior to reauthorization of the program.

(19) Renewable Resources Extension Activities (Sustainable Forestry Outreach Initiative)

The House bill (1) reauthorizes the RREA through 2011 and amends the amount of authorization from $ 15 million to $ 30 million; and (2) amends the RREA by inserting a new Sustainable Forestry Outreach Initiative designed to educate landowners on the value and benefits of practicing sustainable forestry, and to educate landowners about the variety of programs available to them. (Sec. 803)

The Senate amendment (1) reauthorizes the RREA through 2006 and amends the amount of the authorization from $ 15 million to $30 million per year; (2) amends the RREA by inserting a new Sustainable Forestry Outreach Initiative designed to educate landowners on the value and benefits of practicing sustainable forestry, and to educate landowners about the variety of programs available to them. (Sec. 803)

The Conference substitute adopts the Senate provision. (Sec. 803)

(20) Enhanced Community Fire Protection

The House bill amends the Cooperative Forestry Assistance Act of 1978 by adding a new Enhanced Community Fire Protection program. (Sec. 804)

The Senate amendment amends the Cooperative Forestry Assistance Act of 1978 by adding an Enhanced Community Fire Protection section. (Sec. 811)

The Conference substitute adopts the House provision. (Sec. 804)

(21) Findings

The House bill contains findings of Congress with respect to severity and intensity of wildland fires, 2000 fire season, threat of wildfires to communities in the wildland-urban interface, National Fire Plan, authority for addressing the wildfire issue on private lands and federal interest in enhanced community protection from wildfire. (Sec.804 (a))

The Senate amendment contains findings of Congress with respect to severity and intensity of wildland fires, 2000 fire season, threat of wildfires to communities in the wildland-urban interface, National Fire Plan, authority for addressing the wildfire issue on private lands and federal interest in enhanced community protection from wildfire; and adds additional finding with respect to forest wetlands. (Sec. 811(a))

The Conference substitute adopts the House provision with minor changes. (Sec. 804(a))

(22) Enhanced Protection

The House bill adds a new section 10A to the Cooperative Forestry Assistance Act of 1978. (Sec. 804(b))

The Senate amendment adds a new section 10A to the Cooperative Forestry Assistance Act of 1978. (Sec. 811(b))

The Conference substitute adopts the House provision. (Sec. 804(b))

(23) Cooperative Management Relating to Wildfire Threats

The House bill allows the Secretary to cooperate with State foresters and equivalent state officials to: (1) prevent and control wildfire, (2) protect communities from wildfire threats, (3) enhance the growth and maintenance of trees and forests, and (4) ensure the continued production of all forest resources. (Sec. 804)

The Senate amendment allows the Secretary to cooperate with State Foresters and equivalent state officials to: (1) prevent, control, suppress and assist in the prescribed use of fires, (2) protect communities from wildfire threats, (3) enhance the growth and maintenance of trees and forests, and (4) ensure the continued production of all forest resources. (Sec. 811)

The Conference substitute adopts the House provision. (Sec. 804)

(24) Community and Private Land Fire Assistance Program

The House bill (1) directs the Secretary to establish a Community and Private Land Fire Assistance Program to be administered by the Forest Service and implemented through the State Forester or an equivalent state official; and (2) allows the Secretary to undertake the following activities on both federal and non-federal lands: fuel hazard mitigation and prevention, invasive species management, multi-resource wildfire planning, community protection planning, community and landowner education, market development and expansion, improved wood utilization, and special restoration projects. (Sec. 804)

The Senate amendment (1) directs the Secretary to establish a Community and Private Land Fire Assistance Program to be administered by the Secretary and, with respect to non-federal lands, carried out through the State forester or equivalent state official; allows the Secretary to undertake the following activities on both federal and non-federal lands: fuel hazard mitigation and prevention, invasive species management, multi-resource wildfire planning, community protection planning, community and landowner education, market development and expansion, improved wood utilization, and special restoration projects; and (2) directs the Secretary to give priority to contracts with local persons or entities in carrying out the program. (Sec. 811)

The Conference substitute adopts the House provision with minor changes. (Sec. 804)

(25) Authorization Of Appropriations

The House bill authorizes $35 million in appropriations for each fiscal year during 2002 through 2011 for the Enhanced Community Fire Protection program. (Sec. 804)

The Senate amendment authorizes $35 million in appropriations for each fiscal year during 2002 through 2006 for the Enhanced Community Fire Protection program (Sec. 811).

The Conference substitute adopts House provision. (Sec. 804)

(26) International Forestry Program/Office

The House bill reauthorizes the International Forestry Program through 2011. (Sec. 805)

The Senate amendment reauthorizes the International Forestry Office through 2006. (Sec. 801)

The Conference substitute adopts the Senate provision. (Sec. 801)

(27) Long-term Forest Stewardship Contracts

The Senate amendment (1) lists the findings of Congress with respect to wildfire damage, risk to communities from wildfire, accumulation of heavy forest fuel loads, modification of forest fuel load conditions, hazardous fuels as a renewable resource, and the need for the United States to invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities (Sec. 809(a)); and (2) defines: (a) biomass-to-energy facility, (b) eligible community, (c) forest biomass, (d) hazardous fuel, (e) Indian tribe, (f) National Fire Plan, (g) person, and (h) Secretary. (Sec. 809(b))

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(28) Annual Assessment of Treatment Acreage

The House bill directs the Secretary to submit to Congress an assessment of the number of acres of forested National Forest System lands recommended to be treated using stewardship contracts during the next fiscal year no later than March 1 of each of fiscal years 2002 through 2006. This assessment is to be based on the treatment schedules contained in the report entitled "Protecting People and Sustaining Resources in Fire-Adapted Ecosystems" and dated October 13, 2000; and requires the assessment to identify the acreage by condition class, type of treatment and treatment year to achieve the restoration goals outlined in the report. (Sec. 806(a))

The Senate amendment (1) directs the Secretary to submit to Congress an assessment of the number of forested National Forest System acres recommended for treatment during the next fiscal year using stewardship contracts no later than March 1 of each of fiscal years 2002 through 2006. This assessment is to be based on the treatment schedules contained in the report "Protecting People and Sustaining Resources in Fire-Adapted Ecosystems" and dated October 13, 2000; (2) requires the assessment to identify the acreage by condition class, type of treatment, and treatment year; (3) in addition, the assessment is to give priority to condition class 3 acreage, provide information relating to the type of material and estimated quantity and range of sizes of material, and describe land allocation categories in which the contract authorities will be used.(Sec. 809(d)(1))

The Conference substitute did not adopt this provision.

(29) Funding Recommendation

The House bill directs the Secretary to include in the annual assessment a request for funds sufficient to implement the recommendations contained in the assessment. (Sec. 806 (b))

The Senate amendment directs the Secretary to include in the annual assessment a request for funds sufficient to implement the recommendations contained in the assessment. (Sec. 809(d)(2))

The Conference substitute did not adopt this provision.

(30) Stewardship End Result Contracting

The House bill (1) permits the Secretary to enter into stewardship contracts to implement the National Fire Plan on National Forest Service lands under the direction of the assessment and with the authorities described in section 347 of the Department of the Interior Appropriations Act of 1999. But, the period of the contracts will be for 10 years. The House bill also provides that the authority of the Secretary to enter into contracts under this section expires on September 30, 2007. (Sec. 806(c))

The Senate amendment permits the Secretary to enter into no more than 28 stewardship end result contracts to implement the National Fire Plan. The contracting goals and authorities outlined in the original stewardship contracting authorization in the 1999 Department of the Interior Appropriations Act (16 U.S.C. 2104 note; Public Law 105-277, Section 347, subsections (b) through (g) apply to these contracts. Fourteen of the 28 contracts shall be subject to additional conditions. (Sec. 809(d)(3))

The Conference substitute did not adopt this provision.

(31) Status Report

The House bill beginning in fiscal year 2003, requires the Secretary to include a status report of stewardship contracts underway in the annual assessment submitted to Congress. (Sec. 806(d))

The Senate amendment, beginning in fiscal year 2003, requires the Secretary to include in the annual assessment a status report on the contracts entered into under the Long-term Forest Stewardship Contracts for Hazardous Fuels Removal section. (Sec. 809(d)(3)(C))

The Conference substitute did not adopt this provision.

(32) Authorization of Appropriations

The Senate amendment authorizes to be appropriated such sums as are necessary to carry out the Long-term Forest Stewardship Contracts for Hazardous Fuels Removal in subsection (d) for fiscal years 2002 through 2006. (Sec. 809(d)(4))

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(33) Excluded Areas

The Senate amendment allows the Secretary to carry out the Wildfire Prevention and Hazardous Fuel Purchase Program only in the wildland/urban interface. (Sec. 809(e))

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(34) Duration

The House bill provides that the authority of the Secretary to enter into contracts under the Long-term Forest Stewardship contracts for Hazardous Fuels Removal and Implementation of National Fire Plan section expires on September 30, 2007. (Sec. 806 (c)(2))

The Senate amendment terminates the Secretary's authority under the Wildfire Prevention and Hazardous Fuel Purchase Program on September 30, 2006. (Sec. 809(f))

The Conference substitute did not adopt this provision.

(35) Hazardous Fuels to Energy Grant Program

The House bill lists findings of Congress with respect to damages caused by wildfire disasters, risk of communities to wildfire, effect that modification of forest fuel load conditions will have on minimizing damage from wildfires, and hazardous fuels as an abundant renewable resource. (Sec. 921(a))

The Senate amendment lists Congress findings with respect to wildfire damage, risk to communities from wildfire, accumulation of heavy forest fuel loads, modification of forest fuel load conditions, hazardous fuels as a renewable resource, and the need for the United States to invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities. (Sec. 809(a))

The Conference substitute did not adopt this provision.

(36) Definitions

The House bill defines: (1) biomass-to-energy-facility, (2) forest biomass, (3) hazardous fuels, and (4) Secretary concerned. (Sec. 921(e))

The Senate amendment defines: (1) biomass-to-energy facility, (2) eligible community, (3) forest biomass, (4) hazardous fuel, (5) Indian tribe, (6) National Fire Plan, (7) person, and (8) Secretary. (Sec. 809(b)

The Conference substitute did not adopt this provision.

(37) Hazardous Fuels to Energy Grant Program

The House bill authorizes the Secretary to make grants to the operators of a biomass-to-energy facility to offset the costs incurred to purchase hazardous fuels from forest lands for the use in the production of electric energy, useful heat, or transportation fuels; and requires that grant recipients be selected on the basis of their planned purchases of hazardous fuels and the level of anticipated benefits to reduced wildfire risk. (Sec. 921(b))

The Senate amendment (1) authorizes the Secretary to make grants to persons that operate biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels AND persons in rural communities that are seeking ways to improve the use of, or add value to, hazardous fuels; and (2) directs the Secretary to select recipients for grants based on planned purchases of hazardous fuels, the level of anticipated benefits of purchases in reducing risk of wildfires, the extent to which the project avoids adverse environmental impacts, and the level of anticipated benefits for eligible communities. (Sec. 809(c)(1))

The Conference substitute did not adopt this provision.

(38) Grant Amounts

The House bill requires grants to be equal to at least $5 per ton of hazardous fuels delivered, but not to exceed $10 per ton, based on the distance of hazardous fuels from the biomass-to-energy facility. (Sec. 921(c))

The Senate amendment (1) requires that grant amounts be based on the distance required to transport hazardous fuels to a biomass-to-energy facility and the cost of removal of hazardous fuels; (2) requires that grants be in an amount that is at least equal to $5 per ton but not more than $10 per ton of hazardous fuels; and (3) limits grants to $1,500,000 per year, per facility. But, a facility with an annual production of 5 megawatts or less is not subject to this limitation. (Sec. 809)

The Conference substitute did not adopt this provision.

(39) Monitoring of Grant Recipient Activities

The House bill requires grant recipients to keep such records as the Secretary may require, and on notice by the Secretary, grant reasonable access to facility and an opportunity to review records. (Sec. 921(d))

The Senate amendment requires grant recipients to keep such records as the Secretary may require, and on notice by the Secretary, grant reasonable access to facility and an opportunity to review records. (Sec. 809(c)(3))

The Conference substitute did not adopt this provision.

(40) Monitoring of Effects of Treatment

The House bill requires the Secretary to monitor federal lands from which hazardous fuels are removed and sold to biomass-to-energy facilities to determine and document the reduction in fire hazard. (Sec. 921(e))

The Senate amendment requires the Secretary to monitor federal lands from which hazardous fuels are removed and sold to a biomass-to-energy facility to determine the environmental impact of fuels removal; requires the Comptroller General to monitor the number of jobs created, the opportunities created for small and micro-businesses and the types and amounts of energy supplies created and energy prices for eligible communities; and requires the Comptroller General to submit an annual report to Congress beginning in fiscal year 2003 that describes the information obtained through monitoring. (Sec. 809(c)(4))

The Conference substitute did not adopt this provision.

(41) Authorization of Appropriations

The House bill authorizes $50 million in appropriations for each fiscal year. (Sec. 921(g))

The Senate amendment authorizes $50 million in appropriations for each fiscal year from 2002 to 2006. (Sec. 809(c)(7))

The Conference substitute did not adopt this provision.

(42) Review and Report

The Senate amendment directs the Comptroller General to submit a report to Congress that describes the results and effectiveness of the Wildfire Prevention and Hazardous Fuel Purchase Program not later than September 30, 2004; requires the Secretary to submit to Congress an annual report describing the results of the pilot program that includes an identification of the size of each facility that receives a grant and the haul radius associated with each grant; and requires the Secretary to submit a report to Congress by December 1, 2003 which describes the technical feasibility of the use of small diameter trees and biomass for energy production, the environmental impacts of using small diameter trees and forest residues and any social or economic benefits of small-scale biomass energy units for rural communities. (Sec. 809(c)(5))

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(43) Grants to Other Persons

The House bill contains no comparable provision.

The Senate amendment allows the Secretary to make grants to persons in rural communities that are seeking to ways to improve the use of, or add value to, hazardous fuels. (Sec. 809(c)(6))

The Conference substitute did not adopt this provision.

(44) Excluded Areas

The Senate amendment allows the Secretary to carry out the Wildfire Prevention and Hazardous Fuel Purchase Program only in the wildland/urban interface. (Sec. 809(e))

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(45) Termination of Authority

The Senate amendment terminates the Secretary's authority under the Wildfire Prevention and Hazardous Fuel Purchase Program on September 30, 2006. (Sec. 809(f))

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(46) McIntire-Stennis Cooperative Forestry Research Program

The House bill reaffirms the importance of the McIntire-Stennis Cooperative Forestry Act. (Sec. 807)

The Senate amendment reaffirms the importance of the McIntire-Stennis Cooperative Forestry Act. (Sec. 802).

The Conference substitute adopts the House provision with minor technical change to public law number. (Sec. 807)

The Managers recognize the importance of university-based programs in forest and natural resources to the success of many of the technical assistance and cost-share programs in the Conservation and Forestry Titles of this Act including the Conservation Reserve Program, EQIP, Sustainable Forestry Outreach Initiative, Forest Land Enhancement Program. As these programs are expanded and enhanced, there will be an increased need for science-based information in the development of these initiatives. The nation's forestry schools and colleges are uniquely equipped to expand the base of knowledge and to assist in the delivery of educational outreach to our nation's nonfederal forest landowners. The Managers expect the Department to seek greater cooperation and collaboration with universities as it implements these various technical assistance and cost-share programs.

(47) Sustainable Forestry Cooperative Program

The Senate amendment amends the Cooperative Forestry Assistance Act of 1978 by inserting a new section 5A:

The Senate amendment defines: (a) farmer or rancher, (b) forestry cooperative, and (c) non-industrial private forestland.

The Senate amendment directs the Secretary to establish a program to provide grants to nonprofit organizations on a competitive basis to establish and support forestry cooperatives.

The Senate amendment requires funds to be used for the support of forestry cooperatives or the support of a sustainable forestry practice of a member of a cooperative.

The Senate amendment requires the Secretary to provide funds only to a nonprofit organization with demonstrated expertise in cooperative development as determined by the Secretary. Requires funds being used to support a land management practice to comply with an approved forest plan.

The Senate amendment makes $2 million available from the Treasury to remain available until expended. (Sec. 805)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(48) Forest Fire Research Centers

The Senate amendment lists Congressional findings with respect to: (1) increasing threat of fire to forest land and rangeland, (2) concentration of fire threat in the western part of the United States, (3) degraded condition of forest land and rangeland, (4) results of current land management practices in the United States, (5) population movement into wildland-urban interface, (6) budgets of governments, (7) diminishing Federal resources for fire research, (h) funding for Federal fire research program, and (8) critical need for cost-effective investments in improved fire management technologies (Sec. 808(a)).

The Senate amendment directs the Secretary to establish at least 2 forest fire research centers at institutions of higher education to: (1) conduct integrative, interdisciplinary research into the ecological, socioeconomic and environmental impact of fire control and the use of managing ecosystems and landscapes to facilitate fire control, and (2) to develop mechanisms to transfer new fire technologies (Sec. 808(b)).

The Senate amendment directs the Secretary, in consultation with the Secretary of the Interior, to establish an advisory committee to establish priorities for research projects conducted at the forest fire research centers established above (Sec. 808(c))

The Senate amendment authorizes the appropriation of such sums as are necessary to carry out this section. (Sec. 808(d))

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(49) Watershed forestry assistance program

The Senate amendment lists Congressional findings with respect to: (1) public attitudes about forest management, (2) benefits of proper stewardship, (3) importance of forests to protecting the drinking water supply, (4) forest loss and fragmentation in urbanizing areas, (5) scientific evidence and public awareness about forest management and water quality, (6) application of forestry best management practices, (7) efforts to improve forestry best management practices, (8) role of forests in maintenance of clean water, (9) burden of management on private forest land owners, (10) need to integrate management, conservation, restoration and stewardship, (11) responsibility of federal government, (12) availability of federal assistance, and (13) the need for increased research, education, technical and financial assistance to private forest land owners.

The Senate amendment describes the purposes of this section as: (1) improving the understanding of landowners and public with respect to the relationship between water quality and forest management, (2) encouraging landowners to utilize trees to promote water quality, (3) enhancing and complementing source water protection in watersheds that provide drinking water, (4) establishing new partnerships, and (5) providing technical and financial assistance to States.

The Senate amendment directs the Secretary to establish a new program to provide states, through the State foresters, technical, financial, and related assistance to expand forest stewardship and prevent water quality degradation and address watershed issues on non-Federal forestland (Sec. 812(c)); requires the Secretary to cooperate with the State Foresters to develop a plan to provide technical assistance to States in addressing water quality; requires the plan to include provisions to accomplish the following tasks: (1) build and strengthen watershed partnerships, (2) provide State BMPs and water quality technical assistance to landowners, (3) provide technical guidance to land managers and policymakers, (4) complement State non-point source assessment and management plans, (5) provide opportunities for coordination and cooperation among Federal and State agencies for water and watershed management, and (6) provide forest resource data for improved implementation of state BMPs; directs the Secretary to develop a cost-share program to provide grants and other assistance for eligible programs and projects; sets forth criteria which the Secretary must consider in allocating funds among the states; requires the State foresters, in coordination with the State Coordinating Committee, to provide annual grants and cost-share payments to communities, non-profit groups, and landowners to carry out eligible programs and projects; directs the Secretary to prioritize cost-share assistance to eligible programs and projects that are identified by the State foresters and the State Stewardship Committees as having a greater need for assistance; limits the amount of federal cost-share to not exceed 75% and permits the non-federal share to be made in the form of cash, services, or in-kind contributions; allows states to use a portion of the funds made available to the state to establish and fill a position of watershed forester to lead state-wide programs; authorizes $20 million to be appropriated for each fiscal year through 2006; and requires funding to be allocated in such a manner that 75% is going to the cost-share portion of the program and the remainder for other provisions within the section. (Sec. 812)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(50) General Provisions

The Senate amendment amends section 13 of the Cooperative Forestry Assistance Act to enable the Secretary to make grants and enter into contracts, agreements or other arrangements to carry out the Cooperative Forestry Assistance Act. (Sec. 814)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(51) State Forest Stewardship Coordinating Committees

The Senate amendment amends section 19(b) of the Cooperative Forestry Assistance Act by adding the U.S. Fish and Wildlife Service as a member of the State Forest Stewardship Coordinating Committees.

The Senate amendment also directs the Committees to submit to the Secretary, and House and Senate Agriculture Committees an annual report of the list of members on the Committee, and an explanation of why certain groups may not be represented. (Sec. 815)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(52) Forest Legacy Program

The Senate amendment amends section 7(l) of the Cooperative Forestry Management Act to allow a state to authorize any local government or qualified organization to acquire land or conservation easements to carry out the Forest Legacy Program in that state. (Sec. 807)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(53) Chesapeake Bay Watershed Forestry Program

The Senate amendment amends the Cooperative Forestry Assistance Act of 1978 by adding a new section 9A:

The Senate amendment lists definitions for: (1) agreement, (2) Bay-Area state, (3) Chesapeake Bay Executive Council, (4) director, (5) eligible entity, (6) eligible project, (7) program, and (8) Secretary.

The Senate amendment directs the Secretary to establish a Chesapeake Bay Watershed Forestry Program to provide technical and financial assistance to carry out eligible projects; and directs the Secretary to designate a Forest Service employee to serve as a director for the Chesapeake Bay watershed forestry efforts.

The Senate amendment allows the Secretary, in coordination with the director, to provide grants to assist eligible entities in carrying out eligible projects; and limits the federal share of the cost-share assistance to 75%.

The Senate amendment requires the director, in cooperation with the Council, to conduct a study to: (1) assess the extent and location of forest loss and fragmentation, (2) identify critical forest land, (3) prioritize afforestation needs, (4) recommend management strategies to expand conservation and stewardship of the forest ecosystem and ways in which the Federal government can work with State, county, local, and private entities to conserve critical forests including establishing new units of the National Forest System, and (5) identify further inventory assessment and research which is needed and requires the director to report to Congress not later than 2 years after the date of enactment of this legislation.

The Senate amendment allows the Secretary, in cooperation with the director, to establish a cooperative program to provide technical and financial assistance to eligible entities to meet the needs of the urban population of the watershed in managing forest land.

The Senate amendment authorizes $3 million in appropriations for fiscal year 2002 and $3.5 million for each fiscal year in 2003 through 2006. (Sec. 810)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(54) Suburban and Community Forestry and Open Space Initiative

The Senate amendment amends the Cooperative Forestry Assistance Act of 1978 by adding a new section 7A:

The Senate amendment lists definitions for: (1) eligible entity, (2) Indian tribe, (3) private forestland, (4) program, and (5) Secretary.

The Senate amendment establishes a Suburban and Community Forestry and Open Space Initiative within the Forest Service to provide assistance to eligible entities to carry out projects and activities to conserve private forest land and maintain working forests in suburban environments.

The Senate Amendment requires the Secretary, in consultation with the State foresters, to establish criteria for identifying private forest land in each state that may be conserved, and identifying eligible entities; requires the Secretary to then award grants to eligible entities to carry out certain projects or activities; and requires the Secretary to give priority to projects that promote the following objectives: (1) sustainable forest management, (2) education programs and curricula relating to sustainable forestry, and (3) community involvement in determining the objectives for projects or activities that are funded under this program, and limits grants to 50% of the cost of a project or activity.

The Senate amendment allows funds to be used to purchase land or easements only from willing sellers at fair market value; requires sales at less than fair market value only on certification by the landowner that the sale is being entered into willingly and without coercion; and allows title to be held, as determined by the Secretary, by a State or non-profit organization.

The Senate amendment authorizes $50 million to be appropriated for fiscal year 2003 and such sums as are necessary for each fiscal year thereafter. (Sec. 813)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(55) USDA National Agro forestry Center

The Senate amendment amends section 1243 of the Food, Agriculture, Conservation, and Trade Act of 1990 (16 U.S.C. 1642 note; Public Law 101–624) by striking the section heading and inserting: "USDA National Agro forestry Center". (Sec. 816)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision. (Sec. 819)

(56) Office of Tribal Relations

The Senate amendment amends the Cooperative Forestry Assistance Act of 1978 by inserting a new section 19A:

The Senate amendment defines the following: (1) Indian tribe, (2) office, and (3) Secretary.

The Senate Amendment directs the Secretary to establish an Office of Tribal Relations within the Forest Service and requires the Secretary to appoint a director of such office and to consult with interested tribes in making this determination; and requires the director to report directly to the Secretary.

The Senate amendment requires the director to provide assistance to the Secretary on all issues, policies, actions, and programs of the Forest Service that affect Indian tribes and requires the director to submit an annual report on the status of relations between the Forest Service and Indian Tribes to the Secretary. (Sec. 817)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(57) Assistance to Tribal Governments

The Senate amendment amends the Cooperative Forestry Assistance Act of 1978 by adding a new section 21:

The Senate amendment defines an Indian tribe.

The Senate amendment allows the Secretary to provide financial, technical, educational and related assistance to Indian tribes.

The Senate amendment directs the Secretary to promulgate regulations in consultation with Indian tribes and representatives of tribes, to implement the program.

The Senate amendment directs the Secretary to coordinate with the Secretary of the Interior to establish, implement and administer the program.

The Senate amendment authorizes the appropriation of such sums, as are necessary for fiscal year 2002 and each fiscal year thereafter. (Sec. 818)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(58) Sudden Oak Death Syndrome

The Senate amendment directs the Secretary to research, monitor and carry out a treatment program to develop, control, manage, or eradicate Sudden Oak Death Syndrome on public and private land.

The Senate amendment requires the Secretary to conduct management, regulation, and fire prevention activities to reduce the threat of fire and fallen trees killed by Sudden Oak Death Syndrome.

The Senate amendment requires the Secretary to conduct education and outreach activities to make information available to the public on Sudden Oak Death Syndrome.

The Senate amendment requires the Secretary to establish a Sudden Oak Death Syndrome advisory committee to assist the Secretary in carrying out this section.

The Senate amendment authorizes $14.25 million in appropriations for each of the fiscal years in 2002 through 2006. (Sec. 819)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(59) Independent Investigation of Fire-Fighter Fatalities

The Senate amendment requires the Inspector General of the Department of Agriculture to conduct an independent investigation whenever there is a fatality of an officer or employee of the Forest Service that occurs due to wildfire entrapment or burn over and requires the IG to submit a report to Congress and the Secretary of Agriculture. (Sec. 820)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

(60) Adaptive Ecosystem Restoration of Arizona and New Mexico Forests and Woodlands

The Senate amendment lists Congressional findings with respect to: (1) degradation of ecological conditions of forests and woodlands in Arizona and New Mexico, (2) unnaturally high quantities of biomass, (3) effects of degraded forests and woodlands, (4) benefits of healthy forests and woodland ecosystems, (5) importance of best available scientific knowledge in developing forest and woodland treatments, (6) failure of treatments not based on sound science, (7) integration of scientific research and land management activities, and (8) translation of scientific knowledge;

The Senate amendment describes the purposes of this section as: (1) improving the ecological health, resource values, and sustainability of forest and woodland ecosystems in Arizona and New Mexico, (2) reducing the threat of unnatural wildfire, disease, and insect infestations in those states, (3) restoring ecosystem structure and function so that ecosystems will support biodiversity; enhance watershed values; increase water flow; and increase tree, grass, forb, and shrub vigor and growth to provide sustainable economic activities, (4) developing the scientific knowledge to inform adaptive ecosystem management restoration treatments that will restore long-term ecological health to forests and woodlands in the States, and (5) encouraging collaboration among land management agencies, communities, and interest groups in developing, implementing, and monitoring adaptive ecosystem management restoration treatments that are ecologically sound, economically viable, and socially responsible;

The Senate amendment lists definitions for: (1) adaptive ecosystem management, (2) ecological integrity, (3) ecological restoration, (4) institute, (5) land management agency, (6) practitioner, (7) Secretaries, and (8) state.

The Senate amendment requires the Secretary of Agriculture, in consultation with the Secretary of the Interior, to establish: (1) an Ecological Restoration Institute in Flagstaff, Arizona, and (2) an institute at a college or university in the State of New Mexico.

The Senate amendment requires each institute to plan, conduct, or otherwise arrange for applied ecosystem management research that: (1) assists in answering questions identified by land managers, practitioners, and others concerned with land management, (2) will be useful in the development and implementation of practical, science-based, ecological restoration treatments, (3) translate scientific knowledge into communication tools that are easily understood by land managers, natural resource professionals, and concerned citizens, and (4) provide similar information to land managers and other interested persons.

The Senate amendment requires each institute to cooperate with various entities, including colleges and universities.

The Senate amendment requires the Secretary, in consultation with the Secretary of Interior, to complete a detailed evaluation of each institute not later than 5 years after the date of enactment of this Act, and every 5 years thereafter.

The Senate amendment authorizes $10 million in appropriations for each fiscal year. (Sec. 821)

The House bill contains no comparable provision.

The Conference substitute did not adopt this provision.

TITLE IX—ENERGY

(1) Findings

The Senate amendment provides Congressional findings with respect to the development of agriculturally based renewable energy, the promotion of energy efficiency and biobased products. (Section 901)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(2) Consolidated Farm and Rural Development Act

The Senate amendment amends the Consolidated Farm and Rural Development Act by adding a new subtitle on "Clean Energy" and includes definitions for biomass, renewable energy, and rural small business. (Section 902)

The House bill contains no comparable provision.

The Conference substitute does not amend the Consolidated Farm and Rural Development Act, but rather maintains the section as individual stand-alone provisions. The substitute adopts the Senate definitions with amendments. (Section 9001)

(3) Federal Procurement of Biobased Products

The Senate amendment establishes a federal purchasing program for biobased products if they are on a United States Department of Agriculture biobased products list and the biobased products are reasonably comparable in price, performance and availability to non-biobased products. The section also instructs the Secretary to develop a labeling program for biobased products similar to the Energy Star program of the Environmental Protection Agency and Department of Energy. The amendment provides $2,000,000 annually in each of fiscal years 2002–2006. (Section 902)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments. The substitute establishes a new program for the purchase of biobased products by Federal agencies, which is modeled on the existing program for purchase of recycled materials under section 6002 of the Solid Waste Disposal Act (42 U.S.C. 6962). The intent of the section is to stimulate the production of new biobased products and to energize emerging markets for those products. The section also includes a voluntary biobased-labeling program. The Conference substitute provides $1,000,000 annually for each of fiscal year 2002–2007 for testing biobased products to carry out this section. (Section 9002) The Managers encourage the Secretary to make the results of such testing available to the public.

The United States Department of Agriculture, in consultation with the Environmental Protection Agency, General Services Administration, and the Department of Commerce, will serve as the final arbiter of what is or is not considered a biobased product to be listed and afforded Federal procurement preference. The Office of Federal Procurement Policy will ensure compliance by all

Federal agencies, including executive departments, military departments, Government corporations, Government controlled corporations, and other establishments of Federal government.

The Managers intend that any procurement regulations implementing this section will be promulgated within the existing procurement system through revisions to the Federal Acquisition Regulation by the Civilian Agency Acquisition Council and the Defense Acquisition Council and through revisions as necessary to individual agency acquisition regulations by such agencies.

The Managers encourage the Secretary to carry out the biobased product analysis in this section through the Office of Energy Policy and New Uses, which have undertaken economic and technical feasibility analysis and have identified numerous examples of biobased products that can be easily substituted for nonbiobased products.

(4) Biorefinery Development Grants

The Senate amendment establishes a competitive grant program to support the development of biorefineries for the conversion of biomass into multiple products such as fuels, chemicals and electricity. The amendment provides $15,000,000 annually in each of fiscal years 2002–2006. (Section 902)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments. The section is subject to appropriated funds. (Section 9003)

In making selections for competitive awards, the Secretary is encouraged to give particular weight to projects that produce multiple products- fuels, chemicals, and in some cases power—and do so in a cost effective and environmentally sound manner.

(5) Biodiesel Fuel Education Program

The Senate amendment establishes a competitive grant program to educate governmental and private entities with vehicle fleets and the public about the benefits of biodiesel fuel use. The amendment provides $5,000,000 annually in each of fiscal year 2003–2006. (Section 902)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments. The Substitute provides $1,000,000 annually in each of fiscal year 2003-2007. (Section 9004)

The Managers encourage the Secretary to utilize the expertise of the Office of Energy Policy and New Uses in carrying out the purposes of this section.

(6) Renewable Energy Development Loan and Grant Program

The House bill amends Section 310B of the Consolidated Farm and Rural Development Act by adding other renewable energy systems including wind energy and anaerobic digesters to the list of purposes for which loans and loan guarantees are available. (Section 606) The House bill also contains a provision that provides value-added grants to entities to develop new marketing and income opportunities for farmers. (Section 602)

The Senate amendment establishes a competitive grant and loan program to assist new cooperatives and business ventures, which are at least 51 percent owned by farmers or ranchers, in the development of renewable energy projects to produce electricity. The amendment provides $16,000,000 annually in each of fiscal years 2002–2006. (Section 902)

The Conference substitute adopts the House provisions with amendment. The value-added grant program in the Rural Development title has been expanded to better achieve the purposes of this section. This expansion, along with the adoption of House language that allows loans for these purposes, should accomplish the goals of the Senate's provision and encourage more farmers and ranchers to become involved in the ownership of renewable energy systems. (Sections 6401 and 6013)

(7) Energy Audit and Renewable Energy Development Program

The Senate amendment establishes a competitive grant program for entities to administer energy audits and renewable energy development assessments for farmers, ranchers and rural small businesses. The amendment provides $15,000,000 annually in each of fiscal years 2002–2006. (Section 902)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments. The section is subject to appropriated funds. (Section 9005)

(8) Renewable Energy Systems and Energy Efficiency Improvements

The House bill authorizes the Secretary to provide to individuals a loan guarantee under Section 4 of the Rural Electrification Act to finance the purchase of renewable energy systems, including wind energy systems and anaerobic digesters for the purpose of energy generation. (Section 605)

The Senate amendment establishes a loan, loan guarantee and grant program to assist eligible farmers, ranchers and rural small businesses in purchasing renewable energy systems and making energy efficiency improvements. The amendment provides $33,000,000 annually in each of fiscal years 2002–2006. (Section 902)

The Conference substitute adopts the Senate provision with amendments. The Conference substitute provides $23,000,000 annually in each of fiscal year 2003–2007. (Section 9006)

The Managers intend for the Secretary to consider funding energy audits an eligible energy efficiency improvement measure under this section.

(9) Hydrogen and Fuel Cell Technologies

The Senate amendment establishes a competitive grant program to eligible entities to demonstrate the use of hydrogen and fuel cell technologies in farm and rural applications. The amendment provides $5,000,000 in each of fiscal years 2002–2006. (Section 902)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision and replaces it with language directing the Secretaries of Agriculture and Energy to enter into a memorandum of understanding regarding hydrogen and fuel cell technology applications for agricultural producers and rural communities. The memorandum of understanding also requires the Secretary of Agriculture to disseminate information relating to hydrogen and fuel cell technologies to rural communities and agricultural producers. (Section 9007)

The Managers encourage the Secretary to utilize the expertise of the Office of Energy Policy and New Uses in carrying out this section.

(10) Technical Assistance for Farmers and Ranchers to Develop Renewable Energy Resources

The House bill expands the purpose of the Environmental Quality Incentives Program to include assistance to farmers and ranchers for the assessment and development of their on-farm renewable resources, including biomass for production of power and fuel, wind and solar. (Section 942a)

The House bill also provides that the Secretary of Agriculture, through the Cooperative State Research, Education, and Extension Service and, to the extent practicable, in collaboration with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other appropriate entities, may provide education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources, including biomass for the production of power and fuels, wind, solar, and geothermal. (Section 942b)

The Senate amendment provides that the Secretary, acting through the Cooperative State Research, Education, and Extension Service in consultation with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other entities as appropriate, may provide for education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources. The Secretary may retain up to 4 percent to pay administrative expenses incurred in carrying out this section. (Section 902)

The Conference substitute deletes both the House and Senate provisions.

The Managers encourage the Cooperative State Research, Education, and Extension Service to provide education and technical assistance to agricultural producers for the development of renewable energy resources. Such assistance should enable producers to become more energy efficient and provide for the development and marketing of renewable energy resources. In assisting producers, the Cooperative Extension Service may consult with other entities as appropriate.

(11) Biomass Research and Development

The House bill extends the Biomass Research and Development Initiative through 2011. (Section 736)

The Senate amendment extends the Act's termination date to September 30, 2006. The amendment provides $15,000,000 in each of fiscal years 2002–2006. (Section 903)

The Conference substitute adopts the Senate provision with amendments. The substitute provides $5,000,000 for fiscal year 2002, and $14,000,000 annually for each of fiscal year 2003–2007. (Section 9008)

(12) Cooperative Research and Extension Projects

The Senate amendment establishes a carbon sequestration research and development program to promote understanding of the net sequestration of carbon in soil and net emissions of other greenhouse gases from agriculture. The amendment requires that, within three years, the Secretary convene a conference of key scientific experts on carbon sequestration from various sectors to establish benchmark standards for measuring soil carbon content and net emissions of other greenhouse gases, designate measurement techniques and modeling approaches to achieve such standards, and evaluate results of analyses on baseline, permanence and leakage issues. The section authorizes appropriations of $25,000,000 annually. (Section 902)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments that incorporate this section into Section 221 of the Agricultural Risk Protection Act of 2000 (114 Stat. 407)—Carbon Cycle Research. (Section

9009) The substitute also reauthorizes Section 221 of the Agriculture Risk Protection Act of 2002 (114 Stat. 407)—Carbon Cycle Research through fiscal year 2007. (Section 7223)

The Managers encourage the Secretary to convene a conference of key scientific experts on carbon to evaluate tools and procedures for measuring the carbon content of soils and plants (including trees) and net emissions of other greenhouse gases from agriculture, and identify techniques and modeling approaches for measuring carbon content associated with several different levels of precision. Conference participants should include grant or cooperative agreement recipients under federal carbon cycle research programs, other experts on carbon sequestration from academia and the private sector, and government scientists in the area of carbon sequestration, from the Department of Agriculture and other federal agencies with programs in carbon cycle research. The Secretary is encouraged to provide information to the public regarding any such conference proceedings.

The Managers encourage the Secretary to establish demonstration projects that assist agricultural producers and farmer-owned cooperatives in paying the costs associated with the testing of methods developed under this section (including costs incurred in employing certified independent third persons to carry out those activities). In the view of the Managers, such demonstration projects may provide valuable data in testing the methods by which farmers measure their storage of carbon and reduce net emissions of greenhouse gases.

(13) Demonstration Projects and Outreach

The Senate amendment establishes carbon sequestration monitoring programs; demonstration projects of methods for measuring, verifying and monitoring changes in carbon content and greenhouse gas emissions; and periodic outreach to farmers and ranchers regarding the connection between global climate change mitigation strategies and agriculture. The section authorizes appropriations of $10,000,000 annually. (Section 902)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. Some of the goals of this section have been incorporated into Section 9009.

(14) Rural Electrification Act of 1936

The House bill amends Section 310B of the Consolidated Farm and Rural Development Act to specifically include wind energy systems and anaerobic digesters in the list of purposes for which loans and loan guarantees are available. (Section 606)

The Senate amendment amends the Rural Electrification Act of 1936 by adding Section 21 at the end which establishes a grant and loan program to assist rural electric cooperatives and other rural electric utilities in developing renewable energy to serve the needs of rural communities or for rural economic development. Grants may be used to help pay for renewable energy project feasibility studies and technical assistance. Loans are available for other costs associated with a project. The amendment provides $9,000,000 in each of fiscal years 2002–2006. (Section 904)

The Conference substitute adopts the House provision. (Section 6013)

The Managers encourage the Secretary to use existing authorities to provide loans, loan guarantees and grants to rural electric cooperatives and other electric utilities to promote the development of economically and environmentally sustainable renewable energy projects to serve the needs of rural communities or to promote rural economic development.

(15) Carbon Sequestration Demonstration Program

The Senate amendment establishes a competitive research and development program to test the methodologies by which private parties may pay farmers and foresters a market-based fee to store carbon and to otherwise reduce net emissions of greenhouse gases. Under this program, the Department of Agriculture would share in the costs of monitoring, verifying and auditing such trades on a demonstration basis and would also make grants to researchers to establish the best methodologies for measuring additional carbon sequestration in soils and plants. The section authorizes appropriations of $20,000,000 annually. (Section 905)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision. Some of the goals of this section are incorporated into Section 9009.

(16) Sense of Congress Concerning National Renewable Fuels Standard

The Senate amendment expresses the sense of Congress that a national renewable fuels program should be adopted and that the Department of Agriculture should ensure that its policies and programs promote the production of fuels from renewable fuel sources. (Section 906)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(17) Continuation of the Bioenergy Program

The House bill requires the Secretary to include animal fats, agricultural by-products, and oils as eligible commodities under the existing Bioenergy Program (7 CFR 1424). (Section 922)

The Senate amendment expresses the sense of Congress that biofuel production capacity will be needed to phase out methyl tertiary butyl ether in gasoline, and because of the dependence of the United States on foreign oil, the bioenergy program of the Department of Agriculture should be continued and expanded. (Section 907)

The Conference substitute deletes both provisions, and instead authorizes the continuation of the Commodity Credit Corporation Bioenergy Program and includes animal byproducts and fat, oils and greases (including recycled fats, oils and greases) as eligible commodities. The conference substitute provides a total of $204 million to fund this program during fiscal years 2003–2006. (Section 9010)

The Managers encourage the Secretary to investigate the feasibility of utilizing wheat that has been infested with karnal bunt spores, and for which a market is not readily available, in the operation of the Commodity Credit Corporation Bioenergy Program.

General Intent—Title IX. The Managers intend for all reports to Congress required under Title IX to be transmitted to the Senate Committee on Agriculture, Nutrition and Forestry; the House Committee on Agriculture; the House Committee on Energy and Commerce and the House Committee on Science.

The Managers intend for the Secretary to identify and incorporate the mission of Title IX and the strategy for implementation as part of the reporting required by the Government Performance and Results Act.

TITLE X—MISCELLANEOUS PROVISIONS

SUBTITLE A—TREE ASSISTANCE PROGRAM

(1) Eligibility

The House bill requires the Secretary of Agriculture to provide assistance to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster. Orchardists qualify for assistance only if tree mortality exceeds 15%. (Section 901)

The Senate amendment amends Sec. 194 of the Federal Agriculture Improvement Act of 1996 as follows: Sec. 194(b) requires the Secretary of Agriculture to provide assistance to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster. Orchardists qualify for assistance only if tree mortality exceeds 15%. (Sec. 1062)

The Conference substitute adopts the House provision. (Sec. 10202)

(2) Assistance

The House bill amends the Tree Assistance Program authorized by the Disaster Assistance Act of 1988 to establish a reimbursement of either 75% of the cost of replanting eligible trees lost or, at the discretion of the Secretary, sufficient seedlings to reestablish the stand. (Sec. 902)

The Senate amendment amends Sec. 194(c)(1) consists of either reimbursement of 75% of the cost of replanting eligible trees lost or, at the discretion of the Secretary, sufficient seedlings to reestablish the stand. (Sec. 1062)

The Conference substitute adopts the House provision. (Sec. 10203)

(3) Limitation on Assistance

The House bill establishes that a limit on payments per person may not exceed $50,000 or an equivalent value in tree seedlings; requires the Secretary to issue regulations defining a person; and requires the Secretary to issue regulations prescribing rules to ensure a fair and reasonable application of the limitation established under this section. (Sec. 903)

The Senate amendment amends Sec. 194(c)(2) by setting payment limitations per person to not exceed $100,000 or an equivalent value in tree seedlings; requires the Secretary to issue regulations defining a person; and requires the Secretary to issue regulations prescribing rules to ensure a fair and reasonable application of the limitation established under this section. (Sec. 1062)

The Conference substitute adopts the House provision with an amendment that a payment limitation per person may not exceed $75,000 or an equivalent in tree seedlings. (Sec. 10204)

(4) Definitions

The House bill defines eligible orchardist, natural disaster and tree. (Sec. 904)

The Senate amendment defines Sec. 194 (a) eligible orchardist, natural disaster, tree and Secretary. These definitions are very similar to the House bill, with one exception as follow: there is no requirement that an eligible orchardist owns 500 acres or less of such trees. (Sec. 1062)

The Conference substitute adopts the House provision with amendments that the total quantity of acres for which a person shall be entitled to receive payments under this chapter may not exceed 500 acres and adds "lightning" to the definition of natural disaster. (Sec. 10201)

The Senate amendment makes the Tree Assistance Program an authorization subject to appropriations.

The Conference substitute adopts the Senate amendment's authorization of Appropriations. (Sec. 10205)

The Managers acknowledge that assistance was provided to producers to compensate for losses of trees from which a crop is harvested under the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act of 2000, for losses suffered in 1999, but not since that time. Establishment of legislative authority for the Tree Assistance Program does not preclude seeking assistance under any other authority on behalf of tree crop producers who suffered similar losses between January 2000 and the date of enactment of this Act.

SUBTITLE B—OTHER MATTERS

(5) Hazardous Fuels Reduction Grants to Prevent Wildfire Disasters and Transform Hazardous Fuels to Electric Energy, Useful Heat or Transportation Fuels

The House bill (1) provides the findings of the Congress on hazardous fuel reduction grants; (2) authorizes the Secretary concerned to make a grant to a person that operates a biomass-to-energy facility to offset the costs incurred to purchase hazardous fuels from forestlands. (3) establishes the grants shall be equal to $5 per ton but not to exceed $10 per ton of hazardous fuels based on distance from source to facility; (4) establishes as a condition of receiving a grant under this section, the owner of the facility is required to keep records as required by the Secretary, and to award the Secretary or their designee access to the facility to examine inventory and records of the facility; (5) authorizes the Secretary concerned to monitor Federal lands from which hazardous fuels are removed and sold to a biomass-to-energy facility to determine and document the reduction in fire hazards on such lands; defines biomass-to-energy facility, forest biomass, hazardous fuels, and Secretary concerned; authorizes $50 million for each FY for the duration of the bill. (Sec. 921)

The Senate amendment (1) provides findings similar to House version findings under Hazardous Fuels Reduction Grants; (2) defines "eligible community" as any town, township, municipality, or other similar unit of local government or any area represented by a nonprofit to promote broad-based economic development, and has a population of not more than 10,000, and is located within a county with 15% of total labor and income is derived from forestry and is located near forest land the Secretary determines poses a potential hazard, the "hazardous fuels" definition is different from the House version, only in that it specifies the land must be in an wildland-urban interface area or in an area located near an eligible community, Indian tribe, Secretary, and others; (3) authorizes the Secretary concerned to make a grant to a person that operates a biomass-to-energy facility to offset the costs incurred to purchase hazardous fuels from forestlands. The Secretary shall select recipients based on planned purchases of hazardous fuels and the anticipated associated wildfire risk reduction; (4) establishes the grant amounts shall be equal to $5 per ton but not to exceed $10 per ton of hazardous fuels based on distance from source to facility; OR based on the distance from source to facility and the cost of removal of fuels; (5) establishes a grant shall not exceed $1.5 million for any facility for any year with the exception of a small facility with an annual production of 5 megawatts or less; provides the monitoring of grants is very similar to House version, but with a little more detail; (6) authorizes the Secretary concerned shall monitor Federal lands from which hazardous fuels are removed and sold to a biomass-to-energy facility to determine and document the reduction in fire hazards on such lands; (7) authorizes $50 million for each FY for the duration of the bill. (Sec. 809)

The Conference substitute deletes both the House and Senate provisions.

(6) Bioenergy Program

The House bill requires the Secretary to include animal fats, agricultural by-products, and oils as eligible commodities under the existing Bioenergy Program (7 CFR 1424). (Sec. 922)

The Senate amendment establishes the Sense of Congress that Ethanol and Biodiesel production capacity will be needed to phase out MTBE and U.S. dependence on foreign oil and that the Bioenergy Program (7 CFR 1424) should be continued and expanded. (Sec. 907)

The Conference substitute deletes both provisions, and instead authorizes the continuation of the Commodity Credit Corporation Bioenergy Program and includes animal byproducts and fat, oils and greases (including recycled fats, oils and greases) as eligible commodities. The conference substitute provides a total of $204 million to fund this program during fiscal years 2003–2006. (Section 9010)

(7) Availability of Section 32 Funds

The House bill amends the second undesignated paragraph of section 32 of 7 U.S.C. 612c by striking $300,000,000 and inserting $500,000,000. (Sec. 923)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 10602)

(8) Seniors Farmers Market Nutrition Program

The House bill allows the Secretary to use $15,000,000 of CCC funds for each of fiscal years 2002 through 2011 to carry out and expand a seniors farmers' market nutrition program. Further explains purposes of program. (Sec. 924)

The Senate amendment requires the Secretary of the Treasury to transfer $15,000,000 30 days after enactment and each fiscal year 2003 through 2006 to the Secretary of Agriculture to carry out and expand a seniors farmers' market nutrition program. Further explains purposes of program. (Sec. 459)

The Conference substitute adopts the House provision with an amendment to provide $5 million in 2002, $15 million per year thereafter 2003 through 2007 (The program already received $10 million for FY2002 in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.). (Sec. 4402)

(9) Federal Marketing Order for Cane Berries

The House bill requires the Secretary to issue a Federal marketing order for producers and processors of cane berries grown in the United States. (Section 925)

The Senate amendment provides marketing orders for producers of cane berries. (Sec. 161)

The Conference substitute adopts the Senate provision. (Sec. 10601)

A Federal Marketing Order for cane berries will allow producers to promote orderly marketing through collectively influencing the supply, demand or price and to pool resources to finance research and promotion. Producers need this tool to address low prices due, in part, to overproduction.

(10) National Appeals Division

The House bill provides that if an appellant prevails at the regional level in an administrative appeal of a decision by the National Appeals Division, the Agency may not pursue an administrative appeal of that decision to the national level. (Sec. 926)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(11) Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers

The House bill amends the outreach program for socially disadvantaged farmers and ranchers contained in Sec. 2501 of the Food, Agriculture, Conservation and Trade Act of 1990 by increasing the authorization of appropriations from $10 million in each fiscal year to $25 million and further explains assistance and eligibility. (Sec. 927)

The Senate amendment is similar except that subsection (a)(5)(B) allows for interagency funding and subsection (b) adds "gender" to the definition of "Socially Disadvantaged Group". (Sec. 1054)

The Conference substitute adopts the Senate language with an amendment to strike the reference to "gender," and maintain eligibility for certain institutions. (Sec. 10707)

(12) Reference to Sea Grass and Sea Oats as Crops Covered by Noninsured Crop Disaster Assistance Program

The House Bill amends Section 196(a)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 to include sea oats and sea grass as crops covered by Noninsured Crop Disaster Assistance Program. (Section 929)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 10101)

(13) Operation of Graduate School of Department of Agriculture

The House bill requires that contracts entered into between the USDA Graduate School and Federal agencies for educational, training, and professional development activities must be open to competitive bidding with the private sector. (Sec. 930)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment striking section 1669 of the Food, Agriculture, Conservation, and Trade Act of 1990, adding an audit authority to section 921 of the Federal Agriculture Improvement Reform Act of 1996, and delaying the effective date of the amendment to October 1, 2002. (Sec. 10705)

(14) Assistance for Livestock Producers

The House bill authorizes, subject to appropriations, assistance for livestock and dairy producers who have suffered economic losses. (Sec. 931)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 10104)

(15) Compliance With Buy American Act

The House bill prevents the use of funds, under the Act, from being used by any producer, person, or entity that does not agree to comply with the Buy American Act in the expenditure of such funds; expressed the Sense of Congress that producers and other recipients of funds should, in expending the funds, purchase only American-made equipment, products, and services; and the directs Secretary to provide to each recipient of funds a notice describing these requirements. (Sec. 932)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(16) Report Regarding Genetically Engineered Foods

The House bill instructs the Secretary, through the National Academy of Sciences to complete and transmit a report to Congress including the data and test needed to assess human health risk from consumption of genetically engineered foods; the types of monitoring systems that should be created for future assessment; and a federal regulatory structure to approve such foods as safe for human consumption. (Sec. 933)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(17) Market Name for Pangasius Fish Species

The House bill clarifies that the term catfish may not be considered a common or usual name for the fish Pangasius bocourti, or any other fish not classified within the family Ictalariidae, including the importation of such fish pursuant to section 801 of the Federal Food, Drug and Cosmetic Act. (Section 934)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendment to clarify labeling restrictions of catfish pursuant to the Federal Food, Drug and Cosmetic Act. (Sec. 10806)

(18) Program of Public Education Regarding Use of Biotechnology in Producing Food for Human Consumption

The House bill instructs the Secretary to develop and implement a program to communicate with the public regarding the use of biotechnology in producing food for human consumption, including science-based evidence of the safety of such foods and the human outcomes of biotechnology used to produce food for human consumption. (Sec. 935)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 10802)

(19) GAO Study

The House bill instructs the Comptroller General to conduct a study and make findings and recommendations with respect to determining how producer income would be affected by updating yield bases. The comptroller shall submit a report to Congress not later than 6 months after the date of enactment. (Sec. 936)

The Senate amendment contained no comparable provision.

The Conference substitute adopts the House provision. (Sec. 10903)

(20) Interagency Task Force on Agricultural Competition

The House Bill instructs the Secretary to, within 90 days of enactment, establish an Interagency Task Force on Agricultural Competition, consisting of 9 employees of the Department of Agriculture and the Department of Justice. The task force shall conduct hearings to review the lessening of competition among purchases of livestock, poultry, and unprocessed agricultural commodities. The task force shall submit a report to the committee of Agriculture in both the House and the Senate within 1 year after the last member of the task force is appointed. (Sec. 937)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(21) Authorization for Additional Staff and Funding for the Grain Inspection, Packers, and Stockyards Administration

The House bill authorizes to be appropriated such sums as are necessary to enhance the capability of GIPSA to monitor, investigate, and pursue the competitive implications of structural changes in the meat packing industry. Sums are specifically earmarked to hire litigating attorneys to allow GIPSA to more comprehensively and effectively pursue its enforcement activities. (Sec. 938)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(22) Enforcement of the Humane Methods of Slaughter Act of 1958

The House bill (1) added the following findings:

Public demand for passage of P.L. 85–765;

The Humane Method of Slaughter Act of 1958 requires that animals be rendered insensible to pain when they are slaughtered;

Scientific evidence indicates that treating animals humanely result in tangible economic benefits;

The United States Animal Health Association passed a resolution to encourage strong enforcement of the Act;

The Secretary of Agriculture is responsible fore enforcing the Act, including monitoring and compliance;

(2) expressed the Sense of Congress that the Secretary should fully enforce P.L. 85–765 by ensuring humane methods in the slaughter of livestock; and (3) determined it is the policy of the U.S. that the slaughter of livestock and handling of livestock in connection with slaughter shall be carried out only by humane methods, as proved by P.L. 85–765. (Sec. 939)

The Senate amendment provided for the same general intent as the House provision, but with drafting differences. (Sec. 1067)

The Conference substitute adopts the House provision with an amendment eliminating Congressional findings. In Sec. 1067(1)(A) "resume" is changed to "continue" with regard to the reporting requirement. The Managers expect the Department to include a report on violations of this Act in its annual report to Congress. (Sec. 10305)

(23) Penalties and Foreign Commerce Provisions of the Animal Welfare Act

The House bill increased the penalties provided by current law, by raising the maximum penalty for violation from $5,000 to $15,000 and raising the maximum imprisonment for violation from 1 year to 2 years and also closes the "foreign commerce loophole" by prohibiting transportation of animals for fighting purposes from any state into any foreign country effective 30 days after enactment. (Sec. 940)

The Senate amendment is identical to the House provision. (Sec. 1052)

The Conference substitute also provides an amendment to eliminate the increase in maximum prison terms found in the House and Senate provision. (Sec. 10303)

(24) Prohibition on Interstate Movement of Animals for Animal Fighting

The House bill amends Sec. 26(d) of the Animal Welfare Act to prohibit the interstate shipment of birds for fighting purposes. (Sec. 941)

The Senate amendment is identical to the House provision. (Sec. 1053)

The Conference substitute made technical changes to make it illegal ship a bird in interstate commerce for the purpose of engaging in a animal fight and further, makes it illegal to fight a bird in a fight in which any bird in the fight was transported illegally. (Sec. 10302)

(25) Renewable Energy Resources

The House bill expands the purpose of the Environmental Quality Incentives Program to include assistance to farmer and ranchers for the assessment and development of their on-farm renewable resources, including biomass for production of power and fuel, wind and solar. (Section 942a)

The House bill also provides that the Secretary of Agriculture, through the Cooperative State Research, Education, and Extension Service and, to the extent practicable, in collaboration with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other appropriate entities, may provide education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources, including biomass for the production of power and fuels, wind, solar, and geothermal. (Section 942b)

The Senate amendment provides that the Secretary, acting through the Cooperative State Research, Education, and Extension Service in consultation with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other entities as appropriate, may provide for education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources. The Secretary may retain up to 4 percent to pay administrative expenses incurred in carrying out this section. (Section 902)

The Conference substitute deletes both the House and Senate provisions.

The Managers encourage the Cooperative State Research, Education, and Extension Service to provide education and technical assistance to agricultural producers for the development of renewable energy resources. Such assistance should enable producers to become more energy efficient and provide for the development and marketing of renewable energy resources. In assisting producers, the Cooperative Extension Service may consult with other entities as appropriate.

(26) Use of Amounts Provided for Fixed, Decoupled Payments to Provide Necessary Funds for Rural Development Programs

The House bill reduces the total amount payable under Sec. 104 (Fixed Decoupled Payments) of the Act on a pro rata basis, so that the total amount of such reductions equals $100,000,000, fiscal years 2002–2001.

The House bill expends such sums as follows:

(A) $45,000,000 for grants under 306A of the Consolidated Farm and Rural Development Act (relating to the community water assistance grant program);

(B) $45,000,000 for grants under 613 of this Act (relating to the pilot program for development and implementation of strategic regional development plans); and(C) $10,000,000 for grants under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (relating to value-added agricultural product market development grants). (Section 943)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(27) Country of Origin Labeling of Perishable Agricultural Commodities

The House bill amends the Perishable Agricultural Commodities Act, 7 USC 499a, to mandate country of origin labeling on all perishable agriculture commodities, including both imported and domestically produced commodities by adding the following sections:

Sec. 18(a) A retailer of a perishable agricultural commodity shall inform consumers, at the final point of sale of the perishable agricultural commodity to consumers, of the country of origin of the perishable agricultural commodity. This applies to both imported and domestically produced commodities.

Sec. 18(b) Provides an exemption for the labeling requirements for perishable agricultural commodities that are prepared in a food establishment, sold or offered for sale at the food service establishment in normal retail quantities and served to consumers at the food service establishment.

Sec 18(c) The information regarding the country of origin may be provided to consumers via a label, stamp, mark, placard, or other clear and visible sign on the perishable agricultural commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers. A retailer is not required to provide any additional information on a commodity that has already been individually labeled with the country of origin by the packer, importer, or other individual.

USDA may assess Sec. 18(d) Civil penalties ($1,000 for the first day the violation occurs; $250 for each day the violation continues) against any retailer who fails to indicate the country of origin.

Sec. 18(e) Amounts collected under subsection (d) shall be deposited in the Treasury.

The House bill states the provision would take effect six month following enactment. (Section 944)

The Senate amendment amends the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.). Sec. 281 & Sec. 282(a)(1) requires labeling for muscle cuts and ground beef, lamb and pork as well as farm-raised fish and shellfish (including steaks, nuggets and any other flesh from farmed raised fish and shellfish) and produce as defined in the Perishable Agricultural Commodities Act.

Sec. 282(a)(2) Only those products that are exclusively born, raised and slaughtered, hatched, raised, harvested, and processed and produced in the U.S. may be designated as U.S. country of origin.

Sec 282(b) Subsection (a) shall not apply if the covered commodity is prepared or served in a food service establishment and offered for sale or sold at the food service establishment in normal retail quantities or served to consumers at the food service establishment.

Sec. 282(c) The information regarding the country of origin may be provided to consumers via a label, stamp, mark, placard, or other clear and visible sign on the perishable agricultural commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

Sec. 282(d) Those who prepare, store, handle or distribute a covered commodity shall maintain a verifiable record keeping an audit trail.

Sec. 282(e) Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

Sec. 282(f) The Secretary shall not establish a mandatory identification system to verify the country of origin of a covered commodity. Model certification programs the Secretary can use for verification purposes include the carcass grading system, voluntary country of origin beef labeling system, and those systems used to carry out market access program under the Agricultural Trade Act and the National School Lunch Act.

Sec. 283 The Secretary of USDA will notify a retailer if a violation is found, give the retailer 30 days to cure, provide notice and an opportunity for a hearing and may fine the retailer in an amount determined by the Secretary.

Sec. 284 The Secretary may promulgate regulations and may enter into partnerships with individual states for enforcement purposes.

Sec. 285 Takes effect 180 days following enactment. (Sec. 1001)

The Conference substitute adopts the Senate language with an amendment to provide for the implementation of two-years of voluntary guidelines to precede mandatory labeling. The exclusion from a covered commodity has been further defined to include items that are an ingredient in a processed food item. The conference substitute provides that animals trans-shipped from Alaska or Hawaii through Canada shall be eligible to be designated as "U.S. Country of Origin" as long as the period of trans-shipment does not exceed 60 days. (Sec. 10506)

(28) Unlawful Stockyard Practices Involving Nonambulatory Livestock

The House bill amends Title III of the Packers and Stockyards Act, 1921 by adding following on Sec. 318:

Sec. 318(a) defines the terms: humanely euthanize and nonambulatory livestock.

Sec. 318(b)(1) It shall be unlawful for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

Sec. 318(b)(2) provides exceptions.

Sec. 318 (c) stipulates that the application of this prohibition is to commence one year after enactment of the Farm Security Act of 2001. The Secretary shall promulgate regulations to carry out this section. (Sec. 945)

The Senate amendment is a substantively identical provision with the following difference: Sec. 318 (c) stipulates that the application of this prohibition is to commence one year after enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2002. (Sec. 1045)

The Conference substitute adopts the House provision with an amendment to require the Secretary to investigate the problem of nonambulatory livestock and report the findings to Congress. Based on the findings of the report the Secretary shall promulgate regulations if the Secretary deems them necessary to regulate the humane treatment, handling and disposition of nonambulatory livestock. The Conference substitute provides for investigative and penalty authority consistent with the Animal Health Protection Act. (Sec. 10502)

(29) Annual Report on Imports of Beef and Pork

The House bill requires the Secretary of Agriculture to submit to Congress an annual report on the amount of beef and pork that is imported into the U.S. each calendar year. (Sec. 946)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(30) Quality Grade Labeling of Imported Meat and Meat Food Products

The Senate amendment amends the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.):

Sec. 291 defines the Secretary;

Sec. 292 prevents an imported carcass, part thereof, meat, or meat food product (as defined by the Secretary) from bearing a quality grade label issued by the Secretary;

Sec. 293 Secretary to promulgate regulations. (Sec. 1002)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(31) Continuous Coverage

The Senate amendment amends Section 508(e)(4) of the Federal Crop Insurance Act to impose a permanent prohibition on the availability of continuous coverage. (Sec. 1012)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 10002)

(32) Quality Loss Adjustment Procedures

The Senate amendment amends Sec. 508(m) of the Federal Crop Insurance Act to require the Federal Crop Insurance Corporation to implement quality loss adjustment procedure review recommendations effective for the 2003 reinsurance year. (Sec. 1013)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to implement recommendations effective for the 2004 reinsurance year and provides additional language to require the Secretary, for purposes of quality loss adjustment under the Federal crop insurance program, to allow certain classifications of warehouse operators to make adjustments for quality. Should the Secretary find that this provision causes fraud and abuse of the Federal crop insurance program by warehouse operators, the Managers intend for the Secretary to take appropriate measures against those operators to alleviate the problem. (Sec. 10003)

It is the intent of the Managers that quality loss adjustments reflect market discounts in the year of adjustment. The term "local" outlined in Section 508(m) of the Federal Crop Insurance Act may include discounts determined based on regional surveys.

(33) Conservation Requirements

The Senate Amendment amends Section 1211(1) and Section 1221(b) of the Food Security Act of 1985 and Section 519(b) of the Controlled Substances Act to prohibit the issuance of an indemnity payment under the Federal Crop Insurance Act to a producer who has planted on highly erodible land, converted wetland, or has produced a controlled substance (Sec. 1014).

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(34) Animal Health Protection

The Senate amendment provides for the consolidation and updating of existing animal health authorities at USDA. (Sec. 1021 to Sec. 1038)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments (1) regarding the definition of disease (S1023.CR10403) (2) requires notification to the Secretary of the Treasury as well as public notification regarding development of rules on restrictions of imports (S1024. CR10404) (3) directs the Secretary of Agriculture to consult with State animal health officials and veterinary health professionals regarding the establishment of the veterinary accreditation program, gives guidelines for suspension or revocation of accreditation of any veterinarian accredited under this subtitle that violates this subtitle, and clarifies that the criminal and civil penalties in section 1034 shall not apply to violations of this section that are not violations of any other provision of this subtitle (S1030. CR10410) (4) establishes increased criminal penalties in cases of violations of the Animal Health Protection Act involving persons knowingly destroying records or moving pests in commerce for distribution. Criminal penalties are likewise increased in cases of persons who have committed multiple violations of the Animal Health Protection Act. Strike the provision of Section 1034 regarding criminal and civil penalties relating to suspension or revocation of accreditation. (S1034. CR10414) (5) authorization of appropriations and to provide for more efficient management of declarations of extraordinary emergencies and transfer of funds from the Commodity Credit Corporation (S1037.CR 10417) and (6) strikes the repeal of the Pseudorabies Eradication Program which is reauthorized in the Conference substitute in Section 10507. (S1038. CR10418)

The managers recognize that the principal purpose of the Animal Health Protection Act is to protect against animal disease. With this in mind, the managers have considered numerous options with regard to a statutory definition of disease. In considering these options, the managers were concerned that an overly broad definition could result in litigation forcing the Agency to divert scarce resources to protecting against conditions which have little if anything to do with the scientific understanding of disease. Likewise, the managers were equally concerned that an arbitrarily narrow definition would limit the ability of the Agency to respond to as of yet unknown threats to animal health. The managers have therefore concluded that in order for the Agency to have maximum flexibility to focus it's resources and respond to new or emerging disease threats that a regulatory definition of disease should be left to the discretion of the Secretary. In so doing, the managers strongly encourage the Secretary to continually reexamine the principal definitions developed during implementation of this statute and make such changes as deemed necessary to achieve the goal of protecting animal health.

It is also the Managers intent that nothing in the Act should be construed in a manner that will unduly restrict or delay the importation, export, or transportation of biomedical research materials, including tissues, specimens, samples, animal embryos, or animals designated for use in research. The Managers do not expect the Secretary to issue any rule or regulation that would unduly restrict or delay the importation, export, or transportation of biomedical research materials, including tissues, specimens, samples, animal embryos, or animals designated for use in research.

It is the Managers understanding that Veterinary Services, within the United States Department of Agriculture's Animal and Plant Health Inspection Service (APHIS), has a long history of cooperation with the veterinary community in performing important regulatory work nationwide. Private practitioners were first used to perform regulatory work in 1907. However, the current voluntary accreditation program (National Veterinary Accreditation Program) officially began in 1921, when USDA, Bureau of Animal Industry, administered the first accreditation examination to certify practitioners as representatives of the Federal government. Accredited veterinarians are the backbone of U.S. regulatory programs for livestock and poultry diseases. The overriding goal of the National Veterinary Accreditation Program is for Veterinary Services, veterinarians, State Animal Health Officials and veterinary colleges to work cooperatively toward the goal of protecting and improving the health, quality, and marketability of U.S. animals. Increased collaboration will be crucial to the success of new enhancements to this program. It is the intent of the Managers that APHIS' existing Veterinary Accreditation Program and implementing regulations continue unimpeded pursuant to section 1038 (c). With regard to future revisions by APHIS to its Veterinary Accreditation Program, the Managers strongly encourage APHIS' Veterinary Services to consult with State animal health officials and veterinary professionals, including State Veterinary Medical Associations and private veterinary practitioners.

The Managers note that USDA currently is evaluating three rapid screening tests to determine which is the most sensitive and effective at detecting scrapie. Ensuring proper screening and testing, and, where necessary, the eradication of animal diseases, is of paramount importance to American Agriculture, USDA, the Congress, and the American people. With the stakes to animal health and the farm economy so high, the U.S. government should use the very best methods available to detect animal diseases. Accordingly, the Managers request that USDA use science-based criteria to evaluate the tests under review and invite third-party animal health diagnostic test experts to review preliminary findings and evaluation methodology.

The purpose of the Animal Health Protection Act is to address pest and disease threats to animal health and production. The managers do not intend for the Animal Health Protection Act to be used to manage or control predation. The Managers expect the Secretary of Agriculture to continue to use the authorities under the Act of March 2, 1931 (7 U.S.C. 426–426b) as amended.

In a case of extraordinary emergency, the section regarding seizure, quarantine, and disposal provides express authority in the Secretary to hold, seize, treat, and apply other remedial actions to or destroy or otherwise dispose of any animal. However, nothing in this section or in this title should be construed as impliedly vesting in the Secretary authority to manage fish or wildlife populations. If fish or wildlife is affected by control or eradication measures proposed by the Secretary in an extraordinary emergency, the Managers expect that the Secretary will consult with officials of the State agency having authority for protection and management of such wildlife, as is the current practice in such instances.

(35) Pesticide Fees

The Senate amendment (1) amends the FIFRA, with respect to the pesticide registration maintenance fee system, to: (a) make uniform the amount of the annual fee for each registration; (b) set maximum amounts payable by a registrant and an increased aggregate amount of collected fees; (c) expand the definition of a small business; and (d) extend the authority to collect such fees and the prohibition on levy of fees other than those specified in the Act's fee provisions; (2) extends the requirement that the Administrator use maintenance fees to ensure expedited processing of similar applications and adds a requirement that the fees be used to review inert ingredients; (3) gives the Administrator the authority to change current fee amounts by the same percentage as the annual adjustment to the Federal General Schedule pay scale. If fully implemented the total cost of the provision will be $214 million over 4 years. (Sec.1041)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

On June 9, 1999, EPA proposed a rule, "Pesticides; Tolerance Processing Fees Proposed Rule," 64 FR 31039, Docket Number OPP–30115. EPA proposed to increase tolerance fees dramatically and to collect fees retroactively back to 1996. The Managers question the legal basis and are concerned about imposing fees retroactively and with the proposed level of fees. Retroactive imposition of increased tolerance fees, if imposed, could result in unnecessary loss of valuable pesticide products for American farmers. The Managers strongly encourage the EPA to withdraw its proposed tolerance fee rule, and instead, work with the appropriate oversight committees in the House of Representatives and the U.S. Senate to develop comprehensive pesticide user fee legislation.

The Managers continue to be concerned that the Administrator has yet to issue protocols for the issuance of registrations for antimicrobials under the Food Quality Protection Act. The Managers expect the Administrator to expeditiously develop and implement these protocols. The Managers further expect the Administrator to give full consideration to an exemption under Sec. 25(b) of the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136) for antimicrobial products approved for use in food packaging immediately before aseptic fill.

(36) Pest Management in Schools

The Senate amendment amends FIFRA to create a new section 33, "School Environment Protection Act of 2002" that requires Pest Management in Schools. Requires states to develop pest management plans as part of state cooperative enforcement agreements with the EPA. Sets requirements for what should be included in plans and requires the EPA to distribute guidelines to states no later than one year after enactment, after which State educational agencies would be required to develop plans and submit them to the Administrator for approval. Local education agencies would be required to implement their state plan within one year of receiving it. (Sec. 1042).

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(37) Packer Ownership

The Senate amendment amends Section 202 of the Packers and Stockyards Act of 1921 (7 U.S.C. 192(f)) (as amended by section 1043(a)) by banning ownership or control of livestock by a packer prior to 14 days before slaughter. An exemption from the ban is provided for any packer that is a cooperative entity with a majority ownership interest held by livestock producers who own, feed or control their own livestock which are provided to the cooperative for slaughter, or for any packer who kills less than 2 percent of the total U.S. annual slaughter for that type of livestock. In general, the ban becomes effective upon enactment of the Act, but packers of swine would not be required to complete livestock divestitures until 18 months following the enactment of the Act. For packers of any other type of livestock, the ban would become effective no later than 180 days following enactment of the Act. (Section 1043, amended by Sec. 1072 of the Senate amendment below).

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers recognize the importance of Congress holding hearings to address issues affecting livestock producers, such as agribusiness consolidation, and livestock marketing issues.

(38) Packers and Stockyards

The Senate amendment (1) amends Section 2(a) of the Packers and Stockyards Act by adding definitions of 'livestock contractor', 'livestock production contract', and 'livestock production contract grower'; (2) Amends sections 202, 203, 205, 204, 308, 401, and 403 of the P&S Act to include "livestock contractor" as a covered entity under the P&S Act; and (3) adds new section 417 to the P&S Act that allows, notwithstanding a provision of a livestock or poultry contract, a party to the contract to discuss terms of the contract with a legal advisor, a lender, an accountant, an executive or manager, a landlord, a family member, or a Federal or State agency with responsibility for enforcing a statute designed to protect a party to the contract. (Sec. 1044)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that includes only swine production contractors as a covered entity under the P&S Act. (Sec. 10503) The amendment was rewritten so that the disclosure and preemption provisions appear in Sec. 10504. This section clarifies that people can discuss contracts with state & federal agencies and certain other individuals. The language does not preempt any state law that addresses confidentiality provisions in contracts for the sale or production of livestock or poultry except any provision of state law that makes lawful a contract provision that prohibits a party from or limits a party in engaging in a discussion that this section otherwise requires to be permitted.

(39) Arbitration Clauses

The Senate amendment adds No Comparable Provision 413A to the Packers and Stockyards Act that states that a person that seeks to resolve a dispute in the contract may, notwithstanding the terms of the contract, elect to arbitrate the dispute in accordance with the contract; or resolve the dispute in accordance any other lawful method of dispute resolution, including mediation and civil action. (Sec. 1046)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(40) Cotton Classification Services

The Senate amendment amends the first sentence of section 3a of the Act of March 3, 1927 (commonly known as the 'Cotton Statistics and Estimates Act') by striking '2002' and inserting '2006'. (Sec. 1047)

The House bill had an identical provision contained in the Research Title. (Sec. 740)

The Conference substitute adopts the Senate provision with technical and clarifying amendments and extends the program through 2007. (Sec. 10801)

(41) Protection for Purchasers of Farm Products

The Senate amendment (1) amends Section 1324 subsection (c)(4)(B) of the Food Security Act of 1985 by striking signed, and inserting signed, authorized, or otherwise authenticated by the debtor and (2) amends subsection (c)(4) by striking subsection (C); (2) amends subsection (c)(4)(D)(iv) by striking applicable and all that follows and inserting applicable, and the name of each county or parish in which the farm products are growing or located; (3) redesignates subparagraph numbering; (4) amends subsection (e)(1)(A)(ii)(IV) by striking crop year, and all that follows and inserting crop year, and the name of each county or parish in which the farm products are growing or located; (5) amends subsection (c)(4)(D)(iv) by inserting contains before any payment; and (6) the same changes are made in subsection (g)(2)(A). (Sec. 1048)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 10604)

(42) Improved Standards for the Care and Treatment of Certain Animals

The Senate amendment provides for the socialization of puppies intended for sale as pets, and prohibits female dogs from being bred before they are one year old, or from having more than three litters every two years. The Act also establishes a "three strikes" system for AWA licensees that commit 3 or more serious violations of the Act over an eight-year period. (Sec. 1049)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(43) Farmers Market Promotion Program

The Senate amendment (1) makes minor technical changes to the Sec. 4 and Sec. 5 of the Farmer-to-Consumer Direct Marketing Act of 1976; (2) amends Sec. 5 to include a Development of Farmers Markets whereby the Secretary of Agriculture will work to train managers of farmers markets, develop opportunities to share information among managers of farmers markets, develop a program to train extension service employees in the development of direct marketing techniques, and work with producers to develop farmers markets; and (3) amends the Farmer-to-Consumer Direct Marketing Act of 1976 by adding Sec. 6 to establish the Farmers' Market Promotion Program to make grants to eligible entities to establish, expand and promote farmers' markets. (Sec. 1050)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make minor technical changes to Section 4 and Section 5, only authorizes the new Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976, and further prohibits the use of funds appropriated under this new section for construction of buildings or structures. (Sec. 10605)

(44) Definition of Animal under the Animal Welfare Act

The Senate amendment amended the definition of animal to add birds, rats, and mice bred for use in research to the list of those animals excluded from coverage under the Animal Welfare Act. (Sec. 1051)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 10301)

(45) Wild Fish and Wild Shellfish

The Senate amendment amends section 2104 of the Organic Foods Production Act of 1990 by inserting a new subsection (c) to provide, notwithstanding section 2107(a) (i.e., notwithstanding the requirement that an organic product be farm-raised), the Secretary may allow for certification and labeling of wild fish and wild shellfish harvested from salt water as organic, following a rulemaking. In doing this, The Secretary is required to consult with the Secretary of Commerce; the National Organics Standards Board; producers, processors, and sellers; and interested members of the public; and to the maximum extent practicable, the Secretary is to accommodate the unique characteristics of the industries in the United States that harvest and process wild fish and wild shellfish. (Sec. 1055)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(46) Assistant Secretary of Agriculture for Civil Rights

The Senate amendment directs the Secretary to establish within USDA a position of Assistant Secretary of Agriculture for Civil Rights. President shall appoint the Assistant Secretary with the advice and consent of the Senate. Duties include enforcing and coordinating compliance with all civil rights laws; ensuring that USDA has measurable goals for fair and nondiscriminatory treatment; compiling and disclosing data used in assessing civil rights compliance in the socially disadvantaged farmer program; holding USDA agency heads and senior executives accountable for civil rights compliance and assessing their performance; ensuring that there is sufficient level of participation by socially disadvantaged farmers and ranchers in deliberations of county and area committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and that participation and election data are made publicly available. (Sec. 1056)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that ensures the new Assistant Secretary of Agriculture for Civil Rights is under the authority of the Secretary of Agriculture. (Sec. 10704)

(47) Transparency and Accountability for Socially Disadvantaged Farmers and Ranchers; Public Disclosure Requirements for County Committee Elections

The Senate amendment:

(1) Amends the Food, Agriculture, Conservation and Trade Act of 1990 by inserting Sec. 2501A to ensure compilation and disclosure of data to assess and hold the Department of Agriculture accountable for the nondiscriminatory participation of socially disadvantaged farmers and ranchers in programs of the department;

(2) Amends Section 8(b)(5) of the Soil Conservation and Domestic Allotment Act by striking subparagraph (B) and replacing it with a modified subparagraph (B), which in addition to those things already required under current law: Requires that each solicitation of nominations for, and notice of elections of, a county, area, or local committee shall include the nondiscrimination statement used by the Secretary;

(3) Sets forth procedure for the opening of ballots as follows:

At least 10 days before the date on which ballots are to be opened and counted, a county, area, or local committee shall announce the date, time, and place at which election ballots will be opened and counted. Election ballots shall not be opened until the date and time announced. Any person may observe the opening and counting of the election ballots;

(4) Requires that not later than 20 days after the date on which an election is held, a

county, area, or local committee shall file an election report with the Secretary and the State office of the Farm Service Agency;

(5) Requires that not later than 90 days after the date of the election, the Secretary shall complete a report that consolidates all the election data reported to the Secretary;

(6) Provides that, if after analyzing the election data it is necessary, the Secretary shall promulgate proposed uniform guidelines for conducting elections;

(7) Provides that the term of office for a member of a county, area, or local committee shall not exceed 3 years; and

(8) provides that the Secretary shall maintain and make readily available to the public all the data required to be collected under this section. (Sec. 1057)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments to require the Secretary to report participation rates of socially-disadvantaged farmers and ranchers by race, ethnicity and gender and in those instances when socially-disadvantaged farmers or ranchers are not adequately represented on a local or area committee, the Secretary may appoint one additional voting member to the local or area committee. (Sec. 10708)

(48) Animal Terrorism Penalties

The Senate amendment amends title 18 U.S.C. 43 to revise and enhance criminal penalties and restitution for offenses against animal enterprises. Subsection (a) of existing law for offenses causing economic damages is revised to add a 6 month sentence and/or fines for offenses involving less than $10,000 in economic damages and increases the penalty for offenses causing more than $10,000 from one to three years, plus retaining fines.

Subsection (b) is revised to increase the penalty for offenses causing serious bodily injury from 10 to 20 years, plus adding the possibility of a fine, or both, and for an offense causing death adding the possibility of a fine, or both a fine and criminal penalty, to the existing law penalties of life or a term of years.

Subsection (c) is amended to allow restitution for "any other economic damage resulting from the offense". (Sec. 1058)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(49) Pseudorabies Eradication Program

The Senate amendment amends Section 2506(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 by striking '2002' and inserting '2006'. (Sec. 1059)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to extend the Pseudorabies Eradication Program to 2007. (Sec. 10507)

(50) Transportation of Poultry and Other Animals

The Senate amendment amends the FY 02 Treasury Appropriations measure which provides a provision allowing the Postal Service to require air carriers to accept as mail, day old poultry if the air carrier allows the shipment of any live animals as cargo. The Appropriations provision only covers the period through June 30, 2002. The Senate provision makes the provision in the Appropriations bill permanent. (Sec. 1060)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to include honeybees. (Sec. 10501)

(51) Emergency Grants to Low-Income, Migrant and Seasonal Farm workers

The Senate amendment amends Section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 by specifying an authorization for appropriations at $40,000,000 for each fiscal year. (Sec. 1061)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to authorize such sums as are necessary. (Sec. 10102)

(52) Preclearance Quarantine Inspections

The Senate amendment adds a no comparable provision to the FACT Act to require the APHIS to conduct preclearance quarantine inspections at all direct departure and interline airports of persons, baggage, cargo and other items destined from Hawaii to the U.S. mainland, Guam, Puerto Rico, and the U.S. Virgin Islands, but provides this provision shall not be implemented unless the APHIS appropriation for inspection, quarantine, and regulatory activities is increased by $3,000,000 in a non-Agriculture FY 2002 appropriations act. (Sec. 1063)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to authorize appropriations in fiscal year 2003. (Sec. 10811)

(53) Emergency Loans for Seed Producers

The Senate amendment amended Section 253(b)(5)(B) of the Agricultural Risk Protection Act of 2000 regarding loans to seed producers who were unsecured creditors of a seed company that filed for bankruptcy in 2000. The provision changed the duration of these loans from 18 to 54 months. (Sec 1064)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to change the duration of the loans from 18 to 36 months. (Sec. 10103)

(54) National Organic Certification Cost Share Program

The Senate amendment directs the Secretary of Agriculture (acting through the Agricultural Marketing Service) to use $3,500,000 of Commodity Credit Corporation funds for each of the fiscal years 2002 through 2004, and $3,000,000 for fiscal year 2005 to establish a national organic certification cost-share program to assist producers and handlers of agricultural products in obtaining certification under the National Organic Production Program established under the Organic Foods Production Act of 1990. Maximum federal cost share is 75% and the maximum amount of a payment made to a producer or handler under this provision shall be $500. (Sec. 1065)

The House Bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing in fiscal year 2002, $5,000,000 to remain available until expended to (in a cost-share manner) assist producers and handlers of organic agricultural products in obtaining certification under the National Organic Production Program established under the Organic Foods Production Act of 1990. (Sec. 10606)

The Managers urge the Secretary to assist producers, processors and firms interested in shifting production into organic products in making this transition and, to the extent possible, work to eliminate unnecessary, over burdensome and any other barriers to this process. As soon as practicable, the Secretary is urged to undertake a study to ascertain the availability of key inputs into organic production, including the availability of organically produced feedstuffs for the organic production of livestock and poultry.

(55) Food Safety Commission

The Senate amendment establishes the Food Safety Commission composed of 15 members from consumer groups; food processors, producers, and retailers; public health professionals; food inspectors; former or current food safety regulators; members of academia; or any other interested individuals. The Commission shall make specific recommendations that build on and implement, to the maximum extent practicable, the recommendations contained in the report of the National Academy of Sciences entitled Ensuring Safe Food from Production to Consumption and that shall serve as the basis for draft legislative language to improve the food safety system; improve public health; create a harmonized, central framework for managing Federal food safety programs (including outbreak management, standard-setting, inspection, monitoring, surveillance, risk assessment, enforcement, research, and education); enhance the effectiveness of Federal food safety resources; and eliminate, to the maximum extent practicable, gaps, conflicts, duplication, and failures in the food safety system. Not later than 1 year after the date on which the Commission first meets, the Commission shall submit to the President and Congress a comprehensive report.

The Commission shall terminate on the date that is 60 days after the date on which the Commission submits the recommendations and report. (Sec. 1066)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that members be appointed by the President, changing the eligibility standards for appointees, and requiring the Commission's recommendations to include descriptions of how each would improve food safety. (Sec. 10807)

The Managers expect that the Commission shall make recommendations to improve public health, help create a harmonized framework for managing Federal food safety programs (including outbreak management, standard-setting, inspection, monitoring, surveillance, risk assessment, enforcement, research and education), and enhance the effectiveness of Federal food safety resources (including the application of all resources based on risk, including resources for inspection, research, enforcement, and education).

The recommendations should build on, to the maximum extent practicable, the recommendations contained in the report of the National Academy of Sciences entitled 'Ensuring Safe Food from Production to Consumption'.

(56) Penalties for Violations of Plant Protection Act

The Senate amendment amends criminal penalty provisions of the Plant Protection Act (7 U.S.C. 7734) to include felony and misdemeanor penalties. Violations involving plant pests, more than 50 pounds of plants, more than 5 pounds of plant products, more than 50 pounds of noxious weeds, possession with the intent to distribute items known to be in violation of this Act, or any fraud involving official documents issued under this act shall be subject to felony penalties (not more than 5 years imprisonment and/or not more than $25000 fine). Misdemeanor penalties (not more than 1 year imprisonment and/or not more than $1000 fine) for violations involving less than 50 pounds of plants, less than 5 pounds of plant products, or less than 50 pounds of noxious weeds. Felony and misdemeanor penalty limits are increased for second and subsequent violations. Violations involving intent to harm U.S. agriculture would be subject to not less than 10 years, nor more than 20 years imprisonments and/or a fine not to exceed $500,000. Finally, additional sections are added authorizing criminal and civil forfeiture for violations other than misdemeanors. (Sec. 1068)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to establish increased criminal penalties in cases of violations of the Plant Protection Act involving persons knowingly destroying records or moving pests in commerce for distribution. Criminal penalties are likewise increased in cases of persons who have committed multiple violations of the Plant Protection Act. (Sec. 10810)

The Managers encourage the Secretary to consider the need for the post-harvest treatment of imported and domestic agricultural products, and for untreated agricultural products moving into or through the United States, for fruit flies and other plant pests and diseases to improve the protection of domestic crops from plant pests and diseases. Such facilities could be located in ports of entry on the border between the United States and Mexico from Nogales, Arizona to Galveston, Texas as well as in Wilmington, North Carolina, Atlanta, Georgia, Gulfport, Mississippi, and Seattle, Washington.

(57) Connecticut River Atlantic Salmon Commission

The Senate amendment changes the effective period of the Connecticut River Atlantic Salmon Commission from 20 to 40 years and authorizes $9,000,000 for each of fiscal years 2002 through 2010 to the Secretary of the Interior to carry out the activities of the Connecticut River Atlantic Salmon Commission. (Sec. 1069)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to extend the compact and strike the authorization of appropriations. (Sec. 10812)

(58) Bear Protection

The Senate amendment prohibits movement in interstate or foreign commerce of bear viscera—defined as the body fluids and organs, not including blood or brains, of any species of bear. Exceptions are made for wildlife law enforcement purposes, and nothing in this section affects state regulation of bear populations or any hunting of bears allowed under state law and establishes civil and criminal penalties for violations. (Sec. 1070)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(59) Family Farmer Bankruptcy Provisions

The Senate amendment makes permanent Chapter 12 of the bankruptcy code effective, October 1, 2001, the date on which the section lapsed. Chapter 12 covers bankruptcies where the total debts can be no more than $1.5 million, where 50% of the income and 80% of the debts are farm related. (Sec. 1071)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to extend Chapter 12 Bankruptcy through December 31, 2002. (Sec. 10814)

(60) Packer Ownership

The Senate amendment adds a new subsection to the Packers and Stockyards Act that prohibits meatpackers from owning or feeding livestock directly, through a subsidiary, or through an arrangement that gives the packer operational, managerial, or supervisory control over the livestock, or over the farming operation that produces the livestock, to such an extent that the producer is no longer materially participating in the management of the operation with respect to the production of the livestock.

Exempts from prohibition:

1. Arrangements entered into within 14 days before slaughter;
2. A cooperative or entity owned by a cooperative, if a majority of the ownership interest in the coop is held by active coop members that own, feed, or control livestock and provide the livestock to the coop; and
3. A packer that is owned by producers of a type of livestock, if during a calendar year the packer slaughters less than 2 percent of the head of that type of livestock in the U.S. (Sec. 1072 which amends Sec. 1043)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(61) Hass Avocados

The Senate amendment (1) amends Section 1205 to require the Secretary to revisit the issue of seat allocation on the board; and (2) amends subsection (h)(1)(C)(iii) by allowing importers to pay the assessment "not less than 30 days after the avocado clears customs, unless deemed not feasible as determined by the Commissioner of Customs and the Secretary". (Sec. 1073)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(62) Social Security Surplus Funds

The Senate amendment expresses the Sense of the Senate regarding social Security; that no social security surplus funds should be used to make currently scheduled tax cuts permanent or for wasteful spending. (Sec. 1074)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(63) Repeal of Estate Taxes

The Senate amendment expresses the Sense of the Senate that the repeal of the estate tax should be made permanent by eliminating the sunset provision's applicability to the estate tax. That estate tax provision expires on Dec 31, 2010. (Sec. 1075)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(64) Commercial Fisheries Failure

The Senate amendment permanently revokes Northeast U.S. multi-species fishing permits using a "reverse auction," method, a method developed to remove the maximum amount of capacity from the fishery at the lowest possible price to the taxpayers. The goal is to reduce the total number of days multi-species fishing is allowed in certain areas off the New England coast because of depletion of key fish species. $10 million is provided in CCC funds for the purpose; USDA with consultation with the Department of Commerce would administer the program. The provision provides for expedited procedures under an existing rule but does not prevent alternative rules if developed. The provision remains in effect for 1 year. (Sec. 1076)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to authorize such sums as necessary. (Sec. 10107)

(65) State Meat Inspection Programs

The Senate amendment (1) requires the Secretary not later than September 30, 2003, to conduct a comprehensive review of each State meat and poultry inspection program, to include—

An analysis of the effectiveness of the State program;

Identification of changes necessary to enable the possible transformation of the State program to a State program that includes the mandatory requirements of the Federal Meat Inspection Act and the Poultry Products Inspection Act;

(2) Requires the Secretary to obtain comment from interested parties in carrying out the review and authorizes appropriations. (Sec. 1077)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers recognize that it is the policy of Congress to ensure that consumers continue to have access to a safe, wholesome, abundant and affordable supply of meat and meat food products. The Managers further believe the goal of providing a safe, wholesome, abundant and affordable supply of meat and meat food products throughout the United States is achieved, in part, through the role played by both State and Federal food safety inspection systems. The State and Federal meat inspection programs should continue to function together to create an inspection system that ensures food safety and increases consumer confidence in the food supply in both intrastate and interstate commerce. The Managers recognize that these goals cannot be met in the absence of viable State meat inspection programs that help to foster the participation of smaller establishments in the food production economy. Therefore, the Managers intend that when the Secretary of Agriculture submits the annual report to Congress on the activities of the Food Safety Inspection Service, the Secretary should include a full review of State inspection systems. This review should also offer guidance about changes the State systems might expect should the statutory prohibition against the interstate shipment of state inspected product be removed.

(66) Agricultural Research and Technology

The Senate amendment authorizes such sums as necessary from 2002 through 2006 for (1) studies on the transmission of spongiform encephalopathy in deer, elk, and moose and chronic wasting disease with results to be reported to the Ag Committees; (2) a research and extension grants program to develop prevention and control methodologies for infectious animal diseases of livestock and laboratory tests to expedite detection of infected livestock and presence of disease in herds or flocks; (3) a vaccine storage study to determine how much vaccine is needed, how much is available, and directing the Secretary to take action to correct any identified shortfall; and (4) a program of veterinary training to retain sufficient capacity of

State and Federal vets in all regions well-trained in recognition and diagnosis of exotic and endemic animal diseases. (Sec. 1078)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide additional discretion to the Secretary with regard to implementation of the program and authorize the program through 2007. The research and extension grant program for livestock production is deleted. A new research and extension grant program for livestock production is established within the High Priority Research and Extension grants program [See Sec. 7208]. (Sec. 10907)

(67) Office of Science Technology Policy

The Senate amendment authorizes the President to establish an SES position in the Office of Science and Technology Policy for a Veterinary Advisor. (Sec. 1079)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

The U.S. Department of Agriculture holds primary responsibility for preventing, monitoring and responding to outbreaks of diseases that affect livestock and other animals used for agricultural purposes. Recent experiences in Europe with Bovine Spongiform Encephalopathy and with Foot and Mouth Disease, however, demonstrate that the technical expertise of other federal agencies will also be required if a similar outbreak ever erupts in the United States.

The Managers are aware of successful efforts by the White House Office of Science and Technology Policy (OSTP) to pull together and draw upon the scientific and technical expertise of experts from across the federal government to evaluate solutions to emerging problems. When these or similar problems arise, the Managers expect that OSTP will draw heavily upon the expertise of veterinarians to provide similar leadership to facilitate multi-agency efforts to prevent, detect, and respond to outbreaks of animal diseases.

(68) Operation of Agricultural and Natural Resource Programs on Tribal Lands

The Senate amendment requires the Secretary of Agriculture with consultation of the Secretary of the Interior, to conduct a review on tribal and trust land. The review will address natural resource management programs, incentive programs and farm income support programs. The report will contain a plan to carry out actions found in this section and shall be submitted to Congress not later than 1 year after the date of enactment of this Act. (Sec 1079A)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate language with an amendment to include a report in consultation with the Secretary of the Interior and clarify that the report will apply to commodity supports, natural resource, credit and forestry programs. (Sec. 10910)

(69) Geographically Disadvantaged Farmers

The Senate amendment, Subsection (a), (1) provides a definition of eligible entity, which includes community-based organizations with experience in serving geographically disadvantaged farmers, land-grant colleges, and national tribal organizations that have experience in serving geographically disadvantaged farmers; (2) defines geographically disadvantaged farmer as one in an insular area (as defined in 7 U.S.C. 3103); (3) requires the Secretary to carry out an assistance program to encourage and assist geographically disadvantaged farmers in owning and operating farms and participating equitably in USDA programs; (4) provides Secretary authority to make grants and enter into contracts with eligible entities to provide information and technical assistance; and (5) authorizes $10,000,000 each year to carry out the program. (Sec. 1079B)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate language with an amendment to require a report describing how to improve geographically disadvantaged farmers' participation in USDA programs. (Sec. 10906)

(70) Naming Ginseng

The Senate amendment expresses the Sense of the Senate that the Commissioner of FDA should promulgate regulations to ensure that the name "ginseng" or any name that includes the word "ginseng" shall be used in reference to an herb or herbal ingredient that is part of the plant of one of the species of the genus Panax and is produced in compliance with U.S. law regarding the use of pesticides. (Sec. 1079C).

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that the term "ginseng" may not be considered to be a common or usual name for any herb or herbal ingredient not derived from a plant classified within the genus Panax, including with respect to importation under section 801 of the Federal Food, Drug, and Cosmetic Act. (Sec. 10806)

(71) Adjusted Gross Revenue Insurance Pilot Program

The Senate Amendment amends Section 523 of the Federal Crop Insurance Act to require the Federal Crop Insurance Corporation to expand for the 2003 reinsurance year the Adjusted Gross Revenue Insurance Pilot Program into at least 8 counties in the State that produces the highest quantity of specialty crops for which adjusted gross revenue insurance is not available. The language requires the Corporation to include those counties that produce a significant quantity of specialty crops. (Sec. 1079D).

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to expand the Adjusted Gross Revenue Insurance Pilot Program for the 2003 reinsurance year to at least 8 counties in the State of California and at least 8 counties in the State of Pennsylvania. The substitute language requires the Corporation to work with the respective State Departments of Agriculture to establish criteria to determine which counties to include in the pilot program. (Sec. 10004)

(72) Report on Specialty Crop Insurance

The Senate Amendment amends Section 522(e) of the Federal Crop Insurance Act to provide additional mandatory funding to reimbursements made available under research and development; amends Section 524(a)(4) of the Federal Crop Insurance Act to provide additional mandatory funding to education and information programs established under paragraph (2) of that section; provides that the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the progress made by the Corporation in research and development of innovative risk management products to include cost of production insurance that provides coverage for various crops, the progress made by the Corporation in increasing the use of risk management products offered through the Corporation by producers of specialty crops, by small- and moderate-sized farms, and in areas that are underserved, as determined by the Secretary, and how the additional funding provided under the amendments made by the section has been used. (Sec. 169(h)(3))

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision pertaining only to the report with commensurate changes. The Senate language amending Section 522(e) and Section 524(a)(4) of the Federal Crop Insurance Act is deleted. (Sec. 10006)

The Managers expect the Federal Crop Insurance Corporation to fully utilize contracting allocations for research and development of policies in underserved states under Section 522(e)(2)(B) of the Federal Crop Insurance Act.

The Managers urge the Federal Crop Insurance Corporation to consider expanding its contract for research and development of a cost of production policy in order to cover as many commodities as is practicable. The Managers recognize the attraction of the cost of production plan currently under development and recommend that the current list of 12 crops be expanded over the next several years to include but not be limited to: alfalfa, apples, asparagus, avocados, bananas, barley, beans, beets, blueberries, boysenberries, broccoli, cabbage, canola, cantaloupes, carrots, cauliflower, celery, cherries, chicory, Christmas trees, coffee, cucumbers, dry beans, eggplant, escarole, flaxseed, floriculture, forest products, garlic, grain sorghum, grapefruit, grapes, guava, guar, grass seed, greenhouse and nursery agricultural commodities, hay, herbs, honeydew melons, lemons, lettuce, lima beans, limes, loganberries, maple, mango, mushrooms, mustard greens, okra, olives, oranges, papaya, peanuts, peas, pears, pecans, peppers, plums, pineapple, pistachios, potatoes, prunes, pumpkins, raspberries, rye, safflower, spinach, squash, strawberries, sugar beets, sunflower, sweet corn, sweet potatoes, tangerines, tangelos, tobacco, tomatoes, walnuts, and watermelons.

The Managers recognize that there are several types of innovative insurance plans, such as whole farm revenue insurance, which have the potential to help farmers better manage the risks associated with agricultural production. Whether whole farm revenue insurance, commodity-specific cost of production plans, or other innovative approaches, the Managers encourage the development of actuarially sound policies that do not distort markets and that keep moral hazard and adverse selection problems to a minimum.

(73) Pasteurization

The Senate amendment provides a common definition of pasteurization for "any provision of federal law under which a food or food product is required to undergo a treatment of pasteurization" which means "any safe treatment that—

(1) Is a treatment prescribed as pasteurization applicable to the food or food product under any Federal law (including regulation); or

(2) Has been determined to the satisfaction of the Secretary of HHS to achieve a level of reduction in the food or food product of the microorganisms of public health concern that—

(A) Is at least as protective of the public health as a treatment described in paragraph (1); and

(B) Is effective for a period that is at least as long as the shelf life of the food or food product "when stored under normal, moderate, and severe abuse conditions". (Sec. 1079E)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that clarifies the Food and Drug Administration approval process for claims of pasteurization. FDA is directed to revise as appropriate its existing regulation covering the labeling of foods. Pending the completion of such a review, such authorization is provided for any person to seek FDA approval of an irradiation-labeling claim. (Sec. 10808)

The Managers have included a provision to require the Secretary of Health and Human Services to complete a rulemaking to review current Food and Drug Administration requirements for the labeling of irradiated foods. Since 1997, Congress has repeatedly urged the performance of such a review to ensure that any required disclosure statement in the labeling of irradiated foods should "be of a type and character such that it would not be perceived to be a warning or give rise to inappropriate consumer anxiety." House Conference Report No. 105-399, U.S. Code Congr. & Admin. News 1997, pp. 2,888-89. Pending completion of the rulemaking required by this provision, any person may petition the Secretary regarding the adequacy of proposed labeling for a particular irradiated food so that the person may receive from the Secretary a determination as to whether labeling inconsistent with current regulatory requirements is truthful and non-misleading and, therefore, permissible. If such petition is neither approved nor denied within 180 days of receipt (unless the petitioner and the Secretary mutually agree to extend this time frame), the petition will be deemed denied and the denial will constitute final agency action subject to judicial review.

The Managers have included a provision to facilitate the use of effective food safety technologies. Specifically, an amendment to Section 403 of the Federal Food, Drug, and Cosmetic Act is included to recognize that the term "pasteurization" or "pasteurized" may be uniformly used to advise consumers that a treatment or process, including a series of treatments or controls, may be used if it achieves the same food safety effect as currently recognized pasteurization methods. The intent of this provision is to make explicit that the term "pasteurization" is available to describe a food safety effect, regardless of the technology or process employed to achieve that result. Currently, regulations regarding milk and egg products recognize that technologies other than thermal treatment may achieve a food safety effect equivalent to pasteurization and, therefore, employ the term in product labeling. This provision provides for FDA to receive pre-market notification of the basis for use of this provision. Enactment of this provision should not be construed as a basis for regulatory action against any products that have borne the term "pasteurization" in a truthful and non-misleading manner prior to enactment of the provision or bear the term "pasteurization" under other authority. Further, nothing in this provision mandates that products not required to be labeled, as "pasteurized" presently is required to be labeled as "pasteurized" solely for the fact that they could be labeled as "pasteurized" under this provision.

The Managers encourage the Secretary in consultation with the Secretary of Health and Human Services, to pursue a comparable pasteurization labeling program for meat and poultry products. Such labeling could allow use of the term pasteurization for meat and poultry products treated by similar processing technologies such as irradiation.

(74) Report on Pouched and Canned Salmon

The Senate amendment requires the Secretary not later than 120 days after enactment to submit to Congress a report on efforts to expand the promotion, marketing, and purchasing of pouched and canned salmon harvested and processed in the U.S. under food and nutrition programs administered by the Secretary. (Sec. 1081)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to increase the required amount of time for the report to be completed from 120 to 180 days. (Sec. 10902)

(75) Tobacco Settlement Agreement Report

The Senate amendment requires the Comptroller General of the U.S. to submit to Congress not later than December 31, 2002 and annually thereafter through 2006, a report that describes all programs and activities that States have carried out using funds received under all phases of the Master Settlement Agreement of 1997. (Sec. 1082)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 10908)

(76) Report on GM Pest Protected Plants

The Senate amendment requires the Secretary to report to the House and Senate Agriculture Committees within 90 days of enactment on the actions taken by USDA to implement recommendations made by the Committee on Genetically Modified Pest-Protected Plants of the Board on Agriculture and Natural Resources of the National Research Council in 2000 regarding food safety, ecological research, and monitoring needs for transgenic crops with plant incorporated protectants; and regarding enhancements to certain operational aspects of the regulatory framework for agricultural biotechnology, including improving coordination and enhanced consistency of review across regulatory agencies and clarifying the regulatory jurisdiction of APHIS. (Sec. 1083)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment accepting the Sense of the Congress provision of Senate Sec. 1083 and dropping remaining provisions. (Sec. 7410)

(77) Study of Creation of Litter Bank by University of Arkansas

The Senate amendment directs the Secretary to conduct a study to evaluate the creation of a litter bank by USDA at the University of Arkansas for the purpose of enhancing health and viability of watersheds in areas with large concentrations of animal producing units and report the results of the study to Congress. (Sec. 1084)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment changing the reference from "litter bank" to "nutrient banking," deleting any reference to a particular institution, and providing the Secretary with discretion to carry out a study under this section. (Sec. 7411)

(78) Study of Feasibility of Producer Indemnification from Government-Caused Disasters

The Senate Amendment requires the Secretary of Agriculture to conduct a study of the feasibility of expanding eligibility for crop insurance under the Federal Crop Insurance Act and noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 to agricultural producers experiencing disaster conditions caused primarily by Federal agency action. (Sec. 1085)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to clarify that the feasibility study shall focus on disaster conditions caused by Federal agency action restricting access to irrigation water, including any lack of access to an adequate supply of water caused by failure by the Secretary of the Interior to fulfill a contract in accordance with the Central Valley Project Improvement Act. (Sec. 10108)

The Managers expect the study to include losses to farmers due to regulatory actions or inactions, which result in failure to meet water delivery targets as specified under the Calfed Record of Decision for agriculture service contractors who receive water from the Central Valley Project.

(79) Report on the Sale and Use of Pesticides for Agricultural Uses

The Senate amendment directs the Administrator to submit to Congress a report on the manner in which the Agency is applying regulations of the Agency governing the sale and use of pesticides for agricultural use to electronic transactions. (Sec. 1086)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to increase the required amount of time for the report to be completed from 120 to 180 days. (Sec. 10909)

(80) Report on Birds, Rats and Mice

The Senate amendment requires a GAO report on the implications of including birds, rats, and mice in the definition of "animal" under USDA's regulations under the Animal Welfare Act. (Sec. 1087)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment for the National Research Council to submit this report to Congress. The report shall be completed with input from the Secretary of Agriculture, the Secretary of Health and Human Services and the Institute for Animal Laboratory Research. It shall contain an estimate of the number and types of entities that use rats, mice and birds for research purposes, and a description of the regulations to which these are subjected. It shall also contain an estimate of the rats, mice and birds used in research facilities and an indication of which of those facilities are currently under federal regulation. Further, the report shall include an estimate of the additional costs likely to be incurred by researchers resulting from additional regulations, recommendations for minimizing such costs, an estimate of the additional funding APHIS would require to ensure compliance, and recommendations for minimizing the regulatory burden on facilities already subject to federal regulations. (Sec. 10304)

(81) Task Force on National Institutes for Plant and Animal Sciences

The Senate amendment requires the Secretary not later than 90 days after enactment to establish a task force of 8 members

(6 of them private or academic sector) to study review and evaluate publicly funded agricultural research activities and consider the merits of establishing 1 or more National Institutes for Plant and Agricultural Sciences similar to NIH. (Sec. 1088)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(82) Organic Products Promotion

The Senate Amendment authorizes the establishment of a new organic research and promotion check off program, which must be proposed and approved by a majority of certified organic producers and handlers. This provision is designed to facilitate the establishment of one order covering a category of products (organic products) rather than individual commodities, requires that the composition of the check off board must reflect both regional distribution and differing scales of organic production, and requires the Secretary to conduct a referendum on whether the order should continue at least once every four years. Assessments under an order established under this provision would be voluntary (at the option of individual farmers). To avoid having farmers paying more than one check off assessment, the provision provides that producers choosing to contribute to the organic order would be entitled to a credit against assessments under another order. (Sec. 1091–1098G)

The House Bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to allow a person that produces and markets only 100% organic products and does not produce any conventional or non-organic products, to be exempt from the payment of an assessment under a commodity promotion law with respect to any agricultural commodity that is produced on a certified organic farm. The Secretary shall promulgate regulations, not later than one year after the date of enactment of this Act, regarding eligibility and compliance for such an exemption. (Sec. 10607)

(83) Effect of Amendments

The Senate amendment provides that amendments made by the Act do not affect Secretarial authority to carry out current price support or production adjustment programs as in effect before the date of enactment. (Sec. 1099A)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate amendment.

(84) CCC Funding

The Senate amendment specifies that notwithstanding any other provision of the bill, any funds made available under the bill will be made available through the Commodity Credit Corporation. (Sec. 1099B)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(85) Implementation Funding and Information Management

The Conference Substitute provides $55 million for administrative costs associated with the implementation of Title I. Of that amount, not less than $5 million nor more than $8 million is to be available for the development of a comprehensive information management system for programs operated by the Farm Service Agency and the Federal Crop Insurance Corporation. The Conference Substitute requires that the Secretary enter into agreements or contracts with outside entities to development information management system. The Conference Substitute also provides that the new requirements shall not interfere with or delay existing agreements or requests for proposals of the agencies regarding data mining or data warehousing. Such sums as may be necessary are authorized to be appropriated for each of fiscal years 2003 through 2008. (Sec. 10706)

The Managers continue to be concerned about the lack of information sharing and progress toward a common information management system for the service agencies of the Department. The Managers believe that integrating information management systems at USDA will reduce the waste associated with the maintenance of duplicative systems and allow the agencies to operate more effectively and efficiently to the benefit of agricultural producers.

In the Agricultural Risk Protection Act of 2000 (ARPA), the Farm Service Agency (FSA) and the Federal Crop Insurance Corporation (Corporation) were required to reconcile producer information. FSA and the Corporation serve the same producers with commodity and crop insurance programs, respectively; it is logical that both agencies should use a common information management system so that the collection of data is not duplicated, the integrity of the data collected is improved and, most importantly, customer service to producers is enhanced. The Managers believe that the development of a common information management system for FSA and the Corporation will demonstrate substantial efficiencies and serve as a first step toward broader, Department-wide integration. Valuable groundwork will be laid for further modernization of information technology systems of USDA agencies in the future, and for the incorporation of those systems into that developed for FSA and the Corporation.

The Managers commend the work being done at the Center for Agribusiness Excellence at Tarleton State University in cooperation with the Corporation on crop insurance compliance as directed by ARPA. It is the expectation of the Managers that the Secretary of Agriculture will build upon the work currently being conducted at the Center for Agribusiness Excellence and through further contracting with the Center to develop the information management system for FSA and the Corporation.

The Managers intend for funds provided to the Farm Service Agency under this Section to be used for salaries and expenses of county office personnel in implementing this Act.

From the Committee on Agriculture, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

Larry Combest,
Bob Goodlatte,
Richard Pombo,
Terry Everett,
Frank D. Lucas,
Saxby Chambliss,
Jerry Moran,
Charles W. Stenholm,
Gary Condit,
Collin C. Peterson,
Eva M. Clayton,
Tim Holden,

As additional conferees from the Committee on the Budget, for consideration of sec. 197 of the Senate amendment, and modifications committed to conference:

Jim Nussle,

From the Committee on Education and the Workforce, for consideration of secs. 453–5, 457–9, 460–1, and 464 of the Senate amendment, and modifications committed to conference:

Michael N. Castle,
Tom Osborne,
Dale E. Kildee,

From the Committee on Energy and Commerce, for consideration of secs. 213, 605, 627, 648, 652, 902, 1041, and 1079E of the Senate amendment, and modifications committed to conference:

Billy Tauzin,
Joe Barton,
John D. Dingell,

From the Committee on Financial Services, for consideration of secs. 335 and 601 of the Senate amendment, and modifications committed to conference:

Michael G. Oxley,
Spencer Bachus,
John J. LaFalce,
(except for sec. 335),

From the Committee on International Relations, for consideration of title III of the House bill and title III of the Senate amendment, and modifications committed to conference:

Henry Hyde,
Christopher Smith,
Tom Lantos,

From the Committee on the Judiciary, for consideration of secs. 940–1 of the House bill and secs. 602, 1028–9, 1033–5, 1046, 1049, 1052–3, 1058, 1068–9, 1070–1, 1098, and 1098A of the Senate amendment, and modifications committed to conference:

Mark Green,

From the Committee on Resources, for consideration of secs. 201, 203, 211, 213, 215–7, 262, 721, 786, 806, 810, 817–8, 1069, 1070, and 1076 of the Senate amendment, and modifications committed to conference:

James V. Hansen,
Don Young,

From the Committee on Science, for consideration of secs. 808, 811, 902–3, and 1079 of the Senate amendment, and modifications committed to conference:

Sherwood Boehlert,
Roscoe G. Bartlett,
Ralph M. Hall,

From the Committee on Ways and Means, for consideration of secs. 127 and 146 of the House bill and sections 144, 1024, 1038, and 1070 of the Senate amendment, and modifications committed to conference:

Charles B. Rangel,
Managers on the Part of the House.

Tom Harkin,
Patrick Leahy,
Kent Conrad,
Tom Daschle,
Thad Cochran,
Managers on the Part of the Senate.

□ 1215

EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2001

The SPEAKER pro tempore (Mr. Bereuter). Pursuant to House Resolution 402 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2871.

□ 1215

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole

House on the State of the Union for the further consideration of the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes, with Mr. SIMPSON (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, pending was the amendment numbered 4 printed in House Report 107–423 offered by the gentleman from Vermont (Mr. SANDERS). The gentleman from Vermont (Mr. SANDERS) had 7½ minutes of debate remaining, and the gentleman from Nebraska (Mr. BEREUTER) has 15 minutes remaining.

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment offered by the gentleman from Vermont (Mr. SANDERS) has deceptive appeal. One would think it seems quite reasonable, and I have gone through this process with the gentleman from Vermont (Mr. SANDERS), and initially did not recognize some of the very real problems with the amendment; but they are real. Therefore, I rise in strenuous opposition to the amendment by the gentleman from Vermont (Mr. SANDERS).

The goal of protecting U.S. jobs is highly commendable. However, this amendment may actually result in U.S. jobs being lost or sent overseas. As I pointed out in general debate, corporations, American and others, are generally footloose these days. If in fact they cannot export successfully against competitor exporters from other countries, they may well have encouragement to move those jobs abroad. But by the use of the Export-Import Bank, we are encouraging the continued production of products and services in this country for export abroad.

Now, the adoption of this amendment would limit the ability of U.S. companies to compete in the global marketplace. If we reduce the number of firms eligible for Ex-Im financing through this amendment, we will also reduce the number of U.S. workers who manufacture U.S. goods or provide services for export. We simply cannot look at it and say if they have actually moved this many jobs by their action in the past, that is inappropriate. We hate to see any jobs exported, and one of the reasons we try to negotiate under multilateral terms better arrangements for trade in this country is to keep those jobs in this country and to reduce the disincentives for American firms to have their manufacturing and services produced in this country.

Without Ex-Im financing, in short, U.S. jobs will be forced to move abroad. It is not surprising when we think about it that this legislation is actually supported by John J. Sweeney, the president of AFL–CIO who says, "As far as we are concerned, corporations which receive subsidies from the Export-Import Bank are merely vehicles through which jobs and income for American workers are created."

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Vermont.

Mr. SANDERS. When did Mr. SWEENEY make that statement?

Mr. BEREUTER. In 1997 with respect to Export-Import Bank.

Mr. SANDERS. Mr. Chairman, that was 1997. We are in the year 2002.

Mr. BEREUTER. The International Association of Machinist and Aerospace Workers, of course, supports the legislation, and that is very current.

The Sanders amendment is really contrary to the rest of U.S. trade policy which seeks to open foreign markets to U.S. firms for increased trade investment. A U.S. company that receives less Ex-Im financing may be inclined to move those operations abroad. The requirement for an applicant to provide the information sought by the Sanders amendment is overly burdensome, and would make applying for Ex-Im financing too costly for many companies. I think their alternative is to simply take those export jobs abroad, and then try to penetrate those third-country markets.

Mr. Richard Christman, the president of Case N/H, an agricultural business, stated in a hearing before the Committee on Financial Services that one of the factors in deciding to maintain combine production in the U.S. and not to move it to Brazil was the potential availability of Export-Import Bank financing. Those are real jobs maintained by the existence of the Export-Import Bank. I will come back to that in a few minutes, but I remind Members that really we are talking about the subsidy of U.S. worker jobs here—it is not corporate welfare.

Mr. Chairman, I reserve the balance of my time.

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to dialogue with the gentleman from Nebraska (Mr. BEREUTER). Jack Welch is the former CEO of General Electric, and this is what he said. "Ideally what you want is to have every company on a barge." This is a man who advertised to the world that he is taking American jobs all over the world, laying off American workers. Why would we give a company like that Export-Import Bank money?

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, certainly I am not enthused about it, but to the extent that GE can keep jobs here because of export, those are jobs that are left in New York State.

Mr. SANDERS. But, Mr. Chairman, they have laid off hundreds of thousands of workers.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of this amendment, being a cosponsor of this amendment. I am opposed to the Export-Import Bank because I see there is no benefit to it, it has nothing to do with capitalism and freedom. It has a lot to do with special interests, and I am opposed to that.

One thing I am convinced of over the years from looking at bad agencies of government, tinkering on the edges does not do a lot of good. Members might ask why am I tinkering here? Why do I want to tell corporations what to do? I am a capitalist. I believe in capitalism. I do not want to tell the corporations what to do at all as long as they do not commit fraud and live up to their promises, but this is different because they are getting taxpayer money. That is different than if they were just a corporation making it on their own.

The gentleman from Nebraska (Mr. BEREUTER) said if we do not give them these loans, the companies will not get any money and they will have to go overseas. This is a fallacy to believe if all of a sudden we took all of the Export-Import Bank money away from corporations, that they would have no funding. That is not true at all. There is a lot of funding available. It is just that they do not get the benefit, they do not get the subsidy.

What we are trying to do is make it fair to everyone so that the little guy who is competing for these same funds can compete on a level playing field and not give the advantage to the big guys.

What happens so often when government gets involved is there are unintended consequences. The original intent was to boost exports and jobs. After 70 years, there are unintended consequences. The world is a more world market. I am not opposed to that. I believe in free trade; but I think this is more protectionism. This is so minor and so modest that anybody who wants to be on record for fairness into curtailing the political power of the Export-Import Bank, has to vote for this. This will be a little bit of help to a few people in order to say to these corporations that if they are going to get tax subsidies for their loans, and they start laying off people, they better lay them off someplace else other than here. That is pretty modest. I have no interest in ever telling a corporation to do this if they were not getting the special benefits from government. That makes the big difference.

Mr. Chairman, there is a market allocation of credit and there is credit allocation by politicians, and that is what we are talking about here. We have credit allocation, and we have mal-investment and over capacity which causes the conditions to exist for the recession. Of course, a lot of this comes from what the Federal Reserve does in artificially lowering interest rates; but this is a compounding problem when government gets in and allocates credit at lower rates. It causes more distortions. This is why allocations to companies like Enron contributes to the bubble that ends up in a major correction.

Mr. BEREUTER. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong opposition to this amendment. It should be defeated for two reasons. First, the amendment makes the U.S. Government support for U.S. products conditional on determinations made about legitimate business activities regardless of the situation.

Say we have the Sanders widget company with plants in the Midwest, Vermont and offices in Brazil where there is a real demand for Sanders widgets. If the Midwest plant is destroyed by a tornado and they are forced to lay off the workers, they would be in violation of the standards set by this amendment and would be unable to access Export-Import Bank support until they get the factory rebuilt and operational.

The amendment would effectively damage the company a second time when they are not at fault in the first place. What disturbs me most about the amendment is the apparent belief if these companies must lay off U.S. workers, there would be no understandable circumstances in which that might happen.

Second, this amendment represents a large administrative burden on U.S. businesses which have operations overseas. Even when a manufacturer has not let go a single employee, they would be required to assemble and certify all of the information required by the amendment for each application for support for their U.S. made products.

What if a U.S. business with foreign operations asked for the resignation of one U.S. employee during the year because of a sexual harassment charge, but it kept all of the other employees? As I understand this amendment, that company would be prohibited from Export-Import Bank assistance. That is neither fair nor is it right.

This amendment presents a different philosophy of how the government should ensure the creation of more U.S. jobs. It comes down to a carrot or a stick. Do we use incentives for companies to create more jobs in the United States, or do we enforce penalties against companies that increase foreign operations. It has been my experience that one can only drive business away with sticks, and we should provide more carrots for companies that do the right thing and keep U.S. jobs going. I ask my colleagues to do the right thing here today, and join me in opposition to the Sanders amendment.

Mr. BEREUTER. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I very much appreciate the gentlewoman's points. Our corporations are involved in producing very different types of exports. One of their operations in the United States may face the fact that a product is obsolete or the whole sector has deteriorated, and we are not exporting anything in that product area, and resultantly we have large layoffs. But the other kinds of products or services that they produce which may need export credit financing for moving our exports abroad to keep those jobs safe in that sector. Mr. Chairman, that is the point that needs to be made. Our industries are very diverse in what they produce.

Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I would like to elaborate on what the gentleman from Nebraska (Mr. BEREUTER) just mentioned. We talked earlier about the need for this legislation to prohibit the stark choice between moving activities overseas and being able to continue in this country.

I had mentioned a specific example that is relevant to my district. Less than a mile from where I live, there is a unionized factory, Freight Liner, owned by Chrysler Daimler-Benz which has used this program to export heavy, high-value trucks to Chile, sales that would not have occurred otherwise.

Now, Daimler-Benz is involved with not just owning a subsidiary that produces these huge, high-end, very expensive trucks, it also is involved with luxury automobiles. Now if we were to adopt the gentleman's amendment that requires that all activities be treated exactly the same, we could be in an ominous situation where there might be layoffs that were warranted because there has been a reduction in the luxury car business that might result in a rational business decision, but we would not necessarily want to be holding to the same standard a requirement that there be reductions in the heavy truck manufacturing. They are two entirely different product lines subjected to different market forces, and they are located in different parts of the world.

Mr. Chairman, I think that attempts to micromanage this can have some very serious unintended consequences. I think it is not rational to assume that everybody is doing the same in these large enterprises today, and to subject on top of it rather extensive reporting and paperwork requirements. I would strongly urge that we set this amendment aside, reject it, support the underlying bill and allow the process to work.

□ 1230

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 2 minutes to the distinguished gentleman from Texas (Mr. BENTSEN), a member of the committee.

Mr. BENTSEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment and in support of the underlying bill. We considered this amendment in the subcommittee, and I think we may have considered it in the full committee. While I think the gentleman and the cosponsors of the amendment are well-meaning, I think, as the gentleman from Oregon who just spoke noted, this amendment is overly broad and will not accomplish the goal that it sets out to do, and, in effect, creates a one-size-fits-all approach to American companies that most likely are producing multiple types of products, which the underlying goal of this bill and the underlying goal of the Congress since the creation of the Export-Import Bank is to expand the access of foreign markets for products that are produced in the United States and for companies that are based in the United States.

While the gentleman seeks to try to address a concern that many of us have that in some cases we are losing our manufacturing base in the United States because of reasons of economics, the effect of the amendment, I believe, would be completely counter to what he is trying to achieve, because what you would be doing is penalizing those companies in the United States which are trying to maintain a manufacturing base and trying to export products abroad, as opposed to those companies who seek to just pack it in and move completely abroad or cede the field to foreign companies without having any manufacturing here in the United States.

So I would hope that the House will reject the gentleman's well-meaning, but an amendment with I think great unintended consequences, and support the underlying bill.

Mr. SANDERS. Mr. Chairman, I am very pleased to yield 1½ minutes to the gentlewoman from California (Ms. WATERS.)

Ms. WATERS. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise to support the Sanders amendment to the Export-Import Bank Reauthorization Act. The Sanders amendment would prevent companies from receiving assistance from the Export-Import Bank if they lay off a greater percentage of workers in the United States than they lay off in other countries.

The purpose of the Export-Import Bank is to create American jobs for American workers. Unfortunately, the bank has a history of providing assistance to companies that have been exporting American jobs and hiring cheap foreign labor. For example, the Export-Import Bank insured a $3 million loan to help General Electric build a factory where Mexican workers will make parts for appliances that will be exported back to the United States. As a result, 1,500 American workers will lose their jobs to Mexican workers, who will be paid only $2 per hour. The Sanders amendment would ensure that the Export-Import Bank does not subsidize companies that are exporting American jobs instead of American-made products.

I urge my colleagues to support the Sanders amendment.

Mr. Chairman, many of us worked very hard on plant closure legislation just a few years ago because we found that after we gave great tax cuts right here in the United States under the Reagan administration that our companies were exporting jobs to third-world countries for cheap labor. That is after we had given big tax breaks. They took the money and put it in their pockets and exported the labor. We can stop that with this simple amendment. This will help out. I would ask my colleagues to support this amendment.

Mr. BEREUTER. Mr. Chairman, it is my pleasure to yield 3 minutes to the distinguished gentleman from New Jersey (Mr. FERGUSON), a member of the committee.

Mr. FERGUSON. Mr. Chairman, I rise in opposition to the Sanders amendment. The goal of protecting U.S. jobs is a good goal; but this amendment, if implemented, would actually result in a reduction in U.S. jobs over the long term, jobs that would be sent overseas or lost altogether. The fact is that every transaction that the Ex-Im Bank is involved with helps to maintain U.S. jobs.

Now, I understand that the author of this amendment is opposed to the Ex-Im Bank. My friend, the gentleman from Vermont, has never been a fan of the Ex-Im Bank; and I have a sneaking suspicion, I have not been here very long, but I have a sneaking suspicion that this amendment is actually a poison pill that is targeted at trying to kill the underlying bill rather than trying to be helpful.

If this amendment were to be accepted, it would frustrate the main mission of the Ex-Im Bank in general and severely hinder the ability of the bank to support U.S. exports and U.S. jobs. The adoption of this amendment would limit the ability of U.S. companies to compete in the global marketplace. If we reduce the number of U.S. firms eligible for Ex-Im Bank financing, the number of firms that would be available for financing through this amendment, we are also going to reduce the number of U.S. workers who manufacture U.S. goods for export.

Now, I represent a district in a State, New Jersey, where we have seen a tremendous hemorrhaging of high-tech jobs from some of our companies in the high-tech sector and telecom sector. These are companies whose lifeline in many ways is the work of the Ex-Im Bank.

Some people talk about corporate welfare. This is not corporate welfare. This is investing in American companies and giving them the opportunity to be able to provide jobs and to provide manufacturing for goods all around the world, particularly at a time when we are trying to expand our economy, to expand job creation.

Some on the other side of the aisle have been talking about raising taxes. We are not going to tax our way to economic prosperity and job creation, and certainly by trying to kill or hinder the Export-Import Bank from doing the great work they do, we are not going to be creating jobs or helping our economy to grow either.

I stand in opposition to this amendment. I am a strong supporter of the Ex-Im Bank and the good work of this bill. It is so important during a time of economic recovery. If we are going to get Americans back to work, continue to be able to create the manufacturing and jobs that are so vital to this recovery, we are going to need to be able to continue to support the work of the Ex-Im Bank. Defeat this amendment.

Mr. SANDERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the issue here is so clear-cut that it is almost laughable. I was a mayor of a city for 8 years, and when someone from the business community came in and said they wanted something, I said, Let's talk about it. What are you going to do for the people?

What the Export-Import Bank does is they say to General Electric, You told the whole world your policy is to move jobs to China; we have no problem with that. You can help us with 200 jobs? That is fine. You are laying off 10,000 workers tomorrow? We are ignoring that.

People who have discussed this have used the word "carrot." I believe in carrots. Use the carrot. What is the carrot? The carrot is if you come in and want taxpayer support, radical idea though it may be, you have got to protect American jobs.

It is beyond comprehension to me that we would provide huge amounts of funding to a company where the leadership says, like General Electric, This is our policy: Our policy is to lay off American workers and go to China. And the Ex-Im Bank says, Can we give you any more money? Thank you.

Eighty percent of the loans and subsidies given to the Export-Import Bank go to the Fortune 500 companies. Check their record. It is not just General Electric, it is not just General Motors, it is not just Motorola. Company after company are laying off American workers and going abroad.

It seems to me that if you want to use taxpayer money, if they want to take taxpayer money, the very least they can do is to work very, very hard to give us commitments to protect jobs in this country. We have a $360 billion trade deficit. The Ex-Im is a small part of that, but it is part of a failed policy which is selling out American workers; and I urge the Members of the body, finally, stand up to the campaign contributors and all these big companies that pour millions into the political process.

Stand with American workers. Let us reverse our trade policy. Let us demand that these companies, radical idea though it may be, invest in the United States of America. My word, what a radical idea. Create jobs in America, so that high school kids do not have to work at Burger King, but they can have a decent job. The Ex-Im can play a role in that.

Let us say "yes" to the Sanders amendment and work for the ordinary people of this country for a change, rather than the multinationals.

Mr. Chairman, I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE), the distinguished ranking member of the Committee on Financial Services.

Mr. LAFALCE. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I certainly share the gentleman from Vermont's desire to enhance jobs within the United States, and there are so many issues and areas where we are aligned in that effort. We are aligned in that effort in the areas of housing and community development, in public sector jobs, in private sector jobs, in infrastructure, in countless ways. I certainly share his desire to protect and promote workers' rights, not only domestically, but internationally, globally.

But one of the ways we do that is to enhance the ability of the United States companies to export products abroad, products that are made in the United States of America by workers in the United States of America. That is what Ex-Im is all about.

The amendment of the gentleman from Vermont (Mr. SANDERS) is counterproductive to that purpose. The Sanders amendment, in my judgment, as it is presently worded, would be impractical, impossible to effectuate. I may be wrong, but most everybody who favors Ex-Im Bank believes that this amendment would be harmful to the promotion of Ex-Im Bank's mission, goals and United States jobs; and I would encourage all allies of Ex-Im Bank to oppose the amendment.

Mr. BEREUTER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I very much appreciate the bipartisan opposition to the Sanders amendment as voiced, for example, by the senior Democrat on the Committee on Financial Services.

We can all agree on a few things. We can all agree that we hate to see American jobs lost, whether it is because of decline in the industry or because of the fact that those jobs are moved abroad. We do not want to see layoffs.

The fact of the matter is, however, that sometimes one sector of a company's production simply becomes obsolete, or because of the fact that it is a labor-intensive or very low-skilled job that for economic reasons, the corporation feels it must move abroad.

Mr. Chairman and colleagues, do not penalize those parts of the company that are exporting products abroad. Vote "no" on the Sanders amendment.

Ms. DUNN. Mr. Chairman, I rise against the Sander's Amendment.

Washington State has the second highest unemployment rate in the nation. Many companies in the Northwest have suffered directly and indirectly because of September 11, including Boeing that announced the layoffs of approximately 30,000 workers. I represent over 25,000 commercial Boeing workers and understand the impact of unemployment in my communities.

This amendment will not preserve jobs domestically, but actually lead to more unemployment in Washington State. At a time when domestic airlines are struggling, Boeing's only option is to expand commercial aircraft sales overseas. If companies in the Northwest do not have access to the financing resources provided by the Ex-Im Bank, we lose more jobs in the Northwest.

Boeing will not only be affected, but the impact will be felt throughout the region. Over 60 percent of the supplies and parts used to manufacture a commercial aircraft are made outside of Boeing. Denying Boeing Ex-Im Bank financing will result in greater unemployment for small companies and their workers that depend on business with Boeing.

If we want to protect jobs and stimulate our economy, we must make it easier to sell American products overseas. Simply denying U.S. businesses access to Ex-Im Bank financing because they are laying off workers in unfair. This amendment does not help our workers, but the workers of foreign competitors. Without Ex-Im Bank financing for Boeing, Airbus will be able to gain greater market shares by providing a much more effective financing package through their export credit agencies.

I ask my colleagues to oppose this amendment.

The CHAIRMAN pro tempore (Mr. SIMPSON). All time has expired.

The question is on the amendment offered by the gentleman from Vermont (Mr. SANDERS).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. SANDERS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Vermont (Mr. SANDERS) will be postponed.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 5 printed in House Report 107–423.

AMENDMENT NO. 5 OFFERED BY MS. SCHAKOWSKY

Ms. SCHAKOWSKY. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Ms. SCHAKOWSKY:

At the end of the bill, add the following:

SEC. . SENSE OF THE CONGRESS.

It is the sense of the Congress that, when considering a proposal for assistance for a project that is worth $10,000,000 or more, the management of the Export-Import Bank of the United States should have available for review a detailed assessment of the potential human rights impact of the proposed project.

The CHAIRMAN pro tempore. Pursuant to House Resolution 402, the gentlewoman from Illinois (Ms. SCHAKOWSKY) and a Member opposed each will control 15 minutes.

The Chair recognizes the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to start by commending the chairman and ranking member of the Committee on Financial Services and the chairman and ranking member of the Subcommittee on International Monetary Policy and Trade for their work on this important bill, and I want to particularly express my gratitude to the gentleman from Nebraska (Mr. BEREUTER), the chairman of the Subcommittee on International Monetary Policy and Trade, and his staff for working with me so that human rights concerns and protections would be included in this debate and be part of this legislation.

Our ranking member on the subcommittee, the gentleman from Vermont (Mr. SANDERS), has been a leader throughout this process, and I commend him for his tireless efforts on behalf of working people, small businesses, human rights, and the environment.

This is a modest amendment to the Export-Import Bank Reauthorization Act. My amendment states the sense of the Congress that detailed information on the potential impact on human rights of proposed Export-Import Bank projects should be more available to the management of the bank for all projects that are worth $10 million or more.

□ 1245

Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, I thank the gentlewoman from Illinois for yielding me this time, and for her leadership and her persistence on this issue.

I rise in strong support of the Schakowsky amendment which requires the Export-Import Bank to consider the human rights implications of major projects that it funds. Now, in the last week, the United States has regained its seat on the United Nations Human Rights Commission. We now have another opportunity and an obligation to reassert our leadership on human rights issues and to really, in essence, practice what we preach. The entire world is watching.

At each and every juncture, human rights concerns must enter into our policy decisionmaking and our policy initiatives. The world needs the United States' leadership on human rights issues. Here we have a chance, thanks to the gentlewoman from Illinois, to exercise this leadership.

The Export-Import Bank deals with projects that reach into the millions of dollars. These projects have major repercussions on the ground and human rights analysis must be a part of this fair equation. This amendment just provides accurate information on these projects so that economic development would not come at the cost of further erosion of basic human rights. Under current policy, cancellation is the only option. We need a more precise instrument. This is a very modest measure in the right direction.

So I urge my colleagues to stand up for human rights today by supporting the Schakowsky amendment.

Mr. BEREUTER. Mr. Chairman, in the absence of any known opposition to the Schakowsky amendment, I claim the time in opposition, and I yield myself such time as I may consume.

Mr. Chairman, I will say to the gentlewoman that during the debate on the rule, the gentleman from Florida (Mr. HASTINGS) and I had a discussion about the gentlewoman's amendment. The only concern we have had about the gentlewoman's amendment at any time in this whole process is that the State Department is that entity we have selected at this point within our government to prepare the country reports on human rights. The view of this Member and others was that the State Department should continue to be the agency responsible for conducting that kind of review for our entire government.

But the gentlewoman has an amendment before us which is in no way inconsistent with that concept. I think what she is proposing to do is very important. We hope that human rights considerations are a factor in the deliberations of the Export-Import Bank, and so I would say we are prepared to accept enthusiastically the gentlewoman's amendment, and I yield to her if she might wish to respond.

Ms. SCHAKOWSKY. Mr. Chairman, I thank the gentleman very much for his support of this amendment. We have taken into serious consideration the gentleman's concern in raising the issue that it is the State Department, in fact, that authorizes on human rights grounds the commencement of a project and would make decisions as to whether or not a project should be canceled on the basis of human rights. We have been talking with the Bureau of Democracy, Human Rights and Labor within the State Department, and I have spoken with senior officials there who agree that more scrutiny should be placed on major Ex-Im projects that are proposed.

So while I am very pleased and grateful about the prospects of the amendment today and for the gentleman's support, we are going to continue those discussions to see if we cannot further this agenda of more inquiry into human rights.

Mr. BEREUTER. Mr. Chairman, I appreciate what the gentlewoman is doing and if there is anything we could do in report language to facilitate stronger encouragement to use those State Department country reports, we should do that, and I would be committed to that end.

Mr. Chairman, I yield to the gentleman from New York (Mr. LAFALCE), the ranking member of the full committee.

Mr. LAFALCE. Mr. Chairman, I too rise in support of the amendment, but I also want to make some complimentary comments about the fine work of the gentlewoman from Illinois (Ms. SCHAKOWSKY).

When she initially surfaced the idea, I think the specific words of the proposed bill or amendment might have been unworkable and perhaps counterproductive, but she worked with everyone in a very collegial fashion. She worked with the State Department, she worked with Ex-Im, the Republicans, the Democrats, and we have an excellent amendment now that is workable, that is productive, that should be passed and should be implemented aggressively by Ex-Im and Treasury. I thank the gentlewoman for her great collegial work.

Mr. BEREUTER. Mr. Chairman, I reserve the balance of my time.

Ms. SCHAKOWSKY. Mr. Chairman, I certainly appreciate the tenor of this discussion, and I would like to continue it just for a bit.

Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Chairman, first I would like to say to my colleague, the gentleman from Nebraska (Mr. BEREUTER), that I am appreciative for his willingness to try and work out support for amendments that may not have a lot of support, but the gentleman understands the importance of a particular amendment and has worked with the author to try and get it done. So let me thank the gentleman.

In addition, I would like to thank the gentlewoman from Illinois (Ms. SCHAKOWSKY) for being there always on these kinds of issues.

This is so important. I came up to support the amendment because I was concerned about a project that was approved by the Export-Import Bank for $92 million for diamond mine processing equipment and services to Alrosa, a Russian diamond company, that operates in countries such as Angola where conflict diamonds are sold by paramilitary groups that propagate internal conflicts and engage in gross violations of human rights. So it is so important that we know what they are doing, or at least we have an assessment.

Most Americans do not understand that we put $1 billion into this Export-Import Bank. Many would see this as simply corporate welfare. And while we have increasing problems with our own budget, while we are trying to fund education, while we are trying to secure Social Security, it is very important that we look at projects such as this one and begin to raise the questions about who is really benefiting from the Export-Import Bank. While this will do an assessment on human rights, which we need to do, I think we are going to have to go deeper. While I thank my colleague for supporting this amendment, we are going to have to go deeper to look at the Export-Import Bank and see if this is something we want to continue to do.

Ms. SCHAKOWSKY. Mr. Chairman, I do have a few additional remarks, and I yield myself such time as I may consume.

It seems to me that additional information on human rights is necessary, because current policy provides really only one remedy, and that is to deny a project on human rights grounds. But those denials are made on the basis of an assessment by the State Department of human rights for an entire country in which the project will be located, and not an assessment of the project itself. There should be more tools available to Ex-Im Bank to assess human rights.

In reality, there are very few projects that would warrant cancellation or total denial of Ex-Im funding because of severe human rights impacts, but many more projects may have human rights concerns that, if adequately identified beforehand, could be mitigated during project design. Ex-Im Bank needs detailed assessments on a project-by-project basis of the potential impact proposed projects may have on human rights.

Again, this is a modest amendment. It is not the total solution to what I believe to be the legitimate and serious concerns of human rights experts like Human Rights Watch and Members of Congress and numerous other human rights experts and advocates throughout the world.

Mr. Chairman, this amendment is an acknowledgment that we have much more to do to improve the human rights record of the Ex-Im Bank, prevent human rights abuses, and ensure U.S. taxpayer dollars are spent responsibly, without compromising the project financing portfolio of the bank. The key to achieving those goals is information.

Had such information existed during consideration of the Enron power project in India, for example, Ex-Im staff would have identified previous human rights problems and could have consulted with local national or international human rights organizations for further information. This would have allowed for recommendations that Enron make certain commitments to corporate responsibility, for example, that would have mitigated the problems that occurred later in the project and after Ex-Im funding was approved. Yet another lesson of the Enron collapse has been the clear need for greater oversight of projects financed with taxpayer dollars.

The Dahbol power project is partially owned and operated by Enron. The project received approximately $290 million in Ex-Im Bank guarantees despite the World Bank's refusal to fund it and serious human rights problems related to its construction.

According to Human Rights Watch, "Enron subsidiaries paid local law enforcement to suppress opposition to its power plant. They broke down the door and window of one of the protestor's bathrooms and dragged her naked into the street, beating her with batons. The protestor was 3 months pregnant at the time."

It seems to me that especially now, in a world where we are trying to build international coalitions to fight terrorism, as we should, that the United States should lead the world in the struggle for human rights, fairness, and equality for all in every way we can. We must never send a message to our neighbors in the international community or to the American corporate community that we are willing to compromise human needs for corporate greed.

Ex-Im Bank has a responsibility to U.S. taxpayers to ensure our money is well spent, and the Congress has a responsibility to place human rights on an equal footing with all other considerations in our international economic agenda. Passage of this amendment would be a measured step in that direction.

Again, I want to thank my colleagues on the Committee on Financial Services, particularly the chairman and ranking Democratic members of the full committee and the Subcommittee on International Monetary Policy for their work and leadership.

Mr. Chairman, I urge all of my colleagues to support this modest amendment and put the Congress on record in support of human rights and responsible behavior when we conduct business abroad.

Mr. Chairman, I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, to reiterate, we support and can accept the gentlewoman's amendment. I urge support for it.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SIMPSON). The question is on the amendment offered by the gentlewoman from Illinois (Ms. SCHAKOWSKY).

The amendment was agreed to.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, proceedings will now resume on Amendment No. 4.

AMENDMENT NO. 4 OFFERED BY SANDERS

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Vermont (Mr. SANDERS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 135, noes 283, not voting 16, as follows:

[Roll No. 120]

AYES—135

Abercrombie
Allen
Andrews
Baca
Baldacci
Baldwin
Barcia
Barrett
Bartlett
Becerra
Berkley
Berry
Bishop
Blagojevich
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Burr
Capuano
Carson (IN)
Chabot
Clay
Clyburn
Coble
Conyers
Costello
Coyne
Cummings
DeFazio
DeGette
Dingell
Doyle
Duncan
Engel
Evans
Farr
Fattah
Filner
Goode
Graham
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hoeffel
Holden
Hostettler
Hunter
Jackson (IL)
Jackson-Lee (TX)
Jones (NC)
Jones (OH)
Kaptur
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kleczka
Kucinich
Lampson
Langevin
Lee
Lewis (CA)
Lewis (GA)
Lipinski
Luther
Lynch
Matheson
McCollum
McGovern
McIntyre
McKinney
McNulty
Meek (FL)
Miller, George
Mink
Mollohan
Nadler
Napolitano
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Peterson (PA)
Phelps
Platts
Rahall
Regula
Rivers
Rodriguez
Roemer
Rohrabacher
Ross
Roybal-Allard
Sanders
Sawyer
Schakowsky
Serrano
Sherman
Sherwood
Slaughter
Smith (NJ)
Solis
Spratt
Stark
Strickland
Stupak
Sweeney
Tancredo
Tanner
Taylor (MS)
Taylor (NC)
Thompson (CA)
Thurman
Tierney
Towns
Udall (NM)
Visclosky
Wamp
Waters
Watson (CA)
Watt (NC)
Weiner
Woolsey
Wynn

NOES—283

Ackerman
Aderholt
Akin
Armey
Bachus
Baird
Baker
Ballenger
Barr
Barton
Bass
Bentsen
Bereuter
Berman
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boyd
Brady (TX)
Brown (SC)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Cantor
Capito
Capps
Cardin
Carson (OK)
Castle
Chambliss
Clement
Collins
Combest
Cooksey
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doggett
Dooley
Dreier
Dunn
Edwards
Ehlers
Emerson
English
Eshoo
Etheridge
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Gordon
Goss
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Kanjorski
Keller
Kelly
Kennedy (MN)
Kind (WI)
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (KY)
Linder
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McDermott
McHugh
McInnis
McKeon
Meehan
Meeks (NY)
Menendez
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Pelosi
Pence
Peterson (MN)
Petri
Pickering
Pitts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Rehberg
Reyes
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Rothman
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez
Sandlin
Saxton
Schaffer
Schiff
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Snyder
Souder
Stearns
Stenholm
Stump
Sullivan
Sununu
Tauscher
Tauzin
Terry
Thomas
Thompson (MS)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Turner
Upton
Velázquez
Vitter
Walden
Walsh
Watkins (OK)
Watts (OK)
Waxman
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Young (AK)

NOT VOTING—16

Cannon
Clayton
Condit
Cox
Crane
Doolittle
Ehrlich
Green (TX)
Honda
Mascara
Millender-McDonald
Murtha
Traficant
Udall (CO)
Weldon (PA)
Young (FL)

□ 1322

Messrs. ROTHMAN, TIBERI, FLAKE, BLUNT, ROYCE, and RANGEL changed their vote from "aye" to "no."

Mr. TANCREDO and Mr. GRAHAM changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. HONDA. Mr. Chairman, on rollcall No. 120, I was unavoidably detained by important matters involving my district. Had I been present, I would have voted "no."

Mr. EHRLICH. Mr. Chairman, unfortunately, I was unavoidably detained earlier this afternoon and consequently was unable to vote on the floor of the House on pending business. As you know, Mr. Speaker, Charles, Dorchester, and Calvert Counties in Maryland recently experienced devastating tornadoes resulting in the loss of three lives and costing over $100 million in damage. In an effort to aid in the procurement of federal disaster assistance, I responded to a request from local officials to visit the site of the storms.

Had I been present, I would have voted "no" on rollcall vote 120.

The CHAIRMAN pro tempore. There being no further amendments in order under the rule, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. SIMPSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes, pursuant to House Resolution 402, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2871, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 2871, EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2001

Mr OXLEY. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 2871, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2001

Mr. OXLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1372) to reauthorize the Export-Import Bank of the United States, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1372

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Export-Import Bank Reauthorization Act of 2001".

SEC. 2. EXTENSION OF AUTHORITY.

Section 7 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "2001" and inserting "2006".

SEC. 3. SUB-SAHARAN AFRICA ADVISORY COMMITTEE.

Section 2(b)(9)(B)(iii) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(9)(B)(iii)) is amended to read as follows:

"(iii) The sub-Saharan Africa advisory committee shall terminate on September 30, 2006.".

SEC. 4. GUARANTEES, INSURANCE, EXTENSION OF CREDIT.

Section 2(b)(1)(A) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(A)) is amended—

(1) in the fourth sentence, by striking "on an annual basis" and inserting "not later than June 30 each year";

(2) in the fifth sentence, by inserting "(including through use of market windows)" after "United States exporters"; and

(3) by inserting after the fifth sentence, the following new sentence: "With respect to the proceeding sentence, the Bank shall use all available information to estimate the annual amount of export financing available from other governments and government-related agencies.".

SEC. 5. FINANCING FOR SMALL BUSINESS.

Section 2(b)(1)(E)(v) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(E)(v)) is amended by striking "10" and inserting "18".

SEC. 6. MARKET WINDOWS.

The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end the following new section:

"SEC. 15. MARKET WINDOWS.

"(a) Enhanced Transparency.—To ensure that the Bank financing remains fully competitive, the United States should seek enhanced transparency over the activities of market windows in the OECD Export Credit Arrangement. If such transparency indicates that market windows are disadvantaging United States exporters, the United States should seek negotiations for multilateral disciplines and transparency within the OECD Export Credit Arrangement.

"(b) Authorization.—The Bank is authorized to provide financing on terms and conditions that are inconsistent with those permitted under the OECD Export Credit Arrangement—

"(1) to match financing terms and conditions that are being offered by market windows on terms that are inconsistent with those permitted under the OECD Export Credit Arrangement, if—

"(A) matching such terms and conditions advances the negotiations for multilateral disciplines and transparency within the OECD Export Credit Arrangement; or

"(B) transparency verifies that the market window financing is being offered on terms that are more favorable than the terms and conditions that are available from private financial markets; and

"(2) when the foreign government-supported institution refuses to provide sufficient transparency to permit the Bank to make a determination under paragraph (1).

"(c) Definition.—In this section, the term 'OECD' means the Organization for Economic Cooperation and Development.".

SEC. 7. INSPECTOR GENERAL OF THE EXPORT-IMPORT BANK.

(a) Establishment of Position.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in paragraph (1), by striking "or the Board of Directors of the Tennessee Valley Authority;" and inserting "the Board of Directors of the Tennessee Valley Authority; or the President of the Export-Import Bank;"; and

(2) in paragraph (2), by striking "or the Tennessee Valley Authority;" and inserting "the Tennessee Valley Authority, or the Export-Import Bank,".

(b) Special Provisions.—The Inspector General Act of 1978 is amended—

(1) by redesignating section 8I as section 8J and inserting after section 8H the following new section:

"§ 8I. Special Provisions Relating to the Export-Import Bank of the United States

"(a) In General.—The Inspector General of the Export-Import Bank shall not prevent or prohibit the Audit Committee from initiating, carrying out, or completing any audit or investigation or undertaking any other activities in the performance of the duties and responsibilities of the Audit Committee, including auditing the financial statements of the Export-Import Bank, determining when it is appropriate to use independent external auditors, and selecting independent external auditors. In carrying out the duties and responsibilities of Inspector General, the Inspector General of the Export-Import Bank shall not be prevented or prohibited from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation. The Audit Committee shall make available to the Inspector General of the Export-Import Bank the reports of all audits the Committee undertakes in the discharge of its duties and responsibilities.

"(b) Audit Committee.—For purposes of this section, the term 'Audit Committee' means the Audit Committee of the Board of Directors of the Export-Import Bank or any successor thereof.";

(2) in section 8J (as redesignated), by striking "or 8H of this Act" and inserting "8H, or 8I of this Act".

(c) Executive Level IV.—Section 5315 of title 5, United States Code, is amended by inserting after the item relating to the Inspector General of the Environmental Protection Agency the following:

"Inspector General, Export-Import Bank.".

(d) Initial Implementation.—Section 9(a)(2) of the Inspector General Act of 1978 is amended by inserting "to the Office of the Inspector General," after "(2)".

(e) Technical Corrections.—Section 11 of the Inspector General Act of 1978 is amended—

(1) in paragraph (1)—

(A) by striking the second semicolon after "Community Service";

(B) by striking "and" after "Financial Institutions Fund;"; and

(C) by striking "and" after "Trust Corporation;"; and

(2) in paragraph (2), by striking the second comma after "Community Service".

(f) Effective Date.—The amendments made by this section shall take effect on October 1, 2002.

MOTION OFFERED BY MR. OXLEY

Mr. OXLEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. Oxley moves to strike out all of the enacting clause of the Senate bill S. 1372 and insert in lieu thereof the provisions of H.R. 2871 as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 2871, was laid on the table.

APPOINTMENT OF CONFEREES

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to S. 1372 and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio? The Chair hears none and, without objection, appoints the following conferees:

From the Committee on Financial Services, for consideration of the Senate bill and the House amendment, and modifications committed to conference: Messrs. OXLEY, BEREUTER, TOOMEY, GARY G. MILLER of California, LAFALCE and SANDERS.

From the Committee on Government Reform, for consideration of section 7 of the Senate bill, and modifications committed to conference: Messrs. BURTON of Indiana, HORN and WAXMAN.

There was no objection.

PERSONAL EXPLANATION

Mr. HOLT. Mr. Speaker, on Thursday April 26, 2002, I was unavoidably detained in my congressional district in New Jersey, attending a memorial service for a close friend and former coworker. Because of that, I missed record votes in the House. Had I been present, Mr. Speaker, I would have voted yes on rollcall 111, yes on rollcall 112, yes on rollcall 113, no on rollcall 114, no on rollcall 115, and yes on rollcall 116.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 495. An act to designate the Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building".

H.R. 819. An act to designate the Federal building located at 143 West Liberty Street, Medina, Ohio, as the "Donald J. Pease Federal Building".

H.R. 3093. An act to designate the Federal building and United States courthouse located at 501 Bell Street in Alton, Illinois, as the "William L. Beatty Federal Building and United States Courthouse".

H.R. 3282. An act to designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse".

The message also announced that the Senate has passed a bill and a concurrent resolution of the following titles in which the concurrence of the House is requested:

S. 1721. An act to designate the building located at 1 Federal Plaza in New York, New York, as the "James L. Watson United States Courthouse".

S. Con. Res. 102. Concurrent resolution proclaiming the week of May 4 through May 11, 2002, as "National Safe Kids Week".

MULTINATIONAL DEVELOPMENT BANKS AUTHORIZATION ACT

Mr. OXLEY. Mr. Speaker, pursuant to the previous order of the House, I move to suspend the rules and pass the bill (H.R. 2604) to authorize the United States to participate in and contribute to the seventh replenishment of the resources of the Asian Development Fund and the fifth replenishment of the resources of the International Fund for Agricultural Development, and to set forth additional policies of the United States toward the African Development Bank, the African Development Fund, the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development, as amended.

The Clerk read as follows:

H.R. 2604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. UNITED STATES CONTRIBUTION TO THE SEVENTH REPLENISHMENT OF THE RESOURCES OF THE ASIAN DEVELOPMENT FUND.

The Asian Development Bank Act (22 U.S.C. 285–285aa) is amended by adding at the end the following:

"SEC. 31. SEVENTH REPLENISHMENT.

"(a) CONTRIBUTION AUTHORITY.—

"(1) IN GENERAL.—The United States Governor of the Bank may contribute on behalf of the United States $412,000,000 to the Asian Development Fund, a special fund of the Bank.

"(2) SUBJECT TO APPROPRIATIONS.—The authority provided by paragraph (1) shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

"(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For contribution authorized by subsection (a), there are authorized to be appropriated to the Secretary of the Treasury not more than $412,000,000, without fiscal year limitation.".

SEC. 2. UNITED STATES CONTRIBUTION TO THE FIFTH REPLENISHMENT OF THE RESOURCES OF THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT.

(a) CONTRIBUTION AUTHORITY.—

(1) IN GENERAL.—The United States Governor of the International Fund for Agricultural Development may contribute on behalf of the United States $30,000,000 to the International Fund for Agricultural Development.

(2) SUBJECT TO APPROPRIATIONS.—The authority provided by paragraph (1) shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For contribution authorized by subsection (a), there are authorized to be appropriated to the Secretary of the Treasury not more than $30,000,000, without fiscal year limitation.

(c) REPORT ON PARTICIPATION OF THE IFAD IN THE ENHANCED HIPC INITIATIVE.—Within 3 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the participation of the International Fund for Agricultural Development in the Enhanced HIPC Initiative. The report shall include a statement of the cost to the International Fund for Agricultural Development of participating in the Enhanced HIPC Initiative, the effects of such participation (if not reimbursed) on current and future programs of the International Fund for Agricultural Development, the feasibility of allowing the World Bank HIPC Trust Fund to reimburse the International Fund for Agricultural Development for the costs of such participation, and the amount of additional appropriations from the United States to the World Bank HIPC Trust Fund that would be necessary to allow such participation.

SEC. 3. HIV/AIDS STRATEGIC PLAN.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p–7) is amended by adding at the end the following:

"SEC. 1625. HIV/AIDS STRATEGIC PLAN.

"The Secretary of the Treasury shall instruct the United States Executive Directors at the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, and the Inter-American Development Bank, and the United States Governor of the International Fund for Agricultural Development to support continued efforts by such institutions as appropriate in regard to HIV/AIDS, tuberculosis, malaria, and other infectious diseases, including—

"(1) development and implementation of a strategic plan to fight against the spread of HIV/AIDS, tuberculosis, malaria, and other infectious diseases;

"(2) integration of HIV/AIDS, tuberculosis, malaria, and other infectious diseases activities in ongoing projects as appropriate, development of new dedicated HIV/AIDS, tuberculosis, malaria, and other infectious diseases, projects as appropriate that take into consideration the institution's mandate and core strengths, and the building of AIDS-mitigation measures into other projects;

"(3) design and implementation of HIV/AIDS, tuberculosis, malaria, and other infectious diseases impact assessment criteria into environmental and social assessment processes that the institution considers when designing and evaluating new project proposals;

"(4) work on disseminating information on best practices and project design for HIV/AIDS, tuberculosis, malaria, and other infectious diseases projects; and

"(5) support training for professional staff on HIV/AIDS, tuberculosis, malaria, and other infectious disease prevention issues to ensure that these health-related concerns are integrated into all aspects of the work of the institution.".

SEC. 4. USER FEES.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p–7) is further amended by adding at the end the following:

"SEC. 1626. USER FEES.

"The Secretary of the Treasury shall instruct the United States Executive Director at the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, and the Inter-American Development Bank, and the United States Governor of the International Fund for Agricultural Development to oppose any loan, grant, document, or strategy that is subject to endorsement or approval by the board of directors of any such institution, which includes user fees or service charges in impoverished countries directly or under the guise of community financing, cost-sharing, or cost recovery mechanisms, for primary education or primary health care, including prevention and treatment efforts for

HIV/AIDS, malaria, tuberculosis, and infant, child, and maternal well-being.".

SEC. 5. TRANSPARENCY.

(a) UNITED STATES POLICY IN REGIONAL MULITLATERAL DEVELOPMENT INSTITUTIONS.—Title XV of the International Financial Institutions Act (22 U.S.C. 262o—262o-2) is further amended by adding at the end the following:

"SEC. 1504. TRANSPARENCY.

"(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director at the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development, and the United States Governor of the International Fund for Agricultural Development to—

"(1) continue to make efforts to promote greater transparency regarding the activities of such institutions, including project design, project monitoring and evaluation, project implementation, resource allocation, and decisionmaking;

"(2) support continued efforts to allow informed participation and input by affected communities, including translation of information on proposed projects, providing information through information technology applications, oral briefings, and outreach to and dialogue with community organizations and institutions in affected areas; and

"(3) work toward ensuring that—

"(A) meetings of the Boards of Directors (or, in the case of the International Fund for Agricultural Development, the Board of Governors) of their respective institutions are open to the public and the media, except for discussion of sensitive matters such as individual personnel matters;

"(B) transcripts of such meetings are available to the public no later than 60 calendar days after the meetings, except for discussion of sensitive matters such as individual personnel matters; and

"(C) all key documents that are presented for endorsement or approval by the Board of Directors (or, in the case of the International Fund for Agricultural Development, the Board of Governors) of their respective institutions will be made available to the public at least 15 days before consideration by the Board.

"(b) STATEMENT OF GOALS.—The Secretary of the Treasury shall instruct the United States Executive Director at the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development, and the United States Governor of the International Fund for Agricultural Development to inform their respective institutions of the goals enumerated in subsection (a), in a manner that the Secretary of the Treasury deems appropriate.".

(b) CONGRESSIONAL TESTIMONY REQUIRED.—The United States Executive Directors at the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development, and the United States Governor of the International Fund for Agricultural Development shall, at the request of the Committee on Financial Services of the House of Representatives or of the Committee on Foreign Relations of the Senate appear before the committee making the request, on an annual basis, and testify on the efforts undertaken pursuant to section 1504 of the International Financial Institutions Act and on other matters relating to any such institution.

(c) GRANTS.—

(1) IN GENERAL.—The Secretary of the Treasury may make grants in such amounts as the Secretary deems appropriate to any institution specified in paragraph (2) which—

(A) has implemented the measures described in section 1504 of the International Financial Institutions Act; and

(B) provides assurances to the Secretary that the institution will use the grant solely for transparency activities.

(2) INSTITUTIONS.—The institutions specified in this paragraph are the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, the Inter-American Development Bank, the European Bank for Reconstruction and Development, and the International Fund for Agricultural Development.

(3) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated to the Secretary of the Treasury not more than $10,000,000 for fiscal year 2002.

(d) CONGRESSIONAL PURSUIT OF TRANSPARENCY GOALS IN INTERPARLIAMENTARY DIALOGUES AND MEETINGS.—The Congress shall pursue the transparency goals described in section 1504 of the International Financial Institutions Act, in all official interparliamentary dialogues and meetings as appropriate.

(e) PURSUIT OF TRANSPARENCY GOALS BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall submit annually to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a written report detailing the steps that have been taken by the United States Executive Directors at the institutions, by the finance ministers, and by the institutions, referred to in paragraph (1) to implement the measures described in such section 1504.

SEC. 6. GENERAL OBJECTIVES.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p-7) is further amended by adding at the end the following:

"SEC. 1627. GENERAL OBJECTIVES.

"The Secretary of the Treasury shall instruct the United States Executive Director at the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, and the Inter-American Development Bank, and the United States Governor of the International Fund for Agricultural Development to focus on poverty alleviation, economic growth, increased productivity, sustainable development, environmental protection, labor rights, and an increased focus on education.".

SEC. 7. REQUIREMENTS FOR FINANCIAL SUPPORT FOR DAMS.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p-7) is further amended by adding at the end the following:

"SEC. 1628. REQUIREMENTS FOR FINANCIAL SUPPORT FOR DAMS.

"The Secretary of the Treasury shall instruct the United States Executive Directors at the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, and the Inter-American Development Bank, and the United States Governor of the International Fund for Agricultural Development to oppose any loan which provides support for any project that includes a dam unless the project conforms to all of the following terms:

"(1) Comprehensive and participatory assessments of the energy, water, and flood management needs to be met and different options for meeting these needs are developed before detailed studies are done on any specific project.

"(2) Priority is given to demand side management measures and optimizing the performance of existing infrastructure before building any new projects.

"(3) No dam is built without full consultation with affected people.

"(4) Periodic participatory reviews are done for existing dams to assess issues including dam safety, and the possibility of dam decommissioning.

"(5) Mechanisms are developed to provide social compensation for those who are suffering the impacts of dams, and to restore damaged ecosystems.".

SEC. 8. STUDY BY THE GENERAL ACCOUNTING OFFICE.

Within 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall prepare and submit to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the benefits and costs of the African Development Fund, the Asian Development Fund, a special fund of the Asian Development Bank, the International Fund for Agricultural Development, and the Fund for Special Operations of the Inter-American Development Bank, providing grants instead of loans.

SEC. 9. COMMENDATION.

(a) FINDINGS.—The Congress finds that—

(1) the African Development Bank and Fund elected Omar Kabbaj, an official of the Ministry of Finance of Morocco, as the new President in 1995;

(2) President Kabbaj implemented successful fiscal and managerial reforms, including refocusing the activity of the African Development Fund on poverty alleviation;

(3) under the leadership of President Kabbaj, the African Development Bank began to issue yearly portfolio status reports reflecting improved project monitoring and supervision;

(4) President Kabbaj successfully emphasized the importance of project post-evaluation in helping the Bank avoid problems identified with earlier funded projects;

(5) President Kabbaj has taken a program approach where all stakeholders, including the beneficiaries of the borrower countries, are involved in program design and implementation;

(6) President Kabbaj was unanimously appointed to a second 5-year term in May 2000; and

(7) under the leadership of President Kabbaj, on June 6, 2001, Standard & Poor's revised the outlook on its AA+ long term issuer ratings of the African Development Bank to stable from negative.

(b) COMMENDATION.—The Congress, on behalf of the people of the United States, commends President Omar Kabbaj for his successful reform efforts as President of the African Development Bank and Fund, and encourages his continued efforts at reform.

SEC. 10. ACTION BY THE PRESIDENT.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p-7) is further amended by adding at the end the following:

"SEC. 1629. ACTION BY THE PRESIDENT.

"If the President determines that a foreign country has taken or has committed to take actions that either contribute or do not contribute to efforts of the United States to respond to, deter, or prevent acts of international terrorism, the Secretary of the Treasury may, consistent with other applicable law, instruct the United States Executive Director at, or the United States Governor of, the regional multilateral devlopment bank to take the determination into account in considering whether to approve an

application of the country for assistance from the institution.''.

SEC. 11. SENSE OF THE CONGRESS REGARDING PRIVATIZATION PROJECTS.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p-7) is further amended by adding at the end the following:

"SEC. 1630. SENSE OF THE CONGRESS REGARDING PRIVATIZATION PROJECTS.

"The Secretary of the Treasury should instruct the United States Executive Director at the Asian Development Bank, the African Development Bank, the African Development Fund, the International Fund for Agricultural Development, the Inter-American Development Bank, and the European Bank for Reconstruction and Development, and the United States Governor of the International Fund for Agricultural Development to use the voice and vote of the United States to oppose the provision by the respective institution of assistance for a project that involves privatization of a government-held industry or sector if—

"(1) the privatization transaction is not implemented in a transparent manner;

"(2) the privatization transaction is not implemented in a manner that adequately protects the interests of workers, small investors, and vulnerable groups in society to the extent that they are affected by the privatization transaction; or

"(3) appropriate regulatory regimes have not been established to ensure the proper function of competitive markets in the industry or sector.''.

SEC. 12. OPPOSITION OF UNITED STATES TO REDUCTION OF MINIMUM WAGE BELOW INTERNATIONALLY RECOGNIZED LEVEL OF POVERTY.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p-7) is further amended by adding at the end the following:

"SEC. 1631. OPPOSITION OF UNITED STATES TO REDUCTION OF MINIMUM WAGE BELOW INTERNATIONALLY RECOGNIZED LEVEL OF POVERTY.

"The Secretary of the Treasury shall instruct the United States Executive Director at the African Development Bank, the African Development Fund, the Asian Development Bank, the Asian Development Fund, a special fund of the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development, and the United States Governor of the International Fund for Agricultural Development to oppose any loan, grant, document, or strategy that is subject to endorsement or approval by the board of directors of any such institution, which includes any provision that would recommend or encourage the reduction of a country's minimum wage to a level of less than $2.00 per day.''.

SEC. 13. SUPPORT FOR ASIAN DEVELOPMENT FUND ASSISTANCE FOR PROJECTS THAT ARE DIRECTED AT ADDRESSING ARSENIC CONTAMINATION IN DRINKING WATER IN SOUTH ASIA.

Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p-7) is further amended by adding at the end the following:

"SEC. 1632. SUPPORT FOR PROJECTS THAT ARE DIRECTED AT ADDRESSING ARSENIC CONTAMINATION IN DRINKING WATER IN SOUTH ASIA.

"The Secretary of the Treasury shall instruct the United States Executive Director at the Asian Development Fund, a special fund of the Asian Development Bank, to use the voice and vote of the United States to support projects that are directed at addressing arsenic contamination in drinking water in South Asia.''.

□ 1330

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from Vermont (Mr. SANDERS) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to insert extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise today in support of H.R. 2604. This measure authorizes U.S. contributions of $412 million to the Asian Development Fund and $30 million to the International Fund for Agricultural Development for the replenishment of these two institutions.

These authorizations reflect the U.S. commitment to promote development in the poorest countries in the world. By encouraging development, fostering better health care and promoting education, we have the ability to improve living conditions and reduce global poverty.

I urge my colleagues to support these programs and to fulfill the U.S. commitment to these two key development institutions.

The Asian Development Fund is the concessional lending arm of the Asian Development Bank which provides loans to developing member countries with low per capita income and limited debt repayment capacities. Funds from this institution are used to build infrastructure projects, support health care services and promote education in the Asia Pacific region.

Created in 1973, the Asian Development Fund is funded by periodic replenishments. Last September, at the latest replenishment negotiations, the United States subscribed to a 4-year, $412 million contribution, roughly 14.4 percent of the total contributions.

The International Fund for Agricultural Development has a specific functional mandate to combat hunger and rural poverty in developing countries. Created in 1977 in the wake of the 1974 World Food Conference and the highly publicized famines of the 1970s in Africa, this finances projects covering everything from draught-resistant crops and management of livestock to marketing and microfinance. With nearly three-quarters of the world's 1.2 billion poorest people living in rural areas, the fund provides aid to small farmers, the rural landless, nomads, fishermen, indigenous peoples and rural poor women.

Mr. Speaker, H.R. 2604 fulfills our commitment to these institutions, and it makes important policy changes in how the U.S. executive directors at all of the international development institutions should work to influence policies of these institutions.

Some highlights of the legislation include: Language which works to combat HIV/AIDS, tuberculosis, malaria and other infectious diseases in developing countries; opposition to the application of user fees or service charges in impoverished countries directly or indirectly for primary education or primary health care.

This bill also encourages transparency in the operation of the development institutions affected by this legislation.

This is an important measure. It will affirm the U.S. commitment to reducing global poverty and encourage development. I want to thank the Subcommittee on International Monetary Policy and Trade chairman, the gentleman from Nebraska (Mr. BEREUTER), for all his hard work on this bill, and I strongly encourage my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. SANDERS. Mr. Speaker, I yield myself such time as I may consume.

As the ranking member of the Subcommittee on International Monetary Policy and Trade, I rise in strong support of H.R. 2604, the Multinational Development Banks Authorization Act. I want to thank the subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER), for working in a bipartisan manner on this bill and for the way he has reached out to Members on this side of the aisle in drafting the bill.

I am pleased to support this bill, Mr. Speaker, because it addresses two very important issues at the regional development banks: transparency and user fees. The regional development banks are from among the most powerful institutions of the world with effective control over the economy of some of the poorest nations in the world, and yet these institutions make major decisions affecting the lives of hundreds of millions of the most vulnerable people on this planet, as well as working people throughout the world, in almost total secrecy.

This bill includes significant provisions to make the regional development banks more open and more accountable to the public. It requires the Secretary of the Treasury to instruct U.S. executive directors at the multilateral development banks to work towards opening the meetings of the boards of directors to the public and the media; making transcripts of executive board meetings available within 60 days of the meetings; and making all key documents that are to be used or to be considered by the executive boards available to the public before those documents are considered.

In addition, to make sure that the Treasury Department and U.S. executive directors at the multilateral development banks vigorously pursue these reforms, the bill includes a requirement that the U.S. executive directors must testify every year before the Committee on Financial Services on the efforts they have made to achieve these reforms.

Mr. Speaker, it is imperative that we work to make these international financial institutions more open and more accountable to the public. Without that transparency, it is impossible even for Congress to know if the laws we pass are being observed at these institutions.

That brings me to the second issue this bill addresses, user fees. This bill strengthens current law which requires U.S. executive directors at the regional development banks to oppose the imposition of user fees and service charges on primary education and primary health care, including prevention and treatment efforts for HIV/AIDS, malaria, tuberculosis and infant, child and maternal health. In other words, for the poorest people in the world, we want to make sure that health access and educational access is available without user fees.

The current law on user fees includes several loopholes which the U.S. Treasury Department has unfortunately exploited. This bill closes those loopholes. For example, the Treasury Department has interpreted current law to require U.S. executive directors to oppose user fees only when they are part of a loan. This bill makes it clear that U.S. executive directors must oppose user fees in any loan, grant, document or strategy adopted by the regional development banks.

In addition, the Treasury Department interpreted law to apply unless the user fee provides an exemption for poor people; but exemptions for poor people, especially in impoverished countries, do not work. User fees discourage poor people from seeking primary health care and sending their kids to school because the poor are often not told about poverty exemptions and local officials often have an incentive to collect as many fees as possible. This bill makes it clear that U.S. executive directors must oppose user fees in impoverished countries as a whole. That is a major step forward.

In impoverished countries throughout the world there is documented evidence that user fees prevent people from sending their children to school and seeking medical care.

In Zambia, a researcher witnessed the arrival of a 14-year-old boy at a hospital, suffering from acute malaria. His parents were unable to pay the registration fee, which was equivalent to 33 American cents, but they were unable to afford that, and the boy was turned away. Within two hours the child was brought back dead.

In Kenya, the introduction of fees for patients of Nairobi's Special Treatment Clinic for Sexually Transmitted Diseases resulted in a decrease in attendance of 40 percent for men and 65 percent for women.

In Zimbabwe, there are reports of girls going into prostitution to pay school fees.

In Ghana, 77 percent of street children in the capital city dropped out of school because of inability to pay these fees.

It is essential that our country stop supporting the imposition of user fees on primary education and health care in impoverished countries and that we make the regional development banks more open and more accountable to the public. For these reasons, Mr. Speaker, I am pleased to support this bill, and I look forward to working with the subcommittee chairman, the gentleman from Nebraska (Mr. BEREUTER), to see that it is enacted into law.

Mr. Speaker, I reserve the balance of my time.

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that the remaining time be controlled by the gentleman from Nebraska (Mr. BEREUTER).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I want to thank the distinguished chairman and ranking member of the committee for their support and assistance in moving this legislation. And to the ranking member of the subcommittee, the gentleman from Vermont (Mr. SANDERS), I say that I very much appreciate his constructive help throughout this process.

The product we have before us, I think, should give pride to an authorizing committee and indeed to the House as it considers it. It has the input of a number of Members throughout our subcommittee and committee, and their efforts have been incorporated in this legislation.

The bill we have before us and the bill just passed by the House have been linked by this Member as we proceeded through the process in subcommittee and committee. Many of the amendments that Members might have wanted to make for regional development banks also could have been offered in some ways to the Export-Import Bank, but not as appropriately, and so this has been an opportunity for Members to have worked together on the two bills.

Previously the administration made authorization requests for both the Asian Development Fund, and IFAD, the International Fund for Agriculture Development. Therefore, during a June 11 hearing last year before the subcommittee, we considered the regional multilateral financial development institutions, and a representative of the Treasury testified in support of these two authorization requests.

The Asian Development Fund, of which the U.S. is a non-regional member, is a concessional arm of the Asian Development Bank. The fund offers loans with interest rates of 1 percent to 1½ percent to the poorest countries in Asia. In September 2000, the U.S. agreed to a 4-year, $412 million contribution as a seventh replenishment contribution from this country to the Asian Development Fund, and section 1 takes the administration's request for this $412 million authorization for the Asian Development Fund.

Furthermore, IFAD provides loans and grants for agricultural and rural development projects for the world's poor living in rural areas, of which almost 75 percent of the world's 1.2 billion poorest people do live in such poor areas. Moreover, approximately two-thirds of IFAD loans are concessional. Section 2 of H.R. 2604 provides an authorization of $30 million for the fifth replenishment of IFAD which equals the administration's request.

Mr. Speaker, I would like to highlight about 5 or 6 points in the legislation. First, with respect to the subject of HIV/AIDS, during the subcommittee's hearings on May 15, a representative of the United Nations provided the subcommittee with an estimate that 36 million people are now living with HIV/AIDS, with 70 percent of those people residing in Sub-Saharan Africa. In order to address the HIV/AIDS epidemic, section 3 of this legislation instructs the U.S. executive directors of the different relevant regional multilateral development institutions, among other things, to support the integration of HIV/AIDS and other infectious disease strategies and training into the priorities and programs of the respective institutions.

Many Members are interested and were involved in this issue, but I give special credit to the gentlewoman from California (Ms. WATERS) for her leadership on this subject.

Second, with regard to the imposition of user fees, it must be noted that strong opposition and concern existed within the subcommittee to the imposition of certain user fees, and that was expressed at our April 25, 2001, hearing on the African Development Bank and fund. Therefore, section 4 of this bill instructs the U.S. executive directors of the different relevant regional multilateral development institutions to oppose any loan, grant, document or strategy that is subject to the endorsement or approval of the board of the institution which includes user fees in impoverished countries for the purposes of primary education and primary health care. No user fees for those subjects.

Third, section 5 addresses the very important topic of transparency, to which the distinguished gentleman from Vermont (Mr. SANDERS) gave special attention and for which he spoke a few minutes ago. Currently the regional development institutions do not have public meetings; nor are the transcript of their meetings typically made available to the public. Much of the lack of this transparency can be attributed to the acute lack of emphasis on transparency in governments in many foreign countries.

□ 1345

At the outset, I should state that it should be noted that the U.S. Treasury officials have been one of the catalysts towards increased efforts in transparency at these institutions. However, more emphasis on transparency is needed at the regional multilateral development institutions, and we have adopted a number of things in this legislation to ensure that is the case. We have given incentives for it, in fact. There is a $10 million authorization specifically made available to those regional institutions that have taken important strides to implement transparency provisions in this section.

Mr. Speaker, finally, I want to mention the African Development Bank and Fund. This has been one of the more troubled regional institutions, but they have been making important strides in recent times in improvement under new leadership, and I think we have given them encouragement to move ahead. Many Members of our subcommittee had a particular interest in these two entities, and in these institutions emphasizing the provision of adequate service and activities in sub-Saharan Africa. I believe this legislation does exactly that.

Mr. Speaker, in conclusion, this Member urges his colleagues to support H.R. 2604 since it has very important reform provisions and because it contains authorizations for the U.S. contribution to the Asian Development Fund and IFAD in the amounts requested by the administration. I thank my colleagues for their continuous support on this effort in the subcommittee and committee.

Mr. Speaker, I reserve the balance of my time.

Mr. SANDERS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. WATERS), who has been an outstanding leader on the Committee on Financial Services in a number of areas including this legislation.

Ms. WATERS. Mr. Speaker, I first would like to thank my colleague from Vermont for allocating the time, but I would further like to thank both the chairman, the gentleman from Nebraska (Mr. BEREUTER), and our ranking member, the gentleman from Vermont (Mr. SANDERS), for the bipartisan leadership that they offer to all of us on this very important committee and the Subcommittee on International Monetary Policy and Trade. They have worked very well together, and I appreciate what they have been able to produce.

I rise to express my support for H.R. 2604, the Multinational Development Banks Authorization Act. H.R. 2604 would reauthorize U.S. participation in the International Fund for Agricultural Development, IFAD, and the Asian Development Bank and set forth additional policies concerning several international financial institutions.

This bill includes provisions to promote transparency in the operations of international financial institutions, oppose the imposition of user fees on primary education and health care in impoverished countries, and support efforts to stop the spread of HIV/AIDS, tuberculosis, malaria, and other infectious diseases.

I am particularly interested in the United States participation in IFAD. Unlike other international financial institutions which have a broad range of objectives, IFAD has a very specific mandate, to eliminate hunger and world poverty in developing countries. IFAD's target groups are the poorest of the world's poor. They include small farmers, the rural landless, nomadic people, indigenous people, and rural poor women. IFAD provides funding and resources to promote economic development for these impoverished rural people.

I am especially pleased that this bill includes a provision I offered as an amendment during the subcommittee markup on the participation of IFAD in the Heavily Indebted Poor Countries initiative. This provision requires the Secretary of the Treasury to submit a report to this committee on the participation of IFAD in the HIPC initiative. I appreciate the support of my colleagues in the Committee on Financial Services for this provision, and I would urge my colleagues to support this legislation.

Mr. BEREUTER. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. SANDERS. Mr. Speaker, I yield myself the balance of my time to conclude by thanking the gentleman from Nebraska (Mr. BEREUTER). Again, he really did bring this legislation forward in an inclusive bipartisan way, and I very much appreciate it and I think the results speak for themselves. This is a very good bill. I support it.

Mr. Speaker, I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself the balance of my time, and I appreciate the kind remarks of the gentleman from Vermont. They are reciprocated. We worked well on this together, and it is a case of an authorizing subcommittee and committee doing their job and simply not relying on appropriators to take all of the necessary steps. I am proud of it, and I think the House will be proud of its product coming from the House and ultimately to passage.

Mr. LAFALCE. Mr. Speaker, I would like to commend the efforts of the Subcommittee Chairman DOUG BEREUTER and the Ranking Member BERNIE SANDERS on H.R. 2604, legislation to reauthorize U.S. participation in the Asian Development Fund and the International Fund for Agricultural Development (IFAD). The Asian Fund and the IFAD are part of a network of regional development institutions that receive substantial support from the United States. Though lesser known than the World Bank, these institutions play a vital role in development efforts globally.

As we consider all possible tools at our disposal in the effort to combat terrorism, I believe that the provision of development assistance is a necessary element. Poverty and economic isolation are not excuses for terrorism, but they clearly create a fertile environment for the violence and fanaticism that characterizes terrorist movements.

Through the development aid provided by the regional development institutions, the United States is working to ensure that poor countries obtain vital linkages to the global economy and that economic opportunity in these countries is widely shared. These efforts mark not a good anti-terrorism strategy, but also good economic policy and good foreign policy for the United States. The Asian Development Fund, in particular, will play a key role in the redevelopment of Afghanistan in the coming years.

In addition to authorizing U.S. contributions to the IFAD and Asian Development Fund, this bill includes useful language related to U.S. goals on institutional transparency, user fees, and HIV/AIDS strategies in the developing world. The directive on AIDS strategies is particularly important—the AIDS crisis in the developing world remains just as acute today as it was a year ago, and the regional development institutions can and should play an important part in the global effort to address this devastating pandemic.

Finally, the bill provides guidance regarding U.S. support for privatization projects funded by the regional development institutions. The United States has long supported privatization efforts in the developing world, and appropriately so. This language simply provides general principles for how privatization efforts should proceed, recognizing the experiences of failed privatization efforts in recent years.

Mr. WATTS of Oklahoma. Mr. Speaker, I rise in support of H.R. 2604 the Multinational Development Banks Authorization Act. I would like to commend Mr. OXLEY, the Chairman of the Financial Services Committee, and Mr. LAFALCE, the Ranking Member, and also the sponsor, Mr. BEREUTER, for crafting a bill that addresses important development issues in those parts of our world which are struggling to end poverty, hunger and disease and working to restructure, reform and develop their economies for the benefit of all their citizens.

Last year I had the opportunity to travel to Africa on two occasions with a number of my Republican and Democratic colleagues under the auspices of the Trade-Aid Coalition which

I initiated last year to focus on the links between trade and economic reform and prosperity.

The continent of Africa faces difficult challenges, but with the help of projects made possible by the multinational development banks, there are clear signs of progress in many of the countries we visited.

This progress is important not only to their economies and the American economy but also to American national security. Increased trade with Africa will lead to a more stable region, and we need only recall the bombings of our Embassies in Tanzania and Kenya to realize that the nations of sub-Sahara Africa are on the front lines of our war against terrorism.

Mr. Speaker, I would like to particularly commend the legislation for addressing the spread of AIDS and calling for the development of a strategic plan and professional training to attack this dreaded disease. This is Africa's greatest challenge, but success stories there prove that the spread of this disease can be controlled.

Additionally, I am pleased to see that the bill calls on GAO to submit a report on the benefits and costs of providing grants to heavily indebted countries instead of loans. Our Trade-Aid Coalition endorses this initiative as making a lot more sense then burdening nations with more loans when they are already fighting to pay off crushing foreign debts.

Mr. Speaker, the world changed last September 11. That day exposed the fact that American security is very much reliant on stability and poverty reduction in every corner of the world. This legislation will reduce global poverty and increase global stability, and I urge my colleagues to vote yes.

Mr. BEREUTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the bill, H.R. 2604, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MOTION TO INSTRUCT CONFEREES ON H.R. 2215, THE 21ST CENTURY DEPARTMENT OF JUSTICE APPROPRIATIONS AUTHORIZATION ACT

Ms. DEGETTE. Mr. Speaker, I offer a privileged motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Ms. DEGETTE moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill H.R. 2215 be instructed to—

(1) agree to title IV of the Senate amendment (establishing a Violence Against Women Office); and

(2) insist upon section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968, as added by section 402 of the House bill (establishing duties and functions of the Director of the Violence Against Women Office).

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Colorado (Ms. DEGETTE) and the gentleman from Wisconsin (Mr. SENSENBRENNER) each will be recognized for 30 minutes.

The Chair recognizes the gentlewoman from Colorado (Ms. DEGETTE).

GENERAL LEAVE

Ms. DEGETTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this motion to instruct conferees on H.R. 2215.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

Ms. DEGETTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the motion before us now would instruct conferees to the U.S. Department of Justice authorization bill to agree on the Senate provisions to make the Violence Against Women Office independent within the Justice Department, and also the House language that provides a clearly defined list of important duties and authority that VAWO should have. The combination of these provisions will effectively strengthen the Violence Against Women Act so that it can carry out its mission.

Before I discuss the reasons why this is so important, I would like to begin by recognizing two Members who have been integral to this issue. The first one, the gentlewoman from Wisconsin (Ms. BALDWIN), has worked on this bill and this issue for quite some time, both as a member of the Committee on the Judiciary and as a member of the conference committee to H.R. 2215. Working to protect women from domestic violence has always been a high priority for her and her work to protect the integrity of the Violence Against Women Office in the Department of Justice has been invaluable.

I would also like to recognize the work of the gentlewoman from New York (Ms. SLAUGHTER), who has always been a champion in the fight against domestic violence throughout her distinguished tenure in Congress. As one of the original sponsors of the Violence Against Women Act, she was integral to its passage. The gentlewoman continues to be a leader who we all look to on the issues and many other issues as well.

I want to thank these esteemed Members for their leadership and say what an honor it has been to work with them on this issue.

Mr. Speaker, the Violence Against Women Office of the U.S. Department of Justice was created in 1995 to implement the programs created under the Violence Against Women Act of 1994. The creation of this office was critical to transforming the work done in the States to address the issues of domestic violence, sexual assault and stalking.

The establishment of this office meant that for the very first time there was a strong showing of leadership from the Federal Government on the issue of domestic violence. This leadership has lent guidance and support to all the different entities at the State level to work to reduce the incidence and lessen the impact of violence against women. Law enforcement officers, prosecutors, the courts, and victim service organizations have all been assisted by the guidance given by the Violence Against Women Office. That office has served as a powerful voice within the administration, ensuring that keeping women and children safe from abuse is a top priority of the Federal Government.

The office also administers grants to States, tribal communities, local communities, and domestic violence and sexual assault providers to assist with improving the methods in which the criminal and civil justice systems respond to violent actions against women.

How has the office improved the way we deal with domestic violence? I would just like to describe a few ways in which the office has been transformative on the issue. The Violence Against Women Office has worked with U.S. Attorneys to ensure enforcement of the Federal criminal statutes contained in the Violence Against Women Act and assisted the Attorney General in formulating policy relating to civil and criminal justice for women.

The office also works closely with State and local organizations, with the understanding that ending violent crimes against women and children requires coordinated community-based responses. It administers over $270 million in grants each year to assist States and tribes to deal with the problem of domestic violence. The office also ensures the appropriate training of judges and other law enforcement personnel.

The Department of Justice Health and Human Services National Council on Violence Against Women, staffed by the Violence Against Women Office, has raised awareness in this country about the nature and harmful effects of domestic violence and, as a result, there is a great deal more awareness of domestic violence and its effect among the general public.

These are just a few of the myriad ways in which the Violence Against Women Office has provided leadership. So what exactly is the problem we are here to address? Unfortunately, the Violence Against Women Office has never been instituted under Federal statute, and much of its power has been undermined, thereby reducing its effectiveness. Because this office was never instituted under a Federal statute, it is vulnerable to being stripped of its power. And, indeed, that is exactly what has been happening lately.

In fact, there is nothing to prevent this administration or any other administration from summarily shutting the office down completely. Right now, the office is in a location well outside the main Department of Justice building, and its director, who used to have a seat at daily meetings of executive leadership with the Attorney General, now has very limited access to the power structure within the agency.

Just a few months ago, in fact, the policy office was effectively shut down. This completely undermines it and hobbles the office's ability to retain its status both as a national resource and an international leader on the issue of domestic violence.

Currently, the Justice Department is engaged in reorganizing internal offices that distribute grant funding, including the Violence Against Women Office. These plans, unfortunately, include reducing the already understaffed office as well as consolidating its funding goals with other unrelated grant programs. This again will only serve to further undercut the effectiveness of the office.

Now, the good news is that both the Senate and the House DOJ authorization bills take important steps to remedy this situation. What we need to do now is to combine the best provisions of both bills to protect this office from any further erosion of its status and ability. Both the House- and Senate-passed bills would statutorily institute the Violence Against Women Office, which is a very important step. However, we need to make sure that the differences between the two bills are resolved in such a manner that it will guarantee the effectiveness of the office.

The Senate language creates an independent office within the Department of Justice, giving it a high profile and guaranteeing the ability of the office to formulate policy and to assist the other governmental agencies in their work on violence against women. This, combined with the House language, listing its duties and authorities, will restore the Violence Against Women Office to its former position as a national leader, and an agent for change on the issue of combating domestic violence around the country.

The Federal Government should not forfeit our leadership on such an important issue. We owe it to the women and children in this country who have been affected by the scourge of domestic violence. I urge my colleagues to vote for my motion to instruct.

Mr. Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the motion to instruct conferees offered by the gentlewoman from Colorado would instruct conferees on H.R. 2215 to agree to title 4 of the Senate amendment but insist on adding the new section 2003 of the Omnibus Crime Control and Safe Streets Act of 1968, as added by section 402 of the House bill.

I will not oppose the motion to instruct offered by the gentlewoman from Colorado, but there are a few things that I think she ought to think about before the conferees actually meet on this subject.

□ 1400

The motion will basically instruct conferees to create a separate and independent Violence Against Women's Office in the Department of Justice headed by a director appointed by the President by and with the advice and consent of the Senate. I supported such an amendment in the House Committee on the Judiciary, but in response to concerns about this proposal, it was amended to permit the attorney general the discretion to put the office in the Office of Justice Programs so that the grant-making function of both offices could coordinate. The Department of Justice has testified it prefers the House provision, and is concerned about balkanizing the various grant making offices that currently exist in OJP.

Most would agree that the current organizational structure at OJP is in need of reform, and this administration is undertaking steps to streamline and improve the organization and administration of OJP. As a result of various authorizing statutes and funding mandates by Congress, and organizational decisions made by past attorneys general, OJP consists of five bureaus, six program offices, and seven administrative offices. Each of the five bureaus is headed by a presidential appointee by and with the advice and consent of the Senate. This structure does not include the Office of Community Oriented Policing.

Some argue persuasively that mandating that there be a separate VAWA office will further complicate the current structure at DOJ and make it more dysfunctional. Furthermore, a completely separate office would require additional resources to support the administrative functions of the office. I have heard that a completely separate office would require $10- to $15 million in funding, which I presume would come out of VAWA program funds.

I want to repeat that because the consequence of establishing this office precisely as the gentlewoman from Colorado (Ms. DEGETTE) is advocating might mean $10- to $15 million more in administrative expenses, and $10- to $15 million less in program, depending upon the decisions being made by the appropriators. I advise the gentlewoman that is a potential consequence of this motion.

I have discussed this matter with a number of Members and my constituents. The staff of the Committee on the Judiciary has met with Senator BIDEN's staff, the Senate Judiciary Committee staff, and various groups who support the creation of a separate office. As the conference proceeds, all of these viewpoints have and will continue to be heard, about I am confident a compromise can be reached.

The gentlewoman's motion says nothing about the coordination of grant-making functions of the new VAWA office with OJP. I can only assume that she would like to create a completely separate grant-making structure that does not have to coordinate with OJP, thereby siphoning program funds to pay for administrative infrastructure. A bigger bureaucracy is not necessarily better. Many would prefer to spend precious Federal dollars on combating violence against women instead of creating a new bureaucracy to implement the Violence Against Women Act.

Also, while the motion instructs conferees to include the provision of the House bill relating to the duties and functions of the director of the VAWA office, the motion says nothing about a similar provision found in section 403 of the Senate bill. I can only assume the gentlewoman wants it dropped.

To those who say that a separate office is needed to raise the profile of the director in these issues, I would direct them to the very language of the House bill which the motion would direct conferees to include. Under that language, the director of the VAWA office would serve as special counsel to the attorney general on the subject of violence against women. The director would work with the judicial branches of Federal and State governments on these issues. The director would serve at the request of the attorney general as the representative of the Department of Justice on task forces, committees and commissions addressing violence against women issues. The director would serve at the request of the President as the U.S. representative on these issues before international bodies.

The list goes on. I do not know what could be more high profile than designated in the statute that the director will be the point person in the Federal Government on issues relating to violence against women.

Mr. Speaker, I support the motion because it generally captures that which has already been agreed to and will allow the conferees to continue to work on these and other very important administrative and organizational issues.

Mr. Speaker, I reserve the balance of my time.

Ms. DEGETTE. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Ms. SLAUGHTER), and congratulate her for all of her many years of fine work on this issue.

Ms. SLAUGHTER. Mr. Speaker, this motion is in very good hands, and the gentlewoman has done such a good job describing it that I am going to be brief.

The DeGette motion instructs conferees to accept the Senate provision to create the independent Violence Against Women Office in the Department of Justice, and to accept the House provisions defining the duties and authority of the Violence Against Women's Office, and I thank the gentleman from Wisconsin (Mr. SENSENBRENNER) for accepting this motion. We appreciate that very much.

This office has been really important. Since 1995, it has heightened awareness throughout the United States about what happens with domestic violence, sexual assault and stalking. This office formulates policy, and administers more than $270 million annually in grants to State governments as well as to local community organizations, trains police and prosecutors and courts to address violence against women. In addition, it assists these organizations with the ability to give the highest quality of services to the victims and full administration of justice.

The importance of the Violence Against Women Office cannot be overestimated. In fact, and I think this is very important, a survey conducted by the National Coalition Against Domestic Violence reports that domestic violence has dropped 21 percent since the inception of this office, showing that the grants that they have given out have borne fruit. But much more remains to be done. Nearly 25 percent of the women in the United States, that is one-quarter of the women who are the majority in the country, reported that they have been physically or sexually assaulted by a current or former intimate partner at some point in their lifetime. We think that makes it worth $10- to $15 million.

The statistics illustrate the importance of that office to the health, safety and the very survival of women in many parts of this country. As has been pointed out, this wonderful resource is not authorized by statute, and as such, is not a permanent part of the anti-violence efforts. We want to pass the bill H.R. 28, the Violence Against Women Office Act, which would make it permanent. I was pleased that the bill was included in the Department of Justice authorization approved by the House last year.

It is for this reason we stand today to ask the conferees to agree to the House and Senate-passed language and ensure the Violence Against Women Office is given the permanent status that it desperately needs to address the crisis of violence against women in the coming years.

The office's work with grantees on very sensitive issues is vital, and can be best addressed through a separate and independent office and not the more broadly focused Office of Justice Programs. In addition, we want the conferees to adopt the detailed description of the duties of the director of the Violence Against Women's Office, contained in the House-passed Department of Justice authorization bill. It defines several important duties for the director, including serving as a special counsel to the attorney general on the subject of violence against women, and serving as a liaison with the judicial branches of the Federal and State governments on matters relating to violence against women.

Ending violence against women and girls is an ongoing struggle, and one of our best tools is the office. It is imperative that it be made permanent, and I urge my colleagues to support the office.

Mr. SENSENBRENNER. Mr. Speaker, I yield 5 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, first of all I thank the chairman of the Committee on the Judiciary for yielding me this time. I rise in strong support of the DeGette motion to instruct the conferees of H.R. 2215, the 21st Century Department of Justice Appropriations Authorization Act.

Since 1994, Congress has demonstrated our commitment to eradicating domestic violence. Passing the DeGette amendment is consistent with our demonstrated goal of protecting victims and stopping the cycle of violence that plagues millions of children every day.

This motion refers specifically to the bill introduced last year by the gentlewoman from New York (Ms. SLAUGHTER) and myself to make the Violence Against Women Office at the Department of Justice permanent and independent with qualified experts in the field of domestic violence. I support the inclusion of the Senate language in combination with the House language in the Department of Justice Appropriations Authorization Act.

A permanent and visible office is essential. It is essential to implement the Violence Against Women Act programs, and expertise among personnel promotes the most effective and efficient use of Federal dollars. Since the creation of the Violence Against Women Office in 1995, we have learned the critical importance of securing permanence for this office. The office has successfully administered effective VAWA grant programs, and heightened awareness of domestic violence, sexual assault, and stalking within the Federal Government and throughout the Nation. The office also provides invaluable expertise to States, developing programs to reduce domestic violence in their communities.

Domestic violence rates have declined by over 21 percent since the passage of the Violence Against Women Act; and yet a July 2000 study reported by the Department of Justice, in that study nearly 25 percent of women surveyed stated that they had been physically and/or sexually assaulted by a current or a former intimate partner at some point in their lifetime. These statistics are unacceptable. As violence continues to demonstrate so many families, a permanent Violence Against Women Office is necessary to ensure that VAWA's benefits continue to reach victims all across the country.

The current office is not specifically authorized by statute, and as such, is a de facto part of the Office of Justice Programs. Within OJP, the Violence Against Women Office has developed exceptional expertise in both the efficacy of policy and the accountability of VAWA grant administration. The Violence Against Women Act grant programs are extensive and far reaching. The success of a grant depends on the Department of Justice's development of good implementation policies and technical assistance.

Additionally, strong leadership of an independent Violence Against Women Office is necessary for ensuring that the Federal criminal, civil and immigration law responsibilities created by the VAWA and its reauthorization in 2000 are carried out consistently, department-wide to protect victims of domestic violence, sexual assault, stalking and trafficking. The office's work with grantees such as State coalitions on these very sensitive and important issues is critical to meeting the goals in the Violence Against Women Act.

I am confident that a combination of these provisions can establish the independence of the office and avoid unnecessary duplication within the existing infrastructure of the Department of Justice. Ending violence against women requires constant education, advocacy and implementation at all levels of our society, work that depends on strong leadership from a Federal Violence Against Women Office.

Mr. Speaker, with this office, I believe that we can continue to make progress on minimizing the epidemic of domestic violence that we currently face. I urge my colleagues to join me in support of the DeGette motion to instruct the conferees.

Ms. DEGETTE. Mr. Speaker, I yield 3¼ minutes to the gentleman from Michigan (Mr. CONYERS), the ranking member on the Committee on the Judiciary.

□ 1415

Mr. CONYERS. Mr. Speaker, I am grateful to the chairman of the Committee on the Judiciary, the gentleman from Wisconsin (Mr. SENSENBRENNER), for coming here to make I think important improvements and to make recommendations that I think we will take to heart in considering where we go in terms of family abuse, violence against women, which has been gaining increasing bipartisan support in both bodies. I am very pleased with the work of the gentlewoman from Colorado (Ms. DEGETTE), who brings this motion to instruct before us.

Mr. Speaker, remember that it was the gentlewoman from New York (Ms. SLAUGHTER) who has tried to give statutory foundation to the Violence Against Women Office, and it was our colleague, the gentlewoman from Wisconsin (Ms. BALDWIN), on the Committee on the Judiciary whose amendment was accepted and is now a subject of us instructing our conferees how to move.

It is clear from this discussion that there is bipartisan support. We still have a long way to go. But in Michigan, in Detroit, we are getting ready for our second metropolitan area town hall meeting which will be at Greater Grace Church at the end of this month. The first one held over a year ago brought together for the first time police, prosecutors, social workers, victims, family, clergy, lawyers and community people who were really inspired by the Federal involvement in this.

What we are simply doing here today is letting our conferees know that this office should be as strong and as independent as they can make it because they have been working with the U.S. Attorneys, they have been training the judges and the prosecutors and the members of the private bar, they have been working with Immigration and Naturalization Service.

So this is a huge step forward. I am very pleased to be associated with it. Obviously, the only direction we can go now, and we are deciding this, I think, as we gain more experience with the office itself, what we are trying to make sure is that we do not have an office that is just a grant agency. We want to be able to distribute grants where they are appropriate, but also it has to be a policy mechanism that advises the administration and the Congress alike.

I thank all the Members on the floor that have spoken in support of this.

Mr. SENSENBRENNER. Mr. Speaker, I reserve my time.

Ms. DEGETTE. Mr. Speaker, I am delighted to yield 3 minutes to the distinguished gentlewoman from California (Ms. HARMAN).

Ms. HARMAN. Mr. Speaker, I thank my colleague for yielding me time and commend on a bipartisan basis the efforts of those on the floor right now to help battered women.

The Violence Against Women Act was a promise by Congress to make America and the home a safer place for women. This act promised to finally treat domestic violence like the crime that it is, to improve law enforcement, to make streets safer for women, and to vigorously prosecute perpetrators. It promised more counseling and more shelters to provide a safe haven for abused women.

But, Mr. Speaker, underfunding and neglect have made this promise half-filled at best. The Violence Against Women Office cannot lead our Nation's efforts to serve victims of domestic violence if it is merely a check-writing organization. It needs strong statutory authority and adequate staff to do its job.

The Violence Against Women Office is essential to the Government's role in preventing violence, but private industry must also play a vital role.

Mr. Speaker, let me give you one example. One year ago, Harman International lost a 26-year employee who was brutally attacked and killed by her estranged husband. In response, Harman International worked with the Family Violence Prevention Fund to develop a comprehensive domestic violence prevention policy and to educate its employees about domestic violence. Harman International's policy states that domestic violence is not tolerated, and provides employees flexibility to take time off to handle the legal and mental consequences of domestic violence. The program protects those employees and helps the company by recognizing that the work of a victim of domestic violence suffers as she suffers.

But as Harman International was developing this policy, it discovered that few other companies have similar policies and programs.

Mr. Speaker, we need to work across the board to prevent domestic violence in both public and private sectors. I commend successful efforts to date, like those of Rainbow Services, Ltd., a haven for battered women in San Pedro, California, and I commend companies like Harman International.

Mr. Speaker, I encourage my colleagues to vote for this important motion.

Ms. DEGETTE. Mr. Speaker, I am pleased to yield 4 minutes to the distinguished gentlewoman from Wisconsin (Ms. BALDWIN), a member of the Committee on the Judiciary, who has done so much on this bill.

Ms. BALDWIN. Mr. Speaker, I rise in support of the DeGette motion to strengthen the independence of the Violence Against Women Office within the Department of Justice.

As we all know, violence against women continues to be a significant problem in our Nation. Domestic violence and sexual assault are still scourges on our Nation. The statistics are chilling. Nearly 1 in 3 women experience physical assault by a partner. These horrible crimes damage lives and tear families apart. The Violence Against Women Act, or VAWA for short, is a proven part of the solution to these problems.

There is much evidence of the success of VAWA. For example, in my State of Wisconsin, before the availability of VAWA grants there were only 15 nurses in the entire State who knew how to work with victims of sexual assault, collect forensic evidence, and work with law enforcement. Now there are over 150 nurses in Wisconsin who are trained to help victims. This training not only helps put the victim more at ease under the circumstances, but also increases the likelihood that prosecutions will be successful.

What was not included when VAWA was reauthorized last session was a permanent and statutorily authorized VAWA office within the Department of Justice. The VAWA office has been key to raising awareness within the Federal Government and the Nation about the impact of sexual assault and domestic violence. It is well-recognized for its distribution of $270 million in annual grants to local communities to fight violence against women.

But the office does far more. The office also works with U.S. Attorneys to enforce Federal criminal statutes. It provides technical assistance to local prosecutors, health care professionals, shelter staff, and domestic and sexual assault organizations.

Under the previous administration, the VAWO director was visibly and actively involved in the every-day work of the Justice Department. She participated in the daily meetings of the executive leadership with the Attorney General. She was a major international voice on violence against women issues, and consulted extensively with the various divisions within the department about violence against women issues. VAWA requires work with the FBI, the INS, and the civil and criminal divisions of the Department of Justice.

Mr. Speaker, while I understand the management concerns that lead some Members of Congress and the Department of Justice to want to locate the Violence Against Women Office within the Office of Justice Programs, I believe the mission of the Violence Against Women Office is much larger than just a grant administration organization. There are also limits on the Office of Justice Program's statutory authority to engage in policy work. Under the current structure this has been a serious impediment to the work against the Violence Against Women Office.

Mr. Speaker, I include for the RECORD testimony of Lynn Rosenthal, executive director of the National Network to End Domestic Violence, that was given before the Committee on Judiciary, Subcommittee on Crime and Drugs in the other body. Her testimony provides numerous examples of why we need an independent Violence Against Women Office.

Testimony of Lynn Rosenthal, Executive Director, National Network to End Domestic Violence Before the U.S. Senate, Judiciary Committee, Subcommittee on Crime and Drugs

Mr. Chairman and members of the Subcommittee, on behalf of the National Network to End Domestic Violence, thank you for providing the opportunity for me to share with you our views on the critical role of the Violence Against Women Office. The National Network is a network of statewide domestic violence coalitions around the country, who in turn represent more than 2,000 local domestic violence shelters and programs, and hundreds of thousands of battered women and their children.

In particular, I want to thank you, Senator Biden, for your landmark report "Violence Against Women: A Week in the Life of American Women" prepared by the Senate Judiciary in October of 1992. This report, a snapshot of the lives of women across the country, graphically described 200 incidents of domestic and sexual violence that occurred in just one week of one year. This report had a profound impact on my personal commitment to end violence against women, and many times over the past ten years I have returned to this report when I have needed inspiration and guidance to continue this important and often difficult work. It is this report that I begin with today.

September 1, 1992 12:45 a.m.: Rural California—"A woman with five children is physically abused by her husband. He punches her in the head with his fist. She sustains bruises. She escapes and runs to a friend's house for the night. She reports that she is afraid to call the sheriff because her husband threatens to take their 11-month old baby."

September 1, 1992 late afternoon: Maine—"A woman in her early twenties is thrown out of her trailer home by her boyfriend as her two sons, ages two and three, watch. Bruised and cut she attempts to leave with her sons. The two-year old child is taken from her by her boyfriend and she is ordered to leave and threatened with further violence. She departs her home with one of her children, but does not contact the police."

What might be different today for these women and countless like them because of the Violence Against Women Act? Because of VAWA, hundreds of police officers have been trained in the dynamics that keep these women trapped in violence relationships, and now play leadership roles in their communities. Because of VAWA, legal assistance is available for women facing the devastating fear of losing their children to perpetrators. Because of VAWA, more women reach out for help, seek shelter, obtain protective orders and are treated with dignity and respect by law enforcement officers. It was VAWA's critical focus on victim safety and offender accountability that brought about these important changes in our culture.

In retrospect, Congress conceived a brilliant formula for successful implementation of VAWA. Congress provided the states with critical funds and policy direction through the state formula grants and discretionary programs such as the pro arrest grants, rural, tribal, legal assistance to victims, research and training and technical assistance programs that collectively comprise the Violence Against Women Act.

But there is another partner to thank in this work, a partner who often works quietly but tirelessly to ensure that Congress' intent and the needs of the field are never forgotten as the day-to-day work in the field continues. That partner is the Violence Against Women Office.

First established as a high-level Office in Main Justice with full access to the policy-making and implementation functions of the Department, VAWO and its expert staff created a national awareness about the impact of violence against women that had never existed before. Within weeks of being appointed as the first director of VAWO, Bonnie Campbell was inundated with requests for help and technical expertise from the national and international leaders. Governors called, asking VAWO to help them plan statewide strategies for addressing domestic violence, sexual assault, and stalking. Leaders in government from other countries asked VAWO to share the U.S.'s groundbreaking legislation and methods with them. The Director of VAWO was a leader of the U.S. delegation to the U.N. World Conference on Women in Beijing.

These images of leadership greatly inspired the work of those of us on the frontlines, many of whom had been struggling for many years with limited resources and lack of public attention to the bruised and bleeding women we were seeking in our programs every day. The vision of a Presidentially-appointed, highly placed spokesperson galvanized the work at the state and local level. State and local legislators and policy makers were impressed with the strong commitment shown by the Department of Justice to ending violence against women, and became inspired to become leaders themselves in this battle.

The work of advocates at the state and local level was made easier and more effective because VAWO took on the equally important challenge of coordinating the interagency work that VAWA mandated. Your vision for ending violence against women was broad. VAWA created numerous grant programs in DOJ that required coordination with the grant programs in HHS, created new federal crimes, established new federal immigration rights, required states to honor each other's protection orders, established standards for the local issuance of protection orders and arrests of perpetrators of domestic violence, sexual assault, and stalking, and required state and local communities to come together in multidisciplinary efforts to develop policy and strategies for dealing with violence against women.

The number of agencies and offices required to carry out these substantive responsibilities is stunning. VAWA's mandates impact the U.S. Attorney's Offices, the INS, the FBI, HHS, the Civil and Criminal Divisions of DOJ, even parts of HUD, Labor, and DoD. Leadership was needed to coordinate these far-reaching implementation efforts—and VAWO stepped ably into that role, convening the National Advisory Council (an unprecedented public and private partnership of business, government, and public service sectors) and working with the various federal entities charged with the work of implementing VAWA. If VAWO had not been there, it is hard to imagine how the demand for federal and state coordination, leadership, and policy guidance could have been met.

When VAWO was housed in Main Justice, the director and her staff were able to work with other components of DOJ and other federal agencies to develop comprehensive policies regarding the implementation of VAWA. For example, the Full Faith and Credit Provision of VAWA 1994 simply said that states shall honor sister jurisdictions protective orders. The plan language of this provision did not explain how a state would know another state's protective order is valid, nor did it say whether or not a state must establish a protective order registry to implement this law. These are the practical concerns of turning a visionary law into a reality. VAWO led a collaborative effort that included the DOJ Office of Policy Development and the Executive Office of the U.S. Attorneys to develop practical policy guidelines that make it possible for all states, territories and tribes to make good use of the Full Faith and Credit Provision of VAWA.

When VAWO moved to the Office of Justice Programs, the responsibilities of the Office became more focused on the technical aspects of grant making and less on the policy issues that emerge in building programs that address victim safety and offender accountability—the cornerstones of VAWA. This trend seems to have continued under the new administration, and is cause for great concern. Although we have made great strides in some ways, in others our work is just beginning. Our need for a vigorous, proactive Violence Against Women Office has not diminished.

The tremendous needs and gaps uncovered by VAWA in 1994 led to its reauthorization in 2000, and the work at the state and local level has become more, not less, complex. VAWA requires the criminal and civil justice systems to work together with community services. VAWA funds prosecutors, courts, law enforcement, victim services, community-based assistance programs, tribal governments, and state coalitions. This broad range of professionals in turn serves victims and survivors living in rural towns and large urban cities, as well as immigrant, disabled, and older victims of abuse. VAWA grants provide needed services in communities of color and communities of faith. And all of these services are provided in the context of a complex system of federal, state, local, and tribal laws.

Addressing all of these mandates, understanding all of these laws, and reaching all of these communities is a tough challenge on the State and local level. Now more than ever, we need an active, high-profile Violence Against Women Office to help establish baseline standards for this increasingly complex work, and to provide consistent interpretations as to how the mandates of VAWA are to be met.

We need an Office staffed with program managers and policy analysts that have subject matter expertise, not just grant-making skills. Three examples of VAWA programs speak vividly to this need for the combined functions of grant-making and policy analysis within the same office. First, the Legal Assistance for Victims Program grantees might well call VAWO to ask for assistance in developing appropriate screening and conflicts protocol, or for help in developing policies to implement the new funding mandate that civil legal assistance be provided to sexual assault survivors. This new area of law requires guidance not simply on allowable expenses of a grant, but on what the civil legal needs are of such victims, and what challenges to expect in crafting these new programs. It takes a policy analyst familiar with these complicated issues to give the right answers or know how to find them. The lives of sexual assault survivors all across the country will be dramatically impacted by the answers to these questions.

Second, jurisdictions receiving Grants to Encourage Arrest funding needs to know how the VAWA 2000 amendments to the Full

Faith and Credit mandate of VAWA 1994 will impact their program practices. For example, states must certify that its laws, policies and practices do not require victims to bear costs associated with prosecution, filing, registration or service of a protective order. This requires not just grant managers who know the paperwork needed to meet the certification requirements, but policy experts who know how to craft changes in state law and policies to come into compliance with this new requirement.

Grantees of the Grants to Encourage Arrest and Enforce Protection Orders Program must also certify that their jurisdictions do not allow the issuance of mutual protection orders. If there is no legislative opportunity to satisfy this funding condition, grantees will turn to VAWO for expert guidance on alternative ways to meet this funding condition. A policy analyst must be available to speak to the various ways this requirement can be met, whether through changes in court rules or administrative memorandums. What may seem a technical certification requirement is so much more than a check on a grant application. Requiring states to prohibit the issuance of mutual protective orders as a condition of funding is about fulfilling the intent of VAWA to make systemic changes in the way states respond to critical issues of victim safety. We need look no farther than the recent highly publicized protective order case in Kentucky to know the importance of such requirements.

Finally, the new immigration rights and procedures created by VAWA are numerous and complex; grantees of all the VAWA programs need technical assistance to help them understand when critical immigration issues arise and how grantees can best help immigrant victims of domestic violence, sexual assault, and stalking. This work must be done very carefully. The lives of whole families are in danger—this really is a matter of life and death.

It is more important than ever that The Department of Justice provides leadership and guidance, inspiration, and policy support for the local and state work on domestic violence, sexual assault, and stalking. Now, more than ever, states need a strong Violence Against Women Office. It is only through this leadership that one day we will know for certain that a week in the life of American women is no longer a week filled with violence.

Mr. Speaker, I am concerned about the recent actions on the part of the administration that clearly indicate that the Violence Against Women Office is not a high priority. The policy staff of the office is woefully understaffed. In addition, the pending reorganization of OJP threatens to dismantle the expertise the Violence Against Women Office provides to local grantees.

The language added by the other body that this motion asks the House to endorse would statutorily authorize an independent Violence Against Women Office within the Department of Justice. I believe this recognizes the importance of the office. I urge my colleagues to vote in favor of this motion to instruct.

Ms. DEGETTE. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, in 1994, Congress passed the Violence Against Women Act, which has had great success in reducing violence against women and domestic violence generally. One of the things that act did was to create the Violence Against Women Office in the Justice Department. That office has been instrumental in directing the efforts against domestic violence. But the office has lost influence and is in danger of losing its role or much of its role in the pending reorganization within the Department of Justice.

With the strong bipartisan support, the House and the Senate have both passed provisions in the appropriations authorization bill to make the office permanent and statutory, but it is critical that the statutory creation of this office reflect the essential components of the office.

The office cannot serve as the leader in promoting the changes needed to effectively serve victims of domestic violence, sexual stalking and trafficking if it is merely a check-writing office, as it is often regarded today. The office needs the authority to create policy regarding violence against women and needs to have a presidentially-appointed, Senate-confirmed director in order to ensure that these issues continue to have a high profile at local, State, Federal and international events.

This motion to instruct will accomplish these purposes, and that is why I rise in support of the motion to instruct. I commend the gentlewoman for offering it.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time.

Ms. DEGETTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in conclusion, let me say that many years ago in the now receding past, I was privileged to be the sponsor in the Colorado legislature of one of the first omnibus domestic violence bills in the country, and in fact that bill was passed in 1995 in Colorado.

The thing we learned at that time was that one of the biggest barriers to preventing and stopping domestic violence is a lack of awareness by everybody around the country. This is a problem that is faced nationwide, which is why Congress passed the Violence against Women Act and why the Violence Against Women Office was set up in 1995.

However, if we are going to have a strong and effective Violence Against Women Office, it must be permanent, it must be independent, and it must be prepared to do much more than just simply administer grants. It needs to do outreach and education, and it needs to have the kind of stature within the Justice Department on a continuing basis that it did when it was once instituted. So, for those reasons, it is essential that we pass this motion to instruct and that we instruct the conferees both to adopt the Senate provisions that establish the office and also the House provisions that delineate the duties of the office.

Ms. PELOSI. Mr. Speaker, I commend Congresswoman DEGETTE for bringing this motion to the floor and I thank her, Congresswoman SLAUGHTER, and Congresswoman BALDWIN for their leadership on this issue.

The Violence Against Women Office of the U.S. Department of Justice was created in 1995 to implement the Violence Against Women Act. The creation of this office greatly strengthened the efforts of states to fight domestic violence, because for the first time, they had strong leadership and funding support from the federal government.

Under President Clinton, the Violence Against Women Office was a powerful voice within the Administration. The Director had strong support from the White House, and was a recognized leader in the fight to end domestic violence. It was clear that the safety of women and children was a top priority for the federal government.

Under the leadership of President Bush and Attorney General Ashcroft, the Violence Against Women Office has been systematically weakened. Just within the last two months, the policy department of the Violence Against Women Office disappeared, and the Director of the office has no access to the Attorney General or the President and no seat at the table to affect the policies of this Administration with concern to violence against women.

This is one of a series of actions by this Administration to diminish the importance of women's issues.

In one of his first actions, in January 2001, President Bush closed down the White House Office on Women's Initiatives and Outreach. The purpose of this office was to advance policies such as the Family and Medical Leave Act and to serve as a liaison between the White House and advocates for women.

Next, President Bush tried to eliminate funding for the regional Women's Bureau offices in the Department of Labor. The Women's Bureau had a mission of promoting the welfare of working women, improving their working conditions, and advancing their opportunities for profitable employment. This was further evidence of the Administration moving backwards on progress for women.

Violence against women doesn't rate highly in the Bush budget either. The President's budget falls $111.3 million short of fully funding critical programs such as transitional housing for victims of domestic violence, shelter services, and rape education and prevention. Obviously, President Bush does not support full funding of the Violence Against Women Act.

Today we have the chance to send a clear message to the conferees, that ending violence against women is a top priority. To do that, we need to restore a strong, independent Violence Against Women Office with the authority to impact critical public policy decisions. This is not a time to backtrack on our commitment to ending domestic violence against women.

I urge my colleagues to vote "yes" on this motion.

Mr. HOLT. Mr. Speaker, I rise in very strong support of Representative DEGETTE's motion to agree to provisions in the DOJ Authorization bill that strengthen and elevate the Violence Against Women Office. This is an important motion that deserves our support.

Since 1995, the Violence Against Women Office at the Department of justice has handled policy issues regarding violence against women, provided national and international leadership on the subject and worked with other DOJ offices to implement the mandates of the Violence Against Women Act.

The Office is responsible for coordinating the training of judges, law enforcement personnel and prosecutors in responding to victims of domestic violence, stalking and assault. it works with states and localities to provide a coordinated community response to domestic violence and establishes public education initiatives to heighten awareness about domestic violence.

The office has awarded more than $1 billion in grant funds, making over 1,250 discretionary grants and 336 formula grants to states. These grant programs help train personnel, establish specialized domestic violence and sexual assault units, assist victims of violence, and hold perpetrators accountable.

In Mercer County, New Jersey, local social service groups have used grant funding from the Office to recruit and train pro bono attorneys and advocates to help provide legal assistance to battered women and their families.

Domestic violence is still shockingly pervasive in our society. The National Violence Against Women Survey found that domestic abuse rates remain disturbingly high. Clearly this violence is a national concern, and we need to do everything within our capabilities to make sure that it receives due attention.

The DeGette motion to instruct would go a long way toward strengthening and elevating this office and its mission. The Violence Against Women Office should be front and center in the Department of Justice. I urge my colleagues to support this measure.

Mrs. CHRISTENSEN. Mr. Speaker, I rise in support of Congresswoman DEGETTE's Motion to Instruct Conferees on Department of Justice Authorization (H.R. 2215). This motion instructs conferees to agree to Senate provisions to strengthen the Violence Against Women Office and make it independent within the Justice Department.

The Violence Against Women Office (VAWO) of the U.S. Department of Justice was created in 1995 to implement the laws and programs created under the Violence Against Women Act of 1994. Through the creation of VAWO, a clear voice of leadership on addressing domestic violence, stalking, sexual assault and trafficking from the federal government. VAWO has been a powerful voice within the Administration, ensuring that the safety of women and children is a top priority to the federal government.

Because the Violence Against Women Office was never instituted under federal statute, the administration and management of the office has been at the discretion of leadership in the Department of Justice. Consequently, VAWO has been slowly stripped of much of its power and effectiveness. Presently, the Director of VAWO has very limited direct access to the Attorney General or the White House. At one point, VAWO helped advise every entity in the Justice Department charged with implementing and enforcing laws created by VAWO. VAWO has seen all the staff of that division, including its director, suddenly transferred to places in the Department where they can no longer work on policy issues regarding VAWO.

Violence against women continues to remain a critical issue in our society that requires special attention. In the U.S., nearly 25% of women surveyed reported that they had been physically and/or sexually assaulted by a current or former intimate partner at some point in their lifetime, and 1 in 6 women has experienced an attempted or completed rape in her lifetime. If VAWO will continue to be an integral part of developing and implementing the Administration policy on violence against women, it must have the authority to do so. The Senate version of H.R. 2215 creates an independent Office within the main area of Justice, giving it a high profile and guaranteeing the ability of the Office to make policy and assist other governmental agencies in their work on violence against women.

I support this measure and urge my colleagues to do the same. I would like to take this opportunity to recognize the Women's Resource Center, The Safety Zone, and The Women's Coalition in the Virgin Islands. These are organizations in my district that work on violence against women issues.

Ms. DEGETTE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentlewoman from Colorado (Ms. DEGETTE).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. DEGETTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 416, nays 3, not voting 15, as follows:

[Roll No. 121]

YEAS—416

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Deal
DeFazio
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
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Kerns
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Kind (WI)
King (NY)
Kingston
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Knollenberg
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LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
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Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez
Sanders
Sandlin
Sawyer

Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
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Thornberry
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Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—3

Flake
Hostettler
Paul

NOT VOTING—15

Cannon
Clayton
Crane
Davis, Tom
Delahunt
Green (TX)
Lewis (GA)
Mascara
McCrery
Meek (FL)
Millender-McDonald
Murtha
Norwood
Traficant
Weller

☐ 1454

Mrs. CUBIN and Messrs. SCOTT, PETERSON of Pennsylvania, and TANCREDO changed their vote from "nay" to "yea."

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2646, FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–426) on the resolution (H. Res. 403) waiving points of order against the conference report to accompany the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–427) on the resolution (H. Res. 404) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON ENERGY AND COMMERCE

The SPEAKER pro tempore (Mr. LAHOOD) laid before the House the following communication from the chairman of the Committee on Energy and Commerce:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, April 29, 2002.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule VIII of the Rules of the House that the Committee on Energy and Commerce has received a subpoena for documents issued by the United States District Court for the Southern District of Texas.

After consultation with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,
W.J. "BILLY" TAUZIN,
Chairman.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HIGHER OIL PRICES DUE TO EXCESSIVE LAWS AND REGULATIONS DEMANDED BY BIG GOVERNMENT LIBERALS AND ENVIRONMENTAL EXTREMISTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, the very people who have caused high gas prices in this country are now crying the loudest about the oil companies raising prices. Most experts say gas prices are going to go much higher.

What is causing this is not collusion among the oil companies as much as laws and rules and regulations demanded by big government liberals and environmental extremists. Approximately 36 oil refineries have closed in this country since 1980 due to costly environmental rules. This keeps gas prices high and will drive them even higher.

Environmental groups have demonstrated for years against drilling for oil anyplace in this country. ANWR is just the latest example. This has kept gas prices high, and they will go higher if we do not at some point get some common sense back into our rules and regulations in this regard, and if we keep not letting anybody produce any oil in this country. This keeps gas prices high and will help drive them even higher.

When I was a boy, a poor man could start a gas station. Now, because of all the environmental rules and regulations and red tape, it costs a fortune to open a gas station. This causes gas prices to be higher, and will drive them higher if we do not, as I said a moment ago, get a little common sense and balance back into these rules.

Oil companies have been forced to merge and get bigger to survive. Small companies have been forced out of business by excessive and overly costly and expensive regulations. This has caused gas prices to be higher, and probably are headed even higher.

Sometimes those who shout the loudest about being for the little guy are actually the best friends that extremely big business has. In almost every area, in almost every industry, Mr. Speaker, big-government liberals and environmental extremists have driven small- and now even medium-sized companies out of business, thus removing much competition for the really big companies.

I was told that in 1978 there were 157 small coal companies in east Tennessee. Now there are none. I think this is why so many extremely big businesses fund these environmental groups. In fact, it would not surprise me at all if Arab oil interests were funding most of the fight against drilling for oil in Alaska and other places in this country.

But whatever it is, Mr. Speaker, whether it is small logging companies in communities in the Northwest or coal companies in Tennessee, it seems that groups are protesting anytime anybody wants to drill for any oil, dig for any coal, cut any trees, or produce any natural gas in this country.

We cannot, Mr. Speaker, shut the whole country down. They always base everything on tourism. Tourism is a minimum wage industry. I can tell the Members this: I have a lot of parents and grandparents who come to me with their college graduate kids and they cannot find jobs because we have forced so many companies to move jobs to other countries, and we have shut so many things down in this country.

Most of these environmentalists seem to come from wealthy or very upper-income families, and perhaps they do not realize how much they are hurting the poor and the lower-income and the working people in this country; but they are destroying jobs, they are driving up prices, and they will keep on doing this harm if we do not talk about this and discuss this a little further in this country today.

We need to do something about this, so that we can bring prices down. If we keep on letting environmental extremists dictate the agenda in this Congress, we are going to destroy jobs and drive up prices; and as I say, we are going to really hurt the lower-income and working people in this Nation.

□ 1500

ASTHMA AWARENESS

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentleman from Texas (Mr. BARTON) is recognized for 5 minutes.

Mr. BARTON of Texas. Mr. Speaker, this week and today we are trying to focus attention on the problem of asthma in the United States. I am one of the original sponsors, and to this day, chief sponsors of Asthma Awareness Day. Senator KENNEDY in the other body and the gentleman from Rhode Island (Mr. KENNEDY) in this body, and a number of other House Members and Members of the other body are trying to focus attention on what we can do to help alleviate the causes of asthma and the symptoms of asthma and bring attention to the fact that millions and millions of Americans, both adult and young children, are afflicted by this.

The good news is that most asthmatics can lead normal, healthy lives without any really negatives consequences. I have a son, Brad Barton, who is 31. He has had asthma all his life, and yet he in high school was a star member of his tennis team and active in academics and athletics in his high school. He is now married and the father of two fine children my two grandsons, Blake and Brant. He has had inhalers and various medicines that he has taken in his entire life, but he leads a normal healthy life. So we are holding a number of events.

We had a reception last evening over at Union Station. We have another reception this afternoon, and we are just trying to bring attention to the fact that there is a lot that can be done on asthma. And there is a lot we can do to help those who have asthma to make their lives full and productive. One of the most famous asthmatics today is Jerome Bettis, the running back for the Pittsburg Steelers. He is one of the chief national spokesmen to bring attention to the affliction of asthma and how he can function as a member of the Pittsburg Steelers and be as effective and have the all-pro running back that he has had.

Mr. Speaker, I am just here to encourage all of my Members as we try to educate the American people about asthma and to continue the research and to find a way to prevent it and cure it and to help develop medicines that can make it easier for those of us who have it.

Asthma affects nearly five million children and causes more than 5,000 deaths each year. It is the leading cause of missed school days, yet many schools do not allow students to carry and use prescribed lifesaving asthma medication. When physicians prescribe inhalers, they instruct patients to carry them at all times. Asthma can happen any time, anywhere—in the classroom, on the playground, or in the lunchroom—so it's important for students to have immediate access to their inhalers. To date, the Allergy and Asthma Network—Mothers of Asthmatics (AANMA) has found only 17 states that have developed laws or policies which protect children's rights to carry inhalers in school. Schools that restrict or revoke this right, put themselves and students with asthma at risk. They also put other students at risk of witnessing a potentially life-threatening asthma attack. I strongly support children's rights to carry inhalers at school, and would urge States and local school districts to make this lifesaving decision for their students.

BLOATED FARM BILL NEEDS THE KNIFE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

Mr. FLAKE. Mr. Speaker, tomorrow we will vote on the conference report of the farm bill. I think it is important to stand up and express opposition to this measure. I think it is probably the worst piece of legislation we will vote on this year. It has been called the largest expansion of the Federal Government on domestic terms aside from military policy in this great society.

If you look at it over the next 10 years we will be spending, the average American family will spend about $1,800 just in taxes to support the subsidy payments as part of this farm bill. Above and beyond all that, the average American family will spend about $2,500 in increased and inflated food prices because of the price supports inherent in this bill.

I grew up on a farm, I am one of 11 children in northern Arizona. And one of my more unusual chores growing up was what I called bloat watch. I would sit on the top of a hill and overlook the alfalfa field where cattle were grazing. And when a critter would assume the "I'm bloated and I cannot get up position," I was to rush to the field with a knife in hand and stab the critter high on the left side behind the last rib. I am sure it was not very pleasant, but it would save the critter's life. And silage pent-up gas would spew and rain down all over. But it was the only thing that would save the critter.

It is much like this farm bill. I feel like reaching for my knife whenever we debate it. It is bloated bigger than ever, and we have got to take some drastic measures to rein it in.

I think that it is not only bad policy, I think that is accepted by just about everyone, but it is bad politics by Republicans. We have always stood for freedom as opposed to security. I think it is not ironic that the farm bill is replacing the Freedom to Farm Act with the Farm Security Act. I think we are going the wrong direction when we do this. We have to stand for freedom in all areas. Farmers ought to be free for all they want and gain a profit for what they sell, not to be told by government how much they can plant and when they can plant it.

We are moving far, too far away from the free market. I hope we will reconsider. I hope if we do not reconsider, that the President is waiting with veto pen in hand.

RETHINK WELFARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Illinois (Mr. DAVIS) is recognized for 60 minutes as the designee of the minority leader.

Mr. DAVIS of Illinois. Mr. Speaker, as we are moving rapidly towards reauthorization of TANF and as we continue to talk about welfare reform, and we continue to try and figure out what that really means, what is it that we are talking about? What is it that we are attempting to accomplish?

Well, it seems to me that one of the pieces that is often left out of the puzzle is there is conversation about movement but not necessarily conversation about movement away from what. It seems to me that any time we talk about that issue, that we really ought to be talking about the reduction and ultimate elimination of poverty. And so we talk about these as social issues, but in reality, they are really economic issues. And often we do not talk about the economic implications. We point out all of the difficulties of disadvantagement. We point out the numbers of people, two million of them in our criminal justice system, who are locked up in the Nation's prisons and jails, or we will talk about the 40 million-plus people who do not have health insurance, or we will talk about those folk who lack decent housing, or people who live in disadvantaged areas.

And when we get right down to the bottom of it, it all revolves around the issue of poverty. Who are those who have and who are those who have not. Who are those who have more than they need and others who have not enough.

And so the question becomes, how do we balance the equation? How do we mix up the goods, services and resources of our Nation so that all of our citizens can try and live out the American dream of a decent house, a place to live, the ability to send their children to a good school, to send their children to college, for children to grow up, have their own families, and continue to progress?

When I think about it, it is almost incongruous that the America of the 21st century is home to millions of family who have left welfare but are worse off economically, because many of the State governments are not spending the Federal funds that were intended to help these individuals transition into work or to take care of their children. To my mind, it is an America where child poverty that remains at a historic high, with nearly one out of every five children in the United States of America living today in poverty after a decade of boom in the national economy, where the average person living in poverty is poorer today than they were at the beginning of the decade. And that is a real contradiction that it is difficult to morally justify; and I must confess that I have some difficulty understanding it.

In my mind, a society which celebrates the reduction in welfare roles but ignores the realities that half of those who have left welfare jobs have been unable to pay the rent, buy food, afford medical care, or keep their telephone or electric service from being disconnected. That seems to me to be a serious contradiction.

It is amazing that here we are, a Nation where at most, 15 percent of eligible children have ever been enrolled in Head Start. That is an indication that we talk about Head Start, but oftentimes do not provide it. But that is a national figure. At most, 15 percent of eligible children are served by Head Start. Even worse than that, most Head Start programs do not meet the needs of working moms because of insufficient hours. Child care for low income families often exceeds 35 percent of the family income. Yet, child care workers are among the lowest paid and most poorly trained workers in the Nation. And yet we talk consistently about leaving no child behind. We talk about the great education system. We talk about all of the resources that are being provided. But what we have here is a kind of triple whammy. The needs of working families are not met, young minds are left unchallenged, and the families of child care workers themselves are locked in poverty.

□ 1515

It is amazing that you will expect a person to devote their lives to working with children, providing child care at a day care center or a Head Start program and yet they themselves remain poverty stricken for so long as they continue to do that work.

My mind cannot rest when more than 20 percent of adolescents suffer from mental disorders, including anxiety, mood disruption, and substance abuse. Without new public resources, the problem of mental illness among children and youth will not be addressed. So we have all of these young children and adolescents growing up with mental and emotional problems that never get dealt with, who themselves are headed towards a welfare system, and so they will live their entire lives never experiencing the fulfillness of the American dream, what America is designed to be or yet to become.

The uninsured rate for children increased from 14.5 percent in 1994 to 15.6 percent in 1998. For families with incomes of less than 200 percent of poverty, the uninsured rate increased from 23.4 percent to 26.5 percent.

My mind recoils at our growing prison population, which has spawned a generation of parentless families and a new source of mass trauma. Our prison population is now in excess of 2 million people. More than any other developed nation on the face of the earth. More than any percent of prison inmates are parents, and so one would have to ask what happens to, with, and for these children?

The result is that 1.5 million children have a parent in prison. Yet we have few programs to support these families while the parents are incarcerated or in the transition of trying to come back into the normalcy of a society.

Mr. Speaker, as the old saying goes, "You can run but you can't hide." No part of our society can escape the consequences of the great inequalities which plague us as a Nation. We talk about disparities, the difference between this group and another group.

A report was just released about a month ago talking about the tremendous disparities in health status of African Americans, of Latinos and other minorities in our country. It is in the national interest, in the best self-interest of every sector of our society to address these great inequalities and inequities and to address the consequences and inequities in a constructive, humane and just manner.

It follows logically that the problems facing urban America require that every sector of our society become a part of the solution, public and private, secular and faith-based. When I think about problem-solving, I often think of what used to be the slogan of the Black Panther Party, and I used to think of what they would say. They would say, "You're either part of the solution or part of the problem," and it really means that every sector of American society must indeed be a part of the solution because injustice anywhere diminishes justice everywhere.

So I welcome all of those who rallied to the cause of the most vulnerable. My understanding of history suggests that the great movements in American history, our struggle for independence, our struggle to end the curse of slavery, our struggle for civil and human voting rights, our struggle for the equality of minors and women, our struggle for dignity in the workplace, have only succeeded when we called into action every resource, every heart and every hand of goodwill.

Mr. Speaker, welfare reform in the 1990s proved in a perverse kind of way that government does work and it works well. We just had the wrong public policy goals. We set a goal of reducing the number of persons on welfare and we succeeded. We succeeded spectacularly well. However, our failure was in setting the wrong goal.

We did not set the goal of reducing poverty. We did not set the goal of increasing the quality of life or improving health or education outcomes. I agree with those who hold that the record of welfare in America is a cycle of reducing benefits to force people to work, then increasing benefits when the activism of the poor begin to disrupt society. Then we cut benefits again to replenish the lower wage pool.

Let me just tell my colleagues that I am one who believes seriously in the concept of work. I believe very strongly in the work ethic, and I believe that we work not just to earn a living or to be able to live. I believe that we work because through work we demonstrate that we are a contributing member of the society. We help to perpetuate that of which we are a part of. So we work not just to get paid, but we work as a kind of pay for the privilege of living in this society.

I maintain that not only is work a virtue, but it is difficult to be fulfilled if one does not feel that they are contributing to experience the wholeness of one's being, and so I maintain that it is time to break the cycle that we have become accustomed to by fundamentally changing the paradigm of our attack on the problem.

If we look at a problem one way, then we attack it one way. If we look at it another way, then perhaps we attack it differently. Let me walk through a few of the parameters which define for me where our children are today and what reform of our welfare system ought to really mean.

In 1994, 14 percent of all children were receiving welfare benefits. By 1999, only 7 percent of children received these benefits. The share of poor single mothers in the labor market grew from 39 percent to 57 percent, while the share of poor married mothers in the labor market remained constant at 39 percent.

There are those who would want to debate the merits and demerits of marriages and who want to spend a great deal of time talking about welfare reform couched in whether or not people should get married and whether or not they should not get married, whether there is coercion to get married, whether there are incentives for marriage, and I tell my colleagues, I do not believe that people ought to be coerced or skyjacked in any direction.

I also can tell my colleagues that I have no difficulty with the concept of marriage. As a matter of fact, marriage is a form of social organization, and I believe that where there is more organization, there is less chaos. So the first form of organization perhaps starts when two people form a union, and then of course the union might get larger, there might be other joiners, there might be other members of it, and then people expand it and we get something called a family.

Could my colleagues just imagine what our society would be like if there were no families, if everybody just kind of individually went their own way, without any of this social organization that comes as a result of the union and unification of people, oftentimes beginning with two?

Since the current recession began, and we are still arguing whether or not it is over, more than 2 million Americans have lost their jobs, and the old rule of last hired, first fired proved itself to be true once again, but, of course, that was not anything to not be expected or anything out of the ordinary.

For many forms of welfare recipients, there is little or no security in the job market. Less than 60 percent of welfare leavers are currently working, though as many as 70 percent have had employment at some time or another, but only 40 percent have worked consistently. Those who do work are likely to earn wages which fail to bring the family above the poverty line.

One group of studies determined that the median earnings in the first quarter after leaving TANF for people was $2,526 and in the fourth quarter $2,821. About 40 percent of the leavers are not working at all. This group is more likely to have less education, less prior work history, and greater health problems. They are more likely to face problems of domestic violence, which is not necessarily in many instances an issue by itself. It is oftentimes an issue that is intertwined with other factors that cause people to exhibit this kind of behavior.

They are more likely to be dealing with mental illnesses. Families which have been sanctioned have a very high poverty rate, 89 percent, according to one study, and after leaving assistance, many families lose their food stamps and Medicaid, even though they are still poor, and fewer than one-third receive child care subsidies.

In other words, the support system for low income families is riddled with holes. Thirty-three percent of leavers report not enough food, 39 percent report inability to pay the rent, and 7 percent report having to move in with others because of inability to afford housing.

We know that today 82 percent of new mothers return to the workforce in less than 1 year, but only 42 percent are able to work full time. Most Head Start programs do not meet the needs of working mothers because of insufficient hours. Child care for low income families often exceeds 35 percent of their total income.

So when we talk about our ability to move, the fact of the matter is that many of the individuals are in a Catch 22 position, and that remains the case.

□ 1530

In a majority of the States, and in my State, the great State of Illinois, the land of Lincoln, the recession has decimated the State budget. Illinois now has unpaid bills totaling over $1.2 billion and is facing a $1 billion deficit over the coming year. Every program in the State budget is vulnerable, including education.

In the area of education, we have faced for a long time tremendous disparities. While average spending nationally is about $6,000, in Illinois, and in some other States, spending ranges from less than $4,000 to more than $15,000. That is to say, in some school districts they are spending $4,000 per pupil; in other school districts they are spending as much as $15,000 per pupil. Now, I am not a mathematician, and I am not sure I always know exactly what equality means, but I guess any way that you cut it, there is something uneven and unequal about that equation.

Since most school funding comes from property taxes, rich communities have well-financed schools and poor communities, those most in need of supportive programs, have less-than-well-financed schools. Instead of focusing on the needs of students with smaller class sizes and repairing substandard buildings and providing remedial and before- and after-school programs, we are being swept away by the rhetoric of testing.

I spent a little bit of time teaching and serving as a counselor, and I can attest to the fact that testing can help teachers, students, and parents to understand what materials remain to be mastered, or it can be used as an arbitrary and irrelevant standard, in which case the curriculum is narrowed to whatever the test is on, and instructional time is allocated to whatever is on the test. The result is higher test scores but less real learning and a failure to develop the real potential of our children.

As you know, after the great debate, we passed a major reform of Federal assistance to education with bipartisan support. What many Americans do not know is the refusal of this House, and if we are very honest, a very partisan refusal, to pass a budget which provides funding for many of the new programs and initiatives. So we have programs and initiatives on the books, but it is like saying there is still no water in the well; or, in many instances, it would be the same as having a brand-new shiny automobile but no gasoline.

The surgeon general's recent report, "Mental Health," has highlighted the critical need for expansion of mental health services for children and youth. Many of these children are the very same children who need assistance from TANF. They are the children of needy families. More than 20 percent of adolescents suffer from mental disorders. The report details some of the inherent limits of the for-profit health system in addressing our mental health needs. Without new public resources, the problem of mental illness among children and youth cannot and will not be seriously addressed.

The share of children without health insurance increased from 14.5 percent in 1994 to 15.6 percent in 1998. For families with incomes of less than 200 percent of poverty, the uninsured rate increased from 23.4 percent to 26.5 percent.

The CHIP program, Children's Health Insurance Program, is struggling because it is not an entitlement program, like Medicaid or Medicare. States can cut back on CHIP when budgets face crisis, as we are experiencing in my State of Illinois. Medicare and Medicaid have been enormously successful in providing health care to their target populations; 98.7 percent of seniors have health insurance. We need a similar entitlement for children.

I believe that when it comes to health care, we have to set our sights on universal health care and coverage for everybody without regard to their ability to pay. There is a new movement afoot to develop a consensus around a set of family support principles and to find ways to operationalize them with regard to public policy. So let me offer just as suggestions a few thoughts; and, hopefully, some of these will be found in the TANF reauthorization bill once we are finished with it.

The goal of TANF should be to reduce poverty, to improve the quality of life and to enhance the independence of families. The health, education, and well-being of every child in America must be protected. People in need should receive assistance whenever and wherever they need it, and in many forms, not just in face-to-face visits.

People in need of assistance need to have necessary information and the ability to exercise the degree of control they choose over decisions which affect them and their lives. Each member of the community needs to be unfettered and have access to personal information to the status of their community and to the latest advances in social and scientific practice.

Individuals and families should be protected from injury caused by the system. The community needs to play a key role in anticipating the needs of the Nation and being involved in that. There has to be cooperation among programs and professionals. There should be no reason to have a maze of programs that people cannot find their way through when we have stated and indicated that all of these programs were in fact for the benefit of the people.

So as we reauthorize TANF, we must be serious with ourselves and say to ourselves that we know that education is the key, and so there ought not to be these restrictions on training for people. Because we already know that unless they get serious education and training, there will be no jobs in the workplace for them. How do they move from welfare to work unless they have the ability to do what somebody else needs to have done?

Lyndon Baines Johnson was supposed to have said one time that we have to speak truth to the American people. We have to let them know that there is no gain without some pain. So as a Nation we have to adopt that same principle, and we have to know that if we are going to successfully move people from welfare to work, they must be able to convey to others that they are in a position to do for them what they need to have done.

Nobody gives a person a job just because they need to work. I mean, there is no such thing as a job in a capitalistic society just because somebody needs to work. People are able to acquire jobs because they can go into the marketplace with a demonstrable skill, and they can say to that marketplace that I can do for you whatever it is that you are willing to pay for, and I can do for you what you need to have done.

A good example: lots of people go to the barber shop, and some of them will go there and just sit and engage in conversation and talk and have fun. Here the barber is wanting to cut hair because he wants to make money. But if people do not need a haircut, they do not just get in the chair and say cut my hair because you need to make money. No, they get in when they need a haircut or when they need a shave.

So we have to give people the opportunity to develop the skills that they need to go to school, to get educated, to learn technology, develop computer skills, to be able to go in the marketplace.

And then we have to be serious about this whole business of the minimum wage. I do not know how you get off welfare and out of poverty with a job that pays $6.25 an hour or $6.50 an hour. You certainly cannot do it in Chicago. I do not believe that you can do it in New York, I do not believe you can do it in Los Angeles, you cannot do it in St. Louis, you cannot do it in Philadelphia, and you cannot do it in Jackson, Mississippi. The real deal is you cannot do it anywhere in this country.

So we need to seriously, seriously, seriously look at raising the minimum wage so that there can be a greater level of sharing of the great resources of this Nation.

Yes, people go looking for something. But when they do, I am reminded of the song that Billie Holiday used to sing: "Them that's got shall get and them that's not shall lose. So the Bible say, and that still is the rule. Mama may have, Papa may have, but God bless the child that's got his own." And what we have to provide for the individuals in need of assistance is their own computer skills, their own education, their own carpentry training, their own sheet metal training, their own mechanical training, their own ability to go into the workplace and provide for someone that which is needed.

They ought to be able to get an associate in arts degree in college, at the very least. We all talk about how education has been the great equalizer, and yet we will restrict how much education and training that we are willing to provide for the individuals on TANF.

We also need to understand where jobs are and what is going on. Seventy-five percent of all new jobs in this country are being created in what is called suburban America.

□ 1545

So many of the people who are unemployed live in inner city or rural or semi-rural communities. If there are no jobs in those locations for them, and we cannot create the jobs for them, then we have to make sure that they can get to where the jobs are, which means that we need strong transportation access. So in the TANF reauthorization, there has to be enough money to get people on welfare, to get the participants from where there are no jobs to where there are some jobs.

I live in a community where we have lost more than 130,000 well-paying, good manufacturing jobs over the last 30 years. I can go by places and point to them and say there used to be 10,000 people working here, there used to be 10,000 working here. There used to be 2,000 people working here. All of those companies are gone. Many of them have moved not only out of the areas where they were, but they have actually moved out of the country. They have moved to Taiwan, to Mexico, to other places in South and Central America. They have gone where the labor costs are not the same. And yet the ability to explore it continues to exist.

So when some of the Members of this body talk about trying to make sure that there are labor protections and standards so that people who work earn enough money to live and so that they have decent places in which to work, they are trying to maintain a quality of life to which we have become accustomed, and we are saying that other countries ought to be able to move in this direction as opposed to allowing businesses and corporations and companies to move out in other directions and not only diminish the quality of life for those in our own country, but also the quality of life for others in places where they would go.

And so welfare reform is more than just a notion. Welfare reform has to provide the necessary support services so that as individuals are trying to make this transition, there are people available to help them.

What does that really mean? It means every time we develop a self-sufficient person, that person can take care of him or herself and their family and does not have to look to public resources, does not have to go to the public warehouse or public storehouse or do what some people call "feed from the public trough."

I believe that America, my country 'tis of thee, that America is big enough, strong enough, understands enough, recognizes the need enough, that we can provide for all of our citizens, even those who have fallen behind, even those who have maybe gotten off track, even those who are maybe incarcerated and coming back home this year, like the 630,000 people who are slated to be released from prisons and jails but do not necessarily have warm, inviting communities to come back to that will help them readjust, help them to have a solid place to live, the opportunity to get training, develop a skill, get a job, work their way back.

That is why I introduced in February something called the Public Safety Ex-Offenders Self-Sufficiency Act of 2002, which is not a difficult program to understand. Build 100,000 units of SRO-type housing over a period of 5 years so that as ex-offenders come back home, they will have structured living environments in which to live and receive help. And the good thing about it, it does not ask for any Federal grants because we model the program after the low income housing tax credits, but rather than using the population of a State, we use the ex-offender population of the State to determine the number of credits that a State would be allocated or would be eligible for.

We think that there are innovative and creative ways of meeting the needs of those who are disadvantaged in our society, and we think that there are innovative and creative ways of helping structure reform of our public welfare system so that it does not recycle people on and off, but so that it develops people into solid, self-sustaining, self-developing citizens who themselves can reach the point where they can take care of themselves.

Mr. Speaker, I appreciate the opportunity to engage in this discussion, for the opportunity to express a position and a point of view that we have a great opportunity with TANF reauthorization. We have an opportunity to help demonstrate that America can become the America that it has never been, but yet the America that it can and must be, that we can lift even those boats at the bottom.

I have been told that a rising tide would lift all boats. If we can lift people out of poverty, get them off welfare, we also reduce the number of individuals in prison. We reduce the number of children who are walking and wandering the streets, we reduce the number of those who have not been able to experience all of the greatness and the goodness of what this United States of America, my country 'tis of thee, has the potential for being, has the potential to become. I believe, Mr. Speaker, that we will do that. It may take a little longer than we hope, but I think we are moving in that direction.

PROBLEMS WITH THE FARM SECURITY ACT

The SPEAKER pro tempore (Mr. BOOZMAN). Under the Speaker's announced policy of January 3, 2001, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes as the designee of the majority leader.

Mr. SMITH of Michigan. Mr. Speaker, I am going to spend some minutes talking about something that I think is very important to this country, certainly important to farmers. That is the new farm bill.

In 1996, we passed farm legislation that was called Freedom to Farm. It was actually a program that phased out government farm program payments, and the challenge that we are facing in this country, almost everybody wants some of those open spaces, almost everybody in America would like the opportunity to have fresh products. In America, we appreciate the fact that we have the most healthy, the most low-cost food in terms of a percentage of our take-home dollar of any country in the world.

The Freedom to Farm Act passed in 1996 gave farmers a farm payment in 1996. The total payout amounted to about $6 billion. It phased down the payment for each of the next 7 years, in a sense, telling farmers in the United States that they are going to have to start producing for the market, not for government programs. They are going to have to make their best guess on how much of what crop to plant based on the information they have for the marketplaces. That is the way that the system in America has always worked.

That is why we have surged ahead economically. We had a system when our Founders wrote the Constitution, that the people that work hard and try and are most efficient and learn, and put that learning to use end up better off than those that do not, and that has been part of the motivation in our economy. And it has also been part of the reason our farm industry has become probably more efficient than any other country, and we are competitive in almost every commodity. If there was an open playing field, we probably could compete effectively with most countries.

We are now making a dramatic change to make farmers dependent on government farm payments, and we do this in a couple of ways. We encourage more production which brings down the price of the commodity that they sell, and we say to the very huge mega-farms and large landowners with 20,000 acres of farmland or 80,000 or 120,000 acres of farmlands, the giants, the corporation-type farms, that we will give them a government price support check for every bushel of grain that they produce and every pound of cotton that they produce.

What reaction does that have in the marketplace? It is going to mean that there is going to be more production, and the challenges are that more production is going to result in lower prices. We now find ourselves in the midst in a battle for democracy. Even as the President works against the undemocratic axis of evil, he may want to take a few moments to counter some undemocratic currents in our own Congress.

At the conclusion of the conference on the farm bill reauthorization that was just completed, H.R. 2646, the conference report was filed earlier this morning and it is on the floor tomorrow, I think it is clear that the conferees have defied the will of both Houses of Congress by perpetuating these unlimited farmer subsidies which will allow farms to draw millions of dollars in price support payments. By giving these very large farms this kind of unlimited guarantee of a government price support, they can farm the program rather than farm the products of their soil in relation to the marketplace.

The purpose of subsidies since farm programs began back in 1933 has been to protect family farmers. It was a mistake to get into the business of subsidizing every single acre and subsidizing every single bushel and every single pound of production, regardless of the producer's size and income.

□ 1600

By providing unlimited payments, we encourage farm operations to get bigger and bigger. About 82 percent, Mr. Speaker, 82 percent of all farm production subsidies now go to the largest 17 percent of farms.

I would like to take a moment, Mr. Speaker, to invite any of my colleagues, both who support unlimited payments and those that do not support unlimited payments, to come to the floor to talk about this issue, because tomorrow we are going to have a recommit vote of the agriculture bill. We are going to talk about the agriculture bill, and then there is going to be a motion to recommit with instructions that some of the provisions of limitation apply to that particular farm bill. So it is important that we talk about this today, because under the rules of the House, there will not be any debate or discussion tomorrow on that motion to recommit.

Mr. Speaker, this policy of giving most of the farm government payment subsidies to the largest farms also puts upward pressure on land prices and rents, and, as we mentioned, it contributes to overproduction because the largest farm operations can get a guaranteed government price on unlimited acres. The result is lower commodity prices, driving more family farmers off the farm.

I see the gentleman from Oregon (Mr. BLUMENAUER) has arrived in the Chamber. I want to yield to the gentleman. I was disappointed that the gentleman did not have a chance to present his motion to instruct because they very quickly brought to the floor their filing of the agriculture bill, which preempted your opportunity to give more suggestions to the conferees.

But, on the other hand, when 265 Members of this Chamber, almost two-thirds of this Chamber, voted the other week to instruct conferees to have some kind of real payment limitations, they disregarded it. It approaches arrogance when they say we do not care how most of the Members of this Chamber vote or, how many, it was 64 to 31 in the Senate, that said let us have real payment limitations. Maybe the gentleman's amendment would not have accomplished what we hoped it would.

Mr. Speaker, I yield to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy and I appreciate his leadership in focusing America's attention on the tremendous lost opportunity that is represented by the agriculture bill that has been put before us for a vote tomorrow.

The gentleman is right, there are issues large and small that illustrate the problems with the mindset that we have been greeted with the Committee on Agriculture in the House in terms of its treatment of the desires of these Members.

I had one little tiny provision that I thought would not be particularly controversial that dealt with animal fighting, cockfighting, really a sort of barbaric practice, where people watch chickens that have been trained to maim each other, to fight to the death, where you just have a little pile of feathers and blood at the end.

It is cruel and inhumane to the animals, but it is also part of, in many States, illegal gambling operations. It leads to illegal activities and violence. That is why we had all sorts of law enforcement authorities that wanted it to move forward. It is illegal in 47 States. Identical provisions passed in the House and Senate to make it illegal to at least transport these creatures across State lines, and maybe help law enforcement.

Mr. SMITH of Michigan. Mr. Speaker, reclaiming my time, would the gentleman help me remember and understand. I thought we had provision in the farm bill at one time?

Mr. BLUMENAUER. We did. It passed on the floor to put felony provisions for people who would transport these fighting birds, and also to export fighting dogs.

What happened in the agriculture conference committee is that the penalty provisions that would have closed the loophole were gutted. It went back to a misdemeanor, so it would not be enforced, even though identical provisions passed both the House and Senate. Even these watered-down provisions are not going to go into effect for another year.

Now I use this just as one example, a little tiny example, that shows where the will of the House and the Senate, identical provisions, and something, frankly, that the American public would have even greater penalty provisions in, it would go farther, they read it in. They cut it back. They gutted it.

It is nothing in terms of the damage that would be done as far as the American taxpayer is concerned. The gentleman is absolutely correct, and I appreciate it and was pleased to join with the gentleman on the floor in his efforts to put a cap on those payments here in the House. The gentleman is right, 265 Members voted to instruct, to have the Senate's **$275,000** payment limit.

Lo and behold, we get a bill back, it is the new **$360,000** limit, and all sorts of problems and additional aspects to this that actually make that illusory.

We see example after example where this agriculture bill is a missed opportunity. We missed an opportunity, and, if time permits, I would like to talk in a few minutes about some of the environmental provisions. It is a missed opportunity for the American taxpayer to rein in costs. It is a missed opportunity in States like mine where there are huge problems with specialty crops, where there are people that would exercise better conservation practices if they had a little help.

Mr. SMITH of Michigan. Mr. Speaker, I would like to talk about that. The fact is if we had real limits that would include what is called the generic certificate, which is the end run, the huge megacorporation type farms used to have the million dollar payments, then there is no question that we would have a lot more money. The estimate is between 2 and 4 billion additional dollars to do some of those things.

I yield to the gentleman from Arizona, Mr. FLAKE, for he has had some concern about the tremendous expansion of government programs.

Mr. FLAKE. Mr. Speaker, I thank the gentleman for yielding. I appreciate the gentleman from Michigan's leadership on this issue and the others that have spoken.

This, it has been said, is the largest expansion of the Federal Government domestic program since the 1960s, aside from military issues. It is a huge expansion of the Federal Government and little is being said about it.

We are expanding the commodity programs to include for the first time apples, peanuts, onions, with little discussion about it at all. It simply increases dependency out there among our farmers and it goes simply the wrong direction, away from the free market.

I find it ironic that this bill, at a time that we are supposedly embracing free markets around the world, this replaces the Freedom to Farm Act, it repudiates it, it sets it aside and replaces it with the Farm Security Act. We are trading freedom for so-called security that is often illusive.

We need to know who is receiving these subsidies. That is why I appreciate the gentleman from Michigan's leadership on this issue, to know that most of the subsidies are actually going to well-off farmers, or some who are not farmers at all.

We know, for example, that Scottie Pippen, that well-known farmer from Arkansas, when he is not posting up for the Portland Trailblazers, apparently he is digging post holes around his farm in Arkansas. He received thousands of dollars in subsidies for either growing or agreeing not to grow certain crops. Sam Donaldson, Ted Turner, that pauper David Rockefeller is also getting subsidies. We know this because people are posting on their web sites, getting through Freedom of Information those who are receiving subsidies. Now, we had to fight back an attempt this year to actually keep that information public. It is so embarrassing that a lot of people want it private again so nobody can point out how absurd it is that individuals like this are getting subsidies from government.

We have to recognize that the average American family over the next 10 years will spend about **$1,800** in higher taxes simply to pay for the subsidy programs in this bill. Worse than that, that same family will pay another **$2,500** just in the case of increased food prices because of the price supports in this system. That is a total of over **$4,000** that the average American family will spend because of this bill. That simply is wrong and we should not go forward with it.

I appreciate the opportunity to be here and speak on it.

Mr. SMITH of Michigan. Mr. Speaker, I hope the gentleman from Arizona (Mr. FLAKE) can stay a little longer so we can talk about some of these things.

I just have a chart here following up on the gentleman's mention. Farm subsidies to 12 Fortune 500 companies rose by 82 percent, and here are farm payments from these big companies that probably bought some extra land, and then they sign up this land to get government farm payments. Farm policy should be designed to give these to family farmers, not John Hancock Mutual Life Insurance, Westvaco Corporation, Caterpillar, Chevron, Georgia Pacific, the Mead Corporation, International Paper, Archer Daniels Midland, Boise Cascade, Kimberly Clark, Eli Lilly, Navistar. These are the kind of companies that are making millions of dollars in their venture as a corporation, but still in effect robbing some of the money that otherwise could go to some more substantial programs, whether it be environmental and conservation, whether it be more money for agriculture research, whether it be more money for the small farmers that really need help.

The gentleman from Wisconsin (Mr. KIND) has been a leader in trying to have a farm bill that better protects the environment, the conservation effort. I would ask the gentleman from Wisconsin (Mr. KIND) to give us the latest word on whether he is going to have a motion to recommit tomorrow.

Mr. KIND. First of all, I thank my friend from Michigan for yielding to me and securing time the night before one of the most important pieces of legislation affecting rural America and our farmers, the agriculture sector, will be coming before us.

I want to commend my other colleagues here, too, the gentleman from Arizona (Mr. FLAKE) and the gentleman from Oregon (Mr. BLUMENAUER) for the leadership they have shown on the issue and the particular insight they have brought to this debate.

In the past, farm bills have been a tricky proposition to put together. First of all, half of the Members of Congress, when you think about it, do not have a farm in their entire congressional district. So it is hard to engage individual Members of Congress on what constitutes the farm bill and the impact it is going to have on budgetary, fiscal policy and also rural programs, and, ultimately, support for our family farmers across the country.

We have had a conference now that has been meeting for a period of time, and they are reporting out a bill. I, as a member of the Committee on Agriculture, and the gentleman from Michigan (Mr. SMITH) is a member of the Committee on Agriculture as well, understand how terribly difficult the process is in a place like Congress to formulate a coalition to develop a farm bill given the competing interests, the different perspectives from different regions of the country, each with their own experiences, each with their own interests and insight on what should constitute a farm bill.

But as someone who has been involved in the process now since all of last year, the markup in the committee and watching the conference committee do their work, I am a little disenchanted in the way the process has ultimately worked. Yes, we are in a political season, an election year. That has affected the outcome of the decisions being made on that.

But when you look at the details that are just now emerging, the actual letter of the law being proposed, and even a lot of that is still unclear, and I think USDA should be very concerned that a lot of the provisions have not been clearly defined to enable them to implement what is in this conference bill, let alone whether it makes good policy, but you are talking about a bill that is going to have a huge impact on fiscal policy for this Nation for at least the next 10 years. We are talking about an additional $73 billion of new money on top of the roughly $100 billion that has been spent on farm bill programs under the old bill. Yet with these $73 billion of new money, roughly 75 percent of that is going to get sucked up in just a few commodity crop programs that will only benefit less than, less than, 30 percent of our American farmers in this country.

Yet it is being hailed as this great safety net for our family farmers across the country. But any bill that comes forward that only affects roughly 30 percent and excludes, for all practical purposes, 70 percent of the American producers in this country hardly constitutes a safety net, in my book.

But there are also very troubling implications, too, with the payment limitation caps that are alleged under this bill. Those of us on the floor here today brought forward a motion to instruct just a week ago, setting a payment limitation cap of $275,000 in a given year for an individual entity receiving these type of payments. Unfortunately, even though it passed with over 260 votes in the House and it received majority support in the Senate, the conferees basically ignored the wishes of the majority of Members of Congress in regards to the payment caps that we passed on a motion to instruct.

Not only did they ignore it by increasing that to $360,000, but they carved out exceptions that would basically blow the lid off of any practical cap or limitation. These are mandatory spending programs that we are talking about here that are going to explode in the out years and have a devastating impact on fiscal policy in this Nation, not to mention distorting the marketplace, because we are paying producers not based on market conditions, but based on acreage and what they produce, which creates an incentive for them to produce more and more and more, which leads to oversupply and then a plummeting of these very same commodity prices and us getting in this vicious cycle of these mandatory payment programs going out, or, even worse, of having to deal with multibillion dollar farm relief bills because of an incentive program being created encouraging overproduction.

□ 1615

So the motion to instruct that we passed with 260 votes would place a real payment cap of $275,000, which is still pretty generous in regards to these subsidy payments, but also using some of the money that would be freed up to go into these voluntary and incentive-based conservation programs, a little bit more into the agriculture research programs.

So we are talking about some value added in creating wealth in the farm bill, rather than just direct subsidy payments.

Mr. SMITH of Michigan. Mr. Speaker, let me just briefly review, or sort of give the skinny on what I see happening in the farm bill.

Senator BYRON DORGAN, a Democrat of North Dakota and CHARLES GRASSLEY, a Republican of Iowa, were the leaders over in the Senate that said, look, for the long run, long-term good of farmers and farm programs, let us put a cap on these multimillion dollar payments that are going out to some of these huge mega-farm and landowners. They said that there is enough votes in the Senate to recommit with instructions that we go back to the original Senate language on payment limitations. However, the rules are that if the House passes a farm bill prior to the Senate having the opportunity to recommit, then the Senate no longer has that opportunity to make a motion to recommit if the House passes the bill.

I suspect that that is some of the reason that our leaders in the Conference Committee on Agriculture, our chairman, our ranking member, decided to bring this up even before CBO has completed their cost estimates to file the bill, to bring the bill to a vote tomorrow.

In the process of recommitting this bill back with specific instructions, that first option goes to the Democrats. Normally, the ranking member of that particular committee has a lot of decision-making ability as to how that works.

The gentleman from Wisconsin (Mr. KIND) has his motion to reconstruct that puts payment limitations on. Can the gentleman give us the latest? Will we find out later tonight whether or not the gentleman's motion is going to be offered?

Mr. KIND. Mr. Speaker, if the gentleman will yield, I do have some additional information. In fact, I was just recently informed by our leadership on this side that we will be offering the motion to recommit based on the payment limitation caps. So we will have another chance tomorrow to effectuate the end product of this debate, so to speak. So I think this is going to be a very important motion.

Mr. SMITH of Michigan. Mr. Speaker, did the gentleman say that he will not?

Mr. KIND. Mr. Speaker, we will be offering the motion to recommit, based on, by and large, the motion to instruct, again that passed by 260 votes just a little over a week ago.

Because what we have now is a product that is greased to go. It was just filed a couple of hours ago. We are trying to pour through the details. We all know the devil is in the details in a lot of legislation. It is really in the wording, and what exceptions are thrown into these bills that can have a tremendous effect on policy. So we are trying to pour through that as quickly as possible.

But given the fact that the Members of the House and now the Senate are on record of supporting a 275 payment cap that has already passed, I think we have an opportunity with this motion to recommit to send it back to the conferees with these instructions again that this is really the will of the majority of Members of Congress, and that they need to treat it seriously this time, rather than brushing it off as merely an advisory type of motion. So we are going to have to get the word out between tonight and tomorrow.

PARLIAMENTARY INQUIRY

Mr. SMITH of Michigan. Mr. Speaker, I wonder if it is appropriate, during a Special Order, to have a parliamentary inquiry. Is there even reproductions of the farm bill that are available for the Members to read?

The SPEAKER pro tempore (Mr. BOOZMAN). There is not a printed copy at the desk currently; the conference report is being printed by GPO.

Mr. SMITH of Michigan. I thank the Speaker.

So here again is a real problem of asking us to vote on something that we are not even going to be able to read. If they give it to us at the last minute tomorrow morning, it is my guess that we are looking at a bill that is 3 or 4 inches thick, almost impossible, even with a group of staff, to try to wade through to find really what was stuck into this bill at the last minute for whatever reason.

Mr. KIND. Mr. Speaker, if the gentleman would yield for one final point. I want to be perfectly clear on this point. I represent over 10,600 family farmers in my congressional district alone. What we are proposing here should not be perceived for a second to be antifarmer. It is rather how can we help effectuate good farm policy for basically the next 10 years.

There is one crucial aspect in regards to these subsidy payments that I think a lot of our colleagues have ignored or just overlooked, and that is the trade implications. I mean historically, a round of trade discussions have usually dealt their fatal blows over disputes over farm policy. Now we are starting to hear the rest of the world in a single chorus cry out against the tremendous amount of subsidies that we are piling on in this next farm bill and encouraging retaliation on their part, but even more than that, encouraging bad faith negotiation in the next round of trade discussions which are important to our family farmers, but also important for economic growth in this country.

So if we do not get this aspect of the farm bill right in regards to our WTO obligations and setting up the next round of trade discussions for success rather than failure, this is something that is going to come back and haunt us for a very long time, not just on agricultural exports, but on a whole range of products that we need market access to, and it is going to be very hard to accomplish if this is the message that we are sending to the rest of the world, that we are going to pile on the subsidies here, virtually unlimited, and yet we expect them to open up their markets to our products.

I thank the gentleman again for this time.

Mr. SMITH of Michigan. I thank the gentleman. Of course, with the rush on this bill, there is a lot of work to do in informing our Members of what the gentleman's amendment is, and I think most of us in this room are cosponsoring it.

Mr. Speaker, I yield to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I thank the gentleman for yielding. Just to the point of the conferees ignoring the will of the House, there was another issue that was brought up. There was a vote on a motion to instruct which would instruct the House conferees to accept the Senate version with regard to private financing of agriculture exports to Cuba. One can argue about the policy there, but the House overwhelmingly, 2 years ago, said that food and medicine sales to Cuba were fine. All this would say is that private banks here in the U.S., if they want to take the risk, then they can lend. Right now it has to be done on a cash basis. We had a vote, 272 Members supported it, yet the conferees ignored that, and they ignored the Senate as well, and that provision is out.

So I appreciate what the Members here have done, and I just wanted to point out that that was another issue where the conferees simply ignored what the House felt as a whole.

Mr. SMITH of Michigan. Mr. Speaker, maybe sometimes too much control and ability to have it their own way instead of having it the people's way. So hopefully in the future it will change. Earlier I used the word "arrogant" in describing the disregard of conferees to seriously consider and look at and, at least in part, put in the will of the delegation. I saw in one of our leading newspapers a quote about two brothers producing sugar benefit in excess of $400 million, I think that was a year, from the production program that we have for sugar. Here again, we want our sugar beet farmers to survive and our sugarcane farmers to survive, but when it goes to $400 million to a set of brothers probably does not help our average farmer very much.

The gentleman from Florida (Mr. MILLER) has been a leader in trying to get some equity in trying to keep some industry that is related to sugar in the United States, and I yield to the gentleman.

Mr. DAN MILLER of Florida. Mr. Speaker, it is a pleasure to be here with my colleagues today, and I commend the gentleman from Michigan, someone who is a real farmer here in Congress, and on the Committee on Agriculture, to be able to stand up and say, this is a bad bill. Each of us come from different districts, whether it is from Wisconsin, where there is a lot of small family farmers, and in my area, we have a lot of tomato farms, and citrus is a big area. But even though we do not know too much about this bill because it is basically a secret bill that we will find out about tomorrow, basically it just helps a limited number of people in a limited number of States.

The problem is that this bill is a total reversal of a philosophy that those of us that came together, the gentleman from Michigan (Mr. SMITH), when we came together with a conservative philosophy to say, we need to reduce the size and scope of government, and actually in the 1996 Freedom to Farm bill, we started to do that. It was a glidepath to reduce the role of government and to open up the agriculture market. I voted for that bill, but this is a total reversal. Not a total reversal in the amounts of money and the programs, but the targeting of other specialized programs.

We got rid of the wool, mohair and honey programs back in 1996. They are back. Why are we subsidizing wool, mohair and honey? The peanut program is going to cost us billions of dollars. Now, I like peanuts, but the problem is we do not need to spend billions of dollars on peanuts. I do not grow peanuts in my district and I do not think my colleagues here on the floor grow peanuts. But if you grow peanuts, you will support this bill. So there is bipartisan support, but there is also bipartisan opposition.

We do not really know the full cost of it. I have been trying to find that out, and some are saying it is $171 billion, but we really do not know. When we passed Freedom to Farm in 1996, it was projected to cost $47 billion. It turns out to be costing $123 billion.

Now, this bill is supposed to be $171 billion to start with, so it is a huge increase over what we passed in 1996, and what happened in 1996 is any indication, we are into a $350 billion bill and program; $350 billion. Here we are up here getting ready to go through the appropriation process figuring out how to get enough money for Pell grants, for prescription drugs, how to have enough money for homeland security and taking care of the war on terrorism, and here we are going to spend $350 billion on these farm programs over the next year.

Now, the gentleman mentioned the sugar program. The gentleman is correct. This program is getting worse. It was a bad program to start with and they made it even worse. It is so bad that last year, the Federal Government had to buy $500 million worth of sugar and then had to store it. Now we are paying to store the sugar, and we are creating a program that is going to have an incentive to produce even more sugar and the Federal Government is going to buy more sugar. I do not know how we are going to store all of this sugar that is going to be bought by the Federal Government over the next years.

Under trade regulations, Mexico is going to be allowed to sell more sugar than the United States. So we are going to be flooded with sugar. This bill encourages overproduction, and sugar is just one of the programs that they claim does not really cost very much money. They claim it was not going to cost anything until last year when they had to buy the $500 million worth of sugar. Because what it does is it costs jobs. The sugar program, what it does is, it sets an artificially high price for sugar in the United States, and what it does is, it drives jobs out of this country. The gentleman from Michigan, for example, talked about the Lifesaver plant in, I think, Holland, Michigan.

Mr. SMITH of Michigan. Mr. Speaker, the Lifesaver plant over in Holland, Michigan, producing pretty much all of the Lifesavers produced in the world, has now made the decision, because of the price of sugar, that they are going to go to Canada.

Mr. DAN MILLER of Florida. Mr. Speaker, so they are going to Canada for jobs. Sugar is a third of the price in Canada than it is in the United States.

So if someone is, especially in the hard candy area and uses a lot of sugar, why not move your production over into Canada, and that is exactly what is happening.

Mr. SMITH of Michigan. Mr. Speaker, that might hit our family farmers that are producing sugar even more aggressively than the tariff rate quotas that we tried to develop to protect them.

Mr. DAN MILLER of Florida. Mr. Speaker, the gentleman is right. The cane growers are some very, very large corporations like the brothers the gentleman mentioned. The beet farmers are smaller farmers up in the Midwest and the Dakotas and such, and they really are more family farmers, but the big farms, these plantations in Florida, they also control, for example, most of the sugar in the Dominican Republic. But the Dominican Republic, and this is how crazy the program is, they sell sugar around the world for maybe 6 cents a pound, but they sell it to the United States for the United States price, which is about 20 cents a pound. Absolutely crazy, and it is still controlled by the same family that grows it in Florida.

So, you know, in 1996, one of the classic, most important bills we passed was welfare reform, and I think it has been a success. We are going through the process of reauthorizing it this year. But what we are creating is a welfare program for farmers, and that is unfortunate. We want to support the small farm; we want to have the life of the farmer to continue as we have known in previous generations, but it is becoming big business, and what this bill does is just making it harder for the family farmers to survive.

Mr. SMITH of Michigan. Mr. Speaker, the statistic I think, at least for last year, is 40 percent of the net income of farmers came in government checks. If farmers do not like it, our goal has to be to increase production.

☐ 1630

Mr. Speaker, I yield to the gentleman from Oregon (Mr. BLUMENAUER) for an "out West" opinion.

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding to me.

One of the things that I wanted to spend a moment on deals with the environmental aspects. The gentleman has been speaking earlier, and I think very forcefully, and focusing on how bad a deal this is for the taxpayers, the costs that are associated with this. We are going to hear in the course of this discussion that this 10-year bill represents a quantum increase in conservation.

Well, we are going to find that virtually all the major environmental groups are going to come out opposed to this legislation. Yes, it is true that there will be a dollar increase over the next 10 years, and it will be a significant increase over the next 10 years.

But this, put in the context of how great the need is and how much money we are going to be throwing at all aspects of the agricultural program, this actually represents a retreat. We are going to find that as a result of this bill, it will represent a lower percentage of the total Federal commitment to agriculture than the farm bill of 1996.

It has been stated, I think very well, by the Defenders of Wildlife: "All the talk of the importance of conservation work has, in the end, amounted to a hollow shell of the conservation budget that came out of the Senate. The conference report will shrink conservation spending as a percent of total farm spending."

I would like to talk for a moment, if I could, about some of the specifics. We have the Environmental Quality Incentives Program. This is very important. It is a way to help deal with the real environmental problems that are faced by agricultural producers.

Under current law, the Environmental Quality Incentives Program, the EQIP, is limited to small- and medium-sized producers and restricts payments to $50,000 over multiple years. When the House and Senate opened this to corporate livestock producers, they argued that, well, these payment limits would restrict the large factory farms from receiving large payments to clean up their waste and from draining money out of the program.

Well, it was not just the overall caps that the negotiators turned their backs on. They turned their backs on the small and medium producers when they multiplied the current limit nine times over to $450,000 for multiple years.

The current program has a backlog of almost 200,000 applications for small and medium producers. The average payment last year was $9,000. Now we are opening the door to large factory farms. We are waving large checks in front of Smithfield and Tyson Foods, and we are going to have the small producers squeezed to the back of the line. It is going to put more and more pressure on them to have to either sell out or consolidate. It is an important step backwards.

Mr. SMITH of Michigan. Mr. Speaker, that is sort of a cue to allow me to talk a little bit about how we are putting pressure on the small, traditional crop farmer in the United States.

We passed my amendment to put real limits on and get rid of the loophole on a vote of 265 to 158, and we did that on April 18. At the time the House motion passed, the chairman of the Committee on Agriculture was quoted as saying, "It will have no bearing on the conference," and true to his word, with the apparent consent of the Senate agriculture committee chairman, the conference report that came out yesterday keeps that loophole and bows to the interests of mammoth farms and giant grain and cotton dealers who want unlimited price supports and the resulting increased production.

If we asked a grain trader such as Cargill, Archer Daniels, any of them, they tend to make their money based on the amount of product going through their system, so the more product they have, the more money they have.

So these conferees were under tremendous pressure not only from the huge farmers in the megafarms, but also from the grain traders and cotton traders that have an advantage with having unlimited payments and unlimited price support.

Now, let me tell Members briefly how the loophole works. Nonrecourse marketing assistance loans allow a farmer the choice of repaying commodity loans at low local market prices. As an alternative, a farmer can forgo loans entirely and simply take the difference between the loan rates and the low market prices as a direct cash payment. That is called a loan deficiency payment, an LDP.

Both marketing loan and the LDP benefits are capped in current law. They are capped in this bill. Many in the agricultural community, I will use the word "hoodwink," hoodwink many in this Chamber and many Americans by saying, look, we have a cap on payments. But the fact is that there is a loophole. That loophole lets the farmer get around the limits through the use of commodity certificates.

Here is how it works: the generic commodity certificate was initially an innovation aimed at preventing a buildup of forfeited commodities in government warehouses, so with a nonrecourse loan, a farmer can give title of that commodity to the government. The government will give a loan to that farmer, and the loan will represent the price support that is offered through the LDP, or a marketing loan program, so there are the same benefits in terms of the money that farmer now has.

Where we can limit the amount of cash that can be given to the farmer with the marketing loan or the loan deficiency payment, we do not limit; and the law allows USDA, the U.S. Department of Agriculture, to give that farmer a generic certificate to buy other commodities that will result in the same price support benefits as if they got a loan deficiency payment. So it is a loophole.

That is why we have so many of these farm operations receiving millions of dollars in payments every year at the same time that some brag that there are payment limits and payment caps in the proposal.

The conferees said, well, we will put in language where we will study it. Here is what the study is supposed to analyze.

Number one, what kind of effect will it have on the grain trade and the cotton trade? Well, the effect is going to be if we do not encourage more production, there is probably going to be less production. That means the grain trade is going to have a few less bushels and pounds going through their system, so it is probably going to have a little negative effect on their trade.

But what happens to the price farmers get? With lower production, the price farmers get goes up, and we can help many of those family farms around the United States and that green and open space, as we talk about the environment. We can preserve that land and keep it in agriculture, instead of paving it over for development and housing projects.

Our goal and our policy in this country should be to help family farms, the traditional family farms. It should not be to give a disadvantage to those family farms.

That is what we are doing. We are saying to this huge farmer that has a lower cost of production, we will guarantee you a payment that more than covers your variable costs. So that farmer says, well, look, I have this protection, so I am going to farm the farm program as much as I farm the market and the soil, so they end up overproducing.

That overproduction is getting us into real problems because that is part, with our current ability to distribute that food around the world, that is part of our problem in bringing prices down to the farmers. That is why we are working in the bankruptcy bill to make it a little easier for farmers to try to re-form their farmland and have the provisions of section 12 in the bankruptcy code.

Mr. Speaker, I yield to the gentleman from Florida (Mr. DAN MILLER).

Mr. DAN MILLER of Florida. Mr. Speaker, as the gentleman was talking about the fact that we are really helping the big farmers, there are some interesting numbers that came out of the Heritage Foundation, I see today. It says, the top 10 percent of the recipients now get 73 percent of the money. That has increased from 67 percent of the money that goes under the agriculture program.

The bottom 80 percent, and this is where all our family farmers are, now instead of getting 16 percent are going to get 12 percent. The money overwhelmingly goes to this top 10 percent, which are the very large farms, the ones that make the most money. We want to encourage the family farm and support that family farm, but all this is going to do is make it more difficult for the family farm to compete with the big giants, the agriculture giants in this country.

Mr. SMITH of Michigan. Mr. Speaker, I see also that this is a problem of the survival of the future of farm programs. With all of this publicity that is going out, and it does not matter what paper we pick up, they now realize that there is a loophole; and the Environmental Working Group has passed out the information that a lot of these big corporate-type farms are getting a lot of the money.

I think that is going to come back to hurt the average family farm in terms of the kind of programs that we can offer here in Washington, D.C., because it is bad publicity, so a lot of people start thinking, well, farmers are already rich. They are getting these million-dollar payments.

The fact is exactly as the gentleman suggests, that in our efforts to appease these large, influential farms, these large landowners, the large grain and cotton dealers, we have come up with a program that allows those big farmers the incentive to have unlimited production, overproduction, really, if you will. That means that the prices are going to go down for everybody else, with more pressure on those farmers.

When push comes to shove in the next 10 or 15 years, when we are looking at the survival of Social Security and the survival of Medicare, and we say, well, are we going to have to cut off some of the farm programs because a lot of people in America say we are giving too much money to these rich farmers anyway, what do Members think is going to happen?

What is going to happen is we are going to cut down on farm programs. At that time, probably we will cut down on the big, large million-dollar payments to the big farmers, too. But probably it is going to jeopardize the effectiveness of the farm programs for the survival of the agriculture industry in the United States. That is one of my main concerns.

Mr. BLUMENAUER. If the gentleman will continue to yield, Mr. Speaker, I could not agree more. As someone who comes from an agriculture State and somebody who is concerned about the relationship of prime agricultural land to our cities, this interface, the urban-rural interface, is critical to be able to maintain some of the most productive farmland in America.

Right now, we do not have the tools to help preserve it; and sadly, what we have been given from the conference committee makes this situation worse. It cuts critical conservation programs by almost $3 billion from the Senate bill and left out national conservation priorities. Even though the number of farmland acres lost to sprawl doubled, doubled over the last 6 years, the negotiators, in their wisdom, cut $1.25 billion out of the only Federal program to help farmers curb sprawl.

The tension between landowners and Federal agency and conservation interests over the endangered species issues have split communities all over the country. Yet the Wildlife Habitat Incentives Program was cut in half, from the Senate level of almost $1.5 billion to $700 million.

They dropped key language to address national environmental priorities, like reducing runoff to the Chesapeake Bay, and, in my region of the Pacific Northwest, missed an opportunity to reduce the water use in the Klamath Basin, which has been brought to national attention.

These farmers were promised more by the Federal Government over the last century than nature can produce. This was an opportunity to help solve the problem and protect the farmers. They turned their back. It tilted the new grasslands easement program towards short-term contracts instead of permanent easements, even though the overwhelming demand for producers is for permanent easements.

They also failed to adopt Senate language that would have ensured conservation programs work in every State and do not discriminate against farmers and ranchers in areas with high land values. I just find it tragic that our conferees turned their backs on a good product that came from the Senate that would have helped farmers in all of our communities.

I would just conclude my portion, Mr. Speaker, to commend the gentleman from Michigan (Mr. SMITH) and the gentleman from Florida (Mr. DAN MILLER), with whom I look forward again to working on the sugar issue.

But this legislation that we are going to have before us tomorrow represents a sad missed opportunity. It was a lost opportunity for the environment, as I have outlined. It was a lost opportunity in areas like animal welfare, the fighting birds that I mentioned, or being able to take downed animals out of the food chain. It is a food safety, as well as a humane, issue.

This is a lost opportunity for those of us who practice agriculture in the West. This is not a good bill for Oregon, Washington, and California. It hurts, it hurts the majority of farmers who, as the gentleman pointed out, need our help.

I am hopeful, I am hopeful that this House tomorrow will support that motion to recommit to reinstate those limits, to redirect the priorities so that we can make a little progress on this important bill for the future, not just of American agriculture, but for communities from coast to coast, border to border.

□ 1645

Mr. SMITH of Michigan. Well, I would just call to all our colleagues and all staff that might be watching. There is not going to be any debate allowed on this motion to recommit that sets real limits that this House and the Senate has voted for. That motion will come up tomorrow. The failure to include real payments limits in the farming bill, I think, is an example of entrenched special interests frustrating the will of the majority. The conferees, generally the most senior Members of the House and Senate Committee on Agriculture have chosen to ignore public sentiment and congressional sentiment in both the popular vote in both the House and the Senate in favor of serving the largest corporate farms and major grain traders.

They have also slighted I think our President, President Bush, who last August noted the plight of medium-sized farms, and he promised, and I quote again the President, "One of the things that we are going to make sure of as we restructure the farm program next year is that the money goes to the people it is meant to help."

Limiting subsidies for any single farmer is an idea whose time has come. If we continue with unlimited government payments under the farm bill for another 6 years, we will see increasing concern among the American people as farmers with huge land holdings with a lower marginal cost of production, pocket an ever-increasing share while more small and medium-size farms go out of business.

The decision for extra production by the very large farmers should be based on the market, not on a guaranteed government price. The public expects farm policy to focus on helping average traditional size family farms. Congress should respect that.

Mr. Speaker, I understand, the gentleman from Florida (Mr. MILLER) is considering leaving Congress after this next term. He has been a strong voice in an area that usually has not had a voice, and so he certainly has the appreciation of me and many Members of this Congress in his willingness to speak out on some of these tough issues.

Mr. DAN MILLER of Florida. Mr. Speaker, let me repeat some numbers I said just to confirm what you said about not helping small farmers, 88 percent of the money will flow to the top 20 percent. The bottom 80 percent of the recipients that receive subsidies will only get 12 percent of the money. It is overwhelmingly going to the large farmers. And really, basically, 90 percent of the money goes to wheat, corn, cotton, rice and soy beans.

So it is very targeted. Obviously, to get votes they throw in the peanut program. A few billion here, a few billion for sugar. They also have added in small chick peas. I do not know what they do with big chick peas, but small chick peas they will now be subsidized, lentils and dry peas. Well, I am really excited. We do not do a lot of small chick peas business. We get them in cans in my district. Lentils, lentils makes good soup. But why is the Federal Government getting into the subsidy business? It makes no sense to keep expanding the size and scope of the federal government.

The Heritage Foundation estimates that this bill will cost entire taxes to households $1,805, $1,805 per household is the cost to every tax-paying household in this country.

Mr. SMITH of Michigan. Really, that is essentially through taxes, but an increase in the cost of their food. If you add to that maybe some production that the market is paying more than it otherwise would, than there is even additional costs.

Mr. DAN MILLER of Florida. It is targeted. And I admire these States for having the gumption to go out and fight for it, the Dakotas and such.

Florida does not benefit. But I am not saying we should get it because I am a fiscal conservative.

The tomato people do not get it. The cucumber people, the bell pepper people in my district, the orange and grapefruit people, they do not get any subsidy check. This is an entitlement they are creating for the chick pea people and the honey people. It is an entitlement. It is not even the discretionary appropriations process.

Now there are some good things in this bill. I support agricultural research. When we look at pests that are brought into this country, that we need to find ways to solve those problems and we have that challenge in our citrus industry. But the problem we have in this bill is it is targeted to big rich farmers and to certain crops in Texas where they get cotton and rice, and Mississippi benefits from it. So for those few States that is their sugar daddy, but it is wrong for the American taxpayer.

Mr. Speaker, I commend the gentleman from Michigan (Mr. SMITH) for taking a leadership role in trying to let the American people know that this is bad for Congress. This is bad as a Republican and it is just bad for the taxpayers of this country.

Mr. Speaker, I insert in the RECORD the following article entitled "Harrowing U.S. Taxpayers with Ill-Designed Farm Bill."

HARROWING U.S. TAXPAYERS WITH ILL-DESIGNED FARM BILL

Committees of Congress last week reached an agreement on a farm bill that could cost as much as $100 billion in the next six years and would increase farm subsidies to $191 billion in the next decade.

The reconciled farm legislation, which still must pass the full House and Senate, is an abandonment of the policy established in the Freedom to Farm bill passed six years ago, designed largely to end farmers' dependence on subsidies and allow free markets to determine what and how much they planted.

But every year since 1996 as the economy slowed and prices fell, Congress passed special "emergency" measures to keep farmers afloat. Subsidy payments swelled last year to $20 billion.

What's most insulting to taxpayers about the new legislation is that the vast majority of the money the government will pay out does not go to save the fabled family farm, but to increase the profits of big agricultural companies, owners of huge tracts of land that will then use the subsidy payments to buy up the little farms next door.

In December, President Bush told Congress he wanted to see legislation that provides farmers with a safety net based on savings accounts. He wanted fiscally responsible legislation based on free market principles that would expand international trade. The new legislation fails on all counts.

The subsidy payments contemplated for commodity crops like wheat, corn and cotton will be based on production—the more you grow, the more money you receive. So of course the farms with the largest number of acres under cultivation will benefit most, receiving money to buy the small farms the law is supposed to protect.

Think of it. The legislation represents an agreement to subsidize farmers' income at a time when grain and cotton prices are at record lows and production is at an all-time high. Not surprisingly, these crops are grown primarily in 10 Midwestern and Southern states that are considered key to the midterm elections as well as the presidential race in 2004. The plan amounts to a renewal of corporate welfare to achieve a quick bump in farm state politicians' fortunes.

Although the Congressional Budget Office estimates the cost of the measure at $171 billion over 10 years, we don't really know the total cost because it depends greatly on the performance of the farm sector. As the Heritage Foundation's Brian Riedl points out, "If historical patterns hold and actual agriculture spending ends up double the forecasted level, the farm bill's final cost would increase to $342 billion."

Consider 1996. As Congress contemplated scaling back the subsidies, lawmakers estimated it would cost some $47 billion between 1996 and 2002. But when commodity prices plunged between 1998 and 2000, Congress instead added $27 billion in emergency payments to farmers. The 1996 law ultimately cost $123 billion.

Despite these scary numbers, consumers are unlikely to feel the cost, spread out as it is among millions of taxpayers. Nevertheless, it is disgusting to contemplate paying out billions to rich farms owned by agricultural companies. It is reckless to contemplate subsidizing already thriving industries.

ENCOURAGING YET MORE PRODUCTION

The farm bill is based on the premise that a surplus of crops caused prices to drop so low that farmers need subsidies to recover lost income. Yet under the legislation the amount of money handed to a farmer depends on how much he grows—thus encouraging yet more production. Inevitably, that will lead to increased subsidy payments.

Although the conference bill contains a $360,000 limit, there are so many exceptions that the number is little more than symbolic.

To be sure, there are some worthy aspects of this legislation. Of importance to Florida is a provision that within two years would require a country-of-origin label to mark meats, fish and fruits and vegetables raised or grown in America. And environmental groups should be pleased with the $17 billion earmarked for conservation.

But those provisions don't justify a bill that perpetuates misguided and outdated policies. If the reconciled measure reaches the president's desk, he should veto it.

Mr. SMITH of Michigan. Mr. Speaker, and that is bad for farmers. The question is how big is a family farm and Members can get into that argument. But the average-size farm in the United States is 460 acres. The average size commercial farm that does not have other outside income has been reported to be 960 acres.

How big would it be if we reached the limits that we are calling for in this motion that we are passing tomorrow? Using average prices for the 2002–01 crop year, it would take 27,392 acres of corn to reach the payment cap without the loophole. It would take 11,195 acres of cotton, 2,683 acres of rice, 5,261 acres of soybeans to run up against the limit in the House and Senate bills. Wheat and sorghum farmers could harvest an unlimited amount of acreage without reaching the limit because average harvest prices exceeded the loan price last year.

The Congressional Research Service, CRS, also calculated the acreage needed to branch the proposed cap based on the lower harvest period prices. What farmers do is they try to farm the program. So they get the largest government benefit when that daily reported price is the lowest. So when the market is the lowest, that is when they want to go to their USDA office and say this is the day that I want the difference between today's local price and the price that you are guaranteeing me for this product.

So that is going to increase the amount that they get from government. And then, of course, they try to sell their commodity either on contract or a forward pricing arrangement where they try to maximize the market price that they get for that product. So most every farmer in the United States ends up receiving more per bushel or per pound of that commodity than is called for in the loan price, the price support subsidy that is given for commodities.

Limits on payments are popular with both the public, with this House. We need to move ahead and pass this motion to recommit tomorrow. I hope my colleagues will study this issue. Call any of us on the House floor. Call any of the 265 members that voted for an identical provision in our motion to instruct on April 18.

Mr. Speaker, I thank my colleagues for participating.

Mr. Speaker, I also submit for the RECORD at this time some additional details and language of the price limitation provisions.

REPUBLICAN STUDY COMMITTEE,
May 1, 2002.

Quick Facts on the Farm Security Act Conference Report

1. Cost: Condenses the approximately $75 billion, 10-year cost of the House bill into 6 years.

2. Future Deficits: The high loan rates will stimulate overproduction, lead to lower prices and force excessive government outlays. This bill will quickly surpass budget estimates and lead to dramatic deficits.

3. Farm Income: Government payments already represent more than 40 percent of net farm income.

4. Food Stamps for Legal Immigrants: Reinstates benefits (which many states are already providing) for legal immigrants who have lived in the U.S. for at least five years. Also restores benefits for legal immigrant children and disabled individuals without minimum residency requirements.

5. TANF: Provides five months of transitional benefits for households leaving Temporary Assistance to Needy Families (TANF).

6. Across-the-Board Increases in Subsidies: Direct subsidy support payment rates are raised (relative to current law) for all crops and soybeans, and minor oilseeds are established as new contract crops eligible for direct payments.

7. Milk: Makes permanent the Milk Price Support Program currently set to expire at the end of May 2002.

8. Dairy: Creates a new 3½-year National Dairy Program to provide monthly and certain annual payments to all U.S. dairy producers. Not one producer has requested this federal manipulation of the private market.

9. Country-of-Origin Labeling: Implements a costly, mandatory, country-of-origin labeling program for meat, fruits, vegetables, fish, and peanuts.

10. Wool and Mohair: Permanently re-institutes the marketing loans and LDPs eliminated in 1996 and only partially and temporarily implemented since then.

11. Honey: Permanently re-institutes the marketing loans and LDPs eliminated in 1996.

12. Peanuts: Establishes new fixed payments and counter-cyclical payments for peanuts (in the same fashion as such payments for grains, cotton, and oilseeds). There is no such provisions for peanuts in current law. "Buys out" peanut farmers at 55 cents-per-pound over five years in exchange for the elimination of peanut quotas.

13. Apples: Creates a new commodity program.

14. Onions: Creates a new commodity program.

15. Sugar: Eliminates the loan forfeiture penalty in current law and the House bill.

16. McGovern-Dole: Authorizes $100 million to the George McGovern-Robert Dole International Food for Education and Child Nutrition Program, which would permit the President to direct a selected federal agency to provide U.S. agricultural commodities and financial and technical assistance for foreign preschool and school feeding programs to reduce hunger and improve literacy (particularly among girls), and nutrition programs for pregnant and nursing women and young children.

17. Violations of trade agreements: U.S. trade agreements limit domestic farm supports most likely to distort production and trade to no more than $19.1 billion per year. There is little doubt that under this bill we will exceed these limits: 96 percent of the world's consumers live outside of the United States; agricultural trade is vital for our farmers, and this bill will surely spur our partners to retaliate. For proof, just look at how some of our trading partners are reacting to the new steel tariffs.

18. Grasslands Reserve Program: Creates a new program to enroll up to two million acres of virgin and improved pastureland at a cost of $254 million over six years.

19. Farmland Protection Program: Implements a 20-fold increase in the funding for this program committed since the last farm bill.

20. Wildlife Habitat Incentives Program: Implements a 10-fold increase in the funding for this program committed since the last farm bill.

21. Conservation Security Program: Creates a new national incentive payment program for maintaining and increasing farm and ranch stewardship practices at a whooping cost of $2 billion over six years. If you wanted to walk one mile for every dollar committed to this untested program, you could walk between Washington, DC and Los Angeles almost 667,000 times!

22. Market Access Program: More than doubles (to $200 million annually) the funding for this program.

23. Target prices: Re-institutes "target prices" eliminated in 1996. [Target prices are the prices per bushel or other appropriate unit of a covered commodity used to determine counter-cyclinal payment rates.]

24. Loan Deficiency Payments: Expands authority for loan deficiency payments (LDPs) to grazed wheat, oats, barley, triticale, small chickpeas, lentils, and dry peas. [Currently, LDPs can only apply to grains, upland cotton, and oilseeds.]

25. Nutrition Programs: Increases funding for several nutrition programs, including the Emergency Food Assistance Program and the WIC Farmers' Market Nutrition Program.

26. Free Food: Implements a pilot program through which fresh fruits and vegetables will be provided for free in schools.

27. Rural Development Programs: Creates and increases funds for rural development programs, including programs that fund high-speed Internet access and the training of local emergency personnel.

28. Initiative for Future Agriculture and Food Systems: Gives a 67% increase in funding for this research program. Reauthorizes and establishes new agriculture research programs.

29. Forest Management: Creates a new $100-million program to assist private, non-industrial forest landowners in adopting sustainable forest management practices.

30. Bioenergy Programs: Creates 126 million-dollars-worth of new bioenergy programs, including a program to educate government and private fuel consumers about the benefits of biodiesel fuel use.

31. Opposed by Conferees: Vice Chairman of the House Agriculture Committee, Rep. John Boehner (R-OH), and Rep. Cal Dooley (D-CA)—both conferees on this farm bill—have released statements opposing the conference report.

THE HERITAGE FOUNDATION,
Washington, DC, April 30, 2002.

[From Backgrounder, No. 1542]

Still at the Federal Trough: Farm Subsidies for the Rich and Famous Shattered Records in 2001

(By Brian M. Riedl)

Members of Congress who are poised to spend at least $171 billion on direct farm subsidies over the next decade would be wise to examine newly released statistics detailing who actually receives these subsidies. In 2001, fortune 500 companies and large agribusinesses shattered previous farm subsidy records, while small family farmers saw their share of the subsidy pie shrink.

These subsidy programs tax working Americans toward millions to millionaires and provide profitable corporate farms with money that has been used to buy out family farms. The current farm bills would provide even greater subsidies for large farmers, costing the average household $4,400 over the next 10 years, while facilitating increased consolidation and buyouts in the agricultural industry.

HOW FARM SUBSIDIES TARGET LARGE FARMS

Legislators promoting subsidies take advantage of the popular misconception that farm subsidies exist to stabilize the incomes of poor family farmers who are at the mercy of unpredictable weather and crop prices. If that were the case, the federal government could bring the income of every full-time farmer in America up to 185 percent of the federal poverty level ($32,652 for a family of four in 2001) for just $4 billion per year. In reality, however, the government spends nearly $20 billion annually on programs that target large farms and agribusinesses.

Eligiblity for farm subsidies is determined not by income or poverty standards but by the crop that is grown. Growers of corn, wheat, cotton, soybeans, and rice receive more than 90 percent of all farm subsidies, while growers of most of the 400 other domestic crops are completely shut out of farm subsidy programs. Further skewing these awards, the amount of subsidies increase as a farmer plans more crops.

Thus, large farms and agribusinesses—which not only have the most acres of land, but also, because of their economies of scale, happen to be the nation's most profitable farms—receive the largest subsidies. Meanwhile, family farmers with fewer acres receive little or nothing in subsidies. In other words, far from serving as a safety net for poor family farmers, farm subsidies comprise America's largest corporate welfare program.

With agricultural programs designed to target large and profitable farms rather than family farmers, it should come as no surprise that farm subsidies in 2001 were distributed overwhelmingly to large growers and agribusiness, including a number of Fortune 500 companies. The top 10 percent of recipients—most of whom earn over $250,000 annually—received 73 percent of all farm subsidies in 2001.

The main losers in 2001 were the bottom 80 percent of farm subsidy recipients, including most family farmers, who saw their collective share of the subsidy pie shrink from 16 percent throughout the previous five years to 12 percent in 2001. This represents a decline of 25 percent in the share of subsidies received by these farmers.

At the same time, the number of farms receiving over $1 million in farm subsidies in one year increased by 28 percent to a record 69 farms in 2001. Topping the list was Arkansas' Tyler Farms, whose $8.1 million bounty was 90,000 times more than the median farm subsidy of $899—and nearly equal to the total of farm subsidies distributed to all farmers in Massachusetts and Rhode Island combined.

WHY FARM SUBSIDIES WILL CONTINUE TO TARGET LARGE FARMS

Although farm subsidies have been of greater help to large farms for decades, the evolution of farm subsidies into a corporate Welfare program has accelerated in recent years for 3 reasons: Congress has siphoned record amounts of money into farm subsidies since 1998; and Farm subsidies have helped large corporate farms buy out small farms and further consolidate the industry.

The big grain and cotton traders benefit from programs that encourage more production.

Despite an attempt to phase out farm programs in 1996, Congress reacted to slight crop price decreases in 1998 by initiating the first of four annual "emergency" payments to farmers. Subsidies increased from $6 billion in 1996 to nearly $30 billion a year in the new farm bill. Predictably, as subsidies increased, the amounts of subsidies for large farms and agribusinesses also increased.

Although increased subsidies help explain why large farms are receiving more money, however, they do not explain why they are receiving a larger portion of the overall farm subsidy pie. Since 1991, subsidies for large farms have nearly tripled, but there have been no increases in subsidies for small farms. Large farms are grabbing all of the new subsidy dollars from small farms because the federal government is helping them buy out small farms.

Specifically, large farms are using their massive federal subsidies to purchase small farms and consolidate the agriculture industry. As they buy up smaller farms, not only are these large farms able to capitalize further on economies of scale and become more profitable, but they also become eligible for even more federal subsidies—which they can use to buy even more small farms.

The result is a "plantation effect" that has already affected America's rice farms, three-quarters of which have been bought out and converted into tenant farms. Other farms growing wheat, corn, cotton, and soybeans are tending in the same direction. Consolidation is the main reason that the number of farms has decreased from 7 million to 2 million (just 400,000 of which are full-time farms) since 1935, while the average farm size has increased from 150 acres to more than 500 acres over the same period.

This farm industry consolidation is not necessarily harmful. Many larger farms and agribusinesses are more efficient, have better technology, and can produce crops at a lower cost than traditional farms; and not all family farmers who sell their property to corporate farms do so reluctantly.

The issue of concern is not consolidation per se, but whether the federal government should continue to subsidize these purchases through farm subsidies and whether multi-million-dollars agricultural corporations should continue to receive welfare payments. When President Franklin Roosevelt first crafted farm subsidies to aid family farmers struggling through the Great Depression, he clearly did not envision a situation in which these subsidies would be shifted to large Fortune 500 companies operating with 21st century technology in a booming economy.

MILLIONS FOR MILLIONAIRES

A glance at some of the recipients of farm subsidies in 2001 shows that many of those receiving these subsidies clearly do not need them. Table 1 shows that 12 Fortune 500 companies received farm subsidies in 2001. Subsidies to the four largest of these recipients—Westvaco, Chevron, John Hancock Mutual Life Insurance, and Caterpillar—shattered their previous record highs.

Table 2 lists other rich and famous "farmers" who received massive farm subsidies in 2001. David Rockefeller, the former chairman of Chase Manhattan and grandson of oil tycoon John D. Rockefeller, for example, received a personal record high of $134,556. Portland Trailblazers basketball star Scottie Pippen received his annual $26,315 payment not to farm land he owns in Arkansas. Ted Turner, the 25th wealthiest man in America, received $12,925. Even ousted Enron CEO and multi-millionaire Kenneth Lay received $6,019 for not farming his land. Chart 4 shows how these amounts tower over the amount received by the median farm subsidy recipient, who has received just $899 per year since 1996.

The Heritage Foundation concludes: The farm bills currently being considered by a House-Senate conference committee would further accelerate the transformation of farm subsidies into corporate welfare programs. Most of their enormous $171 billion cost would subsidize highly profitable Fortune 500 companies, agribusinesses, and celebrity "hobby farmers" and help fund their purchases of small family farms, and the average American family would be left paying $4,400 in taxes and inflated food prices to benefit millionaires—unless Congress or President George W. Bush finally puts an end to this counterproductive waste of taxpayer dollars.

EDUCATION TAX CREDITS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. SCHAFFER) is recognized for 60 minutes.

Mr. SCHAFFER. Mr. Speaker, I am attempting during this next hour to discuss an important issue, the issue of education, and to discuss it within the context of education tax credits which is a new kind of exciting idea that is being considered here in Congress.

It is, of course, something that many States know a lot about, but in Washington, it has just been under discussion on pretty serious terms, specifically by our President who has committed his support and pledged his assistance in helping us get a tax credit proposal through the House of Representatives and through the Senate, and ultimately on his own desk.

I want to start off by issuing an invitation to our colleagues who may be monitoring these proceedings that if they are, at any point in time, compelled to come down here on the floor and join in this discussion, I want to leave that invitation open and encourage our colleagues to join us on this important matter.

I know there are many, many people who care with improving education throughout the country. And that is a sentiment that extends to both sides of the aisle. I just returned last night from a trip overseas. I spent the weekend in Ukraine. I was invited by an organization called the East West Institute. In fact, they were the ones that paid for the trip. I was a speaker at a meeting an international conference on Saturday dealing with diplomacy and issues in the Ukraine.

I do not to talk about that as much as something I did on the two extra days that followed this international conference on regional politics and some diplomatic matters. Those next two days, Sunday and Monday, I went out to some of the most remote and rural areas of Ukraine and I visited a few orphanages. And I want to talk about those just for a second, because there is a comparison to be drawn between the way these orphanages work in Ukraine and the way our public school system here in the United States operates.

And the similarities come down to a matter of funding. But first for those children who are in some of these State-owned orphanages in Ukraine, if anybody has any concern or compassion for that part of the world, I would urge you to take a knee at some point in time and say a few prayers for those kids that I saw and others like them that I did not have a chance to meet.

These kids have nothing. Of course, they have lost their parents and are in orphanages for a variety of reasons, but even hope is a difficult thing to muster for some of them. I saw kids whose feet were sticking out of their shoes, who were wearing clothes that maybe they walked out of those old pictures that we are used to seeing of those old Nazi concentration camps. The clothing looked exactly like that.

I saw a kid with, oh, he must have been 10 or 11 years old, he had a football shirt on that said 1977 Superbowl on it. It obviously was a piece of clothing that made its way through some kind of humanitarian assistance program. This kid must have been wearing that shirt for quite a long time, and probably other children before him. It had holes in it and so on and he was wearing it anyway.

Just to give you an idea of the conditions. These children were stacked up in their dormitories. These beds are side by side, just lined up just fairly deep into the room. Just narrow beds, narrow walkways between them. These kids had hardly anything of their own in the way of possessions. It is a tough existence.

So we went and met with them and they were asking us to take them home, and they were tugging on my coat and wanting to know if I needed a son. I remember one little boy saying in Ukrainian, I will be no trouble. I am good. I will work and so on.

The reason I went to see these orphanages is because there is a bit of struggle in Ukraine between state-run orphanages and the new emerging orphanages in the country. And those new orphanages are run by churches and charities through the contributions and donations from caring people throughout the world.

These orphanages tend to be smaller. There tends to be a little more contact between the care providers which are often nuns or people involved in various religious organizations and holy orders, and they are good orphanages. The kids are clean. They have lots of things to do. They have a learning opportunity and so on.

It is a shame though that these private Christian orphanages are having a difficult time receiving children, getting these children into the orphanages. There is a struggle between the state-run institutions and the private-run institutions.

When I explored the reason for this and it comes down to funding, which is a real shame because in one orphanage on the outskirts of town, the city was Kuznetsorsk in Ukraine, a little west of Kiev, the nation's capital, we would see the state-run orphanage with hundreds of kids in it, clearly overcrowded; and yet a few miles away would be a private orphanage with empty beds in it. And while the children in the state-run orphanages were suffering and had no clothes, or least clothes that were just deplorable and very pathetic, the children just nearby were doing quite well and thriving. And so what is the difference between the two? It was a real shame to see this.

□ 1700

Here is the answer. In State-run orphanages, each child represents a certain dollar amount to the people who run that orphanage, and they do not want to give up those kids because if a child leaves and goes to a private orphanage run by a church or a charity, if a child were to leave the State-run orphanage, the funding would be reduced somewhat at that institution, and eventually if enough kids left, some of the people who have jobs at these orphanages feel that those jobs would be threatened, and they would lose their opportunity for employment.

So the kids suffer so that the institution and the people who work there can benefit and the institution can exist. Meanwhile, opportunities for children to thrive just across town are not being utilized because of this funding issue.

It seems such a shame, especially when we realize the loss of opportunity for so many young children in Ukraine, until we realize that this is the same model we use in America to fund our children's school systems. It really works the same way, and the motivations are quite similar when it comes right down to it.

We have schools throughout the country that are run by private organizations, sometimes religious organizations, that have a remarkable track record. They have empty desks because they can accommodate more children, rescue more children from inner cities, provide education and academic opportunity for them, yet they are involved with the struggle between the private institutions and the State-owned or the government-owned institutions, just a few miles away in many cases.

So while children languish in America, typically in inner city schools, and sometimes in rural schools, it could be anywhere, I suppose, the solution is clearly there, but the kids are not relinquished to the better opportunity because the people who run the failing inner city government-owned schools believe that if someone has a choice, they have some level of competitiveness, that their jobs would somehow be threatened.

It does not have to be that way, and it is my hope that we could find a better solution, a better model than that that we have seen in the former Soviet Union and maybe come up with a solution that more closely approximates our American traditions, the tradition of honest, hard work, of free market competition, of marketplace choices that give parents real power, customers real authority to determine the terms of quality, to drive down costs and to ensure a certain level of professionalism that is designed to achieve the expectations of the customers themselves.

We have that to some degree today. There are many private schools around the country that do fairly well, that manage to attract children, but usually it is predicated upon the wealth of the child's parents. They have the cash to pay the tuition and the income to forego the taxes they have already paid to buy the child's spot in the government-owned school. Then they might send their child to one of these private schools, and if enough do it, there may be a savings according to scale that allows the institution to reach out to some children in poverty. We see that in Jewish schools, Catholic schools, Christian schools of a variety of sorts, a handful of private schools that are not associated with any denomination or religious faith and are just targeted toward low income kids.

We have also seen the emergence of scholarship organizations where people contribute their money, even people who do not have children necessarily who contribute their hard-earned cash to these scholarship organizations to provide some assistance to poor children so that they might be able to have a choice and attend the school that they and their parents believe is in the best interests of their child.

Those are exciting trends, and it is that trend that has inspired Congress to consider tax credits, and we are not the first to arrive on the scene, by any means, and I want to give credit where that is due. That credit is due to the States. There are several States, about 10 of them, that have moved forward pretty aggressively on establishing choice elements in their laws, sometimes in their tax law, sometimes through the granting of State vouchers, a voucher that would allow a child to attend a private school, but tonight I want to focus on those examples of States that have created tax incentives to encourage and facilitate and ease the desires of taxpayers within their jurisdictions to contribute voluntarily to scholarship organizations that allow the most needy children in their States to attend the best schools.

According to those who actually make the decisions to choose that, it is an important distinction because we are not talking about schools that are determined to be high quality or in the best interests of a child based on some judgment of government and government workers, bureaucrats, but rather quality as determined by the marketplace, by the customers, by those who presumably have the greatest level of interest for the child, and those tend to be people who actually know the names of these children. More specifically, we are talking about parents and guardians.

We are just a few weeks away, maybe not even that long, of introducing an exciting tax credit bill that is modeled after some of the success stories in a handful of States, and the bill will simply reduce the obligation of a taxpayer to send their tax dollars here to Washington if they will instead send a certain amount of their tax obligation directly to one of these scholarship organizations or to a private or a public school. It would be their choice.

What it does is it gets away from this notion that we have today of taxpayers working hard, shovelling mountains of cash to Washington, D.C., so that the politicians here can distribute it according to government-driven formulas, and some day those dollars actually get back to children in classrooms. By the time it does, there is just a fraction of those dollars left, and that is unfortunate.

What we want to do is through manipulation of the Tax Code, tax law, encourage a direct contribution from taxpayer to child.

I have got a chart here, Mr. Speaker, of where our tax dollars go now. I know this is a very difficult chart to see, but I will describe what I am pointing out if my colleagues cannot see it.

Up here at the top is a figure of a guy working. He is sawing a piece of wood. So here is our worker in America who is earning a wage, and based on those wages, paying taxes. He pays his taxes to the Treasury Department. This is where the IRS would be found.

From the Treasury Department those dollars go to politicians who we would find right here in this area. Those are people like me here in Congress and others like us. We divvy up these dollars, the dollars that people work hard to earn. We divvy up the tax dollars. In fact, I should write that in here. Politicians should be right here. There is one more step in this filter of tax dollar process.

So we redistribute the wealth of the country. We spend a portion of it on the U.S. Department of Education who we would find in this column here. The Department of Education redistributes these dollars through a variety of Federal programs to the States.

At the State level, the State legislators get ahold of these funds, more politicians, and redistribute that wealth further within their own States, distributing those dollars through the State departments of education down to school districts, which is where we find more politicians, school board members, who redistribute the wealth down to schools in their communities, and ultimately and finally, those dollars will trickle down to the child way down here at the bottom.

That is a long list of steps for a dollar to get from the taxpayer to the tax recipient and, again, I mention some of the shortcomings of my chart here. I apologize for that. There are a few of the things that are missing along the way as well, so there are actually more steps in this chart than this chart actually represents.

As we can see, every one of these agencies along the way takes their cut. So by the time our dollars really get down to a child, first of all, the government has decided which school buildings are going to get the money. They have decided which children are going to be the winners or the losers, and they have decided that there are other things important in life like paying for all this bureaucracy that is, in fact, a higher priority to many here in Washington and at the State levels and even at the school district levels than the poor child down here at the bottom. So we have a different idea of getting dollars to children.

For those who are here in Washington, and there are plenty of them, who think this is a really great idea, this model of all these different steps of getting money to children, it is not here by accident. It is here because politicians built it this way. They like this. Some of their friends work in these agencies and departments. Some of their friends get some of the cash that goes to these different levels of government. Some of their teachers' unions get these dollars instead of these children.

So there are lots of people who win in this model here, and many have proposed getting rid of all of this nonsense, and that may be a good idea, but that is not what we are here to propose today because it is just too difficult. The politics supporting this whole structure and this system is pretty impressive. It is gigantic, as a matter of fact.

Mr. HOEKSTRA. Mr. Speaker, will the gentleman yield?

Mr. SCHAFFER. I yield to the gentleman from Michigan.

Mr. HOEKSTRA. Mr. Speaker, if the gentleman will let me have the chart for a minute, I think the interesting thing about this chart is as soon as the step takes place from the individual working, the taxpayer, putting the money into the Treasury Department by paying their taxes on April 15 or through Mr. FICA, which they pay on a weekly basis, this all of a sudden so many people no longer refer to as the taxpayer's money but as soon as that goes into here, this becomes a government dollar. So people will talk about government dollars and they will forget that really this should not be the top, this should be the foundation of the chart. The foundation of the chart is 280 million Americans paying taxes in to Washington, D.C. with private dollars, and then all of the sudden somewhere in between the taxpayer and the Department of Treasury, this becomes a government dollar.

Let me tell my colleagues why I brought that up. There is a great story this week in USA Today talking about churches heed a calling to educate poor children. We all recognize that perhaps some of our lowest performing schools or lowest performing areas are in the inner city urban areas, but in their first paragraph, "for an expected flood of neighborhood children who may soon have government dollars." So in the first paragraph they are talking about government dollars.

These are not government dollars, and the article spends a lot of time talking about vouchers. That is not what my colleague and I are talking about. What we are talking about is allowing individuals with their private dollars to make investments in schools and education and make it in every type of school, a learning opportunity that is available today in America, so that if somebody wants to make a donation to their local public school for a specific program or a specific endeavor that they have at their local public school, they can do that.

If they want to make a donation to a private school or parochial school or to an education investment fund that offers assistance to low income students to receive the kind of education that they might want, and really what it does is, as Secretary Rod Paige says, he says, here it is kind of interesting for our parents today. A quote, Parents pick out everything from book bags and haircuts to clothes but then their children march off to a school that some bureaucracy has chosen for them, not to a school that the parents have said this is my child, I know this kid pretty well and this is the kind of environment that they are going to learn best in.

It goes on to talk about Mr. Sullivan, who is the mayor of Indianapolis or, excuse me, he is an Indianapolis pastor and a former teacher, established his own Northstar Christian Academy because, "I saw the need for spiritual, moral values being taught as a foundation on which to build the academics I felt that was the key to a lack of motivation for learning."

Now, is that the appropriate model for every child in America? Probably not. Is that the appropriate model for the individuals that Pastor Sullivan knows? It may be exactly what that community and what his parishioners may need.

He goes on, and talking about, "Churches are probably one of the most stable black-owned institutions in this Nation, and black churches have stayed in the community," Sullivan says. "Anything short of operating our own schools and having access to these children is going to show minimal results because the schools have them for seven hours a day, the church has them for a couple of hours a week. It is not realistic to think we can turn a student around in a couple of hours."

Some would argue that it is hard to determine whether the churches are the answer, but what is happening around the country today is that some parents are saying it is worth the gamble.

□ 1715

For example, the story goes on to talk about security guard Trinidad Casas of San Antonio. He began selling blood four times a month to make up the difference left from the privately financed scholarship. That is exactly what my colleague and I are talking about is that individuals would have the opportunity to receive privately financed scholarships, to make up the difference his son gets to attend the Christian Academy of San Antonio. He also tries to work as much overtime as possible to earn tuition money.

It is just incredible, says Yolanda Molina, principal of the 2-year-old academy, which has doubled in size in 1 year and has a waiting list of 85. That is just one story of many.

And, again, think about this. We are not only expanding the dollars in education, we are growing the education investment in America's schools, again for public schools, for private schools, for parochial schools, and for tutoring. So we are growing the education pie. We are not talking about saying, hey, this money right now goes to public schools and we are going to take some of that and give it so kids can go somewhere else. We are saying to the public school folks that have a great tradition in America and do a great job that we are going to allow them to raise more money and we are going to allow others to raise more money for their things.

And what we will see then is we will increase the education investment in America, and we also will increase educational opportunities and choices in America; so that the school that Pastor Sullivan wants to start in his community in Indianapolis, he can do it. We will get more people involved in education; we will get more folks focused on kids, and that is what this is all about. It is all about the kids.

Mr. SCHAFFER. I appreciate the gentleman speaking in those terms, about the fact that we are trying to find a way to inject more cash in the education system.

We mentioned this very inefficient process we have today of getting education dollars to a child going through this whole filter of government. And we are not really talking about disrupting this at all or even funding it less. This system is going to continue to get more because it has a lot of advocates here. But we want to introduce a new tax manipulation that will allow more dollars, a massive cash infusion into America's education system.

Mr. HOEKSTRA. If the gentleman will yield, it would be very similar to the significant cash infusion that we did today for child care in the welfare reform bill.

Mr. SCHAFFER. Right.

Mr. Speaker, I yield to the gentleman from Florida, who has got almost a very similar chart.

Mr. WELDON of Florida. I have a chart very similar to the gentleman; and, Mr. Speaker, I first want to commend both the gentleman from Colorado (Mr. SCHAFFER) and the gentleman from Michigan (Mr. HOEKSTRA) for their leadership in support of real meaningful education reform for our kids.

Our children are the most important heritage we have. We devote so much of what we do in this country to raising up the next generation of children in the hope that they will be able to become responsible citizens and become the leaders of tomorrow. We have a great heritage in the United States. Millions of great Americans have gone before us walking in all kinds of fields of knowledge and expertise, from the sciences to politics, to poetry, to education, the arts; and what we do and how we go about raising up the next generation is, in many ways, the most important thing that we do.

In my opinion, we do have in many ways an inefficient system of helping educate our kids. We take a dollar out of a taxpayer's pocket and then what do we do with it? This chart to my left, I think, lays it out very, very clearly. It goes from the taxpayer's back pocket to the Department of the Treasury, then it goes to the Department of Education, then it goes to the State, and then from the State it typically goes to the State Department of Education, after it gets politically manipulated, and then it goes ultimately down to the local school district.

In the State of Florida, which I represent, it goes to the county. We have a county system of school districts. So the county I happen to live in, Brevard County, Florida, 500,000 people, they have a very large school district, over a billion dollar budget. They get these Federal dollars that comes through the Department of Education and through the State, through the State Department of Education, finally to the local school district; and ultimately, it ends up at the school level.

But here, way down here on my left, here is poor Johnny. And what we are really talking about here is that dollar that came out of the taxpayer's pocket is not a dollar when it arrives down here. I do not know what the figure is, maybe one of these gentlemen here can help me. Is it 50 cents, 60 cents?

Mr. HOEKSTRA. If the gentleman will yield.

Mr. WELDON of Florida. I would be happy to yield; however, I think the gentleman from Colorado controls the time.

Mr. SCHAFFER. I yield to the gentleman from Michigan.

Mr. HOEKSTRA. Well, basically, in the work my colleague and I have done in the Committee on Education and the Workforce, we have found that when a dollar goes into the Federal Treasury and then goes through the Department of Education and goes through all those steps, we think that through that process we lose somewhere in the neighborhood of 25 to 35 cents. So that only about 65 cents ever makes it down to your local school to Johnny's classroom.

I do not know if the gentleman has a dry marker with him or not, but what we are talking about here, if we go to an education tax credit—

Mr. WELDON of Florida. I have it right here in this chart.

Mr. HOEKSTRA. That is it. That is what we are taking about, a $500 tax credit per individual, $1,000 for joint filers. That thousand dollars does not go through that bureaucracy any more; it goes directly from the taxpayer directly to Johnny's school. They get full benefit of that thousand dollars.

Mr. WELDON of Florida. Mr. Speaker, if the gentleman will continue to yield to me, that is why I am here. That is why I am speaking in support of this initiative.

This man right here is a taxpayer. We are taking a dollar out of his pocket to send 70 cents to this young man here, who may be his son, may be a kid in his neighborhood, may be his grandson or his granddaughter. What we have here is an alternative proposal to help education in the United States, where we take a dollar out of his pocket, through the form of a tax credit, and it goes right to the kids. That is what this is all about.

One of the other things I wanted to say, and I think the gentleman from Michigan was alluding to this earlier, if we want to get parental involvement, if we want to get parents more engaged in the education process, this is a great way to do it, where they can actually see an impact, where it is not going through a big bureaucracy in Washington, a big bureaucracy in the State capital. It is going right from the parents to the children.

I think it is a great way to reinvigorate parental involvement in our education. Every educator I have ever spoken to in all my years in the political arena, they all tell me that is the most important thing in the success of a child's education, after good quality teachers, it is parental involvement. It is number one.

So this is a great proposal. I think everybody in the Congress should support it, and I yield back to the gentleman.

Mr. SCHAFFER. Mr. Speaker, first, I would just like to ask a couple of questions about Florida's law. Florida is one of the States that has really been out in front in trying to provide relief valves, or safety valves, for children who have languished in failing schools for any length of time, and it has made a real difference in the State of Florida.

I would just like to commend the gentleman's State and ask him to comment on the difference that school choice has made for his constituents and his friends and neighbors.

Mr. WELDON of Florida. Well, I thank the gentleman for bringing this issue up, because I just had a conversation with our Governor, Jeb Bush, about this very issue.

The A-Plus plan is a very simple plan. If the school is scored low, parents can take their child and the money that was going to their child and go to a private school. The education bureaucracy, teachers unions, liberals on the left went absolutely berserk. They said it would be the total demise of public education in the State of Florida. It was the end of the world, and the sky was falling.

There was only one or two schools that scored really low, and a few kids went off into the private system. But what really happened was that every single school in the State made a tremendous effort, particularly the failing schools, the poorly performing schools, to improve their act. Because no school, no teacher wanted to be at a school that was scored low, no principal wanted to be the principal of that school. What happened is the entire academic performance of the whole State has gone up.

The Governor of our State told me that piece of legislation was the single most important piece of legislation to improve the quality of education in the State of Florida in probably 20, 30, or 40 years. It motivated teachers, principals, administrators to work very, very hard because they knew they were being held accountable.

In my opinion, I would say this to Governors and school administrators all over the United States: You want to improve education? Establish a program like we did in Florida. Because that is what happened. We were doing annual studies on all these schools, how many kids are failing, and the grades came up. Average grades came up, and schools started performing better. It was absolutely miraculous. I do not know what else to say.

We need that. Part of the problem in education in America is there are a lot of systems where there is no accountability. They can turn out kids that just are not learning year after year and nothing happens to anybody. They keep their jobs, they keep their positions. Under the threat of actually being held accountable, it has been absolutely tremendous.

Talk to our lieutenant governor, Frank Brogan, who previously was the education commissioner in the State of Florida; and he has been following this issue very, very closely, as well as our current education commissioner. And they will tell you hands down the A-Plus program was a fabulous, fantastic success.

Frankly, I was disappointed we were not able to include that in the President's education reform package. I was very disappointed that it was opposed by many people in this body as well as the other body; and ultimately, in the end, we were not successful in including it in the package. I believe we need to fight for that in the years ahead because it makes a difference in the lives of kids.

I am glad the gentleman brought it up. I am happy to speak about it anywhere because it is the truth. The A-Plus plan helped kids, and that is really what it is all about.

Mr. SCHAFFER. We had something like the Florida plan in the draft of the President's bill as it was introduced last year, and it got stripped out right at the first committee hearing. It did not last very long.

That is, frankly, why we are here now, because since the choice elements were stripped out of the President's bill, something the President wanted, we have been working with the White House and have spoken directly with the President; and he has committed to making sure that a choice element, a tax credit provision, becomes law and becomes a high priority in this Congress.

But I would like to ask the gentleman from Michigan to comment, if he would, on just this notion of choice. The gentleman from Florida indicated very clearly the experience we have seen in several other States through the research of the Committee on Education and the Workforce is that public schools, government-owned schools are really not threatened by choice.

That is where we find the greatest resistance up front, because there are people who think if we allow this system to have some kind of alternative funding structure, that all the people who are employed at any of these levels are somehow going to lose their jobs, if we can, instead, adopt the model on that chart, of direct contributions to education and more of a market approach. But what we found is very different. These people do not lose their jobs; they just get better at it.

Mr. HOEKSTRA. I thank my colleague for yielding. Let me give an example in Michigan.

In Michigan, we passed a proposal called Proposal A. What Proposal A did is it led towards equalized funding so that if you are a student in Highland, Michigan, or Detroit, or whatever, you are going to get relatively the same amount of money per student enrolled. That has been very, very positive because we had great discrepancies between one school district versus another. So we have narrowed that gap.

One of the sides effects of that has been that the public school administrators have now kind of, I like to call it, become Beggars de Lansing. If they get some special needs in their community or whatever, they no longer have that direct connection to the taxpayer and to the parents in their community that says, hey, we have a special need and we need some extra money for the next 3 to 5 years for an English as a second language program, or we really want to keep this school open. They cannot do it anymore. They have to go to the State legislature. And the State legislature does not really understand that community.

What tax credits will now do, the money that will be there with the taxpayer, that is new money going in to education, money not being invested in education today; and that will help our public schools as well to be able to go into their community and say we have this special need; we want to do this, and the folks at the State capital do not have the latitude or the flexibility to give us this money. Will you give us that money? And if they have built up a credible relationship and they are well respected in their community, they can expect an infusion of additional money to meet some of the needs that they may have.

□ 1730

I think the gentleman is absolutely right that the case in Florida is that this raises all of education. It raises public education and provides them an important link back into their community. It can raise private and parochial education, and that is what we are trying to do here. I talked to kids from Hudsonville, Michigan, and I have three children, and I am very selfish. When those kids come out of college and high school, I want them to have the best education of any kids in the world. I want that to be available to every kid in America. I do not care if the kids in Japan match our kids' education. I hope they do. We want good educational opportunities for all of our kids around the world, but the one thing that I will not accept is that our kids will come out of our educational system with a second-rate education, that they will be second, third, fourth or fifth to kids somewhere else in the world because that means that the jobs that they will have, the life-style that they will have, and the opportunities that they will have will become diminished.

We need to make sure that every single one of our kids gets the best education in the world. This is one other step, and combining it with accountability and with more money going into education and then raising every type of education, private, parochial and public, to raise education.

Mr. SCHAFFER. I would like to talk about why this is a superior method to funding children in schools as opposed to the system we have today. We cannot reduce the tax burden of Americans to the extent that many of us would want, certainly the amount that I would like. I would be in favor of rather large tax cuts for Americans.

Assume a constant with respect to a taxpayer's obligation to the Federal Government, just for purposes of this discussion. Under a tax credit provision, a taxpayer would really have a choice. They can continue to send their cash to Washington, just as we have been doing for years through this chart here, a taxpayer sending his money to the IRS, the Treasury Department, it goes through all of these stages of political decision making, and bureaucratic redirecting before it gets to a child. If somebody likes this, they can continue to send their money to children this way. Many Americans probably will initially, or they would have a choice.

Mr. HOEKSTRA. If the gentleman would yield, they are not going to have a choice. That is going to stay there.

Mr. SCHAFFER. And the tax credit will not be the equivalent amount that we are proposing, all of the dollars that the taxpayer is forced, they are still going to send money.

Mr. HOEKSTRA. And money is still going to go through this system.

Mr. SCHAFFER. We are offering a choice to take a portion of these dollars and contribute them directly to an education organization, a student tuition organization or an education investment organization that would exist as they do in many States today. That would look a little more like this.

So the choice we are offering is made possible through a manipulation of the Tax Code through tax credits. Every dollar that somebody would contribute within limits in this fashion, would reduce the amount of cash that a taxpayer is forced today by our Tax Code to send through the government, and that is essentially what we are talking about.

As I mentioned, we are not inventing the idea here. The States have proceeded on this long before us. Arizona probably has one of the best models which has been studied in great detail. There is an analysis just a few months old produced by Carrie Lipps and Jennifer Jacobi which details how successful Arizona has been in injecting massive amounts of cash into the education system of Arizona, again, based on this voluntary basis and manipulation of the Arizona Tax Code, and not only that, but they have been able to provide dollars in a way where 80 percent of scholarship recipients in that State were selected on the basis of financial need.

So they are really reaching out in Arizona to the children with the greatest need in the State. They are injecting cash through a massive infusion into the program, they are creating school choice in a way that is not only providing assistance to the private organizations which participate in these tax credits and these scholarships, but also the public schools in Arizona which have improved as a result of being a more exciting and vibrant marketplace.

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague, and when we introduce the concept of a tax credit at the Federal level, that is new money going into education. The typical local school district will only receive 7 percent of their money from Washington. When we introduce the concept of a Federal tax credit, this is new money going into the local schools, directly from the community, this is not a redirection. This is growing the pie, and allowing the pie to grow for our public schools and allowing the pie to grow for all of our kids.

That is a little different. And Americans have some concerns about tax credits at a State level because they think we are just redirecting it. We are not just redirecting it. We will have the history soon from Arizona, Pennsylvania and Minnesota to see whether it grew the educational pie or whether it redirected it.

Clearly, when we talk about Federal education tax credits, we are talking about significant amounts of new money being directed into education, and it is being directed by the community, the parents and the individual at the local level. They are making the choice as to whether they want to invest more money into their local public schools, which is a wonderful opportunity.

Mr. SCHAFFER. In Arizona, the tax credit has been studied. From 1998 to 2000, the Arizona credit generated $32 million in new funds. It did not take a dime away from the Arizona public education school funding structure, and it provided almost 19,000 scholarships through 30 different organizations. That is 19,000 scholarships which provided new freedom for children in Arizona. This is a great example, a great accomplishment for the State, and we hope we can do something similar on a nationwide basis. In States like Arizona, which already have the credit, this will add greater emphasis and power.

The gentleman from Colorado (Mr. TANCREDO) is here, and is very familiar with tax credit initiatives, one is pending right now in Colorado, as well as some voucher efforts that the gentleman has pushed in the past. I yield to the gentleman.

Mr. TANCREDO. Mr. Speaker, I wanted to come to the floor for a couple of reasons. First of all, to express my gratitude to the gentleman from Colorado (Mr. SCHAFFER) who has spent as much time on this issue as he has. It is important for everyone to understand that an issue like this does not get this far without at least one person devoting himself almost entirely to its advancement. It is because of the dynamic involvement of the gentleman from Colorado (Mr. SCHAFFER) that we are actually on the cusp of doing something here with it in the House of Representatives.

I thank the gentleman. We would not be talking about it, and it would not be formulated in a legislative package if not for the gentleman.

It is a long history that this movement has had, the idea of school choice. For years we were confronted, those of us who were pushing concepts like vouchers, in the past, were confronted by an educational establishment that reverted back to the time-tested responses like this will take money away from public schools. This is a creaming scheme, a reason to get other kids, the good kids out of public schools and into private schools. It is not a level playing field. All of the rest of the stuff that we have heard for years.

The beauty of this plan, this idea, is that it takes away all of the arguments that the other side has used for years to try to stop it. It does not take money away from public schools. As the gentleman was saying, it is, in fact, adding money for the most part to the educational pile that is out there.

The wonderful thing about this plan, a tax credit for scholarships to be given out by agencies at the State level, the wonderful thing about it is that we can concentrate on one thing, the children. All the rest of the stuff, all of the spooky stuff that the enemies of educational reform keep throwing out, and have for years and years about the destruction, this will destroy public schools, all of those things are swept off of the table here. We are talking about one thing and one thing only, and that is the child. What is in the best interest of a child seeking an education in this Nation?

This makes us focus on that, and it takes away all of the stuff that surrounds the argument otherwise about the system. What we are saying here is that if individuals, especially those individuals who are economically disadvantaged, quite frankly they are probably going to be the people who benefit the most as a result of this, most of the State scholarship organizations will probably focus on low-income kids, and what we are saying is we are going to give a child an opportunity to obtain an education, and the Federal Government is not going to participate by writing rules or regulations or trying to strangle the private school. What we are talking about is freedom.

The one thing we know now, empirical evidence, we have thought for a long time that educational freedom would, in fact, enhance educational quality. But it was a theory. Now we know something. We have evidence of it. We have cities around the country, Milwaukee with a very long experience, Cleveland, which is just getting into this, but we have now tons of empirical evidence that shows us that educational freedom does, in fact, translate into educational quality.

That is all we care, and that is the beauty of this concept. It has nothing to do with systems or trying to construct a special kind of educational system. What we are saying here is look, we are not the school board members in the sky. The Federal Government is not going to take on a role as the school board member for every kid. What we are simply saying is parents, parents will be able to make a choice.

They will be economically empowered for the first time in their lives to make a choice, and that has got to accrue for the benefit of the child. That is what makes this so good.

I compliment the gentleman from Colorado (Mr. SCHAFFER) for his devotion to this concept.

Mr. SCHAFFER. Mr. Speaker, I appreciate the gentleman focusing on the superior quality of a tax credit proposal because it does focus on children rather than institutions.

The gentleman is correct. Again, if we go through the chart here of how a taxpayer dollar today makes its way through this long, elaborate process of bureaucracies to finally get down to a child down here, each one of these agencies has their own political constituency that is a part of it.

If we focus down here at the last stage and that is at the school level, and maybe even back up one to the school district level, in Colorado there are 163 school districts in my State. That is just one State. If we look at other States and add them up, there are thousands of these organizations. They are political entities, political institutions. They are institutions that exist on paper and in law books and exist as corporations of sorts. These institutions today is really how we measure fairness, by comparing these institutions.

□ 1745

We are comparing how school buildings are treated as compared to other school buildings; comparing how one facility is treated as compared to another facility; how the budget that goes into the management of school A is compared to the management of school B.

For years, many of us have come down here on this House floor and have advocated a different model where the institutions matter less and the children start to matter more, so that we begin to measure fairness by evaluating the relationship between children.

What we have today is a situation where children who have no option other than this model here tend to languish in some of the worst schools in America, and they have no freedom. If they happen to be stuck in a bad school that does not serve their needs, they have no place to go. They cannot afford it, and we want to give them a way to afford it, a way to be involved in an education in the marketplace, to choose the academic goals that are in their long-term best interests, and begin to build an education system where the children are the centerpiece of an education strategy for the country, not the tail-end of the education strategy for the country, which is where we are right now. That is what education tax credits allow us to accomplish.

I want to point out for a moment now the distinction between education tax credits and other choice models. The word "vouchers" has come up even in this debate. Vouchers make a lot of sense when compared to this process of getting dollars to children. Again, this is just a little more visual, because you can see the funding filter that takes place between taxpayer and tax recipient.

A voucher removes a lot of these steps, but it still involves, when it comes right down to it, your cash being confiscated as taxes, going to the government, and the government giving those dollars back in the form of a voucher to a child with certain strings and conditions attached. Again, that is better than what we have today in American education, but it still has its weaknesses in that politicians and governments define the use of these dollars, define the terms of quality, define the terms of cost and so on, as opposed to a marketplace.

But education tax credits really cut government out altogether and begin to regard the education professionals as legitimate professionals. Today they are really not treated that way in a government-run system. They are all paid the same. You can go to almost any school, government-owned school district in America, and the worst teacher is paid typically the same as the best teacher in the district, and it is just a function of how long they have been there and how many degrees they were able to add to their resume. If they manage to not hurt anyone or not be too terribly incompetent, they will stay there and continue to get pay raises, regardless of whether they leave when the bell rings at 3 o'clock or whether they stay until 6 o 'clock doing additional work. This reality is the leading cause of burnout among teachers in America. They last, the average time period, this has been studied with respect to burnout, somewhere between 3 and 4 years.

But creating an academic marketplace begins to regard teachers as real professionals and education managers as professionals as well, because, rather than being, as the gentleman from Michigan said, beggars of government in the State of Michigan, he called that "beggars to Lansing," they become reconnected with the community instead.

I want to elaborate on that for a moment, because it is really true. When funding only flows through this process, each of these agencies develop their own internal language between them. The grants that school districts apply for, that our States apply for back up this chain, are stated in terms that are written by other bureaucrats at these other levels of government. So you have got all kinds of acronyms and all kinds of programs and departments and a whole language that only people in that system understand.

I have been at lots of meetings about this. Every Member of Congress has sat through meetings where people come from their districts back home, and maybe a principal of a school district will come to our offices here in Washington and talk about a specific grant they are applying for at the Federal level, and they have the State coordinator who is cooperating in this and the Federal person they need to reach.

It is like alphabet soup. We need you to apply for an ABC grant that goes to the DEF agency that is going to be evaluated by the XYZ person in agency whatever. You get the picture. It becomes a whole internal language that these people understand, and they become kind of comfortable with it. And, if they do a good job at it, I suppose they become pretty comfortable in achieving these objectives.

But this is not the language of the neighborhood. This is not the language of a community. When we allow our school board members and superintendents to only be proficient beggars of government, because that is the only place the money comes from, then we cause them to speak in a language that is just not understood by the parents, who are only interested in one thing, and that is their children. An education tax credit really allows us to break out of that old bureaucratic model because it gives parents choices and corporations choices, I might add, in the proposal we are piecing together right now.

Imagine a school board member, if you would, or a superintendent, who creates an innovative program for a school, for maybe a specific target cohort of children, and instead of coming to Washington to try to describe why this would help children, they would instead go to the Rotary Club in their hometown, or maybe to a charitable foundation in their community. Maybe at this point they will start using the names of the kids, maybe showing them pictures, and the people sitting at the other end of the table might actually recognize them as children they go to church with or see at the baseball field or maybe even recognize from their own child's school.

The conversation becomes very different. Rather than ABC program, DEF agency, XYZ administrator, we start talking about the children. If you just invest your dollars in my program at my school, we are going to reach out to Johnny. He has a name. And after you invest, I would invite you to come into the school so you can see the computers that you have purchased. And after you have seen the computers that you have purchased, maybe we can show you the evaluations of the program and show you how it actually helped Johnny.

It really does not happen today to a great extent, and providing a change in the Tax Code to ease the ability, to make it easier for individuals to contribute to schools of this nature, we will see these kinds of funds, these enrichment funds, these opportunity funds crop up all across the country.

They already exist in all 50 States today, specifically targeted for low income and underserved children. But if we just look at the examples of States that have established State tax credits, we realize that we are going to see lots of them, tens of thousands of them, I believe.

Mr. Speaker, the State of Arizona, upon creating its tax credit, saw these student tuition organizations just emerge in great quantity, about 70 or 80 of them almost immediately. I think they have more than that today. But it is an exciting proposal, and it is one that I want to underscore with the greatest emphasis here in Congress.

I am especially inspired and encouraged by the commitment of the President to see a tax credit plan pass this year and by the commitment of our Speaker and our leaders here in the House to bring this tax credit proposal about which we speak tonight to this floor during this session, and I am hopeful that the people of America who care about their own children, and care about others as well, will find a way to rally around this exciting tax credit proposal that will create a massive tax infusion in America's education system and help create an academic marketplace where children matter more than institutions.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GREEN of Texas (at the request of Mr. GEPHARDT) for today on account of attending a funeral in the district.

Mr. MASCARA (at the request of Mr. GEPHARDT) for today on account of personal reasons.

Mr. CRANE (at the request of Mr. ARMEY) for today and May 2 on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mr. GIBBONS, for 5 minutes, May 7.

Mr. DUNCAN, for 5 minutes, today.

Mr. FLAKE, for 5 minutes, today.

ADJOURNMENT

Mr. SCHAFFER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p.m.), the House adjourned until tomorrow, Thursday, May 2, 2002, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6525. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Viruses, Serums, and Toxins and Analogous Products; Autogenous Biologics [Docket No. 95-066-2] received April 10, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6526. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Change in Disease Status of the Czech Republic Because of BSE [Docket No. 01-062-2] received April 10, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6527. A letter from the Under Secretary, Department of Defense, transmitting the Department's report entitled, "V-22 Program Status" required by Section 124 of the National Defense Authorization Act for Fiscal Year 2002; to the Committee on Armed Services.

6528. A letter from the Legislative and Regulatory Activities Division, Department of the Treasury, transmitting the Department's final rule—Risk-Based Capital Standards: Claims on Securities Firms [No. 2002-5] (RIN: 1550-AB11) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6529. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Amendment of Regulations Regarding Certain Label Statements on Prescription Drugs [Docket No. 00N-0086] received April 10, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6530. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Records and Reports Concerning Experience With Approved New Animal Drugs [Docket No. 88N-0038] (RIN: 0910-AA02) received April 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6531. A letter from the Acting General Counsel, Federal Energy Regulatory Commission, transmitting the Commission's final rule—Update of the Federal Energy Regulatory Commission's Fees Schedule for Annual Charges for the Use of Government Lands [Docket No. RM02-2-000] received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6532. A letter from the Secretary of the Commission, Bureau of Consumer Protection, Enforcement Division, Federal Trade Commission, transmitting the Commission's final rule—Rule Concerning Disclosures Regarding Energy Consumption and Water Use of Certain Home Appliances and Other Products Required Under the Energy Policy and Conservation Act ("Appliance Labeling Rule")—received April 10, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6533. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Medical Use of Byproduct Material (RIN: 3150-AF74) received April 26, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6534. A letter from the Chief Executive Officer, Corporation for National and Community Service, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6535. A letter from the Senior Attorney, Financial Management Service, Department of the Treasury, transmitting the Department's final rule—Federal Government Participation in the Automated Clearing House (RIN: 1510-AA84) received April 11, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

6536. A letter from the Secretary, Department of State, transmitting an Annual Program Performance Report for FY 2001; to the Committee on Government Reform.

6537. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Cost-of-Living Allowances (Nonforeign Areas); Allowance Rate Adjustments (RIN: 3206-AJ26 and 3206-AJ15) received April 26, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

6538. A letter from the Acting Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—West Virginia Regulatory Program [WV-088-FOR] received April 26, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6539. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Rock Sole/Flathead Sole/"Other Flatfish" by Vessels Using Trawl Gear in Bycatch Limitation Zone 1 of the Bering Sea and Aleutian Islands Management Area [Docket No. 011218304-1304-01; I.D. 022102A] received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6540. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 630 of the Gulf of Alaska [Docket No. 011218304-1304-01; I.D. 012402B] received April 15, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6541. A letter from the Deputy Assistant Administrator for Ocean Services and Coastal Zone Management, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Announcement of Funding Opportunity to Submit Proposals for the Monitoring and Event Response for Harmful Algal Blooms (MERHAB) Program [Docket No. 020213030-2030-01; I.D. No. 012202C] received April 10, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6542. A letter from the Deputy Assistant Administrator for Regulatory Programs, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Financial Assistance for Research and Development Projects in Chesapeake Bay to Strengthen, Develop and/or Improve the

Stock Conditions of the Chesapeake Bay Fisheries [Docket No. 020314060-2060-01; I.D. 022502B] (RIN: 0648-ZB15) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6543. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 630 of the Gulf of Alaska [Docket No. 011218304-1304-01; I.D. 031802A] received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6544. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Averaging of Farm Income (RIN: 1545-AW05) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6545. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Disclosure of Returns and Return Information by Other Agencies [REG-105344-01] (RIN: 1545-AY77) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6546. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Changes in accounting periods and in methods of accounting (Rev. Proc. 2002-17) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6547. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Dollar-Value LIFO Regulations; Inventory Price Index Computation Method (RIN: 1545-AX20) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6548. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Time for Eligible Air Carriers to File the Third Calendar Quarter 2001 Form 720 (RIN: 1545-BA42) received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6549. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—IRS Announces New Position With Regard To Consolidated Return Loss Disallowance Rule (Notice 2002-11) received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6550. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Dollar-Value LIFO Earliest Acquisition Method—received April 18, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6551. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability (Rev. Proc. 2002-20) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6552. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability (Rev. Proc. 2002-18) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6553. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Changes in method of accounting (Announcement 2002-37) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6554. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Treatment of Certain Amounts Paid to Section 170(c) Organizations under Employer Leave-Based Donation Programs (Notice 2001-64) received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6555. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Disallowance of Deductions and Credits for Failure to File Timely Return (RIN: 1545-BA40) received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6556. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous [Notice 2002-7] received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6557. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Proposed Revenue Procedure Regarding the Cash Method (Notice 2001-76) received April 19, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6558. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous (Rev. Proc. 2001-59) received April 19, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6559. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Requirements Relating to Certain Exchanges Involving a Foreign Corporation—received April 19, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6560. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Time for performing certain acts postponed by reason of service in a combat zone or a Presidentially declared disaster (Rev. Proc. 2001-53) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6561. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Questions and Answers Regarding Dividend Elections Under Section 404(k) and ESOP's Holding Corporation Stock—received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6562. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—New Markets Tax Credit (RIN: 1545-BA49) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6563. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Collection Functions (Rev. Proc. 2001-58) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6564. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Treatment of Loans with Below-Market Interest Rates (Rev. Rul. 2001-64) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6565. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous (Rev. Proc. 2001-60) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6566. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Safe Harbor Explanation—Certain Qualified Plan Distributions (Notice 2002-3) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6567. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Extension of Time to File Form(s) 1042-S—received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6568. A letter from the General Counsel, Department of Defense, transmitting the Department's proposed legislation relating to civilian personnel, home-to-work transportation of employees, small business matters, reporting requirements in the Office of Federal Procurement Policy Act, and contractor claims; jointly to the Committees on Small Business and Government Reform.

6569. A letter from the General Counsel, Department of Defense, transmitting the Department's proposed legislation entitled the "National Defense Authorization Act for Fiscal Year 2003"; jointly to the Committees on Armed Services, Resources, Transportation and Infrastructure, Energy and Commerce, Government Reform, Veterans' Affairs, and the Budget.

6570. A letter from the General Counsel, Department of Defense, transmitting the Department's proposed legislation relating to the housing of civilian teachers at Guantanamo Bay, and expansion of our dependent summer school program, and clarification of authority relating to United Nations' efforts to inspect and monitor Iraqi weapons systems; jointly to the Committees on Education and the Workforce, International Relations, Ways and Means, Veterans' Affairs, Transportation and Infrastructure, the Judiciary, Energy and Commerce, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COMBEST: Committee of Conference. Conference report on H.R. 2646. A bill to provide for the continuation of agricultural programs through fiscal year 2011 (Rept. 107-424). Ordered to be printed.

Mr. TAUZIN: Committee on Energy and Commerce. House Joint Resolution 87. Resolution approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982 (Rept. 107-425). Referred to the Committee of the Whole House on the state of the Union.

Mr. LINDER: Committee on Rules. House Resolution 403. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011 (Rept. 107-426). Referred to the House Calendar.

Mr. DIAZ-BALART: Committee on Rules. House Resolution 404. Resolution providing for consideration of motions to suspend the rules (Rept. 207-427). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. HOUGHTON (for himself and Mr. Weller):

H.R. 4626. A bill to amend the Internal Revenue Code of 1986 to accelerate the marriage penalty relief in the standard deduction and to modify the work opportunity credit and the welfare-to-work credit; to the Committee on Ways and Means.

By Mr. BARRETT (for himself, Mr. Rush, and Ms. Schakowsky):

H.R. 4627. A bill to amend the Real Estate Settlement Procedures Act of 1974 to prohibit certain unearned fees in connection with settlement services involved in residential mortgage loan transactions; to the Committee on Financial Services.

By Mr. GOSS:

H.R. 4628. A bill to authorize appropriations for fiscal year 2003 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Intelligence (Permanent Select).

By Mr. TOM DAVIS of Virginia:

H.R. 4629. A bill to amend the Office of Federal Procurement Policy Act to establish a program to encourage and support carrying out innovative proposals to enhance homeland security, and for other purposes; to the Committee on Government Reform.

By Mr. GEPHARDT (for himself, Mr. Hoeffel, Mr. Rangel, Mr. Frost, Mr. Markey, Mrs. Clayton, Mr. Lampson, Mr. Langevin, Mr. Tierney, Mr. Meeks of New York, Mr. Sherman, Mr. Filner, Ms. Slaughter, Mr. Frank, Mr. Bonior, Ms. McKinney, Mr. Blumenauer, Mr. Strickland, Mr. Udall of Colorado, Mr. Berman, Mr. Scott, and Ms. DeLauro):

H.R. 4630. A bill to review, reform, and terminate unnecessary and inequitable Federal subsidies; to the Committee on Government Reform, and in addition to the Committees on Ways and Means, Rules, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FALEOMAVAEGA:

H.R. 4631. A bill to amend titles XI and XIX of the Social Security Act to provide American Samoa with treatment under the Medicaid Program similar to that provided to States; to the Committee on Energy and Commerce.

By Mrs. MINK of Hawaii:

H.R. 4632. A bill to amend the Internal Revenue Code of 1986 to direct the Secretary of the Treasury to notify certain taxpayers of the eligibility requirements for the earned income credit; to the Committee on Ways and Means.

By Mr. MORAN of Virginia (for himself and Mr. Tom Davis of Virginia):

H.R. 4633. A bill to amend title 23, United States Code, to establish standards for State programs for the issuance of drivers' licenses and identification cards, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committees on the Judiciary, and Science, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MORELLA (for herself, Mr. Duncan, and Mr. Wolf):

H.R. 4634. A bill to establish certain legal waivers for physicians who provide assistance in the National Capital Area during any period in which a public health emergency is in effect in such Area; to the Committee on Energy and Commerce.

By Mr. YOUNG of Alaska (for himself and Mr. Mica):

H.R. 4635. A bill to amend title 49, United States Code, to establish a program for Federal flight deck officers, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. NORWOOD (for himself, Mr. DeLay, Mr. Ballenger, Mr. Sam Johnson of Texas, Mr. Graham, Mr. DeMint, Mr. Culberson, and Mr. Tancredo):

H.R. 4636. A bill to amend certain labor laws to ensure fairness; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PETRI (for himself and Mr. Kind):

H.R. 4637. A bill to amend section 402A of the Higher Education Act of 1965 to define the terms different campus and different population; to the Committee on Education and the Workforce.

By Mr. THUNE:

H.R. 4638. A bill to reauthorize the Mni Wiconi Rural Water Supply Project; to the Committee on Resources.

By Mr. WU:

H.R. 4639. A bill to eliminate the termination date on authority for schools with low default rates to make single disbursements of student loans; to the Committee on Education and the Workforce.

By Mrs. CLAYTON (for herself, Mr. Castle, Ms. Pryce of Ohio, Mr. Towns, Mr. Shays, and Mr. Camp):

H. Con. Res. 393. Concurrent resolution expressing the sense of Congress that the Nation should take additional steps to ensure the prevention of teen pregnancy by engaging in measures to educate teenagers as to why they should stop and think about the negative consequences before engaging in premature sexual activity; to the Committee on Energy and Commerce.

By Mr. ROYCE (for himself and Mr. Becerra):

H. Con. Res. 394. Concurrent resolution expressing the sense of the Congress concerning the 2002 World Cup and co-hosts Republic of Korea and Japan; to the Committee on International Relations.

By Mr. OBEY:

H. Res. 405. A resolution expressing the moral requirement to end violence and terrorism in the Middle East; to the Committee on International Relations.

By Mr. HEFLEY (for himself, Mr. Ramstad, Mr. Stupak, Mr. Conyers, and Mr. Sensenbrenner):

H. Res. 406. A resolution commemorating and acknowledging the dedication and sacrifice made by the men and women killed or disabled while serving as peace officers; to the Committee on Government Reform.

By Mr. LoBIONDO:

H. Res. 407. A resolution honoring and recognizing the contributions of older Americans; to the Committee on Education and the Workforce.

By Mr. WU (for himself, Ms. Pelosi, Mr. Faleomavaega, Mr. Larson of Connecticut, Mr. Hinchey, Mr. Sandlin, Mr. Honda, Mr. Abercrombie, Mr. Underwood, Mr. Cummings, Mr. Matsui, Ms. Eddie Bernice Johnson of Texas, Ms. Watson, Mr. Becerra, Ms. Lee, Ms. Solis, Ms. Baldwin, Ms. Millender-McDonald, Mrs. Mink of Hawaii, and Mr. Schiff):

H. Res. 408. A resolution recognizing the contributions of Asian Pacific Americans to our Nation; to the Committee on Government Reform.

ADDITIONAL SPONSORS TO PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 122: Mr. Bilirakis, Mrs. Myrick, and Mr. Diaz-Balart.

H.R. 303: Mr. Culberson.

H.R. 394: Mr. Pastor, Mr. Hayes, and Mrs. Johnson of Connecticut.

H.R. 482: Mr. Schrock and Mr. Wilson of South Carolina.

H.R. 488: Mr. Meeks of New York, Mr. Fattah, and Mr. Owens.

H.R. 537: Mr. McGovern.

H.R. 786: Mr. Rush.

H.R. 848: Mr. Acevedo-Vilá, Mr. Sherman, Mr. English, and Mr. Ackerman.

H.R. 853: Mr. Goode.

H.R. 975: Mr. Bachus, Mr. Fattah, Mr. Weller, Mr. Murtha, and Mr. Rehberg.

H.R. 984: Mr. Radanovich.

H.R. 993: Mr. Udall of Colorado.

H.R. 1090: Mr. Brady of Texas, Mr. Hall of Ohio, Mr. Platts, Mr. Pence, Mr. Conyers, Mr. Bishop, Mr. Carson of Oklahoma, and Mr. Wexler.

H.R. 1097: Mr. Mascara, Mr. Brown of Ohio, and Mr. Phelps.

H.R. 1194: Mr. Souder.

H.R. 1262: Ms. Solis.

H.R. 1265: Mr. Snyder.

H.R. 1434: Mr. Olver.

H.R. 1522: Mr. Hall of Ohio, Mr. Moran of Virginia, and Mr. Olver.

H.R. 1556: Mr. Coble, Mrs. Myrick, Mr. Sherman, Mr. Jackson of Illinois, and Mr. Barrett.

H.R. 1581: Mr. Brady of Texas, Mr. Hayworth, and Mr. Norwood.

H.R. 1864: Mr. Sweeney.

H.R. 1904: Ms. Baldwin.

H.R. 2074: Mr. Watt of North Carolina.

H.R. 2125: Mr. Simmons, Mr. Hilleary, Mr. Sununu, and Mr. Ackerman.

H.R. 2148: Ms. Norton, Mr. Etheridge, and Mrs. Meek of Florida.

H.R. 2163: Mr. Tierney.

H.R. 2219: Mr. Schiff and Mr. Costello.

H.R. 2253: Mr. Kind.

H.R. 2258: Mr. Rodriguez.

H.R. 2419: Mr. Kingston and Mr. McDermott.

H.R. 2466: Mr. Edwards.

H.R. 2570: Mr. Boehlert.

H.R. 2573: Mr. Davis of Illinois.

H.R. 2623: Mr. Lipinski.

H.R. 2649: Mr. Graham, Mr. Peterson of Pennsylvania, Mr. Meeks of New York, Mr. Weldon of Pennsylvania, and Mrs. Capito.

H.R. 2663: Mr. Barrett and Mr. LaTourette.

H.R. 2683: Mr. Putnam and Mr. Culberson.

H.R. 2706: Mr. Sanders and Mr. Stupak.

H.R. 2723: Mr. Shays.

H.R. 2820: Mr. Bonior.

H.R. 2874: Mr. McHugh, Mr. Dooley of California, Mr. King, and Mr. Pastor.

H.R. 2931: Mr. SAM JOHNSON of Texas.

H.R. 3037: Mr. FRANK.

H.R. 3278: Mr. BOUCHER, Mr. HOLT, and Mr. MCGOVERN.

H.R. 3320: Mr. RAMSTAD and Mr. HOEFFEL.

H.R. 3374: Mr. BACA.

H.R. 3424: Mr. BALDACCI and Mr. BARRETT.

H.R. 3430: Mr. TERRY.

H.R. 3443: Mr. UDALL of Colorado and Mr. PAUL.

H.R. 3482: Mr. RODRIGUEZ and Mr. NORWOOD.

H.R. 3580: Mrs. ROUKEMA and Mr. PITTS.

H.R. 3584: Mr. MCINNIS.

H.R. 3585: Mr. GEORGE MILLER of California.

H.R. 3612: Mr. LEWIS of Georgia, Ms. DEGETTE, Mr. COSTELLO, Mr. MURTHA, Mr. MOORE, and Mr. MCNULTY.

H.R. 3624: Mr. PALLONE and Mr. GUTIERREZ.

H.R. 3670: Mr. LAMPSON and Mr. SANDLIN.

H.R. 3681: Mr. KIND and Mr. GONZALEZ.

H.R. 3686: Mr. ISSA.

H.R. 3710: Mr. LATHAM.

H.R. 3814: Mrs. DAVIS of California, Mr. MCNULTY, Ms. CARSON of Indiana, Mrs. TAUSCHER, and Ms. NORTON.

H.R. 3831: Mr. RODRIQUEZ, Mr. YOUNG of Alaska, and Mr. JONES of North Carolina.

H.R. 3833: Ms. CARSON of Indiana and Mr. ISSA.

H.R. 3911: Mr. INSLEE.

H.R. 3940: Mr. GRAHAM.

H.R. 3951: Mr. WAMP.

H.R. 4018: Mr. EDWARDS.

H.R. 4030: Mr. THORNBERRY and Mr. SOUDER.

H.R. 4034: Mr. BLUMENAUER and Mr. WAXMAN.

H.R. 4037: Mr. KILDEE and Ms. ROS-LEHTINEN.

H.R. 4039: Mr. EVANS and Mr. HALL of Ohio.

H.R. 4046: Mr. FRANK.

H.R. 4066: Ms. MILLENDER-MCDONALD, Ms. ROYBAL-ALLARD, Ms. VELÁZQUEZ, Mr. STUPAK, Mr. BECERRA, and Mr. DAVIS of Illinois.

H.R. 4071: Mr. MICA.

H.R. 4119: Mr. PENCE.

H.R. 4152: Mr. BAKER and Ms. ROS-LEHTINEN.

H.R. 4187: Mr. SANDERS, Mr. NADLER, Ms. HOOLEY of Oregon, and Mr. SNYDER.

H.R. 4236: Mr. RANGEL, Ms. KILPATRICK, and Mr. TOWNS.

H.R. 4260: Mr. CALLAHAN.

H.R. 4446: Mr. ISAKSON, Mr. BARR of Georgia, Mr. LEWIS of Kentucky, Mr. MICA, and Mr. OWENS.

H.R. 4483: Mr. CLEMENT, Mrs. KELLY, Mr. KING, Mr. ENGLISH, and Mr. MCNULTY.

H.R. 4488: Mr. HERGER.

H.R. 4551: Mr. CLEMENT, Mr. FROST, Mr. PALLONE, Ms. SLAUGHTER, Mr. WAXMAN, Mr. PASCRELL, Ms. WOOLSEY, Mr. MATSUI, Mr. GEORGE MILLER of California, Mr. FATTAH, Mr. BALDACCI, and Mr. UDALL of Colorado.

H.R. 4614: Ms. DELAURO, Mr. HINCHEY, Mr. KUCINICH, Mr. DEFAZIO, and Mr. NADLER.

H.J. Res. 15: Mr. FRELINGHUYSEN.

H. Con. Res. 99: Ms. DELAURO, Mrs. MALONEY of New York, and Mr. LANTOS.

H. Con. Res. 315: Mr. KINGSTON and Mr. LINDER.

H. Con. Res. 318: Mr. MOORE.

H. Con. Res. 320: Mr. CLAY.

H. Con. Res. 355: Mr. SHERMAN, Mr. WAXMAN, Mr. MCGOVERN, Mr. DEUTSCH, Mr. FILNER, Mr. ISRAEL, Mr. NADLER, Mrs. MORELLA, and Mr. ENGEL.

H. Con. Res. 359: Mr. RODRIGUEZ.

H. Res. 355: Mr. REYES.

H. Res. 361: Mr. ENGLISH.

SENATE—*Wednesday, May 1, 2002*

The Senate met at 9:31 a.m. and was called to order by the Honorable JOHN EDWARDS, a Senator from the State of North Carolina.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Spirit of the living God, fall afresh on us. We need Your strength. The wells of our own resources run dry. We need Your strength to fill up our diminished reserves—silent strength that flows into us with artesian resourcefulness, quietly filling us with renewed power. You alone can provide strength to think clearly and to decide decisively.

Bless the Senators today as they trust You as Lord in the inner tribunal of their own hearts. You are sovereign of this land, but You are also sovereign of the inner person of each Senator. May these hours of discussion and debate bring exposure of truth and resolution. O God of righteousness and grace, guide this Senate at this decisive hour. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN EDWARDS led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, May 1, 2002.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN EDWARDS, a Senator from the State of North Carolina, to perform the duties of the Chair.
>
> ROBERT C. BYRD,
> *President pro tempore.*

Mr. EDWARDS thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

ANDEAN TRADE PREFERENCE EXPANSION ACT—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the motion to proceed, which the clerk will report.

The assistant legislative clerk read as follows:

> Motion to proceed to the bill (H.R. 3009), the Andean Trade Preference Act, to grant additional trade benefits under that act, and for other purposes.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "no."

The PRESIDING OFFICER (Mr. DAYTON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 77, nays 21, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—77

Akaka
Allard
Allen
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Craig
Crapo
Daschle
DeWine
Domenici
Durbin
Edwards
Ensign
Enzi
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Hagel
Harkin
Hatch
Hutchinson
Hutchison
Inhofe
Jeffords
Johnson
Kerry
Kohl
Kyl
Landrieu
Leahy
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reid
Roberts
Santorum
Schumer
Smith (NH)
Smith (OR)
Specter
Stabenow
Stevens
Thomas
Thompson
Torricelli
Voinovich
Warner
Wyden

NAYS—21

Bunning
Burns
Byrd
Corzine
Dayton
Dorgan
Feingold
Gregg
Hollings
Inouye
Kennedy
Levin
Mikulski
Reed
Rockefeller
Sarbanes
Sessions
Shelby
Snowe
Thurmond
Wellstone

NOT VOTING—2

Dodd
Helms

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that there be a period for morning business until 12:15, with Senators permitted to speak therein for a period up to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Massachusetts is recognized.

THE COST OF HIGHER EDUCATION

Mr. KENNEDY. Mr. President, every weekend that any of us go home, the families we run into are talking about the cost of higher education. We know that cost is going up. But this administration has just made an unconscionable recommendation for low- and middle-income families—to deny them the opportunity to consolidate the loans they have now at a fixed interest rate. That possibility is there for small business, it is there for big business, and this administration wants to foreclose that opportunity for families and new college graduates across this nation.

This is what it is going to mean for the average student loan borrower in America: It is going to mean an additional $3,000 in costs on a $10,000 student loan. At a difficult and challenging time when state budgets are cutting their aid to higher education, and tuition is on the rise, it is bad education policy, and it is not in our national interest. We should be doing everything in our power to make college more affordable.

I see the Senator from Vermont. I yield to him.

Mr. JEFFORDS. Mr. President, I agree with the Senator from Massachusetts. I could not believe what I heard today with respect to what they are trying to do. This administration is taking a look at education from the bottom up. It is ridiculous what they are doing. This is a perfect example of

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

doing something that is so against anybody's rational way of helping people; I could not believe it.

Mr. KENNEDY. I see the Senator from Washington.

Ms. CANTWELL. I thank the Senator from Massachusetts for bringing up this issue. It is so critical in my home State of Washington, where the University of Washington is looking at increases of 11 to 12 percent. Students are spending between $60,000 and $70,000 for their education. We need to do everything we can in this information age economy, where education is going to determine success; we need to be increasing access. The elimination of a Federal fixed-rate student loan program is a big mistake. We should be increasing Pell grants. We should be increasing access to education. We should be making it more affordable.

As somebody who went to school on Pell grants and student loans, I think it is a difficult challenge. In this day and age, with our economy changing, access to education for low- and middle-income students at the most affordable rate must be a priority of this administration and this Congress.

Mr. KENNEDY. I yield to the Senator from New York.

The PRESIDING OFFICER. Procedurally, Senators may seek recognition, but there is no standing order for the Senator to yield.

Mr. KENNEDY. Do I have 10 minutes?

The PRESIDING OFFICER. The Senator has 10 minutes. The Senator may yield to another Senator for a question.

Mrs. CLINTON. Will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. I yield for a question.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Is the Senator aware of the amount of money that the average American family already pays for college tuition and education, which as my colleague from the State of Washington pointed out is actually increasing faster than the rate of inflation?

Mr. KENNEDY. I certainly am. Nationwide, college tuition have increased 35 percent over the last 10 years. Today, the average student leaves college with $17,000 of debt. In my State, the average loan that was consolidated last year was $27,000. Under the administration's proposal, students will lose the opportunity to consolidate their loans at a fixed rate and that would cost the average student thousands of dollars as the interest rate goes up from year to year.

Mrs. CLINTON. From the Senator's study of this proposal, which I have to confess, when I first saw it, I thought it was a misprint—I could not believe the administration was about to make the cost of going to college more expensive for middle-income families—is the Senator aware of the impact this alleged cost savings would have on the entire Federal budget? What is the amount of money the administration thinks they will save on the backs of young people going to college?

Mr. KENNEDY. Mr. President, $1.3 billion. This is a shell game. They will use the $1.3 billion they will get from students for the tax break. And we are talking about 6 million students who would be facing higher interest rates over the next decade. In my own state last year 36,000 people consolidated their FFEL loans—with an average loan of $30,000. That means that a variable interest rate could cost as much as half-a-million-dollars to students in Massachusetts.

Mrs. CLINTON. In one State alone, is that the Senator's information?

Mr. KENNEDY. One State alone; that is right.

Mrs. CLINTON. I thank the Senator for bringing this very important issue to the attention of this body and to families throughout New York and America. Like so many, we were just amazed by this proposal. I certainly hope cooler and more compassionate heads will prevail on the other end of Pennsylvania Avenue.

Mr. KENNEDY. I see my friend and colleague from Massachusetts.

Mr. KERRY. Mr. President, I ask unanimous consent that the Senator from Massachusetts be permitted to control his time.

The PRESIDING OFFICER. The Senator is recognized to speak in morning business for up to 10 minutes. The Senator may only yield for questions.

Mr. KERRY. Mr. President, I simply ask my colleague from Massachusetts—and I thank him for bringing this issue before us—whether or not he believes, in a moment when people are being thrown out of work, in a moment when the economy is down, and at the same time we are talking about making education the most important issue for Americans, as Americans believe it is—if at that moment it makes any sense at all, when more people are trying to apply to schools, when more people realize the importance of education to get a high-value-added job to move the economy of this country—how can one justify, I ask my colleague, asking students in this country to pay the price of a large number of corporations getting a tax break, of a large number of wealthy people getting a tax break, and making it more difficult for people to secure the very education the President says and others agree is the most important ingredient in not only moving our economy but of good citizenship?

I ask my colleague, is there any possible way to justify that as a commonsense policy?

Mr. KENNEDY. The Senator has put his finger on it. This is a shell game. The moneys that effectively will be saved will be used for the tax break, the tax cut for the wealthiest individuals. It is wrong education policy. It is wrong national security policy.

American families need lower tuition rates rather than higher loan interest rates. That is what the Democrats stand for, and it is intolerable—intolerable—that the Bush administration would go through this subterfuge. The last time we faced it was in 1981 with the addition of an origination fee. That was a fee on all loan programs. That means that a student has to pay an additional 3 percent on what they have to borrow. Now students not only have to pay for tuition and fees, but the federal government added a 3 percent fee of their own to those already high costs.

This administration does not get it straight when it comes to educating the young people in this country.

I thank the Senator.

Mr. KERRY. I thank my colleague.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. Three minutes 26 seconds.

Mr. KENNEDY. Mr. President, I conclude by pointing out, once again, that 64 percent of all students borrow through the Federal student loan programs to finance an education; 74 percent of full-time students work 25 hours a week or more while attending school, and nearly half of all these students work at levels that are likely to have a negative impact on their academic achievement and the overall quality of their education.

There is tremendous pressure on students now. If we tolerate this and let the administration's program go forward, it will mean additional pressure on these young people, and in the long run a deficit to the quality of education in this country.

I yield the remaining time to the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, how much time do I have?

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota has 2½ minutes.

Mr. WELLSTONE. Mr. President, does the Senator from New Jersey want to speak as well on this subject?

Mr. TORRICELLI. I will be happy to if the Senator has time.

Mr. WELLSTONE. I will yield to the Senator from New Jersey.

The PRESIDING OFFICER. Is there objection?

Mr. WELLSTONE. I ask unanimous consent that I be able to follow Senator McCAIN in the order, speaking later, for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Arizona.

DIGITAL BROADCASTING

Mr. McCAIN. Mr. President, today is the 1st of May. It is significant in U.S.

history for major technological achievements. On this day in 1935, the Boulder Dam, later renamed for President Herbert Hoover, was completed. On May 1, 1947, radar for commercial and private aircraft was first demonstrated. On May 1, 1844, Samuel Morse sent the first telegraph message. All of these achievements represented significant technological milestones that have greatly benefited millions of Americans.

May 1, 2002, was supposed to be a wonderful day that represented another technological milestone for American television viewers. Today is the deadline for all commercial television stations in the United States to be broadcasting a digital signal. Theoretically, consumers should now be able to receive a digital signal from each and every commercial broadcaster in the country. Unfortunately for consumers, a vast majority of broadcasters have missed today's deadline, leaving consumers' digital TV tuners with little more than static. In fact, according to recent figures from the FCC and the National Association of Broadcasters, over 1,011, or 77 percent, of commercial broadcasters have failed to meet the May 1 deadline. Moreover, 834 commercial stations filed waiver requests with the FCC seeking an extension to complete the construction of their digital facilities.

The transition to digital television has been a grave disappointment for American consumers but not surprising to this Member. It is nothing short of a spectrum heist for American taxpayers. I will read a few headlines that recently appeared in newspapers across the country: The Boston Globe, "Missed Signals: Many TV Stations Seen Lagging on Deadline to Offer High Definition." San Jose Mercury News: "Static Blurs HDTV Transition. Industries Squabbling Stalls Digital Television." USA Today: "Digital TV Revolution Yields Mostly White Noise." And finally, the most remarkable headline from Monday's New York Times: "Most Commercial Broadcasters Will Miss Deadline For Digital Television."

This morning's USA Today states:

> Today was supposed to be a milestone in the grand conversion to digital broadcast television. Instead it serves as a marker for how poorly the transition is going . . . At the current pace, broadcasters will be able to keep all of their spectrum, digital and analogue, in perpetuity. That means a substantial chunk will remain locked up in broadcasters' hands instead of being put to more valuable uses, such as for advanced cell phone services. Not only are those needed, the spectrum also could be sold for billions, aiding a deficit-laden U.S. Treasury.

I ask unanimous consent that the editorial and other news items be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From USA Today, May 1, 2002]

DIGITAL TV "REVOLUTION" YIELDS MOSTLY WHITE NOISE

Today was supposed to be a milestone in the grand conversion to digital broadcast television. Instead it serves as a marker for how poorly the transition is going.

By now, every commercial broadcast station should have been sending its signal digitally. With just a regular TV antenna and a digital tuner, families were supposed to be getting their favorite TV shows in crystal-clear pictures and theater-quality sound.

So far, though, the revolution is a dud. Only about 25% of commercial stations offer a digital version of their broadcast signal, according to a report from Congress' General Accounting Office. And few programs are produced in the highest-quality HDTV format. Little wonder that just 200,000 digital over-the-air tuners were sold last year, compared with more than 22 million analog sets.

This is all a far cry from the revolution the broadcast industry promised six years ago. That's when Eddie Fritts, president of the National Association of Broadcasters, proclaimed that "America will embrace digital TV quickly and enthusiastically."

The hype, plus a heavy dose of big-money lobbying, persuaded Congress to give $70-billion worth of extra spectrum to the broadcast industry for free so it could transmit digital and old-fashioned analog signals during the transition. By 2006, 85% or more homes were to have made the switch to digital. Then the old analog signal was to be turned off, and broadcasters were to return the analog spectrum to the taxpayers who financed their gift.

At the current pace, though, broadcasters will be able to keep all of their spectrum, digital and analog, in perpetuity. That means a substantial chunk will remain locked up in broadcasters' hands, instead of being put to more valuable uses, such as for advanced cell phone services. Not only are those needed, the spectrum also could be sold for billions, aiding a deficit-laden U.S. Treasury.

Confronted with this faltering transition, broadcasters are casting blame in all directions: Cable companies don't carry their digital offerings, which means a big chunk of potential viewers can't get high-definition broadcasts. Only a tiny fraction of TVs have digital tuners. Hollywood doesn't produce enough digital content. The Federal Communications Commission isn't issuing enough mandates.

These complications have hampered the move to digital. But at bottom, they are distractions designed to hide broadcasters' unwillingness to fulfill the promise they made in exchange for all of that free spectrum.

Outside the broadcast industry, in fact, the conversion to digital TV is moving along pretty smoothly. More than 15 million consumers subscribe to digital cable, and 17.5 million homes get digital TV via small home-satellite dishes. HBO produces more high-definition digital content in any given week than all of the broadcast networks combined. This summer, the Discovery Channel will offer an all-high-definition service.

Viewers snapped up 12 million DVD players last year alone so they could watch digital movies. And digital TV monitors—which don't come with digital over-the-air tuners—are selling briskly.

Broadcasters were right. Consumers want the benefits of digital TV. Now it's time for broadcasters to live up to their bargain.

[From the Boston Globe, Apr. 26, 2002]

MISSED SIGNALS MANY TV STATIONS SEEN LAGGING ON DEADLINE TO OFFER HIGH DEFINITION

(By Peter J. Howe)

Roughly three-quarters of second-tier television stations in the United States are likely to miss next Wednesday's deadline to begin transmitting at least some programming in crystal-clear "high-definition" format, according to a survey being released today by the General Accounting Office, Congress's watchdog agency.

Among the more than 800 U.S. TV stations involved are Boston's channels 38 and 56, which said yesterday they have been given federal waivers to miss the May 1 deadline set by Congress six years ago. Station executives said because of technical challenges, it will probably be early summer at the soonest before they start carrying programs in the high-definition format.

U.S. Representative Edward J. Markey of Malden, who is the ranking Democrat on the House telecommunications subcommittee and commissioned the GAO study, said last evening the fitful progress shows the need for federal regulators to impose "clear deadlines and real punishments" for HDTV laggards. "Some combination of the Federal Communications Commission and Congress has to force a resolution of the conflicts which exist amongst industries which have paralyzed the development of digital TV," Markey said. "We can no longer just stand on the sidelines and allow the consumer to be deprived of the benefits of this remarkable technology."

Six years ago, hoping to accelerate a shift many advocates said would be even more radical than moving from black-and-white to color TV two generations ago, Congress enacted legislation calling for all 1,600 U.S. public and commercial TV stations to move by 2006 to a format that provides much clearer, all digital, wide-screen images more like a cinema than TV.

Images in HDTV are made up of nearly six times as many pixels, or dots, as standard analog transmissions enabling viewers to see details like individual blades of grass in a baseball close-up or faces in a stadium crowd.

The law called for 119 large-market TV stations affiliated with ABC, CBS, NBC, and Fox to begin transmitting some HDTV content by May 1999, a deadline that has largely been met—although the Sept. 11 terrorist destruction of the World Trade Center towers in New York knocked five digital stations off the air there.

The second in a series of deadlines, coming May 1, calls for 1,121 stations in secondary and rural markets—and the smaller stations in big markets, like Boston's WSBK-TV (Ch. 38) and WLVI-TV (Ch. 56)—to transmit at least some HDTV programming.

But the GAO found that 74 percent of those stations that responded to a survey said they do not expect to meet the deadline. They cited the huge expense of upgrading studios and transmitters for HDTV, low consumer interest in buying $1,000-plus TV sets that can bring in HDTV signals, and practical issues such as a shortage of specially trained crews that can climb up thousand-foot towers to install new antennas.

In Boston, a spokeswoman for WLVI-TV (Ch. 56), Kristen Holgerson, said, "We will probably be going on the air with HDTV sometime in June, but there's no specific date."

Bob Hess, director of engineering and operations for the CBS/Viacom-owned channels 4 and 38 in Boston and 28 in Providence, said setting up high-definition transmitting equipment for Channel 38 has been bogged down "for some very legitimate technical reasons."

Among them was that the FCC's random-allocation process led to Channel 38 getting Channel 39 for its HDTV signal, creating huge challenges for station technicians to figure out how to install transmitters on their Needham Heights tower that would not interfere with the existing analog Channel 38.

"I'm expecting it to be on in early summer," Hess said, but added that "nothing is easy and nothing is fast."

Earlier this month, FCC chairman Michael K. Powell tried to kick-start HDTV, using a speech at a broadcasters' convention to encourage a purely voluntary effort to have television networks show more HDTV programming, TV set makers produce more sets that can get the signals, and cable television networks—which roughly two-thirds of Americans use to watch local channels—agree to add HDTV channels to their lineups.

Markey, however, said the GAO study shows that Powell cannot rely on a market approach to get the job done. He noted that a third of TV stations surveyed by the GAO that have gone to HDTV said they would not have met the deadline without being ordered to by the government—and many said without government pressure, it would be long after 2010 before a market developed.

"The FCC still is standing on the sidelines without a clear program," Markey said.

Dennis Wharton, a spokesman for the National Association of Broadcasters, said while hundreds of stations will not make the May 1 deadline, "Most of them will be on the air within 3 to 12 months. This is very short-term issue from the broadcasting industry's perspective."

Wharton predicted that by next year, officials will be focusing their ire on TV set makers' and cable TV conglomerates' role in slowing HDTV adoption.

By most estimates, fewer than 2 million U.S. homes have been willing to pay the exorbitant prices for HDTV sets that can bring in special programming from the big networks only 30 to 40 hours a week. Fewer than 150,000 of the sets were sold in the US during March, according to the Consumer Electronics Association, despite the draw of CBS broadcasting college basketball and the Masters Golf Tournament in high-definition format.

Among high-end TV buyers, however, "the consumer interest is unbelievable," said Jeffrey Stone, president of Tweeter, the 158-store home electronics chain. He said in the winter quarter, 91 percent of customers buying projection-screen TVs opted to pay the $300-plus premium to get HDTV capability, and 60 percent of conventional "tube TV" sales were HDTV units.

"There's just no comparison" to standard TV, Stone said, recalling a basketball game he watched where "you could count the individual beads of sweat on Michael Jordan's head. It looks more real than real life."

[From the San Jose Mercury News, Apr. 13, 2002]

STATIC BLURS HDTV TRANSITION; INDUSTRIES' SQUABBLING STALLS DIGITAL TELEVISION

(By Dawn C. Chmielewski)

Federal regulators are working furiously to revive the faltering transition to digital television, even as two-thirds of the nation's commercial stations say they will be unable to meet a May 1 deadline to start digital broadcasts.

Some 877 commercial stations have told the Federal Communications Commission they would be unable—for financial, legal or technical reasons—to start digital broadcasts. That leaves half the nation's population, mostly those in small cities or rural areas, without access to crisp, digital television signals, federal regulators say.

As broadcasters prepared for this week's National Association of Broadcasters (NAB) convention in Las Vegas, FCC Chairman Michael K. Powell outlined a series of voluntary measures for broadcasters, television manufacturers, cable companies and home satellite providers to avert what he once described as "a potential train wreck." The recommendations triggered a fresh round of finger pointing, as each industry blamed the other for the halting transition to digital TV. Powell called on the four major broadcast networks, together with cable networks HBO and Showtime, to broadcast half of this fall's prime-time lineup in cinematic high-definition TV or offer digital broadcasts with enhanced features, such as interactivity. High-definition TV offers near-cinematic picture quality while digital broadcasts are equivalent to what satellite TV subscribers currently receive.

By January, Powell proposed, network-affiliated stations in the nation's 100 largest markets would broadcast an enhanced digital signal to the 2.5 million people who own digital TV sets. At the same time, cable and satellite operators must begin carrying the digital programming.

TV manufacturers, for their part, must begin to make television sets with built-in tuners to receive the over-the-air digital broadcasts. Only 20 of the more than 300 models of digital TV sets manufactured currently come with such integrated receivers. For the vast majority of consumers, the only way to currently receive digital signals over the air is with a separate set-top receiver and antenna.

"We embrace the principles embodied in the Powell plan. We encourage our friends in allied industries to do likewise," said Edward O. Fritts, president and chief executive of the National Association of Broadcasters, in the opening address to the convention. "This transition is far too important to consumers to risk further delay."

Industry trade groups applauded Powell for trying to spur the moribund digital TV transition, even as they pointed to obstacles that would make it difficult to comply with his recommendations. The broadcasters say 274 stations already beam digital signals into the nation's largest cities. But the owners of small-market stations, such as San Jose's KKPX (Ch. 65), see little point in investing a reported $1 to $2 million on the digital conversion, when fewer than a half-million consumers nationwide own the set-top boxes and antennas needed to tune in the digital broadcasts.

HDTV is widely regarded as the driving force that will entice consumers to make the migration to digital. But the majority of cable systems, which provide television programming to 67 percent of American households, still don't carry the networks' high-definition broadcasts of events like the Winter Olympics or the NCAA Men's Basketball Tournament in fewer than a dozen markets.

So station owners feel little urgency to flip the digital switch.

"Most people don't have digital TV," said Nancy Udell, a spokeswoman for KKPX parent Paxson Communications. The station received an F.C.C. extension to the May 1 deadline, buying it time to explore a lower-cost method of simultaneously transmitting the digital signal alongside its analog broadcasts.

The National Cable and Telecommunications Association (NCTA), meanwhile, says its member services will carry high-definition television network programming when consumers demand it—or competition from digital satellite services such as EchoStar or DirecTV compels it. Indeed, they already carry high-definition HBO and Showtime channels in 280 cities across the country.

"We've said all along, when the demand is there, this will take care of itself," said Marc O. Smith, spokesman for the NCTA.

The consumer electronics manufacturers, meanwhile, say they're unable to build cable-ready sets, because the cable industry has yet to settle on a standard for digital TV reception. And the set of working specifications developed by the industry's research arm, CableLabs, contain content protection that would give Hollywood studios the power to halt home recording or, alternatively, blur the picture resolution.

"No manufacturer has been stupid enough to sign the agreement yet," said Bob Perry, marketing vice president for Mitsubishi Consumer Electronics America, the nation's leading maker of projection televisions.

The Gordian knot of digital television may ultimately be unraveled in the halls of Congress. Later this month, the Consumer Electronics Association and legislators will convene a summit to discuss strategy for speeding the rollout.

[From the New York Times, Apr. 29, 2002]

MEDIA; MOST COMMERCIAL BROADCASTERS WILL MISS DEADLINE FOR DIGITAL TELEVISION

(By Stephen Labaton)

Another milestone in the nation's tortured transition to digital television is about to be missed. Almost three-quarters of the commercial broadcasters that were supposed to be offering a digital signal by Wednesday will fail to make the deadline.

The delay is a further indication that the federally mandated transition to digital broadcasting will take longer than the planners had expected in the mid-1990's. But the missed deadline comes as no surprise. Hundreds of stations have been filing requests for extensions recently, citing a variety of financial and technical reasons. A report issued last week by the General Accounting Office found that 74 percent of the stations that were supposed to be emitting a digital signal by the May 1 regulatory deadline would be unable to do so. The report said most of the delinquent stations had cited the high cost of new technology. For stations in transition, the expenses averaged 63 percent of annual revenue for a technology that adds nothing discernible to the bottom line. The report also noted the relatively low consumer interest caused by the high prices of digital TV sets and a host of technical issues like tower constructions.

Despite the difficulties, 95 percent of the major network affiliates in the top 30 markets are already offering digital broadcasting, and their signals reach about half of the population. But the failure of the smaller broadcasters is symbolic of a much larger nagging problem of aligning the technical and financial interests of a handful of industries—broadcasters, programmers, cable operators and electronic equipment makers—to make digital television accessible at affordable prices to consumers.

"It's a very complicated transition with lots of moving parts," said Rick Chessen, the chairman of a regulatory task force supervising the government's oversight of the conversion to digital television.

Digital television, which Congress and policy makers have been promoting the last six years, offers crisper images and sound, reduced interference and the prospect of viewers communicating through the set much the way they now do on the Internet. But transforming TV from analog to digital has public-policy significance beyond pretty pictures and greater viewer participation.

Policy makers of varying approaches agree that, by using a far smaller sliver of the electronic spectrum, digital significantly frees the airwaves for more productive use by other industries, including wireless communications, whose proponents are clamoring for more licenses. Once digital penetrates 85 percent of the nation's viewing market, the law requires broadcasters to surrender their analog-spectrum licenses back to the government to be reissued to other commercial ventures at auction. As a result, analysts and policy makers agree that the longer the digital transition, the greater the economic overhang.

"Spectrum is critical for us to have economic growth," said Blair Levin, a former top official at the Federal Communications Commission who is a regulatory analyst at Legg Mason. "To the extent it is tied up, it represents a huge drag on the economy."

The rollout of digital TV has stalled over many uncertainties about how to do so profitably. Broadcasters, particularly smaller ones, see little or no financial benefit yet in offering digital signals. Consumers cannot find high-definition television sets at affordable prices. Programmers have moved slowly in offering shows of digital quality. Cable operators have only just begun, in small pockets, to transmit digital signals.

Hoping to break the logjam, Michael K. Powell, the F.C.C. chairman, has called for the major industrial players to impose their own voluntary deadlines.

"You will get on this train in the right way, or it will run you over," he said this month at the annual conference of the National Association of Broadcasters.

Mr. Powell urged the four major networks and other major programmers to digitally broadcast at least half of their prime-time shows by this fall. He asked cable and satellite companies to carry some digital programs by the beginning of next year at no extra cost to subscribers. And he proposed deadlines over the next four years for television makers to increase their production of sets that include digital tuners.

Others long engaged in the debate say that Mr. Powell's proposal is not enough, and that in some instances it asks industry players to do little more than they had previously pledged. While there is no momentum on Capital Hill for the imposition of sanctions on tardy industry players or subsidies to encourage faster transition, some lawmakers are calling for legislation to prod a faster conversion.

"Our digital policy is a mess, and in the absence of the federal government intervening with a comprehensive policy, the American consumer is unlikely to ever receive the full benefits of the digital revolution," said Representative Edward J. Markey, Democrat of Massachusetts, who is ranking Democrat on a House subcommittee on telecommunications. "Voluntary approaches don't work. A voluntary policy is what got us to today's mess. What we've wound up with now is the broadcast industry and cable industry engaged in spectrum hostage-taking with no end in sight, and no relief for the benefit of consumers."

Federal rules required the 119 largest network affiliates to begin transmitting some digital programs by May 1999. That deadline has largely been met.

By Wednesday, 1,121 smaller stations were supposed to be in compliance, but nearly three-quarters will fail to meet the deadline. But industry officials said that they expected most of the broadcasters to be in compliance by the end of the year.

"We consider this a short-term issue affecting mostly small and medium market broadcasters," said Dennis Wharton, a spokesman for the National Association of Broadcasters.

Mr. McCAIN. Broadcasters have not only missed today's deadline but they have broken their promise to Congress and American consumers. In testimony before the Commerce Committee in 1997, the National Association of Broadcasters stated:

> We agreed to an aggressive rollout for this new technology . . . Broadcasters have made a compact with Congress concerning high definition television. We will meet our commitments.

I did not believe that at the time, and I know it is not true now. This is a $70 billion rip-off on the part of the National Association of Broadcasters, pure and simple. Today it is clear that three-quarters of those broadcasters have not met their commitments, and their failure to do so is slowing the transition to digital television. A slow transition affects Americans not only as consumers but also as taxpayers.

Broadcasters were given $70 billion in spectrum to facilitate the transition on the condition that they return it when the transition is complete. By failing to meet today's deadline, broadcasters continue to squat on the taxpayers' valuable resource.

While I am generally disappointed and frustrated by the broadcasters' failure to live up to their promises, I recognize some television networks are contributing to the transition. For example, CBS has been one of the leaders in providing digital content to consumers. They broadcast a large majority of their prime time schedule in high definition—approximately 16 hours a week. In addition, ABC is currently broadcasting all of their scripted prime time programming in high definition. Providing compelling content to consumers is an important component to the DTV transition. The more stations that are DTV capable and are broadcasting in high definition, the more consumers will migrate to this new technology and purchase products that allow them to view enhanced programming.

I believe broadcasters, as beneficiaries of this great American spectrum rip-off, bear heightened responsibility for facilitating the DTV transition. I recognize that if even the broadcasters were to meet their commitments, the transition would not necessarily be complete. Digital broadcast is one cylinder of the engine needed to drive the transition. Many other issues still remain unsolved, and I do not underestimate the amount of work that needs to be done. Michael Powell, chairman of the F.C.C., has recognized this. In what I believe is a step in the right direction, Chairman Powell has advanced a proposal that incorporates provisions for all of the industries involved with the DTV transition and asks for voluntary cooperation to accelerate the transition.

Chairman Powell has called for the top four networks to provide DTV programming during at least 50 percent of their prime time schedule beginning in the 2002–2003 season and has asked DTV affiliates of the top four networks in major markets to obtain and install the equipment necessary to broadcast a digital signal and inform viewers that digital content is being broadcast.

The proposal also calls on cable operators with 750 megahertz systems or higher to offer to carry, at no cost, the signals of up to five broadcast or other digital programming services. Additionally, the proposal asks the direct broadcast satellite industry to carry the signals of up to five digital programming services that are providing DTV programming during at least 50 percent of their prime time schedule.

Finally, the proposal calls on the equipment manufacturers to include over-the-air DTV tuners in new broadcast television receivers between 2004 and 2006. I understand that certain industry representatives, including broadcast networks and earlier today the cable industry, have expressed a general willingness to answer Chairman Powell's call. I think this is also a step in the right direction. I am hopeful these commitments will lead to results. Unfortunately, the last commitments obviously did not.

Make no mistake, I continue to be a firm believer in market forces, which is why I believe this voluntary proposal is an appropriate step at this time. We must be mindful, however, that valuable public resources are at stake. Should the transition continue to be delayed, alternative measures will need to be taken in order to reclaim the spectrum for which so many other productive uses can be found and which rightfully belongs to the American taxpayers.

I believe, therefore, the Congress needs to be prepared to intervene, if necessary, to protect the taxpayers of this country. If significant progress is not made in the DTV transition, then I will introduce legislation that will not be voluntary. Codifying Chairman Powell's voluntary proposal may be the mildest measure we should consider.

Let me emphasize the importance of this point. Significant progress needs to be made on the DTV transition. If progress continues to stall, then perhaps a more aggressive approach such as reclaiming the spectrum from the broadcasters beginning January 1, 2007, will be required.

In closing, I realize this transition has not been easy for all the industries involved. Some of the industries have made intensive efforts, devoting significant time and resources to make DTV a reality, but many difficult issues surrounding the DTV transition still remain.

During a 1998 Commerce Committee hearing on DTV transition, I stated I would not suggest the Government now ought to step up and immerse itself in micromanaging every piece of this process. While I still believe the Government is not good at micromanaging, I believe the hour is nearing when the Government should step in and find solutions to the mess we helped create. More importantly, I believe Congress has a duty to protect the taxpayers of this country and reclaim spectrum so it may be put to its best use.

I will finish with one final observation: For the most part, the Telecommunications Act of 1996 has failed to live up to its promises to consumers. I believe its failures can teach us a valuable lesson while we watch many of the same industries involved in the passage of the act grapple with conversion to DTV.

The lesson we should have learned from the failure of the 1996 Telecom Act is that the interests of major telecommunications companies and average American consumers are not the same. Where the interests of the industries and the interests of the consumers diverge, Congress must assure that the consumers come first. The failures of the Telecommunications Act show what happens when Congress first fails to see where the interests of industries are incompatible with the interests of consumers, and then fails to act once it does. I intend not to let this happen and will move forward with legislation should progress not be made in the coming months.

I say again, when we gave away $70 billion to the broadcasters, I knew at the time they would never meet this time schedule. It was a dirty little secret. They have not met it.

The Senator from New Jersey is on the floor. We tried to get some free television time for candidates. They certainly could not afford that. They are not acting in the public interest, and it is time they started acting in the public interest. There is no more powerful lobby in this town than the National Association of Broadcasters, and abuses have never been greater.

The PRESIDING OFFICER. Under the previous unanimous consent agreement, the Senator from Minnesota is recognized for a period of up to 10 minutes.

Mr. REID. If I could ask my friend to yield for a unanimous consent request, I ask unanimous consent that following the statement of the Senator from Minnesota, Senator TORRICELLI be recognized for 30 minutes as in morning business, and following that, Senator LOTT or his designee be recognized for up to 40 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota.

TELECOMMUNICATIONS

Mr. WELLSTONE. Mr. President, I have a couple of matters to cover. I caught the end of Senator McCAIN's statement. I point out to colleagues the link between the telecommunications bill that passed in 1996 and reform.

I remember the anteroom was packed with all kinds of interests representing billions of dollars. I was trying to figure out where truth, liberty, and justice was in the anteroom. I think the consumers were left out.

We have not seen cable rates go down, but we have seen consolidation. For those who worry about competition, I argue when we look today at telecommunications and the mass media, we see a few conglomerates controlling the flow of information in the democracy. That is frightening.

If there was a sector of the economy that is ripe for antitrust action, this is one—along with the food industry.

MENTAL HEALTH PARITY

Mr. WELLSTONE. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials—one from the New York Times, and one from the Minneapolis Star Tribune—about the importance of ending discrimination in mental health coverage and calling for full mental health parity.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Star Tribune, May 1, 2002]

BRAIN STORM AT LAST, BUSH GRASPS A MEDICAL FACT

President Bush took a grand leap on Monday—one many observers thought he'd never dare to take. He at last acknowledged that the brain is a part of the body.

Scientists, of course, have suspected as much for years; the president's declaration is sure to bolster their self-esteem. It will also open the door to a long-awaited policy change: If the brain is in fact yet another bodily organ, it certainly makes sense that its disorders be covered by the same medical-insurance rules that apply to every other bodily dysfunction.

This logic is not lost on the president, and on Monday he want out of his way to endorse legislation that would force insurers to treat brain disorders just like other medical illnesses. That would bring an end to the practice of assuring ample health coverage when the pancreas peters out of insulin but scrimping on care when the brain is short on serotonin. That sort of discrimination keeps sick people sick, Bush said, and contributes to the stigma suffered by people with brain diseases. The answer, Bush made plain, is "full mental health parity"—a promise he says he'll work with Congress to fulfill.

This is phenomenal news, and it has the bill's top backers over the moon. Sen. Paul Wellstone's name may have been omitted as the president pushed his concept, but the Minnesota senator is too happy to care. Last year his mental health parity bill died an ignominious death in conference committee, after administration and Republican leaders buckled to insurers' complaints that the bill would be too costly.

Medical coverage for the brain—too costly to cover? Tell that to America's epileptics, whose disability has long been covered because it's no longer considered "mental." Besides, the claim about costliness was nonsense from the start. The Congressional Budget Office estimates that premiums would rise less than 1 percent if parity were assured. And that calculation doesn't take into account the savings that could be reaped if—as is likely—early and habitual treatment of brain disorders led to fewer emergency-room visits, shorter psychiatric hospitalizations and reduced prison stays.

Of course the best reason to assure mental-health parity, as Wellstone and Republican cosponsor Pete Domenici of New Mexico have argued, is that it's the decent thing to do. Bush said just that on Monday, lamenting the history of misunderstanding, fear and shame that has haunted people suffering from neglected but fully treatable brain disorders. The way to banish those horrors is to treat the medical afflictions with medicine—wherever in the human frame they occur.

This is a terrific pledge from a once-reluctant president, and onlookers who see parity as a no-brainer should make sure he sticks by his word. As Wellstone observed earlier this month while speaking to mental-health experts in Bethesda, Md., much could still go awry as this measure moves through Congress over the next month. Though the Wellstone-Domenici bill calls for covering all mental illnesses, many foes favor letting legislators or health plans pare down the list to a few coverable—perhaps just the few curable—diagnoses. That could leave many of the sickest entirely uncovered. There's also the ominous danger posed by the possibility that insurers will design health-care packages that offer no mental-health care at all—a sneaky and pernicious way to skirt the parity requirement altogether.

But why worry about such things now? Bush has become a believer. Now perhaps he'll exercise a sliver of compassionate conservatism and lead the fight against weakening the modest mental-health parity bill. So voters must hope—and insist.

[From the New York Times, May 1, 2002]

TOWARD MENTAL HEALTH PARITY

President Bush said some encouraging words this week about the need for a health care system that will treat mental illness with the same urgency as physical illness. The president seemed to suggest that health insurance should cover mental problems on the same terms as other medical problems. If the president is serious about this issue, he will need to lean on recalcitrant House Republicans, the chief impediment to reform, to pass a bill elevating mental health coverage to a par with medical and surgical coverage.

Congress took the first step toward this goal in 1996 when it passed legislation that prevented private plans that offer mental health coverage from setting annual or lifetime limits that are lower than those set for other illnesses. But the law left a loophole that allowed companies to require much higher deductibles and copayments for mental health treatments than for other diseases. So a new bill—pioneered by Senators Pete Domenici, Republican of New Mexico, and Paul Wellstone, Democrat of Minnesota—is now pending that would require parity in all terms, including deductibles, co-insurance and duration of treatment.

Although Mr. Bush shared the stage in Albuquerque with Senator Domenici, a longtime supporter of full mental health parity, he did not endorse the senator's progressive and expansive bill, which would require parity for more than 200 mental health conditions listed in the chief diagnostic manual when they cause clinically significant impairment. In one comment, Mr. Bush seemed to be seeking "full mental health parity," but in another he talked only of putting "serious mental disease" on a par with other diseases. He also called it "critical" that the move toward parity not run up the cost of health care significantly.

The chief arguments shaping up in Congress involve the potential cost of upgraded mental health coverage and the appropriate range of mental illness to be covered. The Congressional Budget Office estimated last year that the Domenici-Wellstone bill would drive up premiums by about 1 percent, a cost that seems bearable given the importance of treating mental illness and removing the stigma attached to it. The health industry suspects that costs may rise faster and deplores any added cost to a system already under financial strain. But surely there are compromises that would install mental health parity as the norm but allow health plans to abandon parity if their psychiatric costs rose beyond a reasonable level. Me. Bush needs to follow his rhetoric with some hard bargaining to get a bill passed by Congress this year.

Mr. WELLSTONE. Both editorials are strong. They thank the President and my partner in this effort, Senator DOMENICI, for their fine work. Both point out that we need to make sure we have full mental health parity. We need to end the discrimination and make sure our loved ones and other families are provided with the treatment they need. That is not happening today. This would be a huge civil rights bill that would end discrimination and get much more coverage to people.

I recommend to every colleague the three-part series in the New York Times, front page. I cannot even read it, it is so powerful and so painful with regard to what is happening to those put in homes for mental health coverage. Because of the coverage they are getting, there will be a criminal investigation. People have taken their lives by jumping out of windows because of no supervision. The staff is underpaid and poorly trained and does not know how to provide the pharmacological coverage.

People live in the homes which are supposed to be community-based care, and there is absolutely no treatment, no help. These are people who do not have money. They are not capable of being a political force. My God, they live under the most wretched conditions. This should not happen in the United States of America.

It is a powerful series. I have never seen a greater contribution than what the New York Times has done on the front-page series.

EDUCATION

Mr. WELLSTONE. My third topic is education. I spoke yesterday almost with a twinkle in my eye when I heard what this administration is proposing to do.

In Minnesota, in 1999, students took out $483 million in loans; $406 million in Federal loans. In 1987, it was $188 million, $483 million versus $188 million.

Saying the students cannot consolidate loans and keep them at 4 percent and not worry about interest rates going up, average students—if this administration has its way—are going to be charged an additional $3,000 more. It is unconscionable.

All Senators need to understand many of our students are not 19 or 20, living in a dorm. Even if they are, a significant number of them are working 30 hours a week. These are not people for whom the cost of higher education for their families is easy. A lot of them are students not living in the dorm—40, 45, and 50 years of age—going back to school. Some of our taconite workers are going back to school to try to find employment and support their families. These are hard-pressed people.

Now, this administration doesn't want to give them a break on interest rates on their loans? It is the most distorted of priorities. Give it all away in tax cuts. A vast majority of these tax cuts go to huge multinational corporations, wealthy citizens, the top 1 percent of the population. And to give them credit, many of them say: We do not need it.

Instead, we are told we don't have enough money to fund the Pell grant, so the way we will do it is to charge higher interest rates for students, many of whom are hard pressed. It is unconscionable, unacceptable.

I announce on the floor of the Senate, along with other Senators, including the Senator from Minnesota, the Presiding Chair, who cannot speak but I can speak for him, we are not going to let it happen. It is not going to happen. I say to the White House: It is not going to happen.

Tomorrow we will talk with teachers, including teachers from Minnesota. I will talk about the education budget. We had all of the symbolic politics "leave no child behind," with all the travel around the country, including in Minnesota and coming to the high school, Eden Prairie High School, all for education, all for the children—accept for when it comes to digging in the pocket and providing resources.

The State of Minnesota anxiously awaits the administration living up to the commitment to provide the full funding for special education. We had it done in the Senate. It was on a glidepath. The Presiding Chair and I would have liked to have seen it happen quicker. Over 5 years, it would be full funding, and over the next 5 years and the rest of the decade it would be mandatory, automatic full funding, $2 billion more in resources for education for the State of Minnesota, half of which would be used for special education, and half to be used to cover other costs which we incur because we do not get the funding from the Federal Government. The House Republican leadership and the White House blocked it.

We are going to have a debate on this issue. There are a lot of different formulations. I say forego the tax cuts for the top 1 percent; forego giving multinational corporations breaks so they don't pay taxes. Then we will have $130 billion, and over the next 10 years that is exactly what we need to provide full funding for special education.

I stake my political reputation on that tradeoff. I come from a State where we cut teachers, prekindergarten for children, and early childhood education programs. It breaks my heart to see that happen, where class sizes are going up. My daughter, Marsha, says her advanced Spanish class has 50 students.

Colleagues, education is a compelling issue in people's lives. If you want to talk about what is good for the country, good for the economy, and good for democracy, you are going to want to support education. We ought to be doing this. There will be a debate and every Senator will be held accountable. We need the full funding. That will be a fight. I know the Democrats will fight for it, and I hope many Republicans do as well.

Finally, "leave no child behind," is the mission statement of the Children's Defense Fund. It is probably too much for them to take because all we have is a tin cup budget from this administration. To me, education is pre-K through 65; it is not K through 12.

Talking about higher education, older students, talking about students going back to school, and then there is the prekindergarten, which for some reason always is put in parenthesis, that is probably the most important education of all.

I don't want to celebrate the administration's budget. I am in profound disagreement with the priorities of this administration on children and education. I celebrate the work of these childcare teachers, many of whom make $7 an hour, with no health care benefits. It is preposterous. We say we love children, believe in children, but we devalue the work of the adults who help those children.

We are going to be meeting with Commissioner O'Keefe, probably with the Presiding Chair, as well, who has come from Minnesota. We are talking about TANF and welfare reform, and the administration has a new formula that 70 percent of the single parents, mainly women, will be working out of the home 40 hours a week, but they don't have additional money for childcare. There are a lot of other things that are wrong with this reform as well.

My point is, whether it be welfare mothers, whether it be families with parents, whether it be single parents working, whether it be both parents working, whether it be low-income, moderate-income, or middle-income, this is a huge issue.

I ask unanimous consent that I have 3 more minutes to finish.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. This is a huge issue for working families. Many of these families pay more for childcare than they do for higher education. In Minnesota, 30 percent of adult workers make under $10 an hour.

Let's talk about another issue, affordable housing. To pay for the rent of a two-bedroom apartment, not amounting to that much, they will be lucky if they pay less than $900 in Metropolitan Minnesota and it is pretty expensive in Greater Minnesota. If they have a 2- or 3-year-old, they will be very lucky if it is less than $1,000 for childcare. If you have a single parent, that is two-thirds of their income gone. I have not even included health care or transportation or food. I have not even included, maybe once in a blue Moon, being able to take in a movie or maybe taking your children out to eat.

This administration talks about "leave no child behind." Now they want to expand the absolute requirement that these mothers are all going to work. They do not provide the money for childcare. Right now we have about 10 percent of low-income families who can take advantage of childcare and get any help because we do not have the funding. In Early Head Start, it is about 3 percent of these children who can take advantage of Early Head Start because we don't have the funding.

Then there are the middle-income people who look for some assistance, and this administration gives us nothing. And they want to talk about "leave no child behind." In all due respect, they want to talk about the importance of reading, all of which is fine, but where is the investment? Where is the investment in these children?

I finish in these words. I borrow in part from Jonathan Kozol but in part myself. This is my favorite way of putting it.

You help these children when they are little, not because when you help them when they are little they are more likely to graduate from high school—true; not because when you help them when they are little they are more likely to go to college—true; not because when you help them when they are little they are more likely to graduate and contribute to our economy and be good citizens—true. You help them when they are little because they are all under 4 feet tall and they are beautiful and we should be nice to them. That is why we should help children when they are little. That is a spiritual argument.

I don't see that in the budget from this administration. I intend, as a Senator, working with Democrats and as many Republicans as possible, to have amendments out here calling for a dramatic increase in investment in early childhood education, in K–12, in higher education. To me it starts with education.

I yield the floor.

The PRESIDING OFFICER. Under the previous agreement, the Senator from New Jersey is recognized for a period of up to 30 minutes.

TEACHING HOSPITALS

Mr. TORRICELLI. Mr. President, earlier this morning, Senators CORZINE, CLINTON, SCHUMER, and DURBIN were all here to join with me in making a common case. I hope they will be joining me during the course of the day, if they are able to return. If not, I would like to deliver what I believe is a common concern.

This morning Senators heard from my colleagues about the pressing problems of financing education in America in a difficult budget environment. I share in that concern.

I rise with a matter of equal importance for each of our States and all of our communities; that is, the rising pressure on medical care in America as a result of our difficult budget circumstances.

In the next few months the Senate Finance Committee and then the Senate itself is going to be debating the question of how to fund different components of American health care in this difficult budgetary environment. That debate will affect doctors and their ability to maintain their practices and the integrity of their profession; home health care providers and their ability to provide service to those who are often locked in their own homes and need desperately to have care; nursing homes, in many cases not simply the quality of their care but whether hundreds of nursing homes around the country continue to operate at all; and teaching hospitals. It is teaching hospitals this morning that I want to address in detail because in some ways their plight is the most perilous and the issue most immediate.

Since 1983, this Congress has recognized the unique role of teaching hospitals in the delivery of American health care. They have a particular contribution to make, providing technology dealing with difficult cases and providing the doctors themselves for each of our States and all of our hospitals. In recognition of these unique costs, the Congress created the Medicare indirect medical education funding, IME. For more than these 20 years, there was an adjustment for the 1,100 teaching hospitals around the country; that is, they were given a 6.5-percent additional payment for Medicare to fund their unique contributions, recognizing that all hospitals and all communities benefited by these few flagship hospitals in the Nation, these 1,100 institutions that made unique contributions. This 6.5-percent payment was maintained in good years and bad years, years of deficits and surpluses, because we recognized that without them the medical system in the country simply could not be maintained at its current quality. That is until now.

On October 1 the 6.5-percent payment for 1,100 teaching hospitals will be reduced to a 5.5-percent additional payment. It is important that Members of the Senate understand the consequences. The first is to medical technology. All hospitals in America are important, but all do not make an equal contribution. The 1,100 teaching hospitals in America are the source of almost every major medical breakthrough in the country: drug-coated stents which prop open clogged arteries and prevent scar tissue from closing up the artery again—teaching hospitals; implanted cardio defibrillators, such as the one used by Vice President CHENEY, to keep heart rhythm regular—teaching hospitals; EKGs or heart-lung machines, open heart surgery, and angioplasties—teaching hospitals.

Indeed, if you were to go through every major medical advance of our generation, they would come back to the best minds and the best facilities and the best medical departments —in teaching hospitals. That is what is in jeopardy.

Certainly, as it is the leadership of technology in the medical profession, so, too, it is with the most important delivery of services. The chart on my left shows the difference in the burden being carried by these relatively few hospitals. Crisis prevention services are delivered by 11 percent of other hospitals; teaching hospitals, 52 percent. Teaching hospitals, 91 percent of them deal with AIDS service deliveries, 24 percent of other hospitals; geriatric services, 75 percent of teaching hospitals are in geriatric cases, 35 percent of other hospitals; substance abuse, 47 percent compared to 14; nutrition programs, 84 percent of teaching hospitals deal with nutrition programs, 58 percent of other hospitals.

This extraordinary concentration of the development of technology, and dealing with the most difficult and most pressing of the Nation's medical problems, is the basis—the reason why we have additionally provided 6.5 percent. This addition to Medicare is something on which we have never before compromised in recognition of the higher costs and societal contributions.

I recognize in the Senate there is a belief that these teaching hospitals are simply a matter for northern New Jersey or Manhattan, Boston, Chicago, Los Angeles, or Miami—a few urban centers servicing a small part of the population. That could not be further from the truth.

Last year, teaching hospitals around the Nation admitted 15 million people and provided care to 41 million Americans in emergency rooms. These teaching hospitals may have elite talent and give important care with advanced technology, but it is not for a select few; they are facilities used by all Americans in every State wherever you live.

I cannot overstate that in my region of the country or in my State it will not be a particular problem. It will be. But that burden is shared by all States. Because of this, when we confronted the issue of two previous Medicare give-back bills to compensate for the balanced budget amendment, Congress in 2000 and 2001 maintained the 6.5-percent IME adjustment. As I have noted to my colleagues, that expires on October 1. Automatically, it will return to a 5.5-percent adjustment. This is a 28-percent reduction in funding at teaching hospitals. The consequences are that over 5 years, $5.6 billion will not go for medical breakthroughs in AIDS, cancer, or heart disease; $5.6 billion is not available to teach and train the next generation of America's doctors; and $5.6 billion is not available to deal with the most difficult medical problems in the country.

This chart illustrates the degree of loss. Mr. President, 1,116 teaching hospitals in America will lose next year $784 million and, over 5 years, $4.2 billion.

In my State of New Jersey, this is as acute as anyplace in the country. In some ways, it is more so. Next year, New Jersey's teaching hospitals will lose $31 million. This is a State where 60 percent of our hospitals are now losing money. Those that are making money on average are making less than a 1 percent return on capital.

Over 5 years, New Jersey's teaching hospitals will lose $166 million. This does not just mean a reduction in services. It does not mean just a reduction in quality of care. It means that many will close.

I recognize the perception is that this is our problem, or New York's, or California's, or Illinois'. Allow me to share with my colleagues this information, lest you think this is our problem alone. We may have more teaching hospitals than anyplace in the country, but this is your problem, too. Arizona will lose $40 million; Arkansas, $13 million; Florida, $98 million; Massachusetts, $248 million; Maine, $15 million; New Mexico, $7 million; North Dakota, $3.7 million; and Oklahoma, $30 million. My colleagues, we are in this together.

The infrastructure that has created the greatest medical care in the world has been strained. Now it will be broken. Doctors will not be trained. These medical breakthroughs do not occur by chance. It has taken generations over a century to build these institutions and generations of building teaching staff and trained professionals to give us the greatest medical profession in the world.

It may be that this is concentrated in a dozen States. But the great medical centers of New York, Chicago, Massachusetts, New Jersey, Florida, and California are sending doctors to every State in the Nation. There is not one State in this country that will not this year or next year have had a doctor trained at a teaching hospital in New Jersey, or several from New York, or several from Boston, or Chicago, or Los Angeles. They go to Montana and the Dakotas. They go to New Mexico. They go to the Great Plains. They go to the Deep South. But most of them are trained in our urban centers.

Their ability to continue to train is now at its end. I don't know how the medical profession continues on its current basis. Doctors are closing offices for insurance reasons. Because Medicare payments are no longer adequate to meet the cost of service, offices are closing. Doctors move instead to practice at other hospitals. Now we are going to reduce reimbursements to hospitals. Some of those will close.

We have known for a long time that the current quality of medical care in America and the extent of service through different levels of income and class cannot be maintained. We have postponed it.

The inability of this Congress and the country to have a national system of health care delivery with privately or nationally based insurance has strained every degree of health care delivery. We have done our business to maintain it. We have even been able to maintain these hospitals by maintaining the IME system. Now that is at its end.

There is introduced in the Senate the American Hospital Preservation Act which would maintain the current IME adjustment at 6.5 percent. I am a cosponsor. Its major provisions will be before the Senate Finance Committee when we consider how to deal with the medical crisis in America.

I cannot more strongly urge my colleagues to follow the leadership of this legislation and consider seriously the consequences of allowing expiration of IME adjustment, what it will mean to these hospitals, what it will mean to the medical care profession, and what it will mean to every one of your communities and every one of your States when the local doctor who went away to the big city to become trained no longer comes home with his or her training and special skills and ability to save lives. The spigot is closed. Everybody is on their own. The teaching hospital just closed.

That, my colleagues, is no longer on the horizon. It is no longer speculation. That is exactly what we are faced with—the real consequences of losing our leadership in these technological breakthroughs and providing these very specially trained people.

I know earlier in the day Senator SCHUMER, Senator CLINTON, Senator CORZINE, and Senator DURBIN were to be here to share in these remarks. Regrettably, they were delayed because our colleagues were speaking, understandably and justifiably, on other issues. I know that on other days they will come to the Chamber to speak about these same concerns. Each of them would like to be identified with this case. We will come back to fight this on other days. This is not going away. We are not going to be silent.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Michigan.

Ms. STABENOW. Mr. President, I ask unanimous consent to speak for up to 10 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, I come to the floor today to respond to a proposal of principles that has been released this morning by our Republican colleagues in the House of Representatives.

First of all, I commend them for speaking out in support of prescription drugs and lowering the costs. But I come today, along with other colleagues, to ask them to join with us in doing more than just offering principles, but, as my colleague who is now presiding has indicated, show me the money—show me the resources. Unfortunately, for a senior who got up this morning and had to decide whether or not to eat or take their medicine, a set of principles will not purchase those prescription drugs. What they need is action. They need action now from us. We have the ability, the capacity to do that.

The first principle that has been put forward by the Speaker of the House is to lower the cost of prescription drugs now. I could not agree more. We have put forward a set of proposals to do exactly that, to increase the ability to use generic drugs, to open our borders with Canada so that our American consumers can purchase American-made drugs sold in Canada for half the price. So that our business community, our hospitals can have free and open trade with Canada to bring back drugs at half the price and sell them to our consumers. We can do that right now. It does not cost anything. Just take down the wall at the Canadian border.

We also know that we need to encourage the drug companies to put as much emphasis on research as they do on advertising. Right now, they are allowed to write off advertising costs deduct them. Taxpayers subsidize that. We know they are deducting twice as much on advertising as they do on research, and we know if we simply said, you can deduct as much on advertising as you do on research, we would save money, and we could put that money into Medicare for a prescription drug benefit.

We also know that the State of Maine has taken leadership in bulk purchasing, so that, on behalf of their consumers and their pharmacies, hospitals, and doctors, they are going to begin the process of purchasing in bulk to get a group discount. It is common sense to get a group discount. We believe we ought to make that same approach available to all of our States that choose to do that.

Right now, that is being challenged in court by the pharmaceutical drug companies. So we welcome—I welcome—the House joining with us. We have legislation to lower the cost now.

The second principle is to guarantee all seniors prescription drug coverage. Certainly, our caucus—and a majority in this Senate—has been fighting very hard for this. We, again, are ready to do that right now. But it has to be real. One of my concerns is that our seniors have been hearing, for a long time, about updating Medicare and that we are going to provide Medicare coverage. We all know it has to be done.

In 1965, when Medicare was developed, it covered the way health care was provided at the time: You went into the hospital, you might have penicillin, you had procedures in the hospital. At that time, Medicare covered the way health care was provided.

Health care coverage has changed. Treatment has changed. We now rely to a great extent on medications. We are proud that those are developed in our country and that we have these new opportunities for treatment. I am proud, as an American, to be able to have that. But we also know it does not work if those who use the most prescriptions, the older Americans, do not have prescription drug coverage under Medicare. So there is no question that we are ready to do that in the Budget Committee.

I am very proud to have been part of the Budget Committee putting forward a resolution this year that would place a substantial amount—$500 billion—into Medicare and prescription drug coverage that we would put aside, as a country, to begin to address in a very substantive way what our seniors have to deal with every single day when they are struggling to pay for their prescription drug coverage.

My concern is that when you add up—and we have had a chance to look at an initial review of some of the principles from a wire story this morning that spells out the premiums, the copays, and the deductibles, and all of that—when you add it all up, unfortunately, what our Republican colleagues in the House are talking about just isn't good enough. It just simply is not good enough.

There are not enough resources. In fact, in looking in my State at an average senior who might be spending $300, as an example, per month on prescription drugs. For instance, a breast cancer survivor who is spending $136 a month on tamoxifen, and possibly needing cholesterol medication or blood pressure medication, or some other combination. With all those, a $300-a-month bill is not unheard of. Many of our seniors pay that. But if you add up what we are finding—and if this is not accurate, we welcome hearing the specifics—it appears from the paper they are suggesting something in the range of a $37-a-month premium, with a $250 deductible, that 80 percent up to $1,000 would be paid, and that 50 percent up to $2,000 would be paid. But for anyone who is spending between $2,000 and $5,000 a year—and that is many of our older Americans, or a family with a disabled child, or someone else with a health problem—there would be no assistance whatsoever.

When we add that all up, for someone who might be spending $300 a month for prescription drugs, it ends up being less than 20 percent of their bill being covered under what is being talked about by our Republican colleagues in the House of Representatives. It would end up, for $3,600 a year, that senior being out of pocket about $2,795, leaving them to get $805 in support through Medicare. That is just not enough. That is not enough. That is not what our seniors expect. That is not what people have talked about. That is not what was talked about in the Presidential campaigns. That is not what we know we need to do on behalf of our seniors. Less than 20 percent of the bill is just not good enough.

It also appears that this is something that would be turned over to private insurance companies, which I understand actually are very reluctant right now to do this. We are hearing from them that the private insurance companies would administer the plans, even though they are saying they are very reluctant.

We have had a similar experience with Medicare+Choice where HMOs and insurance companies have left the plan. We know about the problems there. Why in the world would we want to make the same mistakes with the prescription drug benefit?

So I see something being proposed that is inadequate—woefully inadequate—being administered by those who say they do not want to administer the program. We have experience that tells us it is not the best way to proceed.

We also know that under private plans the premiums could vary and, for the first time in the history of Medicare, we could have inconsistent premiums from region to region.

So there are a lot of concerns with the proposals we have seen from the other side of the Capitol, from our colleagues on the Republican side of the aisle in the House of Representatives.

My biggest concern is that while we continue to see people talk about principles—principles that talk about lowering prescription drug costs and talk about Medicare coverage—those principles alone will not buy one pill for a senior in Michigan. It will not buy one month's prescription for a family with a disabled child. It will not help one small business lower their cost and their health care premiums so they can make sure they cover their employees.

We need action now. We need the same sense of urgency in this Senate and in the House of Representatives that every family in America feels on this issue. We need the same sense of urgency that every senior citizen in this country feels when they walk into that pharmacy and today pay the highest prices in the world for their prescription drugs.

Shame on us for not acting. Principles are fine, but they are not enough. I know that the people I represent in Michigan are way beyond principles. They know what the principles are. They want to know when we are going to act on them, when we are going to cut the costs and provide prescription drug coverage under Medicare. They want to know when we are going to stop talking and start doing.

So I call upon my colleagues to take those principles and put them into legislation immediately. Let's make sure that it will work, that it covers more than 20 percent of costs under Medicare, and to join with us in a focused effort to lower the costs of prescription drugs for all of our citizens.

I thank the chair. I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I need 1 minute to confer with the Senator from Michigan. I suggest the absence of a quorum and ask unanimous consent for 1 minute when I am recognized.

Mr. REID. Reserving the right to object, I say to my friend from New York, I think under the agreement, our time is about up. We have 2 minutes left on our time.

Mr. SCHUMER. Then I will speak for 2 minutes.

Mr. REID. I say to my friend, there is no one here from the Republican side, so there being nobody here, until someone shows up, he can speak for up to 10 minutes without any problem.

Mr. SCHUMER. I thank the Senator.

Mr. President, I ask to speak for 10 minutes under morning business.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SCHUMER. Mr. President, I compliment the Senator from Michigan for the great work she has done in leading our caucus to discuss the issue of prescription drugs. We all know we are in a real dilemma. The dilemma is a very simple one. We have, praise God, these miracle drugs. You take a pill and it makes you better. You take a pill and you don't have to go under the knife for an operation. You take a pill and you live longer and healthier and happier. It is amazing.

All of us recognize that those pills don't grow on trees. It takes lots of research and effort to come up with them. But we are facing a dilemma in America—a dilemma faced by senior citizens; by young families who may have a child who needs one of these miracle pills; by small business men and women who have to pay for health care; by HMOs; by General Motors and the UAW. The cost of these medications is getting to be so high that we are living in a bifurcated society. There are those who can afford them because they have wealth or because they are lucky enough to have a comprehensive health care plan, who live better and longer, and those who can't afford them who live worse.

It is not part of the American credo. We are happy to say, if you are wealthy, you drive a Cadillac and have a five-bedroom house; if you are poor, you drive a Chevy and rent a flat. I don't think we are ready to say in American society that if you are wealthy, you can live better and longer and get better medicine than if you are poor.

So I join my colleague from Michigan in asking, in demanding that we begin to do something about prescription drugs, that we make these drugs available to all people.

We have to do it in two ways: One, we have to make sure Medicare adds prescription drugs—it was the big thing left out of Medicare back in the 1960s; of course, back then we didn't have these miracle pills—and second, that we lower the cost.

We can do that by the methods on which I have been focusing, generic drugs, which lower the cost and provide the same availability without crimping the free market. And there are other proposals out there such as reimportation. But we have to lower costs for everybody.

We are here to respond to this: "House Republican Principles to Strengthen Medicare with Prescription Drug Coverage." First, I would like to welcome my colleagues in the House, Republicans, for getting involved in the issue. With this little thing they have put out, you haven't even put your little baby toe in the water. Jump in. Join us.

They have principles: Lower the cost of prescription drugs now—how are you going to do it? I don't see anything as part of this that talks about that—guarantee all senior citizens prescription drug coverage. Let me tell my colleagues over in the House, if you are going to only allocate a small amount of money, you are not going to be able to do this. You may be able to help the very poor and those with catastrophic illness, but you will leave out the huge middle class. That is where it seems they are headed.

They say: Improve Medicare with more choices and more savings. It seems to me I smell a little rat in that one. To rob Peter to pay Paul, to say we are going to pay for prescription drugs by cutting back on other parts of Medicare, I can tell you how our hospitals are hurting. I can tell you how doctors throughout New York and America are no longer taking Medicare. You are going to make that worse.

This Republican plan seems to be saying: For a very few people we will make prescription drugs available, but we will take away the doctors who will be able to prescribe them.

Finally, they say: Strengthening Medicare for the future, yes, we agree with that. Making permanent a huge tax cut which has already thrown us more deeply into deficit than the war on terrorism and saying you are going to strengthen Medicare is a contradiction. You have to decide which one is more important. I think we have, many of us. I like cutting taxes. I voted for many tax cuts. But making it permanent now when you say we know what jeopardy Medicare is in and we know we need prescription drugs? I will tell you what side of the fence most New Yorkers would be on, particularly when they know the tax cuts go mainly, predominantly to the very people who can afford these prescription drugs on their own. They don't need the tax cut to do that.

Again, to my colleagues from the other side, from the other House, from the other party, welcome to the debate. We have been waiting for you. Let's get real. Let's not have a list of high-minded and somewhat contradictory principles. Put your money where your mouth is. What is your plan? What are you going to do? Many of us have specific proposals that we have been working towards. We would like you to support those. If you don't agree with those, what do you agree with?

Ms. STABENOW. Will the Senator from New York yield?

Mr. SCHUMER. I am happy to yield.

Ms. STABENOW. I commend the Senator for his efforts regarding generic drugs. There is no question that this is the heart of the matter. I know he has held hearings. He has a bill that is moving forward. I commend him for going right to the heart of the issue. Hopefully, our colleagues on the other side of the aisle and in the other Chamber will be willing to embrace what is a very tangible way to cut the cost, which he has been working on, holding hearings on, and moving forward on. I commend him on this issue to all those listening. The leadership of the Senator from New York has been absolutely superb on this.

Mr. SCHUMER. I thank my colleague from Michigan for those nice words and, more importantly, for the great work she does. Our generic bill is bipartisan. Senator McCAIN and I are lead sponsors in the Senate. We have sponsors in the House.

Can you hear me over there in the House? Hop on our bill instead of putting out a statement of principles. It is led by SHERROD BROWN of Ohio, but we have a number of Republican sponsors as well. Again, it is joint; it is not intended to be partisan. That is one way to lower the costs.

The pharmaceutical industry is not going to like it. Again, I ask my House Republican colleagues: Are you willing to buck them? Are you willing to say we are going to lower the costs and prevent the lawyers from fleecing the Hatch-Waxman Generic Act clean or not?

Today is a good little baby step on balance by my colleagues in the House, but they have a long way to go to convince the American people they really care about this issue.

TEACHING HOSPITALS

Mr. SCHUMER. Mr. President, I rise to address a related issue. I had come to join my colleague from New Jersey in addition to my colleague from Michigan on teaching hospitals. Like many of our precious resources, our teaching hospitals are concentrated in a few regions of the country. In fact, 50 percent of the residents trained in the US are educated in just seven States.

New York is home to nearly 10 percent of the Nation's teaching hospitals which train 15 percent of our Nation's new doctors—the single greatest percentage of any state.

And though we train them, they don't all stay in New York. They go to states where teaching hospitals are few and far between—like New Hampshire, Vermont, Montana, Delaware, and South Dakota—States that have fewer than 5 teaching hospitals each.

Twenty-two percent of the physicians practicing in both Vermont and New Hampshire—and nearly 20 percent of those in Delaware—were trained in New York. Five to 6 percent of the physicians practicing in South Dakota and

Montana were trained in New York hospitals.

Even States that do have a significant number of teaching hospitals are dependent on New York for residents. Over 30 percent of Connecticut's physicians and 47 percent of New Jersey's were trained in New York teaching hospitals. Even 10 percent of those practicing in North Carolina hailed from New York originally.

In fact, there's not a State in the Nation that doesn't have at least a few doctors who were trained in New York institutions.

The concentration of medical education and research in New York State draws world-renowned physicians to train residents in an environment of state-of-the-art medical care and technology.

The State's teaching institutions also form the foundation of a powerful medical research industry, drawing 10 percent of the Nation's total National Institutes of Health grant funding.

But, like all our hospitals, our teaching hospitals are struggling. The Balanced Budget Act of 1997 was an important piece of legislation, but it cut funding for our Nation's hospitals by over $100 billion more than was originally intended, and our hospitals are still reeling from its effects.

Our teaching hospitals face another 15 percent cut in Medicare Indirect Medical Education, IME, payments this fall. This could mean almost $750 million to the teaching hospitals in New York.

This funding is a lifeline for our medical centers—it allows physicians to train in an environment of great technical sophistication where cutting edge biomedical research and breakthrough procedures are a part of daily patient care.

And this quarter billion dollars cut in funding would be felt in Connecticut, in New Jersey, in Delaware, in Vermont, in South Dakota, in Montana—in all the States in which New York-trained doctors practice.

New York's teaching hospitals are an engine for the Nation's health care system. They are too crucial a resource to let struggle under the pressure of continued funding cuts. And I am committed to ensuring that this devastating cut does not happen this year.

As the Senate begins to craft Medicare provider legislation, I urge all my colleagues to stand with me in ensuring that any Medicare provider package includes a repeal of the IME cut.

Our teaching hospitals—and especially those in New York—are an engine for the Nation's health care system. I would have a very hard time supporting any Medicare provider package that does not include IME relief.

In conclusion, we need to train our doctors to be the best. Fifty percent of the residents trained in the United States are educated in just seven States. My State is home to 10 percent of the Nation's hospitals and trains 15 percent of our new doctors, the greatest percentage of any State. In fact, all over the country, 22 percent of the physicians practicing in Vermont and New Hampshire and 20 percent in Delaware were trained in New York. Well, that is an east coast State. Five to 6 percent of the physicians practicing in South Dakota and Montana were trained in New York hospitals.

In 1997, there were dramatic cuts in money to teaching hospitals.

There is not a State that hasn't benefited from the great training doctors have received in our New York teaching hospitals, or in other teaching hospitals throughout. Besides, the teaching hospitals are at the core of our medical research industry. They brought 10 percent to the NIH grants. Yet in the Balanced Budget Act of 1997, we dramatically slashed funding for teaching hospitals. This year, they face another 15-percent cut. That could mean $750 million to the teaching hospitals in New York. Well, that funding is a lifeline for our medical centers, the great research, and the great physicians which we are able and blessed to have in this country.

So I am here to join my colleague from New Jersey and my colleague from New York, Senator CLINTON, as well as others who are coming to the Chamber to join this effort, to stand firm in saying that we need to provide the help for the teaching hospitals. We cannot allow this next cut from the Balanced Budget Act to go into effect. We should not allow any kinds of benefits and other kinds of changes in the Medicare Program to occur without taking into account our teaching hospitals.

Many of us on both sides of the aisle will be working long and hard to see that that happens.

I yield the floor.

Mr. REID. Mr. President, the Democrats have used all their time. In fact, the time until 12:15 that we set aside should be used by the minority. I have talked to my friend from Wyoming. Senator BAUCUS is planning to be here at 12:15 to give his opening statement on this important trade bill. We have had good discussion today, and I look forward to the Republicans coming out.

EULOGY OF THE DOG

Mr. REID. Mr. President, I talked to my brother a couple of weeks ago. My brother is 22 months younger than I. We are very close. I talk to him as often as I can. He lives alone in rural Nevada.

The last time I talked to my brother Larry he was very despondent. His dog had died—Smokey. The dog was almost a cartoon caricature, little short legs, a great big stomach. We used to make fun of my brother's dog, but he loved this dog. My brother was very emotional on the phone. He felt bad about his dog having died.

We all know that yesterday Senator BYRD's dog Billy died. My brother's dog was Smokey. This caused me to reflect, of course, as we all do in our lives, on the past. My brother's dog was Smokey, and the dog I grew up with was Smokey, a wonderful dog, part Chow, a great dog. He was a great fighter and protector of us. He could appear very mean, but he wasn't mean at all. But he was somebody I grew up with in rural Nevada. He was a companion and a friend. I still remember him warmly, our dog Smokey.

When I reflected on Senator BYRD yesterday, I remembered the speeches he gave on the floor where he talked about Billy Byrd, his dog. It was obvious he cared a great deal about his dog.

Senator BYRD, on this floor, with the memory that he has—and I cannot match that—one day I heard him recite this on the Senate floor. It was April 23, 1990, and this comes from the CONGRESSIONAL RECORD. He, by memory, gave the "Eulogy of the Dog" by Senator George G. Vest.

Senator Vest served in this body for 24 years. He is really not remembered for what he did in the Senate, but he is remembered for what he did as a lawyer, because George Vest represented a farmer whose dog named Drum was shot by another farmer. A lawsuit was filed against this man for having killed his dog Drum. George Vest is remembered for the closing statement that he gave to the jury regarding his dog.

This is very short and I will read this into the RECORD. I cannot do it, as Senator BYRD did, from memory. In doing this, those of us who had animals, like my Smokey and my brother's Smokey and Senator BYRD's Billy Byrd, the little poodle he had, will reflect on really what good friends these dogs have been to us. So, again, I do this in memory of Billy Byrd, Senator BYRD's and Erma's friend. This was given to the jury on September 23, 1870. Mr. President, this speech is so memorable that, in 1958, the town of Warrensburg, MO, where the speech took place, erected a bronze statue to honor old Drum and the orator, George G. Vest:

> Gentlemen of the jury. The best friend a man has in the world may turn against him and become his enemy. His son or daughter whom he has reared with loving care may prove ungrateful. Those who are nearest and dearest to us, those whom we trust with our happiness and our good name, may become traitors to their faith. The money that a man has he may lose. It flies away from him perhaps when he needs it most. A man's reputation may be sacrificed in a moment of ill-considered action. The people who are prone to fall on their knees to do us honor when success is with us may be the first to throw the stone of malice when failure settles its cloud upon our heads. The one absolutely unselfish friend that a man can have in this selfish world, the one that never deserts him,

> the one that never proves ungrateful or treacherous, is the dog.
>
> Gentlemen of the jury, a man's dog stands by him in prosperity and in poverty, in health and in sickness. He will sleep on the cold ground when the wintry winds blow and the snow drives fiercely, if only he can be near his master's side. He will kiss the hand that has no food to offer, he will lick the wounds and sores that come in encounter with the roughness of the world. He guards the sleep of his pauper master as if he were a prince.
>
> When all other friends desert, he remains. When riches take wings and reputation falls to pieces, he is as constant in his love as the sun in its journey through the heavens. If fortune drives the master forth an outcast into the world, friendless and homeless, the faithful dog asks no higher privilege than that of accompanying him, to guard him against danger, to fight against his enemies. And when the last scene of all comes, and death takes his master in its embrace and his body is laid in the cold ground, no matter if all other friends pursue their way, there by his graveside will the noble dog be found, his head between his paws and his eyes sad but open, in alert watchfulness, faithful and true, even unto death.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

TRADE PROMOTION AUTHORITY

Mr. THOMAS. Mr. President, we have heard a number of topics discussed this morning which, of course, is the purpose of morning business and that is fine. We will, however, at the expiration of this time, move back into the topic that is before us—the one that seems to me is of major importance right now, the issue of which we are required to take some action within the next week is trade promotion authority.

It is accompanied with several other bills, and so it has become a little more difficult to understand and more difficult to pass, in fact, because of the leverages. I think we ought to focus on trade, creating jobs, and to the extent that trade stimulates our economy, and to talk a bit about that. The President has had this on his priority list for a good long time. The basic idea here is to provide the outline for the President to follow—the President and the Trade Representative and his other helpers—in terms of how we negotiate trade agreements around the world. Quite obviously, constitutionally, the Congress has authority there, the Senate has authority over trade, trade negotiations.

But it is also clear that 535 people are not going to be able to negotiate trade agreements. Therefore, there needs to be a system, which has been in place until 1994, when it was not renewed, of doing this. It provides an outline for the President to follow with regard to developing trade negotiations and trade agreements with people around the world.

Because of the expiration of that outline, we have fallen far behind those countries making agreements, and the impact of that has been rather marked. Certainly the time has come for us to do something about this situation.

In this time of economic uncertainty, when we are seeking to build the economy, it is one of the bills the President has called on us to pass. The effects of it are fairly obvious. It can expand markets for American goods and services. It creates higher paying jobs. It taps the most effective workforce in the world to compete and boost productivity. It has all kinds of advantages.

It is clear that when we have trade, some elements in the economy do not do as well, and I understand that. What we are trying to do is find trade agreements that will emphasize the positive aspects, which I think is very likely to happen, and to hold down to a minimum negative impacts.

Economists say reducing tariffs by even one-third will reduce the world economy by $613 billion and boost our economy by $177 billion a year. All economists who are knowledgeable about this issue indicate there is a great deal to be gained from moving forward with a process that allows us to do what we need to do in areas where trade is prominent. We can stand back and let other countries have trade agreements, and we will find ourselves on the losing side.

We were involved in the committee, of which I am a member, on this issue. We reported out a package, the bill on which we voted this morning to consider, the Andean trade bill, reauthorizing trade with poor countries in South America. This bill is an opportunity to renew that trade. One country is Colombia, in which there are a great many problems, a great many drug problems that affect us. Some other countries are Bolivia, Ecuador, and Peru. This is not new trade. We have had this agreement before, and we will, I am sure, continue it.

There is a question about the textile industry, of course, and Senators from those States are concerned about what it will mean to the textile industry.

As I said, invariably there will be certain industries that will be impacted more than others. We need to deal with that situation.

Attached to that bill, as I understand the plan, is trade promotion authority and the Trade Adjustment Act. It makes sense to separate these bills and deal with them independently. We dealt with them before. There is no reason we ought to be using one as leverage on the other. They ought to stand on their own merits. I hope we come to some agreement to separate these issues and deal with them independently. That makes sense to me.

The renewal of Presidential trade promotion authority should be one of our top legislative priorities, and indeed it is one of the President's priorities. We have in the last few months dealt with the President's priorities. I am pleased with that, and I hope we can continue to consider his priorities. We have dealt with energy. We have dealt with the farm bill. We have dealt with tax reductions. We have dealt with education. These are issues the President has been pushing, and I do not see why we cannot work together to include trade promotion authority, which certainly has an impact on our economy and on families in this country.

It passed the House by a very close vote; nevertheless, it passed. We are going to be dealing with a bill that will ultimately go to a conference committee to deal with the House or, as some prefer it, to take the House's version so there will not have to be a conference committee. I suspect that is unlikely. Nevertheless, that is the situation with which we are faced.

In general terms, the procedures are a little difficult to understand, but they fall into two categories: The President's authority to proclaim changes in tariffs resulting from negotiations of reciprocal trade agreements with foreign nations and procedures for implementing provisions of such agreements entailing changes in U.S. laws. These procedures, commonly known as fast track, require an up-or-down vote in the Senate. Again, the process is one of having the experts on trade making agreements and bringing them back to the Senate. That process has been used for a very long time.

The key provisions of the bill are:

Establish negotiation objectives of the United States. These objectives are designed to provide congressional guidance to the President in the negotiations he undertakes. He is not totally uninhibited when negotiating.

It requires Presidential consultation with Congress before, during, and after trade negotiations, again to make sure there is congressional involvement, as there should be.

It creates a congressional oversight group, a broad-based, bipartisan, and permanent organization to be accredited as official advisers to U.S. trade negotiating delegations—again, the voice of Congress in negotiations.

It requires special consultation procedures for including agriculture, fishing, and textiles, recognizing these are segments of our economy that are impacted and need special consultation.

As I said, it requires an up-or-down vote by the Congress.

The administration, of course, is urging we pass a clean bill so we are able to make some adjustments with the House. Senator Baucus and Senator Grassley, the chairman and ranking member of the committee, have urged we hold it to limited issues. I hope we can, indeed, do this.

The trade adjustment bill is more controversial. Most people agree there is merit to taking a look at the impact trade agreements will have on workers in the United States and that there ought to be some recognition of that impact and some assistance. Generally in the past, these programs have included financial and training assistance for workers displaced by import competition, assistance for firms facing a significant adjustment due to increased import competition, and assistance programs established in conjunction with NAFTA. This has been done in the past.

This Trade Adjustment Act has been in place, and I believe most people believe there should be some help. However, it has generally been training, an effort to help people become reemployed, and not to set up a longstanding welfare relief program. That is what many of us try to guard against.

I mentioned the programs that will expire, but there are some new provisions that have been put into the bill that I think will be controversial: Health insurance subsidies. No agreement has been reached as to how that will be done. Some people prefer temporary assistance be given in tax relief or tax assistance, where payments can be made for a period of time and let the workers select their health care.

One of the proposals, however, is to have the Government pay up to 75 percent of continuing what is called COBRA; that is, continuing the insurance program that was provided by the company. Unfortunately, there are no time limits on this proposal.

We are developing another health care relief entitlement, which is troublesome to some, when we ought to be thinking about how do we get people back to work rather than providing a longstanding program.

In addition to that, it increases the coverage to farmers, ranchers, independent fishermen, iron workers, and truck operators. Along with that is what is called assistance for secondary workers, those who supply the goods to the industry, whether it is upstream or downstream, and without a very clear definition as to what that means.

It would be very difficult to identify the various people who could be impacted, and one can imagine how many would be suggesting they were impacted.

These are the kinds of conflicts I think we have to deal with, and we should. We have to do something about it. Amendments will be offered. There is an amendment I was involved in, where a sugar anticircumvention provision was put in. What that deals with is, in the past, we have had a situation from Canada in which sugar was mixed up in molasses, brought over the border where sugar is not allowed but molasses is, the sugar is then taken out, and the molasses is sent back. We have been able to put a stop to that, but this is a permanent anticircumvention provision, which all it does is go around the law. So I hope that is not struck.

There are a number of other things, of course, that could well be included.

This is basically an issue that is very important to the United States. It is very important to the administration to be able to do their job. I do not think there is any question about that. I come from a State that is involved in agriculture. Agriculture is very much a part of trade. About 1 out of every 3 acres, almost 40 percent of the production, goes into foreign markets. We produce much more than we consume. So one of our real issues is to be able to develop some fair overseas foreign markets for agricultural products. That really has not happened as it should. As well as we get along, for instance, with Japan, we still have very high tariffs on U.S. beef. Japan could be a great market for us.

In balance, it is like most everything else we have to face up to, which is that not everyone agrees. We will hear someone say we ought to do it the right way. I do not know of anyone who wants to do it the wrong way, but there are differences of views as to what is the right way. That is the reason we come together and vote. It is perfectly legitimate to have different points of view, but it is not legitimate to not deal with the issues that are before us.

We spent a very long time on energy. I am very pleased we have a bill, but we now have to do something in the conference committee. Certainly, in terms of our situation, in terms of defense, in terms of terrorism, in terms of our economy, these are issues that have real impact. We can deal with lots of little things. We could list a number of major issues that have a great deal to do with the way we want to see our country in the future, and what we see down the line and that is really what we ought to be doing, is sort of setting some goals as to where we want to be in terms of freedom, in terms of economy, in terms of safety. Having set those goals, it is then reasonable to deal with the issues that are in the interim and determine whether those issues will lead us to the goals we have established.

Unfortunately, too often I think we sort of deal with the issue that is at hand without much thought to where it is going to be over time. It is also true that we represent 50 States, and each of us is a little different. Some this morning were talking about health care. I am chairman of the caucus on rural health care. Wyoming is a rural State, so when one talks about health care, it is different in Meeteesi, WY, than it is in Pittsburgh, PA. There has to be a system to recognize those differences.

The same is true with trade. It is different in different parts of the country. Overall, it is to our advantage, and I hope we move forward.

In conclusion, we need to get on with some other things, like the budget, like appropriations, some of the things that have to be done in order to keep our Government rolling. I am sure we can do that. I urge we move forward and complete our work as soon as we can.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. CLINTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. CLINTON. Mr. President, I ask to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New York is recognized.

THE FUTURE OF TEACHING HOSPITALS

Mrs. CLINTON. I will speak on a very important issue that affects every single American. It affects people all over the world. That is, the future and viability of our teaching hospitals. We know we have the crown jewels of the global health care system in the teaching hospitals who train our doctors and nurses and provide research that gives breakthrough therapies and drugs that saves and lengthens lives. We know our teaching hospitals are often the treatment of last resort for the sickest of the sick and the poorest of the poor.

Yet if we do not act by October of this year, our teaching hospitals nationwide will lose **$700** million next year alone. I believe that would be a disastrous outcome. It certainly would undermine the ability of our teaching hospitals to continue to provide the funds in our health care system that all of our other hospitals, all of our entire health care infrastructure, rely upon.

New York, because we have a plethora of first-class, world-renowned teaching hospitals, would lose about **$230** million of that **$700** million, with over half of that falling directly on our leading-edge teaching hospitals. In 1 year alone, New York teaching hospitals will lose **$120** million in Medicare payments because of the effects of the balanced budget amendment, which have slashed hospital reimbursements by **$100** billion more than the CBO originally estimated. That is a huge amount of money. It is often the difference between a hospital being able to continue to provide first-class service, training, and charity care, and having to shut departments, lay off people, and turn their backs, literally, on those who need the help. Congress has already softened and delayed some of those reimbursement cuts, including postponing the reductions in the so-called indirect medical education payments, sometimes referred to as IME.

This October, the delay expires and Medicare will revert to the very harsh reimbursement levels that we all recognize cut much more deeply than anyone predicted. The cut would amount to an automatic 15-percent decrease in IME funding across the board, across all States. I oppose an automatic 15-percent decrease in home health payments, and I oppose such a decrease in medical education payments. That is why today a number of my colleagues and I are joining together to introduce a bill to call on the elimination of those cuts before they eliminate our academic medical centers.

New York has a number of fine teaching hospitals. Everyone will recognize the names. It also has 60 rural hospitals, which is more than some rural States have altogether. I am always a little bit surprised when my colleagues and others do not understand that New York, with 19 million-plus people, is not only the island of Manhattan or the five boroughs of New York City or the beaches of Long Island or the suburbs that I live in to the north. It is rolling countryside. It is dairy farms with 80, 100, 120 cows. It is apple growers with the orchards along the Great Lakes that form our northern and western borders. That is why I support a balanced package that will try to help both our teaching hospitals and our rural hospitals.

I draw our attention to a provision in this legislation that deals directly with our great centers of biomedical innovation. If we go forward with the cuts as planned, I believe we set back the cause of clinical trials, of lab research that is going on right now that might hold out a cure for one of us or a loved one. Make no mistake, these cuts will not only close departments, lead to layoffs and furloughs of highly trained doctors, nurses, and other medical personnel, I believe it will also harm patients. If we do not act on the indirect medical education amounts we need to continue to function, the scheduled cuts will affect the quality of health care all over the country.

It is not only New York that benefits from New York's teaching hospitals; our hospitals are filled with people from all over our Nation who are sent there because they cannot get what they need at home. We are proud of that. We have people from all over the world who come to New York's teaching hospitals. We train 20 percent of all physicians practicing in the United States today. We provide both the medical education, the internship, the residency, the continuing education, that 20 percent of America's doctors take advantage of.

I was surprised to learn that 14 percent of all of Arizona's doctors and 25 percent of Florida doctors were trained in New York. Moreover, the therapies developed and perfected in our academic medical centers offer hope to patients everywhere. Chances are, no matter where you live, you have been touched by the work that has occurred in a New York teaching hospital. We have been instrumental in developing treatments for heart disease, for HIV/AIDS, for developing the therapies on cardiac catheterization, the first to innovate new forms of laser surgery, and the new minimally invasive surgical methods.

Many in this body support NIH funding. We want to double the amount of funding NIH has, but that funding is useless if the research grants cannot go to the top researchers to do the work we hope will come from additional NIH funding.

The U.S. health care system delivers some of the highest quality care to be found anywhere. The reason that happens is because we have a partnership. We have our local community hospitals in small towns and rural areas. We have our larger hospitals in bigger cities in every State in the country. Then we have the so-called teaching hospitals that provide what is called tertiary care. When you are really sick, when you need extra special help, that is when everybody at home has said: There is nothing more we can do for you, go to Sloan-Kettering, go to New York Presbyterian, go to Mount Sinai. There is someone there who can give you the help you need. We are very proud to provide that service to our country.

I hope we will be successful in the legislation we plan to introduce today to protect our academic medical centers. I am calling on our colleagues in both Houses to ensure the provision to eliminate these IME cuts in any Medicare package we enact this year. I hope what seems like an arcane, somewhat abstract issue, is understood as being the extremely important, critical concern that it is.

If one looks at the number of physicians trained, the cures and therapies that have been invented, the last resort care that saves lives that others had given up on, there is no doubt that our teaching hospitals are absolutely essential to the quality of health care in America. We need to do everything we can to make sure they stay healthy and provide the kind of care we have come to take for granted.

Mrs. CLINTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER (Mrs. CLINTON). Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. REID. Madam President, this has been cleared with the Republican leader. I ask unanimous consent morning business be extended until the hour of 1 o'clock today with Senators permitted to speak therein for a period not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FEINGOLD. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Madam President, I ask unanimous consent to speak for up to 30 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAST-TRACK

Mr. FEINGOLD. Madam President, I rise to offer some comments on the proposed trade legislation before us, and in particular on the so-called Trade Promotion Authority provisions in that package, also known as fast-track.

As a number of my colleagues have noted, the issue of whether or not to enact fast-track procedures is not a question of whether one favors or opposes free or fair trade, but rather what role Congress plays in trade agreements.

The fast-track proposal we are considering, and its predecessors, are quite recent inventions.

Prior to the Tokyo round of the GATT, there was no fast-track mechanism.

In fact, of the hundreds and hundreds of trade agreements our Nation has negotiated and entered into, only five have used the fast-track procedures.

This by itself should dispose of the argument that fast-track is necessary for us to negotiate trade agreements at all.

Really, what we are saying here is that fast-track has been the exception, not the rule, with regard to trade negotiations.

The previous Administration negotiated and implemented over 200 trade agreements without fast-track.

What were some of those agreements?

Madam President, I don't think I really need to tell you, but they included:

The Market Access Agreement with Argentina for Textiles and Clothing, the Market Access Agreement with Australia for Textiles and Clothing, the Agreement on Bilateral Trade Relations with Belarus, the Market Access Agreement with Brazil for Textiles and Clothing, an Agreement concerning Intellectual Property Rights with Bulgaria, an Agreement Between the United States of America and the Kingdom of Cambodia on Trade Relations and Intellectual Property Rights Protection, the Agreement on Salmon and Herring with Canada, the Agreement on Ultra-high Temperature Milk with Canada, the Agreement on Trade in Softwood Lumber with Canada, the Agreement on Intellectual Property Rights Protection with Ecuador, a Memorandum of Understanding on Trade in Bananas with Costa Rica, several agreements with the European Union, an Agreement on Intellectual Property Rights Protection with India, several dozen agreements with Japan, several dozen agreements with Korea, and many, many more agreements with dozens of other countries.

Just last year, this body passed legislation implementing the U.S.—Jordan Free Trade Agreement, also negotiated and implemented without fast-track procedures.

We passed not only bilateral agreements, but multilateral agreements such as:

the Information Technology Agreement, which involved over 40 countries, the Financial Services Agreement, and, the Basic Telecommunications Agreement.

President Clinton did not need fast track to negotiate those agreements, and President Bush does not need it to negotiate additional agreements.

While the ability to negotiate and enter into international agreements are inherently part of the President's constitutional powers, the Constitution grants exclusive authority to Congress "to regulate Commerce with foreign nations."

Congress has sole constitutional authority over setting tariff levels and making or changing Federal law.

Those who support fast-track constantly make the argument that if you want free trade, you have to enact fast-track.

They equate fast-track with free trade. The reason is obvious. The arguments for free trade are powerful. Indeed, I agree with those arguments.

We as a nation are better off in a world with freer trade than we are without it.

But the underlying premise, that we need fast-track to achieve free and fair trade, is absolutely false.

I have referred to the hundreds of trade agreements negotiated without fast-track procedures.

That is evidence enough.

But let me also argue that not only is fast-track not necessary for free trade, it may actually undermine it.

One of the greatest defects of the NAFTA and GATT agreements was the perception that those agreements picked "winners and losers." I believe strongly that those perceptions are based on reality, that some industries were huge winners in those agreements, while other industries were effectively written off.

Wisconsin had more than its share of those industries that were written off, and at the top of that list, at the very top was the dairy farmer.

There is no doubt in my mind that other industries were given a higher priority than our dairy farmers, and the results of those agreements underscore that feeling.

Under the GATT, the European Union is allowed to export 20 times the amount of dairy products under subsidy than the U.S. is allowed to export.

Not only did we formally provide the EU this significant advantage in that agreement with respect to dairy, but apparently the EU is not even complying with those incredibly generous limitations.

The industries given lower priority do not end with dairy, and while our more populous cities—Milwaukee, Madison, Green Bay—experienced serious job loss as a result of the NAFTA agreement—over 1000 jobs lost in Racine, and over 2600 jobs lost in Milwaukee—the fallout from the "winners and losers" approach extended to many smaller communities.

Even if we only use the extremely conservative statistics collected by the Department of Labor—statistics which many argue grossly understate actual job loss—smaller communities all over Wisconsin have been the victim of this "winners and losers" approach to trade agreements.

NAFTA's legacy of lost jobs includes places such as:

Baraboo, with 95 lost jobs; DeForest, with 40 lost jobs; Elkhorn, with 50 lost jobs; Hawkins, with 443 lost jobs; Marinette, with 32 lost jobs; Mauston, with 48 lost jobs; Merrill, with 84 lost jobs; Montello, with 25 lost jobs; Oconto Falls, with 437 lost jobs; Peshtigo, with 221 lost jobs; Platteville, with 576 lost jobs; Reedsburg, with 25 lost jobs; Spencer, with 23 lost jobs; and, Waupaca, with 132 lost jobs.

To trade negotiators whose focus was on advancing the prospects of those industries they pre-determined to be "winners," the losses experienced elsewhere apparently were unfortunate but acceptable.

But for the communities I mentioned, those losses were real—real workers with real families to support.

The fast-track procedures under which GATT and NAFTA were negotiated and implemented invite this kind of polarization at the negotiating table.

And it is this kind of economic disparity produced by these trade agreements—the picking of winners and losers—that undermines broad public support for pursuing free trade agreements.

Free trade ought to benefit all sectors of the economy.

Without fast-track procedures, our negotiators will know their work product will undergo rigorous Congressional scrutiny.

And they will know that it will be much more difficult to enact a trade agreement that disproportionately benefits some while disadvantaging others.

It is this kind of trade agreement—one that benefits the entire economy—that will enhance the cause of free trade.

Fast-track also encourages another disturbing trend in trade agreements, namely advancing the short-term interests of multinational corporations over those of the average worker and consumer.

The increasing globalization of the economy confronts us every day.

Few can doubt the enormous power that multinational corporations wield in trade agreements, from the negotiating table itself to the closed-door bargaining that will go on before the implementing legislation is sent to Congress.

Fast-track procedures make it all the easier for those interests to advance an agreement that may include provisions that conflict with the interests of our Nation.

With opposition to the entire agreement the only alternative left to Congress, and with the considerable weight of the multinational corporate interests behind any proposal, it is likely that Congress will swallow even a deeply flawed agreement.

What does that do for the public support necessary for free trade?

It severely undermines it, Mr. President, and puts future trade agreements that can enhance our economy at risk.

Let me turn to another provision in the current fast-track proposal.

It may surprise some to know that even provisions that have nothing to do with the underlying trade agreement cannot be amended or even stricken from the bill. Some may find this hard to believe, but in fact we have seen such provisions included in fast-track protected trade legislation.

Many of us will recall the GATT implementing measure which included some controversial provisions intended to offset the costs of the trade agreement.

Among those provisions was a change in the actuarial standards of the Pension Benefit Guarantee Corporation and a provision many viewed as a sweetheart deal for certain media giants that gave preferential treatment with respect to FCC licenses.

Neither of those provisions had anything to do with the underlying trade agreement. Both certainly deserved more scrutiny than they received under the constraints of fast-track procedures.

Whatever justification there may be for providing special procedures for trade agreements, procedures which supporters argue are necessary to attract our trading partners to the table, there is no such justification for shielding unrelated provisions from thorough Congressional scrutiny and review.

Let me stress those funding provisions were not part of the trade agreement itself. Our trading partners do not get a say in how we offset the cost of a trade agreement, and one might ask, if our trading partners have no say in the offset provisions, why are those provisions included under fast-track procedures?

The fast-track proposal before us today has that same flaw. Under its procedures, the most unjustified funding mechanism attached to trade implementing legislation under fast-track will remain unscathed.

To correct that problem, I plan to offer an amendment that allows any tax increase included in a fast-track protected bill to be fully debated and amended. There is no reason Congress cannot fully debate, modify, or strike any tax increase.

But beyond the problem of fast-track protected tax increases, there may be no limit at all on extraneous matters in fast-track bills. I am not confident that as it is currently drafted the fast-track authority provided in this bill protects Congress from this potential abuse.

If that is true, if extraneous matters are not prohibited from fast-track protected trade bills, then there is nothing to prevent a President from including language to ban all abortions.

If extraneous matters are not prohibited, then there is nothing to prevent a President from including language requiring all guns to be registered.

In short, if extraneous matters are not prohibited, then there is nothing to prevent a President from including provisions, completely unrelated to trade, that would otherwise not pass this body.

I plan to offer an amendment to protect against such an abuse. It would provide that a point of order could be raised against extraneous matters included in a fast-track protected trade bill, and would require that they be dropped.

Let me reiterate that many of us who support free and fair trade find nothing inconsistent with that support and insisting that Congress be a full partner in approving agreements.

Indeed, as the senior Senator from West Virginia, Mr. BYRD, has noted, support for fast-track procedures reveals a lack of confidence in the ability of our negotiators to craft a sound agreement, or a lack of confidence in the ability of Congress to weigh regional and sectoral interests against the national interest, or may simply be a desire by the Executive Branch to avoid the hard work necessary to convince Congress to support the agreements that it negotiates.

I can think of no better insurance policy for a sound trade agreement than the prospect of a thorough Congressional review, complete with the ability to amend that agreement.

Not only would the threat of possible congressional modification spur our negotiators to produce the best product possible, that potential for congressional intervention could serve as an effective club in the hands of our negotiators when they are bargaining with our trading partners.

With hundreds of trade agreements negotiated and implemented without fast-track, the refrain we hear again and again, that we need to enact fast-track in order to negotiate trade agreements, is off key.

We do not need fast-track to negotiate trade agreements.

As I have argued today, in several important ways, fast-track invites bad trade agreements.

It produces agreements that pick winners and losers instead of advancing all sectors of the economy together.

It produces agreements designed to respond to the short-term interests of multinational corporations instead of fostering long-term sustainable economic growth.

It protects the completely unrelated funding provisions in trade implementing legislation, and as such invites enormous abuse.

And it may provide a mechanism to enact controversial legislation, unrelated to trade, that would otherwise fail to pass.

I think fast-track is bad for free trade. We don't need it, and we shouldn't enact it. I urge my colleagues to join me in opposing this legislation, and in doing so, voting for—voting for—free and fair trade.

OTHER FAST TRACK PRIORITIES

Mr. FEINGOLD. Madam President, the Senate has put trade on the fast track, but there are a number of other priorities that the Senate would do better to put on the fast track.

The Senate has put trade on the fast track, but what about a long-overdue increase in the minimum wage? The Senate should put the minimum wage on the fast track.

The Senate has put trade on the fast track, but what about updating Medicare to provide coverage for prescription drugs? The Senate should put prescription drug coverage on the fast track.

The Senate has put trade on the fast track, but what about protecting people of color against racial profiling? The Senate should put racial profiling on the fast track.

Madam President, the Senate has put trade on the fast track,, but another thing that should be on the fast track for Senate consideration is ensuring the health of Social Security. As we debate the Senate's priorities, let me take a few minutes to address this other matter that requires the Senate's attention: the state of Social Security and Medicare and the well-being of the millions of Americans whom those important programs serve.

Madam President, since the election, the topic of Social Security, as you well know, has all but fallen off the legislative agenda, and that is unfortunate, for at stake is little less than whether our elderly live in comfort or in poverty. Before Social Security, most elderly Americans lived in poverty. Before Medicare, more than a third of the elderly still lived in poverty—35 percent in 1959. Roughly 10 percent do now.

Social Security and Medicare have been essential to this achievement. Nearly two-thirds of elderly Americans rely on Social Security for most of their income. Social Security has been one of the most successful Government undertakings in history.

On March 26, the trustees of the Social Security and Medicare trust funds issued their annual reports on the financial condition of these two important programs. These reports give us another reason to turn attention to Social Security and Medicare and to our efforts to protect them.

The Social Security trustees' report indicates that to maintain solvency for 75 years, we need to take actions equivalent to raising payroll tax receipts by 1.87 percent of payroll or making equivalent cuts in benefits. That is essentially equal to the long-term actuarial deficit in last year's report—1.86 percent.

Another way of looking at these numbers is as a share of the economy, as measured by the gross domestic product. The Social Security trustees' report indicates that the long-term shortfall amounts to seventy-two one-hundredths of a percent of the size of the American economy that the trustees project over the next 75 years.

The Social Security trustees project that the assets of the Social Security trust funds will keep the program solvent through 2041, and that is actually 3 years later than last year's report. When Social Security exhausts its assets in 2041, annual Social Security tax revenues will be sufficient to cover about three-quarters of annual expenditures.

So the trustees' report thus sounds a warning: We can fix Social Security for 75 years if we make changes now equal to less than 2 percent in payroll taxes or 13 percent of benefits. But if we wait until 2041, we will need payroll tax increases of more than 5 percent or benefit cuts of more than a quarter.

The Medicare trustees' report indicates that to maintain solvency for 75 years, we need to take actions equivalent to raising payroll tax receipts by 2.02 percent of payroll or making equivalent cuts in benefits. That is up slightly from last year's report, which showed a long-term actuarial deficit of 1.97 percent.

The Medicare trustees project that the assets of the Medicare trust funds will keep the program solvent through 2030, and that is 1 year later than last year's report.

The trustees' report raises a somewhat higher hurdle to keep the Medicare program solvent over the long run than Social Security. To fix Medicare for 75 years, we need to make changes now equal to about 2 percent in payroll taxes or 38 percent of benefits. But, once again, if we wait until after the baby boom generation begins to retire in numbers, we will need much larger payroll tax increases or benefit cuts.

These reports underscore the importance of working to ensure the life of these important programs earlier rather than later. As President Kennedy said:

> [T]he time to repair the roof is when the sun is shining.

Regrettably, during the sunnier times of last year, the Government took steps that undermined the soundness of the Government's fiscal structure. Rather than repair the roof, the Government actually widened the hole.

The question of Social Security and Medicare solvency is, in large part, as with all budgetary questions, a question of resources. Last year, the government dissipated many of the very resources that we could have used and that we should have used to shore up Social Security and Medicare.

A recent analysis by the Center on Budget and Policy Priorities estimated the long-term cost of last year's tax cuts, assuming that Congress extends them, as many on the other side of the aisle advocate. According to that analysis, the long-run cost of last year's tax cut will equal 1.68 percent of the economy that the Social Security trustees project over the next 75 years.

Compare that, for a minute, to the amount that we need to keep Social Security healthy over the same time period, which amounts to seventy-two one-hundredths of a percent of the size of the economy that the trustees project over the next 75 years. The Center on Budget and Policy Priorities analysis shows, therefore, that "the long-term size of the tax cut is more than double the entire long-term Social Security shortfall."

The Center on Budget and Policy Priorities study goes on:

> [I]f the tax cut were scaled back so that three-fifths of it took effect while the funds from the other two-fifths of the tax cut were used instead to strengthen Social Security, the entire long-term deficit in Social Security could be eliminated.

That is an incredible fact. If we had just shown some restraint on this tax cut—still giving a very substantial tax cut—we could have eliminated the entire long-term deficit in Social Security.

Like all budgetary questions, the question of Social Security solvency is, in large part, a question of priorities.

I believe that we need to return to the priority of protecting the Social Security trust funds.

This has not been a partisan issue. This is an issue upon which we have had a broad consensus. We should return to that consensus position.

We should do what, in remarks in February of 2001, President Bush called "prudent fiscal policy;" we should, in his words "set aside all payroll taxes that are designed for Social Security to be spent only on Social Security."

We should preserve Social Security surpluses to reduce the debt. And that debt reduction will better prepare us for the challenges of Social Security and Medicare in the future.

As then-Budget Committee chairman, Senator PETE DOMENICI explained in April 2000, when we were running surpluses:

> [T]here is less interest being paid because the Social Security trust fund money is not being spent; it is being saved, which means that we have that much less IOUs to the public . . . .

Chairman DOMENICI continued:

> I suggest that the most significant fiscal policy change made to this point to the benefit of Americans of the future . . . is that all of the Social Security surplus stays in the Social Security fund . . . .

In sum, we should, as President Bush said in a March 2001 radio address:

> keep the promise of Social Security and keep the government from raiding the Social Security surplus.

Returning to a budget where the Government no longer uses Social Security trust fund surpluses to fund other Government spending will require a change in policy. While the fiscally responsible actions we took in the 1990s led to balancing the budget without using Social Security in 1999 and 2000, the Government returned, last year, to using the Social Security surplus to fund other Government activities.

According to the Congressional Budget Office's "Analysis of the President's Budgetary Proposals," over the next 10 years, the President's budget would use $1.8 trillion of the Social Security surplus to fund other Government spending. In the Congressional Budget Office's analysis, the Government would not return to a balanced budget without using Social Security during the decade for which they make projections.

But the Government will not have Social Security surpluses to use forever. Starting in 2016, Social Security will start redeeming the bonds that it holds, and the non-Social Security budget will have to start paying for those bonds from non-Social Security surpluses. The bottom line is that starting in 2016, the Government will have to show restraint in the non-Social Security budget so that we can pay the Social Security benefits that people have earned.

That's why it doesn't make sense to enact either tax cuts or spending measures that would spend the non-Social Security surplus before we've addressed Social Security for the long run. Before we enter into new obligations, we need to make sure that we have the resources to meet the commitments we already have.

To get the Government out of the business of using Social Security surpluses to fund other Government spending, we need to strengthen our budget process. At a minimum, we need to extend the caps on discretionary spending and the pay-as-you-go discipline that we began in 1990, and which expire in September of this year. The Senator from New Hampshire, Mr. GREGG, and I will offer an amendment to extend the spending caps during consideration of the budget resolution, and perhaps on other legislation, as well.

But we need to do more. We need to improve the budget process so that it includes incentives to balance the budget without using Social Security. I am working with the senior Senator from Texas, Mr. GRAMM, on proposals to do that, and I expect that sometime this year we will offer an amendment to improve our budget process.

We must address the long-term challenges posed by the needs of Social Security and Medicare. As an essential first step, we must revise the budget process to protect the Social Security Trust Fund. We must put our economic house in order, and I look forward to working with my Colleagues to do so.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. REID. Madam President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 1:01 p.m., recessed until 2 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

The PRESIDING OFFICER. The acting majority leader.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent the Senate now proceed to a period of morning business, with Senators allowed to speak therein for up to 10 minutes, and that time would end at 2:30 this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak in morning business for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota.

TRADE

Mr. DORGAN. Mr. President, we are about to have the chairman of the Finance Committee and the ranking member of the Finance Committee offer a managers' package to the Andean trade bill that will be the pending business when we complete morning business.

No doubt some who watch the proceedings will be confused by what is happening because we have an Andean trade bill that will apparently be amended by something called trade adjustment assistance and, more importantly, will be amended by something called trade promotion authority. Trade Promotion Authority is a euphemism for fast-track trade authority. One would expect fast-track trade authority would be brought to the floor by itself. It is a very big policy issue. Yet it is coming in the form of a managers' package. One amendment is a part of the managers' package. I regret that, but that is how we have to deal with it.

I will speak about trade generally and explain why I do not support trade promotion authority or so-called fast track. I did not support giving fast-track trade authority to President Clinton, and he didn't get it. And I don't support giving fast-track trade authority to this President, and he should not have it.

Let me describe for a moment why I feel that way. This is what the Constitution says about international trade. Article I, section 8, says: The Congress shall have the power . . . To regulate commerce with foreign nations.

Not the President, not the trade ambassador, not some trade negotiator, but the U.S. Congress.

Fast track does away with that. Under fast track, Congress handcuffs its hands behind its back and says to a President, go negotiate a trade agreement somewhere and bring it back to the Congress, and we guarantee none of us will be able to offer an amendment, no matter how flawed the deal might be. Fast track means expedited procedures by which a trade treaty comes through the Congress guaranteeing no one has the ability to offer an amendment.

It is undemocratic. It does not make sense. Why would Congress, being told by the U.S. Constitution what their objection and their responsibilities are, decide to cede those responsibilities to the President? It does not make sense to me.

There is an old saying, there is no education in the second kick of a mule. Having been through this a couple of times and been burned badly, Congress ought to understand when a bad trade agreement is negotiated and brought back. It is very hard for the Congress to turn down a negotiated trade agreement. What happens is the Congress embraces the agreement in total and rants about the specific provisions in the agreement that injure specific industries in the country because they are unfair, but no one can do anything about it.

We had a speech by Trade Representative Zoellick about 5 or 6 months ago. He was giving a speech in Chicago. Speaking to a business group in Chicago, Zoellick described lawmakers and lobbyists who oppose trade promotion authority, fast track, a bill sponsored by House Ways and Means Committee Chairman BILL THOMAS, and said they are "xenophobes and isolationists." That is a thoughtless way to debate this issue—"xenophobes and isolationists."

A colleague of mine yesterday, in discussing this, said something with which I strongly agree. This country ought not ever hang its head with respect to the issue of trade. This country can, should, and will be proud of its record in trade. We have led the world in opening markets, in deciding we want to lead the world in expanded trade, in freer trade and in fair trade. That has always been what this country has done. No one ought to point to this country with respect to trade issues. We have open markets, we have free trade, we have always been willing to compete almost anywhere, any time, under any set of circumstances. We have nothing at all to be ashamed of. We have a great deal to be proud of with respect to international trade.

We are now moving into a different area. Globalization is here. We are not going to turn back the clock. Globalization is part of our lives. The question isn't whether to embrace it; the question is: What are the rules for globalization? What are the rules for the new global economy? Are there rules of fair play for admission to the American marketplace?

We have had men and women die on the streets in this country who were walking the streets and demonstrating for the right to form labor unions early in the last century, demanding the right of workers to form labor unions. This country now has free labor unions. We had people marching in the street to demand safe workplaces. Now we have rules and laws that require workplaces be safe for workers. We had people marching in the streets to demand child labor laws, to take the 10- and 12-year-old kids out of the coal mines and the factories. Now we have laws in this country with respect to child labor. We had people marching in the streets in America trying to prohibit those who were producing chemicals from and dumping them into our water and our air and polluting our environment. Now we have clean air and clean water laws, and we have prohibitions against those who pollute our environment. These fights have been over the conditions of production.

So, in a global economy, what is the admission to the American marketplace, where we have already had the debate and made the decisions about those issues, the issues of a fair wage, a safe workplace, the right to organize, the prohibition against polluting? What is the admission to our marketplace? I ask the question, Is it fair trade for someone overseas in some foreign land who hires 12-year-old kids, pays them 12 cents an hour, and puts them in a factory 12 hours a day, to make a product they ship to Pittsburgh, Fargo, or Los Angeles? Is that fair trade for the men and women of the American workforce to compete against? Twenty-cent-an-hour labor by 12-year-old kids? Twelve-cent-an-hour labor by 10-year-old kids? Is it fair to compete against a plant overseas that can dump its chemicals in the water, its pollutants in the air, hire underage children, have unsafe workplaces, and prohibit their workers the right to organize? Is that fair competition for American workers?

Will those who want to produce in our world simply pole-vault over all of those difficult issues we have already addressed in our country—a safe workplace, child labor, a fair income, the right to organize, a prohibition against polluting the air and water? Can they just pole-vault over all of that and go to a country where they do not have to abide by any of that. They can hire kids, dump chemicals in the water and the air, fail to pay a living wage, and do nothing to have a safe workplace. They can produce whatever product they want, and ship it to the American marketplace.

That is not fair trade. It is not fair to the American worker. It is not fair competition. It is not fair to American businesses trying to compete in those circumstances.

Fast-track authority will be voted on here in the next week or so, 2 weeks perhaps. We are told it is sweetened and made less bitter by something called trade adjustment assistance.

That means help for people who have lost their jobs. It's ironic, isn't it, that we are told these new trade agreements they want to negotiate will be good for our country, but they are already making plans for all the people that will lose their jobs because of these new trade agreements?

I guarantee that there is not one Member of the Senate who will lose his or her job because of a trade negotiation overseas. Our negotiators will rush overseas, if we give this authority. They will close the room and in secret negotiate a trade deal, and I guarantee, not one Member of the Senate will have his job directly threatened by that trade agreement. It is just the folks who work in the factories, the plants, on the factory floors who are producing products that cannot compete with unfair competition.

I am not someone who believes we ought to put up a wall or we ought to promote less trade. I believe we ought to have essentially free markets and expanded trade. But, I demand fair trade. I just demand fair trade. If we do not have fair trade, then this country ought to have the backbone, the muscle, and the strength to say to other countries: You must open your markets to this country's products and the products you send to this country must be produced under conditions that are fair.

Whenever the subject of trade comes up, a lot of people are quick to classify the different views into two camps: the larger, expansive view of people who are smart and get it and see over the horizon and understand the global economy; that is, the people who support fast track; and the others are xenophobes, who are stooges, who don't understand any of this, have blinders on and cannot see over the horizon. They oppose fast track.

Those who write the editorials, those who are lobbying on behalf of fast track, those who make comments like Mr. Zoellick, they create these thoughtless divisions of those who get it and those who don't; those who are smart and those who are not. Of course that is not the issue at all. Let me describe what the issue is.

I talked about the issues we fought about in this country for years. There are 2.9 million children in Brazil under the age of 15 who are working, working in manufacturing plants and other circumstances that will produce products that will come to our marketplace. Is it fair trade to ask someone from Pittsburgh, trying to raise a family, being paid a decent wage, working in a factory that requires a safe workplace—is it fair trade to ask that person to compete against a 12-year-old? The legal minimum age for workers in Peru is 12. That is the legal working age.

So which of our workers and in which of our States do we want to have to compete against 12-year-olds? Is it fair to have the product of 12-year-olds sit on America's store shelves so the consumers can get a good deal, buying cheap products, because 12-year-olds in some foreign land produced it?

And shouldn't foreign markets be open to our products, which are produced under decent working conditions. Every time I come to the floor, I cite the example of the Korean auto market. I know the Korean automobile industry chokes on it because I have gotten several letters from them now. I use this as an example of fair trade because there is just such a lopsided trade imbalance with Korea when it comes to cars.

Last year, Korea shipped 620,000 Korean cars to the United States. Do you know how many American cars we were able to sell in Korea? We sold 2,800.

Let me say that again. Korea shipped us 620,000 Korean automobiles, and we were able to sell 2,800 United States automobiles in Korea. Do you know why? Because the Koreans don't want to buy United States automobiles—I am talking about the Korean Government. They don't want Koreans to purchase U.S. automobiles, and they put a series of obstacles up against us selling cars in Korea. Fair? Of course it is not fair. Is there somebody going to do something about that? No. Our trade negotiators are not interested in solving problems—only in negotiating new agreements.

Will Rogers once said that the United States of America has never lost a war and never won a conference. He surely must have been thinking of our trade negotiators because they lose almost immediately when they begin negotiating.

If I had some feeling somebody, somewhere, someplace was going to solve a problem or two here or there, then I would maybe have a little confidence. But I could stand here and recite problem after problem. There is the unfair trade involving wheat from Canada, that comes here from a monopoly called the Canadian Wheat Board that would be illegal in this country, taking money out of the pockets of our family farmers, and nothing is being done about it.

How about Brazilian sugar that undermines our sugar program? The sugar is shipped to Canada, where it is packed into molasses. The molasses are shipped to the United States, where the sugar is taken out, and the molasses are shipped back to Canada. This is just a blatantly unfair trade practice, yet nobody is doing anything about it.

Or let's talk about barriers to U.S. exports of high-fructose corn syrup to Mexico. The Mexicans said they would let it into their country. But they will not.

Every pound of beef going from this country to Japan has a 38.5-percent tariff, every single pound of American beef. We ought to get more T-bones into Japan. Our negotiators thought it was a triumph to get Japanese tariffs on U.S. beef reduced to 38.5-percent. Is that a success? I don't think so.

I hardly dare begin to speak of China. The problems of getting access to the Chinese marketplace are legion.

Wheat flour—try to sell wheat flour to the European Union. There is a 78-percent tariff on wheat flour to the European Union, so our farmers can't get wheat flour into the European Union. In fact, we can't get U.S. beef into the European Union because it is produced with hormones. The European press has the Europeans thinking we produce cows with two heads.

Do you know what happened? What happened was interesting. It is typical of, in my judgment, our weak-kneed trade approach. Because Europe has caused us a problem on beef, we took the EU to the World Trade Organization. For once, the World Trade Organization actually ruled in our favor. They ruled that we could take action against Europe. Do you know what action we took against Europe? We slap them with penalties on truffles, goose liver, and Roquefort cheese. That will sure scare the Devil out of the European Union. America is going to take action against their truffles or goose liver.

The fact is, our country is unwilling to stand up and exhibit the backbone necessary to say to other countries: This marketplace is the only one like it in the world. There is no substitute for it. We want it open to you. But understand this: The American marketplace is open to your products but your marketplace must be open to ours. No, it is not open to your products if you are going to ship us prison labor production and, yes, we have had some of those goods coming from Chinese prisons to be put on the store shelves of this country. That is unfair. Our marketplace isn't open to you if you are going to lock kids, 10- and 12-year-old kids in plants producing carpets. That is not fair trade. Our markets will be open to you, but you must open your markets to us.

Having said all of this, those who might listen will say: All right. So this is someone who doesn't like trade.

Nonsense. I think trade is very important. I think expanded trade is very important. It is just that our country has to think differently.

For the first 25 years after the Second World War, our trade was all foreign policy. It didn't have anything to do with economic policy. We could tie one hand behind our back and beat anybody in the world. We were the best, the strongest, and the fact is, we could out-trade anybody under any set of circumstances. So for 25 years our trade policy was foreign policy. But the second 25 years after the Second World

War things are different. Our competitors are shrewd and tough competitors—Japan, Europe, Canada, China, and others. The fact is they have grown to be shrewd, tough international competitors, and our trade policy can't be foreign policy anymore. It must be tough, hard-nosed economic policy that requires of them what we demand of ourselves. Regrettably, as a country have not been willing to do that. We are always interested in negotiating the next agreement, notwithstanding the problems that we have created in the past agreements. We just can't continue to do that.

My understanding is that we are going to have a managers' amendment offered. When the ranking member and the chairman show up, I will be happy to give up the floor. But I am going to offer an amendment, hopefully this afternoon—the first amendment on Trade Promotion Authority. I have a number of amendments, as do many of my colleagues on this issue. The first amendment I am going to offer is very simple. It deals with the issue of the North American Free Trade Agreement that we negotiated previously. It was a terrible agreement. When we started negotiating with Mexico and Canada, we had a small trade surplus with Mexico. We have managed to turn that into a huge deficit. We had a moderate trade deficit with Canada, and managed to increase that many times over. That is the record of NAFTA.

I am going to offer an amendment that says that investor dispute tribunals must be opened to the public. We now have a circumstance where when you have an investor dispute with NAFTA, a tribunal is created. It is a three-person tribunal. It is done in secret. It is behind closed doors. It is done in secret. The records are secret. The testimony is in secret. The only thing known are the results.

We ought not ever allow that to happen. My amendment is going to say no more secrecy. My amendment is going to say if we are going to be a part of NAFTA, the tribunals must be open. A little fresh air and sunshine will disinfect that process. I hope this amendment will be accepted by the Senate.

Let me speak briefly about one of the most egregious cases being considered by one of these tribunals. A few years ago, California decided to eliminate MTBE from our gasoline, and other States have done the same. We have discovered that this gasoline additive shows up in drinking water. It is going to injure the public health.

So California says: We have to get rid of MTBE. We will ban it from gasoline as an additive.

Because this country, for its own reasons, decides to stand up for the health of its citizens, we are now being sued under the NAFTA agreement by the Canadian company that makes MTBE. We are getting sued for close to a billion dollars. A tribunal is hearing that case, and is doing so in secret.

Here we are. That is the result of trade agreements that don't pay nearly enough attention to fairness for this country and fairness to international trade.

My expectation is that we will be debating this for perhaps a week or 2 weeks, with many amendments.

I heard a rumor—I don't know whether it is true or not—that the chairman and ranking member have reached some kind of agreement perhaps to oppose amendments to fast track. I hope that is not the case. My hope is—because most of us are not on the Finance Committee—that we will be able to come to the Chamber and offer ideas perhaps they have not thought of. I don't expect that committee has a monopoly on good ideas.

My expectation is that perhaps there are 80 or 85 other Members of the Senate who might have some ideas that could be considered meritorious and that could be added to fast-track trade authority.

I don't support fast-track trade authority. But perhaps in the process of amending this we can change it sufficiently so that it won't adversely impact this country. I hope we will be able to see some support for meritorious amendments that will be offered on the floor of the Senate.

There is a lot to discuss with respect to trade. I will not try to touch on every point right now. I think we are waiting for the chairman and ranking member to come and offer their amendments.

But I would like to talk for a moment about another issue on trade. This is something that I raised with Secretary of State Colin Powell yesterday in an appropriations hearing. It also has to do with trade.

I fought for over 3 years on the floor of the Senate and was finally successful last year to make it legal again to sell food to Cuba. For 40 years we have had an embargo; we couldn't sell a thing to Cuba. We could not even sell food or medicine. My contention is that is basically immoral for us to use food as a weapon. We sell food to Communist China. We sell food to Communist Vietnam. But for 40 years we couldn't sell food to Cuba.

So I kicked and scratched for a long while with some of my colleagues. I was able to get that aspect of the embargo changed. Just last year, we were able to get it changed so we can actually sell food to Cuba.

Cuba had a hurricane recently that caused a great deal of damage, and they need food. They are offering to buy it, and to pay cash. Cuba has now purchased $70 million worth of food from the United States in recent months.

A fellow named Pedro Alvarez heads a group called Alimport, which is the Cuban agency that buys food. He was going to come to this country and inspect some facilities, visit a number of agricultural states, including coming to my State of North Dakota. They were prepared to buy wheat and dried beans, I understand.

The State Department issued him a visa. He applied for and was given a visa by our interest section for Cuba to come to the United States. Yet abruptly, the visa was revoked.

I am trying to find out why the visa was revoked. My staff called the State Department. The State Department said: Well, it is our policy not to encourage food sales to Cuba.

Yesterday, I asked the Secretary of State: Is that your policy?

The Secretary of State said: It is news to me. I have no such policy.

Someone deep in the bowels of the State Department apparently defined for himself the State Department's policy, and did not bother to check with Secretary Powell.

I asked for an investigation. Why do you revoke the visa issued to someone who wants to come to our country to buy wheat, dried beans, corn and eggs? Who decided that somehow that threatens our country? Where does that kind of thinking come from?

I expect I will probably hear from Secretary Powell in the next day or two. I hope so. I wrote a rather lengthy letter last week. I had the opportunity to question him before an Appropriations Committee hearing yesterday.

At a time when agricultural prices have collapsed and our family farmers are hanging on by their fingertips trying to make a go of it, we have some folks somewhere behind the drapes inside the State Department deciding they really don't want to sell food to Cuba and they don't want someone coming up here from Cuba to buy dried beans. If there is some perceived threat about that, I wish someone would inform me and the Senate.

That is one more example of the strange approach that people take to international trade. We ought never, under any circumstance, use food as a weapon. It is immoral. Does anyone think Fidel Castro has ever missed a meal because this country had an embargo for 40 years on the shipment of food to Cuba? Does anyone think he has ever missed breakfast, lunch, or dinner? No. Those sorts of things hurt poor people, sick people, and hungry people. They don't hurt Fidel Castro.

I have personally written to Mr. Alvarez saying: I am inviting you to this country. I have written to the Secretary of State saying: I want you to provide visas to the people who want to come up and buy food from our family farmers.

That is just one more piece in a long, sorry saga of international trade that doesn't represent our country's interests.

I am very interested in having robust, strong expanded, trade. I am very interested in finding ways by which we can force open foreign markets. But the record is abysmal. We agreed to NAFTA, GATT, and we do United States-Canada agreements.

The fact is that very little has changed in the behavior of China, Europe, Japan, and other countries. Our country leads the way in unilateral behavior in international trade that says our market is open. Our country ought to use its leverage to say we are going to hold up a mirror. If your market isn't open to us, you go sell your trinkets, trousers, and cars somewhere else. And, as soon as you understand that other marketplaces don't offer you what our market does, you come back and agree to open up your marketplace to American businesses and American workers. Then we will have reciprocal trade that is fair to both sides, that is multilateral, and that is beneficial to us, and the countries with whom we do trade agreements.

I believe we are about ready to have the chairman and ranking member come.

I am very happy to offer an amendment as soon as they are interested in coming. I think they have lengthy opening statements. I will also have an opening statement at some point to amplify these remarks. But I am anxious to offer an amendment this afternoon. I am anxious to have a vote on an amendment, for that matter. If they come and offer their managers' package, give their opening statements, and then let me be recognized to offer an amendment, we could debate the amendment for an hour and then we could have a vote today. I would be happy to do that.

The PRESIDING OFFICER. The deputy majority leader.

Mr. REID. Mr. President, the Senator from North Dakota has been very patient and persuasive, as he always is. He has been in the Chamber on several different occasions wishing to speak. He has a lot to say about this legislation. He has indicated he has a number of amendments. I have spoken to him about some of the amendments. They sound pretty good to me.

The manager, Senator BAUCUS, the chairman of the Finance Committee, should be in the Chamber soon to lay down that managers' package. I was in touch with him just a few minutes ago. But he is not here now.

EXTENSION OF MORNING BUSINESS

Mr. REID. So, Mr. President, I ask unanimous consent that the Senate be in a period of morning business until 3 o'clock this afternoon with Senators allowed to speak for a period of up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Mr. President, are we now in a period of morning business?

The PRESIDING OFFICER. We are in a period of morning business with each Senator allocated up to 10 minutes to speak.

Mr. GRAMM. Mr. President, I ask to be recognized, then, to speak.

The PRESIDING OFFICER. The Senator from Texas.

TRADE PROMOTION AUTHORITY

Mr. GRAMM. Mr. President, to this point, I have not come over and spoken on the issue before us; which is trade promotion authority, and then all of the little cars that have been attached to this big, powerful, important engine. So while we are in the midst of doing these negotiations, I want to simply make a few points.

Let me, first, say that I take a back seat to no Member of the Senate and to no one in public life in supporting trade. I am a free trader. I support trade. I think it is the most powerful engine for economic development in history. I would support a free trade policy worldwide. I am for trade promotion authority.

When Bill Clinton was President, I said it was an outrage that we did not give him trade promotion authority. And I think it is an outrage that we have not yet given it to President Bush. I am very hopeful we are going to give it to him. In fact, I am confident we are going to give it to him. But I am a little bit concerned because what we have is sort of a gamesmanship going on. I guess "hostage taking" would be the best analogy people would understand.

We have historically had a situation where the House has been very questionable on the trade issue. Congressional districts tend to be small, especially in big States, and it is easy for individual Members to have very parochial interests. It is much harder for Senators because every Senator is a farm State Senator, every Senator has a diversity of economic activity in their State. The net result of that is—not that Senators are wiser people than Members of the House; I doubt if they are—we have consistently had over 70 Senators who have been pro-trade on issues we have used as measures of trade: giving trade promotion authority, giving WTO membership to China, and other trade-related issues.

So when the House passed trade promotion authority, in an extraordinary act of political leadership—I would have to say that never in my adult lifetime have we had leadership in the House of Representatives as effective as the leadership team is today—never. Their leadership, in passing trade promotion authority, was nothing short of extraordinary. But once they did that, it was obvious to a blind man that we were going to pass trade promotion authority. And then the question became, When and under what circumstances?

We passed a bill in the Finance Committee by an overwhelmingly bipartisan majority to send trade promotion authority to the floor.

I would have to say our trade promotion authority bill has some sort of silly statements in it, almost nonsensical. But the substance of the bill is excellent. I congratulate the chairman and the ranking member. America is not going to get anything but richer, freer, and happier if we adopt this trade promotion authority bill, and adopt it just as it is written. I do not intend to support an amendment to it.

If all we were doing were bringing trade promotion authority to the floor, my guess is, in the end, we would get about 70 votes. But now, extraordinarily, we have people on my side of the aisle, who have never voted for trade before, who are saying: Well, I will vote for trade promotion authority if you will add all these new entitlements, all these new, committed, long-term spending programs. Well, great, but we already have 20 too many votes. Lyndon Johnson used to say: If you can get more than 55 votes in the Senate, you gave away too much.

So I appreciate people who are willing to become the 71st or 72nd, but the idea that we are going to put on all these new spending programs, that will help bankrupt the country in the future, to get 71 votes instead of 70, that is a nonstarter to me.

I also say to our Democrat colleagues, they need to pass this bill as badly as we need to pass it because this bill is in America's interest.

When the votes are cast, we are probably going to get 44 or so, I guess, Republicans to vote for it, and my guess is we are going to get 26, 27, 28 Democrats, after all is said and done, on a clean bill.

Republicans are more pro-trade than Democrats. But, look, Democrats do not want to go to the high-tech industry of this country, which is critically dependent on exports, and say: We killed fast track when the House passed it.

Now, why do I go to all this trouble to say both sides of the aisle are for this bill? The reason I do is, now that it is clear this bill is going to pass—it is going to pass by a big vote—all of a sudden people are saying, well, look, we will not vote for it unless you pay tribute, unless you take some totally extraneous issue to trade promotion authority, and combine it, and create these massive new benefits for people—and I am going to talk about that in just a moment—unless you do that, we are not going to vote for it.

The point is, if we had a clean vote on trade promotion authority, under the worst of circumstances, it would pass. It is true that the majority probably could tie this up in parliamentary knots, and this could go on and on and on, but who is kidding—I started to say, who is kidding whom, but I am not sure that is proper grammar.

This reminds me of the O. Henry story, Ransom of Red Chief, where a couple of lowlifes kidnap a child, and this kid is a terrible brat.

So they contact the kid's parents asking for ransom, and they say, no, they don't want him back. And so the kidnappers are stuck with this kid. The story ends with the kidnappers paying the parents to take the child back.

That is the game we have underway here. Our distinguished majority leader is saying to us: If we don't pass this new entitlement, we are not going to pass trade promotion authority. Some people may be fooled, but I am not fooled. I want to pass trade promotion authority, and I want to pass it because I believe in it. But I don't believe I want to pass it any worse than the majority leader wants to pass it.

This bluff may work. But I am a firm believer, if you know people aren't going to shoot the hostage, don't pay the bribe.

Now, let's talk about the bribe. Here is where we are. We currently have a law called trade adjustment assistance. In my opinion it is fundamentally wrong. What it says is the following: We have two workers, Joe and Sarah. Sarah works for a company that is destroyed in a terrorist attack, and Joe works for a company that becomes noncompetitive and shuts down and is able to claim that foreign competition had something to do with it.

The person who works for the company that was destroyed in a terrorist attack gets unemployment insurance. That is it. But the person who works for the company that became noncompetitive—something that employee may well have had something to do with—gets much more generous benefits.

I don't understand that. We have two Americans. They both work for companies.

The PRESIDING OFFICER. The Senator has used all his time.

Mr. GRAMM. I ask unanimous consent for 10 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. We have two workers in America. They both work. They are both citizens. They are both guaranteed under the Constitution equal protection of the law. Yet the worker whose business is destroyed in a terrorist attack—something they have had no ability to have any impact on—gets one set of benefits. But a person who works for a company that becomes noncompetitive and goes out of business gets an entirely different and more generous set of benefits, even though we might argue at the margin—and I am not arguing it, but you might argue—that maybe they could have had potentially some effect on it, whereas a worker with a company that is destroyed by terrorism could have had no effect on it.

I have always been struck with this trade adjustment assistance, how it can make sense to treat people differently, both of whom are unemployed, simply because one lost their job to foreign competition or can claim it, and the other one can't.

Forget all that. That is an old injustice. I hadn't gotten over it. Maybe I should have.

But now we come along with a new trade adjustment assistance bill that says, in addition to this more generous benefit package, we are going to give it not just to people who lose their jobs to foreign competition, we are going to give it to people who say their job was related to the job that was lost because they were suppliers, or that their job was related to the job that was lost because they were selling things to the people who lost their jobs. I guess in the extreme, if you are a dairyman and people at this factory were buying milk, you could claim trade adjustment assistance.

Then they add a brand new extraordinary benefit, and that is the Government is now going to pay 73 percent of your health insurance when you are unemployed. In fact, one of our colleagues today said that is the amount you get if you are a Senator. Well, lose your election and find out how much you get—zip, zero.

Here is the point: How can we justify taxing workers who don't get health insurance in their jobs when they are working to provide 73 percent of the health care cost for people who are unemployed? When we don't have health insurance for many people who are working, how can we justify taxing them to pay for benefits for people who are unemployed? And if we provide this benefit, A, we are going to have to pay for it. And, B, how can we justify not giving it to people who are working when we are giving it to people who are not working?

Currently only about one out of every four people who qualify for trade adjustment assistance take the benefit. Most of them don't take it because it is more generous than unemployment, but it is generally not as good as getting another job. I would say if you lost your job to trade, trade promotes jobs generally, your chances of getting another job in the economy are probably better.

But in any case, I think the question we have to ask ourselves is the following: If one-fourth of the people who are eligible take the benefits now, don't you think the number will go up when the Government is going to pay 73 percent of their health care costs?

My guess is we might even see as much as a quadrupling of the people who take trade adjustment assistance. We get numbers tossed around about how many billions of dollars this new benefit will cost. But nobody knows because we don't know how we are going to change behavior with it. And how many people who now go out and get a new job would not go out and get a new job if they have 73 percent of their health care costs being paid for while they are unemployed?

These are questions to which we have no answers. I remind my colleagues, last week we discovered that a budget that had a huge surplus last year was $130 billion in deficit this year, with us spending every penny of the Social Security surplus. Our colleagues often like to talk about it. They want to protect the Social Security surplus. Yet we are talking about imposing a rider on this trade bill that is going to cost billions of dollars, and every penny of it is going to come right out of the Social Security surplus. Much of it is going to be borrowed.

My view is that we should not pass this bill with this provision on it. It is subject to a point of order, or at least I believe it will be if we ever see the bill. It seems to me it is perfectly consistent—in fact, I think it is the definition of consistency—if we believe we need trade promotion authority and we ought to have a freestanding vote on it, and then if the Senate wants to bring up trade adjustment assistance, it ought to do that. But the idea of tying the two together—they didn't come out of the Finance Committee together—is fundamentally wrong.

There are a whole lot of other problems. For some reason, our Democrat colleagues have concluded that while we are going to pay 71 percent of the health care bills for the people who are drawing this trade adjustment assistance, we are not going to let them choose their health insurance.

Freedom is dangerous. If we start letting them choose their health insurance, God knows what they are going to want to be able to choose next.

So, extraordinarily, there is a provision in this bill that says you have to buy exactly the same insurance you had when you had a job and your company was a big part of buying the health insurance. How many people who are unemployed—say you lost your job with General Motors where they are notorious for having benefits such as first-dollar coverage—how many people want to be forced to buy that same benefit when they are unemployed?

Doesn't it seem logical to you that if you are unemployed, you might take a higher deductible so the money you got from the Government would buy you a larger share of your cost, so that the 29 percent you would have had to pay could go to help send your children to college or buy a training program? Why do we have to make people buy the Cadillac health insurance policy when they are unemployed, when they might choose to buy the Chevrolet policy?

I have a very hard time understanding those who would impose this on us saying, no, you cannot let these people choose. My position is, if you are going to provide this benefit, which, A, I don't believe we can afford and, B, I don't know how you justify giving to some people and not others, why not let them pick and choose the health care coverage that is best for them? Why not allow them to buy a Chevrolet policy when they were getting a Cadillac policy—when the company was paying for almost all of it—when it is partly their money? I don't understand why we have to do that.

So I wanted to come over today to simply make a these points: One, I am for trade promotion authority. Two, I think we ought to pass it as a clean bill. Three, I assume there will be a point of order against trade adjustment assistance, and it would be my intention to make the point of order against that provision. There is not a point of order against trade promotion authority. So I am hopeful we can come to some accommodation.

Finally, the one thing you learn when you are a member of a legislative body, such as the Senate, is that seldom do you get things the way you want them, that almost always there is some kind of compromise. I think we should pass trade promotion authority freestanding. But if we do end up with a compromise on trade adjustment assistance, I think we are a long way from being there. I think it needs to be very narrowly defined to be benefits for people who really lose their job due strictly to trade. I think you have to make this benefit affordable, remembering you are going to be taxing working people, who don't get health insurance, to buy Cadillac coverage for people who are unemployed. How can anybody believe that is rational?

How would you justify at a town meeting if some guy stood up and said: I don't get it. I work at the local company that sells tires, and I change tires, and I don't get health insurance through my job. But you are taxing me to buy first-dollar-coverage health insurance for somebody who is unemployed. Why do you treat unemployed people better than you treat employed people? I don't get it. I am not going to have to answer that question because I am going to say it is stupid, typical of Government, and I am not for it. Of course, normally, somebody back in the corner says: Yeah, but you were there when it happened. It always bugs me when that happens. But it hasn't happened yet, and I am going to do my best to see that it doesn't happen. I wanted to cover all these issues.

I hope we can get on with trade promotion authority. I hope we can work something out. I know the President wants this. There have been more than 130 trade agreements reached worldwide, to date, of which we are not a part. When our trading partner, Mexico, has entered into nine free trade agreements covering 26 countries and the U.S. has entered into three trade agreements, NAFTA, Israel and Jordan, covering four countries, and when we have not entered into these trade agreements because we don't have trade promotion authority, something is wrong. This is the greatest trading country in the history of the world. I hope we can get on and pass the bill in a rational way.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent to speak as in morning business on the matter of this trade bill that is before us.

The PRESIDING OFFICER. Without objection, it is so ordered.

FREE TRADE

Mr. NELSON of Florida. Mr. President, as we move more to a global economy, I would note that the United States, over the course of time, has been a driver of economic prosperity because of the ingenuity of our people, because of the technological prowess we have, and because of the edge we have over many other countries in our competitiveness with regard to computers.

I think back to when we were in the great space race, after the Soviets had surprised us by launching the first satellite Sputnik—we finally got Explorer up—and that shook the Nation to its core. Then suddenly, the Soviets surprised us again by getting into orbit with a human, Yuri Gagarin, before we could ever get off the pad with Alan Shepard trying to go into suborbit because we did not have a rocket that was strong enough to get that Mercury capsule up into orbit.

So we went into suborbit with two flights before, then 10 months after, Gagarin. We finally launched John Glenn—a former Member of this body—into orbit aboard an Atlas rocket, and the space race was on. That was when there was that very significant leadership decision made by President Kennedy who said: We are going to the Moon and back in the decade; and America put its efforts behind its will to succeed, and we developed the technology which led us to get there and back safely before the Soviets did.

Finally, the Soviets abandoned their efforts to go to the Moon with a human because they did not have the sophistication we had in our computer technology, sophistication that could help direct a spacecraft on reentry so that its trajectory could be such that human life would not be completely eliminated because of the G forces on a spacecraft on reentry.

I give that as one illustration of America's creativity and inventiveness when we set our minds to it. Thus, in the globalization of our markets on trade, whatever the products may be, America has had an advantage. We use our educationally developed workforce, we develop technology, and that is what we are very good at: exporting around the world. Thus, there is every reason for America to want to be engaged in international trade as long as it is free and fair trade. I am a free trader. That is how I usually will vote. That is how I usually voted as a Member of the House of Representatives over a 12-year period of public service.

We are confronting an aspect of trade that concerns me because it is not free and fair. It is going to affect one of the major economic interests in my State of Florida. Many States have automobile license tags indicating something of particular interest to each State. So it is with the Florida automobile license tag. We have an image of an orange emblazoned on our license tag, which is reflective of the considerable pride we have as well as the economic dominance of our Florida citrus industry.

That industry is threatened. Its very existence is threatened. Frozen concentrated Orange Juice production in Florida, is facing a life or death situation. I hope that as I continue to make speeches about the threat to this industry, that the White House is listening to a State that is very important to this White House. It was Florida, as we all know, that won the Presidency. There is a lot at stake in our State. It has to do with this trade bill.

Free and fair trade could quickly turn into a monopoly of trade for Brazil on frozen orange juice concentrate. It could turn into a monopoly because Brazil produces approximately 50 percent of the world production of frozen orange juice concentrate. Florida produces 40 percent of the world production. That 40 percent supplies the domestic market for orange juice. Indeed, it has been the Florida Citrus Commission advertising over the last half century that now causes orange juice to be a staple on breakfast tables in America.

We find growers in Brazil forming, in essence, a cartel, which can start dumping extra product on the market, undercutting the price for Florida, and running Florida out of the business if there isn't a tariff protecting our domestic market from the invasion of Brazilian frozen orange juice.

That brings me to the trade bill. The trade bill puts that protective tariff at risk, unless we can attach an amendment to the bill offered by Senator GRAHAM and myself, an amendment that would not apply just to orange juice but to other commodities, as well. The amendment says if there is an order in place by either the International Trade Commission or the Department of Commerce, an order in place indicating that there is anticompetitive behavior, then you cannot reduce the tariff until after that order is taken off.

That is common sense. If there is anticompetitive behavior, in the form of dumping, and therefore trying to run down the price by dumping, that is not free and fair trade. Or if there is another type of order from the Department of Commerce in place, a countervailing duty order that says a foreign government is subsidizing that product of that foreign country in order to give them a competitive advantage, that, in essence, is anticompetitive market behavior. If that kind of order is in place, you cannot reduce the tariff until those two respective organizations—the International Trade Commission and the Department of Commerce—have removed their orders.

It does not have to be orange juice. It could be steel. It could be honey in a State like Montana. It could be salmon production from the Pacific Northwest. It could be any of these products on which there are orders against foreign competitors that have been participating in anticompetitive activities. That is why we have the protection of these orders from either the International Trade Commission or the Department of Commerce. Until those orders are lifted because the anticompetitive behavior of the foreign companies disappears, we cannot reduce the tariff.

It is my hope the good common sense of this type of approach will be recognized by the administration. They think they have the votes to pass the trade promotion authority bill in this body—they may—but I am going to keep raising this issue. Somebody needs to keep raising it. Then, again, maybe they don't have the votes. Or maybe they don't have the votes within the timeframe they think they have.

It is a matter of ultimate fairness of free and fair competition in the global marketplace that we are trying to achieve at the end of the day, which is free and fair trade. Thus, I wanted to bring to the attention of the Senate and the White House my renewed plea on behalf of Senator GRAHAM and myself, with regard to the interests of the Florida citrus industry, that the administration should be willing to work with Congress to accept this amendment for the protection of free and fair and truly competitive international trade.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JOHNSON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EDWARDS. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EDWARDS. I ask unanimous consent I be allowed to speak for up to 3 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MEDICAL CONDITION OF SENATOR HELMS

Mr. EDWARDS. Mr. President, I want to report to my colleagues. As probably all are aware, our friend and colleague, Senator JESSE HELMS, had heart surgery recently. We have all been monitoring his progress very carefully and closely. I have been speaking with those in his office and his staff who are working so hard and so diligently to keep up Senator HELMS' operation here in the Senate and back in North Carolina while he is recovering from his heart surgery.

The most recent report as of today is that Senator HELMS is progressing. He is progressing in the manner in which his physicians would have expected.

Senator FRIST, along with others, has been watching and monitoring his care and recovery very carefully. I am told by members of Senator HELMS' staff that his progress is exactly as anticipated. They are feeling optimistic. The doctors are feeling optimistic. Hopefully, before too long, we will have Senator HELMS back with us.

We also want Senator HELMS, his wife Dot, whom we all love and adore, and the members of his family, plus the members of his staff who are so devoted to him, to know that all of us, all his friends, all his colleagues, are thinking about him constantly. He is in our prayers daily. We will continue to pray for his rapid recovery.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. STABENOW). Without objection, it is so ordered.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 2002 AND 2003

Mr. REID. Madam President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of H.R. 1646, a bill to authorize appropriations for the Department of State, and that the Senate then proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 1646) to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3385

Mr. REID. Madam President, it is my understanding that Senator BIDEN has a substitute amendment at the desk which is the text of S. 1803 as passed by the Senate on December 20, 2001. I ask unanimous consent that the amendment be considered and agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3385) was agreed to.

(The text of the amendment is printed in today's RECORD under "Text of Amendments.")

Mr. REID. Madam President, I ask unanimous consent that the bill, as amended, be read a third time and passed; that the motion to reconsider be laid upon the table; that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses; and that the Chair be authorized to appoint conferees on the part of the Senate, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1646), as amended, was read the third time and passed.

The Presiding Officer (Ms. STABENOW) appointed Mr. BIDEN, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mr. HELMS, Mr. LUGAR, and Mr. HAGEL conferees on the part of the Senate.

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that the Senate now proceed to a period for morning business for 15 minutes, and that the Senator from Arkansas, Mrs. LINCOLN, be recognized for that 15 minutes to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas.

U.S. INDEPENDENT FILM AND TELEVISION PRODUCTION INCENTIVE ACT OF 2001

Mrs. LINCOLN. Madam President, I rise to discuss the U.S. Independent Film and Television Production Incentive Act of 2001. We are going to begin the debate about trade and the initiative of being a part of the global economy. We are going to talk about trade as an important tool in helping to revive and build our economy in our great Nation, as well as building jobs and certainly educating our workforce and building industries in our country that are going to be part of this global economy in which we find ourselves. The U.S. Independent Film and Television Production Incentive Act of 2001 is a bill designed for those purposes.

This is a bill designed to address the problem of runaway film and television production which is a major trade-related issue which costs our Nation billions of dollars each year.

Over the past decade, production of American film projects has fled our borders for foreign locations, a migration that results in a massive loss for the U.S. economy. My legislation will encourage producers to bring feature film and television production projects back to the cities and towns across the great United States, thereby stemming the loss we have seen in our economy from those runaway films.

In recent years, a number of foreign governments have offered tax and other incentives designed to entice the production of U.S. motion pictures and television programs to their countries. Certain countries have been particularly successful in luring film projects to their towns and cities through such offers as large tax subsidies.

These governments understand the benefits of hosting such productions do not flow only to the film and television industry; these productions create ripple effects, with revenues and jobs generated in a variety of local businesses: Hotels and restaurants, catering companies, equipment rental facilities, transportation vendors, even our State parks and other wonderful characteristics that each of our States has such an individual way of expressing and the wonderful things they have to offer, and many other benefits that fall into this ripple effect.

What became a trickle has now become, however, a flood, a significant trend affecting both the film and television industry as well as the smaller businesses they support.

Many specialized trades involved in film production and many of the secondary industries that depend on film production, such as equipment rental companies, require consistent demand to operate profitably.

This production migration has forced many small and medium-size companies out of business during the last 10 years. Earlier this year, a report by the U.S. Department of Commerce estimated that runaway productions drain as much as $10 billion per year from the U.S. economy. These are dollars on which we have depended, that have been a vibrant part of our smalltown communities across the United States as well, places where we have seen wonderful movie productions because of the tremendous amount of incredible scenery our States produce.

These losses have been most pronounced in made-for-television movies and mini-series productions. According to the report, out of 308 U.S.-developed television movies produced in 1998, 139 were produced abroad. That is a significant increase from the 30 that were produced abroad in 1990.

The report makes a compelling case that runaway film and television production has eroded important segments of a vital American industry.

According to official labor statistics, more than 270,000 jobs in the U.S. are directly involved in film production. By industry estimates, 70 to 80 percent of these workers are hired at the location where the production is filmed. Those would be the workers in the small communities of my State as well as the State of the Presiding Officer.

While people may associate the problem of runaway production with California, the problem has seriously affected the economies of cities and States across the country, given that film production and distribution have been among the highest growth industries in the last decade. It is an industry with a reach far beyond Hollywood and the west coast.

Even we in Arkansas feel it. For example, my home State of Arkansas has been proud to host the production of a number of feature and television films, with benefits both economic and cultural. Our cinematic history includes opening scenes of "Gone With the Wind" and civil war epics such as "The Blue and The Gray" and "North and South." It also includes "A Soldier's Story," "Biloxi Blues," "The Legend of Boggy Creek," and most recently, "Sling Blade," an independent production written by, directed by, and starring Arkansas' own Billy Bob Thornton.

So even in our rural State of Arkansas, there is a great deal of local interest and support for the film industry. My bill will make it possible for us to continue this tradition, and we hope to encourage more of these projects to come to Arkansas and to other States across our Nation.

To do this, we need to level the playing field. This bill will assist in that effort. It will provide a two-tiered wage tax credit, equal to 25 percent of the first $25,000 of qualified wages and salaries and 35 percent of such costs if they are incurred in a low-income community, for productions of films, television or cable programming, mini-series, episodic television, pilots or movies of the week that are substantially produced in the United States.

This credit is targeted to the segment of the market most vulnerable to the impact of runaway film and television production. It is, therefore, only available if total wage costs are more than $200,000 and less than $10 million, which is indexed for inflation. The credit is not available to any production subject to reporting requirements of section 18 of the United States Code 2257 pertaining to films and certain other media with sexually explicit conduct.

My legislation enjoys the support of a broad alliance of groups affected by the loss of U.S. production, including the following: national, State, and local film commissions, under the umbrella organization Film US as well as the Entertainment Industry Development Corporation; film and television producers, Academy of Television Arts and Sciences, the Association of Independent Commercial Producers, the American Film Marketing Association and the Producers Guild; organizations representing small businesses, such as the postproduction facilities, the Southern California Chapter of the Association of Imaging Technology and Sound; equipment rental companies, Production Equipment Rental Association; and organizations representing the creative participants in the entertainment industry, the Directors Guild of America, the Screen Actors Guild, and the Recording Musicians Association.

All of these are great Americans who want to keep their work in our country, but if it is cost prohibitive, if the objectives and the incentives that are provided by these other nations are given to this industry that we do not provide, what other choices are they given other than to take those jobs, to take those wages, out of our country and take them somewhere else?

In addition, the U.S. Conference of Mayors formally adopted the Runaway Film Production Resolution at their annual conference in June.

Leveling the playing field through targeted tax incentives will keep film production, and the jobs and revenues it generates, in the United States.

I urge all of my colleagues, as we talk about trade, as we talk about being a part of this global economy, as we talk about creating the jobs we want, that we have, and we would like to keep in the United States, to join me in supporting this bill in order to prevent the further deterioration of one of America's most important industries, and the thousands of jobs and businesses that depend on it.

Think of what it could do for small towns, for the main streets of America, to have a film produced there. They would not only have the cultural advantage, the economic advantage but the sense of pride and joy in being able to keep this industry in our country and doing what everybody can be most proud of, and that is sharing our home States and all of the many things we are all proud of in our home States in the production of American films.

PRESCRIPTION DRUGS

Mrs. LINCOLN. Madam President, as in morning business, I will talk a little bit about an issue that I think is probably the most paramount issue in the State of Arkansas and also probably the most paramount issue across this great Nation, and that is the issue of the Medicare coverage of prescription drugs for our elderly. We have debated this issue for quite some time. I advocated that Congress add a universal voluntary prescription drug benefit to Medicare when I first started campaigning for the Senate in 1998. Five years later, we still have not passed a plan. We have to begin moving forward on this initiative, as I look across the great State of Arkansas and recognize the number of elderly in my State who would benefit from such a plan.

More importantly, we also have to look at how we as a government, in the economics of today, would benefit from a prescription drug plan for our elderly. If we do not want to do it for the quality of life for our elderly relatives, our grandparents, our parents, and all of those we love and adore, we should at least want to do it for the economics of this country because we know, without a doubt, particularly in rural America, that in providing a prescription drug package we are going to save dollars down the road because we prevent those elderly, when they are on a prescription drug, from having to have the more costly acute hospitalization or nursing care, or perhaps some of the more expensive home health care which they might need if we can simply keep them on a prescription drug plan that they so drastically need.

Both structure and costs of the benefit have been the main issues holding us up, but we have to move beyond those difficulties and those problems that we have in structuring cost.

I think back to last summer and some of the other members of the Senate Finance Committee with whom I was working. We were moving forward on coming together with a good compromise and working through the details of what we could see as being a beneficial plan for everyone in this country. Then, unfortunately, the events of 9–11 occurred. We, in the Congress, obviously, have had a great deal to deal with since then. We have talked about homeland security, our airport security, our national security, and the foreign affairs that come along with all of the issues we have dealt with since 9–11.

I do sincerely believe that now is the time we must remember what are the most important issues with which we have to deal on the homefront, particularly before we conclude this Congress. We must begin now with a prescription drug package if we clearly intend to come up with something by the end of this session, and I think we must look earnestly, not only at what we can afford but, more importantly, how we can get the biggest bang for that buck and how we can be assured that the majority of the elderly, particularly those who are in the greatest need, will receive a benefit package. Seniors need this now more than ever. We have to enact that benefit which is adequately funded and guaranteed to be universal, affordable, and accessible.

We have looked at some of the plans that have come out recently, and, unfortunately, they do fall very far short of what our seniors need. Much of the money has gone into some of the private areas that actually present me with great concern. Medicare+Choice, for instance, the last three Medicare+Choice plans in Arkansas were pulled out the end of December of last year. Not a single one of those three plans offered a prescription drug package. Medigap in Arkansas is disproportionately higher in cost than it is nationwide. So it does not provide the service, it does not provide the safety net, it does not provide the benefits that Arkansans need, and it comes at an exceptionally high price.

We have to look at putting competition in, but we have to make sure it is a benefit package that is going to work for all areas of this great country. We want to continue to work on this. Rural beneficiaries in my State are more likely to have poor health and lower incomes than seniors living in urban areas. They also use more prescription drugs.

That is one of the reasons I am here today. This is an extremely powerful issue in America and across rural America. We are only as strong as our weakest link. If rural America happens to be that weak link now, we must address those problems. Putting a plan into place that only gets at the problems of the urban areas or the highly populated areas is not going to work because it will continue draining the overall system in rural areas.

In Arkansas, 60 percent of seniors live in rural areas. I am extremely concerned about the limited prescription drug coverage available to them. Only 14 percent of Arkansas employers offer retiree health insurance. Only 2 percent of rural Arkansans are enrolled in managed care, which goes to show one size does not fit all. We have to come up with a comprehensive plan that has enough flexibility that we can make it fit all regions of this great Nation, but that we can do so in a way that is cost effective and cost efficient.

Medicare+Choice plans do not work in our rural States anymore, and Medigap coverage is out of reach for most seniors.

This is an essential issue with which we have to deal. We must come together. We must come up with a compromise. We must come up with a sound policy that will not only provide the quality of life we want for our loved ones but also a huge part of stabilizing our economy in this great country in a time when health care has blown completely out of proportion.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. I ask unanimous consent to be recognized in morning business.

Mr. REID. If my friend from Florida would withhold for a minute, we are near the time where the majority leader will come to the floor. It should be another 10 minutes. Is that adequate time for the Senator?

I ask unanimous consent the Senator from Florida be recognized for up to 10 minutes to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON of Florida. Madam President, I compliment the Senator from Arkansas for her excellent statement about health care. As the Senator pointed out the need for a prescription drug benefit to modernize Medicare, it reminded me of an unbelievable story. I don't know that it is fact, but it sounded pretty solid.

The White House is floating a plan that someone on home health care would have to have a copay through Medicare in order to get that service. Certainly in our part of the country, home health care is an alternative to the more expensive care of a nursing home, and clearly it is a lot more expensive being in a hospital. And home health care, despite the expense, is clearly a lot better quality of life for the senior citizen than being in a nursing home or in a hospital if they can be medically treated appropriately and successfully in home health care.

The Senator talked so eloquently about medical care in the State of Arkansas. Would it not be devastating to senior citizens to have a copay on home health care that they now do not have under Medicare?

Mrs. LINCOLN. In some areas, it has gotten difficult even finding home health care that will serve rural areas. Certainly for myself, with aging parents who are at home and independent, home health care is essential.

If the question is whether or not they will serve and whether or not those individuals can afford or are able to provide a copay, it will be devastating.

In my home State of Arkansas, 49 percent of the people have an adjusted gross income of $20,000 or less. We are a snapshot of what the rest of the Nation is going to be like. Florida has a lot of retirees and elderly, but for us as a percentage of our population, we rank in the top three. We are clearly a snapshot of where the rest of the country is going to be in terms of the percentage of our elderly population and the lack of services. Because we are rural, we have that lack of services.

Even the urban areas will be without the services if we do not look at Medicare reform and we do not start now looking at the ways we can make health care delivery more affordable. Prescription drugs is the most reasonable place to start. We have the technology, we have the development of pharmaceuticals that can help provide that quality of life, and we have home health care out there that can help keep down the costs of acute hospitalization, acute care in nursing homes, and other areas.

Making it cost prohibitive does not increase the availability or the accessibility of health care. We can keep our loved ones in their homes and cared for at a reasonable cost, the Senator is exactly right.

It is so important to recognize we need to start now. We are so underprepared as a nation as to what will happen in the next 15 to 20 years when the baby boomers hit 65 and we have no geriatricians, no physicians, and a nursing shortage. The State of Massachusetts lost 25 or 26 nursing homes last year, all of which were 85 percent or better occupied.

We are not preparing ourselves for what will happen with our population, which is going to increase phenomenally in the aged category. Home health care and providing it in a way that is cost effective is absolutely essential. The Senator from Florida knows, and I am with him without a doubt, we have to make sure we focus on this issue. We need to do it sooner rather than later.

Mr. NELSON of Florida. It is amazing to me where they come up with the ideas from the administration to get savings out of Medicare, particularly when they start talking about making senior citizens pay copays on home health care, which is an activity that is desirable and saves money in the long run by giving seniors an alternative to the hospital and nursing homes that are so much more expensive.

COMMANDER SCOTT SPEICHER

Mr. NELSON of Florida. Madam President, I rise to address a subject that is heavy on my heart. It goes back to 1991. The first American shot down and declared dead in the gulf war was Commander Scott Speicher of the U.S. Navy from Jacksonville, FL. He was pronounced by the Department of Defense, indeed, the then-Secretary of Defense, as having been killed in action.

We have learned over the intervening 11 years, the evidence strongly suggests Commander Speicher survived being shot down. That credible intelligence report indicates that someone who drove him from the crash site to the hospital has stepped forward as an eyewitness. For 11 years, his family in Jacksonville have pondered the question, Is he alive?

This is truly a gripping human drama. But it is just that more gripping because the U.S. military has a creed among pilots that when you have to punch out, you are going to have a rescue team that will come get you. Against all odds, they will come, try to find you, and get you out alive.

This awful question hangs over the CDR Scott Speicher case that we abandoned him.

So 11 years later, what we need to do is to use every avenue to try to find out, is he alive? Is he in Iraq? If he is, we need to get him out. If he is not, we need to find out the specific circumstances that led to his death after his apparent surviving being shot down in the Iraqi desert.

A couple of our Senators have been involved in this case: Senator BOB SMITH of New Hampshire and Senator PAT ROBERTS of Kansas. There is a Kansas connection with Commander Speicher. I kind of backed into this situation recently when I saw an opening, and I took it.

I was in Damascus, Syria, and spoke to some of our Embassy staff. Did they have any information? They had inquired of the Syrian Government a year ago and had no reply. So later that day, I found myself with Senator SHELBY and Congressman CRAMER in a 2-hour meeting with the Syrian President, President Assad, the son of the long-time Syrian President who had died a couple of years ago and has been succeeded by his son. I saw the opening, and I took it.

I asked the Syrian President if he would use his good offices and task his intelligence apparatus to see what they could find out from Iraq and their contacts with Iraqi intelligence activities.

Madam President, I ask unanimous consent I be allowed to continue until such time as the majority leader arrives.

Mr. REID. Why don't we do it for a time certain because he may never arrive.

Mr. NELSON of Florida. Five minutes?

Mr. REID. How about 5 o'clock?

Mr. NELSON of Florida. I thank the Senator from Nevada, our wonderful assistant majority leader.

This is a very important case that I wanted to explain to the Senate.

We were sitting there with the young President, with whom we have significant differences of opinion in the Middle Eastern crisis. We talked to him about Hezbollah and suggested he should pull off his support of that terrorist activity. We thanked him for his help with regard to our going after al-Qaida—and they have been helpful. We thanked him for his support, protecting our United States interests in Syria, particularly our Embassy that has no setback from the street in Damascus. At the time we were there, there was a 100,000-person demonstration. Of course, they had the riot police lined up shoulder to shoulder to protect our Ambassador's residence as well as the Embassy.

But I saw the opening. I asked him, and he said he would.

Later on, as a member of the Foreign Relations Committee, suddenly I found myself face to face, right over here in our Foreign Relations Committee room in the Capitol, with the Prime Minister of Lebanon. I told him the story. I told him the gripping story of a family; the children want to know, is their daddy alive? And the Prime Minister of Lebanon, Rafic Hariri, said he, too, would see through his good offices and his intelligence apparatus if they could find out any information.

I have spoken to Secretary of Defense Rumsfeld and the Chairman of the Joint Chiefs of Staff, General Myers, about asking. I have spoken to Secretary Rumsfeld, as recently as 35 minutes ago, about this case.

Because it is Iraq, it puts someone such as Secretary Rumsfeld in a difficult situation because he naturally is concerned, as we all are, about wanting to take out Saddam Hussein who, if he has not built, he certainly will be trying to build, weapons of mass destruction. We are going to have to protect the position of the United States and the free world by not letting him do that. So it makes it difficult for us at this particular time, trying to get information. It is so important in this gripping human drama.

In the late 1990s, the Department of Defense actually changed the status of Commander Speicher from "killed in action" to "missing in action." At some point, with further evidence, it may well be that they will consider changing the status, if the evidence is there, from "missing in action" to "prisoner of war." That, of course, would be welcome news because that would mean that he is alive. Then we would have to address the question of how to get him home to his loved ones.

It is going to take the attention of a lot of people. I have written to the Embassies in that region of the world, asking our Ambassadors to ask their friends and their contacts, to see if we can get a little snippet of information. We owe this to the family. But we owe it to every military pilot, past, present, and future, who needs to have the confidence to know, if they are shot down, the rescue forces are coming to get them and we are not going to abandon them.

There is now talk that Iraq will invite a delegation to come to investigate. If it is another charade, as were some of the investigations as to whether or not there are weapons of mass destruction, then that is not going to be profitable. It should be a high-level delegation so it will be accorded the respect of the receiving Iraqi Government in order that access will be given. For example, this eyewitness account that he was driven to the hospital from the crash site—what hospital? Let's see the records of the hospital. If he was released from the hospital, where was he sent? Was he sent to a prison? What prison? Let's see the records of that prison. Let's see tangible evidence so we can know the fate of CDR Scott Speicher.

The Nation owes this to our military. The Nation owes it to Commander Speicher's family.

I thank the Chair for the opportunity to share this matter with the Senate.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. CARNAHAN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Madam President, I ask unanimous consent that I may proceed for 10 minutes as in morning business. I understand the leader and others will momentarily be on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I thank the distinguished Presiding Officer.

THE FARM BILL

Mr. HOLLINGS. Madam President, my plea is to the brothers and sisters in the lodge this afternoon. It came to mind last evening, when I met with the maritime folks that if our Amtrak is about to be phased out in October, and rail transportation is about to end for the passengers, and if the airlines are all in financial difficulty, we need more American construction, American ships, crewed with American crews, and those kinds of things. Yet we are just about to pass a wonderful farm bill.

They have gotten together in a compromise on the farm legislation. This Senator has supported agriculture for nearly 50 years in public office. In fact, I took my farmers to the west coast. I found out, back 40 years ago, that our total farm income in South Carolina was around $380 million, and out in Orange County, CA, one county had $384 million in total farm income. So they knew something more about agriculture than we did. And we had a 100-year start in agriculture in the little State of South Carolina before they had even founded California.

So I have been in the vanguard, in the forefront of developing our corn and our soybeans. The grain elevator was constructed when I was Governor. I could go on down the list of the different caucuses we have developed and the trips we made with the farmers to the markets overseas.

Just please, I ask my farm friends, don't give me this protectionism talk about we are ruining trade and trade relations and trade agreements, having gotten all the subsidies, all the protection you could possibly imagine.

They have gotten this 73-some-odd-billion-dollar farm bill. They get all the subsidies, which I support. And I hope the Senate supports it. They get the Ex-Im Bank to finance.

I see one of my agricultural Senator friends coming to the Chamber. I am sure he is not going to talk about protectionism. I am trying to get some of the farm votes to help us on fast track.

Then they get the Overseas Private Investment Corporation. They get all the help.

I experienced this when I campaigned out in Iowa in the '80s. They had me on an early morning news show there in Des Moines, and they said: Senator, how do you come from a textile State with all that protection and subsidies, and you expect to get the farm vote? They had no idea I did not get any subsidies. I was just trying to hold on to the jobs that we had.

So we need the farmers' help. Don't talk about Public Law 480. I know one of the Senators from Iowa has a favorite. After he gets his subsidies, then he comes on the floor and he says: No. We want to ship our PL-480s, our agriculture, under this Federal act to the other countries of the world because we can do it cheaper.

Well, we can produce agriculture cheaper, too. We almost did with the Freedom to Farm Act, but it did not work. But it can be done. So don't give us: Let's do away with it, having gotten all of mine, then I want yours, too. In essence, the farmers ought to wake up.

I want to show what has happened in agriculture with these charts I have in the Chamber. This chart shows that in 1996, under the Department of Commerce figures, we exported more than $8 billion of corn annually. And you can see where it has gone. It went down in the year 2000 to about $4.5 billion. Now, why?

The Chinese are not only producing textiles, they are producing corn.

I followed the statistical flow downwards of wheat. I asked about the Chinese, how do they do it? And the answer is, they are very clever. Now they are shipping their wheat to Korea, Japan, and other places, and still importing ours so as to keep an appearance of the need for wheat. But, actually, they are exporting more than they are importing.

Let's look at the agriculture surpluses from the chart I have in the Chamber. I want everyone to know that we are not only losing our manufacturing capability, our industrial backbone, but the United States has lost agriculture surplus since NAFTA.

Beginning in 1994 we had about a $1 billion surplus with Mexico and Canada in agriculture. Now that we have free trade, free trade, free trade, we have a deficit of close to $1.5 billion. Well, we are bound to lose with the higher standard of living in the United States of America. We are bound to lose some industrial jobs. But we are going to pick up agriculture.

Ah, no, sirree, we did not pick it up. They are losing their shirt and don't even know it. That is what we want our farmer Senators to know about. They are losing their shirt and don't even know it. They have been going out of business. And you are going back home and saying: Look, look what we have done. We have helped you. You need even more protection.

Here is what has happened with respect to citrus. We went from a $700 million surplus to about $650 million surplus in our exports. We have our Senator here who said it was sort of immoral. We had a moral obligation to go along with the Andean trade pact. They needed help. We are trying to get them out of drugs and tell them to grow bananas and pineapples. That is what it is all about.

What do you think we have gotten from Colombia? Not a thing in that agreement. From Ecuador, from Bolivia? We did not get anything in that one-way agreement. But here is what happened with citrus.

Now, I do not like to be vindictive or seem to be petty, but I would like to come down to the 17-percent tariff on textiles from the Andean countries and bring citrus down from 50 percent—50 percent, I say to the Senator—down to the 17 percent.

Tell these citrus boys, tell these agriculture boys, don't talk about China and Japan and India, be fair, be fair; Mexico, be fair. Let's be fair to each other. We are all U.S. Senators. We represent one country. And we represent agriculture.

I have agriculture and I have textiles. I have steel. I told a story about Nucor. I am glad President Bush acted.

Here is wheat. Where are those wheat farmers? In 1996, we exported more than $6 billion in Durum wheat. In 2001, we exported less than $3.5 billion.

You are going out of business, Senator. You are gone. I am losing my textiles. You are losing your wheat. They can give us a little tin cup and we can stand out on the sidewalk and beg because you and I are being put out of business. You are a leader here on trying to awake the town and tell the people.

Mr. DORGAN. I wonder if the Senator from South Carolina would yield for a question.

Mr. HOLLINGS. I would be delighted to yield, if we have time.

ORDER OF PROCEDURE

Mr. REID. Madam President, because of the previous unanimous consent, time is almost gone for the Senator. I ask unanimous consent that the Senator be recognized for another 10 minutes. And I announce, on behalf of the majority leader, there will be no votes this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Madam President, I ask the Senator from South Carolina, isn't it the case that the chart that the Senator shows on durum wheat starts showing a collapse—actually, if the chart started back a bit, it would start showing a collapse almost immediately following the U.S.-Canada Free Trade Agreement. That was a Free Trade Agreement where Clayton Yeutter, who was then our trade ambassador—he had a great disposition. He smiled all the time. And you always felt like the Sun was shining and everything was right, nothing was wrong.

So Clayton Yeutter went up to negotiate with Canada on our behalf, and he came back with the U.S.-Canada Free Trade Agreement.

We didn't learn it until later, but he had just traded away the interests of American farmers because what happened to us was an avalanche of unfairly subsidized grain that came into our country from the Canadian Wheat Board, which is a state monopoly. It would be illegal in this country. But in Canada they shoved all this grain into our country. And then when we went up to try to find out what the prices were so that we could take action against Canada, the Canadian Wheat Board said: Go fly a kite. We don't intend to show you any information.

We have done that for years. The result is that our farmers have been devastated by this unfair trade. This all comes from Clayton Yeutter's negotiations with the Canadians; is that not the case?

Mr. HOLLINGS. That is the case. The distinguished Senator from North Dakota has followed this in a judicious fashion. He and I have worked together, but he has really been the leader to get some sensibility and attention to the dilemma. All we ask on the floor of the Senate is a chance to do our job. In article I, section 8 of the Constitution, it is not the President, not the Supreme Court, but the Congress that shall regulate foreign commerce. This is so we can look at these little side deals and the things that were negotiated that we didn't know about, as the distinguished Senator points out.

The lawyers on K Street and the White House make the need for fast track up. They fix the vote. They don't call it until they have a 60-vote margin to cut off debate. Here we have been waiting dutifully to put up our amendments. And there has been a little difficulty on finalizing the leadership amendment, but once it is filed, we are ready to go. We have been ready to go.

Don't blame us for holding this up for however many days. We are not trying to hold it up. We are just asking the Senate, please kill this so-called fast track. We haven't had it for the past several years. There have been some 200 agreements without fast track. That is what the Senator from North Dakota is speaking to.

Mr. DORGAN. If the Senator will yield for an additional question.

Mr. HOLLINGS. Yes.

Mr. DORGAN. There are so many issues we could talk about—beef to Japan, automobiles from Korea. Let me talk about this issue of wheat from Canada for a moment. It is a fascinating issue. There was a woman from North Dakota who married a Canadian and moved up to Canada. She came back for Thanksgiving or Christmas to North Dakota. And when she was back on the farm, her father said: Take up a couple bags of wheat. She was going to mill that back up in Canada and make bread because we have great spring wheat for making great hard bread. She took back a grocery sack full of wheat. All the way back to the Canadian border she met 18-wheel trucks full of Canadian wheat coming south—hundreds and hundreds of trucks, millions of bushels, every day, every hour.

But when she got to the border with two grocery bags full of grain she was going to grind in order to make bread, they told her: You can't take two grocery sacks full of American wheat into Canada. She had to pour it on the ground at the border, despite the fact that all the way up she met Canadian 18-wheel trucks hauling Canadian wheat south. She couldn't get two grocery bags full through the border near Canada.

How did we end up with that? A circumstance where they are hauling all that grain, coming south from Canada in an unfair way, but you can't get two grocery bags full into Canada because of a trade agreement negotiated by people who were basically incompetent and traded away the interests of American farmers.

Yet here we are being told: Let's not fix the trade agreements we have problems with. Let's give the President the authority to do new trade agreements.

My message is very simple: Fix a few of the problems, just a few, start fixing a few. Demonstrate that there is some backbone in this country to stand up, to have the nerve and the will to fix some trade problems. Then come to us and talk about the next negotiation. But only then and not until then. Fix a few problems first.

Mr. HOLLINGS. As the Senator has pointed out, the blasphemy is that the most productive farmer in the world is the American farmer. The most productive industrial worker in the world is the American industrial worker. What is not producing is us the Congress. Forty years ago, we produced poultry in South Carolina. We produced peaches—in fact, more peaches than the State of Georgia. I landed in Europe. I had the same experience. Leave that on the plane and destroy it. You are not bringing fresh peaches in here, they told me. You are not bringing your poultry in here.

Rules are rules. This isn't aid. This is trade. Everybody looks out for the agricultural strength of their nations. That is what we are elected to office to do. But Heaven above, you would think I was a Communist or something in here trying to stop fast track. Fast track is a dirty, no good political gimmick. Everybody knows that. Yet they continue to go on with this thing to get a fix and not take the responsibility. And then when they have to explain it: Well, it was take it or leave it. I wanted to support the President and everything.

Of course, we all want to support the President. But that is the story. Here it is. We are losing out agriculturally, and the Chinese are the ones winning. When you have 1.3 billion people, they can produce more than our 280 million. They have 600 or 700 million farmers, at least, or more. How many million farmers do we have?

We have about 3.5 million farmers in the United States of America. They are outstanding. I am not belittling them in any sense. But 3.5 million can't produce what 700 million Chinese farmers produce, and at the cost and everything else like that. They don't have the environmental rules and regs and everything else of that kind.

I appreciate the body yielding the floor. My plea is, let's be fair to each other. Just don't come here and try to do away with the Jones Act now when we are trying to build America. Please don't do away with the industrial strength of the United States, pointing a finger: You are a protectionist; we are not going to start protectionism.

That is what built the country—good, strong protectionism.

Mr. DORGAN. I ask unanimous consent that the Senator be given 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Let me ask if the Senator will yield for a question. The Senator comes to the floor often and talks about Ricardo and the doctorate of comparative advantage. I used to teach a little economics in college. There is no doctrine of comparative advantage in most of these unfair trade circumstances. Most of what has happened with respect to advantage is political; that is, the political system of the country decides we are going to have a state monopoly which trades in your country.

Mr. HOLLINGS. That is right.

Mr. DORGAN. So decisions are made to allow 12-year-old kids to work in a manufacturing plant for 12 cents an hour. That is unfair. Manufacturing plants to operate without safe working places. Manufacturers will dump chemicals into the streams and the air and send the product to the store shelves in Pittsburgh and Los Angeles and Fargo and Charlotte. That is unfair. These are political decisions in countries around the world about the conditions of production.

People listen to the Senator from South Carolina, and some are going to say: It is the same old stuff. He just wants to be a protectionist.

In my judgment, there is nothing wrong with protecting American interests and requiring fair trade. If that is what protecting is about, sign me up. I want to protect our country's economic interests. But I believe the Senator from South Carolina feels as I do. I support expanded trade. I believe expanded trade is healthy. I believe we can compete anywhere in the world. But I demand fair trade. When trade is not fair, this country has a responsibility to stand up for its producers. It has failed to do that time and time again. Is that not the case?

Mr. HOLLINGS. That is the case. The unfairness of it is here in the "Foreign Trade Barriers" book from 10 years ago. I think we spotted it with about 260 pages and 10 years hence that we got free trade. We are getting rid of the barriers, remember. We are helping out agriculture by decimating our industrial strength. I am trying to open the eyes of my farmer Senator friends. Instead of 260 pages, this book is 453 pages. When I held up this book yesterday, it was very interesting. Oh, it just put these fleet a flitter. They gathered around and you can tell the fixes they got—we are trading more. Well, wait a minute, you are getting more trade agreements? Your debate has been all year long that you are losing out on the agreements, that we are passing them by. All these countries are getting agreements and we are not getting any. Of course, that is not the case.

Let's look now and see. For example, Korea had 10 pages of restrictions here in 1992. In 2002, they have gone to 27 pages. Japan has gone from 18 pages of restrictions to 42—they are not lowering barriers.

The European economic community, 32 pages in 1992. They have come down to 20 pages. We are doing pretty good there. I hope we can do better than with bananas. We don't even produce a banana. These special Trade Representatives ought to be embarrassed. India's was 8 pages, and it went up to 14. You can see what is happening in these countries—where we are supposed to be lowering the barriers, we are increasing them with trade agreements.

So, come on, let's stop, look, and listen. Give each Senator a chance to stop, look, and listen. Don't give me those fast tracks and whip it on through with the special interest lawyers. I tell my textile people, the lawyers are working this thing on K street; I have nothing to do with it. By the time I get a bite at the apple and a chance to even discuss it, they give me limited time, and the vote is already fixed. Nobody listens because the vote is already fixed. So why pay attention to the thing? Let's move on. We have to get our work done around here. So nothing happens. We are supposed to learn and exchange views from all parts of the country.

When I came here 35 years ago, I tell you it was an educational experience. We didn't have TV, so if you wanted to find out what was going on, you were in the cloakroom. There were always 25 to 30 Senators in either cloakroom and you could engage in debate, listen to the other Senators, their experience, and their constituent needs and things of that kind. And then we had a concurrent majority to move forward for the good of the country.

Mr. DORGAN. Will the Senator yield for one additional question?

Mr. HOLLINGS. Yes.

Mr. DORGAN. Senator HOLLINGS raised the issue of bananas. I wanted to explore that for a moment. Is it not the case that our country had a big fight with Europe about bananas?

Mr. HOLLINGS. Yes. One fellow from Ohio gave a lot of political contributions. We didn't have any bananas. Do you know where they grow bananas?

Mr. DORGAN. No. We were fighting with Europe because they would not allow bananas into the European economies. I mentioned today that we had a dispute with Europe about beef. We went to the WTO and won a case against Europe. You know how we penalized Europe? We said: We are taking action against your truffles and your goose liver and Roquefort cheese.

Mr. HOLLINGS. They have got no embarrassment, I can tell you that.

Mr. DORGAN. We were fighting with Europe about bananas and we don't produce them. Those bananas were coming from the Caribbean, and Europe would not let them in.

Mr. HOLLINGS. JOHN MCCAIN is right—money controls, campaign finance is needed. I can tell you that right now. We haven't gotten it yet. We are moving in that direction about soft money, but we have doubled the contributions and everything else. That was a compromise Senator MCCAIN had to make. Now I have to travel to California, maybe Nevada, and New York, and maybe Missouri even to get that kind of money. I cannot find that in South Carolina. Even a Republican friend—and I have some Republican friends, but they don't want to contribute. If their name appeared in the little news squib, and they might say Saturday night when they go to the club: Why did you give to that Democrat? Why embarrass the family and the wife and everybody else? They just don't give. So I travel around the country, and beg from my friends and try to stay in office. They have been good to me. Here I am. But I cannot get the attention of anybody.

I used to say I would love to serve in the Senate rather than practice law because I not only could make the final arguments, like I used to in the courtroom, but I can go in the jury room and vote. But the vote means nothing. Now the way this thing is geared up, over the past 35 years we don't have a discussion, don't have the deliberateness or the consideration.

I appreciate the distinguished Senator from Nevada yielding. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANDEAN TRADE PREFERENCE EXPANSION ACT

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under the Act, and for other purposes, which had been reported from the Committee on Finance, with an amendment to strike all after the enacting clause and insert the part printed in italic:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Andean Trade Preference Expansion Act".

TITLE I—ANDEAN TRADE PREFERENCE

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) Since the Andean Trade Preference Act was enacted in 1991, it has had a positive impact on United States trade with Bolivia, Colombia, Ecuador, and Peru. Two-way trade has doubled, with the United States serving as the leading source of imports and leading export market for each of the Andean beneficiary countries. This has resulted in increased jobs and expanded export opportunities in both the United States and the Andean region.

(2) The Andean Trade Preference Act has been a key element in the United States counternarcotics strategy in the Andean region, promoting export diversification and broad-based economic development that provides sustainable economic alternatives to drug-crop production, strengthening the legitimate economies of Andean countries and creating viable alternatives to illicit trade in coca.

(3) Notwithstanding the success of the Andean Trade Preference Act, the Andean region remains threatened by political and economic instability and fragility, vulnerable to the consequences of the drug war and fierce global competition for its legitimate trade.

(4) The continuing instability in the Andean region poses a threat to the security interests of the United States and the world. This problem has been partially addressed through foreign aid, such as Plan Colombia, enacted by Congress in 2000. However, foreign aid alone is not sufficient. Enhancement of legitimate trade with the United States provides an alternative means for reviving and stabilizing the economies in the Andean region.

(5) The Andean Trade Preference Act constitutes a tangible commitment by the United States to the promotion of prosperity, stability, and democracy in the beneficiary countries.

(6) Renewal and enhancement of the Andean Trade Preference Act will bolster the confidence of domestic private enterprise and foreign investors in the economic prospects of the region, ensuring that legitimate private enterprise can be the engine of economic development and political stability in the region.

(7) Each of the Andean beneficiary countries is committed to conclude negotiation of a Free Trade Area of the Americas by the year 2005, as a means of enhancing the economic security of the region.

(8) Temporarily enhancing trade benefits for Andean beneficiaries countries will promote the growth of free enterprise and economic opportunity in these countries and serve the security interests of the United States, the region, and the world.

SEC. 102. TEMPORARY PROVISIONS.

(a) IN GENERAL.—Section 204(b) of the Andean Trade Preference Act (19 U.S.C. 3203(b)) is amended to read as follows:

"(b) IMPORT-SENSITIVE ARTICLES.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

"(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

"(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

"(C) tuna, prepared or preserved in any manner, in airtight containers;

"(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

"(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital, or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply;

"(F) articles to which reduced rates of duty apply under subsection (c);

"(G) sugars, syrups, and sugar containing products subject to tariff-rate quotas; or

"(H) rum and tafia classified in subheading 2208.40 of the HTS.

"(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

"(A) ARTICLES COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following articles:

"(i) APPAREL ARTICLES ASSEMBLED FROM PRODUCTS OF THE UNITED STATES AND ATPEA BENEFICIARY COUNTRIES OR PRODUCTS NOT AVAILABLE IN COMMERCIAL QUANTITIES.—Apparel articles sewn or otherwise assembled in 1 or more ATPEA beneficiary countries, or the United States, or both, exclusively from any one or any combination of the following:

"(I) Fabrics or fabric components formed, or components knit-to-shape, in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in the United States), provided that apparel articles sewn or otherwise assembled from materials described in this subclause are assembled with thread formed in the United States.

"(II) Fabric components knit-to-shape in the United States from yarns wholly formed in the United States and fabric components knit-to-shape in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States.

"(III) Fabrics or fabric components formed or components knit-to-shape, in 1 or more ATPEA beneficiary countries, from yarns wholly formed in 1 or more ATPEA beneficiary countries, if such fabrics (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in 1 or more ATPEA beneficiary countries) or components are in chief weight of llama, alpaca, or vicuna.

"(IV) Fabrics or yarns that are not formed in the United States or in 1 or more ATPEA beneficiary countries, to the extent that apparel articles of such fabrics or yarns would be eligible for preferential treatment, without regard to the source of the fabrics or yarns, under Annex 401 of the NAFTA.

"(ii) KNIT-TO-SHAPE APPAREL ARTICLES.—Apparel articles knit-to-shape (other than socks provided for in heading 6115 of the HTS) in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States.

"(iii) REGIONAL FABRIC.—

"(I) GENERAL RULE.—Knit apparel articles wholly assembled in 1 or more ATPEA beneficiary countries exclusively from fabric formed, or fabric components formed, or components knit-to-shape, or any combination thereof, in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States, in an amount not exceeding the amount set forth in subclause (II).

"(II) LIMITATION.—The amount referred to in subclause (I) is 70,000,000 square meter equivalents during the 1-year period beginning on March 1, 2002, increased by 16 percent, compounded annually, in each succeeding 1-year period through February 28, 2006.

"(iv) CERTAIN OTHER APPAREL ARTICLES.—

"(I) GENERAL RULE.—Subject to subclause (II), any apparel article classifiable under subheading 6212.10 of the HTS, if the article is both cut and sewn or otherwise assembled in the United States, or one or more of the ATPEA beneficiary countries, or both.

"(II) LIMITATION.—During the 1-year period beginning on March 1, 2003, and during each of the 2 succeeding 1-year periods, apparel articles described in subclause (I) of a producer or an entity controlling production shall be eligible for preferential treatment under subparagraph (B) only if the aggregate cost of fabric components formed in the United States that are used in the production of all such articles of that producer or entity that are entered during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

"(III) DEVELOPMENT OF PROCEDURE TO ENSURE COMPLIANCE.—The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the requirement set forth in subclause (II). If the Customs Service finds that a producer or an entity controlling production has not satisfied such requirement in a 1-year period, then apparel articles described in subclause (I) of that producer or entity shall be ineligible for preferential treatment under subparagraph (B) during any succeeding 1-year period until the aggregate cost of fabric components formed in the United States used in the production of such articles of that producer or entity that are entered during the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

"(v) APPAREL ARTICLES ASSEMBLED FROM FABRICS OR YARN NOT WIDELY AVAILABLE IN COMMERCIAL QUANTITIES.—At the request of any interested party, the President is authorized to proclaim additional fabrics and yarn as eligible for preferential treatment under clause (i)(IV) if—

"(I) the President determines that such fabrics or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner;

"(II) the President has obtained advice regarding the proposed action from the appropriate advisory committee established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the United States International Trade Commission;

"(III) within 60 days after the request, the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the action proposed to be proclaimed and the reasons for such actions, and the advice obtained under subclause (II);

"(IV) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of subclause (III), has expired; and

"(V) the President has consulted with such committees regarding the proposed action during the period referred to in subclause (III).

"(vi) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of an ATPEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

"(vii) SPECIAL RULES.—

"(I) EXCEPTION FOR FINDINGS AND TRIMMINGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains findings or trimmings of foreign origin, if such findings and trimmings do not exceed 25 percent of the cost of the components of the assembled product. Examples of findings and trimmings are sewing thread, hooks and eyes, snaps, buttons, 'bow buds', decorative lace, trim, elastic strips, zippers, including zipper tapes and labels, and other similar products. Elastic strips are considered findings or trimmings only if they are each less than 1 inch in width and are used in the production of brassieres.

"(bb) In the case of an article described in clause (i)(I) of this subparagraph, sewing thread shall not be treated as findings or trimmings under this subclause.

"(II) CERTAIN INTERLININGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article.

"(bb) Interlinings eligible for the treatment described in division (aa) include only a chest type plate, 'hymo' piece, or 'sleeve header', of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

"(cc) The treatment described in this subclause shall terminate if the President makes a determination that United States manufacturers

are producing such interlinings in the United States in commercial quantities.

"(III) DE MINIMIS RULE.—An article that would otherwise be ineligible for preferential treatment under this paragraph because the article contains yarns not wholly formed in the United States or in 1 or more ATPEA beneficiary countries shall not be ineligible for such treatment if the total weight of all such yarns is not more than 7 percent of the total weight of the good. Notwithstanding the preceding sentence, an apparel article containing elastomeric yarns shall be eligible for preferential treatment under this paragraph only if such yarns are wholly formed in the United States.

"(IV) SPECIAL ORIGIN RULE.—An article otherwise eligible for preferential treatment under clause (i) of this subparagraph shall not be ineligible for such treatment because the article contains nylon filament yarn (other than elastomeric yarn) that is classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5402.41.90, 5402.51.00, or 5402.61.00 of the HTS duty-free from a country that is a party to an agreement with the United States establishing a free trade area, which entered into force before January 1, 1995.

"(V) CLARIFICATION OF CERTAIN KNIT APPAREL ARTICLES.—Notwithstanding any other provision of law, an article otherwise eligible for preferential treatment under clause (iii)(I) of this subparagraph, shall not be ineligible for such treatment because the article, or a component thereof, contains fabric formed in the United States from yarns wholly formed in the United States.

"(viii) TEXTILE LUGGAGE.—Textile luggage—

"(I) assembled in an ATPEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

"(II) assembled from fabric cut in an ATPEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States.

"(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles to which subparagraph (A) applies shall enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels.

"(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—For purposes of subparagraph (A)(vi), the President shall consult with representatives of the ATPEA beneficiary countries concerned for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) of the Annex or Appendix 3.1.B.11 of the Annex.

"(D) PENALTIES FOR TRANSSHIPMENTS.—

"(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel articles from an ATPEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

"(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the ATPEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3, to the extent consistent with the obligations of the United States under the WTO.

"(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment under subparagraph (B) has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

"(E) BILATERAL EMERGENCY ACTIONS.—

"(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from an ATPEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

"(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

"(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

"(II) the term 'transition period' in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

"(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the ATPEA beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

"(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

"(A) EQUIVALENT TARIFF TREATMENT.—

"(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B), (D) through (F), or (H) of paragraph (1) that is an ATPEA originating good shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

"(ii) EXCEPTION.—Clause (i) does not apply to any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS.

"(B) RELATIONSHIP TO SUBSECTION (C) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (c) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

"(C) SPECIAL RULE FOR SUGARS, SYRUPS, AND SUGAR CONTAINING PRODUCTS.—Duty-free treatment under this Act shall not be extended to sugars, syrups, and sugar-containing products subject to over-quota duty rates under applicable tariff-rate quotas.

"(D) SPECIAL RULE FOR CERTAIN TUNA PRODUCTS.—

"(i) IN GENERAL.—The President may proclaim duty-free treatment under this Act for tuna that is harvested by United States vessels or ATPEA beneficiary country vessels, and is prepared or preserved in any manner, in airtight containers in an ATPEA beneficiary country. Such duty-free treatment may be proclaimed in any calendar year for a quantity of such tuna that does not exceed 20 percent of the domestic United States tuna pack in the preceding calendar year. As used in the preceding sentence, the term 'tuna pack' means tuna pack as defined by the National Marine Fisheries Service of the United States Department of Commerce for purposes of subheading 1604.14.20 of the HTS as in effect on the date of enactment of the Andean Trade Preference Expansion Act.

"(ii) UNITED STATES VESSEL.—For purposes of this subparagraph, a 'United States vessel' is a vessel having a certificate of documentation with a fishery endorsement under chapter 121 of title 46, United States Code.

"(iii) ATPEA VESSEL.—For purposes of this subparagraph, an 'ATPEA vessel' is a vessel—

"(I) which is registered or recorded in an ATPEA beneficiary country;

"(II) which sails under the flag of an ATPEA beneficiary country;

"(III) which is at least 75 percent owned by nationals of an ATPEA beneficiary country or by a company having its principal place of business in an ATPEA beneficiary country, of which the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of an ATPEA beneficiary country and of which, in the case of a company, at least 50 percent of the capital is owned by an ATPEA beneficiary country or by public bodies or nationals of an ATPEA beneficiary country;

"(IV) of which the master and officers are nationals of an ATPEA beneficiary country; and

"(V) of which at least 75 percent of the crew are nationals of an ATPEA beneficiary country.

"(4) CUSTOMS PROCEDURES.—

"(A) IN GENERAL.—

"(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

"(ii) DETERMINATION.—

"(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

"(aa) has implemented and follows; or

"(bb) is making substantial progress toward implementing and following, procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

"(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is an ATPEA beneficiary country—

"(aa) from which the article is exported; or

"(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment under paragraph (2) or (3).

"(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

"(C) REPORT BY USTR ON COOPERATION OF OTHER COUNTRIES CONCERNING CIRCUMVENTION.—The United States Commissioner of Customs shall conduct a study analyzing the extent to which each ATPEA beneficiary country—

"(i) has cooperated fully with the United States, consistent with its domestic laws and procedures, in instances of circumvention or alleged circumvention of existing quotas on imports of textile and apparel goods, to establish necessary relevant facts in the places of import, export, and, where applicable, transshipment, including investigation of circumvention practices, exchanges of documents, correspondence, reports, and other relevant information, to the extent such information is available;

"(ii) has taken appropriate measures, consistent with its domestic laws and procedures, against exporters and importers involved in instances of false declaration concerning fiber content, quantities, description, classification, or origin of textile and apparel goods; and

"(iii) has penalized the individuals and entities involved in any such circumvention, consistent with its domestic laws and procedures, and has worked closely to seek the cooperation of any third country to prevent such circumvention from taking place in that third country.

The Trade Representative shall submit to Congress, not later than October 1, 2002, a report on the study conducted under this subparagraph.

"(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) ANNEX.—The term 'the Annex' means Annex 300–B of the NAFTA.

"(B) ATPEA BENEFICIARY COUNTRY.—The term 'ATPEA beneficiary country' means any 'beneficiary country', as defined in section 203(a)(1) of this title, which the President designates as an ATPEA beneficiary country, taking into account the criteria contained in subsections (c) and (d) of section 203 and other appropriate criteria, including the following:

"(i) Whether the beneficiary country has demonstrated a commitment to—

"(I) undertake its obligations under the WTO, including those agreements listed in section 101(d) of the Uruguay Round Agreements Act, on or ahead of schedule; and

"(II) participate in negotiations toward the completion of the FTAA or another free trade agreement.

"(ii) The extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act.

"(iii) The extent to which the country provides internationally recognized worker rights, including—

"(I) the right of association;

"(II) the right to organize and bargain collectively;

"(III) a prohibition on the use of any form of forced or compulsory labor;

"(IV) a minimum age for the employment of children; and

"(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

"(iv) Whether the country has implemented its commitments to eliminate the worst forms of child labor, as defined in section 507(6) of the Trade Act of 1974.

"(v) The extent to which the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance.

"(vi) The extent to which the country has taken steps to become a party to and implements the Inter-American Convention Against Corruption.

"(vii) The extent to which the country—

"(I) applies transparent, nondiscriminatory, and competitive procedures in government procurement equivalent to those contained in the Agreement on Government Procurement described in section 101(d)(17) of the Uruguay Round Agreements Act; and

"(II) contributes to efforts in international fora to develop and implement international rules in transparency in government procurement.

"(C) ATPEA ORIGINATING GOOD.—

"(i) IN GENERAL.—The term 'ATPEA originating good' means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

"(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 of the NAFTA with respect to an ATPEA beneficiary country for purposes of this subsection—

"(I) no country other than the United States and an ATPEA beneficiary country may be treated as being a party to the NAFTA;

"(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and an ATPEA beneficiary country;

"(III) any reference to a party shall be deemed to refer to an ATPEA beneficiary country or the United States; and

"(IV) any reference to parties shall be deemed to refer to any combination of ATPEA beneficiary countries or to the United States and one or more ATPEA beneficiary countries (or any combination thereof).

"(D) TRANSITION PERIOD.—The term 'transition period' means, with respect to an ATPEA beneficiary country, the period that begins on the date of enactment, and ends on the earlier of—

"(i) February 28, 2006; or

"(ii) the date on which the FTAA or another free trade agreement that makes substantial progress in achieving the negotiating objectives set forth in section 108(b)(5) of Public Law 103–182 (19 U.S.C. 3317(b)(5)) enters into force with respect to the United States and the ATPEA beneficiary country.

"(E) ATPEA.—The term 'ATPEA' means the Andean Trade Preference Expansion Act.

"(F) FTAA.—The term 'FTAA' means the Free Trade Area of the Americas.".

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 203(e) of the Andean Trade Preference Act (19 U.S.C. 3202(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting "(A)" after "(1)"; and

(C) by adding at the end the following:

"(B) The President may, after the requirements of paragraph (2) have been met—

"(i) withdraw or suspend the designation of any country as an ATPEA beneficiary country; or

"(ii) withdraw, suspend, or limit the application of preferential treatment under section 204(b) (2) and (3) to any article of any country, if, after such designation, the President determines that, as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 204(b)(5)(B)."; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) If preferential treatment under section 204(b) (2) and (3) is withdrawn, suspended, or limited with respect to an ATPEA beneficiary country, such country shall not be deemed to be a 'party' for the purposes of applying section 204(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.".

(c) REPORTING REQUIREMENTS.—Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended to read as follows:

"(f) REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—Not later than December 31, 2002, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

"(A) with respect to subsections (c) and (d), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

"(B) the performance of each beneficiary country or ATPEA beneficiary country, as the case may be, under the criteria set forth in section 204(b)(5)(B).

"(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 204(b)(5)(B).".

(d) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 202 of the Andean Trade Preference Act (19 U.S.C. 3201) is amended by inserting "(or other preferential treatment)" after "treatment".

(B) Section 204(a)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(a)(1)) is amended by inserting "(or otherwise provided for)" after "eligibility".

(C) Section 204(a)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(a)(1)) is amended by inserting "(or preferential treatment)" after "duty-free treatment".

(2) DEFINITIONS.—Section 203(a) of the Andean Trade Preference Act (19 U.S.C. 3202(a)) is amended by adding at the end the following new paragraphs:

"(4) The term "NAFTA" means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

"(5) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).".

SEC. 103. TERMINATION.

Section 208(b) of the Andean Trade Preference Act (19 U.S.C. 3206(b)) is amended to read as follows:

"(b) TERMINATION OF PREFERENTIAL TREATMENT.—No preferential duty treatment extended to beneficiary countries under this Act shall remain in effect after February 28, 2006.".

TITLE II—MISCELLANEOUS TRADE PROVISIONS

SEC. 201. WOOL PROVISIONS.

(a) SHORT TITLE.—This section may be cited as the "Wool Manufacturer Payment Clarification and Technical Corrections Act".

(b) CLARIFICATION OF TEMPORARY DUTY SUSPENSION.—Heading 9902.51.13 of the Harmonized Tariff Schedule of the United States is amended by inserting "average" before "diameters".

(c) PAYMENTS TO MANUFACTURERS OF CERTAIN WOOL PRODUCTS.—

(1) PAYMENTS.—Section 505 of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 303) is amended as follows:

(A) Subsection (a) is amended—

(i) by striking "In each of the calendar years" and inserting "For each of the calendar years"; and

(ii) by striking "for a refund of duties" and all that follows through the end of the subsection and inserting "for a payment equal to an amount determined pursuant to subsection (d)(1).".

(B) Subsection (b) is amended to read as follows:

"(b) WOOL YARN.—

"(1) IMPORTING MANUFACTURERS.—For each of the calendar years 2000, 2001, and 2002, a manufacturer of worsted wool fabrics who imports wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(2).

"(2) NONIMPORTING MANUFACTURERS.—For each of the calendar years 2001 and 2002, any other manufacturer of worsted wool fabrics of imported wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(2).".

(C) Subsection (c) is amended to read as follows:

"(c) WOOL FIBER AND WOOL TOP.—

"(1) IMPORTING MANUFACTURERS.—For each of the calendar years 2000, 2001, and 2002, a manufacturer of wool yarn or wool fabric who imports wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(3).

"(2) NONIMPORTING MANUFACTURERS.—For each of the calendar years 2001 and 2002, any other manufacturer of wool yarn or wool fabric of imported wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(3).".

(D) Section 505 is further amended by striking subsection (d) and inserting the following new subsections:

"(d) AMOUNT OF ANNUAL PAYMENTS TO MANUFACTURERS.—

"(1) MANUFACTURERS OF MEN'S SUITS, ETC. OF IMPORTED WORSTED WOOL FABRICS.—

"(A) ELIGIBLE TO RECEIVE MORE THAN $5,000.—Each annual payment to manufacturers described in subsection (a) who, according to the records of the Customs Service as of September 11, 2001, are eligible to receive more than $5,000 for each of the calendar years 2000, 2001, and 2002, shall be in an amount equal to one-third of the amount determined by multiplying $30,124,000 by a fraction—

"(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the manufacturer making the claim, and

"(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the manufacturers described in subsection (a) who, according to the records of the Customs Service as of September 11, 2001, are eligible to receive more than $5,000 for each such calendar year under this section as it was in effect on that date.

"(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported worsted wool fabrics described in subsection (a).

"(C) OTHERS.—All manufacturers described in subsection (a), other than the manufacturer's to which subparagraph (A) applies, shall each receive an annual payment in an amount equal to one-third of the amount determined by dividing $1,665,000 by the number of all such other manufacturers.

"(2) MANUFACTURERS OF WORSTED WOOL FABRICS OF IMPORTED WOOL YARN.—

"(A) IMPORTING MANUFACTURERS.—Each annual payment to an importing manufacturer described in subsection (b)(1) shall be in an amount equal to one-third of the amount determined by multiplying $2,202,000 by a fraction—

"(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the importing manufacturer making the claim, and

"(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the importing manufacturers described in subsection (b)(1).

"(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported wool yarn described in subsection (b)(1).

"(C) NONIMPORTING MANUFACTURERS.—Each annual payment to a nonimporting manufacturer described in subsection (b)(2) shall be in an amount equal to one-half of the amount determined by multiplying $141,000 by a fraction—

"(i) the numerator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by the nonimporting manufacturer making the claim, and

"(ii) the denominator of which is the total amount attributable to the purchases of imported eligible wool products in calendar year 1999 by all the nonimporting manufacturers described in subsection (b)(2).

"(3) MANUFACTURERS OF WOOL YARN OR WOOL FABRIC OF IMPORTED WOOL FIBER OR WOOL TOP.—

"(A) IMPORTING MANUFACTURERS.—Each annual payment to an importing manufacturer described in subsection (c)(1) shall be in an amount equal to one-third of the amount determined by multiplying $1,522,000 by a fraction—

"(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the importing manufacturer making the claim, and

"(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the importing manufacturers described in subsection (c)(1).

"(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported wool fiber or wool top described in subsection (c)(1).

"(C) NONIMPORTING MANUFACTURERS.—Each annual payment to a nonimporting manufacturer described in subsection (c)(2) shall be in an amount equal to one-half of the amount determined by multiplying $597,000 by a fraction—

"(i) the numerator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by the nonimporting manufacturer making the claim, and

"(ii) the denominator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by all the nonimporting manufacturers described in subsection (c)(2).

"(4) LETTERS OF INTENT.—Except for the nonimporting manufacturers described in subsections (b)(2) and (c)(2) who may make claims under this section by virtue of the enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, only manufacturers who, according to the records of the Customs Service, filed with the Customs Service before September 11, 2001, letters of intent to establish eligibility to be claimants are eligible to make a claim for a payment under this section.

"(5) AMOUNT ATTRIBUTABLE TO PURCHASES BY NONIMPORTING MANUFACTURERS.—

"(A) AMOUNT ATTRIBUTABLE.—For purposes of paragraphs (2)(C) and (3)(C), the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by a nonimporting manufacturer shall be the amount the nonimporting manufacturer paid for eligible wool products in calendar year 1999, as evidenced by invoices. The nonimporting manufacturer shall make such calculation and submit the resulting amount to the Customs Service, within 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, in a signed affidavit that attests that the information contained therein is true and accurate to the best of the affiant's belief and knowledge. The nonimporting manufacturer shall retain the records upon which the calculation is based for a period of five years beginning on the date the affidavit is submitted to the Customs Service.

"(B) ELIGIBLE WOOL PRODUCT.—For purposes of subparagraph (A)—

"(i) the eligible wool product for nonimporting manufacturers of worsted wool fabrics is wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States purchased in calendar year 1999; and

"(ii) the eligible wool products for nonimporting manufacturers of wool yarn or wool fabric are wool fiber or wool top of the kind described in heading 9902.51.14 of such Schedule purchased in calendar year 1999.

"(6) AMOUNT ATTRIBUTABLE TO DUTIES PAID.—For purposes of paragraphs (1), (2)(A), and (3)(A), the amount attributable to the duties paid by a manufacturer shall be the amount shown on the records of the Customs Service as of September 11, 2001, under this section as then in effect.

"(7) SCHEDULE OF PAYMENTS; REALLOCATIONS.—

"(A) SCHEDULE.—Of the payments described in paragraphs (1), (2)(A), and (3)(A), the Customs Service shall make the first installment on or before December 31, 2001, the second installment on or before April 15, 2002, and the third installment on or before April 15, 2003. Of the payments described in paragraphs (2)(C) and (3)(C), the Customs Service shall make the first installment on or before April 15, 2002, and the second installment on or before April 15, 2003.

"(B) REALLOCATIONS.—In the event that a manufacturer that would have received payment under subparagraph (A) or (C) of paragraph (1), (2), or (3) ceases to be qualified for such payment as such a manufacturer, the amounts otherwise payable to the remaining manufacturers under such subparagraph shall be increased on a pro rata basis by the amount of the payment such manufacturer would have received.

"(8) REFERENCE.—For purposes of paragraphs (1)(A) and (6), the 'records of the Customs Service as of September 11, 2001' are the records of the Wool Duty Unit of the Customs Service on September 11, 2001, as adjusted by the Customs Service to the extent necessary to carry out this section. The amounts so adjusted are not subject to administrative or judicial review.

"(e) AFFIDAVITS BY MANUFACTURERS.—

"(1) AFFIDAVIT REQUIRED.—A manufacturer may not receive a payment under this section for calendar year 2000, 2001, or 2002, as the case may be, unless that manufacturer has submitted to the Customs Service for that calendar year a signed affidavit that attests that, during that calendar year, the affiant was a manufacturer in the United States described in subsection (a), (b), or (c).

"(2) TIMING.—An affidavit under paragraph (1) shall be valid—

"(A) in the case of a manufacturer described in paragraph (1), (2)(A), or (3)(A) of subsection (d) filing a claim for a payment for calendar year 2000, only if the affidavit is postmarked no later than 15 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act; and

"(B) in the case of a claim for a payment for calendar year 2001 or 2002, only if the affidavit is postmarked no later than March 1, 2002, or March 1, 2003, respectively.

"(f) OFFSETS.—Notwithstanding any other provision of this section, any amount otherwise payable under subsection (d) to a manufacturer in calendar year 2001 and, where applicable, in calendar years 2002 and 2003, shall be reduced by the amount of any payment received by that manufacturer under this section before the enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act.

"(g) DEFINITION.—For purposes of this section, the manufacturer is the party that owns—

"(1) imported worsted wool fabric, of the kind described in heading 9902.51.11 or 9902.51.12 of the Harmonized Tariff Schedule of the United States, at the time the fabric is cut and sewn in the United States into men's or boys' suits, suit-type jackets, or trousers;

"(2) imported wool yarn, of the kind described in heading 9902.51.13 of such Schedule, at the time the yarn is processed in the United States into worsted wool fabric; or

"(3) imported wool fiber or wool top, of the kind described in heading 9902.51.14 of such Schedule, at the time the wool fiber or wool top is processed in the United States into wool yarn.".

(2) FUNDING.—There is authorized to be appropriated and is appropriated, out of amounts in the General Fund of the Treasury not otherwise appropriated, $36,251,000 to carry out the amendments made by paragraph (1).

SEC. 202. CEILING FANS.

(a) IN GENERAL.—Notwithstanding any other provision of law, ceiling fans classified under subheading 8414.51.00 of the Harmonized Tariff Schedule of the United States imported from Thailand shall enter duty-free and without any quantitative limitations, if duty-free treatment under title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) would have applied to such entry had the competitive need limitation been waived under section 503(d) of such Act.

(b) APPLICABILITY.—The provisions of this section shall apply to ceiling fans described in subsection (a) that are entered, or withdrawn from warehouse for consumption—

(1) on or after the date that is 15 days after the date of enactment of this Act; and

(2) before July 30, 2002.

SEC. 203. CERTAIN STEAM OR OTHER VAPOR GENERATING BOILERS USED IN NUCLEAR FACILITIES.

(a) IN GENERAL.—Subheading 9902.84.02 of the Harmonized Tariff Schedule of the United States is amended—

(1) by striking "4.9%" and inserting "Free"; and

(2) by striking "12/31/2003" and inserting "12/31/2006".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2002.

AMENDMENT NO. 3386

Mr. DASCHLE. Madam President, with the authority of the Finance Committee, I withdraw the committee amendment and send an amendment to the desk.

The PRESIDING OFFICER. The committee amendment is withdrawn.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 3386.

Mr. DASCHLE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Text of Amendments.")

Mr. DASCHLE. Madam President, we have just sent to the desk legislation that includes three components: First, the trade promotion authority; second, trade adjustment assistance; and third, the Andean Trade Preference Expansion Act.

The trade adjustment assistance measures are particularly crucial because they will provide help to dislocated workers. This package includes job search assistance, unemployment insurance, and, for the first time, much needed health benefits. We are now ready to begin the debate on this important trade legislation and, as we have noted for some time, this bill is open to amendment and we encourage Senators to come forth with their amendments soon.

I look forward to a full and spirited debate. I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Madam President, sometime when the Senate is doing its best work, it is not always visible. Throughout the day, we have been having discussions that involved the managers of this legislation. They have been talking to members of the Finance Committee and communicating with the administration. It is very important that we have the straight legislation. There are a lot of different views on both sides of the aisle about exactly how this should proceed, or whether it is a good idea.

There are those who say, yes, we would like to have trade promotion authority, but there must be trade adjustment assistance to go with it for those who might be displaced from jobs so they can get assistance with training and get into the next job.

It is important we move forward. Everybody's options are still preserved. Senator DASCHLE and I have indicated to each other that there is not going to be any precipitous move. We want to take a look at the actual language. Sometimes it is hard to negotiate a moving target or when there is not a clear understanding of what is involved.

We now have a document. We are going to take a look at it tonight. I hope we can begin to move forward, perhaps even with amendments tomorrow. We will go over the language, and we will be talking further with the managers of the legislation and make sure the administration has a chance to review it.

I look forward to a full debate and amendment process. I do wish to add—and I know Senator DASCHLE is thinking it right now—this should not take place over weeks, as we experienced with the energy bill. We have some important issues, some tough issues, but once we see if we can come to agreement on two or three of these issues or get votes on a couple of these issues, we should be able to move it forward in an expeditious way.

It did not work on the energy bill, but I do think this week, and hopefully by the end of next week, we will have an agreement on which we can vote. It is worth the effort, and I am prepared to put a lot of time into it.

I thank Senator DASCHLE for agreeing to lay this legislation down so we can take a look at it. We will continue working together tomorrow.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, first, I compliment and thank the distinguished Republican leader for the cooperative effort he has put forth to get to this point. We have talked on many occasions over the last several days, and the spirit with which he has discussed the importance of this legislation, as well as the importance of a good debate, is exactly the one I hold as well.

I encourage Senators to offer amendments, but let me also say, as the Senator alluded, we will be able to determine whether this is good faith or not, whether we are just delaying for the sake of delaying; that will not be something we can tolerate. But we certainly encourage a good and vigorous debate with ample opportunity to offer amendments. There is a difference between simply delaying for delaying sake and amendments for the sake of changing, improving, or in some way altering the legislation as it has been introduced.

Again, we will work with all of our colleagues to accommodate that and look forward to the debate beginning tonight and again tomorrow morning. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 3387 TO AMENDMENT NO. 3386

Mr. DORGAN. Madam President, I rise to offer an amendment. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself and Mr. CRAIG, proposes an amendment numbered 3387 to amendment No. 3386.

Mr. DORGAN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ___. SECRET TRIBUNALS.

(a) FINDINGS.—Congress makes the following findings:

(1) Chapter Eleven of the North American Free Trade Agreement ("NAFTA") allows foreign investors to file claims against signatory countries that directly or indirectly nationalize or expropriate an investment, or take measures "tantamount to nationalization or expropriation" of such an investment.

(2) Foreign investors have filed several claims against the United States, arguing that regulatory activity has been "tantamount to nationalization or expropriation". Most notably, a Canadian chemical company claimed $970,000,000 in damages allegedly resulting from a California State regulation banning the use of a gasoline additive produced by that company.

(3) A claim under Chapter Eleven of the NAFTA is adjudicated by a three-member panel, whose deliberations are largely secret.

(4) While it may be necessary to protect the confidentiality of business sensitive information, the general lack of transparency of these proceedings has been excessive.

(b) PURPOSE.—The purpose of this amendment is to ensure that the proceedings of the NAFTA investor protection tribunals are as transparent as possible, consistent with the need to protect the confidentiality of business sensitive information.

(c) CHAPTER 11 OF NAFTA.—The President shall negotiate with Canada and Mexico an amendment to Chapter Eleven of the NAFTA to ensure the fullest transparency possible with respect to the dispute settlement mechanism in that Chapter, consistent with the need to protect information that is classified or confidential, by—

(1) ensuring that all requests for dispute settlement under Chapter Eleven are promptly made public;

(2) ensuring that with respect to Chapter Eleven—

(A) all proceedings, submissions, findings, and decisions are promptly made public; and

(B) all hearings are open to the public; and

(3) establishing a mechanism under that Chapter for acceptance of amicus curiae submissions from businesses, unions, and nongovernmental organizations.

(d) CERTIFICATION REQUIREMENTS.—Within one year of the enactment of this Act, the U.S. Trade Representative shall certify to Congress that the President has fulfilled the requirements set forth in subsection (c).

Mr. DORGAN. Madam President, I understand the rather lengthy managers' amendment has just been offered. I do not know how many pages it is, but obviously we will have to study it. It is a substantial amendment.

I offer my amendment in the first degree to the managers' amendment that was just offered. I will describe it briefly. I understand there are no further votes today, and perhaps I will discuss it briefly and then discuss it some in the morning. I hope perhaps tomorrow we may have a vote on it. I offer this amendment on behalf of myself and Senator CRAIG from Idaho.

The amendment is relatively simple. This amendment deals with Chapter 11 of the North American Free Trade Agreement. Under Chapter 11 of NAFTA, secret multinational tribunals consider claims by private investors against member countries, including claims by foreign investors against the U.S. Government. This amendment would end the undemocratic and unfair secrecy in these tribunals.

My amendment directs the President to negotiate with Canada and Mexico an amendment to NAFTA that would require transparency in these tribunals. The U.S. Trade Representative under this amendment is to certify to Congress that this has been done within 12 months of the enactment.

Even the supporters of fast track have recognized that secrecy is not appropriate, and yet we have these tribunals that are secret. No one is allowed to understand their work; no one can be a part of their discussions; no one understands the deliberations. The door is locked. Three members are appointed to a tribunal. They meet in secret, make judgments in secret, make decisions in secret, and then we are told the result. That is not the way for this country to proceed with respect to dispute resolutions to trade agreements.

U.S. Trade Representative Zoellick has recognized this secrecy is a problem, and he met with his counterparts from Mexico and Canada on this issue. In fact, they agreed there needed to be more openness, and they announced that July 31 of last year. They said that these tribunals will operate as openly as possible.

But just last month, a NAFTA tribunal refused to open their proceedings once again and rejected the guidelines by Ambassador Zoellick and his counterparts.

This amendment will fix a problem that everyone, including the administration, acknowledges. It will require transparency. It will require an end to the secrecy, an opening up of the process so the American people can understand how this democratic process must work.

We cannot and should not be a party to secret tribunals. We have been, but we should not be, and my amendment will remedy that.

I understand that in the negotiating objectives described in the managers' amendment, there is language that would address the secrecy of the tribunals going forward for future agreements. I do not know that for certain. I am told that is part of the managers' amendment.

If it is the case, it seems logical to me that we would want to extend that to other agreements with which we are now engaged, including the North American Free Trade Agreement.

I might mention again—I do not have all the details—but we have a situation in California where California understood that an additive to gasoline called MTBE was showing up in drinking water and ground water. They discovered that is dangerous to people, and California banned MTBE from being added to gasoline in California. A couple of other States have taken the same action.

A Canadian company that manufactures MTBE has filed an action under NAFTA and is asking for hundreds of millions of dollars against California and our country because we are taking action to protect our citizens. They say they have been injured by this and have a right under NAFTA to make the claim; then, a tribunal is developed and begins to meet and it is totally secret. Its proceedings are totally, completely secret. The American public is told: You are not involved; you cannot see, you cannot be a part of this; it is none of your business.

Talk about a bizarre set of circumstances for a democracy to enter into trade agreements by which we allow someone from another country to challenge a State government in our country, just because it is trying to protect their citizens from poisons in the drinking water, chemicals that are harmful to human health. We end up being sued under a trade agreement for damages totaling hundreds of millions of dollars, just for protecting our people; and we are told that this suit will be determined by a tribunal that will meet in secret. What is that about? Does anybody really think this makes any sense? Can anybody really support this? We will have a vote on this and see whether people will.

This amendment, which is bipartisan—Senator CRAIG and I are offering it—is a simple one. It says we are a party to trade agreements—we understand that—but we cannot and should not be a party to a trade agreement by which investor dispute tribunals will be conducted in secret. They have been in the past, they should not ever be again, and our amendment says, stop it, this country cannot be a part of that.

I will speak at greater length about the amendment and describe in some more detail the MTBE saga, which I think is symbolic of the egregious actions of tribunals meeting in secrecy. I will not do that this evening. I will do that in the morning.

Mr. REID. Will the Senator yield for a question?

Mr. DORGAN. I will be happy to yield.

Mr. REID. I appreciate the Senator offering this amendment at this time. Based on what the majority leader just said, that he wanted, in effect, quality amendments, I think he has one here. This is the type of amendment people should look forward to, I hope.

Of what I know about the Senator's amendment—and I have spoken with him off the floor—it is going to be a tough amendment to vote against. How can anybody be in favor of secret meetings when they deal with some of the most important issues in this country and, in fact, our relations with other countries? I do not think we should be doing that in secret. That is what the Senator is saying; is that not true?

Mr. DORGAN. That is the case. This is an amendment I am offering, along with my colleague Senator CRAIG from Idaho. It is bipartisan. And whether you are in favor of fast track or opposed to it, you should be opposed to tribunals meeting in secret.

I think we will find agreement between both supporters and opponents of fast track that we ought not be a party to tribunals that are secret, that are shielded from the view of the American people. I am going to use the MTBE case tomorrow morning to graphically demonstrate how absurd it is that we could be sued under a trade law for taking action, or we can have action taken against us for our deciding we want to protect the health of the American people and that the dispute will be resolved behind a cloak of secrecy. That is not what this country should be involved in.

It is at this point because that is the way NAFTA works, but we can change it. This Congress can change it, and I hope tomorrow by voting for this amendment this Congress will change it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, I will speak on the bill, but I first want to make a comment not for or against the amendment of the Senator from North Dakota but to put it in context. The reason I cannot make a comment for or against the amendment of the Senator from North Dakota is at this point I have not read it or studied it. I do think he has brought up an issue of transparency, and it deals with NAFTA. On all agreements, particularly WTO agreements, there has been a big concern about the process not being transparent enough.

Senator BAUCUS and I, in the Finance Committee, have spoken about the necessity for doing this in several different venues. We have spoken with people from the European Community about it. We believe the process of the WTO, for instance, should be very much more transparent than it has been in the past. So the issue of transparency is one that does fall on acceptable ears in a very general sense, not necessarily related to the amendment of the Senator from North Dakota but in a very general sense with most of us in the Congress of the United States. Where we have run into most of the opposition is from the European Community.

We have also had a lot of the developing nations of the world that are members of the World Trade Organization be highly in favor of more transparency.

The issue of transparency was the basis for a lot of the protests in Seattle, and since then there has been a real determined look at the process. A lot of us have come to the conclusion that whatever we can do to promote more transparency we should.

Speaking now on the bill and where we are at this point, particularly now that we do have a substitute amendment before us laid down by the Senate majority leader, I am encouraged on the one hand, dismayed on the other, by the action taken today in the laying down of this amendment.

I am encouraged because, after months of delays, we are moving forward on trade promotion authority. The House passed TPA last year. Unfortunately, TPA has languished much too long in the Senate. So I definitely am glad we are moving forward. In a minute I will talk about being dismayed.

In regard to moving forward, the fact is, while we were sitting on the sidelines for the last 5 or 6 years that our President has not had trade promotion authority, the United States is a party to only 3 agreements out of some 130 free trade agreements negotiated worldwide. That means other countries get better access to foreign markets than we do. That is unfair.

Let me give some examples. Today, the average U.S. tariff is 4.8 percent. In contrast, Brazil's tariff averages 14.6 percent; Thailand, 45.6 percent. That is much too high. We need to correct the imbalance, and the best way to do that is by providing our President with the tools he needs to tear down these barriers to our exports. The most important tool we have to accomplish that is through trade promotion authority.

Let me go through those figures once more to emphasize the point. The United States has an average tariff of 4.8 percent. We have Brazil much higher at 14.6 percent and Thailand at 45.6 percent. So if anybody in this body ever wonders whether it is a benefit to the United States to be involved in regimes of negotiating down barriers to trade, and particularly tariffs, they ought to understand that for the United States, at 4.8 percent compared to 14.6 percent, and 45 percent for Thailand, they must be brought down, even if they are not brought down to where we are. That is a win-win situation for the American worker, as jobs that are created in international trade are good jobs that pay 15 percent above the national average. So the President then needs trade promotion authority to represent the interests of American workers in international trade negotiations.

He has not been there for 127 of the agreements reached in the last few years. He has not been there because Congress has not given him the authority to be there. So I am committed to helping the President get these tools.

Without trade agreements, the United States will lose its role as world leader in setting global trade policies and standards. That means other nations, in no way committed to U.S. interests, will set the world's future trading rules. They will do it, and it is going to affect us. I can guarantee those nations are not looking out for the best interests of our workers.

TPA will help us and our President get back into the game where we were practically full time from 1947 to 1994. It has only been since 1994 that the President has not had this authority. This is why I am glad we have this bill before us.

Now I wish to state why I am dismayed about the process thus far, and that is the insistence on linking trade promotion authority, which has strong bipartisan support as per the 18-to-3 vote out of the Senate Finance Committee, but they want to link it to the controversial expansion of trade adjustment assistance. I am dismayed not because there is a linkage between trade promotion authority and trade adjustment assistance because these two bills have often been linked in the past; I am dismayed that trade adjustment assistance is being brought up in a partisan way.

Ever since President Kennedy first designed the Trade Adjustment Assistance Program in the early 1960s, the program has garnered strong bipartisan support. That is the way it has been. That is the way it should be this year. Unfortunately, the way in which this bill is being brought forward falls far short of that bipartisanship.

As the ranking member of the Senate Finance Committee, which is the committee responsible for drafting both trade promotion authority legislation and trade adjustment assistance, perhaps I can shed some light on how we got to where we are today.

First, Chairman Max Baucus and I worked for months crafting a bipartisan trade promotion bill, and we did it in a very good way or it would not have gotten a 18-to-3 vote. The end result was supported by the White House, by Majority Leader TOM DASCHLE because he is a member of the committee, by Republican Minority Leader TRENT LOTT because he is also a member of the committee, and it sailed through the Finance Committee.

In contrast to trade promotion authority, we have this other bill, S. 1209, the trade adjustment assistance bill, that I talked about. It was not a product of the committee process or bipartisan compromise. In fact, days before the bill was brought before the Finance Committee, Democrats inserted a provision and legislation requiring large Government subsidies for company-based health care coverage for the first time in the history of trade adjustment assistance. This new and unprecedented provision shattered what would otherwise have been strong bipartisan support for trade adjustment assistance.

At the time, the chairman of the Finance Committee assured Members that the health care provision was simply a place hold that would be replaced by whatever bipartisan approach results from the debate over providing health care to uninsured workers which was then taking place in the economic stimulus package.

As we all know now, a bipartisan consensus could not be achieved and ultimately the stimulus bill passed Congress without a health care provision.

Now the health care fight has moved from stimulus to trade promotion authority. Still, no bipartisan consensus. I hope by tomorrow morning I can say that there is such a bipartisan consensus. It is a shame that to this point there is not. We should be able to do better.

The trade adjustment assistance bill currently before the Senate also risks jeopardizing strong public support that trade adjustment assistance has always had because it expands the program too far, opening the program to possible abuse. In my view, we need to be sure that the scope of the program—and I am talking beyond the health provisions suggested—is limited to those people who are truly impacted by negative aspects of international trade, we also need to be sure the program is fiscally prudent, and we need to be sure the administration can actually administer the program we might outline in the bill. If the administration cannot so administer, we will only have more worker frustration as they try to use the Trade Adjustment Assistance Program.

American workers are too important to be reckless. We need to maintain confidence in the Trade Adjustment Assistance Program. We need to do that through this legislation, getting this legislation just exactly right. This may take a little longer, but it is the right thing to do. We can provide expanded and improved trade adjustment assistance to America's workers with strong bipartisan support. We can also devise ways to provide temporary health insurance assistance for trade adjustment assistance workers, even though doing so would constitute a fundamental unfairness to the 39 million other Americans living without health insurance.

So all my colleagues can hear me, I know we are going to end up with health insurance provisions in the Trade Adjustment Assistance Act. As long as that doesn't become a pattern for what this Congress has not responsibly done up to this point—and maybe we all share in that problem; we have not tackled the problem of all the millions—it is probably 39 to 40 million Americans—who do not have health insurance—it is my view we should tackle the health provision vis-a-vis trade adjustment assistance workers with a pool of uninsured workers in America and not do it piecemeal. I am not going to prevail in that point of view. Or if I prevail in that point of view, we will not have trade promotion authority. So I am giving on it.

But I think it is wrong because it detracts, that we don't think 40 million uninsured Americans is a problem. We have to deal with that. The President of the United States recognizes that. He has $81 billion in his budget for programs for the 42 million uninsured Americans.

How we achieve these goals is a debate I and my Republican colleagues are ready and willing to undertake. We are starting now with the Senate majority leader laying down this trade adjustment assistance bill and other items related to trade promotion authority.

The PRESIDING OFFICER (Ms. CANTWELL). The Senator from South Carolina.

Mr. HOLLINGS. Madam President, with respect to the amendment of the distinguished Senator from North Dakota, I have an important article I will include in the RECORD. However, I respond to the distinguished Senator from Iowa, pointing out the trade adjustment assistance and the emphasis on it. At least we now are admitting that in this proceeding we are not going to win jobs, we are going to lose jobs. In every one of these trade debates, that is the first thing they say: This is so fine, it will create jobs—NAFTA was to create 200,000 jobs; we have lost some 670,000 textile jobs alone since that time.

The appeal now for this fast track and this trade agreement is: We will put you on welfare reform. We will let you have health costs. We will have certain benefits.

I am looking for jobs for my people. I am not looking for welfare reform. At least they acknowledge that. That is the big debate going on for the past week. We were ready this morning, and they were not. After we had lost that motion to proceed, they had won, so we were ready to proceed. However, they had not gotten together the welfare reform clause for lost jobs.

Having observed that, Madam President, let me refer to Senator DORGAN's amendment with respect to an article that appeared in Business Week, dated April 1, on page 76. It is entitled "The Highest Court You've Never Heard Of." I ask unanimous consent this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Business Week, Apr. 1, 2002]

THE HIGHEST COURT YOU'VE NEVER HEARD OF

(By Paul Magnussun)

When a Mississippi jury slapped a $500 million judgment on Loewen Group, a Canadian funeral-home chain, in 1995 for breaching a contract with a hometown rival, the company quickly settled the case for $129 million but then decided to appeal. But instead of going to a U.S. court, the Canadians took their case to an obscure three-judge panel that stands distinctly apart from the U.S. legal system. And that panel's decision cannot be appealed.

Thanks to some fine print in the 1994 North American Free Trade Agreement, the case of Loewen Group vs. the U.S. is just one of two dozen wending their way through a little-known and highly secretive process. The panels, using arbitration procedures established by the World Bank, were supposed to ensure that governments in the U.S., Mexico, and Canada would pay compensation to any foreign investor whose property they might seize. U.S. business groups originally demanded the investor-protection mechanism. noting that the Mexican government had a history of nationalizing its oil, electricity, and banking industries, including many U.S. assets.

But even some of NAFTA's strongest supporters say that clever and creative lawyers in all three countries and rapidly expanding the anti-expropriation clause in unanticipated ways. "The question in a lot of these pending cases is, will the panels produce a pattern of decisions that the negotiators never envisioned?" says Charles E. Roh Jr., deputy chief U.S. negotiator for NAFTA, now a partner at Weil, Gotshal & Manges LLC. Some of the early indications, he says, "are troubling."

In one case, a NAFTA panel issued an interpretation of the Mexican Constitution, an authority the NAFTA negotiators hadn't intended to give the panel. In the dispute, a California waste disposal company, Metalclad Corp., was awarded $16.7 million by a NAFTA tribunal after the governor of the state of San Luis Potosi and a town council refused the company a permit to open a toxic waste site. The company had asked for $90 million in damages, insisting that the state and local governments had overstepped their authority.

The majority of the cases are yet to be decided, but the NAFTA panels are controversial nonetheless. For one thing, they are already pitting environmentalists and federal, state, and local government regulators in all three countries against multinationals. The basic disagreement: Business groups want to include NAFTA's strongest investor-protection provisions in all future free-trade agreements, while many environmentalists would like to scrap the entire procedure as an impediment to government regulatory action. The cases are also complicating efforts to negotiate free-trade agreements with Chile and the hemispheric, 34-nation Free Trade Area of the Americas.

Washington's problem: While such panels may favor U.S. businesses abroad, foreign plaintiffs would enjoy the same such privileges in the U.S. And that could end up giving them protections against regulations far beyond those domestic companies enjoy in their own courts. What's more, states and municipalities have also warned that their ability to govern is being compromised by "a new set of foreign investor rights."

In some cases, the NAFTA suits seek damages for government decisions that are clearly legal but can be questioned under vague notions of international law. For example, a Canadian chemical company, Methanex Corp., bypassed U.S. courts to challenge California's ban on a health-threatening gasoline additive, MTBE, that has been polluting municipal wells and reservoirs. In its $970 million claim, the Canadian company said California Governor Gray Davis had been influenced in his decision by a $150,000 campaign contribution from U.S.-based Archer Daniels Midland Co., the maker of a rival gasoline additive. The campaign contribution was legal, but Methanex' lawyers argued that the Davis decision was "palpably unfair and inequitable" because of ADM's influence. Such an argument wouldn't likely work in a U.S. court.

No laws can be overturned by the panel, but the cost of defending against a NAFTA lawsuit may run so high that it could still deter agencies from imposing strict regulations on foreign companies, critics charge. They point to a decision by Canada not to restrict cigarette marketing after Ottawa was threatened with a NAFTA case by U.S. tobacco companies. In another potentially intimidating move, United Parcel Service Inc. is seeking $160 million in damages from Canada, arguing that the state-owned Canadian postal system, Canada Post, maintains a monopoly on first-class mail and delivers parcels with private Canadian partners.

But right now, the Loewen case is the one in the spotlight. The Mississippi trial was so theatrical that Warner Bros. Inc. and film director Ron Howard have acquired the movie rights, according to attorneys in the case. Canadian funeral chain founder Ray Loewen was vilified as a foreigner, a "gouger of grieving families," an owner of a large yacht, a racist, a customer of foreign banks, and greedy besides, according to the transcript. Yet the State Supreme Court refused to waive the appeal bond, which had been set at $625 million—to be posted in 10 days. (The largest previous verdict in the state had been $18 million.) Loewen filed for bankruptcy protection in 1999 but is hopeful that the imminent NAFTA ruling will revive the company.

Although many of the current cases raise questions, business groups insist that NAFTA-like panels are needed in all trade deals because so many developing nations have poor judicial systems. But they allow that the process may still need some tweaking. "Of course, if I look at the filed cases so far, I could write a pretty scary story," says Scott Miller, a Washington lobbyist for Procter & Gamble Co. And Eric Biehl, a former top Commerce Dept. official, who supports NAFTA, wonders, "how does some mechanism on a trade agreement that no one ever thought much about suddenly get used to open up a whole new appellate process around the U.S. judicial system?" That's a question a lot more people may soon be asking.

Mr. HOLLINGS. It reads: Do NAFTA judges have too much authority?

Let me read:

When a Mississippi jury slapped a $500 million judgment on Loewen Group, a Canadian funeral-home chain, in 1995 for breaching a contract with a hometown rival, the company quickly settled a case for $129 million but then decided to appeal. But instead of going to a U.S. court, the Canadians took their case to an obscure three-judge panel that stands distinctly apart from the U.S. legal system. And that panel's decision cannot be appealed.

Thanks to some fine print in the 1994 North American Free Trade Agreement, the case of Loewen Group vs. U.S. is just one of two dozen wending their way through a little-known and highly secretive process.

Let me read that sentence one more time. That is the reason we opposed fast track. We will have a time agreement, 2 hours a side, or 4 hours, or debate it this afternoon. You never get the obscure addendum and other things agreed to. They don't tell you about them.

Thanks to some fine print in the 1994 North American Free Trade Agreement, the case of Loewen Group vs. U.S. is just one of two dozen winding their way through a little-known highly secretive process. The panels, using arbitration procedures established by the World Bank, were supposed to ensure the governments in the U.S., Mexico, and Canada would pay compensation to any foreign investor whose property they might seize. U.S. business groups originally demanded the investor-protection mechanism, noting that the Mexican government had a history of nationalizing its oil, electricity, and banking industries, including many U.S. assets.

But even some of NAFTA's strongest supporters say the clever and creative lawyers in all 3 countries are rapidly expanding the anti-expropriation clause in unanticipated ways. "The question in a lot of these pending cases is, will the panels produce a pattern of decisions that the negotiators never envisioned?" says Charles E. Roh Jr, deputy chief U.S. negotiator for NAFTA, now a partner at Weil, Gotshal & Manges, LLC. Some of the early indications, he says, "are troubling."

But there are some examples here. There is not only the particular funeral home case, but:

UPS claims that the Canadian post, the state-owned postal system, uses its monopoly on letter mail to gain unfair advantages in parcel deliveries.

In the matter of the Canadian manufacturer, Methanex, versus the United States:

The Canadian manufacturer of a gasoline additive sued after California found the health-threatening chemical had contaminated water, and banned its use.

So after the California authorities have the hearings and everything else, they find out it is contaminative. As a result, they ban the use. No, you take that up to the secret panel of NAFTA judges, who meet in secret, decide in secret, and if you can get a fix—like you can get the fix of the vote around here—what happens is the California proceeding, totally in the open, is overturned. The legal process is totally frustrated.

I will read one more example. Those who are interested can follow the particular article, Metalclad v. Mexico:

U.S. company sued after it obtains permits from the Mexican federal government for a waste disposal site. Then localities denied a permit to operate.

They said that was taking away their particular business. You can go on and on, but it is a two-way street. Lawyers on both sides of the border are using this particular secretive measure.

Although many of the current cases raise questions, business groups insist that NAFTA-like panels are needed in all trade deals because so many developing nations have poor judicial systems. But they allow that the process may still need some tweaking. "Of course, if I look at the filed cases so far, I could write a pretty scary story," says Scott Miller, a Washington lobbyist for Procter & Gamble Co. and Eric Biehl, a former top Commerce Dept. official, wonders "how does some mechanism on a trade agreement that no one ever thought much about suddenly get used to open up a whole new appellate process around the U.S. judicial system?" That's a question a lot more people may soon be asking.

The distinguished Senator from North Dakota asked the question. That is what this amendment does. It goes to the heart of that secretive process, trying to get transparency. I think there should be a greater enforcement provision in this particular amendment. Maybe we can have the amendment itself amended.

Be that as it may, this ought to receive 100 bipartisan votes in the Senate against the secret process of the NAFTA panels that no one ever heard of. "The Highest Court You've Never Heard Of," says Business Week.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 2439 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SPECTER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIDEN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Madam President, I ask unanimous consent to be able to proceed as if in morning business for up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE JENIN INVESTIGATION

Mr. BIDEN. Madam President, for the past few weeks we have been hearing sensationalist claims of a massacre in the Jenin refugee camp. In recent days, hundreds of reporters and international relief workers have descended on the camp, and not one has verified these claims.

In fact, the Washington Times today quotes the senior official in Yasser Arafat's Fatah movement in Jenin as saying that the death toll stands at fifty six. Other reports place the number around fifty one.

Even one death is one too many, and there is still considerable excavation work to do in the camp. But it seems apparent that there was no massacre in Jenin.

Let me say that again. It seems apparent that there was no massacre in Jenin.

There are not 500 civilian dead, as the Palestinians initially claimed. What happened in Jenin was an intense battle fought at close quarters in which 23 Israeli soldiers also lost their lives in Jenin. And the leader of Fatah said today, trying to make the case that they "won" the battle, that "although we lost 56, they lost 23."

The relatively high number of Israeli casualties is in itself an indicator of what went on in the camp. Had the Israelis chosen, they could have easily sat back and pummeled the camp from afar, and starved the terrorists. Instead, they chose to do things the hard way. They went house to house to house, from booby-trapped house to booby-trapped house to booby-trapped house. In doing so to avoid civilian casualties, they inflicted casualties upon themselves. That is why they went house to house—not to inflict civilian casualties.

Were there civilian casualties? Almost certainly there were. But there is a world of difference between the deliberate targeting of civilians and the unintentional and inevitable casualties that were bound to occur in a place such as Jenin where terrorists deliberately hid themselves among civilians.

Remember we got a dose of that ourselves during the gulf war. As you recall, Saddam Hussein hid himself and others in the midst of civilian populations in civilian centers. That is the picture I believe will emerge as the facts are examined in the cold light of day—that there was no massacre, and that, although there were civilians killed, the number was relatively small, more in line with the number of Israelis killed—that is, proportionately. And I think the world should understand that.

There has been considerable discussion in recent days about a United Nations' factfinding panel assembled by Secretary General Kofi Annan. As of a couple of hours ago, the U.N. officially decided not to send the factfinding mission. But the impression we have heard in the world is that the reason the factfinding mission was not sent is because of Israeli intransigence.

U.N. leadership, I believe under Kofi Annan, had the best intentions. But Israel has voiced what I believe to be legitimate concerns about the composition, the procedures, and terms of reference this team was supposed to operate under. Reports indicate that the team is now disbanding.

Unfortunately, in my view, the United Nations should have met the legitimate concerns and proceeded with the mission. It is hard to blame Israel for having doubts about the objectivity of a factfinding team.

Israel has also voiced concerns over the lack of adequate representation on the U.N. team of counterterrorism and military experts. It argues, in my view, with justification that the events in Jenin must be seen in their proper context.

Israel did not invade Jenin on a whim; it did so to destroy the terrorist infrastructure, and only after the Palestinian Authority—this is an important point—only after the Palestinian Authority, whom the Israelis and the rest of the world equipped with weapons to keep peace and order—only after the Palestinian Authority refused to carry out its obligations to destroy this terrorist infrastructure.

According to the Israeli Government, 23 suicide bombers came from Jenin. These 23 were responsible for the deaths of 57 Israelis, and the injury of 1,000 more.

Is it fair—and I think it is fair—to ask the U.N. what its officials were saying to the Palestinian Authority about the use of a U.N.-run camp as a launching pad for terrorism? To many Israelis, it appears as if the U.N. turned a blind eye to Palestinian terrorism, while it seems intent on smearing Israel for its legitimate response to that terror.

I would suggest a fairer thing to do would be for the U.N. to hold an internal review and ask internally what the U.N. team in Jenin, responsible for Jenin, knew or did not know about the role the Palestinian Authority was playing. What did they know? I am not saying they were complicitous. What did they know?

With such a breakdown, wouldn't we be looking if it occurred here? If there was a group in charge of overseeing a particular dilemma within the United States, and something terrible happened, wouldn't we ask ourselves, What did we know about what was going on?

Nonetheless, not withstanding this, the Israelis have not rejected the U.N. team. Foreign Minister Peres of Israel, in a letter to Secretary of State Powell, has said the team should "examine the Palestinian terrorist infrastructure and activity in the camp and emanating from it which necessitated Israel's military actions. In doing so, the team will bear in mind the relevant elements of international law, including the right of self-defense and the obligation to prevent terrorism."

He goes on to say:

> [I]n accordance with the fact-finding nature of the team, its work should be submitted as facts only, and not observations. This is a vital concern for Israel in order to avoid abuse and misuse of the work of the Team for political purposes.

Peres then goes on to add:

> Israel understands that requests for interviews with public servants, past or present, or documents, will be made through the government of Israel. While Israel will carefully consider these requests, Israel will have the right to make final determinations regarding availability to the Team. This sovereign discretion is mandated by Israeli law.

Madam President, I ask unanimous consent that the entire text of the letter to Secretary of State Powell be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPUTY PRIME MINISTER,
AND MINISTER OF FOREIGN AFFAIRS,
Jerusalem, 29 April 2002.

Mr. COLIN POWELL,
Secretary of State, Washington, DC.

DEAR MR. SECRETARY: Enclosed are points I raised in a phone conversation with Secretary General Anman on 28 April 2002.

It will be incumbent upon the Team, in considering "recent events in the Jenin refugee camp" to examine the Palestinian terrorist infrastructure and activity in the camp and emanating from it which necessitated Israel's military actions. In doing so, the Team will bear in mind also the relevant elements of international law, including the right of self-defense and the obligation to prevent terrorism.

In accordance with the fact-finding nature of the Team, its work should be submitted as findings of facts only, and not observations. This is a vital concern for Israel in order to avoid abuse and misuse of the work of the Team for political purposes.

Israel understands that requests for interviews with public servants, past or present, or documents, will be made through the Government of Israel. While Israel will carefully consider these requests, Israel will have the right to make final determinations regarding availability to the Team. This sovereign discretion is mandated by Israeli law. Equally, in the spirit of fairness, and with a view to assuring that accurate factual information is provided, Israel should have the opportunity, during the fact-finding work of the Team, to comment on any statements received by the Team from any other Israeli individuals or organizations.

I emphasized the sensitive nature of Israel's present situation, both here in the area and in international fora. Faced with a relentless battle against terrorism, on the one hand, and wishing to cooperate with the International community, on the other, we are obliged to ensure that our very basic interests, and those of our military and security servicemen, are fully protected.

Sincerely yours,
SHIMON PERES.

Mr. BIDEN. Madam President, what is so unreasonable about these requests? Would any other democratic country behave any differently? Indeed, would any Arab country ever be subjected to a similar factfinding investigation in the first place? Perhaps the false cries of massacre coming from Arab circles are a reflection of what they may have come to expect from their own governments.

Was there ever a U.N. factfinding team that investigated the Syrian massacre of as many as 20,000 civilians in the city of Hama in 1982? Was the international press corps ever able to conduct their own investigations there as they are now in Jenin?

Was there ever a U.N. investigation of the genocidal Anfal campaign launched by Saddam Hussein against the Kurds in the late 1980s?

Of course not. There is a double standard when it comes to Israel. And many of those criticizing Israel today know that Israel holds itself to a higher standard than the countries I mentioned.

And Israel is saying the U.N. team is welcome as long as it has a fair mandate and agreed-upon terms of reference. If there is to be true factfinding, and not a witch hunt, then what is so unreasonable about Israel's requests?

My purpose is not to apologize for Israel. As some of you know—both in the caucus, out of the caucus, here on the floor, and in other fora—I have been very critical of some of Israel's actions.

Indeed, many Israelis have raised questions about the military operation in Jenin, including allegations of disproportionate use of force and the denial of medical and humanitarian access.

In fact, the leading Israeli newspaper editorialized yesterday that the army should conduct an internal investigation about possible gratuitous vandalism and destruction of property.

Did Israel do everything right in Jenin? In all probability, no. Did they engage in a wholesale massacre of innocent civilians? No.

How many Arab countries have the capacity for such self-examination? How many Arab countries have a supreme court that would do as the Israeli Supreme Court did to intervene to prevent the Israeli Army from removing bodies in Jenin?

We are not talking about some dictatorship or puppet regime. The Israeli Supreme Court—not an international organization—the Israeli Supreme Court intervened and said: Whoa, don't remove those bodies, army. We want to know what the facts are.

So to give this presumption that Israel intentionally massacred, and then attempted to cover up, I think is incredibly unfair and will be proven, beyond a reasonable doubt, to be wrong.

I believe we have an obligation to examine the facts before we jump to conclusions. Based on reports now coming from Jenin, it appears that far too many reached conclusions before they had the facts.

In the end, Madam President, some may choose to cling to myths in order to perpetuate hatred and conflict. Some prefer to live in the realm of fiction rather than deal with cold, hard facts. But the rest of us should not engage in such self-delusion. If my reading of the facts is correct—and it may not be—but if it is correct, then we will, in the coming days, see the Jenin massacre as the massacre that never was.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators allowed to speak therein for a period not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEW SOLUTIONS TO CHINESE PROLIFERATION PRACTICES

Mr. BYRD. Madam President, an official of the People's Republic of China, who many say will be the next leader of China when the scheduled leadership succession occurs next fall, is making his first visit to the United States this week. Mr. H.E. Hu Jintao, the current Vice President of China, will be getting his first up-front taste of official Washington. This is an opportunity to make it clear how we feel about certain Chinese policies, most particularly in the area of Chinese proliferation practices. Let's hope he takes back with him the right impressions.

President Bush made a summit visit to China, and met with President Jiang Zemin this past February. I liked the tone that he set in the meeting with Chinese leaders. He was serious and businesslike, and eschewed what had been a practice of overly positive gladhanding which runs the risk of communicating the wrong message.

President Bush's approach, it would appear, did seem to be somewhat productive with the Chinese leadership. For example, during a speech at Tsinghua University in Beijing, the President made a strong case for American values and religious freedom. The speech was broadcast live and unedited throughout China, an unprecedented event for an American President. So that is a small step forward, and I commend the President on his speech, which I hope received wide attention in China.

Less successful were the President's attempts to bring the Chinese around on the matter of proliferation of technologies associated with weapons of mass destruction and their delivery systems. This has been a bone of contention between the U.S. and China for many years, despite repeated assurances by the Chinese that they would cease providing these technologies to states such as Iran, Iraq, Sudan, Pakistan, North Korea, Libya and others.

For example, in November of 2000, the U.S. and China signed an agreement stipulating that China would stop its proliferation practices. The Chinese have not yet implemented that agreement. We should insist on implementation. The same goes for the multilateral Missile Technology Control Regime, the MTCR, a voluntary agreement among 28 nations to restrict the proliferation of weapons of mass destruction. China, although not among the 28 member nations, has promised to adhere to the MTCR. Let's see some delivery on that. Although President Bush has made new proposals in this area to the Chinese leaders, to date, his efforts have been rebuffed.

The Chinese have also stated that they are ready to issue export control regulations that will make it clearly illegal for Chinese companies to proliferate specific items. Where is the list? We might wish to consider making certain transfers of technology or other items the Chinese want from us contingent on an acceptable export control list plus the implementation and enforcement of export control regulations. This is an area where we need to close some loopholes and demonstrate to the Chinese that the United States is serious about stopping this dangerous practice. The Chinese are very attentive to actions, and not overly impressed by rhetoric.

The Chinese seem to have the psychology backwards. In order for them to comply with commitments they have already made, they have said that the U.S. should provide more incentives to deliver on their promises. They would like, in particular, for the U.S. to free up and approve licenses for satellite launches in China. I see it the opposite way: in the face of noncompliance and lack of progress on the November 2000 pledges regarding missile technology exports, we should, first, refuse to grant any licenses for satellite launches in China; and, second, withhold or prohibit the export of additional high technology and science that the Chinese badly want.

What is the current situation? First, the so-called sanctions regime which penalizes such behavior does not work. When a Chinese company is found to have provided missile technologies to, let us say, Iran or Iraq, U.S. law today provides that the company be prohibited from doing business in the U.S. The prohibition may look good on paper, but it appears to provide no real deterrent to Chinese companies that deal on the international market.

Second, the Chinese government makes a pretense of not knowing that so-called private companies in China are engaging in this behavior. This boggles the mind. Of course the government knows, or can quickly find out. We need to help the Chinese government focus on this matter, and so I propose that we consider changing our sanctions laws in this area to penalize the Chinese government itself for this behavior, regardless of whether the culprit is the government or a private company. Restrictions could be immediately slapped on exports of various technologies and scientific advances from the U.S. that are of high importance to the Chinese, such as space launch and other technologies that they covet from us. Only by immediate and painful steps will the Chinese government be motivated to end this practice, and drop the pretense of being ignorant of these transactions.

The Chinese government is capable of practicing a very effective form of brutal dictatorship in areas, such as religious freedom, and freedom of the press and assembly, any time it chooses to do so. It has been very effective, for example in crushing the Falun Gong religious movement in a very short period of time throughout China. Surely Chinese leaders can exert equal pressure to stop the proliferation of missile technology and end a practice that is anathema to civilized nations and the international community.

I would remind my colleagues that the Chinese themselves do not hesitate to use trade sanctions to correct what they see as unfair actions by other nations. Recently, when the Japanese slapped high tariffs on Chinese mushrooms and other agricultural products, the Chinese immediately retaliated by stopping the importation into China of Japanese automobiles. The Japanese got the message in very short order and dropped the agricultural tariffs. So the Chinese know how to fashion punishments to fit the crime. That is all I am suggesting here. We should consider a credible sanctions regime, on items that the Chinese really care about, that could stop in its tracks the very dangerous practice of the proliferation of advanced missiles systems and weapons to states which should not be getting them.

A related consideration is that the Chinese, who are relying more and more on imported oil, seem to be attempting to secure long-term energy contracts with the regimes which are the recipients of their advanced weapons technologies. To the extent that there is a quid pro quo here, and clearly that appears to be the case, we might consider helping the Chinese secure contracts for energy supplies from sources other than rogue states, on the condition that proliferation end. This form of carrot could well be used as an incentive to change behavior.

In sum, I am suggesting a mixed basket of disincentives and incentives, penalties and rewards, to encourage the Chinese to get out of the proliferation business.

Secretary of State Powell has called Chinese noncompliance on nonproliferation an "irritation" in the U.S.-Chinese relationship. I would characterize it as an open wound.

The Chinese are dragging their feet on implementing agreements and assurances with the U.S. on proliferation, and hiding behind various transparent excuses. It is time for Congress and the Administration to consider specific changes in the laws dealing with sanctions on proliferation practices.

CHANGES TO H. CON. RES. 83 PURSUANT TO SECTION 314

Mr. CONRAD. Madam President, section 314 of the Congressional Budget Act, as amended, requires the chairman of the Senate Budget Committee to make adjustments to budget resolution allocations and aggregates for amounts designated as emergency requirements pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Pursuant to section 314, I hereby submit the following revisions to H. Con. Res. 83 as a result of an emergency designation in P.L. 107-147, the Job Creation and Worker Assistance Act of 2002.

Madam President, I ask unanimous consent to print in the RECORD a table which reflects the changes made to the allocations provided to the Senate Committee on Finance and to the budget resolution aggregates enforced under section 311(2)(A) of the Congressional Budget Act, as amended.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	($ millions)
Current Allocation to the Senate Finance Committee:	
FY 2002 Budget Authority	703,971
FY 2002 Outlays	703,440
FY 2002–06 Budget Authority	3,767,770
FY 2002–06 Outlays	3,765,024
FY 2002–11 Budget Authority	8,335,364
FY 2002–11 Outlays	8,328,746
Adjustments:	
FY 2002 Budget Authority	5,984
FY 2002 Outlays	5,755
FY 2002–06 Budget Authority	5,464
FY 2002–06 Outlays	5,675
FY 2002–11 Budget Authority	1,067
FY 2002–11 Outlays	1,328
Revised Allocation to the Senate Finance Committee:	
FY 2002 Budget Authority	709,955
FY 2002 Outlays	709,195
FY 2002–06 Budget Authority	3,773,234
FY 2002–06 Outlays	3,770,699
FY 2002–11 Budget Authority	8,336,431
FY 2002–11 Outlays	8,330,074
Current Revenue Aggregates:	
FR 2002	1,668,665
FY 2002–06	8,884,348
FY 2002–11	19,990,123
Adjustments:	
FY 2002	−39,465
FY 2002–06	−95,348
FY 2002–11	−35,269
Revised Revenue Aggregates:	
FY 2002	1,629,200
FY 2002–06	8,789,000
FY 2002–11	19,954,854
Current Aggregate Budget Authority and Outlays:	
FY 2002 Budget Authority	1,674,515
FY 2002 Outlays	1,640,179
Adjustments:	
FY 2002 Budget Authority	5,984
FY 2002 Outlays	5,755
Revised Aggregate Budget Authority and Outlays:	
FY 2002 Budget Authority	1,680,499
FY 2002 Outlays	1,645,934

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred in August 1994 in Sioux City, IA. Two gay men were assaulted in their home by two intruders. The assailants, Anthony L. Smith, 17, and Henry White, 18, were charged with first-degree burglary and second-degree criminal mischief under the State hate crime statute.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

ADDITIONAL STATEMENTS

TRIBUTE TO JOAN REISCHE

• Mr. SMITH of New Hampshire. Madam President, I rise today to pay tribute to Joan Reische, this year's Families in Transition Volunteer of the Year. Joan has been a dedicated volunteer in the Manchester Community since the 1970's, proving time and again why she is so deserving of this year's award.

Joan has spent countless hours volunteering and enriching the lives of those less fortunate. She has been extremely active in the Manchester Area League of Women Voters, serving as President of the Chapter. She has also been a member of the Board of the Manchester Historical District Commission, a member of the Board of the Palace Theater for Performing Arts, a member and President of the Manchester Area Family Planning Council and current chair of Families in Transition. Joan also serves as a guest reader for the Manchester Elementary Schools, working with children learning English as their second language.

I applaud Joan's commitment to serving and improving her community. Her time spent volunteering is above and beyond any standards set forth by her fellow philanthropists. Joan serves as a positive example for all in the Granite State. I commend her dedication and wish her continued success in her endeavors. It is an honor to represent you in the U.S. Senate.•

HONORING THE AMERICAN HEART ASSOCIATION

• Mr. BUNNING. Madam President, I rise today to honor the members of the American Heart Association, AHA, for all that they have accomplished in this nation's ongoing struggle against heart disease and stroke.

Founded in 1924 by six cardiologists, the American Heart Association has worked for more than 70 years to accurately inform the American public of the dangers of heart disease and stroke. Through their effective fundraising efforts, the AHA has been able to perform extensive research on cardiovascular diseases and their effects on the American people. Research has shown that cardiovascular diseases, including heart disease and stroke, kill nearly 960,000 Americans each and every year; nearly a death every 33 seconds. Cardiovascular diseases also cost more than any other disease, with an estimated $330 billion in medical expenses and lost productivity in 2002.

Yesterday, Kentucky representatives of the Ohio Valley Affiliate of the AHA visited my office here in Washington. The information they provided proved to be quite shocking. In the Commonwealth of Kentucky, heart disease is the #1 killer. In fact, heart disease and stroke accounted for an astounding 43.5 percent of deaths in Kentucky in 1999; 12,098 Kentuckians died of heart disease and 2,710 died of stroke in 1999. Furthermore, Kentucky has the 6th highest death rate from heart disease, stroke, and other cardiovascular diseases in the nation. As can be seen through statistical data, cardiovascular diseases are killing Americans, specifically Kentuckians, in mass numbers every year. We must realize the severity of this problem and actively join the fight to ensure that future generations of Americans are well informed on how to prevent these diseases from occurring.

I applaud the work of the American Heart Association, especially that performed by the Ohio Valley Affiliate in Kentucky, and thank them for striving to create a healthier America. I ask that my fellow Senators join me in praising all involved with the AHA, for their work truly makes a difference to current and future generations of Americans.•

THE ZACHARY AND ELIZABETH FISHER DISTINGUISHED CIVILIAN HUMANITARIAN AWARD FOR 2001

• Mr. BURNS. Madam President, I rise today to pay tribute to a wonderful group of people from the Great Falls, MT. Today, The Great Falls Area Chamber of Commerce Military Affairs Committee, MAC, will receive the Zachary and Elizabeth Fisher Distinguished Civilian Humanitarian Award for 2001 at the Pentagon on May 1, 2002. The competition for this award encompassed the entire Department of Defense.

The First Award is given to individuals or organizations that demonstrate exceptional patriotism and humanitarian concerns for the members of the armed forces or their families.

As you may know, Great Falls, MT, is home to Malmstrom Air Force Base. The 341 Space Wing controls 200 Minuteman III missiles. I have had the pleasure to speak to members of MAC on several occasions over the years at their monthly luncheons held at Malmstrom Air Force Base. Let me tell you, as this award signifies, they are second to none. The support they show for our Malmstrom Air Force Base men and women is more than just these monthly luncheons. For many years, MAC has sponsored a free picnic for military members and their families, with over 5000 people attending the annual event. At these picnics, MAC gives away over $15,000 in prizes, which comes from the local merchants. They also sponsor annual golf tournaments, raising money for military support programs. The leadership of MAC and Malmstrom AFB work together as TEAM MALMSTROM to foster understanding of the issues facing the military and the Great Falls community.

As we face another round of base closings in the future, the Great Falls community has, once again, shown they are committed to the future of Malmstrom AFB and the brave men and women who serve their country from there. Malmstrom AFB's future is much brighter; the tours there by our Air Force men and women are better, due to the Great Falls MAC. Now, the entire Department of Defense knows Malmstrom AFB has tremendous support from the residents of the Great Falls, MT area. Congratulations MAC.•

TRIBUTE TO DAVID HANEY

• Mr. SMITH of New Hampshire. Madam President, I rise today to pay tribute to Mr. David Haney of Bow. David was named New Hampshire's Business Financial Services Advocate of the Year by the Small Business Administration of the United States. David currently serves as the Regional Director of Community Development for Fleet Bank in Manchester, overseeing all community development activities in Maine and New Hampshire.

I commend David on his commitment to improving New Hampshire's small businesses. His business expertise and consistent efforts to increase the availability, as well as the amount and quality of technical and financial assistance to the SBA of New Hampshire have earned him respect and gratitude among the businesses within the Granite State. David's efforts have been instrumental in securing a Business Information Center for the SBA in New Hampshire which allows businesses even greater access to credit and business information.

David is credited with allowing the Granite State's small businesses continued access to information vital to the success of their organizations. I applaud David's commitment and wish him continued success in the future. It is an honor to represent you in the U.S. Senate.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 64. An act to provide for the establishment of the position of Deputy Administrator for Science and Technology of the Environmental Protection Agency, and for other purposes.

H.R. 2109. An act to authorize the Secretary of the Interior to conduct a special resource study of Virginia Key Beach Park in Biscayne Bay, Florida, for possible inclusion in the National Park System.

H.R. 2628. An act to direct the Secretary of the Interior to conduct a study of the suitability and feasibility of establishing the Muscle Shoals National Heritage Area in Alabama, and for other purposes.

H.R. 3421. An act to provide adequate school facilities within Yosemite National Park, and for other purposes.

H.R. 3909. An act to designate certain Federal lands in the State of Utah as the Gunn McKay Nature Preserve, and for other purposes.

The message also announced that the House has passed the following bill without amendment:

S. 1094. An act to amend the Public Health Service Act to provide for research, information, and education with respect to blood cancer.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 358. Concurrent resolution supporting the goals and ideals of National Better Hearing and Speech Month, and for other purposes.

H. Con. Res. 386. Concurrent resolution supporting a National Charter Schools Week, and for other purposes.

H. Con. Res. 388. Concurrent resolution expressing the sense of the Congress that there should be established a National Minority Health and Health Disparities Month, and for other purposes.

H. Con. Res. 391. Concurrent resolution honoring the University of Minnesota Golden Gophers men's hockey and wrestling teams and the University of Minnesota-Duluth Bulldogs women's hockey team for winning the 2002 National Collegiate Athletic Association championships.

H. Con. Res. 348. Concurrent resolution authorizing the use of the Capitol Grounds for the National Book Festival.

H. Con. Res. 347. Concurrent resolution authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service.

H. Con. Res. 354. Concurrent resolution authorizing the use of the Capitol Grounds for the District of Columbia Special Olympics Law Enforcement Torch Run.

H. Con. Res. 356. Concurrent resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

The message also announced that the House has agreed to the amendments of the Senate to the bill (H.R. 169) to require that Federal agencies be accountable for violations of anti-discrimination and whistleblower protection laws; to require that each Federal agency post quarterly on its public Web site, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency; and for other purposes.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 64. An act to provide for the establishment of the position of Deputy Administrator for Science and Technology of the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

H.R. 2109. An act to authorize the Secretary of the Interior to conduct a special resource study of Virginia Key Beach Park in Biscayne Bay, Florida, for possible inclusion in the National Park System; to the Committee on Energy and Natural Resources.

H.R. 2628. An act to direct the Secretary of the Interior to conduct a study of the suitability and feasibility of establishing the Muscle Shoals National Heritage Area in Alabama, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 3421. An act to provide adequate school facilities within Yosemite National Park, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 3909. An act to designate certain Federal lands in the State of Utah as the Gunn McKay Nature Preserve, and for other purposes; to the Committee on Energy and Natural Resources.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 348. Concurrent resolution authorizing the use of the Capitol Grounds for the National Book Festival; to the Committee on Rules and Administration.

H. Con. Res. 354. Concurrent resolution authorizing the use of the Capitol Grounds for the District of Columbia Special Olympics Law Enforcement Torch Run; to the Committee on Rules and Administration.

H. Con. Res. 356. Concurrent resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby; to the Committee on Rules and Administration.

H. Con. Res. 358. Concurrent resolution supporting the goals and ideals of National Better Hearing and Speech Month, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

H. Con. Res. 386. Concurrent resolution supporting a National Charter Schools Week, and for other purposes; to the Committee on the Judiciary.

H. Con. Res. 388. Concurrent resolution expressing the sense of the Congress that there should be established a National Minority Health and Health Disparities Month, and for other purposes; to the Committee on the Judiciary.

H. Con. Res. 391. Concurrent resolution honoring the University of Minnesota Golden Gophers men's hockey and wrestling teams and the University of Minnesota-Duluth Bulldogs women's hockey team for winning the 2002 National Collegiate Athletic Association championships; to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 30, 2002, she had presented to the President of the United States the following enrolled bill:

S. 2248. An act to extend the authority of the Export-Import Bank until May 31, 2002.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6640. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Bayou Boeuf, Louisiana" ((RIN2115–AE47) (2002–0036)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6641. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Hutchinson River, Eastchester Creek, NY" ((RIN2115–AE47) (2002–0034)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6642. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Regatta Regulations; SLR; Lawson's Creek and Trent River, New Bern, NC" ((RIN2115–AE46) (2002–0009)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6643. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Regatta Regulations; SLR; San Diego Crew Classic" ((RIN2115–AE46) (2002–0010)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6644. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Liquefied Natural Gas (LNG) Tanker Transits and Operation at Phillips Petroleum LNG Pier, Cook Inlet, Alaska (COTP Western Alaska 02–007)" ((RIN2115–AA97) (2002–0063)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6645. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Youngs Bay, OR" ((RIN2115–AE47) (2002–0035)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6646. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Lake Erie, Toledo, Ohio" ((RIN2115–AA97) (2002–0060)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6647. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Gulf of Alaska, Narrow Cape Kodiak Island, AK (COTP Western Alaska 02–005)" ((RIN2115–AA97) (2002–0061)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6648. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Captain of the Port Chicago Zone, Lake Michigan" ((RIN2115–AA97) (2002–0062)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6649. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Chevron Conventional Buoy Mooring, Barberts Point Coast, Honolulu, HI" ((RIN2115–AA97) (2002–0057)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6650. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Jennifer Heyman's Wedding Fireworks Display, Greens Farm, CT" ((RIN2115–AA97) (2002–0058)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6651. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Patriots Weekend, Dockside Restaurant Fireworks Display, Port Jefferson, NY" ((RIN2115–AA97) (2002–0059)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6652. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations: Water adjacent to Diablo Canyon Nuclear Power Plant, Avila Beach, California (COTP Los Angeles-Long Beach 02–006)" ((RIN2115–AA97) (2002–0056)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6653. A communication from the Chief of the Regulations Unit, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations: Port of Tampa, Tampa Florida (COTP Tampa 02–024)" ((RIN2115–AA97) (2002–0064)) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6654. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Olathe, Colorado)" (MM Doc. No. 99–28) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6655. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Greenville and Cooper, Texas" (MM Doc. No. 00–63, RM–9837) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6656. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Lincoln and Sherman, Illinois" (MM Doc. No. 01–120) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6657. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Jackson and Salyersville, Kentucky" (MM Doc. No. 00–79) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6658. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of FM Allotments; FM Broadcast Stations; Manning and Moncks Corner, South Carolina" (MM Doc. Nos. NM Doc. No. 01–121, RM–10125) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6659. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of FM Allotments, FM Broadcast Stations; Arriba, Bennett, Brush and Pueblo, Colorado; Pine Bluffs, Wyoming" (MM Doc. No. 01–18, RM–10026, RM–10098) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6660. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of FM Allotments, FM Broadcast Stations; Cheyenne Wells, Flagler, and Stratton, Colorado" (MM Doc. Nos. 01–250, RM–10273; 01–251, RM–10274 and 01–253, RM–10276) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6661. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Boscobel, Wisconsin" (MM Doc. No. 01–349, RM–10350) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6662. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Cumberland, Kentucky and Weber City, Virginia; Glade Spring, Marion, Richlands and Grundy, Virginia" (MM Doc. No. 99–244) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6663. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Charleston, SC" (MM Doc. No. 01–222, RM–10240) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6664. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of FM Allotments; FM Broadcast Stations; Butler and Reynolds, Georgia" (MM Doc. No. 01–5; RM–10028; RM–10107) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6665. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Tulsa, OK" (MM Doc. No. 01–313, RM–10251) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6666. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, TV Broadcast Stations; Pueblo, CO" (MM Doc. No. 01–332, RM–10334) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6667. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Charleston, SC" (MM Doc. No. 01–335, RM–10338) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6668. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of FM Allotments; FM Broadcast Stations; Telluride and Norwood, Colorado" (MM Doc. No. 01–249; RM–10272) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6669. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Holly Springs, MS and McBain, MI" (MM Doc. No. 01–211, RM–10221 and 01–213, RM–10226) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6670. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments; FM Broadcast Stations; Rule, Texas" (MM Doc. No. 01–183; RM–10192) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6671. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Oakville, Raymond, and South Bend, Washington" (MM Doc. No. 00–41) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6672. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Kingston, NY" (MM Doc. No. 00–121, RM–9674) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6673. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Salem, OR" (MM Doc. No. 00–117, RM–9810) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6674. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Macon, Georgia" (MM Doc. No. 01–1, RM–10013) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6675. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Mississippi State, MS" (MM Doc. No. 01–301, RM–10207) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6676. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Bozeman, MT" (MM Doc. No. 01–163, RM–10134) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6677. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Marquand, Missouri" (MM Doc. No. 01–48) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC-6678. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, DTV Broadcast Stations; Albuquerque, NM" (MM Doc. No. 01-160, RM-10159) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

EC-6679. A communication from the Senior Legal Advisor to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations; Mount Pleasant and Hemlock, Michigan" (MM Doc. No. 01-107, RM-10057) received on April 25, 2002; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. LEAHY (for himself, Mr. CAMPBELL, Mrs. CLINTON, and Mr. SCHUMER):

S. 2431. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits; to the Committee on the Judiciary.

By Mr. SMITH of New Hampshire:

S. 2432. A bill to prohibit the use of fiscal year 2003 Federal funds for support of the Palestinian Authority pending the cessation of terrorist activities by the Palestinian Authority; to the Committee on Foreign Relations.

By Mr. HUTCHINSON:

S. 2433. A bill to designate the facility of the United States Postal Service located at 1590 East Joyce Boulevard in Fayetteville, Arkansas, as the "Clarence B. Craft Post Office Building"; to the Committee on Governmental Affairs.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 2434. A bill to suspend temporarily the duty on Hydrated hydroxypropyl methylcellulose; to the Committee on Finance.

By Mr. KENNEDY (for himself and Mr. FEINGOLD):

S. 2435. A bill to amend title 9 of the United States Code to exclude all employment contracts from the arbitration provisions of chapter 1 of such title; and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. LANDRIEU:

S. 2436. A bill to amend title 10, United States Code, to require the Secretary of Defense to carry out a quadrennial review of the quality of life in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mrs. LINCOLN:

S. 2437. A bill to provide for the reliquidation of certain entries of vandium carbides and vandium carbonitride; to the Committee on Finance.

By Mr. SARBANES (for himself, Mr. DODD, Mr. SCHUMER, Ms. STABENOW, Mr. CORZINE, Mr. KERRY, Mr. KENNEDY, Mr. DURBIN, Ms. MIKULSKI, Mrs. CLINTON, Mrs. BOXER, Mr. WELLSTONE, Mr. TORRICELLI, Mr. DAYTON, and Mr. LEVIN):

S. 2438. A bill to amend the Truth in Lending Act to protect consumers against predatory practices in connection with high cost mortgage transactions, to strengthen the civil remedies available to consumers under existing law, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SPECTER (for himself, Mrs. FEINSTEIN, Mr. HATCH , Mr. KENNEDY, Mr. HARKIN, Mrs. BOXER, Mr. DURBIN, Mr. MILLER, Mr. CORZINE, Ms. MIKULSKI, Mrs. CLINTON, and Mr. THURMOND):

S. 2439. A bill to prohibit human cloning while preserving important areas of medical research, including stem cell research; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SMITH of New Hampshire (for himself and Mr. NELSON of Nebraska):

S. Res. 258. A resolution urging Saudi Arabia to dissolve its "martyrs" fund and to refuse to support terrorism in any way; to the Committee on Foreign Relations.

By Mr. CRAIG:

S. Res. 259. A resolution designating May 2002, as "Older Americans Month"; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 812

At the request of Mr. SCHUMER, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 812, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide greater access to affordable pharmaceuticals.

S. 830

At the request of Mr. CHAFEE, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 830, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 999

At the request of Mr. BINGAMAN, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1022

At the request of Mr. WARNER, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 1022, a bill to amend the Internal Revenue Code of 1986 to allow Federal civilian and military retirees to pay health insurance premiums on a pretax basis and to allow a deduction for TRICARE supplemental premiums.

S. 1210

At the request of Mr. CAMPBELL, the names of the Senator from Arizona (Mr. MCCAIN), the Senator from Hawaii (Mr. AKAKA), the Senator from Montana (Mr. BAUCUS), the Senator from New Mexico (Mr. BINGAMAN), and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 1210, a bill to reauthorize the Native American Housing Assistance and Self-Determination Act of 1996.

S. 1365

At the request of Mr. JEFFORDS, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1365, a bill to authorize the Secretary of the Department of Housing and Urban Development to make grants to States for affordable housing for low-income persons, and for other purposes.

S. 1370

At the request of Mr. MCCONNELL, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 1370, a bill to reform the health care liability system.

S. 1383

At the request of Mrs. CLINTON, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 1383, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of incentive stock options and employee stock purchases.

S. 1408

At the request of Mr. ROCKEFELLER, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1408, a bill to amend title 38, United States Code, to standardize the income threshold for copayment for outpatient medications with the income threshold for inability to defray necessary expense of care, and for other purposes.

S. 1523

At the request of Mrs. FEINSTEIN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1523, a bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

S. 1644

At the request of Mr. CAMPBELL, the names of the Senator from Utah (Mr. HATCH) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1644, a bill to further the protection and recognition of veterans' memorials, and for other purposes.

S. 1867

At the request of Mr. LIEBERMAN, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 1867, a bill to establish the National Commission on Terrorist Attacks Upon the United States, and for other purposes.

S. 2020

At the request of Mr. GREGG, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2020, a bill to establish the Department of National Border Security.

S. 2051

At the request of Mr. REID, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Kentucky (Mr. MCCONNELL) were added as cosponsors of S. 2051, a bill to remove a condition preventing authority for concurrent receipt of military retired pay and veterans' disability compensation from taking affect, and for other purposes.

S. 2055

At the request of Ms. CANTWELL, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2055, a bill to make grants to train sexual assault nurse examiners, law enforcement personnel, and first responders in the handling of sexual assault cases, to establish minimum standards for forensic evidence collection kits, to carry out DNA analyses of samples from crime scenes, and for other purposes.

S. 2184

At the request of Mr. BREAUX, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 2184, a bill to provide for the reissuance of a rule relating to ergonomics.

S. 2194

At the request of Mr. MCCONNELL, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 2194, a bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes.

S. 2215

At the request of Mrs. BOXER, the names of the Senator from Georgia (Mr. MILLER), the Senator from Michigan (Ms. STABENOW), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 2215, a bill to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil, and by so doing hold Syria accountable for its role in the Middle East, and for other purposes.

At the request of Mr. SANTORUM, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 2215, supra.

S. 2221

At the request of Mr. ROCKEFELLER, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 2221, a bill to temporarily increase the Federal medical assistance percentage for the medicaid program.

S. 2230

At the request of Mr. SPECTER, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 2230, a bill to amend title 38, United States Code, to make permanent the authority of the Secretary of Veterans Affairs to guarantee adjustable rate mortgages, to authorize the guarantee of hybrid adjustable rate mortgages, and for other purposes.

S. 2231

At the request of Mr. SPECTER, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 2231, a bill to amend title 38, United States Code, to provide an incremental increase in amounts of educational assistance for survivors and dependents of veterans, and for other purposes.

S. 2246

At the request of Mr. DODD, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2246, a bill to improve access to printed instructional materials used by blind or other persons with print disabilities in elementary and secondary schools, and for other purposes.

S. 2428

At the request of Mr. KERRY, the names of the Senator from Oregon (Mr. WYDEN) and the Senator from Oregon (Mr. SMITH) were added as cosponsors of S. 2428, a bill to amend the National Sea Grant College Program Act.

S. RES. 247

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

At the request of Mr. LIEBERMAN, the names of the Senator from Colorado (Mr. ALLARD), the Senator from Indiana (Mr. BAYH), the Senator from Illinois (Mr. DURBIN), the Senator from South Dakota (Mr. JOHNSON), the Senator from Utah (Mr. HATCH), the Senator from Louisiana (Mr. BREAUX), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Kansas (Mr. BROWNBACK), the Senator from Kentucky (Mr. BUNNING), the Senator from Ohio (Mr. DEWINE), the Senator from Kentucky (Mr. MCCONNELL), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Oklahoma (Mr. NICKLES), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Maine (Ms. SNOWE), the Senator from Mississippi (Mr. COCHRAN), the Senator from Connecticut (Mr. DODD), the Senator from Oklahoma (Mr. INHOFE), the Senator from Arizona (Mr. MCCAIN), the Senator from Alabama (Mr. SHELBY), and the Senator from Tennessee (Mr. THOMPSON) were added as cosponsors of S. Res. 247, supra.

At the request of Mrs. FEINSTEIN, her name was added as a cosponsor of S. Res. 247, supra.

S. RES. 255

At the request of Mrs. FEINSTEIN, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. Res. 255, a resolution to designate the week beginning May 5, 2002, as "National Correctional Officers and Employees Week."

S. CON. RES. 103

At the request of Mrs. CLINTON, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. Con. Res. 103, a concurrent resolution supporting the goals and ideals of National Better Hearing and Speech Month, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself, Mr. CAMPBELL, Mrs. CLINTON, and Mr. SCHUMER):

S. 2431. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits; to the Committee on the Judiciary.

Mr. LEAHY. Madam President, today I proudly join with Senators CAMPBELL, and CLINTON to introduce the Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002. I want to thank my colleagues for their leadership and strong support for public safety officers and their families. I also commend Representative NADLER and Representative MANZULLO for their leadership on the House version of this bill.

This bill aims to restructure the Public Safety Officers' Benefits Program to expressly include chaplains as members of the law enforcement and fire units in which they serve, and would make these chaplains eligible for the benefits available to public safety officers who have died or who have been permanently disabled as a result of injuries sustained in the line of duty. In addition, the Act would expand the list of those who may receive benefits in the event of a public safety officer's death in the line of duty by including as potential beneficiaries the persons named on the most recently executed life insurance policy of the deceased officer. In short, this legislation will ensure that the families of chaplains killed in the line of duty receive due payments through the Public Safety Officers' Benefits program.

On September 11, 2001, Father Mychal Judge, a chaplain with the New York City Fire Department, was killed by falling debris as he ministered to victims of the horrific terrorist attacks on the World Trade Center. He was survived solely by his two sisters.

Current law allows the Bureau of Justice Assistance to determine whether or not a public safety officer died as a direct or proximate cause of a personal injury sustained in the line of duty, and, if such criterion is met, directs the BJA to pay a monetary benefit of $250,000 to the surviving family members of the officer. In the case of Father Judge, the BJA correctly determined that he was eligible for payment of death benefits. However, Father Judge had no wife or children, and outlived his parents, and no benefits were paid to his life insurance beneficiaries, his sisters, as they were ineligible under existing law to qualify as his beneficiaries and receive death benefits. This case is not unique, of the approximately 450 public safety officers killed in the September 11 attacks, there are 10 individuals known to have died without spouses, children or parents, so the $250,000 death benefit will not be paid. This is simply wrong.

For the purpose of determining benefit eligibility, the U.S. Code limits "public safety officers" to law enforcement officers; firefighters; rescue crews; FEMA employees; and members of State, local, or tribal emergency management or civil defense agencies who perform official duties in cooperation with FEMA. While the language of existing law could be interpreted to include chaplains, the Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act would resolve any existing ambiguities. It specifically recognizes chaplains as public servants eligible for Public Safety Officers' Benefits so long as they serve as officially recognized or designated members of a legally organized volunteer fire or police department, or are officially recognized or designated public employees of a legally organized fire or police department, and was responding to a fire, rescue, or police emergency when injured or killed.

Additionally, this legislation would expand the list of those allowed to receive such benefits in the event of an officer's death in the line of duty. Current law restricts such beneficiaries to the spouse, child, or parent of the decedent. Our bill would expand this list, which would still give priority to spouses and children, but, in the event that neither survived the officer, would allow the monetary benefit to be paid to the individual designated by such officer as a beneficiary under the officer's most recently executed life insurance policy. In the event that there was no such individual named or that an individual so named did not survive the officer, the benefit would then be paid to the parents of the officer.

Before us we have yet another unique opportunity to provide much-needed relief for the survivors of the brave public servants who selflessly risk and sacrifice their own lives every day so that others might live or be comforted. I look forward to continuing to work with my colleagues on legislation to support our nation's public safety officers who put their lives at risk every day to protect us, and I urge the Senate to pass this bill expeditiously.

By Mr. SMITH of New Hampshire:

S. 2432. A bill to prohibit the use of fiscal year 2003 Federal funds for support of the Palestinian Authority pending the cessation of terrorist activities by the Palestinian Authority; to the Committee on Foreign Relations.

Mr. SMITH of New Hampshire. Madam President, I rise today to offer a long-overdue bill for the purpose of defunding terrorism by Yasser Arafat and his supporters, by shutting off their flow of dollars from the U.S. Treasury.

It was the belief of the previous administration that Yasser Arafat and his Palestine Liberation Organization would live up to their renunciation of terrorism, and the newly-formed Palestinian Authority headed by Arafat and his PLO cronies could operate as a responsible governing body to further peace.

Instead, Arafat, the PLO and the PA have used the guise of their new-found political legitimacy, and agreement to the Tenet peace plan, to mask their real desires.

The reality of the situation is that the Palestinian Authority is joined at the hip with the PLO and other terrorist groups, such as Tanzim, the armed wing of Fatah, the largest faction of the PLO.

Tanzim is headed by a member of the PA's legislature, and is believed to have developed an alliance with Hamas and the Palestinian Islamic Jihad.

Our aid frees up other money the PA uses to pay for the bombs that are killing innocent men, women and children in Israel.

The chart was compiled by my staff from a published list of each such attack last year. That list is 25 pages long.

We dare not forget the level of terror visited upon Israel by Palestinian terrorists. The terror attacks in Israel in the year 2001 alone, from the first one on New Year's day, to the last one on December 12 are sobering: 79 separate incidents; 1220 injured; an additional 160 killed.

It has been reported that on March 2, 1973, Yasser Arafat ordered the execution of Cleo Noel, the American Ambassador to the Sudan. Arafat and his supporters have since been tied to countless acts of terror and murder. Therefore, it is beyond belief that our country to this day provides the Palestinian Authority and related entities more than $75 million dollars every year.

There have been foreign intelligence reports that Arafat has perhaps $10 billion stowed away, a small fortune. He doesn't "need" U.S. humanitarian aid.

It is flat out wrong to ask American taxpayers to support and subsidize the PA when Yasser Arafat and the PLO have made no attempt to use the resources at their disposal to provide the most basic of humanitarian aid and services to their people. The interest alone from Arafat's bank account could lift countless Palestinians out of squalid conditions.

Of course the opponents of my bill will argue that this is just "humanitarian aid" for Arafat-friendly NGO's, which begs the reality that those dollars free up Arafat's other money for him to then use to pay to manufacture bombs.

We now have the proof, in Arafat's own handwriting, that the Palestinian Authority is still paying the terrorist's bills.

Consider the proof, on the official letterhead of the Presidential Bureau of the Palestinian Authority, slash, Palestine Liberation Organization, bearing the signature of Yasser Arafat just 8 days after our country was attacked on 9–11, ordering $600 be paid from the treasury of the Palestinian Authority to each of three terrorists. Two of them are senior activists of the Fatah terrorist group, one of these, Ziad Da'as, is the head of the group behind a recent deadly terrorist attack on a Bat-mitzvah party in Israel. The Israeli Defense Ministry says they recently captured this document at Arafat's office in Ramallah.

There is still more proof: an order for Yasser Arafat to the Finance Ministry of the Palestinian Authority from January 7 of this year. It was faxed from Fatah on January 20. Here, Arafat orders the disbursement of $350 to each of the 12 named Fatah activists. According to the Israeli Defense Ministry, who captured this document at Arafat's headquarters in Ramallah, each of these 12 individuals are known terrorists, belonging to Fatah and or Tanzim. Arafat's approval is given in response to a request of Ra'ed Karmi, then the head of the Fatah and Tanzim terror groups, which perpetrated numerous murderous attacks on innocent Israeli civilians since September 2000.

As recently as April 7 of this year, Tim Russert on "Meet the Press" asked the Secretary of State to deny that Arafat is funding terrorism. Here is what Russert said:

> "Israel says documents link Arafat and terrorism. They seized documents and made them public, which liked the office of Yasser Arafat with terrorist attacks carried out against Israeli civilians and other targets. One of the documents, said to be an invoice submitted by a leading Palestinian militant group to a Palestinian official.... Among other items, the invoice requested 20,000 Israeli Shekels, ($4,200 American), to buy electrical and chemical components for the production of a month's supply of 30 bombs. It's an invoice of terrorism, said Dori Gold, an advisor to Prime Minister Sharon. Mr. Secretary, do you believe the Palestinian Authority harbors or supports terrorism?

Do you know what our Secretary of State replied?

Did he deny the authenticity of this document? He did not.

Did he deny that Arafat paid the bill? He did not.

Did he deny that our taxpayer dollars are thus funding the killing of innocent men, women and children? He did not.

What he said was, "It is a complex situation".

There's nothing complex about it! Our tax dollars should never be used for terrorism. Period. End of discussion!

I don't care if Arafat has agreed to negotiate.

I don't care if Arafat has agreed to the Tenet plan.

I don't care that we need to keep contacts with the Palestinians, we can do that anyway without subsidizing, and therefore legitimating, their activity.

We should not be funding terrorism, and that is all there is to it

The United States should not continue a policy which has utterly failed to curb the violence on the part of these radical Islamic terrorist groups that Arafat and the PLO have sway over.

Furthermore, American taxpayers should not be fooled into footing a bill for "humanitarian aid" when Arafat and his regime have no desire in their hearts to co-exist peacefully with the State of Israel.

When our land was so brutally attacked last fall, the President set a new agenda. He said, "From this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime."

Well, my colleagues, that is what Mr. Arafat and his minions are: a hostile regime.

Even Secretary Powell, in that "Meet the Press" interview conceded as much. He said that the United States has never shrunk from the accusation that the Palestinian Authority supports and harbors terrorism.

So why then, why are we taking tens of millions of dollars every year out of our taxpayer's pockets and sending it to the P.A. where it can be used to free up other money to build bombs that suicidal maniacs strap on themselves to blow up a café, or a schoolbus?

The bill I am offering today will put an end to that. I say no more money should be sent to anyone that will use it in a way that frees up Arafat to pay his bomb-building bills.

I say no more money that goes to destabilizing the powderkeg in the Middle East.

I say no more money for Arafat's new intifada against Israel.

My colleagues, I strongly urge you to stand with me on the side of Israel and against terrorism and to support this bill.

I ask unanimous consent that the text of bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION ON USE OF FISCAL YEAR 2003 FEDERAL FUNDS FOR SUPPORT OF PALESTINIAN AUTHORITY PENDING CESSATION OF TERRORIST ACTIVITIES BY PALESTINIAN AUTHORITY.

(a) CONTINGENT PROHIBITION ON AVAILABILITY OF FISCAL YEAR 2003 FUNDS.—Notwithstanding any other provision of law, no funds available to any department, agency, or other element of the Federal Government for fiscal year 2003 may be obligated or expended for the purpose, or in a manner which would have the effect, of supporting—

(1) the Palestinian Authority;

(2) any entity supported by the Palestinian Authority;

(3) any successor entity to the Palestinian Authority or an entity referred to in paragraph (2); or

(4) any private, voluntary organization for—

(A) projects related to the Palestinian Authority; or

(B) projects located in Palestine that would otherwise be undertaken by the Palestinian Authority or an entity referred to in paragraph (2) or (3).

(b) TERMINATION OF PROHIBITION.—The prohibition in subsection (a) shall cease to be effective upon the submittal by the President to Congress of a certification that neither the Palestinian Authority, nor any entity supported by the Palestinian Authority, has engaged in planning or carrying out any terrorist act during the six-month period ending on the date of the certification.

(c) SUPPORT.—For purposes of this section, support shall include direct and indirect support, whether such support is financial or otherwise, including support for the Holst Fund of the World Bank and the United Nations Relief and Works Agency.

By Mr. HUTCHINSON:

S. 2433. A bill to designate the facility of the United States Postal Service located at 1590 East Joyce Boulevard in Fayetteville, Arkansas, as the "Clarence B. Craft Post Office Building"; to the Committee on Governmental Affairs.

Mr. HUTCHINSON. Madam President, I rise today to introduce legislation to designate a United States postal facility in Fayetteville, AK in honor of one of America's greatest heroes and fellow Arkansan, Clarence B. Craft. This bill would name the facility at 1590 East Joyce Boulevard as the "Clarence B. Craft Post Office Building." Mr. Craft passed away on March 28, 2002, but left behind a legacy of kindness and courage. Prior to his passing he was one of only 148 living persons to be warded our Nation's highest award for actions above and beyond the call of duty, the Congressional Medal of Honor. Clarence Craft was an extremely humble person, and rarely talked about the accolades that made him a "special man" as he was described by those who knew him well. He spent the last twenty-five years of his life in northwest Arkansas giving selflessly of his time as a volunteer for the Veterans' Affairs Medical Center in Fayetteville. He was a true and dedicated friend to the veterans, one who lifted their spirits with personal visits, often visiting every patient in the hospital.

Clarence Craft's actions on May 31, 1945, are truly deserving of this recognition. On the island of Okinawa, then-Private First Class Craft launched a one-man attack against the Japanese defense on Hen Hill. Opposed by forces heavily armed with rifles, machine guns, mortars and grenades, Clarence Craft killed at least 25 enemy soldiers. His heroic efforts were the key to the U.S. forces' penetration of a defense that had repelled repeated, heavy assaults by battalion-sized U.S. formations for twelve days, and resulted in the entire defensive line crumbling.

I enthusiastically encourage my colleagues on both sides of the aisle to support this bill in honoring Clarence B. Craft, an American hero.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2433

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARENCE B. CRAFT POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 1590 East Joyce Boulevard in Fayetteville, Arkansas, shall be known and designated as the "Clarence B. Craft Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Clarence B. Craft Post Office Building.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 2434. A bill to suspend temporarily the duty on Hydrated hydroxypropyl methylcellulose; to the Committee on Finance.

Mr. SCHUMER. Madam President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. HYDRATED HYDROXYPROPYL METHYLCELLULOSE.

(a) IN GENERAL.—Subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States is amended by inserting in numerical sequence the following new heading:

"	9902.98.09	Hydrated hydroxypropyl methylcellulose; cellulose, 2-hydroxypropyl methyl ether; cellulose; hydroxylpropyl methyl ether (CAS No. 9004-65-3) (provided in subheading 3912.39.00)	Free	No change	No change	On or before 12/31/2005	".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

By Mr. SARBANES (for himself, Mr. DODD, Mr. SCHUMER, Ms. STABENOW, Mr. CORZINE, Mr. KERRY, Mr. KENNEDY, Mr. DURBIN, Ms. MIKULSKI, Mrs. CLINTON, Mrs. BOXER, Mr. WELLSTONE, Mr. TORRICELLI, Mr. DAYTON, and Mr. LEVIN):

S. 2438. A bill to amend the Truth in Lending Act to protect consumers against predatory practices in connection with high cost mortgage transactions, to strengthen the civil remedies available to consumers under existing law, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. SARBANES. Madam President, earlier today, I had a press conference with a number of my colleagues, Senators SCHUMER, STABENOW, CORZINE, and CLINTON, as well as Mayor DeStefano of New Haven, CT, Mayor McCollum from Richmond, VA, Wade Henderson, Executive Director of the Leadership Conference on Civil Rights, and Tess Canja, a member of the Board of AARP, to announce the introduction of the "Predatory Lending Consumer Protection Act of 2002."

When I took over as Chairman of the Committee on Banking, Housing, and Urban Affairs last year, I made it clear that one of my highest priorities would be to use the Committee as a way to shine a bright light on the deceptive and destructive practices of predatory lenders.

We then held a series of three hearings, starting in July of 2001 and continuing through January of this year, at which the Committee heard from housing experts, community groups, legal advocates, industry representatives and victims of predatory lending in an effort to determine how best to address this problem. The bill I am introducing this afternoon, along with 14 of my colleagues, represents the result of the recent work of the Committee, as well as efforts from the previous Congress.

In particular, this legislation builds on the excellent work of my colleagues in the Senate and Representative LAFALCE, with whom I introduced legislation on this topic in the last Congress.

Homeownership is the American Dream. We say this so often that there is a danger of the idea becoming almost trivial, or devoid of real meaning. But it pays to step back for a second and understand how true and fundamental this is.

Homeownership is the opportunity for Americans to put down roots and start creating equity for themselves and their families. Homeownership has been the path to building wealth for generations of Americans, wealth that can be tapped to send children to college, pay for a secure retirement, or simply work as a reserve against unexpected emergencies. It has been the key to ensuring stable communities, good schools, and safe streets. Common sense tells us, and the evidence confirms, that homeowners are more engaged citizens and more active in their communities.

Little wonder, then, that so many Americans, young and old, aspire to achieve this dream.

The predatory lending industry plays on these hopes and dreams to cynically cheat people out of their wealth. These lenders target lower income, elderly, and, often, uneducated homeowners for their abusive practices. And, as a study released today by the Center for Community Change so clearly indicates, they target minorities, driving a wedge between these families and the hope of a productive life in the economic and financial mainstream of America.

We owe it to these hardworking families to provide protections against these unscrupulous pirates.

Let me share with you one of the stories we heard at our hearings in July. Mary Ann Podelco, a widowed waitress from West Virginia, used $19,000 from her husband's life insurance to pay off the balance on her mortgage, thus owning her home free and clear. Before her husband's death, she had never had a checking account or a credit card. She then took out a $11,921 loan for repairs. At the time, her monthly income from Social Security was $458, and her loan payments were more than half this amount. Ms. Podelco, who has a sixth grade education, testified that after her first refinancing, "I began getting calls from people trying to refinance my mortgage all hours of the day and night." Within two years, having been advised to refinance seven times, each time seeing high points and fees being financed into her new loan, she owed $64,000, and lost her home to foreclosure.

Ms. Podelco's story is all too typical. Unfortunately, most of the sharp practices used by unscrupulous lenders and brokers, while unethical and clearly abusive, are perfectly legal. This bill is designed to address that problem by tightening the interest rate and fee triggers that define a high cost loan; the bill improves protections for borrowers receiving such loans by prohibiting the financing of exorbitant fees, "packing" in of unnecessary and costly products, such as credit life insurance, and limiting prepayment penalties. Finally, it protects these consumers' rights to seek redress by prohibiting mandatory arbitration, as the Federal Trade Commission proposed unanimously in 2000.

We cannot extol the virtues of homeownership, as we so often do, without seeking at the same time to preserve this benefit for so many elderly, minority, and unsophisticated Americans who are the targets of unscrupulous lenders and brokers. This legislation will help achieve this important goal.

Before closing, let me say that, in addition to the aforementioned AARP, Leadership Conference on Civil Rights, and Center for Community Change, CCC, this bill has been endorsed by the National Consumer Law Center, ACORN, the National League of Cities, National Consumer Reinvestment Coalition, Consumers Union, Consumer Federation of America, NAACP, the Self-Help Credit Union, and the U.S. Conference of Mayors.

Finally, I ask unanimous consent to print in the RECORD the Executive Summary of the new CCC study entitled "Risk or Race? Racial Disparities and the Subprime Refinance Market." While predatory lending is not by any means exclusively a problem of racial discrimination, this study demonstrates how much more minorities are forced to rely on subprime lending as a source of mortgage credit. Because predatory lending is concentrated in the subprime market, this study provides new evidence on why the protections provided by the Predatory Lending Consumer Protection Act are so important.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RISK OR RACE? RACIAL DISPARITIES AND THE SUBPRIME REFINANCE MARKET—A REPORT OF THE CENTER FOR COMMUNITY CHANGE

(Prepared by Calvin Bradford, Calvin Bradford & Associates, Ltd.)

EXECUTIVE SUMMARY

African-Americans and Hispanics are disproportionately represented in the subprime home refinance mortgage market. Surprisingly, this study finds that the disparity between whites and African-Americans and other minorities actually grows at upper-income levels and is greater for higher-income African-American homeowners than for lower-income white homeowners.

High levels of subprime mortgage lending represent markets where borrowers are paying unusually high costs for credit, while often depleting their home equity. Of particular concern are the consistent and pervasive racial disparities and concentration of subprime lending in communities of color and to borrowers of color at all income levels. The persistent racial patterns found in this analysis raise questions as to whether factors other than risk alone account for them.

These patterns exist in all regions and cities of all sizes, thereby raising concerns about the absence of prime conventional mortgage loans in these geographic areas. The subprime market is fertile ground for predatory lending, a disturbing part of the explosive growth in this market. Abusive credit practices in the subprime segment of the mortgage market are stripping borrowers of home equity they may spend a lifetime building. Thousands of families end up facing foreclosure, which destabilizes communities and often shatters families.

The subprime market provides loans to borrowers who do not meet the credit standards for borrowers in the prime market. Most subprime borrowers use the collateral in their homes for debt consolidation or other consumer credit purposes. The growth in subprime lending has benefitted credit-impaired borrowers, those who may have blemishes in their credit records, insufficient credit history, or non-traditional credit sources. When undertaken responsibly, subprime lending offers the opportunity to further expand lending markets to underserved populations.

However, research by the U.S. Department of Housing and Urban Development (HUD) and others has documented the waive of foreclosures occurring in the subprime market. High foreclosure rates for subprime loans indicate that many subprime borrowers are entering into mortgage loans they cannot afford. Thus, high levels of subprime lending indicate markets where borrowers have unusually high risks of losing their homes. The sheer geographic concentration of these loans, therefore, may have a significant negative impact not just on individual borrowers, but on entire neighborhoods. Foreclosed homes frequently remain vacant for extended periods, during which they are neglected. These vacant homes can depress property values and lead to neighborhood deterioration and disinvestment.

This study represents some important differences from previous work. It is national in scope, analyzing lending patterns in all 331 metropolitan statistical areas (MSAs), and ranking metropolitan areas by a variety of measures of subprime lending. It also includes a regional analysis, looking at the variations in lending patterns in different geographic regions within the country. The study focuses on single-family conventional refinance loans, where subprime lending is most concentrated, using 2000 data provided by the Federal Home Mortgage Disclosure Act. In addition to looking at lending patterns based on the race and income of the borrower, the study also analyzes the way these patterns play out at the neighborhood level and identifies the types of neighborhoods in which subprime loans are most concentrated. Finally, in conjunction with this study, the Center for Community Change is making available an important new national database on subprime lending, which is posted on our website at www.communitychange.org.

Our analysis is based on two key measures. One is the percentage of home refinance loans made to any given racial or ethnic group that are subprime. The second is a comparison between this figure and the percentage of subprime refinance loans made to white borrowers in the same geographic market. This comparison is expressed as a ratio, the "racial disparity ratio." A ratio of 1.0 indicates no disparity, a ratio above 1.0 indicates that minorities are receiving a higher proportion of subprime loans than whites. The higher the ratio, the greater the disparity between white and non-white borrowers.

KEY FINDINGS

This study documents the pervasive racial disparities in subprime lending. Placed in the context of previous research, this study supports the position that risk alone does not explain these racial disparities. Our three major findings are as follows:

1. There are significant racial disparities in subprime lending, and these disparities actually increase as income increases.

Lower-income African-Americans receive 2.4 times as many subprime loans as lower-income whites, while upper-income African-Americans receive 3.0 times as many subprime loans as do whites with comparable incomes.

Lower-income Hispanics receive 1.4 times as many subprime loans as do lower-income whites, while upper-income Hispanics receive 2.2 times as many of these loans.

At a level of 5.93, St. Louis has the nation's highest disparity ratio between upper-income African-Americans and upper-income whites. It was one of five metropolitan areas where this disparity ratio was greater than 4.0. In another 18 cities, this ratio was between 3.0 and 4.0.

2. High concentrations of subprime lending and racial disparities in subprime lending exist in all regions of the nation.

Each region contains metropolitan areas where the level of subprime lending is above the national average of 25.31%.

In 17 MSAs, the level of subprime lending is more than 1.5 times the national norm. Fourteen of these are in the Southeast or Southwest, 7 are in Texas. El Paso has the highest overall level of subprime loans in the nation: 47.28%.

For African-Americans, Hispanics and Native Americans, disparities exist in all regions of the country, reaching as high as 3.25 or more in the Midwest and Great Plains.

3. High concentrations of subprime lending and racial disparities occur in metropolitan areas of all sizes.

Twelve of the 17 metropolitan areas that have concentrations of subprime lending more than 1.5 times the national norm have populations below 500,000. For example, Enid, Oklahoma, the nation's smallest metropolitan area, ranks #12 in percentage of subprime lending. On the other hand, 4 of these 17 metropolitan areas are above 1 million in population.

When we examined disparity ratios for cities in different size categories, we found the highest disparity ratios for African-Americans, Hispanics and Native Americans in cities under 250,000 in population. For example, the highest disparity ratio for African-Americans is found in Kankakee, Illinois, with a population of 103,833 and a disparity ratio of 6.10. For Asians, the highest disparity ratios are generally found in cities between 500,000 and the 1 million in population.

ADDITIONAL RACIAL IMPACTS

In examining the racial dynamics of subprime lending, our research identified three distinct dimensions to the patterns: (a) high overall percentages of subprime loans made to African-Americans and Hispanics; (b) high disparity ratios when these percentages are compared to white borrowers; and, (c) high disparity ratios for neighborhoods with significant African-American and Hispanic residents as compared to white neighborhoods. Examples of these patterns include:

African-Americans

In every single metropolitan area, the percentage of subprime loans made to African-American borrowers was higher than the national norm of 25.31%. (Note: certain metropolitan areas were excluded from this calculation because they had fewer than 100 loans to African-Americans, which was the number we set as the threshold for this calculation.)

Buffalo, New York had the highest percentage of subprime loans to African-Americans, 74.53%.

There were no metropolitan areas where the disparity ratio for African-Americans fell below 1.64.

The highest disparity ratio for African-Americans was Kankakee, Illinois, at 6.10. This was followed by Albany, Georgia, (5.69) and Dothan, Alabama (5.23)

Chicago had the highest disparity ratio for African-American census tracts: 4.12. It was followed by Milwaukee (4.04) and Philadelphia (3.40). Eight metropolitan areas had disparity ratios above 3.0 for African-Americans census tracts; another 65 cities had disparity ratios above 2.0.

Hispanics

The highest percentages of subprime loans to Hispanic borrowers were found in El Paso, Texas, (52.36%) and San Antonio, Texas (51.46%).

San Jose, California, had a disparity ratio for Hispanics of 2.45, the highest in the nation. Fourteen metropolitan areas had disparity ratio above 2.0.

In Corpus Christi, Texas, 75.48% of refinance loans in Hispanic census tracts were subprime, the highest percentage of subprime loans in Hispanic tracts in the nation.

Albuquerque, New Mexico, had the highest disparity ratio for Hispanic census tracts, 2.59.

CONCLUSION

The persistent racial disparities in levels of subprime lending found in this analysis do not, in and of themselves, constitute conclusive proof that there is widespread discrimination in the subprime lending markets. These disparities do, however, raise serious questions about the extent to which risk alone could account for such patterns. Discrimination has been a persistent problem in the home finance markets in the United States. The history of mortgage lending discrimination adds weight to the need to explore more fully the role that discrimination plays in the subprime markets through either differential treatment of individual minority borrowers or through the effects of industry practices.

The issue of whether there is racial exploitation in the subprime markets essentially rests on two issues. First, are the disparities in subprime lending related to race? Second, can these disparities be fully explained by legitimate risk factors? Recent research suggests that risk alone does not explain the huge racial disparities that this study found across all income levels. Among the factors that influence the racial disparities in subprime lending:

The absence of active mainstream prime lenders in minority markets has increased the chances that borrowers in these communities are paying a high cost for credit. For example, the finding that racial disparities actually increase as income increases suggests that a portion of subprime lending is occurring with borrowers whose credit histories would qualify them for lower-cost, conventional, prime loans.

Both Fannie Mae and Freddie Mac, the publicly chartered secondary mortgage market enterprises, have questioned whether risk explains the use of subprimes loans.

Freddie Mac has estimated that from "10 to 30 percent of borrowers who obtained mortgages from the subprime market could have qualified for a conventional loan through Loan Prospector" (Freddie Mac's automated underwriting system). (See Freddie Mac, "We open Doors for America's Families," Freddie Mac's Annual Housing Report for 1997).

Subprime refinance lending tends to be "sold" to customers rather than "sought" by them. Subprime lenders aggressively market their loans to potential borrowers. These marketing techniques disproportionately target minority market segments, often to homeowners with considerable equity in their homes. Since mainstream prime lenders are absent from many of these same communities, homeowners are more susceptible to being persuaded that the more expensive subprime loans are all that is available to them.

There is other evidence that risk factors do not explain racial differences in the use of subprime lending. A recent study by the research Institute for Housing America concluded, "after controlling for borrower income, debt, and credit history, racial groups behave differently." (See Pennington-Cross, Yezer, and Nichols, Credit Risk and Mortgage Lending: Who Uses Subprime and Why? Research Institute for Housing America (2000).) Specifically, the study noted that minorities are more likely to use subprime lending than whites.

Subprime lending may provide certain borrowers with access to credit they could not otherwise obtain in the prime markets. However, the wide disparities in subprime lending to African-Americans and Hispanics at all income levels, suggest that factors other than risk may be at work. Further, the pervasiveness of subprime lending in communities of color, in all regions and in metropolitan areas of all sizes, raises important public policy concerns about possible adverse implications stemming from these heavy geographic concentrations. It also suggests that minority homeowners may be particularly vulnerable to predatory lenders, which by most accounts target communities with high levels of subprime lending.

By Mr. SPECTER (for himself, Mrs. FEINSTEIN, Mr. HATCH, Mr. KENNEDY, Mr. HARKIN, Mrs. BOXER, Mr. DURBIN, Mr. MILLER, Mr. CORZINE, Ms. MIKULSKI, Mrs. CLINTON, and Mr. THURMOND):

S. 2439. A bill to prohibit human cloning while preserving important areas of medical research, including stem cell research.

Mr. SPECTER. Madam President, I have sought recognition to introduce legislation to prohibit human cloning while preserving important areas of medical research, including stem cell research.

I introduce this legislation on behalf of Senator FEINSTEIN, Senator KENNEDY, Senator HATCH, Senator HARKIN, Senator BOXER, Senator DURBIN, Senator THURMOND, Senator MILLER, Senator CORZINE, Senator MIKULSKI, Senator CLINTON—and I do believe there will be other cosponsors joining that parade.

Stem cells offer enormous hope for solving some of the most tragic illnesses confronting Americans—and for that matter people worldwide. In November of 1998, stem cells burst on the scene, holding this unique promise. Stem cells are extracted from embryos, and they may be used to replace defective cells in the human body. For example, enormous progress has been made on conquering Alzheimer's, conquering Parkinson's, on cancer, on heart ailments, and many other illnesses.

A controversy arose because they came from embryos and embryos can produce life. Embryos are characteristically or customarily created for in vitro fertilization. Normally, about a dozen are created, maybe three or four are used, and the rest are discarded. It is from those discarded embryos that the stem cells are extracted. If all of those embryos could turn into human life, that would obviously be the very best use of those embryos. But there are some 100,000 in storage, and it is a practical impossibility for those embryos to be used for human life.

In last year's appropriation bill coming out of the subcommittee of Labor, Health, Human Services and Education, where I am the ranking member, $1 million was appropriated to promote adoption of embryos. We are now working on legislation to give a tax credit for people who use the embryos for adoption. But since there are so many of these embryos which are not going to be utilized for adoption purposes, and the alternatives are either to discard them or to use them, then it makes good sense to use them to save lives.

There is general repugnance against reproductive cloning. The legislation which we are introducing now would ban reproductive cloning and impose very substantial criminal penalties.

Unfortunately, the scientists use a term, "therapeutic cloning," which has led to confusion and has given a process known as nuclear transplantation a bad name. Essentially what nuclear transplantation is, it is to take DNA from a cell of a person who has Parkinson's and then insert that in a egg of a woman with the DNA removed. Then the stem cells which are produced from that egg are compatible with the donor's DNA. For example, those stem cells could be used to combat the Parkinson's which that individual has.

The legislation contains very substantial protections to be sure that in the course of this nuclear transplantation none of this will be implanted in the womb of a woman or otherwise used to produce human cloning, reproductive cloning—cloning of a person. There are very tough criminal penalties attached.

To Reiterate, over the past 4 years, the Labor, Health and Human Services and Education Appropriations Subcommittee has held 14 hearings at which scientists, patients, and ethicists have described the promise of stem cell research and nuclear transplantation to produce stem cells. A problem arises from the fact that scientists misnamed the promising technique of nuclear transplantation to produce stem cells. In calling this technique therapeutic cloning, scientists used a word, which for many Americans, conjures up grotesque images from bad science fiction movies: mad scientists, bubbling test tubes, and row after row of zombie-like creatures.

Most Americans equate the word cloning with human reproductive cloning, where a carbon copy of a person is created in a process that also gave us Dolly the sheep and CC the cat. By this definition so-called therapeutic cloning is not really cloning at all. It is a process that creates embryonic stem cells genetically matched to a patient for the purpose of repairing unhealthy or injured tissue.

For example, if a patient has heart damage, the genetic material from one of his cells could be transplanted into a human egg cell that has had its genetic material removed. After a time, stem cells are produced, coaxed into becoming heart cells, and transplanted into the damaged heart to restore function. Because the cells are an exact match of the patient's cells, no rejection would occur. Scientists have suggested that this procedure is better termed nuclear transplantation to produce stem cells.

Embryonic stem cells can be coaxed into becoming any of the more than 200 types of cells in the human body, and therefore may be used to treat a vast array of diseases and disorders including heart disease, Parkinson's disease, diabetes, paralysis, Alzheimer's disease, and severe burns. Scientists at the National Academy of Sciences estimate that the combination of nuclear transplantation and stem cell therapies could spare the lives of 170,000 Americans each year.

History shows us the devastating effects of tying the hands of scientists for ideological reasons. Galileo was imprisoned for his support of Copernicus' theory that the planets revolve around the sun. Pope Boniface VIII banned the practice of cadaver dissection in the 1200's. This set back the understanding of human anatomy and the practice of medicine for over 300 years. In the 1800's, the Scottish Calvinist Church objected to the use of anesthesia during labor because the "pain of childbirth was God's will." Let us not repeat the mistakes of history.

Recently 40 American Nobel laureates stated that:

> legislation [that would ban all cloning] would foreclose the legitimate use of nuclear transplantation . . . and impede progress against some of the most debilitating diseases known to man.

Former Presidents Ford and Carter have written to President Bush stating their opposition to reproductive cloning and their strong support for nuclear transplantation to produce stem cells. I believe that when the facts are weighed there will be strong bipartisan support for such a policy.

As I said, today, I, along with Senators FEINSTEIN, KENNEDY, HATCH, HARKIN, BOXER, DURBIN, MILLER, CORZINE, MIKULSKI, CLINTON, and THURMOND am introducing a bill which would prohibit human cloning while preserving important areas of medical research, including nuclear transplantation to produce stem cells.

Let me review the key provisions of the bill. It would prohibit human reproductive cloning by imposing a criminal penalty of up to 10 years in prison and a civil penalty of at least one million dollars. It would allow medical research into nuclear transplantation to produce stem cells, also known as therapeutic cloning, thereby allowing promising research towards cures for a vast array of diseases to go forward. It would apply strict Federal ethical requirements to all nuclear transplantation research. These include informed consent, an ethics board review, and protections for the safety and privacy of research participants. The legislation imposes a **$250,000** civil penalty for violation of the ethics requirements.

I believe that the Senate should act quickly to ban human cloning. In the process, we must preserve important areas of medical research, such as nuclear transplantation to create stem cells. The bill that I and my colleagues have introduced will do that in an ethical and moral way.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Human Cloning Prohibition Act of 2002".

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Human cloning is unsafe, immoral, and unacceptable.

(2) Federal legislation should be enacted to prohibit anyone from attempting to conduct human cloning, whether using Federal or non-Federal funds.

(3) To deter human cloning, any attempt to create a human clone should be a felony subject to severe punishment.

(4) The National Academies (including the National Academy of Sciences and the Institute of Medicine) and the National Bioethics Advisory Commission recommended that any legislative action undertaken to ban human cloning should be careful not to interfere with important areas of scientific research, such as nuclear transplantation to produce stem cells.

(5) The National Academies found that there are significant differences between human cloning and nuclear transplantation. Specifically, the Academies determined that, unlike human cloning, the creation of embryonic stem cells by nuclear transplantation does not involve implantation of an embryo in a uterus and thus cannot produce a complete, live-born animal (that is, a "clone").

(6) The National Academies found that scientific and medical considerations that justify a ban on human cloning are not applicable to nuclear transplantation.

(7) The National Academies concluded that nuclear transplantation has great potential to increase the understanding and potential treatment of various diseases and debilitating disorders, as well as our fundamental biological knowledge. These diseases and disorders include Lou Gehrig's disease, Parkinson's disease, Alzheimer's disease, spinal-cord injury, cancer, cardiovascular diseases, diabetes, rheumatoid arthritis, and many others.

(8) The National Academies determined that nuclear transplantation research could improve our ability to transplant healthy tissue derived from stem cells into patients with damaged or diseased organs. Such research could greatly reduce the likelihood that a person's body would reject that tissue and also help obviate the need for immunosuppressive drugs, which often have severe and potentially life-threatening side effects.

(9) Based on these expert conclusions and recommendations and other evidence, nuclear transplantation is a valuable area of research that could potentially save millions of lives and relieve the suffering of countless others, and thus should not be banned.

(10) The National Academies recommended that nuclear transplantation experiments should be subject to close scrutiny under the Federal procedures and rules concerning human-subjects research.

(11) Given the need for additional oversight in this area, strict ethical requirements for human subjects research, including informed consent, safety and privacy protections, and review by an ethics board, should be prescribed for all research involving nuclear transplantation, whether using Federal or non-Federal funds.

(12)(A) Biomedical research and clinical facilities engage in and affect interstate commerce.

(B) The services provided by clinical facilities move in interstate commerce.

(C) Patients travel regularly across State lines in order to access clinical facilities.

(D) Biomedical research and clinical facilities engage scientists, doctors, and others in an interstate market, and contract for research and purchase medical and other supplies in an interstate market.

SEC. 3. PURPOSES.

It is the purpose of this Act to prohibit human cloning and to protect important areas of medical research, including stem cell research.

SEC. 4. PROHIBITION ON HUMAN CLONING.

(a) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 15, the following:

"CHAPTER 16—PROHIBITION ON HUMAN CLONING

"Sec.
"301. Prohibition on human cloning.

"§ 301. Prohibition on human cloning

"(a) DEFINITIONS.—In this section:

"(1) HUMAN CLONING.—The term 'human cloning' means implanting or attempting to implant the product of nuclear transplantation into a uterus or the functional equivalent of a uterus.

"(2) HUMAN SOMATIC CELL.—The term 'human somatic cell' means any human cell other than a haploid germ cell.

"(3) NUCLEAR TRANSPLANTATION.—The term 'nuclear transplantation' means transferring the nucleus of a human somatic cell into an oocyte from which the nucleus or all chromosomes have been or will be removed or rendered inert.

"(4) NUCLEUS.—The term 'nucleus' means the cell structure that houses the chromosomes.

"(5) OOCYTE.—The term 'oocyte' means the female germ cell, the egg.

"(b) PROHIBITIONS ON HUMAN CLONING.—It shall be unlawful for any person or other legal entity, public or private—

"(1) to conduct or attempt to conduct human cloning; or

"(2) to ship the product of nuclear transplantation in interstate or foreign commerce for the purpose of human cloning in the United States or elsewhere.

"(c) PROTECTION OF RESEARCH.—Nothing in this section shall be construed to restrict practices not expressly prohibited in this section.

"(d) PENALTIES.—

"(1) CRIMINAL PENALTIES.—Whoever intentionally violates paragraph (1) or (2) of subsection (b) shall be fined under this title and imprisoned not more than 10 years.

"(2) CIVIL PENALTIES.—Whoever intentionally violates paragraph (1) or (2) of subsection (b) shall be subject to a civil penalty of **$1,000,000** or three times the gross pecuniary gain resulting from the violation, whichever is greater.

"(3) FORFEITURE.—Any property, real or personal, derived from or used to commit a violation or attempted violation of the provisions of subsection (b), or any property traceable to such property, shall be subject to forfeiture to the United States in accordance with the procedures set forth in chapter 46 of title 18, United States Code.

"(e) RIGHT OF ACTION.—Nothing in this section shall be construed to give any individual or person a private right of action.".

(b) ETHICAL REQUIREMENTS FOR NUCLEAR TRANSPLANTATION RESEARCH.—Part H of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by adding at the end the following:

"SEC. 498C. ETHICAL REQUIREMENTS FOR NUCLEAR TRANSPLANTATION RESEARCH, INCLUDING INFORMED CONSENT, INSTITUTIONAL REVIEW BOARD REVIEW, AND PROTECTION FOR SAFETY AND PRIVACY.

"(a) DEFINITIONS.—In this section:

"(1) HUMAN SOMATIC CELL.—The term 'human somatic cell' means any human cell other than a haploid germ cell.

"(2) NUCLEAR TRANSPLANTATION.—The term 'nuclear transplantation' means transferring the nucleus of a human somatic cell into an oocyte from which the nucleus or all chromosomes have been or will be removed or rendered inert.

"(3) NUCLEUS.—The term 'nucleus' means the cell structure that houses the chromosomes.

"(4) OOCYTE.—The term 'oocyte' means the female germ cell, the egg.

"(b) APPLICABILITY OF FEDERAL ETHICAL STANDARDS TO NUCLEAR TRANSPLANTATION RESEARCH.—Research involving nuclear transplantation shall be conducted in accordance with subparts A and B of part 46 of title 45, Code of Federal Regulations (as in effect on the date of enactment of the Human Cloning Prohibition Act of 2002).

"(c) CIVIL PENALTIES.—Whoever intentionally violates subsection (b) shall be subject to a civil penalty in an amount that is appropriate for the violation involved, but not more than $250,000.

"(d) ENFORCEMENT.—The Secretary of Health and Human Services shall have the exclusive authority to enforce this section.".

Mrs. FEINSTEIN. Mr. President, I rise to join my colleagues Senators SPECTER, KENNEDY, HATCH, HARKIN and THURMOND to introduce legislation banning human cloning, but permitting valuable stem cell research to continue.

At the dawn of a new era in medicine, it would be unconscionable for Congress to prohibit medical research that offers hope to so many people with crippling and often incurable diseases. There is broad agreement across our society that human reproductive cloning should be prohibited. And our bill bans human reproductive cloning. But there is also widescale support to continue research that may yield cures for paralysis, cancer, Parkinson's disease, Alzheimer's and so many other illnesses. And our bill allows this important research to continue. Simply put, nuclear transplantation research has nothing to do with cloning humans. Rather, it has everything to do with saving lives and alleviating suffering.

The legislation we are introducing today bans human reproductive cloning, that is, creating a whole-body, carbon copy of a human being. Such cloning is unsafe, immoral, and unacceptable. Under the bill, anyone who even attempts human cloning will be subject to 10 years in jail and a minimum $1 million fine. However, the bill does not ban somatic cell nuclear transplantation. This is a technique that offers enormous potential for providing cures for diseases such as cancer, diabetes, cystic fibrosis, and heart disease as well as conditions such as spinal cord injuries, liver damage, arthritis, and burns.

Somatic cell nuclear transplantation works like this: 1. The nucleus, that is, the DNA, is taken from the body cell of a sick person; 2. It is then injected into an unfertilized egg from which the nucleus has been removed; and 3. The egg is stimulated to divide and produce stem cells. These stem cells can potentially grow into any organ or tissue. This "new" organ or tissue would have the same DNA as the sick person and thus can be implanted without rejection by the person's body. This could save the lives of the thousands of people every year waiting for an organ or tissue to be donated or who receive a transplant but suffer complications from powerful immuno-suppression drugs.

Today, almost 80,000 Americans are waiting for organ transplants, while hundreds of thousands more need tissue transplants. Nuclear transplantation research offers many other applications as well. It could be used to produce human proteins such as blood clotting factors that aid in healing wounds. It could yield information on stem cell differentiation, providing valuable information about the mechanism of aging and the cause of cancer. It could even be used to find a cure for cancer by teaching us how to reprogram cells. However, we must acknowledge that nuclear transplantation research, like all scientific and medical research involving human diseases and conditions, involves complex ethical issues.

Currently, this research is largely unregulated in the private sector. That is why this legislation would impose a number of ethical requirements on it, including informed consent, an ethics board review, and protections for the safety and privacy of research participants. These regulations are found in Subparts A and B of 45 CFR 46 and are incorporated in full into the bill we introduce today. Currently, these regulations apply to any research done or funded by the federal government. Our legislation would extend the regulations to all research involving somatic cell nuclear transplantation.

The bottom line is that these regulations will prevent exploitation of women as part of nuclear transplantation research and, more generally, require that researchers do this research in an ethical manner. These regulations are already routinely applied to government-funded researchers who do research on human subjects, and they seem to have worked well. Moreover, the bill provides that anyone engaging in unethical nuclear transplantation research would face up to a $250,000 fine.

I ask unanimous consent that a summary of Subparts A and B of 45 CFR 46 be printed in the RECORD directly following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Ms. FEINSTEIN. I would also add that I believe that there may be a need for even greater oversight over nuclear transplantation research than is provided in the bill we introduce today.

I intend to work with my colleagues to strengthen this legislation further before it is enacted. There may well be a need to include additional provisions for regulation and oversight. For one thing, I believe that we should add the full text of Subparts A and B of 45 CFR 46 to this legislation to make clear what the bill actually says. And I will work with my colleagues to do so. Unfortunately, competing legislation goes far beyond such regulation. It would completely ban nuclear transplantation—criminalizing scientific research that offers the promise of saving the lives of millions and relieving the suffering of countless others. In fact, it would even make it a crime for a doctor to cure a patient if that cure was developed overseas from nuclear transplantation research.

I strongly oppose such legislation. I believe that passing such a sweeping ban would be a huge mistake. As is the case with many medical technologies, it is not stem cell research techniques that are the problem, but some of their potential applications. The scientific and medical evidence is overwhelming that nuclear transplantation offers the promise of curing many deadly diseases and debilitating conditions. As Professor Irving Weissman, chair of the National Academies' panel on cloning, testified before a Judiciary Committee hearing I chaired, "[T]here are no scientific or medical reasons [for banning nuclear transplantation], and such a ban would certainly close avenues of promising scientific and medical research." In fact, over 80 major organizations and associations have already come out in favor of our approach.

These include the American Medical Association, National Health Council, Parkinson's Action Network, Juvenile Diabetes Research Foundation, and Federation of American Societies for Experimental Biology, which represents over 600,000 medical researchers around the country. Moreover, the leading blue-ribbon scientific and medical panels that have examined the cloning issue have also supported our approach.

The National Bioethics Advisory Commission, the National Academies' Panel on Scientific and Medical Aspects of Human Cloning, and the California Advisory Committee on Human Cloning all concluded that we should ban human reproductive cloning, but not interfere with important areas of scientific research, including nuclear transplantation.

I have been very moved by the many sick people and their relatives that have contacted me and told me that my legislation offers them hope. One of the most compelling stories is that of Kris Gulden who testified at our hearing on the subject. Ms. Gulden, a former veteran police officer, received several awards for her outstanding law enforcement work. She also maintained an active schedule outside the office, including winning the women's triathalon gold medal in August 1996 at the biannual International Police Olympics in Salt Lake City. Tragically a car struck Ms. Gulden while she was training for the 1998 AIDS Ride, leaving her with a severe spinal cord injury. That accident changed her life. Nine days before the accident, she was participating in a triathalon in Memphis. Nine days after the accident, she was left exhausted just trying to brush her teeth. I'll never forget her words: "In my dreams, I still walk. I run, I play basketball, and I wear the uniform of the Alexandria Police Department. When the sun rises each morning, it brings reality with it. I rise to the sight of a wheelchair, yet I rise with the hope that maybe this will be the morning that I can move my legs."

In the face of the enormous promise of nuclear transplantation research, it is difficult to see why anyone wants to dash the hopes of Kris Gulden and the millions of others facing debilitating and painful illnesses and ailments. As former Senator Connie Mack has testified before the Senate:

> A cell isn't human life if it hasn't been fertilized by a sperm and placed in the womb" and '[t]he research value of these cells is enormous. They have the potential to form any cell in the body and can reproduce indefinitely. Studies in animals demonstrate that this could lead to cures and treatments for millions of people.

The legislation we introduce today would ban human reproductive cloning and preserve valuable medical research. I urge my colleagues to support this bill.

I would also ask unanimous consent that several letters I have received supporting the Specter-Feinstein-Kennedy-Hatch approach to cloning be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT STEERING COMMITTEE
FOR PUBLIC POLICY,
Bethesda, MD, April 9, 2002.

Hon. ORRIN G. HATCH,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATCH: I am writing to seek your help with efforts being made by many disease advocacy groups and by many of us in the scientific community to protect highly valuable scientific research from an overzealous legislative proposal intended to prohibit the cloning of human beings.

The measure in question, S. 1899, introduced by Senator Brownback and others, would, in effect, establish criminal penalties for three things: (i) attempts to produce a human being by methods that include transfer of a somatic cell nucleus ("nuclear transfer") and placement of any resulting embryos into a uterus; (ii) the transfer of a human cell nucleus into an egg cell for any purposes; and (iii) the important of any products of nuclear transfer, including those used for medical treatment.

No scientist of my acquaintance believes that it is currently appropriate or safe, even if it were feasible, to undertake the complex process intended to result in the birth of a cloned human being. For that reason, you are unlikely to hear objections to the first prohibition established by the Brownback bill, even from those who may question whether legislation and criminal penalties are useful instruments for preventing attempts at cloning that might be undertaken by irresponsible individuals.

The second and third prohibitions, however, are deeply disturbing to many people, including those of use who have given considerable thought to the difficult ethical issues presented by these new technologies. The third prohibition is inappropriately punitive in the more obvious way: it could lead to punishment of seriously ill patients who have gone abroad to seek novel treatments that are unavailable in this country because they are based on nuclear transfer. But the second prohibition is troubling in a more profound way. For the first time in my experience, an American law would create criminal penalties for the use of a highly promising scientific method, regardless of the intent of the investigator, and would threaten to delay development of new therapies for common diseases.

To appreciate our concerns, it is important to understand the nature of what is called "nuclear transfer". Recent studies with experimental animals show that a cell nucleus containing all, but expressing only some, of the genes of an organism can undergo extensive changes, or "reprogramming", when moved from one cell environment to another. This means that a nucleus from a highly specialized cell—for example, a skin call—can radically revise the set of genes that it uses when it is put into another cell, such as an egg cell, from which the pre-existing nucleus has been removed. In the new environment of the recipient cell, the genes in the nucleus appear to function as appropriate to that environment.

Thus, when the recipient cell is an egg, the genes regain the ability to direct the progeny cells, which arise by division, to form nearly any of the many cell type that are found in a mature organism, if the cells are coaxed to do so by appropriate stimuli. This phenomenon has the potential to lead to great things a deeper understanding of human development, important insights into disease mechanism, and the abundant production of normal cells of virtually any type, which could then be used to treat a wide variety of diseases. Moreover, if a parent is the source of the transplanted, reprogrammed nucleus, the normal cells could be used to treat that individual without fear of immune rejection.

Clearly we have a lot to learn before we can efficiently apply nuclear transfer and reprogramming to medical purposes—most obviously, we need to learn the best recipes to foster reprogramming and development into the various cell types. But studies with certain animal models of disease already show that these strategies can work, and the fundamental discoveries that have emerged from work with nuclear transfer offer legitimate hope for still greater discoveries in the future.

Unfortunately, the opportunities make such discoveries and develop new therapies may well be denied to American scientists because of any inappropriate equation of the method used in reprogramming cells (nuclear transfer) and the goal of cloning whole organisms. This confusion is based in part on the use of nuclear transfer in an otherwise very different multi-step process that led ultimately to the birth of Dolly the sheep and other cloned animals. Indeed, S. 1899 considers transfer of a human somatic cell nucleus into an nucleated human egg for the purpose of reprogramming to be a punishable act of human cloning.

It is crucial to emphasize how nuclear transfer, the reprogramming step, differs from attempts to generate a full-fledged organism. Absent transfer to a uterus, the cells that result from nuclear transfer into an egg cytoplasm will not form the complex and organized collection of cell types that characterize a developing organism. The initial aggregate of fewer than 200 cells, formed after introduction of a nucleus into an egg, lacks the recognizable types of cells that are needed to develop into the organs of a human being, and it is barely visible to the naked eye. Individual cells from this aggregate, however, can be used to develop stem cell lines, to study development of specialized cell types in a Petri dish, and to prepare materials for cell-based therapies.

Furthermore, in the future, it is possible that cell reprogramming can be carried out in ways that do not involve the use of human egg cells or nuclear transfer itself. The chemicals in the cytoplasm of an egg cell that guide reprogramming have not yet been identified, but when they are it will be possible to use other cells and even simpler defined recipes to reprogram adult cells. Of course, these things will never happen, at least in this country, if the use of nuclear transfer to human eggs is outlawed.

The Brownback bill that we are worried about today closely resembles a bill (S. 1601) proposed in 1998 by Senator Bond and others. At that time, you helped to derail the passage of that ill-considered measure with an insightful letter to one of the bill's sponsors and a speech on the Senate floor. Many of my colleagues and I believe that the concerns you raised then about the need to "ban cloning of human beings but do so in a way that allows, to the extent ethically proper, valuable research to continue" are still valid. For that reason, I hope you will join us in opposing S. 1899.

Thank you for your consideration of my views on this important legislation. Needless to say, I am prepared to discuss any of the points I have made with you or your staff at any time.

With best personal regards,

HAROLD VARMUS,
Chair, Joint Steering Committee for Public Policy.

CALIFORNIA INSTITUTE OF TECHNOLOGY,
Pasadena, CA, April 8, 2002.

Senator ORRIN G. HATCH,
Hart Office Building,
Washington, DC.

DEAR SENATOR HATCH: I am writing in opposition to the Brownback bill on cloning.

I am a Nobel Laureate who has worked for 40 years in basic biological science and biotechnology. I have seen how a glimmer of an idea can grow to transform a technology, and I have great faith in the ability of basic science to create miraculous treatments for medical conditions.

The use of nuclear transfer into the embryonic cells for reproductive purposes (so-called reproductive cloning) is a technology that is a long way from being safe enough to be used to create human beings. So, issues of morality aside, I am totally opposed to using cloning technology for human reproduction. All of my colleagues with whom I have talked are equally opposed, but I am aware that there are people threatening to try to carry out the procedure. Thus, I support a legislative ban on reproductive cloning. I hope that any such ban will have a sunset clause so that in 5 years the question can be revisited.

There is another use of somatic cell nuclear transfer into early embryonic cells that is quite different from the process of reproductive cloning. This is often called therapeutic cloning, although that is a terminology that many people find confusing. Such nuclear transfer could be used to produce individual stem cells that may have extraordinary medical value. It is also a valuable technique for probing the causes of genetic diseases. Twice this week, I have heard of new advances that make such a technology increasingly promising. Furthermore, the procedure whereby mouse cells derived by somatic cell nuclear transfer can be used therapeutically has just been described in the journal Cell, erasing any doubt about the feasibility of the method. Thus, it would be a great loss to medical science for somatic cell nuclear transfer for therapeutic use to be legislatively banned.

I am aware that there are bills in the Senate that would fit the requirements that I have set out. Senator Feinstein of my state along with Senator Kennedy has proposed such a bill as has Senators Specter and Harkin. They make the distinction between banning nuclear transfer for reproductive purposes and continuing to allow nuclear transfer for research and therapeutic purposes. These are bills that I can support.

Sincerely yours,

DAVID BALTIMORE,
President.

AMERICAN ASSOCIATION FOR THE
ADVANCEMENT OF SCIENCE,
Washington, DC, February 28, 2002.

DEAR SENATOR: The Board of Directors of the American Association for the Advancement of Science (AAAS) recently adopted a policy statement on human cloning. I am enclosing a copy for your attention.

Citing the serious risks associated with the procedure, the AAAS statement supports a legally enforceable ban on human reproductive cloning. At the same time, however, it backs stem cell research using cells derived with nuclear transplantation techniques, a procedure sometimes called therapeutic or research cloning. Such research offers enormous potential health benefits. However, because it also raises serious ethical, social, and religious concerns, it must be conducted under close scrutiny by the federal government.

AAAS is the world's largest general scientific society with over 135,000 individual members and 275 affiliated societies representing all fields of science and engineering. Founded in 1848, it is also the publisher of Science magazine and has long been a leader in promoting ethical and responsible science.

Sincerely,

ALAN I. LESHNER,
Chief Executive Officer.

Enclosure.

AAAS STATEMENT ON HUMAN CLONING

The American Association for the Advancement of Science (AAAS) recognizes the intense debates within our society on the issue of human cloning. Since 1997, AAAS has engaged the public and various professional communities in dialogue on the scientific and social issues associated with human cloning and stem cell research. Those experiences form the backdrop for this statement on human cloning.

BAN REPRODUCTIVE CLONING

AAAS endorses a legally enforceable ban on efforts to implant a human cloned embryo for the purpose of reproduction. The scientific evidence documenting the serious health risks associated with reproductive cloning, as shown through animal studies, make it unconscionable to undertake this procedure. At the same time, we encourage continuing open and inclusive public dialogue, in which the scientific community is an active participant, on the scientific and ethical aspects of human cloning as our understanding of this technology advances.

SUPPORT STEM CELL RESEARCH (INCLUDING "RESEARCH CLONING")

AAAS supports stem cell research, including the use of nuclear transplantation techniques (also known as research or therapeutic cloning), in order to realize the enormous potential health benefits this technology offers. Such benefits are likely to be many years away. If they are to be realized at all, however, it will only be through carefully designed research subject to peer review. Because there are religious, ethical, and social concerns raised by the prospect of creating stem cells for research purposes, we believe that research cloning should only proceed under close scrutiny by the federal government over both the public and private sectors.

EXERCISE APPROPRIATE OVERSIGHT

A thorough assessment of existing guidelines and policy, including consideration of possible new regulations specific to this type of research, should be undertaken in light of the concerns surrounding it.

Adopted by the AAAS Board of Directors, Boston, Massachusetts, February 14, 2002.

THE AMERICAN SOCIETY
OF HUMAN GENETICS,
Bethesda, MD, February 5, 2002.

Hon. DIANNE FEINSTEIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINSTEIN: The American Society of Human Genetics (ASHG) is a society of researchers and professionals in human genetics that represents nearly 8000 scientists, physicians, nurses, genetic counselors, and students actively engaged in genetic discovery, teaching, and application of knowledge of human genetics and the human genome.

As a major scientific organization whose members have broad expertise and interest in matters related to human genetics, and in the application of genetic knowledge to the well being of people, the Society strives to be extremely thoughtful, thorough and ethical in pondering many of the scientific issues raised in public debate today. As stewards of the field of human genetics elected by the membership of the Society, the Board of Directors of ASHG affirms that basic research and the development of future applications of that research require the ongoing commitment to scientific integrity and social responsibility that has served our organization well for the last 50 years. In other words, scientists must proceed with commitment to rigorous critical evaluation and a heightened sense of responsibility to the patients who entrust their life and health to us.

In concert with these principles, it is important for you and your colleagues to know that the ASHG concurs wholeheartedly with your bill "The Human Cloning Prohibition Act" that bans reproductive human cloning but is finely crafted so as not to prohibit new and evolving techniques that could potentially change the course of human illness as we know it today so that the collective quality of life is enhanced for all of us. Dr. Bert Vogelstein, in his testimony before the Labor Health and Human Services subcommittee on December 4, 2001, so eloquently captured the distinction surrounding two very different medical endeavors—regenerative medicine and the cloning of a human—the former being the potential key to the problem of immune rejection, the latter being morally and medically unacceptable.

In closing, the Senate must be sure that any legislative action only bans cloning to create a human being and does no harm to legitimate biomedical research. Each Senate vote on proposed legislation must make this distinction clear or any ban would have profound negative impact on the advances that have been made thus far in this pioneering and exciting field.

We congratulate you and your fellow senators for your insight and conviction to advancing the field of biomedical research.

Sincerely yours,

DR. P. MICHAEL CONNEALLY,
ASHG President.
DR. JOANN A. BOUGHMAN,
ASHG Executive Vice President.

APRIL 12, 2002.

CLOSING MINDS TO STEM CELL RESEARCH

The United States Senate is about to consider legislation that will determine the fate of a remarkable new form of medical research known colloquially as "therapeutic cloning". The research could lead to unprecedented treatments for human disease, but has fallen prey to the confused debate over human stem cell research on the one hand, and the prospects of creating a cloned person on the other—two very different exercises that are now intricately entwined.

The debate has its roots in the medical potential of human stem cells. All the tissues in our bodies arise from stem cells that are found in the early human embryo. Over the past several years, scientists have learned how to isolate and propagate human stem cells. There is hope that we will eventually be able to use these cells to more effectively treat cancer, diabetes, spinal cord injury, Alzheimer's and Parkinson's diseases, and others. This prospect has inspired great hope among individuals with ailments that had previously seemed incurable.

Human stem cells can be isolated in several ways. The most visionary approach utilizes a procedure that was first dubbed "therapeutic cloning", but should more accurately be termed "somatic cell nuclear transfer" or simply "nuclear transplantation". To perform nuclear transplantation, scientists replace the genetic material of an unfertilized human egg with that from an adult cell. The egg is then induced to proliferate into a primitive structure known as the "blastocyst", from which stem cells can be harvested. Tissue derived from such stem cells would be immunologically compatible with the donor of the genetic material, thus circumventing rejection of the tissue when it is transplanted into the donor in order to renew a failing organ.

Blastocysts produced by nuclear transplantation can also be implanted into the uterus in order to produce fully developed organisms that are genetically identical to the original donors—"clones" such as the celebrated sheep Dolly. The prospect of using such "reproductive cloning" to create humans is repugnant to most scientists and the general public alike. Consequently, there is widespread support for legislation that would prohibit the production of human clones.

But the use of nuclear transplantation to obtain stem cells is another matter. At the time stem cells would be isolated from blastocysts produced by nuclear transplantation, the structures are no larger than the head of a small pin, of the order of 100–150 cells, and have no distinctive tissues—in particular, no neural tissue. Moreover, they have been obtained artificially, without even the intervention of fertilization, and will not be used to produce cloned individuals. They are biologically akin to the very early embryos produced in fertility clinics by fertilization in test tubes, except that they contain the genes of only one individual rather than those of two. The U.S. condones the discard of surplus embryos made in fertility clinics. Why should it criminalize the medical use of blastocysts produced by nuclear transplantation? Unfortunately, the term "therapeutic" cloning" was originally used to describe nuclear transplantation, so the procedure is now tarred with the same brush as reproductive cloning. Rarely has semantic inaccuracy been more misleading.

The Senate will be offered two very different legislative approaches to nuclear transplantation. One approach, sponsored by Senator Sam Brownback, would prohibit both reproductive cloning and nuclear transplantation itself. The other approach, sponsored in two similar forms by Senators Dianne Feinstein and Edward Kennedy, and by Senators Tom Harkin and Arlen Specter, would ban reproductive cloning, but permit research with nuclear transplantation to go forward. Also in the wings is a proposed moratorium on nuclear transplantation as an alternative to full fledged prohibition, but this has yet to take legislative form.

The Brownback bill is an onerous piece of legislation. It would criminalize a form of medical research that is intended to explore the prospects for stem cell therapies, not to create cloned persons; importation of treatments developed in other nations by the use of nuclear transplantation; even the receipt of such therapies abroad. It holds out the prospect of a U.S. diabetic returning from Great Britian—where the production of stem cells by nuclear transplantation is authorized—with a pancreas restored through the agency of nuclear transplantation and finding herself a felon.

The proposed moratorium is not a satisfactory alternative. It raises the specter of interminable discussion and political machinations, perhaps stalling research on nuclear transplantation indefinitely. The proponents of a moratorium argue that "the widespread creation of clonal embryos would increase the risk that a human clone would be born, and would further open the door to eugenic procedures." But nuclear transplantation itself is in no way a "eugenic procedure". And any legislative prohibition of reproductive cloning automatically forbids the use of nuclear transplantation for that purpose.

Congress should unite around legislation that would prohibit reproductive cloning, but permit research on nuclear transplantation to go forward under suitable regulations and oversight. The makings of such legislation are already before the Senate, in the form of the Feinstein-Kennedy and Specter-Harkin bills. Legislation fashioned from these bills could offer a forthright, progressive and humane solution to the impasse over nuclear transplantation. The U.S. public deserves no less.

PAUL BERG, PH.D.
J. MICHAEL BISHOP, MD.
ANDREW S. GROVE, PH.D.

Dr. Berg is Emeritus Professor in the Department of Biochemistry at Stanford University and a Nobel laureate in chemistry. Dr. Bishop is Chancellor at the University of California, San Francisco, and a Nobel laureate in Physiology or Medicine. Dr. Grove is a cofounder and presently chairman of Intel Corp., and a cancer survivor.

ASSOCIATION OF AMERICAN UNIVERSITIES,
Washington, DC, April 25, 2002.

Hon. DIANNE FEINSTEIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR FEINSTEIN: I am writing to let you know that the Association of American Universities has now adopted a position on human cloning, which is attached. The AAU represents 61 leading public and private research universities in the United States and two in Canada.

Our university membership adopted this statement unanimously, and we look forward to working with you to enact legislation consistent with it, which would include the legislation you have introduced on this topic, S. 1758.

Your leadership in the fight to ensure that appropriate restrictions against human reproductive cloning are enacted, while allowing important research on nuclear transplantation to produce stem cells to continue, is most appreciated.

Cordially,

NILS HASSELMO,
President.

Enclosure.

AAU STATEMENT ON HUMAN CLONING

The Association of American Universities has a long history of supporting academic and scientific freedom. It also recognizes the importance of conducting research consistent with ethical, legal, and safety requirements.

AAU strongly opposes human reproductive cloning, and supports legislation to ban this practice. The National Academy of Sciences (NAS) has concluded that cloning procedures are currently not safe for humans and that no responsible scientists or physicians are likely to undertake to clone a human. We generally do not support legislation to limit fields of research, but since some organizations have announced an intention to clone humans, we concur with the NAS that a legal ban is more likely to deter any attempt to clone a human than would any voluntary system or moratorium. The ban should be reconsidered at five-year intervals, based on current scientific knowledge.

In contrast to human reproductive cloning, AAU continues to support both basic and applied stem cell research. AAU therefore supports nuclear transplantation to produce stem cells, also known as somatic cell nuclear transfer, as nonreproductive cloning, and as therapeutic cloning. AAU concurs with the NAS that nuclear transplantation to produce stem cells has considerable potential for advancing our fundamental knowledge and developing new medical therapies to treat debilitating diseases. Continuing the investigation of stem cells produced by nuclear transplantation is the only way to assure that the value of this nascent technology is realized. Before applications to humans should be considered, we need further study of cells derived from the process of nuclear transplantation, subject to federal safeguards. This research should proceed in parallel with other types of stem cell research, including human embryonic and adult stem cell research.

Adopted by the AAU Membership on April 23, 2002.

PATIENT STORIES FROM CALIFORNIA SUPPORTING SPECTER-FEINSTEIN APPROACH ON CLONING

FROM STEFANIE SONICO IN CATHEDRAL CITY, CA

"I totally and completely support stem cell research in hopes that it will lead to a cure for juvenile diabetes and other such devastating diseases. My son developed juvenile diabetes at 20 months old and is now 16 years old. Without stem cell research, his future is frightening. He does not need to look forward to kidney failure, eye damage, heart disease and stroke, and death 15 years before his time. He needs to believe that the United States of America, a free country, supports research, done by renowned scientists, to find a cure for diabetes. He needs to believe that the United States will not imprison scientists for their knowledge and their skill. I am a Christian that believes that we have an obligation to use our God-given brains and skills to better mankind. The research I support involves a cell in a petri dish that will produce cells to cure a disease like diabetes and that is called therapeutic cloning. My son and the millions of children like him, need the research and the results that will come from therapeutic cloning. Thank you."

FROM LISBETH DERMODY IN MONTEREY, CA

"My son sustained a spinal cord injury 4 years ago and is now a quadriplegic; my husband developed the first symptoms of Parkinson's Disease 10 years ago and is now deteriorating and experiencing Parkinson's dementia. Stem cell therapy is our best hope that these two brilliant and productive men may expect some improvement in their lives and an alleviation of the psychological and physical suffering they endure every hour of every day. I urge defeat of the Brownback Bill; I urge support of intelligent and humane research that will help my loved ones."

FROM HELLEN MUELLER, MODESTO, CA

"I am a type 2 diabetic with severe neuropathy. Recently, I had surgery for thyroid cancer and have lost the use of my parathyroids. I look to science particularly the science of cloning for help in treating my ailments. Life has become difficult as I am in pain much of the time. Even normal activities are limited for me. I would like to live the years I have left relatively pain-free, diabetes free too.

My husband has terrible knees. He suffers from degenerative cartilage and arthritis as does my sister. It would be wonderful if they could be helped by SCNT [somatic cell nuclear transplantation]. My husband is still able to work; however he pays a great price in the pain that he suffers. Only by using a large amount of pain killers is he able to get thru a work day. My sister is very incapacitated by her problems.

My sister's husband has had by-pass surgery which resulted in cognitive problems. Stem cell research, cloning, etc seem to be the only hope on the horizon.

In 1990 I lost a husband to ALS [Amyotropic Lateral Sclerosis or Lou Gehrig's disease]. Today I understand scientists are very hopeful that stem cell research will lead to a cure for this killer. He was gone one year after diagnosis. I was left without a husband, my son without a father. What a miracle it would be if this could be avoided for other people."

SUMMARY OF HUMAN SUBJECT REGULATIONS AS INCORPORATED INTO SPECTER-FEINSTEIN LEGISLATION

GENERAL RESEARCH PROVISIONS

Types of Research Covered

Would cover ALL research involving somatic cell nuclear transplantation, regardless of who performs it or whether it is funded by the government.

Assurance and Certification Procedure

The institution conducting the research must: Submit a statement of "written assurance" outlining the procedures by which the institution will abide by federal regulations, and certify that the research has been reviewed and approved by an institutional review board (IRB) (see below for definition of IRB).

Penalities

HHS may require that the project be terminated or suspended if it finds an institution has failed to comply with federal regulations

HHS may also require the institution to pay a civil penalty of up to $250,000.

DEFINITIONS AND REQUIREMENTS

Institutional Review Board (IRB)

Research institutions must establish (or hire outside) Institutional Review Boards to review and approve research involving somatic cell nuclear transplantation. Each IRB must have at least five members.

In order to approve this research involving human subjects, the IRB must determine that all of the following requirements are satisfied: Risks to subjects are minimized and are reasonable in relation to any anticipated benefits and importance of the knowledge expected; selection of subjects equitable; informed consent is sought and appropriately documented from each subject; when appropriate, the research plan makes adequate provision for monitoring and protecting the data collected, to ensure the safety and privacy of subjects; and when some of the subjects are likely to be vulnerable to undue influence (such as mentally disabled or disadvantaged persons), additional safeguards must be included in the study to protect the rights and welfare of these subjects.

The IRB has the authority to suspend or terminate approval of research that fails to meet these requirements, or that has been associated with unexpected serious harm to subjects.

Informed Consent

No investigator may use a human subject in research unless the investigator has obtained the legally effective informed consent of the subject.

An investigator can seek consent only under circumstances that minimize the possibility of undue influence.

No informed consent, whether oral for written, may include any language through which the subject waives his legal rights, or the investigator is released from liability for negligence.

Basic elements of informed consent: The following information must be provided to each subject: A statement that the study involves research, an explanation of the purposes of the research, the expected duration of the subject's participation, a description of the procedures to be followed, and identification of any procedures which are experimental; a description of any reasonably foreseeable risks or discomforts to the subjects; a description of any benefits to the subject or to others which may reasonably be expected from the research; a disclosure of appropriate alternative procedures or courses of treatment, if any, that might be advantageous to the subject; a statement describing the extent, if any, to which confidentiality of records identifying the subject will be maintained; for research involving more than minimal risk, an explanation as to whether the subject will be compensated, and an explanation as to whether any medical treatments are available if injury occurs and, if so, what they consist of, or where further information may be obtained; an explanation of whom to contact for answers to pertinent questions about the research and research subjects' rights, and whom to contact in the event of a research-related injury to the subject; and a statement that participation is voluntary, refusal to participate will involve no penalty or loss of benefits to which the subject is otherwise entitled, and that the subject may discontinue participation at any time without penalty or loss of benefits, to which the subject is otherwise entitled.

Additional Protections for Pregnant Women and Fetuses

General Restrictions: Research on fetuses and pregnant women cannot be undertaken, unless: Appropriate studies on animals and nonpregnant individuals have been completed; the risk to the fetus is caused solely by interventions or procedures that hold out the prospect of direct benefit for the woman or the fetus; or, if there is no such prospect of benefit, the risk to the fetus is not greater than minimal and the purpose of the research is the development of important biomedical knowledge which cannot be obtained by any other means; any risk is the least possible for achieving the objectives of the research; if the research holds out the prospect of direct benefit to the pregnant woman, the prospect of a direct benefit both to the pregnant woman and the fetus, or no prospect of benefit for the woman nor the fetus when risk to the fetus is not greater than minimal and the purpose of the research is the development of important biomedical knowledge that cannot be obtained by any other means, only the mother's consent is needed; if the research holds out the prospect of direct benefit solely to the fetus then the consent of both the pregnant woman and the father must be obtained, except that the father's consent need not be obtained if he is unable to consent because of unavailability, incompetence, or temporary incapacity or the pregnancy resulted from rape or incest; individuals engaged in the activity will have no part in (i) any decisions as to the timing, method, and procedures used to terminate the pregnancy, and (ii) determining the viability of the fetus at the termination of the pregnancy; and no inducements, monetary or otherwise, may be offered to terminate pregnancy for purposes of the activity.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 258—URGING SAUDI ARABIA TO DISSOLVE ITS "MARTYRS" FUND AND TO REFUSE TO SUPPORT TERRORISM IN ANY WAY

Mr. SMITH of New Hampshire (for himself and Mr. NELSON of Nebraska) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 258

Whereas in the days following the September 11, 2001 attacks on the United States, the United States Government, its allies, and friends quickly agreed that identifying and severing sources of finance to entities which support and fund terrorist activities is critical to combating terrorism and preventing future terrorist acts against United States citizens and interests;

Whereas, since the September 11, 2001 terrorist attacks on the United States, the Kingdom of Saudi Arabia has publicly condemned terrorism in all its shapes and forms;

Whereas on February 5, 2002, the Embassy of Saudi Arabia released a statement—

(1) expressing the commitment of the Kingdom of Saudi Arabia to preventing charitable and humanitarian organizations and the funds they raise from "being used for any other purpose"; and

(2) confirming "that it will take every measure possible to prevent the use of these charitable efforts for any unlawful activities, in accordance with international resolutions in this regard";

Whereas a press release on the Embassy of Saudi Arabia website states that "the Saudi Committee for Support of Al-Quds (Jerusalem) Intifada has so far distributed about SR 123.75 million [U.S. $33 million]. Minister of the Interior Prince Nayef bin Abdulaziz, who is the Committee's Chairman, expressed his appreciation to the Saudi people for their response in supporting their Palestinian brothers in Israel's blatant aggression against them. Financial aid has been disbursed to the families . . . of 358 martyrs, as well as 8,000 wounded, 1,000 handicapped, and another 102 Palestinians who have received treatment in the Kingdom's hospital.";

Whereas an August 20, 2001, press release on the Embassy of Saudi Arabia website states that the Saudi Government, in 2000, in support of the Al-Intifada (uprising), ". . . offered financial support to one thousand families of Palestinian martyrs and those who suffered injuries in the cause";

Whereas an April 9, 2002 UPI.COM article states that "Saudi Arabia makes no distinction in compensation to families of suicide bombers and those killed by Israeli military action"; and

Whereas martyrs' funds, or any other source of funding, explicitly designed to fund acts of violence, or to compensate the family members of those individuals who engage in violent activities, are recognized as acts to entice and recruit individuals to undertake suicide bombings and other terrorist acts, and reinforces such violence as a legitimate method to air and to forward political grievances and nationalistic goals: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Kingdom of Saudi Arabia should—

(1) immediately dissolve its "martyrs" fund;

(2) fulfill its stated commitment to combating violence and terrorism; and

(3) eliminate the funding of terrorism in every way possible.

Mr. SMITH of New Hampshire. Madam President, the legislation I am introducing today addresses an important and serious subject in the ongoing war on terrorism. The attention of the world has been focused on the conflict in the Middle East between Israelis and Palestinians, and on the devastation wrought by suicide bombers. We are not focusing enough attention, however, on external factors which have significantly contributed to the escalated violence in the Middle East, and on how we can use our vast economic and diplomatic powers to effect changes, to end subsidies to terrorists, and to bring about peace in the Middle East.

A good first step would be to cut off U.S. indirect aid to Yassir Arafat and the Palestinian Authority as a sign of our displeasure with their jihad, and with their wanton destruction on innocent Israeli civilians. Our aid legitimizes their terrorist activity and has not contributed to a lessening of the violence, but rather, the opposite. It sends very conflicted signals when we are fighting a global war on terrorism in the wake of 9/11, yet subsidizing Arafat, a known terrorist.

We must also cut off aid because our limited taxdollars for foreign aid should only be directed towards the desperately needy. Arafat is known to have stashed away billions of dollars he earns from taxing Palestinians working in other Arab countries, and none of that vast personal wealth is being used to benefit his Palestinian constituency. I believe Arafat prefers that they live in deplorable conditions because misery contributes to strife, if Palestinians are deprived and impoverished, it is easier to entice then to throw stones, or to sacrifice themselves by becoming human bombs.

Another important step we could take, which is the subject of my bill today, is to ask our allies in the Middle East to take meaningful measures to show that they are in solidarity with us in the war against terrorism.

Specifically, I am asking the Kingdom of Saudi Arabia to dissolve its martyrs fund. As President Bush said, after the terrorist attacks of last September 11, "either you are with us, or you are with the terrorists." Saudi Arabia needs to demonstrate that it is with us.

Just a little over a decade ago, we deployed thousands of U.S. soldiers in the Gulf, to liberate Kuwait from Saddam Hussein's army, and to prevent Saddam Hussein from next invading the Saudi Kingdom, or any of our other allies in the region. The conflict was not protracted, but it was costly, and we lost nearly three hundred American soldiers in that war. We stood side by side with the Saudis in our determination to stop Iraqi aggression, to preserve the independence of Kuwait, and to protect ours and our allies' critical energy interests. Today, our aircraft transit the No Fly Zone from bases in Saudi Arabia, again in the mutual interest of keeping the Iraqi military in check and in preserving sovereign governments in the region.

Newspaper reports claim that the Saudi "martyrs" fund is $50 million, other news sources claim it may be as high as $400 million. Writer Stephen Schwartz, April 8 Weekly Standard, asserts that the $400 million pledge last year for support of "martyrs" families was posted on the Saudi Embassy website. Schwartz figures that at $5300 per "martyr," that works out to roughly 75,000 martyrs. The stated purpose of the fund is said to be for helping the widows and orphans of the martyrs, the martyrs whom we define as fanatical suicide bombers who have been wreaking havoc on Israeli citizens. This may sound innocent and humanitarian on the surface based on the Saudi concept of a martyr, but it is deceptive. In the April 1st issue of the Weekly Standard, an article by AEI fellow Reuel Marc Gerecht, a consistently excellent analyst, reports that: "In near perfect harmony, the Arab world's rulers blamed Israel for the Palestinian suicide bombers, who are universally referred to in the Arab press as 'shuhada', martyrs who die in battle against infidels."

The reality is that this fund for "shuhadas" will entice and solicit more suicide bombers, giving them the assurance that their families will be provided for in their absence. Would we set up a fund to reward the families of domestic terrorists in this country who commit unlawful acts? Of course not! Yet the Saudis are pooling resources to reward, and indeed, to instigate these killings. There is a well-known expression in conservative circles, if you want more of something, subsidize it. Is there any doubt in anyone's mind that the martyrs' fund won't lead to the creation of more martyrs, and to the deaths of many more innocent civilians, not just in Israel, but in this country? Does the martyrs' fund exclude perpetrators of acts by these fanatics against Americans, or French or British, or is it only reserved for those who kill Israelis? These funds are seed money for terrorism, and it will reap a harvest of destruction, aimed at both Israel and at the United States.

An Associated Press story from Cairo, Egypt, mentions that the Saudi Ambassador to Britain, a renowned poet, praised Palestinian suicide bombers in a London-based pan-Arab daily publication: May God be the witness that you are martyrs, You died to honor God's word. You committed suicide? We committed suicide by living like the dead." The Saudi Ambassador to London, apparently referring to Arab leaders who looked to the United States for help in ending the conflict, said, "We complained to the idols of a White House whose heart is filled with darkness." This Saudi Ambassador and poet refers to the 18 year old female suicide bomber, Ayat Akhras, who detonated explosives she had fastened to her body at a Jerusalem supermarket, killing 2 Israelis and wounding another 25, "Tell Ayat, the bride of loftiness . . . She embraced death with a smile while the leaders are running away from death. Doors of heaven are opened for her," he writes. In addition, the Saudis have been running a telethon to raise additional funds, but the Saudi Embassy in Washington is stating that the money will only be used for Palestinians "victimized by Israeli terror and violence."

The Saudis must also share in the blame for the catastrophic events of September 11th. Fifteen of the nineteen hijackers were Saudis. Bin Laden himself was a Saudi national, and contrary to the belief of some that violence is born of poverty or despair, bin Laden's family is notoriously wealthy. The Saudis eventually made bin Laden persona non grata, but they must acknowledge that these hijackers sprang from their society. The Saudis have been funding radical schools which are the breeding grounds for the fanaticism of bin Laden and his ilk, and for anti-American, and anti-Ireali foment. In the international press, Saudi leaders were claiming that we had no proof that any of the hijackers were Saudi nationals!

The Saudi Crown Prince recently presented a peace plan for the Middle East. Some suggested that it was a public relations diversion, intended to distract attention from the Saudi Government's responsibility for the events of 9/11. I would like to believe that that is not true—and that the Saudis also hope that Israelis and Palestinians can learn to live in peace, but the Saudi Government would have more credibility if, in conjunction with devising and offering a peace plan, it would also reconsider its generous funding of radical religious schools and charities, and would dissolve immediately its martyrs' fund. Those acts would do far more to assure Americans that the Saudis are truly on our side in the war on terrorism, and promoting ways to reduce violence, rather than straddling the fence and talking out of both sides of their mouth.

We need solid allies in the war on terrorism. We do not need friends who say one thing and do another. We need deeds, not words. I urge the Kingdom of Saudi Arabia to demonstrate its stated public commitment to fighting terrorism, and to stop subsidizing terrorists and would-be terrorists through its martyrs' fund. This is not an act of humanitarianism on the part of the Saudis, and it is not charity; it is aiding and abetting terror and should be recognized as such.

SENATE RESOLUTION 259—DESIGNATING MAY 2002, AS 'OLDER AMERICANS MONTH'

Mr. CRAIG submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 259

Whereas older Americans are the foundation of our Nation;

Whereas the freedom and security our Nation now enjoys can be attributed to the service, hard work, and sacrifices of older Americans;

Whereas older Americans continue making significant contributions to our communities, workplaces, and homes by giving freely of themselves and by sharing their wisdom and experience through civic leadership and mentoring;

Whereas the older Americans of tomorrow will be more socially, ethnically, and economically diverse than any past generation, which will impact upon our Nation's ideas of work, retirement and leisure, alter our housing and living arrangements, challenge our health care systems, and reshape our economy;

Whereas the opportunities and challenges that await our Nation require our Nation require our Nation to continue to commit to the goal of ensuring that older Americans enjoy active, productive, and healthy lives, and do so independently, safely, and with dignity; and

Whereas it is appropriate for our Nation to continue the tradition of designating the month of May as a time to celebrate the contributions of older Americans and to rededicate our efforts to respect and better serve older Americans: Now, therefore, be it

Resolved, That the Senate—

(1) designates May 2002, as "Older Americans Month";

(2) requests that the President issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities that promote acknowledgment, gratitude, and respect for older Americans.

Mr. CRAIG. Mr. President, I rise today to submit a resolution honoring May as Older Americans' Month.

I am here today to celebrate May as Older Americans' Month. For thirty nine years May has been the official month during which we pay tribute to the contributions of our forty four million older Americans. It is during this month that we as a Nation recognize older Americans for their service, hard work and sacrifice that helped assure us the freedom and security we now enjoy.

Not only should we take this time to show our appreciation and respect for America's seniors, but also to acknowledge that today's and tomorrow's seniors will continue making significant contributions to our communities through their wisdom and experience; in the workplace, in civic leadership and in our homes.

We must also recognize that 77 million baby boomers will soon be retiring and must begin to address some of the challenges this influx will bring. Social Security and Medicare modernization, including the option for prescription drugs, must be addressed before this generation retires.

As the Ranking Member of the Senate Special Committee on Aging, I look forward to the opportunities and challenges that await us as we continue our commitment to the goal of ensuring that senior citizens enjoy active, productive and healthy lives, and do so independently, safely and with dignity.

In the tradition of Older Americans' Month, I am submitting a resolution in the Senate calling on the people of the United States to observe the month of May 2002 as "Older Americans Month" and to encourage all Americans to promote awareness through ceremonies, programs, and other activities that promote acknowledgment, gratitude, and respect for American seniors.

I ask all of you to celebrate with me Older Americans' Month this May.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3383. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table.

SA 3384. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3009, supra; which was ordered to lie on the table.

SA 3385. Mr. REID (for Mr. Biden) proposed an amendment to the bill H.R. 1646, to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes.

SA 3386. Mr. DASCHLE proposed an amendment to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

SA 3387. Mr. DORGAN (for himself and Mr. Craig) proposed an amendment to amendment SA 3386 proposed by Mr. Daschle to the bill (H.R. 3009) supra.

TEXT OF AMENDMENTS

SA 3383. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in the bill, insert the following:

SEC. . CONDITIONS ON ANY SUSPENSION OF IMMIGRATION PROCESSING OF ALIEN ORPHANS.

(a) Requirements of the Department of Justice.—

(1) Report to congress.—Neither the Commissioner nor any other official of the Department of Justice shall suspend, with respect to a country, the processing of petitions for classification of natives of that country as alien orphans, unless the Attorney General first submits a report to each House of Congress, in accordance with subsection (c), containing the following:

(A) Certification required.—A certification that the Commissioner or other official of the Department of Justice, as appropriate, has determined, based upon clear and convincing evidence, that one or more of the following circumstances is applicable with respect to that country:

(i) Inadequate ins processing system.—The system of the Immigration and Naturalization Service in that country for the processing of petitions for the classification of natives of that country as alien orphans is wholly inadequate, and as a result the Service is unable to make the determinations described in section 101(b)(1) (F) or (G) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1) (F) or (G).

(ii) Sending country adoption system compromised.—The system utilized by the sending country for the arrangement of international adoptions of alien orphans who are natives of that country has been compromised to the extent that processing cases according to the requirements of the Immigration and Nationality Act is no longer possible.

(iii) Failure to obtain birth parent consent.—In the majority of the cases processed in the period beginning 90 days before the date of transmittal of the certification and ending on such date, the consent of a birth parent to termination of parental rights or to the adoption was not obtained.

(iv) Fraud, duress, or improper inducement.—In the majority of the cases processed in the period beginning 90 days before the date of transmittal of the certification and ending on such date, the consent of a birth parent to the termination of parental rights or the adoption was obtained as a result of fraud, duress, or improper inducement.

(B) Plan.—A detailed plan that would remedy the circumstance or circumstances described in subparagraph (A) justifying the suspension, including efforts by the Department of Justice to communicate with United States citizen family members who might be affected by the impending suspension.

(C) Estimate of time to remedy circumstances.—A good faith estimate of the time needed to remedy the circumstance or circumstances described in subparagraph (A) justifying the suspension.

(2) Limitation.—In no case may a suspension last longer than one year.

(3) Transition provision.—Not later than 30 days after the date of enactment of this Act, the Commissioner shall certify to Congress that any suspension in effect on the date of the transmittal of that certification is justified by one or more of the circumstances described in paragraph (1)(A).

(b) Requirements of the Department of State.—Neither the Secretary of State nor any other official of the Department of State shall urge a foreign government to suspend the processing of international adoptions by United States citizens unless the Secretary of State provides notice in writing to each House of Congress, in accordance with subsection (c), of his intention to take such action.

(c) Submission of reports and notices to congress.—The submission of a report under subsection (a) or a notice under subsection (b) is satisfied if the report or notice, as appropriate, is submitted—

(1) in the case of the Senate, not less than 30 session days (excluding days in which the Senate stands in recess) in advance of the action; and

(2) in the case of the House of Representatives, not less than 30 legislative days in advance of the action.

(d) Definitions.—In this section:

(1) Alien orphan.—The term "alien orphan" means an alien child described in section 101(b)(1) (F) or (G) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1) (F) or (G)).

(2) Clear and convincing evidence.—The term "clear and convincing evidence" means specific, well documented, and substantiated proof that the underlying assertion is true.

(3) Commissioner.—The term "Commissioner" means the Commissioner of Immigration and Naturalization, subject to the authority, supervision, and control of the Attorney General.

(4) Sending country.—The term "sending country" means the country with legal authority to process the adoption of the child in question.

(5) Suspension.—The term "suspension" means, with respect to a country, the decision by the Commissioner to suspend the processing of petitions for classification of alien orphans who are natives of that country.

SA 3384. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following new section:

SEC. ___. TRADE ADJUSTMENT ASSISTANCE FOR MARITIME EMPLOYEES.

Not later than 6 months after the date of enactment of the Trade Adjustment Assistance for Workers, Farmers, Fishermen, Communities, and Firms Act of 2002, the Secretary of Labor shall establish a program to provide health insurance benefits under title VI of that Act, and program benefits under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) to longshoremen, harbor and port pilots, port personnel, stevedores, crane operators, warehouse personnel, and other maritime workers who have become totally or partially separated, or are threatened to become totally or partially separated, as a result of the decline in the importation of steel products into the United States caused by the safeguard measures taken by the United States on March 5, 2002, under chapter 1 of title II of such Act (19 U.S.C. 2251 et seq.).

SA 3385. Mr. REID (for Mr. BIDEN) proposed an amendment to the bill H.R. 1646, to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Security Assistance Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—VERIFICATION OF ARMS CONTROL AND NONPROLIFERATION AGREEMENTS

Sec. 101. Verification and Compliance Bureau personnel.
Sec. 102. Key Verification Assets Fund.
Sec. 103. Revised verification and compliance reporting requirements.

TITLE II—MILITARY AND RELATED ASSISTANCE

Subtitle A—Foreign Military Sales and Financing Authorities

Sec. 201. Authorization of appropriations.
Sec. 202. Relationship of foreign military sales to United States nonproliferation interests.
Sec. 203. Special Defense Acquisition Fund for nonproliferation and counter-narcotics purposes.
Sec. 204. Representation allowances.
Sec. 205. Arms Export Control Act prohibition on transactions with countries that have repeatedly provided support for acts of international terrorism.
Sec. 206. Congressional notification of small arms and light weapons license approvals; annual reports.

Subtitle B—International Military Education and Training

Sec. 211. Authorization of appropriations.
Sec. 212. Annual human rights reports.

Subtitle C—Security Assistance for Select Countries

Sec. 221. Security assistance for Israel and Egypt.
Sec. 222. Security assistance for Greece and Turkey.
Sec. 223. Security assistance for certain other countries.

Subtitle D—Excess Defense Article and Drawdown Authorities

Sec. 231. Excess defense articles for certain countries.
Sec. 232. Annual briefing on projected availability of excess defense articles.
Sec. 233. Expanded drawdown authority.
Sec. 234. Duration of security assistance leases.

Subtitle E—Other Political-Military Assistance

Sec. 241. Destruction of surplus weapons stockpiles.
Sec. 242. Identification of funds for demining programs.

Subtitle F—Antiterrorism Assistance

Sec. 251. Authorization of appropriations.
Sec. 252. Specific program objectives.

Subtitle G—Other Matters

Sec. 261. Revised military assistance reporting requirements.

TITLE III—NONPROLIFERATION AND EXPORT CONTROL ASSISTANCE

Subtitle A—General Provisions

Sec. 301. Authorization of appropriations.
Sec. 302. Joint State Department-Defense Department programs.
Sec. 303. Nonproliferation technology acquisition programs for friendly foreign countries.
Sec. 304. International nonproliferation and export control training.
Sec. 305. Relocation of scientists.
Sec. 306. Audits of the International Science and Technology Centers Program.
Sec. 307. International Atomic Energy Agency regular budget assessments.
Sec. 308. Revised nonproliferation reporting requirements.

Subtitle B—Russian Federation Debt Reduction for Nonproliferation

Sec. 311. Short title.
Sec. 312. Findings and purposes.
Sec. 313. Definitions.
Sec. 314. Establishment of the Russian Nonproliferation Investment Facility.
Sec. 315. Reduction of the Russian Federation's Soviet-era debt owed to the United States, generally.
Sec. 316. Reduction of Soviet-era debt owed to the United States as a result of credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954.
Sec. 317. Authority to engage in debt-for-nonproliferation exchanges and debt buybacks.
Sec. 318. Russian Nonproliferation Investment Agreement.
Sec. 319. Structure of debt-for-nonproliferation arrangements.
Sec. 320. Independent media and the rule of law.
Sec. 321. Nonproliferation requirement.
Sec. 322. Discussion of Russian Federation debt reduction for nonproliferation with other creditor states.
Sec. 323. Implementation of United States policy.
Sec. 324. Consultations with Congress.
Sec. 325. Annual report to Congress.

Subtitle C—Nonproliferation Assistance Coordination

Sec. 331. Short title.
Sec. 332. Findings.
Sec. 333. Independent states of the former Soviet Union defined.
Sec. 334. Establishment of Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union.
Sec. 335. Duties of the Committee.
Sec. 336. Administrative support.
Sec. 337. Confidentiality of information.
Sec. 338. Statutory construction.

TITLE IV—EXPEDITING THE MUNITIONS LICENSING PROCESS

Sec. 401. License officer staffing.
Sec. 402. Funding for database automation.
Sec. 403. Information management priorities.
Sec. 404. Improvements to the Automated Export System.
Sec. 405. Adjustment of threshold amounts for congressional review purposes.
Sec. 406. Periodic notification of pending applications for export licenses.

TITLE V—NATIONAL SECURITY ASSISTANCE STRATEGY

Sec. 501. Establishment of the Strategy.
Sec. 502. Security assistance surveys.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Nuclear and missile nonproliferation in South Asia.
Sec. 602. Real-time public availability of raw seismological data.
Sec. 603. Detailing United States governmental personnel to international arms control and nonproliferation organizations.
Sec. 604. Diplomatic presence overseas.
Sec. 605. Protection against agricultural bioterrorism.
Sec. 606. Compliance with the Chemical Weapons Convention.

TITLE VII—AUTHORITY TO TRANSFER NAVAL VESSELS

Sec. 701. Authority to transfer naval vessels to certain foreign countries.

SEC. 2. DEFINITIONS.

In this Act:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term "appropriate committees of Congress" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(2) DEFENSE ARTICLE.—The term "defense article" has the meaning given the term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794 note).

(3) DEFENSE SERVICE.—The term "defense service" has the meaning given the term in section 47(4) of the Arms Export Control Act (22 U.S.C. 2794 note).

(4) EXCESS DEFENSE ARTICLE.—The term "excess defense article" has the meaning given the term in section 644(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(g)).

(5) SECRETARY.—Except as otherwise provided, the term "Secretary" means the Secretary of State.

TITLE I—VERIFICATION OF ARMS CONTROL AND NONPROLIFERATION AGREEMENTS

SEC. 101. VERIFICATION AND COMPLIANCE BUREAU PERSONNEL.

(a) IN GENERAL.—Of the total amounts made available to the Department of State for fiscal years 2002 and 2003, not less than $14,000,000 each such fiscal year shall be provided to the Bureau of Verification and Compliance of the Department of State for Bureau-administered activities, including the Key Verification Assets Fund.

(b) ADDITIONAL PERSONNEL.—In addition to the amounts made available under subsection (a), not less than $1,800,000 shall be made available from the Department's American Salaries Account, for the purpose of hiring new personnel to carry out the Bureau's responsibilities, as set forth in section

112 of the Arms Export Control and Nonproliferation Act of 1999 (113 Stat. 1501A-486), as enacted into law by section 1000(a)(7) of Public Law 106-113.

SEC. 102. KEY VERIFICATION ASSETS FUND.

Of the total amounts made available to the Department of State for fiscal years 2002 and 2003, not less than $7,000,000 shall be made available within the Verification and Compliance Bureau's account for each such fiscal year to carry out section 1111 of the Arms Control and Nonproliferation Act of 1999 (113 Stat. 1501A-486), as enacted into law by section 1000(a)(7) of Public Law 106-113.

SEC. 103. REVISED VERIFICATION AND COMPLIANCE REPORTING REQUIREMENTS.

Section 403(a) of the Arms Control and Disarmament Act (22 U.S.C. 2593a(a)) is amended by striking "January 31" and inserting "April 15".

TITLE II—MILITARY AND RELATED ASSISTANCE

Subtitle A—Foreign Military Sales and Financing Authorities

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the President for grant assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763) and for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans under such section $3,674,000,000 for fiscal year 2002 and $4,267,000,000 for fiscal year 2003.

SEC. 202. RELATIONSHIP OF FOREIGN MILITARY SALES TO UNITED STATES NONPROLIFERATION INTERESTS.

(a) AUTHORIZED PURPOSES.—The first sentence of section 4 of the Arms Export Control Act (22 U.S.C. 2754) is amended by inserting "for preventing or hindering the proliferation of weapons of mass destruction and of the means of delivering such weapons," after "self-defense,".

(b) DEFINITION OF "WEAPONS OF MASS DESTRUCTION".—Section 47 of the Arms Export Control Act (22 U.S.C. 2794) is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(10) 'weapons of mass destruction' has the meaning provided by section 1403(1) of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104-201; 110 Stat. 2717; 50 U.S.C. 2302(1)).".

(c) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary should ensure, in circumstances where the sale of defense articles or defense services to a friendly country would serve the nonproliferation interests of the United States, but that country cannot afford to purchase such defense articles or defense services, that grant assistance is provided pursuant to section 23 of the Arms Export Control Act to facilitate such acquisition.

SEC. 203. SPECIAL DEFENSE ACQUISITION FUND FOR NONPROLIFERATION AND COUNTER-NARCOTICS PURPOSES.

(a) ESTABLISHMENT.—Notwithstanding any other provision of law, the President shall direct that the Special Defense Acquisition Fund be established pursuant to section 51 of the Arms Export Control Act (22 U.S.C. 2795).

(b) USE OF THE SPECIAL DEFENSE ACQUISITION FUND.—Section 51(a)(4) of the Arms Export Control Act (22 U.S.C. 2795(a)(4)) is amended by striking "for use for" and all that follows through "equipment" and inserting the following: "for use for—

"(A) narcotics control purposes and are appropriate to the needs of recipient countries, such as small boats, planes (including helicopters), and communications equipment; and

"(B) nonproliferation and export control purposes, such as nuclear, radiological, chemical, and biological warfare materials detection equipment.".

(c) LIMITATION.—Section 51(c) of the Arms Export Control Act (22 U.S.C. 2795(c)) is amended—

(1) in paragraph (1), by striking all after "exceed" through the period and inserting "$200,000,000."; and

(2) in paragraph (2), by striking "provided" and all that follows through "Acts" and inserting "specifically authorized by law in advance".

(d) AUTHORIZATION.—For fiscal year 2003, not more than $20,000,000 may be made available for obligation for the procurement of items pursuant to section 51 of the Arms Export Control Act.

SEC. 204. REPRESENTATION ALLOWANCES.

Section 43(c) of the Arms Export Control Act (22 U.S.C. 2792(c)) is amended by striking "$72,500" and inserting "$86,500".

SEC. 205. ARMS EXPORT CONTROL ACT PROHIBITION ON TRANSACTIONS WITH COUNTRIES THAT HAVE REPEATEDLY PROVIDED SUPPORT FOR ACTS OF INTERNATIONAL TERRORISM.

The second sentence of section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)) is amended—

(1) by inserting "or chemical, biological, or radiological agents" after "nuclear explosive devices"; and

(2) by inserting "or chemical, biological, or radiological agents" after "nuclear material".

SEC. 206. CONGRESSIONAL NOTIFICATION OF SMALL ARMS AND LIGHT WEAPONS LICENSE APPROVALS; ANNUAL REPORTS.

(a) CONGRESSIONAL NOTIFICATION OF EXPORT LICENSE APPROVALS.—Section 36(c) of the Arms Export Control Act (22 U.S.C. 2776(c)) is amended by inserting "(or, in the case of a defense article that is a firearm controlled under category I of the United States Munitions List, $1,000,000 or more)" after "$50,000,000 or more".

(b) REPORT.—Not later than six months after the date of enactment of this Act, and annually thereafter, the Secretary of State shall submit an unclassified report to the appropriate congressional committees on the numbers, range, and findings of end-use monitoring of United States transfers in small arms and light weapons.

(c) ANNUAL MILITARY ASSISTANCE REPORTS.—Section 655(b)(3) of the Foreign Assistance Act of 1961 (22 U.S.C. 2415(b)(3)) is amended by inserting before the period at the end the following: ", including, in the case of defense articles that are firearms controlled under category I of the United States Munitions List, a statement of the aggregate dollar value and quantity of semiautomatic assault weapons, or related equipment, the manufacture, transfer, or possession of which is unlawful under section 922 of title 18, United States Code, that were licensed for export during the period covered by the report".

(d) ANNUAL REPORT ON ARMS BROKERING.—Not later than six months after the date of enactment of this Act, and annually thereafter, the Secretary of State shall submit a report to the appropriate committees of Congress on activities of registered arms brokers, including violations of the Arms Export Control Act.

(e) ANNUAL REPORT ON INVESTIGATIONS OF THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS.—Not later than six months after the date of enactment of this Act, and annually thereafter, the Secretary of the Treasury shall submit a report to the appropriate committees of Congress on investigations and other efforts undertaken by the Bureau of Alcohol, Tobacco and Firearms (including cooperation with other agencies) to stop United States-source weapons from being used in terrorist acts and international crime.

Subtitle B—International Military Education and Training

SEC. 211. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the President $75,000,000 for fiscal year 2002 and $85,290,000 for fiscal year 2003 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.; relating to international military education and training).

SEC. 212. ANNUAL HUMAN RIGHTS REPORTS.

(a) WITH RESPECT TO PROHIBITIONS ON NONMILITARY ASSISTANCE.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d)) is amended by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively, and by inserting after paragraph (6) the following:

"(7) to the extent practicable, for any violation of internationally recognized human rights reported under this subsection, whether any foreign military or defense ministry civilian participant in education and training activities under chapter 5 of part II of this Act was involved;".

(b) RECORDS REGARDING FOREIGN PARTICIPANTS.—Section 548 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347e) is amended—

(1) by striking "In" and inserting "(a) DEVELOPMENT AND MAINTENANCE OF DATABASE.—In"; and

(2) by adding at the end the following new subsections:

"(b) ANNUAL LIST OF FOREIGN PERSONNEL.—For the purposes of preparing the report required pursuant to section 116(d), the Secretary of State may annually request the Secretary of Defense to provide information contained in the database with respect to a list submitted to the Secretary of Defense by the Secretary of State, containing the names of foreign personnel or military units. To the extent practicable, the Secretary of Defense shall provide, and the Secretary of State may take into account, the information contained in the database, if any, relating to the Secretary of State's submission.

"(c) UPDATING OF DATABASE.—If the Secretary of State determines and reports to Congress under section 116(d) that a foreign person identified in the database maintained pursuant to this section was involved in a violation of internationally recognized human rights, the Secretary of Defense shall ensure that the database is updated to contain such fact and all relevant information.".

Subtitle C—Security Assistance for Select Countries

SEC. 221. SECURITY ASSISTANCE FOR ISRAEL AND EGYPT.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) ISRAEL.—Section 513 of the Security Assistance Act of 2000 (Public Law 106-280) is amended by striking "2001 and 2002" each place that it appears and inserting "2002 and 2003".

(2) EGYPT.—Section 514 of the Security Assistance Act of 2000 (Public Law 106-280) is amended by striking "2001 and 2002" each

place that it appears and inserting "2002 and 2003".

(b) Ballistic Missile Defense.—Of the amounts made available for fiscal years 2002 and 2003 under section 513 of the Security Assistance Act of 2000 (Public Law 106–280), as amended by subsection (a), $100,000,000 may be used each such fiscal year for the establishment, in cooperation with a United States company, of a production line for the Arrow missile in the United States.

SEC. 222. SECURITY ASSISTANCE FOR GREECE AND TURKEY.

(a) In General.—Of the amounts made available for the fiscal years 2002 and 2003 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.)—

(1) $1,000,000 for fiscal year 2002 and $1,170,000 for fiscal year 2003 are authorized to be available for Greece; and

(2) $2,500,000 for fiscal year 2002 and $2,920,000 for fiscal year 2003 are authorized to be available for Turkey.

(b) Use for Professional Military Education.—Of the amounts available under paragraphs (1) and (2) of subsection (a) for each of fiscal years 2002 and 2003, $500,000 of each such amount should be available for purposes of professional military education.

(c) Use for Joint Training.—It is the sense of Congress that, to the maximum extent practicable, amounts available under subsection (a) that are used in accordance with subsection (b) should be used for joint training of Greek and Turkish officers.

(d) Repeal.—Section 512 of the Security Assistance Act of 2000 (Public Law 106–280; 114 Stat. 856) is repealed.

SEC. 223. SECURITY ASSISTANCE FOR CERTAIN OTHER COUNTRIES.

(a) FMF for Certain Other Countries.—Of the amounts made available for the fiscal years 2002 and 2003 under section 23 of the Arms Export Control Act (22 U.S.C. 2763), the following amounts are authorized to be available on a grant basis for the following countries for the fiscal years specified:

(1) The Baltic States.—For all of the Baltic states of Estonia, Latvia, and Lithuania, $21,000,000 for fiscal year 2002 and $24,400,000 for fiscal year 2003.

(2) Bulgaria.—For Bulgaria, $10,000,000 for fiscal year 2002 and $11,620,000 for fiscal year 2003.

(3) The Czech Republic.—For the Czech Republic, $12,000,000 for fiscal year 2002 and $14,000,000 for fiscal year 2003.

(4) Georgia.—For Georgia, $5,650,000 for fiscal year 2002 and $6,560,000 for fiscal year 2003.

(5) Hungary.—For Hungary, $12,000,000 for fiscal year 2002 and $14,000,000 for fiscal year 2003.

(6) Jordan.—For Jordan, $75,000,000 for fiscal year 2002 and $87,300,000 for fiscal year 2003.

(7) Malta.—For Malta, $1,000,000 for fiscal year 2002 and $1,170,000 for fiscal year 2003.

(8) The Philippines.—For the Philippines, $19,000,000 for fiscal year 2002 and $22,100,000 for fiscal year 2003.

(9) Poland.—For Poland, $15,000,000 for fiscal year 2002 and $17,500,000 for fiscal year 2003.

(10) Romania.—For Romania, $11,500,000 for fiscal year 2002 and $13,400,000 for fiscal year 2003.

(11) Slovakia.— For Slovakia, $8,500,000 for fiscal year 2002 and $9,900,000 for fiscal year 2003.

(12) Slovenia.—For Slovenia, $4,500,000 for fiscal year 2002 and $5,250,000 for fiscal year 2003.

(b) IMET.—Of the amounts made available for the fiscal years 2002 and 2003 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.), the following amounts are authorized to be available for the following countries for the fiscal years specified:

(1) The Baltic States.—For all of the Baltic states of Estonia, Latvia, and Lithuania, $3,000,000 for fiscal year 2002 and $3,420,000 for fiscal year 2003.

(2) Bulgaria.—For Bulgaria, $1,200,000 for fiscal year 2002 and $1,370,000 for fiscal year 2003.

(3) The Czech Republic.—For the Czech Republic, $1,800,000 for fiscal year 2002 and $2,050,000 for fiscal year 2003.

(4) Georgia.—For Georgia, $850,000 for fiscal year 2002 and $970,000 for fiscal year 2003.

(5) Hungary.—For Hungary, $1,800,000 for fiscal year 2002 and $2,050,000 for fiscal year 2003.

(6) Jordan.—For Jordan, $1,800,000 for fiscal year 2002 and $2,050,000 for fiscal year 2003.

(7) Malta.—For Malta, $300,000 for fiscal year 2002 and $350,000 for fiscal year 2003.

(8) The Philippines.—For the Philippines, $1,710,000 for fiscal year 2002 and $2,000,000 for fiscal year 2003.

(9) Poland.—For Poland, $1,900,000 for fiscal year 2002 and $2,160,000 for fiscal year 2003.

(10) Romania.—For Romania, $1,400,000 for fiscal year 2002 and $1,600,000 for fiscal year 2003.

(11) Slovakia.—For Slovakia, $850,000 for fiscal year 2002 and $970,000 for fiscal year 2003.

(12) Slovenia.—For Slovenia, $800,000 for fiscal year 2002 and $910,000 for fiscal year 2003.

(c) Written Explanation of Presidential Determinations.—In the event that the President determines not to provide, or determines to exceed, the funding allocated for any country specified in this section by an amount that is more than five percent of that specified in this section, the President shall submit to the appropriate committees of Congress within 15 days of such determination a written explanation of the reasons therefor.

(d) Repeals.—Sections 511 (a) and (b) and 515 of the Security Assistance Act of 2000 are repealed.

Subtitle D—Excess Defense Article and Drawdown Authorities

SEC. 231. EXCESS DEFENSE ARTICLES FOR CERTAIN COUNTRIES.

(a) Authority.—Notwithstanding section 516(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e), during each of the fiscal years 2002 and 2003, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of section 516 of such Act to Albania, Bulgaria, Croatia, Estonia, Former Yugoslavia Republic of Macedonia, Georgia, India, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Mongolia, Pakistan, Romania, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

(b) Sense of Congress.—The authority provided under this section should be utilized only for those countries demonstrating a genuine commitment to democracy and human rights.

SEC. 232. ANNUAL BRIEFING ON PROJECTED AVAILABILITY OF EXCESS DEFENSE ARTICLES.

Not later than 90 days prior to the commencement of each fiscal year, the Department of Defense shall brief the Department of State and the appropriate committees of Congress regarding the expected availability of excess defense articles during the next fiscal year, for the purpose of enabling the Department of State to factor such availability into annual security assistance plans.

SEC. 233. EXPANDED DRAWDOWN AUTHORITY.

Section 506(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(c)) is amended to read as follows:

"(c) For the purposes of any provision of law that authorizes the drawdown of defense or other articles or commodities, or defense or other services from an agency of the United States Government, such drawdown may include the supply of commercial transportation and related services and defense or other articles or commodities, or defense or other services, that are acquired by contract for the purposes of the drawdown in question, if the cost to acquire such items or services is less than the cost to the United States Government of providing such items or services from existing agency assets.".

SEC. 234. DURATION OF SECURITY ASSISTANCE LEASES.

Section 61 of the Arms Export Control Act (22 U.S.C. 2796) is amended—

(1) in subsection (b), by striking "of not to exceed five years" and inserting "that may not exceed 5 years, plus a period of time specified in the lease as may be necessary for major refurbishment work to be performed prior to final delivery by the lessor of the defense articles,"; and

(2) by adding at the end the following new subsection:

"(d) In this section, the term 'major refurbishment work' means refurbishment work performed over a period estimated to be 6 months or more.".

Subtitle E—Other Political-Military Assistance

SEC. 241. DESTRUCTION OF SURPLUS WEAPONS STOCKPILES.

Of the funds authorized to be appropriated to the President for fiscal years 2002 and 2003 to carry out chapters 1 and 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), relating to development assistance, up to $10,000,000 is authorized to be made available each such fiscal year for the destruction of surplus stockpiles of small arms, light weapons, and other munitions.

SEC. 242. IDENTIFICATION OF FUNDS FOR DEMINING PROGRAMS.

Of the funds authorized to be appropriated under section 201 for nonproliferation, antiterrorism, demining, and related programs, $40,000,000 is authorized to be appropriated for fiscal year 2002 for demining programs and program support costs.

Subtitle F—Antiterrorism Assistance

SEC. 251. AUTHORIZATION OF APPROPRIATIONS.

Section 574(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa–4(a)) is amended by striking "$72,000,000 for fiscal year 2001 and $73,000,000 for fiscal year 2002" and inserting "$73,000,000 for fiscal year 2002 and $75,000,000 for fiscal year 2003".

SEC. 252. SPECIFIC PROGRAM OBJECTIVES.

Of the amounts authorized to be appropriated to the President pursuant to section 574(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa–4(a)), $2,000,000 may be made available for the provision of the Pisces system to the governments of the Philippines and Pakistan.

Subtitle G—Other Matters

SEC. 261. REVISED MILITARY ASSISTANCE REPORTING REQUIREMENTS.

(a) Annual Foreign Military Training Reports.—Section 656(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2416) does not apply to any NATO or major non-NATO ally unless the chairman or ranking member of one of the appropriate committees of Congress has specifically requested, in writing, inclusion of such country in the report. Such request shall be made not later than 45 calendar days prior to the date on which the report is required to be transmitted.

(b) Annual Military Assistance Reports.—Section 655 of the Foreign Assistance Act of 1961 (22 U.S.C. 2415) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(c) Quarterly Reports on Government-To-Government Arms Exports.—Section 36(a) of the Arms Export Control Act (22 U.S.C. 2776(a)) is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8), (9), (10), (11), (12), and (13) as paragraphs (7), (8), (9), (10), (11), and (12), respectively.

TITLE III—NONPROLIFERATION AND EXPORT CONTROL ASSISTANCE

Subtitle A—General Provisions

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorization.—Section 585 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb-4) is amended—

(1) in subsection (a), by striking all after "chapter" and inserting "$142,000,000 for fiscal year 2002 and $152,000,000 for fiscal year 2003."; and

(2) in subsection (c), by striking "2001" each place that it appears and inserting "2002".

(b) Suballocations.—Of the amounts authorized to be appropriated to the President for fiscal years 2002 and 2003 under chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.)—

(1) not less than $2,000,000 shall be made available each such fiscal year for the purpose of carrying out section 584 of the Foreign Assistance Act of 1961, as added by section 304 of this Act; and

(2) $65,000,000 for fiscal year 2002 and $65,000,000 for fiscal year 2003 are authorized to be appropriated for science and technology centers in the independent states of the former Soviet Union.

(c) Conforming Amendment.—Section 302 of the Security Assistance Act of 2000 (Public Law 106–280) is repealed.

SEC. 302. JOINT STATE DEPARTMENT-DEFENSE DEPARTMENT PROGRAMS.

Of the amounts authorized to be appropriated to the President for fiscal years 2002 and 2003 under chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.), the Secretary is authorized to make available not more than $1,000,000 for international counterproliferation programs administered by the Department of Defense.

SEC. 303. NONPROLIFERATION TECHNOLOGY ACQUISITION PROGRAMS FOR FRIENDLY FOREIGN COUNTRIES.

(a) In General.—For the purpose of enhancing the nonproliferation and export control capabilities of friendly countries, of the amounts authorized to be appropriated for fiscal years 2002 and 2003 under chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.), the Secretary is authorized to expend not more than—

(1) $5,000,000 for the procurement and provision of nuclear, chemical, and biological detection systems, including spectroscopic and pulse echo technologies; and

(2) $10,000,000 for the procurement and provision of x-ray systems capable of imaging sea-cargo containers.

(b) Training Requirement.—The Secretary shall not provide any equipment or technology pursuant to this section without having first developed and budgeted for a multiyear training plan to assist foreign personnel in the utilization of those items.

(c) Procurement Authorities.—For fiscal year 2003, the Secretary shall utilize, to the maximum extent practicable, the Special Defense Acquisition Fund for procurements authorized under this section.

SEC. 304. INTERNATIONAL NONPROLIFERATION AND EXPORT CONTROL TRAINING.

Chapter 9 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349bb et seq.) is amended—

(1) by redesignating sections 584 and 585 as sections 585 and 586, respectively; and

(2) by inserting after section 583 the following:

"SEC. 584. INTERNATIONAL NONPROLIFERATION EXPORT CONTROL TRAINING.

"(a) General Authority.—The President is authorized to furnish, on such terms and conditions consistent with this chapter (but whenever feasible on a reimbursable basis), education and training to foreign personnel for the purpose of enhancing the nonproliferation and export control capabilities of such personnel through their attendance in special courses of instruction conducted by the United States.

"(b) Administration of Courses.—The Secretary of State shall have overall responsibility for the development and conduct of international nonproliferation education and training programs, but may utilize other departments and agencies, as appropriate, to recommend personnel for the education and training, and to administer specific courses of instruction.

"(c) Purposes.—Education and training activities conducted under this section shall be—

"(1) of a technical nature, emphasizing techniques for detecting, deterring, monitoring, interdicting, and countering proliferation;

"(2) designed to encourage effective and mutually beneficial relations and increased understanding between the United States and friendly countries; and

"(3) designed to improve the ability of friendly countries to utilize their resources with maximum effectiveness, thereby contributing to greater self-reliance by such countries.

"(d) Priority to Certain Countries.—In selecting military and foreign governmental personnel for education and training pursuant to this section, priority shall be given to personnel from countries for which the Secretary of State has given priority under section 583(b).".

SEC. 305. RELOCATION OF SCIENTISTS.

(a) Reinstatement of Classification Authority.—Section 4 of the Soviet Scientists Immigration Act of 1992 (Public Law 102–509; 106 Stat. 3316; 8 U.S.C. 1153 note) is amended by striking subsection (d) and inserting the following:

"(d) Duration of Authority.—The authority under subsection (a) shall be in effect during the following periods:

"(1) The period beginning on the date of the enactment of this Act and ending 4 years after such date.

"(2) The period beginning on the date of the enactment of the Security Assistance Act of 2001 and ending 4 years after such date.".

(b) Limitation on Number of Scientists Eligible for Visas Under Authority.—Subsection (c) of such section is amended by striking "750" and inserting "950".

(c) Limitation on Eligibility.—Subsection (a) of such section is amended by adding at the end the following new sentence: "A scientist is not eligible for designation under this subsection if the scientist has previously been granted the status of an alien lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)))."

(d) Consultation Requirement.—The Attorney General shall consult with the Secretary, the Secretary of Defense, the Secretary of Energy, and the heads of other appropriate agencies of the United States regarding—

(1) previous experience in implementing the Soviet Scientists Immigration Act of 1992; and

(2) any changes that those officials would recommend in the regulations prescribed under that Act.

SEC. 306. AUDITS OF THE INTERNATIONAL SCIENCE AND TECHNOLOGY CENTERS PROGRAM.

Consistent with section 303(b) of the Security Assistance Act of 2000 (Public Law 106–280; 114 Stat. 853), not later than 60 days after the date of enactment of this Act, the Secretary shall submit a detailed report to the appropriate committees of Congress on United States audit practices with respect to the "International Science and Technology Centers Program".

SEC. 307. INTERNATIONAL ATOMIC ENERGY AGENCY REGULAR BUDGET ASSESSMENTS.

(a) Findings.—Congress makes the following findings:

(1) The Department of State has concluded that the International Atomic Energy Agency (hereafter in this section referred to as the "IAEA") is a critical and effective instrument for verifying compliance with international nuclear nonproliferation agreements, and that it serves as an essential barrier to the spread of nuclear weapons.

(2) The IAEA furthers United States national security objectives by helping to prevent the proliferation of nuclear weapons material, especially through its work on effective verification and safeguards measures.

(3) The IAEA can also perform a critical role in monitoring and verifying aspects of nuclear weapons reduction agreements between nuclear weapons states.

(4) As the IAEA has negotiated and developed more effective verification and safeguards measures, it has experienced significant real growth in its mission, especially in the vital area of nuclear safeguards inspections.

(5) Nearly two decades of zero budget growth have affected the ability of the IAEA to carry out its mission and to hire and retain the most qualified inspectors and managers, as evidenced in the decreasing proportion of such personnel who hold doctorate degrees.

(6) Although voluntary contributions by the United States lessen the IAEA's budgetary constraints, they cannot readily be used for the long-term capital investments or permanent staff increases necessary to an effective IAEA safeguards regime.

(7) It was not the intent of Congress that the United States contributions to all United Nations-related organizations and activities

be reduced pursuant to the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (as enacted into law by section 1000(a)(7) of Public Law 106–113; 113 Stat. 1501A–405 et seq.), which sets 22 percent assessment rates as benchmarks for the general United Nations budget, the Food and Agricultural Organization, the World Health Organization, and the International Labor Organization. Rather, contributions for important and effective agencies such as the IAEA should be maintained at levels commensurate with the criticality of its mission.

(b) ADDITIONAL FUNDING FOR THE INTERNATIONAL ATOMIC ENERGY AGENCY.—It is the sense of Congress that—

(1) the Secretary should negotiate a gradual and sustained increase in the regular budget of the International Atomic Energy Agency, which should begin with the 2002 budget;

(2) if a regular budget increase for the IAEA is achieved, the Secretary should seek to gain consensus within the IAEA Board of Governors for allocation of a larger proportion of that budget to nuclear nonproliferation activities; and

(3) if such a reallocation of the regular IAEA budget cannot be obtained, the United States should decrease its voluntary contribution by $400,000 for each $1,000,000 increase in its annual assessment.

(c) AUTHORIZATION OF APPROPRIATIONS.—Of the funds authorized to be appropriated for international organizations, $60,000,000 are authorized to be appropriated in fiscal year 2002 for the payment of the United States assessment to the International Atomic Energy Agency, and $75,000,000 shall be available for that purpose in fiscal year 2003.

SEC. 308. REVISED NONPROLIFERATION REPORTING REQUIREMENTS.

Section 308 of Public Law 102–182 (22 U.S.C. 5606) is hereby repealed.

Subtitle B—Russian Federation Debt Reduction for Nonproliferation

SEC. 311. SHORT TITLE.

This subtitle may be cited as the "Russian Federation Debt Reduction for Nonproliferation Act of 2001".

SEC. 312. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) It is in the vital security interests of the United States to prevent the spread of weapons of mass destruction to additional states or to terrorist organizations, and to ensure that other nations' obligations to reduce their stockpiles of such arms in accordance with treaties, executive agreements, or political commitments are fulfilled.

(2) In particular, it is in the vital national security interests of the United States to ensure that—

(A) all stocks of nuclear weapons and weapons-usable nuclear material in the Russian Federation are secure and accounted for;

(B) stocks of nuclear weapons and weapons-usable nuclear material that are excess to military needs in the Russian Federation are monitored and reduced;

(C) any chemical or biological weapons, related materials, and facilities in the Russian Federation are destroyed;

(D) the Russian Federation's nuclear weapons complex is reduced to a size appropriate to its post-Cold War missions, and its experts in weapons of mass destruction technologies are shifted to gainful and sustainable civilian employment;

(E) the Russian Federation's export control system blocks any proliferation of weapons of mass destruction, the means of delivering such weapons, and materials, equipment, know-how, or technology that would be used to develop, produce, or deliver such weapons; and

(F) these objectives are accomplished with sufficient monitoring and transparency to provide confidence that they have in fact been accomplished and that the funds provided to accomplish these objectives have been spent efficiently and effectively.

(3) United States programs should be designed to accomplish these vital objectives in the Russian Federation as rapidly as possible, and the President should develop and present to Congress a plan for doing so.

(4) Substantial progress has been made in United States-Russian Federation cooperative programs to achieve these objectives, but much more remains to be done to reduce the urgent risks to United States national security posed by the current state of the Russian Federation's weapons of mass destruction stockpiles and complexes.

(5) The threats posed by inadequate management of weapons of mass destruction stockpiles and complexes in the Russian Federation remain urgent. Incidents in years immediately preceding 2001, which have been cited by the Russia Task Force of the Secretary of Energy's Advisory Board, include—

(A) a conspiracy at one of the Russian Federation's largest nuclear weapons facilities to steal nearly enough highly enriched uranium for a nuclear bomb;

(B) an attempt by an employee of the Russian Federation's premier nuclear weapons facility to sell nuclear weapons designs to agents of Iraq and Afghanistan; and

(C) the theft of radioactive material from a Russian Federation submarine base.

(6) Addressing these threats to United States and world security will ultimately consume billions of dollars, a burden that will have to be shared by the Russian Federation, the United States, and other governments, if this objective is to be achieved.

(7) The creation of new funding streams could accelerate progress in reducing these threats to United States security and help the government of the Russian Federation to fulfill its responsibility for secure management of its weapons stockpiles and complexes as United States assistance phases out.

(8) The Russian Federation suffers from a significant foreign debt burden, a substantial proportion of which it inherited from the Soviet Union. The Russian Federation is taking full responsibility for this debt, but the burden of debt repayment could threaten Russian Federation economic reform, particularly in 2003 and beyond.

(9) The Russian Federation's need for debt relief has been the subject of discussions between the United States and the Russian Federation at the highest levels and is cited by United States officials as one reason why the Russian Federation has recognized that its future lies with the West.

(10) Past debt-for-environment exchanges, in which a portion of a country's foreign debt is canceled in return for certain environmental commitments or payments by that country, provide a model for a possible debt-for-nonproliferation exchange with the Russian Federation, which could be designed to provide additional funding for nonproliferation and arms reduction initiatives.

(11) Most of the Russian Federation's official bilateral debt is held by United States allies that are advanced industrial democracies. Since the issues described pose threats to United States allies as well, United States leadership that results in a larger contribution from United States allies to cooperative threat reduction activities will be needed.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to recognize the vital interests of the United States, its allies, and the Russian Federation in reducing the threats to international security described in the findings set forth in subsection (a);

(2) to facilitate the accomplishment of the United States objectives described in the findings set forth in subsection (a) by providing for the alleviation of a portion of the Russian Federation's foreign debt, thus allowing the use of additional resources for these purposes; and

(3) to ensure that resources freed from debt in the Russian Federation are targeted to the accomplishment of the United States objectives described in the findings set forth in subsection (a).

SEC. 313. DEFINITIONS.

In this subtitle:

(1) AGREEMENT.—The term "Agreement" means the Russian Nonproliferation Investment Agreement provided for in section 318.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(3) COST.—The term "cost" has the meaning given that term in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)).

(4) FACILITY.—The term "Facility" means the Russian Nonproliferation Investment Facility established in the Department of the Treasury by section 314.

(5) SOVIET-ERA DEBT.—The term "Soviet-era debt" means debt owed as a result of loans or credits provided by the United States (or any agency of the United States) to the Union of Soviet Socialist Republics.

SEC. 314. ESTABLISHMENT OF THE RUSSIAN NONPROLIFERATION INVESTMENT FACILITY.

There is established in the Department of the Treasury an entity to be known as the "Russian Nonproliferation Investment Facility" for the purpose of providing for the administration of debt reduction in accordance with this subtitle.

SEC. 315. REDUCTION OF THE RUSSIAN FEDERATION'S SOVIET-ERA DEBT OWED TO THE UNITED STATES, GENERALLY.

(a) AUTHORITY TO REDUCE SOVIET-ERA DEBT.—

(1) AUTHORITY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), and subject to section 321, the President may reduce the amount of Soviet-era debt owed by the Russian Federation to the United States (or any agency of the United States) that is outstanding as of October 1, 2001.

(B) EXCEPTION.—The authority of subparagraph (A) to reduce Soviet-era debt does not include any debt that is described in section 316(a)(1).

(2) CONGRESSIONAL NOTIFICATION.—The President shall notify the appropriate congressional committees of his intention to reduce the amount of the Russian Federation's Soviet-era debt at least 15 days in advance of any formal determination to do so.

(3) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—For the cost of the reduction of any Soviet-era debt pursuant to this section, there are authorized to be appropriated to the President—

(i) $50,000,000 for fiscal year 2002; and

(ii) $100,000,000 for fiscal year 2003.

(B) LIMITATION.—The authority provided by this section shall be available only to the extent that appropriations for the cost of the modification of any Soviet-era debt pursuant to this section are made in advance.

(4) CERTAIN PROHIBITIONS INAPPLICABLE.—

(A) IN GENERAL.—A reduction of Soviet-era debt pursuant to this section shall not be considered assistance for the purposes of any provision of law limiting assistance to a country.

(B) ADDITIONAL REQUIREMENT.—The authority of this section may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961 or section 321 of the International Development and Food Assistance Act of 1975.

(b) IMPLEMENTATION OF SOVIET-ERA DEBT REDUCTION.—

(1) IN GENERAL.—Any reduction of Soviet-era debt pursuant to subsection (a) shall be—

(A) implemented pursuant to the terms of a Russian Nonproliferation Investment Agreement authorized under section 318; and

(B) accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in such subsection that are outstanding as of October 1, 2001.

(2) EXCHANGE OF OBLIGATIONS.—

(A) IN GENERAL.—The Facility shall notify the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of an agreement entered into under paragraph (1) with the Russian Federation to exchange a new obligation for outstanding obligations.

(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation for the Russian Federation shall be established relating to the agreement, and the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall make an adjustment in its accounts to reflect the debt reduction.

(c) ADDITIONAL TERMS AND CONDITIONS.—The following additional terms and conditions shall apply to the reduction of Soviet-era debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 704(a)(1) of the Foreign Assistance Act of 1961:

(1) The provisions relating to repayment of principal under section 705 of the Foreign Assistance Act of 1961.

(2) The provisions relating to interest on new obligations under section 706 of the Foreign Assistance Act of 1961.

SEC. 316. REDUCTION OF SOVIET-ERA DEBT OWED TO THE UNITED STATES AS A RESULT OF CREDITS EXTENDED UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

(a) AUTHORITY TO REDUCE CERTAIN SOVIET-ERA DEBT.—

(1) AUTHORITY.—Notwithstanding any other provision of law, and subject to section 321, the President may reduce the amount of Soviet-era debt owed to the United States (or any agency of the United States) by the Russian Federation that is outstanding as of October 1, 2001, as a result of any credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.).

(2) CONGRESSIONAL NOTIFICATION.—The President shall notify the appropriate congressional committees of his intention to reduce the amount of the Russian Federation's Soviet-era debt described in paragraph (1) at least 15 days in advance of any formal determination to do so.

(3) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—For the cost of the reduction of any Soviet-era debt pursuant to this section, there are authorized to be appropriated to the President—

(i) $50,000,000 for fiscal year 2002; and

(ii) $100,000,000 for fiscal year 2003.

(B) LIMITATION.—The authority provided by this section shall be available only to the extent that appropriations for the cost of the modification of any Soviet-era debt pursuant to this section are made in advance.

(b) IMPLEMENTATION OF SOVIET-ERA DEBT REDUCTION.—

(1) IN GENERAL.—Any reduction of Soviet-era debt pursuant to subsection (a) shall be—

(A) implemented pursuant to the terms of a Russian Nonproliferation Investment Agreement authorized under section 318; and

(B) accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in such subsection that are outstanding as of October 1, 2001.

(2) EXCHANGE OF OBLIGATIONS.—

(A) IN GENERAL.—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation shall be established for the Russian Federation relating to the agreement, and the Commodity Credit Corporation shall make an adjustment in its accounts to reflect the debt reduction.

(c) ADDITIONAL TERMS AND CONDITIONS.—The following additional terms and conditions shall apply to the reduction of Soviet-era debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 604(a)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738c):

(1) The provisions relating to repayment of principal under section 605 of such Act.

(2) The provisions relating to interest on new obligations under section 606 of such Act.

SEC. 317. AUTHORITY TO ENGAGE IN DEBT-FOR-NONPROLIFERATION EXCHANGES AND DEBT BUYBACKS.

(a) LOANS AND CREDITS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) DEBT-FOR-NONPROLIFERATION EXCHANGES.—

(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to section 321, the President may, in accordance with this section, sell to any purchaser eligible under subparagraph (B), any loan or credit described in section 315(a)(1), or any credit described in section 316(a)(1), or on receipt of payment from an eligible purchaser, reduce or cancel any such loan or credit or portion thereof, only for the purpose of facilitating a debt-for-nonproliferation exchange to support activities that further United States objectives described in the findings set forth in section 312(a).

(B) ELIGIBLE PURCHASER.—A loan or credit may be sold, reduced, or canceled under subparagraph (A) with respect to a purchaser who presents plans satisfactory to the President for using the loan or credit for the purpose of engaging in debt-for-nonproliferation exchange to support activities that further United States objectives described in the findings set forth in section 312(a).

(C) CONSULTATION REQUIREMENT.—Before the sale under subparagraph (A) to any purchaser eligible under subparagraph (B), or any reduction or cancellation under subparagraph (A), of any loan or credit made to the Russian Federation, the President shall consult with that country concerning the amount of loans or credits to be sold, reduced, or canceled and their uses for debt-for-nonproliferation exchanges to support activities that further United States objectives described in the findings set forth in section 312(a).

(D) AUTHORIZATION OF APPROPRIATIONS.—For the cost of the reduction of any debt pursuant to subparagraph (A), amounts authorized to be appropriated under sections 315(a)(3) and 316(a)(3) shall be made available for such reduction of debt pursuant to subparagraph (A).

(2) DEBT BUYBACKS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to the Russian Federation any loan or credit described in section 315(a)(1) or any credit described in section 316(a)(1), or on receipt of payment from the Russian Federation, reduce or cancel such loan or credit or portion thereof, if the purpose of doing so is to facilitate a debt buyback by the Russian Federation of its own qualified debt and the Russian Federation uses a substantial additional amount of its local currency to support activities that further United States objectives described in the findings set forth in section 312(a).

(3) LIMITATION.—The authority provided by paragraphs (1) and (2) shall be available only to the extent that appropriations for the cost of the modification of any debt pursuant to such paragraphs are made in advance.

(4) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans and credits may be sold, reduced, or canceled pursuant to this section.

(5) ADMINISTRATION.—

(A) IN GENERAL.—The Facility shall notify the Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 or the Commodity Credit Corporation, as the case may be, of purchasers that the President has determined to be eligible under paragraph (1)(B), and shall direct such agency or Corporation, as the case may be, to carry out the sale, reduction, or cancellation of a loan pursuant to such paragraph.

(B) ADDITIONAL REQUIREMENT.—Such agency or Corporation, as the case may be, shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(b) DEPOSIT OF PROCEEDS.—The proceeds from a sale, reduction, or cancellation of a loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

SEC. 318. RUSSIAN NONPROLIFERATION INVESTMENT AGREEMENT.

(a) AUTHORITY.—Subject to section 321, the Secretary is authorized, in consultation with other appropriate officials of the Federal Government, to enter into an agreement with the Russian Federation concerning the use of the funds saved by that country as a result of any debt relief provided pursuant to this subtitle. An agreement entered into under this section may be referred to as the

"Russian Nonproliferation Investment Agreement".

(b) CONTENT OF AGREEMENT.—The Russian Nonproliferation Investment Agreement shall ensure that—

(1) a significant proportion of the funds saved by the Russian Federation as a result of any debt relief provided pursuant to this subtitle is devoted to nonproliferation programs and projects;

(2) funding of each such program or project is approved by the United States Government, either directly or through its representation on any governing board that may be directed or established to manage these funds;

(3) administration and oversight of nonproliferation programs and projects incorporate best practices from established threat reduction and nonproliferation assistance programs;

(4) each program or project funded pursuant to the Agreement is subject to audits conducted by or for the United States Government;

(5) unobligated funds for investments pursuant to the Agreement are segregated from other Russian Federation funds and invested in financial instruments guaranteed or insured by the United States Government;

(6) the funds that are devoted to programs and projects pursuant to the Agreement are not subject to any taxation by the Russian Federation;

(7) all matters relating to the intellectual property rights and legal liabilities of United States firms in a given project are agreed upon before the expenditure of funds is authorized for that project; and

(8) not less than 75 percent of the funds made available for each nonproliferation program or project under the Agreement is spent in the Russian Federation.

(c) USE OF EXISTING MECHANISMS.—It is the sense of Congress that, to the extent practicable, the boards and administrative mechanisms of existing threat reduction and nonproliferation programs should be used in the administration and oversight of programs and projects under the Agreement.

SEC. 319. STRUCTURE OF DEBT-FOR-NONPROLIFERATION ARRANGEMENTS.

It is the sense of Congress that any debt-for-nonproliferation arrangements with the Russian Federation should provide for gradual debt relief over a period of years, with debt relief to be suspended if more than two years' worth of funds remain unobligated for approved nonproliferation programs or projects.

SEC. 320. INDEPENDENT MEDIA AND THE RULE OF LAW.

Subject to section 321, of the agreed funds saved by the Russian Federation as a result of any debt relief provided pursuant to this subtitle, up to 10 percent may be used to promote a vibrant, independent media sector and the rule of law in the Russian Federation through an endowment to support the establishment of a "Center for an Independent Press and the Rule of Law" in the Russian Federation, which shall be directed by a joint United States-Russian Board of Directors in which the majority of members, including the chairman, shall be United States personnel, and which shall be responsible for management of the endowment, its funds, and the Center's programs.

SEC. 321. NONPROLIFERATION REQUIREMENT.

(a) PROLIFERATION TO STATE SPONSORS OF TERRORISM.—The authorities granted under sections 315, 316, 317, 318, and 320 may not be exercised, and funds may not be expended, unless and until—

(1) the Russian Federation makes material progress in stemming the flow of sensitive goods, technologies, material, and know-how related to the design, development, and production of weapons of mass destruction and the means to deliver them to countries that have been determined by the Secretary, for the purposes of section 40 of the Arms Export Control Act, section 620A of the Foreign Assistance Act, or section 6(j) of the Export Administration Act of 1979, to have repeatedly provided support for acts of international terrorism; and

(2) the President certifies to the appropriate congressional committees that the condition required in paragraph (1) has been met.

(b) ANNUAL DETERMINATION.—If, in any annual report to Congress submitted pursuant to section 325, the President cannot certify that the Russian Federation continues to meet the condition required in subsection (a)(1), then, subject to the provisions of subsection (c), the authorities granted under under sections 315, 316, 317, 318, and 320 may not be exercised, and funds may not be expended, unless and until such certification is made to the appropriate congressional committees.

(c) PRESIDENTIAL WAIVER.—The President may waive the requirements of subsection (b) for a fiscal year if the President determines that imposition of those requirements in that fiscal year would be counter to the national interest of the United States and so reports to the appropriate congressional committees.

SEC. 322. DISCUSSION OF RUSSIAN FEDERATION DEBT REDUCTION FOR NONPROLIFERATION WITH OTHER CREDITOR STATES.

The President and such other appropriate officials as the President may designate shall institute discussions in the Paris Club of creditor states with the objectives of—

(1) reaching agreement that each member of the Paris Club is authorized to negotiate debt exchanges with the Russian Federation covering a portion of its bilateral debt, to finance the accomplishment of nonproliferation and arms reduction activities;

(2) convincing other member states of the Paris Club, especially the largest holders of Soviet-era Russian debt, to dedicate significant proportions of their bilateral debt with the Russian Federation to these purposes; and

(3) reaching agreement, as appropriate, to establish a unified debt exchange fund to manage and provide financial transparency for the resources provided through the debt exchanges.

SEC. 323. IMPLEMENTATION OF UNITED STATES POLICY.

It is the sense of Congress that implementation of debt-for-nonproliferation programs with the Russian Federation should be overseen by the Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union (established pursuant to section 334 of this Act).

SEC. 324. CONSULTATIONS WITH CONGRESS.

The President shall consult with the appropriate congressional committees on a periodic basis to review the operations of the Facility and the Russian Federation's eligibility for benefits from the Facility.

SEC. 325. ANNUAL REPORT TO CONGRESS.

Not later than December 31, 2002, and not later than December 31 of each year thereafter, the President shall prepare and transmit to Congress a report concerning the operation of the Facility during the fiscal year preceding the fiscal year in which the report is transmitted. The report on a fiscal year shall include—

(1) a description of the activities undertaken by the Facility during the fiscal year;

(2) a description of any agreement entered into under this subtitle;

(3) a description of any grants that have been provided pursuant to the agreement; and

(4) a summary of the results of audits performed in the fiscal year pursuant to the agreement.

Subtitle C—Nonproliferation Assistance Coordination

SEC. 331. SHORT TITLE.

This subtitle may be cited as the "Nonproliferation Assistance Coordination Act of 2001".

SEC. 332. FINDINGS.

Congress finds that—

(1) United States nonproliferation efforts in the independent states of the former Soviet Union have achieved important results in ensuring that weapons of mass destruction, weapons-usable material and technology, and weapons-related knowledge remain beyond the reach of terrorists and weapons-proliferating states;

(2) although these efforts are in the United States national security interest, the effectiveness of these efforts suffers from a lack of coordination within and among United States Government agencies;

(3) increased spending and investment by the United States private sector on nonproliferation efforts in the independent states of the former Soviet Union, specifically, spending and investment by the United States private sector in job creation initiatives and proposals for unemployed Russian Federation weapons scientists and technicians, are making an important contribution in ensuring that knowledge related to weapons of mass destruction remains beyond the reach of terrorists and weapons-proliferating states; and

(4) increased spending and investment by the United States private sector on nonproliferation efforts in the independent states of the former Soviet Union require the establishment of a coordinating body to ensure that United States public and private efforts are not in conflict, and to ensure that public spending on efforts by the independent states of the former Soviet Union is maximized to ensure efficiency and further United States national security interests.

SEC. 333. INDEPENDENT STATES OF THE FORMER SOVIET UNION DEFINED.

In this subtitle, the term "independent states of the former Soviet Union" has the meaning given the term in section 3 of the FREEDOM Support Act (22 U.S.C. 5801).

SEC. 334. ESTABLISHMENT OF COMMITTEE ON NONPROLIFERATION ASSISTANCE TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) ESTABLISHMENT.—There is established within the executive branch of the Government an interagency committee known as the "Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union" (in this subtitle referred to as the "Committee").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Committee shall be composed of five members, as follows:

(A) A representative of the Department of State designated by the Secretary of State.

(B) A representative of the Department of Energy designated by the Secretary of Energy.

(C) A representative of the Department of Defense designated by the Secretary of Defense.

(D) A representative of the Department of Commerce designated by the Secretary of Commerce.

(E) A representative of the Assistant to the President for National Security Affairs designated by the Assistant to the President.

(2) Level of Representation.—The Secretary of a department named in subparagraph (A), (B), (C), or (D) of paragraph (1) shall designate as the department's representative an official of that department who is not below the level of an Assistant Secretary of the department.

(c) Chair.—The representative of the Assistant to the President for National Security Affairs shall serve as Chair of the Committee. The Chair may invite the head of any other department or agency of the United States to designate a representative of that department or agency to participate from time to time in the activities of the Committee.

SEC. 335. DUTIES OF THE COMMITTEE.

(a) In General.—The Committee shall have primary continuing responsibility within the executive branch of the Government for—

(1) monitoring United States nonproliferation efforts in the independent states of the former Soviet Union; and

(2) coordinating the implementation of United States policy with respect to such efforts.

(b) Duties Specified.—In carrying out the responsibilities described in subsection (a), the Committee shall—

(1) arrange for the preparation of analyses on the issues and problems relating to coordination within and among United States departments and agencies on nonproliferation efforts of the independent states of the former Soviet Union;

(2) arrange for the preparation of analyses on the issues and problems relating to coordination between the United States public and private sectors on nonproliferation efforts in the independent states of the former Soviet Union, including coordination between public and private spending on nonproliferation programs of the independent states of the former Soviet Union and coordination between public spending and private investment in defense conversion activities of the independent states of the former Soviet Union;

(3) provide guidance on arrangements that will coordinate, de-conflict, and maximize the utility of United States public spending on nonproliferation programs of the independent states of the former Soviet Union to ensure efficiency and further United States national security interests;

(4) encourage companies and nongovernmental organizations involved in nonproliferation efforts of the independent states of the former Soviet Union to voluntarily report these efforts to the Committee;

(5) arrange for the preparation of analyses on the issues and problems relating to the coordination between the United States and other countries with respect to nonproliferation efforts in the independent states of the former Soviet Union; and

(6) consider, and make recommendations to the President and Congress with respect to, proposals for new legislation or regulations relating to United States nonproliferation efforts in the independent states of the former Soviet Union as may be necessary.

SEC. 336. ADMINISTRATIVE SUPPORT.

All United States departments and agencies shall provide, to the extent permitted by law, such information and assistance as may be requested by the Committee in carrying out its functions and activities under this subtitle.

SEC. 337. CONFIDENTIALITY OF INFORMATION.

Information which has been submitted or received in confidence shall not be publicly disclosed, except to the extent required by law, and such information shall be used by the Committee only for the purpose of carrying out the functions and activities set forth in this subtitle.

SEC. 338. STATUTORY CONSTRUCTION.

Nothing in this subtitle—

(1) applies to the data-gathering, regulatory, or enforcement authority of any existing United States department or agency over nonproliferation efforts in the independent states of the former Soviet Union, and the review of those efforts undertaken by the Committee shall not in any way supersede or prejudice any other process provided by law; or

(2) applies to any activity that is reportable pursuant to title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.).

TITLE IV—EXPEDITING THE MUNITIONS LICENSING PROCESS

SEC. 401. LICENSE OFFICER STAFFING.

(a) Funding.—Of the amounts authorized to be appropriated under the appropriations account entitled "Diplomatic and Consular Programs" for fiscal years 2002 and 2003, not less than $10,000,000 shall be made available each such fiscal year for the Office of Defense Trade Controls of the Department of State for salaries and expenses.

(b) Assignment of License Review Officers.—Effective January 1, 2002, the Secretary shall assign to the Office of Defense Trade Controls of the Department of State a sufficient number of license review officers to ensure that the average weekly caseload for each officer does not exceed 40.

(c) Detailees.—For the purpose of expediting license reviews, the Secretary of Defense should ensure that 10 military officers are continuously detailed to the Office of Defense Trade Controls of the Department of State on a nonreimbursable basis.

SEC. 402. FUNDING FOR DATABASE AUTOMATION.

Of the amounts authorized to be appropriated under the appropriations account entitled "Capital Investment Fund" for fiscal years 2002 and 2003, not less than $4,000,000 shall be made available each such fiscal year for the Office of Defense Trade Controls of the Department of State for the modernization of information management systems.

SEC. 403. INFORMATION MANAGEMENT PRIORITIES.

(a) Objective.—The Secretary shall establish a secure, Internet-based system for the filing and review of applications for export of Munitions List items.

(b) Establishment of an Electronic System.—Of the amounts made available pursuant to section 402, not less than $3,000,000 each such fiscal year shall be made available to fully automate the Defense Trade Application System, and to ensure that the system—

(1) is a secure, electronic system for the filing and review of Munitions List license applications;

(2) is accessible by United States companies through the Internet for the purpose of filing and tracking their Munitions List license applications; and

(3) is capable of exchanging data with—

(A) the Export Control Automated Support System of the Department of Commerce;

(B) the Foreign Disclosure and Technology Information System and the USXPORTS systems of the Department of Defense;

(C) the Export Control System of the Central Intelligence Agency; and

(D) the Proliferation Information Network System of the Department of Energy.

(c) Munitions List Defined.—In this section, the term "Munitions List" means the United States Munitions List of defense articles and defense services controlled under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

SEC. 404. IMPROVEMENTS TO THE AUTOMATED EXPORT SYSTEM.

(a) Contribution to the Automated Export System.—Not less than $250,000 of the amounts provided under section 302 for each fiscal year shall be available for the purpose of—

(1) providing the Department of State with full access to the Automated Export System;

(2) ensuring that the system is modified to meet the needs of the Department of State, if such modifications are consistent with the needs of other United States Government agencies; and

(3) providing operational support.

(b) Mandatory Filing.—The Secretary of Commerce, with the concurrence of the Secretary of State and the Secretary of Treasury, shall publish regulations in the Federal Register to require, upon the effective date of those regulations, that all persons who are required to file export information under chapter 9 of title 13, United States Code, to file such information through the Automated Export System.

(c) Requirement for Information Sharing.—The Secretary shall conclude an information-sharing arrangement with the heads of United States Customs Service and the Census Bureau—

(1) to allow the Department of State to access information on controlled exports made through the United States Postal Service; and

(2) to adjust the Automated Export System to parallel information currently collected by the Department of State.

(d) Secretary of Treasury Functions.—Section 303 of title 13, United States Code, is amended by striking ", other than by mail,".

(e) Filing Export Information, Delayed Filings, Penalties for Failure To File.—Section 304 of title 13, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "the penal sum of $1,000" and inserting "a penal sum of $10,000"; and

(B) in the third sentence, by striking "a penalty not to exceed $100 for each day's delinquency beyond the prescribed period, but not more than $1,000," and inserting "a penalty not to exceed $1,000 for each day's delinquency beyond the prescribed period, but not more than $10,000 per violation";

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following:

"(b) Any person, other than a person described in subsection (a), required to submit export information, shall file such information in accordance with any rule, regulation, or order issued pursuant to this chapter. In the event any such information or reports are not filed within such prescribed period, the Secretary of Commerce (and officers of the Department of Commerce designated by the Secretary) may impose a civil penalty not to exceed $1,000 for each day's delinquency beyond the prescribed period, but not more than $10,000 per violation.".

(f) Additional Penalties.—

(1) In general.—Section 305 of title 13, United States Code, is amended to read as follows:

"SEC. 305. PENALTIES FOR UNLAWFUL EXPORT INFORMATION ACTIVITIES.

"(a) Criminal Penalties.—(1) Any person who knowingly fails to file or knowingly submits false or misleading export information through the Shippers Export Declaration (SED) (or any successor document) or the Automated Export System (AES) shall be subject to a fine not to exceed $10,000 per violation or imprisonment for not more than 5 years, or both.

"(2) Any person who knowingly reports any information on or uses the SED or the AES to further any illegal activity shall be subject to a fine not to exceed $10,000 per violation or imprisonment for not more than 5 years, or both.

"(3) Any person who is convicted under this subsection shall, in addition to any other penalty, be subject to forfeiting to the United States—

"(A) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in the goods or tangible items that were the subject of the violation;

"(B) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in tangible property that was used in the export or attempt to export that was the subject of the violation; and

"(C) any of that person's property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

"(b) Civil Penalties.—The Secretary (and officers of the Department of Commerce specifically designated by the Secretary) may impose a civil penalty not to exceed $10,000 per violation on any person violating the provisions of this chapter or any rule, regulation, or order issued thereunder, except as provided in section 304. Such penalty may be in addition to any other penalty imposed by law.

"(c) Civil Penalty Procedure.—(1) When a civil penalty is sought for a violation of this section or of section 304, the charged party is entitled to receive a formal complaint specifying the charges and, at his or her request, to contest the charges in a hearing before an administrative law judge. Any such hearing shall be conducted in accordance with sections 556 and 557 of title 5, United States Code.

"(2) If any person fails to pay a civil penalty imposed under this chapter, the Secretary may ask the Attorney General to commence a civil action in an appropriate district court of the United States to recover the amount imposed (plus interest at currently prevailing rates from the date of the final order). No such action may be commenced more than 5 years after the order imposing the civil penalty becomes final. In such action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

"(3) The Secretary may remit or mitigate any penalties imposed under paragraph (1) if, in his or her opinion—

"(A) the penalties were incurred without willful negligence or fraud; or

"(B) other circumstances exist that justify a remission or mitigation.

"(4) If, pursuant to section 306, the Secretary delegates functions under this section to another agency, the provisions of law of that agency relating to penalty assessment, remission or mitigation of such penalties, collection of such penalties, and limitations of actions and compromise of claims, shall apply.

"(5) Any amount paid in satisfaction of a civil penalty imposed under this section or section 304 shall be deposited into the general fund of the Treasury and credited as miscellaneous receipts.

"(d) Enforcement.—(1) The Secretary of Commerce may designate officers or employees of the Office of Export Enforcement to conduct investigations pursuant to this chapter. In conducting such investigations, those officers or employees may, to the extent necessary or appropriate to the enforcement of this chapter, exercise such authorities as are conferred upon them by other laws of the United States, subject to policies and procedures approved by the Attorney General.

"(2) The Commissioner of Customs may designate officers or employees of the Customs Service to enforce the provisions of this chapter, or to conduct investigations pursuant to this chapter.

"(e) Regulations.—The Secretary of Commerce shall promulgate regulations for the implementation and enforcement of this section.

"(f) Exemption.—The criminal fines provided for in this section are exempt from the provisions of section 3571 of title 18, United States Code.".

(2) Clerical amendment.—The table of sections at the beginning of chapter 9 of title 13, United States Code, is amended by striking the item relating to section 305 and inserting the following:

"305. Penalties for unlawful export information activities.".

SEC. 405. ADJUSTMENT OF THRESHOLD AMOUNTS FOR CONGRESSIONAL REVIEW PURPOSES.

The Arms Export Control Act is amended—

(1) in section 3(d) (22 U.S.C. 2753(d))—

(A) in paragraphs (1) and (3)(A), by striking "The President may not" and inserting "Subject to paragraph (5), the President may not"; and

(B) by adding at the end of the following new paragraph:

"(5) In the case of a transfer to a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand that does not authorize a new sales territory that includes any country other than such countries, the limitations on consent of the President set forth in paragraphs (1) and (3)(A) shall apply only if the transfer is—

"(A) a transfer of major defense equipment valued (in terms of its original acquisition cost) at $25,000,000 or more; or

"(B) a transfer of defense articles or defense services valued (in terms of its original acquisition cost) at $100,000,000 or more).";

(2) in section 36 (22 U.S.C. 2776)—

(A) in subsection (b)—

(i) in paragraph (1), by striking "(1) In the case of" and inserting "(1) Subject to paragraph (6), in the case of";

(ii) in paragraph (5)(C), by striking "(C) If" and inserting "(C) Subject to paragraph (6), if"; and

(iii) by adding at the end of the following new paragraph:

"(6) The limitation in paragraph (1) and the requirement in paragraph (5)(C) shall apply in the case of a letter of offer to sell to a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand that does not authorize a new sales territory that includes any country other than such countries only if the letter of offer involves—

"(A) sale of major defense equipment under this Act for, or enhancement or upgrade of major defense equipment at a cost of, $25,000,000 or more, as the case may be; and

"(B) sale of defense articles or services for, or enhancement or upgrade of defense articles or services at a cost of, $100,000,000 or more, as the case may be; or

"(C) sale of design and construction services for, or enhancement or upgrade of design and construction services at a cost of, $300,000,000 or more, as the case may be."; and

(B) in subsection (c)—

(i) in paragraph (1), by striking "(1) In the case of" and inserting "(1) Subject to paragraph (5), in the case of"; and

(ii) by adding at the end the following new paragraph:

"(5) In the case of an application by a person (other than with regard to a sale under section 21 or 22 of this Act) for a license for the export to a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand that does not authorize a new sales territory that includes any country other than such countries, the limitation on the issuance of the license set forth in paragraph (1) shall apply only if the license is for export of—

"(A) major defense equipment sold under a contract in the amount of $25,000,000 or more; or

"(B) defense articles or defense services sold under a contract in the amount of $100,000,000 or more."; and

(3) in section 63(a) (22 U.S.C. 2796b(a))—

(A) by striking "In the case of" and inserting "(1) Subject to paragraph (2), in the case of"; and

(B) by adding at the end the following new paragraph:

"(2) In the case of an agreement described in paragraph (1) that is entered into with a member country of the North Atlantic Treaty Organization (NATO) or Australia, Japan, or New Zealand, the limitation in paragraph (1) shall apply only if the agreement involves a lease or loan of—

"(A) major defense equipment valued (in terms of its replacement cost less any depreciation in its value) at $25,000,000 or more; or

"(B) defense articles valued (in terms of their replacement cost less any depreciation in their value) at $100,000,000 or more.".

SEC. 406. PERIODIC NOTIFICATION OF PENDING APPLICATIONS FOR EXPORT LICENSES.

The Secretary shall submit, on a biannual basis, to the appropriate committees of Congress a report identifying—

(1) each outstanding application for a license to export under section 38 of the Arms Export Control Act for which final administrative action has been withheld for longer than 180 days; and

(2) the referral status of each such application and any other relevant information.

TITLE V—NATIONAL SECURITY ASSISTANCE STRATEGY

SEC. 501. ESTABLISHMENT OF THE STRATEGY.

(a) Requirement.—Not later than 180 days after the date of enactment of this Act, and annually thereafter in connection with submission of congressional presentation materials for the foreign operations appropriations budget request, the Secretary shall submit to the appropriate committees of Congress a report setting forth a National Security Assistance Strategy for the United States.

(b) Elements of the Strategy.—The National Security Assistance Strategy shall—

(1) set forth a 5-year plan for security assistance programs;

(2) be consistent with the National Security Strategy of the United States;

(3) be coordinated with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff;

(4) identify overarching security assistance objectives, including identification of the role that specific security assistance programs will play in achieving such objectives;

(5) identify a primary security assistance objective, as well as specific secondary objectives, for individual countries;

(6) identify, on a country-by-country basis, how specific resources will be allocated to accomplish both primary and secondary objectives;

(7) discuss how specific types of assistance, such as foreign military financing and international military education and training, will be combined at the country level to achieve United States objectives; and

(8) detail, with respect to each of the paragraphs (1) through (7), how specific types of assistance provided pursuant to the Arms Export Control Act and Foreign Assistance Act of 1961 are coordinated with United States assistance programs administered by the Department of Defense and other agencies.

(c) COVERED ASSISTANCE.—The National Security Assistance Strategy shall cover assistance provided under—

(1) section 23 of the Arms Export Control Act (22 U.S.C. 2763);

(2) chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.); and

(3) section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i).

SEC. 502. SECURITY ASSISTANCE SURVEYS.

(a) UTILIZATION.—The Secretary shall utilize security assistance surveys in preparation of the National Security Assistance Strategy required pursuant to section 501 of this Act.

(b) FUNDING.—Of the amounts made available for fiscal year 2002 under section 23 of the Arms Export Control Act (22 U.S.C. 2763), $2,000,000 is authorized to be available to the Secretary to conduct security assistance surveys, or to request such a survey, on a reimbursable basis, by the Department of Defense or other United States Government agencies. Such surveys shall be conducted consistent with the requirements of section 26 of the Arms Export Control Act.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. NUCLEAR AND MISSILE NONPROLIFERATION IN SOUTH ASIA.

(a) UNITED STATES POLICY.—It shall be the policy of the United States, consistent with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, to encourage and work with the governments of India and Pakistan to achieve the following objectives by September 30, 2003:

(1) Continuation of a nuclear testing moratorium.

(2) Commitment not to deploy nuclear weapons.

(3) Agreement by both governments to bring their export controls in line with the guidelines and requirements of the Nuclear Suppliers Group.

(4) Agreement by both governments to bring their export controls in line with the guidelines and requirements of the Zangger Committee.

(5) Agreement by both governments to bring their export controls in line with the guidelines, requirements, and annexes of the Missile Technology Control Regime.

(6) Establishment of a modern, effective system to protect and secure nuclear devices and materiel from unauthorized use, accidental employment, theft, espionage, misuse, or abuse.

(7) Establishment of a modern, effective system to control the export of sensitive dual-use items, technology, technical information, and materiel that can be used in the design, development, or production of weapons of mass destruction and ballistic missiles.

(8) Conduct of bilateral meetings between Indian and Pakistani senior officials to discuss security issues, establish confidence building measures, and increase transparency with regard to nuclear policies, programs, stockpiles, capabilities, and delivery systems.

(b) REPORT.—Not later than March 1, 2003, the President shall submit to the appropriate committees of Congress a report describing United States efforts in pursuit of the objectives listed in subsection (a), the progress made toward the achievement of those objectives, and the likelihood that each objective will be achieved by September 30, 2003.

SEC. 602. REAL-TIME PUBLIC AVAILABILITY OF RAW SEISMOLOGICAL DATA.

The head of the Air Force Technical Applications Center shall make available to the public, immediately upon receipt or as soon after receipt as is possible, all raw seismological data provided to the United States Government by any international monitoring organization that is directly responsible for seismological monitoring.

SEC. 603. DETAILING UNITED STATES GOVERNMENTAL PERSONNEL TO INTERNATIONAL ARMS CONTROL AND NONPROLIFERATION ORGANIZATIONS.

(a) IN GENERAL.—The Secretary, in consultation with the Secretaries of Defense and Energy and the heads of other relevant United States departments and agencies, as appropriate, shall develop measures to improve the process by which United States Government personnel may be detailed to international arms control and nonproliferation organizations without adversely affecting the pay or career advancement of such personnel.

(b) REPORT REQUIRED.—Not later than May 1, 2002, the Secretary shall submit a report to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives setting forth the measures taken under subsection (a).

SEC. 604. DIPLOMATIC PRESENCE OVERSEAS.

(a) PURPOSE.—The purpose of this section is to—

(1) elevate the stature given United States diplomatic initiatives relating to nonproliferation and political-military issues; and

(2) develop a group of highly specialized, technical experts with country expertise capable of administering the nonproliferation and political-military affairs functions of the Department of State.

(b) AUTHORITY.—To carry out the purposes of subsection (a), the Secretary is authorized to establish the position of Counselor for Nonproliferation and Political Military Affairs in United States diplomatic missions overseas to be filled by individuals who are career Civil Service officers or Foreign Service officers committed to follow-on assignments in the Nonproliferation or Political Military Affairs Bureaus of the Department of State.

(c) TRAINING.—After being selected to serve as Counselor, any person so selected shall spend not less than 10 months in language training courses at the Foreign Service Institute, or in technical courses administered by the Department of Defense, the Department of Energy, or other appropriate departments and agencies of the United States, except that such requirement for training may be waived by the Secretary.

SEC. 605. PROTECTION AGAINST AGRICULTURAL BIOTERRORISM.

Of funds made available to carry out programs under the Foreign Assistance Act of 1961, $1,500,000 may be made available to North Carolina State University for the purpose of fingerprinting crop and livestock pathogens in order to enhance the ability of the United States Government to detect new strains, determine their origin, and to facilitate research in pathogen epidemiology.

SEC. 606. COMPLIANCE WITH THE CHEMICAL WEAPONS CONVENTION.

(a) FINDINGS.—Congress makes the following findings:

(1) On April 24, 1997, the Senate provided its advice and consent to ratification of the Chemical Weapons Convention subject to the condition that no sample collected in the United States pursuant to the Convention would be transferred for analysis to any laboratory outside the territory of the United States.

(2) Congress enacted the same condition into law as section 304(f)(1) of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6724(f)(1)).

(3) Part II, paragraph 57, of the Verification Annex of the Convention requires that all samples taken during a challenge inspection under the Convention shall be analyzed by at least two laboratories that have been designated as capable of conducting such testing by the OPCW.

(4) The only United States laboratory currently designated by the OPCW is the United States Army Edgewood Forensic Science Laboratory.

(5) In order to meet the requirements of condition (18) of the resolution of ratification of the Chemical Weapons Convention, and section 304 of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6724), the United States must possess, at a minimum, a second OPCW-designated laboratory.

(6) The possession of a second laboratory is necessary in view of the potential for a challenge inspection to be initiated against the United States by a foreign nation.

(7) To qualify as a designated laboratory, a laboratory must be certified under ISO Guide 25 or a higher standard, and complete three proficiency tests. The laboratory must have the full capability to handle substances listed on Schedule 1 of the Annex on Schedules of Chemicals of the Chemical Weapons Convention. In order to handle such substances in the United States, a laboratory also must operate under a bailment agreement with the United States Army.

(8) Several existing United States commercial laboratories have approved quality control systems, already possess bailment agreements with the United States Army, and have the capabilities necessary to obtain OPCW designation.

(9) In order to bolster the legitimacy of United States analysis of samples taken on its national territory, it is preferable that the second designated laboratory is not a United States Government facility. Further, it is not cost-effective to build and equip another Government laboratory to meet OPCW designation standards when such capability already exists in the private sector.

(b) ESTABLISHMENT OF SECOND DESIGNATED LABORATORY.—

(1) DIRECTIVE.—Not later than February 1, 2002, the United States National Authority,

as designated under section 101 of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6711), shall select, through competitive procedures, a commercial laboratory within the United States to pursue designation by the OPCW.

(2) DELEGATION.—The National Authority may delegate the authority and administrative responsibility for carrying out paragraph (1) to one or more of the heads of the agencies described in section 101(b)(2) of the Chemical Weapons Convention Implementation Act of 1998 (22 U.S.C. 6711(b)(2)).

(3) REPORT.—Not later than March 1, 2002, the National Authority shall submit to the appropriate committees of Congress a report detailing a plan for securing OPCW designation of a third United States laboratory by December 1, 2003.

(c) DEFINITIONS.—In this section:

(1) CHEMICAL WEAPONS CONVENTION.—The term "Chemical Weapons Convention" means the Convention on the Prohibition of Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, Opened for Signature and Signed by the United States at Paris on January 13, 1993, including the following protocols and memorandum of understanding:

(A) The Annex on Chemicals.

(B) The Annex on Implementation and Verification.

(C) The Annex on the Protection of Confidential Information.

(D) The Resolution Establishing the Preparatory Commission for the Organization for the Prohibition of Chemical Weapons.

(E) The Text on the Establishment of a Preparatory Commission.

(2) OPCW.—The term "OPCW" means the Organization for the Prohibition of Chemical Weapons established under the Convention.

TITLE VII—AUTHORITY TO TRANSFER NAVAL VESSELS

SEC. 701. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY TO TRANSFER.—

(1) BRAZIL.—The President is authorized to transfer to the Government of Brazil the "Newport" class tank landing ship Peoria (LST1183). Such transfer shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(2) POLAND.—The President is authorized to transfer to the Government of Poland the "Oliver Hazard Perry" class guided missile frigate Wadsworth (FFG 9). Such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(3) TURKEY.—The President is authorized to transfer to the Government of Turkey the "Oliver Hazard Perry" class guided missile frigates Estocin (FFG 15) and Samuel Eliot Morrison (FFG 13). Each such transfer shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761). The President is further authorized to transfer to the Government of Turkey the "Knox" class frigates Capadanno (FF 1093), Thomas C. Hart (FF 1092), Donald B. Beary (FF 1085), McCandless (FF 1084), Reasoner (FF 1063), and Bowen (FF 1079). The transfer of these 6 "Knox" class frigates shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(4) TAIWAN.—The President is authorized to transfer to the Taipei Economic and Cultural Representative Office in the United States (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act) the "Kidd" class guided missile destroyers Kidd (DDG 993), Callaghan (DDG 994), Scott (DDG 995), and Chandler (DDG 996). The transfer of these 4 "Kidd" class guided missile destroyers shall be on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(b) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(c) COSTS OF TRANSFERS.—Notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)), any expense incurred by the United States in connection with a transfer authorized to be made on a grant basis under subsection (a) or (b) shall be charged to the recipient.

(d) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the President shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a United States Navy shipyard or other shipyard located in the United States.

(e) EXPIRATION OF AUTHORITY.—The authority provided under subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SA 3386. Mr. DASCHLE proposed an amendment to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Trade Act of 2002".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into 3 divisions as follows:

(1) DIVISION A.—Trade Adjustment Assistance.

(2) DIVISION B.—Trade Promotion Authority.

(3) DIVISION C.—Extension and Modification of Certain Preferential Trade Treatment.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.

DIVISION A—TRADE ADJUSTMENT ASSISTANCE

Sec. 101. Short title.

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Sec. 111. Adjustment assistance for workers.
Sec. 112. Displaced worker self-employment training pilot program.

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

Sec. 201. Reauthorization of program.

TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

Sec. 301. Purpose.
Sec. 302. Trade adjustment assistance for communities.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

Sec. 401. Trade adjustment assistance for farmers.

TITLE V—TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN

Sec. 501. Trade adjustment assistance for fishermen.

TITLE VI—HEALTH INSURANCE COVERAGE OPTIONS FOR WORKERS ELIGIBLE FOR TRADE ADJUSTMENT ASSISTANCE

Sec. 601. Trade adjustment assistance health insurance credit.
Sec. 602. Advance payment of trade adjustment assistance health insurance credit.
Sec. 603. Health insurance coverage for eligible individuals.

TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE

Sec. 701. Conforming amendments.

TITLE VIII—SAVINGS PROVISIONS AND EFFECTIVE DATE

Sec. 801. Savings provisions.
Sec. 802. Effective date.

TITLE IX—REVENUE PROVISIONS

Sec. 901. Custom user fees.

TITLE X—MISCELLANEOUS PROVISIONS

Sec. 1001. Country of origin labeling of fish and shellfish products.
Sec. 1002. Sugar policy.

TITLE XI—CUSTOMS REAUTHORIZATION

Sec. 1101. Short title.

Subtitle A—United States Customs Service

CHAPTER 1—DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL AND COMMERCIAL OPERATIONS

Sec. 1111. Authorization of appropriations for noncommercial operations, commercial operations, and air and marine interdiction.
Sec. 1112. Antiterrorist and illicit narcotics detection equipment for the United States-Mexico border, United States-Canada border, and Florida and the Gulf Coast seaports.
Sec. 1113. Compliance with performance plan requirements.

CHAPTER 2—CHILD CYBER-SMUGGLING CENTER OF THE CUSTOMS SERVICE

Sec. 1121. Authorization of appropriations for program to prevent child pornography/child sexual exploitation.

CHAPTER 3—MISCELLANEOUS PROVISIONS

Sec. 1131. Additional Customs Service officers for United States-Canada border.
Sec. 1132. Study and report relating to personnel practices of the Customs Service.
Sec. 1133. Study and report relating to accounting and auditing procedures of the Customs Service.
Sec. 1134. Establishment and implementation of cost accounting system; reports.
Sec. 1135. Study and report relating to timeliness of prospective rulings.
Sec. 1136. Study and report relating to customs user fees.

CHAPTER 4—ANTITERRORISM PROVISIONS

Sec. 1141. Emergency adjustments to offices, ports of entry, or staffing of the Customs Service.
Sec. 1142. Mandatory advanced electronic information for cargo and passengers.

Sec. 1143. Border search authority for certain contraband in outbound mail.
Sec. 1144. Authorization of appropriations for reestablishment of Customs operations in New York City.
CHAPTER 5—TEXTILE TRANSSHIPMENT PROVISIONS
Sec. 1151. GAO audit of textile transshipment monitoring by Customs Service.
Sec. 1152. Authorization of appropriations for textile transshipment enforcement operations.
Sec. 1153. Implementation of the African Growth and Opportunity Act.
Subtitle B—Office of the United States Trade Representative
Sec. 1161. Authorization of appropriations.
Subtitle C—United States International Trade Commission
Sec. 1171. Authorization of appropriations.
Subtitle D—Other Trade Provisions
Sec. 1181. Increase in aggregate value of articles exempt from duty acquired abroad by United States residents.
Sec. 1182. Regulatory audit procedures.
Subtitle E—Sense of Senate
Sec. 1191. Sense of Senate.
DIVISION B—BIPARTISAN TRADE PROMOTION AUTHORITY
TITLE XXI—TRADE PROMOTION AUTHORITY
Sec. 2101. Short title; findings.
Sec. 2102. Trade negotiating objectives.
Sec. 2103. Trade agreements authority.
Sec. 2104. Consultations and assessment.
Sec. 2105. Implementation of trade agreements.
Sec. 2106. Treatment of certain trade agreements for which negotiations have already begun.
Sec. 2107. Congressional oversight group.
Sec. 2108. Additional implementation and enforcement requirements.
Sec. 2109. Committee staff.
Sec. 2110. Conforming amendments.
Sec. 2111. Report on impact of trade promotion authority.
Sec. 2112. Identification of small business advocate at WTO.
Sec. 2113. Definitions.
DIVISION C—ANDEAN TRADE PREFERENCE ACT
TITLE XXXI—ANDEAN TRADE PREFERENCE
Sec. 3101. Short title; findings.
Sec. 3102. Temporary provisions.
Sec. 3103. Termination.
TITLE XXXII—MISCELLANEOUS TRADE BENEFITS
Sec. 3201. Wool provisions.
Sec. 3202. Ceiling fans.
Sec. 3203. Certain steam or other vapor generating boilers used in nuclear facilities.
DIVISION D—AGRICULTURE ASSISTANCE

DIVISION A—TRADE ADJUSTMENT ASSISTANCE

SEC. 101. SHORT TITLE.

This division may be cited as the "Trade Adjustment Assistance Reform Act of 2002".

TITLE I—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

SEC. 111. ADJUSTMENT ASSISTANCE FOR WORKERS.

Chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is amended to read as follows:

"CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

"Subchapter A—General Provisions

"SEC. 221. DEFINITIONS.

"In this chapter:

"(1) ADDITIONAL COMPENSATION.—The term 'additional compensation' has the meaning given that term in section 205(3) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(2) ADVERSELY AFFECTED EMPLOYMENT.—The term 'adversely affected employment' means employment in a firm or appropriate subdivision of a firm, if workers of that firm or subdivision are eligible to apply for adjustment assistance under this chapter.

"(3) ADVERSELY AFFECTED WORKER.—

"(A) IN GENERAL.—The term 'adversely affected worker' means a worker who is a member of a group of workers certified by the Secretary under section 231(a)(1) as eligible for trade adjustment assistance.

"(B) ADVERSELY AFFECTED SECONDARY WORKER.—The term 'adversely affected worker' includes an adversely affected secondary worker who is a member of a group of workers employed at a downstream producer or a supplier, that is certified by the Secretary under section 231(a)(2) as eligible for trade adjustment assistance.

"(4) AVERAGE WEEKLY HOURS.—The term 'average weekly hours' means the average hours worked by a worker (excluding overtime) in the employment from which the worker has been or claims to have been separated in the 52 weeks (excluding weeks during which the worker was on leave for purposes of vacation, sickness, maternity, military service, or any other employer-authorized leave) preceding the week specified in paragraph (5)(B)(ii).

"(5) AVERAGE WEEKLY WAGE.—

"(A) IN GENERAL.—The term 'average weekly wage' means 1/13 of the total wages paid to an individual in the high quarter.

"(B) DEFINITIONS.—For purposes of computing the average weekly wage—

"(i) the term 'high quarter' means the quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately preceding the quarter in which occurs the week with respect to which the computation is made; and

"(ii) the term 'week' means the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary.

"(6) BENEFIT PERIOD.—The term 'benefit period' means, with respect to an individual, the following:

"(A) STATE LAW.—The benefit year and any ensuing period, as determined under applicable State law, during which the individual is eligible for regular compensation, additional compensation, or extended compensation.

"(B) FEDERAL LAW.—The equivalent to the benefit year or ensuing period provided for under the applicable Federal unemployment insurance law.

"(7) BENEFIT YEAR.—The term 'benefit year' has the same meaning given that term in the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(8) CONTRIBUTED IMPORTANTLY.—The term 'contributed importantly' means a cause that is important but not necessarily more important than any other cause.

"(9) COOPERATING STATE.—The term 'cooperating State' means any State that has entered into an agreement with the Secretary under section 222.

"(10) CUSTOMIZED TRAINING.—The term 'customized training' means training that is designed to meet the special requirements of an employer (including a group of employers) and that is conducted with a commitment by the employer to employ an individual on successful completion of the training.

"(11) DOWNSTREAM PRODUCER.—The term 'downstream producer' means a firm that performs additional, value-added production processes for a firm or subdivision, including a firm that performs final assembly or finishing, directly for another firm (or subdivision), for articles that were the basis for a certification of eligibility under section 231(a)(1) of a group of workers employed by such other firm.

"(12) EXTENDED COMPENSATION.—The term 'extended compensation' has the meaning given that term in section 205(4) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(13) JOB FINDING CLUB.—The term 'job finding club' means a job search workshop which includes a period of structured, supervised activity in which participants attempt to obtain jobs.

"(14) JOB SEARCH PROGRAM.—The term 'job search program' means a job search workshop or job finding club.

"(15) JOB SEARCH WORKSHOP.—The term 'job search workshop' means a short (1- to 3-day) seminar, covering subjects such as labor market information, résumé writing, interviewing techniques, and techniques for finding job openings, that is designed to provide participants with knowledge that will enable the participants to find jobs.

"(16) ON-THE-JOB TRAINING.—The term 'on-the-job training' has the same meaning as that term has in section 101(31) of the Workforce Investment Act.

"(17) PARTIAL SEPARATION.—A partial separation shall be considered to exist with respect to an individual if—

"(A) the individual has had a 20-percent or greater reduction in the average weekly hours worked by that individual in adversely affected employment; and

"(B) the individual has had a 20-percent or greater reduction in the average weekly wage of the individual with respect to adversely affected employment.

"(18) REGULAR COMPENSATION.—The term 'regular compensation' has the meaning given that term in section 205(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(19) REGULAR STATE UNEMPLOYMENT.—The term 'regular State unemployment' means unemployment insurance benefits other than an extension of unemployment insurance by a State using its own funds beyond either the 26-week period mandated by Federal law or any additional period provided for under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"(20) SECRETARY.—The term 'Secretary' means the Secretary of Labor.

"(21) STATE.—The term 'State' includes each State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(22) STATE AGENCY.—The term 'State agency' means the agency of the State that administers the State law.

"(23) STATE LAW.—The term 'State law' means the unemployment insurance law of the State approved by the Secretary under section 3304 of the Internal Revenue Code of 1986.

"(24) SUPPLIER.—The term 'supplier' means a firm that produces and supplies directly to another firm (or subdivision) component parts for articles that were the basis for a certification of eligibility under section 231(a)(1) of a group of workers employed by such other firm. The term 'supplier' also includes a firm that has provided services under a contract to a firm (or subdivision) that employs a group of workers covered by a certification of eligibility under section 231(a)(1).

“(25) Total separation.—The term 'total separation' means the layoff or severance of an individual from employment with a firm in which or in a subdivision of which, adversely affected employment exists.

“(26) Unemployment insurance.—The term 'unemployment insurance' means the unemployment compensation payable to an individual under any State law or Federal unemployment compensation law, including chapter 85 of title 5, United States Code, and the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.).

“(27) Week.—Except as provided in paragraph 5(B)(ii), the term 'week' means a week as defined in the applicable State law.

“(28) Week of unemployment.—The term 'week of unemployment' means a week of total, part-total, or partial unemployment as determined under the applicable State law or Federal unemployment insurance law.

“SEC. 222. AGREEMENTS WITH STATES.

“(a) In General.—The Secretary is authorized on behalf of the United States to enter into an agreement with any State or with any State agency (referred to in this chapter as 'cooperating State' and 'cooperating State agency', respectively) to facilitate the provision of services under this chapter.

“(b) Provisions of Agreements.—Under an agreement entered into under subsection (a)—

“(1) the cooperating State agency as an agent of the United States shall—

“(A) facilitate the early filing of petitions under section 231(b) for any group of workers that the State considers is likely to be eligible for benefits under this chapter;

“(B) assist the Secretary in the review of any petition submitted from that State by verifying the information and providing other assistance as the Secretary may request;

“(C) advise each worker who applies for unemployment insurance of the available benefits under this chapter and the procedures and deadlines for applying for those benefits and of the worker's potential eligibility for assistance with health care coverage through the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 or under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998;

“(D) receive applications for services under this chapter;

“(E) provide payments on the basis provided for in this chapter;

“(F) advise each adversely affected worker to apply for training under section 240, and of the deadlines for benefits related to enrollment in training under this chapter;

“(G) ensure that the State employees with responsibility for carrying out an agreement entered into under subsection (a)—

“(i) inform adversely affected workers covered by a certification issued under section 231(c) of the workers' (and individual member's of the worker's family) potential eligibility for—

“(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

“(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

“(III) child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.);

“(IV) the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 and health care coverage assistance under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998; and

“(V) other Federal- and State-funded health care, child care, transportation, and assistance programs for which the workers may be eligible; and

“(ii) provide such workers with information regarding how to apply for such assistance, services, and programs, including notification that the election period for COBRA continuation may be extended for certain workers under section 603 of the Trade Adjustment Assistance Reform Act of 2002;

“(H) provide adversely affected workers referral to training services approved under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), and any other appropriate Federal or State program designed to assist dislocated workers or unemployed individuals, consistent with the requirements of subsection (b)(2);

“(I) collect and transmit to the Secretary any data as the Secretary shall reasonably require to assist the Secretary in assuring the effective and efficient performance of the programs carried out under this chapter; and

“(J) otherwise actively cooperate with the Secretary and with other Federal and State agencies in providing payments and services under this chapter, including participation in the performance measurement system established by the Secretary under section 224.

“(2) the cooperating State shall—

“(A) arrange for the provision of services under this chapter through the one-stop delivery system established in section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c)) where available;

“(B) provide to adversely affected workers statewide rapid response activities under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)) in the same manner and to the same extent as any other worker eligible for those activities;

“(C) afford adversely affected workers the services provided under section 134(d) of the Workforce Investment Act of 1998 (29 U.S.C. 92864(d)) in the same manner and to the same extent as any other worker eligible for those services; and

“(D) provide training services under this chapter using training providers approved under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) which may include community colleges, and other effective providers of training services.

“(c) Other Provisions.—

“(1) Approval of training providers.—The Secretary shall ensure that the training services provided by cooperating States are provided by organizations approved by the Secretary to effectively assist workers eligible for assistance under this chapter.

“(2) Amendment, suspension, or termination of agreements.—Each agreement entered into under this section shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

“(3) Effect on unemployment insurance.—Each agreement entered into under this section shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to payments under this chapter.

“(4) Coordination of workforce investment activities.—In order to promote the coordination of Workforce Investment Act activities in each State with activities carried out under this chapter, each agreement entered into under this section shall provide that the State shall submit to the Secretary, in such form as the Secretary may require, the description and information described in paragraphs (8) and (14) of section 112(b) of the Workforce Investment Act of 1998 (29 U.S.C. 2822(b) (8) and (14)).

“(d) Review of State Determinations.—

“(1) In general.—A determination by a cooperating State regarding entitlement to program benefits under this chapter is subject to review in the same manner and to the same extent as determinations under the applicable State law.

“(2) Appeal.—A review undertaken by a cooperating State under paragraph (1) may be appealed to the Secretary pursuant to such regulations as the Secretary may prescribe.

“SEC. 231. CERTIFICATION AS ADVERSELY AFFECTED WORKERS.

“(a) Eligibility for Certification.—

“(1) General rule.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected workers and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated, that either—

“(A)(i) the sales or production, or both, of such firm or subdivision have decreased absolutely;

“(ii) the value or volume of imports of articles like or directly competitive with articles produced by that firm or subdivision have increased; and

“(iii) the increase in the value or volume of imports described in clause (ii) contributed importantly to the workers' separation or threat of separation and to the decline in the sales or production of such firm or subdivision; or

“(B) there has been a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision.

“(2) Adversely affected secondary worker.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that—

“(A) a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

“(B) the workers' firm (or subdivision) is a supplier to a firm (or subdivision) or downstream producer to a firm (or subdivision) described in paragraph (1) (A) or (B); and

“(C) a loss of business with a firm (or subdivision) described in paragraph (1) (A) or (B) contributed importantly to the workers' separation or threat of separation determined under subparagraph (A).

"(3) SPECIAL RULE FOR SECONDARY WORKERS.—Notwithstanding paragraph (2), the Secretary may, pursuant to standards established by the Secretary and for good cause shown, certify as eligible for trade adjustment assistance under this chapter a group of workers who meet the requirements for certification as adversely affected secondary workers in paragraph (2), except that the Secretary has neither received nor declined to certify a petition under paragraph (1) on behalf of workers at a firm to which the petitioning workers' firm is a supplier or downstream producer as defined in section 221 (11) and (24).

"(4) SPECIAL PROVISIONS.—

"(A) OIL AND NATURAL GAS PRODUCERS.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas shall be considered to be a firm producing oil or natural gas.

"(B) OIL AND NATURAL GAS IMPORTS.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas, or otherwise produces oil or natural gas, shall be considered to be producing articles directly competitive with imports of oil and with imports of natural gas.

"(C) TACONITE.—For purposes of this section, taconite pellets produced in the United States shall be considered to be an article that is like or directly competitive with imports of semifinished steel slab.

"(D) SERVICE WORKERS.—

"(i) IN GENERAL.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall establish a program to provide assistance under this chapter to domestic operators of motor carriers who are adversely affected by competition from foreign owned and operated motor carriers.

"(ii) DATA COLLECTION SYSTEM.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall put in place a system to collect data on adversely affected service workers that includes the number of workers by State, industry, and cause of dislocation for each worker.

"(iii) REPORT.—Not later than 2 years after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall report to Congress the results of a study on ways for extending the programs in this chapter to adversely affected service workers, including recommendations for legislation.

"(b) PETITIONS.—

"(1) IN GENERAL.—A petition for certification of eligibility for trade adjustment assistance under this chapter for a group of adversely affected workers shall be filed simultaneously with the Secretary and with the Governor of the State in which the firm or subdivision of the firm employing the workers is located.

"(2) PERSONS WHO MAY FILE A PETITION.—A petition under paragraph (1) may be filed by any of the following:

"(A) WORKERS.—A group of workers (including workers in an agricultural firm or subdivision of any agricultural firm).

"(B) WORKER REPRESENTATIVES.—The certified or recognized union or other duly appointed representative of the workers.

"(C) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION.—Any entity to which notice of a plant closing or mass layoff must be given under section 3 of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102).

"(D) OTHER.—Employers of workers described in subparagraph (A), one-stop operators or one-stop partners (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), or State employment agencies, on behalf of the workers.

"(E) REQUEST TO INITIATE CERTIFICATION.—The President, or the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives (by resolution), may petition the Secretary to initiate a certification process under this chapter to determine the eligibility for trade adjustment assistance of a group of workers.

"(3) ACTIONS BY GOVERNOR.—

"(A) COOPERATING STATE.—Upon receipt of a petition, the Governor of a cooperating State shall ensure that the requirements of the agreement entered into under section 222 are met.

"(B) OTHER STATES.—Upon receipt of a petition, the Governor of a State that has not entered into an agreement under section 222 shall coordinate closely with the Secretary to ensure that workers covered by a petition are—

"(i) provided with all available services, including rapid response activities under section 134 of the Workforce Investment Act (29 U.S.C. 2864);

"(ii) informed of the workers' (and individual member's of the worker's family) potential eligibility for—

"(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

"(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

"(III) child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.); and

"(IV) the trade adjustment assistance health insurance credit under section 6429 of the Internal Revenue Code of 1986 and health care coverage assistance under funds made available to the State to carry out section 173(f) of the Workforce Investment Act of 1998; and

"(V) other Federal and State funded health care, child care, transportation, and assistance programs that the workers may be eligible for; and

"(iii) provided with information regarding how to apply for the assistance, services, and programs described in clause (ii).

"SEC. 232. INFORMATION TO WORKERS AND OTHER AFFECTED PARTIES.

"(a) IN GENERAL.—The Secretary shall, in accordance with the provisions of section 222 or 223, as appropriate, provide prompt and full information to adversely affected workers covered by a certification issued under section 231(c), including information regarding—

"(1) benefit allowances, training, and other employment services available under this chapter;

"(2) petition and application procedures under this chapter;

"(3) appropriate filing dates for the allowances, training, and services available under this chapter; and

"(4) procedures for applying for and receiving all other Federal benefits and services available to separated workers during a period of unemployment.

"(b) ASSISTANCE TO GROUPS OF WORKERS.—

"(1) IN GENERAL.—The Secretary shall provide any necessary assistance to enable groups of workers to prepare petitions or applications for program benefits.

"(2) ASSISTANCE FROM STATES.—The Secretary shall ensure that cooperating States fully comply with the agreements entered into under section 222 and shall periodically review that compliance.

"(c) NOTICE.—

"(1) IN GENERAL.—Not later that 15 days after a certification is issued under section 231 (or as soon as practicable after separation), the Secretary shall provide written notice of the benefits available under this chapter to each worker whom the Secretary has reason to believe is covered by the certification.

"(2) PUBLICATION OF NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to workers covered by each certification made under section 231 in newspapers of general circulation in the areas in which those workers reside.

"(3) NOTICE TO OTHER PARTIES AFFECTED BY THESE PROVISIONS REGARDING HEALTH ASSISTANCE.—The Secretary shall notify each provider of health insurance within the meaning of section 7527 of the Internal Revenue Code of 1986 of the availability of health care coverage assistance under title VI of the Trade Adjustment Assistance Reform Act of 2002 and of the temporary extension of the election period for COBRA continuation coverage for certain workers under section 603 of that Act.

"SEC. 223. ADMINISTRATION ABSENT STATE AGREEMENT.

"(a) IN GENERAL.—In any State in which there is no agreement in force under section 222, the Secretary shall arrange, under regulations prescribed by the Secretary, for the performance of all necessary functions under this chapter, including providing a hearing for any worker whose application for payment is denied.

"(b) FINALITY OF DETERMINATION.—A final determination under subsection (a) regarding entitlement to program benefits under this chapter is subject to review by the courts in the same manner and to the same extent as is provided by section 205(g) of the Social Security Act (42 U.S.C. 405(g)).

"SEC. 224. DATA COLLECTION; EVALUATIONS; REPORTS.

"(a) DATA COLLECTION.—The Secretary shall, pursuant to regulations prescribed by the Secretary, collect any data necessary to meet the requirements of this chapter.

"(b) PERFORMANCE EVALUATIONS.—The Secretary shall establish an effective performance measuring system to evaluate the following:

"(1) PROGRAM PERFORMANCE.—

"(A) speed of petition processing;

"(B) quality of petition processing;

"(C) cost of training programs;

"(D) coordination of programs under this title with programs under the Workforce Investment Act (29 U.S.C. 2801 et seq.);

"(E) length of time participants take to enter and complete training programs;

"(F) the effectiveness of individual contractors in providing appropriate retraining information;

"(G) the effectiveness of individual approved training programs in helping workers obtain employment;

"(H) best practices related to the provision of benefits and retraining; and

"(I) other data to evaluate how individual States are implementing the requirements of this title.

"(2) PARTICIPANT OUTCOMES.—

"(A) reemployment rates;

"(B) types of jobs in which displaced workers have been placed;

“(C) wage and benefit maintenance results;

“(D) training completion rates; and

“(E) other data to evaluate how effective programs under this chapter are for participants, taking into consideration current economic conditions in the State.

“(3) Program participation data.—

“(A) the number of workers receiving benefits and the type of benefits being received;

“(B) the number of workers enrolled in, and the duration of, training by major types of training;

“(C) earnings history of workers that reflects wages before separation and wages in any job obtained after receiving benefits under this Act;

“(D) the cause of dislocation identified in each certified petition;

“(E) the number of petitions filed and workers certified in each United States congressional district; and

“(F) the number of workers who received waivers under each category identified in section 235(c)(1) and the average duration of such waivers.

“(c) State Participation.—The Secretary shall ensure, to the extent practicable, through oversight and effective internal control measures the following:

“(1) State participation.—Participation by each State in the performance measurement system established under subsection (b).

“(2) Monitoring.—Monitoring by each State of internal control measures with respect to performance measurement data collected by each State.

“(3) Response.—The quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)).

“(d) Reports.—

“(1) Reports by the secretary.—

“(A) Initial report.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that—

“(i) describes the performance measurement system established under subsection (b);

“(ii) includes analysis of data collected through the system established under subsection (b);

“(iii) includes information identifying the number of workers who received waivers under section 235(c) and the average duration of those during the preceding year;

“(iv) describes and analyzes State participation in the system;

“(v) analyzes the quality and speed of the rapid response provided by each State under section 134(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(a)(2)(A)); and

“(vi) provides recommendations for program improvements.

“(B) Annual report.—Not later than 1 year after the date the report is submitted under subparagraph (A), and annually thereafter, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that includes the information collected under clauses (ii) through (v) of subparagraph (A).

“(2) State reports.—Pursuant to regulations prescribed by the Secretary, each State shall submit to the Secretary a report that details its participation in the programs established under this chapter, and that contains the data necessary to allow the Secretary to submit the report required under paragraph (1).

“(3) Publication.—The Secretary shall make available to each State, and other public and private organizations as determined by the Secretary, the data gathered and evaluated through the performance measurement system established under paragraph (1).

“SEC. 225. STUDY BY SECRETARY OF LABOR WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

“(a) Notification of Investigation.—Whenever the International Trade Commission begins an investigation under section 202 with respect to an industry, the Commission shall immediately notify the Secretary of that investigation, and the Secretary shall immediately begin a study of—

“(1) the number of workers in the domestic industry producing the like or directly competitive article who have been or are likely to be certified as eligible for adjustment assistance under this chapter; and

“(2) the extent to which the adjustment of those workers to the import competition may be facilitated through the use of existing programs.

“(b) Report.—

“(1) In general.—The Secretary shall provide a report based on the study conducted under subsection (a) to the President not later than 15 days after the day on which the Commission makes its report under section 202(f).

“(2) Publication.—The Secretary shall promptly make public the report provided to the President under paragraph (1) (with the exception of information which the Secretary determines to be confidential) and shall have a summary of the report published in the Federal Register.

“SEC. 226. REPORT BY SECRETARY OF LABOR ON LIKELY IMPACT OF TRADE AGREEMENTS.

“(a) In General.—At least 90 calendar days before the day on which the President enters into a trade agreement under section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002, the President shall provide the Secretary with details of the agreement as it exists at that time and direct the Secretary to prepare and submit the assessment described in subsection (b). Between the time the President instructs the Secretary to prepare the assessment under this section and the time the Secretary submits the assessment to Congress, the President shall keep the Secretary current with respect to the details of the agreement.

“(b) Assessment.—Not later than 90 calendar days after the President enters into the agreement, the Secretary shall submit to the President, the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committees on Appropriations of the Senate and the House of Representatives, a report assessing the likely impact of the agreement on employment in the United States economy as a whole and in specific industrial sectors, including the extent of worker dislocations likely to result from implementation of the agreement. The report shall include an estimate of the financial and administrative resources necessary to provide trade adjustment assistance to all potentially adversely affected workers.

“Subchapter B—Certifications

“SEC. 231. CERTIFICATION AS ADVERSELY AFFECTED WORKERS.

“(a) Eligibility for Certification.—

“(1) General rule.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected workers and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated, and that either—

“(A)(i) the sales or production, or both, of such firm or subdivision have decreased absolutely;

“(ii) the value or volume of imports of articles like or directly competitive with articles produced by that firm or subdivision have increased; and

“(iii) the increase in the value or volume of imports described in clause (ii) contributed importantly to the workers' separation or threat of separation and to the decline in the sales or production of such firm or subdivision; or

“(B) there has been a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision and the shift in production contributed importantly to the workers' separation or threat of separation.

“(2) Adversely affected secondary worker.—A group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) shall be certified by the Secretary as adversely affected and eligible for trade adjustment assistance benefits under this chapter pursuant to a petition filed under subsection (b) if the Secretary determines that—

“(A) a significant number or proportion of the workers in the workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated;

“(B) the workers' firm (or subdivision) is a supplier or downstream producer to a firm (or subdivision) that employed a group of workers who received a certification of eligibility under paragraph (1), and such supply or production is related to the article that was the basis for such certification (as defined in section 221 (11) and (24)); and

“(C) a loss of business by the workers' firm with the firm (or subdivision) described in subparagraph (B) contributed importantly to the workers' separation or threat of separation determined under subparagraph (A).

“(3) Special rule for secondary workers.—Notwithstanding paragraph (2), the Secretary may, pursuant to standards established by the Secretary and for good cause shown, certify as eligible for trade adjustment assistance under this chapter a group of workers who meet the requirements for certification as adversely affected secondary workers in paragraph (2), except that the Secretary has not received a petition under paragraph (1) on behalf of workers at a firm to which the petitioning workers' firm is a supplier or downstream producer as defined in section 221 (11) and (24).

“(4) Special provisions.—

“(A) Oil and natural gas producers.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas shall be considered to be a firm producing oil or natural gas.

“(B) Oil and natural gas imports.—For purposes of this section, any firm, or appropriate subdivision of a firm, that engages in exploration or drilling for oil or natural gas, or otherwise produces oil or natural gas, shall be considered to be producing articles directly competitive with imports of oil and with imports of natural gas.

"(C) TACONITE.—For purposes of this section, taconite pellets produced in the United States shall be considered to be an article that is like or directly competitive with imports of semifinished steel slab.

"(D) SERVICE WORKERS.—

"(i) IN GENERAL.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall establish a program to provide assistance under this chapter to domestic operators of motor carriers who are adversely affected by competition from foreign owned and operated motor carriers.

"(ii) DATA COLLECTION SYSTEM.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall put in place a system to collect data on adversely affected service workers that includes the number of workers by State, industry, and cause of dislocation for each worker.

"(iii) REPORT.—Not later than 2 years after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall report to Congress the results of a study on ways for extending the programs in this chapter to adversely affected service workers, including recommendations for legislation.

"(b) PETITIONS.—

"(1) IN GENERAL.—A petition for certification of eligibility for trade adjustment assistance under this chapter for a group of adversely affected workers shall be filed simultaneously with the Secretary and with the Governor of the State in which the firm or subdivision of the firm employing the workers is located.

"(2) PERSONS WHO MAY FILE A PETITION.—A petition under paragraph (1) may be filed by any of the following:

"(A) WORKERS.—A group of workers (including workers in an agricultural firm or subdivision of any agricultural firm).

"(B) WORKER REPRESENTATIVES.—The certified or recognized union or other duly appointed representative of the workers.

"(C) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION.—Any entity to which notice of a plant closing or mass layoff must be given under section 3 of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102).

"(D) OTHER.—Employers of workers described in subparagraph (A), one-stop operators or one-stop partners (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)), or State employment agencies, on behalf of the workers.

"(E) REQUEST TO INITIATE CERTIFICATION.—The President, or the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives (by resolution), may petition the Secretary to initiate a certification process under this chapter to determine the eligibility for trade adjustment assistance of a group of workers.

"(3) ACTIONS BY GOVERNOR.—

"(A) COOPERATING STATE.—Upon receipt of a petition, the Governor of a cooperating State shall ensure that the requirements of the agreement entered into under section 222 are met.

"(B) OTHER STATES.—Upon receipt of a petition, the Governor of a State that has not entered into an agreement under section 222 shall coordinate closely with the Secretary to ensure that workers covered by a petition are—

"(i) provided with all available services, including rapid response activities under section 134 of the Workforce Investment Act (29 U.S.C. 2864);

"(ii) informed of the workers' (and individual member's of the worker's family) potential eligibility for—

"(I) medical assistance under the medicaid program established under title XIX of the Social Security Act (42 U.S.C. 1396a et seq.);

"(II) child health assistance under the State children's health insurance program established under title XXI of that Act (42 U.S.C. 1397aa et seq.);

"(III) child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.); and

"(IV) other Federal and State funded health care, child care, transportation, and assistance programs that the workers may be eligible for; and

"(iii) provided with information regarding how to apply for the assistance, services, and programs described in clause (ii).

"(c) ACTIONS BY SECRETARY.—

"(1) IN GENERAL.—As soon as possible after the date on which a petition is filed under subsection (b), but not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of subsection (a), and if warranted, shall issue a certification of eligibility for trade adjustment assistance pursuant to this subchapter. In making the determination, the Secretary shall consult with all petitioning entities.

"(2) PUBLICATION OF DETERMINATION.—Upon making a determination under paragraph (1), the Secretary shall promptly publish a summary of the determination in the Federal Register together with the reasons for making that determination.

"(3) DATE SPECIFIED IN CERTIFICATION.—Each certification made under this subsection shall specify the date on which the total or partial separation began or threatened to begin with respect to a group of certified workers.

"(4) PROJECTED TRAINING NEEDS.—The Secretary shall inform the State Workforce Investment Board or equivalent agency, and other public or private agencies, institutions, employers, and labor organizations, as appropriate, of each certification issued under section 231 and of projections, if available, of the need for training under section 240 as a result of that certification.

"(d) SCOPE OF CERTIFICATION.—

"(1) IN GENERAL.—A certification issued under subsection (c) shall cover adversely affected workers in any group that meets the requirements of subsection (a), whose total or partial separation occurred on or after the date on which the petition was filed under subsection (b).

"(2) WORKERS SEPARATED PRIOR TO CERTIFICATION.—A certification issued under subsection (c) shall cover adversely affected workers whose total or partial separation occurred not more than 1 year prior to the date on which the petition was filed under subsection (b).

"(e) TERMINATION OF CERTIFICATION.—

"(1) IN GENERAL.—If the Secretary determines, with respect to any certification of eligibility, that workers separated from a firm or subdivision covered by a certification of eligibility are no longer adversely affected workers, the Secretary shall terminate the certification.

"(2) PUBLICATION OF TERMINATION.—The Secretary shall promptly publish notice of any termination made under paragraph (1) in the Federal Register together with the reasons for making that determination.

"(3) APPLICATION.—Any determination made under paragraph (1) shall apply only to total or partial separations occurring after the termination date specified by the Secretary.

"SEC. 232. BENEFIT INFORMATION TO WORKERS.

"(a) IN GENERAL.—The Secretary shall, in accordance with the provisions of section 222 or 223, as appropriate, provide prompt and full information to adversely affected workers covered by a certification issued under section 231(c), including information regarding—

"(1) benefit allowances, training, and other employment services available under this chapter;

"(2) petition and application procedures under this chapter;

"(3) appropriate filing dates for the allowances, training, and services available under this chapter; and

"(4) procedures for applying for and receiving all other Federal benefits and services available to separated workers during a period of unemployment.

"(b) ASSISTANCE TO GROUPS OF WORKERS.—

"(1) IN GENERAL.—The Secretary shall provide any necessary assistance to enable groups of workers to prepare petitions or applications for program benefits.

"(2) ASSISTANCE FROM STATES.—The Secretary shall ensure that cooperating States fully comply with the agreements entered into under section 222 and shall periodically review that compliance.

"(c) NOTICE.—

"(1) IN GENERAL.—Not later that 15 days after a certification is issued under section 231 (or as soon as practicable after separation), the Secretary shall provide written notice of the benefits available under this chapter to each worker whom the Secretary has reason to believe is covered by the certification.

"(2) PUBLICATION OF NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to workers covered by each certification made under section 231 in newspapers of general circulation in the areas in which those workers reside.

"Subchapter C—Program Benefits

"PART I—GENERAL PROVISIONS

"SEC. 234. COMPREHENSIVE ASSISTANCE.

"Workers covered by a certification issued by the Secretary under section 231 shall be eligible for the following:

"(1) Trade adjustment allowances as described in sections 235 through 238.

"(2) Employment services as described in section 239.

"(3) Training as described in section 240.

"(4) Job search allowances as described in section 241.

"(5) Relocation allowances as described in section 242.

"(6) Supportive services and wage insurance as described in section 243.

"(7) Health care coverage assistance under title VI of the Trade Adjustment Assistance Reform Act of 2002.

"PART II—TRADE ADJUSTMENT ALLOWANCES

"SEC. 235. QUALIFYING REQUIREMENTS FOR WORKERS.

"(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected worker covered by a certification under section 231 who files an application for the allowance for any week of unemployment that begins more than 60 days after the date on which the petition that resulted in the certification was filed under section 231, if the following conditions are met:

"(1) TIME OF TOTAL OR PARTIAL SEPARATION FROM EMPLOYMENT.—The adversely affected worker's total or partial separation before the worker's application under this chapter occurred—

"(A) within the period specified in either section 231 (d) (1) or (2);

"(B) before the expiration of the 2-year period beginning on the date on which the certification under section 231 was issued; and

"(C) before the termination date (if any) determined pursuant to section 231(e).

"(2) EMPLOYMENT REQUIRED.—

"(A) IN GENERAL.—The adversely affected worker had, in the 52-week period ending with the week in which the total or partial separation occurred, at least 26 weeks of employment at wages of $30 or more a week with a single firm or subdivision of a firm.

"(B) UNAVAILABILITY OF DATA.—If data with respect to weeks of employment with a firm are not available, the worker had equivalent amounts of employment computed under regulations prescribed by the Secretary.

"(C) WEEK OF EMPLOYMENT.—For the purposes of this paragraph any week shall be treated as a week of employment at wages of $30 or more, if an adversely affected worker—

"(i) is on employer-authorized leave for purposes of vacation, sickness, injury, or maternity, or inactive duty training or active duty for training in the Armed Forces of the United States;

"(ii) does not work because of a disability that is compensable under a workmen's compensation law or plan of a State or the United States;

"(iii) had employment interrupted in order to serve as a full-time representative of a labor organization in that firm or subdivision; or

"(iv) is on call-up for purposes of active duty in a reserve status in the Armed Forces of the United States, provided that active duty is 'Federal service' as defined in section 8521(a)(1) of title 5, United States Code.

"(D) EXCEPTIONS.—

"(i) In the case of weeks described in clause (i) or (iii) of subparagraph (C), or both, not more than 7 weeks may be treated as weeks of employment under subparagraph (C).

"(ii) In the case of weeks described in clause (ii) or (iv) of subparagraph (C), not more than 26 weeks may be treated as weeks of employment under subparagraph (C).

"(3) UNEMPLOYMENT COMPENSATION.—The adversely affected worker meets all of the following requirements:

"(A) ENTITLEMENT TO UNEMPLOYMENT INSURANCE.—The worker was entitled to (or would be entitled to if the worker applied for) unemployment insurance for a week within the benefit period—

"(i) in which total or partial separation took place; or

"(ii) which began (or would have begun) by reason of the filing of a claim for unemployment insurance by the worker after total or partial separation.

"(B) EXHAUSTION OF UNEMPLOYMENT INSURANCE.—The worker has exhausted all rights to any regular State unemployment insurance to which the worker was entitled (or would be entitled if the worker had applied for any regular State unemployment insurance).

"(C) NO UNEXPIRED WAITING PERIOD.—The worker does not have an unexpired waiting period applicable to the worker for any unemployment insurance.

"(4) EXTENDED UNEMPLOYMENT COMPENSATION.—The adversely affected worker, with respect to a week of unemployment, would not be disqualified for extended compensation payable under the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) by reason of the work acceptance and job search requirements in section 202(a)(3) of that Act.

"(5) TRAINING.—The adversely affected worker is enrolled in a training program approved by the Secretary under section 240(a), and the enrollment occurred not later than the latest of the periods described in subparagraph (A), (B), or (C).

"(A) 16 WEEKS.—The worker enrolled not later than the last day of the 16th week after the worker's most recent total separation that meets the requirements of paragraphs (1) and (2).

"(B) 8 WEEKS.—The worker enrolled not later than the last day of the 8th week after the week in which the Secretary issues a certification covering the worker.

"(C) EXTENUATING CIRCUMSTANCES.—Notwithstanding subparagraphs (A) and (B), the adversely affected worker is eligible for trade adjustment assistance if the worker enrolled not later than 45 days after the later of the dates specified in subparagraph (A) or (B), and the Secretary determines there are extenuating circumstances that justify an extension in the enrollment period.

"(b) FAILURE TO PARTICIPATE IN TRAINING.—

"(1) IN GENERAL.—Until the adversely affected worker begins or resumes participation in a training program approved under section 240(a), no trade adjustment allowance may be paid under subsection (a) to an adversely affected worker for any week or any succeeding week in which—

"(A) the Secretary determines that—

"(i) the adversely affected worker—

"(I) has failed to begin participation in a training program the enrollment in which meets the requirement of subsection (a)(5); or

"(II) has ceased to participate in such a training program before completing the training program; and

"(ii) there is no justifiable cause for the failure or cessation; or

"(B) the waiver issued to that worker under subsection (c)(1) is revoked under subsection (c)(2).

"(2) EXCEPTION.—The provisions of subsection (a)(5) and paragraph (1) shall not apply with respect to any week of unemployment that begins before the first week following the week in which the certification is issued under section 231.

"(c) WAIVERS OF TRAINING REQUIREMENTS.—

"(1) ISSUANCE OF WAIVERS.—The Secretary may issue a written statement to an adversely affected worker waiving the requirement to be enrolled in training described in subsection (a) if the Secretary determines that the training requirement is not feasible or appropriate for the worker, because of 1 or more of the following reasons:

"(A) RECALL.—The worker has been notified that the worker will be recalled by the firm from which the separation occurred.

"(B) MARKETABLE SKILLS.—The worker possesses marketable skills for suitable employment (as determined pursuant to an assessment of the worker, which may include the profiling system under section 303(j) of the Social Security Act (42 U.S.C. 503(j)), carried out in accordance with guidelines issued by the Secretary) and there is a reasonable expectation of employment at equivalent wages in the foreseeable future.

"(C) RETIREMENT.—The worker is within 2 years of meeting all requirements for entitlement to either—

"(i) old-age insurance benefits under title II of the Social Security Act (42 U.S.C. 401 et seq.) (except for application therefore); or

"(ii) a private pension sponsored by an employer or labor organization.

"(D) HEALTH.—The worker is unable to participate in training due to the health of the worker, except that a waiver under this subparagraph shall not be construed to exempt a worker from requirements relating to the availability for work, active search for work, or refusal to accept work under Federal or State unemployment compensation laws.

"(E) ENROLLMENT UNAVAILABLE.—The first available enrollment date for the approved training of the worker is within 60 days after the date of the determination made under this paragraph, or, if later, there are extenuating circumstances for the delay in enrollment, as determined pursuant to guidelines issued by the Secretary.

"(F) TRAINING NOT AVAILABLE.—Training approved by the Secretary is not reasonably available to the worker from either governmental agencies or private sources (which may include area vocational education schools, as defined in section 3 of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2302), and employers), no training that is suitable for the worker is available at a reasonable cost, or no training funds are available.

"(G) OTHER.—The Secretary may, at his discretion, issue a waiver if the Secretary determines that a worker has set forth in writing reasons other than those provided for in subparagraphs (A) through (F) justifying the grant of such waiver.

"(2) DURATION OF WAIVERS.—

"(A) IN GENERAL.—A waiver issued under paragraph (1) shall be effective for not more than 6 months after the date on which the waiver is issued, unless the Secretary determines otherwise.

"(B) REVOCATION.—The Secretary shall revoke a waiver issued under paragraph (1) if the Secretary determines that the basis of a waiver is no longer applicable to the worker.

"(3) AMENDMENTS UNDER SECTION 222.—

"(A) ISSUANCE BY COOPERATING STATES.—Pursuant to an agreement under section 222, the Secretary may authorize a cooperating State to issue waivers as described in paragraph (1).

"(B) SUBMISSION OF STATEMENTS.—An agreement under section 222 shall include a requirement that the cooperating State submit to the Secretary the written statements provided under paragraph (1) and a statement of the reasons for the waiver.

"SEC. 236. WEEKLY AMOUNTS.

"(a) IN GENERAL.—Subject to subsections (b) and (c), the trade adjustment allowance payable to an adversely affected worker for a week of total unemployment shall be an amount equal to the most recent weekly benefit amount of the unemployment insurance payable to the worker for a week of total unemployment preceding the worker's first exhaustion of unemployment insurance (as determined for purposes of section 235(a)(3)(B)) reduced (but not below zero) by—

"(1) any training allowance deductible under subsection (c); and

"(2) any income that is deductible from unemployment insurance under the disqualifying income provisions of the applicable

State law or Federal unemployment insurance law.

"(b) Adjustment for Workers Receiving Training.—

"(1) In general.—Any adversely affected worker who is entitled to a trade adjustment allowance and who is receiving training approved by the Secretary, shall receive for each week in which the worker is undergoing that training, a trade adjustment allowance in an amount (computed for such week) equal to the greater of—

"(A) the amount computed under subsection (a); or

"(B) the amount of any weekly allowance for that training to which the worker would be entitled under any other Federal law for the training of workers, if the worker applied for that allowance.

"(2) Allowance paid in lieu of.—Any trade adjustment allowance calculated under paragraph (1) shall be paid in lieu of any training allowance to which the worker would be entitled under any other Federal law.

"(3) Coordination with unemployment insurance.—Any week in which a worker undergoing training approved by the Secretary receives payments from unemployment insurance shall be subtracted from the total number of weeks for which a worker may receive trade adjustment allowance under this chapter.

"(c) Adjustment for Workers Receiving Allowances Under Other Federal Law.—

"(1) Reduction in weeks for which allowance will be paid.—If a training allowance under any Federal law (other than this Act) is paid to an adversely affected worker for any week of unemployment with respect to which the worker would be entitled (determined without regard to any disqualification under section 235(b)) to a trade adjustment allowance if the worker applied for that allowance, each week of unemployment shall be deducted from the total number of weeks of trade adjustment allowance otherwise payable to that worker under section 235(a) when the worker applies for a trade adjustment allowance and is determined to be entitled to the allowance.

"(2) Payment of difference.—If the training allowance paid to a worker for any week of unemployment is less than the amount of the trade adjustment allowance to which the worker would be entitled if the worker applied for the trade adjustment allowance, the worker shall receive, when the worker applies for a trade adjustment allowance and is determined to be entitled to the allowance, a trade adjustment allowance for that week equal to the difference between the training allowance and the trade adjustment allowance computed under subsection (b).

"SEC. 237. LIMITATIONS ON TRADE ADJUSTMENT ALLOWANCES.

"(a) Amount Payable.—The maximum amount of trade adjustment allowance payable to an adversely affected worker, with respect to the period covered by any certification, shall be the amount that is the product of 104 multiplied by the trade adjustment allowance payable to the worker for a week of total unemployment (as determined under section 236) reduced by the total sum of the regular State unemployment insurance to which the worker was entitled (or would have been entitled if the worker had applied for unemployment insurance) in the worker's first benefit period described in section 235(a)(3)(A).

"(b) Duration of Payments.—

"(1) In general.—Except as provided in paragraph (2), a trade adjustment allowance shall not be paid for any week occurring after the close of the 104-week period that begins with the first week following the week in which the adversely affected worker was most recently totally separated—

"(A) within the period that is described in section 235(a)(1); and

"(B) with respect to which the worker meets the requirements of section 235(a)(2).

"(2) Special rules.—

"(A) Break in training.—For purposes of this chapter, a worker shall be treated as participating in a training program approved by the Secretary under section 240(a) during any week that is part of a break in a training that does not exceed 30 days if—

"(i) the worker was participating in a training program approved under section 240(a) before the beginning of the break in training; and

"(ii) the break is provided under the training program.

"(B) On-the-job training.—No trade adjustment allowance shall be paid to a worker under this chapter for any week during which the worker is receiving on-the-job training, except that a trade adjustment allowance shall be paid if a worker is enrolled in a non-paid customized training program.

"(C) Small business administration pilot program.—An adversely affected worker who is participating in a self-employment training program established by the Director of the Small Business Administration pursuant to section 102 of the Trade Adjustment Assistance Reform Act of 2002, shall not be ineligible to receive benefits under this chapter.

"(c) Adjustment of Amounts Payable.—Amounts payable to an adversely affected worker under this chapter shall be subject to adjustment on a week-to-week basis as may be required by section 236.

"(d) Year-End Adjustment.—

"(1) In general.—Notwithstanding any other provision of this Act or any other provision of law, if the benefit year of a worker ends within an extended benefit period, the number of weeks of extended benefits that the worker would, but for this subsection, be entitled to in that extended benefit period shall not be reduced by the number of weeks for which the worker was entitled, during that benefit year, to trade adjustment allowances under this part.

"(2) Extended benefits period.—For the purpose of this section the term 'extended benefit period' has the same meaning given that term in the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

"SEC. 238. APPLICATION OF STATE LAWS.

"(a) In General.—Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary may prescribe, the availability and disqualification provisions of the State law under which an adversely affected worker is entitled to unemployment insurance (whether or not the worker has filed a claim for such insurance), or, if the worker is not so entitled to unemployment insurance, of the State in which the worker was totally or partially separated, shall apply to a worker that files an application for trade adjustment assistance.

"(b) Duration of Applicability.—The State law determined to be applicable with respect to a separation of an adversely affected worker shall remain applicable for purposes of subsection (a), with respect to a separation until the worker becomes entitled to unemployment insurance under another State law (whether or not the worker has filed a claim for that insurance).

"PART III—EMPLOYMENT SERVICES, TRAINING, AND OTHER ALLOWANCES

"SEC. 239. EMPLOYMENT SERVICES.

"The Secretary shall, in accordance with section 222 or 223, as applicable, make every reasonable effort to secure for adversely affected workers covered by a certification under section 231, counseling, testing, placement, and other services provided for under any other Federal law.

"SEC. 240. TRAINING.

"(a) Approved Training Programs.—

"(1) In general.—The Secretary shall approve training programs that include—

"(A) on-the-job training or customized training;

"(B) any employment or training activity provided through a one-stop delivery system under chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.);

"(C) any program of adult education;

"(D) any training program (other than a training program described in paragraph (3)) for which all, or any portion, of the costs of training the worker are paid—

"(i) under any Federal or State program other than this chapter; or

"(ii) from any source other than this section; and

"(E) any other training program that the Secretary determines is acceptable to meet the needs of an adversely affected worker.

In making the determination under subparagraph (E), the Secretary shall consult with interested parties.

"(2) Training agreements.—Before approving any training to which subsection (f)(1)(C) may apply, the Secretary may require that the adversely affected worker enter into an agreement with the Secretary under which the Secretary will not be required to pay under subsection (b) the portion of the costs of the training that the worker has reason to believe will be paid under the program, or by the source, described in clause (i) or (ii) of subsection (f)(1)(C).

"(3) Limitation on approvals.—The Secretary shall not approve a training program if all of the following apply:

"(A) Payment by plan.—Any portion of the costs of the training program are paid under any nongovernmental plan or program.

"(B) Right to obtain.—The adversely affected worker has a right to obtain training or funds for training under that plan or program.

"(C) Reimbursement.—The plan or program requires the worker to reimburse the plan or program from funds provided under this chapter, or from wages paid under the training program, for any portion of the costs of that training program paid under the plan or program.

"(b) Payment of Training Costs.—

"(1) In general.—Upon approval of a training program under subsection (a), and subject to the limitations imposed by this section, an adversely affected worker covered by a certification issued under section 231 may be eligible to have payment of the costs of that training, including any costs of an approved training program incurred by a worker before a certification was issued under section 231, made on behalf of the worker by the Secretary directly or through a voucher system.

"(2) On-the-job training and customized training.—

"(A) Provision of training on the job or customized training.—If the Secretary approves training under subsection (a), the

Secretary shall, insofar as possible, provide or assure the provision of that training on the job or customized training, and any training on the job or customized training that is approved by the Secretary under subsection (a) shall include related education necessary for the acquisition of skills needed for a position within a particular occupation.

"(B) MONTHLY INSTALLMENTS.—If the Secretary approves payment of any on-the-job training or customized training under subsection (a), the Secretary shall pay the costs of that training in equal monthly installments.

"(C) LIMITATIONS.—The Secretary may pay the costs of on-the-job training or customized training only if—

"(i) no employed worker is displaced by the adversely affected worker (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits);

"(ii) the training does not impair contracts for services or collective bargaining agreements;

"(iii) in the case of training that would affect a collective bargaining agreement, the written concurrence of the labor organization concerned has been obtained;

"(iv) no other individual is on layoff from the same, or any substantially equivalent, job for which the adversely affected worker is being trained;

"(v) the employer has not terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created by hiring the adversely affected worker;

"(vi) the job for which the adversely affected worker is being trained is not being created in a promotional line that will infringe in any way upon the promotional opportunities of employed individuals;

"(vii) the training is not for the same occupation from which the worker was separated and with respect to which the worker's group was certified pursuant to section 231;

"(viii) the employer is provided reimbursement of not more than 50 percent of the wage rate of the participant, for the cost of providing the training and additional supervision related to the training;

"(ix) the employer has not received payment under subsection (b)(1) with respect to any other on-the-job training provided by the employer or customized training that failed to meet the requirements of clauses (i) through (vi); and

"(x) the employer has not taken, at any time, any action that violated the terms of any certification described in clause (viii) made by that employer with respect to any other on-the-job training provided by the employer or customized training for which the Secretary has made a payment under paragraph (1).

"(c) CERTAIN WORKERS ELIGIBLE FOR TRAINING BENEFITS.—An adversely affected worker covered by a certification issued under section 231, who is not qualified to receive a trade adjustment allowance under section 235, may be eligible to have payment of the costs of training made under this section, if the worker enters a training program approved by the Secretary not later than 6 months after the date on which the certification that covers the worker is issued or the Secretary determines that one of the following applied:

"(1) Funding was not available at the time at which the adversely affected worker was required to enter training under paragraph (1).

"(2) The adversely affected worker was covered by a waiver issued under section 235(c).

"(d) EXHAUSTION OF UNEMPLOYMENT INSURANCE NOT REQUIRED.—The Secretary may approve training, and pay the costs thereof, for any adversely affected worker who is a member of a group certified under section 231 at any time after the date on which the group is certified, without regard to whether the worker has exhausted all rights to any unemployment insurance to which the worker is entitled.

"(e) SUPPLEMENTAL ASSISTANCE.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), when training is provided under a training program approved by the Secretary under subsection (a) in facilities that are not within commuting distance of a worker's regular place of residence, the Secretary may authorize supplemental assistance to defray reasonable transportation and subsistence expenses for separate maintenance.

"(2) TRANSPORTATION EXPENSES.—The Secretary may not authorize payments for travel expenses exceeding the prevailing mileage rate authorized under the Federal travel regulations.

"(3) SUBSISTENCE EXPENSES.—The Secretary may not authorize payments for subsistence that exceed the lesser of—

"(A) the actual per diem expenses for subsistence of the worker; or

"(B) an amount equal to 50 percent of the prevailing per diem allowance rate authorized under Federal travel regulations.

"(f) SPECIAL PROVISIONS; LIMITATIONS.—

"(1) LIMITATION ON MAKING PAYMENTS.—

"(A) DISALLOWANCE OF OTHER PAYMENT.—If the costs of training an adversely affected worker are paid by the Secretary under subsection (b), no other payment for those training costs may be made under any other provision of Federal law.

"(B) NO PAYMENT OF REIMBURSABLE COSTS.—No payment for the costs of approved training may be made under subsection (b) if those costs—

"(i) have already been paid under any other provision of Federal law; or

"(ii) are reimbursable under any other provision of Federal law and a portion of those costs has already been paid under that other provision of Federal law.

"(C) NO PAYMENT OF COSTS PAID ELSEWHERE.—The Secretary is not required to pay the costs of any training approved under subsection (a) to the extent that those costs are paid under any Federal or State program other than this chapter.

"(D) EXCEPTION.—The provisions of this paragraph shall not apply to, or take into account, any funds provided under any other provision of Federal law that are used for any purpose other than the direct payment of the costs incurred in training a particular adversely affected worker, even if the use of those funds has the effect of indirectly paying for or reducing any portion of the costs involved in training the adversely affected worker.

"(2) UNEMPLOYMENT ELIGIBILITY.—A worker may not be determined to be ineligible or disqualified for unemployment insurance or program benefits under this subchapter because the individual is in training approved under subsection (a), because of leaving work which is not suitable employment to enter the training, or because of the application to any week in training of provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work.

"(3) DEFINITION.—For purposes of this section the term 'suitable employment' means, with respect to a worker, work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage.

"(4) PAYMENTS AFTER REEMPLOYMENT.—

"(A) IN GENERAL.—In the case of an adversely affected worker who secures reemployment, the Secretary may approve and pay the costs of training (or shall continue to pay the costs of training previously approved) for that adversely affected worker, for the completion of the training program or up to 26 weeks, whichever is less, after the date the adversely affected worker becomes reemployed.

"(B) TRADE ADJUSTMENT ALLOWANCE.—An adversely affected worker who is reemployed and is undergoing training approved by the Secretary pursuant to subparagraph (A) may continue to receive a trade adjustment allowance, subject to the income offsets provided for in the worker's State unemployment compensation law in accordance with the provisions of section 237.

"(5) FUNDING.—The total amount of payments that may be made under this section for any fiscal year shall not exceed **$300,000,000.**

"SEC. 241. JOB SEARCH ALLOWANCES.

"(a) JOB SEARCH ALLOWANCE AUTHORIZED.—

"(1) IN GENERAL.—An adversely affected worker covered by a certification issued under section 231 may file an application with the Secretary for payment of a job search allowance.

"(2) APPROVAL OF APPLICATIONS.—The Secretary may grant an allowance pursuant to an application filed under paragraph (1) when all of the following apply:

"(A) ASSIST ADVERSELY AFFECTED WORKER.—The allowance is paid to assist an adversely affected worker who has been totally separated in securing a job within the United States.

"(B) LOCAL EMPLOYMENT NOT AVAILABLE.—The Secretary determines that the worker cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

"(C) APPLICATION.—The worker has filed an application for the allowance with the Secretary before—

"(i) the later of—

"(I) the 365th day after the date of the certification under which the worker is certified as eligible; or

"(II) the 365th day after the date of the worker's last total separation; or

"(ii) the date that is the 182d day after the date on which the worker concluded training, unless the worker received a waiver under section 235(c).

"(b) AMOUNT OF ALLOWANCE.—

"(1) IN GENERAL.—An allowance granted under subsection (a) shall provide reimbursement to the worker of 90 percent of the cost of necessary job search expenses as prescribed by the Secretary in regulations.

"(2) MAXIMUM ALLOWANCE.—Reimbursement under this subsection may not exceed **$1,250** for any worker.

"(3) ALLOWANCE FOR SUBSISTENCE AND TRANSPORTATION.—Reimbursement under this subsection may not be made for subsistence and transportation expenses at levels exceeding those allowable under section 240(e).

"(c) EXCEPTION.—Notwithstanding subsection (b), the Secretary shall reimburse any adversely affected worker for necessary expenses incurred by the worker in participating in a job search program approved by the Secretary.

"SEC. 242. RELOCATION ALLOWANCES.

"(a) Relocation Allowance Authorized.—

"(1) In general.—Any adversely affected worker covered by a certification issued under section 231 may file an application for a relocation allowance with the Secretary, and the Secretary may grant the relocation allowance, subject to the terms and conditions of this section.

"(2) Conditions for granting allowance.—A relocation allowance may be granted if all of the following terms and conditions are met:

"(A) Assist an adversely affected worker.—The relocation allowance will assist an adversely affected worker in relocating within the United States.

"(B) Local employment not available.—The Secretary determines that the worker cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

"(C) Total separation.—The worker is totally separated from employment at the time relocation commences.

"(D) Suitable employment obtained.—The worker—

"(i) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which the worker wishes to relocate; or

"(ii) has obtained a bona fide offer of such employment.

"(E) Application.—The worker filed an application with the Secretary before—

"(i) the later of—

"(I) the 425th day after the date of the certification under section 231; or

"(II) the 425th day after the date of the worker's last total separation; or

"(ii) the date that is the 182d day after the date on which the worker concluded training, unless the worker received a waiver under section 235(c).

"(b) Amount of Allowance.—The relocation allowance granted to a worker under subsection (a) includes—

"(1) 90 percent of the reasonable and necessary expenses (including, but not limited to, subsistence and transportation expenses at levels not exceeding those allowable under section 240(e)) specified in regulations prescribed by the Secretary, incurred in transporting the worker, the worker's family, and household effects; and

"(2) a lump sum equivalent to 3 times the worker's average weekly wage, up to a maximum payment of $1,250.

"(c) Limitations.—A relocation allowance may not be granted to a worker unless—

"(1) the relocation occurs within 182 days after the filing of the application for relocation assistance; or

"(2) the relocation occurs within 182 days after the conclusion of training, if the worker entered a training program approved by the Secretary under section 240(a).

"SEC. 243. SUPPORTIVE SERVICES; WAGE INSURANCE.

"(a) Supportive Services.—

"(1) Application.—

"(A) In general.—The State may, on behalf of any adversely affected worker or group of workers covered by a certification issued under section 231—

"(i) file an application with the Secretary for services under section 173 of the Workforce Investment Act of 1998 (relating to National Emergency Grants); and

"(ii) provide other services under title I of the Workforce Investment Act of 1998.

"(B) Services.—The services available under this paragraph include transportation, child care, and dependent care that are necessary to enable a worker to participate in activities authorized under this chapter.

"(2) Conditions.—The Secretary may approve an application filed under paragraph (1)(A)(i) and provide supportive services to an adversely affected worker only if the Secretary determines that all of the following apply:

"(A) Necessity.—Providing services is necessary to enable the worker to participate in or complete training.

"(B) Consistent with workforce investment act.—The services are consistent with the supportive services provided to participants under the provisions relating to dislocated worker employment and training activities set forth in chapter 5 of subtitle B of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2861 et seq.).

"(b) Wage Insurance Program.—

"(1) In general.—Not later than 1 year after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Secretary shall establish a Wage Insurance Program under which a State shall use the funds provided to the State for trade adjustment allowances to pay to an adversely affected worker certified under section 231 a wage subsidy of up to 50 percent of the difference between the wages received by the adversely affected worker from reemployment and the wages received by the adversely affected worker at the time of separation for a period not to exceed 2 years.

"(2) Amount of payment.—

"(A) Wages under $40,000.—If the wages the worker receives from reemployment are less than $40,000 a year, the wage subsidy shall be 50 percent of the difference between the amount of the wages received by the worker from reemployment and the amount of the wages received by the worker at the time of separation.

"(B) Wages between $40,000 and $50,000.—If the wages received by the worker from reemployment are greater than $40,000 a year but less than $50,000 a year, the wage subsidy shall be 25 percent of the difference between the amount of the wages received by the worker from reemployment and the amount of the wages received by the worker at the time of separation.

"(3) Eligibility.—An adversely affected worker may be eligible to receive a wage subsidy under this subsection if the worker—

"(A) enrolls in the Wage Insurance Program;

"(B) obtains reemployment not more than 26 weeks after the date of separation from the adversely affected employment;

"(C) is at least 50 years of age;

"(D) earns not more than $50,000 a year in wages from reemployment;

"(E) is employed at least 30 hours a week in the reemployment; and

"(F) does not return to the employment from which the worker was separated.

"(4) Amount of payments.—The payments made under paragraph (1) to an adversely affected worker may not exceed $10,000 over the 2-year period.

"(5) Limitation on other benefits.—At the time a worker begins to receive a wage subsidy under this subsection the worker shall not be eligible to receive any benefits under this Act other than the wage subsidy unless the Secretary determines, pursuant to standards established by the Secretary, that the worker has shown circumstances that warrant eligibility for training benefits under section 240.

"(6) Funding.—The total amount of payments that may be made under this subsection for any fiscal year shall not exceed $100,000,000.

"(c) Studies of Assistance Available to Economically Distressed Workers.—

"(1) Study by the general accounting office.—

"(A) In general.—The Comptroller General of the United States shall conduct a study of all assistance provided by the Federal Government for workers facing job loss and economic distress.

"(B) Report.—Not later than 1 year after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, the Comptroller General shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report on the study conducted under subparagraph (A). The report shall include a description of—

"(i) all Federal programs designed to assist workers facing job loss and economic distress, including all benefits and services;

"(ii) eligibility requirements for each of the programs; and

"(iii) procedures for applying for and receiving benefits and services under each of the programs.

"(C) Distribution of GAO report.—The report described in subparagraph (B) shall be distributed to all one-stop partners authorized under the Workforce Investment Act of 1998.

"(2) Studies by the states.—

"(A) In general.—Each State may conduct a study of its assistance programs for workers facing job loss and economic distress.

"(B) Grants.—The Secretary may award to each State a grant, not to exceed $50,000, to enable the State to conduct the study described in subparagraph (A). Each study shall be undertaken in consultation with affected parties.

"(C) Report.—Not later than 1 year after the date of the grant, each State that receives a grant under subparagraph (B) shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the report described in subparagraph (A).

"(D) Distribution of state reports.—A report prepared by a State under this paragraph shall be distributed to all the one-stop partners in the State.

"Subchapter D—Payment and Enforcement Provisions

"SEC. 244. PAYMENTS TO STATES.

"(a) In General.—The Secretary, from time to time, shall certify to the Secretary of the Treasury for payment to each cooperating State, the sums necessary to enable that State as agent of the United States to make payments provided for by this chapter.

"(b) Limitation on Use of Funds.—

"(1) In general.—All money paid to a cooperating State under this section shall be used solely for the purposes for which it is paid.

"(2) Return of funds not so used.—Money paid that is not used for the purpose for which it is paid under subsection (a) shall be returned to the Secretary of the Treasury at the time specified in the agreement entered into under section 222.

"(c) Surety Bond.—Any agreement under section 222 may require any officer or employee of the cooperating State certifying payments or disbursing funds under the agreement or otherwise participating in the performance of the agreement, to give a surety bond to the United States in an amount the Secretary deems necessary, and may provide for the payment of the cost of that bond from funds for carrying out the purposes of this chapter.

"SEC. 245. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

"(a) Liability of Certifying Officials.—No person designated by the Secretary, or designated pursuant to an agreement entered into under section 222, as a certifying officer, in the absence of gross negligence or intent to defraud the United States, shall be liable with respect to any payment certified by that person under this chapter.

"(b) Liability of Disbursing Officers.—No disbursing officer, in the absence of gross negligence or intent to defraud the United States, shall be liable with respect to any payment by that officer under this chapter if the payment was based on a voucher signed by a certifying officer designated according to subsection (a).

"SEC. 246. FRAUD AND RECOVERY OF OVERPAYMENTS.

"(a) In General.—

"(1) Overpayment.—If a cooperating State, the Secretary, or a court of competent jurisdiction determines that any person has received any payment under this chapter to which the person was not entitled, including a payment referred to in subsection (b), that person shall be liable to repay that amount to the cooperating State or the Secretary, as the case may be.

"(2) Exception.—The cooperating State or the Secretary may waive repayment if the cooperating State or the Secretary determines, in accordance with guidelines prescribed by the Secretary, that all of the following apply:

"(A) No fault.—The payment was made without fault on the part of the person.

"(B) Repayment contrary to equity.—Requiring repayment would be contrary to equity and good conscience.

"(3) Procedure for recovery.—

"(A) Recovery from other allowances authorized.—Unless an overpayment is otherwise recovered or waived under paragraph (2), the cooperating State or the Secretary shall recover the overpayment by deductions from any sums payable to that person under this chapter, under any Federal unemployment compensation law administered by the cooperating State or the Secretary, or under any other Federal law administered by the cooperating State or the Secretary that provides for the payment of assistance or an allowance with respect to unemployment.

"(B) Recovery from state allowances authorized.—Notwithstanding any other provision of Federal or State law, the Secretary may require a cooperating State to recover any overpayment under this chapter by deduction from any unemployment insurance payable to that person under State law, except that no single deduction under this paragraph shall exceed 50 percent of the amount otherwise payable.

"(b) Ineligibility for Further Payments.—Any person, in addition to any other penalty provided by law, shall be ineligible for any further payments under this chapter if a cooperating State, the Secretary, or a court of competent jurisdiction determines that one of the following applies:

"(1) False statement.—The person knowingly made, or caused another to make, a false statement or representation of a material fact, and as a result of the false statement or representation, the person received any payment under this chapter to which the person was not entitled.

"(2) Failure to disclose.—The person knowingly failed, or caused another to fail, to disclose a material fact, and as a result of the nondisclosure, the person received any payment under this chapter to which the person was not entitled.

"(c) Hearing.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a) by the cooperating State or the Secretary, as the case may be, has been made, notice of the determination and an opportunity for a fair hearing has been given to the person concerned, and the determination has become final.

"(d) Recovered Funds.—Any amount recovered under this section shall be returned to the Treasury of the United States.

"SEC. 247. CRIMINAL PENALTIES.

"Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for that person or for any other person any payment authorized to be furnished under this chapter or pursuant to an agreement under section 222 shall be fined not more than $10,000, imprisoned for not more than 1 year, or both.

"SEC. 248. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Department of Labor, for the period beginning October 1, 2001, and ending September 30, 2007, such sums as may be necessary to carry out the purposes of this chapter, including such additional sums for administrative expenses as may be necessary for the department to meet the increased workload created by the Trade Adjustment Assistance Reform Act of 2002, provided that funding provided for training services shall not be used for expenses of administering the trade adjustment assistance for workers program. Amounts appropriated under this section shall remain available until expended.

"SEC. 249. REGULATIONS.

"The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this chapter.

"SEC. 250. SUBPOENA POWER.

"(a) In General.—The Secretary may require by subpoena the attendance of witnesses and the production of evidence necessary to make a determination under the provisions of this chapter.

"(b) Court Order.—If a person refuses to obey a subpoena issued under subsection (a), a competent United States district court, upon petition by the Secretary, may issue an order requiring compliance with such subpoena.".

SEC. 112. DISPLACED WORKER SELF-EMPLOYMENT TRAINING PILOT PROGRAM.

(a) Establishment.—Not later than 6 months after the date of enactment of this Act, the Administrator of the Small Business Administration (in this section referred to as the "Administrator") shall establish a self-employment training program (in this section referred to as the "Program") for adversely affected workers (as defined in chapter 2 of title II of the Trade Act of 1974), to be administered by the Small Business Administration.

(b) Eligibility for Assistance.—If an adversely affected worker seeks or receives assistance through the Program, such action shall not affect the eligibility of that worker to receive benefits under chapter 2 of title II of the Trade Act of 1974.

(c) Training Assistance.—The Program shall include, at a minimum, training in—

(1) pre-business startup planning;

(2) awareness of basic credit practices and credit requirements; and

(3) developing business plans, financial packages, and credit applications.

(d) Outreach.—The Program should include outreach to adversely affected workers and counseling and lending partners of the Small Business Administration.

(e) Reports to Congress.—Beginning not later than 180 days after the date of enactment of this Act, the Administrator shall submit quarterly reports to the Committee on Finance and the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Ways and Means and the Committee on Small Business of the House of Representatives regarding the implementation of the Program, including Program delivery, staffing, and administrative expenses related to such implementation.

(f) Guidelines.—Not later than 180 days after the date of enactment of this Act, the Administrator shall issue such guidelines as the Administrator determines to be necessary to carry out the Program.

(g) Effective Date.—The Program shall terminate 3 years after the date of final publication of guidelines under subsection (f).

TITLE II—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

SEC. 201. REAUTHORIZATION OF PROGRAM.

(a) In General.—Section 256(b) of chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended to read as follows:

"(b) There are authorized to be appropriated to the Secretary $16,000,000 for each of fiscal years 2002 through 2007, to carry out the Secretary's functions under this chapter in connection with furnishing adjustment assistance to firms. Amounts appropriated under this subsection shall remain available until expended.".

(b) Eligibility Criteria.—Section 251(c) of chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341(c)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) The Secretary shall certify a firm (including any agricultural firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines that a significant number or proportion of the workers in such firm have become totally or partially separated, or are threatened to become totally or partially separated, and that either—

"(A)(i)(I) sales or production, or both, of the firm have decreased absolutely, or

"(II) sales or production, or both, of an article that accounted for not less than 25 percent of the total production or sales of the firm during the 12-month period for which data are available have decreased absolutely; and

"(ii) increases in the value or volume of imports of articles like or directly competitive with articles which are produced by such firm contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production; or

"(B) a shift in production by the workers' firm or subdivision to a foreign country of articles like or directly competitive with articles which are produced by that firm or subdivision contributed importantly to the workers' separation or threat of separation."; and

(2) in paragraph (2), by striking "paragraph (1)(C)" and inserting "paragraph (1)".

TITLE III—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

SEC. 301. PURPOSE.

The purpose of this title is to assist communities with economic adjustment through the integration of political and economic organizations, the coordination of Federal, State, and local resources, the creation of community-based development strategies, and the provision of economic transition assistance.

SEC. 302. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.

Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) is amended to read as follows:

“CHAPTER 4—COMMUNITY ECONOMIC ADJUSTMENT

“SEC. 271. DEFINITIONS.

“In this chapter:

“(1) CIVILIAN LABOR FORCE.—The term ‘civilian labor force’ has the meaning given that term in regulations prescribed by the Secretary of Labor.

“(2) COMMUNITY.—The term ‘community’ means a county or equivalent political subdivision of a State.

“(A) RURAL COMMUNITY.—The term ‘rural community’ means a community that has a rural-urban continuum code of 4 through 9.

“(B) URBAN COMMUNITY.—The term ‘urban community’ means a community that has a rural-urban continuum code of 0 through 3.

“(3) COMMUNITY ECONOMIC DEVELOPMENT COORDINATING COMMITTEE.—The term ‘Community Economic Development Coordinating Committee’ means a community group established under section 274 that consists of major groups significantly affected by an increase in imports or a shift in production, including local, regional, tribal, and State governments, regional councils of governments and economic development, and business, labor, education, health, religious, and other community-based organizations.

“(4) DIRECTOR.—The term ‘Director’ means the Director of the Office of Community Trade Adjustment.

“(5) ELIGIBLE COMMUNITY.—The term ‘eligible community’ means a community certified under section 273 as eligible for assistance under this chapter.

“(6) JOB LOSS.—The term ‘job loss’ means the total or partial separation of an individual, as those terms are defined in section 221.

“(7) OFFICE.—The term ‘Office’ means the Office of Community Trade Adjustment established under section 272.

“(8) RURAL-URBAN CONTINUUM CODE.—The term ‘rural-urban continuum code’ means a code assigned to a community according to the rural-urban continuum code system, as defined by the Economic Research Service of the Department of Agriculture.

“(9) SECRETARY.—The term ‘Secretary’ means the Secretary of Commerce.

“SEC. 272. OFFICE OF COMMUNITY TRADE ADJUSTMENT.

“(a) ESTABLISHMENT.—Within 6 months of the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, there shall be established in the Office of Economic Adjustment of the Economic Development Administration of the Department of Commerce an Office of Community Trade Adjustment.

“(b) PERSONNEL.—The Office shall be headed by a Director, and shall have such staff as may be necessary to carry out the responsibilities described in this chapter.

“(c) COORDINATION OF FEDERAL RESPONSE.—The Office shall—

“(1) provide leadership, support, and coordination for a comprehensive management program to address economic dislocation in eligible communities;

“(2) establish an easily accessible, one-stop clearinghouse for States and eligible communities to obtain information regarding economic development assistance available under Federal law;

“(3) coordinate the Federal response to an eligible community—

“(A) by identifying all Federal, State, and local resources that are available to assist the eligible community in recovering from economic distress;

“(B) by ensuring that all Federal agencies offering assistance to an eligible community do so in a targeted, integrated manner that ensures that an eligible community has access to all available Federal assistance;

“(C) by assuring timely consultation and cooperation between Federal, State, and regional officials concerning community economic adjustment;

“(D) by identifying and strengthening existing agency mechanisms designed to assist communities in economic adjustment and workforce reemployment;

“(E) by applying consistent policies, practices, and procedures in the administration of Federal programs that are used to assist communities adversely impacted by an increase in imports or a shift in production;

“(F) by creating, maintaining, and using a uniform economic database to analyze community adjustment activities; and

“(G) by assigning a community economic adjustment advisor to work with each eligible community;

“(4) provide comprehensive technical assistance to any eligible community in the efforts of that community to—

“(A) identify serious economic problems in the community that result from an increase in imports or shift in production;

“(B) integrate the major groups and organizations significantly affected by the economic adjustment;

“(C) organize a Community Economic Development Coordinating Committee;

“(D) access Federal, State, and local resources designed to assist in economic development and trade adjustment assistance;

“(E) diversify and strengthen the community economy; and

“(F) develop a community-based strategic plan to address workforce dislocation and economic development;

“(5) establish specific criteria for submission and evaluation of a strategic plan submitted under section 276(d);

“(6) administer the grant programs established under sections 276 and 277; and

“(7) establish an interagency Trade Adjustment Assistance Working Group, consisting of the representatives of any Federal department or agency with responsibility for economic adjustment assistance, including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the Small Business Administration, the Department of the Treasury, the Department of Commerce, the Office of the United States Trade Representative, and the National Economic Council.

“(d) WORKING GROUP.—The working group established under subsection (c)(7) shall examine other options for addressing trade impacts on communities, such as:

“(1) Seeking legislative language directing the Foreign Trade Zone (‘FTZ’) Board to expedite consideration of FTZ applications from communities or businesses that have been found eligible for trade adjustment assistance.

“(2) Seeking legislative language to make new markets tax credits available in communities impacted by trade.

“(3) Seeking legislative language to make work opportunity tax credits available for hiring unemployed workers who are certified eligible for trade adjustment assistance.

“(4) Examining ways to assist trade impacted rural communities and industries take advantage of the Department of Agriculture’s rural development program.

“SEC. 273. NOTIFICATION AND CERTIFICATION AS AN ELIGIBLE COMMUNITY.

“(a) NOTIFICATION.—The Secretary of Labor, not later than 15 days after making a determination that a group of workers is eligible for trade adjustment assistance under section 231, shall notify the Governor of the State in which the community in which the worker’s firm is located and the Director, of the Secretary’s determination.

“(b) CERTIFICATION.—Not later than 30 days after notification by the Secretary of Labor described in subsection (a), the Director shall certify as eligible for assistance under this chapter a community in which both of the following conditions applies:

“(1) NUMBER OF JOB LOSSES.—The Director finds that—

“(A) in an urban community, at least 500 workers have been certified for assistance under section 231 in the most recent 36-month period preceding the date of certification under this section for which data are available; or

“(B) in a rural community, at least 300 workers have been certified for assistance under section 231 in the most recent 36-month period preceding the date of certification under this section for which data are available.

“(2) PERCENT OF WORKFORCE UNEMPLOYED.—The Director finds that the unemployment rate for the community is at least 1 percent greater than the national unemployment rate for the most recent 12-month period for which data are available.

“(c) NOTIFICATION TO ELIGIBLE COMMUNITIES.—Not later than 15 days after the Director certifies a community as eligible under subsection (b), the Director shall notify the community—

“(1) of its determination under subsection (b);

“(2) of the provisions of this chapter;

“(3) how to access the clearinghouse established under section 272(c)(2); and

“(4) how to obtain technical assistance provided under section 272(c)(4).

“SEC. 274. COMMUNITY ECONOMIC DEVELOPMENT COORDINATING COMMITTEE.

“(a) ESTABLISHMENT.—In order to apply for and receive benefits under this chapter, an eligible community shall establish a Community Economic Development Coordinating Committee certified by the Director as meeting the requirements of subsection (b)(1).

“(b) COMPOSITION OF THE COMMITTEE.—

“(1) LOCAL PARTICIPATION.—The Community Economic Development Coordinating Committee established by an eligible community under subsection (a) shall include representatives of those groups significantly affected by economic dislocation, such as local, regional, tribal, and State governments, regional councils of governments and economic development, business, labor, education, health organizations, religious, and other community-based groups providing assistance to workers, their families, and communities.

“(2) FEDERAL PARTICIPATION.—Pursuant to section 275(b)(3), the community economic adjustment advisor, assigned by the Director to assist an eligible community, shall serve as an ex officio member of the Community Economic Development Coordinating Committee, and shall arrange for participation by representatives of other Federal agencies on that Committee as necessary.

“(3) EXISTING ORGANIZATION.—An eligible community may designate an existing organization in that community as the Community Economic Development Coordinating Committee if that organization meets the requirements of paragraph (1) for the purposes of this chapter.

“(c) DUTIES.—The Community Economic Development Coordinating Committee shall—

“(1) ascertain the severity of the community economic adjustment required as a result of the increase in imports or shift in production;

“(2) assess the capacity of the community to respond to the required economic adjustment and the needs of the community as it undertakes economic adjustment, taking into consideration such factors as the number of jobs lost, the size of the community, the diversity of industries, the skills of the labor force, the condition of the current labor market, the availability of financial resources, the quality and availability of educational facilities, the adequacy and availability of public services, and the existence of a basic and advanced infrastructure in the community;

“(3) facilitate a dialogue between concerned interests in the community, represent the impacted community, and ensure all interests in the community work collaboratively toward collective goals without duplication of effort or resources;

“(4) oversee the development of a strategic plan for community economic development, taking into consideration the factors mentioned under paragraph (2), and consistent with the criteria established by the Secretary for the strategic plan developed under section 276;

“(5) create an executive council of members of the Community Economic Development Coordinating Committee to promote the strategic plan within the community and ensure coordination and cooperation among all stakeholders; and

“(6) apply for any grant, loan, or loan guarantee available under Federal law to develop or implement the strategic plan, and be an eligible recipient for funding for economic adjustment for that community.

“SEC. 275. COMMUNITY ECONOMIC ADJUSTMENT ADVISORS.

“(a) IN GENERAL.—Pursuant to section 272(c)(3)(G), the Director shall assign a community economic adjustment advisor to each eligible community.

“(b) DUTIES.—The community economic adjustment advisor shall—

“(1) provide technical assistance to the eligible community, assist in the development and implementation of a strategic plan, including applying for any grant available under this or any other Federal law to develop or implement that plan;

“(2) at the local and regional level, coordinate the response of all Federal agencies offering assistance to the eligible community;

“(3) serve as an ex officio member of the Community Economic Development Coordinating Committee established by an eligible community under section 274;

“(4) act as liaison between the Community Economic Development Coordinating Committee established by the eligible community and all other Federal agencies that offer assistance to eligible communities, including the Department of Agriculture, the Department of Defense, the Department of Education, the Department of Labor, the Department of Housing and Urban Development, the Department of Health and Human Services, the Small Business Administration, the Department of the Treasury, the National Economic Council, and other offices or agencies of the Department of Commerce;

“(5) report regularly to the Director regarding the progress of development activities in the community to which the community economic adjustment advisor is assigned; and

“(6) perform other duties as directed by the Secretary or the Director.

“SEC. 276. STRATEGIC PLANS.

“(a) IN GENERAL.—With the assistance of the community economic adjustment advisor, an eligible community may develop a strategic plan for community economic adjustment and diversification.

“(b) REQUIREMENTS FOR STRATEGIC PLAN.—A strategic plan shall contain, at a minimum, the following:

“(1) A description and justification of the capacity for economic adjustment, including the method of financing to be used, the anticipated management structure of the Community Economic Development Coordinating Committee, and the commitment of the community to the strategic plan over the long term.

“(2) A description of, and a plan to accomplish, the projects to be undertaken by the eligible community.

“(3) A description of how the plan and the projects to be undertaken by the eligible community will lead to job creation and job retention in the community.

“(4) A description of any alternative development plans that were considered, particularly less costly alternatives, and why those plans were rejected in favor of the proposed plan.

“(5) A description of any additional steps the eligible community will take to achieve economic adjustment and diversification, including how the plan and the projects will contribute to establishing or maintaining a level of public services necessary to attract and retain economic investment.

“(6) A description and justification for the cost and timing of proposed basic and advanced infrastructure improvements in the eligible community.

“(7) A description of the occupational and workforce conditions in the eligible community, including but not limited to existing levels of workforce skills and competencies, and educational programs available for workforce training and future employment needs.

“(8) A description of how the plan will adapt to changing markets, business cycles, and other variables.

“(9) A graduation strategy through which the eligible community demonstrates that the community will terminate the need for Federal assistance.

“(c) GRANTS TO DEVELOP STRATEGIC PLANS.—

“(1) IN GENERAL.—The Director, upon receipt of an application from a Community Economic Development Coordinating Committee on behalf of an eligible community, shall award a grant to that community to be used to develop the strategic plan.

“(2) AMOUNT.—The amount of a grant made under paragraph (1) shall be determined by the Secretary, but may not exceed $50,000 to each community.

“(3) LIMIT.—Each community can only receive 1 grant under this subsection for the purpose of developing a strategic plan in any 5-year period.

“(d) SUBMISSION OF PLAN.—A strategic plan developed under subsection (a) shall be submitted to the Director for evaluation and approval.

“SEC. 277. GRANTS FOR ECONOMIC DEVELOPMENT.

“The Director, upon receipt of an application from the Community Economic Development Coordinating Committee on behalf of an eligible community, may award a grant to that community to carry out any project or program included in the strategic plan approved under section 276(d) that—

“(1) will be located in, or will create or preserve high-wage jobs, in that eligible community; and

“(2) implements the strategy of that eligible community to create high-wage jobs in sectors that are expected to expand, including projects that—

“(A) encourage industries to locate in that eligible community, if such funds are not used to encourage the relocation of any employer in a manner that causes the dislocation of employees of that employer at another facility in the United States;

“(B) leverage resources to create or improve Internet or telecommunications capabilities to make the community more attractive for business;

“(C) establish a funding pool for job creation through entrepreneurial activities;

“(D) assist existing firms in that community to restructure or retool to become more competitive in world markets and prevent job loss; or

“(E) assist the community in acquiring the resources and providing the level of public services necessary to meet the objectives set out in the strategic plan.

“SEC. 278. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to the Department of Commerce, for the period beginning October 1, 2001, and ending September 30, 2007, such sums as may be necessary to carry out the purposes of this chapter.

“SEC. 279. GENERAL PROVISIONS.

“(a) REPORT BY THE DIRECTOR.—Not later than 6 months after the date of enactment of the Trade Adjustment Assistance Reform Act of 2002, and annually thereafter, the Director shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report regarding the programs established under this title.

“(b) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this chapter.

“(c) SUPPLEMENT NOT SUPPLANT.—Funds appropriated under this chapter shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide economic development assistance for communities.”.

TITLE IV—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

SEC. 401. TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.

(a) IN GENERAL.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) is amended by adding at the end the following new chapter:

“CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

“SEC. 291. DEFINITIONS.

“In this chapter:

“(1) AGRICULTURAL COMMODITY.—The term ‘agricultural commodity’ means any agricultural commodity (including livestock), except fish as defined in section 299(1) of this Act, in its raw or natural state.

“(2) AGRICULTURAL COMMODITY PRODUCER.—The term ‘agricultural commodity producer’ has the same meaning as the term ‘person’ as prescribed by regulations promulgated under section 1001(5) of the Food Security

Act of 1985 (7 U.S.C. 1308(5)). The term does not include any person described in section 299(2) of this Act.

“(3) CONTRIBUTED IMPORTANTLY.—

“(A) IN GENERAL.—The term ‘contributed importantly’ means a cause which is important but not necessarily more important than any other cause.

“(B) DETERMINATION OF CONTRIBUTED IMPORTANTLY.—The determination of whether imports of articles like or directly competitive with an agricultural commodity with respect to which a petition under this chapter was filed contributed importantly to a decline in the price of the agricultural commodity shall be made by the Secretary.

“(4) DULY AUTHORIZED REPRESENTATIVE.—The term ‘duly authorized representative’ means an association of agricultural commodity producers.

“(5) NATIONAL AVERAGE PRICE.—The term ‘national average price’ means the national average price paid to an agricultural commodity producer for an agricultural commodity in a marketing year as determined by the Secretary.

“(6) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“SEC. 292. PETITIONS; GROUP ELIGIBILITY.

“(a) IN GENERAL.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of agricultural commodity producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

“(b) HEARINGS.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested person an opportunity to be present, to produce evidence, and to be heard.

“(c) GROUP ELIGIBILITY REQUIREMENTS.—The Secretary shall certify a group of agricultural commodity producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

“(1) that the national average price for the agricultural commodity, or a class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such agricultural commodity, or such class of goods, for the 5 marketing years preceding the most recent marketing year; and

“(2) that increases in imports of articles like or directly competitive with the agricultural commodity, or class of goods within the agricultural commodity, produced by the group contributed importantly to the decline in price described in paragraph (1).

“(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of agricultural commodity producers certified as eligible under section 293 shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

“(1) the national average price for the agricultural commodity, or class of goods within the agricultural commodity, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

“(2) the requirements of subsection (c)(2) are met.

“(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

“(1) QUALIFIED YEAR.—The term ‘qualified year’, with respect to a group of agricultural commodity producers certified as eligible under section 293, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

“(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of goods within an agricultural commodity, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 296.

“SEC. 293. DETERMINATIONS BY SECRETARY OF AGRICULTURE.

“(a) IN GENERAL.—As soon as practicable after the date on which a petition is filed under section 292, but in any event not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 292 (c) or (d), as the case may be, and shall, if the group meets the requirements, issue a certification of eligibility to apply for assistance under this chapter covering agricultural commodity producers in any group that meets the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

“(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register, together with the Secretary's reasons for making the determination.

“(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the agricultural commodity covered by the certification is no longer attributable to the conditions described in section 292, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register, together with the Secretary's reasons for making such determination.

“SEC. 294. STUDY BY SECRETARY OF AGRICULTURE WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

“(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the ‘Commission’) begins an investigation under section 202 with respect to an agricultural commodity, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately conduct a study of—

“(1) the number of agricultural commodity producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

“(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

“(b) REPORT.—Not later than 15 days after the day on which the Commission makes its report under section 202(f), the Secretary shall submit a report to the President setting forth the findings of the study described in subsection (a). Upon making the report to the President, the Secretary shall also promptly make the report public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of the report published in the Federal Register.

“SEC. 295. BENEFIT INFORMATION TO AGRICULTURAL COMMODITY PRODUCERS.

“(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

“(b) NOTICE OF BENEFITS.—

“(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each agricultural commodity producer that the Secretary has reason to believe is covered by a certification made under this chapter.

“(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to agricultural commodity producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

“(3) OTHER FEDERAL ASSISTANCE.—The Secretary shall also provide information concerning procedures for applying for and receiving all other Federal assistance and services available to workers facing economic distress.

“SEC. 296. QUALIFYING REQUIREMENTS FOR AGRICULTURAL COMMODITY PRODUCERS.

“(a) IN GENERAL.—

“(1) REQUIREMENTS.—Payment of a trade adjustment allowance shall be made to an adversely affected agricultural commodity producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligibility under section 293, if the following conditions are met:

“(A) The producer submits to the Secretary sufficient information to establish the amount of agricultural commodity covered by the application filed under subsection (a) that was produced by the producer in the most recent year.

“(B) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

“(C) The producer's net farm income (as determined by the Secretary) for the most recent year is less than the producer's net farm income for the latest year in which no adjustment assistance was received by the producer under this chapter.

“(D) The producer certifies that the producer has met with an Extension Service employee or agent to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected agricultural commodity, including—

“(i) information regarding the feasibility and desirability of substituting 1 or more alternative commodities for the adversely affected agricultural commodity; and

“(ii) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected agricultural commodity by the producer, including yield and marketing improvements.

"(2) Limitation.—

"(A) In general.—Notwithstanding any other provision of this chapter, an agricultural commodity producer shall not be eligible for assistance under this chapter in any year in which the average adjusted gross income of the producer exceeds $2,500,000.

"(B) Certification.—To comply with the limitation under subparagraph (A), an individual or entity shall provide to the Secretary—

"(i) a certification by a certified public accountant or another third party that is acceptable to the Secretary that the average adjusted gross income of the producer does not exceed $2,500,000; or

"(ii) information and documentation regarding the adjusted gross income of the producer through other procedures established by the Secretary.

"(C) Definitions.—In this subsection:

"(i) Adjusted gross income.—The term 'adjusted gross income' means adjusted gross income of an agricultural commodity producer—

"(I) as defined in section 62 of the Internal Revenue Code of 1986 and implemented in accordance with procedures established by the Secretary; and

"(II) that is earned directly or indirectly from all agricultural and nonagricultural sources of an individual or entity for a fiscal or corresponding crop year.

"(ii) Average adjusted gross income.—

"(I) In general.—The term 'average adjusted gross income' means the average adjusted gross income of a producer for each of the 3 preceding taxable years.

"(II) Effective adjusted gross income.—In the case of a producer that does not have an adjusted gross income for each of the 3 preceding taxable years, the Secretary shall establish rules that provide the producer with an effective adjusted gross income for the applicable year.

"(b) Amount of Cash Benefits.—

"(1) In general.—Subject to the provisions of section 298, an adversely affected agricultural commodity producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

"(A) one-half of the difference between—

"(i) an amount equal to 80 percent of the average of the national average price of the agricultural commodity covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year, and

"(ii) the national average price of the agricultural commodity for the most recent marketing year, and

"(B) the amount of the agricultural commodity produced by the agricultural commodity producer in the most recent marketing year.

"(2) Special rule for subsequent qualified years.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the agricultural commodity shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification.

"(c) Maximum Amount of Cash Assistance.—The maximum amount of cash benefits an agricultural commodity producer may receive in any 12-month period shall not exceed $10,000.

"(d) Limitations on Other Assistance.—An agricultural commodity producer entitled to receive a cash benefit under this chapter—

"(1) shall not be eligible for any other cash benefit under this title, and

"(2) shall be entitled to employment services and training benefits under part III of subchapter C of chapter 2.

"SEC. 297. FRAUD AND RECOVERY OF OVERPAYMENTS.

"(a) In General.—

"(1) Repayment.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

"(A) the payment was made without fault on the part of such person; and

"(B) requiring such repayment would be contrary to equity and good conscience.

"(2) Recovery of overpayment.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

"(b) False Statement.—A person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter—

"(1) if the Secretary, or a court of competent jurisdiction, determines that the person—

"(A) knowingly has made, or caused another to make, a false statement or representation of a material fact; or

"(B) knowingly has failed, or caused another to fail, to disclose a material fact; and

"(2) as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled.

"(c) Notice and Determination.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

"(d) Payment to Treasury.—Any amount recovered under this section shall be returned to the Treasury of the United States.

"(e) Penalties.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 298. AUTHORIZATION OF APPROPRIATIONS.

"(a) In General.—There are authorized to be appropriated and there are appropriated to the Department of Agriculture not to exceed $90,000,000 for each of the fiscal years 2002 through 2007 to carry out the purposes of this chapter.

"(b) Proportionate Reduction.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.".

(b) Effective Date.—The amendments made by this title shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE V—TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN

SEC. 501. TRADE ADJUSTMENT ASSISTANCE FOR FISHERMEN.

(a) In General.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.), as amended by title IV of this Act, is amended by adding at the end the following new chapter:

"CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN

"SEC. 299. DEFINITIONS.

"In this chapter:

"(1) Commercial fishing, fish, fishery, fishing, fishing vessel, person, and United States fish processor.—The terms 'commercial fishing', 'fish', 'fishery', 'fishing', 'fishing vessel', 'person', and 'United States fish processor' have the same meanings as such terms have in the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).

"(2) Producer.—The term 'producer' means any person who—

"(A) is engaged in commercial fishing; or

"(B) is a United States fish processor.

"(3) Contributed importantly.—

"(A) In general.—The term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.

"(B) Determination of contributed importantly.—The determination of whether imports of articles like or directly competitive with a fish caught through commercial fishing or processed by a United States fish processor with respect to which a petition under this chapter was filed contributed importantly to a decline in the price of the fish shall be made by the Secretary.

"(4) Duly authorized representative.—The term 'duly authorized representative' means an association of producers.

"(5) National average price.—The term 'national average price' means the national average price paid to a producer for fish in a marketing year as determined by the Secretary.

"(6) Secretary.—The term 'Secretary' means the Secretary of Commerce.

"(7) Trade adjustment assistance center.—The term 'Trade Adjustment Assistance Center' shall have the same meaning as such term has in section 253.

"SEC. 299A. PETITIONS; GROUP ELIGIBILITY.

"(a) In General.—A petition for a certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary by a group of producers or by their duly authorized representative. Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that the Secretary has received the petition and initiated an investigation.

"(b) Hearings.—If the petitioner, or any other person found by the Secretary to have a substantial interest in the proceedings, submits not later than 10 days after the date of the Secretary's publication under subsection (a) a request for a hearing, the Secretary shall provide for a public hearing and afford such interested person an opportunity to be present, to produce evidence, and to be heard.

"(c) Group Eligibility Requirements.—The Secretary shall certify a group of producers as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

"(1) that the national average price for the fish, or a class of fish, produced by the group for the most recent marketing year for which the national average price is available is less than 80 percent of the average of the national average price for such fish, or such class of fish, for the 5 marketing years preceding the most recent marketing year; and

"(2) that increases in imports of articles like or directly competitive with the fish, or class of fish, produced by the group contributed importantly to the decline in price described in paragraph (1).

"(d) SPECIAL RULE FOR QUALIFIED SUBSEQUENT YEARS.—A group of producers certified as eligible under section 299B shall be eligible to apply for assistance under this chapter in any qualified year after the year the group is first certified, if the Secretary determines that—

"(1) the national average price for the fish, or class of fish, produced by the group for the most recent marketing year for which the national average price is available is equal to or less than the price determined under subsection (c)(1); and

"(2) the requirements of subsection (c)(2) are met.

"(e) DETERMINATION OF QUALIFIED YEAR AND COMMODITY.—In this chapter:

"(1) QUALIFIED YEAR.—The term 'qualified year', with respect to a group of producers certified as eligible under section 299B, means each consecutive year after the year in which the group is certified that the Secretary makes the determination under subsection (c) or (d), as the case may be.

"(2) CLASSES OF GOODS WITHIN A COMMODITY.—In any case in which there are separate classes of fish, the Secretary shall treat each class as a separate commodity in determining group eligibility, the national average price, and level of imports under this section and section 299E.

"SEC. 299B. DETERMINATIONS BY SECRETARY.

"(a) IN GENERAL.—As soon as practicable after the date on which a petition is filed under section 299A, but in any event not later than 40 days after that date, the Secretary shall determine whether the petitioning group meets the requirements of section 299A (c) or (d), as the case may be, and shall, if the group meets the requirements, issue a certification of eligibility to apply for assistance under this chapter covering producers in any group that meets the requirements. Each certification shall specify the date on which eligibility under this chapter begins.

"(b) NOTICE.—Upon making a determination on a petition, the Secretary shall promptly publish a summary of the determination in the Federal Register, together with the Secretary's reasons for making the determination.

"(c) TERMINATION OF CERTIFICATION.—Whenever the Secretary determines, with respect to any certification of eligibility under this chapter, that the decline in price for the fish covered by the certification is no longer attributable to the conditions described in section 299A, the Secretary shall terminate such certification and promptly cause notice of such termination to be published in the Federal Register, together with the Secretary's reasons for making such determination.

"SEC. 299C. STUDY BY SECRETARY WHEN INTERNATIONAL TRADE COMMISSION BEGINS INVESTIGATION.

"(a) IN GENERAL.—Whenever the International Trade Commission (in this chapter referred to as the 'Commission') begins an investigation under section 202 with respect to a fish, the Commission shall immediately notify the Secretary of the investigation. Upon receipt of the notification, the Secretary shall immediately conduct a study of—

"(1) the number of producers producing a like or directly competitive agricultural commodity who have been or are likely to be certified as eligible for adjustment assistance under this chapter, and

"(2) the extent to which the adjustment of such producers to the import competition may be facilitated through the use of existing programs.

"(b) REPORT.—Not later than 15 days after the day on which the Commission makes its report under section 202(f), the Secretary shall submit a report to the President setting forth the findings of the study under subsection (a). Upon making his report to the President, the Secretary shall also promptly make the report public (with the exception of information which the Secretary determines to be confidential) and shall have a summary of it published in the Federal Register.

"SEC. 299D. BENEFIT INFORMATION TO PRODUCERS.

"(a) IN GENERAL.—The Secretary shall provide full information to producers about the benefit allowances, training, and other employment services available under this title and about the petition and application procedures, and the appropriate filing dates, for such allowances, training, and services. The Secretary shall provide whatever assistance is necessary to enable groups to prepare petitions or applications for program benefits under this title.

"(b) NOTICE OF BENEFITS.—

"(1) IN GENERAL.—The Secretary shall mail written notice of the benefits available under this chapter to each producer that the Secretary has reason to believe is covered by a certification made under this chapter.

"(2) OTHER NOTICE.—The Secretary shall publish notice of the benefits available under this chapter to producers that are covered by each certification made under this chapter in newspapers of general circulation in the areas in which such producers reside.

"SEC. 299E. QUALIFYING REQUIREMENTS FOR PRODUCERS.

"(a) IN GENERAL.—Payment of a trade adjustment allowance shall be made to an adversely affected producer covered by a certification under this chapter who files an application for such allowance within 90 days after the date on which the Secretary makes a determination and issues a certification of eligibility under section 299B, if the following conditions are met:

"(1) The producer submits to the Secretary sufficient information to establish the amount of fish covered by the application filed under subsection (a) that was produced by the producer in the most recent year.

"(2) The producer certifies that the producer has not received cash benefits under any provision of this title other than this chapter.

"(3) The producer's net fishing or processing income (as determined by the Secretary) for the most recent year is less than the producer's net fishing or processing income for the latest year in which no adjustment assistance was received by the producer under this chapter.

"(4) The producer certifies that—

"(A) the producer has met with an employee or agent from a Trade Adjustment Assistance Center to obtain, at no cost to the producer, information and technical assistance that will assist the producer in adjusting to import competition with respect to the adversely affected fish, including—

"(i) information regarding the feasibility and desirability of substituting 1 or more alternative fish for the adversely affected fish; and

"(ii) technical assistance that will improve the competitiveness of the production and marketing of the adversely affected fish by the producer, including yield and marketing improvements; and

"(B) none of the benefits will be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise add to the overcapitalization of any fishery.

"(b) AMOUNT OF CASH BENEFITS.—

"(1) IN GENERAL.—Subject to the provisions of section 299G, an adversely affected producer described in subsection (a) shall be entitled to adjustment assistance under this chapter in an amount equal to the product of—

"(A) one-half of the difference between—

"(i) an amount equal to 80 percent of the average of the national average price of the fish covered by the application described in subsection (a) for the 5 marketing years preceding the most recent marketing year; and

"(ii) the national average price of the fish for the most recent marketing year; and

"(B) the amount of the fish produced by the producer in the most recent marketing year.

"(2) SPECIAL RULE FOR SUBSEQUENT QUALIFIED YEARS.—The amount of cash benefits for a qualified year shall be determined in the same manner as cash benefits are determined under paragraph (1) except that the average national price of the fish shall be determined under paragraph (1)(A)(i) by using the 5-marketing-year period used to determine the amount of cash benefits for the first certification. A producer shall only be eligible for benefits for subsequent qualified years if the Secretary or his designee determines that sufficient progress has been made implementing the plans developed under section 299E(a)(4) of this title.

"(c) MAXIMUM AMOUNT OF CASH ASSISTANCE.—The maximum amount of cash benefits a producer may receive in any 12-month period shall not exceed $10,000.

"(d) LIMITATIONS ON OTHER ASSISTANCE.—A producer entitled to receive a cash benefit under this chapter—

"(1) shall not be eligible for any other cash benefit under this title, and

"(2) shall be entitled to employment services and training benefits under part III of subchapter C of chapter 2.

"SEC. 299F. FRAUD AND RECOVERY OF OVERPAYMENTS.

"(a) IN GENERAL.—

"(1) REPAYMENT.—If the Secretary, or a court of competent jurisdiction, determines that any person has received any payment under this chapter to which the person was not entitled, such person shall be liable to repay such amount to the Secretary, except that the Secretary may waive such repayment if the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

"(A) the payment was made without fault on the part of such person; and

"(B) requiring such repayment would be contrary to equity and good conscience.

"(2) RECOVERY OF OVERPAYMENT.—Unless an overpayment is otherwise recovered, or waived under paragraph (1), the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter.

"(b) FALSE STATEMENT.—A person shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter—

"(1) if the Secretary, or a court of competent jurisdiction, determines that the person—

"(A) knowingly has made, or caused another to make, a false statement or representation of a material fact; or

"(B) knowingly has failed, or caused another to fail, to disclose a material fact; and

"(2) as a result of such false statement or representation, or of such nondisclosure, such person has received any payment under this chapter to which the person was not entitled.

"(c) NOTICE AND DETERMINATION.—Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the Secretary has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the person concerned, and the determination has become final.

"(d) PAYMENT TO TREASURY.—Any amount recovered under this section shall be returned to the Treasury of the United States.

"(e) PENALTIES.—Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment authorized to be furnished under this chapter shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

"SEC. 299G. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated and there are appropriated to the Department of Commerce not to exceed $10,000,000 for each of the fiscal years 2002 through 2007 to carry out the purposes of this chapter.

"(b) PROPORTIONATE REDUCTION.—If in any year, the amount appropriated under this chapter is insufficient to meet the requirements for adjustment assistance payable under this chapter, the amount of assistance payable under this chapter shall be reduced proportionately.".

(b) EFFECTIVE DATE.—The amendments made by this title shall take effect on the date that is 180 days after the date of enactment of this Act.

TITLE VI—HEALTH CARE COVERAGE OPTIONS FOR WORKERS ELIGIBLE FOR TRADE ADJUSTMENT ASSISTANCE

SEC. 601. TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

(a) IN GENERAL.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 (relating to abatements, credits, and refunds) is amended by inserting after section 6428 the following new section:

"SEC. 6429. TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by subtitle A an amount equal to 73 percent of the amount paid during the taxable year for coverage for the taxpayer, the taxpayer's spouse, and dependents of the taxpayer under qualified health insurance during eligible coverage months.

"(b) ELIGIBLE COVERAGE MONTH.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible coverage month' means any month if, as of the first day of such month—

"(A) the taxpayer is an eligible individual,

"(B) the taxpayer is covered by qualified health insurance,

"(C) the premium for coverage under such insurance for such month is paid by the taxpayer, and

"(D) in the case of a taxpayer who is an eligible individual described in subsection (c)(1), the taxpayer does not have other specified coverage.

"(2) SPECIAL RULES.—

"(A) JOINT RETURNS.—In the case of a joint return, the requirements of paragraph (1) shall be treated as met if at least 1 spouse satisfies such requirements.

"(B) EXCLUSION OF MONTHS IN WHICH INDIVIDUAL IS IMPRISONED.—Such term shall not include any month with respect to an individual if, as of the first day of such month, such individual is imprisoned under Federal, State, or local authority.

"(3) OTHER SPECIFIED COVERAGE.—For purposes of this subsection, an eligible individual described in subsection (c)(1) has other specified coverage for any month if, as of the first day of such month—

"(A) SUBSIDIZED COVERAGE.—

"(i) IN GENERAL.—Such individual is covered under any qualified health insurance under which at least 50 percent of the cost of coverage (determined under section 4980B) is paid or incurred by an employer (or former employer) of the taxpayer or the taxpayer's spouse.

"(ii) TREATMENT OF CAFETERIA PLANS AND FLEXIBLE SPENDING ACCOUNTS.—For purposes of clause (i), the cost of benefits—

"(I) which are chosen under a cafeteria plan (as defined in section 125(d)), or provided under a flexible spending or similar arrangement, of such an employer, and

"(II) which are not includible in gross income under section 106,

shall be treated as borne by such employer.

"(B) COVERAGE UNDER MEDICARE, MEDICAID, OR SCHIP.—Such individual—

"(i) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

"(ii) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928).

"(C) CERTAIN OTHER COVERAGE.—Such individual—

"(i) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code,

"(ii) is entitled to receive benefits under chapter 55 of title 10, United States Code,

"(iii) is entitled to receive benefits under chapter 17 of title 38, United States Code, or

"(iv) is eligible for benefits under the Indian Health Care Improvement Act.

"(4) SPECIAL RULE.—For purposes of this subsection, an individual does not have other specified coverage for any month if such coverage is under a qualified long-term care insurance contract (as defined in section 7702B(b)(1)).

"(c) ELIGIBLE INDIVIDUAL.—

"(1) IN GENERAL.—For purposes of this section, the term 'eligible individual' means an individual who is qualified to receive payment of a trade adjustment allowance under section 235 of the Trade Act of 1974, as amended by section 111 of the Trade Adjustment Assistance Reform Act of 2002.

"(2) STEELWORKER RETIREES.—Such term includes an individual not described in paragraph (1) who would have been eligible to be certified as an eligible retiree or eligible beneficiary for purposes of participating in the Steel Industry Retiree Benefits Protection program under the Trade Act of 1974, as amended by S.2189, as introduced on April 17, 2002.

"(d) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means health insurance coverage described under section 173(f) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(f)).

"(e) COORDINATION WITH ADVANCE PAYMENTS OF CREDIT.—

"(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment is made by the Secretary under section 7527 during any calendar year to a provider of qualified health insurance for an individual, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

"(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under part IV of subchapter A of chapter 1.

"(f) SPECIAL RULES.—

"(1) COORDINATION WITH OTHER DEDUCTIONS.—Amounts taken into account under subsection (a) shall not be taken into account in determining any deduction allowed under section 162(l) or 213.

"(2) MSA DISTRIBUTIONS.—Amounts distributed from an Archer MSA (as defined in section 220(d)) shall not be taken into account under subsection (a).

"(3) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

"(4) CREDIT TREATED AS REFUNDABLE CREDIT.—For purposes of this title, the credit allowed under this section shall be treated as a credit allowable under subpart C of part IV of subchapter A of chapter 1.

"(5) EXPENSES MUST BE SUBSTANTIATED.—A payment for qualified health insurance to which subsection (a) applies may be taken into account under this section only if the taxpayer substantiates such payment in such form as the Secretary may prescribe.

"(6) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section and section 7527.".

(b) INFORMATION REPORTING.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to information concerning transactions with other persons) is amended by inserting after section 6050S the following new section:

"SEC. 6050T. RETURNS RELATING TO TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

"(a) REQUIREMENT OF REPORTING.—Every person—

"(1) who, in connection with a trade or business conducted by such person, receives payments during any calendar year from any individual for coverage of such individual or any other individual under qualified health insurance (as defined in section 6429(d)), and

"(2) who claims a reimbursement for an advance credit amount,

shall, at such time as the Secretary may prescribe, make the return described in subsection (b) with respect to each individual from whom such payments were received or for whom such a reimbursement is claimed.

"(b) FORM AND MANNER OF RETURNS.—A return is described in this subsection if such return—

"(1) is in such form as the Secretary may prescribe, and

"(2) contains—

"(A) the name, address, and TIN of each individual referred to in subsection (a), "(B) the aggregate of the advance credit amounts provided to such individual and for which reimbursement is claimed,

"(C) the number of months for which such advance credit amounts are so provided, and

"(D) such other information as the Secretary may prescribe.

"(c) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

"(1) the name and address of the person required to make such return and the phone number of the information contact for such person, and

"(2) the information required to be shown on the return with respect to such individual.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) is required to be made.

"(d) ADVANCE CREDIT AMOUNT.—For purposes of this section, the term 'advance credit amount' means an amount for which the person can claim a reimbursement pursuant to a program established by the Secretary under section 7527.".

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (relating to definitions) is amended by redesignating clauses (xi) through (xvii) as clauses (xii) through (xviii), respectively, and by inserting after clause (x) the following new clause:

"(xi) section 6050T (relating to returns relating to trade adjustment assistance health insurance credit),".

(B) Paragraph (2) of section 6724(d) of such Code is amended by striking "or" at the end of subparagraph (Z), by striking the period at the end of subparagraph (AA) and inserting ", or", and by adding after subparagraph (AA) the following new subparagraph:

"(BB) section 6050T (relating to returns relating to trade adjustment assistance health insurance credit).".

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by inserting after the item relating to section 6050S the following new item:

"Sec. 6050T. Returns relating to trade adjustment assistance health insurance credit.".

(c) CRIMINAL PENALTY FOR FRAUD.—

(1) IN GENERAL.—Subchapter B of chapter 75 of the Internal Revenue Code of 1986 (relating to other offenses) is amended by adding at the end the following:

"SEC. 7276. PENALTIES FOR OFFENSES RELATING TO TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

"Any person who knowingly misuses Department of the Treasury names, symbols, titles, or initials to convey the false impression of association with, or approval or endorsement by, the Department of the Treasury of any insurance products or group health coverage in connection with the credit for trade adjustment assistance health insurance under section 6429 shall on conviction thereof be fined not more than $10,000, or imprisoned not more than 1 year, or both.".

(2) The table of sections for subchapter B of chapter 75 of such Code is amended by adding at the end the following:

"Sec. 7276. Penalties for offenses relating to trade adjustment assistance health insurance credit.".

(d) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 6429 of such Code".

(2) The table of sections for subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 6429. Trade adjustment assistance health insurance credit.".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2001, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(2) PENALTIES.—The amendments made by subsection (c) shall take effect on the date of the enactment of this Act.

SEC. 602. ADVANCE PAYMENT OF TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

"SEC. 7527. ADVANCE PAYMENT OF TRADE ADJUSTMENT ASSISTANCE HEALTH INSURANCE CREDIT.

"(a) GENERAL RULE.—The Secretary shall establish a program for making payments on behalf of eligible individuals (as defined in section 6429(c)) to providers of health insurance for such individuals for whom a qualified health insurance credit eligibility certificate is in effect.

"(b) QUALIFIED HEALTH INSURANCE CREDIT ELIGIBILITY CERTIFICATE.—For purposes of this section, a qualified health insurance credit eligibility certificate is a statement certified by a designated local agency (as defined in section 51(d)(11)) (or by any other entity designated by the Secretary) which—

"(1) certifies that the individual was an eligible individual (as defined in section 6429(c)) as of the first day of any month, and

"(2) provides such other information as the Secretary may require for purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 7527. Advance payment of trade adjustment assistance health insurance credit.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

SEC. 603. HEALTH INSURANCE COVERAGE FOR ELIGIBLE INDIVIDUALS.

(a) ELIGIBILITY FOR GRANTS.—Section 173(a) of the Workforce Investment Act of 1998 (29 U.S.C. 2918(a)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(4) from funds appropriated under section 174(c)—

"(A) to a State to provide the assistance described in subsection (f) to any eligible worker (as defined in subsection (f)(5)(B)); and

"(B) to a State to provide the assistance described in subsection (g) to any eligible worker (as defined in subsection (g)(5)).".

(b) USE OF FUNDS FOR HEALTH INSURANCE COVERAGE.—Section 173 of the Workforce Investment Act of 1998 (29 U.S.C. 2918) is amended by adding at the end the following:

"(f) HEALTH INSURANCE COVERAGE ASSISTANCE FOR ELIGIBLE WORKERS.—

"(1) IN GENERAL.—Funds made available to a State under paragraph (4)(A) of subsection (a) may be used by the State for the following:

"(A) HEALTH INSURANCE COVERAGE.—To assist an eligible worker (as defined in paragraph (5)(B)) in enrolling in health insurance coverage through—

"(i) COBRA continuation coverage;

"(ii) State-based continuation coverage provided by the State under a State law that requires such coverage even though the coverage would not otherwise be required under the provisions of law referred to in paragraph (5)(A);

"(iii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in health insurance coverage offered through a qualified State high risk pool or other comparable State-based health insurance coverage alternative;

"(iv) the enrollment of the eligible worker and the eligible worker's spouse and dependents in the health insurance program offered for State employees;

"(v) the enrollment of the eligible worker and the eligible worker's spouse and dependents in a State-based health insurance program that is comparable to the health insurance program offered for State employees;

"(vi) a direct payment arrangement entered into by the State and a group health plan (including a multiemployer plan as defined in section 3(37) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37))), an issuer of health insurance coverage, an administrator, or an employer, as appropriate, on behalf of the eligible worker and the eligible worker's spouse and dependents;

"(vii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in a State-operated, State-funded health plan;

"(viii) the enrollment of the eligible worker and the eligible worker's spouse and dependents in health insurance coverage offered through a State arrangement with a private sector health care coverage purchasing pool; or

"(ix) in the case of an eligible worker who was enrolled in individual health insurance coverage during the 6-month period that ends on the date on which the worker became unemployed, enrollment in such individual health insurance coverage.

"(B) ESTABLISHMENT OF HEALTH INSURANCE COVERAGE MECHANISMS.—To establish or administer—

"(i) a qualified State high risk pool for the purpose of providing health insurance coverage to an eligible worker and the eligible worker's spouse and dependents;

"(ii) a State-based program for the purpose of providing health insurance coverage to an eligible worker and the eligible worker's spouse and dependents that is comparable to the State health insurance program for State employees; or

"(iii) a program under which the State enters into arrangements described in subparagraph (A)(vi).

"(C) ADMINISTRATIVE EXPENSES.—Subject to paragraph (3), to pay the administrative expenses related to the enrollment of eligible workers and the eligible workers spouses and dependents in health insurance coverage described in subparagraph (A), including—

"(i) eligibility verification activities;

"(ii) the notification of eligible workers of available health insurance coverage options;

"(iii) processing qualified health insurance credit eligibility certificates provided for under section 7527 of the Internal Revenue Code of 1986;

"(iv) providing assistance to eligible workers in enrolling in health insurance coverage;

"(v) the development or installation of necessary data management systems; and

"(vi) any other expenses determined appropriate by the Secretary.

"(D) Enrollment losses.—

"(i) In general.—Subject to paragraph (3), to reimburse the State or an issuer of health insurance coverage for losses, in connection with the enrollment of high cost eligible workers, that are in excess of 100 percent of the standard loss ratio (as defined in clause (iv)) for the State-based programs described in clauses (iii), (iv), (v), (vi), or (vii) of subparagraph (A) as a result of the enrollment of eligible workers, and the eligible workers spouses and dependents, in such programs.

"(ii) Determination.—Such losses shall be determined based on the standard loss ratio applicable to the State in the year immediately prior to year in which the enrollment of eligible workers commences.

"(iii) Amount.—

"(I) In general.—With respect to a State-based program described in clause (i) that experiences a loss that is in excess of 150 percent of the standard loss ratio, the amount of reimbursement that a State may receive under such clause with respect to a year shall not exceed an amount equal to 90 percent of the amount that is in excess of such standard loss ratio.

"(II) Reimbursement for certain states.—If a State establishes, or provides for the enrollment of eligible workers in health insurance coverage provided through, a State-based program described in clause (i) during the 1-year period that begins on the date of enactment of this subsection, the amount of reimbursement that a State may receive under such clause with respect to a year shall not exceed the greater of—

"(aa) in the case of a State-based program that experiences a loss that is in excess of 120 percent, but less than 150 percent, of the standard loss ratio, an amount equal to 50 percent of the amount that is in excess of such standard loss ratio; or

"(bb) the amount determined under subclause (I) if applicable.

"(iv) Definition of standard loss ratio.—In this subsection, the term 'standard loss ratio', with respect to the pool of insured individuals under coverage described in clauses (ii) through (viii) of subparagraph (A) for a year, means—

"(I) the amount of claims incurred by the program; divided by

"(II) the premiums paid for enrollment in health insurance coverage provided under such program.

"(2) Requirements relating to health insurance coverage.—With respect to health insurance coverage provided to eligible workers under any of clauses (ii) through (viii) of paragraph (1)(A), the State shall ensure that—

"(A) enrollment is guaranteed for workers who provide a qualified health insurance credit eligibility certificate described in section 7527 of the Internal Revenue Code of 1986 and who pay the remainder of the premium for such enrollment;

"(B) no pre-existing condition limitations are imposed with respect to such eligible workers;

"(C) the worker is not required (as a condition of enrollment or continued enrollment under the coverage) to pay a premium or contribution that is greater than the premium or contribution for a similarly situated individual who is not an eligible worker;

"(D) benefits under the coverage are the same as (or substantially similar to) the benefits provided to similarly situated individuals who are not eligible workers;

"(E) the standard loss ratio for the coverage is not less than 65 percent;

"(F) in the case of coverage provided under paragraph (1)(A)(v), the premiums and benefits are comparable to the premiums and benefits applicable to State employees; and

"(G) such coverage otherwise meets requirements established by the Secretary.

"(3) Limitation.—A State that fails, during the 2-year period beginning on the date of enactment of this subsection, to establish, or provide for the enrollment of eligible workers in health insurance coverage provided through, a State-based program described in any of clauses (iii) through (vii) of paragraph (1)(A), shall not use amounts made available under subsection (a)(4) for expenditures described in subparagraphs (C) and (D) of paragraph (1).

"(4) Availability of funds.—

"(A) Expedited procedures.—With respect to applications submitted by States for grants under this subsection, the Secretary shall—

"(i) not later than 15 days after the date on which the Secretary receives a completed application from a State, notify the State of the determination of the Secretary with respect to the approval or disapproval of such application;

"(ii) in the case of a State application that is disapproved by the Secretary, provide technical assistance, at the request of the State, in a timely manner to enable the State to submit an approved application; and

"(iii) develop procedures to expedite the provision of funds to States with approved applications.

"(B) Availability and distribution of funds.—Except as provided for in paragraph (3), the Secretary shall ensure that funds made available under section 174(c)(1) to carry out subsection (a)(4) are available to States throughout the period described in section 174(c)(2).

"(5) Definitions.—For purposes of this subsection:

"(A) COBRA continuation coverage.—The term 'COBRA continuation coverage' means coverage under a group health plan provided by an employer pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974, or section 8905a of title 5, United States Code.

"(B) Eligible worker.—

"(i) In general.—The term 'eligible worker' means an individual who—

"(I) is qualified to receive payment of a trade adjustment allowance under section 235 of the Trade Act of 1974, as amended by section 111 of the Trade Adjustment Assistance Reform Act of 2002;

"(II) does not have other specified coverage; and

"(III) is not imprisoned under Federal, State, or local authority.

"(ii) Steelworker retirees.—Such term includes an individual not described in clause (i) who would have been eligible to be certified as an eligible retiree or eligible beneficiary for purposes of participating in the Steel Industry Retiree Benefits Protection program under the Trade Act of 1974, as amended by S.2189, as introduced on April 17, 2002.

"(C) Other specified coverage.—With respect to an eligible worker described in subparagraph (B)(i), the term 'other specified coverage' means—

"(i) Subsidized coverage.—

"(I) In general.—Such individual is covered under any health insurance coverage under which at least 50 percent of the cost of coverage (determined under section 4980B of the Internal Revenue Code of 1986) is paid or incurred by an employer (or former employer) of the individual or the individual's spouse.

"(II) Treatment of cafeteria plans and flexible spending accounts.—For purposes of subclause (I), the cost of benefits which are chosen under a cafeteria plan (as defined in section 125(d) of such Code), or provided under a flexible spending or similar arrangement, of such an employer, and which are not includible in gross income under section 106 of such Code, shall be treated as borne by such employer.

"(ii) Coverage under medicare, medicaid, or schip.—Such individual—

"(I) is entitled to benefits under part A of title XVIII of the Social Security Act or is enrolled under part B of such title, or

"(II) is enrolled in the program under title XIX or XXI of such Act (other than under section 1928).

"(iii) Certain other coverage.—Such individual—

"(I) is enrolled in a health benefits plan under chapter 89 of title 5, United States Code;

"(II) is entitled to receive benefits under chapter 55 of title 10, United States Code;

"(III) is entitled to receive benefits under chapter 17 of title 38, United States Code; or

"(IV) is eligible for benefits under the Indian Health Care Improvement Act.

Such term does not include coverage under a qualified long-term care insurance contract (as defined in section 7702B(b)(1) of the Internal Revenue Code of 1986).

"(D) Group health plan.—The term 'group health plan' has the meaning given that term in section 2791(a) of the Public Health Service Act (42 U.S.C. 300gg–91(a)), section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(1)), and section 4980B(g)(2) of the Internal Revenue Code of 1986.

"(E) Health insurance coverage.—The term 'health insurance coverage' has the meaning given that term in section 2791(b)(1) of the Public Health Service Act (42 U.S.C. 300gg–91(b)(1)) (other than insurance if substantially all of its coverage is of excepted benefits described in section 2791(c) of such Act (42 U.S.C. 300gg–91(c)) .

"(F) Individual health insurance coverage.—The term 'individual health insurance coverage' means health insurance coverage offered to individuals other than in connection with a group health plan. Such term does not include Federal- or State-based health insurance coverage.

"(G) Qualified state high risk pool.—The term 'qualified State high risk pool' has the meaning given that term in section 2744(c)(2) of the Public Health Service Act.

"(g) Interim Health and Other Assistance.—

"(1) In general.—Funds made available to a State under paragraph (4)(B) of subsection

(a) may be used by the State to provide assistance and support services to eligible workers, including health care coverage, transportation, child care, dependent care, and income assistance.

"(2) INCOME SUPPORT.—With respect to any income assistance provided to an eligible worker with such funds, such assistance shall supplement and not supplant other income support or assistance provided under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) (as in effect on the day before the effective date of the Trade Adjustment Assistance Reform Act of 2002) or the unemployment compensation laws of the State where the eligible worker resides.

"(3) HEALTH CARE COVERAGE.—With respect to any health care coverage assistance provided to an eligible worker with such funds, the following rules shall apply:

"(A) The State may provide assistance in obtaining health care coverage to the eligible worker and to the eligible worker's spouse and dependents.

"(B) Such assistance may include any or a combination of the following:

"(i) Direct payment arrangements with a group health plan (including a multiemployer plan), an issuer of health insurance coverage, an administrator, or an employer, as appropriate, on behalf of the eligible worker and the eligible worker's spouse and dependents.

"(ii) The enrollment of the eligible worker and the eligible worker's spouse and dependents in the health insurance program offered for State employees.

"(iii) Subject to section 603(e) of the Trade Adjustment Assistance Reform Act of 2002, the enrollment of the eligible worker and the eligible worker's spouse and dependents under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the State children's health insurance program under title XXI of that Act (42 U.S.C. 1397aa *et seq.*).

"(C) Such assistance shall supplement and may not supplant any other State or local funds used to provide health care coverage and may not be included in determining the amount of non-Federal contributions required under any program.

"(4) EXPEDITED PROCEDURES.—With respect to applications submitted by States for grants under this subsection, the Secretary shall—

"(A) not later than 15 days after the date on which the Secretary receives a completed application from a State, notify the State of the determination of the Secretary with respect to the approval or disapproval of such application;

"(B) in the case of a State application that is disapproved by the Secretary, provide technical assistance, at the request of the State, in a timely manner to enable the State to submit an approved application; and

"(C) develop procedures to expedite the provision of funds to States with approved applications.

"(5) DEFINITIONS.—In this subsection:

"(A) ELIGIBLE WORKER.—

"(i) IN GENERAL.—The term 'eligible worker' means an individual who is a member of a group of workers certified after April 1, 2002 under chapter 2 of title II of the Trade Act of 1974 (as in effect on the day before the effective date of the Trade Adjustment Assistance Reform Act of 2002) and who is determined to be qualified to receive payment of a trade adjustment allowance under such chapter (as so in effect).

"(ii) STEELWORKER RETIREES.—Such term includes an individual not described in clause (i) who would have been eligible to be certified as an eligible retiree or eligible beneficiary for purposes of participating in the Steel Industry Retiree Benefits Protection program under the Trade Act of 1974, as amended by S.2189, as introduced on April 17, 2002.

"(B) OTHER TERMS.—The terms 'administrator', 'group health plan', 'health insurance coverage', and 'multiemployer plan' have the meanings given those terms in subsection (f)(5).".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 174 of the Workforce Investment Act of 1998 (29 U.S.C. 2919) is amended by adding at the end the following:

"(c) ASSISTANCE FOR ELIGIBLE WORKERS.—

"(1) IN GENERAL.—There are authorized to be appropriated—

"(A) to carry out subsection (a)(4)(A) of section 173—

"(i) $10,000,000 for fiscal year 2002; and

"(ii) $60,000,000 for each of fiscal years 2003 through 2007; and

"(B) to carry out subsection (a)(4)(B) of section 173—

"(i) $50,000,000 for fiscal year 2002;

"(ii) $100,000,000 for fiscal year 2003; and

"(iii) $50,000,000 for fiscal year 2004.

"(2) AVAILABILITY OF FUNDS.—Funds appropriated under—

"(A) paragraph (1)(A) for each fiscal year shall, notwithstanding section 189(g), remain available for obligation during the pendency of any outstanding claim under the Trade Act of 1974, as amended by the Trade Adjustment Assistance Reform Act of 2002; and

"(B) paragraph (1)(B), for each fiscal year shall, notwithstanding section 189(g), remain available during the period that begins on the date of enactment of the Trade Adjustment Assistance Reform Act of 2002 and ends on September 30, 2004.".

(d) CONFORMING AMENDMENT.—Section 132(a)(2)(A) of the Workforce Investment Act of 1998 (29 U.S.C. 2862(a)(2)(A)) is amended by inserting ", other than under subsection (a)(4), (f), and (g)" after "grants".

(e) AUTHORITY AND SPECIAL RULES FOR HEALTH CARE COVERAGE ASSISTANCE PROVIDED TO ELIGIBLE WORKERS UNDER MEDICAID OR SCHIP.—

(1) IN GENERAL.—Notwithstanding any other provision of law, in the case of an eligible worker described in section 173(g)(5)(A) of the Workforce Investment Act of 1998 (as added by subsection (b)) a State may elect, subject to paragraph (2), to provide such worker and the worker's spouse and dependents assistance with health care coverage under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the State children's health insurance program under title XXI of such Act (42 U.S.C. 1397aa et seq.) (whether such program is implemented under that title or title XIX of such Act).

(2) SPECIAL RULES.—In the case of assistance provided under an election made under this subsection—

(A) such assistance shall be provided with funds made available to the State under section 173(a)(4)(B) of the Workforce Investment Act of 1998 (as added by subsection (a)) and without regard to any State share requirement that would otherwise apply;

(B) at a minimum, such assistance shall meet the requirements of section 2103 of the Social Security Act (42 U.S.C. 1397cc); and

(C) with respect to such assistance provided under the State medicaid program, shall be provided without regard to requirements relating to statewideness of coverage, or income, assets, or resources eligibility limitations that would otherwise apply under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(f) TEMPORARY EXTENSION OF COBRA ELECTION PERIOD FOR CERTAIN INDIVIDUALS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the election period for COBRA continuation coverage (as defined in section 6429(d)(2) of the Internal Revenue Code of 1986) with respect to any eligible individual (as defined in section 6429(c) of such Code) for whom such period has expired as of the date of the enactment of this Act, shall not end before the date that is 60 days after the date the individual becomes such an eligible individual.

(2) PREEXISTING CONDITIONS.—If an individual becomes such an eligible individual, any period before the date of such eligibility shall be disregarded for purposes of determining the 63-day periods referred to in section 701(c)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181(c)(2)), section 2701(c)(2) of the Public Health Service Act (42 U.S.C. 300gg(c)(2)), and section 9801(c)(2) of the Internal Revenue Code of 1986.

TITLE VII—CONFORMING AMENDMENTS AND EFFECTIVE DATE

SEC. 701. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO THE TRADE ACT OF 1974.—

(1) ASSISTANCE TO INDUSTRIES.—Section 265 of the Trade Act of 1974 (19 U.S.C. 2355) is amended by striking "certified as eligible to apply for adjustment assistance under sections 231 or 251", and inserting "certified as eligible for trade adjustment assistance benefits under section 231, or as eligible to apply for adjustment assistance under section 251".

(2) GENERAL ACCOUNTING OFFICE REPORT.—Section 280 of the Trade Act of 1974 (19 U.S.C. 2391) is amended to read as follows:

"SEC. 280. GENERAL ACCOUNTING OFFICE REPORT.

"(a) STUDY AND REPORT.—The Comptroller General of the United States shall conduct a study of the adjustment assistance programs established under chapters 2, 3, 4, 6, and 7 of this title and shall report the results of such study to the Congress no later than January 31, 2005. Such report shall include an evaluation of—

"(1) the effectiveness of such programs in aiding workers, farmers, fishermen, firms, and communities to adjust to changed economic conditions resulting from changes in the patterns of international trade; and

"(2) the coordination of the administration of such programs and other Government programs which provide unemployment compensation and relief to depressed areas.

"(b) ASSISTANCE OF OTHER DEPARTMENTS AND AGENCIES.—In carrying out his responsibilities under this section, the Comptroller General shall, to the extent practical, avail himself of the assistance of the Departments of Labor, Commerce, and Agriculture and the Small Business Administration. The Secretaries of Labor, Commerce, and Agriculture and the Administrator of the Small Business Administration shall make available to the Comptroller General any assistance necessary for an effective evaluation of the adjustment assistance programs established under this title.".

(3) COORDINATION.—Section 281 of the Trade Act of 1974 (19 U.S.C. 2392) is amended by striking "Departments of Labor and Commerce" and inserting "Departments of Labor, Commerce, and Agriculture".

(4) TRADE MONITORING SYSTEM.—Section 282 of the Trade Act of 1974 (19 U.S.C. 2393) is

amended by striking "The Secretary of Commerce and the Secretary of Labor" and inserting "The Secretaries of Commerce, Labor, and Agriculture".

(5) JUDICIAL REVIEW.—

(A) Section 284(a) of the Trade Act of 1974 (19 U.S.C. 2395(a)) is amended by striking "under section 223 or section 250(c)" and all that follows through "the Secretary of Commerce under section 271" and inserting "under section 231, a firm or its representative, or any other interested domestic party aggrieved by a final determination of the Secretary of Commerce under section 251, an agricultural commodity producer (as defined in section 291(2)) aggrieved by a determination of the Secretary of Agriculture under section 293, or a producer (as defined in section 299(2)) aggrieved by a determination of the Secretary of Commerce under section 299B".

(B) Section 284 of such Trade Act of 1974 is amended in the second sentence of subsection (a) and in subsections (b) and (c), by inserting "or the Secretary of Agriculture" after "Secretary of Commerce" each place it appears.

(6) TERMINATION.—Section 285 of the Trade Act of 1974 is amended to read as follows:

"SEC. 285. TERMINATION.

"(a) ASSISTANCE FOR WORKERS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), trade adjustment assistance, vouchers, allowances, and other payments or benefits may not be provided under chapter 2 after September 30, 2007.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a worker shall continue to receive trade adjustment assistance benefits and other benefits under chapter 2 for any week for which the worker meets the eligibility requirements of that chapter, if on or before September 30, 2007, the worker is—

"(A) certified as eligible for trade adjustment assistance benefits under section 231; and

"(B) otherwise eligible to receive trade adjustment assistance benefits under chapter 2.

"(b) OTHER ASSISTANCE.—

"(1) ASSISTANCE FOR FIRMS.—Technical assistance may not be provided under chapter 3 after September 30, 2007.

"(2) ASSISTANCE FOR COMMUNITIES.—Technical assistance and other payments may not be provided under chapter 4 after September 30, 2007.

"(3) ASSISTANCE FOR FARMERS AND FISHERMEN.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), adjustment assistance, vouchers, allowances, and other payments or benefits may not be provided under chapter 6 or 7 after September 30, 2007.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), an agricultural commodity producer (as defined in section 291(2)) or producer (as defined in section 299(2)), shall continue to receive adjustment assistance benefits and other benefits under chapter 6 or 7, whichever applies, for any week for which the agricultural commodity producer or producer meets the eligibility requirements of chapter 6 or 7, whichever applies, if on or before September 30, 2007, the agricultural commodity producer or producer is—

"(i) certified as eligible for adjustment assistance benefits under chapter 6 or 7, whichever applies; and

"(ii) is otherwise eligible to receive adjustment assistance benefits under such chapter 6 or 7.".

(6) TABLE OF CONTENTS.—

(A) IN GENERAL.—The table of contents for chapters 2, 3, and 4 of title II of the Trade Act of 1974 is amended to read as follows:

"CHAPTER 2—ADJUSTMENT ASSISTANCE FOR WORKERS

"SUBCHAPTER A—GENERAL PROVISIONS

"Sec. 221. Definitions.
"Sec. 222. Agreements with States.
"Sec. 223. Administration absent State agreement.
"Sec. 224. Data collection; evaluations; reports.
"Sec. 225. Study by Secretary of Labor when International Trade Commission begins investigation.
"Sec. 226. Report by Secretary of Labor on likely impact of trade agreements.

"SUBCHAPTER B—CERTIFICATIONS

"Sec. 231. Certification as adversely affected workers.
"Sec. 232. Benefit information to workers.

"SUBCHAPTER C—PROGRAM BENEFITS

"PART I—GENERAL PROVISIONS

"Sec. 234. Comprehensive assistance.

"PART II—TRADE ADJUSTMENT ALLOWANCES

"Sec. 235. Qualifying requirements for workers.
"Sec. 236. Weekly amounts.
"Sec. 237. Limitations on trade adjustment allowances.
"Sec. 238. Application of State laws.

"PART III—EMPLOYMENT SERVICES, TRAINING, AND OTHER ALLOWANCES

"Sec. 239. Employment services.
"Sec. 240. Training.
"Sec. 241. Job search allowances.
"Sec. 242. Relocation allowances.
"Sec. 243. Supportive services; wage insurance.

"SUBCHAPTER D—PAYMENT AND ENFORCEMENT PROVISIONS

"Sec. 244. Payments to States.
"Sec. 245. Liabilities of certifying and disbursing officers.
"Sec. 246. Fraud and recovery of overpayments.
"Sec. 247. Criminal penalties.
"Sec. 248. Authorization of appropriations.
"Sec. 249. Regulations.
"Sec. 250. Subpoena power.

"CHAPTER 3—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

"Sec. 251. Petitions and determinations.
"Sec. 252. Approval of adjustment proposals.
"Sec. 253. Technical assistance.
"Sec. 254. Financial assistance.
"Sec. 255. Conditions for financial assistance.
"Sec. 256. Delegation of functions to Small Business Administration; authorization of appropriations.
"Sec. 257. Administration of financial assistance.
"Sec. 258. Protective provisions.
"Sec. 259. Penalties.
"Sec. 260. Suits.
"Sec. 261. Definition of firm.
"Sec. 262. Regulations.
"Sec. 264. Study by Secretary of Commerce when International Trade Commission begins investigation; action where there is affirmative finding.
"Sec. 265. Assistance to industries.

"CHAPTER 4—COMMUNITY ECONOMIC ADJUSTMENT

"Sec. 271. Definitions.
"Sec. 272. Office of Community Trade Adjustment.
"Sec. 273. Notification and certification as an eligible community.
"Sec. 274. Community Economic Development Coordinating Committee.
"Sec. 275. Community economic adjustment advisors.
"Sec. 276. Strategic plans.
"Sec. 277. Grants for economic development.
"Sec. 278. Authorization of appropriations.
"Sec. 279. General provisions.".

(B) CHAPTERS 6 AND 7.—The table of contents for title II of the Trade Act of 1974, as amended by subparagraph (A), is amended by inserting after the items relating to chapter 5 the following:

"CHAPTER 6—ADJUSTMENT ASSISTANCE FOR FARMERS

"Sec. 291. Definitions.
"Sec. 292. Petitions; group eligibility.
"Sec. 293. Determinations by Secretary of Agriculture.
"Sec. 294. Study by Secretary of Agriculture when International Trade Commission begins investigation.
"Sec. 295. Benefit information to agricultural commodity producers.
"Sec. 296. Qualifying requirements for agricultural commodity producers.
"Sec. 297. Fraud and recovery of overpayments.
"Sec. 298. Authorization of appropriations.

"CHAPTER 7—ADJUSTMENT ASSISTANCE FOR FISHERMEN

"Sec. 299. Definitions.
"Sec. 299A. Petitions; group eligibility.
"Sec. 299B. Determinations by Secretary.
"Sec. 299C. Study by Secretary when International Trade Commission begins investigation.
"Sec. 299D. Benefit information to producers.
"Sec. 299E. Qualifying requirements for producers.
"Sec. 299F. Fraud and recovery of overpayments.
"Sec. 299G. Authorization of appropriations.".

(b) INTERNAL REVENUE CODE.—

(1) ADJUSTED GROSS INCOME.—Section 62(a)(12) of the Internal Revenue Code of 1986 (relating to the definition of adjusted gross income) is amended by striking "trade readjustment allowances under section 231 or 232" and inserting "trade adjustment allowances under section 235 or 236".

(2) FEDERAL UNEMPLOYMENT.—

(A) IN GENERAL.—Section 3304(a)(8) of the Internal Revenue Code of 1986 (relating to the approval of State unemployment insurance laws) is amended to read as follows:

"(8) compensation shall not be denied to an individual for any week because the individual is in training with the approval of the State agency, or in training approved by the Secretary of Labor pursuant to chapter 2 of title II of the Trade Act of 1974 (or because of the application, to any such week in training, of State law provisions relating to availability for work, active search for work, or refusal to accept work);".

(B) EFFECTIVE DATE.—

(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by this paragraph shall apply in the case of compensation paid for weeks beginning on or after the date that is 90 days after the date of enactment of this Act.

(ii) MEETING OF STATE LEGISLATURE.—

(I) IN GENERAL.—If the Secretary of Labor identifies a State as requiring a change to its statutes or regulations in order to comply with the amendments made by subparagraph (A), the amendments made by subparagraph (A) shall apply in the case of compensation paid for weeks beginning after the earlier of—

(aa) the date the State changes its statutes or regulations in order to comply with the amendments made by this section; or

(bb) the end of the first session of the State legislature which begins after the date of enactment of this Act or which began prior to such date and remained in session for at least 25 calendar days after such date;

except that in no case shall the amendments made by this Act apply before the date described in clause (I).

(II) SESSION DEFINED.—In this clause, the term "session" means a regular, special, budget, or other session of a State legislature.

(c) AMENDMENTS TO TITLE 28.—

(1) CIVIL ACTIONS AGAINST THE UNITED STATES.—Section 1581(d) of title 28, United States Code, is amended—

(A) in paragraph (1), by striking "section 223" and inserting "section 231";

(B) in paragraph (2), by striking "and"; and

(C) by striking paragraph (3), and inserting the following:

"(3) any final determination of the Secretary of Agriculture under section 293 of the Trade Act of 1974 with respect to the eligibility of an agricultural commodity producer (as defined in section 291(2)) for adjustment assistance under such Act; and

"(4) any final determination of the Secretary of Commerce under section 299B of the Trade Act of 1974 with respect to the eligibility of a producer (as defined in section 299(2)) for adjustment assistance under such Act.".

(2) PERSONS ENTITLED TO COMMENCE A CIVIL ACTION.—Section 2631 of title 28, United States Code, is amended—

(A) by amending subsection (d)(1) to read as follows:

"(d)(1) A civil action to review any final determination of the Secretary of Labor under section 231 of the Trade Act of 1974 with respect to the certification of workers as adversely affected and eligible for trade adjustment assistance under that Act may be commenced by a worker, a group of workers, a certified or recognized union, or an authorized representative of such worker or group, that petitions for certification under that Act or is aggrieved by the final determination.";

(B) by striking paragraph (3), and inserting the following:

"(3) A civil action to review any final determination of the Secretary of Agriculture under section 293 of the Trade Act of 1974 with respect to the eligibility of an agricultural commodity producer for adjustment assistance may be commenced in the Court of International Trade by an agricultural commodity producer that applies for assistance under such Act and is aggrieved by such final determination, or by any other interested party that is aggrieved by such final determination."; and

(C) by adding at the end the following new paragraph:

"(4) A civil action to review any final determination of the Secretary of Commerce under section 299B of the Trade Act of 1974 with respect to the eligibility of an producer (as defined in section 299(2)) for adjustment assistance may be commenced in the Court of International Trade by a producer that applies for assistance under such Act and is aggrieved by such final determination, or by any other interested party that is aggrieved by such final determination.".

(3) TIME FOR COMMENCEMENT OF ACTION.—Section 2636(d) of title 28, United States Code, is amended by striking "under section 223 of the Trade Act of 1974 or a final determination of the Secretary of Commerce under section 251 or section 271 of such Act" and inserting "under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act".

(4) SCOPE AND STANDARD OF REVIEW.—Section 2640(c) of title 28, United States Code, is amended by striking "under section 223 of the Trade Act of 1974 or any final determination of the Secretary of Commerce under section 251 or section 271 of such Act" and inserting "under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act".

(5) RELIEF.—Section 2643(c)(2) of title 28, United States Code, is amended by striking "under section 223 of the Trade Act of 1974 or any final determination of the Secretary of Commerce under section 251 or section 271 of such Act" and inserting "under section 231 of the Trade Act of 1974, a final determination of the Secretary of Commerce under section 251 of that Act, a final determination of the Secretary of Agriculture under section 293 of that Act, or a final determination of the Secretary of Commerce under section 299B of that Act".

(d) AMENDMENT TO THE FOOD STAMP ACT OF 1977.—Section 6(o)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)(1)(B)) is amended by striking "section 236" and inserting "section 240".

TITLE VIII—SAVINGS PROVISIONS AND EFFECTIVE DATE

SEC. 801. SAVINGS PROVISIONS.

(a) PROCEEDINGS NOT AFFECTED.—

(1) IN GENERAL.—The provisions of this division shall not affect any petition for certification for benefits under chapter 2 of title II of the Trade Act of 1974 that was in effect on September 30, 2001. Determinations shall be issued, appeals shall be taken therefrom, and payments shall be made under those determinations, as if this division had not been enacted, and orders issued in any proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(2) MODIFICATION OR DISCONTINUANCE.—Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any proceeding under the same terms and conditions and to the same extent that the proceeding could have been discontinued or modified if this division had not been enacted.

(b) SUITS NOT AFFECTED.—The provisions of this division shall not affect any suit commenced before October 1, 2001, and in all those suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this division had not been enacted.

(c) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Federal Government, or by or against any individual in the official capacity of that individual as an officer of the Federal Government, shall abate by reason of enactment of this Act.

SEC. 802. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in sections 401(b), 501(b), and 701(b)(2)(B), titles IX, X, and XI, and subsections (b), (c), and (d) of this section, the amendments made by this division shall apply to—

(1) petitions for certification filed under chapter 2 or 3 of title II of the Trade Act of 1974 on or after the date that is 90 days after the date of enactment of this Act; and

(2) certifications for assistance under chapter 4 of title II of the Trade Act of 1974 issued on or after the date that is 90 days after the date of enactment of this Act.

(b) WORKERS CERTIFIED AS ELIGIBLE BEFORE EFFECTIVE DATE.—Notwithstanding subsection (a), a worker shall continue to receive (or be eligible to receive) trade adjustment assistance and other benefits under chapter 2 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week for which the worker meets the eligibility requirements of such chapter 2 as in effect on such date, if on or before such date, the worker—

(1) was certified as eligible for trade adjustment assistance benefits under such chapter as in effect on such date; and

(2) would otherwise be eligible to receive trade adjustment assistance benefits under such chapter as in effect on such date.

(c) WORKERS WHO BECAME ELIGIBLE DURING QUALIFIED PERIOD.—

(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, including section 285 of the Trade Act of 1974, any worker who would have been eligible to receive trade adjustment assistance or other benefits under chapter 2 of title II of the Trade Act if 1974 during the qualified period if such chapter 2 had been in effect during such period, shall be eligible to receive trade adjustment assistance and other benefits under chapter 2 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week during the qualified period for which the worker meets the eligibility requirements of such chapter 2 as in effect on September 30, 2001.

(2) QUALIFIED PERIOD.—For purposes of this subsection, the term "qualified period" means the period beginning on January 11, 2002 and ending on the date that is 90 days after the date of enactment of this Act.

(d) ADJUSTMENT ASSISTANCE FOR FIRMS.—

(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, including section 285 of the Trade Act of 1974, and except as provided in paragraph (2) any firm that would have been eligible to receive adjustment assistance under chapter 3 of title II of the Trade Act if 1974 during the qualified period if such chapter 3 had been in effect during such period, shall be eligible to receive adjustment assistance under chapter 3 of title II of the Trade Act of 1974, as in effect on September 30, 2001, for any week during the qualified period for which the firm meets the eligibility requirements of such chapter 3 as in effect on September 30, 2001.

(2) QUALIFIED PERIOD.—For purposes of this subsection, the term "qualified period" means the period beginning on October 1, 2001 and ending on the date that is 90 days after the date of enactment of this Act.

TITLE IX—REVENUE PROVISIONS

SEC. 901. CUSTOM USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking "2003" and inserting "2009".

TITLE X—MISCELLANEOUS PROVISIONS

SEC. 1001. COUNTRY OF ORIGIN LABELING OF FISH AND SHELLFISH PRODUCTS.

(a) DEFINITIONS.—In this section:

(1) COVERED COMMODITY.—The term "covered commodity" means—

(A) a perishable agricultural commodity; and

(B) any fish or shellfish, and any fillet, steak, nugget, or any other flesh from fish or shellfish, whether fresh, chilled, frozen, canned, smoked, or otherwise preserved.

(2) FOOD SERVICE ESTABLISHMENT.—The term "food service establishment" means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public.

(3) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms "perishable agricultural commodity" and "retailer" have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

(b) NOTICE OF COUNTRY OF ORIGIN.—

(1) REQUIREMENT.—Except as provided in paragraph (3), a retailer of a covered commodity shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity.

(2) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity may designate the covered commodity as having a United States country of origin only if the covered commodity is exclusively harvested and processed in the United States, or in the case of farm-raised fish and shellfish, is hatched, raised, harvested, and processed in the United States.

(3) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Paragraph (1) shall not apply to a covered commodity if the covered commodity is prepared or served in a food service establishment, and—

(A) offered for sale or sold at the food service establishment in normal retail quantities; or

(B) served to consumers at the food service establishment.

(c) METHOD OF NOTIFICATION.—

(1) IN GENERAL.—The information required by subsection (b) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the covered commodity at the final point of sale to consumers.

(2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.

(d) AUDIT VERIFICATION SYSTEM.—The Secretary may require that any person that prepares, stores, handles, or distributes a covered commodity for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to ensure compliance with the regulations promulgated under subsection (g).

(e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

(f) ENFORCEMENT.—

(1) IN GENERAL.—Each Federal agency having jurisdiction over retailers of covered commodities shall, at such time as the necessary regulations are adopted under subsection (g), adopt measures intended to ensure that the requirements of this section are followed by affected retailers.

(2) VIOLATION.—A violation of subsection (b) shall be treated as a violation under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.).

(g) REGULATIONS.—

(1) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to carry out this section within 1 year after the date of enactment of this Act.

(2) PARTNERSHIPS WITH STATES.—In promulgating the regulations, the Secretary shall, to the maximum extent practicable, enter into partnerships with States that have the enforcement infrastructure necessary to carry out this section.

(h) APPLICATION.—This section shall apply to the retail sale of a covered commodity beginning on the date that is 180 days after the date of enactment of this Act.

SEC. 1002. SUGAR POLICY.

(a) FINDINGS.—Congress finds that—

(1) the tariff-rate quotas imposed on imports of sugar, syrups and sugar-containing products under chapters 17, 18, 19, and 21 of the Harmonized Tariff Schedule of the United States are an essential element of United States sugar policy;

(2) circumvention of the tariff-rate quotas will, if unchecked, make it impossible to achieve the objectives of United States sugar policy;

(3) the tariff-rate quotas have been circumvented frequently, defeating the purposes of United States sugar policy and causing disruption to the United States market for sweeteners, injury to domestic growers, refiners, and processors of sugar, and adversely affecting legitimate exporters of sugar to the United States;

(4) it is essential to United States sugar policy that the tariff-rate quotas be enforced and that deceptive practices be prevented, including the importation of products with no commercial use and failure to disclose all relevant information to the United States Customs Service; and

(5) unless action is taken to prevent circumvention, circumvention of the tariff-rate quotas will continue and will ultimately destroy United States sugar policy.

(b) POLICY.—It is the policy of the United States to maintain the integrity of the tariff-rate quotas on sugars, syrups, and sugar-containing products by stopping circumvention as soon as it becomes apparent. It is also the policy of the United States that products not used to circumvent the tariff-rate quotas, such as molasses used for animal feed or for rum, not be affected by any action taken pursuant to this Act.

(c) IDENTIFICATION OF IMPORTS.—

(1) IDENTIFICATION.—Not later than 30 days after the date of enactment of this Act, and on a regular basis thereafter, the Secretary of Agriculture shall—

(A) identify imports of articles that are circumventing tariff-rate quotas on sugars, syrups, or sugar-containing products imposed under chapter 17, 18, 19, or 21 of the Harmonized Tariff Schedule of the United States; and

(B) report to the President the articles found to be circumventing the tariff-rate quotas.

(2) ACTION BY PRESIDENT.—Upon receiving the report from the Secretary of Agriculture, the President shall, by proclamation, include any article identified by the Secretary in the appropriate tariff-rate quota provision of the Harmonized Tariff Schedule.

TITLE XI—CUSTOMS REAUTHORIZATION

SEC. 1101. SHORT TITLE.

This title may be cited as the "Customs Border Security Act of 2002".

Subtitle A—United States Customs Service

CHAPTER 1—DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL AND COMMERCIAL OPERATIONS

SEC. 1111. AUTHORIZATION OF APPROPRIATIONS FOR NONCOMMERCIAL OPERATIONS, COMMERCIAL OPERATIONS, AND AIR AND MARINE INTERDICTION.

(a) NONCOMMERCIAL OPERATIONS.—Section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)) is amended—

(1) in subparagraph (A) to read as follows:

"(A) $886,513,000 for fiscal year 2003."; and

(2) in subparagraph (B) to read as follows:

"(B) $909,471,000 for fiscal year 2004.".

(b) COMMERCIAL OPERATIONS.—

(1) IN GENERAL.—Section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)) is amended—

(A) in clause (i) to read as follows:

"(i) $1,603,482,000 for fiscal year 2003."; and

(B) in clause (ii) to read as follows:

"(ii) $1,645,009,000 for fiscal year 2004.".

(2) AUTOMATED COMMERCIAL ENVIRONMENT COMPUTER SYSTEM.—Of the amount made available for each of fiscal years 2003 and 2004 under section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)), as amended by paragraph (1), $308,000,000 shall be available until expended for each such fiscal year for the development, establishment, and implementation of the Automated Commercial Environment computer system.

(3) REPORTS.—Not later than 90 days after the date of enactment of this Act, and not later than each subsequent 90-day period, the Commissioner of Customs shall prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report demonstrating that the development and establishment of the Automated Commercial Environment computer system is being carried out in a cost-effective manner and meets the modernization requirements of title VI of the North American Free Trade Agreements Implementation Act.

(c) AIR AND MARINE INTERDICTION.—Section 301(b)(3) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(3)) is amended—

(1) in subparagraph (A) to read as follows:

"(A) $181,860,000 for fiscal year 2003."; and

(2) in subparagraph (B) to read as follows:

"(B) $186,570,000 for fiscal year 2004.".

(d) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 301(a) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(a)) is amended by adding at the end the following:

"(3) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).".

SEC. 1112. ANTITERRORIST AND ILLICIT NARCOTICS DETECTION EQUIPMENT FOR THE UNITED STATES-MEXICO BORDER, UNITED STATES-CANADA BORDER, AND FLORIDA AND THE GULF COAST SEAPORTS.

(a) Fiscal Year 2003.—Of the amounts made available for fiscal year 2003 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 1111(a) of this title, $90,244,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of antiterrorist and illicit narcotics detection equipment along the United States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, as follows:

(1) United states-mexico border.—For the United States-Mexico border, the following:

(A) $6,000,000 for 8 Vehicle and Container Inspection Systems (VACIS).

(B) $11,200,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $13,000,000 for the upgrade of 8 fixed-site truck x-rays from the present energy level of 450,000 electron volts to 1,000,000 electron volts (1–MeV).

(D) $7,200,000 for 8 1–MeV pallet x-rays.

(E) $1,000,000 for 200 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(F) $600,000 for 50 contraband detection kits to be distributed among all southwest border ports based on traffic volume.

(G) $500,000 for 25 ultrasonic container inspection units to be distributed among all ports receiving liquid-filled cargo and to ports with a hazardous material inspection facility.

(H) $2,450,000 for 7 automated targeting systems.

(I) $360,000 for 30 rapid tire deflator systems to be distributed to those ports where port runners are a threat.

(J) $480,000 for 20 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(K) $1,000,000 for 20 remote watch surveillance camera systems at ports where there are suspicious activities at loading docks, vehicle queues, secondary inspection lanes, or areas where visual surveillance or observation is obscured.

(L) $1,254,000 for 57 weigh-in-motion sensors to be distributed among the ports with the greatest volume of outbound traffic.

(M) $180,000 for 36 AM traffic information radio stations, with 1 station to be located at each border crossing.

(N) $1,040,000 for 260 inbound vehicle counters to be installed at every inbound vehicle lane.

(O) $950,000 for 38 spotter camera systems to counter the surveillance of customs inspection activities by persons outside the boundaries of ports where such surveillance activities are occurring.

(P) $390,000 for 60 inbound commercial truck transponders to be distributed to all ports of entry.

(Q) $1,600,000 for 40 narcotics vapor and particle detectors to be distributed to each border crossing.

(R) $400,000 for license plate reader automatic targeting software to be installed at each port to target inbound vehicles.

(2) United states-canada border.—For the United States-Canada border, the following:

(A) $3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(B) $8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(C) $3,600,000 for 4 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(F) $240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(G) $400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(3) Florida and gulf coast seaports.—For Florida and the Gulf Coast seaports, the following:

(A) $4,500,000 for 6 Vehicle and Container Inspection Systems (VACIS).

(B) $11,800,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) $7,200,000 for 8 1–MeV pallet x-rays.

(D) $250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) $300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(b) Fiscal Year 2004.—Of the amounts made available for fiscal year 2004 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 1111(a) of this title, $9,000,000 shall be available until expended for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(c) Acquisition of Technologically Superior Equipment; Transfer of Funds.—

(1) In general.—The Commissioner of Customs may use amounts made available for fiscal year 2003 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 1111(a) of this title, for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment—

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) can be obtained at a lower cost than the equipment described in subsection (a).

(2) Transfer of funds.—Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 10 percent of—

(A) the amount specified in any of subparagraphs (A) through (R) of subsection (a)(1) for equipment specified in any other of such subparagraphs (A) through (R);

(B) the amount specified in any of subparagraphs (A) through (G) of subsection (a)(2) for equipment specified in any other of such subparagraphs (A) through (G); and

(C) the amount specified in any of subparagraphs (A) through (E) of subsection (a)(3) for equipment specified in any other of such subparagraphs (A) through (E).

SEC. 1113. COMPLIANCE WITH PERFORMANCE PLAN REQUIREMENTS.

As part of the annual performance plan for each of the fiscal years 2003 and 2004 covering each program activity set forth in the budget of the United States Customs Service, as required under section 1115 of title 31, United States Code, the Commissioner of Customs shall establish performance goals, performance indicators, and comply with all other requirements contained in paragraphs (1) through (6) of subsection (a) of such section with respect to each of the activities to be carried out pursuant to sections 1121 of this title.

CHAPTER 2—CHILD CYBER-SMUGGLING CENTER OF THE CUSTOMS SERVICE

SEC. 1121. AUTHORIZATION OF APPROPRIATIONS FOR PROGRAM TO PREVENT CHILD PORNOGRAPHY/CHILD SEXUAL EXPLOITATION.

(a) Authorization of Appropriations.—There is authorized to be appropriated to the Customs Service $10,000,000 for fiscal year 2003 to carry out the program to prevent child pornography/child sexual exploitation established by the Child Cyber-Smuggling Center of the Customs Service.

(b) Use of Amounts for Child Pornography Cyber Tipline.—Of the amount appropriated under subsection (a), the Customs Service shall provide 3.75 percent of such amount to the National Center for Missing and Exploited Children for the operation of the child pornography cyber tipline of the Center and for increased public awareness of the tipline.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 1131. ADDITIONAL CUSTOMS SERVICE OFFICERS FOR UNITED STATES-CANADA BORDER.

Of the amount made available for fiscal year 2003 under paragraphs (1) and (2)(A) of section 301(b) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)), as amended by section 1111 of this title, $25,000,000 shall be available until expended for the Customs Service to hire approximately 285 additional Customs Service officers to address the needs of the offices and ports along the United States-Canada border.

SEC. 1132. STUDY AND REPORT RELATING TO PERSONNEL PRACTICES OF THE CUSTOMS SERVICE.

(a) Study.—The Commissioner of Customs shall conduct a study of current personnel practices of the Customs Service, including an overview of performance standards and the effect and impact of the collective bargaining process on drug interdiction efforts of the Customs Service and a comparison of duty rotation policies of the Customs Service and other Federal agencies that employ similarly-situated personnel.

(b) Report.—Not later than 120 days after the date of enactment of this Act, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

SEC. 1133. STUDY AND REPORT RELATING TO ACCOUNTING AND AUDITING PROCEDURES OF THE CUSTOMS SERVICE.

(a) Study.—(1) The Commissioner of Customs shall conduct a study of actions by the Customs Service to ensure that appropriate training is being provided to Customs Service personnel who are responsible for financial auditing of importers.

(2) In conducting the study, the Commissioner—

(A) shall specifically identify those actions taken to comply with provisions of law that protect the privacy and trade secrets of importers, such as section 552(b) of title 5, United States Code, and section 1905 of title 18, United States Code; and

(B) shall provide for public notice and comment relating to verification of the actions described in subparagraph (A).

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

SEC. 1134. ESTABLISHMENT AND IMPLEMENTATION OF COST ACCOUNTING SYSTEM; REPORTS.

(a) ESTABLISHMENT AND IMPLEMENTATION.—

(1) IN GENERAL.—Not later than September 30, 2003, the Commissioner of Customs shall, in accordance with the audit of the Customs Service's fiscal years 2000 and 1999 financial statements (as contained in the report of the Office of the Inspector General of the Department of the Treasury issued on February 23, 2001), establish and implement a cost accounting system for expenses incurred in both commercial and noncommercial operations of the Customs Service.

(2) ADDITIONAL REQUIREMENT.—The cost accounting system described in paragraph (1) shall provide for an identification of expenses based on the type of operation, the port at which the operation took place, the amount of time spent on the operation by personnel of the Customs Service, and an identification of expenses based on any other appropriate classification necessary to provide for an accurate and complete accounting of the expenses.

(b) REPORTS.—Beginning on the date of enactment of this Act and ending on the date on which the cost accounting system described in subsection (a) is fully implemented, the Commissioner of Customs shall prepare and submit to Congress on a quarterly basis a report on the progress of implementing the cost accounting system pursuant to subsection (a).

SEC. 1135. STUDY AND REPORT RELATING TO TIMELINESS OF PROSPECTIVE RULINGS.

(a) STUDY.—The Comptroller General shall conduct a study on the extent to which the Office of Regulations and Rulings of the Customs Service has made improvements to decrease the amount of time to issue prospective rulings from the date on which a request for the ruling is received by the Customs Service.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report containing the results of the study conducted under subsection (a).

(c) DEFINITION.—In this section, the term "prospective ruling" means a ruling that is requested by an importer on goods that are proposed to be imported into the United States and that relates to the proper classification, valuation, or marking of such goods.

SEC. 1136. STUDY AND REPORT RELATING TO CUSTOMS USER FEES.

(a) STUDY.—The Comptroller General shall conduct a study on the extent to which the amount of each customs user fee imposed under section 13031(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)) is commensurate with the level of services provided by the Customs Service relating to the fee so imposed.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report in classified form containing—

(1) the results of the study conducted under subsection (a); and

(2) recommendations for the appropriate amount of the customs user fees if such results indicate that the fees are not commensurate with the level of services provided by the Customs Service.

CHAPTER 4—ANTITERRORISM PROVISIONS

SEC. 1141. EMERGENCY ADJUSTMENTS TO OFFICES, PORTS OF ENTRY, OR STAFFING OF THE CUSTOMS SERVICE.

Section 318 of the Tariff Act of 1930 (19 U.S.C. 1318) is amended—

(1) by striking "Whenever the President" and inserting "(a) Whenever the President"; and

(2) by adding at the end the following:

"(b)(1) Notwithstanding any other provision of law, the Secretary of the Treasury, when necessary to respond to a national emergency declared under the National Emergencies Act (50 U.S.C. 1601 et seq.) or to a specific threat to human life or national interests, is authorized to take the following actions on a temporary basis:

"(A) Eliminate, consolidate, or relocate any office or port of entry of the Customs Service.

"(B) Modify hours of service, alter services rendered at any location, or reduce the number of employees at any location.

"(C) Take any other action that may be necessary to directly respond to the national emergency or specific threat.

"(2) Notwithstanding any other provision of law, the Commissioner of Customs, when necessary to respond to a specific threat to human life or national interests, is authorized to close temporarily any Customs office or port of entry or take any other lesser action that may be necessary to respond to the specific threat.

"(3) The Secretary of the Treasury or the Commissioner of Customs, as the case may be, shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 72 hours after taking any action under paragraph (1) or (2).".

SEC. 1142. MANDATORY ADVANCED ELECTRONIC INFORMATION FOR CARGO AND PASSENGERS.

(a) CARGO INFORMATION.—

(1) IN GENERAL.—Section 431(b) of the Tariff Act of 1930 (19 U.S.C. 1431(b)) is amended—

(A) in the first sentence, by striking "Any manifest" and inserting "(1) Any manifest"; and

(B) by adding at the end the following:

"(2) In addition to any other requirement under this section, for each land, air, or vessel carrier required to make entry or obtain clearance under the customs laws of the United States, the pilot, the master, operator, or owner of such carrier (or the authorized agent of such operator or owner) shall provide by electronic transmission cargo manifest information in advance of such entry or clearance in such manner, time, and form as prescribed under regulations by the Secretary. The Secretary may exclude any class of land, air, or vessel carrier for which the Secretary concludes the requirements of this subparagraph are not necessary.".

(2) CONFORMING AMENDMENTS.—Subparagraphs (A) and (C) of section 431(d)(1) of such Act are each amended by inserting before the semicolon "or subsection (b)(2)".

(b) PASSENGER INFORMATION.—Part II of title IV of the Tariff Act of 1930 (19 U.S.C. 1431 et seq.) is amended by inserting after section 431 the following:

"SEC. 432. PASSENGER AND CREW MANIFEST INFORMATION REQUIRED FOR LAND, AIR, OR VESSEL CARRIERS.

"(a) IN GENERAL.—For every person arriving or departing on a land, air, or vessel carrier required to make entry or obtain clearance under the customs laws of the United States, the pilot, the master, operator, or owner of such carrier (or the authorized agent of such operator or owner) shall provide by electronic transmission manifest information described in subsection (b) in advance of such entry or clearance in such manner, time, and form as prescribed under regulations by the Secretary.

"(b) INFORMATION DESCRIBED.—The information described in this subsection shall include for each person described in subsection (a), the person's—

"(1) full name;

"(2) date of birth and citizenship;

"(3) gender;

"(4) passport number and country of issuance;

"(5) United States visa number or resident alien card number, as applicable;

"(6) passenger name record; and

"(7) such additional information that the Secretary, by regulation, determines is reasonably necessary to ensure aviation and maritime safety pursuant to the laws enforced or administered by the Customs Service.".

(c) DEFINITION.—Section 401 of the Tariff Act of 1930 (19 U.S.C. 1401) is amended by adding at the end the following:

"(t) The term 'land, air, or vessel carrier' means a land, air, or vessel carrier, as the case may be, that transports goods or passengers for payment or other consideration, including money or services rendered.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect beginning 45 days after the date of enactment of this Act.

SEC. 1143. BORDER SEARCH AUTHORITY FOR CERTAIN CONTRABAND IN OUTBOUND MAIL.

The Tariff Act of 1930 is amended by inserting after section 582 the following:

"SEC. 583. EXAMINATION OF OUTBOUND MAIL.

"(a) EXAMINATION.—

"(1) IN GENERAL.—For purposes of ensuring compliance with the Customs laws of the United States and other laws enforced by the Customs Service, including the provisions of law described in paragraph (2), a Customs officer may, subject to the provisions of this section, stop and search at the border, without a search warrant, mail of domestic origin transmitted for export by the United States Postal Service and foreign mail transiting the United States that is being imported or exported by the United States Postal Service.

"(2) PROVISIONS OF LAW DESCRIBED.—The provisions of law described in this paragraph are the following:

"(A) Section 5316 of title 31, United States Code (relating to reports on exporting and importing monetary instruments).

"(B) Sections 1461, 1463, 1465, and 1466 and chapter 110 of title 18, United States Code (relating to obscenity and child pornography).

"(C) Section 1003 of the Controlled Substances Import and Export Act (21 U.S.C. 953; relating to exportation of controlled substances).

"(D) The Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.).

"(E) Section 38 of the Arms Export Control Act (22 U.S.C. 2778).

"(F) The International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

"(b) Search of Mail Not Sealed Against Inspection and Other Mail.—Mail not sealed against inspection under the postal laws and regulations of the United States, mail which bears a customs declaration, and mail with respect to which the sender or addressee has consented in writing to search, may be searched by a Customs officer.

"(c) Search of Mail Sealed Against Inspection.—(1) Mail sealed against inspection under the postal laws and regulations of the United States may be searched by a Customs officer, subject to paragraph (2), upon reasonable cause to suspect that such mail contains one or more of the following:

"(A) Monetary instruments, as defined in section 1956 of title 18, United States Code.

"(B) A weapon of mass destruction, as defined in section 2332a(b) of title 18, United States Code.

"(C) A drug or other substance listed in schedule I, II, III, or IV in section 202 of the Controlled Substances Act (21 U.S.C. 812).

"(D) National defense and related information transmitted in violation of any of sections 793 through 798 of title 18, United States Code.

"(E) Merchandise mailed in violation of section 1715 or 1716 of title 18, United States Code.

"(F) Merchandise mailed in violation of any provision of chapter 71 (relating to obscenity) or chapter 110 (relating to sexual exploitation and other abuse of children) of title 18, United States Code.

"(G) Merchandise mailed in violation of the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.).

"(H) Merchandise mailed in violation of section 38 of the Arms Export Control Act (22 U.S.C. 2778).

"(I) Merchandise mailed in violation of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

"(J) Merchandise mailed in violation of the Trading with the Enemy Act (50 U.S.C. App. 1 et seq.).

"(K) Merchandise subject to any other law enforced by the Customs Service.

"(2) No person acting under authority of paragraph (1) shall read, or authorize any other person to read, any correspondence contained in mail sealed against inspection unless prior to so reading—

"(A) a search warrant has been issued pursuant to Rule 41, Federal Rules of Criminal Procedure; or

"(B) the sender or addressee has given written authorization for such reading.".

SEC. 1144. AUTHORIZATION OF APPROPRIATIONS FOR REESTABLISHMENT OF CUSTOMS OPERATIONS IN NEW YORK CITY.

(a) Authorization of Appropriations.—

(1) In general.—There is authorized to be appropriated for the reestablishment of operations of the Customs Service in New York, New York, such sums as may be necessary for fiscal year 2003.

(2) Operations described.—The operations referred to in paragraph (1) include, but are not limited to, the following:

(A) Operations relating to the Port Director of New York City, the New York Customs Management Center (including the Director of Field Operations), and the Special Agent-In-Charge for New York.

(B) Commercial operations, including textile enforcement operations and salaries and expenses of—

(i) trade specialists who determine the origin and value of merchandise;

(ii) analysts who monitor the entry data into the United States of textiles and textile products; and

(iii) Customs officials who work with foreign governments to examine textile makers and verify entry information.

(b) Availability.—Amounts appropriated pursuant to the authorization of appropriations under subsection (a) are authorized to remain available until expended.

CHAPTER 5—TEXTILE TRANSSHIPMENT PROVISIONS

SEC. 1151. GAO AUDIT OF TEXTILE TRANSSHIPMENT MONITORING BY CUSTOMS SERVICE.

(a) GAO Audit.—The Comptroller General of the United States shall conduct an audit of the system established and carried out by the Customs Service to monitor textile transshipment.

(b) Report.—Not later than 9 months after the date of enactment of this Act, the Comptroller General shall submit to the Committee on Ways and Means of the House of Representatives and Committee on Finance of the Senate a report that contains the results of the study conducted under subsection (a), including recommendations for improvements to the transshipment monitoring system if applicable.

(c) Transshipment Described.—Transshipment within the meaning of this section has occurred when preferential treatment under any provision of law has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of the preceding sentence, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under the provision of law in question.

SEC. 1152. AUTHORIZATION OF APPROPRIATIONS FOR TEXTILE TRANSSHIPMENT ENFORCEMENT OPERATIONS.

(a) Authorization of Appropriations.—

(1) In general.—There is authorized to be appropriated for textile transshipment enforcement operations of the Customs Service $9,500,000 for fiscal year 2003.

(2) Availability.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

(b) Use of Funds.—Of the amount appropriated pursuant to the authorization of appropriations under subsection (a), the following amounts are authorized to be made available for the following purposes:

(1) Import specialists.—$1,463,000 for 21 Customs import specialists to be assigned to selected ports for documentation review to support detentions and exclusions and 1 additional Customs import specialist assigned to the Customs headquarters textile program to administer the program and provide oversight.

(2) Inspectors.—$652,080 for 10 Customs inspectors to be assigned to selected ports to examine targeted high-risk shipments.

(3) Investigators.—(A) $1,165,380 for 10 investigators to be assigned to selected ports to investigate instances of smuggling, quota and trade agreement circumvention, and use of counterfeit visas to enter inadmissible goods.

(B) $149,603 for 1 investigator to be assigned to Customs headquarters textile program to coordinate and ensure implementation of textile production verification team results from an investigation perspective.

(4) International trade specialists.—$226,500 for 3 international trade specialists to be assigned to Customs headquarters to be dedicated to illegal textile transshipment policy issues and other free trade agreement enforcement issues.

(5) Permanent import specialists for Hong Kong.—$500,000 for 2 permanent import specialist positions and $500,000 for 2 investigators to be assigned to Hong Kong to work with Hong Kong and other government authorities in Southeast Asia to assist such authorities pursue proactive enforcement of bilateral trade agreements.

(6) Various permanent trade positions.—$3,500,000 for the following:

(A) 2 permanent positions to be assigned to the Customs attaché office in Central America to address trade enforcement issues for that region.

(B) 2 permanent positions to be assigned to the Customs attaché office in South Africa to address trade enforcement issues pursuant to the African Growth and Opportunity Act (title I of Public Law 106–200).

(C) 4 permanent positions to be assigned to the Customs attaché office in Mexico to address the threat of illegal textile transshipment through Mexico and other related issues under the North American Free Trade Agreement Act.

(D) 2 permanent positions to be assigned to the Customs attaché office in Seoul, South Korea, to address the trade issues in the geographic region.

(E) 2 permanent positions to be assigned to the proposed Customs attaché office in New Delhi, India, to address the threat of illegal textile transshipment and other trade enforcement issues.

(F) 2 permanent positions to be assigned to the Customs attaché office in Rome, Italy, to address trade enforcement issues in the geographic region, including issues under free trade agreements with Jordan and Israel.

(7) Attorneys.—$179,886 for 2 attorneys for the Office of the Chief Counsel of the Customs Service to pursue cases regarding illegal textile transshipment.

(8) Auditors.—$510,000 for 6 Customs auditors to perform internal control reviews and document and record reviews of suspect importers.

(9) Additional travel funds.—$250,000 for deployment of additional textile production verification teams to sub-Saharan Africa.

(10) Training.—(A) $75,000 for training of Customs personnel.

(B) $200,000 for training for foreign counterparts in risk management analytical techniques and for teaching factory inspection techniques, model law Development, and enforcement techniques.

(11) Outreach.—$60,000 for outreach efforts to United States importers.

SEC. 1153. IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT.

Of the amount made available for fiscal year 2003 under section 301(b)(2)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(2)(A)), as amended by section 1111(b)(1) of this title, $1,317,000 shall be available until expended for the Customs Service to provide technical assistance to help sub-Saharan Africa countries develop and implement effective visa and anti-transshipment systems as required by the African Growth and Opportunity Act (title I of Public Law 106–200), as follows:

(1) Travel funds.—$600,000 for import specialists, special agents, and other qualified Customs personnel to travel to sub-Saharan Africa countries to provide technical assistance in developing and implementing effective visa and anti-transshipment systems.

(2) Import specialists.—$266,000 for 4 import specialists to be assigned to Customs headquarters to be dedicated to providing

technical assistance to sub-Saharan African countries for developing and implementing effective visa and anti-transshipment systems.

(3) DATA RECONCILIATION ANALYSTS.—$151,000 for 2 data reconciliation analysts to review apparel shipments.

(4) SPECIAL AGENTS.—$300,000 for 2 special agents to be assigned to Customs headquarters to be available to provide technical assistance to sub-Saharan African countries in the performance of investigations and other enforcement initiatives.

Subtitle B—Office of the United States Trade Representative

SEC. 1161. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 141(g)(1) of the Trade Act of 1974 (19 U.S.C. 2171(g)(1)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking "not to exceed";

(B) in clause (i) to read as follows:

"(i) $30,000,000 for fiscal year 2003."; and

(C) in clause (ii) to read as follows:

"(ii) $31,000,000 for fiscal year 2004."; and

(2) in subparagraph (B)—

(A) in clause (i), by adding "and" at the end;

(B) by striking clause (ii); and

(C) by redesignating clause (iii) as clause (ii).

(b) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 141(g) of the Trade Act of 1974 (19 U.S.C. 2171(g)) is amended by adding at the end the following:

"(3) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the United States Trade Representative shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Office to carry out its functions.".

(c) ADDITIONAL STAFF FOR OFFICE OF ASSISTANT U.S. TRADE REPRESENTATIVE FOR CONGRESSIONAL AFFAIRS.—

(1) IN GENERAL.—There is authorized to be appropriated such sums as may be necessary for fiscal year 2003 for the salaries and expenses of two additional legislative specialist employee positions within the Office of the Assistant United States Trade Representative for Congressional Affairs.

(2) AVAILABILITY.—Amounts appropriated pursuant to the authorization of appropriations under paragraph (1) are authorized to remain available until expended.

Subtitle C—United States International Trade Commission

SEC. 1171. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 330(e)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended—

(1) in clause (i) to read as follows:

"(i) $51,400,000 for fiscal year 2003."; and

(2) in clause (ii) to read as follows:

"(ii) $53,400,000 for fiscal year 2004.".

(b) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS.—Section 330(e) of the Tariff Act of 1930 (19 U.S.C. 1330(e)(2)) is amended by adding at the end the following:

"(4) By not later than the date on which the President submits to Congress the budget of the United States Government for a fiscal year, the Commission shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the Commission to carry out its functions.".

Subtitle D—Other Trade Provisions

SEC. 1181. INCREASE IN AGGREGATE VALUE OF ARTICLES EXEMPT FROM DUTY ACQUIRED ABROAD BY UNITED STATES RESIDENTS.

(a) IN GENERAL.—Subheading 9804.00.65 of the Harmonized Tariff Schedule of the United States is amended in the article description column by striking "$400" and inserting "$800".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 90 days after the date of enactment of this Act.

SEC. 1182. REGULATORY AUDIT PROCEDURES.

Section 509(b) of the Tariff Act of 1930 (19 U.S.C. 1509(b)) is amended by adding at the end the following:

"(6)(A) If during the course of any audit concluded under this subsection, the Customs Service identifies overpayments of duties or fees or over-declarations of quantities or values that are within the time period and scope of the audit that the Customs Service has defined, then in calculating the loss of revenue or monetary penalties under section 592, the Customs Service shall treat the overpayments or over-declarations on finally liquidated entries as an offset to any underpayments or underdeclarations also identified on finally liquidated entries if such overpayments or over-declarations were not made by the person being audited for the purpose of violating any provision of law.

"(B) Nothing in this paragraph shall be construed to authorize a refund not otherwise authorized under section 520.".

Subtitle E—Sense of Senate

SEC. 1191. SENSE OF SENATE.

It is the sense of the Senate that fees collected for certain customs services (commonly referred to as "customs user fees") provided for in section 13031 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c) may be used only for the operations and programs of the United States Customs Service.

DIVISION B—BIPARTISAN TRADE PROMOTION AUTHORITY

TITLE XXI—TRADE PROMOTION AUTHORITY

SEC. 2101. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the "Bipartisan Trade Promotion Authority Act of 2002".

(b) FINDINGS.—Congress makes the following findings:

(1) The expansion of international trade is vital to the national security of the United States. Trade is critical to the economic growth and strength of the United States and to its leadership in the world. Stable trading relationships promote security and prosperity. Trade agreements today serve the same purposes that security pacts played during the Cold War, binding nations together through a series of mutual rights and obligations. Leadership by the United States in international trade fosters open markets, democracy, and peace throughout the world.

(2) The national security of the United States depends on its economic security, which in turn is founded upon a vibrant and growing industrial base. Trade expansion has been the engine of economic growth. Trade agreements maximize opportunities for the critical sectors and building blocks of the economy of the United States, such as information technology, telecommunications and other leading technologies, basic industries, capital equipment, medical equipment, services, agriculture, environmental technology, and intellectual property. Trade will create new opportunities for the United States and preserve the unparalleled strength of the United States in economic, political, and military affairs. The United States, secured by expanding trade and economic opportunities, will meet the challenges of the twenty-first century.

(3) Support for continued trade expansion requires that dispute settlement procedures under international trade agreements not add to or diminish the rights and obligations provided in such agreements. Nevertheless, in several cases, dispute settlement panels and the WTO Appellate Body have added to obligations and diminished rights of the United States under WTO Agreements. In particular, dispute settlement panels and the Appellate Body have—

(A) given insufficient deference to the expertise and fact-finding of the Department of Commerce and the United States International Trade Commission;

(B) imposed an obligation concerning the causal relationship between increased imports into the United States and serious injury to domestic industry necessary to support a safeguard measure that is different from the obligation set forth in the applicable WTO Agreements;

(C) imposed an obligation concerning the exclusion from safeguards measures of products imported from countries party to a free trade agreement that is different from the obligation set forth in the applicable WTO Agreements;

(D) imposed obligations on the Department of Commerce with respect to the use of facts available in antidumping investigations that are different from the obligations set forth in the applicable WTO Agreements; and

(E) accorded insufficient deference to the Department of Commerce's methodology for adjusting countervailing duties following the privatization of a subsidized foreign producer.

SEC. 2102. TRADE NEGOTIATING OBJECTIVES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 2103 are—

(1) to obtain more open, equitable, and reciprocal market access;

(2) to obtain the reduction or elimination of barriers and distortions that are directly related to trade and that decrease market opportunities for United States exports or otherwise distort United States trade;

(3) to further strengthen the system of international trading disciplines and procedures, including dispute settlement;

(4) to foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy;

(5) to ensure that trade and environmental policies are mutually supportive and to seek to protect and preserve the environment and enhance the international means of doing so, while optimizing the use of the world's resources;

(6) to promote respect for worker rights and the rights of children consistent with core labor standards of the International Labor Organization (as defined in section 2113(2)) and an understanding of the relationship between trade and worker rights;

(7) to seek provisions in trade agreements under which parties to those agreements strive to ensure that they do not weaken or reduce the protections afforded in domestic environmental and labor laws as an encouragement for trade; and

(8) to ensure that trade agreements afford small businesses equal access to international markets, equitable trade benefits,

expanded export market opportunities, and provide for the reduction or elimination of trade barriers that disproportionately impact small business.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

(1) TRADE BARRIERS AND DISTORTIONS.—The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are—

(A) to expand competitive market opportunities for United States exports and to obtain fairer and more open conditions of trade by reducing or eliminating tariff and nontariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or otherwise distort United States trade; and

(B) to obtain reciprocal tariff and nontariff barrier elimination agreements, with particular attention to those tariff categories covered in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(2) TRADE IN SERVICES.—The principal negotiating objective of the United States regarding trade in services is to reduce or eliminate barriers to international trade in services, including regulatory and other barriers that deny national treatment and market access or unreasonably restrict the establishment or operations of service suppliers.

(3) FOREIGN INVESTMENT.—Recognizing that United States law on the whole provides a high level of protection for investment, consistent with or greater than the level required by international law, the principal negotiating objectives of the United States regarding foreign investment are to reduce or eliminate artificial or trade-distorting barriers to trade-related foreign investment, while ensuring that United States investors in the United States are not accorded lesser rights than foreign investors in the United States, and to secure for investors important rights comparable to those that would be available under United States legal principles and practice, by—

(A) reducing or eliminating exceptions to the principle of national treatment;

(B) freeing the transfer of funds relating to investments;

(C) reducing or eliminating performance requirements, forced technology transfers, and other unreasonable barriers to the establishment and operation of investments;

(D) seeking to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice;

(E) seeking to establish standards for fair and equitable treatment consistent with United States legal principles and practice, including the principle of due process;

(F) providing meaningful procedures for resolving investment disputes;

(G) seeking to improve mechanisms used to resolve disputes between an investor and a government through—

(i) mechanisms to eliminate frivolous claims and to deter the filing of frivolous claims;

(ii) procedures to ensure the efficient selection of arbitrators and the expeditious disposition of claims;

(iii) procedures to enhance opportunities for public input into the formulation of government positions; and

(iv) establishment of a single appellate body to review decisions in investor-to-government disputes and thereby provide coherence to the interpretations of investment provisions in trade agreements; and

(H) ensuring the fullest measure of transparency in the dispute settlement mechanism, to the extent consistent with the need to protect information that is classified or business confidential, by—

(i) ensuring that all requests for dispute settlement are promptly made public;

(ii) ensuring that—

(I) all proceedings, submissions, findings, and decisions are promptly made public;

(II) all hearings are open to the public; and

(iii) establishing a mechanism for acceptance of amicus curiae submissions from businesses, unions, and nongovernmental organizations.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding trade-related intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, including through—

(i)(I) ensuring accelerated and full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)), particularly with respect to meeting enforcement obligations under that agreement; and

(II) ensuring that the provisions of any multilateral or bilateral trade agreement governing intellectual property rights that is entered into by the United States reflect a standard of protection similar to that found in United States law;

(ii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iii) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights;

(iv) ensuring that standards of protection and enforcement keep pace with technological developments, and in particular ensuring that rightholders have the legal and technological means to control the use of their works through the Internet and other global communication media, and to prevent the unauthorized use of their works; and

(v) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms; and

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection.

(5) TRANSPARENCY.—The principal negotiating objective of the United States with respect to transparency is to obtain wider and broader application of the principle of transparency through—

(A) increased and more timely public access to information regarding trade issues and the activities of international trade institutions;

(B) increased openness at the WTO and other international trade fora by increasing public access to appropriate meetings, proceedings, and submissions, including with regard to dispute settlement and investment; and

(C) increased and more timely public access to all notifications and supporting documentation submitted by parties to the WTO.

(6) ANTI-CORRUPTION.—The principal negotiating objectives of the United States with respect to the use of money or other things of value to influence acts, decisions, or omissions of foreign governments or officials or to secure any improper advantage in a manner affecting trade are—

(A) to obtain high standards and appropriate domestic enforcement mechanisms applicable to persons from all countries participating in the applicable trade agreement that prohibit such attempts to influence acts, decisions, or omissions of foreign governments; and

(B) to ensure that such standards do not place United States persons at a competitive disadvantage in international trade.

(7) IMPROVEMENT OF THE WTO AND MULTILATERAL TRADE AGREEMENTS.—The principal negotiating objectives of the United States regarding the improvement of the World Trade Organization, the Uruguay Round Agreements, and other multilateral and bilateral trade agreements are—

(A) to achieve full implementation and extend the coverage of the World Trade Organization and such agreements to products, sectors, and conditions of trade not adequately covered; and

(B) to expand country participation in and enhancement of the Information Technology Agreement and other trade agreements.

(8) REGULATORY PRACTICES.—The principal negotiating objectives of the United States regarding the use of government regulation or other practices by foreign governments to provide a competitive advantage to their domestic producers, service providers, or investors and thereby reduce market access for United States goods, services, and investments are—

(A) to achieve increased transparency and opportunity for the participation of affected parties in the development of regulations;

(B) to require that proposed regulations be based on sound science, cost-benefit analysis, risk assessment, or other objective evidence;

(C) to establish consultative mechanisms among parties to trade agreements to promote increased transparency in developing guidelines, rules, regulations, and laws for government procurement and other regulatory regimes; and

(D) to achieve the elimination of government measures such as price controls and reference pricing which deny full market access for United States products.

(9) ELECTRONIC COMMERCE.—The principal negotiating objectives of the United States with respect to electronic commerce are—

(A) to ensure that current obligations, rules, disciplines, and commitments under the World Trade Organization apply to electronic commerce;

(B) to ensure that—

(i) electronically delivered goods and services receive no less favorable treatment under trade rules and commitments than like products delivered in physical form; and

(ii) the classification of such goods and services ensures the most liberal trade treatment possible;

(C) to ensure that governments refrain from implementing trade-related measures that impede electronic commerce;

(D) where legitimate policy objectives require domestic regulations that affect electronic commerce, to obtain commitments that any such regulations are the least restrictive on trade, nondiscriminatory, and transparent, and promote an open market environment; and

(E) to extend the moratorium of the World Trade Organization on duties on electronic transmissions.

(10) RECIPROCAL TRADE IN AGRICULTURE.—

(A) IN GENERAL.—The principal negotiating objective of the United States with respect to agriculture is to obtain competitive opportunities for United States exports of agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk, specialty crop, and value-added commodities by—

(i) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports—

(I) giving priority to those products that are subject to significantly higher tariffs or subsidy regimes of major producing countries; and

(II) providing reasonable adjustment periods for United States import-sensitive products, in close consultation with the Congress on such products before initiating tariff reduction negotiations;

(ii) reducing tariffs to levels that are the same as or lower than those in the United States;

(iii) seeking to eliminate all export subsidies on agricultural commodities while maintaining bona fide food aid and preserving United States agricultural market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(iv) allowing the preservation of programs that support family farms and rural communities but do not distort trade;

(v) developing disciplines for domestic support programs, so that production that is in excess of domestic food security needs is sold at world prices;

(vi) eliminating Government policies that create price-depressing surpluses;

(vii) eliminating state trading enterprises whenever possible;

(viii) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, particularly with respect to import-sensitive products, including—

(I) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, with emphasis on requiring price transparency in the operation of state trading enterprises and such other mechanisms in order to end cross subsidization, price discrimination, and price undercutting;

(II) unjustified trade restrictions or commercial requirements, such as labeling, that affect new technologies, including biotechnology;

(III) unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements;

(IV) other unjustified technical barriers to trade; and

(V) restrictive rules in the administration of tariff rate quotas;

(ix) eliminating practices that adversely affect trade in perishable or cyclical products, while improving import relief mechanisms to recognize the unique characteristics of perishable and cyclical agriculture;

(x) ensuring that the use of import relief mechanisms for perishable and cyclical agriculture are as accessible and timely to growers in the United States as those mechanisms that are used by other countries;

(xi) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(xii) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements;

(xiii) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in agriculture;

(xiv) taking into account the impact that agreements covering agriculture to which the United States is a party, including the North American Free Trade Agreement, have on the United States agricultural industry;

(xv) maintaining bona fide food assistance programs and preserving United States market development and export credit programs; and

(xvi) strive to complete a general multilateral round in the World Trade Organization by January 1, 2005, and seek the broadest market access possible in multilateral, regional, and bilateral negotiations, recognizing the effect that simultaneous sets of negotiations may have on United States import-sensitive commodities (including those subject to tariff-rate quotas).

(B) CONSULTATION.—

(i) BEFORE COMMENCING NEGOTIATIONS.—Before commencing negotiations with respect to agriculture, the United States Trade Representative, in consultation with the Congress, shall seek to develop a position on the treatment of seasonal and perishable agricultural products to be employed in the negotiations in order to develop an international consensus on the treatment of seasonal or perishable agricultural products in investigations relating to dumping and safeguards and in any other relevant area.

(ii) DURING NEGOTIATIONS.—During any negotiations on agricultural subsidies, the United States Trade Representative shall seek to establish the common base year for calculating the Aggregated Measurement of Support (as defined in the Agreement on Agriculture) as the end of each country's Uruguay Round implementation period, as reported in each country's Uruguay Round market access schedule.

(iii) SCOPE OF OBJECTIVE.—The negotiating objective provided in subparagraph (A) applies with respect to agricultural matters to be addressed in any trade agreement entered into under section 2103(a) or (b), including any trade agreement entered into under section 2103(a) or (b) that provides for accession to a trade agreement to which the United States is already a party, such as the North American Free Trade Agreement and the United States-Canada Free Trade Agreement.

(11) LABOR AND THE ENVIRONMENT.—The principal negotiating objectives of the United States with respect to labor and the environment are—

(A) to ensure that a party to a trade agreement with the United States does not fail to effectively enforce its environmental or labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the United States and that party after entry into force of a trade agreement between those countries;

(B) to recognize that parties to a trade agreement retain the right to exercise discretion with respect to investigatory, prosecutorial, regulatory, and compliance matters and to make decisions regarding the allocation of resources to enforcement with respect to other labor or environmental matters determined to have higher priorities, and to recognize that a country is effectively enforcing its laws if a course of action or inaction reflects a reasonable exercise of such discretion, or results from a bona fide decision regarding the allocation of resources and no retaliation may be authorized based on the exercise of these rights or the right to establish domestic labor standards and levels of environmental protection;

(C) to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 2113(2));

(D) to strengthen the capacity of United States trading partners to protect the environment through the promotion of sustainable development;

(E) to reduce or eliminate government practices or policies that unduly threaten sustainable development;

(F) to seek market access, through the elimination of tariffs and nontariff barriers, for United States environmental technologies, goods, and services; and

(G) to ensure that labor, environmental, health, or safety policies and practices of the parties to trade agreements with the United States do not arbitrarily or unjustifiably discriminate against United States exports or serve as disguised barriers to trade.

(12) DISPUTE SETTLEMENT AND ENFORCEMENT.—The principal negotiating objectives of the United States with respect to dispute settlement and enforcement of trade agreements are—

(A) to seek provisions in trade agreements providing for resolution of disputes between governments under those trade agreements in an effective, timely, transparent, equitable, and reasoned manner, requiring determinations based on facts and the principles of the agreements, with the goal of increasing compliance with the agreements;

(B) to seek to strengthen the capacity of the Trade Policy Review Mechanism of the World Trade Organization to review compliance with commitments;

(C) to seek improved adherence by panels convened under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes and by the WTO Appellate Body to the standard of review applicable under the WTO Agreement involved in the dispute, including greater deference, where appropriate, to the fact finding and technical expertise of national investigating authorities;

(D) to seek provisions encouraging the early identification and settlement of disputes through consultation;

(E) to seek provisions to encourage the provision of trade-expanding compensation if a party to a dispute under the agreement does not come into compliance with its obligations under the agreement;

(F) to seek provisions to impose a penalty upon a party to a dispute under the agreement that—

(i) encourages compliance with the obligations of the agreement;

(ii) is appropriate to the parties, nature, subject matter, and scope of the violation; and

(iii) has the aim of not adversely affecting parties or interests not party to the dispute while maintaining the effectiveness of the enforcement mechanism; and

(G) to seek provisions that treat United States principal negotiating objectives equally with respect to—

(i) the ability to resort to dispute settlement under the applicable agreement;

(ii) the availability of equivalent dispute settlement procedures; and

(iii) the availability of equivalent remedies.

(13) BORDER TAXES.—The principal negotiating objective of the United States regarding border taxes is to obtain a revision of the WTO rules with respect to the treatment of border adjustments for internal taxes to redress the disadvantage to countries relying primarily on direct taxes for revenue rather than indirect taxes.

(14) WTO EXTENDED NEGOTIATIONS.—The principal negotiating objectives of the United States regarding trade in civil aircraft are those set forth in section 135(c) of the Uruguay Round Agreements Act (19 U.S.C. 3355(c)) and regarding rules of origin are the conclusion of an agreement described in section 132 of that Act (19 U.S.C. 3552).

(c) PROMOTION OF CERTAIN PRIORITIES.—In order to address and maintain United States competitiveness in the global economy, the President shall—

(1) seek greater cooperation between the WTO and the ILO;

(2) seek to establish consultative mechanisms among parties to trade agreements to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 2113(2)), and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the content and operation of such mechanisms;

(3) seek to establish consultative mechanisms among parties to trade agreements to strengthen the capacity of United States trading partners to develop and implement standards for the protection of the environment and human health based on sound science, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the content and operation of such mechanisms;

(4) conduct environmental reviews of future trade and investment agreements, consistent with Executive Order 13141 of November 16, 1999 and the relevant guidelines, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such reviews;

(5) review the impact of future trade agreements on United States employment, modeled after Executive Order 13141, and report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on such review;

(6) take into account other legitimate United States domestic objectives including, but not limited to, the protection of legitimate health or safety, essential security, and consumer interests and the law and regulations related thereto;

(7) have the Secretary of Labor consult with any country seeking a trade agreement with the United States concerning that country's labor laws and provide technical assistance to that country if needed;

(8) in connection with any trade negotiations entered into under this Act, the President shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a meaningful labor rights report of the country, or countries, with respect to which the President is negotiating, on a time frame determined in accordance with section 2107(b)(2)(E);

(9)(A) preserve the ability of the United States to enforce rigorously its trade laws, including the antidumping, countervailing duty, and safeguard laws, and avoid agreements that lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies, or that lessen the effectiveness of domestic and international safeguard provisions, in order to ensure that United States workers, agricultural producers, and firms can compete fully on fair terms and enjoy the benefits of reciprocal trade concessions; and

(B) address and remedy market distortions that lead to dumping and subsidization, including overcapacity, cartelization, and market-access barriers.

(10) continue to promote consideration of multilateral environmental agreements and consult with parties to such agreements regarding the consistency of any such agreement that includes trade measures with existing environmental exceptions under Article XX of the GATT 1994;

(11) report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, not later than 12 months after the imposition of a penalty or remedy by the United States permitted by a trade agreement to which this title applies, on the effectiveness of the penalty or remedy applied under United States law in enforcing United States rights under the trade agreement; and

(12) seek to establish consultative mechanisms among parties to trade agreements to examine the trade consequences of significant and unanticipated currency movements and to scrutinize whether a foreign government engaged in a pattern of manipulating its currency to promote a competitive advantage in international trade.

The report required under paragraph (11) shall address whether the penalty or remedy was effective in changing the behavior of the targeted party and whether the penalty or remedy had any adverse impact on parties or interests not party to the dispute.

(d) CONSULTATIONS.—

(1) CONSULTATIONS WITH CONGRESSIONAL ADVISERS.—In the course of negotiations conducted under this title, the United States Trade Representative shall consult closely and on a timely basis with, and keep fully apprised of the negotiations, the Congressional Oversight Group convened under section 2107 and all committees of the House of Representatives and the Senate with jurisdiction over laws that would be affected by a trade agreement resulting from the negotiations.

(2) CONSULTATION BEFORE AGREEMENT INITIALED.—In the course of negotiations conducted under this title, the United States Trade Representative shall—

(A) consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211), the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Congressional Oversight Group convened under section 2107; and

(B) with regard to any negotiations and agreement relating to agricultural trade, also consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY ROUND AGREEMENTS.—In determining whether to enter into negotiations with a particular country, the President shall take into account the extent to which that country has implemented, or has accelerated the implementation of, its obligations under the Uruguay Round Agreements.

SEC. 2103. TRADE AGREEMENTS AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, priorities, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) June 1, 2005; or

(ii) June 1, 2007, if trade authorities procedures are extended under subsection (c); and

(B) may, subject to paragraphs (2) and (3), proclaim—

(i) such modification or continuance of any existing duty,

(ii) such continuance of existing duty-free or excise treatment, or

(iii) such additional duties,

as the President determines to be required or appropriate to carry out any such trade agreement.

The President shall notify the Congress of the President's intention to enter into an agreement under this subsection.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of the enactment of this Act) to a rate of duty which is less than 50 percent of the rate of such duty that applies on such date of enactment;

(B) reduces the rate of duty below that applicable under the Uruguay Round Agreements, on any import sensitive agricultural product; or

(C) increases any rate of duty above the rate that applied on the date of the enactment of this Act.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging is required under subparagraph (A) with respect to a duty reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the

President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section 2105 and that bill is enacted into law.

(6) OTHER TARIFF MODIFICATIONS.—Notwithstanding paragraphs (1)(B), (2)(A), (2)(C), and (3) through (5), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2102(5) of that Act, if the United States agrees to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties under the auspices of the World Trade Organization.

(7) AUTHORITY UNDER URUGUAY ROUND AGREEMENTS ACT NOT AFFECTED.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.—

(1) IN GENERAL.—

(A) DETERMINATION BY PRESIDENT.—Whenever the President determines that—

(i) one or more existing duties or any other import restriction of any foreign country or the United States or any other barrier to, or other distortion of, international trade unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy; or

(ii) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect;

and that the purposes, policies, priorities, and objectives of this title will be promoted thereby, the President may enter into a trade agreement described in subparagraph (B) during the period described in subparagraph (C).

(B) AGREEMENT TO REDUCE OR ELIMINATE CERTAIN DISTORTION.—The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) TIME PERIOD.—The President may enter into a trade agreement under this paragraph before—

(i) June 1, 2005; or

(ii) June 1, 2007, if trade authorities procedures are extended under subsection (c).

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section 2102 (a) and (b) and the President satisfies the conditions set forth in section 2104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—

(A) APPLICATION OF EXPEDITED PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this title referred to as "trade authorities procedures") apply to a bill of either House of Congress which contains provisions described in subparagraph (B) to the same extent as such section 151 applies to implementing bills under that section. A bill to which this paragraph applies shall hereafter in this title be referred to as an "implementing bill".

(B) PROVISIONS DESCRIBED.—The provisions referred to in subparagraph (A) are—

(i) a provision approving a trade agreement entered into under this subsection and approving the statement of administrative action, if any, proposed to implement such trade agreement; and

(ii) if changes in existing laws or new statutory authority are required to implement such trade agreement or agreements, provisions, necessary or appropriate to implement such trade agreement or agreements, either repealing or amending existing laws or providing new statutory authority.

(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRESSIONAL TRADE AUTHORITIES PROCEDURES.—

(1) IN GENERAL.—Except as provided in section 2105(b)—

(A) the trade authorities procedures apply to implementing bills submitted with respect to trade agreements entered into under subsection (b) before July 1, 2005; and

(B) the trade authorities procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under subsection (b) after June 30, 2005, and before July 1, 2007, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before June 1, 2005.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the trade authorities procedures should be extended to implementing bills described in paragraph (1)(B), the President shall submit to the Congress, not later than March 1, 2005, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsection (b) and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, priorities, and objectives of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) OTHER REPORTS TO CONGRESS.—

(A) REPORT BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to the Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but not later than May 1, 2005, a written report that contains—

(i) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, priorities, and objectives of this title; and

(ii) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(B) REPORT BY ITC.—The President shall promptly inform the International Trade Commission of the President's decision to submit a report to the Congress under paragraph (2). The International Trade Commission shall submit to the Congress as soon as practicable, but not later than May 1, 2005, a written report that contains a review and analysis of the economic impact on the United States of all trade agreements implemented between the date of enactment of this Act and the date on which the President decides to seek an extension requested under paragraph (2).

(4) STATUS OF REPORTS.—The reports submitted to the Congress under paragraphs (2) and (3), or any portion of such reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—

(A) DEFINITION.—For purposes of paragraph (1), the term "extension disapproval resolution" means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: "That the ________ disapproves the request of the President for the extension, under section 2103(c)(1)(B)(i) of the Bipartisan Trade Promotion Authority Act of 2002, of the trade authorities procedures under that Act to any implementing bill submitted with respect to any trade agreement entered into under section 2103(b) of that Act after June 30, 2005.", with the blank space being filled with the name of the resolving House of the Congress.

(B) INTRODUCTION.—Extension disapproval resolutions—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be referred, in the House of Representatives, to the Committee on Ways and Means and, in addition, to the Committee on Rules.

(C) APPLICATION OF SECTION 152 OF THE TRADE ACT OF 1974.—The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) LIMITATIONS.—It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution after June 30, 2005.

(d) COMMENCEMENT OF NEGOTIATIONS.—In order to contribute to the continued economic expansion of the United States, the President shall commence negotiations covering tariff and nontariff barriers affecting any industry, product, or service sector, and expand existing sectoral agreements to countries that are not parties to those agreements, in cases where the President determines that such negotiations are feasible and timely and would benefit the United States. Such sectors include agriculture, commercial services, intellectual property rights, industrial and capital goods, government procurement, information technology products, environmental technology and services, medical equipment and services, civil aircraft, and infrastructure products. In so doing, the President shall take into account all of the principal negotiating objectives set forth in section 2102(b).

SEC. 2104. CONSULTATIONS AND ASSESSMENT.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—The President, with respect to any agreement that is subject to the provisions of section 2103(b), shall—

(1) provide, at least 90 calendar days before initiating negotiations, written notice to the Congress of the President's intention to enter into the negotiations and set forth therein the date the President intends to initiate such negotiations, the specific United States objectives for the negotiations, and whether the President intends to seek an agreement, or changes to an existing agreement;

(2) before and after submission of the notice, consult regarding the negotiations with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives, such other committees of the House and Senate as the President deems appropriate, and the Congressional Oversight group convened under section 2107; and

(3) upon the request of a majority of the members of the Congressional Oversight Group under section 2107(c), meet with the Congressional Oversight Group before initiating the negotiations or at any other time concerning the negotiations.

(b) NEGOTIATIONS REGARDING AGRICULTURE AND FISHING INDUSTRY.—

(1) IN GENERAL.—Before initiating or continuing negotiations the subject matter of which is directly related to the subject matter under section 2102(b)(10)(A)(i) with any country, the President shall assess whether United States tariffs on agricultural products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country. In addition, the President shall consider whether the tariff levels bound and applied throughout the world with respect to imports from the United States are higher than United States tariffs and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(2) SPECIAL CONSULTATIONS ON IMPORT SENSITIVE PRODUCTS.—

(A) IN GENERAL.—Before initiating negotiations with regard to agriculture, and, with respect to the Free Trade Area for the Americas and negotiations with regard to agriculture under the auspices of the World Trade Organization, as soon as practicable after the enactment of this Act, the United States Trade Representative shall—

(i) identify those agricultural products subject to tariff-rate quotas on the date of enactment of this Act, and agricultural products subject to tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994;

(ii) consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning—

(I) whether any further tariff reductions on the products identified under clause (i) should be appropriate, taking into account the impact of any such tariff reduction on the United States industry producing the product concerned;

(II) whether the products so identified face unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements; and

(III) whether the countries participating in the negotiations maintain export subsidies or other programs, policies, or practices that distort world trade in such products and the impact of such programs, policies, and practices on United States producers of the products;

(iii) request that the International Trade Commission prepare an assessment of the probable economic effects of any such tariff reduction on the United States industry producing the product concerned and on the United States economy as a whole; and

(iv) upon complying with clauses (i), (ii), and (iii), notify the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate of those products identified under clause (i) for which the Trade Representative intends to seek tariff liberalization in the negotiations and the reasons for seeking such tariff liberalization.

(B) IDENTIFICATION OF ADDITIONAL AGRICULTURAL PRODUCTS.—If, after negotiations described in subparagraph (A) are commenced—

(i) the United States Trade Representative identifies any additional agricultural product described in subparagraph (A)(i) for tariff reductions which were not the subject of a notification under subparagraph (A)(iv), or

(ii) any additional agricultural product described in subparagraph (A)(i) is the subject of a request for tariff reductions by a party to the negotiations,

the Trade Representative shall, as soon as practicable, notify the committees referred to in subparagraph (A)(iv) of those products and the reasons for seeking such tariff reductions.

(3) NEGOTIATIONS REGARDING THE FISHING INDUSTRY.—Before initiating, or continuing, negotiations which directly relate to fish or shellfish trade with any country, the President shall consult with the Committee on Ways and Means and the Committee on Resources of the House of Representatives, and the Committee on Finance and the Committee on Commerce, Science, and Transportation of the Senate, and shall keep the Committees apprised of negotiations on an ongoing and timely basis.

(c) NEGOTIATIONS REGARDING TEXTILES.—Before initiating or continuing negotiations the subject matter of which is directly related to textiles and apparel products with any country, the President shall assess whether United States tariffs on textile and apparel products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(d) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 2103(b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate;

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement; and

(C) the Congressional Oversight Group convened under section 2107.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, priorities, and objectives of this title; and

(C) the implementation of the agreement under section 2105, including the general effect of the agreement on existing laws.

(3) REPORT REGARDING UNITED STATES TRADE REMEDY LAWS.—

(A) CHANGES IN CERTAIN TRADE LAWS.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement, shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate in writing of any amendments to title VII of the Tariff Act of 1930 or chapter 1 of title II of the Trade Act of 1974 that the President proposes to include in a bill implementing such trade agreement.

(B) EXPLANATION.—On the date that the President transmits the notification, the President also shall transmit to the Committees a report explaining—

(i) the President's reasons for believing that amendments to title VII of the Tariff Act of 1930 or to chapter 1 of title II of the Trade Act of 1974 are necessary to implement the trade agreement; and

(ii) the President's reasons for believing that such amendments are consistent with the purposes, policies, and objectives described in section 2102(c)(9).

(C) REPORT TO HOUSE.—Not later than 60 calendar days after the date on which the President transmits the notification described in subparagraph (A), the Chairman and ranking member of the Ways and Means Committee of the House of Representatives, based on consultations with the members of that Committee, shall issue to the House of Representatives a report stating whether the proposed amendments described in the President's notification are consistent with the purposes, policies, and objectives described in section 2102(c)(9). In the event that the Chairman and ranking member disagree with respect to one or more conclusions, the report shall contain the separate views of the Chairman and ranking member.

(D) REPORT TO SENATE.—Not later than 60 calendar days after the date on which the President transmits the notification described in subparagraph (A), the Chairman and ranking member of the Finance Committee of the Senate, based on consultations with the members of that Committee, shall issue to the Senate a report stating whether the proposed amendments described in the President's report are consistent with the purposes, policies, and objectives described in section 2102(c)(9). In the event that the Chairman and ranking member disagree with respect to one or more conclusions, the report shall contain the separate views of the Chairman and ranking member.

(e) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the

Trade Act of 1974 regarding any trade agreement entered into under section 2103 (a) or (b) of this title shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 2103(a)(1) or 2105(a)(1)(A) of the President's intention to enter into the agreement.

(f) ITC Assessment.—

(1) In general.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement under section 2103(b), shall provide the International Trade Commission (referred to in this subsection as "the Commission") with the details of the agreement as it exists at that time and request the Commission to prepare and submit an assessment of the agreement as described in paragraph (2). Between the time the President makes the request under this paragraph and the time the Commission submits the assessment, the President shall keep the Commission current with respect to the details of the agreement.

(2) ITC assessment.—Not later than 90 calendar days after the President enters into the agreement, the Commission shall submit to the President and the Congress a report assessing the likely impact of the agreement on the United States economy as a whole and on specific industry sectors, including the impact the agreement will have on the gross domestic product, exports and imports, aggregate employment and employment opportunities, the production, employment, and competitive position of industries likely to be significantly affected by the agreement, and the interests of United States consumers.

(3) Review of empirical literature.—In preparing the assessment, the Commission shall review available economic assessments regarding the agreement, including literature regarding any substantially equivalent proposed agreement, and shall provide in its assessment a description of the analyses used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

SEC. 2105. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) In General.—

(1) Notification and submission.—Any agreement entered into under section 2103(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into an agreement—

(i) notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register; and

(ii) transmits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the notification and report described in section 2104(d)(3) (A) and (B);

(B) within 60 days after entering into the agreement, the President submits to the Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits to the Congress, on a day on which both Houses of Congress are in session, a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 2103(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) Supporting information.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, priorities, and objectives of this title; and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i);

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce;

(IV) how the implementing bill meets the standards set forth in section 2103(b)(3);

(V) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in section 2102(c) regarding the promotion of certain priorities; and

(VI) in the event that the reports described in section 2104(b)(3) (C) and (D) contain any findings that the proposed amendments are inconsistent with the purposes, policies, and objectives described in section 2102(c)(9), an explanation as to why the President believes such findings to be incorrect.

(3) Reciprocal benefits.—In order to ensure that a foreign country that is not a party to a trade agreement entered into under section 2103(b) does not receive benefits under the agreement unless the country is also subject to the obligations under the agreement, the implementing bill submitted with respect to the agreement shall provide that the benefits and obligations under the agreement apply only to the parties to the agreement, if such application is consistent with the terms of the agreement. The implementing bill may also provide that the benefits and obligations under the agreement do not apply uniformly to all parties to the agreement, if such application is consistent with the terms of the agreement.

(4) Disclosure of commitments.—Any agreement or other understanding with a foreign government or governments (whether oral or in writing) that—

(A) relates to a trade agreement with respect to which Congress enacts implementing legislation under trade authorities procedures, and

(B) is not disclosed to Congress before legislation implementing that agreement is introduced in either House of Congress,

shall not be considered to be part of the agreement approved by Congress and shall have no force and effect under United States law or in any dispute settlement body.

(b) Limitations on Trade Authorities Procedures.—

(1) For lack of notice or consultations.—

(A) In general.—The trade authorities procedures shall not apply to any implementing bill submitted with respect to a trade agreement or trade agreements entered into under section 2103(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to such trade agreement or agreements, the other House separately agrees to a procedural disapproval resolution with respect to such trade agreement or agreements.

(B) Procedural disapproval resolution.—(i) For purposes of this paragraph, the term "procedural disapproval resolution" means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: "That the President has failed or refused to notify or consult in accordance with the Bipartisan Trade Promotion Authority Act of 2002 on negotiations with respect to ________ and, therefore, the trade authorities procedures under that Act shall not apply to any implementing bill submitted with respect to such trade agreement or agreements.", with the blank space being filled with a description of the trade agreement or agreements with respect to which the President is considered to have failed or refused to notify or consult.

(ii) For purposes of clause (i), the President has "failed or refused to notify or consult in accordance with the Bipartisan Trade Promotion Authority Act of 2002" on negotiations with respect to a trade agreement or trade agreements if—

(I) the President has failed or refused to consult (as the case may be) in accordance with section 2104 or 2105 with respect to the negotiations, agreement, or agreements;

(II) guidelines under section 2107(b) have not been developed or met with respect to the negotiations, agreement, or agreements;

(III) the President has not met with the Congressional Oversight Group pursuant to a request made under section 2107(c) with respect to the negotiations, agreement, or agreements; or

(IV) the agreement or agreements fail to make progress in achieving the purposes, policies, priorities, and objectives of this title.

(C) Procedures for considering resolutions.—(i) Procedural disapproval resolutions—

(I) in the House of Representatives—

(aa) may be introduced by any Member of the House;

(bb) shall be referred to the Committee on Ways and Means and, in addition, to the Committee on Rules; and

(cc) may not be amended by either Committee; and

(II) in the Senate—

(aa) may be introduced by any Member of the Senate;

(bb) shall be referred to the Committee on Finance; and

(cc) may not be amended.

(ii) The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to a procedural disapproval resolution introduced with respect to a trade agreement if no other procedural disapproval resolution with respect to that trade agreement has previously been considered under such provisions of section 152 of the Trade Act of 1974 in that House of Congress during that Congress.

(iii) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules.

(iv) It is not in order for the Senate to consider any procedural disapproval resolution not reported by the Committee on Finance.

(2) FOR FAILURE TO MEET OTHER REQUIREMENTS.—Prior to December 31, 2002, the Secretary of Commerce shall transmit to Congress a report setting forth the strategy of the United States for correcting instances in which dispute settlement panels and the Appellate Body of the WTO have added to obligations or diminished rights of the United States, as described in section 2101(b)(3). Trade authorities procedures shall not apply to any implementing bill with respect to an agreement negotiated under the auspices of the WTO, unless the Secretary of Commerce has issued such report in a timely manner.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 2103(c) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 2106. TREATMENT OF CERTAIN TRADE AGREEMENTS FOR WHICH NEGOTIATIONS HAVE ALREADY BEGUN.

(a) CERTAIN AGREEMENTS.—Notwithstanding the prenegotiation notification and consultation requirement described in section 2104(a), if an agreement to which section 2103(b) applies—

(1) is entered into under the auspices of the World Trade Organization,

(2) is entered into with Chile,

(3) is entered into with Singapore, or

(4) establishes a Free Trade Area for the Americas,

and results from negotiations that were commenced before the date of the enactment of this Act, subsection (b) shall apply.

(b) TREATMENT OF AGREEMENTS.—In the case of any agreement to which subsection (a) applies—

(1) the applicability of the trade authorities procedures to implementing bills shall be determined without regard to the requirements of section 2104(a) (relating only to 90 days notice prior to initiating negotiations), and any procedural disapproval resolution under section 2105(b)(1)(B) shall not be in order on the basis of a failure or refusal to comply with the provisions of section 2104(a); and

(2) the President shall, as soon as feasible after the enactment of this Act—

(A) notify the Congress of the negotiations described in subsection (a), the specific United States objectives in the negotiations, and whether the President is seeking a new agreement or changes to an existing agreement; and

(B) before and after submission of the notice, consult regarding the negotiations with the committees referred to in section 2104(a)(2) and the Congressional Oversight Group.

SEC. 2107. CONGRESSIONAL OVERSIGHT GROUP.

(a) MEMBERS AND FUNCTIONS.—

(1) IN GENERAL.—By not later than 60 days after the date of the enactment of this Act, and not later than 30 days after the convening of each Congress, the chairman of the Committee on Ways and Means of the House of Representatives and the chairman of the Committee on Finance of the Senate shall convene the Congressional Oversight Group.

(2) MEMBERSHIP FROM THE HOUSE.—In each Congress, the Congressional Oversight Group shall be comprised of the following Members of the House of Representatives:

(A) The chairman and ranking member of the Committee on Ways and Means, and 3 additional members of such Committee (not more than 2 of whom are members of the same political party).

(B) The chairman and ranking member, or their designees, of the committees of the House of Representatives which would have, under the Rules of the House of Representatives, jurisdiction over provisions of law affected by a trade agreement negotiations for which are conducted at any time during that Congress and to which this title would apply.

(3) MEMBERSHIP FROM THE SENATE.—In each Congress, the Congressional Oversight Group shall also be comprised of the following members of the Senate:

(A) The chairman and ranking Member of the Committee on Finance and 3 additional members of such Committee (not more than 2 of whom are members of the same political party).

(B) The chairman and ranking member, or their designees, of the committees of the Senate which would have, under the Rules of the Senate, jurisdiction over provisions of law affected by a trade agreement negotiations for which are conducted at any time during that Congress and to which this title would apply.

(4) ACCREDITATION.—Each member of the Congressional Oversight Group described in paragraph (2)(A) and (3)(A) shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in negotiations for any trade agreement to which this title applies. Each member of the Congressional Oversight Group described in paragraph (2)(B) and (3)(B) shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in the negotiations by reason of which the member is in the Congressional Oversight Group. The Congressional Oversight Group shall consult with and provide advice to the Trade Representative regarding the formulation of specific objectives, negotiating strategies and positions, the development of the applicable trade agreement, and compliance and enforcement of the negotiated commitments under the trade agreement.

(5) CHAIR.—The Congressional Oversight Group shall be chaired by the Chairman of the Committee on Ways and Means of the House of Representatives and the Chairman of the Committee on Finance of the Senate.

(b) GUIDELINES.—

(1) PURPOSE AND REVISION.—The United States Trade Representative, in consultation with the chairmen and ranking minority members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate—

(A) shall, within 120 days after the date of the enactment of this Act, develop written guidelines to facilitate the useful and timely exchange of information between the Trade Representative and the Congressional Oversight Group established under this section; and

(B) may make such revisions to the guidelines as may be necessary from time to time.

(2) CONTENT.—The guidelines developed under paragraph (1) shall provide for, among other things—

(A) regular, detailed briefings of the Congressional Oversight Group regarding negotiating objectives, including the promotion of certain priorities referred to in section 2102(c), and positions and the status of the applicable negotiations, beginning as soon as practicable after the Congressional Oversight Group is convened, with more frequent briefings as trade negotiations enter the final stage;

(B) access by members of the Congressional Oversight Group, and staff with proper security clearances, to pertinent documents relating to the negotiations, including classified materials;

(C) the closest practicable coordination between the Trade Representative and the Congressional Oversight Group at all critical periods during the negotiations, including at negotiation sites;

(D) after the applicable trade agreement is concluded, consultation regarding ongoing compliance and enforcement of negotiated commitments under the trade agreement; and

(E) the time frame for submitting the report required under section 2102(c)(8).

(c) REQUEST FOR MEETING.—Upon the request of a majority of the Congressional Oversight Group, the President shall meet with the Congressional Oversight Group before initiating negotiations with respect to a trade agreement, or at any other time concerning the negotiations.

SEC. 2108. ADDITIONAL IMPLEMENTATION AND ENFORCEMENT REQUIREMENTS.

(a) IN GENERAL.—At the time the President submits to the Congress the final text of an agreement pursuant to section 2105(a)(1)(C), the President shall also submit a plan for implementing and enforcing the agreement. The implementation and enforcement plan shall include the following:

(1) BORDER PERSONNEL REQUIREMENTS.—A description of additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

(2) AGENCY STAFFING REQUIREMENTS.—A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agriculture (including additional personnel required to implement sanitary and phytosanitary measures in order to obtain market access for United States exports), the Department of the Treasury, and such other agencies as may be necessary.

(3) CUSTOMS INFRASTRUCTURE REQUIREMENTS.—A description of the additional equipment and facilities needed by the United States Customs Service.

(4) IMPACT ON STATE AND LOCAL GOVERNMENTS.—A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.

(5) COST ANALYSIS.—An analysis of the costs associated with each of the items listed in paragraphs (1) through (4).

(b) BUDGET SUBMISSION.—The President shall include a request for the resources necessary to support the plan described in subsection (a) in the first budget that the President submits to the Congress after the submission of the plan.

SEC. 2109. COMMITTEE STAFF.

The grant of trade promotion authority under this title is likely to increase the activities of the primary committees of jurisdiction in the area of international trade. In addition, the creation of the Congressional

Oversight Group under section 2107 will increase the participation of a broader number of Members of Congress in the formulation of United States trade policy and oversight of the international trade agenda for the United States. The primary committees of jurisdiction should have adequate staff to accommodate these increases in activities.

SEC. 2110. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—

(A) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended by striking "section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act" and inserting "section 282 of the Uruguay Round Agreements Act, or section 2105(a)(1) of the Bipartisan Trade Promotion Authority Act of 2002".

(B) Section 151(c)(1) (19 U.S.C. 2191(c)(1)) is amended by striking "or section 282 of the Uruguay Round Agreements Act" and inserting ", section 282 of the Uruguay Round Agreements Act, or section 2105(a)(1) of the Bipartisan Trade Promotion Authority Act of 2002".

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking "section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988," and inserting "section 123 of this Act or section 2103 (a) or (b) of the Bipartisan Trade Promotion Authority Act of 2002,"; and

(ii) in paragraph (2), by striking "section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002";

(B) in subsection (b), by striking "section 1102(a)(3)(A)" and inserting "section 2103(a)(3)(A) of the Bipartisan Trade Promotion Authority Act of 2002"; and

(C) in subsection (c), by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988," and inserting "section 2103 of the Bipartisan Trade Promotion Authority Act of 2002,".

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988," each place it appears and inserting "section 2103 of the Bipartisan Trade Promotion Authority Act of 2002,".

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 2103 of the Bipartisan Trade Promotion Authority Act of 2002".

(5) ADVICE FROM PRIVATE AND PUBLIC SECTORS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 2103 of the Bipartisan Trade Promotion Authority Act of 2002";

(B) in subsection (e)(1)—

(i) by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" each place it appears and inserting "section 2103 of the Bipartisan Trade Promotion Authority Act of 2002"; and

(ii) by striking "not later than the date on which the President notifies the Congress under section 1103(a)(1)(A) of such Act of 1988 of his intention to enter into that agreement" and inserting "not later than the date that is 30 days after the date on which the President notifies the Congress under section 5(a)(1)(A) of the Bipartisan Trade Promotion Authority Act of 2002 of the President's intention to enter into that agreement"; and

(C) in subsection (e)(2), by striking "section 1101 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 2102 of the Bipartisan Trade Promotion Authority Act of 2002".

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking "or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "or under section 2103 of the Bipartisan Trade Promotion Authority Act of 2002".

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 2103 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 2103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 2111. REPORT ON IMPACT OF TRADE PROMOTION AUTHORITY.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the International Trade Commission shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the economic impact on the United States of the trade agreements described in subsection (b).

(b) AGREEMENTS.—The trade agreements described in this subsection are:

(1) The United States-Israel Free Trade Agreement.

(2) The United States-Canada Free Trade Agreement.

(3) The North American Free Trade Agreement.

(4) The Uruguay Round Agreements.

(5) The Tokyo Round of Multilateral Trade Negotiations.

SEC. 2112. IDENTIFICATION OF SMALL BUSINESS ADVOCATE AT WTO.

(a) IN GENERAL.—The United States Trade Representative shall pursue the identification of a small business advocate at the World Trade Organization Secretariat to examine the impact of WTO agreements on the interests of small- and medium-sized enterprises, address the concerns of small- and medium-sized enterprises, and recommend ways to address those interests in trade negotiations involving the World Trade Organization.

(b) ASSISTANT TRADE REPRESENTATIVE.—The Assistant United States Trade Representative for Industry and Telecommunications shall be responsible for ensuring that the interests of small business are considered in all trade negotiations in accordance with the objective described in section 2102(a)(8). It is the sense of Congress that the small business functions should be reflected in the title of the Assistant United States Trade Representative assigned the responsibility for small business.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the United States Trade Representative shall prepare and submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the steps taken by the United States Trade Representative to pursue the identification of a small business advocate at the World Trade Organization.

SEC. 2113. DEFINITIONS.

In this title:

(1) AGREEMENT ON AGRICULTURE.—The term "Agreement on Agriculture" means the agreement referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

(2) CORE LABOR STANDARDS.—The term "core labor standards" means—

(A) the right of association;

(B) the right to organize and bargain collectively;

(C) a prohibition on the use of any form of forced or compulsory labor;

(D) a minimum age for the employment of children; and

(E) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

(3) GATT 1994.—The term "GATT 1994" has the meaning given that term in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

(4) ILO.—The term "ILO" means the International Labor Organization.

(5) IMPORT SENSITIVE AGRICULTURAL PRODUCT.—The term "import sensitive agricultural product" means an agricultural product with respect to which, as a result of the Uruguay Round Agreements—

(A) the rate of duty was the subject of tariff reductions by the United States, and pursuant to such Agreements, was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994; or

(B) became subject to a tariff-rate quota on or after January 1, 1995.

(6) UNITED STATES PERSON.—The term "United States person" means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(7) URUGUAY ROUND AGREEMENTS.—The term "Uruguay Round Agreements" has the meaning given that term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7)).

(8) WORLD TRADE ORGANIZATION; WTO.—The terms "World Trade Organization" and "WTO" mean the organization established pursuant to the WTO Agreement.

(9) WTO AGREEMENT.—The term "WTO Agreement" means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

DIVISION C—ANDEAN TRADE PREFERENCE ACT

TITLE XXXI—ANDEAN TRADE PREFERENCE

SEC. 3101. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the "Andean Trade Preference Expansion Act".

(b) FINDINGS.—Congress makes the following findings:

(1) Since the Andean Trade Preference Act was enacted in 1991, it has had a positive impact on United States trade with Bolivia, Colombia, Ecuador, and Peru. Two-way trade has doubled, with the United States serving

as the leading source of imports and leading export market for each of the Andean beneficiary countries. This has resulted in increased jobs and expanded export opportunities in both the United States and the Andean region.

(2) The Andean Trade Preference Act has been a key element in the United States counternarcotics strategy in the Andean region, promoting export diversification and broad-based economic development that provides sustainable economic alternatives to drug-crop production, strengthening the legitimate economies of Andean countries and creating viable alternatives to illicit trade in coca.

(3) Notwithstanding the success of the Andean Trade Preference Act, the Andean region remains threatened by political and economic instability and fragility, vulnerable to the consequences of the drug war and fierce global competition for its legitimate trade.

(4) The continuing instability in the Andean region poses a threat to the security interests of the United States and the world. This problem has been partially addressed through foreign aid, such as Plan Colombia, enacted by Congress in 2000. However, foreign aid alone is not sufficient. Enhancement of legitimate trade with the United States provides an alternative means for reviving and stabilizing the economies in the Andean region.

(5) The Andean Trade Preference Act constitutes a tangible commitment by the United States to the promotion of prosperity, stability, and democracy in the beneficiary countries.

(6) Renewal and enhancement of the Andean Trade Preference Act will bolster the confidence of domestic private enterprise and foreign investors in the economic prospects of the region, ensuring that legitimate private enterprise can be the engine of economic development and political stability in the region.

(7) Each of the Andean beneficiary countries is committed to conclude negotiation of a Free Trade Area of the Americas by the year 2005, as a means of enhancing the economic security of the region.

(8) Temporarily enhancing trade benefits for Andean beneficiaries countries will promote the growth of free enterprise and economic opportunity in these countries and serve the security interests of the United States, the region, and the world.

SEC. 3102. TEMPORARY PROVISIONS.

(a) IN GENERAL.—Section 204(b) of the Andean Trade Preference Act (19 U.S.C. 3203(b)) is amended to read as follows:

"(b) IMPORT-SENSITIVE ARTICLES.—

"(1) IN GENERAL.—Subject to paragraphs (2) through (5), the duty-free treatment provided under this title does not apply to—

"(A) textile and apparel articles which were not eligible articles for purposes of this title on January 1, 1994, as this title was in effect on that date;

"(B) footwear not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

"(C) tuna, prepared or preserved in any manner, in airtight containers;

"(D) petroleum, or any product derived from petroleum, provided for in headings 2709 and 2710 of the HTS;

"(E) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital, or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply;

"(F) articles to which reduced rates of duty apply under subsection (c);

"(G) sugars, syrups, and sugar containing products subject to tariff-rate quotas; or

"(H) rum and tafia classified in subheading 2208.40 of the HTS.

"(2) TRANSITION PERIOD TREATMENT OF CERTAIN TEXTILE AND APPAREL ARTICLES.—

"(A) ARTICLES COVERED.—During the transition period, the preferential treatment described in subparagraph (B) shall apply to the following articles imported directly into the customs territory of the United States from an ATPEA beneficiary country:

"(i) APPAREL ARTICLES ASSEMBLED FROM PRODUCTS OF THE UNITED STATES AND ATPEA BENEFICIARY COUNTRIES OR PRODUCTS NOT AVAILABLE IN COMMERCIAL QUANTITIES.—Apparel articles sewn or otherwise assembled in 1 or more ATPEA beneficiary countries, or the United States, or both, exclusively from any one or any combination of the following:

"(I) Fabrics or fabric components formed, or components knit-to-shape, in the United States, from yarns wholly formed in the United States (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in the United States), provided that apparel articles sewn or otherwise assembled from materials described in this subclause are assembled with thread formed in the United States.

"(II) Fabric components knit-to-shape in the United States from yarns wholly formed in the United States and fabric components knit-to-shape in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States.

"(III) Fabrics or fabric components formed or components knit-to-shape, in 1 or more ATPEA beneficiary countries, from yarns wholly formed in 1 or more ATPEA beneficiary countries, if such fabrics (including fabrics not formed from yarns, if such fabrics are classifiable under heading 5602 or 5603 of the HTS and are formed in 1 or more ATPEA beneficiary countries) or components are in chief weight of llama, or alpaca.

"(IV) Fabrics or yarns that are not formed in the United States or in 1 or more ATPEA beneficiary countries, to the extent such fabrics or yarns are considered not to be widely available in commercial quantities for purposes of determining the eligibility of such apparel articles for preferential treatment under Annex 401 of the NAFTA.

"(ii) KNIT-TO-SHAPE APPAREL ARTICLES.—Apparel articles knit-to-shape (other than socks provided for in heading 6115 of the HTS) in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States.

"(iii) REGIONAL FABRIC.—

"(I) GENERAL RULE.—Knit apparel articles wholly assembled in 1 or more ATPEA beneficiary countries exclusively from fabric formed, or fabric components formed, or components knit-to-shape, or any combination thereof, in 1 or more ATPEA beneficiary countries from yarns wholly formed in the United States, in an amount not exceeding the amount set forth in subclause (II).

"(II) LIMITATION.—The amount referred to in subclause (I) is 70,000,000 square meter equivalents during the 1-year period beginning on March 1, 2002, increased by 16 percent, compounded annually, in each succeeding 1-year period through February 28, 2006.

"(iv) CERTAIN OTHER APPAREL ARTICLES.—

"(I) GENERAL RULE.—Subject to subclause (II), any apparel article classifiable under subheading 6212.10 of the HTS, if the article is both cut and sewn or otherwise assembled in the United States, or one or more of the ATPEA beneficiary countries, or both.

"(II) LIMITATION.—During the 1-year period beginning on March 1, 2003, and during each of the 2 succeeding 1-year periods, apparel articles described in subclause (I) of a producer or an entity controlling production shall be eligible for preferential treatment under subparagraph (B) only if the aggregate cost of fabric components formed in the United States that are used in the production of all such articles of that producer or entity that are entered during the preceding 1-year period is at least 75 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

"(III) DEVELOPMENT OF PROCEDURE TO ENSURE COMPLIANCE.—The United States Customs Service shall develop and implement methods and procedures to ensure ongoing compliance with the requirement set forth in subclause (II). If the Customs Service finds that a producer or an entity controlling production has not satisfied such requirement in a 1-year period, then apparel articles described in subclause (I) of that producer or entity shall be ineligible for preferential treatment under subparagraph (B) during any succeeding 1-year period until the aggregate cost of fabric components formed in the United States used in the production of such articles of that producer or entity that are entered during the preceding 1-year period is at least 85 percent of the aggregate declared customs value of the fabric contained in all such articles of that producer or entity that are entered during the preceding 1-year period.

"(v) APPAREL ARTICLES ASSEMBLED FROM FABRICS OR YARN NOT WIDELY AVAILABLE IN COMMERCIAL QUANTITIES.—At the request of any interested party, the President is authorized to proclaim additional fabrics and yarn as eligible for preferential treatment under clause (i)(IV) if—

"(I) the President determines that such fabrics or yarn cannot be supplied by the domestic industry in commercial quantities in a timely manner;

"(II) the President has obtained advice regarding the proposed action from the appropriate advisory committee established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and the United States International Trade Commission;

"(III) within 60 days after the request, the President has submitted a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that sets forth the action proposed to be proclaimed and the reasons for such actions, and the advice obtained under subclause (II);

"(IV) a period of 60 calendar days, beginning with the first day on which the President has met the requirements of subclause (III), has expired; and

"(V) the President has consulted with such committees regarding the proposed action during the period referred to in subclause (III).

"(vi) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—A handloomed, handmade, or folklore article of an ATPEA beneficiary country identified under subparagraph (C) that is certified as such by the competent authority of such beneficiary country.

“(vii) SPECIAL RULES.—

“(I) EXCEPTION FOR FINDINGS AND TRIMMINGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains findings or trimmings of foreign origin, if such findings and trimmings do not exceed 25 percent of the cost of the components of the assembled product. Examples of findings and trimmings are sewing thread, hooks and eyes, snaps, buttons, ‘bow buds’, decorative lace, trim, elastic strips, zippers, including zipper tapes and labels, and other similar products. Elastic strips are considered findings or trimmings only if they are each less than 1 inch in width and are used in the production of brassieres.

“(bb) In the case of an article described in clause (i)(I) of this subparagraph, sewing thread shall not be treated as findings or trimmings under this subclause.

“(II) CERTAIN INTERLININGS.—(aa) An article otherwise eligible for preferential treatment under this paragraph shall not be ineligible for such treatment because the article contains certain interlinings of foreign origin, if the value of such interlinings (and any findings and trimmings) does not exceed 25 percent of the cost of the components of the assembled article.

“(bb) Interlinings eligible for the treatment described in division (aa) include only a chest type plate, ‘hymo’ piece, or ‘sleeve header’, of woven or weft-inserted warp knit construction and of coarse animal hair or man-made filaments.

“(cc) The treatment described in this subclause shall terminate if the President makes a determination that United States manufacturers are producing such interlinings in the United States in commercial quantities.

“(III) DE MINIMIS RULE.—An article that would otherwise be ineligible for preferential treatment under this paragraph because the article contains yarns not wholly formed in the United States or in 1 or more ATPEA beneficiary countries shall not be ineligible for such treatment if the total weight of all such yarns is not more than 7 percent of the total weight of the good. Notwithstanding the preceding sentence, an apparel article containing elastomeric yarns shall be eligible for preferential treatment under this paragraph only if such yarns are wholly formed in the United States.

“(IV) SPECIAL ORIGIN RULE.—An article otherwise eligible for preferential treatment under clause (i) of this subparagraph shall not be ineligible for such treatment because the article contains nylon filament yarn (other than elastomeric yarn) that is classifiable under subheading 5402.10.30, 5402.10.60, 5402.31.30, 5402.31.60, 5402.32.30, 5402.32.60, 5402.41.10, 5402.41.90, 5402.51.00, or 5402.61.00 of the HTS duty-free from a country that is a party to an agreement with the United States establishing a free trade area, which entered into force before January 1, 1995.

“(V) CLARIFICATION OF CERTAIN KNIT APPAREL ARTICLES.—Notwithstanding any other provision of law, an article otherwise eligible for preferential treatment under clause (iii)(I) of this subparagraph, shall not be ineligible for such treatment because the article, or a component thereof, contains fabric formed in the United States from yarns wholly formed in the United States.

“(viii) TEXTILE LUGGAGE.—Textile luggage—

“(I) assembled in an ATPEA beneficiary country from fabric wholly formed and cut in the United States, from yarns wholly formed in the United States, that is entered under subheading 9802.00.80 of the HTS; or

“(II) assembled from fabric cut in an ATPEA beneficiary country from fabric wholly formed in the United States from yarns wholly formed in the United States.

“(B) PREFERENTIAL TREATMENT.—Except as provided in subparagraph (E), during the transition period, the articles to which subparagraph (A) applies shall enter the United States free of duty and free of any quantitative restrictions, limitations, or consultation levels.

“(C) HANDLOOMED, HANDMADE, AND FOLKLORE ARTICLES.—For purposes of subparagraph (A)(vi), the President shall consult with representatives of the ATPEA beneficiary countries concerned for the purpose of identifying particular textile and apparel goods that are mutually agreed upon as being handloomed, handmade, or folklore goods of a kind described in section 2.3(a), (b), or (c) of the Annex or Appendix 3.1.B.11 of the Annex.

“(D) PENALTIES FOR TRANSSHIPMENTS.—

“(i) PENALTIES FOR EXPORTERS.—If the President determines, based on sufficient evidence, that an exporter has engaged in transshipment with respect to textile or apparel articles from an ATPEA beneficiary country, then the President shall deny all benefits under this title to such exporter, and any successor of such exporter, for a period of 2 years.

“(ii) PENALTIES FOR COUNTRIES.—Whenever the President finds, based on sufficient evidence, that transshipment has occurred, the President shall request that the ATPEA beneficiary country or countries through whose territory the transshipment has occurred take all necessary and appropriate actions to prevent such transshipment. If the President determines that a country is not taking such actions, the President shall reduce the quantities of textile and apparel articles that may be imported into the United States from such country by the quantity of the transshipped articles multiplied by 3, to the extent consistent with the obligations of the United States under the WTO.

“(iii) TRANSSHIPMENT DESCRIBED.—Transshipment within the meaning of this subparagraph has occurred when preferential treatment under subparagraph (B) has been claimed for a textile or apparel article on the basis of material false information concerning the country of origin, manufacture, processing, or assembly of the article or any of its components. For purposes of this clause, false information is material if disclosure of the true information would mean or would have meant that the article is or was ineligible for preferential treatment under subparagraph (B).

“(E) BILATERAL EMERGENCY ACTIONS.—

“(i) IN GENERAL.—The President may take bilateral emergency tariff actions of a kind described in section 4 of the Annex with respect to any apparel article imported from an ATPEA beneficiary country if the application of tariff treatment under subparagraph (B) to such article results in conditions that would be cause for the taking of such actions under such section 4 with respect to a like article described in the same 8-digit subheading of the HTS that is imported from Mexico.

“(ii) RULES RELATING TO BILATERAL EMERGENCY ACTION.—For purposes of applying bilateral emergency action under this subparagraph—

“(I) the requirements of paragraph (5) of section 4 of the Annex (relating to providing compensation) shall not apply;

“(II) the term ‘transition period’ in section 4 of the Annex shall have the meaning given that term in paragraph (5)(D) of this subsection; and

“(III) the requirements to consult specified in section 4 of the Annex shall be treated as satisfied if the President requests consultations with the ATPEA beneficiary country in question and the country does not agree to consult within the time period specified under section 4.

“(3) TRANSITION PERIOD TREATMENT OF CERTAIN OTHER ARTICLES ORIGINATING IN BENEFICIARY COUNTRIES.—

“(A) EQUIVALENT TARIFF TREATMENT.—

“(i) IN GENERAL.—Subject to clause (ii), the tariff treatment accorded at any time during the transition period to any article referred to in any of subparagraphs (B), (D) through (F), or (H) of paragraph (1) that is an ATPEA originating good, imported directly into the customs territory of the United States from an ATPEA beneficiary country, shall be identical to the tariff treatment that is accorded at such time under Annex 302.2 of the NAFTA to an article described in the same 8-digit subheading of the HTS that is a good of Mexico and is imported into the United States.

“(ii) EXCEPTION.—Clause (i) does not apply to—

“(I) any article accorded duty-free treatment under U.S. Note 2(b) to subchapter II of chapter 98 of the HTS; or

“(II) any article described in subheading 6401.10.00, 6401.91.00, 6401.92.90, 6401.99.30, 6401.99.60, 6401.99.90, 6402.30.50, 6402.30.70, 6402.30.80, 6402.91.50, 6402.91.80, 6402.91.90, 6402.99.20, 6402.99.30, 6402.99.80, 6402.99.90, 6403.91.60, 6404.11.50, 6404.11.60, 6404.11.70, 6404.11.80, 6404.11.90, 6404.19.20, 6404.19.35, 6404.19.50, or 6404.19.70 of the HTS.

“(B) RELATIONSHIP TO SUBSECTION (C) DUTY REDUCTIONS.—If at any time during the transition period the rate of duty that would (but for action taken under subparagraph (A)(i) in regard to such period) apply with respect to any article under subsection (c) is a rate of duty that is lower than the rate of duty resulting from such action, then such lower rate of duty shall be applied for the purposes of implementing such action.

“(C) SPECIAL RULE FOR SUGARS, SYRUPS, AND SUGAR CONTAINING PRODUCTS.—Duty-free treatment under this Act shall not be extended to sugars, syrups, and sugar-containing products subject to over-quota duty rates under applicable tariff-rate quotas.

“(D) SPECIAL RULE FOR CERTAIN TUNA PRODUCTS.—

“(i) IN GENERAL.—The President may proclaim duty-free treatment under this Act for tuna that is harvested by United States vessels or ATPEA beneficiary country vessels, and is prepared or preserved in any manner, in airtight containers in an ATPEA beneficiary country. Such duty-free treatment may be proclaimed in any calendar year for a quantity of such tuna that does not exceed 20 percent of the domestic United States tuna pack in the preceding calendar year. As used in the preceding sentence, the term ‘tuna pack’ means tuna pack as defined by the National Marine Fisheries Service of the United States Department of Commerce for purposes of subheading 1604.14.20 of the HTS as in effect on the date of enactment of the Andean Trade Preference Expansion Act.

“(ii) UNITED STATES VESSEL.—For purposes of this subparagraph, a ‘United States vessel’ is a vessel having a certificate of documentation with a fishery endorsement under chapter 121 of title 46, United States Code.

‘‘(iii) ATPEA VESSEL.—For purposes of this subparagraph, an ‘ATPEA vessel’ is a vessel—

‘‘(I) which is registered or recorded in an ATPEA beneficiary country;

‘‘(II) which sails under the flag of an ATPEA beneficiary country;

‘‘(III) which is at least 75 percent owned by nationals of an ATPEA beneficiary country or by a company having its principal place of business in an ATPEA beneficiary country, of which the manager or managers, chairman of the board of directors or of the supervisory board, and the majority of the members of such boards are nationals of an ATPEA beneficiary country and of which, in the case of a company, at least 50 percent of the capital is owned by an ATPEA beneficiary country or by public bodies or nationals of an ATPEA beneficiary country;

‘‘(IV) of which the master and officers are nationals of an ATPEA beneficiary country; and

‘‘(V) of which at least 75 percent of the crew are nationals of an ATPEA beneficiary country.

‘‘(4) CUSTOMS PROCEDURES.—

‘‘(A) IN GENERAL.—

‘‘(i) REGULATIONS.—Any importer that claims preferential treatment under paragraph (2) or (3) shall comply with customs procedures similar in all material respects to the requirements of Article 502(1) of the NAFTA as implemented pursuant to United States law, in accordance with regulations promulgated by the Secretary of the Treasury.

‘‘(ii) DETERMINATION.—

‘‘(I) IN GENERAL.—In order to qualify for the preferential treatment under paragraph (2) or (3) and for a Certificate of Origin to be valid with respect to any article for which such treatment is claimed, there shall be in effect a determination by the President that each country described in subclause (II)—

‘‘(aa) has implemented and follows; or

‘‘(bb) is making substantial progress toward implementing and following, procedures and requirements similar in all material respects to the relevant procedures and requirements under chapter 5 of the NAFTA.

‘‘(II) COUNTRY DESCRIBED.—A country is described in this subclause if it is an ATPEA beneficiary country—

‘‘(aa) from which the article is exported; or

‘‘(bb) in which materials used in the production of the article originate or in which the article or such materials undergo production that contributes to a claim that the article is eligible for preferential treatment under paragraph (2) or (3).

‘‘(B) CERTIFICATE OF ORIGIN.—The Certificate of Origin that otherwise would be required pursuant to the provisions of subparagraph (A) shall not be required in the case of an article imported under paragraph (2) or (3) if such Certificate of Origin would not be required under Article 503 of the NAFTA (as implemented pursuant to United States law), if the article were imported from Mexico.

‘‘(C) REPORT BY USTR ON COOPERATION OF OTHER COUNTRIES CONCERNING CIRCUMVENTION.—The United States Commissioner of Customs shall conduct a study analyzing the extent to which each ATPEA beneficiary country—

‘‘(i) has cooperated fully with the United States, consistent with its domestic laws and procedures, in instances of circumvention or alleged circumvention of existing quotas on imports of textile and apparel goods, to establish necessary relevant facts in the places of import, export, and, where applicable, transshipment, including investigation of circumvention practices, exchanges of documents, correspondence, reports, and other relevant information, to the extent such information is available;

‘‘(ii) has taken appropriate measures, consistent with its domestic laws and procedures, against exporters and importers involved in instances of false declaration concerning fiber content, quantities, description, classification, or origin of textile and apparel goods; and

‘‘(iii) has penalized the individuals and entities involved in any such circumvention, consistent with its domestic laws and procedures, and has worked closely to seek the cooperation of any third country to prevent such circumvention from taking place in that third country.

The Trade Representative shall submit to Congress, not later than October 1, 2002, a report on the study conducted under this subparagraph.

‘‘(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

‘‘(A) ANNEX.—The term ‘the Annex’ means Annex 300–B of the NAFTA.

‘‘(B) ATPEA BENEFICIARY COUNTRY.—The term ‘ATPEA beneficiary country’ means any ‘beneficiary country’, as defined in section 203(a)(1) of this title, which the President designates as an ATPEA beneficiary country, taking into account the criteria contained in subsections (c) and (d) of section 203 and other appropriate criteria, including the following:

‘‘(i) Whether the beneficiary country has demonstrated a commitment to—

‘‘(I) undertake its obligations under the WTO, including those agreements listed in section 101(d) of the Uruguay Round Agreements Act, on or ahead of schedule; and

‘‘(II) participate in negotiations toward the completion of the FTAA or another free trade agreement.

‘‘(ii) The extent to which the country provides protection of intellectual property rights consistent with or greater than the protection afforded under the Agreement on Trade-Related Aspects of Intellectual Property Rights described in section 101(d)(15) of the Uruguay Round Agreements Act.

‘‘(iii) The extent to which the country provides internationally recognized worker rights, including—

‘‘(I) the right of association;

‘‘(II) the right to organize and bargain collectively;

‘‘(III) a prohibition on the use of any form of forced or compulsory labor;

‘‘(IV) a minimum age for the employment of children; and

‘‘(V) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

‘‘(iv) Whether the country has implemented its commitments to eliminate the worst forms of child labor, as defined in section 507(6) of the Trade Act of 1974.

‘‘(v) The extent to which the country has met the counter-narcotics certification criteria set forth in section 490 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291j) for eligibility for United States assistance.

‘‘(vi) The extent to which the country has taken steps to become a party to and implements the Inter-American Convention Against Corruption.

‘‘(vii) The extent to which the country—

‘‘(I) applies transparent, nondiscriminatory, and competitive procedures in government procurement equivalent to those contained in the Agreement on Government Procurement described in section 101(d)(17) of the Uruguay Round Agreements Act; and

‘‘(II) contributes to efforts in international fora to develop and implement international rules in transparency in government procurement.

‘‘(C) ATPEA ORIGINATING GOOD.—

‘‘(i) IN GENERAL.—The term ‘ATPEA originating good’ means a good that meets the rules of origin for a good set forth in chapter 4 of the NAFTA as implemented pursuant to United States law.

‘‘(ii) APPLICATION OF CHAPTER 4.—In applying chapter 4 of the NAFTA with respect to an ATPEA beneficiary country for purposes of this subsection—

‘‘(I) no country other than the United States and an ATPEA beneficiary country may be treated as being a party to the NAFTA;

‘‘(II) any reference to trade between the United States and Mexico shall be deemed to refer to trade between the United States and an ATPEA beneficiary country;

‘‘(III) any reference to a party shall be deemed to refer to an ATPEA beneficiary country or the United States; and

‘‘(IV) any reference to parties shall be deemed to refer to any combination of ATPEA beneficiary countries or to the United States and one or more ATPEA beneficiary countries (or any combination thereof).

‘‘(D) TRANSITION PERIOD.—The term ‘transition period’ means, with respect to an ATPEA beneficiary country, the period that begins on the date of enactment, and ends on the earlier of—

‘‘(i) February 28, 2006; or

‘‘(ii) the date on which the FTAA or another free trade agreement that makes substantial progress in achieving the negotiating objectives set forth in section 108(b)(5) of Public Law 103–182 (19 U.S.C. 3317(b)(5)) enters into force with respect to the United States and the ATPEA beneficiary country.

‘‘(E) ATPEA.—The term ‘ATPEA’ means the Andean Trade Preference Expansion Act.

‘‘(F) FTAA.—The term ‘FTAA’ means the Free Trade Area of the Americas.’’.

(b) DETERMINATION REGARDING RETENTION OF DESIGNATION.—Section 203(e) of the Andean Trade Preference Act (19 U.S.C. 3202(e)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(B) by inserting ‘‘(A)’’ after ‘‘(1)’’; and

(C) by adding at the end the following:

‘‘(B) The President may, after the requirements of paragraph (2) have been met—

‘‘(i) withdraw or suspend the designation of any country as an ATPEA beneficiary country; or

‘‘(ii) withdraw, suspend, or limit the application of preferential treatment under section 204(b) (2) and (3) to any article of any country,

if, after such designation, the President determines that, as a result of changed circumstances, the performance of such country is not satisfactory under the criteria set forth in section 204(b)(5)(B).’’; and

(2) by adding after paragraph (2) the following new paragraph:

‘‘(3) If preferential treatment under section 204(b) (2) and (3) is withdrawn, suspended, or limited with respect to an ATPEA beneficiary country, such country shall not be deemed to be a ‘party’ for the purposes of applying section 204(b)(5)(C) to imports of articles for which preferential treatment has been withdrawn, suspended, or limited with respect to such country.’’.

(c) REPORTING REQUIREMENTS.—Section 203(f) of the Andean Trade Preference Act (19 U.S.C. 3202(f)) is amended to read as follows:

"(f) REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—Not later than December 31, 2002, and every 2 years thereafter during the period this title is in effect, the United States Trade Representative shall submit to Congress a report regarding the operation of this title, including—

"(A) with respect to subsections (c) and (d), the results of a general review of beneficiary countries based on the considerations described in such subsections; and

"(B) the performance of each beneficiary country or ATPEA beneficiary country, as the case may be, under the criteria set forth in section 204(b)(5)(B).

"(2) PUBLIC COMMENT.—Before submitting the report described in paragraph (1), the United States Trade Representative shall publish a notice in the Federal Register requesting public comments on whether beneficiary countries are meeting the criteria listed in section 204(b)(5)(B).".

(d) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—

(A) Section 202 of the Andean Trade Preference Act (19 U.S.C. 3201) is amended by inserting "(or other preferential treatment)" after "treatment".

(B) Section 204(a)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(a)(1)) is amended by inserting "(or otherwise provided for)" after "eligibility".

(C) Section 204(a)(1) of the Andean Trade Preference Act (19 U.S.C. 3203(a)(1)) is amended by inserting "(or preferential treatment)" after "duty-free treatment".

(2) DEFINITIONS.—Section 203(a) of the Andean Trade Preference Act (19 U.S.C. 3202(a)) is amended by adding at the end the following new paragraphs:

"(4) The term "NAFTA" means the North American Free Trade Agreement entered into between the United States, Mexico, and Canada on December 17, 1992.

"(5) The terms 'WTO' and 'WTO member' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).".

(e) PETITIONS FOR REVIEW.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the President shall promulgate regulations regarding the review of eligibility of articles and countries under the Andean Trade Preference Act, consistent with section 203(e) of such Act, as amended by this title.

(2) CONTENT OF REGULATIONS.—The regulations shall be similar to the regulations regarding eligibility under the Generalized System of Preferences with respect to the timetable for reviews and content, and shall include procedures for requesting withdrawal, suspension, or limitations of preferential duty treatment under the Act, conducting reviews of such requests, and implementing the results of the reviews.

SEC. 3103. TERMINATION.

(a) IN GENERAL.—Section 208(b) of the Andean Trade Preference Act (19 U.S.C. 3206(b)) is amended to read as follows:

"(b) TERMINATION OF PREFERENTIAL TREATMENT.—No preferential duty treatment extended to beneficiary countries under this Act shall remain in effect after February 28, 2006.".

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (3), the entry—

(A) of any article to which duty-free treatment (or preferential treatment) under the Andean Trade Preference Act (19 U.S.C. 3201 et seq.) would have applied if the entry had been made on December 4, 2001,

(B) that was made after December 4, 2001, and before the date of the enactment of this Act, and

(C) to which duty-free treatment (or preferential treatment) under the Andean Trade Preference Act did not apply, shall be liquidated or reliquidated as if such duty-free treatment (or preferential treatment) applied, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(2) ENTRY.—As used in this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(3) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE XXXII—MISCELLANEOUS TRADE BENEFITS

SEC. 3201. WOOL PROVISIONS.

(a) SHORT TITLE.—This section may be cited as the "Wool Manufacturer Payment Clarification and Technical Corrections Act".

(b) CLARIFICATION OF TEMPORARY DUTY SUSPENSION.—Heading 9902.51.13 of the Harmonized Tariff Schedule of the United States is amended by inserting "average" before "diameters".

(c) PAYMENTS TO MANUFACTURERS OF CERTAIN WOOL PRODUCTS.—

(1) PAYMENTS.—Section 505 of the Trade and Development Act of 2000 (Public Law 106–200; 114 Stat. 303) is amended as follows:

(A) Subsection (a) is amended—

(i) by striking "In each of the calendar years" and inserting "For each of the calendar years"; and

(ii) by striking "for a refund of duties" and all that follows through the end of the subsection and inserting "for a payment equal to an amount determined pursuant to subsection (d)(1).".

(B) Subsection (b) is amended to read as follows:

"(b) WOOL YARN.—

"(1) IMPORTING MANUFACTURERS.—For each of the calendar years 2000, 2001, and 2002, a manufacturer of worsted wool fabrics who imports wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(2).

"(2) NONIMPORTING MANUFACTURERS.—For each of the calendar years 2001 and 2002, any other manufacturer of worsted wool fabrics of imported wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(2).".

(C) Subsection (c) is amended to read as follows:

"(c) WOOL FIBER AND WOOL TOP.—

"(1) IMPORTING MANUFACTURERS.—For each of the calendar years 2000, 2001, and 2002, a manufacturer of wool yarn or wool fabric who imports wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(3).

"(2) NONIMPORTING MANUFACTURERS.—For each of the calendar years 2001 and 2002, any other manufacturer of wool yarn or wool fabric of imported wool fiber or wool top of the kind described in heading 9902.51.14 of the Harmonized Tariff Schedule of the United States shall be eligible for a payment equal to an amount determined pursuant to subsection (d)(3).".

(D) Section 505 is further amended by striking subsection (d) and inserting the following new subsections:

"(d) AMOUNT OF ANNUAL PAYMENTS TO MANUFACTURERS.—

"(1) MANUFACTURERS OF MEN'S SUITS, ETC. OF IMPORTED WORSTED WOOL FABRICS.—

"(A) ELIGIBLE TO RECEIVE MORE THAN $5,000.—Each annual payment to manufacturers described in subsection (a) who, according to the records of the Customs Service as of September 11, 2001, are eligible to receive more than $5,000 for each of the calendar years 2000, 2001, and 2002, shall be in an amount equal to one-third of the amount determined by multiplying $30,124,000 by a fraction—

"(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the manufacturer making the claim, and

"(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the manufacturers described in subsection (a) who, according to the records of the Customs Service as of September 11, 2001, are eligible to receive more than $5,000 for each such calendar year under this section as it was in effect on that date.

"(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported worsted wool fabrics described in subsection (a).

"(C) OTHERS.—All manufacturers described in subsection (a), other than the manufacturers to which subparagraph (A) applies, shall each receive an annual payment in an amount equal to one-third of the amount determined by dividing $1,665,000 by the number of all such other manufacturers.

"(2) MANUFACTURERS OF WORSTED WOOL FABRICS OF IMPORTED WOOL YARN.—

"(A) IMPORTING MANUFACTURERS.—Each annual payment to an importing manufacturer described in subsection (b)(1) shall be in an amount equal to one-third of the amount determined by multiplying $2,202,000 by a fraction—

"(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the importing manufacturer making the claim, and

"(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the importing manufacturers described in subsection (b)(1).

"(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term 'eligible wool products' refers to imported wool yarn described in subsection (b)(1).

"(C) NONIMPORTING MANUFACTURERS.—Each annual payment to a nonimporting manufacturer described in subsection (b)(2) shall be in an amount equal to one-half of the amount determined by multiplying $141,000 by a fraction—

"(i) the numerator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by the nonimporting manufacturer making the claim, and

"(ii) the denominator of which is the total amount attributable to the purchases of imported eligible wool products in calendar year 1999 by all the nonimporting manufacturers described in subsection (b)(2).

“(3) MANUFACTURERS OF WOOL YARN OR WOOL FABRIC OF IMPORTED WOOL FIBER OR WOOL TOP.—

“(A) IMPORTING MANUFACTURERS.—Each annual payment to an importing manufacturer described in subsection (c)(1) shall be in an amount equal to one-third of the amount determined by multiplying $1,522,000 by a fraction—

“(i) the numerator of which is the amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by the importing manufacturer making the claim, and

“(ii) the denominator of which is the total amount attributable to the duties paid on eligible wool products imported in calendar year 1999 by all the importing manufacturers described in subsection (c)(1).

“(B) ELIGIBLE WOOL PRODUCTS.—For purposes of subparagraph (A), the term ‘eligible wool products’ refers to imported wool fiber or wool top described in subsection (c)(1).

“(C) NONIMPORTING MANUFACTURERS.—Each annual payment to a nonimporting manufacturer described in subsection (c)(2) shall be in an amount equal to one-half of the amount determined by multiplying $597,000 by a fraction—

“(i) the numerator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by the nonimporting manufacturer making the claim, and

“(ii) the denominator of which is the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by all the nonimporting manufacturers described in subsection (c)(2).

“(4) LETTERS OF INTENT.—Except for the nonimporting manufacturers described in subsections (b)(2) and (c)(2) who may make claims under this section by virtue of the enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, only manufacturers who, according to the records of the Customs Service, filed with the Customs Service before September 11, 2001, letters of intent to establish eligibility to be claimants are eligible to make a claim for a payment under this section.

“(5) AMOUNT ATTRIBUTABLE TO PURCHASES BY NONIMPORTING MANUFACTURERS.—

“(A) AMOUNT ATTRIBUTABLE.—For purposes of paragraphs (2)(C) and (3)(C), the amount attributable to the purchases of imported eligible wool products in calendar year 1999 by a nonimporting manufacturer shall be the amount the nonimporting manufacturer paid for eligible wool products in calendar year 1999, as evidenced by invoices. The nonimporting manufacturer shall make such calculation and submit the resulting amount to the Customs Service, within 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, in a signed affidavit that attests that the information contained therein is true and accurate to the best of the affiant's belief and knowledge. The nonimporting manufacturer shall retain the records upon which the calculation is based for a period of five years beginning on the date the affidavit is submitted to the Customs Service.

“(B) ELIGIBLE WOOL PRODUCT.—For purposes of subparagraph (A)—

“(i) the eligible wool product for nonimporting manufacturers of worsted wool fabrics is wool yarn of the kind described in heading 9902.51.13 of the Harmonized Tariff Schedule of the United States purchased in calendar year 1999; and

“(ii) the eligible wool products for nonimporting manufacturers of wool yarn or wool fabric are wool fiber or wool top of the kind described in heading 9902.51.14 of such Schedule purchased in calendar year 1999.

“(6) AMOUNT ATTRIBUTABLE TO DUTIES PAID.—For purposes of paragraphs (1), (2)(A), and (3)(A), the amount attributable to the duties paid by a manufacturer shall be the amount shown on the records of the Customs Service as of September 11, 2001, under this section as then in effect.

“(7) SCHEDULE OF PAYMENTS; REALLOCATIONS.—

“(A) SCHEDULE.—Of the payments described in paragraphs (1), (2)(A), and (3)(A), the Customs Service shall make the first and second installments on or before the date that is 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, and the third installment on or before April 15, 2003. Of the payments described in paragraphs (2)(C) and (3)(C), the Customs Service shall make the first installment on or before the date that is 45 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act, and the second installment on or before April 15, 2003.

“(B) REALLOCATIONS.—In the event that a manufacturer that would have received payment under subparagraph (A) or (C) of paragraph (1), (2), or (3) ceases to be qualified for such payment as such a manufacturer, the amounts otherwise payable to the remaining manufacturers under such subparagraph shall be increased on a pro rata basis by the amount of the payment such manufacturer would have received.

“(8) REFERENCE.—For purposes of paragraphs (1)(A) and (6), the ‘records of the Customs Service as of September 11, 2001’ are the records of the Wool Duty Unit of the Customs Service on September 11, 2001, as adjusted by the Customs Service to the extent necessary to carry out this section. The amounts so adjusted are not subject to administrative or judicial review.

“(e) AFFIDAVITS BY MANUFACTURERS.—

“(1) AFFIDAVIT REQUIRED.—A manufacturer may not receive a payment under this section for calendar year 2000, 2001, or 2002, as the case may be, unless that manufacturer has submitted to the Customs Service for that calendar year a signed affidavit that attests that, during that calendar year, the affiant was a manufacturer in the United States described in subsection (a), (b), or (c).

“(2) TIMING.—An affidavit under paragraph (1) shall be valid—

“(A) in the case of a manufacturer described in paragraph (1), (2)(A), or (3)(A) of subsection (d) filing a claim for a payment for calendar year 2000 or 2001, or both, only if the affidavit is postmarked no later than 15 days after the date of enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act; and

“(B) in the case of a claim for a payment for calendar year 2002, only if the affidavit is postmarked no later than March 1, 2003.

“(f) OFFSETS.—Notwithstanding any other provision of this section, any amount otherwise payable under subsection (d) to a manufacturer in calendar year 2001 and, where applicable, in calendar years 2002 and 2003, shall be reduced by the amount of any payment received by that manufacturer under this section before the enactment of the Wool Manufacturer Payment Clarification and Technical Corrections Act.

“(g) DEFINITION.—For purposes of this section, the manufacturer is the party that owns—

“(1) imported worsted wool fabric, of the kind described in heading 9902.51.11 or 9902.51.12 of the Harmonized Tariff Schedule of the United States, at the time the fabric is cut and sewn in the United States into men's or boys' suits, suit-type jackets, or trousers;

“(2) imported wool yarn, of the kind described in heading 9902.51.13 of such Schedule, at the time the yarn is processed in the United States into worsted wool fabric; or

“(3) imported wool fiber or wool top, of the kind described in heading 9902.51.14 of such Schedule, at the time the wool fiber or wool top is processed in the United States into wool yarn.”.

(2) FUNDING.—There is authorized to be appropriated and is appropriated, out of amounts in the General Fund of the Treasury not otherwise appropriated, $36,251,000 to carry out the amendments made by paragraph (1).

SEC. 3202. CEILING FANS.

(a) IN GENERAL.—Notwithstanding any other provision of law, ceiling fans classified under subheading 8414.51.00 of the Harmonized Tariff Schedule of the United States imported from Thailand shall enter duty-free and without any quantitative limitations, if duty-free treatment under title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) would have applied to such entry had the competitive need limitation been waived under section 503(d) of such Act.

(b) APPLICABILITY.—The provisions of this section shall apply to ceiling fans described in subsection (a) that are entered, or withdrawn from warehouse for consumption—

(1) on or after the date that is 15 days after the date of enactment of this Act; and

(2) before July 30, 2002.

SEC. 3203. CERTAIN STEAM OR OTHER VAPOR GENERATING BOILERS USED IN NUCLEAR FACILITIES.

(a) IN GENERAL.—Subheading 9902.84.02 of the Harmonized Tariff Schedule of the United States is amended—

(1) by striking “4.9%” and inserting “Free”; and

(2) by striking “12/31/2003” and inserting “12/31/2006”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to goods entered, or withdrawn from warehouse for consumption, on or after January 1, 2002.

(2) RETROACTIVE APPLICATION.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (4), the entry of any article—

(A) that was made on or after January 1, 2002, and

(B) to which duty-free treatment would have applied if the amendment made by this section had been in effect on the date of such entry,

shall be liquidated or reliquidated as if such duty-free treatment applied, and the Secretary of the Treasury shall refund any duty paid with respect to such entry.

(3) ENTRY.—As used in this subsection, the term “entry” includes a withdrawal from warehouse for consumption.

(4) REQUESTS.—Liquidation or reliquidation may be made under paragraph (2) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

SA 3387. Mr. DORGAN (for himself and Mr. CRAIG) proposed an amendment to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC.   . SECRET TRIBUNALS.

(a) FINDINGS.—Congress makes the following findings:

(1) Chapter Eleven of the North American Free Trade Agreement ("NAFTA") allows foreign investors to file claims against signatory countries that directly or indirectly nationalize or expropriate an investment, or take measures "tantamount to nationalization or expropriation" of such an investment.

(2) Foreign investors have filed several claims against the United States, arguing that regulatory activity has been "tantamount to nationalization or expropriation". Most notably, a Canadian chemical company claimed $970,000,000 in damages allegedly resulting from a California State regulation banning the use of a gasoline additive produced by that company.

(3) A claim under Chapter Eleven of the NAFTA is adjudicated by a three-member panel, whose deliberations are largely secret.

(4) While it may be necessary to protect the confidentiality of business sensitive information, the general lack of transparency of these proceedings has been excessive.

(b) PURPOSE.—The purpose of this amendment is to ensure that the proceedings of the NAFTA investor protection tribunals are as transparent as possible, consistent with the need to protect the confidentiality of business sensitive information.

(c) CHAPTER 11 OF NAFTA.—The President shall negotiate with Canada and Mexico an amendment to Chapter Eleven of the NAFTA to ensure the fullest transparency possible with respect to the dispute settlement mechanism in that Chapter, consistent with the need to protect information that is classified or confidential, by—

(1) ensuring that all requests for dispute settlement under Chapter Eleven are promptly made public;

(2) ensuring that with respect to Chapter Eleven—

(A) all proceedings, submissions, findings, and decisions are promptly made public; and

(B) all hearings are open to the public; and

(3) establishing a mechanism under that Chapter for acceptance of amicus curiae submissions from businesses, unions, and nongovernmental organizations.

(d) CERTIFICATION REQUIREMENTS.—Within one year of the enactment of this Act, the U.S. Trade Representative shall certify to Congress that the President has fulfilled the requirements set forth in subsection (c).

NOTICES OF HEARINGS/MEETINGS

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Public Lands and Forests of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, May 9, 2002, at 2:30 p.m. in room 366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of the hearing is to receive testimony on the following bills:

S. 454, to provide permanent funding for the Bureau of Land Management Payment in Lieu of Taxes program and for other purposes;

S. 1139, to direct the Secretary of Agriculture to convey certain land to Lander County, Nevada, and the Secretary of the Interior to convey certain land to Eureka County, Nevada, for continued use as cemeteries.

S. 1325, to ratify an agreement between the Aleut Corporation and the United States of America to exchange land rights received under the Alaska Native Claims Settlement Act for certain land interests on Adak Island, and for other purposes;

S. 1497 and H.R. 2385, to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property, and for other purposes;

S. 1711 and H.R. 1576, to designate the James Peak Wilderness and the James Peak Protection Area in the State of Colorado, and for other purposes; and

S. 1907, to direct the Secretary of the Interior to convey certain land to the city of Haines, Oregon.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, 312 Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact David Brooks (202) 224–9863 or John Watts of the committee staff at (202) 224–5488.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, May 1, 2002, at 9:30 a.m. to conduct an oversight hearing on "The Treasury Department's Report to Congress on International Economic and Exchange Rate Policy."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet Wednesday, May 1, 2002, on the FY 2003 Budget and Programs of NOAA.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 1, 2002 at 10:15 a.m. to hold a hearing titled, The Future of NATO.

Agenda

WITNESSES

Panel 1: The Honorable Marc Grossman, Under Secretary for Political Affairs, Department of State, Washington, DC; and the Honorable Douglas Feith, Under Secretary for Policy, Department of Defense, Washington, DC.

Panel 2: General Wesley K. Clark, USA (ret.), Former Supreme Allied Commander Europe, The Stephens Group, Washington, DC; and Lt. General William E. Odom USA (ret.), Former Director, National Security Agency, Yale University & The Hudson Institute, Washington, DC.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in executive session during the session of the Senate on Wednesday, May 1, 2002, after the first afternoon floor vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. REID. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 1, 2002 at 2:30 p.m. to hold a closed hearing on Intelligence Matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. REID. Mr. President, I ask unanimous consent that the subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, May 1, 2002 at 2:30 p.m. to conduct an oversight hearing on "TANF Reauthorization and Federal Housing Policy."

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001

On April 25, 2002, the Senate amended and passed H.R. 4, as follows:

Resolved, That the bill from the House of Representatives (H.R. 4) entitled "An Act to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Policy Act of 2002".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.

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TITLE I—REGIONAL COORDINATION

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Sec. 102. Federal support for regional coordination.

TITLE II—ELECTRICITY

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Sec. 201. Definitions.
Sec. 202. Electric utility mergers.
Sec. 203. Market-based rates.
Sec. 204. Refund effective date.
Sec. 205. Open access transmission by certain utilities.
Sec. 206. Electric reliability standards.
Sec. 207. Market transparency rules.
Sec. 208. Access to transmission by intermittent generators.
Sec. 209. Enforcement.
Sec. 210. Electric power transmission systems.

Subtitle B—Amendments to the Public Utility Holding Company Act

Sec. 221. Short title.
Sec. 222. Definitions.
Sec. 223. Repeal of the Public Utility Holding Company Act of 1935.
Sec. 224. Federal access to books and records.
Sec. 225. State access to books and records.
Sec. 226. Exemption authority.
Sec. 227. Affiliate transactions.
Sec. 228. Applicability.
Sec. 229. Effect on other regulations.
Sec. 230. Enforcement.
Sec. 231. Savings provisions.
Sec. 232. Implementation.
Sec. 233. Transfer of resources.
Sec. 234. Inter-agency review of competition in the wholesale and retail markets for electric energy.
Sec. 235. GAO study on implementation.
Sec. 236. Effective date.
Sec. 237. Authorization of appropriations.
Sec. 238. Conforming amendments to the Federal Power Act.

Subtitle C—Amendments to the Public Utility Regulatory Policies Act of 1978

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Sec. 242. Adoption of additional standards.
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Sec. 244. Cogeneration and small power production purchase and sale requirements.
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Subtitle D—Consumer Protections

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Sec. 253. Office of Consumer Advocacy.
Sec. 254. Unfair trade practices.
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Sec. 256. Federal Trade Commission enforcement.
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Sec. 262. Assessment of renewable energy resources.
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TITLE III—HYDROELECTRIC RELICENSING

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TITLE IV—INDIAN ENERGY

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Sec. 402. Office of Indian Energy Policy and Programs.
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Sec. 407. Federal Power Marketing Administrations.
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DIVISION A—RELIABLE AND DIVERSE POWER GENERATION AND TRANSMISSION

TITLE I—REGIONAL COORDINATION

SEC. 101. POLICY ON REGIONAL COORDINATION.

(a) STATEMENT OF POLICY.—It is the policy of the Federal Government to encourage States to coordinate, on a regional basis, State energy policies to provide reliable and affordable energy services to the public while minimizing the impact of providing energy services on communities and the environment.

(b) DEFINITION OF ENERGY SERVICES.—For purposes of this section, the term "energy services" means—

(1) the generation or transmission of electric energy,

(2) the transportation, storage, and distribution of crude oil, residual fuel oil, refined petroleum product, or natural gas, or

(3) the reduction in load through increased efficiency, conservation, or load control measures.

SEC. 102. FEDERAL SUPPORT FOR REGIONAL COORDINATION.

(a) TECHNICAL ASSISTANCE.—The Secretary of Energy shall provide technical assistance to States and regional organizations formed by two or more States to assist them in coordinating their energy policies on a regional basis. Such technical assistance may include assistance in—

(1) identifying the areas with the greatest energy resource potential, and assessing future supply availability and demand requirements,

(2) planning, coordinating, and siting additional energy infrastructure, including generating facilities, electric transmission facilities, pipelines, refineries, and distributed generation facilities to maximize the efficiency of energy resources and infrastructure and meet regional needs with the minimum adverse impacts on the environment,

(3) identifying and resolving problems in distribution networks,

(4) developing plans to respond to surge demand or emergency needs, and

(5) developing renewable energy, energy efficiency, conservation, and load control programs.

(b) ANNUAL CONFERENCE ON REGIONAL ENERGY COORDINATION.—

(1) ANNUAL CONFERENCE.—The Secretary of Energy shall convene an annual conference to promote regional coordination on energy policy and infrastructure issues.

(2) PARTICIPATION.—The Secretary of Energy shall invite appropriate representatives of Federal, State, and regional energy organizations, and other interested parties.

(3) STATE AND FEDERAL AGENCY COOPERATION.—The Secretary of Energy shall consult and cooperate with State and regional energy organizations, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of the Treasury, the Chairman of the Federal Energy Regulatory Commission, the Administrator of the Environmental Protection Agency, and the Chairman of the Council on Environmental Quality in the planning and conduct of the conference.

(4) AGENDA.—The Secretary of Energy, in consultation with the officials identified in paragraph (3) and participants identified in paragraph (2), shall establish an agenda for each conference that promotes regional coordination on energy policy and infrastructure issues.

(5) RECOMMENDATIONS.—Not later than 60 days after the conclusion of each annual conference, the Secretary of Energy shall report to the President and the Congress recommendations arising out of the conference that may improve—

(A) regional coordination on energy policy and infrastructure issues, and

(B) Federal support for regional coordination.

TITLE II—ELECTRICITY

Subtitle A—Amendments to the Federal Power Act

SEC. 201. DEFINITIONS.

(a) DEFINITION OF ELECTRIC UTILITY.—Section 3(22) of the Federal Power Act (16 U.S.C. 796(22)) is amended to read as follows:

"(22) 'electric utility' means any person or Federal or State agency (including any municipality) that sells electric energy; such term includes the Tennessee Valley Authority and each Federal power marketing agency.".

(b) DEFINITION OF TRANSMITTING UTILITY.—Section 3(23) of the Federal Power Act (16 U.S.C. 796(23)) is amended to read as follows:

"(23) TRANSMITTING UTILITY.—The term 'transmitting utility' means an entity (including any entity described in section 201(f)) that owns or operates facilities used for the transmission of electric energy in—

"(A) interstate commerce; or

"(B) for the sale of electric energy at wholesale.".

SEC. 202. ELECTRIC UTILITY MERGERS.

Section 203(a) of the Federal Power Act (16 U.S.C. 824b) is amended to read as follows:

"(a)(1) No public utility shall, without first having secured an order of the Commission authorizing it to do so—

"(A) sell, lease, or otherwise dispose of the whole of its facilities subject to the jurisdiction of the Commission, or any part thereof of a value in excess of $10,000,000,

"(B) merge or consolidate, directly or indirectly, such facilities or any part thereof with the facilities of any other person, by any means whatsoever,

"(C) purchase, acquire, or take any security of any other public utility, or

"(D) purchase, lease, or otherwise acquire existing facilities for the generation of electric energy unless such facilities will be used exclusively for the sale of electric energy at retail.

"(2) No holding company in a holding company system that includes a transmitting utility or an electric utility company shall purchase, acquire, or take any security of, or, by any means whatsoever, directly or indirectly, merge or consolidate with a transmitting utility, an electric utility company, a gas utility company, or a holding company in a holding company system that includes a transmitting utility, an electric utility company, or a gas utility company, without first having secured an order of the Commission authorizing it to do so.

"(3) Upon application for such approval the Commission shall give reasonable notice in writing to the Governor and State commission of each of the States in which the physical property affected, or any part thereof, is situated, and to such other persons as it may deem advisable.

"(4) After notice and opportunity for hearing, the Commission shall approve the proposed disposition, consolidation, acquisition, or control, if it finds that the proposed transaction—

"(A) will be consistent with the public interest;

"(B) will not adversely affect the interests of consumers of electric energy of any public utility that is a party to the transaction or is an associate company of any party to the transaction;

"(C) will not impair the ability of the Commission or any State commission having jurisdiction over any public utility that is a party to the transaction or an associate company of any party to the transaction to protect the interests of consumers or the public; and

"(D) will not lead to cross-subsidization of associate companies or encumber any utility assets for the benefit of an associate company.

"(5) The Commission shall, by rule, adopt procedures for the expeditious consideration of applications for the approval of dispositions, consolidations, or acquisitions under this section. Such rules shall identify classes of transactions, or specify criteria for transactions, that normally meet the standards established in paragraph (4), and shall require the Commission to grant or deny an application for approval of a

transaction of such type within 90 days after the conclusion of the hearing or opportunity to comment under paragraph (4). If the Commission does not act within 90 days, such application shall be deemed granted unless the Commission finds that further consideration is required to determine whether the proposed transaction meets the standards of paragraph (4) and issues one or more orders tolling the time for acting on the application for an additional 90 days.

“(6) For purposes of this subsection, the terms ‘associate company’, ‘electric utility company’, ‘gas utility company’, ‘holding company’, and ‘holding company system’ have the meaning given those terms in the Public Utility Holding Company Act of 2002.”.

SEC. 203. MARKET-BASED RATES.

(a) APPROVAL OF MARKET-BASED RATES.—Section 205 of the Federal Power Act (16 U.S.C. 824d) is amended by adding at the end the following:

“(h) The Commission may determine whether a market-based rate for the sale of electric energy subject to the jurisdiction of the Commission is just and reasonable and not unduly discriminatory or preferential. In making such determination, the Commission shall consider such factors as the Commission may deem to be appropriate and in the public interest, including to the extent the Commission considers relevant to the wholesale power market—

“(1) market power;

“(2) the nature of the market and its response mechanisms; and

“(3) reserve margins.”.

(b) REVOCATION OF MARKET-BASED RATES.—Section 206 of the Federal Power Act (16 U.S.C. 824e) is amended by adding at the end the following:

“(f) Whenever the Commission, after a hearing had upon its own motion or upon complaint, finds that a rate charged by a public utility authorized to charge a market-based rate under section 205 is unjust, unreasonable, unduly discriminatory or preferential, the Commission shall determine the just and reasonable rate and fix the same by order.”.

SEC. 204. REFUND EFFECTIVE DATE.

Section 206(b) of the Federal Power Act (16 U.S.C. 824e(b)) is amended by—

(1) striking “the date 60 days after the filing of such complaint nor later than 5 months after the expiration of such 60-day period” in the second sentence and inserting “the date of the filing of such complaint nor later than 5 months after the filing of such complaint”;

(2) striking “60 days after” in the third sentence and inserting “of”; and

(3) striking “expiration of such 60-day period” in the third sentence and inserting “publication date”.

SEC. 205. OPEN ACCESS TRANSMISSION BY CERTAIN UTILITIES.

Part II of the Federal Power Act is further amended by inserting after section 211 the following:

“OPEN ACCESS BY UNREGULATED TRANSMITTING UTILITIES

“SEC. 211A. (a) Subject to section 212(h), the Commission may, by rule or order, require an unregulated transmitting utility to provide transmission services—

“(1) at rates that are comparable to those that the unregulated transmitting utility charges itself, and

“(2) on terms and conditions (not relating to rates) that are comparable to those under Commission rules that require public utilities to offer open access transmission services and that are not unduly discriminatory or preferential.

“(b) The Commission shall exempt from any rule or order under this subsection any unregulated transmitting utility that—

“(1) sells no more than 4,000,000 megawatt hours of electricity per year;

“(2) does not own or operate any transmission facilities that are necessary for operating an interconnected transmission system (or any portion thereof); or

“(3) meets other criteria the Commission determines to be in the public interest.

“(c) The rate changing procedures applicable to public utilities under subsections (c) and (d) of section 205 are applicable to unregulated transmitting utilities for purposes of this section.

“(d) In exercising its authority under paragraph (1), the Commission may remand transmission rates to an unregulated transmitting utility for review and revision where necessary to meet the requirements of subsection (a).

“(e) The provision of transmission services under subsection (a) does not preclude a request for transmission services under section 211.

“(f) The Commission may not require a State or municipality to take action under this section that constitutes a private business use for purposes of section 141 of the Internal Revenue Code of 1986 (26 U.S.C. 141).

“(g) For purposes of this subsection, the term ‘unregulated transmitting utility’ means an entity that—

“(1) owns or operates facilities used for the transmission of electric energy in interstate commerce, and

“(2) is either an entity described in section 201(f) or a rural electric cooperative.”.

SEC. 206. ELECTRIC RELIABILITY STANDARDS.

Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by inserting the following after section 215 as added by this Act:

“SEC. 216. ELECTRIC RELIABILITY.

“(a) DEFINITIONS.—For purposes of this section—

“(1) ‘bulk-power system’ means the network of interconnected transmission facilities and generating facilities;

“(2) ‘electric reliability organization’ means a self-regulating organization certified by the Commission under subsection (c) whose purpose is to promote the reliability of the bulk-power system; and

“(3) ‘reliability standard’ means a requirement to provide for reliable operation of the bulk-power system approved by the Commission under this section.

“(b) JURISIDICTION AND APPLICABILITY.—The Commission shall have jurisdiction, within the United States, over an electric reliability organization, any regional entities, and all users, owners and operators of the bulk-power system, including but not limited to the entities described in section 201(f), for purposes of approving reliability standards and enforcing compliance with this section. All users, owners and operators of the bulk-power system shall comply with reliability standards that take effect under this section.

“(c) CERTIFICATION.—(1) The Commission shall issue a final rule to implement the requirements of this section not later than 180 days after the date of enactment of this section.

“(2) Following the issuance of a Commission rule under paragraph (1), any person may submit an application to the Commission for certification as an electric reliability organization. The Commission may certify an applicant if the Commission determines that the applicant—

“(A) has the ability to develop, and enforce reliability standards that provide for an adequate level of reliability of the bulk-power system;

“(B) has established rules that—

“(i) assure its independence of the users and owners and operators of the bulk-power system; while assuring fair stakeholder representation in the selection of its directors and balanced decisionmaking in any committee or subordinate organizational structure;

“(ii) allocate equitably dues, fees, and other charges among end users for all activities under this section;

“(iii) provide fair and impartial procedures for enforcement of reliability standards through imposition of penalties (including limitations on activities, functions, or operations, or other appropriate sanctions); and

“(iv) provide for reasonable notice and opportunity for public comment, due process, openness, and balance of interests in developing reliability standards and otherwise exercising its duties.

“(3) If the Commission receives two or more timely applications that satisfy the requirements of this subsection, the Commission shall approve only the application it concludes will best implement the provisions of this section.

“(d) RELIABILITY STANDARDS.—(1) An electric reliability organization shall file a proposed reliability standard or modification to a reliability standard with the Commission.

“(2) The Commission may approve a proposed reliability standard or modification to a reliability standard if it determines that the standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest. The Commission shall give due weight to the technical expertise of the electric reliability organization with respect to the content of a proposed standard or modification to a reliability standard, but shall not defer with respect to its effect on competition.

“(3) The electric reliability organization and the Commission shall rebuttably presume that a proposal from a regional entity organized on an interconnection-wide basis for a reliability standard or modification to a reliability standard to be applicable on an interconnection-wide basis is just, reasonable, and not unduly discriminatory or preferential, and in the public interest.

“(4) The Commission shall remand to the electric reliability organization for further consideration a proposed reliability standard or a modification to a reliability standard that the Commission disapproves in whole or in part.

“(5) The Commission, upon its own motion or upon complaint, may order an electric reliability organization to submit to the Commission a proposed reliability standard or a modification to a reliability standard that addresses a specific matter if the Commission considers such a new or modified reliability standard appropriate to carry out this section.

“(e) ENFORCEMENT.—(1) An electric reliability organization may impose a penalty on a user or owner or operator of the bulk-power system if the electric reliability organization, after notice and an opportunity for a hearing—

“(A) finds that the user or owner or operator of the bulk-power system has violated a reliability standard approved by the Commission under subsection (d); and

“(B) files notice with the Commission, which shall affirm, set aside or modify the action.

“(2) On its own motion or upon complaint, the Commission may order compliance with a reliability standard and may impose a penalty against a user or owner or operator of the bulk-power system, if the Commission finds, after notice and opportunity for a hearing, that the user or owner or operator of the bulk-power system has violated or threatens to violate a reliability standard.

“(3) The Commission shall establish regulations authorizing the electric reliability organization to enter into an agreement to delegate authority to a regional entity for the purpose of proposing and enforcing reliability standards (including related activities) if the regional entity satisfies the provisions of subsection (c)(2) (A) and (B) and the agreement promotes effective and efficient administration of bulk-power system reliability, and may modify such delegation.

The electric reliability organization and the Commission shall rebuttably presume that a proposal for delegation to a regional entity organized on an interconnection-wide basis promotes effective and efficient administration of bulk-power system reliability and should be approved. Such regulation may provide that the Commission may assign the electric reliability organization's authority to enforce reliability standards directly to a regional entity consistent with the requirements of this paragraph.

"(4) The Commission may take such action as is necessary or appropriate against the electric reliability organization or a regional entity to ensure compliance with a reliability standard or any Commission order affecting the electric reliability organization or a regional entity.

"(f) CHANGES IN ELECTRICITY RELIABILITY ORGANIZATION RULES.—An electric reliability organization shall file with the Commission for approval any proposed rule or proposed rule change, accompanied by an explanation of its basis and purpose. The Commission, upon its own motion or complaint, may propose a change to the rules of the electric reliability organization. A proposed rule or proposed rule change shall take effect upon a finding by the Commission, after notice and opportunity for comment, that the change is just, reasonable, not unduly discriminatory or preferential, is in the public interest, and satisfies the requirements of subsection (c)(2).

"(g) COORDINATION WITH CANADA AND MEXICO.—(1) The electric reliability organization shall take all appropriate steps to gain recognition in Canada and Mexico.

"(2) The President shall use his best efforts to enter into international agreements with the governments of Canada and Mexico to provide for effective compliance with reliability standards and the effectiveness of the electric reliability organization in the United States and Canada or Mexico.

"(h) RELIABILITY REPORTS.—The electric reliability organization shall conduct periodic assessments of the reliability and adequacy of the interconnected bulk-power system in North America.

"(i) SAVINGS PROVISIONS.—(1) The electric reliability organization shall have authority to develop and enforce compliance with standards for the reliable operation of only the bulk-power system.

"(2) This section does not provide the electric reliability organization or the Commission with the authority to order the construction of additional generation or transmission capacity or to set and enforce compliance with standards for adequacy or safety of electric facilities or services.

"(3) Nothing in this section shall be construed to preempt any authority of any State to take action to ensure the safety, adequacy, and reliability of electric service within that State, as long as such action is not inconsistent with any reliability standard.

"(4) Within 90 days of the application of the electric reliability organization or other affected party, and after notice and opportunity for comment, the Commission shall issue a final order determining whether a State action is inconsistent with a reliability standard, taking into consideration any recommendation of the electric reliability organization.

"(5) The Commission, after consultation with the electric reliability organization, may stay the effectiveness of any State action, pending the Commission's issuance of a final order.

"(j) APPLICATION OF ANTITRUST LAWS.—

"(1) IN GENERAL.—To the extent undertaken to develop, implement, or enforce a reliability standard, each of the following activities shall not, in any action under the antitrust laws, be deemed illegal per se—

"(A) activities undertaken by an electric reliability organization under this section, and

"(B) activities of a user or owner or operator of the bulk-power system undertaken in good faith under the rules of an electric reliability organization.

"(2) RULE OF REASON.—In any action under the antitrust laws, an activity described in paragraph (1) shall be judged on the basis of its reasonableness, taking into account all relevant factors affecting competition and reliability.

"(3) DEFINITION.—For purposes of this subsection, 'antitrust laws' has the meaning given the term in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that it includes section 5 of the Federal Trade Commission Act (15 U. S.C. 45) to the extent that section 5 applies to unfair methods of competition.

"(k) REGIONAL ADVISORY BODIES.—The Commission shall establish a regional advisory body on the petition of at least two-thirds of the States within a region that have more than one-half of their electric load served within the region. A regional advisory body shall be composed of one member from each participating State in the region, appointed by the Governor of each State, and may include representatives of agencies, States, and provinces outside the United States. A regional advisory body may provide advice to the electric reliability organization, a regional reliability entity, or the Commission regarding the governance of an existing or proposed regional reliability entity within the same region, whether a standard proposed to apply within the region is just, reasonable, not unduly discriminatory or preferential, and in the public interest, whether fees proposed to be assessed within the region are just, reasonable, not unduly discriminatory or preferential, and in the public interest and any other responsibilities requested by the Commission. The Commission may give deference to the advice of any such regional advisory body if that body is organized on an interconnection-wide basis.

"(l) APPLICATION TO ALASKA AND HAWAII.—The provisions of this section do not apply to Alaska or Hawaii.".

SEC. 207. MARKET TRANSPARENCY RULES.

Part II of the Federal Power Act is further amended by adding at the end the following:

"SEC. 216. MARKET TRANSPARENCY RULES.

"(a) COMMISSION RULES.—Not later than 180 days after the date of enactment of this section, the Commission shall issue rules establishing an electronic information system to provide information about the availability and price of wholesale electric energy and transmission services to the Commission, State commissions, buyers and sellers of wholesale electric energy, users of transmission services, and the public on a timely basis.

"(b) INFORMATION REQUIRED.—The Commission shall require—

"(1) each regional transmission organization to provide statistical information about the available capacity and capacity constraints of transmission facilities operated by the organization; and

"(2) each broker, exchange, or other market-making entity that matches offers to sell and offers to buy wholesale electric energy in interstate commerce to provide statistical information about the amount and sale price of sales of electric energy at wholesale in interstate commerce it transacts.

"(c) TIMELY BASIS.—The Commission shall require the information required under subsection (b) to be posted on the Internet as soon as practicable and updated as frequently as practicable.

"(d) PROTECTION OF SENSITIVE INFORMATION.—The Commission shall exempt from disclosure commercial or financial information that the Commission, by rule or order, determines to be privileged, confidential, or otherwise sensitive.".

SEC. 208. ACCESS TO TRANSMISSION BY INTERMITTENT GENERATORS.

Part II of the Federal Power Act is further amended by adding at the end the following:

"SEC. 217. ACCESS TO TRANSMISSION BY INTERMITTENT GENERATORS.

"(a) FAIR TREATMENT OF INTERMITTENT GENERATORS.—The Commission shall ensure that all transmitting utilities provide transmission service to intermittent generators in a manner that does not unduly prejudice or disadvantage such generators for characteristics that are—

"(1) inherent to intermittent energy resources; and

"(2) are beyond the control of such generators.

"(b) POLICIES.—The Commission shall ensure that the requirement in subsection (a) is met by adopting such policies as it deems appropriate which shall include the following:

"(1) Subject to the sole exception set forth in paragraph (2), the Commission shall ensure that the rates transmitting utilities charge intermittent generator customers for transmission services do not unduly prejudice or disadvantage intermittent generator customers for scheduling deviations.

"(2) The Commission may exempt a transmitting utility from the requirement set forth in paragraph (1) if the transmitting utility demonstrates that scheduling deviations by its intermittent generator customers are likely to have an adverse impact on the reliability of the transmitting utility's system.

"(3) The Commission shall ensure that to the extent any transmission charges recovering the transmitting utility's embedded costs are assessed to such intermittent generators, they are assessed to such generators on the basis of kilowatt-hours generated or some other method to ensure that they are fully recovered by the transmitting utility.

"(4) The Commission shall require transmitting utilities to offer to intermittent generators, and may require transmitting utilities to offer to all transmission customers, access to nonfirm transmission service.

"(c) DEFINITIONS.—As used in this section:

"(1) The term 'intermittent generator' means a facility that generates electricity using wind or solar energy and no other energy source.

"(2) The term 'nonfirm transmission service' means transmission service provided on an 'as available' basis.

"(3) The term 'scheduling deviation' means delivery of more or less energy than has previously been forecast in a schedule submitted by an intermittent generator to a control area operator or transmitting utility.".

SEC. 209. ENFORCEMENT.

(a) COMPLAINTS.—Section 306 of the Federal Power Act (16 U.S.C. 825e) is amended by—

(1) inserting "electric utility," after "Any person,"; and

(2) inserting "transmitting utility," after "licensee" each place it appears.

(b) INVESTIGATIONS.—Section 307(a) of the Federal Power Act (16 U.S.C. 825f(a)) is amended by inserting "or transmitting utility" after "any person" in the first sentence.

(c) REVIEW OF COMMISSION ORDERS.—Section 313(a) of the Federal Power Act (16 U.S.C. 825l) is amended by inserting "electric utility," after "Any person," in the first sentence.

(d) CRIMINAL PENALTIES.—Section 316(c) of the Federal Power Act (16 U.S.C. 825o(c)) is repealed.

(e) CIVIL PENALTIES.—Section 316A of the Federal Power Act (16 U.S.C. 825o–1) is amended by striking "section 211, 212, 213, or 214" each place it appears and inserting "Part II".

SEC. 210. ELECTRIC POWER TRANSMISSION SYSTEMS.

The Federal Government should be attentive to electric power transmission issues, including issues that can be addressed through policies that facilitate investment in, the enhancement of, and the efficiency of electric power transmission systems.

Subtitle B—Amendments to the Public Utility Holding Company Act

SEC. 221. SHORT TITLE.

This subtitle may be cited as the "Public Utility Holding Company Act of 2002".

SEC. 222. DEFINITIONS.

For purposes of this subtitle:

(1) The term "affiliate" of a company means any company, 5 percent or more of the outstanding voting securities of which are owned, controlled, or held with power to vote, directly or indirectly, by such company.

(2) The term "associate company" of a company means any company in the same holding company system with such company.

(3) The term "Commission" means the Federal Energy Regulatory Commission.

(4) The term "company" means a corporation, partnership, association, joint stock company, business trust, or any organized group of persons, whether incorporated or not, or a receiver, trustee, or other liquidating agent of any of the foregoing.

(5) The term "electric utility company" means any company that owns or operates facilities used for the generation, transmission, or distribution of electric energy for sale.

(6) The terms "exempt wholesale generator" and "foreign utility company" have the same meanings as in sections 32 and 33, respectively, of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z–5a, 79z–5b), as those sections existed on the day before the effective date of this subtitle.

(7) The term "gas utility company" means any company that owns or operates facilities used for distribution at retail (other than the distribution only in enclosed portable containers or distribution to tenants or employees of the company operating such facilities for their own use and not for resale) of natural or manufactured gas for heat, light, or power.

(8) The term "holding company" means—

(A) any company that directly or indirectly owns, controls, or holds, with power to vote, 10 percent or more of the outstanding voting securities of a public utility company or of a holding company of any public utility company; and

(B) any person, determined by the Commission, after notice and opportunity for hearing, to exercise directly or indirectly (either alone or pursuant to an arrangement or understanding with one or more persons) such a controlling influence over the management or policies of any public utility company or holding company as to make it necessary or appropriate for the rate protection of utility customers with respect to rates that such person be subject to the obligations, duties, and liabilities imposed by this subtitle upon holding companies.

(9) The term "holding company system" means a holding company, together with its subsidiary companies.

(10) The term "jurisdictional rates" means rates established by the Commission for the transmission of electric energy in interstate commerce, the sale of electric energy at wholesale in interstate commerce, the transportation of natural gas in interstate commerce, and the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use.

(11) The term "natural gas company" means a person engaged in the transportation of natural gas in interstate commerce or the sale of such gas in interstate commerce for resale.

(12) The term "person" means an individual or company.

(13) The term "public utility" means any person who owns or operates facilities used for transmission of electric energy in interstate commerce or sales of electric energy at wholesale in interstate commerce.

(14) The term "public utility company" means an electric utility company or a gas utility company.

(15) The term "State commission" means any commission, board, agency, or officer, by whatever name designated, of a State, municipality, or other political subdivision of a State that, under the laws of such State, has jurisdiction to regulate public utility companies.

(16) The term "subsidiary company" of a holding company means—

(A) any company, 10 percent or more of the outstanding voting securities of which are directly or indirectly owned, controlled, or held with power to vote, by such holding company; and

(B) any person, the management or policies of which the Commission, after notice and opportunity for hearing, determines to be subject to a controlling influence, directly or indirectly, by such holding company (either alone or pursuant to an arrangement or understanding with one or more other persons) so as to make it necessary for the rate protection of utility customers with respect to rates that such person be subject to the obligations, duties, and liabilities imposed by this subtitle upon subsidiary companies of holding companies.

(17) The term "voting security" means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a company.

SEC. 223. REPEAL OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935.

The Public Utility Holding Company Act of 1935 (15 U.S.C. 79 et seq.) is repealed.

SEC. 224. FEDERAL ACCESS TO BOOKS AND RECORDS.

(a) In General.—Each holding company and each associate company thereof shall maintain, and shall make available to the Commission, such books, accounts, memoranda, and other records as the Commission deems to be relevant to costs incurred by a public utility or natural gas company that is an associate company of such holding company and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

(b) Affiliate Companies.—Each affiliate of a holding company or of any subsidiary company of a holding company shall maintain, and shall make available to the Commission, such books, accounts, memoranda, and other records with respect to any transaction with another affiliate, as the Commission deems to be relevant to costs incurred by a public utility or natural gas company that is an associate company of such holding company and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

(c) Holding Company Systems.—The Commission may examine the books, accounts, memoranda, and other records of any company in a holding company system, or any affiliate thereof, as the Commission deems to be relevant to costs incurred by a public utility or natural gas company within such holding company system and necessary or appropriate for the protection of utility customers with respect to jurisdictional rates.

(d) Confidentiality.—No member, officer, or employee of the Commission shall divulge any fact or information that may come to his or her knowledge during the course of examination of books, accounts, memoranda, or other records as provided in this section, except as may be directed by the Commission or by a court of competent jurisdiction.

SEC. 225. STATE ACCESS TO BOOKS AND RECORDS.

(a) In General.—Upon the written request of a State commission having jurisdiction to regulate a public utility company in a holding company system, the holding company or any associate company or affiliate thereof, other than such public utility company, wherever located, shall produce for inspection books, accounts, memoranda, and other records that—

(1) have been identified in reasonable detail by the State commission;

(2) the State commission deems are relevant to costs incurred by such public utility company; and

(3) are necessary for the effective discharge of the responsibilities of the State commission with respect to such proceeding.

(b) Limitation.—Subsection (a) does not apply to any person that is a holding company solely by reason of ownership of one or more qualifying facilities under the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.).

(c) Confidentiality of Information.—The production of books, accounts, memoranda, and other records under subsection (a) shall be subject to such terms and conditions as may be necessary and appropriate to safeguard against unwarranted disclosure to the public of any trade secrets or sensitive commercial information.

(d) Effect on State Law.—Nothing in this section shall preempt applicable State law concerning the provision of books, accounts, memoranda, and other records, or in any way limit the rights of any State to obtain books, accounts, memoranda, and other records under any other Federal law, contract, or otherwise.

(e) Court Jurisdiction.—Any United States district court located in the State in which the State commission referred to in subsection (a) is located shall have jurisdiction to enforce compliance with this section.

SEC. 226. EXEMPTION AUTHORITY.

(a) Rulemaking.—Not later than 90 days after the effective date of this subtitle, the Commission shall promulgate a final rule to exempt from the requirements of section 224 any person that is a holding company, solely with respect to one or more—

(1) qualifying facilities under the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2601 et seq.);

(2) exempt wholesale generators; or

(3) foreign utility companies.

(b) Other Authority.—The Commission shall exempt a person or transaction from the requirements of section 224, if, upon application or upon the motion of the Commission—

(1) the Commission finds that the books, accounts, memoranda, and other records of any person are not relevant to the jurisdictional rates of a public utility or natural gas company; or

(2) the Commission finds that any class of transactions is not relevant to the jurisdictional rates of a public utility or natural gas company.

SEC. 227. AFFILIATE TRANSACTIONS.

(a) Commission Authority Unaffected.—Nothing in this subtitle shall limit the authority of the Commission under the Federal Power Act (16 U.S.C. 791a et seq.) to require that jurisdictional rates are just and reasonable, including the ability to deny or approve the pass through of costs, the prevention of cross-subsidization, and the promulgation of such rules and regulations as are necessary or appropriate for the protection of utility consumers.

(b) Recovery of Costs.—Nothing in this subtitle shall preclude the Commission or a State commission from exercising its jurisdiction under otherwise applicable law to determine whether a public utility company, public utility, or natural gas company may recover in rates any costs of

an activity performed by an associate company, or any costs of goods or services acquired by such public utility company from an associate company.

SEC. 228. APPLICABILITY.

Except as otherwise specifically provided in this subtitle, no provision of this subtitle shall apply to, or be deemed to include—

(1) the United States;

(2) a State or any political subdivision of a State;

(3) any foreign governmental authority not operating in the United States;

(4) any agency, authority, or instrumentality of any entity referred to in paragraph (1), (2), or (3); or

(5) any officer, agent, or employee of any entity referred to in paragraph (1), (2), or (3) acting as such in the course of his or her official duty.

SEC. 229. EFFECT ON OTHER REGULATIONS.

Nothing in this subtitle precludes the Commission or a State commission from exercising its jurisdiction under otherwise applicable law to protect utility customers.

SEC. 230. ENFORCEMENT.

The Commission shall have the same powers as set forth in sections 306 through 317 of the Federal Power Act (16 U.S.C. 825e–825p) to enforce the provisions of this subtitle.

SEC. 231. SAVINGS PROVISIONS.

(a) In General.—Nothing in this subtitle prohibits a person from engaging in or continuing to engage in activities or transactions in which it is legally engaged or authorized to engage on the effective date of this subtitle.

(b) Effect on Other Commission Authority.—Nothing in this subtitle limits the authority of the Commission under the Federal Power Act (16 U.S.C. 791a et seq.) (including section 301 of that Act) or the Natural Gas Act (15 U.S.C. 717 et seq.) (including section 8 of that Act).

SEC. 232. IMPLEMENTATION.

Not later than 18 months after the date of enactment of this subtitle, the Commission shall—

(1) promulgate such regulations as may be necessary or appropriate to implement this subtitle (other than section 225); and

(2) submit to the Congress detailed recommendations on technical and conforming amendments to Federal law necessary to carry out this subtitle and the amendments made by this subtitle.

SEC. 233. TRANSFER OF RESOURCES.

All books and records that relate primarily to the functions transferred to the Commission under this subtitle shall be transferred from the Securities and Exchange Commission to the Commission.

SEC. 234. INTER-AGENCY REVIEW OF COMPETITION IN THE WHOLESALE AND RETAIL MARKETS FOR ELECTRIC ENERGY.

(a) Task Force.—There is established an inter-agency task force, to be known as the "Electric Energy Market Competition Task Force" (referred to in this section as the "task force"), which shall consist of—

(1) one member each from—

(A) the Department of Justice, to be appointed by the Attorney General of the United States;

(B) the Federal Energy Regulatory Commission, to be appointed by the chairman of that Commission; and

(C) the Federal Trade Commission, to be appointed by the chairman of that Commission; and

(2) two advisory members (who shall not vote), of whom—

(A) one shall be appointed by the Secretary of Agriculture to represent the Rural Utility Service; and

(B) one shall be appointed by the Chairman of the Securities and Exchange Commission to represent that Commission.

(b) Study and Report.—

(1) Study.—The task force shall perform a study and analysis of the protection and promotion of competition within the wholesale and retail market for electric energy in the United States.

(2) Report.—

(A) Final report.—Not later than 1 year after the effective date of this subtitle, the task force shall submit a final report of its findings under paragraph (1) to the Congress.

(B) Public comment.—At least 60 days before submission of a final report to the Congress under subparagraph (A), the task force shall publish a draft report in the Federal Register to provide for public comment.

(c) Focus.—The study required by this section shall examine—

(1) the best means of protecting competition within the wholesale and retail electric market;

(2) activities within the wholesale and retail electric market that may allow unfair and unjustified discriminatory and deceptive practices;

(3) activities within the wholesale and retail electric market, including mergers and acquisitions, that deny market access or suppress competition;

(4) cross-subsidization that may occur between regulated and nonregulated activities; and

(5) the role of State public utility commissions in regulating competition in the wholesale and retail electric market.

(d) Consultation.—In performing the study required by this section, the task force shall consult with and solicit comments from its advisory members, the States, representatives of the electric power industry, and the public.

SEC. 235. GAO STUDY ON IMPLEMENTATION.

(a) Study.—The Comptroller General shall conduct a study of the success of the Federal Government and the States during the 18-month period following the effective date of this subtitle in—

(1) the prevention of anticompetitive practices and other abuses by public utility holding companies, including cross-subsidization and other market power abuses; and

(2) the promotion of competition and efficient energy markets to the benefit of consumers.

(b) Report to Congress.—Not earlier than 18 months after the effective date of this subtitle or later than 24 months after that effective date, the Comptroller General shall submit a report to the Congress on the results of the study conducted under subsection (a), including probable causes of its findings and recommendations to the Congress and the States for any necessary legislative changes.

SEC. 236. EFFECTIVE DATE.

This subtitle shall take effect 18 months after the date of enactment of this subtitle.

SEC. 237. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such funds as may be necessary to carry out this subtitle.

SEC. 238. CONFORMING AMENDMENTS TO THE FEDERAL POWER ACT.

(a) Conflict of Jurisdiction.—Section 318 of the Federal Power Act (16 U.S.C. 825q) is repealed.

(b) Definitions.—(1) Section 201(g) of the Federal Power Act (16 U.S.C. 824(g)) is amended by striking "1935" and inserting "2002".

(2) Section 214 of the Federal Power Act (16 U.S.C. 824m) is amended by striking "1935" and inserting "2002".

Subtitle C—Amendments to the Public Utility Regulatory Policies Act of 1978

SEC. 241. REAL-TIME PRICING AND TIME-OF-USE METERING STANDARDS.

(a) Adoption of Standards.—Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(d)) is amended by adding at the end the following:

"(11) Real-time pricing.—(A) Each electric utility shall, at the request of an electric consumer, provide electric service under a real-time rate schedule, under which the rate charged by the electric utility varies by the hour (or smaller time interval) according to changes in the electric utility's wholesale power cost. The real-time pricing service shall enable the electric consumer to manage energy use and cost through real-time metering and communications technology.

"(B) For purposes of implementing this paragraph, any reference contained in this section to the date of enactment of the Public Utility Regulatory Policies Act of 1978 shall be deemed to be a reference to the date of enactment of this paragraph.

"(C) Notwithstanding subsections (b) and (c) of section 112, each State regulatory authority shall consider and make a determination concerning whether it is appropriate to implement the standard set out in subparagraph (A) not later than 1 year after the date of enactment of this paragraph.

"(12) Time-of-use metering.—(A) Each electric utility shall, at the request of an electric consumer, provide electric service under a time-of-use rate schedule which enables the electric consumer to manage energy use and cost through time-of-use metering and technology.

"(B) For purposes of implementing this paragraph, any reference contained in this section to the date of enactment of the Public Utility Regulatory Policies Act of 1978 shall be deemed to be a reference to the date of enactment of this paragraph.

"(C) Notwithstanding subsections (b) and (c) of section 112, each State regulatory authority shall consider and make a determination concerning whether it is appropriate to implement the standards set out in subparagraph (A) not later than 1 year after the date of enactment of this paragraph.".

(b) Special Rules.—Section 115 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2625) is amended by adding at the end the following:

"(i) Real-Time Pricing.—In a State that permits third-party marketers to sell electric energy to retail electric consumers, the electric consumer shall be entitled to receive the same real-time metering and communication service as a direct retail electric consumer of the electric utility.

"(j) Time-of-Use Metering.—In a State that permits third-party marketers to sell electric energy to retail electric consumers, the electric consumer shall be entitled to receive the same time-of-use metering and communication service as a direct retail electric consumer of the electric utility.".

SEC. 242. ADOPTION OF ADDITIONAL STANDARDS.

(a) Adoption of Standards.—Section 113(b) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2623(b)) is amended by adding at the end the following:

"(6) Distributed generation.—Each electric utility shall provide distributed generation, combined heat and power, and district heating and cooling systems competitive access to the local distribution grid and competitive pricing of service, and shall use simplified standard contracts for the interconnection of generating facilities that have a power production capacity of 250 kilowatts or less.

"(7) Distribution interconnections.—No electric utility may refuse to interconnect a generating facility with the distribution facilities of the electric utility if the owner or operator of the generating facility complies with technical standards adopted by the State regulatory authority and agrees to pay the costs established by such State regulatory authority.

"(8) Minimum fuel and technology diversity standard.—Each electric utility shall develop a plan to minimize dependence on one fuel

source and to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies.

"(9) Fossil fuel efficiency.—Each electric utility shall develop and implement a ten-year plan to increase the efficiency of its fossil fuel generation and shall monitor and report to its State regulatory authority excessive greenhouse gas emissions resulting from the inefficient operation of its fossil fuel generating plants.".

(b) Time for Adopting Standards.—Section 113 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2623) is further amended by adding at the end the following:

"(d) Special Rule.—For purposes of implementing paragraphs (6), (7), (8), and (9) of subsection (b), any reference contained in this section to the date of enactment of the Public Utility Regulatory Policies Act of 1978 shall be deemed to be a reference to the date of enactment of this subsection.".

SEC. 243. TECHNICAL ASSISTANCE.

Section 132(c) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2642(c)) is amended to read as follows:

"(c) Technical Assistance for Certain Responsibilities.—The Secretary may provide such technical assistance as he determines appropriate to assist State regulatory authorities and electric utilities in carrying out their responsibilities under section 111(d)(11) and paragraphs (6), (7), (8), and (9) of section 113(b).".

SEC. 244. COGENERATION AND SMALL POWER PRODUCTION PURCHASE AND SALE REQUIREMENTS.

(a) Termination of Mandatory Purchase and Sale Requirements.—Section 210 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 824a–3) is amended by adding at the end the following:

"(m) Termination of Mandatory Purchase and Sale Requirements.—

"(1) Obligation to purchase.— After the date of enactment of this subsection, no electric utility shall be required to enter into a new contract or obligation to purchase electric energy from a qualifying cogeneration facility or a qualifying small power production facility under this section if the Commission finds that the qualifying cogeneration facility or qualifying small power production facility has access to independently administered, auction-based day ahead and real time wholesale markets for the sale of electric energy.

"(2) Obligation to sell.—After the date of enactment of this subsection, no electric utility shall be required to enter into a new contract or obligation to sell electric energy to a qualifying cogeneration facility or a qualifying small power production facility under this section if competing retail electric suppliers are able to provide electric energy to the qualifying cogeneration facility or qualifying small power production facility.

"(3) No effect on existing rights and remedies.—Nothing in this subsection affects the rights or remedies of any party under any contract or obligation, in effect on the date of enactment of this subsection, to purchase electric energy or capacity from or to sell electric energy or capacity to a facility under this Act (including the right to recover costs of purchasing electric energy or capacity).

"(4) Recovery of costs.—

"(A) Regulation.—To ensure recovery by an electric utility that purchases electric energy or capacity from a qualifying facility pursuant to any legally enforceable obligation entered into or imposed under this section before the date of enactment of this subsection, of all prudently incurred costs associated with the purchases, the Commission shall issue and enforce such regulations as may be required to ensure that the electric utility shall collect the prudently incurred costs associated with such purchases.

"(B) Enforcement.—A regulation under subparagraph (A) shall be enforceable in accordance with the provisions of law applicable to enforcement of regulations under the Federal Power Act (16 U.S.C. 791a et seq.).".

(b) Elimination of Ownership Limitations.—

(1) Section 3(17)(C) of the Federal Power Act (16 U.S.C. 796(17)(C)) is amended to read as follows:

"(C) 'qualifying small power production facility' means a small power production facility that the Commission determines, by rule, meets such requirements (including requirements respecting minimum size, fuel use, and fuel efficiency) as the Commission may, by rule, prescribe.".

(2) Section 3(18)(B) of the Federal Power Act (16 U.S.C. 796(18)(B)) is amended to read as follows:

"(B) 'qualifying cogeneration facility' means a cogeneration facility that the Commission determines, by rule, meets such requirements (including requirements respecting minimum size, fuel use, and fuel efficiency) as the Commission may, by rule, prescribe.".

SEC. 245. NET METERING.

(a) Adoption of Standard.—Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(d)) is further amended by adding at the end the following:

"(13) Net metering.—(A) Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves.

"(B) For purposes of implementing this paragraph, any reference contained in this section to the date of enactment of the Public Utility Regulatory Policies Act of 1978 shall be deemed to be a reference to the date of enactment of this paragraph.

"(C) Notwithstanding subsections (b) and (c) of section 112, each State regulatory authority shall consider and make a determination concerning whether it is appropriate to implement the standard set out in subparagraph (A) not later than 1 year after the date of enactment of this paragraph.".

(b) Special Rules for Net Metering.—Section 115 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2625) is further amended by adding at the end the following:

"(k) Net Metering.—

"(1) Rates and charges.—An electric utility—

"(A) shall charge the owner or operator of an on-site generating facility rates and charges that are identical to those that would be charged other electric consumers of the electric utility in the same rate class; and

"(B) shall not charge the owner or operator of an on-site generating facility any additional standby, capacity, interconnection, or other rate or charge.

"(2) Measurement.—An electric utility that sells electric energy to the owner or operator of an on-site generating facility shall measure the quantity of electric energy produced by the on-site facility and the quantity of electric energy consumed by the owner or operator of an on-site generating facility during a billing period in accordance with normal metering practices.

"(3) Electric energy supplied exceeding electric energy generated.—If the quantity of electric energy sold by the electric utility to an on-site generating facility exceeds the quantity of electric energy supplied by the on-site generating facility to the electric utility during the billing period, the electric utility may bill the owner or operator for the net quantity of electric energy sold, in accordance with normal metering practices.

"(4) Electric energy generated exceeding electric energy supplied.—If the quantity of electric energy supplied by the on-site generating facility to the electric utility exceeds the quantity of electric energy sold by the electric utility to the on-site generating facility during the billing period—

"(A) the electric utility may bill the owner or operator of the on-site generating facility for the appropriate charges for the billing period in accordance with paragraph (2); and

"(B) the owner or operator of the on-site generating facility shall be credited for the excess kilowatt-hours generated during the billing period, with the kilowatt-hour credit appearing on the bill for the following billing period.

"(5) Safety and performance standards.—An eligible on-site generating facility and net metering system used by an electric consumer shall meet all applicable safety, performance, reliability, and interconnection standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

"(6) Additional control and testing requirements.—The Commission, after consultation with State regulatory authorities and nonregulated electric utilities and after notice and opportunity for comment, may adopt, by rule, additional control and testing requirements for on-site generating facilities and net metering systems that the Commission determines are necessary to protect public safety and system reliability.

"(7) Definitions.—For purposes of this subsection:

"(A) The term 'eligible on-site generating facility' means—

"(i) a facility on the site of a residential electric consumer with a maximum generating capacity of 10 kilowatts or less that is fueled by solar energy, wind energy, or fuel cells; or

"(ii) a facility on the site of a commercial electric consumer with a maximum generating capacity of 500 kilowatts or less that is fueled solely by a renewable energy resource, landfill gas, or a high efficiency system.

"(B) The term 'renewable energy resource' means solar, wind, biomass, or geothermal energy.

"(C) The term 'high efficiency system' means fuel cells or combined heat and power.

"(D) The term 'net metering service' means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.".

Subtitle D—Consumer Protections

SEC. 251. INFORMATION DISCLOSURE.

(a) Offers and Solicitations.—The Federal Trade Commission shall issue rules requiring each electric utility that makes an offer to sell electric energy, or solicits electric consumers to purchase electric energy to provide the electric consumer a statement containing the following information—

(1) the nature of the service being offered, including information about interruptibility of service;

(2) the price of the electric energy, including a description of any variable charges;

(3) a description of all other charges associated with the service being offered, including access charges, exit charges, back-up service charges, stranded cost recovery charges, and customer service charges; and

(4) information the Federal Trade Commission determines is technologically and economically feasible to provide, is of assistance to electric consumers in making purchasing decisions, and concerns—

(A) the product or its price;

(B) the share of electric energy that is generated by each fuel type; and

(C) the environmental emissions produced in generating the electric energy.

(b) Periodic Billings.—The Federal Trade Commission shall issue rules requiring any electric utility that sells electric energy to transmit to each of its electric consumers, in addition to the information transmitted pursuant to section 115(f) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2625(f)), a clear and concise statement containing the information described in subsection (a)(4) for each billing period (unless such information is not reasonably ascertainable by the electric utility).

SEC. 252. CONSUMER PRIVACY.

(a) Prohibition.—The Federal Trade Commission shall issue rules prohibiting any electric utility that obtains consumer information in connection with the sale or delivery of electric energy to an electric consumer from using, disclosing, or permitting access to such information unless the electric consumer to whom such information relates provides prior written approval.

(b) Permitted Use.—The rules issued under this section shall not prohibit any electric utility from using, disclosing, or permitting access to consumer information referred to in subsection (a) for any of the following purposes—

(1) to facilitate an electric consumer's change in selection of an electric utility under procedures approved by the State or State regulatory authority;

(2) to initiate, render, bill, or collect for the sale or delivery of electric energy to electric consumers or for related services;

(3) to protect the rights or property of the person obtaining such information;

(4) to protect retail electric consumers from fraud, abuse, and unlawful subscription in the sale or delivery of electric energy to such consumers;

(5) for law enforcement purposes; or

(6) for purposes of compliance with any Federal, State, or local law or regulation authorizing disclosure of information to a Federal, State, or local agency.

(c) Aggregate Consumer Information.—The rules issued under this subsection may permit a person to use, disclose, and permit access to aggregate consumer information and may require an electric utility to make such information available to other electric utilities upon request and payment of a reasonable fee.

(d) Definitions.—As used in this section:

(1) The term "aggregate consumer information" means collective data that relates to a group or category of retail electric consumers, from which individual consumer identities and characteristics have been removed.

(2) The term "consumer information" means information that relates to the quantity, technical configuration, type, destination, or amount of use of electric energy delivered to any retail electric consumer.

SEC. 253. OFFICE OF CONSUMER ADVOCACY.

(a) Definitions.—In this section:

(1) Commission.—The term "Commission" means the Federal Energy Regulatory Commission.

(2) Energy customer.—The term "energy customer" means a residential customer or a small commercial customer that receives products or services from a public utility or natural gas company under the jurisdiction of the Commission.

(3) Natural gas company.—The term "natural gas company" has the meaning given the term in section 2 of the Natural Gas Act (15 U.S.C. 717a), as modified by section 601(a) of the Natural Gas Policy Act of 1978 (15 U.S.C. 3431(a)).

(4) Office.—The term "Office" means the Office of Consumer Advocacy established by subsection (b)(1).

(5) Public utility.—The term "public utility" has the meaning given the term in section 201(e) of the Federal Power Act (16 U.S.C. 824(e)).

(6) Small commercial customer.—The term "small commercial customer" means a commercial customer that has a peak demand of not more than 1,000 kilowatts per hour.

(b) Office.—

(1) Establishment.—There is established within the Department of Justice the Office of Consumer Advocacy.

(2) Director.—The Office shall be headed by a Director to be appointed by the President, by and with the advice and consent of the Senate.

(3) Duties.—The Office may represent the interests of energy customers on matters concerning rates or service of public utilities and natural gas companies under the jurisdiction of the Commission—

(A) at hearings of the Commission;

(B) in judicial proceedings in the courts of the United States;

(C) at hearings or proceedings of other Federal regulatory agencies and commissions.

SEC. 254. UNFAIR TRADE PRACTICES.

(a) Slamming.—The Federal Trade Commission shall issue rules prohibiting the change of selection of an electric utility except with the informed consent of the electric consumer.

(b) Cramming.—The Federal Trade Commission shall issue rules prohibiting the sale of goods and services to an electric consumer unless expressly authorized by law or the electric consumer.

SEC. 255. APPLICABLE PROCEDURES.

The Federal Trade Commission shall proceed in accordance with section 553 of title 5, United States Code, when prescribing a rule required by this subtitle.

SEC. 256. FEDERAL TRADE COMMISSION ENFORCEMENT.

Violation of a rule issued under this subtitle shall be treated as a violation of a rule under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) respecting unfair or deceptive acts or practices. All functions and powers of the Federal Trade Commission under such Act are available to the Federal Trade Commission to enforce compliance with this subtitle notwithstanding any jurisdictional limits in such Act.

SEC. 257. STATE AUTHORITY.

Nothing in this subtitle shall be construed to preclude a State or State regulatory authority from prescribing and enforcing laws, rules, or procedures regarding the practices which are the subject of this section.

SEC. 258. APPLICATION OF SUBTITLE.

The provisions of this subtitle apply to each electric utility if the total sales of electric energy by such utility for purposes other than resale exceed 500 million kilowatt-hours per calendar year. The provisions of this subtitle do not apply to the operations of an electric utility to the extent that such operations relate to sales of electric energy for purposes of resale.

SEC. 259. DEFINITIONS.

As used in this subtitle:

(1) The term "aggregate consumer information" means collective data that relates to a group or category of electric consumers, from which individual consumer identities and identifying characteristics have been removed.

(2) The term "consumer information" means information that relates to the quantity, technical configuration, type, destination, or amount of use of electric energy delivered to an electric consumer.

(3) The terms "electric consumer", "electric utility", and "State regulatory authority" have the meanings given such terms in section 3 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602).

Subtitle E—Renewable Energy and Rural Construction Grants

SEC. 261. RENEWABLE ENERGY PRODUCTION INCENTIVE.

(a) Incentive Payments.—Section 1212(a) of the Energy Policy Act of 1992 (42 U.S.C. 13317(a)) is amended by striking "and which satisfies" and all that follows through "Secretary shall establish." and inserting the following: ". The Secretary shall establish other procedures necessary for efficient administration of the program. The Secretary shall not establish any criteria or procedures that have the effect of assigning to proposals a higher or lower priority for eligibility or allocation of appropriated funds on the basis of the energy source proposed.".

(b) Qualified Renewable Energy Facility.—Section 1212(b) of the Energy Policy Act of 1992 (42 U.S.C. 13317(b)) is amended—

(1) by striking "a State or any political" and all that follows through "nonprofit electrical cooperative" and inserting the following: "a nonprofit electrical cooperative, a public utility described in section 115 of such Code, a State, Commonwealth, territory, or possession of the United States or the District of Columbia, or a political subdivision thereof, or an Indian tribal government or subdivision thereof,"; and

(2) by inserting "landfill gas, incremental hydropower, ocean" after "wind, biomass,".

(c) Eligibility Window.—Section 1212(c) of the Energy Policy Act of 1992 (42 U.S.C. 13317(c)) is amended by striking "during the 10-fiscal year period beginning with the first full fiscal year occurring after the enactment of this section" and inserting "before October 1, 2013".

(d) Payment Period.—Section 1212(d) of the Energy Policy Act of 1992 (42 U.S.C. 13317(d)) is amended by inserting "or in which the Secretary finds that all necessary Federal and State authorizations have been obtained to begin construction of the facility" after "eligible for such payments".

(e) Amount of Payment.—Section 1212(e)(1) of the Energy Policy Act of 1992 (42 U.S.C. 13317(e)(1)) is amended by inserting "landfill gas, incremental hydropower, ocean" after "wind, biomass,".

(f) Sunset.—Section 1212(f) of the Energy Policy Act of 1992 (42 U.S.C. 13317(f)) is amended by striking "the expiration of" and all that follows through "of this section" and inserting "September 30, 2023".

(g) Incremental Hydropower; Authorization of Appropriations.—Section 1212 of the Energy Policy Act of 1992 (42 U.S.C. 13317) is further amended by striking subsection (g) and inserting the following:

"(g) Incremental Hydropower.—

"(1) Programs.—Subject to subsection (h)(2), if an incremental hydropower program meets the requirements of this section, as determined by the Secretary, the incremental hydropower program shall be eligible to receive incentive payments under this section.

"(2) Definition of incremental hydropower.—In this subsection, the term 'incremental hydropower' means additional generating capacity achieved from increased efficiency or additions of new capacity at a hydroelectric facility in existence on the date of enactment of this paragraph.

"(h) Authorization of Appropriations.—

"(1) In general.—Subject to paragraph (2), there are authorized to be appropriated such sums as may be necessary to carry out this section for fiscal years 2003 through 2023.

"(2) Limitation on funds used for incremental hydropower programs.—Not more than 30 percent of the amounts made available under paragraph (1) shall be used to carry out programs described in subsection (g)(2).

"(3) Availability of funds.—Funds made available under paragraph (1) shall remain available until expended.".

SEC. 262. ASSESSMENT OF RENEWABLE ENERGY RESOURCES.

(a) RESOURCE ASSESSMENT.—Not later than 3 months after the date of enactment of this title, and each year thereafter, the Secretary of Energy shall review the available assessments of renewable energy resources available within the United States, including solar, wind, biomass, ocean, geothermal, and hydroelectric energy resources, and undertake new assessments as necessary, taking into account changes in market conditions, available technologies and other relevant factors.

(b) CONTENTS OF REPORTS.—Not later than 1 year after the date of enactment of this title, and each year thereafter, the Secretary shall publish a report based on the assessment under subsection (a). The report shall contain—

(1) a detailed inventory describing the available amount and characteristics of the renewable energy resources, and

(2) such other information as the Secretary of Energy believes would be useful in developing such renewable energy resources, including descriptions of surrounding terrain, population and load centers, nearby energy infrastructure, location of energy and water resources, and available estimates of the costs needed to develop each resource, together with an identification of any barriers to providing adequate transmission for remote sources of renewable energy resources to current and emerging markets, recommendations for removing or addressing such barriers, and ways to provide access to the grid that do not unfairly disadvantage renewable or other energy producers.

SEC. 263. FEDERAL PURCHASE REQUIREMENT.

(a) REQUIREMENT.—The President shall seek to ensure that, to the extent economically feasible and technically practicable, of the total amount of electric energy the Federal Government consumes during any fiscal year—

(1) not less than 3 percent in fiscal years 2003 through 2004,

(2) not less than 5 percent in fiscal years 2005 through 2009, and

(3) not less than 7.5 percent in fiscal year 2010 and each fiscal year thereafter,

shall be renewable energy. The President shall encourage the use of innovative purchasing practices by Federal agencies.

(b) DEFINITION.—For purposes of this section, the term ''renewable energy'' means electric energy generated from solar, wind, biomass, geothermal, fuel cells, municipal solid waste, or additional hydroelectric generation capacity achieved from increased efficiency or additions of new capacity.

(c) TRIBAL POWER GENERATION.—The President shall seek to ensure that, to the extent economically feasible and technically practicable, not less than one-tenth of the amount specified in subsection (a) shall be renewable energy that is generated by an Indian tribe or by a corporation, partnership, or business association which is wholly or majority owned, directly or indirectly, by an Indian tribe. For purposes of this subsection, the term ''Indian tribe'' means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(d) BIENNIAL REPORT.—In 2004 and every 2 years thereafter, the Secretary of Energy shall report to the Committee on Energy and Natural Resources of the Senate and the appropriate committees of the House of Representatives on the progress of the Federal Government in meeting the goals established by this section.

SEC. 264. RENEWABLE PORTFOLIO STANDARD.

Title VI of the Public Utility Regulatory Policies Act of 1978 is amended by adding at the end the following:

''SEC. 606. FEDERAL RENEWABLE PORTFOLIO STANDARD.

''(a) MINIMUM RENEWABLE GENERATION REQUIREMENT.—For each calendar year beginning in calendar year 2005, each retail electric supplier shall submit to the Secretary, not later than April 1 of the following calendar year, renewable energy credits in an amount equal to the required annual percentage specified in subsection (b).

''(b) REQUIRED ANNUAL PERCENTAGE.—(1) For calendar years 2005 through 2020, the required annual percentage of the retail electric supplier's base amount that shall be generated from renewable energy resources shall be the percentage specified in the following table:

''Calendar Years	*Required annual percentage*
2005 through 2006	*1.0*
2007 through 2008	*2.2*
2009 through 2010	*3.4*
2011 through 2012	*4.6*
2013 through 2014	*5.8*
2015 through 2016	*7.0*
2017 through 2018	*8.5*
2019 through 2020	*10.0.*

''(2) Not later than January 1, 2015, the Secretary may, by rule, establish required annual percentages in amounts not less than 10.0 for calendar years 2020 through 2030.

''(c) SUBMISSION OF CREDITS.—(1) A retail electric supplier may satisfy the requirements of subsection (a) through the submission of renewable energy credits—

''(A) issued to the retail electric supplier under subsection (d);

''(B) obtained by purchase or exchange under subsection (e); or

''(C) borrowed under subsection (f).

''(2) A credit may be counted toward compliance with subsection (a) only once.

''(d) ISSUANCE OF CREDITS.—(1) The Secretary shall establish, not later than 1 year after the date of enactment of this section, a program to issue, monitor the sale or exchange of, and track renewable energy credits.

''(2) Under the program, an entity that generates electric energy through the use of a renewable energy resource may apply to the Secretary for the issuance of renewable energy credits. The application shall indicate—

''(A) the type of renewable energy resource used to produce the electricity,

''(B) the location where the electric energy was produced, and

''(C) any other information the Secretary determines appropriate.

''(3)(A) Except as provided in paragraphs (B), (C), and (D), the Secretary shall issue to an entity one renewable energy credit for each kilowatt-hour of electric energy the entity generates from the date of enactment of this section and in each subsequent calendar year through the use of a renewable energy resource at an eligible facility.

''(B) For incremental hydropower the credits shall be calculated based on the expected increase in average annual generation resulting from the efficiency improvements or capacity additions. The number of credits shall be calculated using the same water flow information used to determine a historic average annual generation baseline for the hydroelectric facility and certified by the Secretary or the Federal Energy Regulatory Commission. The calculation of the credits for incremental hydropower shall not be based on any operational changes at the hydroelectric facility not directly associated with the efficiency improvements or capacity additions.

''(C) The Secretary shall issue two renewable energy credits for each kilowatt-hour of electric energy generated and supplied to the grid in that calendar year through the use of a renewable energy resource at an eligible facility located on Indian land. For purposes of this paragraph, renewable energy generated by biomass cofired with other fuels is eligible for two credits only if the biomass was grown on the land eligible under this paragraph.

''(D) For renewable energy resources produced from a generation offset, the Secretary shall issue two renewable energy credits for each kilowatt-hour generated.

''(E) To be eligible for a renewable energy credit, the unit of electric energy generated through the use of a renewable energy resource may be sold or may be used by the generator. If both a renewable energy resource and a nonrenewable energy resource are used to generate the electric energy, the Secretary shall issue credits based on the proportion of the renewable energy resource used. The Secretary shall identify renewable energy credits by type and date of generation.

''(5) When a generator sells electric energy generated through the use of a renewable energy resource to a retail electric supplier under a contract subject to section 210 of this Act, the retail electric supplier is treated as the generator of the electric energy for the purposes of this section for the duration of the contract.

''(6) The Secretary may issue credits for existing facility offsets to be applied against a retail electric supplier's own required annual percentage. The credits are not tradeable and may only be used in the calendar year generation actually occurs.

''(e) CREDIT TRADING.—A renewable energy credit may be sold or exchanged by the entity to whom issued or by any other entity who acquires the credit. A renewable energy credit for any year that is not used to satisfy the minimum renewable generation requirement of subsection (a) for that year may be carried forward for use within the next 4 years.

''(f) CREDIT BORROWING.—At any time before the end of calendar year 2005, a retail electric supplier that has reason to believe it will not have sufficient renewable energy credits to comply with subsection (a) may—

''(1) submit a plan to the Secretary demonstrating that the retail electric supplier will earn sufficient credits within the next 3 calendar years which, when taken into account, will enable the retail electric supplier's to meet the requirements of subsection (a) for calendar year 2005 and the subsequent calendar years involved; and

''(2) upon the approval of the plan by the Secretary, apply credits that the plan demonstrates will be earned within the next 3 calendar years to meet the requirements of subsection (a) for each calendar year involved.

''(g) CREDIT COST CAP.—The Secretary shall offer renewable energy credits for sale at the lesser of 3 cents per kilowatt-hour or 200 percent of the average market value of credits for the applicable compliance period. On January 1 of each year following calendar year 2005, the Secretary shall adjust for inflation the price charged per credit for such calendar year, based on the Gross Domestic Product Implicit Price Deflator.

''(h) ENFORCEMENT.—The Secretary may bring an action in the appropriate United States district court to impose a civil penalty on a retail electric supplier that does not comply with subsection (a), unless the retail electric supplier was unable to comply with subsection (a) for reasons outside of the supplier's reasonable control (including weather-related damage, mechanical failure, lack of transmission capacity or availability, strikes, lockouts, actions of a

governmental authority). A retail electric supplier who does not submit the required number of renewable energy credits under subsection (a) shall be subject to a civil penalty of not more than the greater of 3 cents or 200 percent of the average market value of credits for the compliance period for each renewable energy credit not submitted.

"(i) Information Collection.—The Secretary may collect the information necessary to verify and audit—

"(1) the annual electric energy generation and renewable energy generation of any entity applying for renewable energy credits under this section,

"(2) the validity of renewable energy credits submitted by a retail electric supplier to the Secretary, and

"(3) the quantity of electricity sales of all retail electric suppliers.

"(j) Environmental Savings Clause.—Incremental hydropower shall be subject to all applicable environmental laws and licensing and regulatory requirements.

"(k) State Savings Clause.—This section does not preclude a State from requiring additional renewable energy generation in that State, or from specifying technology mix.

"(l) Definitions.—For purposes of this section:

"(1) Biomass.—The term 'biomass' means any organic material that is available on a renewable or recurring basis, including dedicated energy crops, trees grown for energy production, wood waste and wood residues, plants (including aquatic plants, grasses, and agricultural crops), residues, fibers, animal wastes and other organic waste materials, and fats and oils, except that with respect to material removed from National Forest System lands the term includes only organic material from—

"(A) thinnings from trees that are less than 12 inches in diameter;

"(B) slash;

"(C) brush; and

"(D) mill residues.

"(2) Eligible facility.—The term 'eligible facility' means—

"(A) a facility for the generation of electric energy from a renewable energy resource that is placed in service on or after the date of enactment of this section; or

"(B) a repowering or cofiring increment that is placed in service on or after the date of enactment of this section at a facility for the generation of electric energy from a renewable energy resource that was placed in service before that date.

"(3) Eligible renewable energy resource.—The term 'renewable energy resource' means solar, wind, ocean, or geothermal energy, biomass (excluding solid waste and paper that is commonly recycled), landfill gas, a generation offset, or incremental hydropower.

"(4) Generation offset.—The term 'generation offset' means reduced electricity usage metered at a site where a customer consumes energy from a renewable energy technology.

"(5) Existing facility offset.—The term 'existing facility offset' means renewable energy generated from an existing facility, not classified as an eligible facility, that is owned or under contract to a retail electric supplier on the date of enactment of this section.

"(6) Incremental hydropower.—The term 'incremental hydropower' means additional generation that is achieved from increased efficiency or additions of capacity after the date of enactment of this section at a hydroelectric dam that was placed in service before that date.

"(7) Indian land.—The term 'Indian land' means—

"(A) any land within the limits of any Indian reservation, pueblo, or rancheria,

"(B) any land not within the limits of any Indian reservation, pueblo, or rancheria title to which was on the date of enactment of this paragraph either held by the United States for the benefit of any Indian tribe or individual or held by any Indian tribe or individual subject to restriction by the United States against alienation,

"(C) any dependent Indian community, and

"(D) any land conveyed to any Alaska Native corporation under the Alaska Native Claims Settlement Act.

"(8) Indian tribe.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(9) Renewable energy.—The term 'renewable energy' means electric energy generated by a renewable energy resource.

"(10) Renewable energy resource.—The term 'renewable energy resource' means solar, wind, ocean, or geothermal energy, biomass (including municipal solid waste), landfill gas, a generation offset, or incremental hydropower.

"(11) Repowering or cofiring increment.—The term 'repowering or cofiring increment' means the additional generation from a modification that is placed in service on or after the date of enactment of this section to expand electricity production at a facility used to generate electric energy from a renewable energy resource or to cofire biomass that was placed in service before the date of enactment of this section, or the additional generation above the average generation in the 3 years preceding the date of enactment of this section, to expand electricity production at a facility used to generate electric energy from a renewable energy resource or to cofire biomass that was placed in service before the date of enactment of this section.

"(12) Retail electric supplier.—The term 'retail electric supplier' means a person that sells electric energy to electric consumers and sold not less than 1,000,000 megawatt-hours of electric energy to electric consumers for purposes other than resale during the preceding calendar year; except that such term does not include the United States, a State or any political subdivision of a State, or any agency, authority, or instrumentality of any one or more of the foregoing, or a rural electric cooperative.

"(13) Retail electric supplier's base amount.—The term 'retail electric supplier's base amount' means the total amount of electric energy sold by the retail electric supplier to electric customers during the most recent calendar year for which information is available, excluding electric energy generated by—

"(A) an eligible renewable energy resource;

"(B) municipal solid waste; or

"(C) a hydroelectric facility.

"(m) Sunset.—This section expires December 31, 2030.".

SEC. 265. RENEWABLE ENERGY ON FEDERAL LAND.

(a) Cost-Share Demonstration Program.—Within 12 months after the date of enactment of this section, the Secretaries of the Interior, Agriculture, and Energy shall develop guidelines for a cost-share demonstration program for the development of wind and solar energy facilities on Federal land.

(b) Definition of Federal Land.—As used in this section, the term "Federal land" means land owned by the United States that is subject to the operation of the mineral leasing laws; and is either—

(1) public land as defined in section 103(e) of the Federal Land Policy and Management Act of 1976 (42 U.S.C. 1702(e)); or

(2) a unit of the National Forest System as that term is used in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).

(c) Rights-of-Way.—The demonstration program shall provide for the issuance of rights-of-way pursuant to the provisions of title V of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761 et seq.) by the Secretary of the Interior with respect to Federal land under the jurisdiction of the Department of the Interior, and by the Secretary of Agriculture with respect to Federal lands under the jurisdiction of the Department of Agriculture.

(d) Available Sites.—For purposes of this demonstration program, the issuance of rights-of-way shall be limited to areas—

(1) of high energy potential for wind or solar development;

(2) that have been identified by the wind or solar energy industry, through a process of nomination, application, or otherwise, as being of particular interest to one or both industries;

(3) that are not located within roadless areas;

(4) where operation of wind or solar facilities would be compatible with the scenic, recreational, environmental, cultural, or historic values of the Federal land, and would not require the construction of new roads for the siting of lines or other transmission facilities; and

(5) where issuance of the right-of-way is consistent with the land and resource management plans of the relevant land management agencies.

(e) Cost-Share Payments by DOE.—The Secretary of Energy, in cooperation with the Secretary of the Interior with respect to Federal land under the jurisdiction of the Department of the Interior, and the Secretary of Agriculture with respect to Federal land under the jurisdiction of the Department of Agriculture, shall determine if the portion of a project on Federal land is eligible for financial assistance pursuant to this section. Only those projects that are consistent with the requirements of this section and further the purposes of this section shall be eligible. In the event a project is selected for financial assistance, the Secretary of Energy shall provide no more than 15 percent of the costs of the project on the Federal land, and the remainder of the costs shall be paid by non-Federal sources.

(f) Revision of Land Use Plans.—The Secretary of the Interior shall consider development of wind and solar energy, as appropriate, in revisions of land use plans under section 202 of the Federal Land Policy and Management Act of 1976 (42 U.S.C. 1712); and the Secretary of Agriculture shall consider development of wind and solar energy, as appropriate, in revisions of land and resource management plans under section 5 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604). Nothing in this subsection shall preclude the issuance of a right-of-way for the development of a wind or solar energy project prior to the revision of a land use plan by the appropriate land management agency.

(g) Report to Congress.—Within 24 months after the date of enactment of this section, the Secretary of the Interior shall develop and report to Congress recommendations on any statutory or regulatory changes the Secretary believes would assist in the development of renewable energy on Federal land. The report shall include—

(1) a five-year plan developed by the Secretary of the Interior, in cooperation with the Secretary of Agriculture, for encouraging the development of wind and solar energy on Federal land in an environmentally sound manner; and

(2) an analysis of—

(A) whether the use of rights-of-ways is the best means of authorizing use of Federal land

for the development of wind and solar energy, or whether such resources could be better developed through a leasing system, or other method;

(B) the desirability of grants, loans, tax credits or other provisions to promote wind and solar energy development on Federal land; and

(C) any problems, including environmental concerns, which the Secretary of the Interior or the Secretary of Agriculture have encountered in managing wind or solar energy projects on Federal land, or believe are likely to arise in relation to the development of wind or solar energy on Federal land;

(3) a list, developed in consultation with the Secretaries of Energy and Defense, of lands under the jurisdiction of the Departments of Energy and Defense that would be suitable for development for wind or solar energy, and recommended statutory and regulatory mechanisms for such development.

(h) NATIONAL ACADEMY OF SCIENCES STUDY.—Within 90 days after the enactment of this Act, the Secretary of the Interior shall contract with the National Academy of Sciences to study the potential for the development of wind, solar, and ocean energy on the Outer Continental Shelf; assess existing Federal authorities for the development of such resources; and recommend statutory and regulatory mechanisms for such development. The results of the study shall be transmitted to Congress within 24 months after the enactment of this Act.

Subtitle F—General Provisions

SEC. 271. CHANGE 3 CENTS TO 1.5 CENTS.

Not withstanding any other provision in this Act, "3 cents" shall be considered by law to be "1.5 cents" in any place "3 cents" appears in title II of this Act.

SEC. 272. BONNEVILLE POWER ADMINISTRATION BONDS.

Section 13 of the Federal Columbia River Transmission System Act (16 U.S.C. 838k) is amended—

(1) by striking the section heading and all that follows through "(a) The Administrator" and inserting the following:

"SEC. 13. BONNEVILLE POWER ADMINISTRATION BONDS.

"(a) BONDS.—

"(1) IN GENERAL.—The Administrator"; and

(2) by adding at the end the following:

"(2) ADDITIONAL BORROWING AUTHORITY.—In addition to the borrowing authority of the Administrator authorized under paragraph (1) or any other provision of law, an additional $1,300,000,000 is made available, to remain outstanding at any one time—

"(A) to provide funds to assist in financing the construction, acquisition, and replacement of the transmission system of the Bonneville Power Administration; and

"(B) to implement the authorities of the Administrator under the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839 et seq.).".

TITLE III—HYDROELECTRIC RELICENSING

SEC. 301. ALTERNATIVE CONDITIONS AND FISHWAYS.

(a) ALTERNATIVE MANDATORY CONDITIONS.—Section 4 of the Federal Power Act (16 U.S.C. 797) is amended by adding at the end the following:

"(h)(1) Whenever any person applies for a license for any project works within any reservation of the United States under subsection (e), and the Secretary of the department under whose supervision such reservation falls (in this subsection referred to as the 'Secretary') shall deem a condition to such license to be necessary under the first proviso of such section, the license applicant may propose an alternative condition.

"(2) Notwithstanding the first proviso of subsection (e), the Secretary of the department under whose supervision the reservation falls shall accept the proposed alternative condition referred to in paragraph (1), and the Commission shall include in the license such alternative condition, if the Secretary of the appropriate department determines, based on substantial evidence provided by the license applicant, that the alternative condition—

"(A) provides for the adequate protection and utilization of the reservation; and

"(B) will either—

"(i) cost less to implement, or

"(ii) result in improved operation of the project works for electricity production as compared to the condition initially deemed necessary by the Secretary.

"(3) The Secretary shall submit into the public record of the Commission proceeding with any condition under subsection (e) or alternative condition it accepts under this subsection a written statement explaining the basis for such condition, and reason for not accepting any alternative condition under this subsection, including the effects of the condition accepted and alternatives not accepted on energy supply, distribution, cost, and use, air quality, flood control, navigation, and drinking, irrigation, and recreation water supply, based on such information as may be available to the Secretary, including information voluntarily provided in a timely manner by the applicant and others.

"(4) Nothing in this subsection shall prohibit other interested parties from proposing alternative conditions.".

(b) ALTERNATIVE FISHWAYS.—Section 18 of the Federal Power Act (16 U.S.C. 811) is amended by—

(1) inserting "(a)" before the first sentence; and

(2) adding at the end the following:

"(b)(1) Whenever the Secretary of the Interior or the Secretary of Commerce prescribes a fishway under this section, the license applicant or the licensee may propose an alternative to such prescription to construct, maintain, or operate a fishway.

"(2) Notwithstanding subsection (a), the Secretary of the Interior or the Secretary of Commerce, as appropriate, shall accept and prescribe, and the Commission shall require, the proposed alternative referred to in paragraph (1), if the Secretary of the appropriate department determines, based on substantial evidence provided by the licensee, that the alternative—

"(A) will be no less protective of the fish resources than the fishway initially prescribed by the Secretary; and

"(B) will either—

"(i) cost less to implement, or

"(ii) result in improved operation of the project works for electricity production as compared to the fishway initially prescribed by the Secretary.

"(3) The Secretary shall submit into the public record of the Commission proceeding with any prescription under subsection (a) or alternative prescription it accepts under this subsection a written statement explaining the basis for such prescription, and reason for not accepting any alternative prescription under this subsection, including the effects of the prescription accepted or alternative not accepted on energy supply, distribution, cost, and use, air quality, flood control, navigation, and drinking, irrigation, and recreation water supply, based on such information as may be available to the Secretary, including information voluntarily provided in a timely manner by the applicant and others.

"(4) Nothing in this subsection shall prohibit other interested parties from proposing alternative prescriptions.".

(c) TIME OF FILING APPLICATION.—Section 15(c)(1) of the Federal Power Act (16 U.S.C. 808(c)(1)) is amended by striking the first sentence and inserting the following:

"(1) Each application for a new license pursuant to this section shall be filed with the Commission—

"(A) at least 24 months before the expiration of the term of the existing license in the case of licenses that expire prior to 2008; and

"(B) at least 36 months before the expiration of the term of the existing license in the case of licenses that expire in 2008 or any year thereafter.".

TITLE IV—INDIAN ENERGY

SEC. 401. COMPREHENSIVE INDIAN ENERGY PROGRAM.

Title XXVI of the Energy Policy Act of 1992 (25 U.S.C. 3501-3506) is amended by adding after section 2606 the following:

"SEC. 2607. COMPREHENSIVE INDIAN ENERGY PROGRAM.

"(a) DEFINITIONS.—For purposes of this section—

"(1) the term 'Director' means the Director of the Office of Indian Energy Policy and Programs established by section 217 of the Department of Energy Organization Act, and

"(2) the term 'Indian land' means—

"(A) any land within the limits of an Indian reservation, pueblo, or rancheria;

"(B) any land not within the limits of an Indian reservation, pueblo, or rancheria whose title is held—

"(i) in trust by the United States for the benefit of an Indian tribe,

"(ii) by an Indian tribe subject to restriction by the United States against alienation, or

"(iii) by a dependent Indian community; and

"(C) land conveyed to an Alaska Native Corporation under the Alaska Native Claims Settlement Act.

"(b) INDIAN ENERGY EDUCATION PLANNING AND MANAGEMENT ASSISTANCE.—(1) The Director shall establish programs within the Office of Indian Energy Policy and Programs to assist Indian tribes in meeting their energy education, research and development, planning, and management needs.

"(2) The Director may make grants, on a competitive basis, to an Indian tribe for—

"(A) renewable energy, energy efficiency, and conservation programs;

"(B) studies and other activities supporting tribal acquisition of energy supplies, services, and facilities;

"(C) planning, constructing, developing, operating, maintaining, and improving tribal electrical generation, transmission, and distribution facilities; and

"(D) developing, constructing, and interconnecting electric power transmission facilities with transmission facilities owned and operated by a Federal power marketing agency or an electric utility that provides open access transmission service.

"(3) The Director may develop, in consultation with Indian tribes, a formula for making grants under this section. The formula may take into account the following—

"(A) the total number of acres of Indian land owned by an Indian tribe;

"(B) the total number of households on the Indian tribe's Indian land;

"(C) the total number of households on the Indian tribe's Indian land that have no electricity service or are under-served; and

"(D) financial or other assets available to the Indian tribe from any source.

"(4) In making a grant under paragraph (2), the Director shall give priority to an application received from an Indian tribe that is not served or is served inadequately by an electric utility, as that term is defined in section 3(4) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2602(4)), or by a person, State agency, or any other non-Federal entity that owns or operates a local distribution facility used for the sale of electric energy to an electric consumer.

"(5) There are authorized to be appropriated to the Department of Energy such sums as may be necessary to carry out the purposes of this section.

"(6) The Secretary is authorized to promulgate such regulations as the Secretary determines to be necessary to carry out the provisions of this subsection.

"(c) LOAN GUARANTEE PROGRAM.—

"(1) AUTHORITY.—The Secretary may guarantee not more than 90 percent of the unpaid principal and interest due on any loan made to any Indian tribe for energy development, including the planning, development, construction, and maintenance of electrical generation plants, and for transmission and delivery mechanisms for electricity produced on Indian land. A loan guaranteed under this subsection shall be made by—

"(A) a financial institution subject to the examination of the Secretary; or

"(B) an Indian tribe, from funds of the Indian tribe, to another Indian tribe.

"(2) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated to cover the cost of loan guarantees shall be available without fiscal year limitation to the Secretary to fulfill obligations arising under this subsection.

"(3) AUTHORIZATION OF APPROPRIATIONS.—(A) There are authorized to be appropriated to the Secretary such sums as may be necessary to cover the cost of loan guarantees, as defined by section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)).

"(B) There are authorized to be appropriated to the Secretary such sums as may be necessary to cover the administrative expenses related to carrying out the loan guarantee program established by this subsection.

"(4) LIMITATION ON AMOUNT.—The aggregate outstanding amount guaranteed by the Secretary of Energy at any one time under this subsection shall not exceed $2,000,000,000.

"(5) REGULATIONS.—The Secretary is authorized to promulgate such regulations as the Secretary determines to be necessary to carry out the provisions of this subsection.

"(d) INDIAN ENERGY PREFERENCE.—(1) An agency or department of the United States Government may give, in the purchase of electricity, oil, gas, coal, or other energy product or by-product, preference in such purchase to an energy and resource production enterprise, partnership, corporation, or other type of business organization majority or wholly owned and controlled by a tribal government.

"(2) In implementing this subsection, an agency or department shall pay no more than the prevailing market price for the energy product or by-product and shall obtain no less than existing market terms and conditions.

"(e) EFFECT ON OTHER LAWS.—This section does not—

"(1) limit the discretion vested in an Administrator of a Federal power marketing agency to market and allocate Federal power, or

"(2) alter Federal laws under which a Federal power marketing agency markets, allocates, or purchases power.".

SEC. 402. OFFICE OF INDIAN ENERGY POLICY AND PROGRAMS.

Title II of the Department of Energy Organization Act is amended by adding at the end the following:

"OFFICE OF INDIAN ENERGY POLICY AND PROGRAMS

"SEC. 217. (a) There is established within the Department an Office of Indian Energy Policy and Programs. This Office shall be headed by a Director, who shall be appointed by the Secretary and compensated at the rate equal to that of level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) The Director shall provide, direct, foster, coordinate, and implement energy planning, education, management, conservation, and delivery programs of the Department that—

"(1) promote tribal energy efficiency and utilization;

"(2) modernize and develop, for the benefit of Indian tribes, tribal energy and economic infrastructure related to natural resource development and electrification;

"(3) preserve and promote tribal sovereignty and self determination related to energy matters and energy deregulation;

"(4) lower or stabilize energy costs; and

"(5) electrify tribal members' homes and tribal lands.

"(c) The Director shall carry out the duties assigned the Secretary or the Director under title XXVI of the Energy Policy Act of 1992 (25 U.S.C. 3501 et seq.).".

SEC. 403. CONFORMING AMENDMENTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2603(c) of the Energy Policy Act of 1992 (25 U.S.C. 3503(c)) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.".

(b) TABLE OF CONTENTS.—The table of contents of the Department of Energy Act is amended by inserting after the item relating to section 216 the following new item:

"Sec. 217. Office of Indian Energy Policy and Programs.".

(c) EXECUTIVE SCHEDULE.—Section 5315 of title 5, United States Code, is amended by inserting "Director, Office of Indian Energy Policy and Programs, Department of Energy." after "Inspector General, Department of Energy.".

SEC. 404. SITING ENERGY FACILITIES ON TRIBAL LANDS.

(a) DEFINITIONS.—For purposes of this section:

(1) INDIAN TRIBE.—The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, except that such term does not include any Regional Corporation as defined in section 3(g) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(g)).

(2) INTERESTED PARTY.—The term "interested party" means a person whose interests could be adversely affected by the decision of an Indian tribe to grant a lease or right-of-way pursuant to this section.

(3) PETITION.—The term "petition" means a written request submitted to the Secretary for the review of an action (or inaction) of the Indian tribe that is claimed to be in violation of the approved tribal regulations.

(4) RESERVATION.—The term "reservation" means—

(A) with respect to a reservation in a State other than Oklahoma, all land that has been set aside or that has been acknowledged as having been set aside by the United States for the use of an Indian tribe, the exterior boundaries of which are more particularly defined in a final tribal treaty, agreement, executive order, Federal statute, secretarial order, or judicial determination;

(B) with respect to a reservation in the State of Oklahoma, all land that is—

(i) within the jurisdictional area of an Indian tribe, and

(ii) within the boundaries of the last reservation of such tribe that was established by treaty, executive order, or secretarial order.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(6) TRIBAL LANDS.—The term 'tribal lands' means any tribal trust lands, or other lands owned by an Indian tribe that are within such tribe's reservation.

(b) LEASES INVOLVING GENERATION, TRANSMISSION, DISTRIBUTION OR ENERGY PROCESSING FACILITIES.—An Indian tribe may grant a lease of tribal land for electric generation, transmission, or distribution facilities, or facilities to process or refine renewable or nonrenewable energy resources developed on tribal lands, and such leases shall not require the approval of the Secretary if the lease is executed under tribal regulations approved by the Secretary under this subsection and the term of the lease does not exceed 30 years.

(c) RIGHTS-OF-WAY FOR ELECTRIC GENERATION, TRANSMISSION, DISTRIBUTION OR ENERGY PROCESSING FACILITIES.—An Indian tribe may grant a right-of-way over tribal lands for a pipeline or an electric transmission or distribution line without separate approval by the Secretary, if—

(1) the right-of-way is executed under and complies with tribal regulations approved by the Secretary and the term of the right-of-way does not exceed 30 years; and

(2) the pipeline or electric transmission or distribution line serves—

(A) an electric generation, transmission or distribution facility located on tribal land, or

(B) a facility located on tribal land that processes or refines renewable or nonrenewable energy resources developed on tribal lands.

(d) RENEWALS.—Leases or rights-of-way entered into under this subsection may be renewed at the discretion of the Indian tribe in accordance with the requirements of this section.

(e) TRIBAL REGULATION REQUIREMENTS.—(1) The Secretary shall have the authority to approve or disapprove tribal regulations required under this subsection. The Secretary shall approve such tribal regulations if they are comprehensive in nature, including provisions that address—

(A) securing necessary information from the lessee or right-of-way applicant;

(B) term of the conveyance;

(C) amendments and renewals;

(D) consideration for the lease or right-of-way;

(E) technical or other relevant requirements;

(F) requirements for environmental review as set forth in paragraph (3);

(G) requirements for complying with all applicable environmental laws; and

(H) final approval authority.

(2) No lease or right-of-way shall be valid unless authorized in compliance with the approved tribal regulations.

(3) An Indian tribe, as a condition of securing Secretarial approval as contemplated in paragraph (1), must establish an environmental review process that includes the following—

(A) an identification and evaluation of all significant environmental impacts of the proposed action as compared to a no action alternative;

(B) identification of proposed mitigation;

(C) a process for ensuring that the public is informed of and has an opportunity to comment on the proposed action prior to tribal approval of the lease or right-of-way; and

(D) sufficient administrative support and technical capability to carry out the environmental review process.

(4) The Secretary shall review and approve or disapprove the regulations of the Indian tribe within 180 days of the submission of such regulations to the Secretary. Any disapproval of such regulations by the Secretary shall be accompanied by written documentation that sets forth the basis for the disapproval. The 180-day period may be extended by the Secretary after consultation with the Indian tribe.

(5) If the Indian tribe executes a lease or right-of-way pursuant to tribal regulations required under this subsection, the Indian tribe shall provide the Secretary with—

(A) a copy of the lease or right-of-way document and all amendments and renewals thereto; and

(B) in the case of regulations or a lease or right-of-way that permits payment to be made directly to the Indian tribe, documentation of the payments sufficient to enable the Secretary to discharge the trust responsibility of the United States as appropriate under existing law.

(6) The United States shall not be liable for losses sustained by any party to a lease executed pursuant to tribal regulations under this subsection, including the Indian tribe.

(7)(A) An interested party may, after exhaustion of tribal remedies, submit, in a timely manner, a petition to the Secretary to review the compliance of the Indian tribe with any tribal regulations approved under this subsection. If upon such review, the Secretary determines that the regulations were violated, the Secretary may take such action as may be necessary to remedy the violation, including rescinding or holding the lease or right-of-way in abeyance until the violation is cured. The Secretary may also rescind the approval of the tribal regulations and reassume the responsibility for approval of leases or rights-of-way associated with the facilities addressed in this section.

(B) If the Secretary seeks to remedy a violation described in subparagraph (A), the Secretary shall—

(i) make a written determination with respect to the regulations that have been violated;

(ii) provide the Indian tribe with a written notice of the alleged violation together with such written determination; and

(iii) prior to the exercise of any remedy or the rescission of the approval of the regulations involved and reassumption of the lease or right-of-way approval responsibility, provide the Indian tribe with a hearing and a reasonable opportunity to cure the alleged violation.

(C) The tribe shall retain all rights to appeal as provided by regulations promulgated by the Secretary.

(f) AGREEMENTS.—(1) Agreements between an Indian tribe and a business entity that are directly associated with the development of electric generation, transmission or distribution facilities, or facilities to process or refine renewable or nonrenewable energy resources developed on tribal lands, shall not separately require the approval of the Secretary pursuant to section 18 of title 25, United States Code, so long as the activity that is the subject of the agreement has been the subject of an environmental review process pursuant to subsection (e) of this section.

(2) The United States shall not be liable for any losses or damages sustained by any party, including the Indian tribe, that are associated with an agreement entered into under this subsection.

(g) DISCLAIMER.—Nothing in this section is intended to modify or otherwise affect the applicability of any provision of the Indian Mineral Leasing Act of 1938 (25 U.S.C. 396a–396g); Indian Mineral Development Act of 1982 (25 U.S.C. 2101–2108); Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201–1328); any amendments thereto; or any other laws not specifically addressed in this section.

SEC. 405. INDIAN MINERAL DEVELOPMENT ACT REVIEW.

(a) IN GENERAL.—The Secretary of the Interior shall conduct a review of the activities that have been conducted by the governments of Indian tribes under the authority of the Indian Mineral Development Act of 1982 (25 U.S.C. 2101 et seq.).

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall transmit to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs and the Committee on Energy and Natural Resources of the Senate a report containing—

(1) the results of the review;

(2) recommendations designed to help ensure that Indian tribes have the opportunity to develop their nonrenewable energy resources; and

(3) an analysis of the barriers to the development of energy resources on Indian land, including Federal policies and regulations, and make recommendations regarding the removal of those barriers.

(c) CONSULTATION.—The Secretary shall consult with Indian tribes on a government-to-government basis in developing the report and recommendations as provided in this subsection.

SEC. 406. RENEWABLE ENERGY STUDY.

(a) IN GENERAL.—Not later than 2 years after the date of the enactment of this Act, and once every 2 years thereafter, the Secretary of Energy shall transmit to the Committees on Energy and Commerce and Resources of the House of Representatives and the Committees on Energy and Natural Resources and Indian Affairs of the Senate a report on energy consumption and renewable energy development potential on Indian land. The report shall identify barriers to the development of renewable energy by Indian tribes, including Federal policies and regulations, and make recommendations regarding the removal of such barriers.

(b) CONSULTATION.—The Secretary shall consult with Indian tribes on a government-to-government basis in developing the report and recommendations as provided in this section.

SEC. 407. FEDERAL POWER MARKETING ADMINISTRATIONS.

Title XXVI of the Energy Policy Act of 1992 (25 U.S.C. 3501) (as amended by section 201) is amended by adding at the end the following:

"SEC. 2608. FEDERAL POWER MARKETING ADMINISTRATIONS.

"(a) DEFINITION OF ADMINISTRATOR.—In this section, the term 'Administrator' means—

"(1) the Administrator of the Bonneville Power Administration; or

"(2) the Administrator of the Western Area Power Administration.

"(b) ASSISTANCE FOR TRANSMISSION STUDIES.—(1) Each Administrator may provide technical assistance to Indian tribes seeking to use the high-voltage transmission system for delivery of electric power. The costs of such technical assistance shall be funded—

"(A) by the Administrator using non-reimbursable funds appropriated for this purpose, or

"(B) by the Indian tribe.

"(2) PRIORITY FOR ASSISTANCE FOR TRANSMISSION STUDIES.—In providing discretionary assistance to Indian tribes under paragraph (1), each Administrator shall give priority in funding to Indian tribes that have limited financial capability to conduct such studies.

"(c) POWER ALLOCATION STUDY.—(1) Not later than 2 years after the date of enactment of this Act, the Secretary of Energy shall transmit to the Committees on Energy and Commerce and Resources of the House of Representatives and the Committees on Energy and Natural Resources and Indian Affairs of the Senate a report on Indian tribes' utilization of Federal power allocations of the Western Area Power Administration, or power sold by the Southwestern Power Administration, and the Bonneville Power Administration to or for the benefit of Indian tribes in their service areas. The report shall identify—

"(A) the amount of power allocated to tribes by the Western Area Power Administration, and how the benefit of that power is utilized by the tribes;

"(B) the amount of power sold to tribes by other Power Marketing Administrations; and

"(C) existing barriers that impede tribal access to and utilization of Federal power, and opportunities to remove such barriers and improve the ability of the Power Marketing Administration to facilitate the utilization of Federal power by Indian tribes.

"(2) The Power Marketing Administrations shall consult with Indian tribes on a government-to-government basis in developing the report provided in this section.

"(d) AUTHORIZATION FOR APPROPRIATION.—There are authorized to be appropriated to the Secretary of Energy such sums as may be necessary to carry out the purposes of this section.".

SEC. 408. FEASIBILITY STUDY OF COMBINED WIND AND HYDROPOWER DEMONSTRATION PROJECT.

(a) STUDY.—The Secretary of Energy, in coordination with the Secretary of the Army and the Secretary of the Interior, shall conduct a study of the cost and feasibility of developing a demonstration project that would use wind energy generated by Indian tribes and hydropower generated by the Army Corps of Engineers on the Missouri River to supply firming power to the Western Area Power Administration.

(b) SCOPE OF STUDY.—The study shall—

(1) determine the feasibility of the blending of wind energy and hydropower generated from the Missouri River dams operated by the Army Corps of Engineers;

(2) review historical purchase requirements and projected purchase requirements for firming and the patterns of availability and use of firming energy;

(3) assess the wind energy resource potential on tribal lands and projected cost savings through a blend of wind and hydropower over a thirty-year period;

(4) include a preliminary interconnection study and a determination of resource adequacy of the Upper Great Plains Region of the Western Area Power Administration;

(5) determine seasonal capacity needs and associated transmission upgrades for integration of tribal wind generation; and

(6) include an independent tribal engineer as a study team member.

(c) REPORT.—The Secretary of Energy and Secretary of the Army shall submit a report to Congress not later than 1 year after the date of enactment of this title. The Secretaries shall include in the report—

(1) an analysis of the potential energy cost savings to the customers of the Western Area Power Administration through the blend of wind and hydropower;

(2) an evaluation of whether a combined wind and hydropower system can reduce reservoir fluctuation, enhance efficient and reliable energy production and provide Missouri River management flexibility;

(3) recommendations for a demonstration project which the Western Area Power Administration could carry out in partnership with an Indian tribal government or tribal government energy consortium to demonstrate the feasibility and potential of using wind energy produced on Indian lands to supply firming energy to the Western Area Power Administration or other Federal power marketing agency; and

(4) an identification of the economic and environmental benefits to be realized through such a Federal-tribal partnership and identification of how such a partnership could contribute to the energy security of the United States.

(d) CONSULTATION.—The Secretary shall consult with Indian tribes on a government-to-government basis in developing the report and recommendations provided in this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $500,000 to carry out this section, which shall remain available until expended. All costs incurred by the Western Area Power Administration associated with performing the tasks required under this section shall be nonreimbursable.

TITLE V—NUCLEAR POWER

Subtitle A—Price-Anderson Act Reauthorization

SEC. 501. SHORT TITLE.

This subtitle may be cited as the "Price-Anderson Amendments Act of 2002".

SEC. 502. EXTENSION OF INDEMNIFICATION AUTHORITY.

(a) Indemnification of Nuclear Regulatory Commission Licensees.—Section 170c. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(c)) is amended—

(1) in the subsection heading, by striking "LICENSES" and inserting "LICENSEES"; and

(2) by striking "August 1, 2002" each place it appears and inserting "August 1, 2012".

(b) Indemnification of Department of Energy Contractors.—Section 170d.(1)(A) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)(1)(A)) is amended by striking ", until August 1, 2002,".

(c) Indemnification of Nonprofit Educational Institutions.—Section 170k. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(k)) is amended by striking "August 1, 2002" each place it appears and inserting "August 1, 2012".

SEC. 503. DEPARTMENT OF ENERGY LIABILITY LIMIT.

(a) Indemnification of Department of Energy Contractors.—Section 170d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) is amended by striking paragraph (2) and inserting the following:

"(2) In agreements of indemnification entered into under paragraph (1), the Secretary—

"(A) may require the contractor to provide and maintain financial protection of such a type and in such amounts as the Secretary shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity; and

"(B) shall indemnify the persons indemnified against such liability above the amount of the financial protection required, in the amount of $10,000,000,000 (subject to adjustment for inflation under subsection t.), in the aggregate, for all persons indemnified in connection with such contract and for each nuclear incident, including such legal costs of the contractor as are approved by the Secretary.".

(b) Contract Amendments.—Section 170d. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)) is further amended by striking paragraph (3) and inserting the following:

"(3) All agreements of indemnification under which the Department of Energy (or its predecessor agencies) may be required to indemnify any person under this section shall be deemed to be amended, on the date of the enactment of the Price-Anderson Amendments Act of 2002, to reflect the amount of indemnity for public liability and any applicable financial protection required of the contractor under this subsection.".

(c) Liability Limit.—Section 170e.(1)(B) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(e)(1)(B)) is amended—

(1) by striking "the maximum amount of financial protection required under subsection b. or"; and

(2) by striking "paragraph (3) of subsection d., whichever amount is more" and inserting "paragraph (2) of subsection d.".

SEC. 504. INCIDENTS OUTSIDE THE UNITED STATES.

(a) Amount of Indemnification.—Section 170d.(5) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)(5)) is amended by striking "$100,000,000" and inserting "$500,000,000".

(b) Liability Limit.—Section 170e.(4) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(e)(4)) is amended by striking "$100,000,000" and inserting "$500,000,000".

SEC. 505. REPORTS.

Section 170p. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(p)) is amended by striking "August 1, 1998" and inserting "August 1, 2008".

SEC. 506. INFLATION ADJUSTMENT.

Section 170t. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(t)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by adding after paragraph (1) the following:

"(2) The Secretary shall adjust the amount of indemnification provided under an agreement of indemnification under subsection d. not less than once during each 5-year period following July 1, 2002, in accordance with the aggregate percentage change in the Consumer Price Index since—

"(A) that date, in the case of the first adjustment under this paragraph; or

"(B) the previous adjustment under this paragraph.".

SEC. 507. CIVIL PENALTIES.

(a) Repeal of Automatic Remission.—Section 234Ab.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2282a(b)(2)) is amended by striking the last sentence.

(b) Limitation for Not-For-Profit Institutions.—Subsection d. of section 234A of the Atomic Energy Act of 1954 (42 U.S.C. 2282a(d)) is amended to read as follows:

"d.(1) Notwithstanding subsection a., in the case of any not-for-profit contractor, subcontractor, or supplier, the total amount of civil penalties assessed under subsection a. may not exceed the total amount of fees paid within any one-year period (as determined by the Secretary) under the contract under which the violation occurs.

"(2) For purposes of this section, the term 'not-for-profit' means that no part of the net earnings of the contractor, subcontractor, or supplier inures, or may lawfully inure, to the benefit of any natural person or for-profit artificial person.".

(c) Effective Date.—The amendments made by this section shall not apply to any violation of the Atomic Energy Act of 1954 occurring under a contract entered into before the date of enactment of this section.

SEC. 508. TREATMENT OF MODULAR REACTORS.

Section 170b. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(b)) is amended by adding at the end the following:

"(5)(A) For purposes of this section only, the Commission shall consider a combination of facilities described in subparagraph (B) to be a single facility having a rated capacity of 100,000 electrical kilowatts or more.

"(B) A combination of facilities referred to in subparagraph (A) is two or more facilities located at a single site, each of which has a rated capacity of 100,000 electrical kilowatts or more but not more than 300,000 electrical kilowatts, with a combined rated capacity of not more than 1,300,000 electrical kilowatts.".

SEC. 509. EFFECTIVE DATE.

The amendments made by sections 503(a) and 504 do not apply to any nuclear incident that occurs before the date of the enactment of this subtitle.

Subtitle B—Miscellaneous Provisions

SEC. 511. URANIUM SALES.

(a) Inventory Sales.—Section 3112(d) of the USEC Privatization Act (42 U.S.C. 2297h–10(d)) is amended to read as follows:

"(d) Inventory Sales.—(1) In addition to the transfers authorized under subsections (b), (c), and (e), the Secretary may, from time to time, sell or transfer uranium (including natural uranium concentrates, natural uranium hexafluoride, enriched uranium, and depleted uranium) from the Department of Energy's stockpile.

"(2) Except as provided in subsections (b), (c), and (e), the Secretary may not deliver uranium in any form for consumption by end users in any year in excess of the following amounts:

"Annual Maximum Deliveries to End Users

"Year:	(Million lbs. U_3O_8 equivalent)
2003 through 2009–	3
2010–	5
2011–	5
2012–	7
2013 and each year thereafter–	10.

"(3) Except as provided in subsections (b), (c), and (e), no sale or transfer of uranium in any form shall be made unless—

"(A) the President determines that the material is not necessary for national security needs;

"(B) the Secretary determines, based on the written views of the Secretary of State and the Assistant to the President for National Security Affairs, that the sale or transfer will not adversely affect the national security interests of the United States;

"(C) the Secretary determines that the sale of the material will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry, taking into account the sales of uranium under the Russian HEU Agreement and the Suspension Agreement; and

"(D) the price paid to the Secretary will not be less than the fair market value of the material.".

(b) Exempt Transfers and Sales.—Section 3112(e) of the USEC Privatization Act (42 U.S.C. 2297h–10(e)) is amended to read as follows:

"(e) Exempt Sales or Transfers.—Notwithstanding subsection (d)(2), the Secretary may transfer or sell uranium—

"(1) to the Tennessee Valley Authority for use pursuant to the Department of Energy's highly enriched uranium or tritium program, to the extent provided by law;

"(2) to research and test reactors under the University Reactor Fuel Assistance and Support Program or the Reduced Enrichment for Research and Test Reactors Program;

"(3) to USEC Inc. to replace contaminated uranium received from the Department of Energy when the United States Enrichment Corporation was privatized;

"(4) to any person for emergency purposes in the event of a disruption in supply to end users in the United States; and

"(5) to any person for national security purposes, as determined by the Secretary.".

SEC. 512. REAUTHORIZATION OF THORIUM REIMBURSEMENT.

(a) Reimbursement of Thorium Licensees.—Section 1001(b)(2)(C) of the Energy Policy Act of 1992 (42 U.S.C. 2296a) is amended—

(1) by striking "$140,000,000" and inserting "$365,000,000"; and

(2) by adding at the end the following: "Such payments shall not exceed the following amounts:

"(i) $90,000,000 in fiscal year 2002.
"(ii) $55,000,000 in fiscal year 2003.
"(iii) $20,000,000 in fiscal year 2004.
"(iv) $20,000,000 in fiscal year 2005.
"(v) $20,000,000 in fiscal year 2006.
"(vi) $20,000,000 in fiscal year 2007.

Any amounts authorized to be paid in a fiscal year under this subparagraph that are not paid in that fiscal year may be paid in subsequent fiscal years.".

(b) Authorization of Appropriations.—Section 1003(a) of the Energy Policy Act of 1992 (42 U.S.C. 2296a–2) is amended by striking "$490,000,000" and inserting "$715,000,000".

(c) Decontamination and Decommissioning Fund.—Section 1802(a) of the Atomic Energy Act of 1954 (42 U.S.C. 2297g–1(a)) is amended—

(1) by striking "$488,333,333" and inserting "$518,233,333"; and

(2) by inserting after "inflation" the following: "beginning on the date of enactment of the Energy Policy Act of 1992".

SEC. 513. FAST FLUX TEST FACILITY.

The Secretary of Energy shall not reactivate the Fast Flux Test Facility to conduct—

(1) any atomic energy defense activity,

(2) any space-related mission, or

(3) any program for the production or utilization of nuclear material if the Secretary has determined, in a record of decision, that the program can be carried out at existing operating facilities.

SEC. 514. NUCLEAR POWER 2010.

(a) DEFINITIONS.—In this section:

(1) SECRETARY.—The term "Secretary" means the Secretary of Energy.

(2) OFFICE.—The term "Office" means the Office of Nuclear Energy Science and Technology of the Department of Energy.

(3) DIRECTOR.—The term "Director" means the Director of the Office of Nuclear Energy Science and Technology of the Department of Energy.

(4) PROGRAM.—The term "Program" means the Nuclear Power 2010 Program.

(b) ESTABLISHMENT.—The Secretary shall carry out a program, to be managed by the Director.

(c) PURPOSE.—The program shall aggressively pursue those activities that will result in regulatory approvals and design completion in a phased approach, with joint government/industry cost sharing, which would allow for the construction and startup of new nuclear plants in the United States by 2010.

(d) ACTIVITIES.—In carrying out the program, the Director shall—

(1) issue a solicitation to industry seeking proposals from joint venture project teams comprised of reactor vendors and power generation companies to participate in the Nuclear Power 2010 program;

(2) seek innovative business arrangements, such as consortia among designers, constructors, nuclear steam supply systems and major equipment suppliers, and plant owner/operators, with strong and common incentives to build and operate new plants in the United States;

(3) conduct the Nuclear Power 2010 program consistent with the findings of "A Roadmap to Deploy New Nuclear Power Plants in the United States by 2010" issued by the Near-Term Deployment Working Group of the Nuclear Energy Research Advisory Committee of the Department of Energy;

(4) rely upon the expertise and capabilities of the Department of Energy national laboratories and sites in the areas of advanced nuclear fuel cycles and fuels testing, giving consideration to existing lead laboratory designations and the unique capabilities and facilities available at each national laboratory and site;

(5) pursue deployment of both water-cooled and gas-cooled reactor designs on a dual track basis that will provide maximum potential for the success of both;

(6) include participation of international collaborators in research and design efforts where beneficial; and

(7) seek to accomplish the essential regulatory and technical work, both generic and design-specific, to make possible new nuclear plants within this decade.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out the purposes of this section such sums as are necessary for fiscal year 2003 and for each fiscal year thereafter.

SEC. 515. OFFICE OF SPENT NUCLEAR FUEL RESEARCH.

(a) FINDINGS.—Congress finds that—

(1) before the Federal Government takes any irreversible action relating to the disposal of spent nuclear fuel, Congress must determine whether the spent fuel in the repository should be treated as waste subject to permanent burial or should be considered an energy resource that is needed to meet future energy requirements; and

(2) national policy on spent nuclear fuel may evolve with time as improved technologies for spent fuel are developed or as national energy needs evolve.

(b) DEFINITIONS.—In this section:

(1) ASSOCIATE DIRECTOR.—The term "Associate Director" means the Associate Director of the Office.

(2) OFFICE.—The term "Office" means the Office of Spent Nuclear Fuel Research within the Office of Nuclear Energy Science and Technology of the Department of Energy.

(c) ESTABLISHMENT.—There is established an Office of Spent Nuclear Fuel Research within the Office of Nuclear Energy Science and Technology of the Department of Energy.

(d) HEAD OF OFFICE.—The Office shall be headed by the Associate Director, who shall be a member of the Senior Executive Service appointed by the Director of the Office of Nuclear Energy Science and Technology, and compensated at a rate determined by applicable law.

(e) DUTIES OF THE ASSOCIATE DIRECTOR.—

(1) IN GENERAL.—The Associate Director shall be responsible for carrying out an integrated research, development, and demonstration program on technologies for treatment, recycling, and disposal of high-level nuclear radioactive waste and spent nuclear fuel, subject to the general supervision of the Secretary.

(2) PARTICIPATION.—The Associate Director shall coordinate the participation of national laboratories, universities, the commercial nuclear industry, and other organizations in the investigation of technologies for the treatment, recycling, and disposal of spent nuclear fuel and high-level radioactive waste.

(3) ACTIVITIES.—The Associate Director shall—

(A) develop a research plan to provide recommendations by 2015;

(B) identify promising technologies for the treatment, recycling, and disposal of spent nuclear fuel and high-level radioactive waste;

(C) conduct research and development activities for promising technologies;

(D) ensure that all activities include as key objectives minimization of proliferation concerns and risk to the health of the general public or site workers, as well as development of cost-effective technologies;

(E) require research on both reactor- and accelerator-based transmutation systems;

(F) require research on advanced processing and separations;

(G) include participation of international collaborators in research efforts, and provide funding to a collaborator that brings unique capabilities not available in the United States if the country in which the collaborator is located is unable to provide for their support; and

(H) ensure that research efforts are coordinated with research on advanced fuel cycles and reactors conducted by the Office of Nuclear Energy Science and Technology.

(f) GRANT AND CONTRACT AUTHORITY.—The Secretary may make grants, or enter into contracts, for the purposes of the research projects and activities described in this section.

(g) REPORT.—The Associate Director shall annually submit to Congress a report on the activities and expenditures of the Office that describes the progress being made in achieving the objectives of this section.

SEC. 516. DECOMMISSIONING PILOT PROGRAM.

(a) PILOT PROGRAM.—The Secretary of Energy shall establish a decommissioning pilot program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Arkansas in accordance with the decommissioning activities contained in the August 31, 1998, Department of Energy report on the reactor.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $16,000,000.

Subtitle C—Growth of Nuclear Energy

SEC. 521. COMBINED LICENSE PERIODS.

Section 103c. of the Atomic Energy Act of 1954 (42 U.S.C. 2133(c)) is amended—

(1) by striking "c. Each such" and inserting the following:

"c. LICENSE PERIOD.—

"(1) IN GENERAL.—Each such"; and

(2) by adding at the end the following:

"(2) COMBINED LICENSES.—In the case of a combined construction and operating license issued under section 185(b), the duration of the operating phase of the license period shall not be less than the duration of the operating license if application had been made for separate construction and operating licenses.".

Subtitle D—NRC Regulatory Reform

SEC. 531. ANTITRUST REVIEW.

(a) IN GENERAL.—Section 105 of the Atomic Energy Act of 1954 (42 U.S.C. 2135) is amended by adding at the end the following:

"d. ANTITRUST LAWS.—

"(1) NOTIFICATION.—Except as provided in paragraph (4), when the Commission proposes to issue a license under section 103 or 104b., the Commission shall notify the Attorney General of the proposed license and the proposed terms and conditions of the license.

"(2) ACTION BY THE ATTORNEY GENERAL.—Within a reasonable time (but not more than 90 days) after receiving notification under paragraph (1), the Attorney General shall submit to the Commission and publish in the Federal Register a determination whether, insofar as the Attorney General is able to determine, the proposed license would tend to create or maintain a situation inconsistent with the antitrust laws.

"(3) INFORMATION.—On the request of the Attorney General, the Commission shall furnish or cause to be furnished such information as the Attorney General determines to be appropriate or necessary to enable the Attorney General to make the determination under paragraph (2).

"(4) APPLICABILITY.—This subsection shall not apply to such classes or type of licenses as the Commission, with the approval of the Attorney General, determines would not significantly affect the activities of a licensee under the antitrust laws.".

(b) CONFORMING AMENDMENT.—Section 105c of the Atomic Energy Act of 1954 (42 U.S.C. 2135(c)) is amended by adding at the end the following:

"(9) APPLICABILITY.—This subsection does not apply to an application for a license to construct or operate a utilization facility under section 103 or 104b. that is filed on or after the date of enactment of subsection d.".

SEC. 532. DECOMMISSIONING.

(a) AUTHORITY OVER FORMER LICENSEES FOR DECOMMISSIONING FUNDING.—Section 161i. of the Atomic Energy Act of 1954 (42 U.S.C. 2201(i)) is amended—

(1) by striking "and (3)" and inserting "(3)"; and

(2) by inserting before the semicolon at the end the following: ", and (4) to ensure that sufficient funds will be available for the decommissioning of any production or utilization facility licensed under section 103 or 104b., including standards and restrictions governing the control, maintenance, use, and disbursement by any former licensee under this Act that has control over any fund for the decommissioning of the facility".

(b) TREATMENT OF NUCLEAR REACTOR FINANCIAL OBLIGATIONS.—Section 523 of title 11, United States Code, is amended by adding at the end the following:

"(f) TREATMENT OF NUCLEAR REACTOR FINANCIAL OBLIGATIONS.—Notwithstanding any other provision of this title—

"(1) any funds or other assets held by a licensee or former licensee of the Nuclear Regulatory Commission, or by any other person, to satisfy the responsibility of the licensee, former licensee, or any other person to comply with a regulation or order of the Nuclear Regulatory Commission governing the decontamination and decommissioning of a nuclear power reactor licensed under section 103 or 104b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)) shall not be used to satisfy the claim of any creditor in any proceeding under this title, other than a claim resulting from an activity undertaken to satisfy that responsibility, until the decontamination and decommissioning of the nuclear power reactor is completed to the satisfaction of the Nuclear Regulatory Commission;

"(2) obligations of licensees, former licensees, or any other person to use funds or other assets to satisfy a responsibility described in paragraph (1) may not be rejected, avoided, or discharged in any proceeding under this title or in any liquidation, reorganization, receivership, or other insolvency proceeding under Federal or State law; and

"(3) private insurance premiums and standard deferred premiums held and maintained in accordance with section 170b. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(b)) shall not be used to satisfy the claim of any creditor in any proceeding under this title, until the indemnification agreement executed in accordance with section 170c. of that Act (42 U.S.C. 2210(c)) is terminated.".

Subtitle E—NRC Personnel Crisis

SEC. 541. ELIMINATION OF PENSION OFFSET.

Section 161 of the Atomic Energy Act of 1954 (42 U.S.C. 2201) is amended by adding at the end the following:

"y. exempt from the application of sections 8344 and 8468 of title 5, United States Code, an annuitant who was formerly an employee of the Commission who is hired by the Commission as a consultant, if the Commission finds that the annuitant has a skill that is critical to the performance of the duties of the Commission.".

SEC. 542. NRC TRAINING PROGRAM.

(a) IN GENERAL.—In order to maintain the human resource investment and infrastructure of the United States in the nuclear sciences, health physics, and engineering fields, in accordance with the statutory authorities of the Commission relating to the civilian nuclear energy program, the Nuclear Regulatory Commission shall carry out a training and fellowship program to address shortages of individuals with critical safety skills.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Sense there are authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2003 through 2006.

(2) AVAILABILITY.—Funds made available under paragraph (1) shall remain available until expended.

DIVISION B—DOMESTIC OIL AND GAS PRODUCTION AND TRANSPORTATION

TITLE VI—OIL AND GAS PRODUCTION

SEC. 601. PERMANENT AUTHORITY TO OPERATE THE STRATEGIC PETROLEUM RESERVE.

(a) AMENDMENT TO TITLE I OF THE ENERGY POLICY AND CONSERVATION ACT.—Title I of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.) is amended—

(1) by striking section 166 (42 U.S.C. 6246) and inserting—

"SEC. 166. There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this part, to remain available until expended."; and

(2) by striking part E (42 U.S.C. 6251; relating to the expiration of title I of the Act) and its heading.

(b) AMENDMENT TO TITLE II OF THE ENERGY POLICY AND CONSERVATION ACT.—Title II of the Energy Policy and Conservation Act (42 U.S.C. 6271 et seq.) is amended—

(1) by striking section 256(h) (42 U.S.C. 6276(h)) and inserting—

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this part, to remain available until expended.";

(2) by striking section 273(e) (42 U.S.C. 6283(e); relating to the expiration of summer fill and fuel budgeting programs); and

(3) by striking part D (42 U.S.C. 6285; relating to the expiration of title II of the Act) and its heading.

(c) TECHNICAL AMENDMENTS.—The table of contents for the Energy Policy and Conservation Act is amended by striking the items relating to part D of title I and part D of title II.

SEC. 602. FEDERAL ONSHORE LEASING PROGRAMS FOR OIL AND GAS.

(a) TIMELY ACTION ON LEASES AND PERMITS.—To ensure timely action on oil and gas leases and applications for permits to drill on lands otherwise available for leasing, the Secretary of the Interior shall—

(1) ensure expeditious compliance with the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C));

(2) improve consultation and coordination with the States; and

(3) improve the collection, storage, and retrieval of information related to such leasing activities.

(b) IMPROVED ENFORCEMENT.—The Secretary shall improve inspection and enforcement of oil and gas activities, including enforcement of terms and conditions in permits to drill.

(c) AUTHORIZATION OF APPROPRIATIONS.—For each of the fiscal years 2003 through 2006, in addition to amounts otherwise authorized to be appropriated for the purpose of carrying out section 17 of the Mineral Leasing Act (30 U.S.C. 226), there are authorized to be appropriated to the Secretary of the Interior—

(1) $40,000,000 for the purpose of carrying out paragraphs (1) through (3) of subsection (a); and

(2) $20,000,000 for the purpose of carrying out subsection (b).

SEC. 603. OIL AND GAS LEASE ACREAGE LIMITATIONS.

Section 27(d)(1) of the Mineral Leasing Act (30 U.S.C. 184(d)(1)) is amended by inserting after "acreage held in special tar sand areas" the following: "as well as acreage under any lease any portion of which has been committed to a federally approved unit or cooperative plan or communitization agreement, or for which royalty, including compensatory royalty or royalty in kind, was paid in the preceding calendar year,".

SEC. 604. ORPHANED AND ABANDONED WELLS ON FEDERAL LAND.

(a) ESTABLISHMENT.—(1) The Secretary of the Interior, in cooperation with the Secretary of Agriculture, shall establish a program to ensure within 3 years after the date of enactment of this Act, remediation, reclamation, and closure of orphaned oil and gas wells located on lands administered by the land management agencies within the Department of the Interior and the United States Forest Service that are—

(A) abandoned;

(B) orphaned; or

(C) idled for more than 5 years and having no beneficial use.

(2) The program shall include a means of ranking critical sites for priority in remediation based on potential environmental harm, other land use priorities, and public health and safety.

(3) The program shall provide that responsible parties be identified wherever possible and that the costs of remediation be recovered.

(4) In carrying out the program, the Secretary of the Interior shall work cooperatively with the Secretary of Agriculture and the States within which the Federal lands are located, and shall consult with the Secretary of Energy, and the Interstate Oil and Gas Compact Commission.

(b) PLAN.—Within 6 months from the date of enactment of this section, the Secretary of the Interior, in cooperation with the Secretary of Agriculture, shall prepare a plan for carrying out the program established under subsection (a). Copies of the plan shall be transmitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Interior $5,000,000 for each of fiscal years 2003 through 2005 to carry out the activities provided for in this section.

SEC. 605. ORPHANED AND ABANDONED OIL AND GAS WELL PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Energy shall establish a program to provide technical assistance to the various oil and gas producing States to facilitate State efforts over a 10-year period to ensure a practical and economical remedy for environmental problems caused by orphaned and abandoned exploration or production well sites on State and private lands. The Secretary shall work with the States, through the Interstate Oil and Gas Compact Commission, to assist the States in quantifying and mitigating environmental risks of onshore abandoned and orphaned wells on State and private lands.

(b) PROGRAM ELEMENTS.—The program should include—

(1) mechanisms to facilitate identification of responsible parties wherever possible;

(2) criteria for ranking critical sites based on factors such as other land use priorities, potential environmental harm and public visibility; and

(3) information and training programs on best practices for remediation of different types of sites.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Energy for the activities under this section $5,000,000 for each of fiscal years 2003 through 2005 to carry out the provisions of this section.

SEC. 606. OFFSHORE DEVELOPMENT.

Section 5 of the Outer Continental Shelf Lands Act of 1953 (43 U.S.C. 1334) is amended by adding at the end the following:

"(k) SUSPENSION OF OPERATIONS FOR SUBSALT EXPLORATION.—Notwithstanding any other provision of law or regulation, the Secretary may grant a request for a suspension of operations under any lease to allow the lessee to reprocess or reinterpret geologic or geophysical data beneath allocthonous salt sheets, when in the Secretary's judgment such suspension is necessary to prevent waste caused by the drilling of unnecessary wells, and to maximize ultimate recovery of hydrocarbon resources under the lease. Such suspension shall be limited to the minimum period of time the Secretary determines is necessary to achieve the objectives of this subsection.".

SEC. 607. COALBED METHANE STUDY.

(a) STUDY.—The National Academy of Sciences shall conduct a study on the effects of

coalbed methane production on surface and water resources.

(b) Data Analysis.—The study shall analyze available hydrogeologic and water quality data, along with other pertinent environmental or other information to determine—

(1) adverse effects associated with surface or subsurface disposal of waters produced during extraction of coalbed methane;

(2) depletion of groundwater aquifers or drinking water sources associated with production of coalbed methane;

(3) any other significant adverse impacts to surface or water resources associated with production of coalbed methane; and

(4) production techniques or other factors that can mitigate adverse impacts from coalbed methane development.

(c) Recommendations.—The study shall analyze existing Federal and State laws and regulations, and make recommendations as to changes, if any, to Federal law necessary to address adverse impacts to surface or water resources attributable to coalbed methane development.

(d) Completion of Study.—The National Academy of Sciences shall submit the study to the Secretary of the Interior within 18 months after the date of enactment of this Act, and shall make the study available to the public at the same time.

(e) Report to Congress.—The Secretary of the Interior shall report to Congress within 6 months of her receipt of the study on—

(1) the findings and recommendations of the study;

(2) the Secretary's agreement or disagreement with each of its findings and recommendations; and

(3) any recommended changes in funding to address the effects of coalbed methane production on surface and water resources.

SEC. 608. FISCAL POLICIES TO MAXIMIZE RECOVERY OF DOMESTIC OIL AND GAS RESOURCES.

(a) Evaluation.—The Secretary of Energy, in coordination with the Secretaries of the Interior, Commerce, and Treasury, Indian tribes and the Interstate Oil and Gas Compact Commission, shall evaluate the impact of existing Federal and State tax and royalty policies on the development of domestic oil and gas resources and on revenues to Federal, State, local and tribal governments.

(b) Scope.—The evaluation under subsection (a) shall—

(1) analyze the impact of fiscal policies on oil and natural gas exploration, development drilling, and production under different price scenarios, including the impact of the individual and corporate Alternative Minimum Tax, State and local production taxes and fixed royalty rates during low price periods;

(2) assess the effect of existing Federal and State fiscal policies on investment under different geological and developmental circumstances, including but not limited to deepwater environments, subsalt formations, deep and deviated wells, coalbed methane and other unconventional oil and gas formations;

(3) assess the extent to which Federal and State fiscal policies negatively impact the ultimate recovery of resources from existing fields and smaller accumulations in offshore waters, especially in water depths less than 800 meters, of the Gulf of Mexico;

(4) compare existing Federal and State policies with tax and royalty regimes in other countries with particular emphasis on similar geological, developmental and infrastructure conditions; and

(5) evaluate how alternative tax and royalty policies, including counter-cyclical measures, could increase recovery of domestic oil and natural gas resources and revenues to Federal, State, local and tribal governments.

(c) Policy Recommendations.—Based upon the findings of the evaluation under subsection (a), a report describing the findings and recommendations for policy changes shall be provided to the President, the Congress, the Governors of the member States of the Interstate Oil and Gas Compact Commission, and Indian tribes having an oil and gas lease approved by the Secretary of the Interior. The recommendations should ensure that the public interest in receiving the economic benefits of tax and royalty revenues is balanced with the broader national security and economic interests in maximizing recovery of domestic resources. The report should include recommendations regarding actions to—

(1) ensure stable development drilling during periods of low oil and/or natural gas prices to maintain reserve replacement and deliverability;

(2) minimize the negative impact of a volatile investment climate on the oil and gas service industry and domestic oil and gas exploration and production;

(3) ensure a consistent level of domestic activity to encourage the education and retention of a technical workforce; and

(4) maintain production capability during periods of low oil and/or natural gas prices.

(d) Royalty Guidelines.—The recommendations required under (c) should include guidelines for private resource holders as to the appropriate level of royalties given geology, development cost, and the national interest in maximizing recovery of oil and gas resources.

(e) Report.—The study under subsection (a) shall be completed not later than 18 months after the date of enactment of this section. The report and recommendations required in (c) shall be transmitted to the President, the Congress, Indian tribes, and the Governors of the member States of the Interstate Oil and Gas Compact Commission.

SEC. 609. STRATEGIC PETROLEUM RESERVE.

(a) Full Capacity.—The President shall—

(1) fill the Strategic Petroleum Reserve established pursuant to part B of title I of the Energy Policy and Conservation Act (42 U.S.C. 6231 et seq.) to full capacity as soon as practicable;

(2) acquire petroleum for the Strategic Petroleum Reserve by the most practicable and cost-effective means, including the acquisition of crude oil the United States is entitled to receive in kind as royalties from production on Federal lands; and

(3) ensure that the fill rate minimizes impacts on petroleum markets.

(b) Recommendations.—Not later than 180 days after the date of enactment of this Act, the Secretary of Energy shall submit to Congress a plan to—

(1) eliminate any infrastructure impediments that may limit maximum drawdown capability; and

(2) determine whether the capacity of the Strategic Petroleum Reserve on the date of enactment of this section is adequate in light of the increasing consumption of petroleum and the reliance on imported petroleum.

SEC. 610. HYDRAULIC FRACTURING.

Section 1421 of the Safe Drinking Water Act (42 U.S.C. 300h) is amended by adding at the end the following:

"(e) Hydraulic Fracturing for Oil and Gas Production.—

"(1) Study of the effects of hydraulic fracturing.—

"(A) In general.—As soon as practicable, but in no event later than 24 months after the date of enactment of this subsection, the Administrator shall complete a study of the known and potential effects on underground drinking water sources of hydraulic fracturing, including the effects of hydraulic fracturing on underground drinking water sources on a nationwide basis, and within specific regions, States, or portions of States.

"(B) Consultation.—In planning and conducting the study, the Administrator shall consult with the Secretary of the Interior, the Secretary of Energy, the Ground Water Protection Council, affected States, and, as appropriate, representatives of environmental, industry, academic, scientific, public health, and other relevant organizations. Such study may be accomplished in conjunction with other ongoing studies related to the effects of oil and gas production on groundwater resources.

"(C) Study elements.—The study conducted under subparagraph (A) shall, at a minimum, examine and make findings as to whether—

"(i) such hydraulic fracturing has endangered or will endanger (as defined under subsection (d)(2)) underground drinking water sources, including those sources within specific regions, States or portions of States;

"(ii) there are specific methods, practices, or hydrogeologic circumstances in which hydraulic fracturing has endangered or will endanger underground drinking water sources; and

"(iii) there are any precautionary actions that may reduce or eliminate any such endangerment.

"(D) Study of hydraulic fracturing in a particular type of geologic formation.—The Administrator may also complete a separate study on the known and potential effects on underground drinking water sources of hydraulic fracturing in a particular type of geologic formation:

"(i) If such a study is undertaken, the Administrator shall follow the procedures for study preparation and independent scientific review set forth in subparagraphs (1) (B) and (C) and (2) of this subsection. The Administrator may complete this separate study prior to the completion of the broader study of hydraulic fracturing required pursuant to subparagraph (A) of this subsection.

"(ii) At the conclusion of independent scientific review for any separate study, the Administrator shall determine, pursuant to paragraph (3), whether regulation of hydraulic fracturing in the particular type of geologic formation addressed in the separate study is necessary under this part to ensure that underground sources of drinking water will not be endangered on a nationwide basis, or within a specific region, State or portions of a State. Subparagraph (4) of this subsection shall apply to any such determination by the Administrator.

"(iii) If the Administrator completes a separate study, the Administrator may use the information gathered in the course of such a study in undertaking her broad study to the extent appropriate. The broader study need not include a reexamination of the conclusions reached by the Administrator in any separate study.

"(2) Independent scientific review.—

"(A) In general.—Prior to the time the study under paragraph (1) is completed, the Administrator shall enter into an appropriate agreement with the National Academy of Sciences to have the Academy review the conclusions of the study.

"(B) Report.—Not later than 11 months after entering into an appropriate agreement with the Administrator, the National Academy of Sciences shall report to the Administrator, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Environment and Public Works of the Senate, on the—

"(i) findings related to the study conducted by the Administrator under paragraph (1);

"(ii) the scientific and technical basis for such findings; and

"(iii) recommendations, if any, for modifying the findings of the study.

"(3) Regulatory determination.—

"(A) In general.—Not later than 6 months after receiving the National Academy of

Sciences report under paragraph (2), the Administrator shall determine, after informal public hearings and public notice and opportunity for comment, and based on information developed or accumulated in connection with the study required under paragraph (1) and the National Academy of Sciences report under paragraph (2), either—

"(i) that regulation of hydraulic fracturing under this part is necessary to ensure that underground sources of drinking water will not be endangered on a nationwide basis, or within a specific region, State or portions of a State; or

"(ii) that regulation described under clause (i) is unnecessary.

"(B) PUBLICATION OF DETERMINATION.—The Administrator shall publish the determination in the Federal Register, accompanied by an explanation and the reasons for it.

"(4) PROMULGATION OF REGULATIONS.—

"(A) REGULATION NECESSARY.—If the Administrator determines under paragraph (3) that regulation by hydraulic fracturing under this part is necessary to ensure that hydraulic fracturing does not endanger underground drinking water sources on a nationwide basis, or within a specific region, State or portions of a State, the Administrator shall, within 6 months after the issuance of that determination, and after public notice and opportunity for comment, promulgate regulations under section 1421 (42 U.S.C. 300h) to ensure that hydraulic fracturing will not endanger such underground sources of drinking water. However, for purposes of the Administrator's approval or disapproval under section 1422 of any State underground injection control program for regulating hydraulic fracturing, a State at any time may make the alternative demonstration provided for in section 1425 of this title.

"(B) REGULATION UNNECESSARY.—The Administrator shall not regulate or require States to regulate hydraulic fracturing under this part unless the Administrator determines under paragraph (3) that such regulation is necessary. This provision shall not apply to any State which has a program for the regulation of hydraulic fracturing that was approved by the Administrator under this part prior to the effective date of this subsection.

"(C) EXISTING REGULATIONS.—A determination by the Administrator under paragraph (3) that regulation is unnecessary will relieve all States (including those with existing approved programs for the regulation of hydraulic fracturing) from any further obligation to regulate hydraulic fracturing as an underground injection under this part.

"(5) DEFINITION OF HYDRAULIC FRACTURING.—For purposes of this subsection, the term 'hydraulic fracturing' means the process of creating a fracture in a reservoir rock, and injecting fluids and propping agents, for the purposes of reservoir stimulation related to oil and gas production activities.

"(6) SAVINGS.—Nothing in this subsection shall in any way limit the authorities of the Administrator under section 1431 (42 U.S.C. 300i).".

SEC. 611. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Administrator of the Environmental Protection Agency $100,000 for fiscal year 2003, to remain available until expended, for a grant to the State of Alabama to assist in the implementation of its regulatory program under section 1425 of the Safe Drinking Water Act.

SEC. 612. PRESERVATION OF OIL AND GAS RESOURCE DATA.

The Secretary of the Interior, through the United States Geological Survey, may enter into appropriate arrangements with State agencies that conduct geological survey activities to collect, archive, and provide public access to data and study results regarding oil and natural gas resources. The Secretary may accept private contributions of property and services for purposes of this section.

SEC 613. RESOLUTION OF FEDERAL RESOURCE DEVELOPMENT CONFLICTS IN THE POWDER RIVER BASIN.

The Secretary of the Interior shall undertake a review of existing authorities to resolve conflicts between the development of Federal coal and the development of Federal and non-Federal coalbed methane in the Powder River Basin in Wyoming and Montana. Not later than 90 days from enactment of this Act, the Secretary shall report to Congress on her plan to resolve these conflicts.

TITLE VII—NATURAL GAS PIPELINES

Subtitle A—Alaska Natural Gas Pipeline

SEC. 701. SHORT TITLE.

This subtitle may be cited as the "Alaska Natural Gas Pipeline Act of 2002".

SEC. 702. FINDINGS.

The Congress finds that:

(1) Construction of a natural gas pipeline system from the Alaskan North Slope to United States markets is in the national interest and will enhance national energy security by providing access to the significant gas reserves in Alaska needed to meet the anticipated demand for natural gas.

(2) The Commission issued a conditional certificate of public convenience and necessity for the Alaska Natural Gas Transportation System, which remains in effect.

SEC. 703. PURPOSES.

The purposes of this subtitle are—

(1) to provide a statutory framework for the expedited approval, construction, and initial operation of an Alaska natural gas transportation project, as an alternative to the framework provided in the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719–719o), which remains in effect;

(2) to establish a process for providing access to such transportation project in order to promote competition in the exploration, development and production of Alaska natural gas;

(3) to clarify Federal authorities under the Alaska Natural Gas Transportation Act; and

(4) to authorize Federal financial assistance to an Alaska natural gas transportation project as provided in this subtitle.

SEC. 704. ISSUANCE OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.

(a) AUTHORITY OF THE COMMISSION.—Notwithstanding the provisions of the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719–719o), the Commission may, pursuant to section 7(c) of the Natural Gas Act (15 U.S.C. 717f(c)), consider and act on an application for the issuance of a certificate of public convenience and necessity authorizing the construction and operation of an Alaska natural gas transportation project other than the Alaska Natural Gas Transportation System.

(b) ISSUANCE OF CERTIFICATE.—(1) The Commission shall issue a certificate of public convenience and necessity authorizing the construction and operation of an Alaska natural gas transportation project under this section if the applicant has satisfied the requirements of section 7(e) of the Natural Gas Act (15 U.S.C. 717f(e)).

(2) In considering an application under this section, the Commission shall presume that—

(A) a public need exists to construct and operate the proposed Alaska natural gas transportation project; and

(B) sufficient downstream capacity will exist to transport the Alaska natural gas moving through such project to markets in the contiguous United States.

(c) EXPEDITED APPROVAL PROCESS.—The Commission shall issue a final order granting or denying any application for a certificate of public convenience and necessity under section 7(c) of the Natural Gas Act (15 U.S.C. 717f(c)) and this section not more than 60 days after the issuance of the final environmental impact statement for that project pursuant to section 705.

(d) PROHIBITION ON CERTAIN PIPELINE ROUTE.—No license, permit, lease, right-of-way, authorization or other approval required under Federal law for the construction of any pipeline to transport natural gas from lands within the Prudhoe Bay oil and gas lease area may be granted for any pipeline that follows a route that traverses—

(1) the submerged lands (as defined by the Submerged Lands Act) beneath, or the adjacent shoreline of, the Beaufort Sea; and

(2) enters Canada at any point north of 68 degrees North latitude.

(e) OPEN SEASON.—Except where an expansion is ordered pursuant to section 706, initial or expansion capacity on any Alaska natural gas transportation project shall be allocated in accordance with procedures to be established by the Commission in regulations governing the conduct of open seasons for such project. Such procedures shall include the criteria for and timing of any open seasons, be consistent with the purposes set forth in section 703(2) and, for any open season for capacity beyond the initial capacity, provide the opportunity for the transportation of natural gas other than from the Prudhoe Bay and Point Thompson units. The Commission shall issue such regulations no later than 120 days after the enactment of this subtitle.

(f) PROJECTS IN THE CONTIGUOUS UNITED STATES.—Applications for additional or expanded pipeline facilities that may be required to transport Alaska natural gas from Canada to markets in the contiguous United States may be made pursuant to the Natural Gas Act. To the extent such pipeline facilities include the expansion of any facility constructed pursuant to the Alaska Natural Gas Transportation Act of 1976, the provisions of that Act shall continue to apply.

(g) STUDY OF IN-STATE NEEDS.—The holder of the certificate of public convenience and necessity issued, modified, or amended by the Commission for an Alaska natural gas transportation project shall demonstrate that it has conducted a study of Alaska in-State needs, including tie-in points along the Alaska natural gas transportation project for in-State access.

(h) ALASKA ROYALTY GAS.—The Commission, upon the request of the State of Alaska and after a hearing, may provide for reasonable access to the Alaska natural gas transportation project for the State of Alaska or its designee for the transportation of the State's royalty gas for local consumption needs within the State: Provided, That the rates of existing shippers of subscribed capacity on such project shall not be increased as a result of such access.

(i) REGULATIONS.—The Commission may issue regulations to carry out the provisions of this section.

SEC. 705. ENVIRONMENTAL REVIEWS.

(a) COMPLIANCE WITH NEPA.—The issuance of a certificate of public convenience and necessity authorizing the construction and operation of any Alaska natural gas transportation project under section 704 shall be treated as a major Federal action significantly affecting the quality of the human environment within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

(b) DESIGNATION OF LEAD AGENCY.—The Commission shall be the lead agency for purposes of complying with the National Environmental Policy Act of 1969, and shall be responsible for *preparing the statement required by section 102(2)(c) of that Act (42 U.S.C. 4332(2)(c)) with respect to an Alaska natural gas transportation project under section 704. The Commission shall prepare a single environmental statement under this section, which shall consolidate the environmental reviews of all Federal agencies considering any aspect of the project.*

(c) OTHER AGENCIES.—All Federal agencies considering aspects of the construction and operation of an Alaska natural gas transportation project under section 704 shall cooperate with the Commission, and shall comply with deadlines established by the Commission in the preparation of the statement under this section. The statement prepared under this section shall be used by all such agencies to satisfy their responsibilities under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) with respect to such project.

(d) EXPEDITED PROCESS.—The Commission shall issue a draft statement under this section not later than 12 months after the Commission determines the application to be complete and shall issue the final statement not later than 6 months after the Commission issues the draft statement, unless the Commission for good cause finds that additional time is needed.

SEC. 706. PIPELINE EXPANSION.

(a) AUTHORITY.—With respect to any Alaska natural gas transportation project, upon the request of one or more persons and after giving notice and an opportunity for a hearing, the Commission may order the expansion of such project if it determines that such expansion is required by the present and future public convenience and necessity.

(b) REQUIREMENTS.—Before ordering an expansion the Commission shall—

(1) approve or establish rates for the expansion service that are designed to ensure the recovery, on an incremental or rolled-in basis, of the cost associated with the expansion (including a reasonable rate of return on investment);

(2) ensure that the rates as established do not require existing shippers on the Alaska natural gas transportation project to subsidize expansion shippers;

(3) find that the proposed shipper will comply with, and the proposed expansion and the expansion of service will be undertaken and implemented based on, terms and conditions consistent with the then-effective tariff of the Alaska natural gas transportation project;

(4) find that the proposed facilities will not adversely affect the financial or economic viability of the Alaska natural gas transportation project;

(5) find that the proposed facilities will not adversely affect the overall operations of the Alaska natural gas transportation project;

(6) find that the proposed facilities will not diminish the contract rights of existing shippers to previously subscribed certificated capacity;

(7) ensure that all necessary environmental reviews have been completed; and

(8) find that adequate downstream facilities exist or are expected to exist to deliver incremental Alaska natural gas to market.

(c) REQUIREMENT FOR A FIRM TRANSPORTATION AGREEMENT.—Any order of the Commission issued pursuant to this section shall be null and void unless the person or persons requesting the order executes a firm transportation agreement with the Alaska natural gas transportation project within a reasonable period of time as specified in such order.

(d) LIMITATION.—Nothing in this section shall be construed to expand or otherwise affect any authorities of the Commission with respect to any natural gas pipeline located outside the State of Alaska.

(e) REGULATIONS.—The Commission may issue regulations to carry out the provisions of this section.

SEC. 707. FEDERAL COORDINATOR.

(a) ESTABLISHMENT.—There is established as an independent establishment in the executive branch, the Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects.

(b) THE FEDERAL COORDINATOR.—The Office shall be headed by a Federal Coordinator for Alaska Natural Gas Transportation Projects, who shall—

(1) be appointed by the President, by and with the advice of the Senate,

(2) hold office at the pleasure of the President, and

(3) be compensated at the rate prescribed for level III of the Executive Schedule (5 U.S.C. 5314).

(c) DUTIES.—The Federal Coordinator shall be responsible for—

(1) coordinating the expeditious discharge of all activities by Federal agencies with respect to an Alaska natural gas transportation project; and

(2) ensuring the compliance of Federal agencies with the provisions of this subtitle.

(d) REVIEWS AND ACTIONS OF OTHER FEDERAL AGENCIES.—(1) All reviews conducted and actions taken by any Federal officer or agency relating to an Alaska natural gas transportation project authorized under this section shall be expedited, in a manner consistent with completion of the necessary reviews and approvals by the deadlines set forth in this subtitle.

(2) No Federal officer or agency shall have the authority to include terms and conditions that are permitted, but not required, by law on any certificate, right-of-way, permit, lease or other authorization issued to an Alaska natural gas transportation project if the Federal Coordinator determines that the terms and conditions would prevent or impair in any significant respect the expeditious construction and operation of the project.

(3) Unless required by law, no Federal officer or agency shall add to, amend, or abrogate any certificate, right-of-way, permit, lease or other authorization issued to an Alaska natural gas transportation project if the Federal Coordinator determines that such action would prevent or impair in any significant respect the expeditious construction and operation of the project.

(e) STATE COORDINATION.—The Federal Coordinator shall enter into a Joint Surveillance and Monitoring Agreement, approved by the President and the Governor of Alaska, with the State of Alaska similar to that in effect during construction of the Trans-Alaska Oil Pipeline to monitor the construction of the Alaska natural gas transportation project. The Federal Government shall have primary surveillance and monitoring responsibility where the Alaska natural gas transportation project crosses Federal lands and private lands, and the State government shall have primary surveillance and monitoring responsibility where the Alaska natural gas transportation project crosses State lands.

SEC. 708. JUDICIAL REVIEW.

(a) EXCLUSIVE JURISDICTION.—The United States Court of Appeals for the District of Columbia Circuit shall have exclusive jurisdiction to determine—

(1) the validity of any final order or action (including a failure to act) of any Federal agency or officer under this subtitle;

(2) the constitutionality of any provision of this subtitle, or any decision made or action taken thereunder; or

(3) the adequacy of any environmental impact statement prepared under the National Environmental Policy Act of 1969 with respect to any action under this subtitle.

(b) DEADLINE FOR FILING CLAIM.—Claims arising under this subtitle may be brought not later than 60 days after the date of the decision or action giving rise to the claim.

(c) EXPEDITED CONSIDERATION.—The United States Court of Appeals for the District of Columbia Circuit shall set any action brought under subsection (a) of this section for expedited consideration, taking into account the national interest as described in section 702 of this subtitle.

(d) AMENDMENT TO ANGTA.—Section 10(c) of the Alaska Gas Transportation Act of 1976 (15 U.S.C. 719h) is amended by adding the following paragraph:

"(2) EXPEDITED CONSIDERATION.—The United States Court of Appeals for the District of Columbia Circuit shall set any action brought under subsection (a) of this section for expedited consideration, taking into account the national interest described in section 2 of this Act.".

SEC. 709. STATE JURISDICTION OVER IN-STATE DELIVERY OF NATURAL GAS.

(a) LOCAL DISTRIBUTION.—Any facility receiving natural gas from the Alaska natural gas transportation project for delivery to consumers within the State of Alaska shall be deemed to be a local distribution facility within the meaning of section 1(b) of the Natural Gas Act (15 U.S.C. 717), and therefore not subject to the jurisdiction of the Federal Energy Regulatory Commission.

(b) ADDITIONAL PIPELINES.—Nothing in this subtitle, except as provided in subsection 704(d), shall preclude or affect a future gas pipeline that may be constructed to deliver natural gas to Fairbanks, Anchorage, Matanuska-Susitna Valley, or the Kenai peninsula or Valdez or any other site in the State of Alaska for consumption within or distribution outside the State of Alaska.

(c) RATE COORDINATION.—Pursuant to the Natural Gas Act, the Commission shall establish rates for the transportation of natural gas on the Alaska natural gas transportation project. In exercising such authority, the Commission, pursuant to Section 17(b) of the Natural Gas Act (15 U.S.C. 717p), shall confer with the State of Alaska regarding rates (including rate settlements) applicable to natural gas transported on and delivered from the Alaska natural gas transportation project for use within the State of Alaska.

SEC. 710. LOAN GUARANTEE.

(a) AUTHORITY.—The Secretary of Energy may guarantee not more than 80 percent of the principal of any loan made to the holder of a certificate of public convenience and necessity issued under section 704(b) of this Act or section 9 of the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719g) for the purpose of constructing an Alaska natural gas transportation project.

(b) CONDITIONS.—(1) The Secretary of Energy may not guarantee a loan under this section unless the guarantee has filed an application for a certificate of public convenience and necessity under section 704(b) of this Act or for an amended certificate under section 9 of the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719g) with the Commission not later than 18 months after the date of enactment of this subtitle.

(2) A loan guaranteed under this section shall be made by a financial institution subject to the examination of the Secretary.

(3) Loan requirements, including term, maximum size, collateral requirements and other features shall be determined by the Secretary.

(c) LIMITATION ON AMOUNT.—Commitments to guarantee loans may be made by the Secretary of Energy only to the extent that the total loan principal, any part of which is guaranteed, will not exceed $10,000,000,000.

(d) REGULATIONS.—The Secretary of Energy may issue regulations to carry out the provisions of this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the

Secretary such sums as may be necessary to cover the cost of loan guarantees, as defined by section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)).

SEC. 711. STUDY OF ALTERNATIVE MEANS OF CONSTRUCTION.

(a) Requirement of Study.—If no application for the issuance of a certificate or amended certificate of public convenience and necessity authorizing the construction and operation of an Alaska natural gas transportation project has been filed with the Commission within 18 months after the date of enactment of this title, the Secretary of Energy shall conduct a study of alternative approaches to the construction and operation of the project.

(b) Scope of Study.—The study shall consider the feasibility of establishing a Government corporation to construct an Alaska natural gas transportation project, and alternative means of providing Federal financing and ownership (including alternative combinations of Government and private corporate ownership) of the project.

(c) Consultation.—In conducting the study, the Secretary of Energy shall consult with the Secretary of the Treasury and the Secretary of the Army (acting through the Commanding General of the Corps of Engineers).

(d) Report.—If the Secretary of Energy is required to conduct a study under subsection (a), he shall submit a report containing the results of the study, his recommendations, and any proposals for legislation to implement his recommendations to the Congress within 6 months after the expiration of the Secretary of Energy's authority to guarantee a loan under section 710.

SEC. 712. CLARIFICATION OF ANGTA STATUS AND AUTHORITIES.

(a) Savings Clause.—Nothing in this subtitle affects any decision, certificate, permit, right-of-way, lease, or other authorization issued under section 9 of the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719g) or any Presidential findings or waivers issued in accordance with that Act.

(b) Clarification of Authority to Amend Terms and Conditions to Meet Current Project Requirements.—Any Federal officer or agency responsible for granting or issuing any certificate, permit, right-of-way, lease, or other authorization under section 9 of the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719g) may add to, amend, or abrogate any term or condition included in such certificate, permit, right-of-way, lease, or other authorization to meet current project requirements (including the physical design, facilities, and tariff specifications), so long as such action does not compel a change in the basic nature and general route of the Alaska Natural Gas Transportation System as designated and described in section 2 of the President's Decision, or would otherwise prevent or impair in any significant respect the expeditious construction and initial operation of such transportation system.

(c) Updated Environmental Reviews.—The Secretary of Energy shall require the sponsor of the Alaska Natural Gas Transportation System to submit such updated environmental data, reports, permits, and impact analyses as the Secretary determines are necessary to develop detailed terms, conditions, and compliance plans required by section 5 of the President's Decision.

SEC. 713. DEFINITIONS.

For purposes of this subtitle:

(1) The term "Alaska natural gas" means natural gas derived from the area of the State of Alaska lying north of 64 degrees North latitude.

(2) The term "Alaska natural gas transportation project" means any natural gas pipeline system that carries Alaska natural gas to the border between Alaska and Canada (including related facilities subject to the jurisdiction of the Commission) that is authorized under either—

(A) the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719–719o); or

(B) section 704 of this subtitle.

(3) The term "Alaska Natural Gas Transportation System" means the Alaska natural gas transportation project authorized under the Alaska Natural Gas Transportation Act of 1976 and designated and described in section 2 of the President's Decision.

(4) The term "Commission" means the Federal Energy Regulatory Commission.

(5) The term "President's Decision" means the Decision and Report to Congress on the Alaska Natural Gas Transportation system issued by the President on September 22, 1977 pursuant to section 7 of the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719c) and approved by Public Law 95–158.

SEC. 714. SENSE OF THE SENATE.

It is the sense of the Senate that an Alaska natural gas transportation project will provide significant economic benefits to the United States and Canada. In order to maximize those benefits, the Senate urges the sponsors of the pipeline project to make every effort to use steel that is manufactured or produced in North America and to negotiate a project labor agreement to expedite construction of the pipeline.

SEC. 715. ALASKAN PIPELINE CONSTRUCTION TRAINING PROGRAM.

(a) Within six months after enactment of this Act, the Secretary of Labor (in this section referred to as the "Secretary") shall submit a report to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives setting forth a program to train Alaska residents in the skills and crafts required in the design, construction, and operation of an Alaska gas pipeline system and that will enhance employment and contracting opportunities for Alaskan residents. The report shall also describe any laws, rules, regulations and policies which act as a deterrent to hiring Alaskan residents or contracting with Alaskan residents to perform work on Alaska gas pipelines, together with any recommendations for change. For purposes of this subsection, Alaskan residents shall be defined as those individuals eligible to vote within the State of Alaska on the date of enactment of this Act.

(b) Within 1 year of the date the report is transmitted to Congress, the Secretary shall establish within the State of Alaska, at such locations as are appropriate, one or more training centers for the express purpose of training Alaskan residents in the skills and crafts necessary in the design, construction and operation of gas pipelines in Alaska. Each such training center shall also train Alaskan residents in the skills required to write, offer, and monitor contracts in support of the design, construction, and operation of Alaska gas pipelines.

(c) In implementing the report and program described in this subsection, the Secretary shall consult with the Alaskan Governor.

(d) There are authorized to be appropriated to the Secretary such sums as may be necessary, but not to exceed $20,000,000 for the purposes of this subsection.

Subtitle B—Operating Pipelines

SEC. 721. ENVIRONMENTAL REVIEW AND PERMITTING OF NATURAL GAS PIPELINE PROJECTS.

(a) Interagency Review.—The Chairman of the Council on Environmental Quality, in coordination with the Federal Energy Regulatory Commission, shall establish an interagency task force to develop an interagency memorandum of understanding to expedite the environmental review and permitting of natural gas pipeline projects.

(b) Membership of Interagency Task Force.—The task force shall consist of—

(1) the Chairman of the Council on Environmental Quality, who shall serve as the Chairman of the interagency task force,

(2) the Chairman of the Federal Energy Regulatory Commission,

(3) the Director of the Bureau of Land Management,

(4) the Director of the United States Fish and Wildlife Service,

(5) the Commanding General, United States Army Corps of Engineers,

(6) the Chief of the Forest Service,

(7) the Administrator of the Environmental Protection Agency,

(8) the Chairman of the Advisory Council on Historic Preservation, and

(9) the heads of such other agencies as the Chairman of the Council on Environmental Quality and the Chairman of the Federal Energy Regulatory Commission deem appropriate.

(c) Memorandum of Understanding.—The agencies represented by the members of the interagency task force shall enter into the memorandum of understanding not later than 1 year after the date of the enactment of this section.

Subtitle C—Pipeline Safety

PART I—SHORT TITLE; AMENDMENT OF TITLE 49

SEC. 741. SHORT TITLE; AMENDMENT OF TITLE 49, UNITED STATES CODE.

(a) Short Title.—This subtitle may be cited as the "Pipeline Safety Improvement Act of 2002".

(b) Amendment of Title 49, United States Code.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

PART II—PIPELINE SAFETY IMPROVEMENT ACT OF 2002

SEC. 761. IMPLEMENTATION OF INSPECTOR GENERAL RECOMMENDATIONS.

(a) In General.—Except as otherwise required by this subtitle, the Secretary shall implement the safety improvement recommendations provided for in the Department of Transportation Inspector General's Report (RT–2000–069).

(b) Reports by the Secretary.—Not later than 90 days after the date of enactment of this Act, and every 90 days thereafter until each of the recommendations referred to in subsection (a) has been implemented, the Secretary shall transmit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the specific actions taken to implement such recommendations.

(c) Reports by the Inspector General.—The Inspector General shall periodically transmit to the committees referred to in subsection (b) a report assessing the Secretary's progress in implementing the recommendations referred to in subsection (a) and identifying options for the Secretary to consider in accelerating recommendation implementation.

SEC. 762. NTSB SAFETY RECOMMENDATIONS.

(a) In General.—The Secretary of Transportation, the Administrator of Research and Special Program Administration, and the Director of the Office of Pipeline Safety shall fully comply with section 1135 of title 49, United States Code, to ensure timely responsiveness to National Transportation Safety Board recommendations about pipeline safety.

(b) Public Availability.—The Secretary, Administrator, or Director, respectively, shall make a copy of each recommendation on pipeline safety and response, as described in sections 1135 (a)

and (b) of title 49, United States Code, available to the public at reasonable cost.

(c) REPORTS TO CONGRESS.—The Secretary, Administrator, or Director, respectively, shall submit to the Congress by January 1 of each year a report containing each recommendation on pipeline safety made by the Board during the prior year and a copy of the response to each such recommendation.

SEC. 763. QUALIFICATIONS OF PIPELINE PERSONNEL.

(a) QUALIFICATION PLAN.—Each pipeline operator shall make available to the Secretary of Transportation, or, in the case of an intrastate pipeline facility operator, the appropriate State regulatory agency, a plan that is designed to enhance the qualifications of pipeline personnel and to reduce the likelihood of accidents and injuries. The plan shall be made available not more than 6 months after the date of enactment of this Act, and the operator shall revise or update the plan as appropriate.

(b) REQUIREMENTS.—The enhanced qualification plan shall include, at a minimum, criteria to demonstrate the ability of an individual to safely and properly perform tasks identified under section 60102 of title 49, United States Code. The plan shall also provide for training and periodic reexamination of pipeline personnel qualifications and provide for requalification as appropriate. The Secretary, or, in the case of an intrastate pipeline facility operator, the appropriate State regulatory agency, may review and certify the plans to determine if they are sufficient to provide a safe operating environment and shall periodically review the plans to ensure the continuation of a safe operation. The Secretary may establish minimum standards for pipeline personnel training and evaluation, which may include written examination, oral examination, work performance history review, observation during performance on the job, on the job training, simulations, or other forms of assessment.

(c) REPORT TO CONGRESS.—

(1) IN GENERAL.—The Secretary shall submit a report to the Congress evaluating the effectiveness of operator qualification and training efforts, including—

(A) actions taken by inspectors;

(B) recommendations made by inspectors for changes to operator qualification and training programs; and

(C) industry and employee organization responses to those actions and recommendations.

(2) CRITERIA.—The Secretary may establish criteria for use in evaluating and reporting on operator qualification and training for purposes of this subsection.

(3) DUE DATE.—The Secretary shall submit the report required by paragraph (1) to the Congress 3 years after the date of enactment of this Act.

SEC. 764. PIPELINE INTEGRITY INSPECTION PROGRAM.

Section 60109 is amended by adding at the end the following:

"(c) INTEGRITY MANAGEMENT.—

"(1) GENERAL REQUIREMENT.—The Secretary shall promulgate regulations requiring operators of hazardous liquid pipelines and natural gas transmission pipelines to evaluate the risks to the operator's pipeline facilities in areas identified pursuant to subsection (a)(1), and to adopt and implement a program for integrity management that reduces the risk of an incident in those areas. The regulations shall be issued no later than 1 year after the Secretary has issued standards pursuant to subsections (a) and (b) of this section or by December 31, 2003, whichever is sooner.

"(2) STANDARDS FOR PROGRAM.—In promulgating regulations under this section, the Secretary shall require an operator's integrity management plan to be based on risk analysis and each plan shall include, at a minimum—

"(A) periodic assessment of the integrity of the pipeline through methods including internal inspection, pressure testing, direct assessment, or other effective methods. The assessment period shall be no less than every 5 years unless the Department of Transportation Inspector General, after consultation with the Secretary determines there is not a sufficient capability or it is deemed unnecessary because of more technically appropriate monitoring or creates undue interruption of necessary supply to fulfill the requirements under this paragraph;

"(B) clearly defined criteria for evaluating the results of the periodic assessment methods carried out under subparagraph (A) and procedures to ensure identified problems are corrected in a timely manner; and

"(C) measures, as appropriate, that prevent and mitigate unintended releases, such as leak detection, integrity evaluation, restrictive flow devices, or other measures.

"(3) CRITERIA FOR PROGRAM STANDARDS.—In deciding how frequently the integrity assessment methods carried out under paragraph (2)(A) must be conducted, an operator shall take into account the potential for new defects developing or previously identified structural defects caused by construction or installation, the operational characteristics of the pipeline, and leak history. In addition, the Secretary may establish a minimum testing requirement for operators of pipelines to conduct internal inspections.

"(4) STATE ROLE.—A State authority that has an agreement in effect with the Secretary under section 60106 is authorized to review and assess an operator's risk analyses and integrity management plans required under this section for interstate pipelines located in that State. The reviewing State authority shall provide the Secretary with a written assessment of the plans, make recommendations, as appropriate, to address safety concerns not adequately addressed in the operator's plans, and submit documentation explaining the State-proposed plan revisions. The Secretary shall carefully consider the State's proposals and work in consultation with the States and operators to address safety concerns.

"(5) MONITORING IMPLEMENTATION.—The Secretary of Transportation shall review the risk analysis and program for integrity management required under this section and provide for continued monitoring of such plans. Not later than 2 years after the implementation of integrity management plans under this section, the Secretary shall complete an assessment and evaluation of the effects on safety and the environment of extending all of the requirements mandated by the regulations described in paragraph (1) to additional areas. The Secretary shall submit the assessment and evaluation to Congress along with any recommendations to improve and expand the utilization of integrity management plans.

"(6) OPPORTUNITY FOR LOCAL INPUT ON INTEGRITY MANAGEMENT.—Within 18 months after the date of enactment of the Pipeline Safety Improvement Act of 2002, the Secretary shall, by regulation, establish a process for raising and addressing local safety concerns about pipeline integrity and the operator's pipeline integrity plan. The process shall include—

"(A) a requirement that an operator of a hazardous liquid or natural gas transmission pipeline facility provide information about the risk analysis and integrity management plan required under this section to local officials in a State in which the facility is located;

"(B) a description of the local officials required to be informed, the information that is to be provided to them and the manner, which may include traditional or electronic means, in which it is provided;

"(C) the means for receiving input from the local officials that may include a public forum sponsored by the Secretary or by the State, or the submission of written comments through traditional or electronic means;

"(D) the extent to which an operator of a pipeline facility must participate in a public forum sponsored by the Secretary or in another means for receiving input from the local officials or in the evaluation of that input; and

"(E) the manner in which the Secretary will notify the local officials about how their concerns are being addressed.".

SEC. 765. ENFORCEMENT.

(a) IN GENERAL.—Section 60112 is amended—

(1) by striking subsection (a) and inserting the following:

"(a) GENERAL AUTHORITY.—After notice and an opportunity for a hearing, the Secretary of Transportation may decide a pipeline facility is hazardous if the Secretary decides that—

"(1) operation of the facility is or would be hazardous to life, property, or the environment; or

"(2) the facility is, or would be, constructed or operated, or a component of the facility is, or would be, constructed or operated with equipment, material, or a technique that the Secretary decides is hazardous to life, property, or the environment."; and

(2) by striking "is hazardous," in subsection (d) and inserting "is, or would be, hazardous,".

SEC. 766. PUBLIC EDUCATION, EMERGENCY PREPAREDNESS, AND COMMUNITY RIGHT-TO-KNOW.

(a) Section 60116 is amended to read as follows:

"§60116. Public education, emergency preparedness, and community right-to-know

"(a) PUBLIC EDUCATION PROGRAMS.—(1) Each owner or operator of a gas or hazardous liquid pipeline facility shall carry out a continuing program to educate the public on the use of a one-call notification system prior to excavation and other damage prevention activities, the possible hazards associated with unintended releases from the pipeline facility, the physical indications that such a release may have occurred, what steps should be taken for public safety in the event of a pipeline release, and how to report such an event.

"(2) Within 12 months after the date of enactment of the Pipeline Safety Improvement Act of 2002, each owner or operator of a gas or hazardous liquid pipeline facility shall review its existing public education program for effectiveness and modify the program as necessary. The completed program shall include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations. The completed program shall be submitted to the Secretary or, in the case of an intrastate pipeline facility operator, the appropriate State agency and shall be periodically reviewed by the Secretary or, in the case of an intrastate pipeline facility operator, the appropriate State agency.

"(3) The Secretary may issue standards prescribing the elements of an effective public education program. The Secretary may also develop material for use in the program.

"(b) EMERGENCY PREPAREDNESS.—

"(1) OPERATOR LIAISON.—Within 12 months after the date of enactment of the Pipeline Safety Improvement Act of 2002, an operator of a gas transmission or hazardous liquid pipeline facility shall initiate and maintain liaison with the State emergency response commissions, and local emergency planning committees in the areas of pipeline right-of-way, established under section 301 of the Emergency Planning and Community Right-To-Know Act of 1986 (42 U.S.C. 11001) in each State in which it operates.

"(2) INFORMATION.—An operator shall, upon request, make available to the State emergency response commissions and local emergency planning committees, and shall make available to

the Office of Pipeline Safety in a standardized form for the purpose of providing the information to the public, the information described in section 60102(d), the operator's program for integrity management, and information about implementation of that program. The information about the facility shall also include, at a minimum—

"(A) the business name, address, telephone number of the operator, including a 24-hour emergency contact number;

"(B) a description of the facility, including pipe diameter, the product or products carried, and the operating pressure;

"(C) with respect to transmission pipeline facilities, maps showing the location of the facility and, when available, any high consequence areas which the pipeline facility traverses or adjoins and abuts;

"(D) a summary description of the integrity measures the operator uses to assure safety and protection for the environment; and

"(E) a point of contact to respond to questions from emergency response representative.

"(3) SMALLER COMMUNITIES.—In a community without a local emergency planning committee, the operator shall maintain liaison with the local fire, police, and other emergency response agencies.

"(4) PUBLIC ACCESS.—The Secretary shall prescribe requirements for public access, as appropriate, to this information, including a requirement that the information be made available to the public by widely accessible computerized database.

"(c) COMMUNITY RIGHT-TO-KNOW.—Not later than 12 months after the date of enactment of the Pipeline Safety Improvement Act of 2002, and annually thereafter, the owner or operator of each gas transmission or hazardous liquid pipeline facility shall provide to the governing body of each municipality in which the pipeline facility is located, a map identifying the location of such facility. The map may be provided in electronic form. The Secretary may provide technical assistance to the pipeline industry on developing public safety and public education program content and best practices for program delivery, and on evaluating the effectiveness of the programs. The Secretary may also provide technical assistance to State and local officials in applying practices developed in these programs to their activities to promote pipeline safety.

"(d) PUBLIC AVAILABILITY OF REPORTS.—The Secretary shall—

"(1) make available to the public—

"(A) a safety-related condition report filed by an operator under section 60102(h);

"(B) a report of a pipeline incident filed by an operator;

"(C) the results of any inspection by the Office of Pipeline Safety or a State regulatory official; and

"(D) a description of any corrective action taken in response to a safety-related condition reported under subparagraph (A), (B), or (C); and

"(2) prescribe requirements for public access, as appropriate, to integrity management program information prepared under this chapter, including requirements that will ensure data accessibility to the greatest extent feasible.".

(b) SAFETY CONDITION REPORTS.—Section 60102(h)(2) is amended by striking "authorities." and inserting "officials, including the local emergency responders.".

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 601 is amended by striking the item relating to section 60116 and inserting the following:

"60116. Public education, emergency preparedness, community right-to-know.".

SEC. 767. PENALTIES.

(a) CIVIL PENALTIES.—Section 60122 is amended—

(1) by striking "$25,000" in subsection (a)(1) and inserting "$500,000";

(2) by striking "$500,000" in subsection (a)(1) and inserting "$1,000,000";

(3) by adding at the end of subsection (a)(1) the following: "The preceding sentence does not apply to judicial enforcement action under section 60120 or 60121."; and

(4) by striking subsection (b) and inserting the following:

"(b) PENALTY CONSIDERATIONS.—In determining the amount of a civil penalty under this section—

"(1) the Secretary shall consider—

"(A) the nature, circumstances, and gravity of the violation, including adverse impact on the environment;

"(B) with respect to the violator, the degree of culpability, any history of prior violations, the ability to pay, any effect on ability to continue doing business; and

"(C) good faith in attempting to comply; and

"(2) the Secretary may consider—

"(A) the economic benefit gained from the violation without any discount because of subsequent damages; and

"(B) other matters that justice requires.".

(b) EXCAVATOR DAMAGE.—Section 60123(d) is amended—

(1) by striking "knowingly and willfully";

(2) by inserting "knowingly and willfully" before "engages" in paragraph (1); and

(3) striking paragraph (2)(B) and inserting the following:

"(B) a pipeline facility, is aware of damage, and does not report the damage promptly to the operator of the pipeline facility and to other appropriate authorities; or".

(c) CIVIL ACTIONS.—Section 60120(a)(1) is amended to read as follows:

"(1) On the request of the Secretary of Transportation, the Attorney General may bring a civil action in an appropriate district court of the United States to enforce this chapter, including section 60112 of this chapter, or a regulation prescribed or order issued under this chapter. The court may award appropriate relief, including a temporary or permanent injunction, punitive damages, and assessment of civil penalties considering the same factors as prescribed for the Secretary in an administrative case under section 60122.".

SEC. 768. STATE OVERSIGHT ROLE.

(a) STATE AGREEMENTS WITH CERTIFICATION.—Section 60106 is amended—

(1) by striking "GENERAL AUTHORITY.—" in subsection (a) and inserting "AGREEMENTS WITHOUT CERTIFICATION.—";

(2) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e); and

(3) by inserting after subsection (a) the following:

"(b) AGREEMENTS WITH CERTIFICATION.—

"(1) IN GENERAL.—If the Secretary accepts a certification under section 60105 of this title and makes the determination required under this subsection, the Secretary may make an agreement with a State authority authorizing it to participate in the oversight of interstate pipeline transportation. Each such agreement shall include a plan for the State authority to participate in special investigations involving incidents or new construction and allow the State authority to participate in other activities overseeing interstate pipeline transportation or to assume additional inspection or investigatory duties. Nothing in this section modifies section 60104(c) or authorizes the Secretary to delegate the enforcement of safety standards prescribed under this chapter to a State authority.

"(2) DETERMINATIONS REQUIRED.—The Secretary may not enter into an agreement under this subsection, unless the Secretary determines that—

"(A) the agreement allowing participation of the State authority is consistent with the Secretary's program for inspection and consistent with the safety policies and provisions provided under this chapter;

"(B) the interstate participation agreement would not adversely affect the oversight responsibilities of intrastate pipeline transportation by the State authority;

"(C) the State is carrying out a program demonstrated to promote preparedness and risk prevention activities that enable communities to live safely with pipelines;

"(D) the State meets the minimum standards for State one-call notification set forth in chapter 61; and

"(E) the actions planned under the agreement would not impede interstate commerce or jeopardize public safety.

"(3) EXISTING AGREEMENTS.—If requested by the State authority, the Secretary shall authorize a State authority which had an interstate agreement in effect after January 1999, to oversee interstate pipeline transportation pursuant to the terms of that agreement until the Secretary determines that the State meets the requirements of paragraph (2) and executes a new agreement, or until December 31, 2003, whichever is sooner. Nothing in this paragraph shall prevent the Secretary, after affording the State notice, hearing, and an opportunity to correct any alleged deficiencies, from terminating an agreement that was in effect before enactment of the Pipeline Safety Improvement Act of 2002 if—

"(A) the State authority fails to comply with the terms of the agreement;

"(B) implementation of the agreement has resulted in a gap in the oversight responsibilities of intrastate pipeline transportation by the State authority; or

"(C) continued participation by the State authority in the oversight of interstate pipeline transportation has had an adverse impact on pipeline safety.".

(b) ENDING AGREEMENTS.—Subsection (e) of section 60106, as redesignated by subsection (a), is amended to read as follows:

"(e) ENDING AGREEMENTS.—

"(1) PERMISSIVE TERMINATION.—The Secretary may end an agreement under this section when the Secretary finds that the State authority has not complied with any provision of the agreement.

"(2) MANDATORY TERMINATION OF AGREEMENT.—The Secretary shall end an agreement for the oversight of interstate pipeline transportation if the Secretary finds that—

"(A) implementation of such agreement has resulted in a gap in the oversight responsibilities of intrastate pipeline transportation by the State authority;

"(B) the State actions under the agreement have failed to meet the requirements under subsection (b); or

"(C) continued participation by the State authority in the oversight of interstate pipeline transportation would not promote pipeline safety.

"(3) PROCEDURAL REQUIREMENTS.—The Secretary shall give the notice and an opportunity for a hearing to a State authority before ending an agreement under this section. The Secretary may provide a State an opportunity to correct any deficiencies before ending an agreement. The finding and decision to end the agreement shall be published in the Federal Register and may not become effective for at least 15 days after the date of publication unless the Secretary finds that continuation of an agreement poses an imminent hazard.".

SEC. 769. IMPROVED DATA AND DATA AVAILABILITY.

(a) IN GENERAL.—Within 12 months after the date of enactment of this Act, the Secretary *shall develop and implement a comprehensive plan for the collection and use of gas and hazardous liquid pipeline data to revise the causal categories on the incident report forms to eliminate overlapping and confusing categories and include subcategories. The plan shall include components to provide the capability to perform sound incident trend analysis and evaluations of pipeline operator performance using normalized accident data.*

(b) Report of Releases Exceeding 5 Gallons.—Section 60117(b) is amended—

(1) by inserting "(1)" before "To";

(2) redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(3) inserting before the last sentence the following:

"(2) A person owning or operating a hazardous liquid pipeline facility shall report to the Secretary each release to the environment greater than 5 gallons of the hazardous liquid or carbon dioxide transported. This section applies to releases from pipeline facilities regulated under this chapter. A report must include the location of the release, fatalities and personal injuries, type of product, amount of product release, cause or causes of the release, extent of damage to property and the environment, and the response undertaken to clean up the release.

"(3) During the course of an incident investigation, a person owning or operating a pipeline facility shall make records, reports, and information required under subsection (a) of this section or other reasonably described records, reports, and information relevant to the incident investigation, available to the Secretary within the time limits prescribed in a written request."; and

(4) indenting the first word of the last sentence and inserting "(4)" before "The Secretary" in that sentence.

(c) Penalty Authorities.—(1) Section 60122(a) is amended by striking "60114(c)" and inserting "60117(b)(3)".

(2) Section 60123(a) is amended by striking "60114(c)," and inserting "60117(b)(3),".

(d) Establishment of National Depository.—Section 60117 is amended by adding at the end the following:

"(l) National Depository.—The Secretary shall establish a national depository of data on events and conditions, including spill histories and corrective actions for specific incidents, that can be used to evaluate the risk of, and to prevent, pipeline failures and releases. The Secretary shall administer the program through the Bureau of Transportation Statistics, in cooperation with the Research and Special Programs Administration, and shall make such information available for use by State and local planning and emergency response authorities and the public.".

SEC. 770. RESEARCH AND DEVELOPMENT.

(a) Innovative Technology Development.—

(1) In general.—As part of the Department of Transportation's research and development program, the Secretary of Transportation shall direct research attention to the development of alternative technologies—

(A) to expand the capabilities of internal inspection devices to identify and accurately measure defects and anomalies;

(B) to inspect pipelines that cannot accommodate internal inspection devices available on the date of enactment;

(C) to develop innovative techniques measuring the structural integrity of pipelines;

(D) to improve the capability, reliability, and practicality of external leak detection devices; and

(E) to develop and improve alternative technologies to identify and monitor outside force damage to pipelines.

(2) Cooperative.—The Secretary may participate in additional technological development through cooperative agreements with trade associations, academic institutions, or other qualified organizations.

(b) Pipeline Safety and Reliability Research and Development.—

(1) In general.—The Secretary of Transportation, in coordination with the Secretary of Energy, shall develop and implement an accelerated cooperative program of research and development to ensure the integrity of natural gas and hazardous liquid pipelines. This research and development program—

(A) shall include materials inspection techniques, risk assessment methodology, and information systems surety; and

(B) shall complement, and not replace, the research program of the Department of Energy addressing natural gas pipeline issues existing on the date of enactment of this Act.

(2) Purpose.—The purpose of the cooperative research program shall be to promote pipeline safety research and development to—

(A) ensure long-term safety, reliability and service life for existing pipelines;

(B) expand capabilities of internal inspection devices to identify and accurately measure defects and anomalies;

(C) develop inspection techniques for pipelines that cannot accommodate the internal inspection devices available on the date of enactment;

(D) develop innovative techniques to measure the structural integrity of pipelines to prevent pipeline failures;

(E) develop improved materials and coatings for use in pipelines;

(F) improve the capability, reliability, and practicality of external leak detection devices;

(G) identify underground environments that might lead to shortened service life;

(H) enhance safety in pipeline siting and land use;

(I) minimize the environmental impact of pipelines;

(J) demonstrate technologies that improve pipeline safety, reliability, and integrity;

(K) provide risk assessment tools for optimizing risk mitigation strategies; and

(L) provide highly secure information systems for controlling the operation of pipelines.

(3) Areas.—In carrying out this subsection, the Secretary of Transportation, in coordination with the Secretary of Energy, shall consider research and development on natural gas, crude oil and petroleum product pipelines for—

(A) early crack, defect, and damage detection, including real-time damage monitoring;

(B) automated internal pipeline inspection sensor systems;

(C) land use guidance and set back management along pipeline rights-of-way for communities;

(D) internal corrosion control,

(E) corrosion-resistant coatings;

(F) improved cathodic protection;

(G) inspection techniques where internal inspection is not feasible, including measurement of structural integrity;

(H) external leak detection, including portable real-time video imaging technology, and the advancement of computerized control center leak detection systems utilizing real-time remote field data input;

(I) longer life, high strength, non-corrosive pipeline materials;

(J) assessing the remaining strength of existing pipes;

(K) risk and reliability analysis models, to be used to identify safety improvements that could be realized in the near term resulting from analysis of data obtained from a pipeline performance tracking initiative;

(L) identification, monitoring, and prevention of outside force damage, including satellite surveillance; and

(M) any other areas necessary to ensuring the public safety and protecting the environment.

(4) Points of contact.—

(A) In general.—To coordinate and implement the research and development programs and activities authorized under this subsection—

(i) the Secretary of Transportation shall designate, as the point of contact for the Department of Transportation, an officer of the Department of Transportation who has been appointed by the President and confirmed by the Senate; and

(ii) the Secretary of Energy shall designate, as the point of contact for the Department of Energy, an officer of the Department of Energy who has been appointed by the President and confirmed by the Senate.

(B) Duties.—

(i) The point of contact for the Department of Transportation shall have the primary responsibility for coordinating and overseeing the implementation of the research, development, and demonstration program plan under paragraphs (5) and (6).

(ii) The points of contact shall jointly assist in arranging cooperative agreements for research, development and demonstration involving their respective Departments, national laboratories, universities, and industry research organizations.

(5) Research and development program plan.—Within 240 days after the date of enactment of this Act, the Secretary of Transportation, in coordination with the Secretary of Energy and the Pipeline Integrity Technical Advisory Committee, shall prepare and submit to the Congress a 5-year program plan to guide activities under this subsection. In preparing the program plan, the Secretary shall consult with appropriate representatives of the natural gas, crude oil, and petroleum product pipeline industries to select and prioritize appropriate project proposals. The Secretary may also seek the advice of utilities, manufacturers, institutions of higher learning, Federal agencies, the pipeline research institutions, national laboratories, State pipeline safety officials, environmental organizations, pipeline safety advocates, and professional and technical societies.

(6) Implementation.—The Secretary of Transportation shall have primary responsibility for ensuring the 5-year plan provided for in paragraph (5) is implemented as intended. In carrying out the research, development, and demonstration activities under this paragraph, the Secretary of Transportation and the Secretary of Energy may use, to the extent authorized under applicable provisions of law, contracts, cooperative agreements, cooperative research and development agreements under the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), grants, joint ventures, other transactions, and any other form of agreement available to the Secretary consistent with the recommendations of the Advisory Committee.

(7) Reports to congress.—The Secretary of Transportation shall report to the Congress annually as to the status and results to date of the implementation of the research and development program plan. The report shall include the activities of the Departments of Transportation and Energy, the national laboratories, universities, and any other research organizations, including industry research organizations.

SEC. 771. PIPELINE INTEGRITY TECHNICAL ADVISORY COMMITTEE.

(a) Establishment.—The Secretary of Transportation shall enter into appropriate arrangements with the National Academy of Sciences to establish and manage the Pipeline Integrity Technical Advisory Committee for the purpose of advising the Secretary of Transportation and

the Secretary of Energy on the development and implementation of the 5-year research, development, and demonstration program plan under section 770(b)(5). The Advisory Committee shall have an ongoing role in evaluating the progress and results of the research, development, and demonstration carried out under that section.

(b) MEMBERSHIP.—The National Academy of Sciences shall appoint the members of the Pipeline Integrity Technical Advisory Committee after consultation with the Secretary of Transportation and the Secretary of Energy. Members appointed to the Advisory Committee should have the necessary qualifications to provide technical contributions to the purposes of the Advisory Committee.

SEC. 772. AUTHORIZATION OF APPROPRIATIONS.

(a) GAS AND HAZARDOUS LIQUIDS.—Section 60125(a) is amended to read as follows:

"(a) GAS AND HAZARDOUS LIQUID.—To carry out this chapter and other pipeline-related damage prevention activities of this title (except for section 60107), there are authorized to be appropriated to the Department of Transportation—$30,000,000 for each of the fiscal years 2003, 2004, and 2005 of which $23,000,000 is to be derived from user fees for fiscal years 2003, 2004, and 2005 collected under section 60301 of this title.".

(b) GRANTS TO STATES.—Section 60125(c) is amended to read as follows:

"(c) STATE GRANTS.—Not more than the following amounts may be appropriated to the Secretary to carry out section 60107—$20,000,000 for the fiscal years 2003, 2004, and 2005 of which $18,000,000 is to be derived from user fees for fiscal years 2003, 2004, and 2005 collected under section 60301 of this title.".

(c) OIL SPILLS.—Section 60125 is amended by redesignating subsections (d), (e), and (f) as subsections (e), (f), (g) and inserting after subsection (c) the following:

"(d) OIL SPILL LIABILITY TRUST FUND.—Of the amounts available in the Oil Spill Liability Trust Fund, $8,000,000 shall be transferred to the Secretary of Transportation, as provided in appropriation Acts, to carry out programs authorized in this title for each of fiscal years 2003, 2004, and 2005.".

(d) PIPELINE INTEGRITY PROGRAM.—(1) There are authorized to be appropriated to the Secretary of Transportation for carrying out sections 770(b) and 771 of this subtitle $3,000,000, to be derived from user fees under section 60301 of title 49, United States Code, for each of the fiscal years 2003 through 2007.

(2) Of the amounts available in the Oil Spill Liability Trust Fund established by section 9509 of the Internal Revenue Code of 1986 (26 U.S.C. 9509), $3,000,000 shall be transferred to the Secretary of Transportation, as provided in appropriation Acts, to carry out programs for detection, prevention and mitigation of oil spills under sections 770(b) and 771 of this subtitle for each of the fiscal years 2003 through 2007.

(3) There are authorized to be appropriated to the Secretary of Energy for carrying out sections 770(b) and 771 of this subtitle such sums as may be necessary for each of the fiscal years 2003 through 2007.

SEC. 773. OPERATOR ASSISTANCE IN INVESTIGATIONS.

(a) IN GENERAL.—If the Department of Transportation or the National Transportation Safety Board investigate an accident, the operator involved shall make available to the representative of the Department or the Board all records and information that in any way pertain to the accident (including integrity management plans and test results), and shall afford all reasonable assistance in the investigation of the accident.

(b) CORRECTIVE ACTION ORDERS.—Section 60112(d) is amended—

(1) by inserting "(1)" after "CORRECTIVE ACTION ORDERS.—"; and

(2) by adding at the end the following:

"(2) If, in the case of a corrective action order issued following an accident, the Secretary determines that the actions of an employee carrying out an activity regulated under this chapter, including duties under section 60102(a), may have contributed substantially to the cause of the accident, the Secretary shall direct the operator to relieve the employee from performing those activities, reassign the employee, or place the employee on leave until the earlier of the date on which—

"(A) the Secretary determines, after notice and an opportunity for a hearing, that the employee's performance of duty in carrying out the activity did not contribute substantially to the cause of the accident; or

"(B) the Secretary determines the employee has been re-qualified or re-trained as provided for in section 763 of the Pipeline Safety Improvement Act of 2002 and can safely perform those activities.

"(3) Action taken by an operator under paragraph (2) shall be in accordance with the terms and conditions of any applicable collective bargaining agreement to the extent it is not inconsistent with the requirements of this section.".

SEC. 774. PROTECTION OF EMPLOYEES PROVIDING PIPELINE SAFETY INFORMATION.

(a) IN GENERAL.—Chapter 601 is amended by adding at the end the following:

"§60129. Protection of employees providing pipeline safety information

"(a) DISCRIMINATION AGAINST PIPELINE EMPLOYEES.—No pipeline operator or contractor or subcontractor of a pipeline may discharge an employee or otherwise discriminate against an employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee)—

"(1) provided, caused to be provided, or is about to provide (with any knowledge of the employer) or cause to be provided to the employer or Federal Government information relating to any violation or alleged violation of any order, regulation, or standard of the Research and Special Programs Administration or any other provision of Federal law relating to pipeline safety under this chapter or any other law of the United States;

"(2) has filed, caused to be filed, or is about to file (with any knowledge of the employer) or cause to be filed a proceeding relating to any violation or alleged violation of any order, regulation, or standard of the Administration or any other provision of Federal law relating to pipeline safety under this chapter or any other law of the United States;

"(3) testified or is about to testify in such a proceeding; or

"(4) assisted or participated or is about to assist or participate in such a proceeding.

"(b) DEPARTMENT OF LABOR COMPLAINT PROCEDURE.—

"(1) FILING AND NOTIFICATION.—A person who believes that he or she has been discharged or otherwise discriminated against by any person in violation of subsection (a) may, not later than 90 days after the date on which such violation occurs, file (or have any person file on his or her behalf) a complaint with the Secretary of Labor alleging such discharge or discrimination. Upon receipt of such a complaint, the Secretary of Labor shall notify, in writing, the person named in the complaint and the Administrator of the Research and Special Programs Administration of the filing of the complaint, of the allegations contained in the complaint, of the substance of evidence supporting the complaint, and of the opportunities that will be afforded to such person under paragraph (2).

"(2) INVESTIGATION; PRELIMINARY ORDER.—

"(A) IN GENERAL.—Not later than 60 days after the date of receipt of a complaint filed under paragraph (1) and after affording the person named in the complaint an opportunity to submit to the Secretary of Labor a written response to the complaint and an opportunity to meet with a representative of the Secretary to present statements from witnesses, the Secretary of Labor shall conduct an investigation and determine whether there is reasonable cause to believe that the complaint has merit and notify in writing the complainant and the person alleged to have committed a violation of subsection (a) of the Secretary's findings. If the Secretary of Labor concludes that there is reasonable cause to believe that a violation of subsection (a) has occurred, the Secretary shall accompany the Secretary's findings with a preliminary order providing the relief prescribed by paragraph (3)(B). Not later than 30 days after the date of notification of findings under this paragraph, either the person alleged to have committed the violation or the complainant may file objections to the findings or preliminary order, or both, and request a hearing on the record. The filing of such objections shall not operate to stay any reinstatement remedy contained in the preliminary order. Such hearings shall be conducted expeditiously. If a hearing is not requested in such 30-day period, the preliminary order shall be deemed a final order that is not subject to judicial review.

"(B) REQUIREMENTS.—

"(i) REQUIRED SHOWING BY COMPLAINANT.—The Secretary of Labor shall dismiss a complaint filed under this subsection and shall not conduct an investigation otherwise required under subparagraph (A) unless the complainant makes a prima facie showing that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(ii) SHOWING BY EMPLOYER.—Notwithstanding a finding by the Secretary that the complainant has made the showing required under clause (i), no investigation otherwise required under subparagraph (A) shall be conducted if the employer demonstrates, by clear and convincing evidence, that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

"(iii) CRITERIA FOR DETERMINATION BY SECRETARY.—The Secretary may determine that a violation of subsection (a) has occurred only if the complainant demonstrates that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(iv) PROHIBITION.—Relief may not be ordered under subparagraph (A) if the employer demonstrates by clear and convincing evidence that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

"(3) FINAL ORDER.—

"(A) DEADLINE FOR ISSUANCE; SETTLEMENT AGREEMENTS.—Not later than 120 days after the date of conclusion of a hearing under paragraph (2), the Secretary of Labor shall issue a final order providing the relief prescribed by this paragraph or denying the complaint. At any time before issuance of a final order, a proceeding under this subsection may be terminated on the basis of a settlement agreement entered into by the Secretary of Labor, the complainant, and the person alleged to have committed the violation.

"(B) REMEDY.—If, in response to a complaint filed under paragraph (1), the Secretary of Labor determines that a violation of subsection (a) has occurred, the Secretary of Labor shall order the person who committed such violation to—

"(i) take affirmative action to abate the violation;

"(ii) reinstate the complainant to his or her former position together with the compensation (including back pay) and restore the terms, conditions, and privileges associated with his or her employment; and

"(iii) provide compensatory damages to the complainant.

If such an order is issued under this paragraph, the Secretary of Labor, at the request of the complainant, shall assess against the person whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorney's and expert witness fees) reasonably incurred, as determined by the Secretary of Labor, by the complainant for, or in connection with, the bringing the complaint upon which the order was issued.

"(C) Frivolous complaints.—If the Secretary of Labor finds that a complaint under paragraph (1) is frivolous or has been brought in bad faith, the Secretary of Labor may award to the prevailing employer a reasonable attorney's fee not exceeding $1,000.

"(4) Review.—

"(A) Appeal to court of appeals.—Any person adversely affected or aggrieved by an order issued under paragraph (3) may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred or the circuit in which the complainant resided on the date of such violation. The petition for review must be filed not later than 60 days after the date of issuance of the final order of the Secretary of Labor. Review shall conform to chapter 7 of title 5, United States Code. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the order.

"(B) Limitation on collateral attack.—An order of the Secretary of Labor with respect to which review could have been obtained under subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

"(5) Enforcement of order by Secretary of Labor.—Whenever any person has failed to comply with an order issued under paragraph (3), the Secretary of Labor may file a civil action in the United States district court for the district in which the violation was found to occur to enforce such order. In actions brought under this paragraph, the district courts shall have jurisdiction to grant all appropriate relief, including, but not to be limited to, injunctive relief and compensatory damages.

"(6) Enforcement of order by parties.—

"(A) Commencement of action.—A person on whose behalf an order was issued under paragraph (3) may commence a civil action against the person to whom such order was issued to require compliance with such order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such order.

"(B) Attorney fees.—The court, in issuing any final order under this paragraph, may award costs of litigation (including reasonable attorney and expert witness fees) to any party whenever the court determines such award costs is appropriate.

"(c) Mandamus.—Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28, United States Code.

"(d) Nonapplicability To Deliberate Violations.—Subsection (a) shall not apply with respect to an employee of a pipeline, contractor or subcontractor who, acting without direction from the pipeline contractor or subcontractor (or such person's agent), deliberately causes a violation of any requirement relating to pipeline safety under this chapter or any other law of the United States.

"(e) Contractor Defined.—In this section, the term 'contractor' means a company that performs safety-sensitive functions by contract for a pipeline.".

(b) Civil Penalty.—Section 60122(a) is amended by adding at the end the following:

"(3) A person violating section 60129, or an order issued thereunder, is liable to the Government for a civil penalty of not more than $1,000 for each violation. The penalties provided by paragraph (1) do not apply to a violation of section 60129 or an order issued thereunder.".

(c) Conforming Amendment.—The chapter analysis for chapter 601 is amended by adding at the end the following:

"60129. Protection of employees providing pipeline safety information.".

SEC. 775. STATE PIPELINE SAFETY ADVISORY COMMITTEES.

Within 90 days after receiving recommendations for improvements to pipeline safety from an advisory committee appointed by the Governor of any State, the Secretary of Transportation shall respond in writing to the committee setting forth what action, if any, the Secretary will take on those recommendations and the Secretary's reasons for acting or not acting upon any of the recommendations.

SEC. 776. FINES AND PENALTIES.

The Inspector General of the Department of Transportation shall conduct an analysis of the Department's assessment of fines and penalties on gas transmission and hazardous liquid pipelines, including the cost of corrective actions required by the Department in lieu of fines, and, no later than 6 months after the date of enactment of this Act, shall provide a report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure on any findings and recommendations for actions by the Secretary or Congress to ensure the fines assessed are an effective deterrent for reducing safety risks.

SEC. 777. STUDY OF RIGHTS-OF-WAY.

The Secretary of Transportation is authorized to conduct a study on how best to preserve environmental resources in conjunction with maintaining pipeline rights-of-way. The study shall recognize pipeline operators' regulatory obligations to maintain rights-of-way and to protect public safety.

SEC. 778. STUDY OF NATURAL GAS RESERVE.

(a) Findings.—Congress finds that:

(1) In the last few months, natural gas prices across the country have tripled.

(2) In California, natural gas prices have increased twenty-fold, from $3 per million British thermal units to nearly $60 per million British thermal units.

(3) One of the major causes of these price increases is a lack of supply, including a lack of natural gas reserves.

(4) The lack of a reserve was compounded by the rupture of an El Paso Natural Gas Company pipeline in Carlsbad, New Mexico on August 1, 2000.

(5) Improving pipeline safety will help prevent similar accidents that interrupt the supply of natural gas and will help save lives.

(6) It is also necessary to find solutions for the lack of natural gas reserves that could be used during emergencies.

(b) Study by the National Academy of Sciences.—The Secretary of Energy shall request the National Academy of Sciences to—

(1) conduct a study to—

(A) determine the causes of recent increases in the price of natural gas, including whether the increases have been caused by problems with the supply of natural gas or by problems with the natural gas transmission system;

(B) identify any Federal or State policies that may have contributed to the price increases; and

(C) determine what Federal action would be necessary to improve the reserve supply of natural gas for use in situations of natural gas shortages and price increases, including determining the feasibility and advisability of a Federal strategic natural gas reserve system; and

(2) not later than 60 days after the date of enactment of this Act, submit to Congress a report on the results of the study.

SEC. 779. STUDY AND REPORT ON NATURAL GAS PIPELINE AND STORAGE FACILITIES IN NEW ENGLAND.

(a) Study.—The Federal Energy Regulatory Commission, in consultation with the Department of Energy, shall conduct a study on the natural gas pipeline transmission network in New England and natural gas storage facilities associated with that network. In carrying out the study, the Commission shall consider—

(1) the ability of natural gas pipeline and storage facilities in New England to meet current and projected demand by gas-fired power generation plants and other consumers;

(2) capacity constraints during unusual weather periods;

(3) potential constraint points in regional, interstate, and international pipeline capacity serving New England; and

(4) the quality and efficiency of the Federal environmental review and permitting process for natural gas pipelines.

(b) Report.—Not later than 120 days after the date of the enactment of this Act, the Federal Energy Regulatory Commission shall prepare and submit to the Senate Committee on Energy and Natural Resources and the appropriate committee of the House of Representatives a report containing the results of the study conducted under subsection (a), including recommendations for addressing potential natural gas transmission and storage capacity problems in New England.

PART III—PIPELINE SECURITY SENSITIVE INFORMATION

SEC. 781. MEETING COMMUNITY RIGHT TO KNOW WITHOUT SECURITY RISKS.

Section 60117 is amended by adding at the end the following:

"(l) Withholding Certain Information.—

"(1) In general.—Notwithstanding any other provision of this chapter requiring the Secretary to provide information obtained by the Secretary or an officer, employee, or agent in carrying out this chapter to State or local government officials, the public, or any other person, the Secretary shall withhold such information if it is information that is described in section 552(b)(1)(A) of title 5, United States Code.

"(2) Conditional release.—Notwithstanding paragraph (1), upon the receipt of assurances satisfactory to the Secretary that the information will be handled appropriately, the Secretary may provide information permitted to be withheld under that paragraph—

"(A) to the owner or operator of the affected pipeline system;

"(B) to an officer, employee or agent of a Federal, State, tribal, or local government, including a volunteer fire department, concerned with carrying out this chapter, with protecting the facilities, with protecting public safety, or with national security issues;

"(C) in an administrative or judicial proceeding brought under this chapter or an administrative or judicial proceeding that addresses terrorist actions or threats of such actions; or

"(D) to such other persons as the Secretary determines necessary to protect public safety and security.

"(3) Report to Congress.—The Secretary shall provide an annual report to the Congress, in appropriate form as determined by the Secretary, containing a summary of determinations

made by the Secretary during the preceding year to withhold information from release under paragraph (1).".

SEC. 782. TECHNICAL ASSISTANCE FOR SECURITY OF PIPELINE FACILITIES.

The Secretary of Transportation may provide technical assistance to an operator of a pipeline facility or to State, tribal, or local officials to prevent or respond to acts of terrorism that may impact the pipeline facility, including—

(1) actions by the Secretary that support the use of National Guard or State or Federal personnel to provide additional security for a pipeline facility at risk of terrorist attack or in response to such an attack;

(2) use of resources available to the Secretary to develop and implement security measures for a pipeline facility;

(3) identification of security issues with respect to the operation of a pipeline facility; and

(4) the provision of information and guidance on security practices that prevent damage to pipeline facilities from terrorist attacks.

SEC. 783. CRIMINAL PENALTIES FOR DAMAGING OR DESTROYING A FACILITY.

Section 60123(b) of title 49, United States Code, is amended—

(1) by striking "or" after "gas pipeline facility" and inserting a comma; and

(2) by inserting after "liquid pipeline facility" the following: ", or either an intrastate gas pipeline facility or an intrastate hazardous liquid pipeline facility that is used in interstate or foreign commerce or in any activity affecting interstate or foreign commerce".

DIVISION C—DIVERSIFYING ENERGY DEMAND AND IMPROVING EFFICIENCY

TITLE VIII—FUELS AND VEHICLES

Subtitle A—CAFE Standards, Alternative Fuels, and Advanced Technology

SEC. 801. INCREASED FUEL ECONOMY STANDARDS.

(a) REQUIREMENT FOR NEW REGULATIONS.—

(1) IN GENERAL.—The Secretary of Transportation shall issue, under section 32902 of title 49, United States Code, new regulations setting forth increased average fuel economy standards for automobiles that are determined on the basis of the maximum feasible average fuel economy levels for the automobiles, taking into consideration the matters set forth in subsection (f) of such section.

(2) TIME FOR ISSUING REGULATIONS.—

(A) NON-PASSENGER AUTOMOBILES.—For non-passenger automobiles, the Secretary of Transportation shall issue the final regulations not later than 15 months after the date of the enactment of this Act.

(B) PASSENGER AUTOMOBILES.—For passenger automobiles, the Secretary of Transportation shall issue—

(i) the proposed regulations not later than 180 days after the date of the enactment of this Act; and

(ii) the final regulations not later than 2 years after that date.

(b) PHASED INCREASES.—The regulations issued pursuant to subsection (a) shall specify standards that take effect successively over several vehicle model years not exceeding 15 vehicle model years.

(c) CLARIFICATION OF AUTHORITY TO AMEND PASSENGER AUTOMOBILE STANDARD.—Section 32902(b) of title 49, United States Code, is amended by inserting before the period at the end the following: "or such other number as the Secretary prescribes under subsection (c)".

(d) ENVIRONMENTAL ASSESSMENT.—When issuing final regulations setting forth increased average fuel economy standards under this section, the Secretary of Transportation shall also issue an environmental assessment of the effects of the implementation of the increased standards on the environment under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Transportation for fiscal year 2003, to remain available until expended, $2,000,000 to carry out this section.

SEC. 802. EXPEDITED PROCEDURES FOR CONGRESSIONAL INCREASE IN FUEL ECONOMY STANDARDS.

(a) CONDITION FOR APPLICABILITY.—If the Secretary of Transportation fails to issue final regulations with respect to non-passenger automobiles under section 801, or fails to issue final regulations with respect to passenger automobiles under such section, on or before the date by which such final regulations are required by such section to be issued, respectively, then this section shall apply with respect to a bill described in subsection (b).

(b) BILL.—A bill referred to in this subsection is a bill that satisfies the following requirements:

(1) INTRODUCTION.—The bill is introduced by one or more Members of Congress not later than 60 days after the date referred to in subsection (a).

(2) TITLE.—The title of the bill is as follows: "A bill to establish new average fuel economy standards for certain motor vehicles.".

(3) TEXT.—The bill provides after the enacting clause only the text specified in subparagraph (A) or (B) or any provision described in subparagraph (C), as follows:

(A) NON-PASSENGER AUTOMOBILES.—In the case of a bill relating to a failure timely to issue final regulations relating to non-passenger automobiles, the following text:

"That, section 32902 of title 49, United States Code, is amended by adding at the end the following new subsection:

"'( ) NON-PASSENGER AUTOMOBILES.—The average fuel economy standard for non-passenger automobiles manufactured by a manufacturer in a model year after model year   shall be   miles per gallon.'", the first blank space being filled in with a subsection designation, the second blank space being filled in with the number of a year, and the third blank space being filled in with a number.

(B) PASSENGER AUTOMOBILES.—In the case of a bill relating to a failure timely to issue final regulations relating to passenger automobiles, the following text:

"That, section 32902(b) of title 49, United States Code, is amended to read as follows:

"'(b) PASSENGER AUTOMOBILES.—Except as provided in this section, the average fuel economy standard for passenger automobiles manufactured by a manufacturer in a model year after model year   shall be   miles per gallon.'", the first blank space being filled in with the number of a year and the second blank space being filled in with a number.

(C) SUBSTITUTE TEXT.—Any text substituted by an amendment that is in order under subsection (c)(3).

(c) EXPEDITED PROCEDURES.—A bill described in subsection (b) shall be considered in a House of Congress in accordance with the procedures provided for the consideration of joint resolutions in paragraphs (3) through (8) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in section 101(h) of Public Law 98–473; 98 Stat. 1936), with the following exceptions:

(1) REFERENCES TO RESOLUTION.—The references in such paragraphs to a resolution shall be deemed to refer to the bill described in subsection (b).

(2) COMMITTEES OF JURISDICTION.—The committees to which the bill is referred under this subsection shall—

(A) in the Senate, be the Committee on Commerce, Science, and Transportation; and

(B) in the House of Representatives, be the Committee on Energy and Commerce.

(3) AMENDMENTS.—

(A) AMENDMENTS IN ORDER.—Only four amendments to the bill are in order in each House, as follows:

(i) Two amendments proposed by the majority leader of that House.

(ii) Two amendments proposed by the minority leader of that House.

(B) FORM AND CONTENT.—To be in order under subparagraph (A), an amendment shall propose to strike all after the enacting clause and substitute text that only includes the same text as is proposed to be stricken except for one or more different numbers in the text.

(C) DEBATE, ET CETERA.—Subparagraph (B) of section 8066(c)(5) of the Department of Defense Appropriations Act, 1985 (98 Stat. 1936) shall apply to the consideration of each amendment proposed pursuant to subparagraph (A) of this paragraph in the same manner as such subparagraph (B) applies to debatable motions.

SEC. 803. REVISED CONSIDERATIONS FOR DECISIONS ON MAXIMUM FEASIBLE AVERAGE FUEL ECONOMY.

Section 32902(f) of title 49, United States Code, is amended to read as follows:

"(f) CONSIDERATIONS FOR DECISIONS ON MAXIMUM FEASIBLE AVERAGE FUEL ECONOMY.—When deciding maximum feasible average fuel economy under this section, the Secretary of Transportation shall consider the following matters:

"(1) Technological feasibility.

"(2) Economic practicability.

"(3) The effect of other motor vehicle standards of the Government on fuel economy.

"(4) The need of the United States to conserve energy.

"(5) The desirability of reducing United States dependence on imported oil.

"(6) The effects of the average fuel economy standards on motor vehicle and passenger safety.

"(7) The effects of increased fuel economy on air quality.

"(8) The adverse effects of average fuel economy standards on the relative competitiveness of manufacturers.

"(9) The effects of compliance with average fuel economy standards on levels of employment in the United States.

"(10) The cost and lead time necessary for the introduction of the necessary new technologies.

"(11) The potential for advanced technology vehicles, such as hybrid and fuel cell vehicles, to contribute to the achievement of significant reductions in fuel consumption.

"(12) The extent to which the necessity for vehicle manufacturers to incur near-term costs to comply with the average fuel economy standards adversely affects the availability of resources for the development of advanced technology for the propulsion of motor vehicles.

"(13) The report of the National Research Council that is entitled 'Effectiveness and Impact of Corporate Average Fuel Economy Standards', issued in January 2002.".

SEC. 804. EXTENSION OF MAXIMUM FUEL ECONOMY INCREASE FOR ALTERNATIVE FUELED VEHICLES.

Section 32906(a)(1) of title 49, United States Code, is amended—

(1) in subparagraph (A), by striking "1993–2004" and inserting "1993 through 2008"; and

(2) in subparagraph (B), by striking "2005–2008" and inserting "2009 through 2012".

SEC. 805. PROCUREMENT OF ALTERNATIVE FUELED AND HYBRID LIGHT DUTY TRUCKS.

(a) VEHICLE FLEETS NOT COVERED BY REQUIREMENT IN ENERGY POLICY ACT OF 1992.—

(1) HYBRID VEHICLES.—The head of each agency of the executive branch shall coordinate with the Administrator of General Services to ensure that only hybrid vehicles are procured by or for each agency fleet of light duty trucks that is not in a fleet of vehicles to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies.

(2) WAIVER AUTHORITY.—The head of an agency, in consultation with the Administrator, may waive the applicability of the policy regarding the procurement of hybrid vehicles in paragraph (1) to that agency to the extent that the head of that agency determines necessary—

(A) to meet specific requirements of the agency for capabilities of light duty trucks;

(B) to procure vehicles consistent with the standards applicable to the procurement of fleet vehicles for the Federal Government;

(C) to adjust to limitations on the commercial availability of light duty trucks that are hybrid vehicles; or

(D) to avoid the necessity of procuring a hybrid vehicle for the agency when each of the hybrid vehicles available for meeting the requirements of the agency has a cost to the United States that exceeds the costs of comparable nonhybrid vehicles by a factor that is significantly higher than the difference between—

(i) the real cost of the hybrid vehicle to retail purchasers, taking into account the benefit of any tax incentives available to retail purchasers for the purchase of the hybrid vehicle; and

(ii) the costs of the comparable nonhybrid vehicles to retail purchasers.

(3) APPLICABILITY TO PROCUREMENTS AFTER FISCAL YEAR 2004.—This subsection applies with respect to procurements of light duty trucks in fiscal year 2005 and subsequent fiscal years.

(b) REQUIREMENT TO EXCEED REQUIREMENT IN ENERGY POLICY ACT OF 1992.—

(1) LIGHT DUTY TRUCKS.—The head of each agency of the executive branch shall coordinate with the Administrator of General Services to ensure that, of the light duty trucks procured in fiscal years after fiscal year 2004 for the fleets of light duty vehicles of the agency to which section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) applies—

(A) 5 percent of the total number of such trucks that are procured in each of fiscal years 2005 and 2006 are alternative fueled vehicles or hybrid vehicles; and

(B) 10 percent of the total number of such trucks that are procured in each fiscal year after fiscal year 2006 are alternative fueled vehicles or hybrid vehicles.

(2) COUNTING OF TRUCKS.—Light duty trucks acquired for an agency of the executive branch that are counted to comply with section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212) for a fiscal year shall be counted to determine the total number of light duty trucks procured for that agency for that fiscal year for the purposes of paragraph (1), but shall not be counted to satisfy the requirement in that paragraph.

(c) DEFINITIONS.—In this section:

(1) HYBRID VEHICLE.—The term "hybrid vehicle" means—

(A) a motor vehicle that draws propulsion energy from onboard sources of stored energy that are both—

(i) an internal combustion or heat engine using combustible fuel; and

(ii) a rechargeable energy storage system; and

(B) any other vehicle that is defined as a hybrid vehicle in regulations prescribed by the Secretary of Energy for the administration of title III of the Energy Policy Act of 1992.

(2) ALTERNATIVE FUELED VEHICLE.—The term "alternative fueled vehicle" has the meaning given that term in section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211).

(d) INAPPLICABILITY TO DEPARTMENT OF DEFENSE.—This section does not apply to the Department of Defense, which is subject to comparable requirements under section 318 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107-107; 115 Stat. 1055; 10 U.S.C. 2302 note).

SEC. 806. USE OF ALTERNATIVE FUELS.

(a) EXCLUSIVE USE OF ALTERNATIVE FUELS IN DUAL FUELED VEHICLES.—The head of each agency of the executive branch shall coordinate with the Administrator of General Services to ensure that, not later than January 1, 2009, the fuel actually used in the fleet of dual fueled vehicles used by the agency is an alternative fuel.

(b) WAIVER AUTHORITY.—

(1) CAPABILITY WAIVER.—

(A) AUTHORITY.—If the Secretary of Transportation determines that not all of the dual fueled vehicles can operate on alternative fuels at all times, the Secretary may waive the requirement of subsection (a) in part, but only to the extent that—

(i) not later than January 1, 2009, not less than 50 percent of the total annual volume of fuel used in the dual fueled vehicles shall be alternative fuels; and

(ii) not later than January 1, 2011, not less than 75 percent of the total annual volume of fuel used in the dual fueled vehicles shall be alternative fuels.

(B) EXPIRATION.—In no case may a waiver under subparagraph (A) remain in effect after December 31, 2012.

(2) REGIONAL FUEL AVAILABILITY WAIVER.—The Secretary may waive the applicability of the requirement of subsection (a) to vehicles used by an agency in a particular geographic area where the alternative fuel otherwise required to be used in the vehicles is not reasonably available to retail purchasers of the fuel, as certified to the Secretary by the head of the agency.

(c) DEFINITIONS.—In this section:

(1) ALTERNATIVE FUEL.—The term "alternative fuel" has the meaning given that term in section 32901(a)(1) of title 49, United States Code.

(2) DUAL FUELED VEHICLE.—The term "dual fueled vehicle" has the meaning given the term "dual fueled automobile" in section 32901(a)(8) of title 49, United States Code.

(3) FLEET.—The term "fleet", with respect to dual fueled vehicles, has the meaning that is given that term with respect to light duty motor vehicles in section 301(9) of the Energy Policy Act of 1992 (42 U.S.C. 13211(9)).

SEC. 807. HYBRID ELECTRIC AND FUEL CELL VEHICLES.

(a) EXPANSION OF SCOPE.—The Secretary of Energy shall expand the research and development program of the Department of Energy on advanced technologies for improving the environmental cleanliness of vehicles to emphasize research and development on the following:

(1) Fuel cells, including—

(A) high temperature membranes for fuel cells; and

(B) fuel cell auxiliary power systems.

(2) Hydrogen storage.

(3) Advanced vehicle engine and emission control systems.

(4) Advanced batteries and power electronics for hybrid vehicles.

(5) Advanced fuels.

(6) Advanced materials.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Energy for fiscal year 2003, the amount of $225,000,000 for carrying out the expanded research and development program provided for under this section.

SEC. 808. DIESEL FUELED VEHICLES.

(a) DIESEL COMBUSTION AND AFTER TREATMENT TECHNOLOGIES.—The Secretary of Energy shall accelerate research and development directed toward the improvement of diesel combustion and after treatment technologies for use in diesel fueled motor vehicles.

(b) GOAL.—

(1) COMPLIANCE WITH TIER 2 EMISSION STANDARDS BY 2010.—The Secretary shall carry out subsection (a) with a view to developing and demonstrating diesel technology meeting tier 2 emission standards not later than 2010.

(2) TIER 2 EMISSION STANDARDS DEFINED.—In this subsection, the term "tier 2 emission standards" means the motor vehicle emission standards promulgated by the Administrator of the Environmental Protection Agency on February 10, 2000, under sections 202 and 211 of the Clean Air Act to apply to passenger cars, light trucks, and larger passenger vehicles of model years after the 2003 vehicle model year.

SEC. 809. FUEL CELL DEMONSTRATION.

(a) PROGRAM REQUIRED.—The Secretary of Energy and the Secretary of Defense shall jointly carry out a program to demonstrate—

(1) fuel cell technologies developed in the PNGV and Freedom Car programs;

(2) fuel cell technologies developed in research and development programs of the Department of Defense; and

(3) follow-on fuel cell technologies.

(b) PURPOSES OF PROGRAM.—The purposes of the program are to identify and support technological advances that are necessary to achieve accelerated availability of fuel cell technology for use both for nonmilitary and military purposes.

(c) COOPERATION WITH INDUSTRY.—

(1) IN GENERAL.—The demonstration program shall be carried out in cooperation with industry, including the automobile manufacturing industry and the automotive systems and component suppliers industry.

(2) COST SHARING.—The Secretary of Energy and the Secretary of Defense shall provide for industry to bear, in cash or in kind, at least one-half of the total cost of carrying out the demonstration program.

(d) DEFINITIONS.—In this section:

(1) PNGV PROGRAM.—The term "PNGV program" means the Partnership for a New Generation of Vehicles, a cooperative program engaged in by the Departments of Commerce, Energy, Transportation, and Defense, the Environmental Protection Agency, the National Science Foundation, and the National Aeronautics and Space Administration with the automotive industry for the purpose of developing a new generation of vehicles with capabilities resulting in significantly improved fuel efficiency together with low emissions without compromising the safety, performance, affordability, or utility of the vehicles.

(2) FREEDOM CAR PROGRAM.—The term "Freedom Car program" means a cooperative research program engaged in by the Department of Energy with the United States Council on Automotive Research as a follow-on to the PNGV program.

SEC. 810. BUS REPLACEMENT.

(a) REQUIREMENT FOR STUDY.—The Secretary of Transportation shall carry out a study to determine how best to provide for converting the composition of the fleets of buses in metropolitan areas and school systems from buses utilizing current diesel technology to—

(1) buses that draw propulsion from onboard fuel cells;

(2) buses that are hybrid electric vehicles;

(3) buses that are fueled by clean-burning fuels, such as renewable fuels (including agriculture-based biodiesel fuels), natural gas, and ultra-low sulphur diesel;

(4) buses that are powered by clean diesel engines; or

(5) an assortment of buses described in paragraphs (1), (2), (3), and (4).

(b) REPORT.—

(1) REQUIREMENT.—The Secretary of Transportation shall submit a report on the results of the study on bus fleet conversions under subsection (a) to Congress.

(2) CONTENT.—The report on bus fleet conversions shall include the following:

(A) An assessment of effectuating conversions by the following means:

(i) Replacement of buses.

(ii) Replacement of power and propulsion systems in buses utilizing current diesel technology.

(iii) Other means.

(B) Feasible schedules for carrying out the conversions.

(C) Estimated costs of carrying out the conversions.

(D) An assessment of the benefits of the conversions in terms of emissions control and reduction of fuel consumption.

SEC. 811. AVERAGE FUEL ECONOMY STANDARDS FOR PICKUP TRUCKS.

(a) IN GENERAL.—Section 32902(a) of title 49, United States Code, is amended—

(1) by inserting "(1)" after the after "AUTOMOBILES.—"; and

(2) by adding at the end the following new paragraph:

"(2) The average fuel economy standard for pickup trucks manufactured by a manufacturer in a model year after model year 2004 shall be no higher than 20.7 miles per gallon. No average fuel economy standard prescribed under another provision of this section shall apply to pickup trucks.".

(b) DEFINITION OF PICKUP TRUCK.—Section 32901(a) of such title is amended by adding at the end the following new paragraph:

"(17) 'pickup truck' has the meaning given that term in regulations prescribed by the Secretary for the administration of this chapter, as in effect on January 1, 2002, except that such term shall also include any additional vehicle that the Secretary defines as a pickup truck in regulations prescribed for the administration of this chapter after such date.".

SEC. 812. EXCEPTION TO HOV PASSENGER REQUIREMENTS FOR ALTERNATIVE FUEL VEHICLES.

Section 102(a)(1) of title 23, United States Code, is amended by inserting after "required" the following: "(unless, in the discretion of the State transportation department, the vehicle is being operated on, or is being fueled by, an alternative fuel (as defined in section 301(2) of the Energy Policy Act of 1992 (42 U.S.C. 13211(2)))".

SEC. 813. DATA COLLECTION.

Section 205 of the Department of Energy Organization Act (42 U.S.C. 7135) is amended by adding at the end the following:

"(m) In order to improve the ability to evaluate the effectiveness of the Nation's renewable fuels mandate, the Administrator shall conduct and publish the results of a survey of renewable fuels consumption in the motor vehicle fuels market in the United States monthly, and in a manner designed to protect the confidentiality of individual responses. In conducting the survey, the Administrator shall collect information retrospectively to 1998, both on a national basis and a regional basis, including—

(1) the quantity of renewable fuels produced;

(2) the cost of production;

(3) the cost of blending and marketing;

(4) the quantity of renewable fuels blended;

(5) the quantity of renewable fuels imported; and

(6) market price data.

SEC. 814. GREEN SCHOOL BUS PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Energy and the Secretary of Transportation shall jointly establish a pilot program for awarding grants on a competitive basis to eligible entities for the demonstration and commercial application of alternative fuel school buses and ultra-low sulfur diesel school buses.

(b) REQUIREMENTS.—Not later than 3 months after the date of the enactment of this Act, the Secretary shall establish and publish in the Federal Register grant requirements on eligibility for assistance, and on implementation of the program established under subsection (a), including certification requirements to ensure compliance with this subtitle.

(c) SOLICITATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall solicit proposals for grants under this section.

(d) ELIGIBLE RECIPIENTS.—A grant shall be awarded under this section only—

(1) to a local governmental entity responsible for providing school bus service for one or more public school systems; or

(2) jointly to an entity described in paragraph (1) and a contracting entity that provides school bus service to the public school system or systems.

(e) TYPES OF GRANTS.—

(1) IN GENERAL.—Grants under this section shall be for the demonstration and commercial application of technologies to facilitate the use of alternative fuel school buses and ultra-low sulfur diesel school buses instead of buses manufactured before model year 1977 and diesel-powered buses manufactured before model year 1991.

(2) NO ECONOMIC BENEFIT.—Other than the receipt of the grant, a recipient of a grant under this section may not receive any economic benefit in connection with the receipt of the grant.

(3) PRIORITY OF GRANT APPLICATIONS.—The Secretary shall give priority to awarding grants to applicants who can demonstrate the use of alternative fuel buses and ultra-low sulfur diesel school buses instead of buses manufactured before model year 1977.

(f) CONDITIONS OF GRANT.—A grant provided under this section shall include the following conditions:

(1) All buses acquired with funds provided under the grant shall be operated as part of the school bus fleet for which the grant was made for a minimum of 5 years.

(2) Funds provided under the grant may only be used—

(A) to pay the cost, except as provided in paragraph (3), of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees; and

(B) to provide—

(i) up to 10 percent of the price of the alternative fuel buses acquired, for necessary alternative fuel infrastructure if the infrastructure will only be available to the grant recipient; and

(ii) up to 15 percent of the price of the alternative fuel buses acquired, for necessary alternative fuel infrastructure if the infrastructure will be available to the grant recipient and to other bus fleets.

(3) The grant recipient shall be required to provide at least the lesser of 15 percent of the total cost of each bus received or $15,000 per bus.

(4) In the case of a grant recipient receiving a grant to demonstrate ultra-low sulfur diesel school buses, the grant recipient shall be required to provide documentation to the satisfaction of the Secretary that diesel fuel containing sulfur at not more than 15 parts per million is available for carrying out the purposes of the grant, and a commitment by the applicant to use such fuel in carrying out the purposes of the grant.

(g) BUSES.—Funding under a grant made under this section may only be used to demonstrate the use of new alternative fuel school buses or ultra-low sulfur diesel school buses that—

(1) have a gross vehicle weight greater than 14,000 pounds;

(2) are powered by a heavy duty engine;

(3) in the case of alternative fuel school buses, emit not more than—

(A) for buses manufactured in model year 2002, 2.5 grams per brake horsepower-hour of nonmethane hydrocarbons and oxides of nitrogen and .01 grams per brake horsepower-hour of particulate matter; and

(B) for buses manufactured in model years 2003 through 2006, 1.8 grams per brake horsepower-hour of nonmethane hydrocarbons and oxides of nitrogen and .01 grams per brake horsepower-hour of particulate matter; and

(4) in the case of ultra-low sulfur diesel school buses, emit not more than the lesser of—

(A) the emissions of nonmethane hydrocarbons, oxides of nitrogen, and particulate matter of the best performing technology of the same class of ultra-low sulfur diesel school buses commercially available at the time the grant is made; or

(B) the applicable following amounts—

(i) for buses manufactured in model year 2002 or 2003, 3.0 grams per brake horsepower-hour of oxides of nitrogen and .01 grams per brake horsepower-hour of particulate matter; and

(ii) for buses manufactured in model years 2004 through 2006, 2.5 grams per brake horsepower-hour of nonmethane hydrocarbons and oxides of nitrogen and .01 grams per brake horsepower-hour of particulate matter.

(h) DEPLOYMENT AND DISTRIBUTION.—The Secretary shall seek to the maximum extent practicable to achieve nationwide deployment of alternative fuel school buses through the program under this section, and shall ensure a broad geographic distribution of grant awards, with a goal of no State receiving more than 10 percent of the grant funding made available under this section for a fiscal year.

(i) LIMIT ON FUNDING.—The Secretary shall provide not less than 20 percent and not more than 25 percent of the grant funding made available under this section for any fiscal year for the acquisition of ultra-low sulfur diesel school buses.

(j) DEFINITIONS.—For purposes of this section—

(1) the term "alternative fuel school bus" means a bus powered substantially by electricity (including electricity supplied by a fuel cell), or by liquefied natural gas, compressed natural gas, liquefied petroleum gas, hydrogen, propane, or methanol or ethanol at no less than 85 percent by volume;

(2) the term "idling" means not turning off an engine while remaining stationary for more than approximately 3 minutes; and

(3) the term "ultra-low sulfur diesel school bus" means a school bus powered by diesel fuel which contains sulfur at not more than 15 parts per million.

(k) REDUCTION OF SCHOOL BUS IDLING.—Each local educational agency (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)) that receives Federal funds under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is encouraged to develop a policy to reduce the incidence of school buses idling at schools when picking up and unloading students.

SEC. 815. FUEL CELL BUS DEVELOPMENT AND DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program for entering into cooperative agreements with private sector fuel cell bus developers for the development of fuel cell-powered school buses, and subsequently with not less than two units of local government using natural gas-powered school buses and such private sector fuel cell bus developers to demonstrate the use of fuel cell-powered school buses.

(b) COST SHARING.—The non-Federal contribution for activities funded under this section shall be not less than—

(1) 20 percent for fuel infrastructure development activities; and

(2) 50 percent for demonstration activities and for development activities not described in paragraph (1).

(c) FUNDING.—No more than $25,000,000 of the amounts authorized under section 815 may be used for carrying out this section for the period encompassing fiscal years 2003 through 2006.

(d) REPORTS TO CONGRESS.—Not later than 3 years after the date of the enactment of this Act, and not later than October 1, 2006, the Secretary shall transmit to the appropriate congressional committees a report that—

(1) evaluates the process of converting natural gas infrastructure to accommodate fuel cell-powered school buses; and

(2) assesses the results of the development and demonstration program under this section.

SEC. 816. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary of Energy for carrying out sections 814 and 815, to remain available until expended—

(1) $50,000,000 for fiscal year 2003;

(2) $60,000,000 for fiscal year 2004;

(3) $70,000,000 for fiscal year 2005; and

(4) $80,000,000 for fiscal year 2006.

SEC. 817. TEMPORARY BIODIESEL CREDIT EXPANSION.

(a) BIODIESEL CREDIT EXPANSION.—Section 312(b) of the Energy Policy Act of 1992 (42 U.S.C. 13220(b)) is amended by striking paragraph (2) and inserting the following:

"(2) USE.—

"(A) IN GENERAL.—A fleet or covered person—

"(i) may use credits allocated under subsection (a) to satisfy more than 50 percent of the alternative fueled vehicle requirements of a fleet or covered person under this title, title IV, and title V; but

"(ii) may use credits allocated under subsection (a) to satisfy 100 percent of the alternative fueled vehicle requirements of a fleet or covered person under title V for 1 or more of model years 2002 through 2005.

"(B) APPLICABILITY.—Subparagraph (A) does not apply to a fleet or covered person that is a biodiesel alternative fuel provider described in section 501(a)(2)(A).".

(b) TREATMENT AS SECTION 508 CREDITS.—Section 312(c) of the Energy Policy Act of 1992 (42 U.S.C. 13220(c)) is amended—

(1) in the subsection heading, by striking "CREDIT NOT" and inserting "TREATMENT AS"; and

(2) by striking "shall not be considered" and inserting "shall be treated as".

(c) ALTERNATIVE FUELED VEHICLE STUDY AND REPORT.—

(1) DEFINITIONS.—In this subsection:

(A) ALTERNATIVE FUEL.—The term "alternative fuel" has the meaning given the term in section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211).

(B) ALTERNATIVE FUELED VEHICLE.—The term "alternative fueled vehicle" has the meaning given the term in section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211).

(C) LIGHT DUTY MOTOR VEHICLE.—The term "light duty motor vehicle" has the meaning given the term in section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211).

(D) SECRETARY.—The term "Secretary" means the Secretary of Energy.

(2) BIODIESEL CREDIT EXTENSION STUDY.—As soon as practicable after the date of enactment of this Act, the Secretary shall conduct a study—

(A) to determine the availability and cost of light duty motor vehicles that qualify as alternative fueled vehicles under title V of the Energy Policy Act of 1992 (42 U.S.C. 13251 et seq.); and

(B) to compare—

(i) the availability and cost of biodiesel; with

(ii) the availability and cost of fuels that qualify as alternative fuels under title V of the Energy Policy Act of 1992 (42 U.S.C. 13251 et seq.).

(3) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report that—

(A) describes the results of the study conducted under paragraph (2); and

(B) includes any recommendations of the Secretary for legislation to extend the temporary credit provided under subsection (a) beyond model year 2005.

SEC. 818. NEIGHBORHOOD ELECTRIC VEHICLES.

Section 301 of the Energy Policy Act of 1992 (42 U.S.C. 13211) is amended—

(1) by striking "or a dual fueled vehicle" and inserting ", a dual fueled vehicle, or a neighborhood electric vehicle";

(2) by striking "and" at the end of paragraph (13);

(3) by striking the period at the end of subparagraph (14) and inserting "; and"; and

(4) by adding at the end the following:

"(15) the term 'neighborhood electric vehicle' means a motor vehicle that qualifies as both—

"(A) a low-speed vehicle, as such term is defined in section 571.3(b) of title 49, Code of Federal Regulations; and

"(B) a zero-emission vehicle, as such term is defined in section 86.1703–99 of title 40, Code of Federal Regulations.".

SEC. 819. CREDIT FOR HYBRID VEHICLES, DEDICATED ALTERNATIVE FUEL VEHICLES, AND INFRASTRUCTURE.

Section 507 of the Energy Policy Act of 1992 (42 U.S.C. 13258) is amended by adding at the end the following:

"(p) CREDITS FOR NEW QUALIFIED HYBRID MOTOR VEHICLES.—

"(1) DEFINITIONS.—In this subsection:

"(A) 2000 MODEL YEAR CITY FUEL EFFICIENCY.—The term '2000 model year city fuel efficiency', with respect to a motor vehicle, means fuel efficiency determined in accordance with the following tables:

"(i) In the case of a passenger automobile:

"If vehicle inertia weight class is:	**The 2000 model year city fuel efficiency is:**
1,500 or 1,750 lbs	43.7 mpg
2,000 lbs	38.3 mpg
2,250 lbs	34.1 mpg
2,500 lbs	30.7 mpg
2,750 lbs	27.9 mpg
3,000 lbs	25.6 mpg
3,500 lbs	22.0 mpg
4,000 lbs	19.3 mpg
4,500 lbs	17.2 mpg
5,000 lbs	15.5 mpg
5,500 lbs	14.1 mpg
6,000 lbs	12.9 mpg
6,500 lbs	11.9 mpg
7,000 to 8,500 lbs	11.1 mpg.

"(ii) In the case of a light truck:

"If vehicle inertia weight class is:	**The 2000 model year city fuel efficiency is:**
1,500 or 1,750 lbs	37.6 mpg
2,000 lbs	33.7 mpg
2,250 lbs	30.6 mpg
2,500 lbs	28.0 mpg
2,750 lbs	25.9 mpg
3,000 lbs	24.1 mpg
3,500 lbs	21.3 mpg
4,000 lbs	19.0 mpg
4,500 lbs	17.3 mpg
5,000 lbs	15.8 mpg
5,500 lbs	14.6 mpg
6,000 lbs	13.6 mpg
6,500 lbs	12.8 mpg
7,000 to 8,500 lbs	12.0 mpg.

"(B) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(C) ENERGY STORAGE DEVICE.—The term 'energy storage device' means an onboard rechargeable energy storage system or similar storage device.

"(D) FUEL EFFICIENCY.—The term 'fuel efficiency' means the percentage increased fuel efficiency specified in table 1 in paragraph (2)(C) over the average 2000 model year city fuel efficiency of vehicles in the same weight class.

"(E) MAXIMUM AVAILABLE POWER.—The term 'maximum available power', with respect to a new qualified hybrid motor vehicle that is a passenger vehicle or light truck, means the quotient obtained by dividing—

"(i) the maximum power available from the electrical storage device of the new qualified hybrid motor vehicle, during a standard 10-second pulse power or equivalent test; by

"(ii) the sum of—

"(I) the maximum power described in clause (i); and

"(II) the net power of the internal combustion or heat engine, as determined in accordance with standards established by the Society of Automobile Engineers.

"(F) MOTOR VEHICLE.—The term 'motor vehicle' has the meaning given the term in section 216 of the Clean Air Act (42 U.S.C. 7550).

"(G) NEW QUALIFIED HYBRID MOTOR VEHICLE.—The term 'new qualified hybrid motor vehicle' means a motor vehicle that—

"(i) draws propulsion energy from both—

"(I) an internal combustion engine (or heat engine that uses combustible fuel); and

"(II) an energy storage device;

"(ii) in the case of a passenger automobile or light truck—

"(I) in the case of a 2001 or later model vehicle, receives a certificate of conformity under the Clean Air Act (42 U.S.C. 7401 et seq.) and produces emissions at a level that is at or below the applicable qualifying California low emissions vehicle standards established under authority of section 243(e)(2) of the Clean Air Act (42 U.S.C. 7583(e)(2)) for that make and model year; and

"(II) in the case of a 2004 or later model vehicle, is certified by the Administrator as producing emissions at a level that is at or below the level established for Bin 5 vehicles in the Tier 2 regulations promulgated by the Administrator under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)) for that make and model year vehicle; and

"(iii) employs a vehicle braking system that recovers waste energy to charge an energy storage device.

"(H) VEHICLE INERTIA WEIGHT CLASS.—The term 'vehicle inertia weight class' has the meaning given the term in regulations promulgated by the Administrator for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

"(2) ALLOCATION.—

"(A) IN GENERAL.—The Secretary shall allocate a partial credit to a fleet or covered person under this title if the fleet or person acquires a new qualified hybrid motor vehicle that is eligible to receive a credit under each of the tables in subparagraph (C).

"(B) AMOUNT.—The amount of a partial credit allocated under subparagraph (A) for a vehicle described in that subparagraph shall be equal to the sum of—

"(i) the partial credits determined under table 1 in subparagraph (C); and

"(ii) the partial credits determined under table 2 in subparagraph (C).

"(C) TABLES.—The tables referred to in subparagraphs (A) and (B) are as follows:

"Table 1

"Partial credit for increased fuel efficiency:	*Amount of credit:*
At least 125% but less than 150% of 2000 model year city fuel efficiency	*0.14*
At least 150% but less than 175% of 2000 model year city fuel efficiency	*0.21*
At least 175% but less than 200% of 2000 model year city fuel efficiency	*0.28*
At least 200% but less than 225% of 2000 model year city fuel efficiency	*0.35*
At least 225% but less than 250% of 2000 model year city fuel efficiency	*0.50.*

"Table 2

"Partial credit for 'Maximum Available Power':	*Amount of credit:*
At least 5% but less than 10%	*0.125*
At least 10% but less than 20%	*0.250*
At least 20% but less than 30%	*0.375*
At least 30% or more	*0.500.*

"(D) USE OF CREDITS.—At the request of a fleet or covered person allocated a credit under this subsection, the Secretary shall, for the year in which the acquisition of the qualified hybrid motor vehicle is made, treat that credit as the acquisition of 1 alternative fueled vehicle that the fleet or covered person is required to acquire under this title.

"(3) REGULATIONS.—The Secretary shall promulgate regulations under which any Federal fleet that acquires a new qualified hybrid motor vehicle will receive partial credits determined under the tables contained in paragraph (2)(C) for purposes of meeting the requirements of section 303.

"(q) CREDIT FOR SUBSTANTIAL CONTRIBUTION TOWARDS USE OF DEDICATED VEHICLES IN NONCOVERED FLEETS.—

"(1) DEFINITIONS.—In this subsection:

"(A) DEDICATED VEHICLE.—The term 'dedicated vehicle' includes—

"(i) a light, medium, or heavy duty vehicle; and

"(ii) a neighborhood electric vehicle.

"(B) MEDIUM OR HEAVY DUTY VEHICLE.—The term 'medium or heavy duty vehicle' includes a vehicle that—

"(i) operates solely on alternative fuel; and

"(ii)(I) in the case of a medium duty vehicle, has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds; or

"(II) in the case of a heavy duty vehicle, has a gross vehicle weight rating of more than 14,000 pounds.

"(C) SUBSTANTIAL CONTRIBUTION.—The term 'substantial contribution' (equal to 1 full credit) means not less than $15,000 in cash or in kind services, as determined by the Secretary.

"(2) ISSUANCE OF CREDITS.—The Secretary shall issue a credit to a fleet or covered person under this title if the fleet or person makes a substantial contribution toward the acquisition and use of dedicated vehicles by a person that owns, operates, leases, or otherwise controls a fleet that is not covered by this title.

"(3) MULTIPLE CREDITS FOR MEDIUM AND HEAVY DUTY DEDICATED VEHICLES.—The Secretary shall issue 2 full credits to a fleet or covered person under this title if the fleet or person acquires a medium or heavy duty dedicated vehicle.

"(4) USE OF CREDITS.—At the request of a fleet or covered person allocated a credit under this subsection, the Secretary shall, for the year in which the acquisition of the dedicated vehicle is made, treat that credit as the acquisition of 1 alternative fueled vehicle that the fleet or covered person is required to acquire under this title.

"(5) LIMITATION.—Per vehicle credits acquired under this subsection shall not exceed the per vehicle credits allowed under this section to a fleet for qualifying vehicles in each of the weight categories (light, medium, or heavy duty).

"(r) CREDIT FOR SUBSTANTIAL INVESTMENT IN ALTERNATIVE FUEL INFRASTRUCTURE.—

"(1) DEFINITIONS.—In this section, the term 'qualifying infrastructure' means—

"(A) equipment required to refuel or recharge alternative fueled vehicles;

"(B) facilities or equipment required to maintain, repair, or operate alternative fueled vehicles;

"(C) training programs, educational materials, or other activities necessary to provide information regarding the operation, maintenance, or benefits associated with alternative fueled vehicles; and

"(D) such other activities the Secretary considers to constitute an appropriate expenditure in support of the operation, maintenance, or further widespread adoption of or utilization of alternative fueled vehicles.

"(2) ISSUANCE OF CREDITS.—The Secretary shall issue a credit to a fleet or covered person under this title for investment in qualifying infrastructure if the qualifying infrastructure is open to the general public during regular business hours.

"(3) AMOUNT.—For the purposes of credits under this subsection—

"(A) 1 credit shall be equal to a minimum investment of $25,000 in cash or in kind services, as determined by the Secretary; and

"(B) except in the case of a Federal or State fleet, no part of the investment may be provided by Federal or State funds.

"(4) USE OF CREDITS.—At the request of a fleet or covered person allocated a credit under this subsection, the Secretary shall, for the year in which the investment is made, treat that credit as the acquisition of 1 alternative fueled vehicle that the fleet or covered person is required to acquire under this title.".

SEC. 820. RENEWABLE CONTENT OF MOTOR VEHICLE FUEL.

(a) IN GENERAL.—Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended—

(1) by redesignating subsection (o) as subsection (q); and

(2) by inserting after subsection (n) the following:

"(o) RENEWABLE FUEL PPROGRAM.—

"(1) DEFINITIONS.—In this section:

"(A) CELLULOSIC BIOMASS ETHANOL.—The term 'cellulosic biomass ethanol' means ethanol derived from any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis, including—

"(i) dedicated energy crops and trees;

"(ii) wood and wood residues;

"(iii) plants;

"(iv) grasses;

"(v) agricultural residues;

"(vi) fibers;

"(vii) animal wastes and other waste materials; and

"(viii) municipal solid waste.

"(B) RENEWABLE FUEL.—

"(i) IN GENERAL.—The term 'renewable fuel' means motor vehicle fuel that—

"(I)(aa) is produced from grain, starch, oilseeds, or other biomass; or

"(bb) is natural gas produced from a biogas source, including a landfill, sewage waste treatment plant, feedlot, or other place where decaying organic material is found; and

"(II) is used to replace or reduce the quantity of fossil fuel present in a fuel mixture used to operate a motor vehicle.

"(ii) INCLUSION.—The term 'renewable fuel' includes cellulosic biomass ethanol and biodiesel (as defined in section 312(f) of the Energy Policy Act of 1992 (42 U.S.C. 13220(f)).

"(C) SMALL REFINERY.—The term 'small refinery' means a refinery for which average aggregate daily crude oil throughput for the calendar year (as determined by dividing the aggregate throughput for the calendar year by the number of days in the calendar year) does not exceed 75,000 barrels.

"(2) RENEWABLE FUEL PROGRAM.—

"(A) IN GENERAL.—Not later than 1 year from enactment of this provision, the Administrator shall promulgate regulations ensuring that gasoline sold or dispensed to consumers in the United States, on an annual average basis, contains the applicable volume of renewable fuel as specified in subparagraph (B). Regardless of the date of promulgation, such regulations shall contain compliance provisions for refiners, blenders, and importers, as appropriate, to ensure that the requirements of this section are met, but shall not restrict where renewables can be used, or impose any per-gallon obligation for the use of renewables. If the Administrator does not promulgate such regulations, the applicable percentage, on a volume percentage of gasoline basis, shall be 1.62 in 2004.

"(B) APPLICABLE VOLUME.—

(i) CALENDAR YEARS 2004 THROUGH 2012.—For the purpose of subparagraph (A), the applicable volume for any of calendar years 2004 through 2012 shall be determined in accordance with the following table:

Applicable volume of renewable fuel

"Calendar year:	*(In billions of gallons)*
2004	*2.3*
2005	*2.6*
2006	*2.9*
2007	*3.2*
2008	*3.5*
2009	*3.9*
2010	*4.3*
2011	*4.7*
2012	*5.0.*

"(ii) CALENDAR YEAR 2013 AND THEREAFTER.—For the purpose of subparagraph (A), the applicable volume for calendar year 2013 and each calendar year thereafter shall be equal to the product obtained by multiplying—

"(I) the number of gallons of gasoline that the Administrator estimates will be sold or introduced into commerce in the calendar year; and

"(II) the ratio that—

"(aa) 5.0 billion gallons of renewable fuels; bears to

"(bb) the number of gallons of gasoline sold or introduced into commerce in calendar year 2012.

"(3) APPLICABLE PERCENTAGES.—Not later than October 31 of each calendar year, through 2011, the Administrator of the Energy Information Administration shall provide the Administrator an estimate of the volumes of gasoline sales in the United States for the coming calendar year. Based on such estimates, the Administrator shall by November 30 of each calendar year, through 2011, determine and publish in the Federal Register, the renewable fuel obligation, on a volume percentage of gasoline basis, applicable to refiners, blenders, distributors and importers, as appropriate, for the coming calendar year, to ensure that the requirements of paragraph (2) are met. For each calendar year, the Administrator shall establish a single applicable percentage that applies to all parties, and make provision to avoid redundant obligations. In determining the applicable percentages, the Administrator shall make adjustments to account for the use of renewable fuels

by exempt small refineries during the previous year.

"(4) CELLULOSIC BIOMASS ETHANOL.—For the purpose of paragraph (2), 1 gallon of cellulosic biomass ethanol shall be considered to be the equivalent of 1.5 gallon of renewable fuel.

"(5) CREDIT PROGRAM.—

"(A) IN GENERAL.—The regulations promulgated to carry out this subsection shall provide for the generation of an appropriate amount of credits by any person that refines, blends, or imports gasoline that contains a quantity of renewable fuel that is greater than the quantity required under paragraph (2). Such regulations shall provide for the generation of an appropriate amount of credits for biodiesel fuel. If a small refinery notifies the Administrator that it waives the exemption provided by this Act, the regulations shall provide for the generation of credits by the small refinery beginning in the year following such notification.

"(B) USE OF CREDITS.—A person that generates credits under subparagraph (A) may use the credits, or transfer all or a portion of the credits to another person, for the purpose of complying with paragraph (2).

"(C) LIFE OF CREDITS.—A credit generated under this paragraph shall be valid to show compliance:

"(i) in the calendar year in which the credit was generated or the next calendar year, or

"(ii) in the calendar year in which the credit was generated or next two consecutive calendar years if the Administrator promulgates regulations under paragraph (6).

"(D) INABILITY TO PURCHASE SUFFICIENT CREDITS.—The regulations promulgated to carry out this subsection shall include provisions allowing any person that is unable to generate or purchase sufficient credits to meet the requirements under paragraph (2) to carry forward a renewables deficit provided that, in the calendar year following the year in which the renewables deficit is created, such person shall achieve compliance with the renewables requirement under paragraph (2), and shall generate or purchase additional renewables credits to offset the renewables deficit of the previous year.

"(6) SEASONAL VARIATIONS IN RENEWABLE FUEL USE.—

"(A) STUDY.—For each of calendar years 2004 through 2012, the Administrator of the Energy Information Administration, shall conduct a study of renewable fuels blending to determine whether there are excessive seasonal variations in the use of renewable fuels.

"(B) REGULATION OF EXCESSIVE SEASONAL VARIATIONS.—If, for any calendar year, the Administrator of the Energy Information Administration, based on the study under subparagraph (A), makes the determinations specified in subparagraph (C), the Administrator shall promulgate regulations to ensure that 35 percent or more of the quantity of renewable fuels necessary to meet the requirement of paragraph (2) is used during each of the periods specified in subparagraph (D) of each subsequent calendar year.

"(C) DETERMINATIONS.—The determinations referred to in subparagraph (B) are that—

"(i) less than 35 percent of the quantity of renewable fuels necessary to meet the requirement of paragraph (2) has been used during one of the periods specified in subparagraph (D) of the calendar year; and

"(ii) a pattern of excessive seasonal variation described in clause (i) will continue in subsequent calendar years.

"(D) PERIODS.—The two periods referred to in this paragraph are—

"(i) April through September; and

"(ii) January through March and October through December.

"(E) EXCLUSIONS.—Renewable fuels blended or consumed in 2004 in a state which has received a waiver under section 209(b) shall not be included in the study in subparagraph (A).

"(7) WAIVERS.—

"(A) IN GENERAL.—The Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, may waive the requirement of paragraph (2) in whole or in part on petition by one or more States by reducing the national quantity of renewable fuel required under this subsection—

"(i) based on a determination by the Administrator, after public notice and opportunity for comment, that implementation of the requirement would severely harm the economy or environment of a State, a region, or the United States; or

"(ii) based on a determination by the Administrator, after public notice and opportunity for comment, that there is an inadequate domestic supply or distribution capacity to meet the requirement.

"(B) PETITIONS FOR WAIVERS.—The Administrator, in consultation with the Secretary of Agriculture and the Secretary of Energy, shall approve or disapprove a State petition for a waiver of the requirement of paragraph (2) within 90 days after the date on which the petition is received by the Administrator.

"(C) TERMINATION OF WAIVERS.—A waiver granted under subparagraph (A) shall terminate after 1 year, but may be renewed by the Administrator after consultation with the Secretary of Agriculture and the Secretary of Energy.

"(8) STUDY AND WAIVER FOR INITIAL YEAR OF PROGRAM.—Not later than 180 days from enactment, the Secretary of Energy shall complete for the Administrator a study assessing whether the renewable fuels requirement under paragraph (2) will likely result in significant adverse consumer impacts in 2004, on a national, regional or state basis. Such study shall evaluate renewable fuel supplies and prices, blendstock supplies, and supply and distribution system capabilities. Based on such study, the Secretary shall make specific recommendations to the Administrator regarding waiver of the requirements of paragraph (2), in whole or in part, to avoid any such adverse impacts. Within 270 days from enactment, the Administrator shall, consistent with the recommendations of the Secretary waive, in whole or in part, the renewable fuels requirement under paragraph (2) by reducing the national quantity of renewable fuel required under this subsection in 2004. This provision shall not be interpreted as limiting the Administrator's authority to waive the requirements of paragraph (2) in whole, or in part, under paragraph (7), pertaining to waivers.

"(9) SMALL REFINERIES.—

"(A) IN GENERAL.—The requirement of paragraph (2) shall not apply to small refineries until January 1, 2008. Not later than December 31, 2006, the Secretary of Energy shall complete for the Administrator a study to determine whether the requirement of paragraph (2) would impose a disproportionate economic hardship on small refineries. For any small refinery that the Secretary of Energy determines would experience a disproportionate economic hardship, the Administrator shall extend the small refinery exemption for such small refinery for no less than two additional years.

"(B) ECONOMIC HARDSHIP.—

"(i) EXTENSION OF EXEMPTION.—A small refinery may at any time petition the Administrator for an extension of the exemption from the requirement of paragraph (2) for the reason of disproportionate economic hardship. In evaluating a hardship petition, the Administrator, in consultation with the Secretary of Energy, shall consider the findings of the study in addition to other economic factors.

"(ii) DEADLINE FOR ACTION ON PETITIONS.—The Administrator shall act on any petition submitted by a small refinery for a hardship exemption not later than 90 days after the receipt of the petition.

"(C) CREDIT PROGRAM.—If a small refinery notifies the Administrator that it waives the exemption provided by this Act, the regulations shall provide for the generation of credits by the small refinery beginning in the year following such notification.

"(D) OPT-IN FOR SMALL REFINERS.—A small refinery shall be subject to the requirements of this section if it notifies the Administrator that it waives the exemption under subparagraph (A).

(b) PENALTIES AND ENFORCEMENT.—Section 211(d) of the Clean Air Act (42 U.S.C. 7545(d)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking "or (n)" each place it appears and inserting "(n) or (o)"; and

(B) in the second sentence, by striking "or (m)" and inserting "(m), or (o)"; and

(2) in the first sentence of paragraph (2), by striking "and (n)" each place it appears and inserting "(n), and (o)".

(c) EXCLUSION FROM ETHANOL WAIVER.—Section 211(h) of the Clean Air Act (42 U.S.C. 7545(h)) is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following:

"(5) EXCLUSION FROM ETHANOL WAIVER.—

"(A) PROMULGATION OF REGULATIONS.—Upon notification, accompanied by supporting documentation, from the Governor of a State that the Reid vapor pressure limitation established by paragraph (4) will increase emissions that contribute to air pollution in any area in the State, the Administrator shall, by regulation, apply, in lieu of the Reid vapor pressure limitation established by paragraph (4), the Reid vapor pressure limitation established by paragraph (1) to all fuel blends containing gasoline and 10 percent denatured anhydrous ethanol that are sold, offered for sale, dispensed, supplied, offered for supply, transported or introduced into commerce in the area during the high ozone season.

"(B) DEADLINE FOR PROMULGATION.—The Administrator shall promulgate regulations under subparagraph (A) not later than 90 days after the date of receipt of a notification from a Governor under that subparagraph.

"(C) EFFECTIVE DATE.—

"(i) IN GENERAL.—With respect to an area in a State for which the Governor submits a notification under subparagraph (A), the regulations under that subparagraph shall take effect on the later of—

"(I) the first day of the first high ozone season for the area that begins after the date of receipt of the notification; or

"(II) 1 year after the date of receipt of the notification.

"(ii) EXTENSION OF EFFECTIVE DATE BASED ON DETERMINATION OF INSUFFICIENT SUPPLY.—

"(I) IN GENERAL.—If, after receipt of a notification with respect to an area from a Governor of a State under subparagraph (A), the Administrator determines, on the Administrator's own motion or on petition of any person and after consultation with the Secretary of Energy, that the promulgation of regulations described in subparagraph (A) would result in an insufficient supply of gasoline in the State, the Administrator, by regulation—

"(aa) shall extend the effective date of the regulations under clause (i) with respect to the area for not more than 1 year; and

"(bb) may renew the extension under item (aa) for two additional periods, each of which shall not exceed 1 year.

"(II) DEADLINE FOR ACTION ON PETITIONS.—The Administrator shall act on any petition submitted under subclause (I) not later than 180 days after the date of receipt of the petition.".

(d) SURVEY OF RENEWABLE FUEL MARKET.—

(1) SURVEY AND REPORT.—Not later than December 1, 2005, and annually thereafter, the Administrator shall—

(A) conduct, with respect to each conventional gasoline use area and each reformulated gasoline use area in each State, a survey to determine the market shares of—

(i) conventional gasoline containing ethanol;

(ii) reformulated gasoline containing ethanol;

(iii) conventional gasoline containing renewable fuel; and

(iv) reformulated gasoline containing renewable fuel; and

(B) submit to Congress, and make publicly available, a report on the results of the survey under subparagraph (A).

(2) RECORDKEEPING AND REPORTING REQUIREMENTS.—The Administrator may require any refiner, blender, or importer to keep such records and make such reports as are necessary to ensure that the survey conducted under paragraph (1) is accurate. The Administrator shall rely, to the extent practicable, on existing reporting and recordkeeping requirements to avoid duplicative requirements.

(3) APPLICABLE LAW.—Activities carried out under this subsection shall be conducted in a manner designed to protect confidentiality of individual responses.

(e) RENEWABLE FUELS SAFE HARBOR.—

(1) IN GENERAL.—Notwithstanding any other provision of federal or state law, no renewable fuel, as defined by this Act, used or intended to be used as a motor vehicle fuel, nor any motor vehicle fuel containing such renewable fuel, shall be deemed defective in design or manufacture by virtue of the fact that it is, or contains, such a renewable fuel, if it does not violate a control or prohibition imposed by the Administrator under section 211 of the Clean Air Act, as amended by this Act, and the manufacturer is in compliance with all requests for information under section 211(b) of the Clean Air Act, as amended by this Act. In the event that the safe harbor under this section does not apply, the existence of a design defect or manufacturing defect shall be determined under otherwise applicable law.

(2) EXCEPTIONS.—This subsection shall not apply to ethers.

(3) EFFECTIVE DATE.—This subsection shall be effective as of the date of enactment and shall apply with respect to all claims filed on or after that date.

SEC. 820A. FEDERAL AGENCY ETHANOL-BLENDED GASOLINE AND BIODIESEL PURCHASING REQUIREMENT.

Title III of the Energy Policy Act of 1992 is amended by striking section 306 (42 U.S.C. 13215) and inserting the following:

"SEC. 306. FEDERAL AGENCY ETHANOL-BLENDED GASOLINE AND BIODIESEL PURCHASING REQUIREMENT.

"(a) ETHANOL-BLENDED GASOLINE.—The head of each Federal agency shall ensure that, in areas in which ethanol-blended gasoline is reasonably available at a generally competitive price, the Federal agency purchases ethanol-blended gasoline containing at least 10 percent ethanol rather than nonethanol-blended gasoline, for use in vehicles used by the agency that use gasoline.

"(b) BIODIESEL.—

"(1) DEFINITION OF BIODIESEL.—In this subsection, the term 'biodiesel' has the meaning given the term in section 312(f).

"(2) REQUIREMENT.—The head of each Federal agency shall ensure that the Federal agency purchases, for use in fueling fleet vehicles that use diesel fuel used by the Federal agency at the location at which fleet vehicles of the Federal agency are centrally fueled, in areas in which the biodiesel-blended diesel fuel described in paragraphs (A) and (B) is available at a generally competitive price—

"(A) as of the date that is 5 years after the date of enactment of this paragraph, biodiesel-blended diesel fuel that contains at least 2 percent biodiesel, rather than nonbiodiesel-blended diesel fuel; and

"(B) as of the date that is 10 years after the date of enactment of this paragraph, biodiesel-blended diesel fuel that contains at least 20 percent biodiesel, rather than nonbiodiesel-blended diesel fuel.

"(3) REQUIREMENT OF FEDERAL LAW.—The provisions of this subsection shall not be considered a requirement of Federal law for the purposes of section 312.

"(c) EXEMPTION.—This section does not apply to fuel used in vehicles excluded from the definition of 'fleet' by subparagraphs (A) through (H) of section 301(9).".

SEC. 820B. COMMERCIAL BYPRODUCTS FROM MUNICIPAL SOLID WASTE LOAN GUARANTEE PROGRAM.

(a) DEFINITION OF MUNICIPAL SOLID WASTE.—In this section, the term "municipal solid waste" has the meaning given the term "solid waste" in section 1004 of the Solid Waste Disposal Act (42 U.S.C. 6903).

(b) ESTABLISHMENT OF PROGRAM.—The Secretary of Energy shall establish a program to provide guarantees of loans by private institutions for the construction of facilities for the processing and conversion of municipal solid waste into fuel ethanol and other commercial byproducts.

(c) REQUIREMENTS.—The Secretary may provide a loan guarantee under subsection (b) to an applicant if—

(1) without a loan guarantee, credit is not available to the applicant under reasonable terms or conditions sufficient to finance the construction of a facility described in subsection (b);

(2) the prospective earning power of the applicant and the character and value of the security pledged provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with the terms of the loan; and

(3) the loan bears interest at a rate determined by the Secretary to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of the loan.

(d) CRITERIA.—In selecting recipients of loan guarantees from among applicants, the Secretary shall give preference to proposals that—

(1) meet all applicable Federal and State permitting requirements;

(2) are most likely to be successful; and

(3) are located in local markets that have the greatest need for the facility because of—

(A) the limited availability of land for waste disposal; or

(B) a high level of demand for fuel ethanol or other commercial byproducts of the facility.

(e) MATURITY.—A loan guaranteed under subsection (b) shall have a maturity of not more than 20 years.

(f) TERMS AND CONDITIONS.—The loan agreement for a loan guaranteed under subsection (b) shall provide that no provision of the loan agreement may be amended or waived without the consent of the Secretary.

(g) ASSURANCE OF REPAYMENT.—The Secretary shall require that an applicant for a loan guarantee under subsection (b) provide an assurance of repayment in the form of a performance bond, insurance, collateral, or other means acceptable to the Secretary in an amount equal to not less than 20 percent of the amount of the loan.

(h) GUARANTEE FEE.—The recipient of a loan guarantee under subsection (b) shall pay the Secretary an amount determined by the Secretary to be sufficient to cover the administrative costs of the Secretary relating to the loan guarantee.

(i) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the loan for the guarantee with respect to principal and interest. The validity of the guarantee shall be incontestable in the hands of a holder of the guaranteed loan.

(j) REPORTS.—Until each guaranteed loan under this section has been repaid in full, the Secretary shall annually submit to Congress an report on the activities of the Secretary under this section.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(l) TERMINATION OF AUTHORITY.—The authority of the Secretary to issue a loan guarantee under subsection (b) terminates on the date that is 10 years after the date of enactment of this Act.

Subtitle B—Additional Fuel Efficiency Measures

SEC. 821. FUEL EFFICIENCY OF THE FEDERAL FLEET OF AUTOMOBILES.

Section 32917 of title 49, United States Code, is amended to read as follows:

"§32917. Standards for executive agency automobiles

"(a) BASELINE AVERAGE FUEL ECONOMY.—The head of each executive agency shall determine, for all automobiles in the agency's fleet of automobiles that were leased or bought as a new vehicle in fiscal year 1999, the average fuel economy for such automobiles. For the purposes of this section, the average fuel economy so determined shall be the baseline average fuel economy for the agency's fleet of automobiles.

"(b) INCREASE OF AVERAGE FUEL ECONOMY.—The head of an executive agency shall manage the procurement of automobiles for that agency in such a manner that—

"(1) not later than September 30, 2003, the average fuel economy of the new automobiles in the agency's fleet of automobiles is not less than 1 mile per gallon higher than the baseline average fuel economy determined under subsection (a) for that fleet; and

"(2) not later than September 30, 2005, the average fuel economy of the new automobiles in the agency's fleet of automobiles is not less than 3 miles per gallon higher than the baseline average fuel economy determined under subsection (a) for that fleet.

"(c) CALCULATION OF AVERAGE FUEL ECONOMY.—Average fuel economy shall be calculated for the purposes of this section in accordance with guidance which the Secretary of Transportation shall prescribe for the implementation of this section.

"(d) DEFINITIONS.—In this section:

"(1) The term 'automobile' does not include any vehicle designed for combat-related missions, law enforcement work, or emergency rescue work.

"(2) The term 'executive agency' has the meaning given that term in section 105 of title 5.

"(3) The term 'new automobile', with respect to the fleet of automobiles of an executive agency, means an automobile that is leased for at least 60 consecutive days or bought, by or for the agency, after September 30, 1999.".

SEC. 822. IDLING REDUCTION SYSTEMS IN HEAVY DUTY VEHICLES.

Title III of the Energy Policy and Conservation Act (42 U.S.C. 6291 et seq.) is amended by adding at the end the following:

"PART K—REDUCING TRUCK IDLING

"SEC. 400AAA. REDUCING TRUCK IDLING.

"(a) STUDY.—Not later than 18 months after the date of enactment of this section, the Secretary shall, in consultation with the Secretary of Transportation, commence a study to analyze the potential fuel savings resulting from long duration idling of main drive engines in heavy-duty vehicles.

"(b) REGULATIONS.—Upon completion of the study under subsection (a), the Secretary may issue regulations requiring the installation of idling reduction systems on all newly manufactured heavy-duty vehicles.

"(c) DEFINITIONS.—As used in this section:

"(1) The term 'heavy-duty vehicle' means a vehicle that has a gross vehicle weight rating greater than 8,500 pounds and is powered by a diesel engine.

"(2) The term 'idling reduction system' means a device or system of devices used to reduce long duration idling of a diesel engine in a vehicle.

"(3) The term 'long duration idling' means the operation of a main drive engine of a heavy-duty vehicle for a period of more than 15 consecutive minutes when the main drive engine is not engaged in gear, except that such term does not include idling as a result of traffic congestion or other impediments to the movement of a heavy-duty vehicle.

"(4) The term 'vehicle' has the meaning given such term in section 4 of title 1, United States Code.".

SEC. 823. CONSERVE BY BICYCLING PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Transportation shall establish a Conserve By Bicycling pilot program that shall provide for up to 10 geographically dispersed projects to encourage the use of bicycles in place of motor vehicles. Such projects shall use education and marketing to convert motor vehicle trips to bike trips, document project results and energy savings, and facilitate partnerships among entities in the fields of transportation, law enforcement, education, public health, environment, or energy. At least 20 percent of the cost of each project shall be provided from State or local sources. Not later than 2 years after implementation of the projects, the Secretary of Transportation shall submit a report to Congress on the results of the pilot program.

(b) NATIONAL ACADEMY STUDY.—The Secretary of Transportation shall contract with the National Academy of Sciences to conduct a study on the feasibility and benefits of converting motor vehicle trips to bicycle trips and to issue a report, not later than 2 years after enactment of this Act, on the findings of such study.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of' Transportation $5,500,000, to remain available until expended, to carry out the pilot program and study pursuant to this section.

SEC. 824. FUEL CELL VEHICLE PROGRAM.

Not later than 1 year from date of enactment of this section, the Secretary shall develop a program with timetables for developing technologies to enable at least 100,000 hydrogen-fueled fuel cell vehicles to be available for sale in the United States by 2010 and at least 2.5 million of such vehicles to be available by 2020 and annually thereafter. The program shall also include timetables for development of technologies to provide 50 million gasoline equivalent gallons of hydrogen for sale in fueling stations in the United States by 2010 and at least 2.5 billion gasoline equivalent gallons by 2020 and annually thereafter. The Secretary shall annually include a review of the progress toward meeting the vehicle sales of Energy budget.

Subtitle C—Federal Reformulated Fuels

SEC. 831. SHORT TITLE.

This subtitle may be cited as the "Federal Reformulated Fuels Act of 2002".

SEC. 832. LEAKING UNDERGROUND STORAGE TANKS.

(a) USE OF LUST FUNDS FOR REMEDIATION OF CONTAMINATION FROM ETHER FUEL ADDITIVES.—Section 9003(h) of the Solid Waste Disposal Act (42 U.S.C. 6991b(h)) is amended—

(1) in paragraph (7)(A)—

(A) by striking "paragraphs (1) and (2) of this subsection" and inserting "paragraphs (1), (2), and (12)"; and

(B) by inserting "and section 9010" before "if"; and

(2) by adding at the end the following:

"(12) REMEDIATION OF CONTAMINATION FROM ETHER FUEL ADDITIVES.—

"(A) IN GENERAL.—The Administrator and the States may use funds made available under section 9013(1) to carry out corrective actions with respect to a release of methyl tertiary butyl ether or other ether fuel additive that presents a threat to human health, welfare, or the environment.

"(B) APPLICABLE AUTHORITY.—Subparagraph (A) shall be carried out—

"(i) in accordance with paragraph (2), except that a release with respect to which a corrective action is carried out under subparagraph (A) shall not be required to be from an underground storage tank; and

"(ii) in the case of a State, in accordance with a cooperative agreement entered into by the Administrator and the State under paragraph (7).".

(b) RELEASE PREVENTION AND COMPLIANCE.—Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) is amended by striking section 9010 and inserting the following:

"SEC. 9010. RELEASE PREVENTION AND COMPLIANCE.

"Funds made available under section 9013(2) from the Leaking Underground Storage Tank Trust Fund may be used for conducting inspections, or for issuing orders or bringing actions under this subtitle—

"(1) by a State (pursuant to section 9003(h)(7)) acting under—

"(A) a program approved under section 9004; or

"(B) State requirements regulating underground storage tanks that are similar or identical to this subtitle, as determined by the Administrator; and

"(2) by the Administrator, acting under this subtitle or a State program approved under section 9004.

"SEC. 9011. BEDROCK BIOREMEDIATION.

"The Administrator shall establish, at an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) with established expertise in bioremediation of contaminated bedrock aquifers, a resource center—

"(1) to conduct research concerning bioremediation of methyl tertiary butyl ether in contaminated underground aquifers, including contaminated bedrock; and

"(2) to provide for States a technical assistance clearinghouse for information concerning innovative technologies for bioremediation described in paragraph (1).

"SEC. 9012. SOIL REMEDIATION.

"The Administrator may establish a program to conduct research concerning remediation of methyl tertiary butyl ether contamination of soil, including granitic or volcanic soil.

"SEC. 9013. AUTHORIZATION OF APPROPRIATIONS.

"In addition to amounts made available under section 2007(f), there are authorized to be appropriated from the Leaking Underground Storage Tank Trust Fund, notwithstanding section 9508(c)(1) of the Internal Revenue Code of 1986—

"(1) to carry out section 9003(h)(12), $200,000,000 for fiscal year 2003, to remain available until expended;

"(2) to carry out section 9010—

"(A) $50,000,000 for fiscal year 2003; and

"(B) $30,000,000 for each of fiscal years 2004 through 2008;

"(3) to carry out section 9011—

"(A) $500,000 for fiscal year 2003; and

"(B) $300,000 for each of fiscal years 2004 through 2008; and

"(4) to carry out section 9012—

"(A) $100,000 for fiscal year 2003; and

"(B) $50,000 for each of fiscal years 2004 through 2008.

(c) TECHNICAL AMENDMENTS.—(1) Section 1001 of the Solid Waste Disposal Act (42 U.S.C. prec. 6901) is amended by striking the item relating to section 9010 and inserting the following:

"Sec. 9010. Release prevention and compliance.
"Sec. 9011. Bedrock bioremediation.
"Sec. 9012. Soil remediation.
"Sec. 9013. Authorization of appropriations.".

(2) Section 9001(3)(A) of the Solid Waste Disposal Act (42 U.S.C. 6991(3)(A)) is amended by striking "sustances" and inserting "substances".

(3) Section 9003(f)(1) of the Solid Waste Disposal Act (42 U.S.C. 6991b(f)(1)) is amended by striking "subsection (c) and (d) of this section" and inserting "subsections (c) and (d)".

(4) Section 9004(a) of the Solid Waste Disposal Act (42 U.S.C. 6991c(a)) is amended in the second sentence by striking "referred to" and all that follows and inserting "referred to in subparagraph (A) or (B), or both, of section 9001(2).".

(5) Section 9005 of the Solid Waste Disposal Act (42 U.S.C. 6991d) is amended—

(A) in subsection (a), by striking "study taking" and inserting "study, taking";

(B) in subsection (b)(1), by striking "relevent" and inserting "relevant"; and

(C) in subsection (b)(4), by striking "Evironmental" and inserting "Environmental".

SEC. 833. AUTHORITY FOR WATER QUALITY PROTECTION FROM FUELS.

(a) FINDINGS.—Congress finds that—

(1) since 1979, methyl tertiary butyl ether (referred to in this section as "MTBE") has been used nationwide at low levels in gasoline to replace lead as an octane booster or anti-knocking agent;

(2) Public Law 101–549 (commonly known as the "Clean Air Act Amendments of 1990") (42 U.S.C. 7401 et seq.) established a fuel oxygenate standard under which reformulated gasoline must contain at least 2 percent oxygen by weight;

(3) at the time of the adoption of the fuel oxygen standard, Congress was aware that significant use of MTBE could result from the adoption of that standard, and that the use of MTBE would likely be important to the cost-effective implementation of that program;

(4) Congress is aware that gasoline and its component additives have leaked from storage tanks, with consequences for water quality;

(5) the fuel industry responded to the fuel oxygenate standard established by Public Law 101–549 by making substantial investments in—

(A) MTBE production capacity; and

(B) systems to deliver MTBE-containing gasoline to the marketplace;

(6) when leaked or spilled into the environment, MTBE may cause serious problems of drinking water quality;

(7) in recent years, MTBE has been detected in water sources throughout the United States;

(8) MTBE can be detected by smell and taste at low concentrations;

(9) while small quantities of MTBE can render water supplies unpalatable, the precise human health effects of MTBE consumption at low levels are yet unknown;

(10) in the report entitled "Achieving Clean Air and Clean Water: The Report of the Blue Ribbon Panel on Oxygenates in Gasoline" and dated September 1999, Congress was urged—

(A) to eliminate the fuel oxygenate standard;

(B) to greatly reduce use of MTBE; and

(C) to maintain the environmental performance of reformulated gasoline;

(11) Congress has—

(A) reconsidered the relative value of MTBE in gasoline; and

(B) decided to eliminate use of MTBE as a fuel additive;

(12) the timeline for elimination of use of MTBE as a fuel additive must be established in a manner that achieves an appropriate balance among the goals of—

(A) environmental protection;

(B) adequate energy supply; and

(C) reasonable fuel prices; and

(13) it is appropriate for Congress to provide some limited transition assistance—

(A) to merchant producers of MTBE who produced MTBE in response to a market created by the oxygenate requirement contained in the Clean Air Act; and

(B) for the purpose of mitigating any fuel supply problems that may result from elimination of a widely-used fuel additive.

(b) PURPOSES.—The purposes of this section are—

(1) to eliminate use of MTBE as a fuel oxygenate; and

(2) to provide assistance to merchant producers of MTBE in making the transition from producing MTBE to producing other fuel additives.

(c) AUTHORITY FOR WATER QUALITY PROTECTION FROM FUELS.—Section 211(c) of the Clean Air Act (42 U.S.C. 7545(c)) is amended—

(1) in paragraph (1)(A)—

(A) by inserting "fuel or fuel additive or" after "Administrator any"; and

(B) by striking "air pollution which" and inserting "air pollution, or water pollution, that";

(2) in paragraph (4)(B), by inserting "or water quality protection," after "emission control,"; and

(3) by adding at the end the following:

"(5) PROHIBITION ON USE OF MTBE.—

"(A) IN GENERAL.—Subject to subparagraph (E), not later than 4 years after the date of enactment of this paragraph, the use of methyl tertiary butyl ether in motor vehicle fuel in any State other than a State described in subparagraph (C) is prohibited.

"(B) REGULATIONS.—The Administrator shall promulgate regulations to effect the prohibition in subparagraph (A).

"(C) STATES THAT AUTHORIZE USE.—A State described in this subparagraph is a State that submits to the Administrator a notice that the State authorizes use of methyl tertiary butyl ether in motor vehicle fuel sold or used in the State.

"(D) PUBLICATION OF NOTICE.—The Administrator shall publish in the Federal Register each notice submitted by a State under subparagraph (C).

"(E) TRACE QUANTITIES.—In carrying out subparagraph (A), the Administrator may allow trace quantities of methyl tertiary butyl ether, not to exceed 0.5 percent by volume, to be present in motor vehicle fuel in cases that the Administrator determines to be appropriate.

"(6) MTBE MERCHANT PRODUCER CONVERSION ASSISTANCE.—

"(A) IN GENERAL.—

"(i) GRANTS.—The Secretary of Energy, in consultation with the Administrator, may make grants to merchant producers of methyl tertiary butyl ether in the United States to assist the producers in the conversion of eligible production facilities described in subparagraph (C) to the production of iso-octane and alkylates.

"(ii) DETERMINATION.—The Administrator, in consultation with the Secretary of Energy, may determine that transition assistance for the production of iso-octane and alkylates is inconsistent with the provisions of subparagraph (B) and, on that basis, may deny applications for grants authorized by this provision.

"(B) FURTHER GRANTS.—The Secretary of Energy, in consultation with the Administrator, may also further make grants to merchant producers of MTBE in the United States to assist the producers in the conversion of eligible production facilities described in subparagraph (C) to the production of such other fuel additives that, consistent with 211(c)—

"(i) unless the Administrator determines that such fuel additives may reasonably be anticipated to endanger public health or the environment;

"(ii) have been registered and have been tested or are being tested in accordance with the requirements of this section; and

"(iii) will contribute to replacing gasoline volumes lost as a result of paragraph (5).

"(C) ELIGIBLE PRODUCTION FACILITIES.—A production facility shall be eligible to receive a grant under this paragraph if the production facility—

"(i) is located in the United States; and

"(ii) produced methyl tertiary butyl ether for consumption in nonattainment areas during the period—

"(I) beginning on the date of enactment of this paragraph; and

"(II) ending on the effective date of the prohibition on the use of methyl tertiary butyl ether under paragraph (5).

"(D) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $250,000,000 for each of fiscal years 2003 through 2005.".

(d) NO EFFECT ON LAW CONCERNING STATE AUTHORITY.—The amendments made by subsection (c) have no effect on the law in effect on the day before the date of enactment of this Act regarding the authority of States to limit the use of methyl tertiary butyl ether in motor vehicle fuel.

SEC. 834. ELIMINATION OF OXYGEN CONTENT REQUIREMENT FOR REFORMULATED GASOLINE.

(a) ELIMINATION.—

(1) IN GENERAL.—Section 211(k) of the Clean Air Act (42 U.S.C. 7545(k)) is amended—

(A) in paragraph (2)—

(i) in the second sentence of subparagraph (A), by striking "(including the oxygen content requirement contained in subparagraph (B))";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(B) in paragraph (3)(A), by striking clause (v);

(C) in paragraph (7)—

(i) in subparagraph (A)—

(I) by striking clause (i); and

(II) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(ii) in subparagraph (C)—

(I) by striking clause (ii); and

(II) by redesignating clause (iii) as clause (ii); and

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) take effect 270 days after the date of enactment of this Act, except that such amendments shall take effect upon enactment in any State that has received a waiver under section 209(b) of the Clean Air Act.

(b) MAINTENANCE OF TOXIC AIR POLLUTANT EMISSION REDUCTIONS.—Section 211(k)(1) of the Clean Air Act (42 U.S.C. 7545(k)(1)) is amended—

(1) by striking "Within 1 year after the enactment of the Clean Air Act Amendments of 1990," and inserting the following:

"(A) IN GENERAL.—Not later than November 15, 1991,"; and

(2) by adding at the end the following:

"(B) MAINTENANCE OF TOXIC AIR POLLUTANT EMISSIONS REDUCTIONS FROM REFORMULATED GASOLINE.—

"(i) DEFINITIONS.—In this subparagraph the term 'PADD' means a Petroleum Administration for Defense District.

"(ii) REGULATIONS REGARDING EMISSIONS OF TOXIC AIR POLLUTANTS.—Not later than 270 days after the date of enactment of this subparagraph, the Administrator shall establish, for each refinery or importer (other than a refinery or importer in a State that has received a waiver under section 209(b) with regard to gasoline produced for use in that state), standards for toxic air pollutants from use of the reformulated gasoline produced or distributed by the refinery or importer that maintain the reduction of the average annual aggregate emissions of toxic air pollutants for reformulated gasoline produced or distributed by the refinery or importer during calendar years 1999 and 2000, determined on the basis of data collected by the Administrator with respect to the refinery or importer.

(iii) STANDARDS APPLICABLE TO SPECIFIC REFINERIES OR IMPORTERS.—

"(I) APPLICABILITY OF STANDARDS.—For any calendar year, the standards applicable to a refinery or importer under clause (ii) shall apply to the quantity of gasoline produced or distributed by the refinery or importer in the calendar year only to the extent that the quantity is less than or equal to the average annual quantity of reformulated gasoline produced or distributed by the refinery or importer during calendar years 1999 and 2000.

"(II) APPLICABILITY OF OTHER STANDARDS.—For any calendar year, the quantity of gasoline produced or distributed by a refinery or importer that is in excess of the quantity subject to subclause (I) shall be subject to standards for toxic air pollutants promulgated under subparagraph (A) and paragraph (3)(B).

"(iv) CREDIT PROGRAM.—The Administrator shall provide for the granting and use of credits for emissions of toxic air pollutants in the same manner as provided in paragraph (7).

"(v) REGIONAL PROTECTION OF TOXICS REDUCTION BASELINES.—

"(I) IN GENERAL.—Not later than 60 days after the date of enactment of this subparagraph, and not later than April 1 of each calendar year that begins after that date of enactment, the Administrator shall publish in the Federal Register a report that specifies, with respect to the previous calendar year—

"(aa) the quantity of reformulated gasoline produced that is in excess of the average annual quantity of reformulated gasoline produced in 1999 and 2000; and

"(bb) the reduction of the average annual aggregate emissions of toxic air pollutants in each PADD, based on retail survey data or data from other appropriate sources.

"(II) EFFECT OF FAILURE TO MAINTAIN AGGREGATE TOXICS REDUCTIONS.—If, in any calendar year, the reduction of the average annual aggregate emissions of toxic air pollutants in a PADD fails to meet or exceed the reduction of the average annual aggregate emissions of toxic air pollutants in the PADD in calendar years 1999 and 2000, the Administrator, not later than 90 days after the date of publication of the report for the calendar year under subclause (I), shall—

"(aa) identify, to the maximum extent practicable, the reasons for the failure, including the sources, volumes, and characteristics of reformulated gasoline that contributed to the failure; and

"(bb) promulgate revisions to the regulations promulgated under clause (ii), to take effect not earlier than 180 days but not later than 270 days after the date of promulgation, to provide that, notwithstanding clause (iii)(II), all reformulated gasoline produced or distributed at each refinery or importer shall meet the standards applicable under clause (iii) not later than April 1 of the year following the report in subclause (II) and for subsequent years.

"(vi) REGULATIONS TO CONTROL HAZARDOUS AIR POLLUTANTS FROM MOTOR VEHICLES AND MOTOR VEHICLE FUELS.—Not later than July 1, 2004, the Administrator shall promulgate final regulations to control hazardous air pollutants from motor vehicles and motor vehicle fuels, as provided for in section 80.1045 of title 40, Code of Federal Regulations (as in effect on the date of enactment of this subparagraph).".

(c) CONSOLIDATION IN REFORMULATED GASOLINE REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Administrator shall revise the reformulated gasoline regulations under subpart D of part 80 of title 40, Code of Federal Regulations, to consolidate the regulations applicable to VOC-Control Regions 1 and 2 under section 80.41 of that title by eliminating the less stringent requirements applicable to gasoline designated for VOC-Control Region 2 and instead applying the more stringent requirements applicable to gasoline designated for VOC-Control Region 1.

(d) SAVINGS CLAUSE.—Nothing in this section is intended to affect or prejudice any legal claims or actions with respect to regulations promulgated by the Administrator prior to enactment of this Act regarding emissions of toxic air pollutants from motor vehicles.

(e) DETERMINATION REGARDING A STATE PETITION.—Section 211(k) of the Clean Air Act (42 U.S.C. 7545(k)) is amended by inserting after paragraph (10) the following:

"(11) DETERMINATION REGARDING A STATE PETITION.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, not less than 30 days after enactment of this paragraph the Administrator must determine the adequacy of any petition received from a Governor of a State to exempt gasoline sold in that State from the requirements of paragraph (2)(B).

"(B) APPROVAL.—If the determination in (A) is not made within thirty days of enactment of this paragraph, the petition shall be deemed approved.".

SEC. 835. PUBLIC HEALTH AND ENVIRONMENTAL IMPACTS OF FUELS AND FUEL ADDITIVES.

Section 211(b) of the Clean Air Act (42 U.S.C. 7545(b)) is amended—

(1) in paragraph (2)—

(A) by striking "may also" and inserting "shall, on a regular basis,"; and

(B) by striking subparagraph (A) and inserting the following:

"(A) to conduct tests to determine potential public health and environmental effects of the fuel or additive (including carcinogenic, teratogenic, or mutagenic effects); and"; and

(2) by adding at the end the following:

"(4) STUDY ON CERTAIN FUEL ADDITIVES AND BLENDSTOCKS.—

"(A) IN GENERAL.—Not later than 2 years after the date of enactment of this paragraph, the Administrator shall—

"(i) conduct a study on the effects on public health, air quality, and water resources of increased use of, and the feasibility of using as substitutes for methyl tertiary butyl ether in gasoline—

"(I) ethyl tertiary butyl ether;

"(II) tertiary amyl methyl ether;

"(III) di-isopropyl ether;

"(IV) tertiary butyl alcohol;

"(V) other ethers and heavy alcohols, as determined by then Administrator;

"(VI) ethanol;

"(VII) iso-octane; and

"(VIII) alkylates; and

"(ii) conduct a study on the effects on public health, air quality, and water resources of the adjustment for ethanol-blended reformulated gasoline to the VOC performance requirements otherwise applicable under sections 211(k)(1) and 211(k)(3) of the Clean Air Act.

"(iii) submit to the Committee on Environment and Public Works of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing the results of these studies.

"(B) CONTRACTS FOR STUDY.—In carrying out this paragraph, the Administrator may enter into one or more contracts with nongovernmental entities including but not limited to National Energy Laboratories and institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)).".

SEC. 836. ANALYSES OF MOTOR VEHICLE FUEL CHANGES.

Section 211 of the Clean Air Act (42 U.S.C. 7545) (as amended by section 820(a)) is amended by inserting after subsection (o) the following:

"(p) ANALYSES OF MOTOR VEHICLE FUEL CHANGES AND EMISSIONS MODEL.—

"(1) ANTI-BACKSLIDING ANALYSIS.—

"(A) DRAFT ANALYSIS.—Not later than 4 years after the date of enactment of this paragraph, the Administrator shall publish for public comment a draft analysis of the changes in emissions of air pollutants and air quality due to the use of motor vehicle fuel and fuel additives resulting from implementation of the amendments made by the Federal Reformulated Fuels Act of 2002.

"(B) FINAL ANALYSIS.—After providing a reasonable opportunity for comment but not later than 5 years after the date of enactment of this paragraph, the Administrator shall publish the analysis in final form.

"(2) EMISSIONS MODEL.—For the purposes of this subsection, as soon as the necessary data are available, the Administrator shall develop and finalize an emissions model that reasonably reflects the effects of gasoline characteristics or components on emissions from vehicles in the motor vehicle fleet during calendar year 2005.".

SEC. 837. ADDITIONAL OPT-IN AREAS UNDER REFORMULATED GASOLINE PROGRAM.

Section 211(k)(6) of the Clean Air Act (42 U.S.C. 7545(k)(6)) is amended—

(1) by striking "(6) OPT-IN AREAS.—(A) Upon" and inserting the following:

"(6) OPT-IN AREAS.—

"(A) CLASSIFIED AREAS.—

"(i) IN GENERAL.—Upon";

(2) in subparagraph (B), by striking "(B) If" and inserting the following:

"(ii) EFFECT OF INSUFFICIENT DOMESTIC CAPACITY TO PRODUCE REFORMULATED GASOLINE.—If";

(3) in subparagraph (A)(ii) (as redesignated by paragraph (2))—

(A) in the first sentence, by striking "subparagraph (A)" and inserting "clause (i)"; and

(B) in the second sentence, by striking "this paragraph" and inserting "this subparagraph"; and

(4) by adding at the end the following:

"(B) OZONE TRANSPORT REGION.—

"(i) APPLICATION OF PROHIBITION.—

"(I) IN GENERAL.—In addition to the provisions of subparagraph (A), upon the application of the Governor of a State in the ozone transport region established by section 184(a), the Administrator, not later than 180 days after the date of receipt of the application, shall apply the prohibition specified in paragraph (5) to any area in the State (other than an area classified as a marginal, moderate, serious, or severe ozone nonattainment area under subpart 2 of part D of title I) unless the Administrator determines under clause (iii) that there is insufficient capacity to supply reformulated gasoline.

"(II) PUBLICATION OF APPLICATION.—As soon as practicable after the date of receipt of an application under subclause (I), the Administrator shall publish the application in the Federal Register.

"(ii) PERIOD OF APPLICABILITY.—Under clause (i), the prohibition specified in paragraph (5) shall apply in a State—

"(I) commencing as soon as practicable but not later than 2 years after the date of approval by the Administrator of the application of the Governor of the State; and

"(II) ending not earlier than 4 years after the commencement date determined under subclause (I).

"(iii) EXTENSION OF COMMENCEMENT DATE BASED ON INSUFFICIENT CAPACITY.—

"(I) IN GENERAL.—If, after receipt of an application from a Governor of a State under clause (i), the Administrator determines, on the Administrator's own motion or on petition of any person, after consultation with the Secretary of Energy, that there is insufficient capacity to supply reformulated gasoline, the Administrator, by regulation—

"(aa) shall extend the commencement date with respect to the State under clause (ii)(I) for not more than 1 year; and

"(bb) may renew the extension under item (aa) for two additional periods, each of which shall not exceed 1 year.

"(II) DEADLINE FOR ACTION ON PETITIONS.—The Administrator shall act on any petition submitted under subclause (I) not later than 180 days after the date of receipt of the petition.".

SEC. 838. FEDERAL ENFORCEMENT OF STATE FUELS REQUIREMENTS.

Section 211(c)(4)(C) of the Clean Air Act (42 U.S.C. 7545(c)(4)(C)) is amended—

(1) by striking "(C) A State" and inserting the following:

"(C) AUTHORITY OF STATE TO CONTROL FUELS AND FUEL .ADDITIVES FOR REASONS OF NECESSITY.—

"(i) IN GENERAL.—A State"; and

(2) by adding at the end the following:

"(ii) ENFORCEMENT BY THE ADMINISTRATOR.—In any case in which a State prescribes and enforces a control or prohibition under clause (i), the Administrator, at the request of the State, shall enforce the control or prohibition as if the control or prohibition had been adopted under the other provisions of this section.".

SEC. 839. FUEL SYSTEM REQUIREMENTS HARMONIZATION STUDY.

(a) STUDY.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency and the Secretary of Energy shall jointly conduct a study of Federal, State, and local requirements concerning motor vehicle fuels, including—

(A) requirements relating to reformulated gasoline, volatility (measured in Reid vapor pressure), oxygenated fuel, and diesel fuel; and

(B) other requirements that vary from State to State, region to region, or locality to locality.

(2) REQUIRED ELEMENTS.—The study shall assess—

(A) the effect of the variety of requirements described in paragraph (1) on the supply, quality, and price of motor vehicle fuels available to the consumer;

(B) the effect of the requirements described in paragraph (1) on achievement of—

(i) national, regional, and local air quality standards and goals; and

(ii) related environmental and public health protection standards and goals;

(C) the effect of Federal, State, and local motor vehicle fuel regulations, including multiple motor vehicle fuel requirements, on—

(i) domestic refineries;

(ii) the fuel distribution system; and

(iii) industry investment in new capacity;

(D) the effect of the requirements described in paragraph (1) on emissions from vehicles, refineries, and fuel handling facilities;

(E) the feasibility of developing national or regional motor vehicle fuel slates for the 48 contiguous States that, while protecting and improving air quality at the national, regional, and local levels, could—

(i) enhance flexibility in the fuel distribution infrastructure and improve fuel fungibility;

(ii) reduce price volatility and costs to consumers and producers;

(iii) provide increased liquidity to the gasoline market; and

(iv) enhance fuel quality, consistency, and supply; and

(F) the feasibility of providing incentives, and the need for the development of national standards necessary, to promote cleaner burning motor vehicle fuel.

(b) REPORT.—

(1) IN GENERAL.—Not later than June 1, 2006, the Administrator of the Environmental Protection Agency and the Secretary of Energy shall submit to Congress a report on the results of the study conducted under subsection (a).

(2) RECOMMENDATIONS.—

(A) IN GENERAL.—The report shall contain recommendations for legislative and administrative actions that may be taken—

(i) to improve air quality;

(ii) to reduce costs to consumers and producers; and

(iii) to increase supply liquidity.

(B) REQUIRED CONSIDERATIONS.—The recommendations under subparagraph (A) shall take into account the need to provide advance notice of required modifications to refinery and fuel distribution systems in order to ensure an adequate supply of motor vehicle fuel in all States.

(3) CONSULTATION.—In developing the report, the Administrator of the Environmental Protection Agency and the Secretary of Energy shall consult with—

(A) the Governors of the States;

(B) automobile manufacturers;

(C) motor vehicle fuel producers and distributors; and

(D) the public.

SEC. 840. REVIEW OF FEDERAL PROCUREMENT INITIATIVES RELATING TO USE OF RECYCLED PRODUCTS AND FLEET AND TRANSPORTATION EFFICIENCY.

Not later than 180 days after the date of enactment of this Act, the Administrator of General Services shall submit to Congress a report that details efforts by each Federal agency to implement the procurement policies specified in Executive Order No. 13101 (63 Fed. Reg. 49643; relating to governmental use of recycled products) and Executive Order No. 13149 (65 Fed. Reg. 24607; relating to Federal fleet and transportation efficiency).

TITLE IX—ENERGY EFFICIENCY AND ASSISTANCE TO LOW INCOME CONSUMERS

Subtitle A—Low Income Assistance and State Energy Programs

SEC. 901. INCREASED FUNDING FOR LIHEAP, WEATHERIZATION ASSISTANCE, AND STATE ENERGY GRANTS.

(a) LIHEAP.—(1) Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended by striking the first sentence and inserting the following: "There are authorized to be appropriated to carry out the provisions of this title (other than section 2607A), $3,400,000,000 for each of fiscal years 2003 through 2005.".

(2) Section 2602(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(e)) is amended by striking "$600,000,000" and inserting "$1,000,000,000".

(3) Section 2609A(a) of the Low-Income Energy Assistance Act of 1981 (42 U.S.C. 8628a(a)) is amended by striking "not more than $300,000" and inserting: "not more than $750,000".

(b) WEATHERIZATION ASSISTANCE.—Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended by striking "for fiscal years 1999 through 2003 such sums as may be necessary." and inserting: "$325,000,000 for fiscal year 2003, $400,000,000 for fiscal year 2004, and $500,000,000 for fiscal year 2005.".

SEC. 902. STATE ENERGY PROGRAMS.

(a) STATE ENERGY CONSERVATION PLANS.—Section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322)) is amended by adding at the end the following:

"(g) The Secretary shall, at least once every 3 years, invite the Governor of each State to review and, if necessary, revise the energy conservation plan of the State submitted under subsection (b) or (e). Such reviews should consider the energy conservation plans of other States within the region, and identify opportunities and actions that may be carried out in pursuit of common energy conservation goals.".

(b) STATE ENERGY CONSERVATION GOALS.—Section 364 of the Energy Policy and Conservation Act (42 U.S.C. 6324) is amended to read as follows:

"SEC. 364. Each State energy conservation plan with respect to which assistance is made available under this part on or after the date of enactment of the Energy Policy Act of 2002 shall contain a goal, consisting of an improvement of 25 percent or more in the efficiency of use of energy in the State concerned in calendar year 2010 as compared to calendar year 1990, and may contain interim goals.".

(c) STATE ENERGY CONSERVATION GRANTS.—Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended by striking "for fiscal years 1999 through 2003 such sums as may be necessary." and inserting: "$100,000,000 for each of fiscal years 2003 and 2004; $125,000,000 for fiscal year 2005; and such sums as may be necessary for each fiscal year thereafter.".

SEC. 903. ENERGY EFFICIENT SCHOOLS.

(a) ESTABLISHMENT.—There is established in the Department of Energy the High Performance Schools Program (in this section referred to as the "Program").

(b) GRANTS.—The Secretary of Energy may make grants to a State energy office—

(1) to assist school districts in the State to improve the energy efficiency of school buildings;

(2) to administer the Program; and

(3) to promote participation in the Program.

(c) GRANTS TO ASSIST SCHOOL DISTRICTS.—The Secretary shall condition grants under subsection (b)(1) on the State energy office using the grants to assist school districts that have demonstrated—

(1) a need for the grants to build additional school buildings to meet increasing elementary or secondary enrollments or to renovate existing school buildings; and

(2) a commitment to use the grant funds to develop high performance school buildings in accordance with a plan that the State energy office, in consultation with the State educational agency, has determined is feasible and appropriate to achieve the purposes for which the grant is made.

(d) GRANTS FOR ADMINISTRATION.—Grants under subsection (b)(2) shall be used to—

(1) evaluate compliance by school districts with requirements of this section;

(2) distribute information and materials to clearly define and promote the development of high performance school buildings for both new and existing facilities;

(3) organize and conduct programs for school board members, school personnel, architects, engineers, and others to advance the concepts of high performance school buildings;

(4) obtain technical services and assistance in planning and designing high performance school buildings; or

(5) collect and monitor data and information pertaining to the high performance school building projects.

(e) GRANTS TO PROMOTE PARTICIPATION.—Grants under subsection (b)(3) shall be used for promotional and marketing activities, including facilitating private and public financing, promoting the use of energy savings performance contracts, working with school administrations, students, and communities, and coordinating public benefit programs.

(f) SUPPLEMENTING GRANT FUNDS.—The State energy office shall encourage qualifying school districts to supplement funds awarded pursuant to this section with funds from other sources in the implementation of their plans.

(g) ALLOCATIONS.—Except as provided in subsection (h), funds appropriated to carry out this section shall be allocated as follows:

(1) 70 percent shall be used to make grants under subsection (b)(1).

(2) 15 percent shall be used to make grants under subsection (b)(2).

(3) 15 percent shall be used to make grants under subsection (b)(3).

(h) OTHER FUNDS.—The Secretary of Energy may retain an amount, not to exceed $300,000 per year, to assist State energy offices in coordinating and implementing the Program. Such funds may be used to develop reference materials to further define the principles and criteria to achieve high performance school buildings.

(i) AUTHORIZATION OF APPROPRIATIONS.—For grants under subsection (b) there are authorized to be appropriated—

(1) $200,000,000 for fiscal year 2003;

(2) $210,000,000 for fiscal year 2004;

(3) $220,000,000 for fiscal year 2005;

(4) $230,000,000 for fiscal year 2006; and

(5) such sums as may be necessary for fiscal year 2007 and each fiscal year thereafter through fiscal year 2012.

(j) DEFINITIONS.—For purposes of this section:

(1) HIGH PERFORMANCE SCHOOL BUILDING.—The term "high performance school building" means a school building that, in its design, construction, operation, and maintenance—

(A) maximizes use of renewable energy and energy-efficient technologies and systems;

(B) is cost-effective on a life-cycle basis;

(C) achieves either—

(i) the applicable Energy Star building energy performance ratings; or

(ii) energy consumption levels at least 30 percent below those of the most recent version of ASHRAE Standard 90.1;

(D) uses affordable, environmentally preferable, and durable materials;

(E) enhances indoor environmental quality;

(F) protects and conserves water; and

(G) optimizes site potential.

(2) RENEWABLE ENERGY.—The term "renewable energy" means energy produced by solar, wind, biomass, ocean, geothermal, or hydroelectric power.

(3) SCHOOL.—The term "school" means—

(A) an "elementary school" as that term is defined in section 14101(14) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(14)),

(B) a "secondary school" as that term is defined in section 14101(25) of the Elementary and

Secondary Education Act of 1965 (20 U.S.C. 8801(25)), or

(C) an elementary or secondary Indian school funded by the Bureau of Indian Affairs.

(4) STATE EDUCATIONAL AGENCY.—The term "State educational agency" has the same meaning given such term in section 14101(28) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(28)).

(5) STATE ENERGY OFFICE.—The term "State energy office" means the State agency responsible for developing State energy conservation plans under section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322), or, if no such agency exists, a State agency designated by the Governor of the State.

SEC. 904. LOW INCOME COMMUNITY ENERGY EFFICIENCY PILOT PROGRAM.

(a) GRANTS.—The Secretary of Energy is authorized to make grants to units of local government, private, non-profit community development organizations, and Indian tribe economic development entities to improve energy efficiency, identify and develop alternative renewable and distributed energy supplies, and increase energy conservation in low income rural and urban communities.

(b) PURPOSE OF GRANTS.—The Secretary may make grants on a competitive basis for—

(1) investments that develop alternative renewable and distributed energy supplies;

(2) energy efficiency projects and energy conservation programs;

(3) studies and other activities that improve energy efficiency in low income rural and urban communities;

(4) planning and development assistance for increasing the energy efficiency of buildings and facilities; and

(5) technical and financial assistance to local government and private entities on developing new renewable and distributed sources of power or combined heat and power generation.

(c) DEFINITION.—For purposes of this section, the term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of this section there are authorized to be appropriated to the Secretary of Energy an amount not to exceed $20,000,000 for fiscal year 2003 and each fiscal year thereafter through fiscal year 2005.

SEC. 905. ENERGY EFFICIENT APPLIANCE REBATE PROGRAMS.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE STATE.—The term "eligible State" means a State that meets the requirements of subsection (b).

(2) ENERGY STAR PROGRAM.—The term "Energy Star program" means the program established by section 324A of the Energy Policy and Conservation Act.

(3) RESIDENTIAL ENERGY STAR PRODUCT.—The term "residential Energy Star product" means a product for a residence that is rated for energy efficiency under the Energy Star program.

(4) STATE ENERGY OFFICE.—The term "State energy office" means the State agency responsible for developing State energy conservation plans under section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322).

(5) STATE PROGRAM.—The term "State program" means a State energy efficient appliance rebate program described in subsection (b)(1).

(b) ELIGIBLE STATES.—A State shall be eligible to receive an allocation under subsection (c) if the State—

(1) establishes (or has established) a State energy efficient appliance rebate program to provide rebates to residential consumers for the purchase of residential Energy Star products to replace used appliances of the same type;

(2) submits an application for the allocation at such time, in such form, and containing such information as the Secretary may require; and

(3) provides assurances satisfactory to the Secretary that the State will use the allocation to supplement, but not supplant, funds made available to carry out the State program.

(c) AMOUNT OF ALLOCATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), for each fiscal year, the Secretary shall allocate to the State energy office of each eligible State to carry out subsection (d) an amount equal to the product obtained by multiplying the amount made available under subsection (e) for the fiscal year by the ratio that the population of the State in the most recent calendar year for which data are available bears to the total population of all eligible States in that calendar year.

(2) MINIMUM ALLOCATIONS.—For each fiscal year, the amounts allocated under this subsection shall be adjusted proportionately so that no eligible State is allocated a sum that is less than an amount determined by the Secretary.

(d) USE OF ALLOCATED FUNDS.—The allocation to a State energy office under subsection (c) may be used to pay up to 50 percent of the cost of establishing and carrying out a State program.

(e) ISSUANCE OF REBATES.—Rebates may be provided to residential consumers that meet the requirements of the State program. The amount of a rebate shall be determined by the State energy office, taking into consideration—

(1) the amount of the allocation to the State energy office under subsection (c);

(2) the amount of any Federal or State tax incentive available for the purchase of the residential Energy Star product; and

(3) the difference between the cost of the residential Energy Star product and the cost of an appliance that is not a residential Energy Star product, but is of the same type as, and is the nearest capacity, performance, and other relevant characteristics (as determined by the State energy office) to the residential Energy Star product.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for fiscal year 2003 through fiscal year 2012.

Subtitle B—Federal Energy Efficiency

SEC. 911. ENERGY MANAGEMENT REQUIREMENTS.

(a) ENERGY REDUCTION GOALS.—Section 543(a)(1) of the National Energy Conservation Policy Act (42 U.S.C. 8253(a)(1)) is amended to read as follows:

"(1) Subject to paragraph (2), each agency shall apply energy conservation measures to, and shall improve the design for the construction of, the Federal buildings of the agency (including each industrial or laboratory facility) so that the energy consumption per gross square foot of the Federal buildings of the agency in fiscal years 2002 through 2011 is reduced, as compared with the energy consumption per gross square foot of the Federal buildings of the agency in fiscal year 2000, by the percentage specified in the following table:

"**Fiscal Year**	**Percentage reduction**
2002	2
2003	4
2004	6
2005	8
2006	10
2007	12
2008	14
2009	16
2010	18
2011	20.".

(b) REVIEW AND REVISION OF ENERGY PERFORMANCE REQUIREMENT.—Section 543(a) of the National Energy Conservation Policy Act (42 U.S.C. 8253(a)) is further amended by adding at the end the following:

"(3) Not later than December 31, 2010, the Secretary shall review the results of the implementation of the energy performance requirement established under paragraph (1) and submit to Congress recommendations concerning energy performance requirements for calendar years 2012 through 2021.".

(c) EXCLUSIONS.—Section 543(c)(1) of the National Energy Conservation Policy Act (42 U.S.C. 8253(c)(1)) is amended to read as follows:

"(1)(A) An agency may exclude, from the energy performance requirement for a calendar year established under subsection (a) and the energy management requirement established under subsection (b), any Federal building or collection of Federal buildings, if the head of the agency finds that—

"(i) compliance with those requirements would be impracticable;

"(ii) the agency has completed and submitted all federally required energy management reports;

"(iii) the agency has achieved compliance with the energy efficiency requirements of this Act, the Energy Policy Act of 1992, Executives Orders, and other Federal law; and

"(iv) the agency has implemented all practicable, life-cycle cost-effective projects with respect to the Federal building or collection of Federal buildings to be excluded.

"(B) A finding of impracticability under subparagraph (A)(i) shall be based on—

"(i) the energy intensiveness of activities carried out in the Federal building or collection of Federal buildings; or

"(ii) the fact that the Federal building or collection of Federal buildings is used in the performance of a national security function.".

(d) REVIEW BY SECRETARY.—Section 543(c)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8253(c)(2)) is amended—

(1) by striking "impracticability standards" and inserting "standards for exclusion"; and

(2) by striking "a finding of impracticability" and inserting "the exclusion".

(e) CRITERIA.—Section 543(c) of the National Energy Conservation Policy Act (42 U.S.C. 8253(c)) is further amended by adding at the end the following:

"(3) Not later than 180 days after the date of enactment of this paragraph, the Secretary shall issue guidelines that establish criteria for exclusions under paragraph (1).".

(f) REPORTS.—Section 548(b) of the National Energy Conservation Policy Act (42 U.S.C. 8258(b)) is amended—

(1) in the subsection heading, by inserting "THE PRESIDENT AND" before "CONGRESS"; and

(2) by inserting "President and" before "Congress".

(g) CONFORMING AMENDMENT.—Section 550(d) of the National Energy Conservation Policy Act (42 U.S.C. 8258b(d)) is amended in the second sentence by striking "the 20 percent reduction goal established under section 543(a) of the National Energy Conservation Policy Act (42 U.S.C. 8253(a))." and inserting "each of the energy reduction goals established under section 543(a).".

SEC. 912. ENERGY USE MEASUREMENT AND ACCOUNTABILITY.

Section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) is further amended by adding at the end the following:

"(e) METERING OF ENERGY USE.—

"(1) DEADLINE.—By October 1, 2004, all Federal buildings shall, for the purposes of efficient use of energy and reduction in the cost of electricity used in such buildings, be metered or submetered in accordance with guidelines established by the Secretary under paragraph (2).

Each agency shall use, to the maximum extent practicable, advanced meters or advanced metering devices that provide data at least daily and that measure at least hourly consumption of electricity in the Federal buildings of the agency. Such data shall be incorporated into existing Federal energy tracking systems and made available to Federal facility energy managers.

"(2) GUIDELINES.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Secretary, in consultation with the Department of Defense, the General Services Administration and representatives from the metering industry, utility industry, energy services industry, energy efficiency industry, national laboratories, universities and Federal facility energy managers, shall establish guidelines for agencies to carry out paragraph (1).

"(B) REQUIREMENTS FOR GUIDELINES.—The guidelines shall—

"(i) take into consideration—

"(I) the cost of metering and submetering and the reduced cost of operation and maintenance expected to result from metering and submetering;

"(II) the extent to which metering and submetering are expected to result in increased potential for energy management, increased potential for energy savings and energy efficiency improvement, and cost and energy savings due to utility contract aggregation; and

"(III) the measurement and verification protocols of the Department of Energy;

"(ii) include recommendations concerning the amount of funds and the number of trained personnel necessary to gather and use the metering information to track and reduce energy use;

"(iii) establish one or more dates, not later than 1 year after the date of issuance of the guidelines, on which the requirements specified in paragraph (1) shall take effect; and

"(iv) establish exclusions from the requirements specified in paragraph (1) based on the de minimus quantity of energy use of a Federal building, industrial process, or structure.

"(3) PLAN.—No later than 6 months after the date guidelines are established under paragraph (2), in a report submitted by the agency under section 548(a), each agency shall submit to the Secretary a plan describing how the agency will implement the requirements of paragraph (1), including (A) how the agency will designate personnel primarily responsible for achieving the requirements and (B) demonstration by the agency, complete with documentation, of any finding that advanced meters or advanced metering devices, as defined in paragraph (1), are not practicable.".

SEC. 913. FEDERAL BUILDING PERFORMANCE STANDARDS.

(a) REVISED STANDARDS.—Section 305(a) of the Energy Conservation and Production Act (42 U.S.C. 6834(a)) is amended—

(1) in paragraph (2)(A), by striking "CABO Model Energy Code, 1992" and inserting "the 2000 International Energy Conservation Code"; and

(2) by adding at the end the following:

"(3) REVISED FEDERAL BUILDING ENERGY EFFICIENCY PERFORMANCE STANDARDS.—

"(A) IN GENERAL.—Not later than 1 year after the date of enactment of this paragraph, the Secretary of Energy shall establish, by rule, revised Federal building energy efficiency performance standards that require that, if cost-effective—

"(i) new commercial buildings and multifamily high rise residential buildings be constructed so as to achieve the applicable Energy Star building energy performance ratings or energy consumption levels at least 30 percent below those of the most recent ASHRAE Standard 90.1, whichever results in the greater increase in energy efficiency;

"(ii) new residential buildings (other than those described in clause (i)) be constructed so as to achieve the applicable Energy Star building energy performance ratings or achieve energy consumption levels at least 30 percent below the requirements of the most recent version of the International Energy Conservation Code, whichever results in the greater increase in energy efficiency; and

"(iii) sustainable design principles are applied to the siting, design, and construction of all new and replacement buildings.

"(B) ADDITIONAL REVISIONS.—Not later than 1 year after the date of approval of amendments to ASHRAE Standard 90.1 or the 2000 International Energy Conservation Code, the Secretary of Energy shall determine, based on the cost-effectiveness of the requirements under the amendments, whether the revised standards established under this paragraph should be updated to reflect the amendments.

"(C) STATEMENT ON COMPLIANCE OF NEW BUILDINGS.—In the budget request of the Federal agency for each fiscal year and each report submitted by the Federal agency under section 548(a) of the National Energy Conservation Policy Act (42 U.S.C. 8258(a)), the head of each Federal agency shall include—

"(i) a list of all new Federal buildings of the Federal agency; and

"(ii) a statement concerning whether the Federal buildings meet or exceed the revised standards established under this paragraph, including a monitoring and commissioning report that is in compliance with the measurement and verification protocols of the Department of Energy.

"(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this paragraph and to implement the revised standards established under this paragraph.".

(b) ENERGY LABELING PROGRAM.—Section 305(a) of the Energy Conservation and Production Act (42 U.S.C. 6834(a)) is further amended by adding at the end the following:

"(e) ENERGY LABELING PROGRAM.—The Secretary of Energy, in cooperation with the Administrator of the Environmental Protection Agency, shall develop an energy labeling program for new Federal buildings that exceed the revised standards established under subsection (a)(3) by 15 percent or more.".

SEC. 914. PROCUREMENT OF ENERGY EFFICIENT PRODUCTS.

(a) REQUIREMENTS.—Part 3 of title V of the National Energy Conservation Policy Act is amended by adding at the end the following:

"SEC. 552. FEDERAL PROCUREMENT OF ENERGY EFFICIENT PRODUCTS.

"(a) DEFINITIONS.—In this section:

"(1) ENERGY STAR PRODUCT.—The term 'Energy Star product' means a product that is rated for energy efficiency under an Energy Star program.

"(2) ENERGY STAR PROGRAM.—The term 'Energy Star program' means the program established by section 324A of the Energy Policy and Conservation Act.

"(3) EXECUTIVE AGENCY.—The term 'executive agency' has the meaning given the term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

"(4) FEMP DESIGNATED PRODUCT.—The term 'FEMP designated product' means a product that is designated under the Federal Energy Management Program of the Department of Energy as being among the highest 25 percent of equivalent products for energy efficiency.

"(b) PROCUREMENT OF ENERGY EFFICIENT PRODUCTS.—

"(1) REQUIREMENT.—To meet the requirements of an executive agency for an energy consuming product, the head of the executive agency shall, except as provided in paragraph (2), procure—

"(A) an Energy Star product; or

"(B) a FEMP designated product.

"(2) EXCEPTIONS.—The head of an executive agency is not required to procure an Energy Star product or FEMP designated product under paragraph (1) if—

"(A) an Energy Star product or FEMP designated product is not cost effective over the life cycle of the product; or

"(B) no Energy Star product or FEMP designated product is reasonably available that meets the requirements of the executive agency.

"(3) PROCUREMENT PLANNING.—The head of an executive agency shall incorporate into the specifications for all procurements involving energy consuming products and systems, and into the factors for the evaluation of offers received for the procurement, criteria for energy efficiency that are consistent with the criteria used for rating Energy Star products and for rating FEMP designated products.

"(c) LISTING OF ENERGY EFFICIENT PRODUCTS IN FEDERAL CATALOGS.—Energy Star and FEMP designated products shall be clearly identified and prominently displayed in any inventory or listing of products by the General Services Administration or the Defense Logistics Agency.

(b) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the National Energy Conservation Policy Act (42 U.S.C. 8201 note) is amended by inserting after the item relating to section 551 the following:

"Sec. 552. Federal Government procurement of energy efficient products."

(c) REGULATIONS.—Not later than 180 days after the effective date specified in subsection (f), the Secretary of Energy shall issue guidelines to carry out section 552 of the National Energy Conservation Policy Act (as added by subsection (a)).

(d) DESIGNATION OF ENERGY STAR PRODUCTS.—The Administrator of the Environmental Protection Agency and the Secretary of Energy shall expedite the process of designating products as Energy Star products (as defined in section 552 of the National Energy Conservation Policy Act (as added by subsection (a)).

(e) DESIGNATION OF ELECTRIC MOTORS.—In the case of electric motors of 1 to 500 horsepower, agencies shall select only premium efficient motors that meet a standard designated by the Secretary. The Secretary shall designate such a standard within 120 days of the enactment of this paragraph, after considering the recommendations of associated electric motor manufacturers and energy efficiency groups.

(f) EFFECTIVE DATE.—Subsection (a) and the amendment made by that subsection take effect on the date that is 180 days after the date of enactment of this Act.

SEC. 915. REPEAL OF ENERGY SAVINGS PERFORMANCE CONTRACT SUNSET.

Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is repealed.

SEC. 916. ENERGY SAVINGS PERFORMANCE CONTRACT DEFINITIONS.

(a) ENERGY SAVINGS.—Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended to read as follows:

"(2) The term 'energy savings' means a reduction in the cost of energy or water, from a base cost established through a methodology set forth in the contract, used in an existing federally owned building or buildings or other federally owned facilities as a result of—

"(A) the lease or purchase of operating equipment, improvements, altered operation and maintenance, or technical services;

"(B) the increased efficient use of existing energy sources by cogeneration or heat recovery, excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities; or

"(C) the increased efficient use of existing water sources.".

(b) ENERGY SAVINGS CONTRACT.—Section 804(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(3)) is amended to read as follows:

"(3) The terms 'energy savings contract' and 'energy savings performance contract' mean a contract which provides for the performance of services for the design, acquisition, installation, testing, operation, and, where appropriate, maintenance and repair, of an identified energy or water conservation measure or series of measures at one or more locations.".

(c) ENERGY OR WATER CONSERVATION MEASURE.—Section 804(4) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(4)) is amended to read as follows:

"(4) The term 'energy or water conservation measure' means—

"(A) an energy conservation measure, as defined in section 551(4) (42 U.S.C. 8259(4)); or

"(B) a water conservation measure that improves water efficiency, is life cycle cost effective, and involves water conservation, water recycling or reuse, more efficient treatment of wastewater or stormwater, improvements in operation or maintenance efficiencies, retrofit activities or other related activities, not at a Federal hydroelectric facility.".

SEC. 917. REVIEW OF ENERGY SAVINGS PERFORMANCE CONTRACT PROGRAM.

Within 180 days after the date of the enactment of this Act, the Secretary of Energy shall complete a review of the Energy Savings Performance Contract program to identify statutory, regulatory, and administrative obstacles that prevent Federal agencies from fully utilizing the program. In addition, this review shall identify all areas for increasing program flexibility and effectiveness, including audit and measurement verification requirements, accounting for energy use in determining savings, contracting requirements, and energy efficiency services covered. The Secretary shall report these findings to the Committee on Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and shall implement identified administrative and regulatory changes to increase program flexibility and effectiveness to the extent that such changes are consistent with statutory authority.

SEC. 918. FEDERAL ENERGY BANK.

Part 3 of title V of the National Energy Conservation Policy Act is amended by adding at the end the following:

"SEC. 553. FEDERAL ENERGY BANK.

"(a) DEFINITIONS.—In this section:

"(1) BANK.—The term 'Bank' means the Federal Energy Bank established by subsection (b).

"(2) ENERGY OR WATER EFFICIENCY PROJECT.—The term 'energy or water efficiency project' means a project that assists a Federal agency in meeting or exceeding the energy or water efficiency requirements of—

"(A) this part;

"(B) title VIII;

"(C) subtitle F of title I of the Energy Policy Act of 1992 (42 U.S.C. 8262 et seq.); or

"(D) any applicable Executive order, including Executive Order No. 13123.

"(3) FEDERAL AGENCY.—The term 'Federal agency' means—

"(A) an Executive agency (as defined in section 105 of title 5, United States Code);

"(B) the United States Postal Service;

"(C) Congress and any other entity in the legislative branch; and

"(D) a Federal court and any other entity in the judicial branch.

"(b) ESTABLISHMENT OF BANK.—

"(1) IN GENERAL.—There is established in the Treasury of the United States a fund to be known as the 'Federal Energy Bank', consisting of—

"(A) such amounts as are deposited in the Bank under paragraph (2);

"(B) such amounts as are repaid to the Bank under subsection (c)(2)(D); and

"(C) any interest earned on investment of amounts in the Bank under paragraph (3).

"(2) DEPOSITS IN BANK.—

"(A) IN GENERAL.—Subject to the availability of appropriations and to subparagraph (B), the Secretary of the Treasury shall deposit in the Bank an amount equal to $250,000,000 in fiscal year 2003 and in each fiscal year thereafter.

"(B) MAXIMUM AMOUNT IN BANK.—Deposits under subparagraph (A) shall cease beginning with the fiscal year following the fiscal year in which the amounts in the Bank (including amounts on loan from the Bank) become equal to or exceed $1,000,000,000.

"(3) INVESTMENT OF AMOUNTS.—The Secretary of the Treasury shall invest such portion of the Bank as is not, in the judgment of the Secretary, required to meet current withdrawals. Investments may be made only in interest-bearing obligations of the United States.

"(c) LOANS FROM THE BANK.—

"(1) IN GENERAL.—The Secretary of the Treasury shall transfer from the Bank to the Secretary such amounts as are appropriated to carry out the loan program under paragraph (2).

"(2) LOAN PROGRAM.—

"(A) ESTABLISHMENT.—

"(i) IN GENERAL.—In accordance with subsection (d), the Secretary, in consultation with the Secretary of Defense, the Administrator of General Services, and the Director of the Office of Management and Budget, shall establish a program to make loans of amounts in the Bank to any Federal agency that submits an application satisfactory to the Secretary in order to pay the costs of a project described in subparagraph (C).

"(ii) COMMENCEMENT OF OPERATIONS.—The Secretary may begin—

"(I) accepting applications for loans from the Bank in fiscal year 2002; and

"(II) making loans from the Bank in fiscal year 2003.

"(B) ENERGY SAVINGS PERFORMANCE CONTRACTING FUNDING.—To the extent practicable, an agency shall not submit a project for which energy performance contracting funding is available and is acceptable to the Federal agency under title VIII.

"(C) PURPOSES OF LOAN.—

"(i) IN GENERAL.—A loan from the Bank may be used to pay—

"(I) the costs of an energy or water efficiency project, or a renewable or alternative energy project, for a new or existing Federal building (including selection and design of the project);

"(II) the costs of an energy metering plan and metering equipment installed pursuant to section 543(e) or for the purpose of verification of the energy savings under an energy savings performance contract under title VIII; or

"(III) at the time of contracting, the costs of cofunding of an energy savings performance contract (including a utility energy service agreement) in order to shorten the payback period of the project that is the subject of the energy savings performance contract.

"(ii) LIMITATION.—A Federal agency may use not more than 10 percent of the amount of a loan under subclause (I) or (II) of clause (i) to pay the costs of administration and proposal development (including data collection and energy surveys).

"(iii) RENEWABLE AND ALTERNATIVE ENERGY PROJECTS.—Not more than 25 percent of the amount on loan from the Bank at any time may be loaned for renewable energy and alternative energy projects (as defined by the Secretary in accordance with applicable law (including Executive Orders)).

"(D) REPAYMENTS.—

"(i) IN GENERAL.—Subject to clauses (ii) through (iv), a Federal agency shall repay to the Bank the principal amount of a loan plus interest at a rate determined by the President, in consultation with the Secretary and the Secretary of the Treasury.

"(ii) WAIVER OR REDUCTION OF INTEREST.—The Secretary may waive or reduce the rate of interest required to be paid under clause (i) if the Secretary determines that payment of interest by a Federal agency at the rate determined under that clause is not required to fund the operations of the Bank.

"(iii) DETERMINATION OF INTEREST RATE.—The interest rate determined under clause (i) shall be at a rate that is sufficient to ensure that, beginning not later than October 1, 2007, interest payments will be sufficient to fully fund the operations of the Bank.

"(iv) INSUFFICIENCY OF APPROPRIATIONS.—

"(I) REQUEST FOR APPROPRIATIONS.—As part of the budget request of the Federal agency for each fiscal year, the head of each Federal agency shall submit to the President a request for such amounts as are necessary to make such repayments as are expected to become due in the fiscal year under this subparagraph.

"(II) SUSPENSION OF REPAYMENT REQUIREMENT.—If, for any fiscal year, sufficient appropriations are not made available to a Federal agency to make repayments under this subparagraph, the Bank shall suspend the requirement of repayment under this subparagraph until such appropriations are made available.

"(E) FEDERAL AGENCY ENERGY BUDGETS.—Until a loan is repaid, a Federal agency budget submitted by the President to Congress for a fiscal year shall not be reduced by the value of energy savings accrued as a result of any energy conservation measure implemented using amounts from the Bank.

"(F) NO RESCISSION OR REPROGRAMMING.—A Federal agency shall not rescind or reprogram loan amounts made available from the Bank except as permitted under guidelines issued under subparagraph (G).

"(G) GUIDELINES.—The Secretary shall issue guidelines for implementation of the loan program under this paragraph, including selection criteria, maximum loan amounts, and loan repayment terms.

"(d) SELECTION CRITERIA.—

"(1) IN GENERAL.—The Secretary shall establish criteria for the selection of projects to be awarded loans in accordance with paragraph (2).

"(2) SELECTION CRITERIA.—

"(A) IN GENERAL.—The Secretary may make loans from the Bank only for a project that—

"(i) is technically feasible;

"(ii) is determined to be cost-effective using life cycle cost methods established by the Secretary;

"(iii) includes a measurement and management component, based on the measurement and verification protocols of the Department of Energy, to—

"(I) commission energy savings for new and existing Federal facilities;

"(II) monitor and improve energy efficiency management at existing Federal facilities; and

"(III) verify the energy savings under an energy savings performance contract under title VIII; and

"(iv)(I) in the case of a renewable energy or alternative energy project, has a simple payback period of not more than 15 years; and

"(II) in the case of any other project, has a simple payback period of not more than 10 years.

"(B) PRIORITY.—In selecting projects, the Secretary shall give priority to projects that—

"(i) are a component of a comprehensive energy management project for a Federal facility; and

"(ii) are designed to significantly reduce the energy use of the Federal facility.

"(e) REPORTS AND AUDITS.—

"(1) REPORTS TO THE SECRETARY.—Not later than 1 year after the completion of installation of a project that has a cost of more than $1,000,000, and annually thereafter, a Federal agency shall submit to the Secretary a report that—

"(A) states whether the project meets or fails to meet the energy savings projections for the project; and

"(B) for each project that fails to meet the energy savings projections, states the reasons for the failure and describes proposed remedies.

"(2) AUDITS.—The Secretary may audit, or require a Federal agency that receives a loan from the Bank to audit, any project financed with amounts from the Bank to assess the performance of the project.

"(3) REPORTS TO CONGRESS.—At the end of each fiscal year, the Secretary shall submit to Congress a report on the operations of the Bank, including a statement of—

"(A) the total receipts by the Bank;

"(B) the total amount of loans from the Bank to each Federal agency; and

"(C) the estimated cost and energy savings resulting from projects funded with loans from the Bank.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.".

SEC. 919. ENERGY AND WATER SAVING MEASURES IN CONGRESSIONAL BUILDINGS.

(a) IN GENERAL.—Part 3 of title V of the National Energy Conservation Policy Act is amended by adding at the end:

"SEC. 554. ENERGY AND WATER SAVINGS MEASURES IN CONGRESSIONAL BUILDINGS.

"(a) IN GENERAL.—The Architect of the Capitol—

"(1) shall develop, update, and implement a cost-effective energy conservation and management plan (referred to in this section as the "plan") for all facilities administered by the Congress (referred to in this section as 'congressional buildings') to meet the energy performance requirements for Federal buildings established under section 543(a)(1); and

"(2) shall submit the plan to Congress, not later than 180 days after the date of enactment of this section.

"(b) PLAN REQUIREMENTS.—The plan shall include—

"(1) a description of the life-cycle cost analysis used to determine the cost-effectiveness of proposed energy efficiency projects;

"(2) a schedule of energy surveys to ensure complete surveys of all congressional buildings every 5 years to determine the cost and payback period of energy and water conservation measures;

"(3) a strategy for installation of life cycle cost effective energy and water conservation measures;

"(4) the results of a study of the costs and benefits of installation of submetering in congressional buildings; and

"(5) information packages and 'how-to' guides for each Member and employing authority of Congress that detail simple, cost-effective methods to save energy and taxpayer dollars in the workplace.

"(c) CONTRACTING AUTHORITY.—The Architect—

"(1) may contract with nongovernmental entities and use private sector capital to finance energy conservation projects and meet energy performance requirements; and

"(2) may use innovative contracting methods that will attract private sector funding for the installation of energy efficient and renewable energy technology, such as energy savings performance contracts described in title VIII.

"(d) CAPITOL VISITOR CENTER.—The Architect—

"(1) shall ensure that state-of-the-art energy efficiency and renewable energy technologies are used in the construction and design of the Visitor Center; and

"(2) shall include in the Visitor Center an exhibit on the energy efficiency and renewable energy measures used in congressional buildings.

"(e) ANNUAL REPORT.—The Architect shall submit to Congress annually a report on congressional energy management and conservation programs required under this section that describes in detail—

"(1) energy expenditures and savings estimates for each facility;—

"(2) energy management and conservation projects; and

"(3) future priorities to ensure compliance with this section.".

(b) REPEAL.—Section 310 of the Legislative Branch Appropriations Act, 1999 (40 U.S.C. 166i), is repealed.

SEC. 920. INCREASED USE OF RECOVERED MATERIAL IN FEDERALLY FUNDED PROJECTS INVOLVING PROCUREMENT OF CEMENT OR CONCRETE.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) AGENCY HEAD.—The term "agency head" means—

(A) the Secretary of Transportation; and

(B) the head of each other Federal agency that on a regular basis procures, or provides Federal funds to pay or assist in paying the cost of procuring, material for cement or concrete projects.

(3) CEMENT OR CONCRETE PROJECT.—The term "cement or concrete project" means a project for the construction or maintenance of a highway or other transportation facility or a Federal, State, or local government building or other public facility that—

(A) involves the procurement of cement or concrete; and

(B) is carried out in whole or in part using Federal funds.

(4) RECOVERED MATERIAL.—The term "recovered material" means—

(A) ground granulated blast furnace slag;

(B) coal combustion fly ash; and

(C) any other waste material or byproduct recovered or diverted from solid waste that the Administrator, in consultation with an agency head, determines should be treated as recovered material under this section for use in cement or concrete projects paid for, in whole or in part, by the agency head.

(b) IMPLEMENTATION OF REQUIREMENTS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator and each agency head shall take such actions as are necessary to implement fully all procurement requirements and incentives in effect as of the date of enactment of this Act (including guidelines under section 6002 of the Solid Waste Disposal Act (42 U.S.C. 6963)) that provide for the use of cement and concrete incorporating recovered material in cement or concrete projects.

(2) PRIORITY.—In carrying out paragraph (1) an agency head shall give priority to achieving greater use of recovered material in cement or concrete projects for which recovered materials historically have not been used or have been used only minimally.

(c) FULL IMPLEMENTATION STUDY.—

(1) IN GENERAL.—The Administrator and the Secretary of Transportation, in cooperation with the Secretary of Energy, shall conduct a study to determine the extent to which current procurement requirements, when fully implemented in accordance with subsection (b), may realize energy savings and greenhouse gas emission reduction benefits attainable with substitution of recovered material in cement used in cement or concrete projects.

(2) MATTERS TO BE ADDRESSED.—The study shall—

(A) quantify the extent to which recovered materials are being substituted for Portland cement, particularly as a result of current procurement requirements, and the energy savings and greenhouse gas emission reduction benefits associated with that substitution;

(B) identify all barriers in procurement requirements to fuller realization of energy savings and greenhouse gas emission reduction benefits, including barriers resulting from exceptions from current law; and

(C)(i) identify potential mechanisms to achieve greater substitution of recovered material in types of cement or concrete projects for which recovered materials historically have not been used or have been used only minimally;

(ii) evaluate the feasibility of establishing guidelines or standards for optimized substitution rates of recovered material in those cement or concrete projects; and

(iii) identify any potential environmental or economic effects that may result from greater substitution of recovered material in those cement or concrete projects.

(3) REPORT.—Not later than 30 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Appropriations and Committee on Environment and Public Works of the Senate and the Committee on Appropriations and Committee on Energy and Commerce of the House of Representatives a report on the study.

(d) ADDITIONAL PROCUREMENT REQUIREMENTS.—Within 1 year of the release of the report in accordance with subsection (c)(3), the Administrator and each agency head shall take additional actions authorized under the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) to establish procurement requirements and incentives that provide for the use of cement and concrete with increased substitution of recovered material in the construction and maintenance of cement or concrete projects, so as to—

(1) realize more fully the energy savings and greenhouse gas emission reduction benefits associated with increased substitution; and

(2) eliminate barriers identified under subsection (c).

(e) EFFECT OF SECTION.—Nothing in this section affects the requirements of section 6002 of the Solid Waste Disposal Act (42 U.S.C. 6962) (including the guidelines and specifications for implementing those requirements).

Subtitle C—Industrial Efficiency and Consumer Products

SEC. 921. VOLUNTARY COMMITMENTS TO REDUCE INDUSTRIAL ENERGY INTENSITY.

(a) VOLUNTARY AGREEMENTS.—The Secretary of Energy shall enter into voluntary agreements with one or more persons in industrial sectors that consume significant amounts of primary energy per unit of physical output to reduce the energy intensity of their production activities.

(b) GOAL.—Voluntary agreements under this section shall have a goal of reducing energy intensity by not less than 2.5 percent each year from 2002 through 2012.

(c) RECOGNITION.—The Secretary of Energy, in cooperation with the Administrator of the

Environmental Protection Agency and other appropriate Federal agencies, shall develop mechanisms to recognize and publicize the achievements of participants in voluntary agreements under this section.

(d) DEFINITION.—In this section, the term “energy intensity” means the primary energy consumed per unit of physical output in an industrial process.

(e) TECHNICAL ASSISTANCE.—An entity that enters into an agreement under this section and continues to make a good faith effort to achieve the energy efficiency goals specified in the agreement shall be eligible to receive from the Secretary a grant or technical assistance as appropriate to assist in the achievement of those goals.

(f) REPORT.—Not later than June 30, 2008 and June 30, 2012, the Secretary shall submit to Congress a report that evaluates the success of the voluntary agreements, with independent verification of a sample of the energy savings estimates provided by participating firms.

SEC. 922. AUTHORITY TO SET STANDARDS FOR COMMERCIAL PRODUCTS.

Part B of title III of the Energy Policy and Conservation Act (42 U.S.C. 6291 et seq.) is amended as follows:

(1) In the heading for such part, by inserting “AND COMMERCIAL” after “CONSUMER”.

(2) In section 321(2), by inserting “or commercial” after “consumer”.

(3) In paragraphs (4), (5), and (15) of section 321, by striking “consumer” each place it appears and inserting “covered”.

(4) In section 322(a), by inserting “or commercial” after “consumer” the first place it appears in the material preceding paragraph (1).

(5) In section 322(b), by inserting “or commercial” after “consumer” each place it appears.

(6) In section 322 (b)(1)(B) and (b)(2)(A), by inserting “or per-business in the case of a commercial product” after “per-household” each place it appears.

(7) In section 322 (b)(2)(A), by inserting “or businesses in the case of commercial products” after “households” each place it appears.

(8) In section 322 (B)(2)(C)—

(A) by striking “term” and inserting “terms”; and

(B) by inserting “and ‘business’ ” after “ ‘household’ ”.

(9) In section 323 (b)(1) (B) by inserting “or commercial” after “consumer”.

SEC. 923. ADDITIONAL DEFINITIONS.

Section 321 of the Energy Policy and Conservation Act (42 U.S.C. 6291) is amended by adding at the end the following:

“(32) The term ‘battery charger’ means a device that charges batteries for consumer products.

“(33) The term ‘commercial refrigerator, freezer and refrigerator-freezer’ means a refrigerator, freezer or refrigerator-freezer that—

“(A) is not a consumer product regulated under this Act; and

“(B) incorporates most components involved in the vapor-compression cycle and the refrigerated compartment in a single package.

“(34) The term ‘external power supply’ means an external power supply circuit that is used to convert household electric current into either DC current or lower-voltage AC current to operate a consumer product.

“(35) The term ‘illuminated exit sign’ means a sign that—

“(A) is designed to be permanently fixed in place to identify an exit; and

“(B) consists of—

“(i) an electrically powered integral light source that illuminates the legend ‘EXIT’ and any directional indicators; and

“(ii) provides contrast between the legend, any directional indicators, and the background.

“(36)(A) Except as provided in subsection (B), the term ‘low-voltage dry-type transformer’ means a transformer that—

“(i) has an input voltage of 600 volts or less;

“(ii) is air-cooled;

“(iii) does not use oil as a coolant; and

“(iv) is rated for operation at a frequency of 60 Hertz.

“(B) The term ‘low-voltage dry-type transformer’ does not include—

“(i) transformers with multiple voltage taps, with the highest voltage tap equaling at least 20 percent more than the lowest voltage tap;

“(ii) transformers that are designed to be used in a special purpose application, such as transformers commonly known as drive transformers, rectifier transformers, autotransformers, Uninterruptible Power System transformers, impedance transformers, harmonic transformers, regulating transformers, sealed and nonventilating transformers, machine tool transformers, welding transformers, grounding transformers, or testing transformers; or

“(iii) any transformer not listed in clause (ii) that is excluded by the Secretary by rule because the transformer is designed for a special application and the application of standards to the transformer would not result in significant energy savings.

“(37) The term ‘standby mode’ means the lowest amount of electric power used by a household appliance when not performing its active functions, as defined on an individual product basis by the Secretary.

“(38) The term ‘torchiere’ means a portable electric lamp with a reflector bowl that directs light upward so as to give indirect illumination.

“(39) The term ‘transformer’ means a device consisting of two or more coils of insulated wire that transfers alternating current by electromagnetic induction from one coil to another to change the original voltage or current value.

“(40) The term ‘unit heater’ means a self-contained fan-type heater designed to be installed within the heated space, except that such term does not include a warm air furnace.

“(41) The term ‘traffic signal module’ means a standard 8-inch (200mm) or 12-inch (300mm) traffic signal indication, consisting of a light source, a lens, and all other parts necessary for operation, that communicates movement messages to drivers through red, amber, and green colors.”.

SEC. 924. ADDITIONAL TEST PROCEDURES.

(a) EXIT SIGNS.—Section 323(b) of the Energy Policy and Conservation Act (42 U.S.C. 6293) is amended by adding at the end the following:

“(9) Test procedures for illuminated exit signs shall be based on the test method used under the Energy Star program of the Environmental Protection Agency for illuminated exit signs, as in effect on the date of enactment of this paragraph.

“(10) Test procedures for low voltage dry-type distribution transformers shall be based on the ‘Standard Test Method for Measuring the Energy Consumption of Distribution Transformers’ prescribed by the National Electrical Manufacturers Association (NEMA TP 2–1998). The Secretary may review and revise this test procedure based on future revisions to such standard test method.

“(11) Test procedures for traffic signal modules shall be based on the test method used under the Energy Star program of the Environmental Protection Agency for traffic signal modules, as in effect on the date of enactment of this paragraph.”.

(b) ADDITIONAL CONSUMER AND COMMERCIAL PRODUCTS.—Section 323 of the Energy Policy and Conservation Act (42 U.S.C. 6293) is further amended by adding at the end the following:

“(f) ADDITIONAL CONSUMER AND COMMERCIAL PRODUCTS.—The Secretary shall within 24 months after the date of enactment of this subsection prescribe testing requirements for suspended ceiling fans, refrigerated bottled or canned beverage vending machines, commercial unit heaters, and commercial refrigerators, freezers and refrigerator-freezers. Such testing requirements shall be based on existing test procedures used in industry to the extent practical and reasonable. In the case of suspended ceiling fans, such test procedures shall include efficiency at both maximum output and at an output no more than 50 percent of the maximum output.”.

SEC. 925. ENERGY LABELING.

(a) RULEMAKING ON EFFECTIVENESS OF CONSUMER PRODUCT LABELING.—Paragraph (2) of section 324(a) of the Energy Policy and Conservation Act (42 U.S.C. 6294(a)(2)) is amended by adding at the end the following:

“(F) Not later than 3 months after the date of enactment of this subparagraph, the Commission shall initiate a rulemaking to consider the effectiveness of the current consumer products labeling program in assisting consumers in making purchasing decisions and improving energy efficiency and to consider changes to the labeling rules that would improve the effectiveness of consumer product labels. Such rulemaking shall be completed within 15 months of the date of enactment of this subparagraph.”.

(b) RULEMAKING ON LABELING FOR ADDITIONAL PRODUCTS.—Section 324(a) of the Energy Policy and Conservation Act (42 U.S.C. 6294(a)) is further amended by adding at the end the following:

“(5) The Secretary shall within 6 months after the date on which energy conservation standards are prescribed by the Secretary for covered products referred to in subsections (u) and (v) of section 325, and within 18 months of enactment of this paragraph for products referred to in subsections (w) through (y) of section 325, prescribe, by rule, labeling requirements for such products. Labeling requirements adopted under this paragraph shall take effect on the same date as the standards set pursuant to sections 325 (v) through (y).”.

SEC. 926. ENERGY STAR PROGRAM.

The Energy Policy and Conservation Act (42 U.S.C. 6201 and following) is amended by inserting after section 324 the following:

“ENERGY STAR PROGRAM

“SEC. 324A. There is established at the Department of Energy and the Environmental Protection Agency a program to identify and promote energy-efficient products and buildings in order to reduce energy consumption, improve energy security, and reduce pollution through labeling of products and buildings that meet the highest energy efficiency standards. Responsibilities under the program shall be divided between the Department of Energy and the Environmental Protection Agency consistent with the terms of agreements between the two agencies. The Administrator and the Secretary shall—

“(1) promote Energy Star compliant technologies as the preferred technologies in the marketplace for achieving energy efficiency and to reduce pollution;

“(2) work to enhance public awareness of the Energy Star label, including special outreach to small businesses;

“(3) preserve the integrity of the Energy Star label; and

“(4) solicit the comments of interested parties in establishing a new Energy Star product category or in revising a product category, and upon adoption of a new or revised product category provide an explanation of the decision that responds to significant public comments.”.

SEC. 927. ENERGY CONSERVATION STANDARDS FOR CENTRAL AIR CONDITIONERS AND HEAT PUMPS.

Section 325(d)(3) of the Energy Policy and Conservation Act (42 U.S.C. 6295(d)) is amended by adding at the end the following:

"(C) REVISION OF STANDARDS.—Not later than 60 days after the date of enactment of this subparagraph, the Secretary shall amend the standards established under paragraph (1).".

SEC. 928. ENERGY CONSERVATION STANDARDS FOR ADDITIONAL CONSUMER AND COMMERCIAL PRODUCTS.

Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) is amended by adding at the end the following:

"(u) STANDBY MODE ELECTRIC ENERGY CONSUMPTION.—

"(1) INITIAL RULEMAKING.—(A) The Secretary shall, within 18 months after the date of enactment of this subsection, prescribe by notice and comment, definitions of standby mode and test procedures for the standby mode power use of battery chargers and external power supplies. In establishing these test procedures, the Secretary shall consider, among other factors, existing test procedures used for measuring energy consumption in standby mode and assess the current and projected future market for battery chargers and external power supplies. This assessment shall include estimates of the significance of potential energy savings from technical improvements to these products and suggested product classes for standards. Prior to the end of this time period, the Secretary shall hold a scoping workshop to discuss and receive comments on plans for developing energy conservation standards for standby mode energy use for these products.

"(B) The Secretary shall, within 3 years after the date of enactment of this subsection, issue a final rule that determines whether energy conservation standards shall be promulgated for battery chargers and external power supplies or classes thereof. For each product class, any such standards shall be set at the lowest level of standby energy use that—

"(i) meets the criteria of subsections (o), (p), (q), (r), (s) and (t); and

"(ii) will result in significant overall annual energy savings, considering both standby mode and other operating modes.

"(2) DESIGNATION OF ADDITIONAL COVERED PRODUCTS.—(A) Not later than 180 days after the date of enactment of this subsection, the Secretary shall publish for public comment and public hearing a notice to determine whether any noncovered products should be designated as covered products for the purpose of instituting a rulemaking under this section to determine whether an energy conservation standard restricting standby mode energy consumption, should be promulgated; providing that any restriction on standby mode energy consumption shall be limited to major sources of such consumption.

"(B) In making the determinations pursuant to subparagraph (A) of whether to designate new covered products and institute rulemakings, the Secretary shall, among other relevant factors and in addition to the criteria in section 322(b), consider—

"(i) standby mode power consumption compared to overall product energy consumption; and

"(ii) the priority and energy savings potential of standards which may be promulgated under this subsection compared to other required rulemakings under this section and the available resources of the Department to conduct such rulemakings.

"(C) Not later than 1 year after the date of enactment of this subsection, the Secretary shall issue a determination of any new covered products for which he intends to institute rulemakings on standby mode pursuant to this section and he shall state the dates by which he intends to initiate those rulemakings.

"(3) REVIEW OF STANDBY ENERGY USE IN COVERED PRODUCTS.—In determining pursuant to section 323 whether test procedures and energy conservation standards pursuant to section 325 should be revised, the Secretary shall consider for covered products which are major sources of standby mode energy consumption whether to incorporate standby mode into such test procedures and energy conservation standards, taking into account, among other relevant factors, the criteria for non-covered products in subparagraph (B) of this subsection.

"(4) RULEMAKING FOR STANDBY MODE.—(A) Any rulemaking instituted under this subsection or for covered products under this section which restricts standby mode power consumption shall be subject to the criteria and procedures for issuing energy conservation standards set forth in section 325 and the criteria set forth in paragraph 2(B) of this subsection.

"(B) No standard can be proposed for new covered products or covered products in a standby mode unless the Secretary has promulgated applicable test procedures for each product pursuant to section 323.

"(C) The provisions of section 327 shall apply to new covered products which are subject to the rulemakings for standby mode after a final rule has been issued.

"(5) EFFECTIVE DATE.—Any standard promulgated under this subsection shall be applicable to products manufactured or imported 3 years after the date of promulgation.

"(6) VOLUNTARY PROGRAMS TO REDUCE STANDBY MODE ENERGY USE.—The Secretary and the Administrator shall collaborate and develop programs, including programs pursuant to section 324A and other voluntary industry agreements or codes of conduct, which are designed to reduce standby mode energy use.

"(v) SUSPENDED CEILING FANS, VENDING MACHINES, UNIT HEATERS, AND COMMERCIAL REFRIGERATORS, FREEZERS AND REFRIGERATOR-FREEZERS.—The Secretary shall within 24 months after the date on which testing requirements are prescribed by the Secretary pursuant to section 323(f), prescribe, by rule, energy conservation standards for suspended ceiling fans, refrigerated bottled or canned beverage vending machines, unit heaters, and commercial refrigerators, freezers and refrigerator-freezers. In establishing standards under this subsection, the Secretary shall use the criteria and procedures contained in subsections (l) and (m). Any standard prescribed under this subsection shall apply to products manufactured 3 years after the date of publication of a final rule establishing such standard.

"(w) ILLUMINATED EXIT SIGNS.—Illuminated exit signs manufactured on or after January 1, 2005 shall meet the Energy Star Program performance requirements for illuminated exit signs prescribed by the Environmental Protection Agency as in effect on the date of enactment of this subsection.

"(x) TORCHIERES.—Torchieres manufactured on or after January 1, 2005—

"(1) shall consume not more than 190 watts of power; and

"(2) shall not be capable of operating with lamps that total more than 190 watts.

"(y) LOW VOLTAGE DRY-TYPE TRANSFORMERS.—The efficiency of low voltage dry-type transformers manufactured on or after January 1, 2005 shall be the Class I Efficiency Levels for low voltage dry-type transformers specified in Table 4-2 of the 'Guide for Determining Energy Efficiency for Distribution Transformers' published by the National Electrical Manufacturers Association (NEMA TP-1-1996).

"(z) TRAFFIC SIGNAL MODULES.—Traffic signal modules manufactured on or after January 1, 2006 shall meet the performance requirements used under the Energy Star program of the Environmental Protection Agency for traffic signals, as in effect on the date of enactment of this paragraph, and shall be installed with compatible, electrically-connected signal control interface devices and conflict monitoring systems.".

SEC. 929. CONSUMER EDUCATION ON ENERGY EFFICIENCY BENEFITS OF AIR CONDITIONING, HEATING, AND VENTILATION MAINTENANCE.

Section 337 of the Energy Policy and Conservation Act (42 U.S.C. 6307) is amended by adding at the end the following:

"(c) HVAC MAINTENANCE.—(1) For the purpose of ensuring that installed air conditioning and heating systems operate at their maximum rated efficiency levels, the Secretary shall, within 180 days of the date of enactment of this subsection, carry out a program to educate homeowners and small business owners concerning the energy savings resulting from properly conducted maintenance of air conditioning, heating, and ventilating systems.

"(2) The Secretary may carry out the program in cooperation with industry trade associations, industry members, and energy efficiency organizations.

"(d) SMALL BUSINESS EDUCATION AND ASSISTANCE.—The Administrator of the Small Business Administration, in consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall develop and coordinate a Government-wide program, building on the existing Energy Star for Small Business Program, to assist small business to become more energy efficient, understand the cost savings obtainable through efficiencies, and identify financing options for energy efficiency upgrades. The Secretary and the Administrator shall make the program information available directly to small businesses and through other Federal agencies, including the Federal Emergency Management Agency, and the Department of Agriculture.".

SEC. 930. STUDY OF ENERGY EFFICIENCY STANDARDS.

The Secretary of Energy shall contract with the National Academy of Sciences for a study, to be completed within 1 year of enactment of this Act, to examine whether the goals of energy efficiency standards are best served by measurement of energy consumed, and efficiency improvements, at the actual site of energy consumption, or through the full fuel cycle, beginning at the source of energy production. The Secretary shall submit the report to the Congress.

Subtitle D—Housing Efficiency

SEC. 931. CAPACITY BUILDING FOR ENERGY EFFICIENT, AFFORDABLE HOUSING.

Section 4(b) of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note) is amended—

(1) in paragraph (1), by inserting before the semicolon at the end the following: ", including capabilities regarding the provision of energy efficient, affordable housing and residential energy conservation measures"; and

(2) in paragraph (2), by inserting before the semicolon the following: ", including such activities relating to the provision of energy efficient, affordable housing and residential energy conservation measures that benefit low-income families".

SEC. 932. INCREASE OF CDBG PUBLIC SERVICES CAP FOR ENERGY CONSERVATION AND EFFICIENCY ACTIVITIES.

Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended—

(1) by inserting "or efficiency" after "energy conservation";

(2) by striking ", and except that" and inserting "; except that"; and

(3) by inserting before the period at the end the following: "; and except that each percentage limitation under this paragraph on the amount of assistance provided under this title that may be used for the provision of public services is hereby increased by 10 percent, but such percentage increase may be used only for the provision of public services concerning energy conservation or efficiency".

SEC. 933. FHA MORTGAGE INSURANCE INCENTIVES FOR ENERGY EFFICIENT HOUSING.

(a) Single Family Housing Mortgage Insurance.—Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended, in the first undesignated paragraph beginning after subparagraph (B)(iii) (relating to solar energy systems)—

(1) by inserting "or paragraph (10)"; and

(2) by striking "20 percent" and inserting "30 percent".

(b) Multifamily Housing Mortgage Insurance.—Section 207(c) of the National Housing Act (12 U.S.C. 1713(c)) is amended, in the second undesignated paragraph beginning after paragraph (3) (relating to solar energy systems and residential energy conservation measures), by striking "20 percent" and inserting "30 percent".

(c) Cooperative Housing Mortgage Insurance.—Section 213(p) of the National Housing Act (12 U.S.C. 1715e(p)) is amended by striking "20 per centum" and inserting "30 percent".

(d) Rehabilitation and Neighborhood Conservation Housing Mortgage Insurance.—Section 220(d)(3)(B)(iii) of the National Housing Act (12 U.S.C. 1715k(d)(3)(B)(iii)) is amended by striking "20 per centum" and inserting "30 percent".

(e) Low-Income Multifamily Housing Mortgage Insurance.—Section 221(k) of the National Housing Act (12 U.S.C. 1715l(k)) is amended by striking "20 per centum" and inserting "30 percent".

(f) Elderly Housing Mortgage Insurance.—The proviso at the end of section 213(c)(2) of the National Housing Act (12 U.S.C. 1715v(c)(2)) is amended by striking "20 per centum" and inserting "30 percent".

(g) Condominium Housing Mortgage Insurance.—Section 234(j) of the National Housing Act (12 U.S.C. 1715y(j)) is amended by striking "20 per centum" and inserting "30 percent".

SEC. 934. PUBLIC HOUSING CAPITAL FUND.

Section 9(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1)) is amended—

(1) in subparagraph (I), by striking "and" at the end;

(2) in subparagraph (K), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(L) improvement of energy and water-use efficiency by installing fixtures and fittings that conform to the American Society of Mechanical Engineers/American National Standards Institute standards A112.19.2–1998 and A112.18.1–2000, or any revision thereto, applicable at the time of installation, and by increasing energy efficiency and water conservation by such other means as the Secretary determines are appropriate.".

SEC. 935. GRANTS FOR ENERGY-CONSERVING IMPROVEMENTS FOR ASSISTED HOUSING.

Section 251(b)(1) of the National Energy Conservation Policy Act (42 U.S.C. 8231(1)) is amended—

(1) by striking "financed with loans" and inserting "assisted";

(2) by inserting after "1959," the following: "which are eligible multifamily housing projects (as such term is defined in section 512 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) and are subject to a mortgage restructuring and rental assistance sufficiency plans under such Act,"; and

(3) by inserting after the period at the end of the first sentence the following new sentence: "Such improvements may also include the installation of energy and water conserving fixtures and fittings that conform to the American Society of Mechanical Engineers/American National Standards Institute standards A112.19.2–1998 and A112.18.1–2000, or any revision thereto, applicable at the time of installation.".

SEC. 936. NORTH AMERICAN DEVELOPMENT BANK.

Part 2 of subtitle D of title V of the North American Free Trade Agreement Implementation Act (22 U.S.C. 290m–290m-3) is amended by adding at the end the following:

"SEC. 545. SUPPORT FOR CERTAIN ENERGY POLICIES.

"Consistent with the focus of the Bank's Charter on environmental infrastructure projects, the Board members representing the United States should use their voice and vote to encourage the Bank to finance projects related to clean and efficient energy, including energy conservation, that prevent, control, or reduce environmental pollutants or contaminants.".

SEC. 937. CAPITAL FUND.

Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g), as amended by section 934, is amended—

(1) in subsection (d)(1)—

(A) in subparagraph (L), by striking the period at the end and inserting "; and";

(B) by redesignating subparagraph (L) as subparagraph (K); and

(C) by adding at the end the following:

"(L) integrated utility management and capital planning to maximize energy conservation and efficiency measures."; and

(2) in subsection (e)(2)(C)—

(A) by striking "The" and inserting the following:

"(i) In general.—The"; and

(B) by adding at the end the following:

"(ii) Third party contracts.—Contracts described in clause (i) may include contracts for equipment conversions to less costly utility sources, projects with resident paid utilities, adjustments to frozen base year consumption, including systems repaired to meet applicable building and safety codes and adjustments for occupancy rates increased by rehabilitation.

"(iii) Term of contract.—The total term of a contract described in clause (i) shall be for not more than 20 years to allow longer payback periods for retrofits, including but not limited to windows, heating system replacements, wall insulation, site-based generations, and advanced energy savings technologies, including renewable energy generation.".

SEC. 938. ENERGY-EFFICIENT APPLIANCES.

A public housing agency shall purchase energy-efficient appliances that are Energy Star products as defined in section 552 of the National Energy Policy and Conservation Act (as amended by this Act) when the purchase of energy-efficient appliances is cost-effective to the public housing agency.

SEC. 939. ENERGY EFFICIENCY STANDARDS.

Section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "the date of the enactment of the Energy Policy Act of 1992" and inserting "September 30, 2002";

(ii) in subparagraph (A), by striking "and" at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting a semi-colon; and

(iv) by adding at the end the following:

"(C) rehabilitation and new construction of public and assisted housing funded by HOPE VI revitalization grants, established under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), where such standards are determined to be cost effective by the Secretary of Housing and Urban Development; and

(B) in paragraph (2), by striking "Council of American" and all that follows through "lifecycle cost basis" and inserting "2000 International Energy Conservation Code";

(2) in subsection (b)—

(A) by striking "the date of the enactment of the Energy Policy Act of 1992" and inserting "September 30, 2002"; and

(B) by striking "CABO" and all that follows through "1989" and inserting "the 2000 International Energy Conservation Code"; and

(3) in subsection (c)—

(A) in the heading, by striking "Model Energy Code" and inserting "The International Energy Conservation Code"; and

(B) by striking "CABO" and all that follows through "1989" and inserting "the 2000 International Energy Conservation Code".

SEC. 940. ENERGY STRATEGY FOR HUD.

(a) In General.—The Secretary of Housing and Urban Development shall develop and implement an integrated strategy to reduce utility expenses through cost-effective energy conservation and efficiency measures, design and construction in public and assisted housing.

(b) Energy Management Office.—The Secretary of Housing and Urban Development shall create an office at the Department of Housing and Urban Development for utility management, energy efficiency, and conservation, with responsibility for implementing the strategy developed under this section, including development of a centralized database that monitors public housing energy usage, and development of energy reduction goals and incentives for public housing agencies. The Secretary shall submit an annual report to Congress on the strategy.

Subtitle E—Rural and Remote Communities

SEC. 941. SHORT TITLE.

This subtitle may be cited as the "Rural and Remote Community Fairness Act".

SEC. 942. FINDINGS AND PURPOSE.

(a) Findings.—The Congress finds that—

(1) a modern infrastructure, including energy-efficient housing, electricity, telecommunications, bulk fuel, wastewater and potable water service, is a necessary ingredient of a modern society and development of a prosperous economy;

(2) the Nation's rural and remote communities face critical social, economic and environmental problems, arising in significant measure from the high cost of infrastructure development in sparsely populated and remote areas, that are not adequately addressed by existing Federal assistance programs;

(3) in the past, Federal assistance has been instrumental in establishing electric and other utility service in many developing regions of the Nation, and that Federal assistance continues to be appropriate to ensure that electric and other utility systems in rural areas conform with modern standards of safety, reliability, efficiency and environmental protection; and

(4) the future welfare of the Nation and the well-being of its citizens depend on the establishment and maintenance of viable rural and remote communities as social, economic and political entities.

(b) Purpose.—The purpose of this subtitle is the development and maintenance of viable rural and remote communities through the provision of efficient housing, and reasonably priced and environmentally sound energy, water, wastewater, and bulk fuel, telecommunications and utility services to those communities

that do not have those services or who currently bear costs of those services that are significantly above the national average.

SEC. 943. DEFINITIONS.

As used in this subtitle:

(1) The term "unit of general local government" means any city, county, town, township, parish, village, borough (organized or unorganized) or other general purpose political subdivision of a State, Guam, the Commonwealth of the Northern Mariana Islands, Puerto Rico, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, the Virgin Islands, and American Samoa, a combination of such political subdivisions that is recognized by the Secretary; and the District of Columbia; or any other appropriate organization of citizens of a rural and remote community that the Secretary may identify.

(2) The term "population" means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(3) The term "Native American group" means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or was considered an eligible recipient under chapter 67 of title 31, United States Code, prior to the repeal of such chapter.

(4) The term "Secretary" means the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Secretary of the Interior or the Secretary of Energy, as appropriate.

(5) The term "rural and remote community" means a unit of local general government or Native American group which is served by an electric utility that has 10,000 or less customers with an average retail cost per kilowatt hour of electricity that is equal to or greater than 150 percent of the average retail cost per kilowatt hour of electricity for all consumers in the United States, as determined by data provided by the Energy Information Administration of the Department of Energy.

(6) The term "alternative energy sources" include nontraditional means of providing electrical energy, including, but not limited to, wind, solar, biomass, municipal solid waste, hydroelectric, geothermal and tidal power.

(7) The term "average retail cost per kilowatt hour of electricity" has the same meaning as "average revenue per kilowatt hour of electricity" as defined by the Energy Information Administration of the Department of Energy.

SEC. 944. AUTHORIZATION OF APPROPRIATIONS.

The Secretary is authorized to make grants to rural and remote communities to carry out activities in accordance with the provisions of this subtitle. For purposes of assistance under section 947, there are authorized to be appropriated $100,000,000 for each of fiscal years 2003 through 2009.

SEC. 945. STATEMENT OF ACTIVITIES AND REVIEW.

(a) STATEMENT OF OBJECTIVES AND PROJECTED USE.—Prior to the receipt in any fiscal year of a grant under section 947 by any rural and remote community, the grantee shall have prepared and submitted to the Secretary of the agency providing funding a final statement of rural and remote community development objectives and projected use of funds.

(b) PUBLIC NOTICE.—In order to permit public examination and appraisal of such statements, to enhance the public accountability of grantees, and to facilitate coordination of activities with different levels of government, the grantee shall in a timely manner—

(1) furnish citizens information concerning the amount of funds available for rural and remote community development activities and the range of activities that may be undertaken;

(2) publish a proposed statement in such manner to afford affected citizens an opportunity to examine its content and to submit comments on the proposed statement and on the community development performance of the grantee;

(3) provide citizens with reasonable access to records regarding the past use of funds received under section 947 by the grantee; and

(4) provide citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds received under section 947 from one eligible activity to another.

The final statement shall be made available to the public, and a copy shall be furnished to the appropriate Secretary. Any final statement of activities may be modified or amended from time to time by the grantee in accordance with the same. Procedures required in this paragraph are for the preparation and submission of such statement.

(c) PERFORMANCE AND EVALUATION REPORT.—Each grantee shall submit to the appropriate Secretary, at a time determined by the Secretary, a performance and evaluation report, concerning the use of funds made available under section 947, together with an assessment by the grantee of the relationship of such use to the objectives identified in the grantee's statement under subsection (a) and to the requirements of subsection (b). The grantee's report shall indicate its programmatic accomplishments, the nature of and reasons for any changes in the grantee's program objectives, and indications of how the grantee would change its programs as a result of its experiences.

(d) RETENTION OF INCOME.—

(1) IN GENERAL.—Any rural and remote community may retain any program income that is realized from any grant made by the Secretary under section 947 if—

(A) such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and

(B) such unit of general local government has agreed that it will utilize the program income for eligible rural and remote community development activities in accordance with the provisions of this title.

(2) EXCEPTION.—The Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with the subsection creates an unreasonable administrative burden on the rural and remote community.

SEC. 946. ELIGIBLE ACTIVITIES.

(a) ACTIVITIES INCLUDED.—Eligible activities assisted under this subtitle may include only—

(1) weatherization and other cost-effective energy-related repairs of homes and other buildings;

(2) the acquisition, construction, repair, reconstruction, or installation of reliable and cost-efficient facilities for the generation, transmission or distribution of electricity, and telecommunications, for consumption in a rural and remote community or communities;

(3) the acquisition, construction, repair, reconstruction, remediation or installation of facilities for the safe storage and efficient management of bulk fuel by rural and remote communities, and facilities for the distribution of such fuel to consumers in a rural or remote community;

(4) facilities and training to reduce costs of maintaining and operating generation, distribution or transmission systems to a rural and remote community or communities;

(5) the institution of professional management and maintenance services for electricity generation, transmission or distribution to a rural and remote community or communities;

(6) the investigation of the feasibility of alternate energy sources for a rural and remote community or communities;

(7) acquisition, construction, repair, reconstruction, operation, maintenance, or installation of facilities for water or wastewater service;

(8) the acquisition or disposition of real property (including air rights, water rights, and other interests therein) for eligible rural and remote community development activities; and

(9) activities necessary to develop and implement a comprehensive rural and remote development plan, including payment of reasonable administrative costs related to planning and execution of rural and remote community development activities.

(b) ACTIVITIES UNDERTAKEN THROUGH ELECTRIC UTILITIES.—Eligible activities may be undertaken either directly by the rural and remote community, or by the rural and remote community through local electric utilities.

SEC. 947. ALLOCATION AND DISTRIBUTION OF FUNDS.

For each fiscal year, of the amount approved in an appropriation Act under section 903 for grants in any year, the Secretary shall distribute to each rural and remote community which has filed a final statement of rural and remote community development objectives and projected use of funds under section 945, an amount which shall be allocated among the rural and remote communities that filed a final statement of rural and remote community development objectives and projected use of funds under section 945 proportionate to the percentage that the average retail price per kilowatt hour of electricity for all classes of consumers in the rural and remote community exceeds the national average retail price per kilowatt hour for electricity for all consumers in the United States, as determined by data provided by the Department of Energy's Energy Information Administration. In allocating funds under this section, the Secretary shall give special consideration to those rural and remote communities that increase economies of scale through consolidation of services, affiliation and regionalization of eligible activities under this title.

SEC. 948. RURAL AND REMOTE COMMUNITY ELECTRIFICATION GRANTS.

Section 313 of the Rural Electrification Act of 1936 (7 U.S.C. 940c) is amended by adding after subsection (b) the following:

"(c) RURAL AND REMOTE COMMUNITIES ELECTRIFICATION GRANTS.—The Secretary of Agriculture, in consultation with the Secretary of Energy and the Secretary of the Interior, may provide grants under this Act for the purpose of increasing energy efficiency, siting or upgrading transmission and distribution lines, or providing or modernizing electric facilities to—

"(1) a unit of local government of a State or territory; or

"(2) an Indian tribe or Tribal College or University as defined in section 316(b)(3) of the Higher Education Act (20 U.S.C. 1059c(b)(3)).

"(d) GRANT CRITERIA.—The Secretary shall make grants based on a determination of cost-effectiveness and most effective use of the funds to achieve the stated purposes of this section.

"(e) PREFERENCE.—In making grants under this section, the Secretary shall give a preference to renewable energy facilities.

"(f) DEFINITION.—For purposes of this section, the term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(e) AUTHORIZATION.—For the purpose of carrying out subsection (c), there are authorized to be appropriated to the Secretary $20,000,000 for each of the 7 fiscal years following the date of enactment of this subsection.".

SEC. 949. ADDITIONAL AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated $5,000,000 for each of fiscal years 2003 through 2009 to the Denali Commission established by the Denali Commission Act of 1998 (42 U.S.C. 3121 note) for the purposes of funding the power cost equalization program.

SEC. 950. RURAL RECOVERY COMMUNITY DEVELOPMENT BLOCK GRANTS.

(a) FINDINGS; PURPOSE.—

(1) FINDINGS.—Congress finds that—

(A) a modern infrastructure, including affordable housing, wastewater and water service, and advanced technology capabilities is a necessary ingredient of a modern society and development of a prosperous economy with minimal environmental impacts;

(B) the Nation's rural areas face critical social, economic, and environmental problems, arising in significant measure from the growing cost of infrastructure development in rural areas that suffer from low per capita income and high rates of outmigration and are not adequately addressed by existing Federal assistance programs; and

(C) the future welfare of the Nation and the well-being of its citizens depend on the establishment and maintenance of viable rural areas as social, economic, and political entities.

(2) PURPOSE.—The purpose of this section is to provide for the development and maintenance of viable rural areas through the provision of affordable housing and community development assistance to eligible units of general local government and eligible Native American groups in rural areas with excessively high rates of outmigration and low per capita income levels.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE UNIT OF GENERAL LOCAL GOVERNMENT.—The term "eligible unit of general local government" means a unit of general local government that is the governing body of a rural recovery area.

(2) ELIGIBLE INDIAN TRIBE.—The term "eligible Indian tribe" means the governing body of an Indian tribe that is located in a rural recovery area.

(3) GRANTEE.—The term "grantee" means an eligible unit of general local government or eligible Indian tribe that receives a grant under this section.

(4) NATIVE AMERICAN GROUP.—The term "Native American group" means any Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93–638) or was considered an eligible recipient under chapter 67 of title 31, United States Code, prior to the repeal of such chapter.

(5) RURAL RECOVERY AREA.—The term "rural recovery area" means any geographic area represented by a unit of general local government or a Native American group—

(A) the borders of which are not adjacent to a metropolitan area;

(B) in which—

(i) the population outmigration level equals or exceeds 1 percent over the most recent 5 year period, as determined by the Secretary of Housing and Urban Development; and

(ii) the per capita income is less than that of the national nonmetropolitan average; and

(C) that does not include a city with a population of more than 15,000.

(6) UNIT OF GENERAL LOCAL GOVERNMENT.—

(A) IN GENERAL.—The term "unit of general local government" means any city, county, town, township, parish, village, borough (organized or unorganized), or other general purpose political subdivision of a State; Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Puerto Rico, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions that, except as provided in section 106(d)(4), is recognized by the Secretary; and the District of Columbia.

(B) OTHER ENTITIES INCLUDED.—The term also includes a State or a local public body or agency, community association, or other entity, that is approved by the Secretary for the purpose of providing public facilities or services to a new community.

(7) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Secretary of the Interior or the Secretary of Energy, as appropriate.

(c) GRANT AUTHORITY.—The Secretary may make grants in accordance with this section to eligible units of general local government, Native American groups and eligible Indian tribes that meet the requirements of subsection (d) to carry out eligible activities described in subsection (f).

(d) ELIGIBILITY REQUIREMENTS.—

(1) STATEMENT OF RURAL DEVELOPMENT OBJECTIVES.—In order to receive a grant under this section for a fiscal year, an eligible unit of general local government, Native American group or eligible Indian tribe—

(A) shall—

(i) publish a proposed statement of rural development objectives and a description of the proposed eligible activities described in subsection (f) for which the grant will be used; and

(ii) afford residents of the rural recovery area served by the eligible unit of general local government, Native American groups or eligible Indian tribe with an opportunity to examine the contents of the proposed statement and the proposed eligible activities published under clause (i), and to submit comments to the eligible unit of general local government, Native American group or eligible Indian tribe, as applicable, on the proposed statement and the proposed eligible activities, and the overall community development performance of the eligible unit of general local government, Native American groups or eligible Indian tribe, as applicable; and

(B) based on any comments received under subparagraph (A)(ii), prepare and submit to the Secretary—

(i) a final statement of rural development objectives;

(ii) a description of the eligible activities described in subsection (f) for which a grant received under this section will be used; and

(iii) a certification that the eligible unit of general local government, Native American groups or eligible Indian tribe, as applicable, will comply with the requirements of paragraph (2).

(2) PUBLIC NOTICE AND COMMENT.—In order to enhance public accountability and facilitate the coordination of activities among different levels of government, an eligible unit of general local government, Native American groups or eligible Indian tribe that receives a grant under this section shall, as soon as practicable after such receipt, provide the residents of the rural recovery area served by the eligible unit of general local government, Native American groups or eligible Indian tribe, as applicable, with—

(A) a copy of the final statement submitted under paragraph (1)(B);

(B) information concerning the amount made available under this section and the eligible activities to be undertaken with that amount;

(C) reasonable access to records regarding the use of any amounts received by the eligible unit of general local government, Native American groups or eligible Indian tribe under this section in any preceding fiscal year; and

(D) reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of amounts received under this section from one eligible activity to another.

(e) DISTRIBUTION OF GRANTS.—

(1) IN GENERAL.—In each fiscal year, the Secretary shall distribute to each eligible unit of general local government, Native American groups and eligible Indian tribe that meets the requirements of subsection (d)(1) a grant in an amount described in paragraph (2).

(2) AMOUNT.—Of the total amount made available to carry out this section in each fiscal year, the Secretary shall distribute to each grantee the amount equal to the greater of—

(A) the pro rata share of the grantee, as determined by the Secretary, based on the combined annual population outmigration level (as determined by the Secretary of Housing and Urban Development) and the per capita income for the rural recovery area served by the grantee; or

(B) $200,000.

(f) ELIGIBLE ACTIVITIES.—Each grantee shall use amounts received under this section for one or more of the following eligible activities, which may be undertaken either directly by the grantee, or by any local economic development corporation, regional planning district, nonprofit community development corporation, or statewide development organization authorized by the grantee—

(1) the acquisition, construction, repair, reconstruction, operation, maintenance, or installation of facilities for water and wastewater service or any other infrastructure needs determined to be critical to the further development or improvement of a designated industrial park;

(2) the acquisition or disposition of real property (including air rights, water rights, and other interests therein) for rural community development activities;

(3) the development of telecommunications infrastructure within a designated industrial park that encourages high technology business development in rural areas;

(4) activities necessary to develop and implement a comprehensive rural development plan, including payment of reasonable administrative costs related to planning and execution of rural development activities; or

(5) affordable housing initiatives.

(g) PERFORMANCE AND EVALUATION REPORT.—

(1) IN GENERAL.—Each grantee shall annually submit to the appropriate Secretary a performance and evaluation report, concerning the use of amounts received under this section.

(2) CONTENTS.—Each report submitted under paragraph (1) shall include a description of—

(A) the eligible activities carried out by the grantee with amounts received under this section, and the degree to which the grantee has achieved the rural development objectives included in the final statement submitted under subsection (d)(1);

(B) the nature of and reasons for any change in the rural development objectives or the eligible activities of the grantee after submission of the final statement under subsection (d)(1); and

(C) any manner in which the grantee would change the rural development objectives of the grantee as a result of the experience of the grantee in administering amounts received under this section.

(h) RETENTION OF INCOME.—A grantee may retain any income that is realized from the grant, if—

(1) the income was realized after the initial disbursement of amounts to the grantee under this section; and

(2) the—

(A) grantee agrees to utilize the income for one or more eligible activities; or

(B) amount of the income is determined by the Secretary to be so small that compliance with subparagraph (A) would create an unreasonable administrative burden on the grantee.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2003 through 2009.

DIVISION D—INTEGRATION OF ENERGY POLICY AND CLIMATE CHANGE POLICY

TITLE X—NATIONAL CLIMATE CHANGE POLICY

Subtitle A—Sense of Congress

SEC. 1001. SENSE OF CONGRESS ON CLIMATE CHANGE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Evidence continues to build that increases in atmospheric concentrations of man-made greenhouse gases are contributing to global climate change.

(2) The Intergovernmental Panel on Climate Change (IPCC) has concluded that "there is new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities" and that the Earth's average temperature can be expected to rise between 2.5 and 10.4 degrees Fahrenheit in this century.

(3) The National Academy of Sciences confirmed the findings of the IPCC, stating that "the IPCC's conclusion that most of the observed warming of the last 50 years is likely to have been due to the increase of greenhouse gas concentrations accurately reflects the current thinking of the scientific community on this issue" and that "there is general agreement that the observed warming is real and particularly strong within the past twenty years". The National Academy of Sciences also noted that "because there is considerable uncertainty in current understanding of how the climate system varies naturally and reacts to emissions of greenhouse gases and aerosols, current estimates of the magnitude of future warming should be regarded as tentative and subject to future adjustments upward or downward".

(4) The IPCC has stated that in the last 40 years, the global average sea level has risen, ocean heat content has increased, and snow cover and ice extent have decreased, which threatens to inundate low-lying island nations and coastal regions throughout the world.

(5) In October 2000, a United States Government report found that global climate change may harm the United States by altering crop yields, accelerating sea-level rise, and increasing the spread of tropical infectious diseases.

(6) In 1992, the United States ratified the United Nations Framework Convention on Climate Change (UNFCCC), the ultimate objective of which is the "stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner".

(7) The UNFCCC stated in part that the Parties to the Convention are to implement policies "with the aim of returning . . . to their 1990 levels anthropogenic emissions of carbon dioxide and other greenhouse gases" under the principle that "policies and measures . . . should be appropriate for the specific conditions of each Party and should be integrated with national development programmes, taking into account that economic development is essential for adopting measures to address climate change".

(8) There is a shared international responsibility to address this problem, as industrial nations are the largest historic and current emitters of greenhouse gases and developing nations' emissions will significantly increase in the future.

(9) The UNFCCC further stated that "developed country Parties should take the lead in combating climate change and the adverse effects thereof", as these nations are the largest historic and current emitters of greenhouse gases. The UNFCCC also stated that "steps required to understand and address climate change will be environmentally, socially and economically most effective if they are based on relevant scientific, technical and economic considerations and continually re-evaluated in the light of new findings in these areas".

(10) Senate Resolution 98 of the One Hundred Fifth Congress, which expressed that developing nations must also be included in any future, binding climate change treaty and such a treaty must not result in serious harm to the United States economy, should not cause the United States to abandon its shared responsibility to help reduce the risks of climate change and its impacts. Future international efforts in this regard should focus on recognizing the equitable responsibilities for addressing climate change by all nations, including commitments by the largest developing country emitters in a future, binding climate change treaty.

(11) It is the position of the United States that it will not interfere with the plans of any nation that chooses to ratify and implement the Kyoto Protocol to the UNFCCC.

(12) American businesses need to know how governments worldwide will address the risks of climate change.

(13) The United States benefits from investments in the research, development and deployment of a range of clean energy and efficiency technologies that can reduce the risks of climate change and its impacts and that can make the United States economy more productive, bolster energy security, create jobs, and protect the environment.

(b) SENSE OF CONGRESS.—It is the sense of the United States Congress that the United States should demonstrate international leadership and responsibility in reducing the health, environmental, and economic risks posed by climate change by—

(1) taking responsible action to ensure significant and meaningful reductions in emissions of greenhouse gases from all sectors;

(2) creating flexible international and domestic mechanisms, including joint implementation, technology deployment, tradable credits for emissions reductions and carbon sequestration projects that will reduce, avoid, and sequester greenhouse gas emissions; and

(3) participating in international negotiations, including putting forth a proposal to the Conference of the Parties, with the objective of securing United States participation in a future binding climate change Treaty in a manner that is consistent with the environmental objectives of the UNFCCC, that protects the economic interests of the United States, and recognizes the shared international responsibility for addressing climate change, including developing country participation.

Subtitle B—Climate Change Strategy

SEC. 1011. SHORT TITLE.

This subtitle may be cited as the "Climate Change Strategy and Technology Innovation Act of 2002".

SEC. 1012. DEFINITIONS.

In this subtitle:

(1) CLIMATE-FRIENDLY TECHNOLOGY.—The term "climate-friendly technology" means any energy supply or end-use technology that, over the life of the technology and compared to similar technology in commercial use as of the date of enactment of this Act—

(A) results in reduced emissions of greenhouse gases;

(B) may substantially lower emissions of other pollutants; and

(C) may generate substantially smaller or less hazardous quantities of solid or liquid waste.

(2) DEPARTMENT.—The term "Department" means the Department of Energy.

(3) DEPARTMENT OFFICE.—The term "Department Office" means the Office of Climate Change Technology of the Department established by section 1015(a).

(4) FEDERAL AGENCY.—The term "Federal agency" has the meaning given the term "agency" in section 551 of title 5, United States Code.

(5) GREENHOUSE GAS.—The term "greenhouse gas" means—

(A) an anthropogenic gaseous constituent of the atmosphere (including carbon dioxide, methane, nitrous oxide, chlorofluorocarbons, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and tropospheric ozone) that absorbs and re-emits infrared radiation and influences climate; and

(B) an anthropogenic aerosol (such as black soot) that absorbs solar radiation and influences climate.

(6) INTERAGENCY TASK FORCE.—The term "Interagency Task Force" means the Interagency Task Force established under section 1014(e).

(7) KEY ELEMENT.—The term "key element", with respect to the Strategy, means—

(A) definition of interim emission mitigation levels, that, coupled with specific mitigation approaches and after taking into account actions by other nations (if any), would result in stabilization of greenhouse gas concentrations;

(B) technology development, including—

(i) a national commitment to double energy research and development by the United States public and private sectors; and

(ii) in carrying out such research and development, a national commitment to provide a high degree of emphasis on bold, breakthrough technologies that will make possible a profound transformation of the energy, transportation, industrial, agricultural, and building sectors of the United States;

(C) climate adaptation research that focuses on actions necessary to adapt to climate change—

(i) that may have already occurred; or

(ii) that may occur under future climate change scenarios;

(D) climate science research that—

(i) builds on the substantial scientific understanding of climate change that exists as of the date of enactment of this subtitle; and

(ii) focuses on reducing the remaining scientific, technical, and economic uncertainties to aid in the development of sound response strategies.

(8) LONG-TERM GOAL OF THE STRATEGY.—The term "long-term goal of the Strategy" means the long-term goal in section 1013(a)(1).

(9) MITIGATION.—The term "mitigation" means actions that reduce, avoid, or sequester greenhouse gases.

(10) NATIONAL ACADEMY OF SCIENCES.—The term "National Academy of Sciences" means the National Academy of Sciences, the National Academy of Engineering, the Institute of Medicine, and the National Research Council.

(11) QUALIFIED INDIVIDUAL.—

(A) IN GENERAL.—The term "qualified individual" means an individual who has demonstrated expertise and leadership skills to draw on other experts in diverse fields of knowledge that are relevant to addressing the climate change challenge.

(B) FIELDS OF KNOWLEDGE.—The fields of knowledge referred to in subparagraph (A) are—

(i) the science of climate change and its impacts;

(ii) energy and environmental economics;

(iii) technology transfer and diffusion;

(iv) the social dimensions of climate change;

(v) climate change adaptation strategies;

(vi) fossil, nuclear, and renewable energy technology;

(vii) energy efficiency and energy conservation;

(viii) energy systems integration;

(ix) engineered and terrestrial carbon sequestration;

(x) transportation, industrial, and building sector concerns;

(xi) regulatory and market-based mechanisms for addressing climate change;

(xii) risk and decision analysis;

(xiii) strategic planning; and

(xiv) the international implications of climate change strategies.

(12) SECRETARY.—The term "Secretary" means the Secretary of Energy.

(13) STABILIZATION OF GREENHOUSE GAS CONCENTRATIONS.—The term "stabilization of greenhouse gas concentrations" means the stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system, recognizing that such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner, as contemplated by the United Nations Framework Convention on Climate Change, done at New York on May 9, 1992.

(14) STRATEGY.—The term "Strategy" means the National Climate Change Strategy developed under section 1013.

(15) WHITE HOUSE OFFICE.—The term "White House Office" means the Office of National Climate Change Policy established by section 1014(a).

SEC. 1013. NATIONAL CLIMATE CHANGE STRATEGY.

(a) IN GENERAL.—The President, through the director of the White House Office and in consultation with the Interagency Task Force, shall develop a National Climate Change Strategy, which shall—

(1) have the long-term goal of stabilization of greenhouse gas concentrations through actions taken by the United States and other nations;

(2) recognize that accomplishing the long-term goal of the Strategy will take from many decades to more than a century, but acknowledging that significant actions must begin in the near term;

(3) incorporate the four key elements;

(4) be developed on the basis of an examination of a broad range of emissions levels and dates for achievement of those levels (including those evaluated by the Intergovernmental Panel on Climate Change and those consistent with United States treaty commitments) that, after taking into account actions by other nations, would achieve the long-term goal of the Strategy;

(5) consider the broad range of activities and actions that can be taken by United States entities to reduce, avoid, or sequester greenhouse gas emissions both within the United States and in other nations through the use of market mechanisms, which may include, but not be limited to, mitigation activities, terrestrial sequestration, earning offsets through carbon capture or project-based activities, trading of emissions credits in domestic and international markets, and the application of the resulting credits from any of the above within the United States;

(6) minimize any adverse short-term and long-term social, economic, national security, and environmental impacts, including ensuring that the strategy is developed in an economically and environmentally sound manner;

(7) incorporate mitigation approaches leading to the development and deployment of advanced technologies and practices that will reduce, avoid, or sequester greenhouse gas emissions;

(8) be consistent with the goals of energy, transportation, industrial, agricultural, forestry, environmental, economic, and other relevant policies of the United States;

(9) take into account—

(A) the diversity of energy sources and technologies;

(B) supply-side and demand-side solutions; and

(C) national infrastructure, energy distribution, and transportation systems;

(10) be based on an evaluation of a wide range of approaches for achieving the long-term goal of the Strategy, including evaluation of—

(A) a variety of cost-effective Federal and State policies, programs, standards, and incentives;

(B) policies that integrate and promote innovative, market-based solutions in the United States and in foreign countries; and

(C) participation in other international institutions, or in the support of international activities, that are established or conducted to achieve the long-term goal of the Strategy;

(11) in the final recommendations of the Strategy—

(A) emphasize policies and actions that achieve the long-term goal of the Strategy; and

(B) provide specific recommendations concerning—

(i) measures determined to be appropriate for short-term implementation, giving preference to cost-effective and technologically feasible measures that will—

(I) produce measurable net reductions in United States emissions, compared to expected trends, that lead toward achievement of the long-term goal of the Strategy; and

(II) minimize any adverse short-term and long-term economic, environmental, national security, and social impacts on the United States;

(ii) the development of technologies that have the potential for long-term implementation—

(I) giving preference to technologies that have the potential to reduce significantly the overall cost of achieving the long-term goal of the Strategy; and

(II) considering a full range of energy sources, energy conversion and use technologies, and efficiency options;

(iii) such changes in institutional and technology systems are necessary to adapt to climate change in the short-term and the long-term;

(iv) such review, modification, and enhancement of the scientific, technical, and economic research efforts of the United States, and improvements to the data resulting from research, as are appropriate to improve the accuracy of predictions concerning climate change and the economic and social costs and opportunities relating to climate change; and

(v) changes that should be made to project and grant evaluation criteria under other Federal research and development programs so that those criteria do not inhibit development of climate-friendly technologies;

(12) recognize that the Strategy is intended to guide the Nation's effort to address climate change, but it shall not create a legal obligation on the part of any person or entity other than the duties of the Director of the White House Office and Interagency Task Force in the development of the Strategy;

(13) have a scope that considers the totality of United States public, private, and public-private sector actions that bear on the long-term goal;

(14) be developed in a manner that provides for meaningful participation by, and consultation among, Federal, State, tribal, and local government agencies, nongovernmental organizations, academia, scientific bodies, industry, the public, and other interested parties in accordance with subsections (b)(3)(C)(iv)(II) and (e)(3)(B)(ii) of section 1014;

(15) address how the United States should engage State, tribal, and local governments in developing and carrying out a response to climate change;

(16) promote, to the maximum extent practicable, public awareness, outreach, and information-sharing to further the understanding of the full range of climate change-related issues;

(17) provide a detailed explanation of how the measures recommended by the Strategy will ensure that they do not result in serious harm to the economy of the United States;

(18) provide a detailed explanation of how the measures recommended by the Strategy will achieve its long-term goal;

(19) include any recommendations for legislative and administrative actions necessary to implement the Strategy;

(20) serve as a framework for climate change actions by all Federal agencies;

(21) recommend which Federal agencies are, or should be, responsible for the various aspects of implementation of the Strategy and any budgetary implications;

(22) address how the United States should engage foreign governments in developing an international response to climate change; and

(23) incorporate initiatives to open markets and promote the deployment of a range of climate-friendly technologies developed in the United States and abroad.

(b) SUBMISSION TO CONGRESS.—Not later than 1 year after the date of enactment of this section, the President, through the Interagency Task Force and the Director, shall submit to Congress the Strategy, in the form of a report that includes—

(1) a description of the Strategy and its goals, including how the Strategy addresses each of the 4 key elements;

(2) an inventory and evaluation of Federal programs and activities intended to carry out the Strategy;

(3) a description of how the Strategy will serve as a framework of climate change response actions by all Federal agencies, including a description of coordination mechanisms and interagency activities;

(4) evidence that the Strategy is consistent with other energy, transportation, industrial, agricultural, forestry, environmental, economic, and other relevant policies of the United States;

(5) a description of provisions in the Strategy that ensure that it minimizes any adverse short-term and long-term social, economic, national security, and environmental impacts, including ensuring that the Strategy is developed in an economically and environmentally sound manner;

(6) evidence that the Strategy has been developed in a manner that provides for participation by, and consultation among, Federal, State, tribal, and local government agencies, nongovernmental organizations, academia, scientific bodies, industry, the public, and other interested parties;

(7) a description of Federal activities that promote, to the maximum extent practicable, public awareness, outreach, and information-sharing to further the understanding of the full range of climate change-related issues; and

(8) recommendations for legislative or administrative changes to Federal programs or activities implemented to carry out this Strategy, in light of new knowledge of climate change and its impacts and costs or benefits, or technological capacity to improve mitigation or adaption activities.

(c) UPDATES.—Not later than 4 years after the date of submission of the Strategy to Congress under subsection (b), and at the end of each 4-year period thereafter, the President shall submit to Congress an updated version of the Strategy.

(d) PROGRESS REPORTS.—Not later than 1 year after the date of submission of the Strategy to Congress under subsection (b), and annually thereafter at the time that the President submits to the Congress the budget of the United States Government under section 1105 of title 31, United States Code, the President shall submit to Congress a report that—

(1) describes the Strategy, its goals, and the Federal programs and activities intended to carry out the Strategy through technological, scientific, mitigation, and adaptation activities;

(2) evaluates the Federal programs and activities implemented as part of this Strategy against the goals and implementation dates outlined in the Strategy;

(3) assesses the progress in implementation of the Strategy;

(4) incorporates the technology program reports required pursuant to section 1015(a)(3) and subsections (d) and (e) of section 1321;

(5) describes any changes to Federal programs or activities implemented to carry out this Strategy, in light of new knowledge of climate change and its impacts and costs or benefits, or technological capacity to improve mitigation or adaptation activities;

(6) describes all Federal spending on climate change for the current fiscal year and each of the 5 years previous; categorized by Federal agency and program function (including scientific research, energy research and development, regulation, education, and other activities);

(7) estimates the budgetary impact for the current fiscal year and each of the 5 years previous of any Federal tax credits, tax deductions or other incentives claimed by taxpayers that are directly or indirectly attributable to greenhouse gas emissions reduction activities;

(8) estimates the amount, in metric tons, of net greenhouse gas emissions reduced, avoided, or sequestered directly or indirectly as a result of the implementation of the Strategy;

(9) evaluates international research and development and market-based activities and the mitigation actions taken by the United States and other nations to achieve the long-term goal of the Strategy; and

(10) makes recommendations for legislative or administrative actions or adjustments that will accelerate progress towards meeting the near-term and long-term goals contained in the Strategy.

(e) NATIONAL ACADEMY OF SCIENCES REVIEW.—

(1) IN GENERAL.—Not later than 90 days after the date of publication of the Strategy under subsection (b) and each update under subsection (c), the Director of the National Science Foundation, on behalf of the Director of the White House Office and the Interagency Task Force, shall enter into appropriate arrangements with the National Academy of Sciences to conduct a review of the Strategy or update.

(2) CRITERIA.—The review by the National Academy of Sciences shall evaluate the goals and recommendations contained in the Strategy or update, taking into consideration—

(A) the adequacy of effort and the appropriateness of focus of the totality of all public, private, and public-private sector actions of the United States with respect to the Strategy, including the four key elements;

(B) the adequacy of the budget and the effectiveness with which each Federal agency is carrying out its responsibilities;

(C) current scientific knowledge regarding climate change and its impacts;

(D) current understanding of human social and economic responses to climate change, and responses of natural ecosystems to climate change;

(E) advancements in energy technologies that reduce, avoid, or sequester greenhouse gases or otherwise mitigate the risks of climate change;

(F) current understanding of economic costs and benefits of mitigation or adaptation activities;

(G) the existence of alternative policy options that could achieve the Strategy goals at lower economic, environmental, or social cost; and

(H) international activities and the actions taken by the United States and other nations to achieve the long-term goal of the Strategy.

(3) REPORT.—Not later than 1 year after the date of submittal to the Congress of the Strategy or update, as appropriate, the National Academy of Sciences shall prepare and submit to the Congress and the President a report concerning the results of its review, along with any recommendations as appropriate. Such report shall also be made available to the public.

(4) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of this subsection, there are authorized to be appropriated to the National Science Foundation such sums as may be necessary.

SEC. 1014. OFFICE OF NATIONAL CLIMATE CHANGE POLICY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established, within the Executive Office of the President, the Office of National Climate Change Policy.

(2) FOCUS.—The White House Office shall have the focus of achieving the long-term goal of the Strategy while minimizing adverse short-term and long-term economic and social impacts.

(3) DUTIES.—Consistent with paragraph (2), the White House Office shall—

(A) establish policies, objectives, and priorities for the Strategy;

(B) in accordance with subsection (d), establish the Interagency Task Force to serve as the primary mechanism through which the heads of Federal agencies shall assist the Director of the White House Office in developing and implementing the Strategy;

(C) to the maximum extent practicable, ensure that the Strategy is based on objective, quantitative analysis, drawing on the analytical capabilities of Federal and State agencies, especially the Department Office;

(D) advise the President concerning necessary changes in organization, management, budgeting, and personnel allocation of Federal agencies involved in climate change response activities; and

(E) advise the President and notify a Federal agency if the policies and discretionary programs of the agency are not well aligned with, or are not contributing effectively to, the long-term goal of the Strategy.

(b) DIRECTOR OF THE WHITE HOUSE OFFICE.—

(1) IN GENERAL.—The White House Office shall be headed by a Director, who shall report directly to the President, and shall consult with the appropriate economic, environmental, national security, domestic policy, science and technology and other offices with the Executive Office of the President.

(2) APPOINTMENT.—The Director of the White House Office shall be a qualified individual appointed by the President, by and with the advice and consent of the Senate.

(3) DUTIES OF THE DIRECTOR OF THE WHITE HOUSE OFFICE.—

(A) STRATEGY.—In accordance with section 1013, the Director of the White House Office shall coordinate the development and updating of the Strategy.

(B) INTERAGENCY TASK FORCE.—The Director of the White House Office shall serve as Chair of the Interagency Task Force.

(C) ADVISORY DUTIES.—

(i) ENERGY, ECONOMIC, ENVIRONMENTAL, TRANSPORTATION, INDUSTRIAL, AGRICULTURAL, BUILDING, FORESTRY, AND OTHER PROGRAMS.—The Director of the White House Office, using an integrated perspective considering the totality of actions in the United States, shall advise the President and the heads of Federal agencies on—

(I) the extent to which United States energy, economic, environmental, transportation, industrial, agricultural, forestry, building, and other relevant programs are capable of producing progress on the long-term goal of the Strategy; and

(II) the extent to which proposed or newly created energy, economic, environmental, transportation, industrial, agricultural, forestry, building, and other relevant programs positively or negatively affect the ability of the United States to achieve the long-term goal of the Strategy.

(ii) TAX, TRADE, AND FOREIGN POLICIES.—The Director of the White House Office, using an integrated perspective considering the totality of actions in the United States, shall advise the President and the heads of Federal agencies on—

(I) the extent to which the United States tax policy, trade policy, and foreign policy are capable of producing progress on the long-term goal of the Strategy; and

(II) the extent to which proposed or newly created tax policy, trade policy, and foreign policy positively or negatively affect the ability of the United States to achieve the long-term goal of the Strategy.

(iii) INTERNATIONAL TREATIES.—The Secretary of State, acting in conjunction with the Interagency Task Force and using the analytical tools available to the White House Office, shall provide to the Director of the White House Office an opinion that—

(I) specifies, to the maximum extent practicable, the economic and environmental costs and benefits of any proposed international treaties or components of treaties that have an influence on greenhouse gas management; and

(II) assesses the extent to which the treaties advance the long-term goal of the Strategy, while minimizing adverse short-term and long-term economic and social impacts and considering other impacts.

(iv) CONSULTATION.—

(I) WITH MEMBERS OF INTERAGENCY TASK FORCE.—To the extent practicable and appropriate, the Director of the White House Office shall consult with all members of the Interagency Task Force before providing advice to the President.

(II) WITH OTHER INTERESTED PARTIES.—The Director of the White House Office shall establish a process for obtaining the meaningful participation of Federal, State, tribal, and local government agencies, nongovernmental organizations, academia, scientific bodies, industry, the public, and other interested parties in the development and updating of the Strategy.

(D) PUBLIC EDUCATION, AWARENESS, OUTREACH, AND INFORMATION-SHARING.—The Director of the White House Office, to the maximum extent practicable, shall promote public awareness, outreach, and information-sharing to further the understanding of the full range of climate change-related issues.

(4) ANNUAL REPORTS.—The Director of the White House Office, in consultation with the Interagency Task Force and other interested parties, shall prepare the annual reports for submission by the President to Congress under section 1013(d).

(5) ANALYSIS.—During development of the Strategy, preparation of the annual reports submitted under paragraph (4), and provision of

advice to the President and the heads of Federal agencies, the Director of the White House Office shall place significant emphasis on the use of objective, quantitative analysis, taking into consideration any uncertainties associated with the analysis.

(c) STAFF.—

(1) IN GENERAL.—The Director of the White House Office shall employ a professional staff, including the staff appointed under paragraph (2), of not more than 25 individuals to carry out the duties of the White House Office.

(2) INTERGOVERNMENTAL PERSONNEL AND FELLOWSHIPS.—The Director of the White House Office may use the authority provided by the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4701 et seq.) and subchapter VI of chapter 33 of title 5, United States Code, and fellowships, to obtain staff from Federal agencies, academia, scientific bodies, or a National Laboratory (as that term is defined in section 1203), for appointments of a limited term.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) USE OF AVAILABLE APPROPRIATIONS.—From funds made available to Federal agencies for the fiscal year in which this title is enacted, the President shall provide such sums as are necessary to carry out the duties of the White House Office under this title until the date on which funds are made available under paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Executive Office of the President to carry out the duties of the White House Office under this subtitle, $5,000,000 for each of fiscal years 2003 through 2011, to remain available through September 30, 2011.

(e) INTERAGENCY TASK FORCE.—

(1) IN GENERAL.—The Director of the White House Office shall establish the Interagency Task Force.

(2) COMPOSITION.—The Interagency Task Force shall be composed of—

(A) the Director of the White House Office, who shall serve as Chair;

(B) the Secretary of State;

(C) the Secretary of Energy;

(D) the Secretary of Commerce;

(E) the Secretary of Transportation;

(F) the Secretary of Agriculture;

(G) the Administrator of the Environmental Protection Agency;

(H) the Chairman of the Council of Economic Advisers;

(I) the Chairman of the Council on Environmental Quality;

(J) the Director of the Office of Science and Technology Policy;

(K) the Director of the Office of Management and Budget; and

(L) the heads of such other Federal agencies as the President considers appropriate.

(3) STRATEGY.—

(A) IN GENERAL.—The Interagency Task Force shall serve as the primary forum through which the Federal agencies represented on the Interagency Task Force jointly assist the Director of the White House Office in—

(i) developing and updating the Strategy; and

(ii) preparing annual reports under section 1013(d).

(B) REQUIRED ELEMENTS.—In carrying out subparagraph (A), the Interagency Task Force shall—

(i) take into account the long-term goal and other requirements of the Strategy specified in section 1013(a);

(ii) consult with State, tribal, and local government agencies, nongovernmental organizations, academia, scientific bodies, industry, the public, and other interested parties; and

(iii) build consensus around a Strategy that is based on strong scientific, technical, and economic analyses.

(4) WORKING GROUPS.—The Chair, in consultation with the members of the Interagency Task Force, may establish such topical working groups as are necessary to carry out the duties of the Interagency Task Force and implement the Strategy, taking into consideration the key elements of the Strategy. Such working groups may be comprised of members of the Interagency Task Force or their designees.

(f) STAFF.—In accordance with procedures established by the Chair of the Interagency Task Force, the Federal agencies represented on the Interagency Task Force shall provide staff from the agencies to support information, data collection, and analyses required by the Interagency Task Force.

(g) HEARINGS.—Upon request of the Chair, the Interagency Task Force may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Interagency Task Force considers to be appropriate.

SEC. 1015. OFFICE OF CLIMATE CHANGE TECHNOLOGY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established, within the Department, the Office of Climate Change Technology.

(2) DUTIES.—The Department Office shall—

(A) manage an energy technology research and development program that directly supports the Strategy by—

(i) focusing on high-risk, bold, breakthrough technologies that—

(I) have significant promise of contributing to the long-term goal of the Strategy by—

(aa) mitigating the emissions of greenhouse gases;

(bb) removing and sequestering greenhouse gases from emission streams; or

(cc) removing and sequestering greenhouse gases from the atmosphere;

(II) are not being addressed significantly by other Federal programs; and

(III) would represent a substantial advance beyond technology available on the date of enactment of this subtitle;

(ii) forging fundamentally new research and development partnerships among various Department, other Federal, and State programs, particularly between basic science and energy technology programs, in cases in which such partnerships have significant potential to affect the ability of the United States to achieve the long-term goal of the Strategy at the lowest possible cost;

(iii) forging international research and development partnerships that are in the interests of the United States and make progress on achieving the long-term goal of the Strategy;

(iv) making available, through monitoring, experimentation, and analysis, data that are essential to proving the technical and economic viability of technology central to addressing climate change; and

(v) transferring research and development programs to other program offices of the Department once such a research and development program crosses the threshold of high-risk research and moves into the realm of more conventional technology development;

(B) through active participation in the Interagency Task Force and utilization of the analytical capabilities of the Department Office, share analyses of alternative climate change strategies with other agencies represented on the Interagency Task Force to assist them in understanding—

(i) the scale of the climate change challenge; and

(ii) how actions of the Federal agencies on the Interagency Task Force positively or negatively contribute to climate change solutions;

(C) provide analytical support to the White House Office, particularly in support of the development of the Strategy and associated progress reporting;

(D) foster the development of tools, data, and capabilities to ensure that—

(i) the United States has a robust capability for evaluating alternative climate change response scenarios; and

(ii) the Department Office provides long-term analytical continuity during the terms of service of successive Presidents;

(E) identify the total contribution of all Department programs to the Strategy; and

(F) advise the Secretary on all aspects of climate change-related issues, including necessary changes in Department organization, management, budgeting, and personnel allocation in the programs involved in climate change response-related activities.

(3) ANNUAL REPORTS.—The Department Office shall prepare an annual report for submission by the Secretary to Congress and the White House Office that—

(A) assesses progress toward meeting the goals of the energy technology research and development program described in this section;

(B) assesses the activities of the Department Office;

(C) assesses the contributions of all energy technology research and development programs of the Department (including science programs) to the long-term goal and other requirements of the Strategy; and

(D) make recommendations for actions by the Department and other Federal agencies to address the components of technology development that are necessary to support the Strategy.

(b) DIRECTOR OF THE DEPARTMENT OFFICE.—

(1) IN GENERAL.—The Department Office shall be headed by a Director, who shall be a qualified individual appointed by the President, and who shall be compensated at a rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(2) REPORTING.—The Director of the Department Office shall report directly to the Under Secretary for Energy and Science.

(3) VACANCIES.—A vacancy in the position of the Director of the Department Office shall be filled in the same manner as the original appointment was made.

(c) INTERGOVERNMENTAL PERSONNEL.—The Department Office may use the authority provided by the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4701 et seq.), subchapter VI of chapter 33 of title 5, United States Code, and other departmental personnel authorities, to obtain staff for appointments of a limited term.

(d) RELATIONSHIP TO OTHER DEPARTMENT PROGRAMS.—Each project carried out by the Department Office shall be—

(1) initiated only after consultation with one or more other appropriate program offices of the Department that support research and development in the areas relating to the project;

(2) managed by the Department Office; and

(3) in the case of a project that reaches a sufficient level of maturity, with the concurrence of the Department Office and the appropriate office described in paragraph (1), transferred to the appropriate office, along with the funds necessary to continue the project to the point at which non-Federal funding can provide substantial support for the project.

(e) COLLABORATION AND COST SHARING.—

(1) WITH OTHER FEDERAL AGENCIES.—Projects supported by the Department Office may include participation of, and be supported by, other Federal agencies that have a role in the development, commercialization, or transfer of energy, transportation, industrial, agricultural, forestry, or other climate change-related technology.

(2) WITH THE PRIVATE SECTOR.—

(A) IN GENERAL.—Notwithstanding section 1403, the Department Office shall create an operating model that allows for collaboration, division of effort, and cost sharing with industry on individual climate change response projects.

(B) REQUIREMENTS.—Although cost sharing in some cases may be appropriate, the Department Office shall focus on long-term high-risk research and development and should not make industrial partnerships or cost sharing a requirement, if such a requirement would bias the activities of the Department Office toward incremental innovations.

(C) REEVALUATION ON TRANSFER.—At such time as any bold, breakthrough research and development program reaches a sufficient level of technological maturity such that the program is transferred to a program office of the Department other than the Department Office, the cost-sharing requirements and criteria applicable to the program shall be reevaluated.

(D) PUBLICATION IN FEDERAL REGISTER.—Each cost-sharing agreement entered into under this paragraph shall be published in the Federal Register.

(f) ANALYSIS OF CLIMATE CHANGE STRATEGY.—

(1) IN GENERAL.—The Department Office shall foster the development and application of advanced computational tools, data, and capabilities that, together with the capabilities of other Federal agencies, support integrated assessment of alternative climate change response scenarios and implementation of the Strategy.

(2) PROGRAMS.—

(A) IN GENERAL.—The Department Office shall—

(i) develop and maintain core analytical competencies and complex, integrated computational modeling capabilities that, together with the capabilities of other Federal agencies, are necessary to support the design and implementation of the Strategy; and

(ii) track United States and international progress toward the long-term goal of the Strategy.

(B) INTERNATIONAL CARBON DIOXIDE SEQUESTRATION MONITORING AND DATA PROGRAM.—In consultation with Federal, State, academic, scientific, private sector, nongovernmental, tribal, and international carbon capture and sequestration technology programs, the Department Office shall design and carry out an international carbon dioxide sequestration monitoring and data program to collect, analyze, and make available the technical and economic data to ascertain—

(i) whether engineered sequestration and terrestrial sequestration will be acceptable technologies from regulatory, economic, and international perspectives;

(ii) whether carbon dioxide sequestered in geological formations or ocean systems is stable and has inconsequential leakage rates on a geologic time-scale; and

(iii) the extent to which forest, agricultural, and other terrestrial systems are suitable carbon sinks.

(3) AREAS OF EXPERTISE.—

(A) IN GENERAL.—The Department Office shall develop and maintain expertise in integrated assessment, modeling, and related capabilities necessary—

(i) to understand the relationship between natural, agricultural, industrial, energy, and economic systems;

(ii) to design effective research and development programs; and

(iii) to assist with the development and implementation of the Strategy.

(B) TECHNOLOGY TRANSFER AND DIFFUSION.—The expertise described in clause (i) shall include knowledge of technology transfer and technology diffusion in United States and foreign markets.

(4) DISSEMINATION OF INFORMATION.—The Department Office shall ensure, to the maximum extent practicable, that technical and scientific knowledge relating to greenhouse gas emission reduction, avoidance, and sequestration is broadly disseminated through publications, fellowships, and training programs.

(5) ASSESSMENTS.—In a manner consistent with the Strategy, the Department shall conduct assessments of deployment of climate-friendly technology.

(6) ANALYSIS.—During development of the Strategy, annual reports submitted under subsection (a)(3), and advice to the Secretary, the Director of the Department Office shall place significant emphasis on the use of objective, quantitative analysis, taking into consideration any associated uncertainties.

(g) AUTHORIZATION OF APPROPRIATIONS.—

(1) USE OF AVAILABLE APPROPRIATIONS.—From funds made available to Federal agencies for the fiscal year in which this subtitle is enacted, the President shall provide such sums as are necessary to carry out the duties of the Department Office under this subtitle until the date on which funds are made available under paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary, to carry out the duties of the Department Office under this subtitle, $4,750,000,000 for the period of fiscal years 2003 through 2011, to remain available through September 30, 2011.

(3) ADDITIONAL AMOUNTS.—Amounts authorized to be appropriated under this section shall be in addition to—

(A) amounts made available to carry out the United States Global Change Research Program under the Global Change Research Act of 1990 (15 U.S.C. 2921 et seq.); and

(B) amounts made available under other provisions of law for energy research and development.

SEC. 1016. ADDITIONAL OFFICES AND ACTIVITIES.

The Secretary of Agriculture, the Secretary of Transportation, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and the heads of other Federal agencies may establish such offices and carry out such activities, in addition to those established or authorized by this Act, as are necessary to carry out this Act.

Subtitle C—Science and Technology Policy

SEC. 1021. GLOBAL CLIMATE CHANGE IN THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY.

Section 101(b) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601(b)) is amended—

(1) by redesignating paragraphs (7) through (13) as paragraphs (8) through (14), respectively; and

(2) by inserting after paragraph (6) the following:

"(7) improving efforts to understand, assess, predict, mitigate, and respond to global climate change;".

SEC. 1022. DIRECTOR OF OFFICE OF SCIENCE AND TECHNOLOGY POLICY FUNCTIONS.

(a) ADVISE PRESIDENT ON GLOBAL CLIMATE CHANGE.—Section 204(b)(1) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6613(b)(1)) is amended by inserting "global climate change," after "to,".

(b) ADVISE DIRECTOR OF OFFICE OF NATIONAL CLIMATE CHANGE POLICY.—Section 207 of that Act (42 U.S.C. 6616) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following:

"(b) ADVISE DIRECTOR OF OFFICE OF NATIONAL CLIMATE CHANGE POLICY.—In carrying out this Act, the Director shall advise the Director of the Office of National Climate Change Policy on matters concerning science and technology as they relate to global climate change.".

Subtitle D—Miscellaneous Provisions

SEC. 1031. ADDITIONAL INFORMATION FOR REGULATORY REVIEW.

In each case that an agency prepares and submits a Statement of Energy Effects pursuant to Executive Order 13211 of May 18, 2001 (relating to actions concerning regulations that significantly affect energy supply, distribution, or use), the agency shall also submit an estimate of the change in net annual greenhouse gas emissions resulting from the proposed significant energy action and any reasonable alternatives to the action.

SEC. 1032. GREENHOUSE GAS EMISSIONS FROM FEDERAL FACILITIES.

(a) METHODOLOGY.—Not later than 1 year after the date of enactment of this section, the Secretary of Energy, Secretary of Agriculture, Secretary of Commerce, and Administrator of the Environmental Protection Agency shall publish a jointly developed methodology for preparing estimates of annual net greenhouse gas emissions from all federally owned, leased, or operated facilities and emission sources, including stationary, mobile, and indirect emissions as may be determined to be feasible.

(b) PUBLICATION.—Not later than 18 months after the date of enactment of this section, and annually thereafter, the Secretary of Energy shall publish an estimate of annual net greenhouse gas emissions from all federally owned, leased, or operated facilities and emission sources, using the methodology published under subsection (a).

TITLE XI—NATIONAL GREENHOUSE GAS DATABASE

SEC. 1101. PURPOSE.

The purpose of this title is to establish a greenhouse gas inventory, reductions registry, and information system that—

(1) are complete, consistent, transparent, and accurate;

(2) will create reliable and accurate data that can be used by public and private entities to design efficient and effective greenhouse gas emission reduction strategies; and

(3) will acknowledge and encourage greenhouse gas emission reductions.

SEC. 1102. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) BASELINE.—The term "baseline" means the historic greenhouse gas emission levels of an entity, as adjusted upward by the designated agency to reflect actual reductions that are verified in accordance with—

(A) regulations promulgated under section 1104(c)(1); and

(B) relevant standards and methods developed under this title.

(3) DATABASE.—The term "database" means the National Greenhouse Gas Database established under section 1104.

(4) DESIGNATED AGENCY.—The term "designated agency" means a department or agency to which responsibility for a function or program is assigned under the memorandum of agreement entered into under section 1103(a).

(5) DIRECT EMISSIONS.—The term "direct emissions" means greenhouse gas emissions by an entity from a facility that is owned or controlled by that entity.

(6) ENTITY.—The term "entity" means—

(A) a person located in the United States; or

(B) a public or private entity, to the extent that the entity operates in the United States.

(7) FACILITY.—The term "facility" means—

(A) all buildings, structures, or installations located on any 1 or more contiguous or adjacent properties of an entity in the United States; and

(B) a fleet of 20 or more motor vehicles under the common control of an entity.

(8) GREENHOUSE GAS.—The term "greenhouse gas" means—

(A) carbon dioxide;

(B) methane;

(C) nitrous oxide;

(D) hydrofluorocarbons;

(E) perfluorocarbons;

(F) sulfur hexafluoride; and

(G) any other anthropogenic climate-forcing emissions with significant ascertainable global warming potential, as—

(i) recommended by the National Academy of Sciences under section 1107(b)(3); and

(ii) determined in regulations promulgated under section 1104(c)(1) (or revisions to the regulations) to be appropriate and practicable for coverage under this title.

(9) INDIRECT EMISSIONS.—The term "indirect emissions" means greenhouse gas emissions that—

(A) are a result of the activities of an entity; but

(B)(i) are emitted from a facility owned or controlled by another entity; and

(ii) are not reported as direct emissions by the entity the activities of which resulted in the emissions.

(10) REGISTRY.—The term "registry" means the registry of greenhouse gas emission reductions established as a component of the database under section 1104(b)(2).

(11) SEQUESTRATION.—

(A) IN GENERAL.—The term "sequestration" means the capture, long-term separation, isolation, or removal of greenhouse gases from the atmosphere.

(B) INCLUSIONS.—The term "sequestration" includes—

(i) soil carbon sequestration;

(ii) agricultural and conservation practices;

(iii) reforestation;

(iv) forest preservation;

(v) maintenance of an underground reservoir; and

(vi) any other appropriate biological or geological method of capture, isolation, or removal of greenhouse gases from the atmosphere, as determined by the Administrator.

SEC. 1103. ESTABLISHMENT OF MEMORANDUM OF AGREEMENT.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the President, acting through the Director of the Office of National Climate Change Policy, shall direct the Secretary of Energy, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of Transportation, and the Administrator to enter into a memorandum of agreement under which those heads of Federal agencies will—

(1) recognize and maintain statutory and regulatory authorities, functions, and programs that—

(A) are established as of the date of enactment of this Act under other law;

(B) provide for the collection of data relating to greenhouse gas emissions and effects; and

(C) are necessary for the operation of the database;

(2)(A) distribute additional responsibilities and activities identified under this title to Federal departments or agencies in accordance with the missions and expertise of those departments and agencies; and

(B) maximize the use of available resources of those departments and agencies; and

(3) provide for the comprehensive collection and analysis of data on greenhouse gas emissions relating to product use (including the use of fossil fuels and energy-consuming appliances and vehicles).

(b) MINIMUM REQUIREMENTS.—The memorandum of agreement entered into under subsection (a) shall, at a minimum, retain the following functions for the designated agencies:

(1) DEPARTMENT OF ENERGY.—The Secretary of Energy shall be primarily responsible for developing, maintaining, and verifying the registry and the emission reductions reported under section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)).

(2) DEPARTMENT OF COMMERCE.—The Secretary of Commerce shall be primarily responsible for the development of—

(A) measurement standards for the monitoring of emissions; and

(B) verification technologies and methods to ensure the maintenance of a consistent and technically accurate record of emissions, emission reductions, and atmospheric concentrations of greenhouse gases for the database.

(3) ENVIRONMENTAL PROTECTION AGENCY.—The Administrator shall be primarily responsible for—

(A) emissions monitoring, measurement, verification, and data collection under this title and title IV (relating to acid deposition control) and title VIII of the Clean Air Act (42 U.S.C. 7651 et seq.), including mobile source emissions information from implementation of the corporate average fuel economy program under chapter 329 of title 49, United States Code; and

(B) responsibilities of the Environmental Protection Agency relating to completion of the national inventory for compliance with the United Nations Framework Convention on Climate Change, done at New York on May 9, 1992.

(4) DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall be primarily responsible for—

(A) developing measurement techniques for—

(i) soil carbon sequestration; and

(ii) forest preservation and reforestation activities; and

(B) providing technical advice relating to biological carbon sequestration measurement and verification standards for measuring greenhouse gas emission reductions or offsets.

(c) DRAFT MEMORANDUM OF AGREEMENT.—Not later than 15 months after the date of enactment of this Act, the President, acting through the Director of the Office of National Climate Change Policy, shall publish in the Federal Register, and solicit comments on, a draft version of the memorandum of agreement described in subsection (a).

(d) NO JUDICIAL REVIEW.—The final version of the memorandum of agreement shall not be subject to judicial review.

SEC. 1104. NATIONAL GREENHOUSE GAS DATABASE.

(a) ESTABLISHMENT.—As soon as practicable after the date of enactment of this Act, the designated agencies, in consultation with the private sector and nongovernmental organizations, shall jointly establish, operate, and maintain a database, to be known as the "National Greenhouse Gas Database", to collect, verify, and analyze information on greenhouse gas emissions by entities.

(b) NATIONAL GREENHOUSE GAS DATABASE COMPONENTS.—The database shall consist of—

(1) an inventory of greenhouse gas emissions; and

(2) a registry of greenhouse gas emission reductions.

(c) COMPREHENSIVE SYSTEM.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the designated agencies shall jointly promulgate regulations to implement a comprehensive system for greenhouse gas emissions reporting, inventorying, and reductions registration.

(2) REQUIREMENTS.—The designated agencies shall ensure, to the maximum extent practicable, that—

(A) the comprehensive system described in paragraph (1) is designed to—

(i) maximize completeness, transparency, and accuracy of information reported; and

(ii) minimize costs incurred by entities in measuring and reporting greenhouse gas emissions; and

(B) the regulations promulgated under paragraph (1) establish procedures and protocols necessary—

(i) to prevent the reporting of some or all of the same greenhouse gas emissions or emission reductions by more than 1 reporting entity;

(ii) to provide for corrections to errors in data submitted to the database;

(iii) to provide for adjustment to data by reporting entities that have had a significant organizational change (including mergers, acquisitions, and divestiture), in order to maintain comparability among data in the database over time;

(iv) to provide for adjustments to reflect new technologies or methods for measuring or calculating greenhouse gas emissions; and

(v) to account for changes in registration of ownership of emission reductions resulting from a voluntary private transaction between reporting entities.

(3) BASELINE IDENTIFICATION AND PROTECTION.—Through regulations promulgated under paragraph (1), the designated agencies shall develop and implement a system that provides—

(A) for the provision of unique serial numbers to identify the verified emission reductions made by an entity relative to the baseline of the entity;

(B) for the tracking of the reductions associated with the serial numbers; and

(C) that the reductions may be applied, as determined to be appropriate by any Act of Congress enacted after the date of enactment of this Act, toward a Federal requirement under such an Act that is imposed on the entity for the purpose of reducing greenhouse gas emissions.

SEC. 1105. GREENHOUSE GAS REDUCTION REPORTING.

(a) IN GENERAL.—An entity that participates in the registry shall meet the requirements described in subsection (b).

(b) REQUIREMENTS.—

(1) IN GENERAL.—The requirements referred to in subsection (a) are that an entity (other than an entity described in paragraph (2)) shall—

(A) establish a baseline (including all of the entity's greenhouse gas emissions on an entity-wide basis); and

(B) submit the report described in subsection (c)(1).

(2) REQUIREMENTS APPLICABLE TO ENTITIES ENTERING INTO CERTAIN AGREEMENTS.—An entity that enters into an agreement with a participant in the registry for the purpose of a carbon sequestration project shall not be required to comply with the requirements specified in paragraph (1) unless that entity is required to comply with the requirements by reason of an activity other than the agreement.

(c) REPORTS.—

(1) REQUIRED REPORT.—Not later than April 1 of the third calendar year that begins after the date of enactment of this Act, and not later than April 1 of each calendar year thereafter, subject to paragraph (3), an entity described in subsection (a) shall submit to each appropriate designated agency a report that describes, for the preceding calendar year, the entity-wide greenhouse gas emissions (as reported at the facility level), including—

(A) the total quantity of each greenhouse gas emitted, expressed in terms of mass and in terms of the quantity of carbon dioxide equivalent;

(B) an estimate of the greenhouse gas emissions from fossil fuel combusted by products manufactured and sold by the entity in the previous calendar year, determined over the average lifetime of those products; and

(C) such other categories of emissions as the designated agency determines in the regulations promulgated under section 1104(c)(1) may be practicable and useful for the purposes of this title, such as—

(i) direct emissions from stationary sources;

(ii) indirect emissions from imported electricity, heat, and steam;

(iii) process and fugitive emissions; and

(iv) production or importation of greenhouse gases.

(2) VOLUNTARY REPORTING.—An entity described in subsection (a) may (along with establishing a baseline and reporting reductions under this section)—

(A) submit a report described in paragraph (1) before the date specified in that paragraph for the purposes of achieving and commoditizing greenhouse gas reductions through use of the registry; and

(B) submit to any designated agency, for inclusion in the registry, information that has been verified in accordance with regulations promulgated under section 1104(c)(1) and that relates to—

(i) with respect to the calendar year preceding the calendar year in which the information is submitted, and with respect to any greenhouse gas emitted by the entity—

(I) project reductions from facilities owned or controlled by the reporting entity in the United States;

(II) transfers of project reductions to and from any other entity;

(III) project reductions and transfers of project reductions outside the United States;

(IV) other indirect emissions that are not required to be reported under paragraph (1); and

(V) product use phase emissions;

(ii) with respect to greenhouse gas emission reductions activities of the entity that have been carried out during or after 1990, verified in accordance with regulations promulgated under section 1104(c)(1), and submitted to 1 or more designated agencies before the date that is 4 years after the date of enactment of this Act, any greenhouse gas emission reductions that have been reported or submitted by an entity under—

(I) section 1605(b) of the Energy Policy Act of 1992 (42 U.S.C. 13385(b)); or

(II) any other Federal or State voluntary greenhouse gas reduction program; and

(iii) any project or activity for the reduction of greenhouse gas emissions or sequestration of a greenhouse gas that is carried out by the entity, including a project or activity relating to—

(I) fuel switching;

(II) energy efficiency improvements;

(III) use of renewable energy;

(IV) use of combined heat and power systems;

(V) management of cropland, grassland, or grazing land;

(VI) a forestry activity that increases forest carbon stocks or reduces forest carbon emissions;

(VII) carbon capture and storage;

(VIII) methane recovery;

(IX) greenhouse gas offset investment; and

(X) any other practice for achieving greenhouse gas reductions as recognized by 1 or more designated agencies.

(3) EXEMPTIONS FROM REPORTING.—

(A) IN GENERAL.—If the Director of the Office of National Climate Change Policy determines under section 1108(b) that the reporting requirements under paragraph (1) shall apply to all entities (other than entities exempted by this paragraph), regardless of participation or nonparticipation in the registry, an entity shall be required to submit reports under paragraph (1) only if, in any calendar year after the date of enactment of this Act—

(i) the total greenhouse gas emissions of at least 1 facility owned by the entity exceeds 10,000 metric tons of carbon dioxide equivalent (or such greater quantity as may be established by a designated agency by regulation); or

(ii)(I) the total quantity of greenhouse gases produced, distributed, or imported by the entity exceeds 10,000 metric tons of carbon dioxide equivalent (or such greater quantity as may be established by a designated agency by regulation); and

(II) the entity is not a feedlot or other farming operation (as defined in section 101 of title 11, United States Code).

(B) ENTITIES ALREADY REPORTING.—

(i) IN GENERAL.—An entity that, as of the date of enactment of this Act, is required to report carbon dioxide emissions data to a Federal agency shall not be required to re-report that data for the purposes of this title.

(ii) REVIEW OF PARTICIPATION.—For the purpose of section 1108, emissions reported under clause (i) shall be considered to be reported by the entity to the registry.

(4) PROVISION OF VERIFICATION INFORMATION BY REPORTING ENTITIES.—Each entity that submits a report under this subsection shall provide information sufficient for each designated agency to which the report is submitted to verify, in accordance with measurement and verification methods and standards developed under section 1106, that the greenhouse gas report of the reporting entity—

(A) has been accurately reported; and

(B) in the case of each voluntary report under paragraph (2), represents—

(i) actual reductions in direct greenhouse gas emissions—

(I) relative to historic emission levels of the entity; and

(II) net of any increases in—

(aa) direct emissions; and

(bb) indirect emissions described in paragraph (1)(C)(ii); or

(ii) actual increases in net sequestration.

(5) FAILURE TO SUBMIT REPORT.—An entity that participates or has participated in the registry and that fails to submit a report required under this subsection shall be prohibited from including emission reductions reported to the registry in the calculation of the baseline of the entity in future years.

(6) INDEPENDENT THIRD-PARTY VERIFICATION.—To meet the requirements of this section and section 1106, an entity that is required to submit a report under this section may—

(A) obtain independent third-party verification; and

(B) present the results of the third-party verification to each appropriate designated agency.

(7) AVAILABILITY OF DATA.—

(A) IN GENERAL.—The designated agencies shall ensure, to the maximum extent practicable, that information in the database is—

(i) published;

(ii) accessible to the public; and

(iii) made available in electronic format on the Internet.

(B) EXCEPTION.—Subparagraph (A) shall not apply in any case in which the designated agencies determine that publishing or otherwise making available information described in that subparagraph poses a risk to national security.

(8) DATA INFRASTRUCTURE.—The designated agencies shall ensure, to the maximum extent practicable, that the database uses, and is integrated with, Federal, State, and regional greenhouse gas data collection and reporting systems in effect as of the date of enactment of this Act.

(9) ADDITIONAL ISSUES TO BE CONSIDERED.—In promulgating the regulations under section 1104(c)(1) and implementing the database, the designated agencies shall take into consideration a broad range of issues involved in establishing an effective database, including—

(A) the appropriate units for reporting each greenhouse gas;

(B) the data and information systems and measures necessary to identify, track, and verify greenhouse gas emission reductions in a manner that will encourage the development of private sector trading and exchanges;

(C) the greenhouse gas reduction and sequestration methods and standards applied in other countries, as applicable or relevant;

(D) the extent to which available fossil fuels, greenhouse gas emissions, and greenhouse gas production and importation data are adequate to implement the database;

(E) the differences in, and potential uniqueness of, the facilities, operations, and business and other relevant practices of persons and entities in the private and public sectors that may be expected to participate in the registry; and

(F) the need of the registry to maintain valid and reliable information on baselines of entities so that, in the event of any future action by Congress to require entities, individually or collectively, to reduce greenhouse gas emissions, Congress will be able—

(i) to take into account that information; and

(ii) to avoid enacting legislation that penalizes entities for achieving and reporting reductions.

(d) ANNUAL REPORT.—The designated agencies shall jointly publish an annual report that—

(1) describes the total greenhouse gas emissions and emission reductions reported to the database during the year covered by the report;

(2) provides entity-by-entity and sector-by-sector analyses of the emissions and emission reductions reported;

(3) describes the atmospheric concentrations of greenhouse gases; and

(4) provides a comparison of current and past atmospheric concentrations of greenhouse gases.

SEC. 1106. MEASUREMENT AND VERIFICATION.

(a) STANDARDS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the designated agencies shall jointly develop comprehensive measurement and verification methods and standards to ensure a consistent and technically accurate record of greenhouse gas emissions, emission reductions, sequestration, and atmospheric concentrations for use in the registry.

(2) REQUIREMENTS.—The methods and standards developed under paragraph (1) shall address the need for—

(A) standardized measurement and verification practices for reports made by all entities participating in the registry, taking into account—

(i) protocols and standards in use by entities desiring to participate in the registry as of the date of development of the methods and standards under paragraph (1);

(ii) boundary issues, such as leakage and shifted use;

(iii) avoidance of double counting of greenhouse gas emissions and emission reductions; and

(iv) such other factors as the designated agencies determine to be appropriate;

(B) measurement and verification of actions taken to reduce, avoid, or sequester greenhouse gas emissions;

(C) in coordination with the Secretary of Agriculture, measurement of the results of the use of carbon sequestration and carbon recapture technologies, including—

(i) organic soil carbon sequestration practices; and

(ii) forest preservation and reforestation activities that adequately address the issues of permanence, leakage, and verification;

(D) such other measurement and verification standards as the Secretary of Commerce, the Secretary of Agriculture, the Administrator, and *the Secretary of Energy determine to be appropriate; and*

(E) other factors that, as determined by the designated agencies, will allow entities to adequately establish a fair and reliable measurement and reporting system.

(b) REVIEW AND REVISION.—The designated agencies shall periodically review, and revise as necessary, the methods and standards developed under subsection (a).

(c) PUBLIC PARTICIPATION.—The Secretary of Commerce shall—

(1) make available to the public for comment, in draft form and for a period of at least 90 days, the methods and standards developed under subsection (a); and

(2) after the 90-day period referred to in paragraph (1), in coordination with the Secretary of Energy, the Secretary of Agriculture, and the Administrator, adopt the methods and standards developed under subsection (a) for use in implementing the database.

(d) EXPERTS AND CONSULTANTS.—

(1) IN GENERAL.—The designated agencies may obtain the services of experts and consultants in the private and nonprofit sectors in accordance with section 3109 of title 5, United States Code, in the areas of greenhouse gas measurement, certification, and emission trading.

(2) AVAILABLE ARRANGEMENTS.—In obtaining any service described in paragraph (1), the designated agencies may use any available grant, contract, cooperative agreement, or other arrangement authorized by law.

SEC. 1107. INDEPENDENT REVIEWS.

(a) IN GENERAL.—Not later than 5 years after the date of enactment of this Act, and every 3 years thereafter, the Comptroller General of the United States shall submit to Congress a report that—

(1) describes the efficacy of the implementation and operation of the database; and

(2) includes any recommendations for improvements to this title and programs carried out under this title—

(A) to achieve a consistent and technically accurate record of greenhouse gas emissions, emission reductions, and atmospheric concentrations; and

(B) to achieve the purposes of this title.

(b) REVIEW OF SCIENTIFIC METHODS.—The designated agencies shall enter into an agreement with the National Academy of Sciences under which the National Academy of Sciences shall—

(1) review the scientific methods, assumptions, and standards used by the designated agencies in implementing this title;

(2) not later than 4 years after the date of enactment of this Act, submit to Congress a report that describes any recommendations for improving—

(A) those methods and standards; and

(B) related elements of the programs, and structure of the database, established by this title; and

(3) regularly review and update as appropriate the list of anthropogenic climate-forcing emissions with significant global warming potential described in section 1102(8)(G).

SEC. 1108. REVIEW OF PARTICIPATION.

(a) IN GENERAL.—Not later than 5 years after the date of enactment of this Act, the Director of the Office of National Climate Change Policy shall determine whether the reports submitted to the registry under section 1105(c)(1) represent less than 60 percent of the national aggregate anthropogenic greenhouse gas emissions.

(b) INCREASED APPLICABILITY OF REQUIREMENTS.—If the Director of the Office of National Climate Change Policy determines under subsection (a) that less than 60 percent of the aggregate national anthropogenic greenhouse gas emissions are being reported to the registry—

(1) the reporting requirements under section 1105(c)(1) shall apply to all entities (except entities exempted under section 1105(c)(3)), regardless of any participation or nonparticipation by the entities in the registry; and

(2) each entity shall submit a report described in section 1105(c)(1)—

(A) not later than the earlier of—

(i) April 30 of the calendar year immediately following the year in which the Director of the Office of National Climate Change Policy makes the determination under subsection (a); or

(ii) the date that is 1 year after the date on which the Director of the Office of National Climate Change Policy makes the determination under subsection (a); and

(B) annually thereafter.

(c) RESOLUTION OF DISAPPROVAL.—For the purposes of this section, the determination of the Director of the Office of National Climate Change Policy under subsection (a) shall be considered to be a major rule (as defined in section 804(2) of title 5, United States Code) subject to the congressional disapproval procedure under section 802 of title 5, United States Code.

SEC. 1109. ENFORCEMENT.

If an entity that is required to report greenhouse gas emissions under section 1105(c)(1) or 1108 fails to comply with that requirement, the Attorney General may, at the request of the designated agencies, bring a civil action in United States district court against the entity to impose on the entity a civil penalty of not more than $25,000 for each day for which the entity fails to comply with that requirement.

SEC. 1110. REPORT ON STATUTORY CHANGES AND HARMONIZATION.

Not later than 3 years after the date of enactment of this Act, the President shall submit to Congress a report that describes any modifications to this title or any other provision of law that are necessary to improve the accuracy or operation of the database and related programs under this title.

SEC. 1111. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title.

DIVISION E—ENHANCING RESEARCH, DEVELOPMENT, AND TRAINING

TITLE XII—ENERGY RESEARCH AND DEVELOPMENT PROGRAMS

SEC. 1201. SHORT TITLE.

This division may be cited as the "Energy Science and Technology Enhancement Act of 2002".

SEC. 1202. FINDINGS.

The Congress finds the following:

(1) A coherent national energy strategy requires an energy research and development program that supports basic energy research and provides mechanisms to develop, demonstrate, and deploy new energy technologies in partnership with industry.

(2) An aggressive national energy research, development, demonstration, and technology deployment program is an integral part of a national climate change strategy, because it can reduce—

(A) United States energy intensity by 1.9 percent per year from 1999 to 2020;

(B) United States energy consumption in 2020 by 8 quadrillion Btu from otherwise expected levels; and

(C) United States carbon dioxide emissions from expected levels by 166 million metric tons in carbon equivalent in 2020.

(3) An aggressive national energy research, development, demonstration, and technology deployment program can help maintain domestic United States production of energy, increase United States hydrocarbon reserves by 14 percent, and lower natural gas prices by 20 percent, compared to estimates for 2020.

(4) An aggressive national energy research, development, demonstration, and technology deployment program is needed if United States suppliers and manufacturers are to compete in future markets for advanced energy technologies.

SEC. 1203. DEFINITIONS.

In this title:

(1) DEPARTMENT.—The term "Department" means the Department of Energy.

(2) DEPARTMENTAL MISSION.—The term "departmental mission" means any of the functions vested in the Secretary of Energy by the Department of Energy Organization Act (42 U.S.C. 7101 et seq.) or other law.

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given that term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a));

(4) NATIONAL LABORATORY.—The term "National Laboratory" means any of the following multipurpose laboratories owned by the Department of Energy—

(A) Argonne National Laboratory;

(B) Brookhaven National Laboratory;

(C) Idaho National Engineering and Environmental Laboratory;

(D) Lawrence Berkeley National Laboratory;

(E) Lawrence Livermore National Laboratory;

(F) Los Alamos National Laboratory;

(G) National Energy Technology Laboratory;

(H) National Renewable Energy Laboratory;

(I) Oak Ridge National Laboratory;

(J) Pacific Northwest National Laboratory; or

(K) Sandia National Laboratory.

(5) SECRETARY.—The term "Secretary" means the Secretary of Energy.

(6) TECHNOLOGY DEPLOYMENT.—The term "technology deployment" means activities to promote acceptance and utilization of technologies in commercial application, including activities undertaken pursuant to section 7 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906) or section 6 of the Renewable Energy and Energy Efficiency Technology Competitiveness Act of 1989 (42 U.S.C. 12007).

SEC. 1204. CONSTRUCTION WITH OTHER LAWS.

Except as otherwise provided in this title and title XIV, the Secretary shall carry out the research, development, demonstration, and technology deployment programs authorized by this title in accordance with the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), the Federal Nonnuclear Research and Development Act of 1974 (42 U.S.C. 5901 et seq.), the Energy Policy Act of 1992 (42 U.S.C. 13201 et seq.), or any other Act under which the Secretary is authorized to carry out such activities.

Subtitle A—Energy Efficiency

SEC. 1211. ENHANCED ENERGY EFFICIENCY RESEARCH AND DEVELOPMENT.

(a) PROGRAM DIRECTION.—The Secretary shall conduct balanced energy research, development, demonstration, and technology deployment programs to enhance energy efficiency in buildings, industry, power technologies, and transportation.

(b) PROGRAM GOALS.—

(1) ENERGY-EFFICIENT HOUSING.—The goal of the energy-efficient housing program shall be to develop, in partnership with industry, enabling technologies (including lighting technologies), designs, production methods, and supporting activities that will, by 2010—

(A) cut the energy use of new housing by 50 percent, and

(B) reduce energy use in existing homes by 30 percent.

(2) INDUSTRIAL ENERGY EFFICIENCY.—The goal of the industrial energy efficiency program shall be to develop, in partnership with industry, enabling technologies, designs, production methods, and supporting activities that will, by 2010,

enable energy-intensive industries such as the following industries to reduce their energy intensity by at least 25 percent—

(A) the wood product manufacturing industry;

(B) the pulp and paper industry;

(C) the petroleum and coal products manufacturing industry;

(D) the mining industry;

(E) the chemical manufacturing industry;

(F) the glass and glass product manufacturing industry;

(G) the iron and steel mills and ferroalloy manufacturing industry;

(H) the primary aluminum production industry;

(I) the foundries industry; and

(J) United States agriculture.

(3) TRANSPORTATION ENERGY EFFICIENCY.—The goal of the transportation energy efficiency program shall be to develop, in partnership with industry, technologies that will enable the achievement—

(A) by 2010, passenger automobiles with a fuel economy of 80 miles per gallon;

(B) by 2010, light trucks (classes 1 and 2a) with a fuel economy of 60 miles per gallon;

(C) by 2010, medium trucks and buses (classes 2b through 6 and class 8 transit buses) with a fuel economy, in ton-miles per gallon, that is three times that of year 2000 equivalent vehicles;

(D) by 2010, heavy trucks (classes 7 and 8) with a fuel economy, in ton-miles per gallon, that is two times that of year 2000 equivalent vehicles; and

(E) by 2015, the production of fuel-cell powered passenger vehicles with a fuel economy of 110 miles per gallon.

(4) ENERGY EFFICIENT DISTRIBUTED GENERATION.—The goals of the energy efficient on-site generation program shall be to help remove environmental and regulatory barriers to on-site, or distributed, generation and combined heat and power by developing technologies by 2015 that achieve—

(A) electricity generating efficiencies greater than 40 percent for on-site generation technologies based upon natural gas, including fuel cells, microturbines, reciprocating engines and industrial gas turbines;

(B) combined heat and power total (electric and thermal) efficiencies of more than 85 percent;

(C) fuel flexibility to include hydrogen, biofuels and natural gas;

(D) near zero emissions of pollutants that form smog and acid rain;

(E) reduction of carbon dioxide emissions by at least 40 percent;

(F) packaged system integration at end user facilities providing complete services in heating, cooling, electricity and air quality; and

(G) increased reliability for the consumer and greater stability for the national electricity grid.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for carrying out research, development, demonstration, and technology deployment activities under this subtitle—

(1) $700,000,000 for fiscal year 2003;

(2) $784,000,000 for fiscal year 2004;

(3) $878,000,000 for fiscal year 2005; and

(4) $983,000,000 for fiscal year 2006.

(d) LIMITATION ON USE OF FUNDS.—None of the funds authorized to be appropriated in subsection (c) may be used for the following programs of the Department—

(1) Weatherization Assistance Program;

(2) State Energy Program; or

(3) Federal Energy Management Program.

SEC. 1212. ENERGY EFFICIENCY SCIENCE INITIATIVE.

(a) ESTABLISHMENT AND AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1211(c), there are authorized to be appropriated not more than $50,000,000 in any fiscal year, for an Energy Efficiency Science Initiative to be managed by the Assistant Secretary in the Department with responsibility for energy conservation under section 203(a)(9) of the Department of Energy Organization Act (42 U.S.C. 7133(a)(9)), in consultation with the Director of the Office of Science, for grants to be competitively awarded and subject to peer review for research relating to energy efficiency.

(b) REPORT.—The Secretary of Energy shall submit to the Committee on Science and the Committee on Appropriations of the United States House of Representatives, and to the Committee on Energy and Natural Resources and the Committee on Appropriations of the United States Senate, an annual report on the activities of the Energy Efficiency Science Initiative, including a description of the process used to award the funds and an explanation of how the research relates to energy efficiency.

SEC. 1213. NEXT GENERATION LIGHTING INITIATIVE.

(a) ESTABLISHMENT.—There is established in the Department a Next Generation Lighting Initiative to research, develop, and conduct demonstration activities on advanced solid-state lighting technologies based on white light emitting diodes.

(b) OBJECTIVES.—

(1) IN GENERAL.—The objectives of the initiative shall be to develop, by 2011, advanced solid-state lighting technologies based on white light emitting diodes that, compared to incandescent and fluorescent lighting technologies, are—

(A) longer lasting;

(B) more energy-efficient; and

(C) cost-competitive.

(2) INORGANIC WHITE LIGHT EMITTING DIODE.—The objective of the initiative with respect to inorganic white light emitting diodes shall be to develop an inorganic white light emitting diode that has an efficiency of 160 lumens per watt and a 10-year lifetime.

(3) ORGANIC WHITE LIGHT EMITTING DIODE.—The objective of the initiative with respect to organic white light emitting diodes shall be to develop an organic white light emitting diode with an efficiency of 100 lumens per watt with a 5-year lifetime that—

(A) illuminates over a full color spectrum;

(B) covers large areas over flexible surfaces; and

(C) does not contain harmful pollutants typical of fluorescent lamps such as mercury.

(c) CONSORTIUM.—

(1) IN GENERAL.—The Secretary shall initiate and manage basic and manufacturing-related research on advanced solid-state lighting technologies based on white light emitting diodes for the initiative, in cooperation with the Next Generation Lighting Initiative Consortium.

(2) COMPOSITION.—The consortium shall be composed of firms, national laboratories, and other entities so that the consortium is representative of the United States solid-state lighting research, development, and manufacturing expertise as a whole.

(3) FUNDING.—The consortium shall be funded by—

(A) participation fees; and

(B) grants provided under subsection (e)(1).

(4) ELIGIBILITY.—To be eligible to receive a grant under subsection (e)(1), the consortium shall—

(A) enter into a consortium participation agreement that—

(i) is agreed to by all participants; and

(ii) describes the responsibilities of participants, participation fees, and the scope of research activities; and

(B) develop an annual program plan.

(5) INTELLECTUAL PROPERTY.—Participants in the consortium shall have royalty-free nonexclusive rights to use intellectual property derived from consortium research conducted under subsection (e)(1).

(d) PLANNING BOARD.—

(1) IN GENERAL.—Not later than 90 days after the establishment of the consortium, the Secretary shall establish and appoint the members of a planning board, to be known as the "Next Generation Lighting Initiative Planning Board", to assist the Secretary in carrying out this section.

(2) COMPOSITION.—The planning board shall be composed of—

(A) four members from universities, national laboratories, and other individuals with expertise in advanced solid-state lighting and technologies based on white light emitting diodes; and

(B) three members from a list of not less than six nominees from industry submitted by the consortium.

(3) STUDY.—

(A) IN GENERAL.—Not later than 90 days after the date on which the Secretary appoints members to the planning board, the planning board shall complete a study on strategies for the development and implementation of advanced solid-state lighting technologies based on white light emitting diodes.

(B) REQUIREMENTS.—The study shall develop a comprehensive strategy to implement, through the initiative, the use of white light emitting diodes to increase energy efficiency and enhance United States competitiveness.

(C) IMPLEMENTATION.—As soon as practicable after the study is submitted to the Secretary, the Secretary shall implement the initiative in accordance with the recommendations of the planning board.

(4) TERMINATION.—The planning board shall terminate upon completion of the study under paragraph (3).

(e) GRANTS.—

(1) FUNDAMENTAL RESEARCH.—The Secretary, through the consortium, shall make grants to conduct basic and manufacturing-related research related to advanced solid-state lighting technologies based on white light emitting diode technologies.

(2) TECHNOLOGY DEVELOPMENT AND DEMONSTRATION.—The Secretary shall enter into grants, contracts, and cooperative agreements to conduct or promote technology research, development, or demonstration activities. In providing funding under this paragraph, the Secretary shall give preference to participants in the consortium.

(3) CONTINUING ASSESSMENT.—The consortium, in collaboration with the Secretary, shall formulate annual operating and performance objectives, develop technology roadmaps, and recommend research and development priorities for the initiative. The Secretary may also establish or utilize advisory committees, or enter into appropriate arrangements with the National Academy of Sciences, to conduct periodic reviews of the initiative. The Secretary shall consider the results of such assessment and review activities in making funding decisions under paragraphs (1) and (2) of this subsection.

(4) TECHNICAL ASSISTANCE.—The National Laboratories shall cooperate with and provide technical assistance to persons carrying out projects under the initiative.

(5) AUDITS.—

(A) IN GENERAL.—The Secretary shall retain an independent, commercial auditor to determine the extent to which funds made available under this section have been expended in a manner that is consistent with the objectives under subsection (b) and, in the case of funds made available to the consortium, the annual program plan of the consortium under subsection (c)(4)(B).

(B) REPORTS.—The auditor shall submit to Congress, the Secretary, and the Comptroller General of the United States an annual report containing the results of the audit.

(6) APPLICABLE LAW.—Grants, contracts, and cooperative agreements under this section shall not be subject to the Federal Acquisition Regulation.

(f) PROTECTION OF INFORMATION.—Information obtained by the Federal Government on a confidential basis under this section shall be considered to constitute trade secrets and commercial or financial information obtained from a person and privileged or confidential under section 552(b)(4) of title 5, United States Code.

(g) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized under section 1211(c), there are authorized to be appropriated for activities under this section $50,000,000 for each of fiscal years 2003 through 2011.

(h) DEFINITIONS.—In this section:

(1) ADVANCED SOLID-STATE LIGHTING.—The term "advanced solid-state lighting" means a semiconducting device package and delivery system that produces white light using externally applied voltage.

(2) CONSORTIUM.—The term "consortium" means the Next Generation Lighting Initiative Consortium under subsection (c).

(3) INITIATIVE.—The term "initiative" means the Next Generation Lighting Initiative established under subsection (a).

(4) INORGANIC WHITE LIGHT EMITTING DIODE.—The term "inorganic white light emitting diode" means an inorganic semiconducting package that produces white light using externally applied voltage.

(5) ORGANIC WHITE LIGHT EMITTING DIODE.—The term "organic white light emitting diode" means an organic semiconducting compound that produces white light using externally applied voltage.

(6) WHITE LIGHT EMITTING DIODE.—The term "white light emitting diode" means—

(A) an inorganic white light emitting diode; or

(B) an organic white light emitting diode.

SEC. 1214. RAILROAD EFFICIENCY.

(a) ESTABLISHMENT.—The Secretary shall, in cooperation with the Secretaries of Transportation and Defense, and the Administrator of the Environmental Protection Agency, establish a public-private research partnership involving the Federal Government, railroad carriers, locomotive manufacturers, and the Association of American Railroads. The goal of the initiative shall include developing and demonstrating locomotive technologies that increase fuel economy, reduce emissions, improve safety, and lower costs.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the requirements of this section $60,000,000 for fiscal year 2003 and $70,000,000 for fiscal year 2004.

SEC. 1215. HIGH POWER DENSITY INDUSTRY PROGRAM.

The Secretary shall establish a comprehensive research, development, demonstration and deployment program to improve energy efficiency of high power density facilities, including data centers, server farms, and telecommunications facilities. Such program shall consider technologies that provide significant improvement in thermal controls, metering, load management, peak load reduction, or the efficient cooling of electronics.

SEC. 1216. RESEARCH REGARDING PRECIOUS METAL CATALYSIS.

The Secretary of Energy may, for the purpose of developing improved industrial and automotive catalysts, carry out research in the use of precious metals (excluding platinum, palladium, and rhodium) in catalysis directly, through national laboratories, or through grants to or cooperative agreements or contracts with public or nonprofit entities. There are authorized to be appropriated to carry out this section such sums as are necessary for fiscal years 2003 through 2006.

Subtitle B—Renewable Energy

SEC. 1221. ENHANCED RENEWABLE ENERGY RESEARCH AND DEVELOPMENT.

(a) PROGRAM DIRECTION.—The Secretary shall conduct balanced energy research, development, demonstration, and technology deployment programs to enhance the use of renewable energy.

(b) PROGRAM GOALS.—

(1) WIND POWER.—The goals of the wind power program shall be to develop, in partnership with industry, a variety of advanced wind turbine designs and manufacturing technologies that are cost-competitive with fossil-fuel generated electricity, with a focus on developing advanced low wind speed technologies that, by 2007, will enable the expanding utilization of widespread class 3 and 4 winds.

(2) PHOTOVOLTAICS.—The goal of the photovoltaic program shall be to develop, in partnership with industry, total photovoltaic systems with installed costs of $4,000 per peak kilowatt by 2005 and $2,000 per peak kilowatt by 2015.

(3) SOLAR THERMAL ELECTRIC SYSTEMS.—The goal of the solar thermal electric systems program shall be to develop, in partnership with industry, solar power technologies (including baseload solar power) that are competitive with fossil-fuel generated electricity by 2015, by combining high-efficiency and high-temperature receivers with advanced thermal storage and power cycles.

(4) BIOMASS-BASED POWER SYSTEMS.—The goal of the biomass program shall be to develop, in partnership with industry, integrated power-generating systems, advanced conversion, and feedstock technologies capable of producing electric power that is cost-competitive with fossil-fuel generated electricity by 2010, together with the production of fuels, chemicals, and other products under paragraph (6).

(5) GEOTHERMAL ENERGY.—The goal of the geothermal program shall be to develop, in partnership with industry, technologies and processes based on advanced hydrothermal systems and advanced heat and power systems, including geothermal heat pump technology, with a specific focus on—

(A) improving exploration and characterization technology to increase the probability of drilling successful wells from 20 percent to 40 percent by 2006;

(B) reducing the cost of drilling by 2008 to an average cost of $150 per foot; and

(C) developing enhanced geothermal systems technology with the potential to double the useable geothermal resource base.

(6) BIOFUELS.—The goal of the biofuels program shall be to develop, in partnership with industry—

(A) advanced biochemical and thermochemical conversion technologies capable of making liquid and gaseous fuels from cellulosic feedstocks that are price-competitive with gasoline or diesel in either internal combustion engines or fuel cell vehicles by 2010; and

(B) advanced biotechnology processes capable of making biofuels, biobased polymers, and chemicals, with particular emphasis on the development of biorefineries that use enzyme based processing systems.

For purposes of this paragraph, the term "cellulosic feedstock" means any portion of a food crop not normally used in food production or any nonfood crop grown for the purpose of producing biomass feedstock.

(7) HYDROGEN-BASED ENERGY SYSTEMS.—The goals of the hydrogen program shall be to support research and development on technologies for production, storage, and use of hydrogen, including fuel cells and, specifically, fuel-cell vehicle development activities under section 1211.

(8) HYDROPOWER.—The goal of the hydropower program shall be to develop, in partnership with industry, a new generation of turbine technologies that are less damaging to fish and aquatic ecosystems.

(9) ELECTRIC ENERGY SYSTEMS AND STORAGE.—The goals of the electric energy and storage program shall be to develop, in partnership with industry—

(A) generators and transmission, distribution, and storage systems that combine high capacity with high efficiency;

(B) technologies to interconnect distributed energy resources with electric power systems, comply with any national interconnection standards, have a minimum 10-year useful life;

(C) advanced technologies to increase the average efficiency of electric transmission facilities in rural and remote areas, giving priority for demonstrations to advanced transmission technologies that are being or have been field tested;

(D) the use of new transmission technologies, including flexible alternating current transmission systems, composite conductor materials, advanced protection devices, controllers, and other cost-effective methods and technologies;

(E) the use of superconducting materials in power delivery equipment such as transmission and distribution cables, transformers, and generators;

(F) energy management technologies for enterprises with aggregated loads and distributed generation, such as power parks;

(G) economic and system models to measure the costs and benefits of improved system performance;

(H) hybrid distributed energy systems to optimize two or more distributed or on-site generation technologies; and

(I) real-time transmission and distribution system control technologies that provide for continual exchange of information between generation, transmission, distribution, and end-user facilities.

(c) SPECIAL PROJECTS.—In carrying out this section, the Secretary shall demonstrate—

(1) the use of advanced wind power technology, biomass, geothermal energy systems, and other renewable energy technologies to assist in delivering electricity to rural and remote locations;

(2) the combined use of wind power and coal gasification technologies; and

(3) the use of high temperature superconducting technology in projects to demonstrate the development of superconductors that enhance the reliability, operational flexibility, or power-carrying capability of electric transmission systems or increase the electrical or operational efficiency of electric energy generation, transmission, distribution and storage systems.

(d) FINANCIAL ASSISTANCE TO RURAL AREAS.—In carrying out special projects under subsection (c), the Secretary may provide financial assistance to rural electric cooperatives and other rural entities.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for carrying out research, development, demonstration, and technology deployment activities under this subtitle—

(1) $500,000,000 for fiscal year 2003;

(2) $595,000,000 for fiscal year 2004;

(3) $683,000,000 for fiscal year 2005; and

(4) $733,000,000 for fiscal year 2006, of which $100,000,000 may be allocated to meet the goals of subsection (b)(1).

SEC. 1222. BIOENERGY PROGRAMS.

(a) PROGRAM DIRECTION.—The Secretary shall carry out research, development, demonstration,

and technology development activities related to bioenergy, including programs under paragraphs (4) and (6) of section 1221(b).

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) BIOPOWER ENERGY SYSTEMS.—From amounts authorized under section 1221(e), there are authorized to be appropriated to the Secretary for biopower energy systems—

(A) $60,300,000 for fiscal year 2003;

(B) $69,300,000 for fiscal year 2004;

(C) $79,600,000 for fiscal year 2005; and

(D) $86,250,000 for fiscal year 2006.

(2) BIOFUELS ENERGY SYSTEMS.—From amounts authorized under section 1221(e), there are authorized to be appropriated to the Secretary for biofuels energy systems—

(A) $57,500,000 for fiscal year 2003;

(B) $66,125,000 for fiscal year 2004;

(C) $76,000,000 for fiscal year 2005; and

(D) $81,400,000 for fiscal year 2006.

(3) INTEGRATED BIOENERGY RESEARCH AND DEVELOPMENT.—The Secretary may use funds authorized under paragraph (1) or (2) for programs, projects, or activities that integrate applications for both biopower and biofuels, including cross-cutting research and development in feedstocks and economic analysis.

SEC. 1223. HYDROGEN RESEARCH AND DEVELOPMENT.

(a) SHORT TITLE.—This section may be cited as the "Hydrogen Future Act of 2002".

(b) PURPOSES.—Section 102(b) of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 (42 U.S.C. 12401(b)) is amended by striking paragraphs (2) and (3) and inserting the following:

"(2) to direct the Secretary to develop a program of technology assessment, information transfer, and education in which Federal agencies, members of the transportation, energy, and other industries, and other entities may participate;

"(3) to develop methods of hydrogen production that minimize production of greenhouse gases, including developing—

"(A) efficient production from nonrenewable resources; and

"(B) cost-effective production from renewable resources such as biomass, geothermal, wind, and solar energy; and

"(4) to foster the use of hydrogen as a major energy source, including developing the use of hydrogen in—

"(A) isolated villages, islands, and communities in which other energy sources are not available or are very expensive; and

"(B) foreign economic development, to avoid environmental damage from increased fossil fuel use.".

(c) REPORT TO CONGRESS.—Section 103 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 (42 U.S.C. 12402) is amended—

(1) in subsection (a), by striking "January 1, 1999," and inserting "1 year after the date of enactment of the Hydrogen Future Act of 2002, and biennially thereafter,";

(2) in subsection (b), by striking paragraphs (1) and (2) and inserting the following:

"(1) an analysis of hydrogen-related activities throughout the United States Government to identify productive areas for increased intragovernmental collaboration;

"(2) recommendations of the Hydrogen Technical Advisory Panel established by section 108 for any improvements in the program that are needed, including recommendations for additional legislation; and

"(3) to the extent practicable, an analysis of State and local hydrogen-related activities."; and

(3) by adding at the end the following:

"(c) COORDINATION PLAN.—The report under subsection (a) shall be based on a comprehensive coordination plan for hydrogen energy prepared by the Secretary in consultation with other Federal agencies.".

(d) HYDROGEN RESEARCH AND DEVELOPMENT.—Section 104 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 (42 U.S.C. 12403) is amended—

(1) in subsection (b)(1), by striking "marketplace;" and inserting "marketplace, including foreign markets, particularly where an energy infrastructure is not well developed;";

(2) in subsection (e), by striking "this chapter" and inserting "this Act";

(3) by striking subsection (g) and inserting the following:

"(g) COST SHARING.—

"(1) INABILITY TO FUND ENTIRE COST.—The Secretary shall not consider a proposal submitted by a person from industry unless the proposal contains a certification that—

"(A) reasonable efforts to obtain non-Federal funding in the amount necessary to pay 100 percent of the cost of the project have been made; and

"(B) non-Federal funding in that amount could not reasonably be obtained.

"(2) NON-FEDERAL SHARE.—

"(A) IN GENERAL.—The Secretary shall require a commitment from non-Federal sources of at least 25 percent of the cost of the project.

"(B) REDUCTION OR ELIMINATION.—The Secretary may reduce or eliminate the cost-sharing requirement under subparagraph (A) for the proposed research and development project, including for technical analyses, economic analyses, outreach activities, and educational programs, if the Secretary determines that reduction or elimination is necessary to achieve the objectives of this Act.";

(4) in subsection (i), by striking "this chapter" and inserting "this Act".

(e) DEMONSTRATIONS.—Section 105 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 (42 U.S.C. 12404) is amended by striking subsection (c) and inserting the following:

"(c) NON-FEDERAL SHARE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require a commitment from non-Federal sources of at least 50 percent of the costs directly relating to a demonstration project under this section.

"(2) REDUCTION.—The Secretary may reduce the non-Federal requirement under paragraph (1) if the Secretary determines that the reduction is appropriate considering the technological risks involved in the project and is necessary to meet the objectives of this Act.".

(f) TECHNOLOGY TRANSFER.—Section 106 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 (42 U.S.C. 12405) is amended—

(1) in subsection (a)—

(A) in the first sentence—

(i) by striking "The Secretary shall conduct a program designed to accelerate wider application" and inserting the following:

"(1) IN GENERAL.—The Secretary shall conduct a program designed to—

"(A) accelerate wider application"; and

(ii) by striking "private sector" and inserting "private sector; and

"(B) accelerate wider application of hydrogen technologies in foreign countries to increase the global market for the technologies and foster global economic development without harmful environmental effects."; and

(B) in the second sentence, by striking "The Secretary" and inserting the following:

"(2) ADVICE AND ASSISTANCE.—The Secretary"; and

(2) in subsection (b)—

(A) in paragraph (2), by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and indenting appropriately;

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(C) by striking "The Secretary, in" and inserting the following:

"(1) IN GENERAL.—The Secretary, in";

(D) by striking "The information" and inserting the following:

"(2) ACTIVITIES.—The information"; and

(E) in paragraph (1) (as designated by subparagraph (C))—

(i) in subparagraph (A) (as redesignated by subparagraph (B)), by striking "an inventory" and inserting "an update of the inventory"; and

(ii) in subparagraph (B) (as redesignated by subparagraph (B)), by striking "develop" and all that follows through "to improve" and inserting "develop with the National Aeronautics and Space Administration, the Department of Energy, other Federal agencies as appropriate, and industry, an information exchange program to improve".

(g) TECHNICAL PANEL REVIEW.—

(1) IN GENERAL.—Section 108 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 (42 U.S.C. 12407) is amended—

(A) in subsection (b)—

(i) by striking "(b) MEMBERSHIP.—The technical panel shall be appointed" and inserting the following:

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The technical panel shall be comprised of not fewer than 9 nor more than 15 members appointed";

(ii) by striking the second sentence and inserting the following:

"(2) TERMS.—

"(A) IN GENERAL.—The term of a member of the technical panel shall be not more than 3 years.

"(B) STAGGERED TERMS.—The Secretary may appoint members of the technical panel in a manner that allows the terms of the members serving at any time to expire at spaced intervals so as to ensure continuity in the functioning of the technical panel.

"(C) REAPPOINTMENT.—A member of the technical panel whose term expires may be reappointed."; and

(iii) by striking "The technical panel shall have a chairman," and inserting the following:

"(3) CHAIRPERSON.—The technical panel shall have a chairperson,"; and

(B) in subsection (d)—

(i) in the matter preceding paragraph (1), by striking "the following items";

(ii) in paragraph (1), by striking "and" at the end;

(iii) in paragraph (2), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(3) the plan developed by the interagency task force under section 202(b) of the Hydrogen Future Act of 1996.".

(2) NEW APPOINTMENTS.—Not later than 180 days after the date of enactment of this Act, the Secretary—

(A) shall review the membership composition of the Hydrogen Technical Advisory Panel; and

(B) may appoint new members consistent with the amendments made by subsection (a).

(h) AUTHORIZATION OF APPROPRIATIONS.—Section 109 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 (42 U.S.C. 12408) is amended—

(1) in paragraph (8), by striking "and";

(2) in paragraph (9), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

"(10) $65,000,000 for fiscal year 2003;

"(11) $70,000,000 for fiscal year 2004;

"(12) $75,000,000 for fiscal year 2005; and

"(13) $80,000,000 for fiscal year 2006.".

(i) Fuel Cells.—

(1) Integration of fuel cells with hydrogen production systems.—Section 201 of the Hydrogen Future Act of 1996 is amended—

(A) in subsection (a) by striking "(a) Not later than 180 days after the date of enactment of this section, and subject" and inserting "(a) In General.—Subject";

(B) by striking "with—" and all that follows and inserting "into Federal, State, and local government facilities for stationary and transportation applications.";

(C) in subsection (b), by striking "gas is" and inserting "basis";

(D) in subsection (c)(2), by striking "systems described in subsections (a)(1) and (a)(2)" and inserting "projects proposed"; and

(E) by striking subsection (d) and inserting the following:

"(d) Non-Federal Share.—

"(1) In general.—Except as provided in paragraph (2), the Secretary shall require a commitment from non-Federal sources of at least 50 percent of the costs directly relating to a demonstration project under this section.

"(2) Reduction.—The Secretary may reduce the non-Federal requirement under paragraph (1) if the Secretary determines that the reduction is appropriate considering the technological risks involved in the project and is necessary to meet the objectives of this Act.".

(2) Cooperative and cost-sharing agreements; integration of technical information.—Title II of the Hydrogen Future Act of 1996 (42 U.S.C. 12403 note; Public Law 104–271) is amended by striking section 202 and inserting the following:

"SEC. 202. INTERAGENCY TASK FORCE.

"(a) Establishment.—Not later than 120 days after the date of enactment of this section, the Secretary shall establish an interagency task force led by a Deputy Assistant Secretary of the Department of Energy and comprised of representatives of—

"(1) the Office of Science and Technology Policy;

"(2) the Department of Transportation;

"(3) the Department of Defense;

"(4) the Department of Commerce (including the National Institute for Standards and Technology);

"(5) the Environmental Protection Agency;

"(6) the National Aeronautics and Space Administration; and

"(7) other agencies as appropriate.

"(b) Duties.—

"(1) In general.—The task force shall develop a plan for carrying out this title.

"(2) Focus of plan.—The plan shall focus on development and demonstration of integrated systems and components for—

"(A) hydrogen production, storage, and use in Federal, State, and local government buildings and vehicles;

"(B) hydrogen-based infrastructure for buses and other fleet transportation systems that include zero-emission vehicles; and

"(C) hydrogen-based distributed power generation, including the generation of combined heat, power, and hydrogen.

"SEC. 203. COOPERATIVE AND COST-SHARING AGREEMENTS.

"The Secretary shall enter into cooperative and cost-sharing agreements with Federal, State, and local agencies for participation by the agencies in demonstrations at facilities administered by the agencies, with the aim of integrating high efficiency hydrogen systems using fuel cells into the facilities to provide immediate benefits and promote a smooth transition to hydrogen as an energy source.

"SEC. 204. INTEGRATION AND DISSEMINATION OF TECHNICAL INFORMATION.

"The Secretary shall—

"(1) integrate all the technical information that becomes available as a result of development and demonstration projects under this title;

"(2) make the information available to all Federal and State agencies for dissemination to all interested persons; and

"(3) foster the exchange of generic, nonproprietary information and technology developed under this title among industry, academia, and Federal, State, and local governments, to help the United States economy attain the economic benefits of the information and technology.

"SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated, for activities under this title—

"(1) $25,000,000 for fiscal year 2003;

"(2) $30,000,000 for fiscal year 2004;

"(3) $35,000,000 for fiscal year 2005; and

"(4) $40,000,000 for fiscal year 2006.".

Subtitle C—Fossil Energy

SEC. 1231. ENHANCED FOSSIL ENERGY RESEARCH AND DEVELOPMENT.

(a) Program Direction.—The Secretary shall conduct a balanced energy research, development, demonstration, and technology deployment program to enhance fossil energy.

(b) Program Goals.—

(1) Core fossil research and development.—The goals of the core fossil research and development program shall be to reduce emissions from fossil fuel use by developing technologies, including precombustion technologies, by 2015 with the capability of realizing—

(A) electricity generating efficiencies of 60 percent for coal and 75 percent for natural gas;

(B) combined heat and power thermal efficiencies of more than 85 percent;

(C) fuels utilization efficiency of 75 percent for the production of liquid transportation fuels from coal;

(D) near zero emissions of mercury and of emissions that form fine particles, smog, and acid rain;

(E) reduction of carbon dioxide emissions by at least 40 percent through efficiency improvements and 100 percent with sequestration; and

(F) improved reliability, efficiency, reductions of air pollutant emissions, or reductions in solid waste disposal requirements.

(2) Offshore oil and natural gas resources.—The goal of the offshore oil and natural gas resources program shall be to develop technologies to—

(A) extract methane hydrates in coastal waters of the United States, and

(B) develop natural gas and oil reserves in the ultra-deepwater of the Central and Western Gulf of Mexico.

(3) Onshore oil and natural gas resources.—The goal of the onshore oil and natural gas resources program shall be to advance the science and technology available to domestic onshore petroleum producers, particularly independent operators, through—

(A) advances in technology for exploration and production of domestic petroleum resources, particularly those not accessible with current technology;

(B) improvement in the ability to extract hydrocarbons from known reservoirs and classes of reservoirs; and

(C) development of technologies and practices that reduce the threat to the environment from petroleum exploration and production and decrease the cost of effective environmental compliance.

(4) Transportation fuels.—The goals of the transportation fuels program shall be to increase the price elasticity of oil supply and demand by focusing research on—

(A) reducing the cost of producing transportation fuels from coal and natural gas; and

(B) indirect liquefaction of coal and biomass.

(c) Authorization of Appropriations.—

(1) In general.—There are authorized to be appropriated to the Secretary for carrying out research, development, demonstration, and technology deployment activities under this section—

(A) $485,000,000 for fiscal year 2003;

(B) $508,000,000 for fiscal year 2004;

(C) $532,000,000 for fiscal year 2005; and

(D) $558,000,000 for fiscal year 2006.

(2) Limits on use of funds.—None of the funds authorized in paragraph (1) may be used for—

(A) fossil energy environmental restoration;

(B) import/export authorization;

(C) program direction; or

(D) general plant projects.

(3) Coal-based projects.—The coal-based projects funded under this section shall be consistent with the goals in subsection (b). The program shall emphasize carbon capture and sequestration technologies and gasification technologies, including gasification combined cycle, gasification fuel cells, gasification co-production, hybrid gasification/combustion, or other technology with the potential to address the goals in subparagraphs (D) or (E) of subsection (b)(1).

SEC. 1232. POWER PLANT IMPROVEMENT INITIATIVE.

(a) Program Direction.—The Secretary shall conduct a balanced energy research, development, demonstration, and technology deployment program to demonstrate commercial applications of advanced lignite and coal-based technologies applicable to new or existing power plants (including co-production plants) that advance the efficiency, environmental performance, and cost-competitiveness substantially beyond technologies that are in operation or have been demonstrated by the date of enactment of this subtitle.

(b) Technical Milestones.—

(1) In general.—The Secretary shall set technical milestones specifying efficiency and emissions levels that projects shall be designed to achieve. The milestones shall become more restrictive over the life of the program.

(2) 2010 efficiency milestones.—The milestones shall be designed to achieve by 2010 interim thermal efficiency of—

(A) forty-five percent for coal of more than 9,000 Btu;

(B) forty-four percent for coal of 7,000 to 9,000 Btu; and

(C) forty-two percent for coal of less than 7,000 Btu.

(3) 2020 efficiency milestones.—The milestones shall be designed to achieve by 2020 thermal efficiency of—

(A) sixty percent for coal of more than 9,000 Btu;

(B) fifty-nine percent for coal of 7,000 to 9,000 Btu; and

(C) fifty-seven percent for coal of less than 7,000 Btu.

(4) Emissions milestones.—The milestones shall include near zero emissions of mercury and greenhouse gases and of emissions that form fine particles, smog, and acid rain.

(5) Regional and quality differences.—The Secretary may consider regional and quality differences in developing the efficiency milestones.

(c) Project Criteria.—The demonstration activities proposed to be conducted at a new or existing coal-based electric generation unit having a nameplate rating of not less than 100 megawatts, excluding a co-production plant, shall include at least one of the following—

(1) a means of recycling or reusing a significant portion of coal combustion wastes produced

by coal-based generating units, excluding practices that are commercially available by the date of enactment of this subtitle;

(2) a means of capture and sequestering emissions, including greenhouse gases, in a manner that is more effective and substantially below the cost of technologies that are in operation or that have been demonstrated by the date of enactment of this subtitle;

(3) a means of controlling sulfur dioxide and nitrogen oxide or mercury in a manner that improves environmental performance beyond technologies that are in operation or that have been demonstrated by the date of enactment of this subtitle—

(A) in the case of an existing unit, achieve an overall thermal design efficiency improvement compared to the efficiency of the unit as operated, of not less than—

(i) 7 percent for coal of more than 9,000 Btu;

(ii) 6 percent for coal of 7,000 to 9,000 Btu; or

(iii) 4 percent for coal of less than 7,000 Btu; or

(B) in the case of a new unit, achieve the efficiency milestones set for in subsection (b) compared to the efficiency of a typical unit as operated on the date of enactment of this subtitle, before any retrofit, repowering, replacement, or installation.

(d) STUDY.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of the Interior, and interested entities (including coal producers, industries using coal, organizations to promote coal or advanced coal technologies, environmental organizations, and organizations representing workers), shall conduct an assessment that identifies performance criteria that would be necessary for coal-based technologies to meet, to enable future reliance on coal in an environmentally sustainable manner for electricity generation, use as a chemical feedstock, and use as a transportation fuel.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Secretary for carrying out activities under this section $200,000,000 for each of fiscal years 2003 through 2011.

(2) LIMITATION ON FUNDING OF PROJECTS.—Eighty percent of the funding under this section shall be limited to—

(A) carbon capture and sequestration technologies;

(B) gasification technologies, including gasification combined cycle, gasification fuel cells, gasification co-production, or hybrid gasification/combustion; or

(C) other technology either by itself or in conjunction with other technologies that has the potential to achieve near zero emissions.

SEC. 1233. RESEARCH AND DEVELOPMENT FOR ADVANCED SAFE AND EFFICIENT COAL MINING TECHNOLOGIES.

(a) ESTABLISHMENT.—The Secretary of Energy shall establish a cooperative research partnership involving appropriate Federal agencies, coal producers, including associations, equipment manufacturers, universities with mining engineering departments, and other relevant entities to—

(1) develop mining research priorities identified by the Mining Industry of the Future Program and in the recommendations from relevant reports of the National Academy of Sciences on mining technologies;

(2) establish a process for conducting joint industry-Government research and development; and

(3) expand mining research capabilities at institutions of higher education.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out activities under this section, $12,000,000 in fiscal year 2003 and $15,000,000 in fiscal year 2004.

(2) LIMIT ON USE OF FUNDS.—Not less than 20 percent of any funds appropriated in a given fiscal year under this subsection shall be dedicated to research carried out at institutions of higher education.

SEC. 1234. ULTRA-DEEPWATER AND UNCONVENTIONAL RESOURCE EXPLORATION AND PRODUCTION TECHNOLOGIES.

(a) DEFINITIONS.—In this section:

(1) ADVISORY COMMITTEE.—The term "Advisory Committee" means the Ultra-Deepwater and Unconventional Resource Technology Advisory Committee established under subsection (c).

(2) AWARD.—The term "award" means a cooperative agreement, contract, award or other types of agreement as appropriate.

(3) DEEPWATER.—The term "deepwater" means a water depth that is greater than 200 but less than 1,500 meters.

(4) ELIGIBLE AWARD RECIPIENT.—The term "eligible award recipient" includes—

(A) a research institution;

(B) an institution of higher education;

(C) a corporation; and

(D) a managing consortium formed among entities described in subparagraphs (A) through (C).

(5) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(6) MANAGING CONSORTIUM.—The term "managing consortium" means an entity that—

(A) exists as of the date of enactment of this section;

(B)(i) is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986; and

(ii) is exempt from taxation under section 501(a) of that Code;

(C) is experienced in planning and managing programs in natural gas or other petroleum exploration and production research, development, and demonstration; and

(D) has demonstrated capabilities and experience in representing the views and priorities of industry, institutions of higher education and other research institutions in formulating comprehensive research and development plans and programs.

(7) PROGRAM.—The term "program" means the program of research, development, and demonstration established under subsection (b)(1)(A).

(8) ULTRA-DEEPWATER.—The term "ultra-deepwater" means a water depth that is equal to or greater than 1,500 meters.

(9) ULTRA-DEEPWATER ARCHITECTURE.—The term "ultra-deepwater architecture" means the integration of technologies to explore and produce natural gas or petroleum products located at ultra-deepwater depths.

(10) ULTRA-DEEPWATER RESOURCE.—The term "ultra-deepwater resource" means natural gas or any other petroleum resource (including methane hydrate) located in an ultra-deepwater area.

(11) UNCONVENTIONAL RESOURCE.—The term "unconventional resource" means natural gas or any other petroleum resource located in a formation on physically or economically inaccessible land currently available for lease for purposes of natural gas or other petroleum exploration or production.

(b) ULTRA-DEEPWATER AND UNCONVENTIONAL EXPLORATION AND PRODUCTION PROGRAM.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The Secretary shall establish a program of research into, and development and demonstration of, ultra-deepwater resource and unconventional resource exploration and production technologies.

(B) LOCATION; IMPLEMENTATION.—The program under this subsection shall be carried out—

(i) in areas on the outer Continental Shelf that, as of the date of enactment of this section, are available for leasing; and

(ii) on unconventional resources.

(2) COMPONENTS.—The program shall include one or more programs for long-term research into—

(A) new deepwater ultra-deepwater resource and unconventional resource exploration and production technologies; or

(B) environmental mitigation technologies for production of ultra-deepwater resource and unconventional resource.

(c) ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—Not later than 30 days after the date of enactment of this section, the Secretary shall establish an advisory committee to be known as the "Ultra-Deepwater and Unconventional Resource Technology Advisory Committee".

(2) MEMBERSHIP.—

(A) COMPOSITION.—Subject to subparagraph (B), the advisory committee shall be composed of seven members appointed by the Secretary that—

(i) have extensive operational knowledge of and experience in the natural gas and other petroleum exploration and production industry; and

(ii) are not Federal employees or employees of contractors to a Federal agency.

(B) EXPERTISE.—Of the members of the advisory committee appointed under subparagraph (A)—

(i) at least four members shall have extensive knowledge of ultra-deepwater resource exploration and production technologies;

(ii) at least three members shall have extensive knowledge of unconventional resource exploration and production technologies.

(3) DUTIES.—The advisory committee shall advise the Secretary in the implementation of this section.

(4) COMPENSATION.—A member of the advisory committee shall serve without compensation but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(d) AWARDS.—

(1) TYPES OF AWARDS.—

(A) ULTRA-DEEPWATER RESOURCES.—

(i) IN GENERAL.—The Secretary shall make awards for research into, and development and demonstration of, ultra-deepwater resource exploration and production technologies—

(I) to maximize the value of the ultra-deepwater resources of the United States;

(II) to increase the supply of ultra-deepwater resources by lowering the cost and improving the efficiency of exploration and production of such resources; and

(III) to improve safety and minimize negative environmental impacts of that exploration and production.

(ii) ULTRA-DEEPWATER ARCHITECTURE.—In furtherance of the purposes described in clause (i), the Secretary shall, where appropriate, solicit proposals from a managing consortium to develop and demonstrate next-generation architecture for ultra-deepwater resource production.

(B) UNCONVENTIONAL RESOURCES.—The Secretary shall make awards—

(i) to carry out research into, and development and demonstration of, technologies to maximize the value of unconventional resources; and

(ii) to develop technologies to simultaneously—

(I) increase the supply of unconventional resources by lowering the cost and improving the efficiency of exploration and production of unconventional resources; and

(II) improve safety and minimize negative environmental impacts of that exploration and production.

(2) CONDITIONS.—An award made under this subsection shall be subject to the following conditions:

(A) MULTIPLE ENTITIES.—If an award recipient is composed of more than one eligible organization, the recipient shall provide a signed contract, agreed to by all eligible organizations comprising the award recipient, that defines, in a manner that is consistent with all applicable law in effect as of the date of the contract, all rights to intellectual property for—

(i) technology in existence as of that date; and

(ii) future inventions conceived and developed using funds provided under the award.

(B) COMPONENTS OF APPLICATION.—An application for an award for a demonstration project shall describe with specificity any intended commercial applications of the technology to be demonstrated.

(C) COST SHARING.—Non-Federal cost sharing shall be in accordance with section 1403.

(e) PLAN AND FUNDING.—

(1) IN GENERAL.—The Secretary, and where appropriate, a managing consortium under subsection (d)(1)(A)(ii), shall formulate annual operating and performance objectives, develop multiyear technology roadmaps, and establish research and development priorities for the funding of activities under this section which will serve as guidelines for making awards including cost-matching objectives.

(2) INDUSTRY INPUT.—In carrying out this program, the Secretary shall promote maximum industry input through the use of managing consortia or other organizations in planning and executing the research areas and conducting workshops or reviews to ensure that this program focuses on industry problems and needs.

(f) AUDITING.—

(1) IN GENERAL.—The Secretary shall retain an independent, commercial auditor to determine the extent to which funds authorized by this section, provided through a managing consortium, are expended in a manner consistent with the purposes of this section.

(2) REPORTS.—The auditor retained under paragraph (1) shall submit to the Secretary, and the Secretary shall transmit to the appropriate congressional committees, an annual report that describes—

(A) the findings of the auditor under paragraph (1); and

(B) a plan under which the Secretary may remedy any deficiencies identified by the auditor.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.

(h) TERMINATION OF AUTHORITY.—The authority provided by this section shall terminate on September 30, 2009.

(i) SAVINGS PROVISION.—Nothing in this section is intended to displace, duplicate or diminish any previously authorized research activities of the Department of Energy.

SEC. 1235. RESEARCH AND DEVELOPMENT FOR NEW NATURAL GAS TRANSPORTATION TECHNOLOGIES.

The Secretary of Energy shall conduct a comprehensive 5-year program for research, development and demonstration to improve the reliability, efficiency, safety and integrity of the natural gas transportation and distribution infrastructure and for distributed energy resources (including microturbines, fuel cells, advanced engine-generators, gas turbines, reciprocating engines, hybrid power generation systems, and all ancillary equipment for dispatch, control and maintenance).

SEC. 1236. AUTHORIZATION OF APPROPRIATIONS FOR OFFICE OF ARCTIC ENERGY.

There are authorized to be appropriated to the Secretary for the Office of Arctic Energy under section 3197 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398) such sums as may be necessary, but not to exceed $25,000,000 for each of fiscal years 2003 through 2011.

SEC. 1237. CLEAN COAL TECHNOLOGY LOAN.

There is authorized to be appropriated not to exceed $125,000,000 to the Secretary of Energy to provide a loan to the owner of the experimental plant constructed under United States Department of Energy cooperative agreement number DE–FC22–91PC99544 on such terms and conditions as the Secretary determines, including interest rates and upfront payments.

Subtitle D—Nuclear Energy

SEC. 1241. ENHANCED NUCLEAR ENERGY RESEARCH AND DEVELOPMENT.

(a) PROGRAM DIRECTION.—The Secretary shall conduct an energy research, development, demonstration, and technology deployment program to enhance nuclear energy.

(b) PROGRAM GOALS.—The program shall—

(1) support research related to existing United States nuclear power reactors to extend their lifetimes and increase their reliability while optimizing their current operations for greater efficiencies;

(2) examine—

(A) advanced proliferation-resistant and passively safe reactor designs;

(B) new reactor designs with higher efficiency, lower cost, and improved safety;

(C) in coordination with activities carried out under the amendments made by section 1223, designs for a high temperature reactor capable of producing large-scale quantities of hydrogen using thermochemical processes;

(D) proliferation-resistant and high-burn-up nuclear fuels;

(E) minimization of generation of radioactive materials;

(F) improved nuclear waste management technologies; and

(G) improved instrumentation science;

(3) attract new students and faculty to the nuclear sciences and nuclear engineering and related fields (including health physics and nuclear and radiochemistry) through—

(A) university-based fundamental research for existing faculty and new junior faculty;

(B) support for the re-licensing of existing training reactors at universities in conjunction with industry; and

(C) completing the conversion of existing training reactors with proliferation-resistant fuels that are low enriched and to adapt those reactors to new investigative uses;

(4) maintain a national capability and infrastructure to produce medical isotopes and ensure a well trained cadre of nuclear medicine specialists in partnership with industry;

(5) ensure that our nation has adequate capability to power future satellite and space missions; and

(6) maintain, where appropriate through a prioritization process, a balanced research infrastructure so that future research programs can use these facilities.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) CORE NUCLEAR RESEARCH PROGRAMS.—There are authorized to be appropriated to the Secretary for carrying out research, development, demonstration, and technology deployment activities under subsection (b)(1) through (3)—

(A) $100,000,000 for fiscal year 2003;
(B) $110,000,000 for fiscal year 2004;
(C) $120,000,000 for fiscal year 2005; and
(D) $130,000,000 for fiscal year 2006.

(2) SUPPORTING NUCLEAR ACTIVITIES.—There are authorized to be appropriated to the Secretary for carrying out activities under subsection (b)(4) through (6), as well as nuclear facilities management and program direction—

(A) $200,000,000 for fiscal year 2003;
(B) $202,000,000 for fiscal year 2004;
(C) $207,000,000 for fiscal year 2005; and
(D) $212,000,000 for fiscal year 2006.

SEC. 1242. UNIVERSITY NUCLEAR SCIENCE AND ENGINEERING SUPPORT.

(a) ESTABLISHMENT.—The Secretary shall support a program to maintain the nation's human resource investment and infrastructure in the nuclear sciences and engineering and related fields (including health physics and nuclear and radiochemistry), consistent with departmental missions related to civilian nuclear research and development.

(b) DUTIES.—In carrying out the program under this section, the Secretary shall—

(1) develop a graduate and undergraduate fellowship program to attract new and talented students;

(2) assist universities in recruiting and retaining new faculty in the nuclear sciences and engineering through a Junior Faculty Research Initiation Grant Program;

(3) support fundamental nuclear sciences and engineering research through the Nuclear Engineering Education Research Program;

(4) encourage collaborative nuclear research between industry, national laboratories and universities through the Nuclear Energy Research Initiative; and

(5) support communication and outreach related to nuclear science and engineering.

(c) MAINTAINING UNIVERSITY RESEARCH AND TRAINING REACTORS AND ASSOCIATED INFRASTRUCTURE.—Activities under this section may include:

(1) Converting research reactors to low-enrichment fuels, upgrading operational instrumentation, and sharing of reactors among universities.

(2) Providing technical assistance, in collaboration with the United States nuclear industry, in re-licensing and upgrading training reactors as part of a student training program.

(3) Providing funding for reactor improvements as part of a focused effort that emphasizes research, training, and education.

(d) UNIVERSITY-NATIONAL LABORATORY INTERACTIONS.—The Secretary shall develop—

(1) a sabbatical fellowship program for university professors to spend extended periods of time at National Laboratories in the areas of nuclear science and technology; and

(2) a visiting scientist program in which National Laboratory staff can spend time in academic nuclear science and engineering departments. The Secretary may provide for fellowships for students to spend time at National Laboratories in the area of nuclear science with a member of the Laboratory staff acting as a mentor.

(e) OPERATING AND MAINTENANCE COSTS.—Funding for a research project provided under this section may be used to offset a portion of the operating and maintenance costs of a university research reactor used in the research project, on a cost-shared basis with the university.

(f) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1241(c)(1), the following amounts are authorized for activities under this section—

(1) $33,000,000 for fiscal year 2003;
(2) $37,900,000 for fiscal year 2004;
(3) $43,600,000 for fiscal year 2005; and
(4) $50,100,000 for fiscal year 2006.

SEC. 1243. NUCLEAR ENERGY RESEARCH INITIATIVE.

(a) ESTABLISHMENT.—The Secretary shall support a Nuclear Energy Research Initiative for grants for research relating to nuclear energy.

(b) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1241(c), there are authorized to be appropriated to the Secretary for activities under this section such sums as are necessary for each fiscal year.

SEC. 1244. NUCLEAR ENERGY PLANT OPTIMIZATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall support a Nuclear Energy Plant Optimization Program for grants to improve nuclear energy plant reliability, availability, and productivity. Notwithstanding section 1403, the program shall require industry cost-sharing of at least 50 percent and be subject to annual review by the Nuclear Energy Research Advisory Committee of the Department.

(b) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1241(c), there are authorized to be appropriated to the Secretary for activities under this section such sums as are necessary for each fiscal year.

SEC. 1245. NUCLEAR ENERGY TECHNOLOGY DEVELOPMENT PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall support a Nuclear Energy Technology Development Program to develop a technology roadmap to design and develop new nuclear energy powerplants in the United States.

(b) GENERATION IV REACTOR STUDY.—The Secretary shall, as part of the program under subsection (a), also conduct a study of Generation IV nuclear energy systems, including development of a technology roadmap and performance of research and development necessary to make an informed technical decision regarding the most promising candidates for commercial deployment. The study shall examine advanced proliferation-resistant and passively safe reactor designs, new reactor designs with higher efficiency, lower cost and improved safety, proliferation-resistant and high burn-up fuels, minimization of generation of radioactive materials, improved nuclear waste management technologies, and improved instrumentation science. Not later than December 31, 2002, the Secretary shall submit to Congress a report describing the results of the study.

(c) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized to be appropriated under section 1241(c), there are authorized to be appropriated to the Secretary for activities under this section such sums as are necessary for each fiscal year.

Subtitle E—Fundamental Energy Science

SEC. 1251. ENHANCED PROGRAMS IN FUNDAMENTAL ENERGY SCIENCE.

(a) PROGRAM DIRECTION.—The Secretary, acting through the Office of Science, shall—

(1) conduct a comprehensive program of fundamental research, including research on chemical sciences, physics, materials sciences, biological and environmental sciences, geosciences, engineering sciences, plasma sciences, mathematics, and advanced scientific computing;

(2) maintain, upgrade and expand the scientific user facilities maintained by the Office of Science and ensure that they are an integral part of the departmental mission for exploring the frontiers of fundamental science;

(3) maintain a leading-edge research capability in the energy-related aspects of nanoscience and nanotechnology, advanced scientific computing and genome research; and

(4) ensure that its fundamental science programs, where appropriate, help inform the applied research and development programs of the Department.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for carrying out research, development, demonstration, and technology deployment activities under this subtitle—

(1) $3,785,000,000 for fiscal year 2003;

(2) $4,153,000,000 for fiscal year 2004;

(3) $4,586,000,000 for fiscal year 2005; and

(4) $5,000,000,000 for fiscal year 2006.

SEC. 1252. NANOSCALE SCIENCE AND ENGINEERING RESEARCH.

(a) ESTABLISHMENT.—The Secretary, acting through the Office of Science, shall support a program of research and development in nanoscience and nanoengineering consistent with the Department's statutory authorities related to research and development. The program shall include efforts to further the understanding of the chemistry, physics, materials science and engineering of phenomena on the scale of 1 to 100 nanometers.

(b) DUTIES OF THE OFFICE OF SCIENCE.—In carrying out the program under this section, the Office of Science shall—

(1) support both individual investigators and multidisciplinary teams of investigators;

(2) pursuant to subsection (c), develop, plan, construct, acquire, or operate special equipment or facilities for the use of investigators conducting research and development in nanoscience and nanoengineering;

(3) support technology transfer activities to benefit industry and other users of nanoscience and nanoengineering; and

(4) coordinate research and development activities with industry and other Federal agencies.

(c) NANOSCIENCE AND NANOENGINEERING RESEARCH CENTERS AND MAJOR INSTRUMENTATION.—

(1) AUTHORIZATION.—From amounts authorized to be appropriated under section 1251(b), the amounts specified under subsection (d)(2) shall, subject to appropriations, be available for projects to develop, plan, construct, acquire, or operate special equipment, instrumentation, or facilities for investigators conducting research and development in nanoscience and nanoengineering.

(2) PROJECTS.—Projects under paragraph (1) may include the measurement of properties at the scale of 1 to 100 nanometers, manipulation at such scales, and the integration of technologies based on nanoscience or nanoengineering into bulk materials or other technologies.

(3) FACILITIES.—Facilities under paragraph (1) may include electron microcharacterization facilities, microlithography facilities, scanning probe facilities and related instrumentation science.

(4) COLLABORATION.—The Secretary shall encourage collaborations among universities, laboratories and industry at facilities under this subsection. At least one facility under this subsection shall have a specific mission of technology transfer to other institutions and to industry.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) TOTAL AUTHORIZATION.—From amounts authorized to be appropriated under section 1251(b), the following amounts are authorized for activities under this section—

(A) $270,000,000 for fiscal year 2003;

(B) $290,000,000 for fiscal year 2004;

(C) $310,000,000 for fiscal year 2005; and

(D) $330,000,000 for fiscal year 2006.

(2) NANOSCIENCE AND NANOENGINEERING RESEARCH CENTERS AND MAJOR INSTRUMENTATION.—Of the amounts under paragraph (1), the following amounts are authorized to carry out subsection (c)—

(A) $135,000,000 for fiscal year 2003;

(B) $150,000,000 for fiscal year 2004;

(C) $120,000,000 for fiscal year 2005; and

(D) $100,000,000 for fiscal year 2006.

SEC. 1253. ADVANCED SCIENTIFIC COMPUTING FOR ENERGY MISSIONS.

(a) ESTABLISHMENT.—The Secretary, acting through the Office of Science, shall support a program to advance the Nation's computing capability across a diverse set of grand challenge computationally based science problems related to departmental missions.

(b) DUTIES OF THE OFFICE OF SCIENCE.—In carrying out the program under this section, the Office of Science shall—

(1) advance basic science through computation by developing software to solve grand challenge science problems on new generations of computing platforms;

(2) enhance the foundations for scientific computing by developing the basic mathematical and computing systems software needed to take full advantage of the computing capabilities of computers with peak speeds of 100 teraflops or more, some of which may be unique to the scientific problem of interest;

(3) enhance national collaboratory and networking capabilities by developing software to integrate geographically separated researchers into effective research teams and to facilitate access to and movement and analysis of large (petabyte) data sets; and

(4) maintain a robust scientific computing hardware infrastructure to ensure that the computing resources needed to address DOE missions are available; explore new computing approaches and technologies that promise to advance scientific computing.

(c) HIGH-PERFORMANCE COMPUTING ACT PROGRAM.—Section 203(a) of the High-Performance Computing Act of 1991 (15 U.S.C. 5523(a)) is amended—

(1) in paragraph (3), by striking "and";

(2) in paragraph (4), by striking the period and inserting "; and"; and

(3) by adding after paragraph (4) the following:

"(5) conduct an integrated program of research, development, and provision of facilities to develop and deploy to scientific and technical users the high-performance computing and collaboration tools needed to fulfill the statutory missions of the Department of Energy in conducting basic and applied energy research.".

(d) COORDINATION WITH THE DOE NATIONAL NUCLEAR SECURITY AGENCY ACCELERATED STRATEGIC COMPUTING INITIATIVE AND OTHER NATIONAL COMPUTING PROGRAMS.—The Secretary shall ensure that this program, to the extent feasible, is integrated and consistent with—

(1) the Accelerated Strategic Computing Initiative of the National Nuclear Security Agency; and

(2) other national efforts related to advanced scientific computing for science and engineering.

(e) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1251(b), the following amounts are authorized for activities under this section—

(1) $285,000,000 for fiscal year 2003;

(2) $300,000,000 for fiscal year 2004;

(3) $310,000,000 for fiscal year 2005; and

(4) $320,000,000 for fiscal year 2006.

SEC. 1254. FUSION ENERGY SCIENCES PROGRAM AND PLANNING.

(a) OVERALL PLAN FOR FUSION ENERGY SCIENCES PROGRAM.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this subtitle, the Secretary, after consultation with the Fusion Energy Sciences Advisory Committee, shall develop and transmit to the Congress a plan to ensure a strong scientific base for the Fusion Energy Sciences Program within the Office of Science and to enable the experiments described in subsections (b) and (c).

(2) OBJECTIVES OF PLAN.—The plan under this subsection shall include as its objectives—

(A) to ensure that existing fusion research facilities and equipment are more fully utilized with appropriate measurements and control tools;

(B) to ensure a strengthened fusion science theory and computational base;

(C) to encourage and ensure that the selection of and funding for new magnetic and inertial fusion research facilities is based on scientific innovation and cost effectiveness;

(D) to improve the communication of scientific results and methods between the fusion science community and the wider scientific community;

(E) to ensure that adequate support is provided to optimize the design of the magnetic fusion burning plasma experiments referred to in subsections (b) and (c); and

(F) to ensure that inertial confinement fusion facilities are utilized to the extent practicable for the purpose of inertial fusion energy research and development.

(b) PLAN FOR UNITED STATES FUSION EXPERIMENT.—

(1) IN GENERAL.—The Secretary, after consultation with the Fusion Energy Sciences Advisory Committee, shall develop a plan for construction in the United States of a magnetic fusion burning plasma experiment for the purpose of accelerating scientific understanding of fusion plasmas. The Secretary shall request a review of the plan by the National Academy of Sciences and shall transmit the plan and the review to the Congress by July 1, 2004.

(2) REQUIREMENTS OF PLAN.—The plan described in paragraph (1) shall—

(A) address key burning plasma physics issues; and

(B) include specific information on the scientific capabilities of the proposed experiment, the relevance of these capabilities to the goal of practical fusion energy, and the overall design of the experiment including its estimated cost and potential construction sites.

(c) PLAN FOR PARTICIPATION IN AN INTERNATIONAL EXPERIMENT.—In addition to the plan described in subsection (b), the Secretary, after consultation with the Fusion Energy Sciences Advisory Committee, may also develop a plan for United States participation in an international burning plasma experiment for the same purpose, whose construction is found by the Secretary to be highly likely and where United States participation is cost-effective relative to the cost and scientific benefits of a domestic experiment described in subsection (b). If the Secretary elects to develop a plan under this subsection, he shall include the information described in subsection (b)(2), and an estimate of the cost of United States participation in such an international experiment. The Secretary shall request a review by the National Academy of Sciences of a plan developed under this subsection, and shall transmit the plan and the review to the Congress no later than July 1, 2004.

(d) AUTHORIZATION FOR RESEARCH AND DEVELOPMENT.—The Secretary, through the Office of Science, may conduct any research and development necessary to fully develop the plans described in this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1251, the following amounts are authorized for activities under this section and for activities of the Fusion Energy Science Program—

(1) for fiscal year 2003, $335,000,000;

(2) for fiscal year 2004, $349,000,000;

(3) for fiscal year 2005, $362,000,000; and

(4) for fiscal year 2006, $377,000,000.

Subtitle F—Energy, Safety, and Environmental Protection

SEC. 1261. CRITICAL ENERGY INFRASTRUCTURE PROTECTION RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—The Secretary shall carry out a research, development, demonstration and technology deployment program, in partnership with industry, on critical energy infrastructure protection, consistent with the roles and missions outlined for the Secretary in Presidential Decision Directive 63, entitled "Critical Infrastructure Protection". The program shall have the following goals:

(1) Increase the understanding of physical and information system disruptions to the energy infrastructure that could result in cascading or widespread regional outages.

(2) Develop energy infrastructure assurance "best practices" through vulnerability and risk assessments.

(3) Protect against, mitigate the effect of, and improve the ability to recover from disruptive incidents within the energy infrastructure.

(b) PROGRAM SCOPE.—The program under subsection (a) shall include research, development, deployment, technology demonstration for—

(1) analysis of energy infrastructure interdependencies to quantify the impacts of system vulnerabilities in relation to each other;

(2) probabilistic risk assessment of the energy infrastructure to account for unconventional and terrorist threats;

(3) incident tracking and trend analysis tools to assess the severity of threats and reported incidents to the energy infrastructure; and

(4) integrated multisensor, warning and mitigation technologies to detect, integrate, and localize events affecting the energy infrastructure including real time control to permit the reconfiguration of energy delivery systems.

(c) REGIONAL COORDINATION.—The program under this section shall cooperate with Departmental activities to promote regional coordination under section 102 of this Act, to ensure that the technologies and assessments developed by the program are transferred in a timely manner to State and local authorities, and to the energy industries.

(d) COORDINATION WITH INDUSTRY RESEARCH ORGANIZATIONS.—The Secretary may enter into grants, contracts, and cooperative agreements with industry research organizations to facilitate industry participation in research under this section and to fulfill applicable cost-sharing requirements.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section—

(1) $25,000,000 for fiscal year 2003;

(2) $26,000,000 for fiscal year 2004;

(3) $27,000,000 for fiscal year 2005; and

(4) $28,000,000 for fiscal year 2006.

(f) CRITICAL ENERGY INFRASTRUCTURE FACILITY DEFINED.—For purposes of this section, the term "critical energy infrastructure facility" means a physical or cyber-based system or service for the generation, transmission or distribution of electrical energy, or the production, refining, transportation, or storage of petroleum, natural gas, or petroleum product, the incapacity or destruction of which would have a debilitating impact on the defense or economic security of the United States. The term shall not include a facility that is licensed by the Nuclear Regulatory Commission under section 103 or 104b of the Atomic Energy Act of 1954 (42 U.S.C. 2133 and 2134(b)).

SEC. 1262. RESEARCH AND DEMONSTRATION FOR REMEDIATION OF GROUNDWATER FROM ENERGY ACTIVITIES.

(a) IN GENERAL.—The Secretary shall carry out a research, development, demonstration, and technology deployment program to improve methods for environmental restoration of groundwater contaminated by energy activities, including oil and gas production, surface and underground mining of coal, and in-situ extraction of energy resources.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $10,000,000 for each of fiscal years 2003 through 2006.

TITLE XIII—CLIMATE CHANGE SCIENCE AND TECHNOLOGY

Subtitle A—Department of Energy Programs

SEC. 1301. DEPARTMENT OF ENERGY GLOBAL CHANGE RESEARCH.

(a) PROGRAM DIRECTION.—The Secretary, acting through the Office of Science, shall conduct a comprehensive research program to understand and address the effects of energy production and use on the global climate system.

(b) PROGRAM ELEMENTS.—

(1) CLIMATE MODELING.—The Secretary shall—

(A) conduct observational and analytical research to acquire and interpret the data needed to describe the radiation balance from the surface of the Earth to the top of the atmosphere;

(B) determine the factors responsible for the Earth's radiation balance and incorporate improved understanding of such factors in climate models;

(C) improve the treatment of aerosols and clouds in climate models;

(D) reduce the uncertainty in decade-to-century model-based projections of climate change; and

(E) increase the availability and utility of climate change simulations to researchers and policy makers interested in assessing the relationship between energy and climate change.

(2) CARBON CYCLE.—The Secretary shall—

(A) carry out field research and modeling activities—

(i) to understand and document the net exchange of carbon dioxide between major terrestrial ecosystems and the atmosphere; or

(ii) to evaluate the potential of proposed methods of carbon sequestration;

(B) develop and test carbon cycle models; and

(C) acquire data and develop and test models to simulate and predict the transport, transformation, and fate of energy-related emissions in the atmosphere.

(3) ECOLOGICAL PROCESSES.—The Secretary shall carry out long-term experiments of the response of intact terrestrial ecosystems to—

(A) alterations in climate and atmospheric composition; or

(B) land-use changes that affect ecosystem extent and function.

(4) INTEGRATED ASSESSMENT.—The Secretary shall develop and improve methods and tools for integrated analyses of the climate change system from emissions of aerosols and greenhouse gases to the consequences of these emissions on climate and the resulting effects of human-induced climate change on economic and social systems, with emphasis on critical gaps in integrated assessment modeling, including modeling of technology innovation and diffusion and the development of metrics of economic costs of climate change and policies for mitigating or adapting to climate change.

(c) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1251(b), there are authorized to be appropriated to the Secretary for carrying out activities under this section—

(1) $150,000,000 for fiscal year 2003;

(2) $175,000,000 for fiscal year 2004;

(3) $200,000,000 for fiscal year 2005; and

(4) $230,000,000 for fiscal year 2006.-

(d) LIMITATION ON FUNDS.—Funds authorized to be appropriated under this section shall not be used for the development, demonstration, or deployment of technology to reduce, avoid, or sequester greenhouse gas emissions.

SEC. 1302. AMENDMENTS TO THE FEDERAL NONNUCLEAR RESEARCH AND DEVELOPMENT ACT OF 1974.

Section 6 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5905) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3) by striking the period at the end and inserting ", and"; and

(C) by adding at the end the following:

"(4) solutions to the effective management of greenhouse gas emissions in the long term by the development of technologies and practices designed to—

"(A) reduce or avoid anthropogenic emissions of greenhouse gases;

"(B) remove and sequester greenhouse gases from emissions streams; and

"(C) remove and sequester greenhouse gases from the atmosphere."; and

(2) in subsection (b)—

(A) in paragraph (2), by striking "subsection (a)(1) through (3)" and inserting "paragraphs (1) through (4) of subsection (a)"; and

(B) in paragraph (3)—

(i) in subparagraph (R), by striking "and" at the end;

(ii) in subparagraph (S), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(T) to pursue a long-term climate technology strategy designed to demonstrate a variety of technologies by which stabilization of greenhouse gases might be best achieved, including accelerated research, development, demonstration and deployment of—

"(i) renewable energy systems;

"(ii) advanced fossil energy technology;

"(iii) advanced nuclear power plant design;

"(iv) fuel cell technology for residential, industrial and transportation applications;

"(v) carbon sequestration practices and technologies, including agricultural and forestry practices that store and sequester carbon;

"(vi) efficient electrical generation, transmission and distribution technologies; and

"(vii) efficient end use energy technologies.".

Subtitle B—Department of Agriculture Programs

SEC. 1311. CARBON SEQUESTRATION BASIC AND APPLIED RESEARCH.

(a) BASIC RESEARCH.—

(1) IN GENERAL.—The Secretary of Agriculture shall carry out research in the areas of soil science that promote understanding of—

(A) the net sequestration of organic carbon in soil; and

(B) net emissions of other greenhouse gases from agriculture.

(2) AGRICULTURAL RESEARCH SERVICE.—The Secretary of Agriculture, acting through the Agricultural Research Service, shall collaborate with other Federal agencies in developing data and carrying out research addressing soil carbon fluxes (losses and gains) and net emissions of methane and nitrous oxide from cultivation and animal management activities.

(3) COOPERATIVE STATE RESEARCH, EXTENSION, AND EDUCATION SERVICE.—

(A) IN GENERAL.—The Secretary of Agriculture, acting through the Cooperative State Research, Extension, and Education Service, shall establish a competitive grant program to carry out research on the matters described in paragraph (1) in land grant universities and other research institutions.

(B) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for basic research under paragraph (1), the Cooperative State Research, Extension, and Education Service shall consult with the Agricultural Research Service to ensure that proposed research areas are complementary with and do not duplicate research projects underway at the Agricultural Research Service or other Federal agencies.

(b) APPLIED RESEARCH.—

(1) IN GENERAL.—The Secretary of Agriculture shall carry out applied research in the areas of soil science, agronomy, agricultural economics and other agricultural sciences to—

(A) promote understanding of—

(i) how agricultural and forestry practices affect the sequestration of organic and inorganic carbon in soil and net emissions of other greenhouse gases;

(ii) how changes in soil carbon pools are cost-effectively measured, monitored, and verified; and

(iii) how public programs and private market approaches can be devised to incorporate carbon sequestration in a broader societal greenhouse gas emission reduction effort;

(B) develop methods for establishing baselines for measuring the quantities of carbon and other greenhouse gases sequestered; and

(C) evaluate leakage and performance issues.

(2) REQUIREMENTS.—To the maximum extent practicable, applied research under paragraph (1) shall—

(A) draw on existing technologies and methods; and

(B) strive to provide methodologies that are accessible to a nontechnical audience.

(3) MINIMIZATION OF ADVERSE ENVIRONMENTAL IMPACTS.—All applied research under paragraph (1) shall be conducted with an emphasis on minimizing adverse environmental impacts.

(4) NATURAL RESOURCES CONSERVATION SERVICE.—The Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall collaborate with other Federal agencies, including the National Institute of Standards and Technology, in developing new measuring techniques and equipment or adapting existing techniques and equipment to enable cost-effective and accurate monitoring and verification, for a wide range of agricultural and forestry practices, of—

(A) changes in soil carbon content in agricultural soils, plants, and trees; and

(B) net emissions of other greenhouse gases.

(5) COOPERATIVE STATE RESEARCH, EXTENSION, AND EDUCATION SERVICE.—

(A) IN GENERAL.—The Secretary of Agriculture, acting through the Cooperative State Research, Extension, and Education Service, shall establish a competitive grant program to encourage research on the matters described in paragraph (1) by land grant universities and other research institutions.

(B) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for applied research under paragraph (1), the Cooperative State Research, Extension, and Education Service shall consult with the National Resources Conservation Service and the Agricultural Research Service to ensure that proposed research areas are complementary with and do not duplicate research projects underway at the Agricultural Research Service or other Federal agencies.

(c) RESEARCH CONSORTIA.—

(1) IN GENERAL.—The Secretary of Agriculture may designate not more than two research consortia to carry out research projects under this section, with the requirement that the consortia propose to conduct basic research under subsection (a) and applied research under subsection (b).

(2) SELECTION.—The consortia shall be selected in a competitive manner by the Cooperative State Research, Extension, and Education Service.

(3) ELIGIBLE CONSORTIUM PARTICIPANTS.—Entities eligible to participate in a consortium include—

(A) land grant colleges and universities;

(B) private research institutions;

(C) State geological surveys;

(D) agencies of the Department of Agriculture;

(E) research centers of the National Aeronautics and Space Administration and the Department of Energy;

(F) other Federal agencies;

(G) representatives of agricultural businesses and organizations with demonstrated expertise in these areas; and

(H) representatives of the private sector with demonstrated expertise in these areas.

(4) RESERVATION OF FUNDING.—If the Secretary of Agriculture designates one or two consortia, the Secretary of Agriculture shall reserve for research projects carried out by the consortium or consortia not more than 25 percent of the amounts made available to carry out this section for a fiscal year.

(d) STANDARDS OF PRECISION.—

(1) CONFERENCE.—Not later than 3 years after the date of enactment of this subtitle, the Secretary of Agriculture, acting through the Agricultural Research Service and in consultation with the Natural Resources Conservation Service, shall convene a conference of key scientific experts on carbon sequestration and measurement techniques from various sectors (including the Government, academic, and private sectors) to—

(A) discuss benchmark standards of precision for measuring soil carbon content and net emissions of other greenhouse gases;

(B) designate packages of measurement techniques and modeling approaches to achieve a level of precision agreed on by the participants in the conference; and

(C) evaluate results of analyses on baseline, permanence, and leakage issues.

(2) DEVELOPMENT OF BENCHMARK STANDARDS.—

(A) IN GENERAL.—The Secretary shall develop benchmark standards for measuring the carbon content of soils and plants (including trees) based on—

(i) information from the conference under paragraph (1);

(ii) research conducted under this section; and

(iii) other information available to the Secretary.

(B) OPPORTUNITY FOR PUBLIC COMMENT.—The Secretary shall provide an opportunity for the public to comment on benchmark standards developed under subparagraph (A).

(3) REPORT.—Not later than 180 days after the conclusion of the conference under paragraph (1), the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the conference.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2003 through 2006.

(2) ALLOCATION.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for competitive grants by the Cooperative State Research, Extension, and Education Service.

SEC. 1312. CARBON SEQUESTRATION DEMONSTRATION PROJECTS AND OUTREACH.

(a) DEMONSTRATION PROJECTS.—

(1) DEVELOPMENT OF MONITORING PROGRAMS.—

(A) IN GENERAL.—The Secretary of Agriculture, acting through the Natural Resources Conservation Service and in cooperation with local extension agents, experts from land grant universities, and other local agricultural or conservation organizations, shall develop user-friendly programs that combine measurement tools and modeling techniques into integrated packages to monitor the carbon sequestering benefits of conservation practices and net changes in greenhouse gas emissions.

(B) BENCHMARK LEVELS OF PRECISION.—The programs developed under subparagraph (A) shall strive to achieve benchmark levels of precision in measurement in a cost-effective manner.

(2) PROJECTS.—

(A) IN GENERAL.—The Secretary of Agriculture, acting through the Farm Service Agency, shall establish a program under which projects use the monitoring programs developed under paragraph (1) to demonstrate the feasibility of methods of measuring, verifying, and monitoring—

(i) changes in organic carbon content and other carbon pools in agricultural soils, plants, and trees; and

(ii) net changes in emissions of other greenhouse gases.

(B) EVALUATION OF IMPLICATIONS.—The projects under subparagraph (A) shall include evaluation of the implications for reassessed baselines, carbon or other greenhouse gas leakage, and permanence of sequestration.

(C) SUBMISSION OF PROPOSALS.—Proposals for projects under subparagraph (A) shall be submitted by the appropriate agency of each State, in cooperation with interested local jurisdictions and State agricultural and conservation organizations.

(D) LIMITATION.—Not more than 10 projects under subparagraph (A) may be approved in conjunction with applied research projects under section 1311(b) until benchmark measurement and assessment standards are established under section 1311(d).

(E) NATIONAL FOREST SYSTEM LAND.—The Secretary of Agriculture shall consider the use of National Forest System land as sites to demonstrate the feasibility of monitoring programs developed under paragraph (1).

(b) OUTREACH.—

(1) IN GENERAL.—The Cooperative State Research, Extension, and Education Service shall widely disseminate information about the economic and environmental benefits that can be generated by adoption of conservation practices (including benefits from increased sequestration of carbon and reduced emission of other greenhouse gases).

(2) PROJECT RESULTS.—The Cooperative State Research, Extension, and Education Service shall inform farmers, ranchers, and State agricultural and energy offices in each State of—

(A) the results of demonstration projects under subsection (a)(2) in the State; and

(B) the ways in which the methods demonstrated in the projects might be applicable to the operations of those farmers and ranchers.

(3) POLICY OUTREACH.—On a periodic basis, the Cooperative State Research, Extension, and Education Service shall disseminate information on the policy nexus between global climate change mitigation strategies and agriculture, so that farmers and ranchers may better understand the global implications of the activities of farmers and ranchers.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2003 through 2006.

(2) ALLOCATION.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for demonstration projects under subsection (a)(2).

SEC. 1313. CARBON STORAGE AND SEQUESTRATION ACCOUNTING RESEARCH.

(a) IN GENERAL.—The Secretary of Agriculture, in collaboration with the heads of other Federal agencies, shall conduct research on, develop, and publish as appropriate, carbon storage and sequestration accounting models, reference tables, or other tools that can assist landowners and others in cost-effective and reliable quantification of the carbon release, sequestration, and storage expected to result from various resource uses, land uses, practices, activities or forest, agricultural, or cropland management practices over various periods of time.

(b) PILOT PROGRAMS.—The Secretary of Agriculture shall make competitive grants to not more than five eligible entities to carry out pilot programs to demonstrate and assess the potential for development and use of carbon inventories and accounting systems that can assist in developing and assessing carbon storage and sequestration policies and programs. Not later than 1 year after the date of enactment of this section, the Secretary of Agriculture, in collaboration with the heads of other Federal agencies and with other interested parties, shall develop guidelines for such pilot programs, including eligibility for awards, application contents, reporting requirements, and mechanisms for peer review.

(c) REPORT.—Not later than 5 years after the date of enactment of this section, the Secretary of Agriculture, in collaboration with the heads of other Federal agencies, shall submit to Congress a report on the technical, institutional, infrastructure, design and funding needs to establish and maintain a national carbon storage and sequestration baseline and accounting system. The report shall include documentation of the results of each of the pilot programs.

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of this section, there are authorized to be appropriated to the Secretary of Agriculture $20,000,000 for fiscal years 2003 through 2007.

Subtitle C—International Energy Technology Transfer

SEC. 1321. CLEAN ENERGY TECHNOLOGY EXPORTS PROGRAM.

(a) DEFINITIONS.—In this section:

(1) CLEAN ENERGY TECHNOLOGY.—The term "clean energy technology" means an energy supply or end-use technology that, over its lifecycle and compared to a similar technology already in commercial use in developing countries, countries in transition, and other partner countries—

(A) emits substantially lower levels of pollutants or greenhouse gases; and

(B) may generate substantially smaller or less toxic volumes of solid or liquid waste.

(2) INTERAGENCY WORKING GROUP.—The term "interagency working group" means the Interagency Working Group on Clean Energy Technology Exports established under subsection (b).

(b) INTERAGENCY WORKING GROUP.—

(1) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this section, the Secretary of Energy, the Secretary of Commerce, and the Administrator of the United States Agency for International Development shall jointly establish a Interagency Working Group on Clean Energy Technology Exports. The interagency working group will focus on opening and expanding energy markets and transferring clean energy technology to the developing countries, countries in transition, and other partner countries that are expected to experience, over the next 20 years, the most significant growth in energy production and associated greenhouse gas emissions, including through technology transfer programs under the Framework Convention on Climate Change, other international agreements, and relevant Federal efforts.

(2) MEMBERSHIP.—The interagency working group shall be jointly chaired by representatives appointed by the agency heads under paragraph (1) and shall also include representatives from the Department of State, the Department of the Treasury, the Environmental Protection Agency, the Export-Import Bank, the Overseas Private Investment Corporation, the Trade and Development Agency, and other Federal agencies as deemed appropriate by all three agency heads under paragraph (1).

(3) DUTIES.—The interagency working group shall—

(A) analyze technology, policy, and market opportunities for international development, demonstration, and deployment of clean energy technology;

(B) investigate issues associated with building capacity to deploy clean energy technology in developing countries, countries in transition, and other partner countries, including—

(i) energy-sector reform;

(ii) creation of open, transparent, and competitive markets for energy technologies;

(iii) availability of trained personnel to deploy and maintain the technology; and

(iv) demonstration and cost-buydown mechanisms to promote first adoption of the technology;

(C) examine relevant trade, tax, international, and other policy issues to assess what policies would help open markets and improve United States clean energy technology exports in support of the following areas—

(i) enhancing energy innovation and cooperation, including energy sector and market reform, capacity building, and financing measures;

(ii) improving energy end-use efficiency technologies, including buildings and facilities, vehicle, industrial, and co-generation technology initiatives; and

(iii) promoting energy supply technologies, including fossil, nuclear, and renewable technology initiatives;

(D) establish an advisory committee involving the private sector and other interested groups on the export and deployment of clean energy technology;

(E) monitor each agency's progress towards meeting goals in the 5-year strategic plan submitted to Congress pursuant to the Energy and Water Development Appropriations Act, 2001, and the Energy and Water Development Appropriations Act, 2002;

(F) make recommendations to heads of appropriate Federal agencies on ways to streamline Federal programs and policies to improve each agency's role in the international development, demonstration, and deployment of clean energy technology;

(G) make assessments and recommendations regarding the distinct technological, market, regional, and stakeholder challenges necessary to carry out the program; and

(H) recommend conditions and criteria that will help ensure that United States funds promote sound energy policies in participating countries while simultaneously opening their markets and exporting United States energy technology.

(c) FEDERAL SUPPORT FOR CLEAN ENERGY TECHNOLOGY TRANSFER.—Notwithstanding any other provision of law, each Federal agency or Government corporation carrying out an assistance program in support of the activities of United States persons in the environment or energy sector of a developing country, country in transition, or other partner country shall support, to the maximum extent practicable, the transfer of United States clean energy technology as part of that program.

(d) ANNUAL REPORT.—Not later than 90 days after the date of the enactment of this Act, and on April 1st of each year thereafter, the Interagency Working Group shall submit a report to Congress on its activities during the preceding calendar year. The report shall include a description of the technology, policy, and market opportunities for international development, demonstration, and deployment of clean energy technology investigated by the Interagency Working Group in that year, as well as any policy recommendations to improve the expansion of clean energy markets and United States clean energy technology exports.

(e) REPORT ON USE OF FUNDS.—Not later than October 1, 2002, and each year thereafter, the Secretary of State, in consultation with other Federal agencies, shall submit a report to Congress indicating how United States funds appropriated for clean energy technology exports and other relevant Federal programs are being directed in a manner that promotes sound energy policy commitments in developing countries, countries in transition, and other partner countries, including efforts pursuant to multilateral environmental agreements.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the departments, agencies, and entities of the

United States described in subsection (b) such sums as may be necessary to support the transfer of clean energy technology, consistent with the subsidy codes of the World Trade Organization, as part of assistance programs carried out by those departments, agencies, and entities in support of activities of United States persons in the energy sector of a developing country, country in transition, or other partner country.

SEC. 1322. INTERNATIONAL ENERGY TECHNOLOGY DEPLOYMENT PROGRAM.

Section 1608 of the Energy Policy Act of 1992 (42 U.S.C. 13387) is amended by striking subsection (l) and inserting the following:

"(l) International Energy Technology Deployment Program.—

"(1) Definitions.—In this subsection:

"(A) International energy deployment project.—The term 'international energy deployment project' means a project to construct an energy production facility outside the United States—

"(i) the output of which will be consumed outside the United States; and

"(ii) the deployment of which will result in a greenhouse gas reduction per unit of energy produced when compared to the technology that would otherwise be implemented—

"(I) 10 percentage points or more, in the case of a unit placed in service before January 1, 2010;

"(II) 20 percentage points or more, in the case of a unit placed in service after December 31, 2009, and before January 1, 2020; or

"(III) 30 percentage points or more, in the case of a unit placed in service after December 31, 2019, and before January 1, 2030.

"(B) Qualifying international energy deployment project.—The term 'qualifying international energy deployment project' means an international energy deployment project that—

"(i) is submitted by a United States firm to the Secretary in accordance with procedures established by the Secretary by regulation;

"(ii) uses technology that has been successfully developed or deployed in the United States;

"(iii) meets the criteria of subsection (k);

"(iv) is approved by the Secretary, with notice of the approval being published in the Federal Register; and

"(v) complies with such terms and conditions as the Secretary establishes by regulation.

"(C) United states.—For purposes of this paragraph, the term 'United States', when used in a geographical sense, means the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"(2) Pilot program for financial assistance.—

"(A) In general.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall, by regulation, provide for a pilot program for financial assistance for qualifying international energy deployment projects.

"(B) Selection criteria.—After consultation with the Secretary of State, the Secretary of Commerce, and the United States Trade Representative, the Secretary shall select projects for participation in the program based solely on the criteria under this title and without regard to the country in which the project is located.

"(C) Financial assistance.—

"(i) In general.—A United States firm that undertakes a qualifying international energy deployment project that is selected to participate in the pilot program shall be eligible to receive a loan or a loan guarantee from the Secretary.

"(ii) Rate of interest.—The rate of interest of any loan made under clause (i) shall be equal to the rate for Treasury obligations then issued for periods of comparable maturities.

"(iii) Amount.—The amount of a loan or loan guarantee under clause (i) shall not exceed 50 percent of the total cost of the qualified international energy deployment project.

"(iv) Developed countries.—Loans or loan guarantees made for projects to be located in a developed country, as listed in Annex I of the United Nations Framework Convention on Climate Change, shall require at least a 50 percent contribution towards the total cost of the loan or loan guarantee by the host country.

"(v) Developing countries.—Loans or loan guarantees made for projects to be located in a developing country (those countries not listed in Annex I of the United Nations Framework Convention on Climate Change) shall require at least a 10 percent contribution towards the total cost of the loan or loan guarantee by the host country.

"(vi) Capacity building research.—Proposals made for projects to be located in a developing country may include a research component intended to build technological capacity within the host country. Such research must be related to the technologies being deployed and must involve both an institution in the host country and an industry, university or national laboratory participant from the United States. The host institution shall contribute at least 50 percent of funds provided for the capacity building research.

"(D) Coordination with other programs.—A qualifying international energy deployment project funded under this section shall not be eligible as a qualifying clean coal technology under section 415 of the Clean Air Act (42 U.S.C. 7651n).

"(E) Report.—Not later than 5 years after the date of enactment of this subsection, the Secretary shall submit to the President a report on the results of the pilot projects.

"(F) Recommendation.—Not later than 60 days after receiving the report under subparagraph (E), the President shall submit to Congress a recommendation, based on the results of the pilot projects as reported by the Secretary of Energy, concerning whether the financial assistance program under this section should be continued, expanded, reduced, or eliminated.

"(3) Authorization of appropriations.—There are authorized to be appropriated to the Secretary to carry out this section $100,000,000 for each of fiscal years 2003 through 2011, to remain available until expended.".

Subtitle D—Climate Change Science and Information

PART I—AMENDMENTS TO THE GLOBAL CHANGE RESEARCH ACT OF 1990

SEC. 1331. AMENDMENT OF GLOBAL CHANGE RESEARCH ACT OF 1990.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Global Change Research Act of 1990 (15 U.S.C. 2921 et seq.).

SEC. 1332. CHANGES IN DEFINITIONS.

Paragraph (1) of section 2 (15 U.S.C. 2921) is amended by striking "Earth and Environmental Sciences" inserting "Global Change Research".

SEC. 1333. CHANGE IN COMMITTEE NAME AND STRUCTURE.

Section 102 (15 U.S.C. 2932) is amended—

(1) by striking "**earth and environmental sciences**" in the section heading and inserting "**global change research**";

(2) by striking "Earth and Environmental Sciences" in subsection (a) and inserting "Global Change Research";

(3) by striking the last sentence of subsection (b) and inserting "The representatives shall be the Deputy Secretary or the Deputy Secretary's designee (or, in the case of an agency other than a department, the deputy head of that agency or the deputy's designee).";

(4) by striking "Chairman of the Council," in subsection (c) and inserting "Director of the Office of National Climate Change Policy with advice from the Chairman of the Council, and";

(5) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(6) by inserting after subsection (c) the following:

"(d) Subcommittees and Working Groups.—

"(1) In general.—There shall be a Subcommittee on Global Change Research, which shall carry out such functions of the Committee as the Committee may assign to it.

"(2) Membership.—The membership of the Subcommittee shall consist of—

"(A) the membership of the Subcommittee on Global Change Research of the Committee on Environment and Natural Resources (the functions of which are transferred to the Subcommittee established by this subsection) established by the National Science and Technology Council; and

"(B) such additional members as the Chair of the Committee may, from time to time, appoint.

"(3) Chair.—A high ranking official of one of the departments or agencies described in subsection (b), appointed by the Chair of the Committee with advice from the Chairman of the Council, shall chair the subcommittee. The Chairperson shall be knowledgeable and experienced with regard to the administration of scientific research programs, and shall be a representative of an agency that contributes substantially, in terms of scientific research capability and budget, to the Program.

"(4) Other subcommittees and working groups.—The Committee may establish such additional subcommittees and working groups as it sees fit.".

SEC. 1334. CHANGE IN NATIONAL GLOBAL CHANGE RESEARCH PLAN.

Section 104 (15 U.S.C. 2934) is amended—

(1) by inserting "short-term and long-term" before "goals" in subsection (b)(1);

(2) by striking "usable information on which to base policy decisions related to" in subsection (b)(1) and inserting "information relevant and readily usable by local, State, and Federal decisionmakers, as well as other end-users, for the formulation of effective decisions and strategies for measuring, predicting, preventing, mitigating, and adapting to";

(3) by adding at the end of subsection (c) the following:

"(6) Methods for integrating information to provide predictive and other tools for planning and decisionmaking by governments, communities and the private sector.";

(4) by striking subsection (d)(3) and inserting the following:

"(3) combine and interpret data from various sources to produce information readily usable by local, State, and Federal policymakers, and other end-users, attempting to formulate effective decisions and strategies for preventing, mitigating, and adapting to the effects of global change.";

(5) by striking "and" in subsection (d)(2);

(6) by striking "change." in subsection (d)(3) and inserting "change; and";

(7) by adding at the end of subsection (d) the following:

"(4) establish a common assessment and modeling framework that may be used in both research and operations to predict and assess the vulnerability of natural and managed ecosystems and of human society in the context of other environmental and social changes."; and

(8) by adding at the end the following:

"(g) Strategic Plan; Revised Implementation Plan.—The Chairman of the Council, through the Committee, shall develop a strategic plan for the United States Global Climate Change Research Program for the 10-year period beginning in 2002 and submit the plan to the Congress within 180 days after the date of enactment of the Global Climate Change Act of 2002. The Chairman, through the Committee, shall also submit revised implementation plans as required under subsection (a).".

SEC. 1335. INTEGRATED PROGRAM OFFICE.

Section 105 (15 U.S.C. 2935) is amended—

(1) by redesignating subsections (a), (b), and (c) as subsections (b), (c), and (d), respectively; and

(2) by inserting before subsection (b), as redesignated, the following:

"(a) INTEGRATED PROGRAM OFFICE.—

"(1) ESTABLISHMENT.—There is established in the Office of Science and Technology Policy an integrated program office for the global change research program.

"(2) ORGANIZATION.—The integrated program office established under paragraph (1) shall be headed by the associate director with responsibility for climate change science and technology and shall include, to the maximum extent feasible, a representative from each Federal agency participating in the global change research program.

"(3) FUNCTION.—The integrated program office shall—

"(A) manage, working in conjunction with the Committee, interagency coordination and program integration of global change research activities and budget requests;

"(B) ensure that the activities and programs of each Federal agency or department participating in the program address the goals and objectives identified in the strategic research plan and interagency implementation plans;

"(C) ensure program and budget recommendations of the Committee are communicated to the President and are integrated into the climate change action strategy;

"(D) review, solicit, and identify, and allocate funds for, partnership projects that address critical research objectives or operational goals of the program, including projects that would fill research gaps identified by the program, and for which project resources are shared among at least two agencies participating in the program; and

"(E) review and provide recommendations on, in conjunction with the Committee, all annual appropriations requests from Federal agencies or departments participating in the program.";

(3) by striking "Committee." in paragraph (2) of subsection (c), as redesignated, and inserting "Committee and the Integrated Program Office."; and

(4) by inserting "and the Integrated Program Office" after "Committee" in paragraph (1) of subsection (d), as redesignated.

SEC. 1336. RESEARCH GRANTS.

Section 105 (15 U.S.C. 2935) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

"(c) RESEARCH GRANTS.—

"(1) COMMITTEE TO DEVELOP LIST OF PRIORITY RESEARCH AREAS.—The Committee shall develop a list of priority areas for research and development on climate change that are not being addressed by Federal agencies.

"(2) DIRECTOR OF OSTP TO TRANSMIT LIST TO NSF.—The Director of the Office of Science and Technology Policy shall transmit the list to the National Science Foundation.

"(3) FUNDING THROUGH NSF.—

"(A) BUDGET REQUEST.—The National Science Foundation shall include, as part of the annual request for appropriations for the Science and Technology Policy Institute, a request for appropriations to fund research in the priority areas on the list developed under paragraph (1).

"(B) AUTHORIZATION.—For fiscal year 2003 and each fiscal year thereafter, there are authorized to be appropriated to the National Science Foundation not less than $17,000,000, to be made available through the Science and Technology Policy Institute, for research in those priority areas.".

SEC. 1337. EVALUATION OF INFORMATION.

Section 106 (15 U.S.C. 2936) is amended—

(1) by striking "**Scientific**" in the section heading;

(2) by striking "and" after the semicolon in paragraph (2); and

(3) by striking "years." in paragraph (3) and inserting "years; and"; and

(4) by adding at the end the following:

"(4) evaluates the information being developed under this title, considering in particular its usefulness to local, State, and national decisionmakers, as well as to other stakeholders such as the private sector, after providing a meaningful opportunity for the consideration of the views of such stakeholders on the effectiveness of the Program and the usefulness of the information.".

PART II—NATIONAL CLIMATE SERVICES AND MONITORING

SEC. 1341. AMENDMENT OF NATIONAL CLIMATE PROGRAM ACT.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National Climate Program Act (15 U.S.C. 2901 et seq.).

SEC. 1342. CHANGES IN FINDINGS.

Section 2 (15 U.S.C. 2901) is amended—

(1) by striking "Weather and climate change affect" in paragraph (1) and inserting "Weather, climate change, and climate variability affect public safety, environmental security, human health,";

(2) by striking "climate" in paragraph (2) and inserting "climate, including seasonal and decadal fluctuations,";

(3) by striking "changes." in paragraph (5) and inserting "changes and providing free exchange of meteorological data."; and

(4) by adding at the end the following:

"(7) The present rate of advance in research and development and application of such advances is inadequate and new developments must be incorporated rapidly into services for the benefit of the public.

"(8) The United States lacks adequate infrastructure and research to meet national climate monitoring and prediction needs.".

SEC. 1343. TOOLS FOR REGIONAL PLANNING.

Section 5(d) (15 U.S.C. 2904(d)) is amended—

(1) by redesignating paragraphs (4) through (9) as paragraphs (5) through (10), respectively;

(2) by inserting after paragraph (3) the following:

"(4) methods for improving modeling and predictive capabilities and developing assessment methods to guide national, regional, and local planning and decisionmaking on land use, water hazards, and related issues;";

(3) by inserting "sharing," after "collection," in paragraph (5), as redesignated;

(4) by striking "experimental" each place it appears in paragraph (9), as redesignated;

(5) by striking "preliminary" in paragraph (10), as redesignated;

(6) by striking "this Act," the first place it appears in paragraph (10), as redesignated, and inserting "the Global Climate Change Act of 2002,"; and

(7) by striking "this Act," the second place it appears in paragraph (10), as redesignated, and inserting "that Act,".

SEC. 1344. AUTHORIZATION OF APPROPRIATIONS.

Section 9 (15 U.S.C. 2908) is amended—

(1) by striking "1979," and inserting "2002,";

(2) by striking "1980," and inserting "2003,";

(3) by striking "1981," and inserting "2004,"; and

(4) by striking "$25,500,000" and inserting "$75,500,000".

SEC. 1345. NATIONAL CLIMATE SERVICE PLAN.

The Act (15 U.S.C. 2901 et seq.) is amended by inserting after section 5 the following:

"SEC. 6. NATIONAL CLIMATE SERVICE PLAN.

"Within 1 year after the date of enactment of the Global Climate Change Act of 2002, the Secretary of Commerce shall submit to the Senate Committee on Commerce, Science, and Transportation and the House Science Committee a plan of action for a National Climate Service under the National Climate Program. The plan shall set forth recommendations and funding estimates for—

"(1) a national center for operational climate monitoring and predicting with the functional capacity to monitor and adjust observing systems as necessary to reduce bias;

"(2) the design, deployment, and operation of an adequate national climate observing system that builds upon existing environmental monitoring systems and closes gaps in coverage by existing systems;

"(3) the establishment of a national coordinated modeling strategy, including a national climate modeling center to provide a dedicated capability for climate modeling and a regular schedule of projections on a long- and short-term time schedule and at a range of spatial scales;

"(4) improvements in modeling and assessment capabilities needed to integrate information to predict regional and local climate changes and impacts;

"(5) in coordination with the private sector, improving the capacity to assess the impacts of predicted and projected climate changes and variations;

"(6) a program for long-term stewardship, quality control, development of relevant climate products, and efficient access to all relevant climate data, products, and critical model simulations; and

"(7) mechanisms to coordinate among Federal agencies, State, and local government entities and the academic community to ensure timely and full sharing and dissemination of climate information and services, both domestically and internationally.".

SEC. 1346. INTERNATIONAL PACIFIC RESEARCH AND COOPERATION.

The Secretary of Commerce, in cooperation with the Administrator of the National Aeronautics and Space Administration, shall conduct international research in the Pacific region that will increase understanding of the nature and predictability of climate variability in the Asia-Pacific sector, including regional aspects of global environmental change. Such research activities shall be conducted in cooperation with other nations of the region. There are authorized to be appropriated for purposes of this section $1,500,000 to the National Oceanic and Atmospheric Administration, $1,500,000 to the National Aeronautics and Space Administration, and $500,000 for the Pacific ENSO Applications Center.

SEC. 1347. REPORTING ON TRENDS.

(a) ATMOSPHERIC MONITORING AND VERIFICATION PROGRAM.—The Secretary of Commerce, in coordination with relevant Federal agencies, shall, as part of the National Climate Service, establish an atmospheric monitoring and verification program utilizing aircraft, satellite, ground sensors, and modeling capabilities to monitor, measure, and verify atmospheric greenhouse gas levels, dates, and emissions. Where feasible, the program shall measure emissions from identified sources participating in the reporting system for *verification purposes. The program shall use measurements and standards that are consistent with those utilized in the greenhouse gas measurement and reporting system established under subsection (a) and the registry established under section 1102.*

(b) ANNUAL REPORTING.—The Secretary of Commerce shall issue an annual report that identifies greenhouse emissions and trends on a local, regional, and national level. The report shall also identify emissions or reductions attributable to individual or multiple sources covered by the greenhouse gas measurement and reporting system established under section 1102.

SEC. 1348. ARCTIC RESEARCH AND POLICY.

(a) ARCTIC RESEARCH COMMISSION.—Section 103(d) of the Arctic Research and Policy Act of 1984 (15 U.S.C. 4102(d)) is amended—

(1) by striking "exceed 90 days" in the second sentence of paragraph (1) and inserting "exceed, in the case of the chairperson of the Commission, 120 days, and, in the case of any other member of the Commission, 90 days,";

(2) by striking "Chairman" in paragraph (2) and inserting "chairperson".

(b) GRANTS.—Section 104 of the Arctic Research and Policy Act of 1984 (15 U.S.C. 4103) is amended by adding at the end the following:

"(c) FUNDING FOR ARCTIC RESEARCH.—

"(1) IN GENERAL.—With the prior approval of the commission, or under authority delegated by the Commission, and subject to such conditions as the Commission may specify, the Executive Director appointed under section 106(a) may—

"(A) make grants to persons to conduct research concerning the Arctic; and

"(B) make funds available to the National Science Foundation or to Federal agencies for the conduct of research concerning the Arctic.

"(2) EFFECT OF ACTION BY EXECUTIVE DIRECTOR.—An action taken by the executive director under paragraph (1) shall be final and binding on the Commission.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Commission such sums as are necessary to carry out this section.".

SEC. 1349. ABRUPT CLIMATE CHANGE RESEARCH.

(a) IN GENERAL.—The Secretary of Commerce, through the National Oceanic and Atmospheric Administration, shall carry out a program of scientific research on potential abrupt climate change designed—

(1) to develop a global array of terrestrial and oceanographic indicators of paleoclimate in order sufficiently to identify and describe past instances of abrupt climate change;

(2) to improve understanding of thresholds and nonlinearities in geophysical systems related to the mechanisms of abrupt climate change;

(3) to incorporate these mechanisms into advanced geophysical models of climate change; and

(4) to test the output of these models against an improved global array of records of past abrupt climate changes.

(b) ABRUPT CLIMATE CHANGE DEFINED.—In this section, the term "abrupt climate change" means a change in climate that occurs so rapidly or unexpectedly that human or natural systems may have difficulty adapting to it.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Commerce $10,000,000 for each of the fiscal years 2003 through 2008, and such sums as may be necessary for fiscal years after fiscal year 2008, to carry out subsection (a).

PART III—OCEAN AND COASTAL OBSERVING SYSTEM

SEC. 1351. OCEAN AND COASTAL OBSERVING SYSTEM.

(a) ESTABLISHMENT.—The President, through the National Ocean Research Leadership Council, established by section 7902(a) of title 10, United States Code, shall establish and maintain an integrated ocean and coastal observing system that provides for long-term, continuous, and real-time observations of the oceans and coasts for the purposes of—

(1) understanding, assessing and responding to human-induced and natural processes of global change;

(2) improving weather forecasts and public warnings;

(3) strengthening national security and military preparedness;

(4) enhancing the safety and efficiency of marine operations;

(5) supporting efforts to restore the health of and manage coastal and marine ecosystems and living resources;

(6) monitoring and evaluating the effectiveness of ocean and coastal environmental policies;

(7) reducing and mitigating ocean and coastal pollution; and

(8) providing information that contributes to public awareness of the state and importance of the oceans.

(b) COUNCIL FUNCTIONS.—In addition to its responsibilities under section 7902(a) of such title, the Council shall be responsible for planning and coordinating the observing system and in carrying out this responsibility shall—

(1) develop and submit to the Congress, within 6 months after the date of enactment of this Act, a plan for implementing a national ocean and coastal observing system that—

(A) uses an end-to-end engineering and development approach to develop a system design and schedule for operational implementation;

(B) determines how current and planned observing activities can be integrated in a cost-effective manner;

(C) provides for regional and concept demonstration projects;

(D) describes the role and estimated budget of each Federal agency in implementing the plan;

(E) contributes, to the extent practicable, to the National Global Change Research Plan under section 104 of the Global Change Research Act of 1990 (15 U.S.C. 2934); and

(F) makes recommendations for coordination of ocean observing activities of the United States with those of other nations and international organizations;

(2) serve as the mechanism for coordinating Federal ocean observing requirements and activities;

(3) work with academic, State, industry and other actual and potential users of the observing system to make effective use of existing capabilities and incorporate new technologies;

(4) approve standards and protocols for the administration of the system, including—

(A) a common set of measurements to be collected and distributed routinely and by uniform methods;

(B) standards for quality control and assessment of data;

(C) design, testing and employment of forecast models for ocean conditions;

(D) data management, including data transfer protocols and archiving; and

(E) designation of coastal ocean observing regions; and

(5) in consultation with the Secretary of State, provide representation at international meetings on ocean observing programs and coordinate relevant Federal activities with those of other nations.

(c) SYSTEM ELEMENTS.—The integrated ocean and coastal observing system shall include the following elements:

(1) A nationally coordinated network of regional coastal ocean observing systems that measure and disseminate a common set of ocean observations and related products in a uniform manner and according to sound scientific practice, but that are adapted to local and regional needs.

(2) Ocean sensors for climate observations, including the Arctic Ocean and sub-polar seas.

(3) Coastal, relocatable, and cabled sea floor observatories.

(4) Broad bandwidth communications that are capable of transmitting high volumes of data from open ocean locations at low cost and in real time.

(5) Ocean data management and assimilation systems that ensure full use of new sources of data from space-borne and in situ sensors.

(6) Focused research programs.

(7) Technology development program to develop new observing technologies and techniques, including data management and dissemination.

(8) Public outreach and education.

SEC. 1352. AUTHORIZATION OF APPROPRIATIONS.

For development and implementation of an integrated ocean and coastal observation system under this title, including financial assistance to regional coastal ocean observing systems, there are authorized to be appropriated $235,000,000 in fiscal year 2003, $315,000,000 in fiscal year 2004, $390,000,000 in fiscal year 2005, and $445,000,000 in fiscal year 2006.

Subtitle E—Climate Change Technology

SEC. 1361. NIST GREENHOUSE GAS FUNCTIONS.

Section 2(c) of the National Institute of Standards and Technology Act (15 U.S.C. 272(c)) is amended—

(1) by striking "and" after the semicolon in paragraph (21);

(2) by redesignating paragraph (22) as paragraph (23); and

(3) by inserting after paragraph (21) the following:

"(22) perform research to develop enhanced measurements, calibrations, standards, and technologies which will enable the reduced production in the United States of greenhouse gases associated with global warming, including carbon dioxide, methane, nitrous oxide, ozone, perfluorocarbons, hydrofluorocarbons, and sulfur hexafluoride; and".

SEC. 1362. DEVELOPMENT OF NEW MEASUREMENT TECHNOLOGIES.

The Secretary of Commerce shall initiate a program to develop, with technical assistance from appropriate Federal agencies, innovative standards and measurement technologies (including technologies to measure carbon changes due to changes in land use cover) to calculate—

(1) greenhouse gas emissions and reductions from agriculture, forestry, and other land use practices;

(2) noncarbon dioxide greenhouse gas emissions from transportation;

(3) greenhouse gas emissions from facilities or sources using remote sensing technology; and

(4) any other greenhouse gas emission or reductions for which no accurate or reliable measurement technology exists.

SEC. 1363. ENHANCED ENVIRONMENTAL MEASUREMENTS AND STANDARDS.

The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended—

(1) by redesignating sections 17 through 32 as sections 18 through 33, respectively; and

(2) by inserting after section 16 the following:

"SEC. 17. CLIMATE CHANGE STANDARDS AND PROCESSES.

"(a) IN GENERAL.—The Director shall establish within the Institute a program to perform and support research on global climate change standards and processes, with the goal of providing scientific and technical knowledge applicable to the reduction of greenhouse gases (as

defined in section 4 of the Global Climate Change Act of 2002).

"(b) RESEARCH PROGRAM.—

"(1) IN GENERAL.—The Director is authorized to conduct, directly or through contracts or grants, a global climate change standards and processes research program.

"(2) RESEARCH PROJECTS.—The specific contents and priorities of the research program shall be determined in consultation with appropriate Federal agencies, including the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the National Aeronautics and Space Administration. The program generally shall include basic and applied research—

"(A) to develop and provide the enhanced measurements, calibrations, data, models, and reference material standards which will enable the monitoring of greenhouse gases;

"(B) to assist in establishing a baseline reference point for future trading in greenhouse gases and the measurement of progress in emissions reduction;

"(C) that will be exchanged internationally as scientific or technical information which has the stated purpose of developing mutually recognized measurements, standards, and procedures for reducing greenhouse gases; and

"(D) to assist in developing improved industrial processes designed to reduce or eliminate greenhouse gases.

"(c) NATIONAL MEASUREMENT LABORATORIES.—

"(1) IN GENERAL.—In carrying out this section, the Director shall utilize the collective skills of the National Measurement Laboratories of the National Institute of Standards and Technology to improve the accuracy of measurements that will permit better understanding and control of these industrial chemical processes and result in the reduction or elimination of greenhouse gases.

"(2) MATERIAL, PROCESS, AND BUILDING RESEARCH.—The National Measurement Laboratories shall conduct research under this subsection that includes—

"(A) developing material and manufacturing processes which are designed for energy efficiency and reduced greenhouse gas emissions into the environment;

"(B) developing environmentally-friendly, 'green' chemical processes to be used by industry; and

"(C) enhancing building performance with a focus in developing standards or tools which will help incorporate low- or no-emission technologies into building designs.

"(3) STANDARDS AND TOOLS.—The National Measurement Laboratories shall develop standards and tools under this subsection that include software to assist designers in selecting alternate building materials, performance data on materials, artificial intelligence-aided design procedures for building subsystems and 'smart buildings', and improved test methods and rating procedures for evaluating the energy performance of residential and commercial appliances and products.

"(d) NATIONAL VOLUNTARY LABORATORY ACCREDITATION PROGRAM.—The Director shall utilize the National Voluntary Laboratory Accreditation Program under this section to establish a program to include specific calibration or test standards and related methods and protocols assembled to satisfy the unique needs for accreditation in measuring the production of greenhouse gases. In carrying out this subsection the Director may cooperate with other departments and agencies of the Federal Government, State and local governments, and private organizations.".

SEC. 1364. TECHNOLOGY DEVELOPMENT AND DIFFUSION.

The Director of the National Institute of Standards and Technology, through the Manufacturing Extension Partnership Program, may develop a program to support the implementation of new "green" manufacturing technologies and techniques by the more than 380,000 small manufacturers.

SEC. 1365. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Director to carry out functions pursuant to sections 1345, 1351, and 1361 through 1363, $10,000,000 for fiscal years 2002 through 2006.

Subtitle F—Climate Adaptation and Hazards Prevention

PART I—ASSESSMENT AND ADAPTATION

SEC. 1371. REGIONAL CLIMATE ASSESSMENT AND ADAPTATION PROGRAM.

(a) IN GENERAL.—The President shall establish within the Department of Commerce a National Climate Change Vulnerability and Adaptation Program for regional impacts related to increasing concentrations of greenhouse gases in the atmosphere and climate variability.

(b) COORDINATION.—In designing such program the Secretary shall consult with the Federal Emergency Management Agency, the Environmental Protection Agency, the Army Corps of Engineers, the Department of Transportation, and other appropriate Federal, State, and local government entities.

(c) VULNERABILITY ASSESSMENTS.—The program shall—

(1) evaluate, based on predictions and other information developed under this Act and the National Climate Program Act (15 U.S.C. 2901 et seq.), regional vulnerability to phenomena associated with climate change and climate variability, including—

(A) increases in severe weather events;

(B) sea level rise and shifts in the hydrological cycle;

(C) natural hazards, including tsunami, drought, flood and fire; and

(D) alteration of ecological communities, including at the ecosystem or watershed levels; and

(2) build upon predictions and other information developed in the National Assessments prepared under the Global Change Research Act of 1990 (15 U.S.C. 2921 et seq.).

(d) PREPAREDNESS RECOMMENDATIONS.—The program shall submit a report to Congress within 2 years after the date of enactment of this Act that identifies and recommends implementation and funding strategies for short- and long-term actions that may be taken at the national, regional, State, and local level—

(1) to reduce vulnerability of human life and property;

(2) to improve resilience to hazards;

(3) to minimize economic impacts; and

(4) to reduce threats to critical biological and ecological processes.

(e) INFORMATION AND TECHNOLOGY.—The Secretary shall make available appropriate information and other technologies and products that will assist national, regional, State, and local efforts, as well as efforts by other end-users, to reduce loss of life and property, and coordinate dissemination of such technologies and products.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Commerce $4,500,000 to implement the requirements of this section.

SEC. 1372. COASTAL VULNERABILITY AND ADAPTATION.

(a) COASTAL VULNERABILITY.—Within 2 years after the date of enactment of this Act, the Secretary shall, in consultation with the appropriate Federal, State, and local governmental entities, conduct regional assessments of the vulnerability of coastal areas to hazards associated with climate change, climate variability, sea level rise, and fluctuation of Great Lakes water levels. The Secretary may also establish, as warranted, longer term regional assessment programs. The Secretary may also consult with the governments of Canada and Mexico as appropriate in developing such regional assessments. In preparing the regional assessments, the Secretary shall collect and compile current information on climate change, sea level rise, natural hazards, and coastal erosion and mapping, and specifically address impacts on Arctic regions and the Central, Western, and South Pacific regions. The regional assessments shall include an evaluation of—

(1) social impacts associated with threats to and potential losses of housing, communities, and infrastructure;

(2) physical impacts such as coastal erosion, flooding and loss of estuarine habitat, saltwater intrusion of aquifers and saltwater encroachment, and species migration; and

(3) economic impact on local, State, and regional economies, including the impact on abundance or distribution of economically important living marine resources.

(b) COASTAL ADAPTATION PLAN.—The Secretary shall, within 3 years after the date of enactment of this Act, submit to the Congress a national coastal adaptation plan, composed of individual regional adaptation plans that recommend targets and strategies to address coastal impacts associated with climate change, sea level rise, or climate variability. The plan shall be developed with the participation of other Federal, State, and local government agencies that will be critical in the implementation of the plan at the State and local levels. The regional plans that will make up the national coastal adaptation plan shall be based on the information contained in the regional assessments and shall identify special needs associated with Arctic areas and the Central, Western, and South Pacific regions. The Plan shall recommend both short- and long-term adaptation strategies and shall include recommendations regarding—

(1) Federal flood insurance program modifications;

(2) areas that have been identified as high risk through mapping and assessment;

(3) mitigation incentives such as rolling easements, strategic retreat, State or Federal acquisition in fee simple or other interest in land, construction standards, and zoning;

(4) land and property owner education;

(5) economic planning for small communities dependent upon affected coastal resources, including fisheries; and

(6) funding requirements and mechanisms.

(c) TECHNICAL PLANNING ASSISTANCE.—The Secretary, through the National Ocean Service, shall establish a coordinated program to provide technical planning assistance and products to coastal States and local governments as they develop and implement adaptation or mitigation strategies and plans. Products, information, tools and technical expertise generated from the development of the regional assessments and the regional adaptation plans will be made available to coastal States for the purposes of developing their own State and local plans.

(d) COASTAL ADAPTATION GRANTS.—The Secretary shall provide grants of financial assistance to coastal States with federally approved coastal zone management programs to develop and begin implementing coastal adaptation programs if the State provides a Federal-to-State match of 4 to 1 in the first fiscal year, 2.3 to 1 in the second fiscal year, 2 to 1 in the third fiscal year, and 1 to 1 thereafter. Distribution of these funds to coastal States shall be based upon the formula established under section 306(c) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455(c)), adjusted in consultation with the States as necessary to provide assistance to particularly vulnerable coastlines.

(e) COASTAL RESPONSE PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary shall establish a 4-year pilot program to provide financial assistance to coastal communities most adversely affected by the impact of climate change or climate variability that are located in States with federally approved coastal zone management programs.

(2) ELIGIBLE PROJECTS.—A project is eligible for financial assistance under the pilot program if it—

(A) will restore or strengthen coastal resources, facilities, or infrastructure that have been damaged by such an impact, as determined by the Secretary;

(B) meets the requirements of the Coastal Zone Management Act (16 U.S.C. 1451 et seq.) and is consistent with the coastal zone management plan of the State in which it is located; and

(C) will not cost more than $100,000.

(3) FUNDING SHARE.—The Federal funding share of any project under this subsection may not exceed 75 percent of the total cost of the project. In the administration of this paragraph—

(A) the Secretary may take into account in-kind contributions and other noncash support of any project to determine the Federal funding share for that project; and

(B) the Secretary may waive the requirements of this paragraph for a project in a community if—

(i) the Secretary determines that the project is important; and

(ii) the economy and available resources of the community in which the project is to be conducted are insufficient to meet the non-Federal share of the project's costs.

(f) DEFINITIONS.—Any term used in this section that is defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453) has the meaning given it by that section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $3,000,000 annually for regional assessments under subsection (a), and $3,000,000 annually for coastal adaptation grants under subsection (d).

SEC. 1373. ARCTIC RESEARCH CENTER.

(a) ESTABLISHMENT.—The Secretary of Commerce, in consultation with the Secretaries of Energy and the Interior, the Director of the National Science Foundation, and the Administrator of the Environmental Protection Agency, shall establish a joint research facility, to be known as the Barrow Arctic Research Center, to support climate change and other scientific research activities in the Arctic.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretaries of Commerce, Energy, and the Interior, the Director of the National Science Foundation, and the Administrator of the Environmental Protection Agency, $35,000,000 for the planning, design, construction, and support of the Barrow Arctic Research Center.

PART II—FORECASTING AND PLANNING PILOT PROGRAMS

SEC. 1381. REMOTE SENSING PILOT PROJECTS.

(a) IN GENERAL.—The Administrator of the National Aeronautics and Space Administration may establish, through the National Oceanic and Atmospheric Administration's Coastal Services Center, a program of grants for competitively awarded pilot projects to explore the integrated use of sources of remote sensing and other geospatial information to address State, local, regional, and tribal agency needs to forecast a plan for adaptation to coastal zone and land use changes that may result as a consequence of global climate change or climate variability.

(b) PREFERRED PROJECTS.—In awarding grants under this section, the Center shall give preference to projects that—

(1) focus on areas that are most sensitive to the consequences of global climate change or climate variability;

(2) make use of existing public or commercial data sets;

(3) integrate multiple sources of geospatial information, such as geographic information system data, satellite-provided positioning data, and remotely sensed data, in innovative ways;

(4) offer diverse, innovative approaches that may serve as models for establishing a future coordinated framework for planning strategies for adaptation to coastal zone and land use changes related to global climate change or climate variability;

(5) include funds or in-kind contributions from non-Federal sources;

(6) involve the participation of commercial entities that process raw or lightly processed data, often merging that data with other geospatial information, to create data products that have significant value added to the original data; and

(7) taken together demonstrate as diverse a set of public sector applications as possible.

(c) OPPORTUNITIES.—In carrying out this section, the Center shall seek opportunities to assist—

(1) in the development of commercial applications potentially available from the remote sensing industry; and

(2) State, local, regional, and tribal agencies in applying remote sensing and other geospatial information technologies for management and adaptation to coastal and land use consequences of global climate change or climate variability.

(d) DURATION.—Assistance for a pilot project under subsection (a) shall be provided for a period of not more than 3 years.

(e) RESPONSIBILITIES OF GRANTEES.—Within 180 days after completion of a grant project, each recipient of a grant under subsection (a) shall transmit a report to the Center on the results of the pilot project and conduct at least one workshop for potential users to disseminate the lessons learned from the pilot project as widely as feasible.

(f) REGULATIONS.—The Center shall issue regulations establishing application, selection, and implementation procedures for pilot projects, and guidelines for reports and workshops required by this section.

SEC. 1382. DATABASE ESTABLISHMENT.

The Center shall establish and maintain an electronic, Internet-accessible database of the results of each pilot project completed under section 1381.

SEC. 1383. AIR QUALITY RESEARCH, FORECASTS AND WARNINGS.

(a) REGIONAL STUDIES.—The Secretary of Commerce, through the Administrator of the National Oceanographic and Atmospheric Administration, shall, in order of priority as listed in section (c), conduct regional studies of the air quality within specific regions of the United States. Such studies should assess the effects of in situ emissions of air pollutants and their precursors, transport of such emissions and precursors from outside the region, and production of air pollutants within the region via chemical reactions.

(b) FORECASTS AND WARNINGS.—The Secretary of Commerce, through the Administrator of the National Oceanographic and Atmospheric Administration, shall, in order of priority as listed in section (c), establish a program to provide operational air quality forecasts and warnings for specific regions of the United States.

(c) DEFINITION.—For the purposes of this section, the term "specific regions of the United States" means the following geographical areas:

(1) the Northeast, composed of Main, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Delaware, the District of Columbia, and West Virginia;

(2) the Southeast, composed of Virginia, North Carolina, South Carolina, Georgia, Alabama, and Florida;

(3) the Midwest, composed of Minnesota, Wisconsin, Iowa, Missouri, Illinois, Kentucky, Indiana, Ohio, and Michigan;

(4) the South, composed of Tennessee, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas;

(5) the High Plains, composed of North Dakota, South Dakota, Nebraska, and Kansas;

(6) the Northwest, composed of Washington, Oregon, Idaho, Montana, and Wyoming;

(7) the Southwest, composed of California, Nevada, Utah, Colorado, Arizona, and New Mexico;

(8) Alaska; and

(9) Hawaii.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Commerce $3,000,000 for each of fiscal years 2003 through 2006 for studies pursuant to subsection (b) of this section, and $5,000,000 for fiscal year 2003 and such sums as may be necessary for subsequent fiscal years for the forecast and warning program pursuant to subsection (c) of this section.

SEC. 1384. DEFINITIONS.

In this subtitle:

(1) CENTER.—The term "Center" means the Coastal Services Center of the National Oceanic and Atmospheric Administration.

(2) GEOSPATIAL INFORMATION.—The term "geospatial information" means knowledge of the nature and distribution of physical and cultural features on the landscape based on analysis of data from airborne or spaceborne platforms or other types and sources of data.

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given that term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

SEC. 1385. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Administrator to carry out the provisions of this subtitle—

(1) $17,500,000 for fiscal year 2003;

(2) $20,000,000 for fiscal year 2004;

(3) $22,500,000 for fiscal year 2005; and

(4) $25,000,000 for fiscal year 2006.

TITLE XIV—MANAGEMENT OF DOE SCIENCE AND TECHNOLOGY PROGRAMS

SEC. 1401. DEFINITIONS.

In this title:

(1) APPLICABILITY OF DEFINITIONS.—The definitions in section 1203 shall apply.

(2) SINGLE-PURPOSE RESEARCH FACILITY.—The term "single-purpose research facility" means any of the following primarily single purpose entities owned by the Department of Energy—

(A) Ames Laboratory;

(B) East Tennessee Technology Park;

(C) Environmental Measurement Laboratory;

(D) Fernald Environmental Management Project;

(E) Fermi National Accelerator Laboratory;

(F) Kansas City Plant;

(G) Nevada Test Site;

(H) New Brunswick Laboratory;

(I) Pantex Weapons Facility;

(J) Princeton Plasma Physics Laboratory;

(K) Savannah River Technology Center;

(L) Stanford Linear Accelerator Center;

(M) Thomas Jefferson National Accelerator Facility;

(N) Y–12 facility at Oak Ridge National Laboratory;

(O) Waste Isolation Pilot Plant; or

(P) other similar organization of the Department designated by the Secretary that engages in technology transfer, partnering, or licensing activities.

SEC. 1402. AVAILABILITY OF FUNDS.

Funds authorized to be appropriated to the Department of Energy under title XII, title XIII, and title XV shall remain available until expended.

SEC. 1403. COST SHARING.

(a) Research and Development.—For research and development projects funded from appropriations authorized under subtitles A through D of title XII, the Secretary shall require a commitment from non-Federal sources of at least 20 percent of the cost of the project. The Secretary may reduce or eliminate the non-Federal requirement under this subsection if the Secretary determines that the research and development is of a basic or fundamental nature.

(b) Demonstration and Deployment.—For demonstration and technology deployment activities funded from appropriations authorized under subtitles A through D of title XII, the Secretary shall require a commitment from non-Federal sources of at least 50 percent of the costs of the project directly and specifically related to any demonstration or technology deployment activity. The Secretary may reduce or eliminate the non-Federal requirement under this subsection if the Secretary determines that the reduction is necessary and appropriate considering the technological risks involved in the project and is necessary to meet one or more goals of this title.

(c) Calculation of Amount.—In calculating the amount of the non-Federal commitment under subsection (a) or (b), the Secretary shall include cash, personnel, services, equipment, and other resources.

SEC. 1404. MERIT REVIEW OF PROPOSALS.

Awards of funds authorized under title XII, subtitle A of title XIII, and title XV shall be made only after an independent review of the scientific and technical merit of the proposals for such awards has been made by the Department of Energy.

SEC. 1405. EXTERNAL TECHNICAL REVIEW OF DEPARTMENTAL PROGRAMS.

(a) National Energy Research and Development Advisory Boards.—(1) The Secretary shall establish an advisory board to oversee Department research and development programs in each of the following areas—

(A) energy efficiency;

(B) renewable energy;

(C) fossil energy;

(D) nuclear energy; and

(E) climate change technology, with emphasis on integration, collaboration, and other special features of the cross-cutting technologies supported by the Office of Climate Change Technology.

(2) The Secretary may designate an existing advisory board within the Department to fulfill the responsibilities of an advisory board under this subsection, or may enter into appropriate arrangements with the National Academy of Sciences to establish such an advisory board.

(b) Utilization of Existing Committees.—The Secretary of Energy shall continue to use the scientific program advisory committees chartered under the Federal Advisory Committee Act by the Office of Science to oversee research and development programs under that Office.

(c) Membership.—Each advisory board under this section shall consist of experts drawn from industry, academia, Federal laboratories, research institutions, or State, local, or tribal governments, as appropriate.

(d) Meetings and Purposes.—Each advisory board under this section shall meet at least semi-annually to review and advise on the progress made by the respective research, development, demonstration, and technology deployment program. The advisory board shall also review the adequacy and relevance of the goals established for each program by Congress and the President, and may otherwise advise on promising future directions in research and development that should be considered by each program.

SEC. 1406. IMPROVED COORDINATION AND MANAGEMENT OF CIVILIAN SCIENCE AND TECHNOLOGY PROGRAMS.

(a) Effective Top-Level Coordination of Research and Development Programs.—Section 202(b) of the Department of Energy Organization Act (42 U.S.C. 7132(b)) is amended to read as follows:

"(b)(1) There shall be in the Department an Under Secretary for Energy and Science, who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall be compensated at the rate provided for at level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(2) The Under Secretary for Energy and Science shall be appointed from among persons who—

"(A) have extensive background in scientific or engineering fields; and

"(B) are well qualified to manage the civilian research and development programs of the Department of Energy.

"(3) The Under Secretary for Energy and Science shall—

"(A) serve as the Science and Technology Advisor to the Secretary;

"(B) monitor the Department's research and development programs in order to advise the Secretary with respect to any undesirable duplication or gaps in such programs;

"(C) advise the Secretary with respect to the well-being and management of the multipurpose laboratories under the jurisdiction of the Department;

"(D) advise the Secretary with respect to education and training activities required for effective short- and long-term basic and applied research activities of the Department;

"(E) advise the Secretary with respect to grants and other forms of financial assistance required for effective short- and long-term basic and applied research activities of the Department; and

"(F) exercise authority and responsibility over Assistant Secretaries carrying out energy research and development and energy technology functions under sections 203 and 209, as well as other elements of the Department assigned by the Secretary.".

(b) Reconfiguration of Position of Director of the Office of Science.—Section 209 of the Department of Energy Organization Act (41 U.S.C. 7139) is amended to read as follows:

"(a) There shall be within the Department an Office of Science, to be headed by an Assistant Secretary of Science, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) The Assistant Secretary of Science shall be in addition to the Assistant Secretaries provided for under section 203 of this Act.

"(c) It shall be the duty and responsibility of the Assistant Secretary of Science to carry out the fundamental science and engineering research functions of the Department, including the responsibility for policy and management of such research, as well as other functions vested in the Secretary which he may assign to the Assistant Secretary.".

(c) Additional Assistant Secretary Position To Enable Improved Management of Nuclear Energy Issues.—

(1) Section 203(a) of the Department of Energy Organization Act (42 U.S.C. 7133(a)) is amended by striking "There shall be in the Department six Assistant Secretaries" and inserting "Except as provided in section 209, there shall be in the Department seven Assistant Secretaries".

(2) It is the sense of the Senate that the leadership for departmental missions in nuclear energy should be at the Assistant Secretary level.

(d) Technical and Conforming Amendments.—

(1) Section 202 of the Department of Energy Organization Act (42 U.S.C. 7132) is further amended by adding the following at the end:

"(d) There shall be in the Department an Under Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform such functions and duties as the Secretary shall prescribe, consistent with this section. The Under Secretary shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(e) There shall be in the Department a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.".

(2) Section 5314 of title 5, United States Code, is amended by striking "Under Secretaries of Energy (2)" and inserting "Under Secretaries of Energy (3)".

(3) Section 5315 of title 5, United States Code, is amended by—

(A) striking "Director, Office of Science, Department of Energy."; and

(B) striking "Assistant Secretaries of Energy (6)" and inserting "Assistant Secretaries of Energy (8)".

(4) The table of contents for the Department of Energy Organization Act (42 U.S.C. 7101 note) is amended—

(A) by striking "Section 209" and inserting "Sec. 209";

(B) by striking "213." and inserting "Sec. 213.";

(C) by striking "214." and inserting "Sec. 214.";

(D) by striking "215." and inserting "Sec. 215."; and

(E) by striking "216." and inserting "Sec. 216.".

SEC. 1407. IMPROVED COORDINATION OF TECHNOLOGY TRANSFER ACTIVITIES.

(a) Technology Transfer Coordinator.—The Secretary shall appoint a Technology Transfer Coordinator to perform oversight of and policy development for technology transfer activities at the Department. The Technology Transfer Coordinator shall coordinate the activities of the Technology Partnerships Working Group, and shall oversee the expenditure of funds allocated to the Technology Partnership Working Group.

(b) Technology Partnership Working Group.—The Secretary shall establish a Technology Partnership Working Group, which shall consist of representatives of the National Laboratories and single-purpose research facilities, to—

(1) coordinate technology transfer activities occurring at National Laboratories and single-purpose research facilities;

(2) exchange information about technology transfer practices; and

(3) develop and disseminate to the public and prospective technology partners information about opportunities and procedures for technology transfer with the Department.

SEC. 1408. TECHNOLOGY INFRASTRUCTURE PROGRAM.

(a) Establishment.—The Secretary shall establish a Technology Infrastructure Program in accordance with this section.

(b) PURPOSE.—The purpose of the Technology Infrastructure Program shall be to improve the ability of National Laboratories or single-purpose research facilities to support departmental missions by—

(1) stimulating the development of technology clusters that can support departmental missions at the National Laboratories or single-purpose research facilities;

(2) improving the ability of National Laboratories or single-purpose research facilities to leverage and benefit from commercial research, technology, products, processes, and services; and

(3) encouraging the exchange of scientific and technological expertise between National Laboratories or single-purpose research facilities and—

(A) institutions of higher education,

(B) technology-related business concerns,

(C) nonprofit institutions, and

(D) agencies of State, tribal, or local governments,

that can support departmental missions at the National Laboratories and single-purpose research facilities.

(c) PROJECTS.—The Secretary shall authorize the Director of each National Laboratory or facility to implement the Technology Infrastructure Program at such National Laboratory or single-purpose research facility through projects that meet the requirements of subsections (d) and (e).

(d) PROGRAM REQUIREMENTS.—Each project funded under this section shall meet the following requirements:

(1) MINIMUM PARTICIPANTS.—Each project shall at a minimum include—

(A) a National Laboratory or single-purpose research facility; and

(B) one of the following entities—

(i) a business,

(ii) an institution of higher education,

(iii) a nonprofit institution, or

(iv) an agency of a State, local, or tribal government.

(2) COST SHARING.—

(A) MINIMUM AMOUNT.—Not less than 50 percent of the costs of each project funded under this section shall be provided from non-Federal sources.

(B) QUALIFIED FUNDING AND RESOURCES.—(i) The calculation of costs paid by the non-Federal sources to a project shall include cash, personnel, services, equipment, and other resources expended on the project.

(ii) Independent research and development expenses of Government contractors that qualify for reimbursement under section 31-205-18(e) of the Federal Acquisition Regulations issued pursuant to section 25(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)(1)) may be credited towards costs paid by non-Federal sources to a project, if the expenses meet the other requirements of this section.

(iii) No funds or other resources expended either before the start of a project under this section or outside the project's scope of work shall be credited toward the costs paid by the non-Federal sources to the project.

(3) COMPETITIVE SELECTION.—All projects in which a party other than the Department, a National Laboratory, or a single-purpose research facility receives funding under this section shall, to the extent practicable, be competitively selected by the National Laboratory or facility using procedures determined to be appropriate by the Secretary.

(4) ACCOUNTING STANDARDS.—Any participant that receives funds under this section, other than a National Laboratory or single-purpose research facility, may use generally accepted accounting principles for maintaining accounts, books, and records relating to the project.

(5) LIMITATIONS.—No Federal funds shall be made available under this section for—

(A) construction; or

(B) any project for more than 5 years.

(e) SELECTION CRITERIA.—

(1) THRESHOLD FUNDING CRITERIA.—The Secretary shall allocate funds under this section only if the Director of the National Laboratory or single-purpose research facility managing the project determines that the project is likely to improve the ability of the National Laboratory or single-purpose research facility to achieve technical success in meeting departmental missions.

(2) ADDITIONAL CRITERIA.—The Secretary shall require the Director of the National Laboratory or single-purpose research facility managing a project under this section to consider the following criteria in selecting a project to receive Federal funds—

(A) the potential of the project to succeed, based on its technical merit, team members, management approach, resources, and project plan;

(B) the potential of the project to promote the development of a commercially sustainable technology cluster, which will derive most of the demand for its products or services from the private sector, and which will support departmental missions at the participating National Laboratory or single-purpose research facility;

(C) the potential of the project to promote the use of commercial research, technology, products, processes, and services by the participating National Laboratory or single-purpose research facility to achieve its departmental mission or the commercial development of technological innovations made at the participating National Laboratory or single-purpose research facility;

(D) the commitment shown by non-Federal organizations to the project, based primarily on the nature and amount of the financial and other resources they will risk on the project;

(E) the extent to which the project involves a wide variety and number of institutions of higher education, nonprofit institutions, and technology-related business concerns that can support the missions of the participating National Laboratory or single-purpose research facility and that will make substantive contributions to achieving the goals of the project;

(F) the extent of participation in the project by agencies of State, tribal, or local governments that will make substantive contributions to achieving the goals of the project;

(G) the extent to which the project focuses on promoting the development of technology-related business concerns that are small business concerns or involves such small business concerns substantively in the project; and

(H) such other criteria as the Secretary determines to be appropriate.

(f) REPORT TO CONGRESS.—Not later than January 1, 2004, the Secretary shall report to Congress on whether the Technology Infrastructure Program should be continued and, if so, how the program should be managed.

(g) DEFINITIONS.—In this section:

(1) TECHNOLOGY CLUSTER.—The term "technology cluster" means a concentration of—

(A) technology-related business concerns;

(B) institutions of higher education; or

(C) other nonprofit institutions;

that reinforce each other's performance in the areas of technology development through formal or informal relationships.

(2) TECHNOLOGY-RELATED BUSINESS CONCERN.—The term "technology-related business concern" means a for-profit corporation, company, association, firm, partnership, or small business concern that—

(A) conducts scientific or engineering research,

(B) develops new technologies,

(C) manufactures products based on new technologies, or

(D) performs technological services.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for activities under this section $10,000,000 for each of fiscal years 2003 and 2004.

SEC. 1409. SMALL BUSINESS ADVOCACY AND ASSISTANCE.

(a) SMALL BUSINESS ADVOCATE.—The Secretary shall require the Director of each National Laboratory, and may require the Director of a single-purpose research facility, to appoint a small business advocate to—

(1) increase the participation of small business concerns, including socially and economically disadvantaged small business concerns, in procurement, collaborative research, technology licensing, and technology transfer activities conducted by the National Laboratory or single-purpose research facility;

(2) report to the Director of the National Laboratory or single-purpose research facility on the actual participation of small business concerns in procurement and collaborative research along with recommendations, if appropriate, on how to improve participation;

(3) make available to small business concerns training, mentoring, and clear, up-to-date information on how to participate in the procurement and collaborative research, including how to submit effective proposals;

(4) increase the awareness inside the National Laboratory or single-purpose research facility of the capabilities and opportunities presented by small business concerns; and

(5) establish guidelines for the program under subsection (b) and report on the effectiveness of such program to the Director of the National Laboratory or single-purpose research facility.

(b) ESTABLISHMENT OF SMALL BUSINESS ASSISTANCE PROGRAM.—The Secretary shall require the Director of each National Laboratory, and may require the director of a single-purpose research facility, to establish a program to provide small business concerns—

(1) assistance directed at making them more effective and efficient subcontractors or suppliers to the National Laboratory or single-purpose research facility; or

(2) general technical assistance, the cost of which shall not exceed $10,000 per instance of assistance, to improve the small business concern's products or services.

(c) USE OF FUNDS.—None of the funds expended under subsection (b) may be used for direct grants to the small business concerns.

(d) DEFINITIONS.—In this section:

(1) SMALL BUSINESS CONCERN.—The term "small business concern" has the meaning given such term in section 3 of the Small Business Act (15 U.S.C. 632).

(2) SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS CONCERNS.—The term "socially and economically disadvantaged small business concerns" has the meaning given such term in section 8(a)(4) of the Small Business Act (15 U.S.C. 637(a)(4)).

SEC. 1410. OTHER TRANSACTIONS.

(a) IN GENERAL.—Section 646 of the Department of Energy Organization Act (42 U.S.C. 7256) is amended by adding at the end the following:

"(g) OTHER TRANSACTIONS AUTHORITY.—(1) In addition to other authorities granted to the Secretary to enter into procurement contracts, leases, cooperative agreements, grants, and other similar arrangements, the Secretary may enter into other transactions with public agencies, private organizations, or persons on such terms as the Secretary may deem appropriate in furtherance of basic, applied, and advanced research functions now or hereafter vested in the Secretary. Such other transactions shall not be

subject to the provisions of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908).

"(2)(A) The Secretary of Energy shall ensure that—

"(i) to the maximum extent practicable, no transaction entered into under paragraph (1) provides for research that duplicates research being conducted under existing programs carried out by the Department of Energy; and

"(ii) to the extent that the Secretary determines practicable, the funds provided by the Government under a transaction authorized by paragraph (1) do not exceed the total amount provided by other parties to the transaction.

"(B) A transaction authorized by paragraph (1) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate.

"(3)(A) The Secretary shall not disclose any trade secret or commercial or financial information submitted by a non-Federal entity under paragraph (1) that is privileged and confidential.

"(B) The Secretary shall not disclose, for 5 years after the date the information is received, any other information submitted by a non-Federal entity under paragraph (1), including any proposal, proposal abstract, document supporting a proposal, business plan, or technical information that is privileged and confidential.

"(C) The Secretary may protect from disclosure, for up to 5 years, any information developed pursuant to a transaction under paragraph (1) that would be protected from disclosure under section 552(b)(4) of title 5, United States Code, if obtained from a person other than a Federal agency.".

(b) IMPLEMENTATION.—Not later than 6 months after the date of enactment of this section, the Department shall establish guidelines for the use of other transactions.

SEC. 1411. MOBILITY OF SCIENTIFIC AND TECHNICAL PERSONNEL.

Not later than 2 years after the enactment of this section, the Secretary, acting through the Technology Transfer Coordinator under section 1407, shall determine whether each contractor operating a National Laboratory or single-purpose research facility has policies and procedures that do not create disincentives to the transfer of scientific and technical personnel among the contractor-operated National Laboratories or contractor-operated single-purpose research facilities.

SEC. 1412. NATIONAL ACADEMY OF SCIENCES REPORT.

Within 90 days after the date of enactment of this Act, the Secretary shall contract with the National Academy of Sciences to—

(1) conduct a study on the obstacles to accelerating the innovation cycle for energy technology, and

(2) report to the Congress recommendations for shortening the cycle of research, development, and deployment.

SEC. 1413. REPORT ON TECHNOLOGY READINESS AND BARRIERS TO TECHNOLOGY TRANSFER.

(a) IN GENERAL.—The Secretary, acting through the Technology Partnership Working Group and in consultation with representatives of affected industries, universities, and small business concerns, shall—

(1) assess the readiness for technology transfer of energy technologies developed through projects funded from appropriations authorized under subtitles A through D of title XIV, and

(2) identify barriers to technology transfer and cooperative research and development agreements between the Department or a National Laboratory and a non-Federal person; and

(3) make recommendations for administrative or legislative actions needed to reduce or eliminate such barriers.

(b) REPORT.—The Secretary shall provide a report to Congress and the President on activities carried out under this section not later than 1 year after the date of enactment of this section, and shall update such report on a biennial basis, taking into account progress toward eliminating barriers to technology transfer identified in previous reports under this section.

SEC. 1414. UNITED STATES-MEXICO ENERGY TECHNOLOGY COOPERATION.

(a) FINDING.—Congress finds that the economic and energy security of the United States and Mexico is furthered through collaboration between the United States and Mexico on research related to energy technologies.

(b) PROGRAM.—

(1) IN GENERAL.—The Secretary, acting through the Assistant Secretary for Environmental Management, shall establish a collaborative research, development, and deployment program to promote energy efficient, environmentally sound economic development along the United States-Mexico border to—

(A) mitigate hazardous waste;

(B) promote energy efficient materials processing technologies that minimize environmental damage; and

(C) protect the public health.

(2) CONSULTATION.—The Secretary, acting through the Assistant Secretary for Environmental Management, shall consult with the Office of Energy Efficiency and Renewable Energy in carrying out paragraph (1)(B).

(c) PROGRAM MANAGEMENT.—The program under subsection (b) shall be managed by the Department of Energy Carlsbad Environmental Management Field Office.

(d) COST SHARING.—The cost of any project or activity carried out using funds provided under this section shall be shared as provided in section 1403.

(e) TECHNOLOGY TRANSFER.—In carrying out projects and activities under this section to mitigate hazardous waste, the Secretary shall emphasize the transfer of technology developed under the Environmental Management Science Program of the Department of Energy.

(f) INTELLECTUAL PROPERTY.—In carrying out this section, the Secretary shall comply with the requirements of any agreement entered between the United States and Mexico regarding intellectual property protection.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 2003 and $6,000,000 for each of fiscal years 2004 through 2006, to remain available until expended.

TITLE XV—PERSONNEL AND TRAINING

SEC. 1501. WORKFORCE TRENDS AND TRAINEESHIP GRANTS.

(a) WORKFORCE TRENDS.—

(1) MONITORING.—The Secretary of Energy (in this title referred to as the "Secretary"), acting through the Administrator of the Energy Information Administration, in consultation with the Secretary of Labor, shall monitor trends in the workforce of skilled technical personnel supporting energy technology industries, including renewable energy industries, companies developing and commercializing devices to increase energy-efficiency, the oil and gas industry, the electric power generation industry (including the nuclear power industry), the coal industry, and other industrial sectors as the Secretary may deem appropriate.

(2) ANNUAL REPORTS.—The Administrator of the Energy Information Administration shall include statistics on energy industry workforce trends in the annual reports of the Energy Information Administration.

(3) SPECIAL REPORTS.—The Secretary shall report to the appropriate committees of Congress whenever the Secretary determines that significant shortfalls of technical personnel in one or more energy industry segments are forecast or have occurred.

(b) TRAINEESHIP GRANTS FOR TECHNICALLY SKILLED PERSONNEL.—

(1) GRANT PROGRAMS.—The Secretary shall establish grant programs in the appropriate offices of the Department to enhance training of technically skilled personnel for which a shortfall is determined under subsection (a).

(2) ELIGIBLE INSTITUTIONS.—As determined by the Secretary to be appropriate to the particular workforce shortfall, the Secretary shall make grants under paragraph (1) to—

(A) an institution of higher education;

(B) a postsecondary educational institution providing vocational and technical education (within the meaning given those terms in section 3 of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2302));

(C) appropriate agencies of State, local, or tribal governments; or

(D) joint labor and management training organizations with State or federally recognized apprenticeship programs and other employee-based training organizations as the Secretary considers appropriate.

(c) DEFINITION.—For purposes of this section, the term "skilled technical personnel" means journey and apprentice level workers who are enrolled in or have completed a State or federally recognized apprenticeship program and other skilled workers in energy technology industries.

(d) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1241(c), there are authorized to be appropriated to the Secretary for activities under this section such sums as may be necessary for each fiscal year.

SEC. 1502. POSTDOCTORAL AND SENIOR RESEARCH FELLOWSHIPS IN ENERGY RESEARCH.

(a) POSTDOCTORAL FELLOWSHIPS.—The Secretary shall establish a program of fellowships to encourage outstanding young scientists and engineers to pursue postdoctoral research appointments in energy research and development at institutions of higher education of their choice. In establishing a program under this subsection, the Secretary may enter into appropriate arrangements with the National Academy of Sciences to help administer the program.

(b) DISTINGUISHED SENIOR RESEARCH FELLOWSHIPS.—The Secretary shall establish a program of fellowships to allow outstanding senior researchers in energy research and development and their research groups to explore research and development topics of their choosing for a fixed period of time. Awards under this program shall be made on the basis of past scientific or technical accomplishment and promise for continued accomplishment during the period of support, which shall not be less than 3 years.

(c) AUTHORIZATION OF APPROPRIATIONS.—From amounts authorized under section 1241(c), there are authorized to be appropriated to the Secretary for activities under this section such sums as may be necessary for each fiscal year.

SEC. 1503. TRAINING GUIDELINES FOR ELECTRIC ENERGY INDUSTRY PERSONNEL.

(a) MODEL GUIDELINES.—The Secretary shall, in cooperation with electric generation, transmission, and distribution companies and recognized representatives of employees of those entities, develop model employee training guidelines to support electric supply system reliability and safety.

(b) CONTENT OF GUIDELINES.—The guidelines under this section shall include—

(1) requirements for worker training, competency, and certification, developed using criteria set forth by the Utility Industry Group recognized by the National Skill Standards Board; and

(2) consolidation of existing guidelines on the construction, operation, maintenance, and inspection of electric supply generation, transmission and distribution facilities such as those established by the National Electric Safety Code and other industry consensus standards.

SEC. 1504. NATIONAL CENTER ON ENERGY MANAGEMENT AND BUILDING TECHNOLOGIES.

The Secretary shall establish a National Center on Energy Management and Building Technologies, to carry out research, education, and training activities to facilitate the improvement of energy efficiency and indoor air quality in industrial, commercial and residential buildings. The National Center shall be established in cooperation with—

(1) recognized representatives of employees in the heating, ventilation, and air-conditioning industry;

(2) contractors that install and maintain heating, ventilation and air-conditioning systems and equipment;

(3) manufacturers of heating, ventilation and air-conditioning systems and equipment;

(4) representatives of the advanced building envelope industry, including design, windows, lighting, and insulation industries; and

(5) other entities as appropriate.

SEC. 1505. IMPROVED ACCESS TO ENERGY-RELATED SCIENTIFIC AND TECHNICAL CAREERS.

(a) DEPARTMENT OF ENERGY SCIENCE EDUCATION PROGRAMS.—Section 3164 of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381a) is amended by adding at the end the following:

"(c) PROGRAMS FOR WOMEN AND MINORITY STUDENTS.—In carrying out a program under subsection (a), the Secretary shall give priority to activities that are designed to encourage women and minority students to pursue scientific and technical careers.".

(b) PARTNERSHIPS WITH HISTORICALLY BLACK COLLEGES AND UNIVERSITIES, HISPANIC-SERVICING INSTITUTIONS, AND TRIBAL COLLEGES.—The Department of Energy Science Education Enhancement Act (42 U.S.C. 7381 et seq.) is amended—

(1) by redesignating sections 3167 and 3168 as sections 3168 and 3169, respectively; and

(2) by inserting after section 3166 the following:

"SEC. 3167. PARTNERSHIPS WITH HISTORICALLY BLACK COLLEGES AND UNIVERSITIES, HISPANIC-SERVING INSTITUTIONS, AND TRIBAL COLLEGES.

"(a) DEFINITIONS.—In this section:

"(1) HISPANIC-SERVING INSTITUTION.—The term 'Hispanic-serving institution' has the meaning given the term in section 502(a) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)).

"(2) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term 'historically Black college or university' has the meaning given the term 'part B institution' in section 322 of the Higher Education Act of 1965 (20 U.S.C. 1061).

"(3) NATIONAL LABORATORY.—The term 'National Laboratory' has the meaning given the term in section 1203 of the Energy Science and Technology Enhancement Act of 2002.

"(4) SCIENCE FACILITY.—The term 'science facility' has the meaning given the term 'single-purpose research facility' in section 1401 of the Energy Science and Technology Enhancement Act of 2002.

"(5) TRIBAL COLLEGE.—The term 'tribal college' has the meaning given the term 'tribally controlled college or university' in section 2(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a)).

"(b) EDUCATION PARTNERSHIP.—

"(1) IN GENERAL.—The Secretary shall direct the Director of each National Laboratory, and may direct the head of any science facility, to increase the participation of historically Black colleges or universities, Hispanic-serving institutions, or tribal colleges in activities that increase the capacity of the historically Black colleges or universities, Hispanic-serving institutions, or tribal colleges to train personnel in science or engineering.

"(2) ACTIVITIES.—An activity under paragraph (1) may include—

"(A) collaborative research;

"(B) a transfer of equipment;

"(C) training of personnel at a National Laboratory or science facility; and

"(D) a mentoring activity by personnel at a National Laboratory or science facility.

"(c) REPORT.—Not later than 2 years after the date of enactment of this section, the Secretary shall submit to the Committee on Science of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the activities carried out under this section.".

SEC. 1506. NATIONAL POWER PLANT OPERATIONS TECHNOLOGY AND EDUCATION CENTER.

(a) ESTABLISHMENT.—The Secretary shall establish a National Power Plant Operations Technology and Education Center (the "Center"), to address the need for training and educating certified operators for electric power generation plants.

(b) ROLE.—The Center shall provide both training and continuing education relating to electric power generation plant technologies and operations. The Center shall conduct training and education activities on site and through Internet-based information technologies that allow for learning at remote sites.

(c) CRITERIA FOR COMPETITIVE SELECTION.—The Secretary shall establish the Center at an institution of higher education with expertise in plant technology and operation and that can provide on-site as well as Internet-based training.

SEC. 1507. FEDERAL MINE INSPECTORS.

In light of projected retirements of Federal mine inspectors and the need for additional personnel, the Secretary of Labor shall hire, train, and deploy such additional skilled mine inspectors (particularly inspectors with practical experience as a practical mining engineer) as necessary to ensure the availability of skilled and experienced individuals and to maintain the number of Federal mine inspectors at or above the levels authorized by law or established by regulation.

DIVISION F—TECHNOLOGY ASSESSMENT AND STUDIES

TITLE XVI—TECHNOLOGY ASSESSMENT

SEC. 1601. NATIONAL SCIENCE AND TECHNOLOGY ASSESSMENT SERVICE.

The National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 et seq.) is amended by adding at the end the following:

"TITLE VII—NATIONAL SCIENCE AND TECHNOLOGY ASSESSMENT SERVICE

"SEC. 701. ESTABLISHMENT.

"There is hereby created a Science and Technology Assessment Service (hereinafter referred to as the 'Service'), which shall be within and responsible to the legislative branch of the Government.

"SEC. 702. COMPOSITION.

"The Service shall consist of a Science and Technology Board (hereinafter referred to as the 'Board') which shall formulate and promulgate the policies of the Service, and a Director who shall carry out such policies and administer the operations of the Service.

"SEC. 703. FUNCTIONS AND DUTIES.

"The Service shall coordinate and develop information for Congress relating to the uses and application of technology to address current national science and technology policy issues. In developing such technical assessments for Congress, the Service shall utilize, to the extent practicable, experts selected in coordination with the National Research Council.

"SEC. 704. INITIATION OF ACTIVITIES.

"Science and technology assessment activities undertaken by the Service may be initiated upon the request of—

"(1) the Chairman of any standing, special, or select committee of either House of the Congress, or of any joint committee of the Congress, acting for himself or at the request of the ranking minority member or a majority of the committee members;

"(2) the Board; or

"(3) the Director.

"SEC. 705. ADMINISTRATION AND SUPPORT.

"The Director of the Science and Technology Assessment Service shall be appointed by the Board and shall serve for a term of 6 years unless sooner removed by the Board. The Director shall receive basic pay at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code. The Director shall contract for administrative support from the Library of Congress.

"SEC. 706. AUTHORITY.

"The Service shall have the authority, within the limits of available appropriations, to do all things necessary to carry out the provisions of this section, including, but without being limited to, the authority to—

"(1) make full use of competent personnel and organizations outside the Office, public or private, and form special ad hoc task forces or make other arrangements when appropriate;

"(2) enter into contracts or other arrangements as may be necessary for the conduct of the work of the Office with any agency or instrumentality of the United States, with any State, territory, or possession or any political subdivision thereof, or with any person, firm, association, corporation, or educational institution, with or without reimbursement, without performance or other bonds, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 51);

"(3) accept and utilize the services of voluntary and uncompensated personnel necessary for the conduct of the work of the Service and provide transportation and subsistence as authorized by section 5703 of title 5, United States Code, for persons serving without compensation; and

"(4) prescribe such rules and regulations as it deems necessary governing the operation and organization of the Service.

"SEC. 707. BOARD.

"The Board shall consist of 13 members as follows—

"(1) six Members of the Senate, appointed by the President pro tempore of the Senate, three from the majority party and three from the minority party;

"(2) six Members of the House of Representatives appointed by the Speaker of the House of Representatives, three from the majority party and three from the minority party; and

"(3) the Director, who shall not be a voting member.

"SEC. 708. REPORT TO CONGRESS.

"The Service shall submit to the Congress an annual report which shall include, but not be limited to, an evaluation of technology assessment techniques and identification, insofar as

may be feasible, of technological areas and programs requiring future analysis. The annual report shall be submitted not later than March 15 of each year.

"SEC. 709. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Service such sums as are necessary to fulfill the requirements of this title.".

TITLE XVII—STUDIES

SEC. 1701. REGULATORY REVIEWS.

(a) REGULATORY REVIEWS.—Not later than 1 year after the date of enactment of this section and every 5 years thereafter, each Federal agency shall review relevant regulations and standards to identify—

(1) existing regulations and standards that act as barriers to—

(A) market entry for emerging energy technologies (including fuel cells, combined heat and power, distributed power generation, and small-scale renewable energy), and

(B) market development and expansion for existing energy technologies (including combined heat and power, small-scale renewable energy, geothermal heat pump technology, and energy recovery in industrial processes), and

(2) actions the agency is taking or could take to—

(A) remove barriers to market entry for emerging energy technologies and to market expansion for existing technologies,

(B) increase energy efficiency and conservation, or

(C) encourage the use of new and existing processes to meet energy and environmental goals.

(b) REPORT TO CONGRESS.—Not later than 18 months after the date of enactment of this section, and every 5 years thereafter, the Director of the Office of Science and Technology Policy shall report to the Congress on the results of the agency reviews conducted under subsection (a).

(c) CONTENTS OF THE REPORT.—The report shall—

(1) identify all regulatory barriers to—

(A) the development and commercialization of emerging energy technologies and processes, and

(B) the further development and expansion of existing energy conservation technologies and processes,

(2) actions taken, or proposed to be taken, to remove such barriers, and

(3) recommendations for changes in laws or regulations that may be needed to—

(A) expedite the siting and development of energy production and distribution facilities,

(B) encourage the adoption of energy efficiency and process improvements,

(C) facilitate the expanded use of existing energy conservation technologies, and

(D) reduce the environmental impacts of energy facilities and processes through transparent and flexible compliance methods.

SEC. 1702. ASSESSMENT OF DEPENDENCE OF STATE OF HAWAII ON OIL.

(a) ASSESSMENT.—The Secretary of Energy shall assess the economic implications of the dependence of the State of Hawaii on oil as the principal source of energy for the State, including—

(1) the short- and long-term prospects for crude oil supply disruption and price volatility and potential impacts on the economy of Hawaii;

(2) the economic relationship between oil-fired generation of electricity from residual fuel and refined petroleum products consumed for ground, marine, and air transportation;

(3) the technical and economic feasibility of increasing the contribution of renewable energy resources for generation of electricity, on an island-by-island basis, including—

(A) siting and facility configuration;

(B) environmental, operational, and safety considerations;

(C) the availability of technology;

(D) effects on the utility system, including reliability;

(E) infrastructure and transport requirements;

(F) community support; and

(G) other factors affecting the economic impact of such an increase and any effect on the economic relationship described in paragraph (2);

(4) the technical and economic feasibility of using liquefied natural gas to displace residual fuel oil for electric generation, including neighbor island opportunities, and the effect of such displacement on the economic relationship described in paragraph (2), including—

(A) the availability of supply;

(B) siting and facility configuration for onshore and offshore liquefied natural gas receiving terminals;

(C) the factors described in subparagraphs (B) through (F) of paragraph (3); and

(D) other economic factors;

(5) the technical and economic feasibility of using renewable energy sources (including hydrogen) for ground, marine, and air transportation energy applications to displace the use of refined petroleum products, on an island-by-island basis, and the economic impact of such displacement on the relationship described in paragraph (2); and

(6) an island-by-island approach to—

(A) the development of hydrogen from renewable resources; and

(B) the application of hydrogen to the energy needs of Hawaii.

(b) CONTRACTING AUTHORITY.—The Secretary may carry out the assessment under subsection (a) directly or, in whole or in part, through one or more contracts with qualified public or private entities.

(c) REPORT.—Not later than 300 days after the date of enactment of this Act, the Secretary shall prepare, in consultation with agencies of the State of Hawaii and other stakeholders, as appropriate, and submit to Congress, a report detailing the findings, conclusions, and recommendations resulting from the assessment.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 1703. STUDY OF SITING AN ELECTRIC TRANSMISSION SYSTEM ON AMTRAK RIGHT-OF-WAY.

(a) STUDY.—The Secretary of Energy shall contract with Amtrak to conduct a study of the feasibility of building and operating a new electric transmission system on the Amtrak right-of-way in the Northeast Corridor.

(b) SCOPE OF THE STUDY.—The study shall focus on siting the new system on the Amtrak right-of-way within the Northeast Corridor between Washington, D.C., and New Rochelle, New York, including the Amtrak right-of-way between Philadelphia, Pennsylvania and Harrisburg, Pennsylvania.

(c) CONTENTS OF THE STUDY.—The study shall consider—

(1) alternative geographic configuration of a new electronic transmission system on the Amtrak right-of-way;

(2) alternative technologies for the system;

(3) the estimated costs of building and operating each alternative;

(4) alternative means of financing the system;

(5) the environmental risks and benefits of building and operating each alternative as well as environmental risks and benefits of building and operating the system on the Northeast Corridor rather than at other locations;

(6) engineering and technological obstacles to building and operating each alternative; and

(7) the extent to which each alternative would enhance the reliability of the electric transmission grid and enhance competition in the sale of electric energy at wholesale within the Northeast Corridor.

(d) RECOMMENDATIONS.—The study shall recommend the optimal geographic configuration, the optimal technology, the optimal engineering design, and the optimal means of financing for the new system from among the alternatives considered.

(e) REPORT.—The Secretary of Energy shall submit the completed study to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Energy and Commerce of the House of Representatives not later than 270 days after the date of enactment of this section.

(f) DEFINITIONS.—For purposes of this section—

(1) the term "Amtrak" means the National Railroad Passenger Corporation established under chapter 243 of title 49, United States Code; and

(2) the term "Northeast Corridor" shall have the meaning given such term under section 24102(7) of title 49, United States Code.

SEC. 1704. UPDATING OF INSULAR AREA RENEWABLE ENERGY AND ENERGY EFFICIENCY PLANS.

Section 604 of Public Law 96-597 (48 U.S.C. 1492) is amended—

(1) in subsection (a) at the end of paragraph (4) by striking "resources." and inserting "resources; and

"(5) the development of renewable energy and energy efficiency technologies since publication of the 1982 Territorial Energy Assessment prepared under subsection (c) reveals the need to reassess the state of energy production, consumption, efficiency, infrastructure, reliance on imported energy, and potential of the indigenous renewable energy resources and energy efficiency in regard to the insular areas."; and

(2) by adding at the end of subsection (e) "The Secretary of Energy, in consultation with the Secretary of the Interior and the chief executive officer of each insular area, shall update the plans required under subsection (c) and draft long-term energy plans for each insular area that will reduce, to the extent feasible, the reliance of the insular area on energy imports by the year 2010, and maximize, to the extent feasible, use of renewable energy resources and energy efficiency opportunities. Not later than December 31, 2002, the Secretary of Energy shall submit the updated plans to Congress.".

SEC. 1705. CONSUMER ENERGY COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the "Consumer Energy Commission".

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commission shall be comprised of 11 members who shall be appointed within 30 days from the date of enactment of this section and who shall serve for the life of the Commission.

(2) APPOINTMENTS IN THE SENATE AND THE HOUSE.—The Majority Leader and the Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives shall each appoint 2 members—

(A) one of whom shall represent consumer groups focusing on energy issues; and

(B) one of whom shall represent the energy industry.

(3) APPOINTMENTS BY THE PRESIDENT.—The President shall appoint three members—

(A) one of whom shall represent consumer groups focusing on energy issues;

(B) one of whom shall represent the energy industry; and

(C) one of whom shall represent the Department of Energy.

(c) INITIAL MEETING.—Not later than 60 days after the date of enactment of this Act, the Commission shall hold the first meeting of the Commission regardless of the number of members *that have been appointed and shall select a Chairperson and Vice Chairperson from among the members of the Commission.*

(d) ADMINISTRATIVE EXPENSES.—Members of the Commission shall serve without compensation, except for per diem and travel expenses which shall be reimbursed, and the Department of Energy shall pay expenses as necessary to carry out this section, with the expenses not to exceed $400,000.

(e) STUDIES.—The Commission shall conduct a nationwide study of significant price spikes since 1990 in major United States consumer energy products, including electricity, gasoline, home heating oil, natural gas and propane with a focus on their causes including insufficient inventories, supply disruptions, refinery capacity limits, insufficient infrastructure, regulatory failures, demand growth, reliance on imported supplies, insufficient availability of alternative energy sources, abuse of market power, market concentration and any other relevant factors.

(f) REPORT.—Not later than 180 days after the date of the first meeting of the Commission, the Commission shall submit to Congress a report that contains the findings and conclusions of the Commission and any recommendations for legislation, administrative actions, and voluntary actions by industry and consumers to protect consumers and small businesses from future price spikes in consumer energy products.

(g) CONSULTATION.—The Commission shall consult with the Federal Trade Commission, the Federal Energy Regulatory Commission, the Department of Energy and other Federal and State agencies as appropriate.

(h) SUNSET.—The Commission shall terminate within 30 days after the submission of the report to Congress.

SEC. 1706. STUDY OF NATURAL GAS AND OTHER ENERGY TRANSMISSION INFRASTRUCTURE ACROSS THE GREAT LAKES.

(a) DEFINITIONS.—In this section:

(1) GREAT LAKE.—The term "Great Lake" means Lake Erie, Lake Huron (including Lake Saint Clair), Lake Michigan, Lake Ontario (including the Saint Lawrence River from Lake Ontario to the 45th parallel of latitude), and Lake Superior.

(2) SECRETARY.—The term "Secretary" means the Secretary of Energy.

(b) STUDY.—

(1) IN GENERAL.—The Secretary, in consultation with representatives of appropriate Federal and State agencies, shall—

(A) conduct a study of—

(i) the location and extent of anticipated growth of natural gas and other energy transmission infrastructure proposed to be constructed across the Great Lakes; and

(ii) the environmental impacts of any natural gas or other energy transmission infrastructure proposed to be constructed across the Great Lakes; and

(B) make recommendations for minimizing the environmental impact of pipelines and other energy transmission infrastructure on the Great Lakes ecosystem.

(2) ADVISORY COMMITTEE.—Not later than 30 days after the date of enactment of this Act, the Secretary shall enter into an agreement with the National Academy of Sciences to establish an advisory committee to ensure that the study is complete, objective, and of good quality.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the findings and recommendations resulting from the study under subsection (b).

SEC. 1707. NATIONAL ACADEMY OF SCIENCES STUDY OF PROCEDURES FOR SELECTION AND ASSESSMENT OF CERTAIN ROUTES FOR SHIPMENT OF SPENT NUCLEAR FUEL FROM RESEARCH NUCLEAR REACTORS.

(a) IN GENERAL.—The Secretary of Transportation shall enter into an agreement with the National Academy of Sciences under which agreement the National Academy of Sciences shall conduct a study of the procedures by which the Department of Energy, together with the Department of Transportation and the Nuclear Regulatory Commission, selects routes for the shipment of spent nuclear fuel from research nuclear reactors between or among existing Department of Energy facilities currently licensed to accept such spent nuclear fuel.

(b) ELEMENTS OF STUDY.—In conducting the study under subsection (a), the National Academy of Sciences shall analyze the manner in which the Department of Energy—

(1) selects potential routes for the shipment of spent nuclear fuel from research nuclear reactors between or among existing Department facilities currently licensed to accept such spent nuclear fuel;

(2) selects such a route for a specific shipment of such spent nuclear fuel; and

(3) conducts assessments of the risks associated with shipments of such spent nuclear fuel along such a route.

(c) CONSIDERATIONS REGARDING ROUTE SELECTION.—The analysis under subsection (b) shall include a consideration whether, and to what extent, the procedures analyzed for purposes of that subsection take into account the following:

(1) The proximity of the routes under consideration to major population centers and the risks associated with shipments of spent nuclear fuel from research nuclear reactors through densely populated areas.

(2) Current traffic and accident data with respect to the routes under consideration.

(3) The quality of the roads comprising the routes under consideration.

(4) Emergency response capabilities along the routes under consideration.

(5) The proximity of the routes under consideration to places or venues (including sports stadiums, convention centers, concert halls and theaters, and other venues) where large numbers of people gather.

(d) RECOMMENDATIONS.—In conducting the study under subsection (a), the National Academy of Sciences shall also make such recommendations regarding the matters studied as the National Academy of Sciences considers appropriate.

(e) DEADLINE FOR DISPERSAL OF FUNDS FOR STUDY.—The Secretary shall disperse to the National Academy of Sciences the funds for the cost of the study required by subsection (a) not later than 30 days after the date of the enactment of this Act.

(f) REPORT ON RESULTS OF STUDY.—Not later than 6 months after the date of the dispersal of funds under subsection (e), the National Academy of Sciences shall submit to the appropriate committees of Congress a report on the study conducted under subsection (a), including the recommendations required by subsection (d).

(g) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term "appropriate committees of Congress" means—

(1) the Committees on Commerce, Science, and Transportation, Energy and Natural Resources, and Environment and Public Works of the Senate; and

(2) the Committee on Energy and Commerce of the House of Representatives.

SEC. 1708. REPORT ON ENERGY SAVINGS AND WATER USE.

(a) REPORT.—The Secretary of Energy shall conduct a study of opportunities to reduce energy use by cost-effective improvements in the efficiency of municipal water and wastewater treatment and use, including water pumps, motors, and delivery systems; purification, conveyance and distribution; upgrading of aging water infrastructure, and improved methods for leakage monitoring, measuring, and reporting; and public education.

(b) SUBMISSION OF REPORT.—The Secretary of Energy shall submit a report on the results of the study, including any recommendations for implementation of measures and estimates of costs and resource savings, no later than 2 years from the date of enactment of this section.

(c) AUTHORIZATION.—There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 1709. REPORT ON RESEARCH ON HYDROGEN PRODUCTION AND USE.

Not later than 120 days after the date of enactment of this Act, the Secretary of Energy shall submit to Congress a report that identifies current or potential research projects at Department of Energy nuclear facilities relating to the production or use of hydrogen in fuel cell development or any other method or process enhancing alternative energy production technologies.

DIVISION G—ENERGY INFRASTRUCTURE SECURITY

TITLE XVIII—CRITICAL ENERGY INFRASTRUCTURE

Subtitle A—Department of Energy Programs

SEC. 1801. DEFINITIONS.

In this title:

(1) CRITICAL ENERGY INFRASTRUCTURE.—

(A) IN GENERAL.—The term "critical energy infrastructure" means a physical or cyber-based system or service for—

(i) the generation, transmission or distribution of electric energy; or

(ii) the production, refining, or storage of petroleum, natural gas, or petroleum product—

the incapacity or destruction of which would have a debilitating impact on the defense or economic security of the United States.

(B) EXCLUSION.—The term shall not include a facility that is licensed by the Nuclear Regulatory Commission under section 103 or 104b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133 and 2134(b)).

(2) DEPARTMENT; NATIONAL LABORATORY; SECRETARY.—The terms "Department", "National Laboratory", and "Secretary" have the meaning given such terms in section 1203.

SEC. 1802. ROLE OF THE DEPARTMENT OF ENERGY.

Section 102 of the Department of Energy Organization Act (42 U.S.C. 7112) is amended by adding at the end the following:

"(20) To ensure the safety, reliability, and security of the Nation's energy infrastructure, and to respond to any threat to or disruption of such infrastructure, through activities including—

"(A) research and development;

"(B) financial assistance, technical assistance, and cooperative activities with States, industry, and other interested parties; and

"(C) education and public outreach activities.".

SEC. 1803. CRITICAL ENERGY INFRASTRUCTURE PROGRAMS.

(a) PROGRAMS.—In addition to the authorities otherwise provided by law (including section 1261), the Secretary is authorized to establish programs of financial, technical, or administrative assistance to—

(1) enhance the security of critical energy infrastructure in the United States;

(2) develop and disseminate, in cooperation with industry, best practices for critical energy infrastructure assurance; and

(3) protect against, mitigate the effect of, and improve the ability to recover from disruptive incidents affecting critical energy infrastructure.

(b) REQUIREMENTS.—A program established under this section shall—

(1) be undertaken in consultation with the advisory committee established under section 1804;

(2) have available to it the scientific and technical resources of the Department, including resources at a National Laboratory; and

(3) be consistent with any overall Federal plan for national infrastructure security developed by the President or his designee.

SEC. 1804. ADVISORY COMMITTEE ON ENERGY INFRASTRUCTURE SECURITY.

(a) ESTABLISHMENT.—The Secretary shall establish an advisory committee, or utilize an existing advisory committee within the Department, to advise the Secretary on policies and programs related to the security of United States energy infrastructure.

(b) BALANCED MEMBERSHIP.—The Secretary shall ensure that the advisory committee established or utilized under subsection (a) has a membership with an appropriate balance among the various interests related to energy infrastructure security, including—

(1) scientific and technical experts;

(2) industrial managers;

(3) worker representatives;

(4) insurance companies or organizations;

(5) environmental organizations;

(6) representatives of State, local, and tribal governments; and

(7) such other interests as the Secretary may deem appropriate.

(c) EXPENSES.—Members of the advisory committee established or utilized under subsection (a) shall serve without compensation, and shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the committee.

SEC. 1805. BEST PRACTICES AND STANDARDS FOR ENERGY INFRASTRUCTURE SECURITY.

The Secretary, in consultation with the advisory committee under section 1804, shall enter into appropriate arrangements with one or more standard-setting organizations, or similar organizations, to assist the development of industry best practices and standards for security related to protecting critical energy infrastructure.

Subtitle B—Department of the Interior Programs

SEC. 1811. OUTER CONTINENTAL SHELF ENERGY INFRASTRUCTURE SECURITY.

(a) DEFINITIONS.—In this section:

(1) APPROVED STATE PLAN.—The term "approved State plan" means a State plan approved by the Secretary under subsection (c)(3).

(2) COASTLINE.—The term "coastline" has the same meaning as the term "coast line" as defined in subsection 2(c) of the Submerged Lands Act (43 U.S.C. 1301(c)).

(3) CRITICAL OCS ENERGY INFRASTRUCTURE FACILITY.—The term "OCS critical energy infrastructure facility" means—

(A) a facility located in an OCS Production State or in the waters of such State related to the production of oil or gas on the Outer Continental Shelf; or

(B) a related facility located in an OCS Production State or in the waters of such State that carries out a public service, transportation, or infrastructure activity critical to the operation of an Outer Continental Shelf energy infrastructure facility, as determined by the Secretary.

(4) DISTANCE.—The term "distance" means the minimum great circle distance, measured in statute miles.

(5) LEASED TRACT.—

(A) IN GENERAL.—The term "leased tract" means a tract that—

(i) is subject to a lease under section 6 or 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1335, 1337) for the purpose of drilling for, developing, and producing oil or natural gas resources; and

(ii) consists of a block, a portion of a block, a combination of blocks or portions of blocks, or a combination of portions of blocks, as—

(I) specified in the lease; and

(II) depicted on an outer Continental Shelf official protraction diagram.

(B) EXCLUSION.—The term "leased tract" does not include a tract described in subparagraph (A) that is located in a geographic area subject to a leasing moratorium on January 1, 2001, unless the lease was in production on that date.

(6) OCS POLITICAL SUBDIVISION.—The term "OCS political subdivision" means a county, parish, borough or any equivalent subdivision of an OCS Production State all or part of which subdivision lies within the coastal zone (as defined in section 304(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453(1)).

(7) OCS PRODUCTION STATE.—The term "OCS Production State" means the State of—

(A) Alaska;

(B) Alabama;

(C) California;

(D) Florida;

(E) Louisiana;

(F) Mississippi; or

(G) Texas.

(8) PRODUCTION.—The term "production" has the meaning given the term in section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331).

(9) PROGRAM.—The term "program" means the Outer Continental Shelf Energy Infrastructure Security Program established under subsection (b).

(10) QUALIFIED OUTER CONTINENTAL SHELF REVENUES.—The term "qualified Outer Continental Shelf revenues" means all amounts received by the United States from each leased tract or portion of a leased tract lying seaward of the zone defined and governed by section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or lying within such zone but to which section 8(g) does not apply, the geographic center of which lies within a distance of 200 miles from any part of the coastline of any State, including bonus bids, rents, royalties (including payments for royalties taken in kind and sold), net profit share payments, and related late payment interest. Such term does not include any revenues from a leased tract or portion of a leased tract that is included within any area of the Outer Continental Shelf where a moratorium on new leasing was in effect as of January 1, 2001, unless the lease was issued prior to the establishment of the moratorium and was in production on January 1, 2001.

(11) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(12) STATE PLAN.—The term "State plan" means a State plan described in subsection (b).

(b) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the "Outer Continental Shelf Energy Infrastructure Security Program", under which the Secretary shall provide funds to OCS Production States to implement approved State plans to provide security against hostile and natural threats to critical OCS energy infrastructure facilities and support of any necessary public service or transportation activities that are needed to maintain the safety and operation of critical energy infrastructure activities. For purposes of this program, restoration of any coastal wetland shall be considered to be an activity that secures critical OCS energy infrastructure facilities from a natural threat.

(c) STATE PLANS.—

(1) INITIAL PLAN.—Not later than 180 days after the date of enactment of this Act, to be eligible to receive funds under the program, the Governor of an OCS Production State shall submit to the Secretary a plan to provide security against hostile and natural threats to critical energy infrastructure facilities in the OCS Production State and to support any of the necessary public service or transportation activities that are needed to maintain the safety and operation of critical energy infrastructure facilities. Such plan shall include—

(A) the name of the State agency that will have the authority to represent and act for the State in dealing with the Secretary for purposes of this section;

(B) a program for the implementation of the plan which describes how the amounts provided under this section will be used;

(C) a contact for each OCS political subdivision and description of how such political subdivisions will use amounts provided under this section, including a certification by the Governor that such uses are consistent with the requirements of this section; and

(D) measures for taking into account other relevant Federal resources and programs.

(2) ANNUAL REVIEWS.—Not later than 1 year after the date of submission of the plan and annually thereafter, the Governor of an OCS Production State shall—

(A) review the approved State plan; and

(B) submit to the Secretary any revised State plan resulting from the review.

(3) APPROVAL OF PLANS.—

(A) IN GENERAL.—In consultation with appropriate Federal security officials and the Secretaries of Commerce and Energy, the Secretary shall—

(i) approve each State plan; or

(ii) recommend changes to the State plan.

(B) RESUBMISSION OF STATE PLANS.—If the Secretary recommends changes to a State plan under subparagraph (A)(ii), the Governor of the OCS Production State may resubmit a revised State plan to the Secretary for approval.

(4) AVAILABILITY OF PLANS.—The Secretary shall provide to Congress a copy of each approved State plan.

(5) CONSULTATION AND PUBLIC COMMENT.—

(A) CONSULTATION.—The Governor of an OCS Production State shall develop the State plan in consultation with Federal, State, and local law enforcement and public safety officials, industry, Indian tribes, the scientific community, and other persons as appropriate.

(B) PUBLIC COMMENT.—The Governor of an OCS Production State may solicit public comments on the State plan to the extent that the Governor determines to be appropriate.

(d) ALLOCATION OF AMOUNTS BY THE SECRETARY.—The Secretary shall allocate the amounts made available for the purposes of carrying out the program provided for by this section among OCS Production States as follows:

(1) twenty-five percent of the amounts shall be divided equally among OCS Production States.

(2) seventy-five percent of the amounts shall be divided among OCS Production States on the basis of the proximity of each OCS Production State to offshore locations at which oil and gas are being produced.

(e) CALCULATION.—The amount for each OCS Production State under paragraph (d)(2) shall be calculated based on the ratio of qualified OCS revenues generated off the coastline of the OCS Production State to the qualified OCS revenues generated off the coastlines of all OCS Production States for the prior 5-year period. Where there is more than one OCS Production State within 200 miles of a leased tract, the amount of each OCS Production State's payment under paragraph (d)(2) for such leased tract shall be *inversely proportional to the distance between the nearest point on the coastline of such State and the geographic center of each leased tract or portion of the leased tract (to the nearest whole mile) that is within 200 miles of that coastline, as determined by the Secretary. A leased tract or portion of a leased tract shall be excluded if the tract or portion is located in a geographic area where a moratorium on new leasing was in effect on January 1, 2001, unless the lease was issued prior to the establishment of the moratorium and was in production on January 1, 2001.*

(f) PAYMENTS TO OCS POLITICAL SUBDIVISIONS.—Thirty-five percent of each OCS Production State's allocable share as determined under subsection (e) shall be paid directly to the OCS political subdivisions by the Secretary based on the following formula:

(1) twenty-five percent shall be allocated based on the ratio of such OCS political subdivision's population to the population of all OCS political subdivisions in the OCS Production State.

(2) twenty-five percent shall be allocated based on the ratio of such OCS political subdivision's coastline miles to the coastline miles of all OCS political subdivisions in the OCS Production State. For purposes of this subsection, those OCS political subdivisions without coastlines shall be considered to have a coastline that is the average length of the coastlines of all political subdivisions in the State.

(3) fifty percent shall be allocated based on the relative distance of such OCS political subdivision from any leased tract used to calculate that OCS Production State's allocation using ratios that are inversely proportional to the distance between the point in the coastal political subdivision closest to the geographic center of each leased tract or portion, as determined by the Secretary. For purposes of the calculations under this subparagraph, a leased tract or portion of a leased tract shall be excluded if the leased tract or portion is located in a geographic area where a moratorium on new leasing was in effect on January 1, 2001, unless the lease was issued prior to the establishment of the moratorium and was in production on January 1, 2001.

(g) FAILURE TO HAVE PLAN APPROVED.—Any amount allocated to an OCS Production State or OCS political subdivision but not disbursed because of a failure to have an approved Plan under this section shall be allocated equally by the Secretary among all other OCS Production States in a manner consistent with this subsection except that the Secretary shall hold in escrow such amount until the final resolution of any appeal regarding the disapproval of a plan submitted under this section. The Secretary may waive the provisions of this paragraph and hold an OCS Production State's allocable share in escrow if the Secretary determines that such State is making a good faith effort to develop and submit, or update, a Plan.

(h) USE OF AMOUNTS ALLOCATED BY THE SECRETARY.—

(1) IN GENERAL.—Amounts allocated by the Secretary under subsection (d) may be used only in accordance with a plan approved pursuant to subsection (c) for—

(A) activities to secure critical OCS energy infrastructure facilities from human or natural threats; and

(B) support of any necessary public service or transportation activities that are needed to maintain the safety and operation of critical OCS energy infrastructure facilities.

(2) RESTORATION OF COASTAL WETLAND.—For the purpose of subparagraph (1)(A), restoration of any coastal wetland shall be considered to be an activity that secures critical OCS energy infrastructure facilities from a natural threat.

(i) FAILURE TO HAVE USE.—Any amount allocated to an OCS political subdivision but not disbursed because of a failure to have a qualifying use as described in subsection (h) shall be allocated by the Secretary to the OCS Production State in which the OCS political subdivision is located except that the Secretary shall hold in escrow such amount until the final resolution of any appeal regarding the use of the funds.

(j) COMPLIANCE WITH AUTHORIZED USES.—If the Secretary determines that any expenditure made by an OCS Production State or an OCS political subdivision is not consistent with the uses authorized in subsection (h), the Secretary shall not disburse any further amounts under this section to that OCS Production State or OCS political subdivision until the amounts used for the inconsistent expenditure have been repaid or obligated for authorized uses.

(k) RULEMAKING.—The Secretary may promulgate such rules and regulations as may be necessary to carry out the purposes of this section, including rules and regulations setting forth an appropriate process for appeals.

(l) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated $450,000,000 for each of the fiscal years 2003 through 2008 to carry out the purposes of this section.

DIVISION H—ENERGY TAX INCENTIVES

SEC. 1900. SHORT TITLE, ETC.

(a) SHORT TITLE.—This division may be cited as the "Energy Tax Incentives Act of 2002".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this division an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE XIX—EXTENSION AND MODIFICATION OF RENEWABLE ELECTRICITY PRODUCTION TAX CREDIT

SEC. 1901. THREE-YEAR EXTENSION OF CREDIT FOR PRODUCING ELECTRICITY FROM WIND AND POULTRY WASTE.

(a) IN GENERAL.—Subparagraphs (A) and (C) of section 45(c)(3) (relating to qualified facility), as amended by section 603(a) of the Job Creation and Worker Assistance Act of 2002, are each amended by striking "January 1, 2004" and inserting "January 1, 2007".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity sold after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1902. CREDIT FOR ELECTRICITY PRODUCED FROM BIOMASS.

(a) EXTENSION AND MODIFICATION OF PLACED-IN-SERVICE RULES.—Paragraph (3) of section 45(c) is amended—

(1) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) CLOSED-LOOP BIOMASS FACILITY.—

"(i) IN GENERAL.—In the case of a facility using closed-loop biomass to produce electricity, the term 'qualified facility' means any facility—

"(I) owned by the taxpayer which is originally placed in service after December 31, 1992, and before January 1, 2007, or

"(II) owned by the taxpayer which is originally placed in service before January 1, 1993, and modified to use closed-loop biomass to co-fire with coal before January 1, 2007, as approved under the Biomass Power for Rural Development Programs or under a pilot project of the Commodity Credit Corporation as described in 65 Fed. Reg. 63052.

"(ii) SPECIAL RULES.—In the case of a qualified facility described in clause (i)(II)—

"(I) the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this subclause, and

"(II) if the owner of such facility is not the producer of the electricity, the person eligible for the credit allowable under subsection (a) is the lessee or the operator of such facility.", and

(2) by adding at the end the following new subparagraph:

"(D) BIOMASS FACILITY.—

"(i) IN GENERAL.—In the case of a facility using biomass (other than closed-loop biomass) to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service before January 1, 2005.

"(ii) SPECIAL RULE FOR POSTEFFECTIVE DATE FACILITIES.—In the case of any facility described in clause (i) which is placed in service after the date of the enactment of this clause, the 3-year period beginning on the date the facility is originally placed in service shall be substituted for the 10-year period in subsection (a)(2)(A)(ii).

"(iii) SPECIAL RULES FOR PREEFFECTIVE DATE FACILITIES.—In the case of any facility described in clause (i) which is placed in service before the date of the enactment of this clause—

"(I) subsection (a)(1) shall be applied by substituting '1.0 cents' for '1.5 cents', and

"(II) the 3-year period beginning after December 31, 2002, shall be substituted for the 10-year period in subsection (a)(2)(A)(ii).

"(iv) CREDIT ELIGIBILITY.—In the case of any facility described in clause (i), if the owner of such facility is not the producer of the electricity, the person eligible for the credit allowable under subsection (a) is the lessee or the operator of such facility.".

(b) DEFINITION OF BIOMASS.—

(1) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources) is amended—

(A) by striking "and" at the end of subparagraph (B),

(B) by striking the period at the end of subparagraph (C) and inserting ", and", and

(C) by adding at the end the following new subparagraph:

"(D) biomass (other than closed-loop biomass).".

(2) BIOMASS DEFINED.—Section 45(c) (relating to definitions) is amended by adding at the end the following new paragraph:

"(5) BIOMASS.—The term 'biomass' means any solid, nonhazardous, cellulosic waste material which is segregated from other waste materials and which is derived from—

"(A) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, but not including old-growth timber (other than old-growth timber which has been permitted or contracted for removal by any appropriate Federal authority through the National Environmental Policy Act or by any appropriate State authority),

"(B) solid wood waste materials, including waste pallets, crates, dunnage, manufacturing and construction wood wastes (other than pressure-treated, chemically-treated, or painted wood wastes), and landscape or right-of-way tree trimmings, but not including municipal solid waste (garbage), gas derived from the biodegradation of solid waste, or paper that is commonly recycled, or

"(C) agriculture sources, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues.".

(c) COORDINATION WITH SECTION 29.—Section 45(c) (relating to definitions) is amended by adding at the end the following new paragraph:

"(6) COORDINATION WITH SECTION 29.—The term 'qualified facility' shall not include any facility the production from which is taken into account in determining any credit under section 29 for the taxable year or any prior taxable year.".

(d) CLERICAL AMENDMENTS.—

(1) The heading for subsection (c) of section 45 is amended by inserting "AND SPECIAL RULES" after "DEFINITIONS".

(2) The heading for subsection (d) of section 45 is amended by inserting "ADDITIONAL" before "DEFINITIONS".

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to electricity sold after the date of the enactment of this Act.

(2) CERTAIN BIOMASS FACILITIES.—With respect to any facility described in section 45(c)(3)(D)(i) of the Internal Revenue Code of 1986, as added by this section, which is placed in service before the date of the enactment of this Act, the amendments made by this section shall apply to electricity sold after December 31, 2002.

SEC. 1903. CREDIT FOR ELECTRICITY PRODUCED FROM SWINE AND BOVINE WASTE NUTRIENTS, GEOTHERMAL ENERGY, AND SOLAR ENERGY.

(a) EXPANSION OF QUALIFIED ENERGY RESOURCES.—

(1) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources), as amended by this Act, is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting a comma, and by adding at the end the following new subparagraphs:

"(E) swine and bovine waste nutrients,

"(F) geothermal energy, and

"(G) solar energy.".

(2) DEFINITIONS.—Section 45(c) (relating to definitions and special rules), as amended by this Act, is amended by redesignating paragraph (6) as paragraph (8) and by inserting after paragraph (5) the following new paragraphs:

"(6) SWINE AND BOVINE WASTE NUTRIENTS.—The term 'swine and bovine waste nutrients' means swine and bovine manure and litter, including bedding material for the disposition of manure.

"(7) GEOTHERMAL ENERGY.—The term 'geothermal energy' means energy derived from a geothermal deposit (within the meaning of section 613(e)(2)).".

(b) EXTENSION AND MODIFICATION OF PLACED-IN-SERVICE RULES.—Section 45(c)(3) (relating to qualified facility), as amended by this Act, is amended by adding at the end the following new subparagraphs:

"(E) SWINE AND BOVINE WASTE NUTRIENTS FACILITY.—In the case of a facility using swine and bovine waste nutrients to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after the date of the enactment of this subparagraph and before January 1, 2007.

"(F) GEOTHERMAL OR SOLAR ENERGY FACILITY.—

"(i) IN GENERAL.—In the case of a facility using geothermal or solar energy to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after the date of the enactment of this clause and before January 1, 2007.

"(ii) SPECIAL RULE.—In the case of any facility described in clause (i), the 5-year period beginning on the date the facility was originally placed in service shall be substituted for the 10-year period in subsection (a)(2)(A)(ii).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity sold after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1904. TREATMENT OF PERSONS NOT ABLE TO USE ENTIRE CREDIT.

(a) IN GENERAL.—Section 45(d) (relating to additional definitions and special rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(8) TREATMENT OF PERSONS NOT ABLE TO USE ENTIRE CREDIT.—

"(A) ALLOWANCE OF CREDIT.—

"(i) IN GENERAL.—Except as otherwise provided in this subsection—

"(I) any credit allowable under subsection (a) with respect to a qualified facility owned by a person described in clause (ii) may be transferred or used as provided in this paragraph, and

"(II) the determination as to whether the credit is allowable shall be made without regard to the tax-exempt status of the person.

"(ii) PERSONS DESCRIBED.—A person is described in this clause if the person is—

"(I) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(II) an organization described in section 1381(a)(2)(C),

"(III) a public utility (as defined in section 136(c)(2)(B)), which is exempt from income tax under this subtitle,

"(IV) any State or political subdivision thereof, the District of Columbia, any possession of the United States, or any agency or instrumentality of any of the foregoing, or

"(V) any Indian tribal government (within the meaning of section 7871) or any agency or instrumentality thereof.

"(B) TRANSFER OF CREDIT.—

"(i) IN GENERAL.—A person described in subparagraph (A)(ii) may transfer any credit to which subparagraph (A)(i) applies through an assignment to any other person not described in subparagraph (A)(ii). Such transfer may be revoked only with the consent of the Secretary.

"(ii) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to ensure that any credit described in clause (i) is claimed once and not reassigned by such other person.

"(iii) TRANSFER PROCEEDS TREATED AS ARISING FROM ESSENTIAL GOVERNMENT FUNCTION.—Any proceeds derived by a person described in subclause (III), (IV), or (V) of subparagraph (A)(ii) from the transfer of any credit under clause (i) shall be treated as arising from the exercise of an essential government function.

"(C) USE OF CREDIT AS AN OFFSET.—Notwithstanding any other provision of law, in the case of a person described in subclause (I), (II), or (V) of subparagraph (A)(ii), any credit to which subparagraph (A)(i) applies may be applied by such person, to the extent provided by the Secretary of Agriculture, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), as in effect on the date of the enactment of the Energy Tax Incentives Act of 2002.

"(D) CREDIT NOT INCOME.—Any transfer under subparagraph (B) or use under subparagraph (C) of any credit to which subparagraph (A)(i) applies shall not be treated as income for purposes of section 501(c)(12).

"(E) TREATMENT OF UNRELATED PERSONS.—For purposes of subsection (a)(2)(B), sales among and between persons described in subparagraph (A)(ii) shall be treated as sales between unrelated parties.".

(b) CREDITS NOT REDUCED BY TAX-EXEMPT BONDS OR CERTAIN OTHER SUBSIDIES.—Section 45(b)(3) (relating to credit reduced for grants, tax-exempt bonds, subsidized energy financing, and other credits) is amended—

(1) by striking clause (ii),

(2) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii),

(3) by inserting "(other than any loan, debt, or other obligation incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), as in effect on the date of the enactment of the Energy Tax Incentives Act of 2002)" after "project" in clause (ii) (as so redesignated),

(4) by adding at the end the following new sentence: "This paragraph shall not apply with respect to any facility described in subsection (c)(3)(B)(i)(II).", and

(5) by striking "TAX-EXEMPT BONDS," in the heading and inserting "CERTAIN".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity sold after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1905. CREDIT FOR ELECTRICITY PRODUCED FROM SMALL IRRIGATION POWER.

(a) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources), as amended by this Act, is amended by striking "and" at the end of subparagraph (F), by striking the period at the end of subparagraph (G) and inserting ", and", and by adding at the end the following new subparagraph:

"(H) small irrigation power.".

(b) QUALIFIED FACILITY.—Section 45(c)(3) (relating to qualified facility), as amended by this Act, is amended by adding at the end the following new subparagraph:

"(G) SMALL IRRIGATION POWER FACILITY.—In the case of a facility using small irrigation power to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after date of the enactment of this subparagraph and before January 1, 2007.".

(c) DEFINITION.—Section 45(c), as amended by this Act, is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

"(8) SMALL IRRIGATION POWER.—The term 'small irrigation power' means power—

"(A) generated without any dam or impoundment of water through an irrigation system canal or ditch, and

"(B) the installed capacity of which is less than 5 megawatts.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity sold after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1906. CREDIT FOR ELECTRICITY PRODUCED FROM MUNICIPAL BIOSOLIDS AND RECYCLED SLUDGE.

(a) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources), as amended by this Act, is amended by striking "and" at the end of subparagraph (F), by striking the period at the end of subparagraph (G), and by adding at the end the following new subparagraphs:

"(H) municipal biosolids, and

"(I) recycled sludge.".

(b) QUALIFIED FACILITIES.—Section 45(c)(3) (relating to qualified facility), as amended by this Act, is amended by adding at the end the following new subparagraphs:

"(G) MUNICIPAL BIOSOLIDS FACILITY.—In the case of a facility using municipal biosolids to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 2001, and before January 1, 2007.

"(H) RECYCLED SLUDGE FACILITY.—

"(i) IN GENERAL.—In the case of a facility using recycled sludge to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service before January 1, 2007.

"(ii) SPECIAL RULE.—In the case of a qualified facility described in clause (i), the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this subparagraph.".

(c) DEFINITIONS.—Section 45(c), as amended by this Act, is amended by redesignating paragraph (8) as paragraph (10) and by inserting

after paragraph (7) the following new paragraphs:

"(8) MUNICIPAL BIOSOLIDS.—The term 'municipal biosolids' means the residue or solids removed by a municipal wastewater treatment facility.

"(9) RECYCLED SLUDGE.—

"(A) IN GENERAL.—The term 'recycled sludge' means the recycled residue byproduct created in the treatment of commercial, industrial, municipal, or navigational wastewater.

"(B) RECYCLED.—The term 'recycled' means the processing of residue into a marketable product, but does not include incineration for the purpose of volume reduction.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity sold after the date of the enactment of this Act, in taxable years ending after such date.

TITLE XX—ALTERNATIVE MOTOR VEHICLES AND FUELS INCENTIVES

SEC. 2001. ALTERNATIVE MOTOR VEHICLE CREDIT.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding at the end the following new section:

"SEC. 30B. ALTERNATIVE MOTOR VEHICLE CREDIT.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the new qualified fuel cell motor vehicle credit determined under subsection (b),

"(2) the new qualified hybrid motor vehicle credit determined under subsection (c), and

"(3) the new qualified alternative fuel motor vehicle credit determined under subsection (d).

"(b) NEW QUALIFIED FUEL CELL MOTOR VEHICLE CREDIT.—

"(1) IN GENERAL.—For purposes of subsection (a), the new qualified fuel cell motor vehicle credit determined under this subsection with respect to a new qualified fuel cell motor vehicle placed in service by the taxpayer during the taxable year is—

"(A) $4,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

"(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

"(C) $20,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

"(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

"(2) INCREASE FOR FUEL EFFICIENCY.—

"(A) IN GENERAL.—The amount determined under paragraph (1)(A) with respect to a new qualified fuel cell motor vehicle which is a passenger automobile or light truck shall be increased by—

"(i) $1,000, if such vehicle achieves at least 150 percent but less than 175 percent of the 2000 model year city fuel economy,

"(ii) $1,500, if such vehicle achieves at least 175 percent but less than 200 percent of the 2000 model year city fuel economy,

"(iii) $2,000, if such vehicle achieves at least 200 percent but less than 225 percent of the 2000 model year city fuel economy,

"(iv) $2,500, if such vehicle achieves at least 225 percent but less than 250 percent of the 2000 model year city fuel economy,

"(v) $3,000, if such vehicle achieves at least 250 percent but less than 275 percent of the 2000 model year city fuel economy,

"(vi) $3,500, if such vehicle achieves at least 275 percent but less than 300 percent of the 2000 model year city fuel economy, and

"(vii) $4,000, if such vehicle achieves at least 300 percent of the 2000 model year city fuel economy.

"(B) 2000 MODEL YEAR CITY FUEL ECONOMY.—For purposes of subparagraph (A), the 2000 model year city fuel economy with respect to a vehicle shall be determined in accordance with the following tables:

"(i) In the case of a passenger automobile:

"If vehicle inertia weight class is:	**The 2000 model year city fuel economy is:**
1,500 or 1,750 lbs	43.7 mpg
2,000 lbs	38.3 mpg
2,250 lbs	34.1 mpg
2,500 lbs	30.7 mpg
2,750 lbs	27.9 mpg
3,000 lbs	25.6 mpg
3,500 lbs	22.0 mpg
4,000 lbs	19.3 mpg
4,500 lbs	17.2 mpg
5,000 lbs	15.5 mpg
5,500 lbs	14.1 mpg
6,000 lbs	12.9 mpg
6,500 lbs	11.9 mpg
7,000 to 8,500 lbs	11.1 mpg.

"(ii) In the case of a light truck:

"If vehicle inertia weight class is:	**The 2000 model year city fuel economy is:**
1,500 or 1,750 lbs	37.6 mpg
2,000 lbs	33.7 mpg
2,250 lbs	30.6 mpg
2,500 lbs	28.0 mpg
2,750 lbs	25.9 mpg
3,000 lbs	24.1 mpg
3,500 lbs	21.3 mpg
4,000 lbs	19.0 mpg
4,500 lbs	17.3 mpg
5,000 lbs	15.8 mpg
5,500 lbs	14.6 mpg
6,000 lbs	13.6 mpg
6,500 lbs	12.8 mpg
7,000 to 8,500 lbs	12.0 mpg.

"(C) VEHICLE INERTIA WEIGHT CLASS.—For purposes of subparagraph (B), the term 'vehicle inertia weight class' has the same meaning as when defined in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

"(3) NEW QUALIFIED FUEL CELL MOTOR VEHICLE.—For purposes of this subsection, the term 'new qualified fuel cell motor vehicle' means a motor vehicle—

"(A) which is propelled by power derived from one or more cells which convert chemical energy directly into electricity by combining oxygen with hydrogen fuel which is stored on board the vehicle in any form and may or may not require reformation prior to use,

"(B) which, in the case of a passenger automobile or light truck—

"(i) for 2002 and later model vehicles, has received a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

"(ii) for 2004 and later model vehicles, has received a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle,

"(C) the original use of which commences with the taxpayer,

"(D) which is acquired for use or lease by the taxpayer and not for resale, and

"(E) which is made by a manufacturer.

"(c) NEW QUALIFIED HYBRID MOTOR VEHICLE CREDIT.—

"(1) IN GENERAL.—For purposes of subsection (a), the new qualified hybrid motor vehicle credit determined under this subsection with respect to a new qualified hybrid motor vehicle placed in service by the taxpayer during the taxable year is the credit amount determined under paragraph (2).

"(2) CREDIT AMOUNT.—

"(A) IN GENERAL.—The credit amount determined under this paragraph shall be determined in accordance with the following tables:

"(i) In the case of a new qualified hybrid motor vehicle which is a passenger automobile or light truck and which provides the following percentage of the maximum available power:

"If percentage of the maximum available power is:	**The credit amount is:**
At least 5 percent but less than 10 percent.	$250
At least 10 percent but less than 20 percent.	$500
At least 20 percent but less than 30 percent.	$750
At least 30 percent	$1,000.

"(ii) In the case of a new qualified hybrid motor vehicle which is a heavy duty hybrid motor vehicle and which provides the following percentage of the maximum available power:

"(I) If such vehicle has a gross vehicle weight rating of not more than 14,000 pounds:

"If percentage of the maximum available power is:	**The credit amount is:**
At least 20 percent but less than 30 percent.	$1,000
At least 30 percent but less than 40 percent.	$1,750
At least 40 percent but less than 50 percent.	$2,000
At least 50 percent but less than 60 percent.	$2,250
At least 60 percent	$2,500.

"(II) If such vehicle has a gross vehicle weight rating of more than 14,000 but not more than 26,000 pounds:

"If percentage of the maximum available power is:	**The credit amount is:**
At least 20 percent but less than 30 percent.	$4,000
At least 30 percent but less than 40 percent.	$4,500
At least 40 percent but less than 50 percent.	$5,000
At least 50 percent but less than 60 percent.	$5,500
At least 60 percent	$6,000.

"(III) If such vehicle has a gross vehicle weight rating of more than 26,000 pounds:

"If percentage of the maximum available power is:	**The credit amount is:**
At least 20 percent but less than 30 percent.	$6,000
At least 30 percent but less than 40 percent.	$7,000
At least 40 percent but less than 50 percent.	$8,000
At least 50 percent but less than 60 percent.	$9,000
At least 60 percent	$10,000.

"(B) INCREASE FOR FUEL EFFICIENCY.—

"(i) AMOUNT.—The amount determined under subparagraph (A)(i) with respect to a new qualified hybrid motor vehicle which is a passenger automobile or light truck shall be increased by—

"(I) $500, if such vehicle achieves at least 125 percent but less than 150 percent of the 2000 model year city fuel economy,

"(II) $1,000, if such vehicle achieves at least 150 percent but less than 175 percent of the 2000 model year city fuel economy,

"(III) $1,500, if such vehicle achieves at least 175 percent but less than 200 percent of the 2000 model year city fuel economy,

"(IV) $2,000, if such vehicle achieves at least 200 percent but less than 225 percent of the 2000 model year city fuel economy,

"(V) $2,500, if such vehicle achieves at least 225 percent but less than 250 percent of the 2000 model year city fuel economy, and

"(VI) $3,000, if such vehicle achieves at least 250 percent of the 2000 model year city fuel economy.

"(ii) 2000 MODEL YEAR CITY FUEL ECONOMY.—For purposes of clause (i), the 2000 model year city fuel economy with respect to a vehicle shall be determined using the tables provided in subsection (b)(2)(B) with respect to such vehicle.

"(C) INCREASE FOR ACCELERATED EMISSIONS PERFORMANCE.—The amount determined under subparagraph (A)(ii) with respect to an applicable heavy duty hybrid motor vehicle shall be increased by the increased credit amount determined in accordance with the following tables:

"(i) In the case of a vehicle which has a gross vehicle weight rating of not more than 14,000 pounds:

"If the model year is:	The increased credit amount is:
2002	$3,500
2003	$3,000
2004	$2,500
2005	$2,000
2006	$1,500.

"(ii) In the case of a vehicle which has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds:

"If the model year is:	The increased credit amount is:
2002	$9,000
2003	$7,750
2004	$6,500
2005	$5,250
2006	$4,000.

"(iii) In the case of a vehicle which has a gross vehicle weight rating of more than 26,000 pounds:

"If the model year is:	The increased credit amount is:
2002	$14,000
2003	$12,000
2004	$10,000
2005	$8,000
2006	$6,000.

"(D) DEFINITIONS.—

"(i) APPLICABLE HEAVY DUTY HYBRID MOTOR VEHICLE.—For purposes of subparagraph (C), the term 'applicable heavy duty hybrid motor vehicle' means a heavy duty hybrid motor vehicle which is powered by an internal combustion or heat engine which is certified as meeting the emission standards set in the regulations prescribed by the Administrator of the Environmental Protection Agency for 2007 and later model year diesel heavy duty engines, or for 2008 and later model year ottocycle heavy duty engines, as applicable.

"(ii) HEAVY DUTY HYBRID MOTOR VEHICLE.—For purposes of this paragraph, the term 'heavy duty hybrid motor vehicle' means a new qualified hybrid motor vehicle which has a gross vehicle weight rating of more than 10,000 pounds and draws propulsion energy from both of the following onboard sources of stored energy:

"(I) An internal combustion or heat engine using consumable fuel which, for 2002 and later model vehicles, has received a certificate of conformity under the Clean Air Act and meets or exceeds a level of not greater than 3.0 grams per brake horsepower-hour of oxides of nitrogen and 0.01 per brake horsepower-hour of particulate matter.

"(II) A rechargeable energy storage system.

"(iii) MAXIMUM AVAILABLE POWER.—

"(I) PASSENGER AUTOMOBILE OR LIGHT TRUCK.—For purposes of subparagraph (A)(i), the term 'maximum available power' means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by such maximum power and the SAE net power of the heat engine.

"(II) HEAVY DUTY HYBRID MOTOR VEHICLE.—For purposes of subparagraph (A)(ii), the term 'maximum available power' means the maximum power available from the rechargeable energy storage system, during a standard 10 second pulse power or equivalent test, divided by the vehicle's total traction power. The term 'total traction power' means the sum of the peak power from the rechargeable energy storage system and the heat engine peak power of the vehicle, except that if such storage system is the sole means by which the vehicle can be driven, the total traction power is the peak power of such storage system.

"(3) NEW QUALIFIED HYBRID MOTOR VEHICLE.—For purposes of this subsection, the term 'new qualified hybrid motor vehicle' means a motor vehicle—

"(A) which draws propulsion energy from onboard sources of stored energy which are both—

"(i) an internal combustion or heat engine using combustible fuel, and

"(ii) a rechargeable energy storage system,

"(B) which, in the case of a passenger automobile or light truck—

"(i) for 2002 and later model vehicles, has received a certificate of conformity under the Clean Air Act and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act for that make and model year, and

"(ii) for 2004 and later model vehicles, has received a certificate that such vehicle meets or exceeds the Bin 5 Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act for that make and model year vehicle,

"(C) the original use of which commences with the taxpayer,

"(D) which is acquired for use or lease by the taxpayer and not for resale, and

"(E) which is made by a manufacturer.

"(d) NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE CREDIT.—

"(1) ALLOWANCE OF CREDIT.—Except as provided in paragraph (5), the credit determined under this subsection is an amount equal to the applicable percentage of the incremental cost of any new qualified alternative fuel motor vehicle placed in service by the taxpayer during the taxable year.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage with respect to any new qualified alternative fuel motor vehicle is—

"(A) 40 percent, plus

"(B) 30 percent, if such vehicle—

"(i) has received a certificate of conformity under the Clean Air Act and meets or exceeds the most stringent standard available for certification under the Clean Air Act for that make and model year vehicle (other than a zero emission standard), or

"(ii) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the most stringent standard available for certification under the State laws of California (enacted in accordance with a waiver granted under section 209(b) of the Clean Air Act) for that make and model year vehicle (other than a zero emission standard).

"(3) INCREMENTAL COST.—For purposes of this subsection, the incremental cost of any new qualified alternative fuel motor vehicle is equal to the amount of the excess of the manufacturer's suggested retail price for such vehicle over such price for a gasoline or diesel fuel motor vehicle of the same model, to the extent such amount does not exceed—

"(A) $5,000, if such vehicle has a gross vehicle weight rating of not more than 8,500 pounds,

"(B) $10,000, if such vehicle has a gross vehicle weight rating of more than 8,500 pounds but not more than 14,000 pounds,

"(C) $25,000, if such vehicle has a gross vehicle weight rating of more than 14,000 pounds but not more than 26,000 pounds, and

"(D) $40,000, if such vehicle has a gross vehicle weight rating of more than 26,000 pounds.

"(4) QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE DEFINED.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified alternative fuel motor vehicle' means any motor vehicle—

"(i) which is only capable of operating on an alternative fuel,

"(ii) the original use of which commences with the taxpayer,

"(iii) which is acquired by the taxpayer for use or lease, but not for resale, and

"(iv) which is made by a manufacturer.

"(B) ALTERNATIVE FUEL.—The term 'alternative fuel' means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, and any liquid at least 85 percent of the volume of which consists of methanol.

"(5) CREDIT FOR MIXED-FUEL VEHICLES.—

"(A) IN GENERAL.—In the case of a mixed-fuel vehicle placed in service by the taxpayer during the taxable year, the credit determined under this subsection is an amount equal to—

"(i) in the case of a 75/25 mixed-fuel vehicle, 70 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle, and

"(ii) in the case of a 90/10 mixed-fuel vehicle, 90 percent of the credit which would have been allowed under this subsection if such vehicle was a qualified alternative fuel motor vehicle.

"(B) MIXED-FUEL VEHICLE.—For purposes of this subsection, the term 'mixed-fuel vehicle' means any motor vehicle described in subparagraph (C) or (D) of paragraph (3), which—

"(i) is certified by the manufacturer as being able to perform efficiently in normal operation on a combination of an alternative fuel and a petroleum-based fuel,

"(ii) either—

"(I) has received a certificate of conformity under the Clean Air Act, or

"(II) has received an order certifying the vehicle as meeting the same requirements as vehicles which may be sold or leased in California and meets or exceeds the low emission vehicle standard under section 88.105-94 of title 40, Code of Federal Regulations, for that make and model year vehicle,

"(iii) the original use of which commences with the taxpayer,

"(iv) which is acquired by the taxpayer for use or lease, but not for resale, and

"(v) which is made by a manufacturer.

"(C) 75/25 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term '75/25 mixed-fuel vehicle' means a mixed-fuel vehicle which operates using at least 75 percent alternative fuel and not more than 25 percent petroleum-based fuel.

"(D) 90/10 MIXED-FUEL VEHICLE.—For purposes of this subsection, the term '90/10 mixed-fuel vehicle' means a mixed-fuel vehicle which operates using at least 90 percent alternative fuel and not more than 10 percent petroleum-based fuel.

"(e) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(1) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, and 30, over

"(2) the tentative minimum tax for the taxable year.

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) CONSUMABLE FUEL.—The term 'consumable fuel' means any solid, liquid, or *gaseous matter which releases energy when consumed by an auxiliary power unit.*

"(2) MOTOR VEHICLE.—The term 'motor vehicle' has the meaning given such term by section 30(c)(2).

"(3) CITY FUEL ECONOMY.—The city fuel economy with respect to any vehicle shall be measured in a manner which is substantially similar to the manner city fuel economy is measured in accordance with procedures under part 600 of subchapter Q of chapter I of title 40, Code of Federal Regulations, as in effect on the date of the enactment of this section.

"(4) OTHER TERMS.—The terms 'automobile', 'passenger automobile', 'light truck', and 'manufacturer' have the meanings given such terms in regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.).

"(5) REDUCTION IN BASIS.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (e)).

"(6) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter—

"(A) for any incremental cost taken into account in computing the amount of the credit determined under subsection (d) shall be reduced by the amount of such credit attributable to such cost, and

"(B) with respect to a vehicle described under subsection (b) or (c), shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

"(7) PROPERTY USED BY TAX-EXEMPT ENTITIES.—In the case of a credit amount which is allowable with respect to a motor vehicle which is acquired by an entity exempt from tax under this chapter, the person which sells or leases such vehicle to the entity shall be treated as the taxpayer with respect to the vehicle for purposes of this section and the credit shall be allowed to such person, but only if the person clearly discloses to the entity at the time of any sale or lease the specific amount of any credit otherwise allowable to the entity under this section.

"(8) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit (including recapture in the case of a lease period of less than the economic life of a vehicle).

"(9) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

"(10) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

"(11) CARRYBACK AND CARRYFORWARD ALLOWED.—

"(A) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (e) for such taxable year (in this paragraph referred to as the 'unused credit year'), such excess shall be allowed as a credit carryback for each of the 3 taxable years beginning after September 30, 2002, which precede the unused credit year and a credit carryforward for each of the 20 taxable years which succeed the unused credit year.

"(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).

"(12) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a motor vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

"(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

"(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

"(g) REGULATIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

"(2) COORDINATION IN PRESCRIPTION OF CERTAIN REGULATIONS.—The Secretary of the Treasury, in coordination with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

"(h) TERMINATION.—This section shall not apply to any property purchased after—

"(1) in the case of a new qualified fuel cell motor vehicle (as described in subsection (b)), December 31, 2011, and

"(2) in the case of any other property, December 31, 2006.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) is amended by striking "and" at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting ", and", and by adding at the end the following new paragraph:

"(29) to the extent provided in section 30B(f)(5).".

(2) Section 55(c)(2) is amended by inserting "30B(e)," after "30(b)(3)".

(3) Section 6501(m) is amended by inserting "30B(f)(10)," after "30(d)(4),".

(4) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following new item:

> *"Sec. 30B. Alternative motor vehicle credit.".*

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 30, 2002, in taxable years ending after such date.

SEC. 2002. MODIFICATION OF CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) AMOUNT OF CREDIT.—

(1) IN GENERAL.—Section 30(a) (relating to allowance of credit) is amended by striking "10 percent of".

(2) LIMITATION OF CREDIT ACCORDING TO TYPE OF VEHICLE.—Section 30(b) (relating to limitations) is amended—

(A) by striking paragraphs (1) and (2) and inserting the following new paragraph:

"(1) LIMITATION ACCORDING TO TYPE OF VEHICLE.—The amount of the credit allowed under subsection (a) for any vehicle shall not exceed the greatest of the following amounts applicable to such vehicle:

"(A) In the case of a vehicle which conforms to the Motor Vehicle Safety Standard 500 prescribed by the Secretary of Transportation, as in effect on the date of the enactment of the Energy Tax Incentives Act of 2002, the lesser of—

"(i) 10 percent of the manufacturer's suggested retail price of the vehicle, or

"(ii) $1,500.

"(B) In the case of a vehicle not described in subparagraph (A) with a gross vehicle weight rating not exceeding 8,500 pounds—

"(i) $3,500, or

"(ii) $6,000, if such vehicle is—

"(I) capable of a driving range of at least 100 miles on a single charge of the vehicle's rechargeable batteries as measured pursuant to the urban dynamometer schedules under appendix I to part 86 of title 40, Code of Federal Regulations, or

"(II) capable of a payload capacity of at least 1,000 pounds.

"(C) In the case of a vehicle with a gross vehicle weight rating exceeding 8,500 but not exceeding 14,000 pounds, $10,000.

"(D) In the case of a vehicle with a gross vehicle weight rating exceeding 14,000 but not exceeding 26,000 pounds, $20,000.

"(E) In the case of a vehicle with a gross vehicle weight rating exceeding 26,000 pounds, $40,000.", and

(B) by redesignating paragraph (3) as paragraph (2).

(3) CONFORMING AMENDMENTS.—

(A) Section 53(d)(1)(B)(iii) is amended by striking "section 30(b)(3)(B)" and inserting "section 30(b)(2)(B)".

(3) Section 55(c)(2), as amended by this Act, is amended by striking "30(b)(3)" and inserting "30(b)(2)".

(b) QUALIFIED BATTERY ELECTRIC VEHICLE.—

(1) IN GENERAL.—Section 30(c)(1)(A) (defining qualified electric vehicle) is amended to read as follows:

"(A) which is—

"(i) operated solely by use of a battery or battery pack, or

"(ii) powered primarily through the use of an electric battery or battery pack using a flywheel or capacitor which stores energy produced by an electric motor through regenerative braking to assist in vehicle operation,".

(2) LEASED VEHICLES.—Section 30(c)(1)(C) is amended by inserting "or lease" after "use".

(3) CONFORMING AMENDMENTS.—

(A) Subsections (a), (b)(2), and (c) of section 30 are each amended by inserting "battery" after "qualified" each place it appears.

(B) The heading of subsection (c) of section 30 is amended by inserting "BATTERY" after "QUALIFIED".

(C) The heading of section 30 is amended by inserting "battery" after "qualified".

(D) The item relating to section 30 in the table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting "battery" after "qualified".

(E) Section 179A(c)(3) is amended by inserting "battery" before "electric".

(F) The heading of paragraph (3) of section 179A(c) is amended by inserting "BATTERY" before "ELECTRIC".

(c) ADDITIONAL SPECIAL RULES.—Section 30(d) (relating to special rules) is amended by adding at the end the following new paragraphs:

"(5) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for any cost taken into account in computing the amount of the credit determined under subsection (a) shall be reduced by the amount of such credit attributable to such cost.

"(6) PROPERTY USED BY TAX-EXEMPT ENTITIES.—In the case of a credit amount which is allowable with respect to a vehicle which is acquired by an entity exempt from tax under this chapter, the person which sells or leases such vehicle to the entity shall be treated as the taxpayer with respect to the vehicle for purposes of this section and the credit shall be allowed to such person, but only if the person clearly discloses to the entity at the time of any sale or lease the specific amount of any credit otherwise allowable to the entity under this section.

"(7) CARRYBACK AND CARRYFORWARD ALLOWED.—

"(A) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (b)(2) for such taxable year (in this

paragraph referred to as the 'unused credit year'), such excess shall be allowed as a credit carryback for each of the 3 taxable years beginning after September 30, 2002, which precede the unused credit year and a credit carryforward for each of the 20 taxable years which succeed the unused credit year.

"(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 30, 2002, in taxable years ending after such date.

SEC. 2003. CREDIT FOR INSTALLATION OF ALTERNATIVE FUELING STATIONS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 30C. CLEAN-FUEL VEHICLE REFUELING PROPERTY CREDIT.

"(a) CREDIT ALLOWED.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the amount paid or incurred by the taxpayer during the taxable year for the installation of qualified clean-fuel vehicle refueling property.

"(b) LIMITATION.—The credit allowed under subsection (a)—

"(1) with respect to any retail clean-fuel vehicle refueling property, shall not exceed $30,000, and

"(2) with respect to any residential clean-fuel vehicle refueling property, shall not exceed $1,000.

"(c) YEAR CREDIT ALLOWED.—The credit allowed under subsection (a) shall be allowed in the taxable year in which the qualified clean-fuel vehicle refueling property is placed in service by the taxpayer.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED CLEAN-FUEL VEHICLE REFUELING PROPERTY.—The term 'qualified clean-fuel vehicle refueling property' has the same meaning given such term by section 179A(d).

"(2) RESIDENTIAL CLEAN-FUEL VEHICLE REFUELING PROPERTY.—The term 'residential clean-fuel vehicle refueling property' means qualified clean-fuel vehicle refueling property which is installed on property which is used as the principal residence (within the meaning of section 121) of the taxpayer.

"(3) RETAIL CLEAN-FUEL VEHICLE REFUELING PROPERTY.—The term 'retail clean-fuel vehicle refueling property' means qualified clean-fuel vehicle refueling property which is installed on property (other than property described in paragraph (2)) used in a trade or business of the taxpayer.

"(e) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(1) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, 30, and 30B, over

"(2) the tentative minimum tax for the taxable year.

"(f) BASIS REDUCTION.—For purposes of this title, the basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

"(g) NO DOUBLE BENEFIT.—No deduction shall be allowed under section 179A with respect to any property with respect to which a credit is allowed under subsection (a).

"(h) REFUELING PROPERTY INSTALLED FOR TAX-EXEMPT ENTITIES.—In the case of qualified clean-fuel vehicle refueling property installed on property owned or used by an entity exempt from tax under this chapter, the person which installs such refueling property for the entity shall be treated as the taxpayer with respect to the refueling property for purposes of this section (and such refueling property shall be treated as retail clean-fuel vehicle refueling property) and the credit shall be allowed to such person, but only if the person clearly discloses to the entity in any installation contract the specific amount of the credit allowable under this section.

"(i) CARRYFORWARD ALLOWED.—

"(1) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (e) for such taxable year (referred to as the 'unused credit year' in this subsection), such excess shall be allowed as a credit carryforward for each of the 20 taxable years following the unused credit year.

"(2) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under paragraph (1).

"(j) SPECIAL RULES.—Rules similar to the rules of paragraphs (4) and (5) of section 179A(e) shall apply.

"(k) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to carry out the provisions of this section.

"(l) TERMINATION.—This section shall not apply to any property placed in service—

"(1) in the case of property relating to hydrogen, after December 31, 2011, and

"(2) in the case of any other property, after December 31, 2006.".

(b) INCENTIVE FOR PRODUCTION OF HYDROGEN AT QUALIFIED CLEAN-FUEL VEHICLE REFUELING PROPERTY.—Section 179A(d) (defining qualified clean-fuel vehicle refueling property) is amended by adding at the end the following new flush sentence:

"In the case of clean-burning fuel which is hydrogen produced from another clean-burning fuel, paragraph (3)(A) shall be applied by substituting 'production, storage, or dispensing' for 'storage or dispensing' both places it appears.".

(c) CONFORMING AMENDMENTS.—(1) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (28), by striking the period at the end of paragraph (29) and inserting ", and", and by adding at the end the following new paragraph:

"(30) to the extent provided in section 30C(f).".

(2) Section 55(c)(2), as amended by this Act, is amended by inserting "30C(e)," after "30B(e)".

(3) The table of sections for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 30B the following new item:

"Sec. 30C. Clean-fuel vehicle refueling property credit.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after September 30, 2002, in taxable years ending after such date.

SEC. 2004. CREDIT FOR RETAIL SALE OF ALTERNATIVE FUELS AS MOTOR VEHICLE FUEL.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by inserting after section 40 the following new section:

"SEC. 40A. CREDIT FOR RETAIL SALE OF ALTERNATIVE FUELS AS MOTOR VEHICLE FUEL.

"(a) GENERAL RULE.—For purposes of section 38, the alternative fuel retail sales credit for any taxable year is the applicable amount for each gasoline gallon equivalent of alternative fuel sold at retail by the taxpayer during such year as a fuel to propel any qualified motor vehicle.

"(b) DEFINITIONS.—For purposes of this section—

"(1) APPLICABLE AMOUNT.—The term 'applicable amount' means the amount determined in accordance with the following table:

"In the case of any taxable year ending in—	**The applicable amount is—**
2002 and 2003	30 cents
2004	40 cents
2005 and 2006	50 cents.

"(2) ALTERNATIVE FUEL.—The term 'alternative fuel' means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, and any liquid at least 85 percent of the volume of which consists of methanol or ethanol.

"(3) GASOLINE GALLON EQUIVALENT.—The term 'gasoline gallon equivalent' means, with respect to any alternative fuel, the amount (determined by the Secretary) of such fuel having a Btu content of 114,000.

"(4) QUALIFIED MOTOR VEHICLE.—The term 'qualified motor vehicle' means any motor vehicle (as defined in section 30(c)(2)) which meets any applicable Federal or State emissions standards with respect to each fuel by which such vehicle is designed to be propelled.

"(5) SOLD AT RETAIL.—

"(A) IN GENERAL.—The term 'sold at retail' means the sale, for a purpose other than resale, after manufacture, production, or importation.

"(B) USE TREATED AS SALE.—If any person uses alternative fuel (including any use after importation) as a fuel to propel any qualified alternative fuel motor vehicle (as defined in section 30B(d)(4)) before such fuel is sold at retail, then such use shall be treated in the same manner as if such fuel were sold at retail as a fuel to propel such a vehicle by such person.

"(c) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for any fuel taken into account in computing the amount of the credit determined under subsection (a) shall be reduced by the amount of such credit attributable to such fuel.

"(d) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(e) TERMINATION.—This section shall not apply to any fuel sold at retail after December 31, 2006.".

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking "plus" at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ", plus", and by adding at the end the following new paragraph:

"(16) the alternative fuel retail sales credit determined under section 40A(a).".

(c) TRANSITIONAL RULE.—Section 39(d) (relating to transitional rules) is amended by adding at the end the following new paragraph:

"(11) NO CARRYBACK OF SECTION 40A CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the alternative fuel retail sales credit determined under section 40A(a) may be carried back to a taxable year ending before January 1, 2002.".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 40 the following new item:

"Sec. 40A. Credit for retail sale of alternative fuels as motor vehicle fuel."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold at retail after September 30, 2002, in taxable years ending after such date.

SEC. 2005. SMALL ETHANOL PRODUCER CREDIT.

(a) ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.—Section 40(g) (relating to alcohol used as fuel) is amended by adding at the end the following new paragraph:

"(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

"(A) ELECTION TO ALLOCATE.—

"(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

"(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

"(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons under subparagraph (A)—

"(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year,

"(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage dividends for the taxable year described in subparagraph (A) are included in gross income, and

"(iii) shall be included in gross income of such patrons for the taxable year in the manner and to the extent provided in section 87.

"(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

"(i) such reduction, over

"(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.".

(b) IMPROVEMENTS TO SMALL ETHANOL PRODUCER CREDIT.—

(1) DEFINITION OF SMALL ETHANOL PRODUCER.—Section 40(g) (relating to definitions and special rules for eligible small ethanol producer credit) is amended by striking "30,000,000" each place it appears and inserting "60,000,000".

(2) SMALL ETHANOL PRODUCER CREDIT NOT A PASSIVE ACTIVITY CREDIT.—Clause (i) of section 469(d)(2)(A) is amended by striking "subpart D" and inserting "subpart D, other than section 40(a)(3),".

(3) ALLOWING CREDIT AGAINST ENTIRE REGULAR TAX AND MINIMUM TAX.—

(A) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax), as amended by section 301(b) of the Job Creation and Worker Assistance Act of 2002, is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) SPECIAL RULES FOR SMALL ETHANOL PRODUCER CREDIT.—

"(A) IN GENERAL.—In the case of the small ethanol producer credit—

"(i) this section and section 39 shall be applied separately with respect to the credit, and

"(ii) in applying paragraph (1) to the credit—

"(I) the amounts in subparagraphs (A) and (B) thereof shall be treated as being zero, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the small ethanol producer credit).

"(B) SMALL ETHANOL PRODUCER CREDIT.—For purposes of this subsection, the term 'small ethanol producer credit' means the credit allowable under subsection (a) by reason of section 40(a)(3).".

(B) CONFORMING AMENDMENTS.—Subclause (II) of section 38(c)(2)(A)(ii), as amended by section 301(b)(2) of the Job Creation and Worker Assistance Act of 2002, and subclause (II) of section 38(c)(3)(A)(ii), as added by section 301(b)(1) of such Act, are each amended by inserting "or the small ethanol producer credit" after "employee credit".

(4) SMALL ETHANOL PRODUCER CREDIT NOT ADDED BACK TO INCOME UNDER SECTION 87.—Section 87 (relating to income inclusion of alcohol fuel credit) is amended to read as follows:

"SEC. 87. ALCOHOL FUEL CREDIT.

"Gross income includes an amount equal to the sum of—

"(1) the amount of the alcohol mixture credit determined with respect to the taxpayer for the taxable year under section 40(a)(1), and

"(2) the alcohol credit determined with respect to the taxpayer for the taxable year under section 40(a)(2).".

(c) CONFORMING AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following new subsection:

"(k) CROSS REFERENCE.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(g)(6).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 2006. ALL ALCOHOL FUELS TAXES TRANSFERRED TO HIGHWAY TRUST FUND.

(a) IN GENERAL.—Section 9503(b)(4) (relating to certain taxes not transferred to Highway Trust Fund) is amended—

(1) by adding "or" at the end of subparagraph (C),

(2) by striking the comma at the end of subparagraph (D)(iii) and inserting a period, and

(3) by striking subparagraphs (E) and (F).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxes imposed after September 30, 2003.

SEC. 2007. INCREASED FLEXIBILITY IN ALCOHOL FUELS TAX CREDIT.

(a) ALCOHOL FUELS CREDIT MAY BE TRANSFERRED.—Section 40 (relating to alcohol used as fuel) is amended by adding at the end the following new subsection:

"(i) CREDIT MAY BE TRANSFERRED.—

"(1) IN GENERAL.—A taxpayer may transfer any credit allowable under paragraph (1) or (2) of subsection (a) with respect to alcohol used in the production of ethyl tertiary butyl ether through an assignment to a qualified assignee. Such transfer may be revoked only with the consent of the Secretary.

"(2) QUALIFIED ASSIGNEE.—For purposes of this subsection, the term 'qualified assignee' means any person who—

"(A) is liable for taxes imposed under section 4081,

"(B) is required to register under section 4101, and

"(C) obtains a certificate from the taxpayer described in paragraph (1) which identifies the amount of alcohol used in such production.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to insure that any credit described in paragraph (1) is claimed once and not reassigned by a qualified assignee.".

(b) ALCOHOL FUELS CREDIT MAY BE TAKEN AGAINST MOTOR FUELS TAX LIABILITY.—

(1) IN GENERAL.—Subpart C of part III of subchapter A of chapter 32 (relating to special provisions applicable to petroleum products) is amended by adding at the end the following new section:

"SEC. 4104. CREDIT AGAINST MOTOR FUELS TAXES.

"(a) ELECTION TO USE CREDIT AGAINST MOTOR FUELS TAXES.—There is hereby allowed as a credit against the taxes imposed by section 4081, any credit allowed under paragraph (1) or (2) of section 40(a) with respect to alcohol used in the production of ethyl tertiary butyl ether to the extent—

"(1) such credit is not claimed by the taxpayer or the qualified assignee under section 40(i) as a credit under section 40, and

"(2) the taxpayer or qualified assignee elects to claim such credit under this section.

"(b) ELECTION IRREVOCABLE.—Any election under subsection (a) shall be irrevocable.

"(c) REQUIRED STATEMENT.—Any return claiming a credit pursuant to an election under this section shall be accompanied by a statement that the credit was not, and will not, be claimed on an income tax return.

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to avoid the claiming of double benefits and to prescribe the taxable periods with respect to which the credit may be claimed.".

(2) CONFORMING AMENDMENT.—Section 40(c) is amended by striking "or section 4091(c)" and inserting "section 4091(c), or section 4104".

(3) CLERICAL AMENDMENT.—The table of sections for subpart C of part III of subchapter A of chapter 32 is amended by adding at the end the following new item:

"Sec. 4104. Credit against motor fuels taxes.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on and after the date of the enactment of this Act.

SEC. 2008. INCENTIVES FOR BIODIESEL.

(a) CREDIT FOR BIODIESEL USED AS A FUEL.—

(1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by inserting after section 40A the following new section:

"SEC. 40B. BIODIESEL USED AS FUEL.

"(a) GENERAL RULE.—For purposes of section 38, the biodiesel fuels credit determined under this section for the taxable year is an amount equal to the biodiesel mixture credit.

"(b) DEFINITION OF BIODIESEL MIXTURE CREDIT.—For purposes of this section—

"(1) BIODIESEL MIXTURE CREDIT.—

"(A) IN GENERAL.—The biodiesel mixture credit of any taxpayer for any taxable year is the sum of the products of the biodiesel mixture rate for each qualified biodiesel mixture and the number of gallons of such mixture of the taxpayer for the taxable year.

"(B) BIODIESEL MIXTURE RATE.—For purposes of subparagraph (A), the biodiesel mixture rate for each qualified biodiesel mixture shall be—

"(i) in the case of a mixture with only biodiesel V, 1 cent for each whole percentage point (not exceeding 20 percentage points) of biodiesel V in such mixture, and

"(ii) in the case of a mixture with biodiesel NV, or a combination of biodiesel V and biodiesel NV, 0.5 cent for each whole percentage point (not exceeding 20 percentage points) of such biodiesel in such mixture.

"(2) QUALIFIED BIODIESEL MIXTURE.—

"(A) IN GENERAL.—The term 'qualified biodiesel mixture' means a mixture of diesel and biodiesel V or biodiesel NV which—

"(i) is sold by the taxpayer producing such mixture to any person for use as a fuel, or

"(ii) is used as a fuel by the taxpayer producing such mixture.

"(B) SALE OR USE MUST BE IN TRADE OR BUSINESS, ETC.—

"(i) IN GENERAL.—Biodiesel V or biodiesel NV used in the production of a qualified biodiesel mixture shall be taken into account—

"(I) only if the sale or use described in subparagraph (A) is in a trade or business of the taxpayer, and

"(II) for the taxable year in which such sale or use occurs.

"(ii) CERTIFICATION FOR BIODIESEL V.—Biodiesel V used in the production of a qualified biodiesel mixture shall be taken into account only if the taxpayer described in subparagraph (A) obtains a certification from the producer of the biodiesel V which identifies the product produced.

"(C) CASUAL OFF-FARM PRODUCTION NOT ELIGIBLE.—No credit shall be allowed under this section with respect to any casual off-farm production of a qualified biodiesel mixture.

"(c) COORDINATION WITH EXEMPTION FROM EXCISE TAX.—The amount of the credit determined under this section with respect to any biodiesel V shall, under regulations prescribed by the Secretary, be properly reduced to take into account any benefit provided with respect to such biodiesel V solely by reason of the application of section 4041(n) or section 4081(f).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) BIODIESEL V DEFINED.—The term 'biodiesel V' means the monoalkyl esters of long chain fatty acids derived solely from virgin vegetable oils for use in compressional-ignition (diesel) engines. Such term shall include esters derived from vegetable oils from corn, soybeans, sunflower seeds, cottonseeds, canola, crambe, rapeseeds, safflowers, flaxseeds, rice bran, and mustard seeds.

"(2) BIODIESEL NV DEFINED.—The term 'biodiesel nv' means the monoalkyl esters of long chain fatty acids derived from nonvirgin vegetable oils or animal fats for use in compressional-ignition (diesel) engines.

"(3) REGISTRATION REQUIREMENTS.—The terms 'biodiesel V' and 'biodiesel NV' shall only include a biodiesel which meets—

"(i) the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act (42 U.S.C. 7545), and

"(ii) the requirements of the American Society of Testing and Materials D6751.

"(2) BIODIESEL MIXTURE NOT USED AS A FUEL, ETC.—

"(A) IMPOSITION OF TAX.—If—

"(i) any credit was determined under this section with respect to biodiesel V or biodiesel NV used in the production of any qualified biodiesel mixture, and

"(ii) any person—

"(I) separates such biodiesel from the mixture, or

"(II) without separation, uses the mixture other than as a fuel,

then there is hereby imposed on such person a tax equal to the product of the biodiesel mixture rate applicable under subsection (b)(1)(B) and the number of gallons of the mixture.

"(B) APPLICABLE LAWS.—All provisions of law, including penalties, shall, insofar as applicable and not inconsistent with this section, apply in respect of any tax imposed under subparagraph (A) as if such tax were imposed by section 4081 and not by this chapter.

"(3) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(e) ELECTION TO HAVE BIODIESEL FUELS CREDIT NOT APPLY.—

"(1) IN GENERAL.—A taxpayer may elect to have this section not apply for any taxable year.

"(2) TIME FOR MAKING ELECTION.—An election under paragraph (1) for any taxable year may be made (or revoked) at any time before the expiration of the 3-year period beginning on the last date prescribed by law for filing the return for such taxable year (determined without regard to extensions).

"(3) MANNER OF MAKING ELECTION.—An election under paragraph (1) (or revocation thereof) shall be made in such manner as the Secretary may by regulations prescribe.".

"(f) TERMINATION.—This section shall not apply to any fuel sold after December 31, 2005.".

(2) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b), as amended by this Act, is amended by striking "plus" at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting ", plus", and by adding at the end the following new paragraph:

"(17) the biodiesel fuels credit determined under section 40B(a).".

(3) CONFORMING AMENDMENTS.—

(A) Section 39(d), as amended by this Act, is amended by adding at the end the following new paragraph:

"(12) NO CARRYBACK OF BIODIESEL FUELS CREDIT BEFORE JANUARY 1, 2003.—No portion of the unused business credit for any taxable year which is attributable to the biodiesel fuels credit determined under section 40B may be carried back to a taxable year beginning before January 1, 2003.".

(B) Section 196(c) is amended by striking "and" at the end of paragraph (9), by striking the period at the end of paragraph (10), and by adding at the end the following new paragraph:

"(11) the biodiesel fuels credit determined under section 40B(a).".

(C) Section 6501(m), as amended by this Act, is amended by inserting "40B(e)," after "40(f),".

(D) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding after the item relating to section 40A the following new item:

"Sec. 40B. Biodiesel used as fuel.".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2002.

(b) REDUCTION OF MOTOR FUEL EXCISE TAXES ON BIODIESEL V MIXTURES.—

(1) IN GENERAL.—Section 4081 (relating to manufacturers tax on petroleum products) is amended by adding at the end the following new subsection:

"(f) BIODIESEL V MIXTURES.—Under regulations prescribed by the Secretary—

"(1) IN GENERAL.—In the case of the removal or entry of a qualified biodiesel mixture with biodiesel V, the rate of tax under subsection (a) shall be the otherwise applicable rate reduced by the biodiesel mixture rate (if any) applicable to the mixture.

"(2) TAX PRIOR TO MIXING.—

"(A) IN GENERAL.—In the case of the removal or entry of diesel fuel for use in producing at the time of such removal or entry a qualified biodiesel mixture with biodiesel V, the rate of tax under subsection (a) shall be the rate determined under subparagraph (B).

"(B) DETERMINATION OF RATE.—For purposes of subparagraph (A), the rate determined under this subparagraph is the rate determined under paragraph (1), divided by a percentage equal to 100 percent minus the percentage of biodiesel V which will be in the mixture.

"(3) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 40B shall have the meaning given such term by section 40B.

"(4) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (6) and (7) of subsection (c) shall apply for purposes of this subsection.".

(2) CONFORMING AMENDMENTS.—

(A) Section 4041 is amended by adding at the end the following new subsection:

"(n) BIODIESEL V MIXTURES.—Under regulations prescribed by the Secretary, in the case of the sale or use of a qualified biodiesel mixture (as defined in section 40B(b)(2)) with biodiesel V, the rates under paragraphs (1) and (2) of subsection (a) shall be the otherwise applicable rates, reduced by any applicable biodiesel mixture rate (as defined in section 40B(b)(1)(B)).".

(B) Section 6427 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) BIODIESEL V MIXTURES.—Except as provided in subsection (k), if any diesel fuel on which tax was imposed by section 4081 at a rate not determined under section 4081(f) is used by any person in producing a qualified biodiesel mixture (as defined in section 40B(b)(2)) with biodiesel V which is sold or used in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the per gallon applicable biodiesel mixture rate (as defined in section 40B(b)(1)(B)) with respect to such fuel.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any fuel sold after December 31, 2002, and before January 1, 2006.

(c) HIGHWAY TRUST FUND HELD HARMLESS.—There are hereby transferred (from time to time) from the funds of the Commodity Credit Corporation amounts determined by the Secretary of the Treasury to be equivalent to the reductions that would occur (but for this subsection) in the receipts of the Highway Trust Fund by reason of the amendments made by this section.

SEC. 2009. CREDIT FOR TAXPAYERS OWNING COMMERCIAL POWER TAKEOFF VEHICLES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45N. COMMERCIAL POWER TAKEOFF VEHICLES CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the amount of the commercial power takeoff vehicles credit determined under this section for the taxable year is $250 for each qualified commercial power takeoff vehicle owned by the taxpayer as of the close of the calendar year in which or with which the taxable year of the taxpayer ends.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED COMMERCIAL POWER TAKEOFF VEHICLE.—The term 'qualified commercial power takeoff vehicle' means any highway vehicle described in paragraph (2) which is propelled by any fuel subject to tax under section 4041 or 4081 if such vehicle is used in a trade or business or for the production of income (and is licensed and insured for such use).

"(2) HIGHWAY VEHICLE DESCRIBED.—A highway vehicle is described in this paragraph if such vehicle is—

"(A) designed to engage in the daily collection of refuse or recyclables from homes or businesses and is equipped with a mechanism under which the vehicle's propulsion engine provides the power to operate a load compactor, or

"(B) designed to deliver ready mixed concrete on a daily basis and is equipped with a mechanism under which the vehicle's propulsion engine provides the power to operate a mixer drum to agitate and mix the product en route to the delivery site.

"(c) EXCEPTION FOR VEHICLES USED BY GOVERNMENTS, ETC.—No credit shall be allowed under this section for any vehicle owned by any person at the close of a calendar year if such vehicle is used at any time during such year by—

"(1) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or an agency or instrumentality of one or more States or political subdivisions, or

"(2) an organization exempt from tax under section 501(a).

"(d) Denial of Double Benefit.—The amount of any deduction under this subtitle for any tax imposed by subchapter B of chapter 31 or part III of subchapter A of chapter 32 for any taxable year shall be reduced (but not below zero) by the amount of the credit determined under this subsection for such taxable year.

"(e) Termination.—This section shall not apply with respect to any calendar year after 2004.".

(b) Credit Made Part of General Business Credit.—Subsection (b) of section 38 (relating to general business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (22), by striking the period at the end of paragraph (23) and inserting ", plus", and by adding at the end the following new paragraph:

"(24) the commercial power takeoff vehicles credit under section 45N(a).".

(c) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45N. Commercial power takeoff vehicles credit.".

(d) Regulations.—Not later than January 1, 2005, the Secretary of the Treasury, in consultation with the Secretary of Energy, shall by regulation provide for the method of determining the exemption from any excise tax imposed under section 4041 or 4081 of the Internal Revenue Code of 1986 on fuel used through a mechanism to power equipment attached to a highway vehicle as described in section 45N(b)(2) of such Code, as added by subsection (a).

(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 2010. MODIFICATIONS TO THE INCENTIVES FOR ALTERNATIVE VEHICLES AND FUELS.

(a) Modification to New Qualified Hybrid Motor Vehicle Credit.—The table in section 30B(c)(2)(A) of the Internal Revenue Code of 1986, as added by this Act, is amended by striking "5 percent" and inserting "4 percent".

(b) Modifications to Extension of Deduction for Certain Refueling Property.—

(1) In general.—Subsection (f) of section 179A of the Internal Revenue Code of 1986 is amended to read as follows:

"(f) Termination.—This section shall not apply to any property placed in service—

"(1) in the case of property relating to hydrogen, after December 31, 2011, and

"(2) in the case of any other property, after December 31, 2007.".

(2) Extension of phaseout.—Section 179A(b)(1)(B) of such Code, as amended by section 606(a) of the Job Creation and Worker Assistance Act of 2002, is amended—

(A) by striking "calendar year 2004" in clause (i) and inserting "calendar years 2004 and 2005 (calendar years 2004 through 2009 in the case of property relating to hydrogen) ",

(B) by striking "2005" in clause (ii) and inserting "2006 (calendar year 2010 in the case of property relating to hydrogen)", and

(C) by striking "2006" in clause (iii) and inserting "2007 (calendar year 2011 in the case of property relating to hydrogen)".

(3) Effective date.—The amendments made by this subsection shall apply to property placed in service after December 31, 2003, in taxable years ending after such date.

(c) Modification to Credit for Installation of Alternative Fueling Stations.—Subsection (l) of section 30C of the Internal Revenue Code of 1986, as added by this Act, is amended to read as follows:

"(l) Termination.—This section shall not apply to any property placed in service—

"(1) in the case of property relating to hydrogen, after December 31, 2011, and

"(2) in the case of any other property, after December 31, 2007.".

(d) Effective Date.—Except as provided in subsection (b)(3), the amendments made by this section shall apply to property placed in service after September 30, 2002, in taxable years ending after such date.

TITLE XXI—CONSERVATION AND ENERGY EFFICIENCY PROVISIONS

SEC. 2101. CREDIT FOR CONSTRUCTION OF NEW ENERGY EFFICIENT HOME.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45G. NEW ENERGY EFFICIENT HOME CREDIT.

"(a) In General.—For purposes of section 38, in the case of an eligible contractor, the credit determined under this section for the taxable year is an amount equal to the aggregate adjusted bases of all energy efficient property installed in a qualifying new home during construction of such home.

"(b) Limitations.—

"(1) Maximum credit.—

"(A) In general.—The credit allowed by this section with respect to a qualifying new home shall not exceed—

"(i) in the case of a 30-percent home, $1,250, and

"(ii) in the case of a 50-percent home, $2,000.

"(B) 30- or 50-percent home.—For purposes of subparagraph (A)—

"(i) 30-percent home.—The term '30-percent home' means a qualifying new home which is certified to have a projected level of annual heating and cooling energy consumption, measured in terms of average annual energy cost to the homeowner, which is at least 30 percent less than the annual level of heating and cooling energy consumption of a reference qualifying new home constructed in accordance with the standards of chapter 4 of the 2000 International Energy Conservation Code, or a qualifying new home which is a manufactured home which meets the applicable standards of the Energy Star program managed jointly by the Environmental Protection Agency and the Department of Energy.

"(ii) 50-percent home.—The term '50-percent home' means a qualifying new home which is certified to have a projected level of annual heating and cooling energy consumption, measured in terms of average annual energy cost to the homeowner, which is at least 50 percent less than such annual level of heating and cooling energy consumption.

"(C) Prior credit amounts on same home taken into account.—If a credit was allowed under subsection (a) with respect to a qualifying new home in 1 or more prior taxable years, the amount of the credit otherwise allowable for the taxable year with respect to that home shall not exceed the amount under clause (i) or (ii) of subparagraph (A) (as the case may be), reduced by the sum of the credits allowed under subsection (a) with respect to the home for all prior taxable years.

"(2) Coordination with rehabilitation and energy credits.—For purposes of this section—

"(A) the basis of any property referred to in subsection (a) shall be reduced by that portion of the basis of any property which is attributable to the rehabilitation credit (as determined under section 47(a)) or to the energy percentage of energy property (as determined under section 48(a)), and

"(B) expenditures taken into account under either section 47 or 48(a) shall not be taken into account under this section.

"(c) Definitions.—For purposes of this section—

"(1) Eligible contractor.—The term 'eligible contractor' means the person who constructed the qualifying new home, or in the case of a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280), the manufactured home producer of such home.

"(2) Energy efficient property.—The term 'energy efficient property' means any energy efficient building envelope component, and any energy efficient heating or cooling equipment which can, individually or in combination with other components, meet the requirements of this section.

"(3) Qualifying new home.—The term 'qualifying new home' means a dwelling—

"(A) located in the United States,

"(B) the construction of which is substantially completed after the date of the enactment of this section, and

"(C) the first use of which after construction is as a principal residence (within the meaning of section 121).

"(4) Construction.—The term 'construction' includes reconstruction and rehabilitation.

"(5) Building envelope component.—The term 'building envelope component' means—

"(A) any insulation material or system which is specifically and primarily designed to reduce the heat loss or gain of a qualifying new home when installed in or on such home, and

"(B) exterior windows (including skylights) and doors.

"(6) Manufactured home included.—The term 'qualifying new home' includes a manufactured home conforming to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(d) Certification.—

"(1) Method of certification.—

"(A) In general.—A certification described in subsection (b)(1)(B) shall be determined either by a component-based method or a performance-based method.

"(B) Component-based method.—A component-based method is a method which uses the applicable technical energy efficiency specifications or ratings (including product labeling requirements) for the energy efficient building envelope component or energy efficient heating or cooling equipment. The Secretary shall, in consultation with the Administrator of the Environmental Protection Agency, develop prescriptive component-based packages that are equivalent in energy performance to properties that qualify under subparagraph (C).

"(C) Performance-based method.—

"(i) In general.—A performance-based method is a method which calculates projected energy usage and cost reductions in the qualifying new home in relation to a reference qualifying new home—

"(I) heated by the same energy source and heating system type, and

"(II) constructed in accordance with the standards of chapter 4 of the 2000 International Energy Conservation Code.

"(ii) Computer software.—Computer software shall be used in support of a performance-based method certification under clause (i). Such software shall meet procedures and methods for calculating energy and cost savings in regulations promulgated by the Secretary of Energy. Such regulations on the specifications for software and verification protocols shall be based on the 2001 California Residential Alternative Calculation Method Approval Manual.

"(2) PROVIDER.—A certification described in subsection (b)(1)(B) shall be provided by—

"(A) in the case of a component-based method, a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or a home energy rating organization, or

"(B) in the case of a performance-based method, an individual recognized by an organization designated by the Secretary for such purposes.

"(3) FORM.—

"(A) IN GENERAL.—A certification described in subsection (b)(1)(B) shall be made in writing in a manner that specifies in readily verifiable fashion the energy efficient building envelope components and energy efficient heating or cooling equipment installed and their respective rated energy efficiency performance, and in the case of a performance-based method, accompanied by a written analysis documenting the proper application of a permissible energy performance calculation method to the specific circumstances of such qualifying new home.

"(B) FORM PROVIDED TO BUYER.—A form documenting the energy efficient building envelope components and energy efficient heating or cooling equipment installed and their rated energy efficiency performance shall be provided to the buyer of the qualifying new home. The form shall include labeled R-value for insulation products, NFRC-labeled U-factor and Solar Heat Gain Coefficient for windows, skylights, and doors, labeled AFUE ratings for furnaces and boilers, labeled HSPF ratings for electric heat pumps, and labeled SEER ratings for air conditioners.

"(C) RATINGS LABEL AFFIXED IN DWELLING.—A permanent label documenting the ratings in subparagraph (B) shall be affixed to the front of the electrical distribution panel of the qualifying new home, or shall be otherwise permanently displayed in a readily inspectable location in such home.

"(4) REGULATIONS.—

"(A) IN GENERAL.—In prescribing regulations under this subsection for performance-based certification methods, the Secretary, after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems, shall prescribe procedures for calculating annual energy usage and cost reductions for heating and cooling and for the reporting of the results. Such regulations shall—

"(i) provide that any calculation procedures be fuel neutral such that the same energy efficiency measures allow a qualifying new home to be eligible for the credit under this section regardless of whether such home uses a gas or oil furnace or boiler or an electric heat pump, and

"(ii) require that any computer software allow for the printing of the Federal tax forms necessary for the credit under this section and for the printing of forms for disclosure to the homebuyer.

"(B) PROVIDERS.—For purposes of paragraph (2)(B), the Secretary shall establish requirements for the designation of individuals based on the requirements for energy consultants and home energy raters specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems.

"(e) TERMINATION.—Subsection (a) shall apply to qualifying new homes purchased during the period beginning on the date of the enactment of this section and ending on December 31, 2007.".

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 (relating to current year business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting ", plus", and by adding at the end the following new paragraph:

"(18) the new energy efficient home credit determined under section 45G(a).".

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C (relating to certain expenses for which credits are allowable) is amended by adding at the end the following new subsection:

"(d) NEW ENERGY EFFICIENT HOME EXPENSES.—No deduction shall be allowed for that portion of expenses for a qualifying new home otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45G(a).".

(d) LIMITATION ON CARRYBACK.—Subsection (d) of section 39, as amended by this Act, is amended by adding at the end the following new paragraph:

"(13) NO CARRYBACK OF NEW ENERGY EFFICIENT HOME CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45G may be carried back to any taxable year ending on or before the date of the enactment of section 45G.".

(e) DEDUCTION FOR CERTAIN UNUSED BUSINESS CREDITS.—Subsection (c) of section 196, as amended by this Act, is amended by striking "and" at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting ", and", and by adding after paragraph (11) the following new paragraph:

"(12) the new energy efficient home credit determined under section 45G(a).".

(f) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45G. New energy efficient home credit.".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 2102. CREDIT FOR ENERGY EFFICIENT APPLIANCES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45H. ENERGY EFFICIENT APPLIANCE CREDIT.

"(a) GENERAL RULE.—For purposes of section 38, the energy efficient appliance credit determined under this section for the taxable year is an amount equal to the applicable amount determined under subsection (b) with respect to the eligible production of qualified energy efficient appliances produced by the taxpayer during the calendar year ending with or within the taxable year.

"(b) APPLICABLE AMOUNT; ELIGIBLE PRODUCTION.—For purposes of subsection (a)—

"(1) APPLICABLE AMOUNT.—The applicable amount is—

"(A) $50, in the case of—

"(i) a clothes washer which is manufactured with at least a 1.26 MEF, or

"(ii) a refrigerator which consumes at least 10 percent less kWh per year than the energy conservation standards for refrigerators promulgated by the Department of Energy effective July 1, 2001, and

"(B) $100, in the case of—

"(i) a clothes washer which is manufactured with at least a 1.42 MEF (at least 1.5 MEF for washers produced after 2004), or

"(ii) a refrigerator which consumes at least 15 percent less kWh per year than such energy conservation standards.

"(2) ELIGIBLE PRODUCTION.—

"(A) IN GENERAL.—The eligible production of each category of qualified energy efficient appliances is the excess of—

"(i) the number of appliances in such category which are produced by the taxpayer during such calendar year, over

"(ii) the average number of appliances in such category which were produced by the taxpayer during calendar years 1999, 2000, and 2001.

"(B) CATEGORIES.—For purposes of subparagraph (A), the categories are—

"(i) clothes washers described in paragraph (1)(A)(i),

"(ii) clothes washers described in paragraph (1)(B)(i),

"(iii) refrigerators described in paragraph (1)(A)(ii), and

"(iv) refrigerators described in paragraph (1)(B)(ii).

"(c) LIMITATION ON MAXIMUM CREDIT.—

"(1) IN GENERAL.—The maximum amount of credit allowed under subsection (a) with respect to a taxpayer for all taxable years shall be—

"(A) $30,000,000 with respect to the credit determined under subsection (b)(1)(A), and

"(B) $30,000,000 with respect to the credit determined under subsection (b)(1)(B).

"(2) LIMITATION BASED ON GROSS RECEIPTS.—The credit allowed under subsection (a) with respect to a taxpayer for the taxable year shall not exceed an amount equal to 2 percent of the average annual gross receipts of the taxpayer for the 3 taxable years preceding the taxable year in which the credit is determined.

"(3) GROSS RECEIPTS.—For purposes of this subsection, the rules of paragraphs (2) and (3) of section 448(c) shall apply.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED ENERGY EFFICIENT APPLIANCE.—The term 'qualified energy efficient appliance' means—

"(A) a clothes washer described in subparagraph (A)(i) or (B)(i) of subsection (b)(1), or

"(B) a refrigerator described in subparagraph (A)(ii) or (B)(ii) of subsection (b)(1).

"(2) CLOTHES WASHER.—The term 'clothes washer' means a residential clothes washer, including a residential style coin operated washer.

"(3) REFRIGERATOR.—The term 'refrigerator' means an automatic defrost refrigerator-freezer which has an internal volume of at least 16.5 cubic feet.

"(4) MEF.—The term 'MEF' means Modified Energy Factor (as determined by the Secretary of Energy).

"(e) SPECIAL RULES.—

"(1) IN GENERAL.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply for purposes of this section.

"(2) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as 1 person for purposes of subsection (a).

"(f) VERIFICATION.—The taxpayer shall submit such information or certification as the Secretary, in consultation with the Secretary of Energy, determines necessary to claim the credit amount under subsection (a).

"(g) TERMINATION.—This section shall not apply—

"(1) with respect to refrigerators described in subsection (b)(1)(A)(ii) produced after December 31, 2004, and

"(2) with respect to all other qualified energy efficient appliances produced after December 31, 2006.".

(b) LIMITATION ON CARRYBACK.—Section 39(d) (relating to transition rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(14) NO CARRYBACK OF ENERGY EFFICIENT APPLIANCE CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the energy efficient appliance credit determined under section 45H may be carried to a taxable year ending before January 1, 2003.".

(c) CONFORMING AMENDMENT.—Section 38(b) (relating to general business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (17), by striking the period at the end of paragraph (18) and inserting ", plus", and by adding at the end the following new paragraph:

"(19) the energy efficient appliance credit determined under section 45H(a).".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45H. Energy efficient appliance credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to appliances produced after December 31, 2002, in taxable years ending after such date.

SEC. 2103. CREDIT FOR RESIDENTIAL ENERGY EFFICIENT PROPERTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

"SEC. 25C. RESIDENTIAL ENERGY EFFICIENT PROPERTY.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 15 percent of the qualified photovoltaic property expenditures made by the taxpayer during such year,

"(2) 15 percent of the qualified solar water heating property expenditures made by the taxpayer during such year,

"(3) 30 percent of the qualified fuel cell property expenditures made by the taxpayer during such year,

"(4) 30 percent of the qualified wind energy property expenditures made by the taxpayer during such year, and

"(5) the sum of the qualified Tier 2 energy efficient building property expenditures made by the taxpayer during such year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed under subsection (a) shall not exceed—

"(A) $2,000 for property described in subsection (d)(1),

"(B) $2,000 for property described in subsection (d)(2),

"(C) $1,000 for each kilowatt of capacity of property described in subsection (d)(4),

"(D) $2,000 for property described in subsection (d)(5), and

"(E) for property described in subsection (d)(6)—

"(i) $75 for each electric heat pump water heater,

"(ii) $250 for each electric heat pump,

"(iii) $250 for each advanced natural gas furnace,

"(iv) $250 for each central air conditioner,

"(v) $75 for each natural gas water heater, and

"(vi) $250 for each geothermal heat pump.

"(2) SAFETY CERTIFICATIONS.—No credit shall be allowed under this section for an item of property unless—

"(A) in the case of solar water heating property, such property is certified for performance and safety by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed,

"(B) in the case of a photovoltaic property, a fuel cell property, or a wind energy property, such property meets appropriate fire and electric code requirements, and

"(C) in the case of property described in subsection (d)(6), such property meets the performance and quality standards, and the certification requirements (if any), which—

"(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy or the Administrator of the Environmental Protection Agency, as appropriate),

"(ii) in the case of the energy efficiency ratio (EER)—

"(I) require measurements to be based on published data which is tested by manufacturers at 95 degrees Fahrenheit, and

"(II) do not require ratings to be based on certified data of the Air Conditioning and Refrigeration Institute, and

"(iii) are in effect at the time of the acquisition of the property.

"(c) CARRYFORWARD OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and section 25D), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED SOLAR WATER HEATING PROPERTY EXPENDITURE.—The term 'qualified solar water heating property expenditure' means an expenditure for property to heat water for use in a dwelling unit located in the United States and used as a residence by the taxpayer if at least half of the energy used by such property for such purpose is derived from the sun.

"(2) QUALIFIED PHOTOVOLTAIC PROPERTY EXPENDITURE.—The term 'qualified photovoltaic property expenditure' means an expenditure for property that uses solar energy to generate electricity for use in such a dwelling unit.

"(3) SOLAR PANELS.—No expenditure relating to a solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as property described in paragraph (1) or (2) solely because it constitutes a structural component of the structure on which it is installed.

"(4) QUALIFIED FUEL CELL PROPERTY EXPENDITURE.—The term 'qualified fuel cell property expenditure' means an expenditure for qualified fuel cell property (as defined in section 48(a)(4)) installed on or in connection with such a dwelling unit.

"(5) QUALIFIED WIND ENERGY PROPERTY EXPENDITURE.—The term 'qualified wind energy property expenditure' means an expenditure for property which uses wind energy to generate electricity for use in such a dwelling unit.

"(6) QUALIFIED TIER 2 ENERGY EFFICIENT BUILDING PROPERTY EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified Tier 2 energy efficient building property expenditure' means an expenditure for any Tier 2 energy efficient building property.

"(B) TIER 2 ENERGY EFFICIENT BUILDING PROPERTY.—The term 'Tier 2 energy efficient building property' means—

"(i) an electric heat pump water heater which yields an energy factor of at least 1.7 in the standard Department of Energy test procedure,

"(ii) an electric heat pump which has a heating seasonal performance factor (HSPF) of at least 9, a seasonal energy efficiency ratio (SEER) of at least 15, and an energy efficiency ratio (EER) of at least 12.5,

"(iii) an advanced natural gas furnace which achieves at least 95 percent annual fuel utilization efficiency (AFUE),

"(iv) a central air conditioner which has a seasonal energy efficiency ratio (SEER) of at least 15 and an energy efficiency ratio (EER) of at least 12.5,

"(v) a natural gas water heater which has an energy factor of at least 0.80 in the standard Department of Energy test procedure, and

"(vi) a geothermal heat pump which has an energy efficiency ratio (EER) of at least 21.

"(7) LABOR COSTS.—Expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property described in paragraph (1), (2), (4), (5), or (6) and for piping or wiring to interconnect such property to the dwelling unit shall be taken into account for purposes of this section.

"(8) SWIMMING POOLS, ETC., USED AS STORAGE MEDIUM.—Expenditures which are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage shall not be taken into account for purposes of this section.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable, under subsection (a) by reason of expenditures (as the case may be) made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable, with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which the individual owns, such individual shall be treated as having made the individual's proportionate share of any expenditures of such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) ALLOCATION IN CERTAIN CASES.—Except in the case of qualified wind energy property expenditures, if less than 80 percent of the use of an item is for nonbusiness purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness purposes shall be taken into account.

"(5) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

"(B) EXPENDITURES PART OF BUILDING CONSTRUCTION.—In the case of an expenditure in connection with the construction or reconstruction of a structure, such expenditure shall be treated as made when the original use of the constructed or reconstructed structure by the taxpayer begins.

"(C) AMOUNT.—The amount of any expenditure shall be the cost thereof.

"(6) PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING.—For purposes of determining the amount of expenditures made by any individual with respect to any dwelling unit, there shall not be taken in to account expenditures which are made from subsidized energy financing (as defined in section 48(a)(5)(C)).

"(f) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(g) TERMINATION.—The credit allowed under this section shall not apply to expenditures after December 31, 2007.".

(b) CREDIT ALLOWED AGAINST REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 25C(b), as added by subsection (a), is amended by adding at the end the following new paragraph:

"(3) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section and section 25D) and section 27 for the taxable year.".

(2) CONFORMING AMENDMENTS.—

(A) Section 25C(c), as added by subsection (a), is amended by striking "section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section and section 25D)" and inserting "subsection (b)(3)".

(B) Section 23(b)(4)(B) is amended by inserting "and section 25C" after "this section".

(C) Section 24(b)(3)(B) is amended by striking "23 and 25B" and inserting "23, 25B, and 25C".

(D) Section 25(e)(1)(C) is amended by inserting "25C," after "25B,".

(E) Section 25B(g)(2) is amended by striking "section 23" and inserting "sections 23 and 25C".

(F) Section 26(a)(1) is amended by striking "and 25B" and inserting "25B, and 25C".

(G) Section 904(h) is amended by striking "and 25B" and inserting "25B, and 25C".

(H) Section 1400C(d) is amended by striking "and 25B" and inserting "25B, and 25C".

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 23(c), as in effect for taxable years beginning before January 1, 2004, is amended by striking "section 1400C" and inserting "sections 25C and 1400C".

(2) Section 25(e)(1)(C), as in effect for taxable years beginning before January 1, 2004, is amended by inserting ", 25Cs," after "sections 23".

(3) Subsection (a) of section 1016, as amended by this Act, is amended by striking "and" at the end of paragraph (29), by striking the period at the end of paragraph (30) and inserting ", and", and by adding at the end the following new paragraph:

"(31) to the extent provided in section 25C(f), in the case of amounts with respect to which a credit has been allowed under section 25C.".

(4) Section 1400C(d), as in effect for taxable years beginning before January 1, 2004, is amended by inserting "and section 25C" after "this section".

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25B the following new item:

"Sec. 25C. Residential energy efficient property.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply to expenditures after December 31, 2002, in taxable years ending after such date.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2003.

SEC. 2104. CREDIT FOR BUSINESS INSTALLATION OF QUALIFIED FUEL CELLS AND STATIONARY MICROTURBINE POWER PLANTS.

(a) IN GENERAL.—Subparagraph (A) of section 48(a)(3) (defining energy property) is amended by striking "or" at the end of clause (i), by adding "or" at the end of clause (ii), and by inserting after clause (ii) the following new clause:

"(iii) qualified fuel cell property or qualified microturbine property,".

(b) QUALIFIED FUEL CELL PROPERTY; QUALIFIED MICROTURBINE PROPERTY.—Subsection (a) of section 48 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) QUALIFIED FUEL CELL PROPERTY; QUALIFIED MICROTURBINE PROPERTY.—For purposes of this subsection—

"(A) QUALIFIED FUEL CELL PROPERTY.—

"(i) IN GENERAL.—The term 'qualified fuel cell property' means a fuel cell power plant that—

"(I) generates at least 0.5 kilowatt of electricity using an electrochemical process, and

"(II) has an electricity-only generation efficiency greater than 30 percent.

"(ii) LIMITATION.—In the case of qualified fuel cell property placed in service during the taxable year, the credit determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to the lesser of—

"(I) 30 percent of the basis of such property, or

"(II) $500 for each 0.5 kilowatt of capacity of such property.

"(iii) FUEL CELL POWER PLANT.—The term 'fuel cell power plant' means an integrated system comprised of a fuel cell stack assembly and associated balance of plant components that converts a fuel into electricity using electrochemical means.

"(iv) TERMINATION.—Such term shall not include any property placed in service after December 31, 2007.

"(B) QUALIFIED MICROTURBINE PROPERTY.—

"(i) IN GENERAL.—The term "qualified microturbine property' means a stationary microturbine power plant which has an electricity-only generation efficiency not less than 26 percent at International Standard Organization conditions.

"(ii) LIMITATION.—In the case of qualified microturbine property placed in service during the taxable year, the credit determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal to the lesser of—

"(I) 10 percent of the basis of such property, or

"(II) $200 for each kilowatt of capacity of such property.

"(iii) STATIONARY MICROTURBINE POWER PLANT.—The term 'stationary microturbine power plant means a system comprising of a rotary engine which is actuated by the aerodynamic reaction or impulse or both on radial or axial curved full-circumferential-admission airfoils on a central axial rotating spindle. Such system—

"(I) commonly includes an air compressor, combustor, gas pathways which lead compressed air to the combustor and which lead hot combusted gases from the combustor to 1 or more rotating turbine spools, which in turn drive the compressor and power output shaft,

"(II) includes a fuel compressor, recuperator/regenerator, generator or alternator, integrated combined cycle equipment, cooling-heating-and-power equipment, sound attenuation apparatus, and power conditioning equipment, and

"(III) includes all secondary components located between the existing infrastructure for fuel delivery and the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards, such as voltage, frequency, and power factors.

"(iv) TERMINATION.—Such term shall not include any property placed in service after December 31, 2006.".

(c) LIMITATION.—Section 48(a)(2)(A) (relating to energy percentage) is amended to read as follows:

"(A) IN GENERAL.—The energy percentage is—

"(i) in the case of qualified fuel cell property, 30 percent, and

"(ii) in the case of any other energy property, 10 percent.".

(d) CONFORMING AMENDMENTS.—

(A) Section 29(b)(3)(A)(i)(III) is amended by striking "section 48(a)(4)(C)" and inserting "section 48(a)(5)(C)".

(B) Section 48(a)(1) is amended by inserting "except as provided in subparagraph (A)(ii) or (B)(ii) of paragraph (4)," before "the energy".

(e) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after December 31, 2002, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 2105. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by inserting after section 179A the following new section:

"SEC. 179B. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

"(a) IN GENERAL.—There shall be allowed as a deduction for the taxable year an amount equal to the energy efficient commercial building property expenditures made by a taxpayer for the taxable year.

"(b) MAXIMUM AMOUNT OF DEDUCTION.—The amount of energy efficient commercial building property expenditures taken into account under subsection (a) shall not exceed an amount equal to the product of—

"(1) $2.25, and

"(2) the square footage of the building with respect to which the expenditures are made.

"(c) YEAR DEDUCTION ALLOWED.—The deduction under subsection (a) shall be allowed in the taxable year in which the construction of the building is completed.

"(d) ENERGY EFFICIENT COMMERCIAL BUILDING PROPERTY EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'energy efficient commercial building property expenditures' means an amount paid or incurred for energy efficient commercial building property installed on or in connection with new construction or reconstruction of property—

"(A) for which depreciation is allowable under section 167,

"(B) which is located in the United States, and

"(C) the construction or erection of which is completed by the taxpayer.

Such property includes all residential rental property, including low-rise multifamily structures and single family housing property which is not within the scope of Standard 90.1–1999 (described in paragraph (2)). Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

"(2) ENERGY EFFICIENT COMMERCIAL BUILDING PROPERTY.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'energy efficient commercial building property' means any property which reduces total annual energy and *power costs with respect to the lighting, heating, cooling, ventilation, and hot water supply systems of the building by 50 percent or more in comparison to a reference building which meets the requirements of Standard 90.1–1999 of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America using methods of calculation under subparagraph (B) and certified by qualified professionals as provided under paragraph (5).*

"(B) METHODS OF CALCULATION.—The Secretary, in consultation with the Secretary of Energy, shall promulgate regulations which describe in detail methods for calculating and verifying energy and power consumption and cost, taking into consideration the provisions of the 2001 California Nonresidential Alternative Calculation Method Approval Manual. These regulations shall meet the following requirements:

"(i) In calculating tradeoffs and energy performance, the regulations shall prescribe the costs per unit of energy and power, such as kilowatt hour, kilowatt, gallon of fuel oil, and cubic foot or Btu of natural gas, which may be dependent on time of usage.

"(ii) The calculational methodology shall require that compliance be demonstrated for a whole building. If some systems of the building, such as lighting, are designed later than other systems of the building, the method shall provide that either—

"(I) the expenses taken into account under paragraph (1) shall not occur until the date designs for all energy-using systems of the building are completed,

"(II) the energy performance of all systems and components not yet designed shall be assumed to comply minimally with the requirements of such Standard 90.1–1999, or

"(III) the expenses taken into account under paragraph (1) shall be a fraction of such expenses based on the performance of less than all energy-using systems in accordance with clause (iii).

"(iii) The expenditures in connection with the design of subsystems in the building, such as the envelope, the heating, ventilation, air conditioning and water heating system, and the lighting system shall be allocated to the appropriate building subsystem based on system-specific energy cost savings targets in regulations promulgated by the Secretary of Energy which are equivalent, using the calculation methodology, to the whole building requirement of 50 percent savings.

"(iv) The calculational methods under this subparagraph need not comply fully with section 11 of such Standard 90.1–1999.

"(v) The calculational methods shall be fuel neutral, such that the same energy efficiency features shall qualify a building for the deduction under this subsection regardless of whether the heating source is a gas or oil furnace or an electric heat pump.

"(vi) The calculational methods shall provide appropriate calculated energy savings for design methods and technologies not otherwise credited in either such Standard 90.1–1999 or in the 2001 California Nonresidential Alternative Calculation Method Approval Manual, including the following:

"(I) Natural ventilation.

"(II) Evaporative cooling.

"(III) Automatic lighting controls such as occupancy sensors, photocells, and timeclocks.

"(IV) Daylighting.

"(V) Designs utilizing semi-conditioned spaces that maintain adequate comfort conditions without air conditioning or without heating.

"(VI) Improved fan system efficiency, including reductions in static pressure.

"(VII) Advanced unloading mechanisms for mechanical cooling, such as multiple or variable speed compressors.

"(VIII) The calculational methods may take into account the extent of commissioning in the building, and allow the taxpayer to take into account measured performance that exceeds typical performance.

"(C) COMPUTER SOFTWARE.—

"(i) IN GENERAL.—Any calculation under this paragraph shall be prepared by qualified computer software.

"(ii) QUALIFIED COMPUTER SOFTWARE.—For purposes of this subparagraph, the term 'qualified computer software' means software—

"(I) for which the software designer has certified that the software meets all procedures and detailed methods for calculating energy and power consumption and costs as required by the Secretary,

"(II) which provides such forms as required to be filed by the Secretary in connection with energy efficiency of property and the deduction allowed under this subsection, and

"(III) which provides a notice form which summarizes the energy efficiency features of the building and its projected annual energy costs.

"(3) ALLOCATION OF DEDUCTION FOR PUBLIC PROPERTY.—In the case of energy efficient commercial building property installed on or in public property, the Secretary shall promulgate a regulation to allow the allocation of the deduction to the person primarily responsible for designing the property in lieu of the public entity which is the owner of such property. Such person shall be treated as the taxpayer for purposes of this subsection.

"(4) NOTICE TO OWNER.—The qualified individual shall provide an explanation to the owner of the building regarding the energy efficiency features of the building and its projected annual energy costs as provided in the notice under paragraph (2)(C)(ii)(III).

"(5) CERTIFICATION.—

"(A) IN GENERAL.—Except as provided in this paragraph, the Secretary shall prescribe procedures for the inspection and testing for compliance of buildings that are comparable, given the difference between commercial and residential buildings, to the requirements in the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems.

"(B) QUALIFIED INDIVIDUALS.—Individuals qualified to determine compliance shall be only those individuals who are recognized by an organization certified by the Secretary for such purposes. The Secretary may qualify a Home Ratings Systems Organization, a local building code agency, a State or local energy office, a utility, or any other organization which meets the requirements prescribed under this section.

"(C) PROFICIENCY OF QUALIFIED INDIVIDUALS.—The Secretary shall consult with nonprofit organizations and State agencies with expertise in energy efficiency calculations and inspections to develop proficiency tests and training programs to qualify individuals to determine compliance.

"(e) BASIS REDUCTION.—For purposes of this subtitle, if a deduction is allowed under this section with respect to any energy efficient commercial building property, the basis of such property shall be reduced by the amount of the deduction so allowed.

"(f) REGULATIONS.—The Secretary shall promulgate such regulations as necessary to take into account new technologies regarding energy efficiency and renewable energy for purposes of determining energy efficiency and savings under this section.

"(g) TERMINATION.—This section shall not apply with respect to any energy efficient commercial building property expenditures in connection with property—

"(1) the plans for which are not certified under subsection (d)(5) on or before December 31, 2007, and

"(2) the construction of which is not completed on or before December 31, 2009.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (30), by striking the period at the end of paragraph (31) and inserting ", and", and by adding at the end the following new paragraph:

"(32) to the extent provided in section 179B(e).".

(2) Section 1245(a) is amended by inserting "179B," after "179A," both places it appears in paragraphs (2)(C) and (3)(C).

(3) Section 1250(b)(3) is amended by inserting before the period at the end of the first sentence "or by section 179B".

(4) Section 263(a)(1) is amended by striking "or" at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting ", or", and by inserting after subparagraph (H) the following new subparagraph:

"(I) expenditures for which a deduction is allowed under section 179B.".

(5) Section 312(k)(3)(B) is amended by striking "or 179A" each place it appears in the heading and text and inserting ", 179A, or 179B".

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after section 179A the following new item:

"Sec. 179B. Energy efficient commercial buildings deduction.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after September 30, 2002.

SEC. 2106. ALLOWANCE OF DEDUCTION FOR QUALIFIED NEW OR RETROFITTED ENERGY MANAGEMENT DEVICES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations), as amended by this Act, is amended by inserting after section 179B the following new section:

"SEC. 179C. DEDUCTION FOR QUALIFIED NEW OR RETROFITTED ENERGY MANAGEMENT DEVICES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of a taxpayer who is a supplier of electric energy or natural gas or a provider of electric energy or natural gas services, there shall be allowed as a deduction an amount equal to the cost of each qualified energy management device placed in service during the taxable year.

"(b) MAXIMUM DEDUCTION.—The deduction allowed by this section with respect to each qualified energy management device shall not exceed $30.

"(c) QUALIFIED ENERGY MANAGEMENT DEVICE.—The term 'qualified energy management device' means any tangible property to which section 168 applies if such property is a meter or metering device—

"(1) which is acquired and used by the taxpayer to enable consumers to manage their purchase or use of electricity or natural gas in response to energy price and usage signals, and

"(2) which permits reading of energy price and usage signals on at least a daily basis.

"(d) PROPERTY USED OUTSIDE THE UNITED STATES NOT QUALIFIED.—No deduction shall be allowed under subsection (a) with respect to property which is used predominantly outside the United States or with respect to the portion of the cost of any property taken into account under section 179.

"(e) BASIS REDUCTION.—

"(1) IN GENERAL.—For purposes of this title, the basis of any property shall be reduced by the amount of the deduction with respect to such property which is allowed by subsection (a).

"(2) ORDINARY INCOME RECAPTURE.—For purposes of section 1245, the amount of the deduction allowable under subsection (a) with respect

to any property that is of a character subject to the allowance for depreciation shall be treated as a deduction allowed for depreciation under section 167.".

(b) Conforming Amendments.—

(1) Section 263(a)(1), as amended by this Act, is amended by striking "or" at the end of subparagraph (H), by striking the period at the end of subparagraph (I) and inserting ", or", and by inserting after subparagraph (I) the following new subparagraph:

"(J) expenditures for which a deduction is allowed under section 179C.".

(2) Section 312(k)(3)(B), as amended by this Act, is amended by striking "or 179B" each place it appears in the heading and text and inserting ", 179B, or 179C".

(3) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (31), by striking the period at the end of paragraph (32) and inserting ", and", and by adding at the end the following new paragraph:

"(33) to the extent provided in section 179C(e)(1).".

(4) Section 1245(a), as amended by this Act, is amended by inserting "179C," after "179B," both places it appears in paragraphs (2)(C) and (3)(C).

(5) The table of contents for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 179B the following new item:

"Sec. 179C. Deduction for qualified new or retrofitted energy management devices.".

(c) Effective Date.—The amendments made by this section shall apply to qualified energy management devices placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 2107. THREE-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED ENERGY MANAGEMENT DEVICES.

(a) In General.—Subparagraph (A) of section 168(e)(3) (relating to classification of property) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) any qualified energy management device.".

(b) Definition of Qualified Energy Management Device.—Section 168(i) (relating to definitions and special rules) is amended by inserting at the end the following new paragraph:

"(15) Qualified energy management device.—The term 'qualified energy management device' means any qualified energy management device as defined in section 179C(c) which is placed in service by a taxpayer who is a supplier of electric energy or natural gas or a provider of electric energy or natural gas services.".

(c) Effective Date.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 2108. ENERGY CREDIT FOR COMBINED HEAT AND POWER SYSTEM PROPERTY.

(a) In General.—Subparagraph (A) of section 48(a)(3) (defining energy property), as amended by this Act, is amended by striking "or" at the end of clause (ii), by adding "or" at the end of clause (iii), and by inserting after clause (iii) the following new clause:

"(iv) combined heat and power system property,".

(b) Combined Heat and Power System Property.—Subsection (a) of section 48, as amended by this Act, is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) Combined heat and power system property.—For purposes of this subsection—

"(A) Combined heat and power system property.—The term 'combined heat and power system property' means property comprising a system—

"(i) which uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other forms of useful thermal energy (including heating and cooling applications),

"(ii) which has an electrical capacity of more than 50 kilowatts or a mechanical energy capacity of more than 67 horsepower or an equivalent combination of electrical and mechanical energy capacities,

"(iii) which produces—

"(I) at least 20 percent of its total useful energy in the form of thermal energy, and

"(II) at least 20 percent of its total useful energy in the form of electrical or mechanical power (or combination thereof),

"(iv) the energy efficiency percentage of which exceeds 60 percent (70 percent in the case of a system with an electrical capacity in excess of 50 megawatts or a mechanical energy capacity in excess of 67,000 horsepower, or an equivalent combination of electrical and mechanical energy capacities), and

"(v) which is placed in service after December 31, 2002, and before January 1, 2007.

"(B) Special rules.—

"(i) Energy efficiency percentage.—For purposes of subparagraph (A)(iv), the energy efficiency percentage of a system is the fraction—

"(I) the numerator of which is the total useful electrical, thermal, and mechanical power produced by the system at normal operating rates, and expected to be consumed in its normal application, and

"(II) the denominator of which is the lower heating value of the primary fuel source for the system.

"(ii) Determinations made on btu basis.—The energy efficiency percentage and the percentages under subparagraph (A)(iii) shall be determined on a Btu basis.

"(iii) Input and output property not included.—The term 'combined heat and power system property' does not include property used to transport the energy source to the facility or to distribute energy produced by the facility.

"(iv) Public utility property.—

"(I) Accounting rule for public utility property.—If the combined heat and power system property is public utility property (as defined in section 168(i)(10)), the taxpayer may only claim the credit under the subsection if, with respect to such property, the taxpayer uses a normalization method of accounting.

"(II) Certain exception not to apply.—The matter following paragraph (3)(D) shall not apply to combined heat and power system property.

"(v) Nonapplication of certain rules.—For purposes of determining if the term 'combined heat and power system property' includes technologies which generate electricity or mechanical power using back-pressure steam turbines in place of existing pressure-reducing valves or which make use of waste heat from industrial processes such as by using organic rankin, stirling, or kalina heat engine systems, subparagraph (A) shall be applied without regard to clauses (iii) and (iv) thereof.

"(C) Extension of depreciation recovery period.—If a taxpayer is allowed credit under this section for combined heat and power system property and such property would (but for this subparagraph) have a class life of 15 years or less under section 168, such property shall be treated as having a 22-year class life for purposes of section 168.".

(c) No Carryback of Energy Credit Before Effective Date.—Subsection (d) of section 39, as amended by this Act, is amended by adding at the end the following new paragraph:

"(15) No carryback of energy credit before effective date.—No portion of the unused business credit for any taxable year which is attributable to the energy credit with respect to property described in section 48(a)(5) may be carried back to a taxable year ending before January 1, 2003.".

(d) Conforming Amendments.—

(A) Section 25C(e)(6), as added by this Act, is amended by striking "section 48(a)(5)(C)" and inserting "section 48(a)(6)(C)".

(B) Section 29(b)(3)(A)(i)(III), as amended by this Act, is amended by striking "section 48(a)(5)(C)" and inserting "section 48(a)(6)(C)".

(e) Effective Date.—The amendments made by this section shall apply to property placed in service after December 31, 2002, in taxable years ending after such date.

SEC. 2109. CREDIT FOR ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits), as amended by this Act, is amended by inserting after section 25C the following new section:

"SEC. 25D. ENERGY EFFICIENCY IMPROVEMENTS TO EXISTING HOMES.

"(a) Allowance of Credit.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during such taxable year.

"(b) Limitations.—

"(1) Maximum credit.—The credit allowed by this section with respect to a dwelling shall not exceed $300.

"(2) Prior credit amounts for taxpayer on same dwelling taken into account.—If a credit was allowed to the taxpayer under subsection (a) with respect to a dwelling in 1 or more prior taxable years, the amount of the credit otherwise allowable for the taxable year with respect to that dwelling shall not exceed the amount of $300 reduced by the sum of the credits allowed under subsection (a) to the taxpayer with respect to the dwelling for all prior taxable years.

"(c) Carryforward of Unused Credit.—If the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section) for any taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

"(d) Qualified Energy Efficiency Improvements.—For purposes of this section, the term 'qualified energy efficiency improvements' means any energy efficient building envelope component which is certified to meet or exceed the prescriptive criteria for such component in the 2000 International Energy Conservation Code, any energy efficient building envelope component which is described in subsection (f)(4)(B) and is certified by the Energy Star program managed jointly by the Environmental Protection Agency and the Department of Energy, or any combination of energy efficiency measures which are certified as achieving at least a 30 percent reduction in heating and cooling energy usage for the dwelling (as measured in terms of energy cost to the taxpayer), if—

"(1) such component or combination of measures is installed in or on a dwelling—

"(A) located in the United States, and

"(B) owned and used by the taxpayer as the taxpayer's principal residence (within the meaning of section 121),

"(2) the original use of such component or combination of measures commences with the taxpayer, and

"(3) such component or combination of measures reasonably can be expected to remain in use for at least 5 years.

"(e) CERTIFICATION.—

"(1) METHODS OF CERTIFICATION.—

"(A) COMPONENT-BASED METHOD.—The certification described in subsection (d) for any component described in such subsection shall be determined on the basis of applicable energy efficiency ratings (including product labeling requirements) for affected building envelope components.

"(B) PERFORMANCE-BASED METHOD.—

"(i) IN GENERAL.—The certification described in subsection (d) for any combination of measures described in such subsection shall be—

"(I) determined by comparing the projected heating and cooling energy usage for the dwelling to such usage for such dwelling in its original condition, and

"(II) accompanied by a written analysis documenting the proper application of a permissible energy performance calculation method to the specific circumstances of such dwelling.

"(ii) COMPUTER SOFTWARE.—Computer software shall be used in support of a performance-based method certification under clause (i). Such software shall meet procedures and methods for calculating energy and cost savings in regulations promulgated by the Secretary of Energy. Such regulations on the specifications for software and verification protocols shall be based on the 2001 California Residential Alternative Calculation Method Approval Manual.

"(2) PROVIDER.—A certification described in subsection (d) shall be provided by—

"(A) in the case of the method described in paragraph (1)(A), by a third party, such as a local building regulatory authority, a utility, a manufactured home production inspection primary inspection agency (IPIA), or a home energy rating organization, or

"(B) in the case of the method described in paragraph (1)(B), an individual recognized by an organization designated by the Secretary for such purposes.

"(3) FORM.—A certification described in subsection (d) shall be made in writing on forms which specify in readily inspectable fashion the energy efficient components and other measures and their respective efficiency ratings, and which include a permanent label affixed to the electrical distribution panel of the dwelling.

"(4) REGULATIONS.—

"(A) IN GENERAL.—In prescribing regulations under this subsection for certification methods described in paragraph (1)(B), the Secretary, after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems, shall prescribe procedures for calculating annual energy usage and cost reductions for heating and cooling and for the reporting of the results. Such regulations shall—

"(i) provide that any calculation procedures be fuel neutral such that the same energy efficiency measures allow a dwelling to be eligible for the credit under this section regardless of whether such dwelling uses a gas or oil furnace or boiler or an electric heat pump, and

"(ii) require that any computer software allow for the printing of the Federal tax forms necessary for the credit under this section and for the printing of forms for disclosure to the owner of the dwelling.

"(B) PROVIDERS.—For purposes of paragraph (2)(B), the Secretary shall establish requirements for the designation of individuals based on the requirements for energy consultants and home energy raters specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems.

"(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

"(A) The amount of the credit allowable under subsection (a) by reason of expenditures for the qualified energy efficiency improvements made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

"(B) There shall be allowable, with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

"(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who is a tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having paid his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of the cost of qualified energy efficiency improvements made by such corporation.

"(3) CONDOMINIUMS.—

"(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which the individual owns, such individual shall be treated as having paid the individual's proportionate share of the cost of qualified energy efficiency improvements made by such association.

"(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

"(4) BUILDING ENVELOPE COMPONENT.—The term 'building envelope component' means—

"(A) insulation material or system which is specifically and primarily designed to reduce the heat loss or gain or a dwelling when installed in or on such dwelling,

"(B) exterior windows (including skylights), and

"(C) exterior doors.

"(5) MANUFACTURED HOMES INCLUDED.—For purposes of this section, the term 'dwelling' includes a manufactured home which conforms to Federal Manufactured Home Construction and Safety Standards (24 C.F.R. 3280).

"(g) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(h) APPLICATION OF SECTION.—Subsection (a) shall apply to qualified energy efficiency improvements installed during the period beginning on the date of the enactment of this section and ending on December 31, 2006.".

(b) CREDIT ALLOWED AGAINST REGULAR TAX AND ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—Section 25D(b), as added by subsection (a), is amended by adding at the end the following new paragraph:

"(3) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section) and section 27 for the taxable year.".

(2) CONFORMING AMENDMENTS.—

(A) Section 25D(c), as added by subsection (a), is amended by striking "section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section)" and inserting "subsection (b)(3)".

(B) Section 23(b)(4)(B), as amended by this Act, is amended by striking "section 25C" and inserting "sections 25C and 25D".

(C) Section 24(b)(3)(B), as amended by this Act, is amended by striking "and 25C" and inserting "25C, and 25D".

(D) Section 25(e)(1)(C), as amended by this Act, is amended by inserting "25D," after "25C,".

(E) Section 25B(g)(2), as amended by this Act, is amended by striking "23 and 25C" and inserting "23, 25C, and 25D".

(F) Section 26(a)(1), as amended by this Act, is amended by striking "and 25C" and inserting "25C, and 25D".

(G) Section 904(h), as amended by this Act, is amended by striking "and 25C" and inserting "25C, and 25D".

(H) Section 1400C(d), as amended by this Act, is amended by striking "and 25C" and inserting "25C, and 25D".

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 23(c), as in effect for taxable years beginning before January 1, 2004, and as amended by this Act, is amended by inserting ", 25D," after "sections 25C".

(2) Section 25(e)(1)(C), as in effect for taxable years beginning before January 1, 2004, and as amended by this Act, is amended by inserting "25D," after "25C,".

(3) Subsection (a) of section 1016, as amended by this Act, is amended by striking "and" at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting "; and", and by adding at the end the following new paragraph:

"(34) to the extent provided in section 25D(f), in the case of amounts with respect to which a credit has been allowed under section 25D.".

(4) Section 1400C(d), as in effect for taxable years beginning before January 1, 2004, and as amended by this Act, is amended by striking "section 25C" and inserting "sections 25C and 25D".

(5) The table of sections for subpart A of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 25C the following new item:

"Sec. 25D. Energy efficiency improvements to existing homes.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall apply to expenditures after December 31, 2002, in taxable years ending after such date.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2003.

SEC. 2110. ALLOWANCE OF DEDUCTION FOR QUALIFIED NEW OR RETROFITTED WATER SUBMETERING DEVICES.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations), as amended by this Act, is amended by inserting after section 179D the following new section:

"SEC. 179E. DEDUCTION FOR QUALIFIED NEW OR RETROFITTED WATER SUBMETERING DEVICES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of a taxpayer who is an eligible resupplier, there shall be allowed as a deduction an amount equal to the cost of each qualified water submetering device placed in service during the taxable year.

"(b) MAXIMUM DEDUCTION.—The deduction allowed by this section with respect to each qualified water submetering device shall not exceed $30.

"(c) ELIGIBLE RESUPPLIER.—For purposes of this section, the term 'eligible resupplier' means any taxpayer who purchases and installs qualified water submetering devices in every unit in any multi-unit property.

"(d) QUALIFIED WATER SUBMETERING DEVICE.—The term 'qualified water submetering device' means any tangible property to which section 168 applies if such property is a submetering device (including ancillary equipment)—

"(1) which is purchased and installed by the taxpayer to enable consumers to manage their purchase or use of water in response to water price and usage signals, and

"(2) which permits reading of water price and usage signals on at least a daily basis.

"(e) PROPERTY USED OUTSIDE THE UNITED STATES NOT QUALIFIED.—No deduction shall be allowed under subsection (a) with respect to property which is used predominantly outside the United States or with respect to the portion of the cost of any property taken into account under section 179.

"(f) BASIS REDUCTION.—

"(1) IN GENERAL.—For purposes of this title, the basis of any property shall be reduced by the amount of the deduction with respect to such property which is allowed by subsection (a).

"(2) ORDINARY INCOME RECAPTURE.—For purposes of section 1245, the amount of the deduction allowable under subsection (a) with respect to any property that is of a character subject to the allowance for depreciation shall be treated as a deduction allowed for depreciation under section 167.

"(g) TERMINATION.—This section shall not apply to any property placed in service after December 31, 2007.".

(b) CONFORMING AMENDMENTS.—

(1) Section 263(a)(1), as amended by this Act, is amended by striking "or" at the end of subparagraph (J), by striking the period at the end of subparagraph (K) and inserting ", or", and by inserting after subparagraph (K) the following new subparagraph:

"(L) expenditures for which a deduction is allowed under section 179E.".

(2) Section 312(k)(3)(B), as amended by this Act, is amended by striking "or 179D" each place it appears in the heading and text and inserting ", 179D, or 179E".

(3) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (34), by striking the period at the end of paragraph (35) and inserting ", and", and by adding at the end the following new paragraph:

"(36) to the extent provided in section 179E(f)(1).".

(4) Section 1245(a), as amended by this Act, is amended by inserting "179E," after "179D," both places it appears in paragraphs (2)(C) and (3)(C).

(5) The table of contents for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by inserting after the item relating to section 179D the following new item:

"Sec. 179E. Deduction for qualified new or retrofitted water submetering devices.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified water submetering devices placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 2111. THREE-YEAR APPLICABLE RECOVERY PERIOD FOR DEPRECIATION OF QUALIFIED WATER SUBMETERING DEVICES.

(a) IN GENERAL.—Subparagraph (A) of section 168(e)(3) (relating to classification of property) is amended by striking "and" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ", and", and by adding at the end the following new clause:

"(v) any qualified water submetering device.".

(b) DEFINITION OF QUALIFIED WATER SUBMETERING DEVICE.—Section 168(i) (relating to definitions and special rules), as amended by this Act, is amended by inserting at the end the following new paragraph:

"(16) QUALIFIED WATER SUBMETERING DEVICE.—The term 'qualified water submetering device' means any qualified water submetering device (as defined in section 179E(d)) which is placed in service before January 1, 2008, by a taxpayer who is an eligible resupplier (as defined in section 179E(c)).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

TITLE XXII—CLEAN COAL INCENTIVES

Subtitle A—Credit for Emission Reductions and Efficiency Improvements in Existing Coal-Based Electricity Generation Facilities

SEC. 2201. CREDIT FOR PRODUCTION FROM A QUALIFYING CLEAN COAL TECHNOLOGY UNIT.

(a) CREDIT FOR PRODUCTION FROM A QUALIFYING CLEAN COAL TECHNOLOGY UNIT.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45I. CREDIT FOR PRODUCTION FROM A QUALIFYING CLEAN COAL TECHNOLOGY UNIT.

"(a) GENERAL RULE.—For purposes of section 38, the qualifying clean coal technology production credit of any taxpayer for any taxable year is equal to the product of—

"(1) the applicable amount of clean coal technology production credit, multiplied by

"(2) the applicable percentage of the kilowatt hours of electricity produced by the taxpayer during such taxable year at a qualifying clean coal technology unit, but only if such production occurs during the 10-year period beginning on the date the unit was returned to service after becoming a qualifying clean coal technology unit.

"(b) APPLICABLE AMOUNT.—

"(1) IN GENERAL.—For purposes of this section, the applicable amount of clean coal technology production credit is equal to $0.0034.

"(2) INFLATION ADJUSTMENT.—For calendar years after 2003, the applicable amount of clean coal technology production credit shall be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the amount is applied. If any amount as increased under the preceding sentence is not a multiple of 0.01 cent, such amount shall be rounded to the nearest multiple of 0.01 cent.

"(c) APPLICABLE PERCENTAGE.—For purposes of this section, with respect to any qualifying clean coal technology unit, the applicable percentage is the percentage equal to the ratio which the portion of the national megawatt capacity limitation allocated to the taxpayer with respect to such unit under subsection (e) bears to the total megawatt capacity of such unit.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFYING CLEAN COAL TECHNOLOGY UNIT.—The term 'qualifying clean coal technology unit' means a clean coal technology unit of the taxpayer which—

"(A) on the date of the enactment of this section was a coal-based electricity generating steam generator-turbine unit which was not a clean coal technology unit,

"(B) has a nameplate capacity rating of not more than 300,000 kilowatts,

"(C) becomes a clean coal technology unit as the result of the retrofitting, repowering, or replacement of the unit with clean coal technology during the 10-year period beginning on the date of the enactment of this section,

"(D) is not receiving nor is scheduled to receive funding under the Clean Coal Technology Program, the Power Plant Improvement Initiative, or the Clean Coal Power Initiative administered by the Secretary of Energy, and

"(E) receives an allocation of a portion of the national megawatt capacity limitation under subsection (e).

"(2) CLEAN COAL TECHNOLOGY UNIT.—The term 'clean coal technology unit' means a unit which—

"(A) uses clean coal technology, including advanced pulverized coal or atmospheric fluidized bed combustion, pressurized fluidized bed combustion, integrated gasification combined cycle, or any other technology for the production of electricity,

"(B) uses coal to produce 75 percent or more of its thermal output as electricity,

"(C) has a design net heat rate of at least 500 less than that of such unit as described in paragraph (1)(A),

"(D) has a maximum design net heat rate of not more than 9,500, and

"(E) meets the pollution control requirements of paragraph (3).

"(3) POLLUTION CONTROL REQUIREMENTS.—

"(A) IN GENERAL.—A unit meets the requirements of this paragraph if—

"(i) its emissions of sulfur dioxide, nitrogen oxide, or particulates meet the lower of the emission levels for each such emission specified in—

"(I) subparagraph (B), or

"(II) the new source performance standards of the Clean Air Act (42 U.S.C. 7411) which are in effect for the category of source at the time of the retrofitting, repowering, or replacement of the unit, and

"(ii) its emissions do not exceed any relevant emission level specified by regulation pursuant to the hazardous air pollutant requirements of the Clean Air Act (42 U.S.C. 7412) in effect at the time of the retrofitting, repowering, or replacement.

"(B) SPECIFIC LEVELS.—The levels specified in this subparagraph are—

"(i) in the case of sulfur dioxide emissions, 50 percent of the sulfur dioxide emission levels specified in the new source performance standards of the Clean Air Act (42 U.S.C. 7411) in effect on the date of the enactment of this section for the category of source,

"(ii) in the case of nitrogen oxide emissions—

"(I) 0.1 pound per million Btu of heat input if the unit is not a cyclone-fired boiler, and

"(II) if the unit is a cyclone-fired boiler, 15 percent of the uncontrolled nitrogen oxide emissions from such boilers, and

"(iii) in the case of particulate emissions, 0.02 pound per million Btu of heat input.

"(4) DESIGN NET HEAT RATE.—The design net heat rate with respect to any unit, measured in Btu per kilowatt hour (HHV)—

"(A) shall be based on the design annual heat input to and the design annual net electrical output from such unit (determined without regard to such unit's co-generation of steam),

"(B) shall be adjusted for the heat content of the design coal to be used by the unit if it is less than 12,000 Btu per pound according to the following formula:

Design net heat rate = Unit net heat rate [1-{((12,000-design coal heat content, Btu per pound)/1,000) 0.013}], and

"(C) shall be corrected for the site reference conditions of—

"(i) elevation above sea level of 500 feet,

"(ii) air pressure of 14.4 pounds per square inch absolute (psia),

"(iii) temperature, dry bulb of 63°F,

"(iv) temperature, wet bulb of 54°F, and

"(v) relative humidity of 55 percent.

"(5) HHV.—The term 'HHV' means higher heating value.

"(6) APPLICATION OF CERTAIN RULES.—The rules of paragraphs (3), (4), and (5) of section 45(d) shall apply.

"(7) INFLATION ADJUSTMENT FACTOR.—

"(A) IN GENERAL.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GDP implicit price deflator for the preceding calendar year and the denominator of which is the GDP implicit price deflator for the calendar year 2002.

"(B) GDP IMPLICIT PRICE DEFLATOR.—The term 'GDP implicit price deflator' means the most recent revision of the implicit price deflator for the gross domestic product as computed by the Department of Commerce before March 15 of the calendar year.

"(8) NONCOMPLIANCE WITH POLLUTION LAWS.—For purposes of this section, a unit which is not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be a qualifying clean coal technology unit during such period.

"(e) NATIONAL LIMITATION ON THE AGGREGATE CAPACITY OF QUALIFYING CLEAN COAL TECHNOLOGY UNITS.—

"(1) IN GENERAL.—For purposes of subsection (d)(1)(E), the national megawatt capacity limitation for qualifying clean coal technology units is 4,000 megawatts.

"(2) ALLOCATION OF LIMITATION.—The Secretary shall allocate the national megawatt capacity limitation for qualifying clean coal technology units in such manner as the Secretary may prescribe under the regulations under paragraph (3).

"(3) REGULATIONS.—Not later than 6 months after the date of the enactment of this section, the Secretary shall prescribe such regulations as may be necessary or appropriate—

"(A) to carry out the purposes of this subsection,

"(B) to limit the capacity of any qualifying clean coal technology unit to which this section applies so that the combined megawatt capacity allocated to all such units under this subsection when all such units are placed in service during the 10-year period described in subsection (d)(1)(C), does not exceed 4,000 megawatts,

"(C) to provide a certification process under which the Secretary, in consultation with the Secretary of Energy, shall approve and allocate the national megawatt capacity limitation—

"(i) to encourage that units with the highest thermal efficiencies, when adjusted for the heat content of the design coal and site reference conditions described in subsection (d)(4)(C), and environmental performance be placed in service as soon as possible,

"(ii) to allocate capacity to taxpayers that have a definite and credible plan for placing into commercial operation a qualifying clean coal technology unit, including—

"(I) a site,

"(II) contractual commitments for procurement and construction or, in the case of regulated utilities, the agreement of the State utility commission,

"(III) filings for all necessary preconstruction approvals,

"(IV) a demonstrated record of having successfully completed comparable projects on a timely basis, and

"(V) such other factors that the Secretary determines are appropriate,

"(D) to allocate the national megawatt capacity limitation to a portion of the capacity of a qualifying clean coal technology unit if the Secretary determines that such an allocation would maximize the amount of efficient production encouraged with the available tax credits,

"(E) to set progress requirements and conditional approvals so that capacity allocations for clean coal technology units that become unlikely to meet the necessary conditions for qualifying can be reallocated by the Secretary to other clean coal technology units, and

"(F) to provide taxpayers with opportunities to correct administrative errors and omissions with respect to allocations and record keeping within a reasonable period after discovery, taking into account the availability of regulations and other administrative guidance from the Secretary.".

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b), as amended by this Act, is amended by striking "plus" at the end of paragraph (18), by striking the period at the end of paragraph (19) and inserting ", plus", and by adding at the end the following new paragraph:

"(20) the qualifying clean coal technology production credit determined under section 45I(a).".

(c) TRANSITIONAL RULE.—Section 39(d) (relating to transitional rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(16) NO CARRYBACK OF SECTION 45I CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the qualifying clean coal technology production credit determined under section 45I may be carried back to a taxable year ending on or before the date of the enactment of section 45I.".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45I. Credit for production from a qualifying clean coal technology unit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to production after the date of the enactment of this Act, in taxable years ending after such date.

Subtitle B—Incentives for Early Commercial Applications of Advanced Clean Coal Technologies

SEC. 2211. CREDIT FOR INVESTMENT IN QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY.

(a) ALLOWANCE OF QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY UNIT CREDIT.—Section 46 (relating to amount of credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) the qualifying advanced clean coal technology unit credit.".

(b) AMOUNT OF QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY UNIT CREDIT.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit) is amended by inserting after section 48 the following new section:

"SEC. 48A. QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY UNIT CREDIT.

"(a) IN GENERAL.—For purposes of section 46, the qualifying advanced clean coal technology unit credit for any taxable year is an amount equal to 10 percent of the applicable percentage of the qualified investment in a qualifying advanced clean coal technology unit for such taxable year.

"(b) QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY UNIT.—

"(1) IN GENERAL.—For purposes of subsection (a), the term 'qualifying advanced clean coal technology unit' means an advanced clean coal technology unit of the taxpayer—

"(A)(i)(I) in the case of a unit first placed in service after the date of the enactment of this section, the original use of which commences with the taxpayer, or

"(II) in the case of the retrofitting or repowering of a unit first placed in service before such date of enactment, the retrofitting or repowering of which is completed by the taxpayer after such date, or

"(ii) which is acquired through purchase (as defined by section 179(d)(2)),

"(B) which is depreciable under section 167,

"(C) which has a useful life of not less than 4 years,

"(D) which is located in the United States,

"(E) which is not receiving nor is scheduled to receive funding under the Clean Coal Technology Program, the Power Plant Improvement Initiative, or the Clean Coal Power Initiative administered by the Secretary of Energy,

"(F) which is not a qualifying clean coal technology unit, and

"(G) which receives an allocation of a portion of the national megawatt capacity limitation under subsection (f).

"(2) SPECIAL RULE FOR SALE-LEASEBACKS.—For purposes of subparagraph (A) of paragraph (1), in the case of a unit which—

"(A) is originally placed in service by a person, and

"(B) is sold and leased back by such person, or is leased to such person, within 3 months after the date such unit was originally placed in service, for a period of not less than 12 years,

such unit shall be treated as originally placed in service not earlier than the date on which such unit is used under the leaseback (or lease) referred to in subparagraph (B). The preceding sentence shall not apply to any property if the lessee and lessor of such property make an election under this sentence. Such an election, once made, may be revoked only with the consent of the Secretary.

"(3) NONCOMPLIANCE WITH POLLUTION LAWS.—For purposes of this subsection, a unit which is not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be a qualifying advanced clean coal technology unit during such period.

"(c) APPLICABLE PERCENTAGE.—For purposes of this section, with respect to any qualifying advanced clean coal technology unit, the applicable percentage is the percentage equal to the ratio which the portion of the national megawatt capacity limitation allocated to the taxpayer with respect to such unit under subsection (f) bears to the total megawatt capacity of such unit.

"(d) ADVANCED CLEAN COAL TECHNOLOGY UNIT.—For purposes of this section—

"(1) IN GENERAL.—The term 'advanced clean coal technology unit' means a new, retrofit, or repowering unit of the taxpayer which—

"(A) is—

"(i) an eligible advanced pulverized coal or atmospheric fluidized bed combustion technology unit,

"(ii) an eligible pressurized fluidized bed combustion technology unit,

"(iii) an eligible integrated gasification combined cycle technology unit, or

"(iv) an eligible other technology unit, and

"(B) meets the carbon emission rate requirements of paragraph (6).

"(2) ELIGIBLE ADVANCED PULVERIZED COAL OR ATMOSPHERIC FLUIDIZED BED COMBUSTION TECHNOLOGY UNIT.—The term 'eligible advanced pulverized coal or atmospheric fluidized bed combustion technology unit' means a clean coal

technology unit using advanced pulverized coal or atmospheric fluidized bed combustion technology which—

"(A) is placed in service after the date of the enactment of this section and before January 1, 2013, and

"(B) has a design net heat rate of not more than 8,350 (8,750 in the case of units placed in service before 2009).

"(3) ELIGIBLE PRESSURIZED FLUIDIZED BED COMBUSTION TECHNOLOGY UNIT.—The term 'eligible pressurized fluidized bed combustion technology unit' means a clean coal technology unit using pressurized fluidized bed combustion technology which—

"(A) is placed in service after the date of the enactment of this section and before January 1, 2017, and

"(B) has a design net heat rate of not more than 7,720 (8,750 in the case of units placed in service before 2009, and 8,350 in the case of units placed in service after 2008 and before 2013).

"(4) ELIGIBLE INTEGRATED GASIFICATION COMBINED CYCLE TECHNOLOGY UNIT.—The term 'eligible integrated gasification combined cycle technology unit' means a clean coal technology unit using integrated gasification combined cycle technology, with or without fuel or chemical co-production, which—

"(A) is placed in service after the date of the enactment of this section and before January 1, 2017,

"(B) has a design net heat rate of not more than 7,720 (8,750 in the case of units placed in service before 2009, and 8,350 in the case of units placed in service after 2008 and before 2013), and

"(C) has a net thermal efficiency (HHV) using coal with fuel or chemical co-production of not less than 43.9 percent (39 percent in the case of units placed in service before 2009, and 40.9 percent in the case of units placed in service after 2008 and before 2013).

"(5) ELIGIBLE OTHER TECHNOLOGY UNIT.—The term 'eligible other technology unit' means a clean coal technology unit using any other technology for the production of electricity which is placed in service after the date of the enactment of this section and before January 1, 2017.

"(6) CARBON EMISSION RATE REQUIREMENTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a unit meets the requirements of this paragraph if—

"(i) in the case of a unit using design coal with a heat content of not more than 9,000 Btu per pound, the carbon emission rate is less than 0.60 pound of carbon per kilowatt hour, and

"(ii) in the case of a unit using design coal with a heat content of more than 9,000 Btu per pound, the carbon emission rate is less than 0.54 pound of carbon per kilowatt hour.

"(B) ELIGIBLE OTHER TECHNOLOGY UNIT.—In the case of an eligible other technology unit, subparagraph (A) shall be applied by substituting '0.51' and '0.459' for '0.60' and '0.54', respectively.

"(e) GENERAL DEFINITIONS.—Any term used in this section which is also used in section 45I shall have the meaning given such term in section 45I.

"(f) NATIONAL LIMITATION ON THE AGGREGATE CAPACITY OF ADVANCED CLEAN COAL TECHNOLOGY UNITS.—

"(1) IN GENERAL.—For purposes of subsection (b)(1)(G), the national megawatt capacity limitation is—

"(A) for qualifying advanced clean coal technology units using advanced pulverized coal or atmospheric fluidized bed combustion technology, not more than 1,000 megawatts (not more than 500 megawatts in the case of units placed in service before 2009),

"(B) for such units using pressurized fluidized bed combustion technology, not more than 500 megawatts (not more than 250 megawatts in the case of units placed in service before 2009),

"(C) for such units using integrated gasification combined cycle technology, with or without fuel or chemical co-production, not more than 2,000 megawatts (not more than 1,000 megawatts in the case of units placed in service before 2009 and not more than 1,500 megawatts in the case of units placed in service after 2008 and before 2013), and

"(D) for such units using other technology for the production of electricity, not more than 500 megawatts (not more than 250 megawatts in the case of units placed in service before 2009).

"(2) ALLOCATION OF LIMITATION.—The Secretary shall allocate the national megawatt capacity limitation for qualifying advanced clean coal technology units in such manner as the Secretary may prescribe under the regulations under paragraph (3).

"(3) REGULATIONS.—Not later than 6 months after the date of the enactment of this section, the Secretary shall prescribe such regulations as may be necessary or appropriate—

"(A) to carry out the purposes of this subsection and section 45J,

"(B) to limit the capacity of any qualifying advanced clean coal technology unit to which this section applies so that the combined megawatt capacity of all such units to which this section applies does not exceed 4,000 megawatts,

"(C) to provide a certification process described in section 45I(e)(3)(C),

"(D) to carry out the purposes described in subparagraphs (D), (E), and (F) of section 45I(e)(3), and

"(E) to reallocate capacity which is not allocated to any technology described in subparagraphs (A) through (D) of paragraph (1) because an insufficient number of qualifying units request an allocation for such technology, to another technology described in such subparagraphs in order to maximize the amount of energy efficient production encouraged with the available tax credits.

"(4) SELECTION CRITERIA.—For purposes of paragraph (3)(C), the selection criteria for allocating the national megawatt capacity limitation to qualifying advanced clean coal technology units—

"(A) shall be established by the Secretary of Energy as part of a competitive solicitation,

"(B) shall include primary criteria of minimum design net heat rate, maximum design thermal efficiency, environmental performance, and lowest cost to the Government, and

"(C) shall include supplemental criteria as determined appropriate by the Secretary of Energy.

"(g) QUALIFIED INVESTMENT.—For purposes of subsection (a), the term 'qualified investment' means, with respect to any taxable year, the basis of a qualifying advanced clean coal technology unit placed in service by the taxpayer during such taxable year (in the case of a unit described in subsection (b)(1)(A)(i)(II), only that portion of the basis of such unit which is properly attributable to the retrofitting or repowering of such unit).

"(h) QUALIFIED PROGRESS EXPENDITURES.—

"(1) INCREASE IN QUALIFIED INVESTMENT.—In the case of a taxpayer who has made an election under paragraph (5), the amount of the qualified investment of such taxpayer for the taxable year (determined under subsection (g) without regard to this subsection) shall be increased by an amount equal to the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

"(2) PROGRESS EXPENDITURE PROPERTY DEFINED.—For purposes of this subsection, the term 'progress expenditure property' means any property being constructed by or for the taxpayer and which it is reasonable to believe will qualify as a qualifying advanced clean coal technology unit which is being constructed by or for the taxpayer when it is placed in service.

"(3) QUALIFIED PROGRESS EXPENDITURES DEFINED.—For purposes of this subsection—

"(A) SELF-CONSTRUCTED PROPERTY.—In the case of any self-constructed property, the term 'qualified progress expenditures' means the amount which, for purposes of this subpart, is properly chargeable (during such taxable year) to capital account with respect to such property.

"(B) NONSELF-CONSTRUCTED PROPERTY.—In the case of nonself-constructed property, the term 'qualified progress expenditures' means the amount paid during the taxable year to another person for the construction of such property.

"(4) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) SELF-CONSTRUCTED PROPERTY.—The term 'self-constructed property' means property for which it is reasonable to believe that more than half of the construction expenditures will be made directly by the taxpayer.

"(B) NONSELF-CONSTRUCTED PROPERTY.—The term 'nonself-constructed property' means property which is not self-constructed property.

"(C) CONSTRUCTION, ETC.—The term 'construction' includes reconstruction and erection, and the term 'constructed' includes reconstructed and erected.

"(D) ONLY CONSTRUCTION OF QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY UNIT TO BE TAKEN INTO ACCOUNT.—Construction shall be taken into account only if, for purposes of this subpart, expenditures therefor are properly chargeable to capital account with respect to the property.

"(5) ELECTION.—An election under this subsection may be made at such time and in such manner as the Secretary may by regulations prescribe. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.

"(i) COORDINATION WITH OTHER CREDITS.—This section shall not apply to any property with respect to which the rehabilitation credit under section 47 or the energy credit under section 48 is allowed unless the taxpayer elects to waive the application of such credit to such property.".

(c) RECAPTURE.—Section 50(a) (relating to other special rules) is amended by adding at the end the following new paragraph:

"(6) SPECIAL RULES RELATING TO QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY UNIT.—For purposes of applying this subsection in the case of any credit allowable by reason of section 48A, the following shall apply:

"(A) GENERAL RULE.—In lieu of the amount of the increase in tax under paragraph (1), the increase in tax shall be an amount equal to the investment tax credit allowed under section 38 for all prior taxable years with respect to a qualifying advanced clean coal technology unit (as defined by section 48A(b)(1)) multiplied by a fraction whose numerator is the number of years remaining to fully depreciate under this title the qualifying advanced clean coal technology unit disposed of, and whose denominator is the total number of years over which such unit would otherwise have been subject to depreciation. For purposes of the preceding sentence, the year of disposition of the qualifying advanced clean coal technology unit shall be treated as a year of remaining depreciation.

"(B) PROPERTY CEASES TO QUALIFY FOR PROGRESS EXPENDITURES.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for a qualifying advanced clean coal technology unit under section 48A, except that the amount of the increase in tax under subparagraph (A) of this paragraph shall be substituted for the amount described in such paragraph (2).

"(C) APPLICATION OF PARAGRAPH.—This paragraph shall be applied separately with respect to the credit allowed under section 38 regarding a qualifying advanced clean coal technology unit.".

(d) TRANSITIONAL RULE.—Section 39(d) (relating to transitional rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(17) NO CARRYBACK OF SECTION 48A CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the qualifying advanced clean coal technology unit credit determined under section 48A may be carried back to a taxable year ending on or before the date of the enactment of section 48A.".

(e) TECHNICAL AMENDMENTS.—

(1) Section 49(a)(1)(C) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the portion of the basis of any qualifying advanced clean coal technology unit attributable to any qualified investment (as defined by section 48A(g)).".

(2) Section 50(a)(4) is amended by striking "and (2)" and inserting "(2), and (6)".

(3) Section 50(c) is amended by adding at the end the following new paragraph:

"(6) NONAPPLICATION.—Paragraphs (1) and (2) shall not apply to any qualifying advanced clean coal technology unit credit under section 48A.".

(4) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 48 the following new item:

"Sec. 48A. Qualifying advanced clean coal technology unit credit.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 2212. CREDIT FOR PRODUCTION FROM A QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY UNIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45J. CREDIT FOR PRODUCTION FROM A QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY UNIT.

"(a) GENERAL RULE.—For purposes of section 38, the qualifying advanced clean coal technology production credit of any taxpayer for any taxable year is equal to—

"(1) the applicable amount of advanced clean coal technology production credit, multiplied by

"(2) the applicable percentage (as determined under section 48A(c)) of the sum of—

"(A) the kilowatt hours of electricity, plus

"(B) each 3,413 Btu of fuels or chemicals,

produced by the taxpayer during such taxable year at a qualifying advanced clean coal technology unit during the 10-year period beginning on the date the unit was originally placed in service (or returned to service after becoming a qualifying advanced clean coal technology unit).

"(b) APPLICABLE AMOUNT.—For purposes of this section, the applicable amount of advanced clean coal technology production credit with respect to production from a qualifying advanced clean coal technology unit shall be determined as follows:

"(1) Where the qualifying advanced clean coal technology unit is producing electricity only:

"(A) In the case of a unit originally placed in service before 2009, if—

"The design net heat rate is:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 8,400	$.0060	$.0038
More than 8,400 but not more than 8,550	$.0025	$.0010
More than 8,550 but less than 8,750	$.0010	$.0010.

"(B) In the case of a unit originally placed in service after 2008 and before 2013, if—

"The design net heat rate is:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 7,770	$.0105	$.0090
More than 7,770 but not more than 8,125	$.0085	$.0068
More than 8,125 but less than 8,350	$.0075	$.0055.

"(C) In the case of a unit originally placed in service after 2012 and before 2017, if—

"The design net heat rate is:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not more than 7,380	$.0140	$.0115
More than 7,380 but not more than 7,720	$.0120	$.0090.

"(2) Where the qualifying advanced clean coal technology unit is producing fuel or chemicals:

"(A) In the case of a unit originally placed in service before 2009, if—

"The unit design net thermal efficiency (HHV) is:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not less than 40.6 percent	$.0060	$.0038
Less than 40.6 but not less than 40 percent	$.0025	$.0010
Less than 40 but not less than 39 percent	$.0010	$.0010.

"(B) In the case of a unit originally placed in service after 2008 and before 2013, if—

"The unit design net thermal efficiency (HHV) is:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not less than 43.6 percent	$.0105	$.0090
Less than 43.6 but not less than 42 percent	$.0085	$.0068
Less than 42 but not less than 40.9 percent	$.0075	$.0055.

"(C) In the case of a unit originally placed in service after 2012 and before 2017, if—

"The unit design net thermal efficiency (HHV) is:	The applicable amount is:	
	For 1st 5 years of such service	For 2d 5 years of such service
Not less than 44.2 percent	$.0140	$.0115
Less than 44.2 but not less than 43.9 percent	$.0120	$.0090.

"(c) INFLATION ADJUSTMENT.—For calendar years after 2003, each amount in paragraphs (1) and (2) of subsection (b) shall be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the amount is applied. If any amount as increased under the preceding sentence is not a multiple of 0.01 cent, such amount shall be rounded to the nearest multiple of 0.01 cent.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) IN GENERAL.—Any term used in this section which is also used in section 45I or 48A shall have the meaning given such term in such section.

"(2) APPLICABLE RULES.—The rules of paragraphs (3), (4), and (5) of section 45(d) shall apply.".

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b), as amended by this Act, is amended by striking "plus" at the end of paragraph (19), by striking the period at the end of paragraph (20) and inserting ", plus", and by adding at the end the following new paragraph:

"(21) the qualifying advanced clean coal technology production credit determined under section 45J(a).".

(c) TRANSITIONAL RULE.—Section 39(d) (relating to transitional rules), as amended by this Act, is amended by adding at the end the following new paragraph:

"(18) NO CARRYBACK OF SECTION 45J CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the qualifying advanced clean coal technology production credit determined under section 45J may be carried back to a taxable year ending on or before the date of the enactment of section 45J.".

(d) DENIAL OF DOUBLE BENEFIT.—Section 29(d) (relating to other definitions and special rules) is amended by adding at the end the following new paragraph:

"(9) DENIAL OF DOUBLE BENEFIT.—This section shall not apply with respect to any qualified fuel the production of which may be taken into account for purposes of determining the credit under section 45J.".

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45J. Credit for production from a qualifying advanced clean coal technology unit.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to production after the date of the enactment of this Act, in taxable years ending after such date.

Subtitle C—Treatment of Persons Not Able To Use Entire Credit

SEC. 2221. TREATMENT OF PERSONS NOT ABLE TO USE ENTIRE CREDIT.

(a) IN GENERAL.—Section 45I, as added by this Act, is amended by adding at the end the following new subsection:

"(f) TREATMENT OF PERSON NOT ABLE TO USE ENTIRE CREDIT.—

"(1) ALLOWANCE OF CREDITS.—

"(A) IN GENERAL.—Any credit allowable under this section, section 45J, or section 48A with respect to a facility owned by a person described in subparagraph (B) may be transferred or used as provided in this subsection, and the determination as to whether the credit is allowable shall be made without regard to the tax-exempt status of the person.

"(B) PERSONS DESCRIBED.—A person is described in this subparagraph if the person is—

"(i) an organization described in section 501(c)(12)(C) and exempt from tax under section 501(a),

"(ii) an organization described in section 1381(a)(2)(C),

"(iii) a public utility (as defined in section 136(c)(2)(B)),

"(iv) any State or political subdivision thereof, the District of Columbia, or any agency or instrumentality of any of the foregoing,

"(v) any Indian tribal government (within the meaning of section 7871) or any agency or instrumentality thereof, or

"(vi) the Tennessee Valley Authority.

"(2) TRANSFER OF CREDIT.—

"(A) IN GENERAL.—A person described in clause (i), (ii), (iii), (iv), or (v) of paragraph (1)(B) may transfer any credit to which paragraph (1)(A) applies through an assignment to any other person not described in paragraph (1)(B). Such transfer may be revoked only with the consent of the Secretary.

"(B) REGULATIONS.—The Secretary shall prescribe such regulations as necessary to insure that any credit described in subparagraph (A) is claimed once and not reassigned by such other person.

"(C) TRANSFER PROCEEDS TREATED AS ARISING FROM ESSENTIAL GOVERNMENT FUNCTION.—Any proceeds derived by a person described in clause (iii), (iv), or (v) of paragraph (1)(B) from the transfer of any credit under subparagraph (A) shall be treated as arising from the exercise of an essential government function.

"(3) USE OF CREDIT AS AN OFFSET.—Notwithstanding any other provision of law, in the case of a person described in clause (i), (ii), or (v) of paragraph (1)(B), any credit to which paragraph (1)(A) applies may be applied by such person, to the extent provided by the Secretary of Agriculture, as a prepayment of any loan, debt, or other obligation the entity has incurred under subchapter I of chapter 31 of title 7 of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), as in effect on the date of the enactment of this section.

"(4) USE BY TVA.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, in the case of a person described in paragraph (1)(B)(vi), any credit to which paragraph (1)(A) applies may be applied as a credit against the payments required to be made in any fiscal year under section 15d(e) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831n–4(e)) as an annual return on the appropriations investment and an annual repayment sum.

"(B) TREATMENT OF CREDITS.—The aggregate amount of credits described in paragraph (1)(A) with respect to such person shall be treated in the same manner and to the same extent as if such credits were a payment in cash and shall be applied first against the annual return on the appropriations investment.

"(C) CREDIT CARRYOVER.—With respect to any fiscal year, if the aggregate amount of credits described paragraph (1)(A) with respect to such person exceeds the aggregate amount of payment obligations described in subparagraph (A), the excess amount shall remain available for application as credits against the amounts of such payment obligations in succeeding fiscal years in the same manner as described in this paragraph.

"(5) CREDIT NOT INCOME.—Any transfer under paragraph (2) or use under paragraph (3) of any credit to which paragraph (1)(A) applies shall not be treated as income for purposes of section 501(c)(12).

"(6) TREATMENT OF UNRELATED PERSONS.—For purposes of this subsection, sales among and between persons described in clauses (i), (ii), (iii), (iv), and (v) of paragraph (1)(A) shall be treated as sales between unrelated parties.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to production after the date of the enactment of this Act, in taxable years ending after such date.

TITLE XXIII—OIL AND GAS PROVISIONS

SEC. 2301. OIL AND GAS FROM MARGINAL WELLS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45K. CREDIT FOR PRODUCING OIL AND GAS FROM MARGINAL WELLS.

"(a) GENERAL RULE.—For purposes of section 38, the marginal well production credit for any taxable year is an amount equal to the product of—

"(1) the credit amount, and

"(2) the qualified credit oil production and the qualified natural gas production which is attributable to the taxpayer.

"(b) CREDIT AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The credit amount is—

"(A) $3 per barrel of qualified crude oil production, and

"(B) 50 cents per 1,000 cubic feet of qualified natural gas production.

"(2) REDUCTION AS OIL AND GAS PRICES INCREASE.—

"(A) IN GENERAL.—The $3 and 50 cents amounts under paragraph (1) shall each be reduced (but not below zero) by an amount which bears the same ratio to such amount (determined without regard to this paragraph) as—

"(i) the excess (if any) of the applicable reference price over $15 ($1.67 for qualified natural gas production), bears to

"(ii) $3 ($0.33 for qualified natural gas production).

The applicable reference price for a taxable year is the reference price of the calendar year preceding the calendar year in which the taxable year begins.

"(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2002, each of the dollar amounts contained in subparagraph (A) shall be increased to an amount equal to such dollar amount multiplied by the inflation adjustment factor for such calendar year (determined under section 43(b)(3)(B) by substituting '2001' for '1990').

"(C) REFERENCE PRICE.—For purposes of this paragraph, the term 'reference price' means, with respect to any calendar year—

"(i) in the case of qualified crude oil production, the reference price determined under section 29(d)(2)(C), and

"(ii) in the case of qualified natural gas production, the Secretary's estimate of the annual average wellhead price per 1,000 cubic feet for all domestic natural gas.

"(c) QUALIFIED CRUDE OIL AND NATURAL GAS PRODUCTION.—For purposes of this section—

"(1) IN GENERAL.—The terms 'qualified crude oil production' and 'qualified natural gas production' mean domestic crude oil or natural gas which is produced from a qualified marginal well.

"(2) LIMITATION ON AMOUNT OF PRODUCTION WHICH MAY QUALIFY.—

"(A) IN GENERAL.—Crude oil or natural gas produced during any taxable year from any well shall not be treated as qualified crude oil production or qualified natural gas production to the extent production from the well during the taxable year exceeds 1,095 barrels or barrel equivalents.

"(B) PROPORTIONATE REDUCTIONS.—

"(i) SHORT TAXABLE YEARS.—In the case of a short taxable year, the limitations under this paragraph shall be proportionately reduced to reflect the ratio which the number of days in such taxable year bears to 365.

"(ii) WELLS NOT IN PRODUCTION ENTIRE YEAR.—In the case of a well which is not capable of production during each day of a taxable year, the limitations under this paragraph applicable to the well shall be proportionately reduced to reflect the ratio which the number of days of production bears to the total number of days in the taxable year.

"(3) DEFINITIONS.—

"(A) QUALIFIED MARGINAL WELL.—The term 'qualified marginal well' means a domestic well—

"(i) the production from which during the taxable year is treated as marginal production under section 613A(c)(6), or

"(ii) which, during the taxable year—

"(I) has average daily production of not more than 25 barrel equivalents, and

"(II) produces water at a rate not less than 95 percent of total well effluent.

"(B) CRUDE OIL, ETC.—The terms 'crude oil', 'natural gas', 'domestic', and 'barrel' have the meanings given such terms by section 613A(e).

"(C) BARREL EQUIVALENT.—The term 'barrel equivalent' means, with respect to natural gas, a conservation ratio of 6,000 cubic feet of natural gas to 1 barrel of crude oil.

"(d) OTHER RULES.—

"(1) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a qualified marginal well in which there is more than one owner of operating interests in the well and the crude oil or natural gas production exceeds the limitation under subsection (c)(2), qualifying crude oil production or qualifying natural gas production attributable to the taxpayer shall be determined on the basis of the ratio which taxpayer's revenue interest in the production bears to the aggregate of the revenue interests of all operating interest owners in the production.

"(2) OPERATING INTEREST REQUIRED.—Any credit under this section may be claimed only on production which is attributable to the holder of an operating interest.

"(3) PRODUCTION FROM NONCONVENTIONAL SOURCES EXCLUDED.—In the case of production from a qualified marginal well which is eligible for the credit allowed under section 29 for the taxable year, no credit shall be allowable under this section unless the taxpayer elects not to claim the credit under section 29 with respect to the well.

"(4) NONCOMPLIANCE WITH POLLUTION LAWS.—For purposes of subsection (c)(3)(A), a marginal well which is not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be a qualified marginal well during such period.".

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b), as amended by this Act, is amended by striking "plus" at the end of paragraph (20), by striking the period at the end of paragraph (21) and inserting ", plus", and by adding at the end the following new paragraph:

"(22) the marginal oil and gas well production credit determined under section 45K(a).".

(c) NO CARRYBACK OF MARGINAL OIL AND GAS WELL PRODUCTION CREDIT BEFORE EFFECTIVE DATE.—Subsection (d) of section 39, as amended by this Act, is amended by adding at the end the following new paragraph:

"(19) NO CARRYBACK OF MARGINAL OIL AND GAS WELL PRODUCTION CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the marginal oil and gas well production credit determined under section 45K may be carried back to a taxable year ending on or before the date of the enactment of section 45K.".

(d) COORDINATION WITH SECTION 29.—Section 29(a) is amended by striking "There" and inserting "At the election of the taxpayer, there".

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45K. Credit for producing oil and gas from marginal wells.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to production in taxable years beginning after the date of the enactment of this Act.

SEC. 2302. NATURAL GAS GATHERING LINES TREATED AS 7-YEAR PROPERTY.

(a) IN GENERAL.—Subparagraph (C) of section 168(e)(3) (relating to classification of certain property) is amended by striking "and" at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

"(ii) any natural gas gathering line, and".

(b) NATURAL GAS GATHERING LINE.—Subsection (i) of section 168, as amended by this Act, is amended by adding at the end the following new paragraph:

"(16) NATURAL GAS GATHERING LINE.—The term 'natural gas gathering line' means—

"(A) the pipe, equipment, and appurtenances determined to be a gathering line by the Federal Energy Regulatory Commission, or

"(B) the pipe, equipment, and appurtenances used to deliver natural gas from the wellhead or a commonpoint to the point at which such gas first reaches—

"(i) a gas processing plant,

"(ii) an interconnection with a transmission pipeline certificated by the Federal Energy Regulatory Commission as an interstate transmission pipeline,

"(iii) an interconnection with an intrastate transmission pipeline, or

"(iv) a direct interconnection with a local distribution company, a gas storage facility, or an industrial consumer.".

(c) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) is amended by inserting after the item relating to subparagraph (C)(i) the following new item:

"(C)(ii) .... 10".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 2303. EXPENSING OF CAPITAL COSTS INCURRED IN COMPLYING WITH ENVIRONMENTAL PROTECTION AGENCY SULFUR REGULATIONS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations), as amended by this Act, is amended by inserting after section 179C the following new section:

"SEC. 179D. DEDUCTION FOR CAPITAL COSTS INCURRED IN COMPLYING WITH ENVIRONMENTAL PROTECTION AGENCY SULFUR REGULATIONS.

"(a) TREATMENT AS EXPENSE.—

"(1) IN GENERAL.—A small business refiner may elect to treat any qualified capital costs as an expense which is not chargeable to capital account. Any qualified cost which is so treated shall be allowed as a deduction for the taxable year in which the cost is paid or incurred.

"(2) LIMITATION.—

"(A) IN GENERAL.—The aggregate costs which may be taken into account under this subsection for any taxable year may not exceed the applicable percentage of the qualified capital costs paid or incurred for the taxable year.

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—Except as provided in clause (ii), the applicable percentage is 75 percent.

"(ii) REDUCED PERCENTAGE.—In the case of a small business refiner with average daily refinery runs for the period described in subsection (b)(2) in excess of 155,000 barrels, the percentage described in clause (i) shall be reduced (not below zero) by the product of such percentage (before the application of this clause) and the ratio of such excess to 50,000 barrels.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED CAPITAL COSTS.—The term 'qualified capital costs' means any costs which—

"(A) are otherwise chargeable to capital account, and

"(B) are paid or incurred for the purpose of complying with the Highway Diesel Fuel Sulfur Control Requirement of the Environmental Protection Agency, as in effect on the date of the enactment of this section, with respect to a facility placed in service by the taxpayer before such date.

"(2) Small business refiner.—The term 'small business refiner' means, with respect to any taxable year, a refiner of crude oil, which, within the refinery operations of the business, employs not more than 1,500 employees on any day during such taxable year and whose average daily refinery run for the 1-year period ending on the date of the enactment of this section did not exceed 205,000 barrels.

"(c) Coordination With Other Provisions.—Section 280B shall not apply to amounts which are treated as expenses under this section.

"(d) Basis Reduction.—For purposes of this title, the basis of any property shall be reduced by the portion of the cost of such property taken into account under subsection (a).

"(e) Controlled Groups.—For purposes of this section, all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.".

(b) Conforming Amendments.—

(1) Section 263(a)(1), as amended by this Act, is amended by striking "or" at the end of subparagraph (I), by striking the period at the end of subparagraph (J) and inserting ", or", and by inserting after subparagraph (J) the following new subparagraph:

"(K) expenditures for which a deduction is allowed under section 179D.".

(2) Section 263A(c)(3) is amended by inserting "179C," after "section".

(3) Section 312(k)(3)(B), as amended by this Act, is amended by striking "or 179C" each place it appears in the heading and text and inserting ", 179C, or 179D".

(4) Section 1016(a), as amended by this Act, is amended by striking "and" at the end of paragraph (33), by striking the period at the end of paragraph (34) and inserting ", and", and by adding at the end the following new paragraph:

"(35) to the extent provided in section 179D(d).".

(5) Section 1245(a), as amended by this Act, is amended by inserting "179D," after "179C," both places it appears in paragraphs (2)(C) and (3)(C).

(6) The table of sections for part VI of subchapter B of chapter 1, as amended by this Act, is amended by inserting after section 179C the following new item:

"Sec. 179D. Deduction for capital costs incurred in complying with Environmental Protection Agency sulfur regulations.".

(c) Effective Date.—The amendment made by this section shall apply to expenses paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 2304. ENVIRONMENTAL TAX CREDIT.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45L. ENVIRONMENTAL TAX CREDIT.

"(a) In General.—For purposes of section 38, the amount of the environmental tax credit determined under this section with respect to any small business refiner for any taxable year is an amount equal to 5 cents for every gallon of 15 parts per million or less sulfur diesel produced at a facility by such small business refiner during such taxable year.

"(b) Maximum Credit.—

"(1) In general.—For any small business refiner, the aggregate amount determined under subsection (a) for any taxable year with respect to any facility shall not exceed the applicable percentage of the qualified capital costs paid or incurred by such small business refiner with respect to such facility during the applicable period, reduced by the credit allowed under subsection (a) for any preceding year.

"(2) Applicable percentage.—For purposes of paragraph (1)—

"(A) In general.—Except as provided in subparagraph (B), the applicable percentage is 25 percent.

"(B) Reduced percentage.—The percentage described in subparagraph (A) shall be reduced in the same manner as under section 179D(a)(2)(B)(ii).

"(c) Definitions.—For purposes of this section—

"(1) In general.—The terms 'small business refiner' and 'qualified capital costs' have the same meaning as given in section 179D.

"(2) Applicable period.—The term 'applicable period' means, with respect to any facility, the period beginning on the day after the date which is 1 year after the date of the enactment of this section and ending with the date which is 1 year after the date on which the taxpayer must comply with the applicable EPA regulations with respect to such facility.

"(3) Applicable EPA regulations.—The term 'applicable EPA regulations' means the Highway Diesel Fuel Sulfur Control Requirements of the Environmental Protection Agency, as in effect on the date of the enactment of this section.

"(d) Certification.—

"(1) Required.—Not later than the date which is 30 months after the first day of the first taxable year in which the environmental tax credit is allowed with respect to qualified capital costs paid or incurred with respect to a facility, the small business refiner shall obtain a certification from the Secretary, in consultation with the Administrator of the Environmental Protection Agency, that the taxpayer's qualified capital costs with respect to such facility will result in compliance with the applicable EPA regulations.

"(2) Contents of application.—An application for certification shall include relevant information regarding unit capacities and operating characteristics sufficient for the Secretary, in consultation with the Administrator of the Environmental Protection Agency, to determine that such qualified capital costs are necessary for compliance with the applicable EPA regulations.

"(3) Review period.—Any application shall be reviewed and notice of certification, if applicable, shall be made within 60 days of receipt of such application. In the event the Secretary does not notify the taxpayer of the results of such certification within such period, the taxpayer may presume the certification to be issued until so notified.

"(4) Statute of limitations.—With respect to the credit allowed under this section—

"(A) the statutory period for the assessment of any deficiency attributable to such credit shall not expire before the end of the 3-year period ending on the date that the review period described in paragraph (3) ends, and

"(B) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

"(e) Controlled Groups.—For purposes of this section, all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.

"(f) Cooperative Organizations.—

"(1) Apportionment of credit.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a) of this section, for the taxable year may, at the election of the organization, be apportioned among patrons eligible to share in patronage dividends on the basis of the quantity or value of business done with or for such patrons for the taxable year. Such an election shall be irrevocable for such taxable year.

"(2) Treatment of organizations and patrons.—

"(A) Organizations.—The amount of the credit not apportioned to patrons pursuant to paragraph (1) shall be included in the amount determined under subsection (a) for the taxable year of the organization.

"(B) Patrons.—The amount of the credit apportioned to patrons pursuant to paragraph (1) shall be included in the amount determined under subsection (a) for the first taxable year of each patron ending on or after the last day of the payment period (as defined in section 1382(d)) for the taxable year of the organization or, if earlier, for the taxable year of each patron ending on or after the date on which the patron receives notice from the cooperative of the apportionment.".

(b) Credit Made Part of General Business Credit.—Subsection (b) of section 38 (relating to general business credit), as amended by this Act, is amended by striking "plus" at the end of paragraph (21), by striking the period at the end of paragraph (22) and inserting ", plus", and by adding at the end the following new paragraph:

"(23) in the case of a small business refiner, the environmental tax credit determined under section 45L(a).".

(c) Denial of Double Benefit.—Section 280C (relating to certain expenses for which credits are allowable), as amended by this Act, is amended by adding after subsection (d) the following new subsection:

"(e) Environmental Tax Credit.—No deduction shall be allowed for that portion of the expenses otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for the taxable year under section 45L(a).".

(d) Clerical Amendment.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45L. Environmental tax credit.".

(e) Effective Date.—The amendments made by this section shall apply to expenses paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 2305. DETERMINATION OF SMALL REFINER EXCEPTION TO OIL DEPLETION DEDUCTION.

(a) In General.—Paragraph (4) of section 613A(d) (relating to certain refiners excluded) is amended to read as follows:

"(4) Certain refiners excluded.—If the taxpayer or 1 or more related persons engages in the refining of crude oil, subsection (c) shall not apply to the taxpayer for a taxable year if the average daily refinery runs of the taxpayer and such persons for the taxable year exceed 60,000 barrels. For purposes of this paragraph, the average daily refinery runs for any taxable year shall be determined by dividing the aggregate refinery runs for the taxable year by the number of days in the taxable year.".

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 2306. MARGINAL PRODUCTION INCOME LIMIT EXTENSION.

Section 613A(c)(6)(H) (relating to temporary suspension of taxable income limit with respect to marginal production), as amended by section 607(a) of the Job Creation and Worker Assistance Act of 2002, is amended by striking "2004" and inserting "2007".

SEC. 2307. AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES.

(a) In General.—Part VI of subchapter B of chapter 1, as amended by this Act, is amended by adding at the end the following new section:

"SEC. 199. AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR DOMESTIC OIL AND GAS WELLS.

"A taxpayer shall be entitled to an amortization deduction with respect to any geological and geophysical expenses incurred in connection with the exploration for, or development of, oil or gas within the United States (as defined in section 638) based on a period of 24 months beginning with the month in which such expenses were incurred.".

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 199. Amortization of geological and geophysical expenditures for domestic oil and gas wells.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 2002.

SEC. 2308. AMORTIZATION OF DELAY RENTAL PAYMENTS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1, as amended by this Act, is amended by adding at the end the following new section:

"SEC. 199A. AMORTIZATION OF DELAY RENTAL PAYMENTS FOR DOMESTIC OIL AND GAS WELLS.

"(a) IN GENERAL.—A taxpayer shall be entitled to an amortization deduction with respect to any delay rental payments incurred in connection with the development of oil or gas within the United States (as defined in section 638) based on a period of 24 months beginning with the month in which such payments were incurred.".

"(b) DELAY RENTAL PAYMENTS.—For purposes of this section, the term 'delay rental payment' means an amount paid for the privilege of deferring development of an oil or gas well under an oil or gas lease.".

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 199A. Amortization of delay rental payments for domestic oil and gas wells.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2002.

SEC. 2309. STUDY OF COAL BED METHANE.

(a) IN GENERAL.—The Secretary of the Treasury shall study the effect of section 29 of the Internal Revenue Code of 1986 on the production of coal bed methane. Such study shall be made in conjunction with the study to be undertaken by the Secretary of the Interior on the effects of coal bed methane production on surface and water resources, as provided in section 607 of the Energy Policy Act of 2002.

(b) CONTENTS OF STUDY.—The study under subsection (a) shall estimate the total amount of credits under section 29 of the Internal Revenue Code of 1986 claimed annually and in the aggregate which are related to the production of coal bed methane since the date of the enactment of such section 29. Such study shall report the annual value of such credits allowable for coal bed methane compared to the average annual wellhead price of natural gas (per thousand cubic feet of natural gas). Such study shall also estimate the incremental increase in production of coal bed methane that has resulted from the enactment of such section 29, and the cost to the Federal Government, in terms of the net tax benefits claimed, per thousand cubic feet of incremental coal bed methane produced annually and in the aggregate since such enactment.

SEC. 2310. EXTENSION AND MODIFICATION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) IN GENERAL.—Section 29 is amended by adding at the end the following new subsection:

"(h) EXTENSION FOR OTHER FACILITIES.—

"(1) OIL AND GAS.—In the case of a well or facility for producing qualified fuels described in subparagraph (A) or (B) of subsection (c)(1) which was drilled or placed in service after the date of the enactment of this subsection and before January 1, 2005, notwithstanding subsection (f), this section shall apply with respect to such fuels produced at such well or facility not later than the close of the 3-year period beginning on the date that such well is drilled or such facility is placed in service.

"(2) FACILITIES PRODUCING REFINED COAL.—

"(A) IN GENERAL.—In the case of a facility described in subparagraph (C) for producing refined coal which was placed in service after the date of the enactment of this subsection and before January 1, 2007, this section shall apply with respect to fuel produced at such facility not later than the close of the 5-year period beginning on the date such facility is placed in service.

"(B) REFINED COAL.—For purposes of this paragraph, the term 'refined coal' means a fuel which is a liquid, gaseous, or solid synthetic fuel produced from coal (including lignite) or high carbon fly ash, including such fuel used as a feedstock.

"(C) COVERED FACILITIES.—

"(i) IN GENERAL.—A facility is described in this subparagraph if such facility produces refined coal using a technology that results in—

"(I) a qualified emission reduction, and

"(II) a qualified enhanced value.

"(ii) QUALIFIED EMISSION REDUCTION.—For purposes of this subparagraph, the term 'qualified emission reduction' means a reduction of at least 20 percent of the emissions of nitrogen oxide and either sulfur dioxide or mercury released when burning the refined coal (excluding any dilution caused by materials combined or added during the production process), as compared to the emissions released when burning the feedstock coal or comparable coal predominantly available in the marketplace as of January 1, 2002.

"(iii) QUALIFIED ENHANCED VALUE.—For purposes of this subparagraph, the term 'qualified enhanced value' means an increase of at least 50 percent in the market value of the refined coal (excluding any increase caused by materials combined or added during the production process), as compared to the value of the feedstock coal.

"(iv) QUALIFYING ADVANCED CLEAN COAL TECHNOLOGY FACILITIES EXCLUDED.—A facility described in this subparagraph shall not include a qualifying advanced clean coal technology facility (as defined in section 48A(b)).

"(3) WELLS PRODUCING VISCOUS OIL.—

"(A) IN GENERAL.—In the case of a well for producing viscous oil which was placed in service after the date of the enactment of this subsection and before January 1, 2005, this section shall apply with respect to fuel produced at such well not later than the close of the 3-year period beginning on the date such well is placed in service.

"(B) VISCOUS OIL.—The term "viscous oil' means heavy oil, as defined in section 613A(c)(6), except that—

"(i) '22 degrees' shall be substituted for '20 degrees' in applying subparagraph (F) thereof, and

"(ii) in all cases, the oil gravity shall be measured from the initial well-head samples, drill cuttings, or down hole samples.

"(C) WAIVER OF UNRELATED PERSON REQUIREMENT.—In the case of viscous oil, the requirement under subsection (a)(1)(B)(i) of a sale to an unrelated person shall not apply to any sale to the extent that the viscous oil is not consumed in the immediate vicinity of the wellhead.

"(4) COALMINE METHANE GAS.—

"(A) IN GENERAL.—This section shall apply to coalmine methane gas—

"(i) captured or extracted by the taxpayer after the date of the enactment of this subsection and before January 1, 2005, and

"(ii) utilized as a fuel source or sold by or on behalf of the taxpayer to an unrelated person after the date of the enactment of this subsection and before January 1, 2005.

"(B) COALMINE METHANE GAS.—For purposes of this paragraph, the term 'coalmine methane gas' means any methane gas which is—

"(i) liberated during qualified coal mining operations, or

"(ii) extracted up to 5 years in advance of qualified coal mining operations as part of a specific plan to mine a coal deposit.

"(C) SPECIAL RULE FOR ADVANCED EXTRACTION.—In the case of coalmine methane gas which is captured in advance of qualified coal mining operations, the credit under subsection (a) shall be allowed only after the date the coal extraction occurs in the immediate area where the coalmine methane gas was removed.

"(D) NONCOMPLIANCE WITH POLLUTION LAWS.—For purposes of subparagraphs (B) and (C), coal mining operations which are not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be qualified coal mining operations during such period.

"(5) FACILITIES PRODUCING FUELS FROM AGRICULTURAL AND ANIMAL WASTE.—

"(A) IN GENERAL.—In the case of facility for producing liquid, gaseous, or solid fuels from qualified agricultural and animal wastes, including such fuels when used as feedstocks, which was placed in service after the date of the enactment of this subsection and before January 1, 2005, this section shall apply with respect to fuel produced at such facility not later than the close of the 3-year period beginning on the date such facility is placed in service.

"(B) QUALIFIED AGRICULTURAL AND ANIMAL WASTE.—For purposes of this paragraph, the term 'qualified agricultural and animal waste' means agriculture and animal waste, including by-products, packaging, and any materials associated with the processing, feeding, selling, transporting, or disposal of agricultural or animal products or wastes, including wood shavings, straw, rice hulls, and other bedding for the disposition of manure.

"(6) CREDIT AMOUNT.—In determining the amount of credit allowable under this section solely by reason of this subsection, the dollar amount applicable under subsection (a)(1) shall be $3 (without regard to subsection (b)(2)).".

(b) EXTENSION FOR CERTAIN FUEL PRODUCED AT EXISTING FACILITIES.—Paragraph (2) of section 29(f) (relating to application of section) is amended by inserting "(January 1, 2005, in the case of any coke, coke gas, or natural gas and byproducts produced by coal gasification from lignite in a facility described in paragraph (1)(B))" after "January 1, 2003".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to fuel sold after the date of the enactment of this Act.

SEC. 2311. NATURAL GAS DISTRIBUTION LINES TREATED AS 15-YEAR PROPERTY.

(a) IN GENERAL.—Subparagraph (E) of section 168(e)(3) (relating to classification of certain property) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and by inserting ", and", and by adding at the end the following new clause:

"(iv) any natural gas distribution line.".

(b) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B), as amended by this Act, is amended by adding after the item relating to subparagraph (E)(iii) the following new item:

"(E)(iv) .... 20".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

TITLE XXIV—ELECTRIC UTILITY RESTRUCTURING PROVISIONS

SEC. 2401. ONGOING STUDY AND REPORTS REGARDING TAX ISSUES RESULTING FROM FUTURE RESTRUCTURING DECISIONS.

(a) ONGOING STUDY.—The Secretary of the Treasury, after consultation with the Federal Energy Regulatory Commission, shall undertake an ongoing study of Federal tax issues resulting from nontax decisions on the restructuring of the electric industry. In particular, the study shall focus on the effect on tax-exempt bonding authority of public power entities and on corporate restructuring which results from the restructuring of the electric industry.

(b) REGULATORY RELIEF.—In connection with the study described in subsection (a), the Secretary of the Treasury should exercise the Secretary's authority, as appropriate, to modify or suspend regulations that may impede an electric utility company's ability to reorganize its capital stock structure to respond to a competitive marketplace.

(c) REPORTS.—The Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives not later than December 31, 2002, regarding Federal tax issues identified under the study described in subsection (a), and at least annually thereafter, regarding such issues identified since the preceding report. Such reports shall also include such legislative recommendations regarding changes to the private business use rules under subpart A of part IV of subchapter B of chapter 1 of the Internal Revenue Code of 1986 as the Secretary of the Treasury deems necessary. The reports shall continue until such time as the Federal Energy Regulatory Commission has completed the restructuring of the electric industry.

SEC. 2402. MODIFICATIONS TO SPECIAL RULES FOR NUCLEAR DECOMMISSIONING COSTS.

(a) REPEAL OF LIMITATION ON DEPOSITS INTO FUND BASED ON COST OF SERVICE; CONTRIBUTIONS AFTER FUNDING PERIOD.—Subsection (b) of section 468A is amended to read as follows:

"(b) LIMITATION ON AMOUNTS PAID INTO FUND.—The amount which a taxpayer may pay into the Fund for any taxable year shall not exceed the ruling amount applicable to such taxable year.".

(b) CLARIFICATION OF TREATMENT OF FUND TRANSFERS.—Subsection (e) of section 468A is amended by adding at the end the following new paragraph:

"(8) TREATMENT OF FUND TRANSFERS.—If, in connection with the transfer of the taxpayer's interest in a nuclear power plant, the taxpayer transfers the Fund with respect to such power plant to the transferee of such interest and the transferee elects to continue the application of this section to such Fund—

"(A) the transfer of such Fund shall not cause such Fund to be disqualified from the application of this section, and

"(B) no amount shall be treated as distributed from such Fund, or be includible in gross income, by reason of such transfer.".

(c) DEDUCTION FOR NUCLEAR DECOMMISSIONING COSTS WHEN PAID.—Paragraph (2) of section 468A(c) is amended to read as follows:

"(2) DEDUCTION OF NUCLEAR DECOMMISSIONING COSTS.—In addition to any deduction under subsection (a), nuclear decommissioning costs paid or incurred by the taxpayer during any taxable year shall constitute ordinary and necessary expenses in carrying on a trade or business under section 162.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 2403. TREATMENT OF CERTAIN INCOME OF COOPERATIVES.

(a) INCOME FROM OPEN ACCESS AND NUCLEAR DECOMMISSIONING TRANSACTIONS.—

(1) IN GENERAL.—Subparagraph (C) of section 501(c)(12) is amended by striking "or" at the end of clause (i), by striking clause (ii), and by adding at the end the following new clauses:

"(ii) from any open access transaction (other than income received or accrued directly or indirectly from a member),

"(iii) from any nuclear decommissioning transaction,

"(iv) from any asset exchange or conversion transaction, or

"(v) from the prepayment of any loan, debt, or obligation made, insured, or guaranteed under the Rural Electrification Act of 1936.".

(2) DEFINITIONS AND SPECIAL RULES.—Paragraph (12) of section 501(c) is amended by adding at the end the following new subparagraphs:

"(E) For purposes of subparagraph (C)(ii)—

"(i) The term 'open access transaction' means any transaction meeting the open access requirements of any of the following subclauses with respect to a mutual or cooperative electric company:

"(I) The provision or sale of transmission service or ancillary services meets the open access requirements of this subclause only if such services are provided on a nondiscriminatory open access basis pursuant to an open access transmission tariff filed with and approved by FERC, including an acceptable reciprocity tariff, or under a regional transmission organization agreement approved by FERC.

"(II) The provision or sale of electric energy distribution services or ancillary services meets the open access requirements of this subclause only if such services are provided on a nondiscriminatory open access basis to end-users served by distribution facilities owned by the mutual or cooperative electric company (or its members).

"(III) The delivery or sale of electric energy generated by a generation facility meets the open access requirements of this subclause only if such facility is directly connected to distribution facilities owned by the mutual or cooperative electric company (or its members) which owns the generation facility, and such distribution facilities meet the open access requirements of subclause (II).

"(ii) Clause (i)(I) shall apply in the case of a voluntarily filed tariff only if the mutual or cooperative electric company files a report with FERC within 90 days after the date of the enactment of this subparagraph relating to whether or not such company will join a regional transmission organization.

"(iii) A mutual or cooperative electric company shall be treated as meeting the open access requirements of clause (i)(I) if a regional transmission organization controls the transmission facilities.

"(iv) References to FERC in this subparagraph shall be treated as including references to the Public Utility Commission of Texas with respect to any ERCOT utility (as defined in section 212(k)(2)(B) of the Federal Power Act (16 U.S.C. 824k(k)(2)(B))) or references to the Rural Utilities Service with respect to any other facility not subject to FERC jurisdiction.

"(v) For purposes of this subparagraph—

"(I) The term 'transmission facility' means an electric output facility (other than a generation facility) that operates at an electric voltage of 69 kV or greater. To the extent provided in regulations, such term includes any output facility that FERC determines is a transmission facility under standards applied by FERC under the Federal Power Act (as in effect on the date of the enactment of the Energy Tax Incentives Act of 2002).

"(II) The term 'regional transmission organization' includes an independent system operator.

"(III) The term 'FERC' means the Federal Energy Regulatory Commission.

"(F) The term 'nuclear decommissioning transaction' means—

"(i) any transfer into a trust, fund, or instrument established to pay any nuclear decommissioning costs if the transfer is in connection with the transfer of the mutual or cooperative electric company's interest in a nuclear power plant or nuclear power plant unit,

"(ii) any distribution from any trust, fund, or instrument established to pay any nuclear decommissioning costs, or

"(iii) any earnings from any trust, fund, or instrument established to pay any nuclear decommissioning costs.

"(G) The term 'asset exchange or conversion transaction' means any voluntary exchange or involuntary conversion of any property related to generating, transmitting, distributing, or selling electric energy by a mutual or cooperative electric company, the gain from which qualifies for deferred recognition under section 1031 or 1033, but only if the replacement property acquired by such company pursuant to such section constitutes property which is used, or to be used, for—

"(i) generating, transmitting, distributing, or selling electric energy, or

"(ii) producing, transmitting, distributing, or selling natural gas.".

(b) TREATMENT OF INCOME FROM LOAD LOSS TRANSACTIONS.—Paragraph (12) of section 501(c), as amended by subsection (a)(2), is amended by adding after subparagraph (G) the following new subparagraph:

"(H)(i) In the case of a mutual or cooperative electric company described in this paragraph or an organization described in section 1381(a)(2)(C), income received or accrued from a load loss transaction shall be treated as an amount collected from members for the sole purpose of meeting losses and expenses.

"(ii) For purposes of clause (i), the term 'load loss transaction' means any wholesale or retail sale of electric energy (other than to members) to the extent that the aggregate sales during the recovery period does not exceed the load loss mitigation sales limit for such period.

"(iii) For purposes of clause (ii), the load loss mitigation sales limit for the recovery period is the sum of the annual load losses for each year of such period.

"(iv) For purposes of clause (iii), a mutual or cooperative electric company's annual load loss for each year of the recovery period is the amount (if any) by which—

"(I) the megawatt hours of electric energy sold during such year to members of such electric company are less than

"(II) the megawatt hours of electric energy sold during the base year to such members.

"(v) For purposes of clause (iv)(II), the term 'base year' means—

"(I) the calendar year preceding the start-up year, or

"(II) at the election of the electric company, the second or third calendar years preceding the start-up year.

"(vi) For purposes of this subparagraph, the recovery period is the 7-year period beginning with the start-up year.

"(vii) For purposes of this subparagraph, the start-up year is the calendar year which includes the date of the enactment of this subparagraph or, if later, at the election of the mutual or cooperative electric company—

"(I) the first year that such electric company offers nondiscriminatory open access, or

"(II) the first year in which at least 10 percent of such electric company's sales are not to members of such electric company.

"(viii) A company shall not fail to be treated as a mutual or cooperative company for purposes of this paragraph or as a corporation operating on a cooperative basis for purposes of section 1381(a)(2)(C) by reason of the treatment under clause (i).

"(ix) In the case of a mutual or cooperative electric company, income from any open access transaction received, or accrued, indirectly from a member shall be treated as an amount collected from members for the sole purpose of meeting losses and expenses.".

(c) EXCEPTION FROM UNRELATED BUSINESS TAXABLE INCOME.—Subsection (b) of section 512 (relating to modifications) is amended by adding at the end the following new paragraph:

"(18) TREATMENT OF MUTUAL OR COOPERATIVE ELECTRIC COMPANIES.—In the case of a mutual or cooperative electric company described in section 501(c)(12), there shall be excluded income which is treated as member income under subparagraph (H) thereof.".

(d) CROSS REFERENCE.—Section 1381 is amended by adding at the end the following new subsection:

"(c) CROSS REFERENCE.—

"For treatment of income from load loss transactions of organizations described in subsection (a)(2)(C), see section 501(c)(12)(H).".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 2404. SALES OR DISPOSITIONS TO IMPLEMENT FEDERAL ENERGY REGULATORY COMMISSION OR STATE ELECTRIC RESTRUCTURING POLICY.

(a) IN GENERAL.—Section 451 (relating to general rule for taxable year of inclusion) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT FEDERAL ENERGY REGULATORY COMMISSION OR STATE ELECTRIC RESTRUCTURING POLICY.—

"(1) IN GENERAL.—For purposes of this subtitle, if a taxpayer elects the application of this subsection to a qualifying electric transmission transaction in any taxable year—

"(A) any ordinary income derived from such transaction which would be required to be recognized under section 1245 or 1250 for such taxable year (determined without regard to this subsection), and

"(B) any income derived from such transaction in excess of such ordinary income which is required to be included in gross income for such taxable year,

shall be so recognized and included ratably over the 8-taxable year period beginning with such taxable year.

"(2) QUALIFYING ELECTRIC TRANSMISSION TRANSACTION.—For purposes of this subsection, the term 'qualifying electric transmission transaction' means any sale or other disposition before January 1, 2007, of—

"(A) property used by the taxpayer in the trade or business of providing electric transmission services, or

"(B) any stock or partnership interest in a corporation or partnership, as the case may be, whose principal trade or business consists of providing electric transmission services, but only if such sale or disposition is to an independent transmission company.

"(3) INDEPENDENT TRANSMISSION COMPANY.—For purposes of this subsection, the term 'independent transmission company' means—

"(A) a regional transmission organization approved by the Federal Energy Regulatory Commission,

"(B) a person—

"(i) who the Federal Energy Regulatory Commission determines in its authorization of the transaction under section 203 of the Federal Power Act (16 U.S.C. 824b) is not a market participant within the meaning of such Commission's rules applicable to regional transmission organizations, and

"(ii) whose transmission facilities to which the election under this subsection applies are under the operational control of a Federal Energy Regulatory Commission-approved regional transmission organization before the close of the period specified in such authorization, but not later than the close of the period applicable under paragraph (1), or

"(C) in the case of facilities subject to the exclusive jurisdiction of the Public Utility Commission of Texas, a person which is approved by that Commission as consistent with Texas State law regarding an independent transmission organization.

"(4) ELECTION.—An election under paragraph (1), once made, shall be irrevocable.

"(5) NONAPPLICATION OF INSTALLMENT SALES TREATMENT.—Section 453 shall not apply to any qualifying electric transmission transaction with respect to which an election to apply this subsection is made.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transactions occurring after the date of the enactment of this Act.

SEC. 2405. APPLICATION OF TEMPORARY REGULATIONS TO CERTAIN OUTPUT CONTRACTS.

In the application of section 1–141–7(c)(4) of the Treasury Temporary Regulations to output contracts entered into after February 22, 1998, with respect to an issuer participating in open access with respect to the issuer's transmission facilities, an output contract in existence on or before such date that is amended after such date shall be treated as a contract entered into after such date only if the amendment increases the amount of output sold under such contract by extending the term of the contract or increasing the amount of output sold, but such treatment as a contract entered into after such date shall begin on the effective date of the amendment and shall apply only with respect to the increased output to be provided under such contract.

SEC. 2406. TREATMENT OF CERTAIN DEVELOPMENT INCOME OF COOPERATIVES.

(a) IN GENERAL.—Subparagraph (C) of section 501(c)(12), as amended by this Act, is amended by striking "or" at the end of clause (iv), by striking the period at the end of clause (v) and insert ", or", and by adding at the end the following new clause:

"(vi) from the receipt before January 1, 2007, of any money, property, capital, or any other contribution in aid of construction or connection charge intended to facilitate the provision of electric service for the purpose of developing qualified fuels from nonconventional sources (within the meaning of section 29).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

TITLE XXV—ADDITIONAL PROVISIONS

SEC. 2501. EXTENSION OF ACCELERATED DEPRECIATION AND WAGE CREDIT BENEFITS ON INDIAN RESERVATIONS.

(a) SPECIAL RECOVERY PERIOD FOR PROPERTY ON INDIAN RESERVATIONS.—Section 168(j)(8) (relating to termination), as amended by section 613(b) of the Job Creation and Worker Assistance Act of 2002, is amended by striking "2004" and inserting "2005".

(b) INDIAN EMPLOYMENT CREDIT.—Section 45A(f) (relating to termination), as amended by section 613(a) of the Job Creation and Worker Assistance Act of 2002, is amended by striking "2004" and inserting "2005".

SEC. 2502. STUDY OF EFFECTIVENESS OF CERTAIN PROVISIONS BY GAO.

(a) STUDY.—The Comptroller General of the United States shall undertake an ongoing analysis of—

(1) the effectiveness of the alternative motor vehicles and fuel incentives provisions under title II and the conservation and energy efficiency provisions under title III, and

(2) the recipients of the tax benefits contained in such provisions, including an identification of such recipients by income and other appropriate measurements.

Such analysis shall quantify the effectiveness of such provisions by examining and comparing the Federal Government's forgone revenue to the aggregate amount of energy actually conserved and tangible environmental benefits gained as a result of such provisions.

(b) REPORTS.—The Comptroller General of the United States shall report the analysis required under subsection (a) to Congress not later than December 31, 2002, and annually thereafter.

SEC. 2503. CREDIT FOR PRODUCTION OF ALASKA NATURAL GAS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 45M. ALASKA NATURAL GAS.

"(a) IN GENERAL.—For purposes of section 38, the Alaska natural gas credit of any taxpayer for any taxable year is the credit amount per 1,000,000 Btu of Alaska natural gas entering any intake or tie-in point which was derived from an area of the State of Alaska lying north of 64 degrees North latitude, which is attributable to the taxpayer and sold by or on behalf of the taxpayer to an unrelated person during such taxable year (within the meaning of section 45).

"(b) CREDIT AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The credit amount per 1,000,000 Btu of Alaska natural gas entering any intake or tie-in point which was derived from an area of the State of Alaska lying north of 64 degrees North latitude (determined in United States dollars), is the excess of—

"(A) $3.25, over

"(B) the average monthly price at the AECO C Hub in Alberta, Canada, for Alaska natural gas for the month in which occurs the date of such entering.

"(2) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after the first calendar year ending after the date described in subsection (g)(1), the dollar amount contained in paragraph (1)(A) shall be increased to an amount equal to such dollar amount multiplied by the inflation adjustment factor for such calendar year (determined under section 43(b)(3)(B) by substituting 'the calendar year ending before the date described in section 45M(g)(1)' for '1990').

"(c) ALASKA NATURAL GAS.—For purposes of this section, the term 'Alaska natural gas' means natural gas entering any intake or tie-in point which was derived from an area of the State of Alaska lying north of 64 degrees North latitude produced in compliance with the applicable State and Federal pollution prevention, control, and permit requirements from the area generally known as the North Slope of Alaska

(including the continental shelf thereof within the meaning of section 638(l)), determined without regard to the area of the Alaska National Wildlife Refuge (including the continental shelf thereof within the meaning of section 638(l)).

"(d) RECAPTURE.—

"(1) IN GENERAL.—With respect to each 1,000,000 Btu of Alaska natural gas entering any intake or tie-in point which was derived from an area of the State of Alaska lying north of 64 degrees North latitude after the date which is 3 years after the date described in subsection (g)(1), if the average monthly price described in subsection (b)(1)(B) exceeds 150 percent of the amount described in subsection (b)(1)(A) for the month in which occurs the date of such entering, the taxpayer's tax under this chapter for the taxable year shall be increased by an amount equal to the lesser of—

"(A) such excess, or

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the Alaska natural gas credit received by the taxpayer for such years had been zero.

"(2) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

"(e) APPLICATION OF RULES.—For purposes of this section, rules similar to the rules of paragraphs (3), (4), and (5) of section 45(d) shall apply.

"(f) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for any fuel taken into account in computing the amount of the credit determined under subsection (a) shall be reduced by the amount of such credit attributable to such fuel.

"(g) APPLICATION OF SECTION.—This section shall apply to Alaska natural gas entering any intake or tie-in point which was derived from an area of the State of Alaska lying north of 64 degrees North latitude for the period—

"(1) beginning with the later of—

"(A) January 1, 2010, or

"(B) the initial date for the interstate transportation of such Alaska natural gas, and

"(2) except with respect to subsection (d), ending with the date which is 15 years after the date described in paragraph (1).".

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b), as amended by this Act, is amended by striking "plus" at the end of paragraph (22), by striking the period at the end of paragraph (23) and inserting ", plus", and by adding at the end the following new paragraph:

"(24) The Alaska natural gas credit determined under section 45M(a).".

(c) ALLOWING CREDIT AGAINST ENTIRE REGULAR TAX AND MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax), as amended by this Act, is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) SPECIAL RULES FOR ALASKA NATURAL GAS CREDIT.—

"(A) IN GENERAL.—In the case of the Alaska natural gas credit—

"(i) this section and section 39 shall be applied separately with respect to the credit, and

"(ii) in applying paragraph (1) to the credit—

"(I) the amounts in subparagraphs (A) and (B) thereof shall be treated as being zero, and

"(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the Alaska natural gas credit).

"(B) ALASKA NATURAL GAS CREDIT.—For purposes of this subsection, the term 'Alaska natural gas credit' means the credit allowable under subsection (a) by reason of section 45M(a).".

(2) CONFORMING AMENDMENTS.—Subclause (II) of section 38(c)(2)(A)(ii), as amended by this Act, subclause (II) of section 38(c)(3)(A)(ii), as amended by this Act, and subclause (II) of section 38(c)(4)(A)(ii), as added by this Act, are each amended by inserting "or the Alaska natural gas credit" after "producer credit".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 45M. Alaska natural gas.".

SEC. 2504. SALE OF GASOLINE AND DIESEL FUEL AT DUTY-FREE SALES ENTERPRISES.

(a) PROHIBITION.—Section 555(b) of the Tariff Act of 1930 (19 U.S.C. 1555(b)) is amended—

(1) by redesignating paragraphs (6) through (8) as paragraphs (7) through (9), respectively; and

(2) by inserting after paragraph (5) the following:

"(6) Any gasoline or diesel fuel sold at a duty-free sales enterprise shall be considered to be entered for consumption into the customs territory of the United States.".

(b) CONSTRUCTION.—The amendments made by this section shall not be construed to create any inference with respect to the interpretation of any provision of law as such provision was in effect on the day before the date of enactment of this Act.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

SEC. 2505. TREATMENT OF DAIRY PROPERTY.

(a) QUALIFIED DISPOSITION OF DAIRY PROPERTY TREATED AS INVOLUNTARY CONVERSION.—

(1) IN GENERAL.—Section 1033 (relating to involuntary conversions) is amended by designating subsection (k) as subsection (l) and inserting after subsection (j) the following new subsection:

"(k) QUALIFIED DISPOSITION TO IMPLEMENT BOVINE TUBERCULOSIS ERADICATION PROGRAM.—

"(1) IN GENERAL.—For purposes of this subtitle, if a taxpayer elects the application of this subsection to a qualified disposition:

"(A) TREATMENT AS INVOLUNTARY CONVERSION.—Such disposition shall be treated as an involuntary conversion to which this section applies.

"(B) MODIFICATION OF SIMILAR PROPERTY REQUIREMENT.—Property to be held by the taxpayer either for productive use in a trade or business or for investment shall be treated as property similar or related in service or use to the property disposed of.

"(C) EXTENSION OF PERIOD FOR REPLACING PROPERTY.—Subsection (a)(2)(B)(i) shall be applied by substituting '4 years' for '2 years'.

"(D) WAIVER OF UNRELATED PERSON REQUIREMENT.—Subsection (i) (relating to replacement property must be acquired from unrelated person in certain cases) shall not apply.

"(E) EXPANDED CAPITAL GAIN FOR CATTLE AND HORSES.—Section 1231(b)(3)(A) shall be applied by substituting '1 month' for '24 months'.

"(2) QUALIFIED DISPOSITION.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified disposition' means the disposition of dairy property which is certified by the Secretary of Agriculture as having been the subject of an agreement under the bovine tuberculosis eradication program, as implemented pursuant to the Declaration of Emergency Because of Bovine Tuberculosis (65 Federal Register 63,227 (2000)).

"(B) PAYMENTS RECEIVED IN CONNECTION WITH THE BOVINE TUBERCULOSIS ERADICATION PROGRAM.—For purposes of this subsection, any amount received by a taxpayer in connection with an agreement under such bovine tuberculosis eradication program shall be treated as received in a qualified disposition.

"(C) TRANSMITTAL OF CERTIFICATIONS.—The Secretary of Agriculture shall transmit copies of certifications under this paragraph to the Secretary.

"(3) ALLOWANCE OF THE ADJUSTED BASIS OF CERTIFIED DAIRY PROPERTY AS A DEPRECIATION DEDUCTION.—The adjusted basis of any property certified under paragraph (2)(A) shall be allowed as a depreciation deduction under section 167 for the taxable year which includes the date of the certification described in paragraph (2)(A).

"(4) DAIRY PROPERTY.—For purposes of this subsection, the term 'dairy property' means all tangible or intangible property used in connection with a dairy business or a dairy processing plant.

"(5) SPECIAL RULES FOR CERTAIN BUSINESS ORGANIZATIONS.—

"(A) S CORPORATIONS.—In the case of an S corporation, gain on a qualified disposition shall not be treated as recognized for the purposes of section 1374 (relating to tax imposed on certain built-in gains).

"(B) PARTNERSHIPS.—In the case of a partnership which dissolves in anticipation of a qualified disposition (including in anticipation of receiving the amount described in paragraph (2)(B)), the dairy property owned by the partners of such partnership at the time of such disposition shall be treated, for the purposes of this section and notwithstanding any regulation or rule of law, as owned by such partners at the time of such disposition.

"(6) TERMINATION.—This subsection shall not apply to dispositions made after December 31, 2006.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to dispositions made and amounts received in taxable years ending after May 22, 2001.

(b) DEDUCTION OF QUALIFIED RECLAMATION EXPENDITURES.—

(1) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations), as amended by this Act, is amended by adding at the end the following new section:

"SEC. 199B. EXPENSING OF DAIRY PROPERTY RECLAMATION COSTS.

"(a) IN GENERAL.—Notwithstanding section 280B (relating to demolition of structures), a taxpayer may elect to treat any qualified reclamation expenditure which is paid or incurred by the taxpayer as an expense which is not chargeable to capital account. Any expenditure which is so treated shall be allowed as a deduction for the taxable year in which it is paid or incurred.

"(b) QUALIFIED RECLAMATION EXPENDITURE.—

"(1) IN GENERAL.—For purposes of this subparagraph, the term 'qualified reclamation expenditure' means amounts otherwise chargeable to capital account and paid or incurred to convert any real property certified under section 1033(k)(2) (relating to qualified disposition) into unimproved land.

"(2) SPECIAL RULE FOR EXPENDITURES FOR DEPRECIABLE PROPERTY.—A rule similar to the rule of section 198(b)(2) (relating to special rule for

expenditures for depreciable property) shall apply for purposes of paragraph (1).

"(c) DEDUCTION RECAPTURED AS ORDINARY INCOME.—Rules similar to the rules of section 198(e) (relating to deduction recaptured as ordinary income on sale, etc.) shall apply with respect to any qualified reclamation expenditure.

"(d) TERMINATION.—This section shall not apply to expenditures paid or incurred after December 31, 2006.".

(2) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

"Sec. 199B. Expensing of dairy property reclamation costs.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to expenditures paid or incurred in taxable years ending after May 22, 2001.

SEC. 2506. CLARIFICATION OF EXCISE TAX EXEMPTIONS FOR AGRICULTURAL AERIAL APPLICATORS.

(a) NO WAIVER BY FARM OWNER, TENANT, OR OPERATOR NECESSARY.—Subparagraph (B) of section 6420(c)(4) (relating to certain farming use other than by owner, etc.) is amended to read as follows:

"(B) if the person so using the gasoline is an aerial or other applicator of fertilizers or other substances and is the ultimate purchaser of the gasoline, then subparagraph (A) of this paragraph shall not apply and the aerial or other applicator shall be treated as having used such gasoline on a farm for farming purposes.".

(b) EXEMPTION INCLUDES FUEL USED BETWEEN AIRFIELD AND FARM.—Section 6420(c)(4), as amended by subsection (a), is amended by adding at the end the following new flush sentence:

"For purposes of this paragraph, in the case of an aerial applicator, gasoline shall be treated as used on a farm for farming purposes if the gasoline is used for the direct flight between the airfield and 1 or more farms.".

(c) EXEMPTION FROM TAX ON AIR TRANSPORTATION OF PERSONS FOR FORESTRY PURPOSES EXTENDED TO FIXED-WING AIRCRAFT.—Subsection (f) of section 4261 (relating to tax on air transportation of persons) is amended to read as follows:

"(f) EXEMPTION FOR CERTAIN USES.—No tax shall be imposed under subsection (a) or (b) on air transportation—

"(1) by helicopter for the purpose of transporting individuals, equipment, or supplies in the exploration for, or the development or removal of, hard minerals, oil, or gas, or

"(2) by helicopter or by fixed-wing aircraft for the purpose of the planting, cultivation, cutting, or transportation of, or caring for, trees (including logging operations),

but only if the helicopter or fixed-wing aircraft does not take off from, or land at, a facility eligible for assistance under the Airport and Airway Development Act of 1970, or otherwise use services provided pursuant to section 44509 or 44913(b) or subchapter I of chapter 471 of title 49, United States Code, during such use. In the case of helicopter transportation described in paragraph (1), this subsection shall be applied by treating each flight segment as a distinct flight.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel use or air transportation after December 31, 2001, and before January 1, 2003.

SEC. 2507. MODIFICATION OF RURAL AIRPORT DEFINITION.

(a) IN GENERAL.—Clause (ii) of section 4261(e)(1)(B) (defining rural airport) is amended by striking the period at the end of subclause (II) and inserting ", or" and by adding at the end the following new subclause:

"(III) is not connected by paved roads to another airport.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 2002.

SEC. 2508. EXEMPTION FROM TICKET TAXES FOR TRANSPORTATION PROVIDED BY SEAPLANES.

(a) IN GENERAL.—The taxes imposed by sections 4261 and 4271 shall not apply to transportation by a seaplane with respect to any segment consisting of a takeoff from, and a landing on, water.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after 2002.

DIVISION I—IRAQ OIL IMPORT RESTRICTION

TITLE XXVI—IRAQ OIL IMPORT RESTRICTION

SEC. 2601. SHORT TITLE AND FINDINGS.

(a) SHORT TITLE.—This title can be cited as the "Iraq Petroleum Import Restriction Act of 2002".

(b) FINDINGS.—Congress finds that—

(1) the Government of the Republic of Iraq—

(A) has failed to comply with the terms of United Nations Security Council Resolution 687 regarding unconditional Iraqi acceptance of the destruction, removal, or rendering harmless, under international supervision, of all nuclear, chemical and biological weapons and all stocks of agents and all related subsystems and components and all research, development, support and manufacturing facilities, as well as all ballistic missiles with a range greater than 150 kilometers and related major parts, and repair and production facilities and has failed to allow United Nations inspectors access to sites used for the production or storage of weapons of mass destruction;

(B) routinely contravenes the terms and. conditions of UNSC Resolution 661, authorizing the export of petroleum products from Iraq in exchange for food, medicine and other humanitarian products by conducting a routine and extensive program to sell such products outside of the channels established by UNSC Resolution 661 in exchange for military equipment and materials to be used in pursuit of its program to develop weapons of mass destruction in order to threaten the United States and its allies in the Persian Gulf and surrounding regions;

(C) has failed to adequately draw down upon the amounts received in the Escrow Account established by UNSC Resolution 986 to purchase food, medicine and other humanitarian products required by its citizens, resulting in massive humanitarian suffering by the Iraqi people;

(D) conducts a periodic and systematic campaign to harass and obstruct the enforcement of the United States- and United Kingdom-enforced "No-Fly Zones" in effect in the Republic of Iraq;

(E) routinely manipulates the petroleum export production volumes permitted under UNSC Resolution 661 in order to create uncertainty in global energy markets, and therefore threatens the economic security of the United States;

(F) pays bounties to the families of suicide bombers in order to encourage the murder of Israeli civilians;

(2) further imports of petroleum products from the Republic of Iraq are inconsistent with the national security and foreign policy interests of the United States and should be eliminated until such time as they are not so inconsistent.

SEC. 2602. PROHIBITION ON IRAQI-ORIGIN PETROLEUM IMPORTS.

The direct or indirect import from Iraq of Iraqi-origin petroleum and petroleum products is prohibited, notwithstanding an authorization by the Committee established by UNSC Resolution 661 or its designee, or any other order to the contrary.

SEC. 2603. TERMINATION/PRESIDENTIAL CERTIFICATION.

This title will remain in effect until such time as the President, after consultation with the relevant committees in Congress, certifies to the Congress that—

(1) Iraq is in substantial compliance with the terms of—

(A) UNSC Resolution 687; and

(B) UNSC Resolution 986 prohibiting smuggling of oil in circumvention of the "Oil-for-Food" program; and

(2) ceases the practice of compensating the families of suicide bombers in order to encourage the murder of Israeli citizens; or that

(3) resuming the importation of Iraqi-origin petroleum and petroleum products would not be inconsistent with the national security and foreign policy interests of the United States.

SEC. 2604. HUMANITARIAN INTERESTS.

It is the sense of the Senate that the President should make all appropriate efforts to ensure that the humanitarian needs of the Iraqi people are not negatively affected by this Act, and should encourage through public, private, domestic and international means the direct or indirect sale, donation or other transfer to appropriate nongovernmental health and humanitarian organizations and individuals within Iraq of food, medicine and other humanitarian products.

SEC. 2605. DEFINITIONS.

(a) 661 COMMITTEE.—The term 661 Committee means the Security Council Committee established by UNSC Resolution 661, and persons acting for or on behalf of the Committee under its specific delegation of authority for the relevant matter or category of activity, including the overseers appointed by the United Nations Secretary-General to examine and approve agreements for purchases of petroleum and petroleum products from the Government of Iraq pursuant to UNSC Resolution 986.

(b) UNSC RESOLUTION 661.—The term UNSC Resolution 661 means United Nations Security Council Resolution No. 661, adopted August 6, 1990, prohibiting certain transactions with respect to Iraq and Kuwait.

(c) UNSC RESOLUTION 687.—The term UNSC Resolution 687 means United Nations Security Council Resolution 687, adopted April 3, 1991.

(d) UNSC RESOLUTION 986.—The term UNSC Resolution 986 means United Nations Security Council Resolution 986, adopted April 14, 1995.

SEC. 2606. EFFECTIVE DATE.

The prohibition on importation of Iraqi-origin petroleum and petroleum products shall be effective 30 days after enactment of this Act.

DIVISION J—MISCELLANEOUS

TITLE XXVII—MISCELLANEOUS PROVISION

SEC. 2701. FAIR TREATMENT OF PRESIDENTIAL JUDICIAL NOMINEES.

It is the sense of the Senate that, in the interests of the administration of justice, the Senate Judiciary Committee should along with its other legislative and oversight responsibilities, continue to hold regular hearings on judicial nominees and should, in accordance with the precedents and practices of the Committee, schedule hearings on the nominees submitted by the President on May 9, 2001, and resubmitted on September 5, 2001, expeditiously.

APPOINTMENT OF CONFEREES—H.R. 4 AND H.R. 3295

Mr. REID. Madam President, I ask unanimous consent that the Chair appoint conferees on behalf of the Senate for H.R. 4

There being no objection, the Presiding Officer appointed Senators BINGAMAN, HOLLINGS, BAUCUS, KERRY, ROCKEFELLER, BREAUX, REID, JEFFORDS, LIEBERMAN, MURKOWSKI, DOMENICI, GRASSLEY, NICKLES, LOTT, CRAIG, CAMPBELL, and THOMAS conferees on the part of the Senate.

Mr. REID. Madam President, I ask unanimous consent that the Chair appoint conferees on behalf of the Senate for H.R. 3295.

There being no objection, the Presiding Officer appointed Mr. DODD, Mr. SCHUMER, Mr. DURBIN, Mr. MCCONNELL, and Mr. BOND conferees on the part of the Senate.

NATIONAL BETTER HEARING AND SPEECH MONTH

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of S. Con. Res. 103.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 103) supporting the goals and ideals of National Better Hearing and Speech Month, and for other purposes.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. REID. Madam President, I ask unanimous consent that the concurrent resolution and preamble be agreed to en bloc; the motion to reconsider be laid on the table; and that any statements relating thereto be printed in the RECORD, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 103) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. 103

Whereas the National Institute on Deafness and Other Communication Disorders (NIDCD) reports that approximately 42,000,000 people in the United States suffer from a speech, voice, language, or hearing impairment;

Whereas almost 28,000,000 people in the United States suffer from hearing loss;

Whereas 1 out of every 3 people in the United States over 65 years of age suffers from hearing loss;

Whereas although more than 25,000,000 people in the United States would benefit from the use of a hearing aid, fewer than 7,000,000 people in the United States use a hearing aid;

Whereas sounds louder than 80 decibels are considered potentially dangerous and can lead to hearing loss;

Whereas the number of young children who suffer hearing loss as a result of environmental noise has increased;

Whereas every day in the United States approximately 33 babies are born with significant hearing loss;

Whereas hearing loss is the most common congenital disorder in newborns;

Whereas a delay in diagnosing a newborn's hearing loss can affect the child's social, emotional, and academic development;

Whereas the average age at which newborns with hearing loss are diagnosed is between 12 and 25 months;

Whereas more than 1,000,000 children received speech or language disorder services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) during the school year ending in 1998;

Whereas children with language impairments are 4 to 5 times more likely than their peers to experience reading problems;

Whereas 10 percent of children entering the first grade have moderate to severe speech disorders, including stuttering;

Whereas stuttering affects more than 2,000,000 people in the United States;

Whereas approximately 1,000,000 people in the United States have aphasia, a language disorder inhibiting spoken communication that results from damage caused by a stroke or other traumatic injury to the language centers of the brain; and

Whereas for the last 75 years, May has been celebrated as National Better Hearing and Speech Month in order to raise awareness regarding speech, voice, language, and hearing impairments and to provide an opportunity for Federal, State, and local governments, members of the private and nonprofit sectors, speech and hearing professionals, and the people of the United States to focus on preventing, mitigating, and curing such impairments: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) supports the goals and ideals of National Better Hearing and Speech Month;

(2) commends the 41 States that have implemented routine hearing screenings for every newborn before the newborn leaves the hospital;

(3) supports the efforts of speech and hearing professionals in their efforts to improve the speech and hearing development of children; and

(4) encourages the people of the United States to have their hearing checked regularly and to avoid environmental noise that can lead to hearing loss.

ORDERS FOR THURSDAY, MAY 2, 2002

Mr. REID. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Thursday, May 2; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and there be a period of morning business until 10 a.m., with the time under the control of Senator DASCHLE or his designee; and that at 10 a.m. the Senate resume consideration of H.R. 3009, the Andean Trade Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Madam President, tomorrow there should be a series of votes. I don't know how many, but everyone should be aware of a number of votes coming before the Senate. The majority leader has also spoken to the Republican leader, and he expects a number of matters to be able to come up tomorrow evening, maybe some conference reports, maybe a resolution or so. We are going to have votes tomorrow, and likely it will be a pretty late evening. Everyone should be prepared for that.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. REID. Madam President, if there is no further business to come before the Senate, I ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:43 p.m., adjourned until Thursday, May 2, 2002, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 1, 2002:

DEPARTMENT OF ENERGY

KYLE E. MCSLARROW, OF VIRGINIA, TO BE DEPUTY SECRETARY OF ENERGY, VICE FRANCIS S. BLAKE, RESIGNED.

THE JUDICIARY

SUSAN G. BRADEN, OF THE DISTRICT OF COLUMBIA, TO BE A JUDGE OF THE UNITED STATES COURT OF FEDERAL CLAIMS FOR A TERM OF FIFTEEN YEARS, VICE ROGER B. ANDEWELT, DECEASED.

REENA RAGGI, OF NEW YORK, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SECOND CIRCUIT, VICE AMALYA L. KEARSE, RETIRED.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 2, 2002 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 7

9:30 a.m.

Governmental Affairs
Investigations Subcommittee
To hold hearings to examine the role of the Board of Directors in the collapse of the Enron Corporation.
SH-216

Commerce, Science, and Transportation
To hold hearings to examine and review the Merger Investigation Agreement between the Federal Trade Commission and the Department of Justice.
SR-253

Energy and Natural Resources
To hold hearings to examine this year's wildlife fire season, as well as to assess the Federal land management agencies' state of readiness and preparedness for the wildland fire season.
SD-366

10 a.m.

Health, Education, Labor, and Pensions
To hold hearings to examine certain provisions of the Hatch-Waxman Act, assuring greater access to affordable pharmaceuticals.
SD-430

11 a.m.

Environment and Public Works
To hold hearings on the nomination of John Peter Suarez, of New Jersey, to be Assistant Administrator, Office of Enforcement and Compliance Assurance, Environmental Protection Agency.
SD-406

2:30 p.m.

Appropriations
To resume hearings to examine homeland security funding issues and proposed legislation making supplemental appropriations for the fiscal year ending September 30, 2002.
SD-192

Health, Education, Labor, and Pensions
Aging Subcommittee
To hold hearings to examine issues surrounding the National Family Caregiver Support Program.
SD-430

3 p.m.

Armed Services
Airland Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR-232A

4 p.m.

Armed Services
Personnel Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR-222

5 p.m.

Armed Services
Readiness and Management Support Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR-232A

MAY 8

9 a.m.

Armed Services
SeaPower Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR-232A

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Aeronautics and Space Administration.
SR-253

Energy and Natural Resources
To hold hearings on the nomination of Guy F. Caruso, of Virginia, to be Administrator of the Energy Information Administration, Department of Energy.
SD-366

Governmental Affairs
To hold hearings to examine infrastructure security, focusing on private/public information sharing.
SD-342

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2003 for the Federal Emergency Management Agency.
SD-138

10 a.m.

Armed Services
Strategic Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR-222

Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Anthony Lowe, of Washington, to be Federal Insurance Administrator, Federal Emergency Management Agency.
SD-538

Judiciary
To hold hearings to examine the reformation of the Federal Bureau of Investigation, Department of Justice, focusing on mission refocusing and reorganization.
SD-226

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2003 for the Department of Labor.
SD-124

10:30 a.m.

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2003 for the General Accounting Office, Congressional Budget Office, and Government Printing Office.
SD-116

11:30 a.m.

Armed Services
Emerging Threats and Capabilities Subcommittee
Closed business meeting to markup those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.
SR-232A

1:30 p.m.

Environment and Public Works
Superfund, Toxics, Risk, and Waste Management Subcommittee
To hold hearings on S. 1850, to amend the Solid Waste Disposal Act to bring underground storage tanks into compliance with subtitle I of that Act, to promote cleanup of leaking underground

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

storage tanks, to provide sufficient resources for such compliance and cleanup.

SD–406

2:30 p.m.

Armed Services

Closed business meeting to markup proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.

SR–222

Intelligence

To hold closed hearings to examine certain intelligence matters.

SD–219

MAY 9

9:30 a.m.

Finance

To hold hearings to examine revenue issues related to the Highway Trust Fund.

SD–215

Armed Services

Closed business meeting to continue to markup proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.

SR–222

Commerce, Science, and Transportation

Oceans, Atmosphere, and Fisheries Subcommittee

To hold oversight hearings to examine management issues at the National Marine Fisheries Services.

SR–253

10 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine consolidated student loans, focusing on variable rates.

SD–430

2:30 p.m.

Energy and Natural Resources

Public Lands and Forests Subcommittee

To hold hearings on S. 454, to provide permanent funding for the Bureau of Land Management Payment in Lieu of Taxes program and for other purposes; S. 1139, to direct the Secretary of Agriculture to convey certain land to Lander County, Nevada, and the Secretary of the Interior to convey certain land to Eureka County, Nevada, for continued use as cemeteries; S. 1325, to ratify an agreement between the Aleut Corporation and the United States of America to exchange land rights received under the Alaska Native Claims Settlement Act for certain land interests on Adak Island; S. 1497/H.R. 2385, to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property; S. 1711/H.R. 1576, to designate the James Peak Wilderness and the James Peak Protection Area in the State of Colorado; and S. 1907, to direct the Secretary of the Interior to convey certain land to the city of Haines, Oregon.

SD–366

MAY 10

9:30 a.m.

Armed Services

Closed business meeting to continue to markup proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.

SR–222

MAY 13

10 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine transformation plans of the United States Postal Service.

SD–342

MAY 17

10:30 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine non-proliferation programs, focusing on U.S. cruise missile threat.

SD–342

MAY 21

9:30 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine difficulties and solutions concerning nonproliferation disputes between Russia and China.

SD–342

HOUSE OF REPRESENTATIVES—*Thursday, May 2, 2002*

The House met at 10 a.m.

The Reverend Monsignor Michael J. Bransfield, Rector, Basilica of the National Shrine of the Immaculate Conception, Washington, D.C., offered the following prayer:

God, our Creator, You formed us in Your own image and likeness and call on us to act in righteousness and faith.

Bless our Nation and sustain it by Your grace.

Make it an example and promoter of harmony and goodwill.

Give the Members of this legislative body wisdom, prudence, and courage in conducting its affairs in service to the American people.

Let its actions today and always be inclined toward true justice and marked by diligent, noble initiative.

Preserve our troops at home and abroad, keep them safe from harm in their efforts to protect our freedom and welfare.

Grant peace and mutual respect to the peoples of the Middle East; may they enjoy both security in their lands and serenity in their hearts.

Finally, we thank You for Your merciful attention to the supplications offered throughout the United States on this national day of prayer.

We are grateful for Your continuing sustenance and desirous of fulfilling Your will for peace and prosperity in our Nation and the world. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Nebraska (Mr. BEREUTER) come forward and lead the House in the Pledge of Allegiance.

Mr. BEREUTER led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOMING CANADA'S PRIME MINISTER

(Mr. BEREUTER asked and was given permission to address the House for 1 minute.)

Mr. BEREUTER. Mr. Speaker, America is blessed to have in Canada not only a neighbor but also a steadfast ally and true friend. While our geographic bonds are obvious, it is our deep cultural, political, and economic ties that will forever bind us. Therefore, it is my distinct honor to welcome to Washington today the Honorable Peter Milliken, the Speaker of the House of Commons of Canada.

Mr. Speaker, I remind Members that this past October, only 1 month after the fateful September day, parliamentarians from all NATO nations met in Ottawa, Canada, for the fall meeting of the NATO Parliamentary Assembly. At that meeting, the assembly endorsed the use of force responsible for the horrific attacks on America. Our Canadian hosts that day, as all parliamentarians, knew the significant risk associated with the endeavor.

So it is with great sadness that we stand here today following the deaths of four Canadian soldiers, killed while on a mission to fight terror in Afghanistan.

Mr. Speaker, I say to Speaker Milliken and to all Canadians, we remain deeply saddened by their loss and America thanks them for their steadfast partnership.

EXPRESSING DEMOCRATIC WELCOME TO SPEAKER OF THE CANADIAN PARLIAMENT

(Mr. LANTOS asked and was given permission to address the House for 1 minute.)

Mr. LANTOS. Mr. Speaker, I am proud to join my good friend on the Republican side, Mr. BEREUTER, to express to the distinguished Speaker of the Canadian Parliament Democratic support and appreciation of the generations-long friendship and solidarity the Canadian people have shown to us.

There is no nation on the face of this planet which is a more dependable and a more solid and a more persistent ally and friend of the United States than is Canada. Through many wars we have stood together, and we have prevailed as we shall in this war on global terrorism.

War inevitably entails losses. No losses are more tragic and more heart rending than the ones we call losses related to "friendly fire." This means we kill our own by mistake, by error, through a tragedy. That is what happened, in Afghanistan, to four Canadian soldiers, and the American people are as one in expressing our heartfelt condolences to the families of these four heroes and to all of the Canadian people.

We want to assure Speaker Milliken that Canada and the United States will stand together forever on behalf of defending freedom, democracy, human rights, the rule of law, the right of civilized societies to live in peace and security. We appreciate the friendship of our Canadian friends, and we want to assure them of our solidarity and respect.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain further 1-minutes at the end of business today.

CONFERENCE REPORT ON H.R. 2646, FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 403 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 403

> *Resolved*, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. SWEENEY). The gentleman from Georgia (Mr. LINDER) is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume.

Mr. Speaker, H. Res. 403 waives all points of order against the conference report and against its consideration. The rule provides that the conference report shall be considered as read.

Adopting this rule would allow the full House of Representatives to consider the conference report to accompany H.R. 2646, the Farm Security and Rural Investment Act of 2002.

Yesterday, the Rules Committee approved this rule, which is a standard rule governing consideration of the conference report.

Before closing, I want to acknowledge my friends and colleagues on the House Agriculture Committee, the gentleman from Texas (Mr. COMBEST), the chairman, and the gentleman from

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Georgia (Mr. CHAMBLISS), the subcommittee chairman, who have spent a considerable amount of time on this measure.

Mr. Speaker, I urge my colleagues to support the rule on the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman from Georgia (Mr. LINDER) for yielding me the time.

This rule will waive all points of order against the conference report to accompany H.R. 2646. This is the Farm Security and Rural Investment Act of 2002.

I want to commend the chairman of the Committee on Agriculture, the gentleman from Texas (Mr. COMBEST), and the ranking member, the gentleman from Texas (Mr. STENHOLM), and their staffs for their hard work on this bipartisan legislation. I also want to express my appreciation to Senators HARKIN and LUGAR, chairman and ranking member of the Senate Agriculture Committee for their tireless efforts as well.

I would also like to single out the gentlewoman from North Carolina (Mrs. CLAYTON) and Senator LEAHY for their contributions to the bill and their steadfast work as champions of hungry people in this country and around the world.

This bill will increase farm program spending by $73.5 billion over the next 10 years. The measure boosts government subsidies for major crops, while at the same time it directs more conservation payments to small farmers. The measure also provides funding for trade promotion, nutrition programs, for rural development, and agriculture research.

Mr. Speaker, I am deeply grateful that this legislation includes the Bill Emerson-Mickey Leland Hunger Fellows Program. This is a fitting tribute to our late colleagues, and it honors their legacy by training leaders in the fight against hunger.

I am pleased that the measure provides $100 million in fiscal year 2003 for the Global Food for Education initiative, and I am particularly gratified that this legislation authorizes the George McGovern-Robert Dole International Food for Education and Child Nutrition Program. This initiative, commonly known as the Global School Lunch Program, will continue and expand the good work of the Global Food for Education Initiative.

The Global School Lunch Program was inspired in a bipartisan fashion by former Senators George McGovern and Bob Dole, and it began as a pilot program in July of 2000. Under the bill we are considering today, this initiative will make a real difference in the lives of tens of millions of children all over the world. The program will feed not only hungry children, but it promotes education abroad, in addition to assisting American farmers.

This program is already doing a wonderful job encouraging children to attend school, especially girls. One example is in Pakistan, near the border with Afghanistan. Partnered with the World Food Programme, the Global School Lunch Program provides families with cooking oil if their daughters go to school. This is boosting attendance and improving performance; and important to our own national security, this program keeps the kids away from the madrahsas, schools funded by radical Islamic militants where students are fed a diet of hate for America. Because of the Global School Lunch Program, the students learn that America cares about them.

Mr. Speaker, the conference report includes an amendment I offered on the House floor which was accepted by the gentleman from Texas (Mr. COMBEST) and adopted by the House. The amendment allows greater flexibility to use assistance funds for transporting food where it is needed. This provision will remove a bottleneck which can hinder the abilities of both the World Food Programme and private charities to distribute food aid.

In our own country, this measure restores food stamps to legal immigrants who have lived in the United States for 5 years. This is a needed change from the Welfare Reform Act of 1996, and it was a top priority of the antihunger community.

The bill provides an overall increase of $6.4 billion for domestic nutrition programs. This includes increases for the TEFAP program and the WIC Farmers Market Nutrition Program. These programs do help hungry people. They put food on the empty plates of Americans in need.

Finally, Mr. Speaker, I do want to express my concern about the future of international food aid. This bill does increase slightly the Food for Progress program. However, if the administration follows through with its stated intentions to reduce surplus commodity donations through section 416(b), this will amount to a drastic cut in overall food assistance. This could result in a loss of almost $1 billion to feed hungry people next year.

This is totally unacceptable anytime, but it is even more tragic when the serious threat of famine looms in southern Africa, and the situation in war-torn Afghanistan is still shaky at best. I hope the administration will use the flexibility it has to ensure food aid is not cut.

American farmers are the most productive in the world, and our compassion is second to none. We need to strengthen that bond between our generosity and abundance and the outstretched arms and empty stomachs of the world's hungry people.

This bill is a step in that direction. We have a long journey still ahead to end hunger in our world. Mr. Speaker, I support this rule and the bill.

Mr. Speaker, I reserve the balance of my time.

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Mr. LINDER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Wisconsin (Mr. GREEN).

Mr. GREEN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding me this time. With respect to this bill before us today, there is no doubt that the bill is imperfect. One could argue it spends too much. One could argue it should probably do more to reform some of our USDA programs. But let me say this: In the area of dairy, this is a historic win for dairy farmers all across America.

In my home area in Wisconsin, we are losing some 3 to 4 dairy farms each and every day. There are 3 reasons why this bill will help. Number 1, it creates a new countercyclical program for dairy; a program I hope never goes into effect. We all hope dairy prices remain strong. But in the event the dairy economy crashes, as it did a few years ago, this will give them a safety net. This is money they can take to the bank.

Number 2, this program is national, not regional. For years our policies have pit farmer against farmer, States against State, region against region. And we will still do that in the area of milk marketing orders, but with respect to the new countercyclical program, we break away from that. This is a historic step towards a new national policy.

And number 3, this program pays out without regard to end use of milk. Even though the trigger price for this countercyclical program is pegged to Class I, the payouts will go to all classes of milk whether it remains fluid or whether it goes into manufactured milk products.

There is more work to be done on the dairy front, to be sure, but this is a great step forwards. I congratulate the chairman of the Committee on Agriculture, the gentleman from Texas (Mr. COMBEST); the chairman of the Subcommittee on Livestock and Horticulture, the gentleman from California (Mr. POMBO); and the ranking member, the gentleman from Texas (Mr. STENHOLM), and all the conferees. I urge my colleagues to vote "yes" on the rule and "yes" on the bill.

This is a big win for the dairy farmers in Wisconsin.

Mr. HALL of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Speaker, for the last 68 days, I have joined my

House colleagues, 11 of them, to work on resolving differences in a farm bill between a bill we passed last summer and a bill passed a few months ago by the United States Senate.

During those 68 days, I have come to greatly admire and respect the leadership in our Committee on Agriculture, the gentleman from Texas (Mr. COMBEST), our chairman, and the gentleman from Texas (Mr. STENHOLM), our ranking member. But why have we made this effort? Why does it matter? I think the answer is because we care about the future of our farmers and our ranchers, and we care about the future of the communities in which they live.

There is absolutely no doubt but that the times in agriculture country are tough. They are not getting better, they are getting worse. The profit margins are squeezed.

Last month, I conducted 66 town hall meetings from A to Z, Almena to Zurich. Record low prices for weather conditions paint a terribly bleak picture for our farm families. This week's headlines in the Kansas press: "High Input Costs, Lower Livestock Income Cut Kansas Farm Income 28.6 Percent"; "Bankers Indicate That Farm-Related Businesses Continue To Struggle"; and "Falling Prices Mean Big Losses for Cattle Feeders."

The average farm income for a Kansas farmer totaled less than $28,000 per farm. Total farm expenses increased 7 percent. The average debt for a farmer increased 34 percent. Farmers used to spend $81 for every dollar's worth of product they sold. Today it is $87. Cattle prices are down, meaning that our producers have lost $120 on every animal they sell. For a 10,000-head feed yard in Ashland, Kansas, that feeder has just lost $1.2 million.

These are the stories I have heard over the last month in 66 locations across my district. It is time for us to step forward.

I have a farm bill, a sale bill, that a constituent sent me, indicating that her neighbor was selling out the farm because they could not make it. And the note was, I have a young man who wants to take over my farm.

This is why we need a farm bill, so that that next generation has the opportunity to be farmers, to feed the world. It is about maintaining the safest and most abundant supply and having our consumers receive the safest food supply at the grocery store. It is about preserving our environment for future generations, conserving our natural resources, protecting our water quality and air. It is about helping rural communities sustain their economies. It is about ensuring adequate nutrition for all Americans, especially our children. But for Kansas it is about avoiding the headlines that say, "On the Auction Block: Farmers Getting Out, Putting Items, Land Up For Sell During Tough Economic Times."

This bill is valuable to the Kansas economy and it is valuable in our efforts to keep farmers on the land, to keep shoppers on our main streets, and to keep children in our schools. If we do not act now, next year will be too late for many family farms.

The wheat crop is in the ground. In just over a month we will begin harvest in my State, and planning is under way for our other crops. Farmers need details of a farm bill sooner, not later, and I urge my colleagues to support this farm bill and to vote for the conference report.

Mr. Speaker, I submit for the RECORD the Kansas press article I referred to earlier:

[From the Garden City Telegram, Apr. 11, 2002]

ON THE AUCTION BLOCK

GETTING OUT: FARMERS PUTTING ITEMS, LAND UP FOR SELL DURING TOUGH ECONOMIC TIMES

(By Kathy Hanks)

Gary Brooks is sifting through a collection of nuts, bolts and used tractor parts deciding what to sell Saturday at his farm auction.

Brooks and his wife, Carla, have farmed in the Healy area for 37 years. And though he describes the upcoming sale as "bittersweet," the Brookes are ready to get out of farming and make a life change.

"We can see the handwriting on the wall. We've been pretty small farmers, and we just can't get enough for what we raise," Brooks said. "My machinery is older, and it takes about two years of crops to fix something that breaks."

The couple has made some major decisions in the past months.

"If your mind is made up, then it's a positive thing. If someone else is telling you that you have to get out, then that's sad," Brooks said.

They had a land auction earlier this year; selling about three-and-a-half quarters of ground. After Saturday's sale, the couple plans to move to Hays, where they will be close to children and grandchildren.

"I don't know what kind of job I'll get, but I sure don't want to work on commission; I've been doing that for years," he said. "I want a job with a regular paycheck. I have a degree in botany, but I don't know what kind of work I can find with that."

Brooks, however, said he is not too concerned.

"This is our decision. We'll walk away with a little money. And I'll be grinning all the way," he said.

Every weekend in April, Russell Berning, owner of Berning Auction, Marilenthal, has a farm auction scheduled somewhere in western Kansas.

"I wouldn't call these forced sales. I'd call them encouraged sales. The owners can see there's no future, and they want to get out while they still have something left," Berning said.

He has been in the auction business since the late 1980s, beginning just as the bad economic times and forced sales were ending.

Though farm sales are on the increase, he said what he is observing today is nothing compared to the 1980s, when many farm families were forced out of operation.

"At least for now, the mood is more of relief to be getting out of farming," Berning said.

There are no "Penney Auctions" taking place where the neighbors come and buy your land and machinery for pennies, then return it to you.

Instead, your neighbor is more likely to buy your ground.

"In western Kansas, we are seeing dry land sell for upwards of $725 per acre. People are buying the land. There are some guys still willing to take a chance with low interest rates," Berning said. "And there is the old money farmers who have been on the land for generations. That's where most of the sales are coming from."

Berning described the typical farmer selling his land as in his 50s and wanting to do something different with his life.

"I know some guys who are going into the insurance business, working as federal crop adjusters. That's a job where they still will be able to use their knowledge and still be involved with the farming aspect," he said. "I see them selling their land and looking forward to doing something different."

According to Berning, several of his recent sales have been in the Healy area of Lane County.

"They have had some dryer years in the past then some areas around them. It has just hit them earlier. If we don't get any more moisture, and prices don't change, we're going to see more of this. I think we're just on the verge right now," Berning said.

Along with land, he is selling a lot of farm equipment.

"A lot of what I'm selling is good, modern equipment in good shape, that is bringing in good money," Berning said. "The older, smaller equipment has taken a significant drop in price."

At Scott Auction, Garden City, Kent Scott was observing a similar situation with farm auctions.

"I'm not seeing an increase in forced sales. Instead, I see farmers trying to get rid of things on their depreciation schedule that they have quit using on the farm," Scott said. "They may be cutting back their operation because of economics. Prices are not good. So, some are selling out now when they still have their equity."

Berning agrees with that scenario.

"I have seen farmers selling their farm equipment and then just look for other work. They want to sell their land while they still have some money left to start a new life." Berning said. "Things aren't bad right now. It could get worse. And they do appear that they will get worse before they get better."

In the southwest corner of the state, Jim Carrithers, owner of Carrithers Auction of Johnson City, said he is not seeing a noticeable change in farm sales.

"I can't see any increase in farm sales with farmers going out of business," said Carrithers, who conducts auctions in southwest Kansas, eastern Colorado and the Oklahoma panhandle. "We have always had farmers who made the decision to get out. They can see they aren't getting anywhere and would prefer to work for a company with insurance benefits.

"I am seeing just an average year, no different than what I've observed in the past 30 years of being in the business. Farmers just need some rain and a better farm program.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON), who has been a great representative. We are going to miss her, and she is a great fighter for this issue.

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me this time, and this Congress is going to miss the gentleman from Ohio as well, but he is going to serve in another great capacity.

I wanted to say that after almost 2 years, the House and the Senate have finally come together on a farm bill, and the rule that we will vote on is a rule that is appropriate and I will vote for the rule.

Is this farm bill a perfect farm bill? Absolutely not. Is it a farm bill that will help many farmers? It indeed will. Are there areas I wish it had gone further? There are. Are there areas where I think it went too far? Yes. As in all legislation, there are winners and losers in this. But all in all, this farm bill speaks to providing a safety net that is critical.

I want to spend just a moment saying it does do things that we would be very, very proud of. It provides $6.4 billion over the next 10 years for nutrition. In addition to that, it provides $100 million for global food services that will provide education and food to a lot of children, making a difference in their lives, not only to girls, but families.

When girls learn, their families learn. It has been demonstrated that when young girls have an education, not only is that education good for themselves but it is good for the families. So when we indeed provide food for young children to learn, we are enabling their families to be more productive and healthy.

I would be remiss not to make mention that this global food program has been kind of the brainchild of the gentleman from Ohio (Mr. HALL), the gentlewoman from Missouri (Mrs. EMERSON), and the gentleman from Massachusetts (Mr. MCGOVERN). They have labored tirelessly. It is called formally the Dole and McGovern bill. Both of them wanted this bill.

This is an opportunity for us to share our bounty, to make a difference in the lives of those we help through our foreign affairs. This goes a long way to say who we are as human beings; that our American farmers wish to share their bounty with the people of the rest of the world.

Mr. LINDER. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Florida (Mr. DAN MILLER).

Mr. DAN MILLER of Florida. Mr. Speaker, I rise in opposition to this agriculture welfare bill we will be voting on later this morning.

In 1996, this Congress passed 2 historic pieces of legislation; one was Welfare Reform and one was the Freedom to Farm. The idea was to get people less dependent on government, to get people more opportunity and more freedom. The Welfare Reform bill has been a success. We have reduced the welfare rolls by 50 percent, but, more importantly, we have given people the freedom and opportunity for their American dream, to not have to rely on a check from the Federal Government. And that was the concept with Freedom to Farm, but it did not work out quite right. We are just pouring money into the program every year classified as emergency spending, and now this year we are going to make it all entitlement spending and make more people dependent on the Federal Government.

This bill, sadly, goes in the wrong direction, in that it costs more for the American taxpayer, it costs the American consumer more, and it is this same reliance on Federal Government handouts that is so unfortunate. Most of the money goes just to a handful of crops; wheat, rice, corn, cotton, and soybeans. But it goes into a lot of other areas, and that is how it gets its widespread support on the floor of the House. We got rid of wool, mohair, and honey subsidies in 1996, but they are back. So now the taxpayers are going to subsidize wool, mohair, and honey.

We have added some things, like small chickpeas, dry peas, and lentils. I do not know why the Federal Government has to be in this business. The peanut program, and I like peanuts, but it is going to be, I think, like a $4 billion cost to the American taxpayers. This whole bill, they say, is only 77-some billion. But that is on top of the $100 billion entitlement right there now. So it will cost $170 billion. And if we really look at the true cost of this and base it on how poorly they estimated the cost in the 1996 bill, we are probably talking about a $340 billion cost.

A $340 billion bill, and we are trying to find more money for the Pell grants, the war on terrorism, homeland security, cancer research and biomedical research. We have a lot of needs for money, but we will spend $340 billion on this.

Now, what this bill does is it encourages overproduction. Take the sugar program. We produce too much sugar because we have a program that encourages too much. Last year, the Federal Government bought $430 million worth of sugar and we are storing it. We are storing it. And what we will do with this bill is encourage more production so we can store more sugar. And this is true with wheat, and corn, and cotton, and rice. All we are going to do is just produce more and more and store more and more, and the whole thing, in my opinion, will implode.

This hurts the small farmer. Eighty-eight percent of the money goes to the top 20 percent of the farmers. Bottom 80 percent, the smaller farmers, only get 12 percent of the money. So I encourage my colleagues to oppose this.

For liberals, it is good to oppose this because it costs the consumer more. It costs the consumer more. It is estimated at $2,500 more per consumer. And the environmental organizations are all opposing this because it does not do enough for the environment.

For my conservatives, it should be a no-brainer. This just expands the role of Federal Government and makes people more dependent on the Federal Government.

And for everyone else, this is just bad economic policy. Because what we really should believe in this country is to give people more opportunity and freedom, rather than coming to Washington to beg for a check and creating yet another new entitlement program.

I think this has gone in the wrong direction, it is unfortunate, and I hope we can defeat the bill today.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise today to urge my colleagues to support the conference report and support the rule for the Farm Security and Rural Investment Act crafted by the chairman and ranking member and those on the committee who did, I think, an excellent job in balancing the needs for agriculture.

The previous failure of the Freedom to Farm bill failed to live up to its promise of an adequate safety net for American farmers and, consequently, year after year Congress was asked to step in and provide billions of dollars. While this bill is not perfect, it goes a long way in meeting the needs. I will not go into the details, others will talk about that as we go on, but I am pleased this conference report does many of these things.

While there is much to like in this report, North Carolina growers can be especially pleased that it reaches out and does many of the things they need. However, we have to understand that compromise is the cornerstone of successful legislation, and no bill is perfect by everyone's standards.

Mr. Speaker, before I yield the floor, I would like to engage the chairman of the Subcommittee on Specialty Crops and Foreign Agriculture Programs, the gentleman from Alabama (Mr. EVERETT), in a colloquy.

Traveling through North Carolina, the number 1 topic of discussion in tobacco communities is the growing support for reform in the current Federal tobacco quota system. Tobacco farmers want to eliminate quotas so they can grow their crops without paying rent to quota holders, thereby cutting the costs and making their product more competitive in the world market. Quota holders are willing to support such reform provided they are adequately and fairly compensated for the quotas they now own.

Several different approaches for revamping the program have been introduced, one by the gentleman from North Carolina (Mr. MCINTYRE), the gentleman from North Carolina (Mr. BURR), and the gentleman from Indiana (Mr. HILL). There is another plan being drafted by the gentleman from Virginia (Mr. GOODE), the gentleman from Virginia (Mr. BOUCHER), and many others will have one in. All have strengths and weaknesses.

☐ 1030

Now that the work of the Committee on Agriculture on the farm bill is completed, can we expect the committee to turn its attention to the crop left behind, the tobacco program?

Mr. EVERETT. Mr. Speaker, will the gentleman yield?

Mr. ETHERIDGE. I yield to the gentleman from Alabama.

Mr. EVERETT. Mr. Speaker, the gentleman from North Carolina (Mr. ETHERIDGE) is a strong and tireless advocate for the tobacco growers of his State, and I understand his interest in the future of the tobacco program.

The reform of the tobacco program is something that deserves and requires a great deal of thought and debate. I look forward to holding hearings in my subcommittee on this topic. I know several members are interested in this issue, and I can assure the gentleman from North Carolina (Mr. ETHERIDGE) that the committee will take a hard and serious look at the Federal tobacco program later this year.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. KENNEDY).

Mr. KENNEDY of Minnesota. Mr. Speaker, today I rise in support of H.R. 2646, the Farm Security and Rural Investment Act of 2001, and I commend the chairman, the gentleman from Texas (Mr. COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM).

This bill does help us increase clean energy. The bill is great for Minnesota agriculture and our many renewable energy sources. With six ethanol plants in my district, I am very familiar with ethanol. Ethanol is not only a domestic and renewable source of energy, it is oxygen rich and, therefore, helps gas burn more completely, resulting in cleaner air for us to breathe.

Another source of renewable and domestic, home-grown energy is biodiesel, which can be derived from soybean oil which helps diesel oil burn cleaner. Both ethanol and biodiesel help generate jobs in rural communities, and expand demand for our farmers' products; and I am proud Minnesota has played a leadership role in both of these. I am a strong supporter of expanding both the use of ethanol and biodiesel.

Wind energy is also an important energy source in my district. The Buffalo Ridge in southwest Minnesota is one of the most ideal locations in the country for generating wind energy. Many windmills have already been constructed bringing both clean energy and alternative sources of revenue for area farmers. When it comes to alternative energy, these are exciting times in southwest Minnesota.

This farm bill includes many provisions that reward farmers and others for using renewable energy sources. Two provisions in the energy title award loans and loan guarantees to individuals and businesses that use renewable energy sources or make efficiency improvements.

One of the strongest provisions is the "Value-Added Agricultural Market Development Grants." These grants have been expanded to include wind power.

Mr. Speaker, although this bill is not perfect, it is a very good bill for clean energy and a great bill for Minnesota agriculture. I strongly support passage, and urge my colleagues to do the same.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), who has been a tremendous leader in a lot of these programs, especially in the school lunch program that the gentleman has pushed so successfully, along with the gentlewoman from Missouri (Mrs. EMERSON).

Mr. MCGOVERN. Mr. Speaker, I rise in support of the rule. I especially want to express my support for section 3107 of the conference report, the George McGovern-Robert Dole International Food for Education and Child Nutrition Program, which is included under title III of this bill.

The conference report establishes this global school feeding initiative as a permanent program and provides $100 million for fiscal year 2003 to act as bridge money to sustain the current pilot program projects currently operating in 38 countries, currently feeding 9 million children, until continuing appropriations are made by Congress.

I want to thank the conferees who worked so hard to include this provision in the final conference report. I especially thank the gentleman from Texas (Mr. STENHOLM) for his work on this. I also thank the majority leader and the chairman of the Committee on Agriculture and the ranking member from the other body for all their help, and I thank the gentleman from Ohio (Mr. HALL) for his hard work to make this provision a reality.

Mr. Speaker, the International Food for Education Program named after the two visionary Senators who developed this proposal, George McGovern and Robert Dole, aims to provide at least one nutritious meal each day in a school setting to more than 300 million children who go to bed at night hungry. Some 130 million of these children will not go to school this week because their parents need them to stay home or go to menial jobs, or because they are orphaned by war, natural disaster, or diseases like AIDS, or because they are girls.

School feeding programs are a proven method of reducing the incidence of hunger among children, attracting them to school, especially girls, and keeping them in school. When part of an integrated education strategy, they further contribute to improving academic performance.

In these perilous times, I firmly believe that the dollars we spend today on feeding and educating the neediest children around the world promote our national security, combat terrorism, and ultimately result in economic growth in new markets at home. Nine of today's top 10 importers of U.S. agricultural projects are former recipients of food aid. Today's hungry children, who get the chance to go to school and get a nutritious meal, will become tomorrow's teachers, doctors, computer programmers and entrepreneurs, the leaders of their nations.

I know that our farmers and our private voluntary and development organizations are proud to contribute to ending hunger, poverty and desperation through this type of program. I look forward to working with my colleagues and administration officials to make sure this program has adequate funding in the future. Again, I thank the conferees for their assistance with this.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. SHERWOOD).

Mr. SHERWOOD. Mr. Speaker, this farm bill is the product of months of hard work by the Committee on Agriculture colleagues, and it deserves our support, and I rise in strong support of the rule. I thank the gentleman from Texas (Mr. COMBEST) and the committee for coming to us with a bill that will help keep our family farmers operating across the country and will keep our supermarkets filled with fresh products at the best price.

In northeastern and central Pennsylvania, I have seen dairy farms disappear all my life. Farmers have had difficulty surviving the price fluctuations that can cripple their family income. I have made a priority to do something to help the small dairy farms in my region. The farms support not only the farmers that live on them, but they support the communities and the schools and the churches and the very rural infrastructure that has made our country great.

This bill, for the first time, gives us a counter-cyclical dairy payment which will be good for all producers. It is a national program which will provide a much-needed safety net for our farmers across America by providing direct payments in times of low prices. It is not a regional program. It is nationwide, and it will help all farmers. It will be immensely important to Pennsylvania's 10,000 dairy farmers.

This bill is good for consumers. It is good for producers. It is good for the rural areas of our country, and it is good for the environment. It keeps people on the land. It keeps the dairy farms spread out across the country, which is a great thing to have in times when we worry about bioterrorism and the things that have happened since September 11. This bill is good for America. I thank the conferees for coming back to us with much-needed help for the families and communities whose livelihoods depend upon dairy farming. I urge my colleagues to support this conference report.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Speaker, I rise today in strong support of this rule on the conference report. Overall this report represents a balanced bill that provides a good combination of safety net and flexibility. In so many ways, the Farm Security Act of 2002 is a renewed commitment to rural America at a time when it is needed.

As a member of the conference committee, I would like to offer my thanks to the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM). I believe they provided the strongest leadership possible, and they negotiated a good bill for everyone. They were driven and tough, but yet they were understanding. Both of the gentlemen from Texas represented not only the interests of the House, but they also represented the best interests of American agriculture.

This bill is not perfect, and one of my disappointments is that we were not able to get a disaster provision in this bill. Members said there would be a point of order raised against it, so it was not possible; but we are going to continue to work to see if we can include it in the supplemental.

I am pleased with the dairy program where we have, for the first time, gotten everybody together. We have a national program that treats everybody the same that is going to be a big help when prices are low; and yet it is going to be the least disruptive to the marketplace. And, lastly, it is going to be focused on the smaller family farmers which are the ones that we are having a hard time keeping in business in this country.

We have provided some predictability with the commodity section, so with this 6-year bill, farmers are going to be able to update their bases and yields, have a target price, and have some kind of understanding what kind of help is going to be available from the government during these times of low prices that are being caused by these trade agreements and the high value of the dollar.

On conservation, the Sportsman's Caucus and the others that I have worked with are very pleased with the conservation program where we are putting money into proven programs like CRP, WRP, WHIP, and other programs that have served us so well and have a backlog, and this is going to be very positive.

In the sugar area, I come from an area that is big in sugar production, and we are glad to have the predictability, and being able to get rid of the marketing assessment and putting in market allocations so we can manage this industry on a level playing field with the market.

Lastly, in the energy area, I represent an area that has a lot of ethanol, and we are now moving into biodiesel. This bill will give us some strong emphasis on resources, and resources to be place on renewable energy. In the area of wind turbines and biomass, we are given greater latitude in conservation programs. And there is going to be a commitment to biodiesel, which is one of the exciting things we are going to be working. In Minnesota, the legislature just made a big commitment to biodiesel, and we are excited about getting this industry established.

This is a good bill for the country. It is a good bill for American agriculture. Again, I commend all of the members of the conference and the staff that worked so hard to put this together, and I encourage my colleagues to support the rule and the bill.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, we have a House rule that says we cannot debate the motion to recommit. There is going to be a motion to recommit this afternoon, so allow me to explain that motion to recommit now since we are not going to have a chance to talk about it when the motion is made by the gentleman from Wisconsin (Mr. KIND).

There are a lot of things good about this bill. Farmers need some help; but there are some bad things about this bill. One is the fact that there is a loophole where farmers, where the huge farmers, the megafarms, can receive millions of dollars in price support payments every year. The Senate put in the provision to include generic certificates as part of the total price support limit that any farmer can have.

We have a couple of States where many farmers exceed the limit and the lobbying has been tremendous. I have been receiving hundreds of calls saying we understand you are killing the farm bill, and then I explain to them what the motion to recommit does, and then they say, is that all it does.

The only way this is going to kill the farm bill is if the chairman and the ranking member decide to take this back to committee and kill it themselves. Here is what the motion to recommit does: It is what we suggested in the motion to instruct on April 18 by a two-thirds vote when we instructed the conferees to include the provisions in the Senate bill that put an absolute payment limit on how much any farmer could get from price supports. The so-called loophole of generic certificates was included in the limit.

I think in the long run, it is going to hurt our farmers and our chances to have legitimate Federal farm policy that helps the average farmer. The loophole helps a couple of States, Texas, California, Arkansas and Mississippi, gain more from the generic certificates than almost all of the rest of the States put together.

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There is a tremendous lobbying effort. Let us look at what is good policy, look at what is going to eventually help mainstream family farms in the United States. That is my request to this body. Vote for the motion to recommit.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I do identify with the comments of my colleague from Michigan, a family farmer who is focusing on the priority needs of agriculture in this country.

I look at this bill before us, and I argue against the bill; I argue against the rule. It is a lost opportunity for farmers, for people in my State, in Oregon, for conservation and water quality, and, most definitely, a lost opportunity for American taxpayers and consumers.

We are going to hear a lot of talk about conservation, and clearly conservation is a critical need for American agriculture. The rural-urban interface to protect farmland and their suburban neighbors is absolutely critical. Yet this bill struck important Senate provisions for conservation; and even though there is a huge increase in the dollar amount for agriculture, so large we do not know how much is going to be spent under this bill, at the end of the day, it devotes a smaller percentage for conservation than the 1996 bill.

It stripped out or watered down animal welfare provisions. This House approved provisions dealing with animal fighting, cockfighting. It reduced those penalties and delayed its implementation for a year.

Also dealing with downed animals. It is not a good bill in terms of animal welfare.

There are those, sadly, who think the only way you are going to help agriculture is to be able to pile more benefits on the very largest producers. They ignore the fact that already there are almost 200,000 unmet applications for water conservation funding. These average only $9,000 per payment. What they have done is to expand these programs to the very largest producers, further subsidize these large feedlot operations, increase the benefits to $450,000 for years to come, and ignore being able to put more money to those who need it most.

It does little or nothing to deal with the needs of 80 percent of agriculture in my State and around the country, and it focuses on the largest elements.

Sadly, Mr. Speaker, we are presented with the next 10 years of agricultural policy that comes down to this: huge increases in dollars, no one knows how much, and a lost opportunity to forge a program for the needs of agriculture for the next century.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. Mr. Speaker, I want to commend the gentleman from Texas (Chairman COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), for the excellent and diligent work they did on a most challenging bill.

I would like to just remind my colleagues to harken back to the 1996 Freedom to Farm bill and the fact that it was going to decrease subsidies, so to speak. But it was also based on three major components: number one, we would have lower taxes; number two, we would have fewer regulations; and, number three, we would have more markets in which to sell our commodities.

We all know Freedom to Farm did not work. We do not have fewer regulations; we have more. We do not have more markets; we have the same or fewer. And while no farmer wants to depend on the government for anything, it is critical that we provide a safety net to our producers.

I only wish that our colleagues who oppose this bill because of subsidies, and most of those folks I do want to say represent suburban districts, I wish that they would understand that in the United States we have a very cheap food policy. We spend 11 cents of every dollar on food, while in Europe they spend about 22 cents. In Russia they spend about 50 cents. We are very, very fortunate.

We have the safest, most abundant food supply anywhere in the world. I think that the conferees have done a remarkable job on this bill, given all of the challenges posed to them.

I do want to say one thing to our colleague from Oregon who said that we decrease funds for conservation. In fact, we increase funds by 80 percent. So that is incorrect.

Let me also take one moment to commend the gentleman from Massachusetts (Mr. MCGOVERN) for the steadfast commitment he has had and the work he has done on the Global Food for Education initiative. I greatly appreciate that work he has done, as well as our conferees, in funding this very, very important initiative that will help poor children in countries go to school and also get the nourishment they need.

Mr. Speaker, this is a good bill. It is important that we support it and certainly vote down any motion to recommit.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend from Ohio for yielding me time.

Mr. Speaker, as a Member of the Committee on Agriculture, I know and truly appreciate how hard it is to form a consensus farm policy with so many different competing regions, experiences, different interests and ideas, in what should constitute the farm bill. You throw in an important election season, and it makes it very, very difficult. And I appreciate the work that has gone in from the leadership on the committee and the staff in particular. But this has not been about personalities, it has been about process and the policy; and unfortunately, it has been a bad process, and it has resulted in bad policy.

That is why later today at the end of general debate, I am going to be offering a motion to recommit with instructions based on a motion to instruct conferees that passed the House by 265 votes a little over 2 weeks ago. It would establish a meaningful payment limitation cap, consistent with the Senate language, of $275,000, without exceptions, without loopholes.

Now, if you believe it is good farm policy for the next 10 years to continue to heap more and more taxpayer subsidies on a few but very large commodity producers in this country, then you probably should vote against my motion to recommit.

But if you believe, as I do, that we can do better, that we can produce a more fair and balanced farm bill that helps all our family farmers in all regions of the country, maintain fiscal discipline, and also maintain the opportunity for trade opportunities for our farmers, then I would encourage my colleagues to support the motion to recommit.

It is drafted clearly, very simply. The committee can adopt the language and report right back with the farm bill. This does not have to be a deal-killer; this does not have to ruin the ability to be able to provide a meaningful and balanced farm bill for all of our family farmers and to give them certainty in the upcoming planting season.

That is really what is at stake, in what direction we are going to go; whether we can have the courage to be consistent, where a majority of the Members of the House, a majority of the Senate are already on record of supporting a meaningful payment cap of $275,000; or if we are going to revert back to the old style farm policy. I encourage my colleagues to support the motion to recommit with instructions.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I stand in support of the rule, but in opposition to the overall bill. I think we as Republicans in particular ought to worry about what we are doing here. In 1964 in a speech for Barry Goldwater, Ronald Reagan reminded us, he said: "There is no such thing as a left or a right, only an up or a down; up to the maximum of individual freedom consistent with order, or down to the ash heap of totalitarianism." He said: "Those who would trade freedom for security have already embarked on that downward course."

Now, what we did last week in the conference is we traded the Freedom to Farm Act for the Farm Security Act. I think we as Republicans ought to think twice about what we are doing here.

We hear a lot about the cheap food that we have in the U.S. Well, if you wonder why our food is so cheap, you have to realize part of the reason is because we are subsidizing it. It will cost the average American family over the next 10 years over $1,800 in direct taxes simply because of subsidies to farm products. Do you want to know why products are cheap? It is because we are paying for it in other ways.

You have to also realize they should be cheaper. The average American family will pay $2,500 in addition to the $1,800 for a total of more than $4,000 over the next 10 years, simply because of inflated food prices because of the price supports inherent in this bill.

We ought to wonder what we are doing. There is no such thing as a free lunch, and Americans across the country are being stuck with the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me time and rise in strong support of the rule and the underlying bill.

In reference to the remarks of the preceding speaker, let me just tell you that our Nation's farmers deserve more, much more, than to be pawns in some kind of ideological or partisan clash. That is why I so commend the leadership of the chairman and the ranking member of the Committee on Agriculture in bringing the bill before us today and the strong work they have done to craft a bill, get it passed and get it through the conference committee.

The bill restores a safety net for our Nation's farmers and sends a signal to them as they head into the fields this spring that we stand committed to family farmers as the primary element of the production of our Nation's food supply.

The bill restores a safety net for our Nation's farmers when prices collapse. No critical aspect of Freedom to Farm so failed our farmers as the failure to have a safety net price response. The bill makes that right.

The bill also increases conservation funding significantly, adds funding behind Market Value Development grants, and funds a Rural Strategic Investment program to help the financial health of our struggling rural communities, all of these very positive additions over present farm law.

It is a good bill, but it is not a perfect bill. I have to note some disappointments. The disaster assistance so badly needed by the farmers in my State, losses that were not compensated through the crop insurance program, were deleted from the bill. We have to make another run at finding another source to get that disaster funding put in place. Payment limitations should have been made more strict; they were not made more strict.

But I would respond to my colleagues that want to derail this bill today with their motion to recommit by saying at this point, I have got to part company with you. I support payment limits, but today is not the day to vote on that. We voted on it several times. Today is the day we put a farm program in place for our family farmers.

I believe if the program is derailed today, sent back to conference committee yet again, we will never get this in place for the upcoming crop year; and at this late point in time, that is the overarching priority, and that is why we ought to pass this legislation.

The bill is not the medicine that cures all that ails our farmers, but it is a good step forward; and I urge its passage.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE).

Mr. OSBORNE. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise to support the rule and the underlying bill. I represent a rural area. We lost 1,000 farmers last year, lost 5,000 over the last 6 years, and have the three poorest counties per capita in the United States. I have not seen Scottie Pippen out there, and some of those who have received $200,000 payments broke even or lost money.

We are currently in the worst year of 5 years of record low prices. The European Union supports their farmers $350 per acre, Japan well over $1,000 per acre. We provide $43 per acre, and we say that is too much. I do not understand that.

I would have liked to have maybe seen some tighter payment limits, maybe more restrictive rules on packer ownership. It is easy to throw rocks and cast stones and say I do not like this or like that, but I do not think most people realize how difficult it is to coordinate all of the different agricultural regions in the country and to write a comprehensive bill.

Somebody earlier complained about the process. This thing went on over 2 years, 47 hearings. It was done in the full committee. The ranking member and the chairman could not have been more fair. Everybody had their shot. There was nothing done behind closed doors. It could not have been a better process.

So what the bill does is this: it eliminates emergency payments. The last 4 years we have spent $24 billion a year on agriculture with emergency payments. This bill should average $17 billion a year. That is not throwing money away, as far as I am concerned; that is fiscally responsible.

The 80 percent increase in conservation certainly does not ignore conservation interests. That is a huge increase. We have significant increases for research, 350 percent for agriculture research, and promotion of foreign trade, nutrition, rural economic development, which we badly need, and we also have some renewable fuel economies.

So if this bill is rejected, we will start over in the middle of an election cycle, and we will make the 1,370-page bill that the other body presented us look very small in comparison. I urge support of the rule and passage of the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. SKELTON).

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Mr. SKELTON. Mr. Speaker, today I rise in support of the rule and the farm bill conference report.

Farmers throughout the 23 counties of Missouri's Fourth Congressional District have been facing some of the lowest crop prices in a generation. The 1998 Freedom to Farm Act was adopted when times were pretty good and with the notion of providing more flexibility for our agriculture producers. Unfortunately, it did not provide an adequate safety net and it failed to yield the tools we need to address hard times like the current farm recession. Consequently, since 1998, Congress has approved billions of dollars in ad hoc farm income assistance.

In contrast, this year's farm bill provides a meaningful safety net for America's agriculture producers and gives certainty and support to farmers who might otherwise be forced to leave farming.

The bill is comprehensive. It is a 6-year measure that covers subsidies to producers, conservation, food safety, nutrition and trade. For commodities, it continues the direct payment program in marketing loans, but also adds a countercyclical initiative that would make payments when farm prices are so low. Importantly, the bill also undertakes price supports for dairy farmers and increased funding for apple producers.

The farm bill expands USDA's conservation programs, including helpful funding for the Environmental Quality Initiative Program so that Missouri's farmers can address conservation problems and comply with expensive, but important, environmental regulations. It also extends and improves the food stamp program and other nutrition initiatives while renewing our emphasis on rural development, agriculture research and energy, including language that reauthorizes and funds both biomass and biodiesel initiatives.

Mr. Speaker, the farm bill is long overdue, and I commend the gentleman from Texas (Mr. STENHOLM) and the gentleman from Texas (Mr. COMBEST) and their counterparts from the other body in working together on behalf of America's farmers.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for yielding me this time. I rise in support of the rule and the underlying bill.

Mr. Speaker, I have been listening to this debate and I cannot help but just think about how much we take for granted here in the United States, how spoiled we are. We take our farmers for granted every single day.

We take for granted that we have the cheapest food in the world. When there is any kind of an emergency in the world, who does the world turn to first? The American farmer. In fact, literally, before we had troops on the ground in Afghanistan, we were putting together food supplies to make certain that the folks in Afghanistan did not starve to death. That is true in every hot spot in the world. American farmers are taken for granted.

Mr. Speaker, there is something else we take for granted. Here is a chart. This is how much we pay for food in the United States as a percentage of the per capita income. It is only 10.9 percent here in the United States. We take that for granted every single day that we will have an abundance of cheap food on every supermarket counter all across the country.

For example, in India, it is 51 percent. Even some of our close friends like the United Kingdom, it is 11.2; Sweden, 14.6; in France, it is 14.8. We take that for granted every single day. We take so much for granted.

I hear this debate and people say, oh, my gosh, we are going to spend $73.5 billion over the next 10 years. Well, that is what we agreed to last year. That is what we formally agreed to this year in our budget resolution. It should not come as a surprise. The gentleman from Nebraska recently said we had 47 hearings on this. We went all over the country. We learned a lot about agriculture, whether one is in California or Pennsylvania or down South, in the upper Midwest, and this is a wonderful compromise.

I want to congratulate the ranking member and the chairman. Frankly, I think when this thing is all over we ought to send them to the Middle East to try to bring these people together to come up with a compromise that people can live with, which is almost impossible.

As I say, there are 2 things that we take for granted in this country every single day. One is cheap food and the other, I think, is even more important, and that is an unlimited supply of young farmers who are willing to go out there and take a chance at it. We take that for granted every day. I think part of the reason we ought to pass this bill today is because we need to send a message to younger farmers that when we do things here at the Federal level that make it difficult for farmers to compete in the world marketplace, we ought to be there to provide a shock absorber, and when we send that message, we are going to have those young farmers out there willing to take a chance at it.

Let me show my colleagues the second chart. Some people say we are spending too much on farmers. Well, even with the passage of this bill, the old number was $49 per acre that we subsidize agriculture, and with the passage of this bill it will go to $54 an acre. Yes, that is a lot of money. But when we compare it to our trading competitors, the European Union is $309 per acre, and in Japan it is over $4,000 an acre.

Now, we are asking our farmers to compete in that world marketplace. What about leveling the playing field?

Finally, some people say we need payment limits, and I am in favor of payment limits. But understand that farming is changing. So when we look at these numbers, they look like big numbers, but if one is a full-time farmer, some people say, well, 80 percent of the benefit will go to 20 percent of the farmers. That is the farmers who produce the food for us and the rest of the world. I think we need to pass this today.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of the rule and in support of the legislation.

As others have indicated, when we put together a bill of such magnitude, of so many commodities, of so many different parts of the country, it is difficult stuff and, at the end of the day, nobody is going to be 100 percent happy, but this is basically a good bill, and I applaud the gentleman from Texas (Mr. COMBEST) and I applaud the gentleman from Texas (Mr. STENHOLM) for their efforts.

To my mind, the great crisis facing this country in terms of agriculture is that every single day we are seeing family farmers being forced off the land, people who, in some instances, have been, their families have been on that land generation after generation after generation. This is true in my State of Vermont, it is true in the Midwest, it is true in the South, it is true all over this country.

Some people say, well, what is the big deal? So what. Let the market work. So what if we end up with 3 companies who control the production and distribution of food in America? I say that is not good. I say that will be a disaster for the consumer. Think about what food prices will be when we have a few agribusiness companies controlling what we eat and the prices that we pay. Think about what it means to the environment when family farmers all over this country are forced off the land and shopping malls and parking lots take their place. What does that mean for suburban sprawl?

Think about food security for the United States of America. Every Member of this body is concerned about our dependence on Mideast oil. What will it mean when we are forced to import food to feed our people?

Vermont is a dairy State. We brought forth the North East Dairy Compact which protects New England and I thought and believe today that was good legislation. Other people in this body disagreed with that. What made sense for us was to work with our friends in the Midwest, work with our friends in the South, and say let us develop national dairy policy which protects farmers not only in the Northeast, but in the Mid-Atlantic, in the South, in the Midwest. I am proud that we were able to craft legislation that will give strong protection to dairy farmers, family farmers all over this country.

I want to thank all of the representatives from the Midwest, from the South, for their help in that effort.

Mr. LINDER. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. CHAMBLISS).

Mr. CHAMBLISS. Mr. Speaker, I thank the gentleman for yielding me this time.

Let me start off by thanking the chairman of the committee, the gentleman from Texas (Mr. COMBEST), and the ranking member, the gentleman from Texas (Mr. STENHOLM). I know a lot of people have started off by saying that today, but I just want to tell my colleagues, having worked very closely with these gentlemen for the last 10 weeks and particularly over the last 2 years, 2½ years, almost, now, to construct this farm bill, these men have done yeoman work for the American farmer and they deserve every bit of the congratulations they are getting today.

Let me tell my colleagues how this farm bill came about. Two years ago the chairman decided that we wanted to approach the new farm bill a little bit different than we had approached any other farm bill. We went all across America. We held 10 hearings around the country. We did not talk to commodity groups and we did not talk to commissioners of agriculture; we talked to farmers. We said what is working with the current farm bill? What do you want to see maintained out of that farm bill? And what do you want to see, what type of different approach do you want to see?

Based on what we heard from farmers, the chairman and the ranking member came back, along with all of us who attended those hearings, and again, those of us who did our own hearings. I did a hearing in my subcommittee on the West Coast and the Midwest rural agriculture area and one on the East Coast, again, talking to farmers. We developed a philosophy that is entirely different from the approach in the current farm bill that we are operating under, but it is an approach that will allow our farmers to get a decent return on the investment they make every year.

Most people in America do not understand that every farmer in America gambles his life savings every single year when he turns the ground and puts seeds in the ground and fertilizer on top of it and hopes that at the end of the day, he is going to be able to get some kind of return on that investment that he has had to make.

This farm bill, irrespective of what crop it is, guarantees that our farmers will have an opportunity to plan right, to use good, sound business decisions to be able to get a decent return on their investment.

There has been a lot said about payment limits up here. Well, I am one of those States that is criticized for the high payment limits that our farmers have. Let me tell my colleagues what that means to my farmers. My farmers would just as soon not get one dime from the Federal Government. They would much rather rely on the market. But the simple fact of the matter is that prices today for commodities that my farmers grow and every farmer across America grows are lower than what they were or equal to what they were almost 50 years ago. But yet the cost of a tractor, the cost of a combine, the cost of a cotton picker, the cost of chemicals, the cost of fertilizer, have skyrocketed.

Our farmers deserve a break. Our farmers deserve to have an investment made in them so that every single individual who goes to the store or goes to the grocery store or the department store to buy food products or shirts or suits or whatever they may be can be assured that they are going to get a quality product at a reasonable price. We have seen the numbers up here about how much money the average individual in America spends on food products compared to what people spend around the world. The reason that is so is because of the investment the government makes under this payment limitation provision.

Let us support this rule, let us support the underlying bill and, most importantly, let us support the American farmer.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding me this time.

I represent the most productive agricultural congressional district in the United States, not only in production, but in diversity of crops, and I go home every week and I talk to my farmers and they ask me, when is somebody going to get up and say that these farm bills really do not protect farmers? I have heard a lot of discussion here today.

What this protects is farmers if they grow those crops in your district or in your State, but the majority of people out there who are planting the seeds that the gentleman from Georgia (Mr. CHAMBLISS) talked about do not benefit from that program. They go to market and if the market price is low, they have to eat it. If the crop fails, they have to eat it. They do not get help from the Government. I think that the problem with the farm bill is it states for the next 5 years what our U.S. policy, and U.S. policy about agriculture is that if you are in a special commodity program, the Government is going to help you. If you are outside of it, you just have to take the risk and bear it.

Until we get a farm bill that is fair to everyone and fair to totality, the holistic approach to our community, to land use, to animal husbandry, to humane practices and to making it fair for every farmer in America, we are not going to have a good farm bill. I urge a no vote.

Mr. LINDER. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, I am for the rule, but after listening to and learning from many of Iowa's leading farmers, I will vote against this farm bill conference report. It is fair to say that many farmers in Iowa have deep reservations about this bill. This farm bill conference report is not in the Nation's or my State's best long term interest. We need to go back to the drawing board. This bill fails in many ways.

The conference payment limitations provision is a sham. The Grassley proposal would have brought the limit down to $275,000 and have eliminated the 3-entity rule. The conference report favors the large southern producers of cotton and rice and is so full of loopholes that it does not even qualify as a step forward.

For instance, a 25,000-acre cotton farm could receive as much as $8.4 million in total annual payments because of loopholes. In 2000 and 2001, 85 percent of the 2 billion certificates went to farmers in large agribusinesses in just 4 States: Arkansas, Mississippi, Texas and California. Riceland Foods of Arkansas alone collected $221 million, and that continues under this bill.

The Grassley proposal for a ban on the packer ownership of livestock was endorsed by the Iowa Farm Bureau, the Iowa Pork Producers, the Iowa Cattleman's Association, the Iowa Farmers Union and the National Farmers Union. It is not usual for all of these groups to agree on farm policy, but on this they were unanimous, and the conference completely ignored this important issue.

Some aspects of this bill remind me of a return to the failed farm policies of the 1980s and early 1990s. Because it is tilted so heavily to agriculture in the South, it will encourage production in marginal areas with high crop failure rates. This will keep commodity production higher than it would be under free market conditions.

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It is in the Nation's interest in terms of conservation to take marginal land out of production. CRP helps, but it will be buried by the push in this bill for higher production for marginal lands, and that will lower prices even further.

Mr. Speaker, we can do better than this conference report, and we should.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Speaker, I reluctantly rise in opposition. After a decade of work, I had been tremendously pleased to see that my amendment to ban the marketing and movement of downed animals at auctions in stockyards was included and accepted by the House, and I am disappointed today that this commonsense legislation to protect the safety of the food supply and to end the suffering of downed animals was neutered by the conference.

The transport and marketing of these incapacitated, sick, and crippled animals creates a tremendous human health concern, as well as humane concerns. This is only one-tenth of 1 percent of the market, and they are not euthanized only because at that point they could not be used for human consumption.

The downed animal amendment has 165 sponsors, was accepted by both Houses. The House should know that meat from downed animals has an increased risk from bacterial contamination and other diseases, including neurological afflictions such as mad cow disease. The Veterinary Services Department of the USDA itself said that downed animals is the number two risk for mad cow disease.

We have prohibited the use of this product in the school lunch program; McDonald's, Burger King, Wendy's have banned the use of this, California bans the use of this. How on earth do we justify using the meat of these poor downed, crippled, sick animals in our own food supply?

Mr. Speaker, I rise today in opposition to the Farm Security Act Conference Report. After over a decade of work, I was tremendously pleased to see that my amendment to ban the marketing and movement of "downed animals" at auctions and stockyards and to require that these animals be humanely euthanized was included in both the House and the Senate version of the Farm Security Act.

Today I am disappointed to report that this commonsense legislation to protect the safety of our Nation's food supply, and to end the suffering of downed animals was severely neutered during conference committee negotiations.

The transport and marketing of these incapacitated sick or crippled animals creates tremendous human health concerns as well as humane concerns. Downers make up only one-tenth of 1 percent of the market. And not to euthanize them just because then they couldn't be marketed for human consumption, is indeed a sin.

The downed animal amendment cosponsored by 165 members, was accepted by the House and the Senate and offered a solution that would protect both the public health and downed animals.

Meat from downed animals has an increased risk for bacterial contamination and other diseases, including neurological afflictions such as mad cow disease. This is not a fringe idea.

Last year, the USDA itself instituted a policy precluding the purchase of beef from downed animals for the national school lunch program because of these safety concerns.

How on God's Earth can they justify marketing this to the rest of the country, when they say it is unsafe to put in our school lunch program?

In addition to this, the fast food chains are doing the appropriate thing. Chains such as McDonald's and Burger King and Wendy's have all banned the use of meat from downed animals in their products. And who else? California, the largest cattle producer in the country, Colorado and Illinois, have already prohibited the entry of downed animals into the food supply. Why just them? All Americans must be protected from this risk.

And yet, there are some who kowtow to the few irresponsible folks within the industry in order to protect only one-tenth of 1 percent of the market.

Last year a Zogby America Poll of 1,000 people in our country found that four out of every five opposed the use of downed animals for human food.

I want to emphasize that my downed animal amendment passed both bodies; it has 165 cosponsors; and that it gives USDA the authority it needs and does not interfere with the USDA's current disease-testing program.

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the rule and I support the bill. The bill is not a perfect bill, but there is no perfect piece of legislation that I have ever seen pass the Congress or pass the House of Representatives.

But this is an important piece of legislation. It is not only an important piece of legislation for farmers, but for hungry people as well, and also for us as consumers. It affects millions and millions of people, and I think what the gentleman from Texas (Chairman COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), have done, and their staffs, everybody who has worked on this, is a tremendous task.

They are to be congratulated for all the different provisions that they put in there: for nutrition, for legal immigrants, for hungry people overseas, the TFAB program. So many programs that are important are incorporated in this legislation.

Mr. Speaker, I hope we are able to pass this legislation. I see no reason why we cannot.

Mr. Speaker, I yield back the balance of my time.

Mr. LINDER. Mr. Speaker, I yield the remainder of my time to the gentleman from Texas (Mr. COMBEST), the chairman of the Committee.

The SPEAKER pro tempore (Mr. SWEENEY). The gentleman from Texas (Mr. COMBEST) is recognized for 1½ minutes.

Mr. COMBEST. Mr. Speaker, I thank the gentleman for yielding time to me. I simply want to thank the Committee on Rules for their warm acceptance of our testimony yesterday before them, for granting this rule, and for the kind words of support that have been indicated by the members of the Committee and others.

Mr. LINDER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. COMBEST. Mr. Speaker, pursuant to House Resolution 403, I call up the conference report on the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 1, 2002, at page 6161).

The SPEAKER pro tempore. The gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) each will control 30 minutes.

Mr. BOEHNER. Mr. Speaker, is the gentleman from Texas (Mr. STENHOLM) opposed to the bill?

Mr. STENHOLM. I most certainly am not, Mr. Speaker.

Mr. BOEHNER. Mr. Speaker, I claim the time in opposition to the bill.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XXII, the gentleman from Texas (Mr. COMBEST), the gentleman from Texas (Mr. STENHOLM), and the gentleman from Ohio (Mr. BOEHNER) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I get into the discussion of the heart of this bill, I want to take a moment to thank my friend and my colleague, the ranking member on the Committee on Agriculture, the gentleman from Texas (Mr. STENHOLM).

Two-and-a-half years ago, we literally linked arm in arm to try to move down a path of finding an answer to what had been plaguing the agricultural economy in America for a number of years, and we have seen it continue to exist and grow. This was done in a strongly bipartisan manner. We included all of our committee.

We went across this country and had hearings and listened to people tell us what their concerns were. We have heard and we will hear throughout this day opposition by people who, certainly their opposition in their mind is as justified as it is part of our process.

But I would say that looking at this in total and in whole, and looking at this from the standpoint of where we are if this conference report does not pass, I would say that to anyone who has a true care about agriculture and rural development and rural America and nutrition and conservation and research and trade, that there is no other option. It is either basically this or it is nothing.

I want to thank my friend for those long plane rides and those long hearings, for those hours of discussion that we moved through together. Because without that effort and without that opportunity, I do not believe that we would be where we are today. So I thank my friend.

Mr. Speaker, I rise today in strong support of the conference report on the farm bill. This is the end product of over 2 years of very hard work by members of the Committee on Agriculture. After dozens of hearings in Washington and around the country, and hundreds of hours of work, we brought a farm bill to the floor last October that passed this House with 291 votes. We went into a difficult conference over 60 days ago, and after a great deal of effort and compromise, we produced the conference report that Members will have before them today.

Because we could not finish a bill last year, the time needed to put in place a new farm bill for this crop year is almost gone. If the House does not pass this conference report today, there will be no strengthened safety net for farmers this year. Instead, the House will be faced with passing a fifth temporary emergency spending bill for farmers.

Both farmers and taxpayers are shortchanged by slapping Band-Aids on the problem of the farm economy. Farmers are facing the fifth year of record low prices, and the lowest real net cash income since the Great Depression. As a result, Congress has spent nearly $30 billion over the last 4 years in emergency assistance.

While desperately needed, these ad hoc payments always left producers and their lenders in a state of uncertainty. There was no ability to use this money efficiently.

One of the primary reasons for acting quickly on the farm bill was to end dependence on the ad hoc legislation. The conference report we have before us provides better, more flexible help for farmers. While the emergency bill averaged $7 billion per year, this farm bill, according to its scoring, averages less than $5 billion a year in additional spending to help farmers.

Clearly, putting in place an improved farm bill, beginning with this crop year, is better for everyone. But we have reached in the 11th hour. In a matter of days it will be too late to implement an improved program for this year. Congress will then be left with the option of yet another emergency spending and the job of redrafting a farm bill.

I want to emphasize to my colleagues that today's conference report is the best compromise we are likely to see. In addition to desperately needed help for farmers, it contains the largest single increase in conservation funding in history, significant gains for food stamps and nutrition funding, more resources for agricultural research, increased incentives for renewable fuels production, and a strengthened commitment to our rural communities. It is all accomplished within the limits of the budget.

Failure to act decisively today to secure the gains in this conference report would jeopardize the future of our farmers and all of the others who benefit from this work that went into the farm bill. This bill is supported by dozens of farm groups, ranging from the Farm Bureau to the Farmers Union to the Food Research Action Center to Ducks, Unlimited.

Yesterday, the Secretary of Agriculture said she would recommend the President sign the legislation. Today we have a statement from the President commending this legislation.

They all know that this conference report benefits everyone.

Mr. Speaker, let us not pass up the opportunity to help American agriculture and rural communities. I would strongly urge my colleagues to support this conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself 2 minutes to briefly summarize where we are.

Mr. Speaker, I rise in strong support of this conference report. I, too, want to begin by congratulating my friend, my neighbor, and the chairman of my committee for his work and action over the last 2½ years. His leadership has been exemplary, and for that, I am very appreciative.

Speaking from the minority side, from the very beginning, the hearings that we held all over the country in which we asked for solutions when bringing the bill to the full floor of the House, after full deliberations in the committee in which every minority interest was heard, as well as every majority interest, and then coming to the floor of the House and having the full discussion under an open rule in which every Member of this body was permitted to have their say, and now, the last 4 weeks, in a very difficult conference with the other body, Mr. Chairman, the chairman's leadership has brought it to this point. I am proud to have ridden shotgun with the gentleman in this endeavor.

Now we have urgency before us. It is time to report this bill out of the House, out of the Senate, and get it to the President, where he will sign it, as he has said today.

Mr. Speaker, this conference report is well-balanced. It restores the safety net for producers, it boosts spending on farm conservation programs by over 80 percent, it restores food stamps to immigrant children and the disabled, it addresses critical needs in rural development, and it tightens payments limits, and it is fiscally responsible.

We have stayed within the $73.5 billion that the Committee on the Budget gave us. As we have already heard from several speakers, if we really want to be fiscally responsible, we will pass this bill. We will not continue to depend upon emergency ad hoc spending, which has, as we have just heard, has been $30 billion over the last 4 years.

This bill is fiscally responsible. It does most of the things, even though it cannot please all of us. There are still those on the Committee on Agriculture and in this body that do not agree with everything that we have done, but I commend this as a reasonable compromise.

Mr. Speaker, I am in strong support of the conference report and oppose any motion to recommit.

Mr. Speaker, I want to thank all of my colleagues for the debate we have had. House consideration under an open rule resulted in passage of the bill by a vote of 291 to 120. After the Senate debated the bill for weeks, we had conferees from 10 House committees and the Senate come to agreement on the conference report that is before the House today.

Mr. Speaker, I particularly congratulate the chairman of the Agriculture Committee, my friend and neighbor, LARRY COMBEST. His leadership from the beginning has been outstanding. Under his guidance the Agriculture Committee, the full House, and finally the conference committee developed a refined farm bill that brings together a wide variety of interests.

Mr. Speaker, we need to pass this conference report without delay. It has been several years since we could say that things were going well in American agriculture.

Right now, corn is valued at under $2 per bushel, wheat—about $2.75; soy beans—about $4.60; and cotton is under 35 cents a pound. Our ability to export is hampered by an unfavorable exchange rate. The bottom line: Our producers need this farm bill.

Mr. Speaker, the conference report is a well-balanced package: It restores the safety net for agricultural procedures; it boosts spending on Farm Conservation programs by over 80 percent; it restores food stamps to immigrant children and disabled; it addresses critical needs in rural development; and it tightens payment limits.

Mr. Speaker, I know that many of my colleagues wish there was more in this conference report. So do I. I know there are colleagues who wish that some provisions were not included in this conference report. So do I. But we had to compromise and respect the views of our colleagues from the other body. The bill is not perfect, but it will do a great deal of good for our Nation. Agricultural producers will have greater financial security, hungry people will be fed, and natural resources will be protected and preserved.

Mr. Speaker, all of my colleagues should be clear about this. Regardless of the instructions, a motion to recommit will kill this conference report and everything in it.

I ask my colleagues to vote "no" on any motion to recommit and vote yes on the conference report.

Mr. Speaker, I rise in strong support of the conference report. We have brought to the House a well-balanced bill, and I believe that a strong vote for its adoption will demonstrate the House's agreement. I want to thank my colleagues in the House for their cooperation and assistance in bringing this bill forward. My colleagues on the Agriculture Committee, on both sides of the aisle, deserve a great deal of credit for their willingness to get the farm bill off to a good start last July. Since then, it has sometimes gone slowly but we have persevered and can be gratified with the final result.

Mr. Speaker, I would also like to thank all of my colleagues who served on the conference committee, including those from the nine committees other than the Agriculture Committee. The broad support of the conferees who signed the report is another testament to the balanced and inclusive approach that was taken to develop this important legislation.

Finally, Mr. Speaker, I must take a moment to congratulate the Chairman of the Agriculture Committee, my friend and neighbor, LARRY COMBEST. His leadership from the beginning has been outstanding. Under his guidance, the Agriculture Committee, the full House, and finally the conference committee developed a refined farm bill that brings together a wide variety of interests.

Mr. Speaker, on October 5 of last year, after a full debate under an open rule, this House passed the farm bill by a strong bipartisan vote of 291 to 120. On February 13, the Senate passed its version by a vote of 58 to 40, after weeks of floor consideration. Following Senate passage, conferees from the Agriculture Committees—and nine other House committees—have worked daily to develop the compromise that is before the House today. As we usually see with conference reports on important issues, no one involved is completely happy with the final result. It is a truly balanced package, however, and there are many reasons to support swift passage of this conference report.

Mr. Speaker, the conference report before the House has many features. First and foremost, it provides for a strong safety net for our Agricultural producers. The bill retains the flexibility in production and reliability of decoupled assistance that were provided for in the 1996 Farm Act. Above and beyond that, the countercyclical payments it provides to program crop producers will alleviate the need for Congress to provide additional, ad hoc, income support when prices are in decline. Marketing loan tools will continue to be available to program crop producers.

Mr. Speaker, farm program support will be governed by new payment limit provisions. The conference compromise reduces the limit on fixed payments by 20 percent: the limit on countercyclical payments—in comparison to the House bill—are reduced 13 percent, and loan deficiency payments and marketing loan gains are cut in half. The total dollar limitation on program assistance under the conference compromise is reduced by 35 percent in comparison to the House bill. We have maintained the ability of producers to use generic certificates in order to continue to support them in these times of very low prices. New transparency rules regarding payment provisions are being included, allowing us to gather information in order to provide a clearer view of the distribution of program payments.

Mr. Speaker, the conference report extends the dairy price support program through 2007, and restores the program's budgetary baseline. In addition, the conferees propose a modification of the Senate's direct dairy payment program. Under the provision, a countercyclical payment will be made to dairy producers for any month during which the class I price for Boston under Federal milk marketing orders is lower than $16.94. A participating producer would be eligible for payment on all production up to 2.4 million pounds per year. While some Members will oppose any direct payments to dairy farmers, the conference has substantially improved the program in comparison to the Senate's provision. This is a temporary program that will help ease the sting of the loss of the Northeast Dairy Compact—which is not extended by the bill—for dairy farmers in the Northeast. It also provides fair support to producers throughout the Nation when milk prices fall.

Mr. Speaker, the conference substitute follows the House bill by ending the quota program for peanuts. Under this dramatic reform, peanut quota will be retired, and producers will become eligible for the types of marketing loan, countercyclical, and fixed payment benefits that apply to program crops.

The bill extends the sugar program and provides needed support for sheep and goat ranchers, as well as for beekeepers.

Mr. Speaker, the conference compromise also provides for extension of chapter 12—Small Family Farmer Bankruptcy provisions. The chapter will be extended to run until December 31, 2002.

The conference report provides for truly dramatic increases in spending on farm conservation programs. I know that many of my colleagues are hearing from one organization or another that the report falls short in this area. Sometimes those folks attempt to make their case without providing the facts. Here are the facts, based on the actual provisions of the conference report:

$17.1 billion is added to farm conservation programs over 10 years. This bill is an 80 percent increase in farm conservation spending.

Conservation Reserve Program acreage will rise from 36.4 to 39.2 million areas.

The Wetlands Reserve Program acreage cap rises from 975,000 acres to 2.275 million acres.

New Grasslands Reserve Program to protect 2 million acres.

Farmland Protection Program—A 20-fold increase.

Wildlife Habit Incentives Program—A 10-fold increase.

EQIP—Annual spending will rise to $1.3 billion, compared to $200 million under current law.

New Conservation Security Program to provide incentive payments for stewardship on working farms.

Mr. Speaker, the bill also allocates additional resources for nutrition program spending. In solidarity with the Bush administration, we propose to restore food stamp benefits for immigrant children and for disabled immigrants, as well as for immigrants who have been in the country for 5 years. Transitional benefits are provided for households leaving the TANF program, Temporary Assistance to Needy Families. As a result of this legislation, the food stamp quality control system is reformed and procedures are aligned with other welfare programs. The Emergency Food Assistance Program and other feeding programs are extended and expanded under the provisions of the bill. Altogether, nutrition program spending is increased by $6.4 billion above baseline levels.

Mr. Speaker, in addition to the programs I have mentioned, funding is provided to reduce backlogs in the rural water and waste programs, to reaffirm our commitment to helping farmers compete for foreign markets, to boost research on agricultural production, and to continue the Global Food for Education Initiative, GFEI.

The conference report also establishes a requirement that food labels identify the country of origin of meat, fruits and vegetables, fish, and peanuts. The Secretary must provide guidelines for voluntary labeling by September 30, 2002, and the program would become mandatory in 2 years. There are many concerns that have been raised by the affected parties regarding the implementation of country of origin labeling. I want to assure everyone interested in this issue that the committee intends to closely monitor the establishment of this program and to fine tune it as necessary before the final mandatory program becomes effective.

Lastly, Mr. Speaker, I need to speak to the budget aspect of this legislation. I must admit, it greatly disturbs me to come to this floor and support a conference report with $73.5B in spending, given our current projections on deficit spending. However, when I sit down and try to analyze a better solution, I can find none. When I look at our past actions on disaster and income assistance, I quickly come to the conclusion that the only way we can avoid more costly year-by-year assistance to agriculture is to provide a reliable long term agricultural policy that includes a programmatic response to low prices as well as disasters. I believe that this bill will save money in the long run because it lessens our need to rely on disaster and income assistance.

Mr. Speaker, I know that many of my colleagues wish there was more in this conference report. So do I. I know there are colleagues who wish that some provisions were not included in this conference report. So do I. But we had to compromise and respect the views of our colleagues from the other body. The bill is not perfect, but it will do a great deal of good for our Nation. Agricultural producers will have greater financial security, hungry people will be fed, and natural resources will be protected and preserved.

I strongly urge my colleagues to embrace these objectives and to vote for the adoption of the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. BOEHNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today very, very reluctantly to oppose this bill. I have worked very closely with the chairman, the gentleman from Texas (Mr. COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM) over the course of the last several years trying to craft a sensible farm policy.

I do want to congratulate them for all of their hard work, their tenacity, and their ability to produce a bill in a very difficult political environment.

But maybe it was the political environment itself that causes us to be here. We have a closely divided Congress, we have big elections in November, and as a result, trying to do good sound farm policy in the midst of this frankly is almost impossible.

But they have, in fact, produced a bill that they are very proud of, and I am very proud of them for bringing a bill out.

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But in the end we have to make decisions as Members of Congress about whether it is the right policy. And as I look at the bill that we have before us, I stand to reluctantly oppose it. And I do so for a number of reasons, but at this point I would like to talk about the overall and overriding reason why I am in opposition to the bill.

For 60 years in America we put a hand, a lid, over the abilities of farmers' opportunity to succeed, all in an effort to be helpful to them. We had a system of loan rates and price guarantee, acreage reduction; and we did it from 1935 until 1996. Farmers did not have a chance at succeeding because we always had the lid over the top of the commodity prices, never gave them a chance to succeed. In 1996, we made a break from that policy and we went to Freedom to Farm. It worked well for a couple of years, but then when we had the Southeast Asian problem, prices began to collapse. We had the strength of the dollar that also inhibited our ability to export products around the world.

Then in a closely divided Congress fighting for control in the House and the Senate, got into a bidding war as to who could be the biggest friend of agriculture. And over the last few years we have had generous, very generous, emergency payments. But instead of staying the course and trying to allow farmers the opportunity to get their income from the market where farmers want to get their income, what we are doing is we are going back to what we know did not work for 60 years; and that is because the loan rates in the bill that we have before us and the target prices that we have will in fact drive more production. It will bring more marginal lands into production because of these high loan rates that will further decrease the commodity prices that we have today.

And what happens then? We expose the taxpayer to pick up the difference between those low commodity prices and the loan rates that we are setting. Farmers will have no chance to succeed, no chance of letting the marketplace ever work; and as a result small farmers are going to continue to go by in the way of a dust storm and only the biggest and strongest producers who frankly do not need this help will be getting most of the help.

I do not think that is what we want to do. I just think that American agriculture does in fact want the market to work. Farmers do not want checks from the Federal Government; they want them from the market place. But in my view of the bill we have before us, ask where it will lead us over the next several years. We will in fact see a collapse of commodity prices and as a result the 10 years' number of an additional $73.5 billion will in fact get eaten up in my view rather quickly over the next couple of years. And then we will have a real disaster on our hands. So my opposition to the bill is to say let us fix it now before we get ourselves into a box where we have excess products laying all over the country, very low prices and huge government expenditures.

Mr. Speaker, I reserve the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. LUCAS), chairman of the Subcommittee on Conservation, Credit, Rural Development and Research of the Committee on Agriculture.

Mr. LUCAS of Oklahoma. Mr. Speaker, I rise today in strong support of the farm bill. Today, I believe, is a great day for America's farmers and for rural America. This bill shows the true commitment of Congress to the future of production agriculture. I am proud to have been a part of a process where we actually asked producers what they wanted to see in the next farm bill. Farmers told us they like the flexibility and the fixed payment system of the old farm bill, but there was a key element missing: producers wanted a safety net, and we responded by including a safety net in this bill.

Producers asked us to give them an option of receiving an LDP payment on wheat they grazed out. It was decided that that was the more economical thing to do than harvest it. This bill gives the producers that option and allows them to make decisions that are best for their operation.

Producers told us that the current conservation programs were working. The only problem was there was not enough funding. We responded by increasing the funding for conservation programs by 80 percent and the basic cost-share conservation program by six times. Producers pushed Congress to include a country-of-origin labeling and their work paid off. When given this option, I believe consumers will pick American produce over our foreign competitors. I strongly support this farm bill. I urge my colleagues to vote for final passage and show their support for America's farmers.

Mr. STENHOLM. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. HOLDEN), who has been a valued member of the conference that helped us bring us to this point.

Mr. HOLDEN. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong support of the conference, report and I want to congratulate and commend the chairman and the ranking member for their hard work and determination in bringing this regionally balanced piece of legislation to the floor.

I ask all of my colleagues to support this legislation, but I particularly want to urge my Pennsylvania and the Northeastern and Mid-Atlantic State Members to support this conference report. Historically, we have felt left behind when it comes to USDA policy, but this conference report changes that. We have a true safety net for our dairy farmers. Agriculture is still the number one industry in Pennsylvania, and certainly dairy is the most significant form of agriculture in Pennsylvania.

What we have here is a safety net that protects the first 2.4 million pounds of production. That will cover herds of up to 135 cows. That will overwhelmingly cover the majority of milk produced in Pennsylvania. We heard talk of an 80 percent increase in conservation in this conference report. That is so important in Pennsylvania. We have almost a billion dollars in this conference report for farm land conservation. Pennsylvania has already retired 194,000 acres in the Farm Land Protection Program. This will allow us to continue the fight to protect against urban sprawl and to keep our family farmers in business.

Rural development. We have over a billion dollars in rural development investment in this conference report; 360 million of that is directed towards the backlog in water and sewer projects. That is so desperately needed in the Northeastern part of the country, something that has also been very valuable in Pennsylvania as we attempt to clean up our streams and rivers and watersheds.

Again, I want to commend the chairman and the ranking member and all the conferees and everyone who has worked very hard on this legislation. It is balanced, and it is good for American agriculture.

Mr. BOEHNER. Mr. Speaker, I reserve the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. EVERETT).

Mr. EVERETT. Mr. Speaker, I rise in strong support of this bill. It is good for the American farmer, and it is good for the American people.

Mr. Speaker, the U.S farm economy continues to experience one of the worst cycles of depressed prices for most of the major commodities, while the costs continue to escalate for major inputs. Our farmers and ranchers have been without a safety net to protect them during periods of low market prices. Fortunately, we are about to change that with this new farm bill. We began this process over two years ago with field hearings around the country to hear from producers about what they wanted to see in a new farm bill. I am happy to say that much of what we heard from producers is represented today in this farm bill, The Farm Security and Rural Investment Act of 2002.

I am confident the safety net provided to producers by this bill will insure they remain competitive and viable, even in times of depressed prices. A strong, effective farm policy is essential if our producers are to continue to provide us with the safest, most affordable, and most abundant food and fiber supply in the world. While our producers are some of the most efficient in the world, they have been forced to compete on an unlevel playing field, but I believe this bill will help to level that field.

It has been a long process before arriving at this point, but I believe we have produced a bill that will benefit all farmers, ranchers, and rural communities across America. In addition to the strong safety net this bill provides for producers, it contains conservation programs that represent an eighty percent increase in spending for conservation. There are also improved trade, nutrition, credit, research, and forestry titles and a new energy title focusing on renewable energy and bio-based products. Also, the strong rural development title will help bring new businesses to rural America and strengthen our rural communities.

As farmers are now in the fields planting their crops, I am pleased that they will now be able to focus on producing a crop, knowing we have taken the necessary steps to provide them with an effective safety net. I urge a yes vote on this conference report and no on the motion to recommit, so that this report can be approved quickly by both chambers and the bill signed into law, allowing the implementation process to get underway immediately.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Speaker, I thank the chairman for yielding me time. I want to thank the chairman and the ranking Democrat, the gentleman from Texas (Mr. STENHOLM), for their great work in doing this and having the opportunity as a member of the House Committee on Agriculture and participating in the hearings around the country that led up to where we are today. We even had one hearing in Sioux Falls, South Dakota, and farmers and ranchers in South Dakota made it very clear that they want to see a number of provisions in the new farm bill. The countercyclical target price system that is in the bill will give farmers needed assistance when times are tough.

The conservation provision. The Conservation Reserve Program, the Farmable Wetlands Pilot Program that was extended as part of an amendment that I offered on the House floor when it was debated here. The conservation security program is legislation that I sponsored in the House and that will give farmers incentives to do conservation practices on working lands, provisions like value-added that will enable our producers to reach up the ag marketing chain and become price makers rather than price takers. They are important value-added provisions that I worked hard for to have made a part of this farm bill.

The bio-energy program that encourages the production of bio-fuels such as ethanol and bio-diesel. These are all things that are going to be important to the future of agriculture.

Country-of-origin labeling, something as well that is important not only to the producers of this country but also consumers so they know where their products are coming from.

There are a couple of provisions, Mr. Speaker, that I would have liked to have seen in this bill that would prevent anticompetitive practices: a ban on packer ownership of livestock. I also would like to have seen a disaster declaration for the Black Hills National Forest that would allow us to treat the mountain pine beetle epidemic that we are dealing with there.

But on balance, Mr. Speaker, this is legislation that will move agriculture in a positive direction. I appreciate the chairman's and the ranking member's hard work.

Mr. Speaker, as a Member of the House Agriculture Committee, I had the opportunity of participating in the two years of hearings that led up to this final conference report, even hosting one in Sioux Falls, South Dakota. Farmers and ranchers in South Dakota asked me to push four important goals in the farm bill: a countercyclical safety net, a strong conservation title, a commitment to value-added agriculture and creation of more competition in the agricultural marketplace. This bill goes a long way toward meeting these goals.

The commodity title of this bill establishes a new counter-cyclical target price system that will give farmers needed assistance when times are tough. Congress will no longer have to pass emergency legislation that, while much appreciated by farm country, does not provide the security that farmers need.

This farm bill increases our commitment to conservation by 80 percent. It is the "greenest" farm bill ever. It enhances current incentive programs, such as the Conservation Reserve Program by extending my Farmable Wetlands Pilot Program. It also creates a new Conservation Security Program that I sponsored in the House. The Conservation Security Program will give farmers incentives to do conservation practices on working lands.

Value-added agriculture has helped farmers in my state reach up the marketing chain to become price makers, rather than price takers. This farm bill includes two programs that are a result of my legislation to assist producers in creative value-added enterprises. The first is the Value-added Market Development Grants that can be used for technical assistance and feasibility studies. The second is the Bioenergy Program that encourages the production of biofuels, such as ethanol and biodiesel.

This farm bill will enhance producer competition by requiring mandatory country of origin labeling for agricultural competition. In my tenure in Congress, I have always supported legislation for country of origin meat labeling. After offering an amendment during the committee consideration of this bill, I am pleased that it is in the final conference report.

Despite all of the bill's merits, I am disappointed the bill does not include two of my provisions that I fought to have included in the bill. First, there is no ban on packer ownership of livestock or other anti-trust provisions to protect farmers and ranchers from anti-competitive practices. However, I appreciate that the Chairman and Ranking Member have committed to hearings on this issue

There is also another issue that should have been addressed in this bill, which is a disaster declaration for the Black Hills National Forest. Two areas of the Black Hills are at high fire risk because of fuel on the ground and the mountain pine beetle epidemic. This disaster declaration would have allowed the Forest Service to manage these areas for fire prevention. I want to thank Chairman COMBEST and Subcommittee Chairman GOODLATTE for giving their best effort to include this provision in the bill, but I am disappointed that it was not included in the final conference report.

Mr. Speaker, we need to complete this bill today. This legislation provides the certainty that producers need. Vote "yes" on the farm bill conference report.

Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. PHELPS).

Mr. PHELPS. Mr. Speaker, I want to thank the gentleman from Texas (Mr. STENHOLM) for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 2646, The Farm Security and Rural Investment Act, and I want to thank the chairman and ranking member and conferees for their hard work on this balanced farm bill. I think this is the product of 2 years of bipartisan work that included extensive input from a wide spectrum of agriculture and conservation groups.

This farm bill will benefit farmers in my congressional district of central and southern Illinois, as well as across the country, for it provides a needed $73.5 billion in initial funding for agriculture which has been facing historic low prices, low income and increased costs. The farm bill provides producers with more options to implement progressive conserving practices on their land and increased technical assistance to producers. Several conservation programs were included in this bill and increased, such as Conservation Reserve Program, Wetlands Reserve Program, Wildlife Habitat and Incentive Program and Grasslands Reserve Program.

As vice chairman of the Sportsmen Caucus, I feel this legislation provides a balanced approach to meeting conservation needs. Although the House version did not address or contain an energy title, I am pleased to see the conferees adopted many of the Senate energy provisions. Throughout my career, I have worked to expand bioenergy and biofuels. Both ethanol and biodiesel are renewable sources and will greatly benefit the country.

I am pleased this balanced bill has reached us today. I urge Members' support.

Mr. BOEHNER. Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Speaker, I thank the chairman very very much for the opportunity to speak on this farm bill; and I want to give my personal thanks to the chairman of the committee and the ranking member for working very, very hard on a farm bill, holding, I think, 47 hearings around the country and for putting forth a strong effort in a very difficult situation.

My belief is any farm bill should help the family farm, the medium-, small-size family operator. And it is with great reluctance that I am going to oppose this farm bill because I think this takes us in exactly the wrong direction. This farm bill will hasten the demise of the family farm. It will subsidize the largest producers with an advantage over the medium-small producers, a dramatic advantage. It breaks all of our trade agreements. There is no question that the provisions in this are in direct opposition to what we have stood for as far as free, open trade. There is more money for conservation and environmental portions in this farm bill and those titles. The problem is they are rendered useless because all of the incentives on this farm bill are for more production. And I know farmers. I am one. And we are going to produce every possible bushel that we can to make sure that when these high payments are made that we are going to be able to reap the benefits. So those provisions I think are virtually useless in this farm bill.

One provision I think that causes great concern in Iowa is certainly the fact that one of the largest megahog producers, who has been a habitual offender as far as the environment, under this farm bill is going to be eligible and entitled to 450,000 tax payer dollars as a reward for not taking care of the environment. It is with great reluctance that I must oppose this farm bill.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BONILLA), chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations.

Mr. BONILLA. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong support of this bill today. I must commend, first of all, the chairman of the Committee on Agriculture along with the ranking member, the gentleman from Texas (Mr. STENHOLM).

The gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) have done an incredible job of standing up for the rights of producers in this country under a great challenge, especially considering what some people in this town and elsewhere were proposing from a different part of the capital.

It is a good bill overall. There are some problems that we have to work through as we support this and move forward. The labeling provision is something that we know the chairman tried to work hard to not include in the bill but, unfortunately, it is in there along with the dairy provisions that are in there that are not good for some of our producers in our part of the country.

We also have some concerns with numerous new mandatory spending programs, programs that historically and rightfully fall under the discretion and funding jurisdiction of the Committee on Appropriations. I hope that Members do not forget the money associated with these new entitlement programs as my subcommittee attempts to respond to their funding requests in the FY 2003 agriculture appropriations bill. However, as Members of the Congress, we must base our votes on the positive areas of this bill. This is again a good bill overall for farmers and ranchers in this country and all associated with the bill. We are very pleased as well especially with the wool and mohair marketing loan provision that was put in the bill by our conferees. It is a good bill. I stand in strong support of this today.

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Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I want to, first of all, thank the chairman, the gentleman from Texas (Mr. COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM). I think every one of us in this body owe them our respect and gratitude for the great job they did on this bill.

There have been many things said about this bill, and if there is one thing this body stands for, it is that right for any Member to express their opinion and vote in that way, and I respect that. We have had many things said about this bill, but I can tell my colleagues one thing, we have people come and talk about how we are going to produce too much. Having too much food is like having too much money. It is pretty hard to do. We do not want to run out of either one of them, and when we do, we have got a major problem.

This is a good bill. It is a balanced bill. It treats everyone as fairly as we can with the resources that we have at our disposal.

The objective of a farm bill is food security. It is not a social program. America's farmers have served this country well. They deserve our support and to be recognized with this bill, to continue to produce the cheapest, safest food supply in the history of this country.

I urge passage of this bill.

Mr. COMBEST. Mr. Speaker, could the Chair give us an accounting of the time?

The SPEAKER pro tempore (Mr. SWEENEY). The gentleman from Texas (Mr. COMBEST) has 11½ minutes remaining. The gentleman from Texas (Mr. STENHOLM) has 14 minutes remaining, and the gentleman from Ohio (Mr. BOEHNER) has 14 minutes remaining.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman from Texas (Mr. COMBEST) for yielding me the time, and I congratulate him on a hard fought battle with the Senate, and I think that on balance he has prevailed in sticking to the bill that we attempted to bring forward from the House.

We have made concessions that I do not like. There are things in this bill that I do not like, but on balance, I think there are far more things in here that will help to assure the American public that they have an abundant, affordable and safe supply of food for the next several years.

I am also pleased that we were able to include in this the funding to make it possible to bring local television service into every home in America within the next few years, and I am also very pleased that we are providing additional funds for food banks, a far more efficient way to deliver food to those people in greatest need in this country than the food stamp program, which is still, unfortunately, in bad need of additional reforms.

Overall, I think this legislation will help America's farmers. It will help America's consumers, and as a result, I am pleased to lend my support to it.

Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) for yielding me the time, and I commend him and the gentleman from Texas (Mr. COMBEST) for producing this conference report, and I rise in guarded support of this conference report.

Basically I view the bill as a holding action. America obviously cannot undermine our farmers at a point when 70 cents of every farm dollar is coming from the government, and we ought to produce a different program that permits farmers to earn from the market. But this bill does have some historic titles that are important to building that future, importantly, the historic inclusion of an energy title. This title will really focus the Department of Agriculture on biofuels in every way, biomass for energy production, biobased products, et cetera.

There are some other important provisions in the bill, such as enhanced conservation and farmland protection, Global Food for Education, and many of our international programs that help feed hungry people throughout the world and relieve the surplus on our market. We want to compliment the gentlewoman from Missouri (Mrs. EMERSON) and the gentleman from Massachusetts (Mr. MCGOVERN) for their terrific work there.

I think the bill falls far short in the area of assisting specialty crop producers to be included. Also, it does not do enough to break up concentration that is causing higher food prices, and really, a narrowing of those who can bring product to the market in this legislation.

I am not pleased with what was done on changing the language dealing with labelling of irradiated foods. But overall, we cannot undermine our farmers at a point when they need our support to maintain U.S. food security. I would urge my colleague's support of this legislation.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Speaker, I thank the gentleman from Ohio (Mr. BOEHNER) for yielding me the time.

Mr. Speaker, I think this is a sad day for our country. We are taking a big step in the wrong direction. I would say in the direction of Soviet style agricultural policy. It is hard to know where to begin with this bill, but let me start with the cost.

Here we are, a Nation at war, running a wartime budget, substantial deficits this year. We have got a budget baseline that already commits us to spending **$100** billion in farm subsidies over the next 10 years, and this bill commits us to add to that considerably more than the advertised additional **$75** billion. I say more because this bill knowingly uses dated commodity price assumptions that lowball the total cost. It also uses gimmicks such as creating a whole new **$100**-million-a-year program and then pretending that that will only be funded for 1 year.

The truth is, the American taxpayer cannot afford this bill, but it is, in particular, a sad day for Republicans because we know better than to do this. This is a massive government subsidy of crops that is going to cause overproduction, that is going to cause further decline in crop prices and make a bad situation worse, especially for small farmers such as those in Pennsylvania.

We, who generally believe in freedom and independence and personal responsibility in the marketplace, we are in danger of systematically turning farms into dependent serfs of the Federal Government, already dependent on government for an average of 46 percent of their income. This bill will increase that to well over 50 percent.

This is a sad day for my Democratic colleagues, who often pride themselves for their support of the working people and the poorest in our society. This bill is a massive transfer of wealth from poor people, and especially urban poor, to many large and wealthy corporations.

The Environmental Working Group observes that two-thirds of farm subsidies will go to 10 percent of farms, many of which have an average income of a quarter of a million dollars a year. The cost for the average American household is going to average **$4,400** over the life of this bill, **$1,800** in higher taxes, $2,600 in higher food prices because of the price support mechanism.

Mr. Speaker, one of the great lessons of the 20th century clearly was that command control economics, government-run subsidies, government manipulations of the marketplace does not work. It leads to a misallocation of capital, distortion of the marketplace and prices, and economic ruin, but that is exactly the direction we are taking today with regard to farm policy in America.

I would urge my colleagues to support the motion to recommit, but if that fails, vote against passage of this bill.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. PENCE) who has done a wonderful job on the committee in these last 2 years.

Mr. PENCE. Mr. Speaker, I commend the gentleman from Texas (Mr. COMBEST), the chairman, and the ranking member, for the outstanding work that they have done in producing the Farm Security and Rural Investment Act.

Despite, Mr. Speaker, what my colleagues may have read in the newspapers around the country this morning, those of us that represent farm districts in America know this is the right farm bill for America today. We know that American farmers are facing their fifth straight year of record low prices, record high costs of production. We know that real net farm income is at its lowest since the Great Depression, and we know that American agriculture is competing in a global economy where our trading partners are subsidizing their farmers at considerably more than our country does before this bill.

We are simply equipping our farmers in America with the ability to compete and survive while we set the table, if I may add, Mr. Speaker, for presidential trade promotion authority, negotiating down trade barriers, negotiating down subsidies, to move toward that vision of a free market global agricultural economy.

Let the fields rejoice and all that is in them. We have a farm bill that will make American agriculture and America's food supply safe and secure.

Mr. STENHOLM. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) for yielding me the time, and I rise again in strong support of this bill. I want to focus a little bit on this issue of the use of certificates, which has been debated here on the floor and was debated in the conference.

I come from a part of the country where certificates are not used a whole lot, and I have to admit that I did not have a good understanding of this program until we had considerable debate in the committee.

I think the people that are concerned about this whole payment limit question and use of certificates, first of all, should understand that in this bill there is language that will be law that is going to require us to look at this issue. So it is not going to go away, and we have set up a commission that is requiring USDA to come back to us with a study of this to find out who is actually getting this money and, if we made these changes, what would be the impact on farm income, land values and the infrastructure of agriculture.

In this area of certificates, I think that folks that do not represent farm country, and this is a complicated area, should understand what the implications are. If we do not have the certificate program, what will happen is that these folks that hit these limitations will forfeit these crops to the CCC. So the elimination of certificates will not change much what is going to happen, other than it will cost the government more money because this will be forfeited, and then we will incur the cost of storage, the cost of disposal of these crops that are forfeited to the CCC.

So actually, the use of certificates is a savings to the government, and we debated whether there should be reform in this area but, frankly, could not come to a resolution on what would be a better system. I think people need to understand that limitation in that area is not necessarily going to change a whole lot other than to cost the government more money.

Lastly, in this whole area of people should also understand that we put a limitation on adjusted gross income for individuals and net income for corporations. So that anybody that exceeds $2.5 million of net income is going to be limited in getting these payments.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I thank the gentleman from Ohio (Mr. BOEHNER) for yielding me the time.

When I stood a week or so ago to oppose this bill, it was said from the other side, well, that fellow does not know anything about agriculture. If my colleagues look at the end of my right index finger, it is missing. It was cut off in a wind rower at age 5 on an alfalfa field.

I have been away from the farm for a long time, but I still know manure when it is shoveled, and a lot of it is being shoveled here today.

This farm bill is bad for Americans. It will cost the average American family over $4,000 in terms of direct taxes and price supports, inflated prices because of price supports over the next 10 years. We are abandoning the Freedom to Farm Act, and in its place, putting in a Farm Security Act.

We as Republicans should not be doing this. Democrats should not be doing it either. We ought to look past special interest politics and look at what is best for American families across the country, and at this point I am going to insert an article from The Wall Street Journal.

[From the Wall Street Journal, May 2, 2002]

BLOAT WATCH

(By Jeff Flake)

As a young kid growing up on a farm in northern Arizona, one of my more unusual chores was what I called "bloat watch." I would sit atop a hill with knife in hand, watching cattle grazing on the green alfalfa field below. As soon as the first critter assumed the bloated "I've fallen and I can't get up" position, I would rush to the victim, raise the knife and stab just behind the last rib high on the left side—then taken cover as pent-up gas and alfalfa spewed heavenward, raining down on boy and bovine. I'm sure that being stabbed in the side wasn't pleasant, but the alternative was to be unceremoniously dragged over the hill to the bone yard.

As we debate the newest farm bill in Congress, I find myself instinctively reaching for my old knife. There are many examples of bloated government in Washington, but none are just begging for the knife as much as our farm policy.

Last week, House and Senate negotiators approved a farm bill expanding payments to farmers by nearly $50 billion over the next decade. The bulk of this increase, more than 90%, will go to farmers producing just five crops: wheat, corn, rice, cotton and soybean. Two-thirds will go to just 10% of farmers. The passage of this bill will mark a full scale repudiation of the Freedom to Farm Act of 1996, which sought to wean farmers off government assistance.

That the new farm bill is bad policy is not seriously disputed. It distorts the free market, wreaks havoc with incentives, further institutionalizes dependency and jeopardizes our export economy. But it is more than just bad policy—it is bad politics for Republicans.

The farm bill's $173.5 billion price tag over 10 years makes our claim as the party of fiscal discipline purely relative. It is estimated that this legislation will cost the average American household $4,377 over the next 10 years—$1,805 in taxes and $2,572 in inflated food prices because of price supports. That doesn't sound like a message this Republican wants to run on.

As evidenced in 1994, Republicans win elections when they draw a sharp contrast with Democrats. When Congressional Republicans seek to blur the lines, as we've done for the past several years, Democrats gain ground, as they've done for the past several years. There is an old political axiom that goes "You can never out-Democrat a Democrat." While we Republicans have tested that axiom's limits of late, we ought to understand that voters will eventually go for the genuine article. With this approach we might eke out another election with our slim majority intact, but our days are numbered.

On the other hand, if presented with an articulate "freedom" vs. "security" argument, most voters will opt for the former. The dilemma for Republicans is that we've not only abandoned the freedom argument in principle, we've dropped the rhetoric as well. Last week, at the same time Republican conferees on the farm bill were replacing the Freedom to Farm Act with the Farm Security Act, other House Republicans were holding a press conference where they slammed the Democrats for stealing the Republican

Conference's "Securing America's Future" theme. Frankly, I'd rather be accused of stealing that patronizing theme than coining it. Let the Democrats have it.

In a 1964 speech, Ronald Reagan reminded us that there is no such thing as "left" or "right." Rather, there was only an "up" toward freedom or a "down" toward totalitarianism. "Those who would sacrifice freedom for security," Mr. Reagan said, "have already started down the downward path."

It is probably too late for Congress to reverse course on this farm bill. We can only hope that President Bush is watching, pen in hand, as Congressional Republicans abandon all discretion and graze on green alfalfa right along with the Democrats. Being stabbed with a veto pen might not seem pleasant, but it sure beats ending up in the political bone yard.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. WALDEN).

Mr. WALDEN of Oregon. Mr. Speaker, I want to first thank the chairman of this committee for his extraordinary efforts on behalf of the farmers and ranchers in Klamath Basin.

I intend to actively support this bill today because of what it is doing to solve the water problems we face not only in the Klamath Basin, but across the West. The increase of 80 percent in funding of conservation programs are what is going to make the difference so that our farmers get water this year.

It was little over a year ago that the Federal Government cut off the water to the 1.400 farm families in the basin. Many of them have gone bankrupt. Most of them had no income. It is an incredible tragedy that has been allowed to occur.

The chairman was successful in the conference in getting $50 million earmarked specifically for an environmental quality investment incentive program that will help solve some of the problems and has been very supportive of our efforts to resolve the long-term water needs and problems in this basin to improve water quality and quantity. This is an extraordinary step forward that will bring real long-term solutions to the Klamath Basin.

I thank the Chairman for his diligence, his tireless efforts on behalf of those farmers and ranchers and for the other work in this farm bill that is going to make an extraordinary difference for the men and women who make their living off the land in Oregon.

Mr. Speaker, I thank the gentleman for the time.

As I have repeatedly informed my colleagues since last April, the past year has seen a terrible crisis in the Klamath Basin of southern Oregon and northern California. On April 6 of last year, nearly 1,400 farmers and ranchers were denied water during the 2001 growing season in large part due to Endangered Species Act issues. Yet, earlier this year the highly regarded National Academy of Sciences, NAS, which reviewed the Government's actions, found that there was "no substantial scientific foundation at this time for changing the operation of the Klamath Project to maintain higher water levels in Upper Klamath Lake, or higher minimum flows in the Klamath River." In other words, the Government's decisions that crippled the livelihood of farming and ranching families were not backed up by the science. The Government's actions were devastating in many ways, causing economic damage between $135 million and $200 million, depriving wildlife refuges of water and feed, and dumping lethally hot water into the Klamath River, thereby threatening the endangered coho salmon the Government was entrusted to help.

However, just because the Government made poor decisions doesn't mean there are not significant water quality and quantity problems that must be dealt with in this basin. That's why I support this farm bill and the $50 million in funding for the Klamath Basin that is included in the Environmental Quality Incentive Program section of the bill. It is a wonderful way to make sure that those funds are spent where they will do the most good for fish, farmers, and waterfowl.

Since December of last year, the National Academy of Sciences issued its report criticizing the decisions made by the Government. That critique has now been included in the new biological assessment, BA, issued by the Bureau of Reclamation. In addition, the President has created a cabinet-level task force to address the unique and complicated issues in the Klamath Basin. The farm bill provides an 80 percent increase in conservation funds to pay for the very types of projects that must be done if we are ever to solve the water quality and quantity issues in the basin.

I have refused to forget that this is the farm bill, and the purpose of what we do in the farm bill is to make sure that we have a vibrant agricultural economy in the Klamath Basin and throughout this country. The steps taken in the bill will improve fish habitat, will improve water quality and quantity, and will improve the health of the national wildlife refuges. By doing all of these things we will improve significantly the chances that farmers and ranchers in the Klamath Basin will get the water they need and everyone comes out a winner.

Additionally, the conference committee was kind enough to include a feasibility study I crafted that was passed unanimously by this House last October, only to languish in the other body. This feasibility study is needed to address an imminent endangered species habitat claim against the Chiloquin Dam is southern Oregon, which is the Modoc Point Irrigation District's current gravity flow diversion source. This dam blocks endangered suckers from reaching 95 percent of their former spawning and juvenile rearing habitat in the warm water reaches of the Sprague River. Several parties have identified the Chiloquin Dam as constituting a significant habitat problem for endangered suckers. They include: The Klamath Tribes, U.S. Fish and Wildlife, Bureau of Reclamation, Oregon Department of Fish and Wildlife, and the Klamath Water Users Association. This feasibility study was constructed in consultation with both the Modoc Point Irrigation District and the Klamath Tribes.

The study will include: Review of all alternatives for providing passage, including the removal of the dam; determination of the most appropriate alternative; development of recommendations for implementing the alternative; and examination of mitigation needed for upstream and downstream water users as a result of such implementation.

Mr. Speaker, as you can see we have been working on this issue diligently for some time and I would be remiss if I did not thank a few Members and staff for their support during this process. I would like to especially thank Chairman COMBEST for putting these provisions in the farm bill. Congressman POMBO also gave me great counsel throughout the process. Chairman HANSEN and Chairman YOUNG, the conferees from the House Resources Committee, were invaluable. And finally, Doug Yoder and Steve Petersen from the Resources Committee and Lance Kotschwar and Bill O'Conner from the Agriculture Committee went to great lengths to secure this needed help for the Klamath Basin. I'm indebted to all of them.

Mr. STENHOLM. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) for yielding me the time.

I also want to congratulate him and our chairman for their diligent work and that a word needs to be said about the process. It was an engaged process. It was over 2 years. Many individuals and representative companies and organizations had their day. Rather, everyone had their day. I am not sure but certainly it was not for a lack of trying, was not lack of openness and effort to be involved in it. So process does help as well as the end product.

This is not indeed a perfect bill. With any bill this size there will be winners and losers. It is not perfect by any means. There are indeed winners. The winners hopefully will be our farmers who indeed will have opportunity to know about what rules will work.

There are some things that go too far in my judgment, but it is a bill that is basically going to ensure a safety net for our farmers, and it also takes the uncertainty out of our market fluctuation.

More importantly for me, Mr. Speaker, there are indeed some great strides made for constituents that I represent and constituents in disadvantaged communities throughout this country. I believe that the food stamp program is one of the most effective tools we have to ensure that no parent in America is unable to feed their children. It is our Nation's largest child nutrition program, and through this bill we make a number of modifications that allow working families, children, elderly to have food. Additionally, we also make provisions internationally as well.

I would be remiss not to say that my peanut farmers are desperately needing some certainty of that. Indeed that is a costly program, I will admit that, but it is costly when we ask sectors of our economy to make tremendous change and transition. So American taxpayers are being asked to assist in this transition.

It is a bill that is worthy of our support. It is a bill indeed if it is to go back to conference to be rewritten means that our farmers will have more uncertainty than they have now.

Mr. Speaker, I believe that the food stamp program is one of the most effective tools we have to ensure that no parents in America are unable to feed their children. It is our Nation's largest child nutrition program. It helps us fulfill our basic responsibility to assist the neediest among us in meeting their most basic need, proper nutrition. In my years on the Agriculture Committee, I have worked to strengthen the food stamp safety net so that it can help provide nutritionally adequate diets to families in our Nation's rural and urban areas alike.

I am delighted that the nutrition title of the farm bill that is before us today contains many significant improvements that are targeted toward low-income families with children, particularly the working poor. It goes a long way toward restoring food stamp benefits to legal immigrants and their families by ensuring that all legal immigrant children are eligible for food stamps and by incorporating the administration's proposal to make food stamps available to all otherwise eligible legal immigrants after they have lived in the United States for 5 years. The bill will allow transitional food stamps for families that are leaving welfare to help keep them connected to this critical work support program. It also simplifies the program, which will reduce paper work and red tape and remove some barriers that eligible families face in trying to receive food stamps.

And, on another positive note, the title contains additional money for the Emergency Food Assistance Program to help our Nation's food pantries and soup kitchens respond to the growing demands they have faced in recent years.

I thank Mr. STENHOLM and Mr. COMBEST for their leadership on the farm bill and on the nutrition title in particular. I want to associate myself with Mr. STENHOLM's statement on the nutrition title and I would like to add a few remarks on some of the key provisions.

The bill makes a remarkable improvement to food stamp eligibility for legal immigrants. I am pleased that many of my colleagues from the other side of the aisle have joined with President Bush to recognize that the restrictions on immigrant eligibility from welfare reform went too far and put too many low-income immigrant families with children, many of whom are citizens, at risk.

The final agreement restores food stamps to all eligible legal immigrant children and does so without requiring sponsor deeming. This should simplify the message that States and advocates provide to needy families. Poor children are eligible for food stamps, period.

We conformed food stamp eligibility rules for legal immigrant adults to those in TANF and Medicaid. This should make it easier for the States to administer the three programs jointly. Qualified immigrants who came to the United States at least 5 years ago will be eligible for food stamps. Of course, this is subject to the sponsor deeming rules. Because USDA's rules on sponsor deeming are sensible and balanced, we choose to continue the current USDA sponsor deeming rules. We have no intention of sabotaging this restoration by making low-income sponsors that live with eligible immigrants and receive food stamps to incur a liability because their family member is part of their food stamp household.

Another important benefit improvement in the bill is the reform of the food stamp standard deduction for all households. Prior to 1995, the food stamp standard deduction had adjusted for inflation each year to reflect that fact that the cost of basic and necessary expenses that households have to make before purchasing food rise each year. The standard was frozen in 1995 for cost savings and has been $134 ever since. Under this legislation, the standard will be adjusted for inflation each year. In addition, it will be scaled to household size to reflect the fact that larger households have higher basic living expenses. This provision will take effect this fall, which may be difficult for some states. I encourage USDA to be flexible with states that are doing the best they can but who cannot implement on time.

Despite these critical benefit improvements, I am deeply disappointed that the final agreement on the farm bill does not include a Senate provision that would have modestly eased one of the very harshest provisions of the 1996 welfare law, the 3-month time limit on participation by unemployed childless adults. The provision denies food stamps to some of our Nation's most vulnerable individuals. The provision disproportionately affects African-Americans, veterans, and the homeless, among other groups. While I have been pleased with the steps USDA has taken to implement this overly restrictive provision in regulation and urge the Secretary to continue to do everything she can to ease the harsh effects of this provision, I hope that Congress can revisit the eligibility rules for this group at some point in the future.

While we did not ease the 3-month time limit, the farm bill does eliminate the 80 percent set-aside of unmatched Federal employment and training funds for individuals subject to the time limit. Nonetheless, the new rules require USDA to give this population, and States that elect to serve them, special consideration when allocating employment and training funds among states. States that serve large numbers of unemployed childless adults should continue to have the resources to do so.

On a positive note, this bill gives States more opportunity to develop employment and training services that do not meet the strict definition of a work activity under the 3-month time limit. Services such as job search and programs lasting less than 20 hours per week may not be funded with these monies. While individuals subject to the time limit who participate in these activities will not meet the definition of work for purposes of the 3-month time limit, the services may help them find employment before the three months expire.

Turning toward another provision, one of our most important goals in designing this food stamp reauthorization was to make sure that families leaving welfare stay connected with the food stamp program. Currently as many as two-thirds of households leaving cash assistance for work, a time-limit or other reasons do not continue their enrollment in the food stamp program. These families still have very low incomes and are still eligible for food stamps. It was a priority to us to find a way to ensure that these families keep receiving these critical nutrition benefits. States and client advocates have said that families fall off the program because clients are confused about their ongoing eligibility and that they often fail to complete paperwork requests from state agencies which result in their termination from the food stamp program.

The legislation gives States a very attractive new option that should make it quite simple to continue food stamps with no paperwork whatsoever to families leaving TANF. When a household leaves TANF, the States would simply recalculate its food stamps by subtracting the cash benefit from the family's income. No questions would be asked of the household. This new transitional food stamp amount would be the correct amount for the next 5 months.

Under this new option, we can be sure that poor families receive the nutrition assistance that they need to feed their families without any hassles or risks of losing the benefits for procedural reasons. If, at some point during the 5-month transitional period, the family thought that they might be eligible for more food stamps because their circumstances changed, they could always reapply for a higher benefit amount. This new approach should result in a dramatically higher share of families leaving welfare for work to continue receiving food stamps.

This legislation also responds to requests from States and clients to make the food stamp program simpler to administer and easier to understand. Unfortunately, just over half of eligible low-income families participate in the food stamp program. Many poor families are frustrated that they have to provide the State agencies with too much paperwork on unimportant details of their life and finances. And they are unhappy about having to reapply for benefits so frequently.

The nutrition title responds to this complaint by allowing for 6 months of continuous eligibility—unless the household's income rises above 130 percent of the poverty line or the State has some reason to believe that the family is ineligible. If States do not want to provide continuous eligibility, they can freeze households deductions, eliminating many reporting requirements in between certification periods. In this case a household would have to report changes in their earnings, but all other change reporting would be optional. States would only have to respond if the household reported a change in earnings or if they moved.

The bill also allows States to align the definitions of income and resources in the food stamp program with the ones that they apply in their Medicaid and TANF programs. This will give States unprecedented authority to align these aspects of eligibility across the three programs. USDA must now allow States to use data from their child support systems to determine what a household's child support deduction will be even if that data is somewhat old. This will relieve the household of having to keep track of every change in the payments that they make.

The utility component of the shelter deduction has been dramatically simplified. States now have an option that would require a household to only show one utility bill, other than a phone bill, in order to get a standard utility allowance. These changes should ensure that many more eligible families find it easier to get the help that they need.

I do wish that we had found ways to ease paperwork and office requirements on the elderly and disabled. It is my hope that USDA will explore this area and attempt to ease those burdens administratively.

I am delighted that we were able to work with the Senate and the administration to reform the food stamp quality control system. The current system set up half the States for failure by sanctioning all States with error rates above the national average. That is unfair. At least until very recently, it also has created inappropriate disincentives for states to serve large numbers of earners or immigrants because these households typically are more error-prone.

The new system targets sanctions at those states with persistently high error rates rather than any State above the national average. It also refocuses bonus payments away from just payment accuracy and will institute a new set of performance measures that will balance payment accuracy along with other measures of strong administration such as client service.

One element of the Senate-passed bill that interested me a great deal was adjustments to sanctions for States doing a particularly good job of serving low-wage working families or immigrant households. As it happens, however, we did not need to include this in the conference report because USDA assured the conferees that it would continue past practice and adjust sanction liabilities to eliminate the impact of high or rising proportions of working poor households or low-income immigrants. Given the Department's commitment to the adjustments, we saw no need to include adjustments in the statutory changes to the system.

Mr. Speaker, I am proud of what we have achieved in this nutrition title. I believe that the farm bill strengthens the food stamp program by improving benefits and easing access for our low-income working families. This outcome is good for families, good for communities and good for farmers.

Mr. COMBEST. Mr. Speaker, could the Chair please give us once again the remaining time.

The SPEAKER pro tempore. The gentleman from Texas (Mr. COMBEST) has 8½ minutes remaining. The gentleman from Texas (Mr. STENHOLM) has 9 minutes remaining. The gentleman from Ohio (Mr. BOEHNER) has 10½ minutes remaining.

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Mr. COMBEST. Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I reserve the balance of my time, other than my closing on the floor.

Mr. BOEHNER. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, to understate the phrase, this has been a very difficult process, trying to put together a farm bill and projecting out in future years the needs of our family farmers, but we can still produce a better result. We need a farm bill, a farm bill that will be a more fair and balanced farm bill for all our family farmers in all regions of the country.

That is why, Mr. Speaker, I intend, at the conclusion of the debate, to offer a motion to recommit with instructions, based on a motion that already passed this House a little over 2 weeks ago with 265 Members of this House on record supporting a $275,000 meaningful payment limitation cap consistent with the language that is already in the Senate bill and consistent with the majority wishes in the United States Senate.

There exists a majority in both the House and the Senate now to take this approach to farm policy, so we cannot only have a safety net for our family farmers but also be able to do it within the realm of fiscal responsibility and fiscal discipline; being able to provide more benefits to family farmers in all regions, while also maintaining the hope and promise that we can open up greater market access to agriculture products produced in this country. That has to be a part of any long-term farm policy.

Without a meaningful payment limitation cap, the next round of trade talks are in serious jeopardy, in my opinion. We are hearing the clash of the international community coming down on this Congress with the farm bill that is before us today, telling us it will jeopardize the ability to negotiate fair trade agreements for our American producers.

With the money and resources that are freed up with this payment cap, we would have more for volunteer and incentive-based conservation programs, programs that will lead to better watershed management, quality water supplies, the protection of wildlife and fish habitat, and, ultimately, the protection of productive farm land itself. We would be able to have additional resources for agriculture research, for rural development and nutrition programs, but also for the new energy program, relying on biomass and biofuels, which is the wave of the future.

Now, this is the way it should be decided, through a debate and by a vote. It should not be a clash of personalities; rather, an honest debate over ideas. I believe this motion to commit will produce a better farm bill at the end of the day and I encourage my colleagues to support it.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. CHAMBLISS), chairman of the Subcommittee on General Farm Commodities and Risk Management.

Mr. CHAMBLISS. Mr. Speaker, again I would like to commend the chairman and ranking member of the Committee on Agriculture for crafting what I think is good sound farm policy and it will be a tremendous benefit to every farmer in America with this farm bill.

My State is the largest peanut-producing State in the country, and my district happens to be the second largest peanut-producing district. We are very proud of that. We have a long and rich heritage. The peanut program in this bill is getting completely restructured and retooled for the reason that we have had a fight over the peanut program every year that I have served in this body.

There has been a philosophical objection to the way the peanut program was crafted because of the quota program that existed within that peanut program. Well, this year our peanut industry has gotten together as a whole and has made a decision we need to do what is best for the long-term interest of the peanut industry, and so we have drastically changed the peanut program within this farm bill, a program that now is going to benefit our quota holders, our producers, as well as our industrial base within the peanut community.

I am very pleased with the results we came out with. Is it perfect? No. But it does provide benefit to every aspect of the industry, and allows the peanut industry, particularly in my State, to have a long-term viable future. I urge the passage of this bill.

Mr. STENHOLM. Mr. Speaker, I continue to reserve the balance of my time.

Mr. BOEHNER. Mr. Speaker, I reserve the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. BLUNT), the chief deputy whip.

Mr. BLUNT. Mr. Speaker, I thank the gentleman for yielding me this time, and thank him and the ranking member for their great work on this bill. I think our conferees worked hard, did a tremendous job, kept this on focus, and my belief is that it was as likely as not that we could have wound up at the end of that conference without a farm bill if it had not been for the great dedication of the House conferees to make this happen.

This is a good bill. It sets the stage for several years of agriculture stability, provides a much-needed safety net that was not present in the last farm bill, it continues to decouple payments, allows updating of acreage, and does good things in dairy. More importantly, it establishes the rules and does that early enough that it may even have some positive impact this year.

We all worked hard to get this bill out. Of course, the House passed a bill months ago. Again, our conferees, the chairman and the ranking member, as they bring this bill to the floor, have a lot to be proud of. Farm families in America have a lot to look to with appreciation for the job we have done, the job I believe we will do today as we pass this bill, and I look forward to its implementation.

Mr. STENHOLM. Mr. Speaker, I continue to reserve the balance of my time.

Mr. BOEHNER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman for yielding me this time. I have been involved in writing Federal farm legislation since the 1960s, when I was Michigan chairman of Agricultural Stabilization and Conservation Service, and then I got an appointment in 1970 to be Deputy Administrator for Farm Programs in USDA down here in Washington.

I appreciate the effort that the gentleman from Texas (Mr. STENHOLM) and the gentleman from Texas (Mr. COMBEST) have gone through in arguing how they resolved many of the disputed issues in this bill as we try to get something for the whole country. But it seems to me, and I would suggest to my colleagues, that our goal in farm policy should be that we develop and help the mainstream family farmers in this country.

And you can argue how big is a family farm, but if you are talking about 20,000, 40,000, 60,000, 80,000 acres owned by the big landholders, that now have a loophole provision that is not subject to any payment limitation, then you are talking about a situation that puts the average family farmer at a disadvantage. The average commercial farm operation in this country is a little over 900 acres.

I am disappointed. This House, on my motion to recommit on April 18, voted overwhelmingly, 265 votes, to have the Senate provisions on payment limitations. This was not acknowledged by the conferees. The conferees should not be the House, they should reflect the will of the House.

Senator GRASSLEY just called me and said, look, we have done some whipping; we originally passed that provision for payment limitations by a little over two-thirds; we will accept the motion to recommit of the gentleman from Wisconsin (Mr. KIND) to reinstate the Senate payment limitations.

The Senate per farmer, per year payment limitation gets rid of the loophole. The loophole is the fact that benefits from generic certificates are not included as part of the pay limitation. Without getting into detail, it is a maneuver where the loan price support programs do not come into play. As long as there is the tremendous pressures, special interest pressure, to have unlimited payment limitations that place our family farms at a disadvantage, I am very concerned about the future of ag legislation in the country.

The SPEAKER pro tempore (Mr. SWEENEY). The Chair wishes to inform Members that the gentleman from Texas (Mr. COMBEST) has 6½ minutes remaining, the gentleman from Texas (Mr. STENHOLM) has 9 minutes remaining, and the gentleman from Ohio (Mr. BOEHNER) has 6½ minutes remaining.

Mr. COMBEST. Mr. Speaker, the gentleman would also inquire as to the closing rights.

The SPEAKER pro tempore. The Chair would inform the Member that the gentleman from Texas (Mr. COMBEST) has the right to close.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. SHERWOOD).

Mr. SHERWOOD. Mr. Speaker, I would like to thank the chairman and the ranking member and the conference committee for their hard work in putting this good conference together.

There has been much said that this bill does not help family farmers and it helps big corporate farmers. Well, the provision that is in this bill, that I have worked for for 3½ years and that I am so proud of, is the dairy provision, and that is for family farmers. That is for every dairy farmer in the country. And there is a limit to the size of production that can receive a counter-cyclical support payment.

So that is very good for family farmers, and it is very good for conservation because it spreads the animals out across the country, and it is good for consumers because it assures us of a locally produced fresh supply of milk throughout this country.

So I would ask all the Members from both sides of the aisle who are in the dairy coalition to support this bill.

Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of this conference report. This agreement provides a strong safety net for our Nation's family farmers as well as for the small and disadvantaged farmers. It ensures a flexible, affordable, and top quality food supply for our consumers while strengthening our national security. It provides a 6-year reauthorization of the farm, rural development, conservation, and nutrition programs that are administered by USDA.

The bill provides nearly 80 percent more funding for conservation programs than the current law provides, providing environmental benefits for all Americans. The bill will help producers of all commodities stay on the lands that they hold and that they love so much so that they continue their livelihood while conserving our natural resources for future generations.

While not perfect, the agreement today also addresses many of the needs of those in southwest Georgia, in the second district, in terms of making strides in restructuring the crucially important peanut program. Let us not allow the perfect to be the enemy of the good. Let us pass this conference report today for our farmers so that we can move forward with this year's planting season and have American agriculture continue to be the best in the world.

Mr. BOEHNER. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from California (Mr. DOOLEY), my friend and colleague on the Committee on Agriculture.

Mr. DOOLEY of California. Mr. Speaker, I rise in opposition to this bill with a great deal of personal anguish because of the respect I have for the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM). But as a Member of Congress serving on the Committee on Agriculture, and as a farmer, I believe this is not the right policy for U.S. agriculture in this new century.

Henry Wallace, back in the 1930s, when he was Secretary of Agriculture under President Roosevelt, said when they instituted programs very similar to these that these were temporary solutions to deal with an emergency. We are still dealing with the same temporary solutions. And where has it gotten us?

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It has gotten us to the point where last year 40 percent of net farm income in this country was government taxpayer dollars. And with the bill that we are passing today, that 40 percent will increase to 50 percent in the near term. Too many times we hear people do not understand how little of agriculture is actually receiving these taxpayer subsidies. Eighty percent of the agricultural products that are produced in this country receive not 1 cent of taxpayer money.

We can go into any supermarket and walk down the produce aisle, and every product in that produce aisle does not get a taxpayer subsidy. The meat and poultry aisle, there is not one product that gets a direct subsidy from the taxpayer. We can go down the canned fruit and canned vegetable aisle, and not one product there gets a subsidy from the government. We are passing a program that is going to ensure that 20 percent of the agricultural commodities that are grown in this country are going to get 70 percent of $170 billion over the next 10 years, and that is wrong.

I am concerned that policies in this bill are going to ensure that we are going to continue to see overproduction because of the way that we have structured our marketing loan programs and our counter-cyclical payments.

Mr. Speaker, it is important for us to have a safety net, but we need to do so in a manner that does not distort the marketplace, and this bill does that at the expense of taxpayers. It is not only at the expense of taxpayers, this bill creates distortions against other farmers throughout this country.

There has been a lot of talk about the peanut program which is crying out for reform. It does not cost taxpayers a dollar right now. But the reform that is embodied in this bill will result in taxpayers spending $4 billion over the next decade. That is not appropriate. What it also will ensure is that it will increase the supply of peanuts that are in the marketplace.

When I represent a district that has an almond industry that is twice the size of the peanut industry, they are going to be facing increased competition with peanuts that being subsidized by the taxpayer, that are going to drive down the price of the pistachios, walnuts and almonds that receive no taxpayer support because of the taxpayers stepping in providing $4 billion to a competitive product in the snack food market. That is wrong.

We also have another problem in the dairy program. We are embarking on a path with the dairy program that is going to result in taxpayers most likely putting out $2 billion. What are they going to get for that $2 billion, increased production, which is also going to require these same taxpayers to purchase more butter and powder so they are going to be out more money.

What are other dairy farmers going to face? They are going to see lower prices because of this new taxpayer subsidy, which is going to result in farmers in California, dairy farmers, losing over $6 million in the next 3 years.

Mr. Speaker, we had an opportunity to pass a policy that would move us into a new direction that could have invested in products and enhanced the productivity and competitiveness of our farmers, and we lost that opportunity. I encourage my colleagues to vote no on this bill.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. PICKERING).

Mr. PICKERING. Mr. Speaker, I rise today in support of the conference report and to commend the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) for their leadership as we do a bill that is good for our farmers, good for the environment, conservation, and good for our catfish farmers in Mississippi as we stop the Vietnamese imports of false labeling, of the taking the good name that we have developed in the southeast of the good catfish, good flavor, the good taste.

I also want to say that this is good for research as we see our land grant universities increase in research, for our rural communities, and as we see our key infrastructure needs being met.

As a sportsman, it will be good for wildlife as we see the CRP and WRP programs almost double. I support this legislation which establishes a safety net so we can plan and plant and prosper in Mississippi and across the country in agriculture. This is good legislation, a good farm bill, and I thank the chairman for his good work.

Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I commend the Committee on Agriculture for the good job that they have done. I have some serious concerns about this bill, and my concerns are that our sugar program continues to drive food processors and candy makers out of business in my community. We are continuing to lose jobs by the hundreds because they cannot afford the high cost and the high prices that they are paying for sugar.

I also have some concerns that the civil rights, that the concerns expressed by minority farmers are not adequately addressed. I grew up on a small farm, and so I know what minority farmers are feeling and what their experiences are.

I hope as we continue to develop our agricultural policy, that we take those concerns and put them at the top of the list rather than the bottom of the list. Again, I commend the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) for the work that they have done, but I cannot support a bill that will not provide for the food processors in my community to stay in business.

The SPEAKER pro tempore (Mr. SWEENEY). The Chair wishes to inform Members that the gentleman from Texas (Mr. COMBEST) has 4½ minutes remaining. The gentleman from Texas (Mr. STENHOLM) has 7 minutes remaining. The gentleman from Ohio (Mr. BOEHNER) has 3 minutes remaining.

Mr. COMBEST. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. POMBO), the chairman of the Subcommittee on Livestock and Horticulture.

Mr. POMBO. Mr. Speaker, I rise in support of the bill; but it is not a perfect bill. There are problems. I have had the same problems that the chairman and the ranking member had in trying to work through this particular piece of legislation to get the best possible bill that we could to be enacted into law.

For those Members who have stood up this morning and talked about how they were concerned about it being bad farm policy. I would caution them on the motion to recommit. If Members think that there is a problem with the current bill, look at the motion to recommit. That is the worst possible farm policy that we could adopt in any way. We turn it into a welfare program. We try to say that the purpose of farm policy is to support those small, disadvantaged farmers so that they can get a welfare check. Well, if that is what we really want, we should just make it a welfare program. That is a huge problem.

It also transfers money into conservation title. At a time when we are fighting to open markets for us to ship into and other markets to ship into us, they want to take as much land as they possibly can out of production and ship that production offshore.

Mr. Speaker, that is the worst possible farm policy that we could possibly come up with as the U.S. Congress. No matter what we do on this bill, Members have to vote, begins the motion to recommit.

Mr. BOEHNER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, earlier I pointed out my broad concern with the high loan rates that we have in this bill and the fact that it will depress commodity prices requiring more of net farm income to come from the government. Last year's figure was 40 percent of net farm income came from the government. I believe with lower prices as a result of this bill, that number will exceed 50 percent quickly.

There are other problems with the bill. I think the message this sends to our trading partners around the world is the wrong message. These payments will violate our trade agreements with the World Trade Organization, and send a strong signal to our allies who worked with us to reduce trade barriers around the world that we are not serious about this. It tells our competitors we are going to continue to do what we have been asking them not to do.

Secondly, when it comes to the issue of labeling, I think it violates our agreement with our neighbors, Mexico and Canada, and I think it is discriminatory against our other trading partners around the world. So from a trade standpoint, I think we are sending some mixed and bad messages.

The dairy program that we have contained in this bill is totally unnecessary. Over the last 4 years, in all of agriculture, dairy prices were at record highs. Dairy farmers had the best 4 years they ever had. Why do we need to spend $2 billion for dairy? Pure and simple, for political reasons coming from the other body. It is unnecessary, it will drive down prices, and will drive up exposure to the taxpayers.

But as I close, as Members of Congress, we are here, and we are here to make decisions on behalf of our constituents. As I said earlier, this is not an easy decision on my part or others who are opposing this bill. We have great respect for the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) who have guided this process; but we have to make a decision as Members of Congress, and the decision I have made, reluctantly, is to oppose this bill because in the end, it will lead to much bigger problems.

We have heard that if we do not pass this bill, we will have really big problems. We can do an emergency supplemental to fix those problems in the short run, and we can produce this bill in a much more sane political environment that will give us a much better product after the election early next year.

Mr. Speaker, the point I want to make to my colleagues is that we can do better. I know that it is a difficult process to come up with a uniform policy for the whole country, but the fact is that we can do better. We must do better to balance the interest amongst those in agriculture, and to balance the interest of those in agriculture with the interest of the taxpayers and others who are always here seeking our government help.

Mr. GEKAS. Mr. Speaker, will the gentleman yield?

Mr. BOEHNER. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, I think the gentleman would feel better if he recognizes, as I do, that in this bill there is a continued movement by the farm communities towards market orientation, and that should help the gentleman.

Mr. BOEHNER. Reclaiming my time, I would argue that the opposite is exactly true. I reluctantly urge Members to vote no on this bill.

Mr. STENHOLM. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I would like to take the remaining time and correct some of the misstatements that have been made concerning this bill.

To those that suggest that we need a little more time, where were they for the last 2½ years when the committee and subcommittees held numerous hearings all over the country? I did not notice many of my colleagues being the most vocal being in many of the hearings much of the time.

To those that suggest that these are too high loans for cotton, which has come under a little bit of discussion, the loan rate for cotton in this bill is 52 cents. That is exactly what it was in 1986. So to those that suggest we have too high loans, they are completely ignoring market reality.

To those that said that we are getting 40 percent of our income from the government, the 2000 figures from WTO show that the United States farmer receives 22 percent of his income from the government, which I agree is too high, but the farmers in the European Union gets 38 percent of their income from government.

A lot of the other comments today, particularly some of the editorial comments that we have had on this bill, reminds me what President Eisenhower said in the 1950s: "Farming looks mighty easy when your tractor is a pencil, and you are a thousand miles away from the corn patch."

I think many of the comments that have been made in the editorial pages are completely ignoring the market reality that we have down on the farm, particularly when we see conservation, that we did not do enough on conservation. There is an 80 percent increase in this bill, the largest single increase in conservation spending, I believe, in the history of the Congress.

Budgetary responsibility, take a look at what we have done time and time again regarding emergency ad hoc disaster assistance: $30 billion over the last 4 years. What we do in this bill is put in predictability. The lion's share of spending in this bill does not go to stimulate production, only $2.8 billion goes toward marketing loans. The rest goes for nutrition, trade, conservation, and rural development. That is not quite what was stated on this floor.

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Mr. Speaker, we have heard a lot about the $73.5 billion. This year the American farmer and rancher will export $54.5 billion worth of our commodities. If you multiply that by 10, that means the return on investment for the United States taxpayer will be $545 billion, assuming we do not gain any additional market share.

Now, I think it is particularly interesting that some of our foreign competitors are lending their voices to criticism of the work of the bill that we put before the full House today.

The European Union Commissioner has said that the United States should receive a failing grade on the farm bill. He recently said in a statement of April 30, "I am astonished by claims made in the United States Congress that much of these price-linked subsidies would not be counted against U.S. commitments. The U.S. will have to respect WTO rules."

Absolutely we will respect WTO rules. Nothing in this bill and what the Committee on Agriculture has recommended in this conference bill has anything other than we will respect WTO rules. I say to the Agriculture Commissioner of the European Union that his facts are wrong and that this conference report will comply with all of the U.S. trade obligations within the WTO.

In fact, it is interesting to me, the European Union's commissioner is saying this because he seems to be trying to draw attention away from his own problems subsidizing agriculture.

Basically what we are doing with this bill, we are saying loudly and clearly as we enter the next WTO round, the United States Government will stand shoulder to shoulder with our producers in the international marketplace and we will negotiate down these subsidies, but we will demand that other countries do an equivalent amount, instead of what has happened to us time and time and time again in previous negotiations. We seem to be the ones to cut.

When you have a situation today in which European farmers are subsidized by over $300 an acre, and we are in the $40 range, is that fair? Is that a level playing field? I say to my friends until Europe, let us negotiate them down. Let us recognize that, yes, all farmers would be better off if we did not have as much government involvement, but we are not going to unilaterally disarm our farmers. And those who choose to vote for the motion to recommit or against this bill, that is exactly what you are doing.

Finally, in conclusion, Mr. Speaker, time and time again we ignore this one fact: we as a Nation are blessed to live in a country that has the most abundant food supply, the best quality of food, the safest food supply at the lowest cost to our people of any other country in the world. That does not happen by accident.

That happens because, time and time again, we have had agricultural programs that recognize the importance, yes, of the safety net to our producers, but also to conservation, to food stamps, to feeding people, to addressing the critical needs in rural development. We have always done this. And this bill today, one of the strongest titles is the nutrition title. It distinguishes itself as one of the most important pieces of food stamp legislation since the landmark 1977 act 25 years ago.

The most significant program simplification since the 1977 act is in this bill. Many of the title provisions are targeted toward low-income families with children, particularly the working poor. The bill will allow transitional food stamps for families that are leaving welfare. The things we have said over and over that we want to accomplish, this bill accomplishes it in the nutritional title.

Mr. Speaker, I encourage my colleagues to vote "no" on the motion to recommit. It will not make the bill better. I encourage my colleagues to support this balanced bill that does not only what our American farmers want done but the 280 million American consumers that will benefit from that which we are about to pass.

Mr. Speaker, I have always believed a strong nutrition title is a crucial part of any farm bill. That is particularly so when we can improve our ability to support hard-working low-income families and to ensure that all Americans have the opportunity to obtain a nutritionally adequate diet. Doing so gives balance to the bill and benefits both production agriculture and low-income Americans. I am pleased that this year's farm bill has a nutrition title that all of us can be proud to support.

The nutrition title stands out in several respects. It strengthens incentives for families to work and thereby promotes welfare reform goals. It does so by making food stamps better available to low-income working poor families that do not want to get welfare. It does so by facilitating the transition from welfare to work. It does so by targeting relief on needy families with children, particularly the working poor. And, it does so by simplifying the program. Under this bill, States and low-income households alike should find less paperwork and red tape. We can reduce errors while also removing some obstacles to eligible working families receiving food stamps.

The nutrition title contains a number of reforms that the states have been calling for on a bipartisan basis, including restored eligibility to legal immigrants that play by the rules. In addition, the title adds funding for the Emergency Food Assistance Program to help food banks and food pantries meet the needs they face.

I would particularly like to thank Chairman COMBEST, Representative GOODLATTE and Representative CLAYTON as well as all the members of the House Agriculture Committee for their work on this title. I am pleased that we have developed a title with strong bipartisan support believe that it will make concrete improvements in the nutrition safety net for low-income families.

Of course, I know that most Members have not had the opportunity to pore over the dense legislative language of the nutrition title in detail. I therefore would like to take this opportunity to explain some of the key food stamp provisions on behalf of myself and Representative CLAYTON, the ranking member on the Department Operations, Oversight, Nutrition and Forestry subcommittee of the Agriculture Committee, so that Members can have an idea how much this title has achieved and what an important component it is of this overall legislation.

One of our top priorities in this legislation is to help low-income families make the transition from welfare to work. Significant research shows that many families that leave the TANF cash assistance program do not receive food stamps even though they have very low-incomes and remain eligible. The Urban Institute found that only 40 percent of families that leave welfare continue to receive food stamps. This has meant that hundreds of thousands of low-income families that worked their way off welfare, only to lose one of the most critical work supports available to them—food stamps,

Food stamps can mean the difference between whether these families have enough income to put food on the table every day. It is in everyone's interest for these families' difficult transitions to be successful. A family is unlikely to regard its transition from welfare to work as a success if it cannot feed itself.

This legislation offers states a new option called transitional food stamps that would eliminate food stamp paperwork requirements for those families leaving TANF. This should enhance the food stamp program's ability to support families moving from welfare to work. States can provide this new transitional benefit to any category of eligible household that they choose except certain households under sanction for misconduct.

When a household leaves the state's cash assistance program, the state would simply recalculate their food stamp benefits without the cash benefits. This new amount would be the correct food stamp amount for all purposes and would be frozen for the next 5 months. There would be no contact between the state and the household at the beginning of the transitional period. Thus, the household would not have to comply with any procedural requirements to remain on the program.

We would give states the flexibility to make this a transitional benefit a freeze or to make adjustments for changes they become aware of in other programs. These changes could include a cost of living adjustment in Social Security benefits or a newborn child whom the state is covering under Medicaid or SCHIP. Of course, states would always have to adjust for automatic changes in the food stamp program such as the Thrifty Food Plan or the standard deduction.

As is always the case during a certification period, a household would retain the right to reapply to have its food stamps recalculated based on its current circumstances. Some households likely will experience major changes that render their transitional benefit amounts inadequate. These could include the loss of employment or the birth of a child. In these cases, the household may decide it is worth its while to go through the process of reapplying to have its benefits adjusted accordingly.

I am very pleased that the nutrition title will make significant strides toward simplifying the food stamp program. This can only help states, eligibility workers, working poor families, and everyone else connected with the program.

Last year, America's Second Harvest released a report entitled, "The Red Tape Divide." This report detailed how long and complicated food stamp applications around the country are. Some of the problem is because some states have yet to take steps to simplify their applications. But another part of the problem is that federal food stamp rules require far too much detail from households on unimportant matters.

This legislation provides states with several new options to streamline the food stamp program. These should result in less paperwork for those households already participating in the program as well as shorter food stamp applications. USDA should work with states to ensure that states are able to implement these provisions on the effective dates and need not wait for regulations.

Arguably, the biggest impact will come from the provision allowing states to extend "semiannual reporting" to a broader group of households. Currently, states may only apply semiannual reporting to households with earnings. Semiannual reporting eliminates a household's reporting obligations for 6 months at a time unless its income rises the program's gross income limit. The household provides information once every 6 months and the state relies upon this snapshot to issue benefits for the next 6 months.

This will significantly reduce paperwork and other administrative burdens on both participating households and state agencies. It directly responds to states' request to have more latitude within this option. This should encourage more states to adopt the option. It also should held align reporting rules among food stamps, TANF, and Medicaid. We encourage USDA to work with HHS to issue joint guidance on how states may use this new option to reduce overall reporting burdens for families as well as to better coordinate reporting requirements.

For example, we are concerned that under the current option that when a household reports a change for the purposes of the Medicaid program it could threaten the household's receipt of food stamps. This could be true even though the household remains eligible for food stamps. That makes no sense. A household should not be at risk of losing its food stamps unless the state has reason to believe that the household is no longer eligible for food stamps.

In crafting this proposal, we assume that the Department's major procedural rules for monthly reporting will apply to this option as well. For example, if a household files a late or incomplete semiannual report, it should be given an opportunity to supply the missing information.

We were disappointed not to have found a way to reduce reporting burdens significantly for the elderly, the disabled and other groups excluded from periodic reporting. I hope USDA will explore options that could ease their reporting requirements for these households as well so that we can build upon this legislation's momentum.

The bill allows states to align the definitions of income and resources in the food stamp program with the ones they apply in their Medicaid or TANF programs. Of course, the food stamp income and resource eligibility thresholds will remain, but these two provisions should give states sweeping new authority to eliminate unnecessary questions on their food stamp applications form about livestock, plasma sales state work study programs, individual retirement accounts, interest income, etc. We do include modest lists of items that states may not exclude under the new authority to conform. Obviously these lists are intended only to limit exclusions under the new paragraphs we are adding to the act. They do not affect exclusions under other paragraphs of sections 5(d) or (g). We urge the Secretary to add to these lists only where absolutely essential to ensure that food stamp benefits reasonably reflect need.

Along with simplifying the reporting and counting of income, we also simplified the deductions states apply to determine households' incomes. The shelter deduction targets food stamp benefits to households that have the most trouble affording a nutritious diet because their incomes are so low they have little left over for food after paying their shelter costs. Households typically can deduct utility expenses in addition to their rent or mortgage, other payments they must make to get or keep ownership of their homes, fire insurance, and a few other costs.

Since utility expenses vary so much from month to month, the program allows states to calculate households' utility costs with a fixed estimate, or standard utility allowance, in lieu of computing each household's particular utility bills. In welfare reform, we allowed states to require that all households's shelter deductions be calculated based on such a standard utility allowance or SUA.

In this bill, we further simplify the SUA by allowing some states to eliminate some of the current restrictions on when households may claim it. This provision would apply if the state took the option from welfare reform to require household to use the standard instead of their actual utility bills. In these states, if a household can show that it has at least one utility bill, other than just a telephone bill, the household would receive the SUA. It would not matter if the household was doubled up with another family or individual.

In recent years we have seen the utility costs households face soar in certain areas of the country because of various energy crises. I expect that these mandatory standards will be updated each year to reflect rising utility costs in the state. That will ensure that needy families do not have to choose between buying food for their families and paying their heat and other utility bills.

I am pleased that we were able to craft this legislation so that the new simplification options can begin to make a difference soon. On several of them USDA is likely want to promulgate rules. States will not have to wait for USDA to do so, however, before implementing the new options. For example, they can conform their definitions of income and resources to those in TANF or Medicaid without waiting for USDA to promulgate regulations about the items that cannot be excluded in the name of conformity.

Similarly, they can implement the provision allowing them to ignore most changes in households' deductions between certification periods without waiting for USDA to promulgate new regulations. They would, of course, still have to comply with existing USDA rules on when changes in earned income must be reflected in recalculated benefits. And, states would have to adjust benefits when a household elects to report that they have moved. The new rules, however, give states many options for minimizing the number of changes that require action. Freezing households' deductions is unlikely to cause significant hardship since the household can always reapply before the end of its certification period if a major rent increase, large new child care costs, or other deductible expenses render the household's current allotment inadequate.

Despite Congress's best efforts over the years, child support payments are not always as regular as they ought to be. This has caused states concern about when they should anticipate that a household will make or receive a payment. We examined this question closely. Fortunately, a large part of the answer can be found in longstanding USDA regulations on anticipating income. Whether a state is determining gross income or net income, these regulations provide that it may only count amounts reasonably certain to be received during the month in question. Last year, USDA amplified these regulations with some extremely helpful guidance that also gave states new options for simplifying the treatment of child support payments that a household receives.

This legislation builds upon that effort by extending the simplification to replace the deduction for child support payments made with an optional income exclusion. States now can exclude any legally obligated child support payments made by a household completely from income calculations. Thus, these potentially volatile payments need no longer be considered when applying the gross income eligibility limit. We did not mandate this change to avoid forcing states to undertake costly reprogramming of their computers purely to implement this provision.

In addition, the legislation directs USDA to establish procedures that permit states to rely on information from the state child support enforcement agencies in calculating households' incomes. We expect USDA will allow states great flexibility to rely on older information that might otherwise be appropriate. States' child support enforcement agencies often have computers that do not mesh effectively with the systems states rely upon to calculate food stamps. The value of simplification in this area seems far more important than that of requiring the household to verify the most current possible information. Of course, a household that chooses to submit information about recent changes in its child support obligations or payments should receive whatever food stamps those changes justify.

Finally, the legislation includes an experimental approach to providing food stamps to persons residing in certain kinds of institutions. Where a drug or alcohol rehabilitation center or similar facility would have served as the households' authorized representative anyway, the legislation allows states to provide a food stamp benefit directly to the home. As long as the claimant lived in the institution, the benefit would be calculated under a standardized formula that would not require the institution to gather a great deal of detail about the circumstances of each resident.

These procedures only apply in facilities that qualify as institutions under USDA's rules. Those regulations correctly limit the definition of an institution to a place that provides the majority of meals to its residents over the course of a month. The new group home procedures would not apply to a facility that does not regularly provide most of each resident's meals.

Also, we do not intend it to limit in any way the ability of victims of domestic violence or others that are capable of managing their own benefits to participate under regular food stamp rules. We certainly do not want to compound the tragedy of domestic violence by stripping a woman of her food stamps.

This experiment should be a great convenience to centers as well as state agencies. In return for that convenience, we expect USDA and the states will require participating centers to have reliable systems for passing along notices to households and providing forwarding addresses to the state agency when a household moves. Residents leaving these centers in mid-month should not have to try to get by without adequate food assistance.

Upon investigating a few of the Senate bill's simplification proposals, we were delighted to find that USDA's regulations already provide states the option to simplify the program. For example, I was pleased to learn that the current rules allow states to simplify the conversion of weekly and biweekly amounts of earned income deduction in the food stamp program if they have done so in TANF. Under this authority, Maryland multiplies weekly paychecks by four to calculate monthly income in both TANF and food stamps. Thus, we saw no need to adopt a Senate provision in this area that would have reduced the earned income deduction.

Similarly, the Senate bill included a complicated provision that would have converted the food stamp recertification process into a redetermination system. Although this long has been a problem in the food stamp program, we discovered that recent changes USDA has made in its regulations address the major concerns. No one disputes the principle that a household should be able to receive food stamps continuously as long as it remains eligible. Also, no one intends that certification periods be so rigid as to create unnecessary burdens on either state agencies or households. On the other hand, we do believe it is important that states periodically confirm that a family in the food stamp program remains eligible just as they would for a family in any other on-going public benefit program.

Recent USDA regulations give states broad flexibility to extend certification periods without going through recertification processes. They also allow states to undertake reviews in the middle of an unexpired certification period by sending a request for contact where the state knows an important change has occurred but does not have enough information to act on that particular change. In both instances, the key is eligibility rather than an arbitrary review schedule set months in advance. The transitional food stamp provisions in both USDA regulations and this legislation similarly avoid entrapment in rigid certification periods.

The only question the Senate provision raised, then, was one of procedure. We preferred to maintain the one we had. Switching to a redetermination model would require states to undertake a costly reprogramming of their computers. It also could have allowed some inattentive eligibility workers to ignore review schedules and send food stamps to indisputably ineligible for many months.

Not only did we seek to simplify by changing the program, we also sought to promote innovative approaches to simplification within the existing structure of the program. Each year, USDA will have a significant pool of money it can use to fund creative uses of the discretion states already have to ease access for low-income working families and others in need. For example, my state has pioneered centralized change reporting centers that ensure that someone is always available to receive a household's report of an increase or decrease in its monthly wages. I hope that USDA will use some of this money to fund efforts to create joint applications for food stamps, Medicaid, and other work supports for households that do not want to receive welfare. In this regard, USDA should not hesitate to fund a promising idea that would improve the food stamp program just because its benefits might spill over into other areas.

Beyond these simplification provisions, we have made numerous other improvements in nutrition programs. We have streamlined the employment and training program to allow states easier access to these funds. This will give states flexibility to serve other groups of people that cannot receive employment and training services from other programs. For example, some households in which the parents are ineligible based on their immigration status might nonetheless be appropriate for food stamp employment and training assistance if some children in the household are getting food stamps. These children will benefit, and their need for food assistance will decline, if their parents can increase their earnings.

Because this fund is limited, however, we have retained the current prohibition on spending these funds in ways that effectively supplant funding available through the TANF block grant. The Food Stamp Employment and Training Program should be the funder of last resort for these programs.

We remain committed, however, to serving people subject to the three-month time limit. Unlike other applicants and recipients, these individuals cannot receive the food assistance they need unless they have the opportunity to work it off. The legislation requires USDA to give particular attention to this population when allocating the money among states. States that have elected to serve large numbers of unemployed childless adults should continue to have the resources to do so.

This change will expand states' ability to provide employment and training services that do not meet the definition of a work activity in the part of the law creating the 3-month time limit. These could include routine unsupervised job search activities and training programs lasting less than twenty hours per week. Months spent in these activities usually will not count as months of work for purposes of the 3-month time limit, but they may nonetheless help the individuals in question find private-sector employment. States already have broad authority to decide how to coordinate these various employment-related requirements under the act. This change will give them the funding flexibility to take advantage of that authority.

The conference report does not include Senate-passed provisions modifying the 3-month time limit. A major factor in this decision was our examination of the commonsense regulations USDA promulgated last year. We may want to revisit this provision of the law at some point in the future, but USDA reduced the urgency of that with the series of pragmatic and fair-minded choices it made.

The final bill does, however, eliminate the current $25 cap on the amount states may reimburse E&T participants for expenses other than dependent care. This cap was unreasonably limiting states' flexibility in designing their own programs. We expect USDA will continue its longstanding policy of giving states broad flexibility in how they provide these funds to participants. With states paying half of the cost, we have no need to impose federal paperwork burdens on States and households.

My own state of Texas was one of the first to issue food stamp benefits to households through electronic benefit transfer, or EBT, rather than paper coupons. The first generation of EBT contracts have begun to expire, and we are close to having a nationwide system of providing food stamp benefits via EBT. It therefore seems appropriate to take stock of the current system and some of the challenges that it present both to states and clients.

This legislation requires USDA to issue a report on the current status of EBT. I am particularly interested in what information the Department can share on ensuring that claimants have full access to EBT systems and on ensuring that those systems fully meet their obligation to comply with the Americans with Disabilities Act and the Rehabilitation Act. It is not acceptable to have eligible, needy individuals effectively denied food stamps because they lack the physical or mental skills necessary to use the equipment in a safe and reliable manner.

The final bill does not include a Senate-passed provision to ensure that no households' EBT benefits are taken "off-line" or made inaccessible unless the household has left them idle for at least 6 months. I was comfortable with this decision because the Department has informed us that it is already planning to implement this policy via regulation.

I am pleased that this legislation will restore eligibility to legal immigrants. We were very fortunate to work with the administration, the Congressional Hispanic Caucus, the Congressional Black Caucus and many other members of Congress on this proposal. Legal immigrants' eligibility for food stamps was severely restricted in 1996, causing significant harm to these families. Many of these families contain poor citizen children who have left the food stamp program since the passage of the welfare law despite remaining eligible. We assume that this is because their parents have been confused about who in their family is eligible.

This bill would restore eligibility to qualified low-income legal immigrant children regardless of their entry date into the United States. In addition, qualified legal immigrant adults who have lived in the United States for 5 or more years with that status also are eligible. We decided to make these adults subject to sponsor deeming because the rules USDA implemented last year strike us as a sensible, equitable approach to balancing our desire not to provide food stamps to families that are being supported by their sponsors with the program's purpose of getting food to those in need. We do not expect USDA to make any changes in this area. In particular, these families should not be subjected to any additional paperwork requirements that may prove difficult to meet if the sponsor is uncooperative.

This restoration would bring food stamp policy for adults into conformity with the rules already in force in Medicaid and TANF. In each of the three programs, an adult becomes eligible for benefits 5 years after obtaining a qualified status. It does not matter if the immigrant at one time was granted one qualified status, such as asylum, and now has another, such as legal permanent residency. The 5 years begin to run from the time the immigrant first obtained qualified status. This conformity should make these rules much simpler for states to administer and for immigrants to understand. Finally, the legislation would allow legal immigrants receiving benefits under specified disability-based programs to qualify for food stamps.

When we received cost estimates of this package from CBO and the administration on this proposal, neither projected any offsetting collections from sponsors as a result of immigrants receiving food stamps. This seems reasonable since so many low-income immigrants live with their sponsors. Over the years, Congress has consistently rejected proposals to require food stamp recipients to repay properly issued food stamp benefits. The OMB and CBO scores show that those agencies recognize that sponsor liability has never been intended as an end-run around that principle. No sponsor should incur a debt for food stamps that he or she receives along with the sponsored immigrants. The impact of this restoration would be compromised severely if eligible immigrants feared that their family members would be sent a bill as a result a their participation in the food stamp program.

This scoring guided our thinking in how to draft the proposals. Certainly, we do not intend to encourage affluent sponsors to abdicate their responsibilities. But we also do not intend for low-income sponsors who are a part of the food stamp household or family unit to incur a liability as a result of their family's or household member's participating in the food stamp program. How could an aunt who is also her nephew's sponsor elect to enroll that child in food stamps if it would simply result in the aunt receiving a bill for the value of those food stamps?

The bill also includes an important benefit improvement for all low-income households. The food stamp standard deduction, which operates like the standard deduction in the Tax Code, has been improved. First, the standard deduction will now be scaled to household size. Instead of a flat $134 deduction for all households, households will receive a deduction equal to 8.31 percent of that year's federal poverty guidelines. States must implement this provision by October 1, 2002. We understand that this effective date will represent a challenge for many states because it will require reprogramming their computer systems within a short period of time. We encourage USDA to work with states to provide some leeway for those states that are working diligently towards implementation but who may not be able to achieve the October 1 deadline. Of course, current law protect all states from quality control errors as a result of this provision for 6 months after the effective date.

One of the most profound reforms to the food stamp program included in the bill is the new direction for the quality control system. There has been longstanding agreement amongst states, antihunger groups, and the administration that the quality control system needs to be reformed. The reforms included in this bill will ease federal-state relations and allow state administrators to adopt a balanced approach to program administration. Payment accuracy will remain essential, but not to the exclusion of the program's basic goals. While continuing the program's commitment to payment accuracy, the new formula will restrict sanctions to the worst offenders, as recommended by the National Academy of Science's review of the quality control system.

The new system eliminates the feature of current law that puts about half of the states in sanction each year. This will allow USDA to focus its energies on states with persistent payment accuracy problems. Under the new system, the threshold for sanction is increased to exclude states with error rates very near the national average from fiscal penalties. In addition, states whose measured error rate may exceed the threshold only due to statistical uncertainty are exempt from sanction. Finally, no action is taken against states in the first year they exceed the threshold; these states are given an opportunity to improve their performance before they are subject to a penalty.

If USDA determines with statistical confidence that a state has triggered a sanction by exceeding the threshold in a second consecutive year, USDA has three choices.

First, it can require the state to reinvest up to 50 percent of the sanction to improve administration of the program. The legislation is deliberately open-ended about what kinds of program improvements can be the goals of reinvestment efforts. We believe each state is likely to be the best judge of what improvements it needs. Current USDA policy sensibly allows reinvestments seeking to improve program access as well as those that seek to improve payment accuracy.

Second, USDA can designate up to 50 percent of state's potential liability to be held at risk. The state must pay moneys held at risk from the previous year if the state's error again is subject to sanction. If the state is not subject to sanction in the following year, the amount held at risk is automatically waived.

Thus, the state would not pay any sanctions unless it exceeded the threshold for sanctions for the third consecutive year, determined again in a statistically reliable manner. USDA cannot collect sanctions during the year in which they are applied.

Finally, USDA can waive any portion of the sanction amount. Any sanctions that are not reinvested or held at risk must be waived. USDA should consider the causes of the state agency's problems and whether the state's error rate is falling along with other relevant factors when determining how much to waive of a state's sanction to waive. Where the state is clearly on the road to correcting its problem, even a complete waiver may make sense.

The final bill does not include an important feature of the Senate-passed bill, adjustments to sanctions for states doing a particularly good job of serving low-wage working families or immigrant households. Since 1998, USDA has adjusted the sanction liabilities of states to eliminate the impact of high or rising proportions of working poor households or low-income immigrants. Last year, the Department wrote to the states to assure them that it would continue to make these adjustments. USDA informs us that it has done so again with regard to states' error rates in fiscal year 2001. USDA reiterated to us its pledge to continue making these adjustments so that no state is thrown into sanction, or has its sanction increased, because it is serving a high or rising proportion of immigrants or earners. With USDA taking this action through its administrative authority, we saw no need to included in adjustments in the statutory changes to the system.

I must confess to some nervousness about the timetable for implementing this new system. On the one hand, the current system would remain in place for the current fiscal year. I hope USDA will apply its broad discretion to waive the sanctions of states estimated to exceed the sanction threshold by small or statistically unreliable margins as these states would not be sanctioned under the new system.

More significantly, under this legislation no state would be subject to automatic sanctions in fiscal year 2003, no matter how seriously and chronically it had failed to meet our payment accuracy goals. By extension, fiscal year 2004 could count as no more than a second year for states, even those with serious problems in 2002 and before. I fear this one-time relaxation in QC sanctions could lead to an unacceptable increase in the national payment error rate. None of us have any desire to yield back any of the hard-won gains of recent years.

Neither our bill nor the Senate's provided for gaps of this nature. We adopted this timetable solely at the suggestion of the Department. We trust that the Department will use its broad authority to sanction ineffective or inefficient program administration in the case of any state whose payment accuracy performance during this transition is seriously flawed. The Department must bear the responsibility of ensuring that this lengthy transition that it has requested does not undermine the program's integrity.

The legislation that gives USDA new authority to penalize those states that appeal their quality control error rate findings and that lose their appeal. This is provided to ensure that USDA is not barraged with patently frivolous appeals. Since states cannot be made fully whole for reinvested moneys that ultimately are found not to be owning, a state with a good faith dispute over a sanction could reasonably wait to begin reinvestment until its appeal is resolved. USDA should not deny these states the opportunity to reinvest any sanctions ultimately found due.

The bill also replaces the current system of enhanced funding for states with extremely low error rates with a system of high performance bonuses. The criteria upon which USDA awards these bonuses should reflect a balanced picture of the goals of state administration of the program. Payment accuracy is an important part of that system, but so are complying with the law's application processing deadlines and its requirements to make food assistance accessible to those in need. Measures focusing on administrative service, such as timeliness and denying only those applicant households that are ineligible, should be a significant portion of the bonus package. By requiring USDA to consult with states in developing its system of bonus payments, we by no means intend to suggest that USDA may exclude academics, claimants' advocates, and others from its consultations on this issue.

In conclusion, with this legislation, Congress will improve benefits for many of our nation's neediest families and accomplish historic simplification of the food stamp program, better enabling states to serve working families with this critical work support.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SWEENEY). The gentleman from Texas (Mr. COMBEST) is recognized for 3½ minutes.

Mr. COMBEST. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. NUSSLE), the chairman of the Committee on the Budget.

Mr. NUSSLE. Mr. Speaker, no farm bill is perfect, but this conference report deserves our support. I will support it.

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I include for the RECORD a list of the groups we have heard from just today in support of the bill.

National Cattlemen's Beef Association
South East Dairy Farmers Association
National Milk Producers Federation
The Alliance of Western Milk Producers
National Pork Producers Council
United Egg Producers
Alliance for Agricultural Conservation
National Association of Wheat Growers
Coalition for Food Aid
Food Research and Action Center
National Farmers Union
United Fresh Fruit and Vegetable Association
National Cotton Council
Renewable Fuels Association
National Corn Growers Association
Land O'Lakes
American Farm Bureau Federation
USA Rice Federation
National Grain Sorghum Producers
American Sheep Industry Association
Dairy Farmers of America
American Beekeeping Federation
U.S. Apple Association
American Sugar Alliance
American Sugarbeet Growers Association
U.S. Beet Sugar Association
American Sugarcane League
Florida Sugarcane League
Rio Grande Valley Sugar Growers Inc.
Hawaii Sugar Farmers
Sugar Cane Growers Cooperative of Florida
Illiinois Corn Growers Association
National Barley Growers Association
National Sunflower Association
USA Dry Pea and Lentil Council
U.S. Canola Association
American Soybean Association
US Rice Producers Association
CoBank
Independent Community Bankers of America
National Association of Conservation Districts
National Association of State Foresters
Ducks Unlimited
Center on Budget and Policy Priorities
Congressional Sportsmen's Foundation
Ducks Unlimited
International Association of Fish and Wildlife Agencies
National Rifle Association
Pheasants Forever
Quail Unlimited
The Wildlife Society
Wildlife Management Institute

Mr. Speaker, I heard concerns about how our trading partners to the south, our trading partners to the north, our trading partners in Europe may be looking at this. Mr. Speaker, this is a farm bill for rural America. This is not for rural Mexico, this is not for rural Canada, this is not for rural Europe.

I would also call to the attention of my colleagues, in the motion to recommit it mentions that parts of the money would go to conservation programs, parts of money would go to nutrition programs, parts of the money would go to rural development programs, parts of the money would go to energy programs. So for my conservative colleagues that think that this spends too much money, it does not change the spending; it simply puts it somewhere else.

Also, it may be great language for a recommit motion, but I would encourage my friends to read the conservation title, the nutrition title, the rural development title and the energy title. Those all have extensive programs. The decision of where that would go would take, I feel, a great deal of time, having spent the last 2 months working through a conference.

I would also say you do not create a conference report of this magnitude in a vacuum. Anytime you make a change in one area, you make substantive change somewhere else. It may be easy on the floor to say well, we could just do this and then move on.

That is simply not possible. It would take a tremendous amount of time to go back in and look at the programs that are in place that are based upon the conference report as was reported. It would take extensive amounts of time to go back in and try to rebalance those. We would have to look at all of the conservation payment limitations that are in fact in place. We would have to look at the payment limitations in other areas, such as the farmland protection areas. All this would take considerable time.

Mr. Speaker, we do not have the time. We are out of time. And let there be no doubt about it, if the motion to recommit passes, this conference report is dead. We will be back to writing a new program under a new budget score. And if we think it was difficult to write this over 2½ years, I cannot even imagine the difficulty in writing a new one.

Mr. Speaker, I appreciate the intensity of all of the Members who have participated today. This is a day that I have looked forward to for 2½ years.

I include the following:

House of Representatives, Committee on Transportation and Infrastructure,
Washington, DC, March 7, 2002.

Hon. Larry Combest,
Chairman, Committee on Agriculture, Longworth Building, Washington, DC.

Dear Mr. Chairman: We have reviewed the Senate amendment to H.R. 2646, the Farm Security Act of 2001, which is now before the Conference Committee. Under rule X of the Rules of the House of Representatives, the Committee on Transportation and Infrastructure has jurisdiction over "pollution of navigable waters." Certain provisions of the Senate Amendment to H.R. 2646 fall within that jurisdiction, including:

Section 203—This section amends section 1243 of the Food Security Act of 1985 to authorize funding for, among other things, meeting the purpose of the Federal Water Pollution Control Act.

Section 213—This section amends section 1240 of the Food Security Act of 1985 to include as a purpose, assisting livestock producers in complying with the Federal Water Pollution Control Act.

Section 262—This section establishes a Klamath Basin Interagency Task Force that includes the Environmental Protection Agency, and includes as a duty, using existing Federal programs in the Klamath Basin for "improvement of water quality." Existing federal programs for the improvement of water quality in the Klamath basin are programs under the Federal Water Pollution Control Act.

Our Committee recognizes the importance of this legislation and the need to conclude the conference expeditiously. While we have a valid claim to jurisdiction over the provisions outlined above, I have not asked that the Transportation and Infrastructure Committee be named Conferees. This is conditional on our mutual understanding that we are not waiving any jurisdiction over these or any similar provisions and that you work with us to resolve any concerns we may have about them.

I would also appreciate it if you would have this letter and your response inserted into the Record when the Conference Report on the legislation is considered on the Floor.

I look forward to working with you on this matter and thank you for your cooperation.

Sincerely,

Don Young,
Chairman.

House of Representatives,
Committee on Agriculture,
Washington, DC, March 13, 2002.

Hon. Don Young,
Chairman, Committee on Transportation and Infrastructure, Rayburn HOB, Washington, DC.

Dear Chairman Young: Thank you for your letter regarding H.R. 2646, the Farm Security Act of 2001, which is now before the Conference Committee. I look forward to working with you on items within your jurisdiction in order to complete this important legislation in an expeditious manner.

Recognizing your Committee's jurisdiction under House Rule X, with respect to the Federal Water Pollution Control Act, I appreciate your cooperation in not seeking the appointment of conferees. I agree that your decision to forego the appointment to the Conference Committee will not prejudice the Committee on Transportation and Infrastructure with respect to its jurisdictional prerogatives on this or similar matters and I look forward to working with you to resolve the issues at hand.

I greatly appreciate your cooperation in this matter and I will insert a copy of our exchange of letters in the Congressional Record during consideration of the Conference Report.

Sincerely,

Larry Combest,
Chairman.

Mr. COSTELLO. Mr. Speaker, I rise today in support of the conference report for the farm bill. Overall, I think this is a good bill and I thank the conferees for their hard work.

This bill makes significant improvements to our current farm policy, which has not worked as promised to help American farmers. This bill will restore counter-cyclical payments to provide support to farmers when market prices for a commodity drop below a target price, restoring the safety net that was cut with the 1996 Freedom to Farm Act. In addition, the bill reauthorizes the existing programs that provides fixed annual payments and marketing loans to commodity producers and continues the planting flexibility that came out of the Freedom to Farm Act.

The bill also provides a significant increase in funding for conservation programs such as the Conservation Reserve Program and the Wetlands Reserve Program. These programs are very important to the farmers in the Congressional District I represent, and I am glad to see that there will be adequate funding for the expansion of these key programs.

I am also pleased that the conference report includes $405 million for energy-related programs, including the Commodity Credit Corporation bio-energy program. This program pays producers who purchase commodities for the purpose of producing biodiesel and fuel-grade ethanol. Illinois is the largest producer of ethanol, and the continuation of this program is good news for our farmers.

Mr. Speaker, overall I believe that this is good legislation, and I urge my colleagues to join me in supporting this bill to help America's farmers.

Ms. DEGETTE. Mr. Speaker, I have no choice but to oppose the conference report before us today. I agree that there are some excellent provisions. I support the increase in spending for conservation, as well as the country-of-origin labeling and research subsidies. I also support the restoration of food stamps for legal immigrants, and indeed, have voted numerous times during my tenure to support restoration of food stamp benefits to legal immigrants.

But I cannot in good conscience vote for this bloated bill. What we hope will come out of a conference is a well-reasoned and reasonable compromise. In reality, the end result is frequently an agreement to split the difference. Today, we are presented with an even less appealing compromise—an agreement that is completely out of proportion to the requests of either the House or Senate bill. This is hugely irresponsible in a time of economic duress and budget shortfalls.

It is the sins of omissions that are the downfall of this bill. I am sorely disappointed to see that the conferees chose to ignore the will of the House and of the Senate and not implement the recommended subsidy payment limitations. The result would cost this country billions of dollars while benefiting the largest corporate farms and big agro-business. This does not help the small farmer. In fact, these huge handouts would aid corporate farms in buying out the small farmers the bill purports to protect.

And there are other glaring omissions. Gone are the provisions that would improve animal welfare. Many important conservation measures have been gutted. As a percentage of the total, the conservation portion is actually less than it was in the 1990 Farm Bill.

For these reasons, I oppose this conference report. The bill represents a missed opportunity and it is a failure.

Mr. LANTOS. Mr. Speaker, I rise in support of the conference report on H.R. 2646. I want to commend the Chairman and Ranking Member of the House Committee on Agriculture and the Chairman and Ranking Member from the other body for their hard work in getting this bill through conference.

The Committee on International Relations also has a substantial interest in H.R. 2646, as the Committee has jurisdiction on trade and export programs as well as international food aid, all of which we addressed in Committee consideration of Title III.

The conference report strikes an appropriate balance between international food aid programs and trade promotion. I am pleased to note that the report also preserves the reforms to the Food for Peace authorities in substantially the same form as the Committees recommendation and contains further reforms for the Food for Progress suggested by the Senate.

By strengthening our international food aid programs, this bill helps to ensure that tens of thousands of hungry men, women and children do not starve to death simply because they were born in a country with chronic food shortages, civil war or poor governance.

While U.S. food aid programs authorized by the bill before us today cannot end world hunger, they can play a crucial role in helping our nation meet its moral obligation to alleviate human suffering in places like sub-saharan Africa, the Middle East and South Asia while at the same time help to support thousands of American farm families. As we have seen, suffering and despair can often be manipulated and turned into a breeding ground for evil and hate.

I am also very pleased that we have been able to include two new but very important provisions. This bill will permanently authorize the Global Food for Education Initiative launched by Ambassador George McGovern and former Senator Bob Dole, and provides $100 million in bridge funding for the pilot program while additional funding is being identified.

The second provision is the Farmers for Africa and the Caribbean initiative, first introduced by Congresswoman EVA CLAYTON as H.R. 1894 which will help bring American farming expertise to the countries that most need it through farmer to farmer type programs.

This legislation will also increase American agricultural exports, which support thousands of farm families around our nation. Considering that agricultural exports account for nearly one fourth of all farm income, it is vital that we continue to support our trade promotion programs.

Mr. Speaker, these programs epitomize the true American spirit and the values we hold dear. Through these programs, we are able to take the bounty of our lands and share it with the needy and the hungry around the world. At the same time, we are able to help sustain the family farms and help producers and growers expand their markets. It is no wonder that these programs enjoy such widespread support.

Finally, Mr. Speaker, I would like to recognize the tremendous work by the staff on the Committee on International Relations on this legislation. In particular, I would like to pay tribute to Nisha Desai and Paul Oostburg, without whom essential issues relating to U.S. international food aid would have been far less robust than the bill before the floor today. People around the world owe them their thanks.

I hope that all of my colleagues will support the conference report.

Mr. NADLER. Mr. Speaker, I rise today with much disappointment that the animal protection provisions once included in the Farm Bill were stripped out during conference committee.

As a long-time champion of animal rights, I have been a cosponsor of The Downed Animal Protection Act, The Bear Protection Act, the ban on cockfighting, and similar pieces of legislation since my early days in Congress. And with each year that they are introduced and re-introduced, the House comes closer and closer to passing them, but yet we always fall short. The Farm Bill was the best vehicle in recent memory for finally having these protections signed into law. But, alas, we find ourselves back at square one.

Despite this missed opportunity, I ultimately decided to support the Farm Bill because it contains several positive provisions that will greatly benefit many of my constituents. The Nutritional Title within the bill is one of the most important pieces of food stamp legislation in 25 years. It invests almost $7 billion over ten years in crucial improvements in the program, including a restoration of benefits to all documented immigrant children and to immigrant adults who have resided in the country for five years. The bill also provides families with transitional food stamps as they leave welfare and move into jobs, making the difficult transition much more stable.

In addition, the Farm Bill includes $275 million for the Watershed Rehabilitation Program which will provide much-needed resources to protect and preserve the New York City Watershed. The bill also contains provisions that will be beneficial for fruit and vegetable growers and dairy farmers in Upstate New York.

While I am pleased that the Farm Bill made vital improvements in the Food Stamp Program and invested in important agriculture initiatives, I do not approve of the conferee's decision to strip out the animal rights protections. It is my sincere hope that Congress will quickly revisit and implement these crucial protections that have been put off for far too long.

Mr. NUSSLE. Mr. Speaker, as I've traveled across Northeast Iowa and listened to members of the agricultural community over the last few years, the shape and the content of the new farm bill has been the centerpiece of our discussions. I've heard from many farmers about the challenges they face, their preferences for this legislation and their hopes for a quick resolution.

I voted for the original Freedom to Farm legislation in 1996. Freedom to Farm was working until the United States fell prey to a trade war, a currency collapse and substantially subsidized overproduction in South America. Accordingly, as Chairman of the House Budget Committee, I constructed the fiscal year 2002 and fiscal year 2003 budgets to set aside necessary funding. I did this so Congress could write a new farm program as soon as possible to meet these challenges farmers have faced since the implementation of Freedom to Farm.

As Chairman of the Budget committee, I am pleased that the conference agreement fits within the amounts assumed for reauthorization of a farm bill within the fiscal year 2002 budget resolution. Our budget resolution accommodated these amounts by establishing a 302(a) allocation for the Committee on Agriculture for fiscal year 2002 that could be used at the committee's discretion for emergency relief or reauthorization of a farm bill. It set aside the rest in a reserve fund that can only be used for reauthorization of the farm bill.

Our budget resolution also allocated $7.35 billion in fiscal year 2002 and $73.5 billion over the period of fiscal years 2002 to 2011. According to the Congressional Budget Act, bills may not exceed the appropriate levels in the budget resolution. This conference agreement meets this standard. Chairman COMBEST, Ranking Member STENHOLM, and their staffs have worked hard to ensure that this bill complies within the Budget Committee guidelines and I recommend them for this.

Farmers needed and deserved a farm bill last year to adequately prepare for 2002 crops. I believe allowing this debate to go so long was irresponsible and unsympathetic to the challenges Iowa's farmers face each crop year.

I am extremely disappointed that the final conference agreement failed to include a ban on packer ownership of livestock. Because I realized how critical it is for Iowa's livestock producers, I introduced separate legislation on this issue in February. The leaders of the conference committee promised to continue investigating packer ownership of livestock and its effects on producers. I plan to remind them of that promise and will pursue every avenue remaining to find a solution.

My second major concern about the conference agreement is that it fails to address payment limitations in a meaningful manner.

I fear the lack of these two provisions will drive more family farmers in Iowa to experience the harmful effects of consolidation in the marketplace.

I am also concerned about the new Conservation Security Program included in the final bill. As a new, unproven entitlement program, it potentially takes dollars away from conservation programs that have proven successful in the past such as the Environmental Quality Incentives Program (EQIP). We will need to closely monitor the effects of this initiative.

While the conference agreement is clearly far from perfect, I believe there are numerous strengths that must be considered as well.

The overall package placed before us today is an improvement over the status quo when it comes to the support and safety net the Iowa farmers have requested. That is precisely what I provided funding in my budget to accomplish, and that is why I voted to approve the conference report.

Overall, the new farm bill provides necessary stability for agriculture by maintaining planting flexibility and implementing countercyclical payments to help farmers deal with poor weather conditions and unfavorable market conditions.

I am very pleased that this legislation includes much needed funds for rural development including rural business investment, emergency personnel and firefighters and high speed internet access for rural areas.

This legislation also includes important provisions for the improvement of trade for Iowa's farmers. The legislation includes funding for the Market Assistance Program as well as the Foreign Market Development Cooperator Program. I am also pleased that this legislation include a National Dairy Program intended to help all dairy producers and significantly increases conservation programs, an 80 percent increase over Freedom to Farm.

While a new farm program is indeed the centerpiece for a prosperous future for Iowa's farmers, further action is still necessary to ensure a strong and healthy agricultural economy. We must continue to press for better trade agreements, including the approval of Trade Promotion Authority for the President. Agriculture also deserves improved treatment under the tax code. Opportunities also exist to benefit farmers in pending energy legislation and regulatory relief.

While one size will never fit all when it comes to agricultural legislation, the Farm Security Act provides the support and safety net that Iowa farmers have asked for. As such, I vote to approve the Farm Security Act.

Mr. UDALL of Colorado. Mr. Speaker, I rise in reluctant but real opposition to the Conference Report for H.R. 2646, the Farm Security Act.

My opposition is reluctant because I do think Congress should enact a new farm bill this year, to establish sound policies for agriculture and to do such essential things as the extension and expansion of the food stamps program and further the use of renewable sources of energy.

But my opposition is real because this conference report not only falls short of the ideal—as does most legislation—but also fails the fundamental tests of fairness and responsible public policy.

In 1996, Congress passed the Freedom to Farm Act. I was not a Member of Congress at that time, but I understand its basic purpose was to allow more flexibility to farmers to plant different crops depending on market demands. It was also supposed to reduce government involvement in farming and save taxpayers money.

It seems clear to me that experience since 1996 has shown that the legislation needed revision—but this bill goes far beyond a mere revision. Instead, the principles of the 1996 legislation have been abandoned, and now we are faced with a farm bill that increases spending by more than $73 billion dollars.

The Commodity Title of this bill, which is supposed to provide farmers with "security," is seriously flawed. First off it provides government payments to only a few commodity producers, those who produce corn, rice, wheat, cotton, soybeans, sorghum, barley and oats. And even for those producers it is structured so that it will provide the most subsidies to the largest producers. As a result, the small family farmers will get a little government assistance, while some of the largest farms will receive the bulk of the subsidies. In my opinion, this is not the way to really provide security for America's farm families or to stabilize commodity prices in a sustainable way. Instead, this title will encourage farmers to overproduce the favored commodities because they are guaranteed a price for their crop, and taxpayers will make up the difference between the set price and the market price.

Equally important, the conference report's conservation provisions are simply inadequate. There are a number of farmer conservation programs that have had a history of success that are authorized by the farm bill. The biggest problem with these programs is that they have been underfunded and many farmers who qualify and want to participate in these programs can't. The House farm bill provided $1.6 billion for these programs and the Senate bill provided $2.4 billion. But the Conference report only provides $1.4 billion for these programs. This bill does not go far enough with these conservation programs that farmers support.

So, while the conference report does have some provisions that deserve support—from school lunch programs, to WIC—overall it does not deserve enactment.

Farmers need some sort of security program to protect them from poor weather conditions, rapid price fluctuations, disease, and other perils. They need security, but this bill does not do that. This bill will have Colorado taxpayers—including both farmers and consumers—pay out more money to subside out of state farmers than Colorado farmers and the environment will receive in benefits.

We need a better bill to provide security to all farmers.

Mr. SANDERS. Mr. Speaker, American agriculture now stands at a crossroads. The question that we as a society have to answer is do we want an agricultural system that is comprised of very few, very large corporate producers—probably owned by one of the largest supermarket chains and probably overseas—or do we want a decentralized system of family based agriculture that produces food in rural communities across the nation.

For me, the answer is clear. We need to support and preserve family based agriculture throughout the Nation in all commodities. Why do I say this? Why should Americans care that their food is produced overseas on large corporate farms? While overseas producers are not as efficient as US farmers, they are in many cases lower cost producers because the cost of land and labor are, to excuse the pun, dirt cheap. And the health and safety standards and environmental standards are far more lax than ours, if they exist at all. So, Americans may get food that is produced more cheaply overseas. But is that the only consideration that should dictate the shape of American agriculture. I don't think so. For a host of reasons it is increasingly clear that corporate controlled farming is bad for the Nation.

First, I consider the preservation of the family farm a question of national security. Everyone in this room will agree that we are far too dependent on foreign oil. With all the troubles today in the Middle East we see how vulnerable our economy is to foreign upheavals over which we have little or no control. In 1991, when Iraq invaded Kuwait, this nation went to war quickly in order to protect our oil supply from the Middle East. How vulnerable will we be if we become dependent on foreign nations for our food?

Secondly, small decentralized farms are important for our environment. When farming is spread out it has less impact on the environment. In addition, family farms help reduce the blight of suburban sprawl that is gobbling up so much open space in this country.

Thirdly, family farming is an integral and critical part of our rural economy. They support not only their own families, but also a host of related businesses like feed stores, equipment dealers, and local retailers. They also maintain the scenic landscape that is so important for the tourist industry in Vermont and elsewhere.

Finally, consumers are ultimately the winners when food is produced on family run farms across the country. As I mentioned earlier, one of the reasons that American farmers can be undersold is that we have some of the highest food safety standards in the world. While that makes our food more expensive to produce, it also means that American consumers can be more certain that the food they are buying is high quality and safe for their families. And as for the cheaper cost of production overseas, consumers are unlikely to benefit. Consolidation in the retailing and processing industry means that lower cost food from overseas is more likely to provide increased profits for them rather than lower consumer prices.

Those are just some of the reasons that, in my view, we need to promote a system of family based agriculture. But as you know that trends are currently against those of us that support family farmers. In 1950, there were 5,388,437 farms in the U.S. By 1997, that number had fallen to 1,911,859. That's a loss of 3,476,578. Or to put it another way, in just 47 years, almost two-thirds of the farms in the U.S. had vanished.

But while farms were getting fewer, they were also getting bigger. The average farm in 1050 was 216 acres. By 1997, the size of the average farm had more than doubled to 487 acres.

Just as troubling and perhaps more troubling for farmers is that the people who buy their product—namely the processors and retailers—have become larger and larger to the point that they have far, far too much control over the price that farmers get for their milk.

In 2000, the top five food retailers controlled 42% of retail sales in the U.S. This represents a staggering fast consolidation because the top five retailers in 1993 only controlled 20% of food sales and as late as 1997 the top five only controlled 24% of food sales.

The same is true among dairy processors. As of 2000, the top four dairy processors controlled 35% of the fluid milk market. That's over a 34% increase in only 2 years.

And regionally, control is even more concentrated. Although Suiza entered the dairy processing industry in 1993, by 2000 it controlled 70% of fluid milk processing and distribution in 13 Northeastern states.

This consolidation is not limited to dairy, it is happening in every agricultural commodity. The top four beef packers control 81% of the market. Among pork packers, the top four control 59%. The top three corn exporters control 81% of their market. Those top three corn exporters also are the top three soybean exporters and they control 65% of that market.

In a business environment like this, family farmers are getting squeezed harder and harder as fewer and fewer buyers control the marketplace. It's true for dairy, it's true for apples, it's true for commodities across the spectrum.

This imbalance in the marketplace and this consolidation among producers is being accelerated by the increased amounts of foreign trade in agricultural products.

In 2000, the U.S. was importing enough cheese and dairy ingredients to replace some

10.6 billion pounds of domestic milk production. The U.S. exported the equivalent of 4.3 billion pounds. That's a trade deficit of 6.3 billion pounds of milk.

And this pattern is going to get worse as processors and retailers look to cheaper sources of food to fatten their profit margins.

In fact, a 2001 report from the University of Missouri noted that if there was completely free trade in dairy, the world milk price would always be lower than the U.S. cost of production. This led the researchers to conclude, and I quote, "If the dairy lobby is successful in opening up global trade through the World Trade Organization (WTO), we will find most of the remaining 90,000 US dairy farms exiting rapidly." What an absolute tragedy that would be.

Now if you agree with me that America needs family farmers; and if you agree with me that we, at a minimum, need to protect small farmers from the increasing power of the concentrated processing and retailing sectors, what should we do?

What we need to do is make sure that we have agricultural policies that protect, promote and empower family farmers in this country. That means for a start that we do not put American farmers at the mercy of world milk prices.

We also need a federal agricultural policy that doesn't focus its help on large farms. Under the failed 1996 so-called "Freedom to Farm" program, only 40% of farmers in the US received subsidies. 60% did not. The top ten percent received 70% of the subsidies. Fifty percent of farmers received only 2%. Companies like DuPont, Archers Daniel Midland, Boise Cascade and others have received hundreds of thousands of dollars.

I am therefore disappointed that the payment caps I voted to support and that the Senate included in its version of the farm bill were not included in the final bill. As the votes demonstrated, there is majority support in both bodies of Congress for this provision.

However, even though the payment caps were excluded, as were other positive proposals, this Farm Bill represents a major victory for family dairy farmers in Vermont and across this country. When the Northeast Dairy Compact expired last fall, family farmers in New England were left at the mercy of the outrageously low $9.90 support price. I am also pleased to say that the entire Vermont delegation pulled out all the stops to extend and expand the Compact. But we were opposed by the dairy processors, who were working with large producers in the West, and Congresspeople from the Upper Midwest who, mistakenly in my view, thought the Compact hurt their farmers.

Last October, I introduced an amendment on the floor of the House to create a national dairy program that would provide family dairy farmers across the country with benefits equal to what New England dairy farmers received under the Compact. We were opposed by the top Republican and the top Democrat on the Agriculture Committee, both of whom are from Texas. Much to everyone's surprise, we received 194 votes after just two weeks of organizing. Much of the credit for the strong showing that this amendment received goes to colleagues from the Midwest and the South who joined with myself and other Northeastern members in support of this national plan. It is fair to say that the courage and leadership of those Midwestern and Southern Members was critical to our success.

Vermont's Senators then took that concept into the Senate where a version was included in the Senate bill. Now the House and Senate conferees have completed working out the differences between the House and Senate versions of the Farm Bill and the final version includes a new national dairy program that will accomplish what we have been fighting.

The new national program would provide virtually the same benefits as did the Compact with the difference being that the money would come from the Federal Government as opposed to the processors. Now I, as much as anyone, want the processors to have to pay a fair price for their product. But without the Compact, family dairy farmers in Vermont and across this country need this safety net. My hope is that in years to come we can shift the funding source back where it belongs, on the processors so that farmers are getting their money from the market. But it makes no sense to let thousands of family farmers go out of business while we work to make that happen. This program will also help make sure that farm subsidy payments are more evenly distributed across the country. Right now, the vast majority of the money goes to the Midwestern and Southern states who produce program crops.

Of course, that Federal Government has much more to do if we are to save family farming in this country. In addition to making sure federal ag policy benefits small farmers, we have to address the concentration issue among processors and retailers by enforcing our current antitrust laws and perhaps enacting new ones if current law doesn't offer enough protections.

The road ahead for family agriculture is not going to be an easy one. But farmers will not have to fight it alone. There are millions and millions of Americans who do not live on farms or in rural communities who understand the value—from a national security standpoint, from an environmental standpoint, from an economic standpoint, from a consumer standpoint—of decentralized family based agriculture in the country. They will be your allies. At the same time, farmers have to realize that the corporate, agribusiness interests are the opponents of family-based agriculture. They need to be cut loose so that, for example when they want outrageous free trade agreements that allow them to purchase agricultural products overseas at a fraction of the U.S. price, family farmers all over this country stand up and say no. It will be a tough fight but together we can reshape American agriculture for the better.

Mr. SHAYS. Mr. Speaker, we have done a tremendous job fixing our system of social welfare, and the reforms have been a tremendous success in my district and across the nation. We did the heavy lifting in 1996 and we will reauthorize those reforms later this year.

I find it extremely troubling that our Nation's agricultural policies seem to follow a philosophy completely opposite that of our social policies: a hand out, not a hand up. At the same time we're preparing to strengthen our social welfare reforms, we're completely repealing any semblance of agricultural reform.

This Farm Bill will bring our total agricultural spending to $208 billion over 10 years. It not only perpetuates crop subsidy programs, it virtually doubles them. It represents business-as-usual for our nation's heavily-subsidized agriculture community.

Our Nation's agriculture policy is possibly the most disgraceful aspect of the entire federal government. If I had my way, I would scrap the wasteful, bureaucratic Department of Agriculture and all its programs, and start from scratch! The Department has an astonishing 99,000 full-time employees. By comparison, the Department of Education has just 5,000 employees.

We need to come to grips with the fact that our farms are growing too many crops, which has led commodity prices to plummet. Yet, in the face of such convincing evidence, we refuse to take any market-oriented approach. Instead, we will be exacerbating the problem by providing even more subsidies, thereby encouraging marginal farmers to continue to overproduce and send prices further downward. Why is agriculture immune to basic economics? Because, I suspect, America has a romance with the family farm. Farming represents all that is good and pure in America.

This motion to recommit will make two extremely modest improvements to our farm policies. First, it will limit annual farm payments to $275,000 for a married couple per year. Second, it will shift the money saved by these limits to conservation programs.

Mr. Speaker, I strongly oppose this Farm Bill because it continues our failed, wasteful, anti-competitive agriculture policies. I urge my colleagues to vote for the motion to recommit and against the underlying bill.

Mr. MORAN of Kansas. Mr. Speaker, for the last 68 days, 11 of my House colleagues and I have worked to resolve differences with our Senate counterparts and finish a farm bill.

The House Agriculture Committee began writing this bill more than two years ago. We held 47 hearings in Washington and across the country, and heard testimony from 368 producers and the organizations that represent them. More than 2,500 farmers and ranchers participated in the process of crafting the House bill, which was approved unanimously by the Committee and was passed last October by the full House with bipartisan support, on a vote of 291–120. This bill reflects a broad effort to respond to the concerns and needs of agricultural producers, rural citizens, and American consumers.

Why this effort to approve a farm bill? Because our farmers need it, rural America deserves it, and our consumers demand it.

The American farmer is the most efficient producer of food and fiber of anyone in the world. For an example of the benefits of agriculture we enjoy in America, let's consider a loaf of bread. I purchased this loaf of bread this morning at my neighborhood grocery store for $1.69. Each bushel of wheat, for which the farmer receives about $2.50, yields 65 loaves of bread. That means the farmer receives about $.04 for each loaf sold—when was the last time you purchased a loaf of bread for 4 cents, the amount actually going to producers? It's easy to see why farmers grow increasingly frustrated by the widening gap between the prices consumers pay and the commodity prices they receive.

There's no doubt that times are tough in farm country. The ag economy continues to suffer the burden of low market prices and rising costs of production, and producers, already squeezed by narrow profit margins, pay the price.

Last month, I completed my 66-country tour and the story was the same in each town hall meeting from Alemena to Zurich. Record low prices and poor weather conditions paint a bleak picture for farm families.

This week's headlines in Kansas read: "High Input Costs, Lower Livestock Income Cut Kansas Farm Income 28.6%"; "Bankers Indicate the Farm-related Businesses Continue to Struggle"; and "Falling Prices Mean Big Losses for Cattle Feeders." Average net farm income in Kansas last year totaled less than $28,000 per farm. Total farm expenses increased 7 percent and average farm debt climbed to 34 percent of assets, up 32 percent from the year before. In 2000, a farmer spent $81 for every $100 worth of farm products sold. In 2001, those input costs climbed to $87 for the same level of market returns.

Even more recently, the market price drops have been dramatic. The breakeven price for the average cattle feeder on May 1 was about $70 cwt. On April 29, cattle prices were $62—down from $73 on March 1, just two months earlier. That means that producers lost around $120 on every animal they sold. Multiply that number for an individually-owned, 10,000 head feedyard in Ashland, KS, and that feeder has just lost $1.2 million. These are the stories I heard all across the First District of Kansas.

Our farmers and rural communities need help to survive, and looking at the farm economy over the past 20 years tells why. In 1970, a combine cost $7,000; today it is $170,000. Tractors have increased five-fold in price. Fuel was $.30 per gallon; today it's $1.30. The amount of seed corn for planting that could be purchased for $25 in 1972, now costs $140.

Income, on the other hand, has gone the opposite direction of input costs. In 1973, soybeans sold for $12 per bushel; yesterday, they were at $4.28. In 1974, wheat hit $5 per bushel; yesterday, it was $2.45.

So it should not come as a surprise when farmers turn to us in desperate times, or send sale bills like this one—with the note inside from a farm wife—"This is the reason we need a decent farm bill! I have a young man, with farming in his blood, eager to take over our ground—Please make it possible for him to continue the family tradition and earn a decent living from the farm to provide for this family."

There are many reasons we need a farm bill, and a farm bill is about much more than just agriculture. It's about maintaining the safest, most abundant, most affordable food supply our consumers expect and deserve. It's about preserving the environment for future generations, conserving natural resources and protecting the quality of our water and air. It's about helping rural communities sustain their economies. It's about ensuring adequate nutrition for all Americans, especially our children.

But for Kansas, it's also about avoiding this headline: "On the Auction Block: Farmers getting out, putting land for sale in tough economic times." This bill is worth $318 million to the Kansas economy this year alone, to keep farmers on the land, shoppers on Main Street, children in our schools.

If we don't act now, next year may be too late for some family farms. The wheat crop is in the ground, just over a month from the beginning of harvest, and planting is underway for other crops. Farmers need details of a farm bill sooner, not later.

I urge you to support the farm bill and vote for the conference report.

Mr. BEREUTER. Mr. Speaker, this Member carefully reviewed the provisions in the conference report for H.R. 2646. Although it contains numerous positive features, in many ways the conference report is disappointing and unimaginative. This Member is also concerned that it will lead to dramatic increases in production, lower farm prices, and thereby will lead to an early exhaustion of the $73.5 billion increase in funding called for over the next decade.

In making a judgment on the conference report, this Member considered the following positive and negative features of the legislation. Specifically, this Member is pleased that the conference report for H.R. 2646 includes these positive aspects: Provides a counter-cyclical approach which will establish a greater safety net for farmers and should eliminate the need for annual emergency assistance. This provision is an especially important and positive feature of this legislation.

Retains the planting flexibility, a feature of the current farm program which has been extremely popular with producers.

Although the bill is far from perfect, it does provide additional income assurances for producers.

To the benefit of the sorghum producers of the Great Plains region, the sorghum loan rate is raised to the level of corn.

Gives producers the option to update base acres and yields.

Increases funding for conservation programs by 80 percent. Included in the increase are these positive provisions:

The Conservation Reserve Program acreage is increased from 36.4 million to 39.2 million.

The Wetlands Reserve Program acreage cap is increased to 2.275 million acres.

The Conservation Security Program is established which will provide incentives to maintain and improve stewardship practices.

The Environmental Quality Incentives Program receives an increase from $200 million to $1.3 billion annually over the next six years. This program is especially important help for livestock producers in a national effort to protect our environment.

The program for the rehabilitation of aging small watershed structures that have been constructed over the past 50 years is provided $275 million in funding.

Funding for the Market Access Program is increased to $200 million annually by 2006.

Funding for the Foreign Market Development (Cooperator) Program is increased from $27.5 million to $35 million per year.

An energy title is included and funding is provided to promote ethanol and biodiesel.

Funding is provided for broadband service in rural areas and rural local TV broadcast signal loan guarantees.

Funding is included for value-added agricultural market development grants.

Funding is provided for the Rural Business Investment Program.

The Global Food for Education Initiative (McGovern-Dole) is continued as a pilot program for FY2003.

Commercial airlines are required to carry baby chicks as ordinary mail. While this might seem like a small item, it is very important to a number of Americans, a part of the American farm heritage, and a personal interest of this Member.

However, Mr. Speaker, there are also some very significant deficiencies in this conference report. Among them are the following:

The conferees failed to address the concerns related to increased concentration in the agriculture sector. There is a growing concern which has been consistently expressed to me by constituents in recent years that there is too much concentration of economic power and too little competition on the input, production, and marketing sides of agriculture. Unfortunately, the conference report dropped initiatives designed to address these concerns.

The conferees allowed a disproportionate amount of the funding to go to very large farm operations. There is no real reform of payment limitations and large producers will continue to reap most of the benefits. In the past 5 years, 10 percent of the producers received two-thirds of the payments. This conference report does little to change that situation. The incentives are in this conference report to cause the big farm operations to get bigger to the detriment of most Nebraska and American family farmers.

The conference report dropped the ban on packer ownership of livestock which the Senate approved, a ban which is also overwhelmingly supported by the great majority of Nebraska farmers and livestock producers.

After balancing the beneficial aspects and deficiencies of this legislation, the conference report for H.R. 2646, this Member has decided to vote "aye" since the measure is an improvement over the status quo.

Mr. BLUMENAUER. Mr. Speaker, this Farm Bill Conference Report represents a missed opportunity on many levels to finally redirect agricultural policy to reflect today's realities and respond to tomorrow's challenges. It represents a lost opportunity for taking care of the environment. It is a lost opportunity to provide meaningful assistance to the family farmer. It is a lost opportunity for farmers in Oregon. Since the Farm Bill has so many direct and indirect impacts on urban and rural economies, it also contains other opportunities too numerous to list.

We could have easily done much more. Instead, the Conferees repeatedly ignored the wishes of a majority of Senators and Representatives. They have cloaked their actions in language of concern about family farms and the environment. Yet they repeatedly struck provisions that would have made a meaningful difference to both. A few of the more egregious examples include ignoring Senate and House votes to set reasonable limits on subsidies and provisions agreed to by both the House and Senate to protect and enhance environmental clean up payments to family farms by limiting payments to corporate livestock producers. They dropped the Senate provision to limit overproduction on sensitive lands. The 80 percent "increase" in conservation funding claimed by supporters is misleading. Critical conservation programs are cut by almost $3 billion from the Senate bill and national conservation priorities are not addressed. The percentage of the farm bill devoted to conservation is actually less than the 1996 Farm Bill.

This Farm Bill does not help the majority of farmers. Because subsidies increase with the amount of crops produced, this bill benefits primarily the largest agribusinesses. It has been estimated that up to 73 percent of farm subsidies go to just 10 percent of farms, most with annual incomes over $250,000. The conference report provides little support to the majority of farm families, directing only 12 percent of the funding to the bottom 80 percent of farmers.

This Farm Bill is not good for Oregon. The imbalance of payments maintained in this bill disadvantages states like Oregon, where we don't grow as many commodity program-supported crops as other states. Negotiators dropped key language to address one of the state's most pressing environmental crises in the Klamath Basin. This was a lost opportunity to redirect our farm policy and restore the natural hydrology of the basin and to ensure that all federal agencies were implementing their federal trust responsibility with Native Americans.

An overwhelming majority of the public supports redirecting our agricultural funding to protecting the environment. In the end, despite all the talk of the importance of conservation this Conference Report will shrink conservation spending as a percentage of total farm spending. As stated by the League of Conservation Voters, "The version of the Farm Bill . . . is a missed opportunity to support meaningful conservation of America's farm lands."

The Conference Report requires taxpayers to foot the bill for helping corporate livestock producers clean up their waste, even though they are already required to do so under the Clean Water Act. Currently, the average payment for the Environmental Quality Incentives Program is only $9,000 and almost 200,000 applications are left without funding. Instead of directing more funding to clean-up this backlog, the conferees have opened the flood gates for mega producers to expand and divert badly needed money away from small and average size family farms.

While farmers in some states receive over 20 cents for each dollar of product they generate, farmers in significant agricultural states like Oregon, Florida, Pennsylvania, and California receive 3 cents or less. Even though the number of farmland acres lost to sprawl doubled over the last six years, negotiators cut $1.25 billion out of the only federal program to help farmers curb sprawl. They also failed to adopt Senate language that would have ensured conservation programs work in every state and don't discriminate against farmers and ranchers in areas with high land values, an important provision for my state.

It is a lost opportunity for improving animal welfare. Both the House and the Senate passed important animal rights provisions. Unfortunately, one by one, these provisions have been stripped in conference, against the will of the majority of Members in the House and the Senate. We had the chance to close loopholes that would have limited the barbaric practice of cockfighting already illegal in 47 states and to stop the potential export of these birds across state lines. Instead, the conferees ignored identical language in both the House and Senate bills to impose stiffer penalties on those engaged in illegal transport of these animals across state lines. They also extended the effective date from 30 days to one year giving illegal cockfighters an extra eleven months to continue their practice.

The final bill strikes provisions dealing with downed animals at slaughter facilities. This issue bears on human health as well as animal welfare. It is not healthy to have sick and traumatized animals in the food chain. This conference report represents a lost opportunity for improving food safety and protecting consumers.

This Farm Bill is not good for the taxpayers. Because of how it is structured we won't know for years how expensive this bill will ultimately be. Ironically, much of this cost goes into paying subsidies that create surpluses and further depress crop prices. Stung by the embarrassing revelation about who really benefits from farm payments, House conferees attempted to amend the Freedom of Information Act to hide part of the payment information instead of adopting reasonable limits. Luckily, the Senate language prevailed and the information on all subsidies, which will be more disturbing in the future, will be available to the public.

The conferees turned a blind eye to the recent House vote which passed 265–158 in favor of the Senate's $275,000 payment limit and instead today's bill imposes a $360,000 payment limit that is largely meaningless through its exemptions for large scale agribusiness such as those who participate in rice and cotton certificate programs.

This Farm Bill is not good for tribal governments because the federal government does not fulfill its trust responsibility in regards to Native Americans. Language that passed in the Senate but was dropped by the Conferees that would have authorized a Forest Service assistance program for tribes seeking grants and provided informed and uniform guidance in the Agency's widespread relations with tribes. This was a missed opportunity to promote greater cooperation between the U.S. Forest Service and forest conservation by tribal governments.

Finally, this farm Bill is not good for international trade. U.S. farm subsidies send the wrong message to other regions such as Europe and Japan that have more protectionist policies than we do. We cannot freely compete in those markets and we don't have the moral authority to object when we are subsidizing our farmers. Several provisions of this Farm Bill will qualify as "price-distorting" practices and the World Trade Organization can be expected to impose trade sanctions on American farm products, and this would have a devastating effective on U.S. exports.

Even though we were unsuccessful in the effort to change the Farm Bill and capture many lost opportunities it is now clear that it is past time to modernize our farm policies. I am hopeful that this flawed bill and process nonetheless will help usher in a new era of agricultural support and protection for this new century.

Mr. BENTSEN. Mr. Speaker, today I rise in support of the conference report on H.R. 2646, The Farm Security Act.

First, all Members should support H.R. 2646 because it represents a return to truth in agricultural budgeting. In 1996, Congress approved the Freedom to Farm Act, which attempted to eliminate farm payments. In the following years, Congress was then forced to appropriate $33.5 billion dollars to farm support programs, in form of "emergency" payments that are not accounted for in the budget. Freedom to Farm failed, as I and others who opposed the bill believed it would. Today, we can correct that error.

Why do America's agricultural communities and economy need federal assistance to remain healthy? At this time, there are two very important reasons. First is the reality of heavy agricultural subsidization around the world, including by the trading partners who criticize our policies. Editorials and rhetoric notwithstanding, the fact remains that America's agricultural producers are the most technologically advanced and efficient in the world and have the benefit of some of the most productive agricultural land in the world. In a global agricultural economy truly free of subsidization, America's farmers would not need subsidies to remain profitable. However, from developed nations to emerging economies, agricultural production across the world is incredible subsidized, resulting in a vicious cycle of increasing subsidies and falling prices that cascades around the globe.

For example, the EU's Common Agricultural Policy, CAP, is notorious for its subsidization levels, which are generally much higher than America's. According to the Organization for Economic Cooperation and Development, OECD, the EU spent $21 billion more than the U.S. on farm support, including emergency payments, in 1999. Frankly, for our European friends to then issue press releases decrying H.R. 2646 is hypocritical. The solution to the vicious cycle of global agricultural subsidies is cooperative international negotiations, not unilateral action by the U.S. Congress to drastically reduce our subsidies, which would not likely be followed by our friends around the world.

Exports are the second economic arena where American farmers are hit extremely hard by global financial conditions far beyond their control. The strength of the dollar relative to other currencies, a result of our international standing, resilient economy, and political stability, makes imports from other countries—especially those with weak currencies—relatively cheaper and our exports of all kinds relatively more expensive. The increasing instability of Asian and Latin American nations in the last five years has greatly exacerbated this situation, leading the dollar to perceptions of risk by investors around the world.

With the levels of efficiency and productivity inherent in American agriculture, American farmers should be exporting more commodities and livestock, but they are prevented by the global financial equivalent of a flood. A strong dollar is a good thing, but a deluge of global dollar demand can be very damaging to our exporters. Currently 25 percent of Texas agriculture is exported, much of it shipped through the Port of Houston in my district.

Although I represent an urban and suburban district, I am acutely aware that agriculture is the second largest sector of the Texas economy, ranking only behind energy and petrochemicals. Further shocks to Texas agriculture will reverberate around the state and limit Texas' potential for future growth. As I mentioned earlier, agricultural exports are important for the Port of Houston, where they rank second to energy and petrochemicals in terms of export value and tonnage. America's agricultural economy is not isolated from the larger economy, and I would urge other urban and suburban members to look into how businesses in their own districts and regions would be adversely affected by a crash in the farm economy—which might well happen if the Farm Security Act fails to be enacted soon. Already agricultural banks and lenders are reluctant to continue their relationships with hundreds of thousands of American farmers without a clear statement of farm policy from Congress.

In short, I support the conference report on H.R. 2646 because it represents a return to truth in budgeting and will maintain the viability of Texas farmers in a global economic environment characterized by heavy agricultural subsidies around the world and an extremely unfavorable export environment.

In closing, I would like to also mention two of the most controversial issues in the 2002 Farm Bill debate: conservation and payment limitations. Contrary to the rhetoric by opponents of farm support, significant changes for the better have been made in both of these areas. First, conservation spending in the conference report is increased by 96 percent over current levels. The final level of $17.1 billion over 10 years represents a $1.3 billion increase over the House-approved level and a significant movement by the House conferees who had provided an 80 percent increase in their version of the Farm Bill. Second, the maximum payment allowed by the conference report is $190,000 less than the maximum allowed in the House version and $100,000 less than current law. Currently a small number large producers have been able to obtain over-sized payments beyond their necessity, and I believe great progress is being made to remedy that situation in this conference report.

For those who recognize the great important of the agricultural economy and support increasing conservation programs like the Conservation Reserve Program and Wetlands Reserve Program, the conference report represents a win-win situation. For those who want to support farmers faced with higher levels of subsidization abroad and monetary trade barriers without allowing certain individuals to game the system, this conference report represents a win-win situation. Unfortunately, those who do not recognize the importance of the agricultural economy will probably never fail to find fault with federal farm policy, even though their ultimate goal—a complete phase-out—was tried in 1996 and miserably failed.

Mr. Speaker, I urge my colleagues to support the conference report on H.R. 2646, the Farm Security Act, and send this bill to the Senate and to the President's desk.

Mr. GRAVES. Mr. Speaker, I rise in strong support of this farm bill. This is a good bill that meets the needs of America's farmers and the American consumer. It certainly does not solve all the problems we have in agriculture, but it sure does take a big step forward. A vote for this farm bill is a vote for an affordable food policy. American families can continue to enjoy the fact that their food is the most affordable, safe, and abundant in the world.

I am particularly pleased with the new counter-cyclical program. Over the last five years, we've seen record lows for farm outputs and record highs for farm inputs. The counter-cyclical program will help farmers bridge these problems and help secure high quality, low cost food for our nation.

I also am pleased with the new emphasis that this legislation places on value-added agriculture. More than anything else we can do, giving greater incentives to family farmers to add value to their commodities will create new opportunities to survive and remain profitable. Producing ethanol, preserving the identity of commodities for niche markets, expanding biodiesel production, and a whole range of new and exciting farming ventures will reinvigorate the farming community and create new employment opportunities on the farm and in the agricultural industry as a whole.

In closing, let me thank Chairman COMBEST, the committee's ranking member Mr. STENHOLM and all the conferees for their good work. I urge my colleagues to reject the motion to recommit and adopt the farm bill conference report.

Mr. BACA. Mr. Speaker, I am proud to support to the Farm Bill Conference Report.

We owe Representatives STENHOLM, CLAYTON, and Chairman COMBEST a great deal for their leadership.

This bill provides $6.4 billion in nutrition programs.

Restores food stamp benefits for legal permanent residents, children, and the disabled.

Includes provisions to simplify and streamline the Food Stamp Program so needy families can get food with less red tape.

As opposed to what some have claimed, this bill is good for California.

California is the largest agricultural State, but we mostly produce fruits and vegetables, otherwise known as specialty corps.

The conference report provides for the largest investment in conservation ever—$17.1 billion—fully 80 percent above the levels of the Boehlert conservation amendment to the 1996 Farm Bill.

Let us also remember that farmers are workers too—equally deserving of good wages and benefits.

They are the soul of our Nation. They feed us. They keep our Nation alive.

Support farmers, the working poor, and our dairy and cattlement—support the conference report on the farm bill.

I yield back the balance of my time.

Mr. BALDACCI. Mr. Speaker, I rise today in support of this Conference Report on the long-awaited Farm Bill legislation. As a member of the House Agriculture Committee, I want to thank my colleagues and those in the other body for their tireless work to produce this much-needed reauthorization of agriculture programs.

I am especially proud of the successful effort to create a National Dairy Program to benefit producers across the country. I strongly support providing much needed assistance to dairy farmers, and I am pleased that farmers in all states will have a safety net to protect their operations when prices are low, as they are right now. Dating back to December of last year, the Dairy Program would have provided approximately $3 million in payments to farmers in my home state of Maine through the month of May. Since milk prices are expected to remain low, this Dairy Program will help stem the tide of small family farmers forced to sell their operations, just as the Dairy Compact once did.

Furthermore, I would like to thank my colleagues for their support in extending the Senior Farmers Markets Program. This is a critical program that benefits farmers and low-income seniors alike. Through State coupon programs, farmers' markets will have a steady base of customers, and America's elderly will have a reliable source of locally grown fresh fruits and vegetables. It's a win-win situation, and I am pleased that this Farm Bill will continue to fund these local efforts.

Finally, I would like to comment on the historic boost in conservation spending contained in this bill. My district in Maine will benefit greatly from the generous increases in the Environmental Quality Incentives Program, Farmland Protection Program, and Forest Land Enhancement Program, to name a few. In a state that grows few program crops, the emphasis on conservation program in the Farm Bill will help my farmers to adopt good stewardship practices on their lands and protect wildlife habitats and local watersheds.

Again, I want to thank the Conferees and all my colleagues on the Agriculture Committee for their hard work in seeing this Farm Bill through to completion. I look forward to the Senate's ratification of the Conference Report and the President's signature on the bill. The programs and assistance outlined in this legislation will help to secure the farmers of America and ensure the health and growth of our nation's food supplies.

Mr. GILMAN. Mr. Speaker, I rise in strong support for the Farm Security Act of 2002 conference report. I want to commend Chairman COMBEST and all of the conferees for their diligence and efforts on behalf of our Nation's farmers.

This conference report is an example of what can be accomplished when Congress decides to work towards a compromise to benefit all parties involved. Not only will his conference report provide crop supports through fixed and countercyclical payments, loan rates and target prices; but it will also create yield updates available to producers across the country; and a strong farm safety net.

In addition, the conference report before us today will provide the largest increase in farm bill history for voluntary conservation measures taken by farmers and landowners. In fact, an 80 percent increase in budget support over current levels will be allocated for important environmental and conservation programs.

More importantly, this conference report will provide needed assistance to our onion farmers in Orange County, NY. These farmers have experienced over 5 years of devastating crop and market losses, due to rain, flood, hail, high winds and drought. The assistance to be provided in this conference report will allow family farmers the opportunity to continue to farm. I thank Speaker HASTERT and Chairman COMBEST for their efforts on behalf of our hard working Orange County farmers.

I urge all of my colleagues to support this farmer and conservation friendly farm bill.

Mr. CONDIT. Mr. Speaker, I rise today in qualified support of the conference report to H.R. 2646, The Farm Security and Rural Investment Act.

While California is the top agricultural state economy in the United States, the bulk of this legislation's spending—$47.8 out of $73.5 billion—benefits only 9 percent of California's agriculture value. Again, it will be those midwest states that only produce 20 percent of the total value of U.S. agriculture that benefit most from federal farm legislation.

The National Dairy Program is another unfortunate aspect of the bill which threatens California's thriving dairy economy. While our dairy herds continue to increase in size, production and efficiency, we will be drawn into a national program designed to address region-specific problems in other parts of the country, specifically the Northeast. There is simply no reason to meddle in a healthy national market to the benefit of only a few. $2 billion, which would have been better spent on research or nutrition, will be distributed to regions that contribute the least to our national economy.

It was with great diligence and constant effort that gains were accomplished for the State of California. Specialty crop producers received more assistance in this bill than any other farm legislation passed by Congress to date.

Specialty crops have been especially successful at accessing foreign markets. This bill supports these international efforts by providing technical assistance to combat trade barriers, as well as increasing funding for the Market Access Program. Country of origin labeling will be mandatory for fruits, vegetables, fish, meat and peanuts in two years. This is a consumer-right-to-know issue that brings us to parity with labeling practices of other countries.

While California growers are as burdened as other producers in this country by environmental regulations, traditional farm conservation programs have historically been unresponsive to unique specialty crop conservation issues and practices. Increased funding for EQUIP and the Farmland Protection Program; a Water Conservation Program to address ground water and irrigation issues; and the Conservation Security Program all provide more conservation benefits to California than ever before. Of particular interest to Central Valley farmers, this bill requires a study on providing insurance to farmers suffering losses due to regulatory droughts caused by government failure to deliver on CVPIA contracts.

Our attempts to heighten awareness of the unique needs of specialty crops, and to craft legislation that is responsive to the needs of specialty crop producers, will continue. Progress should be marked by commodity spending that is proportional to those products' market share, productivity and efficiency. We should focus on achieving benefits in farm policy that accrue to as many taxpayers as possible.

Although this farm bill makes strides towards helping California farmers, many challenges beyond the farm bill remain if agriculture is to remain viable in California. Specifically, water issues, regulatory reform, and fair treatment of Central Valley agriculture interests will continue to be the key battles for California agriculture.

All the farm-friendly agricultural policy has been, and will continue to be undercut if we do not have a sufficient and reliable water supply. Agricultural leaders must take every opportunity to place this goal at the centerpiece of not just our agricultural policy, but of our water policy, our budgetary policy, our infrastructure policy, our economic development policy and our environmental policy. For example, progress on CALFED must be predicated on progress on increased water storage opportunities. Inclusion of environmental restoration projects in state and federal budgets and in state water bonds must be conditioned upon funding for water storage projects. Infrastructure improvements in California must include improvements to our water delivery systems, including increased water storage.

Since being elected to the Congress, I have pursued every opportunity for regulatory reform—bringing common-sense into our regulatory process. Examples abound of senseless waste of our government resources, our natural resources, and of tremendous economic impact to business in the name of environmental protection. Our government regulators owe it to the public to avoid these consequences, where possible. Even so, economic impacts will be felt where sound scientific principles have shown a need. Unfortunately, and all too often, environmental protection regulations have produced obscured consequences in order to provide minimal, and at times, unproven benefit to the environment. In some instances, we've had to rein in federal agencies with budget control language or with demanding a change in policy. We've even had to rein in the Congress by passing the Unfunded Mandates Reform bill, which requires the Congress to assess the impact of proposed legislation on state and local governments. The fight is far from over. Legislation, which I have introduced, the Private Sector Mandate Information Act, would require Congress to consider the impact to private business of its proposed laws. Passage of this legislation, which requires federal agencies to engage in a "risk assessment/cost benefit analysis" of their proposed regulations, is also essential.

We must demand equity and fair treatment of Central Valley and agricultural interests. Unfortunately, examples abound of the agricultural industry and of our region being treated unfairly. For example, I voted against NAFTA and other trade agreements because our U.S. negotiators traded away our agricultural interests in an effort to save our "favored" industries, such as high-tech. This is not "free" trade, but "unfair" trade. Our air pollution and water pollution laws are illustrative of the unfair treatment that our region receives. Bay Area interests pressured state and federal agencies to challenge our use of irrigation water and agricultural pesticides and have challenged our dairy production practices. These same Bay Area interests have gotten state and federal agencies to look the other way when Bay Area refineries discharge pollutants into the SF Bay. Also, Bay Area legislators successfully obtained an exemption from the SMOG II program, while at the same time, forcing the program in our area.

Elected officials from this region must demand fairness to the Central Valley and to agriculture. From budgetary fairness, fairness in our regulatory laws and regulations, and in trade agreements, we must be vigilant in this cause.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in opposition to the conference report on the farm bill. The conference report's provisions on sugar will impose an undue burden on the working people in my congressional district.

The conference report fails to reform the sugar price support program so as to accommodate the interests of consumers and workers in the Chicago area. Of even greater concern, it takes a bad sugar program and makes it even worse by repealing the sugar forfeiture penalty and imposing marketing allotments.

Employment in the Chicago confectionery industry has fallen 11 percent since 1991. The sugar program has contributed to this decline. Sugar price supports and import quotas keep the cost of U.S. sugar at least twice as high as the world price. Besides raising consumer prices, increasing taxpayer costs and threatening the environment, the price gap creates an artificial incentive to move domestic food and confection manufacturing operations offshore. And this has happened in my own back yard in Chicago with the announcement of plant shutdowns by candy makers.

By repealing the forfeiture penalty, the conference report will effectively increase price supports.

By imposing a complicated system of production controls, the conference report will further disrupt the marketing of sugar and raise sugar prices for consumers.

Mr. Speaker, the people hurt by the conference report provisions on sugar will be ordinary taxpayers, consumers and workers who do not get subsidies or protection like wealthy sugar producing companies do. That is not right. And so I must oppose the conference report.

Mr. OSE. Mr. Speaker, I am troubled by various provisions in the Farm Security Act of 2002 (H.R. 2646). Today, I would like to mention one specific provision, which appears in four titles in the bill—in Titles I, Commodity Programs (Sec. 1601); Title II, Conservation (Sec. 2702); Title VI, Rural Development (Sec. 6103); and Title X, Miscellaneous (Sec. 10105). As Chairman of the Government Reform Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs, I have responsibility for oversight over regulatory reform and paperwork reduction measures. This includes compliance with the due process notice and comment provisions of the Administrative Procedure Act (APA) and the centralized review and approval provisions of the Paperwork Reduction Act (PRA).

H.R. 2646 exempts certain Agriculture regulations both from the APA's due process protections for affected parties and the PRA's required review and approval by the Office of Management and Budget (OMB). Under the PRA, OMB is charged with assuring practical utility to all information collections imposed on the public. Also, the PRA includes a public protection clause, which assures that the public cannot be penalized for not providing information in unauthorized paperwork.

The Department of Agriculture has one of the worst track records in terms of compliance with the PRA. In fact, Agriculture has had the most or second most number of violations of the PRA in each of the last several years—116 in Fiscal Year (FY) 1999, 96 in FY 2000, and 67 in FY 2001. On April 11, 2002, an Agriculture witness at our Subcommittee's annual hearing on the PRA was unable to answer our questions about its mis-management of the paperwork it imposes on the public. Agriculture promised explanations by the next day; however, I have received nothing to date. In addition, last May, I wrote OMB Director Daniels and Interior Secretary Norton asking them to work with Agriculture to eliminate duplication of reporting, especially for farmers. Sadly, there are no results to date.

The Joint Explanatory Statement of the Committee on Conference includes no justification for this significant change in regulatory and paperwork promulgation procedures. This is unacceptable.

Mr. CHAMBLISS. Mr. Speaker, I rise today in strong support of the conference report to H.R. 2646, the Farm Security and Rural Improvement Act of 2002.

I believe this compromise contains the best possible commodity title for Southern agriculture.

Reforming the farm bill effective for this year has been a top priority for Georgia producers. Since passage of the 1996 farm bill, my producers have fully utilized planting flexibility, and the result has been a major shift in acreage from feed grains and oilseeds to cotton. Because producers wanted farm program benefits to more accurately reflect their most recent plantings, it was imperative that they have the option to update their bases. As this was a popular provision in the House bill, the Senate included it in their bill, and the conference report contains the measure.

For the first time in my Congressional career, peanut producers, shellers, and manufacturers joined together in proposing a peanut program dramatically different from the decades-old quota program. Due to their unity, trade concerns, and political realities, the House Agriculture Committee took the proposal under serious consideration. The conference report retains these reforms by putting the peanut program on par with traditional commodity programs and fairly compensates holders of quota for their losses under the new program, which will infuse over $500 million into the State of Georgia.

Of particular concern to Southern producers was the strict, burdensome payment limitations contained in the Senate bill. The Senate bill failed to take into consideration regional differences in farm size and structure, and would have yielded many unintended consequences. In anticipation of the Senate provision, producers in Georgia this year prepared land to substitute other crops, such as corn and soybeans, for cotton. The net effect, had the Senate provision been adopted, would have been a wreck of Midwestern crop markets. We did compromise with the Senate in the conference report on payment limitations, but not to the extent that would compromise agriculture in this country.

This farm bill not only brings predictability to federal farm policy but also greatly expands and improves our soil and water conservation programs. The federal investment in these programs is increased by more than 80% above current program levels and costs $2 billion over the House-passed bill, adding $17.1 billion into conservation programs over the next 10 years. The bill makes needed changes to the CRP and EQIP programs to make them more usable and accessible to all producers in all regions of the country.

As the title suggests, The Farm Security and Rural Investment Act makes significant investments in, and improvements to our rural development programs. These programs are important to sustaining rural communities by investing in programs that will aid in the development of rural infrastructure and create jobs in rural areas. The trade title of the conference report is designed to comport with the United States' international trade obligations under the WTO, and thereby to promote more free and fair trade for the future. It reauthorizes important programs related to trade, including the Food for Progress and Food for Peace Programs.

The conference report illustrates to the research community that Congress recognizes the critical need for research and makes a significant new investment in research programs that will help reap rewards for producers and society for many years to come.

The forestry title strengthens the commitment of Congress to sustainable forest management practices. In addition to assisting states in carrying out programs of forestry research, the forestry title provides enhanced community fire protection by directing the Administration to coordinate with local communities in implementing rural fire protection and control strategies. It also enables the Administration to undertake a variety of activities aimed at preventing fires on both federal and non-federal lands.

For the first time, the farm bill contains an energy title to further our investment in energy research and encourage the production of biodiesel and fuel grade ethanol.

This conference report seeks to ensure access to an adequate diet and the fruits of a productive agricultural economy to all eligible Americans. This farm bill includes a number of changes to simplify the food stamp program, gives greater flexibility, remove unnecessary barriers to participation, and increase assistance to working families.

The Farm Security and Rural Investment Act of 2002 provides for the very basic elements of life that we take for granted: food on the table provided by our nation's farmers, food stamps for those who cannot afford nourishment, grants to communities to provide safe and adequate quantities of drinking water, grants to help rural residents access their local television stations, and grants to provide training to rural firefighters and emergency personnel.

Serving as a conferee on this bill over the past 10 weeks has not been an easy task, but I am pleased to see the conference come to a close. I can say with clear conscience that every aspect of this bill was thoroughly debated. As with any bill the Congress submits to the President, it's not perfect, but it is the best possible bill that could be reported out of conference. We have fought the good fight and have a balanced bill—regionally and substantively—that will contribute to the betterment of agriculture.

I thank LARRY COMBEST and CHARLIE STENHOLM for their diligence in guiding the Committee in the spirit of bipartisanship and for providing the necessary leadership over the past 2 years in getting this bill done.

To my farmers back home, you can stop watching and waiting on Washington—get in the fields and plant.

Mr. KOLBE. Mr. Speaker, I rise in opposition to the Farm Security Act conference report (H.R. 2646). I appreciate the work of the Agriculture Committee to bring a bill to the floor, but this effort falls short of real reform for our farm programs and seriously infringes on our trade policy.

I supported the Freedom to Farm Act in 1995. It set us on a path—slow but steady—toward removing the heavy and costly hand of government in managing crop programs. Subsidies were to become a thing of the past. Unfortunately, this bill reverses that course. It sets us on a path toward increased and never-ending taxpayer subsidies of basic commodities.

In addition, this legislation is incompatible with our commitments to the World Trade Organization, and I am not alone in this opinion. Let me read some excerpts from a Congressional Research Service report that was issued just a few days ago:

> The 1994 Uruguay Round Agreement on Agriculture commits member countries of the World Trade Organization (WTO) to discipline their domestic agricultural support programs . . . The goal of the Agreement is to "establish a fair and market-oriented agricultural trading system" through a series of reforms that also require WTO members to lower barriers to agricultural imports and to reduce their farm export subsidies. The [Uruguay Round Agreement on Agriculture] was unprecedented in that it was the first time (after seven previous trade rounds) that countries promised to make substantial changes in their domestic agricultural policies to facilitate more open trade.

The report further states:

> WTO members bring to the new negotiating round a divergence of viewpoints on how to handle domestic farm supports. These range from countries that will seek continuing and deeper reductions in farm subsidies, to those that are likely to defend their internal subsidies as necessary for various national policy reasons. Meanwhile, Congress is now widely expected to adopt a new farm bill that would provide billions of dollars in new farm subsidies annually (i.e., above current service policy projections). These new subsidies, and their potential to perpetuate market distortions, undermine the U.S. argument in the Doha round that the world's agricultural subsidies should be further disciplined, critics argue. A number

of foreign officials, and some U.S. analysts, have pointedly noted that the likely new U.S. farm policy raises questions about the sincerity of the U.S. negotiating position.

We should not be undermining our negotitating efforts at the WTO, and this conference report will unfortunately do just that.

Further, I am extremely disappointed that this final agreement requires mandatory country of origin labeling for meat, fruits, vegetables, fish, and peanuts. In order to meet the threshold of being labeled a "USA product," it must be born, raised and processed in the United States.

This is ridiculous. I grew up on a ranch in southern Arizona, and my family bought calves in Mexico to be raised and sold on our ranch. So I guess if I bought a small calf in Mexico and raised him for 5 years on my ranch in the United States, he would still never be a "U.S. calf." Even immigrants coming to the United States are allowed to obtain U.S. citizenship after 5 years, but no such luck for a calf. He would be treated like a future U.S. President under the Constitution. If you're not born here, you can't become President. And if a calf is born in Mexico—even if his mother is a "U.S. cow" that went through a cut border fence to have her calf in Mexico and returned a few days later—this calf will never be able to be labeled as a "USA product."

Is this what our national policy should be? I find this outrageous and am surprised that something like this is on the road to becoming law.

It was my hope that we would be able to fashion a new farm policy that helps the farmers, increases conservation efforts, reduces the price of food for the American people, and fulfills our obligations to our trading partners around the world.

Unfortunately, the conference report before us today does not accomplish these goals.

Mr. ISTOOK. Mr. Speaker, due to the death of my stepmother last night, I will miss the vote on the farm bill, as I am traveling to Fort Worth, TX, to be with my father and other family.

Had I been able to cast my vote on this bill, I would have voted "no."

The genuine problems of America's farmers and rural communities will never be fixed by these enormously-expensive subsidies. The biggest costs have nothing to do with helping family farmers. Although the House and Senate each voted that nobody should receive more than $275,000 per year in subsidies, the final bill says there's no limit on the amount! That typifies the problems with this bill.

American farmers, consumers and taxpayers need more free enterprise, not more big-government subsidies. I'll keep voting to help farmers by expanding world markets, diversifying agriculture, encouraging rural economic development and providing fairer tax treatment to farmers.

We have enormous expenses for the war on terrorism and for homeland security, and we've got to provide whatever it takes to protect America. But that's no excuse for huge escalation in other spending. We're undermining our future if we don't get better control over spending taxpayer's money. Unless we adopt the Balanced Budget Amendment to the Constitution, requiring a balanced budget in peacetime, we may never get spending back under control.

Mr. COMBEST. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. KIND

Mr. KIND. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. KIND. In its present form I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KIND of Wisconsin moves to recommit the conference report on the bill, H.R. 2646, to the committee of conference with instructions to the managers on the part of the House to—

(1) agree to the provisions in section 169(a) of the Senate amendment relating to payment limitations for commodity programs; and

(2) increase—

(A) the amounts within the scope of conference provided in title II of the conference report for conservation programs by an amount equal to 50 percent of any reduction in Federal spending resulting from agreement to the provisions referred to in paragraph (1);

(B) the amounts within the scope of conference provided in title IV of the conference report for nutrition programs by an amount equal to 15 percent of any such reduction;

(C) the amounts within the scope of conference provided in title VI of the conference report for rural development programs by an amount equal to 25 percent of any such reduction; and

(D) the amounts within the scope of conference provided in title IX of the conference report for energy programs by an amount equal to 10 percent of any such reduction.

Mr. KIND (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. COMBEST. Mr. Speaker, I respectfully object, because this is the first time a lot of Members have seen this. There is no debate on this. Consequently, as short as it is, I think it should be read.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue to read.

The Clerk concluded the reading of the motion to recommit.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. KIND. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of adoption of the conference report.

The vote was taken by electronic device, and there were—ayes 172, noes 251, not voting 11, as follows:

[Roll No. 122]

AYES—172

Ackerman
Allen
Andrews
Baldacci
Baldwin
Barrett
Bass
Becerra
Bereuter
Berkley
Berman
Biggert
Bilirakis
Blumenauer
Bonior
Borski
Boucher
Brady (PA)
Brown (OH)
Capito
Capps
Capuano
Cardin
Castle
Chabot
Collins
Cox
Coyne
Crowley
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeMint
Deutsch
Dicks
Dingell
Doggett
Doyle
Ehlers
Engel
Eshoo
Farr
Filner
Flake
Frank
Gallegly
Ganske
Goss
Green (TX)
Greenwood
Harman
Hefley
Hinchey
Hobson
Hoeffel
Hoekstra
Holt
Honda
Hostettler
Houghton
Hoyer
Inslee
Israel
Jackson (IL)
Johnson (CT)
Kanjorski
Kaptur
Kelly
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Langevin
Lantos
Larson (CT)
Latham
Leach
Lee
Levin
Lewis (GA)
LoBiondo
Lofgren
Lowey
Luther
Lynch
Maloney (CT)
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (MO)
McCollum
McGovern
McInnis
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Miller, Dan
Miller, George
Mollohan
Moore
Moran (VA)
Morella
Myrick
Nadler
Neal
Nussle
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Petri
Pitts
Rahall
Ramstad
Rivers
Roemer
Rothman
Roybal-Allard
Royce
Sánchez
Sawyer
Schakowsky
Schiff
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Slaughter
Smith (MI)
Smith (WA)
Solis
Stark
Stearns
Strickland
Stupak
Sununu
Tancredo
Tauscher
Thune
Tiberi
Tierney
Toomey
Udall (CO)
Udall (NM)
Upton
Velázquez
Waters
Watson (CA)
Waxman
Weiner
Weldon (FL)
Wexler
Wolf
Woolsey
Wu
Young (FL)

NOES—251

Abercrombie
Aderholt
Akin
Armey
Baca
Bachus
Baird
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bentsen
Berry
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Boswell
Boyd
Brady (TX)
Brown (FL)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cantor
Carson (IN)
Carson (OK)
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Combest
Condit
Conyers
Cooksey
Costello
Cramer
Crenshaw
Cubin
Culberson
Cummings
Cunningham
Davis, Jo Ann
Deal

DeLauro
DeLay
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
English
Etheridge
Evans
Everett
Ferguson
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Graham
Granger
Graves
Green (WI)
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hilleary
Hilliard
Hinojosa
Holden
Hooley
Horn
Hulshof
Hunter
Hyde
Isakson
Issa
Jackson-Lee (TX)
Jenkins
John
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Keller
Kennedy (MN)
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Lampson
Larsen (WA)
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Lucas (KY)
Lucas (OK)
Manzullo
Mascara
McCarthy (NY)
McCrery
McDermott
McHugh
McIntyre
McKeon
Meek (FL)
Mica
Miller, Gary
Miller, Jeff
Mink
Moran (KS)
Napolitano
Nethercutt
Ney
Northup
Norwood
Oberstar
Ortiz
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Phelps
Pickering
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rodriguez
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanders
Sandlin
Saxton
Schaffer
Schrock
Scott
Sessions
Shadegg
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (NJ)
Smith (TX)
Snyder
Souder
Spratt
Stenholm
Stump
Sweeney
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thurman
Tiahrt
Towns
Turner
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watt (NC)
Watts (OK)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wynn
Young (AK)

NOT VOTING—11

Cannon
Crane
Fattah
Istook
Jefferson
Millender-McDonald
Murtha
Ros-Lehtinen
Roukema
Sullivan
Traficant

☐ 1303

Ms. BROWN of Florida, Mrs. BONO, and Messrs. BAIRD, ARMEY, PICKERING, SAXTON, and LINDER changed their vote from "aye" to "no."

Ms. SOLIS, Ms. McCARTHY of Missouri, and Messrs. GALLEGLY, HOBSON, McINNIS, and DICKS changed their vote from "no" to "aye."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SWEENEY). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CARDIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 280, nays 141, not voting 13, as follows:

[Roll No. 123]

YEAS—280

Abercrombie
Aderholt
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Bartlett
Barton
Bentsen
Bereuter
Berkley
Berry
Bishop
Blagojevich
Blunt
Boehlert
Bonilla
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Camp
Cantor
Capito
Carson (IN)
Carson (OK)
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Combest
Condit
Cooksey
Costello
Cramer
Crenshaw
Cubin
Cummings
Cunningham
Davis, Jo Ann
Deal
DeLauro
DeMint
Diaz-Balart
Dicks
Dingell
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Filner
Fletcher
Foley
Ford
Frost
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hart
Hastings (FL)
Hastings (WA)
Hayes
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
King (NY)
Kingston
Knollenberg
LaFalce
LaHood
Lampson
Larsen (WA)
LaTourette
Leach
Levin
Lewis (GA)
Lewis (KY)
Lipinski
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (NY)
Manzullo
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mink
Moore
Moran (KS)
Nadler
Napolitano
Neal
Nethercutt
Ney
Norwood
Nussle
Oberstar
Olver
Ortiz
Osborne
Ose
Otter
Pascrell
Pastor
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Platts
Pombo
Pomeroy
Price (NC)
Putnam
Quinn
Radanovich
Rahall
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Ross
Roybal-Allard
Rush
Ryan (WI)
Sabo
Sanders
Sandlin
Sawyer
Schaffer
Schakowsky
Scott
Serrano
Sessions
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stenholm
Strickland
Stump
Stupak
Sweeney
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Towns
Turner
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Watkins (OK)
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Woolsey
Wu
Wynn
Young (AK)

NAYS—141

Ackerman
Akin
Allen
Andrews
Armey
Baldwin
Barr
Barrett
Bass
Becerra
Berman
Biggert
Bilirakis
Blumenauer
Boehner
Bonior
Brady (TX)
Brown (OH)
Calvert
Capps
Capuano
Cardin
Castle
Chabot
Collins
Conyers
Cox
Coyne
Crowley
Culberson
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLay
Deutsch
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Eshoo
Farr
Ferguson
Flake
Forbes
Fossella
Frank
Frelinghuysen
Gallegly
Ganske
Gibbons
Harman
Hayworth
Hefley
Hobson
Hoekstra
Holt
Honda
Israel
Issa
Johnson (CT)
Johnson, Sam
Kennedy (RI)
Kind (WI)
Kirk
Kleczka
Kolbe
Kucinich
Langevin
Lantos
Larson (CT)
Latham
Lee
Lewis (CA)
Linder
LoBiondo
Lofgren
Maloney (CT)
Markey
Matsui
McDermott
McInnis
McKeon
McKinney
Mica
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Moran (VA)
Morella
Myrick
Northup
Obey
Owens
Oxley
Pallone
Paul
Payne
Pelosi
Pitts
Portman
Pryce (OH)
Ramstad
Rivers
Rohrabacher
Rothman
Royce
Ryun (KS)
Sánchez
Saxton
Schiff
Schrock
Sensenbrenner
Shadegg
Shaw
Shays
Sherman
Smith (WA)
Stark
Stearns
Sununu
Tancredo
Tauscher
Tiberi
Tierney
Toomey
Udall (CO)
Wamp
Waters
Watson (CA)
Waxman
Weiner
Wolf
Young (FL)

NOT VOTING—13

Burton
Cannon
Crane
Fattah
Istook
Jefferson
Millender-McDonald
Mollohan
Murtha
Ros-Lehtinen
Roukema
Sullivan
Traficant

☐ 1311

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BURTON of Indiana. Mr. Speaker, on May 2, 2002, due to a family commitment, I was unavailable for rollcall vote No. 123. Had I been here, I would have vote "yea."

PERSONAL EXPLANATION

Mr. SULLIVAN. Mr. Speaker, due to official business concerning water quality issues in my Congressional district, I missed rollcall votes 122 and 123. Had I been present I would have voted "nay" on rollcall 122 the motion to recommit and "yea" on rollcall 123 final passage.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Mollohan, one of its clerks, announced that the Senate has passed with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4. An act to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4) "An Act to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BINGAMAN, Mr. HOLLINGS, Mr. BAUCUS, Mr. KERRY, Mr. ROCKEFELLER, Mr. BREAUX, Mr. REID, Mr. JEFFORDS, Mr. LIEBERMAN, Mr. MURKOWSKI, Mr. DOMENICI, Mr. GRASSLEY, Mr. NICKLES, Mr. LOTT, Mr. CRAIG, Mr. CAMPBELL, and Mr. THOMAS, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1646. An act to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1646) entitled "An Act to authorize appropriations for the Department of State for fiscal years 2002 and 2003, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BIDEN, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mr. HELMS, Mr. LUGAR, and Mr. HAGEL, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3295. An act to establish a program to provide funds to States to replace punch card voting systems, to establish the Election Assistance Commission to assist in the administration of Federal elections and to otherwise provide assistance with the administration of certain Federal election laws and programs, to establish minimum election administration standards for States and units of local government with responsibility for the administration of Federal elections, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3295) "An Act to establish a program to provide funds to States to replace punch card voting systems, to establish the Election Assistance Commission to assist in the administration of Federal elections and to otherwise provide assistance with the administration of certain Federal election laws and programs, to establish minimum election administration standards for States and units of local government with responsibility for the administration of Federal elections, and for other purposes," requests a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and appoints Mr. DODD, Mr. SCHUMER, Mr. DURBIN, Mr. MCCONNELL, and Mr. BOND, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed a concurrent resolution of the following title in which the concurrence of the House is requested:

S. Con. Res. 103. Concurrent resolution supporting the goals and ideals of National Better Hearing and Speech Month, and for other purposes.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 2646 just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 404 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 404

Resolved, That it shall be in order at any time on the legislative day of Thursday, May 2, 2002, for the Speaker to entertain a motion that the House suspend the rules relating to the resolution (H. Res. 392) expressing solidarity with Israel in its fight against terrorism. If the Speaker entertains such motion, debate under clause 1(c) of rule XV shall be extended to one hour.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Florida (Mr. DIAZ-BALART) is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my friend, the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 404 is a rule providing for the consideration of House Resolution 392 at any time on the legislative day of today, Thursday, May 2, under suspension of the rules.

The rule further provides 1 hour of debate on the suspension measure, rather than the customary 40 minutes. This is a fair rule that would allow consideration, Mr. Speaker, of an important resolution.

Mr. Speaker, I am a proud cosponsor of the resolution before us today. It expresses strong solidarity by this Congress of the state of Israel. Israel continues to be victimized by acts of terror. This resolution reaffirms the Congress' belief that Israel has a right to self-defense in the face of cowardly attacks against innocent civilians.

The United States has been a proud friend of Israel since President Truman promptly recognized the Jewish state in 1948. If there is one issue that unites us in this Congress, Republicans and Democrats, conservatives and liberals, it is and it should be our support for Israel.

☐ 1315

As the resolution states, since September on a basis proportional to the United States population, approximately 9,000 Israelis have been assassinated by homicide bombers, three times the number of innocent civilians killed in the terrorist attacks of New York and Washington on September 11.

Israel has been under attack in recent months, ferociously and viciously attacked. Friends can best show their friendship when friends are precisely under attack. Our friend, Israel, is today under attack and so today once again we reiterate our friendship with Israel.

I would like to lend my supporting commendation to the efforts of President Bush and Secretary Powell and all of those involved in the difficult search for peace. I also would like to thank the gentleman from Texas (Mr. DELAY) and all of my fellow co-sponsors of this resolution for introducing and for pressing for its passage at this time.

Mr. Speaker, the Committee on Rules this afternoon brings to the floor a rule such as this to allow the House to consider very timely measures. I urge all of my colleagues to support this very straightforward rule.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Texas (Mr. FROST) is recognized for 30 minutes.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule permits the House to consider today under suspension of the rules 1 hour of debate on H. Res. 392, expressing solidarity with Israel in its fight against terrorism.

I urge the House to approve this rule so we can immediately demonstrate our strong support for the State of Israel, bypassing the underlying resolution.

Mr. Speaker, we face a historic turning point in the Middle East. All of us, Democrats and Republicans, want peace in the region and all of us want a strong vital State of Israel to prosper. In order for that to happen, the United States must reaffirm its longstanding support for Israel as we attempt to achieve a peaceful solution to the problems of the region. There should be no misunderstanding in the rest of the world: we are Israel's friend as she deals with the wave of terrorism directed against her by her enemies. That does not mean that we cannot make constructive suggestions to our ally and work for a solution that provides two states in the region, one Israeli and one Palestinian.

But key to all of this is the clear understanding that Israel is our ally. She is the only democracy in the region and has always been our friend. And now in her time of need Israel stands virtually alone. Much of Europe has turned its back on Israel and few in the Arab world are willing to stand up to the radical elements that conduct terrorism against innocent civilians, including women and children.

The resolution that we will vote on later today is somewhat different from the original one drafted by the gentleman from California (Mr. LANTOS), the ranking Democrat on the Committee on International Relations. Some of us might reword portions of the resolution if we had that option. But we would not change the basic thrust of the resolution, that America stand by its ally at this critical juncture. The procedure chosen by the majority does not give us the opportunity to change one word in the resolution. It is unamendable and subject to a straight up-or-down vote. That being the case, it is my hope that the resolution will receive an overwhelmingly bipartisan vote at the end of the day.

Americans must speak with an unequivocal voice at this juncture in history. We stand with Israel in its fight against terrorism, and we urge the Palestinians to reject the extremists in their midst and to work for peace. We must also reject the pessimists who say that there is no solution for the differences that divide Israel and Palestinians. The United States is the only nation in the world that can mediate this dispute. It is my hope that the Bush administration will continue to be engaged at the highest level in seeking a peaceful solution.

But make no mistake about our role. We are not a neutral bystander with no stake in the outcome. We stand for a strong vital Israel and should continue to play a constructive role to ensure both peace and Israel's future.

Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LINDER), my good friend and colleague from the Committee on Rules.

Mr. LINDER. Mr. Speaker, I rise today to urge my colleagues to support the rule on H. Res. 392, a bill expressing the United States' solidarity with Israel in its ongoing fight against terrorism.

H. Res. 392 supports Israel's efforts to dismantle the terrorist infrastructure in Palestinian areas and reiterates the United States' commitment to Israel as an ally by reproaching acts of terror condoned by Arafat and other Palestinian leadership. It also demands that Palestinian leadership adhere to dismantling terrorist groups. Finally, the bill challenges Israel's Middle Eastern neighbors to set a good example to the Palestinians by pursuing a policy of peaceful relations with Israel.

Mr. Speaker, I have been to Israel on three occasions; and each time I went, the vulnerability and terror were more and more palpable. These are people living in terror on a daily basis. We have responded to terror in our midst in a ferocious way. We should expect Israel to do the same. We simply cannot ask our citizens to continue to live under terror.

Approving this rule that brings H. Res. 392 to the floor is a good step we can take as a Nation and we can take it today to help heal Israeli-Palestinian relations. I urge my colleagues to join me in supporting both the rule and the underlying legislation.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I rise in support of the rule and the resolution. This resolution expresses the solidarity of the Congress and the American people with Israel in a struggle against the forces of hatred and violence. It is both fitting and appropriate for us today to declare our support at a time when Israel had been subjected to repeated acts of terror.

Israel is our most reliable friend in the Middle East. It is our only democracy, a beacon of hope in the region of the world for the freedom we all take for granted. Freedom of speech, freedom of press, freedom of religion, freedom to challenge your government nonviolently without fear of retribution simply do not exist. Israel is the only country in the Middle East that guarantees all of these freedoms.

The Congress stands here today to condemn and reject this paths of violence led by Chairman Arafat. Instead, we must return to the path of peace. Israel must have a partner who is willing to say no to those who will use terror and violence.

Chairman Arafat must take action against those Palestinians who would block the path to peace.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to my distinguished friend, the gentleman from New Jersey (Mr. FERGUSON).

Mr. FERGUSON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in support of this rule and certainly as a strong supporter and core sponsor of the underlying legislation. I am also proud today to stand with my colleagues to express our solidarity with the people of Israel and our steadfast support in their fight against terrorism.

The people of Israel have become a target of a sustained campaign of violence that does not discriminate between soldier and citizen, and will yet target the innocent. The victims of this violence are citizens who put themselves in danger merely by going to work or conducting their daily routine. They are indiscriminately struck down as they go to the market, eat at a cafe, or simply walk down the street. This barbarism cannot and will not be tolerated. And as a country that loves freedom, we can only be supportive of our friends in Israel during their time of need.

Our partnership began with Israel at its very birth as a nation in 1948, and it remains strong today. Israel is the sole democracy in the Middle East; and, therefore, the United States and Israel share a common bond. Our connection is strong and deeply rooted in our citizens' love for freedom. The connection between our two countries is now extended because of a new similarity, our common distain for terrorism and our commitment to stop those who perpetuate it.

Mr. Speaker, last August I had an opportunity to visit Israel for my second trip; and as I left my wife was understandably nervous, concerned about violence in the Middle East. And upon my return, just a few weeks later here on our own soil, Americans, and particularly so many communities in my district in New Jersey, were devastated by the attacks of terrorism. We understand now firsthand the pain, the emotional pain, the physical pain, the economic loss and all of the problems and the heartache that come with terrorism.

It is now our opportunity to stand today to support this rule and to support our friends in Israel by standing in solidarity with them.

Mr. FROST. Mr. Speaker, I yield 3¼ minutes to the gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Speaker, when a democracy is under siege from terrorist assault, it must defend itself. I am proud of our Nation's response to the horrors of September 11. For the last 18 months, Israel has been a democracy under siege; and it has responded in the only way that any democracy must, it has defended itself. It has not asked for this war any more than we asked for ours against al Qaeda and the Taliban. But when democracies come under terrorist attack, it is morally incumbent upon us as the world's leading democracy to express our solidarity. That is what this resolution does.

Since September 2000, terrorist suicide bombers have claimed 180 innocent Israeli lives, a number proportional to 9,000 Americans, three times the lives we lost on September 11. This past weekend on the Jewish sabbath, Palestinian terrorists murdered four Israeli civilians, including a 5-year-old child. This was not collateral damage, Mr. Speaker. This was the deliberate and premeditated murder of an innocent little girl.

Mr. Speaker, there is no difference between the pain and anguish felt by a bereft Palestinian mother or father who lost their innocent child and the heart broken Israeli mother or father who lost theirs. But as we mourn equally the innocent casualties on both sides, we dare not treat equally those who act out of self-defense and those who act out of terrorist designs. There is no moral equivalence in this struggle.

Our bipartisan resolution, Mr. Speaker, is not neutral as some would have it. It does not equivocate. It draws a bright line between terrorist aggression, and self-defense. It clearly distinguishes between the side that made a historically generous offer of peace, and the side that spat on that offer and started a blood bath instead.

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This resolution is not for those who seek a neutral stance in Israel's struggle against terrorism. This resolution is for those who are committed to defend democracy against terrorism and stand shoulder to shoulder with Israel in our shared struggle.

In its 54-year battle for survival, Israel has suffered numerous attacks like ours of September 11. It has never waivered in its commitment to democratic values and human rights. Now, as its very existence is again challenged, we must not waiver in our support for Israel.

I urge all of my colleagues to vote to reaffirm our strong support for our democratic ally, the state of Israel.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentleman from Mr. Virginia (Mr. SCHROCK).

Mr. SCHROCK. Mr. Speaker, I rise today in support of the state of Israel and this rule. We must continue to support Israel in its fight against terrorism. The citizens of Israel suffer undeserved death as suicide bombers terrorize Israeli cities almost daily. These bombers are not trying to achieve peace. They are trying to inflict mass murder throughout the country.

Mr. Speaker, I have been to Israel. I have seen firsthand the fear Israelis must live with on a daily basis. Not knowing whether they or their family will survive each day is absolutely unacceptable. Israelis have the right to defend their country from these terrorist attacks.

Having visited Afghanistan during the last recess, I have witnessed the devastation decades of war produce. If we do not stand next to Israel with our full support, the most stable and successful democracy in the Middle East may well fall to ruins like the dusty towns of Afghanistan.

I will not let that happen to Israel. I support Israel, will continue to support Israel and urge my colleagues to do the same by voting yes on this resolution.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. HASTINGS), a member of the Rules Committee.

Mr. HASTINGS of Florida. Mr. Speaker, I thank my good friend the gentleman from Texas (Mr. FROST) for yielding me the time.

Mr. Speaker, I come to the floor today in support of this rule and the spirit of the underlying resolution. While we continue to consume ourselves rightly with our own war against terrorism, we cannot forget that Israel has been waging its own war against terrorism as well as its own fight for democracy for more than 54 years.

Today, I stand with my colleagues in sending a message to the people of Israel that the support Israel enjoys from the United States is stronger today than it has ever been. As we send this positive message to Israel, we must also recognize the unique role we play as moderator in the peace process.

On two occasions recently, once in February and again in March, I wrote to President Bush urging him to personally become engaged in this region's peace process, but to my disappointment, I have yet to receive a response.

Early last month I introduced a resolution condemning violence in the Middle East. I am not suggesting that my resolution is the end solution by any means. However, my resolution does something that this one does not. It recognizes that there are things that can be done by both Palestinians and Israel that will curb the ongoing violence and hopefully get the parties back to the peace table.

We need to understand that as we embark on this difficult journey we need to ask how do we educate and reeducate misinformed communities in the Middle East. We, in addition to that, need to bring to the attention of everyone the complex manifestations of ongoing violence in the Middle East, and we need to bring to this Congress' attention the increasing amounts of anti-Semitism and racism that are emerging in Europe.

This is a harsh reminder to those of us in the black and Jewish community that the fight against racism and prejudice is far from over.

Mr. Speaker, I come to the floor today in support of this rule and the spirit of the underlying resolution. While we continue to consume ourselves with our own war against terrorism, we cannot forget that Israel has been waging its own war against terrorism, as well as its own fight for democracy, for more than 54 years.

Today, I stand with my colleagues in sending a message to the people of Israel: The support Israel enjoys from the United States is stronger today than it has ever been.

As we send this positive message to Israel, we must also recognize the unique role we play as a moderator in the peace process. With that in mind, I ask, as a cosponsor of the underlying resolution, "How does this resolution bring us closer to a comprehensive solution and ultimate peace accord?" The answer, Mr. Speaker, is that I am not certain.

Over the past five months, we have watched violence in Israel and the Palestinian territories spiral out of control. We have watched hundreds of Israelis fall victim to suicide bombings, and we have seen the deaths of more than 1,000 Palestinians. And while the numbers of deaths increased and the likelihood of a peaceful solution decreased by the day, the Bush Administration remained largely silent.

On two occasions, once in February and the other in March, I wrote to President Bush, urging him to become personally engaged in the region. But much to my extreme disappointment, I have yet to receive a response.

There are many who claim the U.S. involvement will do little, if anything, in bringing a solution to this ongoing problem. To them I say, if we do not try, then that will become a self fulfilling prophecy. The Administration's vacillations in Middle East policy have left the U.S. in two precariously unfamiliar positions when it comes to the peace process—on the outside and unable to deliver. If we are to optimize our chances of influencing Israel and the Palestinians, then it must start from the top. The President must accept that the Israeli-Palestinian conflict is his problem and, ultimately, his responsibility to help remedy.

Early last month, I introduced my own resolution condemning violence in the Middle East. I am not suggesting that my resolution is the end solution by any means. However, my resolution does something that this one does not. It recognizes that there are things that can be done by both the Palestinians and Israel that will curb the ongoing violence and hopefully get the two parties back to the negotiating table, a place that both have been absent from for some time.

Mr. Speaker, if the United States is to continue down the daunting trail of bringing peace to the Middle East, we cannot and should not forget to address a variety of other complex manifestations of the ongoing violence in the Middle East. For example, Congress must address the increasing amounts of anti-Semitism and racism that are emerging in Europe. This is a harsh reminder to those of us in the black and Jewish communities that the fight against racism and prejudice is far from over.

Furthermore, as we embark on this difficult journey, we must also ask: How do we educate and reeducate misinformed communities in the Middle East? How do we stop countries such as Syria, Egypt, Iran, Iraq, Saudi Arabia, and others from teaching hate? Finally, how do we maintain the balance of cultural, religious and political differences in a region that, historically, has not desired such a balance?

In the end, Mr. Speaker, I will support the underlying resolution because I support Israel and its right to defend itself. Nevertheless, if we are to have success in bringing a real and lasting peace to the Middle East, then we must accept the realities that I have raised and hasten our resolve and engagement to assist in ending this seemingly endless conflict.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. SAXTON).

Mr. SAXTON. Mr. Speaker, I thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me the time.

Mr. Speaker, I rise in support of this rule, and I rise in support of House Resolution 392 which expresses our solidarity with Israel in their struggle to fight terrorism and provide security for the people of Israel.

Yasser Arafat and the Palestinian leadership have simply failed to adhere to their commitments in Oslo which would require strict adherence to a peaceful resolution to the conflicts and renounce the use of terrorism and other acts of violence. In fact, the violence has escalated, as we all know, culminating in the recent killing of 46 Israelis during the week of Passover with suicide bombings where more than 100 additional were wounded.

Yasser Arafat has demonstrated that he is not a viable peace partner, and I am glad to see that President Bush is now dealing with others. The Palestinian Authority has failed to fulfill its commitment to dismantle the terrorist infrastructure in Palestinian areas.

Due to Arafat's unwillingness or inability to act Israel's military action is understandable. Israel has an inherent right to defend herself against armed attack and to utilize preemptive measures to prevent terrorist attacks on civilian populations, as we have done ourselves in our own war against terrorism.

H.R. 392 demands that the Palestinian Authority finally fulfill its commitment to dismantle the terrorist infrastructure. It also calls on Arab States to declare their opposition to all forms of terrorism, including suicide bombings. Israel has already begun to withdraw troops from the Palestinian areas and has released Arafat from confinement. In response, all nations in the regions must denounce terrorism and work to end the violence to stabilize the region if we are to realize a lasting peace in the Middle East.

I am calling on my fellow colleagues to support H.R. 392 to send a clear message to Yasser Arafat and the Palestinian Authority.

The United States demands that Arafat call for an end to violence and assume responsibility over the actions of PLO members and prevent their future acts of terrorism.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, the resolution before us expresses our solidarity with Israel in its war against terrorism. We know from September 11 what it means to be attacked by a suicide or homicide bomber. We are fighting a just war 6,000 miles away in order to defend ourselves, and we should side with Israel as it fights for its very life against terrorists who are sent into Israel from operations only a few miles away.

The only way for peace is for the United States to make clear that we will demand that Israel be permitted to exist and live with peace and security.

The way to peace is to stand up to terrorism. Palestinians killed when Israelis tried to root out terrorism in the territories, where they tried to root the infrastructure is a tragedy, but innocent civilians killed as the sole objective of murderers who are willing to kill themselves as well is abhorrent. It is vile. It should not be considered martyrdom or simply another tool to accomplish political objectives.

I know many Members would like to have various changes in this resolution, but the resolution before us ought to have the support of our colleagues, even if they would have preferred a different version. The essence of this resolution is to stand with Israel and make clear to the Arab world, we want peace but we are not going to let them drive a wedge between the United States and Israel. They ought to forget about that.

Israel has been fighting for its very life since 1948 and has yearned for peace. It was willing to accept a Palestinian State in 1948 under the U.N. resolution. The Arabs rejected it. In 1967, the lines, the Arab countries say they want to return to, they found them unacceptable in 1967 and declared a war against Israel. Israel won that war, and has had the territory ever since, but Israel has been willing to take the risks for peace by talking about territorial changes.

It is Arafat, as the leader of the Palestinian people, who rejected the offer made at Camp David and in Taba and, rather than give a counteroffer, has gone to war. War should not be rewarded. Terrorism should not be rewarded. Only through negotiations of working out territory and security can there be peace, not a discussion of whether there ought to continue to be a state of Israel.

I urge members to vote for this resolution. Vote for it because in its very essence it puts the United States on the side of peace by assuring that there will be an Israel and that it will be secure and the terrorism will not be acceptable.

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me the time.

I rise in support of the rule and the resolution. This is a resolution that commits this Congress and the country further to go down the path for peace.

We have had a long and unique relationship with the State of Israel, but we also desire peace for all those that live in the Middle East. There is no cycle of violence in Israel any more than there is a cycle of violence as we respond to terrorists that attack the United States. There is a response to terrorism, the kind of response that is so clearly in line with the response that we had to that cowardly attack on our country.

This resolution really begins to make the case more effectively, as I think recent weeks and months have made the case, that the leader of the Palestinians today, Mr. Arafat, is not prepared to be a partner for peace. The negotiators on the Israeli government side deserve a partner for peace. Palestinians who desire peace, and the vast majority of Palestinians do desire, and deserve to be led by someone who is willing to be that partner for peace.

Mr. Arafat's been given opportunity after opportunity after opportunity. As my friend the gentleman from California (Mr. WAXMAN) just pointed out, he was given in September of 2000 an incredible offer for a peace plan for Israel and for the Palestinian people as well. He walked away from that opportunity. He went back, it would appear from all the evidence we see, on the same path of his history in the past, a path that promotes and encourages terrorism. Certainly, not a path that seeks to end terrorism.

If, in fact, he is a viable leader, he needs to lead for peace. If he is not a viable leader, we need to seek aggressively to find someone who can be a viable leader for us to deal with, for us to be as helpful as all peoples who live in that incredibly important part of the world, seek peace in that part of the world.

This resolution sends a message to the world of where this Congress stands. I look forward to seeing it pass today. I look forward to seeing the message even more clear to Mr. Arafat and those who would encourage terrorism that we will not tolerate that on our shores, we will not tolerate that in the country of our friends, we will not tolerate that in any country anywhere, and this resolution addresses that.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Speaker, I am proud to stand in support of H. Res. 392, expressing the solidarity of Congress with Israel in its fight against terrorism.

Fifty-four years ago after the establishment of the State, the miracle so many fought and died for is once again under attack. Indeed, the ideals and values are under siege in this difficult time in the region, freedom, democracy and human rights, are not just Israel's. They are America's as well.

Today, Israel's fundamental right to exist within secure borders is being questioned by both sworn enemies and one-time friends of the Jewish state. The United Nations Human Rights Commission, which spent most of its recent session ignoring human rights violations around the world, voted to condone Palestinian armed struggle in pursuit of Statehood, declining to denounce terror.

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Unbelievably, only six nations opposed the resolution.

But the United States, as ever, must stand with our ally. We must remind the world that the Israeli people have been prepared to give up land, to recognize a Palestinian state, to make other sacrifices to end hostilities and to return peace and security to the Jewish state.

That is why I join my colleagues here today. Peace has always been Israel's goal. In the words of David Ben-Gurion, Israel's first prime minister, in the very declaration that established the state, and I quote, "We offer peace and amity to all neighboring states and their peoples. The State of Israel is ready to contribute its full share to the peaceful progress of the Middle East."

The Israeli people have been ready for peace, not just since Oslo in 1933, they have been ready for peace for 54 years. But peace requires a partner. It is clear that Yasir Arafat will not negotiate in earnest and will not keep his promises. He encourages suicide bombers. His actions threaten the security of Israel and the stability of the whole region. And they endanger our own country's war against terrorism.

My colleagues, we must remain actively and assertively engaged. Our message must remain unequivocal. Terror against any of us is terror against all of us, and it must stop.

Just as the United States decisively struck back against the terror perpetrated on our own shores, Israel must do the same. We have told Yasir Arafat what we expect, and he has met our requests with unreasonable demands and promises of violence. He has avoided real leadership, preferring to incite terror, hatred, and chaos. We must not bow to these tactics. I call on others in the region to put aside their dangerous flirtation with terror and push the Palestinian Authority towards the peace they claim to support. This is the only way progress can be achieved. The Israel-Palestinian conflict can no longer be a pressure valve for their failings and for the resentments of their people. They must save the region from its path of slow self-destruction.

Today, as this long and sad saga continues, Congress will reaffirm the strength of the United States-Israel relationship. Let there be no mistake why this friendship endures. We both cherish democracy. We are both committed to freedom of speech and human rights. And we stand together against terror. I urge my colleagues to support this resolution.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise to express some concerns about the process that we are going through today.

I am on the Committee on International Relations, and we have not yet had a chance to really debate this. This was brought up rather rapidly last night. We had to not break the rules but bend the rules a little bit to get this resolution to the floor. It seems like it would have been reasonable to bring this up next week, but there may have been some other reasons why this is being pushed through today.

Certainly this would not have been the State Department's first choice. In talking with the State Department, matter of fact, they expressed some real reservations about this. They said it is not a very helpful approach, and they said we need to work with the situation as it is to be an honest broker.

This legislation is one-sided and, therefore, not very helpful. So here we are, as a Congress, in a desire to please certain people, moving quickly, even though it may affect what is going on in the State Department. And the State Department goes on to say that this one-sided legislation just comes when in the past 48 hours or so we have been making some progress.

Even our chairman of the committee was quoted in the paper this morning of saying, well, if he had his way, he would prefer a more balanced resolution. And he is a very, very strong supporter of Israel. Of course, I would like to see a more balanced resolution, too. I would like to see one where we balance America's interests as well as others.

There is a lot of talk about democracy and peace. I take a position of nonintervention in the affairs of other people. I believe very sincerely that it is consistent with the Constitution and very sincerely that it works to our best interest for national security and for defense; and that even though this is intended very sincerely to help Israel, motions like this, resolutions like this, can very well backfire and actually hurt Israel more so than they will help.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I rise in support of the underlying resolution which supports Israel's response to the attacks on its people. For many years, in the early 1990s, I was one of the most outspoken Members of this body urging the United States and its European allies to act with force, if needed, to stop the slaughter and ethnic cleansing of the Muslim community in Bosnia-Herzegovina. I believe that we had a moral imperative to confront the Milosevic-inspired evil and to take action to stop it. I stood squarely with the Muslim community seeking international justice.

I do not choose to be evenhanded or neutral in the face of despots who preach death and destruction to others. I believe Yasir Arafat is such a despot. In the name of legitimate grievances, he and his terrorist allies employ grossly illegitimate means. We must bring peace to this savage region of our globe, but we must not achieve peace at the price of justice. Justice for Israel, the only democratic state in the region, and her people, and justice as well for the Palestinian people.

Today, Mr. Speaker, I join in supporting this resolution because I strongly support the right of Israel's people to eliminate the genesis of unconscionable terrorist attacks against innocent men, women and children. The State of Israel, like every other nation on earth, has the right of self-defense. This resolution is an expression of American solidarity with Israel as it acts to maintain and secure its independence as a free and sovereign nation.

At the same time, it is incumbent upon the United States as well as the international community to continue to work with Israel and other States in the region to end this escalating cycle of violence, to relieve the suffering of all peoples of that region, and to work toward a permanent and stable peace. I absolutely believe the Israeli people share that goal. I pray that there are Palestinian leaders who share it as well. In his actions and his words, it is clear to me, however, that Yasir Arafat does not.

We must not shrink from our responsibility to stand for a just resolution of this continuing conflict, and we must surely avoid making muddled mistaken parallels between essentially justified defensive actions and terrorist tactics designed to inflame and destroy. We must be committed to helping the parties avoid violence and effect peace. We must be willing to help a Palestinian state realize economic stability. And we must be willing to be an honest broker to achieve these ends. But we must leave no doubt that we are absolutely and irrevocably committed to the survival of Israel and to its security and to its safety of its people. On that, my colleagues, there can be no neutrality.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia (Mr. CANTOR).

Mr. CANTOR. Mr. Speaker, I would like to first of all thank the majority whip, the gentleman from Texas (Mr. DELAY), and the gentleman from California (Mr. LANTOS) for their leadership in bringing forth this resolution.

As the men and women in uniform continue to fight our war against the terrorists in Afghanistan and continue to face resistance by al Qaeda forces, I think it is very important that we reflect upon the words of our President which he delivered on September 20. He said that any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime.

I commend the President for these bold words and would suggest, Mr. Speaker, that our success in fighting this war depends upon America's preserving the precise definition of America's struggle. We cannot allow for exceptions or conditions. We cannot permit safe havens from which terrorists can operate with impunity. And we cannot shrink from our responsibility to support free nations under siege, especially Israel.

That is why we are here today, Mr. Speaker. The underlying resolution that we are here today to debate speaks very clearly of the failure by Mr. Arafat and his Palestinian Authority leadership to abide by the terms of the Oslo accords, to embrace nonviolence and to renounce terrorism once and for all. Mr. Arafat has been unequivocal in his embrace of terrorism. The resolution points to the recent uncovering of evidence pointing to the direct financial support by Mr. Arafat and the Palestinian Authority to engage in the killing of innocent men, women, and children.

Mr. Speaker, it is important that we speak up and speak up with a clear voice in this House; that we support Israel in its fight against the terrorists; and that there is no such thing as one terrorist being another's freedom fighter. The intentional killing of innocent men, women, or children will not be tolerated by this country.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Speaker, I come to the floor today with a heavy heart, because with this resolution of solidarity the House formally acknowledges three critical policy failures:

First, we are owning up to the failure of our Nation's Pygmalion-like, romanticized notion that we could transform an Arab Che Guevara into a Palestinian Nelson Mandela. In the end, Yasir Arafat could not put down the gun.

Second, we are at last admitting that our policy of one more chance was understood by Yasir Arafat to mean that, no matter what, there would always be one more chance. We are declaring today that there are no more last chances.

Finally, Mr. Speaker, we are acknowledging the failure of our countless efforts to squeeze from Mr. Arafat even the smallest commitment to nonviolence. After trips by the Vice President, the Secretary of State, the CIA director, and the President's special envoy, Yasir Arafat still cannot put down the gun.

Today, Mr. Speaker, we are acknowledging failure. Not a failure of our making, nor one of our choosing. But this admission is the first step toward realizing our policy toward our ultimate goal of peace with security and a peace with dignity.

We are declaring today that there are no more last-chances left. His credibility is gone. His promises are hollow. The Congress, at least, has had enough.

Instead of sharing dreams of hope and plans of progress, as all great leaders have, he inspires young people to kill themselves to blow up babies and grandparents in pizzerias, or young girls going to a dance, or worshipers observing Passover. Nothing can justify the use of such evil depravity as a negotiating tool. He cannot put down the gun.

"Get re-involved," Mr. Arafat and the world told us. "Get re-involved and the violence will stop. And so we did. But he couldn't put down the gun.

In February 2001, President Bush sent Secretary of State Colin Powell to the Middle East and Arafat couldn't put down the gun. The Administration endorsed the Mitchell Committee report, and sent CIA Director George Tenet to facilitate implementation of the Mitchell report, and Arafat couldn't put down the gun. At the UN, President Bush called for a Palestinian state, and in a major speech, Secretary Powell elaborated on the President's vision, and Arafat couldn't put down the gun. The President sent General Anthony Zinni as his special envoy, and the Vice-President offered to meet with Yasir Arafat, but Arafat couldn't put down the gun. The President sent Gen. Zinni again, and Arafat still couldn't put down the gun.

And finally, finally, after 19 months of daily drive-by-shootings, mortar attacks, rocket attacks and suicide bombings in restaurants, cafés, discos and religious observances, the people being murdered by Arafat's bombers said enough is enough. Israel has endured what no other nation would ever be asked to accept: the daily slaughter of its citizens by the very parties with whom others expected it to negotiate.

And so the IDF was sent into the hotbeds of Palestinian terrorism. And the results are quite clear. Just as our armed forces broke the back of Al-Qaida in Afghanistan, the Israeli Army has rightfully crushed the Palestinian terrorist infrastructure. Not surprisingly, there has been a real, sustained and significant reduction in Palestinian violence against Israel.

As did every Member of the House, I hoped that the Oslo agreement between Israel and the Palestinians would lead to peace. I still believe that peace is possible, but it is only possible if the Palestinians will finally put away the guns and bombs and seek their statehood at the bargaining table.

So yes, Mr. Speaker, we are acknowledging failure. Not a failure of our making, nor one of our choosing. But we are today recognizing a terrible truth: as it stands today, the Palestinian Authority is the author, solicitor, supporter, organizer and financier of Palestinian terrorism. In concert with Iran, it is an enemy of peace. And what about tomorrow? After all, it is the Middle East. Perhaps Mr. Arafat can be resurrected as a seeker of peace. But until then, what we have done has failed.

And this admission is the first step toward realigning our policy toward our ultimate aim: a just and lasting settlement between Israel and its Arab neighbors; a peace with security and a peace with dignity. Let us hope it begins today.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Speaker, I want to thank our whip, the gentleman from Texas (Mr. DELAY), as well as the ranking Democratic member, the gentleman from California (Mr. LANTOS) for this resolution.

As President Kennedy said, "America is great not because we do the easy things. We are great because we do the hard things. A powerful Nation fields armies and commands fear. A great Nation advances justice and human freedom." Our foreign policy is best when it reflects our values, supporting democracies like Israel. Terrorists do not hate Israel because it is a Jewish state, they hate Israel because it is a free, open and democratic state in a region of dictators. Iran and Iraq, enemies of the Gulf War, unite against Israel because of her democratic model.

And after September 11, we speak with moral clarity that America supports democratic allies in the war on terror. Israel has always been ready to sign a peace, but when faced with a homicide bomber, that little democracy needs a bottom line, and we are that bottom line for Israel and the other democracies of this world.

In tough times, we served as the arsenal of democracy, and we serve as that again. I am proud when America defends our values, who share our freedom and democracy, and that is Israel. And I thank the gentleman for moving this resolution.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Speaker, I thank the distinguished ranking member for yielding me this time.

Mr. Speaker, here we go again. Here we go again. How many times has this body passed resolutions of this nature that are so unbalanced, so one-sided. That we become the laughingstock of the world? How many times have we passed resolutions of this nature? Yet do we have peace today? Do we have peace today?

I support the state of Israel. I do not support the brutal humiliating policies of Ariel Sharon. I support a strong relationship with Israel. That is not the issue here today. I support Israel being our ally. That is not the issue here today. Yes, Israel is our ally. Yes, we have had, we have today, and we will continue to have a strong relationship with Israel. But, by golly, we need other allies in the region as well.

What about the moderate Arab allies that want to help us, to whom we only cast further embarrassment today by the passage of these one-sided resolutions? Let us not shut the door. Let us not shut the door on those in the region who want to help us pressure Arafat to stop approving of these heinous acts of terrorism against civilians. Let us not shut the door on those allies of ours around the world, including the European Union, who want to help us, who want to help Israel stop these brutal acts against innocent civilians. And I deplore them as much as the next person.

There are those in the region that want to be our friends. Let us look at America's interests, number one. Let us look at America's interests. Are we furthering America's interests today by the passage of this one-sided, unbalanced resolution? Let us look around the world and ask ourselves that question.

I urge defeat of this resolution.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume, prior to yielding to my friend from Colorado.

I would simply like to answer the question of whether it is in America's interests to pass this resolution today. When we stand with our friends, and when we reiterate our solidarity and our friendship with a nation that is our friend and that is under attack, the message that we are sending is that precisely we stand with our friends in good times and in bad times and that we are a friend worth having. And that is in the interest of the United States.

So because of our special friendship with Israel, because of the history of our friendship with Israel, and the ties that bind us, and because we stand with our friends, we are passing this resolution.

□ 1400

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. MCINNIS).

Mr. MCINNIS. Mr. Speaker, I appreciate the comments of the gentleman from Florida (Mr. DIAZ-BALART), who said it the best. When does it count being a friend? What is being a friend all about?

I heard the gentleman from Texas say why is this resolution necessary? I will tell Members why it is necessary, because the public relations machine in this world is rolling over Israel. They are making Yasir Arafat, who is a terrorist, look like Robin Hood.

Look at the Olympics. Take a look recently on Passover, when they send a bomber in to blow up a restaurant on Passover. The equivalent of that in the United States is showing up on Christmas Eve and killing Santa Claus. What do Members think we would be doing? We would be going after them.

Arafat is a terrorist. He was a terrorist 25 years ago, he was a terrorist 15 years ago, and he is a terrorist today. There is only one country in the world outside of the borders of Israel that has enough guts to stand up to that public relations machine and say enough is enough.

For those Members who have some sympathy for this cause, take a look at how these people speak in English. When they speak in English they speak in moderation. When they speak in their own language, they speak in extreme tongue. There should be no question whether or not this resolution is necessitated. It is necessitated by the fact, as the gentleman from Florida (Mr. DIAZ-BALART) said, they are our friends and we will stand with our friends against this kind of aggression. There is no justification for what that terrorist is doing.

Finally, in summation, one of my colleagues said I wrote the President and the President did not write me back on my solution. Give me a break. President Bush is fully engaged in this. Condoleezza Rice is fully engaged, Colin Powell is fully engaged, as is the whole cabinet. This resolution deserves our yes vote.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, the House is right to condemn the horrific and heartless suicide bombings, and to reaffirm our support for Israel; but it is not right simply to voice our personal emotions and not to advance our national interests. This resolution should be stronger.

First, it should recognize the suffering of the Palestinian people. Many of the 1,500 Palestinians killed in this conflict are not terrorists or fighters, but innocent people.

Second, Congress should forcefully support strong U.S. engagement in pursuit of a negotiated long-term settlement to the conflict. All suicide bombings cannot be stopped by the Palestinian authority alone, nor will they be ended by Palestinian incursions into the West Bank and Gaza. Terrorism was stopped before, and can be halted again only through joint Israel-Palestinian security cooperation.

Beyond that, the dream of a secure Israel can be realized only alongside a politically and economically viable Palestine. Our own national interests demand that the U.S. serve as an honest, credible leader towards peace.

Mr. Speaker, the House is right to condemn the horrific and heartless tactic of suicide bombing. The House is right to reaffirm the unbreakable bond between the American people and the Israeli people. But Mr. Speaker, it is not right to simply voice our personal emotions and not advance our national interests. This resolution should be stronger.

First, it should recognize the suffering of the Palestinian people. Many of the 1,500 Palestinians killed in this conflict are not terrorists or fighters, but innocent people. Surely, the United States of America and its Congress consider the death of an innocent child to be equally tragic—whether she is Israeli or Palestinian, Jewish, Christian, or Muslim.

Second, Congress should forcefully support strong U.S. engagement in pursuit of a negotiated long-term settlement to the conflict. We are here to offer solutions, not merely to express emotions. All suicide bombings cannot be stopped by the Palestinian Authority alone. Nor will they be ended by Israeli incursions into the West Bank and Gaza.

Terrorism was stopped before—and can be halted again—through joint Israeli-Palestinian security cooperation. Let us not forget that when Israel and the Palestinian Authority were combating terror together, under the watchful eye of our CIA, Israelis enjoyed three of the most peaceful years in their history. That ended when the peace process collapsed. These peaceful days will only return in the context of a vigorous, renewed peace process led by the United States. The dream of a safe and secure Israel can be realized only alongside an economically and politically viable Palestine. And this will only become reality if our country—and our President—is fully engaged in diplomacy.

Last night, the flames at the Church of the Nativity were a stark and vivid reminder that the cycle of violence in the Middle East threatens to spiral out of control. But the agreement to end the situation in Ramallah, secured by the United States, reminds us of the valuable role U.S. intervention can play.

Today, the United States is engaged in a critical war against terrorism. In my view, the fight against global terror will only be strengthened when we secure a just and lasting peace agreement between Israel and the Palestinians. For the sake of the Israeli and Palestinian peoples—and for our own sake—the U.S. government must be an honest, credible leader toward the path of peace. Our national interests give us no alternative.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, it is a pleasure for me to rise not only in support of this resolution, but to be one of the original cosponsors or one of the sponsors of the resolution.

Let me just point out that I do not have a large Jewish community in my district. The vast majority probably do not vote for me. I am not here to win friends, I am here to do what is right. This resolution speaks the truth. There are some people who are not going to be happy with this resolution. I can understand why, because it speaks the truth. It says "Yasir Arafat and the members of the Palestinian leadership have failed to abide by their commitments to nonviolence made in the Israel-PLO Declaration of Principles (the Oslo Accord)."

Jeepers, they have not only failed, Yasir Arafat goes on the radio calling for more martyrs. Young people strapping bombs around their waists going into restaurants and supermarkets, blowing up innocent women and children, and he is calling for more of that. To say he is a terrorist is an understatement. I mean, this resolution goes on to talk about the Karine-A affair, how they were trying to import into the Palestinian authority tons of weapons.

Mr. Speaker, we tend to gloss over the fact why we support Israel, and we will frequently just say Israel is a democracy, and then we move on to the next sentence. We need to dwell on that issue for awhile. To my knowledge, there have never been two democracies that have fought each other. There has never been a democracy that have done the horrible things the Palestinian authority has perpetrated against Israel. We have given the Muslim world a pass for too long. 1.2 billion people living under dictatorships where they have no freedom of speech, they have no freedom of religion, or political freedoms. This is the right resolution. This is the people's House. We listen to the people. The people want us to stand by Israel.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in opposition to this resolution, and say that I would have preferred Members to have had an opportunity to vote on H. Res. 405 by the gentleman from Wisconsin (Mr. OBEY).

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I rise in strong support and proud cosponsor of H. Res. 392. Israel is under a state of siege from terrorist forces in the West Bank and Gaza. Palestinian offices in Ramallah harbored the accused assassins of an Israeli cabinet minister. The Palestinian authority proudly pays for posters to put up in their cities glorifying these terrorist activities; they call them martyrs.

The way to peace in a Palestinian state is not through terror. If the Arab League wants to advance the peace process, they need to tell their membership to stop financing terrorism against Israel and stop demonizing the Jewish people. The Arab League needs to stop supporting terrorist organizations, stop funding suicide bombers on the West Bank and Gaza, and stop paying rewards for the attacks.

Everybody speaks about peace in front of the cameras, but continues to secretly fund terrorist organizations against Israel. I support Israel's right to defend their citizens and support their operations to destroy the terrorist infrastructure which has been created by the Palestinian Authority.

Mr. Speaker, Mr. Arafat could stop the violence if he restrained his forces and used his powers for construction instead of destruction. Israel only went on the offensive as a reflexive action to stop escalating terrorist attacks. If there are no more attacks, Israel is more than willing to restart the peace process. This resolution needs to be passed.

Mr. DIAZ-BALART. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in opposition to this resolution which is one-sided and will not further the cause of peace. This resolution undermines President Bush's efforts to bring both sides together as an honest broker. Instead of compromising, this one-sided resolution will encourage excesses on both sides. It is anti-peace.

Clearly all of us are overwhelmed with a sense of outrage over the terrorist bombings that have left so many Israeli women and children, elderly people and other noncombatants dead or wounded. Strapping a bomb onto a young person and sending them out to blow up a Pizza Hut or a bus and to kill other noncombatants in order to terrorize a population is despicable beyond words.

But if we are going to bring peace to that troubled region, we must be scrupulously honest. There are piles of bodies in the Middle East. Many of the victims are noncombatants, and both sides of the conflict have engaged in the slaughter of innocents. I know the retort that many will use that the elderly and the children that have been killed by the Israeli Army was unintentional. Collateral damage. I have searched my heart to accept this argument. I cannot accept it.

I am asking my colleagues to search their hearts. Should we not be doing what we can to end the cycle of violence as our President and Secretary of State have been trying to do? We must seek out the good-hearted people on both sides rather than encourage the radicals and hate mongers on both sides, which this resolution will do.

I am sorry, but I do not put Mr. Sharon and Mr. Arafat in the camp of the good-hearted. The last thing we should do is give Mr. Sharon a green light to unleash his total war on the Palestinian people. The fact of life is that the Palestinians are not going to disappear, that Israel is not going to be driven into the sea. We need to bring both sides together in a spirit of peace and compromise. This resolution goes in the opposite direction.

No one has been more committed towards ending the Taliban and al Qaeda terrorist regime, or getting rid of Saddam Hussein than I have been. But this is a different situation, and we will fail unless we go at it as peacemakers. This is a pro-war resolution for a conflict that cannot be won. Let us be peacemakers and do the right thing.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, there is not enough time for all Members to speak, but I include my remarks for the RECORD. And I would just add, there have been no hearings on the underlying resolution.

Mr. Speaker, for over a month I have worked more intensively on this controversy than on any of the other pressing matters before us. My effort has been to convince my colleagues that—despite the very strong feelings many of them have on this matter—it is crucial that we promote and engage in honest dialogue. That dialogue must be marked by as much mutual respect as we can muster, and by a continuing effort to understand viewpoints we may not share.

Finger-pointing, reciting historical claims and hurtling charges may seem totally justified and important to express. But surely the goals of halting violence to achieve a resolution of the disputes requires that my words spoken here and my conduct are consistent with the necessity of having a dialogue in the Congress and in the Nation, as well.

Over the course of the last 5 weeks, I have spoken with many colleagues on both sides of the aisle, and on both sides of the Capitol, urging that we create an inclusive forum in which different views could be freely expressed. On this controversial issue, it can truly be said, as Dr. King once reminded us, that: "We are caught in an inescapable network of mutuality, tied in a single garment of destiny."

My conversations have included the senior Senators from Delaware and South Dakota; the gentleman from Illinois (Mr. HYDE); the gentleman from New York (Mr. GILMAN), and the gentleman from West Virginia (Mr. RAHALL.) With the gentlelady from California (Ms. WOOLSEY) and the gentleman from California (Mr. LANTOS), I have been convening a series of weekly meetings with colleagues, to which all members have been invited, and also attended by representatives of Jewish, Muslim, Protestant and Catholic religious institutions and organization deeply concerned about the Middle East crisis. All attendees at those meetings have agreed on the importance of maintaining real dialogue and minimizing emotional exchanges that are inflammatory or divisive.

I supported the creation of the State of Israel. My continuing support of its security, safety and viability has never wavered. At the same time, my dedication to America's playing its proper role in the pursuit of a just, equitable and lasting peace for all people in the region is equally well known.

I am sure that my colleagues share these goals but at this delicate time, I have concluded that this resolution, however well-intentioned, would be counterproductive to achieving them. I also am convinced that the Israeli Government and people know that the United States' commitment to their security and survival is steadfast and will remain so.

I agree, that this President, like his predecessors, should be given the maximum flexibility—to maintain the credibility of the United States with all parties and to preserve the ability to broker a permanent resolution, with equal conviction, I urge the President to use those capabilities to the fullest.

Mr. Speaker, it simply defies belief that, during these perilous times, the legislative bodies of the single nation on earth that can bring this crisis to closure would compromise that nation's ability to do so.

Mr. FROST. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Speaker, I rise in support of the rule and resolution expressing solidarity with the state of Israel. Israel has been subject to the most horrendous series of terrorist attacks: Weekly suicide bombings targeting civilians in cafes, on buses and in markets; gunmen who go from home to home in search of innocent victims.

Today we resolve not only to support Israel in its time of need, our lone democratic ally in the region, but also to speak in a clear voice against the universal scourge of terrorism. As we saw on September 11, no nation, not even the most mighty, is immune from the poison of terrorism. We must realize that a threat to the life of civilians anywhere is a threat to civilization everywhere. I urge support of the resolution.

Mr. DIAZ-BALART. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I pray for the peace of Jerusalem almost every day. As I listen to the gentleman from California speak about the tragic loss of life on both sides of this conflict, I know of his sincerity and greatly appreciate it.

But I rise today as an original cosponsor of the resolution; and more than that, I rise in support of the dream that is Israel. It is a dream that I would say with great respect to the Members of this institution of Jewish descent and ethnicity, that it is a dream shared by the overwhelming majority of all Americans, the dream that is Israel that languished for 1,800 years in the heart of the people known as the apple of God's eye.

It was a dream that in the wake of the brutality and the horror of the Holocaust, this Nation responded to, returning the people of Israel to their historic homeland in 1948, and there did we become a partner with this nation, as no other nation partnered in the history of the world.

Yes, we should stand with Israel because she is the lone democracy in this part of the world. Yes, we should stand with Israel because she is a liberal democracy to boot. But mostly, Mr. Speaker, I believe we should stand with Israel today because this Congress is simply a megaphone for the heart of the American people.

□ 1415

This well should resonate with the hearts of our countrymen who believe in so many small buckboard churches that dot the landscape of districts like mine, that those who bless her, He will still bless, and those who cures her, He will cures.

Let us this day by this resolution send a deafening message from the heart of the American people to the world, that America stands with Israel in this, her darkest hour.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ISRAEL).

Mr. ISRAEL. I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong support of this rule and resolution. As Yasir Arafat plays the role of victim before the cameras of CNN, he continues to create a successor generation of Palestinian homicide bombers. These homicide bombers are indoctrinated by the curriculum of killing, the dialogue of death, the textbooks of terror poisoning the minds of the children of the West Bank and Gaza.

In the official textbook, "Our Country Palestine," it says, "There is no alternative to the destruction of the State of Israel." In the Palestinian textbook entitled, "Our Arabic Language," a subject for a composition is "How are we going to liberate our stolen homeland?"

Mr. Speaker, if one wishes to find a breeding ground of teenage suicide bombers, one need not look beyond the state-control of the Palestinian National Authority. Chairman Arafat's record should not be graded by his pathetic public relations hypocrisy, but rather by the progress he makes in second grade classrooms throughout the West Bank and Gaza.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I stand today without shame in support of this resolution. I stand today without shame in support of the ability of Israel to defend itself and to stand free and democratic. And I also stand without shame in recognizing the humanity and dignity of the Palestinian people. And for anyone to say that this resolution would act against peace and negotiations is wrong, because there is no way to prevent people who truly want peace to come to the table and negotiate.

I believe we should have engagement. President Bush, it is vital that Secretary Powell should go with this Nation's full support back to the Mideast. President William Jefferson Clinton should be asked for his involvement in this enormous challenge. We must do all to ensure that peace occurs.

So today let me simply say that I want to speak in the words of the late Prime Minister Rabin, spoken at Oslo in 1994, "We are in the midst of building the peace. The architects and engineers of this enterprise are engaged in their work, even as we gather here tonight, building the peace, layer by layer, brick by brick. The job is difficult, complex, trying. Mistakes could topple the whole structure and bring disaster down upon us. And so we are determined to do the job well, despite the toil of murderous terrorism, despite the fanatic and cruel enemies of peace. We will pursue the course of peace," Mr. Speaker, "with determination and fortitude, and we will prevail."

That is what this vote stands for. We will prevail for peace and a free democratic and secure Israel and a freestanding peaceful Palestinian state. America is at its best when we can bring our power to bear to save lives and preserve the dignity of all peoples.

Mr. Speaker, I rise today in support of this resolution. I believe in Israel and its right to self-defense with the understanding that Israel must be engaged in crafting a comprehensive and lasting peace agreement in the Middle East. We must also consider the humanity of the Palestinian people and the need for an in depth, thoughtful statement on how the violence in the Middle East must stop. The United States must be actively engaged in the peace process and broker a new understanding between the Israeli and Palestinian people. This type of peace agreement will take real compromise and risk on all sides and a strong and continued effort by the United States in shepherding the parties through the process.

In engaging in the peace process, the United States must use all the resources at its disposal in a way to be helpful, President Bush is vital, past President William Jefferson Clinton can bring much, and Secretary Colin Powell must return now to the Middle East with the full support of this nation. This is the type of event that history is made of, where historic agreements such as the Oslo Agreements with the Palestinians and the Treaty of Peace with Jordan arose. We need eloquent words indicating true peace and respect for life such as those spoken by Prime Minister Yitzhak Rabin upon receiving the Nobel Peace Prize in Oslo in 1994,

> We are in the midst of building the peace. The architects and the engineers of this enterprise are engaged in their work even as we gather here tonight, building the peace, layer by layer, brick by brick. The job is difficult, complex, trying. Mistakes could topple the whole structure and bring disaster down upon us. And so we are determined to do the job well-despite the toil of murderous terrorism, despite the fanatic and cruel enemies of peace. We will pursue the course of peace with determination and fortitude. We will not let up. We will not give in. Peace will triumph over all its enemies, because the alternative is grimmer for us all. And we will prevail.

We must also put these words into action. Positive action. We need to forge an agreement that renounces violence and terrorism, settles disputes through peace and negotiation, and acknowledges each peoples right to existence.

As I stated before, I believe in an Israeli state and a Palestinian state. I believe in the rights of the Palestinian people and the people of Israel. Some may believe we are favoring a friend and slighting another, and some may not agree with the words of this resolution, but we should not let this hinder our objective of peace. We must keep an eye toward a different future and give peace another chance. There must be on immediate close fire.

This resolution urges an unqualified opposition to all forms of terrorism and urges all parties in the region to pursue vigorously efforts to establish a just, and comprehensive peace in the Middle East.

This is the kind of effort and mindset we need to accomplish our goal. We know the role we must play to get rid of the poisonous past, the trail of blood and tears and forge a path to peace filled with hope and opportunity.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. HARMAN).

Ms. HARMAN. Mr. Speaker, my father was a refugee from Nazi Germany. If he had not made his way here and not made his way in America, I would not be standing here.

My story is the story of many Members, themselves refugees, like our friend, the gentleman from California (Mr. LANTOS), or the sons and daughters of refugees from oppressed places all over the world.

The only country in the world which always, always provides a homeland for Jewish refugees is Israel. As anti-semitism is on the rise all over the world, shockingly in France and Germany, Israel's existence and security becomes even more important.

President Harry Truman courageously recognized Israel 54 years ago and every administration since has strongly supported her. We must do so again today by strongly supporting this rule and this resolution. It is the moral thing to do. It is the strategic thing to do. It is the right thing to do.

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. PRICE.)

Mr. PRICE of North Carolina. Mr. Speaker, many of us will vote for H. Res. 392 because we do indeed wish to "express solidarity with Israel in its fight against terrorism." We are repulsed by the suicide terrorist attacks perpetrated by some Palestinian groups and gravely concerned by Chairman Arafat's failure to prevent such attacks and his encouragement of a violent uprising. The Israeli people need to know that they can count on the United States at this time of peril.

The resolution before us, however, falls far short of the kind of expression that might best contribute to stopping the violence and moving toward a long-term settlement. The resolution appears designed to drive a "wedge" among friends of Israel for partisan purposes, and it risks misrepresenting the rationale behind the current efforts of President Bush and Secretary Powell to bring the parties together.

A more adequate resolution would reiterate our support both for the security and integrity of Israel and for justice and self-determination for the Palestinians. It would back a vigorous, sustained American peacemaking role. It would affirm Israel's right of self-defense, while noting the obligation to distinguish between uprooting terrorism and destroying the institutions and infrastructure of Palestinian self-government.

I regret, Mr. Speaker, that H. Res. 392 falls so far short. But its ninth clause captures a sentiment which I believe all of us share, urging "all parties in the region to pursue vigorously efforts to establish a just, lasting, and comprehensive peace in the Middle East."

May we as a body and as a government find ways to tirelessly advance this goal in the critical days and weeks ahead.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in opposition to the legislation. I had hoped to offer an alternative and speak and have not been allowed.

Mr. Speaker, I completely agree with my colleagues that Israel is the best friend of the United States in the Middle East. Israel is our most reliable ally in the Middle East. Israel is the only democracy in the Middle East. I consider myself a friend of Israel.

However, the increasingly hard line stance being taken by the Israeli Government, and the current military offensive being conducted by Prime Minister Ariel Sharon, will do nothing to bring about lasting peace in the region.

I am also concerned that the totally one-sided resolution being considered on the House floor today does nothing to enhance U.S. leadership in the region, and, in fact, could actually harm our ability to broker a permanent peace. I offered a truly balanced resolution, H. Res. 394, which would help send the message that the United States is committed to a negotiated settlement. Unfortunately, we are not being allowed to debate alternatives today.

I have been to Israel. I have seen first-hand how this emotional and complicated dispute manifests itself in the daily lives of Israelis and Palestinians. Both sides consider the actions of the other as illegal under international law. Both sides also consider the lands under dispute to be their ancestral home. And, both sides claim religious sites, particularly in and around Jerusalem, as their own. This conflict has no military solution.

Peace will never come to the region until all parties are committed to working toward the goal. I had thought that teenagers blowing up other teenagers with suicide bombs might shake up the respective parties enough to stop the violence and begin permanent settlement negotiations. That is clearly not the case at this point.

Under no definition can Mr. Sharon on Mr. Arafat be considered men of peace. Neither can credibly claim the moral high ground.

Mr. Arafat has utterly failed in his multiple commitments to crack down on militants. He failed to seize an opportunity offered by President Clinton to create a Palestinian state. His leadership has been connected to terrorist organization.

But, prior to his election, Mr. Sharon intentionally visited a disputed holy site in Jerusalem in order to provoke a violent response. He has always been a vocal opponent of the Oslo Peace Process. He has advocated continued expansion of Jewish settlements in Palestinian territories. He ordered the Israeli military to reoccupy various Palestinian cities with weapons provided by United States taxpayers.

What this conflict needs is mature leadership. I commend President Bush for his April 4, 2002, statement in which he gave voice to the legitimate grievances of both sides. I was also relieved when the President sent Secretary of State Colin Powell to the region.

As President Bush noted in his April 4, 2002, speech, the parameters for a lasting resolution to this conflict are not really in dispute. What is lacking is the political will to reach a final settlement.

As the President, the Mitchell Commission, Saudi Arabia and the Arab League, the European Union and others have noted in similar ways, peace could be achieved through Arab recognition of Israel's right to exist, guaranteeing Israeli security approximately within its 1967 borders, creation of a viable Palestinian state, halting Jewish settlements in Palestinian territories, and sincere negotiations to determine the final status of Jerusalem and Palestinian refugees.

Mr. Speaker, we are at a dangerous crossroads in the Middle East. Unfortunately, there is no Itzak Rabin with a vision for peace.

Like all Americans, I unequivocally condemn acts of violence against both Israeli and Palestinian civilians.

I urge all parties to recognize that continued military attacks and terrorist activities will only lead to persistent, escalating violence with the potential to destabilize the entire Middle East.

I urge all parties to stop using state-controlled media or other means of propaganda to incite hatred and violence.

The United States must maintain sustained, high-level diplomatic engagement. The United States must bring the Israelis and Palestinians back to the negotiating table. It has become obvious to all but Sharon and Arafat and their most ardent followers that there is no military solution to this conflict. Hundreds of reservists in the Israeli Defense Forces are refusing to serve in the Palestinian terrorists because they understand there is no military solution.

I again commend the President and Secretary Powell for their efforts to mediate a peace and for their balanced view of the conflict.

I intend to vote against the unbalanced resolution on the floor today because it does nothing to advance peace.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I do not seek to pursue an evenhanded resolution. Mr. Arafat by his conduct does not deserve it. But this resolution makes all of its requests of the Palestinians, and none of Israel. It says nothing about the obligation of both parties under Resolution 242. It says nothing about the needs of Israel in the context of a final settlement to withdraw from settlements. It says nothing about the willingness to support a Palestinian state in the context of a full settlement.

It therefore, in my view, makes it harder for us to be seen as a fair-minded broker, and it makes it more difficult for the administration to persuade the Arab world to take the actions they must take to achieve peace; and that in the end hurts Israel, it does not help it.

I am going to ask people to vote "no" on the previous question so I can offer an alternative, the text of H. Res. 405, which makes clear our support for Israel in a more constructive way.

I fully support Israel's right to defend itself, but I do not support Mr. Sharon's efforts to hang onto the settlements and crush legitimate Palestinian nationalism.

This gag rule on the House this afternoon does no credit to this body.

Mr. Speaker, at this point in the RECORD I include the text of H. Res. 405 that I would offer if the previous question is defeated, as well as the text of a Washington Post editorial on the subject.

H. RES. 405

Whereas recent events in the Middle East, triggered by recent Palestinian suicide bombings, have created conditions under which the reestablishment of a nonviolent environment is highly unlikely without the active sustained leadership of the United States: Now, therefore, be it

Resolved, That the House of Representatives—

(1) stands in solidarity with Israel's right as a frontline state in the war against terrorism to take military action to end terrorist attacks, to dismantle terrorist infrastructure, and to provide security for its people;

(2) remains committed to Israel's right to self-defense and to assisting Israel in exercising that right;

(3) will continue to assist Israel in strengthening its homeland defenses;

(4) condemns Palestinian suicide bombings and the ongoing support and coordination of terror by Yassir Arafat and other members of the Palestinian leadership;

(5) insists that the Palestinian Authority fulfill its commitment to dismantle the terrorist infrastructure in the Palestinian areas;

(6) urges all Arab states, particularly United States allies Egypt and Saudi Arabia, to declare their unqualified opposition to all forms of terrorism, particularly suicide bombing, and to act in concert with the United States to stop the violence;

(7) urges Israel to make clear, in the context of the full settlement described in paragraph (8), its willingness to withdraw from occupied territories; and

(8) urges all parties in the region to vigorously pursue efforts to establish a just, lasting, and comprehensive peace in the Middle East that will enable Israel and an independent Palestinian state to exist within the context of full and normal relationships, which should include termination of all claims or states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity, and political independence of every state in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force.

[From the Washington Post, Apr. 24, 2002]

TERRORISM AND NATIONALISM

Israeli Prime Minister Ariel Sharon has insisted that his army's offensive in the West Bank has been aimed at uprooting the infrastructure of Palestinian terrorism, in the same way that the United States has used military force to drive al Qaeda from Afghanistan. That seems a worthy goal, and to some a valid comparison—and yet it doesn't explain why Israeli troops would have raided and deliberately destroyed the civilian ministries of the Palestinian Authority in Ramallah. At the Ministry of Higher Education, the Israelis stripped all the computers of their hard drives, then piled them together and blew them up. They also destroyed Palestinian television studios, knocked down radio antennas and looted Palestinian banks. Perhaps some of these acts were carried out by undisciplined troops. But the pattern of destruction also suggests a crucial distinction between Israel's campaign and that of the United States. Both invasions are aimed at crushing terrorist organizations that have carried out savage attacks on innocent civilians. But Israel also has another target: the Palestinian national movement, which aims at ending the Israeli military occupation of the West Bank and Gaza Strip and creating a Palestinian state in its place.

The problem with equating Israel's campaign against terrorism with that of the United States, as Mr. Sharon and some of his American supporters do, is that it overlooks this contest for territory and sovereignty underlying the Israeli-Palestinian bloodshed. Though it has been contaminated by suicide bombings and other acts of terrorism, the Palestinian national cause and its goals are recognized as legitimate by the Bush administration and the United Nations, and they were tacitly accepted by Israel when it signed the Oslo accords of 1993. Mr. Sharon and most of the rest of his government, however, have never accepted Oslo; on the contrary, they have devoted most of their lives to the dream of permanently establishing Israel's control over most, if not all, of the territories it occupied during the 1967 Six Day War. Few outside of Israel support that plan, but Mr. Sharon and his allies have for decades argued that Israeli occupation and settlement of the Arab lands were necessary to control the Palestinian threat to Israel.

The disastrous decision of Palestinian leader Yasser Arafat not to accept a negotiated settlement of Palestinian claims and his subsequent encouragement of a violent uprising against the Israeli occupation have justified an Israeli response. But they have also given Mr. Sharon and other Israeli nationalists the cover to pursue their own unacceptable ambitions. In the name of uprooting terrorism, they have systematically destroyed the institutions and infrastructure of Palestinian self-government. To back the Israeli invasion, as the Bush administration has mostly done, is not just to back the cause of counterterrorism, it is also to abet Mr. Sharon's drive to suppress Palestinian national rights.

The Bush administration's uncompromising opposition to terrorism following Sept. 11 is politically and morally powerful and has yielded impressive results, both in Afghanistan and in many other parts of the world. Nevertheless, if counterterrorism is to remain an effective cause, the administration must discriminate between terrorism and the sometimes legitimate political causes it is used for; and it must also differentiate between legitimate defense against terrorism and attempts to use counterterrorism to justify unacceptable aims. The Israeli writer Amos Oz has observed that Israel is engaged in two separate campaigns against the Palestinians—a legitimate war against terrorism and an "unjust and futile" bid for control of the West Bank and Gaza. The Bush administration needs a policy that can tell the difference between the two.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this has been an interesting debate today. I think it is very appropriate that this resolution is before us. It is a very important vote. Obviously, the vote on the previous question is a key vote.

What the proponents of this resolution, of which I am a proud cosponsor, are saying is basically let others be neutral. We should never be wary of standing with Israel. We should never be wary of standing with our friends, even when we are alone. That is one of the distinguishing and most honorable characteristics of this great Nation.

So with this vote today this Congress will be telling Israel that they can count on us; that Israel, our friend, can count on this Congress, can count on the United States of America. So I would urge all of my friends, all of my colleagues, on both sides of the aisle, to support this resolution.

Mr. STARK. Mr. Speaker, I rise in opposition to House Resolution 404, Expressing Solidarity with Israel. While some measures of this resolution may be accurate, it only provides one side of the story.

This resolution condemns the use of terrorism by Palestinians. I too, condemn these acts. This resolution also condemns Chairman Arafat for failing to take action to prevent terrorists from operating out of territory under his control. I also condemn this failure.

However, this resolution fails to condemn the excessive use of force by the Israeli government, it fails to call on Israel to allow United Nations investigators to go to the Refugee camp in Jenin to investigate accusations of human rights violations, and it fails to call on both sides to go back to peace talks to resolve their differences.

I am disappointed that the House Leadership brought this resolution to the floor instead of House Resolution 494, introduced by my friend Congressman DEFAZIO, of which I am an original cosponsor. H. Res. 494 is a balanced resolution that condemns the violent acts of both parties in this conflict, calls on both sides to protect human rights observers and aid workers, and calls on both sides to comply with United Nations Security Council Resolutions.

I urge my colleagues to oppose this resolution not because of what it says but for what it does not say.

Mr. DIAZ-BALART. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 328, nays 82, not voting 24, as follows:

[Roll No. 124]

YEAS—328

Ackerman
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Berkley
Berman
Berry
Biggert
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (SC)
Bryant
Burr
Buyer
Calvert
Camp
Cantor
Capito
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Jackson-Lee (TX)
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matsui
McCarthy (NY)
McCollum
McCrery
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moore
Moran (KS)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Paul
Pelosi
Pence
Peterson (PA)
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Royce
Ryan (WI)
Ryun (KS)
Sandlin
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Turner
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Watkins (OK)
Watson (CA)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—82

Abercrombie
Allen
Baldwin
Becerra
Bereuter
Blumenauer
Bonior
Boucher
Brown (OH)
Capps
Capuano
Clay
Clayton
Clyburn
Condit
Conyers
DeFazio
DeGette
Delahunt
Dingell
Doggett
Eshoo
Farr
Filner
Frank
Green (WI)
Hall (OH)
Hilliard
Hinchey
Honda
Inslee
Jackson (IL)
Johnson, E. B.
Jones (OH)
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
Lee
Lipinski
Lofgren
Matheson
McCarthy (MO)
McDermott
McGovern
McKinney
Miller, George
Mink
Mollohan
Moran (VA)
Oberstar
Obey
Olver
Pascrell
Pastor
Payne
Peterson (MN)
Petri
Pomeroy
Price (NC)
Rahall
Rivers
Roybal-Allard
Rush
Sabo
Sánchez
Sanders
Sawyer
Serrano
Snyder
Solis
Spratt
Stark
Taylor (MS)
Thompson (CA)
Tierney
Udall (CO)
Waters
Watt (NC)
Woolsey

NOT VOTING—24

Bilirakis
Brown (FL)
Burton
Callahan
Cannon
Cooksey
Crane
Everett
Fattah
Hoekstra
Istook
Jefferson
Jenkins
John
McHugh
Millender-McDonald
Murtha
Riley
Ros-Lehtinen
Roukema
Sullivan
Thompson (MS)
Traficant
Wamp

□ 1450

Ms. SANCHEZ, Mrs. CAPPS, and Messrs. BECERRA, BLUMENAUER, ALLEN, GREEN of Wisconsin, PASCRELL, RUSH and SERRANO changed their vote from "yea" to "nay."

Ms. PELOSI and Mr. McINNIS changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 329, noes 76, not voting 29, as follows:

[Roll No. 125]

AYES—329

Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bentsen
Berkley
Berman
Berry
Biggert
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (SC)
Bryant
Burr
Buyer
Calvert
Camp
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoeffel
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Isakson
Israel
Jackson-Lee (TX)
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moore
Moran (KS)
Morella
Myrick
Nadler

Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Pelosi
Pence
Peterson (PA)
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ross
Rothman
Royce
Ryan (WI)
Ryun (KS)
Sánchez
Sandlin
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spratt
Stearns
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Turner
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Watkins (OK)
Watson (CA)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)

NOES—76

Abercrombie
Baldwin
Barrett
Becerra
Bereuter
Blumenauer
Bonior
Boucher
Brown (OH)
Capuano
Clay
Clayton
Clyburn
Condit
Conyers
Costello
DeFazio
DeGette
Delahunt
Dingell
Doggett
Eshoo
Farr
Filner
Frank
Hall (OH)
Hilliard
Hinchey
Holt
Honda
Inslee
Jackson (IL)
Johnson, E. B.
Jones (OH)
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
Lee
Lipinski
Lofgren
Lynch
McDermott
McKinney
Miller, George
Mink
Mollohan
Moran (VA)
Oberstar
Obey
Olver
Payne
Peterson (MN)
Petri
Price (NC)
Rahall
Rivers
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Serrano
Snyder
Solis
Stark
Stenholm
Taylor (MS)
Thompson (CA)
Tierney
Udall (CO)
Waters
Watt (NC)
Woolsey

NOT VOTING—29

Bilirakis
Brown (FL)
Burton
Callahan
Cannon
Cooksey
Crane
Dooley
Everett
Fattah
Hoekstra
Issa
Istook
Jefferson
Jenkins
John
Linder
McHugh
Millender-McDonald
Murtha
Norwood
Riley
Ros-Lehtinen
Roukema
Sullivan
Thompson (MS)
Traficant
Wamp
Young (FL)

□ 1500

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1500

ANNOUNCEMENT BY THE COMMITTEE ON RULES REGARDING AMENDMENT PROCESS FOR H.R. 4546, THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, today a "Dear Colleague" letter will be sent to Members informing them that the Committee on Rules is planning to meet next week to grant a rule which may limit the amendment process for H.R. 4546, the National Defense Authorization Act for Fiscal Year 2003. The bill was ordered reported by the Committee on Armed Services yesterday and is expected to be filed tomorrow.

Any Member who wishes to offer an amendment to this bill should submit 55 copies of the amendment and one copy of a brief explanation of the amendment by 5 p.m. on Tuesday, May 7, to the Committee on Rules in room H–312 in the Capitol.

Amendments should be drafted to the text of the bill as reported by the House Committee on Armed Services, which is expected to be available on Friday, May 3, tomorrow. The text will be available on the Web sites of both the Committee on Armed Services and the Committee on Rules.

Members should use the Office of Legislative Counsel to ensure their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the rules of the House.

EXPRESSING SOLIDARITY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM

Mr. HYDE. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 392) expressing solidarity with Israel in its fight against terrorism, as amended.

The Clerk read as follows:

H. RES. 392

Whereas the United States and Israel are now engaged in a common struggle against terrorism and are on the front-lines of a conflict thrust upon them against their will;

Whereas hundreds of innocent Israelis and Palestinians have died tragically in violence since September 2000;

Whereas Palestinian organizations are engaging in an organized, systematic, and deliberate campaign of terror aimed at inflicting as many casualties as possible on the Israeli population, including through the use of suicide terrorist attacks;

Whereas the number of Israelis killed during that time by suicide terrorist attacks alone, on a basis proportional to the United States population, is approximately 9,000, three times the number killed in the terrorist attacks on New York and Washington on September 11, 2001;

Whereas Yasir Arafat and members of the Palestinian leadership have failed to abide by their commitments to non-violence made in the Israel-PLO Declaration of Principles (the "Oslo accord") of September 1993, including their pledges (1) to adhere strictly to "a peaceful resolution of the conflict," (2) to resolve "all outstanding issues relating to permanent status through negotiations," (3) to renounce "the use of terrorism and other acts of violence," and (4) to "assume responsibility over all PLO elements and personnel in order to assure their compliance [with the commitment to nonviolence], prevent violence, and discipline violators";

Whereas the continued terrorism and incitement committed and supported by official arms of the Palestinian Authority are a direct violation of these commitments;

Whereas the al-Aqsa Martyrs Brigades, which is part of Arafat's Fatah organization and has been designated a "Foreign Terrorist Organization" by the United States Government, and other Fatah forces have murdered scores of innocent Israelis;

Whereas forces under Yasir Arafat's direct control were involved in the Palestinian Authority's thwarted attempt to obtain 50 tons of offensive weapons shipped from Iran in the Karine-A, and effort that irrefutably proved Arafat's embrace of the use and escalation of violence;

Whereas the Israeli Government has documents found in the offices of the Palestinian Authority that demonstrate the crucial financial support the Palestinian Authority continues to provide for terrorist acts, including suicide bombers;

Whereas the recent escalation of Palestinian attacks, killing 46 Israelis during the week of Passover, included a heinous suicide-bombing at a religious ceremony which killed 27 and wounded more than a hundred, many critically, and was perpetrated by a known terrorist whom Israel had previously asked Yasir Arafat to arrest;

Whereas this suicide attack occurred at the very time United States envoy General Anthony Zinni was attempting to negotiate a cease-fire that would lead to the resumption of Israeli-Palestinians political negotiations;

Whereas, just before the Passover attack, Israel had agreed to General Zinni's cease-fire proposals, whereas Yasir Arafat rejected them;

Whereas Yasir Arafat continues to incite terror by, for example, saying of the Passover suicide bomber, "Oh, God, give me a martyrdom like this";

Whereas Yasir Arafat and the PLO have a long history of making and breaking anti-terrorism pledges;

Whereas President George W. Bush declared at a joint session of Congress on September 20, 2001, that "[f]rom this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime";

Whereas President Bush recently stated that he "fully understands Israel's need to defend herself" and that he "respect(s)" the fact that Israelis have "seen a wave of suicide bombers coming to the heart of their cities and killing innocent people";

Whereas President Bush, in his speech of April 4, 2002, stated that "the situation in which he [Arafat] finds himself today is largely of his own making"; that Arafat "missed his opportunities, and thereby betrayed the hopes of the people he's supposed to lead"; and that, [g]iven his [Arafat's] failure, the Israeli Government feels it must strike at terrorist networks that are killing its citizens";

Whereas Israel's military operations are an effort to defend itself against the unspeakable horrors of ongoing terrorism and are aimed only at dismantling the terrorist infrastructure in the Palestinian areas, an obligation Arafat himself undertook but failed to carry out; and

Whereas the process of Israeli withdrawal is nearly complete: Now, therefore, be it

Resolved, That the House of Representatives—

(1) stands in solidarity with Israel as it takes necessary steps to provide security to its people by dismantling the terrorist infrastructure in the Palestinian areas;

(2) remains committed to Israel's right to self-defense and supports additional United States assistance to help Israel defend itself;

(3) condemns the recent wave of Palestinian suicide bombings;

(4) condemns the ongoing support of terror by Yasir Arafat and others members of the Palestinian leadership;

(5) demand that the Palestinian Authority at last fulfill its commitment to dismantle the terrorist infrastructure in the Palestinian areas, including any such infrastructure associated with PLO and Palestinian Authority entities tied directly to Yasir Arafat;

(6) is gravely concerned that Arafat's actions are not those of a viable partner for peace;

(7) urges all Arab states to declare their unqualified opposition to all forms of terrorism, including suicide bombing;

(8) commends the President for his leadership in addressing the Israeli-Palestinian conflict, particularly the efforts of the Administration to engage countries throughout the region to condemn and prevent terrorism and to prevent a widening of the conflict;

(9) urges all parties in the region to pursue vigorously efforts to establish a just, lasting, and comprehensive peace in the Middle East; and

(10) encourages the international community to take action to alleviate the humanitarian needs of the Palestinian people.

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to House Resolution 404, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) each will control 30 minutes.

For what purpose does the gentleman from West Virginia (Mr. RAHALL) rise?

Mr. RAHALL. Mr. Speaker, I rise in opposition to the resolution and request half of the time.

The SPEAKER pre tempore. Is the gentleman from California (Mr. LANTOS) opposed to the resolution?

Mr. LANTOS. Mr. Speaker, no, I am not. I strongly support the resolution.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XV, the gentleman from West Virginia (Mr. RAHALL) will control the time in opposition to the motion.

The Chair recognizes the gentleman from Illinois (Mr. HYDE) for 30 minutes.

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr HYDE. Mr. Speaker, I yield half of my time to the gentleman from California (Mr. LANTOS) and ask unanimous consent that he may be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. LANTOS) will control 15 minutes.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the pending resolution offered by my friend, the gentleman from California (Mr. LANTOS), and the gentleman from Texas (Mr. DELAY) and by many of our colleagues.

For a moment, Mr. Speaker, put yourself in the position of the Prime Minister of Israel and more importantly in the position of the mothers and fathers of Israel. And I speak of Jews and Arabs, for both have been victims. Having concluded an agreement under which the parties foreswore the use of force to settle political disputes, you are suddenly subject to violent acts, including eventually the nearly daily horror of homicide bombings. You realize those acts are not opposed and actually seem to be supported by the leadership on the Palestine side.

What are you to do? You just take action to defend yourself, your people, your children; and that is what Israel did and the American people support it. We must, of course, think beyond the current situation.

The administration has done a good job at diffusing this crisis and minimizing the loss of life, but now they must arrive at a method to determine once and for all if Chairman Arafat, given sufficient pressure and incentive, can exert the required leadership. If not, someone with authority must take his place; but for now he is the leader of the Palestinian people and for their sake, if not his, we must go the extra mile. This will require a reconstruction on democratic grounds of the Palestinian Authority, a new deal for the Palestine people from their leaders. Good government, open markets, not corruption, cronyism and monopolies must prevail in the Palestinian areas.

The gentleman from California (Mr. LANTOS) and I have now determined that we must add to the political and security steps that are part of the administration's plans. We must add an economic component to provide a prospect of a better life for the people of the region. A new Marshall Plan is needed to provide stability in the region, and I hope to develop a proposal in the near future with the gentleman from California (Mr. LANTOS).

The leadership of President Bush has been enormously helpful; and I am proud that he, the Congress, and the American people are standing up for our friends in the Middle East at this crucial moment in its history.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield 1 minute to the distinguished Democratic leader, the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Speaker, with this resolution today the House of Representatives is standing in solidarity with the people of Israel and for peace in the Middle East. We are defending a people, a democracy, and a friend that shares our commitment to the universal values cherished by all human beings in the world.

Since 1948, America has stood with Israel when Harry Truman rejected the advice of his staff and formally recognized Israel as a sovereign nation. Since that time Israel's strength and America's leadership have been essential in advancing these goals. We cannot stand on the sidelines as Israel's security and the prospect of peace are undermined.

We must not waiver in our commitment to those, Arab and Israeli alike, who have chosen the path of peace.

A few months ago I visited the Middle East and saw firsthand that Israel is in a moment of great danger. Over the past several months Israel has endured terrorist attacks unrelenting in frequency and severity. In the past 18 months, more than 450 Israelis have been killed and over 4,000 have been wounded in attacks. For a country the size of Israel, these numbers are staggering. Proportionally, this equates to more than 21,000 American deaths and over 200,000 American injuries. Yet the Israeli people remain strong, and they remain determined to increase their security and pursue a lasting peace in the region.

The American people are also committed to these goals: first, to preserve and strengthen Israel's security; second, to help Israel and its neighbors end the violence and the threats posed by terrorism; third, to resume a dialogue among those committed to a just and lasting peace for all. This is not an issue that politics should infect.

What is important here is that Americans stand together and be bipartisan, and that the administration and the Congress speak with one voice as much as humanly possible on this issue.

We must continue to lead efforts to bring about peace in the Middle East. We are committed to the vision of two independent states living side by side in peace, security and prosperity. We seek a resolution of the conflict between Israel and all of its neighbors. We recognize the humanitarian needs of all people in the region, and we support efforts to address these needs.

This is an important issue for the security of every human being in America, everybody in the Middle East and maybe everybody in the world. With this resolution we will stand by Israel, we will stand for peace, and we will stand for a future that brings peace and prosperity to all of the people of the Middle East.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is probably the most political nonpartisan resolution in the history of Congress. I have every bit of empathy and concern for those innocent Israelis that have lost their lives. And the statistics in the resolution, they have been demonstrated here today; but no mention has been made of the innocent Palestinians that have been killed by Israeli forces and settlers. In terms of U.S. numbers, this amounts to more than 30,000 dead, 120,000 wounded and maimed.

So let us look at this issue in a balanced approach. Let us send a balanced message to the Middle East. The tens of thousands of Americans that have come to our Nation's capital demonstrating on both sides, Israelis have come, Palestinians have come, they need to see that Washington and the Congress is balanced in our efforts here.

Neither side has fulfilled their agreements under Oslo. Let us get that straight. You have heard the attacks against Arafat. Sure he has not fulfilled them. Neither have the Israelis. Neither side, neither side is an angel here. Neither side is an angel. Let us get that on the record perfectly clear as well.

Mr. Speaker, I yield 2½ minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, we have seen this resolution or one very like it before. The same thoughts that we saw before we see before us today, and that is that this is not a balanced resolution. It is not in the interests of Israel. It is not in the interests of the Palestinian people, and it is not in the interest of the United States. It is simply a denunciation of the Palestinians, and it does nothing to set out a picture of balance as the position of the United States.

It is time the United States recognizes something. Our commitment, and I am a part of that, to Israel for its continued existence requires that there be peace in the Middle East, and it requires that the United States function as an honest broker and as a friend to all parties and to all countries in that area. We can and we should and we do and we denounce terrorism. It is wrong.

But this denunciation of terrorism is not the kind of mechanism that will bring peace. It does not posture the United States as a friend to all. It does not posture the United States as an honest broker seeking to defend the interests of peace and to establish a place and a climate in which Israelis and Israel and Palestinians and a Palestinian state may live at peace. It simply takes one side. That is no way to get ourselves in the position of being an honest broker.

I would like to read something that was said by a man wiser than I and wiser than most of us here. He said this: "I truly tell you, we have before us today an opportunity for peace which time will never repeat and we must seize if we are really serious in struggling for peace. If we weaken or fritter away this opportunity we shall end in a new blood-bath. He who has conspired to lose it will have the curse of humanity and history upon his head."

These are the words that Anwar Sadat spoke to the Israeli Knesset in 1977. I would remind you that Sadat, like Yizak Rabin, paid the highest price for his search for peace.

I would tell you that until the United States recognizes the need for us and this country to function as an honest broker for peace, there will be no peace, there will be no security for Israel, there will be no security for the Palestinians and no security for the United States.

Mr. Speaker, today we are debating yet another irresponsible Congressional resolution that does absolutely nothing to help end the violence that plagues the Israeli and Palestinian people. I rise in opposition to this resolution, which at a very delicate time undermines the Bush Administration's efforts to ease tensions, end violence, and bring about a fair peace that will be acceptable and beneficial to Israelis and Palestinians. This resolution sends exactly the wrong signal at this perilous time. It will only further fan the flames of violence, increase regional instability, and compromises our war on terrorism.

With American forces engaged in battle, the Administration needs Congress to support its diplomatic efforts, particularly the effort to bring about peace in Israel and the Occupied Territories. The Administration needs Congress to support its efforts to engage both the Israelis and Palestinians as an honest broker that sees the death of any innocent human being as a tragedy and threat to the long-term interests of the parties involved, our regional allies, and the United States. Congress must stand for peace, for it is peace alone that will benefit Israel, Palestine, and the United States. The Administration does not need Congress to pass one-sided, proactive measures that undermine U.S. diplomacy and our ability to address this problem, which has proven to be a cancer on Israel, Palestine, the region, and U.S. diplomacy.

Consistent and fair U.S. leadership is critical to providing Israel security and allowing the Palestinian people to live with dignity, and is the best and perhaps only viable hope for reducing bloodshed. As bad as the situation is today, there are rays of hope that we must not block. We have an opportunity for peace, and numerous diplomatic initiatives—based on U.S. leadership and building on the Mitchell Committee Report, the Tenet plan, and the Saudi Proposal—that must move forward. These measures could prevent the widening of this conflict into a war in which there will not be a winner regardless of military outcome.

Passage of H. Res. 392 will undermine the Administration, diminish U.S. leverage with the Palestinians, and further damage U.S. creditability in the region. If the U.S. fails to act as a peace proponent now, there will most certainly be a leadership vacuum in the region. This will hurt our allies, including Israel.

Mr. Speaker, what is the vision of the Administration? Secretary Colin Powell said that is to build, "a region where Israelis and Arabs can live together in peace, security, and dignity." To do this he noted that both parties must take steps, some painful, in order to reach a just conclusion to this conflict. H. Res. 392 does not embody this vision, and it does not embody peace.

Why aren't we debating H. Con. Res. 253, a bill I introduced that endorses the Mitchell Commission recommendations? Why aren't we debating H. Res. 394, which my colleague from Oregon, Mr. DEFAZIO, introduced? Why aren't we debating H. Res. 382, that my friend ALCEE HASTINGS introduced? All these bills are balanced, and urge a peaceful settlement to the ongoing conflict that is endangering the region and the world. Why aren't we urging the parties to work with the Administration to end the violence and make peace?

Let me read you a statement made from a man wiser than I:

> I truly tell you: we have before us today an opportunity for peace which time will never repeat and we must seize it if we are really serious in struggling for peace. If we weaken or fritter away this opportunity we shall end in a new blood-bath; he who has conspired to lose it will have the curse of humanity and history on his head.

Mr. Speaker, these are the words Anwar Sadat spoke to the Israeli Knesset in 1977. Sadat, like Yitzak Rabin, paid the highest personal price for peace. Let us remember these words and these brave men, and champion efforts to bring about a just and lasting peace. Let's be on the right side of history. Vote down this resolution, and support the Administration's efforts to solve this conflict and bring peace to this troubled land.

☐ 1515

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Illinois (Mr. HYDE) for yielding me the time.

Mr. Speaker, I rise in strong support of H. Res. 392 in expressing America's solidarity with Israel in its fight against terrorism, and I commend the gentleman from Texas (Mr. DELAY) for his leadership and the gentleman from California (Mr. LANTOS), the ranking minority member of our committee, for their cosponsorship of this resolution which makes several significant policy statements.

The PLO and Chairman Arafat have long been suspected, but it was only recently made clear that they were engaged in an organized deliberate campaign of terror aimed at inflicting as many casualties as possible on the Israeli population by their suicide bombings. It is obvious that Mr. Arafat has not been any partner for peace.

The amount of illegal weapons seized from the Palestinians by the Israelis is decisive evidence of their warlike intentions. Moreover, Mr. Arafat has continued to incite terror by stating with regard to the Passover massacre suicide bomber, "Oh God, give me a martyrdom like this."

This proposal concludes that Mr. Arafat and the Palestinian Authority have failed to abide by their commitments, pursued an ongoing terrorism campaign against the State of Israel. The Passover massacre was perpetrated by a terrorist whom Israel had previously had called on Mr. Arafat to arrest.

This resolution, which I am pleased to cosponsor, maintains its firm commitment to Israel's right of self-defense. Mr. Speaker, political disputes can only be solved through negotiation, through compromise and the building of trust and not by violence and certainly not by suicide bombings.

Accordingly, I strongly urge support of H. Res. 392, and I urge my colleagues to fully support this measure.

Mr. LANTOS. Mr. Speaker, I yield as much time as he may consume to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, I thank the gentleman from California (Mr. LANTOS) for yielding me the time.

Mr. Speaker, I have always been a strong supporter of the State of Israel, the people of Israel, and their need to live in peace behind secure borders, enjoying normal relations with their neighbors and the world.

I am an equally strong supporter of the rights of the Palestinian people to live in peace in their own state, behind secure borders, enjoying normal relations with their neighbors and the world.

I agree with the sponsors of this resolution that the recent spate of Palestinian suicide bombings of Israeli civilians is horrific, and deserves condemnation. We must stand united against terrorism, in all its forms.

However, I am concerned with some of the deficiencies of this resolution.

President Bush and Secretary of State Colin Powell are exerting great efforts to move the Middle East peace process forward. The United States is the only country that has the resources, the will, and the influence with both sides to help bring them to a peaceful solution.

Both President Bush and Secretary Powell have raised questions about the effect of this resolution.

The Congress should rightly praise the President's peace efforts. But we should also encourage the Arab countries to embrace the Saudi peace proposal for an Israeli withdrawal from the occupied territories, coupled with a complete recognition and acceptance by the Arab countries of Israel's right to secure borders and normal relations with her neighbors.

It is also unfortunate that the sponsors of the resolution did not insert language sought by the Bush White House that would acknowledge the suffering of the Palestinian people.

Peace will not come to this region until both sides are willing to give up some of their maximal goals, including the questions of refugees and settlements. And it means both sides must be invested in the success of the peace process and in maintaining peaceful relations between the Israeli and Palestinian peoples.

Mr. Speaker, I will vote for H. Res. 392, despite its deficiencies as a way of expressing solidarity with the people of Israel during a time of strife. But we must never lose sight of the need to also acknowledge the suffering and the political rights and aspirations of the Palestinian people.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, in the last 18 months we have watched while nearly 400 Israelis, mostly civilians, have died in the violence in the Middle East. We have watched the escalation that has cost so many Palestinians their lives in a senseless intifada. We seek an end to violence and we ask for peace to all the people of the Middle East.

The established Palestinian leadership cannot decide on which side of the line they stand, but this is a moral line that one cannot straddle in pursuit of political goals. Whether or not they ordered the terrorists into action or whether they turned a blind eye, it is they who are responsible for the violence that kills the innocent and kills the young people who are suicide bombers today.

Israel is not perfect, but I believe that Israel does not wage war on innocents. Israel knows that there is no compromise with terrorism.

America lost its innocence after September 11, and that caused us again to view and understanding of the forces of evil that can threaten our survival. There is no more important moment for solidarity. With only 6 million people in the preciously small place, Israel needs our voice. Our solidarity is borne of our common instinctive response to that September 11 attack. With this resolution, we renew the solidarity in a common cause.

Mr. RAHALL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman from West Virginia for yielding me the time.

I am going to enter into the RECORD at this point a statement by Desmond Tutu, who asks for a balance for peace and a way to bring peace together.

[From the Guardian, Apr. 29, 2002]

APARTHEID IN THE HOLY LAND

(By Desmond Tutu)

In our struggle against apartheid, the great supporters were Jewish people. They almost instinctively had to be on the side of the disenfranchised, of the voiceless ones, fighting injustice, oppression and evil. I have continued to feel strongly with the Jews. I am patron of a holocaust center in South Africa. I believe Israel has a right to secure borders.

What is not so understandable, not justified, is what it did to another people to guarantee its existence. I've been very deeply distressed in my visit to the Holy Land; it reminded me so much of what happened to us black people in South Africa. I have seen the humiliation of the Palestinians at checkpoints and roadblocks, suffering like us when young white police officers prevented us from moving about.

On one of my visits to the Holy Land I drove to a church with the Anglican bishop in Jerusalem. I could hear tears in his voice as he pointed to Jewish settlements. I thought of the desire of Israelis for security. But what of the Palestinians who have lost their land and homes?

I have experienced Palestinians pointing to what were their homes, now occupied by Jewish Israelis. I was walking with Canon Naim Ateek (the head of the Sabeel Ecumenical Centre) in Jerusalem. He pointed and said: "Our home was over there. We were driven out of our home; it is now occupied by Israeli Jews."

My heart aches. I say why are our memories so short. Have our Jewish sisters and brothers forgotten their humiliation? Have they forgotten the collective punishment, the home demolitions, in their own history so soon? Have they turned their backs on their profound and noble religious traditions? Have they forgotten that God cares deeply about the downtrodden?

Israel will never get true security and safety through oppressing another people. A true peace can ultimately be built only on justice. We condemn the violence of suicide bombers, and we condemn the corruption of young minds taught hatred; but we also condemn the violence of military incursions in the occupied lands, and the inhumanity that won't let ambulances reach the injured.

The military action of recent days, I predict with certainty, will not provide the security and peace Israelis want; it will only intensify the hatred.

Isreal has three options: revert to the previous stalemated situation; exterminate all Palestinians; or—I hope—to strive for peace based on justice, based on withdrawal from all the occupied territories, and the establishment of a viable Palestinian state on those territories side by side with Israel, both with secure borders.

We in South Africa had a relatively peaceful transition. If our madness could end as it did, it must be possible to do the same everywhere else in the world. If peace could come to South Africa, surely it can come to the Holy Land?

My brother Naim Ateek has said what we used to say: "I am not pro- this people or that. I am pro-justice, pro-freedom. I am anti-injustice, anti-oppression."

But you know as well as I do that, somehow, the Israeli government is placed on a pedestal [in the US], and to criticize it is to be immediately dubbed anti-semitic, as if the Palestinians were not semitic. I am not even anti-white, despite the madness of that group. And how did it come about that Israel was collaborating with the apartheid government on security measures?

People are scared in this country [the US], to say wrong is wrong because the Jewish lobby is powerful—very powerful. Well, so what? For goodness sake, this is God's world! We live in a moral universe. The apartheid government was very powerful, but today it no longer exists. Hitler, Mussolini, Stalin, Pinochet, Milosevic, and Idi Amin were all powerful, but in the end they bit the dust.

Injustice and oppression will never prevail. Those who are powerful have to remember the litmus test that God gives to the powerful: what is your treatment of the poor, the hungry, the voiceless? And on the basis of that, God passes judgment.

We should put out a clarion call to the government of the people of Israel, to the Palestinian people and say: peace is possible, peace based on justice is possible. We will do all we can to assist you to achieve this peace, because it is God's dream, and you will be able to live amicably together as sisters and brothers.

Mr. RAHALL. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. OBEY), a member of the Appropriations Committee.

Mr. OBEY. Mr. Speaker, Oh, little town of Bethlehem, we witness and we cry, Israelis and Palestinians, both practice eye for eye.

Made blind by rage and terror, they make a just God cry, and crush the hopes of all the years while still more children die.

Our senators and congressmen produce a rash appeal, selective words of blame are used, instead of words that heal.

Put politics and word games before the cause of peace and make it still more difficult to bring the region peace.

Mr. HYDE. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from North Carolina (Mr. COBLE).

Mr. COBLE. Mr. Speaker, I thank the gentleman from Illinois (Mr. HYDE) for yielding the time to me.

I have been in the People's House, Mr. Speaker, for nine terms, and during each term, peace in the Middle East has been debated at length. Here we are again today.

I care not who speaks for Israel or for the PLO, but I do care who rejects terrorism and who embraces it. We cannot stand idly by and see innocent persons slain day after day. This peace process must be driven by reason, not anger and hostility.

Israel has demonstrated that it can live in peace with its Arab neighbors, and reasonable men and women representing each side of this conflict should formulate a peace plan whereby bloodshed in the Middle East becomes a sordid plank of the past, and peace, an ingredient that sweeps across the Middle East, to be enjoyed by Israelis as well as Palestinians.

This should be our prayer.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 1 minute to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Speaker, I rise today in strong support of this important resolution. On September 11, raw, cold blooded terror exploded in the United States of America, the type of terror that Israelis know far too well.

Here in the United States we point to one single day, September 11, and remember the unspeakable carnage and terror. Israelis cannot point to one single day of terror because they live with terror every single day.

As someone who lost a family member on September 11, each time a homicide bomber attacks a cafe in Israel, it reawakens my grief and my anger, and I know the impact of each explosion is felt in the hearts and minds of every single American.

Israel and the United States are fighting the same enemy. Our enemies have different faces but a common objective.

The U.S. has found it easy to identify our enemy but often difficult to identify our true friends. A friend is someone with whom one shares a common cause and struggle. Our cause is peace and our friend is Israel.

It is time to stand up and speak with one resolute voice and say, Israel, we are in this together.

Mr. RAHALL. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, is there anyone in this body or Nation that does not know that the U.S. government is friendly with Israel and supports their cause? Now, I would ask the gentleman from Illinois (Mr. HYDE), the chairman, why were there no hearings? I would ask the gentleman from California (Mr. LANTOS), the ranking member, why were there no hearings?

Mr. LANTOS. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from California.

Mr. LANTOS. Mr. Speaker, I will be delighted to respond to the gentleman.

There was no reason for the lack of hearings. This issue has been discussed ad nauseam and ad infinitum, and the tragedy which is unfolding in the area compelled us to move expeditiously. We will be delighted to have extended hearings, as I am sure the Chairman plans, on the whole issue of peace in the Middle East.

Mr. CONYERS. Mr. Speaker, as my ranking member and friend knows, we are trying to construct an environment that we can talk about this matter among ourselves and that there needs to be a national dialogue around the country.

I have talked with the gentleman from Illinois (Mr. HYDE) about it, to which he has agreed. I have talked with the senior Senators from Delaware, North Dakota, the gentleman from New York (Mr. GILMAN), the gentleman from West Virginia (Mr. RAHALL), and the gentlewoman from California (Ms. WOOLSEY).

Here is what Martin Luther King said, "We are caught in an inescapable network of mutuality, tied in a single garment of destiny."

Mr. LANTOS. Mr. Speaker, I am delighted and proud to yield 2 minutes to the gentlewoman from California (Ms. PELOSI), our distinguished Democratic whip, and my friend and neighbor.

Ms. PELOSI. Mr. Speaker, I thank the gentleman from California (Mr. LANTOS) for yielding me the time.

Mr. Speaker, today as we are engaged in this very sad and difficult debate on this floor of the House, there is an ongoing tragedy in the Middle East, and indeed, we mourn the loss of life on both sides of the conflict.

Yes, the U.S. and Israel have had an unbreakable friendship based on our shared commitment to peace, stability and democracy. A secure Israel can only prevail if there is peace in the Middle East.

Less than 2 years ago, Israeli and Palestinian leaders met at Camp David, and we were hopeful of an agreement that all issues of permanent status, including the establishment of a Palestinian state and a secure State of Israel would be resolved.

Prime Minister Barak made a generous and historic proposal. Chairman Arafat missed that historic opportunity when he failed to seize it and to negotiate a peaceful settlement of the Middle East crisis.

We must return to that effort sooner rather than later. Neither Israel nor the Palestinians can afford to abandon the search for peace.

The United States must lead at this critical time. We know that when the United States is involved, there is less violence in the Middle East.

Terrorism and suicide bombings must not be the price that is paid for a free society. The goal of terrorists is to instill fear. They kill not just to destroy lives but to change the way people live and the way a country thrives.

In order to build a better future for his people, Chairman Arafat must become a viable partner for peace. It is only through honest negotiations, not through violence, that the Palestinians can achieve their goal, which most of us support, the creation of a Palestinian state.

That is why I am pleased that the resolution before us today calls for the international community to provide humanitarian assistance to Palestinians, and the United States must be a strong part of that. We must build upon the efforts of the heroes who have built the foundation for peace. We must honor the legacy of the martyr for peace, Prime Minister Rabin, and work for a secure Israel and for peace in the Middle East. As I said, that can only happen with a secure Palestinian state.

In the spirit of Rabin, we must be guided by his words, "No more bloodshed, no more tears."

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Illinois (Mr. HYDE) has 9½ minutes remaining. The gentleman from California (Mr. LANTOS) has 10 minutes remaining. The gentleman from West

Virginia (Mr. RAHALL) has 23½ minutes remaining.

Mr. RAHALL. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I declare my support for the State of Israel and the security of the Israeli people. I also declare my support for a Palestinian state and the security of a Palestinian people. So I will vote present today because I believe the security of Israel requires the security of the Palestinians.

I will vote present because I believe the United States can do better through honest brokering and a principled commitment to peaceful coexistence. Today we are missing an opportunity to lead people of the Middle East toward a secure and stable future together.

This resolution equates Israel's dilemma, which is the outcome of the Palestinian struggle for self-determination, with the United States campaign against the criminal organization, al Qaeda. Unfortunately, our own policy is undefined, amorphous, without borders, without limits and without congressional oversight.

For this Congress to place the historic Israeli-Palestinian conflict into the context of the current fashion of U.S. global policy pitches, Israelis and Palestinians alike into a black hole of policy without purpose and conflict, without resolution.

The same humanity which requires us to acknowledge with profound concern the pain and suffering of the people of Israel requires a similar expression for the pain and suffering of the Palestinians. When our brothers and sisters are fighting to the death, instead of declaring solidarity with one against the other, should we not declare solidarity with both for peace so that both may live in security and freedom?

If we seek to require the Palestinians who do not have their own state to adhere to a higher standard of conduct, should we not also ask Israel with over a half century experience with Statehood to adhere to a basic standard of conduct, including meeting the requirements of international law?

There is a role for the Congress and the administration in helping to bring a lasting peace in the Middle East. However, this resolution does not create that role.

□ 1530

After today, we will still need to determine a course of action to bring about peace. This course will require multilateral diplomacy, which strengthens cooperation among all countries in the region. It will require focused, unwavering attention. It will require sufficient financial resources. And it will require that our Nation have the political will to bring about a true and a fair and sustainable resolution of the conflict.

When this Congress enters into the conflict and takes sides between Israel and Palestine, we do not help to achieve peace, but the opposite. Similarly, the administration should consider that when it conducts a war against terrorism without limits, the principle of war is quickened everywhere in the world, including the Middle East. When it talks incessantly about invading Iraq, the tempo of war is picked up everywhere.

If we truly want peace in the Middle East, this resolution is counterproductive. I will vote "present" because I do not believe this resolution dignifies the role towards creating peace which this Congress can and must fulfill.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 1 minute to the gentleman from California (Mr. HORN), my very learned colleague.

Mr. HORN. Mr. Speaker, September 11 showed Americans the results of the devastating effects of terrorism in our lives and communities. Sadly, citizens of Israel must deal with terrorism every day. The terrorists want to destroy Israel. As the only democracy in the Middle East, Israel embodies the ideals and virtues that we treasure as Americans.

Let us support the people of Israel. The peace will only come when Israel and its Arab neighbors come together and work out a realistic and honest agreement. For that to occur, acts of terrorism must end and Israel's right to exist in peace must be recognized and honored.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, today Israel faces an attack on its continued existence by those who reject a two-state solution. Now is the time for us to demonstrate our solidarity with those under terrorist attack. We should not be balanced between those who target civilians for death and those seeking to protect themselves from terror.

For those who thirst for balance, recognize that this resolution is but a drop in the bucket of world commentary, and this resolution will help balance, will help offset the rash of anti-Israel diatribes and anti-Semitic violence.

Some will disagree with the exact drafting of this or that clause in this resolution, but the world will little notice the exact text however. The vote total, will blaze in headlines worldwide. Let that vote total demonstrate that no one can drive a wedge between the United States and Israel, and no one can drive a wedge between Democrats and the pro-Israel community.

Vote yes!

Mr. RAHALL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I rise today in the cause of peace and to express my concern about the content and the timing of this resolution, and I urge my colleagues to vote "present."

Just before we adjourned last year, I introduced House Resolution 328, a bill expressing the sense of Congress that during the holiday season peace should be America's top priority in the Middle East. I was greatly disappointed, in fact I was shocked, that the leadership refused to bring up such a mild but hopeful bill on this floor. They never considered peace a priority.

The killing escalated over the holidays and into this year. What a corrosive impact this is having on the young minds of our world. If Congress truly wants to encourage peace, then let us do it constructively.

I agree with the gentleman from Texas (Mr. DELAY) that hundreds more innocent Israelis and Palestinians have died tragically in the ongoing violence. But his one-sided resolution will only fan the killing frenzy. It offers no encouragement for the Arab states to have a place at the peace table.

Israel cannot make peace alone. This resolution envisions no Palestinian state as key in the peace process. At its worst, I fear it represents crass domestic politics in this election year. By contrast, President Bush and Secretary Powell have both asked that Congress put this bill on hold.

Instead of supporting our ally, Israel, this resolution further endangers the delicate balance so necessary to bring peace to the entire region. Let us be a true partner for peace, not just with Israel but as well with the Arab states in the region, surely those that have suffered bloodshed in their common cause with Israel, for a just and lasting peace.

Mr. Speaker, a just peace process must be inclusive or it will not be sustained. America must stand for inclusion. I urge the Members to vote "present" on this resolution, and in this way we will demonstrate America's continuing support for Israel but also that this resolution is half-drawn and ill-timed.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 1 minute to the distinguished gentleman from New York (Mr. HOUGHTON).

Mr. HOUGHTON. Mr. Speaker, I am going to support this resolution. There is no question about it. We have to support Israel, irrespective of what party is in charge. The people of Israel are our friends. In these horrible and dangerous times, we just cannot turn our back on them. They have to know we are there for them.

Having said that, I must admit that I think the timing of this resolution leaves a lot to be desired. Here we are at a point of high tension. Both Israelis and the Palestinians are wounded and desperate and looking to us for leadership. Secretary Powell has come back from his trip and Prince Abdullah has made his suggestions. As we sit here, the quartet, the U.S.-U.N., U.N.-EU, and the Russian Federation are hammering out some sort of resolution in the White House.

We must support Israel, but we must not turn our back against those on the other side, and they should know that, because our objective, primarily, has got to be peace.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I rise in strong support of the resolution, in support of Israel, our best ally, with whom we have shared values; freedom of the press, freedom of speech. Israel is an outpost of western democracy in a sea of dictatorships and tyrants. If we, rightfully so, can go halfway around the world to combat terror in Afghanistan, surely Israel should be allowed to do the same in her own back yard.

For those who say the timing is wrong, the timing is right. Arafat has to know now that we will not allow him to use terror as a negotiating tool. The terror that has come out with the suicide bombers, three-quarters of those are affiliated with Arafat's Fateh group. We have to be consistent in the fight of against terrorism. No double standard. Because if we have a double standard, it undermines our fight against terrorism, and there is no moral equivalency between terrorism and self-defense.

People who say we should be more balanced, why is the rest of the world not balanced? The Arabs will understand and will make peace when they know that our bond with Israel is unshakable. And this resolution goes a long way in solidifying that bond.

We must vote "yes." Vote against terror, vote "yes" on the resolution.

Mr. RAHALL. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO), a gentleman who has sponsored a very balanced resolution in this body.

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding me this time.

When Yasir Arafat walked away from the peace agreement so painfully negotiated with President Clinton and Prime Minister Barak, he was recklessly irresponsible and not a leader in the interest of peace. He provided the fuel for the current endless, downward spiral of violence.

But when Ariel Sharon engaged in provocative foray to the Temple Mount to foster his political ambitions, he provided the spark that ignited the fuel of Arafat and the current violence. And his actions since then have only fanned the flames. These are not men who will lead to peace, neither of them.

The United States must stand tall as a powerful and honest broker of a balanced plan for peace. I believe that President Bush and Secretary of State Powell have made a strong and credible effort to bring an end to the violence and to begin a negotiated peace. They have offered a balanced plan. I have offered a resolution which mirrors their balanced plan. It will not be considered. It is not allowed to be debated. It will not be voted upon as an alternative. We only have this one resolution before us, which is totally slanted and biased and will only encourage more irresponsibility by Ariel Sharon.

I thought there was one thing that might turn the tide in this struggle, and it was a horrible tragedy in the end of March. Look at these two young women. They look like sisters. One, Ayat al-Akhras, 18, was a suicide bomber who killed Rachel Levy at the grocery store, age 17. I thought that both sides would be so appalled by this unbelievable tragedy and see the hopelessness of this that they might turn toward peace. But, no, that has not happened there.

Let that happen here, in the home of democracy and peace. Let us not have the United States Congress somewhere to the right of the Likud in Israel. Let us have the United States Congress stand up for the American people, for peace and democracy in the Middle East. And this resolution that we are being forced to vote on today will not lead us in that direction.

Mr. HYDE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Iowa (Mr. LEACH), the distinguished chairman of the Subcommittee on East Asia and the Pacific.

Mr. LEACH. Mr. Speaker, I intend to vote for this resolution, with reservations. I will vote for it because the opposite perspective would be inexplicable. However, I have reservations on process and substantive grounds.

This resolution is pressed in this body at this time, without administration support and without review by the committee of jurisdiction, all apparently because of concern that the Senate might competitively address the issue before the House.

Substantively this resolution is unbalanced, untimely, and potentially counterproductive to the foreign policy interests of the United States and, implicitly, the viability of the State of Israel.

It is the case that this Congress must unequivocally support the existence of the state of Israel. This is a moral imperative. But if Israel is to provide security for its people, it must recognize that the Palestinian people, despite a leadership that has misserved it, have legitimate aspirations. There can be no security for either Israelis or Palestinians unless fair and equitable borders are established delineating both a Palestinian and Israeli state.

This resolution asserts a common U.S.-Israeli position on terrorism. The more difficult quid pro quo is to come: The expectation that if the United States and international community broker a credible peace agreement, the Knesset will seize the future and rise above the politics of the moment.

We in this body can express with ease, and perhaps too much glibness, rhetorical concerns of the nature contained in this bill. What will be quantumly more difficult is for the Knesset and the Palestinian Authority to reach an accord that can provide for a future of peace and stability. Parties in the region simply must demonstrate more courage and more balanced judgment than this Congress is doing today.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, before yielding to my next speaker, to just point out to my colleague who equated a suicide bomber with a victim that that is precisely what this resolution is all about. There is no moral equivalence between a suicide bomber and an innocent victim of a suicide bomber. I find this analogy he portrayed sickening.

Mr. Speaker, I am delighted to yield 1 minute to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Speaker, I thank the gentleman for yielding me this time.

With the passage of this resolution, we stand in solidarity with Israel and with her people, and offer our support and our sympathy. We are outraged by the use of terror against innocent civilians. It is time for the Arab leaders and the Palestinian leaders to completely renounce the use of terror, in word and in deed.

There is no moral equivalency, as my friend from California has said, between the use of terror against innocent civilians and with Israeli self-defense. There are simple truths here. Israel has the right to defend herself, and this country should not be putting limits on that right of self-defense.

I will join three of my colleagues, Mr. Speaker, in a trip this weekend to Israel to demonstrate by our presence the solidarity and concern and support that this House will voice through a majority vote here today.

□ 1545

We stand with Israel. Our support is rock solid, and Israel will survive.

Mr. RAHALL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Speaker, I rise in strong opposition to this resolution. This resolution blindly supports Israel's actions against the Palestinians and wholly denies the generations of suffering of the Palestinian people. This would be wrong at any time, but in light of what has happened at Jenin and Bethlehem, Ramallah, Haifa, Jerusalem, and Netanya, and what continues to happen today, this resolution is dangerous.

Like most Americans, I support Israel. However, just like most Americans, I do not support and will not support all of Israel's policies. Generations of Palestinians and Israelis have suffered in the region, but the violence of the Israeli-Palestinian conflict cannot be examined or addressed in isolation of decades of occupation of millions of Palestinians.

Israeli suffering is something that this body understands and discusses. But what of the suffering of the Palestinian people? What of the history of land confiscation, water rights, torture, settlements, collective punishments, home demolitions, curfews, administrative detentions, expulsions, child labor? Where is the language about the 1,000-plus Palestinians killed in the last 19 months, bodies found under rubble? Where is the language about the thousands made homeless by the bulldozers in Jenin alone? Where is the language about the relief agencies denied access to treat the sick and wounded? We know that relief agencies, including the International Committee of the Red Cross, were prevented from reaching and evacuating and treating the sick and wounded throughout the West Bank and Gaza Strip, resulting in untold deaths, from the mother who bled to death from a normally nonfatal wound in front of her children, to the couple buried alive under rubble for 8 days. The stories coming to light are horrific.

Rarely on this floor is there discussion of the nearly 420 Palestinian villages destroyed at the time of Israel's founding in 1948, or the 3.8 million refugees registered by the United Nations or the estimated 2 million others not registered. Palestinians live in 59 different recognized refugees camps in misery, in poverty, with no hope of a better future for the next generations that are born into those camps.

Can we know today what 38 percent employment in the West Bank or 75 percent unemployment in Gaza can do to a population? While we cling to the hope of peace that Oslo would bring, Palestinians saw a remarkable growth in settlements. As of February, Peace Now estimates the settlers' population at 230,000, having approximately doubled in the last 10 years under Oslo.

Mr. Speaker, this is not a good resolution. I encourage Members to vote against it.

Mr. LANTOS. Mr. Speaker, I yield 1 minute to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I rise in strong support of this resolution and as an advocate of a strong American-Israeli relationship. No country in the world is more familiar with what we Americans experienced on September 11 than is Israel.

There are those who object to Israel's actions of self-defense. I ask those Members, what is America doing in Afghanistan? Are Israeli victims of terror in some way different from American victims? Do Americans have a right to self-defense and Israelis a right to die? The peace process is dead because the Palestinians killed it. It is time for Yasir Arafat and the so-called Palestinian leadership to express their desire for a Palestinian state living peacefully next to Israel rather than a Palestinian state in the place of Israel; and they need to say it in English and Arabic.

The crisis in the Middle East has nothing to do with a Palestinian homeland. The Israelis have agreed to that long ago. It has everything to do with the survival of the State of Israel, which the Palestinians have yet to recognize. This resolution sends a clear message to the supporters of terrorism and the enemies of Israel that America will never be an ally to those who commit terror.

Mr. Speaker, I ask all Members to support this resolution and stand, as this Member does, side by side with the people of the State of Israel.

Mr. RAHALL. Mr. Speaker, I yield 3½ minutes to the gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, of course Israel has a right to a military response to this immoral terrorism. Of course we stand with Israel. But this resolution has a major omission: it is too weak for America. It does not cut the mustard for America because it does not allow America to fulfill its manifest destiny of the only hope in the world of a force for peace to be an honest broker to help find justice and peace in this region of the world.

It rightfully expresses our permanent, unalterable commitment to the security of a Jewish state in Israel, and it wrongfully excludes any reference, any reference of a recognition or even our interest in recognizing the legitimate aspirations of the Palestinian people for a viable state of their own. This is the national policy of the United States of America, but it was omitted from this resolution for partisan, political purposes.

We rightfully condemn suicide bombing, but we cannot blind ourselves to the reality that when the world's only superpower totally ignores one people, it cannot serve effectively to bring peace to the other. We owe the Israeli people more than blind obedience to any of their government's policies. We cannot be a blinded giant. We owe them honesty, and it is honest to say that a national policy of refusing to accept and recognize the legitimate right of Palestinians to a viable state is not a step on the road to peace. Ultimately there will be justice for both, or there will be peace for neither. We know that violence breeds when hope dies and both parties are blinded by hate. Only we can bring hope to this region.

Mr. Speaker, in doing so, we ought to give Israel the same love and assistance we would give our own brother. So as we would speak up when our brother makes a judgment as to his own harm, so we ought to speak out and say that the settlement policy on the West Bank is hurting Israel. In our acquiescence, our silence in this resolution hurts Israel and does not serve her true vision of high moral values for which we have always admired her.

Mr. Speaker, to make it abundantly clear what this debate is about, and I see the gentleman from Illinois (Mr. HYDE) has stepped out, I would ask the majority party: Would the majority leadership accept a unanimous consent request to add to this resolution a simple sentence that would recognize the hope of the American people that both these parties can find viable states of their own, living in peace, one next to the other?

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. INSLEE. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I am not in a position to accept that statement at this time.

Mr. INSLEE. Mr. Speaker, that is most regrettable because that is the aspiration of the American people and the world, and we ought to fulfill it.

Mr. RAHALL. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I deeply regret that I must vote against this resolution, not for what it says, but for what it does not say. Of course I agree with the strong condemnation of Palestinian suicide bombings killing so many innocent Israeli civilians. Terrorism is utterly intolerable, and it cannot be rationalized by other injustices.

The Palestinian leadership's choice of violence against the innocent as a weapon of war does in fact justify retaliation. But how I wish we could have a leader with the greatness of Ghandi in the Middle East who understood that violence begets violence, as it has catapulted the region into killing and destruction.

I must oppose this resolution because it is unbalanced and, thus, I believe counterproductive in bringing long-term peace and security to the people of Israel. It does not reference President Bush's words of April 4 and America's consistent foreign policy that Israel must stop the expansion and withdraw from the Palestinian-controlled territories before a sustainable peace can be achieved.

This country supports U.N. Resolution 242, and Israel's unwillingness to comply is a contributing factor to the cycle of violence and despair.

This House resolution does not make it clear, as Deputy Secretary of Defense Paul Wolfowitz said before thousands at an Israeli rally that America mourns the deaths of all innocent life, Israeli and Palestinian. Over 1,500 Palestinians and 500 Israelis have been killed just since September.

Yes, many Arabs hate the U.S. for our prosperity and our way of life, but they especially hate us because they see us as turning a blind eye towards the aggression and adding to the daily humiliation that hardens the hearts of even the most peace-loving Palestinian people. And, yes, shame on the Arab states for too often being part of the problem rather than the solution, but their values and actions are not the standard by which we must measure ours. Our response should not be to further alienate these states, thus undercutting our efforts to persuade our Arab allies to help stem the Palestinian violence.

We as a Nation are defined by our respect for all innocent human life, and believe that our power has a purpose to promote peace, understanding and mutual interdependence among all of the neighbors of the world. When whole towns and villages are reduced to rubble, when innocent loved ones are killed indiscriminately, and when the Palestinian people have been treated with such contempt by their occupiers, it breeds rage and desperation among a whole new generation of avengers; and a whole new cycle of vengeance, by any means, begins. That is not in our interest; and it is certainly not in Israel's interest, whose existence, security and future is not best served by this unbalanced resolution; and that is why it should be rejected.

Mr. HYDE. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Speaker, I thank the gentleman for yield me this time to speak in favor of a bill, not because it is perfect, because like many of our resolutions, and like many Members have said, it is less than perfect. It does not speak in a balanced fashion about some of the other shortcomings.

But I believe on the floor today we have to make a statement, a statement that the violence must end. A statement that now that Chairman Arafat has at least limited freedom of movement again, that he use this second chance to bring about an end to violence and a resumption in the altogether too necessary compromises that must be made if we are going to have peace in the Middle East, peace that will benefit both sides, that will end the violence on both sides, that will save lives on both sides.

□ 1600

So although we could all speak and speak rightfully about what is not in this legislation, or even what is maybe wrong in the resolution, I would ask my colleagues on both sides of the aisle to vote for this, to make this strong statement.

Mr. LANTOS. Mr. Speaker, I am pleased to yield such time as he may consume to my friend, the gentleman from Massachusetts (Mr. LYNCH).

Mr. LYNCH. Mr. Speaker, I realize that there are many Members that wanted to speak on this resolution today; and unfortunately for me, my seniority does not allow me to have an opportunity to speak.

I have some remarks here, Mr. Speaker, on behalf of this resolution and in support of the people of Israel, and I will enter them into the RECORD at a later date.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Florida (Mr. WEXLER).

Mr. WEXLER. Mr. Speaker, the United States must stand in solidarity with Israel during this devastating time. Hundreds of Israelis have been murdered by Palestinian terrorists; and make no mistake, Yasir Arafat is directly responsible. The stark reality is that Arafat is no longer even remotely a partner in peace. Just the opposite. Arafat has eviscerated the promise he made at Oslo to renounce the use of violence against Israel. Just as we as Americans defend ourselves against terror, Israelis have the right, the obligation, to defend themselves against terror.

It is unacceptable to condemn both Israel and Arafat simultaneously, as if there was any moral equivalency in their actions. This Congress must never rationalize or explain away acts of terror. What should be the message from Washington to Israel is, Mr. Sharon, defend your people, destroy the infrastructure of terror, and know that America stands with you.

Mr. RAHALL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, sometimes God puts you at the right place at the right time, and I know he did not want to hear that from us from the floor of the House. I know what he wanted to hear from us was let there be peace on Earth, and let it begin with me. Let there be peace on Earth, and let it begin with me.

Let me step up to the plate and say to the world, I want peace, and I am going to do what it takes to give peace. Let me step up to the plate and say to the world, I have it within my power, within my hand, to make peace.

As a kid, remember that saying they used to say, "sticks and stones may break my bones, but names will never hurt me"? All we have is names on this piece of paper, throwing words.

If we as a Congress sincerely believe in peace in the Middle East, let us get on some planes and go over there and sit down and talk to the people in the Middle East and make a difference. Let us stop talking and step up and give some action.

I support Israel. I support Israel. My congressional district has many, many people of Jewish descent; and I am pleased to represent them, but I am pleased to believe in peace. Let there be peace on Earth, and let it begin with this Congress. Let us stop throwing words across the floor and every which way and make a difference.

Mr. RAHALL. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. I thank the gentleman for yielding me time.

Mr. Speaker, I think it has been established that I am pro-Israel and I am also pro-peace and I am also pro-Palestine. We need to find a way to bring people together.

I just want to quote just very briefly from a very insightful article by Desmond Tutu. He says, "In our struggle against apartheid, the great supporters were Jewish people. They almost instinctively had to be on the side of the disenfranchised, of the voiceless ones, fighting injustice, oppression and evil. I have continued to feel strongly with the Jews. I am a patron of a Holocaust center in South Africa. I believe Israel has a right to secure borders.

"What is not so understandable, however, not justified, is what it did to another people to guarantee its existence. I have been very deeply distressed in my love for them and my love for the Holy Land. It reminds me much of what has happened to us as black people in South Africa. I have seen the humiliation of the Palestinians. Surely there are those who want terror, but not all the Palestinians. We need to find how we bring our beloved Israel and Palestine together for peace."

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, I urge my colleagues to read the resolution, because what the resolution does is it speaks truth to power. Some of my colleagues who have spoken against the resolution I do not believe have read it, because there is nothing that is factually inaccurate in this resolution.

It talks about, unfortunately, what is going on in Israel today. There is no Yasir Arafat exemption to the war on terrorism. What is going on today in fact is terrorist actions; and when those bombs are going off, whether it is in a Cafe in Haifa or Jerusalem or Natanya, they are not just trying to kill Jews. In fact, some Arabs have been killed, many Arabs have been killed by terrorist acts themselves. But in essence it is terrorist action against America.

We need to pass this resolution. There are other issues we can talk about at another time. I urge my colleagues to read the resolution. As my good friend and colleague from California on the other aisle, who has been as concerned as any Member in this Chamber of the plight of the Palestinian people, and I praise him for his commitment to vote yes, I urge my friends and my colleagues on this side of the aisle to join with him and let there be no votes against this resolution, even with the objections that people have to the fact that some things are left out.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1 minute to my good friend, the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me time and for his leadership on this important issue, and I stand strongly in support of his resolution.

For 54 years, Israel has experienced terrorist attacks similar to the ones our country suffered on September 11. After 9–11, our country took swift and sure action against the al Qaeda. Every Nation has the right to protect its population against terrorists, particularly terrorists that target civilians. That is what we are doing in the U.S., and that is what Israel should be allowed to do.

The world should recognize that Israel has the right to use military means to protect its citizens and its borders. I welcome President Bush's decision to increase American involvement in efforts to reach a diplomatic solution to the current violence. Israelis and Palestinians must find a way to live peacefully with each other, and we have the moral obligation and strategic imperative to make that happen.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. LANTOS) has 2½ minutes remaining, the gentleman from West Virginia (Mr. RAHALL) has 5½ minutes remaining, and the gentleman from Illinois (Mr. HYDE) has 4½ minutes remaining and the right to close.

Mr. RAHALL. Mr. Speaker, I yield 2½ minutes to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, I want to congratulate those who have taken part in this debate. Except for a few shrill voices, there has been an honest exchange of views by all the Members here. And although that does not correct a faulty proceeding that brought this measure to the floor without a single hearing, can you imagine a motion of this moment, a resolution of this gravity, to never land down in the Committee on International Relations? I would say to the gentleman from Texas (Mr. DELAY), you are a political genius. What you know about foreign affairs, we will determine in the months to come.

But what is most needed in Washington is an inclusive, open and respectful dialogue. And guess who has got to lead it? Us. There is nobody else in the United States. The Congress has to lead the dialogue.

In the world, the United States has to lead the dialogue. Is there anyone that has a reservation about that point? I would yield to them immediately. Because we know that if peace is to come to the troubled Holy Land, it will come with the United States of America playing the major role as mediator, facilitator, and monitor. So our credibility must be as impeccable as we can possibly make it.

The Secretary of State has told us very clearly that certain resolutions hinder our ability to play a constructive role. The Secretary of State says we must be very careful about the messages we send. The President of the United States begged the gentleman from Texas not to send anything to the floor only recently.

So what I am saying is that we must realize that our role is not merely taking sides, but is acting as the world leader. It is in our hands, it is only in our hands, and I urge you to conduct yourselves accordingly.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, Israel, like every other nation, has the right to self-defense. This resolution expresses our solidarity with Israel as she defends herself against the barbaric campaign of terrorism and expresses our determination that the violence must end.

We are told the resolution is not balanced, but we should not be balanced between Palestinian terrorists and Israeli victims; between an Israel that offered breathtaking concessions for peace, and Arafat, who walked away from the table and deliberately started a war.

We should not be balanced between the Palestinian Authority, whose method of negotiation is to murder as many Israeli civilians as possible in restaurants and pizza parlors and Passover seders, and Israel which exercises its right to defend its people by attacking terrorists and gunmen, not innocent civilians.

We all want peace, but to attain peace we must stand in solidarity with Israel so Israel can feel secure in seeking peace.

We can and should be an even-handed broker during negotiations, but we must stand forthrightly with Israel now against the terrorists if there are ever to be again real negotiations.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume to close on my side.

Mr. Speaker, this has been an interesting debate today; and I do congratulate all those that have participated in it and followed it, because it is a very emotional issue, it is a very difficult issue and a very delicate issue.

There is no question, as I said in my opening comments, that America stands by Israel. They are our ally and should always be. Israel must protects itself. But the important question that we must ask is how Israel must protect itself.

The first step is to acknowledge its role in creating the violent conditions in the region. The time has come to stop blaming everything on Arafat. That just will not get it anymore. Getting Arafat is no solution. I am not here to defend him, nor defend his actions. But getting Arafat is not the solution that is going to bring us peace.

Continued humiliation is no solution. This is a method of operation of bullies, not of those who want to return to the peace process, to the negotiating table. "Whereas anybody involved," that means give and take. Is that the real fear here of going to the negotiating table, where it means you have to give up something? Does the father of the Israeli settlement policy, the current Prime Minister, really fear about going to negotiations? That is a question that I think is legitimate to ask.

□ 1615

The military option will not secure a peace in the Middle East. The military option will not work. No peace can be achieved. There are many steps that we can take to offer a balanced approach too numerous to mention at this particular time. But the bottom line is we cannot dispossess a people and then attempt to govern them by occupying their land, by forcing them to subsist in refugee camps, by blocking roadways to their jobs, by refusing access to medical attention, by cutting them off from their schools and universities, and by discounting their humanity. This is not the roadway to peace.

In conclusion, Mr. Speaker, I think the bottom line is the Palestinians crave the recognition of their dignity; Israelis crave the dignity of recognition. It is incumbent upon this Congress to recognize both and do both. I ask for rejection of this one-sided resolution.

Mr. LANTOS. Mr. Speaker, I ask unanimous consent for an additional 1½ minutes so that we may accommodate the gentlewoman from Florida (Mrs. MEEK). She will be our last speaker before I close.

The SPEAKER pro tempore (Mr. THORNBERRY). Does the gentleman ask unanimous consent that both the opponents and proponents of the resolution be given an additional 1½ minutes?

Mr. LANTOS. I am delighted to do so, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. HYDE. Mr. Speaker, reserving the right to object, and I really do not want to object, but a lot of people are trying to get planes this afternoon. The weather is very questionable. I am sure her minute and a half is not going to upset us too much, but if we could hold it to that.

Mr. LANTOS. Mr. Speaker, we appreciate that very much.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. RAHALL. Mr. Speaker, reserving the right to object, and I shall not object, but I do want to note that this has been a good debate, and I would not object to the extension of more time, even another hour or 2, or even 3 hours. I think we need to debate this issue more fully. It certainly has been debated fully in the Knesset in Israel, and I am glad to see this debate in the House of Representatives this afternoon, and I hope we will have more such debates.

The SPEAKER pro tempore. Without objection, the gentleman from California (Mr. LANTOS) and the gentleman from West Virginia (Mr. RAHALL) each will receive an additional 1½ minutes.

There was no objection.

Mr. LANTOS. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman from California (Mr. LANTOS) for yielding me this time.

Unlike many of my colleagues, I do not profess to be a professor of foreign affairs, nor a diplomat. I come to this floor today to speak to my colleagues about Israel. I am a friend of Israel and I have been for more than 40 years. I do not plan to change now. I will remain so. I think the people of Israel and Israel itself has been my friend, so I do not plan to stay away from a friend of such long standing. I think that we should pass this resolution. We should not worry about the timeliness of it, but we should think about whether it is right or whether it is wrong, and when it comes to helping a friend who has been our friend for many years, a friend who believes in democracy, and a friend who believes in freedom.

So we do not have a big debate here today, but we have people who believe in the right thing as they see it. The people of Israel deserve our support at this time. Whenever we have a friend in trouble, what do we do? We stand alongside of that friend. There is no right and left of this issue. There is only the right way, the straight and narrow way. It is a hard decision for many of my colleagues who are experts in foreign affairs, but I am saying be an expert of the people of Israel who have had to suffer for many years.

Now is the time for us to stand up, straighten up and fly right. There is no good frog that will not praise his own pond. Israel is a part of our pond.

Let there be no mistake about it, I am a friend of Israel—I have been since the forties—I will remain so. Israel must continue to have the right to exist.

Mr. Speaker, I rise in strong support of this important resolution expressing our solidarity with Israel in its fight against terrorism. Mr. Speaker, this resolution sends a vital message: that we stand firmly with Israel and for peace and justice within the region. There's a debate as to the timeliness of this resolution—but I think the real issue is to stand up for peace at any time the people of Israel and their friends have stood for me.

The resolution reaffirms our unwavering commitment to Israel's security and welfare, to the special relationship between the United States and Israel, and to the values of democracy and freedom that our two countries share. It supports Israel's right to defend its people from terrorism. I stand firmly with Israel and against terrorism. All of us should.

Mr. Speaker, I fervently hope and pray that our efforts and those of the parties to the ongoing negotiations will achieve a real peace in the region and justice for Israelis and Palestinians. Yet however long and crooked the path to real peace may prove to be, we must be clear that we will never allow anyone in the Middle East to choose terrorism as a method of diplomacy.

Israel is making progress toward returning the region to some degree of normalcy.

America must continue to stand firm in its support of Israel in her time of need. Our thoughts and prayers are with the Israeli people, and with all who are committed to a just, lasting and permanent peace of freedom, security, and liberty for all in the region.

Mr. LANTOS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Speaker, I rise in strong support of this resolution.

Mr. Speaker, this resolution is far from perfect; however, in the context of an ongoing peace seeking process, this reaffirmation of America's bond with Israel is a vital step forward. God has blessed America. We are the only remaining superpower in the world. We, the people of the United States, alone have the capacity to serve as the Great Angels of the 21st Century. We can lead the way to solve the most intractable problems. The fullest possible engagement in the Mid East is now a necessity. We must now go the final mile and offer all the resources that we can muster to encourage peace. The whole world knows the self-evident truth that in our hearts and souls we are wedded to Israel. There is no formal treaty that states the obvious; however, it is understood that a threat to the survival of Israel is a threat to a piece of America. We are brothers and sisters for democracy; for freedom; for equality; for the equal treatment of both genders; for recognition and respect for all races, religious and creeds. Against the overwhelming residue of oppressive governance throughout the world, America and Israel are leaders for enlightenment and liberating progress. Who among us, if forced to make the choice, would not want his children to live in the State of Israel, instead of any one of the despotic, oppressive surrounding Mid East nations. Our world has been plunged into a war against more than terrorism. We are in a war against technologically advanced barbarism. We, too, have a tradition that believes in martyrdom, but it is not based on the reckless courage of murderers. The Christians who met Nero's lions were martyrs; the followers of Ghandhi were martyrs; the slain American civil rights freedom fighters were martyrs; suffering 27 years in prison, Nelson Mandela emerged as a martyr and invited three of his prison guards to dine with him at the presidential inauguration banquet. There are millions of us who are determined to continue the fight for justice for all. But the martyrdom of suicide bombers will never bring freedom and justice. And peace can never be achieved merely with tanks and guns. "War never leaves us thrilled/ But maniacs demand to be killed." After we have blocked the murders of the maniacs, we must then go on to take the greatest risk. America must dare to exert a total pressure for peace. We must take the greatest risk of all. The Great Angels of America must be willing to support a formal treaty which guarantees defensible borders for Israel and guarantees an independent Palestinian state. No troops will be necessary to accomplish this feat. Our overwhelming moral force is adequate. We must just state this goal, set a deadline and make peace a reality. We shall overcome.

Mr. LANTOS. Mr. Speaker, I yield myself the balance of my time to close for my side. It has been a good debate. The bottom line is, Israel is a democracy and Israel is our friend, and Israel is our ally in the global war against terrorism.

In our war against Iraq 10 years ago, Israel stood with us. In our war against terrorism today, Israel is standing with us. In turn, we must stand with Israel in its war against terrorism.

Mr. Speaker, it is particularly important that we adopt this resolution now at a time when Israel is subject to a vicious chorus of blind and bigoted hate. Our friends in Israel must be assured that they are not alone in facing the terrorist onslaught. We must make clear that there is no moral equivalence between terrorism and self-defense.

Mr. Speaker, I urge all of my colleagues to rise to the occasion and show our strong solidarity with the democratic state of Israel in our shared struggle against terrorism.

Mr. LANTOS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Does the gentleman from West Virginia seek to use his additional minute and a half?

Mr. RAHALL. Mr. Speaker, I yield myself the remaining time.

Again, I say that there are other approaches and more balanced approaches that we can take that would further the cause of peace and that would further American interests in the region and certainly do this Congress a great deal more credibility. I do notice the main sponsor of the resolution has just walked on to the floor, the gentleman from Texas (Mr. DELAY), and I want to commend him for the last 2 sentences that he finally put in his resolution, urging all parties to pursue and establish a just and lasting and comprehensive peace in the Middle East, which I believe is only the second time in the whole resolution where the word "peace" was used, but nevertheless he finally got around to that. Then he did mention the suffering and the humanitarian needs of the Palestinian people in the very last line, and I appreciate that.

I would ask him as he gets ready to close if he would also agree to the inclusion in his resolution of a line which, as President Bush has stated, recognizing the Palestinian state alongside an Israeli state.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. HYDE) has 4½ minutes remaining.

Mr. HYDE. Mr. Speaker, I am very pleased to yield 4½ minutes to the gentleman from Texas (Mr. DELAY), the distinguished whip.

Mr. DELAY. Mr. Speaker, I thank the chairman for his work on this resolution and his indulgence and his stature, and I appreciate his support. I also thank the gentleman from California (Mr. LANTOS), the ranking member on the Committee on Foreign Affairs, for his incredible courage and principle in co-authoring this resolution, and I appreciate his friendship.

Mr. Speaker, these are very serious times. The principles and virtues that all of us revere and respect about America are under assault today in the Middle East. The people of Israel are resisting a wave of terrorism. As we watch that violence directed against Israel, we are roused to resolve that terrorism, in all its forms, has to be defeated. There is no moral equivalence, there is no moral equivalence between a democratic government defending its citizens and a calculated strategy of death waged by terrorist organizations.

Homicide bombings are evil incarnate. On the scales of justice and morality, they are no different from the attacks launched against the United States just last September. They serve only to satisfy the gruesome appetites of pure hatred and unrestrained wickedness, and they demonstrate beyond question that the abiding threat to peace in the Middle East stems from the groups which exist for the single purpose of destroying Israel.

The citizens of free nations share a very special bond. It flows from our common commitment to a set of enduring principles. We trust democracy. We defend human rights. We live under the rule of law, and we seek good relations with every country wishing to coexist peacefully with other countries. Israel is the lone bastion of freedom in the region. Within Israel's own neighbors, peaceful transitions are nothing more than accidents of fate. Describing these countries as genuine democracies would be as inaccurate as calling an acorn an oak tree.

It is time for every country in the Middle East to pass a fundamental test of a civilized world by unequivocally rejecting terrorism and acknowledging that bombings and other acts of terror render any underlying cause of terror or grievance illegitimate. Mr. Speaker, it is the test that President Bush laid down in this Chamber, right here, when he said, you are either with us or you are with the terrorists.

The men and women of Israel must know that we recognize the broader significance of this struggle, that the attacks directed against Israel are attacks against liberty, and all free people must recognize that Israel's fight is our fight. Let every terrorist know that the American people will never abandon freedom, democracy, or Israel. America will never permit the Jewish state to fall to aggression.

The search for peace cannot diminish and must not obscure the very key lessons of the past 40 years. Democracies must never negotiate with terrorists. And for that reason, Yasir Arafat strikes many of us as a highly unreliable vessel to carry the hope for peace. To turn from his past, it would be very difficult for him to do. The most promising sign for both the people of Israel and the Palestinian people would be the emergence of a moderate Palestinian leader who truly seeks a negotiated settlement for lasting peace. The United States cannot be a broker between one party that wants peace and the other party that wants terrorism. It cannot succeed. It has not succeeded. The peace process has been a failure for over 25 years. Today, the Palestinian men and women who wish nothing more than just to raise their family in peace have no voice. In fact, they are killed if they raise their head of moderation. Nothing will do more to bring peace to this region than the emergence of a Palestinian leader with the courage and support of the United States to accept Israel's right to exist as a Jewish state and a willingness to acknowledge Israel's legitimate security considerations. But until that day comes, every man and woman in Israel should know that they do not stand alone, because America stands with them.

Mr. DOGGETT. Mr. Speaker, my vote in solidarity with the State of Israel should not be read as a vote in solidarity with policies of Ariel Sharon that I view as misguided and counterproductive. My support for Israel is longstanding, but Ariel Sharon is not "Israel." He was wrong in rejecting the successful peace process in Oslo, in rejecting President Clinton's efforts at Camp David in 2000, in rejecting the talks between Israelis and Palestinians at Taba, Egypt in January 2001, and he was wrong in Sabra and Shatila. Without approving in any way actions of some of his adversaries or condoning their violence, he is wrong in continuing to reject measured answers to the Middle East crisis.

New York Times columnist Tom Friedman, hardly a Palestinian advocate, recently wrote: "Many Israelis feel Mr. Sharon is so paralyzed by his obsession with eliminating Mr. Arafat, by his commitment to colonial settlements and by his fear that any Israeli concession now would be interpreted as victory for the other side that he can't produce what most Israelis want: a practical, non-ideological solution."

A "non-ideological solution" is what this land—so small in size, and so great in meaning—requires. It is the spirit embodied both in the courageous efforts of Secretary of State Colin Powell and in our country's United Nations vote for Security Council Resolution 1397 "affirming a vision of a region where two States, Israel and Palestine, live side-by-side within secure and recognized borders."

This is not the resolution that I would have drafted, but no amendments were permitted to it. This resolution fails to recognize the legitimate aspirations of the Palestinian people to live in peace and security or to acknowledge that innocent Palestinians also lost lives and homes.

As Secretary Powell has indicated, this particular resolution "would be very unhelpful." It does not advance security for families threatened by violence, it may only lessen our ability to serve as an honest broker to secure a more lasting peace for all who suffer.

The Administration's months of inattention, indecision, and unwillingness to engage in the Middle East made a bad situation worse. Mr. President, heed Secretary Powell and General Zinni's counsel. Lead our foreign policy yourself—do not cede this critical mission to Ariel Sharon and TOM DELAY.

Mr. BILIRAKIS. Mr. Speaker, due to the start of the celebration of Greek Orthodox Easter and religious obligations in my district, I was unable to cast a vote on roll call 126. Had I been present, would have voted "yea" on H. Res. 392.

I strongly support Israel's right to defend its citizens and applaud their quest for peace. Israel is exercising its right to act in self-defense against the suicide bombings and other attacks on Jews. This is the time for the United States to stand with Israel, our ally for several decades, and to express our support for ending the violence in Israel.

Israel must squash the terrorism within its borders in order to maintain its status as a free, democratic and civilized society. Our pledge to eradicate terrorism everywhere it occurs should be taken seriously, and Israel should be commended for having chosen to help us.

Ms. DEGETTE. Mr. Speaker, I rise today to express solidarity and sympathy with the people of Israel, but also with innocent Palestinians who have suffered violence and injury. I believe it is important for Congress to condemn in the strongest terms terrorism wherever it occurs. I also strongly believe that the U.S. must not forget that the highest goal of our foreign policy in the Middle East should be forging a lasting peace agreement. The U.S. must work toward a lasting peace for the vast majority of Israeli and Palestinian people who are non-violent and only seek peace and stability.

In its effort to help establish a concrete agreement for peace, the U.S. must first work aggressively through diplomatic channels with the Palestinians and the Israelis to help negotiate a cease-fire. All people in the Middle East deserve to live their lives in peace and security. Yet, only with a cease-fire and a reduction of fear and anger will there be any hope of future peace talks.

The goal of a lasting peace agreement is why the resolution that Congress is considering today should not be defeated. If this resolution were to fail, the wrong message would be sent to the people of Israel. The U.S. Congress would be seen as turning its back on the people of the Middle East in this time of horrible violence. The resolution's failure would have a dampening effect on America's ability to successfully negotiate a cease-fire, and eventually a lasting peace agreement that will benefit all the people of the Middle East.

Mr. CLAY. Mr. Speaker, I support H. Res. 392 in its expression of American solidarity with the people of Israel, our closest and most reliable ally in the region. I also support its declaration of our country's long-standing commitment to ensuring Israel's right to exist and its right to security in the region, although this commitment has never been in question. Given those two points, I will vote in favor of this resolution.

But at the same time, I am also deeply troubled by the timing of this resolution and the fact that it expresses no concern over the decades-long plight of the Palestinian people and their struggle for independence and security. Additionally, this resolution condemns only the sins of one side of this conflict, despite the fact that both parties share responsibility for the massive escalation of violence in the region over the last 18 months. Nor does this resolution provide any encouragement for either party to return to the negotiating table to work out a fair and lasting peace. Because of that, my vote in favor of this resolution comes with extreme reluctance.

I question the wisdom of the House Leadership for forcing a vote on this resolution at this time. This resolution has the potential to derail the current peace initiatives being offered by their own Republican Administration, initiatives that I and the vast majority of the American public support. It also has the potential of inflaming extremists on both sides to continue the violence, if the United States is perceived as a biased influence. This would be a disaster for both the Israeli and Palestinian people.

The United States has many vital strategic, economic and political interests in the Middle East. These vital nations interests require that the United States reconcile its simultaneous commitments to ensuring the security of the State of Israel; to supporting Arab allies to achieve regional stability; and to containing the proliferation of non-conventional weapons.

That is why a lasting peace between Israelis and Palestinians is an imperative and not merely an option for the United States. The U.S. goal of achieving regional stability, including security for Israel, is impossible without a comprehensive resolution of the Israeli-Palestinian conflict. I hope this resolution does not impede us from reaching that goal.

Mr. ISSA. Mr. Speaker, I rise in support of this resolution, not because it is perfect, or even because it is as balanced as it could be. I support this resolution because it says something that needs to be said and can never be repeated enough. It states, once again, that terrorism cannot and will not be tolerated, no matter where it occurs. Mr. Speaker, the series of suicide attacks that have been perpetrated by Palestinian terrorist networks against the people of Israel are attacks against hope itself, and they must be condemned in the strongest possible terms.

But Mr. Speaker, the efforts to rebuild hope has to begin with the realization that violence will never bring peace. Israel certainly has a right to defend itself, but it cannot assume that it will be able to beat the Palestinian people into submission. Palestinians need to have their dignity recognized, just like any of us. Unfortunately, Mr. Speaker, we often ignore the fact that many of the 1400-plus Palestinians killed in this violence were civilians who, like the rest of us, only want to build a home and family and live in peace with their neighbors. Let us be clear: we will not support the domination of one people by another. We do not believe that people should have to live in subjugation to their neighbors simply because of their place of birth, their religion, the language they speak, or their ethnicity. We affirm the rights of both Palestinians and Israelis to live side by side in a state of peace, and I, along with many of my colleagues have stated that principle over and over again.

Mr. Speaker, like many of my colleagues, I cling to a hope that peace in the Middle East will one day become a reality. I have personally committed myself to the issue of middle East peace, trying to reinvigorate the hope that seems to have been lost during the past year and a half of violence. I will continue to be sincere in my efforts. I urge my colleagues to examine their own hearts on this issue, and move forward in a way that is constructive and helpful. Peace is possible, Mr. Speaker, but it will take a courageous effort from everyone to make it so.

Mr. THOMPSON of California. Mr. Speaker, I am compelled to vote "present" on H. Res. 392 because I believe that consideration of this resolution is premature.

Secretary of State Colin Powell is in the midst of delicate negotiations to bring about a cease-fire and return all parties to the negotiating table. I strongly support this mission to bring a lasting peace to the Middle East.

I also firmly believe Israel's right to defend itself against terrorism and denounce the brutal Passover suicide bombing, which killed 28 people and injured nearly 150. However, the Administration's peace initiative must be given time to work.

At this point, Congress should support the Secretary's peace mission and not pass a resolution that could undermine these efforts. As Americans, we all must work together to end the acrimonious relationship between the Israelis and the Palestinians.

Ms. SOLIS. Mr. Speaker, during these delicate times of instability, I do not believe that this Congress should be voting on a resolution regarding the conflict between Israel and the Palestinian territories.

I believe that this resolution we are debating today—H. Res. 392—does not serve any great purpose but only serves to undermine the Administration's efforts to negotiate a peaceful settlement to the conflict in the Middle East.

Our overall mission should be a resolution to the fighting; debating this measure at this time does not accomplish that mission.

Mr. LANGEVIN. Mr. Speaker, I rise in unwavering support of House Resolution 392 to reaffirm strong relations between the United States and Israel.

The U.S. has a unique relationship with Israel—the only democratic nation in the Middle East. We must continue to support nations with similar ideological goals and that share the same commitment to democratic principles. Our history of friendship spans many decades, and the U.S. has been one of the strongest advocates for efforts to craft a long-term peace settlement in the region. We cannot waiver from our commitment to stability in the area, and the U.S. should serve as a facilitator for peace negotiations.

Recently Israel's people have suffered from unspeakable acts of cruelty. The United States, still healing from the attacks of September 11, must stand by Israel in these difficult times. I strongly condemn the acts of radical Palestinian groups that use violence against civilians, a tactic that we cannot tolerate. In February, I called on the President to add the al-Aqsa Matryrs' Brigade, the Tanzim, and Force 17 to the international list of terrorist groups. These organizations are responsible for countless attacks on the Israeli people, and the United States must take action against them.

I also call upon Chairman Arafat to curb these attacks, to denounce such acts of terror, and to reiterate his support for peace. Until the violence abates, I support Israel's right to take reasonable action to defend itself and its citizens from further harm.

We must continue our efforts in Congress to promote peace in the Middle East and maintain a strong United States-Israel relationship. I urge all of my colleagues to vote for the resolution before us today.

Ms. SCHAKOWSKY. Mr. Speaker, I rise in support of House Resolution 392 and in support of efforts to bring lasting peace and security to the Middle East. The United States Congress today will, once again, reinforce its bond and our nation's bond with the people of Israel. I am proud to join my colleagues in sending this message of support for our close ally and friend, the State of Israel.

A short time ago, as families and as a people, Jews retold the story of our Exodus from slavery in Egypt. And Jews everywhere vowed, "Next year in Jerusalem," because Jerusalem belongs to all of us. We tell that story to remind ourselves and our children how we once were slaves and now we are free.

A few weeks ago, we remembered the six million slaughtered in the Holocaust. We wept together and Jews everywhere vowed, "Never again." We tell that story to remind ourselves and our children that even now, especially now, we cannot take our freedom for granted.

A few days ago, we celebrated the 54th anniversary of the establishment of our beloved State of Israel, the tiny spot on this planet where Jews everywhere know that, no matter what, we can go there and be free.

And today we gather here to make a commitment to freedom: that Israel will thrive and shine as a democratic, Zionist, Jewish homeland now and forever.

The resolution before us today tells our brothers and sisters in Israel that we stand with them; that we will not stand idly by while they are murdered by terrorists during a Pesah seder, or waiting for a bus, or going to a restaurant, shopping at a mall, going to a café or sleeping in their beds. We will walk with them, and we're doing that today, every step of the way.

Our message today to those who would desecrate our synagogues or attack our children in France or Belgium or the Ukraine or Canada or Los Angeles or Chicago: "Never again" will we allow your anti-Semitism to threaten our lives and our freedom, and we will hold any government that tolerates anti-Semitism accountable for its actions or inaction.

Last week at the AIPAC Conference in Washington, attended by hundreds of people from Illinois, you could also see in attendance, the largest gathering of members of the U.S. House and Senate anywhere outside of a joint session of Congress. Over half of the U.S. Senators were there; over one-fourth of the 435 members of the House. This is unprecedented. They were there because they stand firmly with us as friends of Israel.

This outpouring of support did not happen by accident. It is a tribute to the Jewish community, to our organizations, all of the synagogues, institutions and individuals, and their decades of work that so many of my colleagues, even those from states with small Jewish populations, understand the importance of Israel and the U.S./Israel relationship. Because of that diligence, the day in, day out educating of policy makers, I know that the United States of America will always, ALWAYS, stand firmly with Israel. I will never allow that bond to be broken.

Let me end by quoting some of the words spoken by Rabbi Michael Melchior, Israel's Deputy Minister of Foreign Affairs, at the incredible rally in Washington, D.C. two weeks ago. He referred to a Torah portion that describes the Biblical laws of holiness. "The climax of these laws," he said, "the peak of holiness is remarkable. It is the simple commandment—'Love your neighbor because he is as yourself.' This is Jewish holiness. We will never accept those who prevent this holiness, who subscribe to a doctrine of "Kill your neighbor with yourself . . .' This fight seems overwhelming. A raging sea of violence ready to engulf us, and many of us have moments of despair. But our people, from its earliest days of creation have found ways of crossing such seas. I pray and truly believe that if we keep sight of the values for which we are fighting, we will cross this sea as well as reach the land of which we have so long dreamed, the land of peace."

I urge all members to support this resolution. With its passage we make clear the U.S. commitment to the people of Israel. We will stand with Israel forever and we will guarantee that the people of Israel are free to live in peace and security. Today more than ever we need to reinforce that commitment. Passage of this measure joins the United States with all friends and allies of the people of Israel in saying Am Yisrael Chai! The people of Israel will continue to live—now and forever.

Mr. MARKEY. Mr. Speaker, I rise in support of House Resolution 392.

As Israel and its citizens undergo a daily bombardment from terrorists and suicide bombers, we have an opportunity to stand in support of the only democracy in a desert of despotism. It is our responsibility to be the brokers for peace in the Middle East and ensure that two homelands exist—one for Israel and one for the Palestinians. But we cannot allow our pursuit of peace to ignore this rampage of Palestinian terror.

One of the most important moments in our modern history with the Middle East occurred in 1981. Israel knew that Saddam Hussein's Iraq was developing the Osirak nuclear reactor—the future of their nuclear weapons program. Israel had the prescience to deny Saddam Hussein the capacity to set up a nuclear bomb factory in Iraq when it sent a dozen F–16 fighters over the Saudi Desert to destroy the Osirak nuclear reactor. Israel was flogged with criticism from the world community, including the United States in a United Nations resolution.

Israel should have been commended, not reprimanded for taking out Osirak. This move set Saddam's Iraq's nuclear program back decades—the same Saddam who today will pay $25,000 to the family of each suicide bomber who kills innocent Israelis. Should we stand with Israel, when the rest of the world condemns it? Yes. Israel is our only Middle East, democratic ally against terrorism and nuclear proliferation. Vote yes on this resolution and stand in solidarity with Israel.

Mrs. ROUKEMA. Mr. Speaker, my ongoing medical treatment required my return to New Jersey today prior to the vote on H. Res. 392—Expressing solidarity with Israel in its fight against terrorism. Had I been present, I would have voted "aye" on this important measure.

Today the House of Representatives stands in solidarity with the people of Israel. The United States knows no more valuable ally in the Middle East than the nation Israel. The goals of our two democracies are identical: peace and freedom.

Today, our nation also stand for a just and lasting peace in the Middle East. We cannot wait idly while such violence continues in the Middle East. Mothers, fathers, and children have been slaughtered and terrorist attacks drive Israelis and Palestinians further and further apart. Peace cannot be negotiated in an atmosphere of terror.

I support the recent peace mission undertaken by Secretary of State Colin Powell at the direction of President Bush and I urge the Bush Administration to continue its active involvement in the peace process in the region. The President and his Administration should know that he has the support of Congress for his efforts in the Middle East and the war on terror.

Ms. WOOLSEY. Mr. Speaker, I rise with sincere concerns about H. Res. 392. We should not be bringing this type of one-sided resolution to the floor now. Instead, we should be working on a resolution that encourages peace.

The United States does not need a political resolution to show that it is a friend of Israel. America has proven it is a friend of Israel, and I personally count myself as a long and loyal friend of Israel. But I am not pleased with the behavior of either side—Israel or the Palestinian Authority—right now.

When friends allow a fight to continue that neither side can win, inaction only prolongs the violence and killing. We must not allow our aversion to inaction spur us to unhelpful resolutions that do not help our friends. I will vote "Present" on H. Res. 392 because this unbalanced resolution does not benefit our friends. Instead, it fans the flames of hatred.

That is one of the reasons I am a cosponsor of Congressman DEFAZIO's resolution, H. Res. 394. That resolution is a balanced attempt to bridge the gap between the two sides in this conflict. The United States' approach must be evenhanded if we are to move the peace process forward. Languishing in a cycle of blame over the mistakes of both sides is counterproductive. We must recognize that all parties have made mistakes, and instead of rehashing what they have done wrong, start thinking about what they can do better in the quest for peace.

As in the DeFazio resolution, we must recognize that the first step toward peace is stopping the violence being perpetrated by all parties. Israel's recent incursions into Palestinian-controlled territories have caused extraordinary hardship for innocent Palestinians and exacerbated the crisis. Likewise, the Palestinian suicide bombing attacks against Israel cannot be justified and the Palestinian leadership must do more to prevent these murderous attacks.

We absolutely must support Israel's right to exist and defend itself as a sovereign state, but do so while also recognizing the Palestinian right to self-determination. In order for the U.S. to be an honest broker, it is extraordinarily important that we retain the trust of both sides. Only then will we be able to advance the cause of peace.

Peace will be achieved only when Israeli citizens are secure in their homes and shops, when the Arab nations recognize Israel's right to exist, and when the Palestinian people have a state of their own. Acknowledging that the conflict may not be resolved soon, no option should be eliminated, including the possibility that international observers help maintain peace in the region.

With emotions running high on both sides, acting as an honest broker requires courage, leadership and risking the temporary anger of both sides. But we must, because America is the world's best hope for peace.

Mrs. DAVIS of California. Mr. Speaker, I rise in support of this resolution as one symbol of my solidarity with the nation of Israel as well as all those engaged in a momentous struggle against terrorism. Simply put, Israel has a right to defensible borders and a right to live in peace with its neighbors. Thus, the United States has a moral imperative to assist Israel in its defense.

In its 54 years of existence, Israel has been fighting an ongoing war against terrorists who sought to destroy her. These terrorists do not understand human mercy and kill indiscriminately men, women and children in service of a political cause that is the destruction of the Jewish state.

We were all heartened by President Clinton's attempt to create peace between Israelis and Palestinians beginning in 1993. But, unfortunately the Palestinians could not surrender their goal of eliminating Israel and pushing her citizens into the sea.

Almost 10 years after the Oslo process began we are facing the nightmare scenario for Israel. Attacked by terrorists inside her borders and from surrounding countries Israel has found little peace.

Much like our own war against terrorism, this effort pits a democratic society against a leader that uses murder as a regular type of statecraft. This resolution is important for the message that it sends to our embattled ally Israel, to her citizens, and to all our democratic friends around the world.

America stands by fellow democracies who share our values and our way of life. And, strong U.S. leadership is the best hope for bringing about a political process that can eventually pave the way for security and peace.

Knowing that we must do something to stop the violence, I call out to all peace-loving people throughout the region, especially those in Arab countries, who seek a better life for their children and grandchildren, a vibrant economy, and meaningful commerce and exchange, to join us in our quest for peace.

Mr. Speaker, this resolution is important because the message it sends will ring throughout the world wherever democracies are fighting terrorists and I urge its immediate passage.

Mr. SMITH of Michigan. Mr. Speaker, while I agree with the sentiments expressed by many of my House colleagues about the need for Israel to defend itself, I do not think that this is the right time for Congress to take sides in the Israel-Palestine affair. In foreign affairs America should speak with one voice. The president has said that this resolution only complicates an already complicated situation in the Middle East. Instead of having a separate congressional message, I believe we should be giving the President greater leeway to act as an honest broker between the Israelis and Palestinians and formulate a policy that will stop the violence and get negotiations going forward.

On April 10, I met with former Israeli Prime Minister Benjamin Netanyahu to discuss the current fighting in the Middle East. He stressed the difficulty of negotiating with the Palestinians, and warned that if the suicide bombings in Israel do not stop, then they may spread to the United States with 'suitcase bombs.' But the U.S., as a military superpower and an economic superpower as well, can exert considerable pressure on both sides to encourage a resolution.

Secretary of State Colin Powell confronted an almost intractable set of problems on his peace mission to the Middle East. The Israeli government continues to occupy parts of the Palestinian Authority's territory despite requests to desist and withdraw from President Bush. Too many governments in the region, including Yasser Arafat's Palestinian Authority, are ambiguous at best on their commitment to end terror. Although some Arab states have helpfully indicated their willingness to accept Israel, too many still confuse murder with martyrdom.

When the United Nations mandated the creation of Israel and Palestine out of British-controlled territory in 1947, it offered to partition the land between a Jewish state of Israel and an Arab-controlled Palestine. That offer was rejected then, and though Israel was limited to the area of the proposed partition, a coalition of Arab states including Egypt, Saudi Arabia, Syria, Iraq, and Jordan immediately attacked. Israel prevailed in that war, however, as it did in the subsequent wars of 1967 and 1972. Although Egypt and Jordan have signed peace treaties with Israel, the other Arab countries maintain a state of "cold" war with Israel.

The situation is further confused by land Israel captured in various conflicts, primarily the 1967 war. In that fight, Israel captured the West Bank and Gaza, including Jerusalem. The Palestinian Authority now occupies the bulk of that territory as a result of the Oslo peace process. Israel offered nearly all of that territory two years ago for the creation of a Palestinian state. That offer was rejected, sparking the present conflict.

The current cycle of violence in the region must not continue. The killing and bloodshed on both sides is blocking a resolution to the conflict and an end to our war on terrorism. Most everyone from Palestine and Israel has had a friend or relative injured or killed by the other side. The hatred that exists on both sides will not be easily overcome. For its part, the Palestinian Authority and the Arab world should take strong action to curb the mindless violence of suicide bombers. A Palestinian state should be established and the Arab world should accept the suggestion of Crown Prince Abdullah bin Abdul Aziz of Saudi Arabia to recognize Israel. At the same time, Israel must withdraw from Palestinian Authority territory as the President has requested. Accomplishing these acts, however, will not reduce the hatred. I see a need to build some physical separation between the two states until the animosity can subside.

The President is demonstrating bold leadership and wants results. An anxious world also wants results, especially the suffering innocents in Israel and Palestine.

We need to speak with one voice and that is why I am voting no on this resolution.

Mr. YOUNG of Florida. Mr. Speaker, I rise in strong support of House Resolution 392, expressing our nation's solidarity with Israel in our joint battle against terrorism throughout the Middle East and the world.

Unfortunately, because of a family medical emergency I was unable to cast a vote for the rule to consider this resolution and for the resolution itself. My vote earlier today though, for the previous question, to allow for the consideration of this legislation is indicative of my strong support for the House's expression of unity with Israel and the Israeli people.

The American and Israeli people continue to be the primary targets of cowardly terrorist cells and I stand with the people of Israel in ensuring their right to defend their homeland and their citizens from these attacks. This resolution today is one more signal to the world that our two great nations are allied in the effort to bring about peace and rid the world of terrorists. We must never waiver in that fight if we are to succeed and I pledge my continuing support.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of H. Res. 392, legislation expressing solidarity with Israel in its fight against terrorism.

Mr. Speaker, in the wake of the September 11th attacks, Americans have come to understand the struggle for security from the threat of domestic terror that so consumes the Israeli government and its people. This resolution comes at a crucial time in the history of both our nations. Israel, having just observed its 54th anniversary, continues the fight for its very survival while the U.S., engaged in its own full-scale war on terrorism, seeks to secure its own borders. H. Res. 392 recognizes our common struggle with Israel against terrorism, the enormous human toll the people of Israel have suffered, and the efforts of Israel's government to thwart future attacks by Palestinian organizations determined to inflict the most possible damage on the people of Israel. The message from this body is one of unity and is meant to reverberate in every corner of the world, especially those that harbor the enemies of peace and democracy.

H. Res. 392 expresses our strongly-held belief that Israel has a right to defend itself, just as we have sought to do. Mr. Speaker, throughout Israel's existence—one constant has guided every administration—the desire to live in peace with its neighbors. The 1993 OSLO Accord set forth a path for peace. I must reiterate this point—since that time Israel has consistently expressed the willingness to give up sovereign land to live in peace with its Palestinian neighbors. The same cannot be said for Israel's would-be peace partner—Yassir Arafat. The violence of current intifada was triggered by President Arafat's rejection of Prime Minister Ehud Barak's offer of a comprehensive settlement at Camp David in 2000. Arafat continues to incite terror with statements like "Oh god, give me a martyrdom like this" which he said after the Passover suicide bombing that killed 27 and wounded hundreds of innocent Israelis.

Mr. Speaker, civilian casualties are the horror endured by both sides but we must not lose sight of the fact that all of this death and destruction was completely avoidable. At every turn the Palestinian Authority could have chosen peace but, time and again, have supported terror as a mode of achieving their political goals. Mr. Speaker, as we express our solidarity with the government and people of Israel, I come back to one fundamental truth, even as the very existence of the State of Israel is threatened, there is always a path to peace. It may be more difficult to see, and harder still to traverse, but it exists. If falls upon us to help the parties find and travel that road. In the meantime, let the world hear this strong proclamation of support for our good friend Israel during these difficult times.

Ms. KILPATRICK. Mr. Speaker, today we should be here to focus on what all sides involved in the Middle East have in common and what can be applied from our experience here in this country to achieving solutions to the conflict between the Palestinians and the Israelis. We should not be here to blame one side over the other, but to seek solutions leading to the peaceful coexistence between Israelis and Palestinians.

The struggle between the Israelis and the Palestinians is one of the most enduring and explosive of all the world's conflicts.

For the Jewish people of Israel, the return to the land of their forefathers after centuries of persecution around the world has not brought peace or security. Israel has faced and continues to face crisis after crisis.

Palestinians argue that over the last 54 years they have seen colonization, expulsion and military occupation in their difficult struggle for self-determination in a land they see as their God given land.

This resolution is not balanced. At this time the Secretary of State and the Administration are working to bring peace to the Middle East. This resolution does not help this cause. This resolution damages our nation's moral authority and credibility as a fair broker in the Middle East conflict. I cannot support the resolution in its present form.

Mr. KLECZKA. Mr. Speaker, while our country continues to be a staunch ally and long-time friend to Israel, this resolution does nothing to bring about a ceasefire that might lead to a lasting peace. Our role should be to draw these bitter enemies closer together, not drive them further apart, as this resolution does.

The legislation, far more than a simple expression of support for Israel, also contains a long list of rhetorical "findings" which undermine any attempts to move the parties toward a comprehensive peace agreement. It will do little but further enflame the conflict in the Middle East.

The measure before the House today comes on the heels of weeks of work by the Bush Administration to reduce tension in the region, and bring about an end to the suicide bombings and Israeli incursion into Palestinian towns. The resolution would likely complicate the President's efforts since it provides a one-sided view of the Israeli/Palestinian conflict that likely would only cause anger and distrust for the U.S. among the Palestinian people and erode the hard-won progress the Administration has already made.

I and other Members have expressed a preference for a more balanced statement that would express support for Israel, but additionally advance the cause of peace. Press reports and a Member on the floor during debate today has stated that officials with the U.S. agency responsible for the peace process efforts, the State Department, also indicated their preference for a less one-sided bill.

Senator JOSEPH LIEBERMAN and Congressman DAVID OBEY both had prepared resolutions of support that were much more balanced that I would have strongly supported had I had the opportunity to do so. Both of those resolutions still condemn suicide bombings, support the right of Israel to defend itself and call on the Palestinians and other Arab states to work to end terrorism. Congressman OBEY's resolution also urges Israel to make it clear when it will withdraw from Palestinian territories.

Additionally, included in the measure before the House today is a statement supporting increased foreign aid to Israel. With budget deficits projected over the next several years, we won't even have the necessary resources to strengthen homeland security, improve Medicare benefits, safeguard Social Security, develop a comprehensive drug plan for senior citizens and provide a high quality education for America's youth.

We must do all we can to support the President's efforts to bring about peace in this region. I certainly do not want to undermine what progress he has already made. While I have consistently been a supporter of the State of Israel, regrettably, today I must vote "no," on this resolution. It is always difficult to say "no" to friends, but we must when it's appropriate. And it is appropriate here because this action does not advance the long-term cause of peace in the region.

Mr. MATSUI. Mr. Speaker, I rise in strong support of H. Res. 392, a Resolution to express solidarity with Israel in its fight against terrorism. Now more than ever, Americans can sympathize and find common cause with the plight of the Israeli people as they struggle against terrorism. And now more then ever, Israel needs our solidarity and support.

It is, and has always been, in both the moral and strategic interests of the United States to stand by its only true friend and ally in the region. Israel is a lone democracy in a region that knows too little political freedom. It is one of the few countries in that volatile part of the world that does not support terrorist organizations. Like America, Israel is a society governed by law. Like ours, the Israeli press questions the actions of its government and allows for a pluralism of ideas. And like ours, Israel's society is under attack by those that seek its destruction and are willing to use the most inhumane form of terrorism—turning young men and women into human bombs—to achieve their ends.

Like all concerned Americans, I hope for a peaceful, negotiated solution to the crisis in the Middle East, and I condemn intentional acts of violence against all civilians, both Israeli and Palestinian. When a Palestinian leader emerges who will renounce terrorism unequivocally and seek peace, all parties in the region will have an obligation to embrace the opportunity. Until then, Israel has the right to defend itself from those who will never accept its very existence. That's why it is so critical that we here in America never waver in our resolve to stand by the State of Israel.

Israel faces the unfortunate reality of being a beachhead in the global war against terrorism. But more than this, Israel is a friend and ally. If terror is allowed to succeed in Israel, by forcing political concessions with vicious suicide attacks, it will only embolden those who seek to destroy the U.S., and indeed all civilization, with similar tactics. Israel is fighting for its survival against the forces of terror. Terror must not be allowed to win.

The Israeli people will continue their struggle for peace and security. They should do so knowing they have the full support of the United States of America. Good diplomacy is based on sound values. American values stand firmly with the State of Israel.

I urge my colleagues to vote "yes" on the resolution.

Mr. DELAHUNT. Mr. Speaker, I intend to vote for this resolution, because I want to leave no doubt whatsoever about the depth of my support for the people of Israel. I grieve with them at the losses they have sustained, and stand in solidarity with them in their hour of peril. At the same time, I want to express my disappointment that the resolution fails to express concern for the loss of life on both sides of this conflict. Our hearts should go out to all innocent victims and their families, whether they be Israeli or Palestinian.

I am also concerned that this resolution may complicate the efforts of the President to bring the parties together. America is the only power on earth that has the means and the will to move the parties toward a comprehensive peace that each can accept. The President and Secretary Powell have committed themselves to this effort. And we should do nothing in this chamber that might make it more difficult for the Administration to exercise its leverage with both sides to bring about this result.

Finally, the resolution says nothing about what is required to achieve a "just, comprehensive and lasting peace". In my view, it requires mutual recognition of an independent, viable Palestinian state and an Israel that exists within secure and defensible borders. It requires that each side recognize the legitimate aspirations of the other—and put an end to the cycle of provocation and retaliation that has brought so much misery to them both.

While only the parties themselves can set the terms for peace, this much is evident. On the Palestinian side there must be an end to terrorist violence and the financial and material support the terrorists receive from Arab states. On the Israeli side, there must be an end to the building of settlements, the bulldozing of neighborhoods, and other provocative acts that have driven the Palestinians to despair.

Decades of conflict have taken a devastating toll on both communities, creating conditions in which the Israelis suffer unimaginable losses and the Palestinians have nothing left to lose. What seems tragically clear is that the violence will continue until both sides recognize that they have more to gain from peace than from continuing their armed struggle. This will take more than resolutions. It will take genuine resolve. The kind of resolve that was so movingly expressed by the late Prime Minister of Israel, Yitzhak Rabin, in his final speech before his tragic assassination on November 4, 1995:

> I was a military man for 27 years. I fought as long as there was no chance for peace. I believe that there is now a chance for peace, a great chance. We must take advantage of it for the sake of those standing here, and for those who are not here—and they are many.
>
> I have always believed that the majority of the people want peace and are ready to take risks for peace. In coming here today, you demonstrate, together with many others who did not come, that the people truly desire peace and oppose violence . . . This is a course which is fraught with difficulties and pain. For Israel, there is no path that is without pain. But the path of peace is preferable to the path of war.

Israelis and Palestinians have experienced much pain since Rabin offered those final words to his people. But the risks he believed worth taking are still the only viable option. Only by following the path he laid out can Israel and America keep faith with him and all who have given their lives for the sake of peace.

Ms. RIVERS. Mr. Speaker, my vote today on H. Res. 392 is not a vote in favor of the Israelis or the Palestinians. Nor is it a vote against them. It is a vote for peace. I am convinced that an enduring settlement on the long-standing differences between Israel and Palestine cannot be achieved through military means—only through negotiations and compromise. The ongoing violence has caused pain and grief beyond measure for both peoples and there is blame and sympathy enough to go around.

The United States can play an important—and irreplaceable—role as an honest broker and a friend to all. Israel has been a good friend and ally to the U.S. I support her right to exist and her right to defend herself. The United States has always had a special relationship with her and I remain committed to that relationship. However, I am also steadfast in my desire to see a two-state peace in the Middle East and I do not believe such a peace is possible without fair, thoughtful leadership by the United States.

For some time now, constituents on both sides of this issue have demanded the same thing—that the U.S. condemn the other side, cut off all funding and diplomatic relations, and marginalize its leader. This does not strike me as wise. Former Senator and peace negotiator George Mitchell was very candid with me in a recent conversation about this. He believes that we must maintain all manner of influence with both parties and our financial involvement in the region is part of that. I agree. At this point, we should not sever relations with either party or jeopardize future negotiations by being heavy-handed or unfair to either side.

I am uncomfortable with the tone of this resolution. While it is understandable that the House may wish to express grave concerns about the violence currently taking place in the region, those concerns must be expressed in a way that does not cause either party to doubt the United States "bona fides" as a peacemaker nor its commitments to achieving outcomes acceptable to both parties. George Mitchell has been very clear that cease-fire and long term peace will require delicate negotiation of many small steps that will have to be taken—a few at a time—by both parties simultaneously. This resolution does not enhance the probability of such an agreement.

Over the time I've been in Congress, the House has acted several times on resolutions such as this. I have tried to respond thoughtfully and fairly. However, there have been times when I have been concerned about the House's persistent efforts to intrude into the peace process from a distance. In those instances, I have abstained. Diplomacy is a delicate endeavor. There is little room for bias or partisan politics. For House Members to act unilaterally while negotiations are being sought or are ongoing would seem to jeopardize efforts to get both sides to compromise toward an agreement. For the Congress to so clearly take one party's side would seem to undermine, rather than further, our hopes for peace. A resolution such as this seems contrary to the outcome we all profess to desire.

Accordingly, I cast my vote as "present."

Mr. BARR of Georgia. Mr. Speaker, I rise today to support the sentiments of this resolution, but not the timing. Though a well-intentioned document reinforcing the strong friendship between our nation and Israel, this resolution comes before us at an extremely sensitive moment in the Administration's attempts to stop the terrorist violence that has plagued Israel over the last 18 months.

Ever since the 2000 Camp David meetings, where Yasser Arafat rejected former Israeli Prime Minister Ehud Barak's offer of 98 percent of what Arafat had demanded from Israel, the tensions in the Middle East have escalated. When Arafat left those meetings without a deal, the extremist faction who oppose peace, and, in fact, oppose the existence of Israel itself, got the green light to destabilize the region.

Despite Yasser Arafat's assertion that he opposes terrorism and is a so-called "man of peace," his very own al-Aqsa Martyrs Brigade has been identified by this government as a "Foreign Terrorist Organization." This Brigade has been responsible for the deaths of too many innocent Israeli citizens. Earlier this year, the Karine-A was stopped en route to Arafat's Palestinian Authority carrying 50 tons of offensive weapons from Iran. Clearly, Arafat does not have peace in mind, nor does he view Israel as a neighbor.

Since September 2000, hundreds of innocent people in Israel have been killed by terrorists, sometimes financed and supported by the Palestinian Authority. We have learned that the Palestinian Authority and Saddam Hussein's Iraq are financially rewarding the families of those who willingly sacrifice their lives to murder innocent people and stop the peace process. We have heard some threaten to use oil as a weapon against the United States unless we stop Israel from defending herself. Mr. Speaker, terrorist actions in our country or Israel or any country should be viewed as an act of war. More importantly, any country threatened by terrorists actions should be able to defend itself. We assert that right, and we should not set a different standard for our allies.

All of that being said, I am concerned about what message we send, as a Congress, at this particular time. The President is moving forward with delicate negotiations between Israel and the Palestinians. Just yesterday, a breakthrough in negotiations yielded the release of Yasser Arafat from his headquarters in Ramallah. This came as a result of both sides trusting our government as a third party negotiator.

At this critical point, we should follow the lead of the Bush Administration, and maintain the trust established on both sides. There are many people in this country who have a kinship with Israel, a trusted ally and the only democracy in the Middle East, and want to see Israel reach peace with its neighbors, after more than 50 years of bloodshed. However, that mission becomes much harder if we are no longer honest brokers, who can be trusted by both sides. When the trust is broken, the Palestinians will look for others to help them, perhaps countries like Iraq or Iran, who will use armies, not diplomats to try and end this conflict.

This Congress will have its chance to make clear its feelings on Israel and her right of self-defense and, ultimately, deal with Mr. Arafat. However, that time should not be now. I will be voting "present" and stand with the President. There is a time for this vote, it is just not this day.

Mr. UDALL of Colorado. Mr. Speaker, I rise in support of this resolution, but I'd also like to take this opportunity to clarify my support.

I support the resolution's call for our continued solidarity with Israel and for the condemnation of terrorism everywhere and of Palestinian suicide bombings, in particular. I support the resolution's call for the Palestinian Authority to clamp down on terrorism in its territories and for Arab States to declare their opposition to terrorism. I support the resolution's call for the international community to help alleviate the humanitarian needs of the Palestinian people. Most importantly, I support the resolution's urging that all parties in the region pursue efforts to establish a just, lasting, and comprehensive peace. However, I wonder what has prompted the leadership to schedule this resolution for consideration at this moment.

I do not think anyone has any doubt about our country's continuing support for the people of Israel. That has been a fundamental part of American foreign policy for decades, and remains so today. I do not think anyone, at home or abroad, has any doubt about it—so, as far as I can see, this resolution is not needed to remove any doubt. Further, I am concerned that the timing of this resolution could make the Administration's efforts to resolve the current crisis more difficult. I believe the Administration must continue to work with the Saudis and other moderate Arab states to get the parties to agree to move forward with the Mitchell and Tenet plans, and down the line, to restart negotiations.

In addition, I believe that Congress should consider additional assistance for Israel, but that it should also consider emergency humanitarian assistance—provided through NGOs—for Palestinian civilians, whose misery grows and feeds extremism in the region. I believe that Israel must heed President Bush's call to end its recent incursions into West Bank cities and that it must end settlement expansion, recognizing that these actions diminish the possibilities of what this resolution calls for—a "just, lasting, and comprehensive peace."

I believe that with crisis comes opportunity. There is now a window of opportunity to move away from the potential for a regional conflagration. Only the U.S. has been accepted by both parties as one that can lead them to peace. Now is not the time to take any action that might reduce our leverage with the Palestinian or with our Middle East allies. At this critical time, Congress should not only be signaling its strong support for Israel and signaling its rejection of violence, but it should also be trying to help—not hinder—the Administration as it works to get the parties back to the table.

International Relations Committee Chair HENRY HYDE said it best: "I would have preferred a more balanced resolution, because I think we have to get beyond finger-pointing and ask ourselves, will this action help move us toward a cease-fire and a comprehensive peace agreement?" I'm not sure that the answer is yes.

Mr. MATHESON. Mr. Speaker, I rise today not to assess blame—because there is too much of it to go around. Nor to offer unqualified support to either side in this conflict—because blind support only deepens the tragic spiral of violence.

I am here today to say once and for all, violence is wrong. Killing in the name of religion only defames it; and forcing the submission from an entire people only spawns hatred, contempt, hopelessness, and more violence.

We are here today to give support to Israel, and they do deserve our support. Israel, like all nations, has a responsibility to ensure the safety of its citizens. Just as our nation needs to protect itself from terror, so must Israel.

This resolution allows this great institution to emote; it is full of emotion, righteous indignation, and colorful language. But as elected officials of the greatest nation in the history of the world we must do more. Emotion is cathartic, but wisdom and pragmatism offer much more.

This resolution was written under the justified anger that follows the terrorist's carnage. And in its emotion we have lost wisdom. We have made no mention of the 1,500 Palestinian civilians who have lost their lives in the recent conflict. Surely, the United States of America and its Congress consider the health of an innocent child to be equally tragic—whether she is Israeli or Palestinian, Jewish, Christian, or Muslim.

Instead of sentiment we should be offering constructive ways to bring about a viable political solution to the current crisis. Remember, when the United States was fully engaged, when the Central Intelligence Agency was forcing the Palestinian Authority and the State of Israel to work together both peoples enjoyed three of the most peaceful years of their history.

I applaud the increasing engagement of this Administration in finding a political settlement. As a Congress we need to speak as one voice in our support for Secretary of State Powell. The task before him is immense, but it is necessary. If we do not counter the escalating violence with diplomacy we lose the moral legitimacy of our leadership.

The best way to secure the continued existence of the State of Israel is to simultaneously give hope and voice to the aspirations of the Palestinian people. A safe, secure, economically prosperous, and truly democratic Palestinian state is the only way to attain this peace.

Mr. VITTER. Mr. Speaker, I rise today to express my strong support for this resolution, and commend Majority Leader TOM DELAY and Representative TOM LANTOS for their work. Israel should know that this House, this President, and the American people support her while she wages a war against terrorists who would mercilessly kill her citizens. Israel is fighting for nothing less than her right to exist, and today we express our solidarity with them in that fight.

I believe that Prime Minister Sharon, along with his united government and the Israeli Defense Forces, is taking the steps necessary to weed out the nest of terrorists that have attacked their citizens for so long. Suicide bombers have no place among people who wish to join the community of nations. Leaders who tolerate their existence should have no welcome and no seat at the table with world leaders. Real peace can only be achieved when the brutality of those who murder innocent men, women and children is halted completely.

I encourage all Members to support this resolution, Israel, the President, and all others including the courageous men and women of our own Armed Forces who are together waging the global war against terrorism.

Mr. BURTON of Indiana. Mr. Speaker, I rise today in strong support of H. Res. 392, a resolution expressing solidarity with Israel in its fight against terrorism that was introduced by Congressman TOM DELAY, the distinguished Majority Whip from Texas. Unfortunately, due to a family illness, I was unable to be present when the House voted on H. Res. 392, however, had I been here, I would have voted "Aye."

Is it important for the House of Representatives to support H. Res. 392? You bet it is and let me tell why I believe so. The atrocities committed daily in the Middle East make us all sick and there's not a member in this body that doesn't want to see an end to it. We are confronted daily with scenes of carnage and destruction. Can we understand such violence? Yes we can. The facts, all too often forgotten, reveal the truth as to why peace has eluded the Middle East.

Today, Israel is the only democracy in the region. Israel is smaller than the state of New Hampshire and is surrounded by nations hostile to its existence. When the United Nations proposed the establishment of two states in the region—one Jewish, one Arab, the Jews accepted the proposal and declared their independence in 1948. The Arab states rejected the UN plan. In 1948, five Arab armies invaded Israel. Again, in 1967, Arab armies amassed on Israel's borders with the clear intention to invade the state. Rather than suffer a bloody ambush, Israel rightfully took the necessary steps to defend its citizens and homeland, a right obliged to every Nation. It was during the Six Day War of 1967 that the West Bank and Gaza came under Israeli control.

Israel has returned most of the land it captured during the 1967 war, and right after the war offered to return all of it in exchange for peace and normal relations. Unfortunately, the offer was rejected—another missed opportunity for peace in the Middle East. As a result of the 1978 Camp David accords—in which Egypt recognized the right of Israel to exist and normal relations were established between the two countries—Israel returned the Sinai desert, a territory three times the size of Israel and 91 percent of the territory Israel took control of in the 1967 war.

Israel has conceded that the Palestinians have legitimate claims to the disputed territories and is willing to engage in negotiations on the matter, and in return they only ask that they be allowed to live in peace. Seventy-three percent of Israelis agree to a Palestinian state that will live peacefully alongside Israel.

In 2000, a Palestinian state in the West Bank and Gaza was offered to the Palestinians at Camp David, by Israel and the U.S., in return for peace. The U.S. said yes, Europe said yes, the U.N. said yes, and the Arab countries said yes. Why didn't it happen? Arafat said No. Chairman Arafat and the other Palestinian leaders said no because they demand a Palestinian state in place of Israel, not alongside of it.

Instead, the Palestinian Authority sanctioned an intifada, which the world is witnessing today. This has included twenty months of terror, shooting, and the bombing of innocent civilians.

Simply describing the situation as a "cycle of violence," although it may be accurate, ignores the distinctions in tactics and motivations of the two sides. Palestinian militants kill Israeli civilians, using bombs detonated by teenage suicide bombers who are promised wealth and pleasure for their martyrdom. Israeli troops kill Palestinians in self-defense of their lives and that of their countrymen.

The list of disturbing facts about Palestinian terror is long. Israeli troops recently discovered large quantities of counterfeit Israeli currency in the basement of Chairman Arafat's Ramallah headquarters, along with the printing machines that made it. They also found an invoice for $8,500 to cover bombing supplies in the office of Arafat's chief financial officer—it was on the letterhead of the Al Aqsa Martyrs Bridgade, an offshoot of Arafat's Fatah Party. The invoice specifically requested $150 to build each bomb, saying the group would need five to nine bombs per week.

The Al Aqsa Brigades, which are forces directly under Chairman Arafat's control, have been designated as a Foreign Terrorist Organization by our government. Indeed, Yasser Arafat wears the map of the entire area of Israel on his uniform.

Mr. Speaker, the national Palestinian goal is Jihad. All Palestinian organizations—political, military, cultural and commercial, along with the whole Palestinian school system, advocate the annihilation of Israel and educate generations of school-age children to become terrorists.

Furthermore, Palestinians who have voiced an objection to the practice of blowing up innocent Israeli civilians are labeled traitors.

In July 2001, these are the words of Chairman Yasser Arafat himself addressing his people at a public event, "Kill a settler every day. Shoot at settlers everywhere. Do not pay attention to what I say to the media, the television or public appearances. Pay attention only to the written instructions that you receive from me."

The Palestinian terror attacks are not spontaneous acts of desperation. They are the product of a deliberate, well-planned, state-sponsored education and incitement program. Its product is to turn a whole people into a nation of terrorists. Since the Oslo Accords in 1993, when the Palestinian Authority gained control over 98% of the Palestinian population, it has been hard at work building this kind of terror system.

A fair and balanced portrayal of the current Middle East situation reveals that one nation stands head and shoulders above the other in its commitment to human rights and democracy, as well as in its commitment to peace and mutual security. Mr. Speaker, that nation is Israel. That's why H. Res. 392 is so important. I, for one, don't want the greatest nation on earth, the United States, to weaken our resolve in the all-important fight against terrorism. Nor should we ask it of our only true friend and ally in the Middle East region, and that is clearly Israel.

Mr. PAUL. Mr. Speaker, this legislation could not have come at a worse time in the ongoing Middle East crisis. Just when we have seen some positive signs that the two sides may return to negotiations toward a peaceful settlement, Congress has jumped into the fray on one side of the conflict. I do not believe that this body wishes to derail the slight progress that seems to have come from the Administration's more even-handed approach over the past several days. So why is it that we are here today ready to pass legislation that clearly and openly favors one side in the Israeli-Palestinian conflict?

There are many troubling aspects to this legislation. The legislation says that "the number of Israelis killed during that time [since September 2000] by suicide terrorist attacks alone, on a basis proportional to the United States population, is approximately 9,000, three times the number killed in the terrorist attacks on New York and Washington on September 11, 2001." This kind of numbers game with the innocent dead strikes me as terribly disrespectful and completely unhelpful.

It is, when speaking of the dead, the one-sidedness of this bill that is so unfortunate. How is it that the side that loses seven people to every one on the other side is portrayed as the sole aggressor and condemned as terrorist? This is only made worse by the fact that Palestinian deaths are seen in the Arab world as being American-inspired, as it is our weapons that are being used against them. This bill just reinforces negative perceptions of the United States in that part of the world. What might be the consequences of this? I think we need to stop and think about that for a while. We in this body have a Constitutional responsibility to protect the national security of the United States. This one-sided intervention in a far-off war has the potential to do great harm to our national security.

Perhaps this is why the Administration views this legislation as "not a very helpful approach" to the situation in the Middle East. In my view, it is bad enough that we are intervening at all in this conflict, but this legislation strips any lingering notion that the United States intends to be an honest broker. It states clearly that the leadership of one side—the Palestinians—is bad and supports terrorism just at a time when this Administration negotiates with both sides in an attempt to bring peace to the region. Talk about undermining the difficult efforts of the president and the State Department. What incentive does Palestinian leader Yasser Arafat or his organization have to return to the negotiating table if we as "honest broker" make it clear that in Congress's eyes, the Palestinians are illegitimate terrorists? Must we become so involved in this far-off conflict that we are forced to choose between Arafat and Israeli Prime Minister Ariel Sharon? The United States Congress should not, Constitutionally, be in the business of choosing who gets to lead which foreign people.

Many people of various religious backgrounds seem determined to portray what is happening in the Middle East as some kind of historic/religious struggle, where one side is pre-ordained to triumph and destroy the other. Even some in this body have embraced this notion. Surely the religious component that some interject into the conflict rouses emotions and adds fuel to the fire. But this is dangerous thinking. Far from a great holy war, the Middle East conflict is largely about what most wars are about: a struggle for land and resources in a part of the world where both are scarce. We must think and act rationally, with this fact clearly in mind.

Just as with other interventionism in other similar struggles around the world, our meddling in the Middle East has unforeseen consequences. Our favoritism of one side has led to the hatred of America and Americans by the other side. We are placing our country in harm's way with this approach. It is time to step back and look at our policy in the Middle East. After 24 years of the "peace process" and some 300 million of our dollars, we are no closer to peace than when President Carter concluded the Camp David talks.

Mr. Speaker, any other policy that had so utterly failed over such a long period of time would likely come under close scrutiny here. Why is it that when it comes to interventionism in the Middle East conflict we continue down this unproductive and very expensive road?

Mr. LEWIS of Georgia. Mr. Speaker, I rise in support of the rule and the resolution.

This resolution expresses the solidarity of the Congress and the American people with Israel in its struggle against the forces of hatred and violence. It is both fitting and appropriate for us today to declare our support at a time when Israel has been subjected to repeated acts of terror. When 125 people in a small country die in one month, when a 17-year-old girl cannot make a simple trip to the grocery store without fear of being blown up, or when 28 Jews at prayer during a Passover Seder are killed in cold blood by a suicide bomber, it is time for us to speak out and speak up.

Israel is our most reliable friend in the Middle East. It is the only democracy, a beacon of hope, in a region of the world where the freedoms we all take for granted—freedom of speech, freedom of press, freedom of religion, freedom to challenge your government nonviolently without fear of retribution—simply do not exist. Israel is the only country in the Middle East that guarantees all these freedoms.

Israel, like the United States and every other country, has a right and obligation to defend its citizens when under attack. One of the reasons I have always been so supportive of Israel is that even when it acts to defend itself, it also continues to reach out its hand in peace to its neighbors.

This is a country, who against all odds, made peace with Egypt. It made peace with Jordan. It withdrew its forces voluntarily from Lebanon. And a year and a half ago, under the guidance of President Clinton, this same country offered a historic peace proposal to the Palestinians that many thought was too risky. Unfortunately, peace was rejected by Chairman Arafat and he chose to return to a path of violence and terror.

The Congress stands here today to condemn and reject this path of violence led by the Palestinian leader. Instead, we must return to the path of peace. Israel must have a partner who is willing to say "no" to those who would use terror and violence. Chairman Arafat must take action against those Palestinians who would block the path to peace. There is no other choice. The time has come for Yasir Arafat to make a decision: will he write a page of history by pursuing the path to peace or will he be a mere footnote for leaving behind a trail of terror.

Today we stand by Israel but we also stand for peace. As my friend and mentor, Dr. Martin Luther King Jr. observed just before his death: "I see Israel, and never mind saying it, as one of the great outposts of democracy in the world and a marvelous example of what can be done, how desert land almost can be transformed into an oasis of brotherhood and democracy. Peace for Israel means security and that security must be a reality."

Ms. HOOLEY of Oregon. Mr. Speaker, I supported H. Res. 392, however I would have favored a more balanced resolution. As one of 435 members of Congress and one who does not serve on the International Relations Committee, I offered my views beforehand by respectfully suggesting that my colleagues incorporate into their views portions of a similar measure put forward by my colleague from Oregon, Representative PETER DEFAZIO, H. Res. 394. While I do not agree with every provision of Mr. DEFAZIO's resolution, I think each one of us can agree this Congress should:

Unequivocally condemn acts of violence against Israeli and Palestinian civilians, urge all parties to recognize that continued military attacks and terrorist activities will only lead to escalating violence and the potential destabilization of the Middle East and neighboring regions, and urge all parties to stop using state-controlled media to incite hatred and violence.

These are reasonable provisions, and should have been included in the text of H. Res. 392.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I intend to vote "yes" on H. Res. 392. Although I have grave concerns that passing this resolution will further inflame tensions in the Middle East, I am voting for the resolution in part to dispel any notion that I am anti-Israel or that I am not sensitive to Israel's right to self-defense. I strongly support Israel, but I also strongly support efforts to bring about peace in the region, which will allow the Israeli and Palestinian people to live together side by side without having to endure an endless cycle of violence. In the past, the House has passed similar resolutions that I believe have been counterproductive to the peace process. I fear that we are doing that again. Our own Secretary of State and National Security Advisor have expressed reservations with moving forward with this resolution because of the delicacy of the situation in the Middle East. I agree with them. We should not be bringing up this resolution at this time. That is why I intend to vote "no" on the rule governing debate over H. Res. 392.

Mr. SIMMONS. Mr. Speaker, I stand today in support of House Resolution 392, in which we express America's solidarity with Israel in its fight against terrorism. The truth is, the United States and Israel are engaged in a common struggle against terrorism. It is a war that neither nation sought; it is a war that both nations must win.

The resolution also calls upon the Palestinian leader, Yasir Arafat, to choose peace and to fulfill his commitment to dismantle the terrorist infrastructure that threatens the Israeli people. If we had a dollar for every time a U.S. official had sent this message to Mr. Arafat we would be able to fully fund the war on terrorism. It is my prayer, for the sake of Israel and all the Palestinian people who would like nothing more than to live in peace, that Mr. Arafat finally honors the pledge to peace that he has repeatedly made. The recent Israeli incursions into the West Bank have occurred only because Mr. Arafat has not lived up to his responsibilities. This resolution we are considering today places the obligations to ending terrorism where it belongs—on the shoulders of Mr. Arafat.

All reasonable people begin their discussions of the violence that shatters the Middle East from the same position—it is horrible and many people on both sides have suffered greatly. The question revolves around how it can be resolved so that the people of the region can live in peace and build a secure future based on democratic principles. The burden has always been placed on Israel to do something for peace. For example, it has often been said that if Israel would simply move back to its pre-1967 borders there would be peace. But history shows there were wars against Israel in 1948, 1956 and 1967—and during that time Israel was within the borders that we are today told hold the key to peace. Absent a clear, forceful and enduring commitment on the part of Mr. Arafat to end terrorism there is no reason to believe those borders would produce peace today anymore than they did in the past.

All this being said, I am not convinced that today's resolution will have much of an effect on the Israeli-Palestinian conflict. In fact, it may bring other members in this body to this very House floor with resolutions in support of Mr. Arafat. That is their right. However, America must speak with one single voice and that voice should belong to the president, not members of Congress. It is my hope that we can stop the resolutions and allow the administration to work toward establishing an atmosphere in which Israel and the Palestinians can begin learning how to live side by side in a land where they both have long-standing interests.

Mr. UDALL of New Mexico. Mr. Speaker, I rise today in support of Israel, its people, and its future as a vibrant and stable democracy. I also rise in support of the Palestinian people and their rights to a homeland and to live in peace and security with their Israeli neighbors. I rise in support of a future for the Middle East in which children—Israeli and Palestinian alike—no longer have to go to school in armored busses and no longer have to worry about the safety of their mothers and fathers.

Mr. Speaker, I rise today to give my support to a peace process that benefits from the full engagement of the United States and is possessed of a fair and balanced approach to the problem. I rise to support a plan that understands the concerns of both sides and works to ensure that all voices in the region are heard and understood. I rise in support of the idea that peace in the Middle East is achievable and that two peoples brought together by history and geography can put their differences aside in the interests of future generations.

Mr. Speaker, I rise in support of the notion that the United States can and must serve as the indispensable nation in the Middle East. Only the United States is prepared and equipped to serve as the impartial negotiator that is so desperately needed in the region, and I hope that our engagement in the current crisis will increase in intensity and focus. The current Administration has made a good start in this regard, but they can and should do more.

Mr. Speaker, I rise today, finally, in support of the goals contained in United Nations Security Council Resolution 242, which calls for the "termination of all claims or states of belligerency and respect for an acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force." I urge all parties in the region to vigorously pursue efforts to establish a just, lasting, and comprehensive peace in the Middle East that will enable Israel and an independent Palestinian state to exist within the context of full and normal relations.

Mr. OTTER. Mr. Speaker, I rise today to express my strong support for House Resolution 392 and my solidarity with the people of the Republic of Israel as they battle against terrorism. I also rise to thank Mr. DELAY for introducing this resolution, and the 52 members from both sides of the aisle that joined me in co-sponsoring this bill.

Since September 11 the United States and Israel have been linked in the same battle, and have fought the same foe. The same forces of evil that struck New York and Washington have struck Israel almost every day for the last 2 years. The same people who wish to drive Israel into the sea wish to drive America from the Middle East.

Some people wish to draw a line between the United States and Israel, and separate our causes. Nothing could be more misguided. Israel and the United States are democracies, and our unfree opponents envy us. Our religious freedom offends them, for they are free only to worship at the state's behest. Our two nation's freely trade with the world, and become wealthy, while they see the wealth of their lands stolen by their own corrupt leaders. And, in this crisis, we are strong and confident, while they know their cause is marching to what Ronald Reagan rightly called "The dustbin of history". I urge my colleagues to join with me in standing with Israel and supporting this resolution.

Mr. CARDIN. Mr. Speaker, I rise in strong support of the pending resolution of which I am an original co-sponsor, H. Res. 392, expressing solidarity with Israel in its fight against terrorism.

Mr. Speaker, Israel and the United States are now engaged in a common struggle against terrorism both at home and abroad. The United States must stand strongly with Israel during this most trying of times. Since 2000 Israel has witnessed a horrendous level of terrorist activity directed at the civilian population, with scores of Israelis killed by suicide bombers and attacks and hundreds injured. While I recognize that many Palestinians have also been killed or injured in this conflict, only the Palestinians are engaging a systematic and deliberate campaign of terror aimed at inflicting as many casualties as possible on the civilian Israeli population.

This ongoing terror campaign is taking a devastating toll on youth and families. It is clear that such terrorist activities are perpetrated by forces under Yasir Arafat's partial or complete control, such as the al-Aqsa Martyrs Bridgades, which is part of Arafat's Fatah organization and has been designated as a Foreign Terrorist Organization by the United States government. Yasir Arafat and his advisers were also involved in the Palestinian Authority's thwarted attempt to obtain 50 tons of offensive weapons shipped from Iran in the Karine-A. The Palestinian Authority, in addition to other Arab governments in the region, continues to provide crucial financial support for terrorist acts, such as providing "martyr" payments to families of suicide bombers.

Yasir Arafat and members of the Palestinian leadership have failed to abide by their commitments to non-violence made in the Israel-PLO Declaration of Principles (Oslo accord) of September 1993, including their pledges: (1) To adhere strictly to "a peaceful resolution of the conflict," (2) to resolve "all outstanding issues relating to permanent status through negotiations," (3) to renounce "the use of terrorism and other acts of violence," and (4) to "assume responsibility over all PLO elements and personnel in order to assure their compliance [with the commitment to non-violence], prevent violence, and discipline violators." In my view the continued terrorism and incitement committed, supported, and coordinated by official arms of the Palestinian Authority are a direct violation of these commitments.

Israel's military operations are an effort to defend it against ongoing terrorist activities. Israel has both a legal right of self-defense and a moral obligation to protect its citizens. The military operations are aimed at dismantling the terrorist infrastructure in the Palestinian areas, an obligation Arafat himself undertook but failed to carry out.

I am outraged at the ongoing Palestinian terrorist campaign, and I have joined with other members of Congress in introducing a resolution that insists that the Palestinian Authority take all necessary steps to end it. Specifically, I call upon the Palestinian Authority to: (1) renounce unequivocally, publicly, and in Arabic all forms of terrorism and violence; (2) destroy the infrastructure of Palestinian terrorist groups; (3) pursue and arrest terrorists whose incarceration has been called for by Israel; (4) either prosecute such terrorists, provide convicted terrorists with the stiffest possible punishment, and ensure that those convicted remain in custody for the full duration of their sentences; or render all arrested terrorists to the Government of Israel for prosecution.

Chairman Arafat has already been put on notice that he must bring an end to these terrorists attacks against innocent Israeli civilians. The United States must make clear that terrorism and violence can never be used as a negotiating tactic. Israel must not make concessions to the Palestinians as a result of the latest terrorist attacks. And the historic and enduring relationship between the United States and Israel will only grow stronger in these times of great turmoil.

Unless PA Chairman Arafat stops the violence and cracks down on terrorist cells under his control and authority, the President should seriously consider the suspension of all diplomatic relations with the Palestinian Authority. I have also co-sponsored H.R. 1795, the Middle East Peace Commitments Act, which would require the imposition of sanctions on the PA if Chairman Arafat fails to comply with the many commitments he has made in the past to stop terrorist activities that are planned or carried out in areas under the PA's control.

I also encourage President bush to insist that all countries harboring, materially supporting, or acquiescing in the private support of Palestinian terrorist groups end all such support, dismantle the infrastructure of such groups, and bring all terrorists within their borders to justice. I commend the President for his strong leadership against international terrorism, his forthright response to this most recent outrage, and his swift action to freeze additional sources of terrorist funds. As the President stated to a joint session of Congress on September 2001: "from this day forward, any nation that continues to harbor or support terrorism will be regarded by the United States as a hostile regime."

Mr. Speaker, each of us prays for peace in the Middle East, which will lead to the creation of a Palestinian state living in peace and prosperity alongside a safe and secure Israel. The only way to achieve peace is for the Palestinian leaders to not only condemn but to take steps to stop terrorism and violence.

Mrs. McCARTHY of New York. Mr. Speaker, I rise in solidarity with Israel. I'm proud to make this statement of support today, especially in light of the ever-changing news reports coming out of the region.

The resolution currently on the House floor is simple: the United States supports Israel's war against terrorism. Some in the international community contend the United States is biased; they render our country's support for Israel controversial. They are entitled to their opinions, as are we; I firmly believe every American makes the right decision when stating support for Israel during this turbulent time in history.

Israel, our sole democratic ally in the Middle East, continues to persevere. She has faced many tough times since her declaration of Independence, and this threat to Israel's existence surely rates as one of her most difficult battles yet.

Israel fights hatred on a daily basis. This hatred is terrorism. It is murder. Israel has every right to defend herself against terrorism. When innocent civilians are murdered, over and over again, Israel has no choice but to take action.

Israel is no stranger to difficulty, and no stranger to compromise. I continue to support Israel's decision to root out terrorists. I think it's natural, and expected, and it must be done just like America's efforts in Afghanistan. I also support Israel's recent decision to end the situation in Ramallah; the compromise was a worthwhile trade-off, consistent with Israel's aim: the obliteration of terrorism by getting terrorists off the streets.

Israel faces daily barages of criticism from her Arab neighbors and much of Western Europe, not to mention the United Nations. Sometimes she even faces criticism from United States officials. Nevertheless, Israel continues to act in the best interest of her people.

She refused to end military incursions until Israel's security was assured. After unsubstantiated Palestinian allegations of a massacre in Jenin were publicized by the media, Israel agreed to allow a UN factfinding mission entrance after certain conditions were met. These guidelines were not followed, and Israel revoked its support for a mission; coincidentally, no evidence of a massacre ever materialized, and the UN ended its effort as well.

I firmly believe that difficult decisions will be made in order to achieve a permanent peace, and the above decisions are part of this process. This resolution is evidence that as Israel fights terrorism and searches for a lasting solution to this ongoing crisis, the United States will remain at her side.

The SPEAKER pro tempore. All time for debate has expired.

The question is on the motion offered by the gentleman from Illinois (Mr. HYDE) that the House suspend the rules and agree to the resolution, H. Res. 392, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

RECORDED VOTE

Mr. LANTOS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 352, noes 21, answered "present" 29, not voting 32, as follows:

[Roll No. 126]

AYES—352

Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barrett
Bartlett
Barton
Bass
Bentsen
Berkley
Berman
Berry
Biggert
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (SC)
Bryant
Burr
Buyer
Calvert
Camp
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Isakson
Israel
Issa
Jackson-Lee (TX)
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Moore
Moran (KS)
Morella
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Osborne
Ose
Otter
Owens
Pallone
Pascrell
Pastor
Pelosi
Pence
Peterson (PA)
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Ross
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sánchez
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Stearns
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Waters
Watkins (OK)
Watson (CA)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)

NOES—21

Abercrombie
Bonior
Boucher
Condit
Conyers
DeFazio
Dingell
Hilliard
Inslee
Jackson (IL)
Kleczka
Lee
McKinney
Miller, George
Obey
Paul
Petri
Rahall
Rohrabacher
Smith (MI)
Stark

ANSWERED "PRESENT"—29

Baldwin
Barr
Becerra
Bishop
Brown (OH)
Capuano
Clayton
Farr
Hostettler
Jones (OH)
Kaptur
Kilpatrick
Kind (WI)
Kucinich
McDermott
Mink
Mollohan
Moran (VA)
Oberstar
Payne
Peterson (MN)
Rivers
Sabo
Sanders
Solis
Thompson (CA)
Thurman
Watt (NC)
Woolsey

NOT VOTING—32

Bereuter
Bilirakis
Brown (FL)
Burton
Callahan
Cannon
Cantor
Cooksey
Crane
Dooley
Everett
Fattah
Hoekstra
Hooley
Istook
Jefferson
Jenkins
John
McHugh
Millender-McDonald
Murtha
Oxley
Riley
Ros-Lehtinen
Roukema
Stenholm
Sullivan
Taylor (NC)
Thompson (MS)
Traficant
Wamp
Young (FL)

☐ 1653

Mr. WELLER changed his vote from "no" to "aye."

Ms. KILPATRICK and Mr. MORAN of Virginia changed their vote from "no" to "present."

Mr. MOLLOHAN changed his vote from "aye" to "present."

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. DOOLEY of California. Mr. Speaker, due to district business, I was unable to cast a vote for H. Res. 392 to express solidarity with Israel in its fight against terrorism. Had I been present for the vote, I would have voted "aye."

PERSONAL EXPLANATION

Mr. EVERETT. Mr. Speaker, due to illness, I was unable to vote during the following rollcall votes. Had I been present, I would have voted as indicated below.

Rollcall No. 124 (H. Res. 404, on ordering the previous question)—"yes."

Rollcall No. 125 (H. Res. 404, on agreeing to the resolution)—"yes."

Rollcall No. 126 (H. Res. 392, on motion to suspend the rules and agree to the resolution, as amended)—"yes."

GENERAL LEAVE

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 392, the resolution just agreed to.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEGISLATIVE PROGRAM

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, I ask for this time to inquire as to the schedule for next week, and I yield to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I am pleased to be able to respond to the gentlewoman.

Mr. Speaker, I am pleased to announce that the House has completed its legislative business for the week. The House will meet next for legislative business on Tuesday, May 7 at 12:30 p.m. for morning hour and 2 p.m. for legislative business. On Tuesday, the majority leader will schedule a number of measures under suspension of the rules, a list of which will be distributed to the Members' offices tomorrow. Recorded votes on Tuesday will be postponed until 6:30 p.m.

On Wednesday and the balance of the week, the majority leader has scheduled the following measures: H.J. Res. 87, the Yucca Mountain Repository Site Approval Act; H.J. Res. 84, a resolution disapproving the action taken by the President under section 203 of the Trade Act of 1974; and H.R. 4547, the National Defense Authorization Act for Fiscal Year 2003.

Mr. Speaker, I thank the gentlewoman for yielding.

Ms. PELOSI. Reclaiming my time, Mr. Speaker, I would like to seek further clarification from the gentleman.

Can I detect from your comments that there will be no votes on Friday for sure?

Mr. BLUNT. There probably will be votes on Friday since we are starting the DOD authorization on Thursday. It is likely that will go to Friday and, of course, on Friday we would have our final votes completed by 2 o'clock.

Ms. PELOSI. Again, seeking further clarification, H.J. Res. 87, the Yucca Mountain Repository Approval Act, can the gentleman be more specific about which day that will be coming up?

Mr. BLUNT. Expect that measure to come to the floor on Wednesday.

Ms. PELOSI. And the resolution disapproving the actions taken by the President under 203 of the Trade Act?

Mr. BLUNT. We expect that to be on the floor on Wednesday as well.

Ms. PELOSI. And the defense authorization the gentleman said will be Thursday?

Mr. BLUNT. Start on Thursday and anticipate that we are very likely to carrying over to Friday. And this will be, of course, the first Friday that we will have worked, and perhaps have been scheduled to work, will be this Friday.

Ms. PELOSI. Will the gentleman also shed some light on when you think the welfare reform bill will be considered on the floor?

Mr. BLUNT. The Committee on Energy and Commerce marked up the bill last week. The Committee on Education and the Workforce and the Committee on Ways and Means will do their markup this week. It is likely that we will have the welfare reform bill the week after next.

Ms. PELOSI. Does the gentleman have any idea when the supplemental will be brought to the floor?

Mr. BLUNT. We are working with the gentleman from Florida (Mr. YOUNG), and I think it is possible that the committee could mark up the supplemental next week; and we will move it to the floor as quickly as possible after it is marked up.

Ms. PELOSI. Do you anticipate that being next week or the week after?

Mr. BLUNT. We anticipate the committee could do the markup next week, and we will look for the earliest possible floor time; but that certainly could be the week after it is marked up.

Ms. PELOSI. I thank the gentleman for the information.

ADJOURNMENT TO MONDAY, MAY 6, 2002

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, May 3, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUR OF MEETING ON TUESDAY, MAY 7, 2002

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 6, 2002, it adjourn to meet at 12:30 p.m. on Tuesday, May 7, 2002 for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUR OF MEETING THURSDAY, MAY 9, 2002

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, May 8, 2002, it adjourn to meet at 9 a.m. on Thursday, May 9, 2002, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON THURSDAY, MAY 9, 2002, FOR THE PURPOSE OF RECEIVING FORMER MEMBERS OF CONGRESS

Mr. BLUNT. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday, May 9, 2002, for the Speaker to declare a recess subject to the call of the Chair for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMUNICATION FROM THE DIRECTOR OF FINANCIAL COUNSELING OF THE OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from Jacqueline Aamot, Director of Financial Counseling, Office of the Chief Administrative Officer of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER, U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, April 24, 2002.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a subpoena for testimony issued by the U.S. District Court for the Eastern District of Virginia.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,
JACQUELINE AAMOT,
Director of Financial Counseling.

COMMUNICATION FROM THE HUMAN RESOURCES/OFFICE OF PAYROLL SUPERVISOR OF THE OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from Christine A. Baptiste, Human Resources/Office of Payroll Supervisor, Office of the Chief Administrative Officer of the House of Representatives:

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER, U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, April 29, 2002.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a subpoena for testimony issued by the U.S. District Court for the Eastern District of Virginia.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the precedents and privileges of the House.

Sincerely,
CHRISTINE A. BAPTISTE,
Supervisor, Human Resources/
Office of Payroll.

DISPLAYING THE TEN COMMANDMENTS

(Mr. KERNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KERNS. Mr. Speaker, on this National Day of Prayer, citizens all across our great Nation will gather to give thanks to our Father in heaven for the blessings we have received and to ask humbly for His mercy.

On this day it is important that we recognize the role faith and religion plays in our Nation from its founding to the present day.

The Ten Commandments have been fundamental to the development of the basic legal principles of western civilization and our Nation. They have set forth a code of moral conduct that promises respect for our system of laws and the general good of society. Considering the positive influence they have had in our Nation, I believe we should proudly display the Ten Commandments and recognize the contributions they have made to the United States.

□ 1700

While some would have removed all religious references from the public square, the historical facts cannot be ignored. There are liberal organizations that have twisted the first amendment and use the threat of costly lawsuits to restrict religious expression in our Nation. In the face of this pressure, we must stand together and work to reverse this trend.

In Montgomery County, Indiana, one individual with the support of the Indiana Civil Liberties Union based the threat of a lawsuit to have the Ten Commandments removed from the courthouse square. I found that alarming. In fact, it was a motivating factor for this legislation I wrote and introduced to require the display of the Ten Commandments here in the United States Capitol.

Our legislation has 31 cosponsors, and that is 31 Members of Congress. We are gaining support. On this National Day of Prayer, Mr. Speaker, I ask that we pray for our Nation, and we continue to have respect for our God.

NATIONAL DAY OF PRAYER

(Mr. ADERHOLT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADERHOLT. Mr. Speaker, I too want to rise this afternoon to recognize today as the National Day of Prayer. National Days of Prayer have been observed for several years in accordance with Public Law 100-307. Mr. Speaker, I cannot remember a day or a year that today has meant more for this Nation. The heart of our Nation was wounded on September 11, but this wound has begun to heal through the ceaseless prayers of the people.

We pray today for the continued grace of God upon our land. We pray for the safety of our men and women of the Armed Forces, many of whom are fighting across the sea in the war on terrorism, and we pray for peace throughout the world.

We also pray for wisdom and guidance for this body here in the United States House of Representatives, for the Senate, for the judiciary, for the President and also his administration. Great tasks and heavy responsibilities lay upon our shoulders. Whether making decisions about the Middle East or international situations or policies for our own country, we pray that we do not rely on our own knowledge, but on the wisdom of God.

Mr. Speaker, today, all across America, individuals are meeting in courthouses, city halls, State houses and here on Capitol Hill, to observe this National Day of Prayer. Since 9 o'clock this morning at the Cannon House Office Building right across the street, hundreds of individuals have assembled together for that purpose, as one Nation, under God, and indivisible.

HONORING ARKANSAN WWII POW'S AND THEIR RUSSIAN COUNTERPARTS

(Mr. BOOZMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOOZMAN. Mr. Speaker, I rise today to recognize three World War II POW veterans from the State of Arkansas who will be leaving this Sunday, May 5, to participate in an historic reunion with Russian World War II veterans in Volgograd, Russia.

In 1945 Silas LeGrow, Thomas Watt Bonds and Charley Stringer were liberated by Russian soldiers from POW camps in Manchuria, Germany and Romania respectively. Upon release, their Russian allies shared limited food rations, clothing and medical supplies to keep them alive. Without this generosity, our soldiers would have come much closer to death.

This week these men will travel to Volgograd to thank their Russian colleagues for saving their lives and enabling them to return home to their families in Arkansas. They will also celebrate Russia's Victory Day in Volgograd, which was known as Stalingrad in the Soviet era. World War II's bloodiest battle on Russian soil took place in Stalingrad, and so the celebration of Victory Day is of great significance to the local residents.

I would also like to recognize the University of Arkansas Medical School for their part in making the trip for these veterans a reality. In 1993, UMS formed a partnership with Volgograd Medical Academy, and this relationship resulted in the establishment of a Russian family medical department, a family medicine residency program and tuberculosis program. It is through this partnership that the city of Volgograd thoughtfully extended an invitation to the World War II POWs from Arkansas to join in the Victory Day festivities.

Mr. Speaker, I am proud of this display of international friendship and remembrance by representatives from my home State. Thank you for allowing me the opportunity to recognize them.

MARTIN AND GRACIA BURNHAM

(Mr. TIAHRT asked and was given permission to address the House for 1 minute.)

Mr. TIAHRT. Mr. Speaker, today marks the 341st day that Martin and Gracia Burnham have been held captive by Muslim terrorists in the Philippines.

Unfortunately, I have disturbing news to report today. According to a report in the Associated Press, the Abu Sayyaf group that is holding the Burnhams hostage is no longer interested in negotiations and has threatened to kill Martin and Gracia. "The door is closed for negotiations. It is up to them if they want to look for the dead bodies," terrorist leader Abu Sabaya chillingly stated in a radio interview. Apparently now the ASG is more interested in embarrassing the Philippine and American governments and military than their own supposed political demands.

The Abu Sayyaf will not succeed in embarrassing us, for we will not back down in the face of terrorism. President Bush has committed our resources to rooting out the terrorism around the world. The Philippine government has been working with us to combat terrorism in their own nation. I am confident that we will eliminate the Abu Sayyaf and other evil organizations, and I pray that the Burnham family will soon be reunited.

At this crucial time, I ask my colleagues to join me in prayer for Martin and Gracia and their loved ones that this nightmare may soon be over.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. ISSA). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REVISIONS TO ALLOCATION FOR HOUSE COMMITTEE ON APPROPRIATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. NUSSLE) is recognized for 5 minutes.

Mr. NUSSLE. Mr. Speaker, I submit for printing in the CONGRESSIONAL RECORD revisions to the 302(a) allocations and budgetary aggregates established by H. Con. Res. 83, the concurrent resolution on the budget for fiscal year 2002. My authority to make these adjustments is derived from Sec. 314 of the Congressional Budget Act and Sec. 221(c) of H. Con. Res. 83.

H.R. 3090, the Job Creation and Worker Assistance Act of 2002 (P.L. 107–147), contained emergency-designated direct spending. The emergency-designated direct spending increases the 302(a) allocation to the House Ways and Means Committee and the budgetary aggregates by $5,984,000,000 in new budget authority and $5,755,000,000 in outlays for fiscal year 2002 and $5,464,000,000 in new budget authority and $5,675,000,000 in outlays for the total of fiscal years 2002 through 2006.

Those adjustments increase the 302(a) allocation to the House Ways and Means Committee to $7,344,000,000 in new budget authority and $6,655,000,000 in outlays for fiscal year 2002 and $20,873,000,000 in new budget authority and $20,744,000,000 in outlays for the total of fiscal years 2002 through 2006. The budgetary aggregates for fiscal year 2002 are increased to $1,679,172,000,000 in new budget authority and $1,644,607,000,000 in outlays.

Questions may be directed to Dan Kowalski at 67270.

STATUS REPORT ON CURRENT SPENDING LEVELS OF ON-BUDGET SPENDING AND REVENUES FOR FY 2002 AND THE 5-YEAR PERIOD FY 2002 THROUGH FY 2006

Mr. NUSSLE. Mr. Speaker, to facilitate the application of sections 302 and 311 of the Congressional Budget Act and section 201 of the conference report accompanying H. Con. Res. 83, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 2002 and for the five-year period of fiscal years 2002 through 2006. This status report is current through April 30, 2002.

The term "current level" refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature.

The first table in the report compares the current levels of total budget authority, outlays, and revenues with the aggregate levels set forth by H. Con. Res. 83. This comparison is needed to enforce section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for years after fiscal year 2002 because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority and outlays for discretionary action by each authorizing committee with the "section 302(a)" allocations made under H. Con. Res. 83 for fiscal year 2002 and fiscal years 2002 through 2006. "Discretionary action" refers to legislation enacted after the adoption of the budget resolution. This comparison is needed to enforce section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 302(a) discretionary action allocation of new budget authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The third table compares the current levels of discretionary appropriations for fiscal year 2002 with the "section 302(b)" suballocations of discretionary budget authority and outlays among Appropriations subcommittees. The comparison is also needed to enforce section 302(f) of the Budget Act because the point of order under that section equally applies to measures that would breach the applicable section 302(b) suballocation.

The fourth table gives the current level for 2003 of accounts identified for advance appropriations in the statement of managers accompanying H. Con. Res. 83. This list is needed to enforce section 201 of the budget resolution, which creates a point of order against appropriation bills that contain advance appropriations that are: (i) not identified in the statement of managers or (ii) would cause the aggregate amount of such appropriations to exceed the level specified in the resolution.

The fifth table compares discretionary appropriations to the levels provided by section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985. If at the end of a session discretionary spending in any category exceeds the limits set forth in section 251(c) (as adjusted pursuant to section 251(b)), a sequestration of amounts within that category is automatically triggered to bring spending within the established limits. As the determination of the need for a sequestration is based on the report of the President required by section 254, this table is provided for informational purposes only.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET—STATUS OF THE FISCAL YEAR 2002 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 83

[Reflecting Action Completed as of April 30, 2002 (On-budget amounts, in millions of dollars)]

	Fiscal year 2002	Fiscal years 2002–2003
Appropriate Level:		
Budget Authority	1,679,172	n.a.
Outlays	1,644,607	n.a.
Revenues	1,638,202	8,878,506
Current Level:		
Budget Authority	1,670,534	n.a.
Outlays	1,631,627	n.a.
Revenues	1,629,592	8,790,551
Current Level over (+)/under (−) Appropriate Level:		
Budget Authority	−8,638	n.a.
Outlays	−12,980	n.a.
Revenues	−8,610	−87,955

n.a.=Not applicable because annual appropriations Acts for fiscal years 2003 through 2006 will not be considered until future sessions of Congress.

Budget Authority: Enactment of measures providing new budget authority for FY 2002 in excess of $8,638,000,000 (if not already included in the current level estimate) would cause FY 2002 budget authority to exceed the appropriate level set by H. Con. Res. 83.

Outlays: Enactment of measures providing new outlays for FY 2002 in excess of $12,980,000,000 (if not already included in the current level estimate) would cause FY 2002 outlays to exceed the appropriate level set by H. Con. Res. 83.

Revenues: Enactment of measures that would result in revenue loss for FY 2002 in excess of $8,610,000,000 (if not already included in the current level estimate) would cause revenues to fall further below the appropriate level set by H. Con. Res. 83.

Enactment of measures resulting in revenue loss for the period FY 2002 through 2006 in excess of $87, 955,000,000 (if not already included in the current level estimate) would cause revenues to fall further below the appropriate levels set by H. Con. Res. 83.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH AUTHORIZING COMMITTEE 302(A) ALLOCATIONS FOR DISCRETIONARY ACTION

[Reflecting Action Completed as of April 30, 2002 (Fiscal Years, in millions of dollars)]

House Committee	2002		2002–2006	
	BA	Outlays	BA	Outlays
Agriculture:				
Allocation	7,350	7,350	28,492	25,860
Current Level	0	2	0	0
Difference	−7,350	−7,348	−28,492	−25,860
Armed Services:				
Allocation	146	146	398	398
Current Level	163	146	276	276
Difference	17	0	−122	−122
Banking and Financial Services:				
Allocation	0	0	0	0
Current Level	8	9	46	47
Difference	8	9	46	47
Education and the Workforce:				
Allocation	5	5	32	32
Current Level	−195	−180	3,785	3,040
Difference	−200	−185	3,753	3,008
Commerce:				
Allocation	2,687	2,687	−6,537	−6,537
Current Level	−46	−50	2	7
Difference	−2,733	−2,737	6,539	6,544
International Relations:				
Allocation	0	0	0	0
Current Level	0	0	0	0
Difference	0	0	0	0
Government Reform:				
Allocation	0	0	−1,995	−1,995
Current Level	0	0	−4	−4
Difference	0	0	1,991	1,991
House Administration:				
Allocation	0	0	0	0
Current Level	0	0	0	0
Difference	0	0	0	0
Resources:				
Allocation	0	−3	365	88
Current Level	0	−3	16	13
Difference	0	0	−349	−75
Judiciary:				
Allocation	0	0	0	0
Current Level	109	109	299	159
Difference	109	109	299	159
Small Business:				
Allocation	0	0	0	0
Current Level	0	0	0	0
Difference	0	0	0	0
Transportation and Infrastructure:				
Allocation	2,000	3,200	2,000	4,700
Current Level	3,108	4,308	9,949	12,649
Difference	1,108	1,108	7,949	7,949
Science:				
Allocation	0	0	0	0
Current Level	0	0	0	0
Difference	0	0	0	0
Veterans' Affairs:				
Allocation	264	264	3,205	3,205
Current Level	230	230	3,097	3,097
Difference	−34	−34	−108	−108
Ways and Means:				
Allocation	7,344	6,655	20,873	20,744
Current Level	12,411	12,182	44,854	44,725
Difference	5,067	5,527	23,981	23,981

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 2002—COMPARISON OF CURRENT LEVEL WITH APPROPRIATIONS SUBCOMMITTEE 302(b) SUBALLOCATIONS

[In millions of dollars]

Appropriations Subcommittee	Revised 302(b) suballocations as of September 20, 2001 (H. Rpt. 107–208)		Adjustments not reflected in 302(b) suballocations		Current level reflecting action completed as of April 30, 2002		Current level minus suballocations	
	BA	OT	BA	OT	BA	OT	BA	OT
Agriculture, Rural Development	15,668	16,044	535	352	16,553	16,634	350	238
Commerce, Justice, State	38,541	38,905	2,423	1,032	41,079	39,879	115	−58
National Defense	299,860	293,941	20,743	17,340	320,603	311,898	0	617
District of Columbia	399	415	200	200	608	618	9	3
Energy & Water Development	23,705	24,218	574	346	25,170	25,116	891	552
Foreign Operations	15,167	15,087	50	13	15,396	15,119	179	19
Interior	18,941	17,800	488	353	19,208	18,081	−221	−72
Labor, HHS & Education	119,725	106,224	3,647	1,821	126,265	109,153	2,893	1,108
Legislative Branch	2,892	2,918	256	196	3,230	3,137	82	23
Military Construction	10,500	9,203	104	27	10,604	9,217	0	−13
Transportation[1]	14,892	53,817	1,296	777	16,596	54,742	408	148
Treasury-Postal Service	17,022	16,285	1,283	1,098	18,352	17,354	47	−29
VA-HUD-Independent Agencies	85,434	88,062	7,101	348	92,335	88,811	−200	401
Unassigned[2]	0	0	4,554	21,132	0	13,397	−4,554	−7,735
Grand Total	662,746	682,919	43,254	45,035	705,999	723,156	−1	−4,798

[1] Does not include mass transit BA.

[2] Reflects 2002 outlays for FY2001 appropriations contained in P.L. 107–38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Acts on the United States, and budget authority and outlays that result from the increase in the statutory spending caps contained in P.L. 107–117, the bill making appropriations for the Department of Defense for fiscal year 2002.

STATEMENT OF FY2003 ADVANCE APPROPRIATIONS UNDER SECTION 201 OF H. CON. RES. 83

[Reflecting Action Completed as of April 30, 2002 (in millions of dollars)]

	Budget authority
Appropriate Level	23,159
Current Level:	
Commerce, Justice, State Subcommittee:	
Patent and Trademark Office	0
Legal Activities and U.S. Marshals, Antitrust Division	0
U.S. Trustee System	0
Federal Trade Commission	0
Interior Subcommittee: Elk Hills	36
Labor, Health and Human Services, Education Subcommittee:	
Employment and Training Administration	2,463
Health Resources	0
Low Income Home Energy Assistance Program	0
Child Care Development Block Grant	0
Elementary and Secondary Education (reading excellence)	0
Education for the Disadvantaged	7,383
School Improvement	1,765
Children and Family Services (head start)	1,400
Special Education	5,072
Vocational and Adult Education	791
Treasury, General Government Subcommittee:	
Payment to Postal Service	48
Federal Building Fund	0
Veterans, Housing and Urban Development Subcommittee, Section 8 Renewals	4,200
Total	23,158
Current Level over (+)/under (−) Appropriate Level	−1

COMPARISON OF CURRENT LEVEL TO DISCRETIONARY SPENDING LEVELS SET FORTH IN SECTION 251(C) OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

[Reflecting Action Completed as of April 30, 2002 (in millions of dollars)]

	Statutory cap[1]	Current level	Current level over (+)/under (−) statutory cap
General Purpose:			
BA	704,548	704,241	−307
OT	696,092	687,940	−8,152
Defense[2]:			
BA	n.a.	347,394	n.a.
OT	n.a.	347,440	n.a.
Nondefense[2]:			
BA	n.a.	356,847	n.a.
OT	n.a.	340,500	n.a.
Highway Category:			
BA	n.a.	n.a.	n.a.
OT	28,489	28,489	0
Mass Transit Category:			
BA	n.a.	n.a.	n.a.
OT	5,275	5,275	0
Conservation Category:			
BA	1,735	1,758	23
OT	1,469	1,452	−17

[1] Established by OMB Sequestration Preview Report for Fiscal Year 2002.

[2] Defense and nondefense categories are advisory rather than statutory.

n.a. = Not applicable.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 1, 2002.

Hon. JIM NUSSLE,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed report shows the effects of Congressional action on the fiscal year 2002 budget and is current through April 30, 2002. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of H. Con. Res. 83, the Concurrent Resolution on the Budget for Fiscal Year 2002. The budget resolution figures incorporate revisions submitted by the Committee on the Budget to the House to reflect funding for emergency requirements, disability reviews Earned Income Tax Credit compliance initiative, and adoption assistance. These revisions are required by section 314 of the Congressional Budget Act, as amended. In addition, section 218 of H. Con. Res. 83 provides for an allocation increase to accommodate House action on the President's revised request for defense spending, and Public Law 107-117 contains language that increases the discretionary spending limits for fiscal year 2002.

Since my last letter, dated February 5, 2002, the Congress has cleared and the President has signed the Job Creation and Worker Assistance Act of 2002 (Public Law 107–147), which has changed budget authority, outlays, and revenues for 2002.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

FISCAL YEAR 2002 HOUSE CURRENT LEVEL REPORT AS OF APRIL 30, 2002

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in previous sessions:			
Revenues	0	0	1,672,118
Permanents and other spending legislation	994,555	945,695	0
Appropriation legislation	1,011,996	1,000,944	0
Offsetting receipts	−322,403	−322,403	0
Total, enacted in previous sessions	1,684,148	1,624,236	1,672,118
Action this session:			
An act to amend the Higher Education Act of 1965 to establish fixed interest rates (P.L. 107–139)	−195	−180	0
Job Creation and Worker Assistance Act of 2002 (P.L. 107–147)	5,984	5,755	−42,526
Total, action this session	5,789	5,575	−42,526
Entitlements and mandatories: Difference between enacted levels and budget resolution estimates for appropriated entitlements and other mandatory programs	−18,054	1,816	0
Total Current Level	1,670,534	1,631,627	1,629,592
Total Budget Resolution	1,679,172	1,644,607	1,638,202
Current Level Over Budget Resolution	0	0	0
Current Level Under Budget Resolution	−8,638	−12,980	−8,610
Memorandum:			
Revenues, 2002–2006:			
House Current Level	0	0	8,790,551
House Budget Resolution	0	0	8,878,506
Current Level Under Budget Resolution	0	0	−87,955

Notes: P.L. = Public Law. Section 314 of the Congressional Budget Act, as amended, requires that the House Budget Committee revise the budget resolution to reflect funding provided in bills reported by the House for emergency requirements, disability reviews, an Earned Income Tax Credit compliance initiative, and adoption assistance. In addition, Section 218 of H. Con. Res. 83 provides for an allocation increase to accommodate House action on the President's revised request for defense spending. Public Law 107–117 contains language that increases the discretionary spending limits for fiscal year 2002, and Public Law 107–147 revises budget authority and outlay allocations to accommodate emergency spending. To date, the Budget Committee has increased the budget authority allocation in the budget resolution by $52,684 million and the outlay allocation by $54,133 million for these purposes.

For comparability purposes, current level budget authority excludes $1,349 million that was appropriated for mass transit. The budget authority for mass transit, which is exempt from the allocations made for the discretionary categories pursuant to sections 302(a)(1) and 302(b)(1) of the Congressional Budget Act, is not included in H. Con. Res. 83. Total budget authority including mass transit is $1,671,883 million.

Source: Congressional Budget Office.

PEACE IN THE MIDDLE EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, as my colleagues well know, just a few hours ago this body engaged in what I have heard many Members say was an enormously deliberative debate about the position the United States would take with Israel. I have even heard some of my junior Members suggesting that there was not enough time for us to engage in a more thorough debate to explain to the American people the heartfelt positions that many of us have.

I was in that category. Because of the need to confine our remarks to a certain period of time, I felt compelled to share with my colleagues the road map that I think is imperative that we try and follow, away from any accusations or suggestions that the heartfelt, conscience-felt positions that many Members express are any less than any others.

I think it is important to note that this Nation has a long standing history that cannot be changed of being a very close friend of Israel. It is a friendship born out of the recognition of our own commitment, our mutual commitment to democracy. It is a blessing from the perspective that the United States is a mosaic. We come from the continent of Africa. We come from South America. We come from the Mideast, both Muslim and Jew. We come from many, many places, and therefore, it is by this reason that there is a great interest in this Nation about the various issues that abound in the world because so many of us come from different places.

It is for this reason that I would hope that the resolution offered today does not start any of us away from the ultimate goal. It is the preservation of our good friend Israel, but it is the recognition, as I said in my remarks, of the humanity and dignity of the Palestinian people, and as well, recognizing the value of the Palestinian State.

I would like to address this question of whether this message of a resolution should, in fact, put a spear in the peace process. Mr. Speaker, these are only words. Words cannot keep anyone who is committed to the peace process away from the peace table. That goes for the United States, that goes for Mr. Sharon, and it goes for Mr. Arafat.

I would say to the President that if all of us had had our wishes, we would have been involved in this process starting early on, but now we are at a point where the involvement is crucial. I think the participation of Mr. Bush is vital, and I would encourage him to continue that participation.

I believe Secretary Powell should return, and as we return him back to the Mideast, I would encourage the Nation to give him our full support in the position of Secretary of State.

I would offer to say that many times we have utilized past Presidents, and I would encourage the utilization of past Presidents. Let me cite as an example, I am not from Ireland, but I have had the pleasure of being engaged in the peace process in a limited fashion as a Member of Congress and remember traveling with the former chairman of the International Relations Committee the gentleman from New York (Mr. GILMAN), making sure that we went to every single component of that whole process, meeting Gerry Adams and the unionists, and I cannot call all the names, but we were in southern Ireland and Northern Ireland. We did not leave until we met with every single component. We did not want anyone to believe they were not important.

That is what I think our challenge is after this resolution. I do not want the words of this resolution to completely cause us to move away from peace.

Let me bring to the attention of my colleagues, maybe they are not recognizing that the language in the resolution says in particular, among other things, it urges all parties in the region, all parties in the region, to pursue vigorously efforts to establish a just, lasting and comprehensive peace in the Middle East. It does not leave out Chairman Arafat. It does not leave out Prime Minister Sharon. It says everyone.

Then the resolution also specifically states it encourages the international community to take action to alleviate the humanitarian needs of the Palestinian people. I would expand that to help rebuild the structure of Palestine.

Let me again say, as I did on the floor of the House, my great admiration for many of the leaders of Israel, my great admiration for many of those who seek peace in the Mideast, but for Prime Minister Rabin, let me just simply say, as I quote Prime Minister Rabin, in 1994, Mr. Speaker, cited Mr. Arafat as a good friend and accepted him as a person who believed in peace. Where is Mr. Arafat in this day and time?

Let me conclude with these words, and these are words to Prime Minister Sharon and Chairman Arafat. "We will pursue the course of peace with determination and fortitude. We will not let up. We will not give in. Peace will triumph over all its enemies because the alternative is grimmer for us all. And we will prevail." These are the words of former Prime Minister Rabin, the man who understood war and understood peace at Oslo in 1994, receiving the Nobel Peace Prize. We will prevail if we can assure that we will all go to the peace table without question.

NATIONAL BREAST CANCER COALITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

Mr. CUMMINGS. Mr. Speaker, recently I was visited here in Washington by the Maryland Chapter of the National Breast Cancer Coalition. Their message was very simple. This year alone, more than 225,000 women will be diagnosed with breast cancer, and more than 40,000 women will die from this terrible disease.

Despite these statistics, we still do not know what causes breast cancer, how to prevent it, or how to treat it effectively. The National Breast Cancer Coalition needs our help in moving towards their goal of eradicating this dreadful disease.

□ 1715

I want to add that combining all age groups, Caucasian women are more likely to develop breast cancer than African-American women. However, African-American women are more likely to die of breast cancer. Past studies show that nearly half, 47 percent, of all African-American women diagnosed with invasive breast cancer die from the disease within 10 years.

I come to the floor today with two questions: What can we do to end the suffering and needless loss of life, and what can Congress do?

What can we do? Individually we need to make sure our loved ones, friends, family and coworkers have an annual mammogram and perform a monthly self-breast examination. Today, there is no cure. So prevention is the answer. I do not care how you get them to the examination room, beg or plead, but it must be done. Life is precious. Save a life by encouraging yearly mammograms and monthly self-breast exams.

What can we do as Members of Congress? There is legislation that is pending in committees that needs to be enacted and enacted now. Every day more women are diagnosed with cancer. Every day women are dying from the disease. I urge, no, I beg my colleagues to support and ensure that legislation is passed in this session that will lead to a cure for breast cancer. In the meantime, I beg my colleagues to help those who will develop or have breast cancer by providing medication for breast cancer.

Specifically what can we do? We must enact H.R. 1624, the Access to Cancer Therapies Act. This bill would provide Medicare coverage of oral anticancer drugs. This legislation extends coverage for all cancer drugs, whether it is oral or injectable.

What can we do? We must enact H.R. 1723, the Breast Cancer and Environmental Research Act. It is generally believed that our environment plays a role in the development of breast cancer. The extent of its role is uncertain. This bill would make grants for multi-institutional and multi-discipline research centers to study the links between the environment and breast cancer.

What can we do? We must provide $175 million in the fiscal year 2003 Department of Defense appropriations for their Peer-Reviewed Breast Cancer Research Programs. Since 1992, this program has brought clinical trials into community settings, provided training and recruitment awards to doctors and scientists, and given grants to further promising ideas that could lead to a cure. More than 90 percent of this funding goes directly to the funding of these grants.

Finally, Mr. Speaker, we must enact H.R. 602, the Genetic Information Nondiscrimination in Health Insurance and Employment Act. This bill prohibits health insurers and employers from discriminating based on genetic information. Passage of all these legislative measures would go a long way to help eradicate breast cancer in our lifetime.

SUDAN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes as the designee of the majority leader.

Mr. TANCREDO. Mr. Speaker, it is appropriate on this national day of prayer that we recognize the great gifts that we have been given and the great land in which we live and we give thanks for it. It is also, I think, important for us to think about some places in the world that desperately need our prayers and our help, in a variety of ways, but certainly our prayers. It is appropriate that today we think about a place far away, quite remote, someplace that does not come to mind very often but should because of the horrendous conditions in which people are forced to live. The place I refer to today is Sudan.

We have often seen pictures like these. They are often presented on television as the basis of appeals for aid or for charity for people who are certainly less well off than we and who are in dire straits. The horrendous thing here in the Sudan is that these people, people of southern Sudan specifically, are suffering not just because of the vagaries of the weather and the difficulty with the terrain in that area of the country, the arid part of the nation in which many live. They are not really, in fact, dealing with that as their major problem. They are, in fact, starving to death, it is true. They are dying of diseases by the thousands. To date, 2 million have died over the course of the last 10 years as a result of a civil war that has been going on there. That war is really what has caused the great damage to the people and to the land and to the lives of literally millions upon millions of southern Sudanese.

So today I want to refocus the attention of this House on the plight of these people. We have in the past acted in this body and passed something called The Sudan Peace Act. It languishes in the Senate, as do other pieces of legislation. This one no one seems to care about. It does not have the high visibility, of course, of so many of the other things we do around here, and so no one seems to care. I hope today to bring to the attention of this body and to the people in this country the plight of these people in south Sudan and to once again help us focus on what we can do to help and why we should help.

To aid in that endeavor, I will turn to my colleague, a member of the Committee on the Judiciary, the distinguished gentleman from Indiana (Mr. PENCE), who has graciously agreed to come down here and discuss this issue. I yield to the gentleman.

Mr. PENCE. Mr. Speaker, I thank the gentleman with a gentle heart from Colorado for yielding and giving me the honor of coming alongside and joining him in his effort to bring a forgotten part of the world before the American people.

Without flattering the gentleman, it would be important to state for the record that his efforts and the efforts of our colleague and friend Senator SAM BROWNBACK have almost singularly awakened the conscience of the people of the United States of America about the plight and the humanitarian crisis and the moral bankruptcy of the government of Sudan.

A few points before I yield back to my better in this. Those that are with us, Mr. Speaker, should understand there is simply a humanitarian crisis in Sudan that requires a response by the United States. There is a government of Sudan that simply cannot in demonstrable ways be trusted in these efforts and should not be coddled even in the name of advancing our interest in the war on terrorism.

On the humanitarian crisis, as the gentleman from Colorado said, Mr.

Speaker, 2 million Sudanese people have died of war-related injuries in recent years, including disease and starvation. We Americans still grieve the mindless loss of some 6,000 lives on September 11, yet 2 million people have been lost both to the violence of war and the devastation of its aftermath, with another 4 million Sudanese being displaced.

The government of Sudan uses a divide-and-destroy strategy to pit southern ethnic groups one against another. They actually have attacked civilian food production and supplies using starvation as a weapon of destruction in their war. And the government of Sudan conducts regular slave raids on villages in the south, preying most especially on the Christian population in south Sudan.

It is also well documented that the government of Sudan uses oil revenues to support its oppression of the southern Sudanese, this according to the Committee on Conscience at the U.S. Holocaust Memorial Museum.

In an alarming scenario, Sudanese government helicopter gunships recently bombed a world food program site in the western Upper Nile, killing 17 civilians. A government that bombs food production facilities is a morally bankrupt government with which the United States cannot deal.

And if we needed more evidence, Mr. Speaker, a mid-level al Qaeda official was recently captured in Sudan and, of course, Osama bin Laden has in recent years taken refuge there. A clear connection exists between Sudan and extremist elements in our war on terrorism.

The commander of Sudan's popular defense force called on the Sudanese people to join a holy war with the Palestinian people and rid Jerusalem of its, in his words, Zionist filth. These are the words of the commander of Sudan's defense forces. The president of Sudan has called for training camps to be set up for this purpose as well. And following this announcement, hundreds of thousands of Sudanese marched in the streets of Khartoum chanting anti-Israel, anti-U.S. slogans and singing the praises of Osama bin Laden.

After a cease-fire was agreed upon, the government of Sudan still denied humanitarian access to 43 locations in southern Sudan. Prior to this, the government of Sudan banned flights to, on average, 25 locations. In other words, they have announced they will continue bombing but just prevent international observation by kicking out all NGOs.

While he has asked me not to mention his name, Mr. Speaker, I am privileged to serve a district where a church in a small rural town of my heartland Indiana district raised the funds and sent a mission group to Sudan to do nothing more than deliver an ultralight aircraft so the Christians in southern Sudan would be able to surveil approaching armaments preparing to bombard cities, as they do with longer-range weapons.

The Bible tells us, on this national day of prayer, Mr. Speaker, that "From everyone who has been given much, much will be demanded. From the one who has been entrusted with much, much more will be asked." The gentleman from Colorado (Mr. TANCREDO) has responded to that call from his heart in leading the way in this institution for the development and the passage in this Congress of the Sudan Peace Act.

I have been privileged to join the gentleman from Colorado in drafting a letter urging action on the Sudan Peace Act and would urge all of my colleagues to join us and many other prominent Members of this institution who have already added their names to this correspondence, including the majority leader, the conference chairman, and the distinguished chairman of the Committee on International Relations, the gentleman from Illinois (Mr. HYDE).

Let me say the United States, Mr. Speaker, has been blessed with an abundance of material goods, authority, and moral conscience. We can no longer tolerate the government-funded and subsidized massacre of human life, nor can we, as a Nation that is pluralistic in its faith but dominated by both a heritage and a contemporary Christian population, neither can we as a government of so great a people, turn a blind eye and a deaf ear to the suffering of the magnitude in Sudan that, again I hasten to add, is not a humanitarian crisis, Mr. Speaker, that is borne of environmental collapse or of drought, but it is a humanitarian crisis that is the result of the oppression and the murder of hundreds of thousands and millions of innocent civilians by the government of Sudan.

It is almost difficult to speak those words and imagine a place that would be so correctly described as a hell on earth. Yet there are people there whose faith puts mine to shame. There are people there every day tending to the sick and caring for the homeless. So let us simply today urge our colleagues to join us in this effort to call for action.

Again, I am very humbled to be able to stand with the gentleman from Colorado in this cause and simply cannot help but feel, as we have said one to another, that of all the things that we debate on this blue and gold carpet, of all the things that we will have the privilege of being a part of in the year or years that we each of us have left in this place, perhaps there will be nothing of greater significance in eternity than what we do for the least of these in the world.

□ 1730

The way we can in our own modest way in this institution steer the policy of the United States of America to a bright and moral compass that believes in human dignity and believes in human freedom and actually sets international policy in a way that expresses that belief, which I maintain is in the heart of the American people.

Mr. Speaker, I thank the gentleman from Colorado (Mr. TANCREDO) for yielding and for calling this Special Order, and look forward to laboring with the gentleman as he continues his important work pressing for the passage of the Sudan Peace Act, and bringing the plight of these extraordinary people of the Sudan to the attention of this body.

Mr. TANCREDO. Mr. Speaker, I must say that listening to the gentleman helps recharge my batteries on the issue. I think that the gentleman has been, certainly flattering, but more than that, he has in a way that I could never have done, focused the attention of this body on an issue of, I think, monumental importance, and I thank the gentleman for his kind words.

I had the great privilege of going to the Sudan. Actually, it was the very first trip I ever took as a congressman. It was in 1999. Senator BROWNBACK and the gentleman from New Jersey (Mr. PAYNE), we were privileged to go to the Sudan. I did not know what I was going to see there. I was concerned about the conditions there, and our own safety, as a matter of fact. I have to admit that was of some concern to me. We were told that we should not go. The State Department sent cables to my home stating do not go there. We have no people that we will give you as support. You should not go. Some of these places are in an area that is actively involved with the war effort in the south. There are towns that are being bombed, so we cannot really say anything about your safety except that you will have very little security.

Under those conditions, I wondered how sage I was about actually making a decision to go on such a trip. But it was important to do. I felt moved to do it, and I was going with someone who had been there before. The gentleman from New Jersey (Mr. PAYNE), has been there several times and is another stalwart in support of our efforts on behalf of the Sudanese people, especially the people of the south. The gentleman from New Jersey (Mr. PAYNE) had been there several times.

What we saw was devastating in many ways because we could see the incredible obstacles that confront these people. There was a severe drought, but it was only exacerbated by the activities of the government of the north. People were being massacred and hospitals were being bombed and schools were being invaded, and teachers and children shot and people were being rounded up, taken away, forced into slavery in the north. We think to ourselves and certainly we did on that trip, what can we possibly do about this? How can we possibly change the policies of our Nation, change the situation in a country so far away. Yet certainly I felt, and so did Senator BROWNBACK and the gentleman from New Jersey (Mr. PAYNE), felt compelled to do something.

I will never forget being in a town called Yei in the southern tip of Sudan, and there was a great confrontation just a few days before we got there. Armed confrontation. The place had been bombed many times. As we walked through that small town of maybe 1,000, maybe 2,000 people, we were immediately surrounded by hundreds of children. They kept pressing closer and closer to us, so close we could hardly move.

They kept saying something that I could not understand. Our guide interpreted. He said they said they are trying to get close to you because they assume if they get close to you, an American congressman, whoever is dropping bombs will not drop a bomb at that point in time. Of course I was hoping the same thing, that that would be the case, but I was hoping that there was something that I could do to stop that fear forever for them because the fear in their eyes and the hunger in their eyes, it is just a vision that no one can experience without coming away with a sincere desire to do something to help.

I also remember the last day I was there, it was spent in a small mud-sided facility with a grass and palm roof, and it was the local church which had been constructed in a place where there were over 30,000 refugees. This was actually just one of many small churches in this refugee center, and all of these people had been driven out of their homes in the north, the northern part of Sudan. Almost everyone had lost someone. Somewhere near 6,000 people died from the trek from the Nuba Mountains down to this particular village, almost all of them children, and yet they came together in this makeshift church and they began to sing the praises of Jesus Christ.

They were spirit-filled in a way I can tell Members I hardly see in the United States, and I am an evangelical Christian. It was almost miraculous to see these people with that expression of emotion and that much joy that they were expressing in that kind of a setting. As I say, almost everyone had lost someone. They were living in a foreign land, land that they could not farm. It was a life that any of us would probably find fruitless and perhaps hopeless, and they had hope, and that hope was in the Lord.

I remember thinking to myself and telling them, as a matter of fact, that I had been moved to come there because of something that had happened in my church in Colorado about 4 or 5 years prior where I was witnessing a program that was done, it was called the Persecuted Church Around the World, and it focused on the Sudan. I was not in Congress at the time. I was not even thinking of running for Congress. A gentleman was in this position, and we assumed that he was going to be in that position for quite a long time. But I felt a need to do something. After many twists and turns, I ended up in the Congress, and I asked for the Committee on International Relations, and then I asked for the Subcommittee on Africa, and I ended up in Sudan in this church.

I said I want to tell you a story. It is only right that my trip to the Sudan ends in a church because it started in a church. I told them the story about hearing about their plight, and wanting to do something about it.

What was interesting to me, and what I told them in that church, was that I thought of course that I was doing something for them, to help the people in Sudan. In reality, of course, what had happened was God had done something to help me. He had done far more for me, and the trip did more than I could do for the people of Sudan. That is the way of God. It is intriguing, and certainly it inspires us.

I came back and we did introduce the Sudan Peace Act. It calls for a number of things, including an end to any sort of corporate participation in Sudan. We already banned corporate involvement in the United States, but our bill says any foreign corporation that goes in there would be delisted from the American stock exchanges, the New York and American Stock Exchange. This is a very significant step to take, and it is probably why the bill is languishing in the Senate because that is a major, major step. A lot of concerns have been expressed about the kind of precedent that it would set. Let me tell Members why we have to do that.

The war in the south, and I should back up and explain, it is in our interest, it is in the interests of the United States of America to bring this conflict to an end in Sudan. As the gentleman from Indiana (Mr. PENCE) mentioned, the northern part of Sudan is an area where we have found in the past people like Osama bin Laden who have been given safe havens there. It is still a place where al Qaeda finds a respite. One was just found there not too long ago.

It is not in our interest to have this conflict ongoing in the south. It is in our interest to bring it to an end, and if that means the separation of the country into two parts, so be it. I used to think that perhaps we could do something to just simply stop the fighting and keep the country united, maybe under some sort of federalist system where there is some sort of autonomy for the south. But because of the many times that the government in Sudan, and I will refer to it as Khartoum, the northern government, Khartoum has simply promised something but almost before the ink is dry on the promise, they have broken it. They are in the process now of pursuing the war in the south in a vigorous way, even though they promised that they would not.

They promised a cease-fire. They are funding this war through the revenues derived from an oil pipeline recently opened, and that is why we have to ask the corporate world to be aware of what they are doing in the Sudan, be aware of the fact that the revenues that are derived from the sale of the oil in Sudan, those revenues are going to the prosecution of the war. Without those revenues, this war may very well have come to an end, but now that money is used and can be used and is being used to purchase arms, to pay for troops, and to continue the persecution of the south.

□ 1745

Now, it is a complex situation. It is not just the fact that the south is Christian and the north is Muslim. It is the fact also, of course, that there is a different culture, different languages and different interests entirely for the two peoples of this nation. It may very well be that we are at that point where that nation has to split asunder and that the people of the south will be allowed to actually construct their own government and determine their own faith.

At any rate, the only step we can take, the only step open to us right now in this body, is to encourage Members of the other body to advance the bill, the Sudan Peace Act. Let us bring it to a vote. It has passed in both Houses. We are awaiting the appointment of a conference committee. That is all that is stopping us from actually taking the next step and doing something significant to bring peace to this troubled land. Let us appoint a conference committee.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISSA). The Chair must remind Members to avoid improper references to the Senate.

Remarks in debate may not urge Senate action or characterize Senate action or inaction.

Mr. TANCREDO. I thank the Speaker for his admonition.

This conference needs to be voted on by this House and by the whole body, and we need to do it as quickly as possible in order for us to bring some relief to the people who have suffered for so long.

As I say, it is in our interests, it is in this Nation's interests, to bring peace to this land and to deal directly with the issue of the kind of horror and devastation that has besieged it for so long and that has plagued it for so long. So I hope that we will do that soon.

As I say, on this National Day of Prayer, as we think about our own wonderful gifts that we have in this Nation and the challenges that we have as a Nation, certainly as a result of actions in the Middle East, the activities in the Middle East and other places, there are challenges to the nation, but what is happening in Sudan is not just a challenge for us to look at in a foreign policy sense. It is a challenge to our own moral precepts. It is a challenge to who we are as a Nation, who we are as a people.

Can we make the time, even though so many other things are pressing upon us in this body, can we make the time to deal with one of the worst situations that exists anywhere on the planet? In fact, the Secretary of State described it almost exactly in that way in testimony in front of our committee as one of the worst situations that exists anywhere in the world.

Now, if that is the case, and I believe it to be, then does this not deserve our attention, our continued attention? If it is one of the worst situations that exists anywhere on the planet, does it not behoove us to do everything we can to bring this to an end and to help the people in this country begin to think about a new life in a new land?

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FATTAH (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. JEFFERSON (at the request of Mr. GEPHARDT) for today on account of personal reasons.

Mr. MCHUGH (at the request of Mr. ARMEY) for today after 2:00 p.m. on account of official business.

Mrs. ROUKEMA (at the request of Mr. ARMEY) for today on account of illness.

Mr. SULLIVAN (at the request of Mr. ARMEY) for today on account of official business.

Mr. EVERETT (at the request of Mr. ARMEY) for today after 1:30 p.m. on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:

Mr. PALLONE, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. INSLEE, for 5 minutes, today.

Mr. RUSH, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

The following Member (at the request of Mr. PENCE) to revise and extend his remarks and include extraneous material:

Mr. NUSSLE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. CUMMINGS, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker,

H.R. 169. An act to require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws to require that each Federal agency post quarterly on its public Web site, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency; and for other purposes.

H.R. 495. An act to designate the Federal Building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building".

H.R. 819. An act to designate the Federal Building located at 143 West Liberty Street, Medina, Ohio, as the "Donald J. Pease Federal Building".

H.R. 3093. An act to designate the Federal Building and United States courthouse located at 501 Bell Street in Alton, Illinois, as the "William L. Beatty Federal Building and United States Courthouse".

H.R. 3282. An act to designate the Federal Building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mile Mansfield Federal Building and United States Courthouse".

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to enrolled bill of the Senate of the following title:

S. 1094. An act to amend the Public Health Service Act to provide for research, information, and education with respect to blood cancer.

ADJOURNMENT

Mr. TANCREDO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Friday, May 3, 2002, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6571. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Steam Treatment of olden Nematode-Infested Farm Equipment, Construction Equipment, and Containers [Docket No. 01-050-2] received April 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6572. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Citrus Canker Quarantined Areas; Technical Amendment [Docket No. 01–079–3] received April 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6573. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Gypsy Moth Generally Infested Areas [Docket No. 01–049–2] received April 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6574. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Texas (Splenetic) Fever in Cattle; Incorporation by Reference [Docket No. 01–110–1] received April 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6575. A letter from the Administrator, Department of Agriculture, transmitting the Department's final rule—Milk in the Upper Midwest Marketing Area; Interim Order Amending the Order [Docket No. AO–361–A35; DA–01–03] received April 29, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6576. A letter from the Vice Chairman, Export-Import Bank, transmitting a report on a transaction involving U.S. exports to Austria pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Financial Services.

6577. A letter from the Vice Chairman, Export-Import Bank, transmitting a report on a transaction involving U.S. exports to Malaysia pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Financial Services.

6578. A letter from the Vice Chairman, Export-Import Bank, transmitting a report on a transaction involving U.S. exports to Israel pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Financial Services.

6579. A letter from the Assistant Secretary, Pension and Welfare Benefits Administration, Department of Labor, transmitting the Department's final rule—Final Rules Relating to Use of Electronic Communication and Recordkeeping Technologies by Employee Pension and Welfare Benefit Plans (RIN: 1270–AA71) received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

6580. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting the 2001 Annual Report of the Federal Energy Regulatory Commission, pursuant to 16 U.S.C. 797(d); to the Committee on Energy and Commerce.

6581. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—The Safe Handling, Transfer, and Receipt of Biological Etiologic Agents at Department of Energy Facilities—received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6582. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Radiological Worker Training—received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6583. A letter from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Personnel Security Program Manual—received April 24, 2002, pursuant to 5 U.S.C.

801(a)(1)(A); to the Committee on Energy and Commerce.

6584. A letter from the Director, Regulations Policy and ManagementStaff, Department of Health and Human Services, transmitting the Department's final rule—Change of Address; Technical Amendment—received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6585. A letter from the Secretary, Department of Transportation, transmitting The Department's annual report as required by the Superfund Amendments and Reauthorization Act (SARA) of 1986, as amended, pursuant to 42 U.S.C. 9620; to the Committee on Energy and Commerce.

6586. A letter from the President, African Development Foundation, transmitting the annual report on audit of the Foundation's Financial Statements for FY 2001, pursuant to 5 app.; to the Committee on Government Reform.

6587. A letter from the Board Members, Merit Systems Protection Board, transmitting the Board's report entitled "Achievement and Challenges After Two Decades," pursuant to 5 U.S.C. 1204(a)(3); to the Committee on Government Reform.

6588. A letter from the Chairman, Merit Systems Protection Board, transmitting the Board's report entitled "Assessing Federal Job-Seekers in a Delegated Examining Environment," pursuant to 5 U.S.C. 1204(a)(3); to the Committee on Government Reform.

6589. A letter from the Director, Office of Surface Mining, Department of the Interior, transmitting the Department's final rule—Kentucky Regulatory Program [KY-225-For] received April 24, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6590. A letter from the Deputy Assitant Administrator, Office of Diversion Control, Department of Justice, transmitting the Department's final rule—Implementation of the Comprehensive Methamphetamine Control Act of 1996; Regulation of Pseudoephedrine, Phenylpropanolamine, and Combination Ephedrine Drug Products and Reports of Certain Transactions to Nonregulated Persons [DEA NUMBER 163F] (RIN: 1117-AA44) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

6591. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Rulings and determination letters (Rev. Proc. 2001-61) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6592. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Contributions by Employer to Accident and Health Plans (Rev. Rul. 2002-3) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6593. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Low-Income Housing Tax Credit-2002 Calendar Year Resident Population Estimates (Notice 2002-13) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6594. A letter from the Chief, Regulation Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update (Notice 2001-80) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6595. A letter from the Chief, Regulation Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update (Notice 2002-16) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6596. A letter from the Chief, Regulation Unit, Internal Revenue Service, transmitting the Service's final rule—Amendment, Check the box Regulations (RIN: 1545-AY16) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6597. A letter from the Chief, Regulation Unit, Internal Revenue Service, transmitting the Service's final rule—New Markets Tax Credit (Notice 2001-75) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska. Committee on Transportation and Infrastructure. H.R. 2672. A bill to designate the United States courthouse to be constructed at 8th Avenue and Mill Street in Eugene, Oregon, as the "Wayne Lyman Morse United States Courthouse" (Rept. 107-428). Referred to the House Calendar.

Mr. YOUNG of Alaska. Committee on Transportation and Infrastructure. H.R. 2911. A bill to designate the Federal building located at 5100 Paint Branch Parkway in College Park, Maryland, as the "Harvey W. Wiley Federal Building" (Rept. 107-429). Referred to the House Calendar.

Mr. YOUNG of Alaska. Committee on Transportation and Infrastructure. H.R. 4006. A bill to designate the United States courthouse located at 100 Federal Plaza in Central Islip, New York, as the "Alfonse M. D'Amato United States Courthouse" (Rept. 107-430). Referred to the House Calendar.

Mr. YOUNG of Alaska. Committee on Transportation and Infrastructure. H.R. 4028. A bill to designate the United States courthouse located at 600 West Capitol Avenue in Little Rock, Arkansas, as the "Richard S. Arnold United States Courthouse" (Rept. 107-431). Referred to the House Calendar.

Mr. MANZULLO. Committee on Small Business. H.R. 2867. A bill to amend the Small Business Act to require the Administrator to submit certain disagreements to the Director of the Office of Management and Budget for resolution, and to establish a minimum period for the solicitation of offers for a bundled contract (Rept. 107-432). Referred to the Committee on the Whole House on the State of the Union.

Mr. MANZULLO. Committee on Small Business. H.R. 4231. A bill to improve small business advocacy, and for other purposes (Rept. 107-433). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. COBLE (for himself and Mr. Berman):

H.R. 4640. A bill to provide criminal penalties for providing false information in registering a domain name on the Internet; to the Committee on the Judiciary.

By Mr. MARKEY:

H.R. 4641. A bill to allocate spectrum for the enhancement of wireless telecommunications, and to invest wireless spectrum auction proceeds for the military preparedness and educational preparedness of the United States for the digital era, and for other purposes; to the Committee on Energy and Commerce.

By Mr. KERNS:

H.R. 4642. A bill to repeal the law banning firearms in the District of Columbia; to the Committee on Government Reform.

By Mr. CONYERS (for himself and Mr. Cannon):

H.R. 4643. A bill to provide for the special application of the antitrust laws to certain negotiations of freelance writers and freelance artists for the sale of their written and graphic material to publishers; to the Committee on the Judiciary.

By Mr. ACKERMAN (for himself and Mr. Weldon of Florida):

H.R. 4644. A bill to amend the Public Health Service Act with respect to testing pregnant women and newborn infants for infection with the human immunodeficiency virus; to the Committee on Energy and Commerce.

By Mr. BACA (for himself, Mr. Turner, Mr. Serrano, Mr. Shimkus, Mrs. Napolitano, Mr. Hoyer, Ms. Roybal-Allard, Ms. Lofgren, Ms. Solis, Mr. Menendez, Mr. Rodriguez, Mr. Hinojosa, Mr. Acevedo-Vilá, Mr. Underwood, Mr. Ortiz, Ms. Millender-McDonald, Mrs. Mink of Hawaii, Mr. Green of Texas, Mr. Owens, Mr. Honda, Mr. Phelps, and Mr. Baird):

H.R. 4645. A bill to amend title 18, United States Code, to prohibit the sale or rental of adult video games to minors; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. Visclosky, Mr. LaHood, Mr. Phelps, Mr. Brown of Ohio, Mr. Gephardt, Mr. Murtha, Mr. Ross, Mr. Sawyer, Mr. Quinn, Mr. Holden, Mr. Cardin, Mr. Stupak, Mr. Kucinich, Mrs. Jones of Ohio, Mr. Strickland, Mr. Levin, Mr. Matsui, Mr. George Miller of California, Mr. Oberstar, Mr. Doyle, Mr. Coyne, Mr. Conyers, Ms. Pelosi, Mr. Frost, Mr. Bonior, Mr. Shimkus, Ms. Kaptur, Mrs. Lowey, Ms. DeLauro, Mr. LaFalce, Mr. Serrano, Mr. Horn, Mr. Clyburn, Mr. Olver, Mrs. Meek of Florida, Mr. Edwards, Mr. Kennedy of Rhode Island, Mr. Hinchey, Ms. Roybal-Allard, Mr. Jackson of Illinois, Ms. Kilpatrick, Ms. Rivers, Mr. Fattah, Mr. Lipinski, Mr. Kleczka, Mr. Rahall, Mr. Mascara, Mr. Blagojevich, Mr. Pallone, Mr. Lynch, Ms. Brown of Florida, Mr. Hilliard, Mr. Costello, Mr. Green of Texas, Mr. McNulty, Ms. Carson of Indiana, Mr. Sanders, Mr. Barcia, Mr. Towns, Mr. Sandlin, Mr. Davis of Illinois, Mr. Rush, Mr. Matheson, Ms. Lee, Mr. Carson of Oklahoma, Mr. Kildee, Mr. Clay, Mr. Gordon, Ms. DeGette, Mr. Cummings, Mr. Boswell, Mr. Reyes, Ms. Berkley, Mr. Weiner, Mr. Lantos, Mr. Moore, Mrs. McCarthy of New York, Ms. Millender-McDonald, Ms. Slaughter, Mr. Holt, Mr. Maloney of Connecticut, Mr. McGovern, Mr. Bishop, Mr. Engel, Mr. Evans, Mr. Filner, Mr. Udall of New Mexico, Mr. Rodriguez, Ms. McKinney, Mr.

Hoeffel, Mr. Baca, Mr. Abercrombie, Mr. Nadler, Mr. Gutierrez, Mr. Wynn, and Mr. Payne):

H.R. 4646. A bill to remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry; to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FOSSELLA (for himself, Mr. Cannon, and Mr. King):

H.R. 4647. A bill to provide for satisfaction of judgements from frozen assets of terrorists, terrorist organizations, and State sponsors of terrorism, and for other purposes; to the Committee on the Judiciary, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GRAHAM:

H.R. 4648. A bill to provide for the disposition of weapons-usable plutonium at the Savannah River Site, Aiken, South Carolina; to the Committee on Armed Services, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HASTINGS of Florida:

H.R. 4649. A bill to adjust the immigration status of certain Haitian nationals; to the Committee on the Judiciary.

By Mr. HEFLEY:

H.R. 4650. A bill to amend title 49, United States Code, to improve airport security by using biometric security badges, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. HERGER:

H.R. 4651. A bill to amend the Internal Revenue Code of 1986 to provide for installment reporting of certain gain from the sale of an interest in service business; to the Committee on Ways and Means.

By Ms. KILPATRICK:

H.R. 4652. A bill to prevent fraud and deception in network recreational games; to the Committee on Energy and Commerce.

By Mr. LARSON of Connecticut (for himself, Mr. Hall of Texas, Mr. Weldon of Pennsylvania, Mr. Hunter, Mr. Gordon, Mr. Dicks, Mr. Weiner, Mr. Moran of Virginia, Mr. Maloney of Connecticut, Mr. Honda, Ms. Woolsey, Mr. Simmons, Mr. Towns, Mr. Udall of Colorado, Mr. Hall of Ohio, Mr. Inslee, Mr. Baird, Mr. Davis of Illinois, Ms. Rivers, and Mrs. Christensen):

H.R. 4653. A bill to enable the United States to maintain its leadership in aeronautics and aviation by instituting an initiative to develop technologies that will enable future aircraft with significantly lower noise, emissions, and fuel consumption; to reinvigorate basic and applied research in aeronautics and aviation, and for other purposes; to the Committee on Science.

By Mrs. McCARTHY of New York (for herself and Mrs. Bono):

H.R. 4654. A bill to amend the Public Health Service Act to provide programs to improve nurse retention, the nursing workplace, and the quality of care; to the Committee on Energy and Commerce.

By Mrs. MALONEY of New York:

H.R. 4655. A bill to ensure that all States address domestic and sexual violence in their temporary assistance to needy families program; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 4656. A bill to amend the Endangered Species Act of 1973 to establish requirements for the designation of critical habitat in Hawaii, and for other purposes; to the Committee on Resources.

By Mrs. NAPOLITANO (for herself and Mrs. Tauscher):

H.R. 4657. A bill to authorize the Secretary of the Interior to implement the Calfed Bay-Delta Program; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PENCE (for himself, Ms. Jackson-Lee of Texas, and Mr. Simmons):

H.R. 4658. A bill to amend title 18, United States Code, to punish persons who use false or misleading domain names to attract children to Internet sites not appropriate for children; to the Committee on the Judiciary.

By Mr. SUNUNU:

H.R. 4659. A bill to streamline the regulatory processes applicable to home health agencies under the Medicare Program under title XVIII of the Social Security Act and the Medicaid Program under title XIX of such Act, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THORNBERRY (for himself, Ms. Harman, Mrs. Tauscher, Mr. Gibbons, Mr. Davis of Florida, Mr. Shays, and Mr. Roemer):

H.R. 4660. A bill to establish the Department of National Homeland Security and the National Office for Combating Terrorism; to the Committee on Government Reform.

By Mr. YOUNG of Alaska:

H.R. 4661. A bill to amend title 39, United States Code, to direct the Postal Service to adhere to an equitable tender policy in selecting air carriers of nonpriority bypass mail to certain points in the State of Alaska, and for other purposes; to the Committee on Government Reform.

By Mr. CHABOT (for himself, Mr. Barcia, Mr. Keller, Mr. Flake, Mr. Green of Wisconsin, Mr. Brady of Texas, Mr. Saxton, Mr. Souder, Mr. Walden of Oregon, Mr. Fossella, Mr. McNulty, Mr. Shays, Mr. Royce, Mr. Kennedy of Minnesota, Mr. English, Mr. Gallegly, and Ms. Pryce of Ohio):

H.J. Res. 91. A joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims; to the Committee on the Judiciary.

By Mr. ACEVEDO-VILÁ (for himself, Mr. Hansen, and Mr. Rahall):

H. Con. Res. 395. Concurrent resolution celebrating the 50th anniversary of the constitution of the Commonwealth of Puerto Rico; to the Committee on Resources.

By Mr. RANGEL:

H. Con. Res. 396. Concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued by the United States Postal Service honoring Tito Puente; to the Committee on Government Reform.

By Mr. DAVIS of Illinois (for himself, Mr. Cummings, Mr. Wynn, Ms. Norton, Mr. Hoyer, Mrs. Morella, Mr. Waxman, and Mr. Moran of Virginia):

H. Res. 409. A resolution commending public servants and members of the uniformed services for their dedication and continued service to the Nation; to the Committee on Government Reform, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of New Jersey (for himself, Mr. Wolf, Ms. Ros-Lehtinen, and Mr. King):

H. Res. 410. A resolution expressing the sense of the House of Representatives regarding human rights violations in Tibet, the Panchen Lama, and the need for dialogue between the Chinese leadership and the Dalai Lama or his representatives; to the Committee on International Relations.

By Mr. WU:

H. Res. 411. A resolution supporting the goals of Taiwanese American Heritage Week, and for other purposes; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Ms. JACKSON-LEE of Texas introduced a bill (H.R. 4662) for the relief of Sharif Kesbeh, Asmaa Sharif Kesbeh, Batool Kesbeh, Noor Sharif Kesbeh, Alaa Kesbeh, Sondos Kesbeh, Hadeel Kesbeh, and Mohanned Kesbeh; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 97: Mr. Frank.

H.R. 111: Mr. Bonior.

H.R. 218: Mr. Latham.

H.R. 488: Mr. Thompson of Mississippi.

H.R. 491: Mr. Rush, Mr. Blagojevich, and Mr. Gutierrez.

H.R. 537: Ms. Lofgren.

H.R. 572: Mr. Ackerman, Mr. Israel, and Mr. Lucas of Kentucky.

H.R. 602: Mr. Sweeney, Mr. Wamp, and Mr. Bass.

H.R. 638: Mr. Dingell.

H.R. 647: Mr. DeMint.

H.R. 730: Mr. Hoyer.

H.R. 745: Mr. Owens.

H.R. 817: Mr. Davis of Illinois.

H.R. 831: Mr. Baker.

H.R. 854: Mr. Ortiz, Mr. Coble, Mrs. Myrick, Mr. McKeon, and Mrs. Capps.

H.R. 937: Mr. Rehberg.

H.R. 951: Mr. George Miller of California, Mr. Lampson, Mr. Hinojosa, and Ms. Kaptur.

H.R. 1037: Mr. Bartlett of Maryland.

H.R. 1086: Ms. Slaughter.

H.R. 1092: Mr. Peterson of Minnesota and Mr. McHugh.

H.R. 1110: Mr. Visclosky.

H.R. 1171: Mr. Bishop and Mr. Moran of Kansas.

H.R. 1181: Mr. Cantor.

H.R. 1322: Mr. Cummings.

H.R. 1324: Mr. Rush, Mr. Kanjorski, and Mr. Issa.

H.R. 1360: Mr. McHugh.

H.R. 1520: Ms. BALDWIN and Mr. PETERSON of Minnesota.

H.R. 1541: Mr. GORDON.

H.R. 1543: Mr. GILMAN and Mr. ROGERS of Michigan.

H.R. 1556: Mr. ALLEN.

H.R. 1581: Mr. BERRY.

H.R. 1598: Mr. SERRANO, Mr. MCKEON, and Mr. PALLONE.

H.R. 1624: Mr. THUNE, Mr. VITTER, Ms. MCKINNEY, Mr. KIND, Mr. JENKINS, Mr. BOUCHER, Mr. WAMP, Mr. WHITFIELD, Mr. HOLDEN, Mr. DIAZ-BALART, Mr. GRAHAM, Mr. POMBO, and Mr. LANGEVIN.

H.R. 1642: Mr. GONZALEZ, Mr. WAXMAN, and Ms. SLAUGHTER.

H.R. 1674: Mr. BARCIA.

H.R. 1682: Mr. TOWNS.

H.R. 1723: Mr. JACKSON of Illinois, Mr. VITTER, Mr. SERRANO, Mr. BONILLA, Mr. GONZALEZ, Mr. PHELPS, Mr. CUMMINGS, Mrs. JONES of Ohio, Mr. DIAZ-BALART, Ms. MCKINNEY, Mr. SCHROCK, Mr. JENKINS, Mr. MCGOVERN, Mr. FROST, Mr. MASCARA, Mr. GORDON, Mr. KIRK, Mr. SCHIFF, Mr. DOOLEY of California, and Mr. HILL.

H.R. 1774: Mr. BARTLETT of Maryland.

H.R. 1795: Mr. LEWIS of Georgia, Mr. NORWOOD, Mr. FERGUSON, Mr. CLEMENT, Mrs. DAVIS of California, and Mr. BLUNT.

H.R. 1859: Mr. KENNEDY of Rhode Island and Mr. BAIRD.

H.R. 1935: Mr. BONIOR, Mr. SERRANO, and Mr. TOWNS.

H.R. 1978: Ms. VELÁZQUEZ.

H.R. 1983: Mr. BOUCHER.

H.R. 2095: Mr. RAHALL.

H.R. 2148: Mr. FATTAH, Mr. TOWNS, Mr. CUMMINGS, Mr. BONIOR, and Ms. LEE.

H.R. 2373: Mr. TAYLOR of Mississippi, Mr. BURTON of Indiana, Mr. LOBIONDO, and Mr. HILLEARY.

H.R. 2483: Mr. BALDACCI, Mr. BAIRD, Mr. EVANS, Mr. PHELPS, Mr. BERRY, Mr. ROSS, Mr. PETERSON of Minnesota, and Mr. ALLEN.

H.R. 2484: Mr. KINGSTON, Mr. LEACH, Mr. FORD, and Mr. ENGEL.

H.R. 2570: Mr. MCNULTY.

H.R. 2573: Mrs. CAPPS.

H.R. 2610: Mr. JACKSON of Illinois and Mr. MOORE.

H.R. 2629: Mr. DOOLEY of California and Mr. BISHOP.

H.R. 2638: Mr. ACKERMAN, Mr. ABERCROMBIE, Mr. HAYES, Mr. LUCAS of Kentucky, Mr. MCNULTY, Mr. DINGELL, Mr. CLAY, Mr. WHITFIELD, Ms. BERKLEY, Mr. BISHOP, Mr. KENNEDY of Rhode Island, Ms. KILPATRICK, Mr. LANGEVIN, Mr. COMBEST, Mr. MCINTYRE, and Mr. ISAKSON.

H.R. 2649: Mr. GARY G. MILLER of California and Mr. CLAY.

H.R. 2662: Mr. RANGEL and Mr. DOOLEY of California.

H.R. 2714: Mr. ISTOOK, Mr. EHRLICH, and Mr. ISSA.

H.R. 2812: Mr. MCNULTY.

H.R. 2820: Mrs. NAPOLITANO and Mr. HASTINGS of Florida.

H.R. 2829: Mr. EDWARDS.

H.R. 2830: Mr. CONYERS.

H.R. 2874: Ms. EDDIE BERNICE JOHNSON of Texas and Mr. LUCAS of Kentucky.

H.R. 3267: Mr. FILNER.

H.R. 3270: Mr. LEWIS of Georgia and Mrs. EMERSON.

H.R. 3273: Mr. PICKERING.

H.R. 3321: Mr. BOYD and Mr. WELLER.

H.R. 3351: Mr. MCINNIS, Mr. BOSWELL, Mr. LEWIS of Georgia, Mr. JEFF MILLER of Florida, Mr. SENSENBRENNER, Mr. PASTOR, and Ms. VELÁZQUEZ.

H.R. 3363: Mr. PASTOR, Mr. ANDREWS, Mrs. EMERSON, Mr. SANDERS, Mr. LEACH, Mr. DEUTSCH, Mr. NUSSLE, and Mr. GARY G. MILLER of California.

H.R. 3372: Mr. BONIOR.

H.R. 3414: Ms. CARSON of Indiana.

H.R. 3431: Mr. SHOWS, Mrs. BONO, Mr. JENKINS, Mr. TERRY, Mr. TURNER, Mr. MCCRERY, Ms. DELAURO, Mr. WALSH, Mr. DIAZ-BALART, Mr. ACEVEDO-VILÁ, Mr. FORD, Mr. LUTHER, and Mr. PETERSON of Minnesota.

H.R. 3462: Mr. DAVIS of Florida, Mr. JENKINS, Mr. PAYNE, Mr. LYNCH, Mr. BOUCHER, Mr. KING, Mr. MCCRERY, Mr. BALDACCI, Mr. ISSA, Mr. CAPUANO, Mr. DIAZ-BALART, Mr. ACEVEDO-VILÁ, Mr. FORD, and Mr. ISRAEL.

H.R. 3479: Mr. GANSKE.

H.R. 3486: Mr. WALDEN of Oregon.

H.R. 3569: Mr. MORAN of Kansas and Mr. WATT of North Carolina.

H.R. 3609: Mr. BROWN of South Carolina, Mr. MOLLOHAN, Mr. SHUSTER, Mr. NEY, Mr. COOKSEY, Mr. KINGSTON, Mr. LAMPSON, and Mr. OTTER.

H.R. 3705: Mr. HUNTER and Mr. GIBBONS.

H.R. 3710: Mr. ROSS.

H.R. 3770: Mr. KENNEDY of Rhode Island and Mr. RUSH.

H.R. 3771: Mr. STUPAK.

H.R. 3815: Mr. RAHALL and Mr. HANSEN.

H.R. 3827: Mr. TIAHRT.

H.R. 3831: Mr. OSE, Mr. GONZALEZ and Mrs. CAPITO.

H.R. 3834: Mr. SANDERS, Mr. UDALL of Colorado, Ms. CARSON of Indiana, Mr. SUNUNU, and Mr. GARY G. MILLER of California.

H.R. 3882: Mr. HULSHOF, Mr. ISSA, Ms. HOOLEY of Oregon, Mr. BOSWELL, Mr. FILNER, and Mr. SUNUNU.

H.R. 3890: Mr. WALSH and Mr. BONIOR.

H.R. 3911: Mr. ROTHMAN.

H.R. 3916: Mrs. KELLY.

H.R. 3974: Mr. SAWYER.

H.R. 3989: Ms. MILLENDER-MCDONALD.

H.R. 3992: Mr. HOYER and Mr. INSLEE.

H.R. 3995: Mr. PALLONE.

H.R. 4003: Mr. KILDEE.

H.R. 4013: Mr. LUCAS of Oklahoma, Mr. MORAN of Virginia, and Mr. SUNUNU.

H.R. 4017: Ms. BROWN of Florida and Mr. WILSON of South Carolina.

H.R. 4018: Mr. RANGEL.

H.R. 4033: Ms. KILPATRICK.

H.R. 4037: Mr. RODRIGUEZ.

H.R. 4039: Mrs. LOWEY.

H.R. 4066: Mrs. NAPOLITANO, Mr. WALSH, Mr. LYNCH, Mr. UDALL of New Mexico, Ms. ROS-LEHTINEN, and Mr. BISHOP.

H.R. 4071: Mr. PETRI, Mr. PUTNAM, and Mr. KELLER.

H.R. 4075: Ms. LEE.

H.R. 4078: Ms. CARSON of Indiana, Mr. MATHESON, and Mr. FRANK.

H.R. 4085: Mr. JEFF MILLER of Florida and Ms. BROWN of Florida.

H.R. 4181: Mr. ROHRABACHER.

H.R. 4194: Mr. RANGEL, Ms. CARSON of Indiana, Mrs. CHRISTENSEN, Mr. JACKSON of Illinois, and Mr. FORD.

H.R. 4231: Mr. BARTLETT of Maryland.

H.R. 4479: Mr. FROST.

H.R. 4515: Mr. SUNUNU, and Mr. COSTELLO.

H.R. 4550: Mr. LIPINSKI.

H.R. 4560: Ms. DUNN and Mr. PETERSON of Minnesota.

H.R. 4574: Mr. VISCLOSKY and Mr. LAHOOD.

H.R. 4582: Mr. BONIOR.

H.R. 4589: Mr. RADANOVICH, Mr. HERGER, and Mr. SCHAFFER.

H.R. 4596: Mr. MALONEY of Connecticut, Mr. PALLONE, Mr. BISHOP Mr. BLAGOJEVICH, Mrs. JONES of Ohio, Mr. MCGOVERN, Mrs. MINK of Hawaii, Ms. NORTON, Ms. WOOLSEY, and Mr. FROST.

H.R. 4604: Ms. HART.

H.R. 4612: Mr. LATOURETTE, Mr. GONZALEZ, and Mr. HILLEARY.

H.R. 4614: Ms. LEE.

H.R. 4615: Mr. COMBEST.

H.R. 4623: Mr. WAMP, Mr. PENCE, Mr. HUNTER, Mr. SHOWS, Mr. CHAMBLISS, Mr. SIMMONS, Mr. BAKER, and Mr. OSBORNE.

H.R. 4627: Mr. GUTIERREZ.

H.R. 4630: Mr. SCHIFF and Mr. BARRETT.

H.R. 4634: Mr. TOM DAVIS of Virginia.

H.R. 4635: Mr. THUNE, Mr. BARR of Georgia, Mr. SCHAFFER, Mr. JOHNSON of Illinois, Mr. LATOURETTE,Mr. SHUSTER, Mr. REHBERG, Mr. SANDLIN, and Mr. CULBERSON.

H. Con. 213: Mr. LEACH.

H. Con. 315: Mr. BARTLETT of Maryland.

H. Con. Res. 345: Mr. GILMAN, Mr. HOLT, Ms. WATSON, Mr. MCGOVERN, Mr. BLAGOJEVICH, Mr. MCNULTY, and Mr. PALLONE.

H. Con. Res. 352: Mr. PASCRELL.

H. Con. Res. 368: Mr. GEORGE MILLER of California.

H. Con. Res. 385: Mr. CAPUANO, Mr. MCNULTY, Ms. NORTON, and Ms. BROWN of Florida.

H. Con. Res. 390: Mr. LOBIONDO, Mr. MCHUGH, Mr. TOM DAVIS of Virginia, Mr. STUPAK, Mr. BOYD, Mr. FROST, Mr. HINCHEY, Mr. ENGLISH, Ms. NORTON, Mr. KIND, Mr. CAPUANO, and Mr. DAVIS of Illinois.

H. Con. Res. 393: Ms. MILLENDER-MCDONALD and Mr. FROST.

H. Con. Res. 394: Mr. MEEKS of New York.

H. Res. 392: Mr. HORN, Mr. DOOLITTLE, Mr. PASCRELL, Mr. RAMSTAD, Mr. ENGLISH, Mr. TIAHRT, Mr. KENNEDY of Rhode Island, Mr. SHAYS, Mr. MCNULTY, Mr. KIRK, Mr. CARSON of Oklahoma, Mr. HOLDEN, Mr. LINDER, Mr. ADERHOLT, Mr. SKELTON, Mr. BAKER, Mr. TANCREDO, Mr. FERGUSON, Mr. SWEENEY, Mr. JOHNSON of Illinois, Mr. GARY G. MILLER of California, Mr. FLETCHER, Ms. MCCOLLUM, Mr. BRYANT, Mr. LARSEN of Washington, Mr. CULBERSON, Mr. TIBERI, Mr. COLLINS, Mr. EHRLICH, Mr. MCINNIS, Mr. SHIMKUS, Mr. HAYWORTH, Mr. CLEMENT, Mr. BENTSEN, Mr. BLAGOJEVICH, Mr. GORDON, Mr. OSE, Mr. SHADEGG, Mr. UPTON, Mr. WAMP, Mr. SHAW, Mrs. MALONEY of New York, Mr. COOKSEY, Mr. FOSSELLA, Mr. KINGSTON, Mrs. DAVIS of California, Mr. BACHUS, Mr. GREEN of Texas, Mr. VITTER, Mr. MARKEY, Mr. BURR of North Carolina, Mr. JEFFERSON, Mr. STUPAK, Mr. LUCAS of Kentucky, Mr. EDWARDS, Ms. JACKSON-LEE of Texas, Mr. GEPHARDT, Mr. BASS, and Mr. FLAKE.

H. Res. 394: Mr. MORAN of Virginia.

SENATE—*Thursday, May 2, 2002*

The Senate met at 9:30 a.m. and was called to order by the Honorable JON S. CORZINE, a Senator from the State of New Jersey.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, on this National Day of Prayer, our hearts overflow with gratitude for Your goodness to America. All that we have and are is a result of Your amazing generosity.

Today, we rededicate ourselves to be one Nation under You. In You we trust. You have begun a spiritual awakening in our land and have taught us that repentance is to make a U-turn and return to You. We reaffirm our accountability to You, the absolutes of Your Commandments, and to do justice in our society. Awaken every American to receive Your love and to seek to do Your will.

Since September 11, we have discovered again that You truly are our refuge and strength, an ever-present help in trouble. In the battle against terrorism, we will never give up or give in because with Your help we will win.

Bless our President, the Cabinet, Congress, and all State and local leaders with supernatural power. We commit ourselves to be faithful to You as Sovereign of our land and Lord of our lives. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JON S. CORZINE led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, May 2, 2002.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JON S. CORZINE, a Senator from the State of New Jersey, to perform the duties of the Chair.
>
> ROBERT C. BYRD,
> *President pro tempore.*

Mr. CORZINE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

A HAPPY DAY FOR THE SENATE CHAPLAIN

Mr. REID. Mr. President, while our good Chaplain is still in the building, I note that this is a happy day for him and the entire Senate family, as I have received word that his wife, Mary Jane, after 3 weeks in intensive care, has now been taken out of intensive care. She still has a long way to go toward recovery, but at least that is a significant step forward after having spent so much time in the intensive care ward of the hospital. She has now been moved to a private room.

So we are very happy for the Chaplain, who does such a good job watching over each of us, and we are grateful that his prayers, and those of others, have been answered. His wife is out of intensive care.

SCHEDULE

Mr. REID. Mr. President, today we are going to proceed immediately to a period of morning business, and then I am told we will hear from Senator BAUCUS, who has not yet had the opportunity to give his opening statement on the trade bill. He is the manager of this legislation, as is Senator GRASSLEY. They are both going to give opening statements, I believe, this morning.

There is an amendment pending. Senator DORGAN indicated to me he wants a vote on it as quickly as possible. So those people who have any information that they want to give the Senate regarding the Dorgan amendment should do it as soon as they can; otherwise, we will vote on it.

We expect a very busy day. As you know, we have a Senate retreat tomorrow a number of us will be attending. Therefore, we will not be in session tomorrow. We have a lot of business to accomplish today. We want to make progress on this trade bill. We expect to hear from a number of Senators on the resolution dealing with Israel. That will be brought before the Senate sometime today. We also hope to have an opportunity to work on the farm bill conference today. So we have a lot of work to try to accomplish today.

We expect the House to take up the farm bill this morning at 10 o'clock. So if we are fortunate, that bill should be over here at 1 or 2 this afternoon.

We want to work something out so it can be brought before the Senate. Although I am not from a farm State, I have been told it is extremely important to complete that legislation so that the farmers in those States have some knowledge of what they are supposed to do with the crops this year.

Mr. President, as I have indicated several times this morning, we have a lot to do. I ask unanimous consent that the half hour for morning business begin to run now.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:06 a.m., with the time to be controlled by the majority leader or his designee.

The Senator from Massachusetts is recognized.

COLLEGE LOANS AND THE COST OF HIGHER EDUCATION

Mr. KENNEDY. Mr. President, I want to bring to the attention of the Senate and the American people one of the great challenges this country is facing again, and the failure of the Bush administration to respond to this challenge, and that is the cost of higher education. I don't think there is anyone or any family who is watching the U.S. Senate this morning who isn't concerned about what the cost is for higher education—for their children, who are in college at the present time, or parents whose children have gone to college and endured the debt.

It is absolutely extraordinary to me, at this time of real crisis, in terms of availability of college for working, middle-income families that the Bush administration has now suggested a way that will make the cost of college education even higher and the debts even deeper. I draw again to the attention of the Senate this AP story from last week, where the White House suggested $5.2 billion in savings from Federal student loans.

White House Budget Director Mitch Daniels proposed savings to House Speaker DENNIS HASTERT. Among Daniels' proposed savings is to require college students and graduates who wish to consolidate their Government-backed education to use variable interest rates. That means that the Bush administration is saying to college students, rather than being able to take advantage of the low-interest rates at the present time, they will have to take their chances on the variable interest rates.

What is that going to cost for the average student and the average family? The average family in this country who borrows ends up with a $17,000 debt. In my State, it is about $23,000 or $24,000. The best estimate is that it is going to cost that family at least $3,000; if it is going to be over a 30-year period, it will be an additional $10,000. Do families understand this proposal of the Bush administration?

Now, we are, as Democrats, extraordinarily concerned. We have sent a letter to the administration. Our committee, the Education Committee, has invited Mr. Daniels to testify on this particular issue, so that we can better understand what the reasons and the rationale are—other than that the Federal Government can effectively take back that money from the students and use it for the tax cut for the wealthiest individuals. This is a tax increase on working families that are going to school.

Now what has been the administration's response? The Democrats are virtually unanimous. There are 46 of our Democratic colleagues who have said they will stand in the way and will not permit it. We will have a legislative fix, and we will not permit it. We are telling the administration that.

What has been the reaction of the administration? If we look at the reaction of the administration, according to Deputy Education Secretary William Hansen, they yesterday dismissed the Democratic criticism as incredibly disingenuous.

It is not the Democrats who are disingenuous. It is the Bush administration's proposal to raise the cost of going to higher education.

Is this something that we say is the cost of higher education? I refer again to a story that is in the New York Times—and there is a similar story in the Washington Post this morning—"Greater Share of Income is Committed to Education."

> Poor and middle class families have had to use a steadily larger portion of their income to attend the Nation's public universities over the last 2 decades as State spending for higher education has lagged behind. All of these trends are unhealthy for the future of educational opportunity in this country, says Patrick Callan, President of the National Center for Higher Education.

That is not a Democratic Senator. This is the president of the National Center for Higher Education in San Jose, CA, which commissioned the study with the support of the Ford Foundation and the Pew Charitable Trust. These are independent studies. These are independent studies, and still the administration stays the course and says, well, even in spite of this fact, we are going to even make it more difficult and more complex.

We reject that at the outset. I bring to the attention of the Members a response that Ari Fleischer had yesterday from the White House when he was asked about fixed versus variable rates. Mr. Fleischer's response:

> Well, we are just going to continue to work with Congress to find a solution. The idea was always a voluntary one, never a mandatory one.

Mr. Fleischer better understand what this whole proposal is about because this is poppycock. What is mandatory, according to the administration, is they get the variable rate. What they are taking away from the student is the opportunity to take advantage of the low rate. It is still a live consideration, and I do not know who Mr. Fleischer is talking to in the Congress to find a solution.

He also makes reference to the fact about what the administration is doing in funding and education. I, again, remind the Senate about where the administration is on its budget now and in the future on education. This year the President is requesting $50 billion in discretionary appropriations for the Department of Education, an increase of $1.4 billion, or 2.8 percent. That is what the administration is suggesting.

If we look at last year's budget conference report, on page 51, they outline the baseline estimates which do not reflect any specific policy except for defense. President Bush's budget authority for the year 2002—this report assumes that discretionary function levels grow by inflation.

What is that saying? That over the next 9 years, this is the Bush proposal on funding education: zero. This is what they say.

Now, we are shortchanging the children in this country. If we look back at this last year, primarily at the behest of the Democrats, we saw an increase in the elementary and secondary education. The proposal of the Bush administration is zero in the outyears and is now attempting to tamper with the interest rates to make it more costly. Now, that is an intolerable position for the Bush administration to have.

There is a failure to fund the elementary and secondary education adequately, and they are putting an additional tax on every family in this country sending their children to school. Sixty-three percent of the students who attend higher education are borrowing at this time. The average cost across the Nation is $17,000. Every family, if their proposal goes forward, is going to pay at least $3,000 more.

We are not going to tolerate it. It is difficult for many of us, who thought we were going to see a strong commitment in the area of education, to understand in a budget of over $2 trillion why the administration has to target working families and middle-income families. I do not understand that.

They say education is important. They have over a $2 trillion budget and they cannot find the funding in the areas of education. I want to let our colleagues know we are going to do everything in resisting this proposal. From an educational point of view, it makes no sense. From a national interest point of view, investing in education and our children is investing in our future.

I see my colleague and friend, the Senator from Michigan, who is doing such an outstanding job on bringing to the attention of the Senate the importance of prescription drugs. I commend her for her eloquence, persistence, and leadership in this area. I tell her that on behalf of all the people of Massachusetts. We are enormously grateful to her for bringing these facts to the attention of the membership. I hope she will address the proposal we had from the House Republicans yesterday on the issue of prescription drugs. I think myself it is more of a series of platitudes rather than a core program. They refuse to commit the resources which are necessary. It seems to me that a bus ticket to Canada will probably save seniors more than the Republican proposal. I am going to be interested in her reaction to that, and her statements about the importance of assuring our senior citizens that a prescription drug program be a part of our Medicare system.

I yield the floor.

The PRESIDING OFFICER (Mr. MILLER). The Senator from Michigan.

Ms. STABENOW. Mr. President, first, I wish to thank the senior Senator from Massachusetts for his continued advocacy on behalf of all of the issues that directly affect our families every day. Speaking first to the issue of education as the mother of a 26-year-old who has completed college—I feel as if I own a part of one of the buildings at that great university, the University of Michigan—and my daughter who is now in college, I completely understand and share the deep concerns Senator KENNEDY has about the proposals that will essentially put another $10,000 of tax on middle- and low-income families over the course of taking out student loans to put their children through college.

It seems to me, as we are talking about the national interest, the importance of national security, that a critical piece is an educated workforce and an educated citizenry. I cannot imagine who was thinking up this proposal at the White House, but I hope they understand we are going to stand together to stop any effort that will add costs to families who are working to put their children through college.

PRESCRIPTION DRUGS

Ms. STABENOW. Mr. President, I rise to speak specifically to another proposal on principles that was released yesterday in the House of Representatives. We have been urging now, since I came to the Senate over a year ago, and certainly before that time, that our colleagues from the other side of the aisle join with us to act to get action in two areas related to critical health care and prescription drugs: One, a comprehensive Medicare prescription drug benefit. Modernize Medicare, update it. Everyone knows that it was written in 1965 and covers the way health care was provided in 1965. It needs to be updated to cover prescription drugs, the primary way that we provide health care today.

Second, we know there are important actions we can take right now to lower the cost of prescription drugs for every family, not only for our seniors who use the majority of prescriptions—on average 18 different prescriptions a year—but also for those families who have a disabled child or another family member who is ill. We need to lower the costs now. We need to lower them for small businesses. We need to lower them for larger businesses. Our farmers are struggling with higher costs. We can do that.

Certainly we appreciate that our colleagues have come together with fanfare to talk about four principles: One is lowering the cost of prescription drugs now. I suggest that putting those words on paper does not lower the cost of one pill. It does not make one more prescription available to our seniors.

I welcome the words, but our seniors and our families have had enough words. They are interested in action. We have to be working in a bipartisan way. We come as Democrats to say: Work with us; let's get beyond the words, beyond the principles and get something done.

We are interested in lowering the cost of prescription drugs, and we have numerous proposals. I will speak to those for a moment before speaking about Medicare prescription drug coverage.

We know, for instance, if we allow the normal course of patents to run out and for the process to work where lower cost generic drugs can be used, we can dramatically cut costs immediately. We have colleagues—Senator SCHUMER and Senator MCCAIN—who are putting forward an important bill to close loopholes that the drug companies have used to block generic drugs from going on the market and to block the lowering of the cost of drugs. We can pass that bill right now and drop the cost. We can open our borders to Canada. Senator DORGAN, of North Dakota, has introduced a bill; he is in the Chamber, and I am sure he will speak to that shortly. I am pleased to join him.

This is an effort in which I have been involved since being in the U.S. House of Representatives. I have taken two bus trips to Canada with our seniors to demonstrate that by working through the Canadian Medical Society we can lower the cost of prescription drugs. It is astounding. These are American-made drugs. I am proud they are made in America. I am proud we have invested in the research and technology—taxpayers, private companies, biotech companies, biomedical companies, drug companies. But when all is said and done, if no one can afford to get the medicine, what have we done?

We now find ourselves in a situation where we subsidize and pay for the research from which the world benefits; yet our borders are closed and our own people cannot go across the border to get the same drug at half the price.

Mr. KENNEDY. Will the Senator yield for a question?

Ms. STABENOW. I will be honored to yield.

Mr. KENNEDY. Is the Senator aware that under the House Republican plan, senior citizens would have to spend $670 before they received a dime of benefits? This is the cost of the premiums of $420, and the deductible which is $250. That comes to $670 before they get a dime of benefit.

Is the Senator familiar with the fact that the average senior citizen's income is only $15,000, and the average prescription drug need is $2,200?

Ms. STABENOW. Yes.

Mr. KENNEDY. We all want to find common ground and work together. Requiring the seniors to pay $670 before they get a dime of benefits does not seem to me to fulfill the commitment this country made to our seniors when we passed Medicare and said: Pay in, and we are going to help relieve the anxiety you have about quality health care. I am interested in whatever comment the Senator wishes to make.

Ms. STABENOW. I thank the Senator. As the Senator from Massachusetts has indicated, the Medicare proposal that we believe is coming—again, we only have principles. We do not have the specifics. We are piecing together from news stories and other sources what it appears to be. In fact, going beyond what the Senator from Massachusetts has said, not only are we talking about the premium, the deductible, the copays—and there are two different levels of copays—but nothing is covered once you reach $2,000 until you have spent $5,000. So there is a huge gap in the middle.

If we take the example of a senior who is spending $300 a month on prescription drugs—and that is not unusual. It might be a breast cancer patient who is purchasing tamoxifen, which in Michigan is $136 a month. If you add to that blood pressure medication or cholesterol medication or another drug, the amount could easily come to $300 a month. If you add that up and look at all that it appears from that proposal, Mr. President, of the $3,600 a year that one would be paying out of pocket, one would still spend $2,914.

If someone is paying $300 a month now in prescription drug costs, less than 20 percent of that would be covered under the Republican proposal.

Mr. KENNEDY. Will the Senator be good enough to yield for another question? Does not the Senator think then we have to deal with the substance and the reality rather than the cliches and the slogans?

Ms. STABENOW. Absolutely.

Mr. KENNEDY. I am sure we are going to hear from the other side: We have a prescription drug proposal. Does the Senator agree with me that is really a misrepresentation? If we accept that as a concept, it will do people in my State little good.

I understand the Senator is a strong supporter, and I see in the chair the Senator from Georgia who has worked very closely with the Senator from Florida on an excellent program, and I commend him for it.

Does the Senator agree if we are going to do something, let's help our seniors and not misrepresent what we are trying to do for them?

Ms. STABENOW. Absolutely. I add also, one of my deep concerns is that in order to pay for this, they are talking about Medicare "reforms." Unfortunately, the reforms we are hearing about are proposals such as adding the cost of home health care, requiring a copay for home health care. Our seniors who are now struggling to live at home, families who are struggling to make sure someone can live in dignity in their home as long as possible, have home health care. Part of that is their prescription drugs, and to pay less than 20 percent of the cost of prescription drugs, one of the things they are talking about is a copay for home health care. So they will be adding other costs to this process as well.

I suggest: Beware of what is coming. It is very clear when the only people who are advocating for the proposal put forward by the House Republicans are the drug companies, that should tell us something. When they have fought every proposal for comprehensive prescription drug coverage, every proposal to lower the cost of prescription drugs, whether it is expanding generic drugs, opening the borders, lowering advertising costs—every single effort to get some control and accountability in this system so that our seniors can afford prescription drugs they have opposed.

Mr. KENNEDY. Will the Senator yield one more time and give me her reaction?

Ms. STABENOW. I will be happy to yield.

Mr. KENNEDY. Is the Senator aware that the Bush budget allocates only

$190 billion over the next 10 years for prescription drugs and Medicare reform, and the House Republican budget allocates $350 billion, but the cost of drugs for senior citizens during this same period will be $1.8 trillion—$1.8 trillion? Does the Senator conclude from that, this is going to be a very inadequate response to a major health challenge for our seniors?

Ms. STABENOW. I absolutely agree. With all due respect to our colleagues on the other side of the aisle, the math does not add up. It is time to get beyond principles and rhetoric and say to those watching this morning sitting at their kitchen table, seniors who are sitting down right now deciding, Do I eat today or take my medicine, that we are going to step up to the plate, do what is right, and do what is long overdue.

I see my colleague from North Dakota. I would very much like to yield to him. He has been such a leader on this issue. We share, as border States, the frustration of citizens from our States who can easily go on a short trip across the border and pay lower prices for American-made drugs.

The Senator has been a real leader in this effort.

Mr. DORGAN. Mr. President, how much time remains in morning business?

The PRESIDING OFFICER. Six minutes 20 seconds.

Mr. DORGAN. May I be recognized?

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I appreciate the conversation about the prescription drug issue. It is important. There are two pieces to it. One is coverage for those who do not have access or the resources to get the prescription drugs they need. These are lifesaving medicines that can only save lives if you have access and can afford them.

The second issue is price. That is an important issue. If we talk only of coverage, and not price, we break the bank. Connecting the hose between the prescription drug and the Federal tank means we will suck money out of the tank forever. We will break the bank if we do not do something about prices.

Last year, the cost of prescription drugs increased 17 percent in this country. Year after, the cost increases have been double digit. There has been both utilization and price inflation, double-digit increases in the cost of prescription drugs for 5 years in a row. It will continue into the future unless we do something.

We have to deal with coverage. We also have to be concerned about price: What kinds of approaches can we implement that put downward pressure on prices?

I ask unanimous consent to show bottles on the floor of the Senate that have contained prescription drugs.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I have introduced a bipartisan piece of legislation supported by Republicans and Democrats that allows pharmacists, licensed distributors, and wholesalers in our country to access prescription drugs in Canada—same drug, in the same bottles, made by the same company, sold in Canada and North Dakota, with radically different prices.

This is a drug called Celebrex, which is used for arthritis. It is sold in identical bottles, except one cap is blue and one is white—same pill, put in the same bottle, made by the same company, sold in Canada and the United States. The Canadian pays 79 cents per tablet, and the American pays $2.20 per tablet—same drug, same company, same pill bottle, but a huge difference in prices.

Here are two additional examples. Most everyone knows that Lipitor lowers cholesterol. But we have two different prices for the same pill, put in the same bottle, and made by the same company. It is $1.01 wholesale in Canada and $1.86 per tablet to the United States consumer.

One more example is Paxil which is used to treat depression. Paxil is packaged in a bottle that is identical whether you get it in Canada or in the United States. The only difference with Paxil is the difference in price—as in the case of most drugs. It costs 97 cents per tablet for the Canadian, $2.20 per tablet for the American consumer. The U.S. consumer pays the highest prices in the world for the prescription drugs. It is the same pill, made by the same company, put in the same bottle, for which there is a radical difference in cost.

I use one other example without a bottle. It is called tamoxifen, which is used to treat breast cancer. For every 10 cents charged to a Canadian, $1 is charged to an American consumer. If you are buying tamoxifen, you can buy it in Canada for one-tenth the price charged in this country.

With respect to these prices, there is a little town in North Dakota called Michigan, not so far from the Canadian border. At the end of a meeting one night, a woman, perhaps in her late seventies, came to me and said: Mr. Senator, can you help me? I said: What is the problem? Her eyes began to well with tears, and her chin began to quiver. She said: I have heart disease and diabetes; my doctor prescribes a great deal of medicine I must take, and I don't have the money to purchase the drugs. The doctor says I must have these drugs in order to continue to live a good life.

That is the problem. We need prescription drug coverage. We also need restraint on pricing. The two, together, can help the American people access lifesaving drugs. Miracle drugs can only provide miracles if people can afford them. That is why we are fighting to make some sense of this policy.

What I have tried to do, on a bipartisan basis, with Republicans and Democrats supporting this reimportation bill that we have now introduced, is to allow pharmacists and distributors to access those same drugs that are sold at much lower prices in our neighboring country of Canada.

I yield for a question.

Mr. SCHUMER. I thank my colleague from North Dakota for his eloquent exposition.

We are working on the same track. The Senator from North Dakota has a bill to lower prices by allowing reimportation. Senator McCAIN and I have a bill to extend generic drugs. We have to deal with both: Getting prescription drugs as part of Medicare, but also lowering the cost. As the Senator from North Dakota has said over and over again, we are not going to get the one without the other.

I bring to his attention and ask if the Senator saw an article in the Wall Street Journal on the front page, another way the drug companies are going way overboard. They are getting lists from pharmacists of people who have a prescription for a certain drug and then are writing those people and saying: Why don't you switch to this drug? Do you know why they ask them to switch? The generic drug is coming on board for their original drug, and now they are trying to manipulate the generic drug law.

The drug company is extending the dosage, going for a weekly pill rather than a daily pill.

Mr. DORGAN. I ask unanimous consent for 5 additional minutes, and I yield to the Senator from New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHUMER. The drug company's applying for a new patent because the daily pill—same medicine—expires.

The drug industry has some good arguments. I don't disagree with their argument that they need money for research. And these new pills have helped people. But faced with all of these blockbuster drugs that are going off patent, and the companies being so used to the high rate of return they have had—higher than any other American industry—they are pushing the envelope way too far in terms of trying to keep that level of profitability.

They ought to understand—and I ask my colleague from North Dakota to comment on this—their job is to go back into the laboratories, come up with real new drugs, and work on those—not extend the patent—or, in the case of what the Senator from North Dakota has discussed, make the U.S. price above all the other prices. This involves lots of work and lots of focus.

Every time I read one of these articles, it makes my blood boil. When I came here, I was not regarded as a hardliner on this issue. I have a great deal of respect for companies that research and produce these drugs. However, the limits they are going to, with the advertising on television—and I know my colleague from Michigan is working on this—with the huge price differential where the United States consumer pays for all the research, yet around the world the costs are much lower—I know my colleague from North Dakota is looking into this—to the manipulation of the generic drug law, which Senator McCAIN and I are looking at, something is rotten in Denmark.

I thank my colleague his remarks and his persistent leadership on this issue and ask him what he thinks of what is going on, and has he seen this change over the years?

Mr. DORGAN. Mr. President, I chaired a hearing recently at which Senator SCHUMER testified and Senator McCAIN, as the ranking member, attended. Generic drugs are a very important issue.

I push for price restraint because I think it is very important with respect to what is happening to price increases of prescription drugs. However, I bear no ill will toward this industry. I think the drug industry is a remarkable industry. It does some remarkable things. We should compliment them for some of the programs they have initiated in recent weeks, for the low income senior citizens. That is a good step. They do some awfully good work. Tamoxifen costs one-tenth the price in Canada; you pay 10 times more if you are an American, that drug resulted from public funding and public research at the National Institutes of Health.

So I worry very much that what is happening is that the public is paying for research in some areas and, when the drugs are privatizing, a price is affixed to them that is way out of bounds.

I bear no ill will towards this industry. I want them to do well and to continue to search for lifesaving drugs. But I think it is important to point out that, when we talk about miracle drugs, Americans who need them will get their lifesaving benefits only if they can have access to them, and can afford them. There are so many Americans who cannot chase double-digit price increases every year. That is why we deal with this issue. The issue I have been concerned about is reimportation from Canada. Not because I want anybody to have to go to Canada to buy prescription drugs, that is not my goal. My goal, of course, is the repricing of those drugs in this country because, if distributors and pharmacies can go to Canada and access the same drugs, it will force a repricing of those drugs here.

I want to have a prescription drug benefit in the Medicare Program but I don't want to break the bank. If we do that and do nothing about price restraint and downward pressure on prices we will break the bank of this Government. We must address both issues, coverage and price.

Ms. STABENOW. Will the Senator yield for a moment? I just wanted, as we conclude this time, to thank my colleagues for their continued leadership and to, once again, call upon our colleagues across the building, in the other Chamber, the Speaker of the House of Representatives and his colleagues, to go beyond the principles that were put out yesterday and join with us in the concrete proposals that we have.

We have the ability to act now. We could do it this month if they are willing to join with us. We ask them to get beyond the words and let's get together and let's do the right thing.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I commend the Senator from North Dakota who organized the preceding discussion with respect to the high price of drugs and unavailability of prescription drugs. I asked the General Accounting Office to do a study of coverage of prescription drugs in my home State of Montana. The conclusions were for those seniors in our State who are not covered by health insurance, those seniors pay more for prescription drugs than do seniors anyplace else on the face of this Earth. That is more than any other part of the United States and certainly more than people overseas, as has been demonstrated ably by the Senator from North Dakota. The same drug by the same company is less expensive to someone overseas as compared with the United States.

This is a critical issue. I thank my friend from North Dakota as well as the Senator from Michigan, Ms. STABENOW, and others.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired. Morning business is closed.

ANDEAN TRADE PREFERENCE EXPANSION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 3009, which the clerk will report.

The assistant legislative clerk read as follows:

> An act (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

Pending:

Daschle amendment No. 3386, in the nature of a substitute.

Dorgan amendment No. 3387 (to amendment No. 3386), to ensure transparency of investor protection dispute resolution tribunals under the North American Free Trade Agreement.

Mr. BAUCUS. Mr. President, yesterday the Senate began debate on the Trade Act of 2002. This legislation includes three bills reported by the Senate Finance Committee last year: No. 1, an extension of fast track negotiating authority—also known as trade promotion authority; No. 2, an expansion and improvement of the Trade Adjustment Assistance Program and No. 3, the Finance Committee's version of the Andean Trade Preferences Act, or ATPA. As the debate moves forward, I suspect other international trade matters may also appropriately be attached to this bill.

The Trade Act of 2002 will be the first major rewrite of international trade legislation in 14 years. If passed, it will be, as the National Journal has said, "a historic breakthrough."

Why are we taking up a trade bill? What does this bill—and the expanded trade that will follow—mean for this country? Trade means jobs. Twelve million Americans—one out of every ten workers—depend on exports for their jobs. These are jobs that pay more—thousands of dollars more per year—than jobs unrelated to trade. Trade supports jobs in all sectors. We often think of trade as helping big multi-national companies. In fact, firms with fewer than 20 workers represent two-thirds of American exporters; and U.S. agriculture exports support more than 750,000 jobs. Trade also means choice. It means more affordable products and more variety for American families. It means that hard-earned paychecks go further.

In many ways, new trade agreements are like a tax cut for working families. Studies have suggested that the average family of four sees annual benefits of between $1,300 and $2,000 because of the agreements we negotiated in the last decade. And according to a recent University of Michigan study, if we complete the next round of negotiations under the World Trade Organization, it could increase that benefit by as much as $2,500—per family, per year.

But trade is about more than simple economics. When we trade with countries, we do not just export corn and cars, we export our ideas, we export our values. We export freedom, in a sense. Trade between nations creates opportunities for both parties—it can help lift countries out of poverty, while strengthening our relationships around the world.

I think Adlai Stevenson probably said it best 50 years ago:

> It is not possible for this nation to be at once politically internationalist and economically isolationist.

Look at our agreement with Jordan as one example. It has a relatively small effect on our economy—our trade with Jordan is only about $600 million per year. But it has an important impact on Jordan's economy—and it has cemented our relationship with a key Middle East ally.

Similarly, part of this legislation provides trades benefits to Andean countries. The main benefit of this legislation will be to help move workers out of the illegal drug business, and into legitimate lines of work. It is not going to solve the problem entirely, but it will help. But to do that, they need more access to our market.

So that is what's at stake in this debate. Let me turn to the bill itself.

The most talked-about provision of this legislation, of course, is the extension of fast track trade negotiating authority to the President. At its core, the fast track grant in this legislation is very similar to the legislation that first granted fast track to President Ford in 1974.

I am often asked why we need fast track—and why now? In essence, fast track is a contract between Congress and the administration. It allows the President to negotiate trade agreements with foreign trading partners with a guarantee that Congress will consider agreement as a single package—no amendments and a guarantee of an up-or-down vote by a date certain.

In return, the president must pursue a number of negotiating objectives that Congress has outlined in the legislation. And he must make Congress a full partner in these negotiations, fully consulting with Members as the talks proceed.

Now make no mistake, fast track is a significant grant of congressional power to the President. But it is excruciatingly difficult to negotiate the best possible multilateral trade agreements unless our trading partners know that Congress will vote on the agreement negotiated.

Indeed, it was our experience in the 1970s—when the Europeans refused to negotiate with us after Congress failed to implement an agreement—that led to the creation of fast track. Without fast track, our trading partners learned that they could anticipate one round of negotiations with the President and a second with Congress.

The reverse is not true. Other countries, because of their parliamentary forms of government, have a single legislative body where the majority of the legislative body is also the government, so we did not have that problem with them.

Fast track also demonstrates that the President and Congress go into negotiations with clearly defined and unified objectives. Again, that is critical. If our trading partners are uncertain that the deal will stick, they won't put their best deal on the table.

Is it possible to negotiate some agreements without fast track? It is certainly possible with simple bilateral agreements, as was the case with Jordan. But, while Jordan is a landmark agreement in many areas, it has to be put in context when talking about fast track procedure.

The Jordan Agreement, as I noted earlier, was a relatively easy agreement. It involved only two countries and affects a very small amount of trade—roughly $600 million.

Major multilateral agreements can affect many more countries and billions in trade. The FTAA is an agreement involving 34 countries; the WTO involves nearly 150. For these agreements, fast track remains a necessity.

Even bilateral agreements will go much more smoothly with fast track. In the case of Chile, for example, we are still talking about a much more complex agreement than Jordan. It will affect approximately $6 billion in trade, ten times more than the Jordan Agreement. And improving the chances of agreements like Chile is vital to our economy.

Let me give you one example. Canada has already signed free trade agreements with several countries, including Chile. That has an impact on U.S. competitiveness. As a result of the Canada-Chile agreement, Chile eliminated its tariffs on Canadian wheat. U.S. wheat exports to Chile, on the other hand, still face tariffs as high as 30 percent, making Canadian wheat much more attractive to Chilean buyers. We must negotiate these agreements if we are going to compete, and fast track will make it easier.

People often note that we don't have fast track for treaties, such as nuclear arms treaties. That is true. And while these treaties are important, they are often less complex in the sense that they don't involve literally thousands of interrelating trade-offs and concessions as trade agreements do.

I remember the last arms treaty that came before the Senate. There were two or three annexes in it but not all of the host of other complications involved in trade agreements.

But let me turn to the bill itself, and specifically to the negotiating objectives on a number of topics.

With regard to agriculture, a topic near and dear to many in this body, and certainly one of my highest priorities—the legislation directs the President to seek new markets for American agricultural products and to continue to work to lower the trade-distorting subsidies of our trading partners. That is vitally important for American agriculture.

On a more traditional topic, the legislation also directs the President to continue to negotiate the reduction and elimination of tariffs, while recognizing the sensitivity of tariffs in a few sectors. The United States has already lowered its average tariff rate to about 3 percent. Generally, tariffs are similarly low in major developed countries. In a few important cases, however, such as Japanese tariffs on wood products, and Europe's tariffs on semiconductors, tariffs remain a significant trade barrier. And in many developing countries, tariffs remain at levels that stifle trade, in some cases 100 percent or more.

The bill also directs the President to address some of the new issues, such as e-commerce. By acting to negotiate agreements now, before protectionism has taken root, hopefully trade in e-commerce can remain relatively free.

Each of these objectives is critically important. However, most of the debate in the other body and in the press has focused not on the important issues I have listed, but on three trouble spots in trade negotiations: No. 1, labor rights and environmental issues in trade agreements; No. 2, protection of the right of the U.S. to promulgate environmental and other regulations in connection with so-called investor-state dispute settlement provisions, commonly know as "Chapter 11" provisions; and, No. 3, the integrity of US trade laws.

Let me turn to those difficult issues now.

First, labor rights and environmental protection issues: These issues have now firmly and irreversibly made their way on to the trade negotiating agenda. They are here. The world has changed. Those who continue to ignore that reality are simply burying their heads in the sand.

The appropriate manner to address those issues, however, is not obvious, and it has been the subject of heated debate for more than a decade. The dispute over this issue has kept the Congress deadlocked on fast track for nearly a decade.

Fortunately, U.S. trade negotiators have made some important progress. In negotiating a free trade agreement with Jordan, the United States brought labor rights and environmental protection into the core of the trade agreement.

Two central approaches were taken on these issues. First, both parties agreed to strive for the labor standards articulated by the International Labor Organization, and for similar improvement in environmental protection. Second, both countries agreed to faithfully enforce their existing environmental and labor laws and not waive them to gain a trade advantage. That is in the agreement.

In addition, both parties to the Jordan Agreement agreed to pursue a number of cooperative efforts to improve labor rights and environmental protection. In my opinion, these provisions of the Jordan Agreement provide a concrete demonstration of the way to break the deadlock on labor rights and the environment.

Last year, I encouraged some of my colleagues in the other body to pursue

Jordan-like provisions as the basic model for a fast track bill. In drafting the fast track legislation, the House New Democrats and Republicans wisely agreed to use those provisions as a model for the language in the fast track legislation.

In the Senate bill, we accepted the legislation on this topic and made clear in the report that the legislation fully adopts the Jordan standard on labor and environment matters.

Unfortunately, some in the House opposed this language as not going far enough and urged legislation to force compliance with ILO labor standards. I support the ILO, and I believe the Jordan-based approach moves the trading regime in the right direction; that is, looking to the ILO for guidance on appropriate labor standards.

With due respect, however, I believe that those who advanced this proposal and those who may later advance it in the Senate debate are simply going too far. The ILO standards are a starting point, but they were not meant to be used in this manner.

It may be that through experimentation we can strengthen the linkages between trade agreements and the ILO. Indeed, that is the ultimate goal of this legislation. But trying to accomplish this in one fell swoop will only set back both agreements and the ILO.

Quite frankly, whatever the intentions of the authors, proposals like this are likely to be fatal both to fast track and future trade negotiations.

Another environment-related issue that has arisen in recent months pertains to investor-state dispute settlement, also known as "Chapter 11," in reference to the provisions of this topic in NAFTA.

The genesis of Chapter 11 is the legitimate concern of some U.S. investors that other countries often do not provide adequate protections of their investments. Investors have had many experiences of being poorly treated and having little recourse to air their legitimate concerns.

NAFTA's Chapter 11, and similar provisions in other agreements, are designed to address this problem. They define a basic set of investor rights under international law. The concepts are comparable to basic rights under U.S. law. They include the right to just compensation when the government takes your property, and the right to be treated fairly and equitably by the government.

Significantly, Chapter 11 provides an alternative to local courts for the adjudication of complaints about a government's actions. Investors are allowed to challenge such actions before special arbitration panels. It is appropriate to pursue such provisions in trade agreements. But investor rights are not the only concern. Unfortunately, some of the complaints brought under chapter 11 have clearly been aimed at stifling legitimate regulations. The challenge by the Canadian company Methanex against a legitimate California regulation on a gasoline additive is the most visible case in point.

Defenders of Chapter 11 note that most of these cases have not resulted in panel rulings against regulatory authorities. This is correct. But it is also part of the problem.

Chapter 11 panels have demonstrated no ability to rapidly dismiss frivolous cases. This results in extended litigation on claims that should simply be thrown out, such as the Methanex case.

These legitimate concerns must also be addressed. The bill before us today attempts to balance the needs of U.S. investors with the legitimate needs of regulatory agencies, and the concerns of environmental and public interest groups.

The bill directs trade negotiators to seek provisions that keep Chapter 11-type standards in line with the standards articulated by U.S. courts on similar matters. It urges the creation of a mechanism to rapidly dispose of and deter frivolous cases. And it urges the creation of a unified appellate body to correct legal errors and ensure consistent interpretation of key provisions.

I know some would like to go further in striking a new balance on investor-state issues. As the debate proceeds, I look forward to working with them on the issue. But I urge my colleagues to keep in mind there are several legitimate interests that need to be balanced; that if we go too far in one direction, it is going to upset the balance in another. But I very much want to work with Senators who have other amendments on this issue.

The second difficult issue within fast track is how we ensure fair trade. After being involved in international trade policy for more than two decades, I am struck by how often the issues that shape congressional thinking on trade are not trade negotiations but rather are the administration's effort to enforce trade laws.

Although the point is often lost, the United States is the most open market in the world. That has to be remembered. Our tariffs are quite low, and there are very few nontariff barriers to trade in the United States. There are some, but they are few. We do not wear white hats. We are not totally pure. Other countries do not wear dark hats. They are not Darth Vaders. But it is true the shade of gray of our hat is a lot lighter than the shade of gray of other countries; that is, we are more open compared to other countries.

Despite complaints from some of our trading partners, the U.S. market is clearly far more open than that of our major trading partners, such as Japan and Europe—both of which cast stones at the United States from behind titanic barriers of their own to agricultural trade.

To keep the playing field relatively equal and battle foreign protectionism in the form of subsidies and dumping—selling at cut-throat prices—the United States and most other developed countries maintain antidumping and countervailing duty laws.

Another critical U.S. law is section 201. It aims to give industries that are seriously injured by import surges time to adapt. Section 201 was recently employed to good effect to provide the steel industry with that breathing room, but it has previously been used on a range of other products, from lamb meat to motorcycles. Indeed, that is why Harley-Davidson is doing well today. They were given a breather.

Although the exact percentages can vary from year to year, over the last two decades, these laws collectively have applied duties to less than 1 percent of total imports; that is, our trade laws, when enforced, when in action, have applied duties to less than 1 percent of total imports. And they are completely consistent with U.S. obligations under the WTO—a point that must be remembered by all Americans who are a little concerned about some of these actions our Government, I think in most cases, legitimately takes to protect the United States of America because other countries' trade laws and barriers are so heinous by comparison and so unfair to Americans.

Yet somehow the United States has lost the public relations war on this topic. Somehow our trading partners and importers have convinced some editorial writers that these laws are protectionist. Nothing could be further from the truth. They are not protectionist.

Antidumping and countervailing duty laws combat trading practices that have been condemned for a century. Subsidies and dumping are too frequently used by foreign countries and companies to devastate U.S. industries. Consider the U.S. semiconductor industry in the mid-1980s and the U.S. lumber industry today. Rather than being protectionist, these laws are the remedy to protectionism. That dumping, those subsidies, are trade barriers. They are trade barriers. They are barriers to free trade. So our trade laws are meant to remedy that protectionism, remedy those trade barriers, by knocking down those trade barriers. That is what our trade laws do. It is a very important point for all of us to remember.

On a political level, these laws also serve as a guarantee to U.S. industries and U.S. citizens. They say that trade will be fair as well as free, and that temporary relief is available if imports rise to unexpected levels. Without those critical reassurances, I suspect the already sagging public support for free trade would evaporate and new trade agreements would simply become impossible.

Our trade laws help us, not hurt us, and help other countries, too. It keeps them honest and keeps them on their toes.

To address this issue, the bill takes two important steps: First, it identifies several recent dispute settlement panels under the WTO that have ruled against U.S. trade laws and limited their operation in unreasonable ways. These decisions clearly go beyond the obligations agreed to in the WTO and undermine the credibility of the world trading system. If they are not addressed, I suspect public support for trade will erode further. That is why our concerns regarding these cases are identified at the very outset of the bill as findings and why the administration is directed to develop a strategy to counter or reverse these decisions or lose fast track.

This bill also directs negotiators not to negotiate new trade agreements that undermine U.S. trade laws. We cannot do that. I am, frankly, concerned that this administration has already put itself in a position in which U.S. trading partners will push hard to weaken U.S. trade laws in WTO negotiations.

We cannot put ourselves in that situation. This issue is serious enough that I carefully weighed whether the benefits of new trade agreements are worth that risk. I went forward only because I believe there are strong majorities in both Houses of Congress to block efforts to weaken U.S. trade laws.

I am concerned that additional steps on U.S. trade laws may go too far, but I hope the administration's trade negotiators take careful note of these directions; otherwise, they are headed for conflict with the Congress.

Mr. President, that describes the fast-track portions of this bill. They are not perfect. Were it not for the need to address the concerns of Senators on the other side of the aisle, I would have gone further in several areas. There are also provisions I think are unnecessary. That, after all, is the nature of bipartisan compromise. In the end, though, the Finance Committee reported the fast-track bill by a vote of 18 to 3, indicating to me that we are close to finding that balance.

One final point, especially for my friends on the left. This is the most progressive fast-track bill that Congress has ever moved to pass, by far. It is a vast improvement over past grants of fast track on many of the issues I have just highlighted. It is not perfect, but it is a good bill. I urge my colleagues not to allow the perfect to become the enemy of the good.

When I began my remarks, I noted that many people have asked a simple question: Why a trade bill? Why now? A big part of the reason is that we now have the unique opportunity to expand and approve trade adjustment assistance—not TPA, trade promotion authority, but trade adjustment assistance. Quite frankly, this would be impossible absent fast track. We can only do this in the context of a larger trade bill.

So let me turn now to what I view as the most important part of this legislation—and certainly the part I am most proud of—trade adjustment assistance.

Trade adjustment assistance, sometimes known as TAA, is a program with a simple but admirable objective: to assist workers injured by imports to adjust and find new jobs. It is that simple. This is an objective I suspect almost all Americans support.

TAA was created back in 1962 as part of an effort to implement the results of the so-called Kennedy round agreement to expand world trade. That is its genesis, 1962.

President Kennedy and the Congress agreed there were significant benefits to the country as a whole from expanded trade. They also recognized, however, that workers and firms would inevitably lose out to increased import competition.

TAA was then created as part of the new social compact that obliged the Nation to attend to the legitimate needs of those who lose from trade as part of the price for enjoying the benefits from increased trade.

Unfortunately, we have not always upheld the bargain in pursuing new trade agreements because, over the years, we have failed to provide adequate funding for TAA. We have scaled back some benefits. We have tightened eligibility requirements. We have neglected to recognize the need for expanded training and health care assistance. We have not kept up our part of the deal.

This legislation aims to fulfill the bargain struck in 1962. It does not, as some voices have asserted, make TAA more attractive than having a job. That is just not accurate. I think anybody would rather have a job, that is clear. But in the end, TAA recipients must still get by on about $250 per week while receiving retraining for a new job.

But it does make several important changes in the TAA program to make it more effective. First, it extends the period for which TAA pays out income support from 52 weeks to 74 weeks. It is extended. This allows TAA recipients to stay in the program long enough to complete training for new jobs. It also remedies a shortcoming in the current program that many observers, including the General Accounting Office, have pointed out.

Second, this legislation expands eligibility for TAA benefits to so-called secondary workers. This has been a controversial provision, so I will explain it. Secondary workers are secondary only in the minds of some of the bureaucrats administering TAA. These are workers who have lost their jobs due to imports just as surely as those receiving TAA benefits now, but they have the misfortune of working for a company or a plant that supplies input products to a plant that closed or reduced production because of trade. They are so-called secondary workers.

The shortcomings of current law are demonstrated in this example: If an auto plant must close down because of competition from Japanese imports, the workers at that plant would be covered by TAA. That is clear. The workers down the road, however—those who make windshield wipers or tires for the now closed plant—would be secondary workers and not covered. This is simply unjust, and it is why so many, including the GAO and the Trade Deficit Review Commission, which included two members of the Bush Cabinet, have advocated expanding TAA to cover secondary workers.

When Congress passed the NAFTA in 1994, President Clinton agreed to expand TAA to secondary workers for imports from NAFTA countries. We also agreed to extend TAA when a U.S. manufacturing plant moves abroad to one of the NAFTA countries. These limited applications demonstrate that both provision on secondary workers and plant shifts are workable. They have been the law and are working. It was the expectation at the time that we passed NAFTA that these provisions would be expanded to all trade. As Mickey Kantor, who was USTR at the time, has said:

> At the time [that NAFTA was passed] it was everyone's expectation that these programs would be extended to non-NAFTA countries.
>
> And that makes sense—workers who lose their jobs because of imports from Europe, for example, are just as deserving of assistance as workers who lose their jobs because of imports from Canada. The legislation before the Senate harmonizes these programs. This is long overdue.

Third, this legislation expands benefits for TAA workers. This legislation authorizes $300 million for training workers receiving TAA—nearly tripling the program. The legislation will also extend assistance in obtaining healthcare insurance to TAA recipients. Now, the call for extending healthcare insurance assistance has proven the most controversial aspect of this legislation.

But it is important for all Senators to understand that this concept was originally advanced by the bipartisan Trade Deficit Review Commission—a group that had many prominent Republican members, including Ambassador Robert Zoellick, Secretary of Defense Donald Rumsfeld, and former USTR Carla Hills. They recommended health insurance benefits for dislocated workers.

I would emphasize that the recommendation for transitional health insurance was supported unanimously by the Commission. In our bill, we have tried to find an appropriate middle ground.

For workers who are eligible for COBRA, this bill would provide a 73 percent tax credit for those payments. For workers not eligible for COBRA, this bill would provide a 73 percent tax credit for the purchase of certain State-based group coverage options. The tax credits for both categories of workers would be fully advanceable and refundable. In addition, in recognition of the fact that it may take States some time to get these group-coverage options up and running, we provide interim assistance through the NEG program.

Fourth, this legislation also extends TAA programs specifically targeted to family farmers, ranchers, and fishermen. The legislation aims to correct some problems in the current legislation that have kept farmers and fishermen—who are typically self-employed—from benefitting from TAA. The provision on farmers is taken from legislation introduced by Senator CONRAD and the ranking member of the Finance Committee, Senator GRASSLEY. The provisions on fishermen were prepared by Senator SNOWE, who has contributed immensely to this legislation.

Finally, this bill creates what amounts to a pilot program on wage insurance. Wage insurance is essentially an alternative approach to addressing worker adjustment. In essence, wage insurance provides a Government payment to older workers who lose their jobs because of trade and decide to take a lower paying job rather than go through training. The Government payment would run for up to two years and would make up half of the difference between the new wage and the old wage. The concept is that workers may actually be able to adjust more quickly if they move back into the workforce and learn new skills on the job. Experience suggests that the workers that do take a lower paying job are often able to make up much of the difference between the new wage and the old wage as they gain experience.

There are those who would like to abandon traditional TAA entirely in favor of wage insurance. If this experiment succeeds, that may be just the course we decide to take in a few years. At this point, however, there are just too many questions to be answered to turn TAA entirely into a wage insurance program. That would not be right.

One final point on cost. I should note—we often talk about the vast benefits of trade: more jobs, higher paying jobs, cheaper products. I indicated earlier that the average family of four sees annual benefits in the thousands of dollars. Yet I am sure that some of my colleagues on the other side of the aisle will complain that TAA costs too much. But the reality is, it would cost the average family of four about $12. It is an inexpensive way to build support for trade.

All told, this bill amounts to a major expansion and a historic re-tooling of TAA—a step that is long overdue. It attempts to adopt the positive experiences we have had with expanding TAA to secondary workers in the NAFTA, adopt the recommendations of the GAO and the Trade Deficit Review Commission, adopt good ideas from the academic world, and generally turn TAA into a program that truly works.

I suspect when we look back on this legislation in 20 years it will be these provisions on TAA, which attempt to fulfill the promise made by President Kennedy nearly 40 years ago, that are found to be truly historically significant.

Finally, this legislation also extends and expands the trade preferences given to the Andean countries—Peru, Bolivia, Colombia, and Eduador. The United States had extended these preferences to our friends in Andean America until they expired last year because we wanted to provide the citizens of those countries with an alternative to the illegal drug trade and to shore up our relationship with important allies.

In the legislation we are considering today, the Finance Committee chose to expand ATPA to new products, such as textiles and apparel and canned tuna. I know these expansions are controversial, but they are critical to the beneficiary countries.

Fighting the war on drugs is an uphill battle for these countries. It is tough. They cannot fight that battle unless legitimate, value-added sectors of their economies are encouraged and developed. This bill expands ATPA in a responsible way.

The legislation also creates a petition process to give interested parties a channel for bringing to the administration's attention issues that may warrant limitation of a country's benefits. That could happen. This will ensure that the United States pays adequate attention to other issues in these relationships, such as labor rights and enforcement or arbitral awards.

Finally, this legislation includes technical changes from the committee mark, including an exclusion of certain footwear products.

Let me end by talking about the importance of trade in my home State of Montana. As in most States, trade plays a critical role in Montana's economy.

From 1993 to 2000, Montana's exports grew by 126 percent—nearly double the 68 percent growth in total U.S. exports of goods. We have expanded proportionately faster than has the Nation. According to the U.S. Department of Commerce, nearly 6,000 Montana jobs depend on exports of manufactured goods. And more than 730 companies, mostly small- and medium-sized businesses, export from Montana. Farmers and ranchers are also increasingly dependent on trade and continuing to open foreign markets. One in every three U.S. acres is planted for export—making U.S. farmers 2½ times more reliant on trade than the rest of the economy.

Unfortunately, barriers to U.S. agriculture products remain extremely high. Agriculture tariffs average more than 60 percent worldwide. By comparison, average tariffs on industrial goods are less than 5 percent. Non-tariff trade barriers, like quotas, have all but vanished from trade in manufacturing, but these barriers remain common in agriculture. U.S. agriculture exports have suffered as a result of these barriers. Indeed, because agriculture is the most distorted sector of the global economy, it is also the sector most in need of trade liberalization. Some existing agreements have provided significant improvements. NAFTA—while far from perfect—has resulted in increased agriculture exports to Mexico and Canada.

In 1993, the year that NAFTA was passed, Montana's agriculture exports to Mexico totaled $1.2 million. In 2000, that number had increased to nearly $4.7 million. Montana's agriculture exports to Canada have increased even more dramatically—from roughly $12 million in 1993 to $110 million in 2000.

The U.S. must make agriculture a priority in future negotiations, and in fact, agriculture is the highest priority for new global trade negotiations under the WTO. Countries have agreed to work toward phasing out all export subsidies; make improvements in market access; and eliminate disguised trade barriers such as in the beef hormones dispute with the Europe Union. These negotiations can only help in leveling the playing field for American farmers and ranchers and open markets overseas since 60 percent of the tariffs are in agriculture and 5 percent are in manufacturing.

Trade is clearly important for Montana's farmers, ranchers, and workers. Support for Montana ranchers and small businesses is important for our people. Yet support for trade in Montana—as in the rest of the Nation—I think has faded in recent years. Part of that is because people are more aware of the downside of trade rather than the upside of trade.

When workers are laid off as a result of imports, that is highly publicized and widely noticed. Yet few people realize that trade agreements have provided, by some accounts, benefits to families worth thousands of dollars annually. We have not done enough in this country to help those workers displaced because of trade. That is why a comprehensive bill—one that includes both fast track and TAA is so important.

This legislation is certainly controversial. As I have noted, fast track alone has proven so divisive that it has been deadlocked in the Congress for most of the decade. I know some of my distinguished colleagues—Senators BYRD and HOLLINGS, for example—have both substantive and procedural concerns. I deeply respect their views, and I value their insight. They are very good people. We disagree, however, about trade. But their concerns are heard. I will address their concerns more fully as this debate continues.

In the end, though, it can be said that everybody would like to see changes in this bill, in one direction or the other. But I believe strongly that this legislation represents a sound balance on all fronts.

Forty years ago, President Kennedy asked Congress to grant him new trade negotiating authority. It was a much simpler bill, at a time when trade issues were more narrowly defined. But it was still quite controversial, for many of the same reasons that trade remains controversial today.

President Kennedy emphasized the importance of trade for our economy, for our workers, and for American leadership. Yet he recognized even then that trade also creates dislocation and that a new program, trade adjustment assistance, was needed to aid workers adversely affected by trade.

President John F. Kennedy, urging support for his proposal, said this:

> At rare moments in the life of this Nation, an opportunity comes along to fashion out of the confusion of current events a clear and bold action to show the world what we stand for. Such an opportunity is before us now.

Congress seized that opportunity and passed the Trade Expansion Act of 1962.

Today, we too can show the world—and America—what we stand for. Building not only on the vision of President Kennedy, but on the efforts of the Presidents who followed him, we can show the world that America can lead the way in building a new consensus on international trade. We, too, must seize this opportunity.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, we have attempted to really get the process going on trade promotion authority for a week now, with little or no success. I think today we moved completely in the wrong direction. I am, for the first time, becoming concerned that we may not be successful in our effort. I wanted to come to the floor today to talk about it.

Had we brought the trade promotion authority bill to the floor of the Senate on Tuesday, the bill that was reported on an overwhelmingly bipartisan vote—I think 18 to 3 out of committee—and if we could have had an up-or-down vote on it, my guess is that some 70 Members of the Senate would have voted for trade promotion authority. And the vote ought to be 100.

If there is anything I think we have learned in the history of mankind, it is that trade works, that trade promotes economic growth, it promotes better jobs, it expands freedom, it is something that all enlightened opinion speaks in favor of; yet it is something that, throughout history, has been under assault. It is hard to understand trade, and it is so easy to argue against it.

Every special interest can cloak itself in the American flag and argue against trade. It reminds me of the writing of a French economist, who, as individual industries were getting protection from foreign competition in France while England was blossoming economically through free trade—a famous French economist wrote a petition to the economic ministry that was granting all these exceptions for one industry after another, basically arguing that they had to protect dairy products because they had so many jobs tied to it—tending the cattle, and all of the people who service the industry—and they had to protect this industry to protect that. So this famous economist wrote a petition on behalf of candlemakers, arguing that they were disadvantaged in selling their products because of the Sun, which had an unfair competitive advantage: It seemed to produce light for nothing—in overwhelming quantities.

Anyway, to make a long story short, he goes into this elaborate argument about how France could become rich from all the people who would be employed in making candles if they would just pass a law requiring people to pull their shutters closed during the day and to pull down their shades so that they would have to buy more candles. What was interesting about his petition was that it made exactly as much sense as all the other petitions that had been granted.

The point is that trade doesn't help every individual producer under every individual circumstance, but it helps the whole, it helps society.

We live in a golden age today. We live in an age where consumer goods, relative to our wages, are the cheapest they have ever been in the history of mankind. The other day I put a shovel in a truck, and someone had gone somewhere in the truck. I needed the shovel, but I had a limited amount of time. So I went to the hardware store to buy another shovel—complaining about how stupid I had been for leaving it in the truck. I should have paid attention. I had only one day to do what I was going to do. So I went there to buy a shovel, and I bought a shovel for $4.52. I submit that never, since man first emerged from the Garden of Eden, has any citizen anywhere bought a quality shovel for less than I paid for it at the hardware store.

Today, we all benefit from world trade. I never will forget, as a boy, as an economic student, when the professor explained comparative advantage and the gains from trade. It didn't take me long to figure out these were powerful ideas that people didn't understand. It is so easy for a Member to stand up and say: We buy products from some country, but they don't buy that product from us. But I could say that I buy groceries from Safeway, but they don't buy anything from me. I have a totally one-way trade with Safeway. I could claim that that was unfair trade. I could stop buying groceries from grocery stores since they don't buy anything from me. I could plant my little backyard in vegetables. But the price I would pay would be poverty.

The point is, there is no issue we have debated in this Congress, or any Congress, related to the material well-being of our people—which I separate from things like our political freedom—there is no issue that we have debated that is more important than trade. Trade won the cold war. Trade and the wealth that it created, the wealth machine it generated rebuilt Japan and Europe after World War II. Trade created wealth in Taiwan and Korea where it had never existed. In the process, it destroyed the Soviet Union. It gave more freedom to more people than any victory in any war in the history of mankind. The first point I am trying to make is, trade is very important and trade promotion authority, giving our President the tools he needs to negotiate and create more good jobs in America through trade, is something that every Member of the Senate ought to be for, and thank goodness, a large number of our Members are for it.

If that had been the issue before us, we could have finished our business on Tuesday. But for some reason, the majority decided they were unwilling to let the Senate vote on trade promotion authority alone and that they were going to add other legislation to it, most importantly, trade adjustment assistance. Whereas the trade promotion authority bill came out of the Finance Committee on a strong bipartisan vote, the trade adjustment assistance bill actually passed the committee after the expiration of the two-hour rule. It was totally a partisan procedure, and it is a very contentious bill.

I could go into great length about what is in it, but the point I wish to make today is that we have been negotiating, I believe, in good faith in trying to come up with an agreement that would let us move forward and pass this most important legislation—trade promotion authority.

In the midst of these negotiations, yesterday Senator DASCHLE offered this amendment. The astounding thing is that a huge amount of this amendment represents material that not only is not in the trade promotion authority bill but is not in the trade adjustment assistance bill. And there are totally new issues that have not been discussed in the context of fast track before. These represent basically an undercutting of the whole process of trying to negotiate a compromise.

I understand that to legislate, it requires a compromise. Nobody gets everything they want. I do not think it is asking too much to have a straight up-or-down vote on trade promotion authority, something as important as that, but now we find hidden in this amendment a provision whereby to get trade promotion authority, we are going to have to cover legacy costs for the steel industry.

This provision was not part of trade adjustment assistance, but suddenly out of nowhere, if you are part of the legacy cost to the steel industry, you are going to get a brand new entitlement benefit under this program. Never in our negotiations has there been talk about wage insurance. Let me explain this concept and let me explain how trade adjustment assistance works.

First, under the current law, if I lose my job because lightening strikes the building I am in and destroys the Capitol or a terrorist attack destroys the business, I get unemployment insurance until I can find a new job. But if foreign competition can be blamed for me losing my job, I get a totally different set of benefits, far richer, far more valuable.

Quite frankly, I never understood why Americans ought to be treated differently based on why they lose their jobs. If they are Americans and they lose their jobs and Government provides programs, it seems to me they ought to get the same benefits. I do not understand treating people differently, but I long ago have concluded that my view is hopelessly in the minority on that issue.

Now we are talking about adding new benefits to the differential, and I want to talk about two issues in particular.

The first I mentioned is this whole steel legacy issue, and it really boils down to the following thing: Sad as it is, painful as it is, the American steel industry promised benefits that they never intended to pay, that they never had the resources to pay, and now, having negotiated all of these gold-plated benefits, principally to their retirees, when the bill has come due, these companies, many of them still in business, many of them that have equity values on the New York Stock Exchange are saying: Look, we cannot pay these benefits; we agreed to them, but we cannot pay them, so we want the taxpayers to pay them.

Now we have a proposal out of the clear blue sky added to the ransom that we are supposed to pay to get trade promotion authority passed. We have this requirement that these steel legacy costs come under trade adjustment assistance. I say to my colleagues, when you are in the business we are in, you never say never; you never say that something is not going to happen. But let me put it this way: We may adopt a bill that funds steel legacy costs as tribute or bribery or ransom to get trade promotion authority, but it is not going to happen soon and it is not going to happen easily. Within every limit of every rule of the Senate, I assure my colleagues, we are going to fight this. And if in the end, God forbid, but if in the end it were a choice between trade promotion authority, which we need, which is vitally important and which I am 100 percent committed to, if I had to choose between trade promotion authority and paying steel legacy costs to get it, the answer is no, it is not worth it. It is absolutely not worth it.

If we were talking from now until Jesus came back, I do not know that I would be so quick to make that statement. But we know we are going to have a new Congress next year. We might actually have a Republican majority in that Congress. To simply come in and ask the taxpayers to pick up all these legacy costs for operating American businesses that promised benefits they could not and they never intended to pay, in many cases, is so outrageous it is piracy on such a scale that, in my opinion, it is not worth paying, not even for trade promotion authority.

Let me talk about wage insurance. I remind everybody that currently in our trade promotion authority bill only about one out of every four Americans who lose their jobs where it can in any way be related to trade claim benefits under trade promotion authority. About three-fourths of them simply go on about their business and get other jobs, but about one out of every four take trade adjustment assistance benefits.

Under this bill, we create a brand new benefit which will guarantee that almost everyone will participate in the program. As a result, the cost of the program will skyrocket. This is a brand new entitlement, and what it says is, if you earn less than $40,000 a year when you lose your job, when that can be in any way related to trade, the Government is going to guarantee your wage, and so you will take a new job and the Government will come along and pay a portion of the difference between the wage you had in your old job and the wage you have in your new job.

This is a brand new entitlement program, potentially explosive in its costs.

The idea we are suddenly going to start insuring people's wages represents a step toward Government domination of the marketplace that we have never seen before. This is a provision that cannot be in any final compromise.

I will sum up because I know the distinguished ranking member of the committee is present. I know he wants to speak.

I do not think we are moving in the right direction. I thought it was a mistake, I believe it is a mistake, and I believe many of my colleagues will not support tying trade adjustment assistance with all of these new entitlement programs to trade promotion authority. Now we are having all of these new benefits in the trade adjustment assistance bill, benefits the cost of which no one knows.

I hear my colleagues say we are running a deficit, we are spending the Social Security trust fund, what an outrage it is, but yet today we have an amendment before us offered by the majority leader that would create massive new entitlements that, clearly, would end up costing billions, perhaps tens of billions of dollars, and no one seems the least bit concerned. No one seems concerned that we are creating all these new entitlements that will change worker behavior, that will induce people not to move to new jobs, that will disrupt the economy and in the process create this incredible situation where people who are working have no guarantee of wages but people who are unemployed do; people who are working do not have a guarantee of health insurance but people who are unemployed have a Government guarantee.

How can we tax people who are working, who have no wage guarantee and who have no health insurance, how can we justify taxing them to pay benefits to people who are unemployed who are not working? I do not see how such a guarantee can be made.

Ultimately, what we are talking about is a European-type system, where we are going to guarantee health coverage ultimately to everybody, where we are going back and bailing out the steel industry to simply get the right to vote on trade promotion authority, and where we are beginning to write guaranteed wages into the American economy.

The President of the U.S. Chamber of Commerce today in the paper said it well, I think, that we are reaching the point where the price we are being asked to pay for trade promotion authority is simply too high; it is unacceptable.

So I urge my colleagues to—and let me speak to my colleagues on my side of the aisle. I am never going to support these provisions. I am never going to support bailing out the steel industry as a price for trade promotion authority. I am not going to support a wage insurance program. Every country in the world that has such a program, that has the least bit of economic development, is trying to get out of it.

Europe has not created a job in 30 years because of their wage insurance program and the inflexibility that produces. So if you ever get a job, you are protected, but in Europe people do not get new jobs unless somebody dies or retires. That is not what we want in America. So I think this has to be rejected. I do not think this represents any kind of good-faith offer. I think this undercuts what we have been trying to do, and I think we are moving in the wrong direction.

We are going to hear today from many of my colleagues who have been involved in this debate. I am for trade promotion authority, and I understand piracy. I understand that often in the legislative process one has to do a lot of things they do not want to do to do some good, but the price we are being asked to pay in the Daschle amendment is too high. Not even trade, as great as it is, is worth the tribute we are being asked to pay in this amendment.

I yield the floor.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Iowa.

Mr. GRASSLEY. Madam President, does the assistant majority leader have a statement he wishes to make?

Mr. REID. I appreciate the Senator asking. What we are going to do, as soon as the Senator completes his statement, we are going to work out a time agreement where Senator DORGAN's amendment will be voted on at or around 12:30 today. So Members should be aware that is what we are working toward. As soon as the Senator completes his statement, we will propound a unanimous consent request. I have checked with the Senator and I have checked with the manager on our side and that seems to be OK with both of them.

Mr. GRAMM. Madam President, will the Senator yield to me for a moment?

Mr. GRASSLEY. Yes.

Mr. GRAMM. I appreciate the Senator yielding.

There is not going to be a unanimous consent agreement on the Dorgan amendment. We are not going to do a time limit on it. We are not going to vote on it today.

Mr. REID. I say to my friend, there are other ways we can vote.

Mr. GRAMM. That is fine. I am saying we are not going to have a unanimous consent agreement today on that amendment or any other amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. The majority leader yesterday finally brought to the Senate legislation that contains trade promotion authority, a second part called trade adjustment assistance, and a few other items, all very important but not getting as much attention as those two.

I am pleased that the Finance Committee's bipartisan trade promotion legislation is now before the Senate. I believe strongly this legislation, more than any other, will promote America's constructive leadership of the international trading system. Nevertheless, my enthusiasm for the trade promotion authority component of the majority leader's legislation is tempered by the dismay that I have about how this process has been carried on.

Even though I believe strongly trade promotion authority is badly needed, and surely it ought to be passed by the Congress and signed into law, I regret we are being forced by the Democrat leadership's unnecessary counterproductive, sort of take it or leave it approach—it is kind of a partisan attitude in the taking up of trade promotion authority and doing it in this fashion.

When we passed trade promotion authority from the committee 4 months ago, the vote was 18 to 3. We did it in an open, cooperative, bipartisan spirit. I was greatly heartened by the bill itself and by the process in which we achieved a result that was good for America. But this bill before us, the one laid down by the Senate majority leader, is a much different story. I had hoped after bruising, partisan fights on economic stimulus, the Jordan trade bill, judicial nominations, and other issues, finally after those other issues that are very partisan, because we had an overwhelming vote in committee then in favor of trade promotion authority, that we would be able to show America's farmers, ranchers, agricultural producers, our workers in America's families and tens of millions of American consumers who benefit from free trade that we were beyond partisanship, able to do in a successful and short manner what the Senate has done on trade in the past, to be able to give the President the authority in this bill that Presidents since President Ford have had.

I hoped the Senate could put aside partisan differences and we could move forward for the good of the country and this bipartisan spirit would carry over into the consideration of trade promotion authority.

Unfortunately, because of the bill laid down last night, I am very sad to say I was wrong. Even after the Finance Committee approved trade promotion authority 18 to 3, it took 4 months before the Senate Democrat leadership would agree to bring this critically important bipartisan bill to the Senate floor. It took 4 months just to get a bill which passed out of committee by 18 to 3, to the floor, even though the President said time and again that the lack of trade negotiating authority was hurting his ability to lead at the negotiating table.

When we finally seemed to be making progress in getting trade authority legislation to the floor, we were told the only way we could have this debate—a debate that the American people deserve to have, particularly the jobs created by trade—was if we agreed to partisan trade adjustment assistance legislation with which many Members on our side of the aisle disagree.

I support trade adjustment assistance. I support an enhanced, updated, and fine-tuned trade adjustment assistance program. I have said that many times. In fact, the trade adjustment assistance legislation I support will more than double overall program spending because what I support will vastly increase spending on training to help the dislocated workers. My program adds health care coverage for the first time ever. It will assist so-called secondary workers for the first time ever.

What I find difficult to agree to, and many Members on my side of the aisle will not agree, is the partisan, "my way or the highway" approach taken in the bill laid down by the Democrat leadership. The bipartisan way is the best way to get things done in Washington. Somehow the Democrat leadership is not listening to either the people on my side of the aisle or the people on his side of the aisle who I know agree that we need a bipartisan approach. Others have been ignored, even beyond this body, groups representing tens of thousands of farmers, ranchers, and hard-working American families, those workers who have jobs related to trade, those jobs that will be created because we pass this bill and have enhanced trade.

I briefly quote from a letter to the majority leader printed as a full-page advertisement on April 11 in the Roll Call newspaper. This letter to the Senate majority leader was from the Agricultural Coalition for the Trade Promotion Authority, representing 80 food and agricultural groups dedicated to the passage of TPA.

In part, it says:

> The strong bipartisanship that has historically prevailed in the Senate on trade matters must be reestablished to allow rapid action on trade promotion authority. We urge that this bipartisanship extend to work on other trade-related legislation that may need to move in tandem with trade promotion authority so that the U.S. can regain its position as world leader for free and fair trade, and in so doing open a world of opportunity for U.S. agriculture.

That plea for bipartisanship on trade adjustment assistance is being ignored. My pleas for bipartisanship are being ignored, and so were those of many other Senators.

We have a divisive partisan product, laid down last night, a product deliberately designed to emphasize differences, not to build bridges between Republicans and Democrats, among people of different viewpoints. It was meant not to seek common ground, not to restore the traditional nonpartisan approach to international trade and foreign policy that characterized so much of America's history but otherwise put down to simply score partisan political points.

As disappointed as I am by the process that took place last night, I am still hopeful and commit myself to work for a genuine compromise. I happen to think it can still come together. I believe we can compromise and come together because America's global leadership is at stake. In other words, this is a very important bill.

I don't for 1 second believe any Senator would deliberately want to diminish America's standing in the world community. Stakes are very high. But that is what will happen if we don't restore the President's credibility at the negotiating table. And this bill that came out of the committee does that—not the bill before the Senate. The merits of the Finance Committee bipartisan trade promotion authority bill are so compelling that I believe we will ultimately be able to compromise on trade adjustment assistance.

I summarize the need for the Finance Committee TPA bill simply by saying the United States must be in a strong position to pursue our Nation's interests at the bargaining table. Without trade promotion authority, we are not in a strong position to accomplish that goal, it is just that simple.

Already the United States has been pushed to the sidelines, pushed to a point where a great deal of activity on the trade front has taken place bilaterally, it has taken place regionally, and now globally in new trade negotiations underway through the regime of the WTO.

There are many examples of how the United States is being left behind. The Andean community and Mercosur, for example, have moved closer to creating a South American free trade zone comprising 310 million people. Mercosur and the Andean community together have about $128 billion in annual exports. If they have a free trade zone, it will strengthen tremendously the economic power of Latin America and be negative towards the United States. If we fail to give our President trade promotion authority and progress on negotiations of the free trade area of the Americas slows as a result, or comes to a halt as a result—and this is now the case—then major U.S. exporters will be at a major disadvantage in these important Latin American markets compared to exporters in countries that do have such trade agreements.

American suppliers seeking to sell in these Latin American countries are going to have a heck of a time to have a market for their goods that come from the United States. They will face other difficulties as well. Just one example from my State of Iowa, the Bandag company, in Muscatine, IA, makes and sells retreaded tires. That company is an enormously successful company, also in the international market. At one point in time, Bandag products went to Uruguay, Paraguay, and Argentina from our country. American workers made those products.

However, when the Mercorsur agreement was put into effect between Brazil and those other three countries, it became more viable for Bandag to ship product from a plant that Bandag built in Brazil. Those jobs and that investment as well did not stay in my State of Iowa or somewhere else in the United States. In fact, out of economic necessity, it went to Brazil. That is what happens if the United States is not credible at the negotiating table. That is what happens when the United States cannot lead in opening new markets and reducing tariffs overseas.

Without trade promotion authority, it is a story that will be told over and over again. This is our challenge, then. If we fail in this challenge, if we do not seize this opportunity to grant the President trade negotiating authority, I believe the process of opening global markets through bilateral, regional, and especially global negotiations—the process that has been the pattern for the last 50 years—will be set back for years.

If that happens, then the future prosperity of millions of Americans and the future prosperity of many of this Nation's most competitive businesses, and our farmers as well, will be put in doubt.

Even though this was a flawed process, and regrettably an unnecessarily divisive process, laying this bill down last night, it is never too late for us to do the right thing. Let us use the commitment to good faith that I believe we all share to reach a genuine and fair political compromise on trade adjustment assistance and to finally resolve the few remaining trade adjustment assistance issues—and maybe a few other issues—that are out there.

We can get this done. Senator BAUCUS and I have shown 98 other Senators that working together we can accomplish a great deal of good. He has been doing that with me. But I think the process last night detracts from it. Maybe it was not meant to hurt what we are trying to do, but I think it has done that.

I am glad that I will have the opportunity, regardless of this act, to continue to sit down with my colleague and work out differences. That is what I want all the other 98 Senators—or at least hopefully an overwhelming number, 70 or so—to do, work with us in this process. I think there are that many people in this body who know trade promotion authority is the right thing to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Madam President, I come to the floor this morning to speak in behalf of an amendment laid down by my colleague from North Dakota, Senator DORGAN, as it relates to a particularly growing concerning that we have about a provision within the North American Free Trade Agreement. Because we are now on the floor of the Senate with trade issues that are so important to our country, we thought this the appropriate place to offer this amendment.

Representing a State such as Idaho, I know the words "made in Idaho" or "buy Idaho" have become a rather important but familiar refrain across my State for the last good number of years. What is unique about that is it has now become a refrain around the world, as products built in my State, as in other States, are now trafficking in world commerce and are a growing part of the Idaho economy. Whether it is the potato chip, for which we are well known, or the computer chip, with which we now dominate world markets because of quality and efficiency, Idaho's trade has grown phenomenally in the last decade, increasing and improving and diversifying our economy, and at the same time supplying increasing numbers of jobs that are important to all Idahoans.

So whether it is trade adjustment or whether it is trade promotion authority, all of those become important items that we clearly need to debate. I, like the ranking member of the Finance Committee, am extremely frustrated by the process and the character of the process that has been given to us by the majority leader. We cannot look at these different trade issues separately and in a clean fashion and debate them in a way that allows us to focus individually on these issues from the importance of displaced worker health care, of course, to the importance of our President having the authority to negotiate trade agreements.

All of that said, what is most important in any trade agreement is the transparency of the process so all of us can understand what our negotiators are doing and why they are doing it and the advantages those negotiations will bring to us as citizens, as workers, as producers within this economy.

The Dorgan amendment does just that for an agreement that is already in place, the North American Free Trade Agreement—that I happened to oppose when it came to the floor some years ago.

I had been a supporter of the Canadian Free Trade Agreement originally. But as the Bush administration and then the Clinton administration put the final touches to the North American Free Trade Agreement, there clearly were provisions within it that I thought would not only be troublesome to enforce but this country more likely would not enforce, and the Canadian Government, on the other side of the border, would enforce, making it most difficult for commerce to flow evenly in both directions, which would create disadvantages for our producers and for our consumers, while creating advantages for the producers of Canada.

Guess what. I was right in many instances. Many of my farmers and ranchers in Idaho today do not agree that the Canadian Free Trade Agreement was, in fact, a positive move for our country. This administration, though, has shown its willingness to enforce trade remedy law. With the steel agreement of a few months ago, and now a soft wood Canadian timber agreement just penned by the Department of Commerce, and being heard by the International Trade Commission as we speak today, we see the willingness on the part of this President to use law, current law, in a way that will not only force but stabilize markets and create level playing fields for producers and create a fair trade environment that some of my producers do not think exists.

While trade is so important to my State, tragically enough some of my producers and workers are beginning to believe that free trade means that it all comes here and is sold in America, displacing our workers and changing our economy because we have had administrations in the past that were not willing to enforce trade remedy situations and level the playing field and create fair and equitable environments.

I know the positive nature of trade and the importance of it. At the same time, chapter 11 of the North American Free Trade Agreement does something that is increasingly important as it relates to what are called Investor Protection Tribunals. That means when one government takes an action that may cause a dislocation of a product within the commerce of another country under the North American Free Trade Agreement, there is a procedure, a process by which it can be determined whether that was a fair and equitable process.

The tragedy of that is the tribunals have been closed and the public has not been allowed to see them. I must tell you, this administration recognizes it, understands its problems. It is important we try to deal with those as rapidly as we can.

Last July, our U.S. Trade Representative, Bob Zoellick, together with his Canadian and Mexican trade counterparts, discussed the secretive nature of these unique dispute tribunals. They recognized that these tribunals needed to be more open and they announced they would take steps to open up the deliberations of the tribunals.

On July 31, they issued an interpretation of chapter 11 stating that tribunals should operate as transparently as possible. That very wording, tragically enough, gave those who operate the tribunals an opportunity to operate in a less than transparent environment.

As a result of that, Senator DORGAN and I have brought this amendment to the floor—I am a cosponsor of it—simply saying that this is a requirement, that the President needs to move in this direction, to certify that these tribunals are open, and to respond as quickly as possible in a time certain. We believe that is critically important.

If we are going to get the American producer, the American worker, and the American consumer to understand the international character of our commerce and the international character of our economy, they also have to know that on the government side of the process—and there is a government side to trade when you move across international borders and when you move across political jurisdictions—that the government's side of it will be aggressive, balanced, fair, and that the proceedings of that government be transparent so that the public can understand why a certain action is taken and why a certain remedy is produced. We think that is all very critical and very necessary.

I suggest that the Dorgan amendment is in fact a perfecting amendment to the North American Free Trade Agreement.

We believe it was the intent originally that these dispute tribunals be allowed to be open, and appropriately so. Yet it has not occurred. All of them have been secretive in the past.

We had a tribunal against MTBE because of the action of the State that dramatically impacted the producing company in Canada. At the same time, it was the right of the State of California to do what they did.

Regulatory activity that changes a market environment needs to be understood, and the transparency of those tribunals simply allows that to happen. That is, in my opinion, the importance of the Dorgan amendment.

The Washington Times has recognized this problem, as have other publications, as it relates to, again, the kind of transparency that we think is important.

In the character of the tribunal, Bill Moyers—I don't always agree with him and what he says on PBS, but I think in this instance we agree—talked about the balance and the importance. Other publications have recognized that this is a growing problem within the North American free trade environment—that what we do is not as open and transparent as it ought to be.

It is my understanding that we are going to have an opportunity to vote on this issue sometime in the immediate future. I hope my colleagues, recognizing that this is a perfecting amendment which directs the President to move in a positive direction to certify the openness and the transparency of these actions within the North American Free Trade Agreement and within the tribunals of jurisdiction, will do so under what we call the chapter 11 tribunal.

With those comments, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, I ask unanimous consent that I may proceed for 7 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 2446 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. SPECTER. I yield the floor

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I would like to say a few words about the pending amendment offered by my good friend from North Dakota, Senator DORGAN. It was offered yesterday evening.

His amendment calls for greater transparency in dispute settlement under NAFTA chapter 11—that is the so-called investor-State dispute settlement. I think that is a very important objective.

I agree that lack of transparency is one of the major flaws in how chapter 11 has operated. It is clear that it makes no sense whatsoever that when the United States is negotiating or companies are negotiating or trying to resolve a dispute with a Canadian company, the proceedings are, in effect, secret, that they are not open to the public. That makes no sense.

I might say, too, that the issues in dispute before chapter 11 tribunals clearly implicate essential functions of Government, including protection of the environment. They raise issues concerning public health and safety. I think any body deliberating on such important questions—it is axiomatic; it is a priority—should be open to the public. That is just a given.

Moreover, interested parties must be able to convey their views in such a body, as is the case in our judicial process, where an interested party can file a brief, say, an amicus curiae brief, say, with the Supreme Court.

Fortunately, this is a matter under which I think there is a growing consensus. I note that last year the United States, Canada, and Mexico adopted an interpretive note that provides for greater transparency in chapter 11 proceedings. The parties agreed, "to make available to the public in a timely manner all documents submitted to, or issued by, a Chapter eleven tribunal," subject to redaction of confidential material. The United States, Canada, and Mexico did agree, in an interpretive note, to provide for greater transparency, at least with respect to making public documents more available.

I think this interpretive note is a good start, but it is clear it is only a start. We have far more to do in opening up proceedings.

I might say, I raised this issue with European negotiators at the infamous Seattle administerial on trade not so long ago, and I was surprised at the resistance I received, particularly from European negotiators. They did not seem to be automatically agreeing that, yes, that is good for the process. To me, it indicates we are going to have to move further and work a little more aggressively to help accomplish our objective, and that is transparency. For that reason, the Finance Committee bill currently on the floor included in the TPA bill a detailed negotiating objective precisely on this subject.

Let me read it. These are the primary negotiating objectives contained in the bill: provide for ensuring that all requests for dispute settlement, and all proceedings, submissions, findings, and decisions in dispute settlement are promptly made public; ensuring that all hearings are open to the public; and establishing a mechanism for acceptance of amicus curiae briefs from businesses, unions, and nongovernmental organizations.

It is a huge step, frankly. It is very clear that this is a primary negotiating objective on the part of the U.S. Government.

I think we in America sometimes take it for granted that important decisions—that is, judicial decisions, legislative, and executive decisions—are made openly, made in public, with adequate opportunity for all sides to be heard. I think we take that for granted; it is so common in our country.

I think the same ought to be true when important Government regulations are being considered in international dispute settlements. I firmly believe the trade bill makes that objective clear.

Having said that, I must say I have some concerns about the amendment of my friend from North Dakota. And that is because his amendment would mandate that the President pursue negotiations with Canada and Mexico and require that the Trade Representative certify that the negotiations have been accomplished within 12 months.

There is no mandating language in this bill—for good reason. First, it is unconstitutional. The courts will strike it because the legislative branch cannot mandate the executive branch what to do in negotiating agreements. It is unconstitutional. That is No. 1.

No. 2, even if it were constitutional, if we mandate in one area, we necessarily give up significantly in other areas. One other area would be the agricultural provisions. We are trying to get Canada, for example, to dismantle its trading commission, the Wheat Board. It is an unfair trade barrier and hurts our American farmers. If you mandate transparency, what will happen?

First, the Canadians will say, if you want us to do that, we will ask you to give up someplace else or we will not be as amenable to your suggestion that we give up on the Canadian Wheat Board. It does not make good sense in trying to get good, solid trade agreements.

We have avoided using mandates in the bill. Rather, in the tradition of these kinds of measures, we laid out negotiated objectives and agreed to consider implementing legislation under special rules; that is, if the President makes progress in achieving these objectives.

I think it should give all Senators some concern that this mandate also requires the President to, in 1 year, certify that the USTR has fulfilled the requirements set forth in this section. I don't know how in the world the President of the United States in 1 year will be able to certify that the mandate called for in this amendment is fully implemented; that is, full transparency. It is just not going to happen. It is unconstitutional anyway because the legislative branch, under the Constitution, cannot mandate to the executive branch what to do in negotiating agreements with other countries. That is an unconstitutional provision.

I very much hope my friend from North Dakota will work to modify the amendment. I strongly agree with the intent and the import of what he is trying to do. This puts me in a very difficult position because I do agree with what he is trying to do. But the goal here is to be effective. The goal here is to get the job done.

Frankly, I would like to ask the Senator from North Dakota if he would yield for a question; that is, if there is some way we can modify this amendment to make it effective, because the current draft is unconstitutional and also because of the flaws of the mandating approach and the impracticality of getting this accomplished within 1 year. I ask my good friend from North Dakota if he is willing to modify given those flaws?

Mr. DORGAN. In response to the Senator from Montana, I certainly respect his view, but I don't share his view that this amendment would in any way be unconstitutional. I believe the amendment, if I modify it, would be less likely to achieve its purpose. If I don't modify it, I think it is a stronger initiative that says to the administration, this is what the Congress aspires to achieve with respect to changing the secrecy by which dispute tribunals in NAFTA are now conducted. I would prefer we not modify it in order that it be a stronger initiative.

I do not see this as in any way being unconstitutional. It is in perfect concert with our constitutional responsibilities.

Mr. BAUCUS. I thank my good friend, but it is just a matter of judgment. It clearly is unconstitutional because Congress cannot mandate to the President telling the President what he must do in negotiating agreements with other countries. That is clearly an unconstitutional mandate of authority. I must say, I doubt this provision will survive in conference for those reasons.

I fully understand the Senator. The goal here is to be as effective as we possibly can because the Senator and I agree with the same objective. The objective is full transparency in these proceedings. That is clearly going to be in the public interest. It is going to help Americans and help people all around the world.

I thank my good friend and yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). The Senator from North Dakota.

Mr. DORGAN. Madam President, my colleague, Senator CRAIG from Idaho, spoke in support of the amendment. It is an amendment we offered jointly. I ask unanimous consent that others in the Senate who have asked this morning be added as cosponsors: Senators BYRD, DAYTON, and DURBIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Let me describe again what it is we are attempting to achieve. We have now, under NAFTA, dispute tribunals or tribunals that are created for the purposes of resolving disputes. Regrettably, those tribunals are conducted in secret. They are secret tribunals. The American people are excluded from knowing what they have done, what they are doing, what they are going to do, how they reached a decision. We are not entitled to review any of the information they have or the information they might have used to reach a decision. They lock the door, and behind locked closed doors, they discuss this country's future with respect to international trade disputes.

We ought not be a party to that. That is not what we signed up for. That is not what the U.S. Government is about—secrecy, closed, locked doors in some foreign land. That is not what we ought to be about. This amendment says: Let's stop that. Let's not have the dispute tribunals be secret.

Let me give an example of why this is important: what is happening with respect to NAFTA and a fuel additive called MTBE. This is all under something called chapter 11. You might think chapter 11 has to do with bankruptcy. It does not. Chapter 11 was put in NAFTA at the request of negotiators thinking that U.S. investors in Mexico might have their assets seized by the Mexican Government or Mexican regulators and the Mexican legal system probably wouldn't provide sufficient protection. So U.S. negotiators actually asked to have chapter 11 included in NAFTA. It was. It was designed to create tribunals that would consider claims from foreign investors that they had property taken by Government regulation.

By design, these tribunals were given leeway to operate in secrecy. They were bound only by international arbitration rules. That allowed the tribunals to act however they saw fit. If any of the parties to the claim wanted to keep the proceedings secret, the briefs would not be disclosed and the hearings would be closed. And that is exactly what has happened.

Let me describe what has happened here with respect to chapter 11 and the tribunals and what this Government, what the United States of America, is part of. It involves Methanex, a Canadian company that makes MTBE, a fuel additive. We have been talking about MTBE recently in the debate over the energy bill so most Members are familiar with this fuel additive.

In 1999, California decided to ban MTBE because they began to find it in their ground water and drinking water. All of a sudden they began to measure this fuel additive, which is harmful to human health in their water system. They decided they better ban MTBE. And so California did that. Fourteen other States are considering limitations to the use of MTBE. It was 1990, in fact, when California first discovered traces of MTBE in the drinking water.

In 1995, 71 percent of Santa Monica's drinking water was shut down. Their supply was shut down due to the presence of MTBE. In 1996, MTBE was discovered in Lake Tahoe. In 1998, an EPA blue-ribbon panel called for substantial reduction in the usage of MTBE.

Then California decided, in 1999, they were going to ban MTBE altogether. A Canadian corporation that makes it called Methanex heard about the California decision, and they realized they stood to lose a lot of money. If California bans MTBE, this corporation stands to lose money. So Methanex filed a chapter 11 claim against the United States for $970 million. Think of this. Methanex, a Canadian corporation, files a $970 million claim against the United States of America because California decided to ban MTBE because it was discovering it was showing up in drinking water and ground water and that it is harmful to human health. So a foreign corporation sues our country because we are taking action to protect human health in this country.

This claim has had an incredibly chilling effect on environmental regulatory activity. If a State wants to keep poisons out of its rivers and streams, it now has to worry about a chapter 11 complaint being filed. The producers of that poison will file a chapter 11 claim and claim a billion dollars in injury against the United States. But, then, that claim, when considered under a tribunal in chapter 11, will be resolved in secret.

Let me restate this so people will understand it. A State finds a poison in its drinking water and in its ground water. It takes action to ban the use of that fuel additive that creates it and which has allowed it to show up in the drinking water; and a foreign company that produces it sues us for almost $1 billion because that is the injury that will exist to that company. By the way, they would sue us and go to chapter 11, and they will have an advantage in a three-person tribunal under chapter 11 of having secret proceedings. The American people are told it is none of your business. It is none of our business when we take action to stop poisons from finding their way to our drinking water? That is none of our business?

Well, I am using one example—MTBE. This amendment says it shall not be secret any longer, that the dispute resolution under chapter 11—the tribunals, their behavior, actions and their considerations—shall not be secret. You cannot keep that information from the American people. We will not allow it. Our amendment says the President shall negotiate a change with Canada and Mexico to the conditions under which these tribunals meet and shall report back to Congress within 1 year; that these tribunals shall be held in the open; that the secrecy has ended, and that transparency will exist. That is our amendment.

My colleague from Montana said the amendment is unconstitutional. If I might, without providing a lecture on the Constitution, I will put up a chart. Article I, section 8 of the Constitution says the Congress shall have the power to regulate commerce with foreign nations. It doesn't say Ambassador Zoellick shall have the power, or President Clinton or President Bush shall have the power; it says the Congress shall have the power.

We have a lot of people here who have forgotten that or have decided to ignore it. But that is what the Constitution of the United States says—Congress shall have the power. Fifty-five people wrote that over 200 years ago. This Congress, well over two centuries later, has apparently decided that it wishes to consider giving the President the authority on trade with something called fast track. So it is apparently not unconstitutional in the minds of some to give the President this authority, despite the fact that the Constitution says it is the Congress's authority. They would say it is not unconstitutional to give the President the authority to do this, but it is unconstitutional to direct the President to end secrecy in the tribunals. I don't understand that. That doesn't make any sense to me. Of course, we have a right to direct our trade negotiators to direct this administration to negotiate an end to the secrecy in these tribunals. Of course, we have a right to do that. Are we kidding? The Constitution says we have the right.

This isn't some idle piece of paper. It is the Constitution of the United States. I don't want to hear that we don't have the authority to do this. Of course we do.

The question for the Senate is this: In the future, both in this case and the next one, when one of our States, or our Government, takes action to protect our citizens against someone poisoning our water or polluting our air, and somebody files a large claim against the United States for protecting its citizens, saying, by the way, you have violated our trade laws and injured us; do you want the consideration of that dispute to be resolved in deep secrecy, behind closed doors, perhaps in a foreign land, with three people who will not tell you what they are doing, what they have done, or why they have done it? Is that what you want for this country? I don't think so.

If you believe in open government, and in democracy, and in fair trade, and in the Constitution, then you have to believe in this amendment. This is not rocket science. This is common sense. Often, common sense finds a difficult road here in the Congress because it attracts comments by people who say, well, I know it sounds good, but it is not as easy as it sounds. This is as easy as it sounds, believe me. It is as easy as it sounds. All this country has to do, with respect to Canada and Mexico, is to say with respect to our trade agreement that we will not be involved in secret tribunals. That is not the American way and not something Congress will any longer support.

Why do we have to do this in this legislation? Because we have had our Trade Representative, Mr. Zoellick, already tell us that he would like to end the secrecy.

Trade ministers from the U.S., Canada, and Mexico last year tried to impose greater openness on a procedure under NAFTA that allows companies to sue governments for millions in monetary damages, but the effort has so far failed.

That is according to the Washington Times last month.

Charges of secrecy have dogged the chapter 11 process since its inception. Many NAFTA supporters now concede that the closed tribunals have contributed to public distrust of the agreement, and advocate greater openness for the procedure.

Our Trade Representative, Mr. Zoellick, has spoken on this issue. He wants more openness. But the fact is, these tribunals ignore it. The openness doesn't now exist. There is still a veil of secrecy. That dis-serves the interests of this country. That is why this amendment is necessary, and that is why the amendment is necessary now. No, it is not unconstitutional—not at all.

This Congress has every right to speak on this subject. In fact, this Congress has a responsibility to speak on this subject. We know it is wrong to have a foreign corporation suing our Government because our Government is taking action to protect our consumers against poison in the water. And then to throw that into a tribunal and tell the American people, by the way, it is none of their business; they can't see it, hear it, or be a part of it, we know that is wrong. Everybody in this Chamber knows that is wrong.

So we are going to vote on this amendment. As I said when I started, it is a bipartisan amendment. I have been joined by Senator CRAIG from Idaho, from the other party. I appreciate his cosponsorship and his work with me on it. I think he believes, as I do—in fact, he expressed that a few minutes ago on this floor—that we must take action to end this secrecy. This is the place to do it and this is the time to do it. We are now considering international trade. We are considering fast-track trade authority. This is the place and time to add this amendment.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Madam President, I move to table the Dorgan amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New Jersey (Mr. TORRICELLI) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Kentucky (Mr. BUNNING), and the Senator from Utah (Mr. BENNETT) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "no" and the Senator from Kentucky (Mr. BUNNING) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 29, nays 67, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—29

Allen
Bond
Breaux
Brownback
Chafee
Cochran
DeWine
Domenici
Enzi
Fitzgerald
Frist
Gramm
Grassley
Gregg
Hagel
Hatch
Hutchison
Kyl
Lott
Lugar
McCain
McConnell
Miller
Nickles
Santorum
Stevens
Thompson
Voinovich
Warner

NAYS—67

Akaka
Allard
Baucus
Bayh
Biden
Bingaman
Boxer
Burns
Byrd
Campbell
Cantwell
Carnahan
Carper
Cleland
Clinton
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Ensign
Feingold
Feinstein
Graham
Harkin
Hollings
Hutchinson
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Mikulski
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Reed
Reid
Roberts
Rockefeller
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Thomas
Thurmond
Wellstone
Wyden

NOT VOTING—4

Bennett
Bunning
Helms
Torricelli

The motion was rejected.

Mr. REID. Madam President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I have been informed by staff—I hope I have been informed wrongly—that we are now not going to be allowed to vote on the underlying amendment, the Dorgan amendment.

Normally what happens here is that when a motion to table is defeated and the amendment is there, and it is such an overwhelming vote, it is just adopted by voice. But I have been told the minority will not allow us to do this.

I am troubled for a number of reasons, not the least of which is what happened when the majority leader had breakfast with the President yesterday. I believe it was yesterday. It could have been the day before, but I am almost certain it was yesterday. At that breakfast, the President told the majority leader and those other people assembled that his No. 1 priority was this trade bill.

On the first amendment we offered, there is a filibuster.

If there is something in this bill that someone doesn't like, let him move to strike that portion of the bill. There are all kinds of things that can be done. But for us to be told that we cannot vote on this says there is a filibuster taking place. I suggest—certainly the decision is not mine, but I think the majority leader would have to strongly consider filing a motion to invoke cloture. Certainly, when the motion is defeated by such an overwhelming margin and we are now told we cannot adopt the measure, it seems it is totally unfair.

Mr. DORGAN. Will the Senator from Nevada yield?

Mr. REID. I yield to the Senator from North Dakota, for a question, without losing the floor.

Mr. DORGAN. Madam President, I inquire whether the Senator has been informed of the delay here being a delay because someone needs more time to speak on this amendment. That is certainly reasonable.

I spoke on the amendment yesterday. I spoke on it this morning. Others spoke on it this morning. Senator CRAIG, who is a cosponsor, spoke on it.

Unless there are others who wish to speak on the amendment—certainly that is reasonable. But if that is not the reason, we have had plenty of time on this amendment. I thought we had. Then there was a tabling motion. We should be ready to adopt the amendment. After all, 67 people voted against tabling. One would expect there would be a pretty strong expression here with respect to this amendment.

Was the Senator informed about the manner of the delay? Is it because there needs to be more discussion on the underlying amendment or is there some other reason?

Mr. REID. I say to my friend from North Dakota in answer to his question, we have just been through 6 or 7 weeks on the energy bill. On that bill, we had a series of amendments pending. I think we got up to maybe 15 or 16 amendments pending where people would offer amendments and then there would be no resolution of that amendment. It made it very difficult to work through that bill.

I say to my friend from North Dakota, who had the wisdom and foresight to offer this amendment, that it appears clear we have an effort to stop the bill. I commented as the Senator from Texas was giving his statement this morning, I have great respect for him. He obviously was a great professor. We know he has a Ph.D. in economics. His statement was one that gave me the desire to listen to what he had to say.

As I was going through this, I said to myself: If I were on the other side and I didn't like this, I would simply move to strike part of it. But the Senator has made his decision, and I respect that. As a result of that—I think it is too bad—I say to my friend from North Dakota, I think the majority leader this afternoon should strongly consider invoking cloture on this bill.

AMENDMENT NO. 3389 TO AMENDMENT NO. 3387

Madam President, while I have the floor, on behalf of Senator LIEBERMAN I call up an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. LIEBERMAN, for himself, Mr. DASCHLE, Mr. SMITH of Oregon, Mr. ALLARD, Mr. BROWNBACK, Mr. BUNNING, Mrs. CARNAHAN, Mr. CLELAND, Mrs. CLINTON, Ms. COLLINS, Mr. DEWINE, Mr. HATCH, Mr. KYL, Mr. MCCONNELL, Mr. SANTORUM, Mr. SMITH of New Hampshire, Mr. STEVENS, Mr. WARNER, Mr. BAUCUS, Mrs. BOXER, Mr. WYDEN, Mr. CORZINE, Mr. DURBIN, Mr. GRAHAM, Ms. LANDRIEU, Mr. HARKIN, Mr. JOHNSON, Mrs. MURRAY, Mrs. LINCOLN, Mr. NELSON of Florida, Ms. MIKULSKI, Mr. REED, and Mr. SCHUMER, proposes an amendment numbered 3389 to amendment No. 3387.

Mr. REID. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To express solidarity with Israel in its fight against terrorism)

At the appropriate place, insert the following new section:

SEC. . EXPRESSING SOLIDARTIY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States and Israel are now engaged in a common struggle against terrorism and are on the frontlines of a conflict thrust upon them against their will.

(2) President George W. Bush declared on November 21, 2001, "We fight the terrorists and we fight all of those who give them aid. America has a message for the nations of the world: If you harbor terrorists, you are terrorists. If you train or arm a terrorist, you are a terrorist. If you feed a terrorist or fund a terrorist, you are a terrorist, and you will be held accountable by the United States and our friends.".

(3) The United States has committed to provide resources to states on the frontline in the war against terrorism.

(b) SENSE OF CONGRESS.—The Congress—

(1) stands in solidarity with Israel, a frontline state in the war against terrorism, as it takes necessary steps to provide security to its people by dismantling the terrorist infrastructure in the Palestinian areas;

(2) remains committed to Israel's right to self-defense;

(3) will continue to assist Israel in strengthening its homeland defenses;

(4) condemns Palestinian suicide bombings;

(5) demands that the Palestinian Authority fulfill its commitment to dismantle the terrorist infrastructure in the Palestinian areas;

(6) urges all Arab states, particularly the United States allies, Egypt and Saudi Arabia, to declare their unqualified opposition to all forms of terrorism, particularly suicide bombing, and to act in concert with the United States to stop the violence; and

(7) urges all parties in the region to pursue vigorously efforts to establish a just, lasting, and comprehensive peace in the Middle East.

Mr. REID. I extend my appreciation to the Senator from Connecticut for the work he has done on this amendment.

During the time we have served together in the Senate, we have become friends. But from my own perspective, I have come to rely on the Senator from Connecticut as someone who never does anything in a hurry. He is very deliberate, thoughtful, and this amendment is in the style of LIEBERMAN. So I want him to understand how much I appreciate—and I think I speak for the whole Senate—the work he has done on this very difficult matter that is going to be brought before the Senate. I hope we can have some debate and vote very quickly.

I think the people of our country are expecting a good strong vote on this issue, and they will get a good strong vote. There are a lot of reasons, not the least of which is the work done by the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Madam President, I thank my friend and colleague from Nevada, whose words were unexpected. They are unnecessary. But they are deeply appreciated—in general and on the specific thanks for his support of this resolution.

I am proud to stand and urge adoption of this amendment, which embodies a resolution expressing solidarity with Israel in its fight against terrorism.

This amendment is a statement of fundamental principles. It is cosponsored by Senator SMITH of Oregon, with whom it has been a pleasure to work. The underlying resolution is also cosponsored by the majority leader, Senator DASCHLE, and the Republican leader, Senator LOTT. At last count, we had well over a majority of Members of the Senate cosponsoring the resolution which has now become this amendment and, notably and encouragingly, with just about equal support from both Democrats and Republicans.

It is a fundamental principle of our foreign policy that terrorism is evil. It is not an acceptable form of political expression. It is also a fundamental tenet of our policy that a government, a society, should and must protect itself against violent terrorism. Those policies underlay most of recent memory, since the ugly head of terrorism reared itself in our history.

We have felt it with a particular intensity, pain and resolve, since September 11 when we in America were brutally attacked by terrorists and lost the lives of more than 3,000 of our fellow Americans and family members in that attack.

After that attack, President Bush came before Congress with a very stirring, strong, and principled speech. Among other things, he enunciated a series of principles which have come to be known as "The Bush Doctrine."

To state it as simply as I can, as I recall those words, the President spoke to the Joint Session of Congress in September. He said to the nations of the world:

> Either you are with us, or you are with the terrorists.

Then on November 22, 2001, the President said:

> We fight the terrorists, and we fight all those who give them aid. America has a message for the nations of the world. If you harbor terrorists, you are terrorists. If you train or arm a terrorist, you are a terrorist. If you feed a terrorist, or fund a terrorist, you are a terrorist, and you will be held accountable by the United States and our friends.

The intention of this amendment, which Senator SMITH, I, and others have worked on—and which we have tried to fashion in a way to encourage the broadest statement by this Senate representing the American people—is to embody and express those last words that I quoted from President Bush: If you support a terrorist in any way, you will be held accountable by the United States and by our friends.

Israel is and has been a great friend of the United States. The United States has been a great friend to Israel. Our two nations are tied together by common values, by a common political system—democracy—by common strategic interests, and by the closest of relationships between our military and intelligence systems.

Our friend, Israel, has been under siege from a systematic and deliberate campaign of suicide and homicide attacks by terrorists. Their essence is identical to the attacks on our country on September 11. Those suicide bombers striking innocent Israelis in supermarkets, buses, public squares, pizza restaurants, schools, and religious observances are cut from the same cloth of evil as the terrorists who turned airplanes into weapons and struck the United States on September 11.

So our country is engaged now with Israel and other allies in a common struggle against terrorism. But Israel, in particular, among our allies has found itself now on the front lines of a conflict thrust upon it against its will. In the absence of action by the Palestinian Authority to suppress these acts of terrorism—in particular the abhorrent and inhumane practice of suicide and homicide bombings—the Israeli Government has acted to protect its homeland, just as we have acted in so many ways, so courageously, so proudly, and so effectively since September 11, to protect our homeland and our people in America.

The intention of this amendment is to put the Senate of the United States on record in support of Israel's right to self-defense.

To state it in words that are direct, Congress stands in solidarity with Israel—a front-line state in the war against terrorism—as it takes necessary steps to provide security to its people, by dismantling the terrorist infrastructure in the Palestinian areas, and remain committed to Israel's right to self-defense.

I welcome the easing of a recent standoff between Israel and the Palestinians achieved in the last few days, thanks in good measure to effective diplomacy by the Bush administration.

It is my fervent hope now that Chairman Arafat and Palestinian leaders will use this opportunity, as this amendment states, to "dismantle the terrorist infrastructure in the Palestinian areas and to pursue vigorously efforts to establish a just, lasting and comprehensive peace."

That is what the majority of Israelis want. I continue to hope and believe that is what the majority of Palestinians want—that the established leadership of the majority of the Palestinian people, whose lives have been so difficult, will take back the legitimate cause of Palestinian statehood from the suicide bombers and terrorists who have hijacked it.

A just, lasting, and comprehensive peace is also clearly what we in America want. It has been our national policy for years now—certainly since the Declaration of Principles that originated in Oslo and which was signed on the White House lawn in September of 1993. The hope of our policy has been that we could be pro-Israel and pro-Palestinian, but united together against terrorism. That is the thrust of this amendment.

I also call on other friends in the region—in the Arab world particularly—to work with us, to use all their best efforts to help bring about an end to the violence and a dismantling of the infrastructure of terror, not only in the Palestinian territories but also the elements in their own countries that have aided and abetted terrorists, or that give militant, extremist, hateful ideas legitimacy.

America will never countenance terrorism. We stand with those who oppose terrorism and against those who support it in any form. That is the message of this amendment—a message which I hope will have the overwhelming support of the Members of this body.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER (Mr. EDWARDS). The Senator from Oregon.

Mr. SMITH of Oregon. Mr. President, I am privileged to stand on the Senate floor today with my colleague from Connecticut, Senator LIEBERMAN, as a cosponsor of this amendment. He and I stand here against the wishes of the administration that we—the Congress, and specifically the Senate—would involve ourselves at this delicate time. And we are not here to be indelicate. We are here because the Founders of this country set up a framework in which the Congress—the Senate specifically—has responsibilities when it comes to foreign affairs.

I remember during the Clinton administration we would often do this, and it would upset their apple cart.

I am proud as a Republican to be here to do this and upset the apple cart of the Bush administration—not with any malignancy but because of a principle I feel very personally and deeply about; that is, we as elected Members of this body have a right, and indeed an obligation, to stand up and be counted right now at this critical hour no matter what apple cart is overturned in the process.

Most of us who serve in this body are of an age when our earliest memories of life are of a black and white television set with flickering pictures. I recall as a little boy seeing accounts of the 20th century—my century. I was born in this meridian. I remember the pictures indelibly impressed on my mind of the Holocaust that occurred in Europe.

I remember seeing the pictures of the bodies of the children of Israel being bulldozed into mass graves. And I remember, at an early age, as somebody who has always been interested in public life, feeling pride that my country stood by as an ally to the children of Israel as they sought to establish a homeland in their ancestral land.

Many people can differ on interpretations of Scripture. I remember in the Presidential election, JOE LIEBERMAN was once asked a question. I loved his answer. He was asked: Senator, if you could interview anybody in history, who would it be? And he said: I would interview Moses, and I would interview Jesus. And he as a Jew and I as a Christian, I think, would answer the same way. I would like to interview Moses. I would like to interview Jesus to better understand this great conflict that has the whole world consumed by it.

I am pleased to stand in this Chamber in support of this amendment because we need to be on record as a nation, as a Senate, as a body here, in unity with Israel at this critical hour.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by George Will in this morning's Washington Post. It is entitled "'Final Solution,' Phase 2."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 2, 2002]

"FINAL SOLUTION," PHASE 2

(By George F. Will)

Such is the richness of European culture, even its decadence is creative. Since 1945 it has produced the truly remarkable phenomenon of anti-Semitism without Jews. How does Europe do that?

Now it offers Christian anti-Semitism without the Christianity. An example of this is the recent cartoon in La Stampa—a liberal Italian newspaper—depicting the infant Jesus in a manger, menaced by an Israeli tank and saying "Don't tell me they want to kill me again." This reprise of that hardy perennial, Jews as Christ-killers, clearly still strikes a chord in contemporary Italy, where the culture is as secular as a supermarket.

In Britain the climate created by much of the intelligentsia, including the elite press, is so toxic that the Sun, a tabloid with more readers than any other British newspaper, recently was moved to offer a contrapuntal editorial headlined "The Jewish faith is not an evil religion." Contrary to what Europeans are encouraged to think. And Ron Rosenbaum, author of the brilliant book "Explaining Hitler," acidly notes the scandal of European leaders supporting the Palestinians' "right of return"—the right to inundate and eliminate the state created in response to European genocide—"when so many Europeans are still living in homes stolen from Jews they helped murder."

It is time to face a sickening fact that is much more obvious today than it was 11 years ago, when Ruth R. Wisse asserted it. In a dark and brilliant essay in Commentary magazine, she argued that anti-Semitism has proved to be "the most durable and successful" ideology of the ideology-besotted 20th century.

Successful? Did not Hitler, the foremost avatar of anti-Semitism, fail? No, he did not. Yes, his 1,000-year Reich fell 988 years short. But its primary work was mostly done. Hitler's primary objective, as he made clear in words and deeds, was the destruction of European Jewry.

Wisse, who in 1991 was a professor of Yiddish literature at McGill University and who now is at Harvard, noted that many fighting faiths, including socialism and communism, had arisen in the 19th century to "explain and to rectify the problems" of modern society. Fascism soon followed. But communism is a cold intellectual corpse. Socialism, born and raised in France, is unpersuasive even to the promiscuously persuadable French: The socialist presidential candidate has suffered the condign humiliation of failing to qualify for this Sunday's runoff, having been defeated by an anti-Semitic "populist" preaching watery fascism.

Meanwhile, anti-Semitism is a stronger force in world affairs than it has been since it went into a remarkably brief eclipse after the liberation of the Nazi extermination camps in 1945. The United Nations, supposedly an embodiment of lessons learned from the war that ended in 1945, is not the instrument for lending spurious legitimacy to the anti-Semites' war against the Jewish state founded by survivors of that war.

Anti-Semitism's malignant strength derives from its simplicity—its stupidity, actually. It is a primitivism which, Wisse wrote, makes up in vigor what it lacks in philosophic heft, and does so precisely because it "has no prescription for the improvement of society beyond the elimination of part of society." This howl of negation has no more affirmative content than did the scream of the airliner tearing down the Hudson, heading for the World Trade Center.

Today many people say that the Arabs and their European echoes would be mollified if Israel would change its behavior. People who say that do not understand the centrality of anti-Semitism in the current crisis. This crisis has become the second—and final?—phase of the struggle for a "final solution to the Jewish question." As Wisse said 11 years ago, and as cannot be said too often, anti-Semitism is not directed against the behavior of the Jews but against the existence of the Jews.

If the percentage of the world's population that was Jewish in the era of the Roman Empire were Jewish today, there would be 200 million Jews. There are 13 million. Five million are clustered in an embattled salient on the eastern shore of the Mediterranean, facing hundreds of millions of enemies. Ron Rosenbaum writes, "The concentration of so many Jews in one place—and I use the word 'concentration' advisedly—gives the world a chance to kill the Jews en masse again."

Israel holds just one one-thousandth of the world's population, but holds all the hopes for the continuation of the Jewish experience as a portion of the human narrative. Will Israel be more durable than anti-Semitism? Few things have been.

Mr. SMITH of Oregon. I would like to read briefly a couple of paragraphs from his article because I think they encapsulate why it is so important that America not waiver at this critical hour. Writes Mr. Will:

> Today many people say that the Arabs and their European echoes would be mollified if Israel would change its behavior. People who say that do not understand the centrality of anti-Semitism in the current crisis. This crisis has become the second—and final?—phase of the struggle for a "final solution to the

> Jewish question." As [Ruth] Wisse said 11 years ago, and as cannot be said too often, anti-Semitism is not directed against the behavior of Jews but against the existence of the Jews.
>
> If the percentage of the world's population that was Jewish in the era of the Roman Empire were Jewish today, there would be 200 million Jews [in the world]. There are [only] 13 million. Five million are clustered in an embattled salient on the eastern shore of the Mediterranean, facing hundreds of millions of enemies. Ron Rosenbaum writes, "The concentration of so many Jews in one place—and I use the word 'concentration' advisedly—gives the world a chance to kill the Jews en masse again."

I say, Mr. President, that the pride I felt as a young boy in Harry Truman's defense of Israel in its infancy is pride that I feel as an American today. And I call upon our Government not to waiver but to make sure that since the Holocaust, on America's watch, when America is a leader in the world, we never stand idly by and see the children of Israel subjected to another Holocaust.

JOE LIEBERMAN and I have crafted an amendment that I think fairly calls upon all the parties to produce a just and lasting peace. But it does state, without equivocation, we stand with Israel on the front line in the war against terrorism, and we support it in taking "necessary steps to provide security to its people by dismantling the terrorist infrastructure in the Palestinian areas. . . ."

We would do no less if terrorists came into our country, into our shopping malls, into our schools, and murdered our children. And we should demand nothing less of Israel's Government.

Yes, we do condemn the Palestinian suicide bombers. But we call upon both sides to pursue efforts to establish a just and lasting peace in the Middle East. But America must stand firmly, and we must be unique among the nations of the world in rejecting anti-Semitism and standing by the ancestral home of the children of Judah.

Mr. President, I urge all of my colleagues to come and vote for this amendment, and with conviction, so that when the Prime Minister of Israel comes here next week, he will know that he has friends in high places in this Government.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I thank my friend and colleague from Oregon for the work we have done together on this amendment, but really, for the moment, for the statement he has just made, which is a statement of moral clarity and principles that are consistent with the highest ideals of our country.

That is exactly what this amendment is about: The moral clarity of our own war against terrorism, and the understanding that gives us of the right of self-defense that the Israelis have, but the universalist principles that have been at the foundation of the American experience from the very beginning in the Declaration of Independence, when those rights to life, liberty, and the pursuit of happiness were declared as self-evident truths, from where endowed were not from the Founders, not from any philosophers of the Enlightenment, but from the Creator. And that unity that flows from that, the humanity that flows from that, the principles and policies that flow from that are exactly the ones that are upheld in this amendment and have been eloquently expressed by my friend from Oregon.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank my colleagues, Senator LIEBERMAN and Senator SMITH, for bringing this amendment forth. They are serving an important purpose today to bring clarity back into the debate—a clarity which has eluded some pundits and some talking heads and others who appear on the news and as result of which confuses the situation at a time when it requires a very clear-eyed approach by the United States.

Like it or not, we are in a position where everyone calls upon us to help solve problems of the world, including this most intractable problem in the Middle East. But as it turns out, we are in a unique position to influence matters in the right way, if we look at the situation clearly.

What I appreciate about this amendment being brought to the floor today is that it brings us back to the first principles. It says, let's get back to where we started in our war on terror in analyzing where others are, where they should be.

It makes the point that the United States and Israel are on the front line in this war on terrorism, that our goals and objectives are the same, and that therefore the United States is not only obligated to recognize Israel's rights for its sake but also for the sake of the war we are conducting.

It brings us back to a position of clarity in the way we analyze the situation, which is why the amendment is so important today.

I appreciate their bringing it forth and look forward to expressing my support through voting for it as well.

I am so disappointed, in talking with some close friends and watching the news to see the kind of confusion that creeps into the debate when propagandists, who have their own agenda, and people without a clear understanding combine to create disinformation and misimpressions about what really is at stake.

When I see talk about a cycle of violence, when I see a great emphasis placed on the question of when the Israelis are going to withdraw, to the exclusion of any expressed concern about the horror of the terror that is being visited upon the Israeli people, when I see questions about why we would not allow the United Nations to come in and investigate a massacre—an alleged massacre—without any seeming concern for the obvious massacre, which is essentially undenied, that has occurred week after week after week for the last 18 months, there seems to be such a distortion of the picture here that it almost boggles the mind. It requires an amendment of this sort to bring us back to the reality of what is happening. It is almost as if there is a clouded lens in front of some people's eyes and an amendment such as this is necessary to remove that cloud so that we can clearly see what is happening. And what is happening is that just as the United States was attacked by terrorists, Israel has been attacked by terrorists.

The President has said whatever grievance one might have, terrorism is an illegitimate response which the whole world must rise up to defeat and those who temporize with it, those who rationalize it are just as bad as those who support it and harbor it because they allow it to continue. They allow a great confusion to exist which makes it more difficult for us to do what has to be done in fighting the war on terror.

That is why this measure which brings us back to the clarity of purpose is so timely and why it is so important.

Mr. President, I conclude with this thought: The United States is not right in everything, but one reason that most of the world has looked up to us most of the time is because of the moral clarity of our positions. People will disagree with us, they will be uncomfortable with what that moral clarity requires them to do, they will find reasons not to join us in these activities, but at the end of the day, if you give people a choice of whether you would like to come to the United States of America to live, "What do you think about the moral positions of the United States," more often than not people would have to admit, at least in their heart of hearts, that the United States pursues its action out of what we fundamentally believe is right for the reasons that do not have so much to do with our own vested interests as they do with the good of humanity, of mankind.

When the President commits the United States to conducting this war on terror, it is not just for the American people, but it is to help rid the world of a form of evil which can afflict all people of the world. The President is able to galvanize not only American public support but support around the world because of the moral clarity of that purpose.

Terrorism is evil. It has to be defeated. There is no compromise with it.

Therefore, at some point in time you have to choose to be with us or against us in fighting it. You cannot remain on the sidelines. You cannot be neutral about something that is so terrible.

Therefore, it is critical for leaders in the United States to keep reminding people of the fundamental, clear rationale for American action. When we get back to that clear, fundamental rationale of good versus evil, then we can see clearly how the principle applies in other situations. The other situation that we are referring to today is the situation in the Middle East in which certain terrorists, who are Palestinian by and large, are attacking innocent civilians who, by and large, are Israeli citizens in a way which is clearly evil: Terrorism against innocent people.

No amount of testimony temporizing or rationalizing or expression of grievance or pointing of fingers or anything else can change that fundamental fact. Unless we are able to look at this that clearly, it is possible to become confused, to begin to support compromises, to begin to suggest negotiations of fundamental principle. All of those things are a slippery slope which lead to disaster, which do nothing but ultimately demonstrate to terrorists that there is hope for them in their terror.

As was pointed out by former Prime Minister Netanyahu, the key to fighting terrorism is to remove the hope that terrorists have that by conducting this evil enterprise, they can actually succeed in what they are attempting to achieve. Once that hope is removed, then reasonable people can discuss reasonable solutions to the real problems of Palestinians and Israelis, a Palestinian State can be created and all of the things that right-thinking people in the region hope for can come to pass. But that is not possible as long as a small group of people believe and hope that they can achieve their radical aims through the means of terror.

That hope has to be removed. It will not be removed if leaders of the world temporize and suggest that you can reach accommodations with these people for one reason or another, in one way or another. That hope can only be realized if there is a continuing commitment to a clear principle that terrorism is wrong; you cannot compromise with it. You have to face up to it. Tough. Deal with it. And if that means that the United States has to support the Government of Israel in rolling back the terror that it has been faced with, then so be it. That is our goal as much as it is Israel's goal.

This amendment gets back to that first principle and expresses the United States commitment not only to fight the war on terrorism but to join others who are doing so, such as our good friend and ally, Israel. That is what this amendment brings us back to—moral clarity, as the Senator from Connecticut just said.

We have to be clear-eyed in our fight here or the rest of the world is not going to support us. They will view our effort as unclear, as compromisable, and, therefore, one which is not assured of victory. It will only be assured of victory if we hold this beacon out here that we are going to continue to pursue, which is clear, which is unassailable from its moral perspective. If we remain true to that, then we will be victorious in this war of terror and the good people of Israel will be happy for that future as well.

I commend my colleagues for bringing this amendment to the floor, and I very much look forward to supporting it with my vote.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I thank the Chair.

I want to commend my colleagues, the Senator from Connecticut, Mr. LIEBERMAN, and the Senator from Oregon, Mr. SMITH, for putting together this amendment. I will say first, I want to take my hat off to both of them. There have not been two Senators who have been more stalwart and more far-sighted and stronger in their support of what is right in the Middle East. I think it is great that we are considering this amendment. I think it is timely, and I really do again wish to commend both Senator LIEBERMAN and Senator SMITH not only for this amendment but for their strong, unwavering support on this issue.

Let me say first that I read the amendment and I said, finally. Because it is almost as if the rest of the world sees the Middle East through a kaleidescope that changes everything upside down: right becomes wrong, wrong becomes right; defending yourself is worse than committing the offense; terrorism is explainable, and you sympathize with it. And yet you can justify—and so many do, not just Palestinians but in the rest of world—shooting a 5-year-old girl in her bed, taking a bomb and bringing it to a discotheque filled with teenagers, filled with life and hope, and it seems the rest of the world is bending itself and contorting itself to understand why that has happened instead of looking at the world as it is and saying the beleaguered nation here is Israel.

That is the bottom line. That is what this amendment talks about in part. That is the truth.

I was at a department store a few weeks back and two gentlemen came over to me and said: Senator SCHUMER, we like your policies, but we really don't agree with Israel. When we got into it, they said: Why would young people kill themselves unless they were truly aggrieved? I said to them: Do you believe that about Mr. Atta and the 19 hijackers; do you believe that about Osama bin Laden and all of those he asks to kill themselves? Just because somebody will take extreme means does not mean they are right. And to some, particularly some of my friends at the far left side of the political spectrum, there is almost a knee-jerk reaction in that regard. This amendment sets things straight. Let me make a couple of points about it.

First, the war on terrorism is the world's war on terrorism. We cannot make an exception. Once we make one exception, there are others.

What is terrorism? We all know what it is. It is deliberately killing innocent civilians within a nation's homeland. The bottom line is simple: If you condemn terrorism in Afghanistan, if you condemn terrorism in Europe, and if you condemn terrorism in Asia, it is inexorable; to be consistent, you must condemn it when it is exacted against Israel.

I do not know why so many—the Arab world and particularly some in Europe—seem to have a double standard and seem to believe that terrorism is intolerable in the rest of the world and when directed at them, but it is OK to be directed at Israel.

My second point is, we have to face a hard truth, I say to my colleagues, and that is this: A vast majority of Israelis want peace and want to live side by side in peace—no violence—with the Palestinians. Unfortunately, I do not think it is true on the other side.

A majority of Palestinians—there is a minority who do—do not believe in the State of Israel. They have been taught by the Palestinian Authority and Yasser Arafat that all of Israel is theirs. The Palestinian Authority textbooks show not just Jerusalem, but Tel Aviv, Ashdod, Ashqeion, cities on the coast, as belonging to the greater Palestine. Add that to the fact they believe terrorism is a proper means to achieve their goal, and peace is almost impossible.

Unless that attitude is pushed back, as this amendment attempts to do, I do not think you can achieve peace.

Third, as this amendment states, Israel has every right to defend herself. Who would ask any nation when every day the bombs were going off in pizza shops, on buses, in streets, to understand and sit down and talk with the very people who, if they did not create the bombings, allowed it to occur and were joyous when they did occur—who would ask any nation to do that? No. Why are some—thank God not too many in this country—why are some saying that is OK?

This amendment tries to restore some balance. When Israel defended herself against these suicide bombings—and thank God thus far it seems successful; there are still some, but not every day, not with the same horrible consequences of the earlier ones—she did so in a careful way. She did not bomb from the air. Even in Jenin, the Israeli soldiers knocked on doors: Is there anyone here? Please get out; you may be in danger. I do not know of many countries that would do that, and that does not seem to even get recognized.

Another point is the U.N. The U.N. sets itself up as an arbiter of peace when it wants to and then resumes its one-sided actions. We have one Israel and one United States and just about no one else in the United Nations understanding the fairness and balance that need to be done. But when Israel says she does not want the United Nations to set itself up as an impartial arbiter, who can blame Israel? I know Mr. Kofi Annan, but I have been terribly disappointed in his failure to be evenhanded as he proceeds.

I have one criticism of this amendment. I am fully supportive of it. I am a cosponsor. But I think the amendment is missing six letters—A-R-A-F-A-T. We should be naming Yasser Arafat in this amendment because the bottom line is, Yasser Arafat, as everyone admits, as our own President has spoken, is not an implement to peace; he is an obstacle to peace.

Dennis Ross, President Clinton's previous adviser who labored so hard to produce a peaceful solution, afterward said—and he said it repeatedly and now has said it publicly—that their biggest mistake was relying on Yasser Arafat.

Yasser Arafat is in charge of the Al Aqsa brigade which our country has branded a terrorist organization. Yasser Arafat cheers the homicide bombers who blow themselves up and take innocent people with them. Yasser Arafat had to be told by our Secretary of State to say the same thing in Arabic and English. If that is not saying you speak with duplicity and forked tongue, what is?

He has to be asked to step up to the plate, and I hope that as this amendment wends its way through the process, we will explicitly mention him by name because, at the very minimum, he is like the Taliban, and probably he is more like al-Qaida itself. We cannot let him slip away from this inexorable equation that terrorism is bad and if you are not against it, you are not on our side. With Arafat it is even worse, because he is for it and uses it as an instrument to policy.

This is a fine amendment, and I am proud to support it. As I say, I wish it had explicitly mentioned Yasser Arafat who has been an obstacle to peace. But the beauty of this amendment, the strength of this amendment is it does restore some right to what every fair-minded person sees as going on in the world. I thank my colleagues for doing it.

I have one final point. This backward vision of so many is confounding. When I read in the newspaper that there was an attempt to take the Nobel Peace Prize away from Shimon Peres but not Yasser Arafat from some on the Nobel committee, I had to scratch my head and wonder: What is going on in so much of the world and why isn't even a bit of truth seen?

This amendment I hope will be read not only by our colleagues and American citizens but by citizens throughout the world because it does restore some fairness and balance, particularly at a time when beleaguered people, the Israelis, are trying to defend themselves against the evil force of terrorism.

Mr. INHOFE. Will the Senator yield?

Mr. SCHUMER. I will be happy to yield.

Mr. INHOFE. Mr. President, quite often we are not together on legislation. In this case, we are. It was my wish we would have a stronger amendment. There was one in the House that mentioned Yasser Arafat. I think we should be mentioning Yasser Arafat.

We are in a war on terrorism. He is a terrorist. Sometimes we forget that in 1973 he gunned down three of our diplomats, including our U.S. Ambassador. He fits every description, every definition of a terrorist. All of us need to rise up and fight our battles, including Israel. This amendment is not strong enough, but I do support it.

Mr. SCHUMER. I thank my colleague. It is a fine amendment. I wish it mentioned Yasser Arafat, but I am fully in support of this amendment.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I join other colleagues in commending our distinguished junior Senator from the State of Connecticut, with whom I am privileged to serve on the Senate Armed Services Committee, for his leadership, and my colleague from Oregon for his service on the Foreign Relations Committee and for taking this initiative.

This is done in a true spirit of bipartisan leadership in our wonderful Senate. It comes at a timely moment. I am pleased to be a cosponsor because I firmly believe the portions of this amendment that relate to this conflict are well stated and should be studied and read by all.

I am grateful that the leadership of the Senate, in my understanding, working with the executive branch, has decided it is timely for the Senate to act on this particular amendment. As I have often noted, the executive branch proposes, but the Congress disposes. In matters of foreign policy, however, the President has a principal role in guiding the affairs of the United States, and the Congress should follow his lead, wherever possible. Timely, informed debate about matters, such as the one before us, that include divergent views and new ideas are intended to assist the executive branch as they perform their challenging, often daunting responsibilities.

I rise today to express my profound and growing concern about the conflict between Israel and the Palestinian people, and to express my support for the amendment before the Senate, which recognizes that Israel is engaged in an all-out war against terrorism in its homeland.

Implicitly, the amendment recognizes the loss of life and the human suffering of both sides of this conflict. I feel strongly that this current conflict is of such gravity as to demand the attention of Congress and, most specifically, the Senate, and also demands our most valued resources and our best possible effort.

There is an ill wind blowing out of the Middle East that we have not experienced before. We have seen conflict, indeed, for centuries. But this one is different. It is a force that could fan the flames of conflict out of control, unless we act soon to stop this unending violence and human suffering.

All of us have listened for years as this problem has erupted from time to time. We have discussed it and debated it. The unfortunate end of much of this discussion is a grim resignation by some that this is an insoluble problem. I do not believe it is insoluble. We cannot accept that as an answer, and I join those who refuse to recognize it as unsolvable. But it is solvable only if we work together for a common solution—only if we put forward our own ideas, which may not be consistent, or expressed, or affirmed by others. That is basically what I am about to do.

I commend our President, the Secretary of State Colin Powell, and Secretary Rumsfeld, with whom a group of us met yesterday, for the persistence this administration has shown and for its leadership role. Understandably, there is a legitimate debate as to whether certain actions they have taken, or not taken, were timely or done in a manner that fully reflects the need to stop this terrible conflict. But I think we can examine the past at another time. It seems to me that, just by keeping both sides talking, our President and the administration are renewing hope in a region that is virtually devoid of any optimism. Hope is important in the near term, but hope is not a method for a long-term solution. Bold ideas are needed, and they are needed now.

Something has changed in this chapter of the long history of conflict in the Middle East, and it is time we recognize it and face up to it and give our best judgment as to how to end it. The anti-Israeli and anti-United States sentiments in the Arab world are stronger than they have ever been before. I have had the opportunity to associate with that part of the world ever since I was Under Secretary of the Navy and first visited there early in 1970–71. Thereafter, I have been back many times. At that time, our Navy put an installation in Bahrain, and I worked on other military installations in the region. I have been back a number of times, as have others.

Unfortunately, certain negative sentiments are growing as young, frustrated Arabs, with few prospects for ever enjoying happiness or opportunities—such as we enjoy in this country or are enjoyed elsewhere in the world—believe all is lost. They have a distorted image and understanding of the Israeli people and the need for the Israeli people to live safely within the safe, recognized borders.

The recent suicide bombings are something that I personally have difficulty comprehending. Only once before in history can I recall this scale of suicide, and that was in the closing months of World War II. I was a young sailor in a training command and we witnessed from afar the tragic suicide operations in the Battle of Okinawa, where Japanese pilots were strapped into their aircraft and their aircraft were used as missiles, devouring them and their lives. That was a tragic chapter in the war in the Pacific. It was shortly thereafter that President Truman made the decision to end that war as quickly as possible, utilizing means that we all recognize now.

Unfortunately, the negative sentiments in the Arab world that foment irrational suicides and other radical actions are growing and we have to do everything we can to reverse it. If we do not act to preserve the will of the vast majority of peoples in the Middle East, the radical minorities may well gain further advantage, and that we cannot allow. The result would be increased killing, and, indeed, it threatens to undermine the position of the United States in that part of the world—a position that many administrations have worked hard on, and that many individuals have conscientiously worked on over the years. We cannot allow that to be further eroded. Our position in the Middle East and our ability to successfully wage war against terrorism globally is at stake. I share these thoughts with my colleagues.

There has been no shortage of experts and observers offering opinions and ideas for ending the violence and solving—or at least mitigating—this crisis. I add my voice with this idea: First and foremost, we must foster in every way possible a cease-fire. Clearly, this has been elusive in the past, and other cease-fires have lasted only for brief periods. But this one must take on a permanence. The Israelis want the acknowledged right to exist in the region within safe and secure borders. The Palestinians want an independent state. The Bush administration has stated its support for both goals. I commend our President. This must be the basis of any cease-fire.

At the time of the cease-fire, of course, the parties must attempt, in good faith, to reconcile the many differences that exist. That will take time and careful, conscientious negotiations. During that period of negotiation, there must be stability in that region. By stability, I mean stopping the suicide bombings, stopping the incursion of armored vehicles into the areas where the Palestinians live. That must be maintained, for an indefinite period, while the negotiations take place. To guarantee that this cease-fire is effective, it is my hope that there will be a recognition by both the Palestinians and the Israelis of the need to have an outside, independent, objective force—call them peacekeepers—come in and establish a cessation of the conflict, such that conscientious negotiations can take place—establish a cessation of the conflict so one cannot resume the conflict in order to gain some point or points in the course of the negotiations. It must remain absolutely static until the negotiations have run their course—hopefully successfully—with the conclusion that will be accepted by both sides in the form of a peace agreement, or treaty, or whatever the case may be.

Those are the two fundamentals—a cease-fire and a willingness by both sides to recognize that an independent, impartial force must come in for peacekeeping purposes. It must be at the invitation of both sides. You cannot thrust such a military force upon either side. It has to be jointly accepted.

Now, who should undertake that? Others have their views, and I have mine. I feel very strongly—and this is not a well-received thought at the moment, but it should be considered—that the NATO forces are the logical, best force to come in at this time, following the cease-fire and the willingness of both parties to accept outside military forces.

They are the best choice because, No. 1, they are trained and they are ready to go on short notice. They are trained in peacekeeping—Bosnia and Kosovo being examples.

It represents 19 nations, so the coalition is in place. Any other peacekeeping option would require building a political coalition, which would require considerable time. We have to act promptly. We have to move with trained forces, and we have to move with a coalition that has been in place and has the internal structure, command, and control to take on this serious and very difficult mission.

NATO troops, as I said, are ready to roll. NATO is an established coalition, as I mentioned, with a proven record of success.

Then there is the added advantage—and again this is my own thought—there is a perception that the United States has a bias towards only the Israeli perspective in this conflict, and I am not going to try and reconcile that now. Indeed, we value a strong relationship with the State of Israel and we have done so for a very long period of time, and we will continue, in my judgment, to do that.

On the other side, there is a perception that the European nations have a bias in favor of the Palestinian interests. I am not here to debate that.

To me, there is an advantage to bringing the United States and our NATO partners in Europe together to assume responsibility, with their military forces, for the peacekeeping mission. To me, that would lessen some of the debate on which side has a perception that the other side is not looking at this conflict in a manner that truly will resolve it, resolve it such that both parties can accept eventually a peace agreement.

In April of 1999, at its 50th anniversary summit in Washington, DC, NATO adopted a new strategic concept which expanded NATO's responsibilities in overall global security issues. I will read from it. This is found in part 1, paragraph 10 of the strategic concept adopted roughly 23-24 April 1999. I remember it well. I was not entirely in favor and so expressed my concerns about NATO moving beyond what I felt was the parameters of the original charter. The strategic concept identifies the "fundamental security tasks" of NATO and includes in those tasks to do the following: ". . . to stand ready to contribute to effective conflict prevention and to engage actively in crisis management, including crisis response operations." I read directly from the document.

The current situation, in my judgment, demands immediate concern and support for all those who want a civilized, peaceful future in the Middle East. Decisive action is now called upon. This is a concept that should be carefully considered in the course of the days and weeks to come as we work to achieve a cease-fire and then in working for a peaceful solution.

I also will read from two articles that appeared in the press. One on Wednesday, April 17, Wall Street Journal, by Eliot Cohen, "Keepers of What Peace?" he states a position contrary to mine:

> As an alternative, there is more and more talk of sending American troops, possibly as part of an international operation, to separate the two sides and keep the peace. Such notions have been bruited about before, most notably on the Golan Heights, but never in this context. It is an appallingly bad idea.
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> Peacekeeping works best under one of two situations: When both sides want the peacekeepers to ratify a cease fire line or boundary that both can live with almost indefinitely as, for example, Cyprus, or once one side has been decisively beaten, as in today's Yugoslavia. Peacekeeping is not like normal military activities.

I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 17, 2002]

KEEPERS OF WHAT PEACE?

(By Eliot Cohen)

The viciousness of the Israeli-Palestinian war that erupted a year and a half ago following the collapse of a decade of assiduous mediation by the United States and others has given birth to a number of bad ideas for restoring peace. Most of these involve invocations of the Tenet and Mitchell plans, whose texts few have read, but which are premised upon some degree of Israeli-Palestinian trust. Such confidence does not, and cannot exist in the near-term.

As an alternative, there is more and more talk of sending American troops, possibly as part of an international operation, to separate the two sides and keep the peace. Such notions have been bruited about before (most notably on the Golan Heights), but never in this context. It is an appallingly bad idea.

Peacekeeping works best under one of two situations: When both sides want the peacekeepers to ratify a cease-fire line or boundary that both can live with almost indefinitely (as, for example, in Cyprus), or once one side has been decisively beaten (as in today's Yugoslavia). Peacekeeping is not like normal military activity. Soldiers preparing to fight try to be stealthy, collect intelligence clandestinely, and devise ways to surprise an enemy with sudden and effective violence. Peacekeepers must be visible, have communications that are largely transparent to both sides, and avoid surprise while using minimum violence.

It is, despite what some say, a job for soldiers, but a job for specially trained soldiers and one which often interferes with their preparation for combat. It is a draining effort, as well: the rule of thumb has it that for every peacekeeper, another two soldiers are tied up, either preparing to deploy or recovering from deployment. When one takes into account the various forms of support needed for peacekeepers in the field a more realistic ratio is five to one.

To be sure, what we now call peacekeeping is a necessary military function at some times—it is important today in Afghanistan and Yugoslavia, as it was half a century ago in Germany and Japan. But no one should doubt the level of effort it would require—an increase in military end strength of 100,000 or more troops would not be an unrealistic estimate of what it would take. More importantly, though, Israel and the Palestinian territories are profoundly unripe for such a venture.

Between Israel and the Palestinian Authority there is no trust, no agreed demarcations of a cease-fire line, let alone a boundary. The threat to security comes not, on the Palestinian side, from a regular armed force with which one can have conventional liaison relationships, but from several shadowy organizations, several of which operate independently of the Palestinian Authority.

One conundrum of the current war is Yasser Arafat's degree of control of terror in areas controlled by the Palestinian Authority. If he has control, it is obvious that he has approved and supported the repeated attacks on Israeli civilians over the past year and a half (a view which captured documents and other intelligence seems to confirm). If he does not have control, the peacekeepers would have to establish it themselves.

To do that, if they were serious, would involve doing just what the Israelis are doing now on the West Bank, but with fewer resources, less local knowledge, and infinitely less will-power. The more likely alternative is not to be serious—that is, not to intercept or preempt terrorists.

Thus arises the ultimate problem with any of the solutions floated by the European Union, in particular: what to do if one side simply does not play along. What happens if terrorist attacks on Israel were to continue, which they almost certainly would? Would the external powers expect the Israelis to absorb them? Would they permit retaliation, and, if so, of what kind? Until those who propose such plans can come up with a realistic proposal for what would happen in the face of an aggressive campaign of terror waged despite the presence of an international peacekeeping force, they cannot be taken seriously.

Nor should the technical problems be brushed off. Israel is a small place, about the size of New Jersey, but the intercommunal boundary with Palestine is hundreds of kilometers long. The inability of even the Israeli Defense Forces—a manpower-rich force that draws on universal male and female conscription, plus a sophisticated reserve system—to prevent Palestinian infiltration is sobering. Tens of thousands of troops would be required to make it all work, and even then only by imposing an obtrusive presence that would attract, in the end, its own resentments and hostility from the local population. One should note, of course, that the extreme hostility expressed by most Palestinians towards the United States, and the political interest of groups like Hamas and Islamic Jihad give them every reason to target American peacekeepers for violence.

We have been here once before. The place was called Beirut, the year was 1983, and it took 241 dead Marines to teach us the lesson that peacekeeping in the midst of a shooting war waged by terrorist groups using suicide bombers is folly. We would be better advised to recognize war for what it is, and to understand that, however terrible it may be, there are times when the logic of war has a hold which even the best of intentions cannot break. Indeed, hard as it may be to accept, there are times when well-intentioned measures can only make matters worse.

Mr. WARNER. Another view that was expressed in the New York Times on April 3 by Thomas Friedman states as follows:

> President Bush needs to be careful that America does not get sucked into something very dangerous here. Mr. Bush has rightly condemned Palestinian suicide bombing as beyond the pale, but he is not making clear that Israel's war against this terrorism has to be accompanied by a real plan for getting out of the territories. Why? Because President Bush, like all other key players, does not want to face the central dilemma in this conflict, which is that while Israel must get out of the West Bank and Gaza, the Palestinians cannot at this moment be trusted to run those territories on their own, without making them a base of future operations against Israel. That means some outside power has to come in to secure the borders, and the only trusted powers would be the U.S. or NATO.

Of course, the United States would be a vital complement of NATO.

> The only solution is a new U.N. mandate for U.S. and NATO troops to supervise the gradual emergence of a Palestinian state, after a phased Israeli withdrawal, and then to control its borders, says the Middle East expert Stephen P. Cohen.
>
> People say that U.S. troops there would be shot at like U.S. troops in Beirut. I disagree. U.S. troops that are the midwife of a Palestinian state and supervise a return of Muslim sovereignty over the holy mosques in Jerusalem would be the key to solving all the contradictions of U.S. policy in the Middle East, not new targets.

I ask unanimous consent to have the entire article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 3, 2002]

THE HARD TRUTH

(By Thomas L. Friedman)

A terrible disaster is in the making in the Middle East. What Osama bin Laden failed to achieve on Sept. 11 is now being unleashed by the Israeli-Palestinian war in the West Bank: a clash of civilizations.

In the wake of repeated suicide bombings, it is no surprise that the Israeli Army has gone on the offensive in the West Bank. Any other nation would have done the same. But Ariel Sharon's operation will succeed only if it is designed to make the Israeli-occupied territories safe for Israel to leave as soon as possible. Israel's goal must be a withdrawal from these areas captured in the 1967 war; otherwise it will never know a day's peace, and it will undermine every legitimate U.S. effort to fight terrorism around the globe.

What I fear, though, is that Mr. Sharon wants to get rid of Mr. Arafat in order to keep Israeli West Bank settlements, not to create the conditions for them to be withdrawn.

President Bush needs to be careful that America doesn't get sucked into something very dangerous here. Mr. Bush has rightly condemned Palestinian suicide bombing as beyond the pale, but he is not making clear that Israel's war against this terrorism has to be accompanied by a real plan for getting out of the territories.

Why? Because President Bush, like all the other key players, doesn't want to face the central dilemma in this conflict—which is that while Israel must get out of the West Bank and Gaza, the Palestinians cannot, at this moment, be trusted to run those territories on their own, without making them a base of future operations against Israel. That means some outside power has to come in to secure the borders, and the only trusted powers would be the U.S. or NATO.

Palestinians who use suicide bombers to blow up Israelis at a Passover meal and then declare "Just end the occupation and everything will be fine" are not believable. No Israeli in his right mind would trust Yasir Arafat, who has used suicide bombers when it suited his purposes, not to do the same thing if he got the West Bank back and some of his people started demanding Tel Aviv.

"The only solution is a new U.N. mandate for U.S. and NATO troops to supervise the gradual emergence of a Palestinian State—after a phased Israel withdrawal—and then to control its borders," says the Middle East expert Stephen P. Cohen.

People say that U.S. troops there would be shot at like U.S. troops in Beirut. I disagree. U.S. troops that are the midwife of a Palestinian state and supervise a return of Muslim sovereignty over the holy mosques in Jerusalem would be the key to solving all the contradictions of U.S. policy in the Middle East, not new targets.

The Arab leaders don't want to face this hard fact either, because most are illegitimate, unelected autocrats who are afraid of ever speaking the truth in public to the Palestinians. The Arab leaders are as disingenuous as Mr. Sharon; he says ending "terrorism" alone will bring peace to the occupied territories, and the Arab leaders say

> ending "the occupation" alone will end all terrorism.
>
> Like Mr. Sharon, the Arab leaders need to face facts—that while the occupation needs to end, they independently need to address issues like suicide terrorism in the name of Islam. As Malaysia's prime minister, Mahathir Mohamad, courageously just declared about suicide bombing: "Bitter and angry though we may be, we must demonstrate to the world that Muslims are rational people when fighting for our rights, and do not resort to acts of terror."
>
> If Arab leaders have only the moral courage to draw lines around Israel's behavior, but no moral courage to decry the utterly corrupt and inept Palestinian leadership, or the depravity of suicide bombers in the name of Islam, then we're going nowhere.
>
> The other people who have not wanted to face facts are the feckless American Jewish leaders, fundamentalist Christians and neoconservatives who together have helped make it impossible for anyone in the U.S. administration to talk seriously about halting Israeli settlement-building without being accused of being anti-Israel. Their collaboration has helped prolong a colonial Israeli occupation that now threatens the entire Zionist enterprise.
>
> So there you have it. Either leaders of good will get together and acknowledge that Israel can't stay in the territories but can't just pick up and leave, without a U.S.-NATO force helping Palestinians oversee their state, or Osama wins—and the war of civilizations will be coming to a theater near you.

Mr. WARNER. What I propose today is the idea of one Senator, shared by some and disagreed by others, but I do hope it is worthy of consideration by those who will undertake to resolve this conflict. Again, I thank the sponsors.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I rise in support of this amendment being offered by Senator LIEBERMAN and Senator SMITH of Oregon and so many others on a bipartisan basis. This is an important amendment, and it is a timely amendment, dealing with the Middle East. It is brief, but it gets to the point in a hurry. It says clearly what our principles of conduct should be and establishes standards and values which I believe the vast majority of Americans would agree.

I commend those who authored this very thoughtful and prudent amendment. It is presented to us in words and terms that are not inflammatory. We are doing our best at this level to express our solidarity with Israel, without in any way jeopardizing the efforts of the Bush administration or others to try to find peace in the Middle East.

It is important that our voice be heard, that the Senate pass this amendment, and the people across America and around the world who would take note of it understand why we are doing this.

In the morning hours of September 11, America was awakened to the reality of terrorism. The calm and safety of our great Nation was broken by explosion, bloodshed, and death. Our lives were changed forever on that day by the senseless violence. Our hearts were broken by the deaths of thousands of innocent Americans. You can still see, to this day, the full page of the New York Times every single day, since September 11, with the photographs and biographies of the victims. Our Nation was united, though, by this event. We were united to protect our people and to stop the threat of terrorism.

September 11, 2001, is a day in our history that America will never, ever forget. In Israel, each dawn seems to bring September 11—another horror, another tragedy, to a nation which bears its grief as a lifetime burden.

A city bus in Jerusalem was lifted 2 feet off the street by a powerful bomb, killing and maiming innocent passengers. A bar mitzvah in Tel Aviv, a seder in Netanay, was ripped by explosions, leaving a trail. This last weekend in Adora, 5-year-old Danielle Shefi was gunned down in her home, in her bed, in front of her mother by a Palestinian gunman.

Today we gather as Americans, as Senators, as survivors of September 11 to consider this important amendment, and with it to tell our friends in Israel: You will not grieve alone; you will not stand alone; you will not fight terrorism alone. From the moment Israel became a sovereign nation, the United States of America has stood by its side. And from that same moment, Israel has stood by the side of the United States. We are allies. We are friends. We are brothers and sisters in this battle for peace and an end to terrorism.

Our Nation believes the people of Palestine should have a safe and sovereign land but not at the expense of the safety and sovereignty of Israel. We believe the Palestinians deserve a voice in deciding their destiny, but that voice cannot be the roar of a suicide bomb killing innocent children. We believe the Palestinians deserve real leadership.

Recall for just a moment the brief history leading up to the current state of events when President Clinton, in his closing days in office, brought then-Prime Minister Barak to Camp David, along with Chairman Arafat, in a desperate last-minute effort in his administration to try to finally forge peace in the Middle East. They debated back and forth. They bargained for days at a time. They left and went back to the Middle East, those two leaders, and in Taba had a follow-up meeting to talk about details. When it was all done, when it was finished, 97 percent of the disputed territory between the Palestinians and the Israelis had been resolved after 50 years of fighting, 50 years of an impasse and that much progress was made.

What happened? Chairman Arafat and the Palestinian Authority rejected that peace offering, rejected that peace agreement. And they didn't answer it with a strong letter. They answered it with violence in the street, the beginning of terrorism against the people of Israel. They rejected the peace agreement propounded by President Clinton and Prime Minister Barak and answered it with violence.

There were doubts in the minds of some as to whether the Israeli people would have even agreed to this, it was so broad, so sweeping, with 97 percent of the territory resolved. Yet Prime Minister Barak had the courage to come forward and say: I am prepared to put my political future on the line and offer it to the Israeli people. And he was rejected by the Palestinian side. And they answered with violence.

The ensuing election is now a matter of history. Mr. Barak lost to Mr. Sharon with the most overwhelming majority in the history of Israel. So if Chairman Arafat and the Palestinian Authority want to point a finger of blame at Ariel Sharon, they should be ready to acknowledge that they brought him to power. They did it with their response to this offering, this overture of peace.

I was in Israel this last January and had an opportunity to meet with many of the leaders before I came to Israel. While I was there, people from our Embassy and intelligence sources told me about the shipment of the *Karine A*. This was a ship intercepted by the Israelis carrying 50 tons of military armaments to the Palestinian Authority, with new rockets that made the whole nation of Israel vulnerable for the first time to rocket attack and 2,000 kilograms of C–4 plastic explosives, the weapon of choice of suicide and homicide bombers.

It was because of that shipment that I made a conscious decision not to meet with Chairman Arafat while I was there. I could not believe that as an American I could stand with President Bush in condemning terrorism and those who harbor terrorists and then turn a blind eye to this arms shipment.

So we stand today with a violent situation in the Middle East, one that needs to be resolved in peace. Let the violence and terrorism come to an end immediately. Let all innocent victims, whether they are Israelis or Palestinians, know that tomorrow is a safer day. Let the United States show the leadership needed to make certain we move toward peace in the Middle East. But never should we turn our back on the fact that poor Israeli citizens have been victimized by the same type of careless terrorism and violence we saw on September 11 in this Nation.

I sincerely hope the leadership will come forward to make this happen. We believe today as we have from the moment the nation of Israel came into existence that the Jewish people have a right to a homeland, that Israel and its people have a right to be safe and secure, that Israel and the United States are bound together in a commitment to democracy, freedom, tolerance, and peace. I hope this amendment and this debate will move toward negotiations and lasting peace.

Mrs. BOXER. Will the Senator yield?

Mr. DURBIN. I am happy to yield.

Mrs. BOXER. I have a brief statement. It has to do with part of this amendment that I think is so crucial. I thank my friend for offering it so carefully. It calls on Arab States to condemn the suicide bombing.

Mr. SPECTER. Regular order, Mr. President.

The PRESIDING OFFICER. The Senator can yield for a question.

Mrs. BOXER. I am going to ask a question in about 15 seconds, if my friend allows me to pose it.

I am stunned that we have heard few voices from the Arab States. I ask my friend this, as he voted, as did all my colleagues in the Senate, for a resolution expressing our horror at the women suicide bombers. I wonder if the Senator is struck by this deafening silence and how he felt when Mrs. Arafat said if she had a son, in fact, it would be an honor for that son to die. It is a stunning statement.

Mr. SPECTER. Regular order, Mr. President.

Mrs. BOXER. I wonder if the Senator feels the same?

Mr. DURBIN. I will answer briefly because the Senator from Pennsylvania has been waiting patiently.

I have to say to the Senator from California that I am taken aback by the fact that people have not come forward to condemn the violence and terrorism on both sides.

When I was in Egypt and faced the press, they looked at me incredulously when I described to them that we saw happening in the Middle East as the same kind of violence as September 11. They could not understand the connection. I think Americans understand that connection.

I hope with this amendment we can move toward a peaceful outcome in this sad and bloody chapter of the violence in the Middle East.

I yield the floor.

Mr. SPECTER. I called for regular order for those who might be watching because it is the practice of the Senate to arrive and wait a turn. I conferred with the principal sponsor, Senator LIEBERMAN, and was queued up behind Senator DURBIN.

It is not an uncommon practice for Senators, under the guise of a question, to make speeches. While the Senate permits a question to interrupt a speaker, or when I have sought recognition, the rules of the Senate do not permit speeches. I think we had a speech and that is why I twice asked for regular order in accordance with the decorum of the Senate to take a turn.

Mr. WELLSTONE. Will the Senator yield for a request I want to make to be allowed to follow the Senator?

The PRESIDING OFFICER. Does the Senator yield?

Mr. SPECTER. I am happy to yield for a question.

Mr. WELLSTONE. I ask unanimous consent I be allowed to follow the Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia.

Mr. BYRD. Reserving the right to object, I do not want to object. I have a committee hearing on homeland security to begin at 2:30, and I believe the Senator from Pennsylvania has the floor; does he not?

Mr. SPECTER. I do, Mr. President.

Mr. BYRD. I had hoped to speak before that hearing. I don't think I will be able to because the Senator from Pennsylvania has the floor and the distinguished Senator from Minnesota wishes to speak. I don't want to be late for my own committee hearing. I have to say to the Senate, the Members of the Senate, I want to speak on this Resolution before it passes. So the Senate is on notice of that fact. My speech won't be long, but I have a few things I want to say. I thank the Senator for allowing me to proceed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I commend the Senator from Connecticut, Mr. LIEBERMAN, and the Senator from Oregon, Mr. SMITH, for bringing forward this amendment because it is important that there be a unified fight against terrorism. The suicide bombers who have threatened Israel are identical to the suicide bombers who struck the United States on September 11, 2001. The only difference is that the suicide bombers on September 11th were a little more sophisticated. They hijacked planes and they flew them into the World Trade Center Towers. One, I think, was headed for the Capitol of the United States, the one which went down in Somerset County, Pennsylvania. One was headed for the White House, the one which struck the Pentagon.

The situation today in Israel is one of abject terror, and I can testify to that personally because I was in Israel in late March. In fact, I was there on March 26, 2002, and visited Chairman Arafat in his compound on the evening of March 26, leaving there close to midnight. The next day there was the suicide bombing at the Passover seder in Netanya.

Being in Israel is a terrifying experience, simply stated. There are suicide bombings in buses, suicide bombings in restaurants, suicide bombings at checkpoints, and suicide bombings on the streets. There is an undeniable right of self-defense under those circumstances. That is the essence of what the Lieberman-Smith amendment calls for.

People talk about the cycle of violence. I do not think it is a cycle because that suggests there is some sort of mutuality. The suicide bombers provide the violence. The Israeli response is a matter of self-defense.

We face an imminent threat in the United States. We get alerts from time to time. I think President Bush's statement, which is cited in this amendment, is worth repeating. He said, on November 21, 2001:

> We fight the terrorists and we fight all of those who give them aid. America has a message for the nations of the world. If you harbor terrorists, you are terrorists. If you train or arm a terrorist, you are a terrorist. If you feed a terrorist or fund a terrorist, you are a terrorist and you will be held accountable by the United States and our friends.

What the Senate is saying in this amendment is that we are going to hold the terrorists accountable and we are going to stand with Israel in its fight against terrorism.

I know Senator BYRD wishes to make a presentation in advance of his hearing and Senator WELLSTONE has asked for recognition, so I am going to limit my comments to these 4 minutes and yield the floor.

The PRESIDING OFFICER (Mr. CARPER). The Senator from Minnesota.

Mr. WELLSTONE. I say to my colleague from Pennsylvania before he leaves, Senator BYRD has now gone to the hearing. If my colleague needs to continue, I will wait. Senator BYRD has actually now gone to committee. I am pleased to speak now but I want my colleague to be clear on the situation.

Mr. SPECTER. Mr. President, I thank the Senator from Minnesota. I thought Senator BYRD was going to speak and therefore, I limited my comments.

I would make one additional observation.

Mr. WELLSTONE. That is fine.

Mr. SPECTER. The additional observation is that the amendment is sanguine in calling for assistance from Saudi Arabia. It is my hope that the Saudis will pursue their initiative in normalizing relations with Israel. That is a real breakthrough. I was pleased to see that Syria followed the Saudi lead.

I had a chance on my trip to the Mideast to talk to Bashar Asad, the new President of Syria. It is very important to set the stage for normalized relations. When there has been agreement on a Palestinian State, which is the principle of Oslo, and when Prime Minister Sharon has agreed on a Palestinian State, it is my hope that the principles of the plans advanced by CIA Director Tenet and former Senator George Mitchell can be carried through and that there can be a discussion of the Palestinian State to provide a framework for hope for the Palestinians.

However, the critical ingredient is normalizing relations. I compliment the President and Crown Prince

Abdallah of Saudi Arabia for their meeting—candidly, providing that the Saudis follow through. We should not lose sight of the fact that 15 of the 19 terrorists who struck the United States on September 11th were Saudis, and that Saudi Arabia has also given us Osama bin Laden. The Saudis appear to have been financing some of the terrorists by paying money to their families. In statements on the Sunday news talk shows, representatives of Saudi Arabia did not deny that. In a circuitous way, they said what might be considered to be an admission. So let us hope that the Saudis will provide leadership. Chairman Arafat cannot be relied upon. He writes in disappearing ink.

If there is to be an agreement, it is going to have to be enforced by the moderate Arab States, by Egypt, by Saudi Arabia, by King Hussein of Jordan, and by King Mohamed of Morocco.

This amendment that Senator LIEBERMAN and Senator GORDON SMITH offered is a very important statement. It is tempered and I think it will not adversely affect what President Bush and his administration seek to do. So I, again, commend my colleague Senator LIEBERMAN and my colleague Senator GORDON SMITH, and hope that this will produce a very resounding vote in the affirmative.

I thank my colleague from Minnesota and yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I am going to speak briefly about this amendment. I will vote for this amendment because I believe Israel has a right to address the concerns of its citizens. As Camus once said:

> Murder is never legitimate.

When men and women are murdered at a seder meal, or there is the deliberate targeting of teenagers at pizza parlors, it is not at all surprising that Israel, the Government of Israel, wants to protect its own citizens and will respond.

I support this amendment because I believe it is about Israel's need and right to protect its citizens against terrorism. The amendment also states that many of the Arab States have been silent in the face of this unacceptable violence. I believe they must unequivocally declare their opposition to all forms of terrorism, particularly the suicide bombing, and work with the Palestinians, in concert with the United States, to stop this violence.

I wish also to say something more personal to my colleague from Connecticut. I am, if you will, a son of Israel. I am a first-generation American. My father, a Jewish immigrant, fled persecution. He was born in Odessa, and his family moved to Russia to stay ahead of the pogroms. I remember, as a little boy, watching my parents watch TV, and they would weep when Israel was at war. I never really understood the strong feeling that they had for Israel. I do now.

While the amendment before us affirms Israel's right and freedom to protect its people against terror, I do not read this amendment as an explicit or implicit endorsement of every action that the Government of Israel and its forces have taken in the occupied territory over the last several weeks.

There is a distinction in my mind between affirming my solidarity with Israel and not equating that with support of every policy of the Sharon administration.

I also want to talk briefly about the role of our government. I believe the real test ahead will be whether or not the Bush administration stays engaged in the Middle East.

Over and over again, I have pointed out that I believe Secretary Powell's efforts have been extremely important—that the administration has finally left the sidelines and is on the playing field of Middle East diplomacy. It must stay in the game. Israeli officials say the conditions could worsen in the days to come. We may see more suicide bombings.

But if the Bush administration, facing such an escalation of violence in the region, withdraws, as it has before, history will judge it harshly.

We have to stay engaged. I believe we must pursue a courageous approach which seeks to meet both the critical needs of the Israeli people to be free from terrorism and violence, and acknowledges the legitimate aspirations of the Palestinian people for their own state, a state which is economically and politically viable.

Even in this horrific time, we should not lose sight of what should be our ultimate goal—Israel and a new Palestinian State living side by side with peace and with secure borders. There is no question in my mind—and I could go on for hours about this—about the need to end the culture of violence and the culture of incitement in Palestinian and Arab media, in the schools, and elsewhere. It has gone on for too long.

But I also think it is terribly important that Israel shows respect for and concern about the human rights and dignity of the Palestinian people who are now and will continue to be their neighbors.

It is critically important—I believe this amendment embraces this, and maybe my colleague from Connecticut would like to respond—to distinguish between the terrorists, who must be confronted, and ordinary, innocent Palestinians who are trying to provide for their families and live an otherwise normal existence.

This is a critical distinction. We don't want to see Palestinians subjected to daily and humiliating reminders that they lack basic freedoms and control over their lives.

I have had certain discussions with people, which have been quite painful. I have had people come into my office who have been very critical of what Israel is doing. I listen to them. They make the distinction between defending against terrorists, and harming innocent civilians—a distinction I agree with—and say repeatedly, what about the innocent Palestinians? I say it is a Jewish thing for me to be concerned about the loss of all innocent lives. But then I say to them, I want you to also talk to me about the loss of innocent Israeli life. I want you to talk to me about the Jews that were murdered at their seder meal.

These are people who feel strongly, and who condemn Israel's actions. When I meet with them, they don't say anything about the murder of Israelis. My God. I wonder why.

I have also met with other people who never utter a word about the loss of innocent Palestinians. This is not an argument about moral equivalency—I know the difference between innocent civilians who are deliberately targeted and murdered, as is the case with suicide bombings, and when they are not deliberately targeted or not deliberately harmed. But if my mother and father were alive, they would be weeping for the loss of innocent Israelis, and they would also be weeping for the loss of innocent life everywhere. They would say: Paul, we want you as our son to express your solidarity for Israel. We love Israel. You are a son of Israel. But we also, Paul, want you to be clear on the floor of the Senate that supporting this amendment—which I do—does not mean it should be viewed as an endorsement of every single, specific policy or action by the Sharon administration.

I thank my colleague.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I thank the Senator from Minnesota for his very principled and impassioned statement.

I wish to briefly respond, and in particular say, as a personal statement, that it seems to me it is self-evident and compelling that the only way peace will be established between the Israelis and the Palestinians is when each side recognizes the right of the other to have a homeland there and to live in peace.

That is a personal statement. But it also seems to me that has been at least an implicit, if not an explicit, part of American foreign policy, certainly since the Oslo Declaration of Principles was signed on the White House lawn in September of 1993. It remains to this day a fundamental objective.

As to the claims on both sides and the death on both sides, I think it is so critical, as I believe the Senator was saying, that neither side—this is difficult sometimes in the heat of violence and fear and anger—can be allowed to come to a point where they deny or forget the humanity of everybody on the other side.

There is a famous statement made by Golda Meir, the former Prime Minister of Israel. I will paraphrase it because I don't remember it exactly. She said at one point: We Israelis will someday forgive the Arabs for killing our children. What will be more difficult for us is to forgive the Arabs for forcing our children to kill their children.

That spirit, so eloquently expressed, really should guide our deliberations.

I consider this amendment to be a statement of American principles, a statement of solidarity with our ally, Israel, and a statement that is consistent with the war on terrorism and the doctrine that President Bush has articulated. It is intentionally not in any sense anti-Palestinian. It is antiterrorist. It is intentionally drafted that way with the hope that it will draw the broadest possible support and be an expression of solidarity and an expression of support for Israel's right centrally, fundamentally to defend itself against terrorism.

Mr. WELLSTONE. Mr. President, I thank the Senator for his statement. I think it is a supremely important statement.

As an example of my definition of hope—I had a chance to talk about this at Temple Israel in Minneapolis—is the story of the Israeli man who was one of the Israelis murdered at the bombing of the seder. His organs were donated to save the life of a Palestinian woman. His children said: Our father would be very proud.

I believe this is hope. I say to my colleague from Connecticut and South Carolina, that is the hope. I do not believe I am being naive when I say there are a lot of people—a majority of the people—who understand that we have to get from where we are now to where we all know we need to be. The terrorists will not get us there.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Connecticut.

Mr. LIEBERMAN. I thank my friend from Minnesota. I could not agree with him more. I think what is at issue now is whether we can create a circumstance where the Palestinian leadership will seize the initiative from the suicide bombers, from the terrorists, who have captured it, who have, in that sense, hijacked, as I said earlier in this debate, the legitimate cause of Palestinian statehood. When that happens, I am confident they will meet with an overall majority of the Israeli people who want nothing more than to live in peace and security with their neighbors.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota—South Carolina. Excuse me.

Mr. HOLLINGS. Madam President, I will probably be from South Dakota after I make a few comments because I think the amendment is ill-timed and not in the best interests of the United States and not in the best interests of Israel.

I say not in the best interests of Israel—I agree, with the various items listed in the "Sense of Congress"—and you can go through (1) through (7)—"(1) stands in solidarity with Israel . . . "—there is no question about that—"(2) remains committed to Israel's right to self-defense"—and on down the particular seven points.

I do not have to explain it. I have a 35-year voting record for Israel. But as to what the amendment does not say—it is not what it says; it is what is not said that bothers me.

The distinguished colleague from Connecticut talks about the humanity. Well, where is the humanity on the Palestinian side here? That is what we are looking for. Five years from now, 10 years from now, 50 years from now, there is bound to be an Israel. I think there is going to be a Palestine. The task is to get these folks as neighbors living together.

Where is the humanity? This comes at a particularly tenuous time. We just got the President engaged. I say that advisedly. It was an affirmative action plan that we are not going to fool with Israel. All these other Presidents did. Let them do what they are going to do. But we got him engaged.

Now we have Crown Prince Abdullah from Saudi Arabia engaged and visiting. And he is offering, categorically, recognition of the Israeli state. He says Syria and the rest of them—including Egypt and Jordan—will all go along. They all will join in. Some say that is propaganda. Don't give me that propaganda stuff. Let's try it.

We have Secretary Powell making his visits, and then along comes this political amendment. I have been up here a long time, and it would be easier for me to just walk to the desk, vote aye, go home, and not have to answer the phone.

I know because I made a comment in the earlier part of the year that I thought Ariel Sharon was the Bull Conner of Israel. As for Arafat—I think he wants to be a martyr, he wants to be killed, he cannot be trusted.

In any event, I know what it is to be critical. I finally found some solace the other day for saying anything at all.

Here is a column by Richard Cohen, from the day before yesterday in the Washington Post. I ask unanimous consent the article in its entirety be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 30, 2002]

WHO'S ANTI-SEMITIC?

(By Richard Cohen)

If I weren't a Jew, I might be called an anti-Semite. I have occasionally been critical of Israel. I have occasionally taken the Palestinians' side. I have always maintained that the occupation of the West Bank is wrong and while I am, to my marrow, a supporter of Israel, I insist that the Palestinian cause—although sullied by terrorism—is a worthy one.

In Israel itself, these positions would hardly be considered remarkable. People with similar views serve in parliament. They write columns for the newspapers. And while they are sometimes vehemently criticized—such is the rambunctious nature of Israel's democratic din—they are not called either anti-Semites or self-hating Jews.

I cannot say the same about America. Here, criticism of Israel, particularly anti-Zionism, is equated with anti-Semitism. The Anti-Defamation League, one of the most important American Jewish organizations, comes right out and says so. "Anti-Zionism is showing its true colors as deep-rooted anti-Semitism," the organization says in a full-page ad that I have seen in the New Republic as well as other magazines. "No longer are the Arab nations camouflaging their hatred of Jews in the guise of attacking Israel."

I feel compelled to pause here and assert my credentials. Few people have written more often about Arab anti-Semitism than I. I have come at this subject time and time again, so often that I have feared becoming a bore. Arab anti-Semitism not only exists, it is often either state-sponsored or state-condoned, and it is only getting worse. It makes the Arabs look like fools. How can anyone take seriously a person who believes that Jews engage in ritual murder?

But that hardly means that anti-Zionism—hating, opposing, fighting Israel—is the same as anti-Semitism, hating Jews anywhere on account of supposedly inherent characteristics. If I were a Palestinian living in a refugee camp, I might very well hate Israel for my plight—never mind its actual cause—and I even might not like Jews in general.

After all, Israel proclaims itself the Jewish state. It officially celebrates Jewish holidays, including the Sabbath on Saturday. It allows the orthodox rabbinate to control secular matters, such as marriage, and, of course, it offers citizenship to any person who can reasonably claim to be Jewish. This so-called right of return permits such a person to "return" to a place where he or she has never been. Palestinians must find this simply astonishing.

To equate anti-Zionists or critics of Israel in general with anti-Semites is to liken them to the Nazis or the rampaging mobs of the pogroms. It says that their hatred is unreasonable, unfathomable, based on some crackpot racial theory or some misguided religious zealotry. It dismisses all criticism, no matter how legitimate, as rooted in prejudice and therefore without any validity.

No doubt there has been an upsurge of anti-Semitic incidents in Europe. But there has also been an upsurge of legitimate criticism of Israel that is not in the least anti-Semitic. When Israel recently jailed and then deported four pro-Palestinian Swedes, two of whom are physicians, under the misguided policy of seeing all the Palestinians' sympathizers as enemies of the state, it was an action that ought to be condemned—and the Swedes who have done so ought not be considered anti-Semites.

> When the same thing happens to a Japanese physician, that too ought to be condemned—and it was, as it happens, in the Israeli newspaper Haaretz. A column by Gideon Levy made the point that Israel cannot reject and rebut all criticism by reciting the mantra: "The whole world is against us."
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> The same holds for American Jews. To turn a deaf ear to the demands of Palestinians, to dehumanize them all as bigots, only exacerbates the hatred on both sides. The Palestinians do have a case. Their methods are sometimes—maybe often—execrable, but that does not change the fact that they are a people without a state. As long as that persists so too will their struggle.
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> The only way out of the current mess is for each side to listen to what the other is saying. To protest living conditions on the West Bank is not anti-Semitism. To condemn the increasing encroachment of Jewish settlements is not anti-Semitism. To protest the cuffing that the Israelis sometimes give the international press is not anti-Semitism either.
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> To suggest, finally, that Ariel Sharon is a rejectionist who provocatively egged on the Palestinians is not anti-Semitism. It is a criticism no more steeped in bigotry than the assertion that Yasser Arafat is a liar who cannot be trusted. That does not make me anti-Arab—just a realist who is sick and tired of lazy labels.

Mr. HOLLINGS. He says, in concluding:

> "The only way out of the current mess is for each side to listen. . . .

Nobody in America believes we are not for Israel. It is perfectly obvious. We have given them all the equipment. We have given them the economic aid. We will give them what is necessary. We admire that little country right in the middle of the Mideast, the progress she is making. Yitzhak Rabin could see it. But his own folks killed him. And Anwar Sadat could see the progress Egypt was making, and his own folks killed him.

We talk about the Palestinian Authority in one breath and in the next breath say: Who has the authority? The Palestinians? No. The Israelis have the authority. This is a very complex issue.

I remember back in World War II, in the occupation, where the French would take out a German soldier on the corner, and then the Germans would retaliate and then just wipe out the block. We all know about that.

Several years ago, I was in Kosovo. And some Albanians would get feeling good, and they would take out a Serb policeman on the corner, and along would come the Serbian army and they would clean out the block. Now along comes Sharon, and he must learn the lessons of the past. He is making more terrorists than he is getting rid of.

He sounds formal—"I am getting rid of the infrastructure"—like there is a structure. There is no structure to this mess. Anybody who thinks Arafat is in charge, to the extent that he is in charge because we have a deal with somebody. He is in charge, but Hamas, Hezbollah, and all, they use him. This is a tricky part of the world.

And we are looking for friends in the war on terrorism. And they have been going along with us. Now we could come along and start losing friends with this kind of leadership and the categorical one-sided endorsement of it.

I was not prepared to talk about this, but I did not know this was going to come up today. But in conscience, I cannot support it.

Let me cite what Richard Cohen says:

> The only way out of the current mess is for each side to listen. . . .

Don't you think it would be good for Congress, as the President asked over on the House side—that this is not the right time for us to vote on this resolution. I heard earlier today that the White House is not taking a position, but we know they do not support it. Can't we help the President in this tenuous situation?

Quoting Richard Cohen again:

> The only way out of the current mess is for each side to listen to what the other is saying. To protest living conditions on the West Bank is not anti-Semitism. To condemn the increasing encroachment of Jewish settlements is not anti-Semitism. To protest the cuffing that the Israelis sometimes give the international press is not anti-Semitism either.
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> To suggest, finally, that Ariel Sharon is a rejectionist who provocatively egged on the Palestinians is not anti-Semitism.
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> It is a criticism no more steeped in bigotry than the assertion that Yasser Arafat is a liar who cannot be trusted. That does not make me anti-Arab—just a realist who is sick and tired of lazy labels.

Let's go in the resolution to the labels and the whereas. How can you live with that? We fight the terrorists and we fight all those who give them aid. America has a message for the nations of the world: If you harbor terrorists, you are terrorists. If you train or arm a terrorist, you are a terrorist. If you feed a terrorist or fund a terrorist, you are a terrorist, and you will be held accountable by the United States and our friends.

Crown Prince Abdullah just left Crawford, TX. The Saudis are funding terrorism, I can tell you that. Go to the religious schools in Pakistan. As we saw on TV, the Saudis have been funding them for a long time. But we can't say that about the Saudis, we have to get oil. In any event, who is the terrorist here with respect to the situation? Do the Saudis qualify as terrorists under this resolution?

Madam President, the situation in the Middle East is such that you have the creation of more terrorists under this approach. The Arabs, by the way, think we are terrorists. In fact, that is what they call us. In the U.N., they have brought resolutions against the United States in the past. The U.N. passed resolutions to send weapons inspectors into Iraq. We condemned Saddam for not letting them in. Now the U.N. formed a team to investigate the incursion into Jenin. Sharon refuses to let the U.N. investigate, so in a way he's acting like Saddam Hussein.

Max Rodenbeck, in an article on April 17 in the New York Times, wrote:

> While other Arabs have always taken the Palestinians' side, the violent images are increasing the sense of personal interest in the conflict. When half a million Moroccans marched in a recent protest against Israel, many carried placards saying: We are all Palestinians.

So according to this amendment, everybody in Morocco is a terrorist. Any Palestinian you see defending his house, as we have been watching on TV—even if he had no connection whatsoever to any of these individuals with the explosives or the suicidal terrorists, or even if he doesn't like Arafat—is a terrorist.

Incidentally, there have been five attempts that someone just told me about on Arafat's life—not by Israelis, but by Arabs, by Palestinians. So if I am in my home, defending my home, and I see a soldier come shooting his way in, and I shoot him, all of a sudden I am a terrorist. If you don't have uniforms, I guess you are terrorists. If you have uniforms, then you are soldiers.

How do you deal with Arafat if you are going to call him a terrorist in one breath and the Palestinian leader in the next breath? This is too simplistic. We have had enough blood on both sides. Now we are getting to where the administration is taking charge—and I commend them for it. We are making some progress, and they have freed Arafat. But section No. 5 calls on the Palestinian Authority, actually it demands that the Palestinian Authority fulfill its commitment to dismantle the terrorist infrastructure in the Palestinian areas. And the Palestinian Authority—that is what we call an oxymoron. Let's not kid ourselves, this isn't any authority, but it's the best term we have.

Sharon—and I am quoting Andy Rooney, who said the other night on "60 Minutes":

> Sharon is not our friend and President Bush should stop pussy-footing and say so.

Both sides are coming in and calling names, and that is what this amendment does. It doesn't help anybody but us Washington politicians.

This is the London Economist, of April 20. I ask unanimous consent that this be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the London Economist, Apr. 20, 2002]

FRIENDLY FIRE

Thanks mainly to his comportment since September 11th, George Bush stands tall in American opinion. America's standing in the world is another matter. As the sympathy that followed the destruction of the twin towers fades, the admiration Mr. Bush earned for victory in Afghanistan is being pushed aside by complaints about the rest of the "war against terrorism". In the Muslim world, of course, but also in much of Europe, the uneven battles on the West Bank have encouraged demonstrators to burn the American flag on the streets, alongside the flag of Israel. But even before those battles, European politicians were lining up to denounce Mr. Bush's "simplistic" foreign policy and deplore America's preponderance in the world. The loyalty to Mr. Bush shown by Britian's prime minister, Tony Blair, had begun to alienate not only Britian's EU partners but also his own Labour Party.

GUILT BY ASSOCIATION

This rift was visible before Ariel Sharon invaded the West Bank. But Mr. Sharon has made the rift suddenly deeper. America is not responsible for the fighting, still less for its grisly climax in what may turn out to have been a war crime in Jenin (see next leader). But as the provider of Israel's sword and furnisher of its diplomatic shield, America is being held responsible in most of the world, but not America, picture of the bulldozer refugee camp plaster the front pages. To an extent that Americans do not realize being blamed for Israel's actions is ripping up the coalition Mr. Bush took such pains to knit together last September. How can he patch it back together?

From Europe, the answer looks simple. To save his coalition, Mr. Bush needs to put the squeeze on Mr. Sharon. Only thus, it is argued, can Israel be persuaded to make the compromises necessary for peace. And even if squeezing Mr. Sharon does not lead to peace, being seen by the Arab street to squeeze him is the only way to persuade fragile Arab regimes to stay on America's side in the larger war against terrorism. Instead, Mr. Bush appeared, first, to give Israel's invasion of the West Bank a green light; and then not to mean what he said when he called a fortnight ago for Israel to withdraw "immediately". At best, Europeans say, this makes America look ineffectual. At worst, it plays into the hands of Osama bin Laden and his associates, who accuse "the Jews and the Americans" of waging war against Islam. Europe cannot understand America's failure to see this.

What Europeans fail to see is that, precisely because of his steadfastness in the war against terrorism, Mr. Bush is widely admired in America. When he is criticized there, it is not for arming and shielding Israel but for sending Colin Powell, his secretary of state, to talk to Yasser Arafat, terrorist recidivist, and for suggesting that Israel might curtail its own was against terrorism. This, say the critics, smudges his previous "moral clarity". September 11th gave Americans at large—not just Jews, and not just politicians influenced by the Israel lobby—special reason to shudder at the onslaught on Israel by Muslim suicide bombers determined to kill as many civilians as possible. Long before then, Americans learnt to identify more with the beleaguered Israelis than the thwarted Palestinians. Above all, Americans cannot understand why some Europeans dignify terrorism as legitimate "resistance" to an occupation which, but for Palestinian intransigence, Israel's previous government would have ended anyway.

You do not have to resolve the merits of these two views of the conflict to see the danger that this cross-Atlantic incomprehension poses to the post-September coalition. European leaders were squeamish enough before Mr. Sharon's war about Mr. Bush's plans to take his campaign on to Iraq and other members of the "axis of evil". The accelerated killing gives them every reason to say that this must not happen while the West Bank is on fire, lest it unleashes the pan-Islamic rage Mr. bin Laden was aiming to provoke. America's Arab friends say so too—though they made it clear at the Beirut summit that ended before Mr. Sharon's re-invasion that they were not up for another swipe against Saddam anyways. In a funny way, Palestine gets Mr. Bush's reluctant allies off the hook. While Mr. Sharon is on the rampage, they are less likely to be roped into unwanted American adventures further afield.

How does Mr. Bush proposed to end this rift? Not by selling Israel down the river: Mr. Powell flew home with Israeli tanks still in the West Bank and Mr. Arafat still stewing under siege in Ramallah. Nor, probably, by resuming the aloofness that characterized his initial handling of the Middle East. For all their criticism of American zigzagging, Mr. Bush's European critics need to recognize that this is a president improvising responses to a baffling crisis. It would be wrong to confuse his immediate plan to achieve quiet—by piling pressure on Mr. Arafat to call off the intifada—with his longer-term thinking. Mr. Bush has, after all, spent the past weeks stating more plainly than any predecessor that America wants an independent Palestine and Israel back more or less to its 1967 border.

TIMING THE SQUEEZE

Empty words? At some point, it is true, getting an Israel under a Mr. Sharon to accept such terms will require Mr. Bush to apply that squeeze. With the domestic political capital he has collected since September 11th, he could certainly do so, especially if it seemed that supporting Israel was beginning to damage America's own security. But remember "moral clarity": the Europeans should not expect Mr. Bush to pressurize Israel in circumstances that seemed to appease terrorism. In other words, Mr. Arafat must accept—in good faith, this time—the principle underpinning the Oslo accords, which is that negotiating peace is not compatible with a terrorist war.

If they were serious about helping the Palestinians to statehood, Europeans would explain this to the Palestinians morning and night, instead of hailing the intrifada, as many do, as "resistance". The intifada it was that helped Mr. Sharon to power, destroyed Israel's peace camp and turned Americans off the Palestinian cause. After September 11th, Americans feel that they too are at risk, and at war. Europeans do not.

Mr. HOLLINGS. It says:

> But as the provider of Israel's sword and furnisher of its diplomatic shield, America is being held responsible. In most of the world, but not America, pictures of the bulldozed refugee camps plaster the front pages. To an extent that Americans do not realize, being blamed for Israel's actions is ripping up the coalition Mr. Bush took such pains to knit together last September. How can he patch it back together?

Well, he is trying, and this amendment doesn't help him. It doesn't help him a bit. We know that. Since September 11, times are different. Yes, there is a war on terrorism, and how do we succeed in that war? We cannot do it alone, as the President says. We need the assistance of everyone—particularly in the Mideast which, in a general sense, has the majority, I would say, of terrorism and terrorists. So we have to go about it in a very careful fashion.

For this Senator's interest, I think we can go after Saddam Hussein, but first let's stabilize our friend Israel. You have to have first things first. We found in the artillery in World War II, no matter how well the gun was aimed, if the recoil would kill the gun crew, you don't fire. So before we start firing on countries, let's take care of the countries that are being fired upon. Let's take care of Israel. Let's give solidarity to Israel—solidarity of support.

In my judgment, it was wrong for Ariel Sharon to go to the Temple Mount with in-your-face kind of politics and leadership; to bulldoze the camps; and to extend settlements, all condemned by the United States. Then along comes this one-sided amendment like there is no cognizance or awareness of the complexity of this situation.

Our credibility is at stake and everybody should pay particular attention. Now we are working with Pakistan, who we were formerly against, in the war on terrorism. We got their help. We are going to Jordan and getting their help. We are going to Egypt, but Mubarak is in a tenuous position that he had to cut off contacts with Israel.

So this is a complicated thing. But to come with this simplistic one-sided amendment is not in the interest of Israel and not in the interest of the United States. We ought to do like Richard Cohen says: Let's listen awhile, set this aside, and move on and continue our 100-percent solidarity with Israel. This doesn't furnish it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Madam President, briefly and respectfully, I reply to my friend from South Carolina. Particularly, I want to pick up on the point at the end as to whether this is in the interest of the United States and our credibility.

It seems to me that our credibility depends, in good measure, on our clarity—our moral clarity—and our consistency. That is what this amendment is about. It states that we, after September 11, are in a war against terrorism, effectively declared by the Congress 2 or 3 days after September 11, that our Nation's policy is now guided by a doctrine that President Bush articulated in his address to a joint session of Congress last September, now known as the Bush doctrine: Terrorism is evil; the use of violence to accomplish political ends—including legitimate political ends, such as in this case, as I have said earlier in this debate, Palestinian statehood—is unacceptable; you cannot use terrorism to accomplish legitimate ends.

It is a time of decision: Either you are with us or you are with the terrorists.

This amendment is a carefully drafted affirmative statement of moral clarity for the United States, that we see

Israel as now a front-line state in the war against terrorism. Just as this administration has sent American soldiers, in fact, to the Philippines, to Yemen, to the country of Georgia, to assist regimes in their front-line status fighting terrorism, so, too, do we at least respect the right of the Israelis to do the same: to defend their people against terrorism.

It is not, with all respect, a political amendment. It is, in my opinion—and I was involved most deeply with Senator SMITH of Oregon in drafting it—a principled amendment. It goes to the principles articulated in the Bush doctrine and the moral clarity of our war against terrorism, which, with all respect, has been not so consistently applied over the last 2 or 3 weeks by this administration: On one day calling for the Israelis to withdraw, and the next day expressing understanding about why they would take military action against the terrorism.

The truth is, no regime, no democracy could do other than they have done. This is not to defend every particular act of every particular soldier. I do not know what every particular soldier did.

If we put this in American terms, if we think about young people out at night at a cafe getting blown to death by a suicide bomber; working people waiting at a bus stop; people at a religious service; and this past weekend a mother with two children in their home, while the father is off at synagogue on Sabbath morning, a terrorist comes in disguised in an Israeli military uniform and kills a 5-year-old girl, no civilized nation can do anything other than put a stop to that behavior.

That is what this amendment says: We respect and stand in solidarity with Israel as it takes the necessary steps to provide security to its people, and we remain committed to Israel's right to self-defense.

This is not in any sense an anti-Palestinian statement. It was carefully drafted to make sure it was not. It is an antiterrorism statement.

It is in that sense that I hope the great majority of my colleagues will support it today.

I note the presence in the Chamber of the Senator from Tennessee. I yield the floor at this time.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. I thank the Chair.

Madam President, I thank Senator LIEBERMAN and Senator GORDON SMITH for this amendment. It is entirely appropriate for the legislative branch of Government to express itself on something that is so important to so many Americans.

The President has stated this country is not going to abandon Israel. I know he means what he says. I do not think there is much doubt in terms of the Congress of the United States, but we need to make sure there is none. Quite frankly, I am surprised at some of the misreadings that our friends in Europe and other places have sometimes of our body and our intentions.

It appears to me that Israel is in a struggle for its very existence. I do not think that is an overstatement. We read about skirmishes, and we hear of the historical difficulties we have had in that region. We tend to, in my mind, sometimes downplay the significance of what is going on there, but it is more significant probably than most people realize.

No. 1, it is quite apparent that the Israelis believe they are in a struggle for their existence. It is clear to them, as it is to me, that the driving force among the Palestinians—not all Palestinians—is intent to drive the Israelis out of their country.

If we look at Arafat's map, we will see that it does not have Israel on it. When those people talk about a Palestinian homeland, they are talking about Tel Aviv, they are not talking about the West Bank.

When the Israelis see that and they are subjected to organized, orchestrated, systematic terrorist activity where their children are being murdered, they take that very seriously. They are doing right now what is necessary to protect themselves.

I am afraid their enemies in this region are not interested in just a Palestinian state, which I think the entire international community now is saying has to be a part of any long-term resolution of this problem. They certainly are not interested in a peace process, not at this stage of the game anyway.

Mr. Arafat was offered what in most people's minds was the best deal that had ever been placed on the table during the prior Israeli administration. The Crown Prince of Saudi Arabia has put a proposition on the table that the Palestinians have shown no indication they want to accept.

Is there any doubt that if the violence stopped, the Israelis would be willing to sit down at the table? Of course not. Is there any doubt, on the other hand, that if the Israelis pull out of Jenin and the other places in the West Bank, the Palestinians will be willing to sit down at the table? The answer to that is no.

Why is this the case? I am afraid it is the case because they still think they are winning the battle, they are winning the struggle. How can that be when they undergo tremendous losses? I think it is because the Palestinians believe they are winning the battle in the international community.

It has been absolutely amazing to me to watch this occur. It is Orwellian to see person after person—young people—being strapped up with dynamite—with the encouragement of their families who are being paid off in many cases by Saddam Hussein and others—to kill innocent men, women, and children in public places in Israel, and to see the massacre and carnage of people who are not military people, who are not government leaders, but just kids out having a good time, and then to have this situation twist and turn a few times and come out as outrage against the Israelis in the world community.

Somehow this brutal activity against civilians is equated with military operations the Israelis conduct against Palestinian militant leaders. I do not understand how that can come about. I am sure it boggles the minds of the Israelis, and I am sure it encourages the Palestinian leadership that wishes to drive Israel into the sea. That is the reason they still believe they have a chance, because our European friends are more critical of Israel as they defend themselves from these massacres than they are of the Palestinians. They believe that because our moderate Arab friends feel the same way about it. They believe that because the United Nations itself is more intent on investigating a war zone where people get killed, where the Israelis, instead of dropping bombs the way the United States often does, went house to house to save innocent lives and get the guilty and get the people who are responsible for so much of this destruction, losing people—they conduct this house-to-house kind of activity and bulldoze some buildings. This is the activity that the leadership of the United Nations wants to investigate.

Of course, as it turns out, there was not anything to investigate. All of the charges against the Israelis proved false before they even got there. At the same time, the blood is hardly dry in downtown Tel Aviv from innocent children who were murdered by the leadership of the PLO and other radicals among that group. As the Senator said, 5-year-old children are being shot and killed in their bed, but it is a war zone that the United Nations wants to investigate. So that is why I think the PLO and Mr. Arafat and his kind believe they may be winning. They are willing to sacrifice any number of their people in order to have the political victory.

I think the toughest thing in the world for political leaders to do is to acknowledge sometimes that there is nothing that can be done in short order. It does not matter in the end what the Europeans, the United Nations, the Americans, or the moderate Arabs think. Until these two parties are willing to sit down and work out a peace arrangement, we are not going to have peace. There is nothing in the world that any of us can do to force them to do that.

In my opinion, nothing is going to force them to do that until they are both either exhausted or they both believe it is in their best interest to sit down. As I said, I am afraid Mr. Arafat and the PLO do not see that in their best interest right now.

I suggest to our friends around the world to reassess what they are doing. I think they are contributing to the problem. They are keeping hope alive among these people who would drive Israel out of existence and into the sea. That is not going to happen. They are endangering the entire region because Israel is not going to let that happen. We all know Israel has the capability to keep that from happening. No one wants a conflagration in that part of the world, but that will happen before Israel allows itself to once again be exterminated.

By encouraging the kind of activity that has driven Israel to that point, we are prolonging the conflict and making the world a more dangerous place. I say to our moderate Arab friends, including our friends the Saudis, with whom we do have an important relationship—they are important to us. We are important to them. It is not one-sided. We have worked with each other for a long time. Hopefully, we can work with each other again. But it is no testimonial to friendship to not be honest.

Part of what our friends there need to remember is, it is their country who furnished most of the terrorists on September 11 who did so much damage to us. It was their diplomat ambassador to Great Britain who was quoted as praising these suicide bombers and terrorists. It is their country and some of their own people who are raising money or allowing money to be raised in that country that finds its way to terrorists all over the world. It is their people, in many instances, who are raising money for the families who send these children in to blow themselves up and kill innocent Israelis. And it is their leaders, many times in their controlled press, who call the United States, along with the Israelis, terrorists. These are the folks we should be worried about, oil or no oil.

The United States will not continue to be the United States that we all know and love and grew up in if we let these people dictate our policies contrary to our own interests and to the interests of our only democratic ally in that part of the world. I know that is not going to happen, and our friends, the Saudis, need to understand that is not going to happen.

The United Nations, over the years, has had every kind of conceivable condemning resolution against the Israelis, while atrocity after atrocity has occurred against the Israelis. The United Nations, instead of investigating and looking into these places in the world where people are getting butchered by the tens of thousands, are more interested in the supposed human rights violations that the Israelis are conducting than anything else. These are supposed to be the objective analyzers of the situation in Jenin and other places.

I urge that perhaps they take a look at their own behavior and their own attitudes. Our European friends, I hope, would reassess their attitudes and their public statements of their leaders at a time when anti-Semitism is breaking out once again in key European countries.

As we watch the elections, as we watch the synagogues being burned, we are getting condemning lectures from them because we are supporting the only democracy in the Middle East. What in the world are they thinking? What kind of reaction do they think that is going to engender on our part?

I think it is very important that we send a strong, clear message, as I think the President has done, and that we in this body send a clear message we will not bow to such wrong-headed public opinion, no matter how universal it is at the present time. We should be the leaders and we should point out the error of their ways. They should change their opinions because we are not about to turn our backs on an ally who has been our ally for so many years; that is a democracy, is not aggressively pursuing anyone except in self-defense, and who is now being subjected to a new kind of warfare that is, I believe, designed to wipe them off the face of the Earth in the end. Otherwise, we would have had at least a peace process that meant something instead of one that is in name only and is violated as soon as the ink is dry on the paper.

So I again commend my friends from Connecticut and Oregon for giving us an opportunity to vote on this and to add our voices to those who are so wishful for a resolution in this troubled part of the world, who understand that it is in the interest of the United States to have a resolution in this part of the world. It is the right thing to do. It is the humane thing to do, to engage in that kind of process. It serves our interest with regard to our war and fight on terrorism in other countries in that region, but at the same time, realizing that it cannot happen, we cannot force it to happen until the parties are there, and one of the parties is not going to be there as long as the entire world is encouraging them to conduct continued terrorist activities that, up until this point, would have been universally condemned but for some reason is not being now.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Madam President, I want to thank my friend and colleague from Tennessee for a superb statement. I thank him not only for his support of the amendment that Senator SMITH of Oregon and I have put before the Senate today, but for the principled and compelling logic of the additional statements that he made.

I was just about to use a term to describe the remarks of the Senator from Tennessee, which I was going to say is normally associated with a colleague who sits near him, and that colleague walked into the Chamber. I was going to say his remarks were definitely straight talk, and I appreciate them very much.

Does the Senator from Arizona wish to speak?

Mr. McCAIN. If I could.

Mr. LIEBERMAN. Yes. I yield to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Madam President, I thank the Senator from Connecticut, Mr. LIEBERMAN, and the Senator from Oregon, Mr. SMITH. There has been discussion whether it is appropriate at this time, and whether this would be viewed by some as undercutting the position or weakening the position of the President and the Secretary of State in their efforts to obtain peace in the Middle East. Those concerns are legitimate. The Senator from Connecticut and the Senator from Oregon considered seriously those concerns.

We are not entirely totally comfortable moving forward with this amendment. We ought to return to our constitutional responsibilities as a coequal branch of government. No one denies that there is a crisis in the Middle East today, that there is the possibility of a wider conflict. There is no doubt that you can draw many scenarios in which the national security interests of the United States are threatened. If we accept those premises I articulated, then there does come a time when the Congress of the United States, as a coequal branch of government, exercising particularly in the Senate our responsibilities of advise and consent, should speak out.

I know there are very strong feelings about what has happened to the State of Israel in the last several months. I hold those strong views. If you look at the strong views we hold compared to the language in this amendment, one would interpret that as rather mild language.

As I read the amendment—and the Senator from Oregon and the Senator from Connecticut can correct me if I am wrong—there is no criticism of the Palestinians in this amendment, there is no criticism of the Saudis, who continue to fund the madrasahs which teach not only the destruction of Israel but the destruction of the West and everything in which we believe. There is no criticism of the Saudis who are still paying money to the families of those who are "martyrs." There is no criticism of the Saudi Ambassador who wrote an ode to the martyrs. There is no criticism of other "moderate states in the region" that have failed—utterly, miserably failed—to renounce these suicide bombers not as martyrs but as an offense to Islam and an impediment to any possibility of peace. The language of this amendment is measured. It is thoughtful. I know each word was carefully examined before it was put into this amendment.

I say to our Arab friends—and there are many Arab friends in the region—if there is not a condemnation of the kinds of attacks that are being orchestrated, encouraged, applauded, and in some cases even compensated for, we may see a stronger amendment from the Senate. I don't believe the overwhelming membership of this body is "pro-israel," but I do believe there is a deep and profound recognition that the State of Israel is the only democratically elected government in the region. The 22 members of the Arab League are all dictators.

There is a basic and fundamental principle of a nation's right to exist which is at play. Israel recognizes the right of other nations to exist in the region. The Israeli Government and people right now are fighting for the simple fundamental right to exist, and not only the right to exist but the ability to exist.

I thank the Senator from Connecticut and the Senator from Oregon. We support the President of the United States and his efforts to bring about peace in the region. We support Colin Powell, our distinguished and respected Secretary of State. We support Condoleezza Rice and all other efforts to bring about peace and all the members of the administration who are working so hard. We applaud their efforts.

We also believe we, as a body, the Senate, should go on record as to our position and our desire to see this little country survive and our commitment to seeing what we can do to ensure its survival.

I thank my colleague from Connecticut, and I yield the floor.

Mr. LIEBERMAN. Madam President, I thank my friend from Arizona for his strong and principled statement. I could not agree with him more. I pick up for a moment on what the Senator from Arizona and the Senator from Tennessee suggested earlier: This amendment might affect the conduct of foreign policy by the President and this administration.

I strongly believe adoption of this amendment will be supportive of the policy of this administration and will strengthen the hand of the President and the Secretary of State, particularly as they proceed in their diplomacy in the Middle East, and more particularly in the Israel-Palestinian conflict.

Why do I say that? Because America is always at its strongest when we are true to our principles. The President articulated those principles post-September 11 in the Bush doctrine. They say we will stand with those who fight terrorism as we are fighting terrorism ourselves; all the more so when it comes to a fellow democracy, a longtime ally, such as the State of Israel.

A nation gains strength by being true to its principles but also by being true to its allies and not compromising longstanding relationships as a result of the pressures of the moment, no matter how compelling those pressures.

We are a great nation. We are the mightiest nation in the history of the world. If any nation has the strength to stand by its principles, it is, thank God, the United States of America. That is what in simple, direct terms this amendment says.

We made a stand after September 11 against terrorism. The Israelis are fighting the same enemy as we are now. They are not fighting the Palestinians; they are fighting terrorism. In that battle, no matter what the economic or political or strategic or diplomatic pressures that some may attempt to put upon the United States, we will be true to principle and we will be true to our alliances. That is what my colleagues have spoken eloquently on. For that, I thank my colleagues.

When this Senate adopts this amendment overwhelmingly, it will send a message to those who may be equivocating, who may be remaining silent. Remember that line from Dante: The hottest places in hell are reserved for those who in time of moral crisis maintain their neutrality. Great powers in the world are doing that right now.

We say as the representatives of the people of the United States in this amendment, for the United States, we are not going to remain silent. We are going to stand by our principles and by our friends. That will strengthen us in our relationship with our friends and with our enemies.

I am pleased to note the presence in the Chamber of the Senator from Utah. I yield to him.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I compliment both my colleagues to whom I have been listening, Senator MCCAIN from Arizona, a leader on this floor and of course a friend for whom I have tremendous respect, and his Democratic counterpart, Senator LIEBERMAN, a dear, dear friend, someone with whom I have passed legislation where he has made a great deal of difference and who has spoken eloquently and reasonably and in a way that should advance the cause of peace in this world.

I also rise to address this amendment. I am joined with a large number of colleagues as cosponsors to do so.

This amendment is a reiteration of what Congress has overwhelmingly stated through the years, that this body stands in solidarity with Israel.

Israel is a front-line state against terrorism. What they do is very important with regard to the battle against terrorism because it takes necessary steps—to provide and bring about security to its people from these suicide bombers by dismantling the terrorist infrastructure in the Palestinian areas.

We have all watched with growing alarm the explosion of suicidal violence that wracked Israel in the last couple of months. I am greatly relieved that, for the time being, those suicide attacks have ceased.

But what has happened in the interim to lead to this cessation of suicide bombings?

Was it a newfound political will in the offices of the Palestinian Authority that declared unambiguously that terrorism would no longer be promoted or tolerated from the territories over which the PA holds power?

Was it a statement by Chairman Arafat, in Arabic, denouncing suicidal murderers as nihilistic and counter productive to any cause of peace?

Was it a deployment of Yasser Arafat's multiple security services to disrupt, capture and imprison the perpetrators of terrorism against Israeli citizens?

No, we all know that the cessation of suicide bombings, at least for the time being, was not the result of political will on the part of the leaders of the Palestinian Authority. It was the result of a military deployment by the government Israel, a deployment by the Israeli Defense Forces that was costly, controversial, and . . . for the moment . . . successful.

What nation do we believe could exempt itself from the right of self-defense? Isn't such an exemption fundamentally against the natural state of nationhood? Have we ever expected any nation let alone a long-standing friend and ally to exempt itself from its right of self-defense? Of course not.

Yet Israel has faced a great deal of criticism for its action in the last month. Certainly Israel is not above criticism—any more than it is exempt from the right of self-defense. But I, for one, cannot criticize its right to self-defense, its need to act in its self-defense, and its responsibility to use its professional military to destroy the terrorist infrastructure that is still dedicated to the military defeat of the only country in the Middle East that fully shares our western values. You're never going to see criticism of that type coming from this Senator.

I recognize that there are long-standing, unresolved political issues between Israel and the Palestinians. I recognize that many Palestinians now have generations of being uprooted, frustrated and impoverished from which to feed a legitimate sense of injustice.

I also recognize, Mr. President, that there have been many Israelis, in their government, in their elites, but, more important, throughout their society, who have desired, sought and worked for a peaceful solution between the two peoples.

I was amazed myself with the offer Prime Minister Barak made to Yasser Arafat and the Palestinians. It went way beyond anything most people I talked with thought that Israel should do. It should have been snapped up by Yasser Arafat, and certainly it should become at least a basis for trying to resolve the conflict between the Palestinians and the Israelis.

I have my doubts if Yasser Arafat can be a partner for peace. His duplicity is well-known; he talks peace in English on the White House lawn and before some aid agencies. He speaks jihad in Arabic before young Palestinian crowds and in the courts of Arab leaders. The man who, nearly 20 years ago, could not address the United Nations, a body dedicated to the resolution of conflicts without violence, without the symbol of a pistol holster on his hip, clearly today continues to believe that there is a legitimate role for terrorism.

The reason there have been no suicide bombings in Israel in the last few days is not because Yasser Arafat has preached the renunciation of terror. It is because the IDF went after the terrorists that Arafat's Palestinian Authority harbors. It is an old lesson that we dare forget at our own peril: Tolerate terrorism and it will grow and multiply, feeding every angry and hateful cause. Negotiate with terrorism and you will legitimize it, creating incentives for more terrorism and the promoting the deadly illusion that terrorism is some form of legitimate political expression.

We all recognize that the IDF actions of the past month do not guarantee that suicide bombings will cease, and I say this with a sense of reality and deep regret. I even recognize that those absolutely dedicated to terrorism have most likely not been dissuaded from their nihilistic path. I also know that perhaps some of those living in despair in the Palestinian territories may have been made more desperate, and that their desperation may be used by the cynical manipulators behind the suicide attacks.

I long for the day when all the peoples of the Middle East are freed from regimes that harbor hatred rather than promote growth, that plan for war rather than development, that delude their peoples while denying them a future of prosperity.

I strongly support the Administration's efforts to help find a just political solution to this conflict, and to begin talking, at this early stage but generations too late, about economic development that will give the Palestinians outlets to channel their work toward building secure and prosperous futures for their families and future generations. I empathize with the Palestinians who have unemployment rates well in excess of 50 percent. No wonder there is unrest and discord over there. I support, even, calls for immediate reconstruction assistance to the Palestinian territories, to be channeled, I would hasten to add, by legitimate non-governmental organizations, and not by the Palestinian Authority.

I encourage the Administration's efforts to bring the so-called moderate Arab nations into this effort. Those nations will not only have to dedicate their diplomatic efforts toward encouraging the leaders of the Palestinian Authority to accepting a political solution. Those countries will not only have to dedicate substantial funds for promoting economic development that channels the energies of the Palestinians into productive and peaceful endeavors. But if those countries are to succeed in their diplomacy and with their assistance, they will have to stop encouraging anti-Semitic and anti-American hatred in their own societies. I certainly wish the Administration the best of luck in this very difficult endeavor.

We will need to see a political solution before we seen economic development, Mr. President. But to have a political solution, there must be political will, on both sides, to reach an settlement. A political solution cannot be begun under a wave of terrorist attacks. I don't see how anybody can criticize Israel under the circumstances. Terrorism requires a military response. We are finding that is so true.

While I have always believed this country should support Israel in its effort to seek peace, I strongly believe that we must remain equally dedicated to Israel's right to self-defense. For this reason, I am proud to cosponsor this amendment, and I urge the unanimous support of my colleagues with a vote for it.

Madam President, I have been talking about Israel and terrorism and what we have to do about it. But now I want to shift for a minute and talk about the extreme dissatisfaction registered by Senator GRASSLEY, the ranking Republican member of the Finance Committee, Senator PHIL GRAMM, and others on our side of the aisle in regard to the trade promotion authority and trade adjustment assistance—the Andean Trade Preferences Act and trade promotion authority.

Trade creates jobs both at home and abroad.

Trade can also help promote political stability in many regions of the world.

It is in our national interest to foster free trade.

Let us look at the facts.

Ninety-six percent of the world's consumers live outside our borders.

Based on that fact alone, the United States would be foolish not to pursue a vigorous trade agenda. But let me go on.

Exports accounted for about 30 percent of U.S. economic growth over the last decade, representing one of the fastest growing sectors in our economy.

Almost 97 percent of exporters are small or medium-sized companies and, as my colleagues are aware, small businessmen are the engines of job growth.

In fact, almost 10 percent of all U.S. jobs—an estimated 12 million workers—now depend on America's ability to export to the rest of the world. Export-related jobs typically pay 13 percent to 18 percent more than the average U.S. wage.

And there are many reasons to believe that the best is yet to come in this dynamic sector.

Economists predict that there could be a 33 percent reduction in worldwide tariffs on agricultural and industrial products in the next WTO trade round. This action alone could inject an additional $177.3 billion into the American economy in the next 10 years. That is a lot of money.

I strongly support Congressional passage of Trade Promotion Authority legislation this year. I was the one who made the motion and got it passed out of the Senate Finance Committee upon which I sit.

TPA will provide a measure of certainty to our trading partners that any agreement reached with USTR will receive timely Congressional consideration and will not die a slow death by amendment.

Look, the Finance Committee passed the trade promotion authority legislation by a wide, bipartisan 18 to 3 vote back in December.

I agree with Senator GRAMM that if we had an up/down vote of this bi-partisan bill permitted by the Majority Leader, it would probably pass with over 70 votes.

I believe it would pass by an over whelming majority of 70 or more votes.

The majority leader knows this. We all know this.

Instead, the bill that was laid down last night was a thumb in the eye of bipartisanship.

It is bad for America.

It should not and will not be adopted by the Senate this week, next week, this month, next month, this year, or next year.

Members of the Finance Committee know that all last year, I took the position that Congress must pass both trade promotion authority legislation and trade adjustment assistance legislation.

If both bills do not pass, neither will pass. That is the truth of the matter.

That is the political reality.

It is also true that there is little we can do in Congress to help the prosperity of American families—and help the prosperity of nations around the world—other than TPA.

We need trade promotion authority to open up new markets for American goods.

We also need trade adjustment assistance to provide retraining and other benefits to workers who lose their jobs due to the effects of international trade.

Let me acknowledge that there are some in my caucus who are leery of TAA because they are justifiably concerned about expanding yet another federal entitlement program.

In my state of Utah, we have felt the effects of the dumping of imported steel by the closing of the Geneva Steel production facilities, and the loss of almost 2,000 jobs.

I commend the action the President took on steel.

I support TAA to help displaced workers, but it must have reasonable limits.

The TAA bill that was before the Finance Committee last fall was already too big.

I was going to say, the TAA bill that was reported by the Finance Committee, but I am not sure that is an accurate statement.

Anyone present that day will tell you that the vote on the bill appeared to take place in violation of Senate rules—specifically, the rule against conducting Committee meetings for more than two hours after the full Senate was in session was invoked.

The gavel went down after time had expired.

Let us face it. Unlike the bipartisan trade promotion authority legislation, this TAA bill has had a strange partisan bent to it from start to finish.

Last night a bad TAA bill got worse.

While I remain hopeful that we can do what we should do, and pass both TPA and TAA.

I want my colleagues on the other side of the aisle to know that there is little sentiment on our side for passing TPA at any cost.

That is what Senator GRASSLEY and Senator GRAMM said earlier today, and I agree with them.

Let us get this process back on track.

I think if we can do that we will find that a strong consensus can develop on trade issues—both on TPA and TAA.

I am mindful that there will be those on both sides of the aisle that will remain inalterably opposed to either trade promotion authority or trade adjustment assistance.

For the good of the American people, we cannot afford to let that occur.

I have a lot of faith in Senator GRASSLEY. He is a good man. He is a hard worker. I have trust in the fact that Senator BAUCUS wants to do the right thing. He is a good man. He works hard on the Finance Committee. I hope they get the chance to help bring us together.

My fear is that the bill that was laid down last night may put the Senate on a glide path to disaster.

Just as there appeared to be a narrowing of the issues of the health care aspects of the TAA bill, a host of new issues were suddenly put on the table for the first time.

As I read it, the Majority Leader's bill includes measures that were not included in any of the bills that were reported by the Finance Committee.

It is my understanding that never in any of the negotiating meetings has the issue of wage insurance been raised—but it then suddenly appears in the majority leader's bill.

I do not want to see these important talks over this legislation stall, but my colleagues on the other side must be willing to come to the table with reasonable proposals.

I believe that there is a way that my Republicans and Democratic Colleagues can come together and pass both TPA and TAA.

Frankly the measures that we are discussing today were all reported by the Committee separately as freestanding bills.

Let me be clear. I would like to see the Senate take up and pass the Andean Trade Preference Act, Trade Promotion Authority, and Trade Adjustment Assistance this year.

Perhaps we would be better off by taking them up one at a time.

As I recall, we didn't approve an omnibus trade bill in the Finance Committee.

It appears to many that the bill laid down last night was hastily-crafted with apparently a partisan purpose in mind.

Just let me give you one example. I ask my colleagues to turn to page 23 of the bill distributed last night. This section is entitled "Action by the Secretary" and deals with appeals of the TAA certification process.

Now turn to page 41 of the bill. You will see this entire section repeated verbatim.

One of the reasons for careful consideration of legislation by the Committees of jurisdiction is to avoid these types of embarrassing drafting errors that occur when complex laws are rewritten in the dead of night outside the regular order.

As the ranking Republican member on the International Trade Subcommittee and as a member of the Intelligence Committee, I can tell the Senate that international trade has long been one of the most important foreign policy tools of the United States.

The Bush administration—led by Commerce Secretary Don Evans and our United States Trade Representative Bob Zoellick—has helped launch a new round of international trade talks. We all have an interest in making the next World Trade Organization ministerial succeed.

In order to make the next ministerial a success, it is important that the United States signal to the world that we will continue to make trade a very high priority. We can do this best by passing TPA.

I will say again that I recognize, in all likelihood, the Senate will need to act on Trade Adjustment Assistance legislation if there is a chance of passing the TPA bill.

So be it.

I am for both TPA and TAA.

But let me be clear, I am not for a loaded up TAA bill with unrealistic health care provisions.

On a related issue, I am deeply disappointed by the health care provisions of the Daschle substitute.

As someone who has worked very much in a bipartisan way during my 26 years in the Senate on all health care issues, this has become a partisan issue. It shouldn't be.

I am a strong advocate of getting Trade Promotion Authority for the President—but Senator DASCHLE's amendment includes health care provisions that are just unacceptable to me and other members of the Senate Finance Committee.

Let me take a minute to highlight some of the more egregious health provisions in the Daschle substitute.

The Daschle amendment has a 73 percent advanceable, refundable tax credit that may be used for COBRA coverage or other pooled insurance coverage.

S. 1209, the Trade Adjustment Assistance Act that was rammed through the Finance Committee required the Treasury Secretary to create a program that would pay 75 percent of the COBRA subsidies. These subsidies could only be used for COBRA benefits.

What Senator DASCHLE is promoting is only a slight improvement over what was included in S. 1209—hardly a compromise, in my opinion. Subsidizing health insurance by 73 percent is just too high.

It is my understanding that the discussion between Senators GRASSLEY and BAUCUS were much more constructive on this issue and now the majority leader's substitute goes in the direction away from a reasonable compromise.

The Daschle substitute also allocates $200 million for National Emergency Grants to States in order to provide assistance and support services to eligible workers. This grant money could be used to pay for health care coverage; however, States may also use this money to provide benefits through the Medicaid program or my CHIP program we passed a few years ago.

Both the Medicaid and Child Health Insurance programs are programs for the low-income; however, the way I understand the Daschle substitute, anyone would be eligible to participate in these programs no matter how wealthy.

While this is an improvement over the TAA legislation approved by the Finance Committee, which essentially gave States the option to offer Medicaid coverage to uninsured workers, it is still unacceptable.

In fact, during the Finance Committee's consideration of S. 1209, I expressed my strong opposition to the Medicaid expansions included in S. 1209.

Those of us who are familiar with the history of the Medicaid program know that State options usually end up becoming permanent fixtures of the Medicare program.

While the Daschle substitute doesn't include the blatant Medicaid expansions of S. 1209, I believe it is a backdoor way of expanding both the Medicaid and CHIP programs.

And if I had to make a prediction, chances are that these "temporary" provisions—I will put "temporary" in quotes—will end up becoming permanent. It is as if we are not even listening to our State Governors.

They keep telling us that the States' budgets are in financial disarray. My State can't even afford to cover children eligible for the CHIP program—3,000 more children than the 27,000 who are currently covered.

I believe that the Daschle provisions on Medicaid and CHIP could have very serious financial impacts on both the State and Federal budgets, especially when both are experiencing budget shortfalls.

What is most troubling to me is that the Daschle substitute provides the uninsured far more generous health benefits than those who have existing health coverage.

I don't understand why any Member of the U.S. Congress would want to promote a provision that actually acts to encourage individuals to remain unemployed because they can get better health coverage.

By offering such generous health benefits, this bill encourages people to remain unemployed.

Is this the American way?

Is this the way to fulfill the American dream?

Is this what we in the Congress want—more uninsured Americans?

I hope not. In my opinion, this bill contains an unintended incentive that promotes joblessness.

And even more disturbing, the drafting of this partisan bill may send a very clear message—take it or leave it.

Is there room for bipartisan discussions here?

Can we work together?

These are the areas we ought to work together on to bring a consensus about.

Can we work out our differences?

Can we find a fair compromise?

I sure hope so. But, I have my doubts about it because of the way that this debate has started. And that is just not acceptable for the American people.

Senator GRASSLEY does have the right idea—there are health care provisions that can be included in TAA in order to get trade promotion authority approved by the Senate.

I, for one, would be willing to support tax credits for the purchase of COBRA, pooled insurance, or individual insurance, so long as the individual has a choice of coverage, not a take-it-or-leave it requirement set right here in Washington.

In addition, I believe it makes sense to provide funds to States in order to create and operate insurance pooling arrangements.

I also support providing funds for National Emergency Grants so States can subsidize health insurance for TAA eligibles.

In my view, we are not that far apart that we cannot come together.

I think we can if we just have some good-faith effort here on the floor and behind the scenes.

I only hope that we do not let this opportunity to pass both trade promotion authority and provide reasonable health insurance subsidies to uninsured Americans slip away.

I am committed to working with my Senate colleagues, for as long as it takes, to get this job done. So, I urge my colleagues: let's quit the partisan bickering, let's roll up our sleeves, and let's get the job done.

In closing, I urge passage of both the trade promotion authority legislation and the trade adjustment assistance bill. But let's make sure these bills are bills we can live with, bills that are bipartisan in nature, bills where we have worked out the kinks and the difficulties, bills that are not a partisan benefit to one side or the other, bills that will do the best for our individual citizens in this country who need this help.

I hope we can get this job done before Memorial Day.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARPER). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I note the presence of the two main sponsors of the amendment in the Chamber. We have had a number of speakers. I wonder if it would be Senator LIEBERMAN's intention to have a vote on this amendment fairly soon.

I ask unanimous consent to yield to Senator LIEBERMAN for purposes of a colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. I thank the Chair.

Mr. President, responding to my good friend from Arizona, it certainly is our intention to have a vote on this amendment this afternoon. I think it is important to do so. And it is my understanding that that is also the intention of the leadership of the Senate. I gather some conversations may be going on with the senior Senator from West Virginia, who was in the Chamber earlier, before going to a hearing, who said he had a statement to make of limited duration. I believe there is an attempt to have him come to the floor as soon as possible. I do not know of any other Senators at this time who wish to speak on this amendment.

I thank my friend.

Mr. McCAIN. I thank my friend.

Mr. President, I had hoped we could encourage any Senators who want to speak to come to the floor, but I am not sure there is any really compelling reason to continue to hold up the business of the Senate, particularly since we have other pending issues to address. So I hope we can do that fairly soon. Maybe around 4, in the next 15 or 20 minutes, if possible.

Mr. President, I want to talk, just for a minute, about this imbroglio in which we find ourselves over the Trade Preference Act, the Andean Trade Promotion and Drug Eradication Act, the trade promotion authority and trade adjustment assistance, and the Generalized System of Preferences. I do not intend to take a lot of time, except to note that this is a very serious issue. It is unfortunate that we seem to be diverging rather than converging in our efforts to reach some kind of agreement.

I would like to say a few words about the Andean Trade Promotion and Drug Eradication Act. All of these issues we are trying to address are very important. But I point out, there is an extreme time sensitivity associated with what I will refer to from now on as ATPA, the Andean Trade Preference Act.

I remind my colleagues that as of the 16th of this month—in 2 weeks—if we do not act, then this legislation will expire, customs that are retroactive will be levied on goods that have been brought into the country. And I want to emphasize the serious impact this would have on these four struggling democracies in our hemisphere: Bolivia, Colombia, Ecuador, and Peru.

I remind my colleagues that this ATPA grew out of a commitment that the former President Bush made at the February 1990 Cartegena Drug Summit to provide economic benefits to these four Andean countries. The reason for it was, it was an effort to reduce illegal drug production and trafficking in these countries by promoting legitimate economic activity in these countries. Well, that was in 1990. The legislation was passed in 1991.

We have now had 11 years of ATPA. What happened in these four countries? First, the good news is that Bolivia's coca production has been reduced to practically zero. The bad news is that Colombia is in a very serious situation. As we know, the FARC leaders—who have just been indicted by the United States of America and controlled a large tract of the country—have continued to engage in narcotrafficking, and the overall supply of cocaine into the United States has not been reduced. That is actually in spite of the valiant efforts of the Government and the people of Colombia, with the assistance and help of the United States of America, and other countries, to try to bring about a peaceful resolution to this very serious insurgency situation in Colombia.

Have no doubt, the funding for the FARC, to a large degree, has been made possible because of the trafficking in drugs. Peru has gone through a very difficult time, as we know. The former President was overthrown. There was a scandal the likes of which only bad novels are made from, where the former chief of intelligence was videotaped while providing bribes to Members of their Congress and judges. And a former President is now residing in Japan. There is a new President of Peru, whom I had the opportunity to meet. I think he is doing his very best.

Let me say, finally, that in Ecuador they have been dramatically affected by the whole situation in Colombia. In summary, because I see the majority leader on the floor, I will just say that the situation, as far as ATPA is concerned, is serious. We should consider carving that out from the other trade provisions and perhaps moving that piece of legislation on its own. It is time sensitive and critical. We made a commitment a long time ago to these countries. I see no reason to renege on that commitment now to four struggling nations in our own hemisphere.

I yield the floor.

Mr. HUTCHINSON. Mr. President, I rise in support of amendment No. 3389 offered by Senator LIEBERMAN and Senator GORDON SMITH. This amendment is an important expression of our Nation's solidarity with the Israeli people during these attacks against their people. Civilized peoples must come together to fight and defeat terrorism wherever it occurs.

There can be no negotiations with terrorists. On September 11, the American people experienced the depravity of international terrorism. The Israeli people have been subjected to a barrage of terrorist attacks that have been specifically targeted at civilians. It is incumbent on the United States to send the message throughout the world that these acts will not tolerated.

It has been made evident that the Palestinian leadership uses suicide bombings as a means to accomplish political goals. This is simply unacceptable, and must not be tolerated. We must continue to ensure that Israel has all the necessary resources in order to defend itself. We must make it clear to all nations in the region that there will be consequences for support of terrorism. But most of all, we must send a message to the world that the United States stands in unity with Israel.

Mr. FEINGOLD. Mr. President, I am proud to cosponsor today's amendment expressing solidarity with Israel. Like many Americans, I have a very personal connection to the Israeli people and to the State of Israel. And it is with a heavy heart that I join my colleagues today in mourning the innocent lives lost in the recent terrorist violence in Israel.

The U.S.-Israeli relationship is one of the strongest and most important of all of our bilateral relationships. Within that context, it is my sincere hope that this amendment will send a clear signal by expressing the overwhelming sense of the Senate that America is now and always will be firmly committed to a future in which the state of Israel can live in security and peace with all of its neighbors. It is my greatest hope that our ongoing commitment to these principles, and through them to peace in the region, will demonstrate our country's respect for the dignity and future of the Israeli people, while establishing the basis for a political settlement to the conflict.

I also want to state clearly, and for the record, that I supported President Bush's decision last month to send Secretary Powell to the Middle East to help bring the current crisis to a close and to bring Israelis and Palestinians back to the negotiating table. Intense U.S. engagement remains an essential ingredient in the resolution of the crisis, although nothing will be accomplished without the added leadership and foresight of the Israeli and Palestinian people. I also believe that the President was right to call on both the Palestinians and the Arab states in the region to take responsibility for ending terror and the culture of hatred that threatens peace in the region. And he has also been justified in calling on Israel to take a number of concrete and compassionate steps to ease the pressure on Palestinian civilians. In the end, only through continued efforts at the highest level will the United States be in a position to assist our strongest ally in the region and give the Israeli people an opportunity to seize a secure future.

Mr. KERRY. Mr. President, I am proud to be a cosponsor of the amendment submitted by Senators LIEBERMAN and SMITH demonstrating our continued solidarity with our ally, Israel, in its efforts to defend itself against terrorism. Suicide bombings and the taking of lives of innocent civilians are terrorist acts by anyone's definition. No moral or political justification exists for the bombing of civilians on buses or in restaurants or at religious celebrations. This resolution makes it clear that we oppose these acts of terrorism and that we recognize and support Israel's right to defend itself against them.

Now that Yasser Arafat is no longer confined to his headquarters in Ramallah, it is imperative that he make every effort possible to stem the tide of Palestinian terrorism and to break up whatever elements remain of the terrorist networks. And it is equally important that those Arab states who say they want to work with us in the war on terrorism do all that they can to help bring about an end to all forms of terrorism. They must make it clear that like us, they too oppose suicide bombings and that they expect the leadership of the Palestinian authority to live up to its responsibility to bring them to a halt.

Israel exercised its legitimate right to self-defense when it used force to root out and break up the terrorist networks threatening its own civilians. But force alone cannot ensure the security of the Israel and its people over the long term. I am convinced that the only way to truly enhance Israel's security is to replace the dynamic of violence with hope and political settlement.

This amendment acknowledges that reality. It calls upon all parties in the region to pursue vigorously efforts to establish a just and lasting comprehensive peace. When I was in the region in January, I met with all the key players. At that time I came away convinced that we must find a way to get back to a peace process. That need is even more urgent now.

Ultimately the Israelis and Palestinians are going to have to live with each other as neighbors, not enemies. Passions are so high at this point that it is difficult if not impossible for either side to imagine that future. It is our responsibility, as the one country with the greatest influence over both sides, to help them see beyond the current impasse and to move them toward the prospect of reopening political discussions particularly now that some semblance of calm has been established. Now that the Administration has finally gotten engaged it must stay engaged. Our role as broker is vital and we must be willing to undertake it if we are serious about Israel's long-term security, peace in the Middle East and combating terrorism.

Mr. GRAHAM. Mr. President, as we debate this amendment expressing our Nation's support for Israel, we must recognize the unique relationship that exists between our two nations.

Israel has been the starting point of United States foreign policy in the Middle East since 1948, when the United States under President Harry S Truman became the first country to formally recognize the state of Israel.

Good relations with Israel are of vital importance to the United States' interests in the Middle East. It is the only democracy in the region and a reliable ally of America.

This bond is even deeper. Israel is a nation that we mirror—in our culture and in our historical values. It is essential that we continue to work with Israel on advancement of these commonalities.

Our relationship with Israel is reminiscent of the American role in the French Revolution, which at the time many considered a foolish position. Although America was a new and small nation on the other side of the Atlantic, we empathized with the French aspirations for liberty and equality. To understand our motivation, we should look at the words of Thomas Jefferson. "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights" he wrote, enshrining in the Declaration of Independence the concept of all men being created equal. To Jefferson and all the signers of the Constitution, the quest for equality at that time was to be pursued not just within America, but throughout the world.

America's role in the French Revolution was an extension of the liberty and freedom that we stood for, exercised through our foreign policy. Today, this same concept applies to our foreign policy and contributes to our special relationship with Israel.

As an ally and friend of the state of Israel, America provides the Jewish state $3 billion a year in military and economic support—the largest amount of direct aid provided to any nation by the United States. Israel is also the beneficiary of a preferential trade relationship with the United States.

The ability of the people of Israel and the region to lead normal lives has been shattered by acts of violence and terrorism. It is impossible to observe the tragic situation that has been dragging on over the past 18 months without recognizing that no one—Israelis, Palestinians, or any of their neighbors—is interested in continuing to live their lives this way.

There is no doubt after September 11 that our Nation has a new understanding of the plight of our friends in Israel. There can be no question that the Middle East harbors a significant percentage of the world's terrorists, including many individuals who share the philosophy of those who attacked America.

This is why we must support this amendment and stand in solidarity with our brothers and sisters in Israel.

Mr. LEAHY. Mr. President, I will vote for this amendment because I agree with its general purpose—to reaffirm unequivocally U.S. support for Israel's right to defend itself against acts of terrorism or other forms of aggression. Israel is a friend and ally, and it has faced threats to its survival for over half a century. Since its birth in 1947, we have provided Israel over $50 billion in aid. There is no doubt about our support.

While I will vote for this amendment I am uneasy that we are considering this matter at just the time when we are finally seeing real progress in defusing the recent crisis. While some wish it reflected a more balanced approach, this is the only amendment to be considered.

The amendment expresses support for Israel "as it takes necessary steps to provide security for its people." I fully support that. But as so many have said, some of the steps taken by Israel in the past weeks and months have been both unnecessary and counterproductive. I fear that, in the long run, these steps may have weakened the security of the Israeli people because of the bitterness and the desire for vengeance that they caused among Palestinian civilians—many of whom had previously shunned violence. And there appears to be far more support for Yasser Arafat today among average Palestinians than there was just a few months ago.

The amendment demands that the Palestinian Authority "dismantle the terrorist infrastructure." I fully agree that this needs to happen. I also know, as Secretary of State Powell has said, that Yasser Arafat, whose security apparatus has been largely destroyed by the Israelis, cannot do everything himself even if he wanted to, but he can and must do more. I also know there are people in the West Bank and Gaza who will do anything to sabotage progress toward peace.

The amendment singles out Egypt and Saudi Arabia to "act in concert with the United States to stop the violence." They should do that, and condemn more forcefully the suicide bombings. These governments have many problems, and certainly the Saudi Government, with all its wealth, has not always played the constructive role it could. But it is important to recognize the positive things they have done, which this resolution fails to do. The Saudi Government has put forward the only viable peace proposal in the past 18 months. Not even the U.S. administration has done that. Egypt, according to Secretary Powell, has been supportive of U.S. policies in the region.

Mr. President, this amendment, which addresses a number of issues, is silent on others that need to be addressed. Given the vastly conflicting reports of what happened at Jenin, an impartial investigation should be done. The use of U.S. weapons also needs to be looked at, particularly since the State Department reports of "numerous serious human rights abuses perpetrated by Israeli security forces during the year."

And most important, there needs to be a recognition of the role of the Israeli settlements in the recent explosion of violence. For this amendment to not even mention the role that the settlements play strikes me as a serious omission because until that issue is resolved, I am afraid the bloodshed will continue.

It has been widely recognized for years that the United States is the only country that can play the role of intermediary in the Middle East. The situation has become so polarized, and steeped in hatred, that our task is now infinitely harder.

It is time for a more forceful strategy for peace because it is clear that normal diplomatic efforts have failed. Both sides say they want to live in peace, but whatever they have gained or suffered in the past few weeks has, I believe, only made peace more elusive.

A two-state solution is the only solution, and that means a Palestinian State that is viable, that is worth living for, not a state in name only.

And for Israelis, it means being able to live free of terror and fear. Suicide bombings or other deliberate attacks against civilians are acts of terrorism that can never, ever be justified. These bombings should be condemned by everyone, including countries in the Middle East that have either expressly condoned them or tacitly approved them by their silence.

The strategy of the Palestinian leadership has been a disaster for Israelis, for Palestinians, for the entire region. Mr. Arafat has repeatedly deceived his own people. Palestinians are an industrious, compassionate, proud people. They deserve far better. Mr. Arafat has survived this latest storm, but he needs to act immediately to prove that he wants peace and can be trusted.

As long as either side deprives the other of the freedom, the dignity, and the security to which all people are entitled, the bloodshed will continue. The President was right when he said there has been a lack of leadership on both sides. That is why, more than ever, stronger U.S. leadership is needed—leadership that receives the support of both sides.

I hope this amendment encourages that leadership.

Mr. REID. Mr. President, I am proud to rise today and join my colleagues in expressing solidarity with Israel.

The Senate includes members of different faiths, ethnic backgrounds, and political ideologies. But despite our differences, we have shown our ability to come together at important moments and unite around common principles.

We rallied together, Democrats and Republicans, to support the war on terrorism after our country was attacked.

And we have worked together in a bipartisan manner not only to meet America's national security and homeland security needs, but also on issues such as education reform.

I am pleased that so many of my colleagues—Democrats and Republicans—are joining me to express solidarity with Israel.

We stand with Israel because Israel has been a friend and partner of the United States.

We stand with Israel because Israel is a democracy and shares our values.

We stand with Israel because we have an obligation to secure the continuance of a Jewish state. We have seen—and must not forget—the horrors of the Holocaust when too many people, leaders and governments failed to intervene.

"Never Again" will the world fail to see, or hear, or speak, or act when the Jewish people are being persecuted and murdered.

It is important for the people of Israel to know that we continue to stand with them, and it is important for Israel's enemies to know that America will not abandon her. Furthermore, our continued support of Israel sends a powerful and unequivocal message to terrorists everywhere that the United States will not retreat in our war against terror.

This is a critical moment for Israel and for the prospects of peace in the Middle East.

For far too long, that region has been plagued by war and bloodshed.

Israelis have suffered violent attacks against them since the state of Israel was born more than 50 years ago. Israel is a small country, and really a small community where it seems everyone knows each other, so when tragedy strikes, the loss is felt intensely by all.

Israelis have somehow learned to endure attack after attack, and almost to view terrorism as a normal part of life. Certainly, deadly attacks have occurred frequently, but for them to be seen as normal is itself a tragedy.

We stand with Israel because we too mourn the loss of innocent lives.

In the past 18 months, the violence has escalated to an unprecedented and completely unacceptable level.

During the Jewish festival of Passover, 28 Israelis who gathered for a Seder were butchered; 28 innocent victims including children, mothers, fathers, grandparents.

This past week, on the Jewish Sabbath, more innocent Israeli civilians—including a 5-year-old girl inside her home, and a husband and wife lying in bed—were killed in cold blood by Palestinian terrorists.

We recall other incidents like the joyous Bat Mitzvah celebration that suddenly became a killing field, and we think of Israelis participating in typical activities like stopping for a nosh at the pizzeria, riding a bus to school or work, enjoying a night at the disco—not realizing that they would instead be killed. But these are the conditions Israelis face.

While we admire Israel's bravery and perseverance in the face of constant threats, we must not accept a world in which terrorism is so commonplace.

Americans do not want to be victims of terror again, nor can we expect Israel to stand idle while her citizens are being slaughtered. Once we identified those responsible for the attacks on the World Trade Center and the Pentagon, we sent our troops to Afghanistan to bring the terrorists to justice and end their ability to strike again. We vowed to stamp out evil and to continue our fight as long as necessary.

How then can we—or anyone—reasonably ask Israel to allow the terrorists responsible for murdering innocent Israelis to remain free and continue to plan more attacks? We cannot.

So we reaffirm our commitment to Israel's security and right to self-defense.

We stand with Israel because Israel's enemy—terrorism—is also our enemy, and the U.S. has no better ally than Israel in our war on terrorism.

We stand with the people of Israel who want a safe, peaceful and prosperous future not only for themselves but also for their neighbors.

We all pray and hope for peace so that all the people in the region can live free from danger and without fear.

I have in the past called on the administration to be more actively engaged in brokering peace between the Israelis and Palestinians.

I believe the President neglected the region and the issue for too long, and as a consequence hostilities increased and more innocent lives were lost.

But now the administration has become more engaged, recognizing that the United States has important reasons for promoting peace and fighting terrorism there as elsewhere around the globe.

And we have a unique position of leadership that also comes with a responsibility to be actively involved in efforts to bring about lasting peace.

So the United States should do all it can to support peace, and reach out to Israelis, Palestinians, neighboring Arab states, and all other interested parties willing to work towards a solution.

But in doing so, we must be clear in expressing our solidarity with the people of Israel.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DASCHLE. Mr. President, I thank the Senator from Arizona for being accommodating to me and other Senators.

I strongly support the Lieberman amendment reaffirming this Nation's solidarity with Israel. It is a timely resolution, and I am proud to be a cosponsor.

I have said many times that the terrorist attacks on our country on September 11 brought us closer to Israel. Every American now better understands the terrifying reality that Israelis have lived with day in and day out since Israel was founded 54 years ago.

Today we send a message to the people of Israel: We stand with you in this time of great challenge.

Each of us recalls the hundreds of letters and resolutions that poured into our offices from foreign capitals around the world in the aftermath of September 11. Their message was clear: The world will not allow terrorism to triumph. We are right to send that same message to our friends in Israel today.

This amendment rightly calls on Chairman Arafat to fulfill his commitment to dismantle the terrorist infrastructure in the territories. Without a clear and demonstrable commitment to battle terrorists, the world will remain skeptical of his intentions and his goals.

As Arafat acts, so must the rest of us. We all have a role to play, and this amendment calls on "all parties in the region to pursue vigorously efforts to establish a just, lasting, and comprehensive peace."

This land is home to three of the world's greatest faiths. And what happens there affects our common future.

That means we all have responsibilities.

The Arab States, particularly our key allies, Egypt and Saudi Arabia, must provide the same kind of leadership in the battle against Palestinian terrorism that they have demonstrated in our common efforts against extremism in Afghanistan.

Israel, too, must act. At Oslo, at Wye, and again at Camp David, Israel has taken risks for peace. It must be—and I believe it is—ready to do so again.

We must all recognize Israel's right to defend itself against attack. That is a basic right of every nation and this amendment affirms it clearly.

At the same time, we call on Israel to distinguish between those who seek only to provide for their families, and the agents of terror who seek Israel's destruction.

Lastly, the United States must remain engaged in this vital region. We must remain actively involved in negotiations. More than any other country in the world, we can help to bring the parties together. We must continue to do so.

The President's initiative to deepen United States involvement in the region is right for America, and it is right for Israel.

The United States is—and will remain—Israel's best friend. We must—and will—honor our commitment to preserve Israel's military superiority. And we must continue to make clear—as this resolution does—that our bonds with Israel are unshakeable.

We must also recognize that part of the war on terrorism must be to build productive societies. Right now, in Afghanistan, we are rebuilding that country and showing Afghanistan, and the world, that our war is with the Taliban and al Qaeda, and not the Afghan people.

We must do the same in the territories—held rebuild the West Bank and repair the infrastructure of Palestinian society.

In doing so, we will send a message to the Palestinian people and the world: Terrorists destroy, democracies build. And we will build.

The names and the details in this resolution are different than those messages we received from around the world in those dark days last September. But the fundamental principle is the same: In the battle against terrorism, the world must be united. We are right to send that same message today to our friends in Israel, and to all of the people in the region who long for peace.

I urge my colleagues to support the Lieberman amendment.

Mr. President, there comes a time when, as leader, one has to make decisions about schedule that are not always in keeping with every Senator's wishes. But if anybody has looked out the window, they know that the storm which is forecast is virtually upon us. There are Senators who wish to catch airplanes prior to the time the airport is shut down. I have had numerous requests all afternoon for a vote on the Lieberman amendment to accommodate those Senators who need to leave.

So while I fully appreciate the fact that there are some Senators who have yet to speak, given the circumstances we face weather-wise and the need for Senators to accommodate their schedules, I have made the decision that we will have a vote.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I ask for the yeas and nays on the Lieberman amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New Jersey (Mr. TORRICELLI) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Kentucky (Mr. BUNNING), and the Senator from Utah (Mr. BENNETT), are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) and the Senator from Kentucky (Mr. BUNNING) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 94, nays 2, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—94

Akaka
Allard
Allen
Baucus
Bayh
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Burns
Campbell
Cantwell
Carnahan
Carper
Chafee
Cleland
Clinton
Cochran
Collins
Conrad
Corzine
Craig
Crapo
Daschle
Dayton
DeWine
Dodd
Domenici
Dorgan
Durbin
Edwards
Ensign
Enzi
Feingold
Feinstein
Fitzgerald
Frist
Graham
Gramm
Grassley
Gregg
Hagel
Harkin
Hatch
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Kyl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Lugar
McCain
McConnell
Mikulski
Miller
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Nickles
Reed
Reid
Roberts
Rockefeller
Santorum
Sarbanes
Schumer
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stabenow
Stevens
Thomas
Thompson
Thurmond
Voinovich
Warner
Wellstone
Wyden

NAYS—2

Byrd
Hollings

NOT VOTING—4

Bennett
Bunning
Helms
Torricelli

The amendment (No. 3389) was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Madam President, first let me say, I cannot understand the rush to act on this amendment. This is a resolution. It was called up today as an amendment to the pending legislation. I had hoped to speak before the vote, not that my speech would have made any difference insofar as other votes are concerned, but I wanted to speak before the vote. I sent word to the leadership that I wanted to speak before the vote.

For several days I have had hearings scheduled in the Appropriations Committee, hearings on homeland security, hearings on the supplemental appropriations bill. Those are important hearings. A couple of weeks ago, the Appropriations Committee conducted hearings on the supplemental and the homeland security request, and we heard from people at the local level, the local responders: The firefighters, the policemen, the health personnel. We had a good hearing.

On the day before yesterday, the committee continued its hearings and we had administration witnesses. We again had administration witnesses today. The distinguished Senator from Washington, who is now presiding over this Senate, was there today at those hearings. The hearings were set. They were announced in advance. We had important witnesses today—Secretary of HHS, Tommy Thompson; we had the Attorney General; we had the head of FEMA. And there was good attendance in the committee. Several Senators on both sides of the aisle were there to ask questions.

All of a sudden, here comes, right out of the blue, this resolution expressing solidarity with Israel in its fight against terrorism. I had wanted to speak on that resolution before it passed. I am under no illusions as to whether or not my remarks would have made any difference. They would not have. I know that. I know that. The die is cast.

On this subject, the American people should understand that when this subject is before the Senate, the vote can be predicted—any matter of this nature, where Israel is involved.

I am as much a supporter of Israel as any Senator in this body. I have spent my years, in considerable measure, studying about the history and the creation of that great people, God's chosen people. I have read it in the Book of Exodus, Leviticus, Numbers, Deuteronomy, Joshua, Judges, Ruth, First and Second Samuel, First and Second Kings, First and Second Chronicles, Ezra, Nehemiah, Esther, Job—and so on. I am a student of the history of this people.

If the Bible were as small as the Constitution, I would carry it also in my shirt pocket; the Old and the New Testament. So the people of Israel have no greater defender of their national integrity than this Senator from the State of West Virginia.

But I think it was a mistake to bring this resolution up before this Senate at this time. I do not think it is very helpful to the efforts that are being made to bring the two sides together.

As the chairman of the Appropriations Committee, I know what this Senate every year votes by way of appropriations in support of Israel. I know that each year, almost without any questions asked, we appropriate roughly $3 billion—$3 billion—to the State of Israel. We appropriate roughly $2 billion to the Government of Egypt. Those two countries count on these moneys as if they were entitlements. They count on receiving those moneys. Three-billion dollars. That is what the American taxpayers give them.

I am not sure the American people are fully aware that this Government, this Congress, appropriates $3 billion every year—every year, as sure as the calendar rolls around—$3 billion for Israel, and $2 billion for Egypt.

Despite the progress made over the past few days to ease tensions on the West bank and end the standoff over Yasser Arafat's headquarters in Ramallah, the Middle East remains a tinderbox. It is a tinderbox. Even the slightest spark could ignite another conflagration.

Why do we have to come here with this resolution today? Why all the rush?

I informed the leadership—I will say it again—that I wanted to speak on this resolution before the vote. I will not make too much of that. In the annals of history, that won't even merit an asterisk. But, as a Senator who has been a Member of this body and in my 44th year in this body, as a senior Democrat, as the President pro tempore of the Senate, as one who has served as majority leader, as minority leader, as one who has served as chairman and as ranking member of the Senate Committee on Appropriations, I was denied what I asked for. I asked to speak on the resolution before the vote. That is fairly easy to interpret. That is not difficult language to understand. I was denied that.

What is the hurry? Oh, the airport was going to be closed. So what? There is a storm. Senators need to go. OK. Senators have a right to go when they want to go. I was conducting a hearing. It was my duty as chairman to proceed with that hearing. I was told that the need was great. I sent word that I wanted to speak. Finally, realizing that the vote might occur anyway, I asked Senator LEAHY to take the gavel in the Committee. And he had to go. I asked Senator STEVENS, my Republican counterpart, my colleague, to take the gavel, and continue so I could come to the floor and speak. When I got to my office, they were already into the vote 5, 6, or 7 minutes—I don't know. So I found that the vote was already taking place. Well, that was unfortunate.

This is not a time for chest-thumping rhetoric. This is a time for quiet diplomacy, measured speech, and clear direction. This is not the moment for Congress to stir the Mideast pot. Unfortunately, that is just what the resolution before us does.

I am sure it is a well-intentioned resolution. I know there are many Members of this body who feel passionately about the devastating suicide bombers who have caused so much chaos and heartbreak in Israel. I recognize that there are many Senators who are aching to express in some tangible way their support for Israel. I understand their anguish, and I sympathize with their frustration. But this is not the time to express that frustration. It is not the time.

According to the news reports I have read, the White House has strongly urged Congress not to inflame passions by staging a vote on Israel. The fear is that even a symbolic vote by Congress in favor of Israel would jeopardize the already precarious role of the United States in the Middle East peace negotiations and could even backfire by aggravating tensions and possibly provoking more violence in the Middle East.

Does anyone actually believe—does anyone, anyone, anywhere actually believe—that the U.S. Senate needs to manufacture a vote to demonstrate its support of Israel? Do we not have an unblemished record of support stretching back to the founding of the State of Israel in 1948?

According to the Congressional Research Service, since 1976 Israel has been the largest—the largest—annual recipient of United States foreign assistance and is the largest cumulative recipient since World War II. Since 1985, we have provided about $3 billion a year to Israel in foreign assistance. If Israel does not know by now the depth of United States support and solidarity, it never will.

I object not only to the timing of this resolution—and I believe the timing is fraught with peril—I also object to the slant of the resolution.

Yes. The United States Senate supports the State of Israel and abhors the violence that has been perpetrated against its citizens by Palestinian suicide bombers. The United States Senate also supports peace in the Middle East. And peace in the Middle East is a two-way street. Nowhere in this resolution—nowhere in this resolution—is Israel called upon to fulfill its role in working for peace in the Middle East.

Why was this resolution written so hurriedly? Why was it incumbent upon this Senate to vote today?

This resolution condemns Palestinian suicide bombing, demands that the Palestinian Authority dismantle the terrorist infrastructure in Palestinian areas, and urges all Arab States to act in concert with the United States to stop the violence.

Where are the demands that Israel withdraw from Palestinian lands and cooperate in establishment of a Palestinian State? Where is the denunciation of the destruction of homes and water lines and roads and basic infrastructure in Jenin and Nablus and elsewhere in the West Bank? Where is the expression of support for humanitarian and reconstruction aid to the innocent Palestinian victims of Israel's incursions into the West Bank? Where?

If the Senate is serious about promoting peace in the Middle East—and I believe to the depths of my soul that the Senate is serious—then we should leave the grandstanding to others. We should support the real work of peacekeeping. For better or worse, the United States has been cast in the role of honest broker in the Middle East. But resolutions like this one do not enhance our ability to perform that role. The Middle East today is balanced on the head of a pin. This is not the time for the U.S. Senate to wade into the fray, waving an ill-timed, ill-advised, and one-sided resolution.

I voted against it.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator withhold his suggestion?

Mr. BYRD. Yes, I withhold my suggestion.

The PRESIDING OFFICER (Mr. REED). The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, the Senate just voted on an amendment expressing solidarity with Israel in its fight against terrorism. I voted for the amendment. But I also thought it necessary to explain my views so my vote and my position on this current Middle East situation is fully understood.

I strongly agree with the main thrust of the amendment as I understand it; that is, the United States has a historically unique relationship with Israel; that we condemn violence; that we condemn terrorist attacks; that we condemn the loss of innocent lives of Israeli citizens; and we vigorously support efforts to achieve peace in the Middle East.

I have a couple of concerns that I want to raise, concerns with the language of the amendment. The first concern is that the language implies—or can be read to imply—a blanket support for any and all actions that Israel may choose to take in this fight against terrorism.

In my view, our President was right when he called upon Ariel Sharon to immediately withdraw troops and Israeli forces from Palestinian territories. He first made that demand on April 4 of this year. He repeated the demand that Israeli forces be withdrawn on the 6th of April. Our Secretary of State, Colin Powell, reiterated that position on behalf of our Government when he visited the Middle East on April 8.

In my opinion, this recent occupation of Palestinian territories by Israeli troops is an obstacle—the continued occupation is an obstacle—to renewed negotiations for peace between Israel and the Palestinians. It is very much in the interest of everyone involved that Israel withdraw those troops.

While I understand fully that Israel views the current situation as a struggle for its very survival, a viable peace process requires temperance and compromise on both sides. A blanket statement of support for any U.S. ally causes me concern because there are times—and this is one of those times—when the United States needs to disagree with the actions of an ally, whether they are military actions or otherwise. In my view, when we believe our statements will serve the cause of peace, we should not be reluctant to state that disagreement.

Long term, the only vision of peace that holds out hope for the Israelis and the Palestinians both is for Israel to live in a secure Israel that is not threatened by its neighbors and for the Palestinians to live in a secure Palestine. In the short term, the suicide bombings and violence against civilians in Israel must stop, and Palestinians must be allowed to rebuild their communities and return to some semblance of normalcy in their lives. The current violence and military reaction to that violence has led to a dangerous downward spiral that prevents any serious consideration of a negotiated settlement.

I also point out one other shortcoming of the amendment that we have adopted; that is, that it says nothing about the need to assist the Palestinian people to live lives marked by peace and a reasonable standard of living. It is essential that the entire Palestinian people not be allowed to lose hope that some reconciliation between themselves and the Israelis can be achieved.

While the United States has a unique relationship with Israel, as the amendment states, as a superpower, we also have a unique responsibility to bring the two sides together. We will lose that opportunity if we fail to acknowledge our concern and responsibility for the well-being of the Palestinian people.

I hope very much that in the appropriations process which is still unfolding this year in Congress, aid will be provided both to Israel and to help with the rebuilding of communities in the Palestinian territories. Such aid, hopefully, will assist not only in establishing a reliable security regime for Israel and for the Palestinian people but also help both societies to rebuild their social and physical infrastructure to provide hope for their children and for future generations.

Mr. President, I would also like to speak briefly about trade adjustment assistance, which is the subject we have been discussing most of this week, prior to consideration of this amendment related to Israel.

I rise today in strong support of the trade adjustment assistance legislation offered in the Daschle trade amendment. I am extremely pleased that it has come to the floor and I look forward to the debate over the next few weeks. From my perspective, this is legislation that takes a very significant, positive, and long overdue step forward for American workers, firms, and communities.

In 1962, when the Trade Expansion Act was being considered in Congress, the Kennedy administration established a basic rule concerning international trade and American workers. When someone loses their job as a result of trade agreements entered into by the U.S. Government, we have an obligation to assist these Americans in finding new employment.

I think this is a very simple proposition really, one that recognizes that if the U.S. Government supports an open trading system, it is ultimately responsible for the negative impacts this policy has on its people. It suggests that if the U.S. Government believes that an open trading system provides long-term advantages for the United States, the short-terms costs must be addressed if the policy is to continue and the United States is to remain competitive. It suggests that if there is a collective interest that must be pursued by the United States in the international trading system, our individual and community interests must be simultaneously protected for the greater good of our country.

In my view, the proposition makes even more sense now, as we are, unfortunately, facing a very different economic climate than we were just a few years ago. The way it is now, most people who lose their jobs cannot simply go across the street and get the same kind of work. Their old jobs are gone, and they need something different to make a decent living. These are people who have been dedicated to their companies and have played by the rules over the years. They deserve a program that creates skills, that quickly moves them into better jobs, that provides opportunities for the future, that keeps families and communities intact. They deserve something more than an apology that this is just the way the market works. They deserve the recognition that they are important, that they matter, and that we need them to make our country strong. There are people who are being hurt by trade in every State, and they need our support.

My interest in this legislation was reinforced in 1997 in Roswell, New Mexico, when the Levi-Strauss plant closed and I saw first hand how trade adjustment assistance worked. Unfortunately, the importance of the program has only increased over the years. In Las Cruces, in Albuquerque, in Questa, in Alamogordo, in my own hometown of Silver City—time and again we have seen the negative impacts of trade in my State. Since 1994, we have had over 10,000 people in New Mexico certified for trade adjustment assistance. The number would be closer to 20,000 if we added secondary workers and contract workers.

I know many of my colleagues on both sides of the aisle have similar stories from their States. Many are worse than my own. Department of Labor statistics show that since 1994 over a million Americans have been certified to receive trade adjustment assistance. And these are the people who are actually eligible for trade adjustment assistance and have applied. There are literally hundreds of thousands of others who deserve these benefits but are not eligible, or who are eligible but don't know it. They have suffered—they continue to suffer—because of the shortcomings of existing law, and we need to change that.

To reach our goal of strengthening existing law, we talked to the people in my State and other States who had been laid off and had a story to tell. We talked to the community leaders who had to rebuild their towns after economic disaster had struck. We talked to the local organizations that had to work with their people to get their lives back on track. We listened to where the program worked, and where it hadn't worked, and where it needed to be improved. We asked the GAO to write several reports on the program, so we had an objective analysis to use as a guideline for reform. Then, and only then, did we begin to write new legislation.

What we have here today is the outcome of several years of work. This trade adjustment assistance legislation was not created in a vacuum. It is not trade policy in the abstract. Every step along the way we connected real people to specific language in the legislation. Every provision has a story behind it. Every line in this legislation will help someone make his or her life better in communities in New Mexico and across the United States.

Trade adjustment assistance is a program that is absolutely essential—that much is clear from the comments I have heard from my colleagues on both sides of the aisle—but it needs to be changed in a way that it works more efficiently and effectively. I am convinced the Trade Adjustment Assistance Program should be both solidified and expanded at this time, and we need a stronger and more consistent safety net for American workers and communities. Let me quickly explain how we have improved the program and why we feel it is necessary.

Our first objective was to combine existing trade adjustment assistance programs and harmonize their various requirements so they would provide more effective and efficient results for individuals who need help. Currently there are substantial differences in coverage between the Trade Adjustment Assistance Program and the NAFTA Trade Adjustment Assistance Program, and we make sure those differences are eliminated in the bill. We have taken the NAFTA Trade Adjustment Assistance program as a model and expanded available allowances from 52 to 78 weeks. This allows individuals to enroll in the specific kind of program they need to get a new job.

We have also expanded coverage to secondary workers and workers impacted by shifts in production to any country. Currently these categories of workers are only covered under the NAFTA Trade Adjustment Assistance Program, not the Trade Adjustment Assistance Program, and we feel this distinction is both artificial and arbitrary. In an international economy, there is simply no logical reason that coverage should be limited to individuals dislocated by trade with Mexico and Canada alone. Basic fairness and common sense dictates that anyone hurt by trade deserves the same treatment as that which is currently available under NAFTA trade adjustment assistance.

Our second objective was to address the issue of health care in a way that makes a substantial difference in people's lives. Currently individuals certified for trade adjustment assistance only receive in the range of $250 a week. Then they must make a choice between paying for the range of expenses—health care, rents and mortgages, childcare, education, transportation, and so on—that they face in their daily lives. This is especially difficult when they are enrolled in the training they need to get a new job. Realistically, they must sacrifice something, and frequently the first thing they sacrifice is their health care.

This can't continue. We have addressed this problem by providing a 73 percent advanceable, refundable tax credit towards COBRA coverage, the purchase of State-based insurance coverage, or, for those currently purchasing individual insurance, coverage through the individual market.

Our third objective was to encourage greater cooperation between Federal, regional, and local agencies that handle individuals receiving trade adjustment assistance. Currently, individuals who are receiving trade adjustment assistance obtain counseling from Workforce Investment Act one-stop shops in their region, but typically receive no information other than that related to their allowances and training. No information is given concerning assistance and funds available through other Federal Departments and agencies. This means most people have no real idea of what options are available to them.

To increase coordination between Federal and State agencies and increase the availability of information for trade adjustment assistance recipients, we have created an inter-agency working group on trade adjustment assistance and established stronger links between the Trade Adjustment Assistance Program and the Workforce Investment Act one-stop shops. This way the state-based delivery system remains intact but response times to trade adjustment assistance applications will be quicker and more effective.

Our fourth objective was to recognize the direct correlation between job dislocation, job training, and economic development, especially in communities that have been hit hard by trade. Currently, trade adjustment assistance focuses specifically on individual retraining, but does not address the possibility that unemployment might be so high in a community that jobs are not available once an individual has completed a training program.

To fix this problem, we created a community Trade Adjustment Assistance Program, based at the Department of Commerce, specifically designed to provide strategic planning assistance and economic development funding to communities that have suffered substantially from a trade-related economic downturn. Significantly, this is a bottom-up approach, as we emphasized the responsibility of local agencies and organizations to create a community-based recovery plan that fits the economic needs of their region.

Our fifth objective was to help family farmers and ranchers. At present, trade adjustment assistance is available for employees of agricultural firms, but only when they become unemployed. This doesn't help family farmers and ranchers since they can't lose their job, there is no way for them to become eligible for trade adjustment assistance.

We fix this problem by offering trade adjustment assistance allowances to family farmers and ranchers but allow them to opt out of the training program. This allows them to keep their land and get through the hard times that come as a result of international trade.

The administration has focused their efforts on obtaining fast-track authority, stating that it is necessary for the United States to continue its leadership role in the international system. I do not disagree with the view that new, more comprehensive trade agreements will help U.S. corporations become more competitive in the international market. I am prepared to vote for an acceptable fast-track bill, as I think it is a valuable tool in opening the markets of other countries. But I will vote for fast-track only if a strong Trade Adjustment Assistance Program is part of the package. I think it is unacceptable to move forward on new trade agreements if we do not address the problems that American workers and communities face at this time.

I look forward to working with my colleagues and the administration to get a meaningful trade package through the Senate and to the President for signature.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I heard the senior Senator from Utah speak this afternoon. I wanted to respond to what he said, but I didn't have that opportunity because of the intervening events. The Senator from Utah and I are good friends. I think the world of Senator HATCH. But I think on this issue regarding trade he is absolutely wrong. I say that because the trade bill has been laid down. There are a number of important issues in it. In fact, one of the few things I really support is what is being done to try to protect the steelworkers.

First of all, what is in this bill is very modest. It covers 1 year of retirement for steelworkers. When these people worked in the steel mills, they were promised they would have retirement benefits. Those retirement benefits are now gone. I bet those bosses who worked at the steel companies have pensions.

The people who oppose this legislation, and have a filibuster going on it now, should do what they have to do. If they don't like that part of the bill, move to strike it. Let's debate it on the floor and find out who has the most votes. Don't filibuster the bill. This is a bill the President says is a most important bill. I don't necessarily agree with his priorities, but that is what he said.

So it seems somewhat unusual to me that members of his own party are holding up this legislation. The first amendment is up and we cannot vote on it; there is a filibuster. We have all been through the energy bill, and we know how long that was held up. We were finally able to pass that. We want to bring up hate crimes; they will not let us do that.

Terrorism insurance, I have spoken on this floor several times about the importance of that terrorism insurance. Realtors, developers, bankers, and people in the financial markets say that is extremely important.

The Secretary of the Treasury for the United States testified this week that if that is not passed, it will have at least a 1-percent effect on the gross domestic product of this country. Now, my friend, the Presiding Officer, Senator REED, is chairman of the Joint Economic Committee, which renders reports to the Senate on a frequent basis about the state of the economy of this country. Whether the Secretary is right or not, I think it is something we should take into consideration.

We on the Democratic side have agreed to have this legislation go forward. We have tried everything we can to bring it to the floor. We have even agreed to have four amendments. So I hope everybody understands that we want this legislation to go forward. There isn't a single Democrat holding up this legislation.

I hope the President and the people who work with him will send a message to the Republican Senators that this terrorism insurance should be passed. I hope we can get that done as quickly as possible. People are awaiting construction projects, some are even talking about stopping some of it. We have a large shopping center in Las Vegas, one of the largest construction projects; it is in a mall. There are a lot of stores there. They are talking about stopping in the middle of construction because they can't get a continuation of their insurance.

So I hope the President will do that during the break we have. We don't need to be involved in a filibuster on the trade legislation. We need to move forward with hate crimes, terrorism insurance, and so many other items. I hope we can do that as soon as possible.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. DASCHLE. Mr. President, momentarily we will take up a unanimous consent request that will accommodate a debate on the farm bill conference report. As I understand it, the distinguished Republican leader is on his way to the Chamber. Let me comment briefly on a couple of scheduling matters.

I know the assistant Democratic leader has talked on several occasions and has offered unanimous consent agreements on terrorism insurance. We would be prepared, once again, to offer a unanimous consent agreement on terrorism insurance, but I hear our Republican colleagues continue to object. We have said on many occasions we are prepared to go to the floor procedurally, have a debate on any one of a number of questions relating directly or indirectly to terrorism insurance, but for whatever reason, our Republican colleagues continue to refuse to allow that debate and that consideration. This has been an ongoing effort.

We have made many attempts to satisfy those certain Senators on the other side who proclaim interest and support for terrorism insurance, but we have been unable to satisfy their obstruction—I use that word with full appreciation of its definition—their obstruction when it comes to an important matter such as this. We will continue to try to talk with our colleagues in an effort to come to some conclusion procedurally, but I must say there is growing frustration on our part that we have not been able to proceed.

The same could be said for the conference report on the farm bill. I have attempted to bring the bill up throughout the day. I must say, Senator LOTT deserves commendation in his efforts to work with those who have threatened filibusters on the legislation. We received a letter from the President today urging the Senate to send the bill to the President as soon as possible. That was my hope today, that we would have a bill to send to the President. But as I now understand it, our Republican colleagues, rather than filibustering the bill, will ask for a substantial amount of additional time.

We will ask unanimous consent they have 6 hours on Tuesday and 6 hours on Wednesday to talk about a conference report. So we will accommodate that request and we will proceed with that unanimous consent request as soon as the Republican leader comes to the floor.

I have been getting calls today from the administration urging us to complete our work on trade as well. But as my colleagues know, there are those Senators on the other side who currently are filibustering the trade bill, the trade package. So we have a filibuster on trade and trade adjustment assistance, a quasi-filibuster on the farm bill, and I guess you could call it a filibuster on terrorism insurance—at least an unwillingness to proceed to terrorism insurance.

These issues are important. We hear oftentimes our colleagues talk about how they wish we could accomplish more on the Senate floor. I advise my colleagues, this is one reason it is difficult to accomplish more, when we don't get any more cooperation than that.

I do appreciate the work the Republican leader has invested in getting us at least to this point. I am prepared to entertain the unanimous consent request as soon as he comes to the floor.

I might say that the schedule next week will include not only this elongated debate on a conference report relating to the farm bill but the trade bill. The schedule will include, of course, the debate on Tuesday for 6 hours. We will then go back to the trade bill. The debate on the farm conference report will pick up again on Wednesday, beginning at around 9:30. Our expectation would be that we would then complete debate by Wednesday afternoon with, again, the expectation we would come back to the trade bill and attempt to move and consider additional amendments.

Because there are no vote scheduled on Monday, we will be in a pro forma session on Monday. There will be no votes, and I would not expect any debate on the trade bill on Monday.

That is the schedule. My desire is to dual-track other issues as they become available. I realize the possibility is not very significant, but if we could reach an agreement procedurally on terrorism insurance, of course we would bring that up. We have other confirmation questions we would want to raise and certainly would be prepared to have votes on those as well. In addition, as legislation becomes available that does not involve a great deal of controversy, it would be my hope that we could take that up, as well, on a dual track.

I remind my colleagues, we do have to make every effort to accommodate the May 16 deadline on the Andean Trade Preferences Act. If we fail, obviously all of the conditions involving the trade barriers that existed prior to the enactment of TPA kick back in. We would hate to see that. I hope we can avoid that. We will cross that bridge when we come to it.

Therefore, it is important we use all of that time available to us next week, outside of this consideration of the farm bill, to continue TPA, TAA consideration.

MORNING BUSINESS

Mr. DASCHLE. I ask unanimous consent the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOSTERING HUMANE TREATMENT OF ANIMALS

Mr. BYRD. Mr. President, I ask unanimous consent to print in the RECORD remarks I made before the U.S. Humane Society.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY U.S. SENATOR ROBERT C. BYRD, AT THE U.S. HUMANE SOCIETY, WASHINGTON, D.C.

From ancient days, before the ink of history, man has held dominion over the animals. Should we be able to peer through the mist of those distant times, we might witness the process by which man turned from gatherer to hunter, and, skill permitting, began to use the flesh of animals as a source of food and survival in a cold world full of danger and a perilous future. Later, the relationship of man and animals began to evolve through so-called domestication, and animals became a more reliable source of food. A partnership of sorts was formed in which animals came to bear the brunt of labor and the title "Beasts of Burden".

Over this same stretch of time, man developed social compacts from which sprang the seeds of modern civilization, and which led to pursuits of philosophy, and an emphasis on morality. The process was slow in development and uneven in allocation among and within societies. Even today, attitudes and actions persist that run counter to a higher understanding about the value of life and the lives of all things. For better or worse, man is destined to rule this world, and with that charge comes the heavy responsibility of benevolent custody and faithful husbandry to all creatures found within nature. To fail in that duty is to denigrate the sanctity of all life. Choices in our treatment of animals are a good barometer of how well we are carrying out our stewardship of God's beautiful world. Man may choose to rule this world, or attempt to do so, but for all his worry over property rights among his own species, it is well to remember that it is only God who holds title to this planet.

Maintaining civilization sometimes seems a process of constant struggle with those who, either because of ignorance or a deliberate scheme, would prefer to stress efficiency and materialism over more elusive concepts. To balance those forces, those of us who hear a different drummer must educate, legislate, and promulgate better understandings and guidelines aimed at bringing mankind into closer harmony with nature. The Congress embodies the collective will of the American people, and those of us who serve there recognize that our duty is to the people in our states. But, we also have a duty to safeguard the spirit of this Nation and all that it represents in terms of philosophy and ideals, as well as law. You honor me this evening for my work in pursuit of these higher objectives, and I am very grateful.

Your organization works to enrich the condition of man by improving his relationship with nature, and in particular, his relationship with the animal kingdom. You bring to the public discourse a better understanding of the conditions in which animals exist and, unfortunately in many instances, of the inhumane manner in which they are treated. You remind us all that animals share this planet with us, and that their space, their comfort, and their lives are not without importance. You remind us of man's higher purpose in the larger universe. Public debate is enriched by your participation, and the lives of God's creatures greatly benefit because of your contributions.

Animals are man's fellow occupants on this blue-green ball, slowly spinning through eternity, and they enlighten and enliven our lives in many ways. They provide us companionship and friendship. They ward off loneliness. They assist the blind. They protect us. They help maintain the balance of nature. While there are those who object to the practice, they feed us. They benefit us in ways we don't even recognize. In return, it is our duty to ensure that their lives and, in some cases, their deaths, are free from unnecessary discomfort. Animals, deserve our respect because, they, too, are creatures of God. Combating cruelty and apathy towards the welfare of animals is a high and moral calling. I commend you for your altruism, and I am proud to count myself among your number. We cannot correct all the problems overnight, but we can make changes today, and we can make changes tomorrow. We have come a long way towards the goal of fostering more humane treatment for animals, but we still have much to do.

This evening, together we pause to reflect on our achievements and to contemplate future strategies. I am humbled by your recognition of my work, your encouragement, and the hope that our efforts may inspire others to a more sublime level of humanity through empathy with the animals with which we share this lovely world.

HUMAN CLONING PROHIBITION ACT OF 2002

Mr. THURMOND. Mr. President, I am pleased to join several of my distinguished colleagues in support of S. 2439, the Human Cloning Prohibition Act of 2002, that will outlaw the reproductive cloning of human beings, and at the same time promote critical medical research. During my consideration of the new and emerging areas of regenerative medicine, including nuclear transplantation technologies, two basic principles have guided my thoughts. First, as someone who has taken a pro-life stance, I believe that Congress should pursue policies that encourage the development of life-saving treatments. Second, nuclear transplantation research, if performed under the strictest of safeguards, is both moral and ethical.

Nuclear transplantation technologies hold enormous promise for the future of medicine. For example, this research may help those suffering from defective organs. Scientists may one day have the ability to use a patient's own body cells to grow tissues with identical genetic material, thereby eliminating the risk of rejection. Regenerative medicine also has the potential to provide treatments for diseases such as cancer, heart disease, Parkinson's, diabetes, ALS, multiple sclerosis, and many others. Experts estimate that over 100 million Americans suffer from diseases that are candidates for regenerative medicine research using nuclear transplantation.

While some critics of this research claim that we cannot be sure of its benefits, we will certainly not know the answer unless we try. Scientific discoveries are never predictable, and we must not hamper the abilities of our sharpest minds to explore the universe, down to the tiniest cell. We do not know the full potential of this research. These scientific advances may help us gain insight into how undifferentiated stem cells begin to develop into the more than 200 specialized cells and tissues that make up the human body. There are untold benefits to be gained from knowledge of the earliest development of these cells. In addition to the advances that may be made in the treatment of common diseases, we may also learn more about human health, how disease develops, and other conditions ranging from birth defects to genetically-inherited illnesses.

All of us know people who have suffered from incurable diseases. I believe that we must make every effort, within ethical bounds, to help those afflicted with life-threatening illness. While I respect those who disagree with me, I believe that support for regenerative medicine is the essence of the pro-life position. We must help those living in the shadow of sickness, whether they are cancer patients receiving chemotherapy treatments or diabetics facing the loss of vision or kidney failure.

Nuclear transplantation research, if performed under strict ethical guidelines and with appropriate oversight, is an entirely appropriate and morally sound activity. For instance, during nuclear transplantation, an egg is never fertilized by a sperm. Rather, the genetic material from a non-reproductive human cell is placed into an egg cell. Additionally, the resulting embryo is never implanted into a woman's womb or an artificial womb. The result is that a human being can never be born from this carefully controlled research.

I want to assure my colleagues and constituents that I am committed to ensuring the safety and morality of scientific research. I feel confident that nuclear transplantation technologies can be performed in a controlled and regulated environment which will prevent abuse. While the bill as introduced includes stringent ethical guidelines, I am open to amending the bill to ensure that the strongest protections are put in place. For example, women who donate eggs and those who donate body cells must only do so in a voluntary manner. Additionally, the development of the unfertilized embryo in the lab must be restricted. Therefore, the embryo will not grow past a certain time threshold. I will also gladly consider any other appropriate and reasonable guidelines to ensure the safety of nuclear transplantation technologies.

I hope that my colleagues will join me in supporting this legislation that will ban human reproductive cloning but will promote the development of regenerative medicine. We must make reproductive cloning illegal and provide for stiff criminal penalties. This bill accomplishes these all-important goals. Also, this legislation allows invaluable scientific research to go forward under strict ethical standards, thereby establishing a policy that both respects human life and encourages the advancement of medicine.

Regenerative medicine technologies such as nuclear transplantation hold out significant hope for those people who suffer from devastating and debilitating medical conditions. Cures for horrific diseases may one day be a reality. We should not allow these promising areas of research to go untapped, and we should pursue scientific breakthroughs that will improve the quality of life for millions of people. I am pleased to stand in support of regenerative medicine alongside former President Ford, former First Lady Nancy Reagan, the American Pediatric Association, the Juvenile Diabetes Research Foundation, and 40 American Nobel Prize winners.

LT. CMDR. A. JASON BAYER

Mr. ENSIGN. Mr. President, I stand before you today with a heavy heart. On Thursday, March 28, this country lost one of its prized sons. Lt. Cmdr. A. Jason Bayer was killed during a search and rescue training mission on a rugged Sierra Nevada Ridge.

The son of Arthur Bayer of Carson City, NV, and the late Merry Ann Bayer, Jason's success as a fighter pilot was determined early in life. As his father recalls, the very first word out of his mouth was "jet."

Growing up in Carson City, Jason was a star student, an avid athlete, and a loyal friend. Jason graduated from Carson City High School in 1986 and the University of Southern California in 1990. Commissioned to the Navy later the same year, he was accepted to the Naval Aviators Officer Candidate School, from which he was an honor graduate. He graduated first in his class from Intermediate Jet Flight Training, and then first in his class from Advanced Jet Training. Jason was stationed in Japan then was a flight instructor at Cecil Field in Florida and graduated from the Navy Test Pilot School in Maryland. Most recently, he was a test pilot in the Naval Weapons Test Squadron at China Lake. Jason's career was distinguished. He earned the VT 22 Eagle "Top Hook" award, the Meritorious Service Medal, and the Navy and Marine Corps Achievement Medal. Each achievement in his career took him closer to his ultimate goal of becoming an astronaut. His love for flying and the military and his devotion to God and this country never wavered and was only paralleled by his love for his family and friends. His lifelong friend, Dan Bernal, described him as "a true patriot."

I share these details of Jason's life with you so that his wife Anne, their one-year-old daughter, Gabriella, and their unborn son, Jason Christian, will have one more thing by which to remember him. Anne and Jason were blessed with 6 years of marriage. Although cut short, they were filled with many wonderful memories. But for Gabriella and her brother, stories and pictures of their father are all that they will have. In speaking to Anne about her husband, I quickly learned what a remarkable and strong person she is as well. Jason's legacy and their children are in wonderful hands.

As an F/A–18 Hornet fighter pilot, Jason was prepared to fight for his country no matter what the cost. He was focused on his mission as a pilot, and he never lost sight of his dream to challenge the sky's limits and be the first man on Mars. With our loss of Jason, I am reminded of our loss of seven valiant astronauts on January 28, 1986, on these space shuttle *Challenger*. Jason was a senior in high school with a bright future when President Reagan spoke of the astronauts' final journey in which they "slipped the surly bonds of earth" to "touch the face of God."

Jason is surely touching the face of God today. His service and dedication earn him a place among the outstanding men and women who risked their lives in the name of freedom and in the end made the ultimate sacrifice. Jason's life was cut tragically short, but his time here is an inspiration to me and an example of a true American hero for us all.

God bless Lt. Cmdr. Jason Bayer, and God bless his family.

Mr. REID. Mr. President, I applaud my colleague from Nevada for his heartfelt remarks concerning the tragic death of Lt. Cmdr. A. Jason Bayer. I rise today to honor this outstanding individual, a patriot, and I agree that this country, and more importantly Nevada, has lost one of its cherished sons.

It is with deep sorrow that I make this statement to you today on the Senate floor. Anne, please accept my sincerest condolences for the loss of your husband.

Jason made the ultimate sacrifice while conducting a search and rescue training mission in the rugged Sierra Nevada Mountains. He truly is an American hero. You should be extremely proud of your husband, and I want you to know that citizens in Nevada and across this great nation appreciate his selfless service. Your daughter Gabriella and your unborn son, Jason Christian, will forever know the dedication and patriotism of their father.

Mr. President, I am very proud of Jason's patriotism and devotion to duty. I am also extremely grateful for his exemplary service to our country. I know all Nevadans feel the same way. My thoughts and prayers are with you and your family throughout these difficult times.

THE UNTOLD STORY OF MURDER-SUICIDE IN THE UNITED STATES

Mr. LEVIN. Mr. President, according to a report on murder-suicides released last month by the Violence Policy Center, a firearm is the weapon most frequently used to murder the victims, with the offenders then taking their own lives. The study notes that easy access to a gun was the decisive component for almost all of the murder-suicides. Of the 54 murder-suicides reviewed in this study, 52 were firearm-related. If these people had not had access to a firearm, some of these deaths may not have occurred.

There is a piece of legislation in the Senate I believe would help prevent easy access to firearms by felons, those determined to be mentally ill by a court, those individuals with domestic violence misdemeanors and restraining orders, and others prohibited by law from owning a firearm. In April of last year, Senator JACK REED introduced the Gun Show Background Check Act. The Reed bill, which is supported by the International Association of Chiefs of Police, extends the Brady bill background check requirement to all sellers of firearms at gun shows. I cosponsored that bill because I believe it is critical that we do all we can to prevent guns from getting into the wrong hands.

Mr. President, I believe this piece of legislation would be one of many things we can do to address the problem of easy access to guns.

THE HOME HEALTH MODERNIZATION ACT OF 2002

Mr. HUTCHINSON. Mr. President, I rise today, as an original cosponsor of the Home Health Modernization Act of 2002, to express my strong support for a clarification of the definition of "homebound" with respect to eligibility for home health services under the Medicare program.

I want to tell you about Ms. Pamela Wolfenbarger of Fayettevelle, AR. Ms. Wolfenbarger is a quadriplegic as the result of an accident and has devoted the last twenty years to raising her son. Now that her son is grown, she would like to return to school so that she might become more self-sufficient financially. Due the current Medicare homebound policy, Ms. Wolfenbarger is unable to do so, nor can she leave her home to go clothes or food shopping, despite offers of assistance from a tremendous support group in her community. Ms. Wolfenbarger needs the services of a home health nurse to assist her in personal care, dressing, and transferring from her bed to her wheelchair.

The current Medicare statute states: "While an individual does not have to be bedridden to be considered to be confined to the home, the condition of the individual should be such that there exists a normal inability to leave home, that leaving home requires a considerable and taxing effort by the individual, and that absences from the home are infrequent or of relatively short duration, or are attributable to the need to receive medical treatment".

Problems have arisen because the terms "infrequently" and for periods of "relatively short duration" are comparative terms with no point of comparison, which has led the Centers for Medicare and Medicaid Services to interpret the statutory coverage criteria for home health as requiring patients to remain in their homes virtually at all times, except those times specifically excluded in the statute, in order to remain eligible for coverage of home health services. As a consequence, many beneficiaries who are dependent upon Medicare home services and medical equipment for survival, including Ms. Wolfenbarger, are being unnecessarily restricted to their homes out of fear that they will lose their home health benefits.

I believe we need to correct this problem for people like Ms. Wolfenbarger, and that is why I have joined Senators COLLINS, BOND and CLELAND in introducing S. 2085, to clarify the homebound definition. Under this important legislation, the current requirement that beneficiaries be allowed "only infrequent absences of short duration" would be eliminated. By doing so, reasonable absences from the home will be allowed and we will bring the home health benefit into the 21st century. I urge my Senate colleagues to support the Home Health Modernization Act of 2002.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred on May 19, 2001 in Fargo, ND. Two black men were assaulted late at night outside of their apartment. Just prior to the assault, the assailants used racial epithets directed at the victims. Angela Schussler, Thomas Schussler, and Robert Schussler were arrested in connection with the incident, which police described as being "racially motivated."

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

EARLY MILLER: BIRTH OF A PLAYWRIGHT

Mr. KENNEDY. Mr. President, I would like to commend to my colleagues an article from the New York Times reviewing a new production of Arthur Miller's play, "The Man Who Had All the Luck."

Produced by the Williamstown Theater Festival last summer, this revival has earned acclaim for its extraordinary adaptation of this work by one of America's finest playwrights.

The critic has offered special praise for the lead actors, Chris O'Donnell and Samantha Mathis as well as Sam Robards.

The Williamstown Theater Festival is a tremendous organization which brings great drama to the Berkshires every summer, with some of the most talented performers and directors in the country. This production is now brilliantly staged on Broadway and I know that audiences will enjoy this timeless and poignant American story.

I ask unanimous consent that the article from the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 2, 2002]

EARLY MILLER: BIRTH OF A PLAYWRIGHT

(By Bruce Weber)

Unthreateningly handsome, with cornfed brawn, a polite-to-old-ladies manner and an earnest bleat in the voice, the young actor Chris O'Donnell certainly has the traditional mien of the All-American boy. He's a natural for the lead role in "The Man Who Had All the Luck," Arthur Miller's 1940 play, subtitled "A Fable," about America and the burdens of unmitigated good fortune, which opened in a stirring and rich revival last night on Broadway at the American Airlines Theater. I mean, he's really a natural. Known for playing sidekicks in popular films—he was Robin in two of the "Batman" movies, and he starred with Al Pacino in "Scent of a Woman"—Mr. O'Donnell had never appeared onstage before. "The Man Who Had All the Luck" was produced last summer at the Williamstown Theater Festival.

Mr. O'Donnell played the title character, David Beeves, a young Midwesterner who, with seemingly unearned fate, gets the girl, the business, the land and the legacy, while all of those around him fall victim to life's vicissitudes and suffer enormous disappointments. His performance then made it clear that some gifts—like effortless charisma and physical certainty—do indeed descend on some people as if ordained.

And now, as he leads a splendid cast in a production directed by Scott Ellis that the Roundabout Theater has imported largely intact from Williamstown, Mr. O'Donnell appears, if anything, more in control of a character who is blessed (and cursed) with being preternaturally in control. It's a remarkably complex and counterintuitive performance. You can't be naïve and play naïveté so well; nor can you be conscience stricken and play ambivalence with such conviction.

The play, written by Mr. Miller when he was 25, was his first to appear on Broadway, where, in 1944, it closed after four performances. And from the current production you can understand why producers would take a chance on a youthful playwright and why audiences and critics were not so eager to join them. It is a serious, ambitious work by a precocious and perhaps over-reaching young writer, populated by characters with blunt purpose; a little slow moving, particularly in the opening act; and a little pedantic, particularly in the third (and closing) act. Reviewing the original production in The New York Times, Lewis Nichols said, with a yawn: "'The Man Who Had All the Luck' lacks either the final care or the luck to make it a good play. But it has tried, and that is something."

What no one could have known of course is what Mr. Miller would go on to accomplish ("Death of a Salesman" was only five years away) and I can think of no other revival that is so enriched by retrospective knowledge. Anyone interested in Mr. Miller's career, which has had an extraordinary reconsideration in recent seasons, will be fascinated by the strong roots he planted in this early play.

Indeed, those who have seen any of the fine revivals of recent vintage on Broadway—including "Salesman," "The Price," "A View From the Bridge," "The Ride Down Mount Morgan" and "The Crucible," which is currently at the Virginia Theater—are likely to find their appreciation of those plays enhanced by a viewing of this one. Here are the issues of brotherly competition and fatherly betrayal that Mr. Miller explored again and again. (The scene in "Salesman" in which Willy Loman's egregious betrayal of his family is revealed to his elder son, Biff, has a clear antecedent here.)

Here are the admonitions against succumbing wholeheartedly to the lures of capitalism and against the sanctimony of ugly-Americanism. Here is the pained ambivalence of Mr. Miller toward the so-called American dream and the agony of a citizen playwright over a wayward national conscience.

All of these things were excitingly evident when I saw the production last summer, but a couple of other contextual elements weren't. One is the recent opening, 10 blocks north, of "Oklahoma!," the revived 1943 musical in which Rodgers and Hammerstein presented a far different picture of America than Arthur Miller ever has. The director of that show, Trevor Nunn (who is British) and the choreographer, Susan Stroman, have uncovered in it the more ominous underpinnings of the national character. But even so, "Oklahoma!" ends with a frontier trial that explicitly vindicates our hero, the symbolic and joyous triump of expanding democracy.

Contrarily, at the conclusion of "The Man Who Had All the Luck," David Beeves, a man who has made a great life the way the founding fathers made a great nation, simply by landing in the right place and seizing the awesome opportunity, remains a self-doubter. He has just dodged one more bullet, and future prosperity, embodied by his newborn son, seems assured to everyone except himself.

In the aftermath of Sept. 11, David's uncertainty seems especially poignant and prescient, and especially opposed to the bull-headed optimism of "Oklahoma!," whose most comic character is a lovable peddler (American enterprise at work!) who happens to be from the Middle East.

In other words, this production of "Luck" has a fair amount of luck itself, at least in its remarkable timeliness. The rest of its appeal can be attributed to skill.

To begin with, the play is presented on Allen Moyer's handsome sets—the garage that houses David's auto-repair business and the home he takes over with his new wife after the death of her father—that share a vaulting back wall that suggests the unadorned roominess of the American plains. (The props include a magnificent automobile, a 1930 Marmont.)

And the play itself evinces the staunchness that has always characterized the construction of Mr. Miller's work. This is a drama with a fully thought-through dramatic arc and nine large roles, even though, like an apprentice carpenter, Mr. Miller banged in a few crooked nails. When the villainous father of David's fiancée is run over by a car, even the man's daughter shrugs and moves on without a sign. And the play's structure is long on fundamental theme-fulfilling and short on subtlety.

Several characters, for example, exist to make a single point, that most people succumb to a fateful flaw: J.B. Feller (Richard Riehle), a successful local businessman who invests in David's future, undermines his wish for a son with his drinking. Shory (Dan Moran), a wheelchair-bound veteran, curtailed his own sowing of wild oats with his penchant for whoremongering. Dan Dibble (Mason Adams), an elderly farmer who made a fortune raising mink, foreshadows his own personal calamity with a speech about the necessity of looking after your interests with unremitting vigilance.

All the actors are fine, and they've been welded into a nifty down-home-feeling ensemble by Mr. Ellis. Mr. Adams is marvelously crotchety and self-absorbed in the part, never more so than when he delivers this speech, which defends the principles of capitalism and mink farming. It's a set piece, much like the scene in which a baseball scout, played with the blunt and entertaining élan of caricature by David Wohl, explains his search for the source of a ballplayer's incurable flaw. It's a grand character turn, and a fine use of the sport as a metaphor for the American soul.

Sam Robards, who plays Gustav Eberson, an Austrian immigrant whose expertise and dreams become subservient to David's naturally endowed privileges, hits just the right notes of modesty and gratitude of someone who has bought into the fabled promise of our country. The early scene in which he enters David's garage and helps him repair the Marmont is a finely, sweetly evoked illustration of the forging of a lifelong bond.

The one new cast member is Samantha Mathis, who plays Hester Falk, David's fiancée and then wife. This is the play's only significant female role, which tells us something, I think, about the playwright's youth. Wisely, Ms. Mathis plays the part with the undemonstrative but cheering support of midcentury wifeliness, and as a couple she and Mr. O'Donnell are the image of a small town's favorite sweethearts.

The two of them, like the play itself, evoke another era altogether. As David's persistent fortune makes him ever more paranoid—he's convinced it's only a matter of time until fate cruelly catches up with him—she grows desperately helpless. In the middle of the 20th century it was crazy to think that a good-looking young American didn't deserve a golden existence, or that America was living under the sword of Damocles.

Wasn't it?

CLERGY HOUSING ALLOWANCE CLARIFICATION ACT

Mr. HUTCHINSON. Mr. President, I rise today to express my strong support for the passage of the Clergy Housing Allowance Clarification Act. This important legislation, of which I am a proud cosponsor, will affect the thousands of clergy throughout this country who tirelessly work for so many of us with little regard for their own financial well-being.

I have heard from countless Arkansans who are very concerned that if this legislation is not enacted, the 81-year-old housing tax exclusion for members of the clergy could be eliminated. This in turn would force a devastating tax increase on the many American clergy who can little afford to take on such a large financial burden.

I believe that this legislation needs to be passed today to ensure that clergy of all faiths and denominations can continue to receive the parsonage housing allowance exclusion. This bipartisan legislation was passed overwhelmingly in the House by a vote of 408 to 0, and I applaud my colleagues in the Senate for seeing fit to pass this bill with equal support today.

ADDITIONAL STATEMENTS

RETIREMENT OF DEPUTY COMMISSIONER OF CUSTOMS CHARLES W. WINWOOD

• Mr. DORGAN. Mr. President, on May 3rd the Federal law enforcement community will lose one of its finest civil servants. Charles W. Winwood, Deputy Commissioner of the United States Customs Service, will retire after a very distinguished 30-year career.

Mr. Winwood served as Acting Commissioner from January to September 2001. During that time he continued his longstanding and persuasive advocacy of the need to modernize Customs automated systems through the creation of the Automated Commercial Environment, often referred to as ACE. I share his strong view that ACE is critical to enforcement and trade facilitation needs. Therefore, I was especially pleased almost one year ago when Mr. Winwood announced the selection of the contractor team that will make ACE a reality.

While he was Acting Commissioner, Mr. Winwood also had the difficult task of managing Customs through the critical days immediately following the attacks of last September 11th. He immediately put the agency on Level One Alert and set the course for the commendable job that Customs is doing today on anti-terrorism and homeland security efforts.

Mr. Winwood is a graduate of Indiana University of Pennsylvania and earned a master's in management and public administration from Florida International University. He began his Customs career in 1972 after serving his country for 2 years in the U.S. Army, including a combat tour of duty in Vietnam. After service in a number of important management roles, Charles Winwood was chosen as Deputy Commissioner on June 5, 2000.

Customs was formed in 1789 and is our Nation's oldest law enforcement agency. Mr. Winwood's dedication to duty has added yet another chapter to the agency's long, proud history. As he ends his service to our Nation, I ask the Senate to join me in thanking Mr. Winwood and wishing him a long, happy and satisfying retirement.•

CONGRATULATIONS TO TECO COAL

• Mr. BUNNING. Mr. President, I rise today to congratulate TECO Coal of Somerset, KY on winning the 2002 PRIDE Rogers-Bickford Environmental Leadership Award. This award, named for my good friend and fellow Member of Congress HAROLD ROGERS and Kentucky Natural Resources Secretary James Bickford, is presented to individuals and companies throughout the Commonwealth who have proved their commitment to making Kentucky an environmentally cleaner and safer place to live.

TECO Coal was specifically honored for their involvement in community service. TECO provided quality equipment, garbage bags, and plenty of manpower for multiple cleanup activities in Letcher, Perry, Pike, and Whitley Counties at a cost of over $100,000. The company also sponsored a televised volunteer of the month recognition program on behalf of PRIDE.

Since 1908, TECO Coal has helped communities throughout Kentucky thrive in terms of economic growth, and now they have demonstrated their commitment to making the entire Commonwealth environmentally safe for current and future generations of Kentuckians.•

COMMENDING TOM AND SALLY FEGLEY, OWNERS OF TOM AND SALLY'S HANDMADE CHOCOLATES

• Mr. LEAHY. Mr. President, I rise today to commend Tom and Sally Fegley, owners and operators of the award-winning Tom and Sally's Handmade Chocolates. For over a decade, Tom and Sally have been making world-class chocolates at their Brattleboro, VT, facility.

Leaving corporate positions in New York, the Fegleys started anew in Vermont with the dream of making high quality chocolate. Starting in 1989, with little knowledge of the chocolate business, the Fegleys volunteered their time as apprentices with a Jersey City chocolatier. After learning the trade, the Fegleys remodeled a vacant warehouse in downtown Brattleboro to house their new business. Through trial and error over the years, the Fegleys have developed and perfected their superb technique for making fine chocolates. Their diligence, passion, and entrepreneurial spirit have been richly rewarded.

Tom and Sally's Handmade Chocolates is a true Vermont company. While building their business, the Fegleys have remained involved in their community, allowing school groups and tourists alike to visit their facility and learn about the chocolate-making business. Moreover, their efforts are incredibly innovative, incorporating traditional techniques for making fine chocolates with novelty packaging and light-hearted humor. No doubt, their success can be attributed as much to their creativity as to their business savvy. And with their long commitment to producing the best chocolate possible, they've brought their chocolates to the world through the Internet at www.tomandsallys.com.

Thirteen national awards and 1.5 million chocolate cow pies later, the Fegleys continue to make their amazing hand-crafted chocolate in Brattleboro. I am proud that my home State of Vermont has attracted and produced such outstanding entrepreneurs as the Fegleys.

I ask that a December article from the Rutland Herald be printed in the RECORD.

The article follows:

[From the Rutland Herald, Dec. 23, 2001]

CHOCOLATES AND LAUGHS

AT TOM AND SALLY'S HANDMADE, THE SWEETS ARE SPRINKLED WITH HUMOR

(By Ellen Ogden)

Most people will eat sweets any time of the year; but in the high spirit of the holidays, it would be tempting, if only it were big enough, to dive into a box of chocolates. Especially the handmade kind: hand-dipped and decorated with crystallized violets or fancy fillings, packaged as if each bite were a piece of gold. A joy to the eyes as well as the taste buds.

Chocolate is such a treat, you would think anyone who makes it for a living would have fun. "Truth is," says Sally Fegley, co-owner with her husband Tom of Tom and Sally's Handmade Chocolates, "many fancy chocolatiers take themselves way too seriously." Making world class chocolate involves more than just a devotion to the art. It requires expensive packaging and a marketing plan to match. But the Fegleys have learned how to play up the pleasurable side of making chocolate.

Tom and Sally's Handmade Chocolates are the best in their class—they've won 13 national awards—but many of their products are packaged in silly ways. For example, their best selling item is a chocolate cow pie, a loosely formed plop of rich Belgian chocolate mixed with a handful of nuts. The idea came to Tom one morning while shaving and they've sold over 1.5 million of these pies, expanding on the line to include a range of over 50 other animals. There are moose pies with almonds, sheep pies with hazelnuts and elephant pies with peanuts.

The irony is that Tom and Sally's Handmade Chocolates set out in 1989 to make serious chocolate. "We left high paying corporate jobs to move to Vermont and make chocolate," explains Sally. Dressed in a floppy white chef hat, blonde hair curling out from around the sides and large gold hoop earrings, Sally Fegley laughs easily. Her buoyancy seems consistent with the delightful chocolate aroma that fills the air of their 11,000-square-foot warehouse. She and Tom are wearing matching outfits, white chef top with a chocolate brown apron, each with their names spelled out in big letters.

At age 42, they were too young for retirement, but they knew they wanted to live in Vermont. It is a classic story of a couple seeking a career change. They knew they would make a good team. They also shared a love of good chocolate. "We were convinced that there was no one in the U.S. who was making first-rate chocolate and we were determined to be the first," says Sally. While still holding their corporate jobs, they devoted a year to market research. They read, consumed and visited every chocolate venue around New York City.

And since they trained in corporate America, they are highly organized and goal oriented. "From the time we left our jobs and moved to Vermont, we gave ourselves three months to find a building, build the inventory and open the store doors," says Sally. Reading and eating chocolate is one thing, but actually making it was something else. They needed hands-on experience before the big move. They offered themselves as volunteers to several chocolate makers around New York to obtain some form of basic training. But they were rejected until they looked beyond the city, and found a three-generation family-run chocolatier in Jersey City who agreed to let them in on some secrets. They both began an apprenticeship to learn about chocolate.

Everything was moving along like clockwork. They left Wall Street where she worked at Bank of America and he was at Metropolitan Life. They found a vacant building at 6 Harmony Place in Brattleboro, formerly a bar and electricians' warehouse. "Right up until the opening day, every batch of chocolate we made failed," confesses Sally. It is clear she has told this story many times. Now that they have been in business for over a decade and have won those awards, it is easier to admit to early problems. "It was still perfectly edible and delicious, but no matter what we did, the chocolate kept coming out gray and streaky."

Before a chocolatier can mold the chocolate, the chocolate must be melted or tempered. This breaks the crystals and the butterfat; but it must be done at an exact temperature that matches the original chocolate. What the Fegleys had learned to make in Jersey City was based on a domestic chocolate, while what they selected for their Brattleboro operation was a premier Belgian brand, Callebaut. This brand has a more finicky tempering habit and wasn't responding to their learned methods.

"To me, having your own business means trying on all the knowledge and all the skills you've learned in your entire life," relates Sally, who called upon an eighth grade science class when the couple had to set up an experiment involving an empirical method and deduction. They set up the marble tables with candy-making trays and thermometers and filled each while keeping close tabs on the temperature and the procedure. They finally determined that the thermometers they were using had different calibrations. "Each batch was off by as little as two degrees, but this made all the difference."

They are now so confident of their method that they offer educational tours of the process to the public every day. Located five miles north of Brattleboro on Rt. 30, Tom and Sally's is a favorite site for school children who arrive by the busload. It is a pristine facility, with an open floor plan and overhead signs explaining every step of the production. Large picture windows allow natural light, while a dozen employees are busy at the production and packing stations.

A typical tour begins in the back of the room, at the nine vats of melting milk, dark and white chocolate. Each vat holds between 125 pounds and 200 pounds of what many consider to be the finest chocolate in the world. Tom, the master of the production, is stationed at one marble table cutting slabs of caramel and marshmallow that will be combined into a layered candy and then hand dipped in dark chocolate. This, his favorite concoction, is dubbed Miss American Pie.

Sally explains that there are basically three methods of making Tom and Sally's Handmade Chocolates. They begin with shell molds, trays of high-grade plastic with decorative depressions. The molds are filled with liquid chocolate. Each chocolate piece is hand filled and hand painted, then cooled before another step in the process. It is an exceedingly skilled and time-consuming process. "The molds are imported from Europe," says Sally. "And they cost $22 apiece. We have hundreds of them." The molds, as are all of their equipment and inventory items, clearly labeled and neatly stacked according to the design motif. The high-end confections that result from this molding process sell for $34 per pound, about a dollar each.

A more mechanized method is done on what Sally loves to call the "I LOVE LUCY" machine. It is otherwise known as an enrober, a conveyor belt with a series of "waterfalls" allowing a cascade of chocolate during which each piece of fruit, créme or chocolate filling is given a chocolate coating. "Remember the 'I Love Lucy' segment?" says Sally with a wide smile. "Where Lucy and Ethel reverse roles with Ricky and Fred? They take a job at a chocolate factory," she explains in vivid detail. Unfortunately, the conveyor belt starts running too fast and they have to determine what to do with all the chocolate. "There is little choice but to fill their mouths, stuff their pockets and hide chocolate in their shirts in a vain attempt to keep up with the output of the enrobing machine," says Sally. This skit encapsulates Sally's fondness for the machine—a comedy routine that reflects her own fun with chocolate.

Finally there is the funneling method, and this is where the cow pies fit into the story. Using a large metal funnel filled with warm, tempered chocolate and equipped with a wooden stopper, two-ounce globs of chocolate are "plopped" onto a marble table. It is cooled and hardened into a solid mound of chocolate, and then packaged in a clear plastic bag with a catchy novelty tag that describes the contents in a whimsical way. The cow pies began outselling the truffles.

Each year Tom and Sally do something new to make chocolate lovers laugh. In fact they are so good at the marketing that they've had to trademark everything to prevent other companies from using their ideas. "We just spent many thousands of dollars protecting our trademark on Chocolate Body Paint," says Tom, of a product that originated as a gag present for the president of the local Rotary Club. Packaged with a paint brush, the label on the treat reads "heat to 98.6 and apply liberally." It is essentially a delicious chocolate fudge sauce for ice cream, but the name was catchy and it sells the product.

While making the best chocolate in the world is still their goal, Sally admits that their typical customer is more interested in the funny packaging. Most of their novelty chocolates are sold wholesale to over 8,000 stores across the United States. "Our niche in the world of chocolate is that we are creative," says Sally. "The best thing about having our own business is that we have the freedom to be creative," she adds. "Can you imagine trying to get approval to make something like chocolate cow pies in a corporate world?"•

MONTANA'S YOUTH OF THE YEAR

• Mr. BURNS. Mr. President, it gives me great pleasure to bring to your attention today a story about a young man that I am proud to say is from Montana.

His name is Jerimiah Tretain and he is Montana's Youth of the Year.

Jerimiah has come from what I consider the "school of hard knocks." At a young age he was abused by his father, then moved with his mother and older sister to Montana. Life has been difficult for him and The Boys and Girls Club of Billings & Yellowstone County have helped him get through some times through anger management and counseling. They are a truly wonderful organization.

It humbles me to see such a brave man conquer so many obstacles and being steered in the right direction in order to achieve his goals and dreams to enter Montana State University in Bozeman, MT, in 2003 and eventually become an architect.

I wish Jerimiah all the success in the national Boys and Girls Club competition. You make Montana proud!•

PUBLIC SERVICE RECOGNITION WEEK

• Mr. SARBANES. Mr. President, I rise today to honor and commend those who make up our Nation's workforce and who now, more than ever, make a vital contribution to the success of our Nation.

This week, from May 6th to the 12th, is Public Service Recognition Week, organized by the Public Employees Roundtable. The Public Employees Roundtable was formed in 1982 as a non-partisan coalition of management and professional associations representing approximately 1 million public employees and retirees. The mission of the Roundtable is to educate the American people about the numerous ways public employees enrich the quality of life throughout our Nation and advance the country's national interests around the world.

I am indeed proud to join the Public Employees Roundtable in their ongoing efforts to bring special attention to the dedicated individuals who have chosen public service as a career. This past year has demonstrated the crucial role of our Nation's public employees, and has highlighted the brave men and women who make up the public service workforce. On September 11th, it was the public employees of New York, Washington and Pennsylvania who responded to the tragic events of that day. And since September 11th, we have seen public employees playing a vital role in the fight against terrorism and in protecting our national security. The response of our Nation to the attacks of September 11th demonstrates the true value of our public servants.

President Kennedy once stated:

> Let the public service be a proud and lively career. And let every man and woman who works in any area of our Nation's government, in any branch, at any level, be able to say with pride and honor in future years: "I served the United States Government in that hour of our Nation's need."

September 11th was an hour of our Nation's need and our public servants rose to challenge. The first responders on the scene in New York, Washington and Pennsylvania didn't hesitate to put their own lives in jeopardy in the hopes of saving others. Many firemen died in the World Trade Center rushing in to help. Postal employees, too, continued to deliver the mail despite the loss of several of their number to the anthrax attacks last fall. And as our hour of need continues, public servants are everyday making our skies safer, investigating the acts of September 11th, and working to prevent further terrorist attacks. The remarkable bravery of these public servants is a testament to the character of our Nation's public workforce, of whom we can be infinitely proud.

The total impact of the work of public employees is impossible to measure. However, I believe very much that the United States will only continue to be a first-rate country if we have first-class public servants. On September 11th our public servants demonstrated that they were more than first-rate, they were heroic. It gives me great pleasure to extend my appreciation to such a worthy and committed group of men and women and encourage them to continue in their efforts on behalf of all Americans.•

RETIREMENT OF CARROLL BEACH

• Mr. ALLARD. Mr. President, it is my honor today to acknowledge the retirement of Carroll Beach, president of the Colorado and Wyoming Credit Union Leagues.

Mr. Beach began his tenure with the Colorado league in 1973, and since that time has brought about significant progress with that organization. The total number of credit union members in Colorado has grown from 350,000 to almost 1.4 million. These are members who, like others nationwide, own and control their credit unions. During this same period, assets in Colorado credit unions have also increased from $355 million to more than $7 billion.

With great innovation, Mr. Beach has developed a variety of high quality, fairly priced programs, products and services over the years to meet the needs of credit unions and their members. In 1997 the Wyoming Credit Union League contracted with the Colorado League for management services. Since then, all staff and resources available to Colorado credit unions are also available to Wyoming credit unions.

His record of committed service to others and dedication to cooperative principles includes the creation of the Volunteer Involvement Program, which meets the needs of credit union volunteers throughout Colorado and promotes credit union principles and philosophy. Mr. Beach has also been a member of the Credit Union National Association (CUNA) board; the CUNA Service Group Boards; Chairman of the U.S. Central Credit Union; Chairman of the Association of Credit Union League Executives (now AACUL); and a member on the National Credit Union Capitalization Commission. The Colorado Credit Union System also participates in many statewide charity organizations and is the primary sponsor of the Colorado Credit Union's Courage Classic Bicycle Tour to benefit the Children's Hospital in Denver.

The international credit union movement has also been important to Mr. Beach. Over the years, the Colorado League has worked with credit union officials in Macedonia, Romania, Poland and Ecuador in various efforts to help build credit unions in those countries.

In addition to these many accomplishments, as chairman of Credit Union House, LLC, Carroll Beach gained the cooperation and support of all leagues to build Credit Union House, which serves as a gathering location for credit union representatives as they visit Capitol Hill.

I am proud to acknowledge the retirement of this very accomplished man, Mr. Carroll Beach.•

IN MEMORY OF SENIOR CUSTOMS INSPECTOR THOMAS MICHAEL MURRAY

• Mr. BREAUX. Mr. President, as we address the importance of seaport security and homeland defense, we must remember the bravery and courage of the Federal, State and local law officers who place their lives on the line to protect us.

On October 30, 2001, Senior Customs Inspector Thomas Michael Murray tragically gave his life while inspecting a vessel loaded with scrap metal in the Port of Gramercy, LA. Mr. Murray was asphyxiated while he was conducting an inspection of the commercial vessel, M/V *Sakura* I.

Mr. Murray is survived by his wife and six children. Mr. Murray served with distinction in the U.S. Customs Service for 26 years. That is an extraordinary record of dedicated public service for which the people of Louisiana and our Nation owe a debt of gratitude to Mr. Murray and his family.

As Mr. Murray's personal family and extended Customs family assemble to remember his life, his passing reminds us that we must always look for ways to protect the brave officers who protect us each and every day.•

TRIBUTE TO THE LATE HUNG WAI CHING

• Mr. INOUYE. Mr. President, recently, I was made aware of an extraordinary eulogy delivered on February 23, 2002, at the memorial services of an old and dear friend, Mr. Hung Wai Ching. It was delivered by a comrade-in-arms, Mr. Ted Tsukiyama. I urge my colleagues to read this inspiring eulogy. It describes an important chapter in the history of Our Nation.

I ask that this eulogy be printed in the Record.

The eulogy follows:

Hung Wai Ching: A Eulogy

Hung Wai Ching was a true and great hero of the Hawaii homefront during World War II. With his passing last February 9, 2002, Hawaii has lost the last survivor of those few wartime leaders who believed in the underlying loyalty of the Japanese in Hawaii, who courageously stood up and spoke up in the face of racial animosity and wartime hysteria to fight and win back for the Nisei the opportunity to demonstrate their loyalty to America.

Hawaii was indeed fortunate that Hung Wai Ching was appointed to the key and critical Morale Section of the Military Governor's office which served as liaison between the Military Government and the civil population to maintain and preserve the morale, peace and stability of a community at war. One of the main jobs of the Morale Section was to stabilize and prevent possible explosive race situations. Reprisals against the Japanese people had to be prevented. Roughneck whites and blacks amongst the thousands of defense workers pouring into Hawaii had to be kept in line working in harmony. When news of the "Bataan Death March" reached Hawaii, Hung Wai rushed out to the plantations to find the Filipino workers sharpening their cane knives. He told them: "Hey, you sharp da knife, eh? Good! You be ready. But no use da knife until I give you da signal, OK?" Hung Wai's "cane knife army" had to wait patiently throughout the whole war, because Hung Wai never gave the signal.

Hung Wai reported directly to FBI Chief Robert Shivers and to Army Intelligence Col. Kendall J. Fielder, who had unlimited authority to preserve the internal security of Hawaii, and to detain anyone deemed a security risk. There were any number of Japanese in Hawaii who, unbeknownst to them, were released early from detention or were never detained at all, because of Hung Wai's intervention. When General Emmons first arrived in Hawaii, he called in Fielder and asked him, "Fielder, how many Japs did you take in today?", but after consultation with Hung Wai, Fielder refused to make blanket quota arrests, even at the risk of court martial and his future military career. The tragic wartime mistake of mass evacuation and internment of Japanese was not repeated by Hawaii's military and intelligence leaders, largely because of calm and reasoned behind-the-scenes consultation from advisors like Hung Wai Ching.

The Morale Section concentrated its efforts on the Japanese, because after the Japanese sneak attack on Pearl Harbor, Hung Wai knew that everyone who was of Japanese ancestry, alien or citizen alike, were "behind the eight ball." Pearl Harbor was still in smoking ruins. A Japanese invasion of Hawaii was expected any day. Rumors of Japanese disloyalty was rampant. Nisei soldiers of the 298th Infantry had their guns taken away. The draft status of all Nisei was changed to "enemy alien", ineligible for military service. The President of Mutual Telephone Company proposed that all Japanese be evacuated to Molokai. There was widespread fear and distrust against the Japanese in Hawaii and grave questions as to their loyalty to country.

But Hung Wai had no question or doubt whatever of these same people he grew up with, his classmates all the way up to the University, those that he lead in the YMCA programs. But he knew that people in Hawaii and the general American public at large would never be convinced of the loyalty of Japanese Americans until they could get back into the armed services, bear arms, fight, and even die for their country. So the most significant contribution Hung Wai Ching made during the war was the direct role he played in helping Japanese Americans regain the opportunity to bear arms and to prove their ultimate loyalty to country. This is that story.

On December 7, 1941, the UH ROTC cadets which had been called to duty were converted into the Hawaii Territorial Guard, the HTG, and were assigned to guard vital buildings and installations on Oahu. Six weeks later, on January 19, 1942, the War Department had discovered to its horror that "Honolulu was being guarded by hundreds of Japs in American uniforms," all HTG soldiers of Japanese ancestry were discharged. Most of them returned to the University where Hung Wai met, consoled, counseled and inspired a group of confused, bitter and disillusioned Nisei to offer themselves to the Military Governor as a labor battalion. I was one of them. I remember his key pitch was: "So they don't trust you with rifles, maybe they'll trust you with picks and shovels." "Picks and shovels???" Here, Hung Wai was asking guys who were trying to get a college education to escape a future of plantation labor to volunteer to go back to manual labor! But considering the desperate situation they were in, Hung Wai made sense. So, in the end, 169 Nisei signed a petition to the Military Governor offering themselves as a labor battalion. Hung Wai took that Petition to Col. Fielder to assure that the Petition would be accepted by the Military Governor. The group was called the "Varsity Victory Volunteers" and were assigned to the 34th Construction Engineer Regiment at Schofield Barracks to perform essential defense construction work for the next 11 months.

As the acknowledged "Father of the VVV" Hung Wai took a paternal interest in his VVV boys and showed them off at every chance. In December 1942, Col. Fielder asked Hung Wai to escort the Assistant Secretary of War, John J. McCloy, the most powerful man in the War Department, on a field inspection trip. Hung Wai made sure that McCloy saw the VVV Quarry Gang cracking rocks and operating the quarry up at Kolekole Pass and told him, "those are all Nisei university boys who gave up their education to do their part for the war effort." Could it have been a mere coincidence that five-six weeks later, President Roosevelt announced the formation of an all Nisei combat unit and called for volunteers. This was exactly the ultimate objective of the VVV and the chance they had been working and waiting for, so the VVV voted to disband on January 25, 1943 so that they could volunteer for the 442nd. Thus, it was the VVV which had been inspired and initiated by Hung Wai Ching that proved one of the key factors leading to the decision to allow the Nisei to fight for country by the formation of the 442nd Regimental Combat Team, and the rest is well known to history.

Hung Wai then adopted the 442nd in place of his disbanded VVV boys, and used his connections with War Department to assure that the 442nd be given every opportunity and fair treatment to succeed. When Hawaii's 442nd volunteers sailed out of Pier 11 on the Lurline troopship, Hung Wai was one of the few persons allowed on the Pier to see them off. Five days later when the Lurline sailed into San Francisco, there standing on the pier to greet the 442nd boys was Hung Wai Ching. He had flown up to California to meet and request that General DeWitt treat these volunteers with dignity and to withdraw any armed guards along the route because "these were not Japanese POW's, they were American soldiers." Then Hung Wai asked the General if the 442nd could be given overnight passes so that they could eat chop suey in SF Chinatown. The General thought he was crazy. Imagine, Hung Wai was asking the very same man who had ordered 120,000 Japanese to be evacuated from the West Coast and imprisoned into American concentration camps to allow 2,452 "buddahead soldiers" to roam around the City of San Francisco. Crazy it was, but it shows how much Hung Wai tried "to take care of his boys."

When the troop trains pulled into Camp Shelby, Mississippi, the boys were greeted with the comforting sight of Hung Wai standing at the train station. He had just returned from a War Department visit where he tried to get the training site of the 442nd moved out of the South to a more racially tolerant Midwest. Secretary McCloy told him the decision was already made but authorized Hung Wai to travel to Camp Shelby to oversee the organization of the 442nd. At that time, the City of Hattiesburg, Mississippi was in uproar over the news, "Jap regiment to train at Camp Shelby!". First thing, Hung Wai met with the editor of the Hattiesburg American and the Chief of Police to tell them that "These were not Japs, these were American soldiers who had volunteered to fight for their country." Thereafter, the "Go Home Japs" editorials ceased and the "Japs Not Wanted" road signs disappeared. Hung Wai saw to it that the 442nd got its own USO and that it was located on the white side of the then still-segregated Hattiesburg. An old-fashioned Southern Baptist minister had been appointed as the first 442nd chaplain but Hung Wai got the Army Chaplain's Corp to replace that chaplain with Hawaii's own Reverends Masao Yamada and Hiro Higuchi. These are some of the reasons why Hung Wai Ching is one of the first to be named an Honorary Member of the 442nd Veterans Club.

Earlier, in May, 1942, Col. Fielder had assigned Hung Wai to observe and monitor the formation of the Hawaiian Provisional Infantry Battalion, predecessor to the famed 100th Infantry Battalion. Hung Wai was instrumental in assuring that the 100th would be staffed and led into battle by Hawaii-born officers like Col. Turner, Maj. Lovell, Captain Johnson and Captain Kometani. Hung Wai monitored the progress of the 100th through its training, maneuvers and overseas Italian and French battlegrounds, and everywhere he went and spoke, he extolled the exploits and distinguished battle record of "The Purple Heart Battalion." And this is why Hung Wai is named as one of the exclusive Honorary Members of the 100th Infantry Battalion Veterans Club.

Back at Camp Shelby, Hung Wai tells us the high brass of the 442nd were going crazy trying to figure out who this "Bossy Chinaman" was, always accompanied by ranking officers and who could order all kinds of changes in the 442nd organization. Little did they realize that backing up his demands was the authority of General Emmons, Military Governor of Hawaii, Joe Farrington, Hawaii's Delegate to Congress, Secretary McCloy of the War Department, and eventually the White House itself. Early in the War, Hung Wai's influential Quaker friend had introduced him to Eleanor Roosevelt and they quickly became good friends. She gave Hung Wai an open invitation to visit the White House any time. On one of those visits, as Hung Wai was telling Mrs. Roosevelt about the "Japanese situation in Hawaii," she said, "The President should hear this," and took Hung Wai upstairs to talk to President Roosevelt. Hung Wai remembers they talked for 40 minutes but he was so nervous and excited that when the President offered to light his cigarette, he put it in his coat pocket as a souvenir and burnt a hole in his new suit. But he remembers the one thing he told the President was that General Emmons and FBI Chief Shivers were doing a great job, had the situation well in hand, and that there was no necessity for a mass evacuation of Japanese from Hawaii. As we all know, Hawaii never suffered the same tragedy of mass internment of Japanese as happened in the West Coast of America.

After returning from Camp Shelby, Hung Wai went on speaking tours to countless business groups and civic organizations praising the military record and achievements of the 100th and 442nd. His constant message and plea was: When the boys come home from the wars, accept and treat them as full American citizens, open up greater job opportunities for them, and help them finish their education and vocational training. And after the war, Hung Wai led the way in helping the returning veterans rehabilitate back to civilian life, to go back to their old jobs or get placed into banks and Big Five jobs previously inaccessible to persons of Japanese ancestry. He headed the Veteran's Memorial Scholarship Fund and obtained scholarship aid to help needy veteran finish their schooling and vocational training.

One of Hung Wai's favorite scholarship stories is about a veteran who needed help to go to journalism school, and Hung Wai tapped one of the Big Five businessmen for funds to finance this veteran's schooling. Hung Wai says that donor went to his grave never knowing or realizing that he had helped finance the education of Koji Ariyoshi who was to become publisher and editor of the Honolulu Record, the chief critic and anti-Big Five newspaper in Honolulu. Hung Wai told me of another of his VVV and 442nd boys who was attending Chicago Law School who called and asked Hung Wai if he could get a loan of $300 to finish law school, so Hung Wai sent him the $300. Hung Wai says, "You know, after that guy came back to Hawaii he not only paid back the $300 but he contributed every year many many times over the $300 so that others could get the same breaks." That veteran became the leading labor lawyer in Hawaii and ended up as a Justice of the Hawaii Supreme Court. His name was Edward Nakamura.

But one of the most notable persons he helped was not a veteran, but no less than the former FBI Chief Robert Shivers himself. One day Hung Wai got a call from Shivers who said he wanted to retire in Hawaii and asked Hung Wai to help him get the U.S. Collector of Customs job for Hawaii. The local Japanese community raised funds to send Hung Wai to Washington, D.C., to see Mrs. Eleanor Roosevelt, where he told her how much Shivers had done for the people of Hawaii during the War and was well deserving of the job. Mrs. Roosevelt said, "All right, I'll go talk to Henry." Hung Wai asked, "Who's Henry?" "Henry" was none other than Henry Morganthau, Secretary of the Treasury and head of the U.S. Customs. A few days later, Mrs. Roosevelt called Hung Wai back and said, "Tell Mr. Shivers everything is all arranged." Then Hung Wai tell me, "You know, I really wanted that Customs job myself." He comes up close and gives me a jab with his bony elbow and says, "Hey, as Collector of Customs, I could control the opium trade to Hawa'i and become a millionaire." As we all know, Hung Wai ended his life far from being a millionaire. In fact, it has to be said that Hung Wai never used his wartime position of power nor his high placed contacts to gain benefit or profit for himself. It was always used for the good and benefit of others.

Hung Wai Ching's place in Hawaii's wartime history is secure. At the Centennial celebration of Japanese immigration to Hawaii held in 1986, Hung Wai Ching was nominated as one of the 24 non-Japanese and the only one of Chinese ancestry who had made significant contributions and support to welfare and progress of Hawaii's Japanese during their 100 year history. Hung Wai has been recognized as a national historical figure. Hung Wai called me one day not too long ago and said, "Say, my grandson, Christopher, called me from Los Angeles all excited and telling me, 'Grandpa, Grandpa, I saw your picture in a museum.'" So Hung Wai asked me what kind of museum would be showing his picture, and I tell him, it's the National Japanese American Museum in Los Angeles and they have a photo and a story about you in the history of the Japanese American experience during World War II. Go see it when you go to LA. Next time I saw Hung Wai after a trip to Los Angeles, he reported that he did go to the Museum but they wanted him to pay admission to get in. He told them, "You got my picture in there. I just want to go in to see my picture." The lady says, "Five dollars please." So Hung Wai turned around and walked away. So I got after Hung Wai telling him, "Hung Wai, you tight Pake, you. You don't want to shell out $5.00 to go in and see how much all the Japanese in the United States remember you, honor you, and want to thank you for all you did for them!"

And Hung Wai's place in history was revealed directly to his son, King Lit, one day in New York when he was introduced to a mainland-born 442nd Veteran who asked him "If your name is Ching, do you know Hung Wai Ching?" King Lit told this story to his father and said, "When I told him Hung Wai Ching was my father, he really flipped. And as he told me all about you, he cried, Pop, the man cried! It was kind of embarrassing but then I was so proud." All of us 442nd veterans know exactly how that veteran felt. He shed tears of gratitude. He cried for all of us.

It is time to say "Goodbye" to Hung Wai.

So on behalf of all of "his boys," I will simply say:

"So long, Hung Wai."

"You did one helluva job for us."

"Thanks for everything."

"Aloha."●

HONORING JIM McCORD

● Mr. BUNNING. Mr. President, today I pay tribute to Jim McCord of Fort Thomas, KY. Yesterday in San Diego, Mr. McCord officially began his 3,000-mile, 6-month journey in an effort to educate the American people about the ill effects of diabetes. On this cross-country jog, Mr. McCord will run 20 miles a day for the first 2 months, then 25 miles, then 30, resting every third day until he reaches Washington, DC on October 30.

Since the time she was just 9 years old, Maggie McCord, Jim McCord's daughter, has suffered from Type I diabetes. For 11 years now, Maggie has given herself three to five shots a day. Having diabetes also puts Maggie at a much higher risk for heart attacks, strokes, vision loss and limb amputation. Furthermore, she has a 67 percent chance of dying before the age of 55. In sharing in these day-to-day battles with his daughter, Jim McCord has learned countless facts about diabetes and has come to realize just how little the American public knows about this deadly disease. Sixteen million Americans are currently suffering from diabetes. Every year, diabetes kills about 68,400 individuals. This figure is slightly higher than the victims of breast cancer and AIDS combined. These and many other numbers are the reason why Jim McCord sold his house in Fort Thomas, bought a camper, put his real-estate career on hold and recruited friends to accompany him on his quest. This journey will not be about raising money for diabetes but raising public awareness. Mr. McCord's mission is to help this Nation understand diabetes and the effects it has on millions of Americans. If he can first educate the public, he can then empower them with a sense of belonging and unite them in his mission.

I applaud Mr. McCord for his devotion to family and his devotion to the health of this great Nation. Diabetes is a truly terrible disease that affects households from Kentucky to California. Sometimes, to obtain our goals, we must make sacrifices. Jim McCord has sacrificed his home and career, but in the end, he will have made a difference from coast-to-coast.●

HONORING THE REV. DR. CALVIN McKINNEY

● Mr. TORRICELLI. Mr. President, I rise today to recognize the outstanding career of Rev. Dr. Calvin McKinney, Pastor of the Calvary Baptist Church of Garfield. For the past 30 years, he has given dedicated and distinguished service to his community.

Rev. Dr. McKinney, a native of Passaic, NJ, has lead a remarkable and memorable life with many accomplishments such as serving as the youngest Moderator in the history of the North Jersey District Missionary Baptist Association. Additionally, he served from 1996 to 2000 in an unprecedented tenure as one of the youngest Presidents in the history of the 300,000 member General Baptist Convention of New Jersey.

In addition to his role as Pastor of the Calvary Baptist Church, Rev. Dr. McKinney has served his community in numerous capacities ranging from Commissioner of the Housing Authority of the City of Passaic, NJ to Executive Board member of the Garfield/Lodi, NJ Branch of the NAACP.

Under the leadership of Rev. Dr. McKinney, the Calvary Baptist Church has enjoyed tremendous growth and development in its membership and its ministry to the community. It is my firm belief that Rev. Dr. McKinney will continue this fine tradition of community service in the years to come, and will serve with distinction as both Pastor to his community and father to his three children.

I am proud to recognize the many accomplishments and contributions of Rev. Dr. Calvin McKinney and I am confident that the Calvary Baptist Church will continue to flourish under his leadership.•

BRIG. GEN. BRUCE H. BARLOW

• Mr. ALLARD. Mr. President, I want to take a moment to commemorate Brigadier General Bruce H. Barlow, 7th Infantry Division, Light, and Fort Carson Assistant Division Commander/Deputy Commanding General, Central, Fifth United States Army, who died Wednesday while on temporary duty at Offut Air Force Base, Nebraska.

General Barlow, a 1972 West Point graduate, had been stationed at Fort Carson since August 2000. As Maj. Gen. Charles Campbell, 7th Infantry Division and Fort Carson commander, said: "General Barlow was a valuable member of the Mountain Post team and we will miss him."

General Barlow graduated from the United States Military Academy and earned a Masters from the Naval War College. He was 51 years old. Our thoughts and prayers are with his wife, Sandra, his son First Lieutenant Christopher Barlow, and daughter, Kelly Barlow.•

MARYLAND DEVELOPMENTAL DISABILITIES COUNCIL 30TH ANNIVERSARY

• Mr. SARBANES. Mr. President, I rise to recognize and congratulate the Maryland Developmental Disabilities Council as it celebrates its 30th anniversary. An organization composed of individuals with developmental disabilities and their families, representatives of principle State agencies, and representatives of private non-profit organizations, the Maryland Developmental Disabilities Council has been at the cutting edge of national disability policy.

The Council's many achievements stem from an unwavering commitment to the inclusion of all people with developmental disabilities in community life. The Council has worked diligently to promote self determination so that people with disabilities and their families are able to make decisions that impact their lives and are fully involved in the implementation of services and the support they receive in the community. I am pleased that this decade has seen the expansion of family support, which enables families to stay together and assists in meeting their unique needs. The strong leadership of the Council has brought about more opportunities and greater empowerment for people with disabilities and their families in Maryland.

Many Council initiatives and partnerships for the developmentally disabled have proven successful, including efforts to expand availability and accessibility of public transportation and homeownership, advocacy for children with developmental disabilities to be educated in the least restrictive environment in their neighborhood schools, access to assistive technology, and the creation of partnerships between special education personnel, service providers, students, families, and schools. Supported employment programs assure that people with disabilities have real work of their choice and receive the support they need to succeed. Since it's beginning, the Council has worked with many other Maryland organizations and government agencies to implement successful and innovative initiatives effecting systemic change and improved public policies.

As the Council celebrates its 30th anniversary, I want to again recognize its dedicated members for their tireless commitment. The Maryland Developmental Disabilities Council plays a central role in many critical initiatives and will continue to be at the forefront of efforts to encourage community inclusion and support of all citizens.•

WE THE PEOPLE . . .

• Mr. BREAUX. Mr. President, on May 4–6, 2002 more than 1,200 students from across the United States will visit Washington, DC to compete in the national finals of the We the People . . . The Citizens and the Constitution program, the most extensive education program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. I am proud that a class of 25 students from John Ehret High School in Marrero will represent the State of Louisiana in this national competition after having won first place at the state level. These young scholars from Marrero have worked diligently to reach the national finals, where they will demonstrate a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy. I applaud their teacher, Mr. George W. Allen, Jr., for his leadership and dedication to the program and his students.

The 3-day long event, modeled after hearing in the U.S. Congress, consists of oral presentations by high school students on constitutional topics followed by a period of questioning by a panel of adult judges who probe their depth of understanding and ability to apply their constitutional knowledge.

I wish these constitutional experts the best of luck at the We the People . . . national finals. It is inspiring to see students at the high school level successfully master the fundamental ideals and principles of our government. As competitors on a national level, these young scholars have proven their ability to achieve lofty goals, including any they may face in the future. Congratulations and best wishes to the following John Ehret High School students who represent the future leaders of Louisiana and our nation: Crystal Baum, Jeremy Beasley, Keshawn Chopin, Hong Dao, Cara Davis, Heather Deese, Sherryl Escondo, Anita George, True Ho, Courtney Joseph, Maher Judeh, Bridgette Lai, Scott Le, Marquis O'sirio, Matthew Potter, Jason Pryor, Clark Regas, Ray Rivarde, Katie Roberts, Ronald Singleton, Danielle Smith, Torea Torry, Lisa Tran, Stacy Wing, and Byron Young.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 1372) to reauthorize the Export-Import Bank of the United States, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Financial Services, for consideration of the Senate bill and the House amendment, and modifications committed to conference: Mr. OXLEY, Mr. BEREUTER, Mr. TOOMEY, Mr. GARY G. MILLER of California, Mr. LAFALCE, and Mr. SANDERS.

From the Committee on Government Reform, for consideration of section 7 of the Senate bill, and modifications committed to conference: Mr. BURTON of Indiana, Mr. HORN, and Mr. WAXMAN.

The message further announced that the House has passed the following bill, which it requests the concurrence of the Senate:

H.R. 2604. An act to authorize the United States to participate in and contribute to the seventh replenishment of the resources of the Asian Development Fund and the fifth replenishment of the resources of the International Fund for Agricultural Development, and to set forth additional policies of the United States towards the African Development Bank, the African Development Fund, the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development.

At 3:02 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 2604. An act to authorize the United States to participate in and contribute to the seventh replenishment of the resources of the Asian Development Fund and the fifth replenishment of the resources of the International Fund for for Agricultural Development, and to set forth additional policies of the United States towards the African-Development Bank, the African Development Fund, the Asian Development Bank, the Inter-American Development Bank, and the European Bank for Reconstruction and Development; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 255: A resolution to designate the week beginning May 5, 2002, as "National Correctional Officers and Employees Week."

By Mr. LEAHY, from the Committee on the Judiciary, without amendment:

S. 1644: A bill to further the protection and recognition of veterans' memorials, and for other purposes.

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment:

S. 2431: A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LEAHY for the Committee on the Judiciary.

Julia Smith Gibbons, of Tennessee, to be United States Circuit Judge for the Sixth Circuit.

Leonard E. Davis, of Texas, to be United States District Judge for the Eastern District of Texas.

Andrew S. Hanen, of Texas, to be United States District Judge for the Southern District of Texas.

Samuel H. Mays, Jr., of Tennessee, to be United States District Judge for the Western District of Tennessee.

Thomas M. Rose, of Ohio, to be United States District Judge for the Southern District of Ohio.

Paul G. Cassell, of Utah, to be United States District Judge for the District of Utah.

Steven M. Biskupic, of Wisconsin, to be United States Attorney for the Eastern District of Wisconsin for the term of four years.

James E. McMahon, of South Dakota, to be United States Attorney for the District of South Dakota for the term of four years.

Jan Paul Miller, of Illinois, to be United States Attorney for the Central District of Illinois for the term of four years.

Walter Robert Bradley, of Kansas, to be United States Marshal for the District of Kansas for the term of four years.

Randy Paul Ely, of Texas, to be United States Marshal for the Northern District of Texas for the term of four years.

William P. Kruziki, of Wisconsin, to be United States Marshal for the Eastern District of Wisconsin for the term of four years.

Stephen Robert Monier, of New Hampshire, to be United States Marshal for the District of New Hampshire for the term of four years.

Gary Edward Shovlin, of Pennsylvania, to be United States Marshal for the Eastern District of Pennsylvania for the term of four years.

By Mr. KENNEDY for the Committee on Health, Education, Labor, and Pensions.

*Elias Adam Zerhouni, of Maryland, to be Director of the National Institutes of Health.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. ROBERTS (for himself and Mr. BROWNBACK):

S. 2440. A bill to designate the Department of Veterans Affairs medical and regional office center in Wichita, Kansas, as the "Robert J. Dole Department of Veterans Affairs Medical and Regional Office Center"; to the Committee on Veterans' Affairs.

By Mr. SPECTER:

S. 2441. A bill to provide all prisoners with an opportunity to present exculpatory DNA evidence, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER:

S. 2442. A bill to ensure that indigent death penalty defendants in State courts receive adequate legal representation, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER:

S. 2443. A bill to ensure that death penalty defendants have a true opportunity to have their cases considered by the courts, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. BROWNBACK, Mr. HATCH, Mr. HELMS, Mr. EDWARDS, Mrs. FEINSTEIN, Mr. DEWINE, Mr. DURBIN, Mr. HAGEL, Mr. GRAHAM, and Mrs. CLINTON):

S. 2444. A bill to amend the Immigration and Nationality Act to improve the administration and enforcement of the immigration laws, to enhance the security of the United States, and to establish the Office of Children's Services within the Department of Justice, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself and Mrs. HUTCHISON):

S. 2445. A bill to establish a program to promote child literacy by making books available through early learning, child care, literacy, and nutrition programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SPECTER (for himself, Mr. BIDEN, Mr. DURBIN, and Ms. COLLINS):

S. 2446. A bill to ensure that death penalty defendants have a true opportunity to have their cases considered by the courts, to provide all prisoners with an opportunity to present exculpatory DNA evidence, and for other purposes; to the Committee on the Judiciary.

By Mr. DURBIN (for himself, Mr. HELMS, Mr. KENNEDY, Mr. SPECTER, Ms. LANDRIEU, Mr. TORRICELLI, Mr. KERRY, Mrs. CLINTON, Mr. CLELAND, Mr. EDWARDS, Mr. SCHUMER, Mrs. MURRAY, Mrs. FEINSTEIN, Mr. DAYTON, and Ms. CANTWELL):

S. 2447. A bill to amend title XVIII of the Social Security Act to freeze the reduction in payments to hospitals for indirect costs of medical education; to the Committee on Finance.

By Mr. HOLLINGS (for himself, Mrs. CLINTON, Mr. STEVENS, Mr. INOUYE, Mr. ROCKEFELLER, and Mr. DORGAN):

S. 2448. A bill to improve nationwide access to broadband services; to the Committee on Commerce, Science, and Transportation.

By Mr. BINGAMAN (for himself, Mr. MCCAIN, Mr. TORRICELLI, and Mr. CORZINE):

S. 2449. A bill to amend title XIX of the Social Security Act to allow Federal payments to be made to States under the medicaid program for providing pregnancy-related services or services for the testing or treatment for communicable diseases to aliens who are not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law, and for other purposes; to the Committee on Finance.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 2450. A bill to withdraw Federal land in Finger Lakes National Forest, New York, from entry, location, appropriation, disposal patent, or leasing under certain Federal laws; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BOND:

S. 2451. A bill to provide for the liquidation or reliquidation of certain entries; to the Committee on Finance.

By Mr. LIEBERMAN (for himself, Mr. SPECTER, and Mr. GRAHAM):

S. 2452. A bill to establish the Department of National Homeland Security and the National Office for Combating Terrorism; to the Committee on Governmental Affairs.

By Mr. THURMOND (for himself and Mr. ALLARD):

S. 2453. A bill to provide for the disposition of weapons-usable plutonium at the Savannah River Site, South Carolina; to the Committee on Energy and Natural Resources.

By Mr. ENSIGN (for himself and Mr. KERRY):

S. 2454. A bill to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting;

to the Committee on Commerce, Science, and Transportation.

By Mr. ENSIGN:

S. 2455. A bill to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes; to the Committee on Small Business and Entrepreneurship.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CORZINE (for himself, Mr. DURBIN, Mr. CLELAND, Mr. DODD, Mr. KERRY, Mr. KENNEDY, Mr. FEINGOLD, Mrs. CARNAHAN, and Mrs. MURRAY):

S. Res. 260. A resolution designating May 1, 2002, as "National Child Care Worthy Wage Day"; to the Committee on the Judiciary.

By Mr. JEFFORDS (for himself and Mr. SMITH of New Hampshire):

S. Con. Res. 104. A concurrent resolution recognizing the American Society of Civil Engineers on the occasion of the 150th anniversary of its founding and for the many vital contributions of civil engineers to the quality of life of the people of the United States, including the research and development projects that have led to the physical infrastructure of modern America; to the Committee on the Judiciary.

By Mr. LIEBERMAN (for himself and Ms. SNOWE):

S. Con. Res. 105. A concurrent resolution expressing the sense of Congress that the Nation should take additional steps to ensure the prevention of teen pregnancy by engaging in measures to educate teenagers as to why they should stop and think about the negative consequences before engaging in premature sexual activity; to the Committee on Health, Education, Labor, and Pensions.

ADDITIONAL COSPONSORS

S. 913

At the request of Ms. SNOWE, the names of the Senator from New York (Mr. SCHUMER), the Senator from Virginia (Mr. ALLEN), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 913, a bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of all oral anticancer drugs.

S. 960

At the request of Mr. BINGAMAN, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 960, a bill to amend title XVIII of the Social Security Act to expand coverage of medical nutrition therapy services under the medicare program for beneficiaries with cardiovascular diseases.

S. 1269

At the request of Mr. BREAUX, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1269, a bill to amend title XIX of the Social Security Act to revise and simplify the transitional medical assistance (TMA) program.

S. 1335

At the request of Mr. KENNEDY, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 1335, a bill to support business incubation in academic settings.

S. 1394

At the request of Mr. ENSIGN, the names of the Senator from Maine (Ms. COLLINS) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 1394, a bill to amend title XVIII of the Social Security Act to repeal the medicare outpatient rehabilitation therapy caps.

S. 1408

At the request of Mr. ROCKEFELLER, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 1408, a bill to amend title 38, United States Code, to standardize the income threshold for copayment for outpatient medications with the income threshold for inability to defray necessary expense of care, and for other purposes.

S. 1607

At the request of Mr. ROCKEFELLER, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 1607, a bill to amend title XVIII of the Social Security Act to provide coverage of remote monitoring services under the medicare program.

S. 1626

At the request of Mr. BINGAMAN, the names of the Senator from Iowa (Mr. HARKIN) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 1626, a bill to provide disadvantaged children with access to dental services.

S. 1644

At the request of Mr. CAMPBELL, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 1644, a bill to further the protection and recognition of veterans' memorials, and for other purposes.

S. 1986

At the request of Mr. BINGAMAN, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1986, a bill to amend the Intermodal Surface Transportation Efficiency Act of 1991 to identify a route that passes through the States of Texas, New Mexico, Oklahoma, and Kansas as a high priority corridor on the National Highway System.

S. 1991

At the request of Mr. HOLLINGS, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1991, to establish a national rail passenger transportation system, reauthorize Amtrak, improve security and service on Amtrak, and for other purposes.

S. 2045

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 2045, a bill to amend the Foreign Assistance Act of 1961 to take steps to control the growing international problem of tuberculosis.

S. 2051

At the request of Mr. REID, the names of the Senator from New Jersey (Mr. TORRICELLI), the Senator from Missouri (Mr. BOND), and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of S. 2051, a bill to remove a condition preventing authority for concurrent receipt of military retired pay and veterans' disability compensation from taking affect, and for other purposes.

S. 2108

At the request of Ms. STABENOW, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 2108, a bill to amend the Agriculture and Consumer Protection Act of 1973 to assist the neediest of senior citizens by modifying the eligibility criteria for supplemental foods provided under the commodity supplemental food program to take into account the extraordinarily high out-of-pocket medical expenses that senior citizens pay, and for other purposes.

S. 2116

At the request of Mr. KERRY, the names of the Senator from Maryland (Mr. SARBANES) and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of S. 2116, a bill to reform the program of block grants to States for temporary assistance for needy families to help States address the importance of adequate, affordable housing in promoting family progress towards self-sufficiency, and for other purposes.

S. 2182

At the request of Mr. WYDEN, the names of the Senator from Virginia (Mr. ALLEN) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 2182, a bill to authorize funding for computer and network security research and development and research fellowship programs, and for other purposes.

S. 2194

At the request of Mr. MCCONNELL, the names of the Senator from Kentucky (Mr. BUNNING) and the Senator from Arkansas (Mr. HUTCHINSON) were added as cosponsors of S. 2194, a bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes.

S. 2200

At the request of Mr. BAUCUS, the names of the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from Oregon (Mr. SMITH) were added as cosponsors of S. 2200, a bill to amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

S. 2213

At the request of Mr. SESSIONS, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2213, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain overseas pay of members of the Armed Forces of the United States.

S. 2329

At the request of Mr. BREAUX, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 2329, a bill to improve seaport security.

S. 2428

At the request of Mr. KERRY, the names of the Senator from Hawaii (Mr. AKAKA), the Senator from Mississippi (Mr. COCHRAN), the Senator from Virginia (Mr. WARNER), and the Senator from New Hampshire (Mr. GREGG) were added as cosponsors of S. 2428, a bill to amend the National Sea Grant College Program Act.

S. 2429

At the request of Mr. HUTCHINSON, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2429, a bill to amend the Internal Revenue Code of 1986 to allow an above-the-line deduction from certain expenses in connection with the determination, collection, or refund of any tax.

S. 2431

At the request of Mr. LEAHY, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 2431, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits.

S. 2439

At the request of Mr. SPECTER, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 2439, a bill to prohibit human cloning while preserving important areas of medical research, including stem sell research.

S.J. RES. 10

At the request of Mr. KENNEDY, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S.J. Res. 10, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

S. RES. 247

At the request of Mr. HUTCHINSON, his name was added as a cosponsor of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

At the request of Mr. GRASSLEY, his name was added as a cosponsor of S. Res. 247, supra.

At the request of Mr. SARBANES, his name was added as a cosponsor of S. Res. 247, supra.

At the request of Mr. LIEBERMAN, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from Alaska (Mr. STEVENS), the Senator from Missouri (Mr. BOND), and the Senator from Tennessee (Mr. FRIST) were added as cosponsors of S. Res. 247, supra.

At the request of Mr. VOINOVICH, his name was added as a cosponsor of S. Res. 247, supra.

At the request of Mr. BIDEN, his name was added as a cosponsor of S. Res. 247, supra.

At the request of Mr. KERRY, his name was added as a cosponsor of S. Res. 247, supra.

At the request of Mr. CAMPBELL, his name was added as a cosponsor of S. Res. 247, supra.

At the request of Mr. CRAIG, his name was added as a cosponsor of S. Res. 247, supra.

AMENDMENT NO. 3382

At the request of Mrs. DAYTON, the names of the Senator from Wisconsin (Mr. FEINGOLD), the Senator from Idaho (Mr. CRAPO), the Senator from South Dakota (Mr. JOHNSON), the Senator from Wyoming (Mr. ENZI), the Senator from Michigan (Ms. STABENOW), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of amendment No. 3382 intended to be proposed to H.R. 3009, a bill to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

AMENDMENT NO. 3387

At the request of Mr. DORGAN, the names of the Senator from West Virginia (Mr. BYRD), the Senator from Minnesota (Mrs. DAYTON), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of amendment No. 3387 proposed to H.R. 3009, a bill to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself, Mr. BROWNBACK, Mr. HATCH, Mr. HELMS, Mr. EDWARDS, Mrs. FEINSTEIN, Mr. DEWINE, Mr. DURBIN, Mr. HAGEL, Mr. GRAHAM, and Mrs. CLINTON):

S. 2444. A bill to amend the Immigration and Nationality Act to improve the administration and enforcement of the immigration laws, to enhance the security of the United States, and to establish the Office of Children's Services within the Department of Justice, and for other purposes; to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, I'm honored to join Senator BROWNBACK and my other colleagues in introducing the Immigration Reform, Accountability, and Security Enhancement Act of 2002, which will strengthen our national security by bringing our immigration system into the 21st century. Recently, the Senate took an important step by unanimously passing legislation which strengthens the security of our borders, improves our ability to screen foreign nationals, and improves coordination among the several responsible entities. Restructuring the INS is the next critical step in establishing an agency that can act effectively and fairly to secure our borders and provide better services to immigrants.

There is strong bipartisan agreement that the INS must be reformed. But restructuring must be done correctly. The INS handles the enforcement of our immigration laws and the adjudication of benefits and services. INS's dual missions have long suffered under the current structure.

On the enforcement side, September 11 clearly demonstrated that our immigration laws are being applied inconsistently. Some of the terrorists were residing here legally, others had overstayed their visas, and the status of others is still unknown. Improving the structure of the INS will help ensure greater accountability and the consistent and effective enforcement of our immigration laws.

The INS service functions have also suffered. Courteous behavior has too often been the exception, rather than the rule. Application fees steadily increase, yet poor service and long delays have persisted. Massive backlogs have forced individuals to languish for years waiting for their naturalization and permanent resident applications to be processed. Files have been lost. Fingerprints have expired.

To address the distinct and at times conflicting responsibilities, successful reform must separate the enforcement functions from the service and adjudication functions. The result will be increased accountability and efficiency, as well as clarity of purpose.

But, meaningful reform must also include a strong central authority to coordinate these dual functions. Our legislation requires that one high-level person take charge of the Nation's immigration laws to ensure uniform policy determinations and implementation, accountability, coordination, and fiscal responsibility. The new agency's director, like the FBI director, will have direct access to high-level officials in the executive branch.

I congratulate the House of Representatives for acting quickly and decisively on restructuring legislation. The House bill abolishes the Immigration and Naturalization Service and establishes separate bureaus for services and enforcement which would operate as parallel structures with limited coordination. An Associate Attorney General would oversee the two bureaus. The goals of the House bill are very similar to our bill, and I look forward to working with my colleagues in the House and the administration to pass effective legislation and put these reforms into law.

The overarching difference between our two bills is the power and authority vested in the agency head and the coordination between the two bureaus. Our bill expands and improves the coordination between the bureaus through strong central leadership.

The Immigration Reform, Accountability, and Security Enhancement Act establishes a Director of Immigration Affairs, a Deputy Director heading the Bureau of Services and Adjudications, and a Deputy Director heading the Bureau of Enforcement and Border Affairs. The Director will serve as the principal advisor to the Attorney General in developing and implementing U.S. immigration law and policy. The Director will be the strong central authority over the two bureaus, and will be able to integrate information systems, policies, and administrative infrastructure.

The coordination and harmonization of policy, services and enforcement will also be enhanced by the establishment of several offices which will assist the two bureaus. The General Counsel, appointed by the Attorney General in consultation with the Agency Director, will serve as the chief legal officer for the Agency, providing specialized advice on all legal matters involving U.S. immigration laws. A Chief Financial Officer will direct, supervise, and coordinate all budgetary duties for the Agency. A Chief of Policy and Strategy will promote a national immigration policy, identify priorities and coordinate policy within the Agency. A Chief of Congressional, Intergovernmental, and Public Affairs will be the central liaison with Congress and other Federal agencies, and the media.

This bill will enhance the accountability of the new Agency and will renew our national commitment to civil rights in the immigration process. This bill establishes an autonomous Office of the Ombudsman to be located within the Department of Justice. The Ombudsman will be appointed by and report directly to the Attorney General. The Ombudsman will identify and report on serious or systematic problems encountered by the public and will assist individuals in resolving problems with the Agency. The Ombudsman also will report annually to Congress on the steps taken to correct the problems and propose changes in the practices of the Agency to correct such problems.

The vital role of statistical information in the modern age is recognized. This bill establishes a Director of Immigration Statistics, appointed by the Attorney General, who will report directly to the Bureau of Justice Statistics of the Department of Justice. Using 21st century technology, the newly established Office of Immigration Statistics will not only record and analyze statistical information, but will also establish standards of reliability and validation and will coordinate with the Service Bureau, the Enforcement Bureau, and the Executive Office for Immigration Review.

This legislation also recognizes the need for alternatives to the detention of asylum seekers. The U.S. asylum program is a bipartisan success story, it provides new hope and new life for the persecuted and oppressed and it advances our foreign policy objectives by protecting human rights and promoting the American dream of opportunity. The United States is a leader in providing asylum to refugees worldwide. Still, we constantly need to strive to improve this very important program. This bill would require the consideration of specific alternatives to detention, including parole with appearance assistance provided by private nonprofit voluntary agencies.

Finally, we are including much needed reform to address the treatment of unaccompanied minors in INS custody. I commend Senator FEINSTEIN's longstanding commitment to this important issue and am honored to include her legislation, the Unaccompanied Alien Child Protection Act, as part of our proposal to restructure the INS. These provisions will address many of the problems facing unaccompanied minors and will help bring U.S. treatment of unaccompanied alien children into line with international standards. The bill establishes a new Office of Children's Services within the Department of Justice to ensure that Federal authorities recognize the special needs and circumstances of unaccompanied alien children when making decisions regarding their custody and repatriation and ensures that unaccompanied alien children have access to appoint counsel and guardians ad litem.

This bill is needed to ensure that our nation is prepared to meet the challenges that are before us. The Immigration Reform, Accountability, and Security Enhancement Act will help remedy many of the problems that currently plague the Immigration and Naturalization Service and will ensure that INS's responsibilities are effectively addressed and coordinated, executed with efficiency and courtesy, and uphold our great tradition of immigration and refugee protection.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—Titles I through III of this Act may be cited as the "Immigration Reform, Accountability, and Security Enhancement Act of 2002".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purposes.
Sec. 3. Definitions.

TITLE I—IMMIGRATION AFFAIRS AGENCY

Subtitle A—Organization

Sec. 101. Abolition of INS.
Sec. 102. Establishment of Immigration Affairs Agency.
Sec. 103. Director of Immigration Affairs.
Sec. 104. Bureau of Immigration Services and Adjudications.
Sec. 105. Bureau of Enforcement and Border Affairs.
Sec. 106. Office of the Ombudsman within the Department of Justice.
Sec. 107. Office of Immigration Statistics within the Bureau of Justice Statistics.
Sec. 108. Clerical amendments.

Subtitle B—Transition Provisions

Sec. 111. Transfer of functions.
Sec. 112. Transfer of personnel and other resources.
Sec. 113. Determinations with respect to functions and resources.
Sec. 114. Delegation and reservation of functions.
Sec. 115. Allocation of personnel and other resources.
Sec. 116. Savings provisions.
Sec. 117. Interim service of the Commissioner of Immigration and Naturalization.
Sec. 118. Executive Office for Immigration Review and Attorney General authorities not affected.
Sec. 119. Other authorities not affected.
Sec. 120. Transition funding.

Subtitle C—Effective Date

Sec. 121. Effective date.

TITLE II—PERSONNEL FLEXIBILITIES

Sec. 201. Improvements in personnel flexibilities.
Sec. 202. Voluntary separation incentive payments for INS employees.
Sec. 203. Voluntary separation incentive payments for employees of the Immigration Affairs Agency.
Sec. 204. Basis for evaluation of Immigration Affairs Agency employees.
Sec. 205. Effective date.

TITLE III—UNACCOMPANIED ALIEN CHILD PROTECTION

Sec. 301. Short title.
Sec. 302. Definitions.

Subtitle A—Structural Changes

Sec. 311. Establishment of the Office of Children's Services.
Sec. 312. Establishment of Interagency Task Force on Unaccompanied Alien Children.
Sec. 313. Effective date.

Subtitle B—Custody, Release, Family Reunification, and Detention

Sec. 321. Procedures when encountering unaccompanied alien children.
Sec. 322. Family reunification for unaccompanied alien children with relatives in the United States.
Sec. 323. Appropriate conditions for detention of unaccompanied alien children.
Sec. 324. Repatriated unaccompanied alien children.
Sec. 325. Establishing the age of an unaccompanied alien child.
Sec. 326. Effective date.

Subtitle C—Access by Unaccompanied Alien Children to Guardians Ad Litem and Counsel
Sec. 331. Right of unaccompanied alien children to guardians ad litem.
Sec. 332. Right of unaccompanied alien children to counsel.
Sec. 333. Transitional pilot program.
Sec. 334. Effective date; applicability.
Subtitle D—Strengthening Policies for Permanent Protection of Alien Children
Sec. 341. Special immigrant juvenile visa.
Sec. 342. Training for officials and certain private parties who come into contact with unaccompanied alien children.
Sec. 343. Effective dates.
Subtitle E—Children Refugee and Asylum Seekers
Sec. 351. Guidelines for children's asylum claims.
Sec. 352. Exceptions for unaccompanied alien children in asylum and refugee-like circumstances.
Sec. 353. Unaccompanied refugee children.
Subtitle F—Authorization of Appropriations
Sec. 361. Authorization of appropriations.
TITLE IV—MISCELLANEOUS PROVISIONS
Sec. 401. Funding adjudication and naturalization services.
Sec. 402. Application of Internet-based technologies.
Sec. 403. Department of State study on matters relating to the employment of consular officers.
Sec. 404. Alternatives to detention of asylum seekers.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to improve the administration and enforcement of the immigration laws of the United States and to enhance the security of the United States;

(2) to abolish the Immigration and Naturalization Service and to establish the Immigration Affairs Agency within the Department of Justice; and

(3) to establish the Office of Children's Services within the Department of Justice to coordinate and implement Government actions involving unaccompanied alien children.

SEC. 3. DEFINITIONS.

In this Act:

(1) Director.—The term "Director" means the Director of Immigration Affairs appointed under section 112 of the Immigration and Nationality Act, as added by section 103 of this Act.

(2) Enforcement bureau.—The term "Enforcement Bureau" means the Bureau of Enforcement and Border Affairs established in section 114 of the Immigration and Nationality Act, as added by section 105 of this Act.

(3) Function.—The term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(4) Immigration enforcement functions.—The term "immigration enforcement functions" has the meaning given the term in section 114(b)(2) of the Immigration and Nationality Act, as added by section 105 of this Act.

(5) Immigration laws of the united states.—The term "immigration laws of the United States" has the meaning given the term in section 111(e) of the Immigration and Nationality Act, as added by section 102 of this Act.

(6) Immigration policy, administration, and inspection functions.—The term "immigration policy, administration, and inspection functions" has the meaning given the term in section 112(b)(3) of the Immigration and Nationality Act, as added by section 103 of this Act.

(7) Immigration service and adjudication functions.—The term "immigration service and adjudication functions" has the meaning given the term in section 113(b)(2) of the Immigration and Nationality Act, as added by section 104 of this Act.

(8) Office.—The term "office" includes any office, administration, agency, bureau, institute, council, unit, organizational entity, or component thereof.

(9) Service bureau.—The term "Service Bureau" means the Bureau of Immigration Services and Adjudications established in section 113 of the Immigration and Nationality Act, as added by section 104 of this Act.

TITLE I—IMMIGRATION AFFAIRS AGENCY

Subtitle A—Organization

SEC. 101. ABOLITION OF INS.

(a) In General.—The Immigration and Naturalization Service is abolished.

(b) Repeal.—Section 4 of the Act of February 14, 1903, as amended (32 Stat. 826; relating to the establishment of the Immigration and Naturalization Service), is repealed.

SEC. 102. ESTABLISHMENT OF IMMIGRATION AFFAIRS AGENCY.

(a) Establishment.—Title I of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) by inserting "**CHAPTER 1—DEFINITIONS AND GENERAL AUTHORITIES**" after "**TITLE I—GENERAL**"; and

(2) by adding at the end the following:

"CHAPTER 2—IMMIGRATION AFFAIRS AGENCY

"SEC. 111. ESTABLISHMENT OF IMMIGRATION AFFAIRS AGENCY.

"(a) Establishment.—There is established within the Department of Justice the Immigration Affairs Agency.

"(b) Principal Officers.—The principal officers of the Agency are the following:

"(1) The Director of Immigration Affairs appointed under section 112.

"(2) The Deputy Director of Immigration Services and Adjudications appointed under section 113.

"(3) The Deputy Director of Enforcement and Border Affairs appointed under section 114.

"(c) Functions.—Under the authority of the Attorney General, the Agency shall perform the following functions:

"(1) Immigration policy, administration, and inspection functions, as defined in section 112(b).

"(2) Immigration service and adjudication functions, as defined in section 113(b).

"(3) Immigration enforcement functions, as defined in section 114(b).

"(d) Authorization of Appropriations.—

"(1) In general.—There are authorized to be appropriated to the Department of Justice such sums as may be necessary to carry out—

"(A) the functions of the Agency; and

"(B) such other functions of the Attorney General or the Department of Justice under the immigration laws of the United States as are not covered by subparagraph (A).

"(2) Availability of funds.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

"(e) Immigration Laws of the United States Defined.—In this chapter, the term 'immigration laws of the United States' means the following:

"(1) This Act.

"(2) Such other statutes, Executive orders, regulations, or directives, treaties, or other international agreements to which the United States is a party, insofar as they relate to the admission to, detention in, or removal from the United States of aliens, insofar as they relate to the naturalization of aliens, or insofar as they otherwise relate to the status of aliens.".

(b) Conforming Amendments.—(1) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) by striking section 101(a)(34) (8 U.S.C. 1101(a)(34)) and inserting the following:

"(34) The term 'Agency' means the Immigration Affairs Agency established by section 111.";

(2) in section 101(a)(17) (8 U.S.C. 1101(a)(17)), by striking "The" and inserting "Except as otherwise provided in section 111(e), the; and

(3) by striking "Immigration and Naturalization Service", "Service", and "Service's" each place they appear and inserting "Immigration Affairs Agency", "Agency", and "Agency's", respectively.

(4) Section 6 of the Act entitled "An Act to authorize certain administrative expenses for the Department of Justice, and for other purposes", approved July 28, 1950 (64 Stat. 380), is amended—

(A) by striking "Immigration and Naturalization Service" and inserting "Immigration Affairs Agency";

(B) by striking clause (a); and

(C) by redesignating clauses (b), (c), (d), and (e) as clauses (a), (b), (c), and (d), respectively.

(c) References.—Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to the Immigration and Naturalization Service shall be deemed to refer to the Immigration Affairs Agency.

SEC. 103. DIRECTOR OF IMMIGRATION AFFAIRS.

(a) In General.—Chapter 2 of title I of the Immigration and Nationality Act, as added by section 102 of this Act, is amended by adding at the end the following:

"SEC. 112. DIRECTOR OF IMMIGRATION AFFAIRS.

"(a) Director of Immigration Affairs.—The Agency shall be headed by a Director of Immigration Affairs who shall be appointed in accordance with section 103(c) of the Immigration and Nationality Act.

"(b) Responsibilities of the Director.—

"(1) In general.—The Director shall be charged with any and all responsibilities and authority in the administration of the Agency and of this Act which are conferred upon the Attorney General as may be delegated to the Director by the Attorney General or which may be prescribed by the Attorney General.

"(2) Duties.—Subject to the authority of the Attorney General under paragraph (1), the Director shall have the following duties:

"(A) Immigration policy.—The Director shall develop and implement policy under the immigration laws of the United States. The Director, shall propose, promulgate, and issue rules, regulations, and statements of policy with respect to any function within the jurisdiction of the Agency.

"(B) Administration.—The Director shall have responsibility for—

"(i) the administration and enforcement of the functions conferred upon the Agency under section 111(c) of this Act; and

"(ii) the administration of the Agency, including the direction, supervision, and coordination of the Bureau of Immigration Services and Adjudications and the Bureau of Enforcement and Border Affairs.

"(C) Inspections.—The Director shall be directly responsible for the administration and enforcement of the functions of the Attorney General and the Agency under the immigration laws of the United States with respect to the inspection of aliens arriving at ports of entry of the United States.

"(D) OTHER DELEGATED DUTIES AND POWERS.—The Director shall carry out such other duties and exercise such powers as the Attorney General may prescribe.

"(3) ACTIVITIES.—As part of the duties described in paragraph (2), the Director shall do the following:

"(A) RESOURCES AND PERSONNEL MANAGEMENT.—The Director shall manage the resources, personnel, and other support requirements of the Agency.

"(B) INFORMATION RESOURCES MANAGEMENT.—Except as otherwise provided in section 305 of the Omnibus Crime Control and Safe Streets Act of 1968, the Director shall manage the information resources of the Agency, including the maintenance of records and databases and the coordination of records and other information within the Agency, and shall ensure that the Agency obtains and maintains adequate information technology systems to carry out its functions.

"(C) COORDINATION OF RESPONSE TO CIVIL RIGHTS VIOLATIONS.—The Director shall coordinate, with the Assistant Attorney General, the Civil Rights Division, or other officials or components of the Department of Justice, as appropriate, the resolution of immigration issues that involve civil rights violations.

"(3) DEFINITION.—In this chapter, the term "immigration policy, administration, and inspection functions" means the duties, activities, and powers described in this subsection.

"(c) GENERAL COUNSEL.—

"(1) IN GENERAL.—There shall be within the Agency a General Counsel, who shall be appointed by the Attorney General, in consultation with the Director.

"(2) FUNCTION.—The General Counsel shall—

"(A) serve as the chief legal officer for the Agency; and

"(B) be responsible for providing specialized legal advice, opinions, determinations, regulations, and any other assistance to the Director with respect to legal matters affecting the Immigration Affairs Agency, and any of its components.

"(d) FINANCIAL OFFICERS FOR THE IMMIGRATION AFFAIRS AGENCY.—

"(1) CHIEF FINANCIAL OFFICER.—

"(A) IN GENERAL.—There shall be within the Agency a Chief Financial Officer for the Immigration Affairs Agency. The position of Chief Financial Officer shall be a career reserved position in the Senior Executive Service and shall have the authorities and functions described in section 902 of title 31, United States Code, in relation to financial activities of the Agency. For purposes of section 902(a)(1) of such title, the Director shall be deemed to be the head of the agency.

"(B) FUNCTIONS.—The Chief Financial Officer shall be responsible for directing, supervising, and coordinating all budget formulas and execution for the Agency.

"(2) DEPUTY CHIEF FINANCIAL OFFICER.—The Agency shall be deemed to be an agency for purposes of section 903 of such title (relating to Deputy Chief Financial Officers).

"(e) CHIEF OF POLICY AND STRATEGY.—

"(1) IN GENERAL.—There shall be within the Agency a Chief of Policy and Strategy. Under the authority of the Director, the Chief of Policy and Strategy shall be responsible for—

"(A) establishing national immigration policy and priorities;

"(B) performing policy research and analysis on issues arising under the immigration laws of the United States; and

"(C) coordinating immigration policy between the Agency, the Service Bureau, and the Enforcement Bureau.

"(2) WITHIN THE SENIOR EXECUTIVE SERVICE.—The position of Chief of Policy and Strategy shall be a Senior Executive Service position under section 5382 of title 5, United States Code.

"(f) CHIEF OF CONGRESSIONAL, INTERGOVERNMENTAL, AND PUBLIC AFFAIRS.—

"(1) IN GENERAL.—There shall be within the Agency a Chief of Congressional, Intergovernmental, and Public Affairs. Under the authority of the Director, the Chief of Congressional, Intergovernmental, and Public Affairs shall be responsible for—

"(A) providing to Congress information relating to issues arising under the immigration laws of the United States, including information on specific cases;

"(B) serving as a liaison with other Federal agencies on immigration issues; and

"(C) responding to inquiries from, and providing information to, the media on immigration issues.

"(2) WITHIN THE SENIOR EXECUTIVE SERVICE.—The position of Chief of Congressional, Intergovernmental, and Public Affairs shall be a Senior Executive Service position under section 5382 of title 5, United States Code.".

(b) COMPENSATION OF THE DIRECTOR.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

"Director of Immigration Affairs, Department of Justice.".

(c) COMPENSATION OF GENERAL COUNSEL AND CHIEF FINANCIAL OFFICER.—Section 5316 of title 5, United States Code, is amended by adding at the end the following:

"General Counsel, Immigration Affairs Agency.

"Chief Financial Officer, Immigration Affairs Agency.".

(d) REPEALS.—The following provisions of law are repealed:

(1) Section 7 of the Act of March 3, 1891, as amended (26 Stat. 1085; relating to the establishment of the office of the Commissioner of Immigration and Naturalization).

(2) Section 201 of the Act of June 20, 1956 (70 Stat. 307; relating to the compensation of assistant commissioners and district directors).

(3) Section 1 of the Act of March 2, 1895 (28 Stat. 780; relating to special immigrant inspectors).

(e) CONFORMING AMENDMENTS.—(1)(A) Section 101(a)(8) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(8)) is amended to read as follows:

"(8) The term 'Director' means the Director of Immigration Affairs who is appointed under section 103(c).".

(B) Except as provided in subparagraph (C), the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended by striking "Commissioner of Immigration and Naturalization" and "Commissioner" each place they appear and inserting "Director of Immigration Affairs" and "Director", respectively.

(C) The amendments made by subparagraph (B) do not apply to references to the "Commissioner of Social Security" in section 290(c) of the Immigration and Nationality Act (8 U.S.C. 1360(c)).

(2) Section 103 of the Immigration and Nationality Act (8 U.S.C. 1103) is amended—

(A) in subsection (c), by striking "Commissioner" and inserting "Director";

(B) in the section heading, by striking "COMMISSIONER" and inserting "DIRECTOR";

(C) in subsection (d), by striking "Commissioner" and inserting "Director"; and

(D) in subsection (e), by striking "Commissioner" and inserting "Attorney General".

(3) Sections 104 and 105 of the Immigration and Nationality Act (8 U.S.C. 1104, 1105) are amended by striking "Director" each place it appears and inserting "Assistant Secretary of State for Consular Affairs".

(4) Section 104(c) of the Immigration and Nationality Act (8 U.S.C. 1104(c)) is amended—

(A) in the first sentence, by striking "Passport Office, a Visa Office," and inserting "a Passport Services office, a Visa Services office, an Overseas Citizen Services office,"; and

(B) in the second sentence, by striking "the Passport Office and the Visa Office" and inserting "the Passport Services office and the Visa Services office".

(5) Section 5315 of title 5, United States Code, is amended by striking the following:

"Commissioner of Immigration and Naturalization, Department of Justice.".

(f) REFERENCES.—Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to the Commissioner of Immigration and Naturalization shall be deemed to refer to the Director of Immigration Affairs.

SEC. 104. BUREAU OF IMMIGRATION SERVICES AND ADJUDICATIONS.

(a) IN GENERAL.—Chapter 2 of title I of the Immigration and Nationality Act, as added by section 102 and amended by section 103, is further amended by adding at the end the following:

"SEC. 113. BUREAU OF IMMIGRATION SERVICES AND ADJUDICATIONS.

"(a) ESTABLISHMENT OF BUREAU.—

"(1) IN GENERAL.—There is established within the Agency a bureau to be known as the Bureau of Immigration Services and Adjudications (in this chapter referred to as the 'Service Bureau').

"(2) DEPUTY DIRECTOR.—The head of the Service Bureau shall be the Deputy Director of Immigration Services and Adjudications (in this chapter referred to as the 'Deputy Director of the Service Bureau'), who—

"(A) shall be appointed by the Attorney General, in consultation with the Director; and

"(B) shall report directly to the Director.

"(b) RESPONSIBILITIES OF THE DEPUTY DIRECTOR.—

"(1) IN GENERAL.—Subject to the authority of the Director, the Deputy Director of the Service Bureau shall administer the immigration service and adjudication functions of the Agency.

"(2) IMMIGRATION SERVICE AND ADJUDICATION FUNCTIONS DEFINED.—In this chapter, the term 'immigration service and adjudication functions' means 'the following functions under the immigration laws of the United States (as defined in section 111(e)):

"(A) Adjudications of petitions for classification of nonimmigrant and immigrant status.

"(B) Adjudications of applications for adjustment of status and change of status.

"(C) Adjudications of naturalization applications.

"(D) Adjudications of asylum and refugee applications.

"(E) Adjudications performed at Service centers.

"(F) Determinations concerning custody and parole of asylum seekers who do not have prior nonpolitical criminal records and who have been found to have a credible fear of persecution, including determinations under section 236B.

"(G) All other adjudications under the immigration laws of the United States (as defined in section 111(e)).

"(c) CHIEF BUDGET OFFICER OF THE SERVICE BUREAU.—There shall be within the Service Bureau a Chief Budget Officer. Under the authority of the Chief Financial Officer of the Agency, the Chief Budget Officer of the Service Bureau shall be responsible for monitoring and supervising all financial activities of the Service Bureau.

"(d) QUALITY ASSURANCE.—There shall be within the Service Bureau an Office of Quality Assurance that shall develop procedures and conduct audits to—

"(1) ensure that the Agency's policies with respect to the immigration service and adjudication functions of the Agency are properly implemented; and

"(2) ensure that Service Bureau policies or practices result in sound records management and efficient and accurate service.

"(e) OFFICE OF PROFESSIONAL RESPONSIBILITY.—There shall be within the Service Bureau an Office of Professional Responsibility that shall have the responsibility for ensuring the professionalism of the Service Bureau and for receiving and investigating charges of misconduct or ill treatment made by the public.

"(f) TRAINING OF PERSONNEL.—The Deputy Director of the Service Bureau, in consultation with the Director, shall have responsibility for determining the training for all personnel of the Service Bureau.".

(b) COMPENSATION OF DEPUTY DIRECTOR OF SERVICE BUREAU.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Deputy Director of Immigration Services and Adjudications, Immigration Affairs Agency.".

(c) SERVICE BUREAU OFFICES.—

(1) IN GENERAL.—The Director, acting through the Deputy Director of the Service Bureau, shall establish Service Bureau offices, including suboffices and satellite offices, in appropriate municipalities and locations in the United States. In the selection of sites for the Service Bureau offices, the Director shall consider the location's proximity and accessibility to the community served, the workload for which that office shall be responsible, whether the location would significantly reduce the backlog of cases in that given geographic area, whether the location will improve customer service, and whether the location is in a geographic area with an increase in the population to be served. The Director shall conduct periodic reviews to assess whether the location and size of the respective Service Bureau offices adequately serve customer service needs.

(2) TRANSITION PROVISION.—In determining the location of Service Bureau offices, including suboffices and satellite offices, the Director shall first consider maintaining and upgrading offices in existing geographic locations that satisfy the provisions of paragraph (1). The Director shall also explore the feasibility and desirability of establishing new Service Bureau offices, including suboffices and satellite offices, in new geographic locations where there is a demonstrated need.

SEC. 105. BUREAU OF ENFORCEMENT AND BORDER AFFAIRS.

(a) IN GENERAL.—Chapter 2 of title I of the Immigration and Nationality Act, as added by section 102 and amended by sections 103 and 104, is further amended by adding at the end the following:

"SEC. 114. BUREAU OF ENFORCEMENT AND BORDER AFFAIRS.

"(a) ESTABLISHMENT OF BUREAU.—

"(1) IN GENERAL.—There is established within the Agency a bureau to be known as the Bureau of Enforcement and Border Affairs (in this chapter referred to as the 'Enforcement Bureau').

"(2) DEPUTY DIRECTOR.—The head of the Enforcement Bureau shall be the Deputy Director of the Bureau of Enforcement and Border Affairs (in this chapter referred to as the 'Deputy Director of the Enforcement Bureau'), who—

"(A) shall be appointed by the Attorney General, in consultation with the Director; and

"(B) shall report directly to the Director.

"(b) RESPONSIBILITIES OF THE DEPUTY DIRECTOR.—

"(1) IN GENERAL.—Subject to the authority of the Director, the Deputy Director of the Enforcement Bureau shall administer the immigration enforcement functions of the Agency.

"(2) IMMIGRATION ENFORCEMENT FUNCTIONS DEFINED.—In this chapter, the term 'immigration enforcement functions' means the following functions under the immigration laws of the United States (as defined in section 111(e)):

"(A) The border patrol function.

"(B) The detention function, except as specified in section 113(b)(2)(F).

"(C) The removal function.

"(D) The intelligence function.

"(E) The investigations function.

"(c) CHIEF BUDGET OFFICER OF THE ENFORCEMENT BUREAU.—There shall be within the Enforcement Bureau a Chief Budget Officer. Under the authority of the Chief Financial Officer of the Agency, the Chief Budget Officer of the Enforcement Bureau shall be responsible for monitoring and supervising all financial activities of the Enforcement Bureau.

"(d) OFFICE OF PROFESSIONAL RESPONSIBILITY.—There shall be within the Enforcement Bureau an Office of Professional Responsibility that shall have the responsibility for ensuring the professionalism of the Enforcement Bureau and receiving charges of misconduct or ill treatment made by the public and investigating the charges.

"(e) OFFICE OF QUALITY ASSURANCE.—There shall be within the Enforcement Bureau an Office of Quality Assurance that shall develop procedures and conduct audits to—

"(1) ensure that the Agency's policies with respect to immigration enforcement functions are properly implemented; and

"(2) ensure that Enforcement Bureau policies or practices result in sound record management and efficient and accurate recordkeeping.

"(f) TRAINING OF PERSONNEL.—The Deputy Director of the Enforcement Bureau, in consultation with the Director, shall have responsibility for determining the training for all personnel of the Enforcement Bureau.".

(b) COMPENSATION OF DEPUTY DIRECTOR OF ENFORCEMENT BUREAU.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Director of Enforcement and Border Affairs, Immigration Affairs Agency.".

(c) ENFORCEMENT BUREAU OFFICES.—

(1) IN GENERAL.—The Director, acting through the Deputy Director of the Enforcement Bureau, shall establish Enforcement Bureau offices, including suboffices and satellite offices, in appropriate municipalities and locations in the United States. In the selection of sites for the Enforcement Bureau offices, the Director shall be selected according to trends in unlawful entry and unlawful presence, alien smuggling, national security concerns, the number of Federal prosecutions of immigration-related offenses in a given geographic area, and other enforcement considerations. The Director shall conduct periodic reviews to assess whether the location and size of the respective Enforcement Bureau offices adequately serve enforcement needs.

(2) TRANSITION PROVISION.—In determining the location of Enforcement Bureau offices, including suboffices and satellite offices, the Director shall first consider maintaining and upgrading offices in existing geographic locations that satisfy the provisions of paragraph (1). The Director shall also explore the feasibility and desirability of establishing new Enforcement Bureau offices, including suboffices and satellite offices, in new geographic locations where there is a demonstrated need.

SEC. 106. OFFICE OF THE OMBUDSMAN WITHIN THE DEPARTMENT OF JUSTICE.

(a) IN GENERAL.—Chapter 2 of title I of the Immigration and Nationality Act, as added by section 102 and amended by sections 103, 104 and 105, is further amended by adding at the end the following:

"SEC. 115. OFFICE OF THE OMBUDSMAN WITHIN THE DEPARTMENT OF JUSTICE.

"(a) IN GENERAL.—There is established within the Department of Justice the Office of the Ombudsman, which shall be headed by the Ombudsman.

"(b) OMBUDSMAN.—

"(1) APPOINTMENT.—The Ombudsman shall be appointed by the Attorney General. The Ombudsman shall report directly to the Attorney General.

"(2) COMPENSATION.—The Ombudsman shall be entitled to compensation at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code, or, if the Attorney General so determines, at a rate fixed under section 9503 of such title.

"(c) FUNCTIONS OF OFFICE.—The functions of the Office of the Ombudsman shall include—

"(1) to assist individuals in resolving problems with the Agency or any component thereof;

"(2) to identify systemic problems encountered by the public in dealings with the Agency or any component thereof;

"(3) to propose changes in the administrative practices or regulations of the Agency, or any component thereof, to mitigate problems identified under paragraph (2);

"(4) to identify potential changes in statutory law that may be required to mitigate such problems; and

"(5) to monitor the coverage and geographic distribution of local offices of the Agency.

"(d) PERSONNEL ACTIONS.—The Ombudsman shall have the responsibility and authority to appoint local or regional representatives of the Ombudsman's Office as in the Ombudsman's judgment may be necessary to address and rectify problems.

"(e) ANNUAL REPORT.—Not later than December 31 of each year, the Ombudsman shall submit a report to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate on the activities of the Ombudsman during the fiscal year ending in that calendar year. Each report shall contain a full and substantive analysis, in addition to statistical information, and shall contain—

"(1) a description of the initiatives that the Office of the Ombudsman has taken on improving the responsiveness of the Agency;

"(2) a summary of serious or systemic problems encountered by the public, including a description of the nature of such problems;

"(3) an accounting of the items described in paragraphs (1) and (2) for which action has been taken, and the result of such action;

"(4) an accounting of the items described in paragraphs (1) and (2) for which action remains to be completed;

"(5) an accounting of the items described in paragraphs (1) and (2) for which no action has been taken, the reasons for the inaction, and identify any Agency official who is responsible for such inaction;

"(6) recommendations as may be appropriate to resolve problems encountered by the public;

"(7) recommendations as may be appropriate to resolve problems encountered by the public, including problems created by backlogs in the adjudication and processing of petitions and applications;

"(8) recommendations to resolve problems caused by inadequate funding or staffing; and

"(9) such other information as the Ombudsman may deem advisable.

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Office of the Ombudsman such sums as may be necessary to carry out its functions.

"(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.".

SEC. 107. OFFICE OF IMMIGRATION STATISTICS WITHIN THE BUREAU OF JUSTICE STATISTICS.

(a) IN GENERAL.—Part C of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3731 et seq.) is amended by adding at the end the following new section:

"SEC. 305. OFFICE OF IMMIGRATION STATISTICS.

"(a) ESTABLISHMENT.—There is established within the Bureau of Justice Statistics of the Department of Justice an Office of Immigration Statistics (in this section referred to as the 'Office'), which shall be headed by a Director who shall be appointed by the Attorney General and who shall report to the Director of Justice Statistics.

"(b) RESPONSIBILITIES OF DIRECTOR.—The Director of the Office shall be responsible for the following:

"(1) STATISTICAL INFORMATION.—Maintenance of all immigration statistical information of the Immigration Affairs Agency and the Executive Office for Immigration Review.

"(2) STANDARDS OF RELIABILITY AND VALIDITY.—Establishment of standards of reliability and validity for immigration statistics collected by the Bureau of Immigration Services and Adjudications, the Bureau of Enforcement and Border Affairs of the Immigration Affairs Agency, and the Executive Office for Immigration Review.

"(c) RELATION TO THE IMMIGRATION AFFAIRS AGENCY AND THE EXECUTIVE OFFICE FOR IMMIGRATION REVIEW.—

"(1) OTHER AUTHORITIES.—The Immigration Affairs Agency and the Executive Office for Immigration Review shall provide statistical information to the Office from the operational data systems controlled by the Immigration Affairs Agency and the Executive Office for Immigration Review, respectively, as requested by the Office, for the purpose of meeting the responsibilities of the Director of the Office.

"(2) DATABASES.—The Director of the Office, under the direction of the Attorney General, shall ensure the interoperability of the databases of the Immigration Affairs Agency, the Bureau of Immigration Services and Adjudications, the Bureau of Enforcement and Border Affairs, and the Executive Office for Immigration Review to permit the Director of the Office to perform the duties of such office.

(b) TRANSFER OF FUNCTIONS.—There are transferred to the Attorney General, for exercise through the Office of Immigration Statistics established by section 305 of the Omnibus Crime Control and Safe Streets Act of 1968, as added by subsection (a), the functions performed by the Statistics Branch of the Office of Policy and Planning of the Immigration and Naturalization Service, and the statistical functions performed by the Executive Office for Immigration Review, on the day before the effective date of this title.

(c) CONFORMING AMENDMENT.—Section 302(c) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3732(c)) is amended—

(1) by striking "and" at the end of paragraph (22);

(2) by striking the period at the end of paragraph (23) and inserting "; and"; and

(3) by adding at the end the following:

"(24) collect, maintain, compile, analyze, publish, and disseminate information and statistics about immigration in the United States, including information and statistics involving the functions of the Immigration Affairs Agency and the Executive Office for Immigration Review.".

SEC. 108. CLERICAL AMENDMENTS.

The table of contents of the Immigration and Nationality Act is amended—

(1) by inserting after the item relating to the heading for title I the following:

"CHAPTER—DEFINITIONS AND GENERAL AUTHORITIES";

(2) by striking the item relating to section 103 and inserting the following:

"Sec. 103. Powers and duties of the Attorney General and the Director.";

and

(3) by inserting after the item relating to section 106 the following:

"CHAPTER 2—IMMIGRATION AFFAIRS AGENCY

"Sec. 111. Establishment of Immigration Affairs Agency.
"Sec. 112. Director of Immigration Affairs.
"Sec. 113. Bureau of Immigration Services and Adjudications.
"Sec. 114. Bureau of Enforcement and Border Affairs.
"Sec. 115. Office of the Ombudsman within the Department of Justice.".

Subtitle B—Transition Provisions

SEC. 111. TRANSFER OF FUNCTIONS.

(a) IN GENERAL.—All functions under the immigration laws of the United States vested by statute in, or exercised by, the Commissioner of Immigration and Naturalization or the Immigration and Naturalization Service (or any officer, employee, or component thereof), immediately prior to the effective date of this title, are transferred to the Immigration Affairs Agency on such effective date for exercise by the Director in accordance with section 112(b) of the Immigration and Nationality Act, as added by section 103 of this Act.

(b) EXERCISE OF AUTHORITIES.—Except as otherwise provided by law, the Director may, for purposes of performing any function transferred to the Immigration Affairs Agency under subsection (a), exercise all authorities under any other provision of law that were available with respect to the performance of that function to the official responsible for the performance of the function immediately before the effective date of the transfer of the function pursuant to this title.

SEC. 112. TRANSFER OF PERSONNEL AND OTHER RESOURCES.

Subject to section 1531 of title 31, United States Code, upon the effective date of this title, there are transferred to the Director for appropriate allocation in accordance with section 115—

(1) the personnel of the Department of Justice employed in connection with the functions transferred pursuant to this title (and such other functions that the Attorney General determines are properly related to the functions of the Immigration Affairs Agency and that would, if so transferred, further the purposes of the Agency); and

(2) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available to the Immigration and Naturalization Service in connection with the functions transferred pursuant to this title.

SEC. 113. DETERMINATIONS WITH RESPECT TO FUNCTIONS AND RESOURCES.

The Director shall determine, in accordance with the corresponding criteria set forth in sections 112(b), 113(b), and 114(b) of the Immigration and Nationality Act (as added by this Act)—

(1) which of the functions transferred under section 111 are—

(A) immigration policy, administration, and inspection functions;

(B) immigration service and adjudication functions; and

(C) immigration enforcement functions; and

(2) which of the personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds transferred under section 112 were held or used, arose from, were available to, or were made available, in connection with the performance of the respective functions specified in paragraph (1) immediately prior to the effective date of this title.

SEC. 114. DELEGATION AND RESERVATION OF FUNCTIONS.

(a) IN GENERAL.—

(1) DELEGATION TO THE BUREAUS.—Subject to section 112(b)(1) of the Immigration and Nationality Act (as added by section 103 of this Act), the Director shall delegate—

(A) immigration service and adjudication functions to the Deputy Director of the Service Bureau; and

(B) immigration enforcement functions to the Deputy Director of the Enforcement Bureau.

(2) RESERVATION OF FUNCTIONS.—Subject to section 112(b)(1) of the Immigration and Nationality Act (as added by section 103 of this Act), immigration policy, administration, and inspection functions shall be reserved for exercise by the Director.

(b) NONEXCLUSIVE DELEGATIONS AUTHORIZED.—Delegations made under subsection (a) may be on a nonexclusive basis as the Director may determine may be necessary to ensure the faithful execution of the Director's responsibilities and duties under law.

(c) EFFECT OF DELEGATIONS.—Except as otherwise expressly prohibited by law or otherwise provided in this title, the Director may make delegations under this subsection to such officers and employees of the office of the Director, the Service Bureau, and the

Enforcement Bureau, respectively, as the Director may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions under this subsection or under any other provision of this title shall relieve the official to whom a function is transferred pursuant to this title of responsibility for the administration of the function.

(d) STATUTORY CONSTRUCTION.—Nothing in this Act may be construed to limit the authority of the Director, acting directly or by delegation under the Attorney General, to establish such offices or positions within the Immigration Affairs Agency, in addition to those specified by this Act, as the Director may determine to be necessary to carry out the functions of the Agency.

SEC. 115. ALLOCATION OF PERSONNEL AND OTHER RESOURCES.

(a) AUTHORITY OF THE DIRECTOR.—

(1) IN GENERAL.—Subject to paragraph (2) and section 114(b), the Director shall make allocations of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the performance of the respective functions, as determined under section 113, in accordance with the delegation of functions and the reservation of functions made under section 114.

(2) LIMITATION.—Unexpended funds transferred pursuant to section 112 shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) AUTHORITIES OF ATTORNEY GENERAL.—

(1) INCIDENTAL TRANSFERS.—The Attorney General may make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this title, and the amendments made by this title. The Attorney General shall provide for such further measures and dispositions as may be necessary to effectuate the purposes of this title and the amendments made by this title.

(2) AUTHORITY TO TERMINATE AFFAIRS OF INS.—The Attorney General shall provide for the termination of the affairs of the Immigration and Naturalization Service and such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(c) TREATMENT OF SHARED RESOURCES.—The Director is authorized to provide for an appropriate allocation, or coordination, or both, of resources involved in supporting shared support functions for the office of the Director, the Service Bureau, the Enforcement Bureau, and offices within the Department of Justice. The Director shall maintain oversight and control over the shared computer databases and systems and records management.

SEC. 116. SAVINGS PROVISIONS.

(a) LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, grants, loans, contracts, recognition of labor organizations, agreements, including collective bargaining agreements, certificates, licenses, and privileges—

(1) that have been issued, made, granted, or allowed to become effective by the President, the Attorney General, the Commissioner of the Immigration and Naturalization Service, their delegates, or any other Government official, or by a court of competent jurisdiction, in the performance of any function that is transferred pursuant to this title; and

(2) that are in effect on the effective date of such transfer (or become effective after such date pursuant to their terms as in effect on such effective date);

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, any other authorized official, a court of competent jurisdiction, or operation of law, except that any collective bargaining agreement shall remain in effect until the date of termination specified in the agreement.

(b) PROCEEDINGS.—

(1) PENDING.—Sections 111 through 115 of the Immigration and Nationality Act, and section 305 of the Omnibus Crime Control and Safe Streets Act, as added by title I of this Act, shall not affect any proceeding or any application for any benefit, service, license, permit, certificate, or financial assistance pending on the effective date of this title before an office whose functions are transferred pursuant to this title, but such proceedings and applications shall be continued.

(2) ORDERS.—Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(3) DISCONTINUANCE OR MODIFICATION.—Nothing in this section shall be considered to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(c) SUITS.—This title, and the amendments made by this title, shall not affect suits commenced before the effective date of this title, and in all such suits, proceeding shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this title, and the amendments made by this title, had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Justice or the Immigration and Naturalization Service, or by or against any individual in the official capacity of such individual as an officer or employee in connection with a function transferred pursuant to this section, shall abate by reason of the enactment of this Act.

(e) CONTINUANCE OF SUIT WITH SUBSTITUTION OF PARTIES.—If any Government officer in the official capacity of such officer is party to a suit with respect to a function of the officer, and pursuant to this title such function is transferred to any other officer or office, then such suit shall be continued with the other officer or the head of such other office, as applicable, substituted or added as a party.

(f) ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW.—Except as otherwise provided by this title, any statutory requirements relating to notice, hearings, action upon the record, or administrative or judicial review that apply to any function transferred pursuant to any provision of this title shall apply to the exercise of such function by the head of the office, and other officers of the office, to which such function is transferred pursuant to such provision.

SEC. 117. INTERIM SERVICE OF THE COMMISSIONER OF IMMIGRATION AND NATURALIZATION.

The individual serving as the Commissioner of Immigration and Naturalization on the day before the effective date of this title may serve as Director until the date on which a Director is appointed under section 112 of the Immigration and Nationality Act, as added by section 103 of this Act.

SEC. 118. EXECUTIVE OFFICE FOR IMMIGRATION REVIEW AND ATTORNEY GENERAL AUTHORITIES NOT AFFECTED.

Nothing in this title, or any amendment made by this title, may be construed to authorize or require the transfer or delegation of any function vested in, or exercised by—

(1) the Executive Office for Immigration Review of the Department of Justice, or any officer, employee, or component thereof, or

(2) the Attorney General with respect to any matter under the immigration laws of the United States, including the institution of any prosecution, or the institution or defense of any action or appeal, in any court of the United States established under Article III of the Constitution,

immediately prior to the effective date of this title.

SEC. 119. OTHER AUTHORITIES NOT AFFECTED.

Nothing in this title, or any amendment made by this title, may be construed to authorize or require the transfer or delegation of any function vested in, or exercised by—

(1) the Secretary of State under the State Department Basic Authorities Act of 1956, or under the immigration laws of the United States, immediately prior to the effective date of this title, with respect to the issuance and use of passports and visas;

(2) the Secretary of Labor or any official of the Department of Labor immediately prior to the effective date of this title, with respect to labor certifications or any other authority under the immigration laws of the United States; or

(3) except as otherwise specifically provided in this Act, any other official of the Federal Government under the immigration laws of the United States immediately prior to the effective date of this title.

SEC. 120. TRANSITION FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS FOR TRANSITION.—

(1) IN GENERAL.—There are authorized to be appropriated to the Department of Justice such sums as may be necessary—

(A) to effect—

(i) the abolition of the Immigration and Naturalization Service;

(ii) the establishment of the Immigration Affairs Agency and its components, the Bureau of Immigration Services and Adjudications, and the Bureau of Enforcement and Border Affairs; and

(iii) the transfer of functions required to be made under this Act; and

(B) to carry out any other duty that is made necessary by this Act, or any amendment made by this Act.

(2) ACTIVITIES SUPPORTED.—Activities supported under paragraph (1) include—

(A) planning for the transfer of functions from the Immigration and Naturalization Service to the Immigration Affairs Agency, including the preparation of any reports and implementation plans necessary for such transfer;

(B) the division, acquisition, and disposition of—

(i) buildings and facilities;

(ii) support and infrastructure resources; and

(iii) computer hardware, software, and related documentation;

(C) other capital expenditures necessary to effect the transfer of functions described in this paragraph;

(D) revision of forms, stationery, logos, and signage;

(E) expenses incurred in connection with the transfer and training of existing personnel and hiring of new personnel; and

(F) such other expenses necessary to effect the transfers, as determined by the Attorney General.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subsection (a) are authorized to remain available until expended.

(c) TRANSITION ACCOUNT.—

(1) ESTABLISHMENT.—There is established in the general fund of the Treasury of the United States a separate account, which shall be known as the "Immigration Affairs Agency Transition Account" (in this section referred to as the "Account").

(2) USE OF ACCOUNT.—There shall be deposited into the Account all amounts appropriated under subsection (a) and amounts reprogrammed for the purposes described in subsection (a).

(d) REPORT TO CONGRESS ON TRANSITION.—Beginning not later than 90 days after the date of enactment of this Act, and at the end of each fiscal year in which appropriations are made pursuant to subsection (c), the Attorney General shall submit a report to Congress concerning the availability of funds to cover transition costs, including—

(1) any unobligated balances available for such purposes; and

(2) a calculation of the amount of appropriations that would be necessary to fully fund the activities described in subsection (a).

(e) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

Subtitle C—Effective Date

SEC. 121. EFFECTIVE DATE.

Except as otherwise provided in section 120(e), this title, and the amendments made by this title, shall take effect 18 months after the date of enactment of this Act.

TITLE II—PERSONNEL FLEXIBILITIES

SEC. 201. IMPROVEMENTS IN PERSONNEL FLEXIBILITIES.

(a) IN GENERAL.—Part III of title 5, United States Code, is amended by adding at the end the following new subpart:

"Subpart J—Immigration Affairs Agency Personnel

"CHAPTER 96—PERSONNEL FLEXIBILITIES RELATING TO THE IMMIGRATION AFFAIRS AGENCY

"Sec.
"9601. Immigration Affairs Agency personnel flexibilities.
"9602. Pay authority for critical positions.
"9603. Streamlined critical pay authority.
"9604. Recruitment, retention, relocation incentives, and relocation expenses.

"§ 9601. Immigration Affairs Agency personnel flexibilities

"(a) Any flexibilities provided by sections 9602 through 9604 of this chapter shall be exercised in a manner consistent with—

"(1) chapter 23 (relating to merit system principles and prohibited personnel practices);

"(2) provisions relating to preference eligibles;

"(3) except as otherwise specifically provided, section 5307 (relating to the aggregate limitation on pay);

"(4) except as otherwise specifically provided, chapter 71 (relating to labor-management relations); and

"(5) subject to subsections (b) and (c) of section 1104, as though such authorities were delegated to the Attorney General under section 1104(a)(2).

"(b) The Attorney General shall provide the Office of Personnel Management with any information that Office requires in carrying out its responsibilities under this section.

"§ 9602. Pay authority for critical positions

"(a) When the Attorney General seeks a grant of authority under section 5377 for critical pay for 1 or more positions at the Immigration Affairs Agency, the Office of Management and Budget may fix the rate of basic pay, notwithstanding sections 5377(d)(2) and 5307, at any rate up to the salary set in accordance with section 104 of title 3.

"(b) Notwithstanding section 5307, no allowance, differential, bonus, award, or similar cash payment may be paid to any employee receiving critical pay at a rate fixed under subsection (a), in any calendar year if, or to the extent that, the employee's total annual compensation will exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3.

"§ 9603. Streamlined critical pay authority

"(a) Notwithstanding section 9602, and without regard to the provisions of this title governing appointments in the competitive service or the Senior Executive Service and chapters 51 and 53 (relating to classification and pay rates), the Attorney General may, for a period of 10 years after the effective date of title II of the Immigration Reform, Accountability, and Security Enhancement Act of 2002, establish, fix the compensation of, and appoint individuals to, designated critical administrative, technical, and professional positions needed to carry out the functions of the Immigration Affairs Agency, if—

"(1) the positions—

"(A) require expertise of an extremely high level in an administrative, technical, or professional field; and

"(B) are critical to the Immigration Affairs Agency's successful accomplishment of an important mission;

"(2) exercise of the authority is necessary to recruit or retain an individual exceptionally well qualified for the position;

"(3) the number of such positions does not exceed 40 at any one time;

"(4) designation of such positions are approved by the Attorney General;

"(5) the terms of such appointments are limited to no more than 4 years;

"(6) appointees to such positions were not employees of the Immigration and Naturalization Service prior to the effective date of title II of the Immigration Reform, Accountability, and Security Enhancement Act of 2002;

"(7) total annual compensation for any appointee to such positions does not exceed the highest total annual compensation payable at the rate determined under section 104 of title 3; and

"(8) all such positions are excluded from the collective bargaining unit.

"(b) Individuals appointed under this section shall not be considered to be employees for purposes of subchapter II of chapter 75.

"§ 9604. Recruitment, retention, relocation incentives, and relocation expenses

"(a) For a period of 10 years after the effective date of title II of the Immigration Reform, Accountability, and Security Enhancement Act of 2002, and subject to approval by the Office of Personnel Management, the Attorney General may provide for variations from sections 5753 and 5754 governing payment of recruitment, relocation, and retention incentives with respect to employees of the Immigration Affairs Agency.

"(b) For a period of 10 years after the effective date of title II of the Immigration Reform, Accountability, and Security Enhancement Act of 2002, and subject to approval by the Office of Personnel Management, the Attorney General may pay from appropriations made to the Immigration Affairs Agency allowable relocation expenses under section 5724a for employees transferred or reemployed and allowable travel and transportation expenses under section 5723 for new appointees, for any new appointee appointed to a position for which pay is fixed under section 9602 or 9603 after such effective date.".

(b) CLERICAL AMENDMENT.—The table of chapters for part III of title 5, United States Code, is amended by adding at the end the following new items:

"SUBPART J—IMMIGRATION AFFAIRS AGENCY PERSONNEL

"96. Personnel flexibilities relating to the Immigration Affairs Agency ... 9601.".

SEC. 202. VOLUNTARY SEPARATION INCENTIVE PAYMENTS FOR INS EMPLOYEES.

(a) DEFINITION.—In this section, the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the Immigration and Naturalization Service serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(1) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system;

(2) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in paragraph (1);

(3) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(4) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(5) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this section or any other authority and has not repaid such payment;

(6) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(7) any employee who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the 12-month period preceding the date of separation, received a retention allowance under section 5754 of title 5, United States Code.

(b) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—The Attorney General may pay voluntary separation incentive payments under this section to any employee to the extent necessary to carry out the plan to establish the Immigration Affairs Agency under title I.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code; or

(ii) an amount determined by an agency head not to exceed $25,000;

(D) may not be made except in the case of any qualifying employee who voluntarily separates (whether by retirement or resignation) before January 1, 2006;

(E) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(F) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(c) Additional Immigration and Naturalization Service Contributions to the Retirement Fund.—

(1) In general.—In addition to any other payments which it is required to make under subchapter III of chapter 83 of title 5, United States Code, the Immigration and Naturalization Service shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) Definition.—In paragraph (1), the term "final basic pay", with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefore.

(d) Effect of Subsequent Employment With the Government.—An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based, shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment to the Immigration and Naturalization Service or, in the case of employment or work occurring after the effective date of title I, the Immigration Affairs Agency.

(e) Use of Voluntary Separations.—The Immigration and Naturalization Service may redeploy or use the full-time equivalent positions vacated by voluntary separations under this section to make other positions available to more critical locations or more critical occupations.

(f) Effective Date.—This section shall take effect on the date of enactment of this Act.

SEC. 203. VOLUNTARY SEPARATION INCENTIVE PAYMENTS FOR EMPLOYEES OF THE IMMIGRATION AFFAIRS AGENCY.

(a) Definition.—In this section, the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the Immigration Affairs Agency serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(1) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system;

(2) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in paragraph (1);

(3) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(4) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(5) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this section or any other authority and has not repaid such payment;

(6) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(7) any employee who, during the 24-month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the 12-month period preceding the date of separation, received a retention allowance under section 5754 of title 5, United States Code.

(b) Authority To Provide Voluntary Separation Incentive Payments.—

(1) In general.—The Attorney General may pay voluntary separation incentive payments under this section to any employee to the extent necessary to carry out the plan to establish the Immigration Affairs Agency under title I.

(2) Amount and treatment of payments.—A voluntary separation incentive payment—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code; or

(ii) an amount determined by an agency head not to exceed $25,000;

(D) may not be made except in the case of any qualifying employee who voluntarily separates (whether by retirement or resignation) before January 1, 2006;

(E) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(F) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(c) Additional Immigration Affairs Agency Contributions to the Retirement Fund.—

(1) In general.—In addition to any other payments which it is required to make under subchapter III of chapter 83 of title 5, United States Code, the Immigration Affairs Agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) Definition.—In paragraph (1), the term "final basic pay", with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefore.

(d) Effect of Subsequent Employment With the Government.—An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based, shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment to the Immigration Affairs Agency.

(e) Use of Voluntary Separations.—The Immigration Affairs Agency may redeploy or use the full-time equivalent positions vacated by voluntary separations under this section to make other positions available to more critical locations or more critical occupations.

SEC. 204. BASIS FOR EVALUATION OF IMMIGRATION AFFAIRS AGENCY EMPLOYEES.

The Immigration Affairs Agency shall use the fair and equitable treatment of aliens by employees as one of the standards for evaluating employee performance.

SEC. 205. EFFECTIVE DATE.

Except as otherwise provided in section 202(f), this title, and the amendments made by this title, shall take effect 18 months after the date of enactment of this Act.

TITLE III—UNACCOMPANIED ALIEN CHILD PROTECTION

SEC. 301. SHORT TITLE.

This title may be cited as the "Unaccompanied Alien Child Protection Act of 2002".

SEC. 302. DEFINITIONS.

(a) In General.—In this title:

(1) Director.—The term "Director" means the Director of the Office.

(2) Office.—The term "Office" means the Office of Children's Services established by section 311.

(3) Service.—The term "Service" means the Immigration and Naturalization Service (or, upon the effective date of title I, the Immigration Affairs Agency).

(4) Unaccompanied alien child.—The term "unaccompanied alien child" means a child who—

(A) has no lawful immigration status in the United States;

(B) has not attained the age of 18; and

(C) with respect to whom—

(i) there is no parent or legal guardian in the United States; or

(ii) no parent or legal guardian in the United States is available to provide care and physical custody.

(5) Voluntary agency.—The term "voluntary agency" means a private, nonprofit voluntary agency with expertise in meeting the cultural, developmental, or psychological needs of unaccompanied alien children as licensed by the appropriate State and certified by the Attorney General.

(b) Amendments to the Immigration and Nationality Act.—Section 101(a) (8 U.S.C. 1101(a)) is amended by adding at the end the following new paragraphs:

"(51) The term 'unaccompanied alien child' means a child who—

"(A) has no lawful immigration status in the United States;

"(B) has not attained the age of 18; and

"(C) with respect to whom—

"(i) there is no parent or legal guardian in the United States; or

"(ii) no parent or legal guardian in the United States is able to provide care and physical custody.

"(52) The term 'unaccompanied refugee children' means persons described in paragraph (42) who—

"(A) have not attained the age of 18; and

"(B) with respect to whom there are no parents or legal guardians available to provide care and physical custody.".

Subtitle A—Structural Changes

SEC. 311. ESTABLISHMENT OF THE OFFICE OF CHILDREN'S SERVICES.

(a) Establishment.—

(1) Prohibited within INS.—There is established within the Department of Justice the Office of Children's Services. The Office shall not be an office within the Immigration and Naturalization Service.

(2) Components.—The Office shall include such other components, staff, and resources as the Attorney General may determine necessary to carry out this title.

(b) Transfer of Functions.—

(1) In general.—All functions with respect to the care and custody of unaccompanied alien children under the immigration laws of the United States vested by statute in, or exercised by, the Commissioner of Immigration and Naturalization (or any officer, employee, or component thereof), immediately prior to the effective date of this subtitle, are transferred to the Office under the general authority of the Attorney General.

(2) Responsibilities of the office.—The Office shall be responsible for coordinating and implementing law and policy for unaccompanied alien children who come into the custody of the Department of Justice.

(c) Director of the Office of Children's Services.—

(1) In general.—The Office shall be headed by a Director of Children's Services, who shall be appointed by and report directly to the Attorney General or his designee, if the designee is at a level no lower than Associate Attorney General.

(2) Compensation at level iv of executive schedule.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Director of the Office of Children's Services, Department of Justice.".

(3) Duties.—The Director shall be responsible for—

(A) ensuring that the best interests of the child are considered in decisions and actions relating to the care and placement of an unaccompanied alien child;

(B) making placement, release, and detention determinations for all unaccompanied alien children in the custody of the Office;

(C) implementing the placement, release, and detention determinations made by the Office;

(D) coordinating and implementing law and policy for unaccompanied alien children who come into the custody of the Department of Justice;

(E) convening, in the absence of the Attorney General, the Interagency Task Force on Unaccompanied Alien Children established in section 312;

(F) identifying a sufficient number of qualified persons, entities, and facilities to house unaccompanied alien children in accordance with sections 322 and 323;

(G) overseeing the persons, entities, and facilities described in sections 322 and 323 to ensure their compliance with such provisions;

(H) compiling, updating, and publishing at least annually a State-by-State list of professionals or other entities qualified to contract with the Office to provide the services described in sections 331 and 332;

(I) maintaining statistical information and other data on unaccompanied alien children in the Office's custody and care, which shall include—

(i) biographical information such as the child's name, gender, date of birth, country of birth, and country of habitual residence;

(ii) the date on which the child came into the custody of—

(I) the Department of Justice (other than as described in subclause (II) or (III);

(II) the Service; or

(III) the Office;

(iii) information relating to the custody, detention, release, and repatriation of unaccompanied alien children who have been in the custody of the Office;

(iv) in any case in which the child is placed in detention, an explanation relating to the detention; and

(v) the disposition of any actions in which the child is the subject;

(J) collecting and compiling statistical information from the Service, including Border Patrol and inspections officers, on the unaccompanied alien children with whom they come into contact; and

(K) conducting investigations and inspections of facilities and other entities in which unaccompanied alien children reside.

(4) Duties with respect to foster care.—In carrying out the duties described in paragraph (3)(F), the Director shall assess the extent to which the refugee children foster care system utilized pursuant to section 412(d)(2) of the Immigration and Nationality Act can feasibly be expanded for the placement of unaccompanied alien children.

(5) Powers.—In carrying out the duties specified in paragraph (3), the Director shall have the power to—

(A) contract with service providers to perform the services described in sections 322, 323, 331, and 332; and

(B) compel compliance with the terms and conditions set forth in section 323, including the power to terminate the contracts of providers that are not in compliance with such conditions and reassign any unaccompanied alien child to a similar facility that is in compliance with such section.

(d) No Effect on INS, EOIR, and Department of State Adjudicatory Responsibilities.—Nothing in this title may be construed to transfer the responsibility for adjudicating benefit determinations under the Immigration and Nationality Act from the authority of any official of the Service, the Executive Office of Immigration Review of the Department of Justice, or the Department of State.

SEC. 312. ESTABLISHMENT OF INTERAGENCY TASK FORCE ON UNACCOMPANIED ALIEN CHILDREN.

(a) Establishment.—There is established an Interagency Task Force on Unaccompanied Alien Children.

(b) Composition.—The Task Force shall consist of the following members:

(1) The Attorney General.

(2) The Commissioner of Immigration and Naturalization.

(3) The Assistant Secretary of State for Population, Refugees, and Migration.

(4) The Director of the Office of Refugee Resettlement of the Department of Health and Human Services.

(5) The Director.

(6) Such other officials in the executive branch of Government as may be designated by the President.

(c) Chairman.—The Task Force shall be chaired by the Attorney General.

(d) Activities of the Task Force.—In consultation with nongovernmental organizations, the Task Force shall—

(1) measure and evaluate the progress of the United States in treating unaccompanied alien children in United States custody; and

(2) expand interagency procedures to collect and organize data, including significant research and resource information on the needs and treatment of unaccompanied alien children in the custody of the United States Government.

SEC. 313. EFFECTIVE DATE.

This subtitle shall take effect 180 days after the date of enactment of this Act.

Subtitle B—Custody, Release, Family Reunification, and Detention

SEC. 321. PROCEDURES WHEN ENCOUNTERING UNACCOMPANIED ALIEN CHILDREN.

(a) Unaccompanied Children Found Along the United States Border or at United States Ports of Entry.—

(1) In general.—Subject to paragraph (2), if an immigration officer finds an unaccompanied alien child who is described in paragraph (2) at a land border or port of entry of the United States and determines that such child is inadmissible under the Immigration and Nationality Act, the officer shall—

(A) permit such child to withdraw the child's application for admission pursuant to section 235(a)(4) of the Immigration and Nationality Act; and

(B) remove such child from the United States.

(2) Special rule for contiguous countries.—

(A) In general.—Any child who is a national or habitual resident of a country that is contiguous with the United States and that has an agreement in writing with the United States providing for the safe return and orderly repatriation of unaccompanied alien children who are nationals or habitual residents of such country shall be treated in accordance with paragraph (1), unless a determination is made on a case-by-case basis that—

(i) such child has a fear of returning to the child's country of nationality or country of last habitual residence owing to a fear of persecution;

(ii) the return of such child to the child's country of nationality or country of last habitual residence would endanger the life or safety of such child; or

(iii) the child cannot make an independent decision to withdraw the child's application for admission due to age or other lack of capacity.

(B) Right of consultation.—Any child described in subparagraph (A) shall have the right to consult with a consular officer from the child's country of nationality or country of last habitual residence prior to repatriation, as well as consult with the Office, telephonically, and such child shall be informed of that right.

(3) Rule for apprehensions at the border.—The custody of unaccompanied alien children not described in paragraph (2) who are apprehended at the border of the United States or at a United States port of entry shall be treated in accordance with the provisions of subsection (b).

(b) Custody of Unaccompanied Alien Children Found in the Interior of the United States.—

(1) Establishment of jurisdiction.—

(A) In general.—Except as otherwise provided in subsection (a) and subparagraph (B), the custody of all unaccompanied alien children, including responsibility for their detention, where appropriate, shall be under the jurisdiction of the Office.

(B) Exception for children who have committed crimes.—Notwithstanding subparagraph (A), the Service shall retain or assume the custody and care of any unaccompanied alien child who—

(i) has been charged with any felony, excluding offenses proscribed by the Immigration and Nationality Act, while such charges are pending; or

(ii) has been convicted of any such felony.

(2) Notification.—Upon apprehension of an unaccompanied alien child, the Attorney General shall promptly notify the Office.

(3) Transfer of unaccompanied alien children.—

(A) Transfer to the office.—Not later than 72 hours after apprehension of an unaccompanied alien child, the care and custody of such children not described in paragraph (1)(B) shall be transferred to the Office.

(B) Transfer of children who have committed crimes.—Upon determining that a child in the custody of the Office is described in paragraph (1)(B), the Director shall promptly make arrangements to transfer the care and custody of such child to the Service.

(c) Age Determinations.—In any case in which the age of an alien is in question and the resolution of questions about such alien's age would affect the alien's eligibility for treatment under the provisions of this title, a determination of whether such alien meets the age requirements of this title shall be made in accordance with the provisions of section 325.

SEC. 322. FAMILY REUNIFICATION FOR UNACCOMPANIED ALIEN CHILDREN WITH RELATIVES IN THE UNITED STATES.

(a) Placement Authority.—

(1) Order of preference.—Subject to the Attorney General's discretion under paragraph (4) and section 323(a)(2), an unaccompanied alien child in the custody of the Office shall be promptly placed with one of the following individuals in the following order of preference:

(A) A parent who seeks to establish custody, as described in paragraph (3)(A).

(B) A legal guardian who seeks to establish custody, as described in paragraph (3)(A).

(C) An adult relative.

(D) An entity designated by the parent or legal guardian that is capable and willing to care for the child's well-being.

(E) A State-licensed juvenile shelter, group home, or foster home willing to accept legal custody of the child.

(F) A qualified adult or entity seeking custody of the child when it appears that there is no other likely alternative to long-term detention and family reunification does not appear to be a reasonable alternative. For purposes of this subparagraph, the qualification of the adult or entity shall be decided by the Office.

(2) Home study.—Notwithstanding the provisions of paragraph (1), no unaccompanied alien child shall be placed with a person or entity unless a valid home-study conducted by an agency of the State of the child's proposed residence, by an agency authorized by that State to conduct such a study, or by an appropriate voluntary agency contracted with the Office to conduct such studies has found that the person or entity is capable of providing for the child's physical and mental well-being.

(3) Right of parent or legal guardian to custody of unaccompanied alien child.—

(A) Placement with parent or legal guardian.—If an unaccompanied alien child is placed with any person or entity other than a parent or legal guardian, but subsequent to that placement a parent or legal guardian seeks to establish custody, the Director shall assess the suitability of placing the child with the parent or legal guardian and shall make a written determination on the child's placement within 30 days.

(B) Rule of construction.—Nothing in this title shall be construed to—

(i) supersede obligations under any treaty or other international agreement to which the United States is a party, including The Hague Convention on the Civil Aspects of International Child Abduction, the Vienna Declaration and Programme of Action, and the Declaration of the Rights of the Child; or

(ii) limit any right or remedy under such international agreement.

(4) Protection from smugglers and traffickers.—The Director shall take steps to ensure that unaccompanied alien children are protected from smugglers, traffickers, or others seeking to victimize or otherwise engage such children in criminal, harmful, or exploitative activity.

(5) Grants and contracts.—Subject to the availability of appropriations, the Director is authorized to make grants to, and enter into contracts with, voluntary agencies to carry out the provisions of this section.

(6) Reimbursement of state expenses.—Subject to the availability of appropriations, the Director is authorized to reimburse States for any expenses they incur in providing assistance to unaccompanied alien children who are served pursuant to this title.

(b) Confidentiality.—All information obtained by the Office relating to the immigration status of a person listed in subsection (a) shall remain confidential and may be used only for the purposes of determining such person's qualifications under subsection (a)(1).

SEC. 323. APPROPRIATE CONDITIONS FOR DETENTION OF UNACCOMPANIED ALIEN CHILDREN.

(a) Standards for Placement.—

(1) Prohibition of detention in certain facilities.—Except as provided in paragraph (2), an unaccompanied alien child shall not be placed in an adult detention facility or a facility housing delinquent children.

(2) Detention in appropriate facilities.—An unaccompanied alien child who has exhibited a violent or criminal behavior that endangers others may be detained in conditions appropriate to the behavior in a facility appropriate for delinquent children.

(3) State licensure.—In the case of a placement of a child with an entity described in section 322(a)(1)(E), the entity must be licensed by an appropriate State agency to provide residential, group, child welfare, or foster care services for dependent children.

(4) Conditions of detention.—

(A) In general.—At a minimum, the Attorney General shall promulgate regulations incorporating standards for conditions of detention in such placements that provide for—

(i) educational services appropriate to the child;

(ii) medical care;

(iii) mental health care, including treatment of trauma;

(iv) access to telephones;

(v) access to legal services;

(vi) access to interpreters;

(vii) supervision by professionals trained in the care of children, taking into account the special cultural, linguistic, and experiential needs of children in immigration proceedings;

(viii) recreational programs and activities;

(ix) spiritual and religious needs; and

(x) dietary needs.

(B) Notification of children.—Such regulations shall provide that all children are notified orally and in writing of such standards.

(b) Prohibition of Certain Practices.—The Director and the Commissioner of Immigration and Naturalization shall develop procedures prohibiting the unreasonable use of—

(1) shackling, handcuffing, or other restraints on children;

(2) solitary confinement; or

(3) pat or strip searches.

(c) Rule of Construction.—Nothing in this section shall be construed to supersede procedures favoring release of children to appropriate adults or entities or placement in the least secure setting possible, as defined in the Stipulated Settlement Agreement under Flores v. Reno.

SEC. 324. REPATRIATED UNACCOMPANIED ALIEN CHILDREN.

(a) Country Conditions.—

(1) Sense of congress.—It is the sense of Congress that, to the extent consistent with the treaties and other international agreements to which the United States is a party and to the extent practicable, the United States Government should undertake efforts to ensure that it does not repatriate children in its custody into settings that would threaten the life and safety of such children.

(2) Assessment of conditions.—

(A) In general.—In carrying out repatriations of unaccompanied alien children, the Office shall conduct assessments of country conditions to determine the extent to which the country to which a child is being repatriated has a child welfare system capable of ensuring the child's well being.

(B) Factors for assessment.—In assessing country conditions, the Office shall, to the maximum extent practicable, examine the conditions specific to the locale of the child's repatriation.

(b) Report on Repatriation of Unaccompanied Alien Children.—Beginning not later than 18 months after the date of enactment of this Act, and annually thereafter, the Director shall submit a report to the Judiciary Committees of the House of Representatives and Senate on the Director's efforts to repatriate unaccompanied alien children. Such report shall include at a minimum the following information:

(1) The number of unaccompanied alien children ordered removed and the number of such children actually removed from the United States.

(2) A description of the type of immigration relief sought and denied to such children.

(3) A statement of the nationalities, ages, and gender of such children.

(4) A description of the procedures used to effect the removal of such children from the United States.

(5) A description of steps taken to ensure that such children were safely and humanely repatriated to their country of origin.

(6) Any information gathered in assessments of country and local conditions pursuant to subsection (a)(2).

SEC. 325. ESTABLISHING THE AGE OF AN UNACCOMPANIED ALIEN CHILD.

The Director shall develop procedures that permit the presentation and consideration of a variety of forms of evidence, including testimony of a child and other persons, to determine an unaccompanied alien child's age for purposes of placement, custody, parole, and detention. Such procedures shall allow the appeal of a determination to an immigration judge. Radiographs shall not be the sole means of determining age.

SEC. 326. EFFECTIVE DATE.

This subtitle shall take effect 180 days after the date of enactment of this Act.

Subtitle C—Access by Unaccompanied Alien Children to Guardians Ad Litem and Counsel

SEC. 331. RIGHT OF UNACCOMPANIED ALIEN CHILDREN TO GUARDIANS AD LITEM.

(a) GUARDIAN AD LITEM.—

(1) APPOINTMENT.—The Director shall appoint a guardian ad litem who meets the qualifications described in paragraph (2) for each unaccompanied alien child in the custody of the Office not later than 72 hours after the Office assumes physical or constructive custody of such child. The Director is encouraged, wherever practicable, to contract with a voluntary agency for the selection of an individual to be appointed as a guardian ad litem under this paragraph.

(2) QUALIFICATIONS OF GUARDIAN AD LITEM.—

(A) IN GENERAL.—No person shall serve as a guardian ad litem who is not—

(i) a child welfare professional or other individual who has received training in child welfare matters; and

(ii) possessing of special training on the nature of problems encountered by unaccompanied alien children.

(B) PROHIBITION.—A guardian ad litem shall not be an employee of the Service.

(3) DUTIES.—The guardian ad litem shall—

(A) conduct interviews with the child in a manner that is appropriate, taking into account the child's age;

(B) investigate the facts and circumstances relevant to such child's presence in the United States, including facts and circumstances arising in the country of the child's nationality or last habitual residence and facts and circumstances arising subsequent to the child's departure from such country;

(C) work with counsel to identify the child's eligibility for relief from removal or voluntary departure by sharing with counsel information collected under subparagraph (B);

(D) develop recommendations on issues relative to the child's custody, detention, release, and repatriation;

(E) ensure that the child's best interests are promoted while the child participates in, or is subject to, proceedings or actions under the Immigration and Nationality Act;

(F) ensure that the child understands such determinations and proceedings; and

(G) report findings and recommendations to the Director and to the Executive Office of Immigration Review.

(4) TERMINATION OF APPOINTMENT.—The guardian ad litem shall carry out the duties described in paragraph (3) until—

(A) those duties are completed,

(B) the child departs the United States,

(C) the child is granted permanent resident status in the United States,

(D) the child attains the age of 18, or

(E) the child is placed in the custody of a parent or legal guardian,

whichever occurs first.

(5) POWERS.—The guardian ad litem—

(A) shall have reasonable access to the child, including access while such child is being held in detention or in the care of a foster family;

(B) shall be permitted to review all records and information relating to such proceedings that are not deemed privileged or classified;

(C) may seek independent evaluations of the child;

(D) shall be notified in advance of all hearings involving the child that are held in connection with proceedings under the Immigration and Nationality Act, and shall be given a reasonable opportunity to be present at such hearings; and

(E) shall be permitted to consult with the child during any hearing or interview involving such child.

(b) TRAINING.—The Director shall provide professional training for all persons serving as guardians ad litem under this section in the circumstances and conditions that unaccompanied alien children face as well as in the various immigration benefits for which such a child might be eligible.

SEC. 332. RIGHT OF UNACCOMPANIED ALIEN CHILDREN TO COUNSEL.

(a) ACCESS TO COUNSEL.—

(1) IN GENERAL.—The Director shall ensure that all unaccompanied alien children in the custody of the Office or in the custody of the Service who are not described in section 321(a)(2) shall have competent counsel to represent them in immigration proceedings or matters.

(2) PRO BONO REPRESENTATION.—To the maximum extent practicable, the Director shall utilize the services of pro bono attorneys who agree to provide representation to such children without charge.

(3) GOVERNMENT FUNDED REPRESENTATION.—

(A) APPOINTMENT OF COMPETENT COUNSEL.—Notwithstanding section 292 of the Immigration and Nationality Act (8 U.S.C. 1362) or any other provision of law, when no competent counsel is available to represent an unaccompanied alien child without charge, the Director shall appoint competent counsel for such child at the expense of the Government.

(B) LIMITATION ON ATTORNEY FEES.—Counsel appointed under subparagraph (A) may not be compensated at a rate in excess of the rate provided under section 3006A of title 18, United States Code.

(C) AVAILABILITY OF FUNDING.—In carrying out this paragraph, the Director may make use of funds derived from—

(i) the premium fee for employment-based petitions and applications authorized by section 286(u) of the Immigration and Nationality Act (8 U.S.C. 1356(u)); or

(ii) any other source designated by the Attorney General from discretionary funds available to the Department of Justice.

(D) ASSUMPTION OF THE COST OF GOVERNMENT-PAID COUNSEL.—In the case of a child for whom counsel is appointed under subparagraph (A) who is subsequently placed in the physical custody of a parent or legal guardian, such parent or legal guardian may elect to retain the same counsel to continue representation of the child, at no expense to the Government, beginning on the date that the parent or legal guardian assumes physical custody of the child.

(4) DEVELOPMENT OF NECESSARY INFRASTRUCTURES AND SYSTEMS.—In ensuring that legal representation is provided to such children, the Director shall develop the necessary mechanisms to identify entities available to provide such legal assistance and representation and to recruit such entities.

(5) CONTRACTING AND GRANT MAKING AUTHORITY.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Director shall enter into contracts with or make grants to national nonprofit agencies with relevant expertise in the delivery of immigration-related legal services to children in order to carry out this subsection.

(B) INELIGIBILITY FOR GRANTS AND CONTRACTS.—In making grants and entering into contracts with such agencies, the Director shall ensure that no such agency is—

(i) a grantee or contractee for services provided under section 322 or 331; and

(ii) simultaneously a grantee or contractee for services provided under subparagraph (A).

(b) REQUIREMENT OF LEGAL REPRESENTATION.—The Director shall ensure that all unaccompanied alien children have legal representation within 7 days of the child coming into the custody of the Department of Justice.

(c) DUTIES.—Counsel shall represent the unaccompanied alien child in all proceedings and actions relating to the child's immigration status or other actions involving the Service and appear in person for all individual merit hearings before the Executive Office for Immigration Review and interviews involving the Service.

(d) ACCESS TO CHILD.—

(1) IN GENERAL.—Counsel shall have reasonable access to the unaccompanied alien child, including access while the child is being held in detention, in the care of a foster family, or in any other setting that has been determined by the Office.

(2) RESTRICTION ON TRANSFERS.—Absent compelling and unusual circumstances, no child who is represented by counsel shall be transferred from the child's placement to another placement unless advance notice of at least 24 hours is made to counsel of such transfer.

(e) TERMINATION OF APPOINTMENT.—Counsel shall carry out the duties described in subsection (c) until—

(1) those duties are completed,

(2) the child departs the United States,

(3) the child is granted withholding of removal under section 241(b)(3) of the Immigration and Nationality Act,

(4) the child is granted protection under the Convention Against Torture,

(5) the child is granted asylum in the United States under section 208 of the Immigration and Nationality Act,

(6) the child is granted permanent resident status in the United States, or

(7) the child attains 18 years of age,

whichever occurs first.

(f) NOTICE TO COUNSEL DURING IMMIGRATION PROCEEDINGS.—

(1) IN GENERAL.—Except when otherwise required in an emergency situation involving the physical safety of the child, counsel shall be given prompt and adequate notice of all immigration matters affecting or involving an unaccompanied alien child, including adjudications, proceedings, and processing, before such actions are taken.

(2) OPPORTUNITY TO CONSULT WITH COUNSEL.—An unaccompanied alien child in the custody of the Office may not give consent to any immigration action, including consenting to voluntary departure, unless first afforded an opportunity to consult with counsel.

(g) ACCESS TO RECOMMENDATIONS OF GUARDIAN AD LITEM.—Counsel shall be afforded an opportunity to review the recommendation by the guardian ad litem affecting or involving a client who is an unaccompanied alien child.

SEC. 333. TRANSITIONAL PILOT PROGRAM.

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish and begin to carry out a transitional pilot program (in this section referred to as the "pilot program") of not more than 90 days in duration to test the implementation of the guardian ad litem provisions in section 331 and the counsel provisions in section 332(a)(3).

(b) PURPOSE.—The purpose of the pilot program is to study and assess the most efficient and cost-effective means of implementing the guardian ad litem provisions in section 331 and the counsel provisions in section 332(a)(3) on a nationwide basis.

(c) SCOPE OF PROGRAM.—

(1) IN GENERAL.—The Attorney General shall select three sites in which to operate the pilot program, including at least one secure facility and at least one shelter care facility.

(2) ELIGIBILITY OF SITES.—To the maximum extent practicable, each such site should have—

(A) at least 25 children held in immigration custody at any given time; and

(B) an existing pro bono legal representation program for such children.

(d) REFERENCES TO DIRECTOR.—For the purpose of operating the pilot program, to the extent that such program is operating prior to the designation of a Director, the Attorney General may designate any officer within the Department of Justice to perform the functions of the Director, if that officer is not an employee of the Immigration and Naturalization Service.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to operate the pilot program.

SEC. 334. EFFECTIVE DATE; APPLICABILITY.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this subtitle shall take effect 180 days after the date of enactment of this Act.

(2) EXCEPTIONS.—Sections 331 and 332(a)(3) shall take effect 270 days after the date of enactment of this Act.

(b) APPLICABILITY.—The provisions of this subtitle shall apply to all unaccompanied alien children in the custody of the Department of Justice on, before, or after the date of enactment of this Act.

Subtitle D—Strengthening Policies for Permanent Protection of Alien Children

SEC. 341. SPECIAL IMMIGRANT JUVENILE VISA.

(a) J VISA.—Section 101(a)(27)(J) (8 U.S.C. 1101(a)(27)(J)) is amended to read as follows:

"(J) an immigrant under the age of 18 on the date of application who is present in the United States—

"(i) who has been declared dependent on a juvenile court located in the United States or whom such a court has legally committed to, or placed under the custody of, a department or agency of a State, or an individual or entity appointed by a State, and who has been deemed eligible by that court for long-term foster care due to abuse, neglect, or abandonment, or a similar basis found under State law;

"(ii) for whom it has been determined in administrative or judicial proceedings that it would not be in the alien's best interest to be returned to the alien's or parent's previous country of nationality or country of last habitual residence; and

"(iii) for whom the Office of Children's Services of the Department of Justice has certified to the Commissioner that the classification of an alien as a special immigrant under this subparagraph has not been made solely to provide an immigration benefit to that alien;

except that no natural parent or prior adoptive parent of any alien provided special immigrant status under this subparagraph shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under this Act;".

(b) ADJUSTMENT OF STATUS.—Section 245(h)(2) (8 U.S.C. 1255(h)(2)) is amended—

(1) by amending subparagraph (A) to read as follows:

"(A) paragraphs (1), (4), (5), (6), and (7)(A) of section 212(a) shall not apply,";

(2) in subparagraph (B), by striking the period and inserting ", and"; and

(3) by adding at the end the following new subparagraph:

"(C) the Attorney General may waive paragraphs (2)(A) and (2)(B) in the case of an offense which arose as a consequence of the child being unaccompanied.".

(c) ELIGIBILITY FOR ASSISTANCE.—A child who has been granted relief under section 101(a)(27)(J) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)(J)), as amended by subsection (a), and who is in the custody of a State shall be eligible for all funds made available under section 412(d) of such Act.

SEC. 342. TRAINING FOR OFFICIALS AND CERTAIN PRIVATE PARTIES WHO COME INTO CONTACT WITH UNACCOMPANIED ALIEN CHILDREN.

(a) TRAINING OF STATE AND LOCAL OFFICIALS AND CERTAIN PRIVATE PARTIES.—The Attorney General, acting jointly with the Secretary of Health and Human Services, shall provide appropriate training to be available to State and county officials, child welfare specialists, teachers, public counsel, and juvenile judges who come into contact with unaccompanied alien children. The training shall provide education on the processes pertaining to unaccompanied alien children with pending immigration status and on the forms of relief potentially available. The Director shall be responsible for establishing a core curriculum that can be incorporated into currently existing education, training, or orientation modules or formats that are currently used by these professionals.

(b) TRAINING OF INS PERSONNEL.—The Attorney General shall provide specialized training to all personnel of the Service who come into contact with unaccompanied alien children. In the case of Border Patrol agents and immigration inspectors, such training shall include specific training on identifying children at the United States border or at United States ports of entry who have been victimized by smugglers or traffickers, and children for whom asylum or special immigrant relief may be appropriate, including children described in section 321(a)(2).

SEC. 343. EFFECTIVE DATES.

The amendment made by section 341 shall apply to all eligible children who were in the United States before, on, or after the date of enactment of this Act.

Subtitle E—Children Refugee and Asylum Seekers

SEC. 351. GUIDELINES FOR CHILDREN'S ASYLUM CLAIMS.

(a) SENSE OF CONGRESS.—Congress commends the Service for its issuance of its "Guidelines for Children's Asylum Claims", dated December 1998, and encourages and supports the Service's implementation of such guidelines in an effort to facilitate the handling of children's asylum claims. Congress calls upon the Executive Office for Immigration Review of the Department of Justice to adopt the "Guidelines for Children's Asylum Claims" in its handling of children's asylum claims before immigration judges and the Board of Immigration Appeals.

(b) TRAINING.—The Attorney General shall provide periodic comprehensive training under the "Guidelines for Children's Asylum Claims" to asylum officers, immigration judges, members of the Board of Immigration Appeals, and immigration officers who have contact with children in order to familiarize and sensitize such officers to the needs of children asylum seekers. Voluntary agencies shall be allowed to assist in such training.

SEC. 352. EXCEPTIONS FOR UNACCOMPANIED ALIEN CHILDREN IN ASYLUM AND REFUGEE-LIKE CIRCUMSTANCES.

(a) EXCEPTION FROM EXPEDITED REMOVAL.—Section 235(b)(1)(F) (8 U.S.C. 1225(b)(1)(F)) is amended by striking "an alien" and inserting "unaccompanied alien child or an alien".

(b) EXCEPTION FROM TIME LIMIT FOR FILING ASYLUM APPLICATION.—Section 208(a)(2) (8 U.S.C. 1158(a)(2)) is amended by adding at the end the following new subparagraph:

"(E) Subparagraphs (A) and (B) shall not apply to an unaccompanied alien child.".

SEC. 353. UNACCOMPANIED REFUGEE CHILDREN.

(a) IDENTIFYING UNACCOMPANIED REFUGEE CHILDREN.—Section 207(e) (8 U.S.C. 1157(e)) is amended—

(1) by redesignating paragraphs (3), (4), (5), (6), and (7) as paragraphs (4), (5), (6), (7), and (8), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) An analysis of the worldwide situation faced by unaccompanied refugee children, by region. Such analysis shall include an assessment of—

"(A) the number of unaccompanied refugee children, by region;

"(B) the capacity of the Department of State to identify such refugees;

"(C) the capacity of the international community to care for and protect such refugees;

"(D) the capacity of the voluntary agency community to resettle such refugees in the United States;

"(E) the degree to which the United States plans to resettle such refugees in the United States in the coming fiscal year; and

"(F) the fate that will befall such unaccompanied refugee children for whom resettlement in the United States is not possible.".

(b) TRAINING ON THE NEEDS OF UNACCOMPANIED REFUGEE CHILDREN.—Section 207(f)(2) (8 U.S.C. 1157(f)(2)) is amended by—

(1) striking "and" after "countries,"; and

(2) inserting before the period at the end the following: ", and instruction on the needs of unaccompanied refugee children".

Subtitle F—Authorization of Appropriations

SEC. 361. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subsection (a) are authorized to remain available until expended.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. FUNDING ADJUDICATION AND NATURALIZATION SERVICES.

(a) LEVEL OF FEES.—Section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) is amended by striking "services, including the costs of similar services provided without charge to asylum applicants or other immigrants" and inserting "services".

(b) USE OF FEES.—

(1) IN GENERAL.—Each fee collected for the provision of an adjudication or naturalization service shall be used only to fund adjudication or naturalization services or, subject to the availability of funds provided pursuant to subsection (c), costs of similar services provided without charge to asylum and refugee applicants.

(2) PROHIBITION.—No fee may be used to fund adjudication- or naturalization-related audits that are not regularly conducted in the normal course of operation.

(c) REFUGEE AND ASYLUM ADJUDICATION SERVICES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to such sums as may be otherwise available for such purposes, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of sections 207 through 209 of the Immigration and Nationality Act.

(2) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(d) SEPARATION OF FUNDING.—

(1) IN GENERAL.—There shall be established separate accounts in the Treasury of the United States for appropriated funds and other collections available for the Bureau of Immigration Services and Adjudications and the Bureau of Enforcement and Border Affairs.

(2) FEES.—Fees imposed for a particular service, application, or benefit shall be deposited into the account established under paragraph (1) that is for the bureau with jurisdiction over the function to which the fee relates.

(3) FEES NOT TRANSFERABLE.—No fee may be transferred between the Bureau of Immigration Services and Adjudications and the Bureau of Enforcement and Border Affairs for purposes not authorized by section 286 of the Immigration and Nationality Act, as amended by subsection (a).

(e) AUTHORIZATION OF APPROPRIATIONS FOR BACKLOG REDUCTION.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2003 through 2006 to carry out the Immigration Services and Infrastructure Improvement Act of 2000 (title II of Public Law 106-313).

(2) AVAILABILITY OF FUNDS.—Amounts appropriated under paragraph (1) are authorized to remain available until expended.

(3) INFRASTRUCTURE IMPROVEMENT ACCOUNT.—Amounts appropriated under paragraph (1) shall be deposited into the Immigration Services and Infrastructure Improvements Account established by section 204(a)(2) of title II of Public Law 106-313.

SEC. 402. APPLICATION OF INTERNET-BASED TECHNOLOGIES.

(a) ESTABLISHMENT OF ON-LINE DATABASE.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Director, in consultation with the Technology Advisory Committee, shall establish an Internet-based system that will permit an immigrant, nonimmigrant, employer, or other person who files with the Attorney General any application, petition, or other request for any benefit under the immigration laws of the United States access to online information about the processing status of the application, petition, or other request.

(2) PRIVACY CONSIDERATIONS.—The Director shall consider all applicable privacy issues in the establishment of the Internet system described in paragraph (1). No personally identifying information shall be accessible to unauthorized persons.

(3) MEANS OF ACCESS.—The on-line information under the Internet system described in paragraph (1) shall be accessible to other persons described in subsection (a) through a personal identification number (PIN) or other personalized password.

(4) PROHIBITION ON FEES.—The Director shall not charge any immigrant, nonimmigrant, employer, or other person described in subsection (a) a fee for access to the information in the database that pertains to that person.

(b) FEASIBILITY STUDY FOR ON-LINE FILING AND IMPROVED PROCESSING.—

(1) ON-LINE FILING.—

(A) IN GENERAL.—The Director, in consultation with the Technology Advisory Committee, shall conduct a study to determine the feasibility of on-line filing of the documents described in subsection (a).

(B) STUDY ELEMENTS.—The study shall—

(i) include a review of computerization and technology of the Immigration and Naturalization Service (or successor agency) relating to immigration services and the processing of such documents;

(ii) include an estimate of the time-frame and costs of implementing on-line filing of such documents; and

(iii) consider other factors in implementing such a filing system, including the feasibility of the payment of fees on-line.

(2) REPORT.—Not later than one year after the date of the enactment of this Act, the Director shall submit to the Committees on the Judiciary of the Senate and the House of Representatives a report on the findings of the study conducted under this subsection.

(c) TECHNOLOGY ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—Not later than 60 days after the date of the enactment of this Act, the Director shall establish, after consultation with the Committees on the Judiciary of the Senate and the House of Representatives, an advisory committee (in this section referred to as the "Technology Advisory Committee") to assist the Director in—

(A) establishing the tracking system under subsection (a); and

(B) conducting the study under subsection (b).

(2) COMPOSITION.—The Technology Advisory Committee shall be composed of—

(A) experts from the public and private sector capable of establishing and implementing the system in an expeditious manner; and

(B) representatives of persons or entities who may use the tracking system described in subsection (a) and the on-line filing system described in subsection (b)(1).

SEC. 403. DEPARTMENT OF STATE STUDY ON MATTERS RELATING TO THE EMPLOYMENT OF CONSULAR OFFICERS.

(a) FINDINGS.—Congress finds that—

(1) consular officers perform an important role daily, often under difficult conditions, at United States embassies throughout the world; and

(2) many consular officers, who provide the first line of defense against the admission of undesirable persons into the United States, require appropriate training, supervision, and opportunities for promotion while performing this critical work.

(b) STUDY.—The Secretary of State shall conduct a study on matters relating to the employment of consular officers of the Department of State, including training promotion policies, rotation frequency, level of experience and seniority, and level of oversight provided by senior personnel.

(c) REPORT.—Not later than nine months after the date of enactment of this Act, the Secretary shall submit to the Committee on Foreign Relations and the Committee on the Judiciary of the Senate and the Committee on International Relations and the Committee on the Judiciary of the House of Representatives a report containing—

(1) the findings of the study conducted under subsection (b); and

(2) recommendations on how to best retain consular officers with the level of training and expertise in visa issuance appropriate to this important function, especially in sensitive, remote, and hostile locations.

SEC. 404. ALTERNATIVES TO DETENTION OF ASYLUM SEEKERS.

(a) IN GENERAL.—Chapter 4 of title II of the Immigration and Nationality Act (8 U.S.C. 1221 et seq.) is amended by inserting after section 236A the following new section:

"SEC. 236B. ALTERNATIVES TO DETENTION OF ASYLUM SEEKERS.

"(a) DEVELOPMENT OF ALTERNATIVES TO DETENTION.—The Director shall—

"(1) authorize and promote the utilization of alternatives to the detention of asylum seekers who do not have nonpolitical criminal records; and

"(2) establish conditions for the detention of asylum seekers that ensure a safe and humane environment.

"(b) SPECIFIC ALTERNATIVES FOR CONSIDERATION.—The Director shall consider the following specific alternatives to the detention of asylum seekers described in subsection (a):

"(1) Parole from detention.

"(2) For individuals not otherwise qualified for parole under paragraph (1), parole with appearance assistance provided by private nonprofit voluntary agencies with expertise in the legal and social needs of asylum seekers.

"(3) For individuals not otherwise qualified for parole under paragraph (1) or (2), non-secure shelter care or group homes operated by private nonprofit voluntary agencies with expertise in the legal and social needs of asylum seekers.

"(4) Noninstitutional settings for minors such as foster care or group homes operated by private nonprofit voluntary agencies with expertise in the legal and social needs of asylum seekers.

"(c) REGULATIONS.—The Director shall promulgate such regulations as may be necessary to carry out this section.

"(d) DEFINITION.—In this section, the term "asylum seeker" means any applicant for asylum under section 208 or any alien who indicates an intention to apply for asylum under that section.".

(b) CLERICAL AMENDMENT.—The table of contents of the Immigration and Nationality Act is amended by inserting after the item relating to section 236A the following new item:

"Sec. 236B. Alternatives to detention of asylum seekers.".

Mr. BROWNBACK. Mr. President, the attacks of September 11 exposed the weaknesses in how we protect our borders. Terrorists exploited the shortcomings in our immigration system and the lack of communication between the respective agencies that might have detected and deterred the events of that horrible day.

At the same time, however, September 11 has also brought out the best of this great Nation. As a people and as a government, we have united and stood firm in support of our freedom and our principles.

Significantly, September 11 has reaffirmed our Nation's pride in its immigrant roots. We have not lapsed into xenophobia, nor have we let terrorism cloud our judgment about the value of our immigrant neighbors or our visitors. We can take great pride in the fact that the Border Security bill which this body passed just two weeks ago, was intelligent and balanced. We were true both to our responsibility to protect our great Nation from those that mean us harm and our responsibility to keep our country open to those who mean us well.

We need an agency that is likewise true to both these missions, an agency that can effectively enforce the immigration laws and provide timely and competent immigration services. Sadly, the Immigration and Naturalization Service has failed to perform either mission well, and restructuring INS has long been on the legislative agenda. While I deeply respect the hard work that Commissioner Ziglar has put into reforming that agency, the fact is that the INS requires more fixes than can be done administratively. The fundamental problems with the INS compel legislative intervention.

That is why I am honored to join Senator KENNEDY, Senator HATCH, and my other colleagues in introducing the Immigration Reform, Accountability, and Security Enhancement Act of 2002. I would like to point out that, as with the border security bill, we have a bipartisan, balanced, and intelligent bill that will deal effectively with the challenges that face our Nation. I am proud to be a part of it.

By Mr. KENNEDY (for himself and Mrs. HUTCHISON):

S. 2445. A bill to establish a program to promote child literacy by making books available through early learning, child care, literacy, and nutrition programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, last year we reauthorized the Elementary and Secondary Education Act, one of the most far reaching education reform bills in decades. It was a significant bipartisan achievement, but it isn't enough. We must do more to focus on the years leading up to school. Today, Senator KAY BAILEY HUTCHISON and I are reintroducing the Book Stamp Act and looking forward to working in a bipartisan manner to improve early learning opportunities for our youngest children.

In her statement before the Senate Health, Education, Labor, and Pensions Committee, First Lady Laura Bush called attention to the problems she saw as a teacher. She described children who were having difficulties learning to read because they had not developed the basic building blocks of language during their preschool years, the building blocks forged through reading, language play, and bedtime stories. In her words, "a failure to learn to read not only leads to failure in school, but portends failure throughout life."

It should come as no surprise that the foundation for learning and literacy is laid long before children arrive at our public schools. We can't ignore the facts. Each year, millions of children enter kindergarten unprepared for school. Before the first lessons are taught, they are already behind. Low-income children are particularly at risk of school failure. Children in low-income households are less likely than their peers to enter school with the language skills they need.

According to the Carnegie Foundation report, "Ready to Learn: a Mandate for the Nation," 35 percent of children enter kindergarten unprepared to learn and most lack the language skills that are the prerequisites of literacy acquisition. The research also shows that children who are placed in remedial reading groups early in school, often continue to perform below age expectation. Reading failure in school constitutes a major disability that contributes to school dropout, juvenile delinquency, teen pregnancy, and other societal problems.

In other words, the early childhood years are crucial ones for the development of literacy.

There is widespread consensus that reading aloud by parents is the single most important activity for building the knowledge required for eventual success in reading. There is a long history of research linking reading aloud by parents with verbal language and literacy skills with our children.

Regardless of culture or wealth, one of the most important factors in the development of literacy is access to books. Students from homes with an abundance of books and other language activities are substantially better readers than those with few or no reading materials.

Children living in poverty bear a disproportionate burden of early language delay as well as later reading disability. Children from families with lower incomes, as a group, receive comparatively little stimulation at home. As a group, children from low-income families grow up with fewer books in the home, and are exposed to relatively little reading aloud.

The Book Stamp Act will help remedy this. By providing books to the Child Care Resource and Referral Agencies, pediatricians, WIC clinics, and child care providers in each community, we can get developmentally appropriate books into the hands of low-income families. There are over 825 Resource and Referral Agencies that will provide free books to children enrolled in child care programs that serve low-income families. Each child will receive at least one book every 6 months to take home.

However, we can't stop there. It is not enough to just give books to the children. Since young children cannot read to themselves, we must make sure that the adults in their lives understand the importance of reading to children as young as six months. Training the parents and the child's caregiver about the importance of reading is just as critical as getting books into homes. Funds set aside by the Book Stamp Act will also be used to provide such training for parents and caregivers.

Funds will be raised through the sale of a postage stamp similar to the Breast Cancer Stamp. Postal patrons may choose to support this program by purchasing premium stamps which feature an early learning character.

We know what works to combat illiteracy. Through the simple act of getting books into the homes of families who might not otherwise be able to afford them and by providing simple training for parents and caregivers about the best ways to read to children, we can make an enormous difference in a short amount of time. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2445

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Book Stamp Act".

SEC. 2. FINDINGS.

Congress finds the following:

(1) Literacy is fundamental to all learning.

(2) Between 40 and 60 percent of the Nation's children do not read at grade level, particularly children in families or school districts that are challenged by significant financial or social instability.

(3) Increased investments in child literacy are needed to improve opportunities for children and the efficacy of the Nation's education investments.

(4) Increasing access to books in the home is an important means of improving child literacy, which can be accomplished nationally at modest cost.

(5) Effective channels for book distribution already exist through child care providers, hospitals, pediatrician's offices, entities carrying out faith-based programs, and entities carrying out early literacy programs.

SEC. 3. DEFINITIONS.

In this Act:

(1) EARLY LEARNING PROGRAM.—The term "early learning", used with respect to a program, means a program of activities designed to facilitate development of cognitive, language, motor, and social-emotional skills in children under age 6 as a means of enabling the children to enter school ready to learn, such as a Head Start or Early Head Start program carried out under the Head Start Act (42 U.S.C. 9831 et seq.), or a State pre-kindergarten program.

(2) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(3) State.—The term "State" means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(4) State agency.—The term "State agency" means an agency designated under section 658D of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b).

SEC. 4. GRANTS TO STATE AGENCIES.

(a) Establishment of Program.—The Secretary shall establish and carry out a program to promote child literacy and improve children's access to books at home and in early learning, child care, literacy, and nutrition programs, by making books available through early learning programs, child care programs, hospital-based or clinic-based literacy programs, library-based literacy programs, nutrition programs at clinics described in section 6(a)(2)(A)(v), faith-based literacy programs, and other literacy programs.

(b) Grants.—

(1) In general.—In carrying out the program, the Secretary shall make grants to State agencies from allotments determined under paragraph (2).

(2) Allotments.—For each fiscal year, the Secretary shall allot to each State an amount that bears the same ratio to the total of the available funds for the fiscal year as the amount the State receives under section 658O(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m(b)) for the fiscal year bears to the total amount received by all States under that section for the fiscal year.

(c) Applications.—To be eligible to receive an allotment under this section, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(d) Accountability.—The provisions of sections 658I(b) and 658K(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(b), 9858i(b)) shall apply to State agencies receiving grants under this Act, except that references in those sections—

(1) to a subchapter shall be considered to be references to this Act; and

(2) to a plan or application shall be considered to be references to an application submitted under subsection (c).

(e) Definition.—In this section, the term "available funds", used with respect to a fiscal year, means the total of—

(1) the funds made available under section 417(c)(1) of title 39, United States Code, for the fiscal year; and

(2) the amounts appropriated under section 9 for the fiscal year.

SEC. 5. CONTRACTS TO CHILD CARE RESOURCE AND REFERRAL AGENCIES.

A State agency that receives a grant under section 4 shall use funds made available through the grant to enter into contracts with local child care resource and referral agencies to carry out the activities described in section 6. The State agency may reserve not more than 3 percent of the funds made available through the grant to support a public awareness campaign relating to the activities.

SEC. 6. USE OF FUNDS.

(a) Activities.—

(1) Book payments for eligible providers.—A child care resource and referral agency that receives a contract under section 5 shall use the funds made available through the grant to provide payments for eligible providers, on the basis of local needs, to enable the providers to make books available to promote child literacy and improve children's access to books at home and in early learning, child care, literacy, and nutrition programs.

(2) Eligible providers.—To be eligible to receive a payment under paragraph (1), a provider shall—

(A)(i) be a center-based child care provider, a group home child care provider, or a family child care provider, described in section 658P(5)(A) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(5)(A));

(ii) be a Head Start agency designated under section 641 of the Head Start Act (42 U.S.C. 9836), an entity that receives assistance under section 645A of such Act (42 U.S.C. 9840a) to carry out an Early Head Start program, or another provider of an early learning program;

(iii) be an entity that carries out a hospital-based or clinic-based literacy program;

(iv) be an entity that carries out a library-based literacy program serving children under age 6;

(v) be an entity that carries out a nutrition program at a clinic (as defined in part 246.2 of title 7, Code of Federal Regulations (or any corresponding similar regulation or ruling)) under section 17(b)(6) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(6));

(vi) be an entity that carries out a faith-based literacy program serving children under age 6; or

(vii) be another entity carrying out a literacy program serving children under age 6; and

(B) provide services in an area where children face high risks of literacy difficulties, as defined by the Secretary.

(b) Responsibilities.—A child care resource and referral agency that receives a contract under section 5 to provide payments to eligible providers shall—

(1) consult with local individuals and organizations concerned with early literacy (including parents, teachers, pediatricians, directors of the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), literacy coalitions, and organizations carrying out the Reach Out and Read, First Book, and Reading Is Fundamental programs) regarding local book distribution needs;

(2) make reasonable efforts to learn public demographic and other information about local families and child literacy programs carried out by the eligible providers, as needed to inform the agency's decisions as the agency carries out the contract;

(3) coordinate local orders of the books made available under this Act;

(4) distribute, to each eligible provider that receives a payment under this Act, not fewer than 1 book every 6 months for each child served by the provider for more than 3 of the preceding 6 months;

(5) use not more than 5 percent of the funds made available through the contract to provide training and technical assistance to the eligible providers on the effective use of books with young children at different stages of development; and

(6) be a training resource for eligible providers that want to offer parent workshops on developing reading readiness.

(c) Discounts.—

(1) In general.—Federal funds made available under this Act for the purchase of books may only be used to purchase books on the same terms as are customarily available in the book industry to entities carrying out nonprofit bulk book purchase and distribution programs.

(2) Terms.—An entity offering books for purchase under this Act shall be present to have met the requirements of paragraph (1), absent contrary evidence, if the terms include a discount of 43 percent off the catalogue price of the books, with no additional charge for shipping and handling of the books.

(d) Administration.—The child care resource and referral agency may not use more than 6 percent of the funds made available through the contract for administrative costs.

SEC. 7. REPORT TO CONGRESS.

Not later than 2 years after the date of enactment of this Act, the Secretary shall prepare and submit to Congress a report on the implementation of the activities carried out under this Act.

SEC. 8. SPECIAL POSTAGE STAMPS FOR CHILD LITERACY.

Chapter 4 of title 39, United States Code is amended by adding at the end the following:

"§ 417. Special postage stamps for child literacy

"(a) In order to afford the public a convenient way to contribute to funding for child literacy, the Postal Service shall establish a special rate of postage for first-class mail under this section. The stamps that bear the special rate of postage shall promote childhood literacy and shall, to the extent practicable, contain an image relating to a character in a children's book or cartoon.

"(b)(1) The rate of postage established under this section—

"(A) shall be equal to the regular first-class rate of postage, plus a differential of not to exceed 25 percent;

"(B) shall be set by the Governors in accordance with such procedures as the Governors shall by regulation prescribe (in lieu of the procedures described in chapter 36); and

"(C) shall be offered as an alternative to the regular first-class rate of postage.

"(2) The use of the special rate of postage established under this section shall be voluntary on the part of postal patrons.

"(c)(1) Of the amounts becoming available for child literacy pursuant to this section, the Postal Service shall pay 100 percent to the Department of Health and Human Services.

"(2) Payments made under this subsection to the Department shall be made under such arrangements as the Postal Service shall by mutual agreement with such Department establish in order to carry out the objectives of this section, except that, under those arrangements, payments to such agency shall be made at least twice a year.

"(3) In this section, the term 'amounts becoming available for child literacy pursuant to this section' means—

"(A) the total amounts received by the Postal Service that the Postal Service would not have received but for the enactment of this section; reduced by

"(B) an amount sufficient to cover reasonable costs incurred by the Postal Service in carrying out this section, including costs attributable to the printing, sale, and distribution of stamps under this section,

as determined by the Postal Service under regulations that the Postal Service shall prescribe.

"(d) It is the sense of Congress that nothing in this section should—

"(1) directly or indirectly cause a net decrease in total funds received by the Department of Health and Human Services, or any other agency of the Government (or any component or program of the Government), below the level that would otherwise have been received but for the enactment of this section; or

"(2) affect regular first-class rates of postage or any other regular rates of postage.

"(e) Special postage stamps made available under this section shall be made available to the public beginning on such date as the Postal Service shall by regulation prescribe, but in no event later than 12 months after the date of enactment of this section.

"(f) The Postmaster General shall include in each report provided under section 2402, with respect to any period during any portion of which this section is in effect, information concerning the operation of this section, except that, at a minimum, each report shall include information on—

"(1) the total amounts described in subsection (c)(3)(A) that were received by the Postal Service during the period covered by such report; and

"(2) of the amounts described in paragraph (1), how much (in the aggregate and by category) was required for the purposes described in subsection (c)(3)(B).

"(g) This section shall cease to be effective at the end of the 2-year period beginning on the date on which special postage stamps made available under this section are first made available to the public.".

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $50,000,000 for each of fiscal years 2003 through 2007.

By Mr. SPECTER (for himself, Mr. BIDEN, Mr. DURBIN, and Ms. COLLINS):

S. 2446.A bill to ensure that the death penalty defendants have a true opportunity to have their cases considered by the courts, to provide all prisoners with an opportunity to present exculpatory DNA evidence, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER:

S. 2441. A bill to provide all prisoners with an opportunity to present exculpatory DNA evidence, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER:

S. 2442. A bill to ensure that indigent death penalty defendants in State courts receive adequate legal representation, and for other purposes; to the Committee on the Judiciary.

By Mr. SPECTER:

S. 2443. A bill to ensure that death penalty defendants have a true opportunity to have their cases considered by the courts, and for other purposes; to the Committee on the Judiciary.

Mr. SPECTER. Mr. President, I have sought recognition to introduce legislation which is designed to have societal rights check law enforcement and to protect defendants' rights to fundamental fairness.

We are seeing an evolution of a number of problems in the criminal courts, especially applicable to capital cases involving the death penalty where I believe we are in danger of losing the death penalty in the United States if we do not act to see to it that there is fairness.

For example, there is one case specifically where the Supreme Court of the United States had four votes to grant certiorari where the defendant was under the death penalty, and that individual was executed without the Supreme Court hearing the case because there was not a fifth vote to stay the execution.

In the past several years, there has been growing evidence that DNA materials would have exonerated many individuals who have been in jail, and among those quite a number of individuals who have been under the death penalty.

And we have also seen very significant problems with the adequacy of defense counsel in capital cases.

The legislation I am introducing today will address these issues.

During my tenure as district attorney of Philadelphia—from 1966 to 1974—I became convinced that the death penalty is an effective deterrent. I had come to that conclusion earlier when I was an assistant district attorney for 4 years preceding my tenure as Philadelphia's district attorney.

I have seen many cases where individuals will decline to carry weapons on robberies or burglaries because of fear that a killing might occur, and that would be murder in the first degree under the felony murder rule and therefore carry the death penalty.

One case is illustrative of many I have seen. There was a case in the late 1950s in Philadelphia with three defendants, Cater, Rivers, and Williams. Those young men were 17, 18, and 19 years old, respectively. They had IQs of less than 100. They set out to rob a merchant in North Philadelphia, and Williams had a gun. Cater and Rivers said: We are not going to go along on this robbery if you take the gun. They took that position because they were apprehensive that a killing might result and they could face the death penalty under the felony murder rule. That is a rule which says anyone committing one of five enumerated felonies, including robbery, would be subject to murder in the first degree and the death penalty if there was a killing in the course of that robbery.

Williams put the gun in the drawer, slammed it shut, and, as the three of them walked out, unbeknownst to Cater and Rivers, Williams took the gun with him. They robbed the store. In the course of the melee, the merchant was killed. The three of them faced murder in the first degree charges and the death penalty.

In the course of the investigation, the confessions disclosed the essential facts which I have related, and all three got the death penalty. Williams, the gunman, was subsequently executed, in the early 1960s, one of the last people executed in Pennsylvania before "Furman v. Georgia" set aside all of the death penalty cases.

Cater's and Rivers's cases came up later. I was an assistant DA at the time and argued that case in the Supreme Court of Pennsylvania.

Later, when I was district attorney, Cater and Rivers argued for commutation. Representing the Commonwealth, I agreed that they should not face the death penalty but should face life imprisonment because they had tried to dissuade Williams from carrying the gun. Although in the eyes of the law their culpability was the same as a co-conspirator, it seemed to me that as a matter of fairness they ought not to have the death penalty.

That case is illustrative of many cases which have convinced me that the death penalty is a deterrent. But if we are to retain the deterrent, we have to be very careful how we use the death penalty.

When I was district attorney of Philadelphia, we had some 500 homicides a year. I would not permit any of my 160 assistants to ask for the death penalty without my personal review. We asked for the death penalty in a very limited number of cases—four, or five, or six a year—really heinous and outrageous cases where it was the conclusion that only the death penalty would suffice.

There has recently been a commission in Illinois which has been very critical of the application of the death penalty.

The Governor of Illinois has declared a moratorium on the death penalty. And with the growing number of DNA cases which are arising, it is my view, that unless some action is taken to see to it that there are not executions of people whose innocence might be established through DNA evidence, that we will soon lose the death penalty.

So it is a matter of protecting society's interest to maintain the death penalty that this legislation is being introduced, and, at the same time, with equal force, it is in order to provide fundamental fairness to defendants. Where DNA evidence is available, it ought to be examined. And we know it has the capacity, in many, many cases, to rule out the defendant.

The science of DNA has progressed to the point where tangible evidence may specifically exclude a defendant. We have seen many cases where incarcerated people, including those awaiting the death penalty, have been released when the DNA evidence has established their innocence.

There is legislation pending, but none reaches what I consider to be the fundamental question—I ask unanimous consent that I may proceed for an additional 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. The pending legislation does not reach the critical issue; and that is, to establish a right to DNA evidence as a constitutional right.

Congress, under section V of the 14th amendment, has the authority to legislate in furtherance of the due process clause. Congress has been very inert on establishing constitutional rights under our legislative authority under section V. We have seen the wave of Supreme Court decisions in the constitutional area—"Mapp v. Ohio," where the Supreme Court of the United States said it was a constitutional right to not be subjected to unreasonable searches and seizures, incorporating the search and seizure provisions of the 4th amendment into the due process clause of the 14th amendment.

The Supreme Court, in "Miranda v. Arizona," required warnings for those suspects who are in custodial interrogation. And there have been many cases where it has been up to the Court to establish the constitutional right.

In the obvious landmark case, perhaps the most important case in American constitutional history, "Brown v. Board of Education of Topeka," it was up to the Supreme Court to establish desegregation as a constitutional right. Action should have been taken long before by the Congress, long before by the executive branch, and long before by the State legislatures; but it was up to the Court to establish that constitutional right.

There has been one case in the Eastern District of Pennsylvania, the "Godschalk" case, where Judge Charles Weiner established a constitutional right for the defendant to see DNA evidence. And there is a Fourth Circuit opinion which addresses the issue but leaves it up to the Congress to act. And that is a matter that is taken up in this legislation.

On two other items, the bill will first provide for a true opportunity for defendants to have their cases considered by the courts. For example, as I noted earlier, there was a case where the Supreme Court of the United States had four justices willing to vote to grant certiorari and the defendant was executed because there was not a fifth justice voting for a stay of execution—and I ask unanimous consent that the case be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALEXZENE HAMILTON, AS NATURAL MOTHER AND NEXT FRIEND TO JAMES EDWARD SMITH V. TEXAS, NO. 89-7838, SUPREME COURT OF THE UNITED STATES, 498 U.S. 908; 111 S. CT. 281; 112 L. ED. 2D 236; OCTOBER 9, 1990

PRIOR HISTORY:

On petition for writ of certiorari to The Court of Criminal Appeals of Texas.

JUDGES:

Rehnquist, White, Marshall, Blackmun, Stevens, O'Connor, Scalia, Kennedy. Justice Marshall, with whom Justice Blackmun joins, concurring. Justice Stevens, with whom Justice Blackmun joins, concurring. Justice Souter took no part in the consideration or decision of this motion and this petition.

OPINION:

[*908] [***236] [**281] The motion of Chris Lonchar Kellogg for leave to intervene is denied. The petition for a writ of certiorari is denied.

CONCUR BY:

MARSHALL; Stevens

CONCUR:

Justice Marshall, with whom Justice Blackmun joins, concurring.

I agree with Justice Stevens that the issue raised in this petition is important and merits resolution by this Court. I write to express my frustration with the Court's failure to avail itself of the ordinary procedural mechanisms that would have permitted us to resolve that issue in this case.

It is already a matter of public record that four Members of this Court voted to grant certiorari before petitioner was executed. [*909] See *Hamilton* v. *Texas*, 497 U.S. (1990) (Brennan, J., dissenting from denial of application for stay). According to established practice, this fact should have triggered a fifth vote to grant petitioner's application for a stay of [**282] execution. * Indeed, this result flows naturally from the standard by which we evaluate stay applications, a central component of which is "whether four Justices are likely to vote to grant certiorari." *Coleman* v. *Paccar*, 424 U.S. 1301, 1302 (1976) (Rehnquist, J., in chambers) (emphasis added); see also *Maggio* v. *Williams*, 464 U.S. 46, 48 (1983) (*per curiam*) (same).

*See *Autry* v. *Estelle*, 464 U.S. 1, 2 (1983) (*per curiam*) ("Had applicant convinced four Members of the Court that certiorari would be granted on any of his claims, a stay would issue"); *Darden* v. *Wainwright*, 473 U.S. 928, 928–929 (1985) (Powell, J., concurring in granting of stay); *Straight* v. *Wainwright*, 476 U.S. 1132, 1333, n. 2 (1986) (Powell J., concurring in denial of stay, joined by Burger, C. J., Rehnquist, and O'Connor, JJ.) (noting that "the Court has ordinarily stayed executions when four Members have voted to grant certiorari"); *id.*, at 1134–1135 (Brennan, J., dissenting from denial of stay, joined by Marshall and Blackmun, JJ.) ("When four vote to grant certiorari in a capital case, but there is not a fifth vote to stay the scheduled execution, one of the five Justices, who does not believe the case worthy of granting certiorari will nonetheless vote to stay; this is so that the 'Rule of Four' will not be rendered meaningless by an execution that occurs before the Court considers the case on the merits").

In my view, the Court's willingness in this case to dispense with the procedures that it ordinarily employs to preserve its jurisdiction only continues the distressing rollback of the legal safeguards traditionally afforded. Compare *Boyde* v. *California*, 494 U.S., (1990) (Marshall, J., dissenting) (criticizing diminution in standard used to assess unconstitutional jury instructions in capital cases); *Barefoot* v. *Estelle*, 463 U.S. 880, 912–914 (1983) (Marshall, J. dissenting) (criticizing Court's endorsement of summary appellate procedures in capital cases); *Autry* v. *McKaskle*, 465 U.S. 1085, 1085–1086 (1984) (Marshall, J., dissenting from denial of certiorari) [***237] (criticizing expedited consideration of petitions for certiorari in capital cases).

Justice Stevens, with whom Justice Blackmun joins, concurring.

This petition for a writ of certiorari raises important, recurring questions of law that should be decided by this Court. These questions concern the standards that the Due Process Clause of [*910] the Fourteenth Amendment mandates in a hearing to determine whether a death row inmate is competent to waive his constitutional right to challenge his conviction and sentence and whether he has made a knowing and intelligent waiver of this right.

James Edward Smith was convicted of murder and sentenced to death in Harris County, Texas, in 1984. Smith had a substantial history of mental illness, and his mental difficulties prompted a finding by the Texas trial court that he was not competent to represent himself on appeal. Pet. for Cert., Exh. 2, p. 13, Exhs. 4–8, 10–12. After his conviction, Smith vacillated between forceful insistence on prosecuting his own appeal and equally forceful insistence on abandoning any challenge to this conviction or his sentence. Pet. for Cert., Exh. 2, pp. 10–11, p. 2.

Petitioner is Smith's natural mother. Proceeding as Smith's "next friend," she attempted to establish her standing to litigate on her son's behalf and to have his execution stayed until his competence was established after a full adversarial hearing. She was unsuccessful. On May 23, 1990, without notice to petitioner, the Texas trial court held a nonadversarial hearing, made a finding that Smith was competent to make a decision regarding his execution, and set his execution for 12:01 A. M. on June 26, 1990. Pet. for Cert., Exh. 3.

[**283] On June 22, over the dissent of Justice Teague, n1 the Texas Court of Criminal Appeals for Stay of Execution and Objections to Trial Court's Prior Proceedings." Ex Parte Hamilton. No. 18,380–02 (Tex. Crim. App., June 22, 1990) (en banc) (per curiam) (order denying application for stay). On June 24, petitioner filed in this Court her petition for a writ of certiorari and her application for a stay of [*911] Smith's execution. Four Members of the Court voted to grant certiorari, n2 and to stay the execution. Nevertheless, the stay application was denied, and Smith was executed on schedule.

n1 "Teague, J., notwithstanding that such might, but probably only will cause a slight delay in carrying out applicant's obvious desire to carry into effect his long held death wish, as well as his strong belief that he will be reincarnated after he is killed, but believing that this Court, at least implicitly, has ruled that in a case such as this one, where the reasonable probability that the defendant is not competent to request that he be put to a premature death, or, to put it another way, to commit legal suicide through the hands of others, has been raised, it is necessary for the trial court to conduct a 'full adversarial hearing' should now be conducted in this cause. See Ex parte Jordan, 758 S. W. 2d 250 (Tex. Cr. App. 1988). Also see Ford v. Wainwright, 477 U.S. 399, 106 S. Ct. 2595, 92 L. Ed. 2d 335 (1986)." Ex Parte Hamilton, No. 18, 380–02 (Tex. Crim. App., June 22, 1990) (Teague, J., dissenting from order denying application for stay).

n2 See Hamilton v. Texas, 497 U.S. (1990) (Brennan, J., dissenting from denial of application for stay).

[***238] Smith's execution obviously mooted this case. The Court has therefore properly denied the petition for a writ of certiorari. This denial, however, does not evidence any lack of merit in the petition; n3 instead, the reason for the denial emphasizes the importance of confronting on the merits the substantial questions that were raised in this case.

n3 See Singleton v. Commissioner, 439 U.S. 940, 942 (1978) (opinion of Stevens, J., respecting denial of petition for writ of certiorari).

Mr. SPECTER. The legislation further addresses the issue of adequacy of counsel.

I will now describe the specific provisions of the bill I am offering today, and the cases and history that shows the manifest need for such legislation.

The bill contains three titles. The first Title will ensure that defendants facing the death penalty will not be executed while the Supreme Court considers their petitions for certiorari or their cases on the merits. The second Title will ensure that both federal and state defendants have a meaningful opportunity to present DNA evidence in their defense. Finally, the third Title will establish minimal standards for defense counsel representing defendants in death penalty cases in state court. I am additionally introducing these three Titles as three separate bills, as I will explain later.

The first title is captioned: "Right to Review of the Death Penalty While a Case is Pending Before the Supreme Court."

As I noted earlier, there have been death penalty cases where, despite the fact that the Supreme Court was either considering to grant certiorari or had actually granted certiorari and the case was pending, the Court did not issue a stay of execution in the interim. In the 1990 case of "(*Alexzene*) *Hamilton* v. *Texas*," 497 U.S. 1016, (the case I discussed earlier) the Supreme Court failed to issue a stay of execution while considering a cert. petition, and the defendant was executed before the Court ruled on the petition. James Smith was convicted in 1984 of committing murder while perpetrating a robbery in 1983. He was sentenced to death. Smith appealed his conviction to the Texas Court of Criminal Appeals, citing seven points of errors, ranging from insufficiency of evidence to sustain a death sentence to challenges to the jury selection process in the trial. "*Smith* v. *State*," 744 S.W.2d 86, Tex. Crim. App. 1987. In 1987, that court affirmed his conviction and sentence. In April, 1988, Smith waived any further appellate review of his case. His mother, Alexzene Hamilton, then entered the case, and filed a state habeas corpus petition in the Court of Criminal Appeals, claiming that her son was incompetent. The state responded to the mother's petition, and the Texas court denied relief. Ms. Hamilton then brought a petition for certiorari in the Supreme Court. The Supreme Court granted a stay of execution pending disposition of the cert. petition. "*Hamilton* v. *Texas*," 485 U.S. 1042, 1988. The Court entered an order stating that the "stay of execution of sentence of death . . . is granted pending the disposition by [the] Court of petition for writ of certiorari. Should the petition for a writ of certiorari be denied, this stay terminates automatically. In the event the petition . . . is granted, this stay shall continue pending the issuance of the mandate of [the] Court." Id. On April 3, 1990, the cert. petition was denied. "*Hamilton* v. *Texas*," 496 U.S. 913, 1990. In May, 1990, the state trial court conducted a hearing and found that Smith still wanted to waive his appellate rights and that he was still competent. The trial court scheduled his execution for June 26, 1990. Ms. Hamilton again brought a writ of habeas corpus in the state courts on June 20, 1990, challenging the court's finding that Smith was competent. On June 22, 1990, the state courts denied this petition.

Ms. Hamilton then filed a habeas petition in federal district court on June 23, 1990, which the court denied on June 24th. However, Dr. Brown, one of the several doctors that had previously opined that Smith was competent, stated that he now had some doubts of Smith's competency due to his review of some medical records he had not previously seen. The federal district court found that this new opinion did not affect its findings, and denied Ms. Hamilton's request for reconsideration. On June 25th, the state trial court had Dr. Brown re-examine Smith, and Dr. Brown then returned to his original opinion that Smith was competent. On the same day, the trial court then denied Ms. Hamilton's habeas corpus petition. The Texas Court of Criminal Appeals also dismissed Ms. Hamilton's motion for reconsideration on the same day. Additionally, on the same day, the United States Court of Appeals for the Fifth Circuit affirmed the federal district court's dismissal of the habeas petition and denied her motion for a stay of execution. "*Hamilton* v. *Collins*," 905 F.2d 825, 5th Cir. 1990. Ms. Hamilton then filed petitions for certiorari, asking the Supreme Court to review both the state and federal court decisions and for a stay of execution. On June 26, 1990, the originally scheduled execution date, four Supreme Court Justices voted to grant certiorari, but for some unknown procedural reason, the Court did not formally act on the petition. The Court also did not vote to grant a stay of execution. Smith was subsequently executed before the Supreme Court decided on his cert. petition. The Supreme Court then denied Smith's petitions of certiorari. "*Hamilton* v. *Collins*," 498 U.S. 895, 1990; "*Hamilton* v. *Texas*," 498 U.S. 908, 1990. In denying the petition from the state court decision, the Court noted that it was dismissing the petition as "moot." 498 U.S. 908, Stevens, J., concurring in the dismissal of the petition.

In the 1992 case of "*Herrera* v. *Collins*," 502 U.S. 1085, the Court actually granted certiorari but failed to issue the stay. Herrera had been convicted of the 1981 murder of two police officers. Herrera then pursued two lines of appeals through the Texas state system—direct appeal and then collateral proceedings. Herrera then pursued two sequential federal habeas corpus proceedings. During these proceedings, certiorari had been denied three times, but on the second federal habeas proceeding, certiorari was granted. Herrera's claim was that he was actually innocent in this proceeding. After granting certiorari, the Supreme Court failed to grant a stay of execution. However, in that case, the Texas Court of Criminal Appeals granted a stay while the case was pending before the Supreme Court. Herrera's claim was ultimately denied by the Supreme Court and he was executed.

The reason for this sequence is a procedural twist. By Supreme Court practice, it takes only four votes to grant certiorari. Although certiorari is recognized by statute as the procedure for getting a case before the Court, the statute does not state how many votes are needed. The four vote standard is the practice of the Court. However, to grant a stay, there must be a majority—five votes—and the standard the Court applies is different from that for granting certiorari. There may be good reasons why the standard is different, and in almost all other cases, the failure to grant a stay when certiorari has been granted or while the Court is still considering whether to grant certiorari does not have the dispositive effect that it does in a capital punishment case. However, in a capital case, the failure to grant a stay while the Court considers whether to even hear the case sends the signal that the Court is, in effect, affirming the decision of a lower court before it even decides that the lower court's decision is worthy of affirmation. In a case where the Court has actually granted certiorari and failed to issue a stay the Court, in effect, tells the world that a case is important enough to be heard, but not important enough to postpone an execution.

Until relatively recently, the Supreme Court had an "informal" practice where a fifth Justice would vote to grant a stay when four justices had voted to grant certiorari. The late Justice Brennan articulated the rationale for this rule:

> A minority of the Justices has the power to grant a petition for certiorari over the objection of five Justices. The reason for this "antimajoritarianism" is evident: in the context of a preliminary 5-4 vote to deny, 5 give the 4 an opportunity to change at least one mind. Accordingly, when four vote to grant certiorari in a capital case, but there is not a fifth vote to stay the scheduled execution, one of the five Justices who does not believe the case worthy of granting certiorari will nonetheless vote to stay; this is so that the "Rule of Four" will not be rendered

meaningless by an execution that occurs before the Court considers the case on the merits. "Straight v. Wainwright," 476 U.S. 1132, 1134–35, 1986, Brennan, J., dissenting. Justice Brennan's argument requires no further elaboration.

Justice Brennan's opinion involved a "hold" case, where he was arguing that a stay should have been granted. The "hold" is an informal practice whereby at least three Justices of the Supreme Court can "hold" the Court from acting on a petition for certiorari so that the Court does not deny the petition. A "hold" is placed on a case when the Court has another case pending before the Court, the disposition of which may have an affect on the first case.

In addition to Justice Brennan's argument, there are other reasons why a stay should be granted. In my experience as District Attorney in Philadelphia, and conducting oversight of the Justice Department while serving in the Senate, one theme is constant concerning our system of criminal justice: It rests on a bedrock that all Americans see the system as being fair to all. When the average American questions the fundamental fairness of any aspect of the criminal justice system, then it is in trouble. To the average American, when the Supreme Court has not yet decided whether it should consider a case or, has in fact, decided to consider a case by granting certiorari, but then fails to act to ensure that it can in actuality hear the case, that raises fundamental questions about fairness, regardless of the procedural nuances that legally allow for such a result. If we are to maintain confidence in our criminal justice system, then it has to be seen as fair to all.

When the Supreme Court takes action like this, in my judgment, it denies the defendant his constitutional right of "due process" of law which, in these circumstances, is colloquially referred to as "procedural due process." When the government takes action against an individual, the essential core of procedural due process is notice and an opportunity to be heard. In the instant case, we are not concerned with the notice aspect because the defendant knows why he was convicted. But when the Supreme Court has a case pending before it-that is a motion to stay execution or a petition for certiorari has been filed or the Court has issued a writ of certiorari-and then fails to grant a stay so that it can actually consider the petition or hear the case, it denies the defendant due process of law because the defendant is deprived of his right to be heard. A motion for a stay of execution should be treated as a petition for certiorari in these circumstances because, in effect, the motion is a preliminary petition for certiorari.

As I noted earlier, the writ of certiorari is codified in Title 28 of the U.S. Code. No defendant has a constitutional right to have his or her case heard by the Supreme Court. But once the defendant files a petition, then the defendant has a statutory right to have, at the very least, his petition considered by the court and, if the petition is granted, then the right to have his case considered by the Court. This is the method that Congress has created for the consideration of these cases, which does not allow a right of direct appeal. As Congress has created this two step procedural mechanism, Congress has the authority to ensure that it is effective. The Court does not have to grant a petition, but it must, at the very least, not allow a petition to become moot before it even makes this very basic decision. The same logic applies if the Court grants the petition.

The Court cannot consider the petition or the case if the defendant is executed before the Court acts. When a defendant is executed in these circumstances, he is being denied his right to be heard on his petition or his case and is therefore denied his basic right to "procedural due process."

The legislation I propose addresses this issue both at the federal and state level. With respect to federal cases, my proposed bill would prohibit the Bureau of Prisons or the military from executing a death row inmate when a defendant has filed a petition for certiorari and when the Supreme Court has granted certiorari. Congress created the federal death penalty, and Congress can establish the conditions when it can or cannot be carried out. With respect to state cases, my bill would address this issue in two different ways.

First, just as with federal cases, my bill would prohibit the executive officer of a state from executing a defendant when a cert. petition is pending or has been granted. Congress's authority to legislate in this arena is derived from Section V of the 14th Amendment which reads that "[t]he Congress shall have power to enforce, by appropriate legislation, the provisions of this article." Section 1 of that Amendment reads in pertinent part that no "State [shall] deprive any person of life . . . without due process of law. . . ." As noted above, when a person is executed before the Supreme Court has granted or denied certiorari or acted on a case once cert. is granted, that person is deprived of his or her life without due process of law. My bill would also require the Court to treat a motion for a stay of execution as a petition for certiorari.

Furthermore, this bill would also require all federal judges, to include Supreme Court justices, to issue a stay whenever a habeas corpus case is pending before the judge or judges and the habeas petitioner defendant has been sentenced to death. A case is considered to be pending if a defendant has filed a notice of appeal, filed a motion for a stay of execution, filed a petition for certiorari, or when certiorari has been granted. Most death penalty cases, both federal and state cases, have their final hearings through federal habeas corpus review. Congress has broad authority in the area of habeas corpus legislation. Indeed, Congress enacted a similar provision as part of the Antiterrorism and Effective Death Penalty Act of 1996. 28 U.S. Code Section 2262 requires a federal court to issue a stay of execution in those circumstances where a defense counsel has been appointed to an indigent defendant and a state is seeking to fall within the streamlined habeas corpus procedures contained in the Act.

Additionally, my bill would require a lower court to issue a stay if a higher court did not in these circumstances.

Finally, my bill would require that if four Justices vote to grant certiorari in a death penalty case, then certiorari will be granted. When a person petitions the Supreme Court to hear his or her case, that person expects to have the case heard if four Justices believe it should be heard. This is the expectation of all those seeking Supreme Court review, an expectation resulting from the practices of the Court. The Court already has great discretion not to hear almost all cases it does not wish to consider. Congress has given the Court this discretion by eliminating almost all avenues of appeal by right to the Court and instead giving the Court the power to pick the cases it wants to hear through the certiorari process. Accordingly, Congress should have the power to require the Court to review those cases where four Justices vote to hear the case. The procedures for obtaining access to our courts should be as transparent as possible, and it simply defies logic and makes a mockery of the phrase "equal justice" when four votes in one set of circumstances can result in Supreme Court review of a case, but not in other circumstances.

The second title is captioned: "DNA Testing."

My bill also addresses the issue of DNA testing for prisoners who claim that such testing would exonerate them. This bill would establish the procedures for federal prisoners who seek such review. It would also mandate that states adopt similar procedures. My bill would establish federal procedures that set a middle ground between the two DNA bills that are currently pending before the Senate.

My bill requires that a person seeking DNA testing not take a position inconsistent with any affirmative defense he may have raised at trial. An affirmative defense is one such as self-defense, where a defendant is not denying that he committed one or more of the acts constituting the charged offense, but the defendant is denying criminal responsibility. One of the other pending bills does not have any similar provision, and another bill requires that the defendant's current theory of defense not be inconsistent with a prior theory of defense. However, my bill would allow a defendant who pled guilty to request DNA testing. Unfortunately, there are instances where due to inadequate representation or lack of sophistication on a defendant's part, or for a variety of other reasons, a defendant will plead guilty to a crime that he did not commit. My bill would allow such a defendant to seek DNA testing.

Another difference is that my bill has a five year limitation on its application, with one exception regarding newly discovered evidence. One of the other pending bills has no time limitation, and the other has a three year time limitation. The thrust of all the pending DNA bills is to allow a prisoner to seek potentially exculpatory DNA testing, even though such a request would otherwise be barred on procedural grounds, such as timeliness requirements.

My bill would benefit those defendants currently incarcerated who did not have access to DNA testing at the time of their trials. My bill defines lack of access rather broadly. If 1, the technology was actually not available, or 2, it was not generally known that such testing was available at the time of trial, or 3, if the technology was available and the testing was not requested and the applicant shows that the failure to have requested testing is attributable to deficient performance on his counsel's part, then the applicant is deemed not to have had access to the testing. The bill would allow a prisoner to seek testing for up to five years after the enactment of the bill, with the exceptions I noted above. Five years would give all defendants currently incarcerated enough time to bring their claims.

I do not propose that there be no time limitation, because I do not want to create an exception that could conceivably swallow the time limitations currently existing in federal law.

However, that concern may be misplaced. A track record of five years can tell us if this bill is ripe for abuse. If not, then the bill can be reenacted with no time limit. If, however, there is evidence that is being abused by prisoners, then the law would expire. Based on my experience as a prosecutor, I am concerned that the three year limitation is not long enough to develop a good track record on the use of this testing.

There would be an exception for this five year limitation. If a prisoner can show that there is newly discovered evidence in his case, and such evidence could not have been discovered through due diligence, or the failure to discover the evidence is attributable to deficient performance on his counsel's part, then he could bring a claim beyond the five year limit. This exception is consistent with the laws currently in force concerning newly discovered evidence.

Some may question the need for these DNA testing procedures in federal cases, as the level of practice and standard of representation is considered to be of the highest caliber. Even at that level there can be problems. Even though it did not involve DNA testing, we had the case of Timothy McVeigh when only days before his scheduled execution the FBI announced that it had discovered documents it had failed to provide the defense before trial. This highlights that even at the federal level mistakes can be made. This bill would provide one safeguard against such mistakes.

My bill would also mandate that states provide similar procedures to state prisoners in all cases. One of the pending bills has such a requirement, but only in capital cases. DNA evidence is such a powerful tool that can exonerate the unjustly convicted that I believe Congress has the authority pursuant to Section V of the 14th Amendment to impose post-conviction DNA testing requirements on the states.

In 1963, the United States Supreme Court decided the seminal case of "Brady v. Maryland," 373 U.S. 83, where the Court held that "suppression by the prosecution of evidence favorable to an accused . . . violates due process where the evidence is material either to guilt or punishment . . . ." The Court also noted that "[s]ociety wins not only when the guilty are convicted but when criminal trials are fair; our system of the administration of justice suffers when any accused is treated unfairly." Congress has the authority to enact legislation to enforce the protections of the "due process" clause through Section V of the 14th Amendment.

DNA evidence is the most powerful evidence that can be "favorable to an accused," because it can prove that the accused did not commit the crime. But when DNA evidence remains in the hands of the state untested, we do not know if it is favorable or unfavorable to the accused. It really is not "evidence" until it is tested, because its relevancy to guilt or innocence cannot be determined without testing. When a state does not provide a defendant with the opportunity to determine whether evidence may exculpate him, the state is, in effect, "suppressing . . . favorable evidence" by not allowing a defendant to determine whether it is favorable or not.

DNA evidence has proven to be extremely valuable to the criminal justice system. It has aided prosecutions and freed unjustly convicted persons. Since 1973, over 100 people have been freed from Death Row, at least 10 due to DNA testing. Additionally, over a total of 100 people have been freed after having been exonerated in both capital cases and non-capital cases due to DNA testing. The FBI has found that since 1989, DNA testing has cleared about 25% of sexual assault suspects whose samples are sent to the FBI for testing. Indeed, DNA evidence can be a stronger indicator of innocence than guilt. If the defendant's DNA does not match the DNA evidence, that is conclusive evidence. However, when a match results, in actuality, it is only a probability, albeit a very high probability, that the defendant was the source of the DNA.

In questioning whether the death penalty was being fairly administered in the United States, Supreme Court Justice Sandra O'Connor noted the number of Death Row inmates freed due to being exonerated, to include by DNA testing. Indeed, she commented that "[i]f statistics are any indication, the system may well be allowing some innocent defendants to be executed." This concern was made manifest when the Governor of Illinois ordered a moratorium on the death penalty after 13 Death Row inmates were exonerated. Justice O'Connor also noted that the availability of DNA testing in the various states varied widely, with some states affording this post-conviction DNA testing and others not providing any at all. Even in those states that offer such testing, there is a wide variation in procedures. My bill would require the states to adopt procedures similar to the federal standards and thereby promote consistency among the states.

Indeed, the recent groundswell of opinion questioning the death penalty has been based on doubts about its accuracy. Providing Death Row defendants with the opportunity for DNA testing would do much to allay those concerns.

But the death penalty is not the only reason for enacting this bill. Many federal and state prisoners are currently incarcerated for long sentences due to mandatory minimums and Sentencing Guidelines. Indeed, the prisoner most recently freed due to DNA testing had served 21 years of an 80 year sentence for rape. Additionally, DNA evidence is relevant in many types of cases, beyond the classic sex assault cases and violent crimes where there is blood evidence. For example, in a bank robbery case, the FBI was able to connect a suspected robber to the case by recovering some hairs from a woolen cap the robber used as a mask. Obviously, such evidence could also be used to exonerate a defendant.

However, in order for this DNA testing to be of any use, there must be evidence to test. That is why this bill requires the preservation of biological evidence for the five year period after the enactment of this bill or, if someone requests testing pursuant to this bill, while those proceedings are underway.

This bill does more than provide justice to wrongfully convicted defendants. It also protects the public. When a person is wrongfully convicted of murder or rape, that allows the real perpetrator to remain at large. And based on my experience as District Attorney, sexual predators, especially those who prey on children, have the highest levels of recidivism.

As noted above, the authority for enacting this provision is Section V of the 14th Amendment to the Constitution. When a state fails to provide DNA testing that might bear on the guilt or innocence of a defendant, then the state is depriving the defendant of his life or liberty without due process of law. The state's interest in the finality of a conviction is strong. However, when balancing that interest against a prisoner's interest in not being wrongfully executed, justice cries out for access to DNA testing.

The need for Congress to address this issue was highlighted by two recent federal court decisions that addressed giving state prisoners access to DNA testing. In the 2001 case of "Godschalk v. Montgomery County District Attorney's Office," 177 F.Supp.2d 366, Judge Charles R. Weiner of the United States District Court for the Eastern District of Pennsylvania ruled that a prisoner who sought DNA testing had a right to such testing pursuant to the Due Process clause of the 14th Amendment because such evidence could be exculpatory evidence as defined by "Brady v. Maryland" and its progeny. In 1987, Godschalk had been convicted of two rapes committed in 1986. At the time of trial, DNA testing was not available. At the trial, the prosecution introduced an audiotaped confession by Godschalk that contained details of the crimes not known to the public. Godschalk's state appeals of his convictions were denied, as well as his petitions for DNA testing. Godschalk then brought an action pursuant to 42 U.S. Code Section 1983 seeking DNA testing. The evidence from only one of the rapes was still in a condition so that it could be tested, but there was no dispute that the same person committed both rapes. The court ordered the DNA testing, noting that "[w]hile [Godschalk's] detailed confessions to the rapes are powerful inculpatory evidence, so to any DNA testing that would exclude [Godschalk] as the source of the genetic material taken from the victims would be powerful exculpatory evidence. . . . Given the well-known powerful exculpatory effect of DNA testing, confidence in the jury's finding of [Godschalk's] guilt at his past trial, where such evidence was not considered, would be undermined." 177 F.Supp.2d at 370. The evidence was tested, and it did not match Godschalks's DNA, and he was subsequently freed.

The United States Court of Appeals for the Fourth Circuit reached a different result in the 2002 case of "Harvey v. Horan," 278 F.3d at 370. In that case, Harvey had been convicted of rape and forcible sodomy. Harvey brought a Section 1983 action to have the evidence in that case tested with a new DNA technology that had not been available at the time of his trial. The district court granted his request, but on appeal the Fourth Circuit found his request to be procedurally barred. The court found that Section 1983 was not the proper path for such a request and that Harvey's request was, in effect, a petition for habeas corpus, which was statutorily barred as a successive petition. The court specifically noted that Harvey's path of redress was either through the state courts and legislature or Congress, stating that "[f]ederal and state legislatures and state courts are free in ways that [the federal court is] not to set the ground rules by which further collateral attacks on state convictions such as Harvey's may be entertained." 278 F.3d at 380. The purpose of my bill is to establish those "ground rules."

The third title is captioned: "Counsel Standards."

Finally, my bill would establish minimal standards for defense counsel in state court cases where the defendant is facing the death penalty. In 1991, when my distinguished colleague and friend Senator BIDEN chaired the Judiciary Committee, he asked Professor James Liebman of Columbia Law School to calculate the frequency of relief in capital habeas corpus cases. This ultimately led Professor Liebman to conduct a study of the error rates in capital cases. His study found that one of the two most common errors prompting a majority of reversals at the state post-conviction stage was "egregiously incompetent defense lawyers who didn't even look for and demonstrably missed important evidence that the defendant was innocent or did not deserve to die . . . ." In a more recent study released this year, Professor Liebman again cited the poor quality of defense counsel as a contributing factor to erroneous results in capital cases. And we all have heard the stories of defense counsel sleeping during the course of a capital trial.

My bill would establish minimal standards for defense counsel in capital cases who represent indigent defendants. The standards I propose are the same that are required in federal courts and establish an absolute floor for competence of counsel, both at the trial level and the appellate level. Unlike the other two pending bills, my bill would establish and mandate actual standards. If these standards are good enough for the federal courts, they should be good enough for state courts. They are specific enough to ensure that a defendant receives competent representation but also general enough so that they could be applied throughout the United States. Among other requirements, the bill would require that any counsel have several years of felony experience, and that a defendant would have a right to two defense counsel at trial.

One of the requirements is that defense counsel be "learned in the law applicable to capital cases." Concededly, this is a rather general requirement which we can develop and explore at hearings on this bill and bring more definition to through legislative history or amending the bill. However, such generic language would allow flexibility between the different states, where the number of capital cases vary widely. For example, there may be a very experienced felony defense counsel who has never actually tried a capital case, but has attended several training sessions put on by the ABA or an equivalent organization. Why should not such a person be deemed competent to serve as defense counsel in a capital case even though he or she may have never defended such a case before? And this "generic" requirement will have a strict enforcement mechanism described below that will ensure it has "teeth."

In the seminal 1963 case of "Gideon v. Wainwright," 372 U.S. 335, the Supreme Court recognized that indigent defendants have a constitutional right to be represented by counsel in criminal cases. In the 1984 case of "Strickland v. Washington," 466 U.S. 668, the Supreme Court held that a defendant has a constitutional right to effective assistance of counsel guaranteed by the 6th Amendment to the Constitution, and that this requirement applied to the states through the due process clause of the 14th Amendment. Interestingly, "Strickland" was a death penalty case.

As these rights are guaranteed by the Constitution and apply to the states through the "due process" clause of the 14th Amendment, Congress has the authority to enforce these rights through Section V of that Amendment. There is no doubt that there is state action in these circumstances, as the state is responsible for appointing and compensating the counsel representing indigent defendants.

My bill, however, also contains an additional enforcement mechanism. "Strickland" identified a two-part analysis in determining whether there was a constitutional violation due to ineffective assistance of counsel. The first prong of that analysis is a determination whether "counsel's performance was deficient," that is, whether the "counsel made errors so serious that counsel was not functioning as the 'counsel' guaranteed the defendant by the Sixth Amendment." "Strickland," 466 U.S. at 687. The second prong requires a determination as to whether the "counsel's errors were so serious as to deprive the defendant of a fair trial, a trial whose result is reliable." Id. A defendant must establish both prongs to make a successful challenge. My bill would, in effect, eliminate the first prong of the analysis in a habeas corpus proceeding. If a defendant's counsel did not meet the standards established by my bill, then the first prong of "deficient performance" would be deemed to have been met. The defendant would then only have to satisfy the requirements of the second prong, thus allowing him to challenge the decisions his counsel made that influenced the outcome of the trial, without having to fear that the habeas court would deem such decisions to be "tactical" decisions that were within the realm of reasonable practice. However, if a state adopted the standards contained in my bill, a defendant would have to make both showings, as required by current law. A habeas court's review as to whether these standards were met will be "de novo" and the State would have the burden of proving that the standards had been met.

This overall enforcement provision is analogous to the provision I referred to earlier in the 1996 antiterrorism act, that provided for expedited habeas review if a state adopted certain procedures for indigent defendants.

The provisions of my bill are all aimed at achieving one goal—securing for all defendants throughout the criminal justice process all the protections guaranteed by the "due process" clause and thereby ensuring that they receive fair treatment throughout the process, regardless of their income level.

Mr. President, I ask unanimous consent that the bill containing these three provisions be printed in the RECORD and note that Senators BIDEN, DURBIN, and COLLINS are co-sponsoring this bill.

Additionally, in order to facilitate hearings or perhaps legislative enactment of these bills, I am introducing the three separately: a separate bill on DNA evidence; a separate bill on staying execution, where the Supreme Court has granted certiorari; and a separate bill on adequacy of counsel, so that, in total, four bills are being introduced, and I ask that these bills also be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Confidence in Criminal Justice Act of 2002".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—RIGHT TO REVIEW OF THE DEATH PENALTY UPON THE GRANT OF CERTIORARI

Sec. 101. Protecting the rights of death row inmates to review of cases granted certiorari.
Sec. 102. Habeas corpus.

TITLE II—POSTCONVICTION DNA TESTING

Sec. 201. Postconviction DNA testing.
Sec. 202. Prohibition pursuant to section 5 of the 14th amendment.

TITLE III—MANDATORY MINIMAL DEFENSE COUNSEL STANDARDS IN STATE COURTS FOR CAPITAL CASES.

Sec. 301. Right to legal representation for indigent defendants.
Sec. 302. Minimum experience required for defense counsel.
Sec. 303. Adequate representation.
Sec. 304. Attorney fees and costs.
Sec. 305. Irrebuttable presumption of deficient performance.

TITLE I—RIGHT TO REVIEW OF THE DEATH PENALTY UPON THE GRANT OF CERTIORARI

SEC. 101. PROTECTING THE RIGHTS OF DEATH ROW INMATES TO REVIEW OF CASES GRANTED CERTIORARI.

Section 2101 of title 28, United States Code, is amended by adding at the end the following:

"(h) Upon notice by a party that has filed a motion for a stay of execution or filed for certiorari with, or has been granted certiorari by, the United States Supreme Court in an appeal from a case in which the sentence is death, the Governor of the State in which the death sentence is to be carried out, in a State case, or the Director of the Bureau of Prisons, the Secretary of a military branch, or any other Federal official with authority to carry out the death sentence, in a Federal case, shall suspend the execution of the sentence of death until the United States Supreme Court enters a stay of execution or until certiorari is acted upon and the case is disposed of by the United States Supreme Court.

"(i) For purposes of this section, the United States Supreme Court shall treat a motion for a stay of execution as a petition for certiorari.

"(j) In an appeal from a case in which the sentence is death, a writ of certiorari shall be issued by the United States Supreme Court upon the vote of at least 4 qualified justices.".

SEC. 102. HABEAS CORPUS.

(a) STATE COURT PROCEEDINGS.—Section 2251 of title 28, United States Code, is amended—

(1) by inserting "(a)" at the beginning of the text;

(2) by inserting "(b)" before the second sentence; and

(3) by adding at the end the following:

"(c)(1) Notwithstanding any other provision of law, a justice or judge of the United States before whom a habeas corpus proceeding that involves the death sentence is pending shall stay the execution of the death sentence until the proceeding is completed. If the issuance of such a stay requires more than 1 judge to concur or vote on the stay, the court before which the proceeding is pending shall grant the stay.

"(2) For purposes of this subsection, a case is pending before a court in the Circuit Court of Appeals if a notice of appeal has been filed and is pending before the United States Supreme Court, if a petition for certiorari has been filed, or if a motion to stay execution has been filed.

"(3) A case described in paragraph (2) remains pending before the court until the petition for certiorari is denied. If the petition is granted, the case remains pending.

"(4) If a higher court is unable or fails to issue a stay pursuant to this subsection, a lower court before which the case had been pending shall issue the stay of execution.

"(d) For purposes of this section, a motion to stay execution shall be treated as a petition for certiorari.".

(b) FEDERAL COURT PROCEEDINGS.—Section 2255 of title 28, United States Code, is amended by adding at the end the following:

"Notwithstanding any other provision of law, a justice or judge of the United States, before whom a habeas corpus proceeding that involves a Federal death sentence is pending, shall stay the execution of the death sentence until the proceeding is completed. If the issuance of such a stay requires more than 1 judge to concur or vote on the stay, the court before which the proceeding is pending shall grant the stay.

"If a higher court is unable or fails to issue a stay pursuant to the preceding paragraph, a lower court before which the case had been pending shall issue the stay of execution. For purposes of this section, a motion to stay execution shall be treated as a petition for certiorari. A case described in the preceding paragraph—

"(1) is pending before a court in the Circuit Court of Appeals if a notice of appeal has been filed; and

"(2) is pending before the United States Supreme Court if—

"(A) a petition for certiorari has been filed and has not been denied; or

"(B) a motion to stay execution has been filed.".

TITLE II—POST-CONVICTION DNA TESTING

SEC. 201. POST-CONVICTION DNA TESTING.

(a) FEDERAL CRIMINAL PROCEDURE.—

(1) IN GENERAL.—Part II of title 18, United States Code, is amended by inserting after chapter 228 the following:

"CHAPTER 228A—POST-CONVICTION DNA TESTING

"Sec.
"3600. DNA testing.
"3600A. Prohibition on destruction of biological evidence.

"§ 3600. DNA testing

"(a) MOTION.—

"(1) IN GENERAL.—An individual imprisoned because of a conviction of a criminal offense in a court of the United States (referred to in this section as the 'applicant') may make a written motion to the court that entered the judgment of conviction for the performance of forensic DNA testing on specified evidence that was secured in relation to the investigation or prosecution that resulted in the conviction.

"(2) CONTENTS.—The motion shall—

"(A) include an assertion by the applicant, under penalty of perjury, that the applicant is actually innocent of the crime for which the applicant is imprisoned or of uncharged conduct, if the exoneration of the applicant of such conduct would result in a mandatory reduction in the sentence of the applicant;

"(B) identify the specific evidence secured in relation to the investigation or prosecution that resulted in the conviction for which testing is requested;

"(C) identify a theory of defense—

"(i) the validity of which would establish the actual innocence of the applicant, and explain how the requested DNA testing would substantiate that theory; and "(ii) that is not inconsistent with any affirmative defense issued by the applicant in the original prosecution;

"(D) make a prima facie showing that the conditions set forth in subsection (c) for issuance of a testing order are satisfied; and

"(E) certify that the applicant will provide a DNA sample from the applicant for purposes of comparison.

"(3) FILING.—A motion filed under this section is timely if—

"(A) it is filed within 60 months of the date of enactment of this section;

"(B) the applicant can show that—

"(i) the evidence identified pursuant to paragraph (2)(B) is newly discovered; and

"(ii)(I) such evidence could not have been discovered through the exercise of due diligence; or

"(II) the proximate cause for not having previously discovered such evidence was the deficient performance of the attorney of the applicant; or

"(C) the applicant can show that—

"(i)(I) the technology for the requested DNA testing was not available at the time of trial;

"(II) it was not generally known that such technology was available at the time of trial; or

"(III) the failure to request such testing using the technology was due to the deficient performance of the attorney of the applicant; and

"(ii) if any of the evidence was previously subjected to DNA testing, the testing now requested uses a newer technology for DNA testing that is reasonably certain to provide results that are substantially more accurate and probative than any previous DNA testing of the evidence.

"(b) NOTICE TO THE GOVERNMENT; PRESERVATION ORDER; APPOINTMENT OF COUNSEL.—

"(1) NOTICE TO THE GOVERNMENT.—Upon receipt of a motion under subsection (a), the court shall promptly notify the government of the motion and afford the government an opportunity to respond to the motion.

"(2) PRESERVATION ORDER.—The court may direct the government to preserve any evidence to which a motion under subsection (a) relates to the extent necessary to carry out proceedings under this section.

"(3) APPOINTMENT OF COUNSEL.—The court may appoint counsel for an indigent applicant under this section in accordance with section 3006A of this title.

"(c) ORDER FOR DNA TESTING.—The court shall order the DNA testing requested in a motion filed under this section if—

"(1) the motion satisfies the requirements of subsection (a);

"(2)(A) the identity of the perpetrator was at issue in the trial that resulted in the conviction of the applicant; or

"(B) in a case where the applicant pled guilty, the identity of the perpetrator would have been at issue at trial;

"(3) the evidence to be tested is in the possession of the government and has been subject to a chain of custody and retained under conditions sufficient to ensure that it has not been substituted, contaminated, tampered with, replaced, or altered in any respect material to the requested DNA testing;

"(4)(A)(i) the technology for the requested DNA testing was not available at the time of trial;

"(ii) it was not generally known that such technology was available; or

"(iii) the applicant can show that the failure to request such testing was due to the deficient performance of the attorney of the applicant; and

"(B) if any of the evidence was previously subjected to DNA testing, the testing now requested uses a newer DNA testing technique which is reasonably certain to provide results that are substantially more accurate and probative than any previous DNA testing of the evidence;

"(5) the proposed DNA testing uses scientifically sound methods and is consistent with accepted forensic practice;

"(6) the proposed DNA testing is reasonable in scope; and

"(7) the court determines, after review of the record of the trial of the applicant and any other relevant evidence, that there is a reasonable probability that the results of the proposed DNA testing will enable the applicant to establish that the applicant is entitled to a new trial under the standard of subsection (e)(3).

"(d) TESTING PROCEDURES; REPORTING OF TEST RESULTS.—

"(1) TESTING PROCEDURES.—The court shall direct that any DNA testing ordered under this section be carried out by—

"(A) a laboratory mutually selected by the government and the applicant; or

"(B) if the government and the applicant are unable to agree on a laboratory, a laboratory selected by the court ordering the testing.

"(2) LABORATORY APPROVAL.—With respect to DNA testing by a laboratory in accordance with this subsection, other than an FBI laboratory, the court must approve the selection of the laboratory and make all necessary orders to ensure the integrity of the evidence and the testing process and the reliability of the test results.

"(3) LABORATORY COSTS.—The applicant shall pay the cost of any testing by a laboratory in accordance with this subsection, other than an FBI laboratory, except that the court shall pay, in accordance with section 3006A of this title, the cost if the applicant would otherwise be financially incapable of securing such testing.

"(4) DISCLOSURE OF TEST RESULTS.—The results of any DNA testing ordered under this section—

"(A) shall be disclosed to—

"(i) the court;

"(ii) the applicant;

"(iii) the government; and

"(iv) the appropriate agency under subsection (e)(3)(B)(ii); and

"(B) shall be included in the Combined DNA Index System if the conditions set forth in subsection (e)(2) are met.

"(e) POSTTESTING PROCEDURES.—

"(1) INCONCLUSIVE RESULT.—If the DNA testing results are inconclusive, the court may order further testing, as appropriate, or may deny the applicant relief.

"(2) POSITIVE RESULT.—If DNA testing results obtained under this section show that the applicant was the source of the DNA identified as evidence under subsection (a)(2)(B), the court shall—

"(A) deny the applicant relief;

"(B) submit the DNA testing results to the Department of Justice for inclusion in the Combined DNA Index System; and

"(C) on motion of the government, proceed as provided in paragraph (5)(A).

"(3) NEGATIVE RESULT.—If DNA testing results obtained under this section show that the applicant was not the source of the DNA identified as evidence under subsection (a)(2)(B)—

"(A) the court shall promptly—

"(i) order any further DNA testing needed to clarify the import of the test results, including any testing needed to exclude persons other than the perpetrator of the crime as potential sources of the DNA evidence; and

"(ii) determine whether the applicant is entitled to relief under paragraph (4); and

"(B) the Attorney General shall—

"(i) compare the DNA evidence collected from the applicant with DNA evidence in the Combined DNA Index System that has been collected from unsolved crimes;

"(ii) if the comparison yields a DNA match with an unsolved crime, notify the appropriate agency and preserve the DNA sample; and

"(iii) if the comparison fails to yield a DNA match with an unsolved crime, destroy the DNA sample collected from the applicant.

"(4) EXCULPATORY EVIDENCE.—If the DNA testing conducted under this section produces exculpatory evidence—

"(A) the applicant may, during the 60-day period beginning on the date on which the applicant is notified of the test results, make a motion to the court that ordered the testing for a new trial based on newly discovered evidence under rule 33 of the Federal Rules of Criminal Procedure, notwithstanding any provision of law that would bar such a motion as untimely; and

"(B) upon receipt of a motion under subparagraph (A), the court that ordered the testing shall consider the motion under rule 33 of the Federal Rules of Criminal Procedure, notwithstanding any provision of law that would bar such consideration as untimely.

"(5) FAILURE TO OBTAIN RELIEF.—

"(A) IN GENERAL.—If the applicant fails to obtain relief under this subsection, the court, on motion by the government, shall make a determination whether the assertion of innocence by the applicant was false.

"(B) FALSE ASSERTION.—If the court finds that the assertion of innocence by the applicant was false, the court—

"(i) may hold the applicant in contempt;

"(ii) shall assess against the applicant the cost of any DNA testing carried out under this section; and

"(iii) shall forward the finding to the Director of the Bureau of Prisons.

"(C) BUREAU OF PRISONS.—On receipt of a finding by the court under this paragraph, the Director of the Bureau of Prisons may deny, wholly or in part, the good conduct credit authorized under section 3624 of this title, on the basis of that finding.

"(D) PAROLE COMMISSION.—If the applicant is subject to the jurisdiction of the United States Parole Commission, the court shall forward its finding under this paragraph to the Parole Commission, and the Parole Commission may deny parole on the basis of that finding.

"(E) PENALTY.—In any prosecution of an applicant under chapter 79 of this title, for false assertions or other conduct in proceedings under this section, the court, upon conviction of the applicant, shall sentence the applicant to a term of imprisonment of 1 year, which shall run consecutively to any other term of imprisonment the applicant is serving.

"(f) FINAL ORDER.—An order granting or denying DNA testing under subsection (c), or an order granting or denying a new trial under subsection (e), is a final order for purposes of section 1291 of title 28.

"(g) TIME LIMITS INAPPLICABLE; OTHER REMEDIES UNAFFECTED.—Notwithstanding any time limit otherwise applicable to motions for new trials based on newly discovered evidence, a court may grant relief under subsection (e) to an applicant, at any time.

"(h) Other Remedies Unaffected.—This section does not affect the circumstances under which a person may obtain DNA testing or postconviction relief under any other law or rule.

"§3600A. Prohibition on destruction of biological material

"(a) Prohibition.—

"(1) In general.—Notwithstanding any other provision of law, during the period described in paragraph (2), the government shall not destroy any biological material preserved if the defendant is serving a term of imprisonment following conviction in a case.

"(2) Period described.—The period described in this paragraph is the period beginning on the date of enactment of this section and ending on the later of—

"(A) the expiration of the 60-month period beginning on that date of enactment; or

"(B) the date on which any proceedings under section 3600 relating to the case are completed.

"(b) Sanctions for Intentional Violation.—The court may impose appropriate sanctions, including criminal contempt, for an intentional violation of subsection (a).

"(c) Exceptions.—The government may dispose of evidence before the expiration of the period of time described in subsection (a) if—

"(1) other than subsection (a), no statute, regulation, court order, or other provision of law requires that the evidence be preserved; and

"(2)(A)(i) the government notifies any person who remains incarcerated in connection with the investigation or prosecution and any counsel of record for that person (or, if there is no counsel of record, the public defender for the judicial district in which the conviction for that person was imposed), of the intention of the government to dispose of the evidence and the provisions of this chapter; and

"(ii) the government affords such person not less than 180 days after such notification to make a motion under section 3600(a) for DNA testing of the evidence; or

"(B)(i) the evidence must be returned to its rightful owner, or is of such a size, bulk, or physical character as to render retention impracticable; and

"(ii) the government takes reasonable measures to remove and preserve portions of the material evidence sufficient to permit future DNA testing.".

(2) Technical and conforming amendment.—The analysis for part II of title 18, United States Code, is amended by inserting after the item relating to chapter 228 the following:

"228A. Postconviction DNA Testing .. 3600".

(b) Applicability.—The provisions and amendments in this section shall take effect on the date of enactment of this Act and shall apply with respect to any offense committed, and to any judgment of conviction entered, before, on, or after that date of enactment.

(c) Report by the Attorney General.—

(1) Tracking system.—

(A) In general.—The Attorney General shall establish a system for reporting and tracking motions under section 3600 of title 18, United States Code.

(B) Requested assistance.—The judicial branch shall provide to the Attorney General any requested assistance in operating a reporting and tracking system and in ensuring the accuracy and completeness of information included in that system.

(2) Information.—Not later than 180 days before the expiration of the time period referenced in section 3600(a)(3)(A) of title 18, United States Code, the Attorney General shall submit a report to Congress containing—

(A) a summary of the motions filed under section 3600 of title 18, United States Code;

(B) information on whether DNA testing was ordered pursuant to such motions;

(C) information on whether the applicant obtained relief on the basis of DNA test results; and

(D) information on whether further proceedings occurred following a granting of relief and the outcome of those proceedings.

(3) Assessment.—The report submitted under paragraph (2) may also include—

(A) any other information that the Attorney General believes will be useful in assessing the operation, utility, or costs of section 3600 of title 18, United States Code; and

(B) any recommendations that the Attorney General may have relating to future legislative action concerning section 3600 of title 18, United States Code.

SEC. 202. PROHIBITION PURSUANT TO SECTION 5 OF THE 14TH AMENDMENT.

(a) Application for DNA Testing.—No State shall deny an application for DNA testing made by a prisoner in State custody who would be eligible for such testing under the provisions of sections 3600 and 3600A of title 18, United States Code.

(b) DNA Testing Procedures.—The procedures for DNA testing for a prisoner in State custody shall be substantially similar to the DNA testing procedures established for Federal courts under sections 3600 and 3600A of title 18, United States Code.

(c) Remedy.—A prisoner in State custody may enforce subsections (a) and (b) in a civil action for declaratory or injunctive relief, filed either in a State court of general jurisdiction or in a district court of the United States, naming an executive or judicial officer of the State as a defendant.

TITLE III—MANDATORY MINIMAL DEFENSE COUNSEL STANDARDS IN STATE COURTS FOR CAPITAL CASES

SEC. 301. RIGHT TO LEGAL REPRESENTATION FOR INDIGENT DEFENDANTS.

(a) Preconviction Representation.—Notwithstanding any other provision of law, a defendant in a criminal action in a State court, which may result in punishment by death, who is or becomes financially unable to obtain adequate representation or investigative, expert, or other reasonably necessary services at any time—

(1) before judgment; or

(2) after the entry of a judgment imposing a sentence of death, but before the execution of that judgment;

shall be entitled to the appointment of 1 or more attorneys and the furnishing of such other services in accordance with the provisions of this title.

(b) Postconviction Representation.—In a postconviction proceeding in which a defendant seeks to vacate or set aside a death sentence, a defendant who is or becomes financially unable to obtain adequate representation or investigative, expert, or other reasonably necessary services shall be entitled to the appointment of 1 or more attorneys and the furnishing of such other services in accordance with the provisions of this title.

SEC. 302. MINIMUM EXPERIENCE REQUIRED FOR DEFENSE COUNSEL.

(a) Prejudgment Appointment.—

(1) In general.—If the appointment of legal counsel under this title is made before judgment, at least 1 attorney so appointed—

(A) must have been admitted to practice for not less than 5 years in the court in which the prosecution is to be tried; and

(B) must have not less than 3 years experience in the actual trial of felony prosecutions in that court.

(2) Judicial appointment.—The court before which the defendant is to be tried, or a judge thereof, shall promptly, upon the request of the defendant, assign 2 attorneys to the case.

(3) Expertise; accessibility.—At least 1 of the attorneys assigned under paragraph (2)—

(A) shall be learned in the law applicable to capital cases; and

(B) shall have free access to the accused at all reasonable hours.

(4) Recommendation.—In assigning counsel under this section, the court shall consider—

(A) the recommendation of the State public defender organization, community defender organization, or equivalent organization; or

(B) if no such organization exists in the relevant jurisdiction, the administrative office of the local court or any governmental entity, bar association, or organization with knowledge regarding the skills and qualifications of local defense counsel.

(5) Witnesses.—The court shall allow a defendant, under this title, to produce lawful witnesses to testify in support of the defendant, and shall compel such witnesses to appear at trial in the same manner that witnesses are compelled to appear on behalf of the prosecution.

(b) Postjudgment Appointment.—If the appointment is made after judgment, at least 1 attorney appointed shall—

(1) have been admitted to practice for not less than 5 years in the appropriate State appellate court;

(2) have not less than 3 years experience in the handling of felony appeals in that court; and

(3) be learned in the law applicable to capital cases.

(c) Learned Standard.—In determining whether an attorney is learned in the law of capital cases under this section, the State court shall apply the standard used in the courts of the United States.

SEC. 303. ADEQUATE REPRESENTATION.

(a) Appointment of Substitute Counsel.—With respect to this section, the court, for good cause, may appoint another attorney whose background, knowledge, or experience would otherwise enable the attorney to properly represent the defendant, with due consideration to the seriousness of the possible penalty and to the unique and complex nature of the litigation.

(b) Scope of Legal Representation.—Unless replaced by similarly qualified counsel upon the motion of the attorney or the defendant, each attorney appointed under this title shall represent the defendant throughout every stage of available judicial proceedings, including—

(1) pretrial motions and procedures;

(2) competency proceedings;

(3) trial;

(4) sentencing;

(5) executive and other clemency proceedings;

(6) motions for new trial;

(7) appeals;

(8) applications for stays of execution; and

(9) applications for writ of certiorari to the Supreme Court of the United States.

(c) Additional Services.—

(1) In general.—Upon a finding that investigative, expert, or other services are reasonably necessary for the representation of the

defendant, whether in connection with issues relating to guilt or the sentence, the court may authorize the attorneys for the defendant to obtain such services on behalf of the defendant and, if so authorized, shall order the payment of fees and expenses for such services pursuant to section 304.

(2) Ex parte communications.—No ex parte proceeding, communication, or request may be considered pursuant to this section unless a proper showing is made concerning the need for confidentiality. Any such proceeding, communication, or request shall be transcribed and made a part of the record available for appellate review.

SEC. 304. ATTORNEY FEES AND COSTS.

(a) Attorney Fees.—Compensation shall be paid to attorneys appointed under this title at a rate equivalent to that of attorneys representing defendants in Federal capital cases pursuant to section 408(q)(10)(A) of the Controlled Substances Act (21 U.S.C. 848(q)(10)(A)).

(b) Additional Expenses.—Fees and expenses paid for investigative, expert, and other reasonably necessary services authorized under this section shall be equivalent to fees paid in Federal capital cases pursuant to section 408(q)(10)(B) of the Controlled Substances Act (21 U.S.C. 848(q)(10)(B)).

(c) Public Disclosure.—The amounts paid for services under this section shall be disclosed to the public, after the disposition of the petition.

SEC. 305. IRREBUTTABLE PRESUMPTION OF DEFICIENT PERFORMANCE.

(a) In General.—In a proceeding in Federal court pursuant to section 2254 of title 28, United States Code, the failure to comply with the procedures of this title shall create an irrebuttable presumption that the performance of the counsel for the petitioner was deficient.

(b) Entitlement to Relief; Burden of Proof; Standard of Review.—A petitioner is not entitled to relief unless the petitioner shows that the result of the proceeding would have been different if the performance of the counsel for the petitioner had not been deficient. The party opposing the petition has the burden of establishing that the standards in this section have been met. The court shall conduct a de novo review to settle this issue.

(c) Other Remedies.—The provisions of this section are not intended to limit any other Federal or State court from enforcing this section by any other appropriate remedy.

S. 2441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

(a) Short Title.—This Act may be cited as the "Post-Conviction DNA Testing Act of 2002".

SEC. 2. POST-CONVICTION DNA TESTING.

(a) Federal Criminal Procedure.—

(1) In general.—Part II of title 18, United States Code, is amended by inserting after chapter 228 the following:

"CHAPTER 228A—POST-CONVICTION DNA TESTING

"Sec.

"3600. DNA testing.

"3600A. Prohibition on destruction of biological evidence.

"§ 3600. DNA testing

"(a) Motion.—

"(1) In general.—An individual imprisoned because of a conviction of a criminal offense in a court of the United States (referred to in this section as the 'applicant') may make a written motion to the court that entered the judgment of conviction for the performance of forensic DNA testing on specified evidence that was secured in relation to the investigation or prosecution that resulted in the conviction.

"(2) Contents.—The motion shall—

"(A) include an assertion by the applicant, under penalty of perjury, that the applicant is actually innocent of the crime for which the applicant is imprisoned or of uncharged conduct, if the exoneration of the applicant of such conduct would result in a mandatory reduction in the sentence of the applicant;

"(B) identify the specific evidence secured in relation to the investigation or prosecution that resulted in the conviction for which testing is requested;

"(C) identify a theory of defense—

"(i) the validity of which would establish the actual innocence of the applicant, and explain how the requested DNA testing would substantiate that theory; and

"(ii) that is not inconsistent with any affirmative defense issued by the applicant in the original prosecution;

"(D) make a prima facie showing that the conditions set forth in subsection (c) for issuance of a testing order are satisfied; and

"(E) certify that the applicant will provide a DNA sample from the applicant for purposes of comparison.

"(3) Filing.—A motion filed under this section is timely if—

"(A) it is filed within 60 months of the date of enactment of this section;

"(B) the applicant can show that—

"(i) the evidence identified pursuant to paragraph (2)(B) is newly discovered; and

"(ii)(I) such evidence could not have been discovered through the exercise of due diligence; or

"(II) the proximate cause for not having previously discovered such evidence was the deficient performance of the attorney of the applicant; or

"(C) the applicant can show that—

"(i)(I) the technology for the requested DNA testing was not available at the time of trial;

"(II) it was not generally known that such technology was available at the time of trial; or

"(III) the failure to request such testing using the technology was due to the deficient performance of the attorney of the applicant; and

"(ii) if any of the evidence was previously subjected to DNA testing, the testing now requested uses a newer technology for DNA testing that is reasonably certain to provide results that are substantially more accurate and probative than any previous DNA testing of the evidence.

"(b) Notice to the Government; Preservation Order; Appointment of Counsel.—

"(1) Notice to the government.—Upon receipt of a motion under subsection (a), the court shall promptly notify the government of the motion and afford the government an opportunity to respond to the motion.

"(2) Preservation order.—The court may direct the government to preserve any evidence to which a motion under subsection (a) relates to the extent necessary to carry out proceedings under this section.

"(3) Appointment of counsel.—The court may appoint counsel for an indigent applicant under this section in accordance with section 3006A of this title.

"(c) Order for DNA Testing.—The court shall order the DNA testing requested in a motion filed under this section if—

"(1) the motion satisfies the requirements of subsection (a);

"(2)(A) the identity of the perpetrator was at issue in the trial that resulted in the conviction of the applicant; or

"(B) in a case where the applicant pled guilty, the identity of the perpetrator would have been at issue at trial;

"(3) the evidence to be tested is in the possession of the government and has been subject to a chain of custody and retained under conditions sufficient to ensure that it has not been substituted, contaminated, tampered with, replaced, or altered in any respect material to the requested DNA testing;

"(4)(A)(i) the technology for the requested DNA testing was not available at the time of trial;

"(ii) it was not generally known that such technology was available; or

"(iii) the applicant can show that the failure to request such testing was due to the deficient performance of the attorney of the applicant; and

"(B) if any of the evidence was previously subjected to DNA testing, the testing now requested uses a newer DNA testing technique which is reasonably certain to provide results that are substantially more accurate and probative than any previous DNA testing of the evidence;

"(5) the proposed DNA testing uses scientifically sound methods and is consistent with accepted forensic practice;

"(6) the proposed DNA testing is reasonable in scope; and

"(7) the court determines, after review of the record of the trial of the applicant and any other relevant evidence, that there is a reasonable probability that the results of the proposed DNA testing will enable the applicant to establish that the applicant is entitled to a new trial under the standard of subsection (e)(3).

"(d) Testing Procedures; Reporting of Test Results.—

"(1) Testing procedures.—The court shall direct that any DNA testing ordered under this section be carried out by—

"(A) a laboratory mutually selected by the government and the applicant; or

"(B) if the government and the applicant are unable to agree on a laboratory, a laboratory selected by the court ordering the testing.

"(2) Laboratory approval.—With respect to DNA testing by a laboratory in accordance with this subsection, other than an FBI laboratory, the court must approve the selection of the laboratory and make all necessary orders to ensure the integrity of the evidence and the testing process and the reliability of the test results.

"(3) Laboratory costs.—The applicant shall pay the cost of any testing by a laboratory in accordance with this subsection, other than an FBI laboratory, except that the court shall pay, in accordance with section 3006A of this title, the cost if the applicant would otherwise be financially incapable of securing such testing.

"(4) Disclosure of test results.—The results of any DNA testing ordered under this section—

"(A) shall be disclosed to—

"(i) the court;

"(ii) the applicant;

"(iii) the government; and

"(iv) the appropriate agency under subsection (e)(3)(B)(ii); and

"(B) shall be included in the Combined DNA Index System if the conditions set forth in subsection (e)(2) are met.

"(e) Posttesting Procedures.—

“(1) Inconclusive result.—If the DNA testing results are inconclusive, the court may order further testing, as appropriate, or may deny the applicant relief.

“(2) Positive result.—If DNA testing results obtained under this section show that the applicant was the source of the DNA identified as evidence under subsection (a)(2)(B), the court shall—

“(A) deny the applicant relief;

“(B) submit the DNA testing results to the Department of Justice for inclusion in the Combined DNA Index System; and

“(C) on motion of the government, proceed as provided in paragraph (5)(A).

“(3) Negative result.—If DNA testing results obtained under this section show that the applicant was not the source of the DNA identified as evidence under subsection (a)(2)(B)—

“(A) the court shall promptly—

“(i) order any further DNA testing needed to clarify the import of the test results, including any testing needed to exclude persons other than the perpetrator of the crime as potential sources of the DNA evidence; and

“(ii) determine whether the applicant is entitled to relief under paragraph (4); and

“(B) the Attorney General shall—

“(i) compare the DNA evidence collected from the applicant with DNA evidence in the Combined DNA Index System that has been collected from unsolved crimes;

“(ii) if the comparison yields a DNA match with an unsolved crime, notify the appropriate agency and preserve the DNA sample; and

“(iii) if the comparison fails to yield a DNA match with an unsolved crime, destroy the DNA sample collected from the applicant.

“(4) Exculpatory evidence.—If the DNA testing conducted under this section produces exculpatory evidence—

“(A) the applicant may, during the 60-day period beginning on the date on which the applicant is notified of the test results, make a motion to the court that ordered the testing for a new trial based on newly discovered evidence under rule 33 of the Federal Rules of Criminal Procedure, notwithstanding any provision of law that would bar such a motion as untimely; and

“(B) upon receipt of a motion under subparagraph (A), the court that ordered the testing shall consider the motion under rule 33 of the Federal Rules of Criminal Procedure, notwithstanding any provision of law that would bar such consideration as untimely.

“(5) Failure to obtain relief.—

“(A) In general.—If the applicant fails to obtain relief under this subsection, the court, on motion by the government, shall make a determination whether the assertion of innocence by the applicant was false.

“(B) False assertion.—If the court finds that the assertion of innocence by the applicant was false, the court—

“(i) may hold the applicant in contempt;

“(ii) shall assess against the applicant the cost of any DNA testing carried out under this section; and

“(iii) shall forward the finding to the Director of the Bureau of Prisons.

“(C) Bureau of prisons.—On receipt of a finding by the court under this paragraph, the Director of the Bureau of Prisons may deny, wholly or in part, the good conduct credit authorized under section 3624 of this title, on the basis of that finding.

“(D) Parole commission.—If the applicant is subject to the jurisdiction of the United States Parole Commission, the court shall forward its finding under this paragraph to the Parole Commission, and the Parole Commission may deny parole on the basis of that finding.

“(E) Penalty.—In any prosecution of an applicant under chapter 79 of this title, for false assertions or other conduct in proceedings under this section, the court, upon conviction of the applicant, shall sentence the applicant to a term of imprisonment of 1 year, which shall run consecutively to any other term of imprisonment the applicant is serving.

“(f) Final Order.—An order granting or denying DNA testing under subsection (c), or an order granting or denying a new trial under subsection (e), is a final order for purposes of section 1291 of title 28.

“(g) Time Limits Inapplicable; Other Remedies Unaffected.—Notwithstanding any time limit otherwise applicable to motions for new trials based on newly discovered evidence, a court may grant relief under subsection (e) to an applicant, at any time.

“(h) Other Remedies Unaffected.—This section does not affect the circumstances under which a person may obtain DNA testing or postconviction relief under any other law or rule.

“§ 3600A. Prohibition on destruction of biological material

“(a) Prohibition.—

“(1) In general.—Notwithstanding any other provision of law, during the period described in paragraph (2), the government shall not destroy any biological material preserved if the defendant is serving a term of imprisonment following conviction in a case.

“(2) Period described.—The period described in this paragraph is the period beginning on the date of enactment of this section and ending on the later of—

“(A) the expiration of the 60-month period beginning on that date of enactment; or

“(B) the date on which any proceedings under section 3600 relating to the case are completed.

“(b) Sanctions for Intentional Violation.—The court may impose appropriate sanctions, including criminal contempt, for an intentional violation of subsection (a).

“(c) Exceptions.—The government may dispose of evidence before the expiration of the period of time described in subsection (a) if—

“(1) other than subsection (a), no statute, regulation, court order, or other provision of law requires that the evidence be preserved; and

“(2)(A)(i) the government notifies any person who remains incarcerated in connection with the investigation or prosecution and any counsel of record for that person (or, if there is no counsel of record, the public defender for the judicial district in which the conviction for that person was imposed), of the intention of the government to dispose of the evidence and the provisions of this chapter; and

“(ii) the government affords such person not less than 180 days after such notification to make a motion under section 3600(a) for DNA testing of the evidence; or

“(B)(i) the evidence must be returned to its rightful owner, or is of such a size, bulk, or physical character as to render retention impracticable; and

“(ii) the government takes reasonable measures to remove and preserve portions of the material evidence sufficient to permit future DNA testing.”.

(2) Technical and conforming amendment.—The analysis for part II of title 18, United States Code, is amended by inserting after the item relating to chapter 228 the following:

“228A. Postconviction DNA Testing .. 3600”.

(b) Applicability.—The provisions and amendments in this section shall take effect on the date of enactment of this Act and shall apply with respect to any offense committed, and to any judgment of conviction entered, before, on, or after that date of enactment.

(c) Report by the Attorney General.—

(1) Tracking system.—

(A) In general.—The Attorney General shall establish a system for reporting and tracking motions under section 3600 of title 18, United States Code.

(B) Requested assistance.—The judicial branch shall provide to the Attorney General any requested assistance in operating a reporting and tracking system and in ensuring the accuracy and completeness of information included in that system.

(2) Information.—Not later than 180 days before the expiration of the time period referenced in section 3600(a)(3)(A) of title 18, United States Code, the Attorney General shall submit a report to Congress containing—

(A) a summary of the motions filed under section 3600 of title 18, United States Code;

(B) information on whether DNA testing was ordered pursuant to such motions;

(C) information on whether the applicant obtained relief on the basis of DNA test results; and

(D) information on whether further proceedings occurred following a granting of relief and the outcome of those proceedings.

(3) Assessment.—The report submitted under paragraph (2) may also include—

(A) any other information that the Attorney General believes will be useful in assessing the operation, utility, or costs of section 3600 of title 18, United States Code; and

(B) any recommendations that the Attorney General may have relating to future legislative action concerning section 3600 of title 18, United States Code.

SEC. 3. PROHIBITION PURSUANT TO SECTION 5 OF THE 14TH AMENDMENT.

(a) Application for DNA Testing.—No State shall deny an application for DNA testing made by a prisoner in State custody who would be eligible for such testing under the provisions of sections 3600 and 3600A of title 18, United States Code.

(b) DNA Testing Procedures.—The procedures for DNA testing for a prisoner in State custody shall be substantially similar to the DNA testing procedures established for Federal courts under sections 3600 and 3600A of title 18, United States Code.

(c) Remedy.—A prisoner in State custody may enforce subsections (a) and (b) in a civil action for declaratory or injunctive relief, filed either in a State court of general jurisdiction or in a district court of the United States, naming an executive or judicial officer of the State as a defendant.

S. 2442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

(a) Short Title.—This Act may be cited as the “Capital Defense Counsel Standards Act of 2002”.

SEC. 2. RIGHT TO LEGAL REPRESENTATION FOR INDIGENT DEFENDANTS.

(a) Preconviction Representation.—Notwithstanding any other provision of law, a defendant in a criminal action in a State court, which may result in punishment by death, who is or becomes financially unable to obtain adequate representation or investigative, expert, or other reasonably necessary services at any time—

(1) before judgment; or

(2) after the entry of a judgment imposing a sentence of death, but before the execution of that judgment;

shall be entitled to the appointment of 1 or more attorneys and the furnishing of such other services in accordance with the provisions of this Act.

(b) POSTCONVICTION REPRESENTATION.—In a postconviction proceeding in which a defendant seeks to vacate or set aside a death sentence, a defendant who is or becomes financially unable to obtain adequate representation or investigative, expert, or other reasonably necessary services shall be entitled to the appointment of 1 or more attorneys and the furnishing of such other services in accordance with the provisions of this Act.

SEC. 3. MINIMUM EXPERIENCE REQUIRED FOR DEFENSE COUNSEL.

(a) PREJUDGMENT APPOINTMENT.—

(1) IN GENERAL.—If the appointment of legal counsel under this Act is made before judgment, at least 1 attorney so appointed—

(A) must have been admitted to practice for not less than 5 years in the court in which the prosecution is to be tried; and

(B) must have not less than 3 years experience in the actual trial of felony prosecutions in that court.

(2) JUDICIAL APPOINTMENT.—The court before which the defendant is to be tried, or a judge thereof, shall promptly, upon the request of the defendant, assign 2 attorneys to the case.

(3) EXPERTISE; ACCESSIBILITY.—At least 1 of the attorneys assigned under paragraph (2)—

(A) shall be learned in the law applicable to capital cases; and

(B) shall have free access to the accused at all reasonable hours.

(4) RECOMMENDATION.—In assigning counsel under this section, the court shall consider—

(A) the recommendation of the State public defender organization, community defender organization, or equivalent organization; or

(B) if no such organization exists in the relevant jurisdiction, the administrative office of the local court or any governmental entity, bar association, or organization with knowledge regarding the skills and qualifications of local defense counsel.

(5) WITNESSES.—The court shall allow a defendant, under this Act, to produce lawful witnesses to testify in support of the defendant, and shall compel such witnesses to appear at trial in the same manner that witnesses are compelled to appear on behalf of the prosecution.

(b) POSTJUDGMENT APPOINTMENT.—If the appointment is made after judgment, at least 1 attorney appointed shall—

(1) have been admitted to practice for not less than 5 years in the appropriate State appellate court;

(2) have not less than 3 years experience in the handling of felony appeals in that court; and

(3) be learned in the law applicable to capital cases.

(c) LEARNED STANDARD.—In determining whether an attorney is learned in the law of capital cases under this section, the State court shall apply the standard used in the courts of the United States.

SEC. 4. ADEQUATE REPRESENTATION.

(a) APPOINTMENT OF SUBSTITUTE COUNSEL.—With respect to this section, the court, for good cause, may appoint another attorney whose background, knowledge, or experience would otherwise enable the attorney to properly represent the defendant, with due consideration to the seriousness of the possible penalty and to the unique and complex nature of the litigation.

(b) SCOPE OF LEGAL REPRESENTATION.—Unless replaced by similarly qualified counsel upon the motion of the attorney or the defendant, each attorney appointed under this Act shall represent the defendant throughout every stage of available judicial proceedings, including—

(1) pretrial motions and procedures;

(2) competency proceedings;

(3) trial;

(4) sentencing;

(5) executive and other clemency proceedings;

(6) motions for new trial;

(7) appeals;

(8) applications for stays of execution; and

(9) applications for writ of certiorari to the Supreme Court of the United States.

(c) ADDITIONAL SERVICES.—

(1) IN GENERAL.—Upon a finding that investigative, expert, or other services are reasonably necessary for the representation of the defendant, whether in connection with issues relating to guilt or the sentence, the court may authorize the attorneys for the defendant to obtain such services on behalf of the defendant and, if so authorized, shall order the payment of fees and expenses for such services pursuant to section 5.

(2) EX PARTE COMMUNICATIONS.—No ex parte proceeding, communication, or request may be considered under this section unless a proper showing is made concerning the need for confidentiality. Any such proceeding, communication, or request shall be transcribed and made a part of the record available for appellate review.

SEC. 5. ATTORNEY FEES AND COSTS.

(a) ATTORNEY FEES.—Compensation shall be paid to attorneys appointed under this Act at a rate equivalent to that of attorneys representing defendants in Federal capital cases under section 408(q)(10)(A) of the Controlled Substances Act (21 U.S.C. 848(q)(10)(A)).

(b) ADDITIONAL EXPENSES.—Fees and expenses paid for investigative, expert, and other reasonably necessary services authorized under this section shall be equivalent to fees paid in Federal capital cases under section 408(q)(10)(B) of the Controlled Substances Act (21 U.S.C. 848(q)(10)(B)).

(c) PUBLIC DISCLOSURE.—The amounts paid for services under this section shall be disclosed to the public, after the disposition of the petition.

SEC. 6. IRREBUTTABLE PRESUMPTION OF DEFICIENT PERFORMANCE.

(a) IN GENERAL.—In a proceeding in Federal court under section 2254 of title 28, United States Code, the failure to comply with the procedures of this Act shall create an irrebuttable presumption that the performance of the counsel for the petitioner was deficient.

(b) ENTITLEMENT TO RELIEF; BURDEN OF PROOF; STANDARD OF REVIEW.—A petitioner is not entitled to relief unless the petitioner shows that the result of the proceeding would have been different if the performance of the counsel for the petitioner had not been deficient. The party opposing the petition has the burden of establishing that the standards in this section have been met. The court shall conduct a de novo review to settle this issue.

(c) OTHER REMEDIES.—The provisions of this section are not intended to limit any other Federal or State court from enforcing this section by any other appropriate remedy.

S. 2443

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Death Penalty Review Act of 2002".

SEC. 2. PROTECTING THE RIGHTS OF DEATH ROW INMATES TO REVIEW OF CASES GRANTED CERTIORARI.

Section 2101 of title 28, United States Code, is amended by adding at the end the following:

"(h) Upon notice by a party that has filed a motion for a stay of execution or filed for certiorari with, or has been granted certiorari by, the United States Supreme Court in an appeal from a case in which the sentence is death, the Governor of the State in which the death sentence is to be carried out, in a State case, or the Director of the Bureau of Prisons, the Secretary of a military branch, or any other Federal official with authority to carry out the death sentence, in a Federal case, shall suspend the execution of the sentence of death until the United States Supreme Court enters a stay of execution or until certiorari is acted upon and the case is disposed of by the United States Supreme Court.

"(i) For purposes of this section, the United States Supreme Court shall treat a motion for a stay of execution as a petition for certiorari.

"(j) In an appeal from a case in which the sentence is death, a writ of certiorari shall be issued by the United States Supreme Court upon the vote of at least 4 qualified justices.".

SEC. 3. HABEAS CORPUS.

(a) STATE COURT PROCEEDINGS.—Section 2251 of title 28, United States Code, is amended—

(1) by inserting "(a)" at the beginning of the text;

(2) by designating the second sentence as subsection (b); and

(3) by adding at the end the following:

"(c)(1) Notwithstanding any other provision of law, a justice or judge of the United States before whom a habeas corpus proceeding that involves the death sentence is pending shall stay the execution of the death sentence until the proceeding is completed. If the issuance of such a stay requires more than 1 judge to concur or vote on the stay, the court before which the proceeding is pending shall grant the stay.

"(2) For purposes of this subsection, a case is pending before—

"(A) a court in the Circuit Court of Appeals, if a notice of appeal has been filed; and

"(B) the United States Supreme Court, if a petition for certiorari has been filed, or if a motion to stay execution has been filed.

"(3) A case described in paragraph (2) remains pending before the court until the petition for certiorari is denied. If the petition is granted, the case remains pending.

"(4) If a higher court is unable or fails to issue a stay pursuant to this subsection, a lower court before which the case had been pending shall issue the stay of execution.

"(d) For purposes of this section, a motion to stay execution shall be treated as a petition for certiorari.".

(b) FEDERAL COURT PROCEEDINGS.—Section 2255 of title 28, United States Code, is amended by adding at the end the following:

"Notwithstanding any other provision of law, a justice or judge of the United States, before whom a habeas corpus proceeding that involves a Federal death sentence is pending, shall stay the execution of the death sentence until the proceeding is completed. If the issuance of such a stay requires more than 1 judge to concur or vote on the stay, the court before which the proceeding is pending shall grant the stay.

"If a higher court is unable or fails to issue a stay pursuant to the preceding paragraph, a lower court before which the case had been pending shall issue the stay of execution. For purposes of this section, a motion to stay execution shall be treated as a petition for certiorari. A case described in the preceding paragraph—

"(1) is pending before a court in the Circuit Court of Appeals if a notice of appeal has been filed; and

"(2) is pending before the United States Supreme Court if—

"(A) a petition for certiorari has been filed and has not been denied; or

"(B) a motion to stay execution has been filed.".

By Mr. HOLLINGS (for himself, Mrs. CLINTON, Mr. STEVENS, Mr. INOUYE, Mr. ROCKEFELLER, and Mr. DORGAN):

S. 2448. A bill to improve nationwide access to broadband services; to the Committee on Commerce, Science, and Transportation.

Mr. HOLLINGS. Mr. President, I rise today to introduce the Broadband Telecommunications Act of 2002. This legislation is designed to promote the deployment of broadband technology in rural and under-served areas of the market.

The Internet has unquestionably revolutionized our society, making it possible to transmit data and engage in commerce in a manner not previously experienced. However, notwithstanding its enormous benefits, the Internet is still in its building stage, with its greatest capacity yet to be reached. An important element in enhancing the Internet's capability is the technology known as "broadband." This refers to the technologies and facilities that enhance the speed and efficiency by which voice, video, data communications are transmitted.

Many, in fact, believe that broadband is the key to securing the Internet as the central medium of interstate and global commerce. Once extensively and fully deployed and accepted by consumers and the marketplace, broadband will undoubtedly produce marvelous advantages: permitting physicians to consult with each other and share information instantaneously, thus enriching the learning process; allowing consumers to access entertainment including music and movies, as well as other products at any given time; and offering workers greater options, as it will facilitate the ability of workers to access from home, electronic files as well as communicate with coworkers by voice and video.

Before this great vision can be realized, however, several key issues will have to be addressed. These include ensuring that broadband is deployed to all Americans and promoting consumer confidence in the Internet, while simultaneously preserving competition in the telecommunications and Internet markets.

With respect to broadband deployment, telephone and cable companies have been upgrading their networks, in order to provide broadband service. As it stands today, broadband availability for residential Internet users is approximately 85 percent. However, even though this number is admirable, there are still specific areas where broadband capability has yet to take hold. This predicament mostly involves rural, as well as some inner city areas. Ensuring the availability of broadband in these markets is the public policy challenge we face today. Clearly, Congress' main responsibility is ensuring that the right policy is pursued and implemented to accomplish this goal.

Reports indicate that small telephone companies, have been diligently rolling out broadband service in rural areas. Nevertheless, to achieve the goal of broadband deployment in all rural and underserved areas, the government will need to provide some assistance. In recognition of this need, Senators ROCKEFELLER and DORGAN both members of the Commerce Committee, have sponsored bills to support such deployments with options such as low interest loans and tax credits.

The approach taken by Senators ROCKEFELLER and DORGAN represent a constructive approach to achieving greater broadband deployment. Financial assistance, through measures such as loans, grants, and tax incentives, is necessary to help defray the cost of these additional deployments. By providing loans and grants, the bill I introduce today takes a similar approach to achieving broadband deployment.

In addition to deployment of broadband facilities, there also is an issue concerning broadband speeds. Currently, the broadband facilities that are being deployed to residential consumers provide speeds of up to 1.5 megabits per second. However, groups such as TechNet, maintain that in order to realize the real potential of broadband—telemedicine, distance learning, teleworking, and entertainment over the Internet, telecommunications facilities must be able to provide speeds of 50 to 100 megabits. If this is correct, as policy makers we must, at a minimum, determine what is necessary both technologically and financially to accomplish this goal. Such findings will provide the basis to determine the policies Congress will be compelled to pursue if a determination is made that speeds of 50 to 100 megabits per second are necessary.

Even as we discuss broadband speeds of 50–100 megabits, we must acknowledge that consumers do not seem seduced by the available broadband speeds of 1.5 megabits. In fact, reports show, that about 10 percent actually subscribe to broadband, leading many to believe that low demand is the problem, not slow deployment. If achieving a broadband environment is a priority, in addition to spurring deployment, we must eliminate the impediments that block consumers from obtaining the content, services, and applications necessary to make broadband service a useful and productive tool.

Another essential issue concerning the promotion of broadband involves the issue of privacy. Consumers use of the Internet is a fundamental first step to promoting interest in broadband. This will not be possible, however, unless consumers are confident that their privacy and personal information are protected and secured. To accomplish this goal, sufficient precautions will have to be taken to ensure that highly sensitive personal data—including financial, medical, social security numbers—cannot be stolen or misused. The Commerce Committee has established a substantial record on the issue of Internet privacy. That record demonstrates that consumers will use the Internet for more personal purposes only when they are confident that their information is secure. I have introduced separate legislation on this matter.

The broadband bill entitled the Broadband Telecommunications Act of 2002, that I introduce today represents a step towards fostering the deployment and adoption of broadband services. It uses monies from the telephone excise tax to fund a number of loan and grant programs. It stimulates broadband deployment in rural and underserved areas by providing low interest loans to upgrade facilities including remote terminals and fiber between a remote terminal and central office. It authorizes NIST to study how we can facilitate broadband deployment in rural and under-served areas. It promotes competition by establishing pilot projects for wireless and other non-wireline broadband technologies in rural and underserved areas. The bill begins to help us understand what is necessary to accomplish broadband with speeds of 50 to 100 megabits per second by providing grants to NTIA's Lab, NIST Labs, National Science Board and to universities for research. In order to address the demand issue, we provide grants to digitize library and museum collections as well as grants to Universities to conduct technical research to develop Internet applications useful to consumers. The bill also provides grants to connect underrepresented colleges and communities to the Internet.

Ultimately, if we decide as a nation that a broadband world must be achieved, we must move beyond the rhetoric of parity and regulation versus deregulation. We must move forward and begin to deal with the real issues that impact broadband deployment and use. These include stimulating deployment in unserved and under-served areas, promoting competition to existing monopolies, ensuring the availability of content and other Internet applications, preserving the privacy of consumers as they use the Internet, safeguarding cyber security, in addition to advancing policies such as e-government, teleworking, telemedicine, and distance learning. I ask my colleagues to join me in an open and forthright debate on these issues.

By Mr. BINGAMAN (for himself, Mr. MCCAIN, Mr. TORRICELLI, and Mr. CORZINE):

S. 2449. A bill to amend title XIX of the Social Security Act to allow Federal payments to be made to States under the medicaid program for providing pregnancy-related services or services for the testing or treatment for communicable diseases to aliens who are not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, the legislation I am introducing today with Senators MCCAIN, TORRICELLI, and CORZINE entitled the "Federal Responsibility for Immigrant Health Act of 2002" is designed to address the hardship caused by Federal limitations on Medicaid reimbursement to health care providers and states for health services provided to immigrants. Despite the fact that immigration is a Federal responsibility, medical providers, who have a legal and ethical responsibility to save lives regardless of immigration status, and State and local governments bear most of the costs for services provided to immigrants.

The bill expressly allows States and health care providers to receive Medicaid reimbursement for dialysis and chemotherapy services, prenatal care, and the testing and treatment of communicable diseases provided to immigrants; reauthorizes funding, which was provided between fiscal years 1998 and 2001 but expired this year, in the increased amount of $50 million annually for fiscal years 2003 to 2007 for unreimbursed emergency health services provided to immigrants; and clarifies that the federal government should not limit the ability of state or local governments to use their own funding to address the health care needs of immigrants within their communities.

The Constitution of the United States establishes sole authority in the Federal Government to control immigration to this country. Despite that fact, the Federal Government often fails to take financial responsibility for the costs of immigration. Numerous studies also indicate that immigrants pay more to the Federal Government in the form of taxes than they receive in services, but State government and local communities and providers bear most of the costs of services provided to them.

In Luna County, NM, for example, the Columbus Volunteer Fire Department and Ambulance Service has a contract with the county to provide emergency medical services to the people in Luna County. Luna County is one of the poorest counties in the Nation with almost one-third of its citizens below poverty and with a per capita income at just 49 percent of the national average. Luna County has an extremely difficult time addressing the needs of its own citizens due to a high level of need and limited resources.

And yet, with respect to emergency medical services, Luna County, the Columbus Volunteer Fire Department and Ambulance Service, and Mimbres Memorial Hospital must also respond to the numerous calls from federal officials at the port-of-entry near Columbus, NM, to treat or transport an injured or ill immigrants. The Columbus Volunteer Fire Department and Ambulance Service is located just three miles from the Columbus port-of-entry and is 32 miles from Mimbres Memorial Hospital in Deming, NM.

Moreover, the ambulance service is also called in when individuals are apprehended after crossing illegally if injury or illness results, often while in the custody of the Federal Immigration and Naturalization Service, INS. Once treated, the Luna County Sheriff's Office is called to take them back from Deming to the Columbus port-of-entry where they are returned across the border to their homes in Mexico.

According to data collected by the United States/Mexico Border Counties Coalition through a grant from the Department of Justice, in 1999, the Columbus Volunteer Fire Department and Ambulance Service responded to 264 calls, of which 56 percent were at the port-of-entry and 52 percent were for patients residing outside of the United States. Of services billed, 59 percent were for treatment of non-U.S. resident patients and the vast majority of those bills went unpaid. In fact, for both the EMS system and the hospital, a large majority of billings sent to patients residing outside of the United States are returned as either unclaimed or undeliverable much less paid.

To help the County and ambulance service, I secured $200,000 last year through the Labor-HHS Appropriations bill for the costs of emergency medical services delivered to immigrants in this fiscal year. The funding, however, is just a temporary band-aid to a system that is poorly funded and cannot survive without the federal government living up to its responsibility to help pay the costs of health services delivered to immigrants. This bill helps address that responsibility.

As Ronald Reagan, then Governor of the State of California, testified before the Senate Finance Committee in 1972, "the support of citizens of other countries shall be a fiscal obligation of the federal government." He added, "States should not be required to support citizens of another country, when the state and county governments have no effective voice in determining admission standards."

In response to such concerns, the Federal Government has taken two important steps over the years, providing for federal reimbursement for emergency care to low-income immigrants in 1986 and providing additional funding to states for unreimbursed costs delivered to immigrants in emergency situations in 1997. The first needs a technical change and the second, unfortunately, expired in 2001 and needs to be reauthorized.

The first step that was taken occurred through the leadership of Senator Lloyd Bentsen and Representative HENRY WAXMAN in 1986 and was signed into law by President Reagan. It provides for federal reimbursement through the Medicaid program to health providers for emergency care services provided to low-income immigrants. Services delivered to immigrants who are residents in the country may have the cost of their emergency care reimbursed through Medicaid—a joint federal and state program serving low-income and disabled people. However, in the case of Luna County, the majority of its cases are to immigrants who reside outside of the country, and therefore, do not qualify. This legislation clarifies that States may waive the residency requirement for an immigrant who either comes across the border under a temporary visa or is paroled into the country by INS.

The bill also clarifies that, since dialysis and chemotherapy are life-threatening conditions, these services qualify as emergency care and are eligible for reimbursement by Medicaid. Unfortunately, the Centers for Medicare and Medicaid Services, CMS, recently denied payment to the State of Arizona for such services and have forced the State to pay for such treatment with 100 percent State funding. This is, once again, a case of the Federal Government not fulfilling its responsibility and our bill corrects this problem.

The "Federal Responsibility for Immigrant Health Act of 2002" would also provide states the option to reimburse providers for the costs of prenatal care and the testing and treatment of communicable diseases to low-income immigrants. A January 2000 study in the American Journal of Obstetrics and Gynecology found that undocumented women with no prenatal care were four times more likely to deliver low birthweight American citizen infants and seven times more likely to deliver premature infants than undocumented women with prenatal care. Moreover, a child born in the United States of undocumented parents is a United States citizen.

Simply stated, if a pregnant woman is denied access to prenatal care due to immigration status, it is her child who is denied the opportunity to be "wellborn" and the financial costs associated with poor outcomes are high.

In addition, States and local governments often seek to ensure that all of their residents, including immigrants, are tested and treated for certain communicable diseases. It is in the interest of all citizens to ensure that everybody residing in this country is treated for communicable diseases. As Dr. Richard Brown, Director of UCLA's Center for Health Policy Research says, "Tuberculosis and other communicable diseases do not respect distinctions between citizens and non-citizens . . . The key to controlling an outbreak of tuberculosis, hepatitis, sexually transmitted diseases, or other communicable diseases is early identification of the source of infection and immediate intervention to treat all infected persons." Again, to address these problems, the bill would allow States to reimburse providers for the costs of prenatal care and the testing and treatment of communicable diseases to low-income immigrants through the Medicaid program.

Another area where the Federal Government did take an important step to assume its responsibility for the costs of emergency health services delivered to immigrants was through $25 million in payments to States between fiscal year 1998 through 2001. The following 12 States were eligible for this additional funding over the four-year period, which expired at the end of last year: California, $11.3 million, Texas, $4.0 million, New York, $3.1 million, Florida, $2.0 million, Illinois, $1.6 million, New Jersey, $765,000, Arizona, $652,000, Massachusetts, $482,000, Virginia, $312,000, Washington, $295,000, Colorado, $255,000, and Maryland, $249,000. Unfortunately, that provision in law expired in 2001 and needs to be reauthorized.

The "Federal Responsibility for Immigrant Health Act of 2002" reauthorizes the program at $50 million between fiscal years 2003 and 2007, extends the number of qualifying States to 15, and requires that States pass those payments on to health care providers who are providing this care. This helps cover the costs associated with care to immigrants needing emergency care that do not qualify for Medicaid, such as men who do not meet the categorical requirements for Medicaid coverage. In addition, the bill clarifies that the 15 qualifying States are those that have the highest percentage of immigrants rather than the highest numbers, which assures States such as New Mexico are not inappropriately left out of the funding in the future.

And finally, the bill clarifies that the Federal Government should not limit State or local governments from using their own funding to provide health services to immigrants in their communities. The 10th Amendment prevents the Federal Government from interfering in the authority by State and local governments to spend their own revenue as they see fit.

Unfortunately, a provision in the Personal Responsibility and Work Opportunity Reconciliation Act, PRWORA, in 1996 has been interpreted by Texas Attorney General John Cornyn and some in the State of New Mexico, including the University of New Mexico Hospital, to preclude State and local governments from providing non-emergency care services, with the exceptions of immunizations and the testing and treatment of communicable diseases, unless the State decides to override the law by passing its own legislation specifically authorizing such services.

Others have disagreed. El Paso County Attorney Jose Rodriquez disagreed with the opinion of the Texas Attorney General in a August 14, 2001, letter by saying, "There is nothing in the PRWORA that expressly prohibits providing health care to undocumented aliens . . . There are no enforcement mechanisms in the PRWORA, and there are no penalties directed at state or local governments." As a result, the public hospitals in El Paso, TX, and elsewhere in Texas have largely ignored the Texas Attorney General's opinion.

However, in New Mexico, the University of New Mexico Hospital has chosen to tighten eligibility requirements for its health care services. They argue they are complying with the ambiguous law.

An article that appears in an Internet-based publication entitled Borderlines entitled "Debate Over Immigrant Health Care Heats Up in New Mexico" in November 2001 notes, "Critics say the move to deny health care to some U.S. residents, regardless of the reasons, is dangerous, impractical, and inhumane. It is dangerous, they argue, because anyone with a communicable disease, illegal immigrant or not, can spread that disease if not treated. The policy is impractical, they add, because an untreated health problem will likely worsen and require more expensive treatments later, often in emergency rooms. And denying non-emergency health care to people with serious, chronic diseases like diabetes, asthma, or cancer means they must endure more pain and suffering, often as their conditions deteriorate."

As Dr. Catherine Torres of First Step Women's Health Center in Las Cruces, NM, and a member of the U.S.-Mexico Border Health Commission notes, "When do you treat a child with asthma? When [the child] can't breathe?"

This provision has also led to the unfortunate situation of imposing additional liability or malpractice exposure on health providers that work for State or local governmental health programs for denying needed health services to an individual. Health providers should not have to violate medical ethics of purposely denying needed health services to anyone and nor should they be exposed to additional liability because of a convoluted provision in federal law.

As Dan Reyna, director of New Mexico's Border Health Office in Las Cruces, NM, adds, "First, we're near an international border, we're not going to change that. Second, health care providers, both public and private, are not immigration officers for the Federal Government. And third, it's to the benefit of every State to protect community health and the quality of life of every resident. If you accept these primary premises, you have to provide preventative care services to everyone who needs it."

I urge the passage of this legislation. Although it may not be popular, the Federal Government should help assume its responsibility for immigration and the costs associated with health services. We talk a great deal about personal responsibility when talking about welfare reform. It is time for the Federal Government to take on its responsibility as well. State and local governments and health providers, already stressed by the fact that our country has around 40 million uninsured residents, cannot take on these additional costs.

I would like to thank Senators McCAIN, TORRICELLI, and CORZINE for their support and help on this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2449

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Responsibility for Immigrant Health Act of 2002".

SEC. 2. FEDERAL PAYMENTS UNDER MEDICAID FOR EMERGENCY MEDICAL CONDITIONS OF CERTAIN ALIENS.

(a) IN GENERAL.—Section 1903(v)(2)(A) of the Social Security Act (42 U.S.C. 1396b(v)(2)(A)) of the Social Security Act is amended to read as follows:

"(A) such care and services are—

"(i) necessary for the treatment of an emergency medical condition of the alien or necessary for the prevention of an emergency medical condition (including dialysis and chemotherapy services),

"(ii) services related to pregnancy (including prenatal, delivery, postpartum, and family planning services) and to other conditions that may complicate pregnancy, or

"(iii) services for the testing or treatment for communicable diseases,".

(b) STATE OPTION TO ELIMINATE RESIDENCY REQUIREMENT FOR CERTAIN ALIENS.—Section 1903(v)(2)(B) of the Social Security Act (42 U.S.C. 1396b(v)(2)(B)) is amended by inserting ", or, at State option, in the case of an alien granted parole under section 212(d)(5) of the Immigration and Nationality Act or an alien admitted into the United States as a nonimmigrant alien under section 101(a)(15) of such Act, any residency requirement imposed under the State plan" after "payment".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance provided on or after the date of enactment of this Act.

SEC. 3. FUNDING FOR EMERGENCY HEALTH SERVICES FURNISHED TO UNDOCUMENTED ALIENS.

(a) FUNDING.—Section 4723(a) of the Balanced Budget Act of 1997 (8 U.S.C. 1611 note) is amended to read as follows:

"(a) TOTAL AMOUNT AVAILABLE FOR ALLOTMENTS.—There are available for allotments for payments to certain States under this section—

"(1) for each of fiscal years 1998 through 2001, $25,000,000; and

"(2) for each of fiscal years 2003 through 2007, $50,000,000.".

(b) DETERMINATION OF STATE ALLOTMENTS.—Section 4723(b) of the Balanced Budget Act of 1997 (8 U.S.C. 1611 note) is amended—

(1) in paragraph (1), in the first sentence, by striking "The Secretary" and inserting "Subject to paragraph (3), the Secretary"; and

(2) by adding at the end the following new paragraph:

"(3) FISCAL YEARS 2003 THROUGH 2007 ALLOTMENTS.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary of Health and Human Services shall compute an allotment for each of fiscal years 2003 through 2007 for each of the 15 States with the highest percentage of undocumented aliens. The amount of such allotment for each such State for a fiscal year shall bear the same ratio to the total amount available for allotments under subsection (a) for the fiscal year as the ratio of the percentage of undocumented aliens in the State in the fiscal year bears to the total of such percentages for all such States for such fiscal year. The amount of allotment to a State provided under this paragraph for a fiscal year that is not paid out under subsection (c) shall be available for payment during the subsequent fiscal year.

"(B) DETERMINATION.—For purposes of subparagraph (A), the percentage of undocumented aliens in a State under this section shall be determined based on the most recent available estimates of the resident illegal alien population residing in each State prepared by the Statistics Division of the Immigration and Naturalization Service.".

(c) REQUIRING USE OF FUNDS TO ASSIST HOSPITALS AND RELATED PROVIDERS OF EMERGENCY HEALTH SERVICES TO UNDOCUMENTED ALIENS.—Section 4723(c) of the Balanced Budget Act of 1997 (8 U.S.C. 1611 note) is amended to read as follows:

"(c) USE OF FUNDS.—

"(1) IN GENERAL.—From the allotments made under subsection (b), the Secretary shall pay to each State amounts described in a State plan, submitted to the Secretary, under which the amounts so allotted will be paid—

"(A) to hospitals and related providers of emergency health services to undocumented aliens that are located in areas that the Secretary or a State determines to be substantially impacted by health costs related to undocumented aliens; and

"(B) on the basis of—

"(i) each eligible hospital's or related provider's payments under the State plan approved under title XIX of the Social Security Act for emergency medical services described in section 1903(v)(2)(A) of such Act (42 U.S.C. 1396b(v)(2)(A)); or

"(ii) an appropriate alternative proxy for measuring the volume of emergency health services provided to undocumented aliens by eligible hospitals and related providers.

"(2) DEFINITIONS; SPECIAL RULES.—For purposes of this subsection:

"(A) The term 'hospital' has the meaning given such term in section 1861(e) of the Social Security Act (42 U.S.C. 1395x(e)).

"(B) The term 'provider' includes a physician, another health care professional, and an entity that furnishes emergency ambulance services.

"(C) A provider shall be considered to be 'related' to a hospital to the extent that the provider furnishes emergency health services to an individual for whom the hospital also furnishes emergency health services.

"(D) Amounts paid under this subsection shall not—

"(i) be substituted for Federal payments made under title XIX of the Social Security Act to reimburse a State for expenditures for the provision of emergency medical services described in section 1903(v)(2)(A) of such Act; or

"(ii) be used by a State for the State share of expenditures for such services under title XIX of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply beginning with fiscal year 2003.

SEC. 4. PERMITTING STATES AND LOCALITIES TO PROVIDE HEALTH CARE TO ALL INDIVIDUALS.

(a) IN GENERAL.—Section 411 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621) is amended—

(1) in subsection (b)—

(A) by striking paragraphs (1) and (3); and

(B) by redesignating paragraphs (2) and (4) as paragraphs (1) and (2), respectively; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking "(2) and (3)" and inserting "(2), (3), and (4)"; and

(ii) in subparagraph (B), by striking "health,"; and

(B) by adding at the end the following new paragraph

"(4) Such term does not include any health benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to health care furnished before, on, or after the date of the enactment of this Act.

By Mr. LIEBERMAN (for himself, Mr. SPECTER, and Mr. GRAHAM):

S. 2452. A bill to establish the Department of National Homeland Security and the National Office for Combating Terrorism; to the Committee on Governmental Affairs.

Mr. LIEBERMAN. Mr. President, today I am pleased to introduce, with Senators SPECTER and GRAHAM, the National Homeland Security and Combating Terrorism Act of 2002. This legislation seeks to strengthen the Federal Government's ability to confront terrorism and other threats to our homeland security.

Specifically, this legislation would create a new Department of National Homeland Security to focus an array of agencies and programs that are vital to securing our borders and critical infrastructure, and to preparing for and responding to homeland threats. It also would create a White House terrorism director to forge an effective strategy to combat terrorism across the entire Federal Government. In addition to the bill we introduce here, I am pleased to note that companion legislation is being introduced today by Representatives THORNBERRY, HARMAN, TAUSCHER and GIBBONS.

The events of September 11 brought home to us the very real threat of terrorism not only on foreign shores, but also here at home. Though the pain of that day will stay in our hearts and minds forever, we now have an opportunity to step back from that single most horrid event in our modern history and take action to prevent something like it from ever happening again.

It seems that nearly every day, the media or government investigators expose a new crack in America's homeland defense foundation, at our borders, our ports, or within our cyberspace. The fact is, without a government that is permanently reoriented to meet unexpected challenges here at home, new vulnerabilities will emerge. That's why we must mobilize government so that it can quickly and effectively prevent terrorist threats here at home and respond should the worst occur.

Our approach, combining a homeland security department with a White House office for combating terrorism, addresses the need to permanently restructure critical homeland security functions under a cabinet-level secretary with real operational authority and the ability to personally direct a homeland security plan. At the same time, we would allow for the highest level of coordination with other Federal agencies—Health and Human Services, the Defense Department, the Energy Department, for example, and real budget certification authority.

Our proposal stems from a series of hearings I convened last fall as chairman of the Governmental Affairs Committee. We held about a dozen different sessions looking into various aspects of homeland security, ranging from protection of our critical infrastructure to the state and local role in protecting Americans at home. Those hearings confirmed what experts and commissions had already warned us: that our government is poorly prepared to deal with the threat of terrorism. Although the government has an array of programs related to terrorism and other homeland threats, these efforts are poorly coordinated and lack overall strategic leadership. We need focused, accountable leadership to forge these efforts into a cohesive homeland security program.

Among the witnesses we heard from were former Senators Warren Rudman and Gary Hart, who co-chaired the so-called Hart-Rudman Commission on National Security/21st Century. Guided by recommendations of that Commission, Senator SPECTER and I introduced legislation to create a Homeland Security Department. After negotiations through the winter with Senator GRAHAM, we combined our proposal with his idea of conferring statutory authority on a White House terrorism office.

As our bill is written, the department will be led by a Cabinet official with real line and budget authority over critical homeland security programs. The new department will bring together under one roof our key border security agencies, Coast Guard, Customs, INS law enforcement, as well as the Federal Emergency Management Agency, which is the cornerstone of our emergency preparation and response efforts. The department will also include programs to protect our critical infrastructure, and an office to promote research and development of technologies vital to our homeland security. The new department will provide state and local authorities with a clear resource and point of contact to forge a truly national response to this problem.

Yet we recognize that, no matter how robust a department we create, it can not include every agency that plays a role in homeland security, which is why our legislation incorporates Senator GRAHAM's proposal to confer statutory authority on a White House office. That office—the National Office for Combating Terrorism—would coordinate a national anti-terrorism strategy. The office would be led by a presidentially-appointed, Senate-confirmed director charged with coordinating a comprehensive assessment of terrorist threats and, along with the department secretary, developing a strategy and a budget to fight terrorism here at home. The director would coordinate execution of the strategy by relevant federal agencies—particularly those concerned with intelligence and law enforcement.

Naturally, our new formation would require a major restructuring of the Federal Government's public safety-related responsibilities. I know this will not be easy. Machiavelli trenchantly observed "there is nothing more difficult to plan, more doubtful of success nor more dangerous to manage than the creation of a new system." Within the agencies, and within Congress as well, as Governor Ridge has already discovered, there are powerful reflexes to protect administrative turf. Bureaucracies are slow to change. Change is disruptive. It creates uncertainty and it distorts existing balances of power.

But we must look at September 11 as an urgent reason to create something better. A restructuring of the kind we envision is not unprecedented. We have undertaken bold organizational change in periods of crisis before. Consider General Marshall's transformation of the army which helped win World War II or the National Security Act of 1947 that created the CIA and Department of Defense in the midst of the Cold War. More recently, the Goldwater-Nichols Act of 1986, in streamlining the military command, helped us to prosecute the Persian Gulf War.

The bottom line is if statutory and budget authority are not conferred upon the director of homeland security, the homeland defense of this nation will be less than what it should be. In the one area where compromise can be catastrophic, this is an unacceptable compromise.

Let's be motivated by the words of Winston Churchill, who in 1941 said to the Axis powers, "You do your worst and we will do our best." We can tinker around the edges of change. Or, we can understand that September 11 confirmed our worst fears: warfare has changed and we are no longer safe at home. We are in a terrible, new era and we urgently need a government that is invigorated and effectively organized to meet the challenge.

I thank my colleagues and ask unanimous consent that the text of our legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Homeland Security and Combating Terrorism Act of 2002".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—DEPARTMENT OF NATIONAL HOMELAND SECURITY

Sec. 101. Establishment of the Department of National Homeland Security.
Sec. 102. Transfer of authorities, functions, personnel, and assets to the Department.
Sec. 103. Establishment of directorates and office.
Sec. 104. Steering Group; Coordination Committee; and Acceleration Fund.
Sec. 105. Reporting requirements.
Sec. 106. Planning, programming, and budgeting process.
Sec. 107. Environmental protection, safety, and health requirements.
Sec. 108. Savings provisions.

TITLE II—NATIONAL OFFICE FOR COMBATING TERRORISM

Sec. 201. National Office for Combating Terrorism.
Sec. 202. Funding for Strategy programs and activities.

TITLE III—NATIONAL STRATEGY FOR COMBATING TERRORISM AND THE HOMELAND SECURITY RESPONSE

Sec. 301. Strategy.
Sec. 302. National Homeland Security Panel.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective Date.

SEC. 2. DEFINITIONS.

In this Act:

(1) DIRECTOR.—Except as provided under section 104, the term "Director" means the Director of the National Office for Combating Terrorism.

(2) DEPARTMENT.—The term "Department" means the Department of National Homeland Security established under title I.

(3) FEDERAL TERRORISM PREVENTION AND RESPONSE AGENCY.—The term "Federal terrorism prevention and response agency" means any Federal department or agency charged under the Strategy with responsibilities for carrying out the Strategy.

(4) OFFICE.—The term "Office" means the National Office for Combating Terrorism established under title II.

(5) SECRETARY.—The term "Secretary" means the Secretary of National Homeland Security.

(6) STRATEGY.—The term "Strategy" means the National Strategy for Combating Terrorism and the Homeland Security Response developed under this Act.

TITLE I—DEPARTMENT OF NATIONAL HOMELAND SECURITY

SEC. 101. ESTABLISHMENT OF THE DEPARTMENT OF NATIONAL HOMELAND SECURITY.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the Department of National Homeland Security.

(2) EXECUTIVE DEPARTMENT.—Section 101 of title 5, United States Code, is amended by adding at the end the following:

"The Department of National Homeland Security.".

(b) SECRETARY OF NATIONAL HOMELAND SECURITY.—

(1) IN GENERAL.—The Secretary of National Homeland Security shall be the head of the Department. The Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

(2) RESPONSIBILITIES.—The responsibilities of the Secretary shall be the following:

(A) To develop policies, goals, objectives, priorities, and plans for the United States for the promotion of homeland security.

(B) To develop, with the Director, a comprehensive strategy in accordance with title III.

(C) Develop processes to integrate the elements and goals of the Strategy into the strategies and plans of Federal, State, and local departments and agencies, including interagency and intergovernmental shared policies.

(D) To evaluate the programs of the Federal Government relating to homeland security that involve activities of State and local governments as part of the Strategy.

(E) To advise the Director on the development of a comprehensive annual budget for the programs and activities under the Strategy, and have the responsibility for budget recommendations relating to border security, critical infrastructure protection, emergency preparation and response, and State and local activities.

(F) To plan, coordinate, and integrate those United States Government activities relating to border security, critical infrastructure protection and emergency preparedness, and to act as the focal point regarding natural and manmade crises and emergency planning and response.

(G) To work and coordinate with State and local governments and executive agencies in providing United States homeland security, and to communicate with and support State and local officials through the use of regional offices around the Nation.

(H) To provide overall operational planning guidance to executive agencies regarding United States homeland security.

(I) To conduct exercise and training programs for employees of the Department and other involved agencies, and establish effective command and control procedures for the full range of potential contingencies regarding United States homeland security, including contingencies that require the substantial support of military assets.

(J) To annually develop a Federal response plan for homeland security and emergency preparedness with regard to terrorism and other manmade and natural disasters.

(K) To identify and promote technological innovation that will enhance homeland security.

(L)(i) To develop and implement within the Department a coordinating center with representatives from other Federal departments or agencies with homeland security responsibilities.

(ii) To designate departments and agencies to provide a representative under clause (i) and require those departments and agencies to furnish a representative on a permanent, part-time, or as needed basis, as determined by the Secretary.

(iii) To request additional personnel from appropriate departments and agencies as may be necessary and coordinate with those departments and agencies.

(iv) To request State and local authorities to provide representatives to the coordination center.

(3) EXECUTIVE SCHEDULE LEVEL I POSITION.—Section 5312 of title 5, United States Code, is amended by adding at the end the following:

"Secretary of National Homeland Security.".

(4) MEMBERSHIP ON THE NATIONAL SECURITY COUNCIL.—Section 101(a) of the National Security Act of 1947 (50 U.S.C. 402(a)) is amended in the fourth sentence by striking paragraphs (5), (6), and (7) and inserting the following:

"(5) the Secretary of National Homeland Security; and

"(6) each Secretary or Under Secretary of such other executive department, or of a military department, as the President shall designate.".

(c) DEPUTY SECRETARY OF NATIONAL HOMELAND SECURITY.—

(1) IN GENERAL.—There shall be in the Department a Deputy Secretary of National Homeland Security, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) RESPONSIBILITIES.—The Deputy Secretary of National Homeland Security shall—

(A) assist the Secretary in the administration and operations of the Department;

(B) perform such responsibilities as the Secretary shall prescribe; and

(C) act as the Secretary during the absence or disability of the Secretary or in the event of a vacancy in the office of the Secretary.

(3) EXECUTIVE SCHEDULE LEVEL II POSITION.—Section 5313 of title 5, United States Code, is amended by adding at the end the following:

"Deputy Secretary of National Homeland Security.".

(d) INSPECTOR GENERAL.—

(1) IN GENERAL.—There shall be in the Department an Inspector General for the Department. The Inspector General and the Office of Inspector General shall be subject to the Inspector General Act of 1978 (5 U.S.C. App.).

(2) ESTABLISHMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1), by inserting "National Homeland Security," after "Labor,"; and

(B) in paragraph (2), by inserting "National Homeland Security," after "Labor,".

(e) DIRECTOR OF THE COORDINATING CENTER.—

(1) IN GENERAL.—There shall be in the Department a Director of the Coordinating Center who shall report directly to the Deputy Secretary. The Coordinating Center shall be developed and implemented in accordance with subsection (b)(2)(L).

(2) RESPONSIBILITIES.—The Director of the Coordinating Center shall be responsible for—

(A) ensuring that the law enforcement, immigration, and intelligence databases information systems containing information relevant to homeland security are compatible; and

(B) with respect to the functions under this paragraph, ensuring compliance with Federal laws relating to privacy and intelligence information.

SEC. 102. TRANSFER OF AUTHORITIES, FUNCTIONS, PERSONNEL, AND ASSETS TO THE DEPARTMENT.

The authorities, functions, personnel, and assets of the following entities are transferred to the Department:

(1) The Federal Emergency Management Agency, the 10 regional offices of which shall be maintained and strengthened by the Department.

(2) The United States Customs Service, which shall be maintained as a distinct entity within the Department.

(3) The law enforcement components of the Immigration and Naturalization Service relating to Border Patrol, Inspections, Investigations (interior enforcement), Intelligence, Detention and Removal, and International Affairs.

(4) The United States Coast Guard, which shall be maintained as a distinct entity within the Department.

(5) The Critical Infrastructure Assurance Office of the Department of Commerce.

(6) The National Infrastructure Protection Center and the National Domestic Preparedness Office of the Federal Bureau of Investigation.

(7) The Animal and Plant Health Inspection Service of the Department of Agriculture, that portion of which administers laws relating to agricultural quarantine inspections at points of entry.

SEC. 103. ESTABLISHMENT OF DIRECTORATES AND OFFICE.

(a) ESTABLISHMENT OF DIRECTORATES.—The following staff directorates are established within the Department:

(1) DIRECTORATE OF BORDER AND TRANSPORTATION PROTECTION.—The Directorate of Border and Transportation Protection, which shall be responsible for the following:

(A) Overseeing and coordinating all United States border security activities.

(B) Developing border and maritime security policy for the United States.

(C) Developing and implementing international standards for enhanced security in transportation nodes.

(D) Performing such other duties assigned by the Secretary.

(2) DIRECTORATE OF CRITICAL INFRASTRUCTURE PROTECTION.—The Directorate of Critical Infrastructure Protection, which shall be responsible for the following:

(A) Acting as the Critical Information Technology, Assurance, and Security Officer of the Department to coordinate efforts to address the vulnerability of the United States to electronic or physical attacks on critical infrastructure of the United States, including utilities, transportation nodes, and energy resources.

(B) Overseeing the protection of such infrastructure and the physical assets and information networks that make up such infrastructure.

(C) Ensuring the maintenance of a nucleus of cyber security experts within the United States Government.

(D) Enhancing sharing of information regarding cyber security and physical security of the United States, tracking vulnerabilities and proposing improved risk management policies, and delineating the roles of various government agencies in preventing, defending, and recovering from attacks.

(E) Coordinating with the Federal Communications Commission in helping to establish cyber security policy, standards, and enforcement mechanisms, and working closely with the Federal Communications Commission on cyber security issues with respect to international bodies.

(F) Coordinating the activities of Information Sharing and Analysis Centers to share information on threats, vulnerabilities, individual incidents, and privacy issues regarding United States homeland security.

(G) Assuming the responsibilities carried out by the Critical Infrastructure Assurance Office before the effective date of this Act.

(H) Assuming the responsibilities carried out by the National Infrastructure Protection Center before the effective date of this Act.

(I) Performing such other duties assigned by the Secretary.

(3) DIRECTORATE FOR EMERGENCY PREPAREDNESS AND RESPONSE.—The Directorate for Emergency Preparedness and Response, which shall be responsible for the following:

(A) Carrying out all emergency preparedness and response activities carried out by the Federal Emergency Management Agency before the effective date of this Act.

(B) Assuming the responsibilities carried out by the National Domestic Preparedness Office before the effective date of this Act.

(C) Organizing and training local entities to respond to emergencies and providing State and local authorities with equipment for detection, protection, and decontamination in an emergency involving weapons of mass destruction.

(D) Overseeing Federal, State, and local emergency preparedness training and exercise programs in keeping with current intelligence estimates and providing a single staff for Federal assistance for any emergency (including emergencies caused by flood, earthquake, hurricane, disease, or terrorist bomb).

(E) Creating a National Crisis Action Center to act as the focal point for monitoring emergencies and for coordinating Federal support for State and local governments and the private sector in crises.

(F) Establishing training and equipment standards, providing resource grants, and encouraging intelligence and information sharing among the Department of Defense, the Federal Bureau of Investigation, the Central Intelligence Agency, State emergency management officials, and local first responders.

(G) Coordinating and integrating operational activities of the Department of Defense, the National Guard, and other Federal agencies into a Federal response plan.

(H) Coordinating activities among private sector entities, including entities within the medical community, with respect to recovery, consequence management, and planning for continuity of services.

(I) Developing and managing a single response system for national incidents in coordination with the Department of Justice, the Federal Bureau of Investigation, the Department of Health and Human Services, the Centers for Disease Control, and other appropriate Federal departments and agencies.

(J) Maintaining Federal asset databases and supporting up-to-date State and local databases.

(K) Performing such other duties as assigned by the Secretary.

(b) ESTABLISHMENT OF OFFICE OF SCIENCE AND TECHNOLOGY.—

(1) IN GENERAL.—There is established in the Department an Office of Science and Technology.

(2) PURPOSE.—The Office of Science and Technology shall advise the Secretary regarding research and development efforts and priorities for the directorates established in subsection (a).

SEC. 104. STEERING GROUP; COORDINATION COMMITTEE; AND ACCELERATION FUND.

(a) DEFINITIONS.—In this section:

(1) COORDINATION COMMITTEE.—The term "Coordination Committee" means the Homeland Security Science and Technology Coordination Committee established under this section.

(2) DIRECTOR.—The term "Director" means the Director of the Office of Science and Technology.

(3) FUND.—The term "Fund" means the Acceleration Fund for Research and Development of Homeland Security Technologies established under this section.

(4) HOMELAND SECURITY RESEARCH AND DEVELOPMENT.—The term "homeland security research and development" means research and development of technologies that are applicable in the detection of, prevention of, protection against, response to, and recovery from homeland security threats, particularly acts of terrorism.

(5) STEERING GROUP.—The term "Steering Group" means the Homeland Security Science and Technology Senior Steering Group established under this section.

(b) PURPOSES.—The purposes of this section are to—

(1) establish a fund to leverage existing research and development and accelerate the deployment of technology that will serve to enhance homeland defense;

(2) establish a committee and steering group to coordinate and advise on issues relating to homeland security research and development and administer the Fund; and

(3) establish the responsibilities of the Director of the Office of Science and Technology relating to homeland security research and development.

(c) FUND.—

(1) ESTABLISHMENT.—There is established the Acceleration Fund for Research and Development of Homeland Security Technologies.

(2) USE OF FUND.—The Fund may be used to—

(A) accelerate research, development, testing, and evaluation of critical homeland security technologies; and

(B) support homeland security research and development.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $200,000,000 to the Fund for fiscal year 2003.

(d) STEERING GROUP.—

(1) ESTABLISHMENT.—There is established the Homeland Security Science and Technology Senior Steering Group within the Office of Science and Technology. The Director shall chair the Steering Group.

(2) RESPONSIBILITIES.—The Steering Group shall—

(A) provide recommendations and priorities to the Director; and

(B) assist the Director in establishing priorities and forwarding recommendations on homeland security technology to the Secretary.

(3) COMPOSITION.—The Steering Group shall be composed, as named by the Director, of senior research and development officials representing all appropriate Federal departments and agencies that conduct research and development relevant for homeland security and combating terrorism.

(4) QUALIFICATIONS.—Each representative shall—

(A) possess extensive experience in managing research and development projects; and

(B) be appointed by the head of the respective department or agency.

(5) SUBGROUPS.—

(A) IN GENERAL.—At the discretion of the Director, the Steering Group may be composed of subgroups with expertise in specific homeland security areas.

(B) SUBGROUP AREAS.—The Director may establish subgroups in areas including—

(i) information technology infrastructure;

(ii) critical infrastructure;

(iii) interoperability issues in communications technology;

(iv) bioterrorism;

(v) chemical, biological, radiological defense; and

(vi) any other area as determined necessary.

(e) COORDINATION COMMITTEE.—

(1) ESTABLISHMENT.—There is established a Homeland Security Science and Technology Coordination Committee within the Office of Science and Technology. The Director shall chair the Coordination Committee.

(2) COMPOSITION.—The Coordination Committee shall be a working level group composed of representatives managing relevant agency research and development portfolios, appointed by the head of each department or agency described under subsection (d)(2).

(3) SUBGROUPS.—

(A) IN GENERAL.—At the discretion of the Director, the Coordination Committee may be composed of subgroups with relevant expertise in specific homeland security areas.

(B) SUBGROUP AREAS.—The Director may establish subgroups in areas, including—

(i) information technology infrastructure;

(ii) critical infrastructure;

(iii) interoperability issues in Communications Technology;

(iv) bioterrorism;

(v) chemical, biological, radiological defense; and

(vi) any other area as determined necessary.

(4) RESPONSIBILITIES.—The Coordination Committee shall have the following responsibilities:

(A) To facilitate effective communication among departments, agencies, and other entities of the Federal Government, with respect to the conduct of research and development related to homeland security.

(B) To identify, by consensus and on a yearly basis, specific technology areas for which the Fund shall be used to rapidly transition homeland security research and development into deployed technology and reduce identified homeland security vulnerabilities. The identified technology areas shall, as determined by the Coordination Committee, be areas in which there exist research and development projects that address identified homeland security vulnerabilities and, assuming single-year funding, can be accelerated to the stage of prototyping, evaluating, transitioning, or deploying.

(C) To administer the Fund, including—

(i) issuing an annual multiagency program announcement soliciting proposals from governmental entities, industry, and academia;

(ii) competitively selecting, on the basis of a merit-based review, proposals that advance the state of deployed technologies in the areas identified for that year;

(iii) at the discretion of the Coordination Committee, assigning 1 or more program managers from any department or agency represented on the Coordination Committee to oversee, administer, and execute a Fund project as the agent of the Coordination Committee; and

(iv) providing methods of funding administration, including grant, cooperative agreement, or any other transaction.

(f) OFFICE OF SCIENCE AND TECHNOLOGY RESPONSIBILITIES.—The Director shall—

(1) assist the Secretary, the Directorates, and cooperating agencies in—

(A) assessing and testing homeland security vulnerabilities and possible threats;

(B) evaluating and advising on maintaining talent resources in key technology and skill areas required for homeland security, including information security experts;

(C) developing a system for sharing key homeland security research and technology developments and opportunities with appropriate Federal, State, local, and private sector entities; and

(D) proposing risk management strategies based on technology developments;

(2) assist the Directorate of Critical Infrastructure Protection in the responsibilities of that Directorate;

(3) with respect to expenditures from the Fund, exercise acquisition authority consistent with the authority described under section 2371 of title 10, United States Code, relating to authorizing cooperative agreements and other transactions;

(4) in hiring personnel to assist in the administration of the Office of Science and Technology, have the authority to exercise the personnel hiring and management authorities described in section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note; Public Law 105-261); and

(5) develop and oversee the implementation of periodic homeland security technology demonstrations, held at least annually, for the purpose of improving contact between technology developers, vendors, and acquisition personnel associated with related industries.

SEC. 105. REPORTING REQUIREMENTS.

(a) BIENNIAL REPORTS.—Every 2 years the Secretary shall submit to Congress—

(1) a report assessing the resources and requirements of executive agencies relating to border security and emergency preparedness issues; and

(2) a report certifying the preparedness of the United States to prevent, protect against, and respond to natural disasters, cyber attacks, and incidents involving weapons of mass destruction.

(b) ADDITIONAL REPORT.—Not later than 1 year after the effective date of this Act, the Secretary shall submit to Congress a report—

(1) assessing the progress of the Department in—

(A) implementing this title; and

(B) ensuring the core functions of each entity transferred to the Department are maintained and strengthened; and

(2) recommending any conforming changes in law necessary as a result of the enactment and implementation of this title.

SEC. 106. PLANNING, PROGRAMMING, AND BUDGETING PROCESS.

The Secretary shall establish procedures to ensure that the planning, programming, budgeting, and financial activities of the Department comport with sound financial and fiscal management principles. At a minimum, those procedures shall provide for the planning, programming, and budgeting of activities of the Department using funds that are available for obligation for a limited number of years.

SEC. 107. ENVIRONMENTAL PROTECTION, SAFETY, AND HEALTH REQUIREMENTS.

The Secretary shall—

(1) ensure that the Department complies with all applicable environmental, safety, and health statutes and substantive requirements; and

(2) develop procedures for meeting such requirements.

SEC. 108. SAVINGS PROVISIONS.

(a) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, recognitions of labor organizations, collective bargaining agreements, certificates, licenses, registrations, privileges, and other administrative actions—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this title; and

(2) which are in effect at the time this Act takes effect, or were final before the effective date of this Act and are to become effective on or after the effective date of this Act,

shall, to the extent related to such functions, continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary of National Homeland Security or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS NOT AFFECTED.—The provisions of this title shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before an agency at the time this title takes effect, with respect to functions transferred by this title but such proceedings and applications shall continue. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this title had not been enacted.

(c) SUITS NOT AFFECTED.—The provisions of this title shall not affect suits commenced before the effective date of this Act, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this title had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against an agency, or by or against any individual in the official capacity of such individual as an officer of an agency, shall abate by reason of the enactment of this title.

(e) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by an agency relating to a function transferred under this title may be continued by the Department of National Homeland Security with the same effect as if this title had not been enacted.

(f) EMPLOYMENT AND PERSONNEL.—

(1) INTERIM AUTHORITY FOR APPOINTMENT AND COMPENSATION.—Funds available to any official or component of any entity the functions of which are transferred to the Department, may with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer or employee under this title until such time as funds for that purpose are otherwise available.

(2) EMPLOYEE RIGHTS.—

(A) IN GENERAL.—The Department or a subdivision within the Department shall not be excluded under section 7103(b)(1) of title 5, United States Code, from coverage under chapter 71 of that title unless the President determines that a majority of employees within the Department or applicable subdivision have, as their primary job duty, intelligence, counterintelligence, or investigative work directly related to terrorism investigation.

(B) NATIONAL SECURITY POSITIONS.—Employees transferred under this title shall not be considered to perform work which directly affects national security within the meaning of section 7112(b)(6) of title 5, United States Code, unless their primary job duty involves intelligence, counterintelligence, or investigative duties directly related to terrorism investigation. All employees transferred under this title who are not in the counterterrorism positions described in the preceding sentence shall continue to be afforded the full rights and protections under chapter 71 of title 5, United States Code.

(g) NO AFFECT ON INTELLIGENCE AUTHORITIES.—The transfer of authorities, functions, personnel, and assets of elements of the United States Government under this title, or the assumption of authorities and functions, by the Department of Homeland Security under this title, shall not be construed, in cases where such authorities, functions, personnel, and assets, are engaged in intelligence activities as defined in the National Security Act of 1947, as affecting the authorities of the Director of Central Intelligence, the Secretary of Defense, or the heads of departments and agencies within the intelligence community.

(h) REFERENCES.—Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to a department, agency, or office from which a function is transferred by this title—

(1) to the head of such department, agency, or office is deemed to refer to the Secretary of National Homeland Security; or

(2) to such department, agency, or office is deemed to refer to the Department of National Homeland Security.

TITLE II—NATIONAL OFFICE FOR COMBATING TERRORISM

SEC. 201. NATIONAL OFFICE FOR COMBATING TERRORISM.

(a) ESTABLISHMENT.—There is established within the Executive Office of the President the National Office for Combating Terrorism.

(b) OFFICERS.—

(1) DIRECTOR.—The head of the Office shall be the Director of the National Office for Combating Terrorism, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) EXECUTIVE SCHEDULE LEVEL I POSITION.—Section 5312 of title 5, United States Code, is amended by adding at the end the following:

"Director of the National Office for Combating Terrorism.".

(3) OTHER OFFICERS.—The President shall assign to the Office such other officers as the President, in consultation with the Director, considers appropriate to discharge the responsibilities of the Office.

(c) RESPONSIBILITIES.—Subject to the direction and control of the President, the responsibilities of the Office shall include the following:

(1) To develop national objectives and policies for combating terrorism.

(2) To direct and review the development of a comprehensive national assessment of terrorist threats and vulnerabilities to those threats, which shall be—

(A) conducted by the heads of relevant Federal agencies; and

(B) used in preparation of the Strategy.

(3) To develop with the Secretary of National Homeland Security, the Strategy under title III.

(4) To coordinate, oversee, and evaluate the implementation and execution of the Strategy by agencies of the Federal Government with responsibilities for combating terrorism under the Strategy, particularly those involving military, intelligence, law enforcement, and diplomatic assets.

(5)(A) To coordinate, with the advice of the Secretary of National Homeland Security, the development of a comprehensive annual budget for the programs and activities under the Strategy, including the budgets of the military departments and agencies within the National Foreign Intelligence Program relating to international terrorism, but excluding military programs, projects, or activities relating to force protection.

(B) To have the lead responsibility for budget recommendations relating to military, intelligence, law enforcement, and diplomatic assets in support of the Strategy.

(6) To exercise funding authority for Federal terrorism prevention and response agencies in accordance with section 202.

(7) To serve as an advisor to the National Security Council.

(d) RESOURCES.—In consultation with the Director, the President shall assign or allocate to the Office such resources, including funds, personnel, and other resources, as the President considers appropriate in order to facilitate the discharge of the responsibilities of the Office.

(e) OVERSIGHT BY CONGRESS.—The establishment of the Office within the Executive Office of the President shall not be construed as affecting access by Congress, or any committee of Congress, to—

(1) any information, document, record, or paper in the possession of the Office or any study conducted by or at the direction of the Director; or

(2) any personnel of the Office.

SEC. 202. FUNDING FOR STRATEGY PROGRAMS AND ACTIVITIES.

(a) BUDGET REVIEW.—In consultation with the Director of the Office of Management and Budget, the Secretary of National Homeland Security, and the heads of other executive departments and agencies, the Director shall—

(1) identify programs that contribute to the Strategy; and

(2) in the development of the budget submitted by the President to Congress under section 1105 of title 31, United States Code, review and provide advice to the heads of executive departments and agencies on the amount and use of funding for programs identified under paragraph (1).

(b) SUBMITTAL OF PROPOSED BUDGETS TO THE DIRECTOR.—

(1) IN GENERAL.—The head of each Federal terrorism prevention and response agency shall submit to the Director each year the proposed budget of that agency for the fiscal year beginning in that year for programs and activities of that agency under the Strategy during that fiscal year.

(2) DATE FOR SUBMISSION.—The proposed budget of an agency for a fiscal year under paragraph (1) shall be submitted to the Director—

(A) not later than the date on which the agency completes the collection of information for purposes of the submission by the President of a budget to Congress for that fiscal year under section 1105 of title 31, United States Code; and

(B) before that information is submitted to the Director of the Office of Management and Budget for such purposes.

(3) FORMAT.—In consultation with the Director of the Office of Management and Budget, the Director shall specify the format for the submittal of proposed budgets under paragraph (1).

(c) REVIEW OF PROPOSED BUDGETS.—

(1) IN GENERAL.—The Director shall review each proposed budget submitted to the Director under subsection (b).

(2) INADEQUATE FUNDING DETERMINATION.—If the Director determines under paragraph (1) that the proposed budget of an agency for a fiscal year under subsection (b) is inadequate, in whole or in part, to permit the implementation by the agency during the fiscal year of the goals of the Strategy applicable to the agency during the fiscal year, the Director shall submit to the head of the agency—

(A) a notice in writing of the determination; and

(B) a statement of the proposed funding, and any specific initiatives, that would (as determined by the Director) permit the implementation by the agency during the fiscal year of the goals of the Strategy applicable to the agency during the fiscal year.

(3) ADEQUATE FUNDING DETERMINATION.—If the Director determines under paragraph (1) that the proposed budget of an agency for a fiscal year under subsection (b) is adequate to permit the implementation by the agency during the fiscal year of the goals of the Strategy applicable to the agency during the fiscal year, the Director shall submit to the head of the agency a notice in writing of that determination.

(4) MAINTENANCE OF RECORDS.—The Director shall maintain a record of—

(A) each notice submitted under paragraph (2), including any statement accompanying such notice; and

(B) each notice submitted under paragraph (3).

(d) AGENCY RESPONSE TO REVIEW OF PROPOSED BUDGETS.—

(1) INCORPORATION OF PROPOSED FUNDING.—The head of a Federal terrorism prevention and response agency that receives a notice under subsection (c)(2) with respect to the proposed budget of the agency for a fiscal year shall incorporate the proposed funding, and any initiatives, set forth in the statement accompanying the notice into the information submitted to the Office of Management and Budget in support of the proposed budget for the agency for the fiscal year under section 1105 of title 31, United States Code.

(2) ADDITIONAL INFORMATION.—The head of each agency described under paragraph (1) for a fiscal year shall include as an appendix to the information submitted to the Office of Management and Budget under that paragraph for the fiscal year the following:

(A) A summary of any modifications in the proposed budget of such agency for the fiscal year under that paragraph.

(B) An assessment of the effect of such modifications on the capacity of such agency to perform its responsibilities during the fiscal year other than its responsibilities under the Strategy.

(3) SUBMISSION TO CONGRESS.—

(A) IN GENERAL.—Subject to subparagraph (B), the head of each agency described under paragraph (1) for a fiscal year shall submit to Congress a copy of the appendix submitted to the Office of Management and Budget for the fiscal year under paragraph (2) at the same time the budget of the President for the fiscal year is submitted to Congress under section 1105 of title 31, United States Code.

(B) ELEMENTS WITHIN INTELLIGENCE PROGRAMS.—In the submission of the copy of the appendix to Congress under subparagraph (A), those elements of the appendix which are within the National Foreign Intelligence Program shall be submitted to—

(i) the Select Committee on Intelligence of the Senate; and

(ii) the Permanent Select Committee on Intelligence of the House of Representatives.

(e) SUBMITTAL OF REVISED PROPOSED BUDGETS.—

(1) IN GENERAL.—At the same time the head of a Federal terrorism prevention and response agency submits its proposed budget for a fiscal year to the Office of Management and Budget for purposes of the submission by the President of a budget to Congress for the fiscal year under section 1105 of title 31, United States Code, the head of the agency shall submit a copy of the proposed budget to the Director.

(2) REVIEW AND DECERTIFICATION AUTHORITY.—The Director of the National Office for Combating Terrorism—

(A) shall review each proposed budget submitted under paragraph (1); and

(B) in the case of a proposed budget for a fiscal year to which subsection (c)(2) applies in the fiscal year, if the Director determines as a result of the review that the proposed budget does not include the proposed funding, and any initiatives, set forth in the notice under that subsection with respect to the proposed budget—

(i) may decertify the proposed budget; and

(ii) with respect to any proposed budget so decertified, shall submit to Congress—

(I) a notice of the decertification;

(II) a copy of the notice submitted to the agency concerned for the fiscal year under subsection (c)(2)(B); and

(III) the budget recommendations made under this section.

(f) NATIONAL TERRORISM PREVENTION AND RESPONSE PROGRAM BUDGET.—

(1) IN GENERAL.—For each fiscal year, following the submittal of proposed budgets to the Director under subsection (b), the Director shall, in consultation with the Secretary of National Homeland Security and the head of each Federal terrorism prevention and response agency concerned—

(A) develop a consolidated proposed budget for such fiscal year for all programs and activities under the Strategy for such fiscal year; and

(B) subject to paragraph (2), submit the consolidated proposed budget to the President and to Congress.

(2) ELEMENTS WITHIN INTELLIGENCE PROGRAMS.—In the submission of the consolidated proposed budget to Congress under paragraph (1)(B), those elements of the budget which are within the National Foreign Intelligence Program shall be submitted to—

(A) the Select Committee on Intelligence of the Senate; and

(B) the Permanent Select Committee on Intelligence of the House of Representatives.

(3) DESIGNATION OF CONSOLIDATED PROPOSED BUDGET.—The consolidated proposed budget for a fiscal year under this subsection shall be known as the National Terrorism Prevention and Response Program Budget for the fiscal year.

(g) REPROGRAMMING AND TRANSFER REQUESTS.—

(1) APPROVAL BY THE DIRECTOR.—The head of a Federal terrorism prevention and response agency may not submit to Congress a request for the reprogramming or transfer of any funds specified in the National Terrorism Prevention and Response Program Budget for programs or activities of the agency under the Strategy for a fiscal year in excess of $5,000,000 without the approval of the Director.

(2) APPROVAL BY THE PRESIDENT.—The President may, upon the request of the head of the agency concerned, permit the submittal to Congress of a request previously disapproved by the Director under paragraph (1) if the President determines that the submittal of the request to Congress will further the purposes of the Strategy.

TITLE III—NATIONAL STRATEGY FOR COMBATING TERRORISM AND THE HOMELAND SECURITY RESPONSE

SEC. 301. STRATEGY.

(a) DEVELOPMENT.—The Secretary and the Director shall develop the National Strategy for Combating Terrorism and Homeland Security Response for detection, prevention, protection, response, and recovery to counter terrorist threats, including the plans, policies, training, exercises, evaluation, and interagency cooperation that address each such action relating to such threats.

(b) RESPONSIBILITIES.—

(1) RESPONSIBILITIES OF THE SECRETARY.—The Secretary shall have responsibility for portions of the Strategy addressing border security, critical infrastructure protection, emergency preparation and response, and integrating State and local efforts with activities of the Federal Government.

(2) RESPONSIBILITIES OF THE DIRECTOR.—The Director shall have overall responsibility for development of the Strategy, and particularly for those portions of the Strategy addressing intelligence, military assets, law enforcement, and diplomacy.

(c) CONTENTS.—The contents of the Strategy shall include—

(1) policies and procedures to maximize the collection, translation, analysis, exploitation, and dissemination of information relating to combating terrorism and the homeland security response throughout the Federal Government and with State and local authorities;

(2) plans for countering chemical, biological, radiological, nuclear and explosives, and cyber threats;

(3) plans for improving the resources of, coordination among, and effectiveness of health and medical sectors for detecting and responding to terrorist attacks on the homeland;

(4) specific measures to enhance cooperative efforts between the public and private sectors in protecting against terrorist attacks;

(5) a review of measures needed to enhance transportation security with respect to potential terrorist attacks; and

(6) other critical areas.

(d) COOPERATION.—At the request of the Secretary or Director, departments and agencies shall provide necessary information or planning documents relating to the Strategy.

(e) INTERAGENCY COUNCIL.—

(1) ESTABLISHMENT.—There is established the National Combating Terrorism and Homeland Security Response Council to assist with preparation and implementation of the Strategy.

(2) MEMBERSHIP.—The members of the Council shall be the heads of the Federal terrorism prevention and response agencies or their designees. The Secretary and Director shall designate such agencies.

(3) CO-CHAIRS AND MEETINGS.—The Secretary and Director shall co-chair the Council, which shall meet at their direction.

(f) SUBMISSION TO CONGRESS.—Not later than December 1, 2003, and each year thereafter in which a President is inaugurated, the Secretary and the Director shall submit the Strategy to Congress.

(g) UPDATING.—Not later than December 1, 2005, and on December 1, of every 2 years thereafter, the Secretary and the Director shall submit to Congress an updated version of the Strategy.

(h) PROGRESS REPORTS.—Not later than December 1, 2004, and on December 1, of each year thereafter, the Secretary and the Director may submit to Congress a report that—

(1) describes the progress on implementation of the Strategy; and

(2) provides recommendations for improvement of the Strategy and the implementation of the Strategy.

SEC. 302. NATIONAL COMBATING TERRORISM STRATEGY PANEL.

(a) ESTABLISHMENT.—The Secretary and the Director shall establish a nonpartisan, independent panel to be known as the National Combating Terrorism Strategy Panel (in this section referred to as the "Panel").

(b) MEMBERSHIP.—

(1) APPOINTMENT.—The Panel shall be composed of a chairperson and 8 other individuals appointed by the Secretary and the Director, in consultation with the chairman and ranking member of the Committee on Governmental Affairs of the Senate and the chairman and ranking member of the Committee on Government Reform of the House of Representatives, from among individuals in the private sector who are recognized experts in matters relating to the homeland security of the United States.

(2) TERMS.—

(A) IN GENERAL.—An individual shall be appointed to the Panel for an 18-month term.

(B) TERM PERIODS.—Terms on the Panel shall not be continuous. All terms shall be for the 18-month period which begins 12 months before each date a report is required to be submitted under subsection (l)(2)(A).

(C) MULTIPLE TERMS.—An individual may serve more than 1 term.

(c) DUTIES.—The Panel shall—

(1) conduct and submit to the Secretary the assessment of the Strategy; and

(2) conduct the independent, alternative assessment of homeland security measures required under this section.

(d) ALTERNATIVE ASSESSMENT.—The Panel shall submit to the Secretary an independent assessment of the optimal policies and programs to combat terrorism, including homeland security measures. As part of the assessment, the Panel shall, to the extent practicable, estimate the funding required by fiscal year to achieve these optimal approaches.

(e) INFORMATION FROM FEDERAL AGENCIES.—

(1) IN GENERAL.—Subject to paragraph (2), the Panel may secure directly from any Federal department or agency such information as the Panel considers necessary to carry out this section. Upon request of the Chairperson, the head of such department or agency shall furnish such information to the Panel.

(2) INTELLIGENCE INFORMATION.—The provision of information under this paragraph related to intelligence shall be provided in accordance with procedures established by the Director of Central Intelligence and in accordance with section 103(d)(3) of the National Security Act of 1947 (50 U.S.C. 403-3(d)(3)).

(f) COMPENSATION OF MEMBERS.—Each member of the Panel shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Panel.

(g) TRAVEL EXPENSES.—The members of the Panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Panel.

(h) STAFF.—

(1) IN GENERAL.—The Chairperson of the Panel may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Panel to perform its duties. The employment of an executive director shall be subject to confirmation by the Panel.

(2) COMPENSATION.—The Chairperson of the Panel may fix the compensation of the executive director and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(3) PERSONNEL AS FEDERAL EMPLOYEES.—

(A) IN GENERAL.—The executive director and any personnel of the Panel who are employees shall be employees under section 2105 of title 5, United States Code, for purposes of chapters 63, 81, 83, 84, 85, 87, 89, and 90 of that title.

(B) MEMBERS OF PANEL.—Subparagraph (A) shall not be construed to apply to members of the Panel.

(4) REDUCTION OF STAFF.—During periods that members are not serving terms on the Panel, the executive director shall reduce the number and hours of employees to the minimum necessary to—

(A) provide effective continuity of the Panel; and

(B) minimize personnel costs of the Panel.

(i) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Panel without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(j) ADMINISTRATIVE PROVISIONS.—

(1) USE OF MAIL AND PRINTING.—The Panel may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(2) SUPPORT SERVICES.—The Secretary shall furnish the Panel any administrative and support services requested by the Panel.

(3) GIFTS.—The Panel may accept, use, and dispose of gifts or donations of services or property.

(k) PAYMENT OF PANEL EXPENSES.—The compensation, travel expenses, and per diem allowances of members and employees of the Panel shall be paid out of funds available to the Department for the payment of compensation, travel allowances, and per diem allowances, respectively, of civilian employees of the Department. The other expenses of the Panel shall be paid out of funds available to the Department for the payment of similar expenses incurred by the Department.

(l) REPORTS.—

(1) PRELIMINARY REPORT.—

(A) REPORT TO SECRETARY.—Not later than July 1, 2004, the Panel shall submit to the Secretary and the Director a preliminary report setting forth the activities and the findings and recommendations of the Panel under subsection (d), including any recommendations for legislation that the Panel considers appropriate.

(B) REPORT TO CONGRESS.—Not later than 30 days after the submission of the report under subparagraph (A), the Secretary and the Director shall submit to the committees referred to under subsection (b) a copy of that report with the comments of the Secretary on the report.

(2) QUADRENNIAL REPORTS.—

(A) REPORTS TO SECRETARY.—Not later than December 1, 2004, and not later than December 1 every 4 years thereafter, the Panel shall submit to the Secretary and the Director a report setting forth the activities and the findings and recommendations of the Panel under subsection (d), including any recommendations for legislation that the Panel considers appropriate.

(B) REPORTS TO CONGRESS.—Not later than 60 days after each report is submitted under subparagraph (A), the Secretary shall submit to the committees referred to under subsection (b) a copy of the report with the comments of the Secretary and the Director on the report.

TITLE IV—EFFECTIVE DATE

SEC. 401. EFFECTIVE DATE.

This Act shall take effect 180 days after the date of enactment of this Act.

By Mr. THURMOND (for himself and Mr. ALLARD):

S. 2453. A bill to provide for the disposition of weapons-usable plutonium at the Savannah River Site South Carolina; to the Committee on Energy and Natural Resources.

Mr. THURMOND. Mr. President, I rise today to introduce legislation that will provide for the disposition of weapons usable plutonium at the Savannah River Site, South Carolina. This bill will ensure the State of South Carolina will have an enforceable agreement on the construction and operation of a mixed-oxide, MOX, fuel fabrication facility at the Savannah River Site. The bill also provides for clear pathway to remove any weapons-usable plutonium from our State if the MOX facility is delayed or fails to operate as planned.

The Plutonium Disposition program is an important element of our National Security. Under agreements made by the United States and the Russian Federation, each Nation agreed to dispose of designated amounts of weapons-grade plutonium. This agreement is a significant step toward safeguarding nuclear materials and preventing their diversion to rogue states. In addition, it has been widely acknowledged that Russian criminal groups are attempting to steal weapons-usable plutonium from poorly secured sites for known terrorist organizations, and therefore most certainly this is a matter of extreme National Security.

The MOX facility will be an important economic factor in my State. As a result of this bill, Department of Energy officials will also know that SRS, the largest industrial employer in my State, will be ready and eager to accept new missions and create jobs. Helping the Savannah River Site SRS, grow and remain the "Crown Jewel" among Department of Energy facilities has been one of my proudest achievements of public service as a Senator and Governor of my State. South Carolina and the Department of Energy have had an outstanding working relationship to bring jobs to SRS while helping to defend our National Security.

I deeply regretted the recent dispute over the mixed oxide (MOX) fuel fabrication facility and the Federal lawsuit that was recently filed. I have called for reasoned and mature thinking to prevail in this matter. This legislation is intended to provide the assurances to both parties and restore the elements of trust and cooperation, while protecting the interests of the State and the health, safety and economy of its citizens. Interested parties must not fail to view this matter without taking all the factors into consideration. The health and security of South Carolinians must always be protected. current and future jobs in South Carolina must be protected. The National Security of the United States must be protected. The legislation I am introducing today will accomplish all of these objectives.

This initiative is good government and I encourage its support by my colleagues. I yield the floor.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 260—DESIGNATING MAY 1, 2002, AS "NATIONAL CHILD CARE WORTHY WAGE DAY"

Mr. CORZINE (for himself, Mr. DURBIN, Mr. CLELAND, Mr. DODD, Mr. KERRY, Mr. KENNEDY, Mr. FEINGOLD, Mrs. CARNAHAN, and Mrs. MURRAY) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 260

Whereas approximately 14,000,000 children are in out-of-home care during part or all of the day so that their parents may work;

Whereas the average salary of early childhood educators is $16,000 per year, and only ⅓ have health insurance and even fewer have a pension plan;

Whereas the quality of child care and other early childhood education programs is directly linked to the quality of early childhood educators, and low wages make it difficult to attract qualified individuals to the profession;

Whereas the turnover rate of early childhood educators is approximately 30 percent per year because of low wages and lack of benefits, making it difficult to retain high quality educators, and research has demonstrated that young children require caring relationships to have a consistent presence in their lives for their positive development;

Whereas the compensation of early childhood educators must be commensurate with the importance of the job of helping the young children of the United States develop their social, emotional, physical, and intellectual skills to be ready for school;

Whereas the cost of adequate compensation cannot be funded by further burdening parents with higher child care fees but requires public as well as private resources so that quality care and education is accessible for all families; and

Whereas the Center for the Child Care Workforce and other early childhood education organizations recognize May 1st as National Child Care Worthy Wage Day: Now, therefore, be it

Resolved, That the Senate—

(1) designates May 1, 2002, as "National Child Care Worthy Wage Day"; and

(2) requests that the President issue a proclamation calling on the people of the United States to observe "National Child Care Worthy Wage Day" by—

(A) honoring early childhood educators and programs in their communities; and

(B) working together to resolve the early childhood educator compensation crisis.

Mr. CORZINE. Mr. President, I rise today to submit a resolution designating May 1, 2002 as National Child Care Worthy Wage Day. On May 1 each year, child care providers and other early childhood professionals nationwide conduct public awareness and education efforts highlighting the importance of early childhood education. I hope these efforts will bring attention to early childhood education and the importance of attracting and retaining qualified child care workers.

Every day, approximately 14 million children are cared for outside the home so that their parents can work. This figure includes six million of our Nation's infants and toddlers. Children begin to learn at birth, and the quality of care they receive will affect them for the rest of their lives. Early child care affects language development, math skills, social behavior, and general readiness for school. Experienced child care workers can identify children who have development or emotional problems and provide the care they need to take on life's challenges. Through the creative use of play, structured activities and individual attention, child care workers help their charges learn about the world around them and how to interact with others.

The dedicated individuals who nurture and teach our Nation's young children are undervalued despite the importance of their work. The average salary of a child care worker is approximately $16,000 annually. According to the Department of Labor, in 1998, the middle 50 percent of child care workers and pre-school teachers earned between $5.82 and $8.13 an hour. The lowest 10 percent of child care workers were paid an hourly wage of $5.49 or less. Only one third of our Nation's child care workers have health insurance and even fewer have pension plans. This grossly inadequate level of wages and benefits for child care staff has led to difficulties in attracting and retaining high quality caretakers and educators. As a result, the turnover rate for child care providers is 30 percent a year. This high turnover rate interrupts consistent and stable relationships that children need to have with their caregivers.

To address this issue, Senator DODD and I have introduced the "Focus On Committed and Underpaid Staff for Children's Sake Act," a bill that would establish a grant and scholarship program for child care providers.

I encourage my colleagues to join me in recognizing the importance of the service that child care workers provide and the need to increase their compensation accordingly. The Nation's child care workforce, the families who depend on them, and the next generation of children that they care for deserve our support.

SENATE CONCURRENT RESOLUTION 104—RECOGNIZING THE AMERICAN SOCIETY OF CIVIL ENGINEERS ON THE OCCASION OF THE 150TH ANNIVERSARY OF ITS FOUNDING AND FOR THE MANY VITAL CONTRIBUTIONS OF CIVIL ENGINEERS TO THE QUALITY OF LIFE OF THE PEOPLE OF THE UNITED STATES, INCLUDING THE RESEARCH AND DEVELOPMENT PROJECTS THAT HAVE LED TO THE PHYSICAL INFRASTRUCTURE OF MODERN AMERICA

Mr. JEFFORDS (for himself and Mr. Smith of New Hampshire) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. Con. Res. 104

Whereas, founded in 1852, the American Society of Civil Engineers is the oldest national engineering society in the United States;

Whereas civil engineers work to constantly improve buildings, water systems, and other civil engineering works through research, demonstration projects, and the technical codes and standards developed by the American Society of Civil Engineers;

Whereas the American Society of Civil Engineers incorporates educational, scientific, and charitable efforts to advance the science of engineering, improve engineering education, maintain the highest standards of excellence in the practice of civil engineering, and protect the public health, safety, and welfare;

Whereas the American Society of Civil Engineers represents the profession primarily responsible for the design, construction, and maintenance of the roads, bridges, airports, railroads, public buildings, mass transit systems, resource recovery systems, water systems, waste disposal and treatment facilities, dams, ports, waterways, and other public facilities that are the foundation on which the economy of the United States stands and grows; and

Whereas the civil engineers of the United States, through innovation and the highest professional standards in the practice of civil engineering, protect the public health and safety and ensure the high quality of life enjoyed by the people of the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) recognizes the American Society of Civil Engineers on the occasion of the 150th anniversary of its founding;

(2) commends the many achievements of the civil engineers of the United States; and

(3) encourages the American Society of Civil Engineers to continue its tradition of excellence in service to the profession of civil engineering and to the public.

Mr. JEFFORDS. Mr. President, from the pyramids of Egypt, to the roadways and waterworks of Rome, through the great Gothic cathedrals of Europe, to today's water treatment facilities and transportation systems, civil engineers have been building societies.

For the past 150 years, The American Society of Civil Engineers, ASCE, has served as the professional organization for, and represented, this great body of engineers within our country. The professional standards and quality of work in the civil engineering community have been ensured through the efforts of the Society.

Without the efforts of our Nation's civil engineers, and those who lead within the profession, this country would not be the great Nation that it is today. With the help of ASCE and the professional expertise of the Society's membership, we are working together to ensure that our children and grandchildren have a clean and safe environment in which to live.

It is with pleasure, as the Chairman of the Senate Committee on Environment and Public Works, along with Senator Smith, the committee's ranking member, that I recognize, through this concurrent resolution, the 150th anniversary of the American Society of Civil Engineers. We appreciate the leadership and efforts of ASCE and its membership.

SENATE CONCURRENT RESOLUTION 105—EXPRESSING THE SENSE OF CONGRESS THAT THE NATION SHOULD TAKE ADDITIONAL STEPS TO ENSURE THE PREVENTION OF TEEN PREGNANCY BY ENGAGING IN MEASURES TO EDUCATE TEENAGERS AS TO WHY THEY SHOULD STOP AND THINK ABOUT THE NEGATIVE CONSEQUENCES BEFORE ENGAGING IN PREMATURE SEXUAL ACTIVITY

Mr. LIEBERMAN (for himself and Ms. Snowe) submitted the following concurrent resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. Con. Res. 105

Whereas 4 in 10 girls in the United States will become pregnant before the age of 20;

Whereas childbearing by teenagers costs taxpayers at least $7,000,000,000 each year in direct costs associated with health care, foster care, criminal justice, and public assistance;

Whereas the United States has the highest rates of teenage pregnancy and birth in the industrialized world;

Whereas more than half of all mothers on welfare had their first child as a teenager;

Whereas 80 percent of births to teenagers are to unmarried teenagers, and teenage mothers have more children, on average, than women who delay childbearing, which makes it more difficult for them and their children to escape a life of poverty;

Whereas teenagers who give birth are less likely to complete high school and to go on to college, thereby reducing their potential for economic self-sufficiency; and

Whereas the children of teenage mothers are more likely to be born prematurely and at low birth-weight, and suffer from higher rates of abuse and neglect than other children: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the Nation should take additional steps to ensure the prevention of teen pregnancy by engaging in measures to educate teenagers as to why they should stop and think about the negative consequences before engaging in premature sexual activity.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3388. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table.

SA 3389. Mr. REID (for Mr. Lieberman (for himself, Mr. Daschle, Mr. Smith of Oregon, Mr. Allard, Mr. Brownback, Mr. Bunning, Mrs. Carnahan, Mr. Cleland, Mrs. Clinton, Ms. Collins, Mr. DeWine, Mr. Hatch, Mr. Kyl, Mr. McConnell, Mr. Santorum, Mr. Smith of New Hampshire, Mr. Stevens, Mr. Warner, Mr. Baucus, Mrs. Boxer, Mr. Wyden, Mr. Corzine, Mr. Durbin, Mr. Graham, Ms. Landrieu, Mr. Harkin, Mr. Johnson, Mrs. Murray, Mrs. Lincoln, Mr. Nelson of Florida, Ms. Mikulski, Mr. Reed, Mr. Schumer, Mr. Hutchinson, Mr. Grassley, Mr. Campbell, Mr. Voinovich, Mr. Murkowski, Mr. Allen, Ms. Snowe, Mr. Thurmond, Mr. Nickles, Mr. McCain, Mr. Kerry, Mr. Bayh, Mr. Bennett, Mr. Bond, Mr. Breaux, Mr. Crapo, Mr. Dodd, Mr. Dorgan, Mr. Feingold, Mrs. Feinstein, Mr. Fitzgerald, Mr. Frist, Mr. Kohl, Mr. Levin, Mr. Nelson of Nebraska, Mr. Sessions, Mr. Specter, Ms. Stabenow, Mr. Thompson, and Mr. Torricelli)) proposed an amendment to amendment SA 3387 proposed by Mr. Dorgan (for himself and Mr. Craig) to the amendment SA 3386 proposed by Mr. Daschle to the bill (H.R. 3009) supra; which was considered and agreed to.

SA 3390. Mr. DASCHLE (for Mr. Torricelli) submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. Daschle to the bill (H.R. 3009) supra; which was ordered to lie on the table.

SA 3391. Mr. BROWNBACK submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. Daschle to the bill (H.R . 3009) supra; which was ordered to lie on the table.

SA 3392. Mr. BROWNBACK (for himself and Mr. Wyden) submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. Daschle to the bill (H.R. 3009) supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3388. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill H.R. 3009, to extend the Andean Trade Preference Act to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

On page 351, between lines 18 and 19, insert the following:

(viii) The extent to which the country has taken steps to support the efforts of the United States to combat terrorism.

SA 3389. Mr. REID (for Mr. Lieberman (for himself, Mr. Daschle, Mr. Smith of Oregon, Mr. Allard, Mr. Brownback, Mr. Bunning, Mrs.

Carnahan, Mr. Cleland, Mrs. Clinton, Ms. Collins, Mr. DeWine, Mr. Hatch, Mr. Kyl, Mr. McConnell, Mr. Santorum, Mr. Smith of New Hampshire, Mr. Stevens, Mr. Warner, Mr. Baucus, Mrs. Boxer, Mr. Wyden, Mr. Corzine, Mr. Durbin, Mr. Graham, Ms. Landrieu, Mr. Harkin, Mr. Johnson, Mrs. Murray, Mrs. Lincoln, Mr. Nelson of Florida, Ms. Mikulski, Mr. Reed, Mr. Schumer, Mr. Hutchinson, Mr. Grassley, Mr. Campbell, Mr. Voinovich, Mr. Murkowski, Mr. Allen, Ms. Snowe, Mr. Thurmond, Mr. Nickles, Mr. McCain, Mr. Kerry, Mr. Bayh, Mr. Bennett, Mr. Bond, Mr. Breaux, Mr. Crapo, Mr. Dodd, Mr. Dorgan, Mr. Feingold, Mrs. Feinstein, Mr. Fitzgerald, Mr. Frist, Mr. Kohl, Mr. Levin, Mr. Nelson of Nebraska, Mr. Sessions, Mr. Specter, Ms. Stabenow, Mr. Thompson, and Mr. Torricelli)) proposed an amendment to amendment SA 3387 proposed by Mr. Dorgan (for himself and Mr. Craig) to the amendment SA 3386 proposed by Mr. Daschle to the bill (H.R. 3009) supra; which was considered and agreed to; as follows:

At the appropriate place, insert the following new section:

SEC. . EXPRESSING SOLIDARTIY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM.

(a) Findings.—Congress makes the following findings:

(1) The United States and Israel are now engaged in a common struggle against terrorism and are on the frontlines of a conflict thrust upon them against their will.

(2) President George W. Bush declared on November 21, 2001, "We fight the terrorists and we fight all of those who give them aid. America has a message for the nations of the world: If you harbor terrorists, you are terrorists. If you train or arm a terrorist, you are a terrorist. If you feed a terrorist or fund a terrorist, you are a terrorist, and you will be held accountable by the United States and our friends.".

(3) The United States has committed to provide resources to states on the frontline in the war against terrorism.

(b) Sense of Congress.—The Congress—

(1) stands in solidarity with Israel, a frontline state in the war against terrorism, as it takes necessary steps to provide security to its people by dismantling the terrorist infrastructure in the Palestinian areas;

(2) remains committed to Israel's right to self-defense;

(3) will continue to assist Israel in strengthening its homeland defenses;

(4) condemns Palestinian suicide bombings;

(5) demands that the Palestinian Authority fulfill its commitment to dismantle the terrorist infrastructure in the Palestinian areas;

(6) urges all Arab states, particularly the United States allies, Egypt and Saudi Arabia, to declare their unqualified opposition to all forms of terrorism, particularly suicide bombing, and to act in concert with the United States to stop the violence; and

(7) urges all parties in the region to pursue vigorously efforts to establish a just, lasting, and comprehensive peace in the Middle East.

SA 3390. Mr. DASCHLE (for Mr. Torricelli) submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. Daschle to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

On page 259, beginning on line 19, strike all through page 261, line 15, and insert the following:

(A) to ensure that a party to a trade agreement with the United States does not fail to effectively enforce its environmental or labor laws;

(B) to ensure that parties to a trade agreement reaffirm their obligations as members of the ILO and their commitments under the ILO Declaration of Fundamental Principles and Rights at Work and its Follow-up;

(C) to ensure that the parties to a trade agreement ensure that their laws provide for labor standards consistent with the ILO Declaration of Fundamental Principles and Rights at Work and the internationally recognized labor rights set forth in section 13(2) and constantly improve those standards in that light;

(D) to ensure that parties to a trade agreement do not weaken, reduce, waive, or otherwise derogate from, or offer to waive or derogate from, their labor laws as an encouragement for trade;

(E) to create a general exception from the obligations of a trade agreement for—

(i) Government measures taken pursuant to a recommendation of the ILO under Article 33 of the ILO Constitution; and

(ii) Government measures relating to goods or services produced in violation of any of the ILO core labor standards, including freedom of association and the effective recognition of the right to collective bargaining (as defined by ILO Conventions 87 and 98); the elimination of all forms of forced or compulsory labor (as defined by ILO Conventions 29 and 105); the effective abolition of child labor (as defined by ILO Conventions 138 and 182); and the elimination of discrimination in respect of employment and occupation (as defined by ILO Conventions 100 and 111); and

(F) to ensure that—

(i) all labor provisions of a trade agreement are fully enforceable, including recourse to trade sanctions;

(ii) the same enforcement mechanisms and penalties are available for the commercial provisions of an agreement and for the labor provisions of the agreement; and

(iii) trade unions from all countries that are party to a dispute over the labor provisions of the agreement can participate in the dispute process;

(G) to strengthen the capacity of United States trading partners to promote respect for core labor standards (as defined in section 13(2));

(H) to strengthen the capacity of United States trading partners to protect the environment through the promotion of sustainable development;

(I) to reduce or eliminate government practices or policies that unduly threaten sustainable development;

(J) to seek market access, through the elimination of tariffs and nontariff barriers, for United States environmental technologies, goods, and services; and

(K) to ensure that labor, environmental, health, or safety policies and practices of the parties to trade agreements with the United States do not arbitrarily or unjustifiably discriminate against United States exports or serve as disguised barriers to trade.

SA 3391. Mr. BROWNBACK submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. Daschle to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . CENTRAL ASIA TRADE ACT.

(a) Findings.—Congress makes the following findings:

(1) The United States is now engaged in a war against terrorism, and it is vital that the United States respond to this threat through the use of all available resources;

(2) Open markets between the United States and friendly nations remain a vital component of the national security of the United States for the purposes of forming long lasting friendships, strategic partnerships, and creating new long-term allies through the exportation of America's democratic ideals, civil liberties, freedoms, ethics, principles, tolerance, openness, ingenuity, and productiveness.

(3) Utilizing trade with other nations is indispensable to United States foreign policy in that trade assists developing nations in achieving these very objectives.

(4) It is in the national security interests of the United States to increase and improve ties, economically and otherwise, with nations in Central Asia and the South Caucasus.

(5) The development of strong political, economic, and security ties between the nations of Central Asia and the South Caucasus and the United States will foster stability in this region.

(6) The development of open market economies and open democratic systems in the nations of Central Asia and the South Caucasus will provide positive incentives for American private investment, increased trade, and other forms of commercial interaction with the United States.

(7) Many of the nations of Central Asia and the South Caucasus have secular Muslim governments that are seeking closer alliance with the United States and that have diplomatic and commercial relations with Israel.

(8) The region of Central Asia and the South Caucasus could produce oil and gas in sufficient quantities to reduce the dependence of the United States on energy from the volatile Persian Gulf region.

(9) Normal trade relations between the nations of Central Asia and the South Caucasus and the United States will help achieve these objectives.

(b) Sense of Congress.—(1) Prior to extending normal trade relations with the nations of Central Asia and the South Caucasus, the President should—

(A) obtain the commitment of those countries to developing a system of governance in accordance with the provisions of the Final Act of the Conference on Security and Cooperation in Europe (also known as the "Helsinki Final Act") regarding human rights and humanitarian affairs;

(B) ensure that those countries have endeavored to address issues related to their national and religious minorities and, as a member state of the Organization for Security and Cooperation in Europe (OSCE), committed to adopting special measures for ensuring that persons belonging to national minorities have full equality individually as well as in community with other members of their group;

(C) ensure that those countries have also committed to enacting legislation to provide protection against incitement to violence against persons or groups based on national, racial, ethnic, or religious discrimination, hostility, or hatred, including anti-Semitism; and

(D) ensure that those countries have continued to return communal properties confiscated from national and religious minorities during the Soviet period, facilitating the reemergence of these communities in the national life of each of those countries and establishing the legal framework for completion of this process in the future.

(2) Earlier this year the governments of the United States and Kazakhstan exchanged letters underscoring the importance of religious freedom and human rights, and the President should seek similar exchanges with all nations of Central Asia and the South Caucasus.

(c) PERMANENT NORMAL TRADE RELATIONS FOR KAZAKHSTAN.—

(1) PRESIDENTIAL DETERMINATION AND EXTENSION OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Kazakhstan; and

(B) after making a determination under subparagraph (A) with respect to Kazakhstan, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extension under paragraph (1)(B) of nondiscriminatory treatment to the products of Kazakhstan included under paragraph (1)(B), title IV of the Trade Act of 1974 shall cease to apply to that country.

(d) PERMANENT NORMAL TRADE RELATIONS FOR TAJIKISTAN.—

(1) PRESIDENTIAL DETERMINATION AND EXTENSION OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Tajikistan; and

(B) after making a determination under subparagraph (A) with respect to Tajikistan, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extension under paragraph (1)(B) of nondiscriminatory treatment to the products of Tajikistan included under paragraph (1)(B), title IV of the Trade Act of 1974 shall cease to apply to that country.

(e) PERMANENT NORMAL TRADE RELATIONS FOR UZBEKISTAN.—

(1) PRESIDENTIAL DETERMINATION AND EXTENSION OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Uzbekistan; and

(B) after making a determination under subparagraph (A) with respect to Uzbekistan, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extension under paragraph (1)(B) of nondiscriminatory treatment to the products of Uzbekistan included under paragraph (1)(B), title IV of the Trade Act of 1974 shall cease to apply to that country.

(f) PERMANENT NORMAL TRADE RELATIONS FOR ARMENIA.—

(1) PRESIDENTIAL DETERMINATION AND EXTENSION OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Armenia; and

(B) after making a determination under subparagraph (A) with respect to Armenia, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extensions under paragraph (1)(B) of nondiscriminatory treatment to the products of Armenia included under paragraph (1)(B), title IV of the Trade Act of 1974 shall cease to apply to that country.

(g) PERMANENT NORMAL TRADE RELATIONS FOR AZERBAIJAN.—

(1) PRESIDENTIAL DETERMINATION AND EXTENSION OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Azerbaijan; and

(B) after making a determination under paragraph (1) with respect to Azerbaijan, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extensions under paragraph (1)(B) of nondiscriminatory treatment to the products of Azerbaijan included under paragraph (1)(B), title IV of the Trade Act of 1974 shall cease to apply to that country.

(h) PERMANENT NORMAL TRADE RELATIONS FOR TURKMENISTAN.—

(1) PRESIDENTIAL DETERMINATION AND EXTENSION OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(A) determine that such title should no longer apply to Turkmenistan; and

(B) after making a determination under subparagraph (A) with respect Turkmenistan, proclaim the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of that country.

(2) TERMINATION OF APPLICATION OF TITLE IV.—On or after the effective date of the extensions under paragraph (1)(B) of nondiscriminatory treatment to the products of Turkmenistan included under paragraph (1)(B), title IV of the Trade Act of 1974 shall cease to apply to that country.

SA. 3392. Mr. BROWNBACK (for himself, and Mr. WYDEN) submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

Whereas the American people respect the Iranian people, and value the contribution that Iran's culture has made to world civilization over three millennia;

Whereas the Iranian people aspire to democracy, civil, political and religious rights and the rule of law, evidence by increasingly frequent anti-government and anti-Khatami demonstrations within Iran and the statements of numerous Iranian expatriates and dissidents;

Whereas Iran is an ideological dictatorship presided over by an unelected Supreme Leader with limitless veto power, an unelected Expediency Council and Council of Guardians capable of eviscerating any reforms, and a President elected only after the aforementioned disqualified 234 other candidates for being too liberal, reformist, or secular;

Whereas the United States recognizes the Iranian peoples' concerns that President Muhammad Khatami's rhetoric has not been matched by his actions;

Whereas President Khatami clearly lacks the ability and inclination to change the behavior of the State either toward the vast majority of Iranians who seek freedom; or toward the international community;

Whereas political repression, newspaper censorship, corruption, vigilante intimidation, arbitrary imprisonment of students, and public executions have increased since Khatami's inauguration in 1997;

Whereas men and women are not equal under the law and women are legally deprived of their basic rights;

Whereas the Iranian government shipped 50-tons of sophisticated weaponry to the Palestinian Authority despite Chairman's Arafat's cease-fire agreement, consistently seeks to undermine the Middle East peace process; provides safe-haven to al-Qa'ida and Taliban terrorists; allows transit of arms for guerillas seeking to undermine our ally Turkey; provides transit of terrorists seeking to destabilize the U.S.-protected safe-haven in Iraq; and develop weapons of mass destruction;

Whereas since the terrorist attacks of September 11, 2001, and despite rhetorical protestations to the contrary, the Islamic Republic has actively and repeatedly sought to undermine the United States' war on terror;

Whereas there is a broad-base movement for change in Iran that represents all sectors of Iranian society, including youth, women, student bodies, military personnel, and even religious figures, that is pro-democratic, believes in secular government, and is yearning to live in freedom;

Whereas following the tragedies of September 11, tens of thousands of Iranians filled the streets spontaneously and in solidarity with the United States and the victims of the terrorist attacks;

Whereas the people of Iran deserve the support of the American people: Now therefore be it

Resolved, That it is the Sense of the Congress that—

(1) legitimizing the regime in Iran stifles the growth of the genuine democratic forces in Iran and does not serve U.S. national security interest;

(2) positive U.S. gestures toward Iran should be directed toward the people of Iran, and not political figures whose survival depends upon preservation of the current regime;

(3) it should be the policy of the United States to seek genuine democratic government that will restore freedom to the Iranian people, abandon terrorism, and live in peace and security with the international community.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the full committee of the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, May 8, 2002, at 9:30 a.m., in room 366 of the Dirksen Senate Office Building. The purpose of this hearing is to receive testimony on the nomination of Guy F. Caruso to be Administrator of the Energy Information Administration.

Those wishing to submit written testimony for the hearing record should sent two copies of their testimony to the Committee on Energy and Natural Resources, Attn: Majority Staff, 264 Dirksen Senate Office Building, U.S. Senate, Washington, DC 20510.

For further information, please contact Sam Fowler on 202-224-7571 or Amanda Goldman on 202-224-6836.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, May 2, 2002, at 10 a.m., to conduct an oversight hearing on "Bringing More Unbanked Americans Into the Financial Mainstream."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 2, 2002, at 10:15 a.m., to hold a hearing titled, "Protecting U.S. Citizens Abroad From Terrorism".

Agenda

Witnesses

Panel 1: Mr. Peter Bergin, Principal Deputy Assistant for Diplomatic Security and Director of the Diplomatic Security Service, Department of State, Washington, DC, and Ms. Dianne Andruch, Deputy Assistant Secretary for Overseas Citizens Services, Department of State, Washington, DC.

Panel 2: Mr. Frank Smyth, Washington Representative, the Committee to Protect Journalists, Washington, DC; the Honorable Vernon Penner, Vice President for Corporate International Services, Crisis Management Worldwide, Former Deputy Assistant Secretary of State for Overseas Citizens Services, Annapolis, MD; Mr. Thomas P. Ondeck, President, GlobalOptions, Inc., Washington, DC; and Dr. Sheryl E. Spivack, Assistant Professor of Tourism Studies, George Washington University, Washington, DC.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, May 2, 2002, at 9:10 a.m., for the purpose of conducting a business meeting to consider the nomination of Paul A. Quander, Jr. to be Director of the District of Columbia Court Services and Offender Supervision Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in executive session during the session of the Senate on Thursday, May 2, 2002, after the first scheduled vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, May 2, 2002, at 10 a.m., in Dirksen Building Room 226.

Agenda

I. Nominations

Julia Smith Gibbons to be United States Circuit Court Judge for the Sixth Circuit; Leonard E. Davis to be United States Circuit Court Judge for the Eastern District of Texas; David C. Godbey to be United States Circuit Court Judge for the Northern District of Texas; Andrew S. Hansen to be United States Circuit Court Judge for the Southern District of Texas; Samuel H. Mays, Jr., to be United States Circuit Court Judge for the Western District of Tennessee; Thomas M. Rose to be United States Circuit Court Judge for the Southern District of Ohio; and Paul G. Cassell to be United States Circuit Court Judge for the District of Utah.

To be United States Attorney: Steven M. Biskupic for the Eastern District of Wisconsin; James E. McMahon for the District of South Dakota; and Jan Paul Miller for the Central District of Illinois.

To be United States Marshal: Walter Robert Bradley for the District of Kansas; Randy Paul Ely for the Northern District of Texas; William Paul Kruziki for the Eastern District of Wisconsin; Stephen Robert Monier for the District of New Hampshire; and Gary Edward Shovlin for the Eastern District of Pennsylvania.

II. Bills

S. 2031, Intellectual Property Protection Restoration Act of 2002 [Leahy/Brownback].

S. 848, Social Security Number Misuse Prevention Act of 2001 [Feinstein/Gregg].

S. 1742, Restore Your Identity Act of 2001 [Cantwell].

S. 1644, Veterans' Memorial Preservation and Recognition Act of 2001 [Campbell].

S. 2431, The Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002 [Leahy/Campbell/Schumer/Clinton/Biden].

S. 1868, National Child Protection Improvement Act [Biden/Thurmond].

III. Resolutions

S. Res. 255, A resolution to designate the week beginning May 5, 2002, as "National Correctional Officers and Employees Week" [Feinstein/Hatch].

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on "Immigration and Naturalization Service: How Should It Be Restructured?" on Thursday, May 2, 2002, in Dirksen Room 226 at 2:30 p.m.

Witness List

Panel I: Congressman Romano Mazzoli, Former U.S. Representative, Louisville, Kentucky.

Panel II: Paul Virtue, Former INS General Counsel, Washington, DC, and Stephen Yale-Loehr, American Immigration Lawyers Association, Ithaca, New York.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, May 2, 2002, for a hearing on pending legislation.

The hearing will take place in SR-418 of the Russell Senate Office Building at 9:30 a.m.

Agenda for Legislative Hearing Pending Legislation

S. 1113, to increase the Medal of Honor pension, and to provide for an annual adjustment in that pension.

S. 1408, to standardize the income threshold for copayment for outpatient medications with the income threshold for inability to defray necessary expense of care, and for other purposes.

S. 1517, to implement Hart-Rudman Commission recommendations on enhancing Montgomery GI Bill benefits.

S. 1561, to strengthen the preparedness of health care providers within the Department of Veterans Affairs and community hospitals to respond to bioterrorism.

S. 1576, to extend the eligibility for health care of veterans who served in Southwest Asia during the Persian Gulf War.

S. 1680, to provide that duty of the National Guard mobilized by a State in support of Operation Enduring Freedom or otherwise at the request of the President shall qualify as military service under the Soldier and Sailors Civil Relief Act.

S. 1905, to enhance veterans' programs and the ability of the Department of Veterans Affairs to administer them.

S. 2003, to clarify the applicability of the prohibition on assignment of veterans benefits to agreements regarding future receipt of compensation, pension, or dependency and indemnity compensation, and for other purposes.

S. 2025, to increase the rate of special pension for Medal of Honor recipients, to make that special pension effective from the date of the act for which the Medal of Honor is awarded, and to amend title 18, United States Code, to increase the criminal penalties associated with misuse or fraud relating to the Medal of Honor.

S. 2043, to extend by five years the period for the provision by the Secretary of Veterans Affairs of noninstitutional extended care serves and required nursing home care, and for other purposes.

S. 2044, to provide for further improvement of the program to expand and improve the provision of specialized mental health services to veterans.

S. 2060, to name the Department of Veterans Affairs Regional Office in St. Petersburg, Florida, after Franklin D. Miller.

S. 2073, to provide for the retroactive entitlement of Ed W. Freeman to Medal of Honor special pension.

S. 2074, to increase, effective as of December 1, 2002, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

S. 2079, to facilitate and enhance judicial review of certain matters regarding veteran's benefits, and for other purposes.

S. 2132, to provide for the establishment of medical emergency preparedness centers in the Veterans Health Administration, to provide for the enhancement of the medical research activities of the Department of Veterans Affairs, and for other purposes.

S. 2186, to establish a new Assistant Secretary to perform operations, preparedness, security and law enforcement functions, and for other purposes.

S. 2187, to authorize the Secretary of Veterans Affairs to furnish health care during a major disaster or medical emergency, and for other purposes.

S. 2205, to clarify the entitlement to disability compensation of women veterans who have service-connected mastectomies, to provide permanent authority for counseling and treatment for sexual trauma, and for other purposes.

S. 2209, to provide an additional program of service disabled veterans' insurance for veterans, and for other purposes.

S. 2227, to clarify the effective date of the modification of treatment for retirement annuity purposes of part-time service before April 7, 1986, of certain Department of Veterans Affairs health-care professionals.

S. 2228, to authorize the Secretary of Veterans Affairs to operate up to 15 centers for mental illness research, education, and clinical activities.

S. 2229, to authorize a cost-of-living increase in rates of disability compensation and dependency and indemnity compensation, and to revise the requirement for maintaining levels of extended-care services to veterans.

S. 2230, to authorize VA to guarantee adjustable rate mortgage loans.

S. 2231, to increase Chapter 35 educational assistance benefits, and to increase funding to State Approving Agencies.

S. 2237, to enhance compensation for veterans with hearing loss.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet on Thursday, May 2, 2002, at 9:30 a.m., for a hearing entitled "Gas Prices: How Are They Really Set?".

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. DORGAN. Mr. President, I ask unanimous consent that David Roll, a fellow on my staff, be granted the privilege of floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Madam President, I ask unanimous consent that privileges of the floor be granted to Shara Aranoff, a fellow with the Senate Finance Committee trade staff, during the duration of the debate on the trade bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, I ask unanimous consent that Sarah Lennon, a Department of Energy fellow in Senator CARNAHAN'S office, be granted the privilege of the floor during today's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DASCHLE. I ask unanimous consent that the Senate proceed to executive session to consider the following nomination reported out earlier today by the Health, Education, and Labor Committee: Elias Adam Zerhouni, to be Director of the National Institutes of Health. I further ask that the nomination be confirmed, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, any statements be printed in the RECORD, and the Senate return to legislative session without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Elias Adam Zerhouni, of Maryland, to be Director of the National Institutes of Health.

Ms. MIKULSKI. Mr. President, I rise to congratulate Dr. Elias Zerhouni on his confirmation by the U.S. Senate as the new Director of the National Institutes of Health. I am pleased that his nomination was approved by the Health, Education, Labor, and Pensions Committee this morning and that the Senate has approved his nomination today.

I am proud that Maryland is home to the National Institutes of Health, and some of the best and brightest researchers in the world. Now Maryland is the home of the National Institutes of Health's new Director, Dr. Zerhouni.

Dr. Zerhouni has spent his impressive career turning medical research into tools and treatments that improve patients' lives. He is an innovative thinker and a successful entrepreneur who has turned his scientific discoveries into successful businesses. He is also a talented administrator who will bring his leadership skills to bear on this challenging new role. His administrative skills will be especially important as Congress completes the bipartisan commitment to double NIH's budget this year.

I am pleased that the U.S. Senate has given Dr. Zerhouni this resounding show of support as he prepares to take the helm of the world's finest research institution. I look forward to working with Dr. Zerhouni in his new role as Director of the National Institutes of Health. The National Institutes of Health and the American people will be well served by Dr. Elias Zerhouni.

Mr. KENNEDY. Mr. President, today the Senate is considering the nomination of one of the nation's most distinguished scientific leaders, Dr. Elias Zerhouni, to be the Director of the National Institutes of Health.

Dr. Zerhouni's life is a story about endless possibilities. He arrived from Algeria with little else but his medical training—and a desire to help his fellow human beings facing disease. From that humble beginning, he has explored the endless possibilities of medical research. His contributions have been extraordinary.

Dr. Zerhouni developed new methods for imaging living tissues that are in use in hospitals around the nation. As a skilled administrator, he has demonstrated leadership and vision time and time again at Johns Hopkins. He revitalized the Medical School's Clinical Practice Association. He worked skillfully with scientists, business leaders and elected officials to create a thriving biotechnology park.

Most recently, he established the groundbreaking Institute for Cell Engineering. At this remarkable new facility, scientists are exploring the potential of stem cells to alleviate some of the most deadly diseases we face as a nation. The stem cell research conducted at the new Institute is already providing new insights into therapies for Parkinson's Disease, spinal injury, diabetes, and other serious illnesses.

In many ways, the story of NIH is also a story about endless possibilities. NIH research has developed therapies to free millions of Americans from the limitations of disease and disability so that they, too, can explore the endless possibilities of an active and productive life.

Dr. Zerhouni will become the first NIH Director in this new century of the life sciences. Never have the possibilities for NIH been greater. The NIH budget will increase to more than $27 billion this year. Those funds will support research and training in thousands of research institutions across the nation and around the world. Leading the NIH is an awesome responsibility that will determine the quality of life for millions and millions of Americans for many years to come.

NIH research ranges from studies of microscopic structures in living cells to investigations of patterns of disease in entire populations. NIH research not only gives us information about what keeps us healthy or makes us sick, but it reveals new insights into who we are as human beings.

The advances made by NIH research in just the first two years of this new century are extraordinary—and the future promises still greater wonders. Already in this century, NIH research has helped map the human genome. No less important than these basic genetic studies are recent findings from NIH scientists that structured lifestyle changes can significantly reduce the risk of diabetics, sparing millions of Americans from this deadly disease.

The impact of NIH research on human health is incalculable. Life expectancies have risen dramatically over the last century, and some scientists believe that the first human being to live to be a productive 150 year-old is already alive today.

Never before have the challenges for NIH been greater. The anthrax attacks of last fall taught the nation what many of us knew already—that the powerful techniques of modern biology can be used not only to heal but to harm. Just this week, the Brookings Institute published a risk assessment showing that a million Americans could die in a major biological attack.

NIH must provide the leadership required to develop new medical weapons in the battle against bioterrorism. I know that good progress is already being make in the race to develop better vaccines against smallpox, anthrax, and other dangerous pathogens.

I would also like to extend my thanks, and the thanks of the entire Senate to Dr. Ruth Kirschstein, who has served so effectively as Acting Director since the departure of Dr. Harold Varmus. She has served in this important position with dedication and skill, to the great benefit of NIH and the nation.

Earlier this week, our committee received Dr. Zerhouni's nomination papers from the President. A few days ago, we listened to him explain his vision for meeting the challenges and seizing the opportunities of this new century of the life sciences as NIH Director. Earlier today, our committee approved his nomination unanimously. I hope my Senate colleagues will confirm his nomination quickly. I wish every good future to Dr. Zerhouni, and I look forward to working with him closely in the years to come.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

PRINTING OF AMENDMENT 3386

Mr. DASCHLE. I ask unanimous consent that the Daschle substitute amendment No. 3386 be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLERGY HOUSING ALLOWANCE CLARIFICATION ACT

Mr. DASCHLE. I ask unanimous consent the Finance Committee be discharged from further consideration and the Senate proceed to the immediate consideration of H.R. 4156.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4156) to amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

There being no objection, the Senate proceeded to consider the bill.

Mr. DASCHLE. I ask unanimous consent that the bill be read the third time, passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements related thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 4156) was read the third time and passed.

NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 365, S. Res. 255.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 255) to designate the week beginning May 5, 2002, as "National Correctional Officers and Employees Week."

There being no objection, the Senate proceeded to consider the resolution.

Mr. DASCHLE. I ask unanimous consent the resolution and preamble be agreed to, en bloc, the motion to reconsider be laid upon the table, that any statements relating thereto be printed in the RECORD, without further intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 255) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 255

Whereas the operation of correctional facilities represents a crucial component of our criminal justice system;

Whereas correctional personnel play a vital role in protecting the rights of the public to be safeguarded from criminal activity;

Whereas correctional personnel are responsible for the care, custody, and dignity of the human beings charged to their care; and

Whereas correctional personnel work under demanding circumstances and face danger in their daily work lives: Now, therefore, be it

Resolved,

SECTION 1. DESIGNATION OF NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK.

That the Senate—

(1) designates the week beginning May 5, 2002, as "National Correctional Officers and Employees Week"; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

PROGRAM

Mr. DASCHLE. Mr. President, I will inform my colleagues we will be in session on Tuesday for debate only to address the trade legislation. Senators will be welcome to offer amendments. They will be welcome, of course, to talk about the bill and, of course, if they have other matters to address, they would be welcome to do that as well in morning business. But we will come in at 3 o'clock on Monday, primarily to address for debate purposes only the trade bill.

UNANIMOUS CONSENT AGREEMENT—H.R. 2646

Mr. DASCHLE. Mr. President, I ask unanimous consent that on Tuesday, May 7, at 9:30 a.m., the Senate proceed to the conference report to accompany the farm bill under the following limitations with the total time limit of 12 hours divided as follows: On Tuesday, May 7, there be 6 hours of debate equally divided under the control of the chairman and ranking member of the Agriculture Committee; further, I ask unanimous consent that on Wednesday May 8, there be 6 hours equally divided; and, finally, I ask unanimous consent that following the use or yielding back of that time on Wednesday, the Senate proceed to a vote on or in relation to the conference report without further intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Mr. President, reserving the right to object—I will not object—let me withdraw the reservation and speak after we have gotten the agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The minority leader.

Mr. LOTT. Mr. President, thank you for the recognition. I thank Senator DASCHLE for agreeing to this time.

Obviously, the farm bill is a very important issue for our country, for our trade, and for many farmers, as well as consumers who depend on agriculture in America.

There are a lot of concerns about this legislation. This is a very large piece of legislation. I think it is a 6-year program. It adds over $73 billion to farm programs, as well as not only the commodities but conservation and nutrition and food stamps. This is a huge bill.

I think having adequate time to discuss the conference report is important.

The ranking member on our side of the aisle, Senator LUGAR, has a number of concerns which he needs to point out.

I think this is a fair way to get it done. It does take away time that we could be spending on other bills but we cannot just ignore the support or the opposition to a bill of this magnitude.

All things considered, this is the best way to proceed.

Mr. DASCHLE. Mr. President, I will say one more time that I appreciate the help and leadership shown by the Republican leader in bringing this bill to the floor. I know sometimes you can't have everything you want. I wanted a shorter period of time, but we will live with this, and we will move on. I thank him for that.

I yield the floor.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, MAY 6, 2002

Mr. DASCHLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 3 o'clock on Monday, May 6; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the trade bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DASCHLE. Mr. President, on Monday, we will then be on the trade bill with no votes. As I said a moment ago, the bill will be open to amendment.

ADJOURNMENT UNTIL MONDAY, MAY 6, 2002, AT 3 P.M.

Mr. DASCHLE. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 5:58 p.m., adjourned until Monday, May 6, 2002, at 3 p.m.

NOMINATIONS

Executive Nominations received by the Senate May 2, 2002:

FEDERAL ENERGY REGULATORY COMMISSION

JOSEPH TIMOTHY KELLIHER, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 2007, VICE LINDA KEY BREATHITT, TERM EXPIRING.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

DONALD W. PITTS, 4475

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER IN THE UNITED STATES MARINE CORPS FOR REGULAR APPOINTMENT UNDER TITLE 10, U.S.C., SECTION 531:

To be captain

WADE V. DELIBERTO, 9363

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR REGULAR APPOINTMENT AS A PERMANENT LIMITED DUTY OFFICER IN THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 5589:

To be lieutenant

MARC J. GLORIOSO, 3381

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 531:

To be commander

JACK S PIERCE, 3086

To be lieutenant commander

BRUCE H BOYLE, 3246
KEVIN L CRABBE, 4084
TERRY C GORDON, 0117
BRENT D JOHNSON, 0889
ROBERT S LAWRENCE, 7394
FREDERICK A MCGUFFIN, 7070
EDWARD J NASH, 6257
SETH D PHILLIPS, 2961
CURTIS PRICE, 2445
GORDON D RITCHIE, 9073
PATRICK M STURM, 4689
THOMAS B WEBBER, 9703

CONFIRMATION

Executive Nomination Confirmed by the Senate May 2, 2002:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

ELIAS ADAM ZERHOUNI, OF MARYLAND, TO BE DIRECTOR OF THE NATIONAL INSTITUTES OF HEALTH.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

TRIBUTE TO LYON COLLEGE CONCERT CHOIR

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. BERRY. Mr. Speaker, the United States House of Representatives recognizes the Lyon College Concert Choir on the occasion of their performance at the National Cathedral on March 17, 2002. Lyon College, located in Batesville, Arkansas, offers a liberal arts education of superior quality in a personalized setting.

A selective, independent, undergraduate, residential teaching and learning community affiliated with the Presbyterian Church (U.S.A.), Lyon encourages the free intellectual inquiry essential to social ethical and spiritual growth. With a rich scholarly and religious heritage, Lyon develops, in a culture of honor, responsible citizens and leaders committed to continued personal growth and service.

The Lyon College Concert Choir is directed by Dr. Michael Arshagouni and its members are:

SOPRANO: Cecilia Bogowith—Gainesville, MO; Briana Bopp—Black Rock, AR; Heather Copeland—Albuquerque, NM; Patricia A. Eusterbrock—Old Monroe, MO; Amber Haskins—Everton, AR; Laura Higginbottom—Ash Flat, AR; Annicia Johnson—Little Rock, AR; Laura Lofton—Hughes, AR; Bobbi Love—Cabot, AR; Jessica R. Miller—Cave City, AR; Melanie Morrison—Jonesboro, AR; Angela Polsgrove—Little Rock, AR; Lynsey M. Russell—Little Rock, AR; Rebecca Sharp—Evening Shade, AR; Meredith Shipman—Mountain View, AR; Jennifer Stottman—Russellville, AR;

ALTO: Kristy Barrington—Sherwood, AR; Edlira Bashari—Tirana, Albania; Holly Collins—Cabot, AR; Kristi Dement—Hot Springs, AR; Elizabeth Gabbard—Fort Smith, AR; Heather LeAnn Grantham—Hominy, OK; Teryn R. McDuff—Biloxi, MS; Chloé D. Robinson—West Memphis, AR; Shannon D. Spears—Blytheville, AR; Shannon Sullivan—Newark, AR; Allison Turner—The Woodlands, TX; Sarah Williams—Batesville, AR; Valarie Layne Wylie—Benton, AR.

TENOR: Stephen Briner—Walnut Ridge, AR; Josh Broughton—Benton, LA; Matt Buchanan—Perryville, AR; Laura Hignight—Benton, LA; Mike Horan—Omaha, NE; Brian Phillips—Batesville, AR; Kent Runnells—Little Rock, AR; Shannon Schoeller—Rogers, AR; Russ Swearingen—Rogers, AR;

BASS: Joshua Barnes—Vilonia, AR; Tony Davis—Judsonia, AR; Steven Jones—Los Alamos, NM; Andrew Kuszak—Rogers, AR; Cory McDaniel—Jonesboro, AR; Stephen A. Moore—Chicago, IL; William Lucas Patton—Forrest City, AR; Rob Yates—Jonesboro, AR; Jason Clark Zellmer—Little Rock.

WAUKESHA WEST WINS NATIONAL ACADEMIC DECATHLON

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. KLECZKA. Mr. Speaker, on Saturday, April 13, nine students from Waukesha West High School made history as the first team from outside of California or Texas to win the United States Academic Decathlon in its 21-year history.

The Academic Decathlon consists of 10 events with questions involving six subjects: art; music; economics and science; language and literature; mathematics; and social science. The students make presentations, write essays, give interviews and participate in the SuperQuiz, a Jeopardy-like challenge with nine rounds of five questions each along a common topic.

The Waukesha team broke new ground by winning the Wisconsin state championship. Then with that victory under their belt, they moved on to the nationals. There, they were named "rookie team of the year" and placed first among Division 11 schools. In the final round, they truly proved themselves first among equals by winning the overall competition.

Decathletes Ryan Ramlow, Katy Long, Jacob Kowalski, Adam Siegel, Jon Lindsley, Brian Kyle, Nicole Chartier, Nate Edwards and Scott Wilcox and alternates Steve Moon and Chris Schrader are to be congratulated for their accomplishments and the milestone they have set. Waukesha West won the overall competition that drew 55 top-notch teams representing 38 states.

Their victory could not have been accomplished without the help of coaches Duane Stein, Christine Beck and Lee Schmidt, as well as the parents, faculty and administrators of Waukesha West. It was with their encouragement that the team was able to win at the state and national competitions. Their pride was evident from the reception that welcomed the winning team home at Mitchell International Airport on the Monday after the victory with the same fervor usually reserved for sports heroes.

One of the goals when the Academic Decathlon was founded in 1981 was to develop interest in academics among all students. Teams are comprised of individuals representing a range of skill levels: three A students, three B students and three C students. The competition promotes the value of academic excellence, and stresses the importance of involvement for all students.

Waukesha West High School's win shows that great things can be accomplished through the hard work and dedication of students, teachers and parents acting together. This is not only a goal of the Academic Decathlon program, but also the education system as a whole.

HONORING THE WOODBRIDGE FATHERS BASEBALL LEAGUE ON THEIR 30TH ANNIVERSARY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Ms. DELAURO. Mr. Speaker, it is with great pleasure that I rise today to extend my sincere congratulations to an outstanding organization in our community, the Woodbridge Fathers Baseball League, as they celebrate their thirtieth anniversary. This Saturday, I will have the honor of joining the WFBL as they kick-off this season with their Opening Day ceremonies.

For three decades, the WFBL has provided children between the ages of 5 and 15 with the opportunity to participate in softball and baseball—our country's greatest pastime. The league was born out of the concern of several fathers in Woodbridge who wanted to provide a more competitive baseball league for their children. In only a few short months, the WFBL was formed and, in its initial season, had about 200 children that made up fifteen teams, Today, with the addition of softball and a Rookies League Division, the WFBL has 575 participating children, making up forty-eight teams.

Baseball and softball, like all sports, teaches us the value of team work, practice, camaraderie, and commitment to excellence. These are the skills that will serve our young people well as they begin to make a difference in the world. Through baseball or softball, the WFBL has given the children of Woodbridge and Bethany the opportunity to develop strong bonds of friendship based on many years of teamwork that often last well beyond their high school years. This is the true gift that the WFBL has and continues to give to the young people of Woodbridge and Bethany.

As a symbol of the start of spring, Opening Day has always been one of my favorite times to visit communities—especially Woodbridge, Connecticut. Every year, families from throughout the community gather to celebrate the beginning of the season—it is one of this community's most enjoyable spring rituals. Every team is in first place, dreaming of a championship that will be theirs at the end of the summer. The smell of a new glove, the crack of a bat, and the chatter of the outfield remind us why this is America's favorite pastime.

This year, as the Woodbridge community celebrates Opening Day and what has become a symbol of America, we will also take a moment to reflect on one of our country's greatest tragedies. In the months that have

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

passed since September 11th, the American people have struggled to regain a sense of normalcy. Who can forget the truly awesome scene at Yankee Stadium, with the brilliant voice of a New York Police Officer singing God Bless America as an eagle swooped through the stadium—unifying our nation and strengthening our resolve. In these past months, communities across the nation have developed a new found respect for those who dedicate their careers to protecting our families and our communities. I am honored to join the Woodbridge Fathers Baseball League and the Woodbridge community in extending my deepest thanks and appreciation to the Woodbridge Volunteer Fire Department. Their commitment and unparalleled courage make a real difference in our community.

Celebrating thirty years of prosperity and fun, it is with my sincere thanks that I join the Woodbridge community in congratulating the Woodbridge Fathers Baseball League on their 30th Anniversary. From your first president, Tony Malafronte, to the current president Dwight Rowland, this organization has left an indelible mark on this community.

PERSONAL EXPLANATION

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. RILEY. Mr. Speaker, I was unavoidably detained for rollcall No. 117, H.R. 169, the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (Concur in Senate Amendment). Had I been present I would have voted "yea."

I was also unavoidably detained for rollcall No. 118, S. 2248, the Export-Import Bank Extension Act. Had I been present I would have voted "yea."

I was also unavoidably detained for rollcall No. 119, H. Con. Res. 386, Supporting a National Charter Schools Week. Had I been present I would have voted "yea."

AMERICAN SAMOA MEDICAID PROGRAM

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce a bill to provide American Samoa with treatment under the medicaid program similar to that provided to States.

American Samoa receives only about $3 million annually in medicaid reimbursement. Each year, American Samoa's expenditures exceed its federal fiscal ceiling. For example, in FY 2000, Medicaid expenditures were $4,909,677, or $1,709,677 over ceiling. Although Congress adjusts the federal fiscal ceiling annually for the states based on the percentage change in the medical care component of the consumer price index for the preceding year ending in March, this adjustment has very little relation to the needs of American Samoa.

The fact of the matter is American Samoa pays a higher federal match than 40 other states yet the per capita income in American Samoa is less that $4,500 per year. More than 56% of the population lives below the poverty level. All on-island heath care is provided by the LBJ Tropical Medical Center.

Construction of the LBJ medical center was completed in 1967. The in-patient wards have not been renovated since this time. The patient wards have no air conditioning. Bathroom and washroom facilities are inadequate and many of these wards do not even meet fire safety codes and ADA standards and requirements.

In order to meet fire safety codes and ADA standards, the LBJ Tropical Medical Center is in need of upgrading or installing restrooms, medical air, medical vacuums, piped oxygen, proper lighting, a nurse call system, a fire sprinkler system, and sufficient electrical outlets for medical equipment.

However, the LBJ Tropical Medical Center does not operate at a profit and is consistently strapped for funds because every year medicaid expenditures exceed the federal fiscal ceiling. Mr. Speaker, I am not asking for millions of dollars to address the inequity that currently exists in the way we provide for the medicaid needs of American Samoa.

I am simply asking that the federal ceiling for American Samoa be raised to $10 million. I am also asking that the calculations used to determine the federal match for the states be applied to American Samoa. Currently, our federal match is fixed at 50%. Year after year we're at 50% with no thought or review or consideration by Congress to adjust this match to more adequately address our needs.

Mr. Speaker, it is time for the U.S. Congress to take this issue seriously. The bill I have put forth is a fair and reasonable approach to provide for the health care needs of low-income residents in American Samoa. I urge my colleagues to support this bill.

IN HONOR OF CAUSE-VISION 21 AND ASIAN PACIFIC AMERICAN HERITAGE MONTH

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. SCHIFF. Mr. Speaker, I rise today in honor of Asian Pacific American Heritage Month. The month of May marks the 25th year in which we honor the accomplishments and struggles of the Asian Pacific American community in this great nation.

I am proud that the region I represent in Congress is a diverse one and is home to many people of Asian Pacific heritage. So many constituents have distinguished themselves through their accomplishments in education, business, medicine and science, and other forms of public and private sector involvement, and through a strong successful family life. To commemorate Asian Pacific Heritage Month, I would like to highlight the remarkable accomplishments of an organization in my Congressional district, committed to supporting and inspiring change in the area of civic participation for the Chinese American and Asian American communities.

Cause-Vision 21, established in 1993, is dedicated to advancing the political empowerment of the Chinese American and Asian American communities through voter education, community outreach and leadership development. They have established dynamic and innovative programs designed to increases awareness and access to the political process.

Once such program, the Chinese American Student Internship Coalition (CASIC), celebrating its tenth year, provides Chinese American college students with the opportunity to gain hands-on experience with the political process and a deeper understanding of issues important to the Chinese American community. By being placed in a legislative office, each student is given an opportunity to become more aware of current legislative initiatives being debated in California's State Legislature.

Along with CASIC, Cause-Vision 21 offers a number of community forums on a broad range of issues, voter registration drives, and get-out-the-vote efforts. Due to their efforts, the political awareness of the Chinese American community has risen exponentially and the voter registration of this group has grown considerably since the organization's inception.

I ask all Members of Congress to join me in honoring Cause-Vision 21, an organization striving to ensure that Asian Americans have a strong voice in the democratic process. Their efforts on behalf of the community have been extraordinary.

TRIBUTE TO CHRISTINE AND ORAL EDWARDS

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to two great American citizens, and I am proud to recognize Christine and Oral Edwards in the Congress for their invaluable contributions and service to Arkansas on the occasion of their fiftieth wedding anniversary.

Chris, the daughter of Frank and Effie Austin of Blytheville, and Oral, the son of Jesse and Grace Edwards, were married on May 11, 1952 at the First Baptist Church in Blytheville, AR by Reverend David McPeak. The story of their meeting is practically lifted from the pages of a Hollywood movie script.

They met in the summer of 1951 when Chris was home from Southwestern College and working at Farmer's Bank and Trust in Blytheville. A friend of hers had told her about Oral, and she wanted to meet him. She knew that he worked at the grocery store on Saturdays, so she went to shop with her parents one Saturday.

Oral ended up carrying out her family's groceries to the car. When he turned to go back in the store, she called out his name. When he turned around, she knew it was him, and she invited him to go to church with her. He didn't go, but later called for a date. They dated for about a year and decided to get married. They had no money and no car. Friends chipped in to help with the wedding arrangement, and they had a beautiful wedding. The rest as they say is history.

The Edwardses have two children and six grandchildren. Steve, their first born, lives in Marianna with his wife, Laura. Steve and Laura have three children. Ashley, the oldest, lives in Maumelle with her husband Paul Rowton. Leigh is a student at Arkansas State University, and Steve, Jr., the youngest, is a first grader at Lee Academy.

Susan, their daughter, lives in Memphis, Tennessee with her husband, Dr. Jim DeRossitt. Susan and Jim also have three children. Jay, the oldest, lives in Austin, Texas with his wife, Leigh. Frank attends Christian Brothers High School, and John, the youngest, is a student at Woodland Presbyterian School.

Oral and Chris became permanent residents of Forrest City in 1962, when they moved here to establish a new location for their grocery store business at the intersection of Division Street and Highway 70. The business has since grown and Oral and his son, Steve, now own GES, Inc., which operates businesses in Arkansas named Food Giant, FG Express, Tobacco Warehouse and EDPROP Development Co.

In addition to being a business leader, Oral has also been an active community leader. Oral has served as the Chairman of the Board of Trustees of East Arkansas Community College and the Baptist College of Medical Sciences in Memphis, Tennessee. He has also served on the Board of Directors of the Arkansas State Chamber of Commerce and the Executive Committee of the Board of Trustees of Baptist Memorial Health Care Company, in Memphis.

Chris, not to be outdone by her husband, has also played an important role in a number of community organizations. She has been a member of the Garden Gate Garden Club and the Forrest City Musical Coterie for more than 40 years. She has also been an active member of the P.E.O. Sisterhood.

The state of Arkansas is a better place because of my close fiends Oral and Chris Edwards, and I am proud to call them my friends. On behalf of the Congress, I extend congratulations and best wishes to these faithful public servants on the fiftieth anniversary of their wedding.

HERITAGE CHRISTIAN HIGH SCHOOL 2002 WISCONSIN “WE THE PEOPLE” CHAMPIONS

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. KLECZKA. Mr. Speaker, at the end of the Constitutional Convention in 1787, our great statesman Benjamin Franklin was asked, “What have you wrought?” He replied, “A republic, if you can keep it.”

Two hundred years later, the Center for Civic Education, created by Act of Congress and funded by the U.S. Department of Education, began working with our nation's elementary and secondary students to help them understand the enduring relevance of that statement. Since the inception of the “We the People” program in 1987, more than 26 million students and 82 thousand educators have participated in the Center's outstanding program to promote civic competence and participation.

Our founding fathers recognized that ultimately a free society must depend upon the civic virtue of its citizens, and that our schools have an important mission to prepare students to become informed, responsible citizens. Heritage Christian High School's social studies teacher Tim Moore certainly understands the important role of schools in promoting democratic values and an involved citizenry. In the seven years that Heritage Christian has participated in the “We the People” program, Mr. Moore's students have won first place in the Wisconsin state competition five separate times!

The students from Heritage Christian have truly been inspired to academic excellence, and have demonstrated an impressive knowledge of the fundamental principles of our nation's constitutional democracy. It is with great pride that I recognize their outstanding achievement and commend them for their exemplary commitment to the study of constitutional issues.

This year's representatives from Heritage Christian High School are: Sarah Bohl, Tim Bruce, Tim Cisler, Liz Culver, Jordan Hawkins, Joe Hense, Joanna Hinks, David Kludt, Amy Krejcarek, Brad Larson, Paul Lorenz, Tim Melville, Jon Pickens, Ashley Ramsland, Erik Skoglund, Meredith Spry, Courtney Van der Ploeg, and Andrew Wier.

Congratulations, and best wishes for continued success in this year's national competition in Washington, D.C.!

HONORING MAY AS OLDER AMERICANS MONTH

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Ms. DELAURO. Mr. Speaker, today, May 1st, marks the beginning of Older Americans Month. This should give us pause to focus on the status of our nation's seniors.

What is the major concern facing older Americans today? It is the need for affordable prescription drugs. As we all know very well, the Medicare program does not cover outpatient prescription drugs. Women, in particular, are affected by this shortfall in coverage. Women live, on average, seven years longer than men, have earned less during their working lives and have half the average annual income of older men. This makes women vulnerable to high health care costs, including out-of-pocket expenses and insurance deductibles as well as the price of prescription drugs.

Because of their longevity, women are more likely to have chronic health conditions and functional limitations. Eight of ten women on Medicare, including those with disabilities, use prescription drugs regularly to manage chronic conditions and subsequently are vulnerable to catastrophic expenses. These women fill fewer prescriptions annually than those with drug coverage but spend nearly twice as much out-of-pocket for their medications. The Congressional Budget Office reports that the average out-of-pocket costs for older Americans just for prescription drugs will be $1500 this year alone.

This month, Connecticut seniors who are members of the Alliance for Retired Americans will board buses and travel to Canada in order to have their prescriptions filled at affordable prices. The Alliance, which will send its members from every state that borders Canada, expects to show that in just one month of short trips seniors can collectively save as much as one million dollars in annual prescription costs.

The trips are not a solution, but they will demonstrate just how ludicrous it is for U.S. citizens, especially older Americans, to have to go to Canada to purchase lower cost medicines because of the lack of a prescription drug benefit within the Medicare program. We must bear in mind that for every person making the trip to Canada there are others who are far worse-off physically and who need the lower-priced medications even more. Unfortunately, they cannot physically board a bus.

Congress must act this year to break the hold that the pharmaceutical industry has on the drug pricing system that forces our citizens to travel to Canada to purchase their prescription drugs at affordable prices. Congress must relieve the emotional and financial distress that millions of older Americans are experiencing. Mr. Speaker, the best way to honor older Americans is for Congress to enact a comprehensive Medicare prescription drug benefit this year.

TRIBUTE TO SALESIAN HIGH SCHOOL OF RICHMOND, CALIFORNIA

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. GEORGE MILLER of California. Mr. Speaker, I rise today to offer my congratulations to the students, faculty, staff, alumni and families of Salesian High School of Richmond, California, who will be celebrating their 75th Anniversary on September 6, 2002.

On September 8, 1927, the Salesians of Saint John Bosco, a religious society of the Catholic Church specializing in youth services and education, established a high school seminary program for boys. Then, in 1960, the seminary relocated to Watsonville, California, and became a college preparatory Catholic high school.

In 1989, the school became coeducational and now, with 570 students, they reflect the ethnically diverse population of the area: 18% African-American, 7% Asian Pacific, 20% Euro-American, 23% Latino, 20% Filipino, and 12% from other ethnic and racial backgrounds.

65% of these students come from low-income families in the local neighborhood. Salesian High School has the lowest annual tuition among all the private schools in Contra Costa and Alameda counties, and it is their policy that no student will be left behind due to an inability to meet tuition costs. Therefore, they maintain a strong tuition assistance and scholarship program.

Salesian High School graduates 98% of their seniors into colleges and universities throughout California and the United States. This attests to their combination of church, school, playground, home, and family in their educational system.

The school is dedicated to developing well-rounded students through curriculum that encourages the students to develop their unique talents through education, Christian formation and service.

I rise to congratulate Salesian High School for 75 successful years of educational service and wish them continued success in the years to come.

EDITORIAL BY DR. BILL LEE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. MATSUI. Mr. Speaker, I rise today to share with my colleagues an exceptional editorial by Dr. Bill Lee of The Sacramento Observer, which underscores the threat Social Security privatization poses to minority communities. The Observer is the premier African-American news source in my hometown of Sacramento, and has been a staple of the community for nearly forty years. It has received over 500 national and local awards for journalism excellence, and has a weekly circulation of 50,000 paid subscribers.

Dr. Lee's column makes a critical point that is sometimes overlooked: privatizing Social Security would be devastating to minorities, who benefit disproportionately from the program. In fact, privatization would likely result in smaller benefits not only for minorities, but also for women and low-income workers.

The future of Social Security is profoundly important to all Americans, particularly minorities. The voices of African-American leaders like Dr. Lee—the founding editor of the family-owned Observer—must be heard. I commend Dr. Lee for bringing this issue to the attention of his readers and his community, and I am proud to bring the Observer's unique perspective to the floor of the House.

[From the Sacramento Observer]

SOCIAL SECURITY CONTINUES TO WORK FOR US, HERE'S HOW

(By Dr. William H. Lee)

Everywhere I look in the African American community, I see the success stories of Social Security. I see seniors counting on it in their retirement. I see people who were able to pay their rent or make it through college thanks to survivors' benefits. I know I am counting on Social Security to help me in my golden years, just like others in the African American community are counting on it.

But why is Social Security so important?

Social Security says a lot about who America is and what we stand for as a nation. By providing seniors with guaranteed retirement income for life and protecting young families who lose a breadwinner to disability or death, Social Security shows that America can be a compassionate nation.

It proves that this is a nation with a bottom line: that we can stand together, especially when life is most difficult. It's a promise America has made to its people, a promise that has kept millions of its citizens out of poverty.

I want to tell you, however, about a threat to this successful and popular program: proposals to privatize Social Security.

Privatization of the Social Security program may sound like a good idea at first, but "the devil is in the details"—the more you learn about it, the worse it becomes. It would cut benefits and pave the way for the ultimate destruction of the program. That is something we cannot allow to happen.

Some people in Washington D.C. want us to believe that Social Security is about to collapse. We have to make one thing clear to our readers: Social Security is not in crisis.

In March, the Social Security Trustees released their annual report on the program's financial health. For the fourth year in a row, the outlook improved.

New economic and demographic projections show that Social Security can pay full benefits until 2041. We need to acknowledge the challenge ahead: four decades from now, Social Security will only be able to pay three-quarters of promised benefits.

That is, however, a challenge we can overcome. It is not an imminent crisis that requires the unraveling of Social Security's fundamental purpose.

Privatization proponents want you to believe that Social Security is in crisis and that "a radical change" is necessary. But the truth is privatization will only make Social Security's financial problems worse.

Privatization is based on the idea that one can take money out of the trust fund without any negative consequences. But this seemingly simple proposition is based on a flawed and misleading understanding of how the program works.

Since Social Security taxes are immediately paid out to current beneficiaries (it's a "pay-as-you-go" system), money taken out of the program would come directly out of our parents or grandparents' pockets. That's why privatization will mean benefit cuts. And these cuts would affect all recipients—retirees, disabled workers, and survivors alike.

And since privatization opens a gaping hole in Social Security's finances, trillions of dollars would be needed to make up the difference. Where would this money come from? No one knows.

Privatization will weaken Social Security for all Americans, but for some the results will be even more devastating.

This is particularly true for African Americans. But, it is also true for women, lower-income workers, and other ethnic minorities.

For example, minorities tend to benefit disproportionately from the disability and survivors components of Social Security, but these will be cut across the board to make room for private accounts.

Women are also particularly vulnerable to the effects of privatization.

For example, African American women, on average, live longer than men and spend more time out of the workforce to raise children or take care of elderly parents. As a result, they would have less to deposit into private accounts. They would therefore have to live on smaller benefits from smaller accounts over a longer period of time, without the protection from inflation offered by Social Security.

Social Security serves as the foundation of a secure retirement—unshakable by the ups and downs of the stock market, the timing of your retirement, or corporate scandals. Social Security is set up so that our nation's seniors, all our seniors will be protected at the end of the road.

It ensures that seniors will not suffer like Enron employees who watched the value of their stock accounts plummet and their dreams of a secure retirement vanish along with it.

Of course, Americans should be encouraged to save more. Personal savings have an important role to play, especially in the African American community. But it is critical that we keep a portion of retirement income guaranteed. Social Security is that guarantee.

Privatization does not work. Social Security does. It has worked in the African American community, and in all other communities, for over 60 years. We should work together to defend it, protect it, and improve it. But we should oppose those who would fundamentally alter it, break it, or send it, piece by piece, to its demise.

IFAD

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. PAUL. Mr. Speaker, Congress can preform a great service to the American taxpayer, as well as citizens in developing countries, by rejecting HR 2604, which reauthorizes two multilateral development banks, the International Fund for Agricultural Development (IFAD) and the Asian Development Fund (AsDF).

Congress has no constitutional authority to take money from American taxpayers and send that money overseas for any reason. Furthermore, foreign aid undermines the recipient countries' long-term economic progress by breeding a culture of dependency. Ironically, foreign aid also undermines long-term United States foreign policy goals by breeding resentment among recipients of the aid, which may manifest itself in a foreign policy hostile to the United States.

If Congress lacks authority to fund an international food aid program, then Congress certainly lacks authority to use taxpayer funds to promote economic development in foreign lands. Programs such as the AsDF are not only unconstitutional, but, by removing resources from the control of consumers and placing them under the control of bureaucrats and politically-powerful special interests, these programs actually retard economic development in the countries receiving this "aid!" This is because funds received from programs like the AsDF are all-too-often wasted on political boondoggles which benefit the political elites in the recipient countries, but are of little benefit to the individual citizens of those countries.

In conclusion, HR 2604 authorizes the continued taking of taxpayer funds for unconstitutional and economically destructive programs. I therefore urge my colleagues to reject this bill, return the money to the American taxpayers, and show the world that the United States Congress is embracing the greatest means of generating prosperity: the free market.

TRIBUTE TO LOUISE P. DEMPSEY

HON. STEPHANIE TUBBS JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mrs. JONES of Ohio. Mr. Speaker, I rise today to honor a very special constituent, Louise P. Dempsey, on the occasion of her receipt of the Ohio Women's Bar Association's Justice Alice Robie Resnick Award of Distinction. This award is the OWBA's highest award for professional excellence and is bestowed annually on a deserving attorney who exhibits leadership in the areas of advancing the status and interests of women and in improving the legal profession in the state of Ohio. It gives me great pleasure to wish Ms. Dempsey my warmest congratulations on this truly special occasion.

Louise Dempsey is currently Assistant Dean for External Affairs at Cleveland-Marshall College of Law in Cleveland. She received her B.A. from McGill University in Montreal, Quebec; Certificate of Advanced Study in Bioethics from the Department of Philosophy, College of Graduate Studies and Research, Cleveland State University; and J.D. from Cleveland-Marshall College of Law.

She is a former Trustee of the OWBA (1994–1997) and also a past co-chair of the OWBA's Law School Liaison Committee. The OWBA was initially formed in 1991 and is the only statewide bar association within Ohio solely dedicated toward advancing the interests of women attorneys while encouraging networking and the creation of a statewide mentor program for women attorneys.

Louise has also been active in other bar associations. She served on the Cleveland Bar Association's Board of Trustees and also, in 1999, was named One of Ten Outstanding Women in the Law by the Cleveland Bar. In 2001, she was awarded the Nonprofit Lawyers Academic Award by the American Bar Association.

At the same time, Ms. Dempsey has been active in the community in a variety of areas, including: appointment to the Board of the Cleveland Municipal School District; Board of Trustees of Laurel School; Board of Trustees of Park Works; Board of Trustees of Visiting Nurse Association; member of Northern Ohio Hate Crimes Working Group; and United Way Services.

On May 1, 2002, Justice Resnick will be presenting Ms. Dempsey with the Ohio Women's Bar Association's Justice Alice Robie Resnick Award of Distinction at its Annual Meeting in Columbus, Ohio.

It gives me great please to rise today,

Mr. Speaker, and Join the OWBA in congratulating Louise Dempsey and wishing her continued success.

TRIBUTE TO THE FOUNDATION FIGHTING BLINDNESS

HON. ROBERT WEXLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. WEXLER. Mr. Speaker, I would like to pay tribute to the Foundation Fighting Blindness for their incessant efforts toward finding a cure for macular degeneration and all retinal degenerative diseases. The Foundation provides funding for over 155 research studies at 55 prominent institutions, and since its inception in 1971, the Foundation has raised over $160 million.

Macular degeneration causes progressive loss of central vision and is the leading cause of blindness in people older than 55 years. Approximately 6 million Americans, including one million Floridians, of every age and race suffer vision loss from retinal degenerative diseases. An additional 15 million Americans have pre-symptomatic signs of macular degeneration. By recognizing the symptoms and problems associated with macular degeneration, individuals can be tested early and receive treatment for this disabling disease.

Macular degeneration, which is believed to be caused by a combination of genetic or environmental factors, can be devastating for those diagnosed late. The loss of vision cannot be reversed, leaving its victims handicapped. These individuals usually suffer from depression at the thought of losing their independence. Because of the toll this takes on the lives of so many seniors, I call on Congress to provide additional research funding to the National Eye Institute to help cure this disabling disease. Many local communities and some state governments have passed proclamations calling for May 1, 2002 to be designated "Cure Macular Degeneration Day." Therefore, I find this day fitting to bring attention to this important issue and to urge prompt action to find a cure.

HUNTINGDON AREA MIDDLE SCHOOL ENVIRONMENTAL CLUB

HON. BILL SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. SHUSTER. Mr. Speaker, I rise today to congratulate the Huntingdon Area Middle School Environmental Club for being among 30 students to receive the President's Environmental Youth Awards in 2001. On April 18th these students were honored by President Bush at the White House where they were recognized for their outstanding service to their communities and their achievements in environmental protection.

Kaleigh Felisberto, Amy Slicker, and Margo Wilson were recognized for their participation in the "Standing Stone Creek Water Quality Pre-Assessment" project. The stream assessment was conducted at four sites and examined biological organisms living on the stream bottom, chemical stream analysis, physical stream characteristics and stream habitat parameters. The students also developed a questionnaire in order to gain more input from the Huntingdon Water Treatment Plant concerning the environmental healthiness of the stream water. The tests showed good water quality and their research results were accepted as part of the Pennsylvania Department of Environmental Protection statewide stream assessments.

These students have an impressive history of improving the environment through their community projects. Since 1995 they have been members of Science Teams in Rural Environments for Aquatic Management Studies, or STREAMS. Through this organization they have studied watershed ecology and applied their knowledge to resolving local environmental problems. They have volunteered their time to educate and help their community be a more environmentally friendly place through their service.

I congratulate these students on receiving this important award and on successful completion of their stream assessment project. These students have demonstrated that they possess a dedicated spirit of service and environmental awareness. I would like to thank them for their hard work and wish them the best of luck on all their future endeavors.

HONORING IDAHO'S SENIOR CITIZENS FOR OLDER AMERICANS MONTH

HON. MICHAEL K. SIMPSON

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. SIMPSON. Mr. Speaker, I rise to today to honor a generation of Americans who have made this country what it is today.

This group learned the value of a dollar when food and jobs were rare during the great Depression and built the largest free economy the world has ever known.

This group of people saved the world from tyranny and oppression during World War II, illustrating powerful patriotism. Then sent their children to continue the fight for freedom in subsequent conflicts.

They survived the Bay of Pigs, the Beatles, disco-mania and Big Macs.

They've adapted to a changing world . . . starting school doing math problems with slates and chalk, to punching calculators, to utilizing computers, and then becoming one of the highest percentage of people to surf the Internet.

Most of all they've shown generations how to live with dignity, change a world and enhance a Nation—they are the United States' older Americans.

During the month of May, we'll honor their commitment and service to our country. In my home state of Idaho, thousands of senior citizens voluteer countless hours in classrooms, churches, small businesses, public parks, and service organizations. I recently attended a recognition luncheon for senior volunteers where just 755 volunteers gave more than 124,000 hours of service. They're grandparents, neighbors, and friends. Despite all they've given to us, they're still not done.

Today, I honor that continuing sense of community that drives our seniors and respectfully thank older Americans for all they've contributed, and continue to contribute, to our great Nation.

TRIBUTE TO THE KENT COUNTY REPUBLICAN WOMEN'S ORGANIZATION OF DELAWARE

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. CASTLE. Mr. Speaker, I rise today to honor and pay tribute to an exemplary group of women from my home state of Delaware, the Kent County Republican Women's Organization.

This year, the Kent County Republican Women's Organization will celebrate 50 years of service to the community on the Federal, State, and local level.

Revered and respected by their peers, these women formed the first organization of its kind in Kent County. From the beginning, they focused on promoting the tradition of a two party system, encouraging civic participation in the county and throughout the State and educating voters about the Republican message of low taxes and individual empowerment.

They have been instrumental in electing Republican candidates in Delaware through working on various campaigns and fundraisers, sponsoring events such as "Meet Our Candidates Night," congregating in Washington to advocate Republican issues and attending various Republican conventions to learn how they can better the party and improve their efforts.

I would like to acknowledge the dedication and resolve that the Kent County Republican Women's Organization has maintained over the last fifty years. Their continuous efforts to uphold the standards and integrity of the Republican Party is to be commended.

I would like to join my colleagues in congratulating the Kent County Republican Women's Organization on their 50th anniversary and to thank them for their unmeasurable support and direction.

HONORING NATIONAL COMMUNITY RESIDENTIAL CARE MONTH—2002

HON. DOUG OSE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. OSE. Mr. Speaker, I rise today to honor the men and women who work hard everyday to provide quality health care for the elderly, disabled and mentally ill. May is National Community Residential Care Month, and I can't think of a better way to pay tribute to these men and women.

Community care providers offer medical, social, and nutritional assistance to those in need. They are committed professionals who work hard to create comfortable environments for people who are unable to care for themselves in their own homes.

More importantly, these professionals work hard to boost the self-confidence of those whose confidence is often broken as a result of their dependence on others. By caring and interacting with those in need, they have enriched the lives of those who they help.

Again, I want to congratulate all the men and women in this field of work. The United States Congress certainly appreciates the valuable service they provide. We thank you for the job you do and for the compassion that you bring to your field.

HONORING ABE SELMAN

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Ms. SCHAKOWSKY. Mr. Speaker, I rise to congratulate Mr. Abe Selman, Niles Village Manager from my home state of Illinois, for his outstanding years of service to the community. Mr. Selman will be retiring from his position on May 1st, 2002. Mr. Selman has been a Niles resident since 1962 and has dedicated himself to the public sector, bettering the Niles community. He served as a village trustee for 17 years and resigned in 1989 to become the Village Manager.

Mr. Selman worked nonstop to make Niles a community for all to enjoy and achieved this goal through his knowledge, experience, and most important of all, his passion for service. As Village Manager, he was a visionary. Mr. Selman was in charge of managing development of a Village-wide computer network project, starting from setting up a single computer to over 200 in the village. He was also responsible for the planning, financing, and construction of several municipal buildings that greatly improved the quality of life of many residents. His business savvy was felt through his efficient use of public funds and by reducing operating costs through improved business practices.

Mr. Selman will be missed. His contributions to the community have been felt by all. Thank you Abe, for all you have done for the community.

A BILL TO ACCELERATE THE BASIC STANDARD DEDUCTION MARRIAGE PENALTY RELIEF AND MODIFY THE WORK OPPORTUNITY TAX CREDIT AND THE WELFARE-TO-WORK TAX CREDIT

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. HOUGHTON. Mr. Speaker, today I am joined by my colleague from Illinois, Mr. WELLER, in introducing our bill, the "Encouraging Work and Supporting Marriage Act of 2002" to accelerate the marriage penalty relief for low- and middle-income families and to modify and simplify the Work Opportunity Tax Credit (WOTC) and the Welfare-To-Work Tax Credit (WtW).

Last year's tax law eliminates the marriage penalty in the standard deduction by gradually increasing the standard deduction for married couples beginning in 2005. The proposal would accelerate this relief by increasing the standard deduction beginning in 2003. The proposal would benefit low- and middle-income families and would simplify tax filing by reducing the number of taxpayers who itemize.

After a number of improvements over the past few years, the WOTC and WtW programs are being well received in providing employment, with training, for our disadvantaged. We believe the WOTC and WtW programs have been very important in helping individuals become employed and make the transition from welfare to work. Such training can be costly, and the credits provide an incentive to employers to hire the disadvantaged and provide the needed training, while offsetting costs associated with the latter effort. However, the job is not over. These individuals are usually the first ones to suffer when we see economic conditions such as we have experienced the past year.

The current WOTC provides employers with a graduated tax credit of 25 percent of the first $6,000 in wages for eligible individuals working between 120 hours and 399 hours and a 40 percent tax credit on the first $6,000 in wages for those working over 400 hours. The WtW tax credit is targeted toward long-term welfare recipients—providing a 35 percent tax credit on the first $10,000 in wages during the first year of employment and a 50 percent credit on the first $10,000 for those who stay on the job a second year.

The proposal would make the following changes: (1) combine the two credits and establish WtW as a separate targeted group, (2) repeal the requirement that a qualified ex-felon be a member of an economically disadvantaged family for purposes of eligibility for the tax credit (a time-consuming requirement that discourages hiring from this group), (3) increase the age limit for qualified food stamp recipients by five years (from 18–24 to 18–29), and (4) standardize the definition of wages as "cash wages" paid by employer to a member of the targeted group.

The present-law WOTC rules for calculating the credit would be retained for the eight categories currently eligible for the work opportunity tax credit. In the case of long-term family assistance recipients, i.e. the ninth targeted group, the credit would equal 40 percent (25 percent for employment of less than 400 hours) of qualified first-year wages. Therefore the maximum credit would be $4,000 (40 percent of $10,000) with respect to long-term family assistance recipients. In the second year, the maximum credit would be 40 percent of the first $10,000 of qualified second-year wages for the long-term family assistance recipients. The net effect of the change would increase the WtW credit by frontloading the benefits, thus increasing an employer's incentive to hire long-term Temporary Assistance for Needy Families (TANF) recipients. All of the provisions would be effective for wages paid or incurred for qualified individuals who begin work for an employer after December 31, 2002.

We believe these changes will bring tax relief to low- and middle-income families by accelerating the elimination of the marriage penalty, as well as strengthening the WOTC program, which has become a major factor in helping individuals become employed and make the transition from welfare to work. We urge our colleagues to support this legislation.

TRIBUTE TO JAMES E. VENY

HON. MICHAEL M. HONDA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. HONDA. Mr. Speaker, I rise today to recognize James E. Veny for his exemplary service to the community. Jim Veny was born and raised in White Plains, New York, and attended White Plains High School.

In the summer of 1963, Jim joined the U.S. Navy and was selected to be a part of the Navy's Nuclear Power Submarine Program. During his tour, Jim attended various naval schools, traveled around the world, and was a featured soloist of the U.S. Navy's Naval Choir at Great Lakes, Illinois. Jim served one year in the Vietnam War, concluding a seven-year career in the Navy.

After the Navy, Jim earned a Bachelor of Arts degree with distinction from Franklin Pierce College in Rindge, New Hampshire. In 1975, he completed his formal academic studies by receiving a Masters in Business Administration degree from the Amos Tuck School at Dartmouth College.

Fortunately for those of us in the Bay Area, Jim moved to San Jose in July of 1980, working for FMC (Food Machinery Corporation, which is now United Defense). In 1983, he was appointed Community Relations Manager at United Defense, focusing the department on four areas of need in the community—the arts, diversity, social service, and education. Jim quickly learned that to do community work and to make an impact he had to get personally involved.

Jim has served on the boards of the following organizations: the Boy Scouts and Girl Scouts of Santa Clara County, the 100 Black Men of Silicon Valley, and the African American Community Service Agency. Over the years, Jim's greatest commitment has been to the education of young people, and he has been recognized by organizations in San Jose for this commitment. Most recently, he has been the recipient of the Santa Clara County Alliance of Black Educators 2001 LaVerne Owens Community Service Award, the City of San Jose 2000 Excellence in Education Award, and the 1998 KNTV 'Spirit of Excellence Award' for community service.

Working with students in the community is more than a job for Jim—it is a way of life. Under Jim's guidance, United Defense adopted San Jose High Academy in 1983, and over time created a summer high school internship program. This unique program allows students to learn about the corporate environment, while gaining valuable work experience and earning money.

Clearly, Jim Veny has shown a lifetime of commitment towards making the community a better place, and his experience with San Jose High Academy has shown that individual involvement can make a difference for the better. We in San Jose are thankful for Jim's commitment to our community.

IN RECOGNITION OF BARBARA McGRATH

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Ms. SOLIS. Mr. Speaker, I rise today to recognize Barbara McGrath as she completes her fellowship in my office this week and returns to her permanent position at the U.S. Department Defense's National Imagery and Mapping Agency.

Barb joined my office last May and quickly became an integral part of my staff. As a full time Legislative Fellow, Barb handled several key issues that are important to my constituents—tax relief for working families, the preservation of Social Security for our senior citizens and the viability of our community's small businesses just to name a few.

She worked tirelessly to research the background for my bill H.R. 3015, The Working Families Tax Rebate, which would provide an immediate $300 payroll tax refund to families that didn't qualify for one under President Bush's plan. If passed, this law would have benefited the 29 million workers who paid payroll taxes but did not earn enough to receive an income tax rebate last year.

Barb also coordinated the multiple newsletters we have sent to my district's senior citizens, informing them about Congressional efforts to guarantee the security of Social Security adjust the Social Security Cost-of-Living Adjustment and provide an affordable prescription drug benefit under Medicare. And she was instrumental in helping arrange a small business fair for my community.

Her knowledge of defense issues was also especially important in the days following the tragic events of Sept. 11. In fact, Barb made such a contribution to my staff that we negotiated with NFMA to extend her fellowship, which was scheduled to end in December, through early May.

But Barb has been more than a dedicated staff member. She has also become a key contributor to the camaraderie in my office. The unique perspective she brought to her fellowship enabled everyone in my office to approach their jobs from a different angle. And with her witty and insightful comments about everything from personal Issues to professional ones, she was quickly dubbed the office favorite. I know she will be dearly missed, and I wish her well in her future endeavors.

BARBARA JORDAN IMMIGRATION REFORM AND ACCOUNTABILITY ACT OF 2002

SPEECH OF

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 2002

Mr. LANGEVIN. Mr. Speaker, I rise in support of H.R. 3231 and encourage my colleagues to vote for this important bipartisan measure to reform our Nation's immigration system.

The Immigration and Naturalization Service, created in 1933 to consolidate immigration, border control, and naturalization functions in various departments, has been plagued for years by bureaucratic inefficiency, wasteful practices, and an unclear mission. At first, Congress responded to the problem by increasing funding for the agency, quadrupling its budget from $1.4 billion to $5.6 billion between fiscal years 1992 and 2002. Despite the infusion of resources, the INS reported an increase in its backlog of visa and immigration-related applications.

Though a commission chaired by former Congresswoman Barbara Jordan recommended in 1997 that the INS be dismantled, Congress still did not take the drastic action necessary to fix the problems of an agency that had become for many Americans the stereotype of Federal bureaucracy. However, when the INS sent student visa confirmations for two of the September 11 terrorists—six months after their attacks on America—the subsequent public outrage expedited much-needed reform. I commend Chairman SENSENBRENNER and Ranking Member CONYERS for their cooperation in crafting a common-sense bipartisan measure that will address many of the INS's existing problems. The separation of the INS into the Bureau of Citizenship and Immigration Services and the Bureau of Immigration Enforcement will prevent the type of mission conflict that plagues the current agency. I also approve of the creation of an Associate Attorney General to oversee the functions of these two bureaus and to emphasize the importance of immigration matters within the Justice Department.

However, I would be remiss if I did not express the concerns of some of my constituents, who fear that splitting a bureaucracy into two only creates two bureaucracies. I have to laugh as I am reminded of the perils of Hercules as he tried to slay Hydra, the nine-headed snake, which grew two heads for every one that was chopped off. Instead, we must strike at the heart of our current problem, and I believe that H.R. 3231 will effectively accomplish this goal. I will be carefully monitoring the implementation of INS reform to see that the new bureaus are efficient, responsive and focused in their mission.

RECOGNIZING EDDIE AND MARY EMMA CHERRY FOR SIXTY-TWO YEARS OF MARRIAGE

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. TANNER. Mr. Speaker, I rise today to honor a Tennessee couple who prove that love is still very much alive.

Next month, Eddie and Mary Emma Cherry will celebrate the 62nd anniversary of the day they committed themselves to one another.

Eddie, originally from Dover in Stewart County, and Mary Emma, originally from Danville in Houston County, met through a mutual friend in 1938. The pair met up again the following year when they both enrolled at Austin Peay State College—now named Austin Peay State University—in Clarksville, Tennessee.

After becoming reacquainted, the two decided they wanted to spend their lives together, and they wedded June 1, 1940. Since then, the Cherrys have added to their family two sons, Charles and Don, a daughter, Ann, seven grandchildren and four great-grandchildren.

Over the years, Eddie and Mary Emma have undertaken numerous successful business ventures in West Tennessee but eventually returned to Dover. Eddie spent many years raising cattle and hogs and growing corn and hay. Mary Emma worked for years as a teacher and administrator at Dover Elementary School.

The two are retired now and spend their days together.

Mrs. Cherry has said of their marriage, "Love is the basis of all of it. I never thought of not loving him." Mr. Cherry has added jokingly that his secret is in learning to agree with his wife. The couple says that now, as they celebrate more than six decades of union, their children should be planning a big party to celebrate their 70th anniversary.

Mr. Speaker, I rise to ask that you and our colleagues join me in applauding the marriage of my friends Eddie and Mary Emma Cherry and in wishing them many more years of happiness with their family and many friends who admire them greatly.

TRIBUTE TO THE McBAIN HIGH SCHOOL VARSITY BOYS BASKETBALL TEAM 2002 MICHIGAN CLASS C BASKETBALL CHAMPIONS

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. CAMP. Mr. Speaker, I rise today to pay tribute to the McBain High School Varsity Basketball Team, who recently won the 2002 Michigan Class C state title. In their heart-stopping championship game played at the Breslin Center, located in Lansing, Michigan, the McBain Ramblers defeated Kalamazoo Christian 57–48.

Led by Head Coach Bruce Koopman and assistant coaches Jerry Boven and Justin Eubank, members of the 2002 Ramblers include: Kevin Boven (3), Andy Bronkema (5), Gavin Reinink (10), Trent Mulder (12), Peter DeKam (20), Blake Wiltzer (22), Andy Gilde (24), Kyle Eisenga (25), Travis Nederhood (30), Luke Bronkema (34), Ryan Westdorp (40) and Dan Bazuin (32).

The dedication that these players put forth throughout the entire season is one of which the entire district can be proud. Their victory not only brought the team together in great spirit, but their family, friends and community as well.

Once again, on behalf of the Fourth Congressional District of Michigan, I would like to congratulate the coaches and members of the McBain High School Varsity Basketball Team on their achievement. I wish them the best in their future seasons.

PERSONAL EXPLANATION

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Ms. DUNN. Mr. Speaker, on Thursday, April 25, 2002, I was unable to be present for rollcall vote No. 115.

Had I been present, I would have voted "no" on rollcall No. 115.

HONORING TRULIANT FEDERAL CREDIT UNION ON THEIR 50TH ANNIVERSARY

HON. RICHARD BURR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. BURR of North Carolina. Mr. Speaker, I want to take this opportunity to recognize a committed and longstanding financial institution in my hometown of Winston-Salem, North Carolina—Truliant Federal Credit Union. For the past fifty years, Truliant's family-like tradition of progressive thinking, reliability and accessibility has served more than 200,000 members in five states. On their 50th Anniversary, the founders and executives of Truliant are to be commended for maintaining a valued and trusted reputation and their tireless contribution to the community.

In 1952, the Radio Shops Credit Union—what was to become Truliant—was chartered in Winston-Salem to serve employees of Western Electric. Founder Tom Pullen built the Credit Union on four cornerstones—member ownership, democratic governance, volunteer directors and access for working families. Pullen's success as a trusted and loyal financial guide immediately brought in 2,000 members and more than $100,000 in assets. His commitment to providing the best technology and friendly, personal attention grew his reputation, diversified his membership and tripled his holdings. The recent change in name to Truliant certainly reflects Pullen's mission to maintain relationships of mutual respect and trust with all of the Credit Union's members.

Winston-Salem is thankful for Truliant's philosophy of "people helping people." Truliant members are leaders in the community, sponsoring the Special Olympics, American Red Cross blood drives, Habitat for Humanity builds, Junior Achievement events and the annual March of Dimes' walk. Truliant also sponsors a scholarship fund that has helped 52 high school graduates gain access to over $26,000.

Today I applaud Tom Pullen and every member of the Truliant family for fifty successful years of endless community to their members and the Winston-Salem community.

CHILD LABOR

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. SANDERS. Mr. Speaker, today I recognize the outstanding work done by participants in my Student Congressional Town Meeting held this spring at the University of Vermont. These participants were part of a group of high school students from around Vermont who testified about the concerns they have as teenagers, and about what they would like to see government do regarding these concerns.

ON BEHALF OF ANDREA SHAHAN, DANIELLE HARVEY, REID GARROW, TROY AULT AND STEFANIE GRAY

REGARDING CHILD LABOR

(April 8, 2002)

REID GARROW: On the western edge of Dacca, Bangladesh, on a man-made ridge constructed to prevent flooding, dust is everywhere. The air is full of a single-sound sequence: The sharp sing of hammers hitting stone anvils. The sun beats bright as the children with their naked dust-covered bodies hammer away with tiny hammers in imitation of their mothers.

Many mothers work here. Hundreds, even thousands, are employed in breaking bricks for the foundations of the buildings. And by many mothers' sides, living in horrible conditions, are their children, laboring away. There are many places such as the factory described in Dacca, Bangladesh, all over the world. Children are forced to work in horrible conditions, with extremely low wages, and with no rights whatsoever.

We are the beneficiaries of child labor. Many of us here today are wearing clothing made overseas, and a significant percentage of it is made by small children. The United States has the world's largest economy, and with just a little effort, our government could drastically reduce child labor, and maybe even someday eliminate it.

DANIELLE HARVEY: A common way for children to become exploited in the system of child labor is to be sold by their parents to a bondsman in order to pay off a debt. The debt is usually very small, ranging from 500 to 7,500 rupees, which, when converted to U.S. currency, mounts to about $14 to $200. Destitute families are offered these loans, and most families accept them, because they need to pay for the cost of an illness, to provide a dowry for a married child, or perhaps just to keep food on the table.

A significant job in the workforce is the manufacturing of domestic and export products. Some of these products include silk, bee, which are hand-rolled cigarettes, silver jewelry, synthetic gemstones, leather products, including footwear and sporting goods, handwoven wool carpets, and precious gemstones and diamonds. Some services that bondsmen force bonded children to perform include prostitution, small-restaurant work, truck-stop work, tea-shop services, and domestic servitude.

STEFANIE GRAY: Child labor prevents children from receiving a good education. Without an education, they are unable to receive jobs at reasonable pay as an adult. Children want a good education, and they believe that the only way their beliefs will be fulfilled is if they are willing to work.

With the lack of support from their parents and their employers, it is hard to be a student and an employee. There are some companies in Nepal, Pakistan, that give classes to employers and parents to recognize the students' education rights.

Child domestic workers cannot join a normal school. A little twelve-year-old boy cleans utensils, washes clothes, and sweeps the house. He rarely sees outside the small four-walled house where he works. He wants to go to school and study, and is unable because of his housework. Children work in the hope they will make enough money to go to school, and, in the end, they realize they won't every make enough money. And it is hard for them to get out of work once they enter. They become disappointed that they won't get the education that they had hoped for.

TROY AULT: Child debt servitude has been illegal since 1933 in India, when the Children Pledging Labor Act was enacted under British rule. There are specific laws which were meant to govern child labor in factories, in commercial establishments, on plantations, and in apprenticeships. There are also laws about the use of migrant labor and contract labor. A recent law established in 1986 was set in place by the Child Labor Prohibition and Regulation Act, and designates a child as a person who has not completed their 14th year of age." It purports to regulate the hours and conditions of some child workers, and to prohibit the use of child labor in certain enumerated hazardous industries. Most importantly, there is a law that was established in 1976 by the Bonded Labor System Abolition Act, which strictly outlaws all forms of debt bondage and forced labor.

Why these laws have not been enforced. The governing systems in Asia feel that child labor is inevitable. They think that it is caused by poverty, and cannot be changed by force, that it must evolve slowly towards eradication.It has been discovered, though, that some governments fund child labor in their country, which isn't making the population of child workers any smaller.

Many feel that the systems are concerned only with maintaining a lead in the global marketplace, rather than the condition of their nation's youth. The problem at hand is really that, with the laws formed by these nations against having child labor in their countries are not being enforced harshly enough, and that an involvement with the American government, which has much more power, would make much more of an impact on child labor.

ANDREA SHAHAN: Rosy, from the Philippines, who is 14 years old, has to take care of the household as well as her employer's 14 breeding dogs. She says, The dogs are so big. I'm afraid to go near them. Every day, I prepare kilos of dog food, wash out their pens, and take care of the mother dogs with newly born puppies. Sometimes I can't sleep properly for three nights or the puppies may die. All dogs are made in heaven, they say, but some domestics live in hell. My employer doesn't allow me to have any of the leftover food from their table, and I can't just help myself. I'm always hungry. One day, I couldn't tighten my belt anymore, so I ate the food of the dogs.

Saneena, from Nepal, who is twelve years old, in an interview, says: I have been a domestic worker for the last two years, and recently started going to school. At first, my stepmother didn't allow me to attend, but I used to go to the class anyway, without telling her. A few days later, she caught me, scolded me, and gave me a slap.

The teacher visited our house and tried to convince her to send me back. To begin with, she was not ready even to talk, but later she agreed, on the condition that I should take my younger brother with me. So I bring my baby brother to school. He can't really understand the class because he is only one and a half years old, but I'm glad at least to have a chance to go to school again.

Fatima, from Bangladesh, is 14 years old. Fatima came to Dacca to work as a domestic worker. Her employer used to beat her up often. After four months, when her employer beat her up severely, she ran away, and took shelter in another home. Seeing the bruises on her body, the owner of her house took her to the police station when she was a bit better.

The police brought her back to her old employer's house for investigation. The employers bribed the police and give them a written statement saying that she would be sent back to her village. But after the police left, she was locked in the toilet. She started screaming, and upon hearing her cries for help, the neighbors phoned ASK. ASK Lawyers rescued her and tried to file suit against the employer. While this was going on, the employer offered Fatima's family about 230 U.S. dollars. Fatima's mother took the money and refused to file charges. At present, Fatima is working in a garment factory.

Johoya has to get up at 5 a.m., wash the utensils, sweep the compound, wash the cloths, attend to the demands of the mistress in the kitchen, attend to the old lady in the house, and also look after the pet dog. One day, Johoya was on the road, crying, holding a dog chain in her hand. When approached, she burst out crying, saying, "the dog has run away. I am afraid. Tomorrow the master will be returning to the house, and he will kill me for losing the dog. My mistress has not given me food for two days because I have lost the dog. Have you seen my dog anywhere?"

The next day the house owner arrived, and Johoya was beaten for her carelessness and told she was not to be given any food until the dog was found. Some days later, the dog was found in the house of a neighbor, and money was paid to them for finding and keeping the dog safely. Johoya was happy the dog was returned, but her salary for the previous month was not given to her mother, when she came, as usual, to collect. She was told it had been paid to the neighbor who found and looked after the dog.

When you look into a child's eyes, you expect to see hope, trust and innocence, but when you see these signs of childhood are replaced by the trail of hunger, fear and suspicion, we need to take serious stock in ourselves and the society we have created.

HONORING CIBOLA SCHOOL FOR ITS DEMONSTRATED RECORD OF OUTSTANDING STUDENT ACHIEVEMENT

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. PASTOR. Mr. Speaker, I rise today to honor Cibola High School in Yuma, Arizona, for its demonstrated record of outstanding student achievement. Because national statistics, gathered through the U.S. Census and educational surveys, have indicated high Hispanic drop-out rates at both the high school and college levels, I am especially pleased with the achievements of Cibola High School. Its student population is 75 percent Hispanic and Cibola has demonstrated that it is the success orientation of the school that impacts the success of the students. Cibola is not located in a wealthy school district and does not limit its student admissions to only the brightest or most successful students in the school district.

As Jon Walk, Cibola's first and founding principal indicated when the school opened 11 years ago, "(we) had the opportunity of a lifetime, the chance to establish the culture of a school." Fortunately for the children who attended Cibola over the years, Jon Walk, his teachers and his administrators established a culture of success and made it work.

The results of that "success culture" are impressive: Daily attendance runs at 96 percent; 89 percent of the class of 2001 went on to college; the graduation rate is 86 percent; the drop out rate is only 2 percent; the class of 2001 was awarded a total of 2.5 million dollars in scholarship money. In addition, Cibola High School achieved an A+ School Award for 1996 and has produced 7 Flinn Scholars since 1995 with 3 of that 7 being in the Spring of 2001.

How did they do it? The secrets to this outstanding success have evolved through caring, committed principals, teachers, administrators and staff. They evolved a system for making the students at Cibola High School believe in themselves, and be diligent about being the best they could be. Cibola promotes a culture of academic achievement that supports both students and teachers. My Cibola High School friends have shared the secrets of their success: Cibola is family and all members will be supported towards success. Freshmen are told they are preparing for college. The entire school builds a shared vision of success. Both teachers and students are supported to achieve their highest potential. It is a healthy environment with a lot of trust. Adults develop strong relationships with students. Positive attitudes and upbeat interactions are encouraged. Communication is emphasized. Each student has a 4 Year Plan. There are Freshmen Counseling Teams that work at getting to know each student. There are Senior Packets. Parents are encouraged to be engaged and active in their student's school life. Cibola sets high academic standards that are paired with appropriate resources.

These are attitudes and formulas that can easily be replicated throughout our nation's schools. We need to see all of our children succeeding. With Cibola High School, we have a model that is working superbly and which emphasizes the interaction of its people as the key. Thank you Cibola High School for all you have done for the children of Yuma and for the guide you have provided for our nation. I work for the day that all of our nation's children will be given this same educational environment.

IAN CHAN OGILVIE MAKES HIS MARK ON THE WORLD

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. ETHERIDGE. Mr. Speaker, I rise today to congratulate Mr. Clark Ogilvie of my staff and his wife Ms. Deb Chan on the birth of their first child, Master Ian Chan Ogilvie. Ian was born on Tuesday, March 26, 2002 and weighed 7 pounds and 13 ounces. Faye joins me in wishing Clark and Deb great happiness during this very special time in their lives.

As a father of three, I know the immeasurable pride and rewarding challenges that children bring into your life. Their innocence keeps you young-at-heart. Through their inquiring minds and wide-eyed wonder, they show you the world in a fresh, new way and change your perspective on life. A little miracle, a new baby holds all the potential of what human beings can achieve.

I welcome young Ian into the world and wish Clark and Deb all the best as they raise him.

TRIBUTE TO DR. JEFFREY P. KOPLAN

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. OBEY. Mr. Speaker, I rise today to pay tribute to Dr. Jeffrey P. Koplan and his 26 years of outstanding public service.

Dr. Koplan served as the Director of the Centers of Disease Control and Prevention and the Administrator of the Agency for Toxic Substances and Disease Registry, from 1998 until March of this year when he stepped down to continue his career in public health outside of the Federal government.

We are very fortunate in this country to be able to attract some of the best minds and most talented professionals to public service. However, it is typically not their impressive educational training, professional experience, or list of accomplishments that distinguishes their public service careers. What we often remember most is the daily heart and soul that they devote to solving the myriad of problems and challenges that we as a nation expect our Federal, state and local governments to address.

Despite the great responsibility we thrust upon leaders in public service, they toil in relative anonymity behind the agency acronyms that the world comes to rely upon. While Dr. Koplan is certainly well known and respected in the public health community and in Washington, there are untold millions of people in this country and throughout the world who he has in some way touched through his leadership at CDC who will never know his name—who will never know how he has given them the blessing of a healthier life through the often invisible efforts of public health programs that he has promoted and the thousands of CDC employees whom he has led.

Dr. Koplan will be remembered for passion and aggressive actions he spurred CDC to take in addressing some of the most pressing public health concerns of our time. Not only has he led the CDC response to the tumultuous events of last Fall and our nation's first major bioterrorism event, but be has also called for a national response to an epidemic in obesity, efforts to control infectious diseases, reduce smoking, address chronic diseases such as cancer, diabetes, and heart disease, expand immunization coverage, and build the capacity and infrastructure of CDC and state public health departments.

Dr. Koplan is simply an exemplary public servant who has made many personal sacrifices to advance public health. He is a man of great integrity, dedication, and humor. I, along with many Members of Congress, will greatly miss his leadership at CDC, and I wish he and his family all the best as they move on to other pursuits. In closing, just as Dr. Koplan received a standing ovation by CDC employees upon the announcement of his appointment as Director in 1998, upon his departure, I applaud his distinguished tenure and the honor that he has brought to that position.

HONORING DR. JEFFREY P. KOPLAN

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. REGULA. Mr. Speaker, I rise today to acknowledge the 26 years of service that Dr. Jeffrey P. Koplan has dedicated to improving the public health and the many contributions he has made at the Department of Health and Human Services.

At the end of March of this year, Dr. Koplan stepped down from the dual positions he held since 1998 as the director of the Centers of Disease Control and prevention (CDC) and the Administrator of the Agency for Toxic substances and Disease Registry.

As the Chairman of the appropriations subcommittee responsible for funding the CDC, I have come to know Dr. Koplan during one of the most challenging times in public health—the events of September 11, 2001, the following anthrax attacks, and the urgent call for public health preparedness for possible further bioterrorism attacks.

Dr. Koplan has done a tremendous job leading the CDC response to this national crisis, which included deploying dozens of epidemiologists to New York City to assist the health departments with the response to the attack on the World Trade Center, dispatching personnel and medical supplies to aid the response efforts to the attack on the Pentagon, and coordinating a public health response to prevent, detect and treat anthrax. We are still in the midst of building capacity for an adequate public health response for potential terrorist attacks, but many of the needed improvements are well underway thanks in large part to his leadership.

In addition to responding to terrorist threats, under the leadership of Dr. Koplan, CDC has responded to hundreds of requests from state, local and international health departments to investigate the outbreak of diseases such as West Nile virus, Ebola, tuberculosis, meningitis and other health threats. Just last spring I experienced first hand the response and leadership of the CDC in my own congressional district during a frightening meningitis outbreak. The presence of the CDC on the scene helped to address this situation and bring calm to the community.

Dr. Koplan has also led CDC efforts to reduce tobacco use, improve childhood immunization, prevent birth defects and chronic diseases, and upgrade CDC buildings and facilities. These important efforts are bringing improved health to our nation.

When I visited the CDC in Atlanta last year, I was impressed with the commitment of all of the CDC doctors, scientists, and employees who are pursuing their mission with pride and enthusiasm, and it was evident that that attitude emanates from the top.

In short, CDC plays a critical role in protecting the public health of our nation. From the earlier days of his career working on the eradication of smallpox as an EIS officer to rebuilding the public health system to respond to the health threats of the 21st century as director of CDC, Dr. Koplan has tackled these many tough problems with determination. We will greatly miss his spirit, optimism, and leadership. We wish him all the best in his future endeavors.

RECOGNIZING THE 150TH ANNIVERSARY OF THE YMCA

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. NEAL of Massachusetts. Mr. Speaker, I would like to take this opportunity today to laud the efforts of one of the finest international organizations in our nation: the YMCA. The YMCA was founded in England and was based on an openness which transcended class lines. In its 150 years, the YMCA of the USA has come to include men, women and children regardless of race, religion or nationality.

The United States of America today has over 2,400 YMCAs which serve nearly 18 million people. The YMCA of the USA is involved in promoting healthy behaviors in youngsters, teaching them how to become positive members of society. Although each YMCA is different in its approach to serving the needs of its members, they all help make their communities stronger.

The YMCA of Springfield, Massachusetts was founded on May 3, 1852, after J.R. Hixon issued a call for a meeting at the Old First Church on Court Square. Henry Morris, a prominent judge from the area, was elected the first president. Springfield's YMCA is noteworthy for being the workplace of Mr. James Naismith. In 1891, Mr. Naismith was charged with the physical education of a number of rambunctious young men. As the boys were not interested in the typical winter time activities, Mr. Naismith invented a new game to be played indoors. Mr. Naismith posted 13 rules at class one day and created the sport of basketball.

The invention of basketball is an example of the creative thinking that is the hallmark of the YMCA. The staff members roaming the halls of Ys throughout the country are a dedicated group focused on character development and social service.

Today's YMCA in Springfield continues to serve human needs in the city by providing quality programs that promote lifelong personal growth and the balanced development of spirit, mind and body. I would like to thank Steve Clay, the President, and his staff for their tireless dedication and commitment to the community. Congratulations to the YMCA on 150 years of service to the community.

PERSONAL EXPLANATION

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mrs. CLAYTON. Mr. Speaker, on Tuesday evening April 30, 2001, I was in my District due to a family emergency and as a result missed three rollcall votes.

Had I been present, the following is how I would have voted:

Rollcall No. 119 (On a Motion to Suspend the Rules and Agree to H. Con. Res. 386—"Supporting a National Charter Schools Week") "yea."

Rollcall No. 118 (On a Motion to Suspend the Rules and Pass—S. 2248—"To Extend the Authority of the Export-Import Bank until May 31, 2002") "yea."

Rollcall No. 117 (Suspend the Rules and Agree to Senate Amendments—H.R. 169—"Notification and Federal Employee Anti-discrimination and Retaliation Act") "yea."

COMMEMORATION OF ARMENIAN GENOCIDE

SPEECH OF

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 2002

Mr. ROGERS of Michigan. Mr. Speaker, today, I rise in somber remembrance of the horrors of the Armenian Genocide. It is essential to reflect on the evils of the past to ensure that historical lessons are properly understood. It is in an effort to accomplish this that I call on my colleagues, as well as the international community, to remember and recognize the genocide of over a million Armenians by the Ottoman Empire.

During the end of the Ottoman Empire, the Armenian people were the victims of an atrocity of a horrifying magnitude. As many as 1.5 million were massacred through forced exile and murder. Refugees were scattered throughout the region and many found their way to the United States. As events during the Holocaust, as well as in Rwanda and Bosnia, have demonstrated, we have yet to fully internalize the lessons taught us by the dehumanizing actions of the Ottoman Empire against the Armenians. Human rights violations and discrimination due to ethnic background are still prevalent throughout the world. As such it is more important than ever that the genocide experienced by the Armenians is recognized by the world community. It is only through such recognition that we as a society can begin to ensure that such events will not happen again. In line with this goal, I specifically call on the country of Turkey to formally recognize the genocide.

I join with the Armenians today in sad remembrance of the horrible crimes committed against their people. I appreciate the support that the Armenian people have demonstrated as our own nation has dealt with the horrors of September 11. I am confidant that the friendship between Armenia and the U.S. will continue to flourish as we work together for freedom and prosperity in both our nations.

LOCAL MUSICAL TRIBUTES FOR SEPTEMBER 11, 2001

HON. WILLIAM L. JENKINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. JENKINS. Mr. Speaker, as our nation continues to heal the wounds from the losses suffered on September 11, 2001, I have personally received numbers of phone calls, e-mails, and letters from East Tennesseans offering suggestions, words of support, and prayers for all Americans dealing with this tragedy. Mr. Jerry White, a teacher from Hampton, Tennessee composed a song titled "Freedom Didn't Fall." In addition, Dr. Charles L. Walter from Johnson City, Tennessee enclosed a hymn titled "When Sudden Terror Tears Apart." Having been moved by these musical compositions, I wanted to share these lyrics with the Congress in order that others may read these uplifting and comforting words.

FREEDOM DIDN'T FALL—MR. JERRY WHITE

We took a mighty hit that day, brothers hear the call.
Buildings crumbled to the ground, but freedom didn't fall.
Today our hearts are heavy, we share the grief you bear.
Evil bounds through the world, we've turned to God in prayer.
America must be strong this hour, rays of hope through perils and fright,
A light of love for freedom, shining brightly through the night.
Innocent souls passed on that day, they are martyrs to the cause.
We must be devoted to fight and never stop to pause.
It will be hard to find the enemy to fight.
This may be the final chance for the whole world to unite.
We must stand firm to eradicate evil from our home,
And stand as models to the world no matter where we roam.
Why did this happen here, we ask? The answer's plain to see.
They terrorize for naught, but strike fear in you and me.
These were evil deeds, the acts of evil men.
We must resolve and affirm that this will never occur again.
Firemen, policemen, volunteers have answered freedom's call.
Dedicated sacrifice in this land of sacred law.
The heroes in the plane of Air Flight Ninety-Three,
Have set the tone of sacrifice for all of us to see.
Yea, we took a mighty hit today, now Americans hear the call
Buildings crumbled to the ground, but freedom didn't fall!

WHEN SUDDEN TERROR TEARS APART—THE REV. CARL P. DAW

When sudden terror tears apart the world we thought was ours, we find how fragile strength can be, how limited our powers.
As tower and fortress fall we watch with disbelieving stare and numbly hear the anguished cries, the pierce the ash-filled air.
Yet most of all we are aware of emptiness and void: of lives cut short, of structures razed, of confidence destroyed.
From this abyss of doubt and fear we grope for words to pray, and hear our stammering tongues embrace a timeless Kyrie.
Have mercy Lord, give us strength and peace and make our courage great; restrain our urge to seek revenge, to turn our heart to hate.
Help us to know your steadfast love, your presence near as breath; rekindle in our hearts the hope of life that conquers death.

TRIBUTE TO ROBERT BYRNE JESSUP

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. MURTHA. Mr. Speaker, I would like to take this opportunity to pay tribute to a Fellow Marine, Robert Jessup, who passed away on April 7th, 2002.

Robert Byrne Jessup was born January 4, 1942 in Washington, DC. He attended Washington and Lee High School and George Washington University. He was honorably discharged after serving in the US Marine Corps from 1960–1964 as a Lance Corporal, H&S Co., 2nd Shore Party Battalion, 2nd Marine Division, FMF, Camp LeJeune, NC. He was awarded two Good Conduct Medals.

Mr. Jessup worked for Eastern Airlines from 1964 to 1974. He married Caroline Mary Gerard on November 19, 1966 in Alexandria, VA. They moved to Gaithersburg, MD, where he began a career with the General Electric Corporation. While at GE, he was instrumental in the development of the MARK 3000 System.

In the true spirit of a United States Marine, he served his community throughout his life. He was involved in numerous community activities, serving on the Board of Directors for his neighborhood and the Gaithersburg Board of Appeals. He was a football, baseball and basketball coach for his children and a Boy Scout Leader in Troops 207 and 494.

He is survived by his wife; his children, Bill, Rick and Dana; five grandchildren, two brothers, his mother and many other relatives and friends. He was a beloved father, husband, son, grandfather and friend who loved to play games with his family from cards to Trivial Pursuit. Friends remember the Jessup home always as one of boisterous activity, laughter and joy.

Robert Jessup's ideas about serving others live on in his children. His sons work in federal law enforcement; his daughter cares for senior citizens who do not have family to care for them in the Denver area.

It is an honor to share this farewell tribute with my Colleagues.

Mr. Jessup is being interred today, May 1, in Arlington Cemetery. Semper Fi.

PERSONAL STATEMENT

HON. FRANK MASCARA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. MASCARA. Mr. Speaker, on April 30, 2002, I was absent for personal reasons and missed rollcall votes numbered 117, 118 and 119. For the record, had I been present I would have voted "aye" on rollcall votes 117 and 119 and "nay" on rollcall vote 118.

INTRODUCTION OF LEGISLATION

HON. DAVID WU

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. WU. Mr. Speaker, today I am introducing legislation that would renew two important provisions of the Higher Education Act, which are set to expire on September 30, 2002.

The first expiring provision, Section 428G(a)(3), allows schools with cohort default rates below 10 percent to disburse a loan in a single installment for any period of enrollment that is not more than 1 semester, 1 trimester, 1 quarter, or 4 months.

The second expiring provision, Section 428G(b)(1), allows schools with cohort default rates below 10 percent to waive the requirement that first-year, first-time borrowers loan proceeds be withheld for 30 days.

Each provision was part of the 1998 HEA reauthorization law (H.R. 6). The decision to sunset both provisions was due to a combination of PAY–GO budget pressures and a wish by the HEA reauthorization conferees to revisit each provision's efficacy in reducing regulatory burden while maintaining the integrity of the federal loan programs.

These goals have been met. Not only has regulatory burden been reduced, but costs also have been reduced for schools and lenders.

Further, there is no evidence that adoption of these provisions has caused any increase in default rates at participating schools or increased costs to the government. In light of the reality that both provisions benefit students and do not increase loan defaults, it is important that we extend both provisions permanently.

Expiration of these beneficial provisions not only will place unnecessary administrative burdens on schools, but also will disadvantage students. The first provision allows schools the flexibility, especially in the case of students attending summer sessions and graduating midyear seniors, to disburse the proceeds of their loan in a single payment, and is just a commonsense administrative decision.

The second provision allows school to disburse a loan to their first year students so that they may have access to their funds to purchase books and supplies, pay housing costs, and other associated educational expenses. Without extension of this provision, many students, due to their inability to purchase textbooks and acquire housing for 30 days, fall behind in their studies and may dropout. This process may paradoxically drive up default rates.

Additionally, failure to renew these provisions would cause administrative disruption for schools. Schools would need to revise policies and procedures, counseling activities and student disclosure and related materials, and reprogram computer systems. These activities would need to be completed prior to the beginning of the award year on July 1st. Consequently, legislative action should be completed as soon as possible but no later than June 1, 2002.

Failure to renew these provisions would lead to unnecessary disruption of financial aid office activities and significant costs to revise system operations. A similar administrative disruption and costs would be visited upon lending institutions.

A college education is becoming increasingly more expensive. These two important provisions make it easier on the student to receive financial aid in a timely manner. Not only is it important that we maximize federal assistance in student financial aid, but we must ensure that the process is not overly burdensome on students or schools.

Renewing these provisions would not only make the daunting task of finding financial aid easier for students. And the cost to the federal government would be minimal.

I urge my colleagues to join with me in renewing HEA Sections 428G(a)(3) & (B)(1) so we can continue benefiting students and avoid disrupting financial aid operations.

HONORING JOHN McCORMICK, CHICAGO TRIBUNE PAGE EDITOR

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. LIPINSKI. Mr. Speaker, I rise today to pay special tribute to John McCormick, winner of the American Society of Newspaper Editors (ASNE) 2002 Distinguished Writing Award for Editorial Writing.

John McCormick is the deputy editorial page editor of the Chicago Tribune. He joined the Chicago Tribune editorial board in 2000 and was promoted to deputy editor the following year. Prior to joining the Tribune, John worked for several years as the Chicago bureau chief for Newsweek magazine.

On April 12, 2002, John was awarded the 2002 Distinguished Writing Award for Editorial Writing at the ASNE annual convention in Washington, D.C. John has proven his astute writing abilities in various editorials for the Tribune including topics ranging from the September 11th attacks to the poignant circumstances surrounding the death of a Chicago police officer.

ASNE judges stated the following comment on John's abilities as a writer by saying, "he won the editorial writing award for his eloquent commentary on topics including September 11th as well as veteran sacrifices that would be cheapened by efforts to sell the naming rights to a renovated Soldier Field. In a classic editorial writing style, McCormick is a strong advocate without being preachy."

John is joined in this recognition by his wife Dawn and their two sons, who reside in La-Grange Park, Illinois.

Mr. Speaker, I ask that my colleagues join me in honoring John McCormick on his achievements and wish John many years of future success.

LOYALTY DAY

HON. MICHAEL FERGUSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. FERGUSON. Mr. Speaker, on July 18, 1958, the United States Congress passed Public Law 85–529 and designated May 1 of each year as "Loyalty Day." I am pleased to join my fellow Americans today in confirming our allegiance to the United States of America by celebrating this important occasion. Now more than ever, it is vital that we stand together as a nation and remain committed to the common good of our people.

As we speak, the courageous men and women of our Armed Services stand firm across the world, protecting our freedom from all those who threaten its existence. Like their predecessors who fought for our nation in years past, today's service men and women need our support and require our loyalty.

However, Loyalty Day should not be confined to support of our military. The spirit of Loyalty Day can extend throughout our daily lives. Strong devotion to our country can be shown through service to fellow citizens and participation in government. By voting, by fighting for a cause and by helping your community, you are showing loyalty to our nation by honoring the virtues our great country was founded on.

An organization exhibiting the true essence of Loyalty Day is the Bay Leaf Post No. 6807 Ladies Auxiliary in Garwood, New Jersey. I commend the ladies of Post No. 6807 for their continuing support of veterans in the 7th District of New Jersey. Their actions to benefit veterans stand as an example of true loyalty to our nation. Organizations such as this are instrumental in keeping the American spirit alive by serving and remaining devoted to our great country.

Today, I commend all the Americans celebrating Loyalty Day and congratulate all those who have served and continue to serve our great country.

HONORING WILLIAM J. KEATING AS HE RECEIVES THE 2002 METROPOLITAN AWARD

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. PORTMAN. Mr. Speaker, I rise to honor William J. Keating, a friend, valued constitute and distinguished former Member of this House, who will receive the Metropolitan Club's 2002 Metropolitan Award on May 21, 2002. Recipients of this prestigious honor are citizens of the Greater Cincinnati and Northern Kentucky area who have exhibited extraordinary effort toward improving the lives of our community's residents, and have significantly bridged the gap between Greater Cincinnati and Northern Kentucky.

A native of Cincinnati, Bill Keating has a very long list of accomplishments. As former congressman, newspaper publisher, successful businessperson and judge, his influence can be seen in nearly every major civic project in this area in the past fifty years, including downtown development, arts, education and sports.

After graduating from St. Xavier High School, where he was an All-American swimmer, Bill enlisted in the U.S. Navy and served during World War II. He returned home and earned two degrees (bachelor's and law) from the University of Cincinnati in just four years. He was admitted to the Ohio bar in 1950, began practicing law in Cincinnati and helped to found what has become a major Cincinnati law firm in 1954.

Bill's name has been virtually synonymous with public service since 1957, when he became assistant attorney general for the state of Ohio. In 1958, he was appointed judge of the Hamilton County Municipal Court, was elected to that court in 1959 and was presiding judge from 1962 until 1963. In 1964, Bill was elected to the Hamilton County Court of Common Pleas, where he served until 1967. For two terms, Bill was member of Cincinnati City Council, from 1967 to 1970. First elected to the House of Representatives in 1970. Bill served with distinction in the Ninety-second and Ninety-third Congresses representing the First District of Ohio.

Following his Congressional service, Bill moved into journalism and joined the Cincinnati Enquirer, where he was president and publisher. Later, he serves president of the Gannett Central Newspaper Group, chairman of the Cincinnati Inquirer, executive vice President and general counsel of Gannett Company, Inc. and chief executive officer of the Detroit Newspaper Agency in May, 1986.

Bill is a proven leader. He has been active with numerous causes in our area, including the Cincinnati Business Committee, the Greater Cincinnati Chamber of Commerce, the Cincinnati Arts Association, and the Bid Development Committee for Olympics 2012. In 2001, he was awarded the covered title of Great Living Cincinnati by the Greater Cincinnati Chamber of Commerce.

All of us in the Greater Cincinnati and Northern Kentucky area congratulate Bill Keating on receiving the 2002 Metropolitan Award, the latest acknowledgment of this remarkable device to our region.

SIXTH DISTRICT IS HOME TO FOUR STATE ROUNDBALL CHAMPS

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. COLBE. Mr. Speaker, the University of Maryland just won the NCAA college basketball championship, we are deep into the NBA pro basketball playoffs, and the nation's high schools recently completed their basketball tournaments. During this basketball season, I am pleased to report that the Sixth District of North Carolina is the proud home of four state champions—three girl's teams and one boys' squad.

North Carolina is known nationally as a hotbed of basketball—both from a playing standpoint as well as a spectator sport. We know basketball in the Tar Heel State. That is what makes this season so special for the folks back home. We have not one, not two, not three, but four state champions. It has been a special season and one that is worthy of recognition in the CONGRESSIONAL RECORD.

We begin with the Ledford Senior High School girls' basketball team because the Panthers completed a perfect season with a win in the title contest on March 15. The Panthers finished the year 32–0 with a surprisingly easy 73–51 victory over Tarboro High in the 2–A championship game. In fact, every win this year was by double digits; no one could touch the Panthers of Ledford High.

The title game was highlighted by one of the most impressive offensive showings in state history. Senior guard Leslie Hinkle poured in 40 points to lead the Panthers over Tarboro. "I just played my best," Hinkle told The (Lexington, N.C.) Dispatch. "I kept shooting, even when my shots weren't falling in the beginning. I also knew when my outside shots weren't falling, I could still penetrate and get to the basket." Named MVP for the championship, Hinkle was remarkable throughout the tournament. She scored 97 points in the final three games of the year. "Leslie Hinkle was a very special player today," Head Coach John Ralls told The Dispatch.

Coach Ralls should know something about special players. Ledford High has won four state titles under his tutelage—the others coming in 1995, 1997 and 2000. "This is the biggest team I've had," the Ledford coach told the Lexington newspaper, "but we've got a lot of really good players. I don't really know if there is a best team, but this one has to rank as one of the best we've ever had." Coach Ralls knows it takes a total team effort to complete a magical perfect season. Joining him in that effort were his assistants Alan Patterson and David Sands.

Each member of the Panthers did her part on the path to perfection. The squad includes Allyson David, Melissa Fitzgerald, Leslie Hinkle, Kristina Homesley, Jennifer McCarthy, Jamie Montsinger, Katelyn Moore, Kristi Pietsch, Katie Ralls, Mallory Recce, Megan Rogers, Alicia Stoke, and Jesse Taylor. Joining in the celebration are Principal Max Cole, Athletic Director Donald Palmer, the faculty, staff, students, and families of the perfect state champions, the Ledford Senior High Panthers.

Believe it or not, the Sixth District is actually home to two basketball teams that achieved perfect records this year. West Rowan High School completed a remarkable 30–0 season by capturing the state 3–A boys' championship. On March 16, the Falcons completed their dream season with an 80–68 victory over Winston-Salem Parkland High. West Rowan was led by title game MVP Donte Minter; Donte led the Falcons with 29 points in the championship game. What makes the feat all the more remarkable is that the left-handed senior was playing with a broken left wrist! Donte told the Salisbury Post that despite his injuries there were no doubts about the outcome. "Never," Minter told the newspaper. "Not at any point did we question ourselves. Here's all you need to know: as a team, we came to play tonight."

In fact, all season long the Falcons came to play. During their perfect season, West Rowan won every contest by double-digit margins. The championship game win culminated a four-year journey for Minter and Head Coach Mike Gurley. In Minter's freshman season, he and Gurley reached the title game against the same school, Winston-Salem Parkland, only to be defeated 101–83. Coach Gurley told the Salisbury Post, "Donte and I have cried a lot of tears together since that game. But when you have a successful program like ours, you're going to have some tough losses. Yeah, we've got some scars."

Now, however, they have a championship to savor, and they accomplished their goal of winning the title for retiring West Rowan Principal Henry Kluttz. The total team effort was led by Coach Gurley and his assistants Josh Avery, Willie Ellis and Robert Hairston. Each member of the squad contributed to the 30–0 season including Brian Avery, Horatio Everhart, Thomas "T.J." Gaither, Jr., Junior Hairston, Joe Hartsell, Michael Johnson, Donte Minter, Brent Patterson, Darren Ramsey, Blake Scearce, Durrell White, Jason Williams, and Phillip Williams. Also contributing to the perfect season were managers Amber Dedoming, LaQuinta Ellerbe, Tamanche Rankin, trainer Larry Sides, and mascot Hayden Gurley. Congratulations to Principal Kluttz, Athletic Director William Ward, the faculty, staff, students and families of the other perfect state champions, the West Rowan Falcons.

As I said earlier, the Sixth District was blessed to win other state titles, too. High Point Central High captured the girls' 3–A title, while Thomasville High secured its first ever girls' 1–A crown. Let's begin with a school that is used to winning—High Point Central. On March 16, the Lady Bisons completed their title quest with a 56–53 win over Rockingham County High. The Central girls have won five state championships in the last 10 years. The Lady Bisons came into this season with a perfect 30–0 record and almost matched it this year by finishing 31–1. The final outcome was the same though as the Lady Bisons brought home another crown to High Point Central.

Leading the way was senior guard and title game MVP Leslie Cook who scored 22 points including the last five to secure the win. "Those last couple of minutes seemed like they took forever," Cook told the High Point Enterprise. "We were thrilled to survive," Head Coach Kenny Carter told the same newspaper. "I told them, 'championship teams will make big plays, and we made big ones when we had to.'"

The team made big plays all year en route to its latest title. Associate Coach Jetanna McClain and assistants Chris Martin, Chris Shafer and Dwain Waddell ably assisted Coach Carter. The members of the winning squad included Elizabeth Adkisson, Lakisha Bryant, Leslie Cook, Kathryn Fulp, Mary Gheen, Erica Green, Brittany Hendley, Shameka Leach, Jillian Martin, Krystion Obie, Brittany Tate, Teshymia Tillman, Nikki Warren, and Sara Wynne. Congratulations should also be shared by Principal Joe Yaegar, Athletic Director Gary Whitney, the faculty, staff, students and families of High Point Central High School.

While High Point Central is used to winning girls' basketball championships, a school just down the road is still celebrating its first ever girls' basketball title. Thomasville High School won the state 1–A crown with a convincing 68–44 victory over Midway on March 16. Maya Ray, who was named championship game MVP, told the High Point Enterprise that the first title is sweetest of all. "Right now, it's just surreal," Ray told the newspaper. "I'm overwhelmed. It's a feeling I can't explain. It's like I'm not even here right now. It's nice that it's us to say we were the first."

The first for Thomasville and one of the best ever. The Lady Dogs finished the year with a record of 28–3. While the outcome of the final game was never in doubt, when Midway cut the lead to 11 with 6:20 to go, Head Coach Eric Radar became worried as all coaches do. "We were concerned," Coach Radar told the High Point Enterprise. "We thought we sort of lost our edge. We started playing their style of game a little bit more than we had. We got a little complacent, and I thought we started looking at the scoreboard. Looking back, I'm glad that it happened, because our girls were able to do it twice. That shows how good a team this really can be."

The future is indeed bright for Thomasville High. As we close the books on this season, let's congratulate Coach Rader and his assistant Phil Apple. Each member of the Lady Dogs contributed to the title quest including Brittany Marsh, Erin Crowder, Impris Manning, Katie Myers, Kendra Rutledge, Lavonda Harriott, Lavinia Flowers, Maya Ray, Shae Harris, Shay Harris, Sheena Harriott, Sonya Madsen, and Tyronica Alford. Special thanks also go to managers Pat Jakson, Byron Lattimore and Jaz Tate, scorekeepers Sheena Jenkins and Keisha Alba, and video manager Kendra Sanders. Sharing in the glory are Principal Michael Allred, Athletic Director Woody Huneycutt, the faculty, staff, students, and families of Thomasville High School for winning its first ever girls' 1–A state basketball championship.

All in all, Mr. Speaker, a remarkable high school basketball season in the Sixth District of North Carolina. At the beginning, I mentioned the University of Maryland winning the NCAA championship. I did so deliberately because there are two Sixth District connections there too. One of the assistant coaches is from Greensboro, North Carolina. Matt Kovarik, played for the Terrapins and just completed his first year as an assistant to Head Coach Gary Williams. More importantly, he played his high school ball at Grimsley High School in Greensboro. The entire athletic department is led by a woman from Gibsonville, North Carolina. Dr. Deborah Yow is the athletic director in College Park, and the Sixth District is proud that one of our own led Maryland to its first ever NCAA basketball championship. In addition to our high school champions, we are proud of Matt and Debbie, too.

HOUSE OF REPRESENTATIVES—*Friday, May 3, 2002*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. TANCREDO).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 3, 2002.

I hereby appoint the Honorable THOMAS G. TANCREDO to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Dr. Lloyd J. Ogilvie, Chaplain, United States Senate, offered the following prayer:

Gracious Lord, our hearts are filled with an attitude of gratitude for the gifts of life: intellect, emotion, will, strength, fortitude, and courage. We are privileged to live in this free land You have so richly blessed.

You have created each of us to know, and love, and serve You. Thanksgiving is the memory of our hearts. You have shown us that gratitude is the parent of all other virtues. Without gratitude, our lives miss the greatness You intended, and remain proud, self-centered, and limited. Thanksgiving is the thermostat of our souls opening us to the inflow of Your Spirit and the realization of even greater blessings.

We also thank You for the problems that make us more dependent on You for guidance and strength. When we have turned to You in the past, You have given us leadership skills that we needed. Thank You, Lord, for taking us where we are with all our human weaknesses, and using us for Your glory. May we always be distinguished by the immensity of our gratitude for the way that You pour out Your wisdom and vision when we humbly call out to You for help. We are profoundly grateful. You are our Lord and Saviour. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The SPEAKER pro tempore led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 3, 2002.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on May 2, 2002 at 6:45 p.m.

That the Senate passed without amendment H.R. 4156.

With best wishes, I am

Sincerely,

JEFF TRANDAHL,
Clerk of the House.

CORRECTION TO THE CONGRESSIONAL RECORD OF MAY 2, 2002, AT PAGE 6614

The following title for Mr. BEREUTER's one minute is as follows:

WELCOMING SPEAKER OF THE CANADIAN PARLIAMENT

(Mr. BEREUTER asked and was given permission to address the House for 1 minute.)

Mr. BEREUTER. Mr. Speaker, America is blessed to have in Canada not only a neighbor but also a steadfast ally and true friend. While our geographic bonds are obvious, it is our deep cultural, political, and economic ties that will forever bind us. Therefore, it is my distinct honor to welcome to Washington today the Honorable Peter Milliken, the Speaker of the House of Commons of Canada.

Mr. Speaker, I remind Members that this past October, only 1 month after the fateful September day, parliamentarians from all NATO nations met in Ottawa, Canada, for the fall meeting of the NATO Parliamentary Assembly. At that meeting, the assembly endorsed the use of force responsible for the horrific attacks on America. Our Canadian hosts that day, as all parliamentarians, knew the significant risk associated with the endeavor.

So it is with great sadness that we stand here today following the deaths of four Canadian soldiers, killed while on a mission to fight terror in Afghanistan.

Mr. Speaker, I say to Speaker Milliken and to all Canadians, we remain deeply saddened by their loss and America thanks them for their steadfast partnership.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned until 2 p.m. Monday next.

There was no objection.

Accordingly (at 10 o'clock and 4 minutes a.m.), under its previous order, the House adjourned until Monday, May 6, 2002, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6598. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14–329, "Kings Court Community Garden Equitable Real Property Tax Relief Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

6599. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14–323, "District of Columbia Youth Advisory Council Establishment Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

6600. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14–324, "Florida Avenue Baptist Church Equitable Real Property Tax Relief Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

6601. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14–325, "Homestead and Senior Citizen Real Property Tax Relief Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

6602. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14–353, "Tax Parity Rates and Unicorporated Business Franchise Tax Rate Clarification Temporary Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

6603. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14–352, "HomeStart Regulatory Improvement Amendment Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

6604. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14–326, "Organ and Bone

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Marrow Donor Leave Amendment Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6605. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-340, "Comcast Cable Franchise Extension Temporary Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6606. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-339, "Owner-Occupant Residential Tax Credit Temporary Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6607. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-338, "Department of Insurance and Securities Regulation Procurement Temporary Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6608. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-336, "Compensating Use Tax Clarification Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6609. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-337, "Metropolitan Police Department Video Surveillance Regulations Temporary Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6610. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-327, "Continuation of Health Coverage Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6611. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-335, "Simplified Sales and Use Tax Participation Act of 2002" received May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6612. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-334, "Health Care and Community Residence Facility, Hospice and Home Care Licensure Penalties Amendment Act of 2002" May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6613. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-333, "International House of Prayer for All People Equitable Real Property Tax Relief Act of 2002" May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6614. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-354, "Child and Youth, Safety and Health Omnibus Temporary Amendment Act of 2002" May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6615. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-338, "Department of Insurance and Securities Regulation Procurement Temporary Act of 2002" May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6616. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-332, "Civil Rights Tax Fairness Act of 2002" May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6617. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-331, "Insurance Economic Development Amendment Act of 2002" May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6618. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-328, "Securities Amendment Act of 2002" May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6619. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 14-330, "Standby Guardianship Act of 2002" May 3, 2002, pursuant to D.C. Code section 1-233(c)(1); to the Committee on Government Reform.

6620. A letter from the Under Secretary, Acquisition and Technology, Department of Defense, transmitting the Department's inventory of activities that are not inherently governmental functions as required by Section 2 of the Federal Activities Inventory Reform (FAIR) Act of 1998, Public Law 105-270; to the Committee on Government Reform.

6621. A letter from the Chief Justice, Supreme Court of the United States, transmitting amendments to the Federal Rules of Criminal Procedure that have been adopted by the Court, pursuant to 28 U.S.C. 2072; (H. Doc. No. 107-203); to the Committee on the Judiciary and ordered to be printed.

6622. A letter from the Chief Justice, Supreme Court of the United States, transmitting amendments to the Federal Rules of Appellate Procedure that have been adopted by the Court, pursuant to 28 U.S.C. 2072; (H. Doc. No. 107-206); to the Committee on the Judiciary and ordered to be printed.

6623. A letter from the Chief Justice, Supreme Court of the United States, transmitting amendments to the Federal Rules of Civil Procedure that have been adopted by the Court, pursuant to 28 U.S.C. 2072; (H. Doc. No. 107-204); to the Committee on the Judiciary and ordered to be printed.

6624. A letter from the Chief Justice, Supreme Court of the United States, transmitting amendments to the Federal Rules of Bankruptcy Procedure that have been adopted by the Court, pursuant to 28 U.S.C. 2075; (H. Doc. No. 107-205); to the Committee on the Judiciary and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HANSEN: Committee on Resources. S. 506. An act to amend the Alaska Native Claims Settlement Act, to provide for a land exchange between the Secretary of Agriculture and the Huna Totem Corporation, and for other purposes (Rept. 107-434). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANSEN: Committee on Resources. H.R. 1906. A bill to amend the Act that established the Pu'uhonua O Honaunau National Historical Park to expand the boundaries of that park; with an amendment (Rept. 107-435). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUMP: Committee on Armed Services. H.R. 4546. A bill to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, and for military construction, to prescribe military personnel strengths for fiscal year 2003, and for other purposes; with an amendment (Rept. 107-436). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. SWEENEY (for himself, Mrs. Maloney of New York, Mr. Nadler, Mr. Towns, Mr. Serrano, Mr. Crowley, Mr. Rangel, and Mr. Engel):

H.R. 4663. A bill to authorize funds to compensate New York City public schools for operating and education-related expenses (including mental health and trauma counseling and other appropriate support services), resulting from the terrorist attack on such city on September 11, 2001; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HOUGHTON (for himself, Mr. Frelinghuysen, Mr. Hyde, Mr. LaFalce, Mr. Goss, Mr. Meeks of New York, Mr. Hastings of Florida, Mr. Lantos, Mr. Smith of New Jersey, Mrs. Jo Ann Davis of Virginia, Mr. Berman, Mr. Ackerman, Mr. Crowley, Mr. Ballenger, Mrs. Jones of Ohio, Mr. Upton, Mr. Davis of Florida, Mr. Engel, Mr. Gilman, Mr. Royce, Mr. Gallegly, Mrs. Napolitano, Ms. Ros-Lehtinen, Mr. Leach, Mr. Bereuter, Ms. Slaughter, Mr. Quinn, Mr. King, Mr. Oberstar, and Mr. Nethercutt):

H. Res. 412. A resolution expressing regret and sympathy for the families of the 4 Canadian soldiers who lost their lives on April 17, 2002, in a friendly-fire incident in southern Afghanistan; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 218: Mr. NcNulty.

H.R. 3956: Ms. McCarthy of Missouri.

H. Con. Res. 355: Mr. Blagojevich, Mr. Ross, Mr. Fletcher, Mr. Schiff, Mr. Barrett, and Mr. Baca.

DISCHARGE PETITIONS—

ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 4, by Mr. CUNNINGHAM on House Resolution 271: Todd Russell Platts.

EXTENSIONS OF REMARKS

HONORING GENERAL THOMAS A. SCHWARTZ ON HIS RETIREMENT

HON. DAVID L. HOBSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. HOBSON. Mr. Speaker, I rise today to honor General Thomas A. Schwartz, the outgoing Commander of United States Forces in Korea, and to share my hearty congratulations on his well-deserved retirement after 35 years of distinguished service to our country in the United States Army.

A native of St. Paul, Minnesota, General Schwartz graduated from the United States Military Academy in 1967 and was commissioned a second lieutenant of infantry. He holds master's degrees in Education, Personal Management, and National Security and Strategic Studies from Duke University, Salve Regina and the Naval War College. His military schooling includes the Infantry Officer Basic Course, Ranger School, Armor Officer Advanced Course, Armed Forces Staff College and the Naval War College.

General Schwartz is a distinguished combat veteran of the Vietnam War, where he served as a platoon leader and a company commander in the 82nd Airborne Division earning the Bronze Star, the Silver Star and the Purple Heart. He subsequently commanded the 4th Infantry Division and completed several peacetime tours in Korea including posts as assistant chief of staff of the combined field army and as assistant division commander of the 2nd Infantry Division.

I always appreciated General Schwartz's positive attitude, his willingness to fight hard for his troops and his ability to get things done efficiently and effectively. His invitation to me and other Members of Congress to come and see the poor living and working conditions at our installations in Korea, was instrumental in helping many in Congress see the severity of the situation and the immediate need for additional resources.

Of all the military personnel with whom I has been my privilege to work on military construction issues, General Schwartz has been the most dedicated when it came to providing a better quality of life for the personnel under his command. Whenever I have encountered Army personnel who have served with General Schwartz, I have never heard anything but admiration from fellow general officers and appreciation from his junior officers for being a true role model.

General Schwartz has proved to be a dynamic partner in working to secure hardship duty pay, e-mail service and eliminating the cost of movies for our personnel serving in the Republic of Korea. There is still much more that needs to be done, but he got the ball rolling and deserves a great deal of credit.

When General Schwartz took command of the U.S. forces in Korea, then Chairman of the Joint Chiefs Gen. Henry H. Shelton praised him as, "battle-tested warrior and a proven leader at every level with prior experience in Korea that will serve both our nations well." General Shelton's faith in General Schwartz was well placed, as his command history has demonstrated.

No truly effective leader can ever make it to a position of prominence without assistance. General Schwartz has been aided every step of the way by his wife Sandy. Together, the Schwartz' have made a formidable team in their efforts to quality of military life in Korea.

On behalf of all of the soldiers who have served under his command and the United States Congress, I thank General Schwartz for all he has done. We are going to miss the expertise, the tenacity, the optimism the leadership and the dedication he brought to the service of his country.

IN HONOR AND MEMORY OF LOS ANGELES COUNTY SHERIFF'S DEPUTY DAVID MARCH

HON. ADAM B. SCHIFF

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. SCHIFF. Mr. Speaker, I rise today with overwhelming sadness in remembrance of one of our nation's fallen heroes. On Monday, April 29th, Los Angeles County Sheriff's Deputy David March lost his life while in the line of duty and it is appropriate for all Members of this House to take a moment to remember a gentleman who dedicated his life to the protection of his community and this great nation.

Deputy March, a seven-year veteran of the Los Angeles County Sheriff's Department, is survived by his wife Theresa and his stepdaughter Kayla. He was an avid softball player and one of the University of Southern California's most avid football fans. Before joining the Sheriff's Department, Deputy March served in the United States Marines.

First assigned to the Pitchess Detention Center with the Sheriff's Department, Deputy March was recently transferred to the Temple City Station in 2000. His fellow officers remember him as a hard working, honest and all around good guy whose commitment to the community was tireless and without fail. According to Los Angeles County Sheriff Lee Baca, "He was an incredibly decent, honest and fair man. The people have lost a great hero."

This tragic event reminds us all of the heroism and courage displayed by all peace officers as they strive to protect and serve our communities around the country. September 11th served as a staggering reminder of the selflessness of America's peace officers and first responders. Let us not forget the daily efforts of the men and women who serve in the hope of making our communities a more peaceful and safe place in which to live.

I ask all Members to join me in remembering the life of one of America's fallen heroes, Los Angeles County Sheriff's Deputy David March. Our thoughts and prayers are with his family as we remember his heroic service to our community and our nation.

NAFTA

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. RAHALL. Mr. Speaker, I want to submit for the record an editorial from "The Logan Banner" about another West Virginia company closing its doors because of NAFTA. The work of the Logan Manufacturing Company, Inc. a local garment manufacturer creating sports clothing will stop production after almost forty years. Sales dropped off as the company could no longer compete against cheap foreign imports. The article makes an excellent point: What did we expect would happen? Exactly what did Congress envision would happen to American workers when they passed unfair trade deals that allowed a rush of cheap imported products into our market? Were our workers expected to work for a dollar a day to remain competitive? I don't think so. Shouldn't our country set the standard and not follow other countries unable to create economic policies that would bring their people out of poverty? West Virginia workers deserve better than these type of trade deals.

This news comes on the same say the House of Representatives considered the reauthorization of the Import-Export Bank. On all matters of trade brought before this chamber we must answer to the workers in our districts who may be affected by such legislation. It is our responsibility to ensure that these workers, these families, are not hurt by our actions. Democracy should be as much a part of our trade bills as it is in everything else this great nation espouses.

I strongly opposed the passage of NAFTA in 1993. Since that time, I have closely monitored the implementation of NAFTA, and I continue to be disappointed with its impact upon the American people. NAFTA has led to a grater trade deficit with Mexico, deteriorating labor and environmental conditions along the borders and an increase in unsafe vehicles on America's highways.

In addition, recent attempts by the Administration to pass trade promotion negotiating authority (formerly known as fast track), would allow the President to expand trade initiatives similar to NAFTA to include additional nations, and possibly, the rest of the Americas under the Free Trade Areas of the Americas (FTAA).

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Despite my opposition and those of my colleagues concerned about the American worker, the House passed TPA on December 6, 2001. This bill is now before the Senate for consideration. I worry that just like with NAFTA, granting the President this type of accelerated trade authority in the past has led to government proposals lacking strong labor and environmental protection provisions; something I continue to insist upon for any trade agreements.

I continue to work to insure that any trade agreement is fair to the American worker and results in a fair deal for our economy, rather than a fast deal. To that end, I support inclusion and expansion of the Trade Assistance Act. American workers laid off as their company moves jobs abroad deserve to be compensated for such action. These workers must be retrained for other jobs. This bill would prohibit free trade agreements without strong, enforceable worker rights and environmental safeguards.

West Virginia workers deserve better trade agreements. The time has come to stop these undemocratic trade agreements. As "The Logan Banner," put it best, it's time our elected leaders put Americans first.

[From the Logan Banner, Apr. 17, 2002]

WHERE WE STAND

The workforce of Logan Manufacturing Company Inc., a local garment manufacturer creating the Sportsmaster brand of apparel got a dose of bad news this past week. They were laid off. Logan Manufacturing is just the latest victim of NAFTA, the North American Free Trade Agreement.

These people lost their jobs because sales dropped off and the company couldn't compete with products from overseas that are made by laborers who are paid next to nothing.

Logan Manufacturing has been here for 39 years. October would have been its 40th year.

Back when the Clinton Administration passed the North American Free Trade Agreement one H. Ross Perot warned of the coming of the "Great Sucking Sound" as American companies would leave our shores in order to cash in on the cheap slave labor south of the border.

Perot warned the deal would cost Americans their jobs. He was right. It only stands to reason that in an agreement where we lower all our tariffs with Mexico (and other countries) to nothing while only reducing theirs 10 percent a year it would be a good deal for them and cause many of us to wind up unemployed.

Logan Manufacturing said the federal government's allowance of imports to be procured for much lower rates than what can be manufactured in the U.S. through programs such as NAFTA, Caribbean Basin Initiative and the African Trade Bill along with the economic downturn following the Sept. 11 attacks was more than they could handle.

When will our elected officials in Washington wake up? Foreign trade deals that boost sales of cheap items made overseas at the expense of hardworking Americans are no deal at all. Thousands of American have been unemployed over these bad deals. It is time that our elected leaders put the U.S. first.

TO HONOR CHARLES R. (CHUCK) HUGGINS ON HIS RETIREMENT

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. PASTOR. Mr. Speaker, I rise to honor Chuck Huggins for the 30 years of service he has given to the State of Arizona. Chuck will be retiring as the Secretary-Treasurer of the Arizona AFL–CIO in May. He has served the people of Arizona well and his dedication and professionalism will be missed.

Chuck knows the challenges and rewards of being a working man. He started as an Apprentice Electrician in 1964 and soon became a Journeyman Electrician in both the mining and construction industries.

As an active member of Local 518 of the International Brotherhood of Electrical Workers, he began showing the skills and instincts necessary for leadership. But, in today's world, he knew that hard work was sometimes not enough. He realized that education was important too. So he continued to educate himself in accounting and business management at Eastern Arizona College and the University of Houston.

Chuck has pioneered innovative programs to help Arizona's workers be better prepared to meet the economic demands of our State. He has initiated training initiatives and re-training programs that have ensured that union members who have fallen behind due to no fault of their own can meet the challenges they may face in new work environments. He has served on the Governor's Workforce Development Committee, and is an active member of his church.

Chuck believes the most effective way to build strong communities is through the organization of strong individuals. He has led the AFL–CIO members through many difficult years, when some believed that Unions were dead and they no longer spoke for the average working American. Chuck proved all this wrong and has shown his fellow Union members that they have a place at the table, they are a force, and they are the strength and backbone of our communities and society.

Mr. Speaker, there is no question that Chuck will be missed by his fellow union members and all working people. But, even more, he will be missed by the people of Arizona. Chuck kept us honest because he was honest. He knew that a hard day's work rendered a hard earned reward. He knew that if you paid the price, you moved ahead. And he showed us all how to pay the price.

Chuck, we all wish you health and happiness and give thanks for your showing us the way.

IN MEMORY OF LENORE DEMANDANTE DOROMAL TUCK

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. ETHERIDGE. Mr. Speaker, I rise to honor the life of Lenore D. Tuck of Buies Creek, North Carolina, who died April 7, 2002. In her passing, North Carolina has lost one of its most outstanding citizens and I have lost a friend.

As I began collecting my thoughts about Lenore and what she has meant to my family, and me, I realized how good God has been to me. He has seen fit, in His infinite wisdom, to place me on the same highway of life with some of the most talented, energetic, dedicated, noble human beings it was possible for Him to create. Then He made them my friends. Such a friend was Lenore Tuck. My wife Faye and I are doubly blessed by Lenore's life. Lenore was Faye's teacher at Campbell University and her inspiration. Lenore became her lifelong friend.

Lenore was small of stature. But she was larger than life in the work she did, the friends she made, the causes she served, the good works she left scattered over Harnett County and North Carolina. She met every task with a smile as broad as the ocean; she fairly jumped with excitement when new work was laid before her. She was a devoted Democrat, the kind of person any candidate for office has to love. Once she is committed to you, there was no turning back, and she never dreamed you would not be successful. She had a way of making you believe in yourself. I have been in Congress now for more than five years. Until recently, Lenore has served in my Lillington office that entire five years. She brought to the job the same efficiency that was characteristic of her. Every telephone call was important; every constituent request necessitated action.

We celebrate a great life lived to the fullest and of great consequence to our community and us. Her passing forces us to ponder the great issues of life and death as we say goodbye to our friend, Lenore. It has always seemed to me that when God puts us on this Earth, it is with the silent admonition that we work to leave the world better than we found it. Certainly, Lenore did so. Both in her home in the Philippines and in her adopted home in North Carolina. She was an uncommon woman who did uncommonly good work. And we were lucky that she walked among us.

A native of the Philippines, Lenore came to the United States in 1953 as a Tandang Sora Scholar. She received a degree in Home Economics from Radford College and a master's degree in nutrition from the University of Tennessee. Later she earned a master's degree in public health from the University of North Carolina at Chapel Hill. She taught home economics at Campbell University from 1965 until her retirement in 1996.

When she was honored by the Raleigh newspaper. *News & Observer* as "Tar Heel of the Week" in November of 1979, she explained the philosophy that guided her active participation in her adopted community. "It is very important to be a part of the community. I love Buies Creek and would never leave . . . If there is something here that needs to be done, I feel obligated to do it. And if I do it, I'm sure going to try to do it right." The people of Buies Creek would agree with me that Lenore always did it right.

Nearly every existing organization benefiting the community had her support. Where there were unmet needs her organizing skill for meeting those needs was invaluable. In every area of her life, she made strong contributions. She was active in professional organizations: The American Dietetic Association, American Home Economics Association, American Association of University Professors and American Association of University Women. As a registered dietitian, she served as consultant to area hospitals and nursing homes. She helped organize and secure funding for the Harnett County Women, Infant and Children nutrition program.

Her interest in children extended past nutrition. She was a Girl Scout troop leader and a Boy Scout den mother. She was a PTA member and president. As a charter member of Memorial Baptist Church, she provided the skills for establishing and organizing the Stokes Day Care Center, which has provided pre-school and after-school care for hundreds of children. She continued to serve the Center until her death. Her public health concerns included the lack of adequate water and sewer facilities in the county. She helped establish the Buies Creek Sewer District and later served on the Northeast Metro Water District Board.

She was also on the organizing board of the Harnett County Habitat for Humanity. She served as president of the Dunn-Erwin Rotary Club, conducting their foreign exchange program and leading an exchange group back to her homeland in 1993. She was honored as a Paul Harris Fellow and was Rotarian of the Year in 1993. Also a member and past president of the Coats Kiwanis Club, she was honored as a George F. Hixson Fellow in 1999. Always interested in promoting and recognizing the work of women, Lenore was the county coordinator for the N.C. United for ERA. A devoted Democrat, she was a member and officer of the county and state Democratic Women. Last year she received the state Democratic Women's Star Award. Her political activism began long before she came to the United States.

She grew up during the Japanese occupation of her homeland, where she became a patriot and resistance member. Later she was a member of CONDA, a YMCA-sponsored Congress to promote post-World War II understanding among students in the Asian countries. She served as president of the Congress, which is credited with the election of Romoán Magsaysay as President of the Philippines.

Mr. Speaker, I marvel that any single human being could have been as active in so many agencies, organizations, and associations. Or that any single individual could have accomplished so much. Moreover, Lenore's accomplishments include being a mother to Dr. Paul D. Tuck, mother-in-law to Sarah Tuck, sister to Julia Borromero, as well as six brothers, and grandmother to Ryan, Hunter, Alden, and Karson Tuck. All of whom will truly miss her.

I know that Lenore would not want us to be sad. I know that she would caution us that life is for the living, that day will follow the darkest of nights, and that we should leave this place with our spirits high, our hopes redeemed. I believe, based on what I knew about her, the life she lived, the successes she enjoyed, the way she loved life, she would want to say to us: "Be happy, my friends. I went willingly into that long night." Heaven is a happier place since Lenore arrived. Lenore is rushing around greeting those who have gone before. She is already planning projects that, even in Heaven, need doing. She is seeking out children she can help, and planning her flower garden for this spring. Indeed, in this case, as the Bible tells us:

"O Death, where is thy sting? O Grave, where is thy victory?" Amen.

OLDER AMERICANS MONTH AND AFFORDABLE PRESCRIPTION DRUGS

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. POMEROY. Mr. Speaker, May is Older Americans Month, and I would like to take this opportunity to recognize our parents, grandparents, and all others who have gone before us, protecting and nurturing us through good times and bad, and providing opportunities for younger generations to grow and live responsible, comfortable lives.

Our responsibility, in return, is to ensure that our parents and all older Americans live the rest of their lives free from overly burdensome financial concerns related to their health. Yet today, one of the greatest worries of older Americans is how to pay for prescription drugs since Medicare does not provide for this most basic need. On average, one in three Medicare beneficiaries have no drug coverage for the duration of any given year; nearly half have no coverage for some portion of the year. Of those who have coverage, most have it from their employer. Seventeen percent are covered by Medicare HMOs. But in North Dakota, very few of our seniors have employer-provided prescription drug coverage and none of the Medicare beneficiaries in North Dakota have access to a Medicare+Choice plan offering drug coverage. In my state that has the highest per capita population of seniors, M+C plans offering drug coverage are not an option!

The need for a comprehensive prescription drug benefit is clear. Older Americans make up 13 percent of the population but account for 34 percent of all prescriptions dispensed and 42 cents of every dollar spent on prescription drugs. Seniors in my state, Mr. Speaker, are regularly forced into the absurd choice of paying for their prescription drugs or covering their food and rent for the month. This is no choice at all and we should be ashamed for allowing it to come to that.

This month, the Alliance for Retired Americans and other groups will provide buses for seniors from states that border our northern neighbor, including North Dakota, to travel to Canada to fill their prescriptions. It is an embarrassment to our health care system that older Americans must leave the United States in order to purchase affordable prescription drugs. We must correct this by including meaningful prescription drug coverage as a standard option to all Medicare beneficiaries.

Many states have become frustrated by the lack of action here in the nation's capital. They are trying to take steps on behalf of their own citizens to curb prices. But, they are facing challenges in the courts and in the press. States are trying their best to make drugs affordable to seniors, but this is a national crisis. The Congressional Budget Office estimates that prescription drug prices will incur double-digit inflation each year over the next decade. This crisis is only getting worse and we must act now to protect our seniors today, and in the future.

Congress has the authority to make an affordable and comprehensive prescription drug benefit available to all Medicare beneficiaries. We have the authority, now we must show we have the will. Let's not kid ourselves: a meaningful prescription drug benefit is going to be very expensive—the $350 billion some are talking about probably isn't even in the ballpark. We must make some hard—and responsible—budgetary decisions to fund such a plan, but our seniors deserve nothing less. Mr. Speaker, let us honor older Americans by enacting a comprehensive, affordable, and voluntary Medicare prescription drug benefit.

TRIBUTE TO MR. ALFRED A. McKETHAN

HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mrs. THURMAN. Mr. Speaker, I am here today to pay tribute to Mr. Alfred Augustus McKethan, a devoted civic leader and philanthropist in Hernando County and the State of Florida, who passed away on April 1 at the wonderful age of 93.

It is impossible to fully describe the extent of Mr. McKethan's reach during his lifetime. He touched so many lives, in such positive and lasting ways.

His family roots were and continue to be solidly embedded in Hernando County—a place his family helped to settle starting in 1842 when Florida was just a territory and not a state. He was very proud to be a fourth generation Brooksville native and devoted his entire life to making the community in which he lived a better place.

After attending the Virginia Military Institute for two years, Mr. McKethan graduated from the University of Florida and returned home to Brooksville to work at Hernando State Bank, fondly known in the community as HSB. The bank was founded in 1905 and, from early in its existence, was led first by his father, Will McKethan, and then by Alfred, and would flourish under this son's leadership. When Will McKethan became ill and could no longer be active in the bank, Alfred's mother, Alice Hale McKethan, known to all as "Ailee," became the first, and for many years, was the only female bank director in Florida. Mr. McKethan, and the other stockholders, sold the independent bank to Sun Banks Inc. in 1985 and retired as chairman in 1994.

During his banking career, Mr. McKethan became a mover and shaker in the banking industry. In 1947, he became the youngest person to become president of the Florida Bankers Association. He was only 38 years old at the time and would thrive in the position. He is credited with helping to push through significant banking legislation that, according to the St. Petersburg Times, resulted in the "modernization of the state's banking industry."

Dade City banker and longtime friend, Hjalma Johnson, described Mr. McKethan's banking career this way, "He is the dean of banking. No one has had more influence over the course of the banking industry and its ability to deliver services to the ever-growing state of Florida than the chairman." (St. Petersburg Times)

Jim Kimbrough, who married Mr. McKethan's daughter, and who would one day take over as head of SunTrust Bank/Nature Coast, said of his banking career and role as mentor: "It's been a privilege to be at his side professionally." (St. Petersburg Times)

But his interests and political involvements stretched far beyond that of the banking industry. According to Brooksville lawyer Joe Mason, McKethan's nephew, "His influence is everywhere you look. Probably no one in the last half-century has had as much of an impact on the community as he has had." (St. Petersburg Times) Mr. Mason also pointed out Mr. McKethan's unique and very effective style of conducting business. "Over the years, much important business was transacted at the "Big House" lunch table over a full platter of Minnie's fried chicken, and he had a huge lunch everyday," Mr. Mason said, referring to Mr. McKethan's home in Brooksville.

Mr. McKethan was a citrus grower and made his mark in one of Florida's major industries by helping to found the Florida Citrus Commission and by serving as director of Florida Citrus Mutual. From 1949 to 1954, he served as chairman of the State Road Board on which he had considerable influence over the development of communities throughout the state. According to the Hernando Times, some notable examples of the big road projects that took place with his urging include the Sunshine Skyway Bridge in St. Petersburg, the expansion of State Road 50 from Orlando to the Gulf of Mexico through Hernando County and U.S. 98 from Lakeland to the southern border of Citrus County. Mr. Hjalma Johnson joked at his funeral—with a certain degree of seriousness—that Mr. McKethan had a particular threshold for approving road projects, "They must be potentially beneficial to every Floridian—and they must either originate, terminate or go through Brooksville." (St. Petersburg Times) He served as the first chairman of the Southwest Florida Water Management District's governing board created to address chronic flooding problems in the region. At his funeral, Dale Twachtmann who was the first executive director of SWFWMD was quoted in the Hernando Times recalling the first days of the agency in Brooksville when its final location was still in question. "But I and the staff never doubted for a minute that he would figure out a way to keep (SWFWMD) in Brooksville, and he did," Twachtmann said. Sonny Vergara, Executive Director of SWFWMD, described Mr. McKethan's foresight this way: "He knew water would be a central concern for the future of Florida," Vergara said. "He saw water management as a comprehensive view." (Hernando Today)

He was also a man devoted to his church and to education.

He headed up the committee that selected St. Petersburg as the site for Florida Presbyterian College, now known as Eckerd College and was a generous supporter of his alma mater, the University of Florida, which named its baseball stadium after him. He also established the first endowed chair at UF and several football scholarships. Florida Athletic Director Jeremy Foley told Hernando Today, "This is a sad day for everyone that knew Mr. McKethan. The University of Florida has lost a great friend, the state of Florida has lost a great person. No one loved the Gators more than Mr. McKethan."

His tremendous generosity will certainly have a lasting influence throughout Hernando County and the state, but particularly in Hernando County. According to former State Rep. Chuck Smith of Brooksville, "He was a person who above everything else believed Hernando County was the only place on earth." (Hernando Times) Through his efforts, he helped to bring about the Brooksville campus of Pasco-Hernando Community College, the Brooksville-Hernando County Airport, the West Hernando/Staffordene T. Foggia Library, Alfred McKethan Park at Pine Island and the Alfred McKethan Civic Auditorium at the Hernando County Fairgrounds.

Brooksville lawyer Bruce Snow told The Hernando Times, "He was willing to share his wealth in ways that people weren't even aware of." Len Tria, a former Hernando County Commissioner, recalled a surprise commission meeting attended by Mr. McKethan after the County applied to his bank for a loan for a new library. He told the Commission that the bank would not secure the loan. Tria told The Hernando Times, "My heart dropped. Then, he reaches into his inside coat pocket and said, "However, I have a check here for $200,000 . . . We want you to build that library."

Reporter Lara Bradbum of Hernando Today describes the personality of this fine man known as "Mr. Hernando County" in vivid detail. She writes: "It wasn't so much his stature; the fact that he owned more assets than most anyone in the county, or that his name is plastered on various parks, buildings and institutions. It was more in his demeanor and the personal way he connected with those around him. He was charming, dapper and undeniably cunning in business. He was the man who dined with presidents and governors, blue-collar workers and poor country preachers. Titles meant little, unless they were the means to an end. He was the quintessential Southern gentleman, was just as comfortable with the rich as the poor: always cordial, always interesting, always ready with a good yarn from the old days."

Mr. Mason agrees: "Despite his exceptional business and financial successes, he was a very real person who was interested in the well being of everyone he came into contact with and was always eager to help whoever he could."

Because of his generous and kind spirit, Mr. McKethan's legacy will forever live on in the hearts and souls of his many admirers and through the residents of Hernando County far into the future who will continue to enjoy the many facilities that he made possible during his lifetime. He was, and will always be, loved and appreciated for all the good he represented and for the lives he changed for the better. Whenever we donate to the Boy Scouts of America or our local church, we should think of Mr. McKethan. Whenever we go out of our way to help a neighbor in need, we should remember Mr. McKethan. Whenever we mentor a young person or help an up-and-coming professional trying to make it in business, we should remember the great legacy of Alfred McKethan. He trained and mentored many leaders in his day and as Mr. Hjalma Johnson said with great emotion as he quoted Sir Isaac Newton at his funeral, "If I have seen farther, it is by standing on the shoulders of giants. All of us will see farther because we stood on the shoulders of this giant. Mr. Chairman, you will be well missed and never forgotten." (St. Petersburg Times)

I would also like to submit for the record the below quotes showing the great love and respect that Alfred McKethan earned during his remarkable life. He certainly left a lasting impression in Hernando County and throughout the State of Florida that will remain for generations to come.

IN HONOR OF CALLISTA YATES NANCE

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. TOWNS. Mr. Speaker, I rise in honor of Callista Yates Nance on the occasion of her 90th Birthday.

Callista Yates was born and raised in Chadbourn, North Carolina. She was one of six children born to Willis and Gloria Yates. She had two sisters and three brothers. She attended the Johnson High School in Chadbourn. She married Willie Rufus Nance and together they had thirteen children. Callista was never overwhelmed by her large family. In fact, she opened the doors of her home to her children's friends and treated them as if they were her own children.

In addition to Callista's family obligations, she was also very active in her church and her community. She taught Sunday school for years and served as a deaconess in the church. She is loved throughout the community for her kindness and generosity. She is known as "ma" or "grandma" throughout the community. Others attribute her open door policy to one of her favorite sayings, "in God's eyesight we are all equal".

Sadly, her husband, Willie, died when he was only 60 years old, but Callista has never failed to persevere. She has always been known for her beautiful smile—a trait that she passed on to her luckiest children.

Mr. Speaker, Callista Yates Nance is a beacon in her community, in her church, and in her family. She has spread joy for her first 89 years and I expect she always will. As such I urge my colleagues to join me in honoring this truly remarkable woman on the occasion of her 90th Birthday.

RECOGNIZING BRYAN F. SIEBENALLER ON HIS APPOINTMENT TO THE U.S. MILITARY ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to recognize my constituent, Bryan F. Siebenaller of Bascom, Ohio, who recently accepted his appointment to the U.S. Military Academy at West Point.

Bryan will soon graduate from Hopewell-Loudon High School. During his high school career, he has maintained a 3.9 grade point average, ranking high in his graduating class. He is an accomplished athlete, earning varsity letters in football, basketball and track. And he has clearly demonstrated his leadership ability, serving as President of the Student Council and as President of the National Honor Society.

Bryan Siebenaller can be very proud of his many accomplishments. He is a credit to his family, his school, and his community. By accepting his appointment, Bryan is accepting a unique challenge.

The Academy is the pinnacle of leadership development for the United States Army. As a member of the U.S. Corps of Cadets, he will face a most demanding academic curriculum and physical regimen. He will live, study and prepare in an environment where strong leadership thrives, individual achievement is expected, and personal integrity is demanded.

Mr. Speaker, General John W. Vessey, Jr. once wrote, "The Nation's ability to remain free and at peace depends in no small measure on whether we will continue to inspire our youth to serve."

I am confident that Bryan Siebenaller has the character and ability to excel at the U.S. Military Academy at West Point. I ask my colleagues to join me in wishing him well as he begins his very important service to our nation.

THE 150TH ANNIVERSARY OF OAKLAND STATEHOOD

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Ms. LEE. Mr. Speaker, I am proud to rise today to commemorate the 150th anniversary of the City of Oakland. One hundred and fifty years ago, on May 4, 1852, the City of Oakland was incorporated. It is my great privilege to represent the Ninth District of California, which includes Oakland, a city that has played a vital role in the history, economy, and culture of the wonderful state of California and the nation.

The City of Oakland has cultivated a rich history in the last 150 years. The city offers ethnic diversity, intellectual ferment, and economic vitality, and has made a wide array of contributions to science, technology, literature, the arts, and business.

Oakland emerged as a major commercial and transportation center in the heyday of the California Gold Rush of 1849. It became a crucial transit point from the San Francisco Bay to Sutter's Mill and the Sierra Nevada foothills. Oakland dramatically expanded after the tragic San Francisco earthquake of 1906 as Californians sought firmer ground. The city's population significantly increased again during the World War II, when thousands of Americans came to the City to work in the busy shipyards, the Oakland Army Base, and the Naval Air Station in Alameda.

As the city grew, so did its commitment to progressive activism. Individuals stood tall for their rights and organized others to follow suit. Individuals such as Cotrell Lawrence Dellums, a Pullman porter and a Bay Area representative for the Brotherhood of Sleeping Car Porters, began organizing fellow African-Americans to join the union in 1925, when Oakland was still strongly linked to the passenger rails. As the head of the Alameda County NAACP, he helped the AFL–CIO consolidate its membership by delivering the support of Black railroad workers and members of the NAACP, and was among the first to organize voter registration campaigns in the district. C.L. Dellums' spirit of activism has remained alive in Oakland throughout the years.

Two-time Socialist Party Candidate for Mayor and Call of the Wild author Jack London called Oakland his home for nearly thirty years. From this city, London wrote many of his vivid evocations of the Far North. The East Bay's sometimes chilly climate may have helped inspire some of his more picturesque depictions of life in the Yukon. Today, Jack London Square bears Oakland's famous son's name, a beautiful waterfront business and shopping area, representing both tradition and the economic vitality of the city.

London was not the only cultural icon to grace Oakland's streets: Robert Louis Stephenson, Ishmael Reed, and Gertrude Stein lived in Oakland, and all enriched our literary heritage.

As a sea, air and rail port, Oakland is at the hub of California trade. The maritime port stretches across nineteen miles of San Francisco Bay. One of the largest ports on the West Coast, the Port of Oakland is today second only to New York in terms of container terminal space. It is a primary sea terminal connecting the western United States to Asia, South America, and Europe. Like the seaport, the airport also represents a crucial link in the chain of intrastate, interstate, and international commerce. The Oakland Airport was also the starting point in 1937 for Amelia Earhart's ill-fated round-the-world flight.

Historic landmarks in Oakland include the Dunsmuir House, Mills Hall located on the Mills College campus, the Paramount Theatre, the USS *Hornet* (CV–12), and several buildings designed by architects Julia Morgan and Bernard Maybeck. Additional landmarks in the district include the C.L. Dellums Train Station, the just-opened Chabot Observatory and Science Center, Children's Fairyland (Walt Disney's blueprint for Disneyland), Jack London Square, Lake Merritt, Oakland's Chinatown, and the Ronald V. Dellums Federal Building.

Three of Oakland's annual events were recently placed as a "Local Legacy" in the Library of Congress' Bicentennial celebration. These events are the Dia de los Muertos, The Black Cowboys Parade and the Festival of Greece. I am proud that these events are recognized by the Library of Congress as a local legacy.

With a century and a half of history behind it, Oakland now stands at the brink of a new century and a new millennium. As we move forward into the future, we must continue to celebrate our diversity, remember our past, and refute Gertrude Stein's famous Oakland lament that "there was no there there." There is a there, there, and for a hundred and fifty years there has been. Congratulations to the people of Oakland on 150 years of history and tradition.

HONORING THE RETIREMENT OF CAPTAIN RONALD E. HUNT OF THE FREMONT POLICE DEPARTMENT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. STARK. Mr. Speaker, on May 4, 2002, the Fremont Police Department will celebrate the retirement of one of its finest officers, Captain Ronald E. Hunt.

In his 32-year law enforcement career, Captain Hunt has gathered law enforcement expertise in a wide variety of subjects, published a report, and created and managed a renowned program to keep sex offenders away from children.

Captain Hunt served his entire career with the Fremont Police Department. He joined the force in 1969 as a Police Officer in the Patrol Division, and through hard work and dedication, was promoted to his current position as Police Captain in 1986.

Captain Hunt held a remarkable and varied number of positions within the Fremont Police Department. After serving six years as a Police Officer, he was assigned as the temporary report review Police Sergeant in the Operations Division on August 3, 1975. On January 12, 1976, he was appointed Police Sergeant in the Operations Division. He was assigned to the Investigative Section on January 8, 1978, and then to the Patrol Section on January 6, 1980, being selected as the PACT Section 2 Advisor on January 31, 1980.

He was chosen to join the C–CAP Tactical Action Team on May 17, 1983, and was appointed Supervisor of the Communications Unit in the Services Division on August 5, 1984. He was then appointed Police Lieutenant in the Operations Division on December 31, 1984, and Day Shift Watch Commander of the Operations Division on January 5, 1986, before being promoted to his current position as Police Captain on July 16, 1986.

On January 15, 1989, Ron Hunt was assigned as Commander of the Information Section of the Services Division, and was then assigned as Commander of the Patrol Section in the Operations Division on January 13, 1991. He was assigned to the Investigative Services Division on January 10, 1993, to Support Services on January 24, 1995, and to command the Traffic Services portion of Investigative/Traffic Services on July 1, 1996. He was transferred from Patrol to Investigative Services on January 13, 1997, and to the Support Division on July 2, 2000.

Captain Hunt holds P.O.S.T. Basic, Intermediate, Advanced, Supervisory, and Management Certificates, and also earned a Master of Science Degree in Management on June 10, 1995, from the California State Polytechnic University, Pomona.

He graduated from Command College Class 19 on January 13, 1995, and his paper, "The Role of the First-Line Patrol Supervisor in a Medium-Sized Police Department by the Year 2004" was accepted for publication. He completed the Leadership Fremont program in June, 1998.

The recipient of 73 commendations, he led the completion of the new police facility, which opened in 1995. On several occasions, Captain Hunt has served as Acting Police Chief, and was a valuable member of many Fremont police "Baker to Vegas" running teams as well as the Special Olympics Torch Run.

Under Captain Hunt's leadership, the Fremont Police Department's Megan's Law database program became an outstanding success. Captain Hunt was responsible for creating the Internet database, which allows parents to monitor where convicted sexual offenders live. This program has one of the highest rates of inquiry in the state, and has been copied by many other police departments.

I am honored to join the colleagues of Captain Ronald E. Hunt in commending him for his many years of dedicated and exemplary service to law enforcement. His commitment to excellence has left its irreplaceable mark on the Fremont Police Department.

A TRIBUTE TO DR. STANLEY HUGH SMITH

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. TOWNS. Mr. Speaker, I rise in honor of the late Dr. Stanley Hugh Smith in recognition of his lifelong commitment to education.

Stan was born on October 23, 1925 in Trinidad, West Indies. Having been raised in Tobago, he immigrated to the U.S., where he received his undergraduate and masters degrees from Fisk University in 1949 and 1950, respectively. In 1953, Stanley Smith earned a Doctorate of Philosophy at Washington State University.

Returning to the South to begin his career, Stan first taught at Livingstone College in North Carolina, where he became Chairman of the Sociology Department. After moving to Tuskegee, Alabama to work at Tuskegee University, he was elected to the City Council of Tuskegee, making him the first African American elected in the Deep South since Reconstruction.

Stan also worked for Meharry Medical College in Nashville, Tennessee in the field of community psychiatry. He served as Dean of Fisk University and of the College of Human Resources at Southern Illinois University at Carbondale. He was also President of Shaw University in Raleigh, North Carolina.

After years of dynamic and enriching educational experiences, Stanley reestablished his career in foreign affairs and international studies, becoming the first African American Staff Director of the U.S. House of Representative's Subcommittee on International Operations of the Foreign Affairs Committee. Later, he served as Staff Director for the Subcommittee on Africa.

After retiring from the Congress, Stanley continued to play an active role in his community. In addition to serving as a consultant to the National Association for Equal Opportunity in Higher Education, he worked with several churches and young people around the Washington, D.C. area.

Stanley Smith is survived by his loving wife, Sarah; his devoted son, Stephen Hugh; and his grandson, Stephen Dysart Smith. I am proud to have known and worked with him during his tenure at Shaw University and while he was with the House Foreign Affairs Committee. As a dedicated educator and foreign policy specialist, Dr. Stanley Hugh Smith will be sorely missed.

RECOGNIZING JACLYN F. SMITH ON HER APPOINTMENT TO THE U.S. AIR FORCE ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to recognize my constituent, Jaclyn F. Smith of Pioneer, Ohio, who recently accepted her appointment to the U.S. Air Force Academy.

Jaclyn will soon graduate from Montpelier High School. During her high school career, she has maintained a 4.0 grade point average and is ranked first in her graduating class. She is an accomplished athlete, earning varsity letters in track and cross country. And, she has clearly demonstrated her leadership ability, serving as captain of the track and cross country teams, and as Vice President of the National Honor Society.

Jaclyn Smith can be very proud of her many accomplishments. She is a credit to her family, her school, and her community. By accepting her appointment, Jaclyn is accepting a unique challenge.

The Academy is the pinnacle of leadership development for the United States Air Force. As a member of the Cadet Air Wing, she will face a most demanding academic curriculum and physical regimen. She will live, study and prepare in an environment where strong leadership thrives, individual achievement is expected, and personal integrity is demanded.

Mr. Speaker, General John W. Vessey, Jr. once wrote, "The Nation's ability to remain free and at peace depends in no small measure on whether we will continue to inspire our youth to serve."

I am confident that Jaclyn Smith has the character and ability to excel at the U.S. Air Force Academy. I ask my colleagues to join me in wishing her well as she begins her very important service to our Nation.

CONGRATULATIONS, GIRL SCOUTS OF THE USA, ON 90TH ANNIVERSARY

HON. MARK E. SOUDER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. SOUDER. Mr. Speaker, I would like to congratulate, somewhat belatedly, the Girl Scouts of the USA (GSUSA) on their 90th anniversary, which took place on March 12, 2002. On this special occasion, I would like to commend Girl Scout leaders and volunteers, who have devoted time and energy in preparing young girls to be our Nation's future leaders.

Throughout its ninety year history, Girl Scouting has promoted the development of leadership and character in young girls. GSUSA teaches girls to serve God and Country and help others at all times. It also encourages girls to do their best to be honest, fair, and respectful of others. With committed adults as leaders and volunteers, young women learn strong values and skills that will serve them their entire lives.

I am especially proud of the Girl Scouts of Limberlost Council, which serves six counties in Northeast Indiana. The Council has been creative and innovative in reaching out to girls in the community. It currently serves five in every nine girls across Adams, Allen, DeKalb, Huntington, Steuben, and Wells County. The Council also benefits from the cultural diversity of the area by serving one in every three African American girls, one in every four Native American girls, one in every five Asian girls, one in every five Caucasian girls, and one in every six Hispanic/Latina girls.

I am pleased with the Limberlost Council's commitment to providing young girls with enriching experiences. Again, I would like to congratulate the Girl Scouts of the USA, and especially the Limberlost Council, on their 90th anniversary.

CONGRATULATING THE CITY OF OAKLAND, CALIFORNIA ON ITS 150TH ANNIVERSARY

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Ms. LEE. Ms. Speaker, Whereas, Oakland was incorporated on May 4, 1852; and

Whereas, the City has grown from a hamlet of 75 citizens to become California's eighth largest city and the 42nd most populous city in the United States; and

Whereas, Oakland recognized as one of the most ethnically diverse cities in the United States with over 125 different languages and dialects spoken there; and

Whereas, Oakland shipyards produced more than 35 percent of the entire Pacific Coast cargo ship output in World War II and Oakland canneries processed 60 percent of total food stuffs for the war effort making Oakland an important player in the "arsenal of democracy"; and

Whereas, President Herbert Hoover cast his first ballot in the 1896 Presidential election as a young adult living in Oakland; and

Whereas, William F. Knowland, publisher of the Oakland Tribune, served in the U. S. Senate from August 1945 to January 1959 including majority leadership under President Dwight D. Eisenhower; and

Whereas, Earl Warren, the fourteenth Chief Justice of the United States Supreme Court, began his career of public service in 1919 as Deputy City Attorney of the City of Oakland; and

Whereas, Oakland-born Edwin Meese III began his public service career as an Alameda County deputy district attorney before serving as counselor to President Ronald Reagan and U. S. Attorney General; and

Whereas, Ronald V. Dellums, an Oakland native, served in the House of Representatives from January 1971 to February 1998; and

Whereas, the lovingly-restored Potomac, President Franklin D. Roosevelt's beloved "Floating White House", offers dockside tours and Bay cruises from Oakland; and

Whereas, Oakland is home to the Port of Oakland, the fourth largest container port in the United States and among the top twenty-five worldwide; and

Whereas, as part of the fourth largest economy in the United States, Oakland's leading industry sectors include business services, health care services, transportation, food processing, light manufacturing, government, arts, culture and entertainment; and

Whereas, Oakland has been home to scores of nationally-known actors (Clint Eastwood, Tom Hanks, Mark Curry), authors (Jack London, Amy Tan, Gertrude Stein), musicians (Sheila E., the Pointer Sisters, En Vogue), and sports figures (Rickey Henderson, Al Attles, Gary Payton); and

Whereas, Oakland will celebrate its 150th Anniversary on May 4, 2002, with a day-long public celebration that kicks off a 16-week 150th Anniversary Season that culminates in the Second Annual Art & Soul Festival over Labor Day Weekend:

Now, therefore, be it Resolved by the House of Representatives That Congress congratulates the City of Oakland on its 150th anniversary.

INTRODUCTION OF THE INSTALLMENT SALE PROTECTION ACT OF 2002

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. HERGER. Mr. Speaker, I am today introducing legislation that would restore effective use of the installment method of accounting to long-term service business owners who sell their business interests.

The installment method of accounting allows a seller to pay tax on the gain from a sale as the seller receives the sale proceeds. This tax treatment matches the time for paying the tax to when the seller has the cash with which to pay that tax.

As many Members are aware, in the last Congress, we acted on a recommendation from the Clinton Administration to repeal the installment method of accounting for accrual basis taxpayers. Only after such change became law did we discover that we had effectively eliminated the installment method of accounting for many small business owners and, as a result, made it much more difficult for those business owners to sell their businesses. These business owners were forced to pay the entire federal income tax due on the sale of their business in the year of sale, even though the proceeds of the sale would be received over several years. This up-front demand by the government forced business owners to borrow to pay the tax or to accept lower sale prices in order to induce buyers to pay enough up-front to cover the seller's tax. To its credit, the Congress admitted its mistake and retroactively restored the installment method to accrual basis taxpayers in the Installment Tax Correction Act of 2000 (P.L. 106–573), which was enacted on December 28, 2000.

While restoring the installment method for accrual method taxpayers in 2000 was the right thing to do, it did not go far enough in remedying the installment sale problems of business owners. Despite the clear policy decision by Congress in 2000 to permit sellers of businesses to use the installment method, some long-term business owners continue to be required to pay a significant portion of total taxes upon entering into an installment sale of their business, even though they have not yet received any significant part of the sale proceeds.

An exception to the installment sale method of accounting requires taxpayers to pay all tax attributable to depreciation recapture in the year of a sale. This depreciation recapture rule was adopted in 1984 in order to prevent taxpayers from engaging in "churning" transactions, sale/leasebacks, and other tax shelter transactions involving real estate and equipment. However, the recapture provision was expanded well beyond its original purpose in 1993 in connection with legislation relating to the treatment of intangibles. Unfortunately, Congress may not have fully appreciated the consequences to sellers of business interests.

In 1993, the Congress adopted rules to clarify the amortization of acquired intangibles (e.g., goodwill, going concern value). The 1993 change required intangibles to be written off over a 15-year period, but specified that any gain on the sale of the intangibles attributable to previous amortization deductions would be treated as depreciation recapture. As a result, tax on this gain must be paid immediately in the year of sale. Because these new rules generally applied to intangibles acquired after August, 1993, business owners are now only just beginning to feel the effects of the recapture rule. This rule is having a particularly adverse effect on service businesses, because intangibles such as goodwill and going concern value represent a major portion of the value of those businesses.

For a simplified example, take the case of a business owner who purchased an interest in an architectural firm for $ 100 in 1993, substantially all of the value of which was attributable to going concern value. The owner, who has actively participated in the business, retires in 2009 and sells the business for $200, payable in ten equal annual installments. This sale would produce $100 of capital gain (at an assumed tax rate of 20 percent) and $100 of ordinary income (at an assumed tax rate of 33 percent), generating a total tax of S53. Because of the intangibles recapture rule, the seller will have to pay $35, or 66 percent of the total tax, in the first year, despite having received only 10 percent of the sale proceeds in that year. This result is clearly inequitable and defeats the purpose of allowing business owners to use the installment method of reporting gain from the sale of the business. Moreover, the result is especially harsh in cases where a business owner is retiring and selling the business.

My bill would allow a long-term active participant in a service business to report intangibles recapture gain on the installment basis along with other gain from the sale. The legislation would not change the character of any gain. As such, intangibles recapture gain would continue to be ordinary income to reflect the fact that it previously gave rise to an ordinary deduction. The bill is limited to long-term participants because they are the individuals who would otherwise be likely to suffer the greatest hardship under the recapture rule and who are most likely to be relying on installment sale payments to supplement their retirement income.

Specifically, my bill would allow an individual who has been an active participant for five of the prior seven years in a business in which capital is not a material incomeproducing factor (i.e., a service business) to report on the installment basis any intangibles recapture income resulting from the disposition of an interest in the business.

Because this proposal does not apply to depreciation recapture from tangible property, the proposal does not conflict with the original goals of Congress in adopting the depreciation recapture exception to the installment sale rules. Specifically, this is not a change that would permit tax sheltering through any sort of "churning" transactions.

While this proposal does not address all of the potential cases in which the installment sale method is unavailable upon the sale of a business, it does go a long way towards addressing one of the most egregious situations. I urge my colleagues to support this worthy legislation.

SUPPORTING NATIONAL BETTER HEARING AND SPEECH MONTH

SPEECH OF

HON. BETTY McCOLLUM

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Ms. McCOLLUM. Mr. Speaker, I rise today in support of H. Con. Res. 358, Supporting the Goals of National Better Hearing and Speech Month.

Hearing loss is the most frequently occurring birth defect in the United States, affecting 3 of every 1,000 newborns. Newborn hearing loss is 20 times more prevalent than PKU, a condition for which all newborns are currently screened. Often, hearing loss is not detected until a child is 2 to 3 years old.

Fortunately, there is a quick procedure that can be used to test infant hearing before newborns leave the hospital. Starting in 2000, Congress made grants available to the states through Health Resources and Services Administration and Centers for Disease Control to help reach the goal of testing every infant for hearing loss. States use the federal grants to train audiologists to use screening equipment and educate parents on the need for hearing screening and follow-up care.

The federal dollars are important to the success of the newborn screenings. Nationally, 67 percent of babies are presently screened, up from 20 percent in 1999. In my home state of Minnesota, only 8 percent of hospitals screened newborns for hearing loss before the state received the federal grant money. Today, 85 percent of Minnesota hospitals perform the screenings.

We know that infants identified with hearing loss before 6 months have a significant academic and social advantage over those who are not in a program by 6 months. The average savings in special education costs per child if hearing loss is detected early enough is $400,000. The UNHS program pays for itself in special education savings many times over.

Sadly, the $13 million in HRSA grants were cut from the President's proposed FY 2003 budget. These cuts may undo the progress we have made in ensuring that every infant is screened for hearing loss before leaving the hospital.

I want to thank Congressman RYAN for bringing attention to such an important issue. Under this resolution recognizing Better Hearing and Speech Month, Congress commends the 41 States that have implemented routine hearing screenings for every newborn before they leave the hospital.

We still have work to do, however. I recently met with constituents who had to battle doctors to get hearing screening for their newborn, even though their older son suffered from hearing loss. As members of Congress we can do more to help parents. No parent should have to fight for basic infant health care.

Hearing screening in 41 states is not enough. We must continue this success in every state. I have promised the people of the 4th District of Minnesota that I am committed to working in Congress for essential programs like newborn hearing screening. I hope my colleagues will join me in this commitment to improving the quality of life for our nation's children, families, and communities.

QUOTES ABOUT MR. ALFRED McKETHAN

HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mrs. THURMAN. Mr. Speaker, U.S. Sen. BOB GRAHAM: ". . . a legacy unmatched by any other."

U.S. Sen. BILL NELSON: "Alfred McKethan was not just a leader—he was a doer."

Gov. Jeb Bush, "Alfred McKethan was larger than life, . . . a monumental contributor to this state."—Hernando Today

Congresswoman KAREN THURMAN, "His mantle was sharing with everyone else. The mantle he left behind is the people he left behind."—Hernando Today

Mr. Hjalma Johnson, Dade City banker: "All of us will see farther because we stood on the shoulders of this giant. Mr. Chairman, you will be well missed and never forgotten."—Hernando Times

Mr. Colin Campbell of the Virginia Military Institute, where Mr. McKethan began his college career: "Mr. McKethan loved to empower young leaders."—Hernando Times

Rev. Don Lawson, pastor of Brooksville's First Presbyterian Church: "Alfred McKethan was a powerful man of insight and vision. But from my perspective, he had a humble heart."—Hernando Today

Former University of Florida President John Lombardi: "He represented the very best of the spirit of our alumni. . . . He's just one of our heroes."—St. Petersburg Times

Retired State Senator Ed Price Jr. from Bradenton: "He was a very friendly person, but he could get hard-nosed when the occasion allowed for it."—St. Petersburg Times

Banker Marion G. "Bubber" Nelson of Panama City: "He just had a good way of talking and enthusing somebody and developing ambition. There were no crazy things about him."—St. Petersburg Times

Former Brooksville State Rep. John Culbreath, now a Tallahassee lobbyist: "Alfred for his lifetime was really the pulse and the heartbeat of Hernando County."—St. Petersburg Times

Chuck Smith, a former state lawmaker from Brooksville: "Alfred McKethan was an excellent politician. You're not an excellent politician if you're mean to people or make them mad."—St. Petersburg Times

Jim Talley, editor of the defunct Brooksville Sun-Journal newspaper: Mr. McKethan "by style and demeanor symbolized Brooksville's yesteryear, caught in the mid 20th century, though he prided himself on always looking 'out yonder.' He left his mark, and it was a big one."—St. Petersburg Times

University of Florida's Athletic Director Jeremy Foley: "His passion for the university and this program . . . there was no bigger Gator. I'm going to miss him immeasurably . . . "—St. Petersburg Times

Norm Carlson, a longtime UF assistant director of media relations: "He had the ear of everybody."—St. Petersburg Times

Former Gators football coach Steve Spurrier once said: "When you talk of Gator spirit and love for the university, Alfred McKethan embodies what that is all about."—St. Petersburg Times

Brooksville lawyer Joe Mason, Mr. McKethan's nephew: "His influence is everywhere you look. Probably no one in the last half-century has had as much of an impact on the community as he has had."—St. Petersburg Times

Jim Kimbrough, who married Mr. McKethan's daughter, then took over as head of SunTrust Bank/Nature Coast, said: "It's been a privilege to be at his side professionally."—St. Petersburg Times

County Commissioner Chairwoman Nancy Robinson: "Alfred McKethan was an icon and a visionary. He'll be missed."—St. Petersburg Times

Robert Buckner, Mr. McKethan's oldest grandson: "He kept up with what was going on in Hernando County."—St. Petersburg Times

Jane Padgett, an assistant principal at Hernando High and a distant relative: "I think he has always been keenly interested in the welfare of this county and its place in the state."—St. Petersburg Times

Oma Lee Vance, worked with McKethan at the bank for nearly 40 years: "His door was always open. He was just a very compassionate person, considering his standing in life and the community."—St. Petersburg Times

Gene Manuel, owner of Coastal Engineering: "He's one of the few people that I ever knew in my lifetime who would do something for you without expecting anything in return."—St. Petersburg Times

Dominick Cabriele, chairman of the Hernando County Democratic Party: "Mr. McKethan was a lifelong Democrat and a steadfast supporter of the Democratic Party and its principles. . . . His loss is irreplaceable."—St. Petersburg Times

Len Tria, vice president of Coastal Engineering and former Hernando County commissioner: "He never forgot his roots. His motto was, 'You build your community, you build your bank.' "—St. Petersburg Times

IN HONOR OF FRANK HARRIS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. TOWNS. Mr. Speaker, I rise in honor of Frank Harris on the occasion of is 80th Birthday.

Frank Harris was born and raised in Boston, MA. He left Boston when he joined the army. After completing his military service he moved to New York. He has served St. Barnabas Episcopal Church for 40 years. He is very active in his church. He has been an usher, he is on the vestry, and he is in the Brotherhood where he has worked as the secretary and treasurer for over 20 years. In addition to his work in the church, before retiring, Frank worked for Con Edison for over 20 years in Brooklyn and Buchanan, New York. He has been happily married to Annie Harris for 44 years.

As a proud father and a loving husband, he and his wife have three children, two adopted and their natural son, Kirby.

Mr. Speaker, Frank Harris has lived a life of hard work and dedication to his church, his family and community. As such he is more than worthy of receiving this recognition today and I urge my colleagues to join me in honoring this truly remarkable man on his 80th Birthday.

RECOGNIZING TAYLOR G. MARKWARD ON HIS APPOINTMENT TO THE U.S. MILITARY ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to recognize my constituent, Taylor G. Markward of Middle Point, Ohio, who recently accepted his appointment to the U.S. Military Academy at West Point.

Taylor will soon graduate from Van Wert High School. During his high school career, he has maintained a high grade point average, and is a member of the National Honor Society. He is an accomplished athlete, earning varsity letters in football and basketball. And, he has clearly demonstrated his leadership ability, serving as Vice President of the Student Body, President of the Key Club and as a captain of the football and basketball teams.

Taylor Markward can be very proud of his many accomplishments. He is a credit to his family, his school, and his community. By accepting his appointment, Taylor is accepting a unique challenge.

The Academy is the pinnacle of leadership development for the United States Army. As a member of the U.S. Corps of Cadets, he will face a most demanding academic curriculum and physical regimen. He will live, study and prepare in an environment where strong leadership thrives, individual achievement is expected, and personal integrity is demanded.

Mr. Speaker, General John W. Vessey, Jr. once wrote, "The Nation's ability to remain free and at peace depends in no small measure on whether we will continue to inspire our youth to serve."

I am confident that Taylor Markward has the character and ability to excel at the U.S. Military Academy at West Point. I ask my colleagues to join me in wishing him well as he begins his very important service to our nation.

HONORING THE RETIREMENT OF SUPERINTENDENT SHARON JONES OF THE FREMONT UNIFIED SCHOOL DISTRICT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. STARK. Mr. Speaker, I rise today to honor Sharon Jones on the day of her retirement as superintendent of the Fremont Unified School District in Fremont, California.

For 37 years, Sharon Jones has served the Fremont Unified School District and the community of Fremont as a teacher, vice principal, principal, Director of Elementary Education, and Superintendent.

Sharon Jones attended the Fremont Unified School District from elementary school through high school. Her success in giving back to the community is evident in the visionary educational programs she has directed and the high level of student achievement that has resulted from her years at the helm of the school district.

A leader who makes quality education her first priority and achieves excellence through teamwork, Sharon Jones is recognized among her peers as a mentor. She is a strong advocate of providing respectful treatment of all students and staff in a harassment-free environment.

In her long and distinguished career, Sharon Jones has ensured balanced educational program equity and led successful bond campaigns. She served as Chief Labor Negotiator for the Fremont Unified School District, and was a weekly reading mentor to students at an elementary school in the district.

A recognized leader in the educational field, Sharon Jones is the author of outstanding textbooks in English and social studies. She received the PTA's highest award, the Golden Oak Award, in February 2002. She received the Ann Lord memorial award for the 1995–1996 school year, in honor of her leadership, courage, encouragement, support, and care. She is also the recipient of the 1988 California Education Award, the Rotary Foundation's Paul Harris Fellow Award, and the Certificate of Commendation from the California Association of Teachers of English Executive Board.

I am honored to join the colleagues of Sharon Jones in commending her for her many years of dedicated and exemplary service to the Fremont Unified School District. Her commitment to honesty, integrity and trust in education is truly an inspiration to all.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. PAUL. Mr. Speaker, Congress can perform a great service to the American taxpayer, as well as citizens in developing countries, by rejecting HR 2604, which reauthorizes two multilateral development banks, the International Fund for Agricultural Development (IFAD) and the Asian Development Fund (AsDF).

Congress has no constitutional authority to take money from American taxpayers and send that money overseas for any reason. Furthermore, foreign aid undermines the recipient countries' long-term economic progress by breeding a culture of dependency. Ironically, foreign aid also undermines long-term United States foreign policy goals by breeding resentment among recipients of the aid, which may manifest itself in a foreign policy hostile to the United States.

If Congress lacks authority to fund an international food aid program, then Congress certainly lacks authority to use taxpayer funds to promote economic development in foreign lands. Programs such as the AsDF are not only unconstitutional, but, by removing resources from the control of consumers and placing them under the control of bureaucrats and politically-powerful special interests, these programs actually retard economic development in the countries receiving this "aid!" This is because funds received from programs like the AsDF are all-too-often wasted on political boondoggles which benefit the political elites in the recipient countries, but are of little benefit to the individual citizens of those countries.

In conclusion, HR 2604 authorizes the continued taking of taxpayer funds for unconstitutional and economically destructive programs. I therefore urge my colleagues to reject this bill, return the money to the American taxpayers, and show the world that the United States Congress is embracing the greatest means of generating prosperity: the free market.

CONGRATULATING THE STUDENTS OF CRAWFORD COUNTY, ARKANSAS ON BEING SELECTED TO REPRESENT THEIR STATE AT THE NATIONAL HISTORY DAY COMPETITION

HON. JOHN BOOZMAN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. BOOZMAN. Mr. Speaker, I rise today to congratulate the students from two cities located in Crawford County, Arkansas. These students will represent the state of Arkansas at the National History Day competition in June at the University of Maryland. There are six students from Van Buren High School and six students from Alma High School. There are also two students from Van Buren Middle School and two students from Alma Middle School.

These students were selected among the best in Arkansas in the categories of historical documentary, historical performance, historical exhibit, or historical paper. They have spent the last several months researching their topics as they related their projects to this year's national theme: Revolution, Reaction and Reform.

It is admirable in today's society to see young people willing to go the extra mile to improve their academic skills. These students will now have an advantage as they prepare themselves for college. Their respective teachers also deserve our respect today. They have proven that excellent teaching must go beyond the 8 to 3 school day. Mary Beth Duncan, Toney McMurray, Erin Mills, Beth Graham, Julia Cottrell, Brad Ball and Teddy McMurray are fine examples of the best in the teaching profession. Their encouragement and dedication has encouraged these students to strive to excellence and be successful in their endeavors.

On behalf of the 3rd Congressional District of Arkansas and the U.S. House of Representatives I would like to recognize Mandy Blair, Alayne Chanthaseny, Erin Gatling, Maegan Gray, Katie Fingerhut, Ashley Helms, Natalie Harris, Russell Moore, Chase Phipps, Zach Thomas, Dustin Seaton, Andrew Simpson, Elizabeth Watkins, Colby Webb and Cameron Word for their outstanding work and wish them luck in the upcoming National History Day contest.

TRIBUTE TO OREGON NATIONAL GUARD

HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. WALDEN of Oregon. Mr. Speaker, I rise today to pay tribute to the citizen soldiers of the 1st Battalion, 186th Infantry of the Oregon National Guard as they prepare to embark on an overseas deployment as part of Operation Noble Eagle.

Last month the men and women of the 1–186th conducted Soldier Readiness Processing as part of their home-station mobilization, and soon they will leave their homes in southern Oregon to receive theater-specific training at Fort Carson, Colorado before continuing on to the Sinai region of Egypt. There they will take part in the Multinational Force and Observers (MFO) peacekeeping mission in that troubled region of the world before returning to their families and loved ones in early 2003.

Mr. Speaker, this mission represents the largest deployment of the Oregon National Guard since World War II, when the "Fighting Jungeleers" of the famed 4lst Infantry Division patrolled the jungle trails of New Guinea. While this time Oregon's citizen soldiers have been called to keep peace rather than make war, I have every confidence that the dedication they will bring to this mission will be no less than that of their predecessors more than a half century ago.

Mr. Speaker, the deployment of the 1–186th is significant for a number of reasons, not the least of which is that this is only the second time a reserve-component unit has been called upon to perform the Sinai mission. During their deployment, Oregon's guardsmen and women will ensure the freedom of navigation through the Strait of Tiran at the southern entrance to the Gulf of Agaba. The task force will be responsible for the operation of checkpoints, reconnaissance patrols and observation points along the international border separating Israel and Egypt

Mr. Speaker, as these brave Americans travel to the Holy Land to serve as peacekeepers, it is fitting that we recall the book of Isaiah, which reads, "I heard the voice of the Lord, saying, 'Whom shall I send, and who will go for us?' Then said I, 'Here am I; send me.'" Like Isaiah of old, citizens of this great nation have always stepped forth to answer the call of their leaders, and this tradition continues today.

Mr. Speaker, volunteering for the National Guard takes a special kind of sacrifice. It means working 40 or 50 hours a week in a civilian job and then spending the weekend training, drilling, cleaning equipment, going to the field, and preparing for the day when you are called upon to play a vital role in our nation's defense. As this deployment demonstrates, it means putting your life on hold for months or years at a time—saying goodbye to your spouse and your children and the comforts of civilian life to serve the United States under conditions that are often less than ideal. This is a duty that the men and women of the Oregon Guard under-take without complaint and without question, never shirking from the responsibility they have accepted. Patriots all, the citizen soldiers of the 1–186th is a unit as professional and as dedicated as any that has ever worn the uniform of the United States.

Mr. Speaker, as an Oregonian and as an American, I am proud to call them my countrymen. I know my colleagues in the House of Representatives join me in extending their gratitude to the men and women of the 1st Battalion, 186th Infantry—the Guardians of the Western Gate.

May God bless them, and may God bless America.

PERSONAL EXPLANATION

HON. JOHN ELIAS BALDACCI

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. BALDACCI. Mr. Speaker, on April 25, 2002, 1 had to return home due to my son's sudden illness and I was not present to cast my vote for HR 3231, the Barbara Jordan Immigration Reform and Accountability Act, and its amendments. Had I been present I would have voted:

YES on roll call 111.

YES on roll call 112.

YES on roll call 113.

NO, on roll call 114, the Issa amendment.

NO, on roll call 115, the Lofgren amendment, and

YES, on roll call vote 116 for final passage.

INTRODUCTION OF "WIRELESS TECHNOLOGY INVESTMENT AND DIGITAL DIVIDENDS ACT"

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. MARKEY. Mr. Speaker, today I am introducing the "Wireless Technology Investment and Digital Dividends Act." I am proposing this measure in order to advance three key goals: (1) to create a permanent public interest telecommunications trust fund; (2) to establish a "Spectrum Commons"; and (3) to recapture wireless policymaking from unrelated budgetary initiatives.

Mr. Speaker, the public deserves to reap the benefits of the sale of licenses to its airwaves, not only in the offering of new commercial services or the temporary infusion of cash into the Federal treasury. The public should also enjoy the "dividends" that can be reaped by reinvesting money raised through use of a public asset in a manner designed to promote educational technology projects, educational software R&D, as well as initiatives addressing the digital divide.

The bill I am introducing today creates a permanent trust fund (the "Digital Dividends Trust Fund") from wireless auction revenue to fund such public interest telecommunications initiatives. Splitting the grants into two general categories—"human capital telecommunications investments" and "broadband infrastructure investments for public access and rural development" the Digital Dividends Trust Fund authorizes grants for the following initiatives: Training of teachers & other personnel at schools and libraries eligible for E-rate funding; R&D for cutting-edge educational software designed to enhance learning in schools; Digitizing educational materials held in our nation's libraries, archives, and museums; Technology projects supported by volunteers enrolled in AmeriCorps; Projects enhancing the access of individuals with disabilities to advanced telecommunications services; Retraining workers and unemployed individuals with skills applicable to the new economy; After-school programs for youth focused on computer literacy and interaction; Local and regional programs to expand access to advanced telecommunications in areas available to the general public; Broadband deployment to low-income housing and community centers and to unserved rural areas; and, Conversion of public radio and television broadcasting stations to digital broadcasting technology.

In addition, Mr. Speaker, the legislation I introduce today establishes a "Spectrum Commons." High tech manufacturers, entrepreneurs and the proverbial 'kid in the garage' could make more robust use of wireless communications if sufficient spectrum were available in unlicensed form for the general public. The bill requires the FCC to establish a 20 MHz band of contiguous frequencies below 2 GHz as well as between 3 to 500 MHz between 2 GHz and 6 GHz—a swath of the airwaves that would remain open to the public and unlicensed. Such a public set-aside could foster the formation of an open platform for innovation, entrepreneurial activity, and public communications. It would also militate against unhealthy consolidation of spectrum in the hands of too few providers.

An unlicensed area of the airwaves will permit the public, through the use of 'smart' radio technology and better receiver equipment, to harness the airwaves for countless applications if the government is willing to give back to the public a portion of its own airwaves in such an unlicensed format. From "wi-fi" technology and low power "Bluetooth" wireless connections, to so-called "802.11b" protocols, wireless local area networks and Net connections, utilization of publicly available airwaves can help connect people and businesses in cost-effective and spectrum efficient ways. The "Spectrum Commons" will also help to propel economic growth and innovation by opening up the airwaves to new marketplace entry by individuals and entities unaffiliated with established network providers.

Finally, Mr. Speaker, it is important that telecommunications policymaking reassert itself in wireless policy, where for too long budget priorities have warped sound policy. Since Congress first enacted legislation in 1993 to permit the Federal Communications Commission (FCC) to distribute certain airwave licenses to the public through the use of auctions, the FCC has used this licensing mechanism numerous times and the U.S. Government has reaped billions of dollars for general revenue purposes. The initial principle behind auctions was to enhance telecommunications policy goals through the efficient licensing of frequency spectrum, where the revenue an auction raised represented an additional beneficial dividend to the taxpayer.

Over time, however, the use of auctions has become perverted. They are increasingly advocated primarily for purposes of raising general revenue irrespective of whether such auctions advance sound telecommunications policy. Moreover, the money raised from auctions has been sent directly to the U.S. Treasury. The money from telecommunications auctions was not reinvested in order to enhance our democracy, bridge the digital divide, or promote public interest telecommunications projects. Instead, the auction of licenses for use of the public's airwaves has been subjected to the alchemy of budget scorers intent on transforming thin air into gold.

Legitimate telecommunications policy objectives are often undermined by proposals to auction certain slices of the airwaves on a date dictated by budgetary scoring needs. Instead, auctions should only be scheduled once the appropriate telecommunications policy goals have been agreed upon and the conditions necessary for successful licensing through auctions have been secured.

This legislation requires the FCC, prior to scheduling upcoming auctions, to take action to achieve the timely transition to digital television by establishing rules governing must-carry issues, minimum programming and broadcasting requirements, and digital television receiver benchmarks. It also directs the NTIA and the FCC to take action to secure additional spectrum for advanced wireless services—including mobile services such as so-called "3G" services. Sound telecommunications policy, consistent with the public interest, would be greatly furthered by putting the "policy horse" back in front of the "auction cart." The bill re-establishes this principle in wireless policy.

REMARKS FOR THE NATIONAL DAY OF PRAYER IN WASHINGTON

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. McINTYRE. Mr. Speaker, what a privilege it is to be with you today. I am especially pleased that my wife is here! She got up early and left North Carolina at 5:00 a.m. to surprise me. [applause] Yes, lets give her a hand! And I appreciate my staff being here! In just a little while—back in my hometown of Lumberton, North Carolina—scores of people will be gathering around the Robeson County Courthouse to pray for us here in Washington—and for our nation and our world. Ten years ago I was part of a local family commission that began our observance of the National Day of Prayer back home, and it has been exciting to see the ever-increasing number of people who gather to pray on this day—both locally and nationally.

Why should we pray? Why is prayer important? Think about it! How many times have we prayed really expecting an answer? Prayer is important because it emphasizes God's peace, God's power, God's purpose. Peace, power and purpose.

First, we know God's peace through prayer. Luke 18:1 is a parable to show that all times we ought to pray and not lose heart. So often we consume ourselves with fear rather than with faith. We forget that prayer should be the first resort, not the last resort! Too often we buy the lie that the world has taught us: "Well, I guess there's nothing left to do but pray about it!" We ought to talk to God first, because He already knows the outcome, and He can handle it! So often we rob ourselves of peace because we forget that God is bigger than any problem we may face. We should open our Bible-right in the middle to Psalms and read out loud in our closet or our room Psalms 140-145. As we praise God first, we will realize the truth of the Scripture that says God inhabits the praise of his people, and He will give us peace in the midst of our circumstances.

Second, prayer is important because it reminds us of God's power. "Ask, and it shall be given to you; seek, and you will find; knock and it shall be opened to you," Jesus teaches in Matthew 7:7. "For everyone who asks receives, and he who seeks finds, and to him who knocks,, it will be opened." Many times, we don't even bother to ask for help of guidance. God promises to give us wisdom if we just ask. He has the power to protect and provide. "When you pass through the waters, I will be with you; ... they will not overflow you," God says in Isaiah. "When you walk through the fire, you will not be scorched."

Third, prayer not only gives us God's peace and power, but also His purpose. Many of you have said you saw several of us in Congress singing "God Bless America" on the Capitol steps as the sun set on 9/11 after the terrorist attacks. Some have wondered if that was orchestrated or not. Actually, late that afternoon, several of us met in Capitol Police headquarters to talk by telephone speaker with Speaker Hastert and Leader Gephardt, who were at an undisclosed location. After we finished talking with them about that evening's press conference, someone suggested that we pray together. The House chaplain offered to let us walk to one of the local churches, but we said that we didn't have to go somewhere to pray; we could pray right there. And we did. After the chaplain prayed, we had an opportunity to pray out loud. After a few moments, a few of us did pray. And when we concluded, we sang "God Bless America" as a closing prayer.

That night, after the Senate and the House leaders spoke at the press conference, members who had been at the prayer time a couple of hours earlier spontaneously broke out into singing that prayer, "God Bless America."

We cannot know God's will—God's purpose—if we won't talk with Him. As Rosalind Rinker has written, Prayer is the expression of the human heart in conversation with God . . . prayer is a dialogue between two persons who love each other."

Peace, power, purpose! That is what prayer is about, and that is what we as one nation under God should be about! Dr. Charles Allen expresses it well in a poem:

"Worry? Why worry? What can worry do?
It never keeps a trouble from overtaking you.
It gives you indigestion and sleepless hours at night,
And fills with gloom the days, however fair and bright.
It puts a frown upon the face and sharpness to the tone;
We're unfit to live with others and unfit to live alone.
Pray? Why pray? What can praying do?
Praying really changes things, arranges life anew.
It's good for you digestion, gives peaceful sleep at night
And fills the grayest, gloomiest day—with rays of glowing light.
It puts a smile upon your face, The love note in your tone
Makes you fit to live with others, and fit to live alone.
Pray? Why pray? What can praying do?
It brings God down from Heaven To live and work with you."

We all should follow the teaching of I Thessalonians 5:17 "to pray without ceasing." Indeed, if any of us desire to know the True Source of Power, it cannot be found in a building, in a person, or in a place; it must be found in the one who is the only true source of power. Prayer gives us an opportunity to express our heart to God, and it gives Him the opportunity to speak to a receptive heart.

May all of our hearts be receptive to this power. Pray for us here in Washington that we may rely upon the wisdom which only He can give.

(1) Please pray not only for wisdom for members of Congress but also for a spirit of harmony even during debate about important issues. (2) Pray for a greater spiritual awareness and depth to our relationships with each other personally here in Congress. (3) Pray that more hearts would be opened to salvation and stronger faith in the God who has given us this wonderful land and this opportunity to be a beacon of hope in a world of despair.

As Paul says in his letter to the Phillippians: "Be anxious for nothing, but in everything by prayer and supplication with thanksgiving let your requests be made known to God. And the peace of God, which surpasses all understanding, shall guard your hearts and . . . minds in Christ Jesus."

HONORING THE 100TH ANNIVERSARY OF NARROWSBURG VOLUNTEER FIRE DEPARTMENT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. GILMAN. Mr. Speaker, I rise to congratulate a very special volunteer organization on their 100th anniversary: the Narrowsburg Volunteer Fire Department in our 20th Congressional District of New York

Over the last century, the Narrowsburg Volunteer Fire Department has been a cornerstone of our community, committed to ensuring the safety of Narrowsburg's citizens. The immeasurable and indispensable public service that these volunteers render is a tribute to the dedication and commitment of all those who place their lives of the line to protect the public.

Our nation has been built on an active and alert citizenry, working together for the public good. That was exactly the first step taken on March 4, 1902, when thirty nine concerned citizens of the hamlet of Narrowsburg signed a petition supporting a proposal to form and organize a Hook and Ladder Company to protect "Narrowsburg and vicinity". From the group's first firehouse, built in 1904, to now, the Fire Department has stood as a symbol of strength, unity, and determination. It has demonstrated how a community volunteer group can grow into an efficient and effective organization.

While their milestones have been numerous and great over the department's one hundred years, one longstanding, underlying and vital resource of the Narrowsburg Volunteer Fire Department is the overwhelming support of the community. From fund-raisers to town bbq's, parades, and other events, the department has been interwoven in the fabric of the community. When an organization becomes such an integral part of our town or village, it makes the loss of life, a cold reality in fire departments across the nation, an even more bitter pill to swallow. Such was the case in 1979, when the Narrowsburg lost its Assistant Chief Paul Brock and members Brett Hankins and Jay Laraia. It was a tragic loss to the department and the town. But the strength of volunteerism is the infusion of new and enthusiastic members who are willing to serve, and although they can never take the place of those who have been lost or have come before them, their resolve can help heal these wounds. Today, Narrowsburg Volunteer Fire Department is stronger than ever. There's no reason to believe that it will continue to grow and be vital for another century and beyond.

During the tragedy of September 11, the heroism of the fighters was on full display, as they risked their own lives with stunning bravery. Our fire departments are finally receiving the accolades they have long deserved. To those who have truly known the selflessness of volunteer fire departments and the fire personnel in their towns, such as the one we are blessed with in Narrowsburg, this bravery was not much of a surprise. Instead, it is a reflection of the brave men and women who have served and continue to serve our communities nationwide, over the last century, and beyond.

As a Member of our Congressional Fire Caucus, I am committed to ensuring that our nation's firefighters have the support and resources needed to protect themselves and our communities. Accordingly, I am gratified that Congress has stood with our nation's fire personnel in approving the FIRE Grant program and providing it with an unprecedented amount of funding. On this anniversary, I know that our Narrowsburg firefighters are grateful for the support they have received and join with me in expressing their gratitude to our nation.

As the citizens of Narrowsburg join together to celebrate and honor their volunteer fire department, we take a moment to remember those who we've lost in the line of duty and express our thanks to all those who serve our nation today.

Congratulations to the Narrowsburg Volunteer Fire Department on its' 100th anniversary. A grateful nation thanks you.

MURDER OF UKRAINIAN HEORHIY GONGADZE STILL UNSOLVED

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. SMITH of New Jersey. Mr. Speaker, the murder of Ukrainian investigative journalist Heorhiy Gongadze remains unsolved. On September 16, 2000, Gongadze, editor of an Internet news publication critical of official, high-level corruption in Ukraine, disappeared. Seven weeks later, his remains were found in Tarashcha in the Kyiv region.

Repeated expressions of concern to the Government of Ukraine have been met with stonewalling. Over the last 18 months, the Helsinki Commission, Members of the House and Senate, the Department of State, the OSCE, the Council of Europe and other international institutions repeatedly have raised this case and urged President Kuchma and the Ukrainian Government to undertake a speedy, serious, open and transparent investigation into the Gongadze murder case.

Back in December of 2000, I urged Ukrainian authorities to resolve this grave matter in a timely and just manner before the case further tarnished their credibility in dealing with fundamental human rights. Last July, a number of us were present at the Paris OSCE Parliamentary Assembly meeting, where Gongadze's widow Myroslava accepted the OSCE PA Prize for Journalism and Democracy on his behalf. A resolution adopted by the OSCE PA in Paris expressed dismay "that the criminal investigation into the murder of journalist Heorhiy Gongadze has been obstructed by authorities and has not been carried out in accordance with the rule of law."

Last month, Ukrainian authorities blocked FBI experts from examining evidence gathered during the initial investigation. The Bureau had been invited by Ukrainian authorities to advise and assist in the investigation of the case and earlier had participated in identifying Gongadze's remains. Over the last year, Ukrainian prosecutors routinely cited their request for assistance from the FBI as evidence that they were working diligently to solve the murder.

According to a statement released by the U.S. Embassy in Kyiv, the four FBI experts were told that Ukrainian law prohibits prosecutors from releasing any information to them. They were "unable to discuss any aspects of the case, share evidence or conduct a joint site inspection. Because of this, the FBI team could not provide suggestions that might help Ukrainian law enforcement authorities advance the investigation of the murder of Mr. Gongadze." This lack of cooperation after promises to accept the U. S. technical assistance—is an indication of bad faith on the part of the Ukrainian authorities.

This is only the latest example which seriously questions the Ukrainian authorities' commitment to resolving this case and has led many to conclude that the Procurator General's office is hampering the investigation into Gongadze's death. Particularly telling was the Procuracy's initially casting doubt on the results of a DNA test reported in February 2001, which determined with a 99.6 percent probability that the body exhumed from a shallow grave in Tarashcha was, indeed, that of Gongadze. The Procurator General, Mykhaylo Potebenko, who recently announced he would resign to become a Member of Parliament from the Communist Party, has also been uncooperative with Gongadze's widow and mother, even after the court gave them status that legally permitted them access to details of the investigation. An assessment of the case last year by Freimut Duve, the OSCE Representative on Freedom of Media, found that the investigation into Gongadze's disappearance has been "extremely unprofessional." It is high time for the Ukrainian authorities to mount a serious, transparent investigation into this case as well as the cases of other murdered journalists.

Since 1998, 11 journalists have been killed in Ukraine and 48 severely injured in unexplained attacks, according to Reporters Without Borders. Over the last year, several international bodies have called on Ukrainian authorities to launch a fresh investigation into the disappearance and death of Mr. Gongadze and other journalists and to allow for an independent investigation or to set up a new independent commission of inquiry comprised of international investigators. I also hope that the newly elected Ukrainian parliament will take aggressive action in encouraging governmental accountability for solving the murder and bringing the perpetrators to justice.

Mr. Speaker, on March 31, Ukraine held parliamentary elections. Despite governmental interference in the campaign and abuse of state resources, the Ukrainian electorate showed a strong independent streak with a strong pro-democratic, pro-European orientation. A substantial portion of the Ukrainian people clearly want change—they want to live in a country where democracy and human rights are honored and where the rule of law prevails.

The United States remains committed to encouraging these yearnings. The U. S. Government is the largest bilateral donor in Ukraine, and American companies still are the largest investors in Ukraine. We are deeply engaged with Ukraine in military and security issues, educational exchanges, small business, agriculture, energy, and the development of civil society. American engagement with Ukraine is a testament to the importance that we attach to U.S.—Ukraine relations. However, the level of U.S. engagement is increasingly being questioned, in part because of the obstructionist actions of the authorities concerning the Gongadze case, the curtailing of media freedoms, the persistent debilitating problem of corruption and, most recently, troubling allegations that President Kuchma may have authorized the clandestine sale of the Kolchuga radar system to Iraq in violation of UN sanctions.

Mr. Speaker, as Co-Chairman of the Helsinki Commission, I once again urge in the strongest possible terms Ukrainian authorities to take seriously the concerns regarding the circumstances that led to the Gongadze murder and the subsequent investigation. His widow, young children, and mother deserve better. The Ukrainian people deserve better.

TRIBUTE TO HARRY STEPANIAN, WALTER McNAMARA, LARRY JAKUBOWICZ, AND MARTY GANNON, FIREFIGHTERS FROM CLINTON, MASSACHUSETTS

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. McGOVERN. Mr. Speaker, I rise today to pay tribute to Harry Stepanian, Walter McNamara, Larry Jakubowicz, and Marty Gannon, firefighters from the town of Clinton, Massachusetts who have announced their retirement after many years of dedicated service.

These men put their lives on the line every day to protect the citizens of Clinton. Because of their efforts through the years, many lives and a great deal of property have been saved, whether it was from entering a burning building or performing as an Emergency Medical Technician.

The town of Clinton is very fortunate to have an outstanding fire department. As we all know—and as the tragedies of September 11th reminded us—the job of a firefighter is not an easy one. It takes a special person to perform the duties required of firefighters. That duty involves risking their lives every day. Through the years, these men and their colleagues have performed admirably. Their community is grateful for their work, and so am I.

It is a pleasure to recognize these outstanding men, and I know the entire House joins me in extending our best wishes to them and to their families for a happy and healthy retirement.

ON THE RETIREMENT OF LEVORIS ROY, A GREAT EDUCATOR

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. LAMPSON. Mr. Speaker, today I rise to recognize the outstanding career of Mr. Levoris Roy, who is retiring this year after 35 years of distinguished service as a teacher and principal. Stretching over 4 decades, Mr. Roy's entire career has provided insight, courage and direction to the young citizens of South East Texas.

Mr. Roy is currently serving as Principal of Vincent Middle School, Beaumont Texas. His leadership and ability to achieve has greatly benefitted his school, teachers, students and all of the Beaumont community.

Mr. Speaker, Mr. Levoris Roy's career is ripe with countless examples of selfless hard work and extraordinary accomplishment in service to our great Nation. His contributions to Southeast Texas are immeasurable. I ask my colleagues to join me in wishing Levoris Roy and his family a pleasurable and well-deserved retirement.

Congratulations, Mr. Roy, on a job well done.

TRIBUTE TO WILKERSON CHAPEL AND ITS ANNIVERSARY OF 140 YEARS OF SERVICE TO COLLINSVILLE, ILLINOIS

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. SHIMKUS. Mr. Speaker, I rise today to pay tribute to the Wilkerson Chapel and the anniversary of its 140 years of service to the community Collinsville, Illinois.

The people of the Wilkerson Chapel are truly good Samaritans. They have spent 140 years preaching the word of Christ to Collinsville and surrounding areas and participating in other good works.

To such people as John A. Gregg and his congregation, the good deeds themselves are their own best rewards. Yet, on this special day, I think it is appropriate that they are recognized for their efforts. They are good Christians and good Americans, and remind us all of the compassion and energy that makes this country great.

To the people of the Wilkerson Chapel, thank you for all your good works over almost the last century and a half; and may God grant you the opportunity to continue doing His work for many years into the future.

DONNELLY HEAD START IN DONNELLY, IDAHO

HON. C.L. "BUTCH" OTTER

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. OTTER. Mr. Speaker, I rise today to recognize the outstanding achievements of the Donnelly Head Start in Donnelly, Idaho. Recently, the Donnelly Head Start was chosen as the Small Site Idaho State Champion in "Read With Me: The 2002 Reading is Fundamental Community Reading Challenge." In March, the Children at this site met personal reading goals, shared stories with other children and adults, visited the library, wrote book reviews and shared other literacy activities with members of the Donnelly Idaho Community.

As breakthroughs continue being made in the medical, science, and technology fields it becomes increasingly important for America's youth to be well educated so they may build upon the successes and learn from the failures of previous generations. Literacy will always be the foundation of education that propels achievement. Organizations like Head Start and Reading is Fundamental have proved successful in providing children with an opportunity to get an advantage in learning. But without the commitment of students and dedication of educators, like those at the Donnelly, Idaho Head Start, these efforts and the efforts of Congress to fund education will be lost.

Again, I offer my congratulations to the students and educators at Donnelly, Idaho Head Start and reaffirm my commitment to providing Idahoans, and all American's with the very best educational opportunities.

PERSONAL EXPLANATION

HON. JIM DeMINT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. DEMINT. Mr. Speaker, on April 30, 2002 I was unavoidably detained and was not present for 3 roll call votes. Had I been present, I would have voted 'aye' on roll call vote #117, 'nay' on roll call vote #118, and 'aye' on roll call vote #119.

HONORING THE LIFE OF DEPUTY DAVID WILLIAM MARCH (1969–2002)

HON. HILDA L. SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Ms. SOLIS. Mr. Speaker, I rise today to pay tribute to Deputy David William March of the Los Angeles County Sheriff's Department who was tragically killed in the line of duty on Monday, April 29, 2002.

Deputy March, a resident of Saugus, California, lost his life while making a routine traffic violation stop in Irwindale, California. A seven-year veteran of the Los Angeles County Sheriff's Department, he was honored to become part of this esteemed agency. His tenacity and dedication became trademark qualities for which he was known.

Deputy March will be remembered as a kind, gentle man who was compassionate to all creatures. He would regularly bring home stray dogs to his wife of five years, Teresa, and his stepdaughter, Kayla. His mother, Barbara, remembers her son as a caring man who always defended the little guy. Deputy March's colleagues recall him as an honest, hard-working man who loved his job. Deputy March will be deeply missed by his family, including his father, John, his brother, James, and his sister, Erin, as well as his friends and coworkers.

I am saddened by the loss of such a fine member of our community and wish his family and loved ones my deepest sympathy by acknowledging him today. Let us remember Deputy David William March as a loving husband, father, son, brother, and hero.

THE TIME TO DEPUTIZE HAS ARRIVED

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. BEREUTER. Mr. Speaker, this Member wishes to commend to his colleagues the April 26, 2002, editorial from the Norfolk Daily News entitled "Good reason to cooperate."

Mr. Speaker, Section 287 of the Immigration and Nationality Act (INA) authorizes the U.S. Attorney General to enter into a written agreement with local and state law enforcement agencies for the purpose of permitting qualified state and local law enforcement officers to carry out the functions of an immigration office. (This section is also known as the "Latham provision" in honor of our colleague, the distinguished gentleman from Iowa (Mr. LATHAM), who introduced the provision as an amendment to the Illegal Immigration Reform and Immigrant Responsibility Act (IIRAIRA) of 1996. These activities would include the investigation, apprehension, detention, and transportation of aliens in the United States.

In areas where there are too few INS resources to effectively confront the problem of illegal immigration, it would seem logical and extremely beneficial for the U.S. Attorney General to enforce Section 287 of the INA.

Unfortunately, the previous Attorney General never took that logical step.

This editorial (and certainly this Member) commends the current Attorney General for indicating that he is willing to revisit the issue. Indeed, deputizing state and local law enforcement officials would provide much needed support to the limited resources available for enforcement of immigration laws in this country's interior.

[From the Norfolk Daily News, Apr. 26, 2002]

GOOD REASON TO COOPERATE

Critics of the U.S. Justice Department are quick to condemn any real or perceived lack of federal cooperation with state or local law enforcement authorities. A different attitude is evident when federal authorities themselves seek cooperation.

It was evident in the special federal effort to get assistance in questioning—not arresting— several thousands of individuals who it was thought might be helpful in tracking members of the terrorist network believed responsible for the Sept. 11 attacks on America. That could involve unjust "profiling," it was alleged—as if the law conferred the special privilege to visitors, legal or not, of refusing to cooperate with legitimate law enforcers.

A new controversy arises, with criticism from similar sources, because the attorney general hopes to be able to deputize state and local law enforcers to help deal with the flood of illegal immigrants.

There are good reasons for seeking such cooperation. One is that some immigrants have been involved in crime—here and elsewhere. Local authorities necessarily have to deal with it. They help law enforcement in their own jurisdictions by seeing that illegal aliens are turned over to immigration officers.

Another reason is that despite the porous borders and larger numbers of both legal and illegal immigrants, the Immigration and Naturalization Service has not been staffed to deal with the flood.

It needs help, obvious from the fact that there are estimated to be some 8 million people in America without valid papers, living and often working here illegally. The numbers of INS agents available for internal enforcement are not sufficient for the task.

It is no favor to the millions of legal immigrants America invites to be soft on enforcement. For the illegals to be treated equally rewards noncompliance with the law.

"Softness" becomes a blatant error when it prompts acceptance of the idea that it is improper to ask for help which local police departments, sheriffs and deputies could provide in enforcing laws.

SALUTE TO WOMEN OF LAKE COUNTY

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. VISCLOSKY. Mr. Speaker, it is my distinct pleasure to announce that the Barbara Holder Consulting Services will be hosting a Salute to Women of Lake County, on Friday, May 3, 2002, at the Horseshoe Casino, Lakeview Room in Hammond, Indiana. Ten outstanding women from Northwest Indiana will be honored at this notable event for their dedication and hard work. A portion of the proceeds from this event will benefit the Minority Organ Tissue and Transplant Education Program (M.O.T.T.E.P.) and Project Research, a teen pregnancy prevention education program for teens ages 12–17.

Mrs. Holder, owner of Barbara Holder Consulting Services, a woman-owned business with offices in Gary and Chicago, specializes in creating community outreach programs, as well as monitoring and evaluating compliance with federal, state, and local EEO/Affirmative Action laws. She had the vision a year ago to honor the many faceless and nameless women who work tirelessly everyday but are never recognized publicly for the contributions they make in their respective fields. With the assistance of the planning committee members representing several academic, private, public, and social entities, this first annual and well-deserved salute to the women of Lake County became a reality.

This awards banquet will pay tribute to women that have excelled in the fields of art, business, education, government/law, law enforcement, health, industrial/union labor, not-for-profit leadership, religion, and volunteerism. This year's honorees include: Morning Aaronda Bishop, Sarah Givens, Captain Gloria Mitchell, Dorine Godinez, Sister Anita Holzmer, Nancy Nethery, Nancy Moore-Tiller, Dr. Danita Johnson-Hughes, Denise Dillard, and Dee Kegebein.

Morning Aaronda Bishop of Gary will be honored as Outstanding Woman in Art for her 20 years of dedicated service to the community. Additionally, she is the founder of Morning Bishop Theatre Playhouse, the oldest community theatre in Gary. Sarah Givens of Gary will be honored as Outstanding Woman in Education for her dedication to Banneker School and its students. Under her tutelage, she propelled Banneker School to 4-Star status, a distinction Banneker has received for 12 consecutive years. Being honored as Outstanding Woman in Law Enforcement is Captain Gloria Mitchell of Hammond. She was the first African-American woman hired by the Hammond Police Department. With Gloria's loyalty and perseverance she has climbed to the rank of Captain where she serves as Commander of the Special Deployment Division (Drug and Gang Enforcement). Dorine Godinez of East Chicago will be honored as Outstanding Woman in Industrial/Union Labor. As a member of the Labor movement, she has many firsts: First woman elected Griever at USWA, Local 1010; First woman Electrical Leader Union Counselor; and First woman to serve on USWA, Local 1010 Contract Negotiations Committee. Additionally, she started the Woman's Committee with Women of Steel Organization. Being honored as Outstanding Woman in Religion is Sister Anita Holzmer. She has 32 years of spiritual service, serves as Principal of St. Mary's School, initiated the Peace Builders Program, and served as a member of the Music Leader Group of the 2000 Youth World Leadership Conference in Rome, Italy. Assistant Vice President of Centier Bank, Nancy Nethery of Lowell, is being honored as Outstanding Woman in Business. Most notably, Nancy is looked to as a hero for her actions during a hostage and robbery situation that took place at her bank last spring. Nancy Moore-Tiller of Merrillville is being honored as Outstanding Woman in Government/Law. With Nancy's fortitude and determination she started her own law firm. Additionally, she successfully won a case setting precedence in Education Law. Being named Outstanding Woman in Health is Dr. Danita Johnson-Hughes of Gary. Dr. Johnson-Hughes serves as President and CEO of Edgewater Systems for Balanced Living, has written and published a number of books, and was the only African-American to head an Indiana Division of Mental Health certified community mental health center in the state. Denise Dillard of Gary will be honored for her service as Executive Director of the Lake County Workforce Development Services. She will receive the Outstanding Woman in Not-for-Profit Leadership award. Finally, Dee Kegebein of Hammond will be recognized as Outstanding Woman in Volunteerism for her 50 years of service. Under her leadership, she has organized various programs for the VFW and the American Legion. She serves as President of the Ladies Auxiliary to the VFW and the American Legion. Additionally, she is Chairperson of the Voice of Democracy Program for the VFW.

Mr. Speaker, I ask you and my distinguished colleagues to join me in commending Mrs. Barbara Holder and her company for hosting this salute to the outstanding women of Lake County. Additionally, the effort of all those involved in planning this worthwhile event is indicative of their devotion to the very gifted women in Indiana's First Congressional District. Women throughout the entire country ought to be proud of their contributions to society. This country would not be what it is today without the role of such dedicated women. I am proud to represent them in Congress.

SUPPORTING THE VOLUNTEER FIRE DEPARTMENTS OF LONG ISLAND

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mrs. McCARTHY of New York. Mr. Speaker, I rise today in support of all of the Volunteer Fire Departments of Long Island, New York, and in particular, the Westbury Fire Department. It is important to recognize the crucial role they played in aiding New York City during the disasters of September 11.

The courage and quick reaction of these volunteer fire departments helped to save countless lives as well as support the New York City Fire Department in its greatest time of need. The Westbury Fire Department was one of the first detachments to mobilize and was in Manhattan soon after the first airplane struck the World Trade Center.

Years from now when our children and grandchildren inquire about September 11 and that horrible day, we need to be able to point out the gallant participation of the Long Island Volunteer Fire Departments, including the Westbury Fire Department. Their willingness to sacrifice themselves in order to save others deserves our praise.

I would like to commend these brave men and women who put their lives at risk daily to keep their communities safe. Their heroic contributions helped New York City through one of its darkest times.

CONGRATULATING WJR–AM 760 ON ITS 80TH ANNIVERSARY

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. KNOLLENBERG. Mr. Speaker, I rise today to recognize a remarkable milestone for one of Michigan's great institutions. This Saturday, May 4, 2002, will mark the 80th anniversary of the start of WJR–AM 760 in Detroit.

Few companies stay in business for 10 years, much less 80 years, especially in an industry as competitive as broadcast radio. But WJR has not only survived, it has thrived serving Southeast Michigan and beyond.

WJR is Michigan's eighth oldest continuously licensed AM broadcast station and since its earliest days has been the largest and most powerful station in Michigan. From its beginnings in 1922 as a 500 watt station, WJR grew rapidly and today its 50,000 watts reach parts of Indiana, and Ohio where I'm sure many of my colleagues have enjoyed the programming.

WJR is a mainstay in the Midwest. We have come to rely on this station to provide current and useful programming and news.

Almost as important, particularly to the many University of Michigan alums and fans throughout the country, we have come to rely on WJR for Wolverine football and basketball.

WJR connects their listeners with newsmakers and leaders and constantly updates them on important events locally and around the globe. I think it is safe to say that WJR has earned the designation "The Great Voice of the Great Lakes."

WJR has provided hours of listening pleasure to Southeast Michigan over the years as its residents drive to work, pick up the kids from school, run errands or tune into the big game.

I want to salute and congratulate WJR for its 80th anniversary. We all look forward to another 80 years and more.

WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. EHLERS. Mr. Speaker, I rise today to recognize the more than 1,200 students who will converge on Washington, D.C., this weekend to participate in the We the People . . . The Citizen and the Constitution national finals. We the People . . . is a national program, administered by the Center for Civic Education, that requires students to develop a working knowledge of our Constitution, Bill of Rights, and the principles of democratic government. Since the program began, more than 26.5 million students at the upper elementary, middle and high school levels have benefited from this program.

I am extremely honored to recognize the students from East Grand Rapids High School in my home district who have gone above and beyond the call of student duty to reach the national finals. Led by teacher Janice Rocque, this year's team includes: Emily Brennan, Evan Koch, Claire Lerchen, Kate Mann, Aubrey Merpi, Stephanie Nagengast, Jay Rapaport, Komal Saxena, Ian Seasly, Karen Smith, Megan Smith, Caitlin Townsend, Molly Tupper, Jacob Turner, and Dan Wohns.

Mr. Speaker, I cannot stress enough the amount of preparation that these students put into this competition. In addition to the academic challenges they face in the classroom, these young leaders have juggled extracurricular activities and family responsibilities while preparing for this competition. Mr. Speaker, so that you and my colleagues can understand the rigorous questioning these students face, I am providing you with some of the questions they will face during the national finals.

Congratulations to all the participants in this year's We, the People . . . The Citizen and the Constitution competition.

Sample of the We the People . . . 2002 National Hearing Questions

How did the Renaissance and Reformation change people's views about the relationship between the individual and society?

What are the political principles and values set forth in the Declaration of Independence?

"A deliberative democracy, operating under a good constitution, responds to political disagreement not simply by majority rule, but also by attempting to create institutions that will ensure reflection and reason-giving." Do you agree or disagree that such institutions are essential components of a deliberative democracy and of a "good constitution"? Why or why not? Be prepared to defend your position.

Should members of Congress consider themselves delegates obligated to vote the way the majority of the people in their districts want or should they consider themselves trustees who, while taking the views of their constituents into account, use their own best judgment or their conscience in deciding how to vote? Explain your position.

In the ratification debates, the Federalists insisted that the Constitution had been carefully drafted to limit the powers of the national government. These limitations were sufficient, they contended, to allow for healthy, energetic government while at the same time preventing abuses of power. Evaluate those claims made by the Federalists.

"The First Federal Congress was the most important Congress in American history," according to two prominent historians. "Its awesome agenda breathed life into the Constitution, and established precedent and constitutional interpretation which still guides us 200 years later." What was on the agenda of the First Congress? Should those agenda items be considered "awesome"? Why or why not?

Evaluate the major arguments advanced by the Federalists and the Anti-Federalists during the debate about the need to have a Bill of Rights added to the Constitution.

James Q. Wilson, a noted political scientist, claims, "Were the American Constitution the only guarantee of the independence of the American states, they would long since have become mere administrative subunits of government in Washington. Their independence results in large measure from the commitment of Americans to the idea of local self-government and from the fact that Congress consists of people who are selected by and responsive to local constituencies." Do you agree or disagree with Wilson? Why? What evidence can you offer in support of your position?

GELB TO BE INSTALLED AS STATE OSTEOPATHIC ASSOCIATION PRESIDENT

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. KANJORSKI. Mr. Speaker, I rise today to call the attention of the House of Representatives to the May 3 installation of Dr. Ernest R. Gelb, D.O., of West Pittston as the 91st president of the Pennsylvania Osteopathic Medical Association.

Dr. Gelb specializes in family practice. He attended Wilkes College and is a graduate of King's College and the Philadelphia College of Osteopathic Medicine. He has been vice president of the state association and a member of its board of trustees, a delegate to the American Osteopathic Association, and a community leader in the field of family medicine.

His awards and distinctions include the receipt of the Raymond J. Saloom, D.O., FACGP, Memorial Award, 2000; and his selection as Fellow of the American College of Osteopathic Family Physicians, 2001;

His service to the community includes serving as health officer of the Borough of West

Pittston from 1991 to the present and as troop committee chairman of Boy Scout Troop 352 of West Pittston. He has also served as a member of the board of trustees of the West Pittston Community Ambulance Association, as its vice president from 1986 to 1993 and as its president from 1993 to 1994.

Mr. Speaker, Dr. Ernest Gelb has distinguished himself as a dedicated physician who continues the osteopathic tradition of assuring exemplary family medicine. I am pleased to call to the attention of the House of Representatives the service to the community of Dr. Gelb and this well-deserved honor he is about to receive, and I wish him all the best.

HONORING THE 100TH ANNIVERSARY OF THE HISTORIC WASHINGTON SCHOOL, EUREKA, CALIFORNIA

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. THOMPSON of California. Mr. Speaker, I rise today in recognition of the 100th Anniversary of the Historic Washington School in Eureka, California, which was placed on the National Register of Historic Places on April 12, 2002. This designation acknowledges the significance of the school in Humboldt County education and history.

Washington School, first opened in 1903, was one of six square two-story grammar schools built in the county at the beginning of the 20th century. Of those six, Washington School alone remains as the last representative of that era. In the 1940s Washington School served as an Army barracks and later became a school district warehouse.

In 1983, Washington School was remodeled into a community senior center. The school has been restored to its original beauty by the Humboldt Senior Resource Center. The façade and basic structure reflect the original architectural design. The building is a very important element in the historic Victorian Seaport of Eureka. Many seniors who are involved at the Center today are former students of the grammar school.

A celebration of the listing on the National Register will take place on May 17, 2002 with the unveiling of a bronze plaque made by art students at Humboldt State University.

Mr. Speaker, it is appropriate at this time that we honor this historic building that links us to our past and preserves it for a new century.

HONORING THE DISTINGUISHED PUBLIC SERVICE OF PAT FERGUSON

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. GORDON. Mr. Speaker, I rise today to congratulate Pat Ferguson on his retirement as the Trousdale County executive. Pat has served as the Tennessee county's chief officer for 14 years and is the first to preside over the new Metropolitan Hartsville/Trousdale County government.

During his capable tenure, Pat helped create an emergency 911 system, reduce property taxes and enhance the county's ambulance service. His leadership was also instrumental in getting a new health department and middle school built.

Pat fought tirelessly for Hartsville to have good access to the state's interstate highway system so more industry and better jobs would be lured to the city. In fact, he helped convince the Tennessee Valley Authority to allow the site of an old abandoned nuclear plant to be used as an industrial development park, which will certainly lead to more jobs in the future.

Pat's dedication and tireless service to his community has benefitted all, including the numerous civic boards and organizations to which he belongs. The people of Trousdale County could not have asked for a better public servant. I cordially congratulate Pat on his distinguished career as a public servant and wish him well in future endeavors.

TRIBUTE TO MR. WILLIAM BURRUS, PRESIDENT, AMERICAN POSTAL WORKERS UNION, AFL–CIO

HON. WM. LACY CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. CLAY. Mr. Speaker, I ask for unanimous consent to insert my statement into the record and revise and extend my remarks. William Burrus is the President of the American Postal Workers Union, AFL–CIO. The APWU represents 330,000 clerk, maintenance and motor vehicle employees working in the 38,000 facilities of the U.S. Postal Service, as well as workers in several private transportation and mail companies.

Mr. Burrus was elected in October 2001 with more than 53 percent of the vote in a three-way contest. He is the first African-American in 220 years of American labor history to be directly elected president by the membership of a national union. He also serves on the Executive Council of the national AFL–CIO.

Mr. Burrus has held numerous elected and appointed positions within the APWU. Beginning in November 1980, he served as APWU Executive Vice President until his election as president. From 1974 to 1980, he served as President until his election as president. From 1974 to 1980, he served as President of the Cleveland, Ohio APWU Local. While President of the Cleveland Local, he was a delegate to the Cleveland AFL–CIO. In 1968 he was elected Vice President of the Cleveland Local of the National Postal Union, a predecessor of the APWU. In 1971, after serving on the committee that merged five unions to create the American Postal Workers Union, he was elected Director of Research and Education of the Ohio State APWU. In 1972, he was appointed to the national APWU's Human Relations Committee.

In 1975, Mr. Burrus joined with the presidents of the APWU locals in New York, Pittsburgh and Detroit to form the APWU Presidents Conference. He was elected chairman in 1978. During his tenure, he led a movement to reject the 1978 tentative collective bargaining agreement, resulting in a re-negotiation of the wage package.

Mr. Burrus began working for the United States Post Office in 1958 as a distribution clerk.

In 1980, Mr. Burrus was appointed to the Ohio Advisory Board of the U.S. Civil Rights Commission, and in 1984, he was elected to the National Board of the A. Philip Randolph Institute. Mr. Burrus served on the Board of Directors of the National Black College Alumni Hall of Fame. He serves as a member of the Executive Board of the National Coalition of Black Voter Participation. In May 2002, Ebony magazine named Mr. Burrus one of the 100+ Most Influential Black Americans.

Mr. Burrus is a member of the Executive Committee of the Union Network International, a global federation of unions that represent postal workers and other service workers. He also serves on the Federal Advisory Council on Occupational Safety and Health.

William Burrus was born in Wheeling, West Virginia. After graduating with honors from Lincoln High School, he attended West Virginia State College. He served in the 101st Airborne Division and 4th Armored Tank Division of the United States Army.

Mr. Burrus is married to Ethelda Burrus. He has four daughters: Valerie, Doni, Kimberly and Kristy, one stepson, Antwon, seven grandchildren and two greatgrandchildren. He resides in southern Maryland.

I urge my colleagues to join me in congratulating Mr. Burrus, a great American labor leader.

IN HONOR OF THE SOUTHERN CALIFORNIA RAILWAY MUSEUM AT FULLERTON, CALIFORNIA

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Ms. SANCHEZ. Mr. Speaker, I rise today to pay tribute to the Southern California Railway Museum at Fullerton, California.

Railroads have played a major part in how the west was won. The history of the American railroad is an amazing story, rich in colorful characters and anecdotes. It is also a history of amazing feats of strength and courage: The railroad was built by men who had to face many obstacles. More than 20,000 men built the Transcontinental Railroad which linked the East Coast with the West Coast. In truth, the story of the Transcontinental Railroad is one of the most heroic in American history.

Some of the dangers that the railroad workers faced were long 12 hour work shifts, searing summer heat, Indian attacks, and most dangerous of all, the lawless and violent makeshift towns that erupted at the end of the line. Most of the workers were immigrants with over 10,000 Chinese workers. Other nationalities included Irish, German, Dutch and

Czechoslovakian. In addition, thousands of Civil War veterans worked on the Union Pacific.

The United States had long been divided by its 3,000 mile cross country distance. In order to reach the West Coast of the United States, travelers had to venture around Cape Horn, South America. It was a perilous journey filled with great trepidation. The other route to California meant crossing miles of land through dangerous Indian country or even facing the perils of starvation, weather, and accidents.

In 1862, the Congress passed the first of several Railroad Acts, finally choosing a route from Omaha to Sacramento. With the foundations in place for a route across the States, and with the design expertise of genius Theodore Judah, a brilliant young engineer who found a way to lay tracks across the Sierra Nevada Mountains of California, the race to build the Transcontinental Railroad across the country had begun.

Two companies began the transcontinental construction of the tracks which the "Iron Horse" would travel—The Union Pacific and the Central Pacific. On May 10, 1869, the two railroads met in Promontory Point, Utah, for the official ceremonies where a gold spike was driven into the ground to commemorate the six years of hard, grueling work which culminated in the completion of the Transcontinental Railroad.

The railroads have since played a very important, crucial part in the expansion of the West, both in population and economic opportunities. In addition, the railroads have long captured the imaginations of young and old alike, who are mesmerized by the sound of a train whistle and the beautiful powerful trains which are truly a part of American history and folklore.

Please join with me today in recognizing the importance of keeping the history of the railroad alive and to promote the education of America's children in the great traditions of the railroad. I commend the Southern California Railroad Museum in Fullerton, California, for its many contributions to the preserving the important historical artifacts detailing America's railroads and for teaching the children in our community about their American legacy.

INTRODUCTION OF THE "FREELANCE WRITERS AND ARTISTS PROTECTION ACT OF 2002"

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. CONYERS. Mr. Speaker, the advent of the Internet has created an entirely new market for the distribution of creative content, such as music, movies, news articles, and photographs. The desire for instant information has made it more important than ever to get that work out to millions of people quickly and to have the rights to the distribution of articles and graphics cleared immediately.

As we saw from last year's New York Times v. Tasini case, however, the creators of information—freelance writers, illustrators, cartoonists, graphic designers, and photographers—often have not shared in the benefits of this new market. In some cases, large media conglomerates often force creators to sign away the rights to their works through "take it or leave it"—or adhesion—contracts if they wish to have them published and distributed.

Individual writers and artists don't stand a chance of negotiating favorable terms and fees when they must go up against media giants. And because many creators are not "employees" of the publishers, the antitrust laws forbid them from bargaining as a unit or even sharing information about the pricing of their work. Each freelancer must, therefore, go it alone and negotiate individually with the publishers who control the media outlets.

I believe that copyright protection should benefit individual creators—not only media corporations. To remedy the imbalances between the media giants and freelance creators, Congressman Cannon and I are introducing the "Freelance Writers and Artists Protection Act of 2002."

First, this legislation gives freelance writers and artists an antitrust exemption so they can present a united front against the big media companies who have been forcing them to sign nonnegotiable contracts that surrender all their rights. In doing so, the bill makes it easier for freelancers to bargain fairly for their rights as a collective.

In addition, because of the speed and nature of the publishing industry, these same freelance writers and artists often do not have time to have their works protected under the copyright laws before the publications they go into are printed. As a result, the creators may not receive relief under the copyright laws if their works are stolen. The bill remedies this by automatically protecting the individual works when the publication receives copyright protection.

Finally, this bill addresses the problem of the theft of creative works that have not been released. There are creators who decide not to release an article, book, movie, or song, but others steal them and infringe on the creators' rights. The criminal copyright law penalizes those who infringe works having a retail value of $1,000 or more, but works that have not been released are not protected because they have no retail value. They are, however, valuable to their creators, and we need to close the loophole in the law that allows the theft of these unreleased or unpublished works. For that reason, the bill amends the law to say that the theft of unpublished works also can be a criminal offense.

I hope this bill can be the start of productive discussions in the House and particularly in the Judiciary Committee about how we can enhance the power of freelance writers and artists and how we can protect their work.

TRIBUTE TO THOMAS GALLO, SR.

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. TRAFICANT. Mr. Speaker, today, I am deeply saddened to share the news of the passing of Thomas Gallo, Sr.

Thomas Gallo, Sr. was born on June 1, 1923 to Natale Gallo and Mary Gisappa. One of four brothers and a sister, he leaves Mary Rose Maley, Adeline Grosbeck, and Virginia Dunlap. He also leaves three sons, Natale Gallo, Thomas Gallo, Jr. and Timothy Gallo.

Thomas was the founder and owner of the McDonald Welding and Machine Co, and a member of the Knights of Columbus. Thomas was also a U.S. Army Veteran, having served during WWII.

Thomas Gallo Sr. will be sorely missed in the McDonald community. He touched the lives of many people, and was adored by all who had the privilege to know him. He was a great community leader, husband, father, and friend. I extend my deepest sympathy to his friends and family.

MOTION TO INSTRUCT CONFEREES ON H.R. 2215, THE 21ST CENTURY DEPARTMENT OF JUSTICE APPROPRIATIONS AUTHORIZATION ACT

SPEECH OF

HON. JOSEPH CROWLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

Mr. CROWLEY. Mr. Speaker, I rise today in support of my good friend DIANA DEGETTE's Motion in support of making the Violence Against Women Office (VAWO) permanent. Today, in the US, nearly 25% of women report having been physically and/or sexually assaulted by intimate partner at some point in their lifetime and 1 in 6 women has experienced a rape or attempted rape in their lifetime.

The Violence Against Women Office, created in 1995, leads a national effort to stop domestic violence, sexual assault and stalking. Last year they administered over $270 million in grants to states so that local prosecutors and police departments can respond to violent crimes. VAWO has worked with law enforcement and victim advocates in developing grant programs that support emergency shelter and legal aid.

They have ensured the training of judges, law enforcement personnel and prosecutors to help them respond to victims of stalking, domestic violence, and sexual assault. This office ensures that federal dollars dedicated to anti-domestic violence programs are spent in the best possible and most effective way.

Currently, the Violence Against Women Office is a part of the Office of Justice Programs. However, VAWO can not serve as the leader of promoting effective programs serving victims of domestic violence and sexual assault policy if it is just a check-writing office.

That is why it is imperative to make the Violence Against Women Office an independent office. This office needs and deserves to have a Presidentially-appointed, Senate-confirmed Director, in order to ensure that these issues continue to have a high profile on local, state, deferral and international levels.

Mr. Speaker, I ask my colleagues today: If you think that Violence Against Women is a serious issue, if you think that it deserves serious attention, then give it the priority and attention it deserves.

Make the Violence Against Women Office an independent office with the ability to make policy and assist other governmental agencies in their work on violence against women.

I encourage my colleagues to pass the motion to instruct.

ENRON'S PAWNS: HOW PUBLIC INSTITUTIONS BANKROLLED ENRON'S GLOBALIZATION GAME

SPEECH OF

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. KUCINICH. Mr. Chairman, following are excerpts from "Enron's Pawns: How Public Institutions Bankrolled Enron's Globalization Game"—Sustainable Energy & Economy Network, Institute for Policy Studies, March 2002.

I. INTRODUCTION

Many public officials have described Enron's demise as the product of corporate misbehavior. This perspective ignores a vital fact: Enron would not have scaled such grand global heights, nor fallen so dramatically, without its close financial relationships with government agencies.

Since 1992, at least 21 agencies, representing the U.S. government, multilateral development banks, and other national governments, helped leverage Enron's global reach by approving $7.219 billion in public financing toward 38 projects in 29 countries.

The now-fallen giant, until recently the country's seventh largest corporation, marched into risky projects abroad, backed by the "deep pockets" of government financing and with the firm and at times forceful assistance of U.S. officials and their counterparts in international organizations. Enron's overseas operations rewarded shareholders temporarily but often punished the people and governments of foreign countries with price hikes and blackouts worse than what California suffered in 2001, causing social unrest and riots that were sometimes brutally repressed. For example:

In the Dominican Republic, eight people were killed when police were brought in to quell riots after blackouts lasting up to 20 hours followed a power price hike that Enron and other private firms initiated. The local population was further enraged by allegations that a local affiliate of Arthur Andersen had undervalued the newly privatized utility by almost $1 billion, reaping enormous profits for Enron.

In India, police hired by the power consortium of which Enron was a part beat non-violent protesters who challenged the $30 billion agreement—the largest deal in Indian history—struck between local politicians and Enron.

The president of Guatemala tried to dissolve the Congress and declare martial law after rioting ensued, following a price hike that the government deemed necessary after selling the power sector to Enron.

In Colombia, two politicians resigned amid accusations that one was trying to push a cut-rate deal for Enron on the state-owned power company.

While all this was occurring, the U.S. Government and other public agencies continued to advocate on Enron's behalf, threatening poor countries like Mozambique with an end to aid if they did not accept Enron's bid on a natural gas field. So linked was Enron with the U.S. Government in many people's minds that they assumed, as the late Croatian strongman Franjo Tjudman did, that pleasing Enron meant pleasing the White House. Tjudman hoped that compliance with an over-priced Enron contract might parlay into an array of political favors, from softer treatment at The Hague's War Crimes Tribunal to the entry of his country into the World Trade Organization.

Only when Enron's scandals began to affect Americans did these same government officials and institutions hold the corporation at arm's length. And only when Enron leadership revealed their greed on home turf did it become the biggest corporate scandal in recent U.S. history.

KEY FINDINGS

After a detailed study of Enron's overseas activities over the past decade, Institute for Policy Studies researchers have reached the following four conclusions:

1. U.S. GOVERNMENT AGENCIES WERE THE LARGEST BACKERS OF ENRON'S ACTIVITIES ABROAD

From 1992 to 2001, U.S. Government agencies—the Overseas Private Investment Corporation (OPIC), Export-Import Bank, Maritime Administration, and Trade and Development Agency—cleared Enron's path with $3.68 billion in approved support for 25 projects. OPIC is the clear leader in public financing for Enron, approving over $2.6 billion in risk insurance for 14 projects. Adding to this the U.S. share of financing for multilateral development banks brings the total amount of U.S. taxpayer support for Enron's overseas operations to over $4 billion.

2. THE WORLD BANK GROUP WAS AN IMPORTANT CATALYST OF ENRON'S GLOBAL EXPANSION

The U.S. government wields strong influence over the policies and projects of multilateral development banks (MDBs), particularly the World Bank Group. Despite some reluctance to support several obviously overpriced deals, the Bank did provide $761 million in support for Enron-related overseas projects from 1992 to 2001. Beyond direct support for specific projects, it also provided Enron an entrée to many developing countries by pushing its agenda of privatization and deregulation of the energy and power sectors as conditions of further loans. Other MDBs, particularly the Inter-American Development Bank (IDB), also were important financial backers of Enron. The IDB approved slightly less financing ($752 million) than the World Bank Group from 1992 to 2001.

3. WHEN THE WORLD BANK OR U.S. TAXPAYER-BACKED INSTITUTIONS DECLINED TO SUPPORT AN ENRON PROJECT ON FINANCIAL OR POLITICAL GROUNDS, A RAFT OF OTHER EXPORT CREDIT AGENCIES (ECAS) AND REGIONAL FINANCIAL INSTITUTIONS EAGERLY STEPPED INTO THE BREACH

Enron-related projects obtained support form national and international public institutions that have no ties to U.S. taxpayers. This alphabet soup of ECAs and MDBs—obscure and often-secretive agencies with acronyms like JBIC, CDC, KfW, SACE, EIB, ADC, OND, COFACE, and CIDA—approved $2 billion toward Enron's global expansion.

4. ENRON'S COLLAPSE CALLS INTO QUESTION THE POLICY OF DEREGULATION THAT ENRON, TOGETHER WITH ITS PARTNERS IN THE UNITED STATES GOVERNMENT, THE WORLD TRADE ORGANIZATION (WTO), THE INTERNATIONAL MONETARY FUND (IMF) AND WORLD BANK, AND THE PRIVATE SECTOR HAVE ADVOCATED

Prodded by the Reagan administration in the 1980s, the World Bank and IMF have been pursuing deregulation and privatization of the power and energy sectors for two decades. Energy deregulation has resulted in the energy needs of the vast majority of citizens—the poorest as well as those in need of power for businesses, hospitals, schools and other public services to function—being routinely sacrificed for private gain. So long as the World Bank, IMF, WTO, U.S. Government and corporations continue to advance this agenda of energy and power deregulation, all signs suggest that future "Enrons" will continue to occur, with devastating public consequences.

* * * Brazil pipeline, Enron benefited both from the World Bank's capitalization of Bolivian oil and gas fields and from the World Bank's support of the pipeline.

OPIC, a U.S. export credit agency which had approved a $200 million credit toward Enron's construction of a 390-mile pipeline and thermal power project in Brazil, withdrew its support for the project in late February 2002. According to a Bloomberg article, Enron owes OPIC $453 million in 5 countries in South America, including Bolivia.

Despite Enron's collapse and OPIC's withdrawal, another public institution is considering throwing more money at Transredes. On Feb. 14, 2002, the Inter-American Development Bank published a project abstract for a proposed financing of a gas pipeline extension to the fields of southern Bolivia. (See Inventory for further details.)

A special congressional commission has been formed in Bolivia to investigate the legality of Enron's 1994 acquisition of its stake in the Bolivian side of the Bolivia-Brazil gas pipeline, as well as the consequences for Transredes given Enron's bankruptcy. The commission's seven members will hear testimony from current and former executives of YPFB as well as government officials, including three former presidents, regarding their involvement in the Enron contract. Opposition parties are using the case as a political campaign issue ahead of June presidential elections.

COLOMBIA

Although Colombia's energy sector is, for the most part, still publicly-owned, Enron was able to build and operate a gas pipeline in that country through a special contractual arrangement with the government, and with the financial support of the World Bank.

The World Bank approved a $30 million loan toward the Ballena-Barrancabermeja gas pipeline in 1994, and an additional $35 million in 1996. The pipeline's owner and operator is Centragas, a company in which Enron has a 50% stake, with the balance held by Tomen Corporation (Japan, 25%) and Promigas, S.A. (Colombia, 25%). Through a Build, Own, Operate and Transfer (BOOT) mechanism, Enron built a 357-mile pipeline that carries gas from the offshore Ballena gas field to a petrochemical complex in Barrancabermeja, central Colombia. Ecopetrol, the Colombian national oil company, is its sole client.

To ensure the security of its Colombian assets, Enron has lobbied in Washington to increase military and other aid to Colombia through Senate Bill 2522, the bill that funded the Plan Colombia.[23a] This bill, later signed into law, designated nearly $1 billion "to support Central and South America and Caribbean counternarcotics activities." Enron is also a member of the U.S.-Colombia Business Partnership, a corporation consortium that promotes U.S. business interests in Colombia (other members include Occidental International Corp. and BP Amoco).

According to Colombian government documents, in the early 1990s, the energy sector in Colombia was expected to generate a deficit of over $1 billion for a ten-year period. Privatization sought to generate the funds needed to pay the debt (around 39% of all public debt at the time) and to finance 50%. of the new investments needed to modernize the energy sector. The privatization program began in 1996 with the sale of several electric generation facilities, and by 2001, private companies made up 62% of generation, 44% of distribution, and 30% of new project development. The government hoped to increase that to 75% of generation and 80% of distribution with the sale of ISAGEN, the largest remaining state-owned electric company.[23c]

In October 1999, in Houston, Colombian president Adreáe Pastrana met with the executives of the principal oil and electricity companies in the United States, coordinated by then governor of Texas, George W. Bush. Pastrana rallied support for Plan Colombia, and promised the major oil and gas exploration concessions and the continuation of the privatization in the power sector. Enron representatives were present at this meeting with President Pastrana and Governor Bush.[23d]

Two months later, a scandal erupted in the Colombian Congress when Senator Hugo Serrano accused the Energy Minister, Luis Carlos Valenzuela, of using his political influence to strike a deal with Enron. Under this new deal, Colombia would export natural gas to Enron's power plant in Panama (Bahia Las Minas). This power plant received support from Ex-Im in 1996, the IFC in 1998, and MIGA in 2001.

The World Bank's MIGA appears to have been careless in its work in this case. MIGA earmarked its $3.3 million guarantee for the Bahia Las Minas power plant to an investor in the plant named Lloyds TSB Bank of Panama, a subsidiary of Lloyds (the London-based insurance and banking empire). We can only assume that MIGA officials did not read the transcript of the Feb. 2001 U.S. Senate investigation on money laundering. One of the banks investigated by Sen. Carl Levin's staff was a Lloyd's affiliate named British Bank of Latin America (BBLA), "a small offshore bank that was licensed in the Bahamas but accepted clients only from Colombia . . . (and) became a conduit for illicit drug money."[23e]

The Senate investigators reported that "BBLA's account statements show a constant stream of large money transfers among BBLA and a handful of Lloyds affiliates, including Lloyds banks in Belgium, Colombia, Panama, (emphasis added) the UK and the US." Indeed, in 2000, Lloyds shut down BBLA and its "clients, assets, loans (were) redistributed to other Lloyds banks in Bahamas, Colombia, Panama (emphasis added) and the US." And Footnote 268 in the report contains this interesting information: A federal prosecution (United States vs. All Funds in Certain Foreign Bank Accounts Representing Proceeds of Narcotics Trafficking and Money Laundering, USDC DC Case No. 1:99.CV–03112) seeks forfeiture of about $295,000 in drug proceeds sent to Lloyds TSB Bank and Trust (Panama).

Presumably, MIGA was unaware of these investigations last year when it decided to back the Lloyds affiliate's investment in the Enron power plant, and it also must have missed the burgeoning scandal in Colombia over Minister Valenzuela's pact to ship gas to the plant. Senator Serrano claimed that the deal would also have profited Valenzuela's former employer—investment bank and project promoter Corporation Financiera del Valle (Corfivalle)—which owned 14% of Promigas. Ecopetrol President, Carlons Rodado Noriega, who later resigned over the disagreement, refused to sign the Memorandum of Understanding with Enron because he felt it was not in the best interest of the country. Enron was to receive exclusive rights to Colombia's gas exports at very low prices. Colombia would not be able to export gas, other than that bought by Enron. Although Valenzuela denied the charges, he resigned shortly thereafter.

DOMINICAN REPUBLIC

In 1990, through the National Electric Sector Development Law (Ley 14–90), the Dominican Republic opened its doors to independent power producers, to help it generate additional power for the country.

On July 22, 1994, the World Bank's IFC approved a $132.3 million loan, and a year later, an additional $1.5 million currency swap, in support of a 185-megawatt combined-cycle power facility mounted on a barge at Puerto Plata. The barge-mounted power plant was owned by Enron's subsidiary, Enron Global Power & Pipelines, which acquired the parent company's 50% share in the barge power plant in 1995. 'The power project is expected to be immediately additive to earnings, cash flow and earnings per share in 1996,' trumpeted Rodney Gray, chairman, of Enron Global Power & Pipelines.

In December of 1996, the U.S. Maritime Administration provided a $50 million guarantee toward two Enron power barges for this project.

In January 1998, the World Bank's IBRD approved a $20 million loan to privatize the country's power sector. The goal, said the World Bank, was to open up the power sector to private companies, through reforms at the state agency, Corporacion Dominicia de Electricidad (CDE). The IBRD wrote: "The project's overall objective is to support power sector reform by establishing a competitive bulk supply market for electricity. Specifically, the project seeks to lift transmission constraints that hinder open access of publicly as well as privately owned power generators."

When the government privatized its power sector, Enron (along with several other firms) rushed in to buy a stake in the generating capacity of the Dominican Republic, while AES and Union Fenosa of Spain bought into the distribution networks. The CDE continued to own and operate the country's power transmission companies. Shortly after the private corporations took over, rates for electricity skyrocketed by 51–100% or more. Consumers refused to pay the higher rates, and ultimately forced the government to absorb most of the tariff increase. This resulted in the government paying around $5 million per month to the power companies, a sum it was unable to sustain. By October 2001, it had accumulated a debt in the power sector of $217 million, of which 55.3% was owed to private companies. The mounting debts in turn caused Enron and others to turn off the power, with blackouts sometimes lasting as much as 20 hours, affecting hospitals, businesses, and schools. By early 2001, widespread frustration with the situation triggered protests, some of which turned violent after police clashed with demonstrators. At least eight people died in the protests, including a 14-year-old boy.

In a situation with similarities to California, shortages were originally blamed on private power generators, which at the time of the crisis were only supplying 392,000 of the 815,000 kilowatts they were capable of producing. The electricity issue also sparked a confrontation between the Dominican government and the U.S. Embassy, after the former accused the Smith-Enron joint venture of outright fraud for failing to deliver its promise to generate at least 175 megawatts a day. After privatization of the CDE, power rates had more than doubled and government payments and subsidies (now to private companies) had tripled. After months of negotiation between the government and the power companies, an agreement was finally reached in October 2001 in Madrid, Spain. However, further privatization of the CDE (the remaining transmission companies) has been mentioned as a possible option for a cash infusion for the government. In April 2000 it was reported that CDE, the state power company partially owned by Enron, would privatize electricity transmission in order to comply with World Bank requirements for assistance.

Officials of the current and previous administration have been publicly trading responsibility for the chaos in the electricity sector. In June 2001, the President of the Dominican Republic announced that the contracts awarded during the privatization of the power sector would be investigated. A report by a special commission for the Dominican Senate claimed that the assets of the CDE were undervalued by $907 million, resulting in the CDE's sale for 42% of its value. Suspiciously, the accounting firm that executed the market value appraisal, Ortega & Asociados, is Arthur Andersen's "local representative" in the Dominican Republic. In January 2002, sparked by the allegations surrounding Enron and Arthur Anderson, the Dominican newspaper, El Nacional, revealed the connection between the two accounting firms. Representatives of Ortega & Asociados were questioned about their involvement in the CDE privatization and Enron's operations. Although they have denied any wrongdoing, in a letter to the newspaper they stated that, "This job [referring to the CDE privatization] was done by our professional Dominican staff, with the collaboration of Andersen, given its knowledge and experience in privatization and capitalization of public companies in Latin America." [30]"

Enron's contract in the Dominican Republic expires in 2015.

Until 1992, the state-owned Instituto Nacionalede Electricidad (INDE, National Institute of Electricity) held more than 83 percent of the capacity serving Guatemala's power supply requirements. The remainder was owned by the Empresa Eléctrica de Guatemala S.A. (EEGSA, the Guatemala Electricity Company), of which the government was majority owner. Transformation of the power sector began in January 1993 when EEGSA signed a 15-year power purchase agreement (PPA) with Enron to build the 110MW Puerto Quetzal thermal plant that began operations in 1993. Consisting of two barges loaded with 10 diesel-fired generators, the $92 million project was partly financed by the IFC, which approved a $20 million direct loan as well as a $51 million syndicated loan toward this, the first privately-financed power project in Central America. Power from the project is sold to EEGSA.

The power company, Puerto Quetzal Power Corp., was created by Enron, who initially owned 50%, in addition to operating the plant and serving as fuel supplier. King Ranch Inc., a U.S. company with energy and agribusiness interests, owned the other 50%. In 2000, the U.K.'s Commonwealth Development Corporation (CDC) acquired 25% ownership of the project. The project also gained support from the U.S. Maritime Administration (MARAD), which financed guarantees on the power barge construction in 1994 and 2000.

In addition to the IFC, the U.S. Overseas Private Development Corporation (OPIC) in 1992 granted a $73 million guarantee towards this project, and in 2000, OPIC extended a loan for $50 million to expand the capacity of the plant from 110 MW to 234 MW.

Shortly after it began operating, the complaints against Enron began. According to reports at the time: "(T)he Attorney General [of Guatemala] reported that U.S.-owned Enron Power has not paid any of the estimated $14 million it owned the Guatemalan government for its electrical generation plant in Puerto Quetzal. The Guatemalan government collects less than half the revenues owned it, and it is estimated that two-thirds of businesses, like Enron Power, pay no taxes at all." [31] In 1996, the IFC extended an additional $700,000 guarantee to the project. In 1997, Enron's plant was supply 15% of Guatemala's energy. In September 2000, Enron requested and was granted permission from MARAD to change the registration and flag of the barges from Guatemala to Panama, which is known worldwide for its lax and favorable terms on vessel registration.

When the power sector began its transformation process in 1993, President Jorge Serrano proposed an increase in electric rates to support a market-based electric power industry. The increases in consumer rates, which totaled as much as 100 percent for some customers, were part of the principal complaints of the demonstrators who took to the streets in Guatemala City during the spring of 1993. President Serrano responded to the unrest by declaring marital law, and attempting to dissolve the Guatemalan Congress. His attempt to take control of the government by decree failed when he was unable to win the support of the military. President Serrano subsequently fled the country, and the rate increases were suspended. [32] He is currently in exile in Panama.

The privatization process continued, with Guatemala's 1996 electricity law (Decree 93–96) effectively liberalizing the power sector. The law placed no limits on foreign ownership of companies interested in providing service in the electricity sector. EEGSA was fully privatized in July 1998, when 80 percent of its assets were bought by a consortium formed by Teco Power Corporation of the U.S. Iberdrola Engeria, S.A. of Spain and Electricidad do Portugal, S.A. of Portugal.

MOZAMBIQUE

In June 1994, the World Bank's IDA provided $30 million toward the privatization of Mozambiqe's Pande gas fields. The World Bank began to act as a broker, encouraging government officials and private investors to develop Pande, claiming that the gas fields were expected to lead to gas exports to South Africa worth $150 million annually. The privatization deal followed intensive lobbying by U.S. embassy officials on behalf of Enron. In October 1994, Enron did in fact beat out Sasol (S. Africa) and PlusPetrol (Argentina) for control of the Pande gas field. Enron also hoped to invest in another field, Pemane, but, according to Africa Energy & Mining, "the authorities . . don't want the country's entire gas production to fall into the hands of a single company."

"Elements of the embassy did a bit of lobbying for the company, which I find a bit strange, because this is a commercial agreement," Mozambique's Minister of Energy Resources, John Kachamila told the New York Times. He added that he was "told that other aid to Mozambique might be in jeopardy if this agreement was not signed."

"It was a little more nuanced than that," an unnamed Clinton administration official reported to the newspaper. "It is difficult to say we should give Mozambique $40 million a year, if it's going to take an opportunity for a $700 million project and not do it."

THE PRUDENTIAL SPIRIT OF COMMUNITY AWARDS

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. LANGEVIN. Mr. Speaker, I rise today to honor some very special young people who have made considerable contributions to Rhode Island's communities. In particular, I would like to recognize the achievements of Ms. Nichole Magnifico of Warwick, RI and Ms. Kristin Pallister of East Greenwich, RI. These two young women have been selected to receive The Prudential Spirit of Community Awards for outstanding community service.

Ms. Nichole Magnifico is a high school senior. She is being recognized for organizing the first special needs cheerleading squad in the state of Rhode Island. With Ms. Magnifico's guidance the squad raised funds and began cheering at Special Olympics basketball games, including the Special Olympics Basketball Championship.

Ms. Kristin Pallister, an eighth-grader, volunteered at a nursing home for Alzheimer's patients. Ms. Pallister provided comfort and company to the residents, and has demonstrated her commitment to those in need.

The Prudential Spirit of Community Awards were created in 1995 by Prudential Financial in partnership with the National Association of Secondary School Principals to impress upon all youth volunteers that their contributions are critically important and highly valued. Over the past seven years this program has grown into the largest youth recognition effort based solely on community service. Ms. Magnifico and Ms. Pallister should be extremely proud to have been singled out to receive this honor.

I am heartened, Mr. Speaker, by the selflessness of these young people. While numerous statistics show that Americans are less involved in their communities, it is important that we encourage youth volunteers. They have the power to inspire each and every one of us to make a difference in our own towns and neighborhoods. I hope that you and our colleagues will join me in recognizing these two dedicated young women, for they are among our brightest hopes for a better tomorrow.

TRIBUTE TO SWEDISH AMBASSADOR JAN ELIASSON AND HIS STATEMENT ON RAOUL WALLENBERG

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. LANTOS. Mr. Speaker, I invite my colleagues to join me today in paying tribute to Ambassador Jan Eliasson—ambassador of Sweden to the United States. I want to call the attention of my colleagues to a particularly important speech which he gave before he assumed his current position at a special fiftieth anniversary commemoration marking the disappearance of Swedish humanitarian Raoul Wallenberg. That address was given in the Swedish Parliament on January 17, 1995.

Mr. Speaker, Ambassador Eliasson has a distinguished career in the Swedish diplomatic service. He achieved international attention in 1991, when he was able to utilize his extensive knowledge of economics with a humanitarian purpose in serving as both the Vice President of the United Nations Economic and Social Counsel (ECOSOC) and as the Chairman of the U.N.'s emergency relief group. As the Vice President of the ECOSOC, Ambassador Eliasson was responsible for coordinating activities of social, economic, and humanitarian importance.

Ambassador Eliasson is not only an outstanding diplomat but also a great humanitarian, who embodies the highest and noblest values Sweden has contributed to western civilization. After being named Under-Secretary for Humanitarian Affairs of the U.N., one of his first initiatives was to eliminate the problem of active land mines in countries such as Mozambique. Aid agencies were hired out to demine the most dangerous civilian populated regions of the country. Ambassador Eliasson publicly denounced the further production of land mines under existing law.

From October 1994 to September 2000 Ambassador Eliasson was Sweden's Deputy Secretary of Foreign Affairs. In this position, his voice was particularly significant in formulating and implementing Swedish foreign policy. He continued to incorporate economic pragmatism, social development, and international peace and security into his agenda while serving in this capacity.

Mr. Speaker, for the past two years, Jan Eliasson has served as the Swedish Ambassador to the United States. I am pleased that he is still dedicated to the humanitarian goals that have marked his long and distinguished diplomatic career and which clearly represent the best of Sweden. Ambassador Eliasson's commitment to helping other people mirrors the compassion that Raoul Wallenberg so nobly embodied during his unique rescue mission, in my native land of Hungary.

In his 1995 address to the Swedish parliament, Ambassador Eliasson said, "Raoul Wallenberg lives on." Anyone that dedicates his or her life to peaceful diplomacy and humanitarian causes as Ambassador Eliasson has done is carrying on Wallenberg's humanitarian tradition. I urge my colleagues to join me in honoring Ambassador Eliasson.

Mr. Speaker, I ask that Ambassador Eliasson's address to the Swedish Parliament on the fiftieth anniversary of the disappearance of Raoul Wallenberg be placed in the RECORD. It is an outstanding statement of Wallenberg's humanitarian commitment, and it reflects as well the thoughtful commitment to democracy, human rights, and humanitarian action that Ambassador Jan Eliasson represents.

ADDRESS TO THE SWEDISH PARLIAMENT ON THE FIFTIETH ANNIVERSARY OF THE DISAPPEARANCE OF RAOUL WALLENBERG BY AMBASSAOR JAN ELIASSON

Looking back at his life in his autobiography, from the perspective of an ageing man, the philosopher Bertrand Russell said: "Three passions, simple but overwhelmingly strong, have governed my life: the longing for love, the search for knowledge, and unbearable pity for the suffering of mankind. These passions, like great winds, have blown me hither and thither, in a wayward course, over a deep ocean of anguish, reaching to the very verge of despair."

Perhaps Raoul Wallenberg would not have chosen precisely these words if he were looking back on his life today. But Bertrand Russell puts into words what I believe were also Raoul Wallenberg's strongest driving forces. And Russell also formulates the course which Raoul Wallenberg would probably want all of us to take in today's bewildering and violent world.

Most of what I know about Raoul Wallenberg comes from books, and from the think dossiers at the Ministry for Foreign Affairs. But many of the most important and finest things I know about Raoul Wallenberg I have learnt from his close relative, his friends, and some of those who were saved from the Holocaust.

There are three concepts which have been etched into my memory, when I have been going through what I have read and heard about Raoul: action, passion, and it goes without saying. I am going to attempt to describe Raoul Wallenberg as a person in terms of these three words. And I will also be using them as my starting point when I try to explain the example he sets.

What was Raoul Wallenberg's action? We know that he saved the lives of tens of thousands of people, together with brave and loyal colleagues. We know that he helped to prevent the destruction of the ghetto in Budapest, thus also preventing the murder of a further 60,000 people. And we know that he became one of the outside witnesses—the eyes and ears of the international community—in an inferno on earth, at a time of horrific human degradation.

When we read his letters to his grandfather—we must remember that his father died before Raoul was born—we see few signs that he was preparing himself for a task or a role of this nature. He had studied in America, worked in offices in Cape Town and Haifa, and he had discussed various possible careers in some detail with his grandfather. Was he to become an architect, a banker, or a businessman?

From his letters, he seems to have been carefree, active, full of curiosity and ideas and agreeable self-ironic. He once hitchhiked from Michigan to Los Angeles, where his birthday coincided with the pomp and circumstances of the 1932 Olympics. "My birthday was a quiet affair, since I had asked the civic authorities not to go to any special trouble," he told his grandfather in a slightly bantering tone.

Nonetheless, in the years he spent in America, there were already signs that action was waiting for Raoul Wallenberg. On one occasion when he was the victim of a holdup, he kept his sang-froid, requesting that he be driven to a main road after he was robbed. Afterwards, he merely regretted that he had not made a better job about bluffing about how much money he had on him.

He was restless, waiting for something important to do, something meaningful. It was easy to understand that his heroes were Dumas' three musketeers, and Pimpernel Smith, whose final words in the film were—incidentally—"I always come back".

Nothing seemed to be difficult, or impossible for him. He even believed that he could tackle his incipient baldness if he shaved off all his hair. A man of action, certainly but also man who totally lacked a sense of prestige and who was not interested in appearances.

And then action and Raoul Wallenberg fused together in the summer of 1944. He has six months to save as many as possible of the 200,000 Jews who still remained in Hungary—after the death or the deportation of more than 600,000. "When does the next train leave?" he asked Nina and Gunnar, his sister and her husband when he learnt in Berlin, on his way to Hungary, that the travel agency had given him a day of rest. He could not afford to waste a single hour.

Once he arrived in Budapest, he started to organize things at a hectic pace, designing new protection passports and building up a closely meshed network of contacts—ranging from members of the Jewish Council to the wife of the Foreign Minister, and from his laundress to the detestable Adolf Eichmann, whom he asked to dinner (which he subsequently forgot or subconsciously suppressed, since he was so full of the thousands of other things which he had to do).

The spirit of action was something which expanded ceaselessly, slowly permeating him. When the thugs of the Arrow Cross—Hungary's Quislings—took over the autumn of 1944, the situation became unbearable and the cruelty almost indescribable. Raoul was like the Dutch boy who put one finger after the other in the various holes to stop the dam bursting. Many lives were saved as the result of the meticulous planning, others by ruses and provisions in various languages and in different keys.

But many, many people were murdered before his eyes. And often he arrived too late or was not able to intervene and stop the inferno. He saw people slip away, disappear, die—as when thousands of Jewish women and children, clad in high heeled or thin-soled shoes, were forced to trudge in the slush, day and night, without food and water for 150 miles to the border—and there a fraction of them were subjected to a roll-call, with traditional thoroughness, by Eichmann's command.

I am sure that in these situations he thought of the danger in delay, the damage caused by waiting too long and not acting in time, of being forced to focus on putting out the cruel flames instead of looking for arsonists and the causes of the fire. Arriving in time, to forestall and take preventive action, is basically a question of respect for life and respect for human dignity.

It was with this in mind with Raoul formulated a plan, together with his co-workers, in the last weeks in Budapest, for the rebirth and rehabilitation of the scattered remaining Jews in Hungary. He planned for tomorrow, for survival, in order to plant the trees that must grow. I am convinced that he had this plan in his rucksack—he did not have a briefcase—when he got into the black limousine en route for the Russian headquarters exactly 50 years ago today.

To move on to my second keyword: *passion*, no only Bertrand Russell's compassion, but also Raoul Wallenberg's fervor and capacity to amuse his friends with the quick-fire macabre humor, in spite of the horrors, and to inspire other people to great exploits, to work day and night. It was a case of "saving as many people as possible, to snatch as many as possible from the clutches of the murders," as he wrote in a letter in July 1944.

In Wallenberg, passion and compassion lived, side by side, in symbiosis. Both are necessary for action and results. The American Wallenberg Committee has characteristically chosen as its motto the words of Edmund Burke: "All that is necessary for the triumph of evil is that good men do nothing".

But for Wallenberg, there was no choice. There is no decision-making process in the face of evil. The phrase "it goes without saying" became Raoul Wallenberg's invisible companion.

He did not question whether he should go to Hungary. He did not ask any questions when he was awakened in the middle of the night in Budapest and took his bicycle to the "Swedish houses". With the streets filled with loudmouthed supporters of the Arrow Cross, who were running amok, raping or trading in human beings. He knew which path he had to walk. He had an unfailing moral compass.

Thus, Raoul Wallenberg also set an example. He was one of us, a man who showed that action is possible and necessary. He showed that we do not always need to be prepared or to take deliberate decisions to do what is right. He showed that we can all rise to the occasion, which can then take over and inspire us to superhuman effort. He showed that powerlessness does indeed exist—but that it can be overcome by tackling one problem at a time and by always working and planning for a better future, for a new sense of fellowship.

One of the books I read describes a long conversation Raoul had with a young girl about the League of Nations. He seemed much more interested in what the League of Nations—the United Nations of that time—should do than in the girl. His sister Nina also noted this.

This episode comes to mind when we look around the world today, searching for a Raoul Wallenberg. He would be need in Pol Pot's Cambodia, in Idi Amin's Uganda, in the civil wars in Angola and Mozambique, in Somalia in 1992, in the genocide of Rwanda and in the nightmare of Bosnia. Many were there—but were we too few? Were we—are we—onlookers on too great an extent? Where was the action, the passion and "it goes without saying"?

Raoul Wallenberg lives on. We must not give up on our efforts to have a full account of his fate. We had strong expectations that a new, open and truthful Russia would help us achieve this clarity. Let us hope that today's Chechen tragedy will not stop the ultimate triumph of the forces of democracy and openness.

Russia can show that these forces cannot be conquered, either by producing Raoul Wallenberg or the whole truth about him. This can be achieved in the Swedish-Russian Commission which, since 1991, has been systemically examining documents and available information.

The central issue is not the Wallenberg case or affair. It is Raoul Wallenberg as a *human being*. And, in the final analysis, the end of the Cold War should be a matter of focusing on human beings. We should stop viewing nations as pawns on a geopolitical chessboard but instead see them as societies with people who have to right to political freedom, to economic and social justice and to a life in dignity for all.

For me, this is Raoul Wallenberg's message. That is why Raoul Wallenberg lives on. During his work in Hungary in the reign of terror, in the ghetto and on the streets, he looked the victim in the eye and tried to erase all the power games, all the prejudices and all the hate that encompassed this individual human being.

He saw the forces of evil, but he never gave up the hope, and never stopped taking action.

What more do we need today?

HONORING RONALD MARTELLA

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Ronald Martella for receiving the 2002 Businessman/Agricultural Leader of the Year Award from the Hughson Chamber of Commerce. Mr. Martella has been an active member of the Hughson community for many years and his dedication is deservedly commended.

Mr. Martella is the current chairman of the California Canning Peach Association. He is also a board member of the Ag Council of California and the Growers Harvesting Committee. Ronald is on the Board of the Hughson Chamber of Commerce and the Hughson Redevelopment Agency.

Ronald currently serves the community through these organizations, but his involvement is not just a recent venture. He volunteered as a fireman for 19 years, is the former chairman of the Hughson Youth Center Board of Directors, and served on Hughson Union High School's Agricultural Steering Committee. Mr. Martella is an active member of his church through his involvement in the Knights of Columbus and the church choir.

Mr. Speaker, I rise today to honor Ronald Martella for receiving the 2002 Businessman/Agricultural Leader of the Year Award. I invite my colleagues to join me in thanking him for his tremendous service to the community and wishing him many more years of continued success.

IN HONOR OF THE URBAN LEAGUE OF HUDSON COUNTY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. MENENDEZ. Mr. Speaker, I rise today to honor the Urban League of Hudson County in celebration of its 24th Annual Equal Opportunity Day Awards Dinner Dance on May 3, 2002, at Casino-in-the Park in Jersey City, New Jersey.

Founded in 1971, the Urban League of Hudson County, which is associated with the National Urban League, is a nonprofit community-based organization dedicated to advocating initiatives that allow local residents to participate in the development of their neighborhoods, as well as achieve economic self-reliance.

The Urban League of Hudson County works in association with community groups, as well as government and corporate sponsors. It provides services in the areas of education, mentorship, economic development, job placement, childcare, family counseling, and programs for senior citizens through the help of its dedicated staff. Programs sponsored by the Urban League include Children's Services, Health and Human Services, Employment and Training, Affordable Housing and Community Development, and Communications and Fund Development.

I strongly believe in the mission of the Urban League, and have successfully obtained grants for the construction of its Workforce Development Center, as well as critical funding for the Affordable Housing and Community Development Corporation, and AmeriCorps. I look forward to continuing my work with the Urban League to fulfill the economic dreams of all our citizens in the 13th, District and across the country. The Urban League continues its work to improve the lives of those less fortunate in our community, and I am proud of their positive impact and dedication.

Today, I ask my colleagues to join me in honoring the Urban League of Hudson County for its service to the people of Hudson County. The Urban League's generous and selfless work never goes unnoticed, and I am grateful for all it does.

HONORING THE WEST WARWICK SENIOR HIGH SCHOOL CLASS REPRESENTING RHODE ISLAND IN THE "WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION" COMPETITION

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. LANGEVIN. Mr. Speaker, I rise today to recognize an outstanding group of young people from West Warwick Senior High School. These students will represent Rhode Island in the "We the People . . . The Citizen and the Constitution" Civics Competition being held from May 4–6 here in Washington, DC. The program is administered by the Center for Civic Education and more than 1,200 students from across the United States will participate in this 3-day event. Participants will give presentations on current constitutional issues, and be judged on their depth of understanding and their ability to apply their constitutional knowledge.

The Rhode Island representatives in this year's competition are: Najiya Abdul-Hakim, Janice Abueg, Peter Calci III, Kristin Capaldo, Elizabeth Champagne, Tara Cooney, Tara Czop, Paul DiMartino, Thomas Driscoll, Christopher Ellis, Tinisha Goldson, Kenneth Halpern, Sarah Johnson, Alyssa Lavallee, Robert Martin, Michael Muschiano, Lindsay Nagel, Michael Oulette, Anthony Politelli, Michael Ryan, Kendall Sylvia, Sarah Smith, Corey St. Saveur, Kate Studley, Erin Watson, and Shane Wilcox. The team is led by teacher Marc LeBlanc. I congratulate them all on their success thus far.

It is inspiring to see these young people exercise their knowledge of the fundamental ideals and principles of our government. These principles formed the historical foundation for our way of life, and they provide the framework for the future. I commend the participants from West Warwick High School for their hard work and dedication, and wish them the best of luck in the upcoming competition.

Mr. Speaker, I hope you and our colleagues will join me in recognizing these exceptional students from Rhode Island and all the participants in the "We the People . . . The Citizen and the Constitution" Contest. They represent the future leaders of our nation and deserve our support and encouragement.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this Chamber on April 9, 2002 when rollcall votes Nos. 80, 81, and 82 were cast. I want the RECORD to show that had I been present in this Chamber at the time these votes were cast, I would have voted "yea" on each of these rollcall votes.

I was also unavoidably absent from this Chamber on April 16, 2002, when rollcall vote

Nos. 65, 66, and 67 were cast. I want the RECORD to show that had I been present in this Chamber at the times these votes were cast, I would have also voted "yea" on each of these rollcall votes.

HONORING ROSE E. GRIMALDI

HON. JIM DAVIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. DAVIS of Florida. Mr. Speaker, I rise in honor of the late Rose E. Grimaldi, a longtime Tampa businesswoman and community leader whose love of life and dedication to her family and hometown is an inspiration to us all.

For 30 years, Rose worked as an insurance agent and general manager for Grimaldi and Grimaldi Insurance Agency, and she later served as a chairwoman of the board for Columbia Bank of Tampa for 18 years. In 1987, Hispanic Heritage Inc. honored her with the Business Woman of the Year Award.

Rose, however, was best known for her service to the Tampa Bay community, and in particular, her great interest in helping Tampa's young people. Rose was a founding member of the Girls Club of Tampa Bay, the Hillsborough County Community Mental Health Center and the Visiting Nurses Association of Tampa. She was also active in the All Children's Hospital Guild, the Red Cross Angels and the Gulf Coast Lung Association. In 1987, the National Conference of Christians and Jews honored Rose for her commitment to service by giving her the Silver Medallion Award.

Rose, never one to tire easily, still found time to participate in St. Andrew's Episcopal Church programs and a multitude of social events. Through these and her many other activities, Rose truly had a friend in every corner of the community, and she was known and admired by all for her warm heart and boundless energy.

On behalf of the Tampa Bay community, I would like to extend my deepest sympathies to Rose's family—her 3 children, 12 grandchildren, and 10 great-grandchildren. They have truly been blessed to have such a wonderful, loving role model as a matriarch, and our community is a much better place because of Rose.

PAYING TRIBUTE TO THOMAS R. POINTON ———

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002—

Mr. MCINNIS. Mr. Speaker, it is my honor to recognize Thomas R. Pointon for his accomplishments and contributions to the State of Colorado. Tom has dedicated himself as a board member to the Southeastern Colorado Water Conservancy District for over thirteen years. As he moves on to new opportunities, I would like to take this moment to thank Tom for his countless hours of service to his community, Colorado, and this nation.

As a farmer and rancher, Tom has been an invaluable member of the board frequently offering his experience and expertise. Mr. Pointon truly understands the need for equal water distribution throughout the West. He has selflessly donated his time and energy to a number of boards, notably the Local Hospital Board and the National Association of Counties—Health and Human Resources Committee. Tom has provided leadership as a Commissioner of Bent County and as Commissioner and President of the County Commission Incorporate Board of Directors. For his diligent efforts and quality service as a commissioner, he was awarded with the recognition of Commissioner of the Year in 1986. As a result of Tom's hard work, moral ethics, and excellence in his field, Colorado governors have twice appointed him to the Arkansas River Compact Administration, an important and vital water division monitor for Colorado.

Mr. Speaker, Thomas R. Pointon's dedication and commitment to maintaining the availability and distribution of this vital Western commodity is to be commended and I am honored to bring forth his accomplishments before this body of Congress, and this nation. He has proved himself a valuable contributor to the Southeastern Colorado Water Conservancy District, his community, and Colorado. Thank you Tom, for all that you have done for Colorado and this nation. I wish you all the best and good luck in your future endeavors.

CONGRATULATIONS TO DEBORAH HENRY OF JERSEY CITY, WINNER OF THE FIRST ROSS MEDICAL SCHOOL SCHOLARSHIP

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. PAYNE. Mr. Speaker, I would like to ask my colleagues here in the U.S. House of Representatives to join me in honoring a remarkable woman, Mrs. Deborah Henry of Jersey City, NJ, who recently realized a lifelong dream by becoming the first recipient of the Eliza Anna Grier Scholarship. As one of the founders of the scholarship, I was proud to nominate Mrs. Henry for this prestigious award, sponsored by Ross University and the Congressional Black Caucus, which will enable her to attend Ross University Medical School.

Mrs. Henry's desire to become a physician was kindled over 25 years ago when she attended Clara Barton High School, which prepares students for careers in the health professions. Majoring in Health Occupational Services, she became excited about the field of medicine and began to dream of one day attending medical school. In 1994, she returned to school and successfully pursued a bachelor of science degree in chemistry with a minor in biology. Married with four children, she managed to carry a full time schedule of classes that included biochemistry, organic chemistry, anatomy and physiology, and physical chemistry. Her last 2 years as an undergraduate at New Jersey City University were also spent fulfilling commitments to teaching biology to fifth graders under the Careers in Teaching internship programs; working on two undergraduate research projects, with papers published in the American Chemical Society's Middle Atlantic Regional Meeting Journal, establishing a public school outreach program to encourage interest in the sciences among minority students, and holding top offices in the Chemistry Club where she oversaw fundraising and other organizational activities. Her past experiences and current work as a volunteer Emergency Medical Technician at West New York Volunteer Emergency Medical Service Company furthered her determination to become a doctor who would serve her community. Mrs. Henry's lofty goal is to establish a nonprofit clinic in a community center that offers quality healthcare to all people who are economically disadvantaged.

Mrs. Henry is a bright, dedicated, and compassionate individual who will make an outstanding physician. I know my colleagues join me in offering warmest congratulations and best wishes to her as she begins this exciting phase of her life.

RECOGNITION OF JIMMY BELL

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. EHRLICH. Mr. Speaker, I rise today to commend the efforts of a stalwart supporter of the law and a great friend of the State of Maryland. Jimmy Bell, an attorney who received his bachelor's degree from California State University, Sacramento and his law degree from American University, has risen to become a local and national hero in fighting for justice, equal rights, and opportunity for all Americans.

Jimmy Bell is a charismatic, captivating attorney and civil rights champion and leader in the fight against racial injustice in our country. He has dedicated his time and energy to educate people about the dangers and inherent inequity of racial prejudice, including extensive work with the Police Department for the city of District Heights, MD with regard to the problem of racial profiling.

Jimmy's hard work on behalf of civil rights has paid off, with groups around the country honoring him and recognizing him as a champion who fights for justice and equal opportunity in our Nation. He was the Keynote Speaker at the 2001 Martin Luther King, Jr. Award Celebration at the Civil Rights Institute in Birmingham, AL, in March, 2001. There, he received the prestigious "Dr. Martin Luther King, Jr. Award" for his legal work in the field of civil rights.

Now, Jimmy will be taking his expertise, energy, and eloquence to speak directly with the public via his new radio program on VoiceAmerica.com, "Law with Jim Bell, Esq."

Mr. Speaker, Jimmy Bell is an American hero. He has dedicated his personal and professional life to pursue justice and equal opportunity for all Americans. He deserves our recognition, and I am proud to speak about him as a leader in Maryland and throughout our country.

As we continue our important work in Congress on behalf of the American people, I have always believed we should look to examples of community service and personal leadership for inspiration and reminders of what is important in our society. Jimmy Bell is a leader who exemplifies commitment to equality of opportunity for which our Nation strives.

HONORING PATSY MILTON

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Patsy Milton on the occasion of her recognition by the Fresno County Farm Bureau for her years of volunteerism. Mrs. Milton has given generously of her time to many different programs in her community.

The Fresno County Farm Bureau is honoring Patsy specifically for her work with the Ag in the Classroom Program. The Fresno County Agriculture Education Program was established fifteen years ago with the mission "to teach the cultural, political and environmental importance of Fresno County agriculture to consumers of all ages." Mrs. Milton is the coordinator of the Ag in the Classroom program that goes to schools all over the county bringing supplemental curriculum into the classrooms of over 100 schools.

Patsy's philanthropy is not limited to her passion for sharing agriculture with others. She has also been a member of the Riverview School Parent Teacher Club, Reedley High Band Boosters, and is active in her church. However, it is her work with Ag in the Classroom that earned her the 1995 Volunteer Award from the California Foundation. She has opened her home to students to educate them about the importance of agriculture in everyday life. Mrs. Milton and her husband, Rick, raise stone fruit and grapes and are very involved in the Fresno County Farm Bureau.

Mr. Speaker, I rise today to congratulate Patsy Milton for her well deserved recognition by the Fresno County Farm Bureau. I invite my colleagues to join me in thanking her for her dedication to agriculture and education and wishing her many more years of continued success.

IN HONOR OF NATIONAL PROM AND GRADUATION SAFETY MONTH

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. MENENDEZ. Mr. Speaker, I rise today during National Prom and Graduation Safety Month to recognize the Century Council and the distilled spirits industry for their continuing efforts to fight drunk driving and underage drinking.

During the months of May and June of 2002, the Century Council is implementing a multifaceted campaign to educate parents, teachers, local, state, and federal elected officials, and the community as a whole about the importance of talking to their kids about making responsible decisions when it comes to beverage alcohol. And, reminding them that if they Ire under the age of 21, the only responsible decision to make is not to drink.

Launched in May of 1991, the Century Council is funded by America's leading distillers to promote responsible decisionmaking regarding alcohol consumption and to fight alcohol abuse, focusing on drunk driving and underage drinking problems.

Today, I ask my colleagues to join me in honoring the Century Council and the distilled spirits industry for their efforts to fight drunk driving and underage drinking.

TRIBUTE TO MR. JOHN ELKHAY

HON. JAMES R. LANGEVIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. LANGEVIN. Mr. Speaker, I rise today to recognize and honor the achievements of Mr. John Elkhay of Providence, RI. The U.S. Small Business Association has recognized Mr. Elkhay for his achievements as a chef and restaurateur by awarding him the Rhode Island Small Businessperson of the Year award.

Mr. Elkhay has worked his way to the top in the restaurant business, from his beginnings as a dishwasher to his current vantage point as a leader among Rhode Island entrepreneurs. His two critically acclaimed restaurants, XO Café and Ten Prime Steak & Sushi, have been key to the revitalization of downtown Providence.

Mr. Elkhay's determination to be a leader in this field is evident from his continuous work ethic and innovation. He began studying the culinary arts as a senior in high school. Enrolled in the Johnson and Wales College while he finished high school, John quickly proved to his teachers and employers that he was capable and creative. His experiences in the numerous highly respected kitchens took him all over the country, where he was able to hone his skills. After returning to Rhode Island Mr. Elkhay opened a chic tapas restaurant with Guy Abelson. This venture soon led to several other opportunities, and finally to his current ventures. John has been featured in a number of national publications including Bon Appetit, Nation's Restaurant News, and Gourmet Chef. While he takes these accolades in stride, John plans to open four more restaurants in Rhode Island.

John Elkhay is not only a respected chef and businessman; he is an outstanding person whose own hardships have led him to help others. John lost his 12 year-old son to cystic fibrosis, and established the Ross Elkhay Foundation in his memory. Additionally, his Chefs for CF program has raised thousands of dollars in donations for research over the years.

Mr. Speaker, colleagues, I am proud to represent John Elkhay in the House of Representatives. Please join me in recognizing this outstanding individual whose personal and professional contributions have garnered him the Rhode Island Small Businessperson of the Year Award.

PAYING TRIBUTE TO DONN CULVER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Donn Culver and thank him for his extraordinary contributions to his city, his state and his fellow citizens. As an employee of GMAC Mortgage, Donn has dedicated himself to improving his community and the state by selflessly giving his time and energy to his job, his family and his fellow citizens. His remarkable business and philanthropic accomplishments are surpassed only by the hard work and dedication that he has poured into each and everything he has done. As we celebrate his tremendous accomplishment of earning the Colorado Mortgage Lenders Association's Hope for Homeowners Award, let it be known that I, along with the people of Colorado, applaud his efforts and are grateful for all that he has done for his state and his community.

Throughout his personal and professional life, Donn has consistently represented the very attributes that this award recognizes, and I am honored to bring his achievements to light today. Donn is currently the Vice President and Regional Manager for GMAC Mortgage, with responsibility for covering seven middle western states, and is active in a number of housing initiatives at GMAC. He has spent 23 years in the financial services industry, with 16 years in senior management, including a post as National Production Manager for Pulte Mortgage Corp. He is an active member of a number of committees, including the Fannie Mae Advisory Council, he serves as Co-Chairman for the Colorado Mortgage Lender Association's Affordable Housing Committee; and is a member of the Residential Lending Committee, the Responsible Lending Task Force for Colorado, and an instructor for the Salvation Army and Heritage Foundation Homeless to Home Ownership. In addition, he is an outstanding advocate for first-time homebuyers, and has been active in trying to prevent predatory lending practices. Donn earned a BS in marketing from Indiana University, and, perhaps most importantly, is married with two children. Donn is truly a remarkable man, who has always been eager to give his time and energy to the community, through both his professional and philanthropic endeavors.

Mr. Speaker, it is clear that Donn Culver is a man of unparalleled dedication and commitment to his job, his community and to his state. It is his unrelenting passion for each and every thing he does, as well as his spirit of selflessness and dedication with which he has always conducted himself, that I wish to bring before this body of Congress. Donn has achieved extraordinary things and enriched the lives of so many people, and it is my privilege to extend to him my sincere congratulations on earning the Colorado Mortgage Lenders Association's Hope for Homeowners Award, and wish him all the best in the future.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this chamber during the week of March 18th. I want the RECORD to show that had I been present in this chamber, I would have voted in the following manner:

On rollcall vote 65, yea; on rollcall vote 66, yea; rollcall vote 67, yea; rollcall vote 68, yea; rollcall vote 69, yea; rollcall vote 70, yea; rollcall vote 71, yea; rollcall vote 72, yea; rollcall vote 73, yea; rollcall vote 74, yea; rollcall vote 75, no; rollcall vote 76, no; rollcall vote 77, no; rollcall vote 78, no; rollcall vote 79, no.

HONORING MARGARET "DUTCH" SILVER

HON. JIM DAVIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. DAVIS of Florida. Mr. Speaker, I rise in honor of the late Margaret "Dutch" Silver, a highly respected Florida political activist whose years of hard work and enthusiasm inspired countless people to become involved in the political process and helped several of Florida's successful female legislators get their foot in the political door.

A native of Alabama, Dutch entered Tampa's Democratic political scene in the 1970s, bringing with her a host of fresh ideas in political campaigning and the energy and drive to turn those ideas into successful political strategies. Dutch renewed the practice of door-to-door campaigning and updated the party's approach to political canvassing and targeting. Her exuberance encouraged others to become activists, and her knowledge and experience soon led her to become the executive director of the Hillsborough Democratic Party.

Many of Florida's Democratic women politicians credit Dutch for guiding them to leadership positions. In 1972, Dutch ran Betty Castor's campaign to become Hillsborough County's first female Commissioner and then advised Betty Castor in her three successful Florida State Senate races and her campaign to become state commissioner of education in 1986. Dutch also ran Fran Davin's Hillsborough County Commission race and helped Helen Gordon Davis become elected to the Florida State House of Representatives.

On behalf of the people of Tampa Bay, I offer my deepest sympathy to Dutch's family. Through her hard work, dedication and passion to make our community, state, nation and world a better place for everyone, Dutch helped Florida's Democratic party break ground. She was committed to her cause because she loved the work and she believed in the political process. Florida has truly lost a trailblazer.

CLINTON HILL WEED AND SEED PARTNERSHIP

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. PAYNE. Mr. Speaker, I rise today to recognize Operation Weed and Seed in Newark, New Jersey and its commitment to the revitalization of the city. In 1991 the United States Department of Justice established Operation Weed and Seed, a community based multi-agency approach to law enforcement, crime prevention, and neighborhood restoration. The Weed and Seed strategy is a two-pronged approach to crime control and prevention where law enforcement agencies first "weed out" criminals from the target area, followed by a "seeding" of prevention, intervention, treatment, and neighborhood revitalization.

On Saturday May 4, 2002 The Clinton Hill Weed and Seed Partnership, sponsored by Public Service Electric and Gas Company, will celebrate the unveiling and kick-off of the Newark, New Jersey project at Mildred Helms Park. Consisting of over 150 stakeholders, The Clinton Hill Weed and Seed Partnership has accomplished a milestone by receiving its Official Site Designation from the United States Department of Justice.

The Weed and Seed strategy is based on collaboration, coordination, community participation, and leveraging resources. The emphasis on community participation cannot be understated. The prevailing concept is neighborhoods function more effectively when empowered to solve their own problems.

The process to become a Weed and Seed site requires a significant commitment by the community to engage in strategic planning, collaborate with key stakeholders, and coordinate programs and services. The Clinton Hill Partnership will become a significant impacting force on the city of Newark. Mr. Speaker, I ask that my colleagues join me today in recognizing the tremendous efforts of the Weed and Seed Partnership and the lasting impact that it will surely have on the city of Newark.

HONORING TESS CAMAGNA

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Mrs. Tess Camagna for receiving the Educator of the Year Award for 2002 from the Hughson Chamber of Commerce.

Tess is a born and bred Hughsonian. Her parents were farmers there and she attended Hughson Elementary and graduated from Hughson High School. She left the community only briefly to attend California State University, San Jose, to obtain her degree in Elementary Education.

After pursuing her education Tess returned to Hughson and began teaching in 1973. Throughout her career she has taught kindergarten and first grade. Mrs. Camagna is proud to be a part of an educational system that is dedicated to children and excels in educational leadership.

Tess' husband, Richard, is a farmer and Hughson Fire Department Commissioner. They have raised three children, John, Peter, and Sarah, and they have been blessed with two grandchildren, Alex and Nicholas.

Mr. Speaker, I rise today to honor Tess Camagna for receiving the 2002 Educator of the Year Award. I invite my colleagues to join me in thanking her for her tremendous service to the community and her dedication to our youth.

IN RECOGNITION OF LUCY NUNZIATO

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mrs. MALONEY of New York. Mr. Speaker, I rise to pay tribute to Lucy Nunziato, a woman who has dedicated many years of public service not only to the Queens Chamber of Commerce and the business community, but also to the greater borough of Queens. After an outstanding career in banking, Ms. Nunziato is retiring, much to the regret of her friends and colleagues.

Ms. Nunziato rose to a position of significant responsibility at a major savings bank because of her intelligence, hard work and versatility. At the Long Island Savings Bank, FSB, she started out working as a teller and was so respected for her work that she eventually became Vice President, overseeing the community and public relations department of a 48-branch network in Queens, Nassau, and Suffolk counties. During her tenure at the bank, she also served as President of Savings Bank Women of New York.

Ms. Nunziato has also devoted a great deal of time and effort to various professional and civic affiliations, including serving on the boards of the American Red Cross, Alliance of Queens Artists, Long Island City—YMCA, Flushing Council on the Culture and the Arts, as well as the Queens Historical Society. She has also represented the interests of Queens business on the Queens District Attorney's Business Advisory Council, the Verizon Communications Advisory Council, Con Edison's Small Business Advisory Council, and the Committee to Promote Public Trust and Confidence in the Legal System.

Ms. Nunziato has also showed a great deal of commitment towards the charities at which she volunteers, including the American Cancer Society, the Girl Scout Council of Greater New York, Junior Achievement, Project Outreach, Walter Kaner's Children's Foundation, the Wheelchair Classics, the Lexington Center and the Variety Boys & Girls Club of Queens. She has also served on the finance committee of St. Patrick's Roman Catholic Church and St. Sebastian's Roman Catholic Church.

The outstanding accomplishments of Ms. Nunziato have earned her special recognition from organizations such as Wheelchair Classics, American Red Cross, American Cancer Society, the Long Island City—YMCA, the

Flushing Council on the Culture and the Arts, the Pride of Judea Mental Health Center and Queensboro Council For Social Welfare.

Mr. Speaker, for her many contributions, I ask that my colleagues join me in honoring Lucy Nunziato.

PAYING TRIBUTE TO JOHN AND LOUISE RODRIGUEZ

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to honor a couple whose dedication and commitment to one another, and their family, embodies the spirit of family values in my state and this nation. Through times of joy, and times of sadness, John and Louise Rodriguez have upheld their marriage vows to one another for thirty-seven years. Born and raised in the City of Pueblo, Colorado, John and Louise are valued members of the community as parents, citizens, and volunteers. Together, they have conducted themselves with honesty and integrity over their lifetime and I stand today to pay tribute to their lives.

Married on April 24, 1965, John and Louise will soon be joined in the celebration of their thirty-seventh wedding anniversary by their four children, John, Janelle, Jeffery, and Julianne. Sadly, one member of the Rodriguez family will be missed in their gathering, Julie Cherie, their first-born child. She was born on January 2, 1966, but sadly was diagnosed with cancer of the liver, and passed away in August of 1968. The couple's dedication to their family is evident in their approach to this trying time; Louise spent two years living in Denver to be with her daughter at a hospital, while John worked to provide for his family at CF&I in Pueblo, commuting weekly to visit his daughter and wife in Denver.

Throughout their lives, John and Louise instilled strong family values by rearing their children in the Roman Catholic Church. They emphasized the value of education from early on in their childhoods, and encouraged the children to attend and receive college degrees. Today their children are proud college graduates and with the continuing support of their parents, are succeeding in their own personal endeavors. During their children's early years, John could be found working hard at the wire mill at CF&I to support their family, while Louise maintained the home front and provided a solid base for raising the children. As the children matured and attended college, Louise began work as a medical transcriptionist at various doctors' offices and at St. Mary-Corwin Hospital. Today, Louise is the proud owner of her own medical transcription service and John is often found volunteering his time and efforts to helping handicapped children safely access school buses for School District 60.

Mr. Speaker, those who know the couple best often remark on the evident love for one another and their children. Through the good times and the bad, the Rodriguez's have remained committed not only to their vows, but their family. John and Louise have served as true role models for their four children and their community, and I am honored to pay tribute to John and Louise before this body of Congress and this nation. They are a model American family and I am honored to represent them.

HONORING THE 51ST NATIONAL DAY OF PRAYER "AMERICA UNITED UNDER GOD"

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. LIPINSKI. Mr. Speaker, I rise today to extend my heartiest wishes on the observance of the 51st National Day of Prayer.

The National Day of Prayer has been an occasion for countless Americans to give thanks for their blessings and ask for God's support. As our service men and women defend the United States in distant lands and families continue to heal from the tragedies of September 11, 2001, this National Day of Prayer is certainly an occasion worthy of special recognition.

In 1952, an act of Congress created The National Day of Prayer. With hard work, this occasion has been celebrated annually since its introduction. In 1988, the National Day of Prayer was set on the first Thursday of each May.

The theme of the 51st National Day of Prayer is "America United Under God." As our nation continues to rebuild its faith and commitment to each other, the theme "America United Under God" encourages a renewed spirit of patriotism in our great nation. Hopefully, you will unite in a special prayer for those unfortunately suffering throughout the world—in birth, life and death.

Mr. Speaker, as May 2, 2002 has been designated as The National Day of Prayer, I would ask that my colleagues join me in offering a special prayer for our service men and women as well as all those unfortunately suffering throughout the world.

EXPORT-IMPORT BANK REAUTHORIZATION ACT OF 2001

SPEECH OF

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 1, 2002

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2871) to reauthorize the Export-Import Bank of the United States, and for other purposes:

Mr. OXLEY. Mr. Chairman, I appreciate Chairman NEY's concerns regarding the operation of the Export-Import Bank and I share many of them. Ex-Im plays an important role in fostering trade and leveling the playing field for U.S. exports. However, it is absolutely unacceptable for Ex-Im to support transactions that compromise our national security. I have closely monitored the transaction that Mr. NEY has highlighted and while I did not find any wrongdoing by Ex-Im, I am troubled by the approach Ex-Im took while reviewing this deal.

I am confident that the State Department does a good job in monitoring violations of the Arms Export Control Act, and if there was a serious problem they would be able to successfully stop a transaction. The problem is that bad transactions should not have to reach that level, they should not be approved by the Ex-Im Board in the first place. I do hope that in the future, Ex-Im takes very seriously these issues and works to limit transactions with entities that have violated U.S. national security laws.

As far as legislative remedies are concerned, I appreciate all the efforts by my good friend from Ohio. I am committed to work closely with him as we consider changes to Ex-Im's Charter in order to ensure that our national security is not compromised.

HEBREW UNION COLLEGE—JEWISH INSTITUTE OF RELIGION

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. BERMAN. Mr. Speaker, I rise to recognize an outstanding Jewish educational institution, the Hebrew Union College—Jewish Institute of Religion (HUC–JIR) on the historic occasion of its first rabbinic ordination. This weekend's ordination, taking place on Sunday May 5th at Wilshire Boulevard Temple, will be the first of its kind on the West Coast and it bears testament to the significant growth and importance of the Reform Jewish movement in California and the West Coast.

I am proud of HUC–JIR's accomplishments, proud of the rabbis who will be ordained this weekend and proud of the fact that from this weekend forward, Reform Rabbis will be ordained in my home city, Los Angeles. HUC–JIR is the nation's oldest institute of higher Jewish education and the academic, spiritual and professional development center of Reform Judaism. It is an organization dedicated to providing leadership for and strengthening the growing Jewish communities and Reform Congregations throughout the West Coast.

The HUC–JIR has a long, well known, and successful history educating men and women for service to American and world Jewry as rabbis, cantors, educators and communal service professionals and offering graduate and postgraduate degree programs for scholars of all faiths. It is also known for its vast array of scholarly resources, including a renowned library, archive and museum collections, biblical archaeology excavations, and academic publications. The College-Institute makes its resources available to the community and also provides an assortment of cultural and educational programs that help illuminate Jewish history, culture and contemporary creativity.

I am very pleased that the Los Angeles Rabbinic Program has been expanded to become a comprehensive program culminating in ordination, and I am pleased to recognize the inaugural class of newly ordained Rabbis: Shawna Elise Brynjegard-Bialik, Miriam Lisa Cotzin, John Rothschild Fishman, Melissa Lynn Fogel, Robert William Haas, Tali Esther Hyman, Kennard Kipman and Karen Shahon Strok. I wish the best for each of these new Rabbis and I am confident they will accomplish great things.

Mr. Speaker, it is my distinct pleasure to ask my colleagues to join with me in saluting Hebrew Union College—Jewish Institute of Religion on this historic event and in congratulating the first class of Reform Rabbis to be ordained on the West Coast.

TRIBUTE TO REV. DR. LOUIS RAWLS

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. RUSH. Mr. Speaker, it is with a heavy heart that I rise today to pay tribute to a dear friend, an extraordinary man, and a great pastor of great pastors—Rev. Dr. Louis Rawls, who passed away on Friday, April 26 of pneumonia. Rev. Rawls is truly one of Chicago's unsung heroes. His death will leave a deep void in our community.

Rev. Louis Rawls dedicated his 97 years of life to his family, his church and service to his community. Born and raised in Johns, Mississippi, he was ordained and became pastor of Canaan Baptist Church in Chicago. In 1941, Rev. Rawls built the Tabernacle Missionary Baptist Church on the South Side of Chicago where he was pastor until his death.

Rev. Rawls was a learned man, a visionary who believed that the church must play an active role in community development. As an active civic leader and trailblazer, Rev. Rawls sought to enhance his community by bringing to it goods and services. He founded the Willa Rawls Manor, a 121-unit living center for senior citizens and operated the Tabernacle Community Hospital and Health Center, the first black-owned hospital at the time.

Rev. Rawls also established the Brown-Rawls Funeral Home, a grocery store, a real estate and mortgage corporation, and a printing and publishing company. Rev. Rawls sat on the boards of a number of community and national groups, including the National Association of Evangelicals, Channel 38, Chicago Baptist Institute and Morehouse College in Atlanta.

Rev. Rawls is survived by his wife, Willa, affectionately known as "Baby Rawls", his sons Julius and Samuel, his foster son, Grammy award-winning singer Lou Rawls, and Donald and Jerry Poston, two boys who he raised and considered his sons.

My fellow colleagues, please join me in honoring the memory of Rev. Dr. Louis Rawls, a true beacon of our Nation.

"The righteous cries out, and the Lord hears them; he delivers them from all their troubles. The Lord is close to the broken hearted and saves those who are crushed in spirit." (Psalm 34:17–18)

INTRODUCTION OF THE AERONAUTICS RESEARCH AND DEVELOPMENT REVITALIZATION ACT

HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. LARSON of Connecticut. Mr. Speaker, I rise today in the month in which we celebrate the 75th anniversary of Charles Lindbergh's historic flight across the Atlantic to introduce bi-partisan legislation designed to revitalize an industry that is essential to maintaining this country's economic growth, technological superiority, and military might. Since Lindbergh's flight, aviation technology in the United States has reached a level of success and development unparalleled in world history. The overall success of our economy and our armed forces is strongly linked to the strength of the U.S. aerospace industrial base. However, despite the historical strength of this industry, it is clear that the United States is involved in a difficult struggle to maintain our preeminence in the aerospace field, both commercially and militarily.

In January of 2001, the European Union unveiled its plan for gaining dominance in the global aerospace market entitled, European Aeronautics: A Vision for 2020. This plan lays out an ambitious, $93 billion, 20-year agenda for winning global leadership in aeronautics and aviation. In stark contrast to the vision set by the Europeans, the U.S. has cut by half its expenditures on aerospace research & development (R&D) over the past two decades. This downward trend has coincided with a similar trend in the U.S. share of the world aerospace market, which declined from about 70% of the global market to less than 50% now. Furthermore, the Administration has proposed to further cut aeronautics research by $58 million at NASA and $20 million at FAA for next year.

As a result of these negative trends and the importance for the long-term economic and security interest of the United States, I joined with a bipartisan group of my colleagues to introduce the Aeronautics Research and Development Revitalization Act. This legislation establishes a broad-based agenda to reinvigorate America's aeronautics and aviation R&D enterprise and maintain America's competitive leadership in aviation by:

Reversing the trend of declining Federal investments in aeronautics and aviation R&D by doubling funding over five years. Funding is increased to $900 million in 2005 (approximately the level they were in 1998), and $1.15 billion in 2007.

Following the recommendations of the FAA's Research, Engineering and Development Advisory Committee, doubling funding over 5 years to $550 million in 2007.

Establishing a focal point for aeronautics R&D by re-establishing an Office of Aeronautics reporting directly to the NASA Administrator.

Establishing an R&D initiative to develop technologies within a decade to build commercial no-noise, low-emissions, and be highly-energy efficient. The goals would challenge NASA, industry, and academia to come up with revolutionary approaches to the propulsion, structures, avionics, and other technologies needed for such an initiative to succeed. Such technologies would be developed on a more ambitious timetable than is envisioned by the Europeans in their Vision 2020 plan.

Establishing an R&D initiative directed at reinvigorating the nation's rotorcraft R&D that will address the nation's civil and military needs for decades to come.

Addressing the need for a long-term Federal R&D effort to develop technologies for an environmentally-friendly, commercially-viable supersonic transport capable of flight over land.

Including, independent review mechanisms to ensure that the agency is pursuing technology concepts in a cost-effective manner. The objective of the legislation is for the Federal government to work with industry and academia to achieve challenging aeronautics goals—not to fund "make-work" activities.

Authorizing the establishment of one or more university-based centers for research in aviation training for flight crews and air traffic controllers as new technology and procedures are added to the nation's infrastructures.

Establishing a program of scholarships to help replenish the nation's pool of aeronautical engineers.

Tackling the problem of delays in and unreliability of the air transportations system directly by authorizing funds for NASA to work with NOAA on research to improve significantly the reliability of 2 to 6 hour aviation weather forecasts.

Providing a significant funding to allow increased attention to environment and energy-related projects and for research on increasing the capacity, efficiency and safety of the air traffic system.

The basic premise of the legislation is that the U.S. can best meet the R&D challenge mounted by the Europeans and others through focused R&D investments that will enable future aircraft and rotorcraft technologies that are extremely quiet, fuel-efficient, and low in emissions of carbon dioxide and nitrogen oxides. The development of such aircraft will enable the U.S. aviation industry to dominate anticipated aviation markets, as well as create new markets in cities and regions whose airports have been underutilized because of perceived negative environmental impacts. In addition, the new aviation capabilities could allow innovative approaches to meeting the future demand for travel by the American public, open up new possibilities for the future national air traffic management system, and make aerospace technologies more environmentally friendly.

The legislation is designed to reflect Congress' intent to respond to the challenge laid out in the European Vision 2020, through vigorous and robust increases to the FAA and NASA's aeronautics R&D funding.

Seventy-five years after Charles Lindbergh's ingenuity and bravery began America's almost century-long dominance in aviation, leadership is required to sustain our aeronautics industry to make it as vibrant a symbol of America's might in the 21st century as it was in the 20th. Therefore, I urge my colleagues to support this legislation.

PAYING TRIBUTE TO HILDUR HOAGLUND ANDERSON

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. McINNIS. Mr. Speaker, it is with great sorrow that I take this opportunity to pay tribute to the life and memory of Hildur Hoaglund Anderson. Hildur passed away in February of this year after ninety-four full and joyous years. She was a valued member of the Colorado community since 1907, and served as a teacher, musician, and an early pioneer of Snowmass Village. As family and friends mourn her loss, I think it is appropriate that we remember Hildur's many contributions to her community, family, and fellow Coloradans throughout her life.

Hildur's life and testament embodies the spirit of Colorado's heritage and Western lifestyle. Born June 21, 1907, she was the youngest of six children and was raised on the family ranch. She attended school in a one-room schoolhouse and rode on horseback down to the town of Aspen for her piano lessons. In 1937, Hildur married Bill Anderson and together they raised a loving family of four children. Known for her quick wit and considerable wisdom, she was always willing to share her life experiences with others. Her sayings and quotes are known around the town as 'Hildurisms' and will be a part of the folklore in Aspen for years to come.

She began educating children at the age of seventeen, teaching children on the Western Slope the fundamentals of a quality education. She was known throughout the school system for her special attention to each child as well as her mentoring of young teachers in the community. Known for the vitality she displayed throughout her life, she was often found entertaining the community with her musical talents on the accordion and piano alike.

An inductee at the Aspen Hall of Fame, it is clear that Hildur Hoaglund Anderson helped to shape the town of Aspen through her years of teaching, her contributions to the community, and witty bits of advice. It is my honor to be able to bring the contributions and life of Hildur Lillian Hoaglund Anderson to the attention of this body of Congress, and this nation. Thank you Hildur for all that you gave us, you will be greatly missed.

INTRODUCING THE HAITIAN ADJUSTMENT OF STATUS ACT 2002

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. HASTINGS of Florida. Mr. Speaker, last week, the Immigration Reform and Accountability Act was passed by an overwhelming majority. I rose at that time to express my concerns that the bill did not, as its title suggested, actually reform any of our immigration policies, it simply restructured the INS for the purpose of efficiency—a laudable first step to be sure. But a "first step", and little else.

Countless times, I have risen to express my concerns that more needs to be done to support and assist Haitian aliens in our country. A newspaper article published just last week quotes the Office of the UN's High Commissioner for Refugees saying that our policy on Haitian asylum seekers is "contrary to the norms and principles of international refugee law". As disturbing as that statement is, even more disturbing is the knowledge that the INS policy on Haitian aliens differs from the policy on aliens from other nations.

I am introducing a bill today that will rectify some grievous inequities in the current INS immigration policies. Policies that grant different types of treatment to refugees, based solely on their country of origin.

My bill is specifically focused on Haitian aliens who have been living and working in our country for several years. It enables the Attorney General to adjust the status of these eligible aliens to that of "permanent resident". Further, my bill also includes provisions for permanent resident status when the alien is the spouse or child of an alien lawfully admitted as a permanent resident.

In point of fact, this bill does nothing more than provide fair treatment to aliens who have been living and working in this country for years as good neighbors and dedicated employees.

Study after study has shown that legal immigrants give us more than they take out in the form of benefits. They are assets to our economy and are often successful entrepreneurs who pay taxes and hire employees.

Thus, I continue to believe that legal immigration is one of the sources of America's greatness, as our country has prided itself on the strength of its diversity. We are a Nation of immigrants and those who enter our borders legally should be afforded equal opportunity to excel and prosper.

When we passed the Immigration Reform and Accountability Act last week, we missed an opportunity to take steps to actually "reform" our immigration policies. The bill I introduce today is an essential first step in ensuring "justice for all . . ."

I urge my colleagues to support this legislation.

[From the Miami Herald, Apr. 24, 2002]

MISGUIDED INS POLICY

The U.S. Immigration and Naturalization Service continues to detain Haitian asylum seekers, denying them a fair shot at winning their cases on merit. The policy is discriminatory and wrong. It also is "contrary to the norms and principles of international refugee law," according to the Office of the United Nations High Commissioner for Refugees.

The commission's opinion comes as local immigration advocates have sued for release of the Haitian refugees. The lawsuit, which seeks class-action status, charges that the INS has singled out Haitians for mistreatment because of their race and nationality. It also accuses the INS of constitutional violations.

The INS says the Haitians haven't been officially admitted to the United States, don't have constitutional protections and that releasing them is contrary to "the public interest."

The policy has been in place since Dec. 3, when 165 Haitians were brought ashore from an overcrowded boat that foundered near Miami. Now in INS custody, most have been found to have credible fear of persecution. After passing this hurdle, other nationalities are generally released to pursue their cases.

But the Haitians, who now number more than 240, remain locked up and subjected to expedited asylum proceedings. The situation ensures that most Haitian refugees won't be able to find a lawyer, gather necessary documents or prepare adequately to argue the merits of their asylum petitions.

For those fortunate enough to have obtained pro bono attorneys, contacting them has become increasingly difficult. That's what attorneys say after having to wait hours to see Haitian clients at INS's Krome detention center and in a county jail.

In court documents, the INS says that its policy is designed to deter a Haitian exodus. Federal officials were concerned "that paroling the migrants from the Dec. 3 vessel might cause others to attempt dangerous maritime departures . . . or trigger a mass migration," said Michael Becraft, INS's Acting Deputy Commissioner. Thus, the harsh new policy.

Haitians seeking refuge from threats of death, rape, beatings and other political persecution now get locked up. They remain jailed at taxpayer expense until deported or granted asylum—processes that take months or years.

[From the South Florida Sun-Sentinel, Apr. 24, 2002]

MAKE THE RULES THE SAME

People from nearby island nations who climb on rickety boats or rafts and try to reach Florida should be discouraged. Often, they are putting their lives into the hands of smugglers and thugs. Many have drowned.

But sometimes those flimsy vehicles carry some people who would be harmed or killed if sent home. U.S. laws distinguish between economic refugees and people with a real and credible fear of persecution.

New immigration rules distinguish between Haitian asylum-seekers and those of other immigrant groups. Last December, the Immigration and Naturalization Service changed the rules, mandating no parole for Haitians with credible asylum claims. This means that Haitian asylum-seekers must stay behind bars until the case is heard.

These rules don't apply to asylum-seekers of other nationalities—Cubans, Chinese, South Americans. Unless they are suspected terrorists, these asylum claimants can be released to their relatives or sponsors.

The INS says the rules were changed to discourage Haitians from taking to the seas and becoming the victims of smugglers. As political turmoil has increased in Haiti, so have illegal boat trips.

Illegal immigration is a crime. The United States has the right and the responsibility to protect its borders and enforce its laws.

Yet treating Haitians differently from other immigrant groups isn't the right way to protect them or solve the problem. There are other ways to deter smuggling trips, such as cracking down on smugglers and increasing border patrol.

The INS has begun releasing some of the 240 detained Haitians who are seeking asylum. Among the released are Haitians who have arrived by plane and whose families can prove they have the income to support them. This is a positive step, but it's not enough.

Illegal boat trips should be discouraged. But Haitians who have a real fear of persecution should be treated the same way other immigrant groups are. To do otherwise isn't fair or just. It's discriminatory.

TRIBUTE TO RABBI SAMUEL B. PRESS OF BETH ABRAHAM SYNAGOGUE

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. HALL of Ohio. Mr. Speaker, I rise to honor Rabbi Samuel B. Press, who is retiring after serving 24 years as spiritual leader of Beth Abraham Synagogue in Dayton, Ohio, within my district. During those years, he has made an enormous difference in the lives of the congregants as well as the citizens of greater Dayton.

The last quarter century has seen a great deal of change in Beth Abraham, Conservative Judaism, and the community. A recent article in the Dayton Jewish Observer noted, "Press rode the sometimes rocky waves of change with moral fortitude."

Rabbi Press is loved by the members of Beth Abraham for his friendship and empathy. He is tireless in his service to the families, whatever their needs. He is known for his great wit, fine sense of humor, and his energy, as well as his passion for his causes. He is more than a leader of the congregation—he is a friend to all.

His service reaches far beyond the synagogue. Rabbi Press was Director of the Dayton Black-White Coalition. He served on the Board of Directors of Womanline, Dayton Free Clinic, Dayton Jewish Community Center, Community Hebrew School, Hillel Academy, and Jewish Family Services. He is the founder of the Dayton Synagogue Forum, of which he served as President from 1989–1991. In October 2001, he was one of three local leaders honored by the National Conference for Community and Justice for achievements in nurturing tolerance and understanding, and making Dayton a better place to live.

He is also respected as a Jewish scholar, having published a number of articles and lectured frequently at Dayton area universities.

Recently, Rabbi Press described Dayton as "a warm, embracing, loving community." It has been made even more so by Rabbi Press' work.

On May 5, Beth Abraham Synagogue will honor Rabbi Press with a dinner in downtown Dayton. I regret that I will not be able to attend. However, I send my best wishes to Rabbi Press and his wife Phyllis on this milestone.

EXPORT-IMPORT REAUTHORIZATION

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. NEY. Mr. Chairman, I seek recognition to raise a concern I have with the reauthorization of the Export-Import Bank of the United States. Mr. Chairman, I want to make it clear that I support the goals and mission of the Export-Import Bank, which is creating American jobs. The Bank plays an important role in helping to level the playing field for American exporters trying to compete with heavily subsidized foreign competition.

However, I am deeply concerned that Ex-Im is also supporting companies that are giving away our national secrets to foreign governments. I am troubled by the possibility that Ex-Im may be subsidizing the sale of our nation's secrets. I trust that this is a concern that Chairman OXLEY and the Committee have as well. It would please me to hear that this is something that my good friend from Ohio has been giving some thought to, because I believe that before we finish the Ex-Im reauthorization conference we must look at finding a way to make sure that the bank is not rewarding bad behavior that risks our national security.

I want to take a brief minute to raise one example that comes to mind, Loral Communications. This company was recently fined millions of dollars for allowing sensitive satellite communications to fall into the hands of a foreign government. Instead of saying that it is going to take a stand and send a message that our national security is a top priority for the Export-Import Bank, the bank recently chose to approve a loan guarantee for Loral to sell a satellite to a company owned by the prime minister of a foreign country.

The reason this concerns me is that Ex-Im, through a series of deals has established a track record of not taking into account our national security when considering loans. I want to work with the Chairman to find a way to make sure that the Export-Import Bank in its well-intentioned zeal to support U.S. exporters takes into account our national security concerns.

I had proposed an amendment for H.R. 2871, which would have addressed this problem in what I believe was a reasonable manner, however it was not made in order for today's consideration. I know that Chairman OXLEY shares my concern and I hope that he can agree to work with me to find a way to solve this problem so that we can make sure that the Export-Import Bank is able to do its job, but at the same time our national security is protected.

Again, I am glad to hear of your commitment to solving this problem, and I look forward to working with him to find a fair solution.

PERSONAL EXPLANATION

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mrs. CLAYTON. Mr. Speaker, on Wednesday, May 1, 2002, I was in my district due to a family emergency and as a result missed two rollcall votes.

Had I been present, the following is how I would have voted:

Rollcall No. 121 (On Motion to Instruct Conferees to H.R. 2215—"To authorize appropriations for the Department of Justice for fiscal year 2002, and for other purposes"), "yea."

Rollcall No. 120 (On Agreeing to the Amendment—H.R. 2871—Sanders of Vermont Amendment), "yea."

Thank you, Mr. Speaker.

PROJECT COMMUNITY ALERT WEEK, MAY 6–12

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. MOORE. Mr. Speaker, I rise in support of a Kansas City metropolitan area initiative called the Project Community Alert Week, May 6–12, 2002.

As the co-chair of the Congressional Wind Hazard Reduction Caucus, I am pleased to see that the old Mark Twain adage is no longer true: rather than "everyone talking about the weather and doing nothing about it," the Kansas City Metropolitan Emergency Management Committee (MEMC) and Price Chopper grocery store have created a multi-year program called Project Community Alert (PCA) which has the goal of placing 100,000 alarm-equipped programmable emergency weather radios in homes, schools and businesses throughout the eight-county MEMC area. The metro area emergency management coordinators will be taking the PCA message to the public, while Price Chopper is providing the radios at cost and is significantly underwriting the public outreach for the PCA Program.

All 50 states are vulnerable to the hazards of windstorms. Losses in life and property can be substantial. Tornadoes are one of nature's most violent storms. In an average year, 800 tornadoes are reported across the United States, resulting in 80 deaths and over 1,500 injuries. The most violent tornadoes are capable of tremendous destruction with wind speeds of 250 mph or more. Damage paths can be in excess of one mile wide and 50 miles long. The May 3, 1999, tornado in the Wichita, Kansas, suburb of Haysville rated F4 and was responsible for 6 deaths, 150 injuries and over 140 million dollars in damage.

Current federal spending, approximately $5 million, to develop and promote knowledge, practices, and policies that seek to reduce and, where possible, eliminate losses from wind related disasters, is woefully inadequate. A federal investment in wind hazard reduction will pay significant dividends in lives saved, decreased property damage, and reduced federal disaster relief costs.

For this reason, on December 20, 2001, Representative Melissa Hart (R–PA) and I introduced the Hurricane, Tornado, and Related Natural Hazards Research Act to reduce extensive damage caused by hurricanes, tornadoes and other windstorms.

In the meantime it is very important to have proactive community programs like Project Community Alert. The Kansas City Metropolitan Emergency Management Committee (MEMC) and Price Chopper grocery store should be heralded for their proactive concern for their community. The PCA is a great example of the local community utilizing their resources to mitigate loss of life and keep their neighbors safe. They truly are "doing something about the weather."

PAYING TRIBUTE TO RALPH W. ADKINS ———

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002—

Mr. McINNIS. Mr. Speaker, it is my honor today to recognize Ralph W. Adkins for his contributions to the State of Colorado. After thirty years of serving on the board of the Southeastern Colorado Water Conservancy District and diligently serving as the Chair of the District for eleven years, Ralph is moving on with his career. I can think of no better way to thank Ralph for his countless hours of service than to recognize his time on the board.

Ralph was born, raised and educated in Colorado. His interest in water issues began at an early age. As a student at Colorado Southern University, Ralph was on the development team for the design of the partial water flume. This project would be the beginning of Ralph's lifetime of service to Colorado's water issues. Ralph began on the board of the Southeastern Colorado Water Conservancy District in 1973. In 1991, he was appointed President of the Board of Directors and has held that position until this year. Ralph has also served as a past Executive Committee Member and current member of the Colorado Water Congress, and on the Advisory Committee for the Colorado State University Department of Engineering for Engineering Dean's Council. Ralph is also a life member of both the American Water Works and the National Water Resources Association.

In addition to his duties on a number of boards, Ralph serves southern Colorado as a water engineer as a member of the firm Adkins & Associates and has done so since 1983. Ralph took a brief break from Colorado and its water issues to serve his country in World War II. As a member of the U.S. Navy, Ralph proudly served his country as a line officer. Ralph is also known as a loving husband and devoted father of three and grandfather of four. He is also involved in his community as a member of the Masons and the Rotarian club.

Mr. Speaker, Ralph's dedication and commitment to improving the lives that are touched by Colorado water is an example to us all. It is the hard work and leadership that Ralph has provided not only to the Southeastern Colorado Water Conservancy District but also the whole state that I wish to bring before this body of Congress. Thank you, Ralph, for all that you have done for Colorado and this nation and good luck in your future endeavors.

IN HONOR OF DAVID M. LAWRENCE, M.D., RETIRING CHAIRMAN AND CEO OF KAISER FOUNDATION HEALTH PLAN AND HOSPITALS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. STARK. Mr. Speaker, I rise today to honor David M. Lawrence, M.D. on his retirement after 10 years of outstanding achievements as Chairman and Chief Executive Officer of Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals.

Given Kaiser Permanente's vast influence on American medicine, Dr. Lawrence's successful stewardship of his organization constitutes a contribution not only to Kaiser Permanente's 8.4 million members nationwide, but to all Americans. He is to be commended for the positive impact that Kaiser Permanente has had on the quality and affordability of health care in the United States.

Dr. Lawrence was named CEO in 1991 and Chairman of the Board in 1992. Prior to assuming his current role, Dr. Lawrence served KFHP/KFH as vice chairman and chief operating officer (1990–91); and senior vice president and regional manager in Colorado (1985–88). He also was vice president and area medical director for Northwest Permanente in Portland (1981–85). Dr. Lawrence also served as health officer and director of Human Services in Multnomah County, Oregon; on the faculty of Department of Health Services and Director of MEDEX in the school of Public Health and Community Medicine, University of Washington; as advisor to the Ministry of Health of Chile; and as Peace Corps Physician in the Dominican Republic and Washington D.C.

Dr. Lawrence is a graduate of Amherst College (BA), the University of Kentucky (MD), and the University of Washington (MPH). He is Board Certified in General Preventive Medicine (Johns Hopkins and University of Washington). He is a member of Alpha Omega Alpha (Medical Honorary Society) and the Institute of Medicine (National Academy of Sciences). He currently serves on the Boards of Agilent Technologies, Pacific Gas and Electric Company, Raffles Medical Group of Singapore, The Rockefeller Foundation, RAND Health Advisory Board, the Bay Area Council, and the Hospital Research and Educational Trust (AHA). He previously served as chair of the International Federation of Health Funds and the University of California's President's Board on Research and Economic Development.

Dr. Lawrence is nationally known for his advocacy for improvements in the American health care delivery system. He served as a member of the Institute of Medicine's Committee on Quality of Health Care in America that produced the landmark report on patient safety, "To Err is Human," and the blueprint for improving America's health care system, "The Quality Chasm."

Dr. Lawrence has been active in San Francisco Bay Area community affairs, serving as a member of the Board of Directors of the United Way of the Bay Area and chair of the annual campaign for the United Way in Alameda County and the San Francisco Bay Area. Dr. Lawrence has been recognized as the Outstanding Alumnus of the School of Public Health and Community Medicine, University of Washington (1980); and the Outstanding Alumnus of the College of Medicine, University of Kentucky (1995); and has received honorary degrees from Amherst College (Doctor of Science, 1994), and Colgate University (Doctor of Letters, 1995).

Dr. Lawrence's achievements have improved both Kaiser Permanente and American health care. In his 10-year tenure as Chairman and CEO, he:

1. Made the delivery of quality heath care the single most important value of Kaiser Permanente and led Kaiser Permanente to be a quality leader in U.S. medicine.
2. Focused both the nation's and the organization's attention on the issue of patient safety and the need for reforms in the nation's health care delivery system.
3. Championed the expanded use of information technology for clinical care in Kaiser Permanente and the nation as a whole.
4. Partnered with AFL–CIO President John Sweeney to conceive and initiate the Labor and Management Partnership, the only such partnership in the health care industry.
5. Kept Kaiser Permanente's diversity efforts at the forefront of the organization's agenda and made it one of the most inclusive workplaces in the nation.
6. Redesigned Kaiser Permanente's Community Benefit Program to enhance its value to the communities it serves.
7. Led Kaiser Permanente through the turnaround years of financial difficulties and returned it to financial stability.
8. Guided the development of the Kaiser Permanente's National Partnership Agreement, out of which grew the Kaiser Permanente Partnership Group, the joint leadership body that sets direction for the organization.
9. Created and developed a strong senior leadership team from both inside and outside the organization.
10. Created a string organization that functions with a national focus while maintaining responsiveness to the needs of the individual communities it serves.

We are all fortunate to have had Dr. Lawrence at the helm of Kaiser Permanente and the forefront of American health care. I have valued his insights and perspective during his years at Kaiser Permanente. I have every confidence that he will continue to contribute to the health of all Americans and citizens throughout the world in his post-retirement activities.

TRAIN SECURITY BREACH

HON. JIM GIBBONS

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. GIBBONS. Mr. Speaker, I rise today to draw your attention to the unparalleled risk of transporting spent nuclear fuel to Yucca Mountain, Nevada.

The DOE has promised that shipments of high level nuclear waste are among the most secure cargo in the US.

However, just yesterday we discovered that two inmates from a North Carolina prison illegally boarded a train carrying spent nuclear fuel last month.

Had these escapees intended to do great harm, the results could have been devastating.

Although estimates anticipate over 400 nuclear waste shipping accidents to occur during the next 38 years of delivery to Yucca Mountain, there is absolutely no way to estimate that a terrorist will not board a train carrying spent fuel—and present our country with another tremendous tragedy.

Mr. Speaker, let us not give terrorists an easy target.

Vote no on transporting nuclear fuel throughout this Great Nation; through our neighborhoods, past our homes, schools, parks and waterways.

Vote no on House Joint Resolution 87.

PAYING TRIBUTE TO ROBERT A. TRISTANO

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize an outstanding individual who has dedicated his life to serve and protect the citizens of Pueblo, Colorado. Corporal Robert A. "Bob" Tristano of the Pueblo Police Department has faithfully served his fellow Coloradans for over thirty years. After a long and successful career as one of Colorado's finest, Bob announced his retirement from the force in December of last year. As Bob looks forward to retirement, I would like to take this time to highlight his service to his community.

Bob began his service with the force in 1968 as a patrolman and within five years was promoted to the rank of corporal. For over twenty years, he remained active in the patrol division, guarding our streets and providing our community with safe and open routes of travel. He later served a tour at the Pueblo Memorial Airport, and in 1997, accepted a position as a summons and warrants officer. At the time of his retirement, Bob was the most senior member of the force and undoubtedly will be missed by those who sought his expertise and support in their daily lives. Always respecting those who have served before him, Bob was a key supporter of the Pueblo Police Benevolent Association and was often found dedicating his time and energy to the foundation.

Mr. Speaker, as a former law enforcement officer I am well aware of the dangers and hazards our peace officers face today. These individuals work long hours, weekends, and holidays to guarantee their fellow citizen's rights and protection. They work tirelessly with great sacrifice to their personal and family lives to ensure our freedoms remain strong in our homes and communities. Their service and dedication deserves the recognition and thanks of this body of Congress and this nation. This is why, Mr. Speaker, I bring the name of officers like Robert A. Tristano to light today. I wish you all the best Bob and good luck in your future endeavors. Thanks for your service to Pueblo, Colorado.

PAYING TRIBUTE TO BYRON WHITE

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. McINNIS. Mr. Speaker, it is with a solemn heart that I stand before you today to pay tribute to former U.S. Supreme Court Justice Byron White, one of the most extraordinary men of our times. Justice White was a true renaissance man who embodied the ideals, abilities and endless potential upon which our country was founded; and did so in an unassuming, self-effacing manner that won the respect, and more importantly the hearts, of citizens throughout Colorado, America and, indeed, the world. Justice White dedicated his life to improving the lives of each and every human being he came into contact with, from his family and friends to his colleagues and peers. His extraordinary career was punctuated with a myriad of accomplishments, any one of which would serve as the pinnacle of a successful career, but for Byron, each served as simply validation that his efforts to better the nation and its citizens were doing just that: making peoples lives better. I stand before you today, humbled by the life and legacy of Justice White, and honored by the opportunity to pay tribute to such a remarkable man.

Born in Fort Collins, Colorado on June 8, 1917, Byron proved to be the consummate scholar and athlete, excelling both in the classroom and on the playing field. He attended the University of Colorado, where his prowess as a student and an athlete gained him national notoriety. He was an All-American tailback for the Buffaloes, star on the basketball court, but more importantly, especially in the eyes of Byron himself, he was the valedictorian of his graduating class, earning a 3.9 grade-point average. After graduating, he played professional football for the Pittsburgh Pirates, and was named Rookie of the Year in 1938. Showing his preference for intellectual endeavors over athletic ones, despite his success on the football field, Byron gave up his career in the NFL to accept a Rhodes Scholarship to Oxford University. The outbreak of World War II brought Byron back to the United States, where he played football for the Detroit Lions, before serving as a Navy officer in the war. After the war, Byron attended Yale Law School, graduating in 1946, and then returned to Colorado to practice law in Denver.

While attending Oxford University, Byron first had the opportunity to meet John F. Kennedy, and later came in contact with him again while serving as a Navy officer in World War II. After becoming actively involved in politics, President Kennedy appointed Byron to the post of Deputy Attorney General, and then, in 1962, appointed him to the Supreme Court. In his remarkable 31 year career as a Supreme Court Justice, Byron gained the respect of his colleagues and of his nation as a conservative judge willing to stand firm for what he believed was just and fair. In 1994, the former Denver Post Office, after being remodeled for the 10th U.S. Circuit Court of Appeals, was renamed the Byron White Courthouse. Justice White, is, without question, one of the most talented, knowledgeable, charismatic and selfless leaders that our country has ever known, and I am in awe of what he has accomplished on behalf of our country over the course of his illustrious career.

Mr. Speaker, I am truly at a loss in trying to verbally convey the achievements of a man whose extraordinary contributions so profoundly changed the face of our great nation. Aside from his extraordinary accomplishments, it is his unrelenting passion for each and every thing he did, as well as his spirit of honesty and integrity with which he has always conducted himself, that I wish to bring before this body of Congress. He is a remarkable man, who, while faithfully and honestly representing the heart and soul of America, also managed to touch it. I stand before you today, humbled by the legacy that Byron White has left with us, but proud to pay tribute to one of the greatest Americans of our time.

CELEBRATE THE DEDICATION OF SPARK M. MATSUNAGA ELEMENTARY AND LONGVIEW SCHOOL

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, May 3, 2002

Mrs. MORELLA. Mr. Speaker, I rise today to recognize and celebrate the dedication of Spark M. Matsunaga Elementary and Longview School, in Germantown, Maryland. This new school partnership represents an important step for integrating all children into a single education system.

Matsunaga Elementary and Longview School, is named in honor of Senator Spark Masayuki Matsunaga from Hawaii. He was first elected to the House of Representatives in 1962, and later served in the Senate from 1977–1990. Matsunaga Elementary is the first school in Montgomery County named after an Asian-American.

The school is the first co-located school in Montgomery County and represents an end of separating students with special needs from their peers. The co-location of these schools creates a true community for the students and enhances their learning experience. The children benefit from their interaction by sharing special times in which students read to each other. Also, students celebrate special events together such as Dr. Seuss Day and the Olympics.

To commemorate the co-location of these schools, students raised $2,100 for a time capsule that will be displayed at the school's Media Center. In addition, students and their families have contributed written works and letters that will be included in the capsule. The capsule will be opened in twenty years when its count-down clock reaches zero.

The success of Matsunaga Elementary and Longview School is due to the hard work of faculty, parents, staff, and students that give hundreds of hours to make the education experience enjoyable. Principal Judy Brubaker and Coordinator Louis Berlin are fortunate to lead this new school into the 21st century, with its new architecture and technology that will enhance the learning environment. Our community is richer because of the students, faculty, and administration of Matsunaga Elementary and Longview School.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. RILEY. Mr. Speaker, I am pleased to support H.R. 2646, the Farm Security and Rural Investment Act of 2002. Because the American farmer is the backbone of our great country, we must continue to make every effort to ensure the viability of the family farmer. I believe the Farm Security and Rural Investment Act of 2002 does just that, ensures the viability of the family farmer.

This new farm bill was a very carefully constructed bill, a product of over two years of hard work. The legislation strikes the right balance between commodity and conservation programs. It maintains the market-oriented features and planting flexibility of the 1996 Farm Bill, while providing the largest ever investment in conservation, an 80% increase in current funding levels.

Additionally, this legislation is good for the farmers of Alabama. The payment limitations included in this final compromise will keep the farmers of capital-intensive crops, such as cotton and peanuts, viable in Alabama and the entire Southeast. I am proud to be a member of the House Agriculture Committee which created the original House farm bill, and today I am very proud to support the final passage of H.R. 2646, the Farm Security and Rural Investment Act of 2002.

HONORING ANDREA YEUTTER OF ADRIAN, MICHIGAN FOR HER OUTSTANDING ESSAY

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 3, 2002

Mr. SMITH of Michigan. Mr. Speaker, I rise today to congratulate a young scholarship winner from my district, Andrea Yeutter of Adrian, Michigan. Andrea has written an excellent essay that speaks about the part our Constitution plays in guiding our lives. It's always heartening to see young people concerned about the problems we face and interested in the affairs of government. Andrea speaks of our good fortune to live in a land where we are free to speak our minds and shape our own lives, a land safe for people of all religious faiths. In this essay Andrea Yeutter also speaks to the responsibility our Constitution places on us: the responsibility to nurture and defend this country so that we can pass on to our children a nation of greatness and freedom. I request that her essay be placed in the CONGRESSIONAL RECORD.

STRENGTH IN OUR CONVICTIONS

(By Andrea Yeutter)

Over two hundred years ago, our founding fathers sat in a crowded, stuffy room discussing how America should be governed. They knew too well the hard, oppressive hand of a government with too much power, but they also realized that without a strengthened central government our Nation could not survive. After much heated debate they emerged with a revolutionary new document—the Constitution of the United States of America. This outline of America's founding principles would be the envy of the world for generations to come, as well as a blessing to those who would live under it. In order for our Nation to continue in the prosperity and strength we have known, however, it is essential that each citizen respect the Constitution, the laws based on it, and the courts that interpret it. It is also essential that the laws we make and the rulings we hand down in our courtrooms be congruent with the intents our founding fathers had when writing the Constitution. Only in this way can we preserve the values passed down to us.

The United States is unique in that it was founded on the belief that "all men are created equal." Although in its early days slavery still existed and women still were not allowed to vote, America soon evolved into a Nation holding dearly to the principle that equal rights, equal justice, and equal opportunity belong to all, regardless of race, creed, color, nationality or sex. Even though we often take our privilege of equality for granted, we are reminded how truly fortunate we are when we are reminded of the atrocities taking place in other countries without this idea. Surely the Afghan women under the Taliban would have given anything to be American citizens, as well as the millions of poverty-stricken Indians who are victims of a degrading caste system. The principle of equal opportunity for all has allowed many people to improve themselves and the conditions in which they live. it gives us a sense of dignity to know that we are held as equals before the law, and a sense of responsibility to know that we are, for the most part, in control over the measure of success we achieve. This freedom is basic to a good government.

Our founding fathers, believing strongly in these principles of equality and freedom, wisely established a government that would exist to protect the freedom of each individual, not to restrict it. They knew that men, if left to themselves, would act selfishly and limit the freedoms of others for their own benefit, and that governments would do the same if given too much power. Therefore, they set up some very definite boundaries and limitations for the central government to respect. I believe that if they were to see our country now, they would be grieved at how far the government has been allowed to pry into individual liberties. It is necessary for us, in the age of government expansion, to support the principle that governments should get involved only in those things that the people cannot do well, or at all, for themselves. This means that the government should play a minimal role in the private lives of its citizens, not going overboard on unnecessary taxation, or excessive social legislation, nor creating huge bureaucracies that bumble through issues the public could take care of itself. Rather it should partner with other facets of society to assist those who cannot provide for themselves chiefly through lower taxes, and allowing greater economic opportunity. This enables and encourages people to become self-supporting, productive citizens who take pride in their independence, rather than becoming weak, lazy complainers looking eagerly for the next welfare check to roll off the mill, forged by the sweat of hard-working taxpayers.

If we hold to the values of individual freedom and minimal government interference, it is essential that we have a strong economy that will allow for a self-sufficient public. This strong economy must be laid on a foundation of a free enterprise system, and the encouragement of individual initiative. When this is accomplished, it produces business owners and workers that are proud of their hard work and of their accomplishments. They create better products at lower prices, which further stimulate the economy, creating more opportunities for people to advance themselves monetarily. In order for this to continue, however, the government must maintain sound money and be responsible for their economic endeavors. The rights of life and liberty are meaningless if citizens are deprived of their property through excessive taxation, inflation, and government waste. These things destroy individual initiative and the free-enterprise system. They invade the bounds of personal liberty by robbing individuals of their hard earned dollars, fostering the decay of economic prosperity, as well as creating growing resentment towards the government, which eventually leads to the downfall of a nation.

In order to remain strong internally, and as a leading Nation of the world, America must continue to uphold the values it was founded upon. This means limiting the scope of government at home, while strengthening its position abroad: America must be uncompromising in the support of individual liberty across the globe, punishing those who attack it, and giving assistance to those who desire to gain it. Granted, we cannot become the "policemen" of the world, but it would be a crime against our blessed freedoms and against the values we hold so dear to sit by like weaklings and watch the freedoms of our fellow men decay. World peace and friendship will only continue through strength in our convictions and in our actions.

NATIONAL ASSOCIATION OF LETTER CARRIERS HELP TO STAMP OUT HUNGER

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 3, 2002

Mr. KLECZKA. Mr. Speaker, on Saturday, May 11, 2002, the National Association of Letter Carriers teamed with an army of volunteers, will march forward to stamp out hunger in our country's largest one day food drive. With the current war in Afghanistan, our televisions have been flooded with images of individuals who struggle daily to meet their nutritional needs. Malnutrition seems to be a problem that only affects those half a world away.

Unfortunately, the war on hunger is also battled in the United States every day.

On May 11th, letter carriers from across the Nation will join together to collect nonperishable food items from their customers that will then be sorted and delivered to local food pantries for distribution. Last year, letter carriers in the metropolitan Milwaukee area, with the help of the Hunger Task Force, collected over 763,000 pounds of food to insure that the over 40,000 moms, dads, and children that go to local pantries for nutritious food did not go hungry.

These donations come at a critical time when supplies at pantries are traditionally low and demand for food to feed school-age children typically peaks, as access is restricted to school breakfast and lunch programs. Currently, 42 percent of low income children nationally depend on school programs to provide both breakfast and lunch. As the food drive takes place right before the local schools go on summer break, the timing of this event makes the National Association of Letter Carriers' Food Drive extremely important to the health of the most needy in our Nation.

Mr. Speaker, I am here today to ask that my colleagues lend their support to the letter carriers' drives in their own hometowns and districts. To my neighbors and friends in Milwaukee and Waukesha counties, I ask that you pick up a few extra nonperisable items on your weekly shopping trip. As these essential donations stay in the community, those that you work with and live near will benefit from your generosity.

"Stamp Out Hunger" gives everyone the chance to help their fellow Americans while working for solutions to end hunger in their community.

EXPRESSING SOLIDARITY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. CUNNINGHAM. Mr. Speaker, I rise today to join my colleagues in expressing our solidarity with Israel as they join the United States in the war against terrorism and the quest for peace in the Middle East region.

Israel has been a long time ally of the United States and was founded on the same democratic principles and freedoms as the United States. As President Bush leads our Nation in this new war on global terrorism, we must stand by Israel in its condemnation of the shameful attack executed on its people during Passover of this year. We must stay committed to stomping out terrorism all over the world while working toward peace between Israel and its neighbors.

I admire Israel as the lone democracy in a troubled area of the world. Since 1993 Israel and the Palestinians have been engaged in intensive negotiations over the future of the West Bank and Gaza. The United States has been a consistent supporter of Israel, and I firmly support the Bush Administration's efforts to promote peace in the region and encourage countries throughout the region to condemn and prevent terrorism. By standing behind Israel now, we can prevent future terrorism and aggressively seek to establish a just, lasting, and comprehensive peace in the Middle East.

A few years ago in my home of San Diego, an Islamic mosque was attacked for practicing its Muslim beliefs. This action and those against Israel fail to honor the American belief in equality. We are a Nation of many cultures, many religions, many ideologies. We are Asian and Arab, European and American, a truly proud multi-cultural society. We must celebrate the diversity of this world and condemn those radical extremists who seek to promote their own beliefs through violence.

Today we stand in solidarity with all of our allies, European and Arab, Judeo-Christian and Muslim, and all those who are committed to the preservation of freedom and liberty.

COMMEMORATING THE DEDICATION OF THE COVENANT HALL SHARED BETWEEN BRADLEY HILLS PRESBYTERIAN CHURCH AND BETHESDA JEWISH CONGREGATION

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, May 3, 2002

Mrs. MORELLA. Mr. Speaker, I rise today to recognize and celebrate the dedication of Covenant Hall, in Bethesda, Maryland. This grand building is shared between the interfaith congregations of Bradley Hills Presbyterian Church (BHPC) and the Bethesda Jewish Congregation (BJC).

Today, Covenant Hall symbolizes the thirty-five year friendship between BHPC and BJC that was once a mere "rental agreement" for shared space. The bonds between the congregations emphasize a partnership in dialogue, education, outreach and worship. This unique relationship is the longest in the Nation between Christians and Jews and is an example to the community and country that different faiths can work together to achieve a common goal.

We celebrate the completion of Covenant Hall's five year renovation and construction project called "Celebrate the Light." For five years, BHPC and BJC demonstrated tremendous collaboration and teamwork. Their sacrifices are the foundations of the unprecedented faith and trust that the two congregations enjoy today. Covenant Hall is testament to the relationship and will facilitate expanded opportunities for mutual cooperation and joint services in the future.

The building is consecrated "sacred space" shared by two "spiritual siblings," and is uniquely designed to provide the full expression of each faith tradition. Covenant Hall will enhance the witness of both congregations to the surrounding community. Furthermore, the building and covenant between BHPC and BJC will serve as a constant reminder to the community that our divided world can enjoy and respect the beliefs of others.

The continued success of this partnership between BHPC and BJC and the completion of Covenant Hall is due to the hard work of the congregation and staff. Reverend Susan Andrews of BHPC and Spiritual Leader, Hazzan Sunny Schnitzer of BJC are fortunate to lead these congregations into the 21st century, with the construction of Covenant Hall. Our community is richer for the daily contributions Bradley Hills Presbyterian Church and Bethesda Jewish Congregation make to everyone.

PERSONAL EXPLANATION

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 3, 2002

Mr. RILEY. Mr. Speaker, I was unavoidably detained for rollcall No. 124, on ordering the previous question on H. Res. 404. Had I been present, I would have voted "yea."

I was also unavoidably detained for rollcall No. 125, on agreeing to H. Res. 404. Had I been present, I would have voted "yea."

I was also unavoidably detained for rollcall No. 126, H.R. 392, Expressing Solidarity with Israel in its Fight Against Terrorism. Had I been present, I would have enthusiastically voted "yea."

Mr. Speaker, I am now, and I have always been a strong supporter of Israel and her right to self-defense. This resolution is an important and necessary step, and one that I am glad to support.

I am glad that the House took up this resolution today and urged its support. Hopefully, the Senate will pass a similar resolution.

I believe that Israel's struggle against terrorism very closely resembles the war Americans have been engaged in over the past eight months. As horribly shocking as the events of September 11th and the deaths of thousands of innocent people were, imagine facing this type of terror threat on a daily basis. My friends, sadly that is what the Israeli citizens face every single day.

Every day in Israel, parents wake up and are afraid that their children might not make it home if they go out. Over the past few months, we have seen horrible instances of terrorism committed against the Israeli people. Homicide bombers have blown themselves up in Israeli pizza restaurants, night clubs, and on street corners. Dozens of Israelis were slaughtered while celebrating one of their most sacred holidays, the Passover Seder. And this past weekend, the West Bank settlement of Adora was attacked. Terrorists, disguised as Israeli soldiers, shot four Israelis, including a 5-year-old girl, to death in their homes.

Mr. Speaker, I would love to see a peaceful resolution to the violent conflict in the Middle East. However, I believe that the daily terrorism threats Israelis face deserve full American support. There are very few differences between their war against terrorism and ours. Therefore, I enthusiastically support this resolution and encourage all of my freedom-loving colleagues to do the same.

HOUSE OF REPRESENTATIVES—*Monday, May 6, 2002*

The House met at 2 p.m.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 6, 2002.

I hereby appoint the Honorable FRANK R. WOLF to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Reverend Dr. Ronald F. Christian, Evangelical Lutheran Church in America, Herndon, Virginia, offered the following prayer:

Almighty God, the Psalmist reminds us all that the heavens proclaim Your glory and the firmament declares Your handiwork. We are reminded of that handiwork during these springtime days in the beauty and the colors of the blossoms which we cannot create but which we most certainly can enjoy.

Bless, O God, the work of the many hands across this mighty land that break up the winter soil and plant the seeds that will become, by Your grace and goodness, food for our tables and sustenance for our bodies.

Bless, O God, the work of those who teach and offer the opportunity of learning in classrooms and on practice fields of the schools and laboratories of this country so that children with inquisitive minds might be inspired by Your handiwork and so serve their neighbor better.

But also, God bless, we pray, those who gather here this day, who, sharp of mind and quick of wit, are given the privilege of both protecting that handiwork and assisting humanity in its many needs.

Remind us all again this day that it is by grace that we live, and so it is for mercy that we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The SPEAKER pro tempore led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 3, 2002.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, May 3, 2002 at 2:20 p.m., and said to contain a message from the President whereby he reports 2 deferrals of budget authority, totaling $2 billion.

Sincerely yours,

JEFF TRANDAHL,
Clerk of the House.

DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107-207)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report two deferrals of budget authority, totaling $2 billion.

The proposed deferrals affect the Department of State and International Assistance Programs.

GEORGE W. BUSH.
THE WHITE HOUSE, *May 3, 2002.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 3, 2002.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Friday, May 3, 2002 at 2:20 p.m., and said to contain a message from the President whereby he submits the documents that describe the action he has proclaimed to restore normal trade relations treatment to Afghanistan.

Sincerely yours,

JEFF TRANDAHL,
Clerk of the House.

RESTORING NORMAL TRADE RELATIONS TREATMENT TO THE PRODUCTS OF AFGHANISTAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107-208)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

Public Law 99-190, 99 Stat. 1319, which took effect on December 19, 1985, authorized the President to deny normal trade relations (NTR) tariff treatment to the products of Afghanistan. On January 31, 1986, President Reagan issued a proclamation denying NTR treatment to Afghanistan.

I have determined that it is appropriate to restore NTR treatment to the products of Afghanistan. Restoration of NTR treatment will support U.S. efforts to normalize relations with Afghanistan and facilitate increased trade with the United States, which could contribute to economic growth and assist Afghanistan in rebuilding its economy. Therefore, in accordance with section 118 of Public Law 99-190, I hereby provide notice that I have issued the attached proclamation restoring NTR tariff treatment to the products of Afghanistan. The Proclamation shall take effect 30 days after it is published in the Federal Register.

GEORGE W. BUSH.
THE WHITE HOUSE, *May 3, 2002.*

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned until 12:30 p.m. on Tuesday, May 7, 2002, for morning hour debates.

There was no objection.

Accordingly (at 2 o'clock and 5 minutes p.m.), under its previous order, the

House adjourned until Tuesday, May 7, 2002, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6625. A letter from the Secretary, Department of Health and Human Services, transmitting the Department's report entitled, "The Evaluation of Abstinence Education Programs Funded Under Title V Section 510: Interim Report"; to the Committee on Energy and Commerce.

6626. A letter from the Chair, Commission on International Religious Freedom, transmitting the Commission's 2002 Annual Report, pursuant to 22 U.S.C. 6412 Public Law 105–292 section 102; to the Committee on International Relations.

6627. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report required by Section 301 of the United States Macau Policy Act, covering the period from April 2, 2001, to April 1, 2002; to the Committee on International Relations.

6628. A letter from the Director, White House Liaison, Department of Commerce, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6629. A letter from the White House Liaison, Department of Justice, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6630. A letter from the Administrator, General Services Administration, transmitting notification of the new mileage reimbursement rates for Federal employees who use privately owned vehicles while on official travel; to the Committee on Government Reform.

6631. A letter from the Administrator, Office of Management and Budget, transmitting a copy of the report, "Making Sense of Regulation: 2001 Report to Congress on the Costs and Benefits of Regulations and Unfunded Mandates on State, Local, and Tribal Entities," pursuant to 2 U.S.C. 1538; to the Committee on Government Reform.

6632. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulations: Hatchett Creek (US41), Gulf Intracoastal waterway, Venice, Sarasota County, FL [CGD07–02–021] received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6633. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Newton Creek, NY [CGD01–02–050] (RIN: 2115–AE47) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6634. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety of Uninspected Passenger Vessels Under the Passenger Vessel Safety Act of 1993 [USCG–1999–5040] (RIN: 2115–AF69) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6635. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Bayou Boeuf, Louisiana [CGD08–02–007] received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6636. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulation; Mississippi River, Iowa and Illinois [CGD08–02–006] received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6637. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Excise Taxes on Excess Benefit Transactions [TD 8978] (RIN: 1545–AY65) received April 30, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6638. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Permitted disparity in employer-provided contributions or benefits (Rev. Rul. 2001–55) received April 30, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6639. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Rules for Certain Reserves (Rev. Rul. 2002–6) received April 30, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6640. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Rulings and determination letters (Rev. Proc. 2001–57) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6641. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Definition of Private Business Use (RIN: 1545–AY88) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6642. A letter from the Internal Revenue Service, Internal Revenue Service, transmitting the Service's final rule—Taxation of DISC Income to Shareholders (Rev. Rul. 2001–56) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STUMP: Committee on Armed Services. Supplemental report on H.R. 4546. A bill to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, and for military construction, to prescribe military personnel strengths for fiscal year 2003, and for other purposes (Rept. 107–436 Pt. 2).

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 236: Mr. BARTON of Texas.

H.R. 595: Mr. BAIRD.

H.R. 609: Mr. FOLEY.

H.R. 786: Mrs. CLAYTON.

H.R. 1360: Mr. CONYERS.

H.R. 1406: Mr. FOLEY.

H.R. 1433: Ms. MCCARTHY of Missouri.

H.R. 1957: Mr. FOLEY.

H.R. 1983: Mr. MCGOVERN.

H.R. 2623: Mr. BLAGOJEVICH and Mr. RUSH.

H.R. 3130: Mr. BARTLETT of Maryland, Ms. MCCOLLUM and Ms. PELOSI.

H.R. 3337: Mr. MOORE and Mr. FOLEY.

H.R. 3831: Mr. BORSKI, Mr. PICKERING, Mr. MOORE and Mr. MANZULLO.

H.R. 3897: Mr. SHAW and Mr. FLETCHER.

H.R. 3974: Mr. TURNER.

H.R. 4085: Mr. RODRIGUEZ and Mr. ANDREWS.

H.R. 4169: Mr. HILLEARY.

H.R. 4551: Ms. SOLIS, Mr. STUPAK, Mr. TURNER, Mr. VISCLOSKY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCGOVERN, and Mr. CARDIN.

H.R. 4560: Mr. CUNNINGHAM.

H.R. 4561: Mr. FLAKE, Mr. FRANK, Mr. PAUL, Mr. OTTER, Mr. SCHAFFER, and Mr. TIAHRT.

H.R. 4663: Mr. WEINER and Mr. MEEKS of New York.

H. Con. Res. 385: Mrs. JONES of Ohio, Mr. WAXMAN, Ms. LEE, Mrs. MCCARTHY of New York, Ms. LOFGREN, and Ms. SCHAKOWSKY.

H. Con. Res. 390: Mr. SHIMKUS, Mr. GUTKNECHT, Mr. PAUL, Mr. SMITH of Washington, Ms. LOFGREN, Mr. MURTHA, Mr. BRADY of Pennsylvania, Mrs. MEEK of Florida, Mr. WILSON of South Carolina, Mr. OBERSTAR, Mr. BERRY, Mr. CLEMENT, Mrs. MALONEY of New York, Mr. MCDERMOTT, Mr. LYNCH, Mr. SHERWOOD, and Mr. SANDLIN.

H. Res. 409: Mrs. KELLY and Ms. SCHAKOWSKY.

H. Res. 410: Mr. ROHRABACHER.

H. Res. 412: Mr. DINGELL.

SENATE—*Monday, May 6, 2002*

The Senate met at 3 p.m. and was called to order by the Honorable ERNEST F. HOLLINGS, a Senator from the State of South Carolina.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, our purpose is to glorify You by serving our Nation. We all want to express an energetic earnestness about our work this week. Help us to know what You want and then to want what we know; to say what we mean and mean what we say. Give us resoluteness and intentionality. Free us to listen to You so intently that we can speak with courage and boldness. Keep us in the battle for truth rather than ego-skirmishes over secondary issues.

You have told us that to whom much is given, much is required. Thank You that You also have taught us that of whom much is required, much shall be given. Lord, You require a great deal of the women and men of the Senate. Provide them with an extra measure of Your strength, wisdom, and discernment for the crucial work of this week. And this afternoon, we particularly want to pray for U.S. Capitol Police Security Aide Alieu Terry and his family, after the unexpected death of his daughter last week. Father, comfort them and bring them to Your supernatural peace. In Your all-powerful Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable ERNEST F. HOLLINGS led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, May 6, 2002.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ERNEST F. HOLLINGS, a Senator from the State of South Carolina, to perform the duties of the Chair.
>
> ROBERT C. BYRD,
> *President pro tempore.*

Mr. HOLLINGS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Mr. President, this afternoon the Senate is going to resume consideration of the Andean Trade Act. There will be no rollcall votes today. Tomorrow, the Senate will begin consideration of the conference report on the farm bill, under a 12-hour time agreement—6 hours of debate tomorrow, 6 hours of debate on Wednesday—prior to a vote.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

ANDEAN TRADE PREFERENCE EXPANSION ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 3009, which the clerk will report.

The legislative clerk read as follows:

> A bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

Pending:

> Daschle amendment No. 3386, in the nature of a substitute.
>
> Dorgan amendment No. 3387 (to amendment No. 3386), to ensure transparency of investor protection dispute resolution tribunals under the North American Free Trade Agreement.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

JUDGES AND JOBS

Mr. REID. Mr. President, there have been a lot of rumors around here in the Senate—and I hope this is just a rumor—but I have heard that the Senate minority, the Senate Republicans, are threatening to shut down the Senate on Thursday or some time this week. The reason given is that the President, this past Friday, talked about there being 11 vacancies in the circuit courts.

Now, that is interesting. I have spoken on the Senate floor for long periods of time, in effect, defending the Judiciary Committee because these same vacancies they cry about are vacancies they created. They would not fill the vacancies during the 8 years President Clinton was in office, and now they are complaining because there are vacancies.

As we have spoken about on a number of occasions, Chairman LEAHY has done his very best to move these along. In the Senate, we have been led by Senator DASCHLE, as majority leader, and the various Democratic chairmen for less than a year. During that period of time, we have had one Senate office building closed for months, we have had September 11, and lots of problems. But in spite of that, we have approved 52 judges already.

But if they do decide they want to interrupt this very busy schedule, I think they will reveal just how out of touch they are with the American people.

They want to focus attention on judicial nominations and what they portray as a delay in reviewing nominations. In fact, under Democratic leadership, the Senate has dramatically and rapidly accelerated the pace of reviewing and confirming judicial nominations.

We have confirmed more judges in the past 10 months than were confirmed in the first 10 months of 1995, when Republicans controlled the Senate, and more than during the 12 months of 1996, 1997, 1999, and 2000.

As you can see from this chart I have in the Chamber, it is not even a close call. We have done extremely well. The Judiciary Committee should be complimented for the work they have done.

We have acted to confirm these nominees quickly. The average number of days needed to confirm circuit court nominees has dropped from well over 300 days—that is almost a year; the levels when the Republicans in the Senate delayed action on President Clinton's nominations—to just over 100 days since the Democrats have controlled the Senate.

I think that is something Chairman LEAHY and the Judiciary Committee should feel good about. I think we, as Senators, should feel good about this.

I think the work that has been done is exemplary. So if they focus on this issue, I think we can easily make a convincing case for how much improvement the Senate has made under the leadership of Senator DASCHLE and Senator LEAHY as it relates to judges.

But it gives one pause to think that they are pushing these 11 vacancies on the same day there was an announcement that the unemployment rate is the highest it has been in 8 years. We have not had an unemployment rate this high since the O.J. Simpson trial. It is at 6 percent now.

The President is shifting attention to a handful of jobs for judicial nominees instead of speaking about jobs for millions of unemployed Americans.

There are now almost 9 million people in America who are unemployed. There are 8.6 million Americans who are desperately seeking a job and are unable to find one.

We have a high unemployment rate in Nevada. I have heard the Presiding Officer talk about the jobs that have been lost in South Carolina, for example, in the textile industry, over the last several years. When I heard the junior Senator from South Carolina talk about the job loss in South Carolina, and the number being in the tens of thousands of people, I thought there was a mistake made. I could not believe that one industry could lose that many people in such a short period of time. But those facts are absolutely right. They have been verified many times.

So there are 8.6 million unemployed people all over the country. Many predict that unemployment will continue to rise. Unemployment seems to affect everyone, but some groups get hit hardest.

Women, for example, suffered most of the increase in joblessness last month. Their unemployment rate rose another four-tenths of 1 percent to 5.4 percent. The unemployment rate for Blacks climbed to 11.2 percent. More than 1 out of every 10 Black American men and women are out of work. For Hispanics, the unemployment rate is 8 percent. So it would seem to me that we want to do a good job in filling these 11 vacancies for circuit court judges, but it would also seem that we should focus on the 8.6 million—almost 9 million—people out of work in this country and spend a little bit of time on that.

We have to take action to provide assistance for workers who have been displaced and help them find jobs—full-time jobs. Not only are millions of Americans unemployed, but there are also millions who are underemployed. They have jobs, but they are not very good jobs. This is especially true of workers being paid the minimum wage.

So on Friday, the President talked about 11 circuit court vacancies, but not a single word about the almost 9 million people who are unemployed, and not a single word about the minimum wage.

It seems to me those two issues may be a little more important than these 11 judicial vacancies which they created.

Millions of Americans are being paid the minimum wage. In Nevada, and throughout the country, many working families struggle to make ends meet. The minimum wage remains at $5.15 an hour. It hasn't been raised in 5 years. The low minimum wage is a key reason why poverty has doubled for full-time year-round workers since the late 1970s—from about 1.3 million to 2.4 million in 2000—and it has contributed to Nevada's 9.7 percent poverty rate. There are 2.4 million people who work full time and are in poverty. A minimum-wage employee working 40 hours a week, 52 weeks a year earns $10,700. This is $4,000 below the poverty level for a family of three.

The majority of people drawing the minimum wage are women. Sixty percent of the people who draw the minimum wage are women. People think these minimum-wage employees are at McDonald's flipping hamburgers, a bunch of teenagers. They are not. Sixty percent of the people who draw the minimum wage are women. For 40 percent of these women, that is the only money they get for themselves or their families.

Every day the minimum wage is not increased, it continues to lose value and workers fall further and further behind. Minimum-wage workers have lost all their gains since they last raised the minimum wage in 1997. The current purchasing power of the minimum wage remains more than 32 percent below the 1968 level. If the minimum wage had kept up with inflation, it would be up to about $8 an hour. No one is asking it be kept up with inflation. We are just asking for a modest increase.

According to a survey by the U.S. Conference of Mayors, 38 percent of those seeking emergency food in the United States are employed, compared with 23 percent in 1994. Local government officials cite low-paying jobs as the most common cause of hunger in their communities. Many people wrongly think of the typical minimum-wage worker as being some teenage kid working to earn extra money to buy compact disks or to go snowboarding. In fact, many minimum-wage workers struggle to care for their families.

The Fair Minimum Wage Act would increase the Federal minimum wage by $1.50 over 2 years. We are not asking it be kept up with inflation from when it was first established. About 80,000 Nevadans and about 9 million Americans would get a raise up to $6.65 during the next 2 years. This modest proposal would bring the real value of the minimum wage within a penny of the value it had in the 1980s.

This raise is critical to the economy of people all over America who are low-wage earners. A worker earning the minimum wage would have to work 114 hours per week in order to afford a two-bedroom apartment in Las Vegas, NV. That would be the equivalent of almost three full-time jobs.

America is a great country, the land of opportunity. One of our core values has been a strong work ethic. Workers have been responsible for our great economic success. Americans who work full time should not live in poverty.

Going back to Friday when the President gave his plaintive plea for filling the 11 vacancies on the circuit court of appeals, the rumor is—rumors usually have some basis in fact—that they are going to shut this place down to get those 11 circuit court judges. They should get to shutting then.

The business we have to do is not for Democrats. It is for Republicans and Democrats and Independents. It is for the executive branch of Government, the judicial branch, and the legislative branch. We can only do what we can do. If they want to shut down the Senate, that is the power they have because this is the Senate of the United States. If they believe 11 circuit court judges are worth more than the 8.6 million unemployed and worth more than the minimum wage that has not been increased in over 5 years, let them go to it.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ANDEAN TRADE PREFERENCE EXPANSION ACT—Continued

Mr. THOMAS. Mr. President, I wish to speak a few minutes about trade and the several bills on trade that have been pending for some time.

Trade promotion authority is the central element of what we are seeking to do. Trade is one of the most important issues with which we have to deal. Transactions are made around the world in the billions of dollars every day, and we need the authority to negotiate trade agreements that fit us into world trade and, at the same time, are favorable to the United States, which is a basic issue.

The Senator from Nevada was saying a moment ago that we ought to be doing something about unemployment. I suggest doing something with trade promotion authority. This is one of the basic issues with which we have to deal in augmenting employment and stimulating employment.

Agriculture is very big in my part of the country and 40 percent depends on foreign markets because we produce more than we consume in this country. I wish to comment a moment on where we are and what I hope can happen.

The Andean Trade Preference Act has been amended to include three bills. It deals only with Bolivia, Colombia, Ecuador, and Peru, and it has expired. It needs to be reauthorized so we can deal with those four nations in terms of imports and exports. It was originally passed in 1991 to provide an economic benefit to help those countries such as Colombia with which we have such concern about their internal conflicts, drug activities, illegal drug production and trafficking, and a number of issues that are of great importance to us.

Time is running out to reauthorize the Andean Trade Preference Expansion Act. I hope we can reauthorize it. It is the underlying bill. But I have to tell my colleagues, in my view at least and I think in most everyone's view, trade promotion authority is really the basis of our concern. I am a member of the Finance Committee, and trade issues are handled in the Finance Committee. We handled these three issues not as one but as separate issues. I suggest that is what we ought to be doing: dealing with each bill separately.

We found ourselves, however, in a position where those who are skeptical of trade promotion authority are insisting on much more in the trade adjustment bill as leverage for their support for trade promotion authority. On the other side, people who want trade promotion authority are saying: We will not do that unless you give us a little less on trade adjustment. So we find ourselves in a conflict.

Trade promotion authority is generally known as fast track, which was passed by the committee in December by a 19-to-3 vote, a very strong vote. The discussions about all the aspects of the bill were held in committee, as they should be.

Basically, trade promotion authority falls into two categories: One, the President's authority to proclaim changes in tariffs resulting from negotiations of reciprocal trade agreements; two, procedures for implementing provisions of such agreements which provide for changes in the U.S. law, basically known as fast track.

Trade promotion authority is a process for the President or his representatives to negotiate, guided by rules that are in law. They bring those agreements back to the Senate when they are completed for an up-or-down vote. It is really the only reasonable approach we can take to accomplish negotiations. Obviously, 535 Members of Congress cannot do the negotiating for the country. The bill does provide a framework, an outline of how this can be done. Its purposes are:

Obtaining more open and equitable market access; reducing or eliminating trade barriers and other trade-distorting practices; strengthening the system of trading disciplines and procedures, including dispute settlement; promoting full employment in the United States.

It is true that every industry is not always treated the same. Some are very successful; others find it more difficult. That is, I guess, the reality we have in trade of any kind. That is part of it.

This bill requires Presidential consultation with the Congress before, during, and after a trade negotiation. Without that, why, we will not have any agreements, and we have, indeed, fallen behind. This has been out of the system since 1994. Other countries have negotiated their agreements among themselves, particularly in South America, and we have not. We have negotiated relatively few.

To the extent we can agree that trade is necessary, trade is good for us overall, then we have to have a system for negotiating and not sit back while the rest of the world negotiates agreements and expect that we are going to benefit from that situation.

As I indicated, it does provide for Senators to be more involved. It provides legitimate opportunities for the Congress and others to express their concerns, which is proper.

It provides for ongoing consultation and debate during the process of agreements.

It creates an oversight group of Congress that is broad based and bipartisan.

It sets up this system that gives input by the Congress and yet allows the President to make agreements and then bring them back to the Congress for acceptance or rejection.

So we hear they are going to give him all the authority and have nothing to do with it. That is not the case. We still do have something to do with it. We do still have final approval as to what is done. So we need to be doing some of those things.

A lot of the U.S. products, for instance, in agriculture still have very high tariffs in other places. Our good friends from Japan have very high tariffs on beef, for example, which comes partly from my State. So we need to be involved and protect our interests as well as be fair with others and participate in this whole business of trade. So it is important.

As I mentioned, in agriculture, one out of every three acres planted is basically for export because we produce more. Under the farm bill that is pending, we will be producing even more if we do not run into a conflict with trade because of the farm bill itself. We will be talking about that starting tomorrow.

In 2001, American farmers exported $55 billion in agricultural products. That supports a great number of jobs. I know people have different views about it. The fact is it is there and we need to participate. We can argue about how we do it and what the outcome is, but it is pretty apparent we need to participate actively in deciding how these things are going to be done. The European Union, for example, has 15 free trade agreements in which we are not involved. Mexico has signed 28 trade agreements; the United States has signed 3. So we are kind of being left behind in terms of what we are seeking to do.

One of the problems which we are going to have to deal with—it has already been discussed a great deal, and I think it is being discussed now in terms of hoping to come up with some agreement—is the trade adjustment authority, which is a legitimate concern about being able to deal with people who might be put out of work and to have some kind of a program that would be helpful to them. There was a program in place, but it has expired. But we basically need financial and training assistance for workers displaced by import competition or for firms that face a significant adjustment. Those things were done in conjunction with NAFTA, and they increase the number of weeks adversely-affected employees could receive assistance.

Now the question is: Are those made to be entitlements? Are those to be made welfare programs that are everlasting? How do we define who is available, who should be receiving those benefits? I think those are things we have to be concerned with when talking about upstream and downstream employees, people who are feeding into this industry who are affected. Where do we stop? How far do we go? How far do we go on the retail side? Without some definition, it could be a huge sort of welfare program, when it is designed to be an assistance program that helps people be trained and available to move back into the workplace. That is what it is for, and that should be our goal. I hope it will be the goal.

We have had some unusual things happen since the bill has left the committee. It left the committee in one form, and now it has been amended into quite a different form. So we go back to kind of where we were on the energy bill, where the committee did not have an opportunity to talk about it. So all those details, rather than being discussed in committee, which is the process normally used, have to come to the floor to be discussed because they have not been available to be discussed with recommendations coming from the bipartisanship of the committee.

It is my understanding we are going to go to the farm bill tomorrow and Wednesday and conclude after 12 hours of debate on the report from the conference committee, and then we will be returning, after that, apparently to the trade promotion bills. I am hopeful we can deal with them in a direct manner, that we can deal with them with an attitude as to how important it is to the United States and what is our best process for getting the best arrangement for Americans to participate in trade, because we are going to be participating in it one way or another; there is no question about that.

The question is: What kind of a process can we put in place that gives us the best opportunity to equally participate, to our benefit hopefully, in world trade? I look forward to the debate.

I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER (Mrs. LINCOLN). Without objection, it is so ordered.

Mr. HOLLINGS. Madam President, we have had very little opportunity to really discuss trade. This bill was called up on a weekend, without debate. By Monday evening it was already moved for consent, so there was no debate whatsoever given to actually calling up the fast-track measure for consideration, to discuss it.

We need a thorough discussion of exactly what is occurring in the globalization in world trade. I am sorry I do not have a greater audience, but I will speak for the purposes of at least getting it in the RECORD. Tomorrow we will be on the farm bill. There is a general slowdown with respect to the Dorgan amendment. We have only had one amendment up.

I have a very important amendment relative to trade adjustment assistance. What we are providing, as I understand it, in the Daschle amendment as a substitute for the fast-track measure itself, is trade adjustment assistance for the legacy cause, for those in steel who had retirement, and when the plants closed, of course, they went broke and could not provide for that retirement.

I am a strong supporter of that situation, so long as we can consider the post-NAFTA textile employees—we call them associates now, down south. Those associates who lost their jobs over the 8-year period since NAFTA was enacted, have not been able to find new ones. I will have a very important amendment.

I have 53,900 who have made claims for unemployment. One of the distinguished leaders on the floor earlier today said he could not believe that figure. That figure comes from the Bureau of Labor Statistics, for those associates who have made claims for unemployment, having lost their jobs. I think it is just as important, or more important, since they have not been able to find any work, that they be taken care of, that they have available the measure called COBRA, so they can get their health care while they are looking. We are in desperate circumstances.

Everyone knows of the wonderful success we have, and I share in it, with respect to the German industries. When I was governor of South Carolina, I visited Germany in 1960, to try to attract corporations to open plants in my state. In the 42 years since, I thought 117 companies had opened plants. But last week when I said that, the German Ambassador heard me and has updated the figure for me. It is now 125 German industries. So we are rejoicing in the success of German investment in South Carolina, particularly everyone coming here for the BMW plant.

But the unemployment rate for the BMW plant in Spartanburg, where it is located, was 3.2-percent last year. It is now 6.1-percent. The overall unemployment of the State itself is 6 percent.

We are having a very difficult time replacing those jobs. At least we ought to be able to get trade adjustment assistance for those unemployed associates.

I place with specific emphasis an article in the May 13 issue of Business Week, entitled "Where The Recovery Won't Reach."

Madam President, I think it is important that I cover this now while others are not seeking recognition.

> Unlike bouncebacks of the past, many jobs recently lost at American factories may be gone for good.
>
> The recession of 2001 may have been exceptionally mild for the economy as a whole but it devastated U.S. manufacturing. The number of manufacturing jobs fell from 18.5 million in the middle of 2000 to 16.9 million today—a decline almost as steep as during the harsh downturn of 1981–82.

Let me divert for a moment to say that years ago Sony's Akio Morita told me that a country that loses manufacturing capacity will cease to be a world power.

A generation ago, we had 26 percent of the workforce in manufacturing. Today, it is less than 12 percent. We are hardly producing anything.

When the debate resumes, I will have the figures with respect to what we are not able to produce. The majority of what we consume in the United States in manufacturing, of course, is important.

Back to the article itself:

> In the past, manufacturing employment typically rebounded after a recession ended. After the 1981–82 downturn, manufacturing got back about two-thirds of the jobs it had lost. In the 1990s, growth in U.S. high-tech manufacturing helped offset losses in industries such as steel and apparel. By 1998, manufacturing employment had risen to only 11% below its all-time high.
>
> This time, however, the bounceback may not be so strong and the bulk of the manufacturing job losses may be permanent. The sharp decline in U.S. corporate profits, combined with the burden of a strong dollar, is forcing companies to take a fresh look at how they can cut costs. And in an increasingly global economy, they're deciding it's cheaper to use foreign factories than domestic ones.
>
> The result: As U.S. demand rebounds, imports are rising far faster than domestic production. First-quarter imports of goods rose at a 10% annual rate, adjusted for inflation. South Korean factories are ramping up production, while electronics makers in Taiwan are restarting idle machines to turn out chips, phones, and flat-panel displays. Meanwhile, manufacturing output in the U.S. rose at a mere 3% annual rate in the first quarter. What's worse, factory employment shrank at a 6% annual rate, with no sign of a bottom.
>
> The failure to generate manufacturing jobs at home may already be muting the recovery.

Let me divert again to emphasize that it is not just the bankers in Japan. I am telling you—manufacturing, research, and high-tech both from the United States and Japan are all going to China.

We are going out of business here. We are hollering "free trade, free trade" as if we are doing something to help the country.

Incidentally, the assistant majority leader, the Senator from Nevada, just pointed out that there could be a close-down by our Republican colleagues later this week on the proceedings here in the Senate for their desire to confirm some 11 judges. Here they are talking about an emergency to close down proceedings and to close down the Senate for judges. We are looking for jobs, not judges.

Let me go back to the article.

> The worsening of the trade deficit subtracted 1.2 percentage points from economic growth in the first quarter, the Commerce Dept. says.
>
> And the economic drag appears likely to continue, as manufacturers aggressively cut jobs even as demand picks up. The employment index of the Institute for Supply Management survey for April was 46.7, signaling further contraction of the factory workforce. In recent days, DuPont announced plans to cut about 1,400 U.S. textile manufacturing jobs, while Kraft Foods Inc. said it would close a Chicago plant that makes Shake 'N Bake coating mix. Maytag Corp. has transferred four assembly operations to a maquiladora in Reynosa, Mexico, and plans to transfer 12 others by August. In April, San Francisco's Levi Strauss & Co., which once boasted of its American-made clothing, said it would close six U.S. factories and lay off 3,300 workers. That will leave it with just two U.S. factories. Most of its clothing comes from contractors in Latin America and Asia.
>
> Intense competition makes low-cost regions hard to resist. In electronics manufacturing, for instance, the labor cost for assembling printed-circuit boards—the guts of electronics gear—is about $7 to $8 an hour in the U.S., vs. about 50¢ an hour in China, estimates Jeffrey A. Bloch, vice-president for electronics manufacturing services at iSuppli Inc., a supply-chain consulting firm in El Segundo, Calif.
>
> The cost differential wasn't so compelling during the tech boom of the late 1990s when companies like Cisco Systems Inc. and Lucent Technologies Inc. were willing to pay extra for the convenience of having production in the U.S., close to their engineers and customers. "Flexibility was more important to them than cost," says Bloch. With the tech boom over, he says, "those industries

> have now decided to go to the lower-cost regions."
>
> Moreover, so much of electronics manufacturing has moved to Asia already that it's cheaper and easier to build gear there than to ship all the little pieces across the Pacific for assembly in the U.S., says Jim Sacherman, chief marketing officer for Flextronics International Ltd., the Singapore-based contract manufacturer. Flextronics says it will soon have 75% to 80% of its production in low-wage regions, vs. half in 2000. Once gone, production rarely shifts back to high-cost regions. Says Sacherman: "It's pretty hard under any market conditions to say, 'For these reasons, I'm going to pay more.'"
>
> Adding to their attractiveness countries such as China, Mexico, Malaysia, and South Korea are moving up the manufacturing learning curve, boosting their productivity faster than in the U.S. In the second half of the 1990s, U.S. manufacturing productivity rose at a solid 4.6% rate—but manufacturing productivity in South Korea, for example, improved nearly 12% a year.
>
> While most manufacturing jobs are in production, the category also includes engineers, researchers, managers, and support staff of manufacturing companies. Some white-collar Americans are even moving to where the jobs are. To lure Westerners and U.S.-based Chinese to a new billion-dollar chip fab in Shanghai, China's Semiconductor Manufacturing International Corp. is building an elementary and middle school for their children.
>
> It's not just in technology that jobs are shifting abroad. In North and South Carolina, the heart of the South's once-huge textile and apparel industry, many companies that had been struggling to survive have finally capitulated. Worse for them than the recession was the dollar's strength, which triggered a flood of cheap imports. In the past two years, the dollar is up sharply against the currencies of apparel exporters such as Indonesia and South Korea.
>
> Mainly because of the dollar's impact on import prices, retail apparel prices have fallen 3% over the past year. "The strong dollar is just wiping manufacturing out," says Cass Johnson, an associate vice-president at the American Textile Manufacturers Institute.
>
> Makers of machinery and steel are also suffering from the dollar's rise. The job losses aren't even across industries. Pharmaceuticals employment has increased 5% from a year ago despite the recession. Auto industry employment is benefiting from the construction of assembly plants in the U.S. by the likes of Toyota, Honda, and Mercedes. Netting out Big Three plant closings, productivity gains, and expansions by Japanese, Korean, and German auto makers, "auto employment will hold even" through 2010, predicts Sean McAlinden, economics director at the Center for Automotive Research in Ann Arbor, Mich.
>
> For employers, closing U.S. factories makes all the sense in the world. For employees, it can be a terrible shock. Take General Electric Co., a leading advocate of globalizing production. It uses Mexican factories to make everything from medical diagnostic gear to appliances. "They really don't give any real consideration to the impact of their decisions on workers," says Edward Fire, a vice-president of the Communications Workers of America. GE says it has generous retraining and separation programs and continues to have a vibrant U.S. production base.
>
> The ability of U.S. manufacturing to generate jobs at home was one of the more pleasant surprises of the 1990s. The inability to keep them here may be one of the unpleasant surprises of this decade.

Now, there it is. I had been pleading last week with respect to the outflow of manufacturing. I quoted the General Electric policy, which says they would not consider any supplier to GE unless the supplier moved its facilities into Mexico. Here is the best of the best in American industry, along with the U.S. Chamber of Commerce, the National Association of Manufacturers, the Conference Board, and the Business Roundtable, all arrayed to move and eliminate jobs from the United States of America. It is our duty, our responsibility, to maintain jobs, to maintain the economic strength and security of the United States.

My friend, Robert Kennedy, who came to public acclaim for his book "The Enemy Within," sat at this desk, talking about labor. Today, I could write that same book—"The Enemy Within"—and it would be about management. That is our competition.

We are like that fifth column in the civil war in Spain. We are having the particular trade policy of the United States made downtown on K Street. They bring it to the White House; get general approval for it; move to fix a vote on the House side; and barely get it—the White House got it by one vote, by promising to have a fundraiser. And President Bush went to the textile Piedmont to fulfill his commitment for that one vote. So they now have passed fast track.

Over on this side, having gotten through, of course, the Finance Committee, they now have the 60 votes to go ahead and enact fast track without any provisions whatsoever. As a result, as you can see this afternoon, where we have it now up for debate, there is no one here to listen, for the simple reason: everybody knows the score. The vote is fixed. Why listen to the debate? Let's get it over with. We have a lot of work to do.

That is not how we should fulfill our responsibility under article I, section 8 of the Constitution. It is not the President, not the Supreme Court, but the Congress that shall regulate foreign commerce.

So much for manufacturing it is all high-tech, high-tech. I have had to listen to that nonsense for the last 10 years. Retraining, retraining. I have retraining coming out of my ears. I can retrain for any kind of job anywhere at any time.

Then there is globalization. I don't want to sound like Al Gore, that I invented globalization, but a moment ago I said 40 years ago I went on trade missions to Europe, as well as to Latin America. Now we have 125 German plants in South Carolina. We have Michelin there, with four facilities and its North American headquarters. We have Bowater's North American headquarters in Greenville, SC.

Oh, yes, we have been working on trade. So don't start and act as if there is a sudden change and you old fogies have to understand globalization. And you have to understand and know about retraining and, more particularly, high-tech, high-tech.

Bunk.

Listen to this: the New York Times, dated April 21: "Japan Braces for a 'Designed in China' World." Let me repeat that: "Japan Braces for a 'Designed in China' World"—because that is the country that out manufactures us. Japan has about 126 million people. We have 280 million people. We had a huge running start. Japan was decimated at the end of World War II. We had the only industry. Now, in a 55-year period, they are out manufacturing and out producing the United States of America.

Here is what they are doing. This article was written by James Brooke from Tokyo for the New York Times.

I quote:

> In recent decades, Japanese companies invested to make China the "factory to the world." In recent months, Japan's blue-chip manufacturers announced investments to make China the "design laboratory to the world."
>
> In a cascade of announcements this spring, blue-chip Japanese manufacturing companies said they were planning research and development units in China. Spurring the moves are the low wages of Chinese engineers, a growing Chinese market for computer chips and the hope that China's entry into the World Trade Organization will bring protection for patents.
>
> The crumbling of an informal wall that long kept assembly in China and research here may spell the end of Japan's last great competitive advantage over its low-wage neighbor. And it is yet another step in China's rise, one that means both new opportunities and wrenching change for Japan, which has lately been coasting on wealth built up in earlier, high-growth decades.
>
> Today's young Japanese have grown up in affluence, taking for granted high wages and their nation's status as the world's second-largest economy. But older Japanese returning from visiting Chinese factories and laboratories report that the hard-working, self-sacrificing Chinese workers remind them of the Japanese workers of the 1960's.
>
> As more and more Japanese manufacturing migrates to China, the research and development activity is gradually following, to be close to production.
>
> "China is quickly becoming a country of low wage and high tech," Yotaro Kobayashi, chairman of Fuji Xerox, warned recently, echoing the spreading insecurities here. "They are going to prove to be extremely competitive with Japanese companies."
>
> China, with an economy only one-quarter the size of Japan's, has a long way to go. But the thousands of computer engineers graduating annually from Chinese universities are enough to keep wages at one-third the level in Japan, a country facing a shortage of engineers. With the number of 18-year-olds decreasing, colleges across Japan are closing because of a shortage of students.
>
> Many of the biggest recent investments involve some of Japan's biggest technology names. This month, the Matsushita Electric Industrial Company opened a research and

development laboratory in Suzhou, China, for household appliances. By 2005, this lab and a Matsushita cellphone lab that open in Beijing last year will employ 1,750 Chinese engineers.

Last month, the Nomura Research Institute, a leading Japanese systems integrator, began outsourcing software projects to China in an effort that will employ 1,000 Chinese software engineers by 2005. The Toshiba Corporation is planning a tenfold increase in the number of engineers at its new chip development center in Shanghai, to 1,000 by 2004.

"We intend to enlarge the R&D function in China," Yukio Shohtoku, managing director of Matsushita Electric, said the day after the lab opened. The complex, in Jiangsu province, 200 miles northwest of Shanghai, will concentrate on developing air-conditioners, lights, refrigerators and washing machines. His company, he added, does "as much software development outside Japan as possible" because it does not have enough engineers and the cost of engineering is high in Japan.

Japanese companies are not pioneers in China. By the end of 2000, 29 multinationals, including Lucent Technologies, Microsoft, and I.B.M. of the United States, Alcatel of France and Nokia of Finland, had opened research and development units in China.

Typical of Japan's investment frenzy this spring, Yomiuri, a daily newspaper in Tokyo, recently ran a banner headline, "Toshiba Plan I.T. Plant in China," over an article that cited company sources as saying the electronics concern planned to spend hundreds of millions of dollars to build a huge information technology production and research complex outside Shanghai. A Toshiba spokesman, Hiroyuki Izuo, immediately denied the report. But given the wealth of detail and Japan's tradition of news leaks, many business analysts here believe that Toshiba is preparing a major project.

Japan Inc.'s new scramble to show individual competitiveness looks a lot like Japan's old herd instinct. Hitachi, Sony, Pioneer, Fujitsu and NEC are just some of the other blue-chip companies that have announced plans recently for research and development units in China.

Two weeks after the Mitsubishi Electric Corporation opened an elevator research unit in Shanghai in February, a major rival, the Toshiba Elevator and Building Systems Corporation, opened a research unit, also in Shanghai. And two weeks after plans were announced for the Honda Motorcycle R&D China Company in January, the Yamaha Motor Company announced that it would open a research and development unit in or near Shanghai in 2003.

About 80 percent of the 11 million motorcycles made in China last year were copycats of Japanese models, according to the Japan Automobile Manufactures Association. With China now in the World Trade Organization, Japanese manufactures hope that it will crack down on sales of "Yamehas" and "Suzakis."

Much of the new Japanese push into China is in semiconductor design and production, long an area of Japanese strength. The heavy investment this year comes after the worst year by far for global chip market, but a year in which chip demand in China grew about 30 percent. It is expected to grow another 30 percent there this year.

Fueling this chip demand, China is now the world's largest market for cellphones, and by 2006 is expected to surpass Japan as the No. 2 market for PC's, after the United States. In 30 years. China's population is expected to grow to 13 times that of Japan, from 10 times greater today.

Chinese chip demand is expected to quadruple by 2010, to a $48 billion market, Richard R. Chang, president of the Semiconductor Manufacturing International Corporation, said in a speech here. His company, 38 percent owned by Royal Philips Electronics, the Dutch giant, is part of a series of Chinese chip makers whose executives have visited here in recent weeks to drum up investment.

A surge is also expected in the number of high-tech workers. At an information technology conference here last month, Liu Jiren, chairman of the Neusoft Group, China's largest software company, told Japanese investors that in five years Chinese universities "will produce 5 to 10 times as many engineers as now."

Over all, Japan will be short 300,000 high-technology workers within three years, a Japanese government study warned recently. Despite this shortage, hundreds of Japanese managers and engineers, many forced into early retirement, now work in China, usually for lower pay.

The flow of investment, both human and financial, is changing the nature of China's export to Japan. Ever since Japan and China established diplomatic ties in 1972, the two largest Asian economies were seen as complementary.

"There is a clear division of labor between the two countries, with China specializing in labor-intensive products and processes, while Japan concentrates in high-tech products," C.H. Kwan, a senior fellow at the Japanese government's Research Institute of Economy Trade and Industry, wrote in a report six months ago. "China's exports look like Japan's imports and vice versa."

In this relationship, China has sold goods like towels, coal and spring onions to Japan, and Japan has sold laptops, digital cameras and DVD players to China. Now China produces and exports all these goods. The high-technology portion of China's exports has more than tripled, to 18.5 percent last year form 5 percent in 1985. But the goods produced by Japanese companies have largely been designed in Japan.

The Japanese have long prided themselves on quality production, relegating Chinese-made goods to discount shops, Now, Japanese manufacturers and consumers say they do not see much qualitative difference between Made in Japan and made in China.

In a recent survey of 81 Japanese companies operating in China, 62 percent of managers said they saw no difference in the quality of products made in Japan from those made in China. Fifteen percent said the Chinese products were of better quality, according to the poll, which was commissioned by The Nikkei Business Daily, Japan's leading business newspaper, and Japan Management Association Consultants, a private industry group.

These tectonic shifts are rattling the increasingly insecure Japanese. In the 1990's China's economy grew seven times as fast as Japan's. Such statistics help populist politicians fan the flames as they play on Japanese fears of this emerging—and ambitious—economic giant next door.

Last year, Japan reduced its foreign aid to China by 25 percent, to $1.2 billion, the biggest cut since aid started in 1979. The cut was not big enough for Shintaro Ishihara, Tokyo's populist governor, who warned voters last month that Japan "has been providing H-bomb-producing China with hundreds of billions of yen every year from your tax money."

According to the Kyodo News agency, Ichiro Ozawa, a conservative opposition leader, warned recently that if China " gets too inflated, Japanese people will get hysterical."

"It would be so easy for us to produce nuclear warheads," he continue.

But with Japan rivaling the United States as China's biggest economic partner, such hostile talk has prompted a series of "China is not a threat" statements.

The growth of the Chinese economy will not be a threat for Japan," Li Peng, chairman of China's Parliament, told Japanese investors in Japan this month in one such sally. "The size of the Chinese economy is still small compared with that of Japan."

Full economic cooperation with China will continue, Japan's prime minister, Junichiro Koizumi, vowed this month in a speech at an Asian economic conference in China.

"Some see the economic development of China as a threat," Mr. Koizumi said. "I do not. I believe that its dynamic economic development presents challenges as well as opportunities for Japan.

I see the advancement of Japan-China economic relations not as a hollowing out of Japanese industry but as an opportunity to nurture new industries in Japan and to develop their activities in the Chinese market," added the prime minister, an advocate of free-market changes at home.

In an exercise in raising morale, Mr. Koizumi recently visited two Japanese high-technology companies in Tokyo and said: "I feel Japan's potential is high. Japanese people should be more confident."

Many business people in Japan think that China's growth will provide jobs for the Japanese in new ways. For example, a consortium of companies in the Japan Railway group is talking with China about selling technology and materials to build a Japanese-style "shinkansen" bullet-train system in China.

We are having a hard time getting Amtrak going, and here they are building bullet train systems in China. We cannot get a national passenger defense rail system in this country because we are worried about 11 judges. We are not getting with the program. Terrorism war? Trade war, Madam President. It has been going on. We have been losing our shirts. We have been losing the war, but that is what it is. It is a war without guns and without bombs and planes and tanks. But it is an economic struggle in competition. There is nothing free about this war; I can tell you that right now.

But looking 25 years ahead, when China's economy is expected to surpass Japan's, some Japanese say they will have to adjust to playing a secondary role to their huge neighbor.

"Over the last 4,000 years of history, Japan has been a peripheral country to China, with the exception of this one last century," said Kenichi Ohmae, author of "China Impact," published in Japan this month. "In the future, Japan will be to China what Canada is to the United States, what Austria is to Germany, what Ireland is to Britain."

Despite the move of higher and higher technology manufacturing and research to China, for the near term at least Japan will retain an edge in animation, video games and the most advanced consumer electronics, Mr. Ohmae predicted. The Nintendo Company, for instance, produces 70 percent of its GameBoy Advance units in China and plans to start producing GameCube video-game

> consoles there this summer. But like most Japanese multinationals, Nintendo keeps most of its research and design in Japan.
>
> Not content to write about China's high-technology boom, Mr. Ohmae, former chairman in Japan of McKinsey & Company, the consulting firm, is investing in back-room data processing and telephone information call centers in Dalien, China. Both operations take advantage of the linguistic links of China and Japan and new fiber optic telephone and high-speed data connections. "Half a million Japanese-speaking Chinese live in northeastern China," Mr. Ohmae said, referring to an area with long investment ties to Japan. "The costs are one-tenth that of Japan.
>
> "There is no border," he added, spinning a future of ever closer economic integration. "Part of the business goes to China. Part remains in Japan. I don't see a clear, industry-by-separation of China and Japan."

Madam President, these are the things the Senate ought to be paying attention to. We need to pay our bills, rebuild the economy, cut out this Enron accounting of on-budget/off-budget, unified budget, and all the fancy words. Enron didn't start them. These politicians started it long before Ken Lay left Missouri to go down to Texas and start his charade.

The truth is we in the U.S. Government have been playing with Enron accounting, and there is more coming up. We have a budget deficit. They don't call it a budget deficit. The Republicans have their budget; now let the President submit it. Let's call it up and see what they are going to do with it. But I will be suggesting—among other things—a freeze. Just take this year's budget for next year. We just passed the main defense bills—Labor, Health and Human Resources—just before Christmas. So here we are less than five months later. We would not hurt anybody with a freeze. Let's just take that hold-the-line approach, except in national defense and homeland security. We can put those aside.

Let's debate the budget the President has submitted and consider what he asked for. He submitted his defense budget. Let's consider that and debate it and vote it. But let's not spend the whole darn time talking about how we are saving money. We can just take this year's for next year.

Madam President, we would save almost $155 billion over five years. We would save $155 billion, rather than spend an extra $155 billion. Senator THURMOND and I are going to get by. But the Presiding Officer is going to have to pick up our bill. All the other young leaders we have in the U.S. Congress—we are just adding to the national debt. Another item to come up is the national debt. I don't mind if those who cut the revenues to increase the debt, rather than pay down the debt—if they will give us a modicum of votes over there. They play a political game. I voted for the increase of the debt, but I want to see the debt come down. Don't act as if we don't know how it happened. We know exactly how it happened.

It has the economy and the markets in Washington and New York just frozen in their tracks because of our leadership. The President, is playing T-ball, or running out to some Federal facility or some school patting the little children on the head, and then patting the pocketbooks at night with a fundraiser. We cannot get him in the Oval Office and find out what's going on. He wants a $4 trillion additional loss of revenue, which increases the debt some $4 trillion. So they will come up here and say, well, we have to increase the debt. It is an emergency situation. They start moving things around with Enron accounting. By June 28, they have to pay the interest costs to the Social Security trust fund—you see, they keep spending the Social Security money by issuing these bills, and they will have to pay it back and they won't have the money.

So we will have to do something by June 28, and let's see the disposition of these tax cutters. We gave 8 years of the finest economy in the history of these United States of America under President Clinton by increasing taxes. Yes, we cut spending. We also increased the taxes.

This Senator and others, without a single Republican vote, increased taxes on Social Security, and we voted to increase taxes on gasoline. We took the hard stand. Yes, we lost the Senate in 1994. It cost us politically, but we did it, and we stuck to our guns. Now they come with their leadership: Let's cut taxes; let's buy the vote; tell them the Government is too big; and it is the people's money, they know how to spend it better than we do. What kind of childish talk is that?

America knows the city hall and the State houses back home are going to have to pay their bills. They have increased taxes in certain States, almost a dozen of them, and they are having to cut programs right across the board. They are not saying: Let's cut the revenues another $4 trillion. Come on.

These are the issues we ought to be talking about, and let's get with it for a trade policy. We need a value-added tax to pay that bill and to equalize production and international trade. Every industrialized country in the world has a VAT save the United States of America. Now we need one. We can use it to pay for the war, but we have our leadership, our President, saying that we are not going to pay for the war. Since we have a war, we are going to run deficits, and, incidentally the war is never going to end.

What kind of leadership is that? I never heard of such a thing. No wonder this country is in trouble. Everybody is amused. Politics is a spectator sport. The Government in Washington is just the weekend shows. As long as we do not get anything done—when in doubt do nothing and stay in doubt all the time, but keep spending, keep running up the debt and talking to everybody about how we are saving Social Security. We are not saving Social Security. We are spending it.

We at least ought to pay for this war on terrorism. We paid for every war we have ever had. More than anything, we ought to start to engage in this trade war. It is not just manufacturing. Everything I read pertaining to Japan pertains to the United States of America. That is where our technology has gone. So do not say I have to understand globalization and free trade, free trade. The word "trade" means just that. It is not free. They continue to treat it as aid, and we are not in a position now to do that. We have to aid our hometown communities in America and rebuild our industrial strength and our economic might.

That is what is on this Senator's mind. I wish there were others in the Chamber to debate the Andean Trade Preference Expansion Act because this bill is a hope to the solution of the drug problem. This is not trade. We do not get anything, but we hope if we can give them more textiles to produce, they will get out of producing cocaine and produce T-shirts and send them to us. That is the whole Andean trade bill.

This is the biggest sham I have ever seen. Incidentally, I remembered one point I wanted to emphasize about productivity. The textile worker of the United States of America is the most productive textile worker in the world. In fact, let me embellish. The industrial worker of the United States is the most productive industrial worker in the entire world.

Madam President, what is not producing is the U.S. Government, this Congress, this Senate. I am hopeful we can start discussing real issues and cut out all the political and parliamentary maneuvers so we can vote on the Dorgan amendment. I have plenty other amendments that pertain to the bill with respect to trade adjustment assistance for post-NAFTA workers, some 53,900 in my State. You cannot ask me to vote for some and not for all. We have to be fair with everyone. That is our hope, our duty, and our responsibility.

I do appreciate the distinguished Chair indulging me this afternoon. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to a period for morning business, with Senators allowed to speak for a period not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

KLAMATH FOOD BANK

• Mr. SMITH of Oregon. Madam President, today I give tribute to some Oregon heroes. Over the past year, I have come to the Senate floor on several occasions to describe the tragic events in the Klamath Basin last year. Today, I wish to salute some of the heroes, who when watching their neighbors in need, responded with great compassion and service to their community.

In April of last year, the farm economy of Klamath Falls was sent into a tailspin when the decision was made to forego water deliveries to farmers in favor of protecting threatened and endangered fishes. Almost overnight, the devastating effects of the water shutoff began to be felt. In one month's time, the number of families seeking assistance from the local food bank jumped by seven hundred.

The response from the surrounding community was incredible. Farmers, car dealerships, coffee shops, gas stations, banks, schools, and countless others came together to lend their support to folks in the Klamath Basin. On June 15 of last year, Joe Gilliam, President of the Oregon Grocers Association, with the help of grocers from around the state, gathered 240,000 pounds of food. This food helped feed the community for nearly two months.

In August, Oregon Senator and farmer Gary George of Pendleton, Oregon decided that he too had to do something. He set out and, with the help of Oregonians In Action, raised $30,000. Also in August, KDOV Radio, Perry Atkinson and his son Oregon Senator Jason Atkinson, and sixty churches in the Medford area, joined together in collecting 27,000 pounds of food. They delivered it in two twenty-four-foot Ryder trucks.

The examples of kindness go on and on. For as tragic as the situation last year in the Basin was, Oregonians from around the State responded with an equal level of benevolence. With the help of hundreds of community volunteers and under the direction of Niki Sampson, the Klamath Falls-Lake County Food Bank has distributed 830,000 of pounds of food and non-food products.

This has been a very emotional year, and as a United States Senator and as an Oregonian, I am very proud of how the people in my state have responded. The generosity shown by so many truly reaffirms one's faith in the goodness of people. In my mind, every single person who volunteered his or her time or resources is a hero. Today, I salute the workers, the volunteers, and all those who gave of themselves to help this community in need.•

CINCO DE MAYO

• Mrs. CARNAHAN. Madam President, I am proud to take this opportunity to recognize the Mexican holiday, Cinco de Mayo. This holiday is a day to celebrate and appreciate Mexican history and culture. I would also urge all Americans to take this opportunity to learn more about the important contributions Mexicans and Mexican-Americans have made to the United States.

The Cinco de Mayo holiday dates back to the mid-19th century. In 1862, the democratic nation of Mexico found itself under invasion from the French, led by Napoleon III. On its march to conquer Mexico, the French army met the Mexican army in the city of Puebla, just 100 miles east of Mexico City. On May 5, 1862, the ill-equipped and outnumbered Mexican army under Texas-born General Ignacio Zaragoza, would defy all odds and defeat the superior French army at the Batalla de Puebla. This defeat of the French, one of the strongest militaries in the world, would become a symbol of the strength and determination of the Mexican people.

As immigration to the United States increased during the Mexican Revolution and in subsequent years, Mexicans and Mexican-Americans demonstrated these same qualities on the battlefield in defense of the American flag. They were among the first to volunteer for the U.S. armed forces during World War I and an estimated 375,000–500,000 Mexican-American soldiers served with honor during World War II. Jose P. Martinez of Colorado would become the first American and one of many Mexican-Americans to receive the Congressional Medal of Honor for his heroism during World War II. Americans of Mexican descent would also serve in the wars in Korea, Vietnam, the Cold War, and the Gulf War. They continue to enlist in high numbers and remain committed to military service in defense of the United States.

Military service is just one of countless contributions Mexicans and Mexican-Americans have made to the United States. Cesar Chavez's passion for justice and the right to organize resulted in improved living and working conditions for people in California and throughout the United States. Diego Rivera's artwork continues to inspire Latino artists as well as others to paint murals that beautify our cities and are available for the general public to appreciate. Missouri is also proud of one of its own, Hector Barreto, who currently serves as Administrator of the U.S. Small Business Administration. There are currently 13 Mexican-American members in the House of Representatives and I look forward to the day when I will have Mexican-American colleagues here in the U.S. Senate as well.

The same strength of character and determination that was displayed by the Mexican army at the Batalla de Puebla is evident in today's Mexican-American leaders in business, labor, not-for-profits, government, and in the arts. It is fitting that as we celebrate the Cinco de Mayo holiday, we also recognize the valuable cultural, social, and political contributions Mexicans and Mexican-Americans have made and continue to make in the United States.•

WORKERS MEMORIAL DAY

• Mr. SESSIONS. Madam President, today we highlight the recent observance of April 28 as Workers Memorial Day. Workers Memorial Day recognizes workers who have been killed or injured in the workplace over the past year. The first Workers Memorial Day was observed in 1989. April 28 was chosen because it is the anniversary of the Occupational Safety and Health Act and the day of a similar remembrance in Canada. Every year, many communities and businesses join together to recognize workers who have been killed or injured on the job.

In honor of Workers Memorial Day, I want to relate a story about one person in Alabama that has truly made a difference in improving worker safety. Each year since 1995, the Fairhope, Alabama-based FIGHT Project, Families in Grief Hold Together, FIGHT, holds a memorial service on Workers Memorial Day for people who die in work-related accidents in south Alabama. The FIGHT Project is led by Mr. Ron Hayes. Mr. Hayes lost his 19-year-old son Patrick due to a workplace accident. Patrick was walking across a corn elevator filled with grain when he was pulled down into the grain and suffocated. Through his tireless efforts, Mr. Hayes, prompted the Occupational Safety and Health Administration, OSHA, to revise its standard for protecting almost 250,000 workers at 24,000 grain elevators and mills. Mr. Hayes not only spent considerable time trying to determine the cause of his son's accident, but quit his job to become an advocate of workplace safety. He organized the non-profit organization, the FIGHT Project, to provide guidance to families who have lost a loved one in a workplace accident. Mr. Hayes has since become a expert on work-related deaths, illnesses and injuries. Mr. Hayes has spent countless hours trying to ensure safe working environments for America's workers. He has also assisted hundreds of families who have lost love ones, including working closely with the families of the 13 Jim Walters miners who were killed in

Brookwood, AL, last year. He has been an invaluable resource to me as I serve on the Health, Education, Labor, and pensions Committee, which oversees OSHA.

Mr. Hayes was recently appointed by Secretary of Labor Elaine Chao as a member of the National Advisory Committee on Occupational Safety and Health, NACOSH. NACOSH was established under the Occupational Safety and Health Act of 1970 to advise the Secretaries of Labor and Health and Human Services on Occupational Safety and Health Programs and Policies. Mr. Hayes is working with OSHA and the rest of the Department of Labor to improve worker safety around that nation.

According to OSHA, there are a disproportionately high number of work-related deaths suffered by non-English speaking workers. On Workers Memorial Day, Mr. John Henshaw, Assistant Secretary of Labor for Occupational Safety and Health, announced that the agency will soon begin to collect data on country of origin and English language capability for all workers involved in fatality or other serious accident investigations. The agency will also for the first time begin to collect site-specific information on construction projects where many immigrants and other workers die every year. The new data collection will enable OSHA to analyze language and country of origin information to determine what role language barriers and other risk factors play in fatalities and other workplace accidents. The agency will then use this data to take steps to improve safety for these workers.

I want to point out that in commemoration of Worker Memorial Day, Mr. Henshaw also announced that, effective immediately, he will write personally to the families of workers killed on the job to express OSHA's sorrow for the loss. Working with Mr. Hayes over the last few years, I know how important it is to the victim's families that the Government is aware of the problem and working to do everything possible to prevent more workers from dying or being injured on the job. I would like to reiterate Mr. Hayes' recent statement about the importance of reducing the accident and injury rate to the point where this type of initiative is not needed at all. I believe Secretary Chao and Mr. Henshaw are committed to this goal and I stand ready to aid their efforts.

We know that many businesses are working hard and successfully to improve worker safety. Some Alabama companies have recently been recognized by OSHA as achieving successful results in reducing injuries. Since 1982, OSHA has been recognizing American work sites that have exemplary safety records and show continued commitment to workplace safety and health. Sites meeting the Voluntary Protection Program standards typically experience injury and illness rates 53 percent below the industry average. Three sites in Alabama: ATOFINA Chemicals Inc. in Axis, AL; Occidental Chemical Corporation in Mobile, AL; and United Space Alliance, LLC Huntsville Operations in Huntsville, AL, were recognized by OSHA as Star sites for their achievements in worker safety. These successes were achieved with voluntary programs, teamwork and determination.

Workers Memorial Day gives us the opportunity to remember the workers who have lost their lives and highlight these important worker safety issues. The more attention we give the subject and the more we work together the better chance we have to be successful in reducing and then eventually eliminating workplace injuries.●

DEDICATION OF SPARK MATSUNAGA ELEMENTARY AND LONGVIEW SCHOOL

● Mr. AKAKA. Madam President, on Sunday I had the privilege of attending the dedication ceremony for the Spark Matsunaga Elementary and Longview School in Germantown, Maryland. This exceptional state-of-the-art school facility houses a general education elementary school, Spark Matsunaga Elementary, and special education school for children with disabilities, Longview School.

It is appropriate that this new school honors the memory of a truly remarkable man and former colleague—Senator Spark Matsunaga. Over the course of a lifetime of service to the people of Hawaii and America, Spark exhibited fortitude, courage, and persistence in fighting for what was right and what was best.

As noted by Dr. Jerry Weast, superintendent of Montgomery County Public Schools, this is the first public school in the nation named in honor of an Asian American. Transportation Secretary Norman Mineta, Representative CONNIE MORELLA, Hawaii State Senator Matt Matsunaga, and Keene Matsunaga were a few of the speakers who spoke of Senator Matsunaga's distinguished life and career. A children's chorus entertained and sang the school song. The "Home of the Geckos," Matsunaga Elementary has made a wonderful start with dedicated teachers and administrators and a diverse and involved community of students and parents.

Spark Matsunaga's commitment to justice and lifetime of service to America merits this singular recognition. Throughout his career, Sparky worked to ensure that all Americans enjoyed the fruits of liberty and understood our shared responsibilities for keeping our country free and strong.

Spark Matsunaga's legacy of public service, espousal of the art of peacemaking, and commitment to justice is a wonderful example for the students and staff that proudly work and learn at Matsunaga Elementary School.

I know that Helene Matsunaga and the Matsunaga family are deeply appreciative of this unprecedented tribute, and the people of Hawaii take pride in Montgomery County bestowing this honor on Senator Matsunaga and his service to our great Nation.

Madam President, I ask that a copy of the commemorative biography of Spark Matsunaga distributed at the dedication be printed in the RECORD.

The biography folllows:

SENATOR SPARK MASAYUKI MATSUNAGA, 1916–1990

Our school is proud to bear the name of this great American whose legacy will inspire our community forever. Senator Matsunaga's memory will serve to remind students and staff that public service, strong educational goals, patriotism and personal pride are qualities to live by. Senator Matsunaga will be remembered for all his work to teach the principles of peace yet value just causes for humanity. He knew when to use his talents to inspire change and was never afraid to stand proudly to have his voice heard.

Spark Matsunaga, a war hero who became a Untied States Senator from Hawaii, dedicated his career to promoting peace and achieving justice. A Japanese-American, Matsunaga served with distinction in the 100th Infantry battalion, the first Japanese American unit formed during World War II, for which he received the Bronze Star and two Purple Hearts. As a political leader, he was a champion of civil rights for all Americans regardless of race. As a member of the United States Senate, he worked to promote the peaceful resolution of conflicts, and he fought for the redress for survivors of the World War II internment camps.

Masayuki Matsunaga was born on the Island of Kauai, Hawaii, on October 8, 1916. His childhood friends nicknamed him Spark; he later legally adopted the name. Matsunaga attended the Kauai public schools before entering the University of Hawaii in 1937, majoring in education and serving in the Reserve Officer Training Corps. Upon graduation in June 1941, Matsunaga was commissioned in the Army and was serving on active duty on the island of Molokai when Japan attacked Pearl Harbor on December 7, 1941. Shortly afterward, he and other Japanese-Americans were relieved of their duties and shipped to a military facility, Camp McCoy, in Wisconsin, while the War Department in Washington decided whether they could fight for America. Matsunaga, along with the other soldiers, petitioned President Roosevelt for a chance to prove their loyalty.

In the Spring of 1942, President Roosevelt and other Washington leaders determined that Japanese-Americans in the army would be loyal to the country; Matsunaga and 1,500 other Japanese-Americans formed the 100th Infantry Battalion and trained for combat duty. In September 1943, the battalion was sent to Italy; Matsunaga was wounded twice in the same night while moving through a minefield. After recuperating, Matsunaga could not go back to combat but received two Purple Hearts and the Bronze Star for his heroic acts, and was assigned to a replacement battalion.

Late in the war, he returned to the U.S. where he gave 800 speeches to help Japanese-

Americans become integrated into the mainstream of American life after being released from the detention camps where they were kept during the war. The 100th Infantry Battalion eventually became a part of the 442nd Regimental Combat Team of Japanese-American soldiers, the most decorated unit in U.S. military history.

Matsunaga returned to Hawaii in 1946, worked in veterans affairs briefly, married, and then entered Harvard Law School in 1948. After graduation, he practiced law in Hawaii and began his political career, being elected to the Territorial Legislature in which was known as the "Democratic Revolution" of 1954 engineered by veterans of the 100th and 442nd to take control of the legislature for the first time. Matsunaga and other Japanese-Americans were among the leaders in Hawaii's bid for statehood, which passed in 1959.

In 1962, Matsunaga won a seat in the U.S. House of Representatives, making the rights of immigrants, the welfare of veterans, and the defense of Japanese-Americans and other minorities his hallmarks. In 1976, he was elected to the U.S. Senate, supporting legislation to establish a research organization called the United States Peace Institute and to authorize the post of Poet Laureate. As a Senator, he was also a major proponent of the use of renewable energy sources and Soviet-American cooperation in space exploration. Perhaps Matsunaga's greatest achievement in the Senate was obtaining redress for Japanese-Americans who had been unjustly interned during World War II. The survivors of the camps received "token monetary compensation" and an apology from President Ronald Reagan. Another signature legislative achievement was the Spark Matsunaga Hydrogen Research and Development Act, which was passed in 1990 and provides funding for research into alternative energy sources. His last official act was to cast a vote in favor of continuing the Clean Air Act.

In 1990, Senator Matsunaga died while serving the U.S. Senate. In his honor, the University of Hawaii established the Matsunaga Institute for Peace in which scholars explore ways to resolve differences without resorting to violence.•

HONORING AMERICA'S NURSES

• Mr. SANTORUM. Madam President, I rise today in recognition of the women and men across the Nation who daily stand on the front lines of the health care profession. This week, May 6 through May 12, we celebrate National Nurses Week in their honor. Through their service to the patients and communities for whom they care, nurses continue to deliver health care despite the unprecedented difficulties they face. It is a testament to their sustained professionalism and genuine compassion that, regardless of these challenges, America's nurses are still the first to respond to the everyday tragedies and the first to be prepared for the extraordinary ones.

America's population is not only growing larger, it is growing older and the implications of these demographic trends are severe for the health care delivery system. The nursing workforce, in both the private and public sectors, is challenged by personnel shortages as nurse recruitment and retention becomes more problematic. Cutbacks in Medicare reimbursements have exacerbated the situation, and our rural and elderly communities have suffered from the inaccessibility of care as a result. The Department of Veterans Affairs is particularly affected by this situation as the aging veteran community becomes increasingly more care-dependent. The Health Resources and Services Administration released a study in February of 2001 describing the plight of registered nurses in the United States and recommending that significant steps be taken to preserve the nation's supply of nurses.

To this end, I am proud to be a cosponsor of legislation, put forth by Senator HUTCHINSON, that addresses these issues and offers genuine solutions to the problems underlying the nursing profession's shortage. Portions of this bill were incorporated into legislation that the Senate passed in December, and the House of Representatives has acted favorably on a bill to boost nurse employment as well. I am hopeful that the differences between the two chambers' bills can be reconciled and that a final measure can be soon sent to the President for his signature. Enactment of the proposed nursing legislation would initiate new approaches to retaining and recruiting highly qualified individuals in this field of health care. Among these approaches would be expanding nurse-loan repayment and scholarship programs, career ladder and faculty development opportunities, and multi-media campaigns to encourage Americans to consider nursing as a career choice. Preserving and promoting the nursing workforce is imperative if we are to maintain our country's ability to deliver first-class medical care.

Nurses, and the indispensable position they serve in medicine, are near and dear to me; theirs is a commitment to health care I have witnessed throughout my life, my mother, sister and wife all have nursing backgrounds, and mine is a keen appreciation for the profession. Nurses deserve our appreciation and support, particularly as they weather the administrative difficulties of their practice. I invite my Senate colleagues to join me in thanking America's nurses today for the vital role they play as the healers and caretakers of our Nation.•

LOCAL LAW ENFORCEMENT ACT OF 2001

• Mr. SMITH of Oregon. Madam President, I again speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred September 19, 1993 in Seattle, WA. A man attacked two lesbian women, pushing one through a window. The assailant, Terrance Donato Scott, was charged with a hate crime in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting two treaties and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of January 3, 2001, the Secretary of the Senate, on May 3, 2002, during adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 169. An act to require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws; to require that each Federal agency post quarterly on its public Web site, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency; and for other purposes.

H.R. 495. An act to designate the Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building."

H.R. 819. An act to designate the Federal building located at 143 West Biberty Street, Medina, Ohio, as the "Donald J. Pease Federal Building."

H.R. 3093. An act to designate the Federal building and United States courthouse located at 501 Bell Street in Alton, Illinois, as the "William L. Beatty Federal Building and United States Courthouse."

H.R. 3282. An act to designate the Federal building and United States Courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse."

S. 1094. An act to amend the Public Health Service Act to provide for research, information, and education with respect to blood cancer.

The enrolled bills were signed subsequently by the President pro tempore (Mr. BYRD).

ENROLLED BILL PRESENTED

The Secretary of Senate reported that on today, May 6, 2002, she had presented to the President of the United States the following enrolled bill:

S. 1094. An act to amend the Public Health Service Act to provide for research, information, and education with respect to blood cancer.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-6680. A communication from the Secretary of Veterans' Affairs, transmitting, pursuant to law, the Secretary's Equitable Relief Report; to the Committee on Veterans' Affairs.

EC-6681. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Kentucky Regulatory Program" (KY-229-FOR) received on May 1, 2002; to the Committee on Energy and Natural Resources.

EC-6682. A communication from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled "Voluntary Reporting of Greenhouse Gases 2000" and its summary report; to the Committee on Energy and Natural Resources.

EC-6683. A communication from the Secretary of the Navy, transmitting, pursuant to law, a report on the Program Acquisition Unit Cost and the Average Procurement Unit Cost for the MH-60R program; to the Committee on Armed Services.

EC-6684. A communication from the Acting Deputy Chief of Naval Operations, Fleet Readiness and Logistics, Department of the Navy, transmitting, a report on the intent to convert to performance by the private sector the Transportation function at NADEP Cherry Point, NC; to the Committee on Armed Services.

EC-6685. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant to law, a report concerning the V-22 Program Status; to the Committee on Armed Services.

EC-6686. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Annual Report on the Loan Repayment on Health Disparities Research (HDR-LRP) for Fiscal Year 2001; to the Committee on Health, Education, Labor, and Pensions.

EC-6687. A communication from the President of the United States Institute of Peace, transmitting, pursuant to law, the report of Consolidated Financial Statements and Additional Information for Fiscal Years 2000 and 2001; to the Committee on Health, Education, Labor, and Pensions.

EC-6688. A communication from the Regulations Coordinator, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Guidelines for Determining the Probability of Causation Under the Employees Occupational Illness Compensation Program Act of 2000; Final Rule" (RIN0920-ZA01) received on April 30, 2002; to the Committee on Health, Education, Labor, and Pensions.

EC-6689. A communication from the Regulations Coordinator, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Methods for Radiation Dose Reconstruction Under the Energy Employees Occupational Illness Compensation Program Act of 2001; Final Rule" (RIN0920-ZA00) received on April 30, 2002; to the Committee on Health, Education, Labor, and Pensions.

EC-6690. A communication from the Director, Office of Congressional Affairs, Office of the Chief Financial Officer, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Revision to Debt Collection Procedures" (RIN3150-AG80) received on May 1, 2002; to the Committee on Environment and Public Works.

EC-6691. A communication from the Acting Chief of the Endangered Species Division, Office of Protected Resources, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Species: Final Rule to Remove Umpqua River Cutthroat Trout From the Federal List of Endangered and Threatened Species" (RIN0648-AN90) received on April 30, 2002; to the Committee on Environment and Public Works.

EC-6692. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Karnal Bunt Compensation" (Doc. No. 01-112-1) received on May 1, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6693. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Karnal Bunt; Restrictions on the Use of Grain Originating in a Regulated Area" (Doc. No. 01-118-1) received on May 1, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6694. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Change in Disease Status of Portugal Because of African Swine Fever" (Doc. No. 01-026-2) received on May 1, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6695. A communication from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting, pursuant to law, the report of a rule entitled "Electronic Commerce; Disclosure to Shareholders" (RIN3052-AC02) received on April 30, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6696. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled "Documentation of Immigrants and Nonimmigrants Under the Immigration and Nationality Act, As Amended—Visa Fees" (22 CFR Parts 41 and 42) received on April 29, 2002; to the Committee on Foreign Relations.

EC-6697. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a letter providing a notice of the Department's intent to provide $10 million to the United Nations High Commissioner for Refugees (UNHCR) for the Emergency Humanitarian Assistance Plan for Afghans; to the Committee on Foreign Relations.

EC-6698. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report of texts and background statements of international agreements, other than treaties; to the Committee on Foreign Relations.

EC-6699. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Spain; to the Committee on Foreign Relations.

EC-6700. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Russia, Ukraine, Norway and Cayman Islands; to the Committee on Foreign Relations.

EC-6701. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the report of a certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $50,000,000 or more to Russia; to the Committee on Foreign Relations.

EC-6702. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to the Equal Credit Opportunity Act Amendments of 1976, the Attorney General's 2001 Annual Report to Congress; to the Committee on Banking, Housing, and Urban Affairs.

EC-6703. A communication from the Assistant Secretary for Export Administration, Bureau of Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Revisions and Clarifications to the Export Administration Regulations: Czech Republic, Hungary and Poland" (RIN0694-AC53) received on April 30, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC-6704. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the Federal Reserve Board's 88th Annual Report for calendar year 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC-6705. A communication from the General Counsel, Department of Housing and Urban Affairs, transmitting, pursuant to law, the report of a nomination confirmed for the position of Assistant Secretary for Public Affairs, received on May 1, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC-6706. A communication from the General Counsel, Department of Housing and Urban Affairs, transmitting, pursuant to law, the report of a nomination confirmed for the position of Assistant Secretary for Administration, received on May 1, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC-6707. A communication from the Assistant Secretary, Investment Management, Office of Regulatory Policy, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled "Section 270.10f-3: Exemption for the Acquisition of Securities During the Existence of an Underwriting or Selling Syndicate" (RIN3235-AH57) received on May 1, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–6708. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "National Flood Insurance Program (NFIP); Pilot Project—Public Entity Insurers" (RIN3067-AD17) received on May 1, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–6709. A communication from the Deputy General Counsel, Office of National Drug Control Policy, Executive Office of the President, transmitting, pursuant to law, the report of a nomination confirmed for the position of Deputy Director of National Drug Control Policy, received on April 30, 2002; to the Committee on the Judiciary.

EC–6710. A communication from the National Treasurer, Navy Wives Clubs of America, transmitting, pursuant to law, the annual report on the internal accounting and financial controls for Fiscal Year 2000; to the Committee on the Judiciary.

EC–6711. A communication from the President, Foundation of the Federal Bar Association, transmitting, pursuant to law, the Foundation's Audit Report for Fiscal Year ending September 30, 2001; to the Committee on the Judiciary.

EC–6712. A communication from the Chair of the United States Sentencing Commission, transmitting, the report of amendments to the sentencing guidelines, policy statements, and official commentary; to the Committee on the Judiciary.

EC–6713. A communication from the Associate Attorney General, Department of Justice, transmitting, the Department's 2001 Annual Report on Certain Activities pertaining to the Freedom of Information Act (FOIA); to the Committee on the Judiciary.

EC–6714. A communication from the Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Financial Assistance for Environmental Education Projects in the Chesapeake Bay Watershed" (RIN0648–ZB16) received on April 30, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6715. A communication from the Deputy Assistant Administrator for Regulatory Programs, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Financial Assistance for Research and Development Projects in Chesapeake Bay to Strengthen, Develop and/or Improve the Stock Conditions of the Chesapeake Bay Fisheries" (RIN0648-ZB15) received on April 30, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6716. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska—Closes B Season Allowance of Pollock for Statistical Area 620 of the Gulf of Alaska" received on April 30, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6717. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska—Closes Directed Pollock Fishing in the West Yakutat District of the Gulf of Alaska" received on April 30, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6718. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska—Closes A Season Pacific Cod by the Offshore Component in the Central Regulatory Area, Gulf of Alaska" received on April 30, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6719. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Opening Directed Fishing for Pollock in Statistical Area 630 of the Gulf of Alaska (GOA) for 24 hours. This Action is Necessary to Fully Use the Second Seasonal Apportionment of the Total Allowable Catch of Pollock Specified for this Area" received on April 30, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6720. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska—Closure for Pacific Cod by Catcher Processor Vessels Using Pot Gear and Catcher Vessels 60 Feet Length Overall and Longer Using Pot Gear in the Bering Sea and Aleutian Islands Management Area" received on April 30, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6721. A communication from the Assistant Administrator for Fisheries, Office of Habitat Conservation, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled "Magnuson-Stevens Act Provisions; Essential Fish Habitat" (RIN0648–AJ30) received on April 30, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6722. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska—Announcement of Opening for Sablefish With Fixed Gear under the Individual Fishing Quota Program" received on May 1, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6723. A communication from the Assistant Administrator, Office of Oceanic and Atmospheric Research, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "NOAA Climate and Global Change Program; Program Announcement" received on May 1, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6724. A communication from the Director, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the annual report on Northeast Multispecies Harvest Capacity and Impact of Northeast Fishing Capacity Reduction for the period December 1, 2000 through November 30, 2001; to the Committee on Commerce, Science, and Transportation.

EC–6725. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the final report of the Commercial Activities Panel dated April 2002; to the Committee on Governmental Affairs.

EC–6726. A communication from the General Counsel, Federal Retirement Thrift Investment Board, transmitting, pursuant to law, the report of a rule entitled "Employee Elections to Contribute to the Thrift Savings Plan and Methods of Withdrawing Funds from the Thrift Savings Plan" received on April 30, 2002; to the Committee on Governmental Affairs.

EC–6727. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Commission's Annual Program Performance Report for Fiscal Year 2001; to the Committee on Governmental Affairs.

EC–6728. A communication from the Assistant General Counsel for Regulations, Office of the Secretary, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled "Technical Corrections to Certain HUD Requirements" (FR–4747–C–01) received on May 1, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–6729. A communication from the Chairman of the International Trade Commission, transmitting, pursuant to law, the Commission's Program Performance Report for Fiscal Year 2001; to the Committee on Governmental Affairs.

EC–6730. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the Commission's report under the Government in the Sunshine Act for calendar year 2001; to the Committee on Governmental Affairs.

EC–6731. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, a report on accounts containing unvouchered Expenditures that are potentially subject to audit by the General Accounting Office; to the Committee on Governmental Affairs.

EC–6732. A communication from the Director, Office of Personnel Management, Workforce Compensation and Performance Service, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Firefighter Pay" (RIN3206–AI50) received on May 1, 2002; to the Committee on Governmental Affairs.

EC–6733. A communication from the Deputy Associate Administrator, Office of Acquisition Policy, General Service Administration, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Federal Acquisition Regulation; Federal Acquisition Circular 2001–05" (FAC2001–05) received on May 1, 2002; to the Committee on Governmental Affairs.

EC–6734. A communication from the Deputy Associate Administrator, Office of Acquisition Policy, General Service Administration, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Federal Acquisition Regulation; Federal Acquisition Circular 2001–04" (FAC2001–04) received on May 1, 2002; to the Committee on Governmental Affairs.

EC–6735. A communication from the Deputy Associate Administrator, Office of Acquisition Policy, General Service Administration, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Federal Acquisition Regulation; Federal Acquisition Circular 2001–06" (FAC2001–06) received on May 1, 2002; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 2010: A bill to provide for criminal prosecution of persons who alter or destroy evidence in certain Federal investigations or defraud investors of publicly traded securities, to disallow debts incurred in violation of securities fraud laws from being discharged in bankruptcy, to protect whistleblowers against retaliation by their employers, and for other purposes. (Rept. No. 107-146).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. REID (for Mrs. CLINTON (for herself and Mr. SCHUMER)):

S. 2456. A bill to suspend temporarily the duty on certain fine animal hair of Kashmir (cashmere) goats; to the Committee on Finance.

By Mr. REID (for Mrs. CLINTON (for herself and Mr. SCHUMER)):

S. 2457. A bill to suspend temporarily the duty on certain fine animal hair of Kashmir (cashmere) goats; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 2458. A bill to enhance United States diplomacy, and for other purposes; to the Committee on Foreign Relations.

By Mr. REID (for Mr. WYDEN (for himself and Mr. GRAHAM)):

S. 2459. A bill to provide for a terrorist identification classification system, and for other purposes; to the Select Committee on Intelligence.

By Mr. LEVIN:

S. 2460. A bill to guarantee persons who invest in publicly held companies accurate information about the financial condition of such companies so they can make fully informed investment decisions, to increase the independence of the Financial Accounting Standards Board, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. REID (for Mr. FEINGOLD (for himself and Mr. WYDEN)):

S. 2461. A bill to terminate the Crusader artillery system program of the Army, and for other purposes; to the Committee on Appropriations.

ADDITIONAL COSPONSORS

S. 710

At the request of Mr. KENNEDY, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 710, a bill to require coverage for colorectal cancer screenings.

S. 840

At the request of Mr. MCCONNELL, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 840, a bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide standards and procedures to guide both State and local law enforcement agencies and law enforcement officers during internal investigations, interrogation of law enforcement officers, and administrative disciplinary hearings, to ensure accountability of law enforcement officers, to guarantee the due process rights of law enforcement officers, and to require States to enact law enforcement discipline, accountability, and due process laws.

S. 1777

At the request of Mrs. CLINTON, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1777, a bill to authorize assistance for individuals with disabilities in foreign countries, including victims of landmines and other victims of civil strife and warfare, and for other purposes.

S. 1914

At the request of Mr. KERRY, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1914, a bill to amend title 49, United States Code, to provide a mandatory fuel surcharge for transportation provided by certain motor carriers, and for other purposes.

S. 1924

At the request of Mr. LIEBERMAN, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1924, a bill to promote charitable giving, and for other purposes.

S. 2005

At the request of Mr. LUGAR, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2005, a bill to authorize the negotiation of free trade agreement with the Republic of the Philippines, and to provide for expedited congressional consideration of such an agreement.

S. 2133

At the request of Mr. DEWINE, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. 2133, a bill to suspend temporarily the duty on Dichlorobenzidine Dihydrochloride.

S. 2184

At the request of Mr. BREAUX, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 2184, a bill to provide for the reissuance of a rule relating to ergonomics.

S. 2194

At the request of Mr. MCCONNELL, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 2194, a bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes.

S. 2213

At the request of Mr. SESSIONS, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2213, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain overseas pay of members of the Armed Forces of the United States.

S. 2335

At the request of Mr. JOHNSON, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 2335, a bill to establish the Office of Native American Affairs within the Small Business Administration, to create the Native American Small Business Development Program, and for other purposes.

S. RES. 247

At the request of Mr. LIEBERMAN, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

S. CON. RES. 105

At the request of Mr. LIEBERMAN, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. Con. Res. 105, a concurrent resolution expressing the sense of Congress that the Nation should take additional steps to ensure the prevention of teen pregnancy by engaging in measures to educate teenagers as to why they should stop and think about the negative consequences before engaging in premature sexual activity.

AMENDMENT NO. 3382

At the request of Mr. DAYTON, the names of the Senator from Alabama (Mr. SESSIONS), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Colorado (Mr. CAMPBELL), and the Senator from New York (Mrs. CLINTON) were added as cosponsors of amendment No. 3382 intended to be proposed to H.R. 3009, a bill to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

AMENDMENT NO. 3389

At the request of Mr. LIEBERMAN, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of amendment No. 3389 proposed to H.R. 3009, a bill to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. HUTCHISON:

S. 2458. A bill to enhance United States diplomacy, and for other purposes; to the Committee on Foreign Relations.

Mrs. HUTCHISON. Madam President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2458

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF INITIATIVES FOR PREDOMINANTLY MUSLIM COUNTRIES.

(a) FINDINGS.—The Congress makes the following findings:

(1) Surveys indicate that, in countries of predominantly Muslim population, opinions of the United States and American foreign policy among the general public and select audiences are significantly distorted by highly negative and hostile beliefs and images and that many of these beliefs and images are the result of misinformation and propaganda by individuals and organizations hostile to the United States.

(2) These negative opinions and images are highly prejudicial to the interests of the United States and to its foreign policy.

(3) As part of a broad and long-term effort to enhance a positive image of the United States in the Muslim world, a key element should be the establishment of programs to promote a greater familiarity with American society and values among the general public and select audiences in countries of predominantly Muslim population.

(b) ESTABLISHMENT OF INITIATIVES.—The Secretary of State shall establish the following programs with countries with predominantly Muslim populations as part of the educational and cultural exchange programs of the Department of State:

(1) JOURNALISM PROGRAM.—A program for foreign journalists and postsecondary students of journalism which, in cooperation with private sector sponsors to include universities, shall sponsor workshops and professional training in techniques, standards, and practices in the field of journalism to assist the participants to achieve the highest standards of professionalism.

(2) LIBRARIES.—The Secretary of State shall develop and implement a demonstration program to assist foreign governments to establish or upgrade their public library systems to improve literacy, support public education, and provide youth recreation centers. The program shall provide training in the library sciences, including exchange opportunities for postsecondary study in the United States. The purpose of the program shall be to advance American values and society, particularly the importance of freedom and democracy.

(3) ENGLISH LANGUAGE TEACHING.—The Secretary shall establish a program to provide grants to United States citizens to work in middle and secondary schools as English language teaching assistants for not less than an academic year. If feasible, the host government or local educational agency shall share the salary costs of the assistants.

(4) SISTER CITY PARTNERSHIPS.—The Secretary shall expand and enhance sister-city partnerships between United States and foreign municipalities in an effort to increase global cooperation at the community level. Such partnerships shall encourage economic development, municipal cooperation, health care initiatives, youth and educational programs, disability advocacy, emergency preparedness, and humanitarian assistance.

(5) YOUTH AMBASSADORS.—The Secretary shall establish a program for visits by middle and secondary school students to the United States during school holidays in their home country for periods not to exceed 4 weeks. Participating students shall reflect the economic and geographic diversity of their countries. Activities shall include cultural and educational activities designed to familiarize participating students with American society and values. To the extent practicable, such visits shall be coordinated with middle and secondary schools in the United States to provide for school-based activities and interactions. The Secretary shall encourage the establishment of direct school-to-school linkages under the program.

(6) FULBRIGHT EXCHANGE PROGRAM.—The Secretary shall seek to substantially increase the number of awards under the J. William Fulbright Educational Exchange Program to graduate students, scholars, professionals, teachers, and administrators from the United States who are applying for such awards to study, teach, conduct research, or pursue scholarship in predominantly Muslim countries. Part of such increase shall include awards for scholars and teachers who plan to teach subjects relating to American studies.

(7) HUBERT H. HUMPHREY FELLOWSHIPS.—The Secretary shall seek to substantially increase the number of Hubert H. Humphrey Fellowships awarded to candidates from predominantly Muslim countries.

(c) GENERAL PROVISION.—Programs established under this section shall be carried out under the provisions of the United States Information and Educational Exchange Act of 1948 and the Mutual Educational and Cultural Exchange Act of 1961.

SEC. 2. DATABASE OF ALUMNI OF AMERICAN AND FOREIGN PARTICIPANTS IN EXCHANGE PROGRAMS.

The Secretary, in coordination with the heads of other agencies that conduct international exchange and training programs, shall establish and maintain a database listing all American and foreign alumni of such programs in order to encourage networking, interaction, and communication with alumni.

SEC. 3. REPORT ON INCLUSION OF FREEDOM AND DEMOCRACY ADVOCATES IN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to the Congress a report concerning the implementation of section 102 of the Human Rights, Refugee, and Other Foreign Relations Provisions Act of 1996 (22 U.S.C. 2452 note). The report shall include information concerning the number of grants to conduct exchange programs to countries described in such section that have been submitted for competitive bidding, what measures have been taken to ensure that willingness to include supporters of freedom and democracy in such programs is given appropriate weight in the selection of grantees, and an evaluation of whether United States exchange programs in the countries described in such section are fully open to supporters of freedom and democracy, and, if not, what obstacles remain and what measures are being taken to implement such policy.

SEC. 4. STATUTORY CONSTRUCTION.

Nothing in this Act may be construed to authorize the issuance of any visa to, or the admission to the United States of, any alien who is inadmissible to the United States.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Department of State $35,000,000 for each of the fiscal years 2003 and 2004 to carry out this Act.

SEC. 6. SECRETARY DEFINED.

In this Act, the term "Secretary" means the Secretary of State.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Wednesday, May 8, 2002, at 10 a.m. in room 485 of the Russell Senate Office Building to conduct a hearing on S. 343, a bill to establish a demonstration project to authorize the integration and coordination of Federal funding dedicated to the community, business, and economic development of Native American communities.

Those wishing additional information may contact the Indian Affairs Committee at 224–2251.

COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Friday, May 10, 2002, at 10 a.m. in room 485 of the Russell Senate Office Building to conduct a hearing on implementation and reauthorization of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Those wishing additional information may contact the Indian Affairs Committee at 224–2251.

ORDERS FOR TUESDAY, MAY 7, 2002

Mr. REID. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m., Tuesday, May 7; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate begin consideration of the farm bill conference report under the previous order; further, that the Senate recess from 12:30 p.m. until 2:15 p.m. for the weekly party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Madam President, the Senate will consider the farm bill conference report beginning tomorrow under a 12-hour time agreement: 6 hours of debate on Tuesday; 6 hours of debate on Wednesday.

I should alert everyone, the leader has indicated if he can move to other matters, he will do that. He would like to dual track legislation this week. With the Senate spending so much time on the farm conference report, we may be able to do that in the evening.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. REID. Madam President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5 p.m., adjourned until Tuesday, May 7, 2002, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 6, 2002:

DEPARTMENT OF STATE

JOHN R. DAWSON, OF THE DISTRICT OF COLUMBIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PERU.

JAMES HOWARD YELLIN, OF PENNSYLVANIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF BURUNDI.

EXECUTIVE OFFICE OF THE PRESIDENT

MARK W. EVERSON, OF TEXAS, TO BE DEPUTY DIRECTOR FOR MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET, VICE SALLY KATZEN.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

PATRICK LLOYD MCCRORY, OF NORTH CAROLINA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 2005, VICE RICHARD C. HACKETT, TERM EXPIRED.

WILLIAM PRESTON GRAVES, OF KANSAS, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 10, 2005, VICE MEL CARNAHAN.

JOHN RODERICK DAVIS, OF ALABAMA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10 2005, VICE E. GORDON GEE, TERM EXPIRED.

DEPARTMENT OF JUSTICE

GREGORY ROBERT MILLER, OF FLORIDA, TO BE UNITED STATES ATTORNEY FOR THE NORTHERN DISTRICT OF FLORIDA FOR THE TERM OF FOUR YEARS, VICE PATRICK MICHAEL PATTERSON, RESIGNED.

STEVEN D. DEATHERAGE, OF ILLINOIS, TO BE UNITED STATES MARSHAL FOR THE CENTRAL DISTRICT OF ILLINOIS FOR THE TERM OF FOUR YEARS, VICE ROBERT MOORE, TERM EXPIRED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. JAMES T. HILL, 7734

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. KENNETH L. FARMER JR., 7072

EXTENSIONS OF REMARKS

HONORING KSEE 24 PORTRAITS OF SUCCESS HONOREES

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize KSEE 24 and 2002 Companies that Care, Warner Company Jewelers and Gottschalks, for celebrating Asian-American month by honoring five distinguished local leaders. Currently in its eighth year, the Portraits of Success project combines specially produced public service announcements, a five-part news series, plus an awards luncheon to publicly recognize the contributions of Jay Louie, Kathleen Omachi, Bobby Porte, Lue Yang, and Khloeung You.

Jay Louie, businessman and President of Louie Foods, was nominated for all-round ongoing service to the Chinese community. Kathleen Omachi has been involved in community organizing and social services development for over thirty years but is being honored primarily for her work on the Chinatown Revitalization Board of Directors. Eighty-nine year old Bobby Porte served as President of the Filipino Community Club for 20 years and is a respected "elder statesman" of the South Valley Filipino community. As executive director of the Fresno Center For New Americans, Lue Vang has led the FCNA from a small, one-project organization to a multi-faceted organization that provides general health education, advocacy, acculturation, and employment opportunities for new Americans. Khloeung You is a farmer, businessman, and Chairman of the Cambodian Buddhist Temple.

Mr. Speaker, I rise today to honor these five community leaders for being selected for Asian-American history month's Portraits of Success. I invite my colleagues to join me in thanking KSEE 24 and Companies that Care for sponsoring this project and wishing the honorees many more years of continued success.

WORKERS MEMORIAL DAY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 2002

Mr. GEORGE MILLER of California. Mr. Speaker, April 28th Workers Memorial Day, a day to remember the thousands of men and women who have been killed or injured on the job. A very important article which recently appeared in the San Francisco Examiner of April 25, 2002 reminds us of the enormous financial and personal costs of workplace deaths and injuries, while also detailing the failure of the Bush Administration to place a priority on improving workplace safety. It is important for every Member of this House to read this article and remember these tragic stories the next time the Administration tries to weaken policies to protect America's working men and women.

[From the San Francisco Examiner, Apr. 25, 2002]

LAX WORKPLACE-INJURY POLICIES ARE KILLING US

(By Dick Meister)

Certainly we continue to mourn the Sept. 11 victims, most of whom were workers. But neither should we ever forget the millions of other workers who've been killed or seriously harmed while doing their jobs.

They'll be honored in candlelight vigils, rallies and other public events across the country on Sunday—Workers Memorial Day, observed yearly by organized labor to mourn the men and women who've suffered and died because of workplace hazards and to demand action to lessen the hazards.

The number of those victims is appalling. More than 6,000 are killed on the job every year. More than 5 million are injured, at least half seriously. Another 60,000 die from cancer, lung and heart ailments and other occupational diseases caused by exposure to toxic substances.

The financial toll also is high—as much as $230 billion a year in healthcare costs and $88 billion in other costs to employers, as well as workers, such as lost wages and production.

Trying to reduce workplace dangers, always a very difficult task, has become even more difficult since the Bush administration took office.

Although President Bush claims to put a "high priority" on helping working families, he has waged what the United Auto Workers cites as "a harsh, vindictive attack on health and safety standards."

The surest evidence of that has come in Bush's approach to attempts to combat the repetitive stress injuries that hurt and cripple at least 5,000 workers in a wide variety of occupations each and every day. For many, it can mean long-term or permanent affliction—chronic pain in the neck, back, shoulders, arms or wrists and other suffering resulting from the endlessly repetitive movements required in many jobs today, such as bending, reaching and typing, and the heavy lifting required in others.

It is by far the nation's No. 1 health and safety problem. Yet the president successfully urged Congress to repeal the regulations, developed by the Clinton administration with the guidance of safety experts, that had required employers to protect workers from repetitive stress injury. The rules were based on the science of ergonomics, which calls for fitting the job to the worker—redesigning it if necessary—to avoid as much harmful strain as possible.

Now, fully 13 months after the rules were repealed, Bush has come up with an intentionally toothless substitute for the mandatory regulations.

He's merely asking employers to voluntarily follow Labor Department guidelines, still to be drafted, that might protect workers. Employers with particularly high injury levels who fail to do anything about it might face fines, but even that is not certain.

Bush and Congressional Republicans obviously are paying off the corporate management interests who oppose the very idea of job safety laws because of the compliance costs. They poured millions into the election campaigns of GOP candidates who were certain to do their bidding.

Less than a month after the ergonomics regulations were repealed, the president revoked 19 previously approved grants that were to go to unions, universities and labor-management groups to finance safety and health training programs for immigrant workers, small business employers and employers and workers in such high-risk industries as construction.

He's also cut millions of dollars from the Labor Department's overall budget and from that of the Occupational Safety and Health Administration, already so underfunded it is unable to effectively enforce the job safety laws. Also getting much less funding have been the Mine Safety and Health Administration and the National Institute of Safety and Health, the only federal research agency dealing with safety.

The Bush administration is moving in a direction exactly the opposite to that which must be taken if we are to truly protect America's working families and truly honor the millions of workers who have needlessly suffered injury and death.

FARM SECURITY ACT OF 2001

SPEECH OF

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011:

Mr. TAUZIN. Mr. Chairman, section 7504 of H.R. 2646, the Farm Security Act amends the Plant Protection Act with respect to certain treatments or applications of methyl bromide. This section requires the Secretary of Agriculture to undertake specified activities upon the request of State, local or tribal authorities and to publish a registry. The section also requires a program to identify methyl bromide alternatives.

I was pleased to work with the conferees on this section to ensure that the section does not modify or alter the authority of the Environmental Protection Agency or provide any authority to the Secretary of Agriculture under the Clean Air Act or regulations promulgated under the Clean Air Act. In this regard, I believe the final legislative language is consistent with an exchange of correspondence between

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the Energy and Commerce Committee and the House Agriculture Committee concerning the original House provision which served as the basis for the final language contained in section 7504. I am inserting this exchange of correspondence below to further explain the intent and effect of section 7504.

HOUSE OF REPRESENTATIVES, COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, September 28, 2001.

Hon. LARRY COMBEST,
Chairman, Committee on Agriculture, House of Representatives, Longworth House Office Building, Washington, DC.

DEAR CHAIRMAN COMBEST: As reported from the Committee on Agriculture, H.R. 2646 contains legislative language regarding methyl bromide.

As you know, methyl bromide has been specifically regulated as an ozone depleting substance (ODS) under the Montreal Protocol, ratified by the United States in 1987, and under Title VI of the Clean Air Act (CAA), established by the 1990 Clean Air Act Amendments (1990 CAAA). Under current provisions of both the Montreal Protocol and the CAA, methyl bromide is scheduled for complete phaseout in the United States by 2005. Title VI of the CAA, which serves as a supplement to the terms and conditions of the Montreal Protocol, has been within the exclusive jurisdiction of the Committee on Energy and Commerce since its enactment and signature into law on November 15, 1990.

Both the Montreal Protocol and the Clean Air Act currently provide for specific exemptions from the 2005 phaseout date for methyl bromide. Within the Montreal Protocol, quarantine and preshipment exemptions for methyl bromide are defined within the terms of the treaty as well as subsequent Decisions of the Parties which, among other requirements, limit preshipment applications of methyl bromide to 21 days and provide that Parties utilize alternatives to methyl bromide whenever possible. The Montreal Protocol also provides for a "critical use" and "emergency use" exemptions for methyl bromide, although formal procedures and process to implement this exemption have not yet been established. Within the Clean Air Act, sections 604(d)(5) and 604(d)(6) provide that, to the extent consistent with the Montreal Protocol's quarantine and preshipment provisions, the Administrator of the Environmental Protection Agency (EPA) shall exempt certain uses of methyl bromide for purposes of complying with federal, state and local sanitation requirements and critical uses. Section 604(d)(5) has been implemented, in part, through interim final regulations promulgated by EPA on July 19, 2001 (66 Fed. Reg. 37,752).

Section 762 of H.R. 2646 requires that the Secretary of Agriculture, upon request of a State, local or tribal authority, determine whether treatments or application of methyl bromide shall constitute an "official control" or "official requirement" under the Plant Protection Act (7 U.S.C. 7701 et. seq.). I am concerned that although section 762 does not amend the CAA nor affect any provision of the Montreal Protocol, the use of the terms "official controls" or "official requirements" may cause some confusion because these terms are the same terms used in Decisions of the Parties to the Montreal Protocol respecting quarantine and preshipment applications provided for in Article 2H of the treaty.

This letter is therefore intended to clarify the understanding of the Committee on Energy and Commerce and the Committee on Agriculture that section 762 does not affect any current provision of the Clean Air Act or the Montreal Protocol and therefore has no substantive legal effect upon the operation of sections 604(d)(5), 604(d)(6) and 604(h) and related provisions within the CAA affecting the phaseout of methyl bromide and the determination of what uses may qualify or not qualify for exemptions or exceptions to the current phaseout schedule for this substance. It is my understanding that section 762 does not in any way transfer authority between the EPA and the Department of Agriculture regarding which governmental body has authority to make determinations regarding exemptions that are available under section 604(d)(5) for sanitation and food inspection and under section 604(d)(6) for critical uses. Further, it is my understanding that should section 762 or any other provision affecting the status, phaseout or exemptions available for the use of methyl bromide arise during any House and Senate conference on H.R. 2646 or the related Senate legislation, the Committee on Energy and Commerce will be assured of representation at the conference and effective control in the House of Representatives over any and all legislative provisions affecting methyl bromide that fall within its jurisdiction.

Thank you for your assistance and agreement in this matter.

Sincerely,

W.J. "BILLY" TAUZIN,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON AGRICULTURE, LONGWORTH HOUSE OFFICE BUILDING,
Washington, DC, September 28, 2001.

Hon. W.J. ("BILLY") TAUZIN,
Chairman, Committee on Energy and Commerce, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN TAUZIN: Thank you for your letter of September 28, 2001 regarding section 762 of H.R. 2646, provisions regarding certain determinations concerning official uses of methyl bromide under the Plant Protection Act.

As you are aware, section 762 does not amend, or in any way affect authorities contained in the Clean Air Act and the Montreal Protocol regarding the phase-out of methyl bromide and available exemptions to the otherwise applicable 2005 phase-out date. In addition, Section 762 does not transfer any authority over methyl bromide between that which currently exists within the Environmental Protection Agency and the Department of Agriculture. Finally, you have my assurance that I will support the appointment of an appropriate number of conferees from your Committee should this or any other matter falling within the jurisdiction of the Committee on Energy and Commerce arise in a House/Senate conference on H.R. 2646 or similar legislation.

I look forward to your continued support for H.R. 2646.

Sincerely,

LARRY COMBEST,
Chairman.

LEHIGH VALLEY HEROES—BETSY SEISLOVE, TRACY LESTER AND CLARANNE MATHIESEN

HON. PATRICK J. TOOMEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 2002

Mr. TOOMEY. Mr. Speaker, today I would like to share my Report from Pennsylvania for my colleagues and the American people.

All across Pennsylvania's 15th Congressional District there are some amazing people who do good things to make our communities a better place. These are individuals of all ages who truly make a difference and help others.

I like to call these individuals Lehigh Valley Heroes for their good deeds and efforts.

Today, I would like to recognize three nurses from Lehigh Valley Hospital, Elizabeth "Betsy" Seislove and Gayriel "Tracy" Lester and Claranne Mathiesen as Lehigh Valley Heroes. These women have truly made a difference in their community.

Betsy and Tracy both recently received the prestigious Nightingale Award of Pennsylvania, a symbol of outstanding nursing. Betsy, a resident of Macungie, is an advocate for patients and families and is a patient care specialist at LVH Salisbury. She volunteers to work with victims of stroke and leukemia and speaks to elementary school students about the importance of trauma prevention.

Tracy, a resident of Lehighton, is a licensed practical nurse pursuing a degree in nursing and is a 20-year LVH veteran with experience in oncology, cardiology and trauma.

Claranne was a finalist in the statewide competition for the Nightingale Award. A Stroudsburg resident, she is an advanced practice nurse specializing in neuroscience nursing. She is also president-elect of the Eastern Pennsylvania Chapter of the American Neuroscience Nurses Association.

These women make a difference everyday, working to save and improve lives at LVH, and therefore they are Lehigh Valley Heroes in my book.

Mr. Speaker, this concludes my Report from Pennsylvania.

IN HONOR OF JENNIE NIMTZ, GRADUATION FROM EASTERN ILLINOIS UNIVERSITY

HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 2002

Mr. PHELPS. Mr. Speaker, I rise today to pay tribute to Jennie Nimtz of Benton, Illinois, in my district, on the occasion of her graduation from Eastern Illinois University on Saturday, May 4, 2002.

It has been Jennie Nimtz's lifelong dream to graduate from college. Jennie herself stated that, "I have dreamed about graduation day like most women dream about their wedding day." Like many students, she graduated from high school, applied and was accepted into Eastern Illinois University in Charleston, Illinois. While this description sounds like the actions of a typical young person, it is Jennie's physical condition and attitude that set her apart from her peers.

Jennie was born three months premature and was given six hours to live. Since that time she has been proving others wrong about her disabilities despite her afflictions. Jennie suffers from cerebral palsy, is confined to a wheelchair, and has been declared legally blind. She has been hospitalized sixty-eight times in the past ten years and has been close to death four or five times. Recently, she was told that she has a seizure disorder caused by brain damage that was brought on by a massive septic infection. In addition, she also suffers from massive digestive problems, pancreatic disease that sometimes requires feeding through a surgically implanted IV in her stomach, constant vertigo, and respiratory problems that require an oxygen tank.

Yet, in spite of these infirmities, Jennie became an active part of the Eastern Illinois University campus. She lobbied the administration to make buildings more accessible to those in wheelchairs and served on campus committees geared toward helping students with handicaps. And, she became friends with the Health Service personnel, campus police officers, Charleston EMT's, and students who offered assistance to her over the years. At her graduation ceremony on Saturday, she will be escorted across the stage by Lane Davis, Charleston Firefighter and Paramedic, and University Police Officer Art Mitchell.

Mr. Speaker, Jennie Nimtz's story has been an inspiration to everyone on the campus of Eastern Illinois University and to the citizens of her hometown in Benton, Illinois. I offer my heartfelt congratulations to Jennie and her parents, Robert and Lynn Nimtz, on this tremendous achievement of her college graduation.

HONORING SAM AND CATHEE VAUGHN

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 6, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Sam and Cathee Vaughn for receiving the 2002 Citizen of the Year Award from the Hughson Chamber of Commerce. These two outstanding individuals have contributed greatly to their community.

Sam Vaughn attended Hughson High School, and graduated from San Diego State University with a Bachelor of Arts in Physical Education. He began substitute teaching in 1959 while awaiting induction into the army. He was employed by Ceres Unified Schools where he not only taught 7th grade, but also was instrumental in school programs. Sam is an educational leader, as well as an involved member of the community. He served as president/chairperson for the Lions Club, Big Brothers/Big Sisters, Counseling Center Advisory Board of Hughson Youth Center, and the Salvation Army Extension.

Cathee Vaughn is from San Diego. She received specialized training in community organization and Mental Health consultation. Mrs. Vaughn has been active within her community throughout her career. She was Coordinator of the Outreach Homeless Mentally Disabled Project, and she has a long history as a Patients' Rights Advocate. Cathee has made herself available to the community through her job, but also through participation in activities within the community. She served on the Hughson City Council, Family Service Agency of Stanislaus County, State of California Commission on the Status of Women, and many other boards.

Mr. Speaker, I rise today to honor Sam and Cathee Vaughn for receiving the 2002 Citizen of the Year Award. I invite my colleagues to join me in thanking them for their tremendous service to the community and their dedication to excellence.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 7, 2002 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 8

9 a.m.

Armed Services

SeaPower Subcommittee

To hold closed business meeting to mark up those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.

SR–232A

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed legislation authorizing funds for the National Aeronautics and Space Administration.

SR–253

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2003 for the Federal Emergency Management Agency.

SD–138

Governmental Affairs

To hold hearings to examine infrastructure security, focusing on private/public information sharing.

SD–342

Energy and Natural Resources

To hold hearings on the nomination of Guy F. Caruso, of Virginia, to be Administrator of the Energy Information Administration, Department of Energy.

SD–366

10 a.m.

Indian Affairs

To hold hearings on S.343, to establish a demonstration project to authorize the integration and coordination of Federal funding dedicated to the community, business, and economic development of Native American communities.

SR–485

Armed Services

Strategic Subcommittee

Closed business meeting to mark up those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.

SR–222

Judiciary

To hold hearings to examine the reformation of the Federal Bureau of Investigation, Department of Justice, focusing on mission refocusing and reorganization.

SD–226

Commission on Security and Cooperation in Europe

To hold hearings to examine cooperation concerning the war on terrorism, focusing on the Organization for Security and Co-operation in Europe.

340 Cannon Building

Appropriations

Defense Subcommittee

To hold hearings to examine Defense medical programs.

SD–192

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of Anthony Lowe, of Washington, to be Federal Insurance Administrator, Federal Emergency Management Agency.

SD–538

10:30 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2003 for the General Accounting Office, Congressional Budget Office, and Government Printing Office.

SD–116

11:30 a.m.

Armed Services

Emerging Threats and Capabilities Subcommittee

Closed business meeting to mark up those provisions, which fall within the jurisdiction of the subcommittee, of proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.

SR–232A

1:30 p.m.

Environment and Public Works

Superfund, Toxics, Risk, and Waste Management Subcommittee

To hold hearings on S. 1850, to amend the Solid Waste Disposal Act to bring underground storage tanks into compliance with subtitle I of that Act, to promote cleanup of leaking underground storage tanks, to provide sufficient resources for such compliance and cleanup.

SD–406

2:30 p.m.

Intelligence

To hold closed hearings to examine certain intelligence matters.

SH–219

Health, Education, Labor, and Pensions

To hold hearings to examine certain provisions of the Hatch-Waxman Act, assuring greater access to affordable pharmaceuticals.

SD–430

Armed Services

Closed business meeting to mark up proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.

SR–222

MAY 9

9:30 a.m.

Finance

To hold hearings to examine revenue issues related to the Highway Trust Fund.

SD–215

Armed Services

Closed business meeting to continue to mark up proposed legislation authorizing appropriations for fiscal year 2003 for military activities of the Department of Defense.

SR–222

Commerce, Science, and Transportation

Oceans, Atmosphere, and Fisheries Subcommittee

To hold oversight hearings to examine management issues at the National Marine Fisheries Service.

SR–253

10 a.m.

Health, Education, Labor, and Pensions

To hold hearings to examine consolidated student loans, focusing on variable rates.

SD–430

2 p.m.

Judiciary

To hold hearings on pending judicial nominations.

SD–226

Commission on Security and Cooperation in Europe

To hold hearings to examine developments in the conflict in Chechnya.

340, Cannon Building

Environment and Public Works

To hold hearings on S. 2118, to amend the Toxic Substances Control Act and the Federal Insecticide, Fungicide, and Rodenticide Act to implement the Stockholm Convention on Persistent Organic Pollutants and the Protocol on Persistent Organic Pollutants to the Convention on Long-Range Transboundary Air Pollution, and a related Administrative proposal.

SD–406

2:30 p.m.

Energy and Natural Resources

Public Lands and Forests Subcommittee

To hold hearings on S. 454, to provide permanent funding for the Bureau of Land Management Payment in Lieu of Taxes program and for other purposes; S. 1139, to direct the Secretary of Agriculture to convey certain land to Lander County, Nevada, and the Secretary of the Interior to convey certain land to Eureka County, Nevada, for continued use as cemeteries; S. 1325, to ratify an agreement between the Aleut Corporation and the United States of America to exchange land rights received under the Alaska Native Claims Settlement Act for certain land interests on Adak Island; S. 1497/H.R. 2385, to convey certain property to the city of St. George, Utah, in order to provide for the protection and preservation of certain rare paleontological resources on that property; S. 1711/H.R. 1576, to designate the James Peak Wilderness and the James Peak Protection Area in the State of Colorado; and S. 1907, to direct the Secretary of the Interior to convey certain land to the city of Haines, Oregon.

SD–366

MAY 10

10 a.m.

Indian Affairs

To hold hearings on proposed legislation authorizing funds for the implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

SR–485

MAY 13

10 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine transformation plans of the United States Postal Service.

SD–342

MAY 14

10 a.m.

Indian Affairs

Commerce, Science, and Transportation

To hold joint oversight hearings to examine telecommunications issues in Indian country.

Room to be announced

Governmental Affairs

Oversight of Government Management, Restructuring and the District of Columbia Subcommittee

To hold hearings to examine the impact of tobacco marketing on women and girls.

SD–342

MAY 16

9:30 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings to examine the impact of stress management in reversing heart disease.

SD–192

MAY 17

10:30 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine non-proliferation programs, focusing on U.S. cruise missile threat.

SD–342

MAY 20

2:30 p.m.

Indian Affairs

To hold oversight hearings to examine the Branch of Acknowledgment, Department of the Interior.

Room to be announced

MAY 21

9:30 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine difficulties and solutions concerning nonproliferation disputes between Russia and China.

SD–342

MAY 22

9:30 a.m.

Governmental Affairs

To hold hearings to examine voting representation in Congress for the citizens of the District of Columbia.

SD–342

10 a.m.

Indian Affairs

To hold hearings on S. 1340, to amend the Indian Land Consolidation Act to provide for probate reform with respect to trust or restricted lands.

SR–485

POSTPONEMENTS

MAY 8

10 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2003 for the Department of Labor.

SD–124

SENATE—*Tuesday, May 7, 2002*

The Senate met at 9:30 a.m. and was called to order by the Honorable ZELL MILLER, a Senator from the State of Georgia.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

God, we thank You for the power of intercessory prayer. Intercession changes our understanding of what and how to pray, changes our relationship with the people for whom we pray, and actually changes what happens in their lives because we pray. You are constantly seeking to enable deeper relationships and are delighted when, out of love, we come to You and pray about our loved ones and friends.

Today we focus our prayers on the spouses and families of the Senators. They are such a vital part of these leaders' lives. And yet, the very demands of being in the Senate cause strain and stress on marriage and the family. Family members bear the burden of high profile living with its lack of privacy and abundance of public scrutiny and criticism. Although the spouses are not elected to office, often constituencies place heavy responsibilities and demands on them. Keeping pace with schedules, the demands of the family, and the pressures of social calendars creates a formidable challenge.

Father, bless the Senators' spouses, the children, and extended families of parents, brothers, and sisters. We focus them in our mind's eye in this moment of intercessory prayer. Grant each one the healing help and hope that he or she needs today. Through our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable ZELL MILLER led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 7, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ZELL MILLER, a Senator from the State of Georgia, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. MILLER thereupon assumed the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. In my capacity as a Senator from Georgia, I suggest the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Mr. President, this morning the Senate will begin consideration of the farm conference report. There is a unanimous consent agreement that there will be 12 hours of debate: 6 today, 6 tomorrow. The Senate will recess from 12:30 to 2:15 today for party conferences. The leaders at this time are trying to decide whether there will be a vote after debate is completed today.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to consideration of the conference report accompanying H.R. 2646, which the clerk will report.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2646), to provide for the continuation of agricultural programs through fiscal year 2011, having met, after full and free conference have agreed to recommend and do recommend that the House recede from its disagreement to the amendment of the Senate and the House agree to the same with an amendment, and the Senate agree to the same; that the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 1, 2002, page H1795.)

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 6 hours of debate on the conference report, to be equally divided between the chairman and ranking member of the Committee on Agriculture, Nutrition, and Forestry.

The Senator from Indiana.

Mr. LUGAR. Mr. President, I will not speak at length now because we are awaiting the presence of the distinguished chairman, Senator HARKIN, who will make an opening statement, followed by my own.

Mr. REID. I ask unanimous consent the time run equally between both Senator LUGAR and Senator HARKIN during this quorum call.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LUGAR. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT 107-4 AND TREATY DOCUMENT 107-5

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaties transmitted to the Senate on May 6, 2002, by the President of the United States:

Extradition Treaty with Lithuania, Treaty Document 107-4; and Stockholm Convention on Organic Pollutants, Treaty Document 107-5.

I further ask unanimous consent that the treaties be considered as having been read the first time, that they be referred with accompanying papers to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty Between the Government of the United States of America and the Government of the Republic of Lithuania, signed at Vilnius on October 23, 2001.

In addition, I transmit for the information of the Senate, the report of the Department of State with respect to the Treaty. As the report explains, the Treaty will not require implementing legislation.

The provisions in this Treaty follow generally the form and content of modern extradition treaties recently concluded by the United States and will replace the Extradition Treaty of April 9, 1924, between the two countries and the Supplementary Extradtion Treaty of May 17, 1934. In conjunction with the new U.S.-Lithuania Mutual Legal Assistance Treaty that took effect in 1999, the Treaty will, upon entry into force, enhance cooperation between the law enforcement communities of the two countries. It will thereby make a significant contribution to international law enforcement efforts against serious offenses, including terrorism, organized crime, and drug-trafficking offenses.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

GEORGE W. BUSH.
THE WHITE HOUSE, *May 6, 2002.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Stockholm Convention on Persistent Organic Pollutants, with Annexes, done at Stockholm, May 22–23, 2001. The report of the Secretary of State is also enclosed for the information of the Senate.

The Convention, which was negotiated under the auspices of the United Nations Environment Program with the leadership and active participation of the United States, commits Parties to take significant steps, similar to those already taken by the United States, to eliminate or restrict the production, use, and/or release of 12 specified persistent organic pollutants (POPs). When I announced that the United States would sign the Convention, I noted that POPs chemicals, even when released abroad, can harm human health and the environment in the United States. The Convention obligates Parties to take measures to eliminate or restrict the production, use, and trade of intentionally produced POPs, to develop action plans to address the release of unintentionally produced POPs, and to use best available techniques to reduce emissions from certain new sources of unintetionally produced POPs. It also includes obligations on the treatment of POPs stockpiles and wastes, as well as a science-based procedure to add new chemicals that meet defined criteria.

The United States, with the assistance and cooperation of nongovernmental organizations and industry, plays an important international leadership role in the safe management of hazardous chemicals and pesticides. This Convention, which will bring over time, an end to the production and use of certain of these toxic chemicals beyond our borders, will positively affect the U.S. environment and public health. All relevant Federal agencies support early ratification of the Convention for these reasons, and we understand that affected industries and interest groups share this view.

I recommend that the Senate give prompt and favorable consideration to the Convention and give its advice and consent to ratification, subject to the understanding described in the accompanying report of the Secretary of State, at the earliest possible date.

GEORGE W. BUSH.
THE WHITE HOUSE, *May 6, 2002.*

CORRECTION IN ENROLLMENT OF H.R. 3525

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Con. Res. 106 submitted earlier today by Senator KENNEDY.

The ACTING PRESIDENT pro tempore. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 106) to correct the enrollment of H.R. 3525.

There being no objection, the Senate proceeded to the consideration of the concurrent resolution.

Mr. REID. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid on the table, and that any statements relating thereto be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 106) was agreed to, as follows:

S. CON. RES. 106

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 3525) to enhance the border security of the United States, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) Strike section 205.

(2) In the table of contents of the bill, strike the item relating to section 205.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT—Continued

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. HARKIN. Mr. President, I understand that the conference report before the Senate is the Farm Security and Rural Investment Act of 2002. As I understand the unanimous consent agreement, there are 6 hours of debate evenly divided today and 6 hours of debate evenly divided on tomorrow.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HARKIN. Mr. President, the bipartisan farm bill conference report now before us has been approved overwhelmingly in the House of Representatives by a vote of about 2 to 1, and President Bush has pledged to sign it, calling it a significant piece of legislation and, of course, touting the great efforts we made to reach agreement.

Now we have the crucial bill before us, and the Senate has the opportunity to join the House and the President with our approval of this legislation.

The President said he wants this bill on his desk promptly, and I hope we can do that. I intend to do all I can to make sure that happens. I am sorry we could not have taken this up last week and passed it on Thursday. The President could have signed it this week. But, as I understand, the other side insisted on having a minimum of 12 hours of debate on this. If that is what they want, that is certainly their right. So we are going to have another 2 days of debate on this farm bill.

As the chairman of the Senate Agriculture Committee, I am proud to sponsor it. I am proud of all the hard work the conferees and our staff have done. I am proud of the work that the farm groups, conservation groups, anti-hunger, and others across the country have done in seeing this bill through to the end. I am proud of those who lent their ideas in support of this bill. I am especially proud of all the members of the Senate Agriculture Committee on both sides of the aisle who worked diligently last year through some very trying times—need I mention the period of time after September 11 when our attention was focused on the terrorist threat to our country? But the members of our committee, including the Presiding Officer, continued to work to make sure we met the business of our country's agriculture and to make sure we came up with a farm bill that addressed a broad variety of needs all over America.

I compliment and commend all of the members of the Senate Agriculture Committee, as I said, on both sides of the aisle who worked very hard to get this bill both through the committee and to the floor of the Senate.

I compliment all the conferees for making sure we have a good product—a product that was reached by compromise between the House and the Senate. The bill is truly a product of cooperation and collaboration across party lines—and across the Capitol between the two Houses.

I commend my colleague and ranking member, my good friend, Senator LUGAR from Indiana, for all of his courtesy and cooperation throughout the process of developing this bill.

To be sure, we have some very substantial disagreements on the conference report. But Senator LUGAR and his staff have been closely involved and have made major contributions throughout the provisions of this bill.

I also thank Chairman COMBEST and Congressman CHARLIE STENHOLM for all of their hard work and cooperation through the course of a challenging conference. I compliment publicly Congressman COMBEST for his fair and diligent leadership and for his chairmanship of the conference committee as we worked through this bill. This conference report reflects a tremendous amount of work and careful consideration by both the Senate and House of Representatives.

The House Agriculture Committee began hearings on the new farm bill in 2000. Our committee began hearings on the new farm bill, under the leadership of Senator LUGAR, in January of 2001. When the leadership changed hands, under my chairmanship we continued to hold an aggressive schedule of hearings over the summer. We marked up the bill in November and reported it to the Senate on November 27.

Final Senate action was delayed because we were repeatedly unable to obtain cloture before the holiday recess. But we came back and passed the bill on February 13.

Since then—up until May 1—we have been in conference. We began the conference with a very large number of critical issues in disagreement between the Senate and the House on this comprehensive, complicated, and far-reaching bill. We worked long and hard and made our way through disagreements to produce this new, strong farm bill.

I will be the first to admit that this conference report is not any one person's idea of perfection. It is, however, a very good bill. It is a solid, balanced piece of legislation, a product of the crucible of rigorous debate, hard work, and tough negotiating.

The conference report also reflects the necessary give and take of the conference on a major piece of legislation and the imperative of reaching compromises and settling differences for the sake of the larger objective of getting the bill completed and passed. The bottom line is that there is far too much at stake in this bill for farm families, rural communities, and our Nation as a whole, for us to let this bill die over a stalemate or to send it back and deadlock in conference.

For anyone looking for faults to criticize, they are there. I could get points for several myself. Each of us could. But given the rigor of the negotiations and the strongly held views on each side, I can assure you that further negotiation—if this bill were to be sent back to conference—would not and cannot produce an outcome appreciably different from that which is now before the Senate. I can say that if this conference report is defeated and sent back to conference, there will not be a farm bill this year.

As I said, each of us can look and say: Well, I don't like the specifics, or, I don't like these two items which I voted for in the Senate, or which I voted for in committee, and it is not in there. Yes, we can all do that. We can pick it apart. But, again, if you look at the overall aspects of the farm bill for commodities, for nutrition, for conservation, and for rural development, when you look at it in its broad aspect, this is a bill worthy of support.

This trial by fire of going through the procedures means we have a comprehensive and forward-looking bill. This bill restores sound farm income protections. It offers predictability and stability to agricultural producers, suppliers, and others. It greatly strengthens our commitment to conservation, to investing in jobs, to economic growth, and to the overall quality of life in rural communities. And, for the first time ever, we have an energy title in this farm bill to boost farm-based renewable energy.

Last week, President Bush said this bill has "the strongest conservation provisions of any farm bill ever passed by Congress. The final provisions of the farm bill are also consistent with America's international trade obligations, which will strengthen our ability to open foreign markets for American farm products."

That is a quote from President Bush.

(Mr. WELLSTONE assumed the chair.)

Mr. HARKIN. Rural America is waiting for this bill. I urge my colleagues to send this critical legislation to the White House without further delay.

Again, I am proud that we have got this bill through. When we look back to 1996, that farm bill was signed into law about 6 months after the previous farm bill expired. I am proud to say we have this farm bill before us 5 months before the present farm bill expires.

I would like to go through, as briefly as I can, the various titles of the farm bill.

First, I will go through the commodity programs. Then we will take up the different areas of energy and conservation, and some other aspects dealing with trade and WTO just to set the record on where we are with this conference report before us.

The conference put together a balanced package that includes three elements of support: direct payments, countercyclical payments, and marketing assistance loans.

The first chart I have in the Chamber shows the protection levels for different commodities: corn, soybeans, wheat, sorghum, and barley. This is not all of the commodities; this is just representative of many of the commodities we cover.

The income protection levels are shown in green on the chart for the present 1996 farm bill, plus the emergency payments are in kind of a purple color. What it shows is that for all these major crops, the farm bill before us will provide much higher income protection levels than the existing farm bill.

For example, on soybeans, the income protection level under the farm bill before us is $5.80 per bushel. Under the farm bill we are now operating under—the old farm bill; the 1996 farm bill—it is $5.04 a bushel. And going on through all the rest: for wheat, the income protection is $3.86 a bushel under this bill. It is only $3.24 under the previous farm bill.

The next chart shows the commodity program spending by crop-year. There has been some talk that we are somehow cheating farmers out of money, that we are spending less. But that is not true. This chart shows the spending by crop-year from 1996 on through 2002. The total includes AMTA payments, the marketing loss assistance and countercyclical payments, LDPs, marketing loan gains, and certificate gains. We have bundled everything together to show the total income.

After enactment of the 1996 farm bill—and we had all these emergency procedures—the high water mark was $19.73 billion in 2000. Last year—2001—that dropped to $16.17 billion. And in 2002, we bring it back to $17.91 billion in spending for the total amount of crops. So you may hear arguments that the total spending this year is less than before, and that simply is not true.

I have heard some talk that a typical farmer would get less this year than they got under the farm bill before, the 1996 farm bill, plus the double AMTA payments they got last year. So we took an Iowa farmer—I did not do any other State—with 1,000 acres, growing corn and soybeans. And it was assumed that the loan rate would be frozen at the current levels for the 1996 farm bill, which basically the Secretary did.

For that typical Iowa farmer, under the farm bill now before us, the payments would total about $83,884. Under the old farm bill, it would total about $73,987—a difference of about $10,000. So a typical Iowa corn farmer this year is going to be a heck of a lot better off under this bill than if we were to continue with the old bill, even plus all of the double AMTA payments and the emergency payments.

This chart shows an even more drastic difference. Again, the $83,884 is the payment to that typical Iowa farmer this year. The $57,947 would represent the 1996 farm bill and a loan rate that was at the lowest rate. In other words, if the Secretary lowered the loan rate, that would be the payment to an Iowa farmer.

I must say, there has been a lot of talk that the Secretary has talked about lowering their loan rates. That would be $1.67 a bushel for corn, for example, and $4.92 for soybeans. What we did in this farm bill, Mr. President, as you well know, is we not only raised the loan rates but we removed the ability of the Secretary to lower those loan rates. That provision has been in the law, and this is how low we would go if the Secretary exercised it. In this farm bill, the Secretary does not have that discretion.

I am going to talk about the WTO aspects in a moment, but let me comment a little bit further about the present farm bill.

We continue the planting flexibility in the current farm bill. The 1996 farm bill allowed farmers to plant however they wanted to, on whatever acres they wanted. Farmers liked that, so we have continued the planting flexibility.

The producers will be eligible for direct and countercyclical payments as long as they comply with soil conservation and wetland protection, use the land for an agricultural or conserving use, and do not plant prohibited fruits and vegetables on base acres.

The countercyclical program is a major improvement over the 1996 farm bill. Owners of farmland will have a one-time opportunity to update their crop acreage base and to partially update their payment yields for countercyclical payments. The countercyclical program is designed to supplement farm income during times when commodity prices are low.

As I said, we have rebalanced the commodity loan rates to minimize market distortions. Loan rates under the conference agreement are not as high as in the Senate-passed bill, but the loan rates in this bill will provide an adequate level of support for crop producers without stimulating surplus production. We have tried to assure that producers can choose to produce alternative crops, such as minor oilseeds, dried peas, lentils, and small chickpeas. Producers will be able to demonstrate minimal price supports for these alternative crops, which can make all the difference to their lenders.

The conference report includes allotments to limit U.S. sugar production to keep production in line with demand and ensure that the sugar program can operate without cost to the Federal Government.

The conference report also includes a major reform of the peanut program to help U.S. peanut producers and processors survive in a changing world market and trade environment.

This bill complies with all of the WTO commitments. I would refer to this chart in the Chamber. There has been some talk—and we may hear some talk in the ensuing 12 hours of debate—about the possibility that we could violate WTO. We have looked at this very carefully. Under a worst case scenario, there is only minimal possibility that we violate our WTO agreements. Right now, as you well know, we have a provision under WTO that puts things in amber boxes, green boxes—and I don't need to belabor what that is all about. Let's just say, under the green box, you can spend as much as you want. That does not violate any of our trade agreements. Under the amber box, for specific payments, we have a $19.1 billion cap. In other words, if we go above $19.1 billion in any year in spending, then our trade partners could, if they want, take us to a dispute settlement panel in terms of violating the WTO agreements.

So here, under the amber box, as you can see, is the $19.1 billion, as shown on the chart, that we are allowed in a year. Right now we are spending about $11 billion a year in that amber box. The likely effect of the bill before us—the conference report before us—is about $12 billion a year under likely scenarios.

Under a situation with very low prices, such as we saw in 1999, when payments went up, we faced absolutely devastating circumstances and the rest of the world had strong production—under that, we get about $16.7 billion under the amber box. So we are still nearly $3 billion below the ceiling we are allowed under the amber box.

Under the green box, we are about $13.3 billion. We have come up, with our conservation programs, to about $16.3 billion under the green. That doesn't violate anything. It just means we are giving farmers more non-trade-distorting protection under the green box, which is not only allowed but encouraged under WTO. We are giving them more support under the amber but not to the extent it is very likely that we would violate our trade agreements. I will get to conservation. But before I do, I wanted to specifically talk about the fact that we will not in any way be violating our WTO agreements.

When the Senate considered this bill, it adopted stricter commodity program payment limitations. The House bill not only did not reduce payment limits, it expanded them. In conference we argued aggressively for the Senate's position of stronger payment limitations. The House conferees took an extraordinarily strong stance against lower payment limits. So it should be no surprise to anyone that the conference report contains a compromise.

Under existing law the limit is $460,000. The House bill had a payment limit of $550,000 for an individual or a married couple. The Senate bill contained a $225,000 limit for an individual or $275,000 for a couple. For the past several years, under the previous farm bill, the limit has been set at $460,000.

So the conference agreement includes a limit of $360,000 for an individual or a couple—well below the House bill level. Again, the present level is $460,000. The House went to $550,000. We reduced that down to $360,000—much closer to the Senate-passed level of $275,000.

I just saw a press report the other day that a Congressman, a Member of the other body, had specifically lambasted this bill because of the high payment limits. He pointed out that Ted Turner, Scottie Pippen and—I forget who else he mentioned—a couple of other wealthy people could still continue to get all these big payments. Nothing could be further from the truth, I am sorry to tell the Congressman. In the conference report, we changed one other provision, another reform in payment limits.

We include a new eligibility test that will prevent any individual or entity—that is very important, individual or entity—with an adjusted gross income of $2.5 million or more from receiving any commodity or conservation payments—$2.5 million. If that person is actively engaged in agriculture and their income all comes from agriculture, then that does not apply. But for someone like Scottie Pippen and Ted Turner—obviously their income comes from other places—they not only would not be eligible for the payment limits, they are not eligible for any payments, period, zero. So that was another reform we made.

In addition—this is most significant—under our compromise, the USDA will be required to track payments through entities such as partnerships and corporations, cooperatives, so that we can determine exactly what amounts an individual is receiving. This transparency will provide much more accurate data for Congress in order to make better informed decisions about payment limit issues in the future. Again, for the first time ever we are going to have full transparency. The Secretary is required to come up with a methodology so that we can track payments through any kind of partnership, cooperative or corporation, so that we can find out exactly who is getting what. We have never had that before.

The conference report also establishes a commission to review who receives benefits and to recommend changes in the law regarding how payment limits operate. As I understand it, the Senate will get three, the House gets three, and the President appoints four. That is how the commission will be set up, if I am not mistaken.

Some will argue and will continue to argue that the Senate conferees brought back too little on payment limitations in this conference report. However, this is the reality: If we Senate conferees had issued an ultimatum on our position, we would not be here today with a conference report on the farm bill. That was clearly indicated to us by House conferees and, quite frankly, by some on our own side.

I am greatly disappointed this conference report does not contain stronger payment limitations. But failing to produce this farm bill would have been far worse for farm families, rural communities, and our country as a whole than getting the compromise we did on payment limitations. Simply put, it would have been irresponsible to walk away from this new farm bill over the failure to reach a compromise on payment limitations and thereby forfeit the desperately needed farm income protection our bill contains for farms of all sizes, including small and modest-sized farms.

As far as this Senator is concerned, this bill is far from the final word on payment limitations. We will continue to examine this issue. We will get our commission established. We will continue to look, through the transparency, at exactly who is getting these payments. At some point down the road, I am sure this committee will come up with further legislation to refine and reform payment limitations.

We made some important strides in this bill regarding specialty crops. Not only did we provide funding for farmers' market nutrition programs and for commodities for The Emergency Food Assistance Program and the School Lunch Program, a portion of which are specialty crops, we also directed USDA to increase their average spending on specialty crops by setting a floor of $200 million annually for the amount of funds that must be devoted to the purchases of fruits and vegetables each year.

This is vitally important, both for our specialty crop producers, and for the health of our kids and low-income individuals. Before we didn't have a floor. Some years we went as low as $100 million a year in the level of spending for fruits and vegetables. This bill sets a floor of $200 million minimum. We can go higher than that, but we can't go lower than that. I believe that is going to be good for our fruit and vegetable farmers and also good for nutrition of all Americans.

Mr. President, on the dairy issue—this is one that always perplexes and bedevils us in this country, but I believe we have come out with a dairy provision that represents, as best as possible, all the interests across our country. I think it is a significant victory for our smaller dairy farmers. We maintain a permanent $9.90 price support for milk. We established a new 3.5-year national dairy program to provide assistance to all U.S. producers. This national dairy program will provide a payment based on the difference between $16.94 and certain prices in the Northeast, but I will try not get into the convoluted details of it.

Basically, we said that for up to 2.4 million pounds of production per dairy farm per year, we will support your prices up to about $16.94. So really, this is targeted to helping our smaller dairy farmers. That 2.4 million pounds of production per dairy farm per year is about 137 cows—or 125 to 140 cows. That is really our smaller dairy farms.

The conservation section is one of which I think all of us can be proud. It is the one section that President Bush highlighted in his comments when talking about this bill. In addition to producing food and fiber, America's farmers and ranchers play a critical role as stewards of our natural resources for today and for future generations. The conservation title in the farm bill recognizes conservation as a cornerstone of sound farm policy, adding $17.1 billion in new funding. It is an 80-percent increase above the baseline. This reflects a strong commitment to helping agricultural producers and landowners conserve and improve water, air, plants, and wildlife. The bill strikes an important balance between conservation programs that idle land, such as the Conservation Reserve Program and the Wetlands Reserve Program, and programs that focus on lands of production, such as the EQIP program—Environmental Quality Incentives Program—and the new Conservation Security Program. Together all the programs in the conservation title provide the full array of options to producers who voluntarily incorporate conservation practices on their lands.

The Conservation Reserve Program is expanded to 39.2 million acres from the current cap of 36.4 million acres. The WRP program—Wetlands Reserve Program—cap is more than doubled to 2.275 million acres. EQIP funding—so important to our livestock producers, our dairy farmers—is increased 5.5 times, from a 10-year baseline of $2 billion, to $11 billion.

The Wildlife Habitat Incentives Program is so important to our sportsmen all over America for increasing and preserving wildlife habitats all over this country. Funding for the WHIP program is increased 14 times—fourteen-fold—to $700 million, from a total of $50 million over the life of the last farm bill.

Funding for the Farmland Protection Program, to provide protection for farmland around some of our urban areas and keep it in farmland rather than being developed—funding for the Farmland Protection Program jumps nearly thirty-fold—nearly 30 times—from the $35 million in the last farm bill, to nearly $1 billion in this bill.

The farm bill contains important, new programs as well as increasing funding for existing ones. To address the growing need for water conservation, the bill contains $600 million for a national ground and surface water conservation program, including $50 million for producers located in the Klamath Basin in California and Oregon.

The new Grassland Reserve Program will help conserve and restore 2 million acres of grassland across the country. This important new program is funded at $254 million. The bill also contains $275 million for the Small Watershed Dam Rehabilitation Program, to restore ailing dams across the country. Many of these dams out in Iowa, and in Missouri, Oklahoma, Texas, Arkansas, are rapidly deteriorating. This program will rebuild those dams to preserve, to protect the safety of those living near them and save our precious water.

Finally, an important, new component in our conservation bill is the new Conservation Security Program. Through the CSP, all agricultural producers who can receive payments for implementing conservation on working lands. By encouraging producers to address critical resources on their operation at a non-degradation level, CSP will lead to substantial, new environmental benefits and help maintain those gains already made.

The time has come to recognize farmers and ranchers as good stewards of the land, the basic stewards of our Nation's natural resources. The importance of maintaining the conservation achievements of the past cannot be over-stated. Paying good stewards to maintain their good work is clearly the right thing to do. And now we can do that through the Conservation Security Program.

In order to ensure successful implementation of the conservation programs, we include funding for technical assistance, including for education, monitoring and assessment activities, directly from the conservation programs. Without strong technical assistance, conservation programs could not be fully implemented. This farm bill recognizes that and provides for funding for technical assistance.

Overall, the conservation title provides a balanced approach to conservation—the largest increase in a farm bill ever—and provides critically important resources for our agricultural producers.

I will point to this chart, which gives an official representation of what we have done in conservation. Under the 1996 farm bill, we have a total 10-year baseline of $21.4 billion. That provides $19.4 billion for land idling programs, like CRP and WRP, and only about $2 billion for conservation programs directed toward working lands to help farmers become better stewards. The new farm bill tries to restore a balance that ensures strong land-idling and working lands programs. Of the nearly $17.1 billion in new funds, we put $14 billion in new funds in working land programs and $3 billion in new funds in land idling programs. That gives us a more balanced approach.

In this farm bill, we have a total of $38.5 billion for conservation. Of that total, there is about $16.1 billion that will go to conservation on working lands and about $22.4 billion that will go to land idling. Again, you get back a historical balance of what we had in the past and recognize that as farmers produce crops across our country they are stewards of the land. There are some people who seem to think that if you raise corn or soybeans or rice or cotton—whatever—if you are growing crops or raising livestock, then you are destroying the land, the soil, the water and other natural resources. Well, that could be true, depending on how you farm.

If you farm up and down the hills, in the gullies, and you don't put in grass strips or buffer strips, or you don't ridge till, perhaps, or no till, you are right; you can lose a lot of soil. If you do it in the right way, you can grow crops and you can preserve soil, water and wildlife habitat, our natural resources. That is why we directed much of the new funding toward working lands programs—to help farmers be those good conservationists, yet still produce the food and fiber we need for our country. This balance was struck while ensuring that programs like WRP and CRP remain strong.

Mr. President, as I said, we have strong spending for the existing programs: Conservation Reserve Program, Wetlands Reserve Program; Farmland Protection Program; Wildlife Habitat Incentives Program; and Environmental Quality Incentives Program. These are all the programs that are in existence in the present farm bill. We strengthened and expanded them, as you can see. The Farmland Protection Program is increased from $35 million to nearly $1 billion—$985 million.

The wetlands reserve has been increased from 975,000 acres in the 1996 Farm Bill to 2.275 million acres. Even with the addition of 100,000 acres through a appropriation bill, that is still more than double the current level.

EQIP has been increased from $2 billion to $11 billion.

We heavily boost existing programs.

We added new programs. The Ground and Surface Water Conservation Program was not in the last farm bill. We have $600 million in this bill for that program.

For the Conservation Security Program, there is a $2 billion estimated cost.

For the Small Watershed Rehabilitation Program, there is $275 million.

For the Agricultural Management Assistance Program for certain underserved States, there is $50 million.

We have a provision that helps at-risk natural desert terminal lakes. We need to protect and preserve those lakes. There is $200 million in the bill for that program.

I want to put up the last chart again. I heard and read some reports that because of the new conservation programs we put in this bill, especially the Conservation Security Program and others, we are taking money out of EQIP or we are hurting funding for existing conservation programs. In fact, there is a conservation group—I am sorry, I cannot remember the name now—that basically is saying that we are taking money out of these programs.

Again, the facts are just the opposite. We have increased many existing programs. As I said, the Wetlands Reserve Program has been increased from 975,000 acres to 2.275 million acres. EQIP has a 5.5-fold increase. The Wildlife Habitat Incentives Program has a fourteen-fold increase. The Farmland Protection Program has nearly a thirty-fold increase. We are not taking money away from any of these programs. We enlarged the pie. When people say we are hurting existing programs, that simply is not true. We are providing more options for producers and opening conservation programs to all those producers who are currently left out of conservation programs because they are already doing the right thing. Or, out of commodity programs because they do not grow a covered crop. The CSP reaches all of those producers—it expands the conservation programs and is money well spent.

Let me talk about trade. The trade title offers major gains to agricultural producers and agricultural export industries. The Market Access Program will be ramped up to a $200-million-a-year program by 2006. This is the level that has been sought by supporters of the MAP program. It represents a 122-percent increase over the current funding level of $90 million a year.

The trade title also provides additional funds for the Foreign Market Development Cooperators Program—otherwise known as the FMD Program—from $27.5 million to $34.5 million annually.

The trade title of the farm bill also expands use of U.S. commodities in food aid shipments both under the existing Food for Progress Program and to continue the pilot International Food for Education Program, otherwise known as the International School Lunch Program.

The bill provides an increase in transportation spending for the Food for Progress Program from its current level of $30 million to $40 million and increases funds to cover administrative costs for these organizations running the projects within country from $10 million to $15 million.

The conference report provides $100 million to be available next fiscal year to continue support for existing projects under the GFEI Program established in 2000.

Lastly, there are two other issues I want to mention. The nutrition title is a very strong part of this conference report. We can all be justly proud of that title. The House bill provided $3.6 billion in new funding for nutrition. The Senate bill had $8.4 billion, as we reported it out of the Senate. The compromise is $6.4 billion for nutrition and food assistance. That is a level that is much closer to the Senate position and not quite as close to what the House had in their bill.

We restore food stamp benefits to legal immigrant adults who have lived in the United States for at least 5 years, and to legal immigrant children and the disabled without residency requirements. President Bush wanted the first part of the provision, and we complied with his wishes and put it in the bill. The second part of the provision restoring food stamp benefits to children and the disabled without a 5-year waiting period originated in the Senate.

We provide transitional benefits for people moving from welfare to work, and we increase the benefits for families with children.

We have simplified some food stamp program rules and have reduced the administrative burden for States.

We have increased funding for commodity purchases and distribution to these programs. The nutrition title is certainly a part of the bill we can all proudly support.

Again I thank all of the members of the committee. I especially commend Senator LUGAR for his contributions to this title, both in the committee and on the floor, and as we went through conference.

I want to remind everyone that the food and nutrition assistance programs affect our entire country. A lot of people say this is just the urban portion of the bill. Again, nothing could be further from the truth. Hungry people do not know city boundaries. They live in our small towns and communities. They live in the most rural areas in our country—in all parts of our country. In fact, ten percent of America's households face hunger. They include the working poor, single working mothers with children, seniors forced to choose between paying for food or paying for prescription drugs, families forced to choose between heating and eating.

The cornerstone of our safety net, the Food Stamp Program, is the most effective and efficient program ever for low-income families, the elderly, and the disabled. It is a critical work support program, one that boosts low-income families' wages and helps them make ends meet every month and put food on the table.

We have successfully addressed these issues head on and have produced a nutrition title that stands out in several respects: We have improved accessibility; we facilitate the transition from welfare to work; we reduce paperwork and redtape; and, as I said, we correct one of the harsh aspects of welfare reform, and that is, we restore food stamp benefits to legal immigrant children and the disabled right away and to legal immigrant adults who have been here at least 5 years.

The title includes other important provisions as well. It includes funding for The Emergency Food Assistance Program to help food banks and food pantries meet the needs they face, and it re-authorizes a number of other commodity distribution programs. It includes funding for both the WIC and the Senior Farmers Market Nutrition Programs. It provides additional money for commodities for schools with a focus on speciality crops.

Again, our bill also directs USDA to increase their average spending on speciality crops by setting a floor of $200 million a year for the amount of funds that must be devoted to fruit and vegetable purposes.

We succeeded not only in maintaining but enhancing the nutrition safety net for families around the Nation. I say to my colleagues, yes, you may pick one or two parts of this bill you do not like, that you wish were different; but think about the families in this country who rely upon food stamps; think about those making the transition from welfare to work, the fact they need additional assistance as they provide more income for their families; think about the children and the disabled all over this country; think about the people who go to food banks and food pantries who need this just to keep food on their table every month. That is in this bill.

Do we want to vote this bill down and send it to a conference and never have it come back? Because that is what will happen. Mr. President, I say to my colleagues, when they vote on this bill, think about the tremendous work we have done and the increases in nutrition we have provided.

The credit title reauthorizes farm money programs. We provide greater access for beginning farmers and ranchers by doing a number of things, such as increasing the percentage that USDA may lend for downpayment loans for beginning farmers and extending the term of those loans. We also take the opportunity to improve a number of the administrative provisions in farm lending programs.

There is a very strong rural development title in this farm bill. Rural communities really are part of the backbone of our whole agricultural structure, but they have not fully shared in our Nation's prosperity. For too long they have lagged behind. Rural America needs facilities and services that meet the standards of the 21st century from basic services such as sewer and water, to full broadband Internet access. Without them, the quality of life in rural communities will be impaired and businesses will not thrive.

One of the largest obstacles facing rural businesses and job growth is the lack of adequate equity capital. To help generate the investment needed in rural America, this bill funds a new rural business investment equity program. While many rural businesses are not directly associated with agricultural ventures to increase the value of agriculture, commodities in rural areas hold great potential as an engine for growth. When these value-added enterprises are owned by agricultural producers, there is a double benefit of economic growth and increased farm income. This bill provides $240 million for value-added agricultural product market development grants to help develop solid new enterprises owned by producers for adding value to agricultural commodities.

This program can also be used to support farm-based renewable energy projects, an important new provision to help stimulate a wider variety of value-added enterprises owned by farmers.

The bill includes $360 million to reduce significantly the backlog in the applications we already have on hand for drinking water and wastewater projects, crucial basic needs for rural Americans.

We also have critical provisions in this bill which will help ensure that rural America is not left behind in the information age. Currently, the Rural Utilities Service has a small pilot program that provides loans to those that want to provide broadband services to areas that do not have it. The farm bill would authorize this initiative and provide $100 million in mandatory spending over the next 6 years. This would translate into at least $400 million a year in direct loans for private and nonprofit entities to provide high-speed Internet service in rural America. This is a critically needed service that will not come to rural Americans anytime soon if we wait for the market to take care of it.

A recent report found less than 5 percent of towns of 10,000 or less have access to broadband technology. In Iowa, more than 50 percent of rural communities do not have access to broadband services, according to the Iowa Utilities Board. This loan program provides the incentive needed to ensure all Americans have the opportunity to be full participants in our digital economy and the information age.

I might add that this provision on broadband access was in the Senate farm bill. We provided this money for broadband in the Senate farm bill as it was marked up in committee. We kept it through floor debate. The House farm bill did not have this provision, but were able to keep the Senate provision on broadband in conference. I feel very strongly that this is one of the most important aspects of this bill in terms of rural economic development.

We also provide a program of $10 million per year for firefighter and first responder training. That is very important for our rural communities.

In research, the bill continues the process we began in 1998 of trying to increase the amount of money directed toward agricultural research. Over the life of the bill, funding for the Initiative for Future Agriculture and Food Systems will increase from $125 million per year to $200 million per year.

We have included a new title in this farm bill that began in our committee, came through the floor, and survived in conference. It is a new energy title which has never been in the farm bill. It is the first time it has ever been done. Not only do we have an energy title, but it includes over $400 million in mandatory spending, for renewable energy, biofuels, energy efficiency, the development of biowaste programs, as well as research on climate change. The energy title will help reduce the use of oil and gas by promoting alternative energy sources on farms and in rural communities. The energy title is a major victory for our farmers and rural communities, for national security, energy independence, and the environment.

Think again about this bill and what may happen. If this goes back to conference, if the conference report is defeated, there goes the energy package and all that we have to start producing renewable forms of energy.

In competition, the conference report includes a number of provisions that address the issues of fairness and transparency in the agricultural marketplace. The measure includes two important measures affecting livestock and poultry producers. The first provision amends the Packers and Stockyards Act to provide protections from unfair practices for swine contract producers. The second provides that all livestock and poultry producers have the right to discuss contracts with close advisers and family members.

In a major victory, the agreement includes a provision that will finally provide consumers with the information on the country of origin of meat, fish, fruits, vegetables, and peanuts. This has been championed by consumers and family farmers alike. A country of origin label will provide crucial information sought by advocates for years.

After months of fighting, we were not able to retain the provision that prohibits packers from owning livestock.

The House was simply intransigent on this issue. Not one House conferee indicated support for the Senate ban on packers ownership. We had our votes in the Senate, but the House would not budge. As I could detect, not one of the House conferees on this issue supported the measure. Although we lost the ban on packer ownership, we got country of origin label and we now put swine production contract growers under the Packers and Stockyards Act. And farmers have the right to discuss their contracts with their advisers, their families, their bankers.

However, I will say for the record, the ban on packer ownership is not a conclusion; it is just the beginning. As chairman of the Senate Agriculture Committee, for however long I am privileged to have the chairmanship, we will continue to fight intensely against unfair practices in agriculture markets and, perhaps looking down the road, we will have specific legislation targeted just at this one issue of ensuring that packers cannot own livestock prior to 14 days before slaughter.

In conclusion, this is a sound, comprehensive farm bill that will benefit all Americans—rural, urban, and suburban. It restores a sound system of countercyclical income protection for our farmers. It makes the greatest investment of any farm bill in history for the conservation of our natural resources. It promotes our exports. Our nutrition provisions go a long way to keep Americans from going to bed hungry at night. We include rural development policy that will promote economic growth, jobs and a higher quality of living in small towns and rural communities. We continue our strong support of agricultural research, and for the first time ever, an we include an energy title that will promote the development and use of farm-based renewable energy and other products.

All in all, this is a strong new farm bill for this new century. As I said at the beginning, I know people will say they don't agree with this or that. I have indicated some issues I don't agree with in the bill, but it has to be looked at overall. It is a product of compromise and hard work over a long period of time. We are a large country. What is best for my farmers and farm families in Iowa may differ for farm families in Washington State or Mississippi or Alabama or Florida. We don't grow citrus in Iowa; that is in Florida. We have to balance all of the interests of this country to come up with a bill that meets the legitimate needs of our farmers and farm families and our people in our small towns and communities, that provides a safety net, provides a better ability for our farmers to have a better income and a better life, yet reaches out to make sure people who need food assistance get the food assistance they need.

This conference report is on the verge of becoming law. The only thing that is needed now is a Senate vote. The President has already said that he supports it and will sign it, and that he wants it on his desk promptly.

As I said, this conference report restores predictability and stability. It will replace this ad hoc system of emergency payments that every year we have come out here on the floor and passed.

Those who propose to send this bill back to conference are proposing to take the new stability and predictability away from America's farmers and ranchers and rural communities and throw the entire situation into turmoil and chaos. Those who would defeat this and send it back to conference will introduce a whole new dimension of uncertainty into American agriculture at just the time that farmers, ranchers, and rural America are within a hair's breadth of a new 6-year farm bill.

The conference committee has been dissolved. If this bill were to go back, we would have to reconstitute the committee. Beyond that, there is no indication that a new conference would lead to any different result than what we have before us now. It is not in the interests of our farmers and ranchers to have no new farm bill. They do not want to watch as we struggle on through the summer on the farm bill, and into the fall, to try to patch something together. They want and they need this bill now. If we delay this bill any further, we stand a high likelihood that we will lose some of the money in the budget that we used to write this bill. We would lose an important part of the $73.5 billion that should go to agriculture.

If we do not have this in place. We will have to have yet another emergency bill, which will leave even less money to write a new farm bill. Again, if we pass this up, we forego the opportunity for better conservation, for better rural development, and a better safety net for our farmers.

Mr. President, I ask unanimous consent to have printed in the RECORD a number of letters in support of the farm bill.

First, I ask unanimous consent that the statement of the President of the United States be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
PRESIDENT GEORGE W. BUSH,
May 2, 2002.

PRESIDENT TO SIGN FARM BILL

I congratulate Chairman Combest and the other House and Senate conferees for a job well done in completing the Farm Security and Rural Development Act of 2002.

I am pleased that the compromise agreement on the farm bill resulted in better balanced commodity loan rates; spending that is no longer front-loaded; and the strongest conservation provisions of any farm bill ever passed by Congress. The final provisions of the farm bill are also consistent with America's international trade obligations, which will strengthen our ability to open foreign markets for American farm products. While this compromise agreement did not satisfy all of my objectives, I am pleased that this farm bill provides a generous and reliable safety net for our Nation's farmers and ranchers and is consistent with the principles I outlined.

I thank the conferees for their hard work and urge Congress to send the farm bill to my desk promptly for signature to help ensure the immediate and long-term vitality of our farm economy.

Mr. HARKIN. I ask unanimous consent to enter a statement by the Secretary of Agriculture, the Honorable Ann Veneman, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SECRETARY OF AGRICULTURE ANN M. VENEMAN, REGARDING CONFERENCE COMMITTEE FARM BILL AGREEMENT, APRIL 26, 2002

We are encouraged by the efforts of the House and Senate Conferees in reaching an agreement on the framework of a new farm bill. As President Bush said on Wednesday, "the farm bill needs to be completed quickly." With this action, farmers should soon know the details of the long-awaited farm bill, which would bring certainty in the coming years.

We commend Chairman Combest for his leadership in achieving a compromise agreement. Many objectionable provisions have been eliminated that we believe would not have been in the best interests of America's farmers and ranchers.

While details still need to be completed, the agreement appears to include more market-oriented and rebalanced loan rates as well as increased emphasis on conservation programs for working lands. However, we look forward to examining more closely the specific provisions of the agreement, including final cost estimates from the Congressional Budget Office to ensure the agreement adheres to the intent and the spirit of the Congressional Budget Resolution.

This is a most critical time in regard to farm bill implementation for the 2002 crop year. Final action must be concluded now to enable farmers and ranchers to make the necessary business decisions. While USDA has been working hard to prepare for implementation, there is no doubt that this will be a formidable task in the coming months.

Again, we are pleased that an agreement has been reached and look forward to continuing our work with the Conferees for a timely resolution to completing this important legislation.

Mr. HARKIN. I have a letter signed by 30 organizations. I will not read all of them, but I will read a couple of paragraphs.

The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise. . . . It is imperative that the Senate also take immediate action and adopt the farm bill conference report.

As I said, this is from 30 organizations, from the Agricultural Retailers Association to the American Farm Bureau Federation, American Soybean

Association, the American Sugar Alliance, the American Sugarbeet Growers Association, American Sugar Cane League, Co-Bank, National Association of Wheat Growers, National Barley Growers Association, the National Corn Growers Association, the National Cotton Council, the National Farmers Union, the National Grain Sorghum Producers, the National Milk Producers Federation, the National Pork Producers Council, the National Sunflower Association, Ocean Spray, Inc., Rice Millers' Association, South East Dairy Farmers Association, the Southern Peanuts Farmers Federation, the U.S. Canola Association, U.S. Rice Producers Association, the United Egg Producers, and the Western United Dairymen—30 broad-based farm groups supporting this bill.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 7, 2002.

Hon. TOM HARKIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HARKIN: The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise for comprehensive reform in our nation's farm policy.

In response to the critical need of farmers and their lenders to immediately know the rules and regulations under which they must operate, the House of Representatives acted swiftly to adopt the farm bill conference report to H.R. 2646, by a vote of 280-141. With farmers in their fields now planting this year's crop, it is imperative that the Senate also take immediate action and adopt the farm bill conference report. Adoption of this farm bill will assure them that they will have an adequate, long-term safety net in place now and in the future.

This farm bill has been debated in field hearings throughout the country, in House and Senate committees and on the floor of both chambers for more than two years. It is now time to end debates as well as farmers uncertainty. We urge the Senate to immediately adopt the farm bill conference report and send it without unnecessary delay to the President for his signature and implementation for the 2002 crop.

Sincerely,

Agricultural Retailers Association.
Alabama Farmers Federation.
American Cotton Shippers Association.
American Farm Bureau Federation.
American Society of Farm Managers & Rural Appraisers.
American Soybean Association.
American Sugar Alliance.
American Sugarbeet Growers Association.
American Sugar Cane League.
CoBank.
Fresh Solutions.
National Association of Wheat Growers.
National Barley Growers Association.
National Corn Growers Association.
National Cotton Council.
National Farmers Union.
National Grain Sorghum Producers.
National Milk Producers Federation.
National Pork Producers Council.
National Sunflower Association.
Ocean Spray, Inc.
Rice Millers' Association.
South East Dairy Farmers Association.
Southern Peanuts Farmers Federation.
U.S. Canola Association.
U.S. Rice Producers Association.
U.S. Rice Producers Group.
USA Dry Pea & Lentil Association.
United Egg Producers.
Western United Dairymen.

Mr. HARKIN. I ask unanimous consent several statements from different U.S. commodity groups and broad-based groups be printed.

I have a letter from the National Farmers Union that I ask be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
May 1, 2002.

U.S. SENATE,
Washington, DC.

DEAR SENATORS: On behalf of the 300,000 family farmer and rancher members of the National Farmers Union I write to encourage your support of the conference report on "The Farm Security and Rural Investment Act of 2002", the 2002 farm bill adopted by the House and Senate conferees.

Due to depressed commodity prices and failure of the 1996 Freedom-to-Farm legislation to provide an adequate safety net for producers, approval of this legislation is of critical importance to America's farmers, ranchers and rural communities. The legislation represents meaningful progress in providing a more stable and reliable farm income for producers and greater certainty for their lenders. In addition, it makes available significant additional investments in the conservation of our natural resources, research, development and commercialization of viable renewable and bio-based energy production, enhanced rural development programs, improved domestic and international nutrition assistance and expanded consumer information concerning the origin of their food supply.

In short, it is a comprehensive measure that represents a positive step forward on many issues important not only to commodity producers but also rural communities and the population as a whole.

While we fully recognize that the legislation is not perfect, and we will seek to correct those shortcomings in the future, we believe the economic certainty the farm bill provides farmers along with its renewal investment in rural America warrants a positive vote for its adoption by the Congress.

Thank you for your consideration and support on this issue.

Sincerely,

DAVID J. FREDERICKSON,
President.

MAY 7, 2002.

Hon. TOM HARKIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HARKIN: The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise for comprehensive reform in our nation's farm policy.

In response to the critical need of farmers and their lenders to immediately know the rules and regulations under which they must operate, the House of Representatives acted swiftly to adopt the farm bill conference report to H.R. 2646, by a vote of 280-141. With farmers in their fields now planting this year's crop, it is imperative that the Senate also take immediate action and adopt the farm bill conference report. Adoption of this farm bill will assure them that they will have an adequate, long-term safety net in place now and in the future.

This farm bill has been debated in field hearings throughout the country, in House and Senate committees and on the floor of both chambers for more than two years. It is now time to end debate as well as farmers uncertainty. We urge the Senate to immediately adopt the farm bill conference report and send it without unnecessary delay to the President for his signature and implementation for the 2002 crop.

Sincerely,

Agricultural Retailers Association.
Alabama Farmers Federation.
American Cotton Shippers Association.
American Farm Bureau Federation.
American Society of Farm Managers & Rural Appraisers.
American Soybean Association.
American Sugar Alliance.
American Sugarbeet Growers Association.
American Sugar Cane League.
CoBank.
Fresh Solutions.
National Association of Wheat Growers.
National Barley Growers Association.
National Corn Growers Association.
National Cotton Council.
National Farmers Union.
National Grain Sorghum Producers.
National Milk Producers Federation.
National Pork Producers Council.
National Sunflower Association.
Ocean Spray, Inc.
Rice Millers' Association.
South East Dairy Farmers Association.
Southern Peanuts Farmers Federation.
U.S. Canola Association.
U.S. Rice Producers Association.
U.S. Rice Producers Group.
USA Dry Pea & Lentil Association.
United Egg Producers.
Western United Dairymen.

Mr. HARKIN. I ask unanimous consent a statement from the National Association of Conservation Districts, on behalf of the Nation's 3,000 conservation districts, urging us and our colleagues to pass the bill be printed in the RECORD. I also have letters from The Nature Conservancy, Pheasants Forever, Ducks Unlimited, the National Rifle Association, Congressional Sportsmen's Foundation, International Association of Fish and Wildlife Agencies, Quail Unlimited, The Wildlife Society and Wildlife Management Institute encouraging Senators to support final passage of this bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF
CONSERVATION DISTRICTS,
Washington, DC, May 2, 2002.

Hon. TOM HARKIN,
Chair, Committee on Agriculture, U.S. Senate, Washington, DC.

DEAR CHAIRMAN HARKIN: On behalf of the nation's 3,000 conservation districts, I applaud your efforts in crafting the Farm Security and Rural Investment Act of 2002. This new Farm Bill goes far beyond current law with an enormous investment in private lands conservation and forestry programs.

We strongly urge you and your colleagues to pass H.R. 2646 today and oppose any motion to recommit this bill.

Again, thank you for your continued support.

Sincerely,

J. READ SMITH,
President.

Mr. HARKIN. I ask unanimous consent a letter from the Coalition for Food Aid, Adventist Development & Relief Agency International, Africare, ACDI/VOCA, CARE, Catholic Relief Services, Counterpart, Food for the Hungry International, International Relief & Development, Mercy Corp., OIC International, Save the Children, TechnoServe, and World Vision—a letter supporting this bill, asking for its immediate passage, be printed in the RECORD. That is from the Coalition for Food Aid.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COALITION FOR FOOD AID,
Washington, DC, May 1, 2002.

Hon. LARRY COMBEST,
Chairman, Committee on Agriculture, House of Representatives, Washington, DC.
Hon. TOM HARKIN,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR CHAIRMEN COMBEST AND HARKIN: The members of the Coalition for Food Aid would like to thank you and the Conferees on the Farm Security and Rural Investment Act of 2002, H.R. 2646, for strengthening and expanding US international food aid programs. Coalition members are US private voluntary organizations and cooperatives (jointly called "PVOs") that conduct food aid programs overseas directly engaging 30 million beneficiaries each year, with collateral assistance reaching 200 million more. By providing food aid through PVO programs, the assistance is leveraged greatly through our networks in developing countries and emerging democracies. We are grateful to work in partnership with the US Government, and thank the Conferees for incorporating provisions to strengthen the cooperation between USAID and USDA with PVOs.

The Trade Title of H.R. 2646 will increase the minimum tonnage used for the PL 480 Title II program by nearly 500,000 metric tons each year. It also requires 75 percent of that tonnage to be used in programs in persuasively poor communities to improve people's health, living conditions and incomes. To help populations that suffer from chronic hunger, merely creating welfare programs of large-scale food distribution is not the answer. Thus, we appreciate the Conferees reassertion of the importance of using food aid in programs that help people help themselves. We also appreciate the increased availability of cash assistance to support program management and logistics costs.

In food deficit, import-reliant countries, monetization provides a boost to the economy and allows needed commodities to be provided through the market. The generated proceeds supports the cost of program implementation and management, and allows effective grassroots development in poor communities. Where monetization is feasible, rather than just exporting cash to support program costs, US commodities can be exported providing an additional benefit to the US agricultural sector. We appreciate the Conferees support for uniform monetization procedures at USDA and USAID, including sales for the local market price and sales for either dollars or local currencies. This will allow the use of the appropriate commodity for monetization, even if it is a hi-value product.

We are most grateful that H.R. 2646 sets a of 400,000 meteric tons minimum for CCC-funded Food for Progress programs. We are greatly concerned, however, that the Administration will no longer permit nongovernmental organizations, such as PVOs, to carry out Food for Progress programs. PVOs provide effectiveness and accountability to the Food for Progress program. These organizations are required under US law to have transparent management and accounting procedures. Further, eliminating PVO participation in Food for Progress would run counter to the intent of the program, which emphasize private sector development in countries that are making economic reforms in their agricultural economies.

We applaud the Conferees decision to include report language informing the Administration that PVOs and other nongovernmental organizations should continue to have access to this program. We are still concerned that the Administration's Food Aid Review concluded that USDA programs should no longer involve PVOs. Before the Administration finalized plans for FY 2003 Food for Progress, we ask that you continue to urge the Administration to assure that PVOs will be allowed to participate in this program.

Moreover, we believe it would be very disruptive to remove Food for Progress from the Secretary of Agriculture's authority and shift it to USAID. USDA's Foreign Agricultural Service is well-suited to manage these programs which emphasize private sector and agricultural development in emerging markets. Further, it would take a very long lead time for USAID to establish procedures for administering a new food aid program.

One of the most beneficial aspects to the legislation is its emphasis on flexibility for choosing the appropriate commodities and interventions to meet local needs and to require streamlined program management. If the flexibility and streamlining provisions are implemented within the spirit of the legislation, then the result will be more effective programming and the elimination of redundancy and unnecessary paperwork. These changes are particularly important for the PL 480 Title II program, and we pleased that the Conferees required USAID to implement changes within one year and to keep the Congress informed of progress made.

The establishment of the International Food for Education and Nutrition program will allow the continuation of pilot programs initiated under the USDA FY 2001 Global Food for Education Initiative. PVOs have a great deal of experience with food for education and look forward to participating in this expanded pilot program. The legislation sets appropriate objectives and focus for the program on young school children and mothers and infants. Further, the objectives of improving educational opportunities and food security, rather than short-term feeding programs, would allow these funds to have an impact beyond the short period in which the commodities are made available.

Overall, the legislation makes many improvements in US food aid programs and requires higher tonnage levels for PL 480 Title II and Food for Progress. As organizations that conduct food aid programs overseas, we wish to express our gratitude and support for these changes.

Sincerely,

ELLEN S. LEVINSON,
Executive Director.

Mr. HARKIN. I ask unanimous consent that the American Public Human Services Association letter, on behalf of food stamp program directors around the country, asking we give immediate passage to this legislation, be printed in the RECORD. I also want to mention other letters we received in support of the nutrition title of the farm bill. These include letters from the Food Research and Action Center, America's Second Harvest, the Center on Budget and Policy Priorities, the National Conference of State Legislatures, and the American Dietetic Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN PUBLIC
HUMAN SERVICES ASSOCIATION,
May 2, 2002.

Hon. THOMAS A. DASCHLE,
Majority Leader, U.S. Senate, Capitol Building, Washington, DC.
Hon. TRENT LOTT,
Minority Leader, U.S. Senate, Capitol Building, Washington, DC.

DEAR MAJORITY LEADER DASCHLE AND MINORITY LEADER LOTT: We write concerning the conference report filed yesterday for the Farm Security and Rural Investment Act of 2002, H.R. 2646. The American Public Human Services Association, which represents the nation's public human service administrators, is very pleased with the nutrition title of this bill and urges passage of this legislation.

The nutrition title contains significant reforms and improvements in the Food Stamp Program. These reforms are consistent with the principles contained in APHSA's 2001 policy document, Crossroads—New Directions in Social Policy. In Crossroads, we strongly advocated reforms that include simplified eligibility; streamlined application processing; restoration of benefits to legal immigrants; other benefit reforms and updates; a rational resource policy; transitional benefits and other strengthened supports for working families; administrative flexibility; and other changes that will make the program simpler and more accessible. The farm bill has achieved many of these goals and represents a milestone in the efforts to strengthen this vital safety net program.

Thank you for your consideration and for your efforts to secure passage of this critical legislation. If you have any questions, please contact me or Elaine Ryan, Director of Government Affairs, at (202) 682-0100.

Sincerely,

JERRY FRIEDMAN,
Executive Director.

Mr. HARKIN. This is a letter from the Farm Credit Council asking we get this bill passed immediately. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE FARM CREDIT COUNCIL,
Washington, DC, May 2, 2002.
Hon. TOM HARKIN,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing in support of the conference report on The Farm Security and Rural Investment Act of 2002 and to urge its speedy passage in the Senate. The conference report would provide much needed assistance to our nation's farmers, ranchers and rural communities, many of which have been suffering through the longest round of low commodity prices in memory.

We appreciate that the conference report is a product of long negotiations and commend you and your colleagues for shaping legislation that will provide a long-lasting safety net for our nation's agricultural producers. With record low commodity prices and sluggish export demand for U.S. farm products, this legislation is critical to ensuring that U.S. farmers and ranchers can continue to supply the world with the safest and most cost efficient food and fiber.

As you know, Farm Credit's mission is to maintain and improve the quality of life in rural America and on the farm. This legislation will help Farm Credit continue our mission. We especially want to commend you for your leadership in building a strong rural development component of the bill. Specifically, the Rural Business Investment Company program, we believe, will spur needed equity investment in rural businesses, particularly value-added agricultural businesses. For too long, our rural communities have suffered from a shortage of equity capital. The RBIC program will help alleviate some of this shortage.

We also commend you and your colleagues for a sound, constructive credit title. The changes made will help Farm Credit maintain its commitment to provide reliable and competitive credit to agricultural producers, rural businesses and rural communities.

Thank you for your leadership in advocating for rural America.

Sincerely,

KENNETH E. AUER,
President and CEO.

Mr. HARKIN. This letter is from the Environmental And Energy Study Institute pointing out the important energy title in this bill, asking this bill also be passed as soon as possible. I ask unanimous consent it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENVIRONMENTAL AND
ENERGY STUDY INSTITUTE,
Washington, DC, May 2, 2002.

INNOVATIVE ENERGY TITLE INCLUDED IN 2002 FARM BILL

The Environmental and Energy Study Institute (EESI) today congratulates the Senate and House Farm Bill conferees for including an innovative new energy title in the conference report, especially Chairman Tom Harkin and Senator Richard Lugar for their leadership in crafting this important legislation. The title provides $201 million over the life of the bill to assist farmers and ranchers in making energy efficiency improvements and developing their renewable energy resources.

"While this small, bipartisan, non-controversial new title has not gained much media attention, it is perhaps one of the most important provisions in the Farm Bill for the future of American agriculture. The only solution to the current farm crisis is the development of new markets, new uses for crops, and new revenue streams for farmers. Renewable energy can be the new cash crop for the 21st Century," said Carol Werner, Executive Director of the Environmental and Energy Study Institute. The energy title:

Establishes federal agency purchasing preference for biobased products;

Creates a program to educate the public about the benefits of biodiesel (a renewable fuel made from vegetable oils);

Provides financial and technical assistance to farmers, ranchers and rural small businesses for the purchase of renewable energy systems and to make on-farm energy efficiency improvements;

Extends and funds the Biomass Research and Development Act through 2006; and

Establishes new authorized programs to fund energy audits and renewable energy assessments and to establish biorefineries for the production of electricity, fuels, and biobased products.

The Farm Bill also opens up existing rural development and "value-add" grant and loan programs to renewable energy projects. In addition, it would allow wind energy and bioenergy projects on Conservation Reserve Program lands where compatible with the established conservation goals of the program.

"EESI salutes the members of Congress and the diverse coalition of groups we worked with to make the energy title a reality," said Werner. "Developing our nation's on-farm renewable resources is key to diversifying our energy market, enhancing national security, protecting our environment, and revitalizing rural America by spurring development of new businesses and jobs—truly a 'win-win-win' opportunity that is good for American farmers and good for the country."

Mr. HARKIN. Mr. President, we have a broad array of producer groups supporting this bill, a broad array of human services organizations that recognize what we have done in this bill for nutrition and for food support and organizations involved in trade and export supporting this bill. We also have support from conservation and wildlife groups who work with producers participating in the conservation programs. Those involved in rural economic development broadly support this bill for the work we have done to invest in our rural towns and communities. I am not saying every single person or organization supports this bill. What I am saying is, if you look at the broad array of the groups I mentioned, you will see there is broad and deep support for passing this bill and sending it to the President as soon as possible.

I yield the floor.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Indiana is recognized.

Mr. LUGAR. Madam President, I yield myself as much time as I may require.

Madam President, let me commence by thanking our distinguished chairman, Senator HARKIN, for his leadership. It is not an easy task to be chairman of a committee during a farm bill consideration, given all of the requirements for equity and forethought throughout America. Equally, the chairman of the House committee and the ranking member, Mr. COMBEST and Mr. STENHOLM, have guided a very large committee for its consideration and an equally complex conference.

Those who have served on the staffs of both the majority and minority, in both Houses, have given extraordinary service in the past few weeks. Sometimes they alone, really, have understood how comprehensive and how complex this issue is, and they have been extraordinarily helpful to Members, members of the press, and other constituent groups.

This bill comes to the floor with an extraordinary amount of work and devotion by persons who have strong motives and strong ideals. Let me point out, as I have during the debate in committee as well as on the floor, very strong achievements have occurred. The chairman has outlined a number of these in the areas of conservation and rural development and research and nutrition and energy. In the Senate committee and in our bill on the floor, Members included those items with a great deal more strength and money than our House colleagues.

One of the predicaments from the beginning was that our bill, as it left the Senate floor, as it turned out, cost $6 billion more than the limits. So immediately a scaling back of those items in which there was strong bipartisan support had to occur, and further scaling back occurred as we tried to reach a compromise with House colleagues, who were much more focused on the commodity sections of the legislation.

Let me outline the arguments I am going to make this morning and then return to fill in the details that I think would be helpful to Senators as they consider their vote on this conference report.

I start with the thought that the Senate, in a very real sense, is a board of directors that has governing responsibilities for our country. Our responsibilities are broader than a corporate board and deal with the economic and humanitarian concerns of private firms. We really have a trusteeship regarding the funds, the security, and continuity of our country. Each of us takes that seriously. And each of our votes on this farm bill conference report we know must withstand the scrutiny of history. This is not a temporary bill; it is one of many in a long saga of developing farm bills, but it will have ramifications for millions of Americans.

Second, most Senators—perhaps all of us—take very seriously the obligations we have as a part of that trusteeship to the Social Security trust fund and to the Medicare trust fund. From time to time, we have vowed merely to protect the importance of the so-called lockbox idea; namely, that these very important social funds and safety net funds for all Americans must be protected.

That enters into this consideration because, very clearly, as this debate has continued, the estimates of the Federal deficit for the fiscal year in which we are now have grown to $100 billion. Pessimists believe the deficit for the fiscal year that ends September 30 may in fact be more than $100 billion. That means we are having this debate after a time in which there were budgetary assumptions—well over a year ago—that our country would have a surplus this year, in terms of our current accounts, and throughout many years. In fact, in the euphoria of those days, $3 trillion was often mentioned in discussions of a surplus, giving ample room to Social Security reform, Medicare reform, and such items as the farm bill. But those times are gone, and the cost of the farm bill still continues to rise with each subsequent estimate by the Congressional Budget Office or by others.

I mean specifically that even as we completed our work in the Senate and believed that on a 10-year basis we were adding $73.5 billion of additional spending, in fact the Senate farm bill cost $6 billion more than we had been allotted by the Senate Budget Committee.

Just yesterday—the Congressional Budget Office wrote to our chairman, Senator HARKIN, indicating that, sadly enough, the conference report that we thought comprised $73.5 billion of spending in addition to the current baseline is, as a matter fact, $9.5 billion over what the Budget Committee allocated for additional spending. In short, this argument we have been having about holding spending below $73.5 billion is now rendered moot by the fact that, based on the most recent CBO estimates, we are talking about $82.8 billion.

The Congressional Budget Office does not leave us in doubt as to what has occurred. It says essentially that the increase stems primarily from our current assumptions that prices for many commodities will be lower in 2003 and beyond than they had assumed just last year.

But, in fact, I will argue in due course that it is very probable that prices will go lower still, that the effect of this farm bill is an inevitable vast oversupply of agricultural commodities and lower prices. Therefore, given the technical way in which the bill has been put together, we are almost bound to have increasing costs for the bill each year for the duration of the farm bill.

Some would say that should this spending lead to humanitarian aspects for all Americans—better nutrition—better conservation of our natural resources, breakthroughs in terms of our energy dilemmas, opportunities for young farmers to come into agriculture—that these are important expenditures. And, as trustees for our national wealth, we have to balance them with Social Security and Medicare.

Of course, overhanging all of this discussion, since September 11 and our nation being at war, there are vastly increased financial demands regarding our national security and homeland defense.

But the moneys that are involved in this farm bill do not primarily go to considerations of conservation, nutrition, energy, and development of rural communities. This conference report costs an additional $82.891 billion on a 10 year basis. That is an increase of almost $9.5 billion since we finished the conference report. Of that $82.8 billion, $56.7 billion goes to the commodity programs—title I. That is roughly 70 percent of all of the spending. A specific area of commodity programs has almost all the additional money added to it; namely, the so-called program crops. It came out of conference at $41 billion, and it is now about $49.5 billion. That is where the money is, and that is where the increases are occurring because of lower price estimates and policies that are almost guaranteed to lower the prices more.

If this large expenditure for commodity prices were going in some equitable way to farmers throughout America this might be somewhat tolerable. It is estimated that there are roughly 2 million persons in agriculture, using a definition that each entity which has $1,000 of agricultural income is certified as a farmer. In our debates, we have noted that perhaps of these 2 million farmers, approximately 150,000 produce as much as 80 percent of the value of all agricultural commodities produced.

I am not here to debate about the structure or definition of agriculture. But a lot of the rhetoric that has accompanied this bill and previous farm bills revolves around trying to save the small family farmer, or even the medium-sized family farmer, or even the very large family farmer. In fact, two-thirds of the payments under this program crop section—$49.5 billion on a 10-year basis—are going to go to 10 percent of farmers who are in the commodity row crop business. That is a minority of the farmers in America about whom we are talking. Only 40 percent of farmers, in fact, are going to be involved in producing program crops. Sixty percent of farmers are not in that ball game at all.

So when we talk about $49.5 billion going to program crops, we are talking about 40 percent of farmers, and we are talking about the fact that two-thirds of the money goes to 10 percent of the farmers.

Any way you look at it, this is a highly concentrated system of payments. It is not new. We did not just discover this. The evidence was very clear, as conferees looked at the figures of the past, even as they projected these payments into the future.

Therefore—and here there are winners and losers—if you are now a landowner in America, it is highly probable that your land will increase in value. Why? Because with some predictability, as the chairman pointed out, with some degree of certainty, you can count upon receiving substantially more money. If you own the land, that will be of benefit to your banker if, in fact, you borrowed to put the crop in—the banker having some certainty that the collateral, namely, the land behind the loan, will be worth more year by year.

If you are one of 42 percent of farmers in this country who rent land as opposed to owning land, you face a very tough set of circumstances. Your rents are very likely to go up each year as the value of the land goes up. Worse still, if you are a young farmer who hopes someday to own land, then your prospects of getting the money to do that, and being able to pay the price, of course, diminishes year by year. And that has been occurring in America. As a result, there are young farmers who are in farm families who are hopeful that with the reduction or, hopefully, the repeal of Federal estate taxes, that they might inherit the land. Others who are not in such situations are likely to be out of luck. So as a result, it is predictable that the average age of farmers in this country will continue to increase, as it has been increasing in recent decades. That contributes, in part, to the consolidation in farm ownership.

In spite of all of the rhetoric and all of the attempts to talk about perpetuating the small family farm, or the medium or even the large farms, the facts are, that consolidation is increasing, and this bill will increase it by leaps and bounds.

Some have pointed out—I heard this in the conference committee—we are not discussing a welfare bill, we are not talking about everybody's plight. We are talking about agricultural policy principally for those who have some power and authority in America now and who have expressed that through farm organizations and commodity groups. Their voices have been heard, and their views are reflected in this conference report.

Word of all of this has gone abroad. Our world trading partners are already outraged. Some members of the conference have already dismissed this and said, essentially, that is simply too bad, what we are talking about are American farmers, not European farmers or South American farmers or Australian or New Zealand farmers. We are talking about Americans who need this money and need it in a hurry. They have simply indicated that already we are discriminated against by countries abroad and blocked at almost every turn as we try to export more; and, therefore, if the rest of the world is outraged, so be it.

I understand that feeling and the frustration that each one of us has in seeing the lack of success that our trade negotiators have had in recent years in this administration and the last. That frustration is very great. But it does not hide the fact we have to be successful in exporting much more agricultural produce into this world, or the surpluses that we build in this farm bill will come up around our necks with much greater tragedy not only for farm families but, I believe, for the American people as the cost of this bill continues to rise and prices continue to fall.

Perhaps worse still, I believe a pattern has been perpetuated in the consideration of this farm bill that is very serious for this body and for the American people to consider. Essentially, this bill is largely an attempt to respond politically to deeply felt economic issues in specific States and districts. It is an attempt, in a very closely divided Congress, to try to think through individual situations of Senators and Members of the House, with the thought that party control of either body may be a much more important objective than careful economic analysis or maybe even careful stewardship of the funds for which we are responsible.

Therefore, my prediction would be that this farm bill does not bring stability, certainty, or finality. The criticism has been that the last farm bill was overtaken by events and, thus, we came to the floor for the last 4 years with supplemental farm legislation, meaning more money, supplemental funds to augment whatever was in the bill. This was followed—usually in the appropriations cycle—by our colleagues in the agriculture subcommittee noting disasters around our lands: sometimes weather disasters, sometimes disasters of whatever may have come along the pike. So at least we have become accustomed to two additional rounds of farm spending annually. It may be that I have misread the situation. If so, the history of the next few years will indicate that. But I would predict, given the highly politically competitive, sensitive aspects of this bill, and the fact that the bill is likely, in my judgment, to lead to overwhelming surpluses, continually lower prices, and expressions of agony by farmers who say, "What are you going to do to raise prices?"—that despite the thought that there is certainty involved in this, the most certain fact is that we are likely to return with proposals to spend more money on farm programs, and principally programs in the commodity areas, which are deserving of 70 percent of the attention or more in this farm bill.

Meanwhile, the bottom line is that a large transfer payment of money in this country will occur if this farm bill reaches conclusion, is passed, and signed. The money that Americans hold, on which they are taxed, the money going through the taxation process, goes from a prohibitive majority in this country to very few persons in this country.

That is important to note because if, this transfer from the many to the few produced stronger farm prices and prospects for greater trade success, perhaps one could argue that this approach is justified. What I am arguing is precisely the opposite.

This large transfer of money from ordinary taxpayers to a very few taxpayers is going to result in lower prices, overwhelming surpluses, and aggravated trade circumstances that are not going to be healthy for American agriculture, that will attract fewer young people coming into farming, and mean higher rents for those who do not own land. The value of land based upon annual, sometimes biennial appropriations by the Congress that has poured more and more money into farming situations that have the greatest loans, that have the greatest output of production. At some point there may come a year in which the public understands the farm bill situation and says: Enough. And at that point, land values will come down, as they have again and again in the history of American agriculture.

My experience on the committee spans about 25½ years. I can recall the excitement in my home State of Indiana and throughout the country as land values rose in the 1970s, in some cases doubling and tripling. I can remember likewise the terrible jolt brought by the very high interest rates in the latter part of the 1970s and early 1980s as well as other factors that led to a decline in those very same land values by 50 and 60 percent on average and worse in some cases. Now we have noted steady accumulation of values over the course of time.

I have had the good fortune, at least with regard to my own land, of farming throughout that period and watching the prices of land go up and go down and go up again and so forth, without being hurt in the process. Most other people in agriculture have not been so fortunate.

I would simply say that we are headed for economic disaster if—for the farm bill that we are about to pass in the commodity area—high land values are based upon the political competition—as has happened in this farm bill.

Let me review quickly some arguments that buttress this general outline. First of all, we got into the farm bill debate this year with a very unusual budgetary estimate. By that I mean, in a bipartisan way, Senators and members of the administration were deeply excited over the fact that our country was beginning to run surpluses; that is, we were spending less money than we were taking in. We seemed to have stronger economic growth, much higher productivity in the entire economy.

As a result, I remember the President's State of the Union Address in which he discussed the broad objectives that might be met; namely, a strong safety net under Social Security, allaying the anxieties of middle-age and young people; even more complex, that Medicare not only might be shored up but prescription drugs for the elderly might come to pass.

There were a whole raft of other reforms that are terribly important to a population of this country that grows older, that has more people in the 60s, 70s, 80s, 90s, and that is likely to be our situation because of medical miracles and better health care. These are very expensive situations involving hundreds of billions of dollars. But nevertheless, those were days in which it appeared that those objectives were on the horizon and might be met.

We are not debating those issues in this session of the Senate, important as they are to the American people. Again and again, we are reminded, whether it is by the pollsters or by advisers and so forth, that these are the issues the American people want to talk about. We can't talk about them because we are running a deficit. That deficit continues to grow.

That was apparent in the early fall when the House of Representatives passed the farm bill. One of the reasons suggested for such early passage of that farm bill, a full year before the current farm bill runs out, was that some Members said: "Listen up, in the event you do not pass a farm bill quickly, the $73.5 billion allocated by the Budget Committee back in the spring of 2001 is likely to be revised, downgraded to a much smaller number." In essence, there will be much less money to spend on a farm bill. So, therefore, get on with it. Pass it, and pass it quickly to pin down that money.

We heard the same argument on the floor of the Senate during the latter part of the fall. Something had changed in the interval that was very fundamental for our country; namely, we were at war. We were having simultaneously debates, as the Chair will recall, on upgrading the defense budget, on a loan situation to shore up the airlines so we would not lose that service, the first outlines of a huge new category, homeland defense. All of that was occurring as economists pointed out month by month, we think we may be in a recession.

By the time we finished at least last year's session and had our last debate on the farm bill in December, economists said: We are in a recession. We are experiencing recession, in addition to war.

I noted at the time we debated the farm bill, whether it was in the House or in the Senate, an almost Alice-in-Wonderland world prevailed in Congress, as if somehow the war, the recession, the problems of Medicare and Social Security were for some other group to talk about but not this Congress. We were intent upon talking about additional subsidies for farmers. We already had, as people point out, the so-called baseline of about $100 billion for agricultural spending over 10 years. We developed a habit of having additional debates and adding to that baseline—now at $73.5 billion over 10 years.

That situation has continued. As a matter of fact, the recession and the Government's deficit have become reality. And the assumptions that were made in the farm bill debates of last fall have all led to much higher scoring, which means the Congressional Budget Office finds that things we thought would cost X number of dollars inevitably cost a whole lot more.

Prices deteriorated further during the debates, and that led to urgency on the part of some who have said: "Don't stand there, do something about it—shore up those prices, give greater certainty to farmers."

Madam President, the deficit is not going to go away. As we now observe on the Senate floor, we have yet to discuss a budget for this year, and some suggest we may not. This means that the appropriations committees will move ahead without at least the mild restraint that a budget resolution might give to our work. In fact, we know that in the supplemental appropriations bill that is coming up for defense expenditures of an emergency nature, we are going to spend a lot more money. We know that because of the discussion all over the country in the 50 States about the requirements for homeland defense.

Now, at some point, some Senator will arise—certainly not in a farm bill debate, but in another debate, and point out: "Whatever happened to the Social Security lockbox? How secure is Medicare? What are we going to do about prescription drugs for the elderly?"

What indeed. We are about to spend those moneys—or simply run up a deficit that is huge. That is the message of this conference report to the American people. Whatever may be the desire for some certainty that a farmer can get almost $2 a bushel for corn, the certainty for all other Americans is that we are going to have a larger deficit; that the prospects for solving Social Security and Medicare are set back; that we as trustees for the American people either do not understand that farm bills cannot be discussed in a vacuum, divorced from the rest of the world, or that we are so deliberate about our intent to spend this money, come hell or high water, that we plunge ahead.

I mentioned some specifics, and I will not get into the program details that the distinguished chairman pointed out. Let me tell from my own anecdotal experience as a farm owner—one who participates in the management of my farm through the farm plan, through the bookkeeping, the legal work, and the other things that need to be done for a family farm situation. I am aware that, at least in Indiana, if I produced corn in the last few years, I could get $1.89 a bushel for every bushel under the so-called loan deficiency payment. That meant simply if the market price was $1.75, at some point I was going to get the other 14 cents through the loan program. Now, most farmers would testify that $1.89 is a pretty low price. In fact, some have come into the Agriculture Committee and said our average cost per bushel is closer to $2.50 a bushel. But others have mentioned that, in fact, the marginal cost—that is, the next bushel if they were to add it to their farm operation—frequently costs less than $1.89. That is true of many of the largest, most efficient farms in the country that have the equipment and the capital to do that kind of a job. I am suggesting that even at the current $1.89 loan rate, inadvertently—because most of us felt that, at $1.89, this would be a floor—we have set up an incentive. Farmers were beginning to produce more and more corn because, at $1.89, they were guaranteed a price and they went for it. I can understand that and so can you.

In this current bill, however, we have said that this is not enough. First of all, we will set the loan rate up higher, at $1.98 for the first two years, and $1.95 for the remaining 4 years.

Madam President, for each farmer—myself included—attempting to calculate the best interest of whether to use past history with regard to acres planted, with regard to yields and the percentage of those who were allowed into this bill, to apply the target price, this is not an easy task. Once you make the decision, you are stuck with it.

My judgment is that a great number of farmers are going to believe they made an error, and that they are going to want relief. Every FSA office, and other groups in the country that help farmers, are going to spend a great deal of money trying to figure out what the situation is for these individual farmers long before payments can be made.

I do not fault the authors of the bill. In order to keep scaling down the costs, they had to keep making it more and more complex—almost to the point that Senators sitting around the conference table found it very difficult to calculate and to understand precisely what we were doing—quite apart from members who must vote on this conference report, and apart from farmers throughout America who must somehow figure out what it all means.

But what most farmers will think it means is that out there somewhere is $2 loan rate for a bushel of corn. That is quite an incentive. That is well beyond $1.89. As a matter of fact, it was interesting; last Thursday, in commodity trading in America, the futures prices of almost all farm commodities went down, largely under the assumption—which I think is correct—that if this bill passes, the prices of everything are going to go down, and stay down. Nevertheless, there was some glimmer of hope. If you were a cotton farmer taking a look at this bill on the date the bill passed the House, for early contracts on cotton, it was about 33 cents a pound. Well, the target price for cotton in this bill is 72.4 cents a pound. That is double the current market price.

How could this be? How could we have something that is so divorced from reality in terms of supply and demand in this country and in this world? Well, we can have it because there were sufficient votes on the conference committee, and in the House, to put 72.4 there as a target price and, further, on top of that, to offer subsidies to some industries that are attached to cotton.

One can say that things have not been going well for cotton farmers and for the communities and the infrastructure that support them. I understand that. One can say the same for rice farmers, wheat farmers, corn farmers, and soybean farmers. In fact, such things have been said about all five of them. But that is where the money is, that is where the trail went from the beginning.

I can remember in the Agriculture Committee, the chairman was trying to patiently conduct the markup dealing with areas in which both he and I believed we were on the threshold of doing some very important things. Some of this, in fact, was accomplished, and still is preserved. The chairman wanted to discuss conservation. He has been discussing that for some time. I share his enthusiasm. He wanted to discuss energy and young farmer loans and community development. Before long, there got to be a rumbling around the committee table and people said: When do we get to the money? Where is the money?

Well, they were not talking about money for conservation, although the chairman pointed out some might come to farmers who did the right thing on their land; and, likewise, there might be real help for most of rural America who will not be involved in farm payments. A majority of our members, were intent upon targeting the money on commodity payments and subsidies.

Then the question was, How much does that cost? And, therefore, as some suggested, we were spending too much money and time on conservation, on nutrition for the poor, on problems of young farmers.

The House of Representatives did not have those problems. They fairly rapidly put the money in commodity supports, and filled in as afterthoughts, in my judgment, funding for other issues such as conservation, etc. I congratulate specifically Congressman DOOLEY, a Democrat on the conference committee, who held firm to a research initiative that I think is vital and that the chairman of our committee, Senator HARKIN, agrees is important.

There were a few valiant spirits. On a bipartisan basis, however, clearly those thinking about the other aspects of the farm bill were in a distinct minority. This bill was guided by how do we fill in the commodities and not do so in a way in which we keep exceeding the $73.5 billion which I kept pointing out simply was not there. The refutation to that was by the distinguished chairman of the Budget Committee, one of the conferees, Senator CONRAD, who said, "It was there; it was in the budget a year ago." I said all the assumptions are gone, life has changed—war, recession, homeland defense. To which the stalwarts said: "It is still there, every penny of it."

How they dismiss the new estimate, this $9.5 billion overage, I do not know. I simply say they will have to keep explaining this as the cost of their bill increases year after year, as lower prices, inevitable given these new loan rates target prices, just arithmetically cause it to expand.

Therefore, I come back to the initial thought I had of the Senate as stewards of our security, of our moneys, of the rights and privileges of all Americans, not specific ones that we happen to be discussing on one day or another.

It is a coincidence that on this very day the distinguished chairman of the Permanent Subcommittee on Investigations, Senator LEVIN of Michigan, is conducting a hearing in which a number of the witnesses are directors of Enron. Enron came up during all of this and so did a whole spate of articles that continue on corporate governance. Business Week has a headline across the front of it: Is Wall Street corrupt?

The question is raised: Are our boards of directors of our major firms to be trusted, quite apart from the chief executives, who supposedly the boards supervise or oversee, quite apart from all the practices of the firms, whether it be accounting practices, which are dubious, the information that goes out to ordinary investors in the country about which many now have severe doubts? We have been having a shakeup in this country of thoughtfulness, of about telling the truth, about what is involved in governance.

We have that responsibility here. Senators can take the position that because this new farm bill is so complex, there is no conceivable way I can understand it; therefore, I will rely upon the Agriculture Committee, or at least a few people in the Senate who generally seem to have good judgment on these issues, sort of wise men. Many Senators take that position with regard to other types of legislation from time to time.

That is not going to be good enough for those who are testifying before Senator LEVIN on Enron. The questioners will say: Why didn't you know about strange practices in which assets left the balance sheet, in which strange loans were made, options were issued, and extraordinary payments?

The front page of the papers today suggest Enron, in fact, may have manipulated the power situation in California, the allegation of persons for some time. Maybe so, maybe not.

This is serious business. I am simply charging that each one of us who is going to vote on this conference report needs to at least take responsibility. We go into this with eyes wide open. Many people have pointed out, and I have given a number of speeches at every stage along the way, that the money was not there. It was not there for a long time, even though a fiction exists that $73.5 billion over 10 years was there at one time. Nor is it $82.8 billion over 10 years, $9.5 billion more. It simply was never there.

Second, even if we knew it was not there, we could still have said: This has the same urgency as the war, as homeland defense, as prescription drugs for the elderly. It is so urgent and the ability we have to transform 2 million farmers and farm families and the infrastructure that supports them in America, is that imperative, if we are going to do it anyway with eyes wide open?

In fact, it has been clear that the bulk of the money goes to a very few farmers—a very few. That has been clear throughout. This is not a great humanitarian effort. Granted, the Senate finally got $6.4 billion in the nutrition section. We started out in the Senate, in fact, with well over $10 billion.

This is a bill that is targeted for farms in America that are large. I hope we all understand that because it is not obscure. One of the things that occurred during this debate was that a group called the Environmental Working Group—and universally despised by many people in the agricultural community—got through the Freedom of Information Act information about the subsidies paid to farmers all over the country during the years 1996 to 2000; they published this on a Web site—ewg.org. You can find out what your neighbor received. I found out in Marion County, IN, that our farm got the 22nd largest amount of payments. There are not many farms in Marion County because it is a farm inside the city. The fact is, we now know exactly who got what. This is not obscure.

The Senate responded by saying "no farmer ought to get more than $275,000 in any 1 year—not in 10 years, but in 1 year." We passed that, but it went the way of all good things in this conference report.

I pointed out during the debate on the floor, that in my State of Indiana, only six farmers could possibly have exceeded the $275,000 out of 50,000 who are receiving payments. Yet the debate on payment limits reached such a volatile situation that people claimed the South would be abnormally hit, that a good number of apparently medium-size or even large farms would be decimated in the process, this even at the time that the target price for cotton was being raised 72 cents plus with a market price of 33.

I hope as Senators we go into this with eyes wide open. We clearly must understand our responsibility. Whether we understand all the complexities of the program, we know where the money went. We know in this bill where the money will go. We even know it is money we do not have, and if we thought we had it, it has to have a priority with regard to Medicare, Social Security, homeland defense, defense of our country, and some other areas that are very vital in a year in which we have a recession and declining tax revenues.

Therefore, Madam President, I respond to my distinguished colleague who says: What if this conference report fails? My own judgment is it should. I will vote against it. I would advocate every Senator who sees his or her responsibility, vote against it.

We have a farm bill on the books now—sometimes it is dismissed—based on a $100 billion baseline. The distinguished Senators have pointed out we could have a debate, if Senators desire, for supplemental payments that we have had for a while at much less expense than what we are about to enact, with all the rigid formulas that deliberately stomp down prices and will stomp them down for the duration of the entire bill.

I hope we understand that. It is a basic principle of supply and demand. This farm bill provides huge incentives to produce more. Regarding exports, we can see the outrage of our exporting partners. Some Senators have given the impression that: "We could not care less about them." This conference report is a recipe for a great deal of hurt and sadness in the wake of the huge transfer payment from the majority of Americans to a very few producers.

Finally, in committee deliberations—whether Chairman HARKIN was presiding or whether I did in the previous 6½ years—we had some very important discussions about agricultural income and the future of agriculture in this country. That means a great deal to me, to the chairman, and to the members of our committee. Not a single member around the table is not committed to trying to think through how we make the process better. Agriculture is a tough business. I have stated on this floor, that in the last 45 years of my stewardship of Lugar farms, we have had about a 4-percent return on invested capital. Many farmers have said: That sounds too high. In almost any other business meeting, people ask: Why have you stayed at it for 45 years? You could have gotten 6 percent on government bonds or 30 year treasuries without the problems of weather, risk of exports, and so forth.

We stay at it because we believe in farming, we believe in the soil, we believe in the life, in the tradition of our families. But we are going to have to improve our ability to make money. That comes down to research, development of good practices, proper conservation, a number of fundamental issues that are tough properly address, but are essential.

Unhappily, in this farm bill our farm associations and commodity groups have chosen an easy way out. They have said: Let's not worry about the market—which is always spiraling down. Just pay an arbitrarily high price for cotton, rice, corn, wheat, or soybeans. The American people will fill in the gap.

As I have illustrated, the gap will not be filled in that easily without the loss during the course of this bill of tens of thousands of farms, of the folks who will never get into the game, of those who will pay more, and of a distortion upward of land values.

I ask for Senators to give thoughtful consideration to these arguments and to a vote to reject the conference report.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Madam President, I yield 20 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Madam President, I thank the chair of the committee.

I thank my colleague and very good friend, Senator HARKIN, for his work on this bill. I thank Senator LUGAR for his work, especially in the area dealing with nutrition, and for his thoughtful comments.

I will start out with just a practical Minnesota point of view and then review broader questions.

This coming year, Minnesota farmers will see $1.16 billion in assistance from this legislation—an increase of approximately $395 million over the 1996 farm bill. Over the next 6 years, my State will see about $5.7 billion from this farm bill. Or about a $2 billion increase above the 1996 farm bill for the State of Minnesota.

Now, if I had my way—and I don't think my colleague would disagree with me—I would love to have higher loan rates and rely less on direct payments so that farmers would have more leverage to get a better price through the marketplace.

However, the 1996 farm bill or the "Freedom to Fail" bill was one of the worst things that ever happened to Rural America. I went home the day it was passed, and I said to my wife Sheila: This is the worst thing that has happened in the Senate. This year, without a new farm bill, the Freedom to Farm bill would give us a 20-percent drop in farm income. All that has kept farmers going is all the AMTA payments and the Government subsidy.

If Members are worried about payment limitation, which I am and which my colleague said we will come back to again, this fight is not over. A lot of these direct payments to the largest producers have been the epitome of subsidy in inverse relationship to need.

However I don't make apologies as a Senator from Minnesota for supporting this bill. I would have liked to have had the ban on packer ownership. I tried to pass that amendment in committee. We lost. Then I joined Senators JOHNSON, GRASSLEY, and HARKIN to offer a ban on packer ownership on the Senate floor. We won. Then it was knocked out in conference. Unfortunately the House conferees refused to support it. However, we will come back to it again.

In the Senate, we passed a bipartisan payment limitation amendment. The Senate bill established a reasonable limitation on payments to the very largest farming operation, that would have affected fewer than 100 farms in my State of Minnesota. My colleague from Indiana has spoken to that. It was the right thing to do, and I continue to strongly support those payment limitations. I regret what came out of conference, but again we were blocked by the House conferees. But as Senator HARKIN said, are we going to let a conference committee stop a whole farm bill and continue with "freedom to fail"? There is too much economic pain in the countryside.

I didn't like what happened with the Environmental Quality Incentives Program. I passed an amendment in the Senate that limited payments to $30,000. The amendment, which Senators HARKIN and LUGAR supported, also said: Do not let the Smithfields of this world own six, seven, eight confined animal feeding operations and get a big subsidy for every one of them. I would preferred that EQIP, an important environmental program, be targeted to our family farmers. There are certainly some missed opportunities. But, on the positive side, my colleague from Iowa already talked about the dairy front. This is hugely important for my State of Minnesota. This is the first really good, positive thing I have seen happen in dairy for over a decade.

In addition, while I will continue to fight for higher loan rates, in the House bill, the Secretary of Agriculture had the discretion to lower loan rates. This administration, the President in his budget proposal, went on record in support of lower loan rates. So at least the loan rates go up for the first time in a couple of decades and the effective safety net or target price is much higher. I am hoping and praying our producers can cash-flow so they will have a future. I think this legislation will give them that opportunity.

Again, for this coming year, to talk about $394 million of addition assistance to Minnesota agriculture, I make no apologies for that as a Senator from Minnesota. Over the next 6 years, an average of $330 million more of it is targeted to Minnesota family farmers so they can continue to farm. You better believe I support that.

An increase of net farm income averaging $4.5 billion a year for the Nation—you better believe I support that. It is a darned sight better than "freedom to fail."

When I hear some of my colleagues say actually supporting family farmers is in competition with the Social Security trust fund or making sure we support Medicare, I just have to smile and say: Wait a minute. Where were you when you voted for these Robin-Hood-in-reverse tax cuts which bleed the economy of trillions of dollars? Where were you?

Don't be pitting family farmers in Minnesota against Medicare or against Social Security. We are not going to let you get away with that, not in this debate and not ever.

On the plus side, above and beyond arguments made already, I would like to thank the chairman, Senator HARKIN, and I am proud to be part of this effort as well. I would also like to thank the other Senate conferees—Senators DASCHLE, CONRAD, and LEAHY.

Senator HARKIN's success on this bill is irrefutable. Senator HARKIN from Iowa, with the Conservation Security Program, he led the way. The Conservation Security Program will provide assistance to producers who adopt conservation practices on working lands. I love the Conservation Reserve Program, which we were able to increase with this bill. I love the Wetlands Reserve Program, which we were also able to increase. I love working with Ducks Unlimited, Pheasants Forever, and other great conservation groups. Now, with the Conservation Security Program we will be focusing on land in production with economic incentives for farmers to utilize wise conservation practices. This is win-win-win.

I have loved seeing Senator HARKIN, the environmental community, and the agricultural community working together. This is really a sea change for the better. It is a huge change for the better and the Senator from Iowa deserves all the credit in the world for this.

Above and beyond that we have Country of Origin Labeling, that was an amendment I did in committee. I am proud to pass that amendment. I thank the conferees for keeping it in.

I know these big conglomerates don't like it because it gives our independent producers a leg up, because these big conglomerates are shipping out and shipping in and not relying on our independent producers here in this country. In addition consumers have a right to know what they are eating and where it is from. It is hugely important. Frankly—I can say it now because the conference report is over—I am amazed it is in the conference report, but I thank the Chairman for his help.

Then for the first time ever we have an energy title. People are excited in Greater Minnesota, in rural America, about this energy section, because rural America has part of the answer. We talked about ethanol and biodiesel, but there is another part of this—it's wind, solar, and biomass. In Minnesota it is a no-brainer. We are a cold weather State at the other end of the pipeline. We import barrels of oil. We export $11 billion a year, but we are rich in wind and biomass to electricity; we are rich in saved energy, we are rich in clean technology, small business. This is a marriage ready to be made in heaven. This bill moves us down that path—a clean energy path.

It is respectful of the environment, keeps capital in the community, it is small business intensive, jobs intensive, keeps capital in our States—this is great.

The economic development piece is hugely important. I heard my colleague, the Senator from Iowa, talking about telecommunications, that we don't want to be left out. I am so pleased my Rural Telework Initiative has been included. Again, it is my work and I am bragging about it, but setting up a telework institute is a major victory for rural communities. Information technology companies, have said: Listen, we know the work ethic of people in rural America. We want to make sure, if the Federal Government is willing to provide the grants and willing to get this going—then we have a real opportunity for people to be able, out of their homes, out of a satellite office, to work for companies halfway across the world much less halfway across our own country.

People do not have to leave our rural communities. Our young people do not have to leave. I meet so many young people in Greater Minnesota, in our rural communities. Basically they are following the advice to get ahead, get a good education, which means get out of here. That is the death knell for our communities.

One thing they are asking about is whether or not they could stay in the community. Are they going to be able to? If they farm, are they going to get a decent price, job opportunities, a small business going? Will there be good education and health care and environment?

And on the job opportunities—I love this—the Rural Telework Initiative means people in our rural communities can work for companies halfway across the world. Let's make sure this happens. We don't want rural America left behind with this information technology economy. We can be a part of it. I think there is huge bipartisan support for this.

Of course I am bragging, but I want my State of Minnesota to be the leader. I think we can.

My final point: We are going to be back on this fight on packer ownership. We are going to be back on this fight on payment limitations. I talked to the chairman and he said we are going to do additional investigative work, we are going to do additional public hearings. In addition, one of the things I can't wait to do, and albeit it is easier said than done, I want to write an antitrust bill looking at the food industry.

In summary, this conference report is not perfect, but I do not want to keep going on with this "freedom to fail" bill. I want to see a change. This bill represents that change.

I agree with some of the critiquing from some of my colleagues, but all in all, this is a step forward for agriculture in Minnesota. It is a big step forward for the farm structure in Minnesota. It is a big step forward for the environment. It is a big step forward for a better energy policy. It is a big step forward for economic development. It is a big step forward for people who live in Greater Minnesota and live in our rural communities.

I am willing to come out here and debate and fight for this bill and support this bill. And finally would like to ask for a commitment from Senator HARKIN that we are not done with this battle on the reform battle on payment limitations, and on the ban on packer ownership. Let's go after some of these conglomerates. It's the right thing to do.

I yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). Who yields time?

Mr. HARKIN. I yield myself the time I consume.

First, I thank my colleague and friend from Minnesota for all of his work on this farm bill and for being such a valuable member of our committee. It was the Senator from Minnesota, Mr. WELLSTONE, who first offered the country of origin labeling in committee and won it in committee and we kept it on the floor. Consumers need to thank Senator WELLSTONE for making sure they will have the right to know where their meat and fish, fruits and vegetables come from. And for the record, another great champion of country of origin labeling, and he has been for years, is Senator JOHNSON. These two have fought tirelessly to bring this measure into law.

We were able to keep it in there. I think the Senator is right, this is going to be a very important provision for our producers in this country—and for our consumers. So I thank him for that.

I thank the Senator also for all his strong work on conservation and on rural development.

Again, I say without any fear of contradiction that the people in Minnesota—people in rural America, but I say Minnesota because that is the State the Senator represents—and the people who live in small towns and communities all over rural America have no better fighter for their interests and no better friend they can count on consistently than Senator WELLSTONE of Minnesota.

When it comes to the things we have in this bill that invest in rural economic development, rural equity funds, broadband access, taking care of the backlog on sewer and water grants, and providing for value-added grants for small towns and communities—all of these bear the imprint of the Senator from Minnesota, Mr. WELLSTONE.

I thank him so much for that on behalf of all who are interested in the environment and in conservation.

I say to the Senator before he leaves the Chamber that he has this Senator's ironclad commitment. As long as I am privileged to chair this committee, we are not going to give up on the fight to ban packer ownership of livestock prior to 14 days before slaughter. We are going to get to that.

We are also going to continue to fight on better payment limitations in the future.

Again, the farm bill is before us. It represents a very balanced compromise. Again, we need to get this to the President as soon as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, Senator GRASSLEY has been waiting for an hour and a half to speak but knew there wouldn't be time for his comments before the 12:30 recess. So I ask unanimous consent that following the recess he be allowed to be the first speaker.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ENZI. Thank you, Madam President.

I would like to yield myself such time as I might have for comments.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ENZI. Mr. President, I rise to speak in opposition to the farm bill conference report. The opportunity to write a farm bill comes along rarely in a Senator's career on Capitol Hill. It is an opportunity to survey the road and set the course for agriculture and rural America, in this case, for the next 6 years. And in the next 6 years, we will stick to that course and walk that road. In studying the conference report we have before us today, I fear that we have engineered agriculture's road through the swamp. Once in the mud, it is going to take more than a new farm bill in 6 years to unstick our wheels, pull us out and reverse the damage to America's food and fiber policy.

We have a bill before us that ramps up the subsidies farmers are receiving to extraordinary amounts. Now, there is nothing wrong with helping our farmers and guaranteeing a safe and sufficient food supply. However, we should fairly and equitably assist all of agriculture. The House Agriculture Committee says that this bill will cost $45.1 billion of additional spending in the next 6 years. Of that amount, $31.2 billion is going to commodities. The largest portion is for our traditional crops: wheat, corn, cotton and rice. Now in Wyoming, agriculture means more than just farming. Producers are farmers, but they are also ranchers. And the ranchers in Wyoming don't see much benefit to this bill.

Seventy percent of the new spending is going to commodities. The rest of the money is being split between other things the farm bill funds like nutrition programs, research and conservation, all important things. I am pleased with the increase in Environmental Quality Incentives Program—EQIP—funds. However, even these are cost share funds and not the direct payments that so many farmers will receive.

Ranchers like their independence from government handouts and they usually wouldn't mind being overlooked in the farm bill, but they have a need this year. That need was ignored.

There was a proposition that would have given $7,000 to a rancher to feed the best of his breeders from the herd throughout the drought. Talk about extreme cases, we put them at zero. Yes, my State is entering the third year of a drought. Yes, in response to the disaster in my State and other States, I, along with a majority of this body, added an amendment to the farm bill that would have provided $500 million to livestock producers for feed shortages.

That amendment passed 69–30. Compared to the billions spent on commodities, this was a small package of assistance for an industry known for refusing Federal assistance. In this farm bill, commodities are the focus of 70 percent of the additional funding. The amount that I wanted to devote to livestock producers is a mere 1 percent of the additional spending. One percent! And the assistance was refused in this final conference report.

The conference refused ranchers assistance the same month they are being prevented from moving to their drought-stricken Federal grazing allotments. Since they can't feed their livestock, they must consider selling their herds in a cattle market that is no longer rational and with tax benefits that have run out. The safety net and benefits of the farm bill are not being shared with the ranchers.

The producers in my State do have a reason to be thankful. Country of origin labeling is a part of the bill. This is a victory that I have been working toward since I entered this body. It is my fervent hope that the forces that rose unsuccessfully to defeat this program in the farm bill do not undermine the provision in the rulemaking process during the initial, 2-year voluntary period.

Also, the conference report does not contain the language that would have appropriated my State's water rights. We fought against this harmful provision that in my State would have allowed the Federal Government to usurp State water rights through implementation of the Endangered Species Act and done it at bargain basement prices.

For ranchers, this bill should be labeled, "Do no harm, do no good" because another provision vital to ranchers in my State was pulled from the final report. The ban on packer ownership of livestock more than 14 days before slaughter was removed. This tells my producers that the U.S. Senate is unconcerned about the impacts of market manipulation on their family ranches. Not only are we unwilling to provide them financial assistance when they need it in the third year of the worst drought, we won't give them the opportunity to extract their own livelihood from an open and fair market. They are trapped on every side. We had an opportunity to assist all of agriculture with this farm bill, but we did not take it.

I have been discussing the repercussions of this bill on my State. There also are repercussions to our national budget. I previously said that this bill is being quoted as costing $45.1 billion in additional spending in the next 6 years. Based on the April 2001 budget resolution baseline, the Congressional Budget Office estimates that this bill would increase direct spending by $73.5 billion in budget authority through 2011. This spending under the fanciest of accounting definitely affects the budget parameters.

However, this is 2002 and crop prices are lower this year. A CBO estimate using an April 2002 baseline would add several billion dollars over $73.5 billion in the next 10 years, but the latest numbers are not being taken seriously. When my staff contacted the Senate Agriculture Committee to ask about the April 2002 CBO cost estimate, they were told that it did not matter. In fact, the committee staff said an estimate based on the April 2002 baseline was an "academic exercise." This is real money. This is not an academic exercise. We cannot use accounting to ignore the exorbitant cost of this legislation.

For example, I have been discussing the farm bill's additional spending. It hasn't been heard often, but this additional spending is being added to a huge base of current spending on agriculture. When we add the $73.5 billion of additional spending, this bill will cost us over $180 billion throughout the next 10 years. Now that is a number that is flung around these halls flippantly, but $180 billion in Wyoming is a big deal. I think it is probably a big deal all over the country. It is a big deal to our trading partners, too.

Madam President, $45.1 billion, $73.5 billion, $180 billion, that is more than a rounding error, that is a gross misstatement of the facts. Everyone is entitled to their own opinion, but they are not entitled to their own facts.

There are repercussions to this bill that move beyond our borders to other countries and our trading partners. We have a WTO responsibility to our trading partners to keep our agricultural subsidies below $19.1 billion. Did any of those numbers I used before sound anywhere near $19.1 billion? I don't think so. In the past years, we have stayed far below that level, but this bill threatens to send us over the top. It will be very difficult to convince our trading partners to lower their own subsidy levels—and they are starting to talk about that—and increase our access into their markets if we so boldly ramp up our own subsidy levels. They are watching.

The Australian Agriculture Minister, Warren Truss, said our farm bill "sends an appalling signal to agricultural trade negotiators seeking a freer and fairer international trading regime."

Canada's Agriculture Minister, Lyle Vanclief, said: "The farm bill is a serious blow to the U.S.'s credibility in the current round of World Trade Organization negotiations."

Do not fool yourself, they are watching us this moment to see if we are really interested in fair trade. What signals are we going to send them?

I know what signal we will send if we accept this conference report. We are signaling that the United States really isn't interested in increasing our agricultural exports to other countries. Realizing this, I look down the road we have surveyed for agriculture. We are significantly expanding our commodity subsidies, the great incentive for overproduction. We already know we cannot possibly consume what is produced in this country. With this subsidy increase, we are systematically closing the doors on increased exports. With no outlet for their production, we are condemning our farmers to a downward spiral of prices. And countercyclical payments will not stop that spiral. In fact, they intensify the spiral.

So we have a conference report before us that will eventually harm the farmers it is trying to help and that ignores the plight of the other half of agriculture, the livestock producers. And it does it with phony and illusive numbers that will appall everyone else.

For these reasons, I am voting against this conference report. I urge my fellow Senators to seriously consider whether this is the road they will condemn their farmers and ranchers to for the next 6 years. I urge my colleagues to vote against this bill.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mrs. FEINSTEIN. Madam President, I ask unanimous consent that I be recognized to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

(The remarks of Mrs. FEINSTEIN are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent to proceed beyond the hour of 12:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I compliment the distinguished chairman of the Senate Agriculture Committee for the farm bill before us.

As one of seven Senate conferees on the farm bill, I want to make a few initial remarks today about this major effort.

First, I urge my colleagues to vote for this conference report. This farm bill helps farmers by providing a safety net; it helps consumers by keeping our food costs low; it expands our nutritional safety net to those most in need; it will mean cleaner waterways, better soils, protected open space, and the preservation of family farms; it will make our drinking water safer, improve the environment, and will give rural America a strong economic boost.

I thank Chairman HARKIN who worked day and night on this effort.

As I know from being chairman of the committee during the 1990 farm bill, it is no easy task to balance the needs of various regions, various commodities and various other priorities within a fixed budget.

Make no mistake—this bill is great for all regions, it represents a well-balanced effort.

I enjoyed working with the chairman of the conference, LARRY COMBEST. He was fair and patient, and strove to listen to all sides of an issue and to offer helpful ideas as we sought to craft the final product.

His chief of staff, Bill O'Connor, has worked on many agriculture issues with me. He is one of the finest examples of a truly professional hill staffer—smart and tough, and able to get the job done for his chairman. Also, Lance Kotschwar, the chief counsel for Chairman COMBEST, deserves a great deal of credit.

Ranking member CHARLIE STENHOLM, also an expert on farm bill details, was very helpful in trying to work through some of the complex issues. He is well served by his senior agriculture staff, including Vernie Hubert.

I will have more kind words to say about the other body, but I want to make a couple points regarding the Senate. I will have more to say at another time about Ed Barron and his team from my office. Many parts of this bill would not be here without them.

The Democratic conferees in the Senate consisted of three chairmen of major committees, and the majority leader. That is quite a batting lineup. We had the majority leader and the chairmen of the Agriculture, Budget, and Judiciary Committees.

Leader DASCHLE, and his superb staff Bart Chilton, Jonathon Lehman and Bev Paul—did a tremendous job trying to balance everyone's interests.

Chairman CONRAD helped get us the budget to complete a farm bill—and provided the conferees with valuable insights, as did his able staff aide, Tim Galvin.

I will make more extensive remarks later in this debate but I want to focus on a few highlights today.

This farm bill provides—for the first time—strong provisions for all regions of America.

The farm bill provides regional equity—all of America will share in its benefits.

For example, for the first time, ever, we have a farm bill which provides national counter-cyclical support for dairy farmers. I have voted many times for programs which have helped cotton, rice, wheat or soybean farmers.

This farm bill continues to help them—but also creates a national safety net for all family-size dairy farmers—whether they live in Wisconsin, Minnesota, Mississippi, Louisiana, West Virginia, or Vermont.

I am pleased that we were able to forge bipartisan coalitions in the Senate and the House, from many states, and from all regions, in working out this national effort.

Dairy farm families work very hard they get up at 5 in the morning whether it is freezing cold, whether it is a Sunday or a Tuesday, whether they are feeling fine or lousy that day, whether it is a holiday or not.

They need a safety net or America may lose its fresh, local supplies of milk.

America can not afford to take the risks involved in concentrating dairy production in just a couple areas of the country.

Snowstorms, floods, earthquakes, or other emergencies could disrupt transportation or production facilities.

This farm bill is not just about farmers. It is about assisting rural towns and communities, and families in need.

The Food Research and Action Center notes that:

> Given the scope of the hunger and food insecurity problem facing our nation's people, we believe that passage of the Farm Bill Conference Report with its investments in the nutrition safety net must be a very high priority for the . . . Senate.

They are right. This farm bill provides $6.4 billion to help the neediest families. Most Americans do not realize that the food stamp program is America's largest child nutrition program with the great bulk of assistance going to families with children.

In her letter of endorsement, Marian Wright Edelman points out that:

> We also strongly support the improvements for working families in the Food Stamp program. Adjusting the standard deduction for cost-of-living increases and family size will help the value of food stamps keep pace with inflation. Many provisions in the nutrition title will make it easier for working families to apply for or renew benefits, and will streamline requirements on states so they will find it easier to serve working families.

Bob Greenstein, with the Center on Budget and Policy Priorities notes that: "Many of the title's provisions are targeted toward low-income families with children, particularly the working poor."

This farm bill includes President Bush's strong proposal to assist legal immigrants who—throughout history—have come to America in search of a better life, and have made America a stronger nation.

The bill also improves America's first line of defense against hunger—the Emergency Food Assistance Program.

Also, the farm bill saves two great farmers' market programs from the chopping block.

The WIC Farmers' Market Nutrition Program, and the much newer farmers' market program for seniors, has provided tremendous incentives for local communities to create local farmers' markets. Anyone shopping at these hundreds of new farmers' markets knows that these programs are great for local farmers, families on WIC, our seniors, and the local communities.

On a international theme—I am very pleased that the farm bill includes $100 million in guaranteed funding for the McGovern-Dole Global Food for Education Initiative which I authored with Senator HARKIN and others in the Senate.

This initiative taps America's agricultural bounty to become a catalyst for lasting change in many struggling nations.

Former Senators McGovern and Dole supported this vision and pointed out that this initiative would "help our farmers while putting food in the stomachs of desperately hungry and malnourished children."

It has been pilot-tested, and enrollment by children, especially girls, has dramatically increased in the poorest areas of the world.

Clearly, the events of September 11, make this initiative even more important.

The final bill also contains an unprecedented $1 billion in mandatory funds to assist rural areas in improving the rural infrastructure, attracting jobs, and improving high-speed internet access to businesses and homes.

Our farmers and small businesses will get a boost from $240 million included for value-added market development grants.

Modeled after the successful pilot program currently run by USDA, this program will provide grants up to $500,000 to help develop, promote, and market, value-added goods—to help build their wealth and expand their enterprise.

The bill reauthorizes important water programs that are critical to the infrastructure of rural America—over $360 million will be available nationally to reduce the backlog of loan and grant applications for construction or expansion of water and wastewater systems.

Even our firefighters and emergency personnel will receive much needed assistance to help provide for critical training in rural areas. These men and women work tirelessly, often on a volunteer basis, to protect our families and our homes. I am pleased that $50 million has been included to give these forces a boost.

Also within the package of conservation programs lies an historic increase in the Farmland Protection Program—which was first pilot-tested in Vermont under a provision which I wrote for the 1990 Farm Bill.

Previously funded at only $35 million, and hugely oversubscribed by interested farmers, the Farmland Protection Program will now be funded at almost $1 billion over the next 10 years.

Since 1996, the FPP program in Vermont has protected more than 80,000 acres of the State's most precious farmland. It can preserve farmland in many other states under this new farm bill.

I am very pleased that this bill sets forth several new initiatives for organic agriculture.

This coming October, the National Organic Standards Program will be fully implemented and will create tremendous possibilities for organic producers by enhancing national and international market opportunities for organic products.

This farm bill makes strides toward providing the information and resources needed to continue to grow this industry. For the first time, dedicated funding is provided for the organic research and extension initiative, which is also expanded in this bill.

In addition, in this farm bill we provided for new organic production and market data initiatives and we establish an organic certification cost-share program.

As more and more farms transition to organic production methods, there is a substantial environmental benefit. In many cases organic farming also provides sustainability to the profession of farming, and offers rewards to small farms in particular. In Vermont, the growth of the organic industry means that more farmers will be able to make a decent living doing what they love.

The New York, Washington State and Vermont delegations, among others, worked to add $94 million to the bill for direct aid for apple growers who have suffered crop losses in recent years. National apple growers, including several orchards in Vermont, have sustained losses totaling $1.5 billion over the past five years, including an estimated $500 million during the past year.

The farm bill also invests $1.3 billion in research to help keep America's farmers competitive in world markets.

I urge my colleagues to join with me in supporting this farm bill.

The PRESIDING OFFICER. The Chair, speaking only as the Senator from Iowa, thanks the distinguished Senator from Vermont for all his great support and work on this farm bill. It is unprecedented.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, The Senate, at 12:44 p.m., recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. DAYTON).

The PRESIDING OFFICER. The Senator from Indiana.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT—Continued

Mr. LUGAR. Mr. President, in a moment, I will ask that the Chair grant 35 minutes to the distinguished Senator from Iowa. Before that, I ask unanimous consent that the next Republican speaker after Senator GRASSLEY be Senator DOMENICI.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President, the manager of the bill can request whoever he wants, but I note that Senator AKAKA wants to be put in the mix. I know Senator HARKIN spoke for quite some time. I do not know if we want to try to balance out the time. Senator AKAKA also wishes to speak.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Senator AKAKA only wants 5 minutes. After Senator GRASSLEY finishes, would the Senator from Indiana have any problem with Senator AKAKA speaking for 5 or 10 minutes?

Mr. LUGAR. Fine.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Yes.

Mr. CONRAD. Might I get in the chain as well? I know after Senator GRASSLEY——

Mr. REID. He is going to speak for about half an hour.

Mr. CONRAD. It will be Senator AKAKA on our side, and Senator DOMENICI will be next?

Mr. REID. How long will Senator DOMENICI speak?

Mr. DOMENICI. Twenty minutes.

Mr. REID. Can we set it up so Senator CONRAD follows Senator DOMENICI, whenever that might be?

Mr. LUGAR. Mr. President, I amend my request so that Senator GRASSLEY will speak, then Senator AKAKA will be recognized, then Senator DOMENICI will be recognized, and then Senator CONRAD will be recognized.

Mr. REID. I note to my friend from Indiana that Senator AKAKA will not spend his time on the bill, but it will be counted against our time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, today is a very bad day for the family farmer. I am extremely disappointed by the effort that was made by the Senate conferees to maintain the provisions that were added to the Senate version of the farm bill on the floor.

A number of folks have been saying this is a good bill, and I would say those folks are part right, it's a good bill if you are a cotton and rice producer. The problem is we don't grow those commodities in my state of Iowa. I plan to vote with the family farmers from Iowa.

I'll sum it up in four words to explain why this is a bad bill for Iowa and why I'm so adamantly opposed to this conference report: competition, competition, competition, competition.

My first reference to competition pertains to competition for grain farmers. The conferees threw out my amendment on reasonable payment limits. In fact I think what they did will cause more harm than good because the Senate Democrats are calling it legitimate reform. If this is their version of "legitimate reform" they're not talking to and representing the same farmers I'm listening to and representing.

The American people recognize the importance of the family farmer to our nation, and the need to provide an adequate safety net for family farmers. In recent years, however, assistance to farmers has come under increasing scrutiny. Critics of farm payments have argued that the largest corporate farms reap most of the benefits of these payments. The reality is, 60 percent of the payments have gone to only 10 percent of our Nation's farmers.

What is more, the payments that have been designed to benefit small and medium-sized family farmers have contributed to their own demise. Unlimited farm payments have placed upward pressure on land prices and cash rents and have contributed to overproduction and lower commodity prices, driving many family farmers off the farm.

What is really disturbing though it the fact that the conference report failed to address this issue and even worse, the authors are acting like they did.

This conference report fails to address the use of generic commodity certificates which allow farmers to circumvent payment limitations. The supposed "reform" in this bill is worthless due to the lack of generic certificate reform. In recent years, we have heard news reports about large corporate farms receiving millions of dollars in payments through the use of generic certificates. Generic certificates do not benefit family farmers but allow the largest farmers to receive unlimited payments. This bill will not even make the big corporate farmer blink.

The Senate agreed, by an overwhelming vote of 66 to 31, to a bipartisan amendment sponsored by Senator DORGAN and me to target federal assistance to small and medium-sized family farmers. The amendment would have limited direct and counter cyclical payments to $75,000. It would have limited gains from marketing loans and LDPs to $150,000, and generic certificates would have been included in this limit. No subterfuge. The amendment would also establish a combined payment limitation of $275,000 for a husband and wife.

This amendment was critical to family farmers in Iowa. I feel strongly the conference report failed Iowa when it failed to effectively address the issue of payment limitations. This will do nothing to help restore public respectability for federal farm assistance by targeting this assistance to those who need it the most.

The second reference to competition refers to the independent livestock producer being almost completely ignored in this bill. Iowa's independent livestock producers had clearly made the elimination of packer ownership their number one priority. The conferees threw it out.

The president of the Iowa Pork Producers had stated: "It [the packer ban] was our number one issue for the Farm Bill and we are extremely disappointed it didn't survive."

The Iowa Cattlemen released a statement which read:

> The Iowa Cattlemen's Association Executive Board . . . expressed their frustration with a missed opportunity for new legislation regarding a ban on packer ownership in the final version of the Farm Bill. . . . We believe the Farm Bill Conference committee has overlooked and ignored the family farmer and small livestock producer in failing to adopt appropriate packer limitations.

It's clear that is what Iowa's livestock producers wanted and this farm bill doesn't deliver. It's that simple!

Also, in regard to livestock producers, the bipartisan amendment I offered with Senator FEINGOLD which would have eliminated the ability of packers to force livestock producers, into mandatory arbitration was dropped in conference.

We finally had the chance to give farmers an opportunity to choose the best dispute settlement mechanism available for their individual situation. But instead of fixing the problem—and let me remind everyone that this passed by an overwhelming vote on the Senate floor—we've locked independent livestock producers into binding arbitration instead of mediation or civil action which could have given family farmers a fighting chance to succeed in a dispute with a packer.

Who wants a pat on the back from the packers for dropping these items from the conference report? I am sure the packers are really proud of you, whoever you are. Don't worry about the independent livestock producers, they won't be around much longer anyway.

My third reference to competition pertains to competition for funds. Specifically, when the next round of payments will be made.

Sticking with current law and passing a supplemental would provide a net benefit to Iowa farmers of approximately $662 million in the first six months if the supplemental was only equal to the levels of support offered within the last supplemental package, according to the Center for Agricultural and Rural Development at Iowa State University. If a farmer has the ability to pay down his debt earlier in a loan cycle than later in that same cycle that money goes much further for the individual producer, everyone knows this. Instead, under the bill as currently constructed, Iowa producers will be waiting till sometime between December and March for the first round of sizable payments. It won't be this fall as it has been for the last three years.

I have read in the press that some Members of this body are trying to claim that this is beneficial to farmers in short term. I guess the question is what's "short term" to those folks, but the better question is, what's short term to Iowa's family farmers?

In the next 6 months. I think it would be fair to say that Iowa farmers are concerned how they will be treated under this program for the next six months. The benefits to Iowa farmers from implementation of the new farm bill in the current fiscal year would include increased LDP rates for corn because of the increased corn loan rate. Nationally, corn farmers received less than 14 percent of a crop year's LDP payment in the same fiscal year since 1997. For Iowa, the amount is clearly less than one percent. This means that Iowa farmers would gain essentially nothing from the higher loan rates in the current fiscal year.

Iowa farmers would find that their soybean LDP rates would decrease under the new farm bill because of lower soybean loan rate. But for soybeans, less than 5 percent of LDPs were collected in the fiscal year as the crop year. Thus, Iowa farmers would not lose much at all from implementation of the lower rates in the current fiscal year.

So where is the benefit to this approach? Is there a payment hidden in the conference report I have not seen yet? I guess that those in favor of this bill could say that there is a fixed payment available to family farmers that will hopefully be made available in October, but then you have to remember to reduce that payment by the amount a family farmer has already received this year. In Iowa, that means your net benefit for the fixed payment is 1.9 cents per bushel of corn.

How can anyone defend 1.9 cents as a substantive fixed payment? How does that compare with the Robert's supplemental? Well, he had 33.4 cents per bushel available for corngrowers in Iowa, and there was no slight of hand to force you to reduce it, or pressure to manipulate your reportable base, to improve your payment. Does anyone actually think 1.9 cents is better for family farmers than 33.4 cents per bushel?

My fourth reference to competition is trade, specifically trade compliance. I offered an amendment during the Senate floor debate that would have reinforced the importance of ensuring that the farm bill which passes the Senate complied with our Uruguay Round trade commitments, and the conferees stripped it out.

As I have said before, our family farmers depend on foreign markets, exporting about one-quarter to one-third of the farm products they produce. For the past 25 years, the U.S. has exported far more agricultural goods than it has imported.

The Uruguay Round negotiations improved conditions of market access for American farmers. For the first time, the agreement reached during the Uruguay Round capped the level of trade-distorting support that WTO members can provide to producers. Worldwide, agricultural tariffs were reduced by an average of 36 percent over a 6-year period. The United States agreed to reduce its own amber box spending to $19.1 billion per year.

Because agricultural domestic support commitments are now "bound" under WTO rules, the United States and its trading partners can be subjected to harmful trade retaliation if they exceed their WTO limitations.

If a WTO complaint were brought against the United States for exceeding its domestic support commitments, it is possible that many countries could become complainants in the cases and allege injury.

If the U.S. were found in violation of our trade obligations, we would be expected to change our current farm program, 'midstream'. If we were not able to, the complaining countries would receive authorization to retaliate by raising duties on U.S. goods.

Our agricultural goods would likely be the first target of retaliation as the products chosen for retaliation are often the most successful exports.

Retaliation by our trading partners would cut our exports, forcing surplus commodities onto the domestic market. An increased domestic surplus would place downward pressure on domestic prices, increasing the need for additional assistance. At the same time, we would not be allowed to provide our family farmers any support. The result is that the conference report would fail family farmers when their need is the greatest.

That is why I offered my amendment to provide reassurance that we would not have to cut the legs out from under our nation's family farmers if the funding provided by this legislation exceeds our Uruguay Round commitments. In the event that a provision of this farm bill would have threatened to break our amber box caps, as determined by the Secretary of Agriculture, my amendment would have sunset the offending provisions after 18 months.

In order to continue funding at a level that is consistent with our Uruguay Round commitments, Congress would have been required to pass a readjustment resolution until the offending provision could be rewritten by Congress. Unlike the conference report, which gives the Secretary of Agriculture sweeping authority to reduce or suspend payments, this amendment would ensure that farmers can count on the assistance they need until Congress agrees that we will potentially violate our trade commitments.

In addition, USDA would have determined what program played a significant role in potentially violating our trade agreements and within 18 months that program would have been suspended, hopefully to be reformed in a trade compliant fashion.

But now, we wrote a new farm bill that will undercut our negotiators before the negotiations even get off the ground.

That is because this farm bill we are discussing today, has, according to its own supporters, a 19 percent chance of violating our Uruguay Round Amber Box commitments. We have never violated those commitments. And we have certainly never publicly announced an intention to violate those commitments. To violate those commitments now, or to threaten to do so, is a tremendous shift in long-standing United States agricultural trade policy.

Some of my colleagues might claim that this bill has improved from a 1 in 3 chance to a 1 in 5 chance of sabotaging our rural economy, and they might even be proud of the improvement. But even these dismal percentages get worse when we learn the details.

FAPRI—The Food and Agriculture Policy Research Institute—used their existing 2001 baseline to determine this percentage. By FAPRI's own admission, the 2001 baseline does not take into account the full impact we are seeing in the market of many commodity prices trending downward. FAPRI qualified their analysis by explaining:

> Over the next few weeks, FAPRI intends to conduct an updated analysis of the bill that will incorporate more current market information. The new analysis will result in different estimates of prices, production, Government costs, farm income, and other indicators. Without prejudging results of the forthcoming analysis, please note that market prices for several commodities are currently lower than FAPRI had projected in its 2001 baseline.

So get ready folks, when the 2002 baseline is completed and the analysis is run later this month we could very likely see a huge swing in the wrong direction. The percentage of non-compliance could very possibly be upward of 35–40 percent. We will not have solid figures until the next baseline is completed though because of the enormous impact the LDPs will have on 2002 projections.

We seem to be rushing to milk the Federal cow before anyone checks the breed, or much less the gender of the cattle. This is not how you establish prudent, or even satisfactory policy, but it doesn't seem like many Senators care about that right now.

We have achieved a great deal at the negotiating table in the past 50 years because we have credibility. Our trading partners respect the fact that we stick to our guns and do what we say we are going to do. In turn, we expect them to do the same.

But passing a non-trade compliant farm bill seriously damages our credibility.

And it does so right at the time when we are poised to launch new, comprehensive global trade talks largely built around our own agricultural negotiating objectives.

I cannot think of a more effective way to undermine everything we have worked for, and everything we hope to accomplish at the negotiating table during the next 3 years, than to pass a farm bill that we know might break our WTO obligations.

The advocates of this approach might say, well, it is only a one-in-five chance that we will not be trade-compliant under this farm bill.

But would we accept that argument in discussing, say, education policy, and go forward with an education program that had a one-in-five chance of failure? Or a defense program?

I do not think we would. And it does not make any more sense to go forward on that basis here, especially if those odds might actually be much worse than we realize.

Competition is and for a very long time will be the number one issue for family farmers. We should all think back to Secretary Veneman's confirmation hearing. During the question and answer period before the Senate Agriculture Committee she said something that a few of my colleagues have seemingly already forgotten. She said that the one topic she had heard the most about while visiting Senators and House members was the issue of competition. It was the most mentioned issue and the issue that we generating the most concern in rural America.

What did we leave out of this conference report? Competition, competition, competition, competition. The glaring lack of strong provisions regarding competition is why The Organization for Competitive Markets, and the Center for Rural Affairs oppose this legislation. These groups supported the legislation when family-farmer-friendly provisions were added on the Senate floor, but they are now opposed because they support family farmers and independent livestock producers and this bill does not do that.

As I look at the conference report before us I have to admit I have lost a little bit of faith in the process. We put a good bill together on the Senate floor. It came out of committee with ridiculously high payment limits, nothing on livestock competition, a complete disregard for trade compliance, deficiencies in the nutrition title, etc.

But on the floor of the Senate we all worked together to make it a bill that was acceptable, and I would say that bill was very good for Iowa's family farmers because it had in it the issues Iowans wanted us to address, specifically payment limits and packer ownership. This bill does not do what Iowans wanted it to do, plain and simple. It skipped Iowa's top priorities.

In addition, let's not forget about the administrative nightmare that this conference report will create. Everyone should be well aware of how difficult implementation will be for USDA. Don't blame the Bush administration if payments don't get out time. I hope that the Senators that are more interested in immediate implementation, than passing a supplemental are not going to be disingenuous in the future and attack the administration because implementation takes awhile to accomplish.

Let there be no question that if there is fault to assign regarding implementation it lies with the authors of the bill, not the bureaucrats required to decipher the intent of the authors. This will not be an easy task.

So I hope that Senator DASCHLE's comments yesterday in the Daily Monitor ring true. He was quoted as saying, "you're not going to see these disastrous supplemental requests in the future." But then I wonder what "future" means because the next sentence reads, "We'd still like to get one for 2001, but in the future you're not going to see them."

The thing I just cannot understand is why, if you just had the money and the willingness of Republicans to write a supplemental that would be beneficial to family farmers, why did you forsake the opportunity to put money in farmers hands right now, and trade that benefit for immediate implementation? It's a risk that family farmers should not have to take.

To conclude, I would agree with those that claim this is a historic farm bill, but in my opinion it might be historic for all the wrong reasons. We are losing support in the urban sectors for future farm bills by not reforming the existing abuses that have been made abundantly clear by media. Even farmers want us to fix the payment problems by implementing reasonable, legitimate payment limits, but instead the conferees ignored this issue.

This bill will do nothing to restore integrity to the programs, reduce pressure on rents and land prices, dampen overproduction, and help maintain family farms and the culture that surrounds our rural communities, isn't that our goal? Why is this conference report "good enough" to some when it does very little for our family farmers?

Has anyone read the New York Times, Washington Post, Wall Street Journal, or the San Francisco Chronicle? These are urban newspapers and they are up in arms over this farm bill. What happens if urban folks decide they cannot hold their noses regarding the subsidy abuse down the road?

But, I guess I am assuming there will be a rural community to serve in 6 years. There is a possibility we will not have a rural community to serve due to the consolidation, concentration, increased land prices, and cash rents.

When I was in the well for the final vote I told my colleague I was going to support the Senate bill and I did. I said if those provisions were maintained, the provisions Iowa's family farmers wanted in this bill, I would support the conference report. But those provisions are not in this conference report, so I will not support it.

This bill does not accomplish Iowa family farmers' highest priorities so I am opposing the conference report. Anyone representing Iowa's interests should. We can do better, we must do better if we want family farmers and independent livestock producers to survive.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the submission of S. Res. 262 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, we are now debating the farm bill conference report. I have some serious concerns about the policies embodied in this conference report. I will speak to those concerns shortly, but, first, I want to address another concern. My concern is, where is the budget? Where is the budget that we will use to judge not only whether we can afford this farm bill, but other legislation that might come before the Senate during the remainder of Congress?

Interestingly, the tortuous path that this farm bill has taken to get to a final vote tomorrow began exactly 1 year ago this week when we adopted the fiscal year 2002 budget resolution. That budget resolution was adopted prior to us knowing that we had an economic downturn and obviously, prior to the September 11 attacks on the United States of America.

At the time the budget resolution was adopted, the projections indicated there would be a general budget surplus of $5.6 trillion over the next decade, and that after the tax cuts there would still be a very large surplus. We now know that the economic downturn, increased emergency defense, homeland security spending that followed the September 11 attacks, and the Job Creation and Worker Assistance Act enacted last winter to assist workers impacted by the economic slowdown, have all combined to lower the general surplus outlook to about $1.7 trillion over a comparable 10-year period.

This farm bill agreement that is before us today seems to be blissfully ignorant of the events over the last year. It embodies commodity policies that return us to business as usual, high subsidies, distorting trade provisions, and increasing Government costs.

Those who do not follow the intricacies of the budget process might say: This makes no sense. Don't we have a budget by which to judge this legislation?

Yes, the one we adopted 1 year ago this week. It is not the budget resolution for the year 2003; it is the budget resolution for 2002, adopted when Republicans were still in control of the Senate by one vote. Yes, that budget provided for increases in agricultural spending and other spending, such as prescription drugs. Specifically, that budget that authorized the chairman of the Budget Committee to allocate $73.5 billion to the Agriculture Committee, so long as it did not come out of the Social Security or Medicare trust fund.

Can anybody stand on the floor and honestly say that the expenditures in this farm bill will not come out of the Social Security trust fund or the Medicare trust fund? I have not been raising this issue, but it is interesting that the current chairman of the Budget Committee, who usually raises this issue while trying to ensure we do not spend the Medicare and Social Security trust fund is not raising it now.

And now we see the bigger, more serious problem. The problem will not be just with this farm bill; it will be with the other spending and tax legislation we consider in the remaining days of this Congress. These measures will be judged against an outdated budget plan, one adopted last year when the Republicans were in control of this body, not one for current allocations and current needs, which has not been adopted on the floor of the Senate as of this date.

The question is asked again, Where is the budget? Where is the budget against which we are going to judge this farm bill and other legislation that I have just iterated that are certainly going to come before the Senate?

Until we agree to a new updated budget that reflects the dramatic changes that have occurred over the last 12 to 18 months, the old budget, the one I was responsible for getting adopted by the Senate and conferenced—that budget remains in effect until replaced by an updated budget. And until that time, any Budget Act points of order, any allocations to authorizing committees, any reserve fund releases, such as prescription drug spending or health insurance for the uninsured, will be judged not by what is reality today but by what we thought it would be before the economic downturn and before the terrorist attacks on the United States just prior to mid-September.

Some may wonder, why have a budget resolution? I do not have to wonder.

I only have to see what is happening on the floor of the Senate. Anyone can predict what is going to happen in the next few months—not years, the next few months—in fact, some of which has already happened prior to taking up this conference report on agriculture.

We cannot, and we should not, legislate, in my opinion, without a budget blueprint. Every year, since the Budget Act became law in 1974, the Senate has adopted a budget resolution, as required, and in some years more than one. In some years we missed the deadline, but we always adopted a budget resolution in the Senate.

Only once in the nearly 28-year history of the act has the House of Representatives and the Senate failed to conference their budget resolutions. In 1998, the year following the balanced budget agreement of 1997, Chairman John Kasich and I were unable to bridge the differences in the two resolutions. Rather amazing—we were both Republicans, and that was the one year we could not bridge the differences. All other years, regardless of the makeup of the two bodies, we did arrive at a conclusion.

Let me repeat, the Senate has passed a budget resolution every year. There was one time when we did not have a conferenced budget blueprint, and we agreed here in the Senate to follow the Senate-passed resolution as our blueprint for spending and taxing. But, we had what would amount to a budget by concurrence of the Senate.

I have been on that Budget Committee for 27 years. I was not a member in the first organizing meeting in 1974, when Senator Muskie was chairman, though there was a Senator Peter Dominick who was Senator Muskie's ranking member that year, and some historians get me confused with him. In those 27 years, my colleagues have honored me by allowing me to serve as committee chairman for 12½ years and as its ranking member for 9.

In all those years, we adopted a Senate budget resolution. It was not easy. Sometimes I thought we would fail, but we stuck with it, and many times on a bipartisan basis we prevailed and the blueprint to guide fiscal policy was achieved. A budget resolution takes care of many things automatically and with precision. Right now there is no precision, there is no decision, and we are flying essentially by the seat of our pants on many issues.

Every year under the leadership of Chairman Muskie, Chairman Chiles, and Chairman Sasser, the Senate has adopted a budget resolution. Today the House of Representatives has passed a budget resolution for next year. Today the President of the United States has submitted a budget to Congress for next year. Today we do not have a budget in the Senate.

Beginning today, we legislate a major spending bill, a farm bill, that is based on a budget I admittedly helped craft last year, but also I freely admit is outdated and needs to be revised. It is time that be done. It is obvious that the Senate thinks it should be done. I truly doubt that we have been as omniscient as one may think. Had we been able to foresee the events of last year when we were crafting that budget, we would not have allocated the level of spending we did to the farm bill; of that I am almost certain. That is why we need a new budget, and that is why this decision we make tomorrow can send a signal to the country and our trading partners throughout the world that we know it is not business as usual. We need to craft a new budget for these new times.

For just a few moments, I will talk about a couple of New Mexico-specific concerns. In addition to my objections to this conference report on budget and trade grounds, I must note that this legislation is especially harmful to one of the most important parts of the agricultural economy of my State of New Mexico—dairy farmers. New Mexico's milk producers are hurt more by this bill's provisions in my State than any other State in the Union. Our producers will lose between $4 and $5 million a year compared to current law. And that is a conservative estimate.

Just today, there is a FAPRI estimate that indicates the losses would be as high as $51.2 million over the life of this program. Regardless, this means that at least $30,000 per dairy farm in New Mexico will be lost because of this bill. New Mexico, which has climbed to the seventh largest milk-producing State in the Union, will see minimum losses over the life of the program of at least $125,000 per farm, and most will likely suffer larger losses.

My dairy farmers want a market-driven system. They can compete on quality and efficiency with any other dairy farming group in this Nation. If we just let them do their job under a free market. These producers will supply plenty of milk and it will be of the highest quality.

My dairy producers are opposed to direct payments. They also oppose the caps in this bill. And they are punished because this legislation contains both—direct payments and caps. And neither is predicated upon large dairy farms but, rather, is predicated upon the small milk farms. Most of our farms are 1,500 head or more and are becoming more efficient every year. They welcome competition from anywhere. They are efficient. They are innovative. They do great things. Yet, they are punished. We come along and say this is not the American way for the farm bill. We are going to punish you because you are efficient, because you produce, because you are highly innovative.

Instead of saying: You are going to get as good a deal as you deserve, as fine a return as you deserve in the American market, we are going to tell you what you get. In this instance, we are going to take away from you between $4 and $5 million a year, perhaps as much as $125,000 per farm during the time this bill exists.

The dairy industry in my State—and we are a small State in terms of business—has revitalized large parts of the New Mexico economy. Nearly 4,000 New Mexicans earn a living directly from dairy, with payrolls in excess of $90 million a year. New Mexico's dairies and producers spend nearly $400 million annually for labor and feed. For our State, which lags near the bottom of per capita income statistics, this conference report is a direct attack. I cannot support such a conference report. I will not.

I know there are predictions of how bad it would be if this did not pass. I have studied it all. I think I know as much as anyone here about it. It would be a great signal if it did not pass. Then we could produce a budget and decide how much money should be put in for the agricultural community under a budget that is current.

This wrongheaded agricultural policy promoted by this conference report is especially tragic in light of the real progress that was made in this bill in the area of nutrition. Many do not know that this bill called agriculture is also the principal nutrition legislation for our country. The bill retains the Domenici-Durbin amendment to restore food stamp benefits to eligible legal immigrants who have been in our country for 5 years. This policy will help feed an estimated 360,000 people per month.

In addition, the bill simplifies and streamlines the application process for food stamps. It increases funding for the Emergency Food Assistance Program and makes it easier for nonprofit participation in the Commodity Supplemental Food Program to feed the elderly and small children. In total, the legislation provides for $6.4 billion in food stamps and other nutrition programs. This amount falls short of the $8.9 billion provided in the Senate-passed version of the farm bill. At least we are making some progress toward eliminating involuntary hunger in America.

So this Senator finds himself in an unusual position of voting no on this farm bill. The good things in nutrition fail to outweigh the bad agricultural policy positions envisioned by this bill. I will remind my colleagues that we have spent an enormous amount of money in the last 2 years on agriculture with the "emergency" funding for $27.3 billion, as well as $5.5 billion in new agriculture commodity support payments just last July.

I am fully aware of that. I understand the threats—veiled or otherwise—that if we don't get this bill now, we will have a repetition of what I have described in the last paragraph of my comments. I don't believe so. I believe we understand clearly where we are, and I do believe that now is the time to say no to legislation that clearly doesn't fit a budget—at least we don't know that it does—and has the kind of policies adopted that I think are as counterproductive as they can be.

I yield the floor.

The PRESIDING OFFICER (Mr. JOHNSON). The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I have been listening to the Senator from New Mexico, the ranking member of the Budget Committee, former chairman of the Budget Committee, and a very valued member of that committee. But I must say I disagree with his conclusions about this farm bill. Let me just enumerate the reasons.

First of all, while it is true a new budget resolution has not yet passed, it is also true under the rules of this body that the previous budget resolution guides our actions until the new budget resolution is passed. The budget resolution under which we are operating provides for the amount of money that is in this farm bill. This farm bill is entirely within the budget requirements under which we are operating.

No. 2, every budget that has been presented for the next year includes this same amount of money. The budget the President has presented, the budget the House presented, the budget that has passed the Senate Budget Committee—each and every one of them has the same amount of money for a new farm bill that was in last year's budget resolution. So the question of what the budget resources are is not in doubt.

The fact is, the Congressional Budget Office has provided an estimate of cost. That is always the case when the Senate and the House are considering legislation. They do an estimate of the cost. We operate under that cost until the job is finished. We don't change the estimates in the middle of the effort. We don't change the rules in the middle of the game. They made an estimate, and we are living with it today. We don't change estimates in the middle of a legislative agenda because to do so would make the work of Congress virtually impossible. If we changed the estimates every time the Congressional Budget Office made a new estimate, the committees would never know what resources they had to deal with. So this is a longstanding practice of the Senate and the Senate Budget Committee.

Once the action has been taken in the Senate and in the House, as it has been, we don't change the estimates in the conference committee. That would create chaos. So the fact is, the estimates we were operating under when the bill was considered in the House, and then considered in the Senate, were the same estimates used in the conference committee, the same estimates being used today, and the reason there is no budget point of order against the farm bill that is being considered.

Those are the facts. These budget estimates that were done by the Congressional Budget Office and were used by the Senate and House as they worked up a farm bill were made in good faith. Now, with later information, they may alter them somewhat, but we have to follow the assumptions that were made at the time the legislation was considered. We certainly don't change the estimates in the middle of legislative activity or in the conference committee to resolve the differences between the Senate and House farm bills.

Let's lay the budget issue to rest. There is no budget point of order against this bill. This bill is in full compliance with the requirements of the Budget Act. That is No. 1.

No. 2, why is this farm bill necessary? I read the eastern press, and they are panning this bill almost on a daily basis. I submit to you that many of these newspaper writers, editorial writers, have never set foot in my State. They clearly have not paid much attention to what our farmers are up against in this international environment. We are not an island unto ourselves in the United States. We are up against very tough, determined competition from countries all around the world that are doing much more for their producers than we are doing for ours. Let me repeat that. Our major competitors are doing much more for their producers than we are doing for ours. To abandon our producers is to put them on an unlevel playing field. To create a circumstance in which they cannot fairly compete would be a profound mistake for this country, for our producers and, ultimately, for our economy.

Let me just direct people's attention to this chart, which says it very clearly and very well. Our major competitors are the Europeans. Their supports are far higher than U.S. supports for farmers. The most recent data available show the average support level in Europe is $313 per acre. That is how much assistance the Europeans give their farmers—$313 an acre. Here is the comparable level of support in the United States: $38 an acre. It is $38 an acre in the United States and $313 an acre in Europe.

It is no wonder there are hard times in rural America. It is no wonder there are hard times up and down the main streets of every rural city and town. It is no wonder if you go to the European countryside, it is prosperous. Why? Because our European friends have decided they are willing to put out a lot of money to have a prosperous rural countryside so everybody doesn't go to town. They don't want everybody to go to town. They want people out across the land. What else? They want to have an assured source of supply. The Europeans have been hungry twice. They never want to be hungry again, and they are willing to pay to make certain the productive capacity is out across their countryside and to make certain they are never hungry again.

It doesn't end there. These are not KENT CONRAD's numbers or Budget Committee numbers; these are from the Organization for Economic Cooperation and Development's analyses of the different support levels in different parts of the world. These are the numbers of the official scorekeepers internationally. They are the ones who do the determinations of actual support in various regions of the world.

As I have indicated, it doesn't end there because if we look at export support, export subsidies, we find the European Union floods the world with agricultural export subsidies. This pie shows the amount of export support in the world. The blue part of this pie is Europe's share. Europe accounts for 84 percent of all the world's agricultural export subsidy—84 percent.

Here is the United States' share: Less than 3 percent. Less than 3 percent of the United States; 84 percent in Europe. They are outgunning us almost 30 to 1. That is what our competitors are up to.

By the way, they have gone from being the biggest importing region in the world to being nearly the biggest exporting region in the world in 20 years, and they did it the old-fashioned way: They bought the markets. They bought markets that were traditionally ours.

Some of our opponents on the other side would say to American farmers: You go out there and compete against the French farmer and the German farmer, and while you are at it, you take on the French Government and the German Government as well. That is not a fair fight. Our farmers are ready, willing, and able to compete against anybody any time, but it is not fair to put them up against the treasuries of European nations. It is not fair to put them up against the Treasury of the Government of France and the Government of Germany and the Government of England. That leaves the playing field tilted badly against them. That puts American farmers in a circumstance in which they cannot possibly compete and succeed, through no fault of their own.

To do something other than to try to level the playing field is to abandon our farmers. It is to wave the white flag of surrender and say to the Europeans: You just take it, take it all; take the agricultural base, and while you are at it, take the 20 million jobs that go with it; take the jobs in distribution, in transportation, in marketing; take them all. Because that is what they would like to do, and that is why they are spending so much to achieve that very result.

We do not have to look very far to see what is occurring in world agriculture. All we have to do is study the annual statistics, and we can see very clearly the pattern and plan of the Europeans. We can either decide to wave the white flag of surrender, engage in what I call a unilateral surrender, or we can fight back.

That is a fundamental question before this body as we consider this farm bill: Are we going to fight back, or are we going to roll over and surrender? That is a fundamental question for this country. Do we want to maintain the capacity to produce food in this country, or do we want to be dependent on foreign countries for our sources of food? That is a fundamental issue before this body in considering this farm bill.

I pray this country makes the decision that we are going to try to level the playing field; that we are going to fight back; that we are going to give our farmers a fair, fighting chance. To do otherwise is to abandon them in this international competition.

This farm bill has improved countercyclical support. That was a key failure of the last farm bill. The last farm bill said: The market is going to work even though other countries are not following it, even though other countries have these massive programs to intercede, to maintain a network of family farms across their countries. We know it did not work. How do we know? Because we had to pass economic disaster bills in each of the last 4 years, economic disaster bill after economic disaster bill because the previous farm bill was a disaster itself. This is an attempt to provide a stronger structure under agriculture so we do not have to repeatedly come back to our colleagues to ask for economic disaster assistance.

Let me make clear, we may have to come back for natural disasters; indeed, I think we will because none of us can predict when a hurricane might strike, when we might have a tornado, when a part of the country might be hit by drought or overly wet conditions. Natural disasters often require a response. None of us can predict when they might strike, what their effects might be. But economic disasters, which were created in part by the last farm bill, hopefully we can prevent.

We do it with higher loan rates, and with optional updating of bases and yields—those are the determinations of what a farmer's base is for support. We do it with a new marketing loan program for pulse crops: dry peas, lentils, and small chickpeas, which are important in crop rotations in part to break the disease cycles we have seen and that have contributed the need for disaster programs in recent years. There is the repeal of the sugar loan forfeiture penalty, a penalty that should never have been imposed in the first place.

The bill has country of origin labels for imported meat, fish, produce, and peanuts. This is critically important. Have we learned nothing from what has happened in the rest of the world? Europe has been hit by mad cow disease and by hoof and mouth disease, and they have responded by creating a system that will allow them to know where each animal came from, the specific farm the animal came from, because they know they need to have that information.

I had the Ambassador from Uruguay in my office just last week. They are creating a system to know the origin of the food they eat. In Uruguay, they are going to be able to track an animal back to the farm it came from, so if there is a problem, they can trace it and isolate it and prevent an expansion. That is just common sense.

Think of how many times we have heard on the news that there is a recall of food products, and they provide you the listing of the number on the can so we know what to look for. What would they do if there were no numbers on the cans of processed foods and we did not know what to look for? What would we do when they found there was a problem of tainted product and they had no way to track it? We would either have to throw it all away or take our chances.

There is a better way. We have found that better way. It is to know the source of the food. That is what we are doing in this bill. Yet there are people who are still railing against doing what anybody with any common sense knows we need to do. We need to know the origin of the food we are eating. That is basic. That is basic to dealing with foot and mouth disease, that is fundamentally important to dealing with mad cow disease, that is fundamentally important to dealing with possible terrorist threats, so that if any problem develops, we can trace the source of our food, we can isolate it, and we can eliminate the threat. That is common sense, and this bill provides it.

This conference report also includes a strengthened commitment to rural development, conservation, trade, and, yes, nutrition programs.

In conservation alone, I was amazed to read an editorial that suggested that somehow the commitment to conservation in this farm bill was inadequate. What farm bill are they talking about? This bill has increased the commitment to conservation by 80 percent, and yet they said it was insufficient. Mr. President, an 80-percent increase is insufficient?

We need to do a better job of conserving our soil. We need to do a better job of conserving our precious water resources. This bill makes major strides in that direction.

One of the key elements of the bill is the signature piece of the chairman of the Agriculture Committee, Senator HARKIN of Iowa, who authored the conservation security program which is part of this bill. He has said something that I think is going to resonate in history because he has declared: We are not going to just continue conservation programs the same old way, we are going to make a departure. We are not going to just have the Federal Government pass laws that become regulations and then, if people do not follow them, we penalize them. Instead, he says: With the conservation security initiative, we are going to establish what national priorities are in conservation, and then we are going to provide an incentive program for farmers to comply. That is a profound difference in the relationship between the Federal Government and agricultural producers. It is a profound change. It is precisely the right change. It says to farmers, when we identify a national priority, we will respond; we will respond with an incentive to encourage you to adopt that practice.

That is important. That is important to the environment. That is important to producers. That is important to the Nation. That will provide a template for future Government relations with the people for whom we work. He has made an enormous contribution. This is a $2 billion program that fundamentally changes the relationship between the Federal Government and producers across this country.

This bill also includes a renewed commitment to rural development: $1 billion in new funding to encourage and strengthen economic development in the rural parts of this country. It is badly needed. Certainly, in my part of the country, we continue to lose population.

We also have the trade title. We are facing tough competition and we need to fight back. One billion dollars in additional funds is in the trade title. We will have an aggressive outreach to other countries to buy American products from American producers. That is what an American farm bill ought to be about.

I saw with great interest what the Republican chairman of the Agriculture Committee in the House of Representatives said about this bill. He said this is not a bill for France. This is not a bill for Canada. This is a bill for American farmers and American consumers. This is an American farm bill.

Chairman COMBEST has that exactly right. This is a bill for America. It is a bill that deserves our support. I was proud to work with the conferees on this bill. Chairman COMBEST, a member I developed great respect for in all the hours of negotiation, is truly an outstanding leader for American farmers.

American consumers, and American taxpayers. He was concerned about them all in this conference.

So was Congressman STENHOLM, the ranking member of the House Agriculture Committee. No one would want to meet a tougher negotiator than Congressman STENHOLM. He was very tough. He knew there was a lot at stake for this country, for our producers, for our consumers.

To our own conferees, I want to say thank you. Thanks especially to Senator HARKIN, who day after day after day stayed and negotiated and fought for a strong farm bill because he knew what would happen if we failed. If you are ever in trouble, you want someone like TOM HARKIN fighting for you in the Senate because he is determined and he will not give up. This farm bill is a great testimony to his leadership.

I could not leave out our own leader, Senator DASCHLE, who at key times came into the negotiations to help us over the rough spots. He showed great wisdom, great patience, and great leadership. We thank him for all he contributed. He represents a farm State. He knew what was at stake.

Considerable thanks as well to Senator LEAHY. I have never seen anyone more determined on behalf of his constituents than Senator LEAHY. We listened to a lot of detailed debate on the merits of the dairy provisions of the bill. This bill was improved because of that determination.

Now a word about those on the other side. Senator LUGAR, the ranking member of the Agriculture Committee, disagrees with what we have produced. He has made that clear. I have enormous respect for DICK LUGAR. He is one of the most knowledgeable Members of this Chamber on a wide range of issues. On foreign policy questions, there is nobody I would rather talk to or listen to before reaching a conclusion than DICK LUGAR. He is an extraordinarily intelligent man, a person of great character. He speaks against this bill out of principle. I respect that. I don't agree with him in this case. I think I have outlined some of my reasons for disagreement, but he makes a very strong case, an intellectually honest case. I disagree with him. However, his argument is intellectually honest, and he has been very clear and forthright throughout the entire procedure. He made very clear he wasn't for this, every step of the way. I admire Senator LUGAR. My respect for him has done nothing but grow, although I disagree with his fundamental conclusion.

Others say this costs too much money, and I understand that. I am chairman of the Budget Committee. I wish we didn't have to spend this kind of money. Friends, our competitors are spending much, much more. To spend less is to say to our people, tough luck; you are out of business. That would be a profound mistake.

Let me close by urging my colleagues to support this bill. It deserves their support. It is a balanced bill. It is within the budget. It is a bill that will make a difference for our country over time. Not immediately, no. It will not solve all the problems immediately.

To our colleagues who say this bill costs way too much, we ought to present it in context. In the year 2000, we spent $32 billion helping our producers. In 2001, we spent $22 billion. This is on a fiscal year basis. That is different than on a crop-year basis. On a fiscal year basis, these are the numbers: $32 billion in 2000 and $22 billion in 2001. In 2002, it will be $14.2 billion. In 2003, it will be $19.1 billion. The red bars are the amount added over the current farm bill. So for 2002, without this legislation, it would still cost $12.7 billion in that fiscal year. In the year 2003, it would cost $12.3. This bill adds $6.8 billion to take us up to $19.1 billion for fiscal year 2003, which will start October 1.

Remember we are coming from much higher levels of expenditures when you count the underlying farm bill plus the economic disaster payments we have enacted. This chart shows that, although we have healthy levels of expenditures in this new farm bill—more than $70 billion more than we would have had under the old farm bill—we actually have less than was paid out by the Federal Government under the old farm bill plus the economic disaster payments made in each of the last 4 years.

I conclude by reminding those who are listening that we are up against fierce competition from our major competitors in Europe who are spending much more than we are, providing much higher levels of support for their producers than we provide for ours, and on top of that, are spending much more to promote their exports than we spend to promote our agricultural exports. Those are the facts. I hope our colleagues will remember when we reach a conclusion that this is a bill that is critically important to American agriculture.

A major farm group leader in my State responded tellingly when I posed the question, What happens without this bill? His reaction was immediate and strong: Senator, without this bill there will be a race to the auctioneer.

That is exactly right. This bill is all that stands between a race to the auctioneer in every farm community in this country and the continuing viability of the family farm network that has served this country so well.

Mr. HARKIN. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. HARKIN. I thank the Senator for his kind words. I thank my friend and my colleague from North Dakota for two things: First, for his great leadership as head of our Budget Committee and for giving the guidance and direction and providing the budget for what we need to do; and for being on the Agriculture Committee and providing his expertise on budget matters as we work through the farm bill, both in the committee, on the Senate floor, and in conference. He has been great. I compliment the Senator.

I can say without fear of contradiction that many times we might have been persuaded to go in a different direction—let's say on the farm bill in the conference—had it not been for the Senator from North Dakota, whose expertise and knowledge of the budget came to the forefront and carried the day for us so we got the bill that we got.

I thank my friend from North Dakota for, again, being there every day. The Senator said I was there every day. He knows because he was there every day that I was, on the farm bill conference. I thank him for that. I also thank the Senator for always pointing out in these negotiations, when we are talking about trade, what the Europeans are doing compared to us. We cannot ever forget that. This farm bill that we passed, this is for our farmers, for our ranchers. This is not for the European farmers and the European ranchers and the South American farmers. This is for our farmers. We ought to make no excuse for it, none whatsoever. We are sticking up for our producers in this country.

I have one last thing to say to the Senator from North Dakota about the chart he had up recently about the money we are spending on agriculture. I think I read an editorial, maybe it was in the Wall Street Journal—or someplace else—going after how much money we are spending on agriculture. I asked to get a run here from CBO on their baseline projections from now for the 10 years of this farm bill compared to the total outlays of the Federal Government. If you take the outlays of the Federal Government for the next 10 years, CBO says that comes to $22.245 trillion. Add up all the spending on agriculture for everything; that comes to $206.2 billion—.93 percent of all the spending the Federal Government is going to do in the next 10 years goes for agriculture.

That is a small price to pay, I say to my friend from North Dakota, for having the best food supply, the most productive capacity in the world, the cheapest food, and the safest food anywhere in the world. I think when the American people see that, they will say: Yes, this is the kind of farm bill we need. Ninety-three percent? I say to my friend from North Dakota, I believe the average American will say that less than a penny out of every dollar to keep our farmers in business is a very small price to pay.

I thank the Senator from North Dakota, again, for his wisdom, guidance, and judgment on these matters as we work through this farm bill.

Mr. CONRAD. Mr. President, I conclude by thanking my colleague, Senator HARKIN, the chairman of the committee, who really did an outstanding job getting this bill through the committee, through the Senate, and through the conference. Certainly, thanks also go to our colleague on the other side of the aisle, Senator LUGAR, for his passionate position and his wisdom. Even when he disagreed, he would provide us with observations that guided us in terms of altering what would otherwise have been a weaker bill. So I thank him and recognize his very professional staff as well.

Senator LUGAR, we thank you and your staff.

On Senator HARKIN's staff, I want to thank Mark Halverson. Mark, who is the staff director of the Agriculture Committee, showed enormous diplomacy going through this process. This is tough stuff. It is extraordinarily complicated. There were hundreds and hundreds of hours of deliberation. I thank Mark Halverson for always keeping his cool and for his wisdom in keeping a focus on the ultimate goal.

I also thank Susan Keith as well, who worked so hard on this bill. We appreciate all that she meant to its conclusion.

On my staff, I thank Tim Galvin and Scott Stofferahn. Tim Galvin and Scott Stofferahn were an extraordinary team. They played a key role throughout this process.

Tim Galvin, who used to be on the staff of former Senator Bob Kerrey of Nebraska, who served as head of the Foreign Agricultural Service in the Clinton administration, joined my Budget Committee staff more than a year ago. I could not have chosen better. He has been absolutely outstanding.

Scott Stofferahn, who is on my State staff, commuted—and this was truly a case of long distance commuting—to participate in the deliberations on this bill because he headed the Farm Services Agency in North Dakota under the previous administration for 8 years and knew the details of farm programs backwards and forwards. He was really indispensable to our efforts. So special thanks to Tim and Scott, to the staff members of Senator HARKIN and the staff members of Senator LUGAR, and certainly to our colleagues on the House side.

There were times we had very deep disagreements in the conference committee, but one thing you never questioned was that each and every Member was doing his or her level best for the farmers of this country, for the taxpayers of this country, for the consumers of this country. We had different ideas about what that represented, but I never questioned the good faith of any member of that conference committee, including those who disagreed with us.

Certainly to Congressman COMBEST and Congressman STENHOLM, we appreciate your patience. The patience of each of us was tried at times, but it was an important effort.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, earlier today I asked unanimous consent to have some letters printed in the RECORD, letters of support for the bill.

I have three others I would like to have printed. The first is a letter from the Iowa Farm Bureau Federation saying they urge strong passage of the conference report for the 2002 farm bill. I ask unanimous consent the letter from the Iowa Farm Bureau be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

IOWA FARM BUREAU,
May 1, 2002.

HON. TOM HARKIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR HARKIN: On behalf of the 150,000 plus members of the Iowa Farm Bureau Federation, the Iowa Farm Bureau Board of Directors urges you to support passage of the conference report for the 2002 farm bill. We are generally pleased with the provisions in the conference committee report including a stronger safety net for our producers and an increase in conservation spending. Iowa farmers will benefit from the additional safety net features and are seeking your support for this legislation.

The conference committee report contains many of the features of the current farm program and improves upon the safety net by instituting a counter-cyclical payment when prices fall below certain levels. It provides for a strong commitment to trade, rural economic development and conservation. In particular, the $9 billion in additional spending for the environmental quality incentive cost-share assistance program will mean that Iowa farmers have access to the much-needed resources to address environmental concerns. We are particularly pleased that the conferees agreed to fund the Conservation Security Program. This new conservation program will be important to compensate farmers for the ongoing costs of conservation practices.

In addition, we are pleased that the conference committee included the Senate's version of the energy title and provisions designed to enhance protections for livestock producers. The conference committee agreed to prohibit confidentiality provisions in production contracts. These provisions have limited the ability of producers to seek legal and financial advice about the terms of a contract before entering into it. This provision does not preempt stricter state laws; thus, Iowa's law will not be negatively impacted. In addition, hog producers with production contracts will have additional protections under the Packers and Stockyards Act.

Despite our disappointment that a ban on packer ownership was not included in the final version, we are pleased that the committee included country of origin labeling. This provision will ensure that consumers have an opportunity to choose between domestically produced beef, fruits and vegetables and those produced overseas. We believe that U.S. consumers will choose to purchase products produced by our farmers if this information is made available to them.

The farm bill conference committee report is a consensus document that balances the needs of the program crops and other agricultural commodities. It provides the additional safety net that producers have been seeking and maintains the strengths of the current farm program. Thank you for your consideration.

Sincerely,

CRAIG LANG,
President.

Mr. HARKIN. Next, a letter from the Iowa Farmers Union. They also sent a letter of support urging passage of the bill. I ask unanimous consent that letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IOWA FARMERS UNION,
Ames, IA, May 1, 2002.

IOWA FARMERS UNION REACTS TO THE FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

AMES, IA.—Over the past few years, Iowa Farmers Union (IFU) has been working intently with our elected officials to vastly improve farm legislation. Now, after weeks of deliberations, the farm bill conferees have reached an agreement on a new farm bill entitled "The Farm Security and Rural Investment Act of 2002"

"We are still waiting for the final details, but what we have seen so far indicates the new farm bill provisions will be a definite improvement over the former 'Freedom to Farm' program that was a disaster for farmers and taxpayers alike," said Gary Hoskey, IFU President.

The agreement, while short on specifics, should provide certainty to farmers and lenders because of the new safety net provisions of the law. Under the old program, farmers and lenders were forced to make production decisions that would not cash flow, in hopes that Congress would pass emergency supplemental aid legislation long after the crops were planted.

"The Iowa Farmers Union joins all Iowans in extending our thanks to Senate Agriculture Chairman Tom Harkin for his efforts in this new farm legislation," said Hoskey. "Not only did Senator Harkin succeed in getting a much improved safety net for family farmers, he was also successful in getting significant increases in conservation programs and rural development funding."

"And, for the first time ever, there is an Energy title in the farm program that will encourage research and development of renewable and bioenergy resources. Hopefully our country will now look more to agriculture for renewable energy sources instead of imported oil from the Middle East."

"We are also glad to see Country of Origin Labeling included in this law. It is something we have worked on for a long time," added Hoskey

"We are disappointed that the payment limitations were not lowered more and the packer ban on owning and feeding livestock was not passed," said Hoskey. "We will continue to work with Senator Harkin and our other legislators on these and other important issues."

Mr. HARKIN. And the Iowa Soybean Association in applauding the completion of the bill and urging its passage and signature by the President.

I ask unanimous consent the letter from the Iowa Soybean Association be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IOWA SOYBEAN ASSOCIATION,
Urbandale, IA, April 30, 2002.

THE IOWA SOYBEAN ASSOCIATION APPLAUDS THE COMPLETION OF THE 2002 FARM BILL BY U.S. SENATE AND HOUSE CONFEREES

URBANDALE, IOWA.—The Iowa Soybean Association (ISA) applauds the completion of the 2002 Farm Bill by the U.S. Senate and House conferees today.

ISA President John Hoffman said, "Soybeans are treated more equitably in relation to other program crops in this legislation, and Iowa soybean farmers are provided better income protection. ISA is pleased with the inclusion of expanded conservation programs, an energy title, which increases opportunities for soy biodiesel, and increased funding for important trade title programs in the Bill."

"On behalf of ISA, let me thank Chairmen Tom Harkin and Larry Combest and their colleagues on completing this demanding process in time for programs to be effective for 2002 crops," Hoffman added.

The completion of the bill comes after much diligent work by both ISA and American Soybean Association (ASA) directors on behalf of Iowa soybean producers with key legislators. Good farm policy is the goal of the lobbying efforts by members of both ISA and ASA. ISA will continue to be a leader in efforts such as these to ensure equitable treatment in the 2002 Farm Bill and other soybean policy issues.

Mr. HARKIN. These three farm groups in Iowa all support this farm bill.

I listened to the debate on the floor. I listened to my colleague from Iowa earlier. This is the first opportunity I have had to respond.

My colleague and I have been friends for 28 years now, I guess it is, since we both came to the House in 1974. We worked very strongly together on issues of concern to our State and Nation. We do not always agree on things, I understand that, but we do work together.

I think we have a pretty big disagreement on this farm bill. I say to my colleague from Iowa—he went on about the trade portions of the bill and whether or not it is going to violate WTO. I want to set the record straight one more time. This bill will strengthen our position in the WTO negotiations. It will strengthen it. If we go down towards zero in amber box payments, that weakens our bargaining position. The closer we get to $19 billion, that strengthens our position. It strengthens it basically because of what Senator CONRAD from North Dakota was talking about—how much the European Union supports its agriculture.

Second, my colleague from Iowa said there was a one in five chance that we would violate the WTO. That is a statistic that has come from the Food and Agriculture Policy Research Institute. That said they estimated about a 19-percent chance, I guess, of this violating the WTO.

FAPRI also said the present law, the law we have been under since 1996, has a 14-percent chance of violating WTO. So the present law is 14 percent, this is 19 percent; that is a very modest change, a very modest amount difference. So we should not be worried about that. We are well within the bounds of WTO.

I reaffirm that this farm bill is for our farmers. We stick up for our farmers. We stick up for our ranchers. We stick up for our people in rural America. Through the process of our committee and the House process and the conference committee process, we work out what we believe is best for our producers, our farmers, and our ranchers—not what is best for Germany, France, Brazil, or China. That is their business. As long as they do it within the WTO, it is their business. How we seek to address our problems and to help our producers is our business. It is not the business of France, Germany, Italy, England, Brazil, China, or Japan. That is our business.

I hope people understand and recognize that, yes, we have a WTO, but our first obligation, as we held up our hand and swore our oath of office here, our first obligation is to our people, to make sure we take care of our people first.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield time to my distinguished colleague from Montana.

Mr. KENNEDY. Mr. President, will the Senator yield for a consent request?

Mr. LUGAR. I am happy to yield.

Mr. KENNEDY. I ask unanimous consent that I be allowed to follow the remarks of the Senator from Montana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, how many minutes does the Senator request?

Mr. BURNS. Mr. President, I am going to keep it as short as I possibly can. I want to make a couple of comments, and then I will fade away into the past. How is that?

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I thank the Chair, the chairman of the Agriculture Committee, and the ranking member.

I start off by thanking them for the work they did on this bill.

Agricultural legislation is, of course, very important to the State of Montana. There is no question about a changed policy on how we serve agriculture. There is no doubt in my mind that this bill will not bring lower prices for food commodities. Agribusiness will continue to buy as cheap as they can. The taxpayer will continue to pay their prices, and also the taxpayer will continue to participate in the income of American agriculture at the production level. That is not going to change. What has changed a little bit is that we are into price support protection of a commodity. We are not in the business of guaranteeing the income of the farmer.

This will allow us to make a strong argument for a market-driven economy on the global scene.

It will have trade impacts. There is no question in my mind.

Even though we have dealt with this kind of situation before, it is my belief that we will drive up the cost of land. When we do that, the bigger producers will buy out the lower producers. So we don't save a lot of small producers—the people we are trying to help out.

That is what farm bills do. That is what price supports on commodities do.

I will vote for this bill. But it is hard to stand up here and talk philosophy and about a direction when you are in the middle of a 5-year drought. Montana needs some help.

Will this bill help those who are in a drought? No, it will not. We will have to get some supplemental money somewhere for drought relief. I think we can do that, if we work very hard.

The total cost is over budget—as submitted by the Congressional Budget Office—by $80 billion. We thought we were operating within around a $70 billion or a $72 billion budget. We know we are over budget for this particular piece of legislation.

In spite of all of these loan rates and targets, there is a strong suspicion on my part that we will be back in the business of overproduction. If there is a strong conservation title in this bill, it will be hard to implement with soil conservation and water conservation with an enticement to overproduce. I have a suspicion that it is in here.

We didn't do anything about insurance. We didn't look into that to see how it is used in unusual ways to enhance the purchase of revenue insurance for farms. We need to look at that.

We didn't get the packer concentration legislation that we wanted, nor did we prevent the USDA from using a USDA stamp on meat products imported into this country. We did get a country of origin label.

That may be a slippery slope. There is a downside to that. But for every upside there is always a downside. We hope when we get into the administrative rules of that program we can have some input so that our producers are not only protected but have the ability to participate.

I know some of us in this body do not live on a border. But I will tell you our challenges along that border are much greater than some would imagine.

We did nothing about captive shippers when we moved our crops to ports and plants.

Those of us who only have one railroad have real serious concerns about producing for the railroad. It wasn't meant to be that way. But that is the way it is under present conditions.

As you know, in agriculture, we buy retail and we sell wholesale, and we pay the freight both ways. Those things were not even dealt with or looked at in this piece of legislation.

As we look at this issue, we are back to loan rates which are a little bit higher than before. We are back at targets, and we are back to deficiency payments.

Those of us who thought we were going to get an LDP payment in September forget about that. It is going to be smaller. You are going to get it in four payments starting this September. The last payment is coming in June of next year.

I don't think that is going to make every banker in the world happy. It won't get us out of our doldrums as far as producing this year's crop.

Like I said, we haven't had a crop for 5 years. Again, we are in a situation in Montana where we need an infusion of money. That is what drives my vote today. It is not because I agree philosophically about where this bill is taking us. I think probably when you look at it, the chairman of the committee was exactly right. If you look at it, it is not very much more money for our producers as compared with where we have been in the last 4 or 5 years. It doesn't increase their income all that much. You will just have to do more paperwork to get it with risk involved.

Tomorrow, we will vote for this bill. But I have the expectation that it will not be long before we will be revisiting this business of agriculture—before any of us are gone from this body.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER (Mr. CARPER). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I wonder if the good Senator would be kind enough to yield 15 minutes off the bill.

Mr. HARKIN. I yield 15 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

(The remarks of Mr. KENNEDY are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield time to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, I think we are talking about agriculture generally, are we not? Good. I wanted to talk about the farm bill. I had thought that is what we were talking about this afternoon. Apparently other issues are talked about as well.

In any event, the bill before us, of course, is the conference committee report on agriculture. That is the one, it seems to me, we need to focus on at the moment.

I begin by saying I am pleased we have a conference report on the agriculture bill. The conference report is before us and we can make a decision with respect to agriculture in the bill that is before us.

For much of agriculture, of course, this is a key time of the year. Completion here is certainly very timely and one that is very important.

I know that colleagues on both sides, the House and the Senate, spent many hours over the past couple of months working to reach a compromise. I thank them and their staff because I know it was very hard work and it takes a very long time.

We need a farm bill. We need a farm bill. That is very important to our economy. It is very important to our Nation. It is very important to homeland defense and all the things that are important to us. Producers in rural communities depend on a stable farm policy.

Of course, the bottom line, what we ought to be talking about, is a stable farm policy, the kind of policy that will show to us in the future where we want to be in agriculture.

I get a little concerned sometimes as we talk about all kinds of subjects and obviously talk about the immediacy of them. And that is the fact. But we really ought to be thinking a little more of where we would like to be in 10 years or 20 years. Where do we see agriculture? Where do we see our families and our communities in 10 or 20 years? What do we want agriculture to look like? That really ought to have an impact on what we do in the long term, and what we do now is going to impact that long term.

If we could develop a vision of where we wanted agriculture to be, then, of course, decisions we make in the interim would be much easier and certainly would lead toward the goal that we want.

Many of the programs that are in this bill affect Wyoming and are beneficial to Wyoming. The new sugar program is based on marketing allotments. Sugar, interestingly enough, in Wyoming is a major commodity and has been one of our biggest cash crops in our State of Wyoming; in addition to being one of the relatively few products that goes out to the retail markets that is entirely processed in our communities in Wyoming.

New policies are designed to keep the market in balance and to have something to do with production and control and to prevent the costly, damaging forfeitures we have had in the past.

As you probably know, we have been for years about the second largest producer of lamb. So we needed to ensure that this product is eligible for a marketing loan, and we are happy that it does. I am pleased that the conference provided wool producers with a new opportunity, similar to others, to grow and to strengthen their markets. These producers are making changes. These producers are looking forward and seeking to develop a niche market for their own products and to work with processors so they can move forward.

One of the things we have seen in agriculture, of course, is out of the total price for a retail agricultural product, the percentage that goes to the producer is getting smaller and smaller. So we are making some moves there.

Wheat, of course, is the only so-called program crop in Wyoming. The report continues to provide assistance, of course, to wheat producers.

Conservation is important to all of us in agriculture, and I think maybe it is particularly important to those of us in the West—maybe not any more important but we really like open space and we really like to keep properties, lands open. Of course, the answer to that is to have an effective agriculture, to have a profitable agriculture where people can stay on the land and keep it open and available. So we are pleased with that. It provides a means for producers to comply with Government mandates while voluntarily working to protect the environment. Water quality is one of those things, and we certainly need to be very careful about that. It is a very important thing to us.

The report subsequently boosts spending for conservation to $17 billion. That is good. Conservation affects everyone. One of the things we tried to do, and I tried to do as a member of the committee, was to kind of get off of this program crop thing, where the high majority of the money has always gone, and put it over a little bit more on general agriculture so we could have an impact on the broad view of agriculture and not just on cotton and wheat and corn and soybeans. They are important, too, of course, but they are not the only crops in the world. So this conservation approach was one of the best that we could take.

As we worked on this bill in committee, as a member of the Agriculture Committee, I spent the bulk of my time working on the conservation title. Efforts such as the Environmental Quality Incentives Program, EQIP, helps farmers and ranchers with technical information, with water quality as it comes through their land, with livestock grazing, and so on. This is strengthened.

So I thank the conferees for incorporating much needed reforms in this program, such as boosting cost-share dollars, eliminating priority areas, and eliminating bidding-down procedures.

I am also pleased with the authorization of a new program for grasslands—

the Grasslands Reserve Program. There are efforts here to assist in the protection of native grasslands, and it is particularly beneficial to western ranchlands that are being threatened by land sales and land fragmentation.

There are a number of programs in the bill that are critical for rural communities and the Nation's hungry, including rural development and nutrition programs, including food stamps, one of the major expenditures.

In my opinion, there is no question that these are important programs. I support them. However, on balance, I have concerns with the farm bill. Even though, as I have enumerated, I support those things that I think are reasonable, I think the final product has missed the mark. I believe Congress should be working to move agriculture more to a market-based economy versus one supported entirely by the Federal Government.

Here again, what do we want to see in agriculture in 10 or 20 years? Do we want the Federal Government to be in charge of farm production in this country? I don't think so. We want to develop the market so we can have prosperous agriculture in the private sector and people can make decisions for themselves.

This report is a dramatic step away from a market-based economy. Total spending has ballooned to about $83 billion over 10 years, according to the CBO score released yesterday. That is an increase of $9.3 billion over the original budget of $73.5 billion. Most of the increase is in the commodity title. Roughly $48 billion is devoted solely to the commodity title. If you incorporate CBO's new score, we are spending $57 billion for commodity programs alone.

In my opinion, the policies in this report will stimulate overproduction in an already fragile market. So we would move away from market control and move into a level set by loans and payments. Further, these same policies will price our products out of foreign markets. The fact is, about 1 in every 3 acres in agriculture must be in overseas markets. We produce much more than what we consume. We need to understand that those markets are vitally important to us.

Furthermore, farm policy, as I have mentioned, should benefit all of agriculture, not just select crops. Wyoming is not a crop-oriented State. Yet agriculture is one of our top three economic industries. Farm policies do not benefit my constituents as much as they do producers in the Midwest or even our surrounding States.

We should all question how these new policies will impact our trade negotiations and our export markets, which is what we are dealing with when this is over. If we have exceeded the so-called "amber box" allocation, our competitors can retaliate against our products because they think we have subsidized our products through this approach. How does retaliation benefit U.S. producers? Being locked out of export markets is a serious concern. We felt that very much when we had the Asian currency crisis and much of beef was going to Asia and the markets were building, and suddenly it did not. Now we find ourselves with relatively high tariffs there, which we ought to be able to negotiate down if we can deal with that.

When the United States is party to only a handful of agreements, we effectively limit our possibilities. If we aren't selling the wheat, corn, or beef to the world, someone else is.

When we began debate in the Agriculture Committee, I urged all of my colleagues to think about the future, where we were going to be. I think in most all we do we ought to be thinking about the long-term impact. I think that ought to be done here certainly.

Unfortunately, I fear this farm bill will create additional reliance on Government assistance, while simultaneously threatening our export market possibilities. So there are some questions in my mind about the conference committee report.

I was not on the conference committee. I have a question about packer ownership. As the chairman knows, I have long been concerned about the impact of packer concentration, where three or four packers handle 80 percent of the livestock. During Senate debate, I cosponsored an amendment to ban packing companies from owning and feeding livestock prior to slaughter. I would like to have someone from the conference explain to me why it is no longer a part of the farm bill if this would provide for more competition. Why would we not be for that? If it is better for producers, why would we not be for that?

Disaster assistance. Unlike much of agriculture, livestock producers do not have a Federal program. They have received very little assistance over the last few years, despite ongoing drought conditions that have forced many to sell all or part of their herd.

I would like to have the conference personnel tell me why, in a time of providing record assistance for agriculture, the conference report does not contain disaster assistance to agriculture, this conference report does not contain disaster assistance for livestock producers. We are providing $94 million in market loss assistance for apple producers and $10 million for onion producers—but not for livestock producers.

Again, there are some excellent portions of this bill. On balance, it is not moving in the direction we want to go in in terms of the future of agriculture.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I yield 10 minutes—and more if he needs it—to the Senator from Georgia. He has been a very valuable member of our Senate Agriculture Committee. I take this opportunity to thank him personally for his diligence, his effort, and input into our committee deliberations, and also on the floor. I daresay that many of the good provisions that we have—especially dealing with getting the whole peanut program changed over to what it was in the past to meet new challenges for the peanut growers in America—would not have been there without the efforts and strong input from the distinguished Senator from Georgia. I yield to him 10 minutes or more if he needs it.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. MILLER. Mr. President, I thank the Senator from Iowa for allowing us to work so closely together on this piece of legislation.

Like many of our colleagues, I have been reading a great new book by Robert Caro on Lyndon Johnson, entitled "Master of the Senate."

I enjoyed the hundred or so pages on the Senate as an institution, and especially the chapters on Senator Richard Russell of Georgia. He is an icon in my State and, of course, one of the greatest Members to ever serve in this body. We remember him mostly for his contributions as chairman of the Armed Services Committee. But another of his great causes was that of the American farmers. When he was a freshman, just in his thirties, he became chairman of the Appropriations Subcommittee on Agriculture. Now, those were the days.

One of the things he was most proud of was his fight for a national school lunch program. Senator Russell would like what is in this farm bill for nutrition, and I think he would like the other parts of it as well.

Speaking on the importance of agriculture, Senator Russell once pointed out:

> Every great civilization has derived its basic strength and wealth from the soil.

As I stand behind this desk he once used in this hallowed Hall, and as we deliberate this farm bill, it is well to remember those words:

> Every great civilization has derived its basic strength and wealth from the soil.

I am afraid too many Americans do not understand that today. I strongly support this farm bill conference report, and I thank the members of the conference committee, as I said in the beginning of my remarks, especially our chairman, Senator HARKIN, for their good and diligent work.

I also thank our majority leader, Senator DASCHLE, for his exceptionally strong leadership on this bill. We have a farm bill that the President has said he will sign, and I appreciate that. It is a bill that can be implemented this year and, most importantly, it is a bill that is good for all of America's farmers.

Farmers, ranchers, dairymen, bankers, equipment dealers, even family grocery store owners can finally breathe a small sigh of relief. With this bill, Congress will finally deliver some help to America's rural communities. Many do not realize it, but these communities are facing their biggest crisis since the Great Depression.

One of the most historic changes in this farm bill is the elimination of the Depression-era peanut quota system. Switching from this 80-year-old quota system to a new market-oriented program was not easy. In fact, it has been downright painful for many in my State, but I am confident this new peanut program will benefit not only peanut producers but also American consumers.

The new peanut program will allow our farmers to compete on a global scale, just as farmers of other traditional commodities do. It will provide access to new markets and fairer price competition with foreign countries.

At the same time, however, the elimination of the quota system will result in financial losses for many of Georgia's family farms. There is no question that this peanut quota is an asset. It is taxed by the IRS. It has been passed down through families from generation to generation. That is why on the Senate side, Senator CLELAND and I made sure farm families who have worked hard to purchase this quota over years are fairly compensated for their losses.

This bill gives peanut quota holders a fair 5-year buyout. Those who argue that quota holders do not deserve it simply do not understand how many have come to rely on this quota as their retirement. They do not understand how this quota system has helped fuel many rural economies for many years. So when we do away with it, as we are in this bill, in all fairness, we have to have a short transition. We need a bridge from the old system to the new, and this bill provides one.

I am very pleased the farm bill we have before us today does not have the lower payment limit that was adopted earlier by this Senate. That lower payment limit would have helped no farmer, but I can guarantee you it would have hurt many. I do not exaggerate. It would have forced many farmers in my State and across the South to put their farms on the auction block.

One has to understand the type of agriculture found across the South to realize the ill effect of lower payment limits. The cost of producing traditional commodities in the South often run three to four times higher than the cost of producing corn and wheat in other parts of the country.

Also, the size of a family farm in the South can be as large as a few thousand acres, much bigger than in other parts of the country. Our farmers in the South should not be punished because their production costs are greater or because their family farms are bigger.

The payment limit the conferees have worked on, a compromise between the House and Senate, closes the loopholes that have received so much public attention in recent years, but at the same time it still allows our farmers to produce the cheapest and healthiest food supply in the world.

Producers have the right to pursue efficiency and adapt to a changing world economy. I am pleased the conferees in the end understood the need to develop a final bill that will not hurt American farmers.

There are other important pieces of this bill as well.

This bill contains an 80-percent increase in conservation spending. That large an increase is unheard of. The increased funding will help with programs such as the Conservation Reserve Program, the Environmental Quality Incentives Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program. All of these programs are critical to farmers and livestock producers throughout Georgia.

These conservation programs help products comply with the costly Federal regulations that the Government continues to throw our way. In addition, this bill contains significant funding increases for research which we do a lot of in our university system in Georgia. I have already mentioned nutrition. Forestry, trade, and rural development programs are all here.

Mr. President, our farmers have waited long enough. Our rural communities have suffered long enough. Our previous agricultural policy has failed to provide the backbone needed during these depressed times in rural America.

For the sake of those rural communities in Georgia and all across this country, I thank, again, the leadership of the Senate and the House who have recognized this emergency and addressed it head on. I ask my colleagues to vote in support of this farm bill. It is a good one.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield time to the Senator from Arizona. How much time does the Senator require?

Mr. McCAIN. Fifteen minutes.

Mr. LUGAR. I yield 15 minutes to the Senator.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. McCAIN. Mr. President, I speak against this farm bill conference agreement that will serve as the basis of farm policy for the next 6 years. I oppose this legislation because it is an appalling breach of our Federal spending responsibility and could be damaging to our national integrity.

Included in this agreement, as we all know, is $83 billion in new spending for farm programs above the baseline, which brings the grand total to $183 billion for the life of the bill. In yearly spending, the projections for this new farm bill will rank among the most expensive farm bills in recent history.

Before I launch into my remarks, I wish to say that some of this new spending is laudable, including funding for conservation programs, increased funding for food stamps and nutrition programs, but unfortunately the bad policies outweigh any positive developments. Farm spending will reach record levels, and modest reforms were eliminated. We had a few modest reforms enacted on the floor of the Senate. All of those were eliminated.

It is no surprise that the adherence to the status quo is particularly disappointing since information was widely available demonstrating the overwhelming disparity of farm payment distributions. The GAO study highlighted the egregious disparity in farm benefits, demonstrating that over 80 percent of farm payments primarily benefited large and medium-sized farms. Other studies by the Environmental Working Group found that in evaluating U.S. Department of Agriculture data, the top 10 percent of big farmers and agribusiness consumed about 80 percent of farm benefits, leaving small farmers out in the cold.

When Members talk about small farmers, how in the world do you justify that—when they took out, I say to the distinguished managers of the bill and conferees—they took out the requirement, the ceiling we put on the maximum amount that a farmer could desire.

Tyler Farms in Helena, AR, received $23 million in cotton payments in 2001.

Cenex Harvest States Co-op in St. Paul, MN, received $9 million in wheat subsidies and also received $7 million in corn payments as well.

A farmers rice co-op in Sacramento, CA, received $40 million in rice subsidies, while Riceland Foods, Inc., in Stutgart, AR, received $38 million.

Mr. President, how does one justify this? What is going to happen? We all know what is going to happen. The same thing that happened in the past: 80 percent of the large corporations and large farms get the money; they buy out the small farmer, and the farms get big and the small farmers, whom ostensibly we are trying to assist in this legislation, are the ones who have to sell. A very large percentage have an average of about $1,000, while the major agribusinesses receive hundreds of millions of dollars. I don't have the figures for ConAgra and Archer Daniels Midland.

A modest effort was made to limit farm payments to $250,000 per farmer. Despite overwhelming justification for this modest limitation, looming farm and election year politics pressured conferees to reject any reasonable limitations. Nothing in this bill will serve as checks and balances to prevent the bulk of payments to selected commodities such as cotton, wheat, and corn growers and large farming conglomerates.

This is not to say other targeted commodity groups are completely left out. A new mix of old and new subsidies flows in abundance in the final conference agreement, with $94 million in mandatory funding for market loss assistance for apple producers, $10 million in mandatory funding for onion producers, $1.3 billion guaranteed for dairy producers as a compromise for ending the Northeast Compact. Wool, mohair, and honey subsidies have been resurrected, which were phased out or eliminated in the 1996 farm bill.

I remember in 1996 we were so proud of the fact we finally eliminated mohair subsidies. We were so proud because mohair subsidies were put in during World War I because mohair was deemed essential to the production of uniforms for the Army—uniforms for the doughboys of World War I. We finally got rid of it in 1996. And guess what. Like Freddie, it is back.

Honey subsidies have been resurrected; a new payment and loan program for producers of dry peas and lentils; $500 million is secured for sugar growers, in addition to a continuing lucrative loan subsidy program.

I will talk about sugar for a minute. We are talking about wanting to help the poor countries in our own hemisphere. We are committed to helping Africa with massive economic aid. Bono, the great musician of U2, made a crusade of assistance, particularly for Africa, and we are going to pour American tax dollars into these countries to help their economies. Meanwhile, we are going to cut off every possibility they have of making a go of their economies because we will not allow their products into the United States of America, whether they be textiles or whether they be sugar.

Sugar is amazing. We have a couple guys down in Florida who control this huge amount of sugar production, and they are able, through their political clout and massive campaign contributions, to have an enormous impact on our protectionism. Meanwhile, we will borrow these products—whether they be textiles from poor Central American countries or sugar from Caribbean countries—and then we will turn around and give them economic aid, when really the best economic aid we could probably provide to these nations would be to allow them to export their goods and products to the United States of America. The American consumer is the one who would pay less for a pound of sugar, would pay less for sugar, would pay less for a pair of trousers or a shoe or a banana.

What have we done? We are costing the American average citizen, one who is not a farmer, big or small, enormous amounts of money because we will prop up a price, and because the agribusiness is by the small farms, they will cultivate them and they will grow more products, there will be more of a surplus, and we will, again, lift the subsidy, costing the average citizen a lot more money. This is a vicious cycle we are in. It is one that obviously is going to be very damaging for a long time.

While proponents of this bill claim otherwise, the potential for overproduction may result in lower market prices, forcing Congress to once again respond with emergency payments, forcing the United States beyond the $19.1 billion annual limit agreed to in recent World Trade Organization negotiations.

We have another problem with the bill. The WTO and other trading partners will not sit still for it. We will see some serious confrontation between ourselves and our friends overseas and in this hemisphere, particularly in the WTO. There will be great legitimacy to their argument. What will happen is exactly what is happening now after we bailed out the steel industry. We are going to see them slap tariffs on our product, and we will see the average consumer, the average citizen—not Archer Daniels Midland, not ConAgra, not Tyler Farms in Helena, AR, that got $23 million in cotton payments, not Seneca Harvest State Crop that got $9 million in wheat subsidy and $7 million in corn payments; it will be the average citizen.

We have a new payment and loan program for producers of dry peas and lentils, as I mentioned; $500 million for sugar growers; $204 million in mandatory funding for payments to bioenergy producers who buy agricultural commodities to expand production of biodiesel fuel, an additive made from soybeans and ethanol; $650 million for the Market Access Program, which taxpayers subsidize, a marketing program for for-profit corporations on overseas advertising and promotion—I recall one: Over $1 million which we are now spending to help convince people overseas to eat popcorn—establishment of a new peanut direct payment program at a cost of $3 billion; an additional $1 billion buyout program of the traditional peanut price support system.

All this new spending adds up to increased burdens for taxpayers, and it may threaten U.S. commitments through various trade agreements.

How can we say we are in favor of free trade when we are considering this kind of massive farm subsidy? I have argued a long time on the floor about catfish. A catfish is a catfish. Ask any scientific expert, any college professor. But we will call it by a different name so that we can "nail" the Vietnamese and make sure our domestic catfish industry is protected. And guess what. The price of catfish will be higher for the average citizen.

In a letter to Senator LUGAR, the Canadian Ambassador stated his concerns about the direction of this bill:

> The direction of the 2002 Farm bill is counterproductive to the efforts of both Canada and the United States to achieve shared objectives for global agricultural trade reform. . . . Both the House and Senate versions of the Farm bill call for significant increases in spending on trade-distorting forms of support. It is also a concern that U.S. legislators are considering reinstating abandoned production distorting subsidies (e.g., honey), and extending them to new commodities, such as peas and lentils.

This policy of subsidizing wealthy farming interests will have ripple effects throughout the developing world by stimulating overproduction and further driving crop prices down on world markets.

This farm bill already approaches $200 billion over 10 years, but when it is said and done, the final cost will be much higher not only for the American taxpayer who must foot the bill but for the poor nations across the globe.

I have not seen in recent memory the unanimity as expressed by various newspapers across this country—the Washington Post: "This Terrible Farm Bill" and the Washington Post: "House Farm Vote on Farm Bill Carries Global Consequences." The Wall Street Journal, in their own reserved, understated way call it "The Farm State Pig-out" and the Atlanta Journal: "Farm Legislation Illustrates Worst In Corporate Welfare Reform."

With President Bush and Senator TOM DASCHLE pushing the new farm bill, voters must understandably be lured into believing this is a welcome sign of bipartisanship in our Nation's Capital. It is bipartisan already but hardly welcome. This is nothing more nor less than pure porkbarrel spending, enough to keep partisans on both sides of the aisle happy. Despite public outcry and outrage at such profligacy, the largest corporate welfare reform program in our country is now all but a done deal—it is a done deal.

"How to Keep 'Em Down on the Farm: Subsidies; Congress: In Tribute to Agriculture lobbys' Clout, bill bumps funding 70%."

Says the St. Paul Pioneer Press: "A Three-Way Deal: Taxpayers Foot Farm Bill."

Says the Washington Post: "Show down on subsidies." Washington Post, May 2, 2002:

> The farm bill that goes to the House floor for a final vote today is coming under attack from U.S. trading partners, with some experts warning that it could severely damage the economies of poor countries and set back the Bush administration's efforts to strike free-trade agreements.
>
> "This is an appalling signal to the world and the farm bill is very, very bad for the international agriculture." Warren Truss, Australia's Agriculture Minister, was quoted saying on his country's national radio network. The United States, he said, "is telling other people to lower subsidy levels but not doing the same thing itself."

Before I conclude I would like to express my gratitude to my distinguished colleague, Senator LUGAR, a man of virtue and reason with respect to our Nation's agricultural policies, for the strong stance opposing this farm bill agreement. He alone acted in principled fashion for this Senate body, first by offering a true reform proposal for farm policy during Senate debate which would have substantially reduced Federal farm payments and directed assistance on a needs-based approach. He boldly proposed to phase out cherished sugar, peanuts, and dairy subsidies. He also suggested that Federal assistance is more appropriately focused to those farmers who genuinely need assistance. As a farmer himself, he wisely recognized the fallacy of unlimited and unchecked farm subsidies and as demonstrated by withholding his approval on this final conference agreement. I applaud him for his brave battle against entrenched farming interests.

It is easy for me to vote and speak against this bill. It is not so easy for Senator LUGAR. I think he has displayed courage and wisdom and people will grow to regret, over time, that we did not heed his words and respect and vote for his proposals. That is because we have a train wreck coming and that train wreck is going to cost the American taxpayers a great deal in both quality of products as well as price.

I, obviously, will vote against the farm bill, and I do not think this is one of the Senate's finest hours.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona has consumed 15 minutes. The ranking member controls 15 minutes; the chairman of the committee controls 4.5 minutes. Who yields time?

Mr. LUGAR. Mr. President, I yield myself 1 minute.

I thank the distinguished Senator from Arizona for his thoughtful tribute. I appreciate very much the strength of his statement today. It was timely and important for all Americans to hear.

I yield the floor. I anticipate perhaps one more speaker on our side. I reserve our time.

The PRESIDING OFFICER. Who yields time? Does the Senator from Iowa yield time?

Ms. CANTWELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, I ask unanimous consent to address the Senate for 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Ms. CANTWELL are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Indiana has just under 15 minutes. The Senator from Iowa has 4½ minutes.

Mr. LUGAR. The speaker I anticipated is not present and therefore I am delighted to hear from the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON of Florida. I ask unanimous consent to speak for 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. NELSON of Florida are printed in today's RECORD under "Morning Business.")

Mr. LUGAR. Mr. President, I note there is no speaker on our side. I anticipated that perhaps the distinguished Senator from Oklahoma, Mr. NICKLES, would be available. Therefore, I would suggest that a quorum call be instituted—I suspect the time has already left on the Democratic side, and there would be 13 minutes remaining on our side—and that this be allowed to run out. In the event that Senator NICKLES appears, he might utilize the remainder of that time. Otherwise, we will come to the conclusion of the debate on the farm bill today and will be prepared for another vigorous session tomorrow.

I suggest the absence of a quorum, and ask that the time be charged to our side. There will not be any time left. Otherwise, I suggest equal charging.

The PRESIDING OFFICER (Ms. CANTWELL). Four and one-half minutes remain to the Senator from Iowa.

Mr. LUGAR. I suggest the time be charged—I delay my request for a unanimous consent request and ask that the time remaining on our side be yielded to the distinguished Senator from Oklahoma.

How much time remains on our side?

The PRESIDING OFFICER. Twelve and one-half minutes.

Mr. LUGAR. I yield 12½ minutes to the Senator from Oklahoma.

Mr. NICKLES. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Madam President, I wish to come to the floor and make a few comments on the agriculture bill. First, I wish to compliment the Senator from Indiana, Mr. LUGAR, for his statement today, for his comments, and for his very astute recognition of some of the problems we have in this bill.

I want to be in favor of an agriculture bill. I want to be in favor of a farm bill that is going to help farmers. Unfortunately, I think this bill fails that test.

I look at this bill from a lot of different angles. I want to help agriculture. I think every Member in this body wants to help agriculture. But is this bill the right way to do it?

If we pass legislation that is going to greatly encourage production and have the Government paying for a lot of it and then drive prices down, are we helping agriculture in the long run? I am afraid maybe we will be hurting agriculture in the long run.

As a matter of fact, there is a study which is just coming out that talks about the price of wheat going down for the next 5 or 6 years as a result of this bill. This bill is a 6-year bill. We are just trying to get a handle on the cost of it. There is a new estimate coming from the Congressional Budget Office that estimates the cost of this bill greatly exceeds the estimates by a total of about $9 billion.

The level we were negotiating with the President on was $73 billion over present law over 10 years. Now we have the Congressional Budget Office coming up and saying we find this is another $9 billion on top of the $73 billion, for a total of right at $83 billion over and above present law.

In other words, we are saying present law wasn't doing enough to help agriculture. So there was a bipartisan agreement with President Bush that would put in an additional $73 billion to help agriculture. That was done. But evidently that wasn't enough because a new scoring came out indicating this busts that budget by an additional $9 billion. That is one reason to be opposed to it.

Then I look at what happened on the cost limitation. We passed an amendment in the Senate in which I and others participated. It passed with 66 votes. We said we want to have a payment limitation. Payment limitations have grown dramatically. Years ago, we had payment limitations of $40,000 or $50,000 per farmer. Yes, we found that different people were skillful in their evasion of those limits. They had multiple payments in their families and pyramid schemes. We tried to tighten that up.

Anyway, we had bipartisan support for an amendment, 66 votes that said: We want to have a limit of $275,000, and that would include certificates. We adopted that with a big vote. We sent it to conference. And we come back to find the limit is not $275,000, it is $360,000. So it increased substantially over what we passed in the Senate. And, oh, incidentally, in the $360,000, they forgot to count certificates.

Not to get too complicated, but any farmer who is listening to this knows what I am talking about. It means there is no limit. It means the difference between the loan rate and the price you receive will not count towards your total payment limitation of $360,000, so you could have payments of $1 million.

Senator LUGAR talked about, for his State, looking it up on the Web site you could see that this would only apply to six or seven farmers. I looked for my State, and it would apply, frankly, to more than that. But I find out there are a lot of farms where those payment limitation numbers, that are posted by the environmental group, greatly exceed that, because they run things through co-ops and other organizations that do not show the payment limits, that are not attributing those to individual families.

So the point is, the Senate adopted an amendment that said: Let's have a payment limitation of $275,000. The bill comes back with $360,000, and it has no limitation whatsoever on the certificates.

Then we have to look at the crops.

I heard Senator LUGAR say earlier today: Does it make sense to have a program on cotton that has a current market price of 31 or 32 cents, and we have a target price of 72 cents? The difference is 41 cents. That 41 cents is 131 percent of the market price. The Government is going to be paying more in subsidy than what the market is. The market is 31 or 32 cents, and the Government is going to be paying basically the difference. The Government is going to be paying 41 cents for a total payment to the farmers of 72 cents per pound. That is an enormous subsidy in cotton.

What about in rice? The average price is about $4.20 per hundredweight. The target price for rice is $10.50. So the Government payment is going to be $6.30, about 150 percent of the market price.

Does that make sense? And if you have the Government paying so much more than what the market price is, we are greatly encouraging production of these commodities well in excess of what the market says we should be doing, so we will be drowning in surpluses, keeping the prices low.

What about in wheat? In my State, we grow a lot of wheat. The market price and the loan rate are just about the same. But the target price is $3.86. The market price is about $2.80. So it is a difference of $1.06. That is what the Government is going to pay. The Government is going to be paying 38 percent more than what the market price is for wheat.

Compare that to current law. It is about 16 percent of the market price. Under current law, the Government pays about 46 cents per bushel in wheat. Under this bill, we will pay $1.06 per bushel. So that is over twice as much Federal subsidy per bushel.

You might say that is great for your State. It may benefit a few of our wheat farmers, but the net result is, collectively, nationally, what we are going to be doing is encouraging a lot of overproduction, and prices will continue all. As estimated by this one study, prices will fall. Does that help wheat farmers in the long run? I do not think so. I do not think it is going to help them. The net result is, we are going to be putting a lot of people into bankruptcy.

Look at corn. For corn, you have a market price of $1.90, you have a target price of $2.60—a differential of 70 cents. That is 37 percent of the market price. The Government would be paying 37 percent more than what the market would dictate we should be paying in corn.

Compare that to present law. The differential is 26 cents. So right now the Federal Government is paying a 26-cent differential on the market price of corn. That is 14 percent. That more than doubles now to 70 cents. So we are going to have more corn production. Somebody might say that might be great for corn farmers. But guess what. You encourage a lot of production in excess of demand and you are going to be drowning in surpluses, and prices are going to fall.

So Government payments are going to go up. We are increasing a Government dependency system here that is broken. It needs to be fixed. But instead of fixing it, we are making it worse. These Government payments are going to get bigger and bigger, and maybe people will see, on Web sites, how much people are really making and come back to Congress and say: Wait a minute. Fix it. You should not be paying a few people—and it is exactly a few people who are really going to be the beneficiaries.

What we will have is a situation where the smaller farmers will be bought up by the big ones. The smaller farmers are not going to be able to make it. So this is going to exacerbate and accelerate the move from small farms to large corporate megafarms, and the megafarms are going to get the bulk of the money.

I think it has already been reported that the upper 10 percent of farms are getting two-thirds of the cash payments out of agriculture. That figure will increase. It will soon become where the upper 5 percent of farms will be getting 70 percent of all the money coming from this program; and maybe that figure will even climb from there.

Madam President, I ask unanimous consent that a farm bill payment comparisons table and a farm bill spending table be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FARM BILL PAYMENT COMPARISONS

	Wheat		Corn	
	Current	Conf	Current	Conf
2001/2002 season average price	2.80	2.80	1.90	1.90
Loan rate	2.58	2.80	1.89	1.98
Target price	n/a	3.86	n/a	2.60
Direct payment rate	0.46	0.52	0.26	0.28
Loan deficiency payment	....	....	....	0.08
Counter cyclical payment rate	....	0.54	....	0.34
Total payment	0.46	1.06	0.26	0.70
As a percent of market price	16%	38%	14%	37%

FARM BILL PAYMENT COMPARISONS

	Rice		Cotton	
	Current	Conf	Current	Conf
2001/2002 season average price	4.20	4.20	0.3140	0.3140
Loan rate	6.50	6.50	0.5192	0.5200
Target price	n/a	10.50	n/a	0.7240
Direct payment rate	2.04	2.35	0.0556	0.0667
Loan deficiency payment	2.30	2.30	0.2052	0.2060
Counter cyclical payment rate	....	1.65	....	0.1373
Total payment	4.34	6.30	0.2608	0.4100
As a percent of market price	103%	150%	83%	131%

FARM BILL SPENDING—OLD BASELINE 'VS' NEW BASELINE

Year	Cost under April 2001 budget resolution	Cost under March 2002 baseline	Difference
2002	2.5	2.5	....
2003	7.2	8.5	1.3
2004	8.8	10.4	1.6
2005	9.3	10.7	1.4
2006	8.9	10.1	1.2
2007	8.5	9.5	1.0
2008	7.2	8.1	0.9
2009	7.4	8.1	0.7
2010	6.9	7.6	0.7
2011	6.8	7.3	0.5
Total	73.5	82.8	9.3

Mr. NICKLES. So there are lots of reasons to have concerns about this bill. I have mentioned the cost. I mentioned the enormous payments that would be made to some. I mentioned the fact that the total cash payments to farmers is really nonexistent because we did not count certificates. And then I look at the fact that we are getting agriculture in some areas where it really does not belong.

What in the world are we doing with an onion program? What are we doing with subsidies for apples? And what are we doing reinstating a honey program that we finally stopped? Why are we reinstituting a program for wool and mohair, which was created decades ago, and it really is not necessary to have a national program?

Why are we subsidizing the purchasing of all kinds of commodities just to prop up prices? Again, Federal Government intervention is like we do not believe in markets. And when we are talking about trade—and we have a trade bill on the floor of the Senate that we will be considering in a couple days—it is like, oh, yes, half of our trade negotiations are stuck in agriculture. For those who have not followed this issue, agriculture is very difficult to deal with in trade negotiations. We have just made it a whole lot worse.

When we tell people, let's open up markets and we can compete—and we can compete in agriculture anywhere in the world—with this bill we are making it very difficult for our people. Those with whom we trade say: Oh, yes, you say we shouldn't subsidize our farmers so much, but look how much you are subsidizing your farmers.

So you are going to see greater and greater protectionism and greater and greater subsidies on both sides of the Atlantic—frankly, all across the world—with more Government dependency everywhere.

Who will be the real losers? Certainly, the poor and developing countries will be losers because they cannot afford to get into this kind of battle. And, frankly, the American taxpayers will be the losers as well because we will be writing a whole lot of checks to produce commodities that we do not need and that the market is saying we do not want. We produce so much more than we can consume, so we have to export.

This bill is going to make it more difficult to export. So we are going to be drowning in our own surpluses. Market prices will fall further, and Government payments will go up. That is the net essence of this bill. I hate to say that. I wish that were not the case.

I have supported agriculture bills in the past, unlike some of our colleagues in this Chamber. I would like to support an agriculture bill this year. Unfortunately, I see this bill as taking a giant step in the wrong direction, a direction where people will not be farming, due to what the demand or the marketplace is dictating, but, frankly, a marketplace dictated by Government, Government subsidies, Government largesse, and, ultimately, Government control. This Senator believes that is a mistake.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NICKLES. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Madam President, how much time is remaining?

The PRESIDING OFFICER. Four and one-half minutes.

Mr. HARKIN. On this side. How much time on the other side?

The PRESIDING OFFICER. There is no time remaining.

Mr. HARKIN. Madam President, I think all has been said that needs to be said, at least for today, on this farm bill. I guess we are going to have 6 more hours of saying it all over again tomorrow. So I see no need to stay here any longer.

I yield back the remainder of our time.

The PRESIDING OFFICER. The Senator's time is yielded back.

Mr. HARKIN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators allowed to speak therein for a period not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EDUCATION BUDGET

Mr. KENNEDY. Madam President, I thank the Senator from Iowa for yielding the time. This is extremely important legislation. As one who from time to time manages floor legislation, I recognize that it is important to keep the focus and attention on the pending subject matter.

But I want to take a moment of the Senate's time to talk about another issue which is important to the families in this country; that is, our education budget.

I take this moment now because we have had a series of actions by the administration in recent days that brought new focus and attention on the issue of education funding.

Money, in and of itself, is not going to answer the problems we are facing in this country on any public policy issues, and it will not in the area of education. But what we had last year was an education reform program that was worked on by Republicans and Democrats alike, the No Child Left Behind Act. Prior to passage of the new law, there was criticism of the federal education programs, that they were not resulting in the children developing academic skills and succeeding in our school systems across this country, and there was also a very fundamental understanding; and that is, while money alone will not solve the problem, reform alone will not solve the problem. If you bring reform together with resources, you are going to fulfill a recipe for progress for children in this country.

The reforms, which we spelled out in the new law, are raise standards for students and teachers and hold schools and school districts accountable for results. It requires a great deal from the students, a great deal from the schools, a great deal from the parents, a great deal from the local communities, additional responsibilities by the States. We in Washington told them that we were going to be a partner in this endeavor to try to really make a difference in enhancing academic achievement.

That was an endeavor on which many of us signed off. Many of us, who have been here for a period of time, have raised some serious questions about the seriousness with which our Republican friends are really committed to the areas of education and education reform. I remember, after we saw Republican leadership take over in the Senate, as a result of the elections of 1994, one of the first actions they undertook was a rescission of some $1.7 billion in education funding that had already been appropriated for some of the neediest children in this country. We fought that. We fought it and fought it, but they had some success in rescinding funding. It was the same year the Republican leadership announced they wanted to abolish the Department of Education.

I think most of us in this body wanted the Department of Education, for one simple and fundamental reason; that is, every time the President brings a Cabinet together, we want to have someone at that table who is the clear, powerful voice for children and enhanced education and investing in the children of this country and their education. That is what the a Secretary of Education should do. But they wanted to abolish the Department of Education. They said we could have many other Departments, and money in other areas of public policy. But we resisted, and we saw that the Department was not abolished.

Then, if you can believe, in 1995, in the Republican budget resolution that came over from the House, they tried to effectively eliminate over $18 billion in student loans support over a 7-year period. We were able to resist that, just as we resisted Republican efforts in 1981, when President Reagan initiated what they call an origination fee on student loans, an additional kind of payout. We were able to reduce that in a significant way. But students still pay too much up front to borrow money to go to college.

This is the record over a very considerable period of time. Three years ago, we had the battle on the floor of the Senate on elementary education, and there was a move to eliminate and support for 800,000 homeless children, 800,000 migrant children, 800,000 immigrant children who were going to be American citizens. The Republican leadership did not want any coverage for them.

The American people have a certain hesitancy and a certain concern about the legitimacy of the other side's real interest in investing in education. The list of anti-education proposals from the other side continues to go on.

Just ten days ago, we saw the proposal by one of the leading authorities in the administration, Budget Director Mitch Daniels, who suggested a new way to shortchange students pursuing their college education in this country, by effectively denying them the opportunity to go for the lowest-interest rates on student loans that long have been available to them. The Administration sought to require that students pay higher interest rates on their loans, rates which would mean, for the average student, more than $3,000 in additional expenses over the life of their loan. If that loan was $17,000, and repayment were stretched over 30 years, it would be an additional $10,000 in costs.

That is a very clear indication of how the Administration views support for higher education for students in this country.

Now, we find that the President is out traveling across the country talking about the importance of funding education, understanding that we need reform and that we also need resources.

Just yesterday, this is what the President said in Michigan:

> The Federal Government has responsibilities. Generally, that responsibility is to write a healthy check, and we did so in 2002—$22 billion for secondary and elementary education. It's a 25 percent increase. We've increased money by 35 percent for teacher recruitment, teacher retention, and teacher pay.

I wish that had been their proposal, but it was not. It was not. Their proposal was for a 3.5 percent increase, basically enough only to cover inflation despite the tremendous needs beyond inflation that our schools have. All of the difference between the 3.5 percent and what the President identified here was the result of Democratic leadership in the Senate and the Appropriations Committee to get that increase.

Let's be fair. Let's be honest. Let's be candid in terms of it. That is the basic and bottom line. And all we have to do is say: Well, if this really was their proposal last year, what happened to it this year? This year, the administration proposes a 2.8 percent increase, again inflation only. Why on the one hand would you go out and tell people in Michigan that you provided $22 billion for elementary and secondary education, a 25 percent increase, and a 35 percent increase for teachers, recruitment for teachers for one year, and now come on back and propose a 2.8 percent increase.

Who is fooling whom? It was 3.5 percent last year, and the Democrats raised it to the figures the President talked about, and this year it is 2.8 percent. That is what is in the budget. That is what is in the budget numbers.

It gets worse. Look at what the administration's budget is for the future, according to the last budget conference report. It provides virtually zero new money for education for the next 8 years, all the way to 2011. They put forward funding to cover the cost of inflation, but not a nickel above it. There it is, as shown on the chart, for the next 8 years. For the next 8 years: a zero increase. We do not hear them talking about that. We do not hear the President or the Department of Education or anyone for the President denying this. It is because that happens to be it.

What we are saying is that we believe—believe deeply—that when you have an over $2 trillion budget and you say education is your most important priority, outside of national security and the war on terrorism, we think you can do better on education than this. That is what the Democrats say. And that is what we want the American people want. An over $2 trillion budget, and they can't do anything better than a 2.8 percent increase. It doesn't even meet the challenges of inflation and growing school enrollment, never mind all our unmet school needs.

So the schoolteachers who are out there now trying to upgrade their skills, as we have effectively required in last year's reform legislation, so that we can have a well-qualified teacher in every classroom, they are going to be denied the support. 18,000 fewer teachers who received training last year budget will go untrained next year under the administration's budget.

Those children, whom we are asking to meet higher standards, who need that extra help and assistance in the after-school programs with tutorials, they are going to find the doors are going to be closed to them in the after-school programs. 33,000 children who received after-school learning opportunities will be pushed out of programs next school year under the administration's budget.

Why is it that at a time when the country has come together, and there has been a great hullabaloo about the signing of the No Child Left Behind Act—and I participated in it, and welcomed the opportunity, as others did in this body, to see that we were going to give national focus and attention on the issues of education—we are pulling the rug out from underneath this effort? Are we expecting that schools reform will be a success on a tin cup budget? It simply cannot be done. Every schoolteacher, every parent understands that. Every school board member, every principal, every superintendent understands it.

If we are going to leave no child behind, we cannot accept the Administration's budget that provides services to just over a third of all the needy children eligible for Title I assistance. They leave almost 6 million children behind. The Administration wanted to title our bipartisan school reform bill the No Child Left Behind Act. The legislation laid out a glide path of funding so that we would provide supplemental services for every needy child. That is what that legislation stated. That is what the President signed. But you don't get there with this budget.

What we are basically talking about here is whether we are going to get the qualified teachers in underserved areas, areas with the highest incidence of dropout rates among Hispanic Americans and the highest number of unqualified teachers. That does not mean those teachers who are working today under extremely challenging and difficult conditions don't want to be a part of this whole effort to upgrade skills. They want to be. Give them a chance. Give them a fighting chance.

That is what last year's bill sought to do. It sought to give them a chance for certification. Give them a chance for training. Give them a chance for upgrading their skills. We have seen where it has been done. It has been done down in North Carolina. It is being done in a handful of other States. We believe the Nation ought to be about it. That is the policy that last year's bipartisan legislation committed us. That is what we are not living up to.

I hope we can try to get back to what we committed ourselves to and what we are fighting for here today. We have the opportunity at this time to try to breathe new life into the pledge to leave no child behind. We still have the appropriations process to go through. We welcome a President who says: All right. We have looked through these figures. We know we are fighting a war on terrorism. We know we are funding homeland security. But by God, at the greatest times of American history, we have not only fought overseas but we have invested here at home. The place to start off that investment is going to be here in the area of education. We are going to support those past efforts, those bipartisan efforts and make sure that the legislation comes to life with an infusion of added and desperately needed resources.

We are going to continue to make our presentation, continue to make this case day in and day out. We want to tell the parents in this country that when we were a part of voting for that legislation to enhance academic achievement and accomplishment, we said it was a national priority and we meant it.

This administration's budget does not make education a national priority. So, we are going to fight for those families. We are going to fight here on the floor. We are going to fight during the appropriations process. We will take on the administration. But we are not going to leave the children of this country behind.

ENRON MARKET MANIPULATION

Mrs. FEINSTEIN. Madam President, this morning I sent a letter to the Attorney General asking him to institute a criminal investigation against Enron and other energy companies. I will read that letter into the RECORD.

The letter says:

> DEAR ATTORNEY GENERAL ASHCROFT: I am writing to ask that you institute a criminal investigation to determine whether federal fraud statutes or any other laws were violated by Enron and other energy companies engaged in energy trading and delivery of natural gas and electricity to the Western Energy Market in 2000 and 2001.
>
> In January, during a hearing before the Energy Commission I asked Patrick Wood, Chairman of the Federal Energy Regulatory Commission (FERC), to investigate whether Enron manipulated prices in the Western Energy Market. The enclosed documents released by FERC indicate that Enron was not only manipulating prices in the West, but also engaged in a number of calculated strategies such as "Death Star," "Fat Boy," and "Get Shorty" to either receive payment for energy not delivered or increase price. In my book, this is outright fraud.
>
> Since Arthur Andersen (the entire company) has been indicted by the Justice Department for shredding documents, it seems to me that Enron is at least as culpable, if not more so, for creating certain schemes to perpetuate acts of fraud on consumers under the guise of corporate strategies.
>
> Because UBS Warbug has purchased Enron's trading entity, I am particularly concerned that the same manipulative trading strategies may continue to be in place today. I ask that you launch a thorough investigation into this matter which may well involve other energy companies that delivered energy into the Western Energy Market in 2000 and 2001 and continue to do so today.
>
> Thank you for your immediate attention to this matter.

In the last 2 years I have listened to my colleagues, to FERC, and to energy companies tell me that the California energy crisis was caused by inherent problems in California.

I have never disagreed that California's flawed energy deregulation laws helped precipitate an energy crisis. But I have also always believed that energy companies took advantage of California and the rest of the West to manipulate the market and to drive up prices. There is simply no other way that energy costing $30 a megawatt hour at one time, a few days later could cost $350 a megawatt hour.

On March 7, one of my colleagues in this esteemed House said the following on the Senate floor to justify opposition to our futures derivatives amendment:

> I have seen no evidence—in fact I will point out that Chairman Greenspan has seen no evidence—that derivatives by Enron, or by anybody else, had anything to do with the energy spikes in prices in California.

So I would ask my esteemed colleague to read these documents which are today on the Federal Energy Regulatory Commission's Web site and tell us if he can still say that.

These documents, released yesterday, are nothing short of astonishing. They discuss strategies with popular names such as Death Star and Get Shorty to describe in detail how energy prices can be manipulated. And then there is a document, by a law firm, Brobeck, which attempts to justify the strategies.

I am not shocked to learn that this had occurred. I have been saying this for a long time now. But the arrogance of documenting such illicit and underhanded behavior, and using popular titles for it, I think speaks for itself.

Make no mistake about it, this is a smoking gun.

I ask unanimous consent these memoranda be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BROBECK, ATTORNEYS AT LAW.

As part of our preparation for the various investigations and litigation actually and potentially facing EPMI in connection with the California energy market, Jean Frizzell, Barrett Reasoner, Mike Kirby and Gary Fergus spent several full days over the past few months at EPMI for the purpose of learning and understanding more about the data, methodology, the various strategies used by the traders and the implementation of those strategies. This is a highly complicated subject matter and all of us are still learning.

We used as our starting point the Preliminary Memorandum dated December 8, 2000, which we understand was prepared as the first step in educating you and outside counsel about EMPI trading practices. The Preliminary Memorandum was written by Steve Hall, an associate on loan from the Stoel Rives law firm, and co-authored by Christian Yoder, the in-house counsel at EMPI. Over the course of the past month, we have spent a fair amount of time with a number of traders. In some instances, we met the same traders more than once to try and understand the various practices. On January 11th, we spent another full day with Tim Belden, chief trader for EMPI in Portland going over the strategies that have been identified. Here is our summary of the status of our further investigation and present analysis of the EMPI trading practices:

OVERVIEW

The California energy market during calendar year 2000 was an incredibly complex and dynamic environment. Weather, supply shortages, physical limits and market volatility contributed to this environment. During the past month, we have had several outside law firm lawyers, each with varying degrees of experience with California electricity market, work together with the EPMI traders to understand the market and the practices. From time to time, the understanding of and interpretation by the lawyers interviewing the same traders about the market and the trading practices were inconsistent. When that happened, we would go back to the traders to try and gain a common understanding of the particular market and trading strategy. At this point in the process, we realize that there are very few clearly defined trading strategies. Depending upon the particular circumstances of the day, trading strategies were modified and applied in response to EPMI's portfolio, market conditions, the individual trader's understanding of them, and the individual trader's preference within a large overall framework. In part, this is because trading is done 7 days a week for many different schedules (e.g. PX day ahead, PX day of, ISO hour ahead, ISO real time etc.

EPMI is only one of the many market participants. We do not have nearly enough information to gain a good understanding of all of the impacts other participants, and whatever their strategies might have been, had on the market. For these reasons, you should consider this a work in progress, rather than the definitive analysis of EPMI trading practices. We may learn that some of the conclusions we have reached will later turn out to be inaccurate. In fact, we learned during this process that some of other information contained in the Preliminary Memorandum, which resulted in some erroneous assumptions and conclusions, cannot be supported by the facts and evidence which are now known. In other instances, some statements in the Preliminary Memorandum understandably mixed trading strategies and schedules. In order to minimize the risk of confusing matters further, we have taken the additional step of having Tim Belden review this memorandum to see if we have accurately described the trading practices and to see whether he can spot any flaws in our analysis. We tried to follow the same format of the Preliminary Memorandum for easy cross reference.

"INCING" LOAD INTO THE REAL TIME MARKET

"Incing" was a slang name (short for "increasing") for a trading strategy used in response to the independently owned utilities (IOU) well known and documented strategy of significantly underestimating their load in the PX day ahead market. This practice by the utilities apparently occurred almost daily. Because the IOU's purchased their power through the PX day ahead market, the PX thus became their scheduling coordinator; the ISO's resulting schedules understated the load for the next day. The IOU practice of underestimating load artificially lowered the PX day ahead market clearing price. Incing served to partially counteract the reliability issues caused by this practice and, from the California consumer's perspective, appears to have been preferable to the alternative of selling outside of California. In addition, incing may have increased the actual guaranteed available supply of power in the California market depending upon the shape of the demand curve. Incing reduced demand in the ISO market, therefore reduced the ex post price and potentially lowered the overall cost to California consumers. When incing, EPMI was a price taker in the ISO ex post market.

DEATH STAR

Death Star was a slang name for a strategy that addressed congestion between northern and southern California. During certain periods, there are transmission limits between northern California and southern California on path 15 and path 26. It appears that the source of the congestion may have been the consistent underestimating of load by PG&E—the same underestimating referred to above. Because the demand was artificially lower in Northern California, it appears supply was trying to move to southern California. By using a combination of ISO approved scheduled counterflows and alternative non-ISO transmission lines, EPMI increased the transfer capability between the regions, reduced congestion, and utilized underused pathways to increase the overall supply of electricity in southern California. By virtue of using multiple transmission paths, EPMI took on financial risks, including having the transmission line derated, assessment of additional congestion charges, and liability for take or pay transmission charges on alternative transmission lines to execute the strategy.

Contrary to certain statements in the Preliminary Memorandum, congestion was relieved and energy did flow through otherwise underutilized paths.

LOAD SHIFT

Load shift is a general term used to describe a variety of scheduling practices and trading strategies in the day ahead and hour ahead markets. One variation of load shifting involved scheduling ISO approved counterflows in the ISO day ahead market, ISO hour ahead market or both. Generally speaking, as an alternative to purchasing power in the north. EPMI purchased power in the south and counterflowed that power to the north. Such transactions had the effect of providing congestion relief in the ISO day ahead market or the ISO hour ahead markets. These transactions placed EPMI at financial risk for the differences in price between the regions.

Another category of load shifting involves shifting the load on paths for which EPMI purchased firm transmission rights. This category was briefly discussed in the Preliminary Memorandum. We have learned more about his load shifting strategy since the Preliminary Memoranda was written. As the result of several in depth interviews with the traders and review of the public market surveillance reports available in the public and all market participants, if is apparent that the assumptions and conclusions contained in the Preliminary Memorandum were inaccurate. First, in hindsight, it now appears likely that the load shifting strategy, without knowing the impact of other market factors, sometimes may have reduced the prices in the north while leaving prices in the south unchanged or minimally impacted. Second, it appears that the estimate of profits from this load shifting strategy in the Preliminary Memorandum was vastly overstated and indeed confused. It would appear that the source of the confusion may have been that the Preliminary Memorandum reported the total profit attributable of the EPMI firm transmission rights on path 26, as reflected in ISO public documents, as opposed to any calculation of the profit of this particular strategy.

GET SHORTY

"Get Shorty" was the slang name for a trading strategy involving the provision of ancillary services in the PX day ahead and ISO hour ahead markets. EPMI committed to providing the ancillary services in the PX day ahead market and covered its position by purchasing those services in the ISO hour ahead market. Accordingly, EPMI actually purchased the services necessary to provide ancillary services if called upon to do so. In fact, the ISO regularly called upon EPMI for ancillary services that were provided. Based upon the information we have so far, there was only one incident where EPMI failed to cover its position. In that single instance, EPMI promptly offered to, and ultimately did, return the payment received for the ancillary services that were not provided. Accordingly, the strategy did not impact the reliability of the grid. This strategy, however, did place EPMI at financial risk. On a number of occasions, It appears the cost to cover exceeded the amount received in the day ahead market and EPMI provided services to the ISO at a loss.

The Preliminary Memorandum incorrectly assumed that the information provided to the ISO was inaccurate. It now appears that, consistent with daily ISO practices, that EPMI did not specify the source of the ancillary services at the time of sale.

RICOCHET

"Ricochet" was the slang term for a trading strategy that existed because EPMI was not permitted to make adjustment bids in SC to SC (scheduling coordinator) trades due to limitations in the ISO software systems. Ricochet served the dual purpose of allowing for adjustment bids and opening up market options for EPMI including the supplemental and bilateral markets. By using this strategy, EPMI was at financial risk if the PX price exceeded either the supplemental or bilateral market price. Furthermore, the ISO software limitation forced EPMI to incur additional costs, export charges, ancillary services on exports and line losses on imports.

Ricochet appears not to have been a strategy that was used to a significant extent when compared to EPMI's overall portfolio. It appears that other market participants with control areas adjacent to California and access to extremely flexible generation resources may have relied more extensively on this strategy.

At the present time, EPMI faces its own software limitations in implementing ISO approved adjustment bids in SC to SC transactions.

NON-FIRM EXPORT

This was a trading practice that involved scheduling counterflows three hours ahead of the time energy would flow. The schedule counterflow had the likely effect of reducing the congestion charge on the scheduled path. Under this strategy, EPMI qualified for the congestion relief payment two hours before the scheduled flow. Ultimately, EPMI did not flow the power. Based upon the information we have, this practice does not appear to have had any demonstrable impact on either the PX price or the ISO ex post price. However, in August 2000, the ISO directed that the practice be discontinued. The EPMI traders with whom we spoke confirmed that EPMI has complied with that mandate.

SELLING NON FIRM ENERGY AS FIRM ENERGY

This was a trading strategy that was occasionally used in southern California to allow for the import of power that would otherwise not be available. The net effect of this practice, in conjunction with other market factors, was to increase the overall supply with no apparent impact on PX price. EPMI was subjected to financial risk in that if the nonfirm power was cut, EPMI would have to cover the energy cut by purchasing that power in the ISO market at the ex post price.

At this time, it appears that the net result of this practice was to bring additional supply into California.

SCHEDULING ENERGY TO COLLECT THE CONGESTION CHARGE II

The net effect of this strategy was to schedule counterflow thereby reducing congestion in hour ahead market. This was a high risk strategy because EPMI was exposed to the ex post market price that could exceed the congestion price. This strategy could have potentially lowered the congestion charge depending upon a wide variety of other market factors.

STOEL RIVES LLP,
December 8, 2000.

To: Richard Sanders
From: Christian Yoder and Stephen Hall
Re: Traders' Strategies in the California Wholesale Power Markets/ ISO Sanctions

CONFIDENTIAL: ATTORNEY/CLIENT PRIVILEGE/ ATTORNEY WORK PRODUCT

This memorandum analyzes certain trading strategies that Enron's traders are using in the California wholesale energy markets. Section A explains two popular strategies used by the traders, "inc-ing" load and relieving congestion. Section B describes and analyzes other strategies used by Enron's trades, some of which are variations on "inc-ing" load or relieving congestion. Section C discusses the sanction provisions of the California independent System Operator ("ISO") tariff.

A. THE BIG PICTURE

1. "Inc-ing" load into the real time market

One of the most fundamental strategies used by the traders is referred to as "'inc-ing' loan into the real time market." According to one trader, this is the 'oldest trick in the book' *and*, according to several of the traders, it is now being used by other market participants.

To understand this strategy, it is important to understand a little about the ISO's real-time market. One responsibility of the ISO is to balance generation (supply) and loads (demand) on the California transmission system. During its real-time energy balancing functions the ISO pays/charges market participants for increasing/decreasing their generation. The ISO pays/charges market participants under the schemes: "instructed deviations" and uninstructed deviations." Instructed deviations occur when the ISO selects supplemental energy bids from generators offering to supply energy to the market in real time in response to ISO instructions Market participants that increase their generation in response to instructions ("instructed deviation") from the ISO are paid the "inc" price. Market participants that increase their generation without an instruction from the ISO (an "uninsured deviation") and paid the ex post "dec" price. In real-time, the ISO issues instructions and publishes ex post prices at ten-minute intervals.

"Inc-ing load' into the real market" is a strategy that enables Enron to send excess generation to the imbalance energy market as an uninstructed deviation. To participate in the imbalance energy market it is necessary to have at least 1 MV of load. The reason for this is that a generation cannot schedule energy onto the grid without having a corresponding load. The ISO requires scheduling coordinators to submit balanced schedules, i.e., generation must equal load. So, if load must equal generation, how can Enron end up with excess generation in the real-time market?

The answer is to artificially increase ("inc") the load on the schedule submitted to the ISO. Then, in real-time, Enron sends the generation it scheduled, but does not take as much load as scheduled. The ISO's meters record that Enron did not draw as much load, leaving it with an excess amount of generation. The ISO gives Enron credit for the excess generation and pays Enron the dec price multiplied by the number of excess megawatts. An example will demonstrate this. Enron will submit day-ahead schedule showing 1000 MW of generation scheduled for delivery to Enron Energy Services ("EES"). The ISO receives the schedule, which says

“1000 MW of generation” and “1000 MW of load. The ISO sees that the schedule balances and, assuming there is no congestion, schedules transmission for this transaction. In real-time, Enron sends 1000 MW of generation, but Enron Energy Services only draws 500 MW. The ISO's meters show that Enron made a net contribution to the grid of 500 MW, and so the ISO pays Enron 500 times the dec price.

The traders are able to anticipate when the dec price will be favorable by comparing the ISO's forecasts with their own. When the traders believe that the ISO's forecast underestimates the expected load, they will inc load the real time market because they know that the market will be short, causing a favorable movement in real-time ex post prices. Of course, the much-criticized strategy of California's investor-owned utilities (“IOUs”) of underscheduling load in the day-ahead market has contributed to the real-time market being short. The traders have learned to build such underscheduling into their models, as well.

Two other points bear mentioning. Although Enron may have been the first to use this strategy, other have picked up on it, too. I am told this can be shown by looking at the ISO's real-time metering, which shows that an excess amount of generation, over and above Enron's contribution, is making to the imbalance market as an uninstructed deviation. Second, Enron has performed this service for certain other customers for which it acts as scheduling coordinator. The customers using this service are companies such as Powerex and Puget Sound Energy (“PSE”), that have generation to sell, but not native California load. Because Enron has native California load through EES, it is able to submit a schedule incorporating the generation of a generator like Powerex or PSE and balance the schedule with “dummied-up” load from EES.

Interestingly, this strategy appears to benefit the reliability of the ISO's grid. It is well known the California ISOs have systemically underscheduled their load in the PXs's Day-Ahead market. By underscheduling their load into the Day-Ahead market, the IOUs have caused the ISO to have a call on energy in real time in order to keep the transmission system in balance. In other words, the transmission grid is short energy. By deliberately overscheduling load, Enron has been offsetting the ISO's real time energy deficit by supplying extra energy that the ISO needs. Also, it should be noted that in the ex post market Enron is a “price taker,” meaning that they are not submitting bids or offers, but are just being paid the value of the energy that the ISO needs. If the ISO did not need the energy, the dec price would quickly drop to $0. So, the fact that Enron was getting paid for this energy shows that the ISO needed the energy to balance the transmission system and offset the IOU's underscheduling (if those parties own Firm Transmission Rights (“FTR”) over the path).

2. Relieving Congestion

The second strategy used by Enron's traders is to relieve system-wide congestion in the real-time market, which congestion was created by Enron's traders in the PX's Day Ahead Market. In order to relieve transmission congestion (i.e., the energy scheduled for delivery exceeds the capacity of the transmission path), the ISO makes payments to parties that either schedule transmission in the opposite direction (“counterflow payments”) or that simply reduce their generation/load schedule.

Many of the strategies used by the traders involve structuring trades so that Enron gets paid the congestion charge. Because the congestion charges have been as high as $750/MW, it can often be profitable to sell power at a loss simply to be able to collect the congestion payment.

B. REPRESENTATIVE TRADING STRATEGIES

The strategies listed below are examples of actual strategies used by the traders, many of which utilize the two basic principles described above. In some cases, the strategies are identified by the nicknames that the traders have assigned to them. In some cases, i.e., “Fat Boy,” Enron's traders have used these nicknames with traders from other companies to identify these strategies.

1. Export of California Power

a. As a result of the price caps in the PX and ISO (currently $250), Enron has been able to take advantage of arbitrate opportunities by buying energy at the PX for export outside California. For example, yesterday (December 5, 2000), prices at Mid-C peaked at $1200, while California was capped at $250. Thus, traders could buy power at $250 and sell it for $1200.

b. This strategy appears not to present any problems, other than a public relations risk arising from the fact that such exports may have contributed to California's declaration of a Stage 2 Emergency yesterday.

2. “Non-firm Export”

a. The goal is to get paid for sending energy in the opposite direction as the constrained path (counterflow congestion payment). Under the ISO's tariff, scheduling coordinators that schedule energy in the opposite direction of the congestion on a constrained path get paid the congestion charges, which are charged to scheduling coordinators scheduling energy in the direction of the constraint. At times, the value of the congestion payments can be greater than the value of the energy itself.

b. This strategy is accomplished by scheduling non-firm energy for delivery from SP–15 or NP–15 to a control area outside California. This energy must be scheduled three hours before delivery. After two hours, Enron gets paid the counterflow charges. A trader then cuts the non-firm power. Once the non-firm power is cut, the congestion resumes.

c. The ISO posted notice in early August prohibiting this practice. Enron's traders stopped this practice immediately following the ISO's posting.

d. The ISO objected to the fact that the generators were cutting the non-firm energy. The ISO would not object to this transaction if the energy was eventually exported.

Apparently, the ISO has heavily documented Enron's use of this strategy. Therefore, this strategy is the more likely than most to receive attention from the ISO.

2. “Death Star”

a. This strategy earns money by scheduling transmission in the opposite direction of congestion; i.e., schedule transmission north in the summertime and south in the winter, and then collecting the congestion payments. No energy, however, is actually put onto the grid or taken off.

b. For example, Enron would first import non-firm energy at Lake Mead for export to the California-Oregon border (“COB”). Because the energy is traveling in the opposite direction of a constrained line, Enron gets paid for the counterflow. Enron also avoids paying ancillary service charges for this export because the energy is non-firm, and the ISO tariff does not require the purchase of ancillary services for non-firm energy.

c. Second, Enron buys transmission from COB to Lake Mead at tariff rates to serve the import. The transmission line from COB to Lake Mead is outside of the ISO's control area, so the ISO is unaware that the same energy being exported from Lake Mead is simultaneously being imported into Lake Mead. Similarly, because the COB to Lake Mead line is outside the ISO's control area, Enron is not subject to payment of congestion charges because transmission charges for the COB to Lake Mead line are assessed based on imbedded costs.

d. The ISO probably cannot readily detect this practice because the ISO only sees what is happening inside its control area, so it only sees half of the picture.

e. The net effect of these transactions is that Enron gets paid for moving energy to relieve congestion without actually moving any energy or relieving any congestion.

3. “Load Shift”

a. This strategy is applied to the Day-Ahead and the real-time markets.

b. Enron shifts load from a congested zone to a less congested zone, thereby earning payments for reducing congestion, i.e., not using our FTRs on a constrained path.

c. This strategy requires that Enron have FTRs connecting the two zones.

d. A trader will overschedule load in one zone, i.e., SP–15, and underschedule load in another zone, i.e., NP–15.

Such scheduling will often raise the congestion price in the zone where load was overscheduled.

The trader will then “shift” the overscheduled “load” to the other zone, and get paid for the unused FTRs. The ISO pays the congestion change (if there is one) to market participants that do not use their FTRs. The effect of this action is to create the appearance of congestion through the deliberate overstatement of loads, which causes the ISO to charge congestion charges to supply scheduled for delivery in the congested zone. Then, by reverting back to its true load in the respective zones, Enron is deemed to have relieved congestion, and gets paid by the ISO for so doing.

e. One concern here is that by knowingly increasing the congestion costs, Enron is effectively increasing the costs to all market participants in the real time market.

f. Following this strategy has produced profits of approximately $30 million for FY 2000.

4. “Get Shorty”

a. Under this strategy, Enron sells ancillary services in the Day-ahead market.

b. Then the next day, in the real-time market, a trader “zeroes out” the ancillary services, i.e., cancels the commitment and buys ancillary services in the real-time market to cover its position.

c. The profit is made by shorting the ancillary services, i.e., sell high and buy back at a lower price.

d. One concern here is that the traders are applying this strategy without having the ancillary services on standby. The traders are careful, however, to be sure to buy services right at 9:00 a.m. so that Enron is not actually called upon to provide ancillary services. However, once, by accident, a trader inadvertently failed to cover, and the ISO called on those ancillary services.

e. This strategy might be characterized as “paper trading,” because the seller does not actually have the ancillary services to sell. FERC recently denied Morgan Stanley's request to paper trade on the New York ISO.

The ISO tariff does provide for situations where a scheduling coordinator sells ancillary services in the day ahead market, and then reduce them in the day-of-market. Under these circumstances, the tariff simply requires that the scheduling coordinator replace the capacity in the hour-ahead market. ISO Tariff, SBP 5.3, Buy Back of Ancillary Services.

f. The ISO tariff requires that schedules and bids for ancillary services identify the specific generating unit or system unit, or in the case of external imports, the selling entity. As a consequence, in order to short the ancillary services it is necessary to submit false information that purports to identify the source of the ancillary services.

5. "Wheel Out"

a. This strategy is used when the interties are set to zero, i.e., completely constrained.

b. First, knowing that the intertie is completely constrained, Enron schedules a transmission flow through the system. By so doing, Enron earns the congestion charge. Second, because the line's capacity is set to "0," the traders know that any power scheduled to go through the inter-tie will, in fact be cut. Therefore, Enron earns the congestion counterflow payment without having to actually send energy through the intertie.

c. As a rule, the traders have learned that money can be made through congestion charges when a transmission line is out of service because the ISO will never schedule an energy delivery because the intertie is constrained.

6. "Fat Boy"

a. This strategy is described above in section A(1).

7. "Ricochet"

a. Enron buys energy from the PX in the Day Of market, and schedules it for export. The energy is sent out of California to another party, which charges a small fee per MW, and then Enron buys it back to sell the energy to the ISO real-time market.

b. The effect of this strategy on market prices and supply is complex. First, it is clear that Enron's intent under this strategy is solely to arbitrage the spread between the PX and the ISO, and not to serve load or meet contractual obligations. Second, Ricochet may increase the Market Clearing Price by increasing the demand for energy. (Increasing the MCP does not directly benefit Enron because it is buying energy from the PX, but it certainly affects other buyers, who must pay the same, higher price.) Third, Ricochet appears to have a neutral effect on supply, because it is returning the exported energy as an import. Fourth, the parties that pay Enron for supplying energy to the real time ex post market are the parties that underscheduled, or underestimated their load, i.e., the IOUs.

8. Selling Non-firm Energy as Firm Energy

a. The traders commonly sell non-firm energy to the PX as "firm." "Firm energy," in this context, means that the energy includes ancillary services. The result is that the ISO pays EPMI for ancillary services that Enron claims it is providing, but does not in fact provide.

b. The traders claim that "everybody does this," especially for imports from the Pacific Northwest in to California.

c. At least one complaint was filed with the ISO regarding Enron's practice of doing this. Apparently, Arizona Public Service sold non-energy to Enron, which turned around and sold the energy to the ISO as firm. APS cut the energy flow, and then called the ISO and told the ISO what enron had done.

9. Scheduling Energy To Collect the Congestion Charge II

a. In order to collect the congestion charges, the traders may schedule a counterflow even if they do not have any excess generation. In real time, the ISO will see that Enron did deliver the energy it promised, so it will charge Enron the inc price for each MW Enron was short. The ISO, however, still pays Enron the congestion charge. Obviously a loophole, which the ISO could close by simply failing to pay congestion charges to entities that failed to deliver the energy.

b. This strategy is profitable whenever the congestion charge is sufficiently greater than the price cap. In other words, since the ex post is capped at $250, whenever the congestion charge is greater than $250 it is profitable to schedule counterflows, collect the congestion charge, pay the ex post, and keep the difference.

C. ISO TARIFF

The ISO tariff prohibits "gaming," which it defines as follows:

"Gaming," or taking unfair advantage of the rules and procedures set forth in the PX or ISO Tariffs, Protocols or Activity Rules, or of transmission constraints in period in which exist substantial Congestion, to the detriment of the efficiency of, and of consumers in, the ISO Markets. "Gaming" may also include taking undue advantage of other conditions that may affect the availability of transmission and generation capacity, such as loop flow, facility outages, level of hydropower output or seasonal limits on energy imports from out-of-state, or actions or behaviors that may otherwise render the system and the ISO Markets vulnerable to price manipulation to the detriment of their efficiency." ISO Market Monitoring and Information Protocol ("MMIP"), Section 2.1.3.

The ISO Tariff also prohibits "anomalous market behavior," which includes "unusual trades or transactions"; "pricing and bidding patterns that are inconsistent with prevailing supply and demand conditions"; and "unusual activity or circumstances relating to imports from or exports to other markets or exchanges." MMIP, Section 2.1.1 et seq.

Should it discover such activities, the ISO tariff provides that the ISO may take the following action:

1. Publicize such activities or behavior and its recommendations thereof, "in whatever medium it believes most appropriate." MMIP, Section 2.3.2 (emphasis added).

2. The Market Surveillance Unit may recommend actions, including fines and suspensions, against specific entities in order to deter such activities or behavior. MMIP, Section 2.3.2.

3. With respect to allegations of gaming, the ISO may order ADR procedures to determine if a particular practice is better characterized as improper gaming or "legitimate aggressive competition." MMIP, Section 2.3.3.

4. In cases of "serious abuse requiring expeditious investigation or action" the Market Surveillance Unit shall refer a matter to the appropriate regulatory or antitrust enforcement agency. MMIP, Section 3.3.4.

5. Any Market Participant or interested entity may file a complaint with the Market Surveillance Unit. Following such complaint, the Market Surveillance Unit may "carry out any investigation that it considers appropriate as to the concern raised." MMIP, Section 3.3.5.

6. The ISO Governing Board may impose "such sanctions or penalties as it believes necessary and as are permitted under the ISO Tariff and related protocols approved by FERC; or it may refer the matter to such regulatory or antitrust agency as it sees fit to recommend the imposition of sanctions and penalties." MMIP, Section 7.3.

Mrs. FEINSTEIN. This proves, for the first time, active and purposeful manipulation of the energy market in order to drive up prices and increase profits.

I thank the Federal Energy Regulatory Commission for the investigation which took place and began subsequent to our hearing on January 29 and my request to FERC that they conduct this investigation.

As Chairman Wood told the Energy Committee hearing: Sunlight is the best disinfectant. I am very pleased that, under his leadership, FERC is now practicing what Mr. Wood has preached.

But take note that these documents have sat within Enron for the last 18 months. This is 6 months after a subpoena was issued for them. And, finally, after all this time, the Enron board decided it would release the documents.

It is appalling that it took this long. It is precisely why the CFTC or FERC or some regulatory agency needs the authority to investigate. That was an authority that the CFTC had until the Commodity Futures Modernization Act was passed by this body in December of 2000.

That is the same month these documents were actually produced. It is exactly what Senator CANTWELL, Senator WYDEN, and I have been saying in the Energy Committee for more than a year. Had our derivatives amendment been in place, at least it would have ensured that for online trades, a regulatory agency would have had access to these documents and would have been able to investigate right away. I hope the 50 of my colleagues who voted against our energy derivatives amendment will reconsider their opposition.

Senator HARKIN, who is present in the Chamber, the chair of the Agriculture Committee, has said he would take a look at our legislation and mark it up. I am once again calling on his committee to hold hearings and mark up our legislation as soon as possible.

Congress must pass legislation to reinstate CFTC authority to oversee energy derivatives in the futures market and investigate fraud and manipulation of energy producers.

What do these documents mean for California and the Western States? Until now, FERC has never said it thought there was manipulation in the California and western energy markets. As such, it has taken a very conservative view with respect to refund proceedings, interpreting "just and reasonable" doctrines and reviewing long-term energy contracts. That means FERC-ordered refunds were very limited and very insignificant relative to "unjust and unreasonable" costs. Now all of a sudden the landscape has changed. Manipulated spot markets lead to forward markets that were also manipulated, and thus long-term contracts also reflect unjust and unreasonable rates. So this means everything needs to be put back on the table by FERC.

I don't believe it was just Enron. I believe other companies were out there doing the same or similar things. In fact, one document, a December 2000 memo from two Enron employees named Yoder and Hall to another named Sanders, even fingers two other companies, Puget Sound and PowerEx, as having done the same thing.

These documents suggest that this may be beyond FERC at this point. That is why I am calling for the Department of Justice to investigate these memoranda, the companies, and other companies. I am also calling on FERC to take another look at contracts signed by California and other Western States with energy companies to see if future prices of energy were also manipulated by Enron. The evidence is now very clear that this was in fact the case.

I am also asking FERC to take another look at the refund proceedings. The evidence now exists that prices were unjust and unreasonable to a much larger extent than FERC had previously determined.

As my colleagues know, I have asked the Department of Justice to investigate, and here is why I believe there may well be outright fraud. There are three easy ways.

First, Enron sold power out of State and then bought it back. This enabled them to evade certain price caps and sell energy without a cap in order to receive a much higher price for their energy. This is referred to as megawatt laundering.

Second, by knowing that transmission lines were constrained and oversubscribed for a set hour, the company scheduled deliveries in order to get paid and not deliver. The net effect was that Enron got paid for moving energy to relieve congestion that they had no intention of actually ever moving.

Third, with simple sleight of hand, Enron could sell nonfirm energy to the power exchange as firm energy in order to get paid extra for ancillary services in the firm contracts when Enron was actually selling nonfirm power.

There are other examples documented on the Web site. Some are much more technical, with suspicious names such as Fat Boy, Get Shorty, and Death Star. I am sure there are yet other ways to manipulate the system, and perhaps other companies figured out other ways to do it as well.

I am also asking the Department of Justice to investigate the entire western energy market and those trading into it in the years 2000 and 2001. If there ever was a bugle call to action to fix what was wrong with the California and western energy markets from May of 2000 to June of 2001, this is it.

I yield the floor.

CUBAN BIOLOGICAL WEAPONS

Mr. NELSON of Florida. Madam President, I call to the attention of the Senate a shocking Associated Press story that was filed yesterday afternoon. I have not had a chance to read the papers today, so I don't know in which papers it was printed. This is a headline:

> U.S. Official Says Cuba May Be Helping Rogue States With Biological Weapons.

I am going to read the first two paragraphs of this AP story:

> The Bush administration said yesterday it believes Cuba has at least a limited offensive biological warfare program and may be transferring its expertise to other countries hostile to the United States.
>
> We are concerned that such could support biological warfare programs in those States, said U.S. Under Secretary of State, John Boland.

This is of grave concern to the Nation. If the Bush administration has hard evidence that Cuba is exporting biological weapons to our enemies, then the Bush administration should not just be making speeches about it. They ought to be planning an action in consultation with the Congress under the War Powers Act as to what to do about exporting biological agents to our enemies in this war on terrorism.

This would be absolutely unacceptable. What will the action be? That is where the consultation ought to be going on with Congress as to what the administration is planning. Don't make a speech that the AP story says was made to the Heritage Foundation. But, instead, let us talk about what the means are of stopping the exports of biological weapons and biological agents that would be going from Cuba to other terrorist states which are clearly out to do ill will to the interests of the United States.

Could it involve something more other than stopping the exports of biological weapons? Yes, it could. But that is what the planning ought to be about instead of just making speeches to think tank foundations.

I think this is a matter of gravest concern. Certainly, we have suspected, since Cuba is on our list of terrorist states, that this kind of activity might be going on. But, if it is, under the Constitution there ought to be consultation with the appropriate committees about any plans to protect the interests of the United States and not the Assistant Secretary of State making a speech to the Heritage Foundation.

I wanted to call this to the attention of the Senate. It has apparently not gotten much attention up to this point. I think it is of grave concern to the United States. It is clearly in the interest of the United States, if these weapons of mass destruction through biological agents are being produced or researched in Cuba, that it be stopped forthwith, and certainly any export to other countries that would do us harm should be stopped dead in its tracks.

I yield the floor.

Mr. LUGAR. Madam President, I commend the distinguished Senator from Florida for his statement. The whole area of weapons of mass destruction is one of interest to me and to many Senators. Very clearly, the war against terrorism contemplates that we will be vigorous in trying to find the al-Qaida and other associates. But at the minimum, we must make certain they do not have access to materials, laboratories, or weapons of mass destruction, which would be catastrophic, whether it be from Cuba or countries in the Middle East, the Far East, Africa, or wherever.

Many of us have commented—including the distinguished Senator from Florida—about the worldwide extent of their war effort. The President has commented that it may be a long war for that very reason. I commend him for his statement.

I am hopeful the relevant committees have been informed. Perhaps the leadership of the Senate has been informed. But if not, that should occur quickly.

MANIPULATION OF ENERGY MARKETS

Ms. CANTWELL. Madam President, I rise today to discuss the documents that were released yesterday, which illustrate how Enron has manipulated energy markets in California and in many Western States. Based on yesterday's revelations, I believe ratepayers deserve prompt relief from Enron's trading practices. I think these documents show Washington State electricity consumers what they have suspected all along, that prices have been manipulated and they have, as a result, paid higher energy prices, many up to double-digit rate increases.

Many of you may have seen the articles. I want to have several of these printed in the CONGRESSIONAL RECORD. They emphasize the information that is being provided in documents I think my colleagues from California had printed in the RECORD.

The New York Times, the headline was:

> Enron Forced Up California Energy Prices, Documents Show.

Another article that was printed in the LA times:

> Memo Shows Enron's Role in Power Crisis. Energy: "Smoking gun" document by company lawyers reveals tactics used to create electricity shortage in California, then drive up prices.

Another in the Washington Post:

> Papers Show That Enron Manipulated California Crisis.

I ask unanimous consent these be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 7, 2002]

ENRON FORCED UP CALIFORNIA ENERGY PRICES, DOCUMENTS SHOW

(By Richard A. Oppel Jr. and Jeff Gerth)

WASHINGTON, May 6.—Electricity traders at Enron drove up prices during the California power crisis through questionable techniques that company lawyers said "may have contributed" to severe power shortages, according to internal Enron documents released today by federal regulators.

Within Enron, the documents show, traders used strategies code-named Fat Boy, Ricochet, Get Shorty, Load Shift and Death Star to increase Enron's profits from trading power in the state—techniques that added to electricity costs and congestion on transmission lines.

The documents—memorandums written in December 2000 by lawyers at Enron to another lawyer at the company—also describe "dummied-up" power-delivery schedules, the submission of "false information" to the state, and the effective increasing of costs to all market participants by "knowingly increasing the congestion costs."

The memos, which provide the first inside look at the complex trading strategies Enron used in California, give strong ammunition to state officials who have long argued that Enron and other power marketers manipulated the state's market and played a crucial role in the crisis that cost California consumers and utilities tens of billions of dollars in 2000 and 2001. The documents state that other power companies used similar techniques.

Tonight, Senator Dianne Feinstein, Democrat of California, said she would ask Attorney General John Ashcroft "to pursue a criminal investigation to determine whether in fact federal fraud statutes or any other laws were violated" by Enron's energy-trading activities. Federal prosecutors are already conducting an inquiry into Enron's accounting, which falsely increased reported profits but ultimately led to the company's filing for bankruptcy protection in December.

Enron agreed to sell its energy-trading unit earlier this year to UBS Warburg, a division of UBS, Switzerland's largest bank. Nearly all of Enron's senior executives, and most of its board members, have departed in the last nine months.

Enron's senior management learned of the documents in late April, and the company's board decided during a meeting on Sunday to waive attorney-client privilege and turn the memos over to investigators at the Federal Energy Regulatory Commission, a person close to the company said. The company has also informed the Justice Department, the Securities and Exchange Commission and the attorney general of California about the documents.

At a noon meeting today, lawyers for Enron gave the memos to investigators from the regulatory commission, which is examining whether Enron manipulated energy markets in the West. The agency released the documents a few hours later. Officials at the commission declined to comment, but they are continuing their investigation into Enron's effect on power prices and asked the company today to provide additional documents on its electricity and natural-gas trading activities.

In a letter sent by officials at the commission today to Enron, investigators at the agency said the documents described how Enron traders were "creating, and then 'relieving,' phantom congestion" on California's electricity grid. The documents also detail what investigators described as "megawatt laundering," in which Enron bought power in California, resold the power out of the state and then bought the power back and resold it back into California—allowing Enron to circumvent price caps meant to clamp down on costs.

"These documents prove that these companies can manipulate the market," said Loretta Lynch, the president of the California Public Utilities Commission, "Enron prevented California from seeing these documents for years, and now we know why."

Ms. Lynch said the documents supported her argument that FERC should leave in place temporary electricity price restraints, introduced last June, which state officials say have played a large role in reining in prices. "I don't see how FERC can remove the boundaries they put in place on our market last June."

An outside lawyer for Enron, Robert S. Bennett, said he could not comment on the trading strategies described in the documents. "Because we have sold the trading unit and the people with the knowledge of trading practices are no longer with the company, we do not know what the true facts are, and we do not know which parts of the memoranda are correct and which parts are incorrect," Mr. Bennett said tonight.

But he emphasized that the company had agreed to waive that attorney-client privilege because it was trying to cooperate with the various investigations into Enron's business practices. "These memoranda came to the attention of the board and current management in late April, and the board instructed its counsel to not assert the attorney-client privilege and produce these documents to the appropriate government entities," Mr. Bennett said.

Another memo written by a separate group of lawyers for Enron in 2001—apparently in January or February, after soaring wholesale power prices in California pushed the state's largest utilities to the brink of insolvency—tried to play down the strategies described in the December 2000 memos.

In this later memo, which as written to prepare Enron for the "various investigations and litigation" it faced because of the California power crisis, the lawyers repeatedly tried to play down or cast doubt on the conclusions drawn by Enron's own lawyers in the earlier memos.

"Some of the information" in the earlier memos "which resulted in some erroneous assumptions and conclusions, cannot be supported by the facts and evidence which are now known," the later memo stated.

In one strategy described in the December 2000 memos, Enron would buy power from a state-run exchange for $250 a megawatt-hour—the maximum under the price caps—and resell it outside California for almost five times as much.

"Thus, traders could buy power at $250 and sell it for $1,200," according to one memo. In that document, the Enron lawyers acknowledged that such activity could be playing a big role in causing electricity shortages in the state, but they suggested that was not a significant concern.

"This strategy appears not to present any problems," the memo stated, "other than a public relations risk arising from the fact that such exports may have contributed to California's declaration of a State 2 Emergency yesterday."

The Death Star strategy, as described in the memos, allowed Enron to be paid "for moving energy to relieve congestion without actually moving any energy or relieving any congestion."

And the Load Shift strategy allowed Enron to generate about $30 million in profits in 2000 using techniques that, according to the documents, included creating "the appearance of congestion through the deliberate overstatement" of power to be delivered.

In the past, Enron officials said the California power crisis was caused by the state's deeply flawed electricity deregulation plan, the lack of new power-generation capacity and by temporary factors, like a drought that drastically reduced available hydropower. Even some economists who think price manipulation was widespread say these other factors contributed to soaring prices.

But Enron executives always insisted that absolutely nothing their traders had done contributed to the crisis. In an interview last year, Enron's former chairman, Kenneth L. Lay, dismissed accusations that manipulation was even partly to blame for California's troubles.

"Every time there's a shortage or a little bit of a price spike, it's always collusion or conspiracy or something." Mr. Lay said in the interview, Which was also taped for "Frontline" on PBS. "I mean, it always makes people feel better that way."

[From the Los Angeles Times, May 7, 2002]

MEMO SHOWS ENRON ROLE IN POWER CRISIS

(By Nancy Rivera Brooks, Thomas S. Mulligan and Tim Reiterman)

Enron documents released Monday show the company sought to manipulate power prices in California, creating artificial shortages through the use of aggressive trading tactics during the energy crisis.

The disclosure by federal energy regulators marks the first time that a company's own documents have provided clear evidence of market manipulation, critics said, which contribute to soaring prices and blackouts.

"What we have here is a blueprint of . . . manipulation," said Robert McCullough a Portland energy consultant and economist. "It's one thing for economists to state that these things are happening. . . . It's another thing for there to be internal documents on the table stating these things are happening."

The documents, uncovered as part of investigation by the Federal Energy Regulatory Commission into possible manipulation of California's electricity market, are seen as strengthening the state's hand in renegotiating costly long-term contracts with electricity sellers that were reached during the worst of California's energy crisis in 2001.

California Democratic Sens. Barbara Boxer and Dianne Feinstein both called for a Justice Department investigation, with Boxer saying the documents "confirm what I've been saying for months, that Enron manipulated the California energy market and needs to be held accountable. It is high time we see some indictments handed down in this case."

Although Feinstein said the trading practices may violate federal fraud statutes, energy experts saw the strategies as infractions of market rules that are punishable by fines or suspensions rather than criminal prosecution.

The state's grid operator has sought a variety of remedies from FERC for such practices and received some relief in June in the form of price caps throughout the West and other mitigation measures.

Enron Lawyer Robert Bennett said company executives, under new leadership after

Enron's Dec. 2 bankruptcy filing, gave the documents to the Government and waived attorney-client privilege because "they thought it was the right thing to do. The truth of the matter is, we don't know what the truth of the underlying facts are" in the memos.

Power shortages sent prices skyrocketing in May 2000, which pushed California's two largest privately held electricity utilities to the edge of ruin, caused six days of statewide blackouts and forced the state to buy power for more than 10 million utility customers.

Enron and other power sellers have denied that they manipulated prices or power supplies, contending that the energy crisis was caused by a shortage of power plants and hydroelectricity.

"These documents make it clear that Enron was trying to squeeze every dime it could out of the market. It's not surprising that they violated [California Independent System Operator] rules because the ISO don't provide much punishment for violators," said Severin Borenstein, a UC Berkeley professor and director of the UC Energy Institute.

One memo, dated Dec. 6, 2000, and prepared by an Enron staff attorney and an outside lawyer in anticipation of investigations and lawsuits, explained how Enron traders exploited loopholes or market limitations to boost prices or to wring special payments out of the agencies that operated California's electricity markets.

Enron traders used such price-hiking techniques as sham congestion on electricity lines or selling electricity to out-of-state affiliates only to re-import it at higher prices, the memo said.

One strategy, code-named Death Star, "earns money by scheduling transmission in the opposite direction of congestion," the Dec. 6 memo said. "No energy, however, is actually put onto the grid or taken off."

A second undated memo, written by a different law firm, sought to cast a more favorable light on the strategies discussed in the first memo.

The second memo defended the Death Star strategy, saying it actually reduced congestion on electricity lines at times and increased supply along underused electricity lines.

The Dec. 6 memo also claimed that other traders had begun copying Enron's techniques, many of which have been identified by California officials, although without documented evidence.

"These are the smoking guns we always alleged," said Public Utilities Commission President Loretta M. Lynch. "These documents show their business plan was to game the California market so they could suck every dollar out of California."

Department of Water Resources spokesman Oscar Hidalgo said the department hopes the release of the Enron documents will spur more companies to renegotiate dozens of long-term contracts that DWR signed after it became the power buyer of customers of financially troubled utilities.

The California Independent System Operator, which runs California's last remaining official energy market, has asked FERC to grant the state $9 billion in refunds because prices charged in 2000 and 2001 were unreasonable, although the regulators now are considering a lower payment.

The quirks of the California energy market presented Enron and other market participants with myriad opportunities to take profitable advantage.

California had two markets: a "day-ahead" auction market through the California Power Exchange—"The PX," in trader lingo—and the "real-time" market run by Cal-ISO.

Traders quickly found ways to play the two markets off each other.

The day-ahead market was supposed to handle the bulk of the electricity requirements, and the real-time market was meant only to correct occasional imbalances.

When the crisis hit, the real-time market grew in importance and was the locus of wild price swings.

Buyers and sellers who wanted to participate in the real-time market were required to submit to Cal-ISO daily schedules of their production and their "load," or the amount of power they intended to use. The two were supposed to be in balance.

But sometimes when power supply was tight, Cal-ISO paid participants a premium when they happened to provide more power than Cal-ISO required.

One of Enron's basic strategies, according to the memo, involved deliberately overstating its load. It would deliver as much power as promised but then use less than scheduled and get a premium for the difference.

Another Enron stratagem was to take advantage of congestion in the real-time market that Enron had helped create in the day-ahead market, the memo said.

During the energy crisis, the amount of power scheduled for delivery into the California market sometimes exceeded the capacity of the system's transmission lines.

At such times, Cal-ISO would make "congestion payments" to market participants that either schedule transmission in the opposite direction or reduce their generation/load schedule.

"Because the congestion charges have been as high as $750/MW [per megawatt], it can often be profitable to sell power at a loss simply to collect the congestion payment," the memo said.

Enron traders, acknowledged as among the industry's most creative, worked a number of variations on these two themes. In addition to Death Star, other colorful nicknames for trading methods included Get Shorty, Ricochet and Fat Boy to identify them in discussions with traders from other firms.

California imposed price caps to cope with the emergency, but even these offered an opportunity for clever traders who realized that prices weren't capped in neighboring areas that were affected by the crisis.

On Dec. 5, 2000, for example, prices soared to $1,200 per megawatt-hour in the Pacific Northwest, while a $250 cap was in place in California.

Enron traders saw that they could lock in an instant $950 profit for each megawatt-hour of electricity by buying power on the California PX and selling it up north, according to the memo.

"This strategy appears not to present any problems, other than a public relations risk from the fact that such exports may have contributed to California's declaration of a Stage 2 emergency yesterday," the memo said.

Cal-ISO spokeswoman Stephanie McCorkle said some of the behaviors probably caused prices to rise, but the grid operator does not believe they contributed to the six days of blackouts in early 2001. The reason, she said, is that the blackouts were caused by a severe shortage of power, not by phantom congestion.

Cal-ISO has asked FERC to extend market protections that are due to expire Sept. 30, including a price cap on electricity in the West.

[From the Washington Post, May 7, 2002]

Papers Show That Enron Manipulated Calif. Crisis

(By Peter Behr)

Enron Corp. manipulated the California electricity market with such maneuvers as transferring energy outside the state to evade price caps and creating phony "congestion" on power lines, according to internal Enron documents released yesterday.

The techniques described in two memos written by lawyers for Enron in December 2000 were given names such as "Fat Boy," "Death Star," "Get Shorty" and "Ricochet." The company turned the documents over to federal regulators, who made them public.

The evidence of their use contradicts denials Enron made at the time and provides impetus to several investigations of the bankrupt energy giant's role in the California crisis.

Operators of California's power system ordered rotating blackouts on six days early in 2001. That followed a tenfold surge in power prices that began the previous summer, hitting the state's utilities with billions of dollars in excess electricity charges.

Details of Enron's financial problems came to light months after the California crisis. "These documents confirm what we have known for some time, through circumstantial evidence: They show internal corporate strategies for manipulating the market," said California state Sen. Joseph Dunn (D), who heads a legislative committee investigation into the power crisis the state suffered a year ago.

U.S. Sen. Dianne Feinstein (D–Calif.) said she will ask the Justice Department to launch a criminal investigation of power sales in California.

The "ricochet" strategy was used to evade wholesale price controls on California electricity by transferring power out of the state and then back in.

Another maneuver took advantage of dramatically higher prices that California energy officials were willing to pay to get emergency supplies during shortages, the Enron documents say.

The "Death Star" strategy is described as permitting Enron to be paid "for moving energy to relieve congestion without actually moving any energy or relieving any congestion."

The reports were sent to Richard Sanders, Enron's vice president and assistant general counsel, in preparation for lawsuits arising from the California crisis. Sanders, who is still with Enron, could not be reached for comment yesterday.

A third, undated memo, prepared by different lawyers in consultation with a senior Enron trading executive, took issue with the first two reports, concluding that some of the trading strategies "may have increased" power supplies.

Energy analyst Robert McCullough said the memos indicate that Enron traders deliberately tried to create the appearance of shortages and congestion, prompting declarations of power blackouts that need not have been ordered in some cases.

State officials complained during the crisis that electricity suppliers were manipulating the state's deregulated power markets. Under political pressure last spring, the Federal Energy Regulatory Commission imposed temporary electricity price ceilings on California and neighboring western States.

That action, coupled with favorable weather and an economic slowdown, sent electricity prices plummeting last summer, ending the power crisis.

> FERC officials and energy companies are still locked in a battle over the amount of refunds owed to California because of overcharging.
>
> Enron said the documents released yesterday were spotted recently by company officials who took office after Enron's Dec. 2 bankruptcy filing, the largest such filing in U.S. history.
>
> As correspondence between Enron and its attorneys, the documents has previously been marked confidential and had not been given to Federal and State investigators.
>
> Enron attorney Robert Bennett said Enron managers concluded that the documents should be turned over, and in a telephone conference call Sunday, Enron's board agreed.
>
> "This board and the current management wants to be fully candid with Congress and other Government entities and to do the honorable and responsible thing," Bennett said.

Ms. CANTWELL. Madam President, these articles show what consumers in my State have thought all along, that these prices were being manipulated. That is why in January of this year I asked the Federal Energy Regulatory Commission to investigate these high prices that have literally cost people jobs, made consumers pay as much as 60-percent rate increases, and have made it tough for our economy in Washington State to continue to thrive with these high energy prices in some industries such as aluminum and other intensive energy businesses.

Yet what has happened—I do not know if other people in the country realize this—is our consumers may end up paying these high rates for many years, even though Enron has gone bankrupt. The reason is that the contracts these companies have had with Enron are as many as 5-year to 7-year—in some cases 8-year—contracts which were negotiated at the time of this crisis and very high prices. In fact, energy prices—the rates were as much as 1,000 times higher during this crisis.

Consumers hear there were memos with names such as Fat Boy or Death Star or Get Shorty or Ricochet that were really plans by this company to manipulate prices. The Federal Energy Regulatory Commission should act upon these memos and basically find that these rates have, in fact, been manipulated. That is right, on the west coast, both in California and in Washington and in Oregon, prices were manipulated and because of those unjust and unreasonable rates these Northwest entities should be let out of these long-term Enron contracts.

I believe that is critically important for us in the Northwest, who may face even further rate increases in the future because of these high energy costs, and the fact that the Bonneville Power Administration, for example, would be let out of these contracts, it might save as much as $250 million to $300 million just in the costs that BPA has to pay. Instead, they would be able to go out on the market, not paying the high Enron prices, but go out on the market today and get cheaper electricity prices.

I cannot tell you how important it is for us. My colleague from Washington, Senator MURRAY, and Senator FEINSTEIN, Senator BOXER, Senator WYDEN, and Senator SMITH—we have all spoken on this issue and how it impacts the whole west coast. It is critically important that the Federal Energy Regulatory Commission take the information they have discovered in their investigation and make this decision on unjust and unreasonable rates as soon as possible.

I believe the Federal Energy Regulatory Commission ought to use its power to void long-term contracts with unjust and unreasonable rates. I also believe we need new Senate hearings to review these findings and to explore all available options for ratepayer relief under federal law.

I would also like to add my voice to that of my colleague from California, Senator FEINSTEIN, and my colleague from Washington, Senator MURRAY, in calling for a criminal investigation by the Department of Justice into allegations that Enron has manipulated prices in the Western electricity markets.

As my colleagues are aware, the Western electricity crisis of 2000 and 2001 has taken a tremendous toll on the economy of my state, and of Oregon and California. As a result of electricity prices that spiraled to as much as 1000 times the normal rates, consumers throughout the West have paid dearly. They have paid in their utility bills—which have been raised as much as 60 percent—and they have paid with job loss in communities that have seen entire industries shut down.

Madam President, throughout the Western electricity crisis, I joined with many of my Western colleagues in asking the Federal Energy Regulatory Commission (FERC) to step in and do its job—to ensure just and reasonable rates. For many months, FERC refused and assured many of us that the Western power crisis was simply the result of drought and a shortage of electricity—a shortage that many of us raised questions about, given that it seemed to materialize over night.

FERC and this administration repeatedly denied what many of the impacted citizens in Washington state knew intuitively to be true—that our Western markets were being manipulated by a handful of companies that drew enormous profits directly from their pockets and from the coffers of their businesses.

With the collapse of Enron, Senator BINGAMAN, chairman of the Senate Energy and Natural Resources Committee, wisely called a hearing to assess the bankruptcy's impacts on the energy markets. At this hearing, on January 29, I asked FERC Chairman Pat Wood to take a close look at allegations that Enron have been manipulating markets. In a letter sent that same day, I wrote:

> Congress and our nation's consumers-particularly those of the Pacific Northwest, who have suffered through retail rate increases of up to 50 percent over the past year-deserve to know whether Enron was manipulating Western power markets at their expense. After Enron collapsed, prices in the West's forward energy markets plummeted by 20 to 30 percent. Where there's smoke there's often fire, and we must investigate whether we have a simple coincidence here, or something more. The public deserves answers and, if appropriate, corrective action.

In response to my request, FERC opened a staff investigation on these allegations. And late yesterday, this investigation revealed the first real smoking gun. Now posted on the Commission's Website, you will find memos in which attorneys from Enron outline their strategies for manipulating prices in Western markets.

This has real, direct impacts on consumers in my state. During the height of the crisis, many utilities in my state signed long-term contracts with Enron at prices that looked like deals at the time—in a severely dysfunctional market—but today, are two to three times current market rates. The Bonneville Power Administration, for example, which provides 60 percent of all the power consumed in my state, is on the hook for $700 million worth of Enron contracts over the next few years. In today's market, these contracts would be half as costly. Nevertheless, Bonneville and the consumers of the Northwest continue to be held hostage. They continue to pay Enron. At the conclusion of this investigation, I hope that FERC will see to it that justice is done. If markets were manipulated—as the evidence now suggests—Washington State consumers should be given relief from these contracts.

In addition to these ongoing FERC proceedings, I do hope the Justice Department will open a criminal investigation into Enron's actions to manipulate electricity prices and defraud consumer-ratepayers.

But I also look forward to this body exercising what I believe is necessary continued oversight. This morning, at an Energy and Natural Resources Committee hearing, Senator BINGAMAN and I discussed the possibility of a hearing on these issues. I also believe that the Judiciary Committee may be an appropriate forum for discussing the antitrust component of these allegations.

But in addition, I hope my colleagues—and particularly those who will serve on the Energy bill conference committee—will pay close attention to what this means for our nation's electricity markets. During the debate on that bill, I offered a consumer protection amendment to the electricity title that I believe would have prevented a recurrence of the

Western energy crisis and incorporated many of the lessons we have learned—and continue to learn—from Enron's collapse. My amendment suggested that before FERC was allowed to open up markets like California to deregulation, it should have to establish clear market rules, have in place the mechanisms necessary to monitor markets to detect manipulation. It would have directed FERC to take decisive, corrective action to protect consumers when abuses do occur. And it would have given FERC and state utility commissions the access to books and records they would need to discover evidence like the memos we have now found in this Enron investigation, almost two years after the energy crisis began and after months of business closures and rate hikes across the West.

I hope Attorney General Ashcroft will heed our call today. I look forward to continuing our oversight of this issue in the Energy Committee, and I hope our conferees will consider this new evidence—that Enron has been manipulating power markets—as they consider the energy bill.

I yield the floor.

THE BUSH ADMINISTRATION DECISION TO "UNSIGN" THE ROME STATUTE

Mr. DASCHLE. Madam President, I come to the floor to express my disappointment with the Bush Administration's decision to unsign the Rome Statute, and withdraw the United States from the process of creating an international criminal court.

We are told this decision was made in order to protect American troops and American sovereignty from a faceless international bureaucracy. Unfortunately, it does the opposite. In fact, this decision vastly decreases our ability to shape the ICC, ignores the fact that the ICC will come into existence regardless of whether we are involved or not, and raises the specter of unilateralism just as we will be turning to our allies for help in a series of crucial policy, diplomatic—and perhaps military—undertakings.

Administrations since President Truman have supported the establishment of a criminal court to try the worst crimes against humanity. Reasonable people can disagree about the merits of the Rome Statute. Like many of my colleagues, I have some concerns about its jurisdiction and potential impact on U.S. forces deployed overseas.

I do not, however, think the consequences of simply walking away from the Statute should be ignored. Instead of asserting our leadership, we are abdicating it. Instead of shaping the court to serve our interests, we have relinquished our seat at the table and removed ourselves from a position to shape it at all.

This is especially disappointing, Madam President, when you consider the simple fact that the ICC will still come into existence in July. That was made clear in New York on April 11, when the 60th nation ratified the Rome Statute, putting it into effect. To date, 64 nations have ratified the statute. Only one—the United States—has withdrawn.

When it comes time to pick prosecutors and judges, which it will do, we will not be at the table. And when it comes time to consider rules of evidence, which it will do, our voices will be absent.

But let's consider also exactly who some of those 60 are—Britain, Canada, France, Italy and Spain, all NATO allies, all currently fighting side-by-side with our troops in Afghanistan and the Balkans. And all whom we hope to count on in future conflicts in our war on terrorism.

Yesterday afternoon, our Ambassador-at-Large for War Crimes Issues said that America had "washed our hands [of the ICC]. It's over." If it were only so, Madam President. We did not put the ICC out of business. But we did take ourselves out of the action—and out of a position to influence the ICC. The decision to unsign was the wrong decision at the wrong time and, most troubling of all, not in keeping with the American national interest.

HONORING THE 2002 AAA SCHOOL SAFETY PATROL LIFESAVING MEDAL AWARD WINNERS

Mr. DASCHLE. Madam President, I am proud to announce to the Senate today the names of the young men and women who have been selected to receive special awards from the American Automobile Association. Six safety patrollers will receive the 2002 AAA School Safety Patrol Lifesaving Medal Award, the highest honor given to members of the school safety patrol. They are in Washington, DC, today to receive their awards, and I wanted to say how proud we are of them all.

There are roughly 500,000 members of the AAA School Safety Patrol in this country, helping in over 50,000 schools. Every day, these young people ensure that their peers arrive safely at school in the morning, and back home in the afternoon.

Most of the time, they accomplish their jobs uneventfully. But, on occasion, these volunteers must make split-second decisions, placing themselves in harm's way to save the lives of others. The heroic actions of this year's recipients exemplify this selflessness.

The first AAA Lifesaving Medal recipient comes from Alexandria, MN.

On January 11, 2002, 12-year-old Kathryn DelZoppo, a captain on St. Mary's Catholic School Safety Patrol, was at her post with four other patrol team members. Even though the duty period was almost over, Kathryn remained alert and kept watch over her team.

As one member of the team approached a busy intersection, a child ran past him, into the street, and into the path of a swiftly approaching vehicle. Thinking fast, Kathryn grabbed the child's jacket and pulled him back to the safety of the curb.

This year's second AAA Lifesaving Medal honoree comes from Manassas, VA.

On September 20, 2001, Weems Elementary School Safety Patrol Ernesto Navarrette, age 11, was on duty at the bus circle with six other patrols and a teacher. Ernesto scanned the area for possible safety hazards as students climbed onto their buses.

A pick-up truck parked in the grass nearby began to back up, but no one could hear the truck's engine over the noise of the children and buses. Only Ernesto saw the truck backing up toward a fellow patrol member, who had her back to the moving truck. He yelled to the patrol to move out of the way. She did, just in time.

The next AAA Lifesaving Medal winners come from Lancaster, OH.

On November 21, 2001, Sandersen Elementary School Safety Patrols Justin Wright, age 13, and Ethan Trush, age 12, were on duty on opposite sides of a crosswalk outside their school. After checking for oncoming traffic, Justin and Ethan allowed a third grader to cross the street.

Just then, a car left the school grounds, speeding and fishtailing as it approached the crosswalk. Ethan spotted the car just as the younger student reached the middle of the crosswalk. He yelled out a warning to Justin and then quickly moved to safety. Justin immediately dashed into the road and pulled the third grader out of the street, barely escaping being hit by the oncoming car.

The fifth AAA Lifesaving Award recipient comes from Westfield, NJ.

On October 16, 2001, Franklin Elementary School Safety Patrol Matthew Printz, age 11, was at his usual post outside the school with fellow patrols and a school crossing guard.

Signaling traffic to continue, the crossing guard called to the patrols to hold back any students approaching the intersection. Just as traffic began to move, however, a student stepped around Matthew and into the street. Matthew immediately grabbed the strap of the student's backpack and pulled him out of the street just in time to avoid being hit.

The sixth AAA Lifesaving Award honoree is from Fairfax, VA.

On March 7, 2002, 11-year-old Greg Whitaker, captain of the Fairhill Elementary School Safety Patrol, was walking with a first-grade student toward their homes after fulfilling his school bus patrol duties.

A man pulled up in his van and blocked the boys' path. The man got out of his van and started to ask the little boy several questions, including where he lived. Greg immediately said in a loud voice, "We need to go home!" He took the first-grader's hand, and walked the boy directly home. Before the van pulled away, Greg committed the license plate number, the van, and the driver to memory.

Safely home, Greg called his patrol sponsor for further guidance. The sponsor called the local police, and was told there was a warrant out for the man's arrest. Greg's quick thinking and courage saved himself and the younger boy from a wanted felon.

In addition to honoring safety patrollers with the Lifesaving Medal Award, AAA also recognizes the School Safety Patroller of the Year. This award is presented to patrollers who perform duties above and beyond their normal responsibilities and demonstrate outstanding leadership, dependability, and academic strength.

This year, the Safety Patroller of the Year goes to Kaitlin McLoughlin, age 14, an 8th grader and Safety Patrol Captain at Our Shepherd Lutheran School in Birmingham, MI.

Usually, students have to be in eighth grade to be a safety patrol captain. Kaitlin was allowed to join a year early, however, after submitting an impressive essay and completing an interview process. She was also chosen captain of her patrol team the following year.

Kaitlin's principal describes her as "dependable, clear thinking, calm, and well-respected by students and teachers alike."

Kaitlin's responsibilities include keeping a weekly record of her safety squad, raising and lowering the school flag, and keeping track of the safety belts and ponchos. When she is on duty, she is responsible for locking one of the school doors after the final bell rings in the morning. She must also organize her squad and assign duty stations monthly.

Recently, the faculty chose Kaitlin to attend the Birmingham Optimist Club breakfast for outstanding area students. She has also served as a kindergarten and computer classroom aide, and assisted with photography for the school website.

Kaitlin is co-captain of the cheering squad, vice-president of the student council, co-chairman of the 7th-8th grade dance, and sings in the choir. She is Mistress of Ceremonies for the school talent show and serves as hostess for Lutheran Schools' Week. Kaitlin also works with the local food bank and on various school fundraisers. She is active in her church youth group, cheerfully volunteers her services when asked and often seeks out other opportunities to serve.

She and all of the other AAA winners deserve our thanks and applause.

On behalf of the Senate, I extend congratulations and thanks to these young women. They are assets to their communities, and their families and neighbors should be very proud of their courage and dedication.

I would also like to recognize the American Automobile Association for providing the supplies and training necessary to keep the safety patrol on duty nationwide.

Since the 1920's, AAA clubs across the country have been sponsoring student safety patrols to guide and protect younger classmates against traffic accidents. Easily recognizable by their fluorescent orange safety belt and shoulder strap, safety patrol members represent the very best of their schools and communities. Experts credit school safety patrol programs with helping to lower the number of traffic accidents and fatalities involving young children.

We owe AAA our gratitude for their tireless efforts to ensure that our Nation's children arrive to and from school safe and sound. And we owe our thanks to these exceptional young men and women for their selfless actions. The discipline and courage they displayed deserves the praise and recognition of their schools, their communities and the Nation.

COLOMBIA'S PRICE BAND SYSTEM

Mr. CLELAND. Madam President, today I have submitted an amendment to address the treatment of certain American industries by Andean nations. Specifically, I am concerned with the detrimental effect the Colombian government's use of the price band system, as it applies to pet food, is having on the U.S. pet food industry and the farmers who provide the raw materials used in the production of pet food. As a Senator from Georgia, this issue is of particular concern to the poultry farmers in my State who supply a large amount of the poultry and poultry byproduct used in the production of pet food for export to Colombia.

I note that the Andean Trade Promotion and Expansion Act requires a country to demonstrate a commitment to undertake its obligations under the WTO before it can be designated a beneficiary country. It appears that Colombia's application of the price band system as it applies to pet food is a violation of Colombia's WTO obligations. Pursuant to the WTO, a developing nation, such as Colombia, is required to request and be granted a "reservation" if it is going to impose the price band system on a particular product. The Colombian government failed to acquire a reservation for either wet or dry pet food. Therefore, Colombia's application of the price band system to pet food is in violation of the WTO.

It is my expectation that in reviewing the eligibility criteria relating to market access and WTO commitments, the U.S. Trade Representative will insist that Colombia implement its WTO commitment to remove wet and dry pet food from the price band system, and apply the 20 percent common external tariff to imported pet food as required by Andean Community law.

TRADE PROMOTION AUTHORITY

Mr. KYL. Madam President, since trade-promotion authority lapsed in 1994, America has stood on the sidelines while other countries have brokered trade agreements that benefit their workers, their businesses, and their economies. Soon after taking office, President Bush called on Congress to grant him trade-promotion authority to reassert America's leadership in promoting U.S. goods and the expertise of our workforce to more markets. The House has acted, the Senate Finance Committee has acted, and it is now time for the full Senate to deliver.

Exports accounted for more than one-fourth of U.S. economic growth in the 1990s. Jobs depending on exports pay wages that are an estimated 13 to 18 percent higher than the national average. One in ten American workers, 12 million people, work at jobs that depend on exports of goods and services. Trade is good for American farmers and ranchers. Trade is good for American small businesses. At the most basic level, trade is essential to our country's economic growth and prosperity. Yet, every day that America delays, other countries throughout the world are entering into trade agreements without us, benefitting their workers, their farmers, their businesses and their economies at the expense of ours.

Our competitors in Europe, Asia, and Latin America have sealed deals on approximately 130 preferential trade compacts, many within our own hemisphere. Yet the United States is party to only three, with Canada and Mexico, Israel and Jordan. Without trade-promotion authority, the United States, would not be able to build on the many robust economic relationships we share with other countries throughout the world.

One such country is Australia. There are few larger, stronger, or more open economies with which the United States can negotiate a bilateral free trade agreement than Australia. Annual two-way trade between the United States and Australia is valued at $28 billion, supporting thousands of jobs in each country. The United States is Australia's largest source of imports and Australia's second largest export market. Everyone can agree that an Australia-United States Free Trade Agreement would only enhance this fruitful relationship.

Aside from being one of our closest friends and allies, Australia is a strategic trading partner in the Asia-Pacific Region. Clearly, we have a mutual stake in expanding our market presence in this region, and a U.S.-Australia Free Trade Agreement would set a benchmark for other trade agreements in the future. It would not only send a message that we are serious about the principle of open markets, but it would show what trade-promotion authority can deliver. This is just one example of why we need trade-promotion authority, but it is reason enough, and it speaks to why we must act now. I urge my colleagues to join me in support of trade-promotion authority.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred May 13, 1998 in Lancaster, SC. A gay woman was brutally beaten. The assailants, two men, were heard to use anti-gay slurs during the attack.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

ADDITIONAL STATEMENTS

HONORING THE COMMUNITY PROBLEM SOLVING TEAM OF THE QUEST PROGRAM AT THE DR. JOHN HOWARD JR. SCHOOL IN EAST RUTHERFORD

• Mr. TORRICELLI. Madam President, I rise today to recognize the Community Problem Solving Team at the Dr. John Howard Jr. School in East Rutherford. The group, consisting of 12 fourth and fifth graders, has assisted persons who have experienced personal tragedy in their lives in hopes that they can be of help in improving their situation.

This group of youngsters has worked incredibly hard to help so many get through the most difficult of times. They have volunteered 20 times in an after school program for homeless children at the Whitney Houston School, visited the Brookhaven Health Care Center to uplift patients' spirits, and have already volunteered a total of 600 hours towards this project. The group has also collected 150 new toys to be given during the holiday season and collected over 1,500 canned goods and perishable foods for needy families and a local food pantry. Besides gathering these material goods, the Community Problem Solving Team has been able to contribute fiscally. They applied for and were awarded a $500 grant towards their cause, in addition to raising $1,180 through the sales of candy bars and lollipops. In the coming weeks the group plans to present a high school senior in their community, whose sister was tragically struck and killed by a stolen automobile, a scholarship check to help her further her education.

Through the efforts of these grade school children, many members of their community are now living happier lives. Even at their young ages, they are being active in their community and working towards making this world a better place.

I would like to take this opportunity to salute the Community Problem Solving Team at the Dr. John Howard Jr. School's for their service to the community, their countless acts of compassion, and commitment to their fellow citizens. May their spirit of service and community be a model for all of us to admire and emulate.•

IN MEMORY OF STEVE LOVATO

• Mr. DOMENICI. Madam President, I rise today to honor Steve Lovato, an outstanding individual who lost his life in service to others.

Steve Lovato was an EMT known for his strong work ethic and his helpfulness to others. His coworkers praised him for his dedication to the job, and he was well recognized for his service to the community.

Being an EMT, Steve knew that the financial reward would not be great. He would often face many dangers that are inherent with the job. However, Steve liked doing what was right and worked as an EMT because he wanted to help people. That is why it saddens me to know of the tragic loss of this noble individual.

Nearly two months ago, Steve and his partner, Margie Muccie, responded to a 911 call where a man, Paul Freeman, had been injured by a burning home. While trying to give Mr. Freeman medical attention, the mentally unstable individual pulled out a gun and shot and killed Steve. He also killed Roswell Fire Chief, Louis Jones, and his good Samaritan neighbor who had called for help, Randy Houghton. Randy's son was also critically injured by Mr. Freeman.

This terrible event has had a profound effect on the community of Roswell. It has also deepened my resolve to address issues that affect the mentally ill. I have long worked to help people who suffer from diseases of the brain, and I believe that better treatment options for Mr. Freeman could have prevented this terrible tragedy. I will continue to seek out the best possible ways to help those that suffer from mental illness.

Steve made the ultimate sacrifice in service to others; he lost his life in the line of duty. I am proud to have represented a man like Steve, and I send my heartfelt condolences to his wife, Josephine, and his son, Alex. He went above and beyond the call of duty and showed unparalleled compassion for his fellow man. I am proud to honor him here today and to know of his heroic efforts.

I also wish to express my greatest sympathies to the friends and families of Louis Jones and Randy Houghton. These men should also be honored for their efforts in trying to help others.•

IN CELEBRATION OF MRS. LOLA V. GIBBS' 100TH BIRTHDAY

• Mr. CARPER. Madam President, I would like to set aside a moment to reflect on the life of Mrs. Lola V. Gibbs, a longtime educator, community and civic leader. She has made a lasting impact on the generations of people and the communities she has touched. Today, I rise to celebrate her 100 years of life.

Born the only daughter of Tabitha and George Gibbs on Easter Sunday, 1902, Lola enjoyed a childhood home filled with the laughter of foster children. Her family owned a farm, and together Lola and her father planted vegetables and tended to crops. At the age of seven, Lola began her education in a one-room schoolhouse. She attended high school at State College, graduating in a class of four. It was the degree she earned from the larger West Chester Normal College, in the company of other African Americans, which shaped the woman she would become.

Lola was assigned to Reeves Crossing School, teaching students in her hometown school in Woodside. Inspired by the excitement of her pupils, she became interested in 4-H. Before long, she organized the Woodside Silver Leaf 4 H Club, which was quickly recognized throughout the state for excellence. She would be a 4-H leader for 55 years.

Lola married Edward, whom she met at West Chester Normal, in the spring of 1931. They wed in her rose garden and honeymooned in Washington, DC. In September 1936, Lola and Edward were blessed with their son Edward B. Gibbs, Jr.

Never complacent, Lola Gibbs went back to college. With her son just a year old, she enrolled in classes and earned a second degree before returning to Woodside to run her own classroom again. Lola's students spanned four grades. When attendance dropped, she moved to a two-room schoolhouse in nearby Viola, instructing children, many of whom she had taught before in grades four, five and six. She organized another 4-H club, called the Viola

Jolly 26. The club quickly became the largest in Delaware.

Upon her retirement, Lola V. Gibbs was appointed president of the Kent County Teachers Association. In the years that followed, she became active in the Eastern Star, AARP and the Women's Auxiliary of the Smyrna Home for the Critically Ill.

A life member of Star Hill AME Church, Lola focuses much of her energy on the success of the congregation's Historical Society. Both her church and her community were stops on the Underground Railroad. Both benefit from her pride in her heritage.

Lola V. Gibbs is an active, independent woman of many talents and gifts. She has four grandchildren and five great-grandchildren. In 2000, Mrs. Gibbs renewed her driver's license, driving her Ford station wagon throughout Kent County, DE. Until just a few years ago, she continued to play the organ for her church.

Today, I rise both to celebrate Lola's one hundred years and the life she breathes into her community. To her grandchildren and great-grandchildren she will leave a legacy of determination, tenacity, and kindness. With pride in her students, her family, her heritage and her community, she is living proof that a life filled with good works is a good life indeed.•

TRIBUTE TO LOUIS WYMAN

• Mr. SMITH of New Hampshire. Madam President, I rise today to pay tribute to my personal friend, former judge and United States Congressman, Louis Wyman, who passed away Sunday, May 6. Louis, who was 85, was involved in one of the closest races in United States Senate history.

Louis left a lasting legacy. His legacy of country, state and family, will not soon be forgotten by those of us whose lives he touched so deeply. He was a loving husband, father and grandfather to his wife Virginia, his children Jo Ann and Louis II, and two grandchildren.

Louis Wyman was elected to serve in the United States Congress from New Hampshire's 1st Congressional District in 1962. Louis served five terms in the House of Representatives before deciding to run for the Senate in 1974. In the closest race in Senate history, Louis won the seat by only 2 votes. He served briefly in the Senate, after which a special election was held and John Durkin was awarded the seat.

In 1938 Louis graduated from the University of New Hampshire with honors and from Harvard University Law School, in 1941, cum laude. Louis was named attorney general of New Hampshire in 1953, and in 1957 was elected president of the National Association of Attorneys General. He returned to the State over the course of many years to practice law.

Louis' impact on the State of New Hampshire will not be forgotten. He touched many lives over the years through his many judicial and political pursuits. Louis was instrumental in preventing the closure of Portsmouth Naval Shipyard. Citizens of the Granite State were fortunate to have such invaluable aid.

While serving on the sub-committee of defense, Louis was an effectual supporter in the development of the F–18 fighter jet and the AEGIS Missile. During this time, Louis was a leader in the early funding for the moon landing project.

From the hallways of Capitol Hill to the law offices of New Hampshire, Louis Wyman touched many lives, and left his mark in U.S. Senate history. He will not be forgotten.•

RECOGNITION OF MAYOR TOM MENINO'S ACCOMPLISHMENT TO LEAD THE U.S. CONFERENCE OF MAYORS

• Mr. KERRY. Madam President, I am proud to join in celebrating an extraordinary milestone for my friend, Mayor Tom Menino, an honor shared by all the people of Boston who have benefitted from Tom's remarkable leadership in our city. A reflection of all that he has accomplished and continues to achieve, Mayor Tom Menino ascends to the position of President of the U.S. Conference of Mayors. I am proud to join his family, staff and colleagues across the country in congratulating him as he embarks on this new challenge.

Since his election as Mayor in 1993, Tom Menino has been tireless in his efforts to make the nation's greatest city even stronger. As he begins his term as President of the Conference, mayors from across the country will find in Tom a friend and a national trail blazer as the chief spokesperson and leader of their efforts.

Tom Menino's record of achievement already serves as a blueprint for our nation's cities; in 2001 he was recognized by Governing Magazine as "Public Official of the Year," dubbing him the "Main Streets Maestro." Mayors from cities from Houston, Detroit to Philadelphia have come to Boston to study Tom's approach to governing, and each has returned to their own city and implemented a piece of Boston's success story. After a recent Boston visit, Mayor O'Malley returned to Baltimore to open an Office of Neighborhoods, borrowing a page from the Menino play book.

But it is in the neighborhoods of Boston where the results of his hands-on management style are most visible. In places like Grove Hall and Jackson Square, new businesses are starting up, community development corporations are working hand-in-hand with the Mayor to jump start new developments and rehabilitate old buildings, and small, locally-owned businesses are flourishing in all corners of the city.

But do not take my word for it, just look at the statistics: Crime rates are dramatically lower than 10 years ago; the public school drop-out rate has been cut in half during Tom's time in office; and almost 70 percent of Boston's high school graduates continue on to college. Mayor Menino's work on behalf of the children of Boston reflects a long term commitment that reaches far into the future: He has almost doubled the number of immunized children; launched a youth literacy campaign that has been replicated in over 100 other U.S. cities; and Tom Menino is the first mayor of a major city to completely wire the school system to the Internet. Mayor Menino has partnered with the Ten Point Coalition and other violence prevention groups to create successful programs like Operation Ceasefire and "2 to 6", that target the city's at risk youth with activities and structure during those crucial after school hours.

I am proud to stand shoulder-to-shoulder with Tom Menino as we move ahead and continue our work together on improving public schools, increasing the availability of affordable housing and making our streets as safe as they can be. He is a dedicated and talented public servant, one whom I am fortunate to call a colleague and friend, and I join the whole Massachusetts delegation and mayors across the State in congratulating him on his Presidency of the U.S. Conference of Mayors.•

HONORING DR. FOREST F. SHELY

• Mr. BUNNING. Madam President, I have the distinct honor of rising today to recognize one of Kentucky's finest citizens, Dr. Forest F. Shely.

At the recently held 53rd Annual Awards Dinner of the Campbellsville/Taylor County Chamber of Commerce, Dr. Shely was named "Citizen of the Year." Dr. Shely was duly recognized for his unwavering commitment to family, church, career, and community. He has been a devoted and loving husband for 55 years. He raised five wonderful children of his own and is currently the proud grandfather of eight and great-grandfather of four. Dr. Shely has also been a key figure in his church for many years, serving as a Deacon, Sunday School teacher, and Gideon. Throughout his career in medicine, Dr. Shely has touched thousands of lives delivering babies, healing the sick, and comforting the dying. Finally, Dr. Shely serves on the university board of trustees, the Citizens Bank board, the library board, the Rotary Club and is the past president of the hospital medical staff.

To say that Dr. Forest F. Shely has lived life to the fullest would be a gross understatement. I am extremely honored to serve such an amazing husband, father, doctor, and community leader. I ask that my fellow colleagues join me in praising Dr. Shely for his dedication to Kentucky.•

IN MEMORY OF MSGR. GEORGE HIGGINS, AMERICA'S "LABOR PRIEST"

• Mr. KENNEDY. Madam President, when I learned of the death of Msgr. George G. Higgins, I was saddened to lose a friend and one of the most passionate workers' advocates of our time.

For half a century, Msgr. Higgins was the workers' priest. He was a leading advocate of workers rights, but his interests went beyond labor to issues of justice and peace, human and civil rights, and discrimination. Through his writings and teachings, he helped show the connections between these vital issues and his deep faith.

He left his mark on the lives of America's workers through his roles as writer, lecturer, lobbyist, negotiator, and leader. It is said that Msgr. Higgins never turned down an invitation to a labor meeting if he was able to be there. He was no stranger to picket lines, stopping by to lend an inspirational word to workers and to show his support.

Msgr. Higgins played a central role in the negotiations between grape growers and the newly unionized farm workers in the early 1970s. United Farm Workers leader Cesar Chavez said in 1980 that no one in the country did more for farm workers than Msgr. Higgins.

He played a key role as a liaison between the independent Polish labor union Solidarity and American unions at a time when Solidarity was struggling for its very survival in the early 1980s.

In 2000, President Clinton awarded him the Presidential Medal of Freedom, the nation's highest civilian honor, for his commitment to workers' rights, civil rights and religious tolerance. Last year, he was conferred the University of Notre Dame's prestigious Laetare Medal.

Msgr. Higgins believed that unions are central to democracy and the improvement of the plight of workers. He insisted that Catholic institutions welcome unionization and negotiate in good faith with their employees.

AFL–CIO President John F. Sweeney said of Msgr. Higgins that, "He has been an irresistible force in bringing labor and church together. . . . We respect him for his strength, we revere him for his conscience, we stand in awe of his intellect and we thank him for his love."

My thoughts and wishes are with his sisters, Bridget Doonan and Ann Maronic, as well as his nephews, nieces, grandnephews and grandnieces. We will miss America's Labor Priest. As we continue to fight for America's workers, for justice and for peace, his memory will be with us—and with all workers around the globe.•

IN RECOGNITION OF LAKE FOREST HIGH SCHOOL STUDENTS PREPARING FOR NATIONAL COMPETITION ON CONSTITUTIONAL KNOWLEDGE

• Mr. CARPER. Madam President, this May, more than 1,200 students from across the United States will visit Washington, DC to compete in the national finals of the We the People . . . The Citizen and the Constitution program. It is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights.

I am proud to announce that a class from Lake Forest High School from Felton will represent the State of Delaware in this national event. These students, with the leadership of their teacher Amy Reed-Moore, have worked diligently to reach the national finals. Through their experience they have gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

This three-day national competition is modeled after hearings in the United States Congress. The hearings consist of oral presentations by high school students before a panel of adult judges on constitutional topics. The students' testimony is followed by a period of questioning by the judges who probe their depth of understanding and ability to apply their knowledge.

Administered by the Center for Civic Education, the We the People . . . program has provided curricular materials at upper elementary, middle and high school levels for more than 26.5 million students nationwide. The program affords students a working knowledge of our Constitution, Bill of Rights, and the principles of democratic government.

It is inspiring to see these young people advocate the principles of our government, particularly in the aftermath of the tragedy on September 11. These principles identify us as a people and bind us together as a Nation. It is important for our next generation to understand the values and principles that serve as the foundation in our ongoing effort to preserve and realize the promise of democracy.

These students from Lake Forest High School are currently conducting research and preparing for their upcoming participation in the national competition in Washington, DC. I wish these young "constitutional experts" the best of luck at the We the People . . . national finals. They represent the future of our State and Nation.•

TRIBUTE TO MARY CATHERINE MORIN

• Mr. SMITH of New Hampshire. Madam President, I rise today to pay tribute to Mary Catherine Morin of Bedford. Mary was crowned this year's Miss New Hampshire and will compete for the Miss America title in September.

I applaud the dedication that Mary has shown in her platform as Miss New Hampshire. Her focus on the elderly and dedication to their needs and concerns serves as a positive example for all Granite Staters. Starting in her days of Girl Scouting, Mary has been a advocate for Seniors. By volunteering at Harborside Healthcare in Bedford and serving on the public relations committee for the Manchester Area Committee on Aging, Mary has been a positive example to the community, adding to her already deep devotion to our senior citizens.

Mary received her bachelors degree in Communications from the University of New Hampshire and now plans to pursue a Master's Degree in mass communication, with the ultimate goal of becoming a reporter for a major television network. Her experience at WMUR Channel 9 as well as working for Marie Claire magazine will certainly be an asset as she spends her year as Miss New Hampshire.

I commend Mary on her achievement and wish her continued success in the coming year. New Hampshire will be represented at the Miss America pageant and her message will reach even more people. Her dedication to our Nation's seniors is exemplary and should serve as the benchmark for today's youth. It is an honor to represent you in the U.S. Senate.•

OXNARD HARBOR DISTRICT'S 65TH ANNIVERSARY

• Mrs. BOXER. Madam President, the Oxnard Harbor District's Annual National Maritime Day Celebration will be particularly special this year, as the event will also recognize the district's 65th Anniversary on May 10, 2002.

Created in 1937, the Oxnard Harbor District owns and operates the Port of Hueneme, located in Ventura County, CA. The port greatly contributes to the economic success of California and the Nation. More than $4 billion worth of cargo moves through the port each year. In addition, the Port of Hueneme is the Nation's number one seaport for exporting citrus products and conducts business with countries including Brazil, Costa Rica, Ecuador, Germany and Japan. The Oxnard Harbor District has every reason to be proud of its outstanding accomplishments and contributions to our nation's great maritime heritage.

To help recognize the district's long history, this year's event will feature the SS *Lane Victory*, one of America's last remaining World War II Victory ships, and a National Historic Landmark. It loaded its first cargo consignment in Port Hueneme in July 1945.

To conclude, I would like to add a special word of commendation to the International Mariners Center, whose unwavering and unparalleled support has been instrumental to the Oxnard Harbor District's success.

I thank the Oxnard Harbor District for their many contributions to the community, state and Nation, and wish the staff many more years of prosperity.•

IN RECOGNITION OF THE REVEREND DR. S. HOWARD WOODSON, JR.

• Mr. TORRICELLI. Madam President, I rise today to acknowledge the Reverend Dr. S. Howard Woodson, Jr., after whom Calhoun St. in Trenton is being renamed.

It has been an honor for the State of New Jersey to have the service of an individual with the immense talents of the Reverend Woodson. In his efforts to serve the community, Reverend Woodson has used his leadership skills to effect positive change throughout the State.

After moving to Trenton in 1946 and becoming pastor of Shiloh Baptist Church, the Reverend Woodson became actively involved in the civil rights movement. As Chairman of the segregated board of the Carver YMCA, he fought to be granted independent status by the National YMCA, which led to the establishment of its own branch, freeing it from the supervision of the central office. This was a first for the Nation. During his time as President of the State Conference of the NAACP, he convinced then Governor Richard Hughes to convene the first state-wide conference on housing discrimination, out of which grew important minority housing legislation. Over the course of his political career, the Reverend Woodson had the distinction of being the first person of color elected as councilman-at-large in Trenton. He was also the first person of color to serve as Chairman of the Ranking Legislative Committee, Assistant Democratic Leader, and Speaker of the State House.

But, the impact of the Reverend Woodson extends beyond his work in the areas of civil rights and politics. Through his leadership, Shiloh Baptist Church was able to erect a new center of worship and began numerous community outreach programs such as the Clean Neighborhood Drive and a Neighborhood Get Acquainted program.

I am proud to extend my congratulations to the Reverend Woodson on this special occasion.•

IN HONOR OF PROFESSOR ZAFRA MARGOLIN LERMAN

• Mr. DURBIN. Madam President, I rise today to honor a woman who for nearly a quarter century has brought the joys of science to thousands of students in Chicago and who through every one of those years has given of herself tirelessly to ensure that anyone who sets foot in her classroom can succeed.

Zafra M. Lerman is no ordinary science teacher, and she has led no ordinary life. Born in Israel just before the second World War began, the young Zafra found high school chemistry a bore. It wasn't until she was a soldier in the Israeli Army and taking evening classes that she discovered her aptitude—and love—for the subject. Zafra went on to earn a doctorate in chemistry from Israel's renowned Weizmann Institute of Science and then did postdoctoral research at Cornell University in New York.

As remarkable as these achievements are, they are really only the beginning of a career that—though certainly filled with personal accolades—is most notable for the success of those she has guided. "Equal access to science education is a right that belongs to all," she says, and she has lived by that axiom both professionally and personally. As a professor, scientist and friend, Zafra has been a mentor first and a chemistry teacher second.

In 1977, Zafra Lerman became the very first professor of science at Columbia College in Chicago, a liberal arts college that at the time didn't even have a single science course. Her first course, Chemistry in Daily Life, was filled with artists and writers and historians who hadn't the first thought of majoring in science. One day near the beginning of the school year, Zafra took a group of students to a pub at the Congress Hotel, across the street from the college. There, she realized she could connect the unfamiliar scientific world to a world the students knew well. The alcohol in the drinks and the acid in the salad dressing became links between science and experience that brought meaning to molecules and bonds and chemical reactions.

And so began an innovative curriculum that has been as successful as it is unconventional. What began as a new way to look at science has grown into a new way of bringing the power and wonder of the subject to those who for whom learning has all too often been an unrealized privilege rather than the right Zafra Lerman believes it to be. Over the past two decades, Zafra has made it her mission to ensure that all students, regardless of their background, can experience science in a meaningful way. She has encouraged her students to explore chemistry through music and dance rather than forcing them to work behind a lab bench and has helped them learn the abstract material on their own terms.

Each week, students from the Chicago Public Schools board busses and travel to Columbia College to experience science the Lerman way. During the summer, Zafra leads a month-long "science boot camp" where teachers learn for themselves how to unite the realm of science with the universe of a teenager in Chicago. Over the years, more than 16,000 youths on the southwest side of Chicago have found the potential in science education and—thanks to Mother Zafra, as they call her—have for the first time seen high school as a beginning to their education rather than an end.

Zafra Lerman's work doesn't end at the shore of Lake Michigan. In addition to her devotion to the students of Chicago, she has long been a champion of international human rights. She has traveled extensively overseas—often to the most dangerous corners of the world—to help address the plight of dissident scientists in China, Russia and Belarus. She even learned the Russian language so she could converse directly with Andrei Sakharov instead of relying on the translator provided by the KGB.

I would like today to congratulate Zafra Lerman on being awarded the Charles Lathrop Parsons Award for Outstanding Public Service to Chemistry from the American Chemical Society. I assure you this is not her first honor—indeed, she is the recipient of more than three dozen well-deserved awards and grants over the past 15 years, including the prestigious Presidential Award for Excellence in Science, Mathematics and Engineering Mentoring. But I know this one means a great deal to her, for the late Franklin A. Long, her mentor at Cornell University, received the same honor in 1985 and had dreamed that she would one day follow in his footsteps.

"If I am able to see that I made a change for the better in someone's life," Zafra has said, "then I know that it was a good day." Madam President, Zafra Lerman's life has been a collection of good days from which so many have benefitted. All of us whose lives she has touched owe her a debt of gratitude.•

NATIONAL TEACHER DAY

• Mr. HARKIN. Madam President, I come to the floor today to recognize National Teacher Day and all the hardworking, dedicated teachers that spend every day preparing our Nation's children for tomorrow.

National Teacher Day is an opportunity to let millions of teachers across the Nation know how much we value and appreciate their work. It is a chance to salute the dedicated individuals who touch the future by teaching our children.

We recognize teachers like Jennifer Erbe, the 2002 Iowa Teacher of the Year. I had the opportunity to meet Jennifer last month and was impressed with her passion for children and her ingenuity in the classroom. She is one of Iowa's youngest teachers and we not only need to find ways to keep her in the classroom but to encourage more of our best and brightest young people to enter the profession as well.

As we celebrate National Teachers Day, we must not forget that teachers need more than just a few kinds words about the work they do or a pat on the back. They don't need empty rhetoric about the importance of education but need us to provide the resources necessary to do the job right.

Last year, we passed the Elementary and Secondary Education reauthorization and talked a lot about the need for education reform and quality teachers. We are demanding greater accountability, but also promised increased federal investments. Last year we provided education with a 16 percent increase. That was a good start. However, President Bush's first budget since the passage of his education reform bill provides only 2.8 percent increase in funding, the smallest increase since 1996.

In my home State of Iowa, State budget cuts are forcing school districts to cut back on the number of teachers for the next school year. Some are laying off teachers. Others are not replacing teachers that will retire. The reality for Iowa children next fall will be larger classes and fewer opportunities.

In the next 10 years, 40 percent of Iowa teachers will retire and we need to address that problem now. That is why these lay offs are so troubling, because they are hitting the very teachers that we were counting on to offset the impending retirements.

We face many serious challenges in our nation's schools and no one worries more about the child that is getting left behind than the classroom teacher. We make sure all children succeed by providing high quality preschool programs, small class sizes, modern buildings and up-to-date teachers.

Someone once wrote, "If you can read this, thank a teacher." Our words are important and take the time to thank a teacher today. But let's not just offer kind words to our teachers, let's dedicate ourselves to make sure teachers have the tools they need in the classroom to get the job done. ●

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO SUDAN—PM 82

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, and Urban Affairs.

To The Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I am providing herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 7, 2002.*

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 2:58 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 4156 An act to amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

The enrolled bill was signed subsequently by the President pro tempore (Mr. BYRD).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6736. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a Certification to Congress Regarding the Incidental Capture of Sea Turtles in Commercial Shipping Operations; to the Committee on Foreign Relations.

EC–6737. A communication from the Administrator, Office of Workforce Security, Employment and Training Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled "Disaster Unemployment Assistance Program; Request for Comments; Interim Final Rule" (RIN1205–AB31) received on May 2, 2002; to the Committee on Health, Education, Labor, and Pensions.

EC–6738. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Subsistence Management Regulations for Public Lands in Alaska" (RIN1018–AH85) received on May 2, 2002; to the Committee on Energy and Natural Resources.

EC–6739. A communication from the Secretary of Energy, transmitting, pursuant to law, the Annual Report for the Strategic Petroleum Reserve, covering calendar year 2001; to the Committee on Energy and Natural Resources.

EC–6740. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant to law, a certification with respect to the CH–47F Improved Cargo Helicopter (ICH), Chemical Demilitarization Program, LPD 17 Amphibious Transport Dock Ship, Multiple Launch Rocket System (MLRS) Upgrade, Space Based Infrared System (SBIRS) High, and United States Marine Corps (USMC) H–1 Upgrades major defense acquisition programs; to the Committee on Armed Services.

EC–6741. A communication from the Secretary of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC–6742. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on the amount of Department of Defense purchases from foreign entities in Fiscal Year 2001; to the Committee on Armed Services.

EC–6743. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Bureau of Labor Statistics Price Indexes for Department Stores—October 2001" (Rev. Rul. 2001–66) received on May 2, 2002; to the Committee on Finance.

EC–6744. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Weighted Average Interest Rate Update Notice" (Notice 2001–80) received on May 2, 2002; to the Committee on Finance.

EC–6745. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Application of Deposits for Purposes of Calculating the Failure-to-Deposit Penalty of IRC 6656" (Rev. Proc. 2001–58) received on May 2, 2002; to the Committee on Finance.

EC–6746. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Disclosure of Returns and Return Information by Other Agencies" ((RIN1545–AY77)(TD8698)) received on May 2, 2002; to the Committee on Finance.

EC–6747. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Expansion of Safe Harbor Provisions Under Notice 88–129" (Notice 2001–82) received on May 2, 2002; to the Committee on Finance.

EC–6748. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Payment by Credit Card and Debit Card" (RIN1545–AW37) received on May 2, 2002; to the Committee on Finance.

EC–6749. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "October-December 2001 Bond Factor Amounts" (Rev. Rul. 2001–53) received on May 2, 2002; to the Committee on Finance.

EC–6750. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Optional Standard Mileage Rate for Automobiles for 2002" (Rev. Proc. 2001–54) received on May 2, 2002; to the Committee on Finance.

EC–6751. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Ports of Houston and Galveston, Texas (COTP Houston-Galveston 02–006)" ((RIN2115–AA97)(2002–0067)) received on May 2. 2002; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. COLLINS (for herself and Mr. JOHNSON):

S. 2462. A bill to amend section 16131 of title 10, United States Code, to increase rates of educational assistance under the program of educational assistance for members of the Selected Reserve to make such rates commensurate with scheduled increases in rates for basic educational assistance under section 3015 of title 38, United States Code, the Montgomery GI Bill; to the Committee on Armed Services.

By Ms. COLLINS:

S. 2463. A bill to amend title 10, United States Code, to restrict bundling of Department of Defense contract requirements that unreasonably disadvantages small businesses, and for other purposes; to the Committee on Armed Services.

By Mr. ENZI:

S. 2464. A bill for the relief of Sammie Martine Orr; to the Committee on the Judiciary.

By Mr. GREGG (for himself and Mr. FEINGOLD):

S. 2465. A bill to extend and strengthen procedures to maintain fiscal accountability and responsibility; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. KERRY (for himself, Mr. BOND, Mrs. CARNAHAN, and Ms. COLLINS):

S. 2466. A bill to modify the contract consolidation requirements in the Small Business Act, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Ms. CANTWELL:

S. 2467. A bill to amend the Higher Education Act of 1965 to modify the computation of eligibility for certain Federal Pell Grants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. CANTWELL (for herself and Ms. COLLINS):

S. 2468. A bill to amend the Workforce Investment Act of 1986 to provide for strategic sectoral skills gap assessments, strategic skills gap action plans, and strategic training capacity enhancement seed grants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. CANTWELL:

S. 2469. A bill to amend section 171(b)(1)(D) of the Workforce Investment Act of 1998 to provide for training service and delivery innovation grants; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. CARNAHAN:

S. 2470. A bill to encourage and facilitate the security of nuclear materials and facilities worldwide; to the Committee on Armed Services.

By Mrs. MURRAY:

S.J. Res. 36. A joint resolution authorizing special awards to World War I and World War II veterans of the United States Navy Armed Guard; to the Committee on Armed Services.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. AKAKA (for himself, Mr. COCHRAN, Mr. DURBIN, Mr. LEVIN, Mr. LIEBERMAN, Mr. VOINOVICH, Ms. COLLINS, and Mr. THOMPSON):

S. Res. 261. A resolution expressing the sense of the Senate that public servants should be commended for their dedication and continued service to the nation during Public Service Recognition Week; considered and agreed to.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. Res. 262. A resolution commending the University of Hawaii Warrior Men's Volleyball Team for winning the 2002 National Collegiate Athletic Association Men's Volleyball National Championship; considered and agreed to.

By Mr. KENNEDY (for himself, Mr. BROWNBACK, Mrs. FEINSTEIN, and Mr. KYL):

S. Con. Res. 106. A concurrent resolution to correct the enrollment of H.R. 3525; considered and agreed to.

By Mr. CRAIG (for himself and Mrs. FEINSTEIN):

S. Con. Res. 107. A concurrent resolution expressing the sense of Congress that Federal land management agencies should fully support the Western Governors Association "Collaborative 10-year Strategy for Reducing Wildland Fire Risks to Communities and the Environment", as signed August 2001, to reduce the overabundance of forest fuels that place national resources at high risk of catastrophic wildfire, and prepare a National prescribed Fire Strategy that minimizes risks of escape; to the Committee on Energy and Natural Resources.

By Mr. BURNS (for himself and Mr. REID):

S. Con. Res. 108. A concurrent resolution to designate May 4–12, 2002, as "National Tourism Week"; considered and agreed to.

ADDITIONAL COSPONSORS

S. 550

At the request of Mr. DASCHLE, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 550, a bill to amend part E of title IV of the Social Security Act to provide equitable access for foster care and adoption services for Indian children in tribal areas.

S. 732

At the request of Mr. THOMPSON, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 732, a bill to amend the Internal Revenue Code of 1986 to reduce the depreciation recovery period for certain restaurant buildings, and for other purposes.

S. 830

At the request of Mr. CHAFEE, the names of the Senator from Oregon (Mr. SMITH) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 830, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 913

At the request of Ms. SNOWE, the names of the Senator from Virginia (Mr. WARNER), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Rhode Island (Mr. REED) were added as cosponsors of S. 913, a bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of all oral anticancer drugs.

S. 999

At the request of Mr. BINGAMAN, the names of the Senator from California (Mrs. BOXER), the Senator from Utah (Mr. BENNETT), the Senator from Kansas (Mr. BROWNBACK), and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1162

At the request of Mrs. FEINSTEIN, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1162, a bill to repeal the requirement relating to specific statutory authorization for increases in judicial salaries, to provide for automatic annual increases for judicial salaries, to provide for a 9.6 percent increase in judicial salaries, and for other purposes.

S. 1278

At the request of Mrs. LINCOLN, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1278, a bill to amend the Internal Revenue Code of 1986 to allow a United States independent film and television production wage credit.

S. 1572

At the request of Ms. LANDRIEU, her name was added as a cosponsor of S. 1572, a bill to endorse the vision of further enlargement of the NATO Alliance articulated by President George W. Bush on June 15, 2001, and by former President William J. Clinton on October 22, 1996, and for other purposes.

At the request of Mr. THURMOND, his name was added as a cosponsor of S. 1572, supra.

S. 1655

At the request of Mr. BIDEN, the names of the Senator from New Jersey (Mr. TORRICELLI) and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. 1655, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

S. 1738

At the request of Mr. KERRY, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1738, a bill to amend title XVIII of the Social Security Act to provide regulatory relief, appeals process reforms, contracting flexibility, and education improvements under the medicare program, and for other purposes.

S. 1761

At the request of Mr. DORGAN, the name of the Senator from Washington

(Ms. CANTWELL) was added as a cosponsor of S. 1761, a bill to amend title XVIII of the Social Security Act to provide for coverage of cholesterol and blood lipid screening under the medicare program.

S. 1829

At the request of Mrs. FEINSTEIN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1829, a bill to provide for transitional employment eligibility for qualified lawful permanent resident alien airport security screeners until their naturalization process is completed, and to expedite that process.

S. 1945

At the request of Mr. JOHNSON, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1945, a bill to provide for the merger of the bank and savings association deposit insurance funds, to modernize and improve the safety and fairness of the Federal deposit insurance system, and for other purposes.

S. 1961

At the request of Mr. GRAHAM, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1961, a bill to improve financial and environmental sustainability of the water programs of the United States.

S. 1990

At the request of Mrs. MURRAY, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 1990, a bill to establish a public education awareness program relating to emergency contraception.

S. 2039

At the request of Mr. DURBIN, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 2039, a bill to expand aviation capacity in the Chicago area.

S. 2051

At the request of Mr. REID, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 2051, a bill to remove a condition preventing authority for concurrent receipt of military retired pay and veterans' disability compensation from taking affect, and for other purposes.

S. 2055

At the request of Ms. CANTWELL, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 2055, a bill to make grants to train sexual assault nurse examiners, law enforcement personnel, and first responders in the handling of sexual assault cases, to establish minimum standards for forensic evidence collection kits, to carry out DNA analyses of samples from crime scenes, and for other purposes.

S. 2117

At the request of Mr. DODD, the names of the Senator from New York (Mrs. CLINTON) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 2117, a bill to amend the Child Care and Development Block Grant Act of 1990 to reauthorize the Act, and for other purposes.

S. 2189

At the request of Mr. ROCKEFELLER, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 2189, a bill to amend the Trade Act of 1974 to remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry.

S. 2215

At the request of Mrs. BOXER, the names of the Senator from Arkansas (Mr. HUTCHINSON) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 2215, a bill to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil, and by so doing hold Syria accountable for its role in the Middle East, and for other purposes.

S. 2227

At the request of Mr. ROCKEFELLER, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 2227, a bill to clarify the effective date of the modification of treatment for retirement annuity purposes of part-time services before April 7, 1986, of certain Department of Veterans Affairs health-care professionals.

S. 2244

At the request of Mr. DORGAN, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 2244, a bill to permit commercial importation of prescription drugs from Canada, and for other purposes.

S. 2268

At the request of Mr. MILLER, the names of the Senator from Montana (Mr. BURNS) and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of S. 2268, a bill to amend the Act establishing the Department of Commerce to protect manufacturers and sellers in the firearms and ammunition industry from restrictions on interstate or foreign commerce.

S. 2425

At the request of Mr. BAYH, the names of the Senator from New York (Mr. SCHUMER) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 2425, a bill to prohibit United States assistance and commercial arms exports to countries and entities supporting international terrorism.

S. 2428

At the request of Mr. KERRY, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 2428, a bill to amend the National Sea Grant College Program Act.

S. 2433

At the request of Mr. HUTCHINSON, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2433, a bill to designate the facility of the United States Postal Service located at 1590 East Joyce Boulevard in Fayetteville, Arkansas, as the "Clarence B. Craft Post Office Building."

S. 2444

At the request of Mr. KENNEDY, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 2444, a bill to amend the Immigration and Nationality Act to improve the administration and enforcement of the immigration laws, to enhance the security of the United States, and to establish the Office of Children's Services within the Department of Justice, and for other purposes.

S. 2452

At the request of Mr. LIEBERMAN, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 2452, a bill to establish the Department of National Homeland Security and the National Office for Combating Terrorism.

S. 2454

At the request of Mr. ENSIGN, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 2454, a bill to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting.

S. RES. 244

At the request of Mr. GRASSLEY, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. Res. 244, a resolution eliminating secret Senate holds.

S. RES. 247

At the request of Mr. LIEBERMAN, the names of the Senator from Utah (Mr. BENNETT) and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

S. CON. RES. 105

At the request of Mr. LIEBERMAN, the names of the Senator from Oregon (Mr. SMITH) and the Senator from Louisiana (Mr. BREAUX) were added as cosponsors of S. Con. Res. 105, a concurrent resolution expressing the sense of Congress that the Nation should take additional steps to ensure the prevention of teen pregnancy by engaging in measures to educate teenagers as to why they should stop and think about the negative consequences before engaging in premature sexual activity.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. COLLINS (for herself and Mr. JOHNSON):

S. 2462. A bill to amend section 16131 of title 10, United States Code, to increase rates of educational assistance under the program of educational assistance for members of the Selected Reserve to make such rates commensurate with scheduled increases in rates for basic educational assistance under section 3015 of title 38, United States Code, the Montgomery GI Bill; to the Committee on Armed Services.

Ms. COLLINS. Madam President, I am pleased to be introducing the Selected Reserve Educational Assistance Act of 2002. This legislation will provide our National Guard and Reserve personnel with expanded educational opportunities at a reasonable cost. Endorsed by the 52-member Partnership for Veterans Education, the bill provides assistance and equity that is logical, fair, and worthy of a Nation that values both higher education and those who defend the freedoms that we all enjoy. Under the total force concept of our military services, a large number of Selected Reserve personnel are now on active duty to support the war on terrorism at home and abroad.

The original G.I. bill, known as the Servicemen's Readjustment Act, was enacted in 1944. That bill provided a $500 annual education stipend as well as a $50 subsistence allowance. As a result of this initiative, 7.8 million World War II veterans were able to take advantage of post-service education and training opportunities, including more than 2.2 million veterans who went on to college. My own father was among those veterans who volunteered for the war, fought bravely, and then returned to college with assistance from the G.I. bill.

Since that time, various incarnations of the G.I. bill have continued to assist millions of veterans in taking advantage of educational opportunities they put on hold in order to serve their country. New laws were enacted to provide educational assistance to those who served in Korea and Vietnam, as well as to those who served during the period in-between. Since the adoption of the total force concept and the change to an all-volunteer service, additional adjustments to these programs were made, leading up to the enactment of the Montgomery G.I. bill in 1985. It is a two-part program, one for active duty personnel and veterans and another for members of the Selected Reserve.

The value of the educational benefit assistance provided by the Montgomery G.I. bill, however, has eroded over time due to inflation and the escalating cost of higher education, making it harder for service members and veterans to achieve their educational goals. Last year, military recruiters indicated to me that the program's benefits no longer were as strong an incentive to join the military; nor did they serve as a retention toll valuable enough to persuade men and women to stay in the military, either on active duty or in the Selected Reserve. Perhaps most important, the program has been losing its value as an instrument to help our National Guard and Reserve personnel to maximize their productivity and contributions to their families and the coummunities of which they are a part by furthering their education and training.

In fact, in constant dollars, with one exception, the current G.I. bill up until January of this year provided the lowest level of assistance ever to those who served in the defense of our country. The basic benefit program of the Vietnam Era G.I. bill provided $493 per month in 1981 to a veteran with a spouse and two children. Twenty years later, a veteran in identical circumstances received only $43 more, a mere 8 percent increase over a time period when inflation had nearly doubled, and a dollar bought only half of what it once purchased.

During the first session of the 107th Congress, we were successful in addressing some of these problems. Public Law 107–103 greatly improved educational assistance benefits available under the part of the Montgomery GI bill for service members and veterans, Chapter 30. This part of the G.I. bill now provides nine monthly $800 stipends per year for four years. The total benefit is $28,800. On October 1, 2002, the monthly amount will increase to $900, producing a new total benefit of $32,400 for the four academic years, a considerable improvement that Senator JOHNSON and I worked hard to accomplish.

Now is the time to bring the educational assistance program for members of the Selected Reserve, Chapter 1606, in line with Chapter 30. Current full-time assistance for the Selected Reserve is $272 per month for a total benefit of $9,792, only 34 percent of the monthly amount currently received under the Chapter 30 program. The bill that we are introducing today would raise the monthly amount of assistance for our Selected Reserve to $428, for a new total benefit of $15,408 and be comparable to the increases that have and will occur in the Chapter 30 program. The increase would be effective October 1, 2002.

The legislation that we are proposing would fulfill the promise made to our Nation's service members, help with recruiting and retention of men and women in our military, strengthen the State and national economies, and partially reflect the current costs of higher education. Now is the time to enact these modest improvements to the benefit program of the Montgomery G.I. bill for members of our National Guard and Reserve forces.

I urge all Members of the Senate to join me in support of the Selected Reserve Educational Assistance Act of 2002.

I ask unanimous consent that a letter in support of the bill be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

RESERVE OFFICERS ASSOCIATION
OF THE UNITED STATES,
Washington, DC, May 6, 2002.

Hon. SUSAN M. COLLINS,
U.S. Senate,
Washington, DC.

DEAR SENATOR COLLINS, I write today on behalf of the nearly 80,000 members of the Reserve Officers Association of the United States. I understand that you intend to introduce the Selected Reserve Educational Assistance Act of 2002, legislation that would not only increase educational payments to members of the Selected Reserve, but would also tie proportional increases in the Reserve GI Bill (Chapter 1606) to increases in the active duty (Chapter 30) provisions of the bill.

ROA believes that these changes are both appropriate and timely in as much as they recognize the increased contributions and responsibilities of the Reserve components within the Total Force. Since Operation Desert Shield/Desert Storm, Reserve component support of contingency operations has increased twelve hundred percent, to the point that it now averages nearly 13,000,000 mandays per year. That figure does not include the nearly 85,000 Reservists currently on active duty in support of Operation Enduring Freedom. Moreover, there is no indication that this tempo of operations is likely to decrease anytime soon.

Your bill is a landmark in the realm of Reserve education benefits in as much as it contains provisions for automatic increases in payments that keep pace with inflation and with Active component usage. This is a great improvement to a very significant recruiting and retention program, and will doubtless, make it all the more popular and valuable to the military and to the nation as a whole in the years to come.

Again, let me thank you for support of the Reserve components of our Armed Forces and their people. If we here at ROA can be of any assistance on this matter, please do not hesitate to contact us.

Sincerely,

JAYSON L. SPEIGEL,
Executive Director.

By Ms. COLLINS:

S. 2463. A bill to amend title 10, United States Code, to restrict bundling of Department of Defense contract requirements that unreasonably disadvantages small businesses, and for other purposes; to the Committee on Armed Services.

Ms. COLLINS. Madam President, I am pleased to be introducing the Small Business Contracts Opportunity Act of 2002. This legislation would help expand opportunities for small businesses to bid on government contracts, thus allowing them to sell more products and services to Federal agencies. The bill would prohibit the consolidation of contract requirements in excess of $5 million absent a written determination that the benefits of consolidation substantially exceed the benefits of alternative contracting approaches that would involve a lesser degree of consolidation.

The Small Business Reauthorization Act of 1997, P.L. 105–135, requires Federal agencies to conduct market research to assess the potential impact of "bundled contracts," and to proceed with such contracts only if the benefits of bundling substantially exceed the benefits of proceeding with separate contracts. Unfortunately, the reality is that the Department of Defense, and other Federal agencies, have narrowly interpreted these provisions of the Small Business Reauthorization Act. The result is that too many Federal contracts are so large that they are out of reach for small businesses. Yet, small businesses could perform the work if the contract requirements were divided into separate contracts rather than consolidated.

For the past several years, the evidence that contract bundling is hurting small businesses has been growing. For example, on November 16, "Eagle Eye" publishing released its second study on bundling since 1997, which found that the Defense Department is the biggest culprit of bundling, accounting for 82 percent of all bundled dollars. The study report goes on to say, that large businesses are the main beneficiaries of bundling, and highlights that large firms win 74 percent of all bundled dollars and 67 percent of all prime contract dollars. With the average bundling contract worth $8 million, it is no wonder small businesses receive only 9 percent of all bundled contract dollars. Eagle Eye found that the average bundled contract was 11 times larger than the average unbundled contract.

Also, according to the Eagle Eye study, major DoD bureaus remain the largest proponents of bundling. Army's 1999 bundled total was up to 22 percent since 1992 to $15.8 billion, while Navy increased only by 2 percent, but still managed to bundle $22 billion worth of contracts. Air Force bundled $18.8 billion, but offered some good news because its total is down 24 percent since 1992.

The legislation that I am proposing would require the Department of Defense to prove the cost benefit of consolidating a contract in excess of $5 million. Now is the time to enact this modest provision to ensure that our small businesses have the opportunities that they deserve to provide goods and services for the Department of Defense.

I urge all Members of the Senate to join me in support of the Contract Consolidation Act of 2002.

By Mr. GREGG (for himself and Mr. FEINGOLD):

S. 2465. A bill to extend and strengthen procedures to maintain fiscal accountability and responsibility; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

Mr. FEINGOLD. Madam President, I rise today to join with my colleague from New Hampshire, Senator GREGG, to introduce a commonsense budget process bill, the Budget Enforcement Act of 2002.

In the 1990s, we took fiscally responsible actions that led to balancing the budget in 1999 and 2000 without using Social Security. But last year, the government returned to the bad habit of using the Social Security surplus to fund other government activities. We need to put an end to that practice.

The Government will not have these Social Security surpluses to use forever. In the next decade, the Baby Boom generation will begin to retire in large numbers. Starting in 2016, Social Security will start redeeming the bonds that it holds, and the non-Social Security government will have to start paying for those bonds from non-Social Security surpluses. The bottom line is that starting in 2016, the government will have to show restraint in the non-Social Security budget so that we can pay the Social Security benefits that Americans have earned.

That's why we cannot continue to enact either tax cuts or spending measures that push the government further into deficit. Before we enter into new obligations, we need to make sure that we have the resources to meet our Nation's commitment to our seniors under Social Security.

We need to return to the priority of protecting the Social Security Trust Funds. We should, as President Bush said in a March 2001 radio address, "keep the promise of Social Security and keep the government from raiding the Social Security surplus."

And to get the Government out of the business of using Social Security surpluses to fund other government spending, we need to strengthen our budget process. That is what the bill that Senator GREGG and I are proposing would do.

The history of budget process changes teaches that realistic budget enforcement mechanisms work. The Budget Enforcement Act of 1990, enacted with bipartisan support, with a Democratic Congress and a Republican President, deserves much credit for helping to keep the Government on that path to reduce and eventually eliminate the deficit.

A central feature of the 1990 act was the creation of caps on appropriated spending. In recent years, Congress has blown through those caps, when those caps were at unrealistic levels, and when the Government was running surpluses. But in most years of their history, appropriations caps helped to constrain the politically understandable appetite to spend without limit.

Congress has repeatedly endorsed the idea of spending caps. Congress renewed and extended the caps in the budget process laws of 1993 and 1997. And 6 of the last 8 budget resolutions have set enforceable spending caps. If budget numbers are to have any meaning, if they are not to be just wishes and prayers, then we need to have enforcement.

Our bill would reinstate and extend the caps on discretionary spending, and would do so at a realistic baseline. It would simply set those levels at those in the budget resolution reported by the Budget Committee on March 22. And our bill maintains, without change, the separate subcaps created in the Violent Crime Act of 1994 and the Transportation Equity Act of 1998.

Like the 1990 budget law that it extends, our bill would apply budget enforcement to entitlements and taxes. It would extend the pay-as-you-go enforcement mechanism. All parts of the budget would thus be treated fairly.

Our bill would also improve the points of order that enforce the caps and pay-as-you-go enforcement. It would allow Senators to raise a point of order against specific provisions that cause the caps or pay-as-you-go discipline to be violated. This part of the bill will work very much like the important Byrd Rule that governs the reconciliation process, which is of course named after the distinguished senior Senator from West Virginia.

Under our bill, if a piece of legislation violates the caps or pay-as-you-go discipline, any Senator could raise a point of order and force a vote on any individual provision that contributes to the budget violation. If the point of order is not waived, then the provision would be stricken from the legislation.

The bill would also shut back-door ways around the caps and pay-as-you-go enforcement, by requiring 60 votes to change the caps, alter the balances of the pay-as-you-go scorecard, or direct scorekeeping.

Our bill would limit the exceptions to the point of order against emergency designations in the fiscal year 2001 budget resolution, so that all emergencies would be treated alike. Our bill would thus treat emergencies as they were treated in the text of that budget resolution when the Senate passed it on April 7, 2000, rather than in the watered-down form it had when it came back from conference with the House of Representatives.

And finally, our bill would extend for 5 years the requirement for 60 votes to waive existing points of order that enforce the Congressional Budget Act. The 60-vote requirement that gives these points of order teeth expires on September 30 this year under current law.

This is sensible budget process reform, in keeping with the best, most effective budget process enforcement that we have enacted in the past. It would make a significant contribution toward ending the practice of using the Social Security surplus to fund other government activities. And that is something that we simply must do, for our seniors, and for those in coming generations who will otherwise be stuck with the bill. I urge my colleagues to join us to cosponsor our legislation.

I ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GREGG-FEINGOLD BUDGET ENFORCEMENT ACT OF 2002

Appropriations Caps—The bill would reinstate and extend for 5 years the caps on discretionary spending, keyed to the levels in the budget resolution reported by the Budget Committee. Points of order and the threat of across-the-board cuts would continue to provide enforcement.

Pay-as-You-Go for Entitlements and Taxes—The bill would reinstate and extend the pay-as-you-go discipline that controls entitlement spending and tax law changes. Points of order and the threat of across-the-board cuts would continue to provide enforcement.

Point of Order Against Specific Provisions that Violate the Caps or Pay-as-You Go—If legislation violated the caps or pay-as-you-go enforcement, the bill would allow any Senator to raise a point of order against (and thus force a vote on) any individual provision that contributed to the budget violation. If the Senate did not waive the point of order, then the provision would be stricken from the legislation. This point of order would work just like the Byrd Rule against extraneous matter in reconciliation legislation.

Guarding Against Budget Evasions—The bill would shut back-door ways around the caps and pay-as-you-go enforcement, by requiring 60 votes to change the discretionary caps, alter the balances of the pay-as-you-go scorecard, or direct scorekeeping.

Limit Emergency Exceptions—The bill would limit the exceptions to the point of order against emergency designations in the fiscal year 2001 budget resolution, so that all emergencies would be treated alike.

Extending Existing Points of Order—The bill would extend for 5 years the requirement for 60 votes to waive existing points of order that enforce the Congressional Budget Act. The 60-vote requirement that gives these points of order teeth expires on September 30 this year under current law.

By Mr. KERRY (for himself, Mr. BOND, Mrs. CARNAHAN, and Ms. COLLINS):

S. 2466. A bill to modify the contract consolidation requirements in the Small Business Act, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Madam President, I am pleased today to be introducing legislation, the Small Business Federal Contractor Safeguard Act, designed to protect the interests of small businesses in the Federal marketplace.

As the Chairman of the Senate Committee on Small Business and Entrepreneurship, I have focused a considerable amount of energy promoting the interests of small businesses in the Federal marketplace. The legislation being introducing today marks a critical step forward in this process.

It is no secret that the Committee on Small Business and Entrepreneurship places a great deal of importance on moving legislation forward in a bipartisan manner, the members of my Committee understand we represent the interests of all of our Nation's small businesses, the most important and dynamic segment of our economy. And nowhere is the bipartisan consensus stronger than in the area of Federal procurement and ensuring that our Nation's small businesses receive their fair share of procurement opportunities. I am pleased to once again be introducing bipartisan legislation with the Committee's ranking member, Senator KIT BOND. Regardless of who has chaired the Committee during our tenure together, we have both worked hard to improve small business Federal procurement opportunities.

I am also pleased to be joined by Senator JEAN CARNAHAN, a member of the Committee on Small Business and Entrepreneurship and the Senate Armed Services Committee and Senator SUSAN COLLINS, also a member of the Senate Armed Services Committee. While small business participation in procurement activities is important throughout the Federal Government, nowhere is it more important than at the Department of Defense, which is responsible for over 63 percent of the goods and services purchased by the Federal government. The support of Senator CARNAHAN and Senator COLLINS will help ensure the success of this legislation.

The legislation we are introducing today has one ultimate purpose, to prevent Federal agencies from circumventing small business protections with regard to the practice known as contract bundling. Few issues have so strongly galvanized the small businesses contracting community as the practice of contract bundling, which occurs when procurement contracts are combined to form large contracts, often spread over large geographic areas, resulting in minimal or no small business participation.

Many supporters of the practice of contract bundling point to its cost savings. They claim it saves the taxpayer money to lump contracts together. Unfortunately, there is little evidence supporting this claim, and too many contracts are bundled without the required economic research designed to determine if a bundled contract will actually result in a cost savings.

The Small Business Administration's, SBA, Office of Advocacy, an independent body within the SBA, estimated that for every increase of 100 bundled contracts, there was a decrease of over 106 individual contracts issued to small firms. Additionally, for every $100 awarded on a bundled contract, there was a decrease of $33 to small business. The Office of Advocacy arrived at these conclusions using a conservative definition of what constitutes a bundled contract. Therefore, the negative impact on small businesses from contract bundling is likely more severe.

While seemingly an efficient and cost effective means for Federal agencies to conduct business, bundled contracts, are anti-competitive. When a Federal agency bundles contracts, it limits small businesses' ability to bid for the new bundled contract, thus limiting competition. Small businesses are consistently touted as more innovative, providing better and cheaper services then their larger counterparts. But when forced to bid for mega-contracts, at times across large geographic areas, few, if any, small businesses can be expected to compete. By driving small business from the Federal marketplace, contract bundling will actually drive up the costs of goods and services purchased by the Federal Government because competition will be limited and our economy will be deprived of possible innovations brought about by small businesses.

Although there is current law in place intended to require Federal agencies to conduct market research before bundling a contract, loopholes in the current definition of a bundled contract allow them to often skirt these safeguards.

Our legislation changes the name "bundled contract" to consolidated contract, strengthens the definition of a consolidated contract, and closes the loopholes in the existing definition to prevent Federal agencies from circumventing statutory safeguards intended to ensure that separate contracts are consolidated for economic reasons, not administrative expediency.

The new definition relies on a simple premise: if you combine contracts, be it new contracts, existing contracts or a combination thereof, you are consolidating them and would need to take the necessary steps to ensure it is justified economically before proceeding.

Our legislation also alters the current Small Business Act requirements regarding procurement strategies when a contract is consolidated to include a threshold level for triggering the economic research requirements.

Previously, any consolidated contract would trigger the economic research requirements, something considered onerous by many Federal agencies and often cited as the reason for circumventing the law. The new procurement strategies section of the Small Business Act would require a statement of benefits and a justification for any consolidated contract over $2 million and a more extensive analysis, corresponding to current requirements for any consolidated contract, for consolidations over $5 million.

In order to move forward with a consolidated contract over $2 million, the agency must put forth the benefits anticipated from the contract, identify alternatives that would involve a lesser degree of consolidation and include a specific determination that the consolidation is necessary and justified. The determination that a consolidation is necessary and justified may be determined simply through administrative and personnel savings, but their must be actual savings.

In order to move forward with a consolidated contract over $5 million, an agency must, in addition to the above: conduct current market research to demonstrate that the consolidation will result in costs savings, quality improvements, reduction in acquisition times, or better terms and conditions; include an assessment as to the specific impediments to small business participation resulting from the consolidation; and specify actions designed to maximize small business participation as subcontractors and suppliers for the consolidated contract. The determination that a consolidation is necessary and justified may not be determined through administrative and personnel savings alone unless those savings will be substantial for these larger contracts.

By establishing this dual threshold system, we have placed the emphasis for the economic research on contracts more likely to preclude small business participation, while not ceding smaller contracts to the whims of a Federal agency. This change, coupled with a clear definition of a consolidated contract should be enough to garner compliance. However, if Federal agencies continue to consolidate contracts when there is no justification, fail to conduct the required economic research, or fail to provide procurement opportunities to small businesses, I would see little choice but to support legislative changes requiring punitive measures for these Federal agencies. This is a step I have been reluctant to take in the past. However, I am optimistic that such a step will not be necessary and that the fair and reasonable system established under this legislation will be effective.

I would once again like to thank my fellow sponsors, Senators Bond, Carnahan, and Collins for their support on this issue. I hope all of my colleagues will join us in supporting this bill. I ask unanimous consent that the text of the legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Federal Contractor Safeguard Act".

SEC. 2. CONTRACT CONSOLIDATION.

(a) Definitions.—Section 3(o) of the Small Business Act (15 U.S.C. 632(o)) is amended to read as follows:

"(o) Definitions.—In this Act the following definitions shall apply:

"(1) Consolidated contract; consolidation.—The term 'consolidated contract' or 'consolidation' means a multiple award contract or a contract for goods or services with a Federal agency that—

"(A) combines discrete procurement requirements from not less than 2 existing contracts;

"(B) adds new, discrete procurement requirements to an existing contract; or

"(C) includes 2 or more discrete procurement requirements.

"(2) Multiple award contract.—The term 'multiple award contract' means—

"(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of title 10, United States Code;

"(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

"(C) any other indefinite delivery or indefinite quantity contract that is entered into by the head of a Federal agency with 2 or more sources pursuant to the same solicitation.".

(b) Procurement Strategies.—Section 15(e) of the Small Business Act (15 U.S.C. 644(e)) is amended to read as follows:

"(e) Procurement Strategies; Contract Consolidation.—

"(1) In general.—To the maximum extent practicable, procurement strategies used by the various agencies having contracting authority shall facilitate the maximum participation of small business concerns as—

"(A) prime contractors;

"(B) subcontractors; and

"(C) suppliers.

"(2) Procurement strategy requirements when the value of a consolidated contract is greater than $2,000,000.—

"(A) In general.—An agency official may not execute a procurement strategy that includes a consolidated contract valued at more than $2,000,000 unless the proposed procurement strategy—

"(i) specifically identifies the benefits anticipated from consolidation;

"(ii) identifies any alternative contracting approaches that would involve a lesser degree of contract consolidation; and

"(iii) includes a specific determination that the proposed consolidation is necessary and the anticipated benefits of such consolidation justify its use.

"(B) Necessary and justified.—The head of an agency may determine that a procurement strategy under subparagraph (A)(iii) is necessary and justified if the monetary benefits of the procurement strategy, including administrative and personnel costs, substantially exceed the monetary benefits of each of the possible alternative contracting approaches identified under subparagraph (A)(ii).

"(C) Additional requirements when the value of a consolidated contract is greater than $5,000,000.—In addition to meeting the requirements under paragraph (A), a procurement strategy that includes a consolidated contract valued at more than $5,000,000—

"(i) shall be supported by current market research that demonstrates that the consolidated contract will result in—

"(I) cost savings;

"(II) quality improvements;

"(III) reduction in acquisition cycle times; or

"(IV) better terms and conditions;

"(ii) shall include an assessment of the specific impediments to participation by small business concerns as prime contractors that result from contract consolidation;

"(iii) shall specify actions designed to maximize small business participation as subcontractors, including suppliers, at various tiers under the consolidated contract; and

"(iv) shall not be justified under paragraph (A)(iii) by savings in administrative or personnel costs, unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

"(3) Contract teaming.—

"(A) In general.—If the head of an agency solicits offers for a consolidated contract, a small business concern may submit an offer that provides for the use of a particular team of subcontractors for the performance of the contract (referred to in this paragraph as 'teaming').

"(B) Evaluation of offer.—The head of the agency shall evaluate an offer submitted by a small business concern under subparagraph (A) in the same manner as other offers, with due consideration to the capabilities of all of the proposed subcontractors.

"(C) No effect on status as a small business concern.—If a small business concern engages in teaming under subparagraph (A), its status as a small business concern shall not be affected for any other purpose.".

(c) Conforming Amendments.—

(1) Conforming amendment to the Small Business Reauthorization Act of 1997.—Section 414 of the Small Business Reauthorization Act of 1997 (41 U.S.C. 405 note) is repealed.

(2) Conforming amendments to the Small Business Act.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(A) in section 2(j)—

(i) by striking the subsection heading and inserting the following:

"(j) Contract Consolidation.—"; and

(ii) in paragraph (3), by striking "bundling of contract requirements" and inserting "contract consolidation";

(B) in section 8(d)(4)(G), by striking "a bundled contract" and inserting "a consolidated contract";

(C) in section 15(a)—

(i) by striking "bundling of contract requirements" and inserting "contract consolidation"; and

(ii) by striking "the bundled contract" and inserting "the consolidated contract"; and

(D) in section 15(k)(5)—

(i) by striking "significant bundling of contract requirements" and inserting "consolidated contracts valued at more than $2,000,000"; and

(ii) by striking "bundled contract" and inserting "consolidated contract".

Mr. BOND. Madam President, today I join the Senator from Massachusetts, Mr. Kerry, in introducing this important legislation on an issue of vital concern to small businesses. This bill, a truly bipartisan effort, represents one of the best opportunities in a long time to remove the current logjam on controlling contract bundling.

We often say around here that, in some cases, all that is necessary to help small business is for government policy to stop visiting harm upon them. Contract bundling is one of those harmful policies. It eliminates small businesses from competing for contracts to sell the government some of the $200 billion in goods and services it buys every year.

The Small Business Act says that small firms shall have the maximum practicable opportunity to compete for Federal contracts. This is good for small business, good for the purchasing agencies, and good for the taxpayer who pays the bills.

Small business benefits from having access to a stable revenue stream while they get up-and-running. The Small Business Act recognizes how government contracting can contribute to business development and economic renewal. For example, my HUBZone program provides contracting incentives for small firms to locate in blighted neighborhoods, helping them win Federal contracts and stabilize their revenues while they develop a nongovernmental customer base.

Federal agencies also benefit from small firms in Federal procurement. Many of the most innovative solutions to our problems, such as new technologies in defense readiness, come from small firms. Large business can be just as bureaucratic as the worst Federal agencies.

Complex chains of command, the need to consult with the corporate headquarters, and repetitive sign-offs on a new idea that have to be cleared with Accounting, Marketing, and Human Resources can stifle innovation and creativity. The absence of all these structures can make small business able to "turn on a dime," deliver new innovative products at lower cost, and clobber their big competitors. Agencies trying to carry out their governmental functions can take advantage of these innovations and deliver better quality services to our constituents.

Finally, the taxpayer wins when small business competes for contracts. The more competition, the lower the prices and the higher the quality.

But contract bundling gets in the way of all those benefits. To simplify the contracting process, agencies will take a bunch of small contracts and roll them into one massive contract. The result is a contract that a small business could not perform, due to its complexity or its obligation to do work in widely disparate geographic locations. A small business owner says, "I could not perform the contract, even if I won it. So I won't even bid." When that happens, we all lose.

During my tenure as Chairman of the Senate Small Business Committee, we took a stab at trying to control bundling. At that time, no statutory definition of bundling existed. It was like the Supreme Court trying to deal with pornography, we know it when we see it. In the Small Business Reauthorization Act of 1997, I pushed for a specific definition of bundling and created an administrative process to review instances of bundling. Agencies were supposed to make a determination whether a proposed bundle was "necessary and justified."

Since that time, we have seen agencies poke holes in that definition. For example, they say that a proposed contract represents a new requirement. Since it is new, it was never issued previously as separate smaller contracts, so it isn't bundling, they say. Now they don't have to do the "necessary and justified" determination.

Or, they will point to another phrase in the current definition of bundling. Currently, a bundle involves consolidating contracts in a way that makes small business participation unlikely. If they structure a tiny piece of the contract so that a small business somewhere, someday might be able to win that piece, the rest of the massive contract isn't technically bundling. Therefore, the agency doesn't have to do the determination.

This bill will close those kinds of loopholes. It builds upon some very positive language introduced in last year's Defense Authorization bill when the Senator from Michigan, Mr. LEVIN, proposed a draft during markup in the Senate Armed Services Committee. The Senator from Michigan noticed that it doesn't make sense for Federal agencies to avoid the "necessary and justified" determination. The goal of that process is to ask, does a proposed bundle make sense? Is it good value to the taxpayer and to the agency? Does it help or harm the vendor base that would be available to the agency in the future?

My colleague from Michigan decided it was time to make Defense agencies complete these bundling studies, to make sure we weren't doing harm to our defense readiness through these acquisition policies. I think we need to do the studies to make sure the Small Business Act is not cast aside and ignored. Suddenly, after a long impasse on this issue, the Senators from Michigan and Massachusetts and I found we had common ground on this issue.

Unfortunately, we were unable to get these positive provisions included in last year's Defense bill. That's why we are trying again. The Bush Administration sought to have a single governmentwide policy apply to all Federal agencies, not just the Defense establishment. This is a sound approach, but it would have required making changes to the governmentwide bundling policy in the Small Business Act. We were ready to agree to such a change, but our counterparts in the other body objected, citing jurisdictional claims about using an Armed Services bill to make changes in Small Business Committee jurisdiction.

The bill we offer today should overcome these problems. It would make a uniform governmentwide policy, through the Small Business Act. It is a stand-alone bill. It builds upon an approach suggested by the Armed Services Committee as a reasonable one.

I thank the Senator from Massachusetts for his work on this issue and I am pleased to have been at the table with him in crafting this proposal. I look forward to its enactment.

By Ms. CANTWELL:

S. 2467. A bill to amend the Higher Education Act of 1965 to modify the computation of eligibility for certain Federal Pell Grants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. CANTWELL (for herself and Ms. COLLINS):

S. 2468. A bill to amend the Workforce Investment Act of 1986 to provide for strategic sectoral skills gap assessments, strategic skills gap action plans, and strategic training capacity enhancement seed grants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. CANTWELL:

S. 2469. A bill to amend section 171(b)(1)(D) the Workforce Investment Act of 1998 to provide for training service and delivery innovation grants; to the Committee on Health, Education, Labor, and Pensions.

Ms. CANTWELL. Madam President, I come to the floor today to address a topic that I believe is key to the future competitiveness of our Nation, and that is the training of our workforce.

These have been tough times for the economy of my State, and certainly the economy of the Nation at large. The most recent employment data available from the Bureau of Labor Statistics have offered little comfort in Washington, which along with the other Pacific Northwest States of Oregon and Alaska, continue to have among the highest unemployment rates in the Nation.

This body moved quickly to provide immediate relief to the workers most impacted by the devastating economic impacts of the September 11th incidents, and I am proud that this Senate under the leadership of our Majority Leader was able to deliver some temporary assistance to workers who have exhausted unemployment benefits.

Nonetheless, our efforts should not stop with an unemployment insurance extension. We must continue pursuing long-term strategies for a sustained recovery. The fundamental strength of our economy lies in the working men and women of this Nation whose innovation and hard work propelled the massive economic expansion of the past decade.

The edge that will keep our workers ahead in this changing global economy is their skills. Our economy is global, linked by international markets and communications networks. The sustained success of U.S. companies depends on adaptability and innovation to survive, which means that workers themselves need to remain flexible and continually update job skills.

Even in this time of relatively high unemployment, businesses throughout the country are having hard times finding skilled workers. Last year, for example, 46 percent of American businesses had trouble finding qualified workers. Next year, 29 percent of American businesses expect that they will continue to have trouble hiring qualified workers, even in this slugish economy.

At the same time, over 3 million workers are laid off each year, but well under 500,000 receive any sort of training in response to meet the skills demands of those hiring businesses.

But meeting those skills demands, and bridging the skills gaps that persist between will not widely occur without a strong financial commitment to ensuring access to skills training programs, and ongoing efforts to maximize the effectiveness of those funds that we already invest.

The decision we make today to invest in our workers will pay off many times over in the form of a stronger economy, healthier communities, and improved quality of life.

But the persistent truth is that we are delivering a trickle of funding while faced with a tidal wave of need.

During the Easter recess, I traveled across my State, from Olympia to Kelso, Vancouver to Bellingham, the Tri-cites to Mt. Vernon, and received a great deal of feedback from Washingtonians who are seeking training, are providing it, or are serving as employers who need to hire skilled workers. And I heard similar concerns repeated in each of these areas: first, as our economy continues to change, the demand for new skills has grown; second, that the State has experienced an enormous increase in demand for skills training by individual workers, a trend that appears to be widespread throughout the Nation; but third, that far too many of those workers seeking to access training cannot get the training they need due to limited availability of slots at training institutions and the limited availability of tuition assistance.

Last month my office released an informal study of this apparent shortfall in the capacity of training systems in my state to meet emerging demand, and the results of that study were staggering to me. Tens of thousands of workers who want to upgrade their skills have only a limited ability to do so because of budgetary limitations that prevent institutions from adequately adding capacity to deliver training, and because only limited numbers of training vouchers are available through the federal job training system.

I might add that our governor has truly been a leader in expanding access to training. In response to the recent wave of layoffs in our State, he managed to add more than 1,300 additional adult worker-training slots to the state's community and technical college system. Even in the face of our state's terrible revenue crunch, Governor Locke has made that commitment, and he deserves tremendous credit for it.

But it is clear that states need additional help from the Federal Government. Workforce investment must be a national priority.

As my colleagues know, the programs authorized by the Workforce Investment Act are only in their second year of implementation. Although we still have several job-training programs offered through the Federal Government, the WIA system is clearly the centerpiece. It is the only Federal system designed to meet a broad range of worker needs, and it emerged from years of bipartisan work by Congress to consolidate at least 17 Federal programs into one system for delivering employment and training services.

Continuing our financial commitment to WIA programs at this critical stage in their development is essential to effective implementation of these system-wide reforms.

Senators KENNEDY, DEWINE, WELLSTONE, and our other colleagues took an enouous step in passing WIA in 1998. And despite bumps in the road, the system is already showing great promise. Nonetheless, as we move toward reauthorization of WIA and TANF, there are a number of issues that many of us will want to address in seeking to take the system to the next level.

We must, first and foremost, put an even higher priority on training. In developing human capital that maximizes the power of our economic engine, we must not get caught in the short-sighted quicksand of a work-first mentality. We will do ourselves a grave disservice if we simply force more people without the skills to obtain and hold a job in this dynamic economy, to work faster, in whatever job is available, often low paying jobs, rather than getting them the tools that they need to truly be self-sufficient.

Second, we must further enhance the seamlessness of our training systems. As GAO has documented in recent months, we still have partners in the WIA system that do not fully participate, and we still have numerous Federal training programs operating independently of one another, often duplicating effort and resources. We need to keep our eye on ball in this case, that the goal is to provide the highest possible service at the lowest unit cost on behalf of the customers of the system, its employment and training recipients, and we need to maximize the return on our Federal investment.

Third, in meeting these objectives, we need to maintain the flexibility of the systems while encouraging the types of activities and use of funds that will help us match skilled workers with available jobs. We need to take a serious look at whether the systems effectively balance the need for accountability with the flexibility for local boards in the use of federal dollars that is will allow them to most effectively target resources at the problems that most plague their communities.

Finally, in the short term, we must tailor all of our Federal training systems and programs to ensure the greatest possible access for workers who want to obtain training. That means that it is incumbent on us to keep the door open as wide as possible for adult students to access programs like Pell. And we must try to utilize the most current and powerful technologies to enhance the delivery of training.

Today, I am introducing three bills that are designed to build upon the existing workforce structure to expand access to training and improve its effectiveness.

The first piece of legislation would change the Pell Grant program to make certain that student financial aid is available to recently laid off workers.

A standard practice in the determination of Pell Grant eligibility for student aid is to base grant awards upon the applicant's income during the previous year. The use of tax forms for this purpose, in many cases, is the appropriate and easiest administrative method of obtaining a clear and official statement of need. But as a result, many recently laid-off workers are often not eligible for critical financial assistance at a time when the worker's family is experiencing a dramatic decrease in income.

The legislation would explicitly provide the authority for educational institutions, after taking sufficient precautions to prevent fraud, to consider current-year income levels for applicants seeking training through Pell-eligible programs. It does this in a very narrow way, by ensuring that institutions in states with high unemployment rates consider current year financial circumstances rather than previous year, income.

The second bill also addresses issues of access and delivery of training. While many distance-learning technologies have been developed in recent years, those technologies have not necessarily reached many of those most in need of training. Many workers in need of training may not be aware of opportunities available online to engage in distance-learning training coursework and may not have sufficient access to technologies that provide the means to access such distance-learning technologies.

It may not be enough to create a distance-learning curriculum and passively provide it through an educational institution website. Rather, comprehensive solutions need to be developed that integrate curriculum innovations, technological access, and the promotion and linkage of workers in need of training with such opportunities. Additionally, sources of funding to obtain online coursework may not be available to many workers seeking to engage in such training.

The third bill that I am introducing is designed to help WIA Boards access more, high-quality information to better understand regional labor market dynamics and improve system performance with goal of identifying emerging sectors and targeting employment and training resources appropriately.

While workforce areas may be conducting research now on the employment landscape in those areas and states, those assessments and statistical labor market data collected by the Bureau of Labor Statistics is not be sufficient to provide a level of detail for identifying actual job opportunities in regional labor markets and matching available workers to those business demands. As a result, local systems may not have the information needed to most efficiently target the use of available resources and training providers may not always build curricula and programs that most effectively address local workforce needs.

This legislation is designed to make resources available to maximize employment and training resources toward meeting emerging area skills needs. I want to make clear that this is not intended to simply reinvent the wheel for areas that are already developing sectoral approaches within existing workforce development systems. But it should in fact, allow those areas to take the next step by providing funds to enhance the capacity of systems to meet area employer needs.

This is a first step on a long journey as we work to improve Federal job training systems, and it is in no way independent of the need for additional resources to grow those systems.

Each of these bills is an important component of that broader strategy and I look forward to working with my colleagues as we begin to look at the reauthorization of TANF, of WIA, and of the Higher Education Act this year and next.

By Mrs. CARNAHAN:

S. 2470. A bill to encourage and facilitate the security of nuclear materials and facilities worldwide, to the Committee on Armed Services.

Mrs. CARNAHAN. Madam President, the disintegration of the Soviet Union more than a decade ago resulted in economic and political chaos.

The Soviet Union possessed more than 10,000 nuclear weapons, and dozens of nuclear weapons production facilities sprawled across 11 time zones. As a result of the economic collapse, funding fell short for security at nuclear weapons storage and production facilities. This left dangerous amounts of deadly weapons and materials vulnerable to theft.

Since 1991, there have been countless documented cases of individuals stealing plutonium and uranium from the former Soviet Union. So far, we believe no "nuclear smuggler" has taken enough material to make a nuclear device. The real problem is the uncertainty of the unknown.

Since the end of the Cold War, we have done a great deal to curb the threat posed by weapons of mass destruction. The United States has taken the lead in the international community to help Russia secure its nuclear weapons and material. The Department of Defense's Cooperative Threat Reduction Program and the sister programs at the Department of Energy are truly "defense by other means." The Defense Department's program is more commonly known as the Nunn-Lugar program, in recognition of its creators, my colleague from Indiana, Dick Lugar, and former Senator Sam Nunn of Georgia. Because of these two men, we face less of a threat from the Soviet Union's nuclear legacy than we would have otherwise.

The Department of Defense has focused on destroying nuclear weapons and improving security over weapons in transit and storage. The Department of Energy has focused its own threat reduction efforts on locking up uranium and plutonium that could be used in a nuclear weapon and helping develop peaceful, commercial job opportunities for weapons scientists. The investments made in these programs to secure Soviet nuclear weapons and materials have truly been in our national interest.

However, as far-reaching as these programs have been, they were not designed to address some of the terrorist threats we now face. In particular, there are three gaps in our nuclear threat reduction policies that need to be dealt with.

First, these programs do not apply to countries outside of the former Soviet Union. Second, these programs do not address the threat of radiological materials. Third, these programs do not deal with preventing terrorist sabotage of nuclear power plants.

Expanding our threat reduction programs globally is an important priority. So far, most of our efforts have focused on the dangerous situation in the former Soviet Union. This makes sense, since most of the under-secured nuclear weapons useable material is located in that part of the world.

However, we need to pay more attention to the smaller amounts of weapons material in other parts of the world that are not under tight enough lock and key. This means building up security at every type of nuclear facility worldwide, including nuclear power plants, processing facilities, storage sites and other related buildings.

We also need to start focusing on radiological materials.

And by radiological materials, I am referring to highly radioactive substances other than weapons-useable uranium or plutonium. A "dirty bomb" combines radioactive material that could be found at nuclear power plants, medical facilities or other industrial sites with explosives. This weapon would not be as immediately destructive as a nuclear bomb. But it would cause significant physical, environmental, economic, and psychological damage to our citizens, and to our national security.

Indeed, intelligence reports indicate that Osama bin Ladin has been actively pursuing the materials to develop a "dirty bomb." In fact, he called the acquisition of weapons of mass destruction a "religious duty." In addition, there have been reports of meetings between Pakistani nuclear weapons scientists and al-Qaeda operatives and between Iraqi officials and al-Qaeda representatives. We will never know what went on at these meetings. But we must take every step possible to thwart their evil plans.

Finally, we will contribute to our national security by improving nuclear power plant security outside the United States. The Department of Energy has been working for years to improve the safety of Soviet-designed nuclear power plants in the former Soviet Union and Eastern Europe. This is to prevent the possible repeat of the Chernobyl disaster.

However, to date, protecting these plants from terrorist sabotage has never been addressed. Before the tragedies of September 11, we never thought such an attack was realistic. Now that our reality has changed, we are providing greater security to protect our power plants here at home. These efforts will serve as good models to upgrade the security at nuclear plants in Russia and elsewhere.

Today I am introducing a bill that would help bolster our national security by improving the security of all nuclear and radiological material worldwide. My bill addresses each of the three gaps in our current efforts that I have just identified.

First, it calls on the Department of Energy in cooperation with the Departments of State and Defense to develop a program that would encourage all countries to adhere to the highest security standards for their nuclear material wherever it is used or stored;

Second, it requires the Department of Energy to establish a systematic approach for securing radiological materials other than uranium and plutonium outside the United States; and

Third, it directs the Department of Energy, in consultation with the Nuclear Regulatory Commission and the International Atomic Energy Agency, to develop plans for preventing terrorist attacks on nuclear power plants outside the United States.

This bill is a cost-effective and short-term way to counter current threats to our national security and it promotes world cooperation in securing nuclear materials. Already, this bill has gained the endorsement of several world leaders in the field of nuclear non-proliferation, including: Dr William Potter, Director of the Monterey Institute's Center for Nonproliferation Studies; Dr. Graham Allison, former Assistant Secretary of Defense; and Rose Gottemoeller, former Deputy UnderSecretary at the Department of Energy.

At this time I ask unanimous consent that letters of support from each of these individuals and organizations be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CENTER FOR NONPROLIFERATION STUDIES,
Monterey, CA, April 29, 2002.

Senator JEAN CARNAHAN,
Hart Senate Building, Washington, DC.

DEAR SENATOR CARNAHAN: As the director of the Monterey Institute's Center for Nonproliferation Studies, I have long been involved in research and training activities designed to combat the spread of weapons of mass destruction. I have focused especially on proliferation risks associated with the former Soviet Union and have sought to enhance the safety and security of fissile material and nuclear facilities in that region. As you are well aware, this task has acquired even greater urgency in the aftermath of September 11, as has the need to consolidate and secure the smaller amounts of fissile material that are inadequately safeguarded in other parts of the world.

Although the highest priority should be given to consolidating, securing, and reducing the global stocks of fissile material—the stuff of nuclear weapons—it also is important for more attention and resources to be devoted to countering nuclear threats posed by the sabotage of nuclear power plants, research reactors, and spent fuel storage sites, and the risks associated with so-called "dirty bombs" or radiological dispersal devices, which could be made by matching conventional explosives with radioactive source material. These dangers, while global in nature, are especially acute in Russia due to the amount of nuclear material present, the absence of adequate safeguards, and the vulnerability of many nuclear facilities to sabotage and/or terrorist attack. Although experts at Russian nuclear facilities have highlighted these vulnerabilities for a long time, their remediation has not typically been a high priority for U.S. nonproliferation assistance.

In light of these serious nuclear dangers, I strongly support your efforts to develop new legislation to counter nuclear terrorism and to improve the security of fissile and radiological material and nuclear facilities both in Russia and worldwide. In this regard, there are many useful lessons to be learned from the decade of U.S.-Russian collaboration in cooperative threat reduction, a topic many of my staff and I have analyzed carefully. Please feel free to contact me if you would like more detailed information on our prior work or if I can be of any assistance to you as you pursue your exceptionally timely and important legislation.

Sincerely,

WILLIAM C. POTTER,
Director, CNS and CRES and Institute Professor.

HARVARD UNIVERSITY,
Cambridge MA, April 30, 2002.

Senator JEAN CARNAHAN,
Hart Senate Building, Washington, DC.

DEAR SENATOR CARNAHAN: I am writing to support your draft legislation focused on addressing the threat of nuclear terrorism. As a member of the Baker-Cutler panel and a longtime Russia watcher, I have seen with my own eyes security systems for potential bomb material that would make it an easy task for terrorists to steal. As a former Senator, now Ambassador Howard Baker has testified to his colleagues on the Senate Foreign Relations Committee, "I don't mean to be unduly philosophical or psychological about it, but it really boggles my mind that there could be 40,000 nuclear weapons, or maybe 80,000 in the former Soviet Union, poorly controlled and poorly stored, and that the world isn't in a near-state of hysteria about the danger." And the problem is not limited to Russia: around the world, there are dozens of facilities with enough highly enriched uranium or a bomb—some of them civilian research facilities with a single night watchman and a chain link fence providing the only security.

In the aftermath of September 11, with Osama bin Laden declaring that acquiring weapons of mass destruction is a "religious duty," allowing such conditions to continue would pose an unacceptable threat to the security of the United States and the world. If a nuclear weapon were to fall in the hands of those who organized the September 11 attacks, there would be no threats and no negotiations. Tens of thousands of innocent victims would die in a flash; if the bomb were in lower Manhattan, it would destroy everything up to Grammercy Park.

That terrible vision must guide our efforts now, and our sense or urgency. We must be asking ourselves: "on the day after a U.S. city is destroyed in a nuclear blast, what would we wish we had done to prevent it?" And then we must take those actions now, a quickly as we practically can.

What is needed is a fast-paced, focused effort to eliminate stockpiles of potential bomb material wherever they are no longer needed, while instilling rapid security upgrades wherever these materials will remain. The goal should be to attain a stringent, global standard for security for all stockpiles of nuclear weapons and materials—for if these cannot be stolen, then terrorists cannot get the means for a nuclear attack. At the same time, we must be doing more to guard against potential Chernobyls caused by terrorist attacks on nuclear facilities or terrorist acquisition and use of radiological material for a "dirty bomb."

Thus the objectives outlined in your legislation are precisely what is needed. Should this legislation become law, the security of the United States would be measurably improved, and our children and grandchildren will thank you. I commend you for your leadership in this crucial endeavor. Let me know if I can be of any assistance in pushing it through.

Sincerely,

GRAHAM T. ALLISON,
Douglas Dillon Professor of International Affairs, Former Assistant Secretary of Defense.

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE,
Washington, DC, April 12, 2002.

Senator JEAN CARNAHAN,
Hart Senate Building, Washington, DC.

DEAR SENATOR CARNAHAN: Please allow me to introduce myself. My name is Rose Gottemoeller, and I am a Senior Associate at the Carnegie Endowment. I have previously served in senior positions both in and out of the U.S. government, most recently (until October 2000) as Deputy Undersecretary of Energy for Defense Nuclear Nonproliferation, and Assistant Secretary of Energy for Nonproliferation and National Security. From 1994 to 1997, I was Deputy Director of the International Institute for Strategic Studies in London, after serving in 1993 and 1994 as the White House National Security Council Director responsible for denuclearization of Ukraine, Kazakhstan and Belarus. Prior to that time, I was at the RAND Corporation as a senior researcher on issues related to Soviet defense and arms control policy.

Based on my long experience working on nuclear security issues, I strongly believe that more needs to be done, both in the former Soviet Union and throughout the rest of the world, to ensure a safe and secure future for all Americans. For the better part of the last ten years, the United States has borne the brunt of helping Russia and its neighbors improve security of its civilian and military facilities that house weapons-useable fissile material. As you know, the United States has contributed millions of dollars to secure the Soviet nuclear legacy, but not out of altruism: it is clearly in our national interest to do so.

While I strongly believe that the support of the U.S. must continue, I now also emphasize that the only way to develop a comprehensive effort to address poorly secured nuclear materials in other parts of the world is for our friends and allies to shoulder some of the burden. The security of nuclear material is in every country's best interest, and every country should be an active participant.

Thus far, most cooperative efforts to improve the physical protection of nuclear materials have taken place in the former Soviet Union. This is logical, given that most weapons-usable fissile material is located in that region of the world, and much of it has been adequately protected since the break-up of the USSR.

However, particularly since September 11th, I believe that we all need to pay more attention to the smaller caches of fissile material that exist in other parts of the world. Many of them are not protected to a level commensurate with international standards.

It is important to note that while terrorists might have aspirations of developing advanced weapons of mass destruction, it is more likely that a terrorist organization would be able to develop a Radiological Dispersal Device (RDD). This weapon of mass distruction could be created with conventional explosives and some spent fuel or other radiological source material. To the best of my knowledge, there are no nonproliferation efforts for radiological materials. This needs to change. One approach would be to improve the physical protection of such materials, although this task would be so enormous and expensive on a worldwide basis that I believe careful priorities need to be set for such projects. It would also be important to consider emergency response and public information efforts, so that local governments and citizens will have the tools at hand to respond to such an attack.

The security of nuclear power plants has also come under scrutiny lately. The DOE has been working for years to improve the safety of Soviet-designed nuclear power plants, with significant successes. However, to date, protecting these plants from terrorist sabotage has been less of a priority, and thus has not received attention or funding. This, too, must change.

The DOE could very easily and usefully take the lessons it has learned from its experience during the last decade of cooperation with Russia and apply them to these new and evolving threats to our national security.

Therefore, I strongly support your endeavors, and am thankful for your vision in developing new legislation to address these issues. In the absence of a determined program of action, we have every reason to anticipate acts of nuclear terrorism against American targets before this decade is out.

Please feel free to contact me if I can provide you any further information or clarification. Again, thank you for your commitment to this important issue.

Sincerely yours,

ROSE E. GOTTEMOELLER,
Senior Associate.

RUSSIAN AMERICAN NUCLEAR
SECURITY ADVISORY COUNCIL,
Washington, DC, May 1, 2002.

Hon. JEAN CARNAHAN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR CARNAHAN: On behalf of the Russian-American Nuclear Security Advisory Council (RANSAC), I want to thank you for sponsoring legislation in support of expanded and improved international efforts to control nuclear and radiological materials. Few objectives are more central to ensuring international security than keeping these and other weapon of mass destruction materials out of hostile hands.

Since its inception, RANSAC and its members have been very active in promoting efforts to improve nuclear controls in Russia and the former Soviet Union. But we also believe that it is essential to engage the rest of the international community in this effort.

Since last September there has been some forward progress in programs working to reduce the global nuclear materials threat, but the pace of these efforts remains drastically out of synch with the magnitude of the risks. And, the international community must devote more time, attention, and resources—both in the former Soviet Union and the rest of the world—to diminish these obvious nuclear dangers. I applaud and support the goals of your legislation as a practical step toward accelerating and expanding these efforts.

Thank you for your leadership on this critical issue.

Sincerely,

KENNETH N. LUONGO,
Executive Director.

NUCLEAR THREAT REDUCTION CAMPAIGN

STATEMENT FROM THE NUCLEAR THREAT REDUCTION CAMPAIGN, ON THE INTRODUCTION OF THE GLOBAL NUCLEAR SECURITY ACT OF 2002

Since 1993, the International Atomic Energy Agency has documented almost 400 cases of trafficking in nuclear and other radioactive materials. Of those, 18 involved small volumes of weapons-grade plutonium or highly enriched uranium, and most of those cases originated in the former Soviet Union. Recent revelations from American intelligence officials indicate that Osama Bin Laden and his al Qaeda network have been trying to acquire radiological material to build a so-called "dirty" bomb for use against American targets.

At present, there are no cooperative programs to secure radiological materials in Russia or elsewhere. The Nuclear Threat Reduction Campaign (NTRC) applauds Senator Jean Carnahan (D-MO) for taking important measures to address this serious threat by introducing the Global Nuclear Security Act, 2002. In the wake of the tragic events of September 11th, Senator Carnahan's bill will begin the difficult, but necessary, process of securing radiological materials from potential terrorist theft, tighten international nuclear safety standards, and develop plans for mitigating the threat of terrorist attacks on nuclear power plants outside of the United States.

This bill supports the President's pledge that, "Our highest priority is to keep terrorists from acquiring weapons of mass destruction." The Global Nuclear Security Act, 2002 is an immediate and cost-effective mechanism to counter current threats to our national security.

(The NTRC has put forth a five-part agenda encouraging Congress and the Bush Administration to: work toward a comprehensive inventory of nuclear weapons and weapons-grade materials; pass the Debt-Reduction-for-Non-Proliferation Act; sign a legally-binding agreement to reduce stockpiles of strategic weapons held by the United States and Russia; strengthen joint U.S.-Russia threat reduction and non-proliferation programs; and expand existing programs to mitigate the threat of bioterrorism. The NTRC is a project of the Vietnam Veterans of America Foundation and The Justice Project.)

Mrs. CARNAHAN. In January of this year, I traveled, with eight of my colleagues, to meet with the leaders of Pakistan, Turkey, Afghanistan, and several countries of the former Soviet Union.

We were impressed with their level of commitment to the war against terrorism, and to making the world safe from weapons of mass destruction. We are all in this struggle against terrorism together. The only way to lock up all nuclear and radiological material is for friends and allies to work together and share the burden. We will spend several billions of dollars this year to improve our homeland security, and rightly so. But we also must recognize that we are only as safe as the weakest link in the chain-link fence guarding some nuclear material in far away country.

I fully support President Bush's call to action, when he said late last year, with Russian President Putin by his side, that "Our highest priority is to keep terrorists from acquiring weapons of mass destruction."

I hope my colleagues will join me as well in supporting this effort.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 261—EXPRESSING THE SENSE OF THE SENATE THAT PUBLIC SERVANTS SHOULD BE COMMENDED FOR THEIR DEDICATION AND CONTINUED SERVICE TO THE NATION DURING PUBLIC SERVICE RECOGNITION WEEK

Mr. AKAKA (for himself, Mr. COCHRAN, Mr. DURBIN, Mr. LEVIN, Mr. LIEBERMAN, Mr. VOINOVICH, Ms. COLLINS, and Mr. THOMPSON) submitted the following resolution; which was considered and agreed to:

S. RES. 261

Whereas Public Service Recognition Week provides an opportunity to honor and celebrate the commitment of individuals who meet the needs of the Nation through work at all levels of government;

Whereas over 20,000,000 men and women work in government service in every city, county, and State across America and in hundreds of cities abroad;

Whereas the United States of America is a great and prosperous Nation, and public service employees have contributed significantly to that greatness and prosperity;

Whereas Americans benefit daily from the knowledge and skills of these highly trained individuals;

Whereas public servants—

(1) help the Nation recover from natural disasters and terrorist attacks;

(2) fight crime and fire;

(3) deliver the mail;

(4) teach and work in the schools;

(5) deliver Social Security and Medicare benefits;

(6) fight disease and promote better health;

(7) protect the environment and national parks;

(8) improve transportation and the quality of water and food;

(9) build and maintain roads and bridges;

(10) provide vital strategic and support functions to our military;

(11) keep the Nation's economy stable;

(12) defend our freedom; and

(13) advance United States interests around the world;

Whereas public servants at the Federal, State, and local level are the first line of defense in maintaining homeland security;

Whereas for every essential service disrupted by the terrorist attacks on September 11, 2001, public servants responded quickly and effectively, many giving their lives for their country;

Whereas public servants demonstrated once again on September 11, 2001, that civil servants at every level of government are decent, hard-working men and women, committed to doing a good job regardless of the circumstances;

Whereas America's Federal employees have risen to the occasion and demonstrated professionalism, dedication, and courage during the attacks of September 11, 2001, and in their aftermath;

Whereas after September 11, 2001, thousands of Federal employees were deployed in disaster response teams, and government employees continue to contribute in the war on terrorism as a part of their normal duties;

Whereas each agency has a role in ensuring that the Nation is secure and prosperous despite renewed attention to those agencies which are directly fighting the war on terrorism;

Whereas May 6 through 12, 2002, has been designated Public Service Recognition Week to honor America's Federal, State, and local government employees; and

Whereas Public Service Recognition Week will be celebrated through job fairs, student activities, and agency exhibits: Now, therefore, be it

Resolved, That the Senate—

(1) commends government employees for their outstanding contributions to this great Nation;

(2) salutes their unyielding dedication and spirit for public service;

(3) honors those public servants who have given their lives in service to their country.

(4) calls upon a new generation of workers to consider a career in public service as an honorable profession; and

(5) encourages efforts to promote public service careers at all levels of government.

SENATE RESOLUTION 262—COMMENDING THE UNIVERSITY OF HAWAII WARRIOR MEN'S VOLLEYBALL TEAM FOR WINNING THE 2002 NATIONAL COLLEGIATE ATHLETIC ASSOCIATION MEN'S VOLLEYBALL NATIONAL CHAMPIONSHIP

Mr. AKAKA (for himself and Mr. INOUYE) submitted the following resolution; which was considered and agreed to:

S. RES. 262

Whereas on May 4, 2002, the University of Hawaii Warrior Men's Volleyball Team won the national championship for the first time;

Whereas the University of Hawaii defeated Pepperdine University in 4 games in the championship match, having previously defeated Penn State University in the semifinals;

Whereas this is the first national championship ever for any men's athletic program at the University of Hawaii in 30 years of NCAA Division I competition;

Whereas the victory in the championship game gave Coach Mike Wilton his first career NCAA title and his 200th victory at the University of Hawaii;

Whereas the University of Hawaii Warrior Volleyball fans are the best in the Nation, leading the country in attendance for 7 consecutive seasons;

Whereas 3-time All-American junior outside hitter Costas Theocharidis—

(1) was named the Final Four Most Outstanding Player;

(2) was the 2001 American Volleyball Coaches Association national Player of the Year; and

(3) holds a number of men's volleyball school records;

Whereas 2 University of Hawaii Warrior volleyball players, junior outside hitter Costas Theocharidis and senior middle blocker Dejan Miladinovic, were voted to the American Volleyball Coaches Association All-American first team;

Whereas the Hawaii team is representative of Hawaii's celebrated cultural diversity, with players from Hawaii, the United States mainland, Guam, Puerto Rico, Canada, Cuba, Greece, Israel, and Serbia; and

Whereas all of the team's players showed tremendous dedication throughout the season toward the goal of winning the National Championship: Now, therefore, be it

Resolved, That the Senate—

(1) commends the University of Hawaii Warrior Men's Volleyball Team for winning the 2002 NCAA Men's Volleyball National Championship;

(2) recognizes the achievements of all the team's players, coaches, and support staff, and invites them to the United States Capitol to be honored;

(3) requests that the President—

(A) recognize the achievements of the University of Hawaii men's volleyball team; and

(B) invite the team to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs the Secretary of the Senate to—

(A) make available enrolled copies of this resolution to the University of Hawaii for appropriate display; and

(B) transmit an enrolled copy of this resolution to every coach and member of the 2002 NCAA Men's Volleyball National Championship Team.

SENATE CONCURRENT RESOLUTION 106—TO CORRECT THE ENROLLMENT OF H.R. 3525

Mr. KENNEDY (for himself, Mr. BROWNBACK, Mrs. FEINSTEIN, and Mr. KYL) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 106

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 3525) to enhance the border security of the United States, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) Strike section 205.

(2) In the table of contents of the bill, strike the item relating to section 205.

SENATE CONCURRENT RESOLUTION 107—EXPRESSING THE SENSE OF CONGRESS THAT FEDERAL LAND MANAGEMENT AGENCIES SHOULD FULLY SUPPORT THE WESTERN GOVERNORS ASSOCIATION "COLLABORATIVE 10-YEAR STRATEGY FOR REDUCING WILDLAND FIRE RISKS TO COMMUNITIES AND THE ENVIRONMENT", AS SIGNED AUGUST 2001, TO REDUCE THE OVERABUNDANCE OF FOREST FUELS THAT PLACE NATIONAL RESOURCES AT HIGH RISK OF CATASTROPHIC WILDFIRE, AND PREPARE A NATIONAL PRESCRIBED FIRE STRATEGY THAT MINIMIZES RISKS OF ESCAPE

Mr. CRAIG (for himself and Mrs. FEINSTEIN) submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 107

Whereas catastrophic wildfires not only cause environmental damage to forests and other lands but place the lives of firefighters at risk and pose threats to human health, personal property, sustainable ecosystems, wildlife habitat, and air and water quality;

Whereas upon completion of the 2001 wildfire season, 81,681 fires burned 3,555,138 acres, which threatened rural communities nationwide and killed 15 firefighters;

Whereas more than 7,400,000 acres burned during the 2000 wildfire season—equivalent to a six-mile-wide swath from Washington, D.C., to Los Angeles, California—destroying 861 structures, killing 16 firefighters, and costing the Federal Government $1,300,000,000 in suppression costs;

Whereas an April 1999 General Accounting Office report to the United States House of Representatives, entitled "Western National Forests: A Cohesive Strategy is Needed to Address Catastrophic Wildfire Threats" (GAO/RCED-99-65) states that "The most extensive and serious problem related to the health of national forests in the interior West is the overaccumulation of vegetation, which has caused an increasing number of large, intense, uncontrollable and catastrophically destructive wildfires";

Whereas an April 2000 United States Forest Service report, entitled "Protecting People and Sustaining Resources in Fire-Adapted Ecosystems: A Cohesive Strategy", in response to the 1999 General Accounting Office report, confirms the previous report's conclusion and further warns that "Without increased restoration treatments . . . , wildfire suppression costs, natural resource losses, private property losses, and environmental damage are certain to escalate as fuels continue to accumulate and more acres become high-risk";

Whereas the July 2001 General Accounting Office testimony entitled "The National Fire Plan: Federal Agencies Are Not Organized to Effectively and Efficiently Implement the Plan" (GAO-01-1022T) before the United States House of Representatives Subcommittee on Forests and Forest Health reported that "The Federal Government's decades-old policy of suppressing all wildland fires, including naturally occurring ones, have resulted in dangerous accumulations of hazardous fuels on Federal lands. As a result, conditions on 211,000,000 acres, or almost one-third of all Federal lands, continue to deteriorate" and "[t]he list of at-risk communities ballooned to over 22,000";

Whereas the escaped prescribed burn that created the Cerro Grande Fire in May 2000, that consumed 48,000 acres and destroyed 400 homes with losses exceeding $1,000,000,000 in Los Alamos, New Mexico, and the escaped prescribed burn that created the Lowden Fire in 1999 that destroyed 23 homes in Lewiston, California, highlight the unacceptable risks of using prescribed burning as the sole forest fuel reduction practice by Federal land management agencies;

Whereas similar catastrophic wildfire resolutions were passed by the California Legislature (AJR 69) and Western Legislative Forestry Task Force (R00-1) in 2000 and Oregon (HJM 22), Idaho (SJM 104) and Montana (HJ 22) in 2001;

Whereas the Western Governors Association's "Collaborative 10-year Strategy for Reducing Wildland Fire Risks to Communities and the Environment" was signed in 2001; and

Whereas in 2000, the United States Congress provided an unprecedented $2,900,000,000 in funding for the United States Departments of Agriculture and Interior wildfire fire fighting agencies to prepare for future fire-suppression efforts and take proactive steps to reduce wildfire risk on all Federal lands: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) in the interest of protecting the integrity and posterity of United States forests

and wildlands, wildlife habitats, watersheds, air quality, human health and safety, and private property, the Forest Service and other Federal land management agencies should—

(A) fully implement the Western Governors Association's "Collaborative 10-year Strategy for Reducing Wildland Fire Risks to Communities and the Environment", as signed August 2001, to reduce the overabundance of forest fuels that place these resources at high risk of catastrophic wildfire;

(B) use an appropriate mix of fire prevention activities and management practices, including forest restoration, thinning of at-risk forest stands, grazing, selective tree removal, and other measures to control insects and pathogens, removal of excessive ground fuels, and small-scale prescribed burns;

(C) increase the role for private, local, and State contracts for fuel reduction treatments on Federal forest lands and adjoining private properties; and

(D) pursue more effective fire suppression on Federal forest lands through increased funding of mutual aid agreements with professional State and local public fire fighting agencies;

(2) in the interest of forest protection and public safety, the Departments of Agriculture and the Interior should immediately prepare for public review a national prescribed fire strategy for public lands that creates a process for evaluation of worst-case scenarios for risk of escape and identifies alternatives that will achieve land management objectives while minimizing the risk associated with prescribed fire; and

(3) a national prescribed fire strategy for public lands as described in paragraph (2) should be incorporated into any regulatory land use planning programs that propose the use of prescribed fire as a management practice.

Mrs. FEINSTEIN. Madam President, I am pleased to support my colleague, Senator CRAIG on this concurrent resolution on protecting our Western forests from catastrophic fire.

It could not be more timely.

Unfortunately, this year is shaping up to be one of the worst fire years on record for many States in the West and for southern California in particular.

The fire season usually begins in California in early summer and can last all the way up to November.

A few years ago it became clear to me that we had a potential disaster on our hand beginning every June.

In the 106th Congress Senator DOMENICI, several of our colleagues and I worked to greatly increase funding for fire prevention.

That included millions of dollars for the removal of dead and dying and small diameter trees and thick underbrush that have accumulated in our national forests, dramatically increasing the likelihood of serious and highly destructive forest fires.

Recently, the Forest Service identified 24 million acres of land in the Continental U.S. as being at the absolute highest level of catastrophic fire risk.

Almost a full one third of this area, 7.8 million acres, lies in California; this is more than any other State.

It includes the entire Sierra Nevada mountain range, the newly designated Sequoia National Monument, it also includes the Plumas and Lassen Forests in and around the Quincy area, where forest fires in the past have destroyed homes and businesses and spotted owl habitat.

And it includes the Lake Tahoe Basin, where one-quarter of the trees are either dead or dying.

And the probability of major fire conflagration remains and grows each year. Such a fire around Lake Tahoe for instance could permanently destroy the water quality of one of the most pristine lakes in the world.

Not to mention a potential loss of life, habitat and property that could be devastating.

Each year, the Forest Service spends hundreds of millions of dollars putting out fires.

This money would be much better spent preventing fires in the first place rather than cleaning up after the fact.

And that is what our resolution seeks to address.

How did things get this way?

Well through the turn of the 20th century, the U.S. population was predominantly spread out and agrarian.

Forest fires burned naturally at fairly predictable intervals and they burned hot enough to restrict encroaching vegetation and prevent fuel from loading up on the ground, but not hot enough to kill old growths.

Forests in the U.S. survived in this fashion for literally thousands of years.

By the middle of the twentieth century, however an increasing population began to occupy new urban-wildland interface zones on what had once been forests.

Suddenly, forest fires had to be put out or suppressed in order to protect the surrounding communities.

It seemed intuitive to simply continue fighting fires as they arose and leave the forests otherwise, untouched.

So nothing was done to groom the forests, to remove the dead and dying, to reduce undergrowth, and to prevent subsequent conflagrations.

What is called fuel load has grown to astronomical proportions in many of our national forests.

Dead and dying trees which were no longer consumed by fire, lingered while brush began to build up at ground level.

Newer, different species of trees, no longer stifled by natural fire, began to crowd out some of the older growth trees.

Forests became crowded and severely fire-prone.

Newer, different species of trees, no longer stifled by natural fire, began to crowd out some of the older growth trees.

In the meantime, what we learned was that one-size does not fit all when it comes to managing our forests.

Each forest is distinct. Differences in topography, geography, flora and fauna, elevation, and climate dictate how a particular forest should be managed.

A forest in the California Sierras is different from a forest in Alaska or Pennsylvania or Idaho.

It is imperative that the Forest Service use all available tools to clean up the forests and reduce fire risks.

This includes removing dead and dying trees, thinning overgrowth, and using mechanical treatment and controlled burning.

It should also include the fuel breaks demonstrated by the Quincy Library Group Project.

If we don't use all these tools, incidents of serious fire will only continue to increase.

In California, fire susceptible Douglas and White firs have grown underneath old growth ponderosa pines.

The newer firs which are not resistant to fire, create potential fuel ladders that permit a fire to reach the tops, or crowns of old growths for the first time.

For most of recent history an old growth pine was impervious to fire since rarely did a fire reach all the way up to its crown.

Now with these relatively new fuel ladders, fire threats to old growths are very real.

Drought periods have further stressed the forest, predisposing it to insect infestations, disease and of course, severe wildfire.

California forests provide homes for dozens of endangered and threatened species including the Marbled Murrelet and the Spotted owl.

It is an understatement to say that today, the risk of fire is the most serious threat to our forests and these species.

It may be the most immediate short-term environmental threat that our western forests face.

That is why this policy of fire prevention and this resolution are so important.

And I urge my colleagues to support the Craig-Feinstein resolution.

SENATE CONCURRENT RESOLUTION 108—TO DESIGNATE MAY 4–12, 2002, AS "NATIONAL TOURISM WEEK"

Mr. BURNS (for himself and Mr. REID) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 108

Whereas travel and tourism has a major impact on the economy of the United States as the third largest retail sales industry in the Nation;

Whereas 1 out of every 7 people employed in the United States civilian labor force is employed in the travel and tourism industry;

Whereas international travel to the United States is the largest service export, having generated a trade surplus for 13 consecutive years;

Whereas domestic and international travel generated an estimated $545,000,000,000 in expenditures in 2001, supporting more than 7,800,000 jobs, and creating more than $94,400,000,000 in tax revenue for Federal, State, and local governments;

Whereas the slowing of the United States economy and the horrific terrorist attacks of September 11, 2001, have had a tremendous negative effect on the tourism industry;

Whereas according to the Travel Industry Association, the travel and tourism industry would suffer a $43,000,000,000 decrease in spending from domestic and international travelers due to the September 11, 2001, attacks;

Whereas the Department of Commerce has issued preliminary figures indicating that international travel to the United States decreased 11 percent between 2000 and 2001, resulting in a 45 percent decrease in the travel trade surplus (from $14,000,000,000 to $7,700,000,000), and that it may take 3 years for international travel to return to the 2000 level;

Whereas decreased spending in 2001 caused the travel and tourism industry to lose an estimated 600,000 jobs, and resulted in an estimated 3 percent decrease in tax revenues from such industry;

Whereas National Tourism Week was established by Congress in 1983, and first celebrated in May 1984, when President Ronald Reagan signed a Presidential Proclamation urging citizens to observe the week "with appropriate ceremonies and activities;

Whereas since 1984, National Tourism Week has been celebrated each May by the Travel Industry Association of America, as well as many States, cities, and other travel industry associations: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) designates May 4-12, 2002, as "National Tourism Week; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe National Tourism Week with appropriate ceremonies and activities.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3393. Mr. CLELAND submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3393. Mr. CLELAND submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

Section 204(b)(5)(B) of the Andean Trade Preference Act, as amended by section 3102, is amended by inserting the following new clauses:

"(iii) The extent to which the country complies with the Agreement on Agriculture (including Article 4) described in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

"(iv) The extent to which the country complies with its obligation under the Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, described in section 101(d)(8) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(8))."

NOTICES OF HEARINGS MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that three hearings have been scheduled before the Committee on Energy and Natural Resources on S.J. Res. 34, a joint resolution approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982.

The purpose of the three hearings is to take testimony on S.J. Res. 34, the President's recommendation of the Yucca Mountain site for development of a repository, and the objections of the Governor of Nevada to the President's recommendation.

The hearings will take place on Tuesday, May 14, in SH-216; Thursday, May 16, in SH-216; and Thursday, May 23, room to be announced. Each hearing will begin at 9:30 a.m.

Because of the limited time available for the hearing, witnesses may testify by invitation only. Those wishing to submit written testimony for the hearing should e-mail it to *Amanda Goldman@energy.senate.gov* or fax it to 202-224-9026.

For further information, please contact Sam Fowler of the committee staff at (202) 224-4971.]

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to hold a hearing during the session of the Senate on Tuesday, May 7, 2002, at 9:30 a.m. in SD-366.

The purpose of this hearing is to review the outlook for this year's wildland fire season as well as assess the Federal land management agencies' state of readiness and preparedness for the wildland fire season.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HARKIN. Mr. President, I ask unanimous conset that the Committee on Environment and Public Works be authorized to meet on Tuesday, May 7, 2002 at 11:00 a.m. to hold a hearing to receive testimony from John P. Suarez, nominee to be Assistant Administrator of the Office of Enforcement and Compliance Assurance, Environmental Protection Agency. The hearing will be held in SD-406.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 7, 2002 at 10:00 a.m. to hold a hearing on environmental treaties.

Agenda

Treaties

Treaty Doc. 106-32: An amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (the "Montreal Protocol"), adopted at Beijing on December 3, 1999, by the Eleventh Meeting of the Parties to the Montreal Protocol (the "Beijing Amendment").

Treaty Doc. 106-10: An amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (the "Montreal Protocol"), adopted at Montreal on September 15-17, 1997, by the Ninth Meeting of the Parties to the Montreal Protocol.

Treaty Doc. 103-5: A Protocol Concerning Specially Protected Areas and Wildlife to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, done at Kingston on January 18, 1990.

Treaty Doc. 105-32: An agreement Establishing the South Pacific Regional Environment Programme, done at Apia on June 16, 1993.

Treaty Doc. 105-53: A Treaty Between the Government of the United States of America and the Government of Niue on the Delimitation of a Maritime Boundary.

Treaty Doc. 107-2: A Protocol to Amend the 1949 Convention on the Establishment of an Inter-American Tropical Tuna Commission, done at Guayaquil, June 11, 1999, and signed by the United States, subject to ratification, in Guayaquil, Ecuador, on the same date.

Witnesses

Panel 1: The Honorable John Turner, Assistant Secretary for Oceans and Environmental Scientific Affairs, Department of State, Washington, DC.

Panel 2: Mr. Thomas Grasso, Director, Marine Conservation Program, World Wildlife Fund, Washington, DC; and Dr. David Read Barker, President, Monitor International, Annapolis, MD.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet on Tuesday, May 7, 2002, at 9:30 a.m., for a hearing entitled "The Role of the Board of Directors in Enron's collapse."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGING

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Aging be authorized to meet for a hearing on national Family Caregiver Support Program: Getting Behind Our Nation's Families during the session of the Senate on Tuesday, May 7, 2002, at 2:30 p.m. in SD–430.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AIRLAND

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Airland of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 7 at 3:00 p.m. in closed session to mark up the Airland Programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2002.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PERSONNEL

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 7 at 4:00 p.m. in closed session to mark up the personnel programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2003.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 7, 2002 at 5:00 p.m. in closed session to mark up the readiness and management programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2003.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. REID. Madam President, I ask unanimous consent that Sarah Lennon, a fellow in Senator CARNAHAN's office, be granted the privilege of the floor during the session of the Senate on Tuesday, May 7, 2002.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Madam President, I ask unanimous consent that the following detailees to the Agriculture Committee be granted privileges on the floor during debate on the farm bill: Benjamin Young, Dave White, Pat Sweeney, and Carol Olander.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Madam President, I ask unanimous consent that Erin Trenda, an intern in my office, be allowed to be on the floor during the duration of the conference report debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

AMENDED 1ST QUARTER REPORT; CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Mary Alice Hayward:									
United States	Dollar				9,445.53				9,445.53
Kazakhstan	Dollar		442.90		66.08				508.98
Uzbekistan	Dollar		872.00		20.00		30.96		922.96
Netherlands	Dollar						10.25		10.25
Madelyn R. Creedon:									
United States	Dollar				9,445.62				9,445.62
Kazakhstan	Dollar		462.00				3.00		465.00
Uzbekistan	Dollar		930.00				115.00		1,045.00
Netherlands	Dollar						35.25		35.25
Total			2,706.90		18,977.23		194.46		21,878.59

CARL LEVIN,
Chairman, Committee on Armed Services, Apr. 10, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Jeff Sessions:									
South Korea	Won		547.30				70.00		617.30
Japan	Dollar		20.00		5,464.69		2.00		5,486.69
Armand DeKeyser:									
South Korea	Won		650.00				66.00		716.00
Japan	Dollar		60.00		5,514.69		35.00		5,609.69
Archie Galloway:									
South Korea	Won		649.00				20.00		669.00
Japan	Dollar		23.00		5,504.69		30.00		5,557.69
Gary M. Hall:									
South Korea	Dollar		572.02						572.02
Japan	Dollar		24.00		5,464.69				5,488.69
Michael J. McCord:									
United States	Dollar				3,528.55				3,528.55
South Korea	Won		747.65		3.84				751.49
Japan	Yen		264.78		3.78		23.78		292.34

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Maren Leed:									
South Korea	Won		854.05		11.52				865.57
Japan	Yen		238.12		3.78		24.00		265.90
United States	Dollar				3,528.55				3,528.55
George W. Lauffer:									
United States	Dollar				3,528.55				3,528.55
South Korea	Won		122.00				16.00		138.00
South Korea	Dollar		667.00						667.00
Japan	Yen		92.00						92.00
Japan	Dollar		197.00				10.00		207.00
Senator James M. Inhofe:									
Germany	Dollar		400.00		4,963.20				5,363.20
John A. Bonsell:									
Germany	Dollar		220.93				15.29		236.12
Italy	Dollar		63.90				4.00		67.90
United States	Dollar				4,963.20				4,963.20
Senator John McCain:									
Germany	Euro		415.67						415.67
Daniel C. Twining:									
Germany	Euro		718.00						718.00
Senator Joseph I. Lieberman:									
Germany	Dollar		394.00						394.00
Frederick M. Downey:									
Germany	Dollar		414.00						414.00
Edward H. Edens IV:									
China	Dollar		330.00		7,698.49				8,028.49
South Korea	Dollar		480.00						480.00
Japan	Dollar		586.00						586.00
Philippines	Dollar		383.00						383.00
Evelyn N. Farkas:									
China	Yuan		324.00		6,434.59				6,758.59
South Korea	Won		470.25						470.25
Japan	Yen		565.00						565.00
Philippines	Peso		366.00						366.00
Total			11,858.57		56,616.81		316.07		68,791.45

CARL LEVIN,
Chairman, Committee on Armed Services, Apr. 1, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Katherine Scheeler:									
Brazil	Dollar		770.00		2,507.50				3,277.50
Catherine Cruz-Wojtasik:									
Brazil	Dollar		1,070.00		2,507.50				3,577.50
Thomas Loo:									
Brazil	Dollar		650.00		2,507.50				3,157.50
Total			2,490.00		7,522.50				10,012.50

PAUL S. SARBANES,
Chairman, Committee on Banking, Housing, and Urban Affairs, Apr. 12, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard Shelby			4,240.00						4,240.00
William Duhnke			3,274.00						3,274.00
Kathleen Casey			4,040.00						4,040.00
Senator John D. Rockefeller			450.00						450.00
	Dollar				6,843.33				6,843.33
Melvin Dubee			506.00						506.00
	Dollar				6,843.33				6,843.33
Senator Richard Lugar			818.00						818.00
	Dollar				4,564.66				4,564.66
Kenneth A. Myers, Jr			846.00						846.00
	Dollar				4,564.66				4,564.66
Kenneth A. Myers, III			868.00						868.00
	Dollar				4,564.66				4,564.66
Senator Mike DeWine							6,534.72		6,534.72
Laura Parker			414.00						414.00
Senator Jon Kyl			299.13						299.13
Robert Filippone			732.00						732.00
	Dollar				5,928.40				5,928.40
Paula DeSutter			1,122.00						1,122.00
	Dollar				5,928.40				5,928.40
James Barnett			1,556.00						1,556.00
	Dollar				5,306.60				5,306.60
Christopher Jackson			1,256.00						1,256.00
	Dollar				5,327.90				5,327.90
Christopher Ford			1,556.00						1,556.00

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
	Dollar				5,327.90				5,327.90
Robert Filippone			1,632.00						1,632.00
	Dollar				7,099.22				7,099.22
Peter Dorn			1,757.00						1,757.00
	Dollar				7,099.22				7,099.22
Total			25,366.13		69,398.28		6,534.72		101,299.13

BOB GRAHAM,
Chairman, Committee on Intelligence, Apr. 19, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Orest Deychakiwsky:									
U.S.A	Dollar				5,506.26				5,506.26
Ukraine	Dollar		661.00						661.00
U.S.A	Dollar				5,508.00				5,508.00
Ukraine	Dollar		1,238.00						1,238.00
Chadwick Gore:									
U.S.A	Dollar				4,211.43				4,211.43
Austria	Dollar		854.18						854.18
Janice Helwig:									
U.S.A	Dollar				4,209.29				4,209.29
Austria	Dollar		10,727.87						10,727.87
Representative Steny Hoyer:									
U.S.A	Dollar				4,811.75				4,811.75
Austria	Dollar		944.00						944.00
Marlene Kaufmann:									
U.S.A	Dollar				4,811.75				4,811.75
Austria	Dollar		944.00						944.00
Hamilton Thames:									
U.S.A	Dollar				7,127.42				7,127.42
Turkey	Dollar		1,109.44						1,109.44
France	Dollar		462.67						462.67
Total			16,941.16		36,185.90				53,127.06

BEN NIGHTHORSE CAMPBELL,
Chairman, Commission on Security and Cooperation in Europe,
Apr. 15, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR TRAVEL FROM DEC. 28, 2001 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ernest F. Hollings:									
Belgium	Franc		514.00						514.00
Germany	Mark		798.00						798.00
Czech Republic	Koruna		606.00						606.00
Hungary	Forint		554.00						554.00
Austria	Euro		392.00						392.00
England	Pound		1,376.00						1,376.00
Joab M. Lesesne III:									
Belgium	Franc		514.00						514.00
Germany	Mark		798.00						798.00
Czech Republic	Koruna		606.00						606.00
Hungary	Forint		554.00						554.00
Austria	Euro		392.00						392.00
England	Pound		1,376.00						1,376.00
Stephen Hartell:									
Belgium	Franc		514.00						514.00
Germany	Mark		798.00						798.00
Czech Republic	Koruna		606.00						606.00
Hungary	Forint		554.00						554.00
Austria	Euro		392.00						392.00
England	Pound		1,376.00						1,376.00
Total			12,720.00						12,720.00

FRITZ HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation,
Mar. 28, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SENATE JUDICIARY COMMITTEE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jeffrey Miller:									
Thailand	Baht		824.91		2,469.28		150.00		3,444.19
Marcia Lee:									
Thailand	Baht		785.34		2,469.28		150.00		3,404.62
Neil Macbride:									
Thailand	Baht		928.11		2,469.28		75.00		3,472.39
David Hantman:									
Thailand	Baht		942.89		2,469.28		167.97		3,580.14
Leah Belaire:									
Thailand	Baht		945.79		2,469.28		120.00		3,535.07
Senator Maria Cantwell:									
Cuba	Dollar		276.50		313.00		92.15		681.65
Travis Sullivan:									
Cuba	Dollar		717.56		610.00		161.00		1,488.56
Caroline Fredrickson:									
Cuba	Dollar		771.85		682.00		29.70		1,483.55
Total			6,192.95		13,951.40		945.82		21,090.17

PATRICK LEAHY,
Chairman, Senate Judiciary Committee, Apr. 26, 2002.

AMENDED 1ST QUARTER 2001 CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(c), COMMITTEE ON VETERANS' AFFAIRS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Arlen Specter:									
Germany	Dollar		241.00						241.00
Yugoslavia	Dollar		434.00						434.00
Egypt	Dollar		223.00						223.00
Israel	Dollar		152.00						152.00
Jordan	Dollar		235.00						235.00
India	Dollar		1,376.00						1,376.00
Pakistan	Dollar		240.00						240.00
Turkey	Dollar		306.00						306.00
Netherlands	Dollar		207.00						207.00
David Urban:									
Germany	Dollar		241.00						241.00
Yugoslavia	Dollar		434.00						434.00
Egypt	Dollar		223.00						223.00
Israel	Dollar		152.00						152.00
Jordan	Dollar		235.00						235.00
India	Dollar		1,376.00						1,376.00
Pakistan	Dollar		240.00						240.00
Turkey	Dollar		306.00						306.00
Netherlands	Dollar		207.00						207.00
Seema Singh:									
India	Dollar		1,376.00						1,376.00
Pakistan	Dollar		240.00						240.00
Turkey	Dollar		306.00						306.00
Netherlands	Dollar		207.00						207.00
United States	Dollar				3,565.24				3,565.24
Total			8,957.00		3,565.24				12,522.24

ARLEN SPECTER,
Chairman, Committee on Veterans' Affairs, Apr. 15, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), MAJORITY AND REPUBLICAN LEADERS FOR TRAVEL FROM FEB. 17 TO FEB. 24, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Daniel Inouye:									
Belgium	Euro		257.00						257.00
Pakistan	Dollar		484.00						484.00
Uzbekistan	Dollar		359.00						359.00
Italy	Euro		370.00						370.00
Senator Ted Stevens:									
Belgium	Euro		257.00						257.00
Pakistan	Dollar		484.00						484.00
Uzbekistan	Dollar		359.00						359.00
Italy	Euro		370.00						370.00
Senator Olympia Snowe:									
Belgium	Euro		161.22						161.22
Pakistan	Dollar		356.06						356.06
Uzbekistan	Dollar		336.66						336.66
Italy	Euro		370.00						370.00
Senator Benjamin Nelson:									
Belgium	Euro		157.00						157.00
Pakistan	Dollar		356.00						356.00
Uzbekistan	Dollar		334.65						334.65
Italy	Euro		370.00						370.00
Senator Tim Hutchinson:									
Belgium	Euro		257.00						257.00
Pakistan	Dollar		484.00						484.00
Uzbekistan	Dollar		359.00						359.00

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), MAJORITY AND REPUBLICAN LEADERS FOR TRAVEL FROM FEB. 17 TO FEB. 24, 2002—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Italy	Euro		370.00						370.00
Steve Cortese:									
Belgium	Euro		257.00						257.00
Pakistan	Dollar		484.00						484.00
Uzbekistan	Dollar		359.00						359.00
Italy	Euro		370.00						370.00
Charlie Houy:									
Belgium	Euro		257.00						257.00
Pakistan	Dollar		484.00						484.00
Uzbekistan	Dollar		359.00						359.00
Italy	Euro		370.00						370.00
Sid Ashworth:									
Belgium	Euro		257.00						257.00
Pakistan	Dollar		484.00						484.00
Uzbekistan	Dollar		359.00						359.00
Italy	Euro		370.00						370.00
Dave Morrison:									
Belgium	Euro		257.00						257.00
Pakistan	Dollar		484.00						484.00
Uzbekistan	Dollar		359.00						359.00
Italy	Euro		370.00						370.00
Dr. John Eisold:									
Belgium	Euro		257.00						257.00
Pakistan	Dollar		484.00						484.00
Uzbekistan	Dollar		359.00						359.00
Italy	Euro		370.00						370.00
Delegation Expenses: [1]									
Belgium	Euro						2,129.47		2,129.47
Pakistan	Dollar						3,025.00		3,025.00
Afghanistan	Dollar						1,533.00		1,533.00
Italy	Euro						3,499.70		3,499.70
Total			14,201.59				10,187.17		24,388.76

[1] Delegation expenses include payments and reimbursements to the Department of State, under the authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384, and S. Res. 179 agreed to May 25, 1977.

TOM DASCHLE,
Majority Leader, Apr. 22, 2002.
TRENT LOTT,
Republican Leader, Apr. 22, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL LIEBERMAN/McCAIN FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Joe Lieberman:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		324.00						324.00
Pakistan	Dollar		304.00						304.00
Oman	Rial		202.00						204.00
Senator John McCain:									
Turkey	Dollar		155.75						155.75
Uzbekistan	Dollar		395.75						395.75
Pakistan	Dollar		335.75						335.75
Oman	Rial		173.75						173.75
Senator Fred Thompson:									
Turkey	Dollar		164.00						164.00
Uzbekistan	Dollar		414.00						414.00
Pakistan	Dollar		344.00						344.00
Oman	Rial		189.00						189.00
Senator Jack Reed:									
Turkey	Dollar		212.00						212.00
Uzbekistan	Dollar		285.00						285.00
Pakistan	Dollar		358.00						358.00
Oman	Rial		178.00						178.00
Senator Chuck Hagel:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		424.00						424.00
Pakistan	Dollar		364.00						364.00
Oman	Rial		202.00						202.00
Senator Susan Collins:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		402.00						402.00
Pakistan	Dollar		344.00						344.00
Oman	Rial		202.00						202.00
Senator John Edwards:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		424.00						424.00
Pakistan	Dollar		364.00						364.00
Oman	Rial		202.00						202.00
Senator Bill Nelson:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		424.00						424.00
Pakistan	Dollar		364.00						364.00
Oman	Rial		202.00						202.00
Senator Jean Carnahan:									
Turkey	Dollar		134.00						134.00
Uzbekistan	Dollar		374.00						374.00
Pakistan	Dollar		314.00						314.00
Oman	Rial		152.00						152.00
Fred Downey:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		344.00						344.00

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL LIEBERMAN/McCAIN FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Pakistan	Dollar		304.00						304.00
Oman	Rial		162.00						162.00
Mark Esper:									
Turkey	Dollar		159.00						159.00
Uzbekistan	Dollar		400.00						400.00
Pakistan	Dollar		364.00						364.00
Oman	Rial		177.00						177.00
Julia Hart:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		424.00						424.00
Pakistan	Dollar		364.00						364.00
Oman	Rial		202.00						202.00
Elizabeth King:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		424.00						424.00
Pakistan	Dollar		309.00						309.00
Oman	Rial		179.76						179.76
Miles Lackey:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		424.00						424.00
Pakistan	Dollar		364.00						364.00
Oman	Rial		202.00						202.00
Andrew Parasiliti:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		424.00						424.00
Pakistan	Dollar		364.00						364.00
Oman	Rial		202.00						202.00
Dan Twining:									
Turkey	Dollar		184.00						184.00
Uzbekistan	Dollar		424.00						424.00
Pakistan	Dollar		364.00						364.00
Oman	Rial		202.00						202.00
Delegation Expenses: [1]									
Turkey	Dollar						7,658.84		7,658.84
Uzbekistan	Dollar						11,907.30		11,907.30
Pakistan	Dollar						6,515.19		6,515.19
Oman	Rial						5,552.83		5,552.83
Cypress	Dollar						1,259.18		1,259.18
Total			17,733.76				32,893.34		50,627.10

[1] Delegation expenses include payments and reimbursements to the Department of State, and the Department of Defense under the authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384, and S. Res. 179 agreed to May 25, 1977.

TOM DASCHLE,
Majority Leader, Mar. 4, 2002.
TRENT LOTT,
Republican Leader, Mar. 5, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL DASCHLE FOR TRAVEL FROM JAN. 10 TO JAN. 19, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Tom Daschle:									
Germany	Euro		582.00						582.00
Uzbekistan	Dollar		1,626.00						1,626.00
Ireland	Euro		258.00						258.00
Senator Bob Smith:									
Germany	Euro		582.00						582.00
Uzbekistan	Dollar		1,626.00						1,626.00
Ireland	Euro		258.00						258.00
Senator Byron Dorgan:									
United States	Dollar				2,337.27				2,337.27
Germany	Euro		291.00						291.00
Uzbekistan	Dollar		1,626.00						1,626.00
Ireland	Euro		258.00						258.00
Senator Richard Durbin:									
Germany	Euro		241.00						241.00
Uzbekistan	Dollar		1,026.00						1,026.00
Ireland	Euro		258.00						258.00
Senator Mark Dayton:									
Germany	Euro		555.28						555.28
Uzbekistan	Dollar		880.33						880.33
Ireland	Euro		270.96						270.96
Tim Hogan:									
Germany	Euro		582.00						582.00
Uzbekistan	Dollar		1,126.00						1,126.00
Ireland	Euro		258.00						258.00
Denis McDonough:									
Germany	Euro		582.00						582.00
Uzbekistan	Dollar		1,126.00						1,126.00
Ireland	Euro		258.00						258.00
Russell Thomasson:									
Germany	Euro		582.00						582.00
Uzbekistan	Dollar		1,626.00						1,626.00
Ireland	Euro		258.00						258.00
Sally Walsh:									
Germany	Euro		582.00						582.00
Uzbekistan	Dollar		1,626.00						1,626.00
Ireland	Euro		258.00						258.00
Delegation Expenses: [1]									
Germany	Euro						13,865.14		13,865.14
Uzbekistan	Dollar						21,330.17		21,330.17
Pakistan	Dollar						1,186.88		1,186.88

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL DASCHLE FOR TRAVEL FROM JAN. 10 TO JAN. 19, 2002—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Afghanistan	Dollar						1,040.24		1,040.24
Kyrgyzstan	Dollar						1,273.99		1,273.99
Turkmenistan	Dollar						3,142.61		3,142.61
Ireland	Euro						7,161.83		7,161.83
Total			19,202.57		2,337.27		49,000.86		70,540.70

[1] Delegation expenses include payments and reimbursements to the Department of State, under the authority of Sec. 502b of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384, and S. Res. 179 agreed to May 25, 1977.

TOM DASCHLE,
Majority Leader, Mar. 4, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL LOTT FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Trent Lott:									
South Korea	Won		436.00		7,197.50				7,633.50
Eric Womble:									
South Korea	Won		436.00		3,553.50				3,989.50
Angel Campbell:									
South Korea	Won		436.00		3,319.00				3,755.00
Delegation Expenses [1]							3,855.33		3,855.33
Total			1,308.00		14,070.00		3,855.33		19,233.33

[1] Delegation expenses include payments and reimbursements to the Department of State, under the authority of Sec. 502b of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384, and S. Res. 179 agreed to May 25, 1977.

TRENT LOTT,
Republican Leader, Apr. 2, 2002.

UNANIMOUS CONSENT REQUEST—S. 180

Mr. REID. Madam President, I ask unanimous consent that the Chair lay before the Senate a message from the House on S. 180, that the Senate disagree to the House amendment, agree to the request for a conference on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there objection?

Mr. NICKLES. Madam President, I understand there is objection on our side. I am not fully aware of what the concerns are, but at this point I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Madam President, I say to my friend from Oklahoma, we will work to see if this can be worked out at the staff level. Otherwise we will see what we can do at the Senate level.

Mr. DASCHLE. Madam President, I have tried again tonight to appoint conferees on the Sudan Peace Act. The House took this simple step late last year. This will be the third time we have sought consent to take this very simple procedural step. Each time our Republican colleagues have objected.

What is happening in Sudan is a travesty. The government in Khartoum, the same government, incidentally, that gave shelter to Osama bin Laden, is waging a brutal civil war against the Christians in the south of that country. We are reminded of the brutality of this war in occasional newspaper stories, but the people of that ravaged land live this brutality daily.

We all have our views on what the final Sudan Peace Act should look like, and I understand that there is significant concern with some of the provisions of the House-passed version of this bill. That's to be expected. What is unexpected—and unacceptable—is that there would be an objection to a simple procedural step to get to conference to resolve these differences.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar Nos. 816 through 823; that the nominations be confirmed; the motions to reconsider be laid on the table; any statements thereon be printed in the RECORD; the President be immediately notified of the Senate's action; and the Senate resume legislative session, with the preceding all occurring without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed as follows:

DEPARTMENT OF JUSTICE

Steven M. Biskupic, of Wisconsin, to be United States Attorney for the Eastern District of Wisconsin for the term of four years

James E. McMahon, of South Dakota, to be United States Attorney for the District of South Dakota for the term of four years

Jan Paul Miller, of Illinois, to be United States Attorney for the Central District of Illinois for the term of four years

Walter Robert Bradley, of Kansas, to be United States Marshal for the district of Kansas for the term of four years

Randy Paul Ely, of Texas, to be United States Marshal for the Northern District of Texas for the term of four years

William P. Kruziki, of Wisconsin, to be United States Marshal for the Eastern District of Wisconsin for the term of four years

Stephen Robert Monier, of New Hampshire, to be United States Marshal for the District of New Hampshire for the term of four years

Gary Edward Shovlin, of Pennsylvania, to be United States Marshal for the Eastern District of Pennsylvania for the term of four years

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

COMMENDING PUBLIC SERVANTS DURING "PUBLIC SERVICE RECOGNITION WEEK"

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to S. Res. 261, submitted earlier today by Senators AKAKA, CONRAD, and others.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 261) expressing the sense of the Senate that public servants should be commended for their dedication and continued service to the Nation during Public Service Recognition Week.

There being no objection, the Senate proceeded to consider the resolution.

Mr. AKAKA. Madam President, it is with pleasure that I support a resolution commending public servants, especially our federal workforce, for their dedication and continued service to the nation during Public Service Recognition Week, which began yesterday and runs through May 12, 2002. I am delighted to be joined in this effort by Senators COCHRAN, DURBIN, LEVIN, LIEBERMAN, VOINOVICH, COLLINS, and THOMPSON.

As my colleagues know, public service is a long and honored tradition in the United States. Today, more than ever, our nation is faced with challenges that affect not only our way of life, but also the security of our country. Although we are still grappling with these changes, there has been one steady and true beacon of hope and inspiration through this uncertainty—our federal workforce. Their dedication, commitment, and tireless service have contributed greatly to the country's recovery from the tragic events of September 11th and the anthrax attacks through the U.S. Mail.

Public Service Recognition Week represents an opportunity for us to honor and celebrate the commitment of individuals who serve the needs of the nation through work at all levels of government. Public Service Recognition Week is also a time to call on a new generation to consider public service. As Chairman of the Subcommittee on International Security, Proliferation, and Federal Services, I am pleased that there is renewed interest in working for the federal government. This trend is particularly heartening given that 50 percent of our federal workforce will be eligible to retire in the next five years. I also wish to point out that every federal agency has a role in ensuring that our nation is protected and that it prospers, not just those agencies and federal employees that are directly fighting the war on terrorism.

I invite my colleagues to honor the patriotic commitment to public service that our federal employees exemplify and to join in the federal government's annual celebration. From May 9–12, 2002, there will be an extensive exhibit on the National Mall in Washington, D.C., showcasing many of our federal agencies and branches of the military, as well as highlighting the services these agencies provide.

In addition to the Mall exhibits, I encourage my colleagues to recognize federal employees, as well as state and local government employees within their states, to let them know how much their work is appreciated. Our resolution details the tremendous contributions that our public servants make to their country and communities.

I am very proud of the men and women who serve our country, both in and out of uniform. I urge my fellow members to use next week to thank our federal employees for their enthusiasm and selfless dedication to public service.

Mr. REID. Madam President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, that any statements relating thereto be printed in the RECORD, all without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 261) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 261

Whereas Public Service Recognition Week provides an opportunity to honor and celebrate the commitment of individuals who meet the needs of the Nation through work at all levels of government;

Whereas over 20,000,000 men and women work in government service in every city, county, and State across America and in hundreds of cities abroad;

Whereas the United States of America is a great and prosperous Nation, and public service employees have contributed significantly to that greatness and prosperity;

Whereas Americans benefit daily from the knowledge and skills of these highly trained individuals;

Whereas public servants—

(1) help the Nation recover from natural disasters and terrorist attacks;

(2) fight crime and fire;

(3) deliver the mail;

(4) teach and work in the schools;

(5) deliver Social Security and Medicare benefits;

(6) fight disease and promote better health;

(7) protect the environment and national parks;

(8) improve transportation and the quality of water and food;

(9) build and maintain roads and bridges;

(10) provide vital strategic and support functions to our military;

(11) keep the Nation's economy stable;

(12) defend our freedom; and

(13) advance United States interests around the world;

Whereas public servants at the Federal, State, and local level are the first line of defense in maintaining homeland security;

Whereas for every essential service disrupted by the terrorist attacks on September 11, 2001, public servants responded quickly and effectively, many giving their lives for their country;

Whereas public servants demonstrated once again on September 11, 2001, that civil servants at every level of government are decent, hard-working men and women, committed to doing a good job regardless of the circumstances;

Whereas America's Federal employees have risen to the occasion and demonstrated professionalism, dedication, and courage during the attacks of September 11, 2001, and in their aftermath;

Whereas after September 11, 2001, thousands of Federal employees were deployed in disaster response teams, and government employees continue to contribute in the war on terrorism as a part of their normal duties;

Whereas each agency has a role in ensuring that the Nation is secure and prosperous despite renewed attention to those agencies which are directly fighting the war on terrorism; and

Whereas May 6 through 12, 2002, has been designated Public Service Recognition Week to honor America's Federal, State, and local government employees; and

Whereas Public Service Recognition Week will be celebrated through job fairs, student activities, and agency exhibits: Now, therefore, be it

Resolved, That the Senate—

(1) commends government employees for their outstanding contributions to this great Nation;

(2) salutes their unyielding dedication and spirit for public service;

(3) honors those public servants who have given their lives in service to their country;

(4) calls upon a new generation of workers to consider a career in public service as an honorable profession; and

(5) encourages efforts to promote public service careers at all levels of government.

COMMENDING THE UNIVERSITY OF HAWAII WARRIOR MEN'S VOLLEYBALL TEAM FOR WINNING THE 2002 NCAA NATIONAL CHAMPIONSHIP

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 262, submitted earlier by Senators AKAKA and INOUYE.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 262) commending the University of Hawaii Volleyball Team for winning the 2002 National Collegiate Athletic Association Men's Volleyball National Championship.

There being no objection, the Senate proceeded to the consideration of the resolution.

Mr. AKAKA. Madam President, I am pleased to join my distinguished colleague, the senior Senator from Hawaii, Mr. INOUYE, in congratulating the University of Hawaii's Warrior Volleyball team, the 2002 NCAA National Champions. The Warriors captured the title by beating top-ranked Pepperdine University in four games Saturday evening in State College, Pennsylvania. The national championship is the first for any men's athletic program at the University of Hawaii in over 30 years of NCAA Division I competition.

Hawaii finished its championship season with a 24–8 record, and out-hit and out-blocked a Pepperdine team that had beaten the Warriors in their three previous meetings this season. Saturday's victory also marked the 200th win for Warrior coach Mike Wilton in his ten-year tenure at Hawaii.

Sports fans in Hawaii love the men's and women's volleyball teams at the University of Hawaii. Hawaii has led the nation in attendance for seven consecutive seasons. This season the Warriors drew 89,387 fans for 16 home matches, an average of 5,587 per match, breaking the record set last year. It is not unusual for almost 8,000 fans to pack the Stan Sheriff Center on the UH-Manoa campus for a contest against a conference rival. When you factor in the fact that all home matches are televised, you get an appreciation of the popularity of Hawaii's volleyball program.

The 2002 Volleyball National Champions are an extraordinary team. They are also an international team. Three-time All-American and Final Four MVP Costas Theocharidis is from Greece; Team captain Eyal Zimet is from Israel; senior All-American Dejan Miladinovic is from Serbia. Along with Hawaii's best prep players, men from Canada, the mainland U.S., Puerto Rico, Cuba, and Guam, are a part of the 2002 Hawaii Warrior's championship team this season. It is a credit to the players, coaches, trainers and staff, that outstanding teamwork, years of hard work and conditioning, and dedication to the sport they love, have earned them the national championship.

The multinational 2002 champions are splendid representatives and ambassadors for Hawaii. Hawaii is a multicultural State, where no race or ethnicity has a majority. Our Culture reflects the rich mosaic of Native Hawaiian, Asian, and Western cultures and traditions which are shared, celebrated, and appreciated by Hawaii's people and visitors to the islands. Immigrants from nations around the world have shared their rich cultures and traditions, which in combination with the indigenous Hawaiian culture, have created a special and wonderful place for residents and visitors alike.

So it is with great pride and appreciation that I join my colleague from Hawaii and the people of Hawaii in honoring the 2002 National Champion University of Hawaii Warrior Volleyball team by offering a resolution commending their championship season. I ask unanimous consent that a roster of Warrior Volleyball players, coaches, and staff be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. AKAKA. Congratulations to the Warriors players and Coach Mike Wilton and his staff for a wonderful and historic season. Hawaii no ka oi!

EXHIBIT NO. 1

2002 HAWAII WARRIORS VOLLEYBALL ROSTER

No. and player	Pos.	Ht.	Yr.	Hometown
1. Dejan Miladinovic ..	MB	6–7	Sr.	Kraljevo, Serbia
2. Geronimo Chala	OH	6–6	Jr.	Santiago de Cuba, Cuba
3. Rob Drew	MB	6–8	Sr.	San Diego, CA
4. Kimo Yuyay	S	6–2	So.	San Diego, CA
5. Jake Muise	L	6–0	So.	Halifax, Nova Scotia
6. Eyal Zimet	OH	6–2	Jr.	Kibbutz Ein Hamifratz, Israel
7. Vernon Podiewski ...	L	5–8	Sr.	Halimaile, Maui
8. Jeffrey Gleason	OH	6–3	Jr.	Hillsboro, OR
9. Costas Theocharidis	OH	6–3	Jr.	Orestiada, Greece
10. Jose Delgado	OH	6–3	Fr.	San Juan, Puerto Rico
11. Kyle Denitz	DS	6–0	Jr.	Carpineria, CA
12. Marvin Yamada	DS	5–8	So.	Barrigada Heights, Guam
13. Matt Bender	OH	6–3	Fr.	Tucson, AZ
14. Ryan Woodward	OH	6–3	Jr.	Mililani, Oahu
15. Tony Ching	OH	6–2	Jr.	Honolulu
16. Brian Nordberg	MB	6–5	Jr.	Milwaukee, WI
17. Delano Thomas	MB	6–7	Fr.	Sacramento, CA
18. Daniel Rasay	S	6–2	Fr.	Kailua-Kona, Hawaii

Head Coach: Mike Wilton (BYU-Hawaii, 1969); Assistant Coaches: Tino Beyes (Cal Poly, 1984), Aaron Wilton (Hawaii, 1997); Manager: Marlo Torres; Volunteer: Radford Nakamura; and Trainer: Michelle Landis.

Mr. REID. I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements related thereto be printed in the RECORD, all without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 262) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 262

Whereas on May 4, 2002, the University of Hawaii Warrior Men's Volleyball Team won the national championship for the first time;

Whereas the University of Hawaii defeated Pepperdine University in 4 games in the championship match, having previously defeated Penn State University in the semifinals;

Whereas this is the first national championship ever for any men's athletic program at the University of Hawaii in 30 years of NCAA Division I competition;

Whereas the victory in the championship game gave Coach Mike Wilton his first career NCAA title and his 200th victory at the University of Hawaii;

Whereas the University of Hawaii Warrior Volleyball fans are the best in the Nation, leading the country in attendance for 7 consecutive seasons;

Whereas 3-time All-American junior outside hitter Costas Theocharidis—

(1) was named the Final Four Most Outstanding Player;

(2) was the 2001 American Volleyball Coaches Association national Player of the Year; and

(3) holds a number of men's volleyball school records;

Whereas 2 University of Hawaii Warrior volleyball players, junior outside hitter Costas Theocharidis and senior middle blocker Dejan Miladinovic, were voted to the American Volleyball Coaches Association All-American first team;

Whereas the Hawaii team is representative of Hawaii's celebrated cultural diversity, with players from Hawaii, the United States mainland, Guam, Puerto Rico, Canada, Cuba, Greece, Israel, and Serbia; and

Whereas all of the team's players showed tremendous dedication throughout the season toward the goal of winning the National Championship: Now, therefore, be it

Resolved, That the Senate—

(1) commends the University of Hawaii Warrior Men's Volleyball Team for winning the 2002 NCAA Men's Volleyball National Championship;

(2) recognizes the achievements of all the team's players, coaches, and support staff, and invites them to the United States Capitol to be honored;

(3) requests that the President—

(A) recognize the achievements of the University of Hawaii men's volleyball team; and

(B) invite the team to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs the Secretary of the Senate to—

(A) make available enrolled copies of this resolution to the University of Hawaii for appropriate display; and

(B) transmit an enrolled copy of this resolution to every coach and member of the 2002 NCAA Men's Volleyball National Championship Team.

VIOLENCE AGAINST WOMEN ACT OF 2000 AMENDMENTS

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 350, S. 410.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 410) to amend the Violence Against Women Act of 2000 by expanding legal assistance for victims of violence grant program to include assistance for victims of dating violence.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 410) was read the third time and passed, as follows:

S. 410

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LEGAL ASSISTANCE FOR VICTIMS OF VIOLENCE.

Section 1201 of the Violence Against Women Act of 2000 (42 U.S.C. 3796gg–6) is amended—

(1) in subsection (a), by inserting "dating violence," after "domestic violence,";

(2) in subsection (b)—

(A) by inserting before paragraph (1) the following:

"(1) DATING VIOLENCE.—The term 'dating violence' means violence committed by a person—

"(A) who is or has been in a social relationship of a romantic or intimate nature with the victim; and

"(B) where the existence of such a relationship shall be determined based on a consideration of the following factors:

"(i) the length of the relationship;

"(ii) the type of relationship; and

"(iii) the frequency of interaction between the persons involved in the relationship.";

(B) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4) respectively; and

(C) in paragraph (3), as redesignated by subparagraph (B) of this paragraph, by inserting "dating violence," after "domestic violence,";

(3) in subsection (c)—

(A) in paragraph (1), by inserting—

(i) ", dating violence," after "domestic violence"; and

(ii) "dating violence," after "domestic violence,";

(B) in paragraph (2), by inserting "dating violence," after "domestic violence,"; and

(C) in paragraph (3), by inserting "dating violence," after "domestic violence,";

(4) in subsection (d)—

(A) in paragraph (1), by inserting ", dating violence," after "domestic violence";

(B) in paragraph (2), by inserting ", dating violence," after "domestic violence";

(C) in paragraph (3), by inserting ", dating violence," after "domestic violence"; and

(D) in paragraph (4), by inserting "dating violence," after "domestic violence,";

(5) in subsection (e), by inserting "dating violence," after "domestic violence,"; and

(6) in subsection (f)(2)(A), by inserting "dating violence," after "domestic violence,".

AMENDING THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 364, S. 2431.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 2431) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits.

There being no objection, the Senate proceeded to consider the bill which was reported by the Committee on the Judiciary, with an amendment, as follows:

[Omit the part in black brackets and insert the part printed in italic:]

S. 2431

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002".

SEC. 2. BENEFITS FOR CHAPLAINS.

(a) In General.—Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b) is amended—

(1) by redesignating paragraphs (2) through (7) as (3) through (8), respectively;

(2) by inserting after paragraph (1) the following:

"(2) 'chaplain' [means] *includes* any individual serving as an officially recognized or designated member of a legally organized volunteer fire department or legally organized police department, or an officially recognized or designated public employee of a legally organized fire or police department who was responding to a fire, rescue, or police emergency;"; and

(3) in subparagraph (A) of paragraph (8), as redesignated by paragraph (1), by inserting after "firefighter," the following: "as a chaplain,".

(b) Eligible Beneficiaries.—Section 1201(a) of such Act (42 U.S.C. 3796(a)) is amended—

(1) in paragraph (3), by striking "or" at the end;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) if there is no surviving spouse or surviving child, to the individual designated by such officer as beneficiary under such officer's most recently executed life insurance policy, provided that such individual survived such officer; or".

(c) Effective Date.—The amendments made by this section shall take effect on September 11, 2001, and shall apply to injuries or deaths that occur in the line of duty on or after such date.

Mr. LEAHY. Madam President, I am pleased that the Senate is taking up expeditiously the Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002. I thank Senators CAMPBELL, SCHUMER, CLINTON, and BIDEN for cosponsoring our bipartisan measure. I also commend Representatives MANZULLO and NADLER for their leadership on the House version of this bill, H.R. 3297.

Named for Chaplain Mychal Judge, who was killed while responding with the New York City Fire Department to the September 11 terrorist attacks on the World Trade Center, this legislation recognizes the invaluable service of police and fire chaplains in crisis situations by allowing for their eligibility in the Public Safety Officers' Benefit Program. Father Judge, while deemed eligible for public safety officer benefits, was survived by his two sisters who, under current law, are ineligible to receive payments through the PSOB Program. This is simply wrong and must be remedied.

Indeed, Father Judge is among ten public safety officers who were killed on September 11, but who are ineligible for federal death benefits because they died without spouses, children, or parents. This bill would retroactively correct this injustice by expanding the list of those who may receive public safety officer benefits to the beneficiaries named on the most recently executed life insurance policy of the deceased officer. This change would go into effect on September 11 of last year to make sure the families of Father Judge and the nine other fallen heros receive their public safety officer benefits.

In addition, this bill would retroactively restructure the Public Safety Officers' Benefit Program to specifically include chaplains as members of the law enforcement and fire units they serve, and would make these chaplains eligible for the one-time $250,000 benefit available to public safety officer who have been permanently disabled as a result of injuries sustained in the line of duty, or to the survivors of officers who have died.

We have yet another unique opportunity to provide much-needed relief for the survivors of the brave public servants who selflessly risk and sacrifice their own lives everyday so that others might live or be comforted.

Finally, I applaud the National Association of Police Organization, the Fraternal Order of Police, and American Federation of State, County and Municipal Employees for their leadership and strong support for public safety officers and their families. I ask unanimous consent that their letters in support of the Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

GRAND LODGE,
FRATERNAL ORDER OF POLICE,
Washington, DC, May 1, 2002.

Hon. PATRICK J. LEAHY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing on behalf of the membership of the Fraternal Order of Police to advise you of our strong support for S. 2431, the "Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002."

None of us in the public safety community will ever forget the tremendous courage exhibited by our police, fire, and rescue personnel as they responded to the devastating terrorist attacks of 11 September. Nor will we forget the examples of heroism and self-sacrifice exemplified by Father Judge and the other dedicated public servants who lost their lives on that day.

The legislation you have introduced affords Congress the opportunity to further honor these American heroes by making two important enhancements to the Public Safety Officers' Benefits Program (PSOB). First, S. 2431 will specifically recognize police and fire chaplains who were killed or injured in the line of duty while responding to a fire, rescue, or police emergency among those who are eligible for PSOB benefits. In addition, the bill would expand the list of those allowed to receive such benefits in the event of an officer's death to include, in the event that there is no surviving spouse or child, the individual designated by the officer as a beneficiary under their most recently executed life insurance policy.

On behalf of the more than 300,000 members of the Fraternal Order of Police, thank you for your leadership on this issue and for your continuing commitment to America's Federal, State and local law enforcement officers. Please do not hesitate to contact me, or Executive Director Jim Pasco, if we can provide you with any additional information or assistance.

Sincerely,

STEVE YOUNG,
National President.

NATIONAL ASSOCIATION OF POLICE ORGANIZATIONS, INC.,
Washington, DC, May 1, 2002.

Hon. PATRICK J. LEAHY,
Chairman, Senate Judiciary Committee, U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the National Association of Police Organizations (NAPO), representing 220,000 rank-and-file police officers from across the United States, I would like to advise you of our wholehearted support for S. 2431, the "Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002." This bill will recognize the invaluable service of police and fire chaplains in crisis situations by allowing for their eligibility in the Public Safety Officers' Benefit program.

Created by congress in 1976, the PSOB program is administered by the Bureau of Justice Assistance of the U.S. Department of Justice and pays a one-time death benefit to the families of public safety officers who die in the line of duty.

S. 2431 is named after Franciscan Friar Mychal Judge who was the Chaplain of the New York City Fire Department. Father Judge was killed by the falling debris of the World Trade Center on September 11, 2001, while giving last rites to another firefighter who died in the terrorist attack.

NAPO thanks you for introducing this important piece of legislation and expeditiously bringing it before the Senate Judiciary Committee for full consideration. We commend you for your continued and strong support of law enforcement and look forward to working with you for the bill's passage.

Sincerely,

WILLIAM J. JOHNSON,
Executive Director.

AFSCME,
Washington, DC, May 2, 2002.

Hon. PATRICK LEAHY,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the 1.3 million members of the American Federation of State, County and Municipal Employees (AFSCME) and the corrections and law enforcement officers and emergency medical technicians that we represent, I am writing to express our support for the Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002 (S. 2431).

Father Mychal Judge was a courageous and humane chaplain and public servant who deserves the honor you bestow on him posthumously by the introduction of this legislation which expressly includes chaplains as eligible members of the law enforcement and fire units for public safety death benefits purposes. We know firsthand about his bravery because Father Judge was an AFSCME member.

Not only does this legislation resolve any ambiguities regarding coverage of chaplains, but it would also expand the list of those who may receive benefits in the event of a public safety officer's death in the line of duty. Currently, if the officer does not have a surviving wife, children or parents, no benefit would be paid as was the case with Father Judge. Your legislation would allow this monetary benefit to be paid to the individual designated by such officer as a beneficiary under the officer's most recently executed life insurance policy and then to the parents of the officer. As you mentioned in your statement, approximately 450 public safety officers killed in the September 11th attacks died without spouses, children or parents so the $250,000 death benefit will not be paid. Your legislation would correct this inequity.

AFSCME wholeheartedly endorses the Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefits Act of 2002. Thank you for recognizing the need for this legislative change in the benefits program.

Sincerely,

CHARLES M. LOVELESS,
Director of Legislation.

Mr. REID. Madam President, I ask unanimous consent that the committee amendment be agreed to, the bill, as amended, be read the third time and passed, the motion to reconsider be laid upon the table, that any statements relating thereto be printed in the RECORD, all without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (S. 2431), as amended, was read the third time and passed, as follows:

S. 2431

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002".

SEC. 2. BENEFITS FOR CHAPLAINS.

(a) IN GENERAL.—Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b) is amended—

(1) by redesignating paragraphs (2) through (7) as (3) through (8), respectively;

(2) by inserting after paragraph (1) the following:

"(2) 'chaplain' includes any individual serving as an officially recognized or designated member of a legally organized volunteer fire department or legally organized police department, or an officially recognized or designated public employee of a legally organized fire or police department who was responding to a fire, rescue, or police emergency;"; and

(3) in subparagraph (A) of paragraph (8), as redesignated by paragraph (1), by inserting after "firefighter," the following: "as a chaplain,".

(b) ELIGIBLE BENEFICIARIES.—Section 1201(a) of such Act (42 U.S.C. 3796(a)) is amended—

(1) in paragraph (3), by striking "or" at the end;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) if there is no surviving spouse or surviving child, to the individual designated by such officer as beneficiary under such officer's most recently executed life insurance policy, provided that such individual survived such officer; or".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 11, 2001, and shall apply to injuries or deaths that occur in the line of duty on or after such date.

CRIMINAL JUSTICE COORDINATING COUNCIL RESTRUCTURING ACT OF 2001

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 362, H.R. 2305.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2305) to authorize certain Federal officials with responsibility for the administration of the criminal justice system of the District of Columbia to serve on and participate in the activities of the District of Columbia Criminal Justice Coordinating Council, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD, without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2305) was read the third time and passed.

REPORT ON OPERATIONS OF THE STATE JUSTICE INSTITUTE

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 290, H.R. 2048.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2048) to require a report on the operations of the State Justice Institute.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2048) was read the third time and passed.

NATIONAL TOURISM WEEK

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of S. Con. Res. 108, which is at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Con. Res. 108) to designate May 4–12, 2002, as "National Tourism Week."

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. REID. Madam President, I ask unanimous consent that the resolution and preamble be agreed to, the motion to reconsider be laid upon the table, and that any statement relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 108) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 108

Whereas travel and tourism has a major impact on the economy of the United States as the third largest retail sales industry in the Nation;

Whereas 1 out of every 7 people employed in the United States civilian labor force is employed in the travel and tourism industry;

Whereas international travel to the United States is the largest service export, having generated a trade surplus for 13 consecutive years;

Whereas domestic and international travel generated an estimated $545,000,000,000 in expenditures in 2001, supporting more than 7,800,000 jobs, and creating more than $94,400,000,000 in tax revenue for Federal, State, and local governments;

Whereas the slowing of the United States economy and the horrific terrorist attacks of September 11, 2001, have had a tremendous negative effect on the tourism industry;

Whereas according to the Travel Industry Association, the travel and tourism industry would suffer a $43,000,000,000 decrease in spending from domestic and international travelers due to the September 11, 2001, attacks;

Whereas the Department of Commerce has issued preliminary figures indicating that international travel to the United States decreased 11 percent between 2000 and 2001, resulting in a 45 percent decrease in the travel trade surplus (from $14,000,000,000 to $7,700,000,000), and that it may take 3 years for international travel to return to the 2000 level;

Whereas decreased spending in 2001 caused the travel and tourism industry to lose an estimated 600,000 jobs, and resulted in an estimated 3 percent decrease in tax revenues from such industry;

Whereas National Tourism Week was established by Congress in 1983, and first celebrated in May 1984, when President Ronald Reagan signed a Presidential Proclamation urging citizens to observe the week "with appropriate ceremonies and activities;

Whereas since 1984, National Tourism Week has been celebrated each May by the Travel Industry Association of America, as well as many States, cities, and other travel industry associations: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) designates May 4–12, 2002, as "National Tourism Week; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe National Tourism Week with appropriate ceremonies and activities.

ORDERS FOR WEDNESDAY, MAY 8, 2002

Mr. REID. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m., Wednesday, May 8; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the farm conference report under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Madam President, the Senate will tomorrow morning resume work on the farm conference report. There will be 6 hours of debate. Following disposition of the conference report, wherein that will include a vote sometime tomorrow, the Senate will resume consideration of the trade bill. It should be sometime tomorrow evening when we complete this. The leader has a lot of other work we need to do this week. There is not much time, I suggest, before the Memorial Day recess. There are many items the President wants and the committee chairmen want. A number of bills have been referred from the House. We have a lot of work to do. People should be ready to do a lot of work starting tomorrow night.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. REID. Madam President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:36 p.m., adjourned until Wednesday, May 8, 2002, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 7, 2002:

DEPARTMENT OF JUSTICE

STEVEN M. BISKUPIC, OF WISCONSIN, TO BE UNITED STATES ATTORNEY FOR THE EASTERN DISTRICT OF WISCONSIN FOR THE TERM OF FOUR YEARS.

JAMES E. MCMAHON, OF SOUTH DAKOTA, TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF SOUTH DAKOTA FOR THE TERM OF FOUR YEARS.

JAN PAUL MILLER, OF ILLINOIS, TO BE UNITED STATES ATTORNEY FOR THE CENTRAL DISTRICT OF ILLINOIS FOR THE TERM OF FOUR YEARS.

WALTER ROBERT BRADLEY, OF KANSAS, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF KANSAS FOR THE TERM OF FOUR YEARS.

RANDY PAUL ELY, OF TEXAS, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF TEXAS FOR THE TERM OF FOUR YEARS.

WILLIAM P. KRUZIKI, OF WISCONSIN, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF WISCONSIN FOR THE TERM OF FOUR YEARS.

STEPHEN ROBERT MONIER, OF NEW HAMPSHIRE, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEW HAMPSHIRE FOR THE TERM OF FOUR YEARS.

GARY EDWARD SHOVLIN, OF PENNSYLVANIA, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF PENNSYLVANIA FOR THE TERM OF FOUR YEARS.

HOUSE OF REPRESENTATIVES—*Tuesday, May 7, 2002*

The House met at 12:30 p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a concurrent resolution of the following title in which the concurrence of the House is requested:

S. Con. Res. 106. Concurrent resolution to correct the enrollment of H.R. 3525.

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority leader, the minority leader or the minority whip limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from New Mexico (Mr. UDALL) for 5 minutes.

URGING HOUSE REPUBLICAN LEADERSHIP TO GIVE PRESCRIPTION DRUG LEGISLATION THE TIME IT DESERVES

Mr. UDALL of New Mexico. Mr. Speaker, there are less than 65 legislative days in the calendar, and we have not dealt with one of the most important concerns: the issue of prescription drugs. Our seniors should not have to make a choice between paying rent or buying food and purchasing their prescription drugs.

In the 1960s, we stepped up to the plate and provided medical coverage for those over 65 years of age. The Congress passed and President Johnson signed the Medicare program in 1965. The program has grown, and now over 40 million seniors are a part of Medicare. It is a good, solid program which provides basic medical care, but it has not kept up with new medical developments.

Since 1965, a lot has changed in how we treat patients. Today if we were designing the medical care system for those over 65, prescription drugs would be an integral part of the whole. We have not adapted Medicare to modern medicine. Many of the chronic illnesses in our senior population can be treated effectively with new drugs which have been recently developed.

A prescription drug component to Medicare must have several key provisions:

No. 1, it must be available to all of those covered by Medicare;

No. 2, it must be affordable;

No. 3, it must be voluntary;

No. 4, a reasonable premium must be charged;

And No. 5, it must cover basic prescription drug needs.

Unfortunately, our Republican friends have proposed a proposal and a program which only covers 6 percent of the senior population. This is nothing more than a Band-Aid for a serious medical crisis. We must act to provide comprehensive coverage for all who want it, and we must do so now.

The other important action we must take is to eliminate the price discrimination in prescription drugs. The Prescription Drug Fairness Act does that. Today, an uninsured senior pays far more than an HMO for his or her prescription drugs. In a recent survey in my congressional district in northern New Mexico, uninsured seniors paid 115 percent more for their prescription drugs than large purchasers pay. That is more than double the price for uninsured seniors.

These big drug companies have set up a two-tiered system of pricing. The uninsured senior gets the higher-priced drugs, while the large corporate purchasers, like HMOs, get a preferred customer price, a lower price.

To be fair, we must eliminate price discrimination. The Prescription Drug Fairness Act does just that. If any customer is charged a preferred customer price, then all customers are entitled to purchase at that price. This simple legislative solution would substantially reduce the price of prescription drugs, and we must pass this piece of legislation.

Just several words on our approach to passing prescription drug legislation. We cannot pass this legislation in a couple of hours. We must dedicate significant committee and floor time to find a bipartisan solution. Ramming a bill through the House in a couple of hours and then blaming the Senate for not acting is not responsible legislating.

I urge the Republican leadership to give this legislation the time it deserves, and to allow the Democrats the opportunity to fully participate in the legislative process.

RECOGNITION OF TEACHERS OF THE YEAR

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House of January 23, 2002, the gentleman from Texas (Mr. SAM JOHNSON) is recognized during morning hour debates for 5 minutes.

Mr. SAM JOHNSON of Texas. Mr. Speaker, it is an honor to bring to the attention of my colleagues several distinguished teachers from the Third Congressional District of Texas. I am pleased to recognize these recipients of the Teacher of the Year Award who enable our students to understand and learn from each other, and strive to achieve their goals.

Mr. Speaker, great teachers nurture our country's best hope for tomorrow: our children. Children may be a fraction of our society, but they are 100 percent of our future. The perseverance and dedication of our teachers challenge and shape students to dream, and to work hard to make those dreams come true.

Unfortunately, educators work with little public thanks or appreciation, even though topnotch teachers are essential to a strong future. These educators in particular go beyond the call of duty and selflessly make for our children and our country a better place.

It is my distinct honor to present the Third District of Texas's teacher of the year.

In the Allen Independent School District, Jackie Schornick and Maridee Ryan;

From McKinney Independent District, Tom Flurimonte and Ms. Lisa Stout;

From the Plano Independent School District, Mrs. Be Janet Tang and Ms. Diane Davey;

And from the Wylie Independent School District, Ms. Janet McMillen and Ms. Tricia Gent.

As a former Air Force instructor, a father, a grandfather, and the highest ranking Texan on the Committee on Education and the Workforce, I know firsthand the importance of a quality education. However, it is outstanding teachers like these who strive for excellence.

I thank the hometown heroes, the excellent educators, for all they do for our children, for America, and for our freedom. God bless them.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

THIS YEAR CONGRESS SHOULD PASS AND THE PRESIDENT SHOULD SIGN H.R. 1862, GREATER ACCESS TO AFFORDABLE PHARMACEUTICALS ACT OF 2001

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, when large employers, unions, and progressive Members of Congress and governors and senior groups and consumer advocates join forces on the same issue, Congress listens. What is the issue? Prescription drugs and prescription drug prices. What is the remedy? Legislation pending in the Senate and House that would close loopholes in the Waxman-Hatch bill Congress passed in 1984.

Overall, the law, which was intended to help consumers gain access to blockbuster drugs and to, eventually, lower-cost generics, has worked well. Waxman-Hatch ensured brand name manufacturers almost 2 decades of patent protection, promoting important innovation and ensuring huge profits for the prescription drug industry.

Between 1983 and 1995, drug companies increased their R&D investment, in large part because of Waxman-Hatch, from 14 percent to 19 percent of sales. They earned quite a healthy profit on that investment. U.S. pharmaceutical sales rose 200 percent, from $17 billion to $57 billion. The act streamlined the generic drug approval process to help bring lower-cost prescription drugs to the market. Last year, generic drugs accounted for 42 percent of all prescriptions dispensed.

But the big drug companies have been greedy; smart, but greedy. The industry has perfected the practice of attaching questionable patents to their drugs for the purpose of preventing generic drugs' entry into the market. As a brand drug nears the end of its 20-year patent life, the company will file what they deem a "new and improved patent" on the same drug, to keep out the generic drug and to keep out competition.

A patent, for example, was filed on a pill that could be divided into three parts instead of in half, instead of in two parts. This new and improved patent pill, patented pill, that does not affect the way the pill metabolizes in the body, which is what matters, keeps the generic drug that can be divided in half off of the market. While the generic company fights this outrageous patent in court, the brand name company, the big drug company, retains its market exclusivity at the cost of tens of millions, sometimes even billions of dollars, to consumers. The drug industry manipulates the law with relative ease.

I will share another example. Neurontin is a prescription drug for seizures. Its two main patents, one on the drug's ingredients and one on the use of the drug, expired in 1994 and in 2000. Right before the second patent expired, the company listed two new patents, one of which was on an unapproved FDA use to treat Parkinson's disease.

The industry did not ask the FDA to approve the drug for use in Parkinson's patients. The industry did not do any research to assert whether the drug actually is effective in Parkinson's patients. But the drug company, the generic drug company, the competitor that forces prices down, that would compete with the name brand company, the generic drug company still had to go to court to argue that its generic drug is not intended for use for Parkinson's patients.

When the generic and the brand name company go to court, the FDA is automatically required, must be required to withhold approval of the generic for 30 months, 2½ years. After those 30 months, the industry filed a new patent, forcing the generic industry to go back to court, starting the 30-month clock over.

The two delays in the case of Neurontin, the two delays, equalling 5 years, delayed generic access to the market, delayed consumers getting the less expensive drug, delayed the marketplace competition, and it cost consumers $1.5 million every day because of the big drug companies' greed. Industry profits continue to soar.

Now a group of large corporations, labor unions, governors from both sides of the aisle, and consumer groups want to stop the patent abuses. Unfortunately, Republican leadership does not. All of us know that loopholes in the law are contributing to spiraling prescription drug costs and that this level of spending is unattainable.

The gentlewoman from Missouri (Mrs. EMERSON) and I have introduced legislation, H.R. 1862, to close the loopholes and to release the billions in consumer savings that are being stifled by the big name drug companies and by Republican leadership.

General Motors supports our legislation, and so do the United Auto Workers. Verizon and the other Baby Bells support our legislation, and so do the Communication Workers of America. The AARP supports it, the AFL-CIO supports it, and Governor Deane from Vermont, a Democrat, Governor Foster from Louisiana, a Republican, supports it. The only people who do not are the Republican leadership in the House.

Congress should pass this legislation and the President should sign it this year. Tens of billions of dollars, consumer dollars, are at stake.

□ 1245

INDOOR AIR QUALITY KIT FOR SCHOOLS

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House of January 23, 2002, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, I am here today to share with my colleagues that May is Asthma Awareness Month. Last Wednesday on May 1, here on Capitol Hill, we held an entire day of related activities including a hearing and free screenings. I thank my colleagues that participated and found it rewarding and informative.

Meanwhile, Asthma Awareness Day was observed nationally and many cities around the country hosted screenings and festivities to foster awareness about this startlingly increasing health condition in the United States.

As you may know, some 15 million Americans have asthma, and also 50 million suffer from allergies. The incidence of asthma is increasing at an alarming rate, doubling over the last decade and a half. Of particular concern is that the group diagnosed with the highest increase of asthma is children under five years old. I hope that we in Congress can all do our part by promoting knowledge about some simple steps that can be taken to alleviate suffering of asthma and allergy symptoms in our Nation's schools.

To begin, I would like to share what I do for my constituents in the Sixth Congressional District of Florida. In February working with a wonderfully resourceful group called the Allergy and Asthma Network Mothers of Asthmatics and the Environmental Protection Agency, I mailed this Indoor Air Quality, IAQ, Tools for Schools Action Kits. As you can see, this is a very fine kit and has lots of wonderful things to help schools. I mailed it to all 236 schools in my district, elementary through high school, public and private. These kits provide explanations and suggestions for identifying air quality problems and suggestions for their improvements.

Now, why is indoor air quality important? This is from the EPA: "The EPA studies of human exposure to air pollutants indicate that indoor level of pollutants may be two to five times and occasionally a hundred times higher than outdoor levels." Of course, most of people spend their time indoors. So here are our school children and our teachers captive inside a building all day, charged with building the foundation for their future, the children's future, potentially trapped in a state of dusty or moldy or other respiratory discomfort.

This kit walks a school through setting up an indoor air quality program to make the school an environment of comfort and well-being for all the children and all the adults inside. Let me share the contents of this kit. To begin with there is a video tape with two short episodes. Hosts from the award winning PBS home improvement series, "This Old House," show how one school successfully implemented this kit and explains the importance of healthful indoor air quality and properly maintained school ventilation systems. They point out that many indoor air quality problems can be easily and inexpensively prevented or solved by school maintenance professionals using basic techniques outlined in this video.

Moving along, there is an IAQ coordinator guide check list and sample memos to the school, parents, contractors, and the media. There are also insightful start-up hints. To be most successful, a school would want to assemble a multidisciplinary IAQ team. This might include the school nurse, maintenance staff, teachers, food service staff, housekeeping, air conditioning and heating contractors and someone from the school district or superintendent's office. There is an IAQ problem-solving wheel. It combines identification of symptoms (blue), type, severity, and frequency and timing with environmental factors to finger through on the chart: odors, temperature or humidity problems, exhaust problems, grounds or building sources such as recent paint or pesticides, to arrive at instructions most applicable and helpful.

I am glad to report that most of the suggestions in this kit are inexpensive to implement. Often just planning and organizing can make a monumental difference to indoor air quality in our schools. Finally and encouragingly, the kit reminds the IAQ coordinator that "implementing an IAQ management program is an ongoing process and not an overnight miracle. Be patient, stay consistent, organize and never forget that you are doing something important for staff and students in your school."

Mr. Speaker, we have a responsibility to our children and their teachers with asthma who also have allergies to ensure that our schools do not worsen their condition. I am pleased that my schools have this tool at their disposal and hope that they might give me some feedback to the progress in implementing it. If any Member would like information on obtaining these kits for your district schools, please contact my staff who will be delighted to help.

Finally, I think something worth checking out, a recent book has come to my attention called "My House Is Killing Me," the home guide for families with allergies and asthma by Mr. May and Mr. Samet is available. It is chock-full of extraordinary information. This is just one of many books. Let us all resolved to help overcome indoor air quality challenges.

Mr. Speaker. I rise to share with all members that May is Asthma Awareness Month. Last Wednesday, May 1, we held an entire day of related activity, including a hearing and free screenings. We heard from physicians, a respiratory therapist, and a school nurse, all experts in diagnosing and treating asthma. We heard from a professional in air quality, from the Environmental Protection Agency, who discussed issues of air quality, dust, mold and other contributors to respiratory distress. We listened to an overseer of the States' Medicaid program to talk about drug formulary and disease management program issues with us. Most importantly, three courageous asthma sufferers came to relate their stories: two enthusiastic school children, Kyle Damitz and Allison Smith, and one hardy NFL football player, Jerome Bettis of the Pittsburgh Steelers. I think my colleagues that participated found it rewarding and informative.

As you may know, some 15 million Americans have asthma, and also 50 million suffer from allergies. The incidence of asthma is increasing at an alarming rate, doubling over the last decade and a half. Of particular concern is that the group diagnosed with the highest increase of asthma is children under five years old. I hope that we in Congress can all do our part by promoting knowledge about some simple steps that can be taken to alleviate suffering of asthma and allergy symptoms in our Nation's schools.

I myself have experienced bothersome allergy symptoms for much of my adult life, so I understand how critical it is to assess and modify, if necessary, your environment, and to have knowledgeable, reliable professionals on your healthcare team. I think many of us will agree that it can take patience, creativity, family support, and a sense of pure resolve to tackle your asthma or allergy symptoms, and find the regimen of medication, exercise, household adjustments and overall lifestyle that works for you.

One point I would like to address is how, unfortunately, occasionally works of fiction or media portray the suffering of asthma in a negative light, or a reason for exploitation of a character. For example, in the classic book "The Lord of the Flies" a boy who is overpowered by other young men is identified as asthmatic, among other traits, and is therefore thought weak. Also, in a feature movie out last year, "Pay it Forward," schoolyard bullies beat up on a child who helplessly watches his inhaler fly from his pocket. Finally, I understand from the most recent newsletter of the patient advocacy group Allergy and Asthma Network Mothers of Asthmatics that a character in the animated movie "Jimmy Neutron, Boy Genius" is similarly exploited and mistreated by his classmates. All of us can help promote awareness and understanding of this physical ailment so as to combat any stereotyping about it. To that end, I would like to end my statement marveling at how one young asthmatic schoolboy conquered his labored breathing and went on to a wonderful role in history. I like to call this a story of "respiration inspiration." It is about a little American boy in the 1870's who had very severe asthma. Back then, there were no inhalers or other medicine as we have today. He was often sick and generally very weak as a young boy. Well, he wanted to grow up and go to Harvard University and to hunt and to be in the military and to do many great things with his life. Luckily, he had a wise doctor and loving parents, who suggested he exercise his body along with his mind. His parents installed a sort of "home gym" for him, and he devised a strenuous regimen for himself. Today, we can read in a "Sporting Calendar" preserved, that from August 21 through December 11, 1871, this young fellow competed with his brothers and make cousins in "fifteen athletic contests—running, jumping, vaulting, wrestling, and boxing—and won fourteen of them, drawing the other one." [From The Rise of Theodore Roosevelt, Edmund Morris, 1979.] He still suffered some asthma attacks, but less frequently, and less fearfully. This little boy grew up to become the governor of New York, and the leader of the most famous cavalry unit in the Spanish-American War, and finally, the President of the United States: Theodore Roosevelt. I think that with the attention to medical access, environment, and lifestyle that our hearing will showcase, that any of the children here with us today might follow in Teddy Roosevelt's footsteps. Let asthma slow no-one down!

AMERICAN HEALTH SECURITY ACT

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Washington (Mr. McDERMOTT) is recognized during morning hour debates for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, I was sitting over in my office looking at today's calendar and could not help but get up and come over here.

In 460 B.C. the father of medicine, Hippocrates, wrote: "Healing is a matter of time but it is also sometimes a matter of opportunity."

Now, for 2,500 years we have been talking about this opportunity or in modern times access to good health care coverage in our country. For decades now we have been talking about improving access to health care coverage, yet the problem continues to grow. We argue about how best to provide the coverage; but no matter what you say, uncovered people are one of the biggest economic and human problems in our society.

Many people are locked into jobs. They would like to change jobs, but they cannot because they cannot give up their coverage. They are there because they have to have coverage for some chronic illness. But we are on the brink of things getting exponentially worse and they can. If we have any kind of downturn in the economy we will have a worse situation.

Now, I started in 1972 as a physician advocating for a health care system that was universally available, never could be taken away, and every American would be in it no matter what their circumstances in the society. I introduced bills in the Washington State legislature and started the Washington Basic Health Plan.

When I came to Congress, I introduced the American Health Security Act in 1992. This act is the gold standard that provides universal coverage for all Americans, and it does it through a single-payer mechanism. Now the American Health Security Act offers a fair and fiscally responsible way to deliver high-quality and cost-effective health care to all Americans. It provides for a highly decentralized system that is federally financed from Washington, but state-designed; and it delivers the health care through the private health care system. It guarantees universal coverage, comprehensive benefits, costs containment, the freedom to choose your own employers, and accountability. Every citizen should be entitled to that kind of coverage in this society.

The reason I came over to talk about this is that today we are being treated to one of those events that begins the campaign season when people start putting out press releases in the form of resolutions. This one is H. Con. Res. 271, expressing the sense of the Congress that public awareness and education about the importance of health care coverage is of the utmost priority, utmost priority, and that the national importance of Health Care Coverage Month should be established to promote these goals. So we will have a whole month for people to get up here and tell you how everybody ought to have health insurance.

But the question you have to ask yourself is, Where is the proposal that would provide health care coverage for everybody? Where is it? We can put out these press releases.

This thing reminded me of the reason I came over here and I was sitting there reading this and I thought about the joke of the Methodist minister. He had gotten very ill and so the head of the board of deacons called all the deacons together one night and he called a meeting and they all got together to decide what to do about the illness of the minister. They had a long discussion. Many things were argued back and forth. And finally by a vote of six to five with 20 abstentions, they decided to write a letter to the minister urging him to get well.

Now, that is what this is. This is saying to the American people, why do you people not go out and get health insurance? What is the matter with you? Do you not know how important that is? As though the American people were stupid or that they would not be doing it if they could.

The resolution is an indictment of itself. It says, "Whereas over 17.3 million of the uninsured are employed, but are not offered health coverage through their employers."

Now, if you are an individual in this country and you work full time and you are not offered it through your job, you are supposed to go out by yourself and find a policy. Anybody who knows anything about that kind of experience knows how ridiculous it is to say to people, you should be aware.

When are we going to take up the issue in real substance and get away from these letters to the American people to get well?

MAKE BUSH TAX CUT PERMANENT

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Illinois (Mr. WELLER) is recognized during morning hour debates for 5 minutes.

Mr. WELLER. Mr. Speaker, I come to the well today to draw attention to an issue which affects over 100 million American taxpayers. This past year because of the leadership of President Bush and the gentleman from Illinois (Mr. HASTERT) and the House Republican majorities, we were successful in enacting a tax cut which benefits and helps over 100 million taxpayers who now have lower taxes. And what we call the Bush tax cut when it was passed into law does a number of things. It lowered rates for everyone. In fact, 3.9 million families with children no longer pay Federal income tax. We have brought fairness to the Tax Code by phasing out the death tax, by eliminating and wiping out the marriage tax penalty, and also providing opportunities for taxpayers to save for retirement, a tremendous benefit for over 100 million Americans. And unfortunately, because of some of the arcane rules that we have in this Congress, that tax cut was made on a temporary basis.

It is always interesting that in this Congress under the rules that the House and Senate operate under, that spending increases and tax increases are easily made permanent; but when you want to lower taxes, you can only do it on a temporary basis, meaning that down the road that those who benefit from elimination of the marriage tax penalties or elimination of the death tax or seeing their taxes lowered because of rate reductions will have a tax increase.

In fact, when the Bush tax cut expires, it will be the biggest tax increase in our country. I want to draw attention to just one example of what the permanency of the Bush tax cut means. There are 43 million married working couples who benefit from the marriage tax relief. And I am one of those who, like many in this House, particularly on the Republican side, who feel it is wrong that under our Tax Code that 43 million married couples paid higher taxes just because they were married prior to the Bush tax cuts. We passed legislation several times out of this House of Representatives to eliminate the marriage tax penalty, to eliminate that unfair aspect; and unfortunately, President Clinton at the time vetoed it.

But under President Bush we were successful in eliminating the marriage tax penalty, but unfortunately our efforts to wipe out the marriage tax penalty were temporary and means that if we do not make permanent the Bush tax cut, do not make permanent our efforts to eliminate the marriage tax penalty, 43 million married couples will have to pay higher taxes and will suffer once again the marriage tax penalty.

I believe, like I know many of my colleagues do, that it is just wrong that under our Tax Code that anyone should have to pay higher taxes just because they are married, because I believe, and I know Republicans believe, that we have should not punish society's most basic institution.

The marriage penalty occurred in the past because of the complications of our Tax Code. Married couples filed jointly, they combined their incomes, and it pushed them into a higher tax bracket. And they save about $1,700 in taxes because of our marriage tax penalty relief. The bottom line is let us prevent a new marriage tax. Let us prevent an increase in taxes on married couples.

The House has passed legislation to make permanent the Bush tax cut, to make permanent our efforts to wipe out the marriage tax penalty. My hope is the entire Congress, Democrats and Republicans, will work together and pass this legislation as well. Let us make the Bush tax cut permanent. Let us benefit over 100 million taxpayers who, unless we act, will see higher taxes in just a few short years.

□ 1300

DOE'S LITTLE SECRET

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House of January 23, 2002, the gentleman from Nevada (Mr. GIBBONS) is recognized during morning hour debates for 5 minutes.

Mr. GIBBONS. Mr. Speaker, we have assumed for some time that the Department of Energy has made an overwhelming effort to prove that their research on the Nation's spent nuclear fuel is based on sound science and safe for Americans. Well, Mr. Speaker, I stand before my colleagues today to ask that despite the DOE's claims that Yucca Mountain is a geologically safe place to store 77,000 tons of the Nation's nuclear waste, that we take a closer look at the truth behind these claims.

Recently, Mr. Speaker, Nevadans have become aware of some very disturbing information about these DOE claims. In its final environmental impact statement, the DOE evaluated the handling, transporting and disposition of spent nuclear fuel and high level radioactive waste to Yucca Mountain.

Although 131 sites across this country contain this nuclear waste and although the waste at these sites require individual attention due to radioactivity dangers, the Department of Energy has entirely neglected to evaluate the effect of waste transportation of at least 54 different sites. Mr. Speaker, this negligence is simply unacceptable.

In considering the dangers of hauling nuclear waste across the country, through our neighborhoods, near our schools and parks, it is obvious that the DOE should have investigated these important facilities. Most of these facilities are research reactor sites at major universities and significant commercial research and fuel fabrication plants. Shipping the high level radioactive waste from these facilities is a hazardous undertaking that cannot be ignored, and the DOE has done so.

Similar movement of research reactive fuel has been explored in the past. In just one instance, after a mandatory preparation of an extensive report, several years of analysis, and two arduous legal challenges, a shipment of foreign research reactor fuel was transported to North Carolina.

The question is, shall Americans stand by and wait for a mistake in shipping this hazardous research reactor fuel or will we demand that the DOE take into account these 54 sites before it presents our government with a proper environmental analysis?

Clearly, the Department of Energy has altogether ignored a vast and critical component of its Yucca Mountain project.

Mr. Speaker, Americans should be outraged at this negligence, and again, I ask that we take a closer look at the reports handed over to us by the DOE.

Finding a solution to our Nation's nuclear waste problem should be a process of justice, sound science and integrity, not one of carelessness and political expediency.

Mr. Speaker, the Yucca Mountain project is not an equitable solution. It is not a trustworthy solution or a suitable solution to our nuclear waste problem.

I urge all my colleagues to make a responsible decision on this potentially devastating resolution tomorrow. Vote no on the Yucca Mountain project. Vote no tomorrow on House Joint Resolution 87.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 1 o'clock and 3 minutes p.m.), the House stood in recess until 2 p.m. today.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. CULBERSON) at 2 p.m.

PRAYER

The Reverend Emmett J. Gavin, Prior, Whitefriars Hall, Washington, D.C., offered the following prayer:

Gracious and loving God, as the world around is blossoming with new life, grant the fullness of life, hope and prosperity to all Your children throughout this troubled world. As we gather here at the seat of government of this great and blessed Nation, we are all too mindful that our world is gripped with conflict and division. We pray for peace and an end to hatred and discord in all corners of our world. Let all Your children come to know, accept and celebrate that You are a God of inclusion and compassion and acceptance. And knowing and rejoicing in that blessed assurance, let all peoples join together in a sacred commitment to peace and unity throughout our world.

We particularly pray this day for a decisive and definitive end to terrorism in all its hateful forms throughout the length and breadth of the family of nations. Transfer all Your people into agents of reconciliation and healing and help us to have the courage to use the great blessings we enjoy as a Nation to be the leaders in bringing about a more just and equitable world.

In this month of May, when we will, as a Nation, remember with gratitude and pride the men and women of our Armed Forces who have laid down their lives in defense of freedom, we pray in a special way for the safety of our military personnel throughout the world who are striving to bring an end to terrorism and injustice. We beseech You Almighty and loving God to bring them all home safely.

We thank and bless You, Lord, confident that You will hear and answer our prayers. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Texas (Mr. FROST) come forward and lead the House in the Pledge of Allegiance.

Mr. FROST led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Private Calendar. The Clerk will call the bill on the Private Calendar.

NANCY B. WILSON

The Clerk called the bill (H.R. 392) for the relief of Nancy B. Wilson.

Mr. WILSON of South Carolina. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

RESIGNATION AS MEMBER OF COMMITTEE ON RULES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Rules:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 7, 2002.

Hon. J. DENNIS HASTERT,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: I hereby resign from the House Committee on Rules.

Sincerely,

TONY P. HALL,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON RESOURCES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Resources:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 7, 2002.

Hon. DENNIS HASTERT,
Speaker of the House, U.S. Capitol Building,
House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I hereby resign from the House Committee on Resources.

Sincerely,

JAMES P. MCGOVERN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION AS MEMBER OF COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Transportation and Infrastructure:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 7, 2002.

Hon. DENNIS HASTERT,
Speaker of the House, U.S. Capitol Building,
House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I hereby resign from the House Committee on Transportation and Infrastructure.

Sincerely,

JAMES P. MCGOVERN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON RULES

Mr. FROST. Mr. Speaker, I offer a resolution (H. Res. 413), and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 413

Resolved, That the following named Member be, and is hereby, elected to the following standing committee of the House of Representatives:

Committee on Rules: Mr. MCGOVERN of Massachusetts to rank immediately after Mrs. SLAUGHTER of New York.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SHEIK AL-BURAIK IS NO FRIEND

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, when Saudi Crown Prince Abdullah visited the President in Texas recently, he brought a prominent government cleric named Sheik Saad Al-Buraik with him in his entourage.

I would like to share with the House of Representatives some of the statements Sheik Al-Buraik has said about America. He says, "I am against America until this life ends, until the day of judgment. I am against America even if the stone liquefies. She is the root of all evils and wickedness on earth."

And what does the Sheik have to say about Jews and Christians? He says, "Don't take the Jews and Christians as allies. Do not have any mercy, neither compassion on the Jews, their blood, their money, or their flesh."

Mr. Speaker, most shocking of all is what he has to say about Jewish women. He says to the Palestinians, "Jewish women are yours to take, legitimately. God made them yours. Why don't you enslave their women? Why don't you wage jihad? Why don't you pillage them?"

Sheik Al-Buraik recently hosted a 2-day telethon in Saudi Arabia that raised over $100 million to reward the families of Palestinian homicide bombers.

Mr. Speaker, Prince Abdullah says he wants to be part of the peace process. Well, we will be ready to listen when he dumps Sheik Al-Buraik from his list of friends and advisors.

ANTIBIOTIC DRUGS ARE BEING OVERUSED

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, antibiotic drugs have revolutionized human and veterinary medicines. Many diseases and infections, tuberculosis, pneumonia, typhoid, cholera, which were once difficult to treat, and often lethal, have been made readily curable by antibiotic drugs.

But unfortunately, when bacteria are exposed to antibiotics, resistant strains emerge, posing a renewed threat to human health. This phenomenon makes it more difficult and vastly more expensive to treat some infections.

We all know that the inappropriate use of antibiotics in human medicine has contributed to this problem. And mounting scientific evidence also shows that the routine feeding of antibiotics to healthy farm animals, nontherapeutic use, promotes the development of antibiotic-resistant bacteria that can then be communicated to people.

In recent years, the list of simple bacterial infections that are strongly resistant to several classes of antibiotics has grown dramatically. Each day that we fail to act, antibiotic resistance grows, the long-term usefulness of our antibiotics are undermined.

Mr. Speaker, I urge Members to support H.R. 1771 and H.R. 3804 to address the misuse and overuse of antibiotics in human and animal medicine.

STOP YUCCA MOUNTAIN

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, the issue of Yucca Mountain is safety. H.G. Wells once said that human history becomes more and more a race between education and catastrophe. Mr. Speaker, nothing in the history of mankind has withstood the test of 10,000 years.

What was the state-of-the-art technology and engineered as safe as late as 1970, has proven today 30 years later, not to be a safe solution. Let us not allow short-term safety issues to become serious long-term problems hundreds of years from now.

The Department of Energy cannot assure the safety and suitability of Yucca Mountain, not even 10 years from now; and that is why they have turned to basing their proposal on engineered barriers, instead of suitability of the site. Yucca Mountain will not solve our nuclear waste problem; it just creates one additional, yet unsuitable, repository. And our current sites will only have 9 percent less waste than they do today.

Mr. Speaker, I urge Members to work toward a real solution based on 21st century technology, and reject H.J. Res. 87 tomorrow.

NATIONAL SMALL BUSINESS WEEK

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, for the past 39 years, the President of the United States has issued a proclamation calling for the celebration of Small Business Week. I rise to draw attention to that designation and to that celebration. This celebration honors the estimated 25 million small businesses in America that create three out of every four jobs and generate the vast majority of business innovations.

Small businesses account for 99.7 percent of America's employees. I think it is time that we pay tribute, honor, acknowledge the great work that they do, and urge all Americans to shop at a small business, take care of small businesses.

WELFARE REFORM WORKS

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, I am pleased to say that welfare reform works. Yes, welfare reform works. The monumental reform that this Republican House achieved in 1996 allows families to defeat poverty and regain their independence.

However, it is time to continue the good work from 1996. I voted last week for the Working Toward Independence Act approved by the Committee on Education and the Workforce, and we need to continue to support measures that promote healthy, two-parent families, and oppose provisions that penalize married couples.

President Bush has set an aggressive agenda for keeping families together, and this House has a chance to solidify this effort through the Republican bill for reauthorization.

The 2.3 million families who have used the reforms to become self-supporting deserve this reform. The countless numbers of families who are still working to achieve independence need this reform. Why do we need this reform? Because welfare reform works.

PICTURE THEM HOME

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, I am going to divert today from my normal story about Ludwig Koonz and my request to have him returned from Italy to his father here in the United States, to talk about and to ask Members to participate this month in the Picture Them Home campaign.

Nearly 2,000 children are reported missing every day in this Nation. The Picture Them Home campaign is an annual effort to encourage the public to really look at pictures of missing children and report what they know to the authorities. One in six missing children is recovered as a result, and it is vital that we take the pledge to Picture Them Home.

Mr. Speaker, there are a number of simple ways that Americans can get involved and help take a stand against child abduction and victimization, making America safer for our constituents. A packet on the Picture Them Home campaign will be delivered to Members' offices this week. I encourage Members and their staff to look at it and to work on the simple efforts that it will detail within that packet. If we all do our part, together we can renew interest in the cases of missing children that remain unsolved, and help more families bring their children home.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate has concluded on all motions to suspend the rules, but not before 6:30 p.m. today.

CLARENCE B. CRAFT POST OFFICE BUILDING

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4486) to designate the facility of the United States Postal Service located at 1590 East Joyce Boulevard in Fayetteville, Arkansas, as the "Clarence B. Craft Post Office Building."

The Clerk read as follows:

H.R. 4486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARENCE B. CRAFT POST OFFICE BUILDING.

(a) DESIGNATION.—The facility of the United States Postal Service located at 1590 East Joyce Boulevard in Fayetteville, Arkansas, shall be known and designated as the "Clarence B. Craft Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Clarence B. Craft Post Office Building.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Virginia (Mrs. JO ANN DAVIS).

GENERAL LEAVE

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4486.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4486, introduced by the gentleman from Arkansas (Mr. BOOZMAN) designates the facility of the United States Postal Service located in Fayetteville, Arkansas, as the "Clarence B. Craft Post Office Building." Members of the entire House delegation from the State of Arkansas are cosponsors of this legislation.

Mr. Speaker, an American hero passed away on Thursday, March 28, in Fayetteville, Arkansas. Private First Class Clarence Craft received the Congressional Medal of Honor from President Harry Truman for his faithful and courageous service to this country during World War II. He was 80 years old.

□ 1415

Mr. Craft went on to become a regular volunteer at the local VA hospital in Fayetteville where he logged more than 9,300 hours helping fellow veterans. He also was a dedicated member of Fayetteville American Legion Post 27 where he was an active member for over 56 years.

Though we may honor Private Craft for his storied military career, Mr. Craft preferred to talk about his family whom he so dearly loved. Mr. Craft will be missed by all who knew him; and every American owes a debt of gratitude to him for his valiant service to this country.

Mr. Speaker, I urge the adoption of H.R. 4486.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a member of the House Committee on Government Reform, I rise in support of H.R. 4486, legislation naming a postal facility after Clarence B. Craft. H.R. 4486, introduced by the gentleman from Arkansas (Mr. BOOZMAN) on April 18, 2002, is supported and cosponsored by the entire Arkansas State congressional delegation.

The obituary in the Morning News said that Clarence B. Craft was born on September 23, 1921, in San Bernardino, California, and died on March 28, 2002, in Fayetteville, Arkansas. It reported that he was retired from construction and that he was a recipient of the Medal of Honor. Indeed, Clarence B. Craft's life was distinguished by true heroism and service to his country, both during World War II and afterwards.

According to the citation accompanying Clarence Craft's Medal of Honor, on May 31, 1945, as a private first class in the U.S. Army, he, and I quote, "was a rifleman when his platoon spearheaded an attack on Hen Hill, the tactical position on which the line of enemy defense on Okinawa was hinged. For 12 days our forces had been installed and repeated heavy assaults had been thrown back by the enemy with serious casualties. Against odds that appeared suicidal, Private First Class Craft launched a remarkable one-man attack. He stood up in full view of the enemy and began shooting with deadly marksmanship whenever he saw hostile movement. Private First Class Craft killed at least 25 of the enemy. But his contribution to the campaign on Okinawa was of much more far-reaching consequence, for Hen Hill was the key to the entire defense line which rapidly crumbled after his utterly fearless and heroic attack."

Yet despite this display of heroism, Clarence Craft never thought of himself as a hero. He would often tell people that he did not do anything that any other GI would not do in my spot.

Clarence Craft's service did not end in World War II. According to the obituary that appeared in the Northwest Arkansas Times, he spent the last 25 years of his life in Arkansas, where he served others through volunteerism at the Veterans Affairs Medical Center and National Cemetery. There is a Clarence B. Craft primary care center on the hospital grounds. In addition, Mr. Craft was recognized for his almost 9,000 hours of service between 1992 and 2000 with a volunteer service award from the Veterans Affairs Office. United States Senator BLANCHE LINCOLN observed that "Clarence Craft's continued commitment to his country and his community was impressive. Even after he retired, he went on to donate thousands of hours to helping fellow veterans. That is a tremendous example of selflessness above and beyond his heroism fighting for our country."

Mr. Speaker, Clarence Craft was the epitome of what a good citizen should be, a man who served his country through heroic deeds in war and dedicated volunteerism in peace. By naming the post office at 1590 East Joyce Boulevard in Fayetteville, Arkansas, for him, we will be remembering a true American hero and a great citizen.

Mr. Speaker, I reserve the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I am pleased to yield such time as he may consume to the distinguished gentleman from Arkansas (Mr. BOOZMAN), the sponsor of this legislation.

Mr. BOOZMAN. Mr. Speaker, I thank the gentlewoman from Virginia for yielding me the time.

Mr. Speaker, H.R. 4486, which I introduced, will name the post office on East Joyce Avenue in Fayetteville, Arkansas after a great American hero, Clarence Craft. I introduced this legislation with all of my colleagues from the Arkansas delegation and I would like to thank the gentleman from Arkansas (Mr. SNYDER), the gentleman from Arkansas (Mr. BERRY), and the gentleman from Arkansas (Mr. ROSS) for their support.

Private First Class Craft received the Congressional Medal of Honor for his actions in World War II during the battle of Hen Hill. He led his battalion to breach enemy defenses on May 31, 1945. Craft was a rifleman with Company G, 382nd Infantry, 96th Infantry Division.

Craft, along with five fellow soldiers, was dispatched to the hill to feel out enemy resistance. The group had proceeded only a short distance up the slope when rifle, machine gun fire and a barrage of grenades wounded three and pinned down the others. Against odds that appeared suicidal, Craft stood up in full view of the enemy, and, according to his citation, began shooting with deadly marksmanship wherever he saw hostile movement. He steadily advanced up the hill, killing Japanese soldiers with rapid fire and driving others to run for cover. When Craft reached the crest of the hill, he threw grenades at extremely short ranges into the enemy positions. His assault lifted the pressure from his company for the moment, allowing members of his platoon to comply with his motions to advance up the hill and eventually overtake the Japanese. When the fighting was over, it is estimated that Craft killed at least 25 of the enemy, but reports say his contribution to the campaign on Okinawa was much greater. Hen Hill was the key to the entire defense line, which rapidly crumbled after his utterly fearless and heroic attack.

Mr. Craft went on to serve a second tour in Korea after his heroics at Hen Hill. Then after retirement Craft continued serving his country by volunteering at the Fayetteville VA Hospital. He logged over 9,300 hours in only 10 years helping fellow veterans who were hospitalized. It is not only the veterans in the hospitals who remember Mr. Craft but the staff also benefited from his service as it is reported that his smile, his jokes and his pleasant, humble demeanor put all immediately at ease and made everyone's time at the hospital more agreeable. Craft also spent many years serving in the Fayetteville American Legion Post 27, where he had been an active member for almost 56 years.

Mr. Craft was a loved and valued member of the Fayetteville, Arkansas community. It is important that we never forget the contributions that Mr. Craft made, not only to America but to Fayetteville and to the State of Arkansas. By naming the post office on East Joyce Avenue after Mr. Craft, we are ensuring that not only will his legacy continue but that his name will live on for future generations.

Mr. DAVIS of Illinois. Mr. Speaker, it is my pleasure to yield such time as he may consume to the distinguished gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, we hear these stories and we read the stories of these men, men like Clarence Craft, and they seem like movies. They seem like fiction. But Mr. Craft was a real person, he was a humble person, and the story was real. It was my pleasure to have met him and talked with him some years ago. Time goes by and each year we lose more of our World War II veterans, we lose more of our Korean War veterans, but we must remember the stories, stories like Mr. Craft's. We must remember the history. We must remember the sacrifice. The naming of this facility will perpetuate his memory but it will also perpetuate the memory of the sacrifice of all of our veterans of World War II and of the many wars that they have served in.

Congratulations today to the gentleman from Arkansas (Mr. BOOZMAN) and to Mr. Craft and his family.

Mr. DAVIS of Illinois. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I yield myself such time as I may consume.

I urge my colleagues to adopt this measure to honor what we have heard today to be a great American hero and a true patriot.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentlewoman from Virginia (Mrs. JO ANN DAVIS) that the House suspend the rules and pass the bill, H.R. 4486.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

RICHARD S. ARNOLD UNITED STATES COURTHOUSE

Mr. BOOZMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4028) to designate the United States courthouse located at 600 West Capitol Avenue in Little Rock, Arkansas, as the "Richard S. Arnold United States Courthouse."

The Clerk read as follows:

H.R. 4028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF RICHARD S. ARNOLD UNITED STATES COURTHOUSE.

The United States courthouse located at 600 West Capitol Avenue in Little Rock, Arkansas, and any addition to the courthouse that may hereafter be constructed, shall be known and designated as the "Richard S. Arnold United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the Richard S. Arnold United States Courthouse.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. BOOZMAN) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas (Mr. BOOZMAN).

Mr. BOOZMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4028, which I introduced, would designate the courthouse located at 600 West Capitol Avenue in Little Rock, Arkansas, as the Richard S. Arnold United States Courthouse. I introduced this legislation along with my colleagues, the gentleman from Arkansas (Mr. SNYDER), the gentleman from Arkansas (Mr. BERRY), and the gentleman from Arkansas (Mr. ROSS). I would like to thank them for their support of this measure.

Mr. Speaker, Judge Richard Arnold was born on March 26, 1936, in Texarkana, Arkansas. He graduated from the Phillips Exeter Academy in 1953 before attending Yale University where he majored in Latin and Greek. Judge Arnold graduated from Yale University in 1957 with his B.A. and went on to attend Harvard Law School. He received his LL.B. from Harvard magna cum laude in 1960.

Judge Arnold's distinguished legal career began in 1960 when he served as a law clerk for Supreme Court Justice William J. Brennan, Jr. He went into private practice in 1961 in Washington while teaching part-time at the University of Virginia Law School. In 1964 he returned to Texarkana and was a partner at the law firm Arnold and Arnold. For a year he served as legislative secretary to Governor Dale Bumpers of Arkansas, and from 1974 until 1978 he served as legislative assistant to the newly elected U.S. Senator Dale Bumpers.

In October 1978, President Carter appointed Richard Arnold to the district bench for the Eastern and Western Districts of Arkansas. In 1980, Judge Arnold was elevated to the U.S. Court of

Appeals for the Eighth Circuit. He served as Chief Justice for the Eighth Circuit from 1992 until 1998. In April 2001, Judge Arnold took senior status.

Mr. Speaker, I have reviewed Judge Arnold's formal resume and a collection of tributes about his judicial service. The list of his awards, honors and publications is over five pages long. Even on paper it is very apparent that Judge Arnold is a reputable jurist and dedicated public servant. Judge Arnold has devoted his life to justice and the rule of law. I am very pleased that we are able to honor him for his distinguished career and years of service to our country and Federal judiciary system.

I thank my colleagues for their support of this bill.

Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

H.R. 4028 is a bill to designate the courthouse located at 600 West Capitol Avenue in Little Rock, Arkansas as the Richard S. Arnold United States Courthouse.

Judge Arnold's career in public service spans over four decades. He was born in Texas and educated in New England. Richard Arnold attended high school at Phillips Exeter Academy, undergraduate studies at Yale, and law school at Harvard. He was a superior student and scholar. While at Yale he was elected to Phi Beta Kappa, and was president of the Yale Debating Society. Harvard Law School awarded him the Sears Prize for the best grades, and the Fay Diploma for graduating first in his class. He clerked for Justice William Brennan and worked for our former colleague, Dale Bumpers, when Bumpers was governor and U.S. Senator.

Judge Arnold's resume is filled with awards and honors, including receiving honorary law degrees from the University of Arkansas and the University of Richmond. He was the Madison lecturer at New York University Law School in 1996.

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In 1999 he received the Meador-Rosenberg Award given by the American Bar Association.

Judge Arnold is a prolific writer. His publications are included in the Harvard Law Review, Yale Law Journal, Arkansas Law Review, Washington University Law Quarterly, St. Louis University Law Journal, and the New York University Law Review.

President Carter appointed Judge Arnold to the Federal bench in 1978 and 2 years later he rose to the Court of Appeals for the Eighth Circuit.

Judge Arnold is beloved, respected, and honored by his colleagues and friends. He is a brilliant jurist and his legal opinions are noted for their clarity of thought and expression. He is known for his unfailing courtesy, charity, and good cheer.

It is most fitting that we honor the outstanding career and public service of Judge Richard Arnold with this designation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, it is my pleasure and honor to know Richard Arnold and I consider him to be a friend. The Arkansas delegation is united in their support for this measure, but his colleagues on the Federal bench are also united in their respect for his accomplishments and for him as a person.

I wanted to add on one biographical detail to the life of Richard Arnold. Twice he was a candidate for Congress in the Democratic primary, and twice he lost. Somehow he managed to overcome this loss and go on to great things in life, despite not being a Member of this House. Of course, many would say that the voters made a right choice to send Richard Arnold to the Federal bench, because that is where he ended up.

Judge Arnold is a great man, with a great wife, Kay, and a wonderful family. His brother also serves on the Eighth Circuit Court of Appeals, and the Arkansas delegation takes great pride today in sponsoring this bill led by the gentleman from Arkansas (Mr. BOOZMAN).

Ms. NORTON. Mr. Speaker, I have no more requests for time, and I yield back the balance of my time.

Mr. BOOZMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Arkansas (Mr. BOOZMAN) that the House suspend the rules and pass the bill, H.R. 4028.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ALFONSE M. D'AMATO UNITED STATES COURTHOUSE

Mr. BOOZMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4006) to designate the United States courthouse located at 100 Federal Plaza in Central Islip, New York, as the "Alfonse M. D'Amato United States Courthouse."

The Clerk read as follows:

H.R. 4006

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 100 Federal Plaza in Central Islip, New York, shall be known and designated as the "Alfonse M. D'Amato United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Alfonse M. D'Amato United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. BOOZMAN) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas (Mr. BOOZMAN).

Mr. BOOZMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4006 designates the United States courthouse located at 100 Federal Plaza in Central Islip, New York, as the Alfonse M. D'Amato United States Courthouse.

Al D'Amato was born in Brooklyn, New York on August 1, 1937 and he has retained those New York roots ever since. A graduate of Chaminade High School on Long Island, Senator D'Amato worked his way through Syracuse University, earning an undergraduate degree in business administration in 1959 and a law degree in 1962. Also, in 1962, Senator D'Amato was admitted to the practice of law in the State of New York.

Throughout his adult life, Senator D'Amato has dedicated himself to public service. He served as Administrator of Nassau County, New York from 1965 until 1968; Tax Assessor for Hempstead, New York in 1969; Town Supervisor of Hempstead, New York from 1971 until 1977; and as Chairman of the Nassau County Board of Supervisors from 1977 until his election to the United States Senate in 1980.

During his 18-year tenure in the United States Senate, Al D'Amato supported middle class tax cuts, small business loans, increased trade, and free and open markets for U.S. products abroad. As chairman of the Senate Banking and Housing Committee, Senator D'Amato was a leading advocate of legislation that would channel private sector funds into inner cities and other economically distressed areas. The Senator also realized the importance of investing America's assets by supporting sound transportation policy and the creation of infrastructure not only for New York, but also for the Nation.

Mr. Speaker, this naming is a fitting tribute to a dedicated public servant. I support this legislation, and I encourage my colleagues to do the same.

Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4006 is a bill to designate the new Federal courthouse in Central Islip, New York in honor of former Senator Alfonse D'Amato. Alfonse D'Amato was born in Brooklyn, New York in 1937. He graduated from Syracuse University and Syracuse Law School in 1961 and 1962 and was admitted to the New York Bar. From 1965 to 1968, he served the public as the Public Administrator in Nassau County. His public service also included positions as Town Supervisor, Tax Assessor, and the Nassau County Board of Supervisors. In 1980, he was elected to the United States Senate and served until 1998.

While in the Senate, Senator D'Amato was a tireless advocate for New York and the State's vital interests. He championed inner city economic redevelopment, transit funding, and small business programs. As a member of the Senate Finance Committee, he worked on tax relief initiatives for working and middle class families. He also championed the fight to restore assets from Swiss banks to holocaust survivors and victim heirs.

It is fitting and proper to honor this public servant with this designation.

Mr. Speaker, I reserve the balance of my time.

Mr. BOOZMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. KING).

Mr. KING. Mr. Speaker, I thank the gentleman for yielding me this time.

I am proud to stand here today as the sponsor of this legislation to name the Federal courthouse in Suffolk County, New York in honor of Alfonse D'Amato.

The gentleman from Arkansas and the gentlewoman from the District of Columbia have detailed the specific accomplishments of Senator D'Amato from his days in Nassau County, in the town of Hempstead, to his 3 terms in the United States Senate culminating, of course, in his service as chairman of the Senate Banking Committee. But Senator D'Amato was much more than that. Senator D'Amato was the quintessential New Yorker.

I had the privilege of knowing Al D'Amato and still knowing him for more than 30 years. During that time I also had the privilege of serving with him on the Hempstead Town Board when I was a Hempstead Councilman and he was the presiding Supervisor, and then during my first 6 years in the United States Congress that overlapped with Senator D'Amato's time in the United States Senate.

I never knew a tougher advocate for the people of New York. I never knew a person who was more loyal to his friends. I never knew a man who was more willing to stand up and do what was right than Senator D'Amato.

I think what was very interesting to me when I was going around trying to get cosponsors for this bill, it was probably the easiest job I ever had, not just Republicans, but from Democrats as well. We have 30 Members of the New York delegation that have signed on to this bill. The reason for that is that they know that whether one is Republican or Democrat, Senator D'Amato would fight for you and your behalf if what you were doing was right and if your constituents needed it. That to me is the real measure of the man, a man who is willing to cross party lines and do whatever has to be done to get the job done.

It is interesting, for instance, that some of Senator D'Amato's closest friends and allies were members of the Democratic Party. Mayor Ed Koch of New York is a close personal friend and colleague of Senator D'Amato. Senator Pat Moynihan, who was Senator D'Amato's colleague in the Senate, is also a very close friend and a colleague and an advocate for Senator D'Amato.

But the reality is that Senator D'Amato also had enemies, and you never know when those enemies are going to come out from the woodwork or out from under their rocks, but the reality is that they could never face up to the fact that Senator D'Amato did not fit their image of what a United States Senator should be. Senator D'Amato was a tough kid from the neighborhood who fought his way up, who was not willing to defer to his elders if that meant sacrificing the good for the common man. He fought hard for what he believed in and, in doing that, he broke some china, he crashed some furniture, but the bottom line was he got the job done.

To me it is interesting to see how Senator D'Amato's enemies react against him when I see the way he reacted against his political opponents. For instance, when Senator D'Amato lost his election to Senator SCHUMER in 1998, I was actually with Senator D'Amato the night he lost. I can tell my colleagues that from that night until today, Senator D'Amato has had nothing but the highest praise for Senator SCHUMER. He never complained about the campaign, he never begrudged Senator SCHUMER his victory, and he works with Senator SCHUMER and Senator CLINTON today doing what he can to help them do their job, to serve the people of New York.

That really was to me the essence of Senator D'Amato, fighting for New York, putting partisanship aside, and doing what was right.

I guess the best way to describe it is that like Frank Sinatra, Al D'Amato did it his way. It was not always the way that appealed to the elite or it was not always the way that appealed to the intelligentsia, but it was the way that it appealed to real people, real people who knew what he stood for, knew he stood for them, and knew that he always, always put the people of the State of New York first.

So I am privileged to stand here today as an advocate for Senator D'Amato as he was an advocate for so many millions of millions of people during his years in public life.

Mr. Speaker, I urge the adoption of this resolution.

Ms. NORTON. Mr. Speaker, it is a great pleasure to yield such time as he may consume to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 4006, a bill to designate the courthouse in Central Islip, New York as the Alfonse M. D'Amato United States Courthouse.

As a New Yorker, a former colleague, and a good friend of Al D'Amato's, I am very proud to be a cosponsor of this bipartisan bill and to join with the gentleman from New York (Mr. KING) and with so many of my colleagues in the New York delegation in honoring him for his many contributions to both our State and our Nation.

It is a fitting tribute to Al D'Amato to name a courthouse in his native Long Island after him. Senator D'Amato was known as a fighter for the great State of New York. Some called him "Battling Al"; others called him "Senator Pothole." Al D'Amato always wore such monikers proudly, as badges of honor, and he deserved them, in the best sense in which they were meant. His top priority was always to bring to New York the public services and funding it needed, and no one was more effective.

Throughout his career in public service, Al D'Amato fought for economic and social justice, to help the little guy, the underdog, and to fight for unpopular causes, often against long odds and powerful forces, and sometimes within his own party.

For example, he was an early proponent of Federal funding of breast cancer research. As Senator Pothole, he was relentless in assuring that New York received a fair share of the Federal dollar for New York's vast housing transportation and community development needs. As a longtime member of the Helsinki Commission, he fought against religious persecution, here and abroad. He was outspoken against discrimination based on sexual orientation in the military. These positions were not always popular, but Al D'Amato was not one to run away from a fight. To the contrary, he was one who ran head-first into fights. The Alfonse D'Amato United States Courthouse will serve as a testimonial to his commitment and a tribute to his remarkable record of accomplishments.

He was also a New Yorker in every respect. He shared not only with me, but with so many New Yorkers across the State, values and views that transcended political parties, that transcended religious or ethnic origins. His identification with and enthusiasm for worthy causes and his penchant for representing the little guy and the underdog, the taxpayer, the aging and infirm holocaust survivor, the consumer, the elderly enabled him to get elected and reelected statewide as a Republican in an overwhelmingly Democratic State.

I know firsthand about Al D'Amato's energetic style and his pragmatic approach to solving public sector problems in a political arena. Because of my own long tenure on the House Committee on Financial Services, and formerly the Committee on Banking and Financial Services, I was privileged to work very closely with him, especially from the time of his appointment to the Senate Committee on Banking, Housing and Urban Affairs where he eventually rose to become ranking member in 1993 and then chairman in 1994, until his term ended in 1998. So I can speak with personal experience of his accomplishments, and with great pride in the fact that in so many of these worthy causes, we fought side by side.

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Let me select just a few causes and accomplishments from his long and successful career to demonstrate why Senator D'Amato deserves the honor that will be bestowed upon him with the enactment of this bill:

Counterterrorism. As chairman of the Committee on Security and Cooperation in Europe, Senator D'Amato authored the Libya Sanctions Act, to combat efforts by renegade nations to finance international terrorism through oil field development.

Consumer protection. Throughout his tenure, Al D'Amato worked diligently to protect consumers. He deserves particular credit for his efforts in passing the Home Ownership and Equity Protection Act of 1993, which is the foundation of our ongoing effort to curtail and outlaw predatory lending practices. In addition, he used his chairmanship in an ultimately unsuccessful effort to stop banks from charging consumers for use of automated teller machines. But his resolve certainly caused banks to restrain the high fees and charges that had become all too prevalent in the marketplace.

Of course, he was the principal force in the Senate behind passage of a law to allow consumers to cancel unnecessary and costly private mortgage insurance.

Holocaust survivors. As chairman of the Senate Banking Committee, Al courageously led the fight to restore to Holocaust survivors and their heirs the assets they deposited in Swiss banks prior to World War II, eventually resulting in the payment of over $1 billion in restitution to survivors' groups.

Solvency of Federal deposit insurance funds. As Committee on Banking and Financial Services chairman, Al spearheaded the successful effort in 1995 to stabilize the Federal deposit insurance funds, the BIF and the SAIF, at no cost to the Federal taxpayer, in the final chapter of the huge savings and loan scandal. I was proud to have worked with him in the House on this important effort.

Financial modernization. From his very first years in the Senate, Senator D'Amato was interested in modernizing the laws governing the various financial industries, from banks to credit unions. He was an early advocate for interstate banking, and for his entire career fought for the repeal of older laws which impeded competition and innovation by financial service providers.

He worked tirelessly to ensure the safety and soundness of all financial intermediaries, and to protect the Federal taxpayer against a repeat of the savings and loan bailout of the late 1980s, which cost taxpayers over $100 billion.

Mr. Speaker, during his service to New York and to the United States, Senator D'Amato was an important and influential figure. His achievements can justly be said to reach around the globe, to extend from past generations to reach well into the future.

While he has now left public service, his indelible imprint will be felt for some time. By placing his name on this important courthouse, a uniquely American symbol of justice and fairness, the House tonight can acknowledge the significant and important contributions Senator D'Amato has made to our State and our country.

I urge the passage of H.R. 4006.

Mr. BOOZMAN. Mr. Speaker, I reserve the balance of my time.

Ms. NORTON. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I rise in strong support of this legislation that recognizes the years of public service by former New York Senator Al D'Amato.

As a freshman in Congress, I looked to many of my colleagues for advice and guidance when it came to legislating. Senator D'Amato was an invaluable source of knowledge that I relied upon whenever a question or concern arose, by the way, which was quite often in my first 2 years.

Senator D'Amato was able to work with Democrats and Republicans alike, which allowed him to pass legislation beneficial not only to New York, but to the country as a whole.

One of the things about Senator D'Amato, he did work with both sides of the aisle to get something done. I think that is important. We sometimes lose that here. I experienced this firsthand when we worked together on legislation addressing the alarming number of breast cancer cases on Long Island. I was amazed over his ability to obtain so much attention and exposure to a problem that impacts thousands of women across the country. His support for a particular cause went beyond a one-time press conference or a photo opportunity; it was genuine.

In a town where one is known for one's word, we always knew where we stood with Senator D'Amato. His vigorous support for legislation was equaled only to his rigorous opposition, which was always expressed in a proud New York fashion.

Although Senator D'Amato no longer walks the halls of the Senate, he continues to draw attention to problems confronting this country. Renaming a courthouse in his honor is a fitting tribute to someone who served New York as a public servant in the United States Congress for 18 years. I urge my colleagues to support this legislation.

Again, I will stress, Senator Al D'Amato was a man of his word. I think that is important. When one gives one's word and stays with it, I think that is truly a real tribute to someone.

Ms. NORTON. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I did not know this resolution or this bill was on the floor, but the gentleman from New York (Mr. LAFALCE) mentioned the Helsinki Commission. I had the opportunity to cochair the Helsinki Commission. I chaired the House side while Senator D'Amato chaired the Senate side of the Helsinki Commission for a number of years.

I rise simply to observe that Al D'Amato was, of course, a vigorous partisan and proponent of his party, but at the same time, he was a supporter of making sure that we did the business in the Senate and the House in a way that did credit to America and to its principles.

I say that because he was the Chair of the Helsinki Commission when the Senate was taken over by the Republicans in the 1980s; specifically, in 1985 and 1986. There was a real effort, frankly, to change a nonpartisan professional staff to a staff that reflected party affiliation more than professional ability.

Senator D'Amato, as I said, was Chair of the Commission. Because it goes between the House and Senate, it was the Senate's opportunity. Senator D'Amato, I know, received many suggestions about changes in staff. The staff to this day remains a professional staff, unrelated to partisan politics, serving not only this country's interests but the interests of so many citizens around the world who look to the Helsinki Commission to raise issues of human rights and political rights. For that alone, I would have great respect for Senator D'Amato.

I wanted to make that observation, that he saved, frankly, the Helsinki

Commission's professional staff from being politicized at a time when that could very well have happened.

I am pleased to rise in support of the legislation, Mr. Speaker.

Mr. OBERSTAR. Mr. Speaker, I rise in strong support of H.R. 4006, which designates the new federal courthouse in Central Islip, New York in honor of former New York Senator Alfonse D'Amato. Senator D'Amato's career in public service spanned nearly three decades, starting in 1965 with his service as administrator of Nassau County, New York. In 1980, he was elected to the first of three terms in the United States Senate. While in the Senate, Mr. D'Amato served as Chairman of the Senate Banking Committee and was a senior member of the Senate Finance Committee and Senate Appropriations Committee.

A life-long New Yorker, Mr. D'Amato was born in Brooklyn, New York in 1937, and attended New York public schools on Long Island. He graduated from Chaminade High School before working his way through Syracuse University. He attended Syracuse Law School and was admitted to the bar in 1962.

I first came to know Alphonse D'Amato in 1989 when we were both appointed to serve on the Presidential Commission on Aviation Security and Terrorism, commonly known as the Pan Am 103 Commission. Senator D'Amato was a strong advocate for rigorous aviation security laws and we worked hard on the Commission to ensure that we investigated the cause of not only the Pan Am tragedy, but of other aviation incidents as well. We made recommendations to significantly toughen our aviation security policies and when it came time to pass legislation to implement our commission's recommendations, Mr. D'Amato took a leading role in the United States Senate.

Senator D'Amato was also a tireless advocate for transit issues, specifically, for ensuring that the people of New York had access to a safe and effective public transportation system. We worked very closely together to ensure that transit received its fair share in the Transportation Equity Act for the 21st Century ("TEA 21"). As a result, transit funding has grown from $4.3 billion in fiscal year 1997 to an expected $7.2 billion this year—a 67 percent increase!

Senator D'Amato was a vocal advocate for inner cities, particularly economically distressed and underserved areas. He was also a forceful advocate for human rights and an unwavering supporter of Israel.

I am pleased that we are honoring Senator D'Amato with this designation of the new, state-of-the-art, federal courthouse in New York. I urge my colleagues to support H.R. 4006.

Ms. MALONEY. Mr. Speaker, I rise today in support of H.R. 4006, a bill to name the federal courthouse in Central Islip, New York, as the "Alfonse M. D'Amato United States Courthouse."

For 18 years, Alfonse D'Amato represented the State of New York with strength, determination, and caring. As Chairman of the Banking Committee, he led the fight in the Senate to make it easier for consumers to cancel unneeded, expensive mortgage insurance. He also fought to help Holocaust survivors and victims recover assets.

His esteemed nickname, "Senator Pothole," was indicative of his willingness to fix New York's problems—small and large, even the literal potholes we New Yorkers have become accustomed to. He recognized the need to invest in our nation's transportation infrastructure.

Although the former Senator and I did not agree on many issues, I applaud and admire his dedication to the great people of New York.

The Alfonse D'Amato Courthouse would be a lasting tribute to a man whose public service lives on in New York.

Ms. NORTON. Mr. Speaker, I yield back the balance of my time.

Mr. BOOZMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. CULBERSON). The question is on the motion offered by the gentleman from Arkansas (Mr. BOOZMAN) that the House suspend the rules and pass the bill, H.R. 4006.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PAUL SIMON CHICAGO JOB CORPS CENTER

Mr. BOOZMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 378) to redesignate the Federal building located at 3348 South Kedzie Avenue, in Chicago, Illinois, as the "Paul Simon Chicago Job Corps Center."

The Clerk read as follows:

S. 378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF PAUL SIMON CHICAGO JOB CORPS CENTER.

(a) IN GENERAL.—The Federal building located at 3348 South Kedzie Avenue, in Chicago, Illinois, and known as the "Chicago Job Corps Center" shall be known and designated as the "Paul Simon Chicago Job Corps Center".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in subsection (a) shall be deemed to be a reference to the "Paul Simon Chicago Job Corps Center".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. BOOZMAN) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas (Mr. BOOZMAN).

Mr. BOOZMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 378 designates the Federal building in Chicago, Illinois, as the Paul Simon Chicago Job Corps Center.

Senator Paul Simon was born in Eugene, Oregon, on November 29, 1928, and attended public schools. He went on to attend the University of Oregon, and Dana College in Blair, Nebraska.

At the age of 19, Senator Simon became the Nation's youngest editor-publisher by saving the Troy Tribune in Troy, Illinois. He expanded his newspaper business to a chain of 14 weeklies in central and southern Illinois. Senator Simon used the newspaper to expose a syndicate gambling operation in Madison County, and in 1951, at the age of 22, he was called to testify before the United States Senate Crime Investigating Committee.

In 1966, he sold his newspaper business to devote full time to writing and public service. Senator Simon served in the United States Army, and was assigned to the Counterterrorism Corps as a special agent along the Iron Curtain in Europe.

Upon his return from Europe at the age of 25, he was elected to the Illinois House of Representatives. He was reelected three times before being elected to the State Senate in 1962 for a 4-year term. Voters returned him to the State Senate in 1966. Halfway through his second State Senate term, he was elected lieutenant governor, and served until 1973. He was the first lieutenant governor to be elected to that post with the governor of another party.

Senator Simon was elected to the United States House of Representatives in 1974, and served for 10 years before being elected to the United States Senate in 1984. While in Congress, Senator Simon was a leading advocate for education, disability policy, and foreign affairs.

He was the chief sponsor of the Missing Children Act, which established the National Center for Missing and Exploited Children.

Senator Simon also played a vital role by enacting job training education programs, including the National Literacy Act, the School-to-Work Opportunities Act, the Job Training Partnership Act, and the Direct College Loan Program. He was also the chief sponsor of the Balanced Budget Amendment of 1986, and initiated legislation to designate the first 5 federally-chartered high-speed rail corridors.

Senator Simon holds 39 honorary degrees and has written 15 books. It is appropriate that the Job Corps Center in Chicago be designated on behalf of Paul Simon. He was a dedicated public servant who cared greatly about advancing job-training opportunities for everyone. I support this bill, and ask my colleagues to support it, as well.

Madam Speaker, I reserve the balance of my time.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I strongly support the Senate bill, S. 378, a bill to designate the Job Corps center located at 334 South Kedzie Avenue in Chicago as the Paul Simon Chicago Job Corps Center.

The gentleman from Illinois (Mr. COSTELLO), the ranking member of the Committee on Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management, introduced the House companion bill, H.R. 2015, to honor the distinguished Senator from Illinois, Senator Paul Simon.

He was born in 1928 in Eugene, Oregon. He attended the University of Oregon and Dana College in Blair, Nebraska. As a 19-year-old teenager, he became the Nation's youngest editor-publisher when he accepted a local Lions Club challenge to save the Troy Tribune in Troy, Illinois. Needless to say, he met and exceeded the challenge, and proceeded to establish a chain of 13 newspapers in southern and central Illinois.

In 1954, he was elected to the Illinois House, and in 1962, he was elected to the Illinois Senate. During his State legislative career, he earned a reputation for political integrity and courage. In 1968, Senator Simon was elected lieutenant governor, and was the first person in State history to hold that post with the governor of another party.

In 1974, Senator Simon was elected to the House of Representatives, and served for 10 years. His legislative skills were put to use on issue areas including education, disability policy, and foreign affairs. He played a crucial role in establishing the National Center for Missing and Exploited Children.

In 1984, he upset the three-term incumbent, Senator Charles Percy, to win election to the U.S. Senate. Senator Simon was a prodigious worker, known for exceptional constituent service. His even-handed and balanced approach to topics and controversial issues earned him friends on both sides of the aisle. His colleagues appreciated his personal warmth and sense of humor.

Paul Simon currently teaches political science and journalism at Southern Illinois University, Carbondale campus, and heads up the public policy institute that he founded.

Those of us who know Paul and his many talents are particularly delighted at this very fitting honor. It is just that, a fitting and proper tribute to an outstanding public career. I support S. 378, and urge my colleagues to join me in support of this legislation, named for Senator Paul Simon.

Madam Speaker, I reserve the balance of my time.

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Mr. BOOZMAN. Madam Speaker, I reserve the balance of my time.

Ms. NORTON. Madam Speaker, I yield 2 minutes to my good friend, the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Madam Speaker, I thank the gentlewoman for yielding me time.

Madam Speaker, I guess one aspect of serving for over 2 decades in the House you get to know some extraordinary people, some extraordinary people who have been sent here from around the United States to represent them in the House and in the Senate. Paul Simon is one of the most decent people with whom I have served either in the 12 years I was in the Maryland Senate or the 21 years I have been here. Paul Simon and his wife, Jean, who passed away some years ago, were two people who loved this country, who loved Illinois, and who loved this House. I am sure they loved the Senate as well. But Paul Simon was someone who brought great credit to democracy in his honesty, his integrity, and as the gentlewoman from the District of Columbia (Ms. NORTON) has pointed out, his hard work on behalf of his constituents.

Americans were made prouder by this House of Representatives by knowing Paul Simon. Senator Simon, of course, became a candidate for President. He did not win the nomination, but he won the hearts and minds of literally millions of people around this Nation for his honesty and his deep sense of pride in this country and his deep concern for its people. I am proud to rise on this floor to pay tribute to Paul Simon and to say what an appropriate thing it is to name a Job Corps center for someone who cared so deeply about young people and about education, and about opportunities, and about hope.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, in closing I cannot stand simply as a member of the subcommittee and offer the subcommittee's views on Paul Simon, because anyone who had the great pleasure and honor of knowing Senator Paul Simon, as I did, would have to inform this House that this was a man of the House and of the Senate who not only deserves this honor but who still resides in the hearts of many of us who remain here.

I was not in the House when Senator Simon served in the House. I got to know him when he came to the House and he was a Senator living in Southwest Washington. Here was a Senator who managed to be, of course, deeply involved in matters pertaining to his own State, but because he lived in Southwest Washington felt he had to become a citizen of Southwest as well. And he and his wife engaged in activities to help improve the District of Columbia. It was not only through the District of Columbia's affairs that I got to admire Senator Simon. I have particular admiration for his extraordinary intellect, for his gifts as a writer and as a journalist. There are any number of different institutions that can be named for Paul Simon because his talents are spread so evenly across so many different fields.

I want to particularly thank this Senator for the generosity he showed the people of the District of Columbia. He supported statehood. He supported full voting rights and full citizenship for the residents of the District. So it is not only a member of the committee, and I think speaking for all of us in the House and Senate that I stand to honor him today, speaking also with special warmth and meaning on behalf of residents of the District of Columbia.

Mr. OBERSTAR. Madam Speaker, I am very pleased to support S. 378, a bill to honor our former House and Senate colleague, Paul Simon.

Paul Simon and I were both elected to the House in the same year—1974. He came to the House after a distinguished career in the Illinois State Legislature. Mr. Simon was elected to the Illinois House of Representatives in 1954 and then to the Illinois Senate in 1962. During his 14 years in the State legislature, he won the Independent Voters of Illinois "Best Legislator Award" in every session. In 1968, Mr. Simon was elected as Illinois' Lieutenant Governor. After teaching at Sangamon State University in Springfield, Illinois, and the John F. Kennedy School of Government at Harvard University, he returned to public service in 1974 with his election to the House.

While we served in the House together, I was consistently impressed by Mr. Simon's energy and creativity. He was not only an effective legislator, but was also a prolific author. One of his books, The Tongue Tied American, which he wrote while serving in the House, explored the lack of foreign language skills in this country and its detrimental impact on foreign affairs. It was an issue that he and I joined forces on to stimulate the study of foreign languages and international affairs in U.S. colleges and universities.

In 1984, Paul Simon upset Senator Percy to win a seat in the U.S. Senate. In 1990, he won re-election to the Senate by defeating his opponent with 65 percent of the vote and by nearly a million votes—the largest plurality of any contested candidate for senator of either party that year.

While in the Senate, he become the champion of new, direct college loan programs, and was the chief democratic sponsor of the balanced budget amendment. He was active in addressing violence in television programming, and a primary author of the National Literacy Act, the Job Training partnership amendments, and several provisions of the 1994 Elementary and Secondary Education Act.

Most recently, Senator Simon has returned to teaching and currently teaches political science and journalism at Southern Illinois University—Carbondale campus.

Paul Simon is a true gentleman, thoughtful and courteous. The people of Illinois and the American public benefited greatly from his service both in the House and Senate.

Paul Simon's contributions, particularly in the area of education and job training, set a standard for us all. The designation of the job corps center in Chicago in his honor is a fitting tribute to his exemplary public service.

I urge my colleagues to support S. 378.

Mr. COSTELLO. Madam Speaker, I strongly support Senate bill S. 378, a bill to designate the job corps center located at 3348 South Kedzie Ave. in Chicago as the Paul Simon Chicago Job Corps Center. I am honored and pleased to introduce the House companion bill, H.R. 2015, to honor the distinguished Senator from Illinois, Senator Paul Simon.

Paul Simon was born in 1928 in Eugene Oregon. He attended the University of Oregon and Dana College in Blair, Nebraska. As a 19 year old teenager he became the Nation's youngest editor-publisher when he accepted a local Lion's Club challenge to save the Troy Tribune in Troy, Illinois. Needless to say he met and exceeded the challenge and proceeded to establish a chain of 13 newspapers in southern and central Illinois.

In 1954 he was elected to the Illinois House, and in 1962 he was elected to the Illinois Senate. During his state legislative career he earned a reputation for political integrity and courage. In 1968 Simon was elected lieutenant governor, and was the first person in state history to hold that post with the governor of another party.

In 1974 Simon was elected to the House for Representatives and served for 10 years. His legislative skills were put to use on issue areas including education, disability policy, and foreign affairs. He played a crucial role in establishing the National Center for Missing and Exploited Children. In 1984 he upset three-term incumbent Senator Charles Percy to win election to the U.S. Senate. Senator Simon was a prodigious worker, known for exception constituent service. His evenhanded, balanced approach to topics and controversial issues earned him friends on both sides of the aisle. His colleagues appreciated his personal warmth and sense of humor.

Paul Simon currently teaches political science and journalism at Southern Illinois University—Carbondale campus and heads up the public policy institute that he founded. It is truly fitting and proper we honor the outstanding public career of Senator Simon with this designation. I support S. 378 and urge my colleagues to join me in support of this legislation.

Mr. DAVIS of Illinois. Madam Speaker, I rise today in support of S. 378, a bill to name the building located at 3348 S. Kedzie the Paul Simon Chicago Job Corps Center. I want to commend our senior Senator DICK DURBIN for his sponsorship of this bill.

Former Senator Paul Simon really epitomizes the virtues of work and what the Job Corps stand for. Senator Simon at the age of 19 became the nation's youngest editor-publisher when he accepted a local Lion's Club challenge to save the Troy Tribune in Troy, IL—near St. Louis. He built a chain of 15 newspapers in southern and central Illinois, which he utilized to expose syndicate gambling connections in Madison County.

Senator Simon has always been a voice for the disadvantaged and less fortunate throughout his career in the Illinois State House and the Illinois State Senate. During his 14 years in the state Legislature, he won the Independent Voters of Illinois' "Best Legislator Award" every session. Senator Simon became known throughout the state as a public official with high integrity and great political courage. He did what was right—even if it was not expedient.

Senator Simon served as lieutenant governor in 1968, and was the first in the state's history to be elected to that post with a governor of another party. His work in that office focused on making government work more efficiently and effectively for its citizens.

During his years in the Senate he focused on education, job training, transportation and limiting violence on television networks. His integrity, exceptional constituent services, openness and willingness to listen are all virtues to be admired. He was without question one of the best Members to ever serve in the House and the Senate. •

Senator Simon has retired from the Congress, but not from the influence of public policy. He is currently teaching at Southern Illinois University—where he is helping to shape young minds and future leaders.

The designation of the Job Corps facility at 3348 S. Kedzie is an excellent tribute to my friend Senator Simon—and may help to inspire all the young people who pass through.

Ms. NORTON. Madam Speaker, I yield back the balance of my time.

Mr. BOOZMAN. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentleman from Arkansas (Mr. BOOZMAN) that the House suspend the rules and pass the Senate bill, S. 378.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Williams, one of his secretaries.

HARVEY W. WILEY FEDERAL BUILDING

Mr. BOOZMAN. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2911) to designate the Federal building located at 5100 Paint Branch Parkway in College Park, Maryland, as the "Harvey W. Wiley Federal Building."

The Clerk read as follows:

H.R. 2911

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 5100 Paint Branch Parkway in College Park, Maryland, shall be known and designated as the "Harvey W. Wiley Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Harvey W. Wiley Federal Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. BOOZMAN) and the gentlewoman from the District of Columbia (Ms. NORTON) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas (Mr. BOOZMAN).

Mr. BOOZMAN. Madam Speaker, I yield myself such time as I may consume.

H.R. 2911 designates the Federal building located at 1500 Paint Branch Parkway in College Park, Maryland, as the Harvey W. Wiley Federal building.

Harvey Washington Wiley was born in a log farm house in Indiana in 1844. He served as a corporal in the Civil War and then attended Hanover College where he earned a bachelors degree in 1867. He went on to study medicine at Indiana Medical College where he received his medical degree in 1871. He continued his education at Harvard University where he earned a bachelors degree in chemistry.

Dr. Wiley joined the faculty at Purdue University in 1874 where he developed and taught the first laboratory course in chemistry. Taking a sabbatical in Europe, Dr. Wiley was elected to the prestigious German Chemical Society for his work studying sugar chemistry. Upon his return to the United States, Dr. Wiley continued his research in the field of sugar chemistry focusing on the adulteration of the domestic sugar industry.

In 1882, Dr. Wiley was named chief chemist at the U.S. Department of Agriculture. In this position he was known as the father of the Pure Food and Drugs Act when it became law in 1906. And he served as the first commissioner of what would later become the Food and Drug Administration from 1907 through 1912.

In 1912, Dr. Wiley took over the laboratories of Good Housekeeping magazine where he established the Good Housekeeping Seal of Approval and continued to work tirelessly on behalf of the consuming public. The designation of this Federal building is a fitting tribute to the innovative scientist and dedicated public servant. I support the bill and urge my colleagues to join in support.

Madam Speaker, I reserve the balance of my time.

Ms. NORTON. Madam Speaker, I yield myself such time as I may consume.

Dr. Harvey W. Wiley, known as the Crusading Chemist and the father of the Federal Food and Drug Act, was born in a log farm house in 1844 near Kent, Indiana. After receiving his education in local schools, he attended Hanover College. And in 1871 he received his medical degree from Indiana Medical College. Following a brief assignment at Harvard University, Wiley returned to Indiana in 1874 to accept a faculty position in chemistry at the newly opened Purdue University. In 1882 he was appointed as chief chemist at the U.S. Department of Agriculture.

After 29 years at the Bureau of Chemistry, Wiley resigned to accept a position at Good Housekeeping Institute's Bureau of Food Sanitation and Health. In this position Wiley established the Good Housekeeping Seal of Approval. Dr. Wiley was a visionary and pioneer for the necessity of safe food and drug supplies and was vigilant in protecting the consumer.

His public career was dedicated to establishing and improving government regulations regarding safe food and drug processing. It is fitting that Dr. Wiley be honored with this designation at the new FDA headquarters in College Park, Maryland. I commend the gentleman from Maryland (Mr. HOYER) for introducing this bill and for his leadership in moving this bill through the legislative process.

Madam Speaker, I yield such time as he may consume to the distinguished gentleman from Maryland (Mr. HOYER), the author of this bill.

Mr. HOYER. Madam Speaker, I thank the gentlewoman from the District of Columbia (Ms. NORTON) for yielding me time, and I thank the gentleman from Arkansas (Mr. BOOZMAN) for facilitating the movement of this bill to the floor.

I rise, of course, Madam Speaker, in strong support of the Harvey W. Wiley Federal Building Designation Act. The building which we speak of today is the Food and Drug Administration's Center for Food Safety and Applied Nutrition, located in my district in College Park, Maryland.

Harvey Washington Wiley is best known, as has been said, for his pioneering work as the chief chemist at the Bureau of Chemistry, which of course is now known as the Food and Drug Administration.

His work in the early 1900s led to the passage of the Pure Food and Drug Act. As the head of the Bureau of Chemistry, Wiley served as chief enforcer of the act, and his inspection program revolutionized the country's food supply by making it healthier and safer. Each of us every day benefits from the work of Dr. Wiley. After serving 29 years, as was observed by the gentlewoman from District of Columbia (Ms. NORTON), as the chief of the Bureau of Chemistry, he resigned and later established the Good Housekeeping Seal of Approval as the director of Good Housekeeping Institute's Bureau of Foods, Sanitation and Health, a demonstration of his lifelong commitment to the purity of our food and our health and our safety.

The Harvey W. Wiley Building is the result of a strong commitment and partnership between the Food and Drug Administration, the General Services Administration, the State of Maryland, the city of College Park, the city council, the local community, and the University of Maryland.

The Wiley Building, which opened in October of 2001, is the first major laboratory completed as part of the Food and Drug Administration's consolidation effort. The facility holds over 950 researchers and other staff doing a critical job for our people and for our country. We depend upon them to ensure that the foods we consume and the cosmetic products we use are safe and labeled properly.

The FDA's consolidation effort has been ongoing since 1991 when Congress gave authority to the FDA to improve its dilapidated facilities and bring its workers closer together for more efficient operations. In addition to this facility, the Center for Veterinary Medicine in Beltsville was completed in 1996 and work continues on four remaining centers at White Oak. When the consolidation is finally completed, Madam Speaker, it will consolidate nearly 40 different FDA facilities scattered around the metropolitan area. This will not only improve the working conditions of employees, it will save the taxpayers literally millions of dollars in reduced lease costs.

These Federal entities in tandem with the University of Maryland's world-class academicians and researchers will creates a unique synergy in the Washington metropolitan region.

Naming the Center for Food Safety and Applied Nutrition in College Park after Harvey W. Wiley will cap off an already marvelous achievement for the FDA and GSA. There are times when we name buildings after people because perhaps they got the money for the buildings or perhaps they were luminaries in a particular jurisdiction or State or nation, but not necessarily involved with the building. This naming is as appropriate a naming as I think we have ever done because Dr. Wiley was such an integral part of developing food safety, nutritional health, and the oversight of that which is manufactured and purveyed that we either ingest or put on our bodies, that it will be safe for doing so. So I rise in strong support of this legislation. Again, I thank the gentleman from Arkansas (Mr. BOOZMAN) and the gentlewoman from the District of Columbia (Ms. NORTON) for expediting its presentation to the House and urge its unanimous adoption.

Mr. OBERSTAR. Madam Speaker, I rise in strong support of H.R. 2911. H.R. 2911 honors Dr. Harvey W. Wiley, known as the "Father of the Food and Drug Administration ("FDA")", by designating the new state-of-the-art Center for Food Safety and Applied Nutrition in College Park, Maryland as the "Harvey W. Wiley Federal Building".

Dr. Wiley was a pioneer who advocated on behalf of the American people for a safe food and drug supply. He fought for federal protections from fraudulent drugs and unsafe foods. From 1883 until 1912, he served as Chief of the Bureau of Chemistry at the U.S. Department of Agriculture ("USDA"). As a result of his strong beliefs and unwavering efforts, the first comprehensive bill ensuring a safe food and drug supply, the Pure Food and Drug Act, was passed in 1906. This Act has served as a cornerstone for the modern Food and Drug Acts.

Harvey Washington Wiley was born near Kent, IN, in 1844. He was an honor student at Hanover College and received his medical degree from Indiana Medical College in 1871. He also earned a B.S. degree from Harvard University after only a few months of intense effort. In 1874, Dr. Wiley accepted a faculty position in chemistry at Purdue University. In 1882, he was named Chief Chemist at the USDA, a position he held for nearly 30 years.

Under his leadership and perseverance, the Bureau of Chemistry grew in both size and stature. The Bureau's staff expanded from 110 to 146 employers, and their appropriations expanded from $155,000 to nearly $1 million in 1906.

In 1912, Dr. Wiley resigned from the Bureau and began a career at the Good Housekeeping labs where he established the "Good Housekeeping Seal of Approval". He died in 1930 and is buried at Arlington National Cemetery.

This bill is a fitting tribute to Dr. Harvey W. Wiley, the Father of the FDA.

I urge my colleagues to support H.R. 2911.

Ms. NORTON. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOOZMAN. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. BOOZMAN) that the House suspend the rules and pass the bill, H.R. 2911.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. BOOZMAN. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. BOOZMAN. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4028, H.R. 4006, H.R. 2911 and S. 378, the measures just considered by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

□ 1515

NORTH AMERICAN WETLANDS CONSERVATION REAUTHORIZATION ACT

Mr. SIMPSON. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3908) to reauthorize the North American Wetlands Conservation Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "North American Wetlands Conservation Reauthorization Act".

SEC. 2. AMENDMENT OF NORTH AMERICAN WETLANDS CONSERVATION ACT.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the North American Wetlands Conservation Act (16 U.S.C. 4401 et. seq.).

SEC. 3. FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDING.—Section 2(a)(1) (16 U.S.C. 4401(a)(1)) is amended by striking "and other habitats" and inserting "and associated habitats".

(b) PURPOSES.—Section 2(b) (16 U.S.C. 4401(b)) is amended—

(1) in paragraph (1) by striking "and other habitats for migratory birds" and inserting "and associated habitats for wetland dependent migratory birds";

(2) in paragraph (2) by inserting "wetland dependent" before "migratory bird"; and

(3) in paragraph (3)—

(A) by inserting "wetland dependent" before "migratory birds"; and

(B) by inserting ", the United States Shorebird Conservation Plan, the North American Waterbird Conservation Plan, the Partners In Flight Conservation Plans," after "North American Waterfowl Management Plan".

SEC. 4. DEFINITION OF WETLANDS CONSERVATION PROJECT.

Section 3(9) (16 U.S.C. 4402(9)) is amended—

(1) in subparagraph (A) by inserting "of a wetland ecosystem and associated habitat" after "including water rights,"; and

(2) in subparagraph (B) by striking "and other habitat" and inserting "and associated habitat".

SEC. 5. REAUTHORIZATION.

Section 7(c) (16 U.S.C. 4406(c)) is amended by striking "not to exceed" and all that follows and inserting "not to exceed—

"(1) $55,000,000 for fiscal year 2003;

"(2) $60,000,000 for fiscal year 2004;

"(3) $65,000,000 for fiscal year 2005;

"(4) $70,000,000 for fiscal year 2006; and

"(5) $75,000,000 for fiscal year 2007.".

SEC. 6. ALLOCATION.

Section 8(a) (16 U.S.C. 4407(a)) is amended—

(1) in paragraph (1)—

(A) by striking "(but at least 50 per centum and not more than 70 per centum thereof)" and inserting "(but at least 25 percent and not more than 50 percent thereof)"; and

(B) by striking "4 per centum" and inserting "4 percent"; and

(2) in paragraph (2) by striking "(but at least 30 per centum and not more than 50 per centum thereof)" and inserting "(but at least 50 percent and not more than 75 percent thereof)".

SEC. 7. CLARIFICATION OF NON-FEDERAL SHARE OF THE COST OF APPROVED WETLANDS CONSERVATION PROJECTS.

Section 8(b) (16 U.S.C. 4407(b)) is amended by striking so much as precedes the second sentence and inserting the following:

"(b) COST SHARING.—(1) Except as provided in paragraph (2), as a condition of providing assistance under this Act for any approved wetlands conservation project, the Secretary shall require that the portion of the costs of the project paid with amounts provided by non-Federal United States sources is equal to at least the amount allocated under subsection (a) that is used for the project.

"(2) Federal moneys allocated under subsection (a) may be used to pay 100 percent of the costs of such projects located on Federal lands and waters, including the acquisition of inholdings within such lands and waters.

"(3)".

SEC. 8. TECHNICAL CORRECTIONS.

(a) The North American Wetlands Conservation Act is amended as follows:

(1) In section 2(a)(10) (16 U.S.C. 4401(a)(10)), by inserting "of 1973" after "Species Act".

(2) In section 3(2) (16 U.S.C. 4402(2)), by striking "Committee on Merchant Marine and Fisheries of the United States House of Representatives" and inserting "Committee on Resources of the House of Representatives".

(3) In section 3(5) (16 U.S.C. 4402(5)), by inserting "of 1973" after "Species Act".

(4) In section 4(a)(1)(B) (16 U.S.C. 4403(a)(1)(B)), by striking "section 3(2)(B)" and inserting "section 3(g)(2)(B)".

(5) In section 4(c) (16 U.S.C. 4403(c)), in the matter preceding paragraph (1), by striking "Commission" and inserting "Council".

(6) In section 5(a)(5) (16 U.S.C. 4404(a)(5)), by inserting "of 1973" after "Species Act".

(7) In section 5(f) (16 U.S.C. 4404(f)), by striking "subsection (d)" and inserting "subsection (e)".

(8) In section 10(1)(C) (16 U.S.C. 4409(1)(C)), by striking "western hemisphere pursuant to section 17 of this Act" and inserting "Western Hemisphere pursuant to section 16".

(9) In section 10(1)(D) (16 U.S.C. 4409(1)(D)), by striking the period and inserting "; and".

(10) In section 16(a) (16 U.S.C. 4413), by striking "western hemisphere" and inserting "Western Hemisphere".

(b)(1) Section 112(1) of Public Law 101–593 (104 Stat. 2962) is amended by striking "and before the period".

(2) Paragraph (1) of this subsection shall be effective on and after the effective date of section 112(1) of Public Law 101–593 (104 Stat. 2962).

The SPEAKER pro tempore (Mrs. EMERSON). Pursuant to the rule, the gentleman from Idaho (Mr. SIMPSON) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this bill, H.R. 3908, would reauthorize the tremendously successful North American Wetlands Conservation Act, NAWCA. This landmark law has been instrumental in the conservation, restoration and enhancement of wetland and upland habitat throughout the United States, Canada and Mexico.

Wetlands are among the world's most productive environments. They are critical to the survival of fish and wildlife populations and vital to the protection of water quality. Wetlands protect ground and surface water, reduce severity of floods, and provide habitat for a diverse community of plants, animals, fish and birds. In particular, millions of migratory waterfowl rely on wetlands throughout their life cycle. Wetlands also provide untold hunting and wildlife viewing opportunities for millions of Americans.

Due to their proximity to water, wetland conversion poses a constant threat. Indeed, development pressures have already eliminated more than 50 percent of our Nation's original wetlands. It is essential that we conserve our remaining wetland habitats, and that is the fundamental goal of this legislation.

NAWCA is a popular and innovative program. It has received substantial support from the Bush administration, the International Association of Fish and Wildlife Agencies, local communities and dozens of conservation groups such as Ducks Unlimited.

Instead of increasing the regulatory restrictions, this act provides funds as an incentive to conserve and enhance wetlands. Since the first wetlands grants were awarded in 1991, almost 900 projects have been funded and over 8 million acres of wetlands and associated uplands have been conserved.

In the chairman's State of Utah, a NAWCA project was responsible for acquiring over 1,100 acres for permanent protection and 15,400 acres of degraded wetlands were restored. These wetlands are invaluable not only to thousands of migratory birds but also to the sportsmen of the State of Utah.

What is most remarkable about this program is the substantial partner support that it receives each year. While the Act requires a one-to-one match, in a typical year every NAWCA dollar is matched with well over $3, and this money is contributed by a host of conservation organizations. Such support indicates the tremendous popularity of this program and recognizes that wetland conservation is a national priority.

During committee consideration, the funding levels for the program were slightly increased and greater emphasis was placed on wetland conservation projects in the United States. These are both positive improvements to the act.

I urge an aye vote on H.R. 3908.

Madam Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this coming Saturday on May 11, bird conservationists across much of the Western hemisphere will celebrate International Migratory Bird Day.

Established in 1993, this second Saturday in May has been set aside this year to appreciate the nearly 350 species of migratory birds that travel between nesting habitats in North America and nonbreeding grounds in South and Central America, Mexico, and the Caribbean, including my district, the U.S. Virgin Islands.

In this respect, I find it fitting for the House to consider today legislation to reauthorize the North American Wetlands Conservation Act, or perhaps better known by its acronym, NAWCA.

Madam Speaker, wetlands are among the world's most productive environments and remain essential habitat for many migratory birds, including waterfowl.

In 1986, the United States, Canada and Mexico developed the North American Waterfowl Management Plan, which established a cooperative international management effort to reverse the declines in waterfowl populations and their habitats. Congress subsequently enacted NAWCA in 1989 to implement the habitat conservation elements of that plan.

In the intervening years, NAWCA has proven itself to be an effective funding mechanism to support a wide range of public/private conservation activities that preserve or protect wetland habitats on the landscape. Virtually every region of the United States and vital wetland habitats in Canada and Mexico have benefited from NAWCA project grants. The future looks bright.

I am pleased to report that H.R. 3908, the North American Wetlands Conservation Reauthorization Act, is a positive step towards ensuring that NAWCA remains an effective conservation tool in the years ahead. Most importantly, the increased authorizations for appropriations in H.R. 3908 will help address a significant unmet demand for NAWCA grants.

In addition, H.R. 3908 will also provide a higher level of financial support for conservation projects in the United States where the demand is greatest and where it is possible to generate the necessary non-Federal matching funds. Overall, there should be an increase in non-Federal matching funds for NAWCA grants.

Importantly, we have acted responsibly to ensure that this change in allocation will not decrease the existing level of financial grant support for our partners in Canada and Mexico.

In closing, NAWCA represents the type of conservation success story which Congress should strive to emulate in its other programs. H.R. 3908 will maintain and build on this solid record of achievement, and I urge Members to support this important environmental legislation.

Madam Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. SIMPSON. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Idaho (Mr. SIMPSON) that the House suspend the rules and pass the bill, H.R. 3908, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SAND MOUNTAIN WILDERNESS STUDY AREA, IDAHO LAND CONVEYANCE

Mr. SIMPSON. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2818) to authorize the Secretary of the Interior to convey certain public land within the Sand Mountain Wilderness Study Area in the State of Idaho to resolve an occupancy encroachment dating back to 1971.

The Clerk read as follows:

H.R. 2818

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LAND CONVEYANCE, SAND MOUNTAIN WILDERNESS STUDY AREA, IDAHO.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding section 603(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782(c)), the Secretary of the Interior may convey to the owner of the Sand Hills Resort in the State of Idaho (in this section referred to as the "Sand Hills Resort"), all right, title, and interest of the United States in and to a parcel of land consisting of approximately 10.23 acres of public land in the Sand Mountain Wilderness Study Area (#ID 35-3) of the Bureau of Land Management in the State of Idaho, as more fully described in subsection (b).

(b) DESCRIPTION OF LAND.—The public land to be conveyed under subsection (a) is lot 8 in section 19, township 8 north, range 40 east, Boise meridian, Idaho.

(c) CONSIDERATION.—As consideration for the conveyance of the land under subsection (a), the Sand Hills Resort shall pay to the Secretary an amount equal to the fair market value of the land, as valued by qualified land appraisal.

(d) EXEMPTION FROM INTERIM MANAGEMENT POLICY.—To facilitate the conveyance authorized by subsection (a), the land to be conveyed is exempt from all requirements of the Interim Management Policy for Lands Under Wilderness Review of the Bureau of Land Management.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Idaho (Mr. SIMPSON) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, H.R. 2818 is a simple, straightforward bill that would convey approximately 10.23 acres of public land located within the Bureau of Land Management Sand Mountain Wilderness Study Area, located near St. Anthony in southeast Idaho, to the owner of the Sand Hills Resort. The Sand Hills Resort will pay fair market value for the land as valued by an appraisal.

In 1971, Mr. Williams, the current owner of the Sand Hills Resort, purchased the 5-acre resort and existing developments and over the ensuing 31 years has added numerous improvements to the property. The resort is a gateway to the St. Anthony Sand Dunes, a popular recreational area in southeast Idaho. Unfortunately, the 5-acre resort and a small strip of land containing roads, camping sites and power lines was inadvertently included in BLM's Sand Mountain Wilderness Study Area boundary, which was established in 1981.

Mr. Williams successfully operated the resort until the early 1990s, when the BLM began to question the location of the resort and several facilities located on the resort. In 1995, a survey was initiated confirming that the majority of the resort's facilities, including a portion of Mr. Williams' house, were encroaching on public land. Since June of 1998, the resort has operated under a Special Land Use Permit, which temporarily authorizes Mr. Williams' use of the public land in question and allows the BLM to collect a fair market rent.

In June of 1997, the BLM began working to sell Mr. Williams 10 acres of land in order to resolve the encroachment issue. In September of 1997, the BLM published A Notice of Intent to Prepare a Land Use Plan Amendment, the first step in the process that would have adjusted the boundary of the Sand Mountain Wilderness Study Area and allowed the BLM to sell approximately 10 acres to the Sand Hills Resort. Unfortunately, the local BLM office was not able to move forward with the plan amendment due to concerns that the proposed sale violated the BLM's Interim Management Policy for Wilderness Study Area Management.

Until the encroachment issue is resolved, Mr. Williams cannot gain clear title to his property, preventing him from obtaining a loan against the property or making improvements to the property. Furthermore, this prevents Mr. Williams or his family from selling the resort, placing an undue financial hardship on Mr. Williams and his family.

H.R. 2818 is a win-win solution to this longstanding issue. The Resources Committee and the administration support it, and I urge my colleagues to support this bipartisan, common sense legislation.

Madam Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Madam Speaker, I yield myself such time as I might consume.

The problem this bill is intended to address is the result of two different but related mistakes. The first mistake was to include this small parcel of private property within the boundaries of a Wilderness Study Area. The second was the encroachment onto Federal lands by the Sand Hills Resort. The Bureau of Land Management might have resolved the encroachment administratively had the area not been within a Wilderness Study Area. Thus, the two mistakes compounded each other.

Clearly, the sale of part of a WSA raises serious concerns. We would strongly oppose any legislation authorizing such a sale to a landowner who had purposely trespassed on Federal land as a means of eventually acquiring property that might not otherwise have been available for disposal.

Unfortunately, determining precisely what this landowner knew or should have known and when he knew or should have known it would require an investigation of events that transpired more than 30 years ago. Further, it appears the property lines in this area of shifting sand dunes have only recently been established conclusively, and a certain amount of confusion is not surprising.

Therefore, allowing this landowner to purchase a small parcel for fair market value seems a reasonable solution to a difficult problem, and therefore we will not oppose H.R. 2818.

Madam Speaker, I have no further speakers on this bill, and I yield back the balance of my time.

Mr. SIMPSON. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Idaho (Mr. SIMPSON) that the House suspend the rules and pass the bill, H.R. 2818.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CARIBBEAN NATIONAL FOREST WILD AND SCENIC RIVERS ACT OF 2002

Mr. SIMPSON. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3954) to designate certain waterways in the Caribbean National Forest in the Commonwealth of Puerto Rico as components of the National Wild and Scenic Rivers System, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3954

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Caribbean National Forest Wild and Scenic Rivers Act of 2002".

SEC. 2. WILD AND SCENIC RIVER DESIGNATIONS, CARIBBEAN NATIONAL FOREST, PUERTO RICO.

(a) FINDINGS.—The Congress finds the following:

(1) In the revised land and resource management plan for the Caribbean National Forest/Luquillo Experimental Forest, approved April 17, 1997, and the environmental impact statement prepared as part of the plan, the Secretary of Agriculture examined the suitability of rivers within the Caribbean National Forest/Luquillo Experimental Forest for inclusion in the National Wild and Scenic Rivers System.

(2) Based on such examination, the Rio Icacos, Rio Mameyes, and Rio de La Mina were found to be free flowing waterways and to possess outstandingly remarkable scenic, recreational, geological, hydrological, biological, historical, and cultural values, and, therefore, to qualify for addition to the National Wild and Scenic Rivers System.

(b) DESIGNATIONS.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding at the end the following new paragraph:

"(   ) RIVERS OF CARIBBEAN NATIONAL FOREST, PUERTO RICO.—

"(A) RIO MAMEYES.—The segment of approximately 4.5 miles from its headwaters in the Baño de Oro Research Natural Area to the boundary of the Caribbean National Forest, to be administered by the Secretary of Agriculture as follows:

"(i) As a wild river from its headwaters in the Baño de Oro Research Natural Area to the crossing point of Trail No. 24/11 (approximately 500 feet upstream from the confluence with the Rio de La Mina), a total of approximately 2.1 miles.

"(ii) As a scenic river from the crossing point of Trail No. 24/11 to the access point of Trail No. 7, a total of approximately 1.4 miles.

"(iii) As a recreational river from the access point of Trail No. 7 to the national forest boundary, a total of approximately 1.0 miles.

"(B) RIO DE LA MINA.—The segment of approximately 2.1 miles from its headwaters to its confluence with the Rio Mameyes, to be administered by the Secretary of Agriculture as follows:

"(i) As a recreational river from its headwaters in the El Yunque Recreation Area downstream to La Mina Falls, a total of approximately 0.9 miles.

"(ii) As a scenic river from La Mina falls downstream to its confluence with the Rio Mameyes, a total of approximately 1.2 miles.

"(C) RIO ICACOS.—The segment of approximately 2.3 miles from its headwaters to the boundary of the Caribbean National Forest, to be administered by the Secretary of Agriculture as a scenic river.".

(c) SPECIAL MANAGEMENT CONSIDERATIONS.—

(1) CERTAIN PERMITTED ACTIVITIES.—Subject to paragraph (2), the amendment made by the subsection (b) and the applicability of the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.) to the river segments added to the National Wild and Scenic Rivers System by the amendment shall not be construed to prevent any of the following activities within the boundaries of the river segments:

(A) Installation and maintenance of hydrologic, meteorological, climatological, or atmospheric data collection and transmission facilities, or any combination of such facilities, when the Secretary of Agriculture determines that such facilities are essential to the scientific research purposes of the Luquillo Experimental Forest.

(B) Construction and maintenance of nesting structures, observation blinds, and population monitoring platforms for threatened and endangered species.

(C) Construction and maintenance of trails to such facilities as necessary for research purposes and for the recovery of threatened and endangered species.

(2) CONDITIONS.—The activities authorized by paragraph (1) shall be subject to such conditions as the Secretary considers desirable. The Secretary shall ensure that the scale and scope of such activities within the boundaries of a river segment added to the National Wild and Scenic Rivers System by the amendment made by the subsection (b) are not detrimental to the characteristics of the river segment that merited its designation as a wild, scenic, or recreational river.

(d) PRESERVATION OF COMMONWEALTH AUTHORITY.—Nothing in this section or the amendment made by this section shall be construed to limit the authority of the Commonwealth of Puerto Rico over waters and natural channels of public domain pursuant to the laws of the Commonwealth of Puerto Rico.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Idaho (Mr. SIMPSON) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, Resident Commissioner ACEVEDO-VILÁ introduced and amended H.R. 3954, the Caribbean National Forest Wild and Scenic Rivers Act of 2002. The purpose of this Act is to designate three rivers within the Caribbean National Forest as Wild and Scenic Rivers.

These three rivers were recommended for wild and scenic designation in the Revised Land and Resource Management Plan for the Caribbean National Forest. This act is supported by the Committee on Resources and the administration. I urge my colleagues to favorably support this legislation.

Madam Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the Caribbean National Forest Wildlife and Scenic Rivers Act of 2002 was introduced by the gentleman from Puerto Rico (Mr. ACEVEDO-VILÁ), my friend and the distinguished Representative of the Commonwealth of Puerto Rico, on March 13, 2002.

The bill would designate approximately 9.9 miles of three rivers, Rio Mameyes, Rio De La Mina, and Rio Icacos, within the Caribbean National Forest in Puerto Rico as components of the National Wild and Scenic River System. The Forest Service found these river segments eligible and suitable for designation as National Wild and Scenic Rivers in a study completed in 1997.

The administration supports this bill, and I want to congratulate my colleague, the Resident Commissioner of Puerto Rico, for his efforts and hard work on this bill, and I urge its adoption.

Madam Speaker, I reserve the balance of my time.

□ 1530

Mr. SIMPSON. Madam Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Madam Speaker, I yield such time as he may consume to the gentleman from Puerto Rico (Mr. ACEVEDO-VILÁ, the Resident Commissioner of Puerto Rico.

Mr. ACEVEDO-VILÁ. Madam Speaker, I introduced H.R. 3954 to provide maximum protection for three extraordinary rivers that run through the tropical forest lands of the Caribbean National Forest known in Puerto Rico as El Yunque. By further protecting the Rio Mameyes, the Rio Icacos, and the Rio de La Mina, Puerto Ricans and visitors to the Commonwealth would be able to enjoy these wonderful rivers in their free-flowing natural state for generations to come. These rivers have outstanding characteristics, including wonderful waterfalls, inviting pools, and large boulders. They also provide critical habitat for endangered species and sensitive tropical plant species.

It is the intent of the Wild and Scenic Rivers Act of 1968 to preserve rivers and sections thereof, to protect the water quality of such rivers, and to fulfill other vital conservation purposes. This legislation will protect three rivers in El Yunque from every possible encroachment, including the urban interface, development and business interests, and pollution. Wild and scenic designation will provide maximum protection for these beautiful rivers that make up a significant part of the experience of visiting El Yunque.

I want to thank the chairman of the Committee on Resources, the gentleman from Utah (Mr. HANSEN), the ranking member, the gentleman from West Virginia (Mr. RAHALL), and all my colleagues on the committee for supporting this bill. I ask for my colleagues' support of the Caribbean Wild and Scenic Rivers Act of 2002, and invite them to visit El Yunque upon their next visit to Puerto Rico. It is the only tropical rain forest within the national forest system and the only managed rain forest in the world. So the next time my colleagues visit Puerto Rico, I invite them to go, and I urge all my colleagues to vote in favor of this bill.

Madam Speaker, first I want to thank Chairman HANSEN, Ranking Member RAHALL, Subcommittee Chairman MCINNIS, Subcommittee Ranking Member INSLEE and all of my colleagues on the Resources Committee who have supported this laudable legislation.

I am proud that the House will consider H.R. 3954—The Caribbean National Forest Wild and Scenic Rivers Act of 2002. Should you not yet be familiar, I encourage you to visit El Yunque upon your next visit to Puerto Rico. I am sure you will agree that El Yunque, the only tropical rain forest within the U.S. National Forest System, is a natural wonder and unique resource that we must preserve, and protect forever. El Yunque is the only managed rain forest on earth, and with this distinction comes heightened responsibility in my opinion, to fully protect this important resource. The enactment of this bill, along with the wilderness legislation (H.R. 3955) approved by the Committee last month, will help ensure that the natural integrity of El Yunque is preserved for the 1 million annual visitors to the CNF for generations to come.

H.R. 3954 would preserve and protect three rivers that flow within the boundaries of El Yunque. It is the intent of the Wild and Scenic Rivers Act of 1968 to preserve rivers and sections thereof to protect the water quality of such rivers and to fulfill other vital national conservation purposes. It is within this intent that I have introduced this bill, and I am fully committed to the preservation of these beautiful rivers. While there are additional rivers within El Yunque that have received wild and scenic designation recommendations, the areas of these rivers are covered under H.R. 3955 through wilderness designation, or are within the existing Baño de Oro Natural Area. Therefore, I have followed recommendations to focus on rivers running outside of the proposed El Toro wilderness Area and outside of existing natural areas.

The three rivers that would be designated under this act were all recommended for inclusion under the National Wild and Scenic Rivers System by the revised land and resource management plan for the CNF, approved April 17, 1997. This management plan was the basis for the introduction of this bill, and I ask for your support during its consideration.

The three rivers include the Rio Mameyes, the Rio Icacos, and the Rio de La Mina. All three have outstanding characteristics and make up an integral part of the experience when visiting the forest.

The Rio Mameyes offers outstanding scenic, biological and recreational values to visitors. It flows over large boulders and numerous waterfalls, forming enjoyable pools. Trails run along gorges that descend through the forest. The water quality along the upper segment is optimum, with no interference from human encroachment.

The Rio Mameyes provides important habitat for the Puerto Rican Parrot and Puerto Rican Boa, both endangered species. Furthermore, the endangered Broad-winged and Sharp-shinned Hawks, and the threatened Peregrine Falcon, are also known to use this area. The Mameyes system enjoys the highest natural aquatic diversity and species richness of any forest watershed. The Mameyes remains the only uninterrupted, free flowing river in Puerto Rico.

The Rio de la Mina is judged as eligible based on its outstanding scenic, recreation, biological and historic values. Like the Mameyes, the Rio de La Mina descends over boulders and waterfalls, forming rapids and pools. Trails parallel the river and provide for numerous recreation areas. The most spectacular waterfalls in the forest exist along the Rio de la Mina. These falls, known as La Mina Falls, play an important role in promoting Puerto Rico as a prime vacation destination. The water quality is good within the proposed designation area. The Rio de la Mina also provides habitat for endangered animal and plant species.

The Rio Icacos is judged as eligible based on its outstanding scenic, historic, cultural and ecological values. The Rio Icacos has some of the most varied terrain of any of El Yunque's rivers. Near the headwaters, the gradient is less steep than further downstream where it also descends over boulders and waterfalls. In the upper section, the streambed exhibits a unique sandy bed due to its origin in the upper, flatter section. The palm forest is very striking along the bank, more so than in any other area of the forest. Water quality is high within the proposed designation area. Endangered animal and plant species are present within the proposed area.

With your support, these wild and scenic river designations in El Yunque can become a reality this year. Please let me know when and if you will visit the Caribbean National Forest. Puerto Ricans take great pride in El Yunque, and I assure you it is worth the trip to visit.

Mrs. CHRISTENSEN. Madam Speaker, I yield myself such time as I may consume to once again commend the gentleman from Puerto Rico for his hard work on this bill.

Madam Speaker, I yield back the balance of my time.

Mr. SIMPSON. Madam Speaker, I yield myself such time as I may consume to also commend the gentleman from Puerto Rico.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentleman from Idaho (Mr. SIMPSON) that the House suspend the rules and pass the bill, H.R. 3954, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SIMPSON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the three bills just considered, H.R. 3908, H.R. 2818, and H.R. 3954.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

EXPRESSING REGRET AND SYMPATHY FOR FAMILIES OF CANADIAN SOLDIERS WHO LOST THEIR LIVES IN SOUTHERN AFGHANISTAN

Mr. HOUGHTON. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 412) expressing regret and sympathy for the families of the 4 Canadian soldiers who lost their lives on April 17, 2002, in a friendly-fire incident in southern Afghanistan.

The Clerk read as follows:

H. RES. 412

Whereas since the terrorist attacks on the United States on September 11, 2001, the Government and people of Canada have offered their steadfast support to the United

States in the international war against terrorism;

Whereas this support is in defense of the values that define and unite the United States and Canada;

Whereas the Government of Canada has also provided significant military support to the international war against terrorism, first deploying troops to Afghanistan in October 2001;

Whereas on January 7, 2002, the Government of Canada announced it would be sending an additional 750 troops to Afghanistan from the 3rd Battalion of the Princess Patricia's Canadian Light Infantry Battle Group to support the coalition against terrorism;

Whereas on April 17, 2002, 4 Canadian soldiers from that battalion were killed and 8 others were wounded in a friendly-fire incident in southern Afghanistan;

Whereas the Canadian soldiers who lost their lives were Sergeant Marc D. Leger of Lancaster, Ontario, Corporal Ainsworth Dyer of Montreal, Quebec, Private Richard A. Green of Edmonton, Alberta, and Private Nathan Smith of Tatamagouche, Nova Scotia;

Whereas the people of the United States value the friendship and goodwill of the people of Canada; and

Whereas President Bush has offered his sorrow and sympathy to the Government and people of Canada for this tragedy: Now, therefore, be it

Resolved, That the House of Representatives—

(1) praises the performance and heroism of Canadian soldiers;

(2) extends its regret and sympathy to the families of the 4 Canadian soldiers who lost their lives and others who suffered injury on April 17, 2002, in a friendly-fire incident in southern Afghanistan, and to the Government and people of Canada for their loss; and

(3) reaffirms the Nation's appreciation for Canada's strong support and commitment to the war against terrorism.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. HOUGHTON) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. HOUGHTON).

GENERAL LEAVE

Mr. HOUGHTON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 412.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOUGHTON. Madam Speaker, I yield myself such time as I may consume.

I would like to talk a little bit informally, Madam Speaker, about the situation which has affected us all, and I know that the gentleman from California (Mr. LANTOS) will be doing the same thing, and I am delighted to be associated with my friend, the gentleman from California (Mr. LANTOS).

As we all know, on April 17, four Canadian soldiers were killed and eight Canadian soldiers were wounded by an American bomb that was mistakenly dropped on a Canadian training exercise near Kandahar in Afghanistan. I would like to read the names of the Canadian soldiers who are from the Third Battalion, the Princess Pat's Canadian Light Infantry Battle Group.

Before I read those names, I would like to just say that I grew up on stories of the Princess Pat's Regiment. It was a famous regiment. A great older friend of mine was in it in World War I and described some of the great battles that went on. So it is a very, very distinguished group.

The names of the soldiers are Sergeant Marc D. Leger of Lancaster Ontario; Corporal Ainsworth Dyer of Montreal, Quebec; Private Richard A. Green of Edmonton, Alberta; and Private Nathan Smith of Tatamagouche, Nova Scotia.

Now, as many of us know, these soldiers had been in Afghanistan since late January as part of Operation Apollo, which was Canada's military complement to the campaign against terrorism. The casualties were especially difficult for the Canadian people as well as ourselves not only because of the circumstances surrounding the incident but because these are the first Canadian soldiers killed since the Korean War.

President Bush expressed his deepest sorrow and sympathy to the families and to the people of Canada both in a letter to Prime Minister Chretien and several times in public, and the Senate has also passed a similar resolution.

There is an investigation underway to determine the exact circumstances of the incident in Afghanistan. This, sadly, will not bring the soldiers back, but it is something we want to know. And we are doing this really to let Canada understand that we are deeply sorry for their loss and we do not want anything to get in the way of our historical friendship and alliance.

It is awfully difficult, because many times in pursuing a war or pursuing some sort of activity for the national good, you hurt your friends, you hurt yourself. And how do you say you are sorry? This is one of the ways of trying to express our sorrow and our association with people.

Canada has always been there for us in times of trouble. For example, after September 11, I remember going down to New York City when Senator Jerry Grafstein organized 25,000 Canadians in New York to express their solidarity with the United States. It was a wonderful, moving time. The fire department and the police department of New York and Toronto, Mayor Guiliani, Prime Minister Chretien were there, and it was the type of thing that you would like to see of a friend. So this incident with the four Canadian soldiers makes it even more difficult for us.

I always remember during those difficult days with the Iran hostages, the Canadians were always there with us; made heroic feats in trying to save some of the American citizens.

In a week, some of us are going to go to Rhode Island and meet with the Canadians on our usual American-Canadian session where we exchange ideas and issues and problems and opportunities, and we will have a chance personally to be able to express, as some of us have already done on the phone, to our Canadian friends. But it just seemed to some of us that it was important that here in the well of the House, officially, to tell our Canadian friends how terribly, terribly sorry we are.

What are we all striving for? What are we doing? What is our search for fairness and for decency and for peace? We are all trying to make a difference. Those people who died made the supreme difference, and we are just honored to know that they are citizens and their families are citizens of this great North American Continent, and we would like to express our condolences and our feelings to those families.

Madam Speaker, I would now like to add my voice to the many others who have also expressed their sentiments.

Madam Speaker, I reserve the balance of my time.

Mr. LANTOS. Madam Speaker, I yield myself such time as I may consume, and I rise in strong support of H. Res. 412.

Madam Speaker, I would like to commend first the gentleman from Illinois (Mr. HYDE) for expediting consideration of this important measure, and I want to applaud the efforts of my dear friend and colleague, the gentleman from New York (Mr. HOUGHTON), who for many years has worked tirelessly to build and maintain the strong bonds that unite the United States and Canada.

Madam Speaker, in World War II, Canadian troops fought side by side with American soldiers to defeat fascism in Nazi Germany. During the Korean War, Canadian volunteers joined United Nations forces to help protect South Korea from communism. Last year, Canada once again sent its finest sons and daughters into harm's way, this time to combat international terrorism in Afghanistan.

Since the beginning of the year, approximately 800 Canadian troops have helped secure Kandahar and protected relief operations in that entire area. Unfortunately, as we all know, a terrible accident occurred recently. In the early morning of April 17, an American F–16 pilot accidentally dropped a laser-guided bomb on Canadian troops who were conducting combat exercises in a designated training area near their base south of Kandahar.

Sergeant Marc Legere, Corporal Ainsworth Dyer, Private Richard Green and Private Nathan Smith perished in that accident. Eight other brave Canadian soldiers were wounded in the explosion.

Madam Speaker, on behalf of all of us on this side, I wish to extend our heartfelt condolences to the families and loved ones of these wonderful Canadian soldiers. We also want to express our deepest sympathies to a grieving nation.

Although we will have to await the findings of the ongoing investigations to learn how this terrible tragedy occurred and what can be done to prevent its recurrence, several points are already clear. The United States and Canada and our respective peoples continue to enjoy what is one of the most powerful, unwavering friendships that spans generations and can withstand even the most challenging tribulations.

As a result, our two great nations stand together in their eternal commitment to defend freedom, democracy, the right of civilized societies to live in peace and security; a right that in the 21st century is being threatened by global terrorism. In the fight against global terrorism, Canada, as always, is shouldering a heavy burden and making major sacrifices. We all appreciate this enormous contribution and we will never forget it.

Madam Speaker, with Canada's continued help, and the assistance of our other friends and allies, I am fully confident that we will vanquish the scourge of terrorism forever. I invite all of my colleagues to join me in a salute to the 12 heroes of Canada by voting in favor of this resolution.

Madam Speaker, I yield such time as he may consume to the distinguished gentleman from New York (Mr. LAFALCE), my good friend, the ranking Democratic member on the Committee on Financial Services.

Mr. LAFALCE. Madam Speaker, I have the great honor of representing Niagara Falls, New York, and about 60 seconds across the Rainbow Bridge, the Lewiston-Queenston Bridge and the Whirlpool Bridge stands Niagara Falls, Ontario and Queenston, Ontario. I have the great honor of representing the City of Buffalo, and across the Peace Bridge stands Fort Erie, Ontario.

Between the Americans that abut the Canadian border and the Canadians that abut the American border, there is a common and virtually universal feeling of brotherhood and sisterhood.

□ 1545

We feel as if the Canadians are our brothers and sisters, and I think most Canadians feel as if we are their brothers and sisters. This has been shown countless ways and countless times throughout our history; but I do not think that it was ever shown more than on September 11, because when we wept in Buffalo and Niagra Falls, they wept just as much in Fort Erie and Niagara Falls, Canada, because when we were attacked, they felt they were attacked. When our brothers and sisters were killed, they believed that their brothers and sisters were killed.

Madam Speaker, they acted as brothers and sisters did. They took our planes and took our people, and they enlisted in the fight and combat against terrorism wherever and whenever they could, in greater percentage numbers than we have participated, in all candor, including in the fields of Afghanistan.

I guess the only thing that is worse than seeing a brother or sister killed is when we, by inadvertence, are responsible for it. No words could express our sorrow, but we must make that effort. On behalf of all of the people of my district, and through this resolution on behalf of every single American, we say to every single Canadian, we are so, so sorry.

Ms. SLAUGHTER. Madam Speaker, I rise today to express my humblest condolences to our Canadian neighbors on the deaths of four Canadian soldiers who died on April 17, 2002.

The people of Canada and their Government have offered their stalwart support to our country in the international war against terrorism. We are indebted to the Canadian people and wish to express our deepest gratitude for their efforts.

On April 17, four Canadian soldiers from the 3rd Battalion of the Princess Patricia's Canadian Light Infantry Battle Group were killed and eight others were wounded in a "friendly-fire" incident in southern Afghanistan when they were mistakenly fired upon by American troops. These Canadian soldiers made the supreme sacrifice in defense of liberty and democracy.

Americans are deeply grateful for Canada's staunch support and firm commitment to the war against terrorism. The friendship of the Canadian people has helped America through her own dark hours. I hope that our friendship and support will help the people of Canada through this dreadful event.

We should do all we can to improve the safety of coalition troops in Afghanistan. I strongly favor the conduct of a thorough and timely investigation to determine how this terrible accident occurred in Afghanistan. Casualties due to friendly fire have been called the "unfortunate part of war." We should do whatever it takes to prevent these tragedies and to eliminate this most unfortunate part of war. Even though war is always unpredictable, Canadians and Americans want to know what the exact circumstances were that led to the deaths of these capable and brave soldiers, so other incidents like this one can be averted in the future.

I extend my condolences to the victims' families in Canada, and I express my support to Canadians in this difficult time. I offer my sorrow and sympathy to the Government and people of Canada for this shocking tragedy and truly regret the events that led to the deaths of these fine men.

Mr. BEREUTER. Madam Speaker, this Member rises to express his support for H. Res. 412, a bill expressing the House's regret and sympathy to the families of the four Canadian soldiers who lost their lives and the eight Canadian soldiers who were wounded on April 17, 2002, in a "friendly-fire" mistake in southern Afghanistan. Additionally, this Member would like to express his appreciation for the efforts of the very distinguished gentleman from New York (Mr. HOUGHTON) in drafting this legislation.

Madam Speaker, Canada is a steadfast ally and true friend of the United States. In October 2001, less than one month after the horrific and unspeakable terrorist attacks of September 11th, Ottawa, Canada, served as the host city for the fall meetings of the North Atlantic Treaty Organization Parliamentary Assembly (NATO PA). As leader of the House Delegation to the NATO PA, this Member was very grateful for the unwavering support offered by the Canadian parliamentarians to the U.S. for the war on terrorism. Despite their recognition of the dangers involved in sending their armed forces to assist with the war, the Canadians were the strongest supporters of the assembly's endorsement of the use of force against the terrorists and were willing to contribute troops for missions in Afghanistan.

Indeed, the loss of four Canadian soldiers who were killed by a bomb from an American F–16 aircraft in a friendly-fire mistake is a tragic loss which the U.S. and Canada, as steadfast neighbors and true allies, mourn together. Last week, this Member and many of his colleagues were able to express their personal condolences to the Honorable Peter Milliken, the Speaker of the House of Commons of Canada. It is fitting that this body, through this resolution, expresses its condolences to the families of the Canadian families who lost their loved ones in the tragic incident.

Madam Speaker, this Member encourages his colleagues to vote for H. Res. 412.

Mr. HYDE. Madam Speaker, I rise today in support of H. Res. 412 of offer my deepest condolences to all Canadians, especially the families and friends of Sergeant Marc D. Leger, Corporal Ainsworth Dyer, Private Richard A. Green, and Private Nathan Smith, who gave their lives in the service of defending freedom and security in Operation Enduring Freedom on April 17, 2002, in Afghanistan.

Eight other servicemen were also wounded in this incident. This tragic accident reminds us that our coalition partners remain willing to send their men and women in uniform in harm's way so that our freedoms may prevail. These Canadians have made the ultimate sacrifice on behalf of all peace-loving people, and my prayers are with their families and loved ones during this difficult time.

After America was so brutally attacked, I addressed the House of Representatives during consideration of H.J. Res. 61, which expressed the sense of the House of Representatives and Senate regarding the assault. I quoted Winston Churchill, whose words are just as salient today as they were then. He wrote, "Civilization will not last, freedom will not survive, peace will not be kept, unless a very large majority of mankind unite together to defend them."

Canada has always been our country's closest ally and friend. Since the terrorist attacks on September 11th, she has offered her steadfast loyalty and support in defense of the values that define and unite us. Canada's leadership during this trying time is invaluable to the American people. We will continue our common defense in unity to defeat the enemy who wishes to destroy freedom.

May God bless Canada and her fallen soldiers who served her with such courage and dignity. We indeed are a safer Nation because of these soldiers and those who continue to serve in our Nations' Armed Forces.

I want to commend my colleague from New York, Mr. HOUGHTON, for this important expression of sympathy. I urge my colleagues to support this passage. Canada shall remain our closest ally and friend.

Mr. LANTOS. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HOUGHTON. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentleman from New York (Mr. HOUGHTON) that the House suspend the rules and agree to the resolution, H. Res. 412.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO SUDAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 107-209)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I am providing herewith a 6-month periodic report prepared by my administration on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

GEORGE W. BUSH.

THE WHITE HOUSE, *May 7, 2002.*

COMMUNICATION FROM CHAIRMAN, COMMITTEE ON ENERGY AND COMMERCE

The SPEAKER pro tempore laid before the House the following communication from the Honorable W.J. "BILLY" TAUZIN, Chairman, Committee on Energy and Commerce.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, May 3, 2002.

Hon. J. DENNIS HASTERT,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House, that I have determined that a subpoena for documents issued from the United States District Court for the Southern District of Texas to the Committee on Energy and Commerce is not consistent with the privileges and rights of the House. Accordingly, I have instructed the Office of General Counsel to move to quash the subpoena.

Sincerely,

W.J. "BILLY" TAUZIN,
Chairman.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 5 p.m.

Accordingly (at 3 o'clock and 50 minutes p.m.), the House stood in recess until approximately 5 p.m.

□ 1700

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BIGGERT) at 5 p.m.

AUCTION REFORM ACT OF 2002

Mr. UPTON. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4560) to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting, as amended.

The Clerk read as follows:

H.R. 4560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Auction Reform Act of 2002".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Circumstances in the telecommunications market have changed dramatically since the auctioning of spectrum in the 700 megahertz band was originally mandated by Congress in 1997, raising serious questions as to whether the original deadlines, or the subsequent revision of the deadlines, are consistent with sound telecommunications policy and spectrum management principles.

(2) No comprehensive plan yet exists for allocating additional spectrum for third-generation wireless and other advanced communications services. The Federal Communications Commission should have the flexibility to auction frequencies in the 700 megahertz band for such purposes.

(3) The study being conducted by the National Telecommunications and Information Administration in consultation with the Department of Defense to determine whether the Department of Defense can share or relinquish additional spectrum for third-generation wireless and other advanced communications services will not be completed until after the June 19th auction date for the upper 700 megahertz band, and long after the applications must be filed to participate in the auction, thereby creating further uncertainty as to whether the frequencies in the 700 megahertz band will be put to their highest and best use for the benefit of consumers.

(4) The Federal Communications Commission is also in the process of determining how to resolve the interference problems that exist in the 800 megahertz band, especially for public safety. One option being considered for the 800 megahertz band would involve the 700 megahertz band. The Commission should not hold the 700 megahertz auction before the 800 megahertz interference issues are resolved or a tenable plan has been conceived.

(5) The 700 megahertz band is currently occupied by television broadcasters, and will be so until the transfer to digital television is completed. This situation creates a tremendous amount of uncertainty concerning when the spectrum will be available and reduces the value placed on the spectrum by potential bidders. The encumbrance of the 700 megahertz band reduces both the amount of money that the auction would be likely to produce and the probability that the spectrum would be purchased by the entities that valued the spectrum the most and would put the spectrum to its most productive use.

(6) The Commission's rules governing voluntary mechanisms for vacating the 700 megahertz band by broadcast stations—

(A) produced no certainty that the band would be available for advanced mobile communications services, public safety operations, or other wireless services any earlier than the existing statutory framework provides; and

(B) should advance the transition of digital television and must not result in the unjust enrichment of any incumbent licensee.

SEC. 3. REPEAL OF DEADLINES FOR SPECTRUM AUCTIONS.

(a) COMMUNICATIONS ACT OF 1934.—Section 309(j)(14)(C)(ii) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)(C)(ii)) is amended by striking the second sentence.

(b) BALANCED BUDGET ACT OF 1997.—Section 3007 of the Balanced Budget Act of 1997 (111 Stat. 269) is amended by adding at the end the following new sentence: "This section shall not apply to the band of frequencies between 698 and 806 megahertz, inclusive.".

(c) CONSOLIDATED APPROPRIATIONS ACT.—Paragraphs (2) and (3) of section 213(a) of H.R. 3425 of the 106th Congress, as enacted into law by section 1000(a)(5) of an Act making consolidated appropriations for the fiscal year ending September 30, 2000, and for other purposes (Public Law 106-113; 113 Stat. 1501A-295), are repealed.

SEC. 4. TERMINATION OF SCHEDULED AUCTIONS.

(a) TERMINATION.—The Federal Communications Commission shall not commence or conduct auctions 31 and 44 on June 19, 2002, as specified in the public notices of March 19, 2002, and March 20, 2002 (DA 02-659 and DA 02-563).

(b) REPORT.—Within one year after the date of enactment of this Act, the Commission shall submit a report to the Congress—

(1) specifying when the Commission intends to reschedule auctions 31 and 44; and

(2) describing the progress made by the Commission in the digital television transition and in the assignment and allocation of additional spectrum for advanced mobile communications services that warrants the scheduling of such auctions.

SEC. 5. COMPLIANCE WITH AUCTION AUTHORITY.

The Federal Communications Commission shall conduct rescheduled auctions 31 and 44 prior to the expiration of the auction authority under section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)).

SEC. 6. PRESERVATION OF BROADCASTER OBLIGATIONS.

Nothing in this Act shall be construed to relieve television broadcast station licensees of the obligation to complete the digital television service conversion as required by section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. UPTON) and the gentleman from Massachusetts (Mr. MARKEY) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. UPTON).

GENERAL LEAVE

Mr. UPTON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. UPTON. Madam Speaker, I yield myself such time as I may consume.

The Auction Reform Act of 2002 will eliminate the statutory deadlines that have prompted the FCC to schedule auctions in June for spectrum in the 700 megahertz band currently occupied by television broadcasters.

This legislation should not be necessary to stop the FCC from conducting the auctions in June. The FCC currently has the authority to delay these auctions and should do so on its own, many of us believe, but in addition to asking the FCC to use its own authority to delay the auctions, 52 members of the Committee on Energy and Commerce introduced this legislation to remove the deadlines from the statutes. Madam Speaker, I am delighted to report that the bill was passed by voice vote by the Committee on Energy and Commerce just last week.

It is true that the auction of the upper portion of the 700 megahertz band has been delayed five times, but, Madam Speaker, conducting the auctions for both the upper and lower parts of the 700 megahertz band in June would be bad telecommunications policy and bad spectrum policy. These auctions should not go forward.

Let me address some of the reasons why these auctions should not take place.

One, no comprehensive plan exists for allocating additional spectrum for third generation wireless and other advanced mobile communications services. The 700 megahertz band may prove to be the commercial mobile wireless commercial industry's only viable option for obtaining additional spectrum for advanced mobile communications services if spectrum from other bands below 3 gigahertz is not allocated for such purposes.

Two, the study being conducted by the National Telecommunications and Information Administration, NTIA, and the Pentagon to determine whether the Pentagon can share or relinquish additional spectrum for third generation wireless and other advanced mobile communications services will not be completed until after the June 19 auction date for the upper 700 megahertz band and long after the applications must be filed to participate in the auction.

Third, it is difficult for wireless carriers to make sound business decisions concerning what options are available for spectrum for third generation and other advanced mobile communications services until the NTIA/Pentagon report has been released and then evaluated.

Fourth, the Commission is also in the process of determining how to resolve the interference problems that exist in the 800 megahertz band, especially for public safety. One option being considered for the 800 megahertz band would involve the 700 megahertz band. The Commission should not hold the 700 megahertz auction before the 800 megahertz interference issues are resolved or a viable plan has been approved.

Next, the 700 megahertz band is still occupied by TV broadcasters and will be so until the digital transition is complete. This situation creates a tremendous amount of uncertainty concerning when the spectrum will be available and reduces the value placed on the spectrum by potential bidders. The encumbrance of the 700 megahertz band reduces both the amount of money that the auction would be likely to produce and the probability that the spectrum would be purchased by the entities that valued the spectrum the most and would put the spectrum to its most productive use.

Last, Madam Speaker, the Commission's rules governing voluntary mechanisms for the vacation of the 700 megahertz band by the broadcasters produced no certainty that the band would be available for advanced mobile communications services, public safety operations and other purposes any earlier than the existing statutory framework provides.

Madam Speaker, the FCC and the administration clearly have a lot of work to do with respect to allocating and assigning additional spectrum for advanced mobile communications services and with respect to speeding the transition to digital TV. Until more progress is made in these areas, the 700 megahertz band auction simply should not occur.

The FCC should use its own authority to delay these auctions, and we are making clear that holding the auctions within the FCC's designated time frame is contrary to both sound regulatory policy and contrary to the Communications Act.

Madam Speaker, I reserve the balance of my time.

Mr. MARKEY. Madam Speaker, I yield myself as much time as I may consume.

I do so in order to compliment the gentleman from Michigan (Mr. UPTON) for his excellent work on this legislation, along with the gentleman from Louisiana (Mr. TAUZIN), the chairman, and the gentleman from Michigan (Mr. DINGELL), the ranking member.

This legislation has very broad based support across party lines, across ideological lines. It is a critical piece of legislation to pass.

Madam Speaker, the reason that we are here today is to take action to correct a mess that Congress created in 1997, when Congress and the Clinton administration used illusory spectrum revenues to cook the books when it enacted the flawed 1997 Balanced Budget Act. Simply put, the Clinton OMB and Congressional budget scorekeepers put the cart before the horse.

The 1997 proposal required the FCC to auction off the airwave frequencies occupied by television channels 52 to 69 many years before those airwave channels were due to be clear of those incumbent broadcasters, and the 1997 law contained no provisions to assure would-be bidders or taxpaying consumers that the digital TV transition would be timely and successful.

Instead, the budgeteers simply assumed that everything would work out and pushed for auctions on a calendar date convenient for scoring purposes of all the revenue that would come in from holding the auction. Forget about telecommunications policy, though.

Today we know that the digital TV transition is woefully off schedule. The current FCC policy for clearing out the broadcast television spectrum in the area of 52 to 69 channels on our dial seems to be to simply sell off the frequencies and then authorize unseemly windfall profits to the lucky incumbents who, having gotten digital television spectrum for free, only elect to vacate their old analog channels for a price paid to them by auction winners.

Under this policy, the term "auction winner" may well be an oxymoron. What one wins by being the highest bidder in this auction is the right to be subjected to a high tech hold-up by the incumbent broadcaster who will not move unless paid. To make this FCC policy even worse is that when that broadcaster agrees to vacate the area for a handsome fee, the broadcaster may not even broadcast in digital format on its so-called digital pair, the digital spectrum which they have. It may obtain FCC permission to continue analog broadcasting, the same broadcasting we have had since 1948. We will just continue to see the highlights of the first 75 years of NBC broadcasting for the next 75 years and the same television channels with no new digital technology.

I think this whole notion offends most people's sensibility, and I think it underscores the fact that the Commission needs additional time to rethink its mission in this area.

Moreover, we also do not have anything remotely resembling an overarching spectrum plan to address key policy goals, such as fostering a more competitive wireless policy or enhancing public safety needs. We do not yet have a policy to promote new wireless services such as third generation, or 3G, mobile services or other innovative new wireless technologies and services for broadband connections of video applications.

The reality today is that our lack of progress in accelerating the digital television transition is holding two revolutions in check, both the interactive digital television market, which all Americans are waiting for, that inexpensive digital television set costing $300, $400 that they have been promised for 20 years, still not affordable to the average American family, still being denied to them by these terrible policies, and advancing the wireless market; that is, the two-way wrist TV that Dick Tracy and his cartoonist Chester Gould promised us in 1960. That still is not possible because we do not have a spectrum policy, and it really is turning into a telecommunications disaster. Disaster.

The utter failure to follow through effectively on the industrial policy we started when we gave the broadcast industry an extra 6 megahertz each, each, for the transition to digital technology means that we are literally holding back the future. No digital television and no third generation wireless. Unbelievable for a country which is supposed to be the leader in new technology.

We are now paralyzed as a Nation. We are stifling innovation. We are stunting growth and we are needlessly depressing the entire high tech sector of the American economy. We must free up this spectrum but in a way in which we know it is going to be used, both for digital TV and in the wireless area.

It is time to put the telecom policy horse in front of the auction cart. Today, we will pass legislation that wisely deletes the budget-mandated auction dates in the law and requires a report to Congress describing the progress made by the Commission in speeding the digital television transition, as well as identifying slices of spectrum for advanced wireless services, including mobile services such as 3G.

Again, I want to compliment the gentleman from Michigan (Mr. UPTON), along with the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Michigan (Mr. DINGELL) and all the members of our committee who are working together now on a policy that hopefully will now free up this spectrum. Unless the Federal Communications Commission begins to listen to us, unless the Bush administration starts to listen to us, then unfortunately all we are going to do is continue to repeat the mistakes that were made during the Clinton administration, and I am just afraid that we are not going to see this high tech sector, this telecommunications sector, this NASDAQ sector get off its back unless the Bush administration puts in place a set of policies that gives incentives to hundreds of companies and entrepreneurs across the country to once again invest in this high tech sector.

Madam Speaker, I reserve the balance of my time.

Mr. UPTON. Madam Speaker, I yield myself such time as I may consume.

I would just note that I am convinced that the Bush administration does not want to repeat the mistakes of the Clinton administration. I look forward to working with the gentleman as we deal with this issue in the future.

Mr. MARKEY. Madam Speaker, I yield myself such time as I may consume.

Up to this point there is no evidence that can convict the Bush administration of not repeating the same mistakes as the Clinton administration. The only problem is that this high tech boom ended in 2000 and that millions of Americans are now waiting for the next generation of technologies, and unless the policy is forthcoming from the Bush administration, I am afraid we could go through this entire decade and not see a revival.

I think that is a very dangerous prospect, and I am hoping today, on a bipartisan basis, we can send a message to the Bush administration that they can put together a comprehensive policy.

Madam Speaker, I yield back the balance of my time.

Mr. UPTON. Madam Speaker, I yield myself such time as I may consume.

I would just like to reiterate that Secretary Evans very strongly supports this legislation. We expect the President to sign it should we get it through the other body.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. UPTON) that the House suspend the rules and pass the bill, H.R. 4560, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

☐ 1715

SENSE OF CONGRESS REGARDING PUBLIC AWARENESS OF THE IMPORTANCE OF HEALTH CARE EDUCATION AND HEALTH CARE COVERAGE MONTH

Mrs. WILSON of New Mexico. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 271) expressing the sense of the Congress that public awareness and education about the importance of health care coverage is of the utmost priority and that a National Importance of Health Care Coverage Month should be established to promote these goals.

The Clerk read as follows:

H. CON. RES. 271

Whereas census estimates indicate that some 42 million Americans are without health insurance coverage, many of whom are among the most vulnerable of American citizens who can be financially devastated by serious illness, disease, or accident;

Whereas studies have shown that people with health insurance are healthier than those who are uninsured and receive care through emergency rooms or safety net health care services, because the insured are entitled to, and receive, more preventive care, follow-up care, and care for chronic conditions such as diabetes and high blood pressure;

Whereas over 17.3 million of the uninsured are employed, but are not offered health insurance through their employers;

Whereas such employers are small business owners who are often unaware of the benefits of offering insurance, including the fact that it is tax deductible, that it helps to reduce employee turnover, and that it helps to reduce employee sick days;

Whereas over 16 million people, more than one-third of the uninsured, are in families where at least one member of the family has been offered employer based health care coverage but has turned it down;

Whereas many citizens are eligible for public assistance programs such as the State Children's Health Insurance Program, known as SCHIP, and the Medicaid program, but are not currently enrolled due primarily to lack of outreach, education, and accessible enrollment processes;

Whereas studies have shown that many citizens and small businesses are unaware of the various options they have for obtaining affordable health care coverage;

Whereas surveys have shown that many individuals who cite expense as the reason for not purchasing insurance find it to be affordable once they are informed of the true cost of various options; and

Whereas education about health care coverage helps uninsured citizens and employers to understand the critical value of health insurance as a preventive measure, as well as the ways to keep their health insurance premiums manageable once they have health care coverage: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) a National Importance of Health Care Coverage Month should be established to promote a multifaceted educational effort about the importance of health care coverage, and to increase awareness of the many available health care coverage options, and

should include efforts to inform those eligible for public insurance programs of how to access those programs; and

(2) the President should issue a proclamation calling on the Federal Government, States, localities, citizens, and businesses of the United States to conduct appropriate programs, fairs, ceremonies, and activities to promote this educational effort.

The SPEAKER pro tempore (Mrs. BIGGERT). Pursuant to the rule, the gentlewoman from New Mexico (Mrs. WILSON) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentlewoman from New Mexico (Mrs. WILSON).

GENERAL LEAVE

Mrs. WILSON of New Mexico. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the legislation now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Mexico?

There was no objection.

Mrs. WILSON of New Mexico. Madam Speaker, I yield myself such time as I may consume.

There are more than 40 million people in America who do not have health insurance who are part of the workforce, despite widespread private insurance plans, as well as public availability of different kinds of programs in health insurance. These are the same people who are very likely to forego services like periodic checkups and preventive services and immunizations for their kids. They delay going to get health care. And, later, these same people show up in our health care systems with very acute conditions requiring costly medical attention and conditions that may have been entirely preventable with early detection.

Uninsured people are hospitalized at least 50 percent more often than the insured are for what are called avoidable hospital conditions, like pneumonia. They wait until the pneumonia gets so bad and they are so sick that they have to go to the emergency room when, if they went earlier, they could have been put on a course of antibiotics and there could have been treatment without hospitalization. They are also much more likely to be diagnosed with late-stage cancer than those with insurance are. People who are uninsured delay going to the doctor until it is too late.

Uninsured adults are four times more likely and children five times more likely to use the emergency room compared with the insured. People who have insurance have a primary care doctor. When they get sick, they make an appointment, or they go to the walk-in care clinic where their doctor has told them to go. Those who are uninsured wait and show up in our Nation's emergency rooms.

The costs for the uninsured are absorbed by the community as a whole, either through public programs, through our disproportionate share hospital program, or through increases in health insurance costs for those who do have insurance. So we do bear the cost as a community. Care is not denied to people, but it is not offered in the most efficient way and it is certainly not offered in the best way for those who lack health insurance.

Now, I am not really big on just hortatory resolutions. That is not my thing. At the same time, I saw some evidence recently that really shocked me and that caused me to bring forward this resolution today. I do not like things that are just symbolic, but I do believe America needs an education campaign to inform small businesses, even some medium- and large-sized businesses, employees, and parents about how to get health insurance.

There was a recent study by the Employees Benefit Research Institute that said that 57 percent of small businesses did not know that health insurance is tax-deductible. In other words, if a small business owner, and these businesses employ most of the people in this country, if they do not know that they can provide health insurance to their employees and the cost of that is an expense, a legitimate business expense, they are going to be less likely to look for a plan to be able to offer to their employees. So it told me that education is necessary, and that maybe the Congress could do something about it and make insurance more affordable and more available to employees in this country.

Over one-third of the uninsured are in families where coverage is offered by an employer and they declined the insurance. Sometimes it is because the premiums or the co-pays are too high, but sometimes education can overcome that reluctance to sign up for health insurance because it mitigates the risks and makes health coverage or health care more available for people.

There are many parents who are eligible, whose children are eligible, for what is called the State Children's Health Insurance Program that was passed by the Congress in 1997, but they do not know that they are eligible. As a result, we have 8 million children in this country who are eligible for health insurance who are not enrolled in that program, and that program is low-cost or no cost to the parents. We need to get the word out to parents that health insurance is available to them through a publicly supported program for their children so that their children can get the preventive care that they need.

We need to educate small business leaders. We need to educate the workforce. We need to educate parents so that we can increase the access to health care and increase the number of people who are insured in this country. I believe that Congress can play a role in educating our constituents.

We need to ensure that small businesses understand that there is a way to provide health insurance and deduct the cost from the cost of doing business. We need to educate them on how to set up cafeteria plans, which can be a nightmare for small businesses, but there are easy programs to do that. We need to get the information out there so that employees can set up plans to be able to use pretax dollars to pay for health costs, which is entirely allowable under the Federal Tax Code.

Children and the uninsured individuals need to find out about the importance of health care coverage and the existing tax benefits and public and private programs that are available for parents that they are eligible for and should go ahead and register for.

This resolution that we are discussing, and I hope will pass today, will call on the President to designate October as National Importance of Health Care Coverage Month, and increase awareness about the importance of health coverage and the ways to obtain it.

Madam Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I share the view of the gentlewoman from New Mexico (Mrs. WILSON) that health insurance is important, that education and outreach are also important. But if I poll people in my district who are uninsured, I am pretty sure they would say it is actually Members of Congress who need education. The uninsured in my district know that going without health insurance is a bad idea. Most of them did not choose that; it is either not available or it is too expensive. Small business knows that sponsoring health insurance for their employees is a good idea. They still cannot afford it.

The resolution of the gentlewoman from New Mexico says that public awareness and education about the importance of health insurance coverage is of the utmost importance. Our utmost priority should be to make sure Americans actually have access to health coverage. Instead, we sit idle in this body as existing health coverage erodes in the United States.

State Medicaid programs throughout the country are in the red. Several States seriously are considering scaling back Medicaid programs. Congress has looked at legislation to provide temporary assistance to States so they can maintain their Medicaid programs. Congress has looked at proposals to help unemployed workers weather the economic downturn without losing their health coverage. Congress has looked at plans to prevent a dip in funding for the Children's Health Insurance Program that will leave 300,000 children without coverage. But have we taken action on any of these fronts? No.

It is a math question: If you drain the budget surplus into tax cuts for the wealthiest people in the country and tax cuts for Enron and IBM and General Motors, the dollars simply are not there to help sustain existing health coverage, much less expand access. So we pass resolutions and do nothing because we do not have the money to do it.

Promoting outreach to inform people about Medicare and the Children's Health Insurance Program, but looking the other way as Medicaid and SCHIP programs throughout this country are put on the chopping block, rings a bit hollow under these circumstances. And by the way, Medicaid and SCHIP insure 1 out of 5 children in this country. If we care about health insurance, we should care less about resolutions like this but more about these programs.

When we consider that this Congress has done nothing, nothing to expand or even to preserve access to health insurance, nothing unless you count these empty resolutions, these resolutions say this to the public: Congress cares deeply about your situation. We really do. We are not going to lift a finger to help you, but drop us a line and let us know how things turn out, because we are really interested.

The House Republican prescription drug and Medicare privatization plan sends the same message. It says to seniors: We really do care. We really do. But, unfortunately, it is not you whom we care about. We are offering up a prescription drug plan, Republicans tell us, that will not protect you from high drug cost; the truth is it is not even workable, because we prioritized tax cuts for the richest Americans and the largest corporations ahead of you and now we cannot afford to add even a decent drug benefit to Medicare.

That is why we saw the histrionics last week from Republican leaders proposing some phony kind of prescription drug benefit. I am sure many of the same Members of Congress who recently eliminated another $374 billion from the Federal budget by making permanent the tax cuts that go overwhelmingly to the richest Americans, dollars that could have been used to find a real solution to prescription drug needs, dollars that could have been used to expand or at least preserve access to health insurance, I am sure many of those same Members who voted to make the tax cut permanent, who made a tax cut permanent so we cannot afford prescription drug coverage, we cannot afford access for children to health care, those same Members that voted to make that tax cut permanent will also vote today to promote National Importance of Health Care Month. They might send out a news release, they might go home and brag about how they are interested in expanding health care to children and taking care of a prescription drug benefit. But on behalf of the millions of uninsured, the millions of underinsured, the millions who do not have prescription drug benefits, and the millions of Americans that the House Republican leadership leaves in the dust when you voted for tax cuts, I would like to say, thanks for nothing.

Madam Speaker, I reserve the balance of my time.

Mrs. WILSON of New Mexico. Madam Speaker, I yield myself such time as I may consume.

I thank the gentleman from Ohio for his remarks. We have worked together on a variety of things related to health care, and on this one we may agree on the resolution but we disagree on some facts, and I think they are important facts.

The gentleman from Ohio and I serve on the same committee that extended the SCHIP program last year and allowed States to retain the funds in the SCHIP program longer than they were authorized without returning them to the Federal Government and having them redistributed. I think that was the right thing to do. It certainly was right for my State of New Mexico.

This House passed three times the extension of health care benefits to the unemployed who are out of work through no fault of their own and the extension of unemployment benefits to cover those people.

This House has passed and now we are in conference with the Senate on a patient's bill of rights. And in that patient's bill of rights we did some other things for health care, including making self-employed health care coverage fully deductible. If you work for IBM, IBM can take the full cost of that premium and write it off as an expense for a business. But if you are self-employed, under the current tax system you cannot. That is not right. This country thrives on small business. And people who start up their own companies and who are self-employed should be able to fully deduct their health care costs.

That bill also included the association health plans provision, to extend health care coverage and get more people insurance.

The gentleman and I also work on the committee that is getting down to brass tacks now to implement the budget resolution that this House passed that sets aside $350 billion over the next 10 years to add a prescription drug benefit to Medicare. If we were starting out today with a clean sheet of paper for health care for senior citizens, no one in their right mind would exclude prescription drugs. But back in 1965, medicine was only 1 percent of the cost of health care. Now it is up to 15 percent of the cost of health care. People should not have to be forced to choose between buying medicine and buying groceries, but that is the situation a lot of the seniors in my district are in today. And that is why we are going to pass a bill through this House that adds a prescription drug benefit to Medicare.

My colleague and I disagree also about the importance of tax relief last summer. And I think the big thing for me is this: The Council on Economic Advisers about 3 months ago came out with a report on the impact of that tax relief. Now, Congress does not always do things at the right time. We usually end up taking action long after the problem is over.

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But on the tax bill we got it right. It was just in the nick of time, and there are 800,000 Americans today who have jobs because we passed tax relief at the right time to get this economy back to growing jobs and back to solid economic growth. That is what the tax relief bill did. It got our economy back and growing.

The gentleman from Ohio (Mr. BROWN) and I share a concern about the uninsured. I think education is a piece of it. It is not a cure-all. We have a lot of other work to do, but I am proud of this House that we have done so much work in this session of Congress.

Madam Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Madam Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE), who understands, unlike the Republican leadership, that we must do something about prescription drug prices.

Mr. PALLONE. Madam Speaker, the biggest problem with lack of coverage today is prescription drugs. As the gentleman from Ohio mentioned, the Republican leadership is not doing anything about the cost. The biggest concern that my constituents tell me is that they cannot afford the price of drugs. What is the Republican leadership doing about it? Absolutely nothing. Their proposal to address the prescription drug issue is simply a sham.

First of all, it is not under Medicare. Medicare needs to be expanded so that everyone who is eligible for Medicare gets a prescription drug benefit guaranteed, and they know what the benefit is. What the Republican leadership is saying is we are going to send some money out to private insurance companies or to the States, and we hope that Americans can take this voucher, and if they are low income, they can find some insurance company to give a drugs-only policy to cover prescription drugs. They are assuming that the only people that are going to be able to take advantage of it are very low-income people, about 6 percent of the senior population. And even those will not be able to take advantage because the insurance companies have said they will not sell these prescription drug medicine-only policies.

Madam Speaker, what we need is to expand Medicare for all seniors so they all get a prescription drug benefit, and it has to be a generous benefit. It has to say if someone pays so much per month as a premium, like one does with their doctor bills, they get a guarantee from the Federal Government that it is going to bring their cost down so they can pay for their drugs. That is not what the Republicans are offering.

They are doing another sham, like they did 2 years ago, where they are trying to throw some money out there and give the impression that somebody is going to get a prescription drug benefit. It is a joke on the American people. But going back to the main thing is cost. Everyone tells me they cannot afford to pay for the drugs.

What the Democrats are saying is not only are we going to give a generous benefit guaranteed under Medicare, but we are going to have the Secretary make sure that the costs come down.

Mrs. WILSON of New Mexico. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this a resolution that we are debating about the importance of health care coverage for the uninsured.

The gentleman from New Jersey (Mr. PALLONE) mentioned where we are going on prescription drug coverage, and it is amazing to me. I serve on the Leadership Task Force on Prescription Drugs, and the gentleman from Ohio (Mr. BROWN) and I serve on the Subcommittee on Health that is working on the bill. We have set aside $350 billion over the next 10 years to add a prescription drug benefit to Medicare. We are trying to work out the details of that plan and that option.

First of all, it has to be part of Medicare. Everyone agrees on that. It has to be part of the Medicare program. And everyone who is eligible for Medicare has to have some access to that coverage.

I think it has to be voluntary so Americans who have coverage from an employer, or veterans and get it through the VA, they should not be forced to participate. It has to be affordable. That means we have to make sure that those who are low income or those with high drug costs get the most help from the Federal Government. A $350 billion commitment over 10 years is a significant contribution by the Federal Government to provide that coverage.

I think it also needs to provide choices. What the gentleman from New Jersey (Mr. PALLONE) needs for his constituents in New Jersey may not be the same thing that my constituents need, or that we need in rural places in New Mexico. I like to get my medicine downstairs at the pharmacy in the building where I see my doctor. Rural Americans may want a mail order plan. Americans should have options, and those are some of the principles we are working from.

We are determined to bring to the floor a prescription drug benefit plan added to Medicare before the Memorial Day recess. In the last Congress, the House passed a bill to do so. The Senate did not. We are determined to be persistent and keep going because the people in my district need it, just as the constituents of the gentleman from New Jersey (Mr. PALLONE) do. On that, we can agree.

Madam Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Madam Speaker, I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Madam Speaker, I appreciate the opening statement of the gentleman from Ohio (Mr. BROWN). The American people appreciate the importance of health care. Families struggle every day with whether or not coverage is accessible to them. There was no great glee in the land when they killed the Clinton health care plan. We had 38 million uninsured people, and we now have 42 million uninsured people. In spite of the recitation that the gentlewoman from New Mexico (Mrs. WILSON) cites, we still have 42 million people who are uninsured.

Why? Because we have created a hodgepodge of programs where they have to be a detective to figure out whether or not they are eligible. They move and lose programs, their children move and lose programs, whether they are employed, not employed, whether in school, out of school, whether on or off of Medicaid, all of these programs. They spend all of their time worrying about eligibility, and they are covered for very little period of time.

The gentlewoman has also suggested that this is part of a grander plan to bring a $350 billion prescription drug program to the floor. That is not it at all. $350 billion is for everything they say that they want to do in Medicare. The program is less than half that amount, which has been proven to be inadequate to provide a prescription drug benefit that is useful without the people on Medicare paying out thousands and thousands of dollars before they get any real advantage to the program.

So the question here is not whether or not people think health care coverage is important or not. The question is, What is the Congress going to do about it? What is Congress going to do about these 42 million Americans? What is Congress going to do about the children who are growing up in families where at least one person is employed, and in many cases both are employed, and they do not have access to health care? The programs that we have put in place so far, while commendable, still leave millions of America's children and working people without insurance.

Yes, we have made it more deductible for small businesses and individuals; but the fact is that even small businesses and individuals cannot afford to provide the insurance that Americans need so desperately.

Mr. BROWN of Ohio. Madam Speaker, I yield 2 minutes to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN).

Mrs. CHRISTENSEN. Madam Speaker, I rise to speak on H. Con. Res. 271. Approximately 42 million people in this country are without health insurance. Those with no coverage are more likely to be young adults, poor, Hispanic, African American, rural or small business employees. As chairperson of the Congressional Black Caucus Health Braintrust, but even more so as a family physician who practiced for 21 years before coming to Congress, I know what not having insurance coverage does to families and individuals. They delay or avoid care, most likely seeking care through emergency rooms which cannot provide for need continuity or safety net services which are often underfunded, understaffed, and underequipped. Not being insured is the seventh leading cause of death in this country, resulting in 83,000 deaths annually.

Although tonight we are focusing on insurance coverage, it is important to recognize that providing access to health care is more than providing insurance, but also insuring an adequate infrastructure for the uninsured or the newly insured to receive proper health care.

Madam Speaker, we must all support educating the public on all of the health care coverage options available, and make an extra effort to link those, but education is only half the battle. We as lawmakers must continue to work on passing legislation that will leave no individual without access to quality health care.

This includes lifting the cap on Medicaid for the offshore territories, providing a Medicare drug benefit, paying the doctors and other providers a fee that will allow us to keep our doors open, and passing a strong Patients' Bill of Rights. Most of all, it means committing to universal health care by 2004 to everybody in this country.

Mr. BROWN of Ohio. Madam Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. PASTOR).

Mr. PASTOR. Madam Speaker, first of all, I thank the gentlewoman from New Mexico (Mrs. WILSON) for bringing this resolution to the floor. It is very important that we recognize the health needs of our community. I would tell the gentlewoman that I agree with her that education is very important. One of the problems that we have found in Arizona that, although many children are eligible for SCHIPs, there needs to be an outreach program. In Arizona we have found that the State legislature refuses to provide those monies that would go into those programs to make the families aware that SCHIPs is available and that their children probably qualify.

I would also agree with the gentlewoman that we need to address the health needs of our society. I would ask the gentlewoman to join those of us who believe that the 43 million people in this society, even though they are employed, even though they are working but are not covered by health insurance, maybe this Congress will see fit to provide a universal health care program in which all Americans would be entitled to quality and affordable health care.

During our district work periods, I have been visiting senior centers and also going door to door. They invite me in their homes or bring the prescriptions to the senior centers, and show me the number of medications that they have to take. Many times it is three or four medications that they take. They explain to me that the cost of the prescriptions are getting so high that they have to make difficult choices. Many times they are not taking the prescriptions as they should because they want to increase the number of days that the medication might be available to them.

I also, in asking them how they feel this prescription drug benefit ought to be covered, the majority tell me, because they are familiar with Medicare, they would like to see Medicare be the vehicle to provide the prescription drug benefit. To them choice is not as important; to them the availability of the drugs, the cost of the drugs being lesser so they could afford them, and in a system that they are aware of and know how it works, they would prefer that. I thank the gentlewoman for agreeing that maybe the prescription drug benefit should be a Medicare program.

Mr. BROWN of Ohio. Madam Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I share comments with all who have spoken for the need of health education and awareness. However, I do not agree that piecemeal in health care will ever get us to the point that we have the coverage that is necessary. Yes, we need a prescription drug program. I agree with that. Yes, the children's health program is helping. But in reality what we really need is universal coverage for each and every American citizen. We need a health system where everybody is in, and nobody is out.

□ 1745

We need a system that covers each and every person from the cradle to the grave. While we move towards that, piece by piece, ultimately we will come to the realization that we must have a system, everybody in, nobody out.

Mrs. WILSON of New Mexico. Madam Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Madam Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Madam Speaker, I thank the gentleman for his kindness in yielding me this time and I do appreciate the work he has done on ensuring that all Americans can have good health care. I also thank the gentlewoman from New Mexico for giving us the opportunity to debate this very important issue on the floor of the House and for the support of such legislation and the bringing forward of such legislation.

It should be noted that we have an estimated 42 million Americans who are without health coverage. There are over 17 million Americans who are employed but lack health coverage through their employer. Due to the high cost of health care coverage, over 16 million Americans are in families where at least one member of the family has been offered employer-based health insurance but was forced to turn it down because of the high cost of that health insurance. This happens every day.

I note that the resolution specifically speaks to outreach and education. It also speaks to trying to impress upon small businesses the value of having health insurance to cut down on sick days of its employees and to encourage them to stay longer. It also speaks to the insurance provided by Medicaid for the State Children's Health Insurance Program. But I think we need to go further. I think we need to have a list of what we do not have and how Congress has failed the American public.

We do not have a prescription drug benefit for seniors through Medicare. We have not passed a Patients' Bill of Rights, therefore, giving access to individuals for good health care across the country. We have large numbers of children that are uninsured who have not yet had access to the Children's Health Insurance Program that was passed at least 4 years ago or more in the 1997 Budget Act. We have not done our job.

Though we can pass a resolution such as this that really has a good purpose, it is not a good result. We must work together as Republicans and Democrats to ensure that those who we represent can have access to good health insurance and health coverage. I believe that the Democrats have a very valid and viable plan; that is, to pass a real Patients' Bill of Rights, a drug benefit for our seniors, and to ensure that we have the kind of funding to cover our children who are uninsured.

I want to voice my support for health care coverage for Americans who are uninsured. An estimated 42 million Americans are without health coverage. There are over 17 million Americans who are employed, but lack health coverage through their employer. Due to the high cost of health care coverage over 16 million Americans are in families where at least one member of the family has been offered employer-based health insurance, but was forced to turn it down because of the high cost.

This resolution helps to express the sense that I have that the Congress should establish and promote an educational effort about the importance of health care coverage, as well as increase awareness of the many affordable health care coverage options. This should include efforts to inform people who are eligible for public insurance programs about how they can obtain coverage under these programs.

The Tauzin-Bilirakis bill will go far in creating equity in health care coverage for all Americans. I believe that the President should issue a proclamation calling for the federal government, states, localities, citizens and businesses to conduct appropriate programs, fairs and activities to promote this educational effort.

However at the same time, it is imperative that the Congress doesn't just pass resolutions. We must act now to pass a prescription drug benefit for seniors, to fund children's health coverage, immunization and a real patient bill of rights—the Republican Congress has failed in these efforts.

Mrs. WILSON of New Mexico. Madam Speaker, I yield myself such time as I may consume. I thank my colleague from Texas for coming down and talking about this problem because it is an important one, but I would note that the House has passed a Patients' Bill of Rights and we also passed one the previous Congress. My State of New Mexico has a Patients' Bill of Rights at the State level. I have supported the Patients' Bill of Rights here in the House and I hope we are able to resolve the differences with the Senate and have a Federal Patients' Bill of Rights as well as a prescription drug benefit.

Madam Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Madam Speaker, I yield 1 additional minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Madam Speaker, I thank the gentleman for yielding me this time. In fact, I would just comment that I appreciate that the House has passed a Patients' Bill of Rights. My point was that we in Congress collectively have failed in the fact that the bill is not ready to be signed. It is not law.

I guess the other point, as I reclaim my time, is to simply say to the House that, of course, the difficulty in the legislation was what was pulled out of it. It concerns me because it was a legislative initiative that first started that had all of the physicians in support of the baseline bill that provided open access to emergency rooms and holding HMOs responsible. I do not think we are at that point yet.

But I will say to the gentlewoman, yes, the House has passed legislation; I just believe we should move expeditiously through the normal processes so that we can get a bill that we all can be respectful of but, most importantly, that the American people can be served by to the President's desk.

Mr. BROWN of Ohio. Madam Speaker, I yield myself such time as I may consume.

There is a frustration in this House of Representatives as we have seen from this line of speakers, probably 10 people on the Democratic side, who care enough to show up on the House floor and talk about health care issues. There is a frustration that we have not passed a Patients' Bill of Rights. Granted the House passed it, but the fact is there is no Patients' Bill of Rights signed into law. There is a frustration that this House has not taken up the Medicare buy-in bill, a voluntary program, revenue neutral, that would allow 55- to 64-year-olds who have lost their health insurance through no fault of their own to go into the Medicare program.

There is a frustration in this House that we have done nothing except talk about a prescription drug benefit, nothing about a prescription drug benefit inside Medicare, nothing about prescription drug prices as the drug companies are the most profitable industry in America, enjoy the lowest tax rate in America, where American taxpayers pay half of the cost of research and development and the drug companies turn around and reward Americans by charging us more than people anywhere else on Earth.

There is a frustration in this House that we have not moved on children's health issues, that we simply have failed to reduce the number of children who lack health insurance.

But there is a bigger frustration from our constituents, a frustration embodied in the fact that every couple of months 50 people join me on a bus from my district from northeast Ohio to go to Canada to buy drugs at one-half or one-third or one-fourth the cost of prescription drugs in local drugstores because the drug companies simply charge Americans, not the pharmacies, but the drug companies simply charge Americans more than anywhere else. There is a bigger frustration from our constituents who have to cut their prescriptions, that have to cut the drugs that they are taking in half or take them every other day or do some other creative kind of ingestion of their drugs because it is simply that they are prescription drugs, simply because they want their prescription to last longer.

There is a frustration among our constituents who watch their children get ear infections and just wait and wait and wait because they do not have health care coverage, then they take them to the emergency room and they might lose their hearing.

There is a frustration among our constituents who have to choose to take their drugs instead of providing enough food or turning their heat up warm enough in the winter.

There is that frustration aimed at this Congress because we simply are not doing anything on the major issues. We are not taking care of children without health insurance, we are not taking care of prescription drug coverage for seniors, we are not taking care of people who are 55 or 58 or 60 years old whose factories closed, whether they are steelworkers or autoworkers or small business people or shop owners, who simply cannot afford their prescriptions and cannot afford their health care. That is the frustration.

This Congress passes a resolution, we will all say yes when you call this vote and we will all support it, but the fact is this Congress again on Tuesday afternoon comes in, people fly in from all over the country and we debate and vote on resolutions like this but we do not do anything on prescription drug coverage, we do not do anything on health insurance, we do not do anything on children's health, we do not do anything on any of these issues that matter to the American people.

Madam Speaker, I yield back the balance of my time.

Mrs. WILSON of New Mexico. Madam Speaker, I yield myself such time as I may consume. My colleague from Ohio and I share the same frustration. In some ways I think we have similar kinds of personalities. We are get-the-job-done kind of people. We came here to do things for the people we care about in our communities and we want to get it done. It is sometimes frustrating to do this job because it requires a national consensus, which we have obtained here in the House several times. But then we have to negotiate with the Senate. We have to get the President on board and do all of these things.

What amazes me is how much we have achieved over the last 5 years, even though challenges remain. In 1997, this Congress passed landmark legislation to extend health care coverage for children in partnership with States. Then my colleague from Ohio and I voted to extend that so that States could keep that additional funding. The frustration for me is that there are 8 million American children who are eligible for SCHIP whose parents have not enrolled them and they are not getting care. We have an education gap. That is what we are trying to address and remedy here today.

We have passed a Patients' Bill of Rights. I hope that that Patients' Bill of Rights is ultimately signed into law. I have voted for it. We have passed a budget to set aside $350 billion to add a prescription drug benefit to Medicare and to modernize Medicare. There is a company in my district called Express Scripts. They are a mail order pharmacy. They send out tens of thousands of prescriptions to people. But because Medicare is not modernized, there is a difference between if you have regular health insurance or if you are on Medicare. If you have regular health insurance, they get in the order for the medicine, they verify your eligibility online and they mail out the medicine that day. But if you are on Medicare, because Medicare is still back in the 1960s as a health plan, it takes 2 weeks to verify your eligibility with the Federal Government for Medicare. That is a senior who is out there waiting for their medicine because Medicare is not a modern program.

We have to add a prescription drug benefit to Medicare. We have to modernize Medicare. I am committed to working with my colleague from Ohio and others to do so. But we also have to narrow the education gap, to educate parents about what is available under Medicaid and under SCHIP and under employer-sponsored plans. Fifty-seven percent of small businesses in this country do not know that providing health care insurance for their employees is tax deductible. They do not know they can put it down as an expense. We need to make those changes, and we need to make sure that people know what the laws currently are so that we have fewer people uninsured, because uninsured people end up sicker than the rest of us. They end up in hospital emergency rooms more than people who have insurance. They are much more likely to be diagnosed with late stage cancers that are incurable. They end up getting their health care from emergency rooms rather than primary care physicians. They do not get annual pap smears and mammograms. They do not get immunizations for their children. We need to change the system so that the uninsured have the information and the access to insurance.

That is why I brought this resolution forward tonight. I ask for my colleagues' support.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentlewoman from New Mexico (Mrs. WILSON) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 271.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mrs. WILSON of New Mexico. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ENHANCED BORDER SECURITY AND VISA ENTRY REFORM ACT OF 2001

Mr. SENSENBRENNER. Madam Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 3525) to enhance the border security of the United States, and for other purposes.

The Clerk read as follows:

Senate amendments:

Page 2, line 4, strike out "2001" and insert "2002".

Page 2, in the table of contents, after the item which reads

"Sec. 203. Commission on interoperable data sharing."

insert:

Sec. 204. Personnel management authorities for positions involved in the development and implementation of the interoperable electronic data system ("Chimera system").

Sec. 205. Procurement of equipment and services for the development and implementation of the interoperable electronic data system ("Chimera system").

Page 2, in the table of contents, strike out

"TITLE IV—ADMISSION AND INSPECTION OF ALIENS"

and insert:

"TITLE IV—INSPECTION AND ADMISSION OF ALIENS".

Page 2, in the table of contents, after the item which reads

"Sec. 403. Time period for inspections."

insert:

Sec. 404. Joint United States-Canada projects for alternative inspections services.

Page 3, after line 15, insert:

(3) Chimera system.—The term "Chimera system" means the interoperable electronic data system required to be developed and implemented by section 202(a)(2).

Page 3, line 16, strike out "(3)" and insert "(4)".

Page 4, line 15, strike out "(4)" and insert "(5)".

Page 4, line 19, strike out "(5)" and insert "(6)".

Page 5, line 4, strike out "(6)" and insert "(7)".

Page 5, line 16, strike out "2002" and insert "2003".

Page 6, line 1, strike out "2002" and insert "2003".

Page 6, strike out lines 17 through 20.

Page 6, line 21, strike out "(c)" and insert "(b)".

Page 7, line 2, after "pay" insert "effective October 1, 2002".

Page 8, line 1, strike out "(d)" and insert "(c)".

Page 8, line 10, strike out "and".

Page 8, line 21, strike out "(e)" and insert "(d)".

Page 15, line 11, strike out "one year" and insert "15 months".

Page 15, line 13, strike out "six months" and insert "one year".

Page 16, line 12, after "alien" insert "(also known as the "Chimera system")".

Page 20, line 13, after "about" insert "the".

Page 21, line 7, after "of" insert "Central".

Page 22, line 2, strike out "in this title" and insert "in section 202".

Page 22, line 24, strike out "against".

Page 23, after line 14, insert:

SEC. 204. PERSONNEL MANAGEMENT AUTHORITIES FOR POSITIONS INVOLVED IN THE DEVELOPMENT AND IMPLEMENTATION OF THE INTEROPERABLE ELECTRONIC DATA SYSTEM ("CHIMERA SYSTEM").

(a) In General.—Notwithstanding any other provision of law relating to position classification or employee pay or performance, the Attorney General may hire and fix the compensation of necessary scientific, technical, engineering, and other analytical personnel for the purpose of the development and implementation of the interoperable electronic data system described in section 202(a)(2) (also known as the "Chimera system").

(b) Limitation on Rate of Pay.—Except as otherwise provided by law, no employee compensated under subsection (a) may be paid at a rate in excess of the rate payable for a position at level III of the Executive Schedule.

(c) Limitation on Total Calendar Year Payments.—Total payments to employees under any system established under this section shall be subject to the limitation on payments to employees under section 5307 of title 5, United States Code.

(d) Operating Plan.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall submit to the Committee on Appropriations, the Committee on the Judiciary, the Select Committee on Intelligence, and the Committee on Foreign Relations of the Senate and the Committee on Appropriations, the Committee on the Judiciary, the Permanent Select Committee on Intelligence, and the Committee on International Relations of the House of Representatives an operating plan—

(1) describing the Attorney General's intended use of the authority under this section; and

(2) identifying any provisions of title 5, United States Code, being waived for purposes of the development and implementation of the Chimera system.

(e) Termination Date.—The authority of this section shall terminate upon the implementation of the Chimera system.

SEC. 205. PROCUREMENT OF EQUIPMENT AND SERVICES FOR THE DEVELOPMENT AND IMPLEMENTATION OF THE INTEROPERABLE ELECTRONIC DATA SYSTEM ("CHIMERA SYSTEM").

(a) Exemption From Applicable Federal Acquisition Rules.—

(1) In general.—Notwithstanding any other provision of law, for the purpose of the development and implementation of the interoperable electronic data system described in section 202(a)(2) (also known as the "Chimera system"), the Attorney General may use any funds available for the Chimera system to purchase or lease equipment or any related items, or to acquire interim services, without regard to any otherwise applicable Federal acquisition rule, if the Attorney General determines that—

(A) there is an exigent need for the equipment, related items, or services in order to support interagency information sharing under this title;

(B) the equipment, related items, or services required are not available within the Department of Justice; and

(C) adherence to that Federal acquisition rule would—

(i) delay the timely acquisition of the equipment, related items, or services; and

(ii) adversely affect interagency information sharing under this title.

(2) Definition.—In this subsection, the term "Federal acquisition rule" means any provision of title III or IX of the Federal Property and Administrative Services Act of 1949, the Office of Federal Procurement Policy Act, the Small Business Act, the Federal Acquisition Regulation, or any other provision of law or regulation that establishes policies, procedures, requirements, conditions, or restrictions for procurements by the head of a department or agency of the Federal Government.

(b) Notification of Congressional Appropriations Committees.—The Attorney General shall immediately notify the Committees on Appropriations of the House of Representatives and the Senate in writing of each expenditure under subsection (a), which notification shall include sufficient information to explain the circumstances necessitating the exercise of the authority under that subsection.

Page 23, line 25, strike out "an alien" and insert "each alien".

Page 24, line 16, strike out "202(a)(3)(B)" and insert "202(a)(4)(B)".

Page 25, line 21, strike out "October 26, 2003" and insert "October 26, 2004".

Page 26, line 2, after "comparison" insert "and authentication".

Page 26, line 5, strike out "each report" and insert "the report required by that paragraph".

Page 26, lines 12 and 13, strike out "October 26, 2003" and insert "October 26, 2004".

Page 26, line 15, after "visas and" insert "other".

Page 26, line 18, after "tablish" insert "document authentication standards and".

Page 26, line 19, after "visas and" insert "other".

Page 26, lines 24 and 25, strike out "October 26, 2003" and insert "October 26, 2004".

Page 27, line 3, after "comparison" insert "and authentication".

Page 27, line 4, after "visas and" insert "other".

Page 27, line 13, strike out "and".

Page 27, line 16, strike out "(c)(1)." and insert "(c)(1); and".

Page 27, after line 16, insert "(iii) can authenticate the document presented to verify identity".

Page 27, line 22, strike out "202(a)(3)(B)" and insert "202(a)(4)(B)".

Page 28, line 2, strike out "October 26, 2003" and insert "October 26, 2004".

Page 28, line 9, strike out all after "biometric" down to and including "identifiers" in line 10 and insert "and document authentication identifiers that comply with applicable biometric and document identifying".

Page 28, line 16, strike out "October 26, 2003" and insert "October 26, 2004".

Page 28, line 17, after "program" insert "under section 217 of the Immigration and Nationality Act".

Page 29, line 4, after "mission" insert "to a foreign country".

Page 29, line 23, strike out "The committee" and insert "Each committee established under subsection (a)."

Page 30, line 1, strike out "Periodic Reports" and insert "Periodic Reports to the Secretary of State".

Page 30, line 1, strike out "The committee" and insert "Each committee established under subsection (a)".

Page 30, line 2, strike out "quarterly" and insert "monthly".

Page 30, line 5, strike out "quarter" and insert "month".

Page 30, after line 5, insert:

(f) REPORTS TO CONGRESS.—The Secretary of State shall submit a report on a quarterly basis to the appropriate committees of Congress on the status of the committees established under subsection (a).

Page 30, line 6, strike out "(f)" and insert "(g)".

Page 32, strike out all after line 22 over to and including line 5 on page 33 and insert:

(a) REPORTING PASSPORT THEFTS.—Section 217 of the Immigration and Nationality Act (8 U.S.C. 1187) is amended—

(1) by adding at the end of subsection (c)(2) the following new subparagraph:

"(D) REPORTING PASSPORT THEFTS.—The government of the country certifies that it reports to the United States Government on a timely basis the theft of blank passports issued by that country."; and

(2) in subsection (c)(5)(A)(i), by striking "5 years" and inserting "2 years"; and

(3) by adding at the end of subsection (f) the following new paragraph:

"(5) FAILURE TO REPORT PASSPORT THEFTS.—If the Attorney General and the Secretary of State jointly determine that the program country is not reporting the theft of blank passports, as required by subsection (c)(2)(D), the Attorney General shall terminate the designation of the country as a program country.".

Page 35, strike out lines 1 and 2 and insert:

TITLE IV—INSPECTION AND ADMISSION OF ALIENS

Page 35, line 10, strike out all after "the" down to and including "(a)" in line 11 and insert "President".

Page 37, line 2, strike out "(i)" and insert "(j)".

Page 37, strike out lines 3 and 4 and insert:

(3) by striking "SEC. 231." and inserting the following:

"SEC. 231. (a) ARRIVAL MANIFESTS.—For

Page 37, lines 9 and 10, strike out "an immigration officer" and insert "any United States border officer (as defined in subsection (i))".

Page 37, line 19, strike out "an immigration officer" and insert "any United States border officer (as defined in subsection (i))".

Page 39, line 9, strike out "that" and insert "that,".

Page 39, lines 9 and 10, strike out ", aircraft, or land carriers" and insert "or aircraft".

Page 39, line 25, strike out "$300" and insert "**$1,000**".

Page 40, line 5, strike out ", aircraft, or land carrier" and insert "or aircraft".

Page 40, line 16, strike out "prescribe."." and insert "prescribe.".

Page 40, after line 16, insert:

"(i) UNITED STATES BORDER OFFICER DEFINED.—In this section, the term 'United States border officer' means, with respect to a particular port of entry into the United States, any United States official who is performing duties at that port of entry.".

Page 40, line 17, strike out all after "CARRIERS.—" down to and including "the " the second time it appears in line 18 and insert:

(1) STUDY.—The

Page 41, after line 2, insert:

(2) REPORT.—Not later than two years after the date of enactment of this Act, the President shall submit to Congress a report setting forth the findings of the study conducted under paragraph (1).

Page 41, after line 22, insert:

SEC. 404. JOINT UNITED STATES-CANADA PROJECTS FOR ALTERNATIVE INSPECTIONS SERVICES.

(a) IN GENERAL.—United States border inspections agencies, including the Immigration and Naturalization Service, acting jointly and under an agreement of cooperation with the Government of Canada, may conduct joint United States-Canada inspections projects on the international border between the two countries. Each such project may provide alternative inspections services and shall undertake to harmonize the criteria for inspections applied by the two countries in implementing those projects.

(b) ANNUAL REPORT.—The Attorney General and the Secretary of the Treasury shall prepare and submit annually to Congress a report on the joint United States-Canada inspections projects conducted under subsection (a).

(c) EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT AND PAPERWORK REDUCTION ACT.—Subchapter II of chapter 5 of title 5, United States Code (commonly referred to as the "Administrative Procedure Act") and chapter 35 of title 44, United States Code (commonly referred to as the "Paperwork Reduction Act") shall not apply to fee setting for services and other administrative requirements relating to projects described in subsection (a), except that fees and forms established for such projects shall be published as a notice in the Federal Register.

Page 48, line 16, strike out "or" and insert "and".

Page 49, line 4, strike out all after "COMPLIANCE.—" down to and including "reviews" in line 7 and insert "Not later than two years after the date of enactment of this Act, and every two years thereafter, the Commissioner of Immigration and Naturalization, in consultation with the Secretary of Education, shall conduct a review".

Page 49, line 22, strike out all after "REVIEWS.—" down to and including "reviews" in line 23 and insert "Not later than two years after the date of enactment of this Act, and every two years thereafter, the Secretary of State shall conduct a review".

Page 50, line 16, strike out "(c) EFFECT OF FAILURE TO COMPLY.—Failure" and insert "(c) EFFECT OF MATERIAL FAILURE TO COMPLY.—Material failure".

Page 50, line 24, strike out all after "1372)," over to and including "be." in line 5 on page 51 and insert "shall result in the suspension for at least one year or termination, at the election of the Commissioner of Immigration and Naturalization, of the institution's approval to receive such students, or result in the suspension for at least one year or termination, at the election of the Secretary of State, of the other entity's designation to sponsor exchange visitor program participants, as the case may be."

Page 54, lines 24 and 25, strike out "proceeding" and insert "proceedings".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 3525, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, since September 11, we have learned how deeply vulnerable our immigration system is to exploitation by aliens who wish to harm Americans. H.R. 3525 makes needed changes to our immigration laws to fight terrorism and to prevent such exploitation. I wish to thank the gentleman from Pennsylvania (Mr. GEKAS), the chairman of the Subcommittee on Immigration and Claims, for his invaluable assistance in crafting this legislation.

This is the third time that the House has considered the main provisions of this bill. We first passed H.R. 3525 last December, and then we incorporated the provisions of the bill into H.R. 1885, which passed in March. Now that we have the other body's cooperation, I can safely say that the third time is a charm and that President Bush will sign this bill into law shortly after we vote on it today.

I will briefly mention two of the bill's most significant provisions. Most importantly, it requires the Attorney General and the Secretary of State to issue machine readable, tamper proof visas that use standardized biometric identifiers. H.R. 3525 extends the same biometric identifier requirements to passports from visa waiver program countries.

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While I preferred the House language requiring such enhanced visas to be issued as of October 2003, the amended Senate date of October 2004 is acceptable.

Second, building upon the enhanced data-sharing requirement of the USA PATRIOT Act, the bill directs our law enforcement agencies and intelligence community to share information with the State Department and the INS relevant to the admissibility and deportability of aliens. This information will be made available in an electronic database.

Madam Speaker, this is important and long overdue legislation, and I urge my colleagues to support it.

Madam Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, let me just thank the chairman of the Committee on the Judiciary for again the perseverance and determination with respect to this legislation and to note that this is one of the first legislative initiatives that came through the House after September 11; the House moved quickly. Certainly, in the shadow of September 11, there was a definitive concern about the protection of this Nation and the security of its borders, and I certainly agree with that. I do appreciate the work of the other body and, of course, the gentleman from Michigan (Mr. CONYERS), the ranking member of the full committee, and the subcommittee chairman for their leadership on this issue.

As I rise to support the Border Security and Visa Entry Reform bill, which all of us have given our approval to the extent that it addresses some gaping holes in a system that even without the horrific tragedy of September 11, it was our responsibility to correct, and I agree with that, I believe that we could and should make our borders more secure and certainly more responsive to the huge numbers of entries that we face all over the country, the northern border, the southern border, but also our other ports of entry.

But as I rise to support this legislation, let me be very clear and be very cautious that it is important that we in this country separate out legitimate and focused immigration policy from the concept of ferreting out terrorists. This bill is to enhance our border security and to place safeguards on our visa entry system. It is not meant to keep out legitimate nonimmigrants who are coming for a specific purpose or to eliminate the possibility of immigrants coming to contribute to our economy and our communities; for example, our tourism visas that have been so vital in the exchange of cultures and the understanding of people from different places around the world.

I am glad that this legislation provides for foreign consulates an opportunity to identify potential terrorists by establishing terrorist lookout committees. This is what we call collaborative. We are working with our neighbors, we are working with foreign consulates and countries who have committed to us that they too want to fight terrorism. We are doing it together in a nondiscriminatory fashion. That should be the key of any legislation that we pass in this House.

In an effort to improve the ability of our foreign consulates to identify potential terrorists, this legislation establishes terrorist lookout committees at each U.S. post abroad. These lookout committees will ensure that names of suspected terrorists are included in the appropriate lookout databases and that those names are transmitted to the appropriate person in the consulate. This bill requires the establishment of a government-wide electric data-sharing system on persons with terrorist ties to be used by Federal officials to determine whether to grant visa applications or permit an individual to enter the United States.

Additionally, the legislation prohibits visas from being issued to an alien from a country designated as a State sponsor of terrorism, which makes sense, unless the Secretary of State, after consultation with the Attorney General and other officials, determine that the alien poses no threat to the safety or security of the United States.

Additionally, this legislation conditions country membership in the visa waiver programs on the country's timely sharing of information regarding the threat of blank passports. Relatedly, this legislation also requires that the Attorney General and Secretary of State enter stolen passport information in the interoperable data system promptly. This bill does address many of the issues that we are concerned with.

Madam Speaker, let me, first of all, thank the chairman of the Committee on the Judiciary for his, again, persistence and determination in working through this legislation and working with the Senate. I might add my appreciation also to Senators KENNEDY, BROWNBACK, FEINSTEIN and KYL, and as well our ranking member, the gentleman from Michigan (Mr. CONYERS) and the chairman of the subcommittee, the gentleman from Pennsylvania (Mr. GEKAS).

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I am glad that this legislation provides for foreign consulates an opportunity to identify potential terrorists by establishing terrorist lookout committees. In an effort to improve the ability of our foreign consulates to identify potential terrorists, this legislation establishes terrorist lookout committees at each U.S. post abroad. These lookout committees will ensure that names of suspected terrorists are included in the appropriate lookout databases and that those names are transmitted to the appropriate person in the consulate. This bill requires the establishment of a government-wide, electronic data-sharing system on persons with terrorist ties for use by federal officials to determine whether to grant visa applications or permit an individual to enter the United States. Additionally, the legislation prohibits visas from being issued to an alien from a country designated as a state-sponsor of terrorism, unless the Secretary of State, after consultation with the Attorney General and other officials, determines that the alien poses no threat to the safety or security of the United States. Additionally, this legislation conditions country membership in the Visa Waiver Program on that country's timely sharing of information regarding the theft of blank passports. Relatedly, this legislation also requires that the Attorney General and Secretary of State enter stolen passport information into the interoperable data system promptly.

This legislation waives a limitation on the hiring of full-time personnel, giving greater control to decision-makers at the border and increasing the number of border personnel. It raises the pay of INS naturalization service border personnel and provides Custom agents, Border Patrol, and INS inspectors with essential training and cross-training. This bill focuses the agencies on the importance and the responsibility and gives them the tools and says to them, you must share intelligence, you must share information, you must help us thwart the terrible devastation of terrorists coming into this country or those coming here wanting to do harm.

Funds are also authorized to enhance technology available to the INS and Customs Service to improve and expand technology and to facilitate the flow of people and commerce at our ports of entry. To offset the cost of such improvements, the Attorney General is authorized to increase land border fees and the State Department is permitted to raise fees from the use of machine-readable visas. In addition, the Attorney General is required to use authorized funds for installing biometric data readers and scanners at U.S. ports of entry. One of the difficulties at the southern border was that the individuals coming across the Mexican borders have their biometric cards, but we did not have the staff nor the readers of those cards; and there was a great logjam of those individuals who were legally trying to access the United States and were doing everything that they should have done. We must not tolerate that, and improve the systems at the border.

We must also improve our ability to monitor foreign nationals who are present in the United States. Consulate offices who issue visas will be required to transmit electronic versions of visa files to the INS so that critical information is available. A key failure on September 11, was there was no way to track individuals who had overstayed their visas, and there was no way to determine that they needed to be removed from this country.

This legislation also gives greater direction to the integrated entry and exit system established in 1996 by IIRIRA, including use of specific technology standards and technologies to facilitate across the border. What this does, it provides the INS with state-of-the-art technology at our borders. There has to be a better way and a better system and that is to improve the technology of our particular needs at the border.

We are also working with our consulate offices in ensuring that there is a relationship with the Secretary of State. Gaps still exist in the monitoring of foreign students. Accordingly, this legislation expands the monitoring program to include flight schools, language-training programs, and vocational schools; and it improves the reporting requirements on the INS as to the individuals going to these schools. In addition, this legislation requires the INS, in consultation with the Department of Education, to periodically review institutions enrolling foreign students and receiving exchange visitors to ensure that they adhere to the reporting and record keeping responsibilities.

Let me also note that we are very gratified with the inclusion of language from the legislation that the gentleman from Texas (Mr. REYES) and myself cosponsored that for all journeymen, border patrol agents, and inspectors who have completed at least 1 year of service and are receiving an annual rate of basic pay for positions GS–9 of the general schedule under section 5332 will receive an annual increase in their rate so that we can bind comparable and qualified individuals and provide a career pattern.

Let me simply say in closing, Madam Speaker, that I too have a disappointment in the comparing of the needs of developing a real immigration policy with the needs of finding terrorists.

Madam Speaker, just a few months ago, the House of Representatives passed this bill with the inclusion of Section 245(i). This bill that has come back from the Senate does not include that provision. I am aware that one Member from the other body held this up. How can this happen? How can we let it happen? The Extension of 245(i) is a simple measure that would allow for the adjustment of individuals who are here, who are accessing legalization in the right manner. Can we imagine that we could not bring this bill to the floor of the House having passed it once; to allow a simple adjustment so that these individuals could be reunited with their families. I am hoping that we will come to our senses and realize that immigration is not terrorism, that immigration is not lawlessness, that we are a country of immigrants and, as well, laws, and we should find a way to pass 245(i) to reunite our families.

Madam Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Madam Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Madam Speaker, I thank the gentleman for yielding me this time, and I rise in support of the legislation.

Madam Speaker, the American people have been insisting for quite some time now that we tighten up our borders, that we prevent terrorists and potential terrorists from entering into our country in the first place and, most certainly, that if they do happen to get through, to be able to track them down and to deport them or somehow prevent an act of terrorism that might be in their minds and hearts. So now, after September 11, that insistence has grown into a crescendo of demands by the American public that we do something.

Here, we have the potential of taking gigantic steps in tracking those people who would come to our country under a student visa, shall we say, and then during the course of their academic curriculum at a particular institution, they either drop out and drop out of sight within our society, never to be seen again, or they come to the end of their student visa and again they drop off the face of the Earth into our society, and we sit around helpless as to where these individuals might be. That is why we have millions of illegal aliens in our country. That is part of the reason.

This bill helps protect some systems that can, with high tech, make it possible to track all of these people. So would it not be a great thing to be able to see a student come to our country, legally so, properly so, and whom we would welcome with open arms, and then at the end of his visa when he finishes his years or her years of curriculum at a particular institution, that at that moment the privileges of the visa end and that individual goes back to his or her home country? That is a simple little equation that this bill helps to prepare and to execute. That is just one.

But the other provisions of the bill tighten up our security by strengthening our capacity for border patrols and other screening processes which go across the board in a sweeping effort to heed what the American people are saying to us, tighten up the borders, prevent illegal aliens from coming in, and once they are in here, deport them or bring law enforcement measures against them.

Ms. JACKSON-LEE of Texas. Madam Speaker, I yield myself such time as I may consume.

I appreciate the words of the chairman of our subcommittee, because I do think he highlighted several important aspects of what this bill does. I think that we should also say to the American people that we are working on issues that many of us spoke to even before the tragedy of September 11, and I think it is important to note that one of the reasons why we could not succeed with our immigration policies is a lack of staffing. This legislation focuses on the importance of hiring personnel at the border, full-time personnel, giving greater control to decisionmakers at the border and increasing the number of border personnel.

It is interesting that one of the issues that we had was the lack of comparable pay, lack of professional training, and now we have that, and this legislation will include higher pay for our border service personnel and provides Customs agents and Border Patrol and INS inspectors with essential training and cross-training.

One of the issues that came up after September 11 was the lack of intelligence-sharing. I have even seen an improvement over these last couple of months. We must focus on the fact that the law enforcement agencies must share information. This bill emphasizes that. It also expands technology.

As a member of the Homeland Security Task Force, one of the major issues we talked about is increased technology aspects of the northern border and the southern border. How do we detect whether there is tainted food coming across the border, for instance? We are looking to expand the technology resources there.

To offset such costs of such improvements, the Attorney General is authorized to increase land border fees and the State Department is permitted to raise fees for the use of machine-readable visas.

One of the difficulties we have had at the southern border was that individuals coming across Mexican borders have their biometric cards. There have been a lot of accusations: why do you not use them? But we did not have the staff or the readers of those cards and there was a great logjam of those individuals who were legally trying to access the United States and were doing everything they could that they should have done, but we did not have the resources to deal with it.

This bill places a priority on having those kinds of resources. It also gives us the ability to improve our monitoring of foreign nationals who are present in the United States, and consulate offices who issue visas will be required to transmit electronic versions of visa files to the INS so that critical information is available. This is a key response to September 11 when the State Department was issuing visas and those who had the responsibility for enforcement had no knowledge of it. Now we have a situation where that data must be transformed, and it was a key element of concern of mine and one of the issues that we raised, both in legislation and with respect to this particular bill.

This legislation also gives greater direction to the integrated entry and exit system established in 1996 by IIRIRA, including use of specific technology standards and technologies to facilitate across the border. What this does is it provides the INS with state-of-the-art technology at the borders. It also provides a working relationship, as I said, with the Secretary of State, the State Department, and consulate offices.

Gaps still exist in the monitoring of foreign students, but this legislation again puts student tracking on the list by doing the following: it expands the monitoring to include flight schools, language training schools, and vocational schools. It seems interesting that when we had the testimony of those who owned the flight schools in Florida, that trained the terrorists of September 11, it did not strike them as funny or somewhat unique that these individuals would want only a specific type of training, training that did not require landing or taking off. I believe with a more secure tracking and notice of these individuals, more serious questions will be asked when individuals come for unique training in the United States. We certainly are open to students, but we recognize that we must be cautious and diligent in that kind of training.

Let me simply say to my colleagues that this bill is an important bill, but this bill went to the Senate, the other body, with 245(i), and that is a bill that dealt with the reunification of families. The bill had been vetted, it had been studied, it had been subject to review here in the House, and that bill still stands idle without attention. The lack of attention to 245(i) does not serve us well, Madam Speaker. It is simply a bill that will allow for the adjustments of individuals who are here, who are accessing legalization, without them having to return to their country, maybe a country, of course, where they are jeopardized, or it may be a country where they are under threat of persecution.

Therefore, it is important that 245(i) get its hearing here in the United States Congress. We need to pass 245(i). It is of great importance that we allow those who are standing in line, thousands who are standing in line for the right kind of access to legalization, who are here with the kind of support systems and family members who can help them access legalization; 245(i) needs to pass.

Let me conclude my remarks by simply acknowledging an article by Daniel T. Griswold entitled "Don't Blame Immigrants for Terrorism" dated October 23, 2001. I would like to submit this for the RECORD and conclude my remarks by saying that this border security bill speaks to immigration as it should be spoken to, and that is a fair balance of ensuring that there is access to those immigrants who are fairly and legally accessing this country and access to those who are trying to earn access to legalization without the overall veil that immigration equates to terrorism.

I believe that this is an important legislative initiative, and I ask my colleagues to support this legislation enthusiastically. I ask to submit this article into the RECORD: "Don't Blame Immigrants for Terrorism" by Daniel T. Griswold.

[From the Assistant Director of Trade Policy Studies at the Cato Institute, October 23, 2001]

DON'T BLAME IMMIGRANTS FOR TERRORISM

(By Daniel T. Griswold)

In the wake of the September 11 terrorist attacks on the Pentagon and the World Trade Center, the U.S. government must strengthen its efforts to stop terrorists or potential terrorists from entering the country. But those efforts should not result in a wider effort to close our borders to immigrants.

Obviously, any government has a right and a duty to "control its borders" to keep out dangerous goods and dangerous people. The U.S. federal government should implement whatever procedures are necessary to deny entry to anyone with terrorist connections, a criminal record, or any other ties that would indicate a potential to commit terrorist acts.

This will require expanding and upgrading facilities at U.S. entry points so that customs agents and immigration officials can be notified in a timely manner of persons who should not be allowed into the country. Communications must be improved between law enforcement, intelligence agencies and border patrol personnel. Computer systems must be upgraded to allow effective screening without causing intolerable delays at the border. A more effective border patrol will also require closer cooperation from Mexico and Canada to prevent potential terrorists from entering those countries first in an attempt to then slip across our long land borders into the United States.

Long-time skeptics of immigration, including Pat Buchanan and the Federation for American Immigration Reform, have tried in recent days to turn those legitimate concerns about security into a general argument against openness to immigration. But immigration and border control are two distinct issues. Border control is about who we allow to enter the country, whether on a temporary or permanent basis; immigration is about whom we allow to stay and settle permanently.

Immigrants are only a small subset of the total number of foreigners who enter the United States every year. According to the U.S. Immigration and Naturalization Service, 351 million aliens were admitted through INS ports of entry in fiscal year 2000—nearly a million entries a day. That total includes individuals who make multiple entries, for example, tourists and business travelers with temporary and aliens who hold border-crossing cards that allow them to commute back and forth each week from Canada and Mexico.

The majority of aliens who enter the United States return to their homeland after a few days, weeks, or months. Reducing the number of people we allow to reside permanently in the United States would do nothing to protect us from terrorists who do not come here to settle but to plot and commit violent acts. And closing our borders to those who come here temporarily would cause a huge economic disruption by denying entry to millions of people who come to the United States each year for lawful, peaceful (and temporary) purposes.

It would be a national shame if, in the name of security, we were to close the door to immigrants who come here to work and build a better life for themselves and their families. Like the Statue of Liberty, the World Trade Center towers stood as monuments to America's openness to immigration. Workers from more than 80 different nations lost their lives in the terrorist attacks. According to the Washington Post, "The hardest hit among foreign countries appears to be Britain, which is estimating about 300 deaths . . . Chile has reported about 250 people missing, Colombia nearly 200, Turkey about 130, the Philippines about 115, Israel about 113, and Canada between 45 and 70. Germany has reported 170 people unaccounted for, but expects casualties to be around 100." Those people were not the cause of terrorism but its victims.

The problem is not that we are letting too many people into the United States but that the government is not keeping out the wrong people. An analogy to trade might be helpful: We can pursue a policy of open trade, with all its economic benefits, yet still exclude goods harmful to public health and safety, such as diseased meat and fruits, explosives, child pornography, and other contraband materials. In the same way, we should keep our borders open to the free flow of people, but at the same time strengthen our ability to keep out those few who would menace the public.

Immigrants come here to realize the American dream; terrorists come to destroy it. We should not allow America's tradition of welcoming immigrants to become yet another casualty of September 11.

Mr. SENSENBRENNER. Madam Speaker, I yield myself the balance of the time.

Madam Speaker, I would like to respond to two of the points that have come up during this debate, first with respect to the comments on section 245(i) made by the distinguished gentlewoman from Texas (Ms. JACKSON-LEE). The House of Representatives has passed 245(i) legislation twice, once in May of last year and once in March of this year. The second passage of the 245(i) legislation was coupled with the same visa security and Border Patrol legislation that we are discussing here today.

□ 1815

The Senate, however, chose to pick this bill without 245(i), without the other bill which had 245(i) in it. That is why we are debating a 245(i)-less bill today. So the decision to hold up 245(i) this time does not rest with the House of Representatives, but, unfortunately, with the other body.

Secondly, with respect to the comments on student visa tracking made by the distinguished gentleman from Pennsylvania (Mr. GEKAS), he is absolutely right on that, but I would like to amplify the point that he made with one other fact.

Much was said about the fact that Mohammed Atta and one of the other September 11 hijackers had their student visas approved by the INS 6 months after they died flying planes into the Twin Towers in New York City. But the really shocking statistic was not that, it was the fact that the student visas were approved 13 months after these two terrorists graduated from flight school. The purpose for which the student visas were applied for had been fulfilled, and they should have left the country promptly after their course of study was concluded. They did not, and the rest is history, and over 3,000 people died as a result of that.

What this legislation does is that it provides a student visa tracking system so if someone enters the United States on a student visa and either does not show up at school, drops out of school, gets kicked out of school, or graduates from school, then the INS will know about it and take the appropriate action to make sure that those students return to their home countries.

Had this type of a system proposed by this bill been up and functional on September 11, Mr. Atta and his conspirator would not have been in the United States to go to an American airport to hijack two American planes and to kill thousands of people.

That is why it is important that this bill be passed, so that future Attas who wish to exploit the weaknesses in our visa system and to abuse the hospitality that is extended to them by the American people at American institutions will no longer be able to do so. I urge the House to concur in the Senate amendments.

Mr. ORTIZ. Madam Speaker, as co-chairman of the House Border Caucus and a representative of South Texas, I rise in support of H.R. 3525, the Enhanced Border Security and Visa Entry Reform Act and thank the House for moving this bill so quickly after Senate passage.

It is an important bill for the security of the nation—and my district sits square on some of the real estate most affected by our border policies. It ensures safety for the people within this country's borders and provides the tools necessary to the U.S. Customs and the Immigration and Naturalization Service to better serve the American people.

Most importantly for the taxpayers in my district, the bill also has a provision to extend the border crossing card deadline for residents along the Southwestern border of the United States. This extension will provide a much-needed boost to the economies that have suffered since the tragic attacks of September 11th.

After the attacks, Congress stopped work on a stand-alone bill with bi-partisan support to extend the deadline for one year to October 1, 2002. With the extension in today's bill, until Oct. 1, 2002, consumers whose lives transverse the border can conduct business normally again. Regular border shoppers can—after we finish this bill—use their border crossing cards to go to school, to go to work, to go shopping, or visit their families. They can once again participate in the border economy.

The Southwestern border is vitally important to the United States. It is the gateway to the United States from Latin and South America. It is the port-of-entry for one of our most valued trading partners, and it represents the rich diversity of immigrants on which this country was founded. This bill is an excellent first step in recognizing that fact.

The Southwestern border, according to a recent U.S. Chamber of Commerce report, has a population of 6.2 million people in the U.S. and approximately 4.3 million people in Mexico. The buying power of border residents is immense and the economy of South Texas depends on their participation in our marketplace. In my district alone, 75–80% of Brownsville's downtown retail sales normally come from people crossing the border.

Since September 11th this number has dropped. This same report also cites the border crossing card deadline as one of the main reasons that fewer people are crossing the border. The economic effects of the attacks in September were bad for the country; they were devastating for the Southwestern border.

Mr. SENSENBRENNER. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 3525.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SENSENBRENNER. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed until tomorrow.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 6:30 p.m.

Accordingly (at 6 o'clock and 18 minutes p.m.), the House stood in recess until 6:30 p.m.

□ 1830

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DUNCAN) at 6 o'clock and 30 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on motions to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

H.R. 2911, by the yeas and nays;

House Concurrent Resolution 271, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

HARVEY W. WILEY FEDERAL BUILDING

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2911.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arkansas (Mr. BOOZMAN) that the House suspend the rules and pass the bill, H.R. 2911, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 402, nays 0, not voting 32, as follows:

[Roll No. 127]

YEAS—402

Abercrombie
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (SC)
Bryant
Burr
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
King (NY)
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Putnam
Quinn

Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez
Sanders
Sandlin
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (NM)
Upton
Velázquez
Vitter
Walden
Walsh
Wamp
Waters
Watson (CA)
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—32

Ackerman
Baker
Blagojevich
Bonior
Brown (OH)
Burton
Buyer
Carson (IN)
Costello
Crane
Davis (FL)
Fossella
Gutierrez
Hunter
Jones (OH)
Kind (WI)
Kingston
Mollohan
Ose
Price (NC)
Pryce (OH)
Riley
Rothman
Sawyer
Souder
Taylor (NC)
Traficant
Udall (CO)
Visclosky
Watkins (OK)
Waxman
Weiner

☐ 1857

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. FOSSELLA. Mr. Speaker, on rollcall No. 127, I was inadvertently detained. Had I been present, I would have voted "yea".

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DUNCAN). Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on the second motion to suspend the rules on which the Chair has postponed further proceedings.

SENSE OF CONGRESS REGARDING PUBLIC AWARENESS OF THE IMPORTANCE OF HEALTH CARE EDUCATION AND HEALTH CARE COVERAGE MONTH

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 271.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New Mexico (Mrs. WILSON) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 271, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 402, nays 1, answered "present" 1, not voting 30, as follows:

[Roll No. 128]

YEAS—402

Abercrombie
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (SC)
Bryant
Burr
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
King (NY)
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sánchez
Sanders
Sandlin
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (NM)
Upton
Velázquez
Vitter
Walden
Walsh
Wamp
Waters
Watson (CA)
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—1

Paul

ANSWERED "PRESENT"—1

Kerns

NOT VOTING—30

Ackerman
Bereuter
Blagojevich
Bonior
Brown (OH)
Burton
Buyer
Carson (IN)
Costello
Crane
Davis (FL)
Goodlatte
Gutierrez
Hunter
Jones (OH)
Kind (WI)
Kingston
Mollohan
Ose
Price (NC)
Pryce (OH)
Riley
Rothman
Sawyer
Souder
Traficant
Udall (CO)
Visclosky
Watkins (OK)
Waxman

☐ 1906

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR THE DISPOSITION OF H.J. RES. 84, DISAPPROVING THE ACTION TAKEN BY THE PRESIDENT UNDER SECTION 203 OF THE TRADE ACT OF 1974 TRANSMITTED TO THE CONGRESS ON MARCH 5, 2002

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–447) on the resolution (H. Res. 414) providing for the disposition of the joint resolution (H.J. Res. 84) disapproving the action taken by the President under section 203 of the Trade Act of 1974 transmitted to the Congress on March 5, 2002, which was referred to the House Calendar and ordered to be printed.

OFFICER MARLENE LOOS NAMED OFFICER OF THE MONTH

(Mr. GRUCCI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRUCCI. Mr. Speaker, I rise today in honor of Suffolk County Police Officer Marlene Loos, who was recently named the Officer of the Month by the National Law Enforcement Officers Memorial Fund. Marlene Loos epitomizes the bravery of the men and women who patrol our streets, serve our neighbors, and protect our children day and night.

On the morning of December 10, 1998, while responding to a 911 call, Officer Loos was shot point-blank in the chest. After struggling to her feet to try and protect people surrounding the incident, she was shot again in the arm. Despite being shot twice, Officer Loos was able to cover a bystander with her own body, hoping that her body armor would protect them both.

Fortunately, Officer Loos was able to survive the attack on that December morning. Coming from a family of police officers, she continues to serve our community on Long Island, and I am extremely proud to have her as my constituent.

Mr. Speaker, I ask my colleagues to join me in congratulating Officer Loos on this recent honor and thanking her and her fellow officers for protecting and making our communities safe throughout this Nation.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. DUNCAN). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

J–1 VISA WAIVER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I come to the House floor this evening to express my opposition to the termination of the J–1 visa waiver program.

Currently, foreign medical graduates are allowed to come to the United States on a J–1 visa for up to 3 years to train in accredited residency programs in rural underserved parts of the country. The impetus behind accepting physicians from other countries, foreign medical graduates, and training them in American residency positions is to attract physicians to provide care to the medically underserved who live in rural areas where doctors trained in the United States do not want to practice.

Mr. Speaker, the law states that once a residency program is complete, the doctors are required to return to their country of origin for 2 years. However, the government has the authority to waive the requirements if it is in the United States' interest to keep the physician here. The U.S. Department of Agriculture's Rural Development Branch was thrilled by the waiver because it provided the opportunity to retain medical trainees who would continue to serve in typically medically underserved communities in rural America.

But, Mr. Speaker, unfortunately, in the past few weeks, the USDA has indicated an intention to stop granting such permission under the J–1 visa waiver program. Although it is clear there is a lack of sufficient health care in rural America, and although it is clear that qualified physicians from abroad are willing to come to the U.S. to serve in these medically lacking communities, nevertheless, the government has proposed to end this program entirely.

Mr. Speaker, since September 11, national security concerns have taken hold and new extensive background checks have been put in place. The USDA claims the extra money required to implement background checks on foreign medical graduates would be too burdensome and therefore the program must end. Currently, there are approximately a little more than 80 applications for the waiver that are still pending, and after these applications have been processed, the program is slated to end.

Mr. Speaker, I believe that there is not justification for the cessation of the J–1 visa waiver program. Terminating this program and preventing qualified physicians from serving communities in America that lack sufficient health care does our country a great injustice. Mr. Speaker, stopping the granting of these waivers is unacceptable, and I would ask that the USDA reconsider, and that we do whatever we can, myself and my colleagues, to prevent this valuable program from ending because it is so important to rural America and to the health care of Americans in rural areas.

PERSONAL EXPLANATION

Mr. JOHN. Mr. Speaker, I am not recorded on rollcall vote number 126. I was unable to make that vote at the time. Had I been here I would have voted "yes" on that rollcall vote, and I would like that to be reflected in the CONGRESSIONAL RECORD.

TRIBUTE TO PAUL FACCHINA, AN EXTRAORDINARY CITIZEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOYER) is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, a week and a day ago, Charles County, Calvert County, and Dorchester County in Maryland were hit by a tornado. Mr. Speaker, I rise today to bring to your attention a truly remarkable individual from my district who is helping us respond to that tornado.

As you know, Southern Maryland was recently devastated by what is believed to be the second most powerful tornado ever to hit the East Coast. It is tough times like these, Mr. Speaker, that brings out the best of what America has to offer, for those who have lost a great deal themselves rise to the occasion to help others who are in need.

Mr. Paul Facchina is a tremendous example of one such extraordinary person who heads up a company peopled by extraordinary individuals. Mr. Facchina owns and operates Facchina Construction in LaPlata, Maryland. That small town in Charles County completely lost 48 businesses in the matter of minutes that the tornado took to pass through. Lawyers' offices, banks, convenience stores, fast food restaurants, grocery stores, a lumber yard, all destroyed.

Mr. Paul Facchina's company was among those that were decimated, and he has every intention of rebuilding a brand new headquarters, which he happened to have already planned just across the street from the one that was destroyed. And though he and his employees are busy finalizing plans for the new building, while at the same time cleaning up the old, he did not forget about those other businesses in LaPlata that were destroyed and put out of business.

☐ 1915

Instead, Facchina Construction began work on a "temporary town center" just hours after the powerful F5 tornado ripped through the county.

Recognizing the devastation that loss of customers could mean to his neighboring small businesses, Paul Facchina acted quickly to create a 2-acre home for them on company property in the center of LaPlata's business district. This temporary town center will consist of 21 office trailers, complete with utilities and a paved parking lot to accommodate any LaPlata business that was displaced by the tornado. On Friday after Congress adjourned, I was on the Facchina construction site. It was amazing what they had done in the 4 days since the tornado hit, plumbing being installed, pads being prepared.

And what does Mr. Facchina ask for in return for his generosity, the generosity of his company and his people? Nothing more than what a business can afford to pay. If they are not doing any business because they have been blown out of the water, so to speak, they will not pay anything. Otherwise, they will pay a commensurate lease.

Facchina Construction is no stranger to disaster response. The company was on site at the Pentagon on September 11, and crews were involved in the subsequent rescue and recovery of people in the Pentagon. Facchina headed up the restoration of the damage to the Pentagon and recently completed the project 3½ months ahead of schedule. They made it clear to the world that we have healed our physical wounds and are moving ahead with the business of this country.

Mr. Speaker, there are those who say that capitalism inevitably creates a dog-eat-dog world in which only the strong survive. Mr. Speaker, I offer to them the example of Facchina Construction and Mr. Paul Facchina. In a time of turmoil, we rely on people like this to remind us what America is about and to tell those whose lives have been turned upside down that everything will be okay.

The author said in a "Tale of Two Cities": "It was the best of times, it was the worst of times." Sunday, 7 p.m. a week ago was the worst of times in LaPlata, Maryland. We lost five people to that tornado; but Paul Facchina and his people and neighbors, neighbors who had been hit by the tornado, neighbors whose houses had been spared, businesses hit by the tornado came out into the streets right after that tornado passed to help their neighbors, help their community say that they were not going to be defeated by nature, as we have not been defeated by terrorists.

Mr. Speaker, we all owe a debt of gratitude to these courageous people.

4-H IS PREMIER YOUTH DEVELOPMENT ORGANIZATION

The SPEAKER pro tempore (Mr. DUNCAN). Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, as a young person growing up, I had the good fortune to be a member of a 4-H club, and I rise today to recognize the centennial of 4-H clubs as one of our premier youth development organizations. Indeed, 4-H accomplishments over the past 100 years have helped developing youth to become productive citizens and are a catalyst for positive change, to meet the needs of a diverse and changing society.

Through the tireless efforts of 4-H over the past 100 years, and its sponsorship of numerous programs dedicated to developing our youth, the world is a better place. I applaud 4-H's history, and herald its future.

In the last 100 years, millions of 4-H members have raised their hand to recite the pledge: "I pledge my head to clearer thinking, my heart to greater loyalty, my hands to larger service, and my health to better living for my club, my community, my country and the world."

These words have been a blueprint for success. Millions of members have also lived by the 4-H motto: "To make the best better." Although the 4-H pledge and motto have remained basically the same over the decades, the 4-H movement has constantly sought diversity, both in its programs and participants.

Over the last 100 years: In 1902, A.B. Graham, superintendent of schools in Clark County, Ohio, organized a boys' and girls' agricultural club in Springfield Township.

1903 saw the development of corn clubs.

Pig clubs were later introduced, as were canning clubs.

Federal-State-county programs began to develop, and the Smith-Lever Act of 1914 established the Cooperative Extension Service, of which 4-H is a component.

During the 1920s and 1930s, 4-H expanded to Europe. World War II saw active participation of 4-H in the war effort. "Food for Freedom" was the slogan, and 4-H'ers were responsible for increased agriculture production.

Following World War II, international exchange programs were furthered in Europe, as well as Asia, Africa, and Latin America.

The decades of the 1960s and 1970s saw increased emphasis on participation by minorities and disadvantaged youth. In 1966, a national workshop was held in Chicago to expand 4-H for disadvantaged youth in both rural and urban areas.

In the 1980s and 1990s, 4-H focused heavily on Youth at Risk, highlighting school-age child care and education, community programming, and development of literacy and technological literacy.

4-H programs now span the gamut, touching on critical areas of our world: the environment; health, wellness and safety; workforce preparation; youth decision-making; biotechnology in agriculture; and community building.

I have been struck by the impact of these programs over the years and want to commend the University of Illinois and its agricultural extension programs. Not only are their 4-H clubs actively involved in rural communities, but its urban programming has been significant and productive.

Yes, indeed, 4-H'ers have indeed helped to improve the quality of life and to make a better world. So we proudly say when we pledge: "I pledge my head to clearer thinking, my heart to greater loyalty, my hands for useful service, for better living, for myself, my club, my country and for the world." Congratulations to a great movement, the 4-H Club.

BLUE DOG DEMOCRATS AND FISCAL RESPONSIBILITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Louisiana (Mr. JOHN) is recognized for 60 minutes as the designee of the minority leader.

Mr. JOHN. Mr. Speaker, I am very happy to be here tonight for the next hour to talk about something that is very important to a group of individuals that I like to coalesce around here, and that is the Blue Dog Democrats.

Before I get into talking about some of the substantive things that I would like to speak about tonight, mostly fiscal responsibility, I would like to give an overview who are the Blue Dog Democrats. Members might have heard several times about our group and how active we are, but we are a group of 33 individual Members of Congress from all over the country. We come from California. We have a Member from New York, a couple of Members from Georgia and Tennessee and Texas; but we come from all over the United States geographically. But what brings us together, what has brought us together and what has really gained us a lot of credibility in this body is our focus on fiscal responsibility.

We meet every week and we talk about different issues, but we do not get involved in issues that split us apart, that we might not be able to get a consensus on. The Blue Dogs, when we are talking about an issue, when we take an issue, we go for it in a fiscal angle and a fiscal angle only, and that is the common thread amongst all of the Blue Dogs; and I am happy to be here tonight, along with several of my colleagues, to talk about a situation that we find ourselves in that, frankly, a year ago none of us thought that we would be in.

Last year when we debated the budget, the Blue Dogs warned, and we were precluded by the majority from offering our own budget. I thought Americans in their businesses and in their families would go through the same process that the Blue Dogs went through. It was a good budget with a plan to bring some fiscal sanity and some fiscal stability in the outyears.

But yet projections were that we were going to have a $5 trillion-plus surplus over the next 10 years. Frankly, the Blue Dogs did not buy that. We bought it as deeply as we could define projections, and we looked in the dictionary and we looked at projections, and Members know what it says. It is just that. It is numbers put together, and with reasonably good accuracy or with educated people putting them together, but they were just that. They were projections.

Of course, we find ourselves now facing a situation of 180 degrees opposite. Not only are we not talking about a surplus, and that is really the funny thing as some of our Blue Dogs would like to talk about, the fight was over on where we were going to spend this $5 trillion. We stayed focused in that fight, not about where we were going to spend that $5 trillion projected surplus, but how we were going to handle it. Our cry back then was paying down the national debt.

Mr. Speaker, the national debt accrues every minute that I speak, every day that goes by at astronomical numbers, numbers that we cannot envision back in south Louisiana. We have over a $5 trillion debt that we owe this country. We pay over $2 billion a year in interest on that debt, not principal, interest on that debt. Prior to the plus-ups of the military budget of the past few months, it was almost as much money as we were spending on defending the country is what we were paying on our debt. So the Blue Dogs wanted to spend that money, and one-third, one-third, one-third was our program. One-third for paying down the debt, one-third for tax cuts because we were for tax cuts. We thought that was healthy for the economy, and one-third for spending priorities, priorities that were important to us: prescription drugs, our military, education and other important domestic programs that are so important to the infrastructure of this great country.

□ 1930

That was our plan. That plan was spending a third, a third, and a third. We were not successful in convincing the other side that this was the way to go. And so we have sat back and tried to revamp our plan under the new scenario that we live in today. Needs have arisen. Needs have arisen from a fiscal standpoint that we would not have even dreamed of just a few 8 months ago. We need to take care of those needs. We are spending billions of dollars.

I make no apology about voting for not only the money that we have spent in bailing out the airlines but the money we have spent in homeland security, the money we have spent on border patrol and to our law enforcement agencies all across the country. That is something we have to do. But now that we have committed ourselves to doing that, I think it is more important than ever that we put together a plan, some blueprint, some master business plan that we can follow. We are a ship afloat today without a fiscal plan.

Frankly, it makes me very nervous, it makes the Blue Dogs extremely concerned, and frankly it should make the American people a little concerned about what we are doing today in spending the money that we frankly do not have, that our surplus has gone away. We live in a credit card society. The scenario we find ourselves in today, imagine that I as a parent with my twin boys would run up thousands and thousands of dollars of credit card bills and pawn them off to my 3½-year-olds. That is what we are doing. That is how we are treating Social Security today. That is why it is important that we have a plan.

The Blue Dogs came together and put together what we think is a very elementary plan, a plan that I think works for the future of this country and a plan that really brings back what we had going in the first, the middle and the latter part of this century. We were actually running surpluses in this country, running government and actually having surpluses and we could afford to give a tax cut. We could afford to make sure that we were taking Social Security off-budget.

I do not know how many times I voted, but I know that it was more than a half a dozen of times that we voted in our Social Security lockbox. Frankly, the key has been found and we have been raiding Social Security to pay for some good expenditures but also for some other expenditures and spending that we need to get a handle on.

Let me list some of the things that we have been spending money on, and they are some good programs. Our agricultural bill, our bill passed this body last week to the tune of, oh, $73 billion, which passed out of this bill. The energy bill that is in the process has tax implications and cost. The Department of Defense authorization bill that we are going to do tomorrow comes at a high price tag, and the supplemental appropriations bill that we are going to deal with next week of $29 billion. Are all these dollars that we are spending going to good causes? Yes, they are. But we cannot continue to spend and spend and tax cut and spend with no plan.

That is what I am here tonight for and that is what you will hear from the Blue Dogs that are going to talk a lot about our plan, our vision, are some kind of blueprint that we can bring ourselves back on a course, a glide path to balancing our budget, not with Social Security, to making a commitment to paying down our debt because that is so important. That is what this plan is all about. The Blue Dogs, we like to call it our ABCD plan. It is not a plan that just has a facade. It is a real plan with real legislation. I am going to highlight them very quickly, then I am going to turn over some time to my friend from northeast Texas to talk about some of these issues.

First, A, assure honesty and accountability. Enforcing the budget rules that we have today would be a very nice way to start. We have a budget. It is a nonbinding budget, but we have a budget. But we do not enforce that. We do not even look at it, to be honest with you. We have a huge fight, this side against that side, this body against that body about where we should put our money. And then once we all fight about it and it passes, the majority normally wins in this body. Then we just kind of throw it in a corner and we go on about all the other things that we intend to do and do not really blow the dust off our budget and really abide by that. So I think that that is the first thing we ought to do. The gentleman from Indiana (Mr. HILL) introduced a piece of legislation to be able to do that.

How about pay-go rules? That is the jargon up here in the Congress that may go right over the head of some people, but it is really simple. Pay-go rules basically say that you cannot spend a dollar unless you have a way to pay for it. That does not seem to be very difficult to do when we in our households, in our budget and our businesses that we put together, we figure out a way to pay for it before we spend it. I think that that is important. That is A.

B is balancing the budget without raiding Social Security, something that this body has voted on many times, something that I really truly believe in my heart that this body wants to do. We want to make sure that we can balance our budget without Social Security. We did that for the last few years. But we are headed on a path to be able to raid the Social Security Trust Fund again and again.

The gentleman from Arkansas (Mr. BERRY) has introduced a bill, a constitutional amendment, which we hope that we can get a vote on this floor, that will basically amend the Constitution to require a balanced budget. It will also make sure that Congress needs a three-fifths vote to approve a deficit or raise the debt limit. That is a whole other special order hour I think we can talk about, and doing all of that without including the Social Security Trust Fund, a constitutional amendment. Every American in this country would be for that. That is B.

C is climbing out of the deficit ditch. The debt limit was put there for a purpose, to put handcuffs on Congresses, past and future, that they cannot borrow just up to whatever the debt limit is. You get to a debt limit and it is sort of like the credit card limit on your car. If it is a thousand dollars, when you get to a thousand dollars, you cannot use that card anymore. That is what the debt limit does. The gentleman from Kansas (Mr. MOORE) basically has a piece of legislation that is going to deal with the debt limit, making sure that we abide by the debt limit.

Finally, I will end on D, something that is so simple I cannot believe that we cannot come to an agreement on trying to make this happen. If it takes a supermajority to raise taxes, why should it not take a three-fifths majority to borrow money? So if we are going to borrow money over the debt limit or borrow more money, this body should have a three-fifths vote to be able to do that. That is D.

That is the Blue Dogs' ABCD plan that we have put together. Of course, the D plan with the supermajority to borrow money is a piece of legislation that was introduced by the gentleman from Tennessee (Mr. TANNER). These three very simple but very important budget guidelines are something that we should enact, they are something that the Blue Dogs are going to continue to push because now is the time that we need to put a plan together. We are a Nation at war and we understand that and we are funding that, to the brave men and women around the country that are fighting the war for the freedoms to let me speak up here in the well, to let you watch this on C-SPAN, to let you do whatever you want to do and enjoy the freedoms. We are funding that. But we need a plan. We cannot continue, not today, not this hour, not next week without some kind of plan from a fiscal standpoint of how we climb out. Every economist in the world is telling us that we are going to be spending money and we are going to be running deficits.

In fact, let me draw attention to an article that was in the USA Today yesterday that talked about the debts and the looming fiscal crises that this Congress is going to have to face. It is a very good article. It is called "Fiscal Discipline Falters As Budget Deficit Grows." The gentleman from California (Mr. SCHIFF), a Blue Dog member, the gentleman from New York (Mr. ISRAEL) a Blue Dog member, sent out a Dear Colleague asking everyone to read this. This is what it is all about. I think they did a wonderful job at laying out exactly what has happened and not playing the blame game, not blaming any one particular spending item or tax cut or the economy. It is a whole market basket of things that we have to deal with to climb our way out of it. But we cannot turn our back on it. We must have a plan. We must have a vision. That is what this plan seems to do.

With that, I will turn over as much time as he may consume to my friend the gentleman from Texas (Mr. SANDLIN).

Mr. SANDLIN. Mr. Speaker, I thank the gentleman from Louisiana and all the members of the Blue Dogs for working so diligently on the issue of fiscal responsibility. That is what our group is about. We can have many differences of opinion in the United States Congress. We can have differences of opinion regionally within the parties, but the Blue Dogs focus completely on fiscal responsibility for our Nation. We believe that it is important that if we want to address issues in the country such as Social Security, Medicare, education, making sure that our veterans are taken care of properly, making sure that we finance the war against terrorism properly, that we have a firm financial footing, a firm financial base, and that we have a plan in effect for taking care of those obligations of the United States Government. The Blue Dogs are committed to doing that in a fiscally responsible way, which means things such as investing in areas that are important and taking care of the country's debt.

As the gentleman from Louisiana mentioned, our debt is continuing to run at an alarming rate. It is imperative upon us in the United States Congress to address the issue of debt while we continue to operate the government in a prudent manner.

As was mentioned, the Blue Dogs have a plan called the ABCs. The ABCs are something we talk about in elementary school. It really is elementary. Much of this is elementary. All we are asking is that we operate the United States Government in much the same way that Americans operate their homes and Americans operate their businesses. It is important to know what revenues are available, it is important to know what obligations are out there, and it is important to plan for unanticipated obligations. And so we have developed a plan called the ABCs. Some call it the ABCDs. We are promoting that in the United States Congress as a way to promote a plan to get us on a firm financial footing.

One of the things that we think is imperative is that we keep our commitment to senior citizens and that we maintain Social Security inviolate, that we do not use the Social Security trust funds for any purpose other than for Social Security.

Originally the Blue Dogs came up with a plan that we felt should be supported by the entire United States Congress, because it made a lot of sense. Of course, as we know, that is not always the test in Washington. Something that makes a lot of sense is always suspect. But our first and our initial approach at a concerned and conservative and fiscally responsible budget was to take the Social Security trust funds completely off-budget, completely off-budget, not to be used for any other purpose.

Next we wanted to look at what I call for discussion purposes the operating budget of the United States Congress. We wanted to take the operating budget, look at it and determine if we had an operating surplus. With that operating surplus, we wanted one-half of that surplus to go immediately to the country's debt, to pay down the obligations that this government and this country have already incurred. We wanted one-fourth, then, to go to tax relief for American families. American families work hard. American families pay taxes. American families try and invest in their families, in education, in their senior citizens. We felt one-fourth available for tax cuts would help American families. Then the remaining one-fourth would be used for investment in critical areas such as agriculture, education, veterans, unanticipated expense such as we are facing right now with the war on terrorism.

Later as our policy developed, as the gentleman from Louisiana mentioned, we talked about a division of one-third, one-third, one-third. But most of our pleas have fallen on deaf ears. Most of the time people in this body are not willing to make a plan. We vote independently. Each vote is independent. There is no long-term plan. There is no matching of revenue and obligation, and fiscal responsibility seems to take a back seat.

Last year we were facing surpluses as far as the eye could see and we were worried last year, believe it or not, about paying off our debt too quickly.

□ 1945

Now, in less than a year's time, we have seen a dramatic reversal of this once promising budgetary outlook, and we now face a projection of deficits and increasing debt for the rest of the decade. These are debts that we will be placing on the backs of the children of this country.

Now, obviously some of this is due to the economic slowdown; some is due directly to the September 11 disaster; some is due to the continuing expense of the war on terrorism. But regardless of the source of these deficits, Congress and the President need to sit down, roll up our sleeves and have an honest discussion about what we need to do to get our budget back in order, to bring fiscal responsibility to the United States. If we do not, we risk burdening our children and our grandchildren with the consequences of today's irresponsible budgetary decisions.

Further, we risk jeopardizing Social Security and Medicare, a critical and important source of security for our senior citizens.

Now, the Blue Dog Coalition has outlined four solutions to the budget problem, as mentioned by the gentleman from Louisiana, and I am not going to go into those in any detail since he has mentioned them, but it is an elementary approach to fiscal responsibility. I think it is important, as the gentleman said, to look at pay-go, the pay-as-you-go or the pay-go rules which expire this year, and we would renew and extend the pay-go rules by establishing new 5-year discretionary caps, with separate caps for defense and nondefense spending. It would also require that any increases in mandatory spending be offset. We believe it should be more difficult to delay costs outside of the 5-year budget windows, thus making sure that we truly understand in the Congress and account for the costs of the legislation that we as a Congress are passing. That is responsibility. We need to know what the legislation that we pass costs and how it will be paid for. What could be any more elementary than that?

Now, as part of the ongoing honesty, and assuring honesty and accountability, we would require that the President conduct a thorough review of the war on terrorism and the costs associated with homeland security, and we would be willing to work with the President on plans in that way.

A is for accountability, as was mentioned, and we believe that we have to provide a framework, we have to be accountable, we have to show that the Federal Government can ensure and promise that the government is not jeopardizing the future of the children of this great Nation.

B is for the balanced budget. If we really want to get our fiscal house in order, if we are serious about this in the United States Congress, we need to start by requiring the President to submit to the United States Congress a balanced budget, and that balanced budget importantly has to include this feature for America. We need to balance the budget with a budget that does not tap into the Social Security Trust Fund, period. We have to get that done.

Now, our balanced budget proposal recognizes that in times of war or other threats to national security, sometimes it is necessary for the government to temporarily run budget deficits to ensure the safety of our Nation, the safety of our citizens, to make sure that our servicemen and service women across the world and across this country are provided for properly; that they have the best technology, the best equipment, the best training, the best leadership, the best that we can provide for our freedom fighters all across the world. Now, no cost is too great, but we cannot abandon the promise we made to senior citizens.

Mr. Speaker, senior citizens built this country. They have survived World War I, the Great Depression, World War II, Korea, Vietnam, the Persian Gulf. They have built this country, and they have seen good times and bad. They have lived the American dream. They get up in the morning, they make a sandwich and they put it in a pail and they go to work and they make a product that is put out in the market that supports this great economy, sends our kids to school and supports our senior citizens. We need to reward people in this country that work hard and play by the rules. We tell people, "work hard, play by the rules, be responsible," and now it is our turn to be responsible and make sure that when those folks do that, that we do not abandon our senior citizens, the very people that made this country great and turned over to us the freest and best society that the world has ever seen.

Now, this year the President has pushed a budget that claims to be in balance, only because it taps into the Social Security and Medicare Trust Funds. That is the only reason it is in balance. I believe that to be irresponsible. We cannot balance the budget on the backs of senior citizens.

We believe that it is our fiscal responsibility to raise the debt limit only if we have a plan, only if we have a plan. Mr. Speaker, it is not irresponsible to say, before raising the debt, before making that decision, let us identify where we are, let us identify where we are going, the goal that we need to reach, why we need to get there, how we need to get there, and how we are going to get out of it. That is a plan. While certainly it might be necessary to do that, we want a plan and we would support raising the limit only if we had a plan.

Now, Congress will review budget estimates from CBO, the Congressional Budget Office, in August, and using those budget projections, we would require the President to submit a new budget to the Congress that balances the budget within 5 years without using the Social Security surplus. That is a part of the plan. Do we need to raise the debt, the debt ceiling, the limit? Maybe, if we have a plan. Do we need to look at all of the numbers from the Congressional Budget Office? Certainly, we do. And we need a budget that does not invade Social Security.

Last year, or I guess it was in 1997; it seems like last year, but in 1997 we passed the Balanced Budget Act. It was a great bipartisan effort. We had people from both sides of the aisle, Democrats and Republicans, from all regions of the country supporting the Balanced Budget Act and the Taxpayer Relief Act of 1997. It was a great bipartisan victory for this House. At the time the whip on the other side of the aisle said that we need, from the beginning of this Congress, that we want to negotiate with the President, but we cannot negotiate with a President who does not want a balanced budget.

I think that was wise and sage advice, and we hope that wise and sage advice will continue now as we negotiate with the administration and say, we want to negotiate, but we want to negotiate with someone that wants to balance the budget and we want to balance the budget without invading Social Security and Medicare. We agree with that approach.

The House, as was mentioned, is going to look at the possibility of raising the debt limit and borrowing more money, as the gentleman from Louisiana mentioned, and we propose a supermajority, or a three-fifths vote, as the gentleman indicated, for such an action. We believe that to be reasonable, we believe that to be proper, and we believe that to be the way that this House can focus on the seriousness of that issue. We hope that the Congress will take that matter of increasing the debt very seriously.

Finally, let me mention one other thing that D could stand for, other than what the gentleman from Louisiana mentioned. D is for debt prevention. Not only do we need to reduce debt in this country and pay off our debt and be responsible, we need to prevent debt in the future. We cannot overstate the importance of taking care of our responsibilities and getting our fiscal house back in order. The principles that were outlined by the gentleman from Louisiana and the other Blue Dogs that have worked so hard on this issue would help rein in fiscal responsibility and ensure that we secure our children's future.

Mr. JOHN. Mr. Speaker, I thank the gentleman from Texas for laying out very eloquently the position of the Blue Dogs and also for giving a little background of where we need to go. The underlying message is that we need a plan, and the Blue Dogs have this plan.

Mr. Speaker, I yield now to the gentleman from Illinois (Mr. PHELPS) to talk further about the Blue Dog plan and our position.

Mr. PHELPS. Mr. Speaker, I thank the gentleman from Louisiana, and I thank the gentleman from Texas who just spoke. I wholeheartedly agree with my colleagues here this evening. While we may be repeating some of the same concepts and principles that we believe wholeheartedly in as an organization, the Blue Dogs, I hope folks take it within their consideration, because if we do not repeat what is important over and over, sometimes it is not taken in as it should be, so forgive us if we become too repetitive, but we are trying to do our best to emphasize what is important.

We are here tonight when Congress is out of session; we have adjourned for the night. But we have continued to try to be here, missing our dinners and other social events that we, quite frankly, like to go to and get some business done too, but we believe enough in what we are emphasizing tonight to sacrifice that time to make sure, before this session is over and this Congress adjourns for the year, that we have done our best to try to indicate to the American people the true picture of the situation and how we think it should be resolved.

So, Mr. Speaker, I want to thank my fellow Blue Dogs for their comments and for giving me this opportunity to speak out on such an important issue. I want to focus my time in discussing the Blue Dog plan for putting the budget back in order, starting with fiscal discipline. The Blue Dogs have consistently focused on fiscal discipline, having advocated honesty and responsibility in the budgeting process.

When Congress considered the budget last year, the Blue Dogs warned of the danger of making long-term commitments for tax cuts or new spending programs based on projected surpluses, really unrealistic projection of surpluses. In less than a year's time, here we have a dramatic reversal of the once promising budgetary outlook. We now face projections of deficits and increasing debt for the rest of the decade that go far beyond the temporary impact of the economic downturn or cost of the war on terrorism. Congress and the President need to sit down, have an honest, open discussion about what we need to do to put the budget back in order, starting with the ABCs of fiscal discipline, which is what we are trying to outline tonight.

My wife and I have raised four lovely children. We still have our youngest at home, who is just finishing his junior year at the University of Southern Illinois, the university that both my wife and I have graduated from, and he is taking his exams this week, so I hope he is out there studying. Our three daughters are married and working. My wife and I worked very hard in trying to communicate to our children, and through an example ourselves, how we ran the household when they were able and old enough to observe and know what was going on, and we reiterated over and over to be very careful on how you develop your spending habits. You do not squander what you do not have. You do not promise your friends and other people you will participate in activities when you know you do not have the means to participate. These are tough lessons in life, probably the toughest, but I am happy to say that they are fiscally responsible young people.

So I feel like my wife and I have been somewhat successful at this point. We know that some of the problems in marriages can stem from financial problems, and unless you work as a team as a married couple, committed to making and meeting your debts, and working and raising the money to meet your expenses, as part of growing stronger together and building an economy of your own, that also transfers into the economy of your community, of your State and of your Nation. How you are going to pay for the most important things, the priority things, the necessities, your utility bills. One cannot live without water and power and transportation to travel back and forth to work. Take care of those things first, the necessities. That is what we taught, and I am happy to say they were intelligent enough and cooperative enough to be young people that have come now to be young married couples, soon to teach their children, and I have one grandchild, who will be learning, as he is four years old now.

As a legislator, I travel and talk to schools and am a former teacher, and my wife is a teacher. Our family has invested heavily in education. One of the things I try to emphasize when I am talking to young people, students, is I am trying to explain who I am as a Congressman. I am a legislator; I am a law maker. I legislate.

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To legislate, what does that mean? The proper definition, if we will look it up, is to transfer the public's will into public policy.

Now, what is the will of the American people? I honestly believe the people that I have met and known in this body that I serve with today and people who served in the past that I did not get to know, I honestly believe they know the will of their districts. They know what the people really count as priority, what is important, what is most important.

There are a lot of things that we hold important that are never, maybe, within our means to be able to address fully and wholeheartedly as we would like.

But to transfer the public's will into public policy is a great responsibility. Part of that responsibility, and now I have grown to know that the biggest responsibility, is what we do with the money that we have been entrusted to handle, that we collect from people that are working every day, like the coal miner in my district that takes his lunch bucket and goes down in the bowels of the earth. Many of my friends have never returned from there. It is a dangerous occupation.

Or it is the farmers who are trying to feed us. Farming is a high-risk line of duty, one of the most unhealthy occupations in the Nation, the family farmer.

But the Blue Dogs have outlined four solutions to avoid leaving our children and grandchildren with the consequences of today's irresponsible budgeting solutions. Here are the ABCs.

A is ensuring that there is honesty and accountability; budget enforcement, in other words. Unless we renew our budget discipline, Congress will continue to find ways to break its own rules and pass more legislation that puts still more red ink on the national ledger.

Enforceable budget constraints, restraints, will shine a light on deceptive practices and construct a fiscal guardrail, keeping our spending within the Nation's fiscal means.

As my colleague, the gentleman from Texas (Mr. SANDLIN) said, those out there who work hard and play by the rules, they should expect us to follow them; even our own rules, which, from the parliamentary standpoint, with all the specifics of what goes on here in this process, are probably not clear to many. Many of these are not clear to me. Even when they are, I am wondering if we would recognize the same ones on the same page, the wording and how it is interpreted.

But it is time that we lay everything out on the table, leave nothing off, just like we ask our families to do. I have told my children, do not count some expenses or some funds that are coming in twice. Some things are for certain things, certain important priorities: the utilities, for example, that I mentioned. Those are identified. We must lay those aside and at least put an approximate, sometimes a detailed and very predictable, expense that they can expect every month. I do not think we are surprised by what we know we have to pay for here.

So we have to be able to reconcile within ourselves what the rules are, enforce them, and ensure honesty and accountability.

B is balancing the budget without raiding Social Security. A balanced budget constitutional amendment, that makes sense to me. We must vote on a balanced budget amendment to the Constitution that requires the President to submit and Congress to enact a budget that is in balance, without using or raiding the Social Security surplus.

The amendment could be waived in times of war, of course, military conflict, or other threats to national security. Even that is pretty broad, because what some people might classify as national security, or the administration, that is what we deliberate on here, to see if we agree. But surely a majority out of 435 people, and 100 over in the other Chamber, with a President who makes pretty close to the same pledges and promises if they want to be elected or reelected, surely that cannot be too far off the bubble, I would not think, unless we are changing the rules after we get elected and do not want to face up to what we promised.

This includes excluding the Social Security trust funds. Balancing the budget is meaningless if we borrow from our children, and just go to our parties and play golf and have our fun, and tell the American people that things could be looking better: "Look up, let us be positive."

Members are not talking to anybody who is even halfway near pessimistic. I do not accept defeat or anything that is presented to me with doubt if I know I have done my best within my power. How in the world can the American people expect us to be looking them straight in the eye and saying that we are doing our best when we are willingly adding more debt to the debt that we are not even being honest about?

Sure, there are unforeseen expenses that come our way, such as the national security, terrorism, and recession, but we have a tendency to underplay what we want to and exaggerate what we want to just to sell what we know cannot be accomplished in a certain realm of time, within the election proximity of time. When does reality finally strike what body of elected people? Will honesty and reality finally come to the surface and say, I cannot account for all those generations back there, and those decades of politicians, but I can tell you what I know? That is who I want to serve with, someone who will step forward and be counted.

A debt limit with a plan. Blue Dogs believe Congress has a responsibility to cover obligations through the end of the fiscal year September 30, 2002, and that is coming up pretty quick, but that raising the debt limit by $750 billion as requested by the President is pretty risky business, in my way of thinking.

First, the President and Congress must create a plan to put our fiscal house back in order, just as the family facing financial problems must work with their bank to establish a framework, a financial plan, in order to get approval to refinance their debts.

But do Members know what they have to do before they can refinance their debts or begin their plan? The biggest word I know of: acknowledge that there is a problem, acknowledge that one is wrong.

I have heard our preacher say in our pulpit that one of the biggest words, misused words, is the fact that many of us want to say, oh, I made mistakes and I stubbed my toe, and I have done this or that. I wish I had it to do over. They leave out the word "sin," from a religious context. They do not want to acknowledge within their own lives what they have control over themselves that is going on wrong in their lives.

Do Members know what is going to happen to that person who has gone too far with alcohol or anything else? Unless they acknowledge it, they will never be able to control it or to come up with a solution, or have a plan; to be in that Alcoholics Anonymous, to change their lives in their own faith, because they have not acknowledged who they are down deep, what they have done. They have tried to sugarcoat it by saying, "I sure have made some mistakes." That is from a secular standpoint.

I might have said something wrong to somebody, maybe not guarding my words or not being as courteous. That is a mistake. But it is going deeper than that. Climbing out of the deficit ditch is going to take strong, courageous people to step forward acknowledging the problem.

Finally, defending our children from paying our bills, and having a supermajority to borrow money. All too often Congress and the President have been unwilling to make tough choices to balance our priorities, and have chosen to leave future generations to pay the bill for policies which benefit the current generation by increasing borrowing. Making it harder for Congress to borrow money by requiring a supermajority will protect the rights of future generations who are not represented in our political system, but will bear the burden of our decisions today.

That is where we are at, that crossroads. Can we just do the simple ABCs? We cannot even put a word together or communicate or learn to read unless we know our ABCs.

I want to tell the Members something: the Blue Dogs know our ABCs. I hope we can convince enough of our colleagues to step up and eat that alphabet, even if it is the cereal of the morning. If they are on the floor trying to defeat or at least debate with me as a member of the Blue Dogs, I am telling the Members, I am ready to face them.

If they have different figures than the CBO or any other fiscal commission can tell us, if they do, let us sit down here together in the light of day and say who is wrong. And whoever it is, let us fire them, or we are paying them too much if they are not giving us the right kind of information that we all can drive this Nation to the right course.

Mr. JOHNS. Mr. Speaker, I thank the gentleman from Illinois for laying out what I believe is the best plan. It is a plan to get us back to where we really need to go.

Why do we need a plan? We talk about a lot of things in this Congress, but one of the most important things that we do is allocating dollars in the budget process and authorizing and appropriating, because that is where our priorities lie. They lie in where we put our money.

That is why it is important to have a budget that makes sense, that is not a deceitful one in any way, or with smoke and mirrors, but a budget plan that makes sense. I think it is really important, because let me give the fiscal roller coaster ride in a real broad picture about where we have come from over the last very few short months, it seems like. I will try to be very nontechnical, because it is not very difficult to understand.

Last year, the CBO projected that the government would run a unified surplus of $5.6 trillion over the next 10 years, trillion with a T, and $3.4 trillion of that surplus was going to be excluded from Social Security. So we were dealing with $3.4 trillion over 10 years of money that we could or we were going to deal with for surpluses.

Actually, during the budget debate last year, as the Blue Dogs were moving forward in trying to make sure and drive home the message of paying down our debt, a lot of my colleagues on the other side of the fence were talking about, hold on, we do not want to pay off our debt too fast.

Boy, did that not happen. Less than 12 months later, the debt held by the public is increasing. Last year, Congress and the President agreed time after time after time again to put a lockbox around Social Security so that these new projections that show promise now, so that we would never go back into the Social Security trust fund.

But now today, May of 2002, less than 1 year or just a little over a year from all of these projections, the government is projected to run, listen to this, Mr. Speaker, a deficit that will require the government to use Social Security and Medicare money from the trust funds for the rest of the decade. Those are not my words, those are the CBO's, the experts and the guys that do this for a living. They said for the next decade, and it is only 2002, Mr. Speaker, so that is the fiscal picture that we have painted ourselves into. That does not even count the continued war on terrorism, the continued homeland security, and other very important programs that this Congress I know is going to want to put at the front lines.

What does this mean? This means a higher debt. We spend nearly 14 percent of our Federal dollars, 14 percent of our Federal budget goes to the interest on our debt. I mentioned a little while ago that it is over $230 billion a year in interest. But for those who are percentage buffs and pie chart people, 14 percent of our budget goes to paying off the debt that we have incurred, something that we could have started to pay down over the last few years.

Even the experts agree that spending this money on interest, and we all know what that is; it is not unlike, or in fact, it is exactly the same as the little line item that we have on our credit cards when we do not pay the balance off that says finance cost, interest cost on the money that we spent that we did not pay back over a year cycle. So that puts it in the context of our everyday occurrences. It takes away from the money that we could be using to pay down the debt, that we could be using in one of the most important issues that we need to address in Congress: educating the children, the next generation, the next Members of Congress, the next people who will protect this country. Also, it is health care, prescription drugs.

By continuing not to focus on paying down our debt, it takes money away from the things that are so very important.

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But the most important, I believe, problem that this causes, when we talked about tax cut and many of us including myself voted for President Bush's tax cut, it was August of last year when we voted on the tax cut. The economy was starting to slow and sputter a little bit. September 11 had not happened just yet. And our life changed a month from that, but many of us voted for these tax cuts. Some of us voted for them and, of course, did not like some of the areas that we were cutting. I thought we could do better in spurring our economy and putting money back in other areas. But it was a package.

This is Congress. There are 435 people, and I think it was an okay deal that we dealt with. But as we moved out of this tax cut and moving into the areas of having to pay debt, increase our debt and look at deficits, we have to reevaluate some of the things we need to do. And one of the things, the biggest drag on our economy is debt payment and deficits. I think that that is agreed to by many economists, and I think that is very important. And what does that do in the whole ball game? Because I believe the most important tax cut that we could possibly have that everyone enjoys is keeping interest rates low; interest rates on your house, interest rates on your credit cards, interest rates on your auto loans. And that is what I think we need to continue to be mindful of as we move through, I think, a very, very, very important and critical crossroads as we are starting to develop the 2003 appropriations bills and the other bills that we are going to be dealing with for spending.

But I think it is important that we have a plan, a plan that puts fiscal handcuffs on us, to save us from ourselves sometimes when we are having to spend and wanting to make sure that we are providing the best kind of services for our constituents back home, whether it is roads or education or health care or veterans' benefits. But at the same time trying to do it in a very frugal way to make sure that we are spending the taxpayers dollars the best we possibly can. And that is what the Blue Dog plan does. It has been laid out very nicely tonight by my friend, the gentleman from Texas (Mr. SANDLIN), and my friend, the gentleman from Illinois (Mr. PHELPS).

And maybe just to recap it very quickly because my time is running out, it is again the ABC's. It is honesty and accountability in budgeting. It is balancing the budget without raiding Social Security. It is climbing out of the deficit ditch by making sure that we have limits and abide by those limits; and, D, of course, is defending children from paying our bills and our debts that we are accumulating over these few years, and that would require a supermajority to borrow dollars. So those are the ABC's the Blue Dogs are going to continue to push until we get a plan together that makes sense, that brings us into the next century, that brings us through this war time and times of great difficulty as we are having to deal with issues we did not dream of dealing with just a few months ago.

I thank the Speaker for this very lively hour of debate, and I just beg that the American people and the majority and this Congress look at the Blue Dog plan, take it for what it is worth. It is not just rhetoric. We have bills that are in the hopper that identify the ABC's of how we get out, bring fiscal sanity back into this Congress.

SUPPORTING THE UNITED STATES LEAVING THE INTERNATIONAL CRIMINAL COURT

The SPEAKER pro tempore (Mr. GRUCCI). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Mr. Speaker, I look forward to our discussion this evening. There are a couple of things I want to talk about. But first of all, I think it is important to address some of the comments that have been just made in the last hour.

First of all, we ought to point out that the Blue Dogs who spent the last hour criticizing the administration, criticizing the majority party, never bring out in these comments that the Blue Dogs, in fact, are all Democrats. This last hour was a very partisan, one-sided point of view. This is exactly why we run into budget difficulties.

Now, I agreed with some of the points that were brought up by these gentlemen. But I was amazed to hear these gentlemen, the gentleman from Illinois (Mr. PHELPS), the gentleman from Texas (Mr. SANDLIN), and the gentleman from Louisiana (Mr. JOHN), talk about how we have to control spending. We have got to stop the pork. We have to make sure we, as the gentleman from Louisiana (Mr. JOHN) said, lay everything out on the table. We have got to watch these spending programs that are outrageous.

So I was curious. I decided to see how all three of these gentlemen voted on the farm bill, which is probably the biggest budget buster we have had up here in a long, long time. Now, clearly, somebody who spends an hour advocating a balanced budget, who spends an hour advocating these so-called Blue Dog ABC's about avoiding pork, about accountability and honesty in government, about voting here as you talk to your constituents back there, certainly you would expect that these gentlemen would be the first to stand up to a bill like the farm bill which, although it has a nice-sounding name, helps very few farmers in this country. It helps a lot of corporate farmers in this country. And take a look at where this bill started; take a look at where it started and where it ended up.

How many billions of dollars more were added to it as it went through these Chambers? So you would expect these three gentlemen to, of course, vote "no" on a project like this. But all three of these gentlemen who spent the last hour attacking the administration, who spent the last hour attacking the majority understand this Blue Dog which means Democrat concept, all three of them voted for that program. All three of them voted for "yes" on what is, and I say it again, the largest budget buster we will have up here this year.

Now, look, maybe their constituents wanted them to vote that way and maybe they are representing their constituents. I am assuming they probably are. If they come from a farm community maybe they are. But for gosh sakes, do not vote one way and talk the other way.

I once had somebody tell me, if you want to stay elected in Congress, especially when you get outside the Northeast where it is solid Democrat, but out where most of the country is and that is moderate to conservative, go ahead and vote liberal in Washington but when you come home vote conservative. Go ahead and talk about a balanced budget when you are back in your district, but at the same time make sure you bring the pork home. And in my opinion that is what has been reflected in the last hour.

So if you want to talk about accountability, if you want to talk about lay everything out on the table, my three colleagues should have probably said, oh, by the way, the only exception we have to the comments and the attacks we are making on the majority party, the only real exception we have that does not apply to our rules that we have just told you about for a balanced budget and fiscal responsibility is our own farm bill. Now, understand we are going to vote for our farm bill, but aside from that everything else ought to be scrutinized.

That is the problem back here. I mean, all of us, that is where you have got your problem. But I have sat here for the last hour, most of the last hour, and was amazed that first of all my colleagues stand up and make it sound as if they are some independent organization out here when, in fact, your Blue Dogs are comprised solely of Democrats and the attack was solely against the Republican majority. It was a partisan hour. That is fair game.

That is what the House floor is for: debate. But somebody has got to stand up and say, wait a minute, just as they said should be done, let us lay everything on the table.

And that is why I was curious and went back and looked at the actual voting record to see how one would speak on the floor but how one would vote outside the presence of the speech that they were giving. And I saw an inherent conflict. In other words, the vote that was taken on the farm bill certainly did not at any point in time in the last hour match the comments of the gentleman from Illinois (Mr. PHELPS), the gentleman from Texas (Mr. SANDLIN), or the gentleman from Louisiana (Mr. JOHN). And they are all gentlemen. Do not get me wrong, they are colleagues of mine. They are professionals. I would assume they represent their districts well.

My point here is not an attack on these three individuals. But I believe in what they are saying and that is accountability. And if you are going to talk about a balanced budget; if you are going to talk about getting rid of pork; if you are going to talk about avoiding budget buster bills, then you ought to talk about that farm bill. And you ought to say to your constituents, look, I talk about this budget buster, the balanced budget, the pork stuff; on the other hand, I voted for you on this farm bill.

I think a balanced budget is important, but the only way we will break this is for you to take some tough votes, even when those programs apply to your particular district.

Mr. Speaker, I wanted to spend the majority of my time this evening, I actually had an interesting visit with a constituent and good friend of mine. His name is Mr. Stroobants. And we got to talking about world jurisdiction and the United Nations. You know, the action taken by the President in the last few days, I felt obligated to come and speak about that action.

The action was that the United States intends to pull out of the United Nations Criminal Court or the International Criminal Court.

I want to spend the next 30 or 40 minutes talking about what is the international court. How does that compare to the court system we have in the United States? What does it do to our sovereignty? What are the political ramifications of conceding sovereignty or conceding authority over the American people, the United States Government of ceding our judicial authority over our people to other countries? For example, to a court that is primarily dominated by our friends in Europe, by the European Union. By a court that allows countries like Cuba, Libya and some of these other countries the same vote as the United States of America. By a court that, in my opinion, despite what the United Nations propaganda might say, despite the push that they are making out there, that a court here, instead of being one that would pursue actual criminals, like the likes of bin Laden and people like that, would over time be used to pursue American citizens.

The United States of America is a sovereign country. The United States of America does not cede any authority of how we run our government, of how we elect our public officials, of how we have our court systems or our executive branch, of our judicial branch, of our legislative branch. That authority is determined by the Constitution of the United States of America. And our Constitution does not contain anywhere within its four corners a provision that allows the United States of America to give its authority to a worldwide power.

The United States of America, to remind ourselves of a little history, was created because we wanted to become an independent Nation. We wanted to be a Nation that had its own people, a Nation of its people by the people and for the people; a Nation that stood for what we have thought was good. But what has happened is that we were seen more and more with the European Union more and more we talk about the European United Nations, more and more talk about a one-world government; a government where all laws will be decided by one authority; a government that would have a military under one authority; a government that would decide what your environmental regulations within the boundaries, within your own borders would be decided by. That is a socialistic type of approach.

It is very clear that in Europe most of those countries are headed towards a socialistic type of approach with the European Union-type of adventure, so to speak.

Now some parts of the European Union may make sense. I think it makes sense for the United States to join with Mexico and to join with Canada under our NAFTA agreements so that we are an economic bloc. And so I see why countries in Europe want to join together. So I understand why countries in Europe want to form an economic bloc, come together for the sake of economics. But it is a long way from coming together as an economic bloc and that of ceding your sovereignty to another country.

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Mr. Stroobants pointed out to me very clearly, he came to this country from Belgium, and he came to this country because this country was a capitalistic country. It was a country of democracy. It was a country that had its own checks and balances within its own borders.

We have a very well-defined system as presented by our forefathers under the Constitution and under the Bill of Rights, but what is happening in the international community is they want to form an authority that has oversight, that is a higher authority for the people of America, than their own government in America. The United States people should not cede one inch of sovereignty because let me tell my colleagues how they draw it in.

Take a look at the United Nations and the propaganda that they use to talk about how great this World Court is.

Number one, it is a permanent structure. It is not like the Nuremberg trials where we convened an international authority for a short period of time to try a very defined group of war criminals. That is not what this is. This is a permanent court, a worldwide court that will exercise authority over American citizens. How did we ever get there?

President Clinton signed it on the last day he was in office. This does not ratify it. President Bush has given notice that the United States of America will not participate in this World Court, but how did we get there? That is the answer. On the last day of office, about the same time that the Mark Rich pardons were signed, President Clinton signed this deal as one of those who agrees with the World Court. That is not the exact buzzword, but that is in essence what happened.

Fortunately, this week, the White House, President Bush, has given notification to this so-called World Court, to the United Nations, that the United States of America will not participate, will not participate in an exercise that deviates in any way or subtracts in any way the rights of American citizens.

The authority for judicial oversight of American citizens belongs to the American people. It does not belong to the people of Cuba. It does not belong to the people of France. It does not belong to Germany or Belgium or Russia or China.

The judicial authority over American citizens belongs to the government and to the people of the United States of America. This is their government. In our country, this is our government. This is not the government of the French. This is not the government of Belgium. This is not the government of some other country out there.

Let us talk a little bit about what this so-called World Court does. First of all, remember, that every program out here, earlier in my comments we talked about the farm bill, for example, every proposal here, every bill that starts here has a good sounding name to it, and frankly, some of these start with pretty good intent, but once we create it, it is like a government program. Once we create this bureaucracy, we will never again disassemble it, and that bureaucracy will only grow and grow and grow.

Think about it. Take a look at the United Nations as an excellent example. Fortunately, before the United States entered into being a partner with the United Nations we reserved to ourselves that overriding authority of the power of a veto. Four countries have it. We have one of them. So, at any time we feel that we are ceding sovereignty to the United Nations, we can exercise our veto, but what happens with these organizations?

They start out with a good attempt. They are not about to tell us they are going to exercise their authority going after Americans who they think may have violated crimes against humanity because their gas tanker spilled on an interstate and had fuel going into the water or because they decide that for some reason that there has been a criminal violation by some elected official in the United States. That is not what they are telling us now.

That is their goal. The goal here by the European Union, the goal by the other countries in this world is to exercise an authority over the United States, the likes of which has never been accomplished in the history of this country. This is a critical, critical issue for us. This is a sleeper. This is one of those things that sounds good, and sign on the dotted line, we will read the fine print later.

We better look at the fine print today, and thank goodness, over on the executive side of this city the President, George W. Bush, did look at that fine print and did notify the world, look, United States is not going to enter into this arrangement. We are not going to enter into an agreement into which, I, as the President of the United States, cede the sovereignty of this country, to which I give someone else one iota of authority other American citizens from a judicial perspective.

Let us talk about the details of this World Court so that my colleagues have a pretty good idea of exactly what they are asking for.

The United States court system, as we all know, in our government, we have the executive branch, the legislative branch and the judicial branch. I am not trying to be talked down or be repetitive about history or how the political structure in our country is, but there is a fact that in our Constitution, our forefathers looked into the future and said in order for this system of capitalism, this system of democracy to work, there has got to be checks and balances. There has got to be a way that everything is filtered through before the final process.

Those checks and balances, they designed it into our system, first of all, with that wonderful document called the Constitution and then that document in the Bill of Rights, and then the document in creating a Supreme Court, and in our court system in this country, unlike some countries, but like many other countries, in this country, the courts do not make the laws. The courts are there to interpret the laws, and it is a very clearly defined separation of powers between the legislative branch, which does create the laws, and the judicial branch, which enforces and interprets those laws created by the legislative branch.

In other words, a judge in a District court or in a municipal court, let us say in Glenwood Springs, Colorado, the municipal judge there has no authority on their own to create law. They have no authority on their own to just out of their own conjuncture, say all right, this ought to be against the law, I am going to make it against the law.

We have accountability of those. Not only do we have accountability that the Justice Department does not create laws, we have accountability within the Justice Department and within the judiciary branch, and that is the process of election. For example, the municipal judge that I just spoke of, that municipal judge answers to the local city or the local authority. For example, the municipal judge in Glenwood Springs is held accountable to the city council of Glenwood Springs, and the city council of Glenwood Springs is held accountable to the voters, and it goes that way all the way up to the United States Supreme Court.

In our country, the United States Supreme Court justices must be confirmed by the United States Senate. So we have lots of checks and balances. That is a very important element of the United States judicial system, and we will find that system is completely absent, completely absent from the World Court once they put that court into place. Once they put that prosecutor into place, they can create their own. They have no checks and balances. They answer to no supreme authority above them.

In this country if a district court or a municipal court or a county court or some other type of quasi-judicial process out there, ultimately they would have to answer to the United States Supreme Court and the United States Supreme Court justices answer to the United States Senate and the United States Senate answers to the voters, and it goes on and on and on. That is absent. Those checks and balances are absent from this proposed World Court.

So here is the U.S. court system. Checks and balances. Again, very critical in our system. Another check and balance, by the way, the rights of the defendants, the rights of the victims. Those are a constitutionally guaranteed right. The Miranda warning, for example.

I used to be a police officer. When we had somebody who was a suspect, we arrested him as a suspect, we had to give them constitutional rights. Why were those constitutional rights in place? Because it was a check and balance, designed in the system to protect the system from abuse, but this World Court has none of those kinds of rights. They are not required to advise anybody of their rights. There is no right to demand a jury trial in this World Court. There is no right to demand an accuser in this World Court. It is in our Constitution. None of those rights will we find in this new proposed World Court. In other words, we are losing a big check and balance there.

Let us move on. The authority. The U.S. court system has authority. Clearly, they have authority to issue subpoenas. They have authority to conduct trials. They have authority to bring together a jury pool. They have authority to interpret the laws, but their authority has checks and balances, and the authority of the courts of the United States of America are reserved for the people of the United States of America.

In other words, this judicial system is designed for the United States of America. It is not a custom designed court system for any other country in the world. It is ours, and the authority over the American people does not rest with the Chinese courts. The authority over the American people does not rest with the courts Fidel Castro puts together down there in Cuba. The authority over the people of the United States of America does not rest in Paris or in Rome or over in Germany or in Belgium. It rests with the courts of our country.

We should not under any condition give the authority that our courts have over us, over the U.S. citizens, over this geographical location, over this Nation. We should not at any time give even a small sliver of that authority to an international organization that is permanent in structure, that in fact claims higher authority over our citizens than our own court system is allowed by our own Constitution.

Jurisdiction. Think of the jurisdictional issues. This World Court wants jurisdiction, for example, over World Heritage sites as designated by the United Nations. The reason there is so much momentum right now for the World Court is we all want to get bin Laden. Bin Laden is a terrible, terrible criminal, but the fact is that bin Laden will come and go. He will over a period of time be eliminated, and this court will be looking for new ventures, new venues under which to exercise its authority, and I will tell my colleagues where they are moving next.

The next place they are going to move is on the environment. Now, we all want a clean environment. That is not the issue we are talking about here. The issue is should we allow a court in Rome, a World Court, the jurisdiction to charge somebody say in Lynchburg, Virginia, with an environmental violation as a crime against humanity?

For example, let us say that a gasoline truck driver is driving recklessly. He wrecks his tanker and the gasoline spills on the interstate near Lynchburg, and it goes into the water and causes some harm in the water. Should that person be subject to the courts of the United States of America? Well, of course. That is our Constitution. That is our Criminal Code. That is what the court system is designed for.

When that truck driver, for driving recklessly and causing an environmental spill, when that truck driver is arrested, he or she has certain constitutional rights, and they have a right to a jury. They have a right to their Miranda warnings, et cetera, et cetera, et cetera. Well, under this proposal of a World Court, we cede that authority, and over time we will give more and more or maybe not give it, they will claim they can take more and more authority because we signed the treaty creating it.

The next thing we know the World Court is going to be sending investigative enforcement officers to Lynchburg, Virginia, to take a look at this accident and decide whether or not the World Court should indict that truck driver who had that environmental spill. This is not exaggeration. This is exactly where this thing is headed.

I am not trying to cry wolf here. I have just seen programs like this created. Take a look at the birth of the United Nations. If we did not have that veto power, take a look at the authority the United Nations would try and exercise over the United States of America.

□ 2045

Take a look at how many members of the United Nations voted on a consistent basis against the interests of the United States or opposite of the United States over the last several years. You will be astounded.

You see, the United States of America, this kind of system, United Nations and this kind of system, an international court, will be used as a political tool, and thereupon lies the threat. That is why we have to be very careful that the jurisdiction over criminal activity, over civilian activity by U.S. citizens or within the borders of the United States of America or its territories, that we keep that jurisdiction in our country; that that jurisdiction rests with the citizens of the United States and not with the citizens of some world court, which is comprised of countries throughout the world, who probably, most of the time, do not have the best interests of the United States of America or, more importantly, its citizens in mind.

We may very well find a world court that decides they are going to launch a criminal investigation into the City of Denver because the City of Denver, Colorado has air pollution coming from vehicle emissions that pollutes the air to an extent that they think it is a violation against humanity.

And there is no definition of how far this world court can go. That is exactly why President Bush has withdrawn from that court. The President recognizes that there are issues of sovereignty; that there are issues of politics; that there are dramatic issues involving jurisdiction. We are not a one-world government. This world court, maybe it will work for the European Union, maybe those countries, the countries of Belgium or France or some of the other members of the European Union, maybe they want to give their national sovereignty and their national jurisdiction to a one-unit court that is a world court, but the United States of America does not want to do that. And, fortunately, the President stood strong on this.

Now, many of my colleagues will be reading in the next few days a lot of criticism coming from, guess who? Of course, the special interests, the world court, the European countries, and the other countries that know they have an opportunity to gain a huge advantage over the United States if they can get the United States to join this world court. These nations will know that for the first time in the history of the United States, our system of government has ceded its jurisdiction or its sovereignty, or at least a portion of those two, over to other governments. They will be elated if we sign up and participate in this so-called world court.

Now, keep in mind, this differs from the United Nations. In the United Nations, colleagues, we have retained the power of veto. So no matter how many times those other countries vote against us, no matter how absurd or focused or politically motivated they become against the interests of the United States, we always retain the ability to exercise a veto. In the world court, the United States, in the creation of it, and the judges that are elected, there is no oversight once they are in. But in the initial authority, the United States has as much authority in this world court as does the country of Cuba, as does a country like Syria or some other country that wants to join it.

This is not a court that some in the United Nations would like us to believe is intended to pursue the criminals that have taken such horrible and devious actions against the United States of America. This is a court that will assist those people. And I read an excellent article by a gentleman named Tom DeWeese, and I want to give Mr. DeWeese credit, colleagues, for this. He says U.N. criminal court threatens U.S. soldiers, threatens U.S. soldiers, in the fight against terrorism.

Now, I do not like to read written comments. I am not going to read this article verbatim in whole, but I am going to take some excerpts from this article because I think this is excellent and I think it solidifies and supports the point that I am making here this evening.

The United Nations sells the version of the ICC. Now, the ICC is the world court. He says ICC, I am going to put world court in there. The United Nations sells the vision of a world court as a tool for bringing international criminals like Saddam Hussein and Lybia's Qadhafi to justice. The truth is the court is more likely to be used as a tool for those criminals against the United States.

Let me go on. The world court defines as a war crime any attack by our soldiers with knowledge that inescapable collateral deaths or injuries, quote, to civilians or damage to civilian objects or widespread long-term damage to the natural environment, meaning if we are engaged in a war and we cause long-term damage to their environment, in other words when we bomb Afghanistan, if we, as a result of our bombing we damage the environment on a long-term basis, and it was clearly excessive in relation to the concrete and direct overall military advantage anticipated, then we are subject to a violation of their criminal code.

In other words, you can have a war, as Tom says, but do not break anything and do not hurt any civilians and do not hurt the environment.

Let us go a little further. He says, and he is accurate, war is not a video game. It is not an Olympic event. You are going to have innocent people killed in a war. You try to avoid it, but in every war ever known to man there has been collateral damage. And how would you attack Afghanistan without doing some damage to the environment? How would you sink a ship without doing some environmental harm to the ocean? You have a ship that has sunk into the ocean. How would you intercept a missile coming over the skies without damaging the environment by exploding the missile in the air?

Now, some would say that that kind of thing would not happen. I want to tell you, colleagues, how many programs have we seen created back here or worldwide where when they initiate the program they assure you over and over again, that is not going to happen; that is an exaggeration; we are not going to go that far; that is overreaching. Then, pretty soon, that institutional memory of what was originally said was overreaching in fact comes within reach, and the next thing you know, it has been gathered and put in the nest. That is a concern.

Here I continue with this article. The court can prosecute anyone who violates United Nations treaties. This world court can prosecute anyone who violates United Nations treaties, including environmental agreements, like the Biodiversity Treaty and those covering world heritage sites. For example, if we had entered into the Kyoto Treaty, and there was a company or a business, let us say a printer, a printer had some ink and put the ink in the wrong garbage can and it was a violation of some type of international treaty, even a Kyoto Treaty; or a U.S. company based in, let us say, Connecticut, had emissions that violated Kyoto, they could find themselves in front of a criminal court that is a worldwide court. That is the absurdity of what we are talking about here.

My reason for speaking this evening, and I will go through these other points, but my reason in speaking this evening is to give some support to what the administration has done. I think of any action I have seen the administration take, next to proposing to get rid of that death tax, but any policy I have seen them take, from the judicial system point of view, it is the administration's decision to back out, not to join in this effort or this new configuration of a world court. Kudos to the administration.

I think it is our obligation, every one of us, to join the President in that effort. Anybody in these Chambers who would vote for the creation or for the entry of the United States of America into this world court, they need to go back to their constituents the weekend after they vote and explain to their constituents that they just ceded over to a world court, to wipe out checks and balances of our judicial system and cede over the authority that belongs, and has belonged throughout the history of this Nation, since this Nation was created, the authority that belonged to this Nation, that as a congressman or congresswoman they felt it necessary to share that authority with other world governments and jurisdiction.

My colleagues need to go to their constituents and say to their constituents, look, I decided to support the world court. I have decided to give jurisdiction over so-called criminal activity, which could become civil activity, but is originally proposed as criminal activity. I have decided to cede that authority to other governments in the world and, for the first time in the history of our country, take that authority which was reserved solely for the United States, the body of the United States Government, that was reserved solely for this government, and as an elected leader of this country have decided that it would be better placed in the hands of a foreign country, in a foreign world court.

That is what happens if we do not support the President on his decision not to join the world court.

Let me go on. Another right. The United States, since day one of our history, has always recognized the inherent right of self-defense. Nowhere in the documents that I read of this so-called world court, nowhere in the documents that I read about this world court is there an inherent reserved right to self-defense. It does not exist, to the best of my knowledge.

Let us talk about sovereignty again. For those of my colleagues who think they can support or think they are going to oppose the President's decision, remember the President's decision is that the United States will not join an international world court, but for those that object to that decision, they need to be prepared to explain to the American people and, frankly, to explain to their colleagues, I think, why they are willing to give up sovereignty that has always been reserved not for this court down here but for the government and for the people of the United States.

And let us talk about the political aspect of it. Take a look at what happens with politics. Now, I had a very vigorous discussion with my very good friend Mr. Stroobants. I have had a vigorous discussion with many of my colleagues. But take a look at how the propaganda in this world, the worldwide press can turn propaganda into a media-eating machine. They can present a picture that may or may not be accurate. And the best example is to pull out The New York Times, pull out any of the major newspapers in this country and take a look at any European country, take a look at the BBC, take a look at CNN, take a look at any news media you can find that has worldwide reporting, say about 4 weeks ago, and see what kind of political propaganda they were putting out there about the massacre at Jenin. Take a look at it. Take a look at what they talk about, the massacre that took place over on the West Bank.

Well, guess what happened? You know what happened? No massacre took place. Sure, there were soldier deaths, there was some collateral damage. I can assure you we have had collateral damage in Afghanistan. But all of a sudden, the media has become quiet. In fact, there was no massacre. In fact, one of the most liberal organizations in the world, that apparently sent their own investigators out, came back and said, well, we did not like what they did, but there was no massacre that took place.

Well, that example is the same kind of thing that a world court can do. A world court condemnation, for example, of things that are the business of the United States, they can turn worldwide opinion against the United States. This worldwide court could be manipulated so easily. Why could it be manipulated? Because it has no checks and balances.

Now, every court system can be manipulated, but the way you minimize that manipulation is to have checks and balances. You have weights and counterweights. So in the United States, where a court may be manipulated, and there are arguments on that, for the most part it is the best system that the world has ever devised because it has those checks and balances. But in the world court system, what check and balance exists? Nothing. What kind of restraints are on the prosecutors? Nothing. What can the prosecutor decide to do? Anything he really wants to do, as far as criminal prosecution. And I think, over time, it will be turned into civil prosecution as well.

What kind of geographical limitations will there be on this prosecutor? None, at least for the countries that sign up for this world court. What kind of claims can be made by this prosecutor against government officials? It is amazing. You know, if they decided that they felt that Henry Kissinger had not done a good job, this prosecutor could actually put out an arrest warrant and have Henry Kissinger arrested at an airport when he lands in Paris. This court actually has the jurisdiction to prevent U.S. citizens from going anywhere because of the concern for arrest.

Take a look at what this court would do to our American men and women fighting in our military.

□ 2100

If this court, comprised of all of these other countries, including Cuba, and other countries that we have on our terrorist list, if this prosecutor decides, he may say the American soldiers, I do not like what they did so we are going to charge them with criminal acts against humanity. That is what I mean by the political nature of this world court.

So the arrow that I have pointing down here means exactly that. We would dive it right into the ground if our government was to give up an inch of jurisdiction or an inch of sovereignty when it comes to the judicial system that this country has perfected.

Very briefly, America believes in justice and the promotion of the rule of law, and the rule of law is very balanced. The rule of law has been set by legislation, by statute, by precedent. It has been set by experience. The courts in the United States are not fresh created courts. These are courts with 200-some years of experience. These are courts which have been tested and have checks and balances. That is what the United States thinks is necessary.

Those that commit the most serious crimes of concern to the international community should be punished. We agree that the Hitlers, the bin Ladens that commit heinous crimes against people should be pursued. That is why the United States was the primary sponsor, underwrote it, played the major role in the Nuremberg trials; but those were trials of a temporary nature, and those were trials that had numerous checks and balances and which had sunshine transparency. Those trials and that system has a lot of differences from what is being proposed under the world court system, that states, not international institutions, are primarily responsible for ensuring justice in the international system.

Our belief in this country is that not an international government or an international court should have oversight over specific countries. Those countries have laws of their own. Every country ought to be able to have their own judicial system and not be subject to the whim and call of some prosecutor in a so-called world court.

But the best way to combat serious defenses is to build a domestic judicial system, strengthen political will, and promote human freedom.

Finally, let me talk about this world criminal court here, what is on this poster, because it is important. It undermines the role of the United Nations Security Council in maintaining international peace and security.

I am not a big fan of the security council, but the fact is that we are a part of it. The reality is that we do have control and a veto, and so we cannot be run over in an avalanche of countries that do not like the United States of America. But this security council is beginning to dilute its own authority. We can live with the security council authority because we have the right of veto. To get around that right of veto, we are finding countries that are getting the United Nations to say let us take that authority from the security council of the United Nations, and move it over here to the world court because in the world court the United States of America does not have a right of veto. We can finally get our hands on American citizens, or we can dictate what citizens of America, the laws that they will be subject to, even within their own boundaries. Thank goodness the President did not agree to this and stood tall and said that the United States will not be a participant in this world court.

It creates a prosecutorial system that is unchecked in power. This prosecutor of this world court will have more power than any other prosecutor, in my opinion, in the history of the world. This prosecutor will have the right to go past national boundaries, to go past state boundaries. This prosecutor will have the right to reach into small communities and villages, high atop the mountains in Colorado, or reach into the major cities of Moscow or Berlin or Brussels or Paris; his or her reach will be unparalleled anywhere in history. Should we sign off on that? Should anybody in this Chamber agree to a world court system like this? This thing almost became a reality until the action taken this week by the President.

Let me go down here, a search jurisdiction over citizens of states that have not ratified the treaty that threatens U.S. sovereignty.

The United Nations claims under the World Heritage site, they have authority over what goes on at Yellowstone National Park or that under worldwide environmental laws that the United Nations has come up with, that they should have the authority to reach into the sovereignty of the United States. They can say whatever they want. The fact is that they have no authority. The United States does not recognize it. The United States has not ceded any of its authority to the United Nations; but if we sign onto a world court, we sign it away forever. That is the danger of this world court. That is the danger of that treaty.

It is built on a flawed foundation, this world court. These flaws leave it open for exploitation and politically motivated prosecutions. If we had a world court in place in the last 6 weeks, what do Members think, how many charges would have been filed by now against the country of Israel or against Yasir Arafat, who is a known terrorist, a lifelong terrorist? It would be so lopsided. Regardless of which side of the issue Members are on, it is very clear that the propaganda machine in the last month has been anti-Israel. Everything is Israel's fault. It has been completely ignorant of Arafat's history or the homicide bombers on Passover.

Mr. Speaker, that is my concern about this world court. The prosecutor and the judges of the world court, they have no supreme court that sits above them. They have no checks and balances that determine whether or not the course of action that they have chosen is an appropriate course of action, is a course of action that could be supported by the rule of law. They are not subject to anyone. They answer to no one.

Accountability in our judicial system is what gives the foundation of the judiciary its strength. If there are no checks and balances, no accountability, that is defined as a dictatorship; and the prosecutor would come as close to a judicial dictator as any we have ever seen in the history of the judicial system in a free country, in countries of democracy.

Let me just review a few key points about my comments this evening. The world court, the President of the United States in the last few days has issued a directive, which he has the authority to do, that the United States will not participate, will not be a participant in the world court. The world court is a new entity that is being formed, being primarily driven by the European Union. This court would be given unparalleled jurisdiction over the territories of all countries in the world, purportedly even over the United States, even though the United States will not cede any of its sovereignty. They can say anything they want, but they will not have any jurisdiction unless we give it to them, and the President chose not to give them that authority. The President chose not to give up our sovereignty.

How did we get here? The reason is President Clinton in the last minutes he held office signed a sheet of paper that said we will go ahead with this treaty, sounds good to him. It is not good. The United States of America should maintain its own judicial system, a judicial system that cedes authority and power to no one but the people of the United States of America. The United States of America, our borders and our territories, should be ruled by the rule of law that our Constitution provides, that our Constitution, which gives rights to defendants and rights to the victims, which assures that somebody accused of a crime can face their accuser, which assures that somebody who is tried for a crime can have a trial by a jury of their own peers.

Those kinds of rights are fundamental in our Constitution, and they are fundamental for the judicial system being so successful, relatively speaking, to any other system known in world history over this last 100 years.

The United States does not belong in a world court. The President was correct, and the President and the administration should get a strong voice of support from every Congressman, keeping us out of a world court and keeping that authority within the borders of the United States. This is not partisan. The fact is, it is American. Americans should keep what they have. What they have is the greatest judicial system known in the history of the world.

Let me make my final summary. I began this evening talking with my respected colleagues from the Blue Dogs, and I listened with interest to their comments given over an hour period of time. Some of their comments had some validity, but I felt the remarks were so partisan and such a strong attack on the majority party, the Republicans, and such an attack on the administration and our President, but it was never pointed out by the Blue Dogs, they identified themselves as Blue Dogs. I think it is important to point out while they may belong to an organization called Blue Dogs, the fact is that they are all Democrats. There are no Republicans in the organization. It is a Democratic organization, and it is an election year, and the purpose of one party is to try to gain advantage over the other party in an election year.

Keep in mind that those Members in that 1 hour of attacking the budget and the majority and the administration, one, is not responsible for coming up with a budget; two, is not in the majority; and, three, is doing it for partisan purposes, in my opinion.

The next thing I want to make very clear, I think if one were to stand up here and talk about how terrible it is that the majority has pork projects and how terrible that we cannot balance our budget, how we need to stand up and worry about the future of our kids, as if any Member of Congress does not care about the future of kids, and how senior citizens are being abandoned by Social Security, as if any Member thinks that we should abandon senior citizens, that is the tool of fear.

The fact is that one ought to vote as they speak. It would seem to me that someone who is talking about a balanced budget, who is talking about stopping the pork programs, about moving that money into education and where the money really helps us the most, should be amongst the most vocal opponents of the farm bill. The farm bill has some magic to it because it is called the farm bill. Take a look at the budget-busting numbers of that bill.

I thought it was very ironic that these three gifted speakers, very dynamic in their focus on controlling the budget and controlling spending, when we look at the voting record, each Member voted yes, yes, yes, on the biggest budget-busting bill we have had in a long time up here. That is the kind of transparency that we should have.

Mr. Speaker, look at this world court. I hope each and every Member can support the President in the President's move to pull the United States from participation in this so-called court. Keep in mind it is countries like Cuba, and any other country has the same authority that the United States does, that the prosecution has no oversight, there is no Bill of Rights, there are no constitutional rights. This would be the most powerful system, the most powerful political organization known to the world once it gets up and going.

□ 2115

ILLEGAL IMMIGRATION

The SPEAKER pro tempore (Mr. GRUCCI). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDO) is recognized for 60 minutes.

Mr. TANCREDO. Mr. Speaker, tonight I want to talk about an issue of great concern to me. I hope it is of great concern to my colleagues. I know it is of great concern to a majority of Americans out there. I know that because I receive thousands and thousands of communications from people all over this country about immigration, about their concerns with regard to immigration. And I have certainly taken this floor many nights to discuss my observations, to express my concern, my own personal concerns about massive immigration into the United States and the effects thereof.

Recently I had the great opportunity to travel to Arizona, specifically to a site known as the Coronado National Forest. The Coronado National Forest is a beautiful and wild region of southern Arizona that has been a national forest since the early 1900s. It is undergoing a dramatic transformation. It is being transformed from a national forest of great pristine beauty into a forest that resembles more of a trash heap, frankly, than a forest. The environmental degradation of that forest is great, with the thousands and thousands and thousands, hundreds of thousands, actually, of people who come through there every year, and I am not talking about campers and hikers and bikers and picnickers, I am talking about illegal aliens. Because, as it turns out, Mr. Speaker, that particular part of the Nation has become the thoroughfare for the movement of illegal drugs and illegal immigrants into the United States. Like every other phenomenon of this kind, this has happened because we have put pressure on various parts of the border and it has essentially moved more and more people into this corridor. They see it as a very valuable piece of real estate from their point of view because it is rugged, it is difficult to be detected, and so it now has become the point through which a majority of the people coming into this country and a great amount of the illegal narcotics coming into this country will flow. As a result of this traffic, as a result of the sheer volume, we find that the forest, the Coronado National Forest, is under siege. Perhaps 60,000, maybe by now as we speak 70,000 acres have been burned this year so far. Fires start in this forest because UDAs, as they are referred to, as the folks coming through there illegally are referred to by the Forest Service and Border Patrol, that stands for undocumented alien, UDAs have started these fires. They start campfires in the evenings to stay warm and then they simply move on and let the fires burn and much of the forest has been destroyed as a result of it. On their way through the forest both now, as we are talking about both people coming through just seeking jobs and people coming through carrying drugs on their shoulders, this traffic has begun to wear into the land so that if you fly over it, which I did the weekend before last, I spent one day, Saturday, on horseback there and Sunday in a helicopter going over the forest. As you fly over the forest in a helicopter, you look down, what you are looking at is simply a spider's web of trails. These are not Forest Service trails. These are trails that are worn into the land by the thousands and thousands of people entering the country illegally. The trash that is left behind by these folks makes the place look essentially like a landfill more than it does a national forest; thousands and thousands of plastic bottles, trash from the backpacks that are homemade. These are the backpacks that are used to carry the drugs.

This is a picture of someone, and it is hard to perhaps identify him clearly here, but this is a picture of an individual carrying all of this, and that is closer to 75 pounds of narcotics. This one here looks like it is marijuana. But they will create these homemade backpacks. This gentleman is coming through on his own. Oftentimes they come through in larger numbers, 20 and 30 at a time, preceded by someone with an M16 guarding them and being followed by someone with an M16. A lot of times these folks will run into campers and hikers and bikers and people just there to enjoy the national forest. They are confronted by illegals coming through. It is a dangerous situation, to say the least.

But I want to just focus for a little while longer on the environmental aspect of this thing because that is what I went down there to see, Mr. Speaker. I went down to the Coronado National Forest because I had been told that the problems that the Forest Service was facing with UDAs, or undocumented aliens, in this particular area were so great that the forest was actually in jeopardy. So I thought to myself, what an interesting situation. I have been on this floor many, many evenings and certainly I have been in committee meetings and I have been on radio programs and television programs to talk about the problems with massive immigration into the United States. They are many. There are political consequences to massive immigration. There are economic consequences to massive immigration. There are social ramifications, cultural and national security issues that arise as a result of having essentially open borders. All of these things warrant our concern in this body. All of these things warrant the concern of the Nation. But another dimension of this whole problem is, of course, this environmental tragedy that is occurring not just in the Coronado National Forest, I should tell you, but in many areas on the southern border. It is an environmental problem, along with all of the other ones I mentioned.

On our side of the border down there, we have operated a range management program that has successfully brought back many thousands of acres of native grasses, has kept the land from being overgrazed. Maybe I should have put all of that, by the way, in past tense. Because over the last several years, livestock fences are routinely cut or knocked over by undocumented alien individuals trafficking through there. Consequently, livestock from the Mexican side comes into the United States side and begins grazing on the rangeland. This results in the overgrazing of carefully managed public lands. It results in erosion, a shortage of forage for U.S. ranchers who hold valid permits to the land.

These people also utilize and damage livestock water tanks. They break into Forest Service corrals and private buildings. You can see where the livestock have come across and where the land has been essentially denuded, looking very similar to land on the other side of the fence in Mexico, where, of course, there is no range management program. That is the ravages on the land just stemming from overgrazing.

Then, of course, there is the fire issue I brought up. So far this year, over 53 fires have broken out in the Coronado. People on the ground tell us that UDAs and the smugglers starting unauthorized warming fires in the forest likely cause 70 to 90 percent of all the fires. Fires have consumed over 5,000 acres in the tinderbox Coronado, not including the 35,000-acre fire that started the day that we left there, the Ryan fire. It is burning near the communities of Sonita and Huachuca City. We do not know, but now it could be closer to 50 or 60,000 acres. We are not sure.

Not only do we have the problem with these fires being ignited by careless activity as a result of these people coming through the forest but their presence in such large numbers in this forest actually prevents our people from being able to fight the fires effectively. During one fire that was referred to as the Oversight fire earlier this year, which consumed over 2,000 acres, the Forest Service was forced to suspend evening firefighting efforts after a, quote, pack train of 70 to 100 emboldened and potentially armed smugglers walked through a firefighters' camp in the vicinity of the fire. Air tanker fire retardant drops also had to be delayed and coordinated to account for the presence of illegal aliens in this area. So we could not fight the fires they started. We could not do it effectively for fear of harming somebody on the ground because there are so many people in this area. These are not the folks from the United States and other countries who have come there legally, who have paid their fees to come into the forest and who have, in fact, tried to enjoy that forest. These are undocumented aliens in the area. Millions and millions of dollars have been expended to try to fight these fires. As I say, they have to fight them with one hand tied behind them, essentially, because of the presence of so many people.

When these fires start and when they are finally put out, we still have horrendous problems that develop. Erosion, caused by the fact that we have lost the ability for trees and shrubs to actually hold the ground in the area where they have been burned, erosion becomes a horrendous problem.

□ 2130

It is a problem that is not easily remedied or rectified. Along those same lines, the thousands of people, as I mentioned, create these foot paths, these trails, and everywhere we go, we see them. The Forest Service people tell us those are not Forest Service trails, those are UDA trails. And because the undocumented aliens coming in are fearful of having sensors placed in certain areas detecting their presence, they will use a path for a certain amount of time and then they move over to the side and start another one. So now, they have worn literally thousands of trails into the mountainside of the Coronado.

It is an ugly sight from the air. When one is on the ground, that ugly sight is compounded by the litter. Hundreds of thousands of one-gallon plastic jugs mark the trail that these people take. We can see here that this gentleman is carrying, as I say, several packages of narcotics through the forest, and it is not easy to distinguish on this picture, but they have created their own homemade sort of backpacking materials, which are really just kind of nylon ropes and some sort of nylon material that wraps around it.

Well, when they get to the place where they are going to stop and unload this and subsequently load it into trucks, trucks that come in, by the way, on roads that are not Forest Service roads, but that are carved into the mountain as a result of so much traffic, to come and pick up the drugs that again, they are everywhere. One can see them everywhere. When they get to one of those roads where they can unload this into trucks, they just take all of this stuff off and dump it there.

So periodically, we will see these large, large stacks of trash, trash; just their drug accoutrement trash, I guess I will call it.

This forest and our Nation are under siege. This forest is a microcosm, in a way, of what is happening in America because, of course, there are environmental consequences to massive immigration. Hundreds of thousands and now up to 11 million people we think presently are in the country illegally, plus the massive numbers of people that we allow into the country legally, create enormous problems for us from an environmental standpoint. If one doubts this, go to East L.A. and take a look at what has happened to that part of the city. Take a look at what has happened to many cities where the infrastructure cannot keep up with the number of people coming in, and sprawl is the result, and people move out and move to other areas of the country, like my State.

I happen to represent a district now that includes a county called Douglas County. Douglas County is the fastest growing county in the Nation for the second year in a row. Now, Douglas County is being impacted by immigration and impacted by people who are coming here directly, coming to this county and others in Colorado, directly from other countries, but also people who are coming from cities like Los Angeles and cities in Texas and cities in Arizona that have been impacted by immigration.

So it is a process by which massive immigration comes in at certain points, it causes people to leave the area because of a variety of reasons dealing specifically with quality of life issues, and they go somewhere, and they are coming to Colorado. Our task is to try to keep up with it, to build the infrastructure necessary to provide services and schools, hospitals, roads and all the rest. It is a very expensive undertaking and it is environmentally challenging, to say the least. I have lived in Colorado all of my life, and I must admit to my colleagues that asphalt and concrete are not nearly as appealing as trees and grass, but asphalt and concrete are what are expanding in Colorado, not trees and grass. And that is happening all over the Nation, of course. And the reason is, as I say, immigration, massive immigration in numbers that we have never before witnessed in this Nation.

Presently we bring in about a million people a year legally; add to that about another quarter of a million that we identify as refugees, and about another million or so that we net gain every year from illegal immigration. That 2 to 2.5 million people a year number is about 10 times the number of immigrants that came into this Nation at the height of immigration into the United States, the heyday of immigration in the past century and the previous century to that. Around the early 1900s, 1902 or so, we received about a quarter of a million people a year.

Now, admittedly, the population of the Nation was smaller and so the percentage of immigrants was higher. But I still say that it is becoming more and more difficult to deal with the issue of immigration. It is more difficult now because this is a different country, for one thing. It is a country that will encourage people to come here and not disassociate from the country of their birth; it encourages them to keep their own language. We tell them that their children will be taught in their native language in the schools. We do not force them into English language proficiency which, of course, creates a number of problems educationally. We are creating an impoverished class as a result of refusing to teach children in a language, in this case English, that is the language of commerce, industry, and business and is the language that one must speak somewhat fluently in order to be successful in this country. We are stealing that away from them.

And why? All because we worship at the alter of multiculturalism and we believe and we teach children that whatever culture that was prevalent in the land from which they came is a culture that is better than the one to which they have arrived, the one they are living in today. We teach them that any culture is better than the United States, that any country is better, that any society is better, that all we are as a Nation are people with a heritage that is not worthy of great merit or praise.

Not only that, we provide welfare. When our grandparents came here, great-grandparents, however long ago the bulk of America's ancestors came to the United States, there was no such thing as welfare. People had to work, or they starved. So they got jobs, and menial jobs at first. But then, in order to move up the ladder, they had to learn English in order to improve themselves, to get better jobs. And the combination of the lack of welfare and the lack of this bizarre multiculturalist philosophy, we had people who integrated into American society. Most of them wanted to. Most of them came here for that purpose. They came with a desire to disconnect from their culture, their history, their heritage, to a large extent.

Still, certainly everyone is proud of their heritage and can hang on to certain aspects of it but, for the most part, people came to be Americans. That meant learning English, that meant melting into and becoming part of an American mosaic.

That is changing today, so that we have a different kind of America to which people are coming and a different group of people who are coming. Many coming today do not wish to be part of that mosaic. They wish to remain separate. They want to celebrate not only the achievements of their own societies, of their own culture and history of the past, but they want to supplant that here in the United States.

We have about 6 million people in the United States today that claim dual citizenship. This is new. This is different. We never, ever had anything like that in the past. When people came here, for the most part they wanted to become Americans. That meant giving up their citizenship.

Mr. Speaker, when one takes an oath to become an American citizen, one says they disavow all the rest, they disavow any allegiance to any foreign government, potentate, and there is a whole large thing one goes through to describe their task. Well, people take that oath, but they do not live up to it, because they will retain their citizenship and retain voting rights in other countries, and they are encouraged to by other countries.

We are creating a nation that Samuel Huntington in his book "A Clash of Civilizations" warns us will be our own destruction. He calls it a "cleft society," one cut into. Two sets of principles, two sets of ideas, two cultures, two languages, at the minimum.

Of course, there are places where many more languages and cultures and everything are maintained in the country. This is the Balkanization of America. It is different today than it was in the past. Certainly from our Nation's beginning, there has been a debate over how many immigrants should come in, from what country, for what purpose. And many of these debates, unfortunately, were based upon the basis of emotions, fear, racism, xenophobia.

So therefore, today to talk about immigration in a way that is a negative or to make any sort of critical remarks about it, all of those old stereotypes are brought out by the opponents of people who want education reform. And therefore, it is fearful to stand up and talk about this issue in a public forum. But it must be talked about, and it certainly should be talked about here in this body.

Mr. Speaker, this supposedly is the marketplace of ideas, this place, where we should never shrink from bringing to the attention of the Nation and our colleagues issues of great importance to our own future and, certainly massive immigration is something that is incredibly significant when we are talking about the future of the Nation, and it should be discussed. We should determine as a Nation, as a Nation we should determine how much immigration we want, for what purpose, for how long, all of these things a sovereign nation does.

There are people, Mr. Speaker, who wish to abandon the concept of a sovereign nation. There are many people who believe that borders are no longer relevant, that they are anachronistic, as a matter of fact; that they are impediments to the free flow of goods and services, and that we should abandon them for all intents and purposes, and that in the United States, we should adopt a model similar to the model prevalent in Europe today referred to as the European Union: Common currency, the essential elimination of borders, and the amalgamation of a lot of people into one sort of quasi-governmental entity.

Well, okay. That is a point of view. It is a point of view I do not share, I do not believe in, but it is a point of view, and it should be debated openly. But my concern is, Mr. Speaker, that we will reach that point in a relatively short period of time and we will turn back and say, how did this occur? How did it happen that we lost essentially our own sovereignty as a Nation? And we will be surprised by the fact that America is a different place than it was a short time ago.

Now, as I say, if we make that decision in this body, if we make that decision in a democratic fashion, a bill is introduced to abandon the borders, it passes, the President signs it, okay, fine. But if we make this decision in a de facto way, that is what is disconcerting. Because I believe, Mr. Speaker, that a majority of Americans today do not want that, yet that is where we are going. That is actually the direction that this government is taking, our administration, and even this Congress. Some are doing it purposely. Some want that end result that I have just described.

□ 2145

Some are doing it for other reasons. Massive immigration into the United States is beneficial to us, to certain people, to certain groups, and is a very politically sensitive topic. Let us be candid about it.

The reality is that massive immigration into the United States is supported by one party, in this case, the Democrats, because they know that massive immigration will accrue to their benefit politically. For the most part, immigrants going into the United States will, as they become citizens, and sometimes, unfortunately, even before they become citizens, cast votes. When they cast votes, they will do so for the Democratic party. That has been historically the case.

On our side of the aisle, on the Republican side of the aisle, we are hesitant to try to stop immigration, or reduce it, I should say, to manageable levels because we hear from our constituents in the business community who say, we need cheap labor. There are many jobs that we have available that Americans will not take. I hear that all the time.

The H–1B is an interesting example of that. This is a category of visa, the H–1B visa, that we now give out to people to come into the United States who have certain talents in the area of high-tech, especially. We are told that there are not enough Americans to fill the jobs in the high-tech community.

Now, Mr. Speaker, I do not know what is happening in others' States, but I will tell the Members that in mine there are plenty of workers available, because thousands and thousands have been laid off in that particular industry. Yet, we still bring in 195,000 H–1B visa recipients every year to take the jobs of Americans who have been laid off. But this is an example of the kind of pressure that our side of the aisle is under, to not do anything about immigration.

Then also on our side there are people with a libertarian perspective and libertarian philosophy. That is what I described earlier: Borders are anachronisms. They really are unnecessary. We should eliminate them. People should move from country to country at their whim, get jobs as they are available, and we should not be actually trying to determine who are coming across these borders.

Now, I mean, that sounds bizarre to some people, but I guarantee that this is a strong sentiment among many of my colleagues. It is certainly a sentiment among some of the think tanks in this Nation, the Cato Institute being the foremost of them, espousing this libertarian philosophy. Certainly the editorial page of The Wall Street Journal pushes the same kind of philosophy.

So it is not something that I am telling the Members here that is coming about in some sort of sub rosa fashion. These are people who believe in this, who push this concept. Now, they were set back a little after September 11. They could not talk about open borders after that as willingly as they had in the past because people would say, what are you, out of your mind? Open borders? Are you crazy? The people who came in here to do such damage to this country, the people who came in here and hijacked these planes and drove them into buildings, they all came in here on visas. Or some of them, of course, had overstayed their visa, and some were here illegally, but they were all immigrants. They were all noncitizens of the United States. Are you suggesting in your right mind that we should simply ignore people who come across these borders?

So because the sentiment of the American people was so quickly riveted here against open borders, we do not hear much about it. But I guarantee that the sentiment is not gone and the desire to move in that direction has not dissipated. It is simply going dormant for a while. It is going through their quiet period, if you will. They do not want to talk about it, but I assure Members, that is what they want to accomplish.

So we move in that direction in a variety of ways. We refuse to do anything to significantly change the nature of the immigration service. We have passed a bill out of here that everybody touted a few a few weeks ago, or excuse me, last week. We passed a bill out of here that was touted as the reform of the INS, the Immigration and Naturalization Service. Do I not wish, do I not wish it was the reform of the INS.

But it is so like us in this building, in this body, to create an illusion because we know there is great public sentiment out there for reform, so we pass something that we call INS reform. But is it reform? Not at all. Is it better than what we have today? Yes.

I often liken it to giving the Titanic an extra lifeboat. Before it left, if we knew what we know now and somebody said, do you think we should put another lifeboat on, we would say, well, yes, sure. That is better. But it is not the solution. But the person goes, that is all we are going to do right now. We will call it the salvation of the Titanic. Of course it is not. Of course it is not.

I assure the Members that simply dividing the INS into two parts and keeping it in Justice, the Department of Justice, and keeping, for the most part, the same people as the administrators of that agency, the same people who are completely incompetent and incapable today of administering that agency will be the people who will be unable to administer the new agency that we are creating in the Department of Justice.

What are we doing about all of the other parts of border control that are under other agencies, and making it a confusing mish-mash of responsibilities: Customs, Agriculture? All these agencies have different responsibilities for border control. We are doing nothing about that. There will still be confusion, overlapping authority, indirect lines of communication, inability to communicate among all the various groups that have some sort of responsibility.

All that will be there. It will still be on the border, each one honoring points being run by a different agency, so that the people who want to come into the country illegally or to ship drugs in will be able to look through binoculars, as they do today, sitting on a hill overlooking the port of entry, and see which agency is handling which drive lane. Then they radio down and say, if they are smuggling drugs, they will want to go through this lane because that is being handled by this agency and they are less concerned about that; and if they are smuggling people, it is over here. That is what happens today. That will not change.

We will still have an agency managed by incompetent people, having been shown their incompetence, or unwillingness. In some cases, they are competent individuals, but they are completely unwilling to actually uphold the law of the land when it comes to immigration control, Border Patrol. They do not believe in it. Even the present head of the INS has said he does not like that part of his job. He does not like being a policeman.

This gentleman, who should have been, of course, dismissed, if not when we recognized the failures of the INS after 9/11 then certainly when we, 6 months subsequent to 9/11, sent a couple of the hijackers their visas, although they were dead.

But he is still there. In fact, Mr. Speaker, not one single person in this great debacle we call the INS, and all of the things that we know that have happened that have been documented over and over again, the failures of the system, not one person has been dismissed, not one. What makes us think for a moment that just changing the nameplate on the door will change the way people act?

But we have people on the ground who are trying, who are working as hard as they can, people in the Forest Service, people in the Border Patrol who face this day in and day out, this particularly in the Coronado National Forest, but, of course, it is like this in many, many places on our borders.

This is a couple of pictures I took of a fence, a barbed wire fence. This has a cattle guard that goes through it here, and this has a regular gate over here. There is nothing else here, nothing else for miles and miles except a rather well-used road.

This road is not on any map, and neither is this one, because this road is a road that is used by illegals, primarily by illegals to come into the country; yes, to come across the border. That fence is the border between the United States and Mexico. That cattle guard is the port of entry, if you will.

Up here, there is a sign on our side of the border. I have to get it a little closer to me to see this and read it. It says here: "All persons and vehicles must enter the United States at a designated port of entry only." By the way, this is facing the United States side. "All persons and vehicles must enter the United States at a designated port of entry only. This is not," underlined, "this is not a designated port of entry. Any violation is," blah blah, and then here it is printed in Spanish.

We had the same sign over here on this side of the border, the same signs telling American citizens or anybody else that this is not a port of entry, but certain people on the Mexican side would come across every night, steal the signs and tear them down.

They put them up on our side. We welded them up on two metal posts. They came one night with a torch and took them down, cut them down, all because this happens to be an area that is heavily trafficked also by hikers and people visiting, tourists. Sometimes they will wander across into Mexico. When they do, they are grabbed by the Mexican police, taken to jail, and essentially extorted of all of their money. What I mean by that is they are held because they are told, well, you are here in Mexico illegally and it is going to cost you so much to get out. It is blackmail. That is all there is to it. They take down the signs on our side so as to hopefully track people coming across from our side to theirs.

But this is the border. Now, I am told that the administration has come out with something they call a "smart border" program. "Smart borders," I do not know exactly what that means, of course, but I have an idea that there is going to be a lot more technology and that sort of thing. I am all for it.

It will be interesting to see how long these gates remain, because, by the way, they were made into gates because they simply trampled down the fence so many times that they gave up putting it back up. They just left it and said, I cannot stop it anymore.

This is an example, perhaps, of smart border. It is an example of what the people on the border have to put up with constantly.

There are a total of four U.S. Forest Service personnel to guard 60 miles of border along that Coronado forest. They do so with the help of I am not sure how many Border Patrol people, but they do a great job. I want to tell the Members right now that I want to wish every one of them the very best. I understand what they are up against.

I want to mention John McGee, who is the forest supervisor for the Coronado forest; Rocky Stone, who works for the Arizona High-Intensity Drug Trafficking Area; Dan Bauer, the National Forest Service Drug Enforcement Program coordinator. These are some of the folks I went down there with. There is Richard Padilla and Greg Zelo of the Forest Service, special agents.

All these people were immensely helpful in getting us a good, clear picture of what is going on on this border.

□ 2200

Let me tell you one of the most peculiar and interesting aspects of the trip I took down there. It was not just to see, I mean, I was surprised by and certainly distressed by the amount of environmental degradation that is occurring in this forest as a result of the thousands of people coming through there illegally.

But there is another aspect of this thing that was fascinating. During a briefing that we had the first day by Mr. Stone with the High Intensity Drug Trafficking Area folks, they explained to us a project they are working on and a process called "cobija," which is Spanish for blanket and it just means essentially that they are trying to get the various agencies, Customs and Border Patrol and Forest Service all of the agencies that have responsibility for border protection to sort of bring together all of the information that they have, they have accumulated over the course of the last couple of months since they last met and so they can plot out where best to deploy their resources. Because, of course, during certain periods of time you recognize that you are having more traffic of a certain nature through certain parts of the border, more heavy drug trafficking coming through here, more heavily in the area of people coming through smuggling over here, smuggling of guns. In this case from north to south is a huge problem.

So they try and figure out where they can deploy their resources the best, and they try to do that by getting all the information from all the agencies together. This is one of the slides that we saw during this briefing. And I had to stop them because I said, What do you mean here? It says here UDAs by border patrol sectors, and this one here is a major drug trafficking organization. But over here this one is talking about the number of people that were actually arrested or that they got in the last year or so, 400,000. It was not the last year. I am sorry. That was during the last period of time that they met. 403,000 through that Tucson area, which is where we met. It is a huge number.

We got to talking about this, and they showed me another slide that said incursions of the Mexican Government into the United States territory in the year 2001. And I was taken aback by that and I said, What do you mean incursions into the United States? They said, That is just it. We have 23 times in the year 2001. We confirmed incursions of the Mexican military or members of the federal police in Mexico who came into the United States. And we confronted them at some point. We met them. That is how we knew they were here. And sometimes it became a very tense situation with guns drawn on both sides. And in most cases the members of the military withdrew; the members of police withdrew but in some cases shots were fired, and it became a very difficult thing to deal with.

I just was surprised by that because I had never heard of that. I mean, I guess I ask you, Mr. Speaker, have you ever heard of, did you know that just last year foreign troops, in this case Mexican government troops and/or members of the foreign police establishments, came into the United States without our permission? You have to ask yourself, of course, why.

We have found out, by the way. I should say we found out this was not unique to 2001, that over the course of the last 7 years or so we have had over 100 documented incursions. And you have to say, well, why? And I asked that question. What do you mean? Why were they coming? And they could only speculate. And I said, Well, could it be that they were lost? And they found that quite humorous, the folks I was talking to, and laughed and said, Everybody down here knows where the border is. No, the people who came down here knew they were on our side.

What were they doing on our side? And the speculation was it was in conjunction with some drug trafficking activities, that perhaps members of the military or the police down there were protecting a cartel moving some product through the area, or perhaps they were creating a diversion so that this drew our border people away while it did move through another area. We are not sure yet. We are not sure. But I wrote a letter to the Mexican President Vicente Fox, and I asked him to explain to me what he knew about it, and, more importantly, what he was doing to stop it. Although I did not receive a letter from him, I received a letter from the Mexican ambassador to the United States that told me essentially that he did not like the tone of my letter and that these issues were handled satisfactorily, that in each case some explanation was made and everybody is happy about it.

Well, I know that not to be true. I know when I talked to the State Department they were concerned about this. They told me of a time around Nogales, Arizona, just a short time ago, told me of an incident that occurred just a short time ago, where a group of maybe 100 illegals were coming into the United States. They were hiding in a culvert in and around Nogales. They were all carrying large amounts of drugs in, smuggling drugs into the United States; but we got them. We arrested them, and about half of them were members of the Mexican military.

Now, I do not know if these guys were on leave or something; but I do know that the problem of corruption in the Mexican military and the police is endemic. We all know that. There is not a soul in here that does not understand that corruption in Mexico is debilitating for the government. And I do believe that Vicente Fox is going to try to do something about that, to try and produce a better situation down there. But I want to know what they are going to do, and I want to know now. I want to now how they are planning to stop these incursions, because, Mr. Speaker, this is a very dangerous situation.

Not only do I believe that these incursions are a result of drug trafficking into the United States, and that these people are participants in that in some way or other, but I also believe that it is a very dangerous situation. At some point in time someone will be killed here in the confrontation because these people are heavily armed, and they are coming up against our folks who are armed. And one of these days something very ugly is going to occur.

I want to know what the Mexican Government is doing to stop this; and do not tell me they were lost. Do not tell me these people came wandering across the border heavily armed, retreated only when they came across some part of the American Forest Service or Border Patrol, and do not tell me they were lost. That is not true. They were here for a reason. I want to know what it is, and I want an answer; and I will not stop discussing this until I get one.

I know it is embarrassing to the Government of Mexico. It may be embarrassing to our own government that does not want these issues to be dealt with openly. Even the State Department told me, look, we are trying to deal with this at the highest levels. We are trying to negotiate. Well, it has not worked. It has been 7 years as it turns out. I was surprised when I heard about it. Twenty-three incidents in 2001. It turns out it was not unique. This was not an aberration, the year 2001. It has been happening a lot. It is starting to increase. Talk to the people down there at the border. They will tell you the problems they face. They will tell you these people are not lost. They will tell you that they are armed. They are dangerous. They are worried about what is going to happen when they confront hikers and bikers and campers in the national forest. This is a dangerous situation.

What are we going to do about it? There is a wall that is built. There is a wall that separates the countries that goes through Nogales for 3 or 4 miles. It is about 15 feet high or so. I suggest that that wall should be continued at least along that forest border. And, yes, it will simply move people around it. I know that is true, but at least we can start to protect that forest in that area. Because if you are an environmentalist, Mr. Speaker, if anyone in this body has the slightest concern about the environment, they should go to the Coronado National Forest. They should begin doing all the things they do so effectively in any other part of the United States when they believe that the environment is being jeopardized: chain themselves to trees and start protests and demand action on the part of the government, and start a letter-writing campaign and boycott certain industries, or I do not know. Do whatever you want to do as environmental activists, but do it for the sake of this forest.

Why is it, Mr. Speaker, I ask you, why is it that we have not heard a word out of the Sierra Club or Friends of the Environment or any of the myriad of organizations that call themselves environmentally sensitive? Why have we not heard a word about the Coronado Forest? I will tell you why. It is because they do not want to say anything that would be thought to be derogative of immigration. Well, you cannot have it both ways. In this case, immigration, massive immigration through this forest, massive illegal immigration through this forest is causing the problem. We have to do something about it. If it is a wall, it is a wall. If it is more border patrol, that is what we need. If it is an agreement with Mexico to actually clean up their act, then that is what we need.

But I do not know that we will get it, Mr. Speaker. I do not hold any illusions here about the degree to which we will press this issue for fear that we will lose votes among Hispanics here in the United States, for fear that Mexico will take affront at this. But I will tell you, Mr. Speaker, when we become concerned enough about our national security to recognize that it is not just drug traffickers, not just people looking for jobs in Tucson who are coming across this border or who could come across this cattle guard, but it is the next Mohammed Atta.

Today they are crossing through these gates and over this fence carrying literally tons among the accumulated mass of narcotics coming across, literally tons of narcotics being carried on shoulders into the United States. What is to say that tomorrow or yesterday somebody did not come across this border with 50 pounds of something much more dangerous on his shoulders?

Smart border? I do not think so. This is a national security problem. It is an environmental problem. It is a cultural problem. It is an economic problem. It is a political problem. It is all of those things. To ignore it is an act of incredible idiocy. These things have implications for us, for who we are today, and who we will be tomorrow as a Nation.

If Mexico is our friend and ally, as I often hear them referred to, I would ask again, What are you going to do about this? How are you going to help us stop this? How are you going to help us stop people coming into the United States? Why do you not stop pressuring us to give amnesty to those people who are here illegally? Why is it so important to you in Mexico, I would say, Mr. Speaker, why is it so important to you to have us give amnesty to people who are here illegally, especially from Mexico? What does that matter? How come that is a major foreign policy issue?

Now, these questions are questions for every American citizen. They have to ask themselves if, by the year 2100, they want a Nation of a little over a billion people, because that is exactly where we are headed now if we keep the population growth at the present level. And 90 percent of that population growth by the year of 2100 when we hit a billion will be as a result of immigration. Is that okay? Is that where we want to go? Some do. It turns into political hay for them, political benefit. Others do. It turns into cheap labor and the bottom line, the immediate bottom line.

But I ask all of my colleagues to think beyond the immediate. Think about the Nation. Think about the implications of massive uncontrolled immigration into this country. Think about September 11. How many of those days do you want to relive?

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ACKERMAN (at the request of Mr. GEPHARDT) for today on account of a death in the family.

Ms. CARSON of Indiana (at the request of Mr. GEPHARDT) for today on account of her primary election.

Mr. KIND (at the request of Mr. GEPHARDT) for today and May 8 on account of official business.

Mr. BURTON of Indiana (at the request of Mr. ARMEY) for today and the balance of the week on account of illness in the family.

Mr. CRANE (at the request of Mr. ARMEY) for today and May 8 on account of personal reasons.

Mr. OSE (at the request of Mr. ARMEY) for today and the balance of the week on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. JOHN) to revise and extend their remarks and include extraneous material:

Mr. PALLONE, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mrs. CHRISTENSEN, for 5 minutes, today.

The following Members (at the request of Mr. GRUCCI) to revise and extend their remarks and include extraneous material:

Mr. RAMSTAD, for 5 minutes, May 8.

ENROLLED BILL SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4156. An act to amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

□ 2215

ADJOURNMENT

Mr. TANCREDO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 8, 2002, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6643. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Sodium Starch Glycolate; Exemption from the Requirement of a Tolerance [OPP–2002–0018; FRL–6833–9] (RIN: 2070–AB78) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

6644. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans For Designated Facilities and Pollutants: Rhode Island; Negative Declarations [RI 044–6991a; FRL–7170–1] received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6645. A letter from the Principal Deputy Associate Administrator, Environmental

Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 151–1151; FRL–7170–6] received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6646. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Illinois [IL207–1a; FRL–7159–9] received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6647. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 155–1155a; FRL–7175–3] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6648. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to the California State Implementation Plan, Monterey Bay Unified Air Pollution Control District [CA 247–0322a; FRL–7158–4] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6649. A communication from the President of the United States, transmitting a report on the status of efforts to obtain Iraq's compliance with the resolutions adopted by the U.N. Security Council, pursuant to 50 U.S.C. 1541; (H. Doc. No. 107–210); to the Committee on International Relations and ordered to be printed.

6650. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Pascagoula River, Mississippi [CGD08–02–005] received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6651. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Long Island, New York Inland Waterway from East Rockaway Inlet to Shinnecock Canal, NY [CGD01–02–038] (RIN: 2115–AE47) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6652. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Florida East Coast Railroad Bridge, St. Johns River, Jacksonville, Florida [CGD07–02–032] received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6653. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Great Egg Harbor Bay, New Jersey [CGD05–02–006] received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6654. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: New Rochelle Harbor, NY [CGD01–02–036] received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6655. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Fore River, Me [CGD01–02–040] received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6656. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; Long Island Sound, Thames River, Great South Bay, Shinnecock Bay, Connecticut River and the Atlantic Ocean Seventeen Annual Fireworks Displays [CGD01–01–077] (RIN: 2115–AA97) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6657. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Security Zones; Ports of Houston and Galveston, Texas [COTP Houston-Galveston–02–006] (RIN: 2115–AA97) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6658. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; California and Arizona Border on the Colorado River [COTP San Diego 02–009] (RIN: 2115–AA97) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6659. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Anchorages and Security Zones; Oahu, Maui, Hawaii, and Kauai, HI [COTP Honolulu 02–001] (RIN: 2115–AA97) received May 3, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6660. A letter from the Parealegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; SOCATA—Groupe AEROSPATIALE Models MS 892A–150, MS 892E–150, MS 893A, MS 893E,MS 894A, MS 894E, Rallye 150T, and Rallye 150ST Airplanes [Docket No. 2001–CE–41–AD; Amendment 39–12672; AD 2002–05–04] (RIN: 2120–AA64) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6661. A letter from the Paralegal Specialist, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Aircraft Ltd. Models PC–12 and PC–12/45 Airplanes [Docket No. 2001–CE–07–AD; Amendment 39–12687; AD 2002–06–10] (RIN: 2120–AA64) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6662. A letter from the Paralegal Specialist, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Cessna Aircraft Company P206, TP206, TU206, U206, 207, T207, 210, P210, and T210 Series Airplanes [Docket No. 2001–CE–42–AD; Amendment 39–12695; AD 2002–07–01] (RIN: 2120–AA64) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6663. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model CL–600–2C10 (Regional Jet Series 700 and 701) Series Airplanes [Docket No. 2002–NM–70–AD; Amendment 39–12688; AD 2002–06–51] (RIN: 2120–AA64) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6664. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Special Rules for Certain Transactions Where Stated Principal Amount Does Not Exceed $2,800,000 (Rev. Rul. 2001–65) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6665. A letter from the Chief, Regulation Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update (Notice 2001–65) received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6666. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Expansion of Safe Harbor Provisions Under Notice 88–129 (Notice 2001–82) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6667. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property (Rev. Rul. 2002–2) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6668. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Low-Income Housing Credit—received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6669. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Elimination of User Fees for Certain Determination Letter Requests Pursuant to Section 620 of the Economic Growth and Tax Relief Reconciliation Act of 2001 (Notice 2002–1) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6670. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Distributions of Stock and Securities of a Controlled Corporation (Rev. Rul. 2002–1) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6671. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Definitions and Special Rules For Purposes of Minimum Survivor Annuity Requirements (Rev. Rul. 2001–67) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6672. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—North Dakota State University v. United States—received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6673. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Robert L. Beck v. Commissioner—received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6674. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Disclosure Initiative for Certain Transactions Resulting in Waiver of Certain Penalties Under Section 6662 of the Internal Revenue Code (Announcement 2002–2) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

6675. A letter from the Chief, Regulation Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update (Notice 2002-9) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committee were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMAS: Committee on Ways and Means. House Joint Resolution 84. Resolution disapproving the action taken by the President under section 203 of the Trade Act of 1974 transmitted to the Congress on March 5, 2002; adversely (Rept. 107-437). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. S. 378. An act to redesignate the Federal building located at 3348 South Kedzie Avenue, in Chicago, Illinois, as the "Paul Simon Chicago Jobs Corps Center" (Rept. 107-438). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Transportation and Infrastructure. H.R. 3694. A bill to provide for highway infrastructure investment at the guaranteed funding level contained in the Transportation Equity Act for the 21st Century; with an amendment (Rept. 107-439). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANSEN: Committee on Resources. H.R. 2818. A bill to authorize the Secretary of the Interior to convey certain public land within the Sand Mountain Wilderness Study Area in the State of Idaho to resolve an occupancy encroachment dating back to 1971 (Rept. 107-440). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANSEN: Committee on Resources. H.R. 3954. A bill to designate certain waterways in the Caribbean National Forest in the Commonwealth of Puerto Rico as components of the National Wild and Scenic Rivers System, and for other purposes; with an amendment (Rept. 107-441). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANSEN. Committee on Resources. H.R. 4044. A bill to authorize the Secretary of the Interior to provide assistance to the State of Maryland for implementation of a program to eradicate nutria and restore marshland damaged by nutria; with an amendment (Rept. 107-442). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAUZIN. Committee on Energy and Commerce. H.R. 4560. A bill to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting (Rept. 107-443). Referred to the Committee of the Whole House on the State of the Union.

Mr. REYNOLDS. Committee on Rules. House Resolution 414. Resolution providing for the disposition of the joint resolution (H.J. Res. 84) disapproving the action taken by the President under section 203 of the Trade Act of 1974 transmitted to the Congress on March 5, 2002 (Rept. 107-447). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SENSENBRENNER. Committee on the Judiciary. House Resolution 103. Resolution referring the bill (H.R. 1258), entitled "A bill for the relief of Sarabeth M. Davis, Robert S. Borders, Victor Maron, Irving Berke, and Adele E. Conrad", to the chief judge of the United States Court of Federal Claims for a report thereon (Rept. 107-444). Referred to the Private Calendar.

Mr. SENSENBRENNER. Committee on the Judiciary. H.R. 486. A bill for the relief of Barbara Makuch (Rept. 107-445). Referred to the Private Calendar.

Mr. SENSENBRENNER. Committee on the Judiciary. H.R. 487. A bill for the relief of Eugene Makuch (Rept. 107-446). Referred to the Private Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following title were introduced and severally referred, as follows:

By Mr. SMITH of Michigan (for himself, Ms. Eddie Bernice Johnson of Texas, Mr. Boehlert, Mr. Hall of Texas, Mr. Smith of Texas, Mrs. Morella, Mr. Honda, Mr. Ehlers, Mr. Baird, Mr. Etheridge, Mr. Nethercutt, Mrs. Biggert, Mr. Barcia, Mr. Gilchrest, Mr. Baca, Mr. Calvert, Mr. Udall of Colorado, and Ms. Lofgren):

H.R. 4664. A bill to authorize appropriations for fiscal years 2003, 2004, and 2005 for the National Science Foundation, and for other purposes; to the Committee on Science.

By Mr. CAPUANO (for himself and Mr. Fletcher):

H.R. 4665. A bill to authorize the Secretary of Health and Human Services to award grants to associate degree schools of nursing and professional nursing organizations to improve nursing education, and for other purposes; to the Committee on Energy and Commerce.

By Mr. TOM DAVIS of Virginia (for himself, Mr. Ehrlich, Mr. Hoyer, Mrs. Morella, Mr. Gilchrest, Mr. Forbes, Mr. Moran of Virginia, Mr. Scott, Mr. Wynn, Mr. Holden, Mr. Hoeffel, Mr. Hinchey, Mr. Wolf, Mr. Goodlatte, Ms. Norton, Mr. Bartlett of Maryland, Mr. Cardin, Mr. Cummings, and Mr. Walsh):

H.R. 4666. A bill to amend the Federal Water Pollution Control Act to provide assistance for nutrient removal technologies to States in the Chesapeake Bay watershed; to the Committee on Transportation and Infrastructure.

By Mr. FOLEY (for himself, Mr. Lampson, Mr. Gilman, Mr. Pomeroy, Mr. Reyes, Mr. Green of Wisconsin, Mr. Wamp, Mr. Diaz-Balart, Ms. Ros-Lehtinen, Mr. Crenshaw, Mr. Camp, Mr. Wicker, Mr. Putnam, Mr. Jones of North Carolina, Mr. Hoekstra, Mr. Ryan of Wisconsin, Mr. DeLay, and Mrs. Wilson of New Mexico):

H.R. 4667. A bill to protect children from exploitive child modeling, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HUNTER (for himself and Mr. Udall of Colorado):

H.R. 4668. A bill to amend the Internal Revenue Code of 1986 to expand the renewable resources production tax credit to include additional forms of renewable energy, and to expand the investment tax credit to include equipment used to produce electricity from renewable resources; to the Committee on Ways and Means.

By Ms. EDDIE BERNICE JOHNSON of Texas (for herself, Ms. Kilpatrick, Mr. Owens, Ms. Lee, Mr. Conyers, Mr. Hilliard, Ms. McKinney, Mr. Blagojevich, Mr. Rush, Mr. Payne, Ms. Velázquez, Mr. Rangel, Ms. Waters, and Mr. Cummings):

H.R. 4669. A bill to provide for racial equity and fair treatment under the program of block grants to States for temporary assistance for needy families; to the Committee on Ways and Means.

By Mr. KOLBE (for himself, Mr. Stump, Mr. Udall of Colorado, and Mr. Udall of New Mexico):

H.R. 4670. A bill to reauthorize the United States Institute for Environmental Conflict Resolution, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MATSUI (for himself, Mr. Rangel, Ms. DeLauro, Mr. Doggett, Mr. Cardin, Mr. Pomeroy, Mr. Becerra, Mr. Stark, Mr. Levin, Mr. McDermott, Mr. Kleczka, Mr. Lewis of Georgia, Mr. Neal of Massachusetts, Mr. McNulty, Mrs. Thurman, Mr. Holden, Mr. Maloney of Connecticut, Mr. Pallone, Ms. Brown of Florida, Ms. Kaptur, Mr. Pascrell, Ms. Schakowsky, Mr. Filner, Mr. Brown of Ohio, Mrs. Capps, Mr. Kucinich, Mr. Farr of California, Mr. Murtha, Mr. Sandlin, Mr. Kildee, Mr. Menendez, Ms. Millender-McDonald, Mr. Kind, Mr. Rodriguez, Mr. Nadler, Mr. Kanjorski, Ms. Lee, Ms. Norton, Ms. Baldwin, Ms. Kilpatrick, Mrs. Jones of Ohio, Mr. Thompson of California, Ms. Berkley, Ms. Lofgren, Ms. Woolsey, Mrs. Lowey, Ms. Watson, Mr. Meehan, Ms. McKinney, Mr. Dingell, Mr. Hinchey, Ms. McCollum, Ms. Slaughter, Ms. McCarthy of Missouri, Mr. Davis of Illinois, Mr. Bentsen, Mrs. Clayton, Mr. Waxman, Mr. Baird, Mrs. Davis of California, and Mr. Bonior):

H.R. 4671. A bill to amend title II of the Social Security Act to improve benefits for aged survivors, disabled survivors, and divorced spouses, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. JEFF MILLER of Florida:

H.R. 4672. A bill to provide that, if an individual is expelled from Congress, any Member service previously rendered by that individual shall be noncreditable for purposes of determining eligibility for or the amount of any benefits which might otherwise be payable out of the Civil Service Retirement and Disability Fund based on the service of that individual, and for other purposes; to the Committee on House Administration, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MORELLA:

H.R. 4673. A bill to amend the Public Health Service Act to provide for voluntary reporting by health care providers of medication error information in order to assist appropriate public and nonprofit private entities in developing and disseminating recommendations and information with respect to preventing medication errors; to the Committee on Energy and Commerce.

By Ms. NORTON:

H.R. 4674. A bill to assist local governments in conducting gun buyback programs; to the Committee on the Judiciary.

By Mr. RAMSTAD (for himself, Mr. CRANE, Mr. HERGER, Mr. SAM JOHNSON of Texas, Mr. ENGLISH, Mr. MCINNIS, Mr. FOLEY, and Mr. BRADY of Texas):

H.R. 4675. A bill to amend the Internal Revenue Code of 1986 to provide that the tax on recognized built-in gain of an S corporation shall not apply to amounts reinvested in the business; to the Committee on Ways and Means.

By Mr. WILSON of South Carolina:

H.R. 4676. A bill to amend title 10, United States Code, to provide that military retired pay for nonregular service shall be paid without regard to the age of a person otherwise eligible for such retired pay, rather than commencing when an otherwise eligible person attains age 60; to the Committee on Armed Services.

By Mr. YOUNG of Alaska:

H.R. 4677. A bill to clarify the authority for use of snowmachines in certain areas of Denali National Park and Preserve, and for other purposes; to the Committee on Resources.

By Mr. FOLEY (for himself and Mr. FARR of California):

H. Con. Res. 397. Concurrent resolution supporting National Tourism Week; to the Committee on Government Reform.

By Mr. FROST:

H. Res. 413. A resolution designating minority membership on certain standing committees of the House; considered and agreed to.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 31: Mr. CANNON.

H.R. 122: Mr. BOEHLERT, Mr. GILLMOR, Ms. DUNN, and Mr. PORTMAN.

H.R. 168: Mr. CANNON.

H.R. 548: Ms. ROS-LEHTINEN, Mr. CANNON, Mr. MALONEY of Connecticut, and Mr. TERRY.

H.R. 786: Ms. KILPATRICK and Mr. KLECZKA.

H.R. 925: Mr. HOEFFEL.

H.R. 1073: Ms. ROS-LEHTINEN.

H.R. 1090: Mr. MCDERMOTT, Ms. BALDWIN, and Mr. JOHN.

H.R. 1134: Mr. PRICE of North Carolina.

H.R. 1186: Mr. TOWNS.

H.R. 1265: Ms. CARSON of Indiana.

H.R. 1354: Mr. VITTER.

H.R. 1371: Mr. BALDACCI.

H.R. 1455: Mr. CANNON.

H.R. 1460: Mr. CANNON.

H.R. 1465: Mr. WAXMAN.

H.R. 1475: Mr. CLAY and Mr. BASS.

H.R. 1494: Mr. MATSUI and Mr. REYES.

H.R. 1522: Mr. HILLIARD.

H.R. 1581: Mr. GORDON.

H.R. 1642: Mr. BENTSEN.

H.R. 1808: Mr. BLAGOJEVICH and Mrs. CLAYTON.

H.R. 1841: Mr. GRUCCI, Mr. HOEFFEL, and Mrs. NAPOLITANO.

H.R. 1919: Mr. WILSON of South Carolina, Mr. MCGOVERN, and Mr. DUNCAN.

H.R. 1987: Mr. RYAN of Wisconsin and Mr. CANTOR.

H.R. 2058: Mr. BAIRD.

H.R. 2117: Ms. DEGETTE.

H.R. 2125: Mr. LAFALCE.

H.R. 2148: Mr. DAVIS of Illinois and Ms. WATSON.

H.R. 2373: Mr. GREEN of Texas, Mr. PENCE, and Mr. PAUL.

H.R. 2419: Mr. SANDERS and Mr. CHAMBLISS.

H.R. 2570: Mr. JACKSON of Illinois.

H.R. 2663: Mr. GIBBONS.

H.R. 2723: Mr. TERRY.

H.R. 2874: Mrs. CAPPS, Mr. FRANK, Ms. SLAUGHTER, Mr. HALL of Ohio, Ms. BALDWIN, and Mr. PAYNE.

H.R. 2953: Mr. BACA.

H.R. 3109: Mr. GILMAN, Mr. FRANK, Mr. HASTINGS of Florida, Ms. BROWN of Florida, and Mr. BISHOP.

H.R. 3130: Ms. EDDIE BERNICE JOHNSON of Texas and Mr. BORSKI.

H.R. 3238: Mr. CUMMINGS, Ms. DEGETTE, and Mr. LAFALCE.

H.R. 3246: Mr. BALDACCI.

H.R. 3253: Mr. FILNER.

H.R. 3292: Mr. HOBSON.

H.R. 3321: Ms. NORTON.

H.R. 3414: Mr. CARSON of Oklahoma and Mrs. NAPOLITANO.

H.R. 3450: Mr. LATHAM, Mr. KINGSTON, Mr. PASCRELL, and Ms. HOOLEY of Oregon.

H.R. 3464: Mr. TIERNEY, Ms. MCCARTHY of Missouri, and Mr. KLECZKA.

H.R. 3580: Mr. WHITFIELD and Mr. NORWOOD.

H.R. 3581: Mr. SHERMAN.

H.R. 3741: Mr. GRUCCI, Mrs. MALONEY of New York, and Mr. TRAFICANT.

H.R. 3794: Mr. CAPUANO, Mr. ABERCROMBIE, Mr. BORSKI, and Mr. SAXTON.

H.R. 3833: Mr. MCINTYRE.

H.R. 3834. Mr. BOOZMAN, Mr. ANDREWS, and Mr. LUCAS of Kentucky.

H.R. 3884: Mr. MOORE.

H.R. 3894: Mr. KLECZKA.

H.R. 3915: Ms. LEE and Mr. KENNEDY of Rhode Island.

H.R. 4000: Mr. ISAKSON, Mr. MCHUGH, Mr. BAIRD, Mr. BONIOR, Mr. FRANK, and Mr. STUPAK.

H.R. 4003: Mr. FALEOMAVAEGA.

H.R. 4015: Ms. BROWN of Florida, Mr. SHUSTER, Mr. RODRIGUEZ, Mr. PICKERING, Mr. LYNCH, Mr. FALEOMAVAEGA, Mr. EDWARDS, Mr. FILNER, and Ms. MCKINNEY.

H.R. 4018: Mr. FOLEY and Mr. QUINN.

H.R. 4034: Mr. LANGEVIN and Mr. FATTAH.

H.R. 4066: Mr. VISCLOSKY, Mr. LAMPSON, Ms. WATERS, Mr. SAXTON, Mr. OWENS, Mr. WAMP, Mr. PASCRELL, and Mr. KANJORSKI.

H.R. 4071: Mr. WAXMAN, Mr. TOWNS, and Mr. BASS.

H.R. 4073: Mr. BEREUTER, Mr. WAXMAN, Mr. CLEMENT, Mr. ISAKSON, Mr. HALL of Ohio, Ms. LEE, Ms. ROYBAL-ALLARD, Mr. MCNULTY, Mr. MICA, Mr. YOUNG of Alaska, Mr. WALSH, Mr. CASTLE, Ms. MILLENDER-MCDONALD, Mrs. DAVIS of California, Mr. GREENWOOD, Mrs. MORELLA, and Mr. MORAN of Virginia, Ms. BROWN of Florida, Mrs. MEEK of Florida, Mr. SMITH of Washington, Ms. ESHOO, Mr. KIRK, Mr. NETHERCUTT, Mr. WEXLER, and Ms. WOOLSEY.

H.R. 4085: Mr. SHOWS, Mr. FALEOMAVAEGA, Mr. LYNCH, Mr. EDWARDS, Mr. FILNER, Ms. MCKINNEY, and Ms. CARSON of Indiana.

H.R. 4086: Mr. STRICKLAND, Mr. DAN MILLER of Florida, Mr. CLYBURN, Mr. LANGEVIN, Mr. HONDA, Mr. LATOURETTE, Mr. WOLF, and Mr. GRAHAM.

H.R. 4090: Mr. GREEN of Wisconsin, Ms. HART, and Mr. PITTS.

H.R. 4152: Mr. BISHOP.

H.R. 4169: Mr. COLLINS.

H.R. 4235: Mr. OWENS.

H.R. 4236: Mr. BACA, Mr. GUTIERREZ, and Ms. VELÁZQUEZ.

H.R. 4481: Mrs. TAUSCHER.

H.R. 4483: Ms. PRYCE of Ohio, Mr. KNOLLENBERG, Mr. GREEN of Wisconsin, Mr. VITTER, Mr. SCHIFF, Mr. STUPAK, Mr. EDWARDS, and Mrs. DAVIS of California.

H.R. 4515: Mr. GORDON.

H.R. 4524: Mrs. JONES of Ohio, Mr. COYNE, and Mrs. MORELLA.

H.R. 4574: Mr. WELLER and Mr. DOYLE.

H.R. 4582: Mr. PAYNE, Mr. BORSKI, and Mr. DOYLE.

H.R. 4584: Mr. SMITH of New Jersey, and Mr. COOKSEY.

H.R. 4585: Mr. SMITH of New Jersey and Mr. COOKSEY.

H.R. 4600: Mr. FLETCHER, Mr. HOLDEN, Mr. BARTON of Texas, Mr. GANSKE, and Mr. WHITFIELD.

H.R. 4614: Mr. CROWLEY.

H.R. 4622: Mr. MCINNIS and Mr. JONES of North Carolina.

H.R. 4623: Mr. ROGERS of Michigan, Mr. LAMPSON, Mr. LOBIONDO, Mr. WELDON of Florida, Mr. CRAMER, Mr. BACHUS, Mr. GREEN of Texas, Ms. JACKSON-LEE of Texas, Mr. SCHIFF, Mr. STUMP, Mr. SAM JOHNSON of Texas, Mr. HANSEN, and Mr. OXLEY.

H.R. 4630: Ms. WATERS.

H.R. 4635: Mr. TIAHRT.

H.R. 4637: Mr. GREEN of Wisconsin.

H.R. 4642: Mr. DOOLITTLE.

H.R. 4646: Ms. SOLIS, Mr. MOLLOHAN, Mr. MENENDEZ, Mr. HOYER, and Ms. VELÁZQUEZ.

H.R. 4653: Mr. SCOTT.

H.R. 4658: Mr. LYNCH and Mr. PAYNE.

H.R. 4659: Mr. PENCE and Mr. SMITH of New Jersey.

H.R. 4660: Mr. HASTINGS of Florida, Ms. HOOLEY of Oregon, Mr. LANGEVIN, Mrs. CAPPS, Mr. FALEOMAVAEGA, Mr. ENGLISH, and Mr. WELDON of Florida.

H.J. Res. 6: Mr. TERRY.

H.J. Res. 20: Mrs. MYRICK.

H.J. Res. 91: Mr. FOLEY and Mr. VITTER.

H. Con. Res. 315: Mr. WILSON of South Carolina and Mr. VITTER.

H. Con. Res. 341: Mr. CROWLEY and Mr. BLAGOJEVICH.

H. Con. Res. 350: Mr. VITTER.

H. Con. Res. 351: Mr. COYNE, Mr. DAVIS of Illinois, and Mr. ROYCE.

H. Con. Res. 385: Mr. SANDERS, Mr. DINGELL, Mr. TOWNS, Mr. JEFFERSON, Mrs. MALONEY of New York, Mrs. CAPPS, Mrs. ROUKEMA, and Mrs. MINK of Hawaii.

H. Con. Res. 390: Mr. HOYER, Mr. BOEHLERT, Mr. ANDREWS, Mr. HEFLEY, and Mr. DOOLEY of California.

H. Con. Res. 393: Mrs. CAPPS, Mrs. LOWEY, and Ms. NORTON.

H. Res. 346: Mr. RANGEL.

H. Res. 393: Ms. ROS-LEHTINEN, Mr. FRANK, and Mr. HEFLEY.

H. Res. 394: Mr. BONIOR and Mrs. CAPPS.

H. Res. 405: Mr. SAWYER, Mr. RUSH, Mr. ROTHMAN, and Mr. FARR of California.

H. Res. 412: Mr. LEVIN and Ms. MCKINNEY.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 4546

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 1: At the end of subtitle D of title V (page , after line), insert the following new section:

SEC. 533. PREPARATION FOR, PARTICIPATION IN, AND CONDUCT OF ATHLETIC COMPETITIONS BY THE NATIONAL GUARD AND MEMBERS OF THE NATIONAL GUARD.

(a) ATHLETIC AND SMALL ARMS COMPETITIONS.—Section 504 of title 32, United States Code, is amended by adding at the end the following new subsection:

"(c) CONDUCT OF AND PARTICIPATION IN CERTAIN COMPETITIONS.—(1) Under regulations prescribed by the Secretary of Defense, members and units of the National Guard may conduct and compete in a qualifying athletic competition or a small arms competition so long as—

"(A) the conduct of, or participation in, the competition does not adversely affect the quality of training or otherwise interfere with the ability of a member or unit of the National Guard to perform the military functions of the member or unit;

"(B) National Guard personnel will enhance their military skills as a result of conducting or participating in the competition; and

"(C) the conduct of or participation in the competition will not result in a significant increase in National Guard costs.

"(2) Facilities and equipment of the National Guard, including military property and vehicles described in section 508(c) of this title, may be used in connection with the conduct of or participation in a qualifying athletic competition or a small arms competition under paragraph (1).".

(b) OTHER MATTERS.—Such section is further amended by adding after subsection (c), as added by subsection (a) of this section, the following new subsections:

"(d) AVAILABILITY OF FUNDS.—(1) Subject to paragraph (2) and such limitations as may be enacted in appropriations Acts and such regulations as the Secretary of Defense may prescribe, amounts appropriated for the National Guard may be used to cover—

"(A) the costs of conducting or participating in a qualifying athletic competition or a small arms competition under subsection (c); and

"(B) the expenses of members of the National Guard under subsection (a)(3), including expenses of attendance and participation fees, travel, per diem, clothing, equipment, and related expenses.

"(2) Not more than $2,500,000 may be obligated or expended in any fiscal year under subsection (c).

"(e) QUALIFYING ATHLETIC COMPETITION DEFINED.—In this section, the term 'qualifying athletic competition' means a competition in athletic events that require skills relevant to military duties or involve aspects of physical fitness that are evaluated by the armed forces in determining whether a member of the National Guard is fit for military duty.".

(c) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "AUTHORIZED ACTIVITIES.—" after "(a)"; and

(2) in subsection (b), by inserting "AUTHORIZED LOCATIONS.—" after "(b)".

(d) CONFORMING AND CLERICAL AMENDMENTS.—(1) Subsection (a) of such section is amended—

(A) in paragraph (1), by inserting "and" after the semicolon;

(B) in paragraph (2), by striking "; or" and inserting a period; and

(C) by striking paragraph (3).

(2) The heading of such section is amended to read as follows:

"§ 504. National Guard schools; small arms competitions; athletic competitions".

(3) The item relating to section 504 in the table of sections at the beginning of chapter 5 of title 10, United States Code, is amended to read as follows:

"504. National Guard schools; small arms competitions; athletic competitions.".

H.R. 4546

OFFERED BY: MRS. JO ANN DAVIS OF VIRGINIA

AMENDMENT NO. 2: At the end of title X (page 218, after line 15), insert the following new section:

SEC. . SENSE OF CONGRESS CONCERNING AIRCRAFT CARRIER FORCE STRUCTURE.

(a) FINDINGS.—Congress makes the following findings:

(1) The aircraft carrier has been an integral component in Operation Enduring Freedom and in the homeland defense mission beginning on September 11, 2001. The aircraft carriers that have participated in Operation Enduring Freedom, as of May 1, 2002, are the USS Enterprise (CVN–65), the USS Carl Vinson (CVN–70), the USS Kitty Hawk (CV–63), the USS Theodore Roosevelt (CVN–71), the USS John C. Stennis (CVN–74), and the USS John F. Kennedy (CV–67). The aircraft carriers that have participated in the homeland defense mission are the USS George Washington (CVN–73), the USS John F. Kennedy (CV–67), and the USS John C. Stennis (CVN–74).

(2) Since 1945, the United States has built 172 bases overseas, of which only 24 are currently in use.

(3) The aircraft carrier provides an independent base of operations should no land base be available for aircraft.

(4) The aircraft carrier is an essential component of the Navy.

(5) Both the F/A–18E/F aircraft program and the Joint Strike Fighter aircraft program are proceeding on schedule for deployment on aircraft carriers.

(6) As established by the Navy, the United States requires the service of 15 aircraft carriers to completely fulfill all the naval commitments assigned to it without gapping carrier presence.

(7) The Navy requires, at a minimum, at least 12 carriers to accomplish its current missions.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the number of aircraft carriers of the Navy in active service should not be less than 12.

(c) COMMENDATION OF CREWS.—Congress hereby commends the crews of the aircraft carriers that have participated in Operation Enduring Freedom and the homeland defense mission.

H.R. 4546

OFFERED BY: MR. HOEFFEL

AMENDMENT NO. 3: At the end of title X (page 218, after line 15), insert the following new subtitle:

Subtitle D—Review of Regulations Relating to Military Tribunals

SEC. 1041. SHORT TITLE.

This subtitle may be cited as the "Military Tribunal Regulations Review Act".

SEC. 1042. CONGRESSIONAL REVIEW.

(a) PROCEDURES REQUIRED.—(1) Before a military tribunal rule takes effect, the President shall submit to Congress a report containing—

(A) a copy of the military tribunal rule;

(B) a concise general statement relating to the military tribunal rule; and

(C) the proposed effective date of the military tribunal rule.

(2) A military tribunal rule with respect to which a report is submitted under paragraph (1) shall take effect on the latest of the following:

(A) The last day of the 60-day period beginning on the submission date for that rule.

(B) If the President, having been presented with a joint resolution of disapproval with respect to that rule, returns the joint resolution without his signature to the House in which it originated, together with his objections thereto, the date that is—

(i) the date on which either House, having proceeded to reconsider the joint resolution, votes on and fails to pass the joint resolution, the objections of the President to the contrary notwithstanding; or

(ii) if earlier, the date that is 30 days after the date on which the joint resolution, with the President's objections thereto, was returned by the President to the House in which it originated.

(C) The date on which the military tribunal rule would have otherwise taken effect, if not for this section (unless a joint resolution of disapproval is enacted).

(3) Notwithstanding paragraph (2), the effective date of a military tribunal rule shall not be delayed by operation of this subtitle beyond the date on which either House of Congress votes to reject a joint resolution of disapproval.

(b) EFFECT OF DISAPPROVAL.—(1) A military tribunal rule shall not take effect (or continue) if a joint resolution of disapproval with respect to that military tribunal rule is enacted.

(2) A military tribunal rule that does not take effect (or does not continue) under paragraph (1) may not be reissued in substantially the same form, and a new military tribunal rule that is substantially the same as such a military tribunal rule may not be issued, unless the reissued or new military tribunal rule is specifically authorized by a law enacted after the date of the enactment of the joint resolution of disapproval with respect to the original military tribunal rule.

(c) DISAPPROVAL OF RULES THAT HAVE TAKEN EFFECT.—Any military tribunal rule that takes effect and later is made of no force or effect by the enactment of a joint resolution of disapproval shall be treated as though such military tribunal rule had never taken effect, except that a trial of a person pursuant to such rule that is being carried out before the enactment of such joint resolution of disapproval shall continue to be carried out as though such military tribunal rule remains in effect.

(d) RULE OF CONSTRUCTION.—If the Congress does not enact a joint resolution of disapproval with respect to a military tribunal rule, no court or agency may infer any intent of the Congress from any action or inaction of the Congress with regard to such military tribunal rule, related statute, or joint resolution of disapproval.

(e) JOINT RESOLUTION OF DISAPPROVAL DEFINED.—For purposes of this section, the term "joint resolution of disapproval" means a joint resolution introduced on or after the date on which a report referred to in subsection (a)(1) is received by Congress, the title of which is "Joint Resolution disapproving the rule submitted by the President on   , relating to military tribunals", containing no whereas clauses, and the matter after the resolving clause of which is as follows: "That Congress disapproves the rule submitted by the President on   , relating to military tribunals, and such rule shall have no force or effect." (The blank spaces being appropriately filled in).

SEC. 1043. DEFINITIONS.

For purposes of this subtitle:

(1) The term "military tribunal" means a military commission or other military tribunal (other than a court-martial).

(2) The term "military tribunal rule" means the whole or part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy, or describing the organization, procedure, or practice requirements of a Department or agency, with regard to carrying out military tribunals.

SEC. 1044. JUDICIAL REVIEW.

No determination, finding, action, or omission under this subtitle shall be subject to judicial review.

SEC. 1045. REPORTING REQUIREMENTS FOR MILITARY TRIBUNALS.

(a) IN GENERAL.—(1) Subchapter XI of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice) is amended by adding at the end the following new section:

"§940a. Art. 140a. Reports to Congress on military tribunals

"(a) For each military tribunal, the President shall submit to Congress periodic reports on the activities of that military tribunal. The first such report with respect to a military tribunal shall be submitted not later than six months after the date on which the military tribunal is convened and shall include an identification of the accused and the offense charged. Each succeeding report with respect to a military tribunal shall be submitted not later than six months after the date on which the preceding report was submitted.

"(b) A report under this section shall be submitted in unclassified form, but may included a classified annex.

"(c) In this section, the term 'military tribunal' means a military commission or other military tribunal (other than a court-martial).".

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"940a. 140a. Reports to Congress on military tribunals.".

(b) EFFECTIVE DATE.—Section 940a of title 10 United States Code, as added by subsection (a), shall apply with respect to any military tribunal covered after, or pending on, that date of the enactment of this subtitle. In the case of a military tribunal pending on the date of the enactment of this subtitle, the first report required by such section shall be submitted not later than six months after the date of the enactment of this subtitle.

H.R. 4546

OFFERED BY: MR. MANZULLO

AMENDMENT NO. 4: At the end of title VIII (page 174, after line 5), add the following new section:

SEC.   . RENEWAL OF CERTAIN PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENTS AT FUNDING LEVELS AT LEAST SUFFICIENT TO SUPPORT EXISTING PROGRAMS.

Section 2413 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) With respect to any eligible entity that has successfully performed under a cooperative agreement entered into under subsection (a), the Secretary shall strive, to the greatest extent practicable and subject to appropriations, to renew such agreement with such entity at a level of funding which is at least equal to the level of funding under the cooperative agreement being renewed.".

EXTENSIONS OF REMARKS

COMMENDING THE WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION

HON. JIM GIBBONS

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. GIBBONS. Mr. Speaker, on May 4–6, 2002 more than 1200 students from across the United States visited Washington, D.C. to compete in the national finals of the We the People. . . The Citizen and the Constitution program, the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights.

I am proud to announce that the class from Incline High School from Incline Village represented the State of Nevada in this national event. These young scholars worked diligently to reach the national finals and through their experience gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

The three-day national competition is modeled after hearings in the United States Congress. The hearings consist of oral presentations by high school students before a panel of adult judges on constitutional topics. The students' testimony is followed by a period of questioning by the judges who probe their depth of understanding and ability to apply their constitutional knowledge.

Administered by the Center for Civic Education, the We the People . . . program has provided curricular materials at upper elementary, middle, and high school levels for more than 26.5 million students nationwide. The program provides students with a working knowledge of our Constitution, Bill of Rights, and the principles of democratic government. Members of Congress and their staff enhance the program by discussing current constitutional issues with students and teachers and by participating in other educational activities.

It is inspiring to see these young people advocate the fundamental ideals of our government in the aftermath of September 11th. These ideas identify us as a people and bind us together as a nation. It is important for our next generation to understand these values and principles which we hold as standards in our endeavor to preserve and realize the promise of our constitutional democracy.

Independent studies by the Educational Testing Service (ETS) showed that students enrolled in the We the People. . . program at upper elementary, middle, and high school levels "significantly outperformed comparison students on every topic of the tests taken." Further, in a voting and civic participation survey of program alumni, 82% reported voting in the November 2000 election. In contrast, the National Election Studies reported a 48% turnout in the November 2000 election among Americans aged 18–30. This provides ample evidence that when students gain valuable knowledge about fundamental American values, they are more likely to participate in political life.

The class from Incline High School diligently conducted research and prepared for their participation in the national competition. I commend these young "constitutional experts" on their work for and commitment to the We the People . . . national finals. They represent the future leaders of our nation.

D.A.R.E. GRADUATION, BERLIN TOWNSHIP SCHOOL DISTRICT

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. ANDREWS. Mr. Speaker, I would like to congratulate the students and staff of the Berlin Township School District on the occasion of their D.A.R.E. graduation, which took place on March 25th, 2002. I was honored to speak at the graduation ceremony, and I would like the names of all the D.A.R.E. graduates, officers and teachers recognized in the CONGRESSIONAL RECORD.

Instructional Staff.—Cathy Conicella, Kathy Arent, Judi Knopke, Denise Conn, Karen Okulanis, Sherie Troendle, Monica King, and Fabian Brown.

D.A.R.E. Officers.—Sgt. William Hill, Officer Rob Murray, and Officer Gary Sheehan.

Supervisor of D.A.R.E.—Robert E. Jackson, Jr.

Support Staff.—Oretta Thomas, Charlotte Cohen, Joan Mondile, and Mary Suards.

FIFTH GRADE STUDENTS

D.A.R.E. Period 1.—Christopher Brooks, Melanie Dotts, Aarina Eleazer, Kelsey Greager, Kyle Greis, Joseph Hartshorne, Maria Lioliakis, Patrick McElroy, Ryan McElroy, Kelsey Odegaard, Stefani Pelly, Patrick Perez, Brittany Stalder, Lauren Strain, and Rebecca Swift.

D.A.R.E. Period 3.—Mejbah Ahmed, Anthony Cassario, Nathaniel Culbreath, Richard Fisher, Brianna Garrison, Scott Howard, Alexander Jannini, Ciarra Jones, Charles Lowe, Shawn Lowe, Maria Luciana, Matthew McDermott, Christina Peidl, Kaitlin Richards, Kelly Rodrigues, Tiffany Rodriguez, Alexander Rubolin, Jenney Sabin, Tenia Stansbury, and Tonya Toomer.

D.A.R.E. Period 5.—Matthew Bodanza, John Brecker, Amir Furlow, Brittney Hallowell, Kyle Laganella, Kimberly McKelvcy, Marissa Pigliacelli, Margaret Reilly, John Ryan, Christian Smith, Sabrina Smith, Steven Smith, Tomasa Sotelo, Leisl Steinbach, Shanee Thornton, Ashley Tortu, Scott Tretina, Miranda Ulmer, Brandan Wall, and Michael Williams.

D.A.R.E. Period 6.—Kerrin Anderson, Christie Asquith, Henry Birkenheuer, Natalie Bossard, Donald Bowman, Chelsea Callahan, Vincent Carbonaro, Charles Dewland, Diana Gastelum, Christopher Hollimon, Nicole Jewell, Jiamas Johnson, Amanda Kearns, Nicholas Labbree, Daniel Messick, Miranda Petersen, Daniel McCready, Michele Pruto, Amber Punihaole, Monica Roohr, Logan Ryan, Kamal Uddin, and Bianca Vera.

PERSONAL EXPLANATION

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Ms. ROS-LEHTINEN. Mr. Speaker, on rollcall No. 126, due to an illness in the family I had to be in my district. If present, I would have voted "aye" on rollcall No. 126.

STUDENT LOAN RATE

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Ms. SANCHEZ. Mr. Speaker, today I rise to speak out against the Administration's proposal to change the federal student loan consolidation rates.

Last week it was reported that college loan rates could tumble to roughly 4 percent after July 1. A student with $20,000 in debt would be able to save $5,000 on a 20 year repayment plan with a fixed rate of 4.13 percent.

Just as millions of Americans are preparing for large savings on their student loans, the Administration decides to pull the rug out from under their feet by coming out with a proposal that prevents them from locking in low interest rates.

It seems as though this Administration wants to prevent students from moving ahead, after falsely leading them to believe that they would not be left behind.

Due to the efforts of Democrats in both bodies of Congress, the Administration was forced to withdraw their proposal. I am pleased that we were able to prevent this potentially devastating proposal. However, I am still angry that the Administration would try to finance their initiatives at the cost of students struggling to get ahead.

I encourage my colleagues to oppose any future measures that would make it more difficult for America's students to afford a college education.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

TRIBUTE TO NANCY BAILEY, WARDEN, FCI FORT DIX, NEW JERSEY

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. SAXTON. Mr. Speaker, I rise today to pay tribute to Nancy Bailey, who retires on Saturday, June 1, 2002, after 27 years of distinguished service in our nation's correctional system.

Her rise through the ranks from her beginnings as a Correctional Officer in 1974 through various administrative positions within the Bureau of Prisons to her role as Warden of both Federal Correctional Institutions Safford, Arizona, and Fort Dix, New Jersey, is indicative of her commitment to the correctional system and the management of those in her care.

A Public Information Officer, Bureau of Prisons Auditor, Public Speaking Instructor and member of the Business and Professional Women's Club, Warden Bailey's involvement in the community plays an important role in her life. In her free time, she enjoys antiquing, gardening, reading and volunteering in the community.

Nancy and her husband, Jacob, plan to relocate to Glocester, Rhode Island, where she will teach Criminal Justice at a local college, sharing her decades of experience in the field with those just beginning a lifetime of service in the field of law and justice.

I congratulate her on her many years of commitment to public safety, and wish her a retirement filled with health, happiness and dreams come true.

HONORING COMMISSIONER DARRYL D. PERRYMAN FROM CAMDEN, ALABAMA

HON. BOB RILEY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. RILEY. Mr. Speaker, I rise today to join The National Organization of Black County Officials, Inc (NOBCO) in honoring an outstanding leader in Alabama's Third Congressional District. On April 26th, Commissioner Darryl D. Perryman from Camden, AL, received the award for Outstanding County Official 2002 by NOBCO.

NOBCO Chairman Webster Guillory presented the award to Perryman during its Eighteenth Annual Economic Development Conference held in Biloxi, MS. When asked about his reward, Mr. Perryman humbly replied that he was in the business of helping people and doing the duties of an elected official.

I feel that it is necessary to recognize the success of our public officials in order to encourage future leaders of Alabama and the United States; therefore, I stand up before the United States Congress and America today to congratulate Mr. Perryman on his success as a public servant of Alabama and to thank him for all he has done for the great state of Alabama and its Third Congressional District.

MEDICATION ERROR PREVENTION ACT OF 2002

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mrs. MORELLA. Mr. Speaker, in late 1999, the Institute of Medicine (IOM) issued a major report on medical mistakes entitled "To Err Is Human: Building a Safer Health Care System." This eye-opening study found that errors by health care professionals may result in the deaths of between 44,000 and 98,000 people in the United States every year, and injure countless others. Shockingly, more people die from avoidable medical errors each year than from highway accidents, breast cancer, or AIDS.

Congress reacted swiftly to the IOM report. Some members of the House and Senate, including myself, introduced bills to implement the report's recommendations, and hearings on medical errors were held in various committees. But Congress sometimes has a short attention span. Despite the flurry of activity at the beginning of 2000, by the close of the session other health care debates had crowded out the medical error issue and no further action was taken on medical errors.

We cannot let another year go by without doing something about medical errors; therefore, I am reintroducing a medical errors bill and this time I plan to see it through to enactment. If the IOM estimate of the fatalities that result from medical errors is remotely close to accurate, Congress cannot wait another year to act.

According to the IOM, most medical errors do not result from individual recklessness, but from basic flaws in the way hospitals and other health care systems are organized. For example, deadly mistakes have resulted from stocking the patient-care units in hospitals with certain full-strength drugs that are toxic unless diluted. Confusion over similarly-named drugs is another major cause of medical mistakes: studies have shown, for instance, that confusion over the similarly-named drugs "Cefuroxime" and "Cefotaxime" accounted for numerous errors in the administration of these drugs.

Other errors result from the increased complexity and specialization of health care treatment. When a patient is treated by different doctors for different ailments, a particular practitioner may not have complete information about all treatments the patient is receiving, and may prescribe medication that is incompatible with other medications the patient is taking.

In recommending ways to reduce errors, the IOM focused on the need to encourage efficient and comprehensive reporting systems so that health care professionals can benefit from the experiences and "best practices" of their colleagues. Other sectors of the American economy have established coordinated safety programs that collect and analyze accident trends—such programs are commonplace, for example, in the transportation field. Yet there are few centralized systems for gathering and disseminating information on medical errors. For this reason, in my legislation, I specifically advocate for the use of MedMARx—a national, Internet-accessible reporting system designed to reduce medication errors in hospitals. This system allows hospitals to anonymously and voluntarily report, track, and monitor their medication errors, to identify trends, and to pinpoint problem areas. In order for systems like MedMARx to become successful though, participating hospitals and health care professionals must know that they can report problems encountered in clinical practice without endangering their careers. But according to the IOM, a major obstacle to the full implementation of medical error reporting programs is the threat that the reports themselves will be disclosed in civil litigation.

Naturally, hospitals are reluctant to generate documents that will be used against them in adversarial proceedings, so IOM called for enactment of an evidentiary privilege in federal law against the disclosure of information provided to medical error reporting systems. In the legislation, I would protect the confidentiality of data on medical mistakes where the information is collected and analyzed solely for the purpose of improving safety and quality. Without this protection, hospitals and health care professionals fear that information reported might ultimately be subpoenaed and used in lawsuits against them, thereby discouraging their participation.

The time to act is now. Patients are literally killed by medical errors every day, yet Congress has not done anything to ensure that the IOM recommendations that could significantly reduce these tragic mistakes are signed into law. Working together, we can reduce medical errors and improve the quality of patient care in the United States.

HONORING WORK DONE BY PARTICIPANTS IN STUDENT CONGRESSIONAL TOWN MEETING AT UNIVERSITY OF VERMONT

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. SANDERS. Mr. Speaker, today, I recognize the outstanding work done by participants in my Student Congressional Town Meeting held this spring at the University of Vermont. These participants were part of a group of high school students from around Vermont who testified about the concerns they have as teenagers, and about what they would like to see government do regarding these concerns.

UNDERAGE DRINKING

APRIL 8, 2002

MATT ALDEN. Good morning. Thank you, Congressman Sanders, for this opportunity. As I stand before you today, first I'd like to share a few facts about underage drinking.

According to the 2001 Vermont Youth Risk Behavior Survey, 69 percent of Vermont students have consumed alcohol. 58 percent of Vermont seniors have had at least one alcoholic beverage in the past month. More importantly, one-third of our Vermont eighth-graders have consumed alcohol in the past 30 days. One out of four Vermont seniors binge-drink monthly, meaning they have consumed more than five drinks within a two-hour timeframe. 32 percent of Vermont seniors ride with a driver who has been drinking. 50 percent of young adult crashes in Vermont were alcohol-related, and half of those who died had been drinking. According to the 1999 Vermont Youth Risk Behavior Survey, half the Vermont seniors are sexually active. This may not seem relevant, but one-third had consumed alcohol before engaging in such activities. Underaged drinking costs society $216 per man, woman and child in America, so therefore, we are not only losing human lives, we are also incurring more and more debt because of this problem. And lastly, according to the Mother's Against Drunk Driving national survey, approximately 100,000 American deaths were alcohol-related. This is two times more than the population of Vermont.

As you can see, Vermont really has a problem with underaged drinking. Today I propose three solutions that will help Vermont's problem. My first two solutions come from the Vermont Youth Summit to Prevent Underaged Drinking. This was the first statewide summit held in America. Myself and 51 other students from around the state gathered in March 2000 to create three recommendations to present to the Vermont legislature.

The two I am promoting today are, require every state ID to have a bar code or strip that can be swiped at the checkout. The bar codes will code your birthday and, when swiped through the machine, will tell the cashier if the buyer was eligible to purchase the alcohol.

The second recommendation is to have more funding for the Stop Teen Alcohol Risk Team. This is a team of local law enforcement which is hired just for breaking up large teenage parties where drinking is taking place. Now, our state does not give the START team a lot of money, and no extra incentives are offered for working into the long night hours. If the START program had more money, the goal of having a team in each county would be met, thus making parties not such a common place for teens to engage in illegal consumption of alcohol.

The last and personal recommendation to help Vermont is that, if someone underage is drinking with a blood alcohol content above the legal limit, their license will be revoked until they turn 21. The legal blood-alcohol content level for a minor is .02, about one beer for an average-weight teen. I feel that, if a minor knows he or she will not be allowed to drive for a long period of time, they will think before getting into a car while intoxicated.

Now the punishment is revocation of your license for 90 days, a fine, and alcohol-treatment classes. These are good consequences, but people that are behind the wheel, drunk, endanger everyone they pass on the highway. If a license was taken away for a long period of time, they would realize the importance of staying sober behind the wheel.

I know these solutions will not bring underage drinking to a cease, but I believe, if it saves one person, it makes a difference.

Thank you, again, Mr. Sanders, for your time and this opportunity.

PEN PALS WITH PAKISTAN

APRIL 8, 2002

BETHANY WALLACE: I'm Bethany Wallace, and what we're talking about today is the pen pal program with Pakistan that our school has, in conjunction with Sara Siad from Bennington College, has established, and I guess what our hopes are is that, eventually, a program like this will be established, perhaps, statewide, and eventually nationwide.

The pen-pal program, we have sent two letters already and gotten one in return. Sara Siad is a student at Bennington College, and she is from Pakistan. I think she lives in Karachi, which is the most modern city in Pakistan, and it's kind of like the metropolitan New York of Pakistan. And she has worked in a lot of public schools there and seen an interest that Pakistani students and young people have in American culture, much like we have in Pakistani culture.

What she did was to establish the pen-pal program, and we all wrote letters, and then she translated them and brought them to Pakistan when she went back on Christmas vacation. The students over there then wrote their letters, and she brought them back to us, and that is how it has been kind of working.

What it has done is opened a lot of doors to better understand the Pakistani culture, especially when our image of that culture has been so skewed by the media in light of September 11th.

KERRY MCINTOSH: It is just interesting, in the letters, we see their perspective on things, but we also see how we are more similar to the people in Pakistan than we would have assumed. Like lots of us, there are just lots of different assumptions we have about people in Pakistan and what their views would be or something, and then they write in the letters, and it seems like, wow, they're really a lot like us.

I have two letters here. One of them is in Urdu, which is the native language of Pakistan. But, as Sara has told us, they also speak English fluently. And another wrote me a letter in English. I will read an excerpt. Like, when she talks about September 11th, she says. Like, first, just says, hello and, like, greets me and tells me a little bit about herself.

And now let's talk a little about the 11th of September. First of all, I want to commiserate you. It was really a shocking news. I know how hurt it must be for the people to bear the loss of their dear and near ones. It was a real horrible act of terrorism. While talking about terrorism, I do agree with the U.S. approach. But had Afghanistan handed over the culprit, it would have been much better.

You know, our President, Musharraf, was really in a bad position. It was really tough for him, whether or not to help the U.S., because some of the people in Pakistan were against the U.S. But the majority of the Pakistani population supported Mr. Musharraf's decision. But, you know, war isn't an alternative for peace. I really wish the world was a better place to live in.

I think I mentioned something political in the letter that I had written to her first, assuming that—like, not in a bad way, but just assuming that she would be a little more critical of the U.S., but then I found out that she really, like, was supportive, and that it is just like, a minority in Pakistan that is eminently anti-American people like we see protesting on the streets, and that they share our concerns and hopes for world peace.

ERICA HOLLNER. Like Kerry was saying, the main thing I think we are getting out of this is a better understanding of Pakistan, because we have these views that are so stereotypical, and we see—on TV and magazines, we see these poor people and see the refugee camps, and we think that the whole country is like that. But, in realty, a lot of the families that we are exchanging letters with are similar to us, and they're not poor, they have enough money to live comfortably, and it's a lot like the U.S. in a lot of ways, but we always think that it's all the same.

And Just that, they like the same kinds of things as we do. And I remember reading one letter that a girl was very interested in Princess Di, and you don't think of the fact that they think of the same things as we do, and they know about a lot of the same things too.

KATIE KERVORKIAN. We think that the program would be a great way to teach tolerance, just so that other people can understand what goes on, because many people don't know what is going on in the subcontinental countries, the Middle East. And to learn from someone that is our own age is different than learning from magazine or TV.

BETHANY WALLACE. And what Sarah has pointed out is that nothing is realty off limits in the letters. If we bring it up first, then our pen pals aren't, you know, squeamish about talking about it, about communicating their views, and it is a great tool to better understand what is going on over there.

HONORING MR. JOHN NORTH OF NASHVILLE, TENNESSEE ON THE OCCASION OF HIS 90TH BIRTHDAY

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. CLEMENT. Mr. Speaker, I rise today to honor Mr. John Gallaher North of Nashville, Tennessee, on the occasion of his 90th birthday. The North family has contributed tremendously to the Nashville area through acts of kindness and leadership for many years.

Mr. North was born June 2, 1912, on Grandfather Lucas North's farm, one mile south of Ethridge, Tennessee, the son of John Ira North and Lula Mae Flippo North. He has survived all of his six brothers and sisters—Vester Pearl, Estella North Hendrix, Edith North Brown, Howard North, Kathleen North Sutton, and Irene North Harris.

A man of great integrity, North worked on the family farm in Southern Tennessee until the age of 30. At that time, he left the farm to work for Greyhound, where he spent some 32 years, retiring in 1975.

Over the past 30 years he has regularly volunteered at Madison Church of Christ in various capacities, including driving the church bus for the elderly, and conducting church services for the shut-in, sick, and hospitals. He currently continues this volunteer work in the food room of Madison Church of Christ.

North was married for 66 years, 2 months, to Ruby Butler North, who passed away on July 15, 1999. The couple had two sons, William, who died in 1995 and Don, who died in 1991. His grandson Johnny North lives in Lebanon, Tennessee.

Mr. North is to be commended for his vibrant love of life and devotion to faith and family. May he enjoy a memorable and happy birthday on June 2, 2002.

NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. BONIOR. Mr. Speaker, I rise today, during National Correctional Officers and Employees Week, to honor our correctional officers for the work they do to keep our families safe. We do not thank these men and women enough for their service to our communities.

Day after day, week after week, our correctional officers work one of the most dangerous patrols in the country. They devote themselves to keeping violent felons behind bars, ensuring that our families can feel safe in our homes and on our streets. We know from the number of correctional officers who die in the line of duty each year that this is a dangerous profession that requires courage, hard work, and professionalism.

Our correctional officers are people like Bonnie Johnson, a mother of six, who works over 50 hours a week in a prison in Jackson, Michigan. For almost 20 years, Bonnie has put her heart and soul into her job. Or Rodney Olsson—a correctional officer with the Michigan prison system for roughly 14 years. Rodney drives over 60 miles to get to and from work. These fine men and women work holidays, weekends, and double shifts. They deserve our support.

We need to do our part in the weeks and months ahead to pass legislation that will protect the safety and working conditions of correctional officers. We should act to prevent further privatization of our prisons, which puts both our officers and inmate populations at risk. We need to ensure that our correctional officers receive meaningful, reliable pensions, good benefits, and decent wages. And we should invest adequate resources in prison programs that provide constructive activities for inmates that reduce recidivism and prevent violence.

The work of our correctional officers gets more and more difficult with each passing day. In my home state of Michigan, the prison population has grown 38 times faster than our general population. And records show our inmate population is getting more violent. I commend Michigan's correctional officers for staying committed to the job despite these additional challenges.

I urge my colleagues to support the resolution offered by Representatives STRICKLAND, SWEENEY, HORN, and HOLDEN that officially recognizes National Correctional Officers and Employees Week. This resolution also requests that our President issue a proclamation urging citizens to honor our correctional officers and the work they do to protect us. We should pass this resolution without delay and give our correctional officers the respect they deserve for their service.

EXPRESSING SOLIDARITY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM

SPEECH OF

HON. JESSE L. JACKSON, JR.

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. JACKSON of Illinois. Mr. Speaker, Dr. Martin Luther King, Jr. once said, "quiet is the absence of noise, but peace requires the presence of justice."

As Americans, that is our charge and our challenge in the Middle East. We seek not only to establish quiet from bombs and bullets, but also to achieve a just, lasting and comprehensive peace. Even at this dark hour of death and destruction, peace is still possible in the Middle East.

Although involving Arabs and Jews, the crisis in the region is not an ethnic problem. While it invokes Judaism and Islam, it is not a religious problem. Though engulfing an ancient land, it is not an archaic problem. At its root, the crisis between the Israelis and the Palestinians is a political problem requiring a political solution, not a military one. It is intractable, but not impossible. And, it demands American engagement and American leadership to solve.

Our proper and necessary role in the region must be that of an honest and balanced broker, a mediator between the two sides, and a facilitator of peace. A broker understands and honors the needs, fears and aspirations of each and must maintain the trust and confidence of both. A mediator talks and listens to both sides, steps in the gaps of distrust and enmity, and reconciles differences and disputes. A facilitator recognizes and holds both sides accountable for the obligations and compromises each side must make for progress and peace.

Undoubtedly, just as it takes more than one party to make war, it takes more than one party to make peace. While we have no closer friend and ally than Israel, it is not our only friend and ally. Our interests are broad and should not be restricted to just one country in the entire region.

To do so, would compromise our own long-term national interests, diminish our standing and influence in the world, and abdicate our role and responsibility as the sole Superpower. Such a move would be tragic for us and for them, leaving both sides with no final arbiter, no place to turn other than violence.

It's time to break that vicious cycle. It's time to end the bloodshed and the heartbreak. It's time to do everything in our power to encourage both sides to make the hard choices and to take the daring steps toward peace.

Yet, instead of leadership and vision, this Congress has offered an unbalanced, untimely and counterproductive resolution. Because of what is in it and what is not, H. Res. 392 is not what is needed now. It is not constructive. It will not advance peace. I cannot support it.

This resolution rightly demonstrates support for the security of Israel. We recognize Israel's vulnerable position amidst a hostile neighborhood and unequivocally support and defend its right to exist within secure and internationally recognized boundaries.

However, this resolution wrongly omits statements of support for Palestinian self-determination and national rights. We should reaffirm our support for the right of the Palestinians to have their own state with secure and internationally recognized boundaries.

This resolution correctly condemns and opposes the use of terrorism and suicide bombings that intentionally targets and kills innocent Israeli civilians. We uphold Israel's right to combat legitimate targets and prevent such savage and brutal attacks.

Yet, this measure unfairly ignores the Israeli occupation and settlements on Palestinian territory. In a recent editorial, The New York Times stated, "Just as terror is the greatest Palestinian threat to Middle East peace, so are settlements on territory captured in the 1967 war the greatest Israeli obstacle to peace. They deprive the Palestinians of prime land and water, break up Palestinian geographic continuity, are hard to defend against Palestinian attack and complicate the establishment of a clear, secure Israeli border."

H. Res. 392 properly cites the mounting death toll and carnage caused by Palestinian attackers on Israelis. We mourn their deaths and share their grief. Yet, the measure makes only passing reference to Palestinian casualties and no mention at all of Israel's controversial incursion into Jenin, where the debris, devastation and death warrant an impartial investigation and an international humanitarian response.

Perhaps most unsettling is the imperfect analogy within which this resolution is framed. The measure equates America's war on terrorism with Israel's campaign in the West Bank. But, such a clear and convenient comparison is not so easy to make and, as the Washington Post observed, "overlooks this contest for territory and sovereignty underlying the Israeli-Palestinian bloodshed."

Surely, Israel is justified in protecting itself and uprooting terrorism. While war is disastrous and often messy, it does not justify deliberately raiding and wrecking banks, schools, streets, and municipal buildings. Yet, the Israeli offensive in the West Bank not only dismantled the terrorist infrastructure, but also systematically destroyed the civil infrastructure and institutions of Palestinian self-government. They are not one in the same. Yet, both lay in ruin. If only for their own sake and standing, Israel must adopt a policy that differentiates between the two. And, the world should know that we know the difference as well.

In this bloody stalemate, one side is not entirely at fault and the other completely free of it. Both sides know fear. Both know hardship. Both know suffering and tragedy. But, instead of comparing and measuring wounds, we should aid in healing them. Rather than concentrating on the failures of war, we should focus on the possibilities of peace.

Peace should be the crux and motive of this measure. But, it is not, and so the Administration asked the House not to consider it. Yet, despite the objections, Congress does so anyway.

In lieu of H. Res. 392, Congress should offer its imprimatur, its influence, and its ideas to animate and encourage efforts to pave a pathway to peace. We know that the framework already exists in U.N. Resolution 242, 338, 1397, 1402, Oslo, and most recently, the Saudi Peace Initiative. We know that the basic formula is land for peace. We know that an economic recovery plan is necessary to rebuild and revitalize the region. We know that an international presence is required to sustain a final negotiated settlement. Now, we, the United States, must help to figure out how to forge it and flesh it out.

Undoubtedly, it will be hard. At the very least, it will require the commitment of the Israelis and the Palestinians. Both sides must meet the challenge and give to the other what it wants for itself—dignity, security and peace.

Ultimately, there will and must be two nations—Israel and a Palestinian state—living as neighbors, both sovereign, secure, stable, free and democratic. Only then, after such a long and tumultuous nightmare, Israelis and Palestinians will wake up in the Holy Land to a new morning. And, to peace.

CONGRATULATIONS TO KAY HALL

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. KNOLLENBERG. Mr. Speaker, I am particularly honored to rise today and congratulate and extend birthday wishes to an outstanding member of the Farmington Hills community, Kay Hall.

Over the past twenty-six years, Ms. Hall has served as a director for Mary Kay Cosmetics. On May 4, 2002, Kay makes her debut as a National Sales Director for Mary Kay, and this day also marks her 65th birthday. Kay's outstanding service has earned her a plethora of honors, including twenty-one years of free pink Cadillacs. Additionally, Kay has been honored for twenty years with membership in Unit Clubs, and fifteen years in the Half Million Dollar Unit Club. To top it off, Kay is Detroit's first Million Dollar Director.

In her twenty-four years as a director of Mary Kay Cosmetics, Kay has served as a shining example of determination and hard work. While her efforts have produced bonuses and excursions to exotic locations such as Hong Kong and Switzerland, she remains committed to her family. She has four adult children and three grandchildren, not to mention her husband, Robert Zuckerman. I know they are proud of Kay's many achievements.

Mr. Speaker, I am honored to join Kay Hall's colleagues in commending her for her many years of exemplary and dedicated service to Mary Kay Cosmetics. Her debut as a National Sales Director is a deserved honor indeed. Ms. Hall has left an indelible mark on not only the Mary Kay community, but also on southeastern Michigan. Again, I extend my congratulations and birthday wishes.

RECOGNIZING KENTUCKY'S NURSES

HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mrs. NORTHUP. Mr. Speaker, I rise today to pay tribute to an important group of Kentuckians who continue to exhibit an incredible dedication to serving others. Nurses remain an integral part of our Kentucky community, as they are vital to our well-being and survival. The American Nurses Association and the Kentucky Nurses Association have declared May 6 to May 12, 2002 as Kentucky Nurses' week, and I encourage all Kentuckians to join with me in honoring the nursing profession.

The men and women of the nursing profession proudly represent all races, religions and creeds in a variety of settings. Whether serving in a large hospital, a small doctor's office or in one of their many other capacities, nurses are committed to providing quality health care to all citizens. As the nation's largest group of health professionals, nurses are assuming an ever increasing responsibility and accountability for their community's health care needs. They have continued to demonstrate their professionalism by striving to upgrade care standards and improve their services. In fact, I'm sure we can all remember a time where a nurse's kind words, or gentle smile, provided comfort.

With a wide variety of responsibilities, nurses are always prepared to offer the best possible health care to their patients. Nurses are there to help the sick get better and to make sure the healthy stay that way. Appropriately, the Kentucky theme this year is "Unsung Heroes." I am proud to call attention to all of the nurses in our Kentucky community and hope you will join with me in celebrating the tireless efforts of our "unsung heroes."

CONGRATULATIONS TO THE UNIVERSITY OF MINNESOTA AND THE UNIVERSITY OF MINNESOTA-DULUTH ATHLETIC ACHIEVEMENTS

HON. BETTY McCOLLUM

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Ms. McCOLLUM. Mr. Speaker, I rise today to offer my congratulations to the University of Minnesota-Duluth Women's Hockey team and the University of Minnesota Men's Hockey and Wrestling teams for winning the 2002 National Collegiate Athletic Association championships. This great achievement honors the players, coaches, their respective schools and all Minnesotans.

The sport of hockey has a long and storied tradition in Minnesota and is recognized nationally as one of the leading states for the development of hockey players. From youth leagues to amateur leagues to professional players, Minnesota is known for producing some of the greatest hockey players in the history of the sport. It is only fitting, therefore, that both the women and men's hockey 2002 NCAA Championships were won by Minnesota schools.

Both the Bulldogs' 3–2 victory over Brown, which was their second in a row, and the Gophers' 4–3 victory over Maine were exhilarating wins, that kept all Minnesotans on the edge of their seats. Each of these teams deserves to be commended for their outstanding seasons.

I also want to recognize the 2002 Gophers men's wrestling team for another outstanding year. While not as well known as hockey, collegiate wrestling in Minnesota has made an outstanding name for itself, culminating in the Gophers' 2002 National Championship—also their second straight. In addition to the team championship, 2 members of the team earned individual wrestling titles and 7 garnered All-American honors. All the Gophers wrestlers and coaches deserve our congratulations.

I am especially proud that each of these three teams excelled in the classroom, as well as the playing field. In a day and age where all-too-often academics takes a back seat to athletics on many college campuses, all three teams maintained grade point averages that were above the university averages. The University of Minnesota and Minnesota-Duluth should be proud to recognize these true student athlete champions.

Congratulations to the University of Minnesota and University of Minnesota-Duluth on their achievements.

INTRODUCTION OF THE NURSE EDUCATION PROMOTION ACT

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. CAPUANO. Mr. Speaker, this week is National Nurses Week, and I am pleased today to join my good friend ERNIE FLETCHER in introducing important legislation that helps address the nursing shortage. Nurses constitute the nation's largest group of healthcare professionals. They serve in hospitals, nursing homes, schools, managed care facilities and community health centers, and their work is invaluable.

Unfortunately, there is an emerging labor shortage among this group of healthcare professionals. Fewer and fewer people are choosing nursing as a career. According to the General Accounting Office, between 1993 and 1996 enrollments at two-year associate degree programs dropped 11%, while enrollments at three-year diploma programs dropped 42%. Between 1995 and 1998, enrollments at four-year bachelors programs dropped 19%. Even so, the demand for nurses is increasing, and it will only grow as the baby boomers retire. The Congressional Research Service projects that the supply of nurses will fail to meet demand by 2010.

This crisis threatens to compromise the quality of healthcare in this country. Indeed, the Department of Health & Human Services reports that there is a "strong and consistent relationship" between nurse staffing and patient health. The GAO reports that between

2000 and 2030, the group of Americans who are 65 years of age and older will double. At the same time, the number of women between 25 and 54—the group that traditionally comprises most of the nursing workforce—is expected to remain the same. Mr. Speaker, more than ever we need nurses to care for our seniors. Unless we create incentives and opportunities for men and women to choose nursing as a career, this country will face a crisis in this decade.

To address this problem, my friend ERNIE FLETCHER and I have today introduced the bipartisan Nurse Education Promotion Act. Our bill addresses the nursing shortage in a number of important ways. First, it would establish a competitive grant program for associate degree nursing schools to be used for nursing student recruitment, student scholarships, and the hiring of faculty. Second, the bill would establish a competitive grant program for professional nurses associations, so that they may establish and administer continuing education programs, in cooperation with area hospitals and higher education institutions.

Under the continuing education programs, the nurses association would coordinate class work at a central location for which nurses could receive college credit towards a BSN (or equivalent degree) and/or training in an understaffed and critical nursing specialty. The clinical portion of the continuing education could be done at any of the participating hospitals.

While we support other legislation to alleviate the nursing shortage, we believe that by focusing on the two-year schools our bill gets nurses into the field more quickly. By providing money for continuing education, we hope to ensure that nurses are able to meet the changing and increasingly complex demands of our healthcare system. We hope our colleagues will join us in our efforts to alleviate the nursing shortage and head off a major healthcare crisis that is just on the horizon.

PAYING TRIBUTE TO DOUG DEAN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002—

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Doug Dean and thank him for his contributions in the Colorado General Assembly. His hard work and dedication is appreciated, and I am honored to pay tribute to him today before this body of Congress. As he moves on in his career, let it be known that I, along with the people of Colorado, am grateful for the work he has done for the state, and the Colorado General Assembly.

During his time in the Colorado State House of Representatives, Doug has provided his leadership to many legislative endeavors. Currently he serves the assembly as Speaker of the House, and has served on numerous committees during his tenure, notably the Executive committee, Legislative Council, the Business Affairs, Labor, State, Veterans, and Military Affairs committees. He has provided his focus and leadership not only as speaker, but also as Vice-Chairman of the Education committee and as House Majority Leader from 1999 to 2000. He has remained committed to many ideals throughout his terms, and has promoted the issues of education, judiciary affairs, telecommunications, law enforcement, and commerce.

In addition to his duties as a state representative, Doug is known as a devoted husband to Gloria, loving father of three, and is an active member of his community. He is a small business owner, and can often be found volunteering his time and energies as a volunteer parent for the United Way and on the sports field as a volunteer coach for youth baseball teams.

Mr. Speaker, it is a pleasure to bring to the attention of this body of Congress the accomplishments of Doug Dean and his service to Colorado. His contributions to his state and constituents, as both a member of the Colorado General Assembly and community volunteer, are an example of public and civic commitment to us all. Thanks for your leadership and commitment to Colorado, Doug, and I wish you all the best in the future.

TRIBUTE TO AARON ZACK PHILLIPS, SBA 2002 YOUNG ENTREPRENEUR OF THE YEAR

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Ms. SLAUGHTER. Mr. Speaker, I am pleased to announce to my colleagues that the American dream is alive and well in Rochester, New York. It can be found embodied in a Rochester businessman and booster who, though only 25 years old, has already achieved what others spend a lifetime trying to accomplish. His name is Aaron Zack Phillips, and he is president of Kink BMX, a manufacturer and distributor of BMX bicycle parts and related soft goods. He is also this year's national winner of the SBA's 2002 Young Entrepreneur of the Year Award.

Zack's middle name is self-reliance—a character trait always present in American dreamers. From the age of 12, he juggled school and part-time jobs like throwing papers or flipping hamburgers at fast food restaurants. By 18, he was the assistant manager for a local home improvement store, in charge of payroll, scheduling and inventory.

But at the same time that Zack was working for others, he was beginning his own business—out of pure frustration. Because the bicycle parts he bought kept breaking down, he decided that he could make them better and stronger—and did. Then, with the help of a media kit from a trade magazine and an advertising budget, he began selling them to other cyclists at competitions and skate parks.

The rest is history, hard work and an entrepreneurial drive that just won't stop—always necessary components in any successful American dream. At the age of 25, Zack now runs a million dollar business employing 6 people, which both manufactures the Kink line and distributes its products throughout the Midwest and California, as well as in Europe, Canada, Australia and Japan. He didn't do all this totally alone. Along the way, the U.S. Small Business Administration stepped in to guarantee the loans this young man could not get without its help, reminding us once again what a beneficial service this small Federal agency makes in the lives of Americans with lofty goals and high-flying dreams.

I am so proud of this young man—proud that he dreamed his dream, then made it a reality. But what really endears me to him is the way he ties his own economic well-being to that of his home-town. On every mailing, logo, brochure and marketing tool, he prints the words "Rochester Made Means Quality Made," along with archival prints of our city and High Falls.

That slogan might just as well describe Aaron Zack Phillips, the SBA Young Entrepreneur of the Year.

INTRODUCTION OF THE NATIONWIDE GUN BUYBACK ACT OF 2002

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Ms. NORTON. Mr. Speaker, today I introduce the Nationwide Gun Buyback Act of 2002 (NGBA) to mark Mother's Day, in recognition of the strong support mothers across the nation have demonstrated for gun safety, and in light of continued gun violence in our communities. The NGBA would provide $100 million in federal funds to local jurisdictions to hold gun buyback programs similar to the successful programs conducted by the District of Columbia and other cities over the last three years. Under the bill, funds would be distributed through the Bureau of Alcohol, Tobacco, and Firearms and, after evaluation of proposals, added weight would be given to jurisdictions with the greatest incidence of gun violence. The NGBA would require that a jurisdiction certify that it is capable of destroying the guns within 30 days, that it can conduct the program safely, and that an amnesty appropriate for the jurisdiction will be offered. Not only individuals, but groups such as gangs could take advantage of the buyback provisions to bring in guns and encourage street gangs to disarm themselves.

Families, and especially mothers, fear guns in their homes, but have not known how to get rid of them. In many jurisdictions, a grandmother, father or other family member may be petrified that there is a gun in the house but cannot turn it in without subjecting the family member or her grandson to possible prosecution. This unintended result of gun safety legislation is reason enough for the amnesty achieved through gun buyback efforts.

This bill is necessary because, despite the extraordinary demonstrated success of the gun buyback program in the District, in which over $528,000 was spent to recover 6,250 firearms in three buybacks, local jurisdictions lack readily available funds for similar programs. The experience of the District of Columbia is instructive. The District was forced to find money on an ad hoc basis and ran out of funds despite indications that there were many residents who still desired to turn in guns. Initially, the District conducted a pilot program using funds from the Department of Housing and Urban Development. The response of the public was so strong, with residents standing in long lines, that the Police Department took the program citywide, using drug asset forfeiture funds. Even so, after using $290,000, the city ran out of funds, but not of guns that could have been collected.

The guns were considered a "good buy" because they were unlicensed and illegally possessed, but hard-pressed jurisdictions, especially big cities, should not have to rob Peter to pay Paul when it comes to public safety. The federal government can play a unique and noncontroversial role in reducing gun violence by providing the small amount authorized by my bill, $100 million, to encourage buybacks efforts where they can be helpful.

With this bill, we are taking the gun buyback leadership of the District and other cities nationwide. We have demonstrated a faster and easier way to get guns where criminals cannot use them and children and adults cannot misuse them. Gun buyback efforts are not new, but the recent, dramatic impact of the program of the District and other jurisdictions have special bipartisan and natural appeal today because the program is voluntary and requires no change in local laws. My bill has the added feature of skirting the present stalemate in the Congress, where we have yet to pass a gun safety bill. A gun buyback bill is no substitute for gun safety legislation, but my bill is based on demonstrated and successful experience in a number of cities that have achieved voluntary compliance by citizens with local laws.

Two years ago this weekend, almost a million mothers and their families gathered on the Mall to demand that Congress heed their call to enact strong gun safety legislation. These families believed that the federal government has an obligation to help protect our children and all our citizens. It is time that we fulfill that obligation by at least passing a bill that takes guns out of unauthorized hands.

I urge my colleagues to support this vital legislation.

CONGRATULATING GEN. CHARLES CUNNINGHAM

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. MORAN of Virginia. Mr. Speaker, I rise today to pay tribute to Lt. General (RET) Charles J. Cunningham, Jr., the Director of the Defense Security Service (DSS). General Cunningham is retiring from his position on May 31, 2002 after 43 years of service to his country.

For over four decades, Lt. General Chuck Cunningham has worked in a tireless and selfless manner, serving our nation with great distinction. He began his career as an officer in the United States Air Force. As a fighter pilot, Chuck flew 366 combat missions in Vietnam, earning numerous awards including the Distinguished Flying Cross and the Air Medal with 27 Oak Leaf Clusters. He served as a commander at all levels of the Air Force originating in the 480th Tactical Fighter Squadron and ascending into the 12th Air Force.

Following several successful years in the private sector, Chuck began his second government career, serving in many positions ranging from Commandant of the Joint Military Intelligence College to Senior Regional Representative for the Defense Intelligence Agency in Europe. During the past three years as the Deputy Assistant Secretary for Defense (Intelligence), General Cunningham made one of the most important contributions to our country over the course of his illustrious career. Through his indomitable perseverance, General Cunningham inspired his agency, the Defense Security Service, by leading it through a challenging transformation, enabling the DSS to reach its full potential as a critical element in our national security framework. For his effort, General Cunningham earned the prestigious Defense Civilian Distinguished Service Medal.

Mr. Speaker, I ask the House to join me in congratulating Chuck Cunningham as he prepares to begin a new phase of his life. Words alone do not give Justice to the integrity, pride and professionalism of this officer and gentleman. He is an inspiration to every American and a role model for all public servants. Thank you, Chuck, for the dedication of your life's work to the service of our nation and its people.

EXPRESSING SOLIDARITY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mrs. MINK of Hawaii. Mr. Speaker, I am amazed that this Resolution has been placed on the calendar for a vote. All last week the newspapers have been reporting that the White House has been urging that it not be brought up. Following the trip to the Middle East by Secretary Colin Powell and following the recent discussions by the President himself with Prince Abdullah of Saudi Arabia real progress has been made. There is agreement to have a peace conference. Yasser Arafat was freed by the Israelis from his compound in Ramallah. Things have been delicately put in place for a political solution to be agreed to. Why would the President's own party leader want to take the chance of upsetting these hard won points? The answer must be that they do not want Peace. If they were for Peace, they would be willing to give Peace a chance.

If they had to say something to indicate continuing support for Israel in the difficult times it faces, they could have agreed to the Senate Resolution 247, offered by Senator JOSEPH LIEBERMAN. I would have voted for this resolution. It was balanced and urged all parties in the region to pursue vigorously efforts to establish a just, lasting, and comprehensive Peace in the Middle East.

Congress should allow the President and his Secretary of State to work for a settlement. I object to taking up this Resolution at this time and therefore will vote "Present".

PAYING TRIBUTE TO ROBERT GUSTAFSON ——

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002—

Mr. McINNIS. Mr. Speaker, it is with a solemn heart that I take this opportunity to pay respect to the passing of Robert Gustafson, who recently passed away after almost a century of commitment to his community and his state. Robert was a pillar of the Grand Junction, Colorado community, and as his family mourns his loss, I think it is appropriate to remember Robert and pay tribute to him for his contributions to Colorado.

Robert was a shining example of a man thoroughly involved in his community. Robert was a member of the National Rifle Association, the Orchard Mesa Gun Club and the Lutheran Church. He was a past district leader of the Grand Junction YMCA, a past commissioner of the Health and Safety Boy Scout Western Council, a merit badge counselor to the Boy Scouts Western Council, and a lifetime member of the Colorado Association of School Boards and the National Association of School Boards. In an effort to serve his community, Robert gave his time and leadership as the Vice President of Grand Junction Kiwanis Club, as Vice President of the Grand Junction Chamber of Commerce and President of the Wiseman's Club Grand Junction. Robert also served his country proudly during World War II as a member of the Ration Board.

Robert was known for his love of outdoor activities, including fly fishing and gardening, and was well known for his abilities as a silver smith, gunsmith, and woodworker. His musical abilities on both the violin and the saxophone were well regarded, and he was the first chair violinist in the Mesa College Symphony Orchestra. Robert was a favorite uncle of many nieces and nephews and will be remembered by many for his kind soul and gentle spirit.

Mr. Speaker, it is my privilege to pay tribute to Robert Gustafson for his contributions to the Grand Junction community. His dedication to his family, friends, work, and community certainly deserves the recognition of this body of Congress, and this nation. Although Robert has left us, his good-natured spirit lives on through the lives of those he touched. I would like to extend my thoughts and deepest sympathies to Robert's family and friends during this difficult time of bereavement.

HEMATOLOGICAL CANCER RESEARCH INVESTMENT AND EDUCATION ACT OF 2001

SPEECH OF

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 30, 2002

Mrs. MALONEY of New York. Mr. Speaker, I am honored today to pay tribute to my good friend and distinguished former member of New York's congressional delegation Geraldine Ferraro. Last week on the House floor, during the debate on H.R. 2629, the Hematological Cancer Research Investment and Education Act, several members spoke of Ms. Ferraro's work on behalf of this legislation. I would like to join my colleagues in praise of Geraldine Ferraro.

Ms. Ferraro continues to be an inspiration to all citizens of this country by her life-long devotion to public service. Her recent decision to forego her privacy and disclose her personal struggle with blood cancer, in order to raise public awareness of the disease, is yet another example of her courage and compassion. In 2002, approximately 106,000 individuals will be diagnosed with hematological cancers, including leukemia, Hodgkin's disease, non-Hodgkin's lymphoma, and multiple myeloma. Taken together, the hematological cancers are fifth among cancers in incidence. Although there has been impressive progress in the last 50 years in understanding the cause and treatment of blood-related cancers, much more research needs to be done. Ms. Ferraro's advocacy for more research has resulted in the "Geraldine Ferraro Cancer Education Program" which provides funding for the treatment and detection of blood-related cancers.

Ms. Ferraro has been a hero of mine for a long time. We both started our careers as teachers in the New York City school system. Before she changed history by being the first woman vice-presidential candidate on a national party ticket, she spearheaded efforts to pass the Equal Rights Amendment (ERA) while serving in Congress. I am proud to continue the work begun by Ms. Ferraro more than 20 years ago by sponsoring the current equality amendment (H.J. Res. 40). I can think of no better tribute to Ms. Ferraro than passage of the equality amendment in the 107th Congress.

Passage of H.J. Res. 40 will improve the quality of life for women in this country which is Ms. Ferraro's legacy. In addition to the ERA, Ms. Ferraro sponsored the women's Economic Equity Act, which ended pension discrimination against women, provided job options for displaced homemakers and enabled homemakers to open IRAs. After she left Congress, she served as United States Ambassador to the United Nations Human Rights Commission. In September 1995, she served as Vice-Chair of the U.S. Delegation at the Fourth World Conference on Women held in Beijing. I was also honored to be a member of the delegation.

We are all indebted to Geraldine Ferraro for her courage and resilience in facing difficult issues. I wish to publicly commend her for her remarkable career in public service which continues today through her personal efforts to increase understanding of blood-related cancers.

TRIBUTE TO LATA' BRIONE FOSTER, AAA 58TH ANNUAL TRAFFIC SAFETY POSTER CONTEST WINNER

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Ms. SLAUGHTER. Mr. Speaker, I am pleased to recognize a delightfully artistic five-year-old of Rochester, New York. Lata' Brione Foster has been selected, out of 83,000 entries, to win the Grand Award in the 58th Annual Traffic Safety Poster Contest sponsored by AAA.

The poster contest encourages students from Kindergarten through High School to create a poster concept that encourages correct behavior in pedestrian, bicycle, and driving techniques. The program promotes creativity and teaches students the importance of traffic safety. Miss Foster's poster will be used in the association's national safety campaign for the next year.

The first kindergartner from Western New York to win a Grand Award, Lata' will receive a $500 savings bond from AAA. Lata' is also being honored in Washington, DC on May 3rd through 7th for Traffic Safety Week. She had the pleasure of being the Grand Marshall in the annual Safety Patrol Parade down Constitution Avenue on May 4th.

On behalf of the 28th district of New York, I congratulate Lata' Brione Foster for her hard work on such an innovative piece of art. Lata' has received a wonderful accolade and we all truly wish her many more in the future. I am sure that this is not the last time we will hear of young Lata' doing magnificent things.

TRIBUTE TO KAITLIN McCLOUGHLIN

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. LEVIN. Mr. Speaker, I rise today to pay tribute to Kaitlin McLoughlin, a young woman from Troy, Michigan who has been awarded the 2002 Michigan AAA Club Patroller of the Year and the National Club Patroller of the Year.

The AAA School Safety Program began in 1920 and now includes more than 500,000 patrollers in 50,000 schools across the United States and Canada. This program helps ensure the safety of younger children while teaching responsibility to the older children.

Kaitlin has served as the Safety Patrol Captain at Our Shepherd Lutheran School for the past two years. In that capacity, she is responsible for escorting the children into the school, maintaining a weekly record of her safety squad, organizing the safety squad and assigning duty stations.

Her school principal has described Kaitlin as dependable, clear thinking, calm and well-respected. She is also very well-rounded. Kaitlin is co-captain of the school cheering squad, vice-president of the student council, acts as Mistress of Ceremonies for the school talent show and serves as co-chair for the school dance. She also helps with various school fundraisers and works in the local food bank.

Mr. Speaker, I salute Kaitlin and all this year's award recipients for their lifesaving contributions to the safety of their fellow students.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. GUTIERREZ. Mr. Speaker, I was unavoidably absent from this chamber on April 30, 2001 when rollcall votes Nos. 117, 118 and 119 were cast. I want the record to show that had I been present in this chamber at the time these votes were cast, I would have voted "yea" on each of these rollcall votes.

PAYING TRIBUTE TO EDWIN GEORGE PERLMUTTER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. McINNIS. Mr. Speaker, it is an honor today to recognize the accomplishments of Edwin George Perlmutter and his tenure in the Colorado General Assembly. For many years, Ed has faithfully served his constituents and fellow Coloradans in his service to civil, business, and volunteer communities. He is now leaving the state assembly to pursue new undertakings, and as he finds use for his talents elsewhere, I can think of no better way to thank Ed for his hard work and service than to bring forth his accomplishments before this body of Congress, and this nation.

Ed is an attorney providing law services to his community with the firm of Berenbaum, Weinshienk & Easton, P.C. since 1978. In 1994, he began his political career in the state senate and has served as Vice-Chair of the Public Policy and Planning committee, and a member of the Legal Services and Legislative Council committees. He is well regarded as a selfless volunteer to needy causes and divides his time among various charities in his area. He serves as a member of the Applewood Business Association, as well as the West, Northwest and Golden Chambers; and is frequently seen providing his energy to multiple sports youth associations, Maple Grove Elementary School, the Girl Scouts, and the Applewood Community Church. When Ed is not working in the legislature he is serving in his other role as loving husband and devoted father of three children.

Mr. Speaker, Ed has long been a valued member of our Colorado community, both as an elected official and as a citizen. While I am sure he will be missed in the Colorado State Senate, I know that he will undoubtedly succeed in his future undertakings and I am proud to be able to bring his hard work and dedication to the attention of this body of Congress, and this nation. Thank you Ed, for all of your hard work for Colorado and good luck in your future endeavors.

HONORING CHARLES R. (CHUCK) HUGGINS ON HIS RETIREMENT

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. PASTOR. Mr. Speaker, I rise to honor Chuck Huggins for the 30 years of service he has given to the State of Arizona. Chuck will be retiring as the Secretary-Treasurer of the Arizona AFL–CIO in May. He has served the people of Arizona well and his dedication and professionalism will be missed.

Chuck knows the challenges and rewards of being a working man. He started as an Apprentice Electrician in 1964 and soon became a Journeyman Electrician in both the mining and construction industries.

As an active member of Local 518 of the International Brotherhood of Electrical Workers, he began showing the skills and instincts necessary for leadership. But, in today's world, he knew that hard work was sometimes not enough. He realized that education was important, too. So he continued to educate himself in accounting and business management at Eastern Arizona College and the University of Houston.

Chuck has pioneered innovative programs to help Arizona's workers be better prepared to meet the economic demands of our State. He has initiated training initiatives and re-training programs that have ensured that union members who have fallen behind due to no fault of their own can meet the challenges they may face in new work environments. He has served on the Governor's Workforce Development Committee, and is an active member of his church.

Chuck believes the most effective way to build strong communities is through the organization of strong individuals. He has led the AFL–CIO members through many difficult years, when some believed that Unions were dead and they no longer spoke for the average working American. Chuck proved all this wrong and has shown his fellow Union members that they have a place at the table, they are a force, and they are the strength and backbone of our communities and society.

Mr. Speaker, there is no question that Chuck will be missed by his fellow union members and all working people. But, even more, he will be missed by the people in Arizona. Chuck kept us honest because he was honest. He knew that a hard day's work rendered a hard earned reward. He knew that if you paid the price, you moved ahead. And he showed us all how to pay the price.

Chuck, we all wish you health and happiness and give thanks for your showing us the way.

PAYING TRIBUTE TO DAVID McKINNON

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. ROGERS of Michigan. Mr. Speaker, I rise today to congratulate the 2001 winner of the International Franchise Association's Entrepreneur of the Year award, David McKinnon. As CEO and chairman of Service Brands International, Mr. McKinnon is dedicated to vision, leadership, perseverance, integrity and ethics.

Mr. Speaker, this award is bestowed on someone who exemplifies the "entrepreneurial spirit" that franchising represents. A person who demonstrates innovative management skills, is a risk taker and remains active in his or her community. David McKinnon certainly possesses all of these qualities. He has spent his career building, losing, re-obtaining, and rebuilding a top quality franchise that now sets the standard for others.

Mr. McKinnon started out his career with a small company known as Molly Maid. Today, the Service Brands International serves as the umbrella company for, not only Molly Maid, but also Mr. Handyman, 1–800–DryClean, Wee Watch, Certified Restoration DryClean Network, and Fran Tech.

This award should not go without recognition. Therefore, Mr. Speaker, I respectfully ask my colleagues to join me in paying tribute to David McKinnon for his outstanding achievements in business and in wishing him continued success.

EXPRESSING SOLIDARITY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM

SPEECH OF

HON. ALBERT RUSSELL WYNN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. WYNN. Mr. Speaker, I rise in favor of H. Res. 392, which expresses our solidarity with Israel in its fight against terrorism. It is important to stand with our friend and ally, Israel, in times of stress and turmoil. While I have great sympathy for the loss of life of innocent Palestinians, I dare say that if our hometowns were being attacked by suicide bombers—no matter what their grievance—we would respond much the same way as Israel! Witness our war in Afghanistan. Civilian casualties are the ultimate cost of terrorism and the inevitable military response it provokes.

While we stand strongly with Israel, we must not confuse passing a resolution with finding workable solutions to the Palestinian-Israeli conflict. Congress needs to press the Administration for a resolution to the conflict. To his credit, President Clinton tried mightily in his last days of office to broker a final settlement and came very close. However, Yasser Arafat refused a deal which many leaders around the world felt was reasonable.

Unfortunately, the Bush Administration did not stay the course. Neglected, the conflict festered until the events of September 11th brought it back to the forefront of U.S. foreign policy. Now that the Administration is engaged in the peace effort with Secretary Powell as our highly competent point man, we need to stay engaged.

We cannot, however, go it alone. In an age of global interdependence, we will need constructive assistance from the so-called 'quartet'—the U.S., EU, U.N. and Russia—to help foster a deal that is fair to both sides. We must also push moderate Arab states to play a more constructive role in the region, as Secretary Powell has begun to do. Yasser Arafat will not accept a peace agreement that the Arab world believes to be unfair to the Palestinians. Their cooperation is essential.

Stephen Rosenfeld's April 30th Op-Ed in the Washington Post suggested that perhaps it is time to reconsider our strategy in the Middle East. Endgame issues such as refugees, Jerusalem and the security of Israel's border should not be relegated to some unspecified date. This strategy has only resulted in piecemeal, and ultimately, unsatisfactory agreements. These tough issues should be clarified early on so that both parties can see the full scope of a peace settlement.

In addition to Israel's security, Egypt, Jordan and Saudi Arabia risk being significantly destabilized if a lasting peace agreement is not reached. Also, our objectives in dealing with Saddam Hussein are significantly complicated by the continued violence in the Middle East.

Thus, while we have to stand with Israel in her fight against terrorism, we also have to stand and work for peace. It is in Israel's interest and ultimately, our own.

TRIBUTE TO PAULA BARTON, GOODWILL INDUSTRIES INTERNATIONAL GRADUATE OF THE YEAR

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Ms. SLAUGHTER. Mr. Speaker, I would like to take this opportunity to recognize an outstanding constituent: Paula Barton, Goodwill Industries International's 2002 Graduate of the Year.

Ms. Barton is a team leader at ADT Security Service's Rochester Dispatch Center, where she supervises fifteen people and schedules installations and service for technicians. But Ms. Barton is not simply a capable and competent worker and supervisor. She does this outstanding job in the face of daunting challenges.

Ms. Barton, who is now 27, was born with cerebral palsy, diabetes, and a learning disability, as well as a disorder that causes progressive vision impairment. Diabetes caused her to have to undergo a kidney and pancreas transplant. She persevered through these obstacles to finish her schooling and enter the workplace. Then, five years ago, she was a passenger in an auto accident with a drunk driver. The accident left her paralyzed, without the ability to walk and with only limited use of her hands.

Many people would have considered these hurdles to be insurmountable—but not Ms. Barton. She was determined to remain a successful professional. She took each issue in stride, adjusting her lifestyle and habits. She now rises around 5:00 am to be ready for work on time. Her employer, ADT, has provided modest accommodations at work, including a special desk to fit her wheelchair and a large computer screen. Her service dog, Sheba, assists her with various tasks. And she continues to win accolades for her work at ADT.

Based on her extraordinary accomplishments, Ms. Barton was selected from among thousands of individuals nationwide to be Goodwill Industries International's 2002 Graduate of the Year. She met President Bush on Monday and took the opportunity to impress upon him the importance of helping persons with disabilities be active, contributing members of the workforce.

I am deeply proud to represent Paula Barton: a successful employee, a delightful individual, and a true inspiration to us all. She serves as a shining example of everything that can be accomplished with an indomitable will to succeed.

PAYING TRIBUTE TO NOLBERT CHAVEZ

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Nolbert Chavez and thank him for his contributions in the Colorado General Assembly. His hard work and dedication is greatly appreciated, and I am honored to pay tribute to him today in front of this body of Congress. He will long be remembered as an effective State Representative, and will continue to be known as a leader in the community. As he moves on in his career, let it be known that I, along with people of Colorado, am grateful for all that he has done for the Colorado General Assembly.

During his four terms in the Colorado State House of Representatives, Nolbert has served on a number of committees, including his two current committees, Criminal Justice and House Services. In addition, he is active in the North Denver Democratic Party, was appointed twice to the Governors Developmental Disabilities Planning Council.

Not only has Nolbert served the community effectively as a member of the Colorado General Assembly, he has also done his part as an active humanitarian. He is on the Board of Directors of the Colorado Hispanic Media Association, and is the past director of the Denver Community Development Corporation and El Dorado Development Corporation. He is a Public Information Officer with Denver Options, and is also a real estate broker. Perhaps most importantly, Nolbert is married to his wife Judy, and the two have a daughter, Hope Christina.

Mr. Speaker, it is clear that Nolbert Chavez has served his state well by providing significant service during his distinguished tenure in the Colorado General Assembly. I am honored to be able to bring his hard work and dedication to the attention of this body of Congress. It is my privilege to be able to express to him, and to this country, my gratitude for all that he has done for our wonderful state, and I wish him all the best in his future endeavors.

NATIONAL SMALL BUSINESS WEEK AUSTIN'S SMALL TECHNOLOGY BUSINESSES

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. SMITH of Texas. Mr. Speaker, this week is National Small Business Week.

It is a time to celebrate the contributions that America's small businesses make to our economy. Small business is the engine that drives this nation, producing 75 percent of new jobs, accounting for almost 98 percent of all employers and 53 percent of the private work force. It is our small businesses that will continue to lead us to economic recovery. In particular, small tech businesses are on the front lines of the digital revolution. They have led the way in advances from broadband deployment to software development.

My State of Texas ranks second nationally in high tech workers, employing more than 411,000 with an annual payroll of about $25 billion. Many of those employees are working for small businesses. And my new congressional district contains thousands of small, innovative high tech centered businesses.

One such company is Advent Networks in Austin. Advent was founded in 1999 and has already 87 employees. Advent Networks has created a new technology for cable operators. They are able to deliver Internet connections to small businesses over existing cable networks. This will allow cable operators the ability to offer fiber-optic speeds to small businesses.

With this new technology, affordable broadband access to small businesses will be delivered 1,000 times faster than with dial-up connections. Advent is just one of the thousands of small technology businesses around the country connecting rural America, developing next generation hardware and software, and keeping America in the forefront of technological advances.

RECOGNIZING GRAIG B. TURSON ON HIS APPOINTMENT TO THE U.S. AIR FORCE ACADEMY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to recognize my constituent, Graig B. Turson of Plymouth, Ohio, who recently accepted his appointment to the U.S. Air Force Academy.

Graig will soon graduate from Plymouth High School. During his high school career, he has maintained a 4.0 grade point average and is ranked first in his graduating class. He is an accomplished athlete, earning varsity letters in basketball, baseball and cross country. And, he has demonstrated his leadership ability, serving as captain of the basketball and baseball teams, and as President of the senior class.

Graig Turson can be very proud of his many accomplishments. He is a credit to his family, his school, and his community. By accepting his appointment, Graig is accepting a unique challenge.

The Academy is the pinnacle of leadership development for the United States Air Force. As a member of the Cadet Air Wing, he will face a most demanding academic curriculum and physical regimen. He will live, study and prepare in an environment where strong leadership thrives, individual achievement is expected, and personal integrity is demanded.

Mr. Speaker, General John W. Vessey, Jr. once wrote, "The Nation's ability to remain free and at peace depends in no small measure on whether we will continue to inspire our youth to serve."

I am confident that Graig Turson has the character and ability to excel at the U.S. Air Force Academy. I ask my colleagues to join me in wishing him well as he begins his very important service to our nation.

PAYING TRIBUTE TO PAT PASCOE–

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002—

Mr. McINNIS. Mr. Speaker, I take this opportunity to recognize the work of Pat Pascoe, a woman whose dedication and commitment to her fellow citizens deserves the attention of this body of Congress and this nation. After serving as a senator in the Colorado State Senate for three terms Pat is retiring from the Colorado General Assembly. It is with a great deal of respect that I take this opportunity to honor her accomplishments.

Born in Wisconsin, Pat came to Colorado in order to pursue her undergraduate degree, and has remained ever since. She began her career as a writer specializing in politics and education, and then went on to become a professor at Metropolitan State College and the University of Denver. Elected to the Senate in 1989, 1994, and 1998, Pat has dedicated countless hours to her fellow citizens in Colorado. As a State Senator, Pat has served on numerous committees, including her current posts as chair of the Public Policy and Planning Committee and Vice-Chair of the Education Committee, as well as Appropriations and Transportation. Pat has a passion for her work, taking on a variety of issues, including family, education and the environment. –

Pat is a woman who recognizes the importantance of humanitarian service, as well. She is a Member of the Consortium of Community Arts Councils, and a board member on the Colorado Endowment for Humanities, as well as Opera Colorado. She is a member of the Samaritan House, the Capital

Hill Club, the Lions Club and many neighborhood associations. She is also a devoted wife and mother of three who enjoys music and singing.

Mr. Speaker, during her tenure in the Colorado General Assembly, Pat has compiled a long list of accomplishments, and they have not gone unnoticed. She has received numerous prestigious awards including the Donor Awareness Award, Children's Champion Award, and the Religious Freedom Award. Through her hard work and commitment she has also earned the respect and admiration of her colleagues. Pat is truly a valued member of our Colorado community, both as a state senator and as a citizen, and her hard work and dedication certainly deserve the attention of this body of Congress. Thank you, Pat, for all that you have done for your community, your state and your country.

RECOGNIZING FIVE OUTSTANDING EDUCATORS INDUCTED INTO NATIONAL TEACHERS HALL OF FAME

HON. JERRY MORAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. MORAN of Kansas. Mr. Speaker, I rise to recognize five outstanding educators who today were announced as inductees into the National Teachers Hall of Fame in Emporia, Kansas. This is the 11th year of inducting members into the Hall of Fame, whose mission is to honor exceptional teachers and promote excellence in teaching. I congratulate today's honorees.

These inductees are being honored for their devotion to our nation's children and for their many contributions to their communities. Students in inductee Dana K. Kelly's Southwest Elementary in Lakeland Florida, adopted 50 children school for the deaf, and send them monthly care packages from mittens to candies. Janice Gould, an art teacher at Lawrence Hall Youth Services in Chicago, Illinois, helped her students create a Permanent Children's Art Collection for the Illinois State Board of Education. This project demonstrates what special-needs children can create when given the proper environment to flourish. Fellow inductee Jane Bray Nelson, a physics teacher at University High School in Orlando, Florida, is distinguished not only by her many awards, but by her students' admiration.

I am especially proud to announce that two of this year's inductees hail from my home state of Kansas. E. May (Pat) Lindquist is a tutor and substitute teacher in Brookville. Ms. Lindquist has dedicated 54 years of her life to teaching, having first taught in a one room school house in 1931. Liza Zahn Crooks is a fourth grade teacher at Black Bob Elementary School in Olathe, Kansas. Ms. Crooks is known for developing innovative teaching tools, including the Good Bears of the World program in which students give a teddy bear to people going through difficult times, particularly children and senior citizens. I commend each of these individuals for their commitment to excellence in education.

Teachers are so important. When you ask people who has made a difference in their lives, the answer you are likely to hear is "my teacher." My own interest in the world outside my Kansas hometown was sparked by my teachers, who in grade school and high school taught me the love of books, biography, politics and history.

Every day, in schools all across America, teachers provide similar guidance to the next generation of students—teachers who, for inadequate pay, educate not only with facts and figures, but also instill a love for learning and a sense that there is a world out there beyond the city limits of our hometowns. No matter how lofty the goals, no matter how difficult the road, teachers have been there to show us that, yes, our dreams are possible, and that, yes, we can succeed.

So on National Teacher Day, I salute these five educators for their dedication to the youth of America. May you always find satisfaction in knowing that you have made a tremendous difference in the lives of your students. Thank you.

EXPRESSING SOLIDARITY WITH ISRAEL IN ITS FIGHT AGAINST TERRORISM

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Mr. PAUL. Mr. Speaker, this legislation could not have come at a worse time in the ongoing Middle East crisis. Just when we have seen some positive signs that the two sides may return to negotiations toward a peaceful settlement, Congress has jumped into the fray on one side of the conflict. I do not believe that this body wishes to de-rail the slight progress that seems to have come from the Administration's more even-handed approach over the past several days. So why is it that we are here today ready to pass legislation that clearly and openly favors one side in the Israeli-Palestinian conflict?

There are many troubling aspects to this legislation. The legislation says that "the number of Israelis killed during that time [since September 2000] by suicide terrorist attacks alone, on a basis proportional to the United States population, is approximately 9,000, three times the number killed in the terrorist attacks on New York and Washington on September 11, 2001." This kind of numbers game with the innocent dead strikes me as terribly disrespectful and completely unhelpful.

It is, when speaking of the dead, the one-sidedness of this bill that is so unfortunate. How is it that the side that loses seven people to every one on the other side is portrayed as the sole aggressor and condemned as terrorist? This is only made worse by the fact that Palestinian deaths are seen in the Arab world as being American-inspired, as it is our weapons that are being used against them. This bill just reinforces negative perceptions of the United States in that part of the world. What might be the consequences of this? I think we need to stop and think about that for a while. We in this body have a Constitutional responsibility to protect the national security of the United States. This one-sided intervention in a far-off war has the potential to do great harm to our national security.

Perhaps this is why the Administration views this legislation as "not a very helpful approach" to the situation in the Middle East. In my view, it is bad enough that we are intervening at all in this conflict, but this legislation strips any lingering notion that the United States intends to be an honest broker. It states clearly that the leadership of one side—the Palestinians—is bad and supports terrorism just at a time when this Administration negotiates with both sides in an attempt to bring peace to the region. Talk about undermining the difficult efforts of the president and the State Department. What incentive does Palestinian leader Yasser Arafat or his organization have to return to the negotiating table if we as "honest broker" make it clear that in Congress's eyes, the Palestinians are illegitimate terrorists? Must we become so involved in this far-off conflict that we are forced to choose between Arafat and Israeli Prime Minister Ariel Sharon? The United States Congress should not, Constitutionally, be in the business of choosing who gets to lead which foreign people.

Many people of various religious backgrounds seem determined to portray what is happening in the Middle East as some kind of historic/religious struggle, where one side is pre-ordained to triumph and destroy the other. Even some in this body have embraced this notion. Surely the religious component that some interject into the conflict rouses emotions and adds fuel to the fire. But this is dangerous thinking. Far from a great holy war, the Middle East conflict is largely about what most wars are about: a struggle for land and resources in a part of the world where both are scarce. We must think and act rationally, with this fact clearly in mind.

Just as with our interventionism in other similar struggles around the world, our meddling in the Middle East has unforeseen consequences. Our favoritism of one side has led to the hatred of America and Americans by the other side. We are placing our country in harm's way with this approach. It is time to step back and look at our policy in the Middle East. After 24 years of the "peace process" and some 300 million of our dollars, we are no closer to peace than when President Carter concluded the Camp David talks.

Mr. Speaker, any other policy that had so utterly failed over such a long period of time would likely come under close scrutiny here. Why is it that when it comes to interventionism in the Middle East conflict we continue down this unproductive and very expensive road?

PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

SPEECH OF

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 2, 2002

Ms. BROWN of Florida. Mr. Speaker, due to unforeseen circumstances, I was unable to cast a vote on H. Res. 404, rollcall vote No. 126, "Expressing Solidarity with Israel against the fight against terrorism." Had I been present, I would have voted "yes" on the measure.

I am hopeful that President Bush and Secretary of State Colin Powell will continue their push to bring an end to the violence and renew a viable diplomatic process between the two sides. I am also extremely glad to see that the administration is planning a Mideast Peace Conference among the regional leaders to discuss the various plans for peace that have been put forward. I am hopeful that the Arab Nations accept this offer, and are ready to sit down at the table to seriously discuss a cessation to the violence.

As a strong proponent of continued U.S. support and friendship to Israel, I am a proud cosponsor of H.R. 1795, the Middle East Peace Commitment Act. In all my years in Washington, I have been a strong supporter of Israel, and was fortunate to travel to Israel during my first year in office with members of the American Israel Public Affairs Committee. I remember this trip with pleasure, and was more than impressed with the free and democratic society that the citizens of Israel have built in their short, fifty four year history.

However, for the United States to continue its sponsorship of the Middle East peace process, we need a commitment from Yassir Arafat to refrain from terrorism. The basis for U.S. support for peace, including the acceptance of the Palestine Liberation Organization (PLO) and Palestinian Authority (PA) as diplomatic partners for peace, requires Yassir Arafat's PA to renounce in words and actions, all forms of violence to achieve their national aspirations. Chairman Arafat needs to rein in radical elements in the territories, as it is completely impossible for the Israelis to negotiate with groups that support or commit acts of random terror.

On the other hand, I strongly believe that Israel must make concessions as well to obtain a lasting peace. For instance, Israel needs to continue negotiating with the Palestinian Authority, as well as the surrounding Arab states, if necessary. The United States, as a broker and overseer of the peace process, must encourage communication between the Israelis with the Palestinians, as well as promote a cessation of military incursions in the territories. These incursions I believe, are not productive for the peace process, and will in the end only produce more violence and radicalism among the already uncontrollable Palestinian factions.

Again, I am hopeful that both sides are able to reach an agreement in the very near future to put an end to this seemingly endless cycle of violence, and that the United States will continue to support negotiations and compromise between the two sides.

PAYING TRIBUTE TO MARY ELLEN EPPS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Mary Ellen Epps and thank her for her extraordinary contributions in the Colorado General Assembly. Her dedication to both her job and the people of Colorado deserves the recognition of this body of Congress and this nation. She will be remembered as a State Senator and Representative with the utmost dedication to her constituents and as she moves on in her career, I would like to thank her for her hard work in the Colorado General Assembly.

Mary Ellen was elected to the Colorado State Senate in 1998 after being elected to the Colorado State House of Representatives in 1986, and has served on a number of committees during her tenure. She served as chairwoman of HEWI, and the Medically Indigent Committees, and has been a member of the Judiciary, Transportation, Legislative Legal Services, Adult Criminal Justice, Juvenile Offenders, House Services and Health Care Committees, among others. As an elected official, Mary Ellen has long been an advocate of criminal justice and healthcare. She has effectively implemented a number of programs and legislation to help aid the citizens of Colorado in these areas, including mandatory immunizations for children and automobile insurance penalties for the uninsured.

Not only has Mary Ellen served the community effectively as a member of the Colorado General Assembly, she has also done her part as an active humanitarian. She is a charter member of the Security Lioness Club, a lifetime VFW member, and a member of the School District #3 Advisory Board long-range task force. She is also an active member of the Optimists Club and has served on the El Paso County Planning Commission. In addition to her humanitarian endeavors, Mary Ellen is the proud mother of three daughters, Marsha Epps, Kelly Hromas and Heather Segura.

Mr. Speaker, it is clear that Mary Ellen Epps is a woman of dedication and commitment to her state and its citizens. I am honored to be able to bring her hard work and dedication to the attention of this body of Congress, and to this nation. Thank you, Mary Ellen, for all of your hard work, and I wish you all the best in the future.

HONORING THE GENESEE VALLEY ROTARY CLUB

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. KILDEE. Mr. Speaker, I ask the House of Representatives to join me in congratulating the Genesee Valley Rotary Club on celebrating it's 25th anniversary. The Rotary Club will celebrate its anniversary with a special event on May 14.

The Genesee Valley Rotary Club begin as a provisional club in March of 1977, through the support of Jack Hamady, Ray Kelley and Jerry Wittemore. The Genesee Valley Rotary Club grew so rapidly through community support that by May of 1977 the Rotary was given a charter at the district conference that was held in Port Huron. Over the past 25 years the Rotary Club has conducted one major fundraiser a year giving the proceeds to local or international projects that they believe give back to the community. In addition to this the members conduct various community projects throughout the year. Many of them work for the Salvation Army Christmas bell ringing campaign, others answer phones for telethons, and some work during the Big Brothers/Big Sisters bowling challenge.

Mr. Speaker, I ask the House of Representatives to join me in congratulating the Genesee Valley Rotary Club on celebrating it's 25th anniversary. As a Rotary Club scholarship beneficiary I can attest to the unwavering support they give to the community. I applaud their involvement in the Flint area for the past quarter century.

HONORING THE DEDICATION OF THE ALVIRDA HYMAN LEARNING CENTER IN FREMONT, CA

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. STARK. Mr. Speaker, I rise today to announce the grand opening of the Alvirda Hyman Learning Center, an innovative new alternative learning facility donated by the Fremont Bank to the Fremont Unified School District in honor of Alvirda Hyman's dedication to continuing education.

Alvirda Hyman is a living testimony to the power of lifelong learning and a role model for her commitment to community service. Throughout her adult life, Mrs. Hyman has been a strong supporter of education for students from preschool through adulthood.

It was her support of her husband, Morris, in continuing his education that sewed the seeds of a career change that led to the founding of Fremont Bank in the early 1960s. Now one of the most successful family-owned businesses in the Bay Area, the Fremont Bank's 21 branches are a tribute to continuing education's ability to transform individual lives and improve communities.

Likewise, the Alvirda Hyman Learning Center, which represents one of the most generous corporate contributions in the history of the Fremont Unified School District, is the ideal tribute to Mrs. Hyman's dedication to education. When Fremont Bank consolidated its support facilities, a 12,000 square-foot modular building became vacated and available for donation. The bank donated the building to the school district for use as instructional space.

The new facility allows the Fremont Unified School District to provide tremendously improved space for several alternative education programs. It provides the Circle of Independent Learning Charter School a permanent home; it provides the Adult School Parent Education Program space designed specifically for its unique needs; and it gives the State Pre-School Program a permanent classroom within the district.

As part of a full community effort, the building was moved in 20 sections to the Mowry Adult School site. Re-construction began in August 2001, and has resulted in a beautiful new facility designed especially to serve the individual needs of the alternative learning programs housed there. The commercial structure was re-designed into an attractive and functional learning environment, complete with a playground and activity areas. The 20 separate modular units were recombined into a structurally coherent and aesthetically stunning building.

I am honored to congratulate Alvirda Hyman for her remarkable belief in the power and importance of lifelong learning. Her dedication to improving education has assured every citizen of Fremont the opportunity for a bright future, filled with ongoing education.

H.R. 4231—SMALL BUSINESS ADVOCACY IMPROVEMENT ACT

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. UDALL of New Mexico. Mr. Speaker, I am pleased to rise today in strong support of H.R. 4231, the Small Business Advocacy Improvement Act. Created in 1976 by Congress, the Small Business Administration's (SBA) Office of Advocacy's primary mission is to protect, strengthen and effectively represent small businesses within the Federal government's legislative and rule-making process. The Office of Advocacy works to reduce the burdens that Federal government policies impose on small business and encourage policies that support the development and growth of American small business.

However, the Office of Advocacy is forced each year to negotiate with OMB and the Administration on the provisions in its budget. In order for the Office of Advocacy to strengthen its voice and credibility for small businesses, it must be independent of any undue interference or influence that might hinder its ability to speak out objectively on behalf of small businesses.

To that end, H.R. 4231 requires that Advocacy's budget request be included in the President's budget submission to Congress each fiscal year without being changed. This will give the Office of Advocacy greatly increased fiscal independence from the Administration and will allow Advocacy to stay true to its core mission of providing support to small businesses and entrepreneurs.

In addition, continuation of service for the SBA Chief Counsel for Advocacy, unlimited authorization for the Office of Advocacy, and replacing the "minority enterprises" terminology to include women owned businesses and veteran businesses in the primary functions of the Office of Advocacy are also important provisions included in H.R. 4231.

I urge my colleagues to join me in support of this important legislation and help improve the support provided to our nation's small businesses by the SBA's Office of Advocacy. Vote "yes" on H.R. 4231.

THE SOCIAL SECURITY WIDOW'S BENEFIT GUARANTEE ACT OF 2002

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. MATSUI. Mr. Speaker, today I am offering a bill to make long overdue improvements in Social Security benefits. My bill would provide higher benefits for an estimated 5 million widows and other elderly beneficiaries. At the same time, it maintains fiscal responsibility by assuring that the bill does not affect the financial solvency of the Social Security system.

Elderly non-married women, including widows, rely heavily on Social Security benefits. Three out of four depend on it for at least half of their total income. And four in 10 depend on it for 90 percent or more of their income.

At the same time, widows are among the poorest of all Social Security beneficiaries. Over the last 30 years, poverty rates among the elderly have fallen from 29 percent in 1966 to 8.5 percent in 2000. But among widows, the poverty rate remains high—at 15 percent in 2000. The incomes of elderly women are very modest. The median income for non-married elderly women, including widows, was about $12,000 a year in 2000.

The time to address this situation is now. Republicans want to spend trillions of dollars to privatize Social Security, and they want to wait until after the election to do it. Democrats are proposing to invest less than one-twentieth of that amount to improve benefits for the neediest beneficiaries, and we want to do it now, without delay. Democrats want to improve Social Security and help its neediest beneficiaries, rather than destroy it by risky privatization schemes that require trillions of new dollars and deep benefit cuts.

BILL SUMMARY

The bill would create a new "widow's guarantee" for Social Security beneficiaries. Widows and widowers would be guaranteed a benefit equal to 75% of the combined benefits the couple had been receiving prior to the death of one spouse.

The widow's guarantee would provide higher benefits than widows receive under current law—which only provides benefits equal to what the husband had been receiving prior to his death. Under current law, widows are effectively limited to only 50–67 percent of what the couple had been receiving. Yet under federal guidelines, a one-person household is estimated to need 80 percent of the income of a two-person household. This bill would reduce the drop in Social Security income that would otherwise occur upon the death of a spouse.

For example, the average retired worker on the rolls today receives a benefit of $874 per month. If that worker has a spouse who is entitled to Social Security spousal benefits, their combined benefit is $1311. Under current law, the widow would receive $874 after her husband dies. Under the 75% widow's guarantee, the widow would get a benefit of $983 a month—an increase of $109 a month, or 12 percent more than she would receive under current law.

To assure that the increased benefits are concentrated on those with the greatest need, the increase would be subject to a dollar cap of $1000 a month, which would be indexed in 2003 and later years.

The benefit increase is estimated to help 5 million widows and widowers, one million of whom are currently living in poverty.

This bill also includes benefit improvements to help certain groups of disabled widows, elderly widows whose husbands died shortly after retirement, and divorced spouses. Over 120,000 beneficiaries would see increases as a result of this section of the bill.

Finally, this is fully financed through general revenue transfers to Social Security. This makes the Trust Funds whole for the cost of these vital benefit improvements.

This legislation promotes the needs of our poorest and most vulnerable elderly. It improves and strengthens Social Security's guaranteed, dependable monthly income. It assures that widows and widowers will have at least a minimally decent standard of living in old-age. I am pleased to introduce the Social Security Widow's Benefit Guarantee Act.

PAYING TRIBUTE TO FRANA ARAUJO MACE

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Frana Araujo Mace and thank her for her extraordinary contributions in the Colorado General Assembly. Her dedication to both her job and the people of Colorado deserves the recognition of this body of Congress, and, indeed, this nation. She will be remembered as a State Representative with the utmost dedication to her constituents, and as she moves on in her career, I would like to thank her for all of her hard work in the Colorado Legislature.

Frana was appointed to the Colorado State House of Representatives in 1995 to fill a vacancy, and was subsequently elected in 1996, 1998 and 2000. During her tenure in the State House, she served as the House Minority Whip and was a member of the House Services, Local Government, Transportation, and Energy committees. She was the mayoral appointee to the Denver Board of Adjustment and Zoning Appeals from 1976 through 1986, was the Governor's appointee to the Commission on Aging, and served as the party finance chair from District 4A.

Not only has Frana served the community effectively as a member of the Colorado General Assembly, she has also done her part as an active humanitarian. She served as the President and Chairman of the Northside Community Center, and on the Servicios de la Raza cooperative endeavor. For her hard work and dedication, Frana was named the Hispanic Woman of the Year/Political Division in 1995. In addition to her community endeavors, Frana is married to Gilbert Mace, and is the proud mother of five children.

Mr. Speaker, I am certain that Frana's colleagues and constituents will sorely miss the leadership and compassion that she consistently gave to the State of Colorado, and I thank her for all that she has done for the state. I am honored to bring her accomplishments to the attention of this body of Congress, and wish her all the best in the future. Her hard work and dedication truly embodies the spirit of the State, and it is with a great deal of pride that I thank her for her many years of public service.

ON THE DEATH OF MSGR. GEORGE HIGGINS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. OBERSTAR. Mr. Speaker, I rise in tribute to a man who devoted his life to social justice.

Today we say goodbye to Monsignor George G. Higgins, who headed the Social Action Department of the U.S. Conference of Catholic Bishops for 35 years. Msgr. Higgins died May 1, and was buried today in his home town of LaGrange, Illinois. He was 86 years old.

Msgr. Higgins fought for the rights of workers, whether they were auto workers in Detroit, farm workers in California or steelworkers on the Iron Range of Minnesota. He wrote nearly 3,000 columns on social issues for Catholic newspapers across the country from 1945 until September 2001, when he could no longer continue because of failing eyesight.

Msgr. Higgins held a doctorate in economics and political science from Catholic University of America. He was awarded the University of Notre Dame's highest honor, the Laetare Medal, and the Presidential Medal of Freedom. Last year he was honored as one of the great pioneers in promoting dialogue between Catholics and Jews by the International Catholic-Jewish Liaison Committee.

Msgr. Higgins made a lasting imprint on the Church's approach to social policy in America: feeding the hungry, housing the homeless, clothing the poor.

As columnist E.J. Dionne wrote in today's Washington Post, "It is one of the highest callings of spiritual leaders to force those who live happy and comfortable lives to consider their obligations to those heavily burdened by injustice and deprivation." Msgr. Higgins answered that calling.

Mr. Speaker, at a time when a dark cloud of scandal hangs over the Catholic Church, it is important to note that the priesthood is full of good men doing God's work. Msgr. Higgins was such a priest. All of us who believe in the fair treatment of working men and women, compassion for the poorest among us, and brotherhood with those of other faiths, will miss him deeply.

Mr. Speaker, I ask to submit the full text of E.J. Dionne's column for the RECORD.

[From the Washington Post, May 7, 2002]

THE GREAT MONSIGNOR

(By E.J. Dionne, Jr.)

There is no such thing as a timely death. But just when you thought all the stories on American priests were destined to be about evil committed and covered up, one of the truly great priests was called to his eternal reward.

Monsignor George G. Higgins was the sort of Catholic clergyman regularly cast as a hero in movies of the 1940s and '50s. He was an uncompromising pro-labor priest who walked picket lines, fought anti-Semitism, supported civil rights and wrote and wrote and wrote in the hope that some of his arguments about social justice might penetrate somewhere.

He got attached to causes before they became fashionable, and stuck with them after the fashionable people moved on. Cesar Chavez once said that no one had done more for American farm workers than Monsignor Higgins. In the 1980s, he traveled regularly to Poland in support of Solidarity's struggle against communism and became an important link between American union leaders and their Polish brethren.

As it happens, even the day of Monsignor Higgins's death, at the age of 86, was appropriate. He passed from this world on May 1, the day that many countries set aside to honor labor and that the Catholic Church designates as the Feast of St. Joseph the Worker.

If Higgins had been there when that famous carpenter was looking for a place to spend the night with his pregnant wife, the monsignor would certainly have taken the family in. He would also have handed Joseph a union card, told him he deserved better pay and benefits, and insisted that no working person should ever have to beg for shelter.

Yes, Higgins sounds so old-fashioned—and in every good sense he was—that you might wonder about his relevance to our moment. Let us count the ways.

One of the most astonishing and disturbing aspects of the Catholic Church's current scandal is the profound disjunction—that's a charitable word—between what the church preaches about sexuality and compassion toward the young and how its leaders reacted to the flagrant violation of these norms by priests.

Higgins, who spent decades as the Catholic Church's point man on labor and social justice issues, hated the idea of preachers' exhorting people to do one thing and then doing the opposite. And so he made himself into a true pain for any administrator of any Catholic institution who resisted the demands of workers for fair pay and union representation.

"These men and women mop the floors of Catholic schools, work in Catholic hospital kitchens and perform other sometimes menial tasks in various institutions," he once wrote. "They have not volunteered to serve the church for less than proportionate compensation."

"The church has a long history of speaking out on justice and peace issues," he said. "Yet only in more recent times has the church made it clear that these teachings apply as well to the workings of its own institutions."

Where some religious leaders complain that they get caught up in scandal because they are unfairly held to higher standards, Higgins believed that higher standards were exactly the calling of those who claim the authority to tell others what to do.

It bothered Higgins to the end of his life that the cause of trade unionism had become so unfashionable, especially among well-educated and well-paid elites. For 56 years, he wrote a column for the Catholic press, and he returned to union issues so often that he once felt obligated to headline one of his offerings: "Why There's So Much Ado About Labor in My Column."

His answer was simple: "I am convinced that we are not likely to have a fully free or democratic society over the long haul without a strong and effective labor movement."

To those who saw collective bargaining as outdated in a new economy involving choice, mobility and entrepreneurship, Higgins would thunder back about the rights of those for whom such a glittering world was still, at best, a distant possibility: hospital workers, farm workers, fast-food workers and others who need higher wages to help their children reach their dreams. He could not abide well-paid intellectuals who regularly derided unions as dinosaurs, and he told them so, over and over.

It is one of the highest callings of spiritual leaders to force those who live happy and comfortable lives to consider their obligations to those heavily burdened by injustice and deprivation. It is a great loss when such prophetic voices are stilled by scandal and the cynicism it breeds. Fortunately, that never happened to Higgins. He never had to shut up about injustice and, God bless him, he never did.

PAYING TRIBUTE TO BILL WEBSTER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Bill Webster and thank him for his contributions in the Colorado General Assembly. His hard work and dedication is greatly appreciated, and I am honored to pay tribute to him today in front of this body of Congress. He will long be remembered as an effective State Representative, and will continue to be known as a leader in the community. As he moves on in his career, let it be known that I, along with people of Colorado, am grateful for all that he has done for the Colorado General Assembly.

During his two terms in the Colorado State House of Representatives, Bill has served on a number of committees, including his two current committees, Agriculture, Livestock & Natural Resources, where he serves as vice-chairman, and Local Government. In addition, Bill served for eight years as the Weld County Commissioner, and worked at the Webster Land & Cattle Company.

Not only has Bill served the community effectively as a member of the Colorado General Assembly, he has also done his part as an active humanitarian. He is the past president of the Greeley Chamber of Commerce, Greeley Rotary Club and the Boys and Girls Club of Greeley. He is also a past director of Safeway Stores, Inc., Colorado Water Congress and the National Cattlemen's Association, and serves on the Colorado Agriculture Commission and the Greeley Planning Commission. Perhaps most importantly, Bill is married to his wife Sylvia, and they have three children.

Mr. Speaker, it is clear that Bill Webster has served his state well by providing significant service during his distinguished tenure in the Colorado General Assembly. I am honored to be able to bring his hard work and dedication to the attention of this body of Congress. It is my privilege to be able to express to him, and to this country, my gratitude for all that he has done for our wonderful state, and I wish him all the best in his future endeavors.

NOTIFYING TAXPAYERS REGARDING THEIR POSSIBLE ELIGIBILITY FOR EARNED INCOME TAX CREDIT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mrs. MINK of Hawaii. Mr. Speaker, I introduced H.R. 4632 to help more low income workers seek tax rebates under the Earned Income Tax Credit program.

Under the Earned Income Tax Credit (EITC) provisions, a person at least 25 years old, earning $1 up to $10,709 may qualify for a refundable tax credit of $1 to $364 depending on income earned.

A single parent, at least 25 years old, with one child, earning $1 to $28,280 may receive a refundable tax credit of $3 to $2,428 depending on income earned.

A single parent, at least 25 years old, with two children, earning $1 to $32,120 may receive a refundable tax credit of $2 to $4,008 depending on income earned.

In the year 2000, about 19 million low income families received Earned Income Tax Credit (EITC) refunds. The total refunds paid out in 2000 was $30 billion; 28% of the families who received EITC had incomes below $10,000. The refund for a single parent with two children earning $10,000 was $4,008.

In 1999 over 25% of the low income taxpayers who were eligible did not file for EITC.

With a million single parents being forced off welfare to work, it is of great concern that many, if not most, are not aware of the refund that they could apply for. The vast majority of the welfare mothers who are forced to work earn less than $8,000 per year. The Administration and other defenders of the welfare to work program argue that in addition to the meager earnings, these poor families receive $4,000 under EITC. The tragedy is that most don't.

H.R. 4632 is offered to make sure that information is given to these poor families informing them that this refund is due them.

If welfare to work is justified on the basis that low wages can be buffered by $4,000 in EITC refunds, then we need to make sure that these monies are received.

PAYING TRIBUTE TO WILLIAM G. SWENSON——

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002—

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute today to a man who has embodied the spirit of the State of Colorado through his life-long dedication to serving his state. A member of the Colorado General Assembly, the hard work and dedication of William Swenson, known as Bill, is a testament to the Western pride and character of my state and its citizens. Bill is now leaving the Colorado State House of Representatives after selflessly serving since 1994, and I can think of no better way to celebrate Bill's retirement than to honor his many achievements before this body of Congress and this nation.

A resident of Longmont, Colorado, Bill has served in various local government positions before his election to the House, notably as a City Councilman and Mayor of Longmont. Elected to the Colorado State House of Representatives in 1994, he has served several committees, recently as a member of the Local Government committee and Chairman of the Transportation and Energy committee. During this time, he has been a valuable proponent for local government, tax relief, and water and natural resources conservation. –

Bill is regarded as a loving husband and devoted father of four as well as a key member of the community. He is currently a member of Rotary International, the First Lutheran Churchmen and serves as the church treasurer. His work ethic is reflected in his membership in the IBM Quarter Century Club, an honorarium for his thirty-four years of service to the company.

Mr. Speaker, Bill has been a valued member of our Colorado community, both as an elected official and as a citizen. While I am sure he will be missed in the Colorado State House of Representatives, I know that he will undoubtedly succeed in his future endeavors, and will continue to serve his fellow Coloradans. Thank you Bill, for all of your hard work and efforts.

A WELL DESERVED TRIBUTE TO HEITOR SOUSA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. FRANK. Mr. Speaker, last month, in Fall River, Massachusetts, a very impressive tribute was paid to Heitor Sousa, one of the leaders in the Portuguese American community. Heitor Sousa came to the U.S. in 1981 from the Azores, and he is an example of the way in which immigration enriches our country economically, culturally, and socially. I have been privileged to benefit from Heitor Sousa's friendship, advice, and wisdom for 20 years, during the time I have represented parts of Southeastern Massachusetts in this body. I want to add my own personal gratitude to him for the extraordinary service he has performed both for the people of Southeastern Massachusetts and Rhode Island and for the residents of Portugal in general and the Azores in particular. The tribute paid to him was extremely well deserved.

[From Comunidade—Community, April 10, 2002]

MUSIC

FALL RIVER.—Flanked by good friends and hundreds of admirers, Heitor Sousa, the founder of the Great Feast of the Holy Ghost of New England, was honored yesterday in a ceremony that was described as "a happy and loving tribute."

Guests traveled from as far away as Toronto and the Azores to attend the ceremony hosted by the Our Lady of Light Band.

Sousa, 63, immigrated to the United States in 1981 to establish the Banco Comercial dos Acores branch on Pleasant Street and within five years founded the annual Portuguese Battle of the Bands and the Great Feast. He has also been a strong advocate for the continuation of the bands and an increase in performances.

"Heitor Sousa is a 'grand homem' (a great man)," said Fall River Diocese Bishop Sean P. O'Malley as he opened the ceremony.

Rhode Island General Treasurer Paul Tavares told the large jam-packed crowed that he met Sousa in 1984.

"We formed a great friendship," Tavares said. "I have a great deal of respect for this man, who is dedicated to his community, his homeland, this new land and his Azorean culture."

Fall River State Representative Robert Correia told the crowd that Sousa's life tale has been entered into the state's official archives, "where it will be forever." He added that Sousa helped him understand his culture better and even took him to the homeland to foster a better connection.

Turning to the crowd, Correia said that Sousa is very much like the Braga and Mount Hope bridges that many of the Rhode Islanders took to attend the hall.

"Heitor is a bridge from the Azores to Fall River," said Correia. "He traveled the bumpy road from the Azores to here and took me and a few of us on the bumpy road from here to the Azores. He is not a man of words but a man of action."

Rev. Luis Cardosa, formerly of Espirito Santo Church and now of Sao Miguel Church of Fall River, said it will never be known how many people Sousa has helped in his life.

"He has done so much for the community, but all he did was driven by his faith," he said.

Mayor Edward M. Lambert, Jr. told the crowd that he was befriended by Sousa many years ago and despite a language barrier the two have worked well together.

"That's because he has always spoken the language of the heart," said Lambert. He added that if one could equate one's spirit with song, then "the life of Heitor Sousa has been a beautiful concert."

He praised the work Sousa has done in founding the feast, adding "it is a great source of pride for everyone in Fall River. No other event brings so many people—so many eyes from all over the world to this great city. For this, you will always be remembered. Heitor Sousa you are a treasure in this community, which we value tremendously."

The master of ceremonies for the event, Manuel F. Estrela, broke up the praise with his own humor. Saying that he could not stand by and see only good things said about his old friend, he joked that it was time to talk about Sousa's shortcomings.

"He is a great "'Sportinguista,'" he said to the roar of the crowd. A sportinguista is a fan of the Portugal's Sporting Soccer team.

Sousa was also praised by two of the Azores top journalists. Jorge Nascimento Cabral, a retired publisher of Correio dos Acores, and Osvaldo Cabral of RTP-Azores.

Both men said they could not have missed the event.

"His roots are deeply planted on both sides of the Atlantic," said Cabral of RTP. "I see in him the greatest recognition of faith, of fatherhood, of grand fatherhood, husbandry and community service."

Cabral said that back in his village of Rabo de Peixe the youth all know of Sousa's work.

"He is a great example for us who are older and for the younger generation," he said.

Jorge Cabral, the featured speaker, talked about how Sousa rose from his small village to be a mountain of a man on two sides of the ocean.

"It is not easy for someone to come from an island, from Rabo de Peixe, and leave to go to a country where they speak a different language and lead a cultural revival," he said. "But he has given a new meaning to the word 'saudade.' He has always been in the service of the people. And he has carried with him the greatest symbol of the Azores—people's faith. This is a very dynamic man who has served his community, fostered many organizations, but never profited monetarily just through the peace of his conscious."

On several occasions Sousa became choked up. Tears swelled in his eyes during a surprise performance by the Our lady of Light Band, which played a song Sousa once led while he was the director of the Banda Lira do Norte in Rabo de Peixe—"marcha de Cigano."

After the speeches, Sousa was presented with a portrait by the Banda da Luz, which they said would hang in their club forever. He was also given a check for $1,849, the profits from the banquet, but in typical Sousa fashion he donated it back, saying that he wanted it to be designated for a fund to be given to the top student of each of the 15 Portuguese bands of New England. Minutes later Carlos Andrade of Sharon pledged to give $5,000 to bolster the very fund.

In a touching closing ceremony, Sousa was presented plaques by all of the bands that he has championed over the years. He also thanked those gathered, including Estrela, the Cabrals, all of the bands and their leadership, as well as Luis Silva and Antonio Carvalho of the Light Band.

Sousa also took the time to thank his wife, "who has been suffering me for 40 years," he said.

He ended his speech with a challenge to the leaders of the community and in the Azores, saying that they must do more to support the bands. He added that the Azores should host an annual band performance, which incorporates bands from the United States and the islands.

"Our bands are often forgotten by our leaders," he added.

PAYING TRIBUTE TO GLENN E. SCOTT

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to honor the achievements of a member of the Colorado General Assembly, and thank him for all that he has done for the state. After two terms in the Colorado State House of Representatives, Glenn E. Scott is leaving the House in order to pursue other opportunities, and I can think of no better way to thank Glenn for his many years of service, than to bring his many accomplishments to light in front of this body of Congress.

A resident of Westminster, Colorado, Glenn received his Bachelors and Masters Degree in economics from the University of Colorado. An Investment Portfolio Manager for LBC Investment Advisors, he was first appointed to the House in 1999, then elected in 2000, and has since served on several committees working to improve the lives of those in Clear Creek, Gilpin, Jefferson, and Summit counties. He has served diligently on the Appropriations and Finance Committees, and as chair of the Local Government Committee. In addition he has served in several vital community positions in Colorado, including numerous advisory boards to benefit Aurora and Boulder counties, and is a former member of the Westminster City Council.

Mr. Speaker, I am positive that Glenn's colleagues and constituents will sorely miss the leadership and compassion that he consistently gave to the State of Colorado, and I thank him for all that he has done for the state. I am honored to bring his accomplishments to the attention of this body of Congress, and wish him all the best in the future. His hard work and dedication truly embodies the spirit of the State, and it is with a great deal of pride that I thank him for his many years of public service.

SENATE—*Wednesday, May 8, 2002*

The Senate met at 10 a.m. and was called to order by the Honorable MARK DAYTON, a Senator from the State of Minnesota.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Lord, You have taught us, "If you have faith as a mustard seed, you will say to this mountain, 'Move from here to there' and it will move; and nothing will be impossible for you."—Matthew 17:20.

Is Your promise applicable to us in our circumstances? Will You give us power to remove the mountainous differences that often divide us if we have faith in You—even as small as a mustard seed? We dare to claim that You will. Give us the gift of faith to trust You completely.

Therefore, we ask You to guide us to resolve our present concerns. Bring us together in unity around what is most creative for our Nation. We place our trust in You. Nothing is impossible for You. Help us Lord; we need You. Amen.

PLEDGE OF ALLEGIANCE

The Honorable MARK DAYTON led the Pledge of Allegiance, as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, DC, May 8, 2002.*
>
> *To the Senate:*
>
> Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MARK DAYTON, a Senator from the State of Minnesota, to perform the duties of the Chair.
>
> ROBERT C. BYRD,
> *President pro tempore.*

Mr. DAYTON thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the conference report accompanying H.R. 2646, which the clerk will report.

The legislative clerk read as follows:

> Conference Report accompanying H.R. 2646, a bill to provide for the continuation of agricultural programs through fiscal year 2011.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 6 hours of debate on the conference report, to be equally divided between the chairman and ranking member of the Committee on Agriculture, Nutrition, and Forestry.

The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Kansas.

Mr. ROBERTS. Mr. President, I rise today to discuss the conference report on the Farm Security and Rural Investment Act—the farm bill of 2002.

We must have a strong and solid commitment to our family farmers, and we must have a farm bill that provides this foundation. Simply put, through the miracle of modern day agriculture our farmers and ranchers provide significant and mostly unappreciated support for trade, jobs, our Nation's balance of payments; they serve as a catalyst for our Nation's economy and provide American consumers with the most plentiful, inexpensive, and safe food supply in the history of the world. So a good farm bill is essential to every American citizen. The authors of the pending bill have tried to do this with myriad commodity, conservation, nutrition, research, and many other programs. I thank them for their efforts.

Throughout my career as a Senator, Congressman, and congressional staffer, I have had the privilege to work on no less than six major farm bills and numerous pieces of smaller legislation. I must say that from a policy and process standpoint, this farm bill has certainly been unique.

I have always believed we should not play politics with a bill that directly affects the daily lives and pocketbooks of our farmers, ranchers, our consumers, and, yes, even the taxpayer, and those who are hungry and malnourished. That is why I have supported bills written by both Democrats and Republicans.

In my view, a farm bill should have two primary goals:

First, to provide assistance when needed to those who produce the food for our Nation and a troubled and hungry world. That assistance is needed now given the near revolutionary and dynamic changes we face in agriculture today. Put in Dodge City language, the farmer and rancher today are not in very good shape for the shape they are in. These are tough times in farm country.

Second, the bill should provide this assistance through a realistic, reasonable, and predictable farm program policy consistent with the harsh realities of what we face in the global marketplace. I regret to say that I fear this bill fails on both counts.

There are other very important goals that should be and are addressed in this farm bill. These include dealing with the environment, nutrition, research, and the new threat of agriterrorism. But my concern is with the commodity title.

In this bill we have a real paradox. Those who have seldom or never voted for farm bills in the past during their long years of distinguished service and have made it a practice to regularly criticize previous farm bills have written this bill and have proclaimed it to be the best bill ever written and they are going to vote for it.

On the other hand, some who have voted for farm bills in the past, this Member included, knowing no farm bill is perfect or written in stone—knowing that the final product is never the best possible farm bill but the best bill possible—will vote no.

I make these comments without questioning the intent of any Senator or House Member who believes this bill is the "best ever" and, I might add, who worked very hard through great difficulty to produce this bill. I salute their hard work and tireless efforts but respectfully disagree with their conclusion.

However, due to what I consider serious flaws in the bill, I cannot vote for final passage of this conference report. I do not believe the bill before us gets the job done for farmers and ranchers in Kansas and in other parts of the country.

In saying this, I pledge to my colleagues and my farmers and ranchers

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

that whatever concerns I have with this bill, I will work with my colleagues on both sides of the aisle to help make improvements when they are needed. In fact, this bill is a fate accompli, it will pass today and the President will sign it. As least for now, the support for a supplemental is not there. The bill should not be delayed any further.

Now, there are some good things in this legislation—including some initiatives I have supported.

These include: Equalization of the sorghum loan rate to the corn rate; permanent authority for LDPs on grazed out wheat; a beneficial interest fix for LDPs on the 2001 crops; expanded funding for the environmental quality incentives program, a most important program for our livestock producers; more equitable food stamp benefits; and most importantly, research program authorizations that will allow us to develop the tools needed to protect agriculture and our food supply from terrorist threats and to expand carbon sequestration research to enable the farmer to be a partner in the challenge to reduce global warming.

However, as I said, it is the commodity title that raises serious concerns for this Senator.

First, there is the timing of this bill and the proposed assistance. We are spending nearly $48 billion in new funding over the next 10 years for our commodity programs.

Some argue this investment is supposed to "restore the safety net" for our farmers and ranchers and eliminate the need for supplemental assistance in the future.

In fact, all programs considered, this legislation will add $73.5 billion to the agriculture baseline which now totals an estimated $183 billion with the new Congressional Budget Office scoring.

To say this represents a significant investment in our commodity, conservation, nutrition, and research programs is an understatement, to be sure. I will leave the debate of how much is appropriate—given our budget challenges and given the world farmers face; the world price depression, lack of exports, market interference, unfair foreign subsidization, weather, value of the dollar, and all of the other vagaries beyond the control of the farmer—to another time.

Mr. President, what is ironic is that due to the timing of payments in this legislation, the probability is—and I predict—we will be back here later this year with Members and farm organizations asking for an additional supplemental payment or disaster money.

My colleagues, we did not have to go down this road. Back in March I introduced legislation that would have provided supplemental assistance within budget for this year's crop. It also would have provided conservation funding for several programs.

I introduced this package for two reasons: Our producers and our lenders needed some kind of certainty on the assistance they would receive for this crop year, and second, virtually all planting and lending decisions had already been made for the 2002 crop, this year's crop, and it did not make sense to change the rules of the game in the middle of the 2002 crop year. It made more sense to do an assistance package this year and have the new bill apply to the 2003 crop after our producers and the Department of Agriculture had time to digest the details of the new bill.

The second concern: this is a complex bill, to say the least, and farmers and ranchers and lenders and the USDA are going to feel and act like a bear in a briar patch. We are going to do a new farm bill that will require producers and USDA to work through a paper trail of recalculated loan rates for every commodity in every county in the country, base updates, yield updates, and the list goes on.

Mr. President, the name of this bill should be the "Farm Service Agency Full Employment Act"—exactly the opposite of the direction we have been moving in recent years. As a matter of fact, sensing the paperwork and regulatory storm ahead, the USDA actually requested 100 million new dollars to enable the Farm Service Agency folks to come to grips with and administer the new program. They got $55 million by the way. There are going to be some long lines at the Farm Service Agency.

Third, and this is a primary concern, when producers find out the final details regarding the so-called safety net, it will not be what they expected due to the form of assistance and the timing. That is not good.

Let's walk through an example:

We grow a tremendous number of crops in Kansas—wheat, corn, sorghum, soybeans, and even a projected 80,000 acres of cotton this year. When it comes to actual planted acres, wheat remains king in Kansas.

Under the supplemental package I introduced, wheat producers would have received 59 cents a bushel on this year's crop. This payment would have occurred before the end of September. We need this money. We are in the midst of a drought in wheat country and we need the assistance now.

If a wheat producer receives the maximum countercyclical payment available under this proposed farm bill, he or she would receive additional, combined direct and countercyclical payments on the 2002 crop of 60 cents—about the same thing. But they would not receive the final payment until at least 13 months from now on June 1, 2003.

Let me say that again: wheat producers would not receive their final assistance on the 2002 crop until June 1, 2003. For cotton, it would be August 2003 and for corn, soybeans, and sorghum it would be September 2003—a full 16 months from now.

How can this happen?

Under this proposed legislation, the maximum level of decoupled payments for this year's crop would be 60 cents provided as follows: six cents for an additional direct payment as soon as practicable by the Secretary; up to 19 cents—35 percent of the countercyclical payment—by October 31; assume an additional 19 cents—the difference between 70 percent of the total projected payment and the October payment—to be paid after February 1, 2003; and the remainder, approximately 16 cents—after June 1, 2003. Now, does that sound just a bit confusing? That is because it is.

It will take four checks from the Government for producers to receive what they could have received from one check under a supplemental this September.

This is not market driven; it is mailbox driven.

They will not receive the last payment for this year's crop, the 2002 crop, until they are harvesting next year's crop, the 2003 crop.

Just as important, the bill fails to provide assistance to producers when they need it most—when there is no crop to harvest.

We have gone back and checked the average marketing-year prices for wheat, according to USDA, on every crop from 1982 to 1999; some 17 years in Kansas.

In 9 of those years there would have been no countercyclical payment for wheat had this bill been in effect. These dates would have included the following crops: 1982, 1983, 1984, 1988, 1989, 1994, 1995, 1996, and 1997.

Unfortunately, 1995, 1996, and 1989 represent what were basically our worst wheat crops in the past 20 years in Kansas. And the other 6 years represented some of our most marginal crops and difficult financial times.

The question is, why on earth should anyone from Kansas or a similar State support a bill that would not have producers of their State's number one crop in nine out of the past 17 years! A farm bill that would not work over half the time in the last 17 years, why support that?

Some will argue that producers may actually receive more assistance this crop year under this proposed legislation because of higher loan rates. That may be true—if a producer has a crop to harvest.

But the producer who has no crop to harvest gets no benefit from a higher loan rate. Again, this is a major concern for many of my Kansas producers suffering from drought conditions.

We have had many reports that this year's Kansas wheat crop has the poorest condition rating since the 1996 crop year. Producers are saying they have already destroyed or will destroy 200 acres, 500 acres, 1,000 acres, even 2,000 acres of wheat.

Let me report to my colleagues I have just returned from Dodge City and wheat country this past weekend. I checked the country around Dodge with a long-time friend and farmer and that is precisely what is happening.

The only thing you saw was the dust rising behind the tires because there was no crop left.

These farmers are begging that we give them the supplemental package because the increased loan rate is going to provide them nothing when they have been wiped out.

In addition, there are long standing policy concerns with the loan rate as well. And that brings up an additional concern, that of our trade and export policy. The increase in loan rates is not market-oriented. We are moving down a road that will drive production, lower prices, and reduce our negotiating leverage in international trade negotiations.

I realize, appreciate and understand the advocates of higher loan rates always argue they will bring higher prices. However, as they lead to increased plantings and production, they will actually drive prices lower. I would remind my colleagues that the highest loan rates of the last 20 years for wheat were from 1982 to 1986—during the height of the farm crisis of the 1980s.

Additionally, a few questions need answers on this issue of loan rates. Why did rice and cotton get to keep their current loan rates, and why do loan rates for the other crops drop in 2004? Does this represent just a tad bit of politics? I hope not.

The risk of retaliation and reduced leverage in international trade negotiations is real. For years we have argued that the walls and barriers to trade be torn down by our international competitors.

With a "free trade straight face" in the past 2 months we have imposed tariffs on steel, we will pass a farm bill that increases the likelihood of surpassing our spending limits under WTO rules, and we are going to pass country-of-origin labeling requirements that will upset many of our largest trading partners and just to make this whole business really topsy-turvy, the majority is holding up expanding trade authority for the President—the only way I believe we can regain market share price and income recovery over the long term. This does not add up. This does not make sense.

I understand we do not write farm bills for Brazil, for the European Union, or Canada, or any other country. But we should not write farm bills that guarantee trade retaliation either.

Let me stress another concern, and that is what we are robbing from in order to raise loan rates and expand farm program payments to new commodities. We are paying for part of this bill by cutting spending of $2 billion from the major crop insurance program reform that we passed 2 years ago, the Kerry-Roberts bill. That, too, just does not make sense.

As a final concern and comment on the commodity title, let us not forget all the promises we have made to farmers, to farm and commodity organizations—everyone in farm country—with regard to the need for a farm savings account. Every farm and commodity organization has supported this concept in resolution after policy resolution. I do not understand how we can include $94 million for payments to apple producers and $10 million for onion producers—neither payment was in the House or Senate bill—but we could not even include the pilot project for a farm savings account that had bipartisan support from numerous Senators.

Finally, giving credit where credit is due, this farm bill does emphasize conservation more than any other previous bill. Again, there may be a conservation devil in the details. While we have increased spending for the Environmental Quality Incentives Program—EQIP that is called—to the benefit of many livestock producers, we are spending $2 billion for a new conservation security program that no one truly seems to understand or can explain exactly how it will work. I hope it does work.

With all the questions surrounding this proposal, an argument can be made that this money could have been better spent through the EQIP program, additional research funding, or by designating more funding to the trade title of this bill.

As we persevered through this farm bill debate over the past year, it was my contention, voiced probably more than many wanted to hear, that we should give some attention to policy and not just to dollar amounts. With all due respect to my very dear friends and colleagues in the House and Senate, I just do not think we have considered all the long-term ramifications of this legislation.

Farm bill policy and politics are never easy. We have strong disagreements, but we all have the same goal in mind: Doing what is best for our farmers and ranchers.

I had hoped as we wrote this bill and looked in the rearview mirror of the past, we would resist the temptation to return to those policies. Sadly, we seem to have done a U-turn in the middle of our farm policy road while other nations are moving more towards income protection for their farmers and away from market-distorting price supports. We are moving back again to price supports and away from income protection, and none of us knows where that is going to lead.

This has been one of the most difficult decisions of my congressional career, but I cannot vote for a bill that would have provided no countercyclical assistance to Kansas wheat producers in 9 of the last 17 years, that will provide an additional direct payment of only 6 cents a bushel for wheat, 1.9 cents a bushel for corn, and 3.6 cents a bushel for sorghum, when Kansas producers, suffering from drought in many areas, could have received payment of almost 60 cents, 33.4 cents, and 40 cents, respectively, on those crops if we had included a supplemental assistance package for this crop.

I cannot vote for a bill that will not provide more than two-thirds of its badly needed countercyclical assistance for the 2002 crop until 13 or 16 months from now, until 2003; a bill that increases loan rates when they do not benefit Kansas producers with no crop to harvest; a bill that cuts $2 billion from the Crop Insurance Program and that will greatly increase the odds of the United States violating its world trade agreements and entering into an agricultural trade war with some of our biggest competitors.

Despite these concerns, and my vote on this legislation, I pledge to my farmers and ranchers, I pledge to my colleagues and those soon to be beleaguered USDA employees, my assistance to work through these difficult issues on a bipartisan basis. When this farm bill needs fixing—and it will—I will want to be part of the answer as opposed to sitting on the sidelines as a critic.

I ask unanimous consent a summary of questions I have received from Kansas farmers, and answers my staff and I have prepared, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FARM BILL COMMODITY TITLE QUESTIONS AND ANSWERS

1. Why did you vote against the Farm Bill?

Answer. I opposed the bill due to many concerns associated with the commodity title. Specifically:

We are very dry in many parts of Kansas this year, and producers may have little if any crop to harvest. Producers need assistance now to meet their cash flow and pay their bills;

I wanted to attach a supplemental package for the 2002 crop to the Farm Bill that would have provided assistance quickly while allowing USDA and producers time to implement and understand the bill;

Instead of receiving the full level of assistance for the 2002 crop, producers will now have to wait 13 to 16 months, and receive four different checks, to receive the same amount of assistance;

A final counter-cyclical payment in June 2003 or even September 2003 does not help you pay your bills in 2002;

A counter-cyclical program should provide assistance to producers when they need it most. However, an analysis of average marketing year prices for wheat in the 1982 to 1999 crop years shows there would have been no counter-cyclical payment for wheat had this bill been in effect. This situation would have occurred for the crops in 1982, 1983, 1984, 1988, 1989, 1994, 1995, 1996, and 1997. This means Kansas wheat producers would have received no counter-cyclical payment in 9 of the last 18 years;

Higher loan rates do not provide assistance to producers with no crop to harvest. Furthermore, they are market distorting and impact planting decisions. We should provide the money in guaranteed, direct payments;

The bill does not provide 70 percent more money for payments to producers. First, the advertised increase in funding represents the total increase above budgeted funding for all USDA programs. Second, this figure does not include a comparison to the supplemental assistance packages of the last four years;

The average level of supplemental assistance in recent years was $7 billion. This bill provides less than $5 billion a year in additional assistance. Or, about $2 billion less than we've been providing;

The bill cuts $2 billion from the bipartisan crop insurance reforms we passed in 2000;

The bill significantly increases the odds the U.S. will be found in violation of its WTO agreements; and

The bill provides direct payments for apples and onions but eliminated a pilot project for the creation of Farm Savings Accounts.

2. Will there be a supplemental AMTA payment this year?

Answer. No. There will be a very small additional direct payment and new counter-cyclical program in its place. Both are described below.

3. How much would I have received under Senator Robert's supplemental proposal, and when would the payments have been made to producers? What will the actual, additional, direct payment for 2002 be under the new Farm Bill since there will be no supplemental?

Answer. Under my supplemental proposal you would have received a payment equal to the 2000 AMTA payment, and it would have been made prior to September 30, 2002.

The payments for the 2002 crop under the supplemental proposal would have been: Wheat—58.9 cents; Corn—33.4 cents; Sorghum—40 cents; and Cotton—7.33 cent/lb.

Actual additional payment producers will receive in 2000 under the new Farm Bill: Wheat—6 cents; Corn—1.9 cents; Sorghum—3.6 cents; Cotton—95 cents; and Soybeans—44 cents.

4. When does this bill go into effect and how long does it last?

Answer. The bill replaces the 1996 Act and applies to the 2002 through 2007 crops.

5. I see that loan rates have been increased. Does this mean my loan rate on wheat will now be $2.80/bu, $1.98 for corn, etc.?

Answer. Not necessarily. Under the previous bill, the national average loan rate for wheat was $2.58. However, the key words were national average. Some Kansas counties were below the average while some were above. Loan rates will still be calculated on a national average. Thus, we could still have loan rates that are both above and below the $2.80 national average in Kansas.

6. What will the loan rate be in my county this year?

Answer. USDA will have to recalculate the loan rate for every commodity, in every county, prior to this year's harvest. That means they have around 6 to 7 weeks to get the job done for Kansas wheat producers. It also means this is an opportunity for USDA to address discrepancies in rates across state and county lines.

7. Are there any changes in the operation of the LDP and marketing loan programs under this bill?

Answer. This program will still work as it has in the past.

The bill also includes a Roberts' provision that addresses the best beneficial interest problem for producers of the 2001 crop. This will benefit approximately 350 Kansas producers.

8. Does the bill include LDPs for 2001 crops harvested on non-AMTA acres?

Answer. Yes.

9. Does the bill include eligibility for LDPs on grazed out wheat?

Answer. Yes, this provision has been made permanent for the life of the bill. Eligibility also continues for barley and oats. One important addition for Kansas producers is eligibility for grazed out triticale.

10. What are the national average loan rates for the individual commodities we raise in Kansas?

Answer. Wheat is $2.80 in 2002 and 2003, falling to $2.75 in 2004; Corn and Sorghum are $1.98 in 2002 and 2003, falling to $1.95 in 2004; Soybeans are $5.00 for the duration of the bill; Cotton is 53 cents/lb for the duration of the bill; and Oats $1.35 in 2002 and 2003, falling to $1.33.

11. How does the counter-cyclical program work, and is it coupled to production?

Answer. The counter-cyclical program is calculated on a target price system and on base acreage, just like direct payments, instead of production.

A producer may be able to get a counter-cyclical payment on his base acres for a crop he did not grow in a particular year, while he may not get a payment on a crop he actually grew.

For Example: Assume a producer has a corn and wheat base but grows cotton on 200 acres this year. If a payment is triggered, the producer could collect a counter-cyclical payment on wheat and corn, but not cotton.

12. What are the target prices for each crop and how is the counter-cyclical program calculated?

Answer. Target Prices for Kansas commodities are as follows: Wheat—$3.86/bu in 2002 and 03, rising to $3.92/bu in 2004; Corn—$2.60/bu in 2002 and 03, rising to $2.63 in 2004; Sorghum—$2.54/bu in 2002 and 03, rising to $2.57/bu in 2004; Soybeans—$5.80/bushel for the life of the bill; and Cotton—72.4 cents/lb for the duration of the bill.

The payments are calculated as follows: The higher of the national avg. loan rate or the 12 month avg marketing price, plus the direct payment level, subtracted from the target price. The difference is the amount of the counter-cyclical payment rate that will be received.

Example for wheat: Assume loan of $2.80, avg. market price of $2.75, direct payment of 52 cents, and target of $3.86. Since price is below $2.80, we use the loan rate in the calculation.

The calculation is as follows:

(2.80) + (.52) = $3.32
(3.86) − (3.32) = 54 cents

Thus, the maximum counter-cyclical payment rate on wheat is 54 cents. If price goes above $2.80, the total amount of this payment will fall.

13. What is the maximum counter-cyclical payment available on each crop?

Wheat = 54 cents, Corn = 34 cents, Sorghum = 21 cents; Soybeans = 36 cents; and Cotton = 13.73 cents.

14. What is the direct payment rate for each crop?

Payment rates for 2003 to 2007: Wheat = 52 cents; Corn = 28 cents; Grain Sorghum = 35 cents; Soybeans = 44 cents; Cotton = 6.67 cents; and Minor Oilseeds = .8 cents/lb.

15. Since the direct payment on wheat is 52 cents for 2002, does this mean I get that payment on top of the 36 cents I already received this year under the 1996 Act?

Answer. No, You will receive the difference between the two, i.e., 6 cents. It will work the same for other commodities. A producer that adds soybean or oilseed base will receive the full payment because these crops have not received payments in the past.

16. How much will I receive, and when will the payments be made

Answer. You should receive your additional direct payment as soon as possible. You will receive your counter-cyclical payment as follows: Elect to receive up to 35 percent by October 31. Receive the difference between 70 percent and the October payment by February 1, 2003, The final portion of any assistance will come at the end of the 12 month marketing year for the crop. Wheat is June 1, 2003, Cotton is August 1, 2003, and corn, sorghum, and soybeans are September 1, 2003.

If USDA overestimates the early counter-cyclical payments and the actual marketing year price is higher than they projected you will have to repay the overpaid amount.

17. Will direct and counter-cyclical payments be made on 100 percent of my base acres?

Answer. No. Payments will be made on 85 percent of your base acreage.

18. Will I have the option to update my base acres?

Answer. Yes. A producer will have three options for base acres.

1. Maintain existing base acres.
2. Maintain current acres, but add your average oilseed acres for 1998 to 2001 and reduce existing acres by a like amount.
3. Do a complete update for all crops that will be the average of your 1998 to 2001 planted or prevented from planting acres. Key point here is that base update is based on planted and/or prevented from planting acres, not harvested.

Example of how this works:

Assume Kansas producer currently has 1000 acres of base divided as follows: 600 acres wheat, 300 acres corn, 100 acres grain sorghum. However, his 1998 to 2001 average planted acres were: 400 wheat, 200 corn, 100 sorghum, and 300 soybeans.

This producer can:

1. Keep the existing 1000 acre split.
2. Keep the existing 1000 acre split, but add soybeans. Could be done as follows: Reduce the wheat acres by 150, corn by 100 and sorghum by 50. Then add in 300 acres of soybeans. He still has 1000 acres of base.
3. Update the entire farm to the 1998 to 2001 average for the four crops.

19. Will I have the opportunity to update my base yields?

Answer. Yes. But only if you choose option 3 above, option 2 is not considered a base update, and the yield will only apply for purposes of the counter-cyclical program. You must keep AMTA yields for the purposes of calculating the base.

For the purposes of yield calculations a producer can:

1. Keep AMTA yields.
2. Take AMTA yields and add 70 percent of the difference between existing yields and the average yield for 1998 to 2001.
3. Take 93.5 percent of the average yield for 1998 to 2001.

Example under option number 2: Assume producer has an existing average yield of 25 bushel/acre for wheat and 100 bu. for corn.

Then assume that his 1998 to 2001 average yields were 50 bushels for wheat and 200 bushels for corn.

Thus, the 1998 to 2001 average is 25 bushels higher for wheat and 100 bushels higher for corn.

70 percent of each of these numbers is: (25 bu) (70 percent) = 17.5 bushels; (100 bu) (70 percent) = 70 bushels.

Thus, by applying 70 percent of the difference, the new yields for the producer under this option would be 42.5 bushels for wheat and 170 bushels for corn.

Example for Option 3. Use the same assumptions for yields in the example above.

Take average yields for 98 to 01 times 93.5 percent; (50 bu)(93.5 percent) = 46.75 bu, wheat; (200 bu)(93.5 percent) = 187 bu, corn.

These would be the new yields for that producer if he chooses this option.

20. Can I update my base or yield for one crop, or do I have to do it for all crops?

Answer. If you choose to update base and/or yield, it must be done for all crops on the farm. You cannot cherry pick.

However, you do not have to do it for all your farms if you do it for one. Each individual farm will be treated separately. If you have 5 farms you could do the following: Farm 1—Keep current base and yield with no update; Farm 2—Keep current base but add oilseed acreage; Farm 3—Update Base, but keep current yields; Farm 4—Update Base, update yields using 70 percent option; and Farm 5—Update Base, update yields using 93.5 percent option.

If a producer has 30 farms, he will have to pencil it out for each of the 30 farms and figure out what the best option is for each farm.

Yes, producers and FSA are going to love this.

21. What happens if I want to update yields but I suffered a crop loss in one of the years from 1998 to 2001?

Answer. In any year that your production fell below 75 percent of the average county yield, you can insert this plug into the equation for the purposes of your yield update calculation.

22. What happens if I update my base using the 1998 to 2001 average plantings of a crop(s) that I did not grow in 1981 to 85 when current direct payment yields were figured?

Answer. For all crops other than oilseeds, you would take the yield of a similar farm in your area. In other words, if your neighbor has an existing corn yield, you may be assigned his yield, or something very similar.

Oilseed yields for direct payment purposes only are figured by: Taking the 1981 to 1985 avg national yield of 30 bu/acre for soybeans, divided by the 1998 to 2001 national average yield of 38.2 bushels an acre. This basically equals 78.5 percent. Multiply this number by your actual 1998 to 2001 to get your yield for direct payment purposes.

Example: Assume producer has 1998 to 2001 average of 40 bu/acre. Thus, using the calculation above his yield is: (40bu)(78.5 percent)=31.4 bushels an acre.

23. Can you explain the actual timing of payments for the next year or so?

Answer:

1. Additional direct payment on the 2002 crop as soon as possible.

2. Up to 35 percent of counter-cyclical payment by October 31.

3. Producer option to take up to 50 percent advance of the 2003 direct payment on or after December first.

4. Difference between October payment and 70 percent of counter-cyclical payment after February 1, 2003.

5. Remainder of counter-cyclical after end of 12 month marketing year for each crop.

6. Remaining 50 percent, or full direct payment, for 2003 crop after October 1, 2003.

24. When do I have to make a final decision on updating base and/or yield?

Answer: The bill gives the Secretary flexibility in this regard but indicates it should be done as quickly as possible.

24. If I make one decision regarding updating, can I make a change next year?

Answer: No. The decision made this year will stand for the remainder of the life of the bill.

26. I want to try planting peanuts in western Kansas. How will the new bill affect this decision?

Answer: The old peanut quota system is eliminated by this bill. It is replaced by a marketing loan program that is very similar to that in place for other program crops. All producers will be eligible to participate in this program regardless of where they are growing their peanuts.

27. Are there any payment limit changes in this bill?

Answer: Yes. A $2.5 million gross income limit will apply to eligibility for the 2003 crop. A producer or entity is only ineligible for assistance under this limit if less than 75 percent of their gross income comes from farming.

Beginning in 2002, the payment limits will be $40,000 for direct payments, $65,000 for counter-cyclical payments, and $75,000 for LDPs. The combined limits for a husband and wife will be $360,000. Generic certificates remain in place for the marketing loan program and the 3-entity rule remains in place.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HARKIN. Mr. President, we are endeavoring to get a list together in order of prospective speakers on the farm bill, to go back and forth. It is my intention, after I make a few comments, to recognize the Senator from North Dakota. I assume then we will go over to the Senator from Arkansas. Then we will go back and forth as the day progresses.

I feel constrained to respond, at least somewhat, to the comments just made by my friend from Kansas. I listened to his well-written speech, and well-delivered speech. Frankly, I wonder if the person who maybe had some input in writing that had been around over the last few years.

I want to point out some of the errors that I believe were just mentioned. First of all, in the commodity section of the bill that we have under the Freedom to Farm bill that was passed in 1996 there was no countercyclical payment, every year we had to rush in with emergency supplemental payments, and it also capped loan rates. The only things it had basically were a capped loan rate and these AMTA payments.

The AMTA payments were based on unreal, optimistic assumptions that prices were going to be high forever and ever. Thus, every year we had to come in, rush in here, with emergency supplemental payments—every single year—because we had no countercyclical payments under that bill.

I just heard the Senator from Kansas say that in 9 of the last 17 years somehow his Kansas farmers would not have gotten a payment under the conference report we are debating. I do not know how that happens because the target price under this bill for wheat is $3.86. The only way that would happen in 9 of the 17 years would be if prices were very strong. So in 9 of the last 17 years, if prices were high—the Senator is right, we do not give Government money if the prices are high. That was the failure of the "freedom to fail"—the Freedom to Farm bill, because what it said was: If prices are high, we are going to pay farmers money, and if they are low, we are going to pay them the same amount of money. That was the fallacy of Freedom to Farm.

What we are saying is, if prices are high, God bless you, that is what we want, the market is where the farmer should get his money.

I do not know the data of the last 9 of 17 years. But if his argument against this bill is that because of the commodity section, his farmers, in 9 of the last 17 years, would not have gotten a countercyclical payment, that can only mean then that in 9 of the last 17 years prices were high, or at least higher than $3.86 a bushel minus the fixed payment. I have my staff checking that right now because I don't think that is the case.

I just looked here at the income protections. In the last farm bill, for wheat, the income protection was $3.24 per bushel, including emergency supplemental payments. Under this conference report, it is $3.86 per bushel.

Let us take a look at the bill we are trying to replace, the 1996 farm bill.

The prices paid by farmers for their inputs is this green line. The prices farmers have received for their crops is this red line.

When the 1996 farm bill was passed, the price farmers received was going up. Evidently, those in charge of passing that bill assumed the prices farmers received would continue to skyrocket.

After enactment of the 1996 farm bill, look what happened. Down it came, and it is continuing to go down. That is the price farmers have received. The gap has widened between what they have to pay for inputs and what they get for their crops.

That is why this conference report is so necessary. I can only assume that in urging the defeat of this conference report, the previous speaker wants to keep on with the 1996 farm bill, fails to address the gap between cost of producing a crop and the price for that crop.

That is the choice we have today. Either adopt this conference report or stick with Freedom to Farm. That is the choice we have.

I think this graph illustrates why we have to turn the corner. Our farmers can't continue to exist with the present Freedom to Farm bill any longer.

I wish to point out wheat growers, who are so prominent in the Plains States.

Last year the loan rate was $2.58. The Secretary of Agriculture has the authority to lower that level. Under this bill, the loan rate will be $2.80 for wheat for 2002 and 2003. And the Secretary has no authority to lower that.

I can't see how a wheat farmer will be better off with a lower loan rate compared with the $2.80 loan rate. It doesn't seem to make sense to me.

The other failing of the 1996 farm bill is that it really didn't do anything for conservation. This bill does a lot for conservation.

Look at the Conservation Reserve Program in the 1996 farm bill. It is capped at 36.4 million acres; we go up to 39.2 million acres.

The Wetlands Reserve Program: 975,000 acre cap; we go up to 2.275 million acres.

Farmland Protection: $35 million for the life of that bill; we go up to $985 million.

The Wildlife Habitat Incentives Program, which is so necessary and wanted by our sportsmen—our hunters and fishermen: We preserve our Nation's wildlife habitat. The 1996 farm bill had a measly $50 million for the entire United States. We go up to $700 million over 6 years in this bill.

For the Environmental Quality Incentives Program, the 1996 farm bill had a total of $1.93 million for 7 years. We go up to $11 billion over 6 years to help our livestock producers and crop producers meet environmental standards.

Again, those who would vote against this conference report would say let us go back to the 1996 farm bill.

We have done so much more for these existing conservation programs in this bill than was done in the 1996 farm bill.

Lastly, I point out that we have a new conservation program that wasn't in the 1996 bill: the Conservation Security Program, funded at $2 billion.

We also provide $600 million for Ground and Surface Water Conservation. And the Small Watershed Rehabilitation Program is so important in Plains States. It wasn't in the 1996 farm bill.

Agricultural Management Assistance wasn't in the last farm bill.

Desert Terminal Lakes was not in the last farm bill.

In terms of conservation, this bill takes a giant step forward in conservation, which is another reason why it should be supported.

The last farm bill that we are trying to replace basically had one leg. That leg was AMTA payments. No matter whether we have good prices, there were AMTA payments.

This bill, in terms of commodity for farmers, has four legs: a target price program; we have a loan rate which the Secretary cannot lower; we have the direct payments; and we have conservation payments. So we have four legs to the stool for our farmers, producers, and ranchers.

Lastly, I am amazed at how many people who supported the Freedom to Farm bill said it was the best thing ever and are now telling us they can't wait to get rid of it. They can't wait to get a new farm bill. How many times have I heard from those who supported the Freedom to Farm bill that we need this new farm bill, we need it now, we are waiting too long, and we have to have it now?

This bill was before us 5 months before the Freedom to Farm bill expired. I point out that the Freedom to Farm bill didn't pass until 6 months after the previous Freedom to Farm bill expired.

We have done our work in a manner that I think benefits this whole country. As I have said many times, can I defend everything in this bill and say it is perfect? No. But when you look at this country, at the South, the Northeast, the West, the Midwest, and when you look at nutrition programs, the last farm bill didn't even have a nutrition program. Yet we have put in $6.4 billion in new spending for nutrition programs in this bill. The last farm bill didn't even have one.

We have covered those who need help and who need food to make sure they do not go to bed hungry at night. We have covered that.

We have a new energy program in this farm bill.

We need this farm bill now. We need it now, and we can't send this back to conference. If this bill fails today, there will be uncertainty for our farmers. They need this bill, and they need it now.

I yield to the Senator from North Dakota 20 minutes.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, after consultation with the ranking member, I ask unanimous consent that the following Senators be recognized in this order and for the amount of time stipulated: Senator DORGAN be recognized for 20 minutes; after that, Senator BROWNBACK for 10 minutes; after that, Senator HUTCHINSON for 15 minutes; then Senator HOLLINGS for 10 minutes; Senator FEINSTEIN for 10 minutes; and Senator THOMPSON for 15 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I thank the chairman and ranking member for the work they have done. I know there are differences of opinion on the floor of the Senate about this farm bill.

Let me say that I intend to vote for this farm bill. It is not a perfect piece of legislation by any means. I will talk about some of the shortcomings. But it is far better than current law.

The current Freedom to Farm law is a very flawed piece of legislation. It was always a flawed piece of legislation. It required us every year to come in with an emergency piece of legislation to try to deal with the problems in Freedom to Farm.

Is what is brought to the floor of the Senate today a much better approach than Freedom to Farm? The answer is clearly yes.

But it is always interesting to me that people in dark suits who shower before they go to work will come to the floor of the Congress and talk about the economic future of people who wear work clothes and who shower at the end of the workday. These are family farmers. They work hard. They live on hope—hope that they will be able to raise a crop, have some livestock, survive a season, and go to market and make some profit. They live on that hope. Most of all, they work very hard. And they live in a world in which more and more people are hungry.

We are told half a billion people go to bed every night with an ache in their belly because it hurts to be hungry. Our farmers take their grain, in a 2-ton truck, to an elevator, grain which they had planted in the spring and nurtured, which they go to sell in the fall.

After they planted those seeds, they worried that it would not rain enough, they worried it might rain too much, they worried it might hail or that disease would come or the insects would eat that crop up. If they are lucky enough to survive all of those things that nature puts in the way of a good crop from time to time, then they put this grain in a truck and drive it to the elevator. They are then told: Oh, by the way, this food you produced isn't worth anything. And the family farmer scratches his or her head and says. But we have a hungry world. Most of the people in the world need food. Why is our grain a product without value? And the grain trader says: It is worth what the market says.

Farmers would much sooner get their money from the marketplace than from a safety net proposed by the Federal Government. But the fact is, the marketplace has collapsed. Almost immediately after passing the Freedom to Farm bill, the marketplace collapsed, and stayed collapsed. Family farmers are not able to survive with the current price structure in the market, so we are trying to build a bridge over those price valleys.

That is what this is about: for family farmers to get from here to there. I mentioned, they survive on hope. All of us who have a lot to do with family farmers understand that hope. Against all odds, they put all they have into the ground in the spring, hoping they will be able to harvest a crop in the fall and get a price for it. Increasingly, in recent years, the answer has been, they have not gotten a price for it.

They know, and we know, that we add one New York City in population to this world's population every 30 days. Let me say that again. Every 30 days, we add the equivalent of the population of New York City to this Earth. Those are mouths to feed, people who need food. Yet our farmers are told that which they produce in such great abundance is without value. They understand, and I understand, there is something fundamentally wrong with that.

The question for our country is not whether we produce the food, the question is how we produce it. Corporations could produce food for our country by having corporate farms stretching from California to Maine. They could start with a big tractor in the morning and plow until the Sun goes down, and then plow in the other direction back the next day. Yes, they can do that. They can produce food. And what you would do is take all those family farms off the land and change the culture and change the economics of what we do in this country.

So the question for this country is, Do we want family farmers in our future? Do family farmers provide value to our country? Well, I think they do.

In this age of terrorism, we worry about bioterrorism in our food supply. What better way to defend against that than to have a broad network of family producers producing America's food? How easy would it be to introduce an agent of bioterrorism in a feedlot with 100,000 cattle? How much more difficult would it be with a broad network of food producers, families out there living under the yard lights who are running their operation, to provide livestock and grain for the marketplace? So, for food security, to combat bioterrorism—yes, this makes sense. Preserving a network of family farms is an investment in this country's future. There are also cultural and economic reasons for us to care about whether we have people in this great country of ours out there living under the yard lights and farming a family farm.

Europe has already made that decision. People come to the political arena in this country disparaging Europe, saying they spend so much on family farming. Europe has been hungry and is determined to never be hungry again. As a result, they have decided they want family farmers dotting the network of rural areas in Europe. The result of this decision is, family farms do well in Europe. Small towns do well in Europe. Small towns are alive on weekend nights in Europe. Why? Because Europe has already made the decision that we should make; and that is, family farmers are important and they matter to this country. They provide an economic and a cultural component to this country that we desperately need.

There is no one in this Chamber who got up early and milked a cow this morning. I am safe in saying that because I am looking at staff and Senators. No one in this Chamber, within recent days, has gassed up a tractor and tried to plow a straight furrow or seeded some wheat or corn. So, we don't have such a big stake in this. We just wear blue suits and come to work every day and talk about policy. But there are people whose very economic lives are at stake with respect to the decisions we are going to make in the Congress.

I had a call from a woman from North Dakota who wept on the phone, just sobbed uncontrollably. She said she and her husband married just after high school and they wanted to farm. That is what they wanted to do, take over her husband's dad's farm, and they did. She said: We farmed for 20 years, and now we are being put out of business because prices were not good enough for us to be able to make it. They were actually milking cows, which is one of the hardest things you do on the farm, day in and day out, seven days a week.

She said: We didn't go to town on weekend nights. We didn't spend money in a foolish way. She said: I told my daughter in junior high school that I couldn't buy that new pair of jeans she needed for the start of the school year because we didn't have the money. Now the bank says we are out of business. All we know is family farming. We put our lives into this. It wasn't our fault that commodity prices collapsed. It just wasn't our fault. She said: Mr. Senator, what do we do next? What can we do now?

There are people like that all over this country, wondering why the marketplace says to them that what they produce, in such a prodigious quantity—the best quality food in the world—is judged valueless by trade.

As a result of a lot of those kinds of concerns, we put together a safety net. The safety net we had for the last 6 or 7 years has been a disaster itself. It has been an awful farm bill. As the Senator from Iowa said, every year we have to come to the floor to put together some sort of emergency bill to deal with it. It is like patching a big inner tube. Every year we know there is a big hole in this tube, so we just slap a big patch on it called an emergency plan. And we have done it every single year. Why? Because the current farm bill has been worthless, just hasn't worked. So we tried to make something of it by doing emergency legislation every single year.

The legislation that is brought to the floor of the Senate is not legislation I perhaps would have written. I would have had a higher loan rate for wheat and feedgrains. We had to compromise with the House of Representatives. This loan rate is not as high as it was when it left the Senate. I regret that. But it is a darn sight higher than current law. Above that loan is a countercyclical piece, so the safety net is better, far better, than current law for our family farmers.

In North Dakota, it is estimated that in this year—2002—this bill will mean about $273 million in additional farm income above the current Freedom to Farm law. So in my State alone, this year, $273 million goes to family farmers. But, it also shows up on every main street in North Dakota to support jobs, because almost 40 percent of my State's economy is dependent upon agricultural.

So this bill has a safety net. While not perfect and not one I would have perhaps written myself—I would have been more generous and provided a stronger safety net—it does have a safety net that is much better than current law.

This bill has other things that I think are important. We include pulse crops for the first time: chickpeas, dried beans, lentils. These crops will have a loan rate under this bill. That is very important in terms of crop rotation and the opportunity for farmers to deal with crop disease problems.

So this bill adds something we have not had before, which I think is very important to family farmers.

It also has country-of-origin meat labeling, which we have been fighting to get for a long while. I believe that is an important step forward so that consumers understand what they are eating and where it is from. I think the country-of-origin meat labeling is an important piece, especially for livestock producers.

There are some disappointments to this bill. When we passed this bill in the Senate, we included a payment limitations amendment by a 2-to-1 margin. That was my amendment with one of my colleagues. We included payment limitations, but it was knocked out because the House of Representatives would not accept it. I regret that. I say this: This issue isn't over. I know this is the farm bill, and this is where we should put payment limitations, but we will come back and try to put that amendment somewhere else.

I did not come here to talk about the value of family farming to this country's future to then see somebody who has 60,000 or 70,000 acres get $20 million over 5 years. That is not what I am fighting for. This isn't about corporate welfare. This is about helping family farmers with a safety net during tough times. That is what a farm bill is for.

This issue isn't over. Payment limitations didn't get done in this bill because the House of Representatives wouldn't accept it. The administration wouldn't support it either. But we will come back with payment limitations in some other form. Ultimately that will get done.

On balance, this is a farm bill that is worth voting for. I intend to vote for it. Some will say: Why do we need to do a farm bill at all? I have heard many colleagues in the last couple days talk about their concerns about this bill. If you care about entrepreneurship, if you care about small business, if you care about independent-minded people trying to make a living, you have to care about family farmers. They are the economical all-stars in this system of capitalism. It is just that the marketplace has conspired to find a way to ruin their economic hope and opportunity.

Let me describe that. For every single thing a family farmer does, they find that someone else makes the money and they get the burden. Farmers raise a crop. They want to put it on a railroad track someplace. They are going to get charged through the nose by the railroad company for hauling that grain. In my State, they are going to overcharge shippers by $100 million, according to our public service commission. Why? Because you don't have rail competition. In my State, in most cases you have a choice of one railroad. The railroad says: By the way, Mr. and Mrs. Farmer, here is what you will have to pay for transporting that grain. If you don't like it, tough luck; there isn't a thing you can do about it. So it is an issue of who has the muscle. Is it family farmers or railroads? The answer is railroads.

How about the chemical companies? The chemical companies say: Here is what you have to pay for chemicals. Who has the muscle? The chemical companies. How about the packers? Over 80 percent of all the packing is done by three or four companies. They say to the ranchers and farmers: Here is the price; if you don't like it, tough luck. Who has the muscle there? The packing companies.

How about the cereal companies? It is interesting that our farmers produce rice and wheat and corn and all these products. You go to a grocery store someplace and buy that product. You discover that someone else took that wheat and rice and corn, and they popped it, and they shredded it, and they crisped it, and they puffed it. And guess what. As soon as it shows up puffed or crisped or shredded, you pay a fortune for it. The fortune has nothing to do with the rice or the wheat or the corn. It has to do with the fact that somebody made a fortune popping it or crisping it. The farmer who produced it, the person who drove the tractor, the person who plowed the furrow and seeded the land gets virtually nothing for it.

That is wrong. That is a system that is wrong. Why does it happen that way? Because of economic muscle. We have had the growth and concentration of virtually every area of enterprise in this country that squeezes family farmers, squeezes them in a way that says: You can't make it, but we will. Everyone makes a profit off that which farmers produce.

In the area of international trade, our farmers have gotten taken to the cleaners. It doesn't matter in which direction you look. Look to Canada, Mexico, China, Japan. They have gotten taken to the cleaners. Unfairly subsidized grain from Canada; stuffed molasses with Brazilian sugar coming down; high-fructose corn syrup being impeded going into Mexico; a 70-percent tariff on wheat flour going to Europe; a 38.5-percent tariff on every pound of American beef going to Japan. In every single direction, our farmers have been taken advantage of in international trade. And the farm organizations and commodity groups out here—most of them, not all—are saying to the farmers that all this trade is a good thing for them. No, it is not a good thing: They don't understand, those groups doing that, the interests of family farmers. They understand the interests of agrifactories. But that is different from family farmers.

Our farmers produce more than food. They produce community. They produce something very important to the economy and culture of this country.

I have spoken at length about family farmers. I come from a town of 300 people. We raised horses and cattle, my father and I. The fact is, my home county is bigger than the State of Rhode Island. When I left, it had 5,000 people; now it has 3,000 people. In that county there is a Lutheran minister, a friend of mine, who said at her church she officiates over four funerals for every wedding. That is the opposite of the movie, you know, "Four Weddings And A Funeral." Here it is four funerals for every wedding.

That says those rural areas are losing population. People are growing older. Young people can't stay. That is the case because family farming doesn't work under the current system. That is why you need a farm bill that works, that says to family farmers: If you are going to be out there on the family farm and risk everything you have to plant a seed and hope it grows and then try to market it to a hungry world, we want to help you.

That is what this bill is about. It is trying to help families over tough times. These tough times have lasted 6 or 7 years. There is no end in sight. The question for this country is, Do you want family farmers producing America's food? The answer ought to be a resounding yes. Why? Because it is important to have a network of family producers producing America's food.

There will be, and there was yesterday, substantial criticism of this bill. I could join in that criticism because I find several parts of this bill wanting. It is strange for me to see those who authored what I think was the worst farm bill I have seen in decades, the Freedom to Farm bill, come out and criticize this bill. It was only 6 short years ago when they stood on the floor of the Senate and said: We want to transition farmers out of the farm program and into the marketplace. Whatever the marketplace says, God bless you, that is your future.

We knew better than that. The marketplace was going to squeeze farmers until there were no family farmers left. That is exactly what happened almost immediately after we passed the Freedom to Farm bill. The Freedom to Farm bill, we are told, produced celebrations around Washington, DC, and the country by the largest agrifactory organizations and the big commodity organizations and others who make money off family farmers.

The chemical folks, the grain trade, they all had a great celebration because that was a great bill for them. But, it was a bill that devastated family farmers. That is why year after year after year we had to come back and pass emergency legislation to correct it.

This bill provides certainty, perhaps at a lower rate with respect to the safety net than I would have liked, but a substantially higher rate than the Freedom to Farm would offer family farmers. Freedom to Farm was scheduled to evaporate after 7 years. It was called transitioning. I have been transitioned a few times. Family farmers know what being transitioned means. They are flat sick and tired of this notion of being transitioned. What they want is the ability to make a living by producing the best quality food in the world, doing it for a hungry world, and getting a fair return on that which they produce.

Virtually every part of our economic enterprise in this country is concentrated now with giant economic muscle so that it squeezes family farmers out of our future. This bill provides some hope and some certainty. This bill, and this bill alone at this point, will tell family farmers: We are on your side; this Congress wants you to succeed; a safety net is worth doing; we believe in your future.

I intend to support this bill. While not perfect, it is dramatically better than Freedom to Farm.

I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, I am from Parker, KS, a town of 250 people. I grew up in the suburbs, a mile and a half out of town, on a family farm. My parents still farm on it. Mom and dad are full-time farmers. My brother is a full-time farmer with my dad. My other brother is a veterinarian—large and small animals—near Lyndon, KS.

Farm bills are important to Kansas. They are important to my family.

I have been secretary of agriculture in the State of Kansas for 6 years. My degree is in agriculture economics. I have been a farm broadcaster; State president of the Future Farmers of America in Kansas; national vice president of the Future Farmers of America, Central Region; traveled the country for the FFA. I have been in 4-H. I have farmed. I love it. It is a great place to have been raised, a great place for the family.

It is a tough place to make a living. It is difficult and has been for the generations in my family who have been on the farm and struggled. My grandfather is a farmer who started my dad in farming. My dad started my brother. That is pretty typical. Farm bills are important for my State. They are important to my family. They are important to this country. That is why I rise today with a great deal of disappointment about this farm bill, and I am not going to be able to support the conference committee's farm bill.

While I am deeply grateful to the conference committee and their efforts, their work, the hours they worked, their earnest desire to find a workable compromise—I truly believe they had a deep desire to find what is right and what is best for agriculture in this country and for the family farmer—it is now clear to me that the conference committee did not learn some of the lessons from past farm bills, ones I have worked on, working closely with agriculture. It seems to me we are repeating some of the worst mistakes of past farm bills.

While opposing a farm bill for some may be an easy issue based upon cost or complexities of the issue, it certainly is a different case for me and a different case for somebody representing a great State such as mine, Kansas. Many hundreds of Federal programs affect American agriculture more than any arcane debate between beltway policy types.

This farm bill is important to Kansas. It is important to our State. Our State is heavily involved in agriculture. My vote against the conference report is a result of a careful and thoughtful analysis of what it will do.

As Senator ROBERTS, my colleague from Kansas, has already laid out, this farm bill just is not good for Kansas's family farmers.

While I think these deficiencies have been outlined ably in nearly every editorial page in the country, I want to highlight a few of the problems that are of most concern to Kansas.

First, the farm bill program raises loan rates. First and foremost, I wanted to cite that. This has historically and consistently led to overproduction and lower prices. It is a fundamental issue of economics. When you raise the price, where supply and demand cross is where the price is set; you raise your price or you raise your guarantee under that, you stimulate production, your production goes up, your demand does not go up in an equal amount, and your price falls on the world market. We should not be content to relearn this lesson. We have done this in past farm bills where we have artificially raised the loan rate, increased production, and when we increased production and demand did not equal it, the price on the world market fell. We lower the overall price.

Let me give one example: the current soybean loan rate. Since the enactment of the 1996 farm bill, soybean acreage has risen steadily. In 1996, we were at 64.2 million acres; in 2001, 76.7 million acres.

These increases are hardly because of increased demand for soybeans. More likely they are attributable to an unusually high soybean loan rate of $5.26 relative to corn at $1.89, which is a price ratio of 2.78 to 1.

Do we want these Government signals not market signals to determine acreage? As we increase these loan rates significantly in many of the crops across the board, we are going to raise the production, and we raise production, we lower the overall price, unless there is an equivalent demand increase.

This perverse incentive laid down by the Federal Government seems at cross-purposes with many other Federal programs intended to bring prices up, not down. How is it we can be simultaneously providing what amounts to a subsidy to increase production while at the same time subsidizing the market price? This is working at cross-purposes.

Not only are we tinkering with these price controls and hoping the Government gets it right this time, but we are taking a huge step backwards in complexity and ease of use. I do not need to remind my colleagues of the horror stories from farmers using farm services in the years before Freedom to Farm.

Government bureaucrats with confusing and conflicting rules were the bane of a farmer's existence. Many of us heard of waiting in lines at the Farm Service Agency or its precursor agency as well. This bill will put more bureaucratic elements into the farm operations again, something we tried to get away from. To the farmers' pleasure, we were getting away from these lines at the Farm Service Agency. This cannot be a good development. We have tried this route before, only to abandon it for something better. My dad and brothers do not like waiting in line at the Farm Service Agency, and they are not going to like it under this proposal.

As we debate this measure in the Senate, an apparent fait accompli, our most important trading partners are preparing to challenge this initiative before the World Trade Organization. Just as our Nation's commitment to the free trade agenda has been brought into question, we have renewed concerns that we are unwilling or unable to compete on the world stage, and we can compete on the world stage.

Our U.S. trade agreements limit domestic farm supports most likely to distort production and trade to no more than $19.1 billion per year. There is little doubt under this bill we will exceed these limits.

In my past, I worked in the Trade Representative's office. These are contentious issues and will be challenged by our trading partners. Mr. President, 96 percent of the world's consumers live outside the United States. Kansas farmers and my family are dependent on these world markets for their livelihood. This bill will surely spur our partners to retaliate. If you want evidence of how this compromise will be greeted by our friends around the world, just look at how our trading partners are reacting to the proposal. Canada, Mexico, Great Britain, and the European Union have all expressed serious concerns about these new "amber box" programs. It is perhaps most telling that our friend, Australia, a country committed to free trade as is the United States, has pledged to lead the challenge to this initiative before WTO. This is a troubling development for Kansas farmers much of whose acreage is dedicated to international trade.

There is the matter of the supplemental AMTA payments on which many farmers in my State are counting. As my colleague from Kansas, Senator ROBERTS, has pointed out, earlier this year we supported a supplemental assistance package for the 2002 crop and told our constituents any new farm bill would apply to the 2003 crop. For 2002 crops, the compromise I supported would have provided an additional payment of 59 cents for wheat, 33.4 cents for corn, and 40 cents for sorghum.

Instead, producers will now receive an additional fixed payment of 5.9 cents for wheat, 1.9 cents for corn, and 3.6 cents for sorghum. Producers will then be eligible for maximum—it could be less—countercyclical payments on the 2002 crop of 54 cents for wheat, 34 cents for corn, and 21 cents for sorghum. But the producers will get a check for 35 percent of the payment in October, 35 percent of it in February, and the last payment at the end of the 12-month marketing year for the crop in 2003. This is simply not what we promised and what will prove to be a serious burden for Kansas farmers this fall. They would have gotten the lump sum come this fall. Now it is going to be broken out over a 12-month period. This is something a number of farmers were counting on and need this year.

Despite my concerns about many provisions in the farm bill, I do not want to indicate all is lost with it. I am pleased to see some of the conservation provisions in the bill which I think are positive. Something I and others have worked on—carbon sequestration—is in the bill. The pilot program for carbon sequestration will help us build a new market for farmers—one that pays them for how they produce, not just what they produce.

Carbon sequestration is a largely untapped resource that can buy us the one thing we need most in the debate on climate change, and that is time. The Department of Energy estimates over the next 50 to 100 years agricultural lands alone could have the potential to remove anywhere from 40 to 80 billion metric tons of carbon from the atmosphere. If we expand this to include forests, the number will be far greater, indicating there is a difference that could be made by encouraging a carbon sink approach.

I am pleased with the work the conferees have made. I am not pleased with the product. I believe we are taking a step backwards for farmers in our country, for freedom, for markets, and for what is best for my family and for what is best for Kansas farmers. This is an overly complex bill. It is not going to be helpful this year.

In future years, we are going to be looking at it and saying: Why are we going back to something we knew did not work in the past? For those reasons, I oppose the conference report.

I yield the floor.

The PRESIDING OFFICER (Mr. MILLER). Under the previous order, the Senator from Arkansas is recognized.

Mr. HUTCHINSON. Mr. President, I rise today in support of the conference report of the farm bill. This bill has been a long time in coming. The House of Representatives passed their version of the farm bill last October, and the Senate began debating the farm bill on the floor of the Senate last December. Our farmers have been waiting for a resolution. Our farmers have been waiting for some type of certainty in farm policy. This bill provides changes to our current farm policy that are desperately needed by our country's farmers. Since last year, farmers have been waiting to see if they will be able to continue farming as a way of life and a way of making a living. They have been hoping Congress will do the right thing and provide them with the safety net they need to continue. Frankly, during the last year, many have not survived the wait. Many have held auctions, sold out, and left agriculture. However, others have been able to withstand the uncertainty and have waited for Congress to pass this farm bill. So I think it is long overdue.

Many of our rural communities revolve around agriculture—from seed and fertilizer dealerships to farm implement businesses and storage facilities. These businesses have entire communities that rely upon what they do. Agriculture is essential to the local economies of these small towns and communities. This is true in much of my State of Arkansas and throughout the country. In addition to businesses, the health of the agriculture sector directly impacts the viability of local schools and churches. Without assistance, these towns will quickly disappear, and these small rural communities will be lost, and nothing will be left but ghost towns.

This bill includes many features that will benefit producers, rural communities, scientific advancement, and the environment. Throughout the long process—and it has been an arduously long process—there was a constant awareness of where farm policy has had shortcomings in the past and the important role of a complete and comprehensive farm policy as our producers continue to compete in an ever more global marketplace.

The three-part safety net composed of marketing loans, fixed payments, and the new target price counter-cyclical payments will provide much greater stability for our country's farmers. That is what farmers have asked for more than anything else—a degree of predictability and certainty in farm policy. This bill will provide our farmers with the predictability and certainty that they need.

In Arkansas, many farmers have not been able to get loans, and they are in jeopardy of not being able to farm. Some bankers in my State have been lending to farmers so they can get the crops into the ground simply on faith that we will eventually act and get something approved for them. After months upon months of waiting, and delay upon delay—these bankers, frankly, have had a lot more faith than I have. After all this time, we finally have a bill that can go to the President and be signed into law, and it is a bill that my farmers in Arkansas support. Time is of the essence, and to delay any longer will only serve to further complicate and muddle the implementation of this new policy.

The time has come to pass the bill. Negotiations have been completed, and I think any effort to delay the passage of this bill is simply, at this point, hostile and antagonistic to farmers and farm communities throughout the country.

This bill, when it left the Senate floor, included some provisions about which I was very concerned. In particular, I was concerned about the provisions included on payment limitations. As this provision was written, it would have had a disastrous impact on farmers in my State. A study conducted by the University of Arkansas indicated that farm income would have been reduced instantaneously by 25 percent had that payment limitation gone into place, and that as many as 40 percent of the farmers in Arkansas would have been impacted by this provision.

In my opinion, including these limitations without any studies, hearing, or adequate understanding of the impacts was irresponsible and unfortunate. I am heartened and grateful to the conferees for exercising wise judgment in withdrawing and drastically scaling back these harmful provisions.

Like all of my colleagues, I am concerned about any abuses of Government programs. However, to punish all farmers and ranchers in our country because of the abuses and excesses of a few is bad legislating.

In addition, forcing arbitrary limits on our farmers is equally irresponsible. Different crops cost different amounts to raise. Some crops, such as rice and cotton, have very high input costs, which require these operations to become larger because they rely on economies of scale to survive. But these crops also need support, and to set arbitrary limits without any regard to the difference in crops and input costs would be disastrous and particularly harmful to specific regions of the country.

Farm policy, as I have learned through this process, is very complex. But this bill represents a responsible and comprehensive approach. This bill includes many provisions that will assist the farmers in rural communities in Arkansas and throughout the country.

However, this bill does not have everything I would want. One area in which I am very disappointed in this bill is the forestry title. In the committee and on the Senate floor, I believe many meaningful compromises had been reached, and foresters in Arkansas supported many of the programs included. Following the horrendous ice storms that hit Arkansas nearly a year and a half ago, the need for new programs and new funding mechanisms became apparent. I think it is unfortunate that conferees could not come to consensus on many of those provisions. It is my sincere hope that the Agriculture Committee will work quickly to approve these necessary forestry programs.

While many of the forestry programs included in the Senate version of the farm bill would have benefitted foresters in many states, the Hazardous

Fuel Reduction Program was of specific interest to me, and I was disappointed that it was not included in the final version of the conference report. I am sure many of my colleagues on the Agriculture Committee also would like to see many of these provisions passed, so I look forward to working with them to resolve this matter.

Despite my concerns with the forestry title, or lack thereof, I want to highlight some of the provisions in this bill that I believe will have great benefits to our country. One of the conservation programs of which I have been a strong supporter in the past is the Wetlands Reserve Program. This program has been used by farmers throughout my State and across the country to restore wetlands and enhance wildlife habitat. This bill includes funding to increase the acreage cap for this program to 2.275 million acres. This will allow an additional quarter million acres of wetlands to be enrolled in this important program each year through 2007. By expanding this program, marginal lands can be taken out of production. It is good for the environment, it is good for recreation and sportsmen, and it is good for reducing farm production on marginal lands. Basically, it is a win-win for all of the stakeholders in agriculture.

Also, I was very pleased with the increase in the funding for the EQIP program. This program will provide much-needed funds for our livestock and crop producers who will be trying to come in line with increasing environmental requirements. This program will benefit both producers and the environment. I believe the investments we make in this program will be repaid many times over in the future by the increased environmental quality we will all enjoy.

In the area of trade, this bill will provide increases in funding for important programs such as the Market Access Program, the Foreign Market Development Program, and the Food for Progress Program. Although trade will not solve all of the problems facing our country's farmers, it is a critically important component of our national agricultural policy. We are the world's leading producer of food and fiber, and it is essential that we work to open these new markets. The investments we make in these areas will benefit our producers by providing new market. In addition, these programs will benefit consumers all over the world by granting them access to some of the safest and most nutritious food in the world.

This bill also addresses a key challenge facing agriculture in the United States: the lack of young and beginning farmers. One of the reasons young people are not going into agriculture today is the difficulty in gaining the credit that is required to start a new farming operation. This bill provides a number of incentives to help young farmers get started. I think that is a great victory for the future of agriculture in our country. If we are going to continue as the world's leading producer of food and fiber, we must have young people getting involved. This bill reserves funds for operating loans for beginning farmers. It also authorizes funding for a beginning farmer and rancher development program to assist young men and women who want to get involved in agriculture.

There has also been much discussion of the energy title of the farm bill. While I am wary of the creation of new programs, several of the components in the energy title will provide whole new options for producers in Arkansas. More and more farmers I talk to are interested in the possibility of getting involved in some form of renewable energy production, whether it is ethanol or biodiesel. Farmers recognize that these products could provide new markets for their crops. In addition, it could help our country become more energy independent. The inclusion of this title will complement the work we completed two weeks ago with the passage of the energy bill.

Finally, I am extremely pleased that the deceptive use of the term "catfish" for fish of many different orders and families can no longer be used to artificially boost sales of foreign fish at the expense of our domestic producers.

Much of this issue has been misunderstood. It has been a provision that has been attacked, I think, unfairly, by opponents claiming that we were somehow trying to redefine the names of specific fish inaccurately. Not at all. With this provision, we were trying to end the deceptive and economically destructive practice of mislabeling Vietnamese basa, and I am very pleased that this provision was retained. This provision is one that I and many of my colleagues have fought hard for. This has been a difficult problem to fix, and I am very pleased this bill will make the correction permanent.

This farm bill has been a long time in coming. I urge my colleagues to pass this conference report quickly so the USDA and FSA officials throughout our country can get to work, finalizing the regulations and implementing the new programs. They are going to have a big job ahead of them, and we need to let them get started immediately.

This bill has the potential to stabilize the farm economy, promote the development of new markets, revitalize our rural communities, and make our producers more competitive in the global marketplace. This bill is not the solution to all the challenges facing agriculture, but it does provide farmers with a safety net they need to hold their own while we work to open new markets and fight the lower foreign tariffs and barriers to trade. I ask my colleagues to join me in supporting the bill.

Finally, I would like to thank my staff, Michael Zehr and Robbie Minnich, both of whom have gone through their first farm bill. They have worked long hours and done marvelous work as we have gone through this process. I thank them for their hard work on behalf of Arkansas' farmers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I rise today to express my strong opposition to the conference report on the farm bill and to express my grave disappointment that this long process has resulted in a bloated and unbalanced bill that I simply cannot support.

I am disappointed because there are some components of this bill that would help some farmers in Maine and that I strongly supported when the bill was under consideration by the Senate. For example, the conference report includes funding for the Senior Farmers' Market Nutrition Program, as well as much needed assistance for our apple producers who have suffered from low market prices. It includes conservation funding, more money for the Market Access Program, and a national dairy program that I will discuss in more detail in a moment. It also includes—thanks in large part to Senator LUGAR—a nutrition title that would bring needed assistance to legal immigrants and more working families. The problem is that all of these good programs, including the $17 billion conservation title, add up to only about 25 percent of the entire $180 billion bill. It is the other 75 percent of the bill that I simply must oppose.

My colleagues, particularly Senator LUGAR, have described in detail why this bill is bad for our farmers and our Nation. I agree with their analysis. This legislation perpetuates a dependency that leads to overproduction that is harmful to our land and ultimately to our farm economy. I am disappointed to see the reforms begun in the last farm bill sacrificed in a frenzy of overspending.

This bill is both too expensive and unbalanced. It provides far too much in Federal subsidies for some of the Nation's largest agribusinesses and not enough for the small family farmers in my State and across the Nation. At a time when we as a nation are trying to shore up homeland security, provide a prescription drug benefit for our seniors, and safeguard Social Security, we can ill afford to spend more than $180 billion on agricultural programs that benefit the few at the expense of the many. How can we justify passing an 80-percent increase in farm spending when we are facing a deficit that could easily reach $100 billion or more this year? It is not responsible to pass this bill. We should send it back to conference and come up with a more reasonable proposal.

I am also concerned about the environmental implications of this conference report. While the increased conservation funding included in the legislation is certainly a step in the right direction, the conference committee slashed the environmental spending by $4.2 billion from what was included in the Senate bill. I share the disappointment of the Sierra Club and other conservation organizations with the final version of the bill in this regard. Faced with a choice of cutting conservation, forestry, and other modestly funded programs in this bill versus cutting the bloated commodity programs, the conferees unfortunately chose the former every single time.

While I am pleased that the conference report includes some modest assistance for Maine's dairy farmers, I am disappointed that the Northeast Dairy Compact was not reauthorized. The dairy compact provided far more assistance to Maine dairy farmers and at no cost to taxpayers. That is why I wish we had simply extended the Northeast Dairy Compact, which was working very well at no cost to our Federal Treasury. The new program included in the bill provides less help to Maine's dairy farmers and at a high cost to taxpayers. I view this as a temporary measure to help keep our dairy farmers solvent until the compact can be reauthorized.

I am also deeply disappointed that the payment limitations that were included in the Senate version of the farm bill, and that Senators GRASSLEY and DORGAN worked so hard to include, were not retained in the conference report. While there is a supposed cap of $360,000 in payments that any one farmer may receive, the conference report exempts the little known crop loan certificate program. The result is to create a loophole that will allow some of the Nation's largest agribusinesses to receive millions of dollars on top of already generous commodity crop payments. Thus, more than 60 percent of the payments authorized by this bill will go to fewer than 10 percent of our Nation's farmers. Many small family farmers will receive absolutely nothing at all from this legislation.

The farm savings accounts, which I worked so hard for, would have helped our small family farmers, but regrettably once again they were dropped from the bill.

Finally, while this conference report is bad for the Nation, it is even worse for Maine and I strongly suspect other Northeastern States as well. Maine receives precious little from this bill's unprecedented largess: 99.9 percent of the bill's funds will be spent outside of our State. In other words, for every $1,000 it costs taxpayers to fund this bill, only $1 will come back to Maine.

I recognize that Maine does not grow the program crops of the scope and scale found in other States, and in recognition of this fact I would have been pleased to vote for a responsible farm bill that provided for the vast majority of funds to go elsewhere. But in this bill I cannot help but feel that Maine and other Northeastern States have been tossed a little bit of hush money and then asked to turn the other way while big agribusinesses raid the U.S. Treasury of funds that are sorely needed for education, prescription drugs, defense, and other priorities.

This is not a responsible bill. We can do better, and I hope the Senate will vote to reject the conference report.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMPSON. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMPSON. Mr. President, I rise today to express my concern about the farm bill. I have been a strong supporter of Tennessee farmers since I first came to the Senate, and I supported the 1996 Freedom to Farm bill, but I cannot support the conference report that is pending before the Senate. At a time when our country is fighting a war against terrorism, at a time when we are facing a deficit of up to $130 billion this year, I believe it is irresponsible to spend an additional $82.8 billion on farm subsidies on top of the $163 billion that we are already slated to spend. To do so would be a disservice to the citizens and taxpayers of this country. In addition, this farm bill will likely cause us to violate our WTO commitments at precisely the time when we are trying to convince other countries to open their markets to our agricultural products. Most importantly, I believe that the farm policies in this bill will hurt the very people that they are intended to help the small family farmers, by perpetuating the cycle of overproduction, depressed prices, and government subsidies that has made our farmers increasingly dependent on government assistance.

Since 1978, Federal outlays to farmers have exceeded $300 billion, equal to nearly 10 percent of the Federal debt. In 2000, direct government payments to farmers reached a record high $22 billion. The bill proposes to spend $82.8 billion over the existing baseline of agriculture spending over the next 10 years. This amount is almost $10 billion above the already generous amount provided for farm spending in the FY 2002 budget resolution. The total cost of this bill over the six-year life of the bill is $248.6 billion. The expansion of the farm bill represents a 76 percent increase in agriculture spending.

This remarkable explosion in spending would be a cause for concern at any time, but it is especially alarming under current circumstances. Our nation is fighting a war against terrorism and our government is facing potentially large deficits. In fiscal year 2002, we will spend at least $29.2 billion on homeland security. The President has proposed an additional $5.2 billion in his recent fiscal year 2002 supplemental spending request, which would bring total spending to nearly $38 billion. The President's budget request for fiscal year 2003 proposes spending of $37.7 billion for homeland security. This amount is double what we were spending on homeland security items prior to the September 11 attacks. The Brookings Institution recently recommended funding of $45 billion for fiscal year 2003 for homeland security. The truth is that we don't have a good notion of how much homeland security spending will cost in the coming years, but we know that the costs will be tremendous. As I mentioned earlier, we recently received new projections from CBO that our deficit this year could reach $130 billion. We have to recognize that the world has changed.

My concerns about this legislation, however, are not limited to its cost. I believe that this legislation returns to the failed farm policies that were in place prior to the 1996 Freedom to Farm legislation, and that the effect of these policies will be to make farmers increasingly dependent on government subsidies. These policies defy logic and they defy the most basic laws of economics. The government sets a floor price for certain agricultural commodities that is higher than the market price in order to support growers of those commodities. The result is that farmers know that they are guaranteed to receive a certain price regardless of market conditions, so they ignore market signals and overproduce. The overproduction further depresses commodity prices, leading to the need for ever increasing government subsidies. We don't need to rely on economic theory to know that this is true. The data show that our farmers have been caught in an ongoing cycle of overproduction, depressed prices, and increasing government subsidies for decades. According to a study by the Heritage Foundation, farmers have responded to existing price floors by planting as many as 5 million additional acres of crops that are already overproduced. The farm bill before the Senate today will increase the target prices for these commodities and increase the amount of subsidies that farmers can receive, which I fear will only exacerbate the overproduction problem. Of the new spending in this bill, $56.7 billion is to increase commodity payments. That's nearly 70 percent of the new funds for agriculture. These kinds of policies do our farmers a disservice by creating a situation in which market prices cannot recover, forcing farmers to become increasingly reliant on government subsidies. Under current farm programs, federal government subsidies already comprise 50 percent of total farm income. This farm bill makes it impossible for farmers to move away from these subsidies.

Proponents of this legislation argue that we must provide these subsidies to support small family farmers who would otherwise be forced out of business. However, according to the U.S. Department of Agriculture, 60 percent of America's farmers are ineligible for any direct government assistance. Of the 40 percent of farmers who are eligible for government subsidies, 10 percent receive two-thirds of the benefits. That means that 4 percent of our nation's farmers receive two-thirds of all federal subsidies. In Tennessee, the top 1 percent of farm subsidy recipients receive 43 percent of the payments. That means that about 1100 of Tennessee's approximately 110,000 farmers receive nearly half of the payments. The top 10 percent of farmers in Tennessee receive 84 percent of the payments. The bottom 80 percent of farmers receive only 7 percent of the total benefits, averaging less than $700 per farmer. That is not right and it is unworthy of this Congress.

According to the Heritage Foundation, the House version of the farm bill, which was less expensive than the conference report, would have cost $190 billion in taxes over the next 10 years and $271 billion in inflated food prices. The Taxpayers for Common Sense performed a cost-benefit analysis of the Senate bill on a state-by-state basis using each state's share of total U.S. personal income taxes. According to that analysis, over the next 5 years, under the Senate bill, Tennessee farmers would have received average annual farm subsidy payments of $159 million, but Tennessee taxpayers would have paid $273 million to obtain it for a loss to the state of $115 million.

With this farm bill, we had an opportunity to provide a safety net for our family farmers while moving towards a more market-oriented approach. Senator LUGAR has spent countless hours on the floor of this Senate, not only explaining all of these problems with the current system, but proposing effective alternatives that could move us towards a more market-oriented approach while still maintaining a safety net for our farmers. He proposed ideas such as providing federal subsidies for farmers to purchase whole farm insurance or providing matching funds for farm savings accounts. Instead, the bill before us represents a grab bag of regional special interests. For the northeast, there is a newer, more expensive dairy program. Studies indicate that this plan will increase the cost of milk by 10 to 15 percent. For the southern coastal states, the farm bill continues the sugar program, which has raised the price of sugar in the United States to nearly eight times the world price. The Midwestern states, as always, receive the overwhelming majority of the direct commodity payments. I understand we have some contested elections going on.

I am also concerned that this farm bill will set back efforts to open foreign markets to our agricultural products. Everyone knew the U.S. market for agricultural products is essentially saturated. The real growth opportunity is in exports, and the U.S. has consistently made decreasing other nation's price supports and export subsidies a high priority in our discussions at the World Trade Organization. However, there is a high probability that this farm bill will cause us to violate our WTO commitments. In 1995, we committed to reduce our most trade-distorting domestic farm support to $19.1 billion per year. We have fulfilled that commitment, in part because the direct government payments provided under the 1996 Freedom to Farm bill were not related to price or production and were therefore not considered most trade-distorting and were not subject to the $19 billion cap. The conference report before the Senate today will decrease these non trade-distorting subsidies and replace them with trade-distorting coutercyclical subsidies. A report by the Food and Agricultural Policy Research Institute concluded that there is a 30 percent chance that the U.S. will exceed its WTO commitments in the 2002 marketing year. Now the conference report does give the Secretary of Agriculture the authority to make a determination that the U.S. is likely to violate its WTO commitments and to lower farm supports, but that creates a situation where the law provides an entitlement for farmers, which they would be counting on, and then the administration would have to come along and take that money away. Everybody in this room knows that is not going to happen.

It is unclear whether the U.S. will face immediate challenge on the farm bill at the WTO. The European Union has issued conflicting statements. However, it is clear that the passage of the farm bill has angered our trading partners and weakened our ability to negotiate for decreases in agricultural support at the WTO. E.U. Trade Commissioner Franz Fischler said the bill:

> . . . marks a blow to credibility of U.S. policy in the WTO, where the U.S. has presented a trade-oriented agenda wholly inconsistent with the new bill.

This farm bill undermines our credibility when we push for open agricultural markets and reduction of the support levels provided by other countries.

In conclusion, this farm bill spends an enormous amount of taxpayers' money at a time when we cannot afford it to the disproportionate benefits of a few large farms producing a limited number of program crops. I believe most farmers do not want forever to rely on Government subsidies for their living and in increasing numbers and percentages. They want to earn a living by producing their crops and earning a decent market price for them. This legislation will make that more difficult. In fact, it goes in exactly the opposite direction. It is a callous document that can only be supported in the name of political expediency. I choose not to do so. I will not support it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we are awaiting the next speaker in the sequence that the Chair has been given; therefore, I suggest the absence of a quorum, the time to be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, we are awaiting the arrival of the next Senator to speak. In the meantime, I might just correct one thing that was said here, I think, on the floor. I believe the Senator from Maine said that trade, conservation, and research would equal 10 percent of the bill that we have—only 10 percent. Actually it is much more than that. Conservation alone is 22 percent of the funding in this bill; that is, $37.1 billion out of $173 billion.

If you take all the noncommodity titles—research, conservation, trade, forestry, all the other noncommodity titles—it equals about 30 percent of the funding of the bill. I wanted to make that correction.

I want to go back to nutrition one more time and address the issue of funding. In the committee, when we passed our farm bill, there was support for a $5.6 billion nutrition title. It was supported on both sides. When that title was passed in our committee, it was passed unanimously.

The bill then came on the floor and there were a number of amendments made. Many of them I cosponsored. They added additional funding. By the time we finished the bill, the nutrition title was $8.4 billion.

Keep in mind when the bill left the Senate floor, the CBO rescored the bill and they had made a mistake. We didn't make the mistake. The CBO had miscalculated about $6.1 billion. So even before we went to conference we had to cut basically $6.1 billion out of our bill, which we did across the board. We did not focus on nutrition or any other noncommodity aspect of the bill.

We just had to do it, basically, across the board.

The House-passed bill had $3.4 billion for nutrition. The President, in his message, what he wanted was a $4.1 billion increase in nutrition. The bill before us has $6.4 billion for nutrition. That is $1.2 billion higher than we passed in our committee. It is almost double what the House had. So I believe we did a very good job in fighting for the nutrition program.

Do we always provide more money for the neediest people in our society? Sure. As we go ahead as the Agriculture Committee, we will be looking to make sure that next year and the year after the people who rely upon food stamps and other feeding programs are not left behind. But I think we did a great job getting the $6.4 billion for nutrition.

I received a letter yesterday from a number of food-related, hunger-related groups—51 groups. They said they are writing to express their support for the nutrition title.

> The conference report makes critical steps forward for some of the populations most in need of help: legal immigrants and working parents with children. Additional provisions that will substantially simplify the program are also critically important.
>
> We also applaud your additional funding for The Emergency Food Assistance Program. Food banks, food shelves and food pantries facing growing requests will be better able to meet the need.
>
> Given the scope of the hunger and food insecurity problem facing our nation's people, we believe that passage of the Farm Bill Conference Report with its investments in the nutrition safety net must be a very high priority for the Senate.

As I said, this was signed by 51 groups. I will not go through them all: America's Second Harvest, American School Food Service Association, American Public Human Services Association, Bread for the World, Children's Defense Fund, Coalition on Human Needs, Congressional Hunger Center, the Food Research and Action Center, FRAC, the National Council of La Raza, the National Law Center on Homelessness and Poverty, Volunteers of America. Those are among the 51 groups.

I ask unanimous consent this letter and those 51 groups' names be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 7, 2002.

Hon. TOM HARKIN,
Chairman, Senate Agriculture Committee, Senate Office Building, Washington, DC.

DEAR CHAIRMAN HARKIN: We, the undersigned groups, are writing to express our support for the nutrition title of the Conference Report on the Farm Bill (H.R. 2646). The final package makes very important investments to strengthen the nutrition safety net, especially for vulnerable working families with children, needy legal immigrants, and others struggling to put food on the table.

As you know, USDA and the Census Bureau report that approximately 33 million people in the United States—13 million of them children—have been living with hunger or on the edge of hunger. The recent economic slowdown and increasing need are only exacerbating this problem of high levels of hunger and food insecurity, particularly for legal immigrants and other low-wage workers. Substantially strengthening the national nutrition safety net is critically important to address this problem.

Accordingly, we believe the Conference Report makes critical steps forward for some of the populations most in need of help: legal immigrants; and working parents with children. Additional provisions that will substantially simplify the program are also critically important. Easing states' administrative burdens will reduce their costs, reduce errors, reduce red tape for needy people, and speed eligibility determinations and benefits delivery. This lowering of unnecessary obstacles is particularly important for working families.

We also applaud your additional funding for The Emergency Food Assistance Program. Food banks, food shelves and food pantries facing growing requests will be better able to meet the need.

Given the scope of the hunger and food insecurity problem facing our nation's people, we believe that passage of the Farm Bill Conference Report with its investments in the nutrition safety net must be a very high priority for the Senate.

Again, we appreciate your leadership on our mutual goal to fight hunger.

Sincerely yours,

Alliance for Children and Families, Americas Second Harvest, American Jewish Committee, Americans for Democratic Action, American Federation of State, County and Municipal Employees, American Public Human Services Association, American School Food Service Association, Asian and Pacific Islander American Health Forum, Asian Pacific American Legal Center, Association of Farmworker Opportunity Programs, Bread for the World, California Immigrant Welfare Collaborative, Center for Community Change, Center for Public Policy Priorities, TX, Center For Third World Organizing, Children's Defense Fund, Coalition for Human Immigrant Rights of Los Angeles, Coalition on Human Needs, Congressional Hunger Center, Food Research and Action Center.

Friends Committee on National Legislation, the General Board of Church and Society, The United Methodist Church, Jewish Council for Public Affairs, Los Angeles Coalition to End Hunger and Homelessness, Massachusetts Immigrant and Refugee Advocacy Coalition, Mexican American Legal Defense and Educational Fund, Migrant Legal Action Project, National Asian Pacific American Legal Consortium, National Association of Child Advocates, National Association of Service and Conservation Corps, National Campaign for Jobs and Income Support, National Council of Jewish Women, National Council La Raza, National Immigration Law Center,

National Law Center on Homelessness and Poverty, National Puerto Rican Coalition, New Jersey Immigration Policy Network, NETWORK, A National Catholic Social Justice Lobby, New York Immigration Coalition, NOW Legal Defense and Education Fund, RESULTS, San Bernardino County, CA, Service Employees International Union, Services, Immigrant Rights and Education Network, Southeast Asia Resource Action Center, Unitarian Universalist Service Committee, United Church of Christ Justice and Witness Ministries, United Food and Commercial Workers International Union, Volunteers of America, Welfare Law Center, Women Employed.

Mr. HARKIN. Mr. President, we are awaiting the arrival of our next speaker. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, we are awaiting the arrival of either a proponent or an opponent of the bill. Whoever gets here first gets to go first.

In that regard, I am informed that the ranking member has no objection to entering a quorum call with the time being equally divided. I suggest the absence of a quorum and ask unanimous consent that the time of the quorum be equally divided between the proponents and opponents.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, I join with those who have expressed very severe reservations and concerns about this bill. It is an extraordinarily expensive piece of legislation. This legislation is not only going to cost the taxpayers of America a great deal of money—much more than has ever been paid out before in the area of farm subsidies—but it is a bill that takes us down the wrong path in the area of how we should address production of farm commodities in our country.

Nobody questions that farmers are the hardest working people you meet. At all levels of life, as you come across people, the farmer is somebody who puts in incredible hours, who works from dawn to dusk in most instances—unless they are a corporate farm owner—the people out there actually doing the farming. They love their job, usually. That is why they do it. They are a contributor of immense proportions to our society, both from the standpoint of being hard workers and extraordinarily productive citizens, but also in setting a tone and a character for our Nation and the communities in which they live.

Unfortunately, the system they are caught up in—not all, but those farmers who find themselves existing on the Federal payroll—is one that is fundamentally broken. Instead of a market system, it is a system of collectivization.

It is truly ironic, in fact, when you think about it. The way the farm program works today for those people on the system is that the Federal Government essentially pays through the tax dollars of the American people for the net income of those farmers.

Forty-six percent of the net income of farming as a result of this bill—46 percent—will be paid for by tax dollars.

In seven States, the Federal Direct Payment Program actually exceeds the net farm income. Think about that for a moment.

In the State of Wisconsin, for example, the Federal Direct Payment Program exceeds the net farm income by 174 percent. In Montana, it is 178 percent. In North Dakota, it is 156 percent. There are seven States where it actually exceeds net income.

If you were to set out a classic definition of collectivization or socialization of an industry, it would be that the tax benefits of the industry exceed the income of the industry. This essentially means that people aren't working to be productive; they are working to receive tax benefits.

As I said, it is ironic that our farmers who are caught up in these programs find themselves in this type of situation. If you look at it in a historical context, the country which most aggressively attempted collectivization where they had a program where the farm community was essentially an extension of the State support program was, of course, the Soviet Union where the system collapsed as a result of its inability to be competitive.

We, however, ironically and through the genius of our American farmer, have managed to actually make it productive. We have a productive, collective system where we are actually producing goods. But we are not producing them efficiently, obviously. We are not producing them in a form that makes a whole lot of sense. We are, in fact, producing goods that we don't need.

As has been mentioned numerous times by the Senator from Indiana and other Senators in this Chamber, we are creating a situation where by definition we produce goods at a price which has no relationship to the amount of goods being produced. So we have more goods than we need; thus, we drive down the price; thus, we end up paying more in subsidies to support those goods, a system which is cockeyed. It makes no sense.

I heard one person come down here from the other side—the Senator from North Dakota—who said this bill is for entrepreneurship. It is a unique view of entrepreneurship because, basically, the entrepreneur here is trying to figure out how they can get more money out of the Federal Government and how they can put more crops in the ground, which we don't need, which produces a higher production level at a price which drives down the price so they can get more for the crop that we didn't need to begin with.

It makes no sense. That is not entrepreneurship in a market economy. That is a new form of entrepreneurship in a collectivized economy. That is gaming the system. Gaming the system would be more appropriate than entrepreneurship as a term.

I heard another Member say but this bill is going to produce so much in the way of paperwork in order to meet the new commodity rules that people are going to be standing in line for days at the Farm Service Agency. I feel sorry for them standing in line all day.

As a practical matter, if you are going to opt into a system where you are essentially getting all your net income out of the Federal Government, you ought to be doing something instead of standing in line for that money.

Clearly, this system has failed when our farmers are standing in line instead of working to produce goods, when they are using the system to produce crops which they don't need and which we don't need, and when they are getting a payment from the Federal Government which exceeds their income.

The bill also is perverse in whom it supports. Most of the subsidy in this bill goes to a very small number of farmers who produce a small number of commodity crops. The State of California, which has the most farmers in America, by far, and which has the largest farming industry, by far, gets only 9 percent of the benefit under the bill. But other States which have commodity crops, with 3 percent of the farms, for example, get two-thirds of the commodity subsidies. Sixty percent of American farmers get no commodity subsidy at all. They are still in the market. Of course, that number is being reduced because this bill manages to pick up a bunch of commodities that have not been there before. We now have onions. We have apples. We have pulse crops. And, of course, we dramatically expanded our effort in the area of dairy and peanuts.

Then there is sugar. Sugar: What a farcical exercise this is. What a joke on the American taxpayer this has become. Of course, it is a very expensive joke.

First, we set the sugar price in this country arbitrarily at a rate which is 10, 15 cents higher than what the market bears internationally, so that the average consumer in this country, for any product that has sugar in it, has to pay a great deal more than they would if we were playing in an open market; in fact, the last number I saw was $1.6 billion more in subsidy. Where does that go? To the sugar producers. So that is the first time we hit the consumer.

For years, the sugar industry used to come to the Senate with righteous statements, saying: But we take nothing out of the Federal Treasury; we just take it out of the consumer through the subsidized costs that we put on the consumer—the inflated price. Well, they were not happy with that. So in this bill they are going into the Treasury for $435 million.

So first they hit the consumer with an inflated price, which they benefit from because they do not allow market-priced sugar, and it is to the tune of $1.6 billion; and now they have set up a commodity price which is going to flow through to them to the tune of $430 million. If it were not so obscene, it would be humorous, the level at which it takes from the consumer and the American taxpayer and redistributes that in a countermarket system.

Robert Samuelson, who is one of the better economists in our country, made the point that over the last two and a half decades farm subsidies have consumed roughly 10 percent of what we have added to our national debt. That is a price that in some ways I might be willing to pay if it were done in a manner that had some relationship to market forces because I believe strongly that we need a farm economy that is strong. But when you totally overwhelm market forces with this type of subsidy system, you fundamentally undermine the capacity to have a farm program which, first, represents production, which we need, in the commodities which we want, and, second, is fair to the American taxpayers and the American consumer.

So I believe this bill should be rejected. I regret that it probably will not be rejected. But I believe the increase in spending above the baseline here, which is approximately $173 billion, is way beyond anything we can afford as an economy or as taxpayers, but, more importantly, the policy in this bill totally perverts the market and, in my opinion, drives us in the wrong direction, away from a market-oriented farm policy toward a more collectivized farm policy.

I yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). The Senator from Iowa.

Mr. HARKIN. Madam President, I will yield to the Senator from Michigan shortly, but I would like to say, for the benefit of Senators, that we had a list before of speakers on the farm bill. If there are any Senators who wish to come to the floor to speak on the farm bill, that list is vacant right now, so we do have time on the bill right now for any Senators who wish to come over and speak. If they will just contact us, we can get another list put up, so we can get an appointed time for Senators to speak on the farm bill.

With that, Madam President, I yield 10 minutes to the distinguished Senator from Michigan. And I thank her for all of her great work on this farm bill. I say to her constituents, the people of Michigan, there isn't a person who has fought harder for their interests than Senator STABENOW, especially in agriculture, and especially when it comes to the specialty crops.

I point out that I believe Senator STABENOW holds a record. Senator STABENOW is the only member of the Agriculture Committee who served on the agriculture committee in her State legislature, served on the Agriculture Committee in the House of Representatives, and is on the Agriculture Committee in the Senate. We are proud to have her.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, I thank, first, my wonderful friend and colleague and leader of the Senate Agriculture Committee. He is the person who has brought us to this point with a farm bill of which I believe we can all be very proud. I am so grateful to him that he has understood that we in Michigan have 100 different commodities; that 60 percent of what we grow, in fact, is fruits and vegetables, and for the first time specialty crops are recognized by the Congress in a farm bill. It would not have happened without the leadership of our Senator from Iowa who has led this committee so ably.

Madam President, I could not disagree more with my friend from New Hampshire who spoke right before me. I believe this is a bill of which we should be very proud. It moves in the right direction. It helps our family farmers. It promotes conservation. It supports rural economic development. It is something that I believe is good for every family in the country.

I want to start, though, by thanking all of the staff who have been involved in this effort. There have been hours and hours—hundreds of hours, weekend work—in which people have been working at a number of points in order to get us to this comprehensive farm bill. I thank all those on the Senate Agriculture Committee staff and Senator HARKIN's staff, the majority leader's staff, and I also thank Kim Love from my staff who has worked so diligently fighting for the interests of Michigan family farmers and rural communities and all of those who benefit from a strong farm policy. So to each of them I say: Thank you.

We do, in fact, have a farm bill that makes sense. I came into the house of Representatives in 1997 and watched and participated as a member of the Agriculture Committee in the "fruits," you might say, of the previous farm bill, what was called Freedom to Farm, which, unfortunately, left us in a situation where every year that I have been a Member of Congress we have had to pass an emergency supplemental because the farm bill did not work. Every single year, we were back saying that our farmers were not going to be able to make it, that the policies that were put in place with the last farm bill just did not work.

So we are now using a different approach, one that takes into consideration the economic challenges of our farmers and what is happening in the world around us, and new opportunities.

I am extremely pleased that this final bill—thanks to the leadership of our chairman of the Senate Agriculture Committee—includes, for the first time, a title on energy. We in Michigan welcome that. There is not only ethanol, which we have debated on this floor, and which I strongly support, but we have soybean lubricants and other opportunities where I believe Michigan farmers can take the lead in biomass fuels. It is a real opportunity for us in Michigan as well as around the country. This dovetails directly with our energy bill that was passed not long ago.

Again, in Michigan, we have 100 different commodities. I am pleased with what we have been able to do with the dairy proposal and sugar, and with the basic commodities, when we look at what has happened in terms of support for all of the commodities.

I specifically rise to speak for a moment about what is called specialty crops, our fruits and vegetable farmers. I am very pleased that a provision I offered in the committee has in fact become a part of this final product, for the first time, to allow a minimum of $200 million per year to be used to purchase surplus fruits and vegetables, not only to help our farmers in terms of their prices and to address surpluses but also to have the win-win of offering those fruits and vegetables for our School Lunch Program, for our senior feeding programs. This is a win-win situation. We should be very proud of the fact that through our nutritional programs we now are able to permanently put into place a way to help our farmers and at the same time make fresh fruits and vegetables available to our children and to those who are involved in our nutrition programs.

There is another important provision. For those states with critical orchards—this is the capital for our cherry farmers, our apple growers, and so on—the Tree Assistance Program is reauthorized to provide reimbursement for trees such as apple trees destroyed by natural disaster. We have a really serious issue in Michigan with apple fire blight. Coupling that with the drought we experienced in the year 2000, we have had a devastation in many areas of our orchards. The Tree Assistance Program is very important and an area I fought very hard to include in the final bill. I am pleased it is there.

One of the provisions that is not in the bill in its entirety and we will continue to work to address this year through an emergency supplemental is emergency assistance, on which the Senator from Montana, Mr. BAUCUS, led the effort—to add $2.4 billion in emergency assistance. While we did not receive the agreement of the White House and our colleagues in the House of Representatives to include it in the conference committee, we were able to provide just under $100 million in market loss payments for apples. That is an important first step.

But I can say, coming from Michigan, where in the year 2000 we had 82 out of 83 counties declared disaster areas as a result of drought, just making our farmers eligible for more loans is not the right approach. Our farmers have enough loans. What they need is some direct assistance during emergencies such as drought. I will continue to fight very hard to address that entire emergency assistance package.

I am also pleased that we are seeing almost a doubling of funding for conservation and that the new provision I was pleased to cosponsor with our chairman, the Conservation Security Program, that provides payments for farmers for good environmental practices on working lands is included in the conservation title. Again, for the first time, specialty crops are included as a part of conservation payments. This is very important to Michigan and very important to our producers across the country.

We have many rural communities, hundreds and hundreds of rural communities in Michigan. From the upper peninsula all the way down along our coast and central Michigan, we have small communities that have benefited and will benefit from the strengthened rural development title in terms of infrastructure, water and sewer projects for which they will be able to receive support, broadband, and other kinds of infrastructure needs of our rural communities. I am very pleased the farm bill includes a strong rural development title as well.

For our cooperative extension employees, we are pleased to be able to address an issue of long-term care insurance that came to us from Michigan State University. I appreciate the fact that this is in the bill.

A couple of other areas of note: We have placed in the bill a nutrition pilot program that will allow five States to focus on good nutrition practices and encourage consumption of fruits and vegetables. This is another important way we cannot only promote healthy eating, healthy living, but also be able to promote the nutritional value of our fruits and vegetables. I was pleased that the pilot program was included in the final bill as well.

Of course, coming from the Great Lakes State of Michigan, I fought very hard for the Great Lakes Soil Erosion Program to be authorized. I am pleased it is authorized at $5 million a year. While this program has received funding in the past, it has never been authorized as an ongoing program. Through a combination of local and Federal funds, this program has been successful in keeping sedimentation out of the Great Lakes and educating the agricultural community about erosion and water quality. I am very pleased that finally, for the first time, we have this program authorized officially as a part of the farm bill.

We know there is a good safety net: Higher loan rates, countercyclical payments, updated yields, continued direct annual payments, as well as conservation payments that come together in a way to support American agriculture, to support our family farmers. I am very pleased to support strongly this final conference committee.

Let me, in closing, quote from our fruit and vegetable producers of the country who have put out a statement which I believe should in part be in the RECORD. It says:

> We applaud the Congress and its Members who led the fight to develop some of the most progressive and positive agricultural policy initiatives that have been developed through a farm bill process to address the unique needs of the fruit and vegetable producers in the United States.

From the standpoint of our fruit and vegetable producers, this is a historic bill. From the standpoint of all of our families in the country, this is farm policy that makes sense for all of us. Again, I encourage my colleagues to support the bill. I commend our chairman from Iowa for his vision and leadership.

I yield back.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I say to Senators, we have a list of Senators who wanted to speak and be heard on the farm bill. I don't see anyone here right now. I know it is the lunch hour, but now is a good time to come over and speak on the farm bill, if anyone so desires.

In the interim, I rise to point out that there was some mention made earlier today that somehow farmers in the Midwest and some of the Plains States would be better off if there were basically not this bill but the Freedom to Farm bill. There was a bill introduced in March for an emergency package for this year—that was S. 2040—that would have spent $7.35 billion in this fiscal year. And some have asserted that farmers would be better off if we could just pass an emergency package rather than this farm bill.

I asked my staff and the Food and Agricultural Policy Research Institute to do an analysis of the conference report we have before us, comparing that to what farmers might receive under an emergency package as envisioned in S. 2040. According to the FAPRI analysis of the conference report, Kansas farmers, for example, would receive a total of $1.04 billion in commodity program payments for this crop year, 2002. But they would receive only $795 million this year under Freedom to Farm, plus the emergency payments that would be made under S. 2040 for the same period. The same is true for Iowa. We estimate that Iowa farmers would get $1.7 billion for this crop year under this conference report but would have received only $1.56 billion under S. 2040, the bill that was introduced in March to put through an emergency package—sort of an emergency package on top of the Freedom to Farm bill. In any case, farmers would be better off this year under the conference report. I want to make it very clear that this bill will apply to this crop year.

FAPRI also did an analysis looking ahead at between now and 2007 and comparing what farmers would get in certain States under this bill to what they would get if we continued Freedom to Farm.

For example, my Iowa farmers will have a $485 million gain, on average, between 2002 and 2007 over the Freedom to Farm bill. That is a 52-percent increase.

Illinois farmers will get a $486 million gain, on average, during these years. That is a 57-percent increase for Illinois.

Kansas farmers, under this bill, will see a $402 million gain, on average, between 2002 and 2007 over the Freedom to Farm bill. That is a 91-percent increase for Kansas farmers. I think that is the highest of any State I have seen, in terms of the difference between Freedom to Farm and what we have in this bill.

Minnesota farmers get a $335 million gain, a 55-percent increase.

Nebraska farmers get a $380 million gain, on average, under this bill over the Freedom to Farm bill. That is a 68-percent increase for Nebraska.

I ask unanimous consent to have this analysis done by FAPRI printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MIDWEST, PLAINS STATES BENEFICIARIES OF FARM SECURITY AND RURAL INVESTMENT ACT OF 2002 (FAPRI analysis)

Iowa farmers, $485 million gain on average between 2002–2007 over Freedom to Farm (a 52 percent increase).

Illinois farmers, $486 million gain on average between 2002–2007 over Freedom to Farm (a 57 percent increase).

Kansas farmers, $402 million gain on average between 2002–2007 over Freedom to Farm (a 91 percent increase).

Minnesota farmers, a $335 million gain on average between 2002–2007 over Freedom to Farm (a 55 percent increase).

Nebraska farmers, a $380 million gain on average between 2002–2007 over Freedom to Farm (a 68 percent increase).

Indiana farmers, a $243 million gain on average between 2002–2007 over Freedom to Farm (59 percent increase).

Montana farmers, $102 million gain on average between 2002–2007 over Freedom to Farm (88 percent increase).

South Dakota farmers, $177 million gain on average between 2002–2007 over Freedom to Farm (57 percent increase).

North Dakota farmers, $201 million gain on average between 2002–2007 over Freedom to Farm (60 percent increase).

Mr. HARKIN. Madam President, it would be a huge mistake to walk away from this bill—for farmers all over the upper Midwest. It would be a mistake for farmers in Michigan, and especially in New England. In New England, the dairy farmers have been helped immensely: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island—all of the dairy States.

One other group has been helped immensely, and that is the small specialty crop farmers, those who grow blueberries, potatoes, and other kinds of vegetables, including apples, and there are many in New England. They will be helped immensely.

As the Senator from Michigan stated, we have a $200 million annual floor on purchases of specialty crops. That is what the farmers in New England grow. They have never had anything like this. It wasn't in the Freedom to Farm bill. If this conference report is defeated, that means New England farmers will not have anything. They will have nothing. Under this farm bill, they are going to be a part of our agricultural structure for the future.

It would be a shame to walk away from this today—walk away from the farmers in New England, the farmers in Michigan, or in the upper Northwest. It would be a shame to walk away from the great strides we have made in nutrition. I pointed out earlier that the 1996 Freedom to Farm bill, under which we are operating, didn't even have a nutrition section. That was taken up in welfare reform later. This time around we have kept nutrition under the farm bill. We have made a huge increase in the nutrition programs. It would be a shame to walk away from that.

When you look at the broad aspects of America, this conference report deserves to be supported. Again, if somebody asks me can I defend and support everything in this bill, the answer is no. But this is a compromise bill. This is a large country. What benefits one area may not benefit another. All of the support we have in there for specialty crops, the support we have in other areas that do not affect my State, I support it because I recognize that farmers in New England and all over the country need help and support. We need to promote better consumption of fruits and vegetables in this country. That is what is strong in this bill. So it is a good bill for America.

With that, I suggest the absence of a quorum as we await the arrival of those who want to speak on the farm bill, either in opposition or in support. I ask that the time during the quorum call be divided equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DAYTON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time to the Senator from Minnesota?

Mr. HARKIN. Madam President, I yield 10 minutes to the Senator from Minnesota. I thank the Senator from Minnesota for being a great member of our Senate Agriculture Committee. Senator DAYTON has been a personal friend of mine going back 20-some years. It was absolutely a bright moment when he came to the Senate and got on the Agriculture Committee.

I thank him for all his input on this farm bill. I say without hesitation many of the provisions in this bill that help our dairy farmers, help conservation, got our loan rates up for our farmers bears the imprint of the Senator from Minnesota, and I thank him for that.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DAYTON. I thank the Chair. Madam President, I thank the chairman of the committee. I return the compliment. He has been a stupendous leader of the committee most of the time I have been there. We actually have two Minnesotans on the Senate Agriculture Committee—my senior colleague, Senator WELLSTONE and I. Heretofore, for a few years, we did not have any representation on the committee.

I believe this farm bill is a better bill for Minnesota and it is a better bill for America as a result of our efforts. Without the chairman of the committee, Senator HARKIN, we would not have accomplished any of this. His leadership has been extraordinary.

I hear some of my colleagues raising objections to certain measures in this bill. In the context of what we walked into in January of 2001 when I joined the Senate and that committee and the previous conditions in the agricultural sector, there is a disconnect between what they seem to be objecting to and the circumstances that existed—which, frankly, I was not a part of—when I came on the committee in January of 2001.

The Senator from Iowa was not even the chairman of the committee at that time. He was the ranking member. Our distinguished ranking member, Senator LUGAR, was chairman of the Senate Agriculture Committee. The Republicans had been in charge of the Senate for the previous 6 years. There had been a Republican chairman of that committee for that period of time.

This means that the 1996 farm bill, if my recollection is correct, was constructed and passed by that committee, and the full Senate and House, both under Republican leadership. There was a Democratic President, but they undertook that initiative.

I traveled the State in the year 2000 campaigning for office and listening to farmers all over Minnesota. The chairman of the committee was kind enough to join me for the day. I heard from farmers in Minnesota that they were in desperate condition. I looked at the market prices then in Minnesota, and commodity prices were lower in the year 2000 than they were when I ran for the Senate for the first time in 1982. That was not even inflation adjusted. This is just nominal dollars. The prices for corn, wheat, soybeans, and milk were lower in Minnesota in the year 2000 than they were in 1982.

None of the many products farmers have to buy to stay in business—such as tractors, diesel fuel, equipment, feed—have stayed at the same price. In fact, they have gone up quite significantly.

When we came into the majority in the Senate and I was joined by my colleague, Senator WELLSTONE, on the committee, the Minnesota farm economy was in very desperate straits. In many areas of Minnesota, the farm economy is the economy. It is not just farmers. It is every person, every business owner, every employee of a business, every school board member—everybody in Greater Minnesota, the majority of our State, knows their livelihood, the lifeblood of their communities, of their churches, of their schools depends on a healthy agricultural economy, which depends on a market price, which depends on the ability to sell your product in the marketplace and make a profit, make enough money to feed your family, buy what you need, and those dollars multiply through the local economy.

We have not seen that kind of prosperity in Greater Minnesota, in the agricultural economy of our State, for many years.

The Federal Government has stepped in, as it had to, given the failure of Freedom to Farm, with supplemental payments, with double AMTA payments. If it had not, we would not have farms anywhere in Minnesota or they would be few and operating under large corporate auspices. The real people, the farmers would not be there.

Those who criticize us for going back, as they say, to a Federal role in agriculture should be reminded, in fairness, if they had their way as the architect of this bill in 1996, there would not have been any supplemental payments; there would not have been any disaster relief. There would have simply been a total reliance on the marketplace and with prices that were going down through the floor and into the subbasement with no supply management whatsoever.

Another one of the criticisms I heard in the last couple of days is we are encouraging overproduction. The 1996 farm bill took all the caps off production individually and collectively: Produce whatever you can; produce what you must to survive. Once again, they are criticizing something that is very much their own creation.

Another criticism I have heard recently is we are somehow putting too much of the taxpayers' money into the farm program. Again, coming from a farm State, I know how vital this Federal role in agriculture is to the economic lifeblood of Minnesota. I wish we did not have to put this much money into supporting and keeping our farmers alive. I wish they could get every dollar they need in the marketplace. If we had had a good farm program over the last number of years in this country, frankly, that is where they would be getting their price today. But that is not the case.

In fact, the farm index for this country is now at the lowest level it has been since the Great Depression. That is the price we get for all farm commodities in America divided by the cost of producing all those commodities. It has dropped from 100 percent in the years 1990 to 1992, which was the baseline, to 80 percent today. In 10 years, in just one decade, the prices farmers receive all across this country as a percentage of the cost of producing all of those products has dropped by 20 percent. It dropped below the break-even point, which is why so many farmers have gone bankrupt, and why, without these initial payments thousands of farmers across America will go bankrupt.

This is the situation the chairman of this committee inherited, and I think his leadership has been nothing short of miraculous and magnificent. The title of the movie "Miracle Worker" really applies to the distinguished Senator from Iowa. To put this bill together with all the differences of view, diversity, forms of agriculture, sizes, and different philosophical and political perspectives, it is a true miracle, one that was extraordinarily well done, one that would have been done—if the chairman had been assisted by everybody involved—some time ago.

Another criticism I heard in the last couple of days is that this bill should have been passed already. Farmers have been chafing from uncertainty and lenders have been chafing from uncertainty. I have heard that from Minnesota bankers and farmers all over the State, but I am thinking to myself: Despite the crisis that September 11 brought on all of us, despite anthrax, which I believe drove the Senator from Iowa and his staff out of their office in the Hart Building, the Agriculture Committee conducted its hearings, marked up a bill, and had it on the Senate floor last December so that we had 2½ weeks before our break to debate it and pass it and send it on to conference with the House. If we had done that expeditiously at the very beginning, we would have had that bill in conference. It could have been conferenced and signed by the President Christmas Eve or before.

Instead, some would not permit that to happen. We, Senator DASCHLE, the majority leader, tried three times to invoke cloture. Three times we had the majority of the Senators voting to do so but we could not get the 60 votes necessary.

So we left. We came back, just before the time of the President's State of the Union, without having passed a farm bill. So now I am hearing from people who voted against cloture in December three times, who delayed it by 5 weeks, that somehow it is somebody else's fault that we did not have a bill in March or February.

We could have had a bill, we should have had a bill, and they ought to take responsibility. To come back today or yesterday and say that it is somehow the chairman's fault or somebody else's fault, I think is irresponsible.

We have a bill that fortunately is well worth waiting for. It did not have to be waited for, but it was really well worth it in terms of the State of Minnesota.

I inquire of the Chair how much more time I have available.

The PRESIDING OFFICER. The Senator has used his 10 minutes.

Mr. DAYTON. I ask unanimous consent that the chairman yield to me an additional 4 minutes.

Mr. HARKIN. I yield 4 additional minutes to the Senator.

The PRESIDING OFFICER. The Senator has that right.

Mr. DAYTON. This is a tremendous bill for Minnesota, and on behalf of our farmers I thank Senator HARKIN. I want to pay tribute to my colleague Senator WELLSTONE who had a huge role in this. He has had a longtime friendship with the committee chairman. I see his fingerprints, his hard work, and his effectiveness in the Senate all over the bill that went out of the Senate committee, the bill that was passed on this floor and has now been incorporated into the conference report.

There was an article yesterday in the St. Paul Pioneer Press, one of our leading newspapers, that said, by an independent analysis, the bill would bring $1.16 billion a year into the Minnesota economy. That is a huge increase in dollars coming out of the agricultural sector of our State and into our entire State economy. That means school districts, that means city budgets, that means church contributions, that means so much in the lifeblood of Minnesota that will be increased and improved as a result of this bill. I want to pay tribute to Senator WELLSTONE for his leadership in bringing that about.

Would that these dollars would come out of market prices. I believe as this bill unfolds with the counter-cyclical aspect to it, and some of the other features, that more of this bill will be paid for in the marketplace, not out of tax revenues. As I say, though, without it, frankly, there would not be any farms in Minnesota for anybody to be supporting.

As others have said, in terms of conservation, another one of the chairman's initiatives, in terms of energy, combined with the energy bill which was passed in the Senate, the funds that are going now in the initiatives for biofuels, for ethanol, for soy diesel, and other products, which I am convinced over the next 10 to 20 years is going to be essential to this Nation weaning itself from complete reliance on oil-based fuels, it is tremendously important. This bill and the energy bill combined will lead us into that direction.

In the area of dairy, Senator HARKIN, and Senator LEAHY from Vermont, have succeeded in accomplishing something that I think dairy producers in America would have thought heretofore was truly impossible, and that is to create one market for the entire country, to make available across the Nation the same terms, the same pricing supports, the same formula for price support levels from the Federal Government. That has not existed in the 16-plus years of Federal dairy policy and that is an extraordinary accomplishment in itself.

This bill is not perfect, as others have said, but it is awfully good. It is so much better than what it is replacing, and given the conditions which it is stepping in to replace, to be picking at a penny here or a day or a week of something, when this bill is in place and, yes—when this bill is fully in place, Minnesotans in terms of prices for soybeans, for wheat, for dairy are going to be so much better off than they would have been if present law had been continued.

I, again, thank the chairman of the committee. I urge my colleagues to do as I will do, which is to vote in favor of this conference report.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I ask unanimous consent to yield 15 minutes off of the time of Senator LUGAR to the Senator from Nebraska, Mr. HAGEL. At the completion of the statement of Senator HAGEL, I ask unanimous consent that the Senator from Missouri, Mrs. CARNAHAN, be recognized for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska.

Mr. HAGEL. Madam President, I rise in opposition to the conference report accompanying the farm bill.

When the current farm bill debate began more than two years ago, agriculture leaders and Members of Congress said a new approach and a new policy was needed to face the challenges of a new century. The farm bill we debate today is not a new approach, nor is it a new policy, but rather it is a step backward into an antique farm policy of more government command and control.

This bill could have been a good farm bill had it incorporated some of the innovative ideas that had been put forward—farmers savings accounts; more focus on farmer income support through direct, decoupled payments; a more significant role for rural development; giving USDA the ability to review environmental and endangered species legislation; initiatives and safeguards to keep our farm program trade compliant with international trade laws; expanded crop insurance programs; and real payment limits.

Instead, we have been presented with an election-year document whose glaring shortcomings far outweigh its virtues. This bill will continue to expand a policy that ensures commodity prices will drop lower and remain low, and that land prices and rents will continue to go up. As one farmer in Nebraska wrote me yesterday, "This farm bill is the same old thing, and will do nothing to reverse the trend of fewer and fewer farmers on the land. The number of farmers in Nebraska under the age of 35 is fading fast. The status quo represented by this bill will not help, and we do not have a lot of time to change things."

As another constituent of mine said, "This bill will not help farmers—it will only help bushels, bales and pounds." It focuses on incentives for more production—whether the market wants it or not.

There are positive provisions in this Report. It contains a modest energy title, which promotes renewable fuel. It substantially increases funding for conservation programs. And it does not contain programs that purchase local water rights with federal funds. But the negatives vastly outweigh the positives.

Of the many problems with this farm bill, one of the most serious is the lack of real payment limits. Currently, two-thirds of all federal payments go to 10 percent of the recipients—the largest operators and landowners. These lopsided payments encourage and subsidize overproduction; drive up land prices, land values and rentals; and allow large farm operations to outbid and buy up smaller and mid-sized producers with taxpayer dollars.

The payment limits in the Senate farm bill were completely gutted by the Conferees, despite having passed the Senate with 66 votes, and the House with 265 votes.

Without real payment limits, this farm bill will not only widen the disparity gap between small and large farmers, it will make it much more difficult in the future to gain support from non-rural Members of Congress. Without real payment limits, we risk derailing public support for the entire farm program in the future.

The farm bill should not be welfare for small farmers. But Government should not be financing the demise of the family farm. There is no justification for unlimited government payments.

Furthermore, we cannot overlook the effects this farm bill will have on the cost of farmland. Unlimited government payments will only encourage large farm operations and wealthy, absentee landowners to buy more ground, no matter how low the commodity prices drop.

The Omaha World Herald recently reported that Nebraska farmland values increased by 17 percent last year, despite 2001 being one of the worst years on record for crop prices. The USDA reports that nearly a quarter of current farmland value is due to government payments.

Yet, in many cases, the people who actually farm the land do not benefit from higher land prices. Nearly half of U.S. farmers rent at least some of their farm ground. For these farmers, this bill means they will be faced with even higher cash rents.

No farm bill is perfect. But this one has enough problems that we will be modifying it soon. One of the big question marks is this bill's timing. The new farm program will go into effect this growing season—covering the 2002 crop.

That means while farmers are in the fields tending to this year's crops, they will also have to worry about updating their yields and acres, and doing other necessary paperwork to be eligible for the new program's fixed payments, loan rates and counter-cyclical payments. This is bad timing and will create massive confusion for farmers.

The Senate should have seriously considered Senator ROBERTS' emergency assistance bill, which would have provided farmers with a real and instant safety net this year. Under the new farm bill, it will take four checks and more than a year for producers to get what they would have received right away from a supplemental measure.

Also, by relying heavily on increased loan rates and moving away from payments not tied to production—price support instead of income support, this farm bill does not provide much of a "safety net" for those farmers who fail to produce a crop. That is a very important detail considering the severe drought in many parts of the country—including much of western Nebraska.

They are calling this bill the "Farm Security and Rural Investment Act." That is a bit misleading.

Of the $73.5 billion in new farm bill spending over the next decade, only $870 million—about 1 percent will go to rural development. Compared to the Senate-passed farm bill, this farm bill cuts rural development in half. That means phasing-down or completely eliminating important programs—like value-added projects for farmers that would help restore competition in the marketplace; rural business grants; and high-speed Internet access for rural areas. This is a serious shortchanging of rural America, especially considering that even before the bill becomes law, it is estimated to run at least $9 billion over budget.

Consider that in Nebraska, 61 of 93 counties have lost at least 10 percent of their population since 1980. Nationally, 556 rural counties have lost 10 percent or more of their residents. A sensible, relevant and visionary farm policy would provide a better balance between commodity support and rural investment than what is now in this bill.

Soon after the Senate farm bill passed, Senator BYRON DORGAN of North Dakota and I introduced the "New Homestead Economic Opportunity Act." This legislation, quite simply, would attract individuals and businesses back to rural areas that have been devastated by the restructuring of agriculture. Our bill would encourage young people to live and work in rural areas suffering population loss. It would create real incentives for new home and business construction, while protecting the value of existing homes. This is the type of legislation that should be a key part of any agricultural policy aimed at improving the lives of those who feed our nation and the world, to assure those next generations feel they have a future in agricultural production and rural America.

Another glaring problem of this legislation is that it seriously impairs the best hope for American agriculture's long-term viability and vitality—trade. America's ability to create new markets for its products and compete in those markets—is the key to America's future and our competitive position in the world. Our relationships with trading partners are very important to our agricultural producers. Exports account for 25 percent of gross cash sales for U.S. farmers and livestock producers—a projected total of $57 billion for this year.

This report should have included Senator GRASSLEY's trade amendment, which would have helped us avoid potential trade problems, which this bill will surely bring, while causing significant problems in our trade relationships.

This farm bill takes us back down the dark road of tired, old farm policy. It is a glorified carbon copy of market-distorting legislation that will accelerate the vicious cycle of overproduction, low crop prices and soaring land values. Is this where we want U.S. agriculture to be six years from now? Is this the best way to improve America's agricultural competitiveness?

We can do better—we should have done better. I believe we will be forced to do better before this six-year farm bill expires. That means we could be revisiting this issue before six years is up.

There are many other gaping holes in this bill. The Senate's ban on packer ownership of livestock was stripped, without even a study to replace it. Farmers Savings Accounts was completely ignored. And by omitting the Senate farm bill's Cuban trade provision, which would have allowed private financing for food and medicine, this bill punishes U.S. agriculture by adhering to the counter-productive strategy of using food as a weapon.

The work ethic of our agriculture producers is the best in the world. America's farmers and ranchers produce the highest quality agricultural goods in the world. As a Nebraskan and as an American, I am proud of that effort and record. American agriculture can compete in the world markets. This farm bill should be allowing U.S. producers the opportunity to compete and succeed not holding them back and placing blockades in front of them.

This conference report is the result of election year politics at its worst—unimaginative legislation that throws money at complex problems requiring more than just additional dollars. The winners will be large agribusiness, big landowners and large farm operations.

This bill will pass the Senate, as it has passed the House. We will need to come back and fix it one of these days. Maybe then, we will get it right. However, there is not much margin of error left—time and markets are not on our side.

I would hope my colleagues think about the consequences of this legislation. This is the wrong farm policy, at the worst possible time.

The PRESIDING OFFICER (Mr. REED). Under the previous order, the Senator from Missouri is recognized for up to 15 minutes.

Mrs. CARNAHAN. Mr. President, the farm bill conference report we are considering today is good for American agriculture. Historically, what has been good for American agriculture has been good for America.

I raised my family on a farm in rural America. I have traveled throughout rural Missouri for many years. I believe rural America's future can be limitless if we make the proper investments now. Because our farmers feed the world, the destiny of our Nation and rural America are intertwined.

It troubles me to see our rural communities struggle to compete in the 21st century. Too often dwindling populations and lack of opportunity leave our rural communities contemplating a future much different from their proud past. Many youth leave and do not return to their family farms or family businesses, the communities that generations before them had called home. Those who determine to remain and farm the land deserve a safety net for their labors, and they have not had one for the past 6 years.

We have told rural America that help is on the way. Here it is at last. The farm bill conference report will play a large role in helping rural America and American agriculture to reach its full potential. The strong commodity title will give our entire agricultural industry a degree of certainty when making business decisions, and it will provide additional support for farmers when times are lean.

This farm bill's strong energy and rural development titles will help our farmers add value to their products, while decreasing our reliance on foreign oil. I have visited many innovative Missouri farmers who now are forming new-generation cooperatives for ethanol production. Their efforts help us create sustainable jobs in rural areas. This farm bill places our reliance less on the Middle East and more on the Middle West.

The rural development title provides our communities with more opportunities to enhance basic services such as fire protection, wastewater and drinking water programs, and much needed rural business investment programs.

I am also pleased this bill commits $100 million toward broadband access, to improve telecommunications in underserved areas. It is important that those who live, work, and raise families in rural areas have access to the technology of the 21st century.

Missouri is the confluence of American agriculture. Parts of northern Missouri resemble the Great Plains. Southeast Missouri's agriculture has much in common with the Deep South. Missouri ranks second nationally in the number of farms in the State and second in beef cattle production. We rank among the top 10 in production of soybeans, corn, rice, cotton, and hay. Farmers and business people all across Missouri support this farm bill because it is fair to all segments of our agriculture industry. A farm bill that is equitable to Missouri's diverse agricultural base is fair to the Nation.

I joined my colleagues from States with traditionally southern crops in urging the conferees to produce a compromise that is fair to all regions. Southern crops, namely rice and cotton in my State, are highly capital intensive. Family farmers growing these crops would not be competitive if the payment limitations provisions were to stand as passed in the Senate. The payment limitations compromise will preserve the viability of Missouri's rice and cotton producers while denying benefits to millionaires and others whom farm prices are not intended to benefit. I commend the farm bill conferees for producing a fair compromise. I also commend Senator HARKIN and Senator DASCHLE for their outstanding leadership.

Agriculture and a vibrant rural economy are critical to my State and to the entire Nation. I will be pleased to vote for the farm bill that I sincerely believe marks a new beginning for American agriculture.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Iowa.

Mr. HARKIN. Mr. President, I yield 10 minutes to the Senator from South Dakota, after which I ask unanimous consent, if there is no one on the opposite side who shows up, that the Senator from Montana be recognized for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota.

Mr. JOHNSON. Mr. President, I rise today to support and discuss the new farm bill, the Farm Security and Rural Investment Act of 2002, legislation the Senate will send to President Bush for his signature. This new farm bill is not perfect. If this farm bill contained all of the initiatives I helped include in the Senate-passed bill, it could have been more beneficial to South Dakota agriculture, which generated $17 billion in economic activity in 2000 to South Dakota's economy, approximately twice that of the second largest industry in my state. However, overall, it is a modest step in the right direction. I have advocated for the passage and implementation of a new farm bill since the inadequacies of the current program were revealed in 1997, a time when a significant drop in crop prices eventually developed into a longer-term price crisis. Therefore, I look forward to the President signing this important legislation and anticipate the United States Department of Agriculture, USDA, will take seriously their job to implement the new farm bill in a timely manner. I hope that USDA can administer the new bill for the 2002 crop year. I will work with USDA to make sure South Dakota's farmers and ranchers are treated fairly and appropriately under the new farm bill.

I wish to take this opportunity to thank my friend and colleague, Senator DASCHLE, for his enduring leadership and tireless work to finalize the farm bill. From day one, he has been determined to pass legislation that would benefit America's family farmers and ranchers. Additionally, I commend Senate Agriculture Committee Chairman HARKIN for his persistence in shepherding this complex farm bill and reaching a compromise with our House colleagues in the conference committee, despite the substantial policy differences between the Senate and House bills. From the beginning of the farm bill process, Senator HARKIN listened to my concerns, included my initiatives for South Dakota's farmers and ranchers in the Senate bill, and resisted many efforts by the special interests to remove these important reforms from the final bill. I thank as well, Brian Jennings, from my Senate staff, for his excellent work on this bill.

Most importantly, however, I am pleased that we finally have a farm bill for South Dakota's agricultural producers, who have been busy with fieldwork and preparations for the 2002 crop year. Indeed, South Dakota's winter wheat crop has long-emerged from dormancy, winter wheat harvest will begin in the South within days, and my State's farmers have planted much of the spring wheat crop and other small grains already. Row crop seeding is underway in South Dakota, with over ten percent of the corn crop in-the-ground, and soybean and sunflower planting will begin soon. Last year, South Dakota farmers produced 370 million bushels of corn and approximately 140 million bushels of soybeans, making us the nation's eighth largest producer of those commodities. Additionally, South Dakota ranks second in the nation as a producer of sunflowers, flaxseed, hay, and proso millet, and we're within the top 10 States in wheat production. Obviously, it is critical that we act quickly to move this legislation to the President's desk, allow USDA to begin implementation, and let South Dakota producers know how the legislation will affect their operations.

Americans are the envy of the world because we enjoy the most affordable and the safest food, spending only 10 percent of our household income on groceries. Yet today, our agricultural producers receive about half the price for crops they pocketed 6 years ago. In some cases, production costs exceed farm income. Furthermore, inclement weather has destroyed crop and forage production, while meatpacker concentration, the strength of the U.S. dollar, and unfair trade agreements have contributed to the demise of independent producers. Without policy changes to provide a much needed booster-shot to the farm economy, USDA estimates that net farm income in 2002 could drop 20 percent, its lowest level since the 1980s farm crisis. Without a new farm bill, our Nation would be unable to provide economic security to farmers, enjoy environmental benefits, and maintain food security and affordability. I am hopeful the passage of the Farm Security and Rural Investment Act will help forestall the economic decline in rural America and help farmers, ranchers, and rural communities return to prosperity and growth.

South Dakota's farmers and ranchers have made it clear to me that they want to derive income from the marketplace, not the government. For that to happen, Congress must mend the income safety-net and restore fair competition to agricultural markets. That is why I worked hard in the Senate months ago to include many meaningful provisions in the farm bill, provisions that were priority-items for South Dakota producers. A number of my initiatives were included the final bill in some form, while others were dismissed by the House conferees and stripped from this farm bill. In summary, this farm bill meets most, but not all, of the objectives I set out to accomplish when we began to develop and write the bill last year. Namely, this bill secures the income safety-net for farmers, restores modest market competition for livestock producers, greatly increases our commitment to conservation, devotes more assistance to value-added agriculture and rural development, and focuses new attention to home-grown energy solutions. Mr. President, this bill provides meaningful reform in farm policy, and I'm pleased with a number of provisions.

First, the farm bill contains language from S. 280, the Consumer Right-to-Know Act, legislation I sponsored to require country-of-origin labeling for beef, lamb, pork, fruits, vegetables, fish, and peanuts. Despite strong opposition from the Bush administration, the meatpackers, and other special interests, we prevailed in this effort that I have worked on since I was in the House of Representatives. In fact, my first meat labeling bill was introduced in 1992, 10 years ago. Western South Dakota cow-calf ranchers will be proud to know that the standard for "U.S. beef" under my provision will require it to come from cattle born, raised, and slaughtered in the United States, despite a last-minute campaign by opponents to allow foreign cattle to qualify as U.S. beef. Although the labeling program must first undergo a 2-year voluntary implementation period, consumers will eventually be able to select meat and other food products by their country-of-origin at grocery stores. While the House-passed farm bill merely covered fruits and vegetables, the Senate-passed bill included an amendment I worked on with Senator WELLSTONE to cover meat and other products. The conference committee nearly prevented the labeling of meat because it was not in the House farm bill, but, I am pleased that we overcame their opposition. I want to express my heartfelt gratitude to all of the South Dakota farm organizations for supporting this legislation. Furthermore, I wish to commend the national farm and consumer groups that helped lead the way on this effort, including, the National Farmers Union, the American Farm Bureau, R-CALF USA, the Consumer Federation of America, the National Consumers League, and a host of others too numerous to mention. In fact, over 200 organizations in the U.S. have written me in support of this provision. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the National Farmers Union regarding the passage of country-of-origin labeling in the farm bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, DC, May 2, 2002.

Hon. TIM JOHNSON,
U.S. Senate,
Washington, DC.

DEAR SENATOR JOHNSON: On behalf of the 300,000 family farm and ranch members of the National Farmers Union (NFU), I write to commend you for your leadership and your tireless efforts to enact policies that benefit our nation's independent producers.

NFU enthusiastically congratulates you on your success in the inclusion of mandatory country of origin labeling for fresh produce and meat products in the conference-agreed farm bill. Unequivocally, this is a hard-won and a hard earned victory for our producers, growers and consumers. We greatly appreciate your steadfast determination in the face of sizable opposition to carry through in conference the provisions of your original bill that require products receiving a U.S. label must be "born, raised, and slaughtered" in the U.S.

NFU lauds your assiduous efforts to enact a prohibition of packer ownership of livestock. You were the first Senator to introduce the packer ban as stand-alone legislation. And you were a leader in the fight as your legislation gained considerable attention during the farm bill debate, drawing as many supporters from the countryside as opponents in agribusiness. While the large meat packers and agribusiness were able to obstruct the packer ban from being included in the final version of the farm bill, we know the issue remains a priority as both the House and the Senate Agriculture Committee Chairmen have stated they will hold hearings. Likewise, the tremendous grassroots support for a ban on packer ownership continues to grow.

NFU, again, congratulates your success for country of origin labeling. We look forward to working with you in enacting the packer ban provision as well as other legislation that increases competition and transparency in agricultural markets. You are champion to family farm and ranchers across the country.

Sincerely,

DAVID FREDERICKSON,
President.

Mr. JOHNSON. Mr. President, commodity programs in the new farm bill will furnish America's farmers with three features to secure the farm income safety-net. These commodity programs will maintain the planting flexibility so popular under the current program, but, they will also provide more predictable support when prices are low. First, the farm bill will continue the practice of providing farmers of program crops with marketing assistance loans or loan deficiency payments, LDPs, to help them market their crops and manage price risk. These 9-month non-recourse loans provide farmers with the necessary support to make market-based decisions. Second, the farm bill will also continue to provide de-coupled direct, or fixed, payments to farmers regardless of price or production. The 1996 farm bill first introduced these direct payments, known as AMTA or production flexibility contract payments. Finally, the farm bill will complement these two payment features with a new counter-cyclical payment program to provide additional support when crop prices fall below profitable levels. These new counter-cyclical payments will also be de-coupled in a sense, because they're not directly tied to what a farmer plants. I am hopeful the revisions made to commodity programs will help restore and strengthen the safety-net for our agricultural producers.

South Dakota farmers will be pleased to know that for the first time since 1981, the farm bill will include a significant increase in loan rates which are the basis for marketing assistance loans and LDPs. I believe that increasing loan rates is one of the best ways to mend the farm income safety-net. First, loan rates are tied to actual production, instead of decoupled like direct and the new counter-cyclical payments. Second, marketing loans are available at harvest, when prices are historically the lowest during a crop year. Third, marketing loans or LDPs are paid on 100 percent of production, not a partial percentage. Fourth, the loans go to actual producers who raise crops, rather than absentee landlords. I am also pleased that producers of honey and wool in South Dakota will benefit from the inclusion of marketing loans for their products. This is important because South Dakota is the Nation's fourth largest honey and sheep producer. Finally, I would note that for the very first time, cold season legumes such as chickpeas, peas, and lentils will receive marketing assistance loan support. The inclusion of these so-called pulse crops in the marketing loan program is similar to S. 977, legislation that I cosponsored to provide for marketing loans and LDPs for pulse crops. Cold season legumes are gaining in popularity in South Dakota, and I am pleased to help provide certainty for farmers wishing to plant them.

Individual farmer crop-yields used to calculate support under the direct and counter-cyclical payment programs are critical to South Dakota's farmers because our yields have dramatically improved in recent years. Despite strong opposition from the House, the new farm bill will reward South Dakota farmers for their productivity with a modest yield update permitted for new counter-cyclical payments. This is good news for farmers in my State because yields have increased significantly since the 1981–85 period, a time frame used to base direct payments under the House farm bill and AMTA payments under the 1996 farm bill. For instance, according to the South Dakota Farm Service Agency, the House bill would base payments on a 64 bushel-per-acre corn yield, but the Senate bill would account for a modern-day 108 bushel-per-acre corn crop, a 44-bushel increase to reflect realities in corn production. A corn farmer from Brown County, SD, called my office just yesterday to note that his yields are remarkably better than the levels set in the House-passed farm bill. Moreover, the House farm bill would base wheat payments on a 24 bushel-per-acre wheat yield, yet most wheat farmers in South Dakota produce wheat crops yielding approximately 36 bushels-to-the-acre today. Wheat producers in Stanley County would agree that given a choice, they'd rather operate under the rules of the Senate bill which rewards them for yield improvements. The final agreement will allow farmers to use updated and proven yields from the last four years and apply a 93.5-percent factor to that updated yield for their counter-cyclical payments. While the new counter-cyclical payments may be made based upon these updated yields, the fact that the House forced the conference committee to not update yields for direct payments is a significant and costly problem that will take money out the pockets of South Dakota farmers and continue to provide the bulk of direct payments to large cotton and rice operations in the South. According to calculations by the South Dakota Farm Service Agency, if the final farm bill had rewarded farmers by allowing them to prove-up modern-day yields to base direct payments, as the Senate bill did, then these payments to South Dakota producers would have doubled from $135 million to $271 million per year. While ordinary observers may not think a yield update is a crucial element in the farm bill, consider the following. If the new farm bill froze crop yields at levels in the House bill, farmers in South Dakota would be forced to use yield data nearly 30 years old by the time this farm bill expires, meaning young farmers may be using data older than they are to calculate price support.

I am very pleased that under the new farm bill conservation programs will experience the most significant amount of funding ever in a farm bill, an 80-percent increase over current levels. I believe farm programs should place more emphasis on conservation initiatives that benefit crop farmers, livestock producers, and American taxpayers, who realize tangible benefits from clean air, clean water, and more wildlife habitat. I fought to increase our investment in conservation because I desire to help farmers keep lands in working condition while protecting our soil, water, and habitat. The most popular conservation program, the Conservation Reserve Program, CRP, will be expanded from 36.4 to 39.2 million acres under the new farm bill. I am pleased to note that the Farmable Wetlands Program, the Conservation Security Program, the new Grasslands Reserve Program, and a new-and-improved Environmental Quality Incentives Program, EQIP, will all be in the final farm bill as well. Inclusion of the Farmable Wetlands program is modeled after the pilot legislation I authored in 2000, S. 2980, the Conservation of Farmable Wetlands Act. The continuation of this program will ensure farmable wetlands are eligible for enrollment in the Conservation Security Program Chairman HARKIN included in the farm bill is similar to S. 932, the Conservation Security Act that Senator HARKIN and I sponsored. These programs provide a positive contribution to the stability of our delicate ecosystem, while providing landowners and producers adequate incentives to participate. It is also important to note that if the United States is planning to continue working within the World Trade Organization conservation programs provide so-called green payments to producers that do not violate spending limitations established by the WTO.

I worked with Chairman HARKIN in developing the new and innovative idea for an "energy title" in the Senate farm bill because it's time to recognize that U.S. farmers and ranchers can help develop home-grown solutions to energy problems. While the House-passed farm bill did not include this energy title, the final farm bill will contain one for the very first time. It will launch a number of new initiatives, including a biobased products purchasing requirement for Federal agencies if the products are comparable in price, performance, and availability to traditional products. The farm bill will also establish a new program to educate consumers about the benefits of biodiesel use. Moreover, the energy title will provide grants and loans to farmers, ranchers and rural small businesses for renewable energy systems and energy efficiency improvements, and, a complementary grant and loan program is established so that farmers, ranchers, and rural small businesses can purchase renewable energy systems and make energy efficiency improvements. Importantly, the bill will provide $204 million over 6 years for the Bio-Energy Program, similar to S. 1960, the Bio-based Energy Incentives Act of 2002 that I cosponsored. My provision in the farm bill will reimburse existing and new ethanol and biodiesel facilities for using commodities to produce renewable fuels. A total of 42 ethanol plants and 12 bio-diesel facilities in 19 States received payments under this program last year. Ethanol plants such as Heartland Grains Fuels in Huron and Aberdeen, Broin's in Scotland, and Dakota Energy in Wentworth were South Dakota's recipients. This year, three new ethanol projects in Milbank, Watertown, and Rosholt, SD, are poised to collectively produce nearly 100 million gallons of ethanol. Because my legislation was included in the final farm bill, they will benefit from this incredible program.

Agriculture is entering an exciting new dimension with value-added production and processing, and I have fought to ensure the energy and rural development titles of the farm bill will collectively help South Dakota create more success stories in value-added agriculture. When agricultural producers capture a more significant share of profits by adding value to their commodities or livestock before they are sold, it's called value-added agriculture. South Dakota has quickly become a leader in ethanol production, and given the number of projects operating in the state or at various planning stages, we're poised to produce over 200 million gallons annually. A typical 40 million gallon ethanol plant in South Dakota will provide a new market for nearly 15 million bushels of corn, provide jobs and over $1 million in annual payroll, and help South Dakota farmers become part-owners of the United States' energy supply. The new farm bill may help create several of these ethanol plants, which will multiply the financial benefits and put thousands of South Dakota farmers in a better economic condition. South Dakotans are working hard to create a new value-added agriculture sector beyond our growing ethanol industry, including projects such as soybean processing, dairy cooperatives, beef and pork marketing co-ops, and venture capital initiatives. From the fledgling Dakota Value Capture Co-op in Sully County to the existing South Dakota Soybean Processors plant in Volga, farmers will be able to capitalize upon the assistance in this bill to become price setters rather than price takers.

A recent study by the Bureau of Labor Statistics shows that farmers and ranchers are expected to lose 328,000 jobs over the next ten years, more than any other sector of the economy. Given this startling forecast, the attention this farm bill places on rural development and job growth is critical to the future of rural States such as South Dakota. The farm bill contains a rural development title which will help foster positive results for communities and rural citizens. I am very pleased the Value Added Agricultural Market Development Grants program will receive a total of $240 million—$40 million annually—to provide crucial grant assistance to value-added agriculture ventures. While the funding level for this program was $75 million annually in the Senate bill, it's important to keep it in the farm bill. Another benefit of this rural development title is the establishment of the Northern Great Plains regional authority, as provided for in S. 1681, my legislation to re-authorize the Northern Great Plains Rural Development Authority. As a result, South Dakota is one of five States that will have access to $30 million per fiscal year to provide grants to States in the Northern Great Plains Authority for projects including transportation and telecommunication infrastructure projects, business development and entrepreneurship, and job training.

Also, for the first time, the farm bill will help provide $80 million for rural citizens to access local television stations via satellite. This program provides loan guarantees to launch satellite systems that provide critical and timely news and weather to rural residents via their satellite. The LOCAL TV Act and loan guarantee begun because of legislation I sponsored in 2000, S. 2097, the Satellite Home Viewer Act. We also must strive to bridge the digital divide, and the inclusion of $100 million for broadband service will allow rural citizens to receive high-speed, quality broadband service.

As an original co-sponsor of S. 1111, I am very pleased to report to South Dakotans that a new National Rural Development Partnership Act was included as a part of the rural development title as well. I believe it is important for local coordination to be a part of the larger national strategy to enhance rural development. The entire State of South Dakota is considered rural, and in many places it is critically depressed. Through this new program, rural economic development efforts will utilize the expertise of Federal agency officials and dedicated local officials. Too often, the facilitation and implementation of rural development initiatives does not reach its full potential because of the lack of local participation. The primary goal of this new program is to engage in meaningful conversions that will allow for the greatest success of all rural development initiatives. South Dakota will be a true benefactor of the new National Rural Development Partnership, and I am honored to have been a part of its establishment.

The farm bill is not only supportive of crop farmers and rural communities, it also authorizes essential nutrition and food assistance programs. I am pleased that a provision of mine was included that will essentially save school lunch programs all over the country $100 million over the next 2 years. S. 1179, the Emergency Commodity Distribution Act, is my legislation included in the farm bill to fix the way that commodities are calculated for the school lunch program. While not large in overall budget terms, this fix contained in my legislation and the final farm bill will result in important stability for South Dakota and nationwide school lunch programs. Moreover, the farm bill continues the great progress made by the McGovern-Dole Global Food for Education Initiative, a program that I helped create by serving as an original co-sponsor of S. 1036, the bill that codified the incredible idea former Senators McGovern and Dole had for an international food for education and child nutrition program. Finally, the nutrition title will restore Food Stamp Program benefits for all legal immigrants who have lived in the United States for at least 5 years, and the immediate restoration of food stamp benefits to legal immigrant children and the disabled. This provision was a bipartisan endeavor, with President Bush helping to lead the way for this reform.

I am also pleased the farm bill will re-authorize farm lending programs and provide greater access to credit for beginning farmers and ranchers. Under the final bill, USDA will increase its share of down payment loans for beginning farmers and extend the term of the loans. Additionally, the bill will furnish $1.3 billion over 6 years for research programs such as those successfully carried out by land-grant colleges like South Dakota State University.

Also of interest to South Dakota is the creation of a new national dairy program, to replace the controversial compacts that divided dairy farmers between regions of the country. This is critical for new dairy operations in eastern South Dakota, and dairy processing facilities such as the new cheese plant hoping to begin operations near Lake Norden. In addition to extending the very important dairy price support program at $9.90 per hundredweight, the farm bill creates a new counter-cyclical program that will provide assistance to farmers when the price of milk falls below $16.94 per hundredweight. We in the Upper Midwest have argued over the years that all dairy farmers should be treated the same regardless of the end use of their milk and I am pleased that this bill supports that position.

Despite these and other farm policy improvements, special interests prevailed upon the House conferees to eliminate a number of important initiatives from the final farm bill. As a result, Mr. President, I am very disappointed that the final farm bill may result in long-term problems for rural America.

First, the farm bill won't include my "Johnson Amendment" to ban packer ownership of livestock. The opposition from the House conferees and packer-apologists was overwhelming according to Senator DASCHLE and others on the conference committee. In the end, it appears the fact that the House did nothing on this topic resulted in it's defeat in the conference committee. The Johnson amendment to ban packer ownership of slaughter livestock and the new "Competition Title" were necessary because the national food industry continues to grow economically while independent livestock producers receive a small share of the consumer food dollar. Horizontal and vertical integration have tipped the balance of market power in favor of major meatpacking firms at the expense of family-sized livestock producers. While the Competition Title was narrowly defeated in the Senate Agriculture Committee, we conquered well-funded opposition twice during Senate consideration of the farm bill and added my packer ownership provision to the Senate bill. Many livestock producers in South Dakota told me that the packer ownership ban was one of the most important farm bill items. Despite bipartisan Senate support and an affirmative vote by Senate farm bill conferees the House of Representatives unanimously objected and the provision was stripped from the final farm bill. While the opponents of making livestock markets more competitive are probably celebrating the defeat of my Johnson amendment in the farm bill conference, it's critical that Congress demonstrate leadership and a willingness to act on this issue in a timely manner. I have already written Chairman HARKIN to call for hearings in the Senate Agriculture Committee to investigate problems in the marketplace and to once again pass my packer ownership ban. I wish to thank the many South Dakota farm and ranch organizations that provided real leadership on this issue, along with the Organization for Competitive Markets and Senator GRASSLEY. Together, we will continue the fight.

While my country-of-origin labeling bill was included in the final farm bill, the provision to prevent USDA quality grades from being applied to foreign beef and lamb was left on the cutting room floor. It's discouraging to South Dakota's cattle and sheep ranchers that their high-quality meat has to compete with foreign beef and lamb which is camouflaged with a USDA choice or prime seal. I vow to continue to fight for a change that will only allow USDA quality grades on domestic beef and lamb.

Also, the House insisted on changes to the payment limits provision I cosponsored in the Senate that virtually render the payment limits meaningless. The new farm bill weakens what are already flawed payment limitations and may provide a larger share of payments to the Nation's mega-farms than any other farm bill in history. While the overall limit was reduced from the House level in the conference committee—the House limit was $560,000 and Senate was $275,000 the inclusion of the "triple entity rule" will allow large farms to double their $180,000 payment to $360,000. Furthermore, the farm bill imposes no real limit on gains from marketing assistance loans because large farms can receive unlimited marketing loan gains through use of generic certificates. The Center for Rural Affairs has estimated that a 25,000-acre California cotton farm would receive $8.4 million, thanks to the meaningless limits in this bill. While the bill was debated on the Senate floor, an overwhelming majority approved the Dorgan-Grassley-Johnson amendment to forestall large corporate farms from receiving these huge government subsidies at the expense of family farm operations. Yet the House provision contained virtually no limits on these payments. The integrity of this bill and future farm legislation is dependent upon common sense limitations. We cannot expect the American taxpayer to continue subsidizing corporate farms who take advantage of programs that are intended to assist small family farmers. I was pleased to see that the language includes a $2.5 million adjusted gross income cap on eligibility for participation in farm programs and that some level of transparency will be included. Hopefully, this will shed light on those operations abusing the program. A new commission will also be established to study and make recommendations regarding farm program payment limitations and the impact of payment limit policy changes on farm income, land values and agribusiness infrastructures. I vow to continue working with groups such as the Center for Rural Affairs and Senators GRASSLEY and DORGAN to address this issue in the future.

Finally, the White House and House opposition to the $2.4 billion in emergency aid for the 2001 crop year led to its defeat in the final bill. I cosponsored Senator BAUCUS' amendment to include this important disaster aid in the Senate farm bill because several agricultural producers in South Dakota experienced weather-related disasters that damaged crop and forage production last year. In fact, 13 counties in western and central South Dakota have been declared a drought disaster by USDA, and yet the Senate language to include this timely assistance was killed. Congress has provided ad hoc disaster assistance to farmers since 1998, but, without this provision, we will have disregarded losses occurring in 2001. I am hopeful we can identify ways to include this necessary disaster funding in another bill.

I cannot talk about this farm bill without publicly thanking the members of my staff who have worked so hard on this legislation for many months. I can confidently say that the Senate version of the farm bill, and ultimately this conference report, would not have been as good as it was without the efforts of my Legislative Assistant for agriculture issues, Brian Jennings. Brian's tireless effort for many months, and frankly over most of the past 3 years, was a major factor in my country of origin labeling provision being adopted by the full Senate and then included in the conference report as I have referred to earlier. And it was with Brian's help that my amendment to ban packer ownership of livestock was adopted by the Senate. The long days, nights and even many weekends that Brian has worked during consideration of this farm bill have paid off in many of the positive improvements this farm bill makes over the current farm bill passed in 1996. Brian has worked closely with Senator DASCHLE's staff, Senator HARKIN's Agriculture Committee staff, and staff from Senator's who serve on the Agriculture Committee on both sides of the aisle. I also want to commend those staff members as well, as the Senate would simply not be able to function without the dedication and true public service provided by all of our staff members.

Brian has worked on agriculture issues as a member of my staff since 1998, and he has been instrumental in the success my office has had in fighting for South Dakota's family farmers and ranchers. And for those who know Brian, this comes as no surprise. He grew up working on his family's ranch in Stanley County, SD, near Ft. Pierre, and his first-hand understanding of family farmers and ranchers in South Dakota is in part what makes him such an outstanding and effective advocate for all family farmers and ranchers here in the Nation's Capital. Brian's parents, Keith and Patti Jennings, should be very proud of Brian, as his upbringing by them on the Jennings' Ranch is the main reason he has been such an effective and strong advocate for South Dakota's farm and ranch families.

I also want to thank Sharon Stroschein of my Aberdeen, SD, staff, and Katy Ziegler of my Washington, DC staff. Sharon and her husband Larry Stroschein operate their family farm near Mansfield, SD, in Spink County. Sharon is one of my original South Dakota staff members after I was elected to the House of Representatives in 1986. Her first-hand knowledge and understanding of South Dakota agriculture have been invaluable to me over the years as I do my best to represent South Dakota in the United States Senate. Katy Ziegler grew up on a farm in Minnesota, and although she only joined my Washington staff last year, her farm background has also helped her to provide critical insights on many issues that have been helpful to me and members of my staff during consideration of the farm bill.

I will conclude my statement by saying that while a farm bill is not a cure-all, the new farm bill should be a long-term economic stimulus package for family farmers, ranchers and rural communities. Whether you support or oppose this farm bill, it's important to pause and determine whether the bill will provide a greater optimism about what family-farm agriculture will look like in the future. In some ways, I believe this farm bill will indeed create a brighter future for family farmers and ranchers, but without more meaningful reforms to meatpacker concentration and payment limitations, I am uncertain whether the long-term result will be as favorable as what is necessary to keep independent producers on the land.

According to a preliminary analysis by the Food and Agricultural Policy Research Institute, the Farm Security and Rural Investment Act will provide South Dakota farmers with an increase of approximately $200 million in benefits over the current farm bill for the 2002 crop year. Moreover, after passage of the House farm bill last year, FAPRI determined that South Dakota farmers would receive the second lowest percentage increase in payments under the House farm bill among all 50 states. Therefore, despite this bill's shortcomings, it is certainly better for South Dakota than the current farm bill and the House-passed version, which catered to mega-farm agriculture and agri-business.

In the final analysis, independent farmers and ranchers in our free-enterprise democracy deserve the opportunity to make a living from the commodities they produce in fair and competitive markets. I will continue to fight in the Senate to provide that opportunity and reduce the obscene market power that is becoming all too common in crop and livestock markets.

The PRESIDING OFFICER. Under the previous order, the Senator from Montana is recognized for up to 10 minutes.

Mr. BAUCUS. Thank you, Mr. President.

I speak today on a matter that touches the lives of every single Montanan. We have experienced 4 years straight in a row of ongoing drought conditions.

I rise today not to oppose the farm bill conference—I support it—but, rather, to express my extreme disappointment that a natural disaster assistance provision which would provide real help to American family farmers suffering from drought is not included in the conference report.

Not too long ago, I, along with Senator ENZI, offered a bipartisan amendment to the Senate farm bill that passed by an overwhelming 69 votes. That amendment provided funding for the Crop Disaster Program and for the Livestock Assistance Program.

This is not an idle matter. There are some from some States in the country who may not appreciate the gravity of the situation we face in the West. It is severe. Our Nation's agricultural producers are holding their breath, particularly in my State of Montana. I was at home over the weekend. You could feel it.

They want to know if this agricultural disaster is going to be in the farm bill. They care about the farm bill. They care much more about whether agricultural disaster assistance is or is not included; that is, the agricultural disaster assistance for last year, 2001, where the crops were devastated. As I mentioned, it is 1 of 4 years in a row of drought.

Let me be clear. Without this assistance provision in the farm bill, it really won't matter very much because farms are going to go under. We are talking about saving long-time family farmers and long-time ranchers whose generations have been farming. They just want to make a living.

On March 28 of this year, Agriculture Secretary Veneman declared the entire State of Montana a drought disaster. This drought designation came 2 months earlier than the designation in the previous year of 2001 and 8 months earlier than the same designation in the year 2000.

While our State picture is dire, it is even worse in some of the individual communities. It is bad enough statewide, but in some areas it is just desperate.

In May of 1930, the Knees Weather Station, which is approximately 30 miles from Brady, MT, located in the central part of our State, registered 1.17 inches of precipitation. That is May 1930, the Dust Bowl years—1.17 inches. In May of last year, the year for which drought disaster assistance is so desperately needed, the same station registered 0.16 inches of precipitation—about 10 times less than the 1.17 in the 1930s.

I want to graphically show you what drought is doing to my State. These pictures are courtesy of the Great Falls Tribune which has been chronicling this drought for a good period of time. This is the Golden Triangle, the so-called breadbasket of our State. I have gone out many times into the fields and kicked the soil. It is bone dry. There is nothing there. I have talked to ranchers and farmers in farm forums in Shelby, Havre, and Conrad, where the drought is drying up hope, closing down businesses, and forcing bankers to close their lines of credit. It is just getting worse.

These pictures show the problem. Some old-timers say it reminds them of the Dust Bowl days in the 1930s.

This picture shows Mark Peterson. Mark is a very good farmer. He farms just north of Havre of Hill County. In this picture, he is taking a core sample of soil to look at the moisture in the field he is seeding. This is what Mark said:

> In the late 1970's and early 1980's, you couldn't do anything wrong. Farming was fun. Right now it's hell.

This picture shows the moisture content. He goes down for the soil sample. It is not just the surface, but the subsurface soil content. It is lower than he has ever seen.

Here is what the Great Falls Tribune wrote, which is one of the largest papers in our State:

> Experts are predicting a harvest more disastrous than last year's record-low winter wheat crop. Instead of admiring their seedlings this spring, farmers in north-central Montana's Golden Triangle are watching their topsoil swirl away in the wind. As dust storms blow down Main Street, agriculture-businesses are talking about layoffs and bankers are running out of slack for debt-ridden farm families.
>
> Congress has yet to pass a disaster payment to cover last year's failed crops. Many producers are banking on the money to pay off last year's operating loans. Without the Federal assistance and a decent harvest, 2002 could be the end of the line for some producers.

This photo shows Mark Peterson seeding winter wheat north of Havre. This picture does not do justice to the problem.

I was home last weekend. This is dust blowing all across the highway, which is 20 or 30 miles south of where this picture was taken. I couldn't believe it. I have seen nothing like this.

This next picture is a photo that shows a Liberty County employee.

Liberty County is supposed to be a very large wheat-producing area in our State. What is Al Green, a Liberty County employee, doing? He is clearing a culvert that is supposed to carry water. It is carrying dust. The culvert is being filled with topsoil. You can barely see the culvert. In fact, he had to dig it out; otherwise, the culvert would be full of soil from the blowing dust.

Here is a another example. This chart shows a makeshift fence just south of Chester in Liberty County. That is also in the north-central part of Montana. I was there a short while ago. I walked out in the fields. It pulls at your heart. It is so sad, so tragic to see there is nothing there, to see people not making it. The soil just crumbles in your fingers.

As you can see, here are the fences. This fence is about 3½ to 4 feet high. Why is it there? The farmer is trying to desperately save topsoil from blowing away. Clearly, you can't keep topsoil from blowing away unless you have a crop, unless you have moisture. But in this case, it is gone. He is losing his topsoil.

The unrelenting drought in my State has brought economic hardship not only to agricultural producers but to very widespread areas of the State. In 1996—just a few years ago—the year before the 4-year drought kicked in, Montana received $847 million in cash receipts from wheat sales. In 2001, 4 years into the drought, we received not $847 million but $317 million in cash receipts. That is a 62-percent decline. Why? Drought.

It is true a lot of farmers have crop insurance. That is a critical risk management tool widely used by Montana producers. But, unfortunately, crop insurance coverage declines during consecutive years of drought because a decline in actual production history means your coverage is less. That is the way the law is written. It is a vicious circle. So the producers maintain their insurance, but they have crop insurance that provides virtually laughable coverage.

Agriculture is about 50 percent of Montana's economy. It is the backbone of our State. The drought affects not only farmers and ranchers, it is felt throughout the rural communities. It means a loss of jobs. Small businesses are forced to close their doors.

For example, in the first 3 months of 2002, feed sales were down about 20 percent. That is an indication that there are fewer livestock in the area.

Take Fort Benton, an average-sized agricultural community. About 80 percent of Fort Benton's businesses are agriculture related. Clearly, producers are suffering. The town suffers. Those who sell agricultural equipment—for example tractor dealers—close their doors.

Here is a farmer I would like you to listen to: Dale Schuler, past president of the Montana Grain Growers, and a farmer in Chouteau County, MT. He estimated nearly 2,000 square miles of crop in his area of central Montana have gone unharvested. So 2,000 square miles, in a part of Montana which usually produces tremendous wheat yields, has gone unharvested. That is about equal to the area of your State. An area the size of your State has gone unharvested in Montana. The entire State has gone unharvested.

As Dale said:

> Farmers and our families haven't had the means to repay our operating loans, let alone buy inputs to plant the crop for the coming year. Chouteau County is the largest farming county in Montana. And yet our last farm equipment dealer [in the community] had no choice but to close his doors. Our local co-op closed its tire shop. One farm fuel supplier quit. And the fertilizer dealers and grain elevators are laying off workers. I believe that we are set to see a mass exodus from Montana that has not been seen since the Great Depression of the 1930s.

I have talked to a lot of farmers in this area. I asked them to honestly compare this situation to the 1930s. Their answer was, "worse." These are honest people. I asked them, why? They said, because during the 1930s, there was 1 year in between the drought years where it rained. There was moisture. And so some could hang on. We have not had that interval year of moisture. It has been consecutive. So when it does rain now a little bit, were it to rain this year, it sinks down. The moisture just keeps going down. It does not stay in the topsoil.

Our creeks and lakes are drying up. They are gone.

Some people are wondering: Gee, haven't we all passed a big farm bill? Doesn't that help? The answer is that it does help. It is there to mitigate against future agriculture disaster assistance payments. That is one point of the farm program. But it does not help Montana farmers or other farmers in the Nation.

For last year, 2001, there was no farm bill that made any sense whatsoever, there were no payments that made any sense to farmers, and crop insurance didn't work, for the reasons I mentioned. And this is not just in my State of Montana.

Mr. President, I wonder if you saw last Friday's New York Times, the front page. There was a photograph of the drought in the West. It was not Montana; it was another State. It was the same situation but in other States. There was a photograph very similar to this one I have in the Chamber. It was on the front page of the New York Times last Friday. I encourage you to look at it.

One final point. We in the Congress have helped New York in times of desperate tragedy. We came to the rescue of New York, as we should have, and as we did, without reservation. It was the right thing to do. We are one country. We also have come to the aid and assistance of other needs in this country. There are lots of different examples. I could think of flooding in America. We have come to help out in that regard. It is very important.

Here is another disaster we are facing. I know Senators from urban States do not quite understand it, just like we from the western States do not fully appreciate the devastation of New York City. But we are here together. We have helped New York. We will continue to help areas in distress.

I urge my colleagues to remember, we are one Nation. In our part of the country, the north-central States desperately need help. A good example of that, this is a map of January of this year. The red indicates severe drought. So it is not just Montana, but it is also Wyoming.

I ask unanimous consent to speak for 1 additional minute.

Mr. HARKIN. I yield 1 additional minute.

Mr. BAUCUS. Montana and Idaho and Wyoming are shown on the map in red, which means severe. But also look at parts of Texas, Oklahoma, Kansas, and New Mexico, look at the eastern seaboard, and these yellow areas, which are areas that are strained. We all know that since January—actually, this is dated December 8, 2001, to January 10, 2002—it has been worse. A little intermittent moisture here and there, but it is worse.

So I say to my colleagues, I support the conference report to the farm bill. I deeply regret that the other body did not agree to include agricultural disaster assistance in the bill, even though it was adopted in the Senate with 69 votes.

I pledge to my people in Montana that I am going to use every ounce of energy at my command to get agricultural disaster assistance legislation passed this year, because our people so desperately need it.

I urge my colleagues to sit back and listen and be supportive of what we need so much in our part of the country.

I thank the Chair and thank my good friend, the Senator from Iowa.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I am going to yield some time from Senator LUGAR's time to Senator VOINOVICH in a moment.

I thank the Senator from Montana, first, for being a valuable member of our Agriculture Committee, and thank him for all of his hard work and his input in developing this farm bill.

The Senator from Montana is correct. He did succeed in putting in in the committee this emergency funding which not only helped Montana but all these other parts of the country. We kept it here in the Senate. We went to conference, but we were told in the conference that both the administration and the House opposed it in the farm bill. So, therefore, we were not able to keep it as we came out of conference.

We were told that if we were to come up with an emergency package, that would be different, that they would support that outside of the regular farm bill.

I assure the Senator from Montana, as soon as this farm bill is over with, that as the chairman of the Agriculture Committee, I will try to bring our committee together, hopefully, as early as next week, to, once again, mark up an emergency disaster relief bill and to get it on the floor as soon as possible.

The Senator from Montana is right. When we have a hurricane that hits Florida, if we have a tornado that hits Oklahoma or Iowa, we come in with emergency disaster assistance. The drought that hit these areas of the country that the Senator from Montana spoke about is the same as a hurricane, tornado, or fire. It is a disaster that we, as a nation, should respond to with emergency funding. I assure the Senator from Montana, we are going to do everything we can to make sure we do that.

Mr. BAUCUS. If the Senator will yield, I very much thank the distinguished chairman of the Agriculture Committee. He has put in such long hours to get a good agriculture bill passed and working through the conference. It is above and beyond the call of duty.

I thank the Senator very much for his indication of holding a hearing soon in the Agriculture Committee and reporting out a bill that gets disaster assistance to the people in our State.

Mr. HARKIN. We have had the hearings. We just need to mark it up.

Mr. BAUCUS. I appreciate the chairman helping out.

Mr. HARKIN. Mr. President, I yield 15 minutes off the Senator's time to Senator VOINOVICH.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. VOINOVICH. Mr. President, I rise today as a friend of agriculture from one of our Nation's leading agriculture States to oppose the farm bill conference report currently before us. It is too expensive, doesn't help those it claims to help, refuses to acknowledge the other priorities and challenges currently facing our nation, and will only worsen the problems with overproduction which it seeks to remedy.

According to the most recent numbers from CBO, this bill authorizes at least $180 billion in mandatory spending over the next 10 years, an $83 billion increase over existing programs. Increases such as this—an 80 percent spending boost—are irresponsible during times like this and totally ignore that we are at war abroad, trying to strengthen our homeland defense against terrorism and that our economy is in trouble. When you have a situation like this you've got to set priorities and stick to them, even if they force you to make hard choices.

If Congress approves this conference report, it is sending a message to the American people that fiscal responsibility no longer matters, although our record in the last couple of years should give them a clue that we are not a fiscally responsible Senate.

The Cleveland Plain Dealer said it best in its editorial yesterday, "No Republican who votes for [this bill] can ever say with a straight face that he or she believes in limited government or market economics. No Democrat can hold that she or he believes in balancing the budget or preventing runaway spending." I agree.

The Senate should not approve this bill today, but rather we should send it back to the conference committee from where it came and we should tell them to make the cuts in spending necessary to fit this bill into the new reality we're facing in this country.

I agree with my colleague from Ohio, Congressman JOHN BOEHNER, a member of the House Agriculture Committee who served on the Conference, who said last week in a press release, and I quote:

> We should pass a supplemental aid bill now to help farmers during this year's crop season. And once the November elections are over—when sound, long-term policy takes precedence over Washington politics—we should revisit the Farm bill and make the right choices for Ohio and the nation.

I take a back seat to no one in terms of my concern for the American farmer. I am pleased that I was referred to as the "Ag Governor." When I was Governor of Ohio, agribusiness was my number one economic development initiative. Many people—even Ohioans—don't realize that food and agribusiness means more than $73 billion to Ohio's economy each year. In fact, one in six Ohioans is employed in one aspect of agriculture or another.

Nevertheless, I cannot support this conference report, and honestly, I am disappointed at the apparent lack of respect some of my colleagues seem to have for the American farmer.

Every farmer worth his salt knows that if he or she wants to stay in business, they have to be fiscally responsible and make tough choices. Farmers are some of the most fiscally disciplined people in business and they know that the United States has to be fiscally disciplined as well. They understand that the farm bill does not focus on proper planning and making the right choices, but rather "getting while the getting is good."

This bill dispenses with any lip service toward fiscal conservatism and the other obligations our Nation now faces and plunges full speed ahead with spending. It is heedless of Americas national security needs, and it does nothing to acknowledge the long-term fiscal responsibilities of our Nation. Instead, this conference report really just helps the Nation's agricultural conglomerates receive lots of money from the Federal treasury. It's an enormous transfer of wealth. It's really that simple.

Gone are our efforts to let farmers operate in a free market economy and benefit from their own choices. We're turning our back on the market-oriented philosophy laid out in the 1996 Freedom to Farm Act which sought to wean farmers from large Government subsidies. And yes, in a free market there will be winners and losers, but the free market is what has made this country great, and it is what can make agriculture thrive if we let it operate without Government interference.

Instead, when the waves of economic change get a little rough, Congress tries to retreat into the safe harbor of Government handouts in the expectation that it will solve the problem. The real truth is, however, that this will only worsen the problem. The effect of this legislation will be to encourage production resulting in commodity surpluses, lower prices, and the need for greater government support.

And I'm not just talking about small farmers. The bill includes heightened incentives for large agribusinesses to overproduce as they seek to maximize the Federal subsidies for which they are eligible. The result will be continuing downward pressure on prices and continuing calls for emergency farm rescue legislation. When will we end this cycle and truly set our farmers free to work as they see fit and respond to the changing market with their own judgment, skill, and hard work?

The agriculture community in my State recognizes this trap and has told me that this bill sends the wrong message to farmers by encouraging farmers to grow for the program and not for the market.

Many of my colleagues constantly discuss how this bill so effectively meets the needs of America's small farmer. As the Cincinnati Post so eloquently responded to that claim in its editorial yesterday, "That is hogwash."

This bill does nothing to help the small farmer, but rather penalizes the small farmer—the supposed beneficiary of this bill. There is no effective payment cap, which will continue to allow large agroindustrial operations to continue to reap millions of federal dollars in subsidies, perhaps using them to buy out small family farmers in the end.

The majority of America's farms do not benefit from Federal subsidies, and the formulas created in this bill will result in 10 percent of the producers getting two-thirds of the money.

To make matters worse, I was disappointed to read in the Akron Beacon Journal that this bill includes a provision that would protect payments made under this program from public scrutiny. I believe that it is important for the American taxpayer to have access to information regarding how their tax dollars are spent.

I also believe that the specific programs in this farm bill demonstrate very little understanding of the broader needs of American taxpayers. It is a regional rip-off that includes new program payments for sugar, peanut, and dairy producers. It also increases the payments to large cotton, rice, corn, wheat, and soybeans producers. Finally, it revives programs which were terminated in the 1996 Farm bill—the honey, wool and mohair payments.

Additionally, I am concerned that this bill could have a devastating effect on farm exports. The formula for countercyclical payments included in this bill could place us in jeopardy of violating our obligations under the World Trade Organization and weaken our demands that Europe and other countries cut subsidy payments to their agricultural producers.

The conference report does include a mechanism for the Secretary of Agriculture to cut off payments if it appears that we are in danger of violating our WTO obligations. Is it reasonable to expect that a political appointee will have the strength necessary to make this decision?

For that reason alone the Bush administration should veto this conference report.

I have heard many of my colleagues on the other side of the aisle comment that this legislation does not present a budget problem because it is within the budget parameters outlined in the FY2002 Budget Resolution. I disagree.

The new budgetary outlook argues against the bill.

Late last year, as the Senate began debating the farm bill that ultimately passed the Senate, Senator KENT CONRAD, the chairman of the Senate Budget Committee, who clearly must understand our countrys financial condition, said, "the money is in the budget now. If we do not use the money . . . it is very likely not going to be available next year." He was more prophetic than he could have ever imagined.

When we passed the budget resolution last year and allocated $83.5 billion to reauthorize the farm bill, the budget outlook appeared much brighter than it now does. At that time it looked like we had surpluses as far as the eye could see.

Well, my friends, things have changed.

When we passed the FY2002 Budget Resolution we were operating using a CBO estimate that said we would have a $313 billion surplus in FY2002. However, as everyone now knows there won't be any surplus this year. Instead, there is going to be an enormous deficit.

The public needs to know the facts. When you take CBO's latest budget estimates for FY2002, released this past March, and you deduct the $51 billion cost of the recent economic stimulus package, and you subtract the part of the $27 billion defense supplemental we will pay out this year, and then you consider that tax receipts are running $50 billion less than expected, you end up with at least a $100 billion deficit in the current fiscal year.

Put another way, the budget outlook for FY2002 swung by $400 billion in just over a year. I remind my colleagues, when I talk about a $100 billion budget deficit, I am talking about a unified budget deficit. In other words, this year we are going to borrow the entire $163 billion Social Security surplus and then go out and spend all of it and then on top of that we are going to go out into the capital markets and issue $100 billion of new debt and spend all of that.

Put another way, we are going to have to borrow at least $263 billion to fund the Government this year. And next year it looks just as bad. We are on track next year to borrow and spend the entire $179 billion Social Security and on top of that go out and borrow another $100 billion to pay for the operation of the Federal Government.

Since there is no surplus this year or next year, and I doubt anytime soon, I ask my colleagues, from where is the money for the farm bill going to come? Well, I will tell you from where it is going to come. We will borrow it.

When people come to my office and ask for new or additional spending I always try to point out to them that every dollar of new spending is going to require us to borrow more money. And I ask them, do they think their request warrants borrowing money to pay for it? It is just that simple. Every additional dollar of spending we enact puts us deeper into debt and requires the Treasury to borrow more money.

And who do you think is going to pay off that new debt? Our children and grandchildren, that's who. The burden of paying off that debt is going to fall to them because it is increasingly clear that we are not going to be paying off debt anytime soon.

In fact, this week the Treasury Department is auctioning bonds to raise $24 billion in additional money. What is telling about this auction is the duration of some of these bonds being issued. They mature in 9 years and 9 months.

What that tells me is that the Treasury recognizes that the Federal Government is going to be borrowing money for a long time to come. The actions of the Treasury speak volumes about our long-run budget predicament.

Another illustration of how bad things have gotten is the pressing need to raise the debt ceiling, which now stands at $5.95 trillion. Last year we were told that we would not have to worry about raising the debt ceiling till the end of the decade.

But now we know that we are going to bump into the debt ceiling in a couple weeks. Again, this illustrates the extent of our budget predicament and how the situation has changed.

The budget outlook is bad and bound to get worse. The fact is that these recent budget deficits are a systemic problem; they are not a cyclical issue that will take care of itself. Here is why.

First, the recent and large increases in military and homeland defense spending are permanent increases. Almost all this spending is going to be mirrored in future budgets. The need to defend the homeland is not going to go away any time soon and neither will those costs.

Likewise, increases in defense spending to rebuild the military involve long-term commitments that won't decline any time soon. My point is that neither of these significant expenses is cyclical; they are here to stay.

Second, some people might think a surge in economic growth is going to bail us out of our budget problems. Well, my friends, I want vigorous economic growth as much as the next person, but I must point out to my colleagues that CBO's projections already assume robust growth.

In fact, CBO projects that the economy will grow at 5.4 percent next year. This is the same level of economic growth as the consensus Blue Chip private forecast. My point is that CBO's numbers are based on the assumption that the economy is going to experience robust growth; it's already built into the numbers.

And the fact is that if the economy got going much faster than CBO and the private sector project, that would probably mean an increase in inflation. And we all know what happens when we face inflation, or even the threat of inflation. The Federal Reserve puts the brakes on by raising interest rates.

Again, my point is that we face the prospect of chronic deficits, and the economy is not going to bail us out. The fact is that we can't avoid making hard choices and prioritizing. If we don't, then we face more farm bills down the road, if we can give out this type of money with this bill.

As a Senator who came here to try to bring some fiscal discipline to this place, I am just dismayed by our complete lack of fiscal responsibility. We just spend and spend and spend around here like there is no tomorrow. And this farm bill is a fine example. As the Akron Beacon Journal, wrote in straightforward language in a May 7 editorial, "This farm bill is really, really bad." It's that simple folks.

I cannot in good consciousness vote for this conference report, and I urge my colleagues to join me in opposing it. If that fails, I respectfully urge the President to veto it. If he doesn't, and we choose to give out this type of money with this bill, every other group with a concern or problem will come before us and say, "Well, you did it for them." And what will our response be? We won't have one.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I yield 15 minutes to the Senator from Arkansas, and I ask unanimous consent that after her remarks, the Senator from Mississippi be recognized for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas is recognized.

Mrs. LINCOLN. Mr. President, I rise today in support of the farm bill conference report that I believe will help rebuild rural America, strengthen our rural infrastructure, and reinvigorate our rural communities and our main street businesses. If there is anyone in this body who thinks that is not necessary at this time, I urge them to travel to rural America, visit the rural communities in their States, to better understand the devastation that rural America has been going through over the past 10 years.

Many in our country have experienced the benefits of a good economic time. Yet in rural America we have not seen all of those benefits. This farm bill will come to our rescue. It is with great relief, after years of struggle under the Freedom to Farm debacle, that farmers can now hope for a new farm bill that will offer them a helping hand in growing the safest, most affordable, and most abundant food and fiber supply in the world.

After almost a year of hearings and studies, drafting and redrafting, committee meetings and markups, debates and amendments, we have finally arrived at a bill that addresses the many needs of the broad and diverse mosaic of the American farming and rural lifestyle. Like my colleagues on the Senate Agriculture Committee, I entered into this fray at the very beginning, fighting for a better farm policy than the old one, and I have fought all the way through this past year up until this very moment. With this bill, we reach out to virtually every part of rural America. We strengthen the safety net for farmers of major crops in every part of the country by adding a new countercyclical program to help them combat low prices in some of their toughest of times and by strengthening support for other farm production in dairy and specialty crops.

We encourage greater care of our environment by an 80-percent increase in conservation programs, including the establishment of the Conservation Security Program, which will make for better farming practices on land that is in production, rather than simply protecting marginal lands out of production.

As many people in Arkansas know, the conservation programs offered through this farm bill—the Wetlands Reserve Program, Conservation Reserve Program, and the new Grassland Reserve Program—are all tremendously beneficial not only to our farming operation, taking marginal land out of production and allowing producers to refocus their efforts on their more productive lands, but they enhance the beauty of the environment that we as rural Americans all cherish.

We also provide better support for livestock producers in the greater funding of the Environmental Quality Incentives Program. We expand agricultural trade programs to assist our farmers in a global marketplace, providing increased funding for important programs, such as food aid, which have played an instrumental role in foreign relations in the last difficult 8 months.

To those who complain about whether or not we have given our full attention to making sure this bill is WTO compliant, I say we have. For those who complain about it—particularly those from other countries who have liked to talk down and talk badly about the bill we have come up with—are we just going to let them run over us or are we going to stand up and say we are simply asking for a level playing field for our producers, to be able to have their Government support in a global economy, just as those other nations have continued to provide their producers in this global marketplace?

We significantly expand the nutrition title, making important changes to and increasing funding for the Food Stamp Program, as well as for emergency food assistance. The $6.4 billion in the nutrition title is essential to States such as Arkansas, where even though we may be unbelievable producers of food products, we still suffer desperately from hunger in our children. The school nutrition programs, as well as the feeding and nutrition programs for our elderly, are absolutely essential to show our Nation and the rest of the world that our producers are not only the best, but that our Government is concerned about making sure those products get to some of the neediest.

We also improve the soundness and reliability of the farm credit system.

We increased funding for agricultural research to assist producers to be even more efficient and effective in their production.

This bill provides permanent funding for technical assistance programs to our Nation's private forest landowners, and we establish a new energy title with funding dedicated to renewable resources and biofuel development which produces a tremendous amount of benefits: It lessens our dependence on the importation of foreign oil, it creates a better environment, and it creates an additional marketplace for our growers and producers to be an effective part of lessening our Nation's dependence on foreign oil.

Together these improvements to our new farm policy will help reverse the course toward disaster on which rural America has been sliding and will put our farmers back on the road to financial recovery and provide hope for the future in rural America.

Of course, whenever Congress rewrites major authorizing legislation, particularly legislation this complicated and varied, there are going to be provisions that have different impacts on very different parts of the country. So we compromise and put together the best bill we possibly can, one that best responds to the diverse needs of our vast country, and that is exactly what this bill represents. In this respect, I believe this farm bill is a great success.

It is said that success has many fathers, and so, too, does this farm bill. It is the product of many people on both sides of the aisle and on both sides of the Hill. This process has taken us all together, including time on the Senate floor and in conference, more than 5 months already. We have spent about 6 or 7 weeks in debate alone. Every stone has been turned. Every nook and cranny has been looked into. Nevertheless, given the enormity of this process and the complexity of this bill, it is not surprising perhaps that some people want to prolong our consideration of this bill, either to return this report back to the conference for more revision, or simply to prevent the passage of any farm bill at all. They do not believe our farm producers deserve their Government's support.

I have spoken on the floor many times about the urgent need to pass a farm bill. Farmers in my State have already begun their planting season. Many of them were forced to alter planting decisions or forego planting altogether because they were unable to arrange financing with local financial institutions which were, in turn, unable to extend credit without some commitment by Congress to support the farmers.

Those farmers were able to go ahead with planting or did so with the expectation that Government support in some form would be forthcoming this year. And they need that support as soon as possible. In other words, Arkansas farmers needed this bill yesterday, not today and not tomorrow. But there are others in this body who want to continue to talk about this bill. So let me address some of the concerns I have heard expressed, particularly perhaps concerning the payment limitations.

I have heard many complain that the conference report does not retain all of the restrictive provisions inserted in the Senate bill by the Grassley-Dorgan amendment on payment limitations.

By now everyone knows of my unyielding opposition to the Grassley-Dorgan payment limitations amendment, and by now everyone has heard me or one of my colleagues explain the catastrophe the Grassley-Dorgan amendment would have unleashed on my State and others who grow cotton and rice. I am greatly relieved that the Grassley-Dorgan amendment was modified by the conferees because in its original form, the amendment would have cost my State a little less than $400 million in direct losses, and more than $1.3 billion in indirect impact. It would have affected more than half of my cotton farmers and a third of our rice farmers. It would have impacted entire counties, not just individual farmers but also the local bankers, the farm supply stores, the corner grocers, even local schools and churches as a result of the significant reductions in land values and tax revenues.

By now, everyone knows of the utterly unfair and disproportionate impact Grassley-Dorgan would have had on Southern farmers versus farmers in other parts of our country, but this bill still provided a compromise on payment limitations. We went from the 550 limit in the House, compared to the 275 limit in the Senate, to 360, which was a good compromise. That does not mean there will not be people who will be hurt or who will be affected by that 360. There will be. But it is a reasonable compromise that we could reach.

Why, then, I find myself still asking, would other Members of this body from large farm States continue to seek the bankruptcy of my State's largest industry and largest source of employment? What is it that they think Grassley-Dorgan would accomplish that would remedy the problems in their own areas?

They say two things: First, they say they are trying to prevent large farmers from hogging an unfair share of Government subsidies that are then used to drive smaller farmers off the land.

Looking back on the debate we have had so far, I have had a hard time reconciling this explanation with other points that are made. For example, I remember hearing that only a small portion of farmers would have been affected by this amendment, but if so few farmers would be affected, then its impact on land values would also have been very limited.

I am also bothered by something that my good friend from Iowa, Senator GRASSLEY, mentioned during his floor statement on the subject yesterday. I have deep respect and appreciation for Senator GRASSLEY and have enjoyed working with him on a multitude of issues, but I could not disagree with him more strongly, more vehemently than I do on this particular issue. I suspect that our disagreement is driven by the harsh disproportionate effect his payment limits amendment would have on my State compared to his.

Senator GRASSLEY described the conference report as something that should make cotton and rice farmers happy and something that would make Iowa farmers unhappy, ostensibly because his payment limitation amendment had been moderated by the conference. But given that my State consists largely of cotton and rice farmers and his State has none of either, it really sounds like a concession, perhaps, that the amendment would have had a disproportionate effect on Arkansas.

What, by implication, is the alternative? That he would be happy only if cotton and rice farmers were not? I do not believe that is the case, truly. Or that the interest of my farmers in my State are opposite to the interest of the farmers in his State? I do not believe that either. I reject that. I reject that categorically.

It used to be that farm policy was written with the interest of all farmers in mind, and that is exactly what our chairman and the other members of the conference committee have tried to do. It is unfortunate that so many people have abandoned the notion that legislators from across the country should recognize their shared interests and work together to write farm policy that is beneficial for all.

Any problems this farm policy may eventually have are likely to be due to the collapse of this farm coalition among States. I hope we learn from this experience the next time we have to write major farm legislation.

Senator GRASSLEY's statement also raises another question in my mind: How would undercutting cotton and rice farmers in Arkansas, or anywhere else for that matter, help corn and soybean growers in a part of the country where cotton and rice are not grown? How would that help moderate rising land values in Iowa?

The answer on both counts is that it would not. Slashing the value of the industry in my State would do nothing to help the farm industry in Iowa. If anything, driving cotton and rice out of Arkansas would actually hurt corn growers because farmland in Arkansas would eventually be dedicated to corn production which would simply drive down the price of corn and hurt corn farmers everywhere.

The second argument I have heard from proponents of the Grassley-Dorgan amendment is that we must try to prevent so much money going to big agribusiness and giant corporate farm entities. They refer to generic certificates in disparaging terms, such as "loophole." This is our emergency disaster system which is only applied when prices are at their rock bottom and input costs are at their ultimate high on our capital intensive crops.

Also, it should be noted that the Arkansas entities most cited as examples of giant corporate agribusiness are rice cooperatives which process rice for thousands of rice farmers from Arkansas and surrounding States. The support these cooperatives receive is simply passed on to their member farmers. It is incorrect to suggest Riceland Foods in Stuttgart, AR, is pocketing tens of millions of dollars when, in fact, Riceland is paying that money out to thousands of its member farmers.

It should be noted that these cooperatives enhance their marketing leverage and, by relation, the marketing leverage for their farmers through the use of generic certificates. They pool all of the production and market the collected rice to customers around the country and around the world as needed.

Generic certificates allow them to do this. Otherwise, without effective use of those certificates, the cooperatives would be unable to pool member production and would have to erect paper walls between each member's contributions so they could be sure no one farmer received marketing loan support on an amount of rice that would put him over some arbitrary payment limit.

Burdening the co-op with such requirements would defeat the purpose of creating a cooperative in the first place; that is, to enhance the processing and marketing power of the co-op members, those individual family farmers.

Again, what, by implication, is the alternative? That the cooperative in Stuttgart, AR—Riceland Foods—should not have been established? That it should not be able to serve its members as a cooperative?

Well, that is exactly what is implied by the expressions of shock that such an entity as Riceland Foods would receive so much in farm supports.

I would bet many of the Members of this body, and also of the House, who have cited the amount of support sent to rice as an example of why stricter payment limits are needed are also many of the same Members who have voted time and again to encourage the development of cooperatives.

The PRESIDING OFFICER (Mr. CARPER). The Senator's time has expired.

Mrs. LINCOLN. I ask unanimous consent for 2 additional minutes, at least.

Mr. HARKIN. I have other Senators lined up who have 2:30 appointments.

Mrs. LINCOLN. I will be very quick.

Mr. HARKIN. I yield 30 seconds.

The PRESIDING OFFICER. The Senator is recognized for 30 seconds.

Mrs. LINCOLN. I add my compliments to the chairman of this great committee, also to our majority leader, Senator DASCHLE, as well as the other members of the conference committee who have worked so hard.

I am very proud of the incredible improvements and increased technology that our American farmers have accomplished over the past 20th century and I think this bill complements that. Our producers grow the safest, most abundant and affordable food and fiber anywhere. They do it under some of the strictest environmental regulations and rules and with great pride and appreciation for their environment.

The American people enjoy a safely grown food supply for which they pay less than any other country in the world. I am proud to support this bill, and I am more than proud to support the American producer and the American farm family.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Mississippi.

Mr. HARKIN. Will the Senator yield for a unanimous consent request?

Mr. COCHRAN. Yes.

Mr. HARKIN. The Senator from Mississippi, under the previous order, has 10 minutes. I ask unanimous consent that after he finishes, the Senator from Pennsylvania, Mr. SANTORUM, be recognized for 10 minutes off of Senator LUGAR's time, and Senator HUTCHISON of Texas be recognized for 10 minutes off of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, writing this new farm bill was a very difficult challenge. I am very pleased our conference committee has now completed its work and the legislation now in the form of a conference report has been approved by the other body and is now before the Senate.

It is a bill that has the support of President Bush. This is the statement by the President that was issued on May 2, which I will read.

> I congratulate Chairman Combest and the other House and Senate conferees for a job well done in completing the Farm Security and Rural Development Act of 2002. I am pleased that the compromise agreement on the farm bill resulted in better balanced commodity loan rates, spending that is no longer frontloaded, and the strongest conservation provisions of any farm bill ever passed by Congress. The final provisions of the farm bill are also consistent with America's international trade obligations, which will strengthen our ability to open foreign markets for American farm products. While this compromise agreement did not satisfy all of my objectives, I am pleased that this farm bill provides a generous and reliable safety net for our Nation's farmers and ranchers and is consistent with the principles I outlined. I thank the conferees for their hard work and urge Congress to send the farm bill to my desk promptly for signature, to help ensure the immediate and long-term vitality of our farm economy.

One of the primary objectives of the new farm legislation should be to improve the predictability and effectiveness of the financial safety net available to farmers. This bill does that. Farmers across the Nation will now be able to make better management decisions for their farm operations. This farm bill will continue the marketing loan program and provide farmers with a newly designed target price mechanism to stabilize and make more predictable the level of Government support when market prices are low. The target price will remain constant throughout the 6-year life of this farm program.

Farmers have requested that the new farm bill allow for updated crop base acres and crop payment yields. This bill does that. It provides producers with the option to update both base acres and payment yields. By updating base acres and yield, the makeup of farm operations will be determined by recent planting history as opposed to outdated records from the 1980s.

This bill will protect more of our natural resources by increasing the number of acres eligible for enrollment in conservation programs. The Conservation Reserve Program acreage cap is increased from 36.4 million acres to 39.2

million acres. The Wetlands Reserve Program acreage cap is increased from just over 1 million acres to 2.75 million acres. The Wildlife Habitat Incentives Program is authorized at $700 million over the life of this farm bill, compared with $50 million under current law.

The Environmental Quality Incentives Program, which provides cost-share assistance to the livestock industry to comply with environmental regulations, is increased from $1.3 billion in the 1996 farm bill to $9 billion over the life of this bill.

This bill also authorizes programs to increase our market access in other countries for both commodities and value-added products.

The nutrition title contains increased Federal support for school food programs. Free and reduced priced meals will help students nationwide do a better job in the classroom. The bill not only provides funding for the School Lunch Program, it establishes a pilot program to provide school children with fresh fruits and vegetables.

The rural development title of the bill will enable rural communities to receive high-speed broadband services.

The conference committee also noted the large backlog in waste and water assistance programs at the Department of Agriculture. The bill authorizes funds to eliminate this backlog of pending applications for grants and loans. That will greatly assist rural communities, some of which are facing emergency drinking water shortages.

A Rural Business Investment Program also authorized in this bill will provide loan guarantees for new and better job opportunities in rural communities. If the Senate does not adopt this conference agreement, the Congress will be forced to consider yet another ad hoc financial assistance package for agriculture that could result in billions of dollars of additional emergency spending without providing farmers a dependable agricultural policy for the future.

I thank the members of our staff who worked so hard in our conference committee to bring about the result that we achieved. Especially, I wish to mention Chuck Connor, who represented the President, the administration, at our conference meetings. He was available to answer questions and assist with information that we needed. Hunt Shipman, who represented Secretary Ann Veneman, the Secretary of Agriculture, did an outstanding job providing assistance to the members of the conference committee. I want to mention Mary Waters, who also is an assistant to the Secretary of Agriculture, who was very helpful to us all. And members of my personal staff, Hunter Moorhead, who is my agricultural legislative assistant, worked long and hard nights and weekends, for many months, to help put this legislative package together. He did a truly outstanding job; my chief of staff, Mark Keenum, who had previously filled that role, also provided very valuable and helpful information, insight, and assistance, along with one of my newer staff members, Emily Brunini, who recently joined our staff. For their services and assistance, I am particularly grateful and want the Senate to know of their outstanding work.

The PRESIDING OFFICER. under a previous order, the Senator from Pennsylvania is recognized for 15 minutes.

Mr. SANTORUM. Mr. President, I rise in opposition to the conference report. I do so first by talking about a couple of things that are good in this bill. Oddly enough, one of the things I am most excited about in this bill is a move from a Depression-era farm program, the Peanut Program, that has actually been taken into somewhat more of a modern era—not to the market, which is what I would like it to ultimately have gone to, but we have taken it from a quota system, where the Government is micromanaging the production of peanuts, excluding those who did not have a license or quota to grow peanuts. We got rid of that onerous Government-controlled program, and the farm bill is treating peanuts as we do the rest of the commodity programs.

In that respect, we had a program way out here on the left, regarding Government involvement, and moved it to the right. The problem is in the rest of the bill. We were to the right, and we have moved it to the left. We now have Government back into the business of supporting crops, micromanaging what goes on around the country, leading to what has been heard from many who oppose the legislation, to more certain misery in farm country, more concentration, more large farms.

Most of the money in this bill for production is going to the row crops. In Pennsylvania, we have some corn, we grow a little bit of beans and other items. But the bottom line is most of my farmers are not the big row crop farmers who qualify or participate in these programs. The benefits will not go to the vast majority of States and, I argue, farmers in this country who do not live in the South or Midwest, who are the principal beneficiaries of the program. Two-thirds of the commodity money will go to 10 percent of the farmers in America. Two-thirds of the money in this bill for production will go to 10 percent of the farmers in America. Where is the great sympathy for the small farmer?

All of the programs are justified because we need to help rural America, the small farms. We have to keep the fabric of rural America. Two-thirds of the money goes to 10 percent of the farmers. They are not small farmers.

As to this concept that we are here to preserve the rural way of life and this will be a breath of fresh air for rural America, this is another nail in the coffin of the family farm in America, by the Government not only giving all this money to these large farmers and, by doing so, creating an oversupply situation so those who do not get the money are going to have lower prices, but our little farmers will not have markets to be able to make any kind of profit in what they do.

This is bad policy for farming. If we did anything such as this for any other industry in America, we would be called one of the great socialist regimes in the world. Imagine talking about the paper industry and saying we will provide all the subsidies and programs for anyone in the paper industry, or in the furniture business, or in the lighting business. We would be laughed out of this place if we tried to do that. Yet we are going to micromanage agriculture and pour hundreds of billions of dollars into big farms, where only a very few States are going to benefit from this program. It is wrong for America. It is wrong for farming. It sets a horrible precedent. The sad thing is, on top of all else, it will be very expensive for the taxpayers of America.

Senator LUGAR has reestimated a $57 billion increase in commodity supports for crops. We are talking about a $57 billion increase over the next 10 years. I guarantee today—I put a nickel on the table—that number will be at least $25 billion more, just in supplementals for farmers. Why? Because prices will be so darn low, we will have to put in more money to bail out those who are hurt.

By the way, most of this helps farmers who have a crop. If you don't have a crop, there is not as much help. We will come back and help folks for the floods, for the droughts, and for everything, else. This is going to be much more expensive than what we are talking about today. We have shown the rest of the world we are really not interested in opening markets, we are not interested in growing our exports, we are really not interested in setting an example for the world as to how we can be better trading partners.

It is incredibly ironic, when we negotiate trade promotion authority, we bring up a bill that has everything we deplore about the Europeans. That is what we are doing in this bill. We are setting a bad example that costs the taxpayers billions, and we are not helping the little farmer who needs the help. We are not helping the little guy out there trying to make it.

Why? Because all of the subsidies are going to the big farms. They will produce. They have no incentive not to produce. They are being guaranteed a price to produce. Produce all you want. Drive that price down. Put my little farmer who gets no subsidy out of business. Congratulations. We struck a blow for rural America. We struck a blow for the taxpayer. The problem is, the blow is right between the eyes. And it will knock them down, and in too many cases it will knock them out.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, these past few years have been horrible for farmers. Low prices, the recession, and weather-related catastrophes—like the severe drought conditions we suffered in my home State of Texas—have made it extremely difficult for our Nation's agricultural producers to sustain their farms and ranches, and maintain their ability to feed Americans and the people around the world. These extraordinarily difficult times reinforce the need for Congress to support a strong and effective farm bill that provides a solid safety net and enhances the ability of our farmers and ranchers to compete domestically and abroad.

This farm bill is not perfect, and I understand why many of my colleagues are opposing it. There are many provisions that concern me as well. This legislation undercuts the very foundation of the Freedom to Farm concept. Freedom to Farm was the right approach for American agriculture, but our farmers were denied open markets and fair trade because of our competitors' subsidies and tariffs. Now, instead of opening markets and lifting trade barriers, we are moving back to direct price supports. I am worried this could stimulate overproduction and drive commodity prices down even further. I am also concerned with the uncertainty that will follow this bill's country of origin labeling requirements.

However, Texas farmers and ranchers are backed against the wall. Like many farmers all across America, Texans have been praying for two things—rain and certainty. Texas farmers have been waiting for months to make their planting decisions for this year's crop, and their lenders cannot help them until this farm bill is passed. This is a difficult vote for me. However, at the end of the day, this bill provides critical assistance to those who produce our food supply. This is why I will reluctantly vote for this imperfect legislation.

This farm bill will answer the desperate calls for help from America's farm and ranch country. Most importantly, it provides a strong safety net for our farmers. The payment incentives in this bill will free America's farmers from depending on Congress to continually provide emergency assistance when prices drop. Over the last 4 years, Congress has spent nearly $30 billion on such emergency assistance for farmers. This aid was necessary, but its inefficient delivery did not provide the certainty that farmers and lenders need for crucial management and financial decisions.

This farm bill may threaten our World Trade Organization commitments, so I am pleased that the Secretary of Agriculture is authorized to regulate this spending on our domestic farm programs. Currently, more than 25 percent of American farm income comes from exports. We must continue to fight to open these markets, and we cannot hinder access to foreign consumers who will provide new opportunity and income for our Nation's farmers and ranchers.

Finally, this legislation protects the States' water rights and creates the strongest conservation provisions of any farm bill in history. Many of America's livestock and dairy producers depend upon these programs for essential soil and water conservation. The severe drought and flooding that has occurred across the country makes this funding even more critical as farmers work to sustain and enhance the productivity of their land.

America's agricultural challenges must be addressed immediately. This bill takes a step—I hope the fundamentals will improve, so we can attempt—freedom to farm again in the future.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, how much time does this side have left?

The PRESIDING OFFICER. The Senator has 29 minutes.

Mr. HARKIN. And how much time does Senator LUGAR have?

The PRESIDING OFFICER. He has 75 minutes.

Mr. HARKIN. Mr. President, if there are any Senators who wish to speak on the farm bill, now would be the time to do that; otherwise, we might be wrapping this up very soon. But we will run the clock a little longer to give any Senators an opportunity to come over and speak. Whoever, pro or con, they will be recognized to speak. With that understanding, I suggest the absence of a quorum and ask the time be divided equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time to the Senator from Virginia?

Mr. ALLEN. I ask I be granted up to 10 minutes from the time allocated to Senator LUGAR.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I rise today to offer my concerns about the conference report on the farm bill. I understand the desire—and share the desire—to make improvements in existing farm legislation. I know the conferees worked very hard to address all of the concerns of Senators and Representatives from all over this country. A strong farm bill is a high priority, and I certainly agree with others who share those views.

In my home State, the Commonwealth of Virginia, agriculture accounts for a significant part of our diverse economy, creating nearly 10 percent of the total jobs statewide. I worked with members of our Senate Agriculture Committee to address the concerns of Virginia growers and the agricultural communities.

Several of these concerns were primarily addressed in the Senate version of this bill. However, sadly and regrettably, I cannot vote for this bill. My concerns are quite simple and represent not only the interests of farmers in Virginia but also every American, whether or not he or she is engaged in agriculture.

There are several points I want to make. Number one has to do with Virginia peanuts. I thank Senator HARKIN. While I may not be joining with him at this time, earlier I thanked him because if this conference report was like the Senate version, I would be up here saying this is a good bill. However, with regard to Virginia peanuts, this conference report is not a good bill. Back in December I objected to the consideration of this bill, not just for peanut farmers but for others, as the current farm bill doesn't even expire until the end of this year. I thought, and continue to believe, it is unfair to our farmers and ranchers to hold hostage their way of life, to debate and implement changes that may harm their income in the middle of the year—indeed, during the plowing, planting, and now the growing season. I do not think it is right to move the goalposts on someone after the ball has already been kicked.

In 1996, when the Senate last debated the farm bill, the target price for peanuts was lowered from $670 a ton to the current level of $610 per ton. This level was not due to expire until the end of fiscal year 2002, which is September 30 of this year.

Today, a farm bill will pass, and the conference report on it takes that level from $610 a ton to $495 per ton, a decline of almost 20 percent.

I worked hard to make some positive changes in the Senate bill. We increased on the Senate side the target price of peanuts from $480 in the House version to $520 in the Senate bill.

We increased the marketing loan rate from $350 to $400 and we increased the quota transition payments from 50 cents to 55 cents. Unfortunately, the conference cut most of these gains.

Virginia has about 76,000 acres of peanuts and 4,000 peanut farmers. While these numbers may not look large to some Senators who have big corporate farms in their States, these peanut farms are the basis of local communities throughout Southeastern Virginia.

The fact is, they are going to be devastated by this bill. And that means it is going to affect the implement and equipment dealers, those who sell the fertilizer, seed, and herbicides. Obviously, it will affect the whole community. Despite the hefty expense of this bill—which for taxpayers is an expense of $4 billion—it will ensure the demise of many Virginia peanut farmers.

Last week I brought a tin of Virginia peanuts to the Senate floor. I also did so today because I want to share with my colleagues this great product which will continue to disappear, sadly, from the landscape of American commerce. The bottom line is that it is simply not fair for our hard-working farmers to be dealing with a moving target—at the expense of the American taxpayer.

The peanut section of this bill alone will cost every American man, woman, and child almost $15 during the lifetime of this bill. Compare this to the current peanut program which operates at no net cost to the taxpayers. The way I see it, it is a losing proposition. The taxpayer loses, as do Virginia peanut farmers.

The second point of concern is regarding the budget. The bill not only is expensive on the peanut front, but it also busts the budget.

The Budget Act allocated $73.5 billion for the farm bill. The Congressional Budget Office now says the legislation will increase agricultural spending by $82.8 billion over the next 10 years—nearly 80 percent over the cost of existing programs. The 10-year cost of this bill, estimated at no less than $170 to $180 million, equates to a subsidy of agriculture of more than $640 by every man, woman, and child in America.

In a time where budget surpluses have turned into budget deficits—we are fighting a war and fighting through a recession with the highest unemployment rate in over 8 years—we should not be diverting money from Social Security surpluses.

This is a policy that stimulates supply, drives down prices, and it hurts the farmers who it is meant to help. Simple economics says that an unchecked increase in production will lead to slumping prices, and, as Senator HUTCHISON of Texas said, it will ultimately result in increased interest rates.

The decline in prices will shrink the profits of farmers, driving them to borrow more money to stay in their business. And the inevitable increase in interest rates will only compound their problems. The result will be a continuing downward pressure on prices and continuing calls for emergency farm rescue legislation.

The third issue of concern I would like to mention is trade. While this bill is not officially a violation of WTO, it is inevitable that there may be trade violations and claims made by foreign governments. This bill has already come under attack from U.S. trading partners and could set back our current efforts to strike free trade agreements.

The Uruguay Round agreement on agriculture limits U.S. spending to no more than approximately $19 billion a year on domestic farm supports. The reason for that was to not distort production and trade. It is very likely that these limits will be exceeded in the future.

Furthermore, the new country of origin labeling requirement, besides being fundamentally impracticable and unworkable, will trigger retaliation from some of our most important trading partners—Canada and Mexico.

I also have other concerns about cuts in some specific programs that were at least in the Senate version going in the right direction which were beneficial to the people of Virginia.

The conference report drastically cuts rural utility service funding that would deploy rural broadband programs and loans to rural electric cooperatives for service upgrades.

Also, the conference report deletes the Senate provision for $70 million for a nutrient reduction pilot program in the Chesapeake Bay.

I know the Presiding Officer has a few tributaries that flow into the bay, as, of course, does Virginia, Maryland, and Pennsylvania. Unfortunately, the Senate provisions were knocked out.

As Governor, we worked very hard—and I know the Presiding Officer did as well when he served as Governor—to reduce nutrients going into the bay so that grasses, fish, crabs, oysters, and mollusks could return. Unfortunately, that valuable nutrient reduction program was knocked out of the conference report.

In summary, ultimately, I would like to see us pass a solid farm bill that provides a quality safety net to our hard-working farm families, which also keep prices affordable and low for consumers, which doesn't raid Social Security, and which does not grow the size of Government at the expense of every hard-working American.

Indeed, I voted for the Senate version of the farm bill. While there are many salutary improvements in this bill, there are too many harmful results for Virginians and Americans.

Today, this conference report takes a step backward on this philosophy. It goes against the market-based principles instilled in the 1996 Freedom to Farm Act, and it does so at a cost that is too high to pay.

Today, regrettably and sadly, I will have to vote against this bill, and in doing so represent the interests of Virginia peanut farming communities and also the long-term interests of all farmers who deserve both adequate support and adequate predictability.

I vote for fiscal responsibility and to protect the Social Security trust fund. I vote to keep the word of the U.S. to our trading partners that is vital to expanding markets for American farm products. And I vote on behalf of the taxpayers of Virginia and nationwide who understand the great importance of agriculture but simply cannot afford excessive, wasteful government spending.

Thank you, Mr. President. I yield the floor.

Mr. HARKIN. Mr. President, before I yield time to the Senator from Nebraska, I wish to respond to my friend from Virginia with whom I have a good relationship. We have worked closely on this.

Let us be frank. I wish we could have had the whole Senate bill passed, as we passed it once before. As you know, we had to work these issues out in conference.

As concerns the Chesapeake Bay, this has been a concern of mine for a long time, especially in terms of the agricultural runoff. That is why I was supportive of the provision that the Senator mentioned. But the House would not accept the carve-out of EQIP for the Chesapeake Bay nutrient reduction pilot program.

Experience being the best teacher around here, we put it in the conference report.

There is a new authority for the Secretary under a section called Partnerships and Cooperation. In which the Secretary can designate special projects and enter into agreements with non-Federal entities to provide assistance. This could well help with the Chesapeake Bay. In fact, the Partnership & Cooperation authority was specifically crafted with programs like the Chesapeake Bay Nutrient Reduction Pilot Program in mind. I want to read the language:

> "The managers intend for the Secretary to use this authority to help producers avoid the need for further Federal and State regulations to protect both water and air. The Secretary is strongly encouraged to be proactive in establishing partnerships in critical areas such as the Chesapeake Bay."

The Chesapeake Bay is the only specific region mentioned in the entire

Partnerships & Cooperation report language section. That is intended to give the Secretary notice of the special status of the Chesapeake Bay. I wanted the Senator to be aware of this report language.

I also say to the Senator, as long as I am chairman of this committee, we intend to make sure the Secretary follows through on this. This is one of our national heritage spots. It is one of our national treasures, the Chesapeake Bay. We fully intend that the Secretary will use her authority to enter into those arrangements just as we specified. It is the only area specified in the report. We did not specify any other area than the Chesapeake Bay. That is just under that program. They draw on the existing conservation programs.

Secondly, we increase the Environmental Quality Incentives Program, which the Senator mentioned, from $2 billion to $11 billion, a 5½-fold increase. Under the EQIP program, farmers in the Chesapeake Bay area could receive funds and help for mitigating the runoff of nutrients.

The third part that will help the Chesapeake Bay is the new program called the Conservation Security Program that is in this bill. It is a new entitlement program—open to all producers. For example, if a farmer in the Chesapeake Bay wants to cut down on nutrients, wants to cut down on fertilizer, wants to stop soil runoff, wants to have resource management improvements there at a non-degradation level, and, to be the best manager of that land, that farmer could qualify to receive a payment from the Government by entering into an agreement with the Secretary.

So I say to the Senator from Virginia, there are at least three parts of this bill which will be helpful in mitigating and stopping the runoff of nutrients and soil in the Chesapeake Bay area.

I am sorry we could not get the specific carve-out, but I can assure the Senator as sure as I am standing here—that under those three provisions in the conservation title will provide producers in the Chesapeake Bay more opportunity for conservation in the next 6 years than there has been in the past. That is all I can assure the Senator.

Mr. ALLEN. If the Senator will yield?

Mr. HARKIN. Yes.

Mr. ALLEN. I thank the Senator. I hope the Senator heard my remarks and how complimentary and grateful I am for the work the Senator did on the Senate version.

Mr. HARKIN. I thank the Senator.

Mr. ALLEN. All of those different approaches are good. And there are competitive grants. I am going to work with the Senator.

We did have that $70 million for that nutrient reduction pilot program. While all that is good—and I am going to work hard, and I am glad you were able to provide that—it is still not as good as the other version. If the House would have only listened to you more. But, again, I thank you for at least keeping that. And we will work together to reduce nutrient runoff, whether it is filter strips, grass strips, riparian buffers, to reduce the nutrient and sedimentary runoff into the tributaries of the Chesapeake Bay.

I thank the Senator.

Mr. HARKIN. I thank the Senator. Actually, they are not all competitive grant programs. CSP is open to all producers who qualify. However, I do look forward to working with the Senator and others concerned about the Chesapeake Bay on this issue.

Mr. President, I yield 10 minutes to the distinguished Senator from Nebraska, my neighbor to the west.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. NELSON of Nebraska. I thank my neighbor to the east from Iowa, the distinguished chairman of the Senate Agriculture Committee, for the opportunity to be here today and to rise in strong support of the farm bill conference report.

I say to my friends and colleagues who oppose this bill, and appear to prefer nothing to something, if you like importing 50 percent of the energy needs of this Nation, you will love importing 50 percent of our food needs, if this measure fails and domestic agriculture as we know it fails.

I am not sure whether I am pained more by the current state of the farm economy—which pains me greatly—or by many of the attacks on this farm bill, which I believe will set production agriculture on a course of financial stability over the next several years.

This farm bill, by every measurement, is not perfect. It was not perfect when the Senate passed it in February by a vote of 58 to 40. Neither was the House bill that passed last year in September. But both the House and the Senate recognized, then, that their respective bills were a vast improvement over the so-called Freedom to Farm legislation that preceded it. And we passed it and sent it to conference.

Granted, changes were made in conference, changes which I wish had not been made. But the overall bill is still a good piece of legislation. It will provide substantial new funding for commodity, conservation, and nutrition programs. The bill reflects many priorities that Nebraskans have asked for in this bill, including a reliable commodity program, higher loan rates, funding increases for popular conservation programs, a new incentive program for hard white wheat, and new funding for renewable energy initiatives, just to name a few.

The farm bill includes a continuation of direct payments and a new counter-cyclical program. Direct payments are fixed over the life of the bill. Loan rates are fixed for 2002 and 2003 and reduced by 1.5 percent for the 2004 through 2007 crop years. Target prices will increase as loan rates are decreased.

The bill will increase funding for conservation programs by 80 percent, providing $9 billion in additional funding for the Environmental Quality Incentives Program and increasing enrollment in the Conservation Reserve Program—a very popular CRP Program—from 36.4 to 39.2 million acres. It also establishes the new Conservation Security Program which offers incentives to producers for conservation on land under production.

Media reports place the amount of 2002 subsidies available for Nebraska at $1.1 billion compared with $675 million under the 1996 law. That is a half a billion more dollars to Nebraska farmers. This is good for Nebraska's farmers, and it is good for Nebraska's economy.

As I said throughout the long process of developing and considering and passing a new farm bill, we need this legislation to help the agricultural sector of the economy. It seems to me that agriculture is an afterthought for most policymakers in Washington, often left out of important tax and economic legislative initiatives, as well as an afterthought in many of our trade initiatives and agreements.

Now, with this bill, I think we have changed that attitude. With the new farm bill, and with the energy bill's emphasis on ethanol production as an alternative to foreign oil dependence, and other renewable energy, we have taken steps to improve agriculture's position on the priority ladder. This bill must be looked at as not only food, but fiber and fuel.

Again, as with any piece of legislation, this conference report isn't perfect. I am disappointed, in particular, that the final version was stripped of the Senate provision I cosponsored that required payment limitations to huge farming operations. But we can have that fight another day, and I hope it will be soon.

On balance, the new farm bill is a giant step forward from where agricultural programs had been under the dramatic failure of the 1996 Freedom to Farm Program. It improves the efficiency of Federal programs and provides a higher level of assistance to our farmers. For this reason, I will vote for this legislation because I believe it is a vote in favor of fairness and stability for rural communities and the Nation's agricultural economy.

Throughout the development of this bill, I have always sought ways to support our farmers and ranchers. And I have looked for reasons to vote for this bill at every opportunity. But it seems to me that some of my colleagues have looked for excuses to oppose it, and now they threaten to kill the conference report and cast our producers back into the disaster known as Freedom to Farm.

It strikes me that many of those who oppose the bill were some of the same ones who supported Freedom to Farm. These are strong words, I know, but this is a very difficult time for agriculture.

I am here today to tell you that nothing is not better than something. This bill represents an honest attempt to improve farm programs for our farmers. Sure, maybe we could have done even better—and we probably could do better—but the conference report which is before us today is such a vast improvement over the past that we cannot let the perfect become the enemy of the good, particularly when our farmers need the support provided in this bill. And they need it now.

In the final analysis, my decision to support this legislation was easy. The conference report provides the much-needed stability that farmers in Nebraska have lacked for the last 5 years. It is about time. It allows for major expansions of conservation, nutrition, rural development, and trade programs.

It fits within the budget, and, on the whole, it is a good bill for Nebraska. I see positive reasons to vote in favor of this conference report which I think will be good for American agriculture.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I yield 10 minutes to the distinguished Senator from Missouri, Mr. BOND.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. I thank my colleague from Iowa, the distinguished chairman of the Agriculture Committee. I compliment the chairman and ranking member and the conferees who worked so hard to produce a final product. This one was not easy. There is the old saw about watching sausage and the law being made. It probably applies to this bill as well as any others.

I commend our House colleagues for continuing the tradition of bipartisan work on the farm bill, for soliciting broad input, for finishing the bill early this year, for not pitting farmers against farmers and one region against another, processors against farmers and environmentalists against farmers. In my view, the House did succeed in avoiding the temptation to politicize farm policy, and I believe the product they have reached in conference with the Senate is good for all agriculture.

The staff worked long days, nights and weekends, as did, of course, the conferees. It is not very often that we do anything around here ahead of time. For that, the conferees deserve special recognition.

Clearly, there are many provisions in the bill that I support. There are some issues on which each of us would have a much different take, we would have handled differently, if not burdened by the natural constraints of a democracy. I know that some Senators are making a strongly held case that this legislation costs too much. I have my own misgivings about the price of farm policy. I will focus on that in my remaining remarks.

First, as with any estimate, it is based on assumptions. The new assumptions used in this case to calculate a score include new expectations of market prices for individual commodities years in advance of reality. These estimates are done in good faith. But, of course, it is laughable to think that we know what farm prices will be over a period of years that depend on world demand, trade preferences, the relative strength of foreign currency, peace, war, and weather.

The reason this latest score is higher is because the expectations of market prices have been revised downward. If market prices are less, then there is more urgency for the stronger safety net included in this bill, not less.

Let me point out something many people overlook. There are folks saying this is 70 percent more expensive than the last farm bill. If you look at the underlying farm bill, yes. But we didn't stick with the underlying farm bill. When the world market for agcommodities crashed with the Asian contagion, the Asian flu in the late 1990s, Congress stepped up to the plate. We have been providing emergency assistance because we did not want the artificial collapse in the demand of world prices to bankrupt farmers. What we are doing now in this bill is essentially building into the safety net the level of spending that we have reached when we have had to come forward with emergency appropriations for the emergency costs each year.

I guarantee, if we had passed the old farm bill, if we had kept the old farm bill in place, if the year 2003 rolled around and it appeared that we were going to have the same disastrously low farm prices we have this year, we would have come right back here and people would have said: Yes, you can't have large segments of agriculture going bankrupt because they can't get a return from the marketplace.

As most of us know, when farmers come into our Senate offices, they have a broad agenda. Some of it we deliver; most of it we have not, despite the best efforts of a good many Members of this body. I will mention on my side alone, Senators LUGAR, ROBERTS, GRASSLEY, COCHRAN, and others. Yes, farmers want a stronger safety net, but they would much rather get their returns from the marketplace than the mailbox. They would rather have lower taxes and less regulation, more market and trade opportunities, modernized transportation options, all of which we as a body, collectively and individually, have promised them but have delivered too little.

Many Senators who oppose the farm bill argue that trade and taxes and relief from regulation are what farmers need. I agree. Farmers heard that 7 years ago. It hasn't been delivered, despite the best efforts of a determined minority of us. I will continue fighting for all of those measures that are good for farmers, good for the economy, and which will significantly reduce the cost of this farm bill.

In the meantime, I am going to support a responsible safety net built in to provide relief for farmers when the world demand situation and our exclusion from the world market keep prices artificially low.

If we want to reduce the cost of this farm bill—and certainly all of us do—we should pass the full farm agenda, not just the farm bill. We should pass a trade bill. We should pass the energy bill, such as the bill we passed out of the Senate. I hope our House colleagues are taking a look at it because that is very good for farmers as well as for energy and the environment.

We should not place more mandates on farmers every time regulators have a new idea. We should improve our land and water transportation. We should reduce taxes. We should encourage more use of farm products.

If we do that, the farm bill will cost much less. American farmers will be getting their return from the marketplace rather than the mailbox, and the American farmers will be happy. The taxpayers will be happy, and we will all be happy. Farmers, just as others in the economy, should be free to fail, but they should also be free to succeed. That will not happen if we continue to ignore the rest of the farm agenda.

There is another criticism of the farm bill; that is, that it provides a disincentive for international market liberalization. It will encourage foreign trade-distorting subsidies.

I think the opposite is the case. I do not believe our European trade competitors find it compelling or would be persuaded if we produced a good example. In fact, they probably would find it laughable that we are thinking about how to clean up our act when they haven't cleaned up theirs. President Ronald Reagan didn't get the Soviet Union to pull its intermediate-range missiles out of Eastern Europe by saying: We are not going to do that. He put in the Pershings. He put the pressure on them. The Soviet Union collapsed. It is naive to think that we can unilaterally disarm and go into negotiations and expect to win. The same applies with food policy.

Additionally, I know many Members are sensitive to editorial opinion that is decidedly against this policy. I was asked today by some reporters about an editorial in a newspaper I generally respect. They said they really condemn this as pork.

I said: Normally, they write good editorials, well-reasoned and based on fact. This was not one of them. They don't know what they are talking about.

Many of those newspapers are published in high-rise buildings in some of our wonderful metropolitan areas. I doubt if they know what a combine is or how you raise cattle or the impact of the world market on farmers.

Still, I can't say that all the points the editorial opponents raise are invalid. But there are a great many things those people in the ivory towers take for granted. They take for granted the volume, the low price, the high quality, the unparalleled safety of our food supply and the national economic contribution made by U.S. farmers and the many suppliers who ultimately end up with the farmers' money.

Editorial writers may be critical of farm policy, but they are critical with full stomachs. In the emerging countries of Asia and Africa, they say that a well-fed country has many problems, but a hungry country has but one problem. Fortunately, we don't have it. We ask our farmers to produce more with less, to accept more Federal mandates without the ability to pass costs on to consumers, and we ask them to compete in an international marketplace with competitors whose government gives much greater levels of assistance. Then we have a period of good worldwide weather that has produced surplus world production, which has ensured that market prices around the world are low. The big city papers can take our food supply for granted, but those of us who live in flyover country—the real America between the two coasts—cannot and neither can the consumers in this country and elsewhere, who are unwittingly the biggest beneficiaries of the hard labor and sacrifice of those who struggle on the farm.

I do agree that those critical of this bill are raising an argument that we need to have, and that is where we draw the line. Given the numerous ad hoc disaster bills, it is clear that the status quo is yielding little discipline from a fiscal standpoint. With this new program and its strengthened and more expensive safety net, I say to farmers: The criteria for additional ad hoc disaster is now significantly more demanding, if not prohibitive.

The budget issues raised by those critical are not without validity and we will have a good opportunity to see if those who support this dramatically stronger safety net will resist the impulse to pile on more and more in the months and years ahead.

While I support this farm bill, I warn all farmers that like the previous farm bill, the commodity title will not increase market prices. Those who came to the floor with frequency the previous 4 years suggesting the previous farm bill was a failure because market prices were low knew better then and I hope everyone understands now that this commodity section is a safety net only. The rural development and research titles should help expand markets and reduce costs to some degree but not the commodity title.

If we want a chance to increase market prices over the long term, we will have to give the rest of the farm agenda of trade, taxes, transportation, energy, and regulatory relief a fraction of the urgency we have demonstrated here in being so generous with other people's money.

The President has indicated that he approves of this legislation and the House passed it on a bipartisan basis by a 2–1 margin. The farm groups and livestock groups support the legislation.

I congratulate the chairman and the ranking member and those who participated and worked so hard on this conference report and urge its adoption.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield myself as much time as I may require.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, yesterday, during the course of the debate, I pointed out that ever since the conference report came to the other body and the House of Representatives passed that conference report, there has been a reevaluation of the amount of money that the bill we are now looking at would spend.

Frequently in the past, we have talked about the budget of a year ago, allocating $73.5 billion over a 10-year period of time for farm legislation. In fact, when we commenced the conference—that is, the Senate committee with our House conferees—the evaluation of the bill the Senate had passed was that it was $79.5—$6 billion too much—with the action we took here on the Senate floor. So in the early days of that conference, the $79.5 billion that was estimated for our product had to be scaled down by $6 billion. That came out of many programs. But in due course it was achieved, so that we could at least confer with our House friends on the basis of both of us having a $73.5 billion product.

I dwell on that because much has been made of $73.5 billion of additional spending beyond the so-called baseline. The baseline is a euphemism for the totality of farm programs that continue on—ones that were provided by Freedom to Farm, and some were provided by other farm bills in the past; in other words, a pretty large aggregate of farm spending. That baseline was frequently estimated in many speeches during this debate at about $100 billion. So in rough figures, the debate started with the thought that we would have about $100 billion of baseline—all the programs that continue on and an additional $73.5 billion of spending—and that would occur on a 10-year basis at $173.5 billion. Now we know the $73.5 billion has now been evaluated as $82.8 billion, so it is up $9.3 billion. The reason is that the Congressional Budget Office, taking a look at our assumptions—and the assumptions came down principally to the price of row crops—corn, wheat, soybeans, cotton, and rice. The estimates that were in our bill were that the prices of those row crops would be higher than CBO's, and the experts they have brought in now believe that will be the case—in essence, that a downward trend of prices is continuing.

So since we are now providing much higher target prices or, in fact, reinstating those in a countercyclical program, and at slightly higher loan rates, since the base market prices are expected to be much lower, the gap is larger; thus, the taxpayer input into the farm bill. So we have moved from $73.5 billion to $82.8 billion. Now comes the news that the baseline likewise has been reevaluated by the Congressional Budget Office. I have gone back to the drawing board, and the baseline was not exactly $100 billion. Our staff, by our best calculations, finds that it was $97.6 billion. So we had $2.4 billion there that we had not expected. That is the good news. But the bad news is the new baseline is $107.155 billion. That is roughly $9.5 billion higher.

So our assumption, as we start this conference, that we had $100 billion of baseline and $73.5 billion of new spending—thus, $173.5 billion—is in fact now $82.819 billion. That is the new situation for the new spending and a baseline of $107.155 billion, for a grand total now of $189.974 billion, or roughly $190 billion.

Now, that is a lot more money, Mr. President. That $173.5 billion has been transformed, even in the course of this debate on the Senate floor, up to $190 billion—a change of $16.5 billion, just for the same bill, with no change in any of the stipulations. Mr. President, I made a prediction yesterday—and many have ratified that in their remarks, and some disagree with it—that we are likely, in fact, to see CBO look at the same programs year after year and reevaluate them higher—both baseline and new programs. Why? Because this farm bill stimulates overproduction. It does nothing with regard to our trade situation.

We have had extraordinary speeches in which some have said we are really fouling up the waters if we hope to ever get more exports to deal with other countries in some sort of diplomatic way, to gain entry for our crops, which we certainly need to do. But others have said, listen here, this is an American bill, this is not a French bill, or an English bill, or a Canadian bill and, by golly, it doesn't make any difference what they think about it. Fair enough. But, of course, it does, because we are hoping to negotiate with these countries for entry for our exports. At some point, perhaps we will be diplomatically successful. Every farmer prays that will be the case. But it is certainly not the case for the moment.

As a result, the supplies continue to pile up. Why? Because this bill is very generous to the row crops in offering incentives to plant more and to take advantage of the higher loan rates and the higher target price. As a result, not only will there be surprises that have come out on the floor in the last 2 days in which something that used to be $173.5 billion is now $190 billion of expenditures, but those figures are likely to escalate further each of the 6 years of the duration of this bill, unless amended.

Now, Mr. President, at some point, Senators may say this is simply too much. I have raised the question, as have others, that the $15 billion that is spent on additional reestimates of what we have done is money that might have been spent on health care—either reforming Medicare, for prescription drugs for the elderly, for shoring up Social Security, or for education programs that come up even in this debate. The distinguished senior Senator from Massachusetts, Mr. KENNEDY, decried the lack of attention, really, to the President's suggestion to leave no child behind and the funding needed for that.

I once again point out that we find it, I suppose, possible to discuss farm bills in a total vacuum, but without realization of the war, homeland defense, or the basic issues in most of our campaigns, there is almost an obsession with spending this money—all of it.

Without being redundant, I point out, as the Chair and others have heard, that if, in fact, this money were to go to small farmers, medium-size farmers, even fairly large farmers who are in danger of going out of business, a case could be made for some of it. But the fact is that in the row crop situation—and this is roughly 60 to 70 percent of all the moneys, even after you talk about conservation, research, and the small crops, and so forth; that the basic row crops is roughly 60 to 70 percent of the money and two-thirds of that money goes to just 10 percent of the farmers—it is an inescapable 60 percent, three-fifths of all the farmers in the country do not get the row crop money at all, and that is where almost all the increases have come from in the Congressional Budget Office reevaluation.

It is that part of the program that, in fact, has attracted most of the money, has concentrated it on relatively few farmers, and even when the Senate passed a fairly modest cap that no individual farmer should receive more than $275,000 each year—not in the total of the farm bill, but each year—there were loud protests from our House colleagues. As a result, that was scrapped. Through the two- or three-entity rule or all the various rules, certificates, what have you, the net effect is there are no limits.

If, in fact, you are an ingenious farmer and a big farmer, this is a bonanza. Already bankers have sent in testimony in behalf of this and said things ought to be in pretty good shape for the next 6 years, in terms of the collateral for loans because land values escalate, and that is the basic collateral, unless you are one of 42 percent of farmers who rent and unless, in fact, you are a small farmer which no amount of money from a country banker is likely to resuscitate, and certainly not this bill.

After one bromide after another about how it brings stability, certainty, and so forth to American farmers, I say a few American farmers—very few, as a matter of fact—will do very well.

What I find baffling is how this body, with these facts squarely in front of us—established now as we know by the Environmental Working Group Web site farm by farm, county by county so there is incontrovertible evidence of exactly who gets what and in what proportion, what percentage, State by State—it is not speculation any longer—to the dollar, year by year, even updated for 2001 now in a recent update of the site—still Senators hue to the thought that somehow Freedom to Farm failed and this bill in front of us now will make an enormous difference for most farmers in the country.

My own view is that it will not. In fact, I believe most farmers in the country will be hurt. These speeches that I give on the floor I give in my home State. Despite some of the rhetoric in which people have talked about people in skyscrapers writing articles, people who have never seen a combine, never seen a cow—I will testify I have seen a combine, I have seen a cow, I have even seen a farm, even own one, even tried to deal with these programs year by year so that I understand exactly what happens to farmers as a product of what we do.

Mr. President, I simply want to offer as one explanation of what we are doing a remarkably timely article that appeared in the Washington Post this morning. This is not the Washington Post editorial writers or someone remote from farming, but it is a gifted economist, Robert Samuelson, who has long written for Time, Newsweek, and others. I quote portions of what Samuelson says because I think they are appropriate for our debate.

Samuelson says:

> Farm subsidies are a splendid example of old-fashioned politics: using public money to buy votes. It's the quest for popularity and power, and not campaign contributions, that matters. Under the new bill, the subsidies are estimated to cost almost $200 billion over the next decade. . . .

Samuelson misses that, according to my calculation, by $10 billion. We are now up to $190 billion, but with the meter still ticking.

> If farm prices (mainly for wheat, corn, soybeans, and cotton) are lower than expected, the subsidies will be higher.

He is right on that point.

Similarly, higher farm prices would mean lower subsidies.

> The point is to stabilize farm incomes—to prop them up in periods of low prices and thereby save "family farming." The subsidies have existed in one form or another for almost 70 years, and there's no evidence that they work. Farmers and farm workers accounted for 21 percent of the labor force in 1929, before the New Deal's first agriculture legislation. Their share today is about 2 percent, even though the amount of land in farming is almost the same (1 billion acres in 1931, 932 million in 1997).
>
> Bigger tractors, more fertilizer and better seed varieties and cultivation methods have promoted farm consolidation and larger harvests. In the 1940s, American farmers grew an average of 34 bushels of corn per acre; in 2001, the average was four times that, 137 bushels an acre. Government subsidies simply haven't been able to overcome the pressures for bigger and more efficient farms.
>
> Indeed, the subsidies have perverse side effects. Higher subsidies boost land values, because (like crops) they add to the land's cash-producing potential. In turn, higher land prices and rentals mean higher costs for new farmers. Similarly, farm subsidies stimulate production, which depresses prices. The combination of higher costs and lower prices squeeze farm incomes.
>
> The subsidies also hamper efforts to open foreign markets. Precisely because American farmers are so productive, they need exports to absorb their surpluses. But foreign markets are heavily protected by subsidies and high tariffs, because farmers almost everywhere are a politically favored group. According to a recent U.S. Agriculture Department study, the average food tariff around the world is now 62 percent. It's hard to convince other countries to cut their subsidies and tariffs if we won't cut our own.
>
> The survival of farm subsidies, despite their huge shortcomings, partly reflects political inertia. Once extended, government benefits are hard to withdraw. It would seem "unfair," and farmers—despite constant complaining about details—have become dependent on subsidies. The subsidies also endure because they're protected by the "iron triangle" of congressional committees, interest groups and government agencies.

Here, the U.S. Department of Agriculture.

> Without farm programs, all would be much less important.
>
> To sustain their power, farm legislators and lobbies "are willing to trade their votes for almost anything," says economist David Orden, of Virginia Tech, a longtime student of farm politics.
>
> But what increasingly protects farm subsidies is political competition. With Congress split—and control of the House and Senate hanging on a few races—swing voters must be courted. Both parties are in a bidding war.

The result is much bipartisan hypocrisy.

Indeed.

Each one of us has been involved in political campaigns, and we will be involved in some more. We are aware of that situation. So is the public. I cannot believe the public hearing this debate, understanding the escalation of the monies that have been required to accommodate the long list of additional crops, groups and farm entities in American life, will not, in fact, find the whole situation to be very disturbing.

As Samuelson concludes, at least the good thing is that it is democracy at work; people appealing to voters. What each one of us, I suspect, will have to finally determine is who the voters are.

I submit that out in America there are a lot of people who are very sympathetic with regard to American agriculture, and many of them are in this Senate. But I also suggest that the American people want us to determine some priorities, that we have a responsibility as trustees of the Public Treasury, and as trustees of a good number of things in American life, to have some wisdom and some sense of justice with regard to all of this. This is why I will vote against the conference report, because I believe it has reached outrageous proportions in terms of expense. It narrowly focuses most of these new outrageous expenses on a relatively few farmers. It will depress prices almost certainly and thus increase the cost of the whole enterprise year by year. It is destructive of relationships abroad that are necessary if we are to export more and, as a matter of fact, it really needs to be revised very substantially.

Fortunately, we have a farm bill that does continue for several more months. It has been criticized routinely, but I noted two things in the course of the debate today, and in a bipartisan way, as I mentioned. The distinguished Senator from Kansas, Mr. ROBERTS, mentioned that due to very technical aspects of payments—the Senator stated, very gifted as he analyzed the bill and understands it—many farmers who are expecting to get money this year will be disappointed. The checks will be spaced out in various increments. The Senator from Kansas was suggesting that perhaps it would have been in the better interest of most farmers to have a supplemental bill that costs much less than the new bill we are talking about, and to have provided the money as anticipated.

Now, the Senator did not advocate another supplemental bill, but if my analysis is correct, others will. And why not? Why should this be the final farm debate of the year if in fact more need and difficulty can be found, as it clearly will be in the administration of this bill should it pass?

There will be a number of people who will need to be employed by the U.S. Department of Agriculture. Hundreds of hours will be spent by ordinary farmers figuring out whether they take the base of the past or the base of a recent year's yield, and how to apply for all of this. We have quite a turmoil ahead of us, and the money does not necessarily flow in that process. The Senator from Kansas recognized that and described it rather acutely.

In addition to that, the distinguished chairman of our committee has mentioned he might wish to call a meeting of the Agriculture Committee next week to mark up disaster assistance legislation, maybe in the order of $2.4 billion. I made the prediction yesterday, despite all of the certainty, finality, and the thought that this does it as opposed to Freedom to Farm, we are very likely going to have two debates every year in addition: One, for a supplemental, a group, wherever it may be in our society, who believes that somehow things did not work out well for them and; secondly, disasters, weather disasters, health disasters, whatever may have happened in the appropriations process.

I simply ask of Senators, once again, how much and how long does this process continue?

I trust there will not be any further reestimates by CBO even in the course of this afternoon. The shock of going from $173.5 billion to $190 billion during the course of this debate should be substantial. I hope that both at USDA, at the White House, as well as in this Senate, people are evaluating the sums of money that are now involved.

I yield the floor.

The PRESIDING OFFICER (Mr. JOHNSON). The Senator from Nevada.

Mr. REID. Mr. President, I have spoken to the two managers of the bill. It is my understanding the manager for the minority, the senior Senator from Indiana, has agreed graciously to transfer 20 minutes of his time, that is under the unanimous consent agreement, to Senator HARKIN. Is that right?

Mr. LUGAR. The Senator is correct. We would be pleased to give 20 minutes of our time to Senator HARKIN so that speakers can be accommodated.

Mr. REID. I would, on behalf of Senator HARKIN, yield 10 minutes to the Senator from Idaho, Mr. CRAIG.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank the ranking member of the authorizing Agriculture Committee, Senator LUGAR, for yielding time, and the flexibility offered to me by the assistant majority leader to speak to this conference report.

I have for the last few moments been listening to the senior Senator from Indiana talk about his frustrations and problems with this conference report and with agricultural policy. I must say I agree with so much of what he said.

When one is handed a political document and they try to fix it, and the politics gets worse, the document ultimately does not get better. Tragically enough, that is what we were handed in the Senate in the bill coming out of the Senate Agriculture Committee. We tried to make it better. It was not much better before it went to conference, and I am not sure what we now have is a much improved version.

I say that not only as a student of agricultural policy, once having served on the authorizing committee, but now serving on the Agriculture Appropriations Committee, growing up a farmer and a rancher, being active as an agricultural young person in FFA, both as a State officer and a national vice president, I have been involved and closely connected to agriculture in my State and around this country for a long while. As someone who recognizes the importance of agriculture to my State and good farm policy, I am in a quandary, as are many of my colleagues who have come to speak over the last several days to the issue of a new 5-year agricultural policy for our country.

How do I evaluate this in the context of how will it impact my State, primarily, and then secondarily, what does it do to the country, both to the producers of agriculture, the farmer, the rancher, but what about the consumer? How does it fit in the consumer market basket? How do we put all of that together because that really is the charge of the Congress when they evaluate agricultural policy?

It is with those thoughts in mind that I joined with Senator ROBERTS some weeks ago on the very thing Senator LUGAR was talking about a few moments ago, and that is the opportunity of a supplemental to send a message to production agriculture, as the tractors are ready to go into the fields across America, that there was a policy in place, that we were not going to play politics with it and that they could take something to the bank to negotiate with the loan officer on a line of credit for the farming year.

Senator ROBERTS introduced that legislation a couple of weeks ago, as the conference committee was pushing toward finality. We now have that in this document, in this conference report. The question is, What does it mean? What is its impact? How long does it take to reach regulatory form in a way that gets to the ground?

We will live out this year's farm policy because it does not expire until the end of the fiscal year. It is possible, while I think some will meet it with resistance, that we will see a supplemental on the floor to solve some of the immediate problems because this bill does not deliver immediate aid to American agriculture. It spreads it out over an extended period of time when, in past policy and in current policy today, they would have received some immediate assistance.

This does not solve a problem in the short term. Then, again, farm policy is more about the long-term view as we deal with the day-to-day problems of agriculture, in policy but also with the supplemental.

How do I evaluate this farm bill? Let me state what is bad. That is how I looked at it—what is bad, what is good, how do I balance it out, how do I vote for Idaho farmers and ranchers.

Idaho is one of the fastest growing dairy States in the Nation. We rank fifth in overall numbers of cows producing. It is a growth area in Idaho agriculture, and our dairies are 500-, 1,500-, 2,000-cow units. We are one of the big growth dairy States. Frankly, policies that access markets and open up markets are the best policies for Idaho. We are an exporter. We do not have to be in the business of subsidizing an efficiency for the sake of the politics of the local dairy environment. Our farmers have transitioned into a much more competitive situation in modernizing themselves to fit the needs of the current consumer base.

When I look at a national milk program that basically only subsidizes or helps build a floor for cow units of 170 cows or fewer, my guess is that is talking about what used to be when it comes to dairy policy instead of what ought to be. That is not good policy because it perpetuates relative inefficiency or it subsidizes it in a way we ought not be about. We have always been proud in American agriculture that efficiency was the name of our game. Our production set us apart from the rest of the world. We ought not be about subsidizing something that is not efficient today. We ought to promote efficiency and productivity. I don't think dairy policy does that.

If we really want to help out the bottom line of our Nation's dairy men and women, it would be much more advantageous to look at alternatives to this bill's price support program, which is purposely biased to a select dairy operation size.

What about forestry? Yes, when we talk agriculture, we talk forestry. One of the largest divisions of the U.S. Department of Agriculture is the U.S. Forest Service. It is tremendously disappointing to see the biomass and stewardship provisions stripped from this farm bill. Why can't we get involved in the business of actively managing our forests instead of simply letting them grow old, die, and burn up? Right now, forests are burning in Arizona and New Mexico. It is a dry year. Part of the reason they are burning is that we have had no active management and we have watched the fuel base of those forests build. That is true in the Black Hills, an area not far from the chairman's home area. It is critically important we actively manage our forests instead of putting the fence around them and saying to the environmental community: Here is a preserve. Come look at it while it is alive because it is dying unless we create dynamics in it that will build back life and vitality.

We did not do that. We walked away from that. The House and the Senate could not agree. We will do what we have been doing for the last several years: We will legislate through appropriations. That is not necessarily a way to create policy, but that is probably what we will end up doing because this was the wrong way to do it.

The Senator from Iowa and I and others got involved with the assistant majority leader in an issue over water when he was trying to take States' water rights and reshape them and create water banks, denying Western States their prerogative on western water rights. We were able to get a big chunk of that knocked out. But then Nevada got a sweet deal, a couple hundred million dollars to go to a specific area in Nevada. That is the name of the game around here. At least we saved water rights. Water rights cannot be bought, nor should they be owned, by the Federal Government. They ought to have a right to have rights where water is needed and water is utilized. But in western arid States, that is a provision that is exclusively the States'.

In my opinion, those are some of the bad provisions in this bill.

Now let me talk about some of the good provisions because there are some. I have been on the floor numerous times in the last good number of years talking about sugar and the sugar program. It is an important part of the agricultural base of my State. We got the forfeiture penalty eliminated. That was critically necessary. With the sugar policy, we are moving back to a no-cost-to-the-taxpayer approach. That is good. That is the right way to move policy. We have done so for sugar.

We included wool in a marketing loan and an LDP program. As we know, and especially with western range sheep industries and with wool, that market has all but collapsed as a result of imports and as a result of access by Australian and New Zealand interests in this market. This helps create flexibility and staying power on the part of the sheep rancher of our country—the sheep farmer. I think that is important.

In my State, there is a class of crops called pulse crops, peas and lentils. Those are a valuable rotation crop, especially in the high-grain-yielding country where they have 120-bushel dryland grain. It is a marvelous producing crop in the north end of my State that moves into Washington. One way to maintain the integrity of the soil and the balances to plant lagoons is nitrogen-bearing crops that put humus back in the soil and create the dynamics of a positive farm program, and yet those crops have been without a loan program or LDP all these years. We were able to create those dynamics in this farm bill. That is a positive provision.

Another positive part of the program is the conservation title. It includes the EQIP funding and the CRP acreage. Certainly in my State, CRP has been a very dynamic program, creating the kind of conservation and soil management in some of our more steep grounds, some of our foothill country, that not only has put that country back to grass, it has created great wildlife habitat for upland game birds—an extremely positive program.

Another area of the conservation title is the Grasslands Reserve Program for 2 million acres of pasture lands. I helped write that provision. I introduced legislation with several colleagues. It is possible the chairman was involved in that issue. We have worked together to create the Grasslands Reserve Program.

There are positive conservation titles in that farm bill. That is one of the good things I see in this bill.

As to rural economic development, many Members, as we argue for a farm bill, in part argue to create profitability in agriculture because of the dynamic and dramatic negative economics in many of the rural areas of our States. While we know that at least the number of farmers is dropping even though the number of acres farmed remains the same, it changes the dynamics in small rural, agricultural America. As a result, many have worked over the years to create new dynamics for the purpose of economic development in rural America. This is a title of importance. It is important we do so. The funding is reduced. The title is stronger.

Over the years, I hope we can build back some of that funding to strengthen rural economic development. If new industry is to come to rural America, then the infrastructure overall in America has to remain whole. I have worked on and have a new rural health care title that will allow our rural hospitals low-cost loans to buy back some of the equipment that is now obsolete.

I was visiting a hospital in Soda Springs, in the southeastern corner of my State. It is a rural area. Much of that equipment is 25 and 30 years old in that hospital. You cannot call it state of the art, even though they deliver quality health care. That is a hospital 30 miles from the next hospital, in which rural health care is critically necessary. This legislation in the long term will help us.

My time is rapidly running short. I know others wish to speak as we near the hour we will vote on this issue.

Overall, this is not the farm bill I would have written. My guess is, we are going to be back rewriting it more than once over the course of the next several years.

Somebody said: Why aren't you on the authorizing committee anymore, Senator, and therefore on agriculture appropriations? Because, I said, my guess is we are going to be rewriting this farm bill at least once a year for the next 5, and that will be done in the Appropriations agriculture subcommittee as we work on these programs.

This is an expensive farm bill. My guess is in the end we will find we cannot afford it all and we will begin to adjust some of this downward—and I think that is appropriate. We are on the verge of busting the budget on which we earlier agreed, but then, again, without a budget resolution and without a fixed application of where we are going with agriculture, it is possible to argue that this bill doesn't meet that test.

In the end, I am going to support the conference report. I think the farmers of my State in the majority want that to happen. There are provisions in this bill that I can support and I have outlined the positives and the negatives.

I hope we can pass this out and in the end the President will sign it, although I know the White House and the Department of Agriculture and the Secretary are very frustrated over where this Congress wants to take agricultural policy at this moment.

Sometimes compromises are not necessarily good. Tragically, in the end, even in bipartisan environments, at times we do not always work the will that ought to be worked to produce the kind of positives and the dynamics we ought to in the marketplace.

I am as frustrated today as any other agricultural Senator is about prices, commodities, international markets, and the viability of the agricultural economy of our country. I do not deny where we are heading, with larger agriculture and all we are attempting to do to resolve those problems.

As a result of that, we have a conference report that I hope a majority of the Senate will move in favor of, and therefore pass this conference report out and send it to the President's desk.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Iowa.

Mr. GRASSLEY. Mr. President, how much time is left on Senator LUGAR's side?

The PRESIDING OFFICER. There remain 19 minutes.

Mr. GRASSLEY. I yield myself 4 minutes. I have permission to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, today the Senate will vote on and most likely pass a 6 year farm bill.

Supporters of the bill say it will cushion family farmers and rural America from financial hardship. That may be true, but unless you are a big meatpacker or a cotton and/or rice producer in the South, the new farm bill is not what it is cracked up to be.

I am afraid that for Iowa farmers, the bill's shortcomings outweigh its virtues. So I will cast my vote against the bill.

There are two main reasons:

No. 1, during the last year, farmers in Iowa made clear to me they wanted Washington to crack down on the sky-high payments going to large corporate farms. It is ridiculous that we shovel the lion's share of the farm benefits to a handful of large corporate farming operations.

No. 2, Iowans also urged me to push public policy that would keep competition alive in the livestock industry by banning packer ownership of animals fed for slaughter.

My amendments got these two main family-farmer priorities included in the Senate version passed last February, but my amendments were dropped by the conferees.

Who is this bad for? It is bad for small and medium sized farmers, the very people a farm bill is suppose to help. Throughout the history of farm bills, their intent has been to aim the majority of the benefit to small and medium sized producers, the Congress has missed before, but in my opinion we have never missed so badly.

We sent strong family-farmer oriented provisions to the conference and we got nothing in return, except a bill that is so complex family farmers won't receive their 2002 crop benefits until right before harvest of the 2003 crop. That might make sense to the conferees, but it does not to me or any of the other farmers that are calling and emailing my office asking questions about this bill and why we made the farm bill so complicated.

This clearly does not address the needs of small and medium-sized producers in Iowa that put a premium on the issues of payment limits and banning packer-ownership, so I am going to vote against this bill and do anything I can to remedy the issues regarding competition that the conferees discarded.

The PRESIDING OFFICER. Who yields time? The Senator from Texas.

Mr. GRAMM. I yield myself 5 minutes.

Mr. President, I rise today and apologize to my colleagues. I reserved a lot of time to come speak but I have gotten involved in the debate about our effort to get trade promotion authority. I think it is time well spent. I think the average farmer, in terms of real prosperity, is going to get more if we are successful in trade promotion authority than they are going to get under this bill. So I do not have any apologies to make about the use of the time. I think for farmers and for America trade promotion authority is a lot more important.

I am going to vote against this bill because it is a bad bill. We have created a miracle in America, and I think this bill is going to add to that miracle. The miracle is we have the best farmers, with the best talent, with the most effective research system in history, working the best land, with the best tools, and we have created a situation where rural America is no longer a good place to make a living.

How is all that possible? It is possible because we have created a program that encourages overproduction and, in the process, impoverishes the very people who are trying to make a living farming and ranching in America. We have artificially inflated the value of agricultural land. We have spent money at a level unprecedented in history. We continue that in this bill. Surely there has to be concern that the top 10 percent of the recipients under this bill will get 37 times as much money on average as the bottom 80 percent will get. How can it make sense to have a bill where 10 percent of the beneficiaries will get 37 times as much money as the bottom 80 percent will get?

The average family in America, two-wage-earner family, earns about $49,000 a year. When President Clinton was in office we tried to reduce the taxes paid by two-wage-earner families by stretching the 15-percent tax bracket. Our Democrat colleagues said they were opposed to it because they said it only helped rich people. I remember pointing out on the floor that these rich people made on average $21,600 each. Each member of this working couple family, the ones who were going to benefit of stretching this 15-percent bracket, made $21,600. Many of my colleagues said those are rich people.

I pointed out, when did $21,600 a year qualify you as being rich? But, nevertheless, we were unable to do it because President Clinton vetoed the bill.

When the Senate debated this bill, we had an amendment that Senator GRASSLEY offered that put a cap on the amount of payments a person could receive under this bill. His amendment said that no one could get more than $275,000 of taxpayer money under this farm bill. Remember that many of our Democrat colleagues said if you made $21,600 you were too rich for a tax cut. Senator GRASSLEY offered an amendment that said the Government can give you over 10 times that amount—$275,000 per farmer. We adopted that amendment—I am proud to say I voted for it—66 to 31. Then we went to conference. Both Houses set a lower cap as to how much money any individual farmer or rancher can get under the bill. And, all of a sudden, what happens? They go to a cap of $360,000—higher than either House adopted.

Then, we have a three-entity rule.

Then, we have a husband-and-wife rule.

Then, we have a commodity certificate rule.

The bottom line is, you can get millions of dollars under this farm bill. One individual can get millions of dollars. So apparently it is OK to pay one person in agriculture millions of dollars, but we can't give a tax cut to people who make $21,600 a year because they are rich. I don't understand that. I don't know how you can justify it. Needless to say, since I am voting against this bill, I am not going to have to.

By raising these loan rates in this bill, we have guaranteed that we are going to glut every market with every commodity. Under this bill, every commodity that gets this loan guarantee is going to be under pressure to overproduce.

Anybody who knows anything about the functioning of the farm economy knows that when you set that loan rate above the market price, which this bill does, you are going to have people producing for the loan. The commodities are then going to be dumped on the markets.

For 6 long years under this bill we are going to have gross overproduction, we are going to drive prices down, and we are going to have all kinds of commodities in storage. We are going to have all the excesses we had under the farm bill prior to the bill that we are considering here.

But that doesn't seem to be enough. This bill brings new commodities into these programs. We eliminated some of these programs before but now they are brought back to life.

It seems to me the bottom line of this bill is that it is going to guarantee overproduction—I am sorry this is going to happen because I think it is going to be very harmful to rural America. It is going to guarantee depressed prices, and it is going to mean increased Government interventions to try to limit production.

So the Government, once again, is going to be telling people what to grow and what not to grow. I think that is a step in the wrong direction.

This bill also allows people who came to America illegally to get food stamps. I am opposed to that. I am not trying to be hardhearted. But there is a very real problem when you give benefits to people who violate the law—you encourage them to violate the law.

When the Senate debated this bill, I offered a compromise which was adopted. That compromise said anybody who has been here for 5 years and is now here legally can qualify for food stamps, but that no one who comes and stays here illegally for one year or more can qualify.

The reason I offered this compromise is because we want people to come to America who want to work. We want people to come to America with their sleeves rolled up, not with their hand held out. It fundamentally changes America when you do that. Having a provision that says you can come here illegally and still get food stamps is like putting a neon sign up on the border that says: Violate the law. Come into America illegally, and we will give you food stamps.

Let me sum up by saying I am not saying this bill is the embodiment of all evil. There are some good things in this bill. Doing away with the old peanut quota, God knows, was a good thing. But I believe we are paying people too much to buy out the old quota.

The point is: Having the Government limit the ability of people to grow peanuts makes absolutely no sense. But by setting these loan rates so high, we are going to end up with a peanut-like program in all of these other areas over the next 6 years because we are not going to be able to pay for this program.

Finally, we said when we adopted the bill that it was going to cost $73 billion. It turned out that it cost $82 billion. Every penny of that will come right out of Social Security.

We have colleagues who stand up on the floor day after day saying don't spend the Social Security surplus. When you vote for this farm bill, you are spending the Social Security surplus.

Not everything in this bill is bad. There are some improvements in the bill. But, overall, it is a move back to Government control of agriculture.

Is there a silver lining in this? I think there is. I think this will probably be the last farm bill we pass. I think what has happened is, thanks to the Internet, people understand that while we talk about the small farmer, the fact is the top 10 percent of the people are getting 37 times as much in Government payments as the small farmer. This bill goes so far that it tilts the balance. In the end, I think this will undo this type farm bill, and in the long run it is good for America.

I yield the floor.

The PRESIDING OFFICER. Who yields time? If no one yields time, the time will be charged equally to both sides.

EFFECT OF PAYMENT LIMITS MEANS-TEST ON CONSERVATION PROGRAMS

Mrs. LINCOLN. Mr. President, I want to thank Chairman HARKIN and Ranking Member LUGAR for their excellent work on the farm bill. And I want to point out, in particular, their work to improve conservation programs.

I would like to engage Chairman HARKIN in a colloquy to elaborate on congressional intent behind the effect of the $2.5 million means-test with regard to conservation programs. It is my understanding that the purpose of the means-test is to prevent wealthy individuals with adjusted gross income of more than $2.5 million from receiving government benefits on land signed up for conservation programs. However, it was never the intent to subject non-profit organizations that actively work on conservation activities to the means-test. Isn't this correct?

Mr. HARKIN. Senator LINCOLN is absolutely correct that the intent is not to exclude these non-profit groups that are actively involved in delivery of conservation programs. The work that non-profit organizations do under these conservation programs helps expand wildlife habitat and protect and improve all natural resources. This provision was not intended to limit participation by non-profit land trust groups or wildlife groups, like Ducks Unlimited, the Nature Conservancy, or Pheasants Forever, or any other non-profit group that participates in the agricultural conservation programs.

Mrs. LINCOLN. Thank you for that explanation, and thank you for the hard work you and your excellent staff have put into the farm bill and, particularly, into the conservation title.

Mr. HARKIN. Thank you, and thank you for your hard work in getting this important farm bill, with its strong conservation title, passed.

CHANGES TO THE VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANT PROGRAM

Mr. WELLSTONE. Mr. President, I would like to engage in a colloquy with the chairman to elaborate on the intent behind some of the changes made to the value-added agricultural product market development grant program in this farm bill. My understanding is that under this new language, USDA should seek to fund a broad diversity of projects that increase agricultural producers' share of the food and agricultural system profit, including projects likely to increase the profitability and viability of small and medium-sized farms and ranches. I certainly agree that USDA should seek to approve applications for projects likely to benefit producers with small and medium-sized agricultural operations. Do you agree that the language of this provision will allow USDA to do this?

Mr. HARKIN. I thank the Senator from Minnesota. Yes, I believe that the changes we have made to this program will allow USDA to fund a wide variety of value added projects that benefit small and mid-sized producers as well as larger producers and organizations of producers. For example, we broadened the definition of "value-added" to insure that producers who add value to agricultural products by the manner in which they produce them may now apply for value-added grants to market their products. This is important, because many small and medium-sized farms have found that they can increase their profits and stay in business by converting their farms to organic and other types of higher-value production. It is clear that many consumers will pay more for products that are grown and produced in specific ways. This broadening of the value-added grants program will assist farmers or groups of farmers engaged in producing these kinds of high-value products in developing business plans and marketing their products, thereby contributing to the success of these kinds of ventures. I also expect that a large share of the grants will continue to be made to produce new non-food products, expanding the markets of corn, soybeans and other crops well beyond the market for foods. The bill also specifically allows for grants for on-farm renewable generation such as wind turbines.

Mr. WELLSTONE. I understand this bill also broadens eligibility for the program.

Mr. HARKIN. The Senator from Minnesota is again correct. The expectation is that USDA will extend edibility to a broad range of producer groups, including farmer and rancher cooperatives. Business ventures with majority control by producers many receive up to 10 percent of grants provided. Nonprofit organizations controlled by producers, whose mission includes working on behalf of producers, and who otherwise meet the eligibility criteria established by USDA, shall also be eligible for grants under this program.

Mr. WELLSTONE. I commend my colleague from Iowa on his work on this provision. I certainly hope that USDA will make every effort to fund a wide variety of projects and to make grants of a wide variety of sizes, including small and mid-sized grants where appropriate.

Mr. HARKIN. That is certainly my expectation. I thank my colleague from Minnesota for his hard work on this provision in committee, and for his support of the changes we have made in the program.

CHESAPEAKE BAY

Mr. SARBANES. Mr. President, would the distinguished floor manager yield for the purpose of a colloquy concerning two programs of great importance to the continued efforts to restore and protect the Chesapeake Bay.

Mr. HARKIN. I would be happy to yield to the senior Senator from Maryland.

Mr. SARBANES. I am deeply disappointed that the conference report does not include two provisions included in the Senate-passed farm bill which sought to address the critical environmental needs of the Chesapeake Bay. The first provision, the Nutrient Reduction Pilot Program, sought to encourage the development of innovative solutions to the nutrient pollution problem in the bay by creating new incentives for farmers to reduce the application of nitrogen by at least 15 percent below what is normally considered best practice and to provide financial protection in the event of reduced yields. The second provision strengthened the role of the U.S. Forest Service in the restoration of the bay watershed. While I understand that disagreements with the House Conferees prevented the inclusion of these programs in the final bill, it is my understanding that the conference report does include provisions that will be helpful in implementing the Nutrient Reduction Pilot Program.

Mr. HARKIN. The Senator is correct. In fact, the conference report includes specific language in section 2003 that establishes Partnerships and Cooperation, a program specifically intended to allow states like those in the Chesapeake Bay region—and the Chesapeake Bay is specifically mentioned—to submit innovative proposals which coordinate and implement all of the conservation programs in the bill to achieve priority conservation objectives. It is modeled in many ways on the Conservation Reserve Enhancement Program. The language specifically provides that all the resources of the different conservation programs can be used, and indeed it provides that in addition to committing acres and resources from the different conservation programs to a special partnership, the Secretary has special flexibility with regard to 5 percent of the funds available for all conservation programs to use them for any activities authorized by any conservation programs. This bill will make on average $1.2 billion per year available for the Environmental Quality Incentives Program; any of these funds can be committed to a special partnership, and I think it would be reasonable and I would certainly be willing to work with the Senator from Maryland to encourage the Secretary to commit $20 million per year to the Chesapeake Bay region's innovative proposals to reduce nitrogen application using market-based strategies. Maryland is also specifically included in Section 2501, the Agricultural Management Assistance Program, making it eligible to share in at least $110 million to implement, among other things, resource conservation practices.

Finally, the Senator from Maryland has my commitment and the commitment of the majority leader that we will work with him to address his concerns about the continuing loss of forestlands in the Chesapeake Bay watershed by enhancing the support and resources of the U.S. Forest Service to the bay cleanup effort.

Mr. SARBANES. I thank the Chairman for his continued efforts on behalf of the Chesapeake Bay and its farmers and I look forward to continuing to work together with him in this regard.

TECHNICAL ASSISTANCE FOR CONSERVATION PROGRAMS

Mr. LUGAR. Mr. President, I wish to engage in a colloquy with the distinguished Senators from Iowa and Mississippi.

Mr. President, the 1996 farm bill contained a provision which led to serious disruption in the delivery of conservation programs. Specifically, the 1996 act placed a cap on the transfers of Commodity Credit Corporation funds to other government entities. Is the distinguished Senator from Iowa aware of the so called "section 11 cap?"

Mr. HARKIN. I thank the Senator from Indiana for raising this issue, because it is an important one. The Section 11 cap prohibited expenditures by the Commodity Credit Corporation beyond the Fiscal Year 1995 level to reimburse other government entities for services. Unfortunately, in the 1996 farm bill, many conservation programs were unintentionally caught under the section 11 cap. As a result, during the past 6 years, conservation programs have had serious shortfalls in technical assistance. There was at least one stoppage of work on the Conservation Reserve Program. The Appropriations Committees have had to respond to the problem ad hoc by redirecting resources and providing emergency spending to deal with the problem. This has been a problem not just in my state of Iowa or in your states of Indiana and Mississippi; it has been a nationwide constraint on conservation.

Mr. COCHRAN. I thank the Chairman for the clarification, and I would inquire whether the legislation under consideration here today will fix the problem of the section 11 cap for conservation programs.

Mr. HARKIN. I thank the Senator from Mississippi for his attention to this important issue. Section 2701 of the Farm Security and Rural Investment Act of 2002 recognizes that technical assistance is an integral part of each conservation program. Therefore, technical assistance will be funded through the mandatory funding for each program provided by the bill. As a result, for directly funded programs, such as the Conservation Security Program (CSP) and the Environmental Quality Incentives Program (EQIP), funding for technical assistance will come from the borrowing authority of the Commodity Credit Corporation, and will no longer be affected by section 11 of the CCC Charter Act.

For those programs such as the CRP, WRP, and the Grasslands Reserve Program (GRP), which involve enrollment based on acreage, the technical assistance funding will come from the annual program outlays apportioned by OMB—again, from the borrowing authority of the CCC. These programs, too, will no longer be affected by section 11 of the CCC Charter Act. This legislation will provide the level of funding necessary to cover all technical assistance costs, including training; equipment; travel; education, evaluation and assessment, and whatever else is necessary to get the programs implemented.

Mr. LUGAR. I thank the Chairman for that clarification. With the level of new resources and new workload that we are requiring from the Department, and specifically the Natural Resources Conservation Service, I hear concerns back in my state that program delivery should not be disrupted, and the gentleman has reassured me that it will not.

Mr. COCHRAN. It is then my understanding that, under the provisions of this bill, the technical assistance necessary to implement the conservation programs will not come at the expense of the good work already going on in the countryside in conservation planning, assistance to grazing lands, and other activities supported within the NRCS conservation operations account. And, further, this action will relieve the appropriators of an often reoccurring problem.

Mr. HARKIN. Both gentlemen are correct. The programs directly funded by the CCC—EQIP, FPP, WHIP, and the CSP—as well as the acreage programs—CRP, WRP, and the GRP—include funding for technical assistance that comes out of the program funds. And this mandatory funding in now way affects the ongoing work of the NRCS Conservation Operations Program.

Mr. LUGAR. I thank the Chairman for his efforts to resolve this problem.

Mr. COCHRAN. I also appreciate the Chairman's work to ensure that adequate resources are available for technical assistance.

ALLOCATION OF SENIORS FARMERS' MARKET NUTRITION PROGRAM

Mr. KOHL. Mr. President, first, I would like to thank Senator HARKIN for all of his hard work in putting together this Farm Bill. One of the most important parts of this legislation deals with nutrition, and ensuring that all Americans have access to a healthy meal. I am especially pleased to see an additional $5 million in funding provided for the Seniors' Farmers Market Nutrition Program for fiscal year 2002. In the 2002 Agriculture Appropriations bill, we provided $10 million for this important program, and encouraged the Secretary to use additional funds from the Commodity Credit Corporation if necessary. However, although there is a clear need for these additional funds, and the Secretary has been reminded of this language on several occasions, these additional funds have not been released. The result of this is that 9 States and territories, including my state of Wisconsin, received funding for this program last year and applied this year to continue their programs, but were turned away. I intend to include report language in the homeland security supplemental bill I am currently working on in the Appropriations Committee directing the Secretary to use any additional funds that become available to provide funding for these states. I appreciate my friend's efforts to include this additional money in the farm bill, and am hopeful that it will provide at least partial relief to the drastic funding cuts being felt by these States.

Mr. HARKIN. I thank my friend from Wisconsin for raising this important matter. I agree with his comments and am pleased that we are able to provide additional resources, through the farm bill, to assist States that did not receive funding for this year. I also hope that funding for States that successfully completed applications, and received insufficient funding, is increased. Clearly, there is a funding shortage for this program and I want to stress that the purpose of the $5 million in the farm bill is not meant to replace the CCC funds mentioned by my colleague, but rather to supplement them. I support my colleague in his efforts to ensure that no State or territory that wishes to participate in this program is turned away. The Seniors' Farmers Market Nutrition Program provides an important service, one that brings low-income senior citizens and local farmers together in a mutually beneficial relationship.

TREE ASSISTANCE PROGRAM

Ms. STABENOW. Mr. President, I thank Senator HARKIN, and congratulate him for his leadership over the past year. The farm bill is a tremendous victory on so many fronts. I want to especially thank him for the landmark inclusion of specialty crops in this farm bill.

Mr. HARKIN. The Senator informed me from the beginning that specialty crops like apples, cherries, blueberries, cherries, and asparagus are critically important for Michigan's agriculture economy. She has been a powerful advocate for specialty crops and I appreciated your hard work throughout this process to include them in this farm bill.

Ms. STABENOW. The farm bill before us has a $2 billion specialty crop program which provides a minimum of $200 million per year in USDA Section 32 purchases for nutrition programs. This new allocation of funds will provide much needed help for growers of fruits and vegetables. It has been a true privilege to work with the Senator to develop this new program.

Mr. HARKIN. I think all of our colleagues on the Committee on Agriculture, Nutrition and Forestry and in the Senate would agree that the Senator's strong backing was absolutely instrumental in obtaining the $2 billion specialty crop purchase program.

Ms. STABENOW. I thank the Senator. I would like to discuss another critical program that we included in the farm bill for specialty crops—the Tree Assistance Program, TAP.

Mr. HARKIN. Yes, TAP is a critical program that provides reimbursement for trees, like cherry trees and apple trees, which have been destroyed by natural disaster.

Ms. STABENOW. TAP is very important, especially in Michigan. In 2000, our apple growers in the southwest region of the state suffered from devastating fire blight that destroyed over 10,000 acres of apple orchards resulting in an estimated total loss of $98 million for apple growers in Michigan.

Unfortunately, the funding for TAP expired the year before and none of these growers could apply for assistance.

I thank the Senator for reauthorizing TAP in the farm bill. In the Senate version of the farm bill, the reauthorization for TAP included the following language regarding eligibility, "(a) shall apply to tree losses that are incurred as a result of a natural disaster after January 1, 2000."

Mr. HARKIN. I supported retroactive eligibility for TAP and supported that provision in the bill that passed out of the committee. A majority of the Senate also supported this provision.

Ms. STABENOW. I thank the Senator. I look forward to working with him to insure that the apple growers in my State who suffered such terrible losses in 2000 will receive help through the Tree Assistance Program.

SECTION 10816

Mr. MURKOWSKI. Mr. President, I want to thank the managers and other members of the conference for their efforts to maintain the Senate's intentions with respect to section 10816, which requires country-of-origin labeling for seafood products, among others. This provision is very important to the seafood industry in my State of Alaska.

However, I note that the definition of "wild fish" applies to "naturally born or hatchery raised fish and shellfish harvested in the wild." This may lead to some confusion. As my colleagues know, fish generally are "hatched" rather than "born." In addition, I understand it was the Senate's intent to apply this definition to hatchery fish only when they are released shortly after hatching, and live the rest of their lives in the same environment as naturally occurring fish of the same species.

I wish to ask the managers if my understanding is correct, and agree that the definition of wild fish should be interpreted to mean "naturally or artificially hatched fish that grow to maturity and are harvested in the wild."

Mr. HARKIN. Mr. President, I thank the Senator from Alaska both for his comments on the conference and for his question. His observation that fish are hatched rather than born is well taken, and I agree with the way he has rephrased the definition. It is indeed our intention that the definition of "wild fish" apply only to fish that spend the bulk of their lives in the wild. This differentiates them from "farmed-raised fish," which are raised in confinement until they are harvested.

Mr. LUGAR. Mr. President, I am grateful to my colleague for bringing this point to our attention, and concur that wild fish are those which spend most of their lives free of confinement, whereas farm-raised fish are those which are held in pens or tanks until harvested.

KLAMATH BASIN

Mr. WYDEN. I want to thank my Senate colleagues, specifically Chairman HARKIN, for their continued attention to a matter of such importance to the people of the Klamath Basin in Oregon and California. I especially want to thank my friends and colleagues, Senators GORDON SMITH, BOXER, and FEINSTEIN, for their initial help in getting Klamath language and money accepted into the farm bill. And I want to recognize the hard work and dedication of the chairman, Senator DASCHLE, and their staffs for sticking by the Klamath Basin until the bitter end. I also want to thank my friend on the other side of the Capitol, Representative WALDEN, for his dedication to the Klamath Basin. Thanks to his collective bi-partisan effort, today I can come to the floor to discuss the future for the Klamath Basin with some hope.

Mr. HARKIN. Your dogged attention to the Klamath provision was critical and appreciated. I thank you for all your support in getting this important legislation off the Senate floor.

Mr. WYDEN. The conference report provides $50,000,000 under section 1240I Ground and Surface Water Conservation. It is important for the legislative history of this section to note that the conference report states.

> In carrying out the program . . . the Secretary shall promote grounds and surface water conservation by providing cost-share payments, incentive payments, and loans to producers to carry out eligible water conservation activities with respect to the agricultural operations of producers, to—(1) improve irrigation systems; (2) enhance irrigation efficiencies; (3) convert to—(A) the production of less water-intensive agricultural commodities; or (B) dryland farming; (4) improve the storage of water though measures such as water banking and groundwater recharge; (5) mitigate the effects of drought or (6) institute other measures that improve groundwater surface water conservation, as determined by the Secretary, in the agricultural operations of producers.

In addition to all those excellent purposes, this section requires that a Secretary may only provide this money to a producer if the net result is "a new savings in groundwater or surface water resources in the agricultural operation of the producer." Chairman HARKIN, it appears to me that these purposes coincide with the purposes of the original Klamath language in the Senate farm bill: water conservation and improved agricultural practices; aquatic ecosystem restoration; and improvement of water quality. Do you read it the same way?

Mr. HARKIN. Yes, I do.

Mr. WYDEN. The difference is that the original language brought to light the need to recover endangered species, including both anadromous and resident fish species; and maintenance of the National Wildlife Refuges.

Mr. HARKIN. Even so, Senator WYDEN, the $50,000,000 provided by this farm bill conference report for the Klamath Basin used under this program should benefit endangered species and the refuges in the Klamath Basin. Any program that improves water quality and quantity, as this one does, will necessarily support the recovery of threatened and endangered species.

Mr. WYDEN. I agree. I am grateful that the other long-term benefits that were to be considered under the original Senate Klamath language will still be considered under this provision: benefits to the agricultural economy through incentives for the use of irrigation efficiency, water conservation, or other agricultural practices; wetland restoration; and improvement of upper Basin watershed and water quality. Due to the cooperative nature of all farm programs, I remain hopeful that this provision will be implemented in a manner that respects and uses the local expertise of the Klamath Basin farmers. In addition, this program should be implemented in the Klamath Basin while the administration considers the long term effects of the water savings.

The original Senate Klamath language required the USDA to spend $175 million over 5 years, through the Natural Resources Conservation Service and the Farm Service Agency, on Klamath Basin hydrology and wetlands restoration using any applicable USDA program. The particular programs were not noted in order to provide some flexibility for the Department and basin farmers. The current language limits that flexibility, but fills an important purpose in the basin.

I am thankful that the President established a cabinet level Klamath Working Group, made up of the Secretaries of Interior, Agriculture, and Commerce, thereby fulfilling another purpose of Senate Klamath language that authorized the creation of a Klamath Basin Interagency Task Force made up of agencies from the Departments of Interior, Agriculture, and Commerce. It is my hope, however, that while the Senate Klamath language required public non-federal notice of work and intended plans by the Interagency Task Force to provide local awareness and the conference report does not, the current Administration Working group would provide such public notice.

But there is more work to be done. While the $50,000,000 provided for producers to conserve water in the Klamath Basin is a start, it will not complete the entire hydrological restoration necessary in the basin. The basin requires specific projects such as these I list here to restore the basin: $3,479,000 for feasibility studies by the Bureau of Reclamation, included in the President's funding request for the Klamath Project for FY 2002; $4 million to purchase, one time, 2700 acres at Goose Bay in Upper Klamath Lake (TNC); $25 million over 5 years for the restoration of the Upper Klamath Lake tributaries (such as the Sprague, Williamson, and Wood Rivers); $40 million over 5 years for the restoration of historic Upper Klamath Lake wetlands; $20 million over 5 years for the restoration of Lake Ewauna below Upper Klamath Lake that is essential for sucker habitat; $1 million for riparian fencing, grazing management, streambank restoration and revegetation under CRP; $5 million for the purchase of the Barnes property by the Bureau of Reclamation for the whole project to be managed by the Bur Rec, county commissioners, local water irrigation districts, USDA and F&W Service and the Tribes, using some portion of the money for a set-aside to match state and private wetland restoration dollars from entities such as OWEB and Oregon Water Trust and designate some portion of the money for scientific work including scientific work by the Klamath Tribe Department of Natural Resources; $4,500,000 of new funding for the U.S. Fish and Wildlife Service to conduct in-stream flow studies in the basin deemed necessary by the Secretary, including in-stream flow studies below Iron Gate Dam; $20 million for the voluntary lease of water rights; $1 million for the evaluation of intentional winter flooding of volunteer agricultural lands: Dry Year Reserve—to idle basin irrigated acreage—promoted by Water Users through Bur Rec but could be done through shorter contracts in WRP; $15 million for the purchase of water easements; $10 million for the construction of groundwater wells in conjunction with USGS surveys; $5 million authorized for grants to local irrigation districts, through the Rural Development/Utilities accounts to improve irrigation of Klamath Basin practices that will conserve water and improve water quality.

In addition to the above concerns, this money will not be available to the native American tribes in the basin, the Klamath, the Yurok, the Kurok, and the Hoopa. This is a shame. These tribes make up an important user group in the basin and no real long-term solution will be achievable without them.

Mr. HARKIN. Senator WYDEN, where appropriate and within the jurisdiction of the Committees on which I serve, I will be happy to work with you in the pursuit of beneficial programs and funding for the Klamath Basin.

Mr. WYDEN. Thank you, Mr. Chairman.

CONSERVATION PROGRAMS IN THE EVERGLADES

Mr. GRAHAM. Mr. President, I thank Chairman HARKIN and Ranking Senator LUGAR for their excellent work on the farm bill before us today. I am pleased to recognize that this legislation expands and improves many of the conservation programs administered by the U.S. Department of Agriculture. Farmers are the best conservationists in the world and this farm bill gives them more tools to be even better stewards of the environment.

I would like to engage Chairman HARKIN and Senator LUGAR in a colloquy to elaborate a bit on the very good language in the Statement of Managers that calls upon the Secretary of Agriculture to work with appropriate State and Federal officials to use USDA conservation programs to supplement the work of the Comprehensive Everglades Restoration Plan as it is implemented in the South Florida Ecosystem.

Our success in restoring the Everglades depends a great deal on the health of Lake Okeechobee and the systems which feed into that great lake, such as the Kissimmee River and its chain of lakes. It is my understanding that the direction in the Statement of Managers is intended to use conservation programs to enhance the health of those ecosystems as well. Am I correct in my interpretation of that very good language?

Mr. HARKIN. The Senator is absolutely correct in his interpretation of that language and I wish to thank him for his assistance to the committee on this matter. There has been no stronger advocate of the Everglades through the years than the senior Senator from Florida.

Mr. LUGAR. I agree with the Chairman. I, too, have been pleased to work on behalf of Everglades restoration through the years. The conservation programs of USDA are improved by this legislation and I am pleased that the conferees to the farm bill recognize the promise of these programs to assist in Everglades restoration.

Mr. GRAHAM. I thank the distinguished Chairman and the ranking member of the Senate Committee on Agriculture, Nutrition, and Forestry for their work on the farm bill and the assistance it will render to restore the Everglades. For instance, work in areas such as the Kissimmee River system will serve, among other things, to enhance the natural storage of water necessary for restoration further south in the system. Implementing the type of conservation practices included in these Department of Agriculture programs in areas such as the Kissimmee River and Lake Okeechobee can improve restoration efforts substantially.

I look forward to working with Secretary of Agriculture Veneman, and other State and Federal officials to utilize these programs in a coordinated and effective manner.

WILD FISH

Mr. INOUYE. Mr. President, title X of the farm bill contains provisions that would provide country of origin labeling for certain covered products. This program will specifically inform consumers right at their local markets whether they are eating U.S. products, or products produced under the laws of another nation. In a time of uncertainty about our economic, environmental, and personal security, we want to provide this level of assurance to our citizens and to our producers. U.S. origin labeling is important because it will allow consumers to vote with their wallets to support U.S. farmers, ranchers, and fishermen. This is important in the case of wild-caught fish, particularly in Hawaii, where we have traditionally relied on our vast ocean "backyard" for sustenance, chasing highly migratory species like tuna and swordfish as well as closer to shore species.

I ask the distinguished Senator from Iowa, one of the managers of the bill, if this is not the purpose of the country of origin provision?

Mr. HARKIN. Indeed, the distinguished Senator from Hawaii is correct about the intent of the provision.

Mr. INOUYE. I thank the Senator. As Senator HARKIN has since learned, the provision contains a technical matter that would undermine this important purpose. As Hawaiian fishermen well know, because of their migratory nature, certain species of fish are often caught outside of the 200-mile U.S. exclusive economic zone—more than 50 percent of the catch landed by Hawaii vessels are harvested on the high seas. These include tuna, swordfish, and squid. Whether U.S. fishermen are in U.S. waters or on the high seas pursuing highly migratory species like tuna, from the time they leave the dock to the time they return to port, our fishermen are subject to U.S. law—some of the most stringent conservation, safety and health restrictions in the world. This has often led to economic hardship. I do not object to the purpose of such costly measures, but what do I tell these fishermen when they are undersold in the market by the foreign-caught fish, which are harvested in an indiscriminate and environmentally unsound manner? I would like to tell them that they will benefit from a U.S. label, and that their legal compliance will be rewarded in the marketplace. But the technical matter in the farm bill will not allow this to happen. Moreover, it will result in a labeling gap that will confuse consumers. Under the language in the bill, a migratory fish that is harvested beyond the 200-mile zone by a U.S. fisherman on a U.S. registered vessel, processed under U.S. regulations, and landed at a U.S. dock, does not qualify for a U.S. origin label.

Mr. HOLLINGS. I thank Senator INOUYE for summing up a complicated issue in simple and clear language. When you and I discussed this issue, I was immediately concerned. There appears to be a simple solution for labeling of wild-caught fish: allow fish caught by a U.S. flag vessel to be labeled with the U.S. as the country of origin. This would have the added benefit of bringing the point of sale label into conformity with the approach taken by U.S. customs regulations. Moreover, the extreme perishability of some ocean products require processing at sea. For example, squid must be processed where ever it is caught or it will spoil—thus, if caught by a U.S. flag vessel on the high seas, it would have to be processed on the high seas according to U.S. requirements.

I had shared Senator INOUYE's hope that this technical correction might be included in the farm bill, and I worked with him, and Senators DASCHLE and HARKIN toward that end. Although time did not permit the inclusion of the provision, I believe that Senator HARKIN may have a few words to offer.

Mr. HARKIN. I thank you Senator HOLLINGS. When Senator HOLLINGS and Senator INOUYE brought this matter to my attention, I welcomed their expertise in marine matters, and did my best to have the suggested technical amendment included. Regrettably, during the eleventh hour, it proved not to be possible.

I hope, however, that this amendment may find another vehicle for its speedy passage.

Mr. DORGAN. Mr. President, I want to thank the chairman of the Senate Agriculture Committee for taking the lead on making the broadband initiative a part of the farm bill. I also want to thank the ranking member of the committee and Senator DASCHLE for their work on this program. The $100 million provided in the farm bill for broadband is unprecedented and long past due to ensure Rural America has the same access to broadband service as its urban neighbors.

Several years ago, I introduced legislation to establish a new Federal broadband program. The chairman is a cosponsor of this legislation. And now, after 2 years of a pilot program similar to my bill, the farm bill gives the rural broadband program under the Rural Utilities Service an authorization and funding. That funding will create hundreds of millions of dollars of broadband loans each year.

The Rural Utilities Service, RUS, once known as the Rural Electrification Administration, REA, has administered a telecommunications program for over 50 years. It has been an unprecedented success. In 1949, about 40 percent of American farmers had phone service. Today, that has changed dramatically and nearly everyone at least has a telephone. Not only do these investments need to be maintained, but we need to make new investments in the next generation of telecommunications technology, known as broadband, to ensure that all Americans have access to the Internet.

The RUS lending record in its telecommunications program which would be the envy of any financial institution in America. In over 50 years, there has not been a single loan loss in the RUS/REA telecommunications program. In recent years, the agency has been leading the American information revolution by financing some of the most advanced telecommunications systems in the Nation.

The broadband provisions of this bill should significantly advance the deployment of broadband technologies in all regions of the country. It should spur the deployment of new wireline, wireless, cable, and satellite broadband infrastructure and service. It promotes technological neutrality and a definition of broadband, which is meaningful, flexible and appropriate to spur significant advancement in all technologies.

For the purposes of ensuring a successful implementation of this program, it would be helpful if the chairman could respond to a few questions about the legislation.

Mr. HARKIN. Mr. President, I would be pleased to answer the questions of the Senator from North Dakota. But first, I want to thank the Senator for your and your staff's work on this issue. Together, we've come up with a great intiative that will serve Rural America in the information age. The Senator and his bipartisan group of supporters are to be congratulated for their work on this important legislation. It will spur new investment in rural broadband.

Mr. DORGAN. Does the legislation give the Administrator of the Rural Utilities Service flexibility to adopt a definition of broadband, which encourages advancement in all modes of communications?

Mr. HARKIN. The Senator is correct. The legislation seeks to foster significant advancement in all rural applications of broadband. In this context, technological neutrality should not be used to preclude progress in any given technology. For example, what is broadband in a fixed setting may be different than what is broadband in a mobile wireless setting. In both cases, the measure of broadband capability should be based on capability of the network, not the individual devices used to access the network. This legislation is intended to help rural citizens gain access to modern broadband information networks.

Mr. DORGAN. Does the chairman expect the RUS to maintain its high standards of determining the financial feasibility of broadband loans?

Mr. HARKIN. This expansion of authority should not be viewed by anyone as a loosening of financial feasibility standards at the RUS. Simply put, if there is not a reasonable likelihood of repayment, the loan should not be made. That is how the RUS and the REA have operated for 65 years and that is how the agency should operate with this new authority.

Mr. DORGAN. Given that record of success and assuming a treasury rate of interest, would it be reasonable that the $20 million a year included in this bill for the early years of this program could fund a treasury rate of interest broadband loan program of at least $750 million a year?

Mr. HARKIN. Under credit reform, there are essentially two components to determining the subsidy rate for any loan program. Those components are any discount from the treasury rate of borrowing and the risk related to the loan. The RUS telecommunications loan program has not suffered a loan loss. In fact, the RUS telecommunications loan program has over its life, made money for the Government. Broadband lending within the RUS parameters does not necessarily bring with it a higher risk profile.

The process by which the Office of Management and Budget determines subsidy rates for Federal loan programs is sometimes viewed as a mysterious process to say the least, given the year to year swings in the subsidy rates for the same or similar programs and classes of borrowers. Given the record of the agency, however, and given the treasury rate of interest assumption of your question, $20 million a year in direct budget authority provided could generate a minimum loan level of $750 million a year.

Mr. DORGAN. I thank the chairman.

Mr. JOHNSON. Mr. President, as the author of S. 280, the Consumer Right-to-Know Act, and the provision in the new farm bill requiring retail-level country of origin labeling for beef, pork, lamb, fruits, vegetables, peanuts, and fish, I feel compelled to offer my views on how country-of-origin labeling should be implemented by the U.S. Department of Agriculture, USDA. This farm bill provision is not overly prescriptive because I believe USDA deserves some degree of discretion to develop rules and regulations to ensure this labeling program is effective. That being said, I believe it's equally important for USDA to adhere to the intent of Congress in passing this important labeling legislation, and to comply with my intent as the primary author.

Well-funded opponents of country-of-origin labeling who like to import cheap meat and other products into the United States and camouflage those products as "Made in the USA" will make outrageous claims about how country-of-origin labeling is difficult to administer, how it will cost them and USDA resources, and how it just can't work. It's awfully ironic they say these things, when virtually every single other item consumers buy at the retail level indicate their country-of-origin. The fact is that labeling can be implemented in a low-cost manner, and Congress expects USDA to work with all interested parties to make labeling a reality.

Nevertheless, passage of country-of-origin labeling will not stop those who don't want consumers to know the origin of meat and other items at the retail-level to try to water-down and minimize this legislation through the rulemaking process and other avenues. Therefore, it's important that USDA know my intent with respect to this program.

My labeling provision amends the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) and adds subtitle D, a requirement for retail-level country-of-origin labeling for covered commodities at the final point-of-sale for consumers.

This section mandates retail-level, country-of-origin labeling for covered commodities, including beef, lamb, pork, farm-raised fish, wild fish, peanuts, and perishable commodities. The purpose of the section is to inform consumers about the origin of the meat, fish, peanuts, and perishable commodities they purchase at the retail-level. The items that qualify as covered commodities must be labeled with their country-of-origin.

Under present law, most products require labeling according to their country-of-origin if they are produced outside of the United States. However, some products, such as fruits, vegetables, and peanuts have been excluded from this requirement. Further, meat from livestock or fish born outside of the United States, or born and raised outside of the United States, and slaughtered or processed within the United States, are not required to be identified as a foreign product.

With respect to meat, the labeling requirement in the farm bill shall apply to all muscle cuts of beef, pork, and lamb, including, but not limited to, steaks, roasts, chops, tips, ribs, and loins, as covered commodities that must be labeled as to their country-of-origin. Furthermore, ground beef, including, but not limited to hamburger and ground beef patties, whether frozen, chilled, or fresh, ground lamb, and ground pork qualify as covered commodities for purposes of country-of-origin labeling.

If, however, a covered commodity is an ingredient in a processed food, the section does not require that item to be labeled as to its country-of-origin. For example, if beef, pork, or lamb is an ingredient in a can of soup, lunch meat, meat snack, frankfurter, meatball, meat salad, stew, pasta, frozen dinner, frozen entree, or frozen pizza, than the section does not require the food item containing beef, pork, or lamb to be labeled with its country-of-origin. However, this exemption shall not apply to ground beef or hamburger, as mentioned above, which must qualify as a covered commodity for country-of-origin labeling at the retail-level.

While retail-level country-of-origin labeling is required of grocery stores and supermarkets, food service establishments are not required to notify the country-of-origin of covered commodities that are prepared or served to consumers. Because many polls indicate consumers wish to know the origin of the food they eat, and many individuals consume food items from food service establishments, food service establishments and restaurants are encouraged to voluntarily notify the consumers as to the country-of-origin of the food products sold at restaurants.

At this point, I want to make it unconditionally clear that what is meant by this provision with respect to "retailer" is that any retailer selling any covered commodity, beef, pork, lamb, fruits, vegetables, peanuts, or fish, is required to indicate the country-of-origin of that covered commodity at the retail-level or final point of sale. While the definitions section of the country-of-origin labeling provision refers to "retailer" in the Perishable Agricultural Commodities Act, PACA, of 1930, this reference is made only to draw a distinction between retailers and restaurants, because the labeling requirement applies to retailers but not restaurants. Let me make it unquestionably clear right now that the only reason S. 280 and the farm bill country-of-origin labeling language refers to the word "retailer" is that Congress wanted it to be understood that country-of-origin labeling would be required at the retail-level, the final point of sale, as opposed to labeling in restaurants, regardless of whether the product to be labeled by its country-of-origin was a cut of beef or a fruit or vegetable. The intent is to require labeling of all covered commodities at the final point of sale, regardless of what the retailer sells, and not to inadvertently allow any retailer to avoid the labeling requirement simply because that retailer may only sell perishable agricultural commodities.

In the case of meat, the farm bill provision intends for retailers to designate a covered commodity as having a United States country-of-origin only if the meat is from an animal that was born, raised, and slaughtered in the United States. An exception is made for beef from cattle born and raised in Alaska or Hawaii, and transhipped for a period not in excess of a period of days through Canada into the United States for slaughter. I understand that the World Trade Organization, WTO, committee on Rules of Origin has not yet completed its work on harmonizing rules of origin on Chapters 1 and 2 dealing with cattle and beef. Therefore, I encourage the Secretary and U.S. Trade Representative to immediately develop a position constituting a born, raised, and slaughtered standard to determine the origin of meat within the WTO which will be consistent with this section and the current voluntary beef labeling program.

My legislation does not intend to prescribe the specific type or method of country-of-origin label that must be used on covered commodities. The means by which the country-of-origin is designated may differ on a commodity-by-commodity basis. For example, an affixed-label may designate the country-of-origin of a steak or package of ground beef, while a sign on a holding bin may indicate the country-of-origin of fruit or vegetables. The section provides examples by which the country-of-origin of a covered commodity may be provided at the retail-level, including a label, stamp, mark, placard, or other clear visible sign on the covered commodity or on the package, display, holding unit, or bin containing the covered commodity at the final point of sale to consumers. For purposes of consistency and equitable national treatment, I encourage the Secretary to work with industry to create a label that includes the country-of-origin and the commodity. For example, a cut of beef to be labeled as a product of the United States may be labeled, "United States beef." Similarly, a tomato from Mexico may be labeled "Mexican tomato."

With respect to the type or method of country-of-origin label to be applied or used for covered commodities, the Secretary is encouraged to seek input from producer and farm organizations, consumers and consumer groups, and industry and businesses affected by the section. The Secretary shall attempt to create a labeling program that is easy-to-understand and as uniform as possible for like commodities to be covered under the labeling requirement. Furthermore, retailers and those responsible for country-of-origin labeling are encouraged to develop labels that are legible, noticeable, uniform, and easy-to-understand for consumers.

My legislation gives the Secretary discretion to work with those responsible for tracking the origin of items and for designating the country-of-origin to develop a system that meets the intent of the section in an efficient and convenient manner. I recognize that USDA must develop a system by which to verify the origin of animals for country-of-origin labeling to be effective. The section provides the Secretary with the authority to require a verifiable record keeping audit trail to help verify origin, as well as a requirement that anyone engaged in supplying a covered commodity to a retailer must provide information indicating the origin of the covered commodity. For the retailer to know the country-of-origin of a covered commodity, and for the Secretary to enforce this section, all participants and businesses affected by this Section should cooperate to develop this verifiable record-keeping audit trail.

However, especially concerning meat labeling, it is not necessary to impose a mandatory animal identification program in order to implement country-of-origin labeling because proven models already exist within USDA to verify the country-of-origin or birth of animals for various purposes. One such model is the quality grade certification system that signifies the quality grade of certain meat cuts, such as USDA "choice," "prime," or "select". The USDA stated in a report "The Benefits/Cost Analysis of Mandatory Country of Origin Labeling" released in 2000 that the Agricultural Marketing Service, AMS, and industry could model this certification program to implement country-of-origin meat labeling. Additional models that can be applied include the existing voluntary country-of-origin labeling program for beef, which uses an affidavit to verify origin, "Certified Angus Beef" and similar programs that USDA implements to aid industry in promoting certain meat cuts for breed, the National School Lunch Program, and the Market Access Program, MAP. USDA has effectively administered these existing programs. Therefore, I intend for the Secretary to capitalize upon these existing programs rather than creating a new mandatory animal identification system in order to verify origin. The programs used by USDA were listed in the section to serve as models for the department, producers, packers, retailers, and others to ensure the proper implementation of mandatory country-of-origin labeling.

Moreover, USDA Health Certificates issued by the Animal and Plant Health Inspection Service, APHIS, ensures the tracking of all imported animals for slaughter without the need for a mandatory, animal identification system. By law, no animal may be imported into the United States without being accompanied by a USDA-APHIS health certificate. The application form for this certificate requires documentation as to the origin of the animal(s) being imported into the United States. The record keeping system applied for tracking imports may be helpful to the Secretary in carrying out this section.

It is also my understanding that many livestock auction markets and sale barns in the United States have requested individuals selling cattle or other ruminant animals to sign affidavits verifying that the cattle were not fed mammalian parts, so as to ensure cattle buyers and customers that those cattle will not contract Bovine Spongiform Encephalopathy, BSE or mad cow disease. The Secretary is encouraged to determine if this system of tracking animals for prevention of the spread of BSE may work similarly for keeping records for country-of-origin.

I intend that the enforcement of this section be implemented in a most reasonable fashion, so as to accommodate unintentional violations with the program. As such, the section provides the Secretary with the authority to first issue a warning to a retailer violating the section, rather than a fine. For example, on the first occasion a retailer is found out of compliance with the labeling requirement, the Secretary may notify or warn the retailer in writing, and provide the retailer 30 days in which to take steps to comply with the labeling requirement. If subsequent to the 30 day period the Secretary determines that the retailer has willfully continued to violate the section, the Secretary must provide notice and opportunity for a hearing with respect to the violation before any further enforcement action can be taken. Finally, after such steps are taken, and a retailer remains in violation of the labeling requirement, the Secretary may fine the retailer in an amount determined by the Secretary.

In the case of enforcement, I intend that the Secretary take into account the special circumstances of small businesses affected by this section. I recognize that this new program and its requirements may require some time and complexity to comply with, especially for small businesses, therefore, the Secretary is encouraged to cooperate with any small business affected by this section so that the requirements are understandable, reasonable, and simple. Small businesses may need additional assistance to comply with this section, therefore, I encourage the Secretary to take into consideration these and other special circumstances which may make it difficult for small businesses to meet the requirements. Furthermore, to the maximum extent practicable, the Secretary shall enter into partnerships with States to enforce this section.

Finally, I intend for the Secretary to promulgate such regulations that are necessary to implement the labeling requirements under this section as soon as possible. The Secretary may be under pressure from opponents to country-of-origin labeling to delay the implementation of this section. Those of us who wrote this legislation and worked hard to enact it will make sure that this section is implemented in an expeditious fashion, without unnecessary delay.

Mrs. FEINSTEIN. Mr. President I am a strong supporter of the American farmer. I represent the largest farm State in this Nation and I believe in protecting the family farmer and helping to provide for rural America.

California's farm economy produces approximately $30 billion annually and I take pride in the great number and vast diversity of crops the State produces.

From the vegetables in the Imperial Valley to the dairy farms in the Central Valley and the wineries of Napa Valley, the State of California produces more of what goes on America's dinner table than anywhere else.

In March, I visited the great Central Valley of California to hear what my constituents had to say about the agricultural policy we craft here in Washington, DC.

I heard how much farmers depend on the programs in the farm bill and I am pleased that the Senate will be voting on the farm bill conference report today. Even though I have some concerns about what is in the conference report and this is by no means a perfect bill, I will vote to send this legislation to the President's desk because virtually every California farm and nutrition group has lined up to support it.

However, I want to highlight my serious concern over an egregious ethanol program in this farm bill that was included at the last minute in conference.

Mr. President, only 2 weeks ago the Senate passed a terrible energy bill that mandates three times the amount of ethanol we produce in our fuel supply. Now after mandating a market for ethanol in the energy bill we are providing billions of dollars in subsidies to corn farmers in this farm bill.

On top of the subsidies to the corn growers in the Midwest, and the mandated market for ethanol, and high trade barriers that protect the domestic ethanol industry, now, in a provision in this farm bill, we will be subsidizing the expansion of ethanol production through the "Bioenergy Program."

Many may wonder what the Bioenergy Program is. The Bioenergy Program, created in 2000 by the Department of Agriculture, provides cash payments to promote additional production of ethanol and biodiesel. Bioenergy includes: Ethanol, made mostly from corn; and biodiesel, made mostly from soybeans.

Congress has never authorized this program until now. The farm bill authorizes spending $150 million annually over the next 4 years for a total authorization of $600 million. The Congressional Budget Office anticipates that the program will not be fully subscribed and therefore scores the program lower at $204 million.

Essentially, the Bioenergy Program pays subsidies to firms when they purchase additional corn to make more ethanol or soybeans to make more biodiesel. For example, if a company increases its ethanol production by 1,000 gallons, the government will reimburse the firm $320 for the additional corn it took to make these 1,000 gallons of ethanol.

At best, this is an incentive to help small ethanol producers expand their production of ethanol. At worst, this is another government payout to ethanol firms like ADM to subsidize corn they would buy anyway to make their product.

In 2001, 26 ethanol firms, all based in the Midwest, received payments from USDA under the Bioenergy Program. Archers Daniels Midland received the most, $7.5 million out of $32.7 million in total payments or 23 percent of the overall amount. Under the Bioenergy Program authorized in the farm bill, ADM will continue to be eligible to receive $7.5 million each year for the next 4 years, a total of $30 million by 2006. ADM has sales of over $20 billion annually, yet under this Bioenergy Program, the government is subsidizing its expansion and growth.

Consider the following:

No. 1. The Government already subsidizes farmers who grow corn, which is used to make ethanol.

No. 2. The Government subsidizes producers of ethanol by giving firms a 5.3 cent "tax break" from the 18.4 cent per gallon tax on gasoline.

No. 3. In the recent energy bill, the Senate mandated a market for ethanol that will force three times the amount we produce into the fuel supply by 2012.

No. 4. Domestic ethanol producers are protected from foreign competition by a high 54-cent per gallon trade barrier.

No. 5. On top of all this, why is Congress subsidizing ethanol producers to expand?

There is new information on the environmental and health impact of ethanol.

During the debate on the energy bill, I mentioned that I have grave concerns about the long-term effects of nearly tripling the amount of ethanol in our gasoline supply because the impact on the environment and public health is largely unknown.

Although the scientific opinion is not unanimous, existing evidence suggests that: one, reformulated gasoline with ethanol produces more smog pollution than reformulated gas without it; and two, ethanol enables the toxic chemicals in gasoline to seep further into groundwater and even faster than conventional gasoline.

And this week new evidence from the Environmental Protection Agency casts an even darker shadow on ethanol's environmental record. A letter was made public this week disclosing that toxic emissions from ethanol plants appear more dangerous than previously thought.

I wish we had known about EPA's recent testing of ethanol plant emissions while the Senate was debating the ethanol mandate in the Senate Energy Bill.

I would like to insert this letter for the RECORD and read from it.

The letter is to Bob Dinneen, president of the Renewable Fuels Association, the ethanol lobby. It is from Stephen Rothblatt, the head of EPA's air and radiation division in Region 5. Region 5 covers part of the Midwest.

The letter begins:

> Recent testing performed at several ethanol production facilities indicates emissions of volatile organic compounds and carbon monoxide many times greater than that stated by the companies in the permitting process.

This finding by EPA raises new questions about the harm ethanol can cause the environment. Previously, emissions from ethanol plants were thought to be relatively benign. Under current law, ethanol plants are not considered "major sources" of volatile organic compound, VOC, emissions and they face a less stringent permitting process.

However, the recent findings alluded to by EPA in this letter indicate that ethanol plants may now be major sources of VOC emissions and therefore subject to a more stringent permitting process. VOC emissions are of great concern because they contribute to the formation of ozone, the main component of smog.

And these new findings are not confined to one or two plants. The letter indicates that emissions of carbon monoxide, methanol, formaldehyde, acetic acid, and other carcinogens at levels many times greater than the plant permits allow "are not unique to the tested facilities, but rather common to most, if not all, ethanol facilities."

In response to this letter from EPA, I wrote Administrator Whitman and I would like to include the two letters I sent yesterday in the RECORD.

I have asked the Administrator why the agency's findings did not surface until this week, and I asked EPA to report on the increase in emissions we can expect from ethanol plants if we triple the amount of ethanol that needs to be produced, as the Senate Energy Bill would require.

I am also particularly concerned about a part in the letter that mentions EPA's desire to "quickly address both State and Federal concerns and resolve them on terms most favorable to the industry." Why would EPA want to resolve this on terms most favorable to the industry when it is children, the elderly, and people with respiratory problems who will suffer most from these harmful emissions?

It appears EPA is attempting to placate the ethanol industry because instead of enforcing the Clean Air Act by citing the ethanol plants for violations, EPA is trying to meet with ethanol industry representatives to resolve the matter quietly.

I am concerned that the EPA will not crackdown on ethanol plants forcefully because, according to this letter, the agency's primary goal is to satisfy the industry and not the public interest.

I hope the EPA will be able to complete a full scientific and health study on the impact of these ethanol plant emissions on the air we breathe. And I hope the agency will be forthcoming with the scientific results that led to this April 24th letter.

I believe the testing conducted by the Region 5 office raises important questions on the health and environmental consequences of more ethanol production and use.

It is clear to me that there is a lot about ethanol we do not know yet. I am very concerned about the mandate we passed in the energy bill.

I am also concerned about this egregious provision in the farm bill that pays ethanol producers like ADM to buy more corn. This provision is unacceptable and I would hope that in the future when we authorize new ethanol programs, they are the subject of extensive hearings and debate, not just slipped into the conference report without notice.

Having said all this, I would just like to take a few moments to highlight the provisions in the farm bill that will benefit California and explain why I support this legislation.

First, I want to thank the chairman and ranking member of the Agriculture Committee who have spend a tremendous amount of time on this bill. And I want to thank all the members of the Conference Committee who spent the last three months hashing out the differences between the House and Senate bill.

Mr. President, this farm bill will help provide economic stability for producers, make farmers and ranchers more competitive in world markets, and give needed assistance to rural areas.

For California commodity crops like rice, cotton, and wheat, the farm bill provides loan rates and fixed direct payments to provide an effective safety net for our producers. Growers, lenders, and rural areas of California have anxiously been waiting for the farm bill to be signed into law. This bill will alleviate a great deal of uncertainty for commodity producers.

I am also pleased that this farm bill will increase conservation funding by $17.1 billion over the next decade. California will make great use of the programs authorized in this farm bill to enhance wild habitat, create new wetlands, clean up farm runoff, and curb suburban sprawl.

For growers of California's fruits, vegetables, and nuts there are funding increases for the purchase of speciality crops, including $94 million for apples, and more funding for the Market Access Program.

MAP funds are sought by many California growers to develop markets for their products overseas.

I am happy to report that funding for the Market Access Program, MAP, will be authorized well above the current level of $90 million annually. MAP funding will be ramped up to $200 million by 2006. Dollar for dollar MAP funding is one of the best uses of money in this farm bill.

For California dairy farmers, the bill extends the milk price support program through 2006 at $9.90 per hundredweight.

One of the most controversial parts of the farm bill throughout this debate has been the dairy section. The original Senate bill agreed to in the Agriculture Committee was drafted to benefit Northeastern dairy farmers at the expense of California and other States. This so-called "national pooling" proposal would have cost California dairy farmers $1.5 billion over 9 years and driven up prices for consumers by $1.5 billion over 9 years.

After a great deal of negotiation in the Senate and again in conference, I believe we have achieved something California dairy farmers can live with. We could not get everything we wanted, but dairy groups in California are supportive of the provisions in the bill.

For example, Michael Marsh, CEO of Western United Dairymen writes, "This bill has received more than a year of debate. The conferees worked hard to balance the needs of diverse agricultural interests and produce a consensus bill. We believe the bill is equitable and balanced."

The farm bill funds research at $1.3 billion over the next 10 years to combat pest and disease threats and to stimulate scientific advances in agriculture. California is at the forefront of advances in agricultural research and the State will benefit greatly from the research funding in this bill.

For example, the Initiative for Future Agriculture and Food Systems program is authorized at an average of $200 million annually.

This program awards research grants to California universities such as UC Davis on a competitive basis and usually a large percentage of the funding goes to California research labs and projects.

The farm bill provides $6.4 billion for nutrition. For California, nutrition groups estimate this legislation will deliver more than $1.7 billion to food stamp recipients in the State.

The farm bill also simplifies the food stamp program and restores benefits to legal immigrants. By making all legal immigrant children eligible for food stamps and making adult legal immigrants eligible for food stamps after they have resided in the United States for 5 years, California will be relieved of some of the costs shifted to the State after the 1996 welfare reform bill.

The following groups are among those who have written to me to ask that I support this farm bill: the California Farm Bureau; National Conference of State Legislatures; California Citrus Mutual; Western United Dairymen; the Alliance of Western Milk Producers; California Food Policy Advocates; the California Grape & Tree Fruit League; United Fresh Fruit and Vegetable Association; the California Strawberry Commission; Calcot—the major cooperative representing California and Arizona cotton growers; the California Rice Commission; the Sacramento Central Labor Council AFL-CIO; the Milk Producers Council; the Nature Conservancy; National Farmers Union; the Children's Defense Fund; and many of the major food banks in California.

I believe this broad support demonstrates that the farm bill conferees were able to reach adequate compromises on most issues.

I would also like to highlight a few special provisions for California that the conferees agreed to:

No. 1. The farm bill includes provision to strengthen produce smuggling penalties.

The conference report included language from a bill I introduced last year to strengthen penalties for criminal violations of plant smuggling laws. This provision in the farm bill conference report will protect agriculture from the invasion of foreign species by strengthening criminal penalties for organized smuggling of fruits, plants, and vegetables into the United States. Under current law, violators are charged low fines for violating plant smuggling laws—simply a minor cost of doing business, not an effective deterrent.

No. 2. The farm bill includes provision to give the Secretary of Agriculture the authority to reallocate sugar export quota shortfalls.

The conference report includes a compromise worked out with Senator HARKIN, Senator LUGAR, and Senator BREAUX that would give the Secretary of Agriculture the option to reallocate any shortfall in exported sugar from supplying countries to other nations that would export more sugar cane to the United States.

This may help C&H Sugar, a struggling refinery in Crockett, CA, obtain more sugar cane from abroad to refine. In the past, C&H has had to temporarily shutdown and lay off some of its workers because they do not have enough sugar cane to refine. This is a small step, but it may help some.

No. 3. The farm bill includes provision extending a crop insurance pilot program to California.

The farm bill conference report includes a provision to allow California growers to qualify for Adjusted Gross Revenue Crop Insurance—a unique risk management tool provided by USDA to give producers a "self-help" option of insuring a potion of their farm income. Adjusted Gross Revenue Crop Insurance provides protection against low revenue due to unavoidable catastrophes.

The program was first made available on a pilot basis in 1999. This year is the fourth year the program has been available and now California will join 17 other States where the program is currently offered. This program will benefit California specialty crop producers.

No. 4. The farm bill includes provision to allow California to grow, refine, and market sugar cane.

The conference report includes a provision that will allow California to join Hawaii, Texas, Louisiana, and Florida as a State with a sugarcane allocation. Growers in the Imperial Valley in California have been growing sugar cane for about 4 years now with the hopes they would be able to revive the area's stagnant industry. California farmers will now be able to grow, refine, and market sugarcane—adding to the State's great and diverse agricultural production.

Although this farm bill is far from a perfect bill, I am supporting it because I believe sending it back to conference would be counterproductive. Our farmers need a farm bill now and I believe this legislation will be well received in agricultural areas across this nation.

I ask unanimous consent that the aforementioned letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, May 7, 2002.

Hon. CHRISTINE TODD WHITMAN,
Administrator, United States Environmental Protection Agency, 1200 Pennsylvania Avenue, Washington, DC.

DEAR ADMINISTRATOR WHITMAN: I was surprised to read that the Environmental Protection Agency (EPA) called for a meeting this week with ethanol industry officials to discuss findings by the agency that factories that convert corn into the ethanol are releasing carbon monoxide, methanol, formaldehyde, acetic acid, and carcinogens at levels many times greater than previously thought.

It is interesting to me that EPA's study into these harmful ethanol emissions was disclosed in an April 24 letter to the industry's trade group, yet the correspondence was not made public until this week. Why the delay? I am also concerned that the EPA might use the unusual forum of an industry meeting to cut a special deal for the ethanol industry outside the regular EPA process of plant investigations for emissions violations.

I believe that the science is pretty clear that the environmental record on ethanol is mixed and smog increases as a product of more ethanol use.

Therefore, based on the new information from EPA that "most, if not all, ethanol facilities" and releasing carbon monoxide, methanol, formaldehyde, acetic acid, and carcinogens, I would like to ask how much these toxins will be increased across the United States if we triple the amount of ethanol currently produced—the scenario mandated by recent passage of the Senate Energy Bill. Since this energy legislation is now being considered in a conference committee, I am asking for an expedited response from your agency.

Thank you for your immediate attention to this matter.

Sincerely,

DIANNE FEINSTEIN.

U.S. SENATE,
Washington, DC, May 7, 2002.

Hon. CHRISTINE TODD WHITMAN,
Administrator, United States Environmental Protection Agency, 1200 Pennsylvania Avenue, NW, Washington, DC.

DEAR ADMINISTRATOR WHITMAN: To follow up on my earlier letter today, I am writing to request that the Environmental Protection Agency (EPA) provide my office with the scientific data from the recent tests performed on several ethanol facilities by your Region 5 office.

I would like to know more specifically what EPA has discovered about carbon monoxide, methanol, formaldehyde, acetic acid, and other carcinogenic emissions from ethanol plants.

I am also particularly concerned that your agency has chosen to remedy these harmful ethanol emissions by meeting only with industry representatives. The April 24th letter from EPA to the Renewable Fuels Association invites ethanol industry representatives to meet and says, "this approach can give certainty to the industry by quickly addressing both state and federal concerns and resolving them on terms most favorable to the industry." Why would EPA want to address this on terms most favorable to the industry when it is children, the elderly, and people with respiratory problems who will suffer most from these harmful emissions?

Please send me the "stack tests" that led to the April 24th letter as soon as possible. Thank you for your immediate attention to this matter.

Sincerely,

DIANNE FEINSTEIN.

U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION 5,
Chicago, IL, April 24, 2002.

BOB DINNEEN,
President, Renewable Fuels Association, Washington, DC.

DEAR MR. DINNEEN: Recent testing performed at several ethanol production facilities indicates emissions of volatile organic compounds and carbon monoxide many times greater than that stated by the companies in the permitting process. As a result, we believe that these facilities were not properly permitted and controlled with respect to a number of pollutants as they were initially constructed or modified. We expect that this circumstance is not unique to the tested facilities, but rather is common to most, if not all, ethanol facilities.

Normally, U.S. EPA would remedy the violations at each of these facilities, individually, through a lengthy period of information-gathering followed by the traditional enforcement process. By this letter, we would like to invite representatives of the Renewable Fuels Association and Region 5 ethanol production facilities to attend a brief meeting on May 6, 2002 from 1:00–3:00 pm at our Chicago office on the 3rd floor in Room 328 for the purpose of gauging your interest in exploring an expedited resolution to these issues. We feel that this approach can give certainty to the industry by quickly addressing both state and federal concerns and resolving them on terms most favorable to the industry.

We expect that this initial meeting will last no more than two (2) hours and will consist of a presentation, by the regulatory agencies, which describes the issues and our proposed path toward resolution. If you have any questions, Ms. Cynthia King, of our Office of Regional Counsel, can be reached at (312) 886–6831.

Very Truly Yours,
STEPHEN ROTHBLATT.

Mr. BUNNING. Mr. President, I rise in opposition to H.R. 2646, the Farm Security Act of 2002.

This is the first time in my congressional career that I have been unable to support a farm bill. I voted for the Freedom to Farm Act in 1996. And I supported the farm bill before that—the Food, Agriculture, Conservation, and Trade Act of 1990. Many of my good friends support this bill, people I admire and trust. This is not an easy decision for me, but I sincerely believe it is the right decision.

There are a number of problems with this conference report. First, it reflects a fundamental shift in federal agriculture policy, such a dramatic shift that I believe will only confuse our farmers and eventually lead to more problems for rural America.

For years, federal agriculture policy has called for farmers to look more to the free market and away from government dependence. Going back to the Freedom to Farm Act, we have attempted to direct agriculture toward a market-oriented footing by reducing subsidies, cutting regulations and giving farmers more incentives and flexibility to plant crops that would allow them to make a decent living.

I'll be honest in admitting that the Federal Government has not done enough to keep up its end of the bargain—so far. We haven't cut the regulatory burden quickly enough, and we need to do better when it comes to passing improvements to the trade laws that open new foreign markets to our farmers. But that is no reason now to begin moving backwards, to turn the tractor 180 degrees in the opposite direction. We are on the verge of passing fast track legislation in Congress, and the new administration is clearly more disposed toward easing the regulatory burden our farmers bear. Things are now moving in the right direction.

However, the conference report before us completely undermines current agriculture policy by drastically increasing subsidies and turning back the clock toward the days when farmers were more dependent on the federal government than their own ingenuity.

I believe this will prove to be confusing to our farmers, and the lack of coherent federal farm policy will in the long run only lead to more uncertainty and problems for our agricultural communities. Because we know that American farmers produce the best crops in the world, we have for years preached the need to move away from subsidies and regulations and toward the hope and opportunity of the free market. If we pass this conference report today, the signal we send to rural America will be mixed and counterproductive, and only lead it to wonder what sort of helter-skelter policy flip-flops Congress will make next.

In hard times, farmers need help. We all know that. But instead of simply getting out the Federal Government's checkbook, the better solution is to empower farmers and rural communities, not to encourage them to become more dependent on a Federal Government that can't seem to decide from one day to the next what it's agriculture policy is going to be.

I also worry that this bill will contribute to the decline of the family farm. Instead of focusing on the small farmer who needs our help the most, this legislation contains too many favors for the big producers at the expense of the little guys. For instance, when the Senate passed its initial version of this legislation, it capped at $275,000 the amount of government support that any producer could receive. Now the conference report not only increases that amount to $360,000, it contains so many loopholes that the actual ceiling is closer to $2.5 million.

That's outrageous. By one estimate I have seen, 10 percent of the growers will be eligible to receive over ⅔ of the support generated by this legislation. Considering that in Kentucky the average size of our farm is 150 acres and most produce less than $10,000 in income, this bill does not do my State that much good. The big guys and the corporate farms don't need our help; they're doing just fine. Now when we have the opportunity to help our family farms, this bill falls short.

I am also very concerned about the spiraling costs of this bill. Plain and simple, it's a budget-buster. According to the Congressional Budget Office, this bill represents a 70 percent increase over current projections for agriculture spending over the next ten years—74 billion in all. Many of the subsidy rates in the bill are pegged at 10 percent annual increases. These price hikes are simply not sustainable or wise at a time when we are unfortunately facing in the 2002 fiscal year a budget deficit of $100 billion.

If we are going to balance the budget and restore fiscal discipline to the federal budget, all of us have to bear part of the load. Obviously, we cannot make up the entire budget deficit on the backs of farmers and our rural communities. But at the same time it would be unfair not to ask for at least a modicum of fiscal responsibility in this bill.

Additionally, there are problems with the fantastic complexity in this bill. As my colleague, Senator LUGAR, pointed out yesterday, the loan and payment formulae in this legislation are mind-numbingly complex, so complicated that the legislators who wrote the final version of the bill often cannot agree on exactly how they work. If the bean counters in Washington are having a hard time figuring them out, I know there are going to be serious problems when we try to implement this legislation in the real world.

I know that the Farm Service Agencies in Kentucky and throughout the land are filled with fine folks who do a good job. But the payment schemes in this farm bill are so intricate that I am not sure anyone will be able to make them work, let alone the staff at the FSA who are already overworked and understaffed. In recent years, we have seen the closing of many FSA offices around the country, especially in Kentucky. And we know that the USDA is looking to close more. To now turn around and ask these officials to do even more with less is unfair to them, unfair to our farmers and likely to lead to more consternation and worse farm policy. If our farmers do not already have agribusiness advisors, they are going to hire them just to sort through what payments they are and are not eligible to receive under this legislation.

On a personal note, I am also bitterly disappointed that this legislation does not include specific help for the Kentucky thoroughbred industry. Over the past several years, our breeders have grappled with devastation caused by Mare Reproductive Loss Syndrome (MRLS). In Kentucky, we have many, many small thoroughbred operations, who are all hoping to catch lightning in a bottle and to win the Derby. But, sadly, many of these farms have suffered severe setbacks because of MRLS. The House proposal provided loans for small producers affected by MRLS. The final bill does not. That is a bitter pill that I cannot swallow.

I am afraid that this bill plays a cruel joke on our farmers. On the one hand, it raises price supports quickly and holds out the possibility of putting a few more dollars in their pocket in short run. But, on the other hand, I believe all of these extra production incentives will lead to so much overproduction of crops that it will eventually drive commodity prices through the floor and cause an income disaster in the long run. The legislation tells our farmers that they can have their cake and eat it too, and I just can't in my heart go along with this deception.

I do not cast this vote enthusiastically. I want a farm bill I can support. I want to agree with many of my friends in the agriculture community who support this conference report. But I cannot, in good conscience, support a bill that helps corporate farms at the expense of family farms. I am also very much afraid that this bill will turn out to be a nightmare for farmers. I hope I am wrong; I certainly do not wish any more trouble for my farmers in Kentucky. I am just afraid that this bill makes too many false promises that it cannot keep, and I cannot support legislation that I believe misleads Kentucky farmers.

Over time, I think my friends in agriculture will realize this bill is a mistake and that they have been sold a bill of goods.

Mr. McCONNELL. Mr. President, I have been privileged over the past 18 years to serve what I believe to be the greatest men and women on the face of the earth, that is the people of the Commonwealth of Kentucky. Serving the people of Kentucky means, among other things, looking out for the best interests of farm families and farming communities.

When I came to Washington, my first priority was to become a member of the Senate Agriculture Committee. A few years later, I was able to secure a spot on the Agriculture Appropriations Subcommittee. Over these past two decades, I have had the good fortune to develop strong and close relationships with the men and women in Kentucky who work the land and who put food on our tables. We have worked together through good times and through lean times. Let me say that we have had some memorable moments and historic victories. In fact, some of those victories have been called "miracles" by the farmers I proudly serve.

We will have more victories in the future, but this year's farm bill is not one of them.

Every farm bill, because of the nature of regional interests and political compromise, has winners and losers. However, I am particularly struck by the amount of money and the way it will be spent in this farm bill. Not because I do not believe the Federal Government has a financial role in assisting our farmers and rural communities, I do. But because I believe the Government's financial role should be fair and equitable and based on good farm policy. Far, far too many of the Federal tax dollars spent in this bill, will go to far, far too few farmers. I don't believe that is good for agriculture and I don't believe it is fair for Kentucky. Here's the central weakness of this bill, big farm operators will be made stronger and the small family farmer will be made weaker. For this reason, I cannot vote "yea."

The winners in this farm bill include: Large farm conglomerates who, because of the three entity rule and commodity certificates, will be able to receive almost unlimited Federal payments. Big landlords are almost certain to receive far higher cash rents for their land. State and local governments will recoup higher property taxes as a result of escalating farmland prices. Argentina and Brazil will be winners because they are likely to face less competition from the United States in soybeans. Trade lawyers will be retained to defend the United States from numerous complaints in the WTO. And, tax specialists will be hired to help millionaires defer or shelter incomes so as to keep their adjusted gross income below $2.5 million per year so they can continue to receive farm subsidies.

It is a fact that in the United States only 40 percent of farmers receive Federal payments under the farm bill. And from 1996 to 2001, the top 10 percent of that 40 percent received 69 percent of all USDA payments and the top 20 percent of recipients received 85 percent of all payments. The remaining 80 percent of recipients received only 15 percent of all payments.

In Kentucky, only 25 percent of our 90,000 farms receive Federal payments under the farm bill. From 1996 to 2001, the top 10 percent of that 25 percent received 78 percent of all payments. This left 90 percent of Kentucky's farmers who are recipients receiving only 22 percent of the payments. In short, 3 out of 4 Kentucky farms will receive almost no direct Federal benefit from this bill.

Surprisingly this is all in a bill written by proponents proclaiming that their goal in writing it was to provide a safety net for the small family farm. Yet in this farm bill, Federal subsidies to the largest and richest farmers are the hallmark of their work. These same proponents, who oppose ending the death tax, which would do more for the family farm than any amount of subsidies, write a bill that concentrates federal farm subsidy payments even more in the hands of very few large crop farmers.

In fact, the commodity title essentially tells the farmer that the market doesn't matter anymore. The target prices now become the producer's price guarantee. This policy will encourage over-production which, in turn, will lead to lower prices. This, of course, favors larger farms, because the more you produce the more Federal payments you receive. The more money you have will also enable you to purchase more land to produce even more. This will put pressure on the smaller family farms to keep up. That will be difficult and I fear more and more family farms in Kentucky and across America will eventually disappear.

Now let us look at some of the losers. The U.S. taxpayer will be paying a lot more and receiving very little in return. American families ultimately will have to pay more for produce, peanuts, fish and meat. Market-driven farm policy is taking a step backwards. Young and aspiring farmers will find it even harder to buy farmland. Cash renters of farmland will be faced with higher cash rents.

I do commend a number of the bill's provisions such as the conservation and rural development programs. The cattlemen in Kentucky will be able to apply for EQIP funds to make environmental improvements on their ranches. Dairy farmers, particularly those in Kentucky, will benefit under a new national program. The hardwood tree farmers in my State also gain under the Conservation Reserve Program, but some of the most important provisions regarding hardwoods were deleted from the conference report at the last minute, which disappoints me. And the Nutrition Title makes improvements in our food assistance programs that help the neediest of our citizens. But these bright spots are not enough for me to vote for an agriculture commodity policy that overwhelmingly benefits the larger farm operators at the expense of the small family farm.

I find myself in agreement with some of my colleagues on the House side. Congressmen JOHN BOEHNER (R–OH) and CAL DOOLEY (D–CA), both members of the Agriculture Committee and the Farm Bill Conference who voted against the conference report, stated that "On the whole, this bill ignores the lessons of the past and the truth of the free market. It represents the most sweeping non-military expansion of the Federal Government since the Great Society and will create more problems than it will solve."

I also agree with editorials in some of the newspapers across the country and in my State which have roundly criticized this farm bill. The Bowling Green Daily News editorial had this headline: "It's Good Ole Politics Down On The Farm," observing it's just election year politics deciding how our tax dollars are being spent. And the Kentucky Post/Cincinnati Post called the bill "Congressional Hogwash." The New York Times, with whom I don't usually agree, stated that "The farm bill agreed to by a House-Senate Conference Committee last week is a regrettable reversion to some of the worst policies of the past." Even the Wall Street Journal called it "one of the porkiest farm bills in history . . .".

Other opponents of this bill include: Senators PAT ROBERTS, RICHARD LUGAR, CHARLES GRASSLEY, and CHUCK HAGEL, all strong supporters of American agriculture; the Center for Rural Affairs; the Organization for a Competitive Marketplace; the Sierra Club; the Environmental Working Group; Environmental Defense; the Humane Society; and the editorial board of the Washington Post.

During an election year it's not uncommon for politicians to hold their noses and vote for expediency. I could just vote yes and try not to upset anyone, because there will be many in Kentucky who will disagree with my vote. I cannot in good conscience say to my farmers, the overwhelming number of whom operate small family farms, that I believe this farm bill would be good for them in the long run. I don't.

I am therefore going to oppose this farm bill because it spends too much on too few, sets U.S. agriculture policy back 10 years by taking the forces of the market-place out of agriculture, probably violates our trade agreements, and most importantly I believe it hurts the small family farm, and therefore rural Kentucky.

To understand my decision on this farm bill, you have to understand the nature of the Kentucky farmer. We are proud to have more than 90,000 farms in our State. These farms, however, are not large farms. They are not the large, plantation-style farms managed and controlled by corporate boards. The average farm in Kentucky is 151 acres and is dwarfed by the size of the average 434 acre farm in the United States. These are the family farmers that I look out for and fight for every day.

It is these small family farms, that I believe are ultimately shortchanged by this bill, a bill that will put the government in charge of America's farms, cost roughly $180 billion over 10 years during a time of war and growing budget deficits, increase subsidies by 70 percent, including America's first national dairy subsidy, and funnel the bulk of those subsidies to a handful of large corporate farms.

This farm bill may be good politics, but it's terrible policy. It will serve some farmers in Kentucky, but not enough. For those reasons, I have no choice but to vote no.

HARDWOOD FORESTRY

Mr. President, hardwood forests and related industries comprise one of the lead agricultural commodities in my State of Kentucky. I was pleased that versions of the farm bill considered by the Senate Agriculture Committee included incentives for expansion of hardwood acreage in Kentucky and throughout the United States. Particularly, I was pleased to have helped develop provisions in the Conservation Reserve Program recognizing hardwood forests for their unparalleled conservation value. Hardwood forests are one of our Nation's greatest naturally renewable resources providing a diverse landscape for wildlife, soil conservation, and improvements in water and air quality. And the aesthetic value of trees with seasonal changes in foliage cannot be disputed among tourists and our constituents enjoying their surrounding landscapes.

Unfortunately, in the final hours of the House-Senate Conference the incentives for hardwood forestry were scaled back with no opportunity for reconsideration, and in my opinion, no justification. In reviewing the final conference report, I was particularly concerned to see that an uncontentious provision with no financial impact was removed. This provision would have instructed the Secretary of Agriculture to "take such steps as may be necessary to ensure that all hardwood sites annually enrolled in the conservation reserve program are reforested with hardwood species appropriate for the site being planted, and that the highest possible enrollment priority and conservation value is assigned to hardwood sites being offered for planting with hardwood species".

I state my strong support for this hardwood target within the Conservation Reserve Program.

Mr. LEAHY. Mr. President, as one of seven conferees representing the Senate, I rise today to speak in support of the conference report and urge my colleagues to vote in support of this bill. This farm bill will assist America's family farmers, expand economic opportunity in rural communities, strengthen programs to protect the environment and improve the nutritional safety net for low-income Americans. But one aspect of this new bill that makes it historic is the fact that, for the first time in a long, long, time, dairy farmers across our nation will have an adequate safety net that they can count to provide income support should prices remain low.

The national dairy program in this bill represents a carefully crafted compromise between many competing interests. First, it is a compromise among those regions of the country who support dairy compacts and those that don't. It's no secret that I would have preferred an extension of the Northeast Interstate Dairy Compact. It cost taxpayers nothing. After Members of Congress from other regions and the opposition of President Bush and Vice President CHENEY blocked these efforts, the Vermont Congressional Delegation—against great odds, but joined by allies from across the nation—urged creation of a national dairy program as a compromise. What we came up with is a new national dairy program that will provide cash assistance to dairy farmers comparable to what dairy farmers from Vermont and other New England States received under the Northeast Interstate Dairy Compact.

There should be no doubt that what the conferees intended was for USDA to implement this program in a manner as similar to the compact as possible. Indeed, the formula for determining the monthly payments is nearly identical to the formula used under the Compact—it even is based on the price of Class I fluid milk in Boston.

The Statement of Managers summarizes the provision by noting that "Under this program, participating dairy producers will receive monthly payments equal to 45 percent of the difference between $16.94 and the price per hundredweight of Class I fluid milk in Boston under the applicable federal milk marketing order. No payments will be made for months during which the fluid milk price in Boston is $16.94 or higher." Obviously, no negative assistance or negative "payments" can be paid to producers because that would not represent assistance or payments.

It is a very straightforward program. My staff met with several key USDA officials with significant responsibilities regarding the dairy programs, and with Keith Collins the USDA Chief Economist, to ensure that the language and time frames would work. I appreciate that the Office of Congressional Relations, USDA, helped set up that meeting.

We also requested more than one analysis from FAPRI showing how this new program would pay out to farmers, and to understand its possible impacts on production of milk by dairy farmers.

Some of my colleagues have asked how this formula was developed. After Congress consented to the Northeast Interstate Dairy Compact in 1996, the Northeast Interstate Compact Commission decided to support the price of Class I fluid milk sold into the six New England states covered by the Compact (Maine, Vermont, Massachusetts, Rhode Island, Connecticut, New Hampshire) at a level that at times would be above minimum established under the prevailing federal milk marketing order in the Northeast.

The Compact Commission took testimony and held hearings and decided to establish a floor of $16.94 per hundred weight under the Class I price. The floor was based on the price in Boston, so the floor for milk marketed outside of Boston but within the Compact region would vary, based on the local differential. The Northeast Interstate Dairy Compact only regulated sales of Class I fluid milk—which represents only about 45 percent of the total milk produced in New England. The percentage varies on a monthly basis. The rest of New England's milk is used to make other fine dairy products, such as Ben and Jerry's Ice Cream, or Cabot cheese. In other words, under the Compact, producers received payments on only about 45 percent of their total milk production.

The conferees tried to emulate this formula as closely as possible, while making sure it would work on a national basis. Like the compact, whenever the federal minimum price for fluid milk in Boston falls below $16.94 per hundred weight, participating dairy farmers will receive a payment. Like the Compact, payments will be made on only 45 percent of the milk marketed by a producer—a rough approximation of the Class I utilization rate in the Northeast that is fixed, rather than varying on a monthly basis.

The conferees didn't just try to emulate the payment formula established under the Northeast Interstate Dairy Compact, they also emulated other elements of the Compact. For instance, the conference report requires the Secretary to make payments on a monthly basis not later than 60 days after the end of each month for which a payment is made. Timing of these payments is critical the Conferees wanted these counter-cyclical payments to be made when they're needed the most which is when the milk is marketed.

Under the time line set forth in the conference report, producers should begin receiving payments under this new national dairy program early this fall. USDA is required to begin signing up farmers to participate in the program not later than 60 days after the new farm bill is signed into law. As under the compact, all producers will receive payments on a monthly basis: USDA is required to pay producers not later than 60 days after the end of each month for which a payment is made.

In addition to representing a compromise among those supporting dairy compacts and those opposed to compacts, the national dairy program represents a compromise among those who wanted a counter-cyclical income support program for dairy farmers and those who wanted no such program. Much to my chagrin, the program is authorized only through September 30, 2005, and payments under the program are capped.

Now, I know others also lament the fact that there is a cap on eligible production. While some of us believe the cap is too low, others complain that the cap is too high. But this is a compromise that will ensure that producers across the country benefit. Some of my colleagues have suggested that payments from this program will stimulate additional production and drive down prices. I don't believe this will be the case. Here's why:

First, this program is not permanent, it is temporary—it ends in 2005. Producers are not likely to make long-term investments to expand production based on a program that ends before they have had a chance to recoup their fixed costs.

Second, in the short term, there are practical limits to how quickly dairy farmers can expand production. Currently, there is a shortage of animals that would limit any production increases.

Third, our experience with the Northeast Interstate Dairy Compact has shown—as the General Accounting Office Reports have documented—that payments comparable to these—at least in the Northeast—have not stimulated massive expansions. In fact, last year, producers in the Northeast expanded at a rate below the national average.

But nevertheless, the Conferees agreed to cap the quantity of milk on which a producer can receive payments each fiscal year. While it is clear from the text of the law, and it was clearly the intent of the drafters, I want to point out that any milk production marketed in months when no payment is made to farmers is not to be counted toward the 2.4 million pound cap.

In other words, the cap only applies to the volume of milk produced in months which generated payments by USDA under section 1502, not on all the milk produced during the year. This is set forth in subsection (d) where it states that amounts to be counted toward the 2.4 million pound limit are counted "during the months of the applicable fiscal year for which the producers receive payments . . ."

Related to this point is another issue concerning the cap. Note that if all pounds are counted when a USDA payment is made, larger family farms could hit their cap in the first few months of any year when payment rates per hundredweight might be lower. But it would not make good policy sense to see a large family farm get a very small payment, for example, $.10 per cwt. in the fall and then exceed the cap and get no payment when payments could reach $1.00 per cwt. in the spring.

Since this national program was intended to be counter cyclical, farmers should be allowed to pick which months they want to submit for payments, for months when a payment is due.

The easiest way to implement this intent, would be that a farmer must not only market the milk but the farmer or agent must also report it to USDA. If a farmer chooses not to report his or her production in a month, the farmer gets no payment that month but also his or her production does not count against his or her cap. This maximizes the opportunity this program offers for a strong counter cyclical protection.

Under this approach, USDA would then keep track of the first "countable" 2.4 million pounds of production each year, and then reduce the last check or eliminate checks for the remainder of the year. This would represent a very simple way for USDA to implement this provision and meet the 60-day deadline for "monthly" prospective payments set forth in subsection (e).

This approach will allow a larger farm operation to use the program when it is most needed. However, keep in mind that regardless which months are selected for payment, the cap of 2.4 million pounds per fiscal year still applies. This is the fairest way to be responsive to larger family farms under a tight cap in a program which was designed to be counter cyclical.

This would not be unprecedented: Grain and oilseed producers have this sort of flexibility—they are able to lock in loan deficiency payments and marketing loan gains at time of their choosing—at any point before they lose beneficial interest in their crops. Some producers even travel to neighboring counties to lock in higher LDPs. Most are successful in locking in LDPs during harvest-time lows, even though the season average price at which they market their crop generally is significantly higher. USDA should provide similar flexibility to dairy producers, allowing them to elect when to receive payments.

I am concerned about language which the other body insisted upon toward then end of the process. I am concerned about larger family operations where several family members have joined together for efficiency but the farm is still supporting more than one family. USDA should be open to viewing those farms as true multiple operations under this program. For other programs, and in other areas such as the South, USDA permits these multiple operations.

USDA should look at the totality of the circumstances in determining whether producers should be treated as having single or multiple operations. Farmers should not be penalized for working together to enhance efficiency. That was the whole point behind the definition of producer found in 1502(a)(5). That definition would have automatically included husbands and wives, fathers or mothers and adult children, adult siblings, and the like, working on the same farm. In most cases, each of the above would have each been entitled to application of a separate 2.4 million pound cap because they would naturally share in the risk of producing milk and would likely make significant contributions to the dairy farming operation, as required by section 1502(a)(5).

For example, for a spouse living on the farm it would be hard to imagine a situation where the spouse would not "share in the risk" since part of the household income would come from milk sales. Also, in most situations a spouse would be making contributions of labor or management or some other valuable contribution. There is nothing in USDA Notice LD-505, dated March 14, 2001, regarding the definition of dairy operation which would preclude the family members mentioned above from being in, or setting up, separate operations. Since the intent of section 1502(a)(5) was to make the farm bill friendly to family operations the implementation of the "diary operation" definition should not undercut that pro-family approach.

On page 4 of that Notice, "dairy operation" is defined as "any person or group of persons who as a single unit produce and market milk commercially produced from cows and whose production and facilities are located in the United States." There is no reason to suspect that USDA intended that this should be interpreted as inherently anti-family. Many statements about this farm bill talk about its focus on the family farm.

In this regard, I would encourage the Farm Services Agency, USDA, to work with other USDA agencies and milk handlers and cooperatives to lessen the administrative burden on farmers. The intent is to provide a countercyclical safety net when needed most—and USDA should be aware of that goal when they are writing regulations to the extent regulations are needed.

While the text makes this very clear, it should be noted that this program is not a straight subsidy. It is a targeted safety net program to take the bottom out of crushingly low prices for small and medium farms that also provide so many benefits to rural communities and the environment even beyond the milk they produce.

Note that fresh drinking milk (Class I) prices fell $.33 per gallon throughout the Federal Order system—which governs sales of 70 percent of all U.S. milk—on December 1, 2001 because of fewer consumers going out to eat after September 11, and other factors.

Of course, the focus of this national program and the focus of the formula which is used to compute the benefits is on "Class I milk." Payments are based on $16.94 minus "the Class I milk price per hundredweight in Boston." This is based, of course, on the formula used in calculating benefits under the Northeast Interstate Dairy Compact Commission.

A significant feature of the new national dairy program is that it will be retroactive, covering market losses due to low prices since Dec. 1, 2001. On that date, there was a devastating drop in the price for Class I fluid milk. Producers should receive these retroactive payments at the same time they receive their first payments early this fall.

This "transition rule" found in subsection (h), provides that those payments are "[i]n addition to any payment that is otherwise available under this section . . ."

As I pointed out more than once during discussions, the goal of this subsection is to address the steep drop in dairy prices to farmers starting in December, 2001. The benefits of the Northeast Interstate Dairy Compact ended on October 1, 2001. The adverse impact of that termination started hurting New England farmers during that crash in milk prices in December.

The goal of subsection (h) for those farmers was to hold them harmless regarding the loss of the Congressional consent to the Compact. A second goal, since this now is a national program, is to compensate all dairy farmers for their market losses—not just New England farmers—since December 1, 2001.

Of course, that is a different goal than the prospective "monthly" program which provides monthly payments, for future months when they are due, and operates until September 30, 2005. That prospective program has a 2.4 million pound cap as set forth in (d). Indeed, (d)(2) "Limitation," states that, "The payment quantity for all producers on a single dairy operation during the months of the applicable fiscal year for which the producers receive payments under subsection (b) shall not exceed 2,400,000 pounds."

In addition, (d)(2) sets forth a limitation regarding each dairy operation and (d)(3) gives the Secretary authority to issue rules to ensure that producers do not reconstitute dairy operations for the sole purpose of receiving additional payments under this section.

This "limitations" language was inserted out of a concern that an uncapped program would lead to significant increases in production of milk. Also, there was a concern that farmers would reorganize in the future just to get higher payments under the national program.

These concerns do not apply to the benefits paid out under subsection (h) because farmers would need time machines to go back in the past and increase their production or to change their legal structure retrospectively. Indeed, the amount of production covered by (h) is the amount of "eligible production" as defined in section 1502(a)(2).

This approach to those dairy market losses in a sense makes up for the fact that programs for others farmers, nondairy farmers, continued to exist after September 30, 2001, and were to be continued until the 1996 farm bill was to end on September 30, 2002. Thus, nondairy farmers continued to receive some types of countercyclical, or other benefits, from the existing provisions of the 1996 farm bill. Dairy farmers did not enjoy those protections except for the price support program scheduled to end soon.

Thus, subsection (h) gives dairy farmers some relief from the huge drop in milk prices which they have suffered since December 1, 2001. In order to allow these farmers to pay off their debts, pay their bills, and keep in the dairy farming business, it is hoped that USDA will quickly compute the "transition" payment to be made on the "quantity of eligible production of the producer marketed during the period beginning on December 1, 2001, and ending on the last day of the month preceding the month the producers on the dairy farm entered into the contract [with USDA]." These payments should be made with the first "monthly" prospective checks to be issued under subsection (b).

Although I am pleased with the dairy provisions, I want to express my disappointment in the outcome of the downed animal provision in this bill. The intent of the Senate Agriculture Committee was to end the unnecessary suffering of downed livestock, animals that are not even healthy for us to eat, by calling for their humane euthanasia when they are brought to intermediate markets. The provision was included in both the House and Senate versions of the bill, but was changed substantially in conference.

I want to make it clear that I am unhappy with the changes made and that I am committed to passing the provision, as it was originally written, either through this committee or on another vehicle. I understand that Chairman HARKIN is interested in revisiting this issue as well and I hope that he will join me in completing the work that needs to be done for downed animals.

I request that the Secretary of Agriculture complete the study required in this bill within 6 months and I ask that she include, within the conclusions of the study, exactly how she plans to make every step from the farm through the slaughterhouse a humane trip for nonambulatory animals. I hope she will find, as 165 of my colleagues in the House and Senate have, that the only humane action to take is euthanasia at the intermediate market.

I also want to make a few comments about the conservation programs in the new farm bill. Although I am disappointed we were unable to sustain the level of funding for conservation that was included in the Senate-passed bill, I am pleased we were able to increase the level of conservation funding by roughly 80 percent.

The conference report includes a provision to increase funding for the successful Agriculture Management Assistance program created in the Agriculture Risk Protection Act of 2001. This program targets 15 states that have been traditionally underserved by crop insurance programs, including Connecticut, Delaware, Maryland, Massachusetts, Maine, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

This program was also expanded in the final House-Senate bill to include aid for all organic agriculture activities and to help producers develop new marketing opportunities, including opportunities for value-added processing. I expect this program to be administered in a very similar manner to the successful way in which it has been run over the past two years, with minor changes to accommodate the expansion of eligible activities. The program has been highly successful for the eligible states and I expect that it will continue to address the conservation and other critical needs of those states.

Also, during debate over the Senate version of the farm bill, Senator HARKIN included in the bill, at my request, a provision establishing a $12 million minimum "floor" on conservation payments per State to address concerns I and many of my colleagues raised about previous farm bills, which tended to allocate the bulk of their funds to a minority of producers in single regions of the country.

With this language, I felt the Congress could truly show its concern that all states, in all regions of the country, receive a minimum level of much-needed conservation assistance to protect farms, community watersheds, open space, and wildlife habitat. The language was clear in its intent to ensure each state received at least $12 million in conservation assistance by April 1 of each fiscal year if it had qualified applications for that amount of funds. The language also ensured that funds unused by a state would be returned to USDA and reallocated to other States, not the General Treasury.

This "regional equity" language was altered slightly in the final bill to minimize paperwork at USDA and maximize the ability of the Secretary of Agriculture while continuing to ensure at least $12 million be made available to all states with eligible applications. The Secretary may do this however it is most effective: for example, with a reserve fund set aside to ensure all states receive needed funds.

As written in the conference report, the $12 million includes applications for all programs under Subtitle D of Title XII of the Food Security Act of 1985, 16 U.S.C. 3830 et seq., excluding the Conservation Reserve Program, CRP, Wetlands Reserve Program, WRP, and Conservation Security Program, CSP. Before April 1 of each fiscal year, applications from producers in States that has not yet received at least $12 million in conservation funding would have priority for funding for all conservation programs except CRP, WRP, and CSP. With respect to CRP, WRP, and CSP, producers in these underserved states would compete for funds without specific priority—on an equal footing with all other national applications. Because the Agriculture Management Assistance conservation program is not under Subtitle D, for eligible states, this program also effectively would not count toward the $12 million total, and would continue to be administered as it has been, successfully, since its creation in the Agriculture Risk Protection Act of 2001.

There are a number of other conservation programs that also are very important to Vermont and other New England States. I especially am pleased that funding for the farmland protection program—which began as a pilot program in Vermont—was increased to nearly $1 billion. Never before has FPP received such levels of mandatory funding.

In addition, the conference report authorizes a new "farm viability" program. It was the conferees intent that this program be modeled after the very successful Massachusetts Farm Viability Program for purposes of farmland protection. The farm viability program will allow USDA to make grants—through eligible States or private land trust—to producers to help them assess the long-term viability of their farming operation. Using these funds, producers can hire experts to help them develop and implement a plan to improve their long-term business prospects. This might entail shifting to a different mix of crops or livestock, engaging in direct marketing through farmers markets or setting up a roadside stand, or even taking advantage of opportunities to profit from agri-tourism.

This program will help the limited funding for farmland protection go further. Many farm families enroll land in the farmland protection program in order to be able to pass along the family farm to their children. They want to know, before enrolling in the program, whether their children will be able to make a living on the farm. The farm viability program will help them determine this, and will help others who already have enrolled their land in FPP to continue to use their land as working lands.

Of course, the farm bill isn't just about farmers. I particularly am proud of the nutrition title of this year's farm bill. It will significantly strengthen nutrition assistance in this country. Food stamp benefits have been improved and simplified, funding for emergency food providers has been increased and numerous other advancements—notably funding for seniors' farmer's markets are included in this title.

I am proud that the nutrition title of this farm bill contains so many important simplifications in the program. All of the conferees, from both sides of the aisle and both chambers, were united in our desire to do what is right for working poor families and others that need help assuring that their families receive a nutritionally adequate diet.

I also am grateful for all of USDA's help and support throughout the conference. Time and again, Undersecretary Bost and his staff gave us invaluable perspective. They helped us understand where we needed to act and where we could count on them to fix a problem. In this context, I would like to highlight a few of the most important of the provisions we adopted.

One of the provisions that excited all of us the most was transitional food stamps for families leaving cash assistance. Although we gave states broad discretion in this area, we hope they will apply this option to the maximum number of households.

Only those that have been found guilty of wilful misconduct of one kind or another are ineligible for transitional food stamps. The many households leaving TANF for procedural reasons, such as failure to keep an appointment, would remain eligible. Many families that decide to go it alone without further cash assistance simply stop communicating with the welfare office. The family may be unable to get through to an eligibility worker to inform her or him of its decision to withdraw from cash assistance or may not see the reason. Some of these families may have low-wage jobs. Others may be hoping to piece together various means of support to get by until they find work. Either way, these families need the help that transitional food stamps can offer. We urge states to provide it.

Once a family begins to receive transitional food stamps, we intend for those food stamps to continue for the full five-month transitional period. Even if the state takes the option to act on changes it learns about through other programs, it should not take any adverse action against the household's food stamps unless the state has definite information that the household is ineligible. Requiring households to contact the food stamp office or provide verification during the transitional benefit period would defeat the entire purpose of granting households a period of repose.

The other side of this, of course, is that since states would not be expected or allowed to take the usual measures to review the accuracy of the household's benefit level during the period, the state would not be held accountable through the quality control system for any errors in that household's benefits. As long as the state correctly adjusted the household's benefits from the last month it was receiving cash assistance, the state would not be subject to a finding of error during any of the months of the transitional benefit period even if the benefit amount in that prior month turned out to be in error. The error in the prior month could result in an error only if the household's case was sampled in that prior month.

In this connection, a state should be free to designate certain types of changes, such as cost of living increases in Social Security benefits or the addition of new members to a household, that it would act upon if it received word from another program and other kinds of changes it would disregard. As usual, the QC system would only measure how well the state carried out the tasks it had elected in its plan to perform. Thus, a state that had elected to act only on new members added to a family might be liable for failing to provide food stamps to a new infant that was being added to the family's Medicaid coverage but would not be liable for processing changes in wages. In no event, however, should the household be required to provide information or verification or threatened with termination of its benefits.

The simplified definitions of income and resources also should simplify the program in important ways. We repeatedly added items to the list of things that states could not exclude at USDA's suggestion so that the Department would not have to add to that list by regulation. We were pleased that the final provisions met with the Department's satisfaction and that states can move forward in reliance on the list in the statute. Only under extraordinary circumstances do we expect USDA would need to add to either list.

Although cash in bank accounts that was readily accessible to the household would still count as a resource, a state could exclude the interest on those bank accounts from income calculations. This relatively tiny source of income is easy to forget and difficult to track. Excluding it is exactly the kind of simplification state agencies and households need as we move the food stamp program away from its old focus on serving welfare recipients to its new emphasis on the working poor and other diverse low-income populations.

States could, however, exclude accounts that households could not readily access, such as funds that states' TANF programs designate only to be spent for education, home or car purchases, or other specific purposes. States also could exclude any designated retirement savings, including individual retirement accounts, to the extent current regulations do not already exclude those items.

Jointly-held property also could be excluded if the household could incur legal liability by withdrawing the funds. Eligibility workers have neither the time nor the expertise to sort out potentially complicated ownership interests.

One of the simplifications that we expect will help states and households the most is the change to the standard utility allowance or SUA. In a cold state such as mine, heating and other utility bills inevitably affect low-income families' ability to purchase a nutritionally adequate diet. We believe we have crafted a provision that simplifies the treatment of utility expenses without reducing benefits for any significant number of households. The substantial cost estimate for this provision reflects that assumption.

Achieving our goals obviously depends on states having and maintaining adequate SUAs. Although the shift to a mandatory SUA should not increase federal costs except in the two respects addressed in this amendment, neither should it save money at low-income households' expense. States that shift from an optional SUA to a mandatory one should be able to increase it somewhat in the transition without increasing federal costs.

Perhaps even more importantly, states need to faithfully observe USDA's regulation requiring annual reviews of the SUA's adequacy. In the past, some states let their SUAs stagnate for many years at a time. We were pleased to hear that USDA has been moving recently to achieve greater compliance with the updating requirement and that it intends to continue to do so. We know that many states lack the technical capacity to conduct detailed economic surveys to determine just what the optimal SUA might be. USDA, however, has allowed a state simply to compute the increase in utility costs from the time the state last changed its SUA and apply that percentage to increase the SUA. We trust that this sensible approach will continue and will be made available to all states.

At the same time we simplified in many respects, we did not intend to create new complexities. A question has arisen about the standard deduction provision of our bill. Obviously, 8.31 percent of the net income limit will not be an even dollar number since the net income limit figure is expressed in an even number of dollars. We do not intend to require state agencies to process standard deductions expressed in pennies. USDA could not give households a standard deduction that is less than 8.31 percent of the net income eligibility limit, but it clearly has authority to round that number up to the next largest whole dollar. This has not presented a problem in the past and see no reason why it would now.

We set up a new system of bonuses for high-performing states. We in no way intend to pre-judge what system USDA will select to give out those funds. USDA could rely on statistical measurements, as it does now, but it also could allow states to apply for bonuses in particular categories. Allowing states to compete for recognition and bonus awards for the most innovative means of correcting problems in program administration could provide useful lessons that could benefit other states.

A couple of ideas were advanced that we did not adopt. We rejected an Administration proposal to cut back on categorical eligibility for food stamps. Current regulations give states broad flexibility to determine what items receiving TANF or MOE funding should be considered benefits that trigger categorical eligibility. USDA approval is required only in limited, clearly delineated circumstances.

The Department argued that this policy is too broad, but we were not persuaded. The Department is free, of course, to renew its proposal with us if it feels strongly about this issue. It should not, however, act unilaterally to restrict flexibility states have under current law and regulations.

Also, we made no change in the procedures for approving state plans to certify elderly and disabled households for food stamps based on information in the Social Security Administration's files. These would still go through the research waiver process, although as states and the Department gain more experience with these projects, we anticipate approval should become much easier. The waiver process is important, however, to ensure that we are not shortchanging households with high housing or medical costs. Also, the Department needs to make sure that eligible people are not losing out on food stamps during the period their applications for disability benefits are pending with SSA.

All in all, I believe that this package of simplifications and benefit expansions represent a significant step forward on the path the program has been traveling over the last several years. This package should strengthen the food stamp program's role as a work support and as a nutrition safety net for those going through difficult times. It deserves our full and enthusiastic support.

I would like to take this opportunity to comment more extensively on one of the most important aspects of the nutrition title, the restoration of benefits to legal immigrants. As my colleagues know, I remain deeply opposed to the benefit cuts to legal immigrants enacted as a part of the 1996 welfare law. I have worked ever since the passage of that law to ease the eligibility restrictions on legal immigrants in a wide array of programs. Immigrants are admitted into this country as legal permanent residents with the assumption that they will be a part of our communities, work and pay taxes, and serve at our nation's defense. It is unjust to exclude these hardworking individuals from access to critical work support programs and the safety net if they fall on hard times.

The legal immigrant restrictions in the food stamp program were the harshest of all of major federal benefit programs, causing more than one million legal immigrants to lose eligibility. Unfortunately, immigrants have not been the only group affected by the food stamp restrictions. Over 85 percent of immigrant families are households that include at least one citizen child. From 1994 to 1998, 1.2 million immigrants left the program, mostly due to the eligibility restrictions. Over the same period, 1 million citizen children of immigrant parents also left the program, representing a 74 percent decline for this group.

Immigrant advocates and emergency food providers believe that these legal immigrant parents are confused about their children's eligibility and that the parents believe if their children receive food stamps that it could have a negative impact on immigrant family members' immigration status.

Children of immigrants now make up a significant share of the childhood poverty population. Nationally, one in four children in poverty have immigrant parents. In order to continue to make meaningful inroads in reducing child poverty, it is key to find new ways to serve more effectively the children of immigrants.

Of course, the best way to resolve this problem would be to restore eligibility to all legal immigrants. Unfortunately, we did not have the resources in this farm bill to provide for such a restoration. Nonetheless, we have taken major strides to significantly ameliorate the restrictive rules. The final bill is based largely upon the immigrant restorations in the Senate-passed farm bill, which were expanded upon with overwhelming bipartisan support on the Senate floor.

We decided that if the eligibility for legal immigrant children is restored the food stamp eligibility rules for children will become less complex and easier to explain. This should encourage immigrant parents to apply for benefits on behalf of their children. If states, the anti-hunger community and the immigrant community can inform families that all poor children are eligible for food stamps, there will be a much greater chance of reaching those families confused about the current rules.

Another significant component of the immigrant provision is that it restores benefits to qualified legal immigrant adults who have lived in the U.S. for 5 or more years with that status. Of course, there are many types of qualified immigrant statuses. It will not matter if the immigrant held one qualified status such as asylee and then changed their status to something else such as a legal permanent resident. The five year clock begins from the time the immigrant first held a qualified status.

The adult restoration provides basic conformity in food stamp eligibility rules to those already in place in Medicaid, SCHIP and TANF. It is our hope that these new food stamp rules will make it easier for states to administer and for immigrants to understand. Finally, the legislation would allow legal immigrants receiving benefits under specified disability-based programs to qualify for food stamps.

Children will no longer be subject to sponsor deeming rules, although sponsor immigrant adults will continue to be subject to these rules. As a part of our deliberations, we reviewed USDA's recent regulations on sponsor deeming and found them to be an appropriate policy consistent with our understanding of how deeming should operate in the food stamp program—a balance of ensuring that needy immigrants are able to access food assistance while not providing assistance to immigrants who are being supported by their sponsors. We also appreciate that USDA was sensitive to not restricting food assistance to immigrants whose sponsors refuse to cooperate by providing requested paperwork. We do not expect USDA to make any changes in this area.

When we were evaluating how to design these provisions, we placed great weight on the cost estimates that CBO provided for this package, as well as the price tag the Administration gave its own proposals in its FY2003 budget. Neither estimate assumed that any sponsors had to repay the federal government as a result of immigrants receiving food stamps. Under the new affidavits of support now in place, most sponsors are likely to be a very close family member of the immigrant's. This means that they are likely to live together and be a part of the same family unit or food stamp household.

In all the years that I have worked on the food stamp program, Congress has never required food stamp households to repay benefits for which they were eligible. Sponsor liability should not and does not circumvent that principle. We do not intend for a low-income sponsor to incur a debt for food stamps that he or she receives along with the sponsored immigrants.

Of course, we have no intention of allowing affluent sponsors to abdicate their responsibilities. But low-income sponsors who are a part of the food stamp household or family unit should not be billed for signing up other family members for food stamps. Consider a step-father who sponsored his new wife and step-child into the country some years ago. If he loses his job and he and his new family become eligible for food stamps, we want them to avail themselves of this critical temporary assistance. There should be no penalties for being eligible for and participating in the food stamp program.

With these restorations, we will come closer to righting a great wrong. Immigrants and immigration are a part of the history and heritage of our country. I am pleased that hard working immigrants who fall on hard times will be able to gain access to this important food assistance program. No member of our society should go without enough to eat. This legislation moves us further toward fulfilling that goal.

I urge my colleagues to vote for this conference report.

Mr. WARNER. Mr. President, it is with heartfelt regret that I must vote against the 2002 farm bill conference report. It had been my sincere hope this farm bill would improve conditions for the nation's farmers. Unfortunately, it is a budget buster that stimulates overproduction, devastates the Virginia peanut industry, and does not adequately protect the Chesapeake Bay. While I recognize the hard work and good intentions that went into this bill, I cannot in good conscience vote for it. It is not good for Virginia and it is not good for the nation.

Agriculture is a crucial industry in Virginia. Farming has been a way of life in Virginia since the first English settlers arrived at Jamestown in 1607. Virginia is a recognized leader in tobacco, peanuts, and poultry production while cotton, corn and soybeans are rapidly gaining in importance. Farming represents almost 10 percent of the jobs in Virginia.

And there is no doubt farming is vital to the Nation as a whole. Our farmers produce the safest, most reliable, and most abundant food supply in the world. A stable supply of food and fiber is essential to our national economy and our national security. We do not want to depend on imported food the way we rely on foreign oil. Unfortunately, this conference report does little to ensure the long term health of domestic agricultural production.

This conference report will increase farm spending by 70 percent or about $82.8 billion over ten years while the budget agreement only allows $73.5 billion in new farm spending. These farm subsidies will cost $200 billion over ten years or $20 billion annually. While all this is done in the name of preserving the family farm, government subsidies since the 1930s have not prevented their disappearance.

Recently, the Congressional Budget Office estimated the Federal budget will operate at a deficit of $100 billion this year. We are fighting an expensive war on terrorism. Now is not the time to increase spending on farm programs that may hurt the American farmer more than they help. Every dollar of deficit spending now puts the solvency of social security in jeopardy for future generations.

But while the conference report is bad for the country, it is particularly bad for Virginia. When the Senate passed the 2002 farm bill, I supported it because of some key improvements over the House farm bill for the peanut program and the Chesapeake Bay nutrient reduction pilot program. Now that the bill has emerged from conference, these important gains have been stripped out.

After the House of Representatives passed its version of the farm bill, Senator ALLEN and I worked to improve the bill and were able to achieve significant improvements in the peanut program. First, the target price in the Senate bill was $520 per ton while it was $480 in the House bill. Second, the loan rate in the Senate bill was $400, while it was $350 in the House Bill. Finally, the Senate version contained an 11-cent per pound quota buyout for 5 years, and the House version provided only 10 cents.

Make no mistake, the Senate target price was not as high as I believed it should be, but under the circumstances, it was a significant improvement over the House-passed bill. In years past, the peanut-producing States have stuck together during debate on the farm bill. Unfortunately, this year, Virginia was left with few allies on peanuts. We simply did not have the votes to make the improvements to the peanut program we wanted. In both the Cochran-Roberts and the Hutchinson substitute amendments, we had negotiated to include a $550-per-ton target price. Unfortunately, both amendments failed.

So while the Senate farm bill was far from perfect, I voted for it to support the Senate's position in conference. Now that the House-Senate conference on the farm bill is complete, I am extremely disappointed with the results. The target price has been reduced to $495 per ton, a level far below the break even point for most Virginia peanut farmers.

And the conference report makes this new peanut program effective for fiscal year 2002. Peanuts have already been planted in Virginia. In the interest of basic equity, this new program should begin in fiscal year 2003. Farmers planting under one farm bill and harvesting under another illustrates that Congress is out of touch with rural America.

While the old peanut program was supposed to be a "no-net cost program", the new peanut program will cost the taxpayer upwards of $4 billion. This is a bad deal for the taxpayer and a disaster for southeast Virginia.

Finally, the conference committee stripped out the $70 million Chesapeake Bay nutrient reduction pilot program. The bay is a national treasure and vital to the economy of Virginia. This pilot program would have encouraged farmers in the Chesapeake Bay watershed to use less fertilizer and compensated them if this resulted in lower yields, creating a win-win situation for farmers and environmentalists. Unfortunately, the House did not agree to this provision.

This conference report hurts the very farmers it is meant to help. This farm bill is not good for Virginia and not good for America. It hurts Virginia peanut farmers. It endangers the Chesapeake Bay. It costs the taxpayers too much. And, it raids the Social Security trust fund. Accordingly, I must vote no on the 2002 farm bill conference report.

Mr. CORZINE. Mr. President, I rise to oppose the House-Senate conference report on the farm bill.

I do so, with deep regret. While I now live in a suburban New Jersey community and have for 25 years, I was raised on a 120-acre family grain farm in central Illinois. I know from experience the rewards of working the soil and tending the fields. And I know, too, the very real experience of living life on the economic edge, as so many of our Nation's farmers do.

But this legislation is not the way to help our farmers.

I opposed the Senate version of this legislation when it passed the Senate in February because I believed it was fiscally imprudent, hurt consumers as well as many of the farmers it was intended to help, subsidized one sector of the American economy to the exclusion of others, and because it provided relatively little assistance to New Jersey's farmers. Unfortunately, the bill that has come out of conference committee is worse on all these counts. For that reason, I must vote no again.

As I stated when I opposed the Senate version of this bill, the current system of subsidies is the wrong way to support America's farmers. These subsidies naturally lead to overproduction which distorts the market, unfairly benefit a limited number of the largest producers and impose excessive costs on all consumers and taxpayers. Furthermore, the system distributes these subsidies in a manner that leaves farmers in many States, including the Garden State, with little assistance. In fact, the amount New Jersey receives is estimated at a fraction of 1 percent. Let me repeat, a fraction of 1 percent of the total.

When the Senate first considered the farm bill, it took some steps to make an inequitable system somewhat more fair. It imposed a cap on payments so that no farmer would receive more than $275,000 of subsidies per year. And it took the savings and used them, in part, to increase funding for conservation programs to a record $21 billion, a good thing. These would have been good changes to a system that gives two-thirds of the commodity subsidies to 10 percent of our Nation's farms.

Unfortunately even those small reforms were lost in conference. The cap on payments was raised to $360,000, but now includes several loopholes for agribusinesses to get around the limit. It is this provision that may wind up hurting many of those this legislation is intended to help, as family farms unable to compete with heavily subsidized agribusinesses are swallowed up by their very competition.

Making matters worse, the conservation funding was cut by $4 billion to $17.1 billion over current spending and is largely deferred until later years, making it less likely that it will be available at all.

I also am very concerned that the legislation's large increase in commodity subsidies would undermine U.S. trade policy and make it much harder to win concessions in international trade negotiations. That's because huge U.S. subsidies would drive down global crop prices, and adversely affect the economies of many other countries, especially developing nations. These nations then would be much less likely to open their markets to American companies. The end result would be that generous subsidies to a small handful of agribusinesses would end up undermining a much broader range of U.S. manufacturers and service providers, and would cost American jobs.

Another major concern of mine is that this legislation is fundamentally unfair to my State of New Jersey. The bill would perpetuate a system of agricultural subsidies that provides assistance to only 7 percent of New Jersey's farmers. This compares, for example, to other States in which as many as 60–75 percent of farmers receive assistance.

The reason why some States do so much better than New Jersey is that producers of row crops, like corn, wheat, grain and rice get the bulk of the support. These commodities, by and large, are not produced in the Garden State to a significant degree. In New Jersey, our farmers grow large amounts of specialty crops, such as blueberries, eggplant and asparagus. In fact, New Jersey ranks second in the Nation for blueberry production, and fourth in the Nation for eggplant and asparagus production. Yet, though New Jersey's farmers meet much of the Nation's needs for these crops, none of our blueberry, eggplant or asparagus farmers receive support under the existing commodity programs. That is one reason that New Jersey got less than one-tenth of 1 percent of the total commodity assistance provided by the Federal Government in fiscal year 2001. Less than one-tenth of 1 percent.

The farm bill that the Senate considered in February made a few improvements to the existing system. And I voted in favor of those improvements, as well as improvements to the Food Stamp Program that are badly needed. However, as I have said, many of those improvements were lost in conference with the House of Representatives. As a result, we have a bill that tells New Jersey farmers that they are not equal to the corn, wheat, rice and grain growers in the South and Midwest. That their efforts do not deserve much federal support. I cannot support such a measure.

New Jersey ranks 49th in our return on tax dollars paid to the Federal Government. We don't receive enough for our mass transit needs. We don't receive enough for our housing needs. We don't receive enough to clean up our environment, even though we have more Superfund sites than any other state. New Jersey's situation merely highlights the imbalance in support for our nation's competing needs. I cannot support legislation that continues this inequitable distribution of Federal funds.

In fact, I wish I could support the excellent nutrition title contained in this conference report. It is outrageous that we subsidize farmers for disposing of surplus food and yet we prohibit low-income working immigrants who live in this country legally from receiving nutrition benefits. This bill would restore benefits for about 380,000 legal immigrants, which while a good first step, is still too little. The food stamp application simplifications and extension of transitional food stamps for families moving from welfare to work are measures that will ensure more children and families receive adequate nutrition and I strongly support these provisions. While there is a significant increase for nutrition programs, this conference report invests only $6.4 billion in nutrition programs, which again is a fraction of one percent of the total cost of this bill.

In conclusion, this conference report is flawed in many ways. It perpetuates the existing inefficient and unfair system of farm subsidies and significantly increases subsidies for favored crops. That means we will continue to subsidize a limited number of producers. We will continue to distort the market. We will continue to impose higher costs on consumers and taxpayers. And we will continue to treat my state of New Jersey unfairly.

For these reasons, I cannot in good conscience support this conference report.

Mr. DORGAN. Mr. President, I rise today to congratulate the chairman of the Senate Agriculture Committee, the ranking member, conferees and staff members who worked so hard to bring the new farm bill to the floor of the Senate for final passage.

I especially want to applaud them for the inclusion of a strong provision to encourage the deployment of broadband technology to rural America. Ensuring that all Americans have the technological capability is essential in this digital age. It is not only an issue of fairness, but it is also an issue of economic survival. But, as the demand for high speed Internet access grows urban America is quickly gaining high speed access, while rural America is, too often, being left behind.

Historically, our economy has been defined by geography, and we in Congress were powerless to do anything about it. Where there were ports, towns and businesses got their start. Where there were railroad tracks, towns and businesses grew up around them. The highway system brought the same evolution.

But the Internet is changing all of that. No longer must economic growth be defined by geographic fiat. Telecommunications industries and policymakers are proclaiming, "distance is dead!" But, that's not quite right: distance will be dead, only as long as we ensure that broadband services are available to all parts of America, urban and rural, and the bill we pass today is an important step toward improving Internet access in rural America.

To remedy the gap between urban and rural America, several years ago I introduced legislation to establish a new broadband loan program within the Rural Utilities Service. I am very pleased to have worked with the chairman and others to craft a broadband provision modeled after that bill that will give the rural broadband program an authorization and funding. This funding will create hundreds of millions of dollars of broadband loans each year.

This issue is not a new one. When we were faced with electrifying all of the country, we enacted the Rural Electrification Act. When telephone service was only being provided to well-populated communities, we expanded the Rural Electrification Act and created the Rural Utilities Service to oversee rural telephone deployment. In place for over 50 years the RUS telecommunications loan program has been an unprecedented success. In 1949, about 40 percent of American farmers had phone service. Not only has that changed dramatically, with almost everyone having access to basic telephone service, but it is important to note that in over 50 years there has not been a single loan loss in the telecommunications program.

Today's legislation seeks to build on that success to make new investment in the next generation of telecommunications technology, known as broadband, to ensure that all Americans have access to the Internet. This will give RUS new authority to make hundreds of millions of dollars in low interest loans each year to companies that are deploying broadband technology to rural America. Loans will be made on a company neutral and a technology neutral basis so that companies that want to serve these areas can do so by employing technology that is best suited to a particular area.

Again, I commend the chairman and ranking member, and the staff of the Senate Agriculture Committee for their work on this provision. This program and the loans that will flow from it will be the biggest broadband investment program ever enacted in the United States and will go a long way toward ensuring that rural Americans have access to the next generation of technology.

Mr. BINGAMAN. Mr. President, I rise today to say a few words about the farm bill conference report on which the Senate will soon be voting.

Let me say at the outset that there is a lot of good in this bill. I wish I could vote for it. However, I will not vote in favor of this bill today, and I will explain why shortly.

Senator HARKIN and his staff have worked very hard to craft this farm bill in the face of very strong and competing State and regional interests. I know their task was not an easy one and it is not always possible to please everyone. Clearly, there are some provisions in this bill that will benefit New Mexico.

In particular, I would like to cite Chairman HARKIN's steadfast commitment to strengthening the agriculture conservation programs that help protect the environment.

I do believe the conservation programs should be the real centerpiece of this legislation. Unfortunately, funding for these vital programs was cut $4 billion below the level in the Senate-passed bill. I am disappointed the Senate did not prevail in the conference with the House. Nevertheless, existing conservation programs, such as CRP and EQIP, as well as the new Conservation Security Program, will help protect New Mexico's farm and ranchland for future generations, though not as much as they would have under the Senate bill. There is a new Water Conservation Program that will help slow the depletion of the Southern Ogallala Aquifer in Texas, New Mexico, Oklahoma, and Kansas.

This bill has funding for a new Grassland Reserve Program and a Water Conservation Program that will be helpful to farmers and ranchers in my State, especially with New Mexico now in the throes of an extended drought.

There is also mandatory funding in this farm bill for the Small Watershed Rehabilitation Program, which I cosponsored in the last Congress. This program supports reconstruction of the 100 small watershed dams in my State, many of which are 30 to 50 years old and reaching the end of their expected life.

Funding for the Market Access Program has been increased, which will help all farmers increase exports of their products.

I am pleased the conferees adopted my language that will allow New Mexico's Valencia peanut pool to continue to operate as an effective marketing association.

Within this farm bill's nutrition programs, I am pleased that Congress is finally restoring benefits for adult legal immigrants who have lived here for at least 5 years and all children of legal immigrants. I also support increased funding for the WIC and senior farmers' market nutrition programs.

This bill continues important rural development programs that have been critical to helping New Mexico's smaller communities improve infrastructure and promote economic development. There are new programs to train rural firefighters and to extend broadband service to rural areas. The additional funding for water and wastewater projects will be especially important to rural communities in my state facing major construction costs to meet EPA's new standard for arsenic in drinking water.

Finally, I cosponsored Senator JOHNSON's bill that requires country of origin labeling of meat, fruits and vegetables, fish and peanuts. The farm bill includes these new labeling provisions. I do believe consumers deserve to know the source of their commercial food products.

That is some of the good in this farm bill. However, as I said, I will not be voting in favor of the bill, and I would like to take a few minutes to explain why.

This farm bill does nothing to stem the staggering cost to the taxpayers of subsidies for agricultural commodities. In fact, this legislation will increase Federal subsidies by nearly $50 billion over the next decade; this is on top of the baseline funding of $77 billion. The Federal Government's role in agriculture will grow dramatically under this legislation. By some estimates, forty percent of net farm income now comes from the Federal Government.

Nearly three-quarters of all of the new money in this bill goes to crop subsidy programs. As we all now know from the analysis does by the Environmental Working Group, the vast majority of these federal subsidies go to growers in 10 central and southern States for only a few specific crops. Such massive subsidies drive up land prices and do nothing to stem over production, especially when commodity prices are low.

Even more troubling to me is the new national dairy subsidy program in this farm bill, which will cost taxpayers at least $1.3 billion over the next 3 to 4 years. At the same time it will actually lower the average revenue for milk producers in New Mexico by an estimated 17 cents per hundredweight.

That is correct, you heard it right. This program costs taxpayers $1.3 billion and will actually hurt dairy producers in my State. Moreover, we estimate that every producer with more than about 800 cows in all 50 States will lose revenue under this program. Because the average size of New Mexico's dairies is about 1,580 cows, nearly every producer in my State will be hurt by this legislation.

In the past decade, New Mexico has quietly come to the forefront of the nation's dairy industry. Milk production in my State has more than tripled since 1990. New Mexico is now seventh in the nation in total milk production and fifth in average milk production per cow. In the first 3 months of this year, production has grown 17 percent over the 2001 level. In Roosevelt and Curry Counties, production is up a whopping 32 percent.

There is no secret for my State's booming dairy industry. New Mexico is an ideal location for dairies because of our mild climate, which boosts milk production and does not require sheltering the animals from the weather. In addition, producers are moving to New Mexico because of the strong dairy infrastructure, moderate land prices, and well-integrated alfalfa industry. Currently, there are plans for 35 new dairies in new Mexico, most of which will have between 1,500 and 3,000 cows. These are not some kind of mega-industrial operations, but family-run farms just like dairies all over America.

The growth in dairy production in New Mexico is coupled with rapid growth in milk processing, including production of powder, cheese, and ultra-filtered milk. Soon, the Nation's first commercial plant producing milk protein concentrate will open in Portales, New Mexico. The economic impact of the dairy industry on New Mexico is now estimated at $1.8 billion per year.

Because New Mexico has mostly large, efficient, family-owned dairies, my State is the big loser under this new daily subsidy program. Independent analyses show the $1.3 billion Federal subsidy will encourage overproduction and depress market prices nationwide. According to FAPRI's preliminary analysis of this legislation, the excess production will drive down national class III and IV milk prices by 17 and 28 cents/cwt, respectively. This means every dairy producer in America will get a lower price for all of his or her milk.

Meanwhile, under existing law, the Federal Government must step in and purchase the surplus. The government already owns nearly a billion pounds of surplus nonfat dry milk, equal to an 18-month supply. In just the last month alone, the government has had to purchase 80-million pounds of nonfat dry milk at a cost of about $70 million. This legislation will add still more to the government's already bulging powder inventory. The taxpayers, of course, will be asked to bear the cost of purchasing all of this excess production on top of the new $1.3 billion subsidy. Sadly, this ill-conceived program will continue to erode the dairy industry for years to come.

Finally, we do not really know how much this program will cost because it depends on milk prices in the future and the number of participants in the program. The lower the price of milk, the higher the cost to the taxpayer. As I indicated, CBO scored the program at $1.3 billion. However, the Food and Agricultural Policy Research Institute has performed an independent analysis and estimates the total cost to the taxpayers at $3.6 billion—nearly three times more than CBO's estimate. Unfortunately, only time will tell how big the final bill will be for this program.

In short, the new dairy program is a real lose-lose proposal for the American people. There simply is no need for Congress to ask taxpayers to subsidize the dairy industry to the tune of billions of dollars.

From the outset, I said I could not support a farm bill that contained any massive new national dairy subsidy program. This bill suffers the added defect that it actually harms the dairy industry in my State. In fact, New Mexico's producers are hurt more than producers in any other state.

I would like to read part of a letter addressed to me from the Dairy Producers of New Mexico:

> The Farm Security Act of 2002 is not good for New Mexico. It introduces a new, expensive, and counter productive direct payment provision to dairy producers on some of their milk.

The letter goes on:

> This is not good policy for dairy farmers—it turns them from business people in the market to people on the government dole. It is not good for taxpayers because it misspends their money. It is not good for our Nation because it interferes with international trade.

I ask unanimous consent that the full text of this letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See Exhibit 1.)

Mr. BINGAMAN. I would have liked to be able to vote for this farm bill, but regrettably, I cannot.

I will vote no on this conference report.

EXHIBIT 1

DAIRY PRODUCERS OF NEW MEXICO,
Roswell, NM, May 1, 2002.

Hon. JEFF BINGAMAN,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BINGAMAN: On behalf of Dairy Producers of New Mexico and its membership, I want to thank you and your entire staff, particularly Dr. Dan Alpert, for representing our New Mexico dairy producers. We recognize that national dairy policy is very complex and regionalized, and often contentious. It is indeed very comforting to us to know that our U.S. delegation takes a stand to protect New Mexicans in the face of national politics.

The Farm Security Act of 2002 is not good for New Mexico. It introduces a new, expensive, and counter productive direct payment provision to dairy producers on some of their milk. The over one billion dollars thrown into the dairy economy will result in reduced milk prices on all milk regardless of the size of farm that produces it. The family run dairy farms in New Mexico will be especially hard hit.

According to FAPRI, the average payment will be about 85 cents a hundredweight but that will only be on the first 2.4 million pounds produced or a maximum payment of about $20,400. This payment will be more than offset by the average milk price on all milk of 14 cents a hundredweight. For the average dairy farmer in New Mexico that is about $52,500 per year.

This is a real loss of income. It is not a loss just to the dairy farmers, but to their families, their employees, and their vendors. The economics of the rural New Mexico communities will suffer this loss as well.

The Farm Security Act brings us anxiety—anxiety as to when and how the government will again adversely impact our industry.

This is not good policy for dairy farmers—it turns them from business people in the market to people on the government dole. It is not good for the taxpayers because it misspends their money. It is not good for our Nation because it interferes with international trade.

History will show that your amendment offered last December was wise and those who voted for it and stuck by their votes had a better vision for dairy than the Farm bill now before the Senate. It's a battle that we appreciate you taking on and fighting on our behalf.

Yes, there are some provisions that we like. These include dairy price support program extension of $9.90/cwt for six years; authorization of a new national Johne's disease control program; the extension of the Dairy Export Incentive Program (DEIP); fixing the statutory mandatory inventory and price reporting language to prevent further costly reporting errors by the USDA; and funds for dairy and other livestock producers through the Environmental Quality Incentives Program (EQIP). Those were by and large non controversial and they do not need to come at the great cost imposed by the dairy market loss program.

Again, Senator, we appreciate all of your hard work for the dairy industry in New Mexico. We sincerely appreciate your efforts on behalf of arc family farmers.

Sincerely,

SHARON L. LOMBARDI,
Executive Director.

Mr. SMITH of New Hampshire. Mr. President, today is a sad, sad day in America. It is a said day for the U.S. taxpayer and a sad day for the family farmers of our country. I believe the Wall Street Journal said it best when they editorialized, "that great rooting, snooting noise you hear in the distance, is the sound of election-year, farm-state politics rolling out of the U.S. Congress."

My colleagues know I stand for fiscal conservatism, so I don't imagine that many are surprised by my opposition to the farm bill 2002 conference report. But a "no" vote does not adequately describe my disappointment, my disgust, or my dismay at this, the largest non-military expansion of the Federal Government since the Great Society.

House and Senate conferees approved a farm bill that expands payments to farmers by nearly $50 billion over the next decade. More than 90 percent of this increase will go to farmers producing just five crops: wheat, corn, rice, cotton and soybean. Two-thirds of this money will benefit a mere 10 percent of farmers. If the goal of the so-called Freedom to Farm Act of 1996 was to wean farmers off the trough of government assistance, this bill represents a bloating of agriculture's dependency on the taxpayer's dime.

In these times of war and deficit spending, should we really be directing precious taxpayer dollars in such an irresponsible manner? I read an estimate that this legislation will cost the average American household $4,377 over the next 10 years, $1,805 in taxes and $2,572 in inflated food prices because of price supports. And for what, I ask? To prop up wealthy corporate farmers? To encourage farmers to continue overproducing unprofitable crops for which there is more supply than demand? To reinstate subsidies for honey, wool, and mohair?

Even the one provision in the Senate-passed version of the bill that made it somewhat palatable, payment limitations, was gutted to the extent that it is no longer meaningful: the cap was raised and loopholes, the prized toy of our top legislators, included to make the one attempt at payment control utterly ineffective. What good is a payment limitation that can be completely circumvented?

In response to some of the criticism that has been ladled on this pork-barrel monstrosity, Senators HARKIN and DASCHLE point to the $17.1 billion included for conservation programs. I find it ironic that they continue to do so when environmentalists are critical and have pledged opposition to the bill. As the ranking Republican member of the Senate Environment and Public Works Committee, I have to say, at what price conservation? It is worth the total price tag? I think not. What the conservation title represents is a transparent attempt to buy votes from those States that do not benefit from the commodities title. I am supportive of the conservation programs this bill funds. My State of New Hampshire relies on these programs. But I will not fall for it. Why should New Hampshire taxpayers, or any taxpayers, be asked to foot the bill for encouraging farmers to get on the Federal dole when our goal should be to do just the opposite?

This bill is a step backwards, as far as I am concerned, in agricultural policy. Our Chamber's two working farmers, Senators LUGAR and GRASSLEY, oppose its passage. I only hope that fiscal sanity will take hold of my colleagues and prevent this fat-laden conference report from ever reaching the President's desk.

Mr. KOHL. Mr. President, I rise this afternoon to commend Chairman HARKIN and all of the farm bill conferees on their work related to H.R. 2646, the Farm Security and Rural Investment Act of 2002. The Senate passed its version of this legislation on February 13, 2002 and I am pleased that the conferees were able to finish their work so we can send this legislation to the President for his signature and quick enactment. I am confident that the U.S. Department of Agriculture will work expeditiously to implement the new programs created in this legislation in time for the 2002 crop year. Rural America needs the assistance provided through this "rural" economic stimulus bill, and I am pleased that today we will respond to their needs.

I am especially pleased that this legislation includes the creation of a new, national dairy program that supports all dairy farmers regardless of location and regardless of the end use of their milk. I am also pleased with the increased investment in nutrition funding for programs like food stamps, the WIC and Seniors Farmers Market program. Finally, I am supportive of the enhanced commitment to conservation spending on programs like the Farmland Protection Program, the Conservation Reserve Program, the Environmental Quality Incentive Program and the new Conservation Security Program.

Of particular interest to my State of Wisconsin is the creation of a new, national dairy program that will, for the first time, create a more meaningful and credible safety net for all of our Nation's dairy farmers. This new program, while not perfect for any one region, moves us beyond the regional and divisive debate over dairy compacts. I am pleased that gone are the days of regional trade barriers and milk price fixing cartels that artificially support the price of milk in one region at the expense of farmers in others.

In addition to extending the very important dairy price support program at $9.90 per hundredweight, this farm bill creates a new counter-cyclical program that will provide assistance to farmers when the price of milk falls below $16.94 per hundredweight. A payment rate will be calculated by taking 45 percent of the difference between $16.94 and the class I, fluid, price in Boston. That payment rate will be made on the first 2.4 million pounds of a producer's production, or approximately 133 cows. The payment rate per hundredweight will be the same for all dairy farmers regardless of location and regardless of what their milk is used for. We in the Upper Midwest have argued over the years that all dairy farmers should be treated the same regardless of the end use of their milk and I am pleased that this conference report supports that position.

In addition to increased support for our dairy farmers, the Farm Bill Conference Report also provides nearly $6.4 billion in funding for nutrition programs. These nutrition programs include food stamps, the WIC and Seniors Farmers Market Nutrition Programs and the emergency food assistance program. This legislation also provides food stamp benefits to legal immigrants. The nutrition title of the bill is very important to our producers who provide the commodities for the programs, as well as low-income and less fortunate individuals who need help in getting access to a more nutritious and well-balanced diet.

Beyond the much needed increase in nutrition funding, the Farm Bill Conference Report also provides a much needed increase in conservation spending. The Farm Bill Conference Report reflects a total increase of 80 percent for conservation programs. Specifically, this legislation provides a new 20-fold increase for the Farmland Protection Program, a 10-fold increase for the Wildlife Incentives Program and phases up to achieve a $1.1 billion annual funding level for the Environmental Quality Incentive Program, EQIP. I am also pleased that there is an additional enrollment of 1.2 million acres for the Wetlands Reserve Program which works extremely well in Wisconsin.

Despite the many positive provisions in this farm bill, I am disappointed that the House Conferees refused to adopt two very important Senate provisions. I am disappointed that the House Conferees refused to adopt the Senate language regarding the ban on packer ownership of livestock, which the majority of the Senate supported in two separate votes. I am also disappointed that the House Conferees did not accept a meaningful limitation on farm payments.

First, this conference report does not include the so-called "Johnson Amendment," which would ban packer ownership of livestock. On December 11, 2001, with my support, the Senate adopted this amendment in order to provide ranchers who raise livestock with more marketing opportunities and hopefully a higher price for their product. However, the House Conferees, under pressure from the meat industry including large packers, refused to accept this provision. Without a ban of packer ownership of livestock, independent producers will continue to be shut out of markets, face lower prices and less competition while packers continue to give preference to their own supplies of livestock. I support Senator JOHNSON's call for hearings on this important issue in the Senate Agriculture Committee, and to investigate abusive market practices in the livestock sector.

Second, I am disappointed that the conference report does not include a meaningful limit on the level of farm subsidies going to large farmers located predominantly in the south. This conference report, while reducing the overall payment limit to $180,000 annually is meaningless as the "triple-entity" rule remains in place. The final bill retains loopholes that not only permit a recipient to double the $180,000 level to $360,000 through the "triple-entity" rule but also makes it effectively limitless for the purpose of marketing loan gains and loan deficiency payments. The conference report also allows for the continued use of the generic certificate program. This program allows the largest of producers to enjoy the benefits of the marketing loan program without repayment while allowing the producer to hold onto their commodity for future sale on the open market. The loopholes that remain make the payment limitation provisions in the conference report meaningless and I am disappointed that the conferees could not agree on a way to prevent large payments from going to those producers who need the assistance the least.

I realize this bill is not perfect. There are provisions and changes that I wish could have been included in the final conference report. But this bill restores a much needed economic safety-net to an industry that experiences wide fluctuations in prices. The combination of a new counter-cyclical dairy program, increased nutrition spending and an increase in funding for conservation programs makes this new farm bill one that I can support and one that I think will help our farmers and ranchers across the country. We have a commitment to rural America to ensure farming remains a viable industry in our Nation and I commend Senator HARKIN for his leadership on this very important legislation.

Mr. FEINGOLD. Mr. President, I want to make a few comments on my opposition to the farm bill conference report. While I strongly support the dairy provision that Senator KOHL and I helped secure for Wisconsin's dairy farmers, I am deeply concerned that the conference report eliminated a number of important Senate-passed provisions that targeted assistance to small and medium-sized family farmers.

Specifically, I am concerned that the conference committee weakened the Senate-passed payment limitation amendment and reduced the conservation funding. It then used these funds for the misguided purpose of increasing payments to corporate owned farms and agribusinesses. I am also deeply disappointed that a number of Senate-approved amendments aimed at providing competition in rural America were completely eliminated in the conference committee.

I am disturbed that the conferees stripped the payment limitations provision that both the House and Senate supported. As my colleagues will recall, the Senate voted 66–31 to target Federal assistance to small and medium-sized family farmers by imposing a $275,000 payment limitation on overall payments.

I support the Senate-passed provision of a $275,000 payment limitation, but this conference report permits up to $360,000 and includes significant loopholes. I am not sure who this increase is meant to benefit. I know it isn't benefitting many people in Wisconsin, where only 14 out of our 60,000 farms receive over $275,000 in government payments.

At the same time the bill provides increased funds to the largest producers and agribusinesses, it reduces funding for important conservation programs that benefit family farmers of non-traditional crops such as those produced in Wisconsin. Many Wisconsin commodities—such as potatoes, sweet corn, green beans, cranberries, and cherries—are simply not eligible for most commodity programs, but do receive benefits under a number of the conservation programs.

Wisconsinites certainly support a strong safety net for America's farmers, but this bill is fiscally irresponsible. The Congressional Budget Office now estimates that the bill before us would cost $124.6 billion through 2007, or almost $21 billion annually. That is about $2 billion more a year than previously calculated. I cannot support a bill where payments are targeted to larger agribusinesses instead of family farmers. Moreover, these new numbers indicate that this bill would force Congress to retreat from other budget priorities, including shoring up Social Security and Medicare.

This bill also does not contain important Senate-passed provisions that would have added much needed competition to rural America. It makes little sense that the conferees rejected the Senate-passed ban on packer ownership and my amendment giving farmers a choice of venue to resolve disputes associated with agricultural contracts.

The Senate-passed packer ownership ban would have been an important first step to provide a competitive marketplace, and curtail the vertical integration by agribusinesses. My amendment reforming mandatory arbitration clauses would have ensured that the decision to arbitrate is truly voluntary and that the rights and remedies provided for by our judicial system are not waived under coercion. Again, more than 60 Senators supported my amendment, but it was dropped in conference.

I do want to join Senator KOHL and my other colleagues to commend the dairy provision included in this farm bill. This provision finally begins to move our dairy policy in the right direction by treating all dairy farmers the same—regardless of where they live. I am proud to have worked with my senior Senator to have defeated efforts to extend and expand the northeast dairy compact and to have established a national safety net that provides equal support to producers regardless of where they live. I am also pleased that this program has a sensible limitation in terms of its payment structure. By capping these payments at the first 2.4 million pounds of production, we will help to ensure that large factory farms out west do not flood the market with milk and depress the price for those in the upper Midwest.

So it is with regret that I must oppose this legislation, because I am proud of what Senator KOHL and I were able to secure through the dairy safety net. But Wisconsin taxpayer dollars should not be used to support agribusinesses and others who put our farmers on an un-level playing field in the marketplace.

Mrs. BOXER. Mr. President, the farm bill has been the subject of a lengthy debate among many diverse interests. This bill is the product of compromise and like any compromise, it is an effort to satisfy a wide range of viewpoints.

California agriculture is itself very diverse, and I have heard from many groups in the State on this Farm bill. What I have heard from California constituents overall is that on balance, this farm bill is a net positive for the State.

I have a stack of letters from Californians on this bill—and I have listened carefully to what they have had to say. I have been asked to support the bill by a long list of California groups, including: the California Farm Bureau; Western United Dairymen; the Alliance of Western Milk Producers; California Citrus Mutual; California Apple Commission; California Walnut Commission; Diamond of California; California Dried Plum Board; California Strawberry Commission; Sunsweet Growers, Inc.; California Rice Commission; Farmer's Rice Cooperative; Sacramento Central Labor Council/AFL-CIO; International Longshore and Warehouse Union, Local 17; Calcot, Ltd. representing 1700 grower members; Dunavant of California—California Cotton Farmers; Anderson Clayton Corp.—Serving the California Cotton industry; California Food Policy Advocates—representing food banks throughout the State; Los Angeles Coalition to End Hunger and Homelessness; Health Access; National Council of La Raza; Coalition for Humane Immigrant Rights of Los Angeles; National Immigration Forum; Jack Fleming Ranches; Big Valley Packers; and Meyers Farming.

These groups represent many different interests—from California dairy to specialty crops, cotton and rice farmers, labor unions, advocates for food banks, advocates for humane treatment of legal immigrants on food stamp policy, just to name a few.

These groups have one thing in common. Each has asked for my support on final passage of the Farm Bill Conference Report.

Some wish California could do better in the farm bill. I do not disagree.

I am particularly disappointed that the farm bill conference report includes $4.2 billion less for agriculture conservation programs than the Senate passed bill. The Senate version of the bill set aside a record $21.3 billion for conservation. Unfortunately, the House did not maintain this level of support. However, the conference report contains an 80 percent increase in conservation funding over previous farm bills. This represents an important step in the right direction.

The conferees also decided to drop a provision that I authored to deal with Sudden Oak Death Syndrome. This syndrome has already killed many of California's beloved oak trees and has hurt our wood product and nursery industries.

It is my understanding that the Sudden Oak Death language was the victim of a broader controversy over other provisions of the forestry title. I hope I can count on my colleagues to move this desperately needed and non-controversial legislation as a stand-alone bill.

I also remain concerned about the equity in the distribution of resources in this bill. California specialty crops, in particular, should get a greater share of Federal resources. There are improvements in several programs available to specialty crop growers, but the bill does not go nearly as far as it should to ensure an equitable distribution of Federal dollars to California.

At the same time, there are many good things about the bill for California, and on the whole, I believe the strengths of the conference report outweigh the weaknesses. Let me take a few minutes to explain why.

The California dairy industry benefits from a price support program that assures an important safety net in difficult times. California dairy farms will also benefit from a new formula that will provide additional access to environmental improvements funding through the Environmental Quality Incentives Program.

Specialty Crop producers in California—such as walnuts, dried plums, and pears also benefit from a number of programs in this bill, including a minimum of $200 million per year authorized for purchases of surplus commodities for school lunch and other programs.

The Market Access Program has been substantially increased in the conference report from the current $90 million per year increasing to $200 million over 6 years. This program helps California agriculture market its products abroad, including our dairy, specialty crops and our wine industry. I have worked for years to save this program and increase its funding. The substantial increase authorized in this bill is a real victory for California farmers.

Rice and cotton farmers and the communities they live and work in have suffered difficult economic times. The commodity payments in this bill give these farmers a light at the end of the tunnel. An important reform included in the bill are new limitations on payments to multi-millionaire farmers. This is a reform I strongly supported and I am pleased that it is included in the final conference report.

I am also particularly grateful that the House and Senate conferees set aside $50 million to be used specifically for water conservation efforts in the Klamath region. I would have preferred the $175 million in the Senate bill, but the $50 million provided will make a significant contribution to the needs of the people and the wildlife in the Klamath basin.

The Nutrition title of the farm bill will also provide substantial benefits to my State. In California, the nutrition title has the potential to deliver more than $1.7 billion in new assistance to more than 3.5 million people. According to the California Food Policy Advocates, an organization that works with food banks throughout the State, “this is one of the most important pieces of Food Stamp legislation since the landmark 1977 Act.”

The conference report also restores eligibility for participation in the Federal food stamp program for many legal immigrants who lost those privileges in 1996 as a result of welfare reform.

Legal immigrants pay taxes, are eligible for the draft, and many proudly serve in the Armed Forces. Yet, 1 in 10 immigrant families with a citizen child report not eating for at least one day during the past 6 months. One in four is forced to cut the size of their children's meals due to lack of resources. This bill will provide critical assistance to the neediest members of our immigrant communities.

Along with Senator GRAHAM, I also sponsored an amendment that is in the final bill authorizing $10 million over 10 years for farm worker training.

Training farm workers to upgrade and expand their skills leads to added value for agricultural crops and increased worker productivity. It also improves worker pay, thereby helping to alleviate poverty in farm communities.

On balance, this farm bill includes key provisions that are important to the agriculture economy in California. After carefully considering the pros and cons on this important legislation, I have decided to support final passage of the Farm Bill Conference Report.

Mr. JEFFORDS. Mr. President, I rise today to express my support for the farm bill conference report. It has taken us months to get to this point, but we now have a comprehensive farm bill that addresses the needs of our farmers, as well as our consumers. I thank the members of the conference committee for their hard work and dedication, and I urge my colleagues to recognize their good work by voting in favor of final passage.

The 2002 farm bill represents a step forward on many issues. This is evident in several of the provisions in the bill, especially those relating to dairy, conservation, nutrition and preservation. In these areas, the new farm bill goes well beyond current policy, building on the successes of yesterday, to help meet the demands of today.

I am particularly encouraged by the program this farm bill puts in place to protect our Nation's dairy farmers. House and Senate conferees have achieved consensus on legislation that provides direct, counter-cyclical payments when the Boston Class I price falls below a target price of $16.94 per hundredweight. When the price of fluid milk drops below this level, farmers will receive a payment on 45 percent of the difference between $16.94 and the market price. These payments, capped at 2.4 million pounds of milk per year, will be paid to all producers across the Nation. To ensure the counter-cyclical nature of these payments, the 2.4 million pound cap is intended to apply only to milk production marketed during months when payments are made to producers.

These counter-cyclical payments are especially important in my home State of Vermont, and throughout New England, where the expiration of the Northeast Interstate Dairy Compact has left producers vulnerable to volatile dairy markets. Since July of 1997 until September of last year, the Northeast Dairy Compact made payments to producers during months when Class I prices fell below the compact over-order price of $16.94. If the compact had been in place, producers would have collected payments each of the last 5 months due to the steep decline in prices last December. Since then, dairy markets have remained depressed, with no recovery forecasted in the near future.

Recognizing that the loss of the compact has significantly impacted dairy farms in New England, this legislation makes payments under this program retroactive to December 1, 2001. Retroactive payments will not only help our farmers in New England, but they will make up for the losses that all producers have endured since last December. These losses have been incurred on all milk, and it is my expectation that retroactive payments will be made to cover each gallon produced during that period.

The dairy program included in the 2002 farm bill will continue to deliver payments almost identical to those producers received under the compact. And, although my farmers would rather see these payments taken out of the marketplace than out of the treasury, I know for many of my producers, these payments will mean the difference between staying in business, rather than calling the auctioneer.

While the dairy program is by far the most important provision in the farm bill for my farmers, I am pleased that this legislation includes an 80 percent boost in funding for conservation programs. This money will increase the funding levels of programs that have proven successful, as well as establish a new program to provide incentives to producers for continuing and adopting conservation practices on working lands.

Although some of us would have preferred that additional funding be provided for conservation programs focused on improving water quality and protecting wildlife habitat, this legislation offers important resources that will help agricultural producers improve their stewardship of the land. The Conferees have included a provision in the bill to authorize the Secretary of Agriculture to enter into stewardship agreements with State and local agencies, Indian tribes, and nongovernmental organizations and to designate special projects to enhance technical and financial assistance provided to agricultural producers. This provision will help agricultural producers meet the requirements of the Clean Water Act, the Safe Drinking Water Act, and other environmental requirements.

The Senate passed farm bill had included a number of provisions that would have encouraged the development of pilot programs and new efforts to promote this kind of cooperation and partnership. Although these provisions were not included in the final bill, the Conferees have made clear in the Statement of Managers that they intend for the Secretary to use her authority to establish such partnerships. I believe such partnerships could be a valuable tool in addressing water quality issues, particularly nonpoint source pollution. There couldn't be a better time to encourage water utilities, landowners and the U.S. Department of Agriculture to work together to utilize the conservation programs to protect drinking water source areas.

Farmers are great caretakers of our land. I am encouraged that we have given them greater resources with which to preserve our open space, protect our rivers and streams, and sustain the vitality of our rural communities and economies. I support the Senate's emphasis on conservation in this farm bill and believe that it will provide an important foundation for promoting sound environmental practices in agriculture.

I am also delighted that this farm bill authorizes such sums as necessary for the Office of Rural Development of USDA to establish a national historic barn preservation program. This provision allows farmers to receive funds administered through States and nonprofit organizations to bring older barns into productive use, or make necessary investments in functioning facilities to prevent them from falling beyond repair. I strongly urge my colleagues to appropriate the Senate authorization level of $25 million that was included in the Senate farm bill.

In my home State of Vermont, the State Historic Preservation Office currently administers a small-grant program for barn preservation that has been funded by the Vermont Legislature since 1993. While this program has been very successful, applications continue to significantly outnumber the grants made through this program. Federal funding through the new national historic barn preservation program will help address the growing backlog of requests for barn preservation grants in Vermont and across the country.

Historic barns are some of America's greatest national treasures, symbolizing the agricultural foundations upon which our Nation was built. Preserving these barns will not only ensure their survival for generations to come, but will also provide practical benefits to farmers, and the communities and economies that surround them.

Finally, I would like to commend the Senate Conferees for their efforts on the nutrition title of the farm bill. Although the conference report includes less funding than was originally included in the Senate bill, conferees fought to include $6.4 billion over 10 years for nutrition programs. This title includes several provisions that will improve and enhance the food stamp program. Although there was resistance in the House, I am pleased that the restoration of food stamp benefits to legal immigrants was included in the final bill. The benefits that were taken away from immigrants in the 1996 Welfare bill have finally been returned to immigrants that have been in the United States for 5 years.

Other important modifications to the food stamp program serve to extend transitional benefits to those leaving welfare and allow States to better align food stamp regulations with other public programs such as TANF and Medicaid. These provisions strengthen the existing food stamp program and extend eligibility to those in need of assistance.

In closing, I would like to praise the Conferees for their vision in crafting this Conference Report. I believe this legislation takes a step in the right direction in improving the regional equity of America's farm policy. It is only fair that we work to help all of our farmers receive a fair price for their product regardless of size, region or commodity. I know that my farmers in Vermont work as hard as any in the Nation, and because of that they deserve the same protection against the volatile markets that others share. I'm pleased that this bill provides them with this protection.

Finally, I would like to commend Majority Leader DASCHLE and Assistant Majority Leader REID for their leadership in getting a contentious bill through the Senate, and for seeing the farm bill through to final passage. Majority Leader DASCHLE was instrumental in this effort, and I am personally most grateful.

Mrs. MURRAY. Mr. President, 6 years ago, Congress passed a farm bill that simply did not work for farmers in Washington State.

It destroyed the safety net for Washington State wheat growers and did little for other farmers and ranchers in my State. Congress was forced to respond with four consecutive years of emergency payments.

The farm bill before us is not intended to guarantee any Washington farmer a profit. It simply guarantees what it should guarantee: A safety net for our commodity producers when prices are low. That is a fair approach and one I believe the nation can and must support to ensure our long-term food security.

I support this bill because it is a victory for our farmers and ranchers, the working poor and seniors, rural communities, and the environment.

However, this new farm bill is not a perfect one for Washington State. The final bill strikes some provisions that I believe in very strongly, and it makes new policy choices that do not work for my State's producers.

The Senate farm bill would have expanded Washington State exports by lifting the restriction that prohibits private financing of sales of food and medicine to Cuba. Unfortunately, the House leadership remains committed to an irrational, lose-lose policy toward Cuba. As a result, the Senate amendment died in conference.

The House leadership was also responsible for defeating an amendment by Senator BAUCUS to provide emergency assistance to farmers and ranchers hurt by drought and other natural disasters. Farmers and ranchers throughout the West deserved better on this issue.

I want to say how disappointed I am with the direction this bill takes on dairy policy. On many fronts, from exports to conservation, the bill will help all dairy producers. Unfortunately, the new dairy market loss payments strongly discriminate against West Coast dairy farmers. We had an opportunity to craft a dairy policy that worked for all producers nationwide. Instead, Congress again chose to create regional winners and losers.

The Senate farm bill included my amendment to promote better cooperation between Native American tribes and the U.S. Forest Service. It also included an amendment sponsored by Senator CANTWELL that would require the Inspector General of the U.S. Department of Agriculture to investigate any future deaths of forest firefighters in the line of duty. The House refused to adopt these common-sense amendments.

Finally, the Senate farm bill included my amendment that would allow communities to develop plans to bring high-speed access to rural areas. Unfortunately, the House conferees refused to accept it, and it is not included in the final bill.

I look forward to working to pass my legislation to promote rural broadband development and to promote a stronger relationship between tribes and the Forest Service. I also look forward to revisting the other issues I mentioned above in future legislation.

While I am disappointed with a number of decisions made by the conference committee, this new farm bill includes many of the priorities I identified prior to the debate.

I am very pleased the farm bill restores food stamps for legal immigrants who have been in the United States for five years, and it restores food stamps for all children and disabled individuals regardless of how long they have been in the United States. The legal immigrant provision is the centerpiece of a new $6.4 billion investment in better nutrition policy. The bill will also streamline the Food Stamp Program and rationalize the quality control system.

The conference bill helps Washington state recover salmon and improve conservation practices. The $17.1 billion in new conservation spending over the next ten years will promote water conservation, help dairy producers, ranchers, and farmers protect water quality and save farmland and open space from development through an expanded Farmland Protection Program.

The bill enhances economic development in rural communities by providing $100 million in loans and loan guarantees to establish high-speed, high-quality broadband service. The bill also makes an important attempt to reduce the backlog of water and wastewater projects in rural areas.

This new farm bill strengthens our Nation's energy security by investing $405 million in renewable energy and biodiesel development. The Senate bill included the first energy title ever included in a farm bill. Given the uncertain future of the energy bill passed by the Senate, I am pleased this section survived the conference negotiations.

With respect to an issue I have worked for three years on, the farm bill sustains struggling apple growers through $94 million in direct assistance. With Senator CANTWELL, I fought hard to include this funding, and I want to thank Senators DASCHLE and HARKIN for their work in protecting this vital assistance in conference.

The conference bill establishes a new safety net program for many eastern Washington farmers by creating marketing loans and loan deficiency payments for producers of dry peas, lentils, and small chickpeas. I was an early cosponsor of similar Senate legislation. Peas, lentils, and chickpeas are important rotational crops for our wheat growers, and they help to break disease cycles.

The bill increases the Market Access Program to $200 million by 2006. In 1999, and again in 2001, I introduce legislation to enhance our agricultural trade promotion programs. The final bill supports my efforts to open and expand overseas markets for U.S. farm products.

The farm bill mandates country-of-origin labeling for meat and fish, and fruits and vegetables. I believe this is a great idea for farmers and ranchers, but also for consumers. However, it is my understanding the conference report would not allow fish caught by U.S. fishermen in international waters to be labeled as produced in the United States. That is a concern to fishermen in my state who fish in international waters.

In another win-win situation for farmers and consumers, the final bill increases purchases of fruits and vegetables for federal feeding programs. That means better nutrition for our young people and a larger market for our fruit and vegetable growers.

Finally, I want to mention an amendment I authored that was included in the Senate bill and the final bill. My amendment authorizes emergency assistance for farmworkers when natural disasters strike. While Congress has often been slow to provide natural disaster assistance to farmers and ranchers, it has rarely provided meaningful assistance to farmworkers. We should not ignore these workers when disaster strikes.

Implementing this farm bill will not be easy and there will be challenges along the way. I look forward to working with my farmer, ranchers, and rural communities to ensure that we implement this bill quickly and fairly.

Mr. WYDEN. Mr. President, today I rise to support the 2002 farm bill conference report because it is good for Oregon producers at home and in the world market.

Agriculture in Oregon is a $3.5 billion business. There are 40,000 farms in Oregon, totaling over 17 million acres. The average farm size is 430 acres, with a stunning variety of crops, made up of 10,000 plus wheat farms in the eastern part of the State to 100 acre vineyards in the western part of the State.

Overall, the Oregon Farm Bureau supports this farm bill. Oregon wheat and barley growers are anxious to see the workings of the new loan rates and market transition payments. They are also pleased to hear that all changes are in effect for the 2002 crop.

Oregon dairy producers tell me the compromise that maintains a permanent $9.90 milk price support program will help them in the long term, whereas the establishment of a 3.5 year National Dairy Program to provide assistance to all U.S. dairy producers will help them in the short term.

Oregon's wool producers are pleased that the conference report provides marketing loans or loan deficiency payments to them based on a loan rate of $1 per pound for graded wool and $.40 per pound for non-graded wool.

This conference report also provides $94 million, nationally, for apple producers who have suffered low market prices.

But those are just specific examples of how this conference report will be good for Oregon producers. In a more general sense, this conference is good for Oregon's specialty crop producers in the following ways: specialty crop purchases for section 32 requiring not less than $200 million for fruits and vegetables. At least $50 million of that amount is for schools through the DoD Fresh Program; MAP funds—$650 million over the life of the bill, hitting the authorized ceiling of $200 million in the fifth year; Technical Assistance for Specialty Crops provides $19 million for exporter assistance to address barriers that restrict US specialty crop exports; $400 million for food assistance of which some is destined for specialty crop purchases; in addition, increased funds for school lunch programs, the WIC program, and the Seniors Farmers Market program, of which Oregon is one of the pilot States; and, Country of Origin Labeling for fresh meats, fruits, vegetables and fish will help Oregon's producers.

In addition, while some environmental organizations are not pleased by the increases provided in the conservation title of this conference report, Oregon farmers will benefit overall from the 80 percent increase in conservation programs. Specifically, $50 million is provided for the Klamath Basin under a new Water Conservation Program that provides cost-share incentives and assistance for efforts to conserve ground and surface water.

The nutrition title is supported by Oregonians who strongly supported, and were successful in maintaining, the provision that reinstates food stamp benefits for legal immigrants. Oregonians will benefit from simplifications to the TANF and food stamp programs.

Oregonians will also benefit from the $1.03 billion Rural Development title that will, in addition to other new and improved rural development programs, make $100 million available nationally to allow rural consumers to receive high-speed, high-quality broadband service. It also provides $50 million for the Rural Firefighters and Emergency Personnel Grant Program which will help as rural Oregon communities face increasing fire danger from public lands.

For years I have supported increased funding for agricultural research. Research dollars have been important to Oregon agriculture because they enable Oregon agriculture to be competitive in the world markets. This title increases funding from $120 million/year to $200 million/year in fiscal year 2006.

This conference report contains a new $100 million cost share program to assist private non-industrial forest land owners in adopting sustainable forest management practices. It also authorizes research pilot programs in carbon sequestration for agriculture producers and forest land owners. Both of these programs will be available to Oregonians, regarded as leaders in these areas.

There are additional programs in this conference report that will benefit Oregonians that I have not specifically mentioned. However, the real work will begin when the President signs this conference report into law, as he has indicated he will do. We will start the arduous process of implementation. I will be there, with my Senate and House colleagues, as that process moves forward.to make sure the intent and spirit of this law is adhered to: to encourage environmentally sound, economically stable agriculture.

Mr. STEVENS. Mr. President, the farm security and rural development act of 2002 contains two important provisions for the protection and revitalization of Alaska's wild salmon industry. One is country of origin labeling and whether the fish is farm raised or wild caught and the other, a report on efforts to promote and use pouched and canned salmon within the food and nutrition programs of the Agriculture Department.

Last year, Chilean pen-raised, farm salmon was purposefully delivered the same time as Alaskan fishermen brought their salmon to market. It was and is the intent of Chile to devastate and erase the Alaskan wild-salmon market. Canada, Norway and China are increasing their farmed salmon capabilities and are flooding the U.S. market with pen-raised, pellet-fed, and chemically-enhanced salmon. In fact, dye is injected into the flesh of pen-raised salmon in order to obtain the orange and reddish salmon color that occurs naturally in wild salmon, which are born in fresh water streams, then travel out to the deep ocean and back again to the same stream to spawn.

The conference committee report includes a provision that will require any retail seafood product in the United States to be labeled at the time of sale with its country of origin and whether the fish is wild-caught or farm-raised. This will help consumers make informed decisions about the seafood they put on their dinner tables. Alaskans know that wild fish from our waters are healthier and better tasting then farmed fish from overseas. This provision will allow the rest of America to make a more informed choice between pen-raised and wild salmon and learn about all the benefits of Alaskan seafood.

The conference committee also retained an amendment which calls on the Secretary of Agriculture to report to Congress on efforts to expand the promotion, marketing, and purchase of U.S. pouched and canned salmon within the food and nutrition programs of the Agriculture Department. It is imperative to the short term success of Alaska's salmon industry to move existing inventories of pouched and canned salmon. The farm bill does a great deal to insure the commodities markets for southern and midwestern farmers, and these provisions will begin to provide some assistance and much needed protections for America's fishermen, the farmers of the sea.

An amendment that did not remain in the conference committee report, but is absolutely necessary considering how pen-raised salmon are altered and chemically developed, is the eligibility of wild seafood for an organic product promotion effort. This amendment by my good friend and colleague FRANK MURKOWSKI, would have directed the Secretary of Agriculture to incorporate wild seafood into the organic labeling program. Wild salmon that go out into the oceans and feed in their natural habitat are by definition organic and completely natural, void of hormones or other chemicals and are undeniably deserving of the "organic" label.

Mr. KERRY. Mr. President, I would like to congratulate Senator HARKIN for his hard work in bringing this farm bill together. As Chairman HARKIN said yesterday, this conference report is not anyone's idea of perfection. It's not the bill Senator HARKIN passed in the Senate, nor is it, I think it's fair to say, the bill that Senator HARKIN or any of us might have written were legislation written to match an ideal standard. But the legislation before us today is a product of hard work and tough negotiating, and U.S. Senators are only afforded the opportunity to vote on what's before us, to make a judgment about whether we're going to provide relief and support to farmers in Massachusetts and nationwide in need of relief today, or whether we're going to vote it down and hope for an ideal farm bill the legislative process itself has proven will not be forthcoming.

Given that choice, I will support this farm bill—I will support it because it will meet needs in Massachusetts and all around the country that are absolutely critical and which we cannot afford to leave unmet.

This legislation includes record amounts of funding for land and water conservation programs, nutrition spending and reestablishing a dairy program that keeps small dairy farmers in business. This bill increases spending for land and water conservation programs by $17 billion, an 80 percent increase. This funding allows producers to qualify for assistance if they voluntarily incorporate conservation practices on their lands. In addition the bill provides $1 billion for the Farmland Protection Program, which provides for protection around urban areas and prevents sprawl. Massachusetts has a model program for protecting farmland and this funding will only allow us to preserve and protect more farmland in the Commonwealth.

Nutrition and food programs under this bill total $6.4 billion. Like most of us I would have preferred the Senate number, however as we all know compromises have to be made in large bills such as this. We all should be proud of the fact that this bill restores benefits to legal immigrant adults who have lived in the United States for at least 5 years. This bill also restores benefits to children and the disabled without a 5-year waiting period. The bill will also provide benefits for working families moving from welfare to work.

The dairy provision in the bill is very important to Massachusetts as well. I wish to thank Senator LEAHY for all of his work in this area. He has crafted a compromise that allows small dairy farmers in the Northeast to compete with larger producers in the Midwest. I am especially grateful that the dairy provisions are retroactive to December 1, 2001 so that these small dairy farmers who have been severely impacted by the expiration of the old Northeast Dairy Compact, in October of last year, can now look forward to much needed help as they struggle to survive. This is yet another way that we can protect open space and prevent urban sprawl by giving these small dairy farmers a helping hand.

This bill contains an authorization for a $10 million buyback of groundfish permits in New England. I strongly believe that we need to help family fishermen just like we lend a hand to farmers. The fishermen in New England are reeling from a recent court decision that has reduced their ability to fish by a minimum of 20 percent and in some cases by 75 percent. These fishermen are going to need some help and I intend to work with my colleagues to get these fishermen some assistance so that they can retire with dignity and seek opportunities elsewhere.

As I stated earlier, this is not a perfect piece of legislation. I am disappointed that the bill does not contain the strong payment limitations that were contained in the Senate bill nor does this conference report prohibit meat packers from owning livestock. I supported both of these amendments when we debated this bill in the Senate and I believe that both of these provisions would go a long way to protecting rural America and small family owned farms. I wish to go on record as saying that I will work with my colleagues Senators JOHNSON and WELLSTONE to have these measures enacted in the future.

I remain very concerned about a flaw of this legislation, one which I know many Democrats worked very hard to avoid but which remains a serious problem in this bill. Without meaningful payment limitations we run the risk that large, powerful, corporate farms will continue to gobble up America's small, family-owned, environmentally responsible farmers. We cannot allow this to happen. This bill should protect rural America rather than subsidize another round of corporate giveaways that put at risk our environment, endanger the livelihood of family farmers, and lavish hard earned taxpayer money on corporations that need it the least. By that measure, this farm bill is a far cry from what our family farms need the most, and I would respectfully suggest that in the future we consider a whole host of efforts that do better than this bill does today.

We all should remain concerned about the cost of this legislation as well. The bill will increase the cost of Federal agricultural programs by $45 billion over the next 6 years and $73.5 billion over the next 10 years. With our country at war against terrorism and our economy still not recovered we should all be concerned about the deficits that this country could potentially face.

Lastly, the conference report contains a number of animal protection provisions that I do not support. Particularly troubling were the provisions on animal fighting and downed animal protection that were nearly identical in both bills and yet the conference report contains a weakened provision. I strongly believe we should revisit these issues at the earliest possible time.

In summary, this bill is not perfect, but it is the choice before us, and in the Senate this year I see no better choices being offered. And while I think it's critical that we do better in the future, that we strike a better balance, I do not believe it would be in the best interests of our nation to deny family farmers and America's small farms the lifeline they so desperately need today.

Mr. THURMOND. Mr. President, I rise today to speak on the conference report for H.R. 2646, the Farm Security and Rural Investment Act of 2002, FSRIA Act. This is the eleventh farm bill since the Congress enacted the Agricultural Act of 1949, the last permanent farm legislation, and the first farm bill of the 21st century.

The previous farm bill, the Federal Agriculture Improvement and Reform Act of 1996, the FAIR Act, contained at least three favorable objectives—to instill market discipline upon U.S. agriculture, to foster agriculture exports, and to eliminate Government-mandated planting requirements. That legislation represented the most radical change in farm policy since the inception of Federal farm programs in the 1930s, and in my view was a step in the right direction.

I would have preferred a farm bill which would assist family farmers in becoming more efficient and more productive, thereby becoming more competitive. Instead of strengthening market oriented agricultural sector, I am concerned this bill will make farmers more dependent upon government subsidies.

Our farm policy should promote the strength and ability of American agriculture to produce more and safer food and fiber with fewer chemical inputs. The United States has a competitive advantage in the production of many crops and most kinds of livestock. However, American farmers and ranchers are plagued by low prices. While this bill attempts to deal with low farm gate prices, it does not address the fact that U.S. agricultural producers sell in a world market where low prices are the norm. A U.S. agricultural policy that results in American food and fiber products being produced at higher than world prices does no good for American farm families.

I am very concerned about the regional bias in this bill. Southern cotton, rice, and peanut farmers, particularly large family farms State will be adversely affected by the payment limitations. These large farms are some how construed to be corporate farms when, in fact, most are family farms. Also, I am not satisfied that our peanut farmers are being treated fairly. This bill ends the peanut quota program, the last of the old style farm quota programs, and enacts a peanut marketing loan program, affecting both farmers and rural communities. We should have a farm bill that treats all farmers equally, that allows them to be competitive, and that continues to provide the American consumer with wholesome, good quality food and fiber.

I note that this bill authorizes considerable spending for conservation. There is nothing more important to agriculture than conservation. In South Carolina, it is said that if you do not take care of your land it will not take care of you. It is encouraging that successful programs such as the Environmental Quality Incentive Program are strengthened in this bill. However, I question the addition of programs, which in my State could lead to land being taken out of agricultural production. Once taken out of agriculture, the land rarely returns to the farm and that increases the demand for land thereby raising the price of land or the land rental.

I am disappointed the FSRIA Act does not do enough to strengthen our agricultural research assets including our land-grant university system and the Agricultural Research Service. The research done by these institutions and agency have materially added to the competitiveness and productivity of American agriculture. They should be cultivated and given the funding they need to continue their outstanding research. Emphasis should be directed at ensuring these results are translated into practical measures that can be used by the food and fiber sector of our economy. More could also have been done to help beginning farmers. However, no piece of legislation is perfect.

I thank the conferees for retaining my amendment regarding farm reconstitutions in the conference report. As I said in prior statements I made earlier this year, the Department of Agriculture could have handled the problem itself without legislation. Flue-cured tobacco producers and quota owners in the Carolinas and Virginia will be better off with this amendment. This amendment will allow flue-cured tobacco allotments and quotas to continue to be transferred through the process of farm reconstitutions.

Despite my concerns regarding the shortcomings of this bill, I will vote in favor of the conference report. Throughout my long career in public service, I have fought for the farmers of my State. This bill will provide farmers with financial resources to improve their efficiency and productivity.

Mr. BYRD. Mr. President, since Congress passed the 1996 farm bill, farmers throughout America have been pointing out the holes in the farm safety net that was intended to help family farmers and prevent the demise of America's agriculture industry. The new farm bill, The Farm Security and Rural Investment Act of 2002, authorizes a wide variety of U.S. Department of Agriculture programs and strengthens the safety net for America's farmers, ranchers, and rural communities.

This farm bill, not unlike other authorizing bills that have moved through the Congress in recent years, approves, in one broad stroke, huge amounts of spending on the mandatory side of the budget. Without adequate controls and without the political will to make tough decisions, mandatory spending has been annually eating up greater portions of the nation's budgetary resources.

That is not to say that there are not a number of worthwhile, and necessary, provisions in this bill. Certainly we do not wish to see our agricultural industry go the way of others that have drifted overseas, where costs are lower and health and safety precautions are weak or nonexistent. Moreover, at a time when we are becoming more attuned to the real threats of bioterrorism and agroterrorism, our farming industry and the need to preserve it can be seen in a new and different light. But Senators need to be more aware of the fact that voting for authorizing legislation is not just supporting policy. It is advocating spending, often uncontrolled mandatory spending, that has a real effect on our national budget. It also meets expectations for additional discretionary spending by authorizing new and expanded discretionary programs. I hope that Senators will remember that later this year when we debate the overall discretionary spending levels.

I am disappointed about a few items that are not included in this farm bill. For example, I had hoped that this bill would include funding for livestock producers who are suffering from drought conditions that we know are going to worsen. Previous farm bills had provided this sort of assistance, and I wish that this one had. On the positive side, this bill provides funding for a number of programs important to America's family farmers and rural communities. It, as well, makes important repairs to the farm safety net. But, unfortunately, the conference report also allows significant holes to remain when it comes to the humane treatment of animals.

Procedurally, it is discouraging that certain provisions to protect animals included in both the House-and Senate-passed versions of H.R. 2646 were eliminated or weakened during conference committee action. For example, both the House and the Senate versions included an identical provision to prohibit the interstate transport of animals for the purpose of fighting, but this language was weakened during conference. At the same time, a provision included only in the Senate version of the bill that would permanently limit the scope of Animal Welfare Act protections—the so-called birds, rats, and mice prohibitions—was retained during conference.

The conference report, however, also eliminates the Senate-passed provisions that would have improved the standards of care and treatment for certain puppies intended for sale as pets. It is unfortunate and disappointing that the conference committee made these decision. Clearly, there is still so much more to do to promote the humane treatment of animals. Animals cannot vote, and cannot write or call to voice their concerns, but they do have many advocates, and I count myself as one of them.

While the farm bill conference report is deficient in its protections for animals, the bill includes provisions that will greatly help family farmers and rural communities in West Virginia, and throughout the nation.

By providing $17.1 billion for conservation activities, for example, the bill will help farmers in their efforts to be good stewards of their land, even while they continue to cultivate crops. Farmers from many states, including West Virginia, will also benefit from the expansion of assistance for producers who grow non-commodity crops—crops like apples, peaches, and many types of vegetables. In addition, dairy farmers can look forward to counter-cyclical payments that will provide more assistance when prices are low.

The new farm bill will also make a significant investment in rural communities. The Rural Development programs authorized in this bill will help rural communities invest in the kind of basic infrastructure necessary for economic development. Most notable is the $360 million provided to fund the backlog of applications for water and wastewater development projects.

Although I am disappointed with the limited protections for animals included in the new farm bill, overall, The Farm Security and Rural Investment Act of 2002 conference report is a compromise I shall support.

Mr. HARKIN. Mr. President, many Senators have not had the time to digest the many pages of the conference report and final legislative language of the nutrition title. I would like to take this opportunity to provide some detail on the provisions so that Senators will have a full understanding of what we have achieved in their conference report.

When we set out to re-authorize the food stamp program our goals were to improve benefits for the neediest families and to simplify the food stamp program, making it easier for States to administer and to remove obstacles for working poor families. We wanted to strengthen the program and ensure that eligible needy families can participate in this critical nutrition and work support program.

We have taken significant steps to improve benefits for households with children by improving and reforming the standard deduction. Currently, all households, regardless of their size, receive the same $134 standard deduction from their income before food stamp benefits are calculated. This approach effectively limits benefits for larger households, which typically include children. The legislation solves this problem by making the deduction more responsive to household size. Now, all households will receive a standard deduction set at 8.31 percent of that year's poverty line. Another aspect of this change is that the standard deduction will be indexed for inflation each year. Indexing the standard deduction will help maintain the food purchasing power of food stamp benefits over time. This provision will take effect with all of the other annual adjustments in the food stamp program's benefit structure. Some States apparently are concerned that this will be a difficult deadline to meet. USDA should take a pragmatic approach toward those States that are working in good faith to implement the provision in a timely manner, but who may miss the deadline.

One of the most significant benefit improvements included in the nutrition title is restoring food stamp eligibility to legal immigrants. The Senate passed food stamp restorations for legal immigrants with overwhelming support. It is gratifying to see the majority of the Senate proposal in the final package. The bill restores eligibility to three groups of legal immigrants. First, it restores eligibility to qualified low-income legal immigrant children regardless of their entry date into the United States. Second, it makes qualified legal immigrant adults who have lived in the United States for 5 or more years with that status eligible. Finally, the legislation allows legal immigrants receiving benefits under specified disability-based programs to qualify for food stamps.

Children who are made eligible under this provision are exempt from sponsor deeming, although adult sponsored immigrants are still subject to sponsor deeming rules. The policy USDA implemented last year on deeming represents a reasonable and balanced approach to providing food stamps to low-income families in need, while still ensuring that sponsors remain responsible for immigrants that they bring into this country. USDA should maintain this policy.

Immigrants frequently live with their sponsors. Over the years, Congress has consistently rejected proposals to require food stamp recipients to repay properly issued food stamp benefits. That principle is not incompatible with sponsor liability. Low income immigrants may be deterred from participation if they believe that their family members may be sent a bill if they participate in the food stamp program. We do not intend for low-income sponsors who are a part of the food stamp household or family unit to incur a liability as a result of their family's or household member's participation in the food stamp program.

The broad restoration for adults will bring food stamp rules into conformity with Medicaid and TANF immigrant eligibility rules for recent immigrants. Now, under all three programs, an adult becomes eligible for benefits 5 years after obtaining a qualified status. The 5 year waiting period begins when the immigrant gains qualified status regardless of what type of immigrant status he or she had prior to that point. This alignment should make it much easier for immigrants to understand the immigrant eligibility rules in the three programs and for States to administer them.

Since 1996, the proportion of food stamp recipients who work has increased dramatically and the proportion who receive welfare has plummeted. Food stamps is no longer a mere adjunct to cash welfare programs. It is a work support program and a nutritional safety net for a wide spectrum of low-income people. Paperwork and administrative requirements that might have been appropriate when food stamps were a supplement to welfare have become unnecessary barriers to meeting the nutritional needs of more diverse eligible low-income households.

Although some States have shortened their applications, current rules require information on too many obscure types of income and resources, even though few households have these items. This approach is the result of a policy that seeks to cast a very wide net in collecting information about households' incomes and resources. A solution to this problem is to narrow the applications' scope to those relatively few types of income and resources that would make a significant difference in the food purchasing power of applicants.

Sections 4102 and 4107 of the bill allow states to conform their definition of income and resources in the food stamp program to definition in their TANF and Medicaid programs. Each section lists major items that fairness requires to be counted. USDA will have the authority to add to the list of items states cannot exclude. Since we worked closely with USDA in crafting the statutory list, the Department should not have reason to exercise that authority in the absence of unforeseen circumstances. In addition, the legislation does not require states to wait for new regulations before simplifying their programs.

States now have the option of semi-annual reporting in the Department's current regulations. This bill allows States to extend semi-annual reporting to the vast majority of the food stamp caseload. States will be able to conform their food stamp reporting rules more closely to those of Medicaid and other work support programs.

Separate rules and requirements for each program burden both families and state administrators. Joint guidance or regulations from USDA and HHS can make a real difference. Families should be able to comply with both programs' requirements by completing a single report. An eligible family should not put its food stamps at risk by complying with Medicaid reporting requirements. The Department should ensure that this no longer happens.

The same procedural protections the Department has long applied to monthly reporting are just as appropriate for any other system of periodic reporting. Just as a household that files a late or incomplete monthly report needs a second chance, so too does a family having trouble with a quarterly or monthly report. In addition, the Americans with Disabilities Act and rules for individuals with limited English proficiency would apply equally no matter what period is covered by the report.

USDA should further reduce reporting burdens for the elderly and persons with disabilities using the broad regulatory authority it used in late 2000 to reduce burdens for many types of households.

To reduce the number of reports required of households, the conference report provides states the option to freeze households' deductions between eligibility reviews with two limited exceptions. First, if the household reports that it has moved, the food stamp office will have to provide the household a shelter deduction based on its new circumstances. Second, whenever the Department's regulations require the food stamp office to act on a change in earned income, it will have to apply the 20 percent earned income deduction to the new amount. Any household that believes this freeze is causing it a hardship may reapply and have its benefits recalculated without waiting for the next scheduled review of its eligibility. States may implement this change as soon as it becomes effective. Significant new regulations from USDA in this area are not expected.

The conference report does not include a Senate provision that would have replaced the current food stamp re-certification process with a re-determination process. In years past, the rigidity of certification periods was a serious problem, but USDA has taken steps in recent years to introduce flexibility and allow certification periods to be extended simply and easily. The allowance of transitional food stamp benefits, both as they exist today under USDA regulations and as expanded in this legislation, further reduces the need for fixed certification periods.

Families leaving welfare can face particular difficulties with the food stamp program's current procedural requirements. Recent studies have shown that as many as 60 percent of families leaving cash assistance do not continue to receive food stamps even though almost all are still eligible.

To ensure a much smoother transition from cash assistance to work, this legislation provides States with a new option to provide up to 5 months of transitional food stamps to families leaving cash assistance. Since virtually all of these families are already eligible for food stamps, the goal of the program is to eliminate any unnecessary administrative hurdles that families or States might face. When a household leaves the State's cash assistance program, the state will simply subtract the cash benefit from the family's income and recalculate food stamp benefits. There will be no contact between the State and the household and no procedural requirement on the household. This transitional benefit amount will be the correct food stamp benefit for all purposes. The benefit will essentially be frozen for the next 5 months, except that States will have to update the benefit to reflect any general changes in food stamp benefit amount such as an increase in the thrifty food plan.

States may also elect to adjust the transitional benefit if they become aware of changes in the household's circumstances. For example, if a mother reports the birth of a child to the Medicaid program, the State can elect to increase the food stamp allotment to reflect the new child. In addition, the household retains the right to reapply to have its food stamps recalculated based on current circumstances. This is especially important in cases where the wage-earner in the family loses a job.

Families that pay or receive child support can have special difficulty under current rules. These payments may fluctuate for any number of reasons. Keeping track of them can be difficult for both the food stamp office and the household. In addition to established regulations, USDA circulated some useful guidance on this subject last year and may want to do more.

Many States do not have computers in their child support enforcement agencies that can communicate effectively with the systems that calculate food stamps. The bill requires USDA to establish simplified systems for using data from child support agencies even if it is a few months older than most information used to calculate food stamp benefits. Unless a household submits more current information, the State would use what it has. This legislation only addresses families that pay child support. A State should not rely upon State data about child support a family receives unless, under the income anticipation rules, it is reasonably certain that the family will continue to receive those amounts.

Although the focus of the bill is on procedural simplifications, we did simplify the program's benefit calculation rules in some respects. Simplification is not intended to be applied in ways that would reduce benefits. New rules for estimating households' utility costs in this bill will allow States to elect to allow use of a flat, standardized amount used to calculate the shelter deduction for families with utility bills other than telephone. States do not have to inquire further into the family's living arrangements. This simplification as long as USDA and states ensure that these standardized estimates keep pace with increases in utility costs. States do not have to inquire further into the family's living arrangements. This simplification will not reduce benefits as long as USDA and states ensure that these standardized estimates keep pace with increases in utility costs.

The Senate bill included a simplification in the procedures states use to convert weekly and biweekly earnings into monthly income. However, the Department's current regulations already allow states to do that if they follow these same conversion procedures in TANF. Accordingly, the legislative provision was not adopted, but USDA should encourage more states to take this regulatory option.

The other simplification we made in the food stamp benefit structure involves people who live in institutions and are unable to manage their own food stamps. This will primarily involve people who are recovering from substance abuse problems and some people with severe disabilities. Although these procedures can apply to homeless people or to women living in shelters for victims of domestic violence, we expect many people in those facilities will choose to retain their own food stamp benefits because of their relatively brief stays or because they need to obtain some of their meals outside the shelter. Where, however, the recipient consents or is incapable of managing his or her own affairs, this provision will allow the benefit to be calculated under a standardized formula that will not require the institution to gather a great deal of detail about the circumstances of each resident. USDA's current rules that define an institution as a facility consistently providing more than half of a recipient's meals will continue to apply and limit this provision's scope. We also included safeguards to ensure that persons leaving centers in mid-month will receive their fair share of benefits for the remainder of the month and will get help from both the center and the food stamp office to re-enter the regular food stamp program.

Many States have been operating EBT for some time now and have a great deal of experience. This legislation requires USDA to issue a report on the current status of EBT. It requires USDA to provide a wide array of information on how systems are operating, including issues with contract renewals and client access. The report will include valuable information about how states ensure that claimants have full access to their food stamps within EBT systems and on how they ensure that EBT complies with the Americans with Disabilities Act and the Rehabilitation Act.

The Senate bill included a provision to ensure that households that have accumulated benefits in an electronic system would not have their benefits made inaccessible for some time. Elderly and disabled households who often receive very small food stamp benefits and store them, might otherwise lose food stamp benefits. The Department is already planning to implement this policy via regulation, so the bill does not include the provision.

Reforms to the food stamp quality control system in the bill are based to a great extent on the recommendations of the National Academy of Sciences. The current quality control system, for measuring program performance, only focuses on payment accuracy. Under the new system, payment accuracy will not override the program's basic goal of providing food assistance to eligible families.

Under current law, States with payment error rates in excess of the national average face fiscal sanctions each year. Thus, close to one-half of the States are in violation each year. The new system focuses on those states with persistent payment accuracy problems. Only those States which USDA is statistically certain have payment error rates above 105 percent of the national average will be targeted as problem States. When a State exceeds this threshold for 2 consecutive years, USDA will be required to take action and may use any combination of three specific options as its response.

First, USDA may require the State to reinvest up to 50 percent of the sanction to improve administration of the program. The bill does not specify in what activities States should reinvest, although states may use reinvestment funds to improve program access. States have discretion to determine what type of reinvestment will most improve its program. Second, USDA can designate up to 50 percent of state's potential liability to be held at risk, but cannot collect sanctions during the year in which they are assessed. The State must pay at risk amounts from the previous year if the State's error rate is subject to sanction in the current year. If the State is not subject to sanction in the following year, the amount held at risk is automatically waived. Finally, USDA can waive any portion of the sanction amount. Sanctions that are not reinvested or held at risk must be waived.

USDA should consider the causes of the State agency's problems, and whether the State's error rate is declining along with other relevant factors when determining how much of a State's sanction to waive. If a State is making progress on reducing its error rate, USDA should consider a waiver of its sanction. As under the current system, States may appeal these decisions. If a State loses an appeal, USDA may withhold funds that have not yet been reinvested pending appeal. The Department should not use this authority in a way that undermines reinvestment plans when a State raises an appeal in good faith.

The Senate bill would have adjusted sanctions for States doing a particularly good job of serving low-wage working families or immigrant households. USDA assured the conferees that it would continue its current practice of adjusting sanctions to account for enrolling high or rising numbers of participants more likely to involve errors, such as working poor households. USDA should also continue to adjust for the impact of high numbers of legal immigrant households and, in the future, to adjust for other factors, as the need arises.

The current system will remain in place for fiscal year 2002. USDA may use its authority to waive the fiscal year 2002 sanctions for those States that would not have faced sanctions under the new system. Similarly, it may waive sanction amounts in excess of the new sanction formula.

The new system begins in fiscal year 2003. No State will be subject to paying a sanction until 2005. The administration requested this delayed implementation timetable. USDA must now ensure that this delayed effective date does not undermine the progress states are currently making toward lowering error rates.

The legislation provides $48 million each year for new quality control performance bonuses to States. Bonuses will be provided to States with the best or most improved performance relating to correcting errors, reducing rates of error, and improving eligibility determinations and other indicators of effective administration determined by USDA in consultation with the States. Correcting errors is crucial. USDA should recognize and reward States that improve their staff training and establish systems that give State administrators early warning when eligibility workers encountering problems. USDA should also consult other program experts such as client advocates, research organizations and academics.

The bonuses should be balanced and reflect many important aspects of State administration, in addition to payment accuracy and program integrity. Timeliness and denying benefits only to those applicant households that are truly ineligible, should be a significant portion of the bonus calculation.

Regrettably, the conference agreement does not include the Senate provision to move toward the more reasonable version of the time limit for able-bodied adults without dependents that the Senate passed in 1995 and again in 1996. Congress should revisit the issue in the near future, but in the meantime, the administration should continue to do everything possible to limit harsh and inequitable effects of this provision.

In addition, the bill restructures the employment and training funding to eliminate the requirement that 80 percent of employment and training funds be set-aside for individuals subject to the time limit, although it does reserve a small mount of money specifically for that population. USDA should give this group of people and the States that elect to serve them special consideration when distributing employment and training funds. States that have agreed to ensure that no one who is willing to work is denied benefits under the time limit should receive the funds to do so.

In this bill, States have a greater flexibility to provide employment and training services to people that are subject to the time limit yet do not meet the definition of a work activity. Such individuals can still benefit from, for example, job search activities and training programs that are less than 20 hours per week. USDA should respect the broad authority states already have to decide how to coordinate and apply these various employment-related requirements under the act.

This bill also eliminates the current $25 cap on the amount States may reimburse E&T participants for expenses other than dependent care. This cap had not kept pace with inflation and limited States' ability to provide needed work support as part of their education and training programs. USDA should continue its longstanding policy of providing States with broad flexibility in providing these funds to employment and training participants.

This nutrition title is among the strongest that the Congress has ever passed. It will improve benefits, support families' efforts to move from welfare to work, and simplify program rules. The bill will improve nutrition benefits for low-income Americans and reduce hunger and poverty in our country for a number of years into the future.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I yield myself whatever time I have remaining.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I want to take this opportunity to close my part of the debate on this farm bill. We will be voting very soon. I want to say a few things.

This is a comprehensive bill. This isn't a bill just for commodities for one part of the country or other. This is a comprehensive bill that takes into account a lot of different factors. This is a farm bill that has taken a long time and a lot of hard work, both in our committee and in the Senate, under the leadership of, first, Senator LUGAR, and under my chairmanship beginning in the middle of last year; also, on the House side, under the chairmanship of Congressman COMBEST, and his ranking Member, Congressman STENHOLM.

We have had a lot of debate on this bill in the committee and on the floor, and, quite frankly, a lot in conference also.

Out of this has come, I think, a good bill, a strong bill—a bill that is good for all of America.

Is it a perfect bill? No, it is not perfect, at least not from my viewpoint. And I daresay, there isn't one Senator here who would think it would be perfect from his or her viewpoint. I am sure that everyone here can find one or two things they do not like in the bill. But keep in mind, it is a comprehensive bill for America and for our future.

The bill comprises a number of different parts which I think enable us to turn the corner. If I were to say what was my view on this farm bill, it turns the corner from where we have been in the past.

In commodities, we have strengthened income, we have provided stability and predictability. We have ended the Freedom to Farm. Freedom to Farm was built on a two-legged stool: low loan rates and AMTA payments—direct payments.

Well, if you ever tried to sit on a two-legged stool, you know it is unstable, it is unpredictable, you never know which way you are going to fall.

So this bill puts four legs under that stool for our farmers and our ranchers: higher loan rates, a target price, a direct payment, and conservation—four strong legs under that stool by which we support and enhance our farmers' livelihoods. So we have turned the corner.

Large farms in the past got everything. Under Freedom to Farm, it was a dog-eat-dog world. And in a dog-eat-dog world, the biggest dog gets it all. We have turned that corner. Now, for example, people like Scottie Pippen and Ted Turner and Sam Donaldson will not be able to get a dime from this farm bill. I cannot tell you how many editorials I have seen lately saying the farm bill continues to give all this money to people like Ted Turner and Scottie Pippen, and people like that. Absolutely untrue. We have turned that corner. They now will not get one single dime.

We have more help for our moderate and mid-sized farms, with the higher loan rates, with the conservation payments, with the target price. We have support in here for beginning farmers. We even have a specific provision in here for organic farmers, which we have never had before. We have a provision in this bill for specialty crops, a floor of $200 million a year for the purchasing of fruits and vegetables. That helps small orchards, small vegetable farmers, in every state, like in Washington, in Michigan, and in New England. This is good not only for them but for the health and welfare of America. So we have turned the corner in just focusing on the biggest farmers and in focusing only on a few crops.

We now are saying to moderate and mid-sized farmers: You, too, will have support and help. We say to farmers who are growing specialty crops: You now have support and help. We say to organic farmers: You now have support and help. We say to farmers who want to practice conservation: You now have help. And especially to our smaller and mid-sized farmers.

So we have turned the corner. On conservation, we have an 80-percent increase in conservation, a huge increase over 1996 Farm Bill. We have turned the corner. The Conservation Reserve Program, nearly 3 million more acres will be added; the Wetlands Reserve Program, we have more than doubled it; the Wildlife Habitat Program, a fourteen-fold increase; the EQIP program, to help our livestock farmers clean up and stop runoff into places such as the Chesapeake Bay and the Mississippi River and the Missouri River and the Great Lakes and our crop producers to reduce their nutrient run-off, among many other important conservation activities, five and a half times more money. More money for EQIP than we have ever had before, going from $2 billion to $11 billion.

There is a new provision for ground water protection that we have never had before; $600 million to help conserve ground and surface water. There is a brand new conservation program called the Conservation Security Program that will help all farmers, especially our moderate and mid-sized and small farmers be good conservationists, like they want to be, like many of them are already. This will help support them and encourage them to be even better conservationists in the future. We have turned the corner on conservation. This is a program that many farmers are eagerly waiting for and I strongly encourage the Secretary to expedite implementation of CSP so we no longer leave producers out of conservation programs and so we no longer continue to ignore the stewards of our nation's natural resources.

On nutrition, as I mentioned, the last farm bill did not even include a nutrition title. We included it in this farm bill at a level of $6.4 billion, almost twice what the House level was. Yes, I say to my friend from Texas, you bet we restored food stamp benefits to legal immigrants who have lived in the United States for at least 5 years. The President himself wanted that. We also said that children and people with disabilities don't have to wait 1 day to get food stamps. Yes, we answered that need.

We also did away with a lot of the red tape and the paperwork associated with the food stamp program. In addition, we provide 5 months of food stamps for people who are making the transition from welfare to work.

On the Emergency Food Assistance Program—the TEFAP program it is called—we provide more money for commodities that are distributed in food banks and food pantries.

There are 33 million Americans—13 million of whom are children—who go to bed hungry every night. This farm bill speaks to them. That is why 51 organizations, including Second Harvest, Bread for the World, the Children's Defense Fund, the Food Research Action Center, and many others—51 food groups—in America support this bill and urge its passage. Our bill sticks up for needy people. We say, they, too, are part of our great country.

Someone said we are buying votes in this bill for commodity programs. How about nutrition? How about all the money we put in for nutrition, for all the poorest people in America, for legal immigrants? Many of them cannot vote. We are not buying any votes there. But we are meeting a humanitarian need and we are meeting our obligations as a decent and caring society.

Rural development: We provide the funds to clear up the backlog of water and wastewater. Broadband access: This is the first time we have money in there to bring broadband access to our small towns and communities. We have a Rural Equity Capital Fund we have never had before, a provision to provide for grants and loans for value-added businesses owned by farmers around small towns and communities. We have turned the corner on rural development.

Energy: This is the first time ever we have had a title in the farm bill dealing with energy, to provide grants and loans to farmers and ranchers for renewable energy—wind, solar, biomass, that type of energy—to build biofuels processing plants for soy diesel, soy lubricants, ethanol. Yes, we are providing new markets for our farmers out there, and the new market is energy—energy for our country, to make us energy independent, to provide us the kind of independence that we need in energy, based on renewable resources on our farms and ranches. It is the first time ever. We have turned the corner.

On trade, we provide more money for the Market Assistance Program, to make sure we are able to sell our value-added products overseas, and we have the Foreign Market Development Program to get our bulk commodities overseas. We have provided more money for that. So we have turned the corner there.

We have heard a lot of talk about competition. I will say this, we have done more in this bill on fairness and transparency than any bill since the Packers and Stockyards Act was passed in 1921—more. Farmers and consumers scored a big win, and the big meat processors suffered their biggest loss in decades when we kept the country of origin provision.

The PRESIDING OFFICER (Ms. STABENOW). The Senator's time has expired.

Mr. HARKIN. Madam President, I ask unanimous consent that I be given 4 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. I thank my colleagues for giving me this time.

The big meat processors lost out. We got country-of-origin labeling, as well a crucial amendment to the Packers and Stockyards Act that brought swine production contractors under the Packers and Stockyards Act. So now farmers who have swine production contracts have the same protections against unfair practices as poultry growers and livestock owners. This provision makes sure that the Packers and Stockyards Act evolves with the changing industry.

We were also able to keep a provision to make it clear that farmers who have marketing and production contracts have the right to discuss those contracts with their close advisors and family, no matter what the contract or the meatpacker says.

Let me say this about payment limits. Do I wish we could have done more? Yes. But I want to point this out: Right now the payment limitation is $460,000, the maximum that any one person can get or any one entity can get under the freedom to farm bill. The House came with $550,000. They raised it. We brought it down to $360,000. It is $460,000 now. We brought it down to $360,000. We were at $275,000 in the Senate. The House was at $550,000. So we actually came in closer to the Senate at $360,000. As I mentioned, we cut out the Scottie Pippens and the Ted Turners and all those people who were getting payments. That has ended.

We set up a commission that will have members appointed from the Senate, from the House, and from the administration, to advise us on further processes that we should do to address the issue of payment limitations.

And this is another thing we did: We provide for transparency. From now on, we will be able to track every payment made to every farmer, track it right from the beginning right down to who gets it. Right now, people hide behind entities, such as partnerships and co-ops and corporations. Now, with transparency, we will see who gets what, for the first time ever. So now we have transparency in all of our programs, transparency in the EQIP program, transparency in the commodity price support program.

So, yes, we have turned the corner on competition. Maybe we did not get to the goal of where we want to be, but we have turned the corner. From now on we are going to have transparency. We are going to have a better handle on exactly who is getting what.

I conclude my remarks by saying: You can vote no on this bill. I could pick out two or three things, if I wanted to, and vote no myself. But this bill moves us forward, to turn that corner, to turn away from the Freedom to Farm bill and what it stood for, and to chart a new course for the future. We can vote no on this bill. All that means is we go back to Freedom to Farm, with none of the provisions I just mentioned applicable. They would all be gone. Is that what we want to do? Step back in time? Step back to where we were? I don't think so.

The bill is not perfect, but it is a good, strong, fair, and equitable bill for farmers and ranchers all over this country. It is fair and equitable to our consumers because they are still going to continue to get the most reliable, safest, cheapest food anywhere in the world. We meet our social obligations in ensuring that we provide food and food stamps to those most needy in our society. That is why I urge Senators to vote for this bill and move it ahead.

I thank all of our staff members who have worked so hard on this bill. In particular, I thank Mark Halverson, my staff director. When this is all over, I will tell him he has to go to bed and get some sleep because I don't think he has slept in about a month or two or three. I thank Charlie Rawls, our general counsel; Bob Sturm, chief clerk, who made sure everything was set up for us in our meetings, took care of all the paperwork; Rich Bender; Karil Bialostosky; Seth Boffeli; Kevin Brown; Alison Fox; Amy Fredregill;

Sara Hopper; Ellen Huntoon; Eric Juzenas; Susan Keith; Jay Klug; Stephanie Mercier; Frank Newkirk; Doug O'Brien; Vershawn Perkins; Erin Peterson; Lloyd Ritter; Terri Roney; John Moreland; Bob Soukup. I thank all of those.

I ask unanimous consent for 1 more minute to continue to thank my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. I thank particularly the family members of these individuals, the spouses, significant others, the children. I know they haven't seen spouses, loved ones, parents, father and mother, in this case, for some time because of the long hours we have worked. Sometimes when Members would go until 9 or 10 at night, we went home. Staff stayed until 1 or 2 in the morning to clean up the mess we made and do all the paperwork and get us ready for the next day. I particularly thank their families.

I close by saying my special thanks to my ranking member and my good friend Senator LUGAR from Indiana. I know we disagree on this bill, but there are a lot of things on which we do agree. There are a lot of things we worked very closely on when we developed the bill in committee. I look forward to working with him in the future.

This is not the last farm bill. This is not the end of what we will do to address the needs of rural America and our people who live there. I look forward to working with Senator LUGAR.

As I said, we may have a disagreement, but I echo what someone said the other day: Senator LUGAR has been from the beginning intellectually honest and forthright in his approach on this farm bill. No one can fault that. We just see it differently; that is all. But he has been a great friend. He has helped move the process forward. Even though he didn't agree with the bill, he wanted to make sure the process moved forward. I think that is the mark of a true Senator and a statesman—to make sure, even though you don't agree, that the process must continue forward.

I thank my good friend and my ranking member Senator LUGAR for his help and his support in getting us to this point where we now are approaching a final vote on the bill.

Mr. LUGAR. Madam President, I thank my colleague, the distinguished chairman, for his generous remarks. I will simply say, as I did at the beginning of the debate, he came into the chairmanship of the committee at a difficult time. This is a long process. He and his staff have done a remarkable job, and our staff has worked with them. We look forward to continuing to do so.

We are going to have much more of an agenda before the Agriculture Committee. The distinguished chair will be a part of that as well as the distinguished majority leader who is on the floor whose remarks we now await.

I do have a disagreement with my chairman, but we have expressed our views at length and hopefully to the profit of all who have listened to this debate.

I thank the Chair and yield the floor.

Mr. HARKIN. Madam President, I wanted to thank the legislative counsel who worked so hard on this: Gary Endicott; Darcie Chan; Janine Johnson; Heather Flory; and Tim Trushel. They were indispensable in helping us work through this bill.

I thank the Congressional Research Service: Geoff Becker; Joe Richardson; and Jeff Zinn. I thank the Congressional Budget Office analysts. When we always asked them, in the middle of the night, they would come through with the information we needed. They are David Hull, Jim Langley, Greg Hitz, Valeri Baxter-Wolmer, and Lanette Walker. And at the USDA Office of General Counsel, I thank Dave Grahn and Pia Ruttenburg.

I will yield the floor, but someone asked me what was the best thing we had going for us when we went into conference with the House. I said: We had our secret weapon. We had the majority leader of the Senate.

The majority leader is a valuable member of our Agriculture Committee. I can't think of anyone who has worked longer and harder for our farmers and ranchers in America than TOM DASCHLE. Since the day he first came to the House of Representatives, we have been close friends. We have worked together. He has been one of best leaders on agriculture in all these years. It is a source of pride to me to have him on the Agriculture Committee with us.

I can tell you, it was a great source of pride in getting the job done and getting us to this point that Senator DASCHLE was there with us every step of the way, helping us out and bringing us to the point where we are.

I publicly thank my good friend, my leader, Senator DASCHLE, for all of his help on this.

The PRESIDING OFFICER. The distinguished Senate majority leader.

Mr. DASCHLE. Madam President, I will use my leader time to finish comment on this bill before we go to a vote. I will try to be brief because I know Senators are hoping to have the opportunity to vote very shortly.

Let me simply return the compliment of the distinguished Senator from Iowa, the chairman of the committee. He and I have spent more hours than either of us have been able to count over some long months with the hope and expectation that we would be coming to this point. His extraordinary tenacity, his leadership, his vision for agriculture, his ability to work with all sides, his ability to articulate positions of our caucus and of Senators with whom he both agreed and disagreed is remarkable.

The people of Iowa have had many proud moments in their history. I cannot think of a prouder moment for the State of Iowa, this special time for us as we bring this very important issue to a close in the Senate.

In the most heartfelt way, I offer my congratulations to Senator HARKIN for his leadership.

I must say, without being repetitive, his comments about the distinguished Senator from Indiana are so true. There isn't anybody in this Chamber I have greater respect for than DICK LUGAR. I am reminded again why, as I watch how effectively he presented his arguments. The old adage about disagreeing without being disagreeable applies exponentially in so many ways to DICK LUGAR. He is never disagreeable. He will disagree and he will make his voice known and heard, but he is a remarkable Member of this body. I am honored to serve with him and to work with him on all issues, especially this one.

My colleagues have thanked their staffs. I could not go to the vote without thanking publicly Bart Chilton, Jonathon Lehman, and Mark Childress of my staff, especially. As Senator HARKIN has noted, we would not have accomplished what we did were it not for their remarkable work, their tremendous effort, night and day, and well into the night, sometimes into the wee, early morning hours, in order to achieve what we were able to accomplish over these past several weeks and months. But those three individuals deserve special thanks.

I must say, whatever I can accomplish as leader is only accomplishable because of the tremendous professionalism my staff demonstrates daily. Mark, Bart, and Jonathon certainly have done that in this case in ways for which I will never be able to thank them adequately.

It is no secret that many of us have had difficulty supporting farm legislation in the past. So I can sympathize with Senator LUGAR as he articulates his reasons for opposing this particular piece of legislation. He has been an advocate of prior farm bills because he believed in them. I am an advocate of this bill because I believe in it. I believe in it because I think it does so many things we have heard the chairman so eloquently articulate just now. I will not recount them; to do so would be redundant. But I really believe that, for the first time in a long time, we will be able to send a message of hope to farmers and ranchers all over the country; hope to farmers in South Dakota who may have lost some of the reason for hope in recent years; hope to young farmers who really want to become part of rural life and productive citizens, as the farmers and ranchers of the future; hope to those who believe we can do better in nutrition and find ways to do a better job with conservation; hope to those who believe we can figure out a way to balance the imbalance that exists now in the unfair trading practices used by some, and make sure consumers have the ability to know where their products are coming from now with country-of-origin labeling.

So I must say, this is a great day for agriculture. This is a great day because we send a strong message to our farmers and ranchers of all generations, and to those who look to us for some expectation that they can survive and achieve great things, having chosen this wonderful profession. So I am very pleased with the result. I am hopeful that our colleagues on both sides of the aisle will support this result with a resounding vote this afternoon.

I hope we can continue to build on what we have done. I have heard my colleagues come to the floor and suggest that now what we have to do is focus our attention on packer concentration. I heard Senator HARKIN speak powerfully about his determination to continue that effort. So we know our work is not done, but we do know we have accomplished a good deal. We have created a foundation for the next 6 years upon which we can build even more—sending hope and creating even better and more promising days in the future for our farmers and ranchers, the likes of which I didn't think we would see this year.

I thank the Chair and my colleagues, and I thank those on the committee. I thank the conferees, and I thank our staffs for a job well done.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Madam President, how much time remains on our side?

The PRESIDING OFFICER. Two minutes.

Mr. LUGAR. Madam President, I thank the distinguished majority leader for his very thoughtful and generous comments. It is my privilege now in the remainder of our time to thank people who have been very vital to this farm bill and with whom certainly I have had the pleasure of serving in this committee. They are our minority staff and detailees. I would like to name each one.

Obviously, Keith Luse, my right-hand person, who is right by me now, our staff director throughout all of this; Dave Johnson, chief counsel; Carol Dubard; Andy Fisher; Michael Knipe; Walt Lukken; Andy Morton, our economist, who has been so helpful during this debate and for many years; Terri Nintemann; Carol Olander; Chris Salisbury; Erin Shaw; Daniel Spellacy; Pat Sweeney; Mark Tyndall; Dave White; and Benny Young. All of them are very able people, with great futures ahead of them. We look forward to continuing our work with the majority staff and with our distinguished chairman.

With that, I yield back the remainder of our time.

Mr. HARKIN. Madam President, on this vote, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the conference report to accompany H.R. 2646. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 35, as follow:

[Rollcall Vote No. 103 Leg.]

YEAS—64

Akaka
Allard
Baucus
Bayh
Biden
Bond
Boxer
Breaux
Burns
Byrd
Campbell
Cantwell
Carnahan
Cleland
Clinton
Cochran
Conrad
Craig
Crapo
Daschle
Dayton
Dodd
Dorgan
Durbin
Edwards
Feinstein
Fitzgerald
Frist
Harkin
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Landrieu
Leahy
Levin
Lieberman
Lincoln
Lott
Mikulski
Miller
Murkowski
Murray
Nelson (NE)
Reid
Rockefeller
Sarbanes
Schumer
Sessions
Shelby
Smith (OR)
Snowe
Stabenow
Stevens
Thurmond
Torricelli
Wellstone
Wyden

NAYS—35

Allen
Bennett
Bingaman
Brownback
Bunning
Carper
Chafee
Collins
Corzine
DeWine
Domenici
Ensign
Enzi
Feingold
Graham
Gramm
Grassley
Gregg
Hagel
Hatch
Kyl
Lugar
McCain
McConnell
Nelson (FL)
Nickles
Reed
Roberts
Santorum
Smith (NH)
Specter
Thomas
Thompson
Voinovich
Warner

NOT VOTING—1

Helms

The conference report was agreed to.

Mr. HARKIN. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

Mr. LIEBERMAN. Madam President, I voted today for the farm bill because I believe that it provides some needed relief to our strapped farm industry as well as provides some new and much-appreciated assistance to the farmers of Connecticut. Our farm economy right now is in dire shape, and farmers from across the nation have pleaded with the Congress to give them the assurances that this bill possesses. I do not believe it is a time at which we can turn our back on the nation's farmers.

The bill also provides some precedent-setting relief to the often ignored farm industry in my home state of Connecticut. In particular, the extension of the dairy program, the new assistance for the speciality crops that dominate our farmland, the increases in conservation funding over the status quo, and the various incentive programs for organic agriculture all will bring benefits to Connecticut farmers. Finally, the provision of $600 million annually in new nutrition programs, including the restoration of food stamps to many legal immigrants, will allow many Connecticut residents to provide essential supplies of food for their families.

While this bill does provide support for who depend on the land for their living, like most legislation it is not perfect, and so I cast this vote with some reservations. I am concerned that several of the features that made the Senate-passed bill desirable have been weakened in conference. In particular, the conservation funding has been reduced and appears to be backloaded far into the future. The payment limitations that were adopted in order to ensure that funds were distributed more equitably, and not disproportionately to large corporate farms, also appear to have been weakened. While I cast my vote today for this bill, I hope that we can revisit these important issues in the near future.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, the majority leader has asked me to announce there will be no further rollcall votes tonight.

ANDEAN TRADE PREFERENCE EXPANSION ACT—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

An act (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

Pending:

Daschle amendment No. 3386, in the nature of a substitute.

Dorgan amendment No. 3387 (to amendment No. 3386), to ensure transparency of investor protection dispute resolution tribunals under the North American Free Trade Agreement.

AMENDMENT NO. 3387

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3387.

The amendment (no. 3387), was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I would like to take this time to talk in some detail about the Trade Adjustment Assistance Reform Act, the underlying bill. This is a bill which is a renamed version of S. 1209, which was reported out of the Finance Committee last December. It is the first part of a trade package to which the pending motion—actually it is the first part of the substitute underlying the bill.

I think it is important to put this bill in context. That is why I want to spend some time reviewing the history of the TAA program, its purpose, and recent proposals for reform, and how those factors are reflected in the bill.

I also want to review some important points about what this bill does and does not do. Unfortunately, there is a lot of misinformation out there. I want to clear up some of the inaccuracies that have cropped up about specific parts of the bill.

Last, I want to review my efforts to make this a bill with bipartisan appeal. That has been my goal—and, I think, one I share with Senator DASCHLE and Senator BINGAMAN—from the beginning. I really believe we have achieved that goal. So I want to touch on how that happened as well.

First, I will start with a little history.

Trade Adjustment Assistance—what we call TAA—was created in the Trade Expansion Act of 1962 and revised to its current form in the Trade Act of 1974. It was last revised in the 1993 NAFTA Implementation Act, which created a special program for NAFTA-impacted workers.

The purpose of the TAA program is to help workers who lose their jobs and firms that face layoffs as a consequence of international trade.

In 1962, President Kennedy said.

> Those injured by . . . trade competition should not be required to bear the full brunt of the impact. There is an obligation [for the Federal Government] to render assistance to those who suffer as a result of national trade policy.

When President Kennedy said those words, the United States had a trade surplus. Imports amounted to less than 5 percent of GDP. But the President and a bipartisan majority of the Congress were wise enough to realize that the benefits of increased trade are not evenly distributed. They realized that we, as a government, have an obligation to help those who are displaced by trade policy to get back on their feet.

Today, as we all know, there is a huge trade deficit. Imports as a share of GDP have tripled. These facts can lead to only one conclusion—the rationale for having a strong, effective trade adjustment assistance program are even stronger today than they were when the program was created. That is why 66 percent of Americans responding to a recent poll agreed with the following statement:

> I favor free trade, and I believe that it is necessary for the government to have programs to help workers who lose their jobs.

Congress has regularly reauthorized the TAA program—about every 5 years—and always with bipartisan support. It was with that history in mind that Senator BINGAMAN, Senator DASCHLE, and I embarked on this current exercise to reauthorize and reform the program.

But before turning to the specific provisions of the bill, I want to spend a moment on what the current TAA program does.

There are currently three TAA programs: regular TAA for workers, NAFTA-TAA for workers, and TAA for firms.

The two worker programs run out of the Department of Labor. They help workers who lose their jobs due to trade to get retrained for new careers. To achieve that goal, TAA provides a very modest level of income support to tide over workers while they retrain. It also pays for training and provides job search and relocation assistance where needed.

The TAA for firms program provides technical assistance to mostly small- and medium-sized businesses that face layoffs due to import competition. The program helps firms become more competitive so they can retain and expand employment.

People sometimes call TAA the "Cadillac" of U.S. displaced worker programs. I find that misleading. It is true that TAA provides more benefits that other U.S. programs for displaced workers. But please remember that no one wants to be in TAA. The prospect of a government check for about $250 a week is not an incentive to linger in this program when you have a mortgage to pay, a family to feed, and medical expenses to pay. I hope we can get past this "Cadillac" discussion and get down to the real issues.

The TAA program has a 40-year history, and we have learned some things from experience. Over the last few years there has been a growing consensus that it was time to take another look at this program and see how it could work better.

In the past 2 years, the GAO has done four very comprehensive studies of every aspect of the TAA program. GAO has noted some problems in the way the program operates and made some concrete recommendations for reform.

In addition, the bipartisan Trade Deficit Review Commission has looked at TAA. The Commission included our current USTR, Ambassador Zoellick, as well as Secretary Rumsfeld, former USTR Carla Hills, and others representing a wide range of views. As you probably know, they did not agree on much of anything. But their report contains one unanimous chapter recommending revision and expansion of the TAA program.

The GAO and the Trade Deficit Review Commission's recommendations for improving the TAA program include expanding TAA to cover secondary workers and assisting TAA participants with health insurance.

Also, they recommend making sure income support lasts as long as training. After all, you need work while you are getting trained.

They recommend creating a performance evaluation system to track program outcomes to see if it is working.

They recommend providing wage insurance.

They recommend assisting trade-impacted communities and assuring adequate funds for training.

That is the unanimous recommendation of the Trade Commission.

That, in a nutshell, is how this bill began. We didn't start out trying to add as many bells and whistles as possible to this program. We didn't add too much in the expectation of negotiating down later.

We simply took the nonpartisan and bipartisan recommendations of the GAO and the Trade Deficit Review Commission and wrote them into statutory language. This is basically what we did along with Senators DASCHLE and BINGAMAN. And we tried to do it in a fair and sensible way that would make the program work better and treat all trade-impacted workers equally.

Let me take a few minutes now to walk through some of the major provisions of the bill.

The first thing this bill does is unify the two TAA programs for workers—regular TAA and NAFTA-TAA. The unified TAA program pretty much adopts the existing NAFTA-TAA rules, which are the more recent. Consolidating these two programs creates a single set of application procedures, eligibility criteria, and training requirements. This makes the program a lot more user friendly for workers and easier for the Department of Labor to run. Unlike current law, the unified program will provide income support for the full length of training. That way workers can finish the training they need instead of dropping out when income support runs out. The Administration supports these changes.

The second thing this bill does is extend TAA coverage to workers who lost their jobs when their plants relocate abroad.

Right now, these so-called "shifts in production" are covered under NAFTA–TAA, but not under regular TAA. That means that if a factory relocates to Mexico or Canada, the displaced American workers are covered. But if the factory relocates to Thailand or Chile, they are not. That is not fair. It is not sensible.

This is not a fair or sensible way to run a trade adjustment program. There is no difference between a worker whose job moves to Mexico and one whose job moves to China. Their adjustment needs are exactly the same. The bill cures the unfairness of current law by extending TAA to cover shifts in production to any country.

The third thing this bill does is extend TAA coverage to secondary workers. Secondary workers are workers who supply parts to or perform finishing operations on a product produced by another so-called "primary" firm.

Right now, regular TAA does not cover secondary workers. Think about a case where an auto assembly plant closes because of import competition from Japan or Korea and that forces the nearby plant that supplies tires for the cars to close. All these worker lost their jobs for the same reason. But right now, the auto plant workers get TAA benefits while the workers at the nearby tire plant do not.

In 1993, secondary worker coverage was added in NAFTA–TAA. But workers can only get the benefits when the imports are from Mexico or Canada. At that time, it made some sense to extend this coverage for trade between the three countries in the new NAFTA agreement.

But now, nearly ten years later, it is time to extend the same benefits to all secondary workers. When we added secondary workers in NAFTA, it was understood that eventually it would only make sense to do it for everyone. Since then, the WTO Uruguay Round agreements have expanded trade with 145 countries, we have granted permanent normal trading relations status to China, and we have entered an FTA with Jordan and a trade agreement with Vietnam. It doesn't make sense anymore to limit these benefits to imports from Mexico and Canada. It is time to apply them across the board.

Now there have been a lot of misunderstandings about the secondary worker coverage in this bill. You have probably heard someone say that this is a radical expansion of the concept of secondary workers—that it will sweep in all sorts of people with very tenuous ties to the imports at issue. I have to say that the people making those claims have not read the bill very carefully. The definitions of secondary workers in the bill are based closely on the definitions used in the NAFTA. We have broadened the definition of supplier firms slightly, to catch some people we think are unfairly left out under current law. But other than that, this bill does not change how secondary workers are defined—it just makes secondary worker coverage universal.

The fourth thing this bill does is reauthorize the TAA for firms program. This is a jewel of a little program that operates out of the Commerce Department. It has helped small- and medium-sized companies in Montana and nationwide that face layoffs due to import competition. Technical assistance provided under this program helps these firms become more competitive so they can retain and expand employment. The program is very cost effective. It requires the firms being helped to pay a share of the cost of assistance, and it pays the government back in federal and state tax revenues when the firms succeed.

The fifth feature of the bill is a new TAA program for communities.

Communities that experience mass layoffs due to trade competition are really in a bind. This is especially true in smaller and rural communities, such as we have in Montana. These communities may not have a lot of job opportunities for displaced workers, even with TAA retraining. Indeed, one of the main criticisms of the current TAA program is that it does nothing to make sure there are jobs for workers at the end of the retraining process.

There are a number of federal programs out there that might offer some help. They are all over the map—in Commerce, Treasury, Labor, Agriculture, HUD, and the SBA, just to name a few. But these communities have no way to start, no go-to person or resource to guide them through the maze of potential help. And the federal government doesn't make it any easier. There is very little coordination of response among the various agencies. Finally, even if communities can find these Federal resources, most existing programs are not tailored to the special needs of trade-impacted communities.

This bill tries to make federal economic assistance work better for trade-impacted distressed communities in a few simple ways. It creates a single office responsibility for coordinating the federal response. And it creates a single point of contact for the community throughout its recovery process. It gives communities the technical assistance they need to develop a strategic plan—basically a roadmap for economic recovery. That helps ensure that Federal resources are being used in the most coordinated and cost-effective way possible. Finally, it makes sure that there are expertise and resources tailored to the special needs of trade-impacted communities.

The next real innovation in this bill is the TAA program for farmers, ranchers, and fishermen.

Family farmers, ranchers and fishermen are nominally covered by the current TAA programs for workers. But hardly any have participated. They usually can't qualify, because they don't become unemployed in the traditional sense and they often don't qualify for unemployment insurance—two TAA prerequisites.

In NAFTA–TAA, there was an attempt to shoe-horn family farmers into the program by waiving some of the eligibility requirements. But even that has not worked to bring trade-impacted farmers into the program.

After several decades of trying with little success to squeeze farmers into eligibility rules designed for manufacturing workers it is time to try something new.

What this bill does is create a TAA program better tailored to the needs of farmers, ranchers, and fishermen. Basically, the program creates a new trigger for eligibility. Instead of having to show a layoff, the farmer, rancher or fisherman has to show commodity price declines related to imports.

The trigger is different, but the program serves the same purposes. It is basically a hybrid of the TAA for workers and TAA for firms programs, using parts of each that make sense for agricultural producers. It assists the farmer, rancher or fisherman to adjust to import competition, to retrain, to obtain technical assistance, and to have access to income support to tide them over during the process. And the income support is capped and is subject to gross income limitations to make sure that the program is not being abused.

The last important innovation in this bill deals with health insurance. One common criticism of the existing program is that it does nothing to help workers with health insurance.

It is virtually impossible for a worker to pay the mortgage, feed his family, and pay health insurance premiums on $250 a week. The worker faces a terrible choice. He can retrain under TAA in the hope of a better job—but risk going without health insurance for his family for up to two years. Or he can pass up the opportunity to retrain for a better future and take a dead-end job right away to make ends meet.

The bipartisan Trade Deficit Review Commission concluded that lack of assistance with health insurance is a significant disincentive to complete TAA training. As I said before, this group unanimously recommended that the Government help workers bridge the insurance gap between old and new jobs. And that is what we have done with this bill. Again, Secretary Rumsfeld, Ambassador Hills, and Ambassador Zoellick agreed to this point.

The bill before us today includes a 73-percent advanceable, refundable tax credit for COBRA premiums for workers eligible for TAA benefits. TAA participants who are not eligible for

COBRA can use the tax credit to purchase health insurance from various State-sponsored group plans.

This issue has been surprisingly controversial. I am not saying that there is only one right way to address this issue. But what has shocked me is the number of voices suggesting that we should do nothing at all; that is, that we not help people, who are displaced on account of trade, with health insurance. That is just not acceptable. I hope we are past that now and headed toward a reasonable compromise and that we can move forward constructively to help people who need health insurance.

Now that I have gone over the main parts of the bill, I want to speak a little about the tradition of bipartisanship on trade adjustment assistance.

Since its inception, the TAA program has always enjoyed wide bipartisan support. As I said before, a lot of work has gone into making sure this bill is no exception.

Before the bill was drafted, we consulted widely with our colleagues on both sides of the aisle. We have continued that outreach throughout the process. I thank again, Senator BINGAMAN and Senator DASCHLE for their leadership on this issue. But I also thank Senator GRASSLEY, whose proposal with Senator CONRAD for a TAA for farmers program became the core of the farmers and fishermen portions of this bill. And I thank Senator SNOWE, who has made some very important contributions to the bill dealing with fishermen, small businesses, and other issues. Her support and cosponsorship are very much appreciated.

We have also talked with the administration. They raised some technical and not-so-technical issues, and we have been able to come to understandings on many of them.

The administration wanted us to tighten up training waivers, and we did. They wanted us to cap the wage insurance program, and we did. They wanted us to revise TAA's on-the-job training provisions to work more like WIA. We did. They wanted us to clarify the definition of secondary workers and to make sure the Department of Labor has enough time to consider secondary worker petitions. We did that, too.

This process of give and take has been healthy. It has been useful. And I think the result is a good, solid, thoughtful bill, one that will make this program more fair, more efficient, and more user friendly.

If we want to rebuild the center on trade, improving trade adjustment assistance is critical. It is an integral part. It is a necessary part. I urge all my colleagues to support this provision and support the larger trade package, particularly when we proceed to consider it at a later point either this week or next.

I thank the Chair. And I particularly thank my friend from Alaska for his indulgence.

MORNING BUSINESS

Mr. DASCHLE. I ask unanimous consent the Senate now proceed to a period for morning business.

The PRESIDING OFFICER (Mr. BIDEN). Without objection, it is so ordered.

Mr. DASCHLE. Let me further stipulate, Senators be limited to 10 minutes in time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska.

(The remarks of Mr. STEVENS pertaining to the introduction of S. 2481 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAISING EPA TO CABINET-LEVEL STATUS

Mr. REID. Mr. President, in recent years, some of my colleagues have opposed elevating the Environmental Protection Agency to Cabinet-level status. You and I have argued that the protection of our public health and environment, EPA's mandate, is as important as the congressional mandates which guide other Cabinet-level agencies. If the EPA enjoyed the same status as the Department of Energy or the Interior Department, maybe EPA's policies would carry the day occasionally.

As things stand, EPA is certainly losing the battle within this administration from clean air to climate change to snowmobiles in our national parks. EPA's views are overridden, undervalued, and watered down.

Take the issue of snowmobiles in Yellowstone and Grand Teton National Parks. I have spoken about these issues before. I have offered amendments that have been adopted in this regard. Snowmobiling in Yellowstone National Park and Grand Teton National Park has become popular in recent years; so popular, in fact, that the activities overwhelm the parks, its employees, and its wildlife.

Up to 1,000 snowmobilers enter the Yellowstone Park on winter weekends, most of them through the gateway community of West Yellowstone, MT. On steel cold days, a visible haze hangs over the park's gate and surrounding area. Rangers at this park wore Park Service-issued respirators this winter because the air quality had been so degraded by emissions from snowmobile engines.

I repeat, park rangers at Yellowstone National Park wore respirators because the air was so bad because of snowmobiles. These respirators were issued by the Park Service.

What have we come to when rangers have to wear a respirator in our national parks? At the very least, it is an embarrassment. I think it is a tragedy.

EPA, the protector of the air we breathe, wisely advocated banning snowmobiles due to their air quality impacts, but those were not the only impacts EPA raised. Snowmobiles also stress Yellowstone's wildlife. The noise generated by so many snowmobiles, coupled with the vehicle's capacity to reach speeds of up to 90 miles an hour, force the park's wildlife, to say the least, to expend valuable energy to avoid contact with these snowmobilers.

The National Park Service studied the snowmobiles' impact on the parks for the better part of 10 years, receiving hundreds of thousands of public comments on this subject. The comment included those from the EPA. As I have said, EPA recommended a ban based on air quality concerns.

In November of 2000, the Park Service ordered the snowmobiles be gradually phased out in Yellowstone National Park and Grand Teton National Park and the 8-mile road connecting the two.

By the year 2004, snowmobiles would be banned completely from these parks. With so many proconservation Clinton-era policies, the Bush administration balked at implementing this rule. With the snowmobile industry in mind, rather than the millions of Americans who visit our parks, the White House ordered the Park Service to restudy the impact of snowmobiles on park resources.

The writing was on the wall that this administration expected the Park Service to reach a different conclusion when it reexamined the data. Perhaps they hoped the evidence would support the position they favored, some sort of a faith-based approach to science.

As part of the new review, EPA had the integrity and the courage to stick to the position it held throughout the history of this debate. I commend Governor Whitman for that.

In its public comments, EPA repeated the assertion from 3 years ago that banning snowmobiles is the best available protection for air quality and health of workers and visitors alike. EPA said even a limited number of snowmobiles may violate air quality standards.

I ask unanimous consent that the comments of the Environmental Protection Agency to the Assistant Superintendent at Grand Teton National

Park setting out their position be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENVIRONMENTAL PROTECTION
AGENCY, REGION VIII,
Denver, CO, April 23, 2002.

Re Draft supplemental EIS for winter use CEQ #020130.

STEVEN F. IOBST,
Assistant Superintendent, Grand Teton National Park, Moose, WY.

DEAR MR. IOBST: As a Cooperating Agency in the Supplemental Winter Use Planning Process, and in accordance with our responsibilities under the corresponding Memorandum of Agreement with the National Park Service (NPS), the U.S. Environmental Protection Agency (EPA) has reviewed the Draft Supplemental Environmental Impact Statement (DSEIS) for Winter Use Plans at Yellowstone and Grand Teton National Parks and John D. Rockefeller, Jr. Memorial Parkway (the Parks). We provide the following comments to assist NPS in producing a document that meets the intent of the National Environmental Policy Act (NEPA) and the terms of the Settlement Agreement that led to this Supplement. These comments are provided in accordance with EPA's responsibilities under NEPA and Section 309 of the Clean Air Act, and we hope they will be useful to you as you complete this supplemental analysis.

EPA thanks the NPS for the opportunity to participate in this SEIS as a Cooperating Agency. NPS has again fully involved the Cooperating Agencies at every point in this process. NPS was extremely responsive to the Cooperating Agencies, and we appreciate the almost weekly opportunity to provide input and ask questions. We also appreciate NPS' efforts to fully evaluate and utilize applicable information and input from the Cooperators. While the Settlement Agreement set a very tight time frame for this analysis, and though NPS received much of the new information much later than expected, the NPS planning and analysis team is to be commended for doing a remarkable job in assembling this DSEIS.

This DSEIS amends the Final Winter Use EIS (FEIS) issued in October, 2000. The two primary purposes of the DSEIS are as follows: (1) to solicit more public input, and (2) to include data from new snowmobile technology and other new information. This DSEIS analyzes four alternatives that fall within the range of those alternatives presented in the FEIS.

Alternative 1a represents the November 2000 Record of Decision (ROD), fully phasing in he transfer of motorized access to snowcoaches by 2003–2004. The existing ROD implements FEIS Alternative G with minor modifications.

Alternative 1b is identical to 1a except implementation is extended one additional year, with full implementation in 2004–2005.

Alternative 2, at full implementation, requires 50 percent lower emissions on all snowmobiles, and caps snowmobiles in Yellowstone at 1,300/day pending a carrying capacity analysis.

Alternative 3, at a full implementation, requires "best available technology" for reducing emissions and noise for all snowmobiles entering the Parks, and all snowmobiles would be accompanied by a NPS licensed guide. Alternative 3 caps use in Yellowstone at 930 snowmobiles per day until a carrying capacity analysis is completed.

EPA fully supports continued winter access to these National Parks. Given the analysis presented in the DSEIS, EPA is satisfied that if applicable regulation, law, and federal policy are followed. Park resources can be protected while maintaining motorized winter access to these Parks. While this comment letter will suggest some adjustments and additional analyses, EPA finds the Park Service again used the best-available information, scientific analyses, expert agency comment, and public input in assembling both the DSEIS and FEIS (as required by 40 CFR 1500.1(b)). The assessment of impacts in the DSEIS and FEIS is supported by an extremely thorough and credible body of human health, environmental, and wildlife science, much of which is site-specific to the Yellowstone ecosystem. NPS, academic and agency researchers have actively studied the impacts of snowmobile use for over 10 years in these Parks. The Yellowstone ecosystem has the benefit of more peer-reviewed scientific research on the effects of motorized winter recreation than any other place on earth.

EPA's primary concern with this supplemental analysis is that three of the four DSEIS alternatives (1b, 2 and 3) threaten to exceed National or Montana Ambient Air Quality Standards for carbon monoxide in the first year of implementation (2002–2003). NPS has the ability, information and authority to set interim limits to vehicle numbers that would assure compliance with Air Quality Standards. EPA encourages interim vehicle limits be sufficiently reduced in the FSEIS to assure compliance with these standards. Although complying with Air Quality Standards does not assure elimination of the impairment to visibility of human health caused by vehicle exhaust, it is an achievable first step toward resolving the impaired air quality in these Parks.

In November, 2000, NPS issued a Record of Decision (ROD) that resolved the winter-use threat to National and State air Quality Standards as well as the significant impairments to human health, visibility, wildlife and soundscapes. This remedy was to being with actions taken this past winter (2001–2002), with full implementation in 2003–04. EPA recently learned that some actions required by the ROD to reduce impacts to air quality this past winter were not implemented. The ROD is an active policy document and represents an agreement with the public for managing winter use in these Parks. EPA is concerned that air quality, human health and visibility continued to be impaired this past season. As discussed in our enclosed Detailed Comments, EPA is suggesting that interim limits be adjusted in each of the SEIS alternatives to assure compliance with air quality standards beginning this coming season (2002–2003).

Environmentally preferred alternative

EPA has carefully considered the new information, analysis and alternatives presented in the DSEIS, and we find FEIS Alternative G remains the environmentally preferred alternative. The analysis presented in this EIS clearly indicates FEIS Alternative G would provide the best available protection to human health, wildlife, air quality, water quality, soundscapes, visitor experiences, and visibility while maintaining motorized and non-motorized winter access to these Parks. We are confident that Alternative G will fully comply with all applicable environmental regulations, policy and Executive Orders. EPA has no objections to this alternative.

EPA rating

Based primarily on the disclosure in this DSEIS that Alternatives 1b, 2 and 3 would likely result in noncompliance with air quality standards and that air quality could negatively impact human health, EPA is rating these three action alternatives EO–2 (Environmental Objections, 2—Insufficient Information). Alternatives 2 and 3 are likely to be inconsistent with NPS environmental policy regarding protection of air quality and related values. "EO–2" indicates that the EPA review has identified environmental impacts including possible violation of environmental regulations that can and should be avoided in order to fully protect the environment. Corrective measures may require substantial changes to the alternatives or consideration of additional project alternatives. The identified additional information, data, analyses or discussion should be included in the Final SEIS (FSEIS). While Alternatives 1b, 2 and 3 all receive the same EO–2 rating, EPA notes that there are substantial differences in environmental performance between these alternatives (see enclosed Detailed Comments). EPA finds no environmental objection to the No Action Alternative (1a). A full description of EPA's EIS rating system is enclosed.

Because the decision maker can select from among alternatives in both the DSEIS and the FEIS, EPA is providing a brief assessment of the alternatives in the FEIS as well. Because FEIS Alternatives A, B, C, D, E and F would likely not comply with environmental regulation, policy and executive orders, EPA has expressed environmental objections with these alternatives (see EPA comments on Draft and Final EISs). Again, EPA finds no environmental objection with Alternative G.

We appreciate the opportunity to review this DSEIS and provide comments. A set of detailed comments on the DSEIS is enclosed. Thank you for your willingness to consider our comments at this stage of the process, and we hope they will be useful to you. Should you have questions regarding these comments, please contact Phil Strobel of my staff.

Sincerely,

MAX H. DODSON,
Assistant Regional Administrator for Ecosystems Protection and Remediation.

Mr. REID. Mr. President, it is important to print this in the RECORD because the administration had already signaled it expected the EPA to again sacrifice its own best scientific judgment to the political will of special interests. Again, the administration is signaling that the agency views will not be afforded weight.

When the comments were revealed this past weekend, Administrator Whitman immediately came under fire to repudiate the longstanding policy of the EPA. While they have not gotten that for yet, EPA immediately instituted new policy designed to ensure that its views were in line with Cabinet-level counterparts. Perhaps elevating EPA to a Cabinet-level department would begin to change the outcome of these cases and elevate the importance of environmental protection to this administration. In this case, it is critically important that EPA and their views prevail.

I ask Governor Whitman to stand strong. Yellowstone and Grand Teton are national treasures. People visit from all over the world in all seasons to see Old Faithful and the Grand Teton range.

As I have said here before and other places, snowmobiling is an important form of recreation for many Americans. I snowmobile, and it is a lot of fun. Thousands of Nevadans snowmobile. But banning these vehicles from Yellowstone and Grand Teton will have almost no impact on the opportunities open to snowmobilers around this country. There are 130,000 miles of snowmobile trails in the United States. These two national parks have a combined total of 600 miles. If the Park Service bans snowmobiles from these places, there will still be 129,400 miles of trail for snowmobilers.

I hope my colleagues will join me in recognizing the value of the Environmental Protection Agency. To the administration, I hope they will join me in recognizing the value of our national parks and the need to preserve these wonderful national treasures of which Nevada has one, the Great Basin National Park, and it is a beauty. The Great Basin National Park is the second newest. We have a mountain peak that is about 13,000 feet high, but yet below that the park has some of the desert foliage. It represents everything in the Great Basin.

In addition to that, the park has the oldest living attractions in the world in it, such as bristle corn pines more than 5,000 years old. So it is one of our great national parks.

I have talked about two national parks today that I am particularly concerned about and hope we do not have snowmobiles rushing through there and we do not see park rangers with their Smokey the Bear hats with a respirator.

HAPPY BIRTHDAY, EVY DUBROW

Mr. BYRD. Mr. President, it is rare that I get to extend a birthday greeting to someone older than I. It is even more uncommon for me to extend such a greeting to someone who has been working the halls of the U.S. Senate longer than I. Today, I do both. With delight, I want to take a few minutes to extend a very warm and sincere, if a little belated, birthday greeting to a dear friend, Ms. Evelyn Dubrow, whose birthday was May 6.

Affectionately, as well as professionally, known throughout Congress, Washington, D.C., and the labor unions around the country as "Evy," she has been involved in the American labor movement for more than sixty years, most of the time as a labor lobbyist. She was with the International Ladies Garment Workers Union, ILGWU, for more than forty years. More recently, she has been vice president and legislative director of the Union of Needles Trades, Industrial and Textile Employees, UNITE.

Today, women lobbyists are quite common on Capitol Hill. According to the Hill newspaper, women now account for about one-third of the Capital's more than 11,000 registered lobbyists. When Evy first arrived as a lobbyist in 1956, women lobbyists were rare, and the U.S. Senate was still overwhelmingly a men's club.

Evy was not deterred. She had come with a determination and a cause—to improve the living and working conditions of American workers—and she was not to be denied. Her very first fight was opposing a proposal to outlaw secondary boycotts. For this effort, she enlisted none other than Massachusetts Senator John F. Kennedy, who sponsored her amendment.

Her next issue was seeking an increase in the minimum wage to an unheard of level of one dollar an hour!

Since then, she has had a tireless and active role in helping to bring about most of the important laws on economic and social justice since the 1960s. She has worked on civil rights legislation, the establishment of Medicare, minimum wage, pension protection, and occupational safety and health rules. She stands for everything that is good and best about the American labor movement. As my good friend and colleague, Senator ERNEST HOLLINGS said of her, "She is the union label."

Although Evy stands less than 5 feet tall, I have seen her stand eye-ball-to-eye-ball with the likes of the 6 foot 5 inch Senator Bill Bradley, the 6 foot 6 inch Senator JAY ROCKEFELLER, and 6 foot 7 inch Senator Alan Simpson.

And that is exactly the way she has always lobbied, eye-ball-to-eye-ball. It is not through the fax machine, or over the cell phone, or from e-mail. This little workhorse walks right into your office, meets you person-to-person, and makes her case.

Evy is never heavy-handed. Good lobbying, she says, is "presenting your case and proving it," and that is what she does.

As a liberal labor lobbyist, her heros have tended to be liberal Democrats, including Harry Truman, John F. Kennedy, and Hubert Humphrey. But on her list of heros, she also includes Senator Barry Goldwater, hardly a liberal Democrat. When asked why she did so, Evy replied, "He was completely honest and didn't mince words."

That is a perfect description of Evy, she is "completely honest" and does not "mince words."

As a lobbyist on Capitol Hill for more than four decades, Evy has become more than an institution, she has become a fixture in the U.S. Congress. She has known almost every member of the Congress from the first day she arrived, and today she is as well known, and just as equally at home in Congress, than many members.

In addition to the Members of Congress, she has befriended doorkeepers, receptionists, Capitol Hill police, and many others who work here. She always has a kind word and a smile for anyone and everyone.

Her credentials are as long as they are impressive. She worked a decade for the legendary president of the ILGWU, David Dubinsky. With but a single exception, she has attended every Democratic Convention since 1948. She has met with every President from Eisenhower to Clinton. She has been awarded the Presidential Medal of Freedom, the Nation's highest civilian honor. Perhaps her greatest accomplishment came years ago when she served as a babysitter for the likes of Al Gore and CHRIS DODD when their fathers were Senators.

But I want to make it clear, to most, if not all Members of Congress, she is more than a lobbyist. She is more than a friend. She is "Evy!"

At any rally, any party, or any gathering in Washington, you will eventually hear someone say, "Evy is here," and everyone knows exactly what is meant, and nearly everyone smiles. As I have heard it said many a time: "Everyone loves Evy."

Indeed we do. Her admirers are many. Her friends are legion.

God bless you Evy and happy birthday!

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred November 1, 1991 in Brattleboro, VT. Two gay men were beaten by two juveniles who were heard to make anti-gay remarks. The assailants were charged with a hate crime in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

THE SECTORAL MARKET ASSESSMENT FOR REGIONAL TRAINING ENHANCEMENT AND REVITALIZATION ACT

Ms. COLLINS. Mr. President, I rise today to speak on a bill that Senator CANTWELL and I introduced yesterday that will make it easier for States and localities to secure meaningful work for dislocated workers. Senator CANTWELL is a true advocate for unemployed workers and for economic development, and it has been a pleasure to work with her on this and other initiatives designed to strengthen our workers and our communities.

This is designed to increase the ability of States and local workforce investment boards, under the Workforce Investment Act, WIA, to match trained workers with productive jobs and also to create systematic change in a targeted industry or occupation. Our bill creates a three-step process for States and local workforce boards to accomplish this goal:

The first step involves a study. Using the latest labor market and economic information, States or local workforce boards will prepare detailed assessments of local areas that identify the gaps between the expected and demand and supply of labor in industry sectors. The second step involves plan. Local workforce boards will join with partners from industry, labor, and the economic development and training sectors to develop comprehensive plans for implementing the assessments, in order to fill the gap between supply and demand. The third and final step involves grants. The local boards will make seed grants for training individuals to meet the demand for workers in certain industries.

In my home State of Maine, I have worked with local workforce boards, regional technical colleges and high schools, businesses, workers and community leaders to develop training programs that focus on particular market sectors within a particular region. I secured Federal appropriations for programs to train workers in the metal trades in northern and western Maine. Today, dislocated workers in Aroostook County and Rumford, Maine are being trained as metal workers.

I also secured funding for a training pilot project in the Central Maine area that will introduce a photonics curriculum in the regional technical high school to train students for careers in the growing field of photonics. This year I am hopeful that a request to fund a program targeted at training in the health care area in Southern Maine will be granted.

This bill takes an innovative approach and provides tools to States, localities and regions to implement the provisions of the Workforce Investment Act more effectively. By retraining dislocated workers, we give them access to productive and well-paying work. We also make our workforce stronger to face the challenges of the global marketplace.

IN HONOR OF SECRETARY OF STATE COLIN POWELL'S 65TH BIRTHDAY

Mr. LIEBERMAN. Mr. President, I rise to recognize a milestone in the life of one of America's most honored and honorable leaders on the occasion of his 65th birthday, our 65th Secretary of State, Colin Powell.

Time and again, when Colin Powell's country has needed him, he has answered the call. He spent 35 years as a professional soldier, in which he rose to the rank of four-star general and then served as Chairman of the Joint Chiefs of Staff under the first President Bush. In 1991, Secretary Powell led the American effort to liberate Kuwait from Iraqi aggression in the Persian Gulf War.

In 1997, then-General Powell helped found America's Promise the Alliance for Youth—designed to marshal Americans to get involved in the lives of young people so that every child, regardless of race or income, has a life with caring adults, safe places, a healthy start, marketable skills, and opportunities to serve. In this capacity, Colin Powell proved that his tenacity, skill, and focus could just as easily help inspire a child as it could help win a war.

Now, as our Secretary of State, Colin Powell faces yet another formidable challenge, and he is once again leading with confidence, competence, and a principled vision. Our country is deeply grateful for his service as he guides our foreign policy, including the twin challenges of coordinating the diplomatic component of the war against terrorism and attempting to guide the Middle East toward peace. America needs his sharp mind, calm voice, and sound judgment now more than ever, and I know that Secretary Powell will not let us down. He will help this country protect its people, live up to its most precious values, and build a safer, freer, and more democratic world.

Thomas Jefferson, our Nation's first Secretary of State, once said that, "A character of justice . . . is (as) valuable to a nation as to an individual." I can't think of a life that exemplifies that sentiment more powerfully than that of Colin Powell.

Secretary of State Powell talked candidly about his life's accomplishments, and the many challenges before him, in a revealing profile on the occasion of his birthday, written by White House and State Department correspondent Trude Feldman. To pay tribute to one of our strongest and most admired leaders, I ask unanimous consent that Ms. Feldman's article, syndicated, by International Press Syndicate, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COLIN POWELL AT 65: A DYNAMIC STATESMAN

(By Trude B. Feldman)

At an age when most Americans are looking towards a comfortable and secure future for themselves and their families, Secretary of State Colin L. Powell is confronting two of the most serious crises the U.S. has faced in the past 50 years.

Between the war on terrorism and the powder keg in the Middle East, there was little time for reflection as Mr. Powell marked his 65th birthday last month.

"I'm not terribly sentimental about birthdays," he told me in an interview. "But frankly, I don't feel any different at 65. Aging is part of living and I'm not bothered by it. Every now and then, I realize that there are fewer years ahead, but that is also part of living. Most important is that I've been blessed with continued good health, a loving family and sincere friends."

While Colin Powell grew up in modest circumstances, he has always been rich in spirit and an inspiration to others. He personifies success, achieved not because it was handed to him, but because he earned it.

Today, a major player on the international scene, he has a strong presence, a calm voice and his demeanor generates confidence and admiration. He is the one President Bush sent to the Middle East to meet with Israeli Prime Minister Ariel Sharon and Palestinian leader Yasir Arafat to arrange a ceasefire between the parties.

He is not content to retire and enjoy leisure activities like playing golf or fixing old Volvos (one of his hobbies). His attention and energy are focused on making safer a troubled, dangerous world.

In the Middle East, Mr. Powell is demonstrating diplomatic elegance by relating, respectfully, to each of the participants, however intractable they may be. His dynamism and apparent empathy are qualities much in need for his current challenge.

I asked the Secretary if he would do anything differently if he were able to relive his 65 years.

"I never look back to see what I could do or might have done differently," he responds. "I guess I'm a total pragmatist. I can't relive my life, not for one minute, so why reflect on that instead of thinking about today and tomorrow? Each day I do the best I can, and move on. I also learn from lessons of the past by improving on the present and future."

What are some of his regrets? "Oh, what good are regrets? Regrets slow you down. Regrets cause you to fail to pay attention to the future. So I never log, count or inventory my regrets. I move on."

Colin Powell has used his years to break down barriers. He has been a role model, not only for America's men and women in the Armed Forces, but for millions of people the world over.

Since becoming America's 65th Secretary of State on Jan 20, 2001, he has visited 49 countries, including Russia, China, Nigeria, South Africa, and most of the capitals in Europe and the Middle East.

According to the Secretary's chief of staff, Bill Smullen, Secretary Powell relies on intellect, integrity and instincts to get the job done. "And that is coupled with a loyalty that works both ways—to those he works for and who work for him," Smullen adds. "It's an Army work ethic that works well for a man who has been a public servant for nearly 45 of his 65 years."

Smullen also notes that Colin Powell is armed with a healthy sense of himself and a firm set of values. "He is flattered to be seen as a role model, complete with G.I. Joe Action Figure," he says. "The Secretary has achieved considerable success through careers as a soldier, author, champion of children and now, statesman."

These qualities are used in the service of problem-solving such as alleviating poverty around the world, as attested to, for example, by one who should know—World Bank Group President James D. Wolfensohn.

"I believe that Colin Powell has combined his capacity for effective management with a true understanding of global humanitarian issues," President Wolfensohn says.

"In all that I have seen him do, he shows great sensitivity to the issue of poverty and to the concerns of those less fortunate than we are. I believe he acts in this way out of a sense of moral and ethical principles combined with an understanding that poverty anywhere is a domestic issue for the U.S. in this interdependent world in which we live."

James Wolfensohn, former Chairman of the Board of Trustees of the John F. Kennedy Center for the Performing Arts in Washington, DC, adds: "I not only wish Colin Powell a happy birthday and many more, but I hope he will be able to give the world his sensitive and enlightened leadership for many more years."

Stuart E. Eizenstat, former Deputy Secretary of the Treasury and Special Representative of The President and Secretary of State on Holocaust Issues, echoes similar sentiments. "I know, from my former State Department colleagues, that, in just over a year, Colin Powell has established himself among the career professionals as the most respected and admired Secretary of State in a generation.

"During the first six months of this Bush Administration, when I continued to serve the State Department as Senior Adviser to implement our Holocaust agreements, I could always depend on Secretary Powell's full support. In general, he has been an important ballast in this Bush Administration's foreign policy, adding a significant element of wisdom and good judgment."

I asked Secretary Powell whether he has changed, in a personal or official manner, since September 11th when terrorists attacked the World Trade Center and the Pentagon, murdering over 3000 people.

"You know, that tragedy struck the U.S., and put us in a war," he cautiously responds. "I have been in wars before; and I knew what I had to do as Secretary of State—to pull together a coalition, and take our case to the world. Today, some seven months later, the greatest public diplomacy challenge is to take our case to the Moslem world."

Born in 1937 in the Harlem section of New York City, and raised in the South Bronx, Colin Luther Powell is the son of Jamaican immigrants, whom he credits for his success. At City College of New York, his main interest was in the Reserve Officers Training Corps (ROTC). His degree, however, was in geology.

After he was commissioned a Second Lieutenant in the Army, he served in Germany; in Korea; and for two tours in Vietnam, where he was wounded twice. In 1971, he earned a Master of Business Administration from The George Washington University in Washington, DC. In 1990, he returned to George Washington to receive from its President, Stephen Trachtenberg, an Honorary Doctorate of Public Service.

"We take pride in watching one of our own graduates go 'from strength to strength,'" Dr. Trachtenberg says. "And Colin Powell is a splendid person."

As a White House Fellow in 1972–3, he worked in the Office of Management and Budget under Directors Frank Carlucci and Caspar Weinberger. Later, Colin Powell served as Military Assistant to Secretary of Defense Caspar Weinberger.

Now Chairman of Forbes Magazine, Secretary Weinberger observes: "It is hard to believe that Colin Powell is 65 years old because he looks exactly the same as he did when I met him more than 30 years ago. He keeps himself in excellent shape, another attribute that not everyone has. He also has a lovely wife, Alma, who is a great help to him.

"I have always known Colin Powell to be extremely able. He frequently knew more about a meeting than anyone else there because he prepared himself so very well. He has extraordinary leadership qualities, and although his only real ambition was to lead the troops in the field, those leadership qualities brought on the numerous other things that came his way.

"And because of those qualities he was unable to turn away from things that needed to be done. I know he will continue to serve our country in different capacities for many years to come."

When Colin Powell was Commander of the U.S. Army's Fifth Corps in Frankfurt, West Germany in 1986, President Ronald Reagan asked him to return to the White House as his Deputy National Security Adviser. On October 1, 1989, President George H.W. Bush selected General Powell as the 12th Chairman of the Joint Chiefs of Staff, the first African American and the youngest man to hold that office.

After the General's retirement, President Bush told me: "He was the ideal Chairman of the Joint Chiefs. He was always a soldier and advocate for a strong military, but his personal style, his decency and his sense of loyalty and honor made him great."

In recalling his relationships with the last four presidents, Secretary Powell notes: "What a privilege it was for me to serve each of these presidents. I consider myself fortunate to have been given that opportunity. Each one is different. Each is totally committed to our nation and what it stands for."

In 1993, upon Gen. Powell's retirement as chairman, President Bill Clinton stated: "I have come to see firsthand why our citizens view Gen. Powell as a man of stature and statesmanship. He stands as a model to all who believe that merit, hard work and integrity are the real foundation of achievement. America is in particular debt to Colin Powell. He has served our nation brilliantly."

That year, the Board of Trustees of The Ronald Reagan Presidential Foundation selected Colin Powell as the recipient of the 1993 Ronald Reagan Freedom Award for his "commitment to safeguard the freedoms and liberties of our nation and advance the spirit of these ideals worldwide."

General Powell was presented the award by President Reagan at his Presidential Library and Center For Public Affairs in Simi Valley, California on November 9, 1993. In an interview soon after, President Reagan described Colin Powell as a man of the highest integrity, intelligence and skills.

"I came to know him as someone I could rely on as a steady and wise adviser," the former president told me. "Colin is a man of tremendous decency. I admire him for his depth of character and steady determination to work for what is right and good. He has served our country well, and earned the respect of all who know him. I will always consider him a dear friend."

Thomas R. Pickering, Senior Vice President of the Boeing Company and respected diplomat, who served as Ambassador to Russia, India, Israel, Jordan, El Salvador and Nigeria, and who, as U.S. Ambassador to the United Nations from 1989–92, worked with Gen. Powell during the Gulf War, concurs.

"No one has earned congratulations for his 65th birthday more than Colin Powell," Ambassador Pickering says. "He is a marvelous leader and is making a huge difference in American foreign policy from the Middle East to the Far East and from Russia to China."

Richard Perle, now chairman of the Pentagon's Defense Policy Board, worked with Gen. Powell in the Pentagon in the 1980's and came to know him well. He is, Mr. Perle says, a man of "immense experience and talent, much wisdom, and rare candor. He is also a key part of the most impressive national security team since the end of the Cold War."

In December, 1993, Gen. Powell was given a private audience with Britain's Queen Elizabeth at London's Buckingham Palace, where she presented him with an honorary knighthood. (Gen. Powell's parents were born as British subjects). He was cited in recognition of his contribution to the Gulf War campaign (1991) to oust Iraqi forces from Kuwait.

In describing his philosophy of life, Secretary Powell maintains: "I strongly believe in living for today and preparing for tomorrow. I tell young people that the world is before them; that the only limitation to their success in the U.S. is that of their own dreams."

As to his secret for success, he puts it this way: "I still haven't found a secret for success because there isn't one. But I would say perseverance, working hard, studying hard, liking people and being loyal, tend to be traits for people who are successful.

"I have always worked extremely hard and been loyal to those for whom I worked, as well as to those who work for me. And like I did in school, or in the Army or in the Pentagon, or here at the Department of State, I diligently study the subject at hand, and I try to be well prepared on all issues."

How does Colin Powell view race relations in the U.S. today?

"My sense is that there is too much intolerance of one another," he replies. "That has manifested itself in many ways and places—in our colleges, workplaces and on the streets. Intolerance is destroying our communities. It is unfortunate when those who have suffered hate and cruelty turn their bitterness on one another. That violates every sense of what America is all about.

"If one brief lifetime of perseverance could pull down the Iron Curtain between the East and West, then our perseverance in America can bring down the iron curtain of hate that, in too many places, separates Americans from each other."

Like most cabinet officers, Secretary Powell has his critics, but he shrugs them off, with a grin. "I don't find it necessary to try to seek relief from critics," he asserts. "I have accomplished a public record of which I am proud."

Colin Powell is able to use any of several titles. Which one gives him the most satisfaction?

"I don't compare my positions with respect to which is better or most satisfying," he muses. "I care that I do each job well, whether it is that of battalion commander or Secretary of State."

So which title does he now prefer?

"I still prefer General, but am now used to Secretary. In fact, this was a subject of considerable discussion when I first arrived here at State. Word went out that I wanted to be called General. Not so. Call me anything. I like all my titles, from Lieutenant to Secretary. Secretary seems to have won out and that is appropriate. On the phone, I say, 'Hello, Secretary Powell here.'"

Prior to his secretaryship, Colin Powell was chairman of America's Promise—The Alliance for Youth, a national non-profit organization dedicated to mobilizing people from every sector of American life to build the character and competence of young people.

He also wrote his best-selling autobiography, "My American Journey", published seven years ago.

Bill Smullen also recalls that, often, during the past twelve years that he has worked for Colin Powell, he (Smullen) was asked whether the real Colin Powell is at all like the Colin Powell the public sees.

"My answer is always the same—Colin Powell is the real article. For all the right reasons, he has become someone the American people have come to know and trust. Now, as the President's chief foreign policy adviser, his exposure to foreign diplomats and publics around the world has expanded his popularity and respectability ratings."

In a 1993 interview, then-General Powell told me about the obstacles he confronted in his climb to become the first African American to reach the top in the military.

"The military is a very demanding profession," he recalled. "I was examined and screened at every level and in a thousand different ways over a period of 35 years. There was a process of reducing obstacles as I went through that. I might have had some earlier obstacles coming out of the inner city and being a product of a public school system.

"But it turned out that the school system in New York City was pretty good. Any disadvantages I had as a young person or because of my background, I overcame by my motivation to succeed."

And he succeeded in becoming the first African American Secretary of State.

Colin Powell has long had a vision of the U.S. and its role in the world. "I'm not embarrassed to call America a superpower because our power is one that underwrites peace in the world," he also told me in that interview—almost nine years ago.

"When we have to go somewhere to use our power we don't go to stay. We don't go to rule populations. We don't go to exploit anyone. We go to help and we come home when we are done. Even after WW II, the only land we claimed from anyone was the land we needed to bury our honored dead . Because of who we are, we have an obligation to be a strong leader in the world."

How does Colin Powell want to be remembered?

"I hope to be remembered as one who served his country faithfully and loyally," he told me. "Also, I'd like to be remembered as one who raised a nice family and devoted much time to making a difference in other people's lives."

And, if he were granted three wishes for his 65th birthday, what would they be?

"On a personal level, I've had a good life with every wish fulfilled I could imagine," he concludes. "I also have had a satisfying career. But if it were possible to have three wishes fulfilled in my lifetime, I would hope for real peace throughout the world; for prosperity for all Americans; and that we could reconcile all the differences that exist among people in our country, differences which keep us from achieving the dreams of our forefathers."

ADDITIONAL STATEMENTS

RECOGNIZING BRAIN TUMOR WEEK

• **Mr. THOMAS.** Mr. President, I rise today to recognize May 5-11, 2002 as Brain Tumor Action Week. In addition, I ask to include in the RECORD a truly inspirational account written by a young, Wharton MBA student.

The material follows:

MY JOURNEY WITH A BRAIN TUMOR

(By Adrienne McMillan Burns)

A recent Wall Street Journal article highlighted the fact that a brush with death can temporarily change our perspective on life for the better. Experiencing more than a brush—an extended fight against a potentially fatal disease—has served to sustain such a view for me. I believe these experiences, both brushes and extended fights with death, can ultimately be used to benefit many people. And I believe that those of us with these experiences serve our fellow humans well by sharing our stories.

Three years ago, after giving birth to my first child, I had a grand mal seizure. I awoke the next day in an ICU, and ultimately I was diagnosed with a brain tumor. The diagnosis was good as far as brain tumors go, but it was still a brain tumor, and the overall effect was a fast and harsh realization of my own mortality. I was 33 years old.

Life changed for me. As you might expect, I became interested in brain structure and function, and specifically in my own diagnosis and treatment. But life also changed for me in a more unexpected way. After living a life focused, to a great degree, on my own career goals and personal pleasure, I came to a different point of reference. I began to more fully appreciate that we have responsibilities in our journey on earth, not the least of which is the one to our fellow humans. I came to believe that the responsibility is simply to help one another—from the heart—in whatever way we can do it.

I changed my definition of success. Ralph Waldo Emerson once said, "To know even one life has breathed easier because you have lived, that is to have succeeded." I immediately needed to know that not one, but many lives breathed easier because of me. As I lay down for my surgeon to cut my head open, it became amazingly clear what really mattered to me. It mattered how I treated people—how I developed and conducted myself in relationships, especially my relationship with my maker. It mattered how proud I could be of the way I conducted my life, something no person in the world but me could know. My personal integrity, my adherence to my core beliefs, mattered. That's it. Nothing else.

I survived brain surgery and recovered, and I desperately wanted to share my good fortune. I wanted to make someone "breathe easier." My husband and I left established careers in Washington, DC (mine in the energy industry), and I returned to school to pursue an MBA focused on healthcare management. I was determined to use my experience to influence what I believed to be the most significant way to help others: improving the patient's experience in health care delivery. Personally, I experienced exceptional technical care, but I also experienced tender, compassionate care. It mattered greatly to me that a nurse who handed me medications in the middle of the night smiled as she did so. Her tender smile assured me, as I lay in great vulnerability, that the people to whom I entrusted my life cared abut my life. There were other smiles in the hospital, and they had the same effect on me. In retrospect, I'll never know if the smiles really indicated such a care. People could have been smiling for any number of reasons. But, I believed it was care, and that made a difference to me. There was an overall feeling of compassion in the hospital, and I know it had as much to do with my healing as did the expert hands of my surgeon.

My plans focused on systemic change. While not attributing health outcomes solely to smiles (!), I wanted to foster compassionate health care delivery. I wanted to provide hospital environments that allowed doctors, nurses and every other employee to deliver compassionate care along with the very important technical care. I believed that basic respect and appreciation of all employees was at the heart of inducing the much-appreciated smile and compassionate care.

With a newly found passion, I set an ambitious goal. I believed systemic change could primarily be effected from the top of an organization, therefore, that's where I wanted to be. I envisioned personally catalyzing movement to a higher health service standard by which every patient in the world eventually would be treated!

Two years later I had a recurrence of the tumor. Again, my surgeon expertly brought me through surgery, and this time I received radiation therapy in hopes of being done with the patient side of the health care world! Other than the affront to my vanity from lost hair, brain radiation wasn't all that bad, and getting to know other patients in the waiting room was a blessing.

In the interim two years, I've worked towards my goal. I completed half of the MBA, and I worked at a major academic medicine center. What I learned most during that time is that there are a lot of compassionate, smart people out there working to make patients breathe easier. I learned that we are a fortunate people to have so much effort directed at the goal of improving the lives of others.

I'll finish school this year and God willing, I'll work to effect smiles of compassion in health care delivery. But the recurrence gave me another, perhaps more important, insight. Not only can I improve lives through systemic efforts in health care delivery, but I also can improve the lives, in small ways, of the people with whom I come into contact each day. I can look people in the eye and smile. I can give people the respect we each deserve. I can seek out the good in all people; if I'm looking for the good, perhaps it's what I'll see, and it will probably influence my relationship with that person. That person probably needs to experience a relationship based on that view of him or herself. M.K. Gandhi once said, "Be the change you want to see in the world." I can do that, and I can do it now. That is significant.

In my experience, appreciation of mortality becomes a filter through which everything is forevermore received. This appreciation brought an amazing shift in my perception, and it's made the world seem an ever better place to me. I look for and I find more serenity, compassion, and integrity in the world. I find things more beautiful, and I find more beautiful things. I looked up—to God—and I remembered that He is my compassionate and tender caregiver. After experiencing acute depression, He (and a very good psychiatrist!) led me to rediscover pure, unaltered joy—the kind my three year old seems to feel when I allow him to choose any one thing he wants in the bakery near our home.

So, that tumor, as unwanted as it was, changed my life for the better—forever. It's been said that it's easy to forget a lesson from a brush with death, and I do catch myself taking life for granted on occasion. Yet, there's an underlying permanence to the shift in perception that cannot be reversed for me. I've talked with other patients—brain tumor and otherwise—who've said the same thing. It amazes me. It takes something terribly frightening to make us appreciate all the fortunes we have.

I'll close by going back to my thoughts on responsibility. It seems that many of my friends are searching—soul-searching or otherwise—and it seems that others are too. I want to do my small part to help someone in their search, or to make them breathe easier. Perhaps we all can help. Perhaps those of us who have had the occasion to contemplate mortality, at any level, can perpetuate the important lessons we each learn from the experience. We can tell our stories, thereby reminding ourselves and informing others of what we've found when everything but the basics of life are stripped away. By telling our stories, maybe we help each other to help each other. Maybe then we all breath a little easier. What a success!!●

SPECIAL AGENT TIMOTHY LATTERNER

● Mr. CORZINE. Mr. President, I want to bring to your attention a true American hero, FBI Special Agent Timothy Latterner.

Almost one year ago to the day, Special Agent Latterner confronted an armed suspect in the lobby of a busy Manhattan hotel. But putting his life on the line was nothing new to Tim. After all, he was a decorated army veteran who bravely served as an enlisted infantryman and officer in the 82nd Airborne.

However, during the early morning hours of May 11, Special Agent Latterner came face to face with a violent felon and one of the Federal Bureau of Investigation's Most Wanted. Following a lead, Latterner and his colleagues entered the hotel lobby taking by surprise a man wanted for sexual assault, kidnaping, armed robbery, and murder. With shouts of "he's got a gun" echoing throughout the lobby, bewildered hotel guests sought cover while Special Agent Latterner struggled with the suspect, who had drawn his weapon. Due to Special Agent Latterner's instinctive and heroic actions, the fugitive was subdued without injury to innocent civilians or law enforcement officers. Indeed, Special Agent Latterner's lightning quick reflexes saved the lives of his partners, hotel guests and staff.

One year later, Special Agent Latterner continues to be a role model, dedicated to his family, community, country, and the Bureau. On another fateful day, September 11, Tim provided invaluable assistance to the victims of the attack on the World Trade Center, again disregarding his own safety to help others.

Today, this honored eight-year veteran of the Federal Bureau of Investigation focuses his indefatigable efforts on a different type of criminal—terrorists who threaten our very way of life.

I am proud that such a man is one of my constituents, residing in the bucolic Borough of Allendale. His devotion to duty and professionalism will long be remembered and appreciated. I am pleased that I had the opportunity to bring him to your attention.●

BRIGADIER GENERAL WILLIAM E. ALBERTSON RETIRES

● Mr. NELSON of Nebraska. Mr. President, today it is my honor to share with my colleagues the life and achievements of Brigadier General William E. Albertson, a man who has served his country honorably and enthusiastically.

Brigadier General Albertson is a distinguished graduate of the United States Army's Engineer Officer Candidate School. Over his thirty-four year career, Brigadier General Albertson has served as an individual mobilization augmentee in the U.S. Army Reserve, Office of the U.S. Army Assistant Chief of Staff Intelligence, the Pentagon, and the Air Force Reserve.

For five years, Brigadier General Albertson served as the mobilization assistant to the director of intelligence at Offutt Air Force Base, the United States Strategic Command Headquarters in Bellevue, NE. He currently serves as the mobilization assistant to the director of the Defense Intelligence Agency in Washington, DC.

His awards and decorations include the Aerial Achievement Medal, Joint Meritorious Unit Award, Air Force Outstanding Unit Award with two oak leaf clusters, Air Force Organizational Excellence Award with two oak leaf clusters and numerous service medals.

He is a Certified Public Accountant and Certified Cost Analyst, as well as a member of the Air Force Association, American Society of Military Comptrollers, American Institute of Certified Public Accountants, Air War College Alumni Association and University of Missouri Alumni Association.

Brigadier General William E. Albertson has honored us with his dedication and on May 17, 2002, the day of his retirement, it is my honor to recognize him for his 34 years of service to our country.●

SEATTLE SLEW: TRIBUTE TO A TRUE CHAMPION

● Mr. BUNNING. Mr. President, I proudly rise today among my colleagues to pay tribute to one of the greatest thoroughbreds that horse racing has ever known: Seattle Slew. Yesterday morning, 25 years to the day after his victory in the 1977 Kentucky Derby, Seattle Slew died peacefully in his sleep in his stall at the Hill 'n Dale Farm near Lexington, KY. He was the last living winner of the Triple Crown and truly a great champion.

On July 19, 1975, Dr. James Hill, a New York veterinarian, and his wife helped Karen and Mickey Taylor pick out a yearling at the Fasig-Tipton's sale. The horse they bought that day for a mere $17,500, a near-black beauty, was the ideal confluence of strength, grace, and class. In the 1940s, the American thoroughbred industry began importing European stallions in a concentrated effort to produce the greatest species of thoroughbreds in the world. One such stallion, Nasrullah, had begotten Bold Ruler and this genealogical line led to an amazing eight Kentucky Derby Winners in the 1970s, including Seattle Slew.

During the 1970s, the sport of horse racing was at its ultimate peak. There were great speed horses such as Mr. Prospector, Danzig and Ruffian. And how can anyone forget such classic winners as Secretariat, Affirmed, Alydar and Spectacular Bid? Although these horses were great champions in their own right, none were able to combine amazing raw speed with distance-running capability like Seattle Slew. As owner Mickey Taylor stated, "He was the most complete thoroughbred the industry has seen."

From the very beginning of his racing career, Seattle Slew was destined for greatness. He won his first three starts as a 2 year-old, including the prestigious Champagne Stakes, which he won by nearly 10 lengths, running a mile in an astounding 1 minute 34⅖ seconds and smashing the record set in 1942 by the great Count Fleet. After these three victories, he was named champion 2 year-old colt. In 1977, Seattle Slew became one of only 11 horses in history to win the coveted and elusive Triple Crown. On May 7 after breaking slowly from the gate and swerving to the outside, Slew won the Kentucky Derby in a heated and intense battle with For the Moment by just 1¾ lengths. Two weeks later, he won the Preakness by an impressive 1½ lengths with the second fastest time, 1:54⅖, ever in that race. In June of '77, he captured the Triple Crown with a 4-length win at the Belmont Stakes and become the first horse to win the illustrious Triple Crown while still undefeated. As a 4-year-old, Seattle Slew continued to build on his reputation for greatness. In two epic battles of Triple Crown winners, Seattle Slew outsped Affirmed at the Marlboro Cup and easily defeated him in a race at Belmont Park. In 1979, Seattle Slew retired to stud at Spendthrift Farm having won 14 of his 17 career races. Although his racing career was now over, Seattle Slew's impact on the industry was just beginning. Overall, Seattle Slew sired 102 stakes winners including the great horses Swale and A.P. Indy. As of last year, there were 1.066 Slew foals around the world. In 1984 when Swale won the Kentucky Derby for Clairborne Farm, Slew became the first Kentucky Derby winner in more than 20 years to sire a Derby winner. In 1985 after 7 years at Spendthrift Farm, Seattle Slew was moved to Three Chimneys Farm in Woodford County. After surgeries in April of 2000 and March of 2002, Slew was moved to Hill 'n Dale Farm in April of 2002. At the age of 28, with his loving owners by his side, Seattle Slew passed away.

I ask that my fellow colleagues join me in honoring Seattle Slew. He was a great champion. The racing industry has lost one of its ultimate treasures.•

HONORING KENTUCKY'S TOP YOUTH VOLUNTEERS

• Mr. BUNNING. Madam President, I would like to congratulate and honor two young Kentucky students who have achieved national recognition for exemplary volunteer service in their communities. Elizabeth Scoville of East Bernstadt and David Tao of Bardstown have been named State Honorees in The 2002 Prudential Spirit of Community Awards program, an annual honor conferred on only one high school student and one middle-level student in each State, the District of Columbia and Puerto Rico.

Elizabeth Scoville, a junior at North Laurel High School, is being recognized for her entrepreneurial spirit and commitment to community. She started a computer collection project that provided refurbished personal computers to 26 low-income students in the Appalachian region of eastern Kentucky. Elizabeth asked businesses that were upgrading their computer systems to donate their old hardware to needy children. She cleaned and repaired every donated machine, and then worked with teachers and counselors at her school to select students to receive them, based on need and effort in school. Elizabeth also trained each recipient in basic computer skills.

David Tao, a seventh-grader at Bardstown Middle School, designed and created a candle and broom-making exhibit for a log cabin in the Old Bardstown Village and Civil War. When David found out that the village needed a new display for pieces of donated Shaker broom-making tools, he saw a unique opportunity to contribute to Bardstown's historical preservation. He researched the history of brooms and candles, then traveled across the Commonwealth to learn Shaker broom-making techniques. After the individual components were finished, David and his mother set up the display, which is now a permanent part of the Old Bardstown Village exhibits.

It is vital that we encourage and fully support the kind of selfless contributions these young people have made. People of all ages need to think more about how we, as individual citizens, can work together at the local level to ensure the health and vitality of our towns and neighborhoods. Young volunteers like Elizabeth and David are inspiring examples to all of us, and are among our brightest hopes for a better tomorrow.

The program that brought these young role models to our attention, The Prudential Spirit of Community Awards, was created by Prudential Financial in partnership with the National Association of Secondary Principals in 1995 to impress upon all youth volunteers that their contributions are critically important and highly valued, and to inspire other young people to follow their example. Over the past 7 years, the program has become the nation's largest youth recognition effort based solely on community service, with nearly 125,000 youngsters participating since its inception.

Elizabeth and David should be extremely proud to have been singled out from such a large group of dedicated volunteers. As part of their recognition, they visited Washington on May 5 for several days of special events, including a Congressional breakfast reception on Capitol Hill. While here in Washington, 10 will be named America's top youth volunteers of the year by a distinguished national selection committee.

I heartily applaud Elizabeth and David for their initiative in seeking to make their communities better places to live, and for the positive impact they have had on the lives of others. I also would like to salute other young people in the Commonwealth of Kentucky who were Distinguished Finalists by The Prudential Spirit of Community Awards for their outstanding volunteer services. They are: Robert Campos of Lexington, Daniel Knausz of Neon, Lydia Kullman of Owensboro, and Kathryn Reynolds of Louisville.

All of these young people have demonstrated a level of commitment and accomplishment that is truly extraordinary in today's world, and deserve our sincere admiration and respect. Their actions show that young Americans can, and, do play important roles in their communities, and that America's community spirit continues to hold tremendous promise for the future.•

CONGRATULATIONS TO THE JOHNSON CENTRAL ACADEMIC EAGLES

• Mr. BUNNING. Mr. President, I rise today to honor the Johnson Central High School Academic Eagles for winning the prestigious and coveted Derby Festival Academic Challenge. The 14th Annual LG&E Energy Foundation Derby Festival Academic Challenge is a quick recall tournament which began in 1989 with just 16 middle schools from Jefferson County. Over the years, the tournament has grown to include both middle and high school quick recall teams from around the Commonwealth. In this year's competition, 105 middle and high school teams throughout Kentucky competed in each of the two divisions for 3 days for the $1,000 prize and the right to be named the Derby Festival champion.

Led by coaches Brenda Porter and Freda Spencer, the Johnson Central team dominated the competition from the onset and proved to everyone involved that they are the best-of-the-best. Josh Daniel, the captain of the Academic Eagles, deserves special recognition for placing an impressive second in the Catherine Burmleve Individual Achievement Award competition for performance on individual assessment exams. By capturing the Derby Festival Academic Challenge crown, the Eagles were presented with a crystal trophy, $1,000 prize, medals, commemorative Kentucky Derby Pins, and Derby Festival Academic Challenge Championship jackets. Furthermore, the team participated in the 128th annual Kentucky Derby Pegasus Parade as Kentucky's premier academic team.

I once again congratulate the members of the Johnson Central High School Academic team on their amazing accomplishment. They proved that teamwork, hard work, and dedication lead to success. I thank them for their commitment to education and urge them to continue to reach for the stars.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:41, a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 378. An act to redesignate the Federal building located at 3348 South Kedzie Avenue, in Chicago, Illinois, as the "Paul Simon Chicago Job Corps Center".

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2818. An act to authorize the Secretary of the Interior to convey certain public land within the Sand Mountain Wilderness Study Area in the State of Idaho to resolve an occupancy encroachment dating back to 1971.

H.R. 2911. An act to designate the Federal building located at 5100 Paint Branch Parkway in College Park, Maryland, as the "Harvey W. Wiley Federal Building."

H.R. 3908. An act to reauthorize the North American Wetlands Conservation Act, and for other purposes.

H.R. 3954. An act to designate certain waterways in the Caribbean National Forest in the Commonwealth of Puerto Rico as components of the National Wild and Scenic Rivers System, and for other purposes.

H.R. 4006. An act to designate the United States courthouse located at 100 Federal Plaza in Central Islip, New York, as the "Alfonse M. D'Amato United States Courthouse."

H.R. 4028. An act to designate the United States courthouse located at 600 West Capitol Avenue in Little Rock, Arkansas, as the "Richard S. Arnold United States Courthouse."

H.R. 4486. An act to designate the facility of the United States Postal Service located at 1590 East Joyce Boulevard in Fayetteville, Arkansas, as the "Clarence B. Craft Post Office Building."

H.R. 4560. An act to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 271. Concurrent resolution expressing the sense of the Congress that public awareness and education about the importance of health care coverage is of the utmost priority and that a National Importance of Health Care Coverage Month should be established to promote these goals.

At 1:25 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 106. Concurrent resolution to correct the enrollment of H.R. 3525.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 3525) to enhance border security of the United States, and for other purposes.

ENROLLED BILLS SIGNED

At 2:15 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 2305. An act to authorize certain Federal officials with responsibility for the administration of the criminal justice system of the District of Columbia to serve on and participate in the activities of the District of Columbia Criminal Justice Coordinating Council, and for other purposes.

H.R. 3525. An act to enhance border security of the United States, and for other purposes.

H.R. 2048. An act to require a report on the operations of the State Justice Institute.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 2818. An act to authorize the Secretary of the Interior to convey certain public land within the Sand Mountain Wilderness Study Area in the State of Idaho to resolve an occupancy encroachment dating back to 1971; to the Committee on Energy and Natural Resources.

H.R. 2911. An act to designate the Federal building located at 5100 Paint Branch Parkway in College Park, Maryland, as the "Harvey W. Wiley Federal Building"; to the Committee on Environment and Public Works.

H.R. 3908. An act to reauthorize the North American Wetlands Conservation Act, and for other purposes; to the Committee on Environment and Public Works.

H.R. 3954. An act to designate certain waterways in the Caribbean National Forest in the Commonwealth of Puerto Rico as components of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 4006. An act to designate the United States courthouse located at 100 Federal Plaza in Central Islip, New York, as the "Alfonse M. D'Amato United States Courthouse"; to the Committee on Environment and Public Works.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 271. Concurrent resolution expressing the sense of the Congress that public awareness and education about the importance of health care coverage is of the utmost priority and that a National Importance of Health Care Coverage Month should be established to promote these goals; to the Committee on Health, Education, Labor, and Pensions.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 2485. A bill entitled the "Andean Trade Promotion and Drug Eradication Act."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6752. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Florida East Coast Railroad Bridge, St. Johns River, Jacksonville, Florida" ((RIN2115–AE47)(2002–0037)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6753. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations: Long Island, New York Inland Waterway from East Rockaway Inlet to Shinnecock Canal, NY" ((RIN2115–AE47)(2002–0038)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6754. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations: New Rochelle Harbor, NY" ((RIN2115–AE47)(2002–0043)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6755. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Great Egg Harbor Bay, New Jersey" ((RIN2115–AE47)(2002–0042)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6756. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Pascagoula River, Mississippi" ((RIN2115–AE47)(2002–0041)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6757. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; California and Arizona Border on the Colorado River" ((RIN2115–AA97)(2002–0066)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6758. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations: Oahu, Maui, Hawaii, and Kauai, HI" ((RIN2115–AA97)(2002–0065)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6759. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Hatchett Creek (US 41), Gulf Intracoastal Waterway, Venice, Sarasota County, FL" ((RIN2115–AE47)(2002–0040)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6760. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Bayou Boeuf, Louisiana" ((RIN2115–AE47)(2002–0045)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6761. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Newtown Creek, NY" ((RIN2115–AE47)(2002–0046)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6762. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Force River, ME" ((RIN2115–AE47)(2002–0044)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6763. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Long Island Sound, Thames River, Great South Bay, Shinnecock Bay, Connecticut River and the Atlantic Ocean Seventeen Annual Firework Displays" ((RIN2115–AA97)(2002–0068)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6764. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Regulations; Mississippi River, Iowa and Illinois" ((RIN2115–AE47)(2002–0039)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6765. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety of Uninspected Passenger Vessels Under the Passenger Vessel Safety Act of 1993" ((RIN2115–AF69)(2002–0001)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

EC–6766. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–333, "International House of Prayer for All People Equitable Real Property Tax Relief Act of 2002"; to the Committee on Governmental Affairs.

EC–6767. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–332, "Civil Rights Tax Fairness Act of 2002"; to the Committee on Governmental Affairs.

EC–6768. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–335, "Simplified Sales and Use Tax Participation Act of 2002"; to the Committee on Governmental Affairs.

EC–6769. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–334, "Health Care and Community Residence Facility, Hospice and Home Care Licensure Penalties Amendment Act of 2002"; to the Committee on Governmental Affairs.

EC–6770. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–337, "Metropolitan Police Department Video Surveillance Regulations Temporary Act of 2002"; to the Committee on Governmental Affairs.

EC–6771. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–336, "Compensating Use Tax Clarification Act of 2002"; to the Committee on Governmental Affairs.

EC–6772. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–340, "Comcast Cable Franchise Extension Temporary Act of 2002"; to the Committee on Governmental Affairs.

EC–6773. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–339, "Owner-Occupant Residential Tax Credit Temporary Act of 2002"; to the Committee on Governmental Affairs.

EC–6774. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–352, "HomeStart Regulatory Improvement Amendment Act of 2002"; to the Committee on Governmental Affairs.

EC–6775. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–353, "Tax Parity Rates and Unincorporated Business Franchise Tax Rate Clarification Temporary Act of 2002"; to the Committee on Governmental Affairs.

EC–6776. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–354, "Child and Youth, Safety and Health Omnibus Temporary Amendment Act of 2002"; to the Committee on Governmental Affairs.

EC–6777. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–323, "District of Columbia Youth Advisory Council Establishment Act of 2002"; to the Committee on Governmental Affairs.

EC–6778. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–324, "Florida Avenue Baptist Church Equitable Real Property Tax Relief Act of 2002"; to the Committee on Governmental Affairs.

EC–6779. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–325, "Homestead and Senior Citizen Real Property Tax Act of 2002"; to the Committee on Governmental Affairs.

EC–6780. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–326, "Organ and Bone Marrow Donor Leave Amendment Act of 2002"; to the Committee on Governmental Affairs.

EC–6781. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–327, "Continuation of Health Coverage Act of 2002"; to the Committee on Governmental Affairs.

EC–6782. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–328, "Securities Amendment Act of 2002"; to the Committee on Governmental Affairs.

EC–6783. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–329, "Kings Court Community Garden Equitable Real Property Tax Relief Act of 2002"; to the Committee on Governmental Affairs.

EC–6784. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–330, "Standby Guardianship Act of 2002"; to the Committee on Governmental Affairs.

EC–6785. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 14–331, "Insurance Economic Development Amendment Act of 2002"; to the Committee on Governmental Affairs.

EC–6786. A communication from the Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, the Performance Report for Fiscal Year 2001; to the Committee on Governmental Affairs.

EC–6787. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans; State of Montana; Great Falls Carbon Monoxide Redesignation of Attainment and Designation of Areas for Air Quality Planning Purposes" (FRL7208–8) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6788. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans South Carolina: Approval of Miscellaneous Revisions to the South Carolina State Implementation Plan" (FRL7207–2) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6789. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Georgia; 1-Hour Ozone Attainment Demonstration, Motor Vehicle Emissions Budgets, Reasonably Available Control Measures, Contingency Measures and Attainment Date Extension" (FRL7206–2) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6790. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of State Air Quality Plans for Designated Facilities and Pollutants; Pennsylvania; Control of Emissions from Existing Hospital/Medical/Infectious Waste Incinerators" (FRL7205–6) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6791. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Award of Grants and Cooperative Agreement for the Special Projects and Programs Authorized by the Agency's FY 2002 Appropriations Act" received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6792. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Interim Final Determination that State has Corrected a Deficiency in the California State Implementation Plan, San Joaquin Valley Unified Air Pollution Control District" (FRL7171–5) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6793. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Effluent Limitations Guidelines, Pretreatment Standards, and New Source Performance Standards for the Iron and Steel Manufacturing Point Source Category" (FRL7206–7) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6794. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Ocean Dumping; Site Modification" (FRL7207–5) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6795. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "OMB Approvals Under the Paperwork Reduction Act; Technical Amendment" (FRL7173–6) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6796. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Revisions to the California State Implementation Plan, San Joaquin Valley Air Pollution Control District" (FRL7171–3) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6797. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Revisions to the Definitions and the Continuous Emission Monitoring Provisions of the Acid Rain Program and the NOx Budget Trading Program" (FRL7207–4) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6798. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Utah: Final Authorization of State Hazardous Waste Management Program Revision" (FRL7205–9) received on May 3, 2002; to the Committee on Environment and Public Works.

EC–6799. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled "Response to John G. Palfrey, Analine, Requesting Opinion About Compliance of "Partial—E" Process for Federal Hazardous Waste Manifests"; to the Committee on Environment and Public Works.

EC–6800. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a letter to Ms. Karen Logistics Manager, Criterion Catalysts and Technologies; to the Committee on Environment and Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. CANTWELL:

S. 2471. A bill to provide for the independent investigation of Federal wildland firefighter fatalities; to the Committee on Energy and Natural Resources.

By Mrs. CARNAHAN:

S. 2472. A bill for the relief of Rosemary Bichage; to the Committee on the Judiciary.

By Mr. THOMAS:

S. 2473. A bill to enhance the Recreational Fee Demonstration Program for the National Park Service, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG:

S. 2474. A bill to provide to the Federal land management agencies the authority and capability to manage effectively the Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENNETT:

S. 2475. A bill to amend the Central Utah Project Completion Act to clarify the responsibilities of the Secretary of the Interior with respect to the Central Utah Project, to redirect unexpended budget authority for the Central Utah Project for wastewater treatment and reuse and other purposes, to provide for prepayment of repayment contracts for municipal and industrial water delivery facilities, and to eliminate a deadline for such prepayment; to the Committee on Energy and Natural Resources.

By Mr. SCHUMER (for himself, Mr. Smith of Oregon, and Mrs. Clinton):

S. 2476. A bill to improve antiterrorism efforts, and for other purposes; to the Committee on Foreign Relations.

By Mrs. MURRAY:

S. 2477. A bill to exempt from duty certain entries of peanuts; to the Committee on Finance.

By Ms. LANDRIEU (for herself and Mr. Smith of Oregon):

S. 2478. A bill to promote enhanced nonproliferation cooperation between the United States and the Russian Federation; to the Committee on Foreign Relations.

By Mr. KERRY (for himself and Mr. Hatch):

S. 2479. A bill to amend the Internal Revenue Code of 1986 to include in the criteria for selecting any project for the low-income housing credit whether such project has high-speed Internet infrastructure; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. Hatch, Mr. Baucus, Mr. Domenici, Mr. Cleland, Mr. McConnell, and Mr. Sessions):

S. 2480. A bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from state laws prohibiting the carrying of concealed handguns; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 2481. A bill to amend the Communications Act and the Miscellaneous Appropriations Act, 2000, to require auction of 700 megahertz spectrum in compliance with existing statutory deadlines and to give the Federal Communications Commission discretion to set the auction date for all other spectrum auctions in the future; to the Committee on Commerce, Science, and Transportation.

By Mr. WYDEN:

S. 2482. A bill to direct the Secretary of the Interior to grant to Deschutes and Crook Counties in the State of Oregon a right-of-way to West Butte Road; to the Committee on Energy and Natural Resources.

By Mr. CLELAND (for himself, Mr. Kerry, Ms. Landrieu, Mr. Jeffords, Mr. Harkin, Mr. Bingaman, Mrs. Carnahan, Mr. Leahy, Mr. Lieberman, and Mr. Johnson):

S. 2483. A bill to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Mr. BAUCUS (for himself, Mr. Johnson, and Mr. Daschle):

S. 2484. A bill to amend part A of title IV of the Social Security Act to reauthorize and improve the operation of temporary assistance to needy families programs operated by Indian tribes, and for other purposes; to the Committee on Finance.

By Mr. McCAIN (for himself, Mr. Gramm, and Mr. Nickles):

S. 2485. A bill entitled the "Andean Trade Promotion and Drug Eradication Act."; read the first time.

By Ms. STABENOW (for herself, Mr. Daschle, Mr. Miller, Mr. Durbin, Mrs. Carnahan, and Mr. Wellstone):

S. 2486. A bill to amend the Internal Revenue Code of 1986 to limit the deduction for advertising of FDA approved prescription drugs by the manufacturer of such drugs to the level of such manufacturer's research and development expenditures, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. McCAIN (for himself, Mr. Durbin, Mr. Lieberman, Mr. Voinovich, and Mr. Biden):

S. Res. 263. A resolution congratulating the Republic of Croatia on the 10th anniversary of its recognition by the United States; to the Committee on Foreign Relations.

By Mr. KERRY (for himself and Mr. Bond):

S. Res. 264. A resolution expressing the sense of the Senate that small business participation is vital to the defense of our Nation, and that Federal, State, and local governments should aggressively seek out and purchase innovative technologies and services from American small businesses to help in homeland defense and the fight against terrorism; to the Committee on Small Business and Entrepreneurship.

By Mrs. CLINTON:

S. Res. 265. A resolution recognizing the Ellis Island Medal of Honor and commending the National Ethnic Coalition of Organizations; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 88

At the request of Mr. Rockefeller, the name of the Senator from Missouri (Mrs. Carnahan) was added as a cosponsor of S. 88, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

S. 212

At the request of Mrs. Murray, her name was added as a cosponsor of S. 212, a bill to amend the Indian Health Care Improvement Act to revise and extend such Act.

S. 214

At the request of Mrs. Murray, her name was added as a cosponsor of S. 214, a bill to elevate the position of Director of the Indian Health Service within the Department of Health and Human Services to Assistant Secretary for Indian Health, and for other purposes.

S. 326

At the request of Ms. Collins, the name of the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 326, a bill to amend title XVIII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services and to permanently increase payments for such services that are furnished in rural areas.

S. 871

At the request of Mr. Cleland, the name of the Senator from Illinois (Mr.

DURBIN) was added as a cosponsor of S. 871, a bill to amend chapter 83 of title 5, United States Code, to provide for the computation of annuities for air traffic controllers in a similar manner as the computation of annuities for law enforcement officers and firefighters.

S. 885

At the request of Mr. HUTCHINSON, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 885, a bill to amend title XVIII of the Social Security Act to provide for national standardized payment amounts for inpatient hospital services furnished under the medicare program.

S. 999

At the request of Mr. BINGAMAN, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1193

At the request of Mr. BAYH, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 1193, a bill to provide for the certain of private-sector-led Community Workforce Partnerships, and for other purposes.

S. 1248

At the request of Mr. KERRY, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 1248, a bill to establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable, housing for low-income families, and for other purposes.

S. 1258

At the request of Mr. DORGAN, the names of the Senator from Minnesota (Mr. WELLSTONE) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 1258, a bill to improve academic and social outcomes for teenage youth.

S. 1350

At the request of Mr. DAYTON, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 1350, a bill to amend the title XVIII of the Social Security Act to provide payment to medicare ambulance suppliers of the full costs of providing such services, and for other purposes.

S. 1523

At the request of Mrs. FEINSTEIN, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1523, a bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

S. 1617

At the request of Mr. DODD, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1617, a bill to amend the Workforce Investment Act of 1998 to increase the hiring of firefighters, and for other purposes.

S. 1785

At the request of Mr. CLELAND, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from Idaho (Mr. CRAIG), the Senator from Minnesota (Mr. DAYTON), and the Senator from Kansas (Mr. BROWNBACK) were added as cosponsors of S. 1785, a bill to urge the President to establish the White House Commission on National Military Appreciation Month, and for other purposes.

S. 1800

At the request of Mr. DURBIN, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1800, a bill to strengthen and improve the management of national security, encourage Government service in areas of critical national security, and to assist government agencies in addressing deficiencies in personnel possessing specialized skills important to national security and incorporating the goals and strategies for recruitment and retention for such skilled personnel into the strategic and performance management systems of Federal agencies.

S. 1929

At the request of Mr. MCCONNELL, the name of the Senator from Kentucky (Mr. BUNNING) was added as a cosponsor of S. 1929, a bill to amend title II of the Social Security to permit Kentucky to operate a separate retirement system for certain public employees.

S. 2025

At the request of Mr. HUTCHINSON, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 2025, a bill to amend title 38, United States Code, to increase the rate of special pension for recipients of the Medal of Honor and to make that special pension effective from the date of the act for which the recipient is awarded the medal of Honor and to amend title 18, United States Code, to increase the criminal penalties associated with misuse or fraud relating to the Medal of Honor.

S. 2051

At the request of Mr. REID, the names of the Senator from Utah (Mr. HATCH) and the Senator from Utah (Mr. BENNETT) were added as cosponsors of S. 2051, a bill to remove a condition preventing authority for concurrent receipt of military retired pay and veterans' disability compensation from taking affect, and for other purposes.

S. 2078

At the request of Mrs. HUTCHISON, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2078, a bill to amend section 527 of the Internal Revenue Code of 1986 to eliminate notification and return requirements for State and local political committees and candidate committees and avoid duplicate reporting by certain State and local political committees of information required to be reported and made publicly available under State law, and for other purposes.

S. 2184

At the request of Mr. BREAUX, the names of the Senator from New Jersey (Mr. CORZINE) and the Senator from Missouri (Mrs. CARNAHAN) were added as cosponsors of S. 2184, a bill to provide for the reissuance of a rule relating to ergonomics.

S. 2194

At the request of Mrs. FEINSTEIN, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 2194, a bill to hold accountable the Palestine Liberation Organization and the Palestinian Authority, and for other purposes.

S. 2199

At the request of Mr. CRAIG, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2199, a bill to amend title XIX of the Social Security Act to permit additional States to enter into long-term care partnerships under the Medicaid Program in order to promote the use of long-term care insurance.

S. 2213

At the request of Mr. SESSIONS, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 2213, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain overseas pay of members of the Armed Forces of the United States.

At the request of Mr. DAYTON, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2213, supra.

S. 2232

At the request of Mr. DAYTON, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 2232, a bill to amend title XVIII of the Social Security Act to establish a program to provide for medicate reimbursement for health care services provided to certain medicare-eligible veterans in facilities of the Department of Veterans Affairs.

S. 2233

At the request of Mr. THOMAS, the names of the Senator from South Dakota (Mr. JOHNSON) and the Senator from New Hampshire (Mr. GREGG) were added as cosponsors of S. 2233, a bill to amend title XVIII of the Social Security Act to establish a medicare subvention demonstration project for veterans.

S. 2430

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 2430, a bill to provide for parity in regulatory treatment of broadband services providers and of broadband access services providers, and for other purposes.

S. 2465

At the request of Mr. GREGG, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 2465, a bill to extend and strengthen procedures to maintain fiscal accountability and responsibility.

S. RES. 252

At the request of Mr. WELLSTONE, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. Res. 252, a resolution expressing the sense of the Senate regarding human rights violations in Tibet, the Panchen Lama, and the need for dialogue between the Chinese leadership and the Dalai Lama or his representatives.

S. RES. 253

At the request of Mr. SMITH of Oregon, the names of the Senator from Georgia (Mr. CLELAND), the Senator from Maine (Ms. COLLINS), the Senator from California (Mrs. BOXER), the Senator from North Dakota (Mr. DORGAN), the Senator from Florida (Mr. NELSON), and the Senator from New Jersey (Mr. CORZINE) were added as cosponsors of S. Res. 253, a resolution reiterating the sense of the Senate regarding Anti-Semitism and religious tolerance in Europe.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. CANTWELL:

S. 2471. A bill to provide for the independent investigation of Federal wildland firefighter fatalities; to the Committee on Energy and Natural Resources.

Ms. CANTWELL. Mr. President, I rise today to introduce legislation that would direct the Inspectors General of the Departments of Interior and Agriculture to conduct independent investigations any time there is a fatality within the ranks of our Federal wildland firefighters. I believe this is a modest, but critically important, proposal that begins to address the fundamental issue of accountability within our federal wildland firefighting agencies.

This morning the Energy and Natural Resources Committee, on which I serve, held a hearing on the Department of Interior's and Forest Service's preparations for the 2002 fire season. I am glad we held this hearing, because the importance of fire preparedness was driven home for many of my constituents last year, when Washington State suffered a particularly devastating fire season.

On July 10 near a town called Winthrop, in the midst of the worst drought on record in our State, the Thirtymile fire burned out of control. Four courageous young firefighters were killed. Their names were: Tom Craven, 30 years old; Karen FitzPatrick, 18; Jessica Johnson, 19; and Devin Weaver, 21.

I believe we all must recognize the courage and commitment of the men and women who fight wildland fires, and the important work the Forest Service and Department of Interior do on our behalf. We know that firefighting is a dangerous profession, or in the case of these young people, summer jobs that they had taken to help pay for college. But despite the inherent danger, I believe we owe it to the firefighters who lost their lives, and to their families—to ensure that, when planning for this year's fire season, our federal agencies have taken meaningful actions to avoid a reoccurance of the Thirtymile tragedy.

Because in the words of the Forest Service's own report on the Thirtymile incident, this tragedy "could have been prevented."

I want to again thank Chairman BINGAMAN, as well as Senator WYDEN who chairs the Subcommittee on Public Lands and Forests, for holding an oversight hearing last November on the Thirtymile tragedy, which cemented in my mind the three areas in which the Forest Service needs to improve its commitment to the safety of its employees: accountability, from the firefighter on the line all the way up to the Chief; training our firefighters to put safety first; and independent and consistent review of incidents in which safety rules have been broken, whether or not they result in fatalities.

I believe these observations were further reinforced by an OSHA investigation released in February that found the Forest Service had committed two serious and three willful violations of employee safety policy during the Thirtymile Fire, even stronger citations than those handed down after 1994's Storm King fire, in which 14 Federal firefighters died.

One of the issues that came to our attention in our oversight of the Thirtymile fire is that no one, not the Energy and Natural Resources Committee, not the families of the victims, not the public, is at all satisfied with how firefighter fatalities are investigated. After the Thirtymile Fire, the Forest Service basically investigated the incident itself. When concerns were raised that the investigation's conclusions were simply not fair to the victims, who, afterall, are no longer here to tell their side of the story, the Forest Service saw fit to reopen the investigation and modify some of its conclusions.

While the Occupational Safety and Health Administration, OSHA, did conduct a subsequent investigation, OSHA simply doesn't have binding authority over the Forest Service.

I believe this entire investigatory process is flawed. To inject accountability into federal agencies' approach to firefighter safety, I firmly believe these agencies and their chiefs must know that, if employees under their command are injured or killed in the line of duty, there is no question that there will be a thorough, independent and balanced investigation of the incident. This investigation will happen regardless of politics and regardless of whether a member of Congress takes a particular interest in the incident.

I understand that after-the-fact investigations do not soothe the pain of the families and communities involved in such incidents. However, my hope is that a proactive system of accountability, which includes a rational investigatory process, will help prevent these tragedies from occurring time and time again.

As some of my colleagues may be aware, I added a provision to the Forestry Title of the Senate's farm bill, with the help of Senator HARKIN and support of Senators on the Energy Committee, that was very similar to this bill. It would have directed the Inspector General of the Department of Agriculture to conduct an independent investigation any time a Forest Service firefighter death occurs as a result of entrapment or burnover.

Unfortunately, despite the fact a modified version of the forestry title did survive the Farm Bill conference, this small yet crucial provision was deleted. While my office worked very closely with Senate conferees, this provision encountered a great deal of resistance from House conferees, who tied it to the unrelated issue of stewardship contracting authority.

On February 17, 2002, the Yakima Herald-Republic editorialized that this measure would be "a good start to change one of the biggest flaws in last summer's investigations into the needless deaths of the four local firefighters." On May 1, 2002, after it was killed in conference, the paper wrote: "In another disgusting display of politics over principle, a move to stop federal agencies from investigating themselves when people are killed fighting fires has been scuttled. Incredibly, there was little disagreement about the value of more oversight of the U.S. Forest service after its bungled handling of both a fire and follow-up investigation of the deaths of four local firefighters."

On May 2, 2002 a Seattle Times editorial called the fight for independent investigations ". . . a cause worth fighting for." It went on to say, "The changes championed by Cantwell and Representative Hastings are all about accountability and the difficulty of getting the Forest Service to correct known training deficiencies and leadership problems."

During negotiations on the farm bill, the Department of Agriculture did not oppose this language and it is my sincere hope that the relevant agencies will support the legislation that I am introducing today. I believe it is good policy, and it is ultimately in the best interest of both the management of these agencies and their employees who are out on the lines fighting fires.

Moreover, congressionally mandated IG investigations are not unprecedented. Already, the Department of Agriculture's IG must conduct automatic investigations for the proper disclosure of costs associated with pesticide registration. The Department of Defense's IG must conduct investigations for the effectiveness of voting assistance programs. HUD, and the Department of Commerce's IGs have also been directed to conduct investigations of this sort. And the list goes on. I hope we will soon add to this list the investigations proposed in this legislation.

There must be an automatic, independent investigation of any fire-related fatality. The families who have lost loved ones are asking for these independent investigations. The impacted communities are asking for this. And editorials from major dailies across my home State of Washington have cited the lack of investigatory independence as a critical problem during the Thirtymile tragedy's aftermath.

I believe we can go a long way to begin addressing these concerns if we were to enact the legislation I have introduced today.

By Mr. THOMAS:

S. 2473. A bill to enhance the Recreational Fee Demonstration Program for the National Park Service, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. THOMAS. Mr. President, I rise today to introduce the Recreation Fee Authority Act of 2002. This legislation modifies the congressionally created Recreation Fee Demonstration Program.

The issue of user fees on public lands is a difficult one. As you know, our Nation's parks and recreation areas are in serious trouble and have significant maintenance and infrastructure needs. The National Park Service alone has roughly an $8 billion blacklog in maintenance and infrastructure repair. There are a number of reasons for this funding shortage, including poor park management, congressional inaction and apathy from the American public.

Currently, the Recreation Fee Demonstration Program allows the National Park Service, Bureau of Land Management, Fish and Wildlife Service and the U.S. Forest Service to collect and expend funds for areas in need of additional financial support. Agencies collect fees for admission to a unit or site for special uses such as boating and back country camping fees and are able to use 80 percent of the receipts for protection and enhancement of that area. Fees are typically used for visitor services, maintenance and repair of facilities as well as cultural and natural resource management. The remaining 20 percent is used on an agency-wide basis for parts of the system, which are precluded from participating in the Recreation Fee Demonstration program.

The legislation I am introducing today allows permanent authorization of the Recreation Fee Demonstration Program for national parks, and provides some new flexibility. For example, many visitors frequent national and State parks, but are not allowed to use State and national passes interchangeably. In cooperation with State-agencies, the Secretary of the Interior will be authorized to enter into revenue sharing agreements to accept State and national park passes at sites within that State, providing cost savings and convenience for the visitor.

In the past, concerns have been expressed about "nickel and dime" efforts where there appears to be a lack of planning and coordination by agency officials. Fee programs under this legislation would be established at fair and equitable rates. Each unit would perform a market analysis to consider benefits and services provided to the visitor, cumulative effect of fees, public policy and management objectives and feasibility of fee collection. This review would serve as a business plan for each site so that managers could utilize scarce resources in the most efficient manner.

The Recreation Fee Demonstration program was an effort by Congress to allow public land agencies to obtain funding in addition to their annual appropriations. This legislation will help provide resources for badly needed improvement projects and ensure an enhanced experience for all visitors.

We need to guarantee our national treasures are available for generations to come. I believe that Congress, the Park Service and those interested in helping our parks should cooperate on initiatives to protect resources, increase visitor services and improve management throughout the system. Working together, we can ensure that these areas will remain affordable and accessible for everyone.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2473

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Recreational Fee Authority Act of 2002".

SEC. 2. RECREATION FEE AUTHORITY.

(a) DEFINITION OF SECRETARY.—In this Act, the term "Secretary" means the Secretary of the Interior.

(b) DEFINITION OF AGENCY.—In this Act, the term "Agency" means the National Park Service.

(c) IN GENERAL.—Beginning in Fiscal Year 2003 and thereafter, the Secretary is authorized to—

(1) establish, charge, and collect fees for the following:

(A) admission to a unit, area, or site administered by the Agency, and

(B) the use of Agency administrated areas, lands, sites, facilities, and services (including reservations) by individuals and/or groups.

(2) establish fair and equitable fees that are a result of a market analysis taking the following criteria into consideration—

(A) the benefits and services provided to the visitor;

(B) the cumulative effect of fees charged to the public;

(C) the comparable fees charged on other units, areas, sites, and other public agencies;

(D) the comparable fees charged by nearby private sector operators;

(E) the direct and indirect cost to the government;

(F) the revenue benefits to the government;

(G) the public policy or management objectives served;

(H) the economic and administrative feasibility of fee collection, and

(I) any other pertinent factors or criteria deemed necessary by the Secretary.

(3) The Secretary shall ensure that individual park units assess only the minimum number of fees consistently on an agency-wide basis in order to avoid the collection of multiple or layered fees for a wide variety of uses, activities and/or programs.

(4) The results of the market analysis, new fees, increases or decreases in established fees, shall be published in the Federal Register and any change in the amount of fees shall not take place until at least 12 months after the date the notice is published in the Federal Register.

(d) ADDITIONAL AUTHORITIES.—Beginning in Fiscal Year 2003 and thereafter, the Secretary is authorized to—

(1) enter into agreements, including contracts, which provide for reasonable commissions or reimbursements, with any public or private entity to provide visitor reservation services, fee collection and/or processing services;

(2) use National Park Service volunteers, as appropriate to collect fees charged pursuant to Section 2(C);

(3) in establishing fees under this Act, the Secretary may provide discounted or fee admission days or use as deemed appropriate by the Secretary;

(4) the Secretary may modify the National Park Passport, established pursuant to Public Law 105-391; and

(5) the Secretary shall take such steps as may be necessary to provide information to the visitor concerning the various fees programs available to them and the costs and benefits of those programs.

(e) STATE AGENCY ADMISSION AND SPECIAL USE PASSES.—Beginning in Fiscal Year 2003 and thereafter—

(1) notwithstanding the Federal Grants Cooperative Agreements Act, the Secretary is authorized to enter into revenue sharing agreements with State agencies to accept their annual passes and convey the same privileges, terms and conditions as offered under the auspices of the National Park Passport, established pursuant to Public Law 105-391, (hereinafter referred to as the "National Park Passport") or as Public Law 105-391 may be amended.

(2) State agency annual passes shall only be accepted for all of the units of the National Park System within the boundaries of the State in which the specific revenue sharing agreement is entered into;

(3) The Secretary may enter into revenue sharing agreements with other Federal agencies and/or Tribal governments to establish, charge and collect fees at areas, sites or projects located on other areas under the jurisdiction of the Secretary, the Secretary of Agriculture and/or the specific Tribal government in which the agreement is made.

SEC. 3. DISTRIBUTION OF RECEIPTS.

(a) IN GENERAL.—

(1) The Secretary of the Treasury shall establish a special account in the Treasury for the Agency.

(2) Amounts collected by the Agency under Section 2 shall be deposited in its special account in the Treasury and shall remain available for expenditure without further appropriation until expended.

(3) Amounts collected from sales of the National Park Passport, or from revenue sharing agreements entered into under Section 2 of this Act shall be deposited in its special account in the Treasury in accordance with guidelines established by the Secretary of the Interior.

(b) DISTRIBUTION OF FEES.—The amounts deposited in the special account established by subsection (a) shall be distributed as follows:

(1) Not less than 80 percent of amounts collected pursuant to the Act at a specific area, site, or project as determined by the Secretary, shall remain available for use at the specific area, site or project at which the fees were collected, except that the Secretary may change the allocation amount to not less than 60 percent of fees collected to be returned to the area, site, or project when the Secretary determines that site specific revenues in any given Fiscal Year exceed that site's reasonable needs for that year; except that for those units of the National Park System which participate in an active revenue sharing agreement with a State under Section 2(e) of this Act, not less than 90 percent of amounts collected pursuant to this Act at a specific area, site, or project as determined by the Secretary shall remain for use at the specific area, site or project at which the fees were collected.

(2) The balance of the amounts collected at a specific area, site, or project not distributed in accordance with paragraph (1), shall remain available for use by the Agency on an agency-wide basis as determined by the Secretary.

(3) Monies generated as a result of revenue sharing agreements established pursuant to Section 2(e) may provide for a fee-sharing arrangement among the parties to the revenue sharing agreement. Agency shares of fees collected shall be deposited and distributed as described in subsection (b) equally to all units of the National Park System in the specific State that are parties to the revenue sharing agreement.

(4) Monies generated as a result of the sale of the National Park Passport shall be distributed as follows: not less than 50 percent of the amounts collected pursuant this Act, as determined by the Secretary shall remain available for use at the specific area, site, or project at which the fees were collected, the balance of the monies generated shall be distributed in accordance with paragraph 2 of this Section.

SEC. 4. EXPENDITURES.

(a) USE OF FEES AT SPECIFIC AREA, SITE, OR PROJECT.—Amounts available under Section 3 of this Act for expenditure at a specific area, site or project shall be accounted for separately and may be used for—

(1) repair, maintenance, facility enhancement, media services and infrastructure including projects and expenses relating to visitor enjoyment, visitor access, environmental compliance, and health and safety;

(2) interpretation, visitor information, visitor service, visitors needs assessments, monitoring, and signs;

(3) habitat enhancement, resource assessment, preservation, protection, and restoration related to recreation use, and

(4) law enforcement relating to public use and recreation.

(b) The Secretary may use not more than fifteen percent of the revenues derived under the authorities of this Act to administer the recreation fee program including direct operating or capital costs, cost of fee collection, notification of fee requirements, direct infrastructure, fee program management costs, bonding of volunteers, start-up costs, and analysis and reporting on program accomplishments and impacts.

SEC. 5. REPORTS.

(a) Once every three years after the enactment of this Act the Secretary shall submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives a report detailing the status of the Recreation Fee Program conducted in units of the National Park System.

(1) The report under this section shall contain an evaluation of the Recreation Fee Program conducted at each unit of the National Park System;

(2) with respect to each unit of the National Park System where a fee is charged under the authorities granted by this Act, a description of projects that were funded, work accomplished, and a description of future projects and programs identified for funding with monies expected to be generated under the authorities granted by this Act, and

(3) any recommendations for changes in the overall fee system along with any justification as appropriate.

SEC. 6. REGULATIONS.

The Secretary may promulgate such rules and regulations as may be necessary to implement this Act.

By Mr. CRAIG:

S. 2474. A bill to provide to the Federal land management agencies the authority and capability to manage effectively the Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. CRAIG. Mr. President, the bill I am introducing today represents a significant modification to S. 1320, which I introduced in the last Congress. This modification represents a large body of work that reflects my belief that forest planning and public land management continues to evolve and that underlying law needs to be updated. It also represents thousands of hours of hearings and working with a variety of interests to modernize the laws governing our stewardship over federally-managed, multiple-use lands.

I first undertook an effort to improve our National Forest lands' forest planning process in the 104th Congress with the introduction of S. 1253. I then refined that effort when I reintroduced the legislation in S. 1320. Today, I am introducing legislation that represents a refinement of earlier efforts in S. 1253 and S. 1320.

For those of you who have just tuned in, this bill is the result of 15 oversight hearings that my Subcommittee on Forests and Public Land Management held during the 104th Congress. These hearings involved more than 200 witnesses, representing all points of view, and reviewing all aspects of the management of the Forest Service and Bureau of Land Management lands. The overwhelming conclusion from all of these witnesses, developers and environmentalists alike, public and private sector employees alike, was that the statutes governing federal land management, the 1976 Federal Land Policy and Management Act and the 1976 National Forest Management Act, are antiquated, and in need of updating. These statutes were passed by Congress in the mid-1970s to help solve land management problems. Today, they are a large part of the problem.

It also represents my continued frustration with the process paralysis that grips the planning and implementation of much needed land management activities on our National Forests. Our new Chief of the Forest Service, Dale Bosworth, tells me that it now takes up to ten years to produce a forest plan that has a life expectancy of 15 years. We have seen example after example of projects that require three to five years to plan. In the case of many fire rehabilitation projects, the financial viability of the project demands that NEPA be completed in a matter of months, not years.

More importantly, we are spending months and sometimes years planning and documenting the need for the rehabilitation of these burned areas, and then failing to get the land management underway before natural events over take the health of our forests. This is occurring to the detriment of the environment.

While our current forest planning and project planning processes stumble along, delaying important rehabilitation work, these burned areas are assailed by the elements of wind and rain. Almost every single person heard from agrees that the planning and environmental documentation process are broken. If we leave the agency in utter gridlock, we have done nothing to protect the environment. If during all of our careful planning and environmental documentation, an area suffers a series of thunder storms that washes thousands of tons of soil into critical fish habitats, as occurred after the 1990 fires on the Bitteroot National Forest, we and our system have failed the forests, the environment, and the American public.

By imposing a cumbersome, if not impossible, planning process on our federal land managers we guarantee more fires, more destruction of critical wildlife habitats, more water and air pollution, and the increased likelihood of dangerous and destructive catastrophic fires.

We do nothing good for the environment by spending two or three years to design, document, and plan salvage operations to halt the spread of insects or disease as they rampage through our forests. We can see this today in the Red River drainage of the Nez Perce National Forest.

I look at laws as "tools" for use by professional land managers and resource scientists that help them to establish priorities and make management decisions. These tools are as antiquated as the slide-rule and computer punch cards that were the tools used by land managers at the time that these statutes were passed.

As a consequence of oversight review during the 104th Congress, and subsequent oversight hearings, I drafted and circulated S. 1253 at the outset of the 105th Congress. That draft, and the subsequently-introduced bill were, in turn, the subject of six informal workshops and another eight legislative hearings to review the concepts embodied in both the first draft and the introduced version of S. 1253. The ideas that emanated from the oversight hearings were modified to reflect the suggestions of witnesses, and in recognition of how resource management problems have subsequently evolved. A similar review was conducted upon the introduction of S. 1320 which has helped me improve upon my previous efforts.

As you know I continued to hold hearings during both the 106th and the beginning of the 107th Congress and enjoyed additional dialogue about how to best modify the 1976 statutes. For instance, at one hearing all four of the former Chiefs of the Forest Service and one former Bureau of Land Management Director shared their views about the current state of Federal land management, and where legislative action could assist their successors in discharging the public trust more effectively.

During that time period there was at least one seminal decision from the Supreme Court. In Ohio Forestry Association versus Glickman, the Supreme Court, in my view, clarified the interrelationship between forest plans and project level decisions. In that decision, the Court denied standing to challenge resource management plans, essentially on the basis that no real decisions were made. We now have several years of court rulings that reflect that ruling. And we believe that the Forest Service will soon be proposing forest planning regulations that will reflect the process certified by the Supreme Court.

The bill I am introducing today would refine current planning law, rather than rewrite the law to alter our course. I believe this bill is more of a refinement than a revision and that it will be complementary to what we hope to see in the Forest Service's new forest planning rules, rather than in conflict with those rules. In various other ways of a less significant nature, the bill I am introducing today also reflects the product of court decisions that have been rendered during the period that we were reviewing these issues.

In many ways my frustration with the forest planning and project planning process that our Federal land managers are saddled with, is a lot like the Hubble Telescope when it was first launched into space in 1990. You'll recall that initially the Hubble telescope didn't work. The pictures it sent back were fuzzy and useless. It had a design flaw, a mirror was not ground correctly and as a result its images were unclear. NASA has spent millions of dollars to design and launch this marvel of technology and it didn't work.

Our National Forest planning process, the result of the 1979 Federal Land Policy and Management Act, the 1976 National Forest Management Act and subsequent Federal regulations, is broken. It has cost the public several hundred million dollars, and we continue to get fuzzy images of what the solution should be. The problem is that the public and land managers do not believe or trust the results. Now we learn we are spending up to ten years to complete plans that will remain in place for only 15 years.

In the case of the Hubble Telescope, NASA identified the problem, designed a fix, and went into space and corrected the problem, all within a very short 3 year time period. In the case of the forest planning process, most undertook the regulations would need periodic updating. During the late 1980's and early 1990's the Forest Service worked to develop and propose new forest planning regulations. Election year politics prevented the agency from finalizing those regulations.

In the last two years of the Clinton years, the Forest Service again made an effort to make changes to its planning regulations. Again election year politics intervened and now the current Administration is working toward some changes.

The bottom line here is that we can repolish the regulations over and over again but it still produces fuzzy pictures. It is my estimation that it is time to make some changes to the underlying law, so to speak the design of our telescope. It is time to make the changes our Federal managers need to assure reasonable, environmentally sound, and timely land management.

It is my hope that we will now move forward with additional hearings on this proposal, confident that we are on the correct path to improve the quality of Federal land management, and through a variety of means, increase public support for the future management of our Federal forest lands.

I look forward to working with Senator WYDEN, the chairman for the Subcommittee on Public Lands and Forests, and to hold hearings to further refine this regulation. It is my hope that Senator WYDEN and I can build on our efforts to end the Federal forest gridlock that we started with the passage of Secure Rural Schools and Community Self-Determination Act of 1999.

I invite both the administration and Members on both sides of the aisle to join us in this effort. We will move forward knowing that this proposal, like any other, is a working draft that will by necessity change, probably significantly.

We also move forward knowing that legislative change in this arena is both inevitable and vital. It is clear to me that this area of public discourse vitally needs a vibrant legislative debate and a new legislative charter so that our Federal land managers can be provided with tools a little more modern that the slide-rule and maniframe computer punch cards.

By Ms. LANDRIEU (for herself and Mr. SMITH of Oregon):

S. 2478. A bill to promote enhanced non-proliferation cooperation between the United States and the Russian Federation; to the Committee on Foreign Relations.

Ms. LANDRIEU. Mr. President, the United States Government and all of us personally have conducted a serious reassessment of our priorities in the months since the horrific events of September 11, 2001. The work of this body has been radically reshaped as we work together to effectively combat the menace of international terrorism. We have appropriated billions of dollars so our military can wage war in Afghanistan and prepare for the possibility of future military operations. We have devoted billions of dollars to strengthening our homeland defense capabilities, everything from beefing up border and port security to manufacturing additional vaccines to prepare for the possibility of a biological weapons attack. The time has also come to reassess what needs to be done to ensure that nuclear weapons and other weapons of mass destruction and the expertise to employ them do not leak out of the former Soviet Union and find their way into the hands of terrorist or terrorist states.

Last year, I sponsored the Nuclear Threat Reduction Act of 2001, S. 1117, which called for expanding and accelerating programs to prevent diversion and proliferation of Russian nuclear weapons, and fissile materials; reducing the number of nuclear warheads in the United States and Russian arsenals; and for reducing the number of nuclear weapons of those two nations that are on high alert. The NTRA enjoyed success on a number of fronts: U.S.-Russia threat reduction and nonproliferation programs were expanded and accelerated; the Senate, working with the Administration, paved the way for the deep cuts that Presidents Bush and Putin generally agreed to in November 2001; and the possibility of taking some weapons off high alert was studied as part of the Nuclear Posture Review. Solid steps were taken, but we all know that more needs to be done.

I rise today to introduce legislation that will help to address what is probably the most serious threat to U.S. national security: the possibility that terrorists or terrorist states will acquire nuclear weapons and materials, and other weapons of mass destruction from the massive and poorly secured former Soviet nuclear weapons complex.

The scope of the problem that we face is difficult to fathom, but I will attempt to illuminate it by citing a few facts. Today, Russia possesses approximately 20,000 nuclear weapons and enough weapons-grade material to fabricate over 60,000 more. Not including the United States, Russia possesses approximately 95 percent of the world's nuclear weapons and weapons-grade material, a testimony to the great resources and effort that both sides devoted in waging the cold war. These weapons and material are stored in literally hundreds of sites across Russia's 11 time zones. Making this problem even more disconcerting is the fact that Russia is unable to reliably account for its huge stock of warheads and materials, having inherited a substandard accounting system from the totalitarian Soviet state. Additionally, there are over 20,000 scientists and technicians in the former Soviet Union that are considered proliferation risks.

As the Members of this Chamber will recall proudly, Senators Sam Nunn and RICHARD LUGAR, along with others, took the lead in the early 1990s to put together a suite of programs that still work to address the threat posed by the possible proliferation of former Soviet nuclear weapons and other materials. As the Soviet Union and Warsaw Pact fell apart, there was a palpable fear that nuclear weapons and materials would proliferate widely. In conjunction with the work in the Senate, the first Bush administration also took up the challenge by backing the Nunn-Lugar programs as well as supporting initiatives to help Soviet Premier Gorbachev as he attempted to keep the Soviet Union from radical collapse. The events of September 11 serve as another wake-up call. There is a growing realization that Russia desperately needs our help. But more remains to be done—much, much more.

Fortunately, the Bush Administration has devoted considerable time and effort to working to increase cooperation between the United States and Russia on these matters, as exemplified by U.S.-Russian cooperation in the war against terrorism, the Bush-Putin summit in November 2001, and the May 2002 U.S.-Russia summit in Russia. The administration wisely realizes that only through greater cooperation with Russia can we deal effectively with this problem.

As I mentioned, Russian nuclear weapons and materials are stored in hundreds of sites. While helping to improve the security of these sites is a daunting task, we should ponder how much more difficult preventing an attack would become if even a miniscule portion of these warheads or materials were to proliferate. As members of this body know, the warning signs are growing. It is well known that groups such as al Qaeda and states such as Iraq, Iran, and North Korea wish to develop or acquire WMD. Even more disconcerting are reports that members of al Qaeda have attempted to break into Russian nuclear weapon facilities. We would do well to meditate on these reports and ask ourselves if the United States is doing enough to prevent the myriad groups and states that wish to acquire WMD from Russia from being able to do so.

Mindful of this serious challenge to U.S. and global security I am introducing the Nuclear and Terrorism Threat Reduction Act of 2002, NTTRA. The NTTRA would promote policies that will greatly reduce the likelihood of nuclear terrorism.

First, the NTTRA states that it is the policy of the United States to work cooperatively with the Russian Federation in order to prevent the diversion of weapons of mass destruction and material, including nuclear, biological and chemical weapons, as well as scientific and technical expertise necessary to design and build weapons of mass destruction. As a review by the Bush administration found last year, "most U.S. programs to assist Russia in threat reduction and nonproliferation work well, are focused on priority tasks, and are well managed." The NTTRA proposals complement the increases that the Bush administration has proposed for these programs.

The NTTRA also calls for the President to deliver to Congress, no later than six months after the enactment of the NTTRA, a series of recommendations on how to enhance the implementation of U.S.-Russia non-proliferation and threat reduction programs, including suggestions on how to improve and streamline the contracting and procurement practices of these programs and a listing of impediments to the efficient and effective implementation of these programs.

Second, recognizing the shortcomings in the Russian system for accounting for nuclear warheads and weapons-grade material, the NTTRA states that it is the policy of the United States to establish cooperatively with Russia comprehensive inventories and data exchanges of Russian and U.S. weapons-grade material and assembled warheads with particular attention to tactical, or "nonstrategic," warheads—one of the most likely weapons a terrorist organization or state would attempt to acquire—and with particular attention focused on weapons which have been removed from deployment.

Only through such an accounting system will we be able to reliably say that Russian warheads and materials are sufficiently secure.

Third, the NTTRA calls upon the President to deliver to Congress a plan laying out progress toward irreversibility involving the elimination of launchers and transparency measures involving warheads. As the Bush administration works to lock in the gains that the United States and Russia have generally agreed to, this plan will help keep the Senate fully apprised.

Fourth, the NTTRA calls for the establishment of a joint U.S.-Russia Commission on the Transition from Mutually Assured Destruction to Mutually Assured Security. The U.S. side of the Commission would be composed of private citizens who are experts in the field of U.S.-Russia strategic stability. The NTTRA also calls upon the President to make every effort to encourage the Russian Government to establish a complementary Commission that would jointly meet and discuss how to preserve strategic stability during this time of rapid and positive change in the U.S.-Russia relationship.

Working with Russia to address the many serious issues which still exist over 10 years after the end of the cold war should be one of the top U.S. priorities in the overall battle against global terrorism. Allow me to be frank and to say that this work will not be easy and there will certainly be testing times as the United States and Russia work to fully put the cold war to rest and to reach a level of foreign and defense policy cooperation which was unfathomable only a few years ago. But we are faced with few other options. We must shore up our first line of defense against the possibility of terrorism turning nuclear.

I call upon the members of this body to collectively redouble our efforts to prevent the unthinkable from happening by supporting the Nuclear and Terrorism Threat Reduction Act of 2002.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2478

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nuclear and Terrorism Threat Reduction Act of 2002".

SEC. 2. ENHANCING THREAT REDUCTION.

(a) Statement of Policy.—

(1) It is the policy of the United States to work cooperatively with the Russian Federation in order to prevent the diversion of weapons of mass destruction and materials relating thereto, including nuclear, biological, and chemical weapons, as well as the scientific and technical expertise necessary to design and build weapons of mass destruction.

(2) With respect to enhancing threat reduction, there should be three primary objectives, as stated in the President's review of 30 different United States-Russia cooperative programs, as follows:

(A) To ensure that existing United States cooperative non-proliferation programs with the Russian Federation are focused on priority threat reduction and non-proliferation goals, and are conducted as efficiently and effectively as possible.

(B) To examine what new initiatives might be undertaken to further United States threat reduction and non-proliferation goals.

(C) To consider organizational and procedural changes designed to ensure a consistent and coordinated United States Government approach to cooperative programs with the Russian Federation on the reduction of weapons of mass destruction and prevention of their proliferation.

(3) The goal of United States programs to assist the Russian Federation should be to have them work well, be focused on priority tasks, and be well managed.

(4) In order to further cooperative efforts, the following key programs should be expanded:

(A) The Department of Energy Material Protection, Control and Accounting (MPC&A) program to assist the Russian Federation secure and consolidate weapons-grade nuclear material.

(B) The Department of Energy Warhead and Fissile Material Transparency Program.

(C) The International Science and Technology Center (ISTC).

(D) The Redirection of Biotechnical Scientists program.

(E) The Department of Defense Cooperative Threat Reduction project to construct a chemical weapons destruction facility at Shchuch'ye, Russia, to enable its earliest completion at no increased expense.

(5) Other programs should be adjusted, refocused, or reexamined, including—

(A) approaches to the current plutonium disposition program in the Russian Federation, in order to make the program less costly and more effective;

(B) the project to end production by the Russian Federation of weapons-grade plutonium, in order to transfer the project from the Department of Defense to the Department of Energy;

(C) consolidation of the Department of Energy's Nuclear Cities Initiative (NCI) with the Initiative for Proliferation Prevention (IPP), with a focus on projects to assist the Russian Federation in reduction of its nuclear warheads complex; and

(D) acceleration of the Department of Energy's Second Line of Defense program to assist the Russian Federation install nuclear detection equipment at border posts.

(b) Increased Funding of Certain Key Programs.—In order to guarantee that the United States-Russia non-proliferation and threat reduction efforts operate as efficiently as possible, certain key programs should receive additional funding above current levels, including—

(1) the United States-Russia Highly Enriched Uranium Purchase Agreement;

(2) the Second Line of Defense program;

(3) the Initiatives for Proliferation Prevention;

(4) the Fissile Materials Disposition program;

(5) the Redirection of Biotechnical Scientists program;

(6) the Department of Energy Material Protection, Control, and Accounting (MPC&A) program;

(7) the International Science and Technology Center; and

(8) the Warhead and Fissile Material Transparency program.

(c) Report.—Not later than six months after the date of enactment of this Act, the President shall submit to Congress a report containing recommendations on how to enhance the implementation of United States-Russia non-proliferation and threat reduction programs, which shall include—

(1) recommendations on how to improve and streamline the contracting and procurement practices of those programs; and

(2) a listing of impediments to the efficient and effective implementation of those programs.

SEC. 3. COMPREHENSIVE INVENTORIES AND DATA EXCHANGES BETWEEN THE UNITED STATES AND THE RUSSIAN FEDERATION ON WEAPONS-GRADE MATERIAL AND NUCLEAR WEAPONS.

(a) Findings.—Congress finds that inventories of weapons-grade material and warheads should be tracked in order, among other things—

(1) to make it more likely that the Russian Federation can fully account for its entire inventory of weapons-grade material and assembled weapons; and

(2) to make it more likely that the sources of any material or weapons possessed or used by any foreign state or terrorist organization can be identified.

(b) Statement of Policy.—It is the policy of the United States to establish jointly with the Russian Federation comprehensive inventories and data exchanges of Russian and United States weapons-grade material and assembled warheads, with particular attention to tactical, or "nonstrategic" warheads, one of the most likely weapons a terrorist organization or terrorist state would attempt to acquire, and with particular attention focused on weapons that have been removed from deployment.

(c) Assistance in Developing Comprehensive Inventories.—Notwithstanding any other provision of law, the United States Government shall work with the Russian Federation to develop comprehensive inventories of Russian weapons-grade plutonium and highly enriched uranium programs and assembled warheads, with special attention to be focused on tactical warheads and warheads that have been removed from deployment.

(d) Data Exchanges.—As part of this process, to the maximum extent practicable, without jeopardizing United States national security interests, the United States is authorized to enter into ongoing data exchanges with the Russian Federation on categories of material and weapons described in subsection (c).

(e) Report.—Not later than six months after the date of enactment of this Act, and annually thereafter until a comprehensive inventory is created and the information collected from the inventory exchanged between the governments of the United States and the Russian Federation, the President shall submit to Congress a report, in both an unclassified and classified form as necessary, describing the progress that has been made toward that objective.

SEC. 4. COMMISSION TO ASSESS THE TRANSITION FROM MUTUALLY ASSURED DESTRUCTION (MAD) TO MUTUALLY ASSURED SECURITY (MAS).

(a) Statement of Policy.—With the end of the Cold War more than a decade ago, with the United States and the Russian Federation fighting together against global terrorism, and with the Presidents of the United States and the Russian Federation agreeing to establish "a new strategic framework to ensure the mutual security of the United States and Russia, and the world community", the United States and the Russian Federation should increase significantly their efforts to put dangerous and unnecessary elements of the Cold War to rest.

(b) Establishment.—In order to assist with the policy expressed in subsection (a), the President is authorized to conclude an agreement with the Russian Federation for the establishment of a Joint United States-Russia Commission to Assess the Transition from Mutual Assured Destruction (MAD) to Mutual Assured Security (MAS) (in this section referred to as the "Commission").

(c) Composition.—The United States delegation of the Commission shall consist of 13 members appointed by the President, as follows:

(1) Three members, after consultation with the Speaker of the House of Representatives.

(2) Three members, after consultation with the Majority Leader of the Senate.

(3) Two members, after consultation with the Minority Leader of the House of Representatives.

(4) Two members, after consultation with the Minority Leader of the Senate.

(5) Two members as the President may determine.

(d) Qualifications.—The United States members of the Commission shall be appointed from among private United States citizens with knowledge and expertise in United States-Russia strategic stability issues.

(e) Chair.—The chair of the Commission should be chosen by consensus from among the members of the Commission.

(f) Russian Commission.—The President should make every effort to encourage the Government of the Russian Federation to appoint a Russian Federation delegation of the Commission that would jointly meet and discuss the issues described in subsection (g).

(g) Duties of the Commission.—The duties of the Commission should include consideration of how—

(1) to ensure that the reduction of strategic nuclear weapons announced by the United States and the Russian Federation in November 2001 take effect in a rapid, safe, verifiable and irreversible manner;

(2) to preserve and enhance START I monitoring and verification mechanisms;

(3) to develop additional monitoring and verification mechanisms;

(4) to preserve the benefits of the unratified START II agreement, especially those measures that affect strategic stability;

(5) to ensure the safety of warheads removed from deployment;

(6) to safely and verifiably dismantle warheads in excess of the ceiling established by the President Bush at the November 2001 United States-Russia summit;

(7) to begin a new high-level dialogue to discuss United States and Russian Federation proposals for a global and theater level missile defense systems;

(8) to extend presidential decision-making time as it relates to nuclear weapons operations;

(9) to improve Russian-American cooperative efforts to enhance strategic early warning, including but not limited to the Joint Data Exchange Center and the Russian-American Observation Satellite; and

(10) to increase cooperation between the United States and the Russian Federation on the programs and activities described in sections 2 and 3.

(e) COOPERATION.—In carrying out its duties, the Commission should receive the full and timely cooperation of United States Government officials, including providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

(f) REPORT.—The Commission shall, not later than six months after the date of its first meeting, submit to Congress an interim report on its findings and, not later than six months after submission of the interim report, submit to Congress a final report containing its conclusions.

By Mr. KERRY (for himself and Mr. HATCH):

S. 2479. A bill to amend the Internal Revenue Code of 1986 to include in the criteria for selecting any project for the low-income housing credit whether such project has high-speed internet infrastructure; to the Committee on Finance.

Mr. KERRY. Mr. President, I am very proud to introduce legislation today with Senator HATCH that would amend the Low-Income Housing Tax Credit to make access to Internet and broadband technology one of the criteria that State housing agencies must consider when awarding the credits. This bill will help more low-income families gain access to the new technologies and services that are driving today's modern economy, and it will do so at very minimal cost to developers. The bill will take effect for all new housing built with the credit beginning on January 1 of next year.

My colleagues should understand that the Kerry-Hatch bill would not require that new housing units have Internet or broadband capability; it is not an unfunded mandate. Rather, our bill simply adds broadband access to the list of things that State agencies would have to consider when they award the credits each year. Our bill also does not specify any particular technology, meaning that developers and providers can decide for themselves which technology will work best for a given community.

This bill has the support of many well-known companies and associations from the technology and telecommunications industries, including Corning, Nortel Networks, BellSouth, SmartForce, the Telecommunications Industry Association, Siemens, and Cisco Systems. This is just a partial list. A number of well-known national nonprofit organizations and representatives of the housing industry, such as Habitat for Humanity, the National Leased Housing Association, and the National Housing Conference also support the bill. Senator HATCH and I hope that the Finance Committee, of which we are both members, will consider adding this provision when it marks up charity-related legislation later this month. There is no revenue cost associated with the bill, making it more likely that the committee will be able to include it.

Several States are running ahead of the Federal Government and are enacting their own local policies to do what the Kerry-Hatch legislation will do nationally. To date, the States of Oregon and Nebraska have re-written their policies with technical assistance from One Economy Corporation, a national nonprofit organization that works to bring technology to low-income populations and make that technology a tool to help them build assets and raise their standards of living. Oregon and Nebraska now have an incentive for broadband in awarding the low-income credits. Dialogues are currently underway with housing finance agencies from the States of North Carolina, Michigan, Kentucky, and Minnesota, several of which may change their policies very soon.

Understandably, there may be some Senators that believe that building access to broadband technology into these new low-income housing units will be prohibitively expensive. Well, I am happy to report that this is not so. Engineers from Cisco Systems have evaluated the costs of wiring buildings at the time of construction. When wiring a new building, the baseline cost to run telecommunications infrastructure into a unit, a fixed cost in new construction, is approximately $150. When adding conduit for high-speed connectivity, the cost increases anywhere between $1 and $25. So for a 50-unit building, that's an added cost of about $1,250 if you assume the highest cost. This is likely to be less than one-quarter of 1 percent of total construction costs, a small increase that is more than offset by the increased value of the property. The added cost is insignificant, and the added value is great.

This legislation is critical because having access to and understanding of technology is increasingly a prerequisite for succeeding in today's knowledge-based economy. Technology can be a significant tool to help low-income families move up and out of poverty. I believe that this small change to section 42 of the tax code will help to close the digital divide in the United States by getting modern technology into the homes of more low-income Americans.

Recently, some influential opinion leaders in Washington and the press have begun to "debunk" the digital divide. They claim that since so many more people have access to technology in the workplace, the percentage of families with incomes between $15,000 and $25,000 that now use computers at home or in the workplace is now close to 50 percent, concerns about the digital divide are overstated.

These statistics only tell part of the story, because there are key Internet services that people will only feel comfortable using at home due to privacy concerns, such as those related to one's health or personal finance. Access to computers in the workplace is not sufficient. Sure some people might check out Yahoo when they have a free moment at work. They might perform an Internet search, check driving directions on MapQuest, or bid on something on eBay. But they are not going to seek financial advice, research their kids' health, or do anything of a truly personal nature from the workplace. And in terms of computer use in the home, there is still a huge digital divide: Even with all of the technological advances and price reductions of the past few years, less than 30 percent of households earning under $35,000 are online at home. In fact, more than one-quarter of zip codes with median incomes under $35,000 do not have a single high-speed Internet subscriber, despite the fact that the services are available. In my opinion, this is a real problem if we want these millions of Americans to participate in the Information Economy and access the online services that the rest of us take for granted.

Here are some real stories from the Columbia Heights neighborhood here in Washington, brought to my attention by One Economy Corporation, that speak to the power of access to technology in the home: A mother of three young children uses her computer to take an online course to get A+ Certification from the Department of Employment Services. Having a computer at home means that she can take the classes online at night when her kids are asleep. Once she has the certification she will qualify for a better, higher-paying job; a young woman in her mid-20s uses her home computer to look for jobs and pursue educational opportunities. After September 11, she went online to find people to talk to for support; and a 50-something grandmother has a three-year old grandson who suffers from recurring ear infections. The doctor said that the little boy needed to get an operation to put tubes in his ears. His grandmother used the computer to research this treatment on the Internet and ultimately decide that it was the best thing for her grandson. When asked what she would have done without the Internet, she said that she would have "left it up to God."

These are just a few examples. The central point is that access to computers and Internet technology in the workplace is no substitute for having similar access in the home.

Another important issue to consider is the amount of time that many families of modest means spend interacting with public agencies. I've been told that can often be as high as 10 hours a month, sometimes more. Many of these services could undoubtedly be provided online, which would allow parents to spend more time at work and less waiting on line. Parents would also be able to spend more time with their children. In other words, Internet access at home could alleviate some of the stresses in these families' daily lives. I guess the best way to put it is: Being online is far better than waiting on a line.

I look forward to promoting this important bill in the Finance Committee.

I would like to take a moment to speak about the housing crisis in the country more generally.

My colleagues know that I have spoken frequently on the Senate floor about the lack of affordable housing throughout the country. Recent changes in the housing market have further limited the availability of housing, while the growth in our economy over the last decade has dramatically increased the cost of the housing that remains. Many working families have been unable to keep up with these increased costs.

While the bill I am introducing today does not specifically address the supply of housing, I want to reiterate my concern about and dedication to this issue. The low-income housing tax credit is only one tool, but is an effective one, generating about 85,000 new housing units per year. It is an important program, but it only helps a small fraction of the more than 5 million American households that the Department of Housing and Urban Development estimates to have "worst case" housing needs, an increase of 12 percent since 1990. Many of these families are spending more than half their income on housing, or are living in severely substandard housing. On average, a person needs to earn more than $11 per hour just to afford the median rent on a two-bedroom apartment in the United States. This hourly figure is dramatically higher in many metropolitan areas, an hourly wage of $22 is needed in San Francisco; $21 on Long Island; $17 in Boston; $16 in the D.C. area; $14 in Seattle and Chicago; and, $13 in Atlanta. I have mentioned these statistics before. In fact, there is not one metropolitan area in the country where a minimum wage earner can afford to pay the rent for a two-bedroom apartment. A person trying to live in Boston would have to make more than $35,000 annually just to afford such a home. This means teachers, janitors, social workers, police officers, and other full-time workers may have trouble affording even a modest place to live, segregating our communities by class and occupation.

We can no longer ignore the lack of affordable housing, and the impact it is having on families and children around the country. It is not clear to me why this crisis has not caused more concern here in Congress. How many families need to be pushed out of their homes and into the streets before action is taken? Do we not act because these people vote less often, or because they don't give to political campaigns? Do we not believe that most of these Americans would prefer more affordable housing to the measly tax cut they received in last year's tax bill?

I believe it is time for our Nation to take a new path, one that ensures that every American has the opportunity to live in decent and safe housing. Everyone knows that decent housing plays an enormous role in shaping young lives, and we need to do more to address this quiet, but simmering, crisis. While the bill I am introducing today with Senator HATCH will certainly help bring more Americans of modest means into the Information Age, it won't help those Americans with substandard housing, or no homes at all. Addressing that problem requires a greater commitment from all of us, and our mayors and Governors back home will all thank us.

By Mr. LEAHY (for himself, Mr. HATCH, Mr. BAUCUS, Mr. DOMENICI, Mr. CLELAND, Mr. MCCONNELL, and Mr. SESSIONS):

S. 2480. A bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from state laws prohibiting the carrying of concealed handguns; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, I am pleased today to introduce legislation to permit current and retired Federal, State and local law enforcement officers to carry a concealed firearm, the Law Enforcement Officers Safety Act of 2002. I am pleased that Senators HATCH, BAUCUS, DOMENICI, CLELAND, MCCONNELL, and SESSIONS are joining me as original cosponsors in this effort to make our communities safer and to protect law enforcement officers and their families.

I am introducing this companion measure to H.R. 218 at the request of the Fraternal Order of Police, which strongly supports this legislation to protect officers and their families from vindictive criminals and to permit officers to respond immediately to a crime when off duty. Many of my friends in the law enforcement community believe that national legislation is necessary due to the patchwork of conceal-carry laws in State and local jurisdictions, and that off-duty and retired officers should be permitted to carry their firearms across state and other jurisdictional lines.

Our bipartisan bill will allow thousands of equipped, trained and certified law enforcement officers continually to serve and protect our communities, regardless of jurisdiction, at no cost to taxpayers. This bill is designed to promote better law enforcement and improved public safety.

Our legislation would permit qualified law enforcement officers and qualified retired law enforcement officers across the nation to carry concealed firearms in most situations. The bill, however, preserves any State law that permits citizens from restricting a concealed firearm on private property and preserves any State law that restricts the possession of a firearm on State or local government property. While I support this approach to strike a proper balance between providing law enforcement officers with the uniformity in the law needed to protect public safety, I still have some federalism concerns about the legislation. I look forward to working with my colleagues as the bill moves through the legislative process to further preserve essential rights of the states.

To qualify for the bill's uniform standards a law enforcement officer must be authorized to use a firearm by the law enforcement agency where he or she works, be in good standing with that agency, and meet any standards established by that agency to regularly qualify to use a firearm. A qualified retired law enforcement officer under the bill must have retired in good standing, been employed at least five years as a law enforcement officer unless forced to retire due to a service-related injury, have a non-forfeitable right to benefits under the law enforcement agency's retirement plan, and annually complete a State-approved firearms training course. As a result, our bipartisan legislation maintains the State or local jurisdiction's power to determine whether a law enforcement officer or retired law enforcement officer is qualified in the use of a firearm.

Representative RANDY CUNNINGHAM introduced a similar bill in the House, H.R. 218, which has garnered more than 250 bipartisan cosponsors. In 1999, the House of Representatives adopted similar legislation, by a vote of 372-53, as a floor amendment during its gun safety debate before the overall legislation was defeated. I applaud my colleagues in the other legislative body for such strong bipartisan showing of support for this legislation.

As a former state prosecutor, I know that law enforcement officers are never "off-duty." They are dedicated public servants trained to uphold the law and keep the peace. When there is a threat to the peace or to our public safety, law enforcement officers are sworn to answer that call. Our legislation enables law enforcement officers across the country to be armed and prepared when they answer that call, no matter where or when it comes.

I urge my colleagues to support the Law Enforcement Officers Safety Act to make our communities safer and to protect law enforcement officers and their families.

Mr. HATCH. Mr. President, today I rise along with Senator LEAHY and others to introduce the Law Enforcement Officers Safety Act of 2002. This bill, which exempts qualified active and retired law enforcement officers from certain local and State prohibitions on the carrying of concealed firearms, will help protect the American public, our Nation's officers and their families.

Over the past several Congresses, Senator CAMPBELL has been a leader in this area. As a former deputy sheriff in Sacramento County, California, he has a first-hand understanding of the challenges law enforcement officers face as they cross state lines. Last March, he introduced a similar bill, S. 442, the Law Enforcement Protection Act of 2001, which I co-sponsored. I will continue to support S. 442 as we seek to enact such legislation during this Congress.

Like S. 442, the Law Enforcement Officers Safety Act of 2002 permits qualified law enforcement officers and retired officers to carry, with the appropriate identification, a concealed firearm that has been shipped or transported in interstate or foreign commerce regardless of State or local laws. However, like S. 442, this bill does not supersede any State law that permits private persons to prohibit or restrict the possession of concealed weapons on their properties, or prohibits or restricts the possession of firearms on any State or local government properties, installations, buildings, bases or parks. Additionally, both bills clearly define what is meant by "qualified law enforcement officer" and "qualified retired [or former] law enforcement officer" to ensure that those individuals permitted to carry concealed firearms are highly trained professionals.

Such legislation not only will provide law enforcement officers with a legal means to protect themselves and their families when they travel interstate, it will also provide added security to the American public. By enabling qualified active duty and retired law enforcement officers to carry firearms while off-duty, retired or outside their own jurisdictions, more trained law enforcement officers will be on our streets to enforce the law and to respond to crises.

I look forward to working on a bipartisan basis with my colleagues in both Houses to ensure that this legislation is enacted into law.

Thank you. I yield the floor.

By Mr. STEVENS:

S. 2481. A bill to amend the Communications Act and the Miscellaneous Appropriations Act, 2000, to require auction of 700 megahertz spectrum in compliance with existing statutory deadlines and to give the Federal Communications Commission discretion to set the auction date for all other spectrum auctions in the future; to the Committee on Commerce, Science, and Transportation.

Mr. STEVENS. Mr. President, several years ago, after a period had gone by wherein spectrum available to the FCC to relicense had been involved in a lottery process, I suggested that we auction spectrum. And after some time passed, Congress did see fit to follow that suggestion, and we have been having spectrum auctions by the FCC.

There is currently pending the auction of spectrum in the 747 to 762 megahertz and 777 to 792 megahertz bands. That has been postponed several times now, and I think that is wrong.

I do believe spectrum should be made available, in a competitive process, to those people who want to use it, and to improve our economy, to put into effect new technologies. But it should not be used just for speculation. And it should not be auctioned just because of market demands for spectrum, per se, in order to get the Government the highest level of return for the spectrum.

The highest level of return to the taxpayers, in the long run, comes from developing the spectrum, from enhancing the economy, and providing a long period of development for new technologies and new income streams, which will provide a new tax base for the Treasury. I believe we should reiterate to the FCC that it has the authority to proceed.

I will send to the desk a bill which would create the Auction Completion Timing Act, and it really is saying: Act now. The Commission has its authority, and it should act within its own discretion.

In order that this situation may not develop again, my bill also suggests future spectrum auction deadlines will be determined by the Commission alone, unless Congress specifically passes a law that the President signs that would interfere with that authority.

I believe the Federal Communications Act of 1934 should be amended to make clear that notwithstanding any other provisions we put in any bills to the contrary in the past, the Commission may determine the date of any auction conducted pursuant to section 309(j) of the Communications Act of 1934, as amended.

By Mr. WYDEN:

S. 2482. A bill to direct the Secretary of the Interior to grant to Deschutes and Crook Counties in the State of Oregon a right-of-way to West Butte Road; to the Committee on Energy and Natural Resources.

Mr. WYDEN. Mr. President, today I introduce legislation transferring from Federal to county jurisdiction the West Butte Road, located in the counties of Crook and Deschutes, Oregon. In exchange for the new right-of-way for the West Butte Road, Crook and Deschutes counties will transfer their right-of-way on the George Millican Road to the U.S. Department of Interior Bureau of Land Management, BLM.

The right-of-way exchange authorized by this legislation would clear the way for a paved road, pursued for more than 30 years by Prineville, in Crook County, OR, to connect their community with U.S. Highway 20. Such a road would substantially enhance the economic development potential for Prineville, a community suffering from 15 percent unemployment, by providing an alternative route for passenger and commercial traffic traveling between Portland and Boise, ID. It would also encourage commerce in Prineville by efficiently directing traffic to the Prineville/Crook County Industrial Parks, areas set aside for the sole purpose of promoting industrial diversification within Crook County. By increasing the traffic to these areas, the opportunity to promote and increase their occupancy would be greatly improved.

In addition to economic advantages, the paved road would provide important environmental benefits. It would reduce traffic congestion on the overloaded highway 97 passing through Bend and Redmond, OR. It would eliminate the prospect of major improvements to the Crooked River Highway. The Crooked River Highway follows the meander of the Crooked River, a tributary of the salmon-bearing Deschutes River. Improvement of that road would entail substantial impacts to riparian areas, expensive bridge maintenance, and likely adverse effects to the river. In contrast, the proposed new road would reclaim a straight section of the old Prineville-Lakeview highway, surveyed in 1915, which crosses flat desert lands and no riparian zones. In addition, the legislation directs the BLM to propose affirmative measures to protect wildlife and game habitat in the area traversed by the new road.

Some suggest that this legislation is not necessary because the BLM already has the authority to issue a right-of-way. That may be true, but it is also true that the BLM decided it can make a decision on the county right-of-way application only thought an extended process, which close observers tell me could take anywhere from four to six years, with no guarantee of success. I am not willing to stake Prineville's economic or environmental future on such an uncertainty.

Improvement of the Millican/West Butte road is supported by the City of Prineville, Crook County, Deschutes County, the City of Bend, the City of Redmond, the Oregon Department of Transportation and the Central Oregon Transportation Commission. They have identified the new right-of-way as a means of reducing environmental impacts associated with the existing road, reducing traffic congestion, improving the northwest-southeast connections between the state's wealthiest and poorest regions, and offering the community the chance to retain its largest employers so as to address some of the economic woes of the region.

By Mr. CLELAND (for himself, Mr. KERRY, Ms. LANDRIEU, Mr. JEFFORDS, Mr. HARKIN, Mr. BINGAMAN, Mrs. CARNAHAN, Mr. LEAHY, Mr. LIEBERMAN, and Mr. JOHNSON):

S. 2483. A bill to amend the Small Business Act to direct the Administrator of the Small Business Administration to establish a pilot program to provide regulatory compliance assistance to small business concerns, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. CLELAND. Mr. President, in order to provide regulatory compliance assistance to small businesses, Senator KERRY and I are introducing the Senate companion bill to H.R. 203, the "National Small Business Regulatory Assistance Act," which passed the House last year by voice vote. I also want to thank Senators LANDRIEU, JEFFORDS, HARKIN, BINGAMAN, CARNAHAN, LEAHY, LIEBERMAN, and JOHNSON for their co-sponsorship.

In today's business environment, one of the greatest obstacles blocking the path to prosperity for America's small businesses is regulatory compliance. Small businesses regularly find themselves lost in a maze of Federal regulations that are designed to create safer and healthier workplaces. Chairman KERRY and I want all of our businesses to comply with the regulations that preserve the health, environment, and well-being of our workers and our communities. But, too often, small businesses do not have access to the information they need in order to comply with regulations in good faith.

The National Small Business Regulatory Assistance Act calls for the establishment of a pilot project in which 20 selected Small Business Development Centers, SBDCs, would provide regulatory compliance assistance to small businesses. This pilot project would be administered by the Small Business Administration, SBA, which would be authorized to award grants between $150,000 and $300,000 to selected SBDCs. The bill also requires that the Congress receive a progress report annually on the pilot program's accomplishments at each SBDC.

Under our legislation, SBDCs would need to form partnerships with Federal compliance programs, conduct educational and training activities and offer free-of-charge compliance counseling to small business owners. Further, the measure would guarantee privacy to those who receive compliance assistance. This privacy provision has also been extended to all small businesses that seek any assistance from their local SBDC.

The adoption of the National Small Business Regulatory Assistance Act will provide small businesses with the support they need to navigate the often complicated world of Federal regulations.

I urge all Members of the Senate to join me in support of the National Small Business Regulatory Assistance Act of 2002.

Mr. KERRY. Mr. President, I am pleased to join with my distinguished colleague, Senator MAX CLELAND, and the cosponsors of our legislation in introducing the National Small Business Regulatory Assistance Act.

The bill we are introducing today is the Senate version of H.R. 203, which bears the same name as our legislation. H.R. 203 passed the House by voice vote in October of last year with the strong support of the House Committee on Small Business. However, our version deals with several issues that have been raised since House passage and will help ensure that small businesses receive the regulatory compliance assistance the legislation envisions.

I am pleased to say that we have the full support of the Association of Small Business Development Centers, which has been working closely with us since January of this year to draft the Senate version of this legislation, correcting several issues with the House passed bill. I am also pleased to say that we have kept Congressman SWEENEY, the House sponsor, and Congressman MANZULLO, chairman of the House Committee on Small Business, informed of our actions throughout the process to ensure our changes would have the support of the House committee, as should be the case.

Small businesses, especially small businesses with few employees, often face a daunting task when seeking advice on how to comply with Federal regulations, particularly when implementation varies for different regions of the country, or from State to State. Many small businesses fail to comply with important and needed labor and environmental regulations not because they want to break the law, but because they are unaware of the actions they need to take to comply. Often, small businesses are afraid to seek guidance from Federal agencies for fear of exposing problems at their business.

One important way to help small business comply with Federal regulations is to provide them with free, confidential advice outside of the normal relationship between a small business and a regulatory agency. The Small Business Administration's, SBA, Small Business Development Centers, SBDC, are in a unique position to provide this type of assistance.

Our bill establishes a pilot program to award competitive grants to 20 selected SBDCs, two from each SBA region, which would allow these SBDCs to provide regulatory compliance assistance to small businesses. The SBA would be authorized to award grants between $150,000 and $300,000, depending on the population of the SBDC's State.

Under our legislation, the SBDCs would need to form partnerships with Federal compliance programs, conduct educational and training activities and offer free-of-charge compliance counseling to small business owners. Further, the measure would guarantee privacy to those who receive compliance assistance. This privacy provision has also been extended to all small businesses that seek any assistance from their local SBDC.

The legislation we are introducing today uses only SBA funds and will serve to complement current small business development assistance as well as existing compliance assistance programs. Versions of this legislation introduced in previous Congresses used Environmental Protection Agency, EPA, enforcement funds to pay for these grants.

Small businesses can succeed when it comes to complying with Federal regulations, if provided with the necessary tools and information. The National Small Business Regulatory Assistance Act will go a long way toward assisting our Nation's small businesses who want to comply with Federal Regulations.

I urge all of my colleagues to support this legislation.

By Mr. BAUCUS (for himself, Mr. JOHNSON, and Mr. DASCHLE):

S. 2484. A bill to amend part A of title IV of the Social Security Act to reauthorize and improve the operation of temporary assistance to needy families programs operated by Indian tribes, and for other purposes; to the Committee on Finance.

Mr. BAUCUS. Mr. President, today, I am introducing the American Indian Welfare Reform Act of 2002, an important step in improving the lives of this country's Native Americans. I am glad to be joined by Senators JOHNSON and DASCHLE in this effort.

In 1996 we enacted a sweeping welfare reform law. It was a long-past-due fundamental change and ended a failed system for helping low-income families in America. I was a strong supporter of that law. This year, we are reauthorizing it. As we in the Finance Committee have reviewed the evidence I have been struck by how successful it has been. The ranks of those dependent on welfare in this country has been reduced by half in just five years. There is more to be done, of course. Child poverty has declined but not by as much as the fall in the welfare caseload, for example. I am at work with my Finance Committee colleague Senator GRASSLEY on comprehensive legislation to renew and improve the 1996 law.

One important aspect of the 1996 law which is often overlooked is that it didn't just devolve authority to States, it also permitted Indian tribes to operate their own welfare programs for the first time. The new welfare program, Temporary Assistance for Needy Families, TANF, is very flexible. Tribes can take advantage of that flexibility to design culturally-appropriate programs to move people from welfare to work. This is smart policy and is consistent with the important value of tribal sovereignty. I support it.

My own State of Montana is home to several tribes and I have given much thought to how we can build upon the provisions of the 1996 welfare law to help them and their members. Too often in Montana, and elsewhere, poverty has an Indian face. The numbers are cold and hard. According to the Census Bureau, 25 percent of American Indians live in poverty, more than twice the national poverty rate. The average household income for Indians in 2000 was only 75 percent of that of the rest of Americans. This is simply not right. We must do better. Welfare reform needs to work for everyone.

Luckily, the provisions of the 1996 law provide a good start. Now we must build upon them. The legislation I introduce today, the product of extensive dialogue and consultation, does that in several important ways.

First, more than 30 tribes, including the Confederated Salish-Kootenai and Fort Belknap tribes of Montana, have taken advantage of the opportunity to operate their own TANF programs. This bill contains provisions to help those tribes improve their programs. For example, tribes operating TANF are not eligible for the TANF high performance bonus or the TANF contingency fund while state TANF programs are. This oversight is rectified by this bill.

Second, there are many tribes interested in operating TANF programs which do not believe the current set-up allows them to do so. They want to exercise their sovereignty and adapt their program to better fit the needs of their people. We should help them do so. To that end, I proposed creating a new grant fund to improve tribal governmental capacity. We have funded State administrative capacity for decades, helping states buy computer systems and train workers. We should do the same for tribal human services administration. Under this bill, a tribe which wants to operate TANF but needs to upgrade its computers to do it could receive the funding it needs, which will enable it to take over TANF.

Third, there are some tribes not interested in running a TANF program or a long time from being able to do it. Their low-income families will continue to receive assistance from State programs. I have included provisions to facilitate State-tribe dialogue in these cases so that the state can better understand the unique circumstances of each Indian reservation. We must ensure all Indian families are able to get help when they need it.

Finally, there is the all-important issue of economic development. A General Accounting Office review of Census Bureau data found that 25 of the 26 counties in the U.S. with a majority of American Indians had poverty rates "significantly" higher than average. Welfare reform is about moving people to work. On most of our Indian reservations there is simply far too little work to be had. Like everyone else, Indians want to work. We need to do better in giving them the opportunity.

This legislation provides tribes with an expanded authority to issue bonds, which will encourage additional economic activity on reservations, such as housing construction. This means more jobs, as well as a better quality of life. It also includes grants to help tribes improve their own economic development strategies. Tribes with uniform commercial codes and effective microenterprise programs can see more business activity on their lands. This bill helps tribes helps themselves. We need to let Indians find their own way to prosperity, not impose top-down strategies. But we must make sure they have the tools to get there.

This is an important bill. It includes other key provisions. One is a fine bill originally introduced by Senators DASCHLE and MCCAIN to allow tribes to receive direct Federal reimbursement for operating foster care programs. Another provision funds research on tribal welfare reform programs so we can learn what works as well as providing funds for "peer-learning" so that tribes can learn from one another. I am a strong supporter of welfare reform. We need to make sure it works for everyone. This bill does not.

I ask unanimous consent that a summary of the legislation be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

THE AMERICAN INDIAN WELFARE REFORM ACT OF 2002—SUMMARY

I. FINDINGS

The Federal Government bears a unique trust responsibility for American Indians. Despite this responsibility, Indians remain remarkably impoverished. According to the Census Bureau, 25.9 percent of American Indians live in poverty, more than twice the national poverty rate. The average household income for Indians in 2000 was only 75 percent of that of the rest of Americans. In some States with substantial Indian populations the welfare caseload has become increasingly Indian because it has been harder for Indians to leave welfare for work. A General Accounting Office review of Census Bureau data found that 25 of the 26 counties in the U.S. with a majority of American Indians had poverty rates "significantly" higher than average. Further, many Indian tribes are located in isolated rural areas, far from economic opportunity. Welfare reform has not brought enough change to Indian Country.

II. THE TRIBAL TANF IMPROVEMENT FUND

The 1996 welfare reform law permits tribes to opt to operate their own Temporary Assistance for Needy Families, TANF, programs. A new Tribal TANF Improvement Fund of $500 million, to be available for five years, would be created to build upon these programs and allow more tribes to start them. It would have four parts:

Tribal Capacity Grants.—State governments have benefitted from decades of federal investment in their administrative capacity, particularly in their information management systems. $225 million of the Fund would be reserved for grants to improve tribal human services program infrastructure, with a priority for management information systems and training. Tribes applying to operate TANF would be given priority. Tribes already operating TANF or applying to operate IV–E foster care programs with direct federal funding would also be eligible for grants. HHS would be required to assure that tribes of all sizes received funding and to maximize the number of tribes which receive funding. Tribes would be eligible for one grant per year.

Adjusted Tribal TANF Grants.—Tribes which take over operation of TANF often experience significant increases in caseload as poor families apply for help for the first time because they are more comfortable asking assistance from the tribe or simply because they are more able to access services. Yet tribal TANF allocations are based on estimates of Indians served by state programs in 1994, which can leave the tribe facing funding levels which are too low. To better support families in tribal TANF programs, $140 million of the fund would be reserved for grants to tribal TANF programs where the tribe can demonstrate it has a significantly higher true caseload than originally estimated. Tribes with cash assistance caseloads two years after beginning operation of a TANF no program which are 20 percent higher than originally estimated would be eligible for additional funding. The funds would be allocated proportionate to a tribe's size and service population as well as the caseload increase, on the basis of a formula to be determined by HHS in consultation with tribes. The funding level would be $35 million per year, from FY 2004–2007.

Tribal TANF MOE Incentive.—A key factor in tribes being able to operate TANF programs has been the willingness and ability of states to contribute funding as part of the broader state maintenance of effort, MOE, requirement. To encourage states to do this, up to an additional $120 million would be available for "rebates" of TANF funds to states which provide MOE support to tribal TANF programs. For each $1 in MOE funds provided, the federal government would provide an additional 30 cents in TANF funding to the state. If funding is insufficient, HHS would provide pro-rata funding to ensure each state contributing MOE receives a share of the incentive funds.

Technical Assistance.—HHS would receive $15 million to provide technical assistance to tribes. At least $5 million on these funds would be reserved to support peer-learning programs among tribal administrators and at least $7.5 million would be reserved for grants to tribes to conduct feasibility studies of their capacity to operate TANF.

III. TRIBAL TANF HIGH PERFORMANCE FUND AND CONTINGENCY FUND ACCESS

There are separate sources of funding within TANF that tribes do not have the ability to access. To better support tribal TANF programs, three percent of the current TANF "high performance" bonus, or $6 million/year, would be reserved for distribution to tribal TANF programs. The criteria would be determined by HHS through consultation with tribes, but should involve effectiveness in moving TANF recipients into employment and self-sufficiency. In addition, $25 million of the $2 billion TANF Contingency fund would be reserved for tribal TANF programs operating in situations of increased economic hardship. The criteria for tribal access to the Contingency Fund would also be determined by HHS through consultation with the tribes, but would include a worsening economic condition and loss of reservation employers. In addition, current restrictions on the use of "carryover" TANF funds would be eliminated, permitting tribes to spend prior year TANF funds with just as much flexibility as current year TANF funds.

IV. ECONOMIC DEVELOPMENT

There are three elements in the bill to stimulate more economic activity on economically-depressed reservations.

Expanded Tribal Authority To Issue Tax-Exempt Private Activity Bonds.—Currently, tribes have a limited authority to issue private activity bonds for "essential" governmental functions and for certain manufacturing-related purposes. This provision would allow bonds to be used for residential rental properties and qualified mortgage bonds, spurring construction. In addition, tribes could allocate authority for financing businesses that would qualify as enterprise zone businesses if the reservation were a zone. All property financed would have to be on the reservation of the issuing tribal government and qualified tribal governments would have to have an unemployment rate of at least 20 percent. Casinos and certain other forms of businesses could not be financed by the bonds. The authority would be for calendar years 2003–2007, and up to $10 million total would be available for each qualifying tribe.

Tribal Development Grants.—A key part of tribal economic development is the investment climate on the reservation. Tribes with clear legal codes and which encourage microenterprise activities are more likely to generate economic growth. To facilitate this, the Administration for Native Americans within HHS would receive $50 million to distribute in grants to tribes, tribal organizations and non-profit organizations to provide technical assistance to tribes in the areas of: development and improvement of uniform commercial codes; creating or expanding small business or micro-enterprise programs; development and improvement of tort liability codes; creating or expanding tribal marketing efforts; for-profit collaborative business networks; and telecommunications.

Job Access and Reverse Commute Grants.—A lack of transportation often hinders tribal economic development. To help address this need, tribes would be made directly eligible to receive Job Access and Reverse Commute grants from the federal Department of Transportation, which would permit tribes to pursue innovative TANF strategies around transportation. A tribal set-aside of 3 percent would be established in the program. Matching funds could be provided by tribes on an in-kind basis or with other federal funds, such as TANF.

V. TRIBAL JOB TRAINING PROGRAMS

There are currently two tribal job training programs, the NEW program and Welfare-to-Work grantees. To simplify and better co-ordinate programs, a new Tribal Employment Services Program, TESP, would be created in the Department of Labor by combining the two programs. It would be funded at $37 million annually and distributed to current Tribal NEW and Welfare-to-Work grantees as well as new applicants. TESP funds could be used for employment training efforts for those on, or at-risk of being on, public assistance. Tribes could also use the funds to assist non-custodial parents of children on, or at risk of being on, public assistance. To encourage state-tribal partnerships, TANF funds transferred to tribal TESP programs would be governed by TESP rules, not TANF rules. The bill also clarifies that the single plan, single budget, and single reporting requirements of PL 102–477 should be respected.

VI. TRIBAL CHILD CARE

The availability and quality of child care is basic to the success of welfare reform. Tribal welfare reform efforts are no exception. The tribal set-aside within the Child Care Development Block Grant, CCDBG, would be increased to 5 percent to better support tribal welfare reform programs. HHS would be required to go through a negotiated rulemaking process, in consultation with tribal representatives, to determine an equitable allocation of funds among tribes. In addition, each tribe receiving CCDBG funding would develop their own health and safety standards, subject to approval of HHS. Tribal child care programs would have additional authority to use funds for construction and renovation.

VII. EQUITABLE ACCESS

Many American Indians are—and will continue to be—served by state TANF programs. States will be required to consult with tribes within their borders on TANF state plans. Under current law, States are required to provide "equitable access" to services for Indians. State and tribal TANF plans would be required to describe how "equitable access" is provided to encourage better state-tribal co-operation. HHS would also be required to include in the annual TANF report to Congress state-specific information on the demographics and case load characteristics of Indians served by state TANF programs.

In addition, HHS would be required to convene a new advisory committee on the status of non-reservation Indians. Too little is known about how these Indians are faring. The committee is to make recommendations for ensuring these Indians receive appropriate assistance. The committee would include Federal, State, and tribal representatives as well as representatives of Indians not residing on reservations. A majority of those on the committee should be representatives of Indians not residing on reservations. GAO would also be required to conduct a study of the demographics of Indians not residing on reservations, including economic and health information, as well as reviewing their access to public benefits.

VIII. JOBLESSNESS

As acknowledged by the 1996 welfare law, the federal time limit on assistance is not an appropriate policy on Indian reservations with severe unemployment. This provision would be adjusted so that the time limit will not apply during months where the joblessness is above 20 percent, provided that TANF recipients are not in sanction status. In addition, in these areas of high joblessness, states would have flexibility to define work activities required for TANF participants, provided the recipient is participating in activities in accordance with an Individual Responsibility Plan and the state has included information in its state plan describing its policies in Indian Country areas of high joblessness. Tribal TANF programs already have flexibility in work activity definition.

IX. ALASKA PROVISIONS

The 1996 provision limits the ability of tribes in Alaska to design and operate programs. These provisions involving differential treatment for Alaskan Natives, such as those requiring tribal TANF programs to be "comparable" to the state program, would be removed.

X. TRIBAL FOSTER CARE PROGRAMS

Due to a long-standing oversight, tribes are not allowed to receive direct federal reimbursement when they operate foster care programs to take care of abused and neglected children. The provisions of S. 550, the Daschle-McCain legislation to rectify this oversight and allow tribes to receive direct federal funding to operate foster care programs, are included.

XI. FOOD STAMPS, MEDICAID, AND SCHIP

Tribes operating TANF programs would be given clear authority to perform eligibility determination for Food Stamps, Medicaid, and SCHIP. Quality control measures in each program would apply to tribes making such decisions, although states and tribes may negotiate separate agreements on these measures.

XII. CHILD SUPPORT ENFORCEMENT

HHS would be required to promulgate final regulations concerning tribal child support programs within one year of enactment.

XIII. SOCIAL SERVICES BLOCK GRANT, SSBG

When funding for SSBG exceeds $2.4 billion in a year, $10 million plus 2 percent of all funds beyond $2.4 billion is reserved for tribes. All tribes operating social service programs would be eligible for a share. HHS is required to develop a distribution formula through a consultation process with the tribes.

XIV. RESEARCH

$2 million would be provided to HHS for research on tribal welfare programs and efforts to reduce poverty among American Indians in general. To expend the funds, HHS would first have to issue a planned course of research and consultation with the tribes. Research funding applicants which propose to include tribal governments and tribal colleges in their work would have priority.

XV. FAITH-BASED INITIATIVE

The HHS Office of Faith-Based and Community Initiatives would be required to convene an advisory committee of Indians expert in social services and the spiritual aspects of traditional Indian cultures. This committee shall issue a report within 18 months of enactment with "best practices" advice for tribal and state TANF administrators.

By Ms. STABENOW (for herself, Mr. DASCHLE, Mr. MILLER, Mr. DURBIN, Mrs. CARNAHAN, and Mr. WELLSTONE):

S. 2486. A bill to amend the Internal Revenue Code of 1986 to limit the deduction for advertising of FDA approved prescription drugs by the manufacturer of such drugs to the level of such manufacturer's research and development expenditures, and for other purposes; to the Committee on Finance.

Ms. STABENOW. Mr. President, I rise to introduce the Fair Advertising and Increased Research Act, the FAIR Act. The FAIR Act is designed to lower prescription drug prices by limiting taxpayer subsidies to pharmaceutical companies for advertising to those for research and development. I am pleased to be joined by my colleagues, Senators DASCHLE, MILLER, DURBIN, CARNAHAN, and WELLSTONE.

American taxpayers contribute about $16 billion a year to drug research through the National Institutes of Health. But what do they get for their investment? They get the highest drug prices in the world.

At the same time, drug companies spend nearly $16 billion a year on advertising, marketing and promotion of prescription drugs. What does this mean for Americans? It means life-saving drugs become unaffordable. And unaffordable means unavailable or it means making cruel choices. For seniors it can mean choosing between food and medicine.

We need to do something to address excessive advertising that leads to higher and higher prescription drug prices. The FAIR Act will help do so. Simply, it will limit pharmaceutical companies' deduction of annual expenditures for advertising, promoting or marketing—in any medium—of any Food and Drug Administration approved prescription drug to the amount of research and development expenditures in any taxable year. For example, if a company spends $110 million on advertising, promoting or marketing FDA approved prescription drugs and but spends only $100 million on research and development in one year, the company would not be able to deduct $10 million of advertising expenses in that year. Any savings resulting from this legislation will be credited to the Medicare Trust Fund.

This is necessary because recent evidence shows that advertising, marketing and promotion of prescription drugs is out of control. According to an analysis of company earnings reports, the top 11 pharmaceutical spend 30 percent of their revenues on advertising, marketing, promotion, and administration and only 12 percent on research and development. Furthermore, pharmaceutical companies have dramatically increased their direct-to-consumer advertising by 300 percent from 1996 to 2000. Direct to consumer advertising includes all of those television, radio and print ads you see and hear daily.

I would like to provide one example of excessive advertising to demonstrate the need of this legislation. In the year 2000, Merck spent $160 million advertising Vioxx, a drug to treat arthritis. This is more than PepsiCo spent on promoting Pepsi—$125 million—and more than Anheuser-Busch allocated to get the American people to buy Budweiser—$136 million.

This bill does not prevent the pharmaceutical companies from advertising as much as they want. Under our Constitution, they are free to do so. All we are seeking to do is limit how much the taxpayers should subsidize this advertising. We think the logical limit should be the amount that companies spend on research in a given year.

While there is much compelling evidence that pharmaceutical companies spend more on advertising, marketing, and promotion than research and development, the trade association representing these businesses, PhRMA, claims that they spend more on research than on advertising. If this is true, then the pharmaceutical lobbyists should support this measure because it will not affect them and would only set a reasonable parameter for advertising in the future.

We have to do something about spiraling prescription drug prices. This bill is a step in that direction. It will seek to stop taxpayer subsidies for excessive advertising and lower the price we pay for prescription drugs at our local pharmacy.

I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair Advertising and Increased Research (FAIR) Act".

SEC. 2. LIMITATION ON TAX DEDUCTIONS FOR ADVERTISING BY FDA PRESCRIPTION DRUG MANUFACTURERS.

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 of subtitle A of the Internal Revenue Code of 1986 (relating to items not deductible) is amended by adding at the end the following:

"SEC. 280I. LIMITATION ON TAX DEDUCTIONS FOR ADVERTISING BY FDA PRESCRIPTION DRUG MANUFACTURERS.

"(a) IN GENERAL.—No deduction shall be allowed under this chapter for any taxable year for any expenditure relating to the advertising, promoting, or marketing (in any medium) of any FDA prescription drug manufactured by the taxpayer to the extent the aggregate amount of such expenditures exceeds the taxpayer's aggregate research and development expenditures for such taxable year.

"(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) FDA PRESCRIPTION DRUGS.—The term 'FDA prescription drug' means any drug or biological approved by the Federal Drug Administration which requires a prescription of a physician for its use by an individual.

"(2) RESEARCH AND DEVELOPMENT EXPENDITURES.—The term 'research and development expenditures' means any expenditures which may be treated as expenses under section 174.

"(3) AGGREGATION RULES.—All members of the same controlled group of corporations (within the meaning of section 52(a)) and all persons under common control (within the meaning of section 52(b)) shall be treated as 1 person.".

(b) CONFORMING AMENDMENT.—The table of sections for such part IX is amended by adding after the item relating to section 280H the following:

"Sec. 280I. Limitation on tax deductions for advertising by FDA prescription drug manufacturers."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(d) TRANSFER TO THE FEDERAL HOSPITAL INSURANCE TRUST FUND OF RESULTING BUDGETARY SAVINGS.—There is appropriated to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act amounts equal to the increase in Federal revenues resulting from the amendment made by subsection (a). Such appropriated amounts shall be transferred from the general fund of the Treasury on the basis of estimates of such revenues made by the Secretary of the Treasury.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 263—CONGRATULATING THE REPUBLIC OF CROATIA ON THE 10TH ANNIVERSARY OF ITS RECOGNITION BY THE UNITED STATES

Mr. MCCAIN (for himself, Mr. DURBIN, Mr. LIEBERMAN, Mr. VOINOVICH, and Mr. BIDEN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 263

Whereas the United States recognized the Republic of Croatia on April 7, 1992, acknowledging the decision of the Croatian people to live in an independent, democratic, and sovereign country;

Whereas, during the 10 years since the recognition, the people of Croatia have overcome the legacy of the autocratic Tudjman government and persevered in building a democratic society, based on the rule of law, respect for human rights, and a free market economy, as shown by the democratic parliamentary and presidential elections held in January and February 2000;

Whereas the people and Government of the Republic of Croatia share the democratic values of the international community and the responsibility to uphold them, actively promoting democratic values in international organizations;

Whereas Croatia, cooperating on the basis of partnership and solidarity, participates in the Vilnius Group, which is committed to the common values of security and democratic stability through future North Atlantic Treaty Organization membership;

Whereas Croatia is a reliable friend and ally of the United States, actively contributing to the stabilization of South Central Europe; and

Whereas Croatia immediately positioned itself within the antiterrorism coalition of nations, sharing the common interests and values of the free and democratic world: Now, therefore, be it

Resolved, That the Senate—

(1) commends the Republic of Croatia for the significant progress it has made during the past decade, and encourages its democratic orientation and further strengthening

of respect for human rights, the rule of law, and the free market;

(2) supports the Republic of Croatia's aspirations to become a member of the North Atlantic Treaty Organization (NATO), welcomes its commitment to the reforms required for NATO membership, acknowledges the importance of its continued commitment to those reforms, and recommends its acceptance into the Membership Action Plan at the NATO Ministerial in Reykjavik, Iceland in May 2002;

(3) encourages Croatia's continued contributions in bringing peace, stability, and prosperity to the region of South Central Europe, including continuing its cooperation with the International Criminal Tribunal for the former Yugoslavia; and

(4) recognizes the important role of the Croatian-American community in supporting the strengthening of bilateral relations between the United States and the Republic of Croatia.

SENATE RESOLUTION 264—EXPRESSING THE SENSE OF THE SENATE THAT SMALL BUSINESS PARTICIPATION IS VITAL TO THE DEFENSE OF OUR NATION, AND THAT FEDERAL, STATE, AND LOCAL GOVERNMENTS SHOULD AGGRESSIVELY SEEK OUT AND PURCHASE INNOVATIVE TECHNOLOGIES AND SERVICES FROM AMERICAN SMALL BUSINESSES TO HELP IN HOMELAND DEFENSE AND THE FIGHT AGAINST TERRORISM

Mr. KERRY (for himself and Mr. BOND) submitted the following resolution; which was referred to the Committee on Small Business and Entrepreneurship:

S. RES. 264

Whereas on September 11, 2001, the people of the United States were subject to the worst terrorist attack in American history;

Whereas in October 2001, the Pentagon's Technical Support Working Group, which is responsible for seeking new technologies to assist the military, sent an urgent plea, seeking ideas on how to fight terrorism;

Whereas in just 2 months, over 12,500 ideas were submitted to the Technical Support Working Group, most of them from small businesses;

Whereas small businesses remain the most innovative sector of the United States economy, accounting for the vast majority of new product ideas and technological innovations; and

Whereas despite their achievements, small businesses often have difficulty marketing and supplying goods and services to Federal, State, and local governments: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) small business participation is vital to the defense of the United States and should play an active role in assisting the United States military, Federal intelligence and law enforcement agencies, and State and local police forces to combat terrorism through the design and development of innovative products; and

(2) Federal, State, and local governments should aggressively seek out and purchase innovative technologies and services from, and promote research opportunities for, American small businesses to help in homeland defense and the fight against terrorism.

Mr. KERRY. Mr. President, I am pleased today to submit a Resolution expressing the sense of the Senate that small business participation is vital to the defense of our Nation, and that Federal, State, and local governments should aggressively seek out and purchase innovative technologies and services from American small businesses to help in homeland defense and the fight against terrorism.

Since the events of September 11, the people of our Nation have come together in many ways to help protect our land and its citizens. Whether it is the high number of individuals signing up to become Sky Marshals, fighter pilots pulling letters of resignation and staying in the military, expressions of pride through the display of the American flag or other patriot memorabilia, or the desire of innovative small businesses to sell products to the Federal Government for the fight against terrorism or for homeland defense, the ground swell of patriotism has been truly uplifting.

But today, I want to focus the attention of my colleagues on the contributions being made specifically by our small businesses. Throughout the years, small businesses have also heard the call to arms and to defend the nation, and have responded through the development of innovative products to protect our Nation.

Whether it's a need for a new type of night vision scope for a lonely sniper in the field, lighter materials for a Marine's backpack, more reliable field communications gear, or nonlethal weaponry, America's small businesses have heard the call and met the challenge.

Fortunately, our government has recognized the need to promote a diverse defense industrial base, and since World War II, the Federal Government has actively sought to grow and maintain a thriving small business sector. And like many policies designed to promote defense, government policy to foster small business creation and growth has turned out to be a great boon for the U.S. economy. Today, small businesses represent more than 99 percent of all employers, employ 51 percent of private sector workers, account for 96 percent of all exporters of goods, and provide 75 percent of net new jobs. Additionally, small businesses are more adaptable, more innovative and more likely to retain and hire employees during an economic downturn than their larger brethren.

Our government's commitment to purchasing goods and services from small businesses is a key element in creating a positive environment for small business creation and growth. It results in more competition and increased productivity, which leads to lower prices and new innovations.

Yet with all of these positive elements, today, we are faced with a unique challenge. Budgetary pressures in the Federal Government have resulted in demands for faster and cheaper purchases of goods and services. Federal procurement personnel have retired and not been replaced, government streamlining has hurt competition by eliminating or severely reducing the array of small business suppliers in the Federal procurement arena, and contract bundling has made it increasingly more difficult for small businesses to compete for government contracts.

That is why, as our Nation looks for new technologies to promote homeland defense and fight terrorism, small businesses should play an active role.

I would like to commend the Pentagon's Technical Support Working Group, which is responsible for seeking new technologies to assist the military, for sending an urgent plea seeking ideas on how to fight terrorism. America's small businesses responded, and in just two months, over 12,500 ideas were submitted to the Technical Support Working Group, most of them from small businesses.

This not only demonstrates the commitment of America's small businesses and demonstrates their ability to be innovative, it clearly shows that when the Federal Government calls for action, small businesses respond.

The Resolution I am introducing today, along with the support of Senator BOND, the ranking member of the Committee on Small Business and Entrepreneurship, which I chair, seeks to encourage Federal procurement officials to seek out and purchase innovative technologies and services from, and promote research opportunities for, American small businesses to help in homeland defense and the fight against terrorism.

This Resolution is a precursor to the Small Business Homeland Defense Exposition that Senator BOND and I are jointly sponsoring, which will take place this July here on Capitol Hill. At the Expo, a selection of small businesses will help send the message to Federal officials that they should look to small businesses for true innovations that will help us win the war against terrorism. The Expo will showcase high-tech, innovative products that have been developed by our nation's small businesses.

For the last month, Senator BOND and I have been soliciting small business homeland defense nominees from our colleagues, so that we can select truly unique products for the Expo. As expected, the response has been enthusiastic and I would encourage all of my colleagues to attend this event so that they may see and try these products. My only regret is that we do not have the space available to allow every small business to participate. However, every nominee will be included in our event book highlighting these innovative small businesses.

I would like to conclude by once again stressing the importance of our Nation's small businesses, both to our economic security and our national security. Supporting small businesses is supporting America.

I urge all of my colleagues to cosponsor this Resolution.

SENATE RESOLUTION 265—RECOGNIZING THE ELLIS ISLAND MEDAL OF HONOR AND COMMENDING THE NATIONAL ETHNIC COALITION OF ORGANIZATIONS

Mrs. CLINTON submitted the following resolution; which was referred to the Committee on the Judiciary:

S. 265

Whereas the Ellis Island Medal of Honor, established by the National Ethnic Coalition of Organizations in 1986, pays tribute to individuals of various ethnic origins who have distinguished themselves through their contributions to the United States;

Whereas the Ellis Island Medal of Honor has been awarded on a bipartisan basis to 6 Presidents and numerous Representatives and Senators;

Whereas the National Ethnic Coalition of Organizations is the largest organization of its kind in the United States, representing more than 5,000,000 family members and serving as an umbrella group for more than 250 organizations that span the spectrum of ethnic heritage, culture, and religion;

Whereas the mandate of the National Ethnic Coalition of Organizations is to preserve ethnic diversity, promote equality and tolerance, combat injustice, and bring about harmony and unity among all peoples;

Whereas the Ellis Island Medal of Honor is named for the gateway through which more than 12,000,000 immigrants passed in their quest for freedom of speech, freedom of religion, and economic opportunity;

Whereas the Ellis Island Medal of Honor celebrates the richness and diversity of American life by honoring not only individuals, but the pluralism and democracy that have enabled the Nation's ethnic groups to maintain their identities while becoming integral parts of the American way of life;

Whereas during the 15-year history of the Ellis Island Medal of Honor, more than 1,500 individuals from scores of different ethnic groups have received the Medal, and more than 5,000 individuals are nominated each year for the Medal; and

Whereas at the 2002 Ellis Island Medal of Honor ceremony in New York City, individuals from different ethnic groups will be honored for their contributions to the rescue and recovery efforts of September 11, 2001, the war against terrorism, and the enhancement of the Nation's homeland security: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the Ellis Island Medal of Honor for acknowledging individuals who live exemplary lives as Americans while preserving the values of their particular ethnic groups; and

(2) commends the National Ethnic Coalition of Organizations for its—

(A) sponsorship of the Ellis Island Medal of Honor; and

(B) ongoing work to promote harmony and understanding between groups.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3394. Mr. KENNEDY (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table.

SA 3395. Mr. KENNEDY (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 3009, supra; which was ordered to lie on the table.

SA 3396. Mr. DAYTON (for himself, Mr. CRAIG, Mr. DURBIN, Mr. SHELBY, Mr. KERRY, Mr. HELMS, Mr. WELLSTONE, Ms. COLLINS, Ms. MIKULSKI, Mr. SMITH of New Hampshire, Mr. DORGAN, Mr. ALLEN, Mr. HOLLINGS, Mr. WARNER, Mr. LEVIN, Mr. CRAPO, Mr. ROCKEFELLER, Mr. ENZI, Mr. FEINGOLD, Mr. SPECTER, Mr. JOHNSON, Mr. CAMPBELL, Ms. STABENOW, Mr. SESSIONS, Mrs. CLINTON, and Mr. BURNS) submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) supra; which was ordered to lie on the table.

SA 3397. Mr. BAYH (for himself, Mr. DURBIN, and Mrs. CARNAHAN) submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3394. Mr. KENNEDY (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 248, strike line 21 and all that follows through page 249, line 4, and insert the following:

(v) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms;

(B) to secure fair, equitable, and non-discriminatory market access opportunities for United States persons that rely upon intellectual property protection; and

(C) to respect the Declaration on the TRIPS Agreement and Public Health, adopted by the World Trade Organization at the Fourth Ministerial Conference at Doha, Qatar on November 14, 2001.

SA 3395. Mr. KENNEDY (for himself and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill H.R. 3009, to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following new title:

TITLE —BUSINESS INCUBATION

SEC. 01. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the "Linking Educators and Developing Entrepreneurs for Reaching Success Act of 2002".

(b) FINDINGS.—Congress makes the following findings:

(1) Business incubators housed in academic settings provide unique educational opportunities for students, provide entrepreneurs with enhanced access to a skilled workforce, and bring a wealth of resources to business, academia, and communities.

(2) Academic affiliated incubators bridge the missions of academic institutions by bringing together education, economic development, and technology commercialization efforts.

(3) Studies have shown that incubator tenant companies have an average success rate of 87 percent, and 90 percent for technology-based incubator tenant companies. These success rates are dramatically higher than the success rates for companies in the general economy.

(4) Incubator companies are also more likely to remain in the same communities as they grow and to provide high paying jobs and benefits to their employees.

(5) Business incubators help academic institutions contribute to local goals of sustaining economic development in their surrounding communities.

(6) Education in entrepreneurship and other business formation skills is essential to business success and sustainable economic development.

(7) Studies have shown that every 50 jobs created by a business in an incubator generate another 25 jobs in that incubator's community.

(8) Business incubators are of particular value in communities that have seen significant job displacement due to overwhelming competition from exports.

SEC. 02. PURPOSE.

The purpose of this title is to encourage entrepreneurship by increasing the role for academia in entrepreneurship by providing space and expertise in an academic setting to house and support new and emerging small businesses.

SEC. 03. DEFINITIONS.

In this title:

(1) DEGREE-GRANTING INSTITUTION.—The term "degree-granting institution" means an institution of higher education, as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), that awards an associate or baccalaureate degree.

(2) INCUBATOR.—The term "incubator" means an entity affiliated with or housed in a degree-granting institution that provides space and coordinated and specialized services to entrepreneurial businesses which meet selected criteria during the businesses' startup phase, including providing services such as shared office space and services, access to equipment, access to telecommunications and technology services, flexible leases, specialized management assistance, access to financing, and other coordinated business or technical support services.

(3) SECRETARY.—The term "Secretary" means the Secretary of Education.

SEC. 04. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Secretary is authorized to support the establishment and development of incubators.

(b) ALLOCATION OF FUNDS.—From the amount appropriated under section 09, the Secretary—

(1) shall reserve 80 percent of the amount to—

(A) make awards, on a competitive basis, in amounts of $500,000 to $750,000, to help acquire or renovate space for incubators; and

(B) make awards, on a competitive basis, in amounts of $50,000 to $150,000, for—

(i) developing curricula;

(ii) providing services, including—

(I) preparing corporate charters, partnership agreements, and basic contracts;

(II) assisting with patents, trademarks, and copyrights; and

(III) providing technology acquisition services; or

(iii) providing programming for entrepreneurs housed in an incubator;

(2) shall reserve 10 percent of the amount to make awards, on a competitive basis, in amounts of $50,000 to $150,000, for feasibility studies for determining the need for or siting of incubators; and

(3) shall reserve 10 percent for research regarding best practices for incubator programs, including the development of a benchmarking system based on uniform measures, and for dissemination of information regarding such practices.

(c) CONTRACTS.—The Secretary is authorized to contract with organizations with expertise in business incubation practices for the purposes of carrying out subsection (b)(3).

(d) RECIPIENTS.—The Secretary shall make an award—

(1) described in subsection (b)(1) to a nonprofit entity that has a strong affiliation with a degree-granting institution and manages or provides technical assistance to the degree-granting institution's affiliated incubator, or if no nonprofit entity manages or provides technical assistance to the incubator, to the degree-granting institution managing the incubator; or

(2) described in subsection (b)(2) to a degree-granting institution, or a nonprofit municipality, city, township, or community development organization.

SEC. 05. USES OF FUNDS.

Funds awarded under section 04(b)(1)(B) may be used for—

(1) curriculum, training, or technical assistance developed by academic faculty with participation from entrepreneurship experts and local government leaders;

(2) programming that contributes to a coordinated set of business assistance tools, such as developing management teams, providing workforce development, forming strategic alliances, developing capital formation networks, and developing customized plans to help entrepreneurs meet the challenges of doing business in their specific communities; or

(3) hiring staff to coordinate the activities described in paragraph (1) or (2) or for curriculum development.

SEC. 06. APPLICATIONS.

(a) IN GENERAL.—Each entity desiring assistance under this title shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

(b) CONTENTS.—Each application shall contain an assurance that the activities to be assisted—

(1) have the support of the municipality, city, or township in which the incubator is housed or proposed to be housed; and

(2) are consistent with the local economic development or strategic master plan.

(c) PRIORITY.—The Secretary shall give priority to funding applications under this title that provide strong educational opportunities to students in entrepreneurship, and that require significant collaboration between businesses, academia, and local government and economic development leaders.

(d) CONSIDERATION.—

(1) IN GENERAL.—The Secretary may give consideration to funding applications under this title that support—

(A) the building of new incubators;

(B) incubators located in economically distressed areas;

(C) incubators with successful graduation rates for tenant companies;

(D) incubators that have shown demonstrable economic benefits in their surrounding communities;

(E) incubators that work with faculty entrepreneurs or university-based research; or

(F) incubators located in rural areas, inner city areas, Indian reservations or pueblos, where the presence of an incubator may enhance and diversify the area's economy through expanded technology commercialization.

(2) DEFINITION OF CONSIDERATION.—In this subsection the term "consideration" means thought and does not mean priority.

SEC. 07. MATCHING FUNDS.

Each entity receiving Federal assistance under section 04(b)(1) shall contribute matching funds, in an amount equal to the amount of Federal assistance received under this title, toward the costs of the activities assisted under this title. The non-Federal share required under this section may be provided in the form of in-kind contributions.

SEC. 08. REPORT.

The Secretary, at the end of the third year for which assistance is provided under this title, shall prepare and submit to Congress a report that—

(1) describes the most effective or innovative additions to curricula developed under this title;

(2) contains a comparison of small business survival rates for small businesses that started up in incubators versus small businesses that did not so start;

(3) describes factors leading to the success of incubator businesses (if any);

(4) describes the best role for degree-granting institutions in business incubation; and

(5) contains a comparison of academic-affiliated incubators of specific missions and ages supported under this title with incubators with similar missions and ages that are not supported under this title.

SEC. 09. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $20,000,000 for each of the fiscal years 2003, 2004, and 2005.

SA 3396. Mr. DAYTON (for himself, Mr. CRAIG, Mr. DURBIN, Mr. SHELBY, Mr. KERRY, Mr. HELMS, Mr. WELLSTONE, Ms. COLLINS, Ms. MIKULSKI, Mr. SMITH of New Hampshire, Mr. DORGAN, Mr. ALLEN, Mr. HOLLINGS, Mr. WARNER, Mr. LEVIN, Mr. CRAPO, Mr. ROCKEFELLER, Mr. ENZI, Mr. FEINGOLD, Mr. SPECTER, Mr. JOHNSON, Mr. CAMPBELL, Ms. STABENOW, Mr. SESSIONS, Mrs. CLINTON, and Mr. BURNS) submitted an amendment to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the end of section 2103(b), add the following:

(4) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the provisions of section 151 of the Trade Act of 1974 (trade authorities procedures) shall not apply to any provision in an implementing bill being considered by the Senate that modifies or amends, or requires a modification of, or an amendment to, any law of the United States that provides safeguards from unfair foreign trade practices to United States businesses or workers, including—

(i) imposition of countervailing and antidumping duties (title VII of the Tariff Act of 1930; 19 U.S.C. 1671 et seq.);

(ii) protection from unfair methods of competition and unfair acts in the importation of articles (section 337 of the Tariff Act of 1930; 19 U.S.C. 1337);

(iii) relief from injury caused by import competition (title II of the Trade Act of 1974; 19 U.S.C. 2251 et seq.);

(iv) relief from unfair trade practices (title III of the Trade Act of 1974; 19 U.S.C. 2411 et seq.); or

(v) national security import restrictions (section 232 of the Trade Expansion Act of 1962; 19 U.S.C. 1862).

(B) POINT OF ORDER IN SENATE.—

(i) IN GENERAL.—When the Senate is considering an implementing bill, upon a point of order being made by any Senator against any part of the implementing bill that contains material in violation of subparagraph (A), and the point of order is sustained by the Presiding Officer, the part of the implementing bill against which the point of order is sustained shall be stricken from the bill.

(ii) WAIVERS AND APPEALS.—

(I) WAIVERS.—Before the Presiding Officer rules on a point of order described in clause (i), any Senator may move to waive the point of order and the motion to waive shall not be subject to amendment. A point of order described in clause (i) is waived only by the affirmative vote of at least three-fifths of the Members of the Senate, duly chosen and sworn.

(II) APPEALS.—After the Presiding Officer rules on a point of order under this subparagraph, any Senator may appeal the ruling of the Presiding Officer on the point of order as it applies to some or all of the provisions on which the Presiding Officer ruled. A ruling of the Presiding Officer on a point of order described in clause (i) is sustained unless at least three-fifths of the Members of the Senate, duly chosen and sworn, vote not to sustain the ruling.

(III) DEBATE.—Debate on a motion to waive under subclause (I) or on an appeal of the ruling of the Presiding Officer under subclause (II) shall be limited to 1 hour. The time shall be equally divided between, and controlled by, the majority leader and the minority leader, or their designees.

SA 3397. Mr. BAYH (for himself, Mr. DURBIN, and Mrs. CARNAHAN) submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title III, add the following:

SEC. 303. COMMUNITY WORKFORCE PARTNERSHIPS.

(a) SHORT TITLE.—This section may be cited as the "Community Workforce Development and Modernization Partnership Act".

(b) GENERAL AUTHORITY.—Title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.) (as amended by sections 401 and 501) is further amended by inserting after chapter 7 the following:

"CHAPTER 8—COMMUNITY WORKFORCE PARTNERSHIPS

"SEC. 299K. AUTHORIZATION.

"(a) IN GENERAL.—From amounts made available to carry out this chapter, the Secretary of Labor (referred to in this chapter as the 'Secretary'), in consultation with the Secretary of Commerce and the Secretary of Education, shall award grants on a competitive basis to eligible entities described in subsection (b) to assist each entity to—

"(1) help workers improve those job skills that are necessary for employment by businesses in the industry with respect to which the entity was established;

"(2) help dislocated workers find employment; and

"(3) upgrade the operating and competitive capacities of businesses that are members of the entity.

"(b) ELIGIBLE ENTITIES.—An eligible entity described in this subsection is a consortium (either established prior to the date of enactment of the Community Workforce Development and Modernization Partnership Act or established specifically to carry out programs under this chapter) that—

"(1) shall include—

"(A) 2 or more businesses (or nonprofit organizations representing businesses) that are facing similar workforce development or business modernization challenges;

"(B) labor organizations, if the businesses described in subparagraph (A) employ workers who are covered by collective bargaining agreements; and

"(C) 1 or more businesses (or nonprofit organizations that represent businesses) with resources or expertise that can be brought to bear on the workforce development and business modernization challenges referred to in subparagraph (A); and

"(2) may include—

"(A) State governments and units of local government;

"(B) educational institutions;

"(C) labor organizations; or

"(D) nonprofit organizations.

"(c) COMMON GEOGRAPHIC REGION.—To the maximum extent practicable, the organizations that are members of an eligible entity described in subsection (b) shall be located within a single geographic region of the United States.

"(d) PRIORITY CONSIDERATION.—In awarding grants under subsection (a), the Secretary shall give priority consideration to—

"(1) eligible entities that serve dislocated workers or workers who are threatened with becoming totally or partially separated from employment;

"(2) eligible entities that include businesses with fewer than 250 employees; or

"(3) eligible entities from a geographic region in the United States that has been adversely impacted by the movement of manufacturing operations or businesses to other regions or countries, due to corporate restructuring, technological advances, Federal law, international trade, or another factor, as determined by the Secretary.

"(e) APPLICATION.—To be eligible to receive a grant under this section, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"SEC. 299L. PARTNERSHIP ACTIVITIES.

"(a) USE OF GRANT AMOUNTS.—Each eligible entity that receives a grant under section 299K shall use the amount made available through the grant to carry out a program that provides—

"(1) workforce development activities to improve the job skills of individuals who have, are seeking, or have been dislocated from, employment with a business that is a member of that eligible entity, or with a business that is in the industry of a business that is a member of that eligible entity;

"(2) business modernization activities; or

"(3) activities that are—

"(A) workforce investment activities (including such activities carried out through one-stop delivery systems) carried out under subtitle B of title I of the Workforce Investment Act of 1998 (42 U.S.C. 2811 et seq.); or

"(B) activities described in section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k).

"(b) ACTIVITIES INCLUDED.—

"(1) WORKFORCE DEVELOPMENT ACTIVITIES.—The workforce development activities referred to in subsection (a)(1) may include activities that—

"(A) develop skill standards and provide training, including—

"(i) assessing the training and job skill needs of the industry involved;

"(ii) developing a sequence of skill standards that are benchmarked to advanced industry practices;

"(iii) developing curricula and training methods;

"(iv) purchasing, leasing, or receiving donations of training equipment;

"(v) identifying and developing the skills of training providers;

"(vi) developing apprenticeship programs; and

"(vii) developing training programs for dislocated workers;

"(B) assist workers in finding new employment; or

"(C) provide supportive services to workers who—

"(i) are participating in a program carried out by the entity under this chapter; and

"(ii) are unable to obtain the supportive services through another program providing the services.

"(2) BUSINESS MODERNIZATION ACTIVITIES.—The business modernization activities referred to in subsection (a)(2) may include activities that upgrade technical or organizational capabilities in conjunction with improving the job skills of workers in a business that is a member of that entity.

"SEC. 299M. SEED GRANTS AND OUTREACH ACTIVITIES.

"(a) SEED GRANTS.—The Secretary may provide technical assistance and award financial assistance (not to exceed $150,000 per award) on such terms and conditions as the Secretary determines to be appropriate—

"(1) to businesses, nonprofit organizations representing businesses, and labor organizations, for the purpose of establishing an eligible entity; and

"(2) to entities described in paragraph (1) and established eligible entities, for the purpose of preparing such application materials as may be required under section 299K(e).

"(b) OUTREACH AND PROMOTIONAL ACTIVITIES.—The Secretary may undertake such outreach and promotional activities as the Secretary determines will best carry out the objectives of this chapter.

"(c) LIMITATIONS ON EXPENDITURES.—The Secretary may not use more than 10 percent of the amount authorized to be appropriated under section 299P to carry out this section.

"SEC. 299N. LIMITATIONS ON FUNDING.

"(a) REQUIREMENT OF MATCHING FUNDS.—The Secretary may not award a grant under this chapter to an eligible entity unless such entity agrees that the entity will make available non-Federal contributions toward the costs of carrying out activities funded by that grant in an amount that is not less than $2 for each $1 of Federal funds made available through the grant.

"(b) IN-KIND CONTRIBUTIONS.—The Secretary—

"(1) shall, in awarding grants under this chapter, give priority consideration to those entities whose members offer in-kind contributions; and

"(2) may not consider any in-kind contribution in lieu of or as any part of the contributions required under subsection (a).

"(c) SENIOR MANAGEMENT TRAINING AND DEVELOPMENT.—An eligible entity may not use any amount made available through a grant awarded under this chapter for training and development activities for senior management, unless that entity certifies to the Secretary that expenditures for the activities are—

"(1) an integral part of a comprehensive modernization plan; or

"(2) dedicated to team building or employee involvement programs.

"(d) PERFORMANCE MEASURES.—Each eligible entity shall, in carrying out the activities referred to in section 299L, provide for development of, and tracking of performance according to, performance outcome measures.

"(e) ADMINISTRATIVE COSTS.—Each eligible entity may use not more than 20 percent of the amount made available to that entity through a grant awarded under this chapter to pay for administrative costs.

"(f) MAXIMUM AMOUNT OF GRANT.—No eligible entity may receive—

"(1) a grant under this chapter in an amount of more than $1,000,000 for any fiscal year; or

"(2) grants under this chapter in any amount for more than 3 fiscal years.

"(g) SUPPORT FOR EXISTING OPERATIONS.—

"(1) IN GENERAL.—In making grants under this chapter, the Secretary may use a portion equal to not more than 50 percent of the funds appropriated to carry out this chapter for a fiscal year, to support the existing training and modernization operations of existing eligible entities.

"(2) ENTITIES.—The Secretary may award a grant to an existing eligible entity for existing training and modernization operations only if the entity—

"(A) currently offers (as of the date of the award of the grant) a combination of training, modernization, and business assistance services;

"(B) targets industries with jobs that traditionally have low wages;

"(C) targets industries that are faced with chronic job loss; and

"(D) has demonstrated success in accomplishing the objectives of activities described in section 299L.

"(3) APPLICATION.—Paragraph (1) shall not apply to support for the expansion of training and modernization operations of existing eligible entities.

"(4) DEFINITIONS.—In this subsection:

"(A) EXISTING TRAINING AND MODERNIZATION ACTIVITY.—The term 'existing training and modernization activity' means a training and modernization activity carried out prior to the date of enactment of the Community Workforce Development and Modernization Partnership Act.

"(B) EXISTING ELIGIBLE ENTITY.—The term 'existing eligible entity' means an eligible entity that was established prior to the date of enactment of the Community Workforce Development and Modernization Partnership Act.

"SEC. 299O. EVALUATION.

"Not later than 3 years after the date of enactment of the Community Workforce Development and Modernization Partnership Act, the Secretary shall prepare and submit to Congress a report on the effectiveness of the activities carried out under this chapter.

"SEC. 299P. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter—

"(1) $10,000,000 for fiscal year 2003;

"(2) $15,000,000 for fiscal year 2004;

"(3) $20,000,000 for fiscal year 2005;

"(4) $25,000,000 for fiscal year 2006; and

"(5) $30,000,000 for fiscal year 2007.".

(c) TABLE OF CONTENTS.—The table of contents for the Trade Act of 1974 (19 U.S.C. 2101 et seq.) (as amended in section 701(a)) is further amended by inserting after the items relating to chapter 7 of title II the following:

"CHAPTER 8—COMMUNITY WORKFORCE PARTNERSHIPS

"Sec. 299K. Authorization.
"Sec. 299L. Partnership activities.
"Sec. 299M. Seed grants and outreach activities.
"Sec. 299N. Limitations on funding.
"Sec. 299O. Evaluation.
"Sec. 299P. Authorization of appropriations.".

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a full committee hearing has been scheduled before the Committee on Energy and Natural Resources. The purpose of the hearing is to examine manipulation in Western energy markets during 2000–2001, as revealed recently in documents made available as a result of the ongoing investigation underway at FERC; actions that were taken to mitigate any market manipulation or failures; and further actions that should be taken now and in the future.

The hearing will be held in SD–366 on Wednesday, May 15, at 2:30 p.m.

Those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, Attn: Majority Staff, 364 Dirksen Senate Office Building.

For further information, please contact Leon Lowery on 202–224–2209.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 8, 2002, at 2:30 p.m., in closed session to mark up the Department of Defense Authorization Act for Fiscal Year 2003.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, May 8, 2002, at 10 a.m., to conduct a hearing on the nomination of Mr. Anthony Lowe, of Washington, to be Federal Insurance and Mitigation Administrator of the Federal Emergency Management Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to hold a hearing during the session of the Senate on Wednesday, May 8, 2002, at 9:30 a.m., in SD–366.

The purpose of the hearing is to receive testimony on the nomination of Guy F. Caruso to be Administrator of the Energy Information Administration, Department of Energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, May 8, 2002, at 9:30 a.m., for the purpose of holding a hearing entitled "Securing our Infrastructure: Private/Public Information Sharing."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on "Closing the Gaps in Hatch-Waxman: Assuring Greater Access to Affordable Pharmaceuticals" during the session of the Senate on Wednesday, May 8, 2002, at 2:30 p.m., in SD–430.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, May 8, 2002, at 10 a.m., in room 485 of the Russell Senate Office Building to conduct a Hearing on S. 343, a bill to establish a demonstration project to authorize the integration and coordination of Federal funding dedicated to the community, business, and economic development of Native American communities.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on "Reforming the FBI in the 21st Century: Reorganizing and Refocusing The Mission" on Wednesday, May 8, 2002, in Dirksen Room 106 at 2 p.m.

Witness List: The Honorable Larry Thompson, Deputy attorney General, Department of Justice, Washington, DC, and the Honorable Robert S. Mueller III, Director, Federal Bureau of Investigation, Department of Justice, Washington, DC.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. HARKIN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 8, 2002, at 2:30 p.m., to hold a closed markup on the FY03 Intelligence Authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EMERGING THREATS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittees Emerging threats and Capabilities of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 8, 2002, at 11:30 a.m. in closed session to mark up the emerging threats and capabilities programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2003.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space be authorized to meet on Wednesday, May 8, 2002, at 9:30 a.m., on NASA reauthorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SEAPOWER

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Seapower of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 8, 2002, at 9 a.m., in closed session to mark up the seapower programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2003.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Strategic of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 8, 2002, at 10 a.m., in closed session to mark up the strategic programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2003.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SUPERFUND, TOXICS, RISK AND WASTE MANAGEMENT

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Superfund, Toxics, Risk, and Waste Management be authorized to meet on Wednesday, May 8, 2002, at 1:30 p.m., to hold a hearing to review S. 1850, the Underground Storage Tank Compliance Act of 2001. The hearing will be held in SD–406.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING USE OF CAPITOL GROUNDS FOR NATIONAL PEACE OFFICERS' MEMORIAL SERVICE

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 347 received from the House, which is at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 347) authorizing the use of the Capitol Grounds for the National Peace Officers' Memorial Service.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. REID. I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table, without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 347) was agreed to.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT 107–6

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaty transmitted to the Senate on May 8, 2002, by the President of the United States:

Extradition Treaty with Peru, Treaty Document No. 107–6.

I further ask unanimous consent that the treaty be considered as having been read the first time, that it be referred with accompanying papers to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty Between the United States of America and the Republic of Peru, signed at Lima on July 26, 2001.

In addition, I transmit for the information of the Senate, the report of the Department of State with respect to the Treaty. As the report explains, the Treaty will not require implementing legislation.

The provisions in this Treaty follow generally the form and content of modern extradition treaties recently concluded by the United States and will replace the outdated extradition treaty in force between the two countries signed in 1899. The Treaty will, upon entry into force, enhance cooperation between the law enforcement communities of the two countries. It will make a significant contribution to international law enforcement efforts against serious offenses, including terrorism, organized crime, and drug-trafficking.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

GEORGE W. BUSH.
THE WHITE HOUSE, *May 8, 2002.*

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. REID. I ask unanimous consent that at 10:30 a.m. on Thursday, May 9, the Senate proceed to executive session to consider en bloc the following nominees: Calendar No. 811, Leonard Davis; Calendar No. 812, Andrew Hanen; Calendar No. 813, Samuel Mays; and Calendar No. 814, Thomas Rose, all four to be United States district judges; that there be 1 hour of debate on the nominations equally divided between the chairman and the ranking member of the Judiciary Committee or their designees; that upon the use or yielding back of time, the Senate vote on confirmation of each nominee; that the motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action; that any statements thereon be printed in the Record; and that the Senate return to legislative session, without any intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask unanimous consent that it be in order to request the yeas and nays on the nominees at this time, with one show of hands.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

MEASURE READ THE FIRST TIME—S. 2485

Mr. REID. It is my belief that at the desk there is a bill that has been introduced by Senators MCCAIN and GRAMM of Texas.

The PRESIDING OFFICER. That is correct.

Mr. REID. I ask unanimous consent for its first reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read the bill for the first time.

The assistant legislative clerk read as follows:

A bill (S. 2485) entitled the "Andean Trade Promotion and Drug Eradication Act."

Mr. REID. I ask now for its second reading, and I object to that request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

ORDERS FOR THURSDAY, MAY 9, 2002

Mr. REID. Madam President, I ask unanimous consent when the Senate completes its business today, it adjourn until 10 a.m. on Thursday, May 9; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate be in a period of morning business until 10:30 a.m., with Senators permitted to speak for up to 10 minutes each, with the time under the control of Senator STABENOW or her designee; further, at 10:30 a.m. the Senate proceed to executive session under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. REID. If there is no further business to come before the Senate, I ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:05 p.m., adjourned until Thursday, May 9, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 8, 2002:

DEPARTMENT OF JUSTICE

ANTHONY DICHIO, OF MASSACHUSETTS, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF MASSACHUSETTS FOR THE TERM OF FOUR YEARS, VICE NANCY J. MCGILLIVRAY-SHAFFER, TERM EXPIRED.

REFORM BOARD (AMTRAK)

DAVID MCQUEEN LANEY, OF TEXAS, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS, VICE TOMMY G. THOMPSON, RESIGNED.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

JOHN EDWARD MANSFIELD, OF VIRGINIA, TO BE A MEMBER OF THE DEFENSE NUCLEAR FACILITIES SAFETY BOARD FOR A TERM EXPIRING OCTOBER 18, 2006. (REAPPOINTMENT)

R. BRUCE MATTHEWS, OF NEW MEXICO, TO BE A MEMBER OF THE DEFENSE NUCLEAR FACILITIES SAFETY BOARD FOR A TERM EXPIRING OCTOBER 18, 2005, VICE JOSEPH DINUNNO, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE

AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

GEN. RALPH E. EBERHART, 7375

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

CHRISTIAN E. DEGRAFF, 0183

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

CHES H. GARNER, 8133

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AND FOR REGULAR APPOINTMENT UNDER TITLE 10, U.S.C., SECTIONS 531 AND 624:

To be major

DAVID S. OESCHGER, 1029

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

JOHN J. JACKSON, 0931
RICHARD L. WEST, 4245

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

MARK D. TOBIN, 3630

THE FOLLOWING NAMED LIMITED DUTY OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

GERALD M. FOREMAN II, 6160

THE FOLLOWING NAMED LIMITED DUTY OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

ROBERT T. MAXEY, 9480

THE FOLLOWING NAMED LIMITED DUTY OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

CHARLES G. GROW, 9368

THE FOLLOWING NAMED LIMITED DUTY OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

JEFFREY L. MILLER, 3095

WITHDRAWAL

EXECUTIVE MESSAGE TRANSMITTED BY THE PRESIDENT TO THE SENATE ON MAY 8, 2002, WITHDRAWING FROM FURTHER SENATE CONSIDERATION THE FOLLOWING NOMINATION:

JOSE GERARDO TRONCOSO, OF NEVADA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEVADA FOR THE TERM OF FOUR YEARS. (REAPPOINTMENT), WHICH WAS SENT TO THE SENATE ON APRIL 16, 2002.

HOUSE OF REPRESENTATIVES—*Wednesday, May 8, 2002*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. SIMPSON).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 8, 2002.

I hereby appoint the Honorable MICHAEL K. SIMPSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Reverend Tom Mullins, Christ Fellowship, Palm Beach Gardens, Florida, offered the following prayer:

Our Heavenly Father, it is our prayer that You will grant us wisdom today, and You will bless the Members of Congress as they lead our Nation during these challenging times. May we not forget our dependence upon You, O Mighty God. Your hand has been with us through the history of our great Nation.

As President Lincoln declared, "It is the duty of nations, as well as men, to owe their dependence upon the overwhelming power of God, and to recognize the sublime truth announced in the Holy Scriptures and proven by all history, that those nations only are blessed whose God is the Lord."

May You continue to bless us and guide us. Be with our President and Members of Congress, our military personnel fighting in the war on terrorism. We thank You for Your strength and for Your wisdom, and we recognize today that these blessings come from You.

In Your Holy Name. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. LAHOOD) come forward and lead the House in the Pledge of Allegiance.

Mr. LAHOOD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment bills of the House of the following titles:

H.R. 2048. An act to require a report on the operations of the State Justice Institute.

H.R. 2305. An act to authorize certain federal officials with responsibility for the administration of the criminal justice system of the District of Columbia to serve on and participate in the activities of the District of Columbia Criminal Justice Coordinating Council, and for other purposes.

The message also announced that the Senate has passed bills and a concurrent resolution of the following titles in which the concurrence of the House is requested:

S. 410. An act to amend the Violence Against Women Act of 2000 by expanding the legal assistance for victims of violence grant program to include legal assistance for victims of dating violence.

S. 2431. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits.

S. Con. Res. 108. Concurrent resolution to designate May 4–12, 2002, as "National Tourism Week".

PASTOR TOM MULLINS

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, it is my great honor to introduce and welcome Senior Pastor Tom Mullins to the United States House of Representatives this morning.

Senior Pastor Mullins is the founder of Christ Fellowship, an evangelical 14,000-member church in Palm Beach Gardens, Florida. This nondenominational evangelical Christian church has grown from about 140 people to 14,000 people under Pastor Mullins' guidance.

Pastor Mullins left a successful career as a football coach and athletic director to start the church. He was a well-respected coach at Palm Beach Gardens High School in the 1970s and at Georgetown College in Kentucky before becoming athletic director at Palm Beach Community College in Lake Worth. He started the church in 1984 while still working at the college, and has been there ever since.

In addition, Pastor Mullins and his wife, Donna, who joins us today in the gallery with their daughter, Noelle, are the founders of the Place of Hope International, which sends food and clothing around the world, from Peru to India. They work locally in our County of Palm Beach distributing food baskets to the poor and sending thousands of gifts during the holiday season to people in need.

A well-respected member of our community, Pastor Mullins is an advocate for citizen involvement in the political process, for being good stewards of our Nation's heritage, and a strong supporter of President Bush's faith-based initiative.

Again, it is my great honor to welcome Pastor Mullins.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding.

I would like to add my welcome to Pastor Mullins. It is an honor to have him here today.

Mr. Speaker, today we welcome Pastor Tom Mullins of Christ Fellowship church in Palm Beach Gardens, Florida as House Chaplain. Pastor Mullins joins a distinguished list of clergy, who have opened our daily proceeding with prayer, including Rev. Billy Graham and the late John Cardinal O'Connor.

Also, I am pleased to welcome Pastor Mullins' wife, Donna, and daughter, Noelle.

For 18 years and counting, Pastor Mullins serves the 14,000 member Christ Fellowship church as it senior pastor. As senior pastor, Tom commits himself to his faith, family and community.

On April 29, 1984, Tom and Donna, founded Place of Hope children's home for neglected and abused children throughout the Palm Beach community. Pastor Mullins also has a desire to aid neglected children around the world through his support and work with Place of Hope International, which places children in supportive, loving homes around the world from India to Peru.

Tom's work with children even includes a successful high school and collegiate career as a head football coach.

Whether as a pastor or coach, Pastor Mullins has a strong desire in nurturing young men and women throughout the communities of Palm Beach County.

Mr. Speaker, Pastor Tom Mullins is a tremendous leader in the South Florida community, and it's my privilege to welcome him and his family to the United States House of Representatives as our guest Chaplain.

Mr. FOLEY. Again, Mr. Speaker, it is my great honor that Pastor Mullins agreed to come to Washington and deliver the morning prayer.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded that it is inappropriate to refer to guests in the gallery.

TERRORISM MUST END, AND AMERICA MUST RECOGNIZE THAT ISRAEL FIGHTS ON THE FRONT LINE AGAINST GLOBAL TERRORISM

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, yesterday, as the President of the United States and the Prime Minister of Israel were meeting in the Oval Office, yet another homicide bombing took place in the state of Israel.

How many more innocent civilians will need to be killed by this monstrous conspiracy before the administration and all Members of Congress recognize that we are dealing with a battle between civilization and the forces of chaos and destruction? How many millions of Saudi PR money will be used to try to tell us that none of this is true?

In recent months, $135 million of Saudi money went to support terrorism, and it is high time we call facts by their proper names. The President indicated a few months ago that "You are either with the terrorists, or you are with us."

The time has come for a clear moral judgment. This terrorism must end, and we must recognize that Israel is in the forefront of the global struggle against terrorism.

CONGRATULATIONS TO LARRY J. BEHAR OF FORT LAUDERDALE AND MARIA LORTS SACHS OF BOCA RATON

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to congratulate Larry J. Behar of Fort Lauderdale and Maria Lorts Sachs of Boca Raton for receiving the Distinguished Humanitarian Award from B'nai B'rith and the Sons of Italy Florida Foundation. This award gives recognition to two individuals whose activities have contributed immeasurably to the advancement of our community.

Mr. Behar is a prominent attorney with a specialization in immigration and naturalization affairs, and he has traveled extensively throughout the world to bring international issues to the table.

Ms. Sachs has served as the President of Florida's Association of Women Lawyers, and she founded Women for Excellence, a nonprofit organization of professional women which provides resources and provides leadership for women.

Please join me in recognizing Larry J. Behar and Ms. Maria Lorts Sachs for their commitment to our south Florida community.

ASKING MEMBERS TO WORK TO BRING LUDWIG KOONS AND ALL OF AMERICA'S ABDUCTED CHILDREN HOME

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, I would like to think that I have talked so long that I have become hoarse in talking about Ludwig Koons and trying to return him from Italy to the United States where he so desperately belongs and needs to be. Ludwig Koons is a child being held in a pornographic compound in Italy by his mother, who is teaching him that.

Yesterday, the gentleman from Florida (Mr. FOLEY) and I had a press conference where we announced a bill that we are going to introduce very shortly that is called the Child Modeling Exploitation Prevention Act of 2002. We intend to ban exploitive child modeling from all websites that charge fees to view models who are 16 years of age and under. They are nothing more than sites that cause titillation for pedophiles.

I will make the transition from that with my continued story about Ludwig Koons, because he is learning that that apparently is an okay life. I do not believe any of us believe that.

I am asking Members to join us on this bill, but I am also continuing my plea that we stand up as a nation and that we demand that our State Department or any other department of this government, or any Member of the House of Representatives who is willing to write a letter to make a phone call, demand that Ludwig Koons be returned to the United States. Bring all of our children home.

VOTE TODAY TO MOVE HAZARDOUS NUCLEAR WASTE TO A SECURE STORAGE FACILITY

(Mr. KIRK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIRK. Mr. Speaker, today the House will vote on the most important environmental and homeland defense issue of the year. Spent nuclear waste is stored at 131 locations around America: near Long Island Sound, in the Tennessee Valley, and on the shores of our precious Lake Michigan. These locations are a terrorists' shooting gallery of potential targets, and 161 million Americans live within 75 miles of a temporary nuclear storage site.

Today we will vote to move this material to a secure storage facility where the United States has already tested hundreds of nuclear weapons. The protection of the Great Lakes is my number one priority, and moving nuclear waste from our shores will protect our people from terrorism and environmental threats.

THE NATIONAL DEBT

(Mr. PASCRELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASCRELL. Mr. Speaker, Thomas Jefferson said, "I place the economy among the first and most important virtues, and public debt as the greatest of dangers. To preserve our independence, we must not let our rulers load us with perpetual debt."

I hear the words of the Founding Fathers on the floor evoked week after week. I never hear these words from Thomas Jefferson. That is because the public debt is something we do not like to talk about. We no longer have a choice in the matter. In the minute that I will stand before Members this morning, we will accrue almost $1 million in interest to our public debt. These are wasted dollars paying interest on debt, rather than paying down the debt.

Today the national debt is $6 trillion. Since January of last year, the CBO baseline's projected net interest payments over the 2002 to 2011 period have gone up by $1 trillion, from $620 billion to $1.6 trillion, roughly $10,000 per American household and $1,000 per household per year.

If we make the tax cut permanent, like some have suggested, this number rises to almost $4,000 per household per year. This is insanity. Mr. Speaker, I ask that we remember the words of Thomas Jefferson.

OPPOSE HOUSE JOINT RESOLUTION 87 AND STOP THE YUCCA MOUNTAIN PROJECT

(Mr GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today we will be deciding whether to ship high-level nuclear waste, one of the most dangerous and deadly substances known to man, across this great country by and through our roads and neighborhoods and schools and parkways.

Mr. Speaker, today we must reject this dangerous plan. Whatever Members believe, let us look at some of the startling facts.

According to the Department of Transportation itself, there have been over 11,000 train accidents in the past 5 years. It is estimated that at least one train accident occurs every 24 hours. Since 1998, 3,800 people have lost their lives and more than 45,000 people have been injured in train accidents in the United States alone. Just imagine how many more people would die or could have been injured had these trains been carrying high-level nuclear waste to Yucca Mountain.

Mr. Speaker, it takes only one antitank missile or one terrorist act to cause a catastrophic nuclear disaster, but today we can prevent that disaster. We can oppose House Joint Resolution 87 and stop the Yucca Mountain project now before we endanger the lives of thousands of innocent Americans.

URGING MEMBERS TO PASS STRONGEST POSSIBLE TRADE ADJUSTMENT ASSISTANCE FOR AMERICA'S WORKERS

(Mr. SMITH of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Washington. Mr. Speaker, the Senate is considering the President's request for trade promotional authority right now, and at the same time, connected to it, trade adjustment assistance, help for workers who have lost their jobs.

I rise today to urge the Senate today to pass the strongest possible trade adjustment assistance packages. Workers desperately need help dealing with the new economy. It is a land of opportunity for all of us, but there are also challenges. Workers must continually have access to training and education to update their skills. They also need the health care benefits necessary to carry them during periods of unemployment, and they also need income assistance to help them as they move forward and try to find new jobs.

I am a strong supporter of trade. As a new Democrat, it is one of our top priority issues to open trade throughout the world and give us access to other markets.

Connected to that, however, we have to help the workers of our country deal with the challenges and opportunities that come along with that. There must be a strong health care component. There must be job training and education available.

If the Senate were to put together that type of package and pass a trade promotional assistance bill with a strong trade adjustment assistance piece, I am very confident they would be able to pass it in the House, and they would move forward on two critical policies for this country.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded it is improper to urge action by the other body.

WESTERN SAHARA

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, last week the United Nations considered a new solution to the conflict over Western Sahara, a solution which basically gives Morocco control over Western Sahara.

Mr. Speaker, everyone knows the Moroccan people do not have a democracy. The country is ruled by a king. They use torture in their prisons. The former king, father of the current king, established the notorious and hideously brutal Tazmamart prison camp in which he imprisoned and tortured his own family members. So how in the world will Morocco assure that democracy is protected for the Sahrawis?

Mr. Speaker, I am deeply disturbed by reports that our U.S. Government now may be willing to throw away the rights of the people of Western Sahara to self-determination by supporting Moroccan claims of sovereignty to the land. It seems that our government is willing to bargain away fundamental human rights for cooperation with current agendas, after 10 years of advocating self-determination for Western Sahara.

When our country no longer cares about the right to self-determination, a right on which our Nation was founded, it is a sad day, indeed.

Mr. Speaker, this is a dangerous time to play with instability, particularly in North Africa.

□ 1015

PRESCRIPTION DRUG CARE BENEFIT

(Mr. RODRIGUEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODRIGUEZ. Mr. Speaker, it is shameful that our citizens are still without workable prescription drug coverage. Because of the rapid increase of prescription drug use, as we know, it is critical and needed; and at the time we established Medicare, prescriptions were not used as much, but now we understand that those senior citizens do need prescription drugs to be able to take care of their illnesses. We need to be there for them to make sure that we will get that prescription. It is unfortunate, but I keep hearing stories about our senior citizens that continue to make decisions between buying food and buying prescription that they need. I hear from the spouses where they sometimes go without prescriptions to get their husbands their prescriptions.

We as a community and as Americans need to make sure that our seniors have accessible prescription drug coverage. And as Democrats we support a prescription drug benefit coverage for all seniors that would be voluntary and be able to have access to them. No seniors should be faced with the prospects of not being able to afford medicine, regardless of income. We need to be there for our seniors. They have been there for us.

STOP TAXING MILITARY STUDENT LOAN REPAYMENTS

(Mr. GARY G. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARY G. MILLER of California. Mr. Speaker, our military uses students loan repayment to recruit for shortages in critical military occupational specialties such as the Medical Corps. If you are on active duty, tuition assistance is not taxed as income. If you have been honorably discharged and received education assistance through the GI bill, it is not taxed as income. However, if the military needs to recruit an individual for an occupation specialty that is needed, the student loan repayment is taxed as income.

For example, if the military pay is $24,000 per year and he or she receives $20,000 that year to pay a student loan, they are taxed at an income level of $44,000 and the tax payment has to come out of a $24,000 salary.

This is wrong. Support H.R. 4555 to correct this.

PROBLEMS OF TANF REAUTHORIZATION

(Ms. WATSON of California asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WATSON of California. Mr. Speaker, I rise to support my Democratic colleagues in their approach to welfare reform. Voters overwhelmingly believe that expanding training opportunities that will help new people from welfare to good jobs should be a top priority of this Congress.

The voting public supports a TANF reform agenda of expanded access to training, education and flexible time limits. The polling data demonstrates that 82 percent of Americans favor increasing funding for job training and child care. Mr. Speaker, this is what the Democratic proposal presents.

The Republican proposals do not represent the voice of America or our welfare recipients. The one-size-fits-all, Washington-knows-best unfunded mandates of Republican proposals will not work. We need to build upon the success of the past by increasing funding flexibility. We need to assist TANF recipients to get living wage jobs so that they have access to upward mobility.

Mr. Speaker, the Democratic proposals will do just that.

SENIORS NEED PRESCRIPTION DRUGS

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Texas. Mr. Speaker, here we go again. Like Yogi Berra said, "It is deja vu all over again."

The Republican majority is trying to convince the American people that they want to do something to provide prescription drug benefit for our Nation's seniors, but it is the same proposal that went nowhere last year. It is nothing but an election year proposal that will provide very little benefit to most seniors.

This tiered proposal, leveled proposal, treats some seniors differently than others, despite the fact that all seniors have paid into the program and deserve a meaningful prescription drug benefit.

I am in favor of providing real prescription drug benefits to seniors. If this proposal is going to work, we need a benefit that is good for all seniors, not just a few. Unfortunately, the Republican plan will not help middle income seniors who have only moderate drug costs. Their plan is unworkable. Even the insurance industry says that insurance will not go for it. So what we have here is a plan that the seniors will not like, the insurance companies will not like, and the public will be able to see through. And even members of my Republican colleagues' party have mentioned that this bill is not a good proposal.

Let us stop playing games with seniors' lives. It is time to provide a meaningful, generous benefit that actually does something to address the prescription drug problem.

STICK TO THE PRESIDENT'S SUPPLEMENTAL DEFENSE REQUEST

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, it has been a hallmark of the Republican majority in Congress to practice fiscal restraint and to stand by a strong national defense. Today here on Capitol Hill we will be about the business of responding to the President's supplemental defense request, and there are some reports and some discussion on Capitol Hill that we may in this majority bring to the floor later this week a bill that could exceed the President's request by nearly 10 percent, adding in spending on election reform and interior agencies; nothing much to do with national defense.

I urge my colleagues to hew to their roots, Mr. Speaker. Spend not one penny more than the President has requested when we pass the defense supplemental this week. By demonstrating fiscal discipline, our majority will renew our commitment to fiscal responsibility and to national defense without compromising either.

HONORING SOUTH CAROLINA POLICY COUNCIL

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, in 1986 a group of South Carolina civic leaders dedicated to improving their State joined together and created the South Carolina Policy Council. South Carolina at that time was dominated by a legislature which controlled an array of semi-autonomous boards and commissions that fostered red tape and hindered accountability. Through the visionary leadership of the late Thomas A. Roe, the Policy Council was formed to fill the void of reformist conservative philosophy.

By publishing timely reports, comprehensive white papers, and hard-hitting editorials, the Policy Council grew in stature and membership. In the beginning of the Republican Revolution, Ed McMullen was chosen as its president. The Policy Council has played a role in every major reform debate. From modernizing State government, to promoting performance audits, to reforming welfare, to cutting taxes, the Policy Council was there. It was further energized by dedicated researcher Hal Eberle and now South Carolina Senate Clerk Jeff Gossett.

Today the South Carolina Policy Council boasts a membership of over 5,000 and regularly participates in policy debates with political, religious and business leaders throughout the Palmetto State.

I am honored to take this opportunity to thank the Policy Council and to wish them well on the ongoing fight to conserve the principles of limited government and traditional values.

STRENGTHEN U.S. STEEL INDUSTRY

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, as a representative of industrial America, I am urging my colleagues today to vote both to strengthen the U.S. steel industry and to put on hold plans to ship spent nuclear material to Yucca Mountain.

In an era where our rail beds as well as human error yield major train derailments and accidents each year, why authorize Yucca Mountain? Why not improve our rail beds, improve our steel industry and make this country an industrial leader in terms of rail transportation?

In an age of terrorism, why have nuclear material moving all over this country? And, finally, in my own district, a recent nuclear mishap occurred in which boric acid ate through 80 pounds of carbon steel in the central container inside the core, I really ask the question—Why do we have such poor engineering and poor inspection in the nuclear industry? Why do we have a plant reactor that cannot be repaired in this country? Why even if we were able to repair it, do we have to send the core to Japan to cast a new head and then to France for finishing? Why is the nuclear industry exempt with no one responsible under the Price Anderson Act, for liability in the event an accident occurs? Please, I urge my colleagues today to vote to strengthen the U.S. steel industry and vote for nuclear safety.

Vote to uphold the steel decisoin on limiting imports and to table the Yucca Mountain nuclear storage proposal.

FREE MARTIN AND GRACIA BURNHAM

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, today marks the 347th day that Martin and Gracia Burnham have been held captive by Muslim terrorists in the Philippines.

This afternoon many members of my family, including my father and mother, will arrive in Washington to visit me and their grandchildren. As I look forward to their visit, I think of the Burnham family and the family reunion they await every day. Too often congressional schedules keep us away from our families. Many of us have had to miss Little League games, school recitals and concerts. That is the hardest part of our job. I cannot imagine missing a year's worth of my children's lives, a year of birthdays, holidays, games, concerts and those precious daily moments.

Of all the hardships that Martin and Gracia have endured in the past 11½ months, the greatest must be their separation from their family and knowing how desperately their children miss them. I always cherish my time with my parents and my family, but this week I am especially aware of how lucky I am to have time.

I encourage the Bush administration and the Philippine government to continue their efforts, all their efforts, to free Martin and Gracia so the Burnham family can enjoy a family reunion.

As always, I ask you to join me in prayer for Martin and Gracia and their loved ones that this nightmare may soon be over.

NATIONAL SMALL BUSINESS WEEK

(Mr. PHELPS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PHELPS. Mr. Speaker, I am grateful for the opportunity to speak today on behalf of National Small Business Week. Small businesses play a crucial role in the economy of our Nation, and it is important that we take this week to recognize their efforts.

As a member of the Committee on Small Business and a former small business owner, I am aware of the everyday difficulties that many of our Nation's small businesses have to face. We must work together to ensure that their needs are met and not put behind the needs of corporate America.

With approximately 25 million small businesses in the United States, we need to focus on affordable health care for the small business employer and employee. We must ensure that pension plans will be provided to employees while protecting our system's Social Security. Last year many small businesses were left out of the President's tax cut. Let us make sure that that never happens again, and provide for fair tax breaks to small businesses who may need the extra capital to survive.

Many Americans dream of owning their own business, and we need to help that dream become a reality and stay a reality for years.

PROVIDING FOR DISPOSITION OF H.J. RES. 84, DISAPPROVING THE ACTION TAKEN BY THE PRESIDENT UNDER SECTION 203 OF THE TRADE ACT OF 1974 TRANSMITTED TO THE CONGRESS ON MARCH 5, 2002

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 414 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 414

Resolved, That the joint resolution (H.J. Res. 84) disapproving the action taken by the President under section 203 of the Trade Act of 1974 transmitted to the Congress on March 5, 2002, is hereby laid on the table.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. McGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, while I am waiting for some of my remarks, first, I would like to welcome our new colleague on the Committee on Rules, the gentleman from Massachusetts (Mr. McGOVERN), who will be managing the rule for the minority.

Mr. Speaker, House Resolution 414 is a unique rule providing for the disposition of House Joint Resolution 84, a resolution of disapproval. Under the rule, the House Joint Resolution 84 would be automatically tabled. House Joint Resolution 84 disapproves the action taken by President Bush to impose temporary tariffs on some types of steel products. Under the Trade Act, Congress has the authority to disapprove of such actions within 90 days. Such approval resolution is highly privileged, not amendable, and floor debate is limited to 20 hours.

To put it simply, a vote in favor of this rule will lay on the table the disapproval resolution and conclude further deliberations.

Responding to concerns within the steel industry, President Bush instructed the International Trade Commission on June 2001 to begin an investigation under section 201 of the U.S. Trade Law. This investigation would study the effects of steel imports on the U.S. steel industry. The ITC released their findings in October of 2001, making an affirmative determination of injury on the American steel industry caused by steel imports.

The ITC further relayed recommendations to the President for relief that would prevent or remedy such injuries.

On March 5 of this year, the President put in place trade remedies based on the ITC findings. President Bush announced trade remedies for all products on which the ITC had found substantial injuries except two specialty categories.

Under present law, the President, not the ITC, makes the final decision whether to provide relief to the U.S. industry, as well as to the type and amounts of relief.

Passing the disapproval resolution as written would not undo the remedies imposed by President Bush. Rather, it would merely put in place the tariff levels suggested by the International Trade Commission.

□ 1030

While congressional disapproval is certainly allowed under this statute, this rule recognizes that the circumstances in this case simply do not warrant such action. Even the measure's sponsor noted in committee markup that the resolution was not the best solution.

Laying this resolution on the table does not hurt the steel industry. In fact, it will keep intact the President's remedy that the industry favors. The disapproval resolution could potentially be even more harmful to the industry, nor would the resolution not eliminate tariffs on steel imports. It merely replaces one set of tariffs with another.

Mr. Speaker, let me reiterate that a vote in support of this rule will table the disapproval resolution, keep intact the President's current enacted remedy, and conclude debate on this issue.

Mr. Speaker, I reserve the balance of my time.

Mr. McGOVERN. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentleman from New York (Mr. REYNOLDS) for yielding me the customary 30 minutes, and I thank him for his kind words.

Mr. Speaker, I want to take just a moment to thank the gentleman from Texas (Mr. FROST), the ranking member, the gentleman from Missouri (Mr. GEPHARDT), and the rest of my colleagues for my appointment to the Rules Committee.

I am honored to take the seat held for over 25 years by my friend and mentor, Joe Moakley; and before him the seat was held by the late Speaker, Tip O'Neill. I feel so privileged to be part of that legacy, and I will try to do everything possible to live up to their examples of hard work, collegiality and dedication to this House.

Mr. Speaker, this is the first rule that I have managed on the floor; and if I did not know better, I would think that my friends on the other side of the aisle were trying to make it as difficult as possible because this rule, Mr. Speaker, is a complex and convoluted contrivance designed to protect some Members from an unambiguous vote on an issue of vital importance to America's steel industry and its workers.

This rule is self-executing, which means that a vote in favor of the rule will table the resolution, thereby killing it without a clear up or down vote. While I strongly oppose the resolution proposed by the gentleman from Louisiana (Mr. JEFFERSON), I see no reason why the committee does not simply allow this body to vote on it.

This is an issue with real consequences for hard-working Americans and their families. Quite simply, Mr. Speaker, the American steel industry is in trouble. Foreign steel imports are causing domestic prices to plunge to record lows, and the result to date is 31 steel company bankruptcies, the loss of almost 47,000 steelworker jobs, including 2,100 in the Nation's iron ore mines, and the shutdown of nearly 20 percent of the Nation's steelmaking capacity.

We cannot continue to sacrifice American jobs. We cannot continue to stand idly by as one of the oldest and most important industries in America just disappears.

In response to the ongoing crisis in American steel, the President implemented a 30 percent tariff on steel imports, an action that will help save thousands of Americans' steelmaking jobs. This tariff is a necessary response to the unfair practices of some of our trading partners and I support it.

I believe we in Congress should be doing a great deal more for America's steelworkers and their families; but until we act, the President's decision is a welcome one.

I will vote in favor of this rule which automatically tables the resolution and, therefore, allows the President's action to stand; but I believe it is extremely unfortunate that the majority has chosen to circumvent the regular order and has refused to allow a vote on the gentleman from Louisiana's (Mr. JEFFERSON) resolution, a resolution, by the way, that I oppose.

This body deserves a fair debate and an up or down vote on this issue. The Ways and Means Committee adversely reported the resolution, yet this rule denies the members on the committee and the Members of this body a genuine opportunity to debate the merits of this issue.

The American people deserve to know who supports the President's actions to protect the American steel industry and who does not. They deserve to know who supports the effort to help the working men and women in our steel-producing communities and who does not.

There is no need for procedural smokescreens that rob the Members of this House from debating and voting on this important trade issue.

Having said that, let me attempt to clarify to Members what their choice is. If my colleagues disagree with the President's decision to impose tariffs on imported steel, then they should vote against this rule. On the other hand, if my colleagues support the President's tariff decision, then they should vote for the rule.

Mr. Speaker, there are many times when the Members of this body of both parties will disagree with the President. The Republican majority should not run away when that happens. They should allow their Republican colleagues the opportunity to vote and express their support or disapproval of the President's decision.

I regret they will not be able to vote "no" on the resolution offered by the gentleman from Louisiana. I regret this deceptive rule, but I will not oppose it.

Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. Mr. Speaker, I want to first of all say to the gentleman from Massachusetts (Mr. MCGOVERN), I am pleased to be able to speak on his first opportunity to have debate on a rule. As neighbors in our first term, I find that a great privilege; and I would rather be lucky than good. So it is lucky.

For my friend from Louisiana, who we agree with and work hard, it is not personal, it is just public policy; and I look forward to working with him more in opportunities in the future.

Not supporting this rule would mean letting the steel workers of our country down when they need us most. Furthermore, it would be a step backward from the progress made to help industries thus far. Free and fair trade, the proponents of trade talk about free and fair trade, and the opponents of trade talk about free and fair trade; and it was this administration that finally took action against unfair trade. That is kind of hard to believe when we had a lot of this steel crisis within the past administration, also; but it was a Republican administration that said there is illegal dumping of steel and we are going to take action against it.

So that is why this resolution, I know well-intentioned, is very detrimental to getting our steel mills and our workers back into the mills and creating jobs. We have already seen some benefits from the 30 percent trade.

Granite City Steel in Madison County, which I represent half the county, it is my home county, entered Chapter 11 bankruptcy protection in early March. Their latest report is that they have more orders than they can fill. A promising future from an industry that just months ago was on the cusp of not only destroying the tax base of a small community but also people not being able to be employed and take care of their families.

Continuing the current tariffs will mean job security for 2,700 workers of this plant, as well as many plants across the Nation that have filed or were near bankruptcy.

Another company that is moving aggressively to reopen a closed steel mill in Illinois is Alton Steel, and they have a short window of opportunity to move even rapidly now because of the tariffs, and we are working very diligently with them; and the imposition of this tariff is of great help to them and the working men and women of another part of Madison County which is Alton, Illinois.

Furthermore, the 30 percent tariffs increase the likelihood of consolidation in the industry so that those who have lost their jobs may regain employment.

Mr. Speaker, it is proven: the administration's decision for a 30 percent tariff is helping. The steel industry is and will continue to benefit. So why hold it back? On behalf of the steel workers of southern Illinois, I urge my colleagues to join with me in voting for this rule.

Mr. MCGOVERN. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. JEFFERSON), a member of the Committee on Ways and Means.

Mr. JEFFERSON. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MCGOVERN) for yielding me the time.

Mr. Speaker, I am saddened and disappointed by the action of the Committee on Rules and by the response of many of my Republican colleagues to the resolution that I have filed. Just a few months ago, I joined with many of them in open discussions about the benefits of free trade to our country and to a global economy.

Yet today, they turn their back on all those arguments that they so embraced just 2 months ago during the trade promotion authority discussion; and no matter how they cast the action on this rule today, if they vote for the rule and table the resolution and prevent us from having a debate on it, what they are doing nonetheless, no matter how they cover it up, is they are voting a protectionist line when they have taken quite the opposite position just a few months ago as I said, and routinely, throughout this Congress.

What is happening here is what has been described here by the gentleman from Massachusetts (Mr. MCGOVERN). I have a resolution which is quite clear. It purports to ratchet down the President's tariff decision to protect the steel industry from 30 percent tariffs, generally speaking, to 20 percent tariffs under the ITC recommendation. It lowers the tariffs in almost every case; and while one can argue that it still maintains a 201 result, and it does, for those who want to see 201 action, it permits that; but it simply does it at a lower level.

What I said in committee is there is no way to undo the President's decision by action on this floor. The only thing that can be done is what is being attempted here, that is, to reduce it down to what the ITC recommended. That is the only legal course that is available. One cannot go to court or to an administrative action. This is it. So when I say in committee that what we are doing here is not fixing the problem, but making a bad situation less bad, that is precisely what is available to us. That is all that we can do. That is not the ultimate outcome I would desire, but that is all that is available to us.

This decision, Mr. Speaker, in just a few short months has rankled the ire of all of our trading partners in the European community, in Australia, in Japan, in Korea and China, in Brazil. Almost every corner of the world, they are threatened and are now imposing sanctions against our products. The European Union has estimated it will cost $2.4 billion in losses to them just based on what we have done here. Added to our fish problem that is already $4.5 billion, how on God's earth can we respond to these extreme and very high costs that are being imposed by this action the President has taken?

The President is talking out of both sides of his mouth on this question. He says that he is for free trade, and yet he wants to restrict free trade when it is convenient for, as some have said, political purposes. The columnist that generally favors President Bush on all these matters, George Will, writes quite candidly it is the worst protection action taken by a President in decades. He cannot even think of one that is worse.

He also said that it is a billion dollar tax increase on those folks who buy automobiles alone and estimates an $8 billion tax increase on consumers across the country because what happens is we are raising prices on steel products across the board, whether they are cars or toasters or vacuum cleaners. Whatever is made of steel, the prices are going to rise. They are already rising.

Beyond that, Mr. Speaker, this whole issue of free trade is supposed to be about consumers in this country, and we are going to saddle them with $8 billion in new costs that they are going to have to pay; and in the end it is going to end up with a result that is worse than we ever imagined because we are now just getting out of, what some people say, getting out of a recession. We are going to drive this country right back into a deeper one because every one steel job we purport to save here, the estimates are we lose 10 in other industries.

So with the stevedores we will lose jobs up and down the line of those folks who make steel products. We will have layoffs because the business cannot afford to carry on with the price for steel so high, and so it is not a good tradeoff for this country to save one steel job for every 10 jobs we lose in some other industry. It is a very bad tradeoff.

I would like to urge this body to vote "no" on this resolution on this rule today for the simple reason we deserve a debate, as the gentleman from Massachusetts (Mr. MCGOVERN) has said. Whether my colleagues are for or against this, this matter deserves a debate on the floor today, and I would urge the Members of this body to do just that.

These steel tariffs the President has imposed are also not WTO consistent. That is pretty clear. There was a decision in a Korean case involving a line pipe that made quite the case that unless there are recent upsurges in the importation of a product that the 201 action does not apply. Here we have had steel importations going down the last 4 years, from 1998 to now. The better action here would have been to find some way to fix the number of imports that can come into the country at what was the pre-1998 levels. That would have been the sensible and supportable action.

That did not happen here, Mr. Speaker; and therefore this bill is not designed to fix any problem, but it is designed for political reasons, not supported by any economist in the country, not even supported by economists in the White House, not even supported by the Secretary of the U.S. Treasury. It is unsupportable economically, and I urge this body to vote "no" on the resolution.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

□ 1045

Mr. KUCINICH. Mr. Speaker, I rise in support of this rule and in opposition to the resolution seeking to roll back steel import tariffs.

We in the Congressional Steel Caucus pushed a long time for the administration to initiate a section 201 steel investigation into dumping. We pushed the International Trade Commission to recognize the devastating effect of steel imports. We gathered with 25,000 steelworkers on the Ellipse to encourage the President to impose an effective remedy. We did get a remedy.

What has this tariff meant to the steel industry? It has helped us in Cleveland find a new owner to keep our steel mill running. It has helped create a climate to boost America's manufacturing output. Still, tens of thousands of steelworker retirees are losing health benefits, so we introduced the bipartisan Steel Legacy Relief Act to help obtain health benefits equivalent to what is provided by Medicare and a prescription drug benefit similar to the Blue Cross/Blue Shield program.

The United States should not stand by and watch while thousands and thousands of workers who helped build this country are suffering. We must say to our Nation's retired steelworkers, "You have worked all your life to make America strong. We have not forgotten, and we will not let you down."

I urge my colleagues to vote for this rule, oppose efforts to roll back steel tariffs, and sign on to our bill to address steel legacy costs.

Mr. REYNOLDS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. VISCLOSKY), who has been a great leader on behalf of workers in the steel industry.

Mr. VISCLOSKY. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

Mr. Speaker, I rise in strong support of the rule to table the motion of the gentleman from Louisiana. I have a great deal of respect for him, but I would point out to my colleagues that on October 22 last year, the International Trade Commission unanimously, three Republicans and three Democrats, found that illegally dumped steel caused serious injury to the United States of America and its workers. They were right.

Since 1977, we have lost 34.5 million tons of capacity. But, moreover, we lost many jobs. The gentleman from Louisiana mentioned earlier in his remarks that people in Korea and Japan and Brazil are upset over the President's implementation of the ITC decision. I would point out that some of the 72,567 Americans who have lost their job at bankrupt or closed companies in places like Dunkirk, New York, Vineyard, Utah, Gadsden, Alabama, Sterling, Illinois, and Sand Springs, Oklahoma, are even more upset, and they are our responsibility to protect.

The President acted appropriately on March 5 by imposing 30 percent tariffs. We ought not to set the President's program back.

Additionally, I am concerned, as I address the House today, that hundreds of exemptions have been asked for by our trading partners, and hundreds more have been asked for. And now we have 1,200 exemptions that have been requested, and the Secretary of the Treasury has indicated on a recent trip to Europe that a significant number of them might be approved.

I would hope that the administration does not follow through on the implication of the Secretary's remarks, that they hold firm, and that exemptions are only granted in the case where there is no other U.S. alternative for the products made.

Mr. REYNOLDS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. Mr. Speaker, I stand here today to urge those Members who are undecided about how to vote on this rule to consider the hundreds of thousands of steelworker jobs that have been lost since the steel crisis began in 1998, all due to the flood of steel imports.

Last year alone, over 20,000 jobs were lost in America's basic steel industry, and half of the Nation's bankrupt steel companies have now been forced to cease operations completely. In addition to the job losses, the steel crisis has put the health care benefits of 600,000 industry retirees at risk. Over 100,000 retirees and their dependents have already lost or will lose their health care benefits following bankruptcy.

The President's decision to apply 30 percent tariffs to certain steel imports was a step forward in protecting our national security, protecting legacy costs for steel workers' health benefits, and, most importantly, protecting America's jobs. I urge my colleagues to vote in favor of this rule and stand up in support of rebuilding this Nation's steel industry.

Mr. REYNOLDS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. McGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. STUPAK).

Mr. STUPAK. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of this rule to table the resolution disapproving the President's decision on the section 201 steel investigation.

While the relief under section 201 was not everything I had hoped for, I commend the President for taking action to help our ailing iron ore and steel industries and for imposing stronger remedies than those recommended by the International Trade Commission.

If this resolution passes, the President's remedies would be overturned and the ITC recommendations then would become our law. This would weaken the tariffs that have been imposed. This would withdraw the helping hand that we have finally offered to the iron ore and steel industries.

Let me give an example. In the case of slab steel, which has been so destructive to the iron ore mines I represent, I had hoped for a straight tariff on the slab imports being dumped in the United States. The ITC recommended a tariff of 20 percent in the first year for imports over the quota. President Bush instituted a 30 percent tariff on the first year over the quota for slabs. This fell short of the relief our iron ore industry needs, but this resolution would mean, if it passes, that we would have to go back to the ITC 20 percent relief that is even more watered down. We cannot allow this to happen.

Our iron ore and steel industries depend on this relief. Without it, I am afraid our iron ore and steel industries will surely perish. I urge my colleagues to vote for this rule to table consideration of House Joint Resolution 84 and for preserving our American steel industry.

Let us stand with the President in aiding the iron ore and steel industries and look ahead to other ways we can help these industries, such as the much-needed legacy cost relief. Rather than taking a step backwards, we should now work to pass effective legacy cost legislation so that we can continue our forward momentum in bringing back our iron ore and steel industries.

Mr. REYNOLDS. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I rise in support of tabling H.J. Res. 84. This safeguard action gives our domestic steel industry and its employees a much-needed period of readjustment to recover from the substantial damage done by the latest steel import surge that began in 1998.

Thirty-three companies have declared bankruptcy in recent years, and 17 have closed their doors completely. 46,700 steelworkers have lost their jobs and 125,000 retirees have lost their health care benefits during this crisis.

The surge of low-priced imports is the result of foreign steel companies, often subsidized by foreign governments, building huge amounts of excess steel-making capacity. With their own markets unable to absorb all of this steel, they have flooded the U.S. market with their excess capacity.

We remain the most open market in the world. We cannot have free trade unless it is also fair trade, and President Bush recognized this fact last summer when he initiated the section 201 investigation on steel imports. The International Trade Commission conducted the investigation. This is an independent body. After many days of testimony, the Commission determined that steel imports were a substantial cause of serious injury to the U.S. steel industry.

On March 5, President Bush imposed temporary steel tariffs that range from 8 percent to 30 percent for a 3-year period. It is not a permanent tariff. This type of temporary safeguard measure is specifically allowed by World Trade Organization rules. Many of our trading partners have imposed safeguard measures on a variety of other products.

U.S. steel companies and steelworkers are only asking for a level playing field. The action taken by President Bush allows time for restructuring and for talks with our trading partners to reduce the worldwide excess steel-making capacity.

A strong domestic steel industry is crucial to the economic and national security of our Nation. It is important that today we give the President's safeguard actions time to work. Vote to table H.J. Res. 84.

Mr. McGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DOYLE).

Mr. DOYLE. Mr. Speaker, I rise today in support of H. Res. 414 and in support of the tens of thousands of steelworkers across the Nation, as we fight to rebuild an industry that has been devastated by illegal dumping of foreign steel onto American markets.

I want to say that again: Illegal dumping of steel onto American markets has devastated this industry. As a Member of Congress whose family has worked over 73 years in the steel industry, I believe it is critical that we fight to ensure that our Nation's steelworkers have a fair and level playing field to market their product. After all, this is the same industry that built America and remains its backbone.

Over the past several years, 51 steel mills have been closed, 31 steel producers have filed for bankruptcy, and over 46,000 hardworking Americans have lost their jobs. And why did they lose their jobs? Because their competitors are cheating, breaking our trade laws. And it has been a national disgrace that we have allowed it to happen this long.

Across my district in Pittsburgh, Pennsylvania, once called the steel capital of the world, thousands of hardworking men and women have lost their jobs because their competitors were cheating. Without the protections provided by the President on March 5, more workers will be left jobless by foreign producers who illegally bombard our markets with cheap foreign steel.

It is for these hardworking men and women and their families that I fight today. After all, if we are going to have free trade, we first have to have fair trade. The writing is on the wall and the call of our steelworkers must be heard.

So, Mr. Speaker, I urge my colleagues to join me in voting for this rule to table an ill-advised resolution which poses a direct threat to the same industry that built and continues to remain America's backbone.

Mr. Speaker, I rise today in support of H. Res. 414 and in support of the President and the tens of thousands of steelworkers across our nation as we fight to rebuild an industry that has been devastated by the illegal dumping of foreign steel onto American markets.

As a Member of Congress whose family has worked in the steel industry for over 73 years, I believe it is critical that we fight to ensure that our nation's steel workers have a fair and level playing field to market their product. After all, this is the same industry that built America into the world's pre-eminent superpower and it is the same industry we will continue to rely on to remain safe and strong. The very backbone of America is being threatened today.

Over the past several years, 51 steel mills have been closed, 31 steel producers have filed for bankruptcy, and over 46,000 hard working Americans have lost their jobs. The International Trade Commission ruled unanimously that this loss is directly the result of steel dumping and not the fault of the American steel industry. Across the district that I represent in Western Pennsylvania, an area once universally called the Steel Capital of the World, thousands of hard working men and women have lost their jobs due to unfair competition and through no fault of their own.

In fact, the productivity, work ethic, and technology of America's steel industry is far superior to any other nation in the world. However, without the protections provided by the President on March 5th, these workers will be left jobless by foreign producers who illegally bombard our markets with cheap, foreign steel. It is for these hard working men and women, and their families, that I fight today!

America cannot simply stand back under the banner of free trade and allow foreign nations to subsidize their steel industries, underpay their workers and dump their products on our markets with the hope of destroying the American steel industry. After all, in order to have free trade, we must first have fair trade. The writing is on the wall and the call of our steel workers must be heard.

So, Mr. Speaker, I am standing today with the President and alongside every American steel worker. I urge my colleagues to join me and vote against this ill-advised resolution which poses a direct threat to the same industry that built, and continues to remain, America's backbone.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), who is the Chair of the Congressional Steel Caucus.

Mr. ENGLISH. Mr. Speaker, this is a critical issue. I came to the floor prepared to give a lengthy and detailed speech, and, instead, I will simply submit that for the record. I would like to take 2 minutes to speak from the heart on what I think is an absolutely critical issue for the American economy.

George Bush, when he took office last year, took a look at the issue facing steel, took a look at the crisis in American steel and initiated a WTO consistent process to evaluate the situation. The finding of the International Trade Commission was this: That, clearly, we were facing a surge of imports; clearly, there are unfair traders involved; and, clearly, we need to have an opportunity to give a breathing space to the U.S. industry.

The authors of the resolution today are opposed to what the President is trying to do, and I hope that this resolution will be tabled. We will be sending the wrong message to our international trading partners if we allow the Jefferson resolution to stand.

The Jefferson resolution, in effect, sends the message that it is open season on America's manufacturing sector. It simply says you do not have to play by the rules; that the global excess capacity in steel can continue to be dumped on the American market. And it will send a very clear message that notwithstanding the fact that America has some of the most productive steel mills in the world, America will not be able to defend itself when facing unfair trading practices in this critical sector.

The message that this resolution would send is that we are not prepared to defend ourselves in the critical area of trade; that we are not prepared to insist on maintaining an internationally competitive manufacturing sector in this globe.

We need to stand up for steel. We need to stand up for the President. Today, table this resolution and let our trading partners know we stand for fair trade.

Mr. Speaker, the time has come for Congress to rally behind the President and stand up for steel. The passage of H.J. Res. 84 would send a clear message to the world that it is open season on the American manufacturing base. Anything less than the Section 201 relief provided by the President is unacceptable.

The Bush Administration labored over the various options for relief under Section 201 and it represents a milestone shift toward a stronger trade policy that insists on a level playing field of trade for domestic producers. The relief provided by President Bush is balanced, allowed under U.S. Trade Law and consistent with the rules under the World Trade Organization.

A strong tariff-based remedy is the only way to prevent the loss of thousands of additional steel-related jobs and indicate to foreign producers that the United States is not a dumping ground for excess steel products. But today we find ourselves faced with H.J. Res. 84. It's a joke of a proposal that dramatically weakens the tariff remedies by up to 10 percent for certain steel products by tossing aside the President's remedy and instead using the majority view of the International Trade Commission.

Let me assure you Mr. Speaker that weak action would silence many more steel plants, destroying jobs as well as the families and communities who depend on them, all while dealing a blow to our national economy and security. Because of eight years of inaction by the previous administration on this issue, 33 steel companies have declared bankruptcy, which translates into 45,000 steelworkers who have lost their jobs because of this most recent surge in steel.

Make no mistake—I am very strongly protrade, yet when it comes to steel it is distorted trade. And keep in mind that we are already witnessing the positive effects of the relief provided by the President. Imports have slowed and the window has opened to allow the domestic steel industry to recover from the devastating import surge. We are providing the time the domestic steel industry needs to restructure to remain competitive in the tight global steel market.

President Bush labored over this decision, carefully weighing all of the options on the table. His decision was tailored to provide relief to the steel industry while minimizing the negative impact on the rest of the economy. Very simply, the ITC decision was not.

President Bush's remedy reflects thorough consideration given to developing countries, trading partners who have entered into trade agreements with the United States, and to domestic steel mills with specific needs for imported steel products while crafting the tariffs and tariff-rate quota.

Yes, Mr. Speaker, H.J. Res. 84 does reflect the majority opinion of the ITC, while the President's remedy went beyond that.

The same statute that allows the gentleman from Louisiana to bring this resolution before us is the same statute that allowed the President to go beyond the majority opinion of the ITC. According to the U.S. Trade Act of 1974 Section 203, the President has the right to take action that he determines will facilitate efforts by the domestic steel industry to rebound and provide greater economic and social benefits when compared with the costs.

Clearly, the President and I are in agreement—the majority ITC opinion would have been ineffective. It would not return steel prices to their normal pre-crisis levels, and allow American steel companies to make the necessary investments to remain viable and competitive in the future while providing good-paying jobs.

The plight of the steel industry is grim but both Congress and the administration are working hard to give employers the tools they need to be competitive in the global market. Strong relief, coupled with the Bush Administration's continued efforts to address foreign market distortions and global steel overcapacity, will allow domestic steel manufacturers to restructure and regain ground lost to the injurious imports. This will ensure the continued viability of an industry that is a cornerstone of our economy and national security.

The domestic steel industry is at a significant crossroad. By granting relief under Section 201 of the U.S. trade laws, the Bush Administration provided critical breathing space for this strategic industry. Congress must not turn around and apply a choke hold.

I urge my colleagues to vote "yes" on the rule.

□ 1100

Mr. McGOVERN. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, I share the frustration of the gentleman from Louisiana (Mr. JEFFERSON) on the procedures that are being used here; and I do not speak to the procedures, but I am going to vote to uphold the rule of law and support the resolution.

We have laws that are WTO-consistent. They are here to protect our country from illegally imported products. In December 2001, the International Trade Commission, which is a nonpartisan body, unanimously found that the domestic steel industry had been harmed by the flood of foreign steel imports into the U.S. market since 1998. They found that our country became the dumping ground for illegally imported subsidized steel. As a result, our domestic steel producers were damaged.

In October, Bethlehem Steel Corporation filed for Chapter 11 bankruptcy protection. We now have 33 steel companies in the United States which are in some form of bankruptcy. They are there not because they cannot produce cost-effective steel. They can compete if it was fair competition, but we do not have fair competition because we have excess capacity in the world in producing steel.

The United States made it a policy to reduce its capacity in the last decade. We cannot produce enough steel to meet our domestic needs. We need to import steel. We have done what was necessary to restructure our steel industry on capacity. But it is our trading partners that still have the excess capacity that is causing U.S. steel companies to go in bankruptcy because of the dumped steel.

After we get rid of this resolution, we need to turn our attention to legacy costs because U.S. steel producers need help on the retiree costs if they are going to be able to compete on a fair, level playing field. I hope today's action will not be the last action in supporting the President. It is legacy protection for our steelworkers.

Mr. REYNOLDS. Madam Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. VITTER).

Mr. VITTER. Madam Speaker, I rise to strongly support American jobs and employment here at home, economic development; and because of those values and because of that focus, I strongly support the Jefferson resolution and active consideration and debate of it.

U.S. port authorities, port terminal operators, longshore labor unions, other U.S. port and transportation industry organizations all have opposed President Bush's decision to impose tariffs and quotas on fairly traded steel products imported into the United States, and all of those entities are home to good, viable, important, well-paying American jobs.

This is not a one-sided debate about American jobs. I am very sympathetic to U.S. steel producers and their employees, but that is not the only place jobs are impacted in terms of this action. They are impacted even more on the negative side by President Bush's decision with regard to ports and other maritime-related commerce.

I know that very well from my home, the New Orleans area. Forty percent of the revenue from the port of New Orleans is directly tied to steel imports. That supports more than 8,600 jobs just within the Greater New Orleans area, and if we look at Louisiana as a whole, there are thousands more, and if we look at the Nation, there are tens of thousands more.

There are far more good American jobs that will be cut, that will be hurt because of this decision than those jobs in the domestic steel industry that will be saved, and that is why I strongly support this resolution and believe that we should have full debate and consideration of it.

Mr. McGOVERN. Madam Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JEFFERSON. Madam Speaker, I thank the gentleman from Louisiana (Mr. VITTER) for his remarks in support of the resolution and in opposition to the process being used here. Many of the speakers who have preceded me have talked about the ITC decision, the merits of it, that it was a 6-member vote, 3 on the Democratic side and 3 on the Republican side supporting it.

If the resolution passes, the ITC decision is in effect. This does not undo the ITC decision because it cannot. Honestly, I wish it could; but it cannot. The ITC decision will stand if this resolution should pass.

What is most egregious this morning is not whether you disagree with the position on the merits of the resolution, but whether we are going to have a debate on this matter or not. That, it seems to me, is the undeniable wrongness that is being accomplished here. I believe it is a shameful process, and in some respects it is a very hypocritical process. I have no problem with the idea that steelworkers need relief. I think the relief ought to come from making sure that we continue our work on eliminating the overcapacity in not only our markets but the world markets.

I think it comes in making sure that the quotas are right for pre-1988 importation levels, and I think it is also important to think about the legacy cost issues which are not addressed by this resolution and the President's action, to see what we can do to make sure that the $13 billion legacy costs that are out there get taken care of. That is not the subject of any of these discussions, yet they are talked about by Members who oppose this resolution as if they were a part of what we are dealing with here.

Today on this vote the only issue is whether there will be a full debate on this question today or not. How in the world can the House oppose a full debate on a matter of such dimensions as the gentleman from Louisiana (Mr. VITTER) has described, as I have described, and as others have described? It is a matter which has put the President's economic advisers on one page opposing the President's action. Some political advisors say it is a good idea, but his economic advisers do not support it. It is not justifiable on any economic ground. Give us a chance to debate. Vote no on the resolution.

Madam Speaker, I will move for the previous question when the vote is called.

Mr. REYNOLDS. Madam Speaker, I reserve the balance of my time.

Mr. McGOVERN. Madam Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. PHELPS).

Mr. PHELPS. Madam Speaker, I rise in support of the rule, and I support the President's decision to impose a 30 percent tariff as a first step in saving our American steel industry and the job and health insurance of Illinois steelworkers and retirees. The American steel industry and steelworkers are in the midst of the worst crisis in many years due to the continued illegal dumping into this country of foreign-made steel. Thousands of steelworkers have lost their jobs, and countless more are in jeopardy.

In my congressional district in central and southern Illinois, the effects have been devastating. I am troubled by foreign producers seeking additional exclusions from the tariffs for specific steel products, despite that these products are available from domestic producers. More disturbing are reported statements that a significant proportion of these exclusion requests will in fact be granted. Further exclusion will turn the section 201 tariffs into Swiss cheese where the holes will allow so much low-priced steel to enter the U.S. market that the industry will receive no meaningful relief.

The domestic steel industry has invested billions of dollars in upgrading and modernizing its facilities, and as a result is among the most productive makers of high-quality steel in the world. No industry, no matter how productive, however, can compete against the onslaught of low price and often unfairly traded steel imports. The section 201 relief that the President announced in March can provide substantial relief to the industry, but this will only occur if the tariffs stay in place without additional exclusions. It is imperative that we send the strongest possible message to deter our trading partners from further illegal dumping, and to give the domestic steel industry the time it needs to recover from its injury. Anything less would be a disservice to those working men and women who are counting on the government to stand up for them. Vote yes on the rule to table House Joint Resolution 84.

Mr. McGOVERN. Madam Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON).

Mr. JEFFERSON. Madam Speaker, at the end of this discussion, I will urge Members to oppose the previous question. If the previous question is defeated, I will offer an amendment to the rule. The amendment provides that the underlying resolution, H.J. Res. 84, disapproving the action taken by the President under section 203 of the Trade Act, will be considered by the House separately with a clean vote, and not simply tabled as the rule provides.

Madam Speaker, whether or not the Members agree with the President's action on this issue of considerable importance, we should all agree that this deserves to be considered under the process that was set up in section 203 of the Trade Act of 1974. That act allows the House to take an up or down vote on the President's action. This convoluted process of tabling the disapproval resolution before we even get to a vote completely short-circuits the regular process. Vote no on the previous question so we can all vote up or down on H.J. Res. 84.

Madam Speaker, I ask unanimous consent that the text of the amendment be printed in the RECORD immediately before the vote on the previous question.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. McGOVERN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this process is not very clear. I wish it were different, but in the end I am going to support the rule because I believe in upholding the President's decision on tariffs because in the end I think it will save jobs in this country.

Madam Speaker, I yield back the balance of my time.

Mr. REYNOLDS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I am pleased to have worked on this rule with the gentleman from Massachusetts (Mr. McGOVERN). This is his first rule as a member of the Committee on Rules, but all remember his years of service to Joe Moakley when he was a staffer before being elected to his seat. It is an honor to serve with the gentleman from Massachusetts (Mr. McGOVERN) now as a member of the Committee on Rules.

House Resolution 414 is a unique rule providing for the disposition of House Joint Resolution 84, a resolution of disapproval. Under this rule, H.J. Res. 84 would be automatically tabled. H.J. Res. 84 disapproves the action taken by President Bush to impose temporary tariffs on some types of steel products.

Under the Trade Act, Congress has the authority to disapprove of such actions within 90 days. Such a disapproval resolution is highly privileged, not amendable, and floor debate is limited to 20 hours. To put it simply, a vote in favor of this rule will lay on the table the disapproval resolution and conclude further deliberations. While congressional disapproval is certainly allowed under the statute, this rule recognizes that the circumstances in this case simply do not warrant such action. Laying this resolution on the table does not hurt the steel industry, as we have heard from so many Members on a bipartisan basis from the Steel Caucus. In fact, it will keep intact the President's remedy that the industry favors. The disapproval resolution could potentially be even more harmful to the industry. This disapproval resolution does not eliminate tariffs on steel imports either. It merely replaces one set of tariffs with another.

Madam Speaker, let me reiterate that a vote in favor of this rule will table the disapproval resolution, keep intact the President's current remedy, and conclude debate on this issue. I urge an aye vote. I urge my colleagues to table the resolution by voting aye.

The material previously referred to by Mr. JEFFERSON is as follows:

AMENDMENT TO H. RES. 414

Strike all after the resolved clause and insert:

That upon the adoption of this resolution it shall be in order to consider in the House the joint resolution (H.J. Res. 84) disapproving the action taken by the President under section 203 of the Trade Act of 1974 transmitted to the Congress on March 5, 2002. The joint resolution shall be considered as read for amendment. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one hour of debate on the joint resolution equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

Mr. BONIOR. Madam Speaker, if you want to know how foreign steel is affecting our communities just ask Ernie Ronn. Ernie is a retired iron ore miner from the Upper Peninsula of Michigan.

If you ask Ernie, or thousands of other iron ore and steel workers how steel dumping is affecting our community, they'll all tell you the same thing—this foreign steel is killing us.

Last July, thousands of iron ore workers in Marquette, Michigan held a rally which filled an entire indoor stadium. Later the workers, their families, children and business owners filled the streets of Marquette.

They know that when a mine shuts down in the U.P. or a steel factory closes in River Rouge you cripple an entire community, you erode the tax base, police and fire services suffer, and no one goes unaffected.

The citizens of Marquette marched because their jobs, their community, and their future was—and still is—at stake.

At that rally a year ago, Ernie Ronn told us that this was the fourth demonstration he'd been to. He said, "my grandfather and your grandfather, they came to this country—from Poland, Finland, Slovenia, Ukraine, Italy and Germany—to make better lives for you and I. That's what we want to do for our kids, make it a better world. It's a common thread for people. We've built a great community, and now we must keep it strong. We shouldn't have to keep trying to get that message across."

While Mr. Ronn said those words nearly a year ago, they couldn't be more apt today. It's time to end this debate. The President has taken action; his decision has already been implemented. It's time to move forward.

For the iron ore workers in Marquette and the steelworkers down river of Detroit this is a matter of putting food on the table, paying the mortgage or rent, and keeping their families healthy and safe. Vote for this rule to table the resolution.

Mr. BACHUS. Madam Speaker, I rise in support of the rule to table this misguided resolution.

If we pass H.J. Res. 84 we're going to be sending a message to the rest of the world. And that message is: Foreign countries, go ahead. Flood our markets. Illegally dump your products here. Because the United States is not going to enforce our trade laws. We'll be declaring "open season" on America's manufacturing base and on American workers.

We cannot let that happen. We must stop it. And I'm proud that our President, George W. Bush, took decisive action to restore fair competition for our steelworkers. If American steelworkers are allowed to compete on a level playing field, they will win. But if we do not restore that level playing field, more American steelworkers will lose their jobs.

This problem has been going on for years, and President Bush showed real leadership when he put these tariffs on. This action is absolutely necessary to defend steelworker jobs against illegally traded steel and ensure America has a steel industry five and ten years from now.

Madam Speaker, I testified before the International Trade Commission on several occasions about the illegal import crisis and its effect on our steel-producing areas like my home State of Alabama. I told them about the dangers this crisis presents to our national security. And in this time of war, what is more important than the security of our Nation and its ability to defend itself?

Vote yes on the rule. Stand with our President. And stand up for the hardworking citizens who built this country into the great and powerful Nation it is today.

Mr. COSTELLO. Madam Speaker, I rise today in opposition to H.J. Res. 84, to disapprove the President's steel tariffs.

Our domestic steel industry is currently in a crisis situation. The fundamental cause of this crisis is massive foreign overcapacity, which has caused the United States to become a dumping ground for world excess steel products. As a result of this, since 1997, 33 steel companies have filed for bankruptcy, affecting over 62,000 American steel workers. Almost 90 percent of the capacity reduction occurred in 2001.

Our domestic steel industry is vital to our national security. American Armed Forces depend on American steel for their planes, tanks and ships. A dependence on foreign steel could be catastrophic for our national defense.

Last year, I joined my colleagues on the Congressional Steel Caucus in urging the President to implement a Section 201 investigation by the International Trade Commission to determine if our domestic markets had been harmed by illegal dumping. In the fall, I testified before the ITC to express my concerns regarding the steel crisis. The ITC ruled unanimously that the steel industry had indeed been harmed.

In March of this year, the President announced his intention to impose tariff safeguards of up to 30 percent on major steel products. While the President could have imposed tariffs of up to 40 percent, I am hopeful that the 30 percent tariff will be sufficient to give the industry a chance at recovery, and am pleased that the President did decide to take action. His actions sent a strong message that we will no longer tolerate the unfair trade practices which have harmed the steel industry.

Madam Speaker, voting no on this resolution is paramount to the U.S. domestic steel industry, and I urge my colleagues to join me with a no vote.

Mr. REYNOLDS. Madam Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. JEFFERSON. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 8 and 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution, and thereafter on the motion to suspend the rules and concur in Senate amendments to H.R. 3525 debated yesterday.

The vote was taken by electronic device, and there were—yeas 355, nays 62, not voting 17, as follows:

[Roll No. 129]

YEAS—355

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (OK)
Chabot
Chambliss
Clement
Clyburn
Coble
Collins
Combest
Cooksey
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Langevin
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matheson
Matsui
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Paul
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Turner
Udall (NM)
Upton
Velázquez
Visclosky
Walden
Walsh
Wamp
Watkins (OK)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—62

Baldwin
Becerra
Bentsen
Berman
Boucher
Capuano
Castle
Clayton
Condit
Conyers
Davis (CA)
Davis (FL)
DeFazio
DeGette
Delahunt
DeLauro
Dooley
Ford
Frank
Harman
Hastings (FL)
Holt
Israel
Jefferson
Kucinich
Lantos
Lee
Lewis (GA)
Lofgren
Lynch
Markey
McCarthy (MO)
McDermott
McGovern
McKinney
Meek (FL)
Meeks (NY)
Menendez
Moran (VA)
Napolitano
Neal
Oberstar
Obey
Olver
Pastor
Payne
Pelosi
Peterson (MN)
Price (NC)
Reyes
Sabo
Sanders
Skelton
Smith (WA)
Stenholm
Tierney
Vitter
Waters
Watson (CA)
Watt (NC)
Woolsey
Wu

NOT VOTING—17

Burton
Buyer
Carson (IN)
Clay
Crane
Hall (OH)
Honda
Jones (OH)
Kind (WI)
Miller, George
Nadler
Ose
Riley
Sawyer
Traficant
Udall (CO)
Waxman

□ 1140

Messrs. WATT of North Carolina, PASTOR, PRICE of North Carolina, HOLT, SANDERS and WU, and Ms. WOOLSEY and Mrs. NAPOLITANO changed their vote from "yea" to "nay."

Messrs. FARR of California, BACA, POMEROY, and SCHIFF, and Ms. MILLENDER-McDONALD, Ms. SOLIS, Ms. SANCHEZ, and Mrs. MALONEY of New York changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. REYNOLDS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on House Resolution 414.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. JEFFERSON. Madam Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 386, noes 30, answered "present" 1, not voting 17, as follows:

[Roll No. 130]

AYES—386

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (OK)
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (IL)
Davis, Jo Ann
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dingell
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larson (CT)
Latham

LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (NM)
Upton
Velázquez
Visclosky
Walden
Walsh
Wamp
Watkins (OK)
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—30

Baker
Berman
Boehner
Castle
Cooksey
Davis (CA)
Davis (FL)
Davis, Tom
Dicks
Dooley
Ehlers
Flake
Harman
Hastings (FL)
Herger
Jefferson
John
Kolbe
Larsen (WA)
Lofgren
McCrery
McDermott
Moran (VA)
Payne
Smith (WA)
Stenholm
Tauzin
Vitter
Waters
Watson (CA)

ANSWERED "PRESENT"—1

Tancredo

NOT VOTING—17

Burton
Buyer
Carson (IN)
Clay
Crane
Hall (OH)
Honda
Jones (OH)
Kind (WI)
Nadler
Ose
Pombo
Riley
Sawyer
Traficant
Udall (CO)
Waxman

☐ 1151

Mr. HORN changed his vote from "no" to "aye."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

So House Joint Resolution 84 was laid on the table.

ENHANCED BORDER SECURITY AND VISA ENTRY REFORM ACT OF 2001

The SPEAKER pro tempore (Mrs. BIGGERT). The unfinished business is the question of suspending the rules and concurring in the Senate amendments to the bill, H.R. 3525.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 3525, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 411, nays 0, answered "present" 2, not voting 21, as follows:

[Roll No. 131]

YEAS—411

Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Coyne
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (NM)
Upton
Velázquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

ANSWERED "PRESENT"—2

Abercrombie
Tancredo

NOT VOTING—21

Burton
Buyer
Carson (IN)
Cox
Crane
Goode
Gutknecht
Hall (OH)
Honda
Jones (OH)
Kanjorski
Kind (WI)
Nadler
Ose
Pryce (OH)
Riley
Sawyer
Traficant
Udall (CO)
Waxman
Woolsey

☐ 1201

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. TANCREDO. Mr. Speaker, during rollcall No. 131, on the motion that the House suspend the rules and agree to the Senate amendments to H.R. 3525, I inadvertently voted "present." It was my desire to have my vote recorded as "yea," and I ask that the RECORD reflect that.

Mr. COX. Mr. Speaker, on rollcall No. 131, I was absent for the five-minute rollcall vote. Had I been present I would have voted "yea."

☐ 1200

CORRECTING THE ENROLLMENT OF H.R. 3525, ENHANCED BORDER SECURITY AND VISA ENTRY REFORM ACT OF 2001

Mr. LATOURETTE. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 106) to correct the enrollment of H.R. 3525, and ask for its immediate consideration in the House.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 106

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 3525) to enhance the border security of the United States, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) Strike section 205.

(2) In the table of contents of the bill, strike the item relating to section 205.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

YUCCA MOUNTAIN REPOSITORY SITE APPROVAL ACT

Mr. TAUZIN. Madam Speaker, pursuant to section 115(e)(4) of the Nuclear Waste Policy Act of 1982, I call up the joint resolution (H.J. Res. 87) approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982.

The SPEAKER pro tempore. The Clerk will report the joint resolution.

The Clerk read the joint resolution, as follows:

H.J. RES. 87

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there hereby is approved the site at Yucca Mountain, Nevada, for a repository, with respect to which a notice of disapproval was submitted by the Governor of the State of Nevada on April 8, 2002.

UNFUNDED MANDATES POINT OF ORDER

Mr. GIBBONS. Madam Speaker, I rise to make a point of order against consideration of H.J. Res. 87.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. GIBBONS. Madam Speaker, pursuant to section 425 of the Congressional Budget Act and Impoundment Control Act of 1974, I make a point of order against consideration of H.J. Res. 87.

Section 425 states that a point of order lies against legislation which either imposes an unfunded mandate in excess of $58 million against State and local governments or when the committee chairman does not publish, prior to floor consideration, a CBO cost mandate of any unfunded mandate in excess of $58 million against State and local entities.

H.J. Res. 87 will in effect set the Nuclear Waste Policy Act as amended in 1987 into action. The bill reads in part, "Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that there hereby is approved the site at Yucca Mountain, Nevada for a repository."

In other words, Madam Speaker, passage of this resolution will green-light the Yucca Mountain project, thus allowing for shipment of high level nuclear waste beginning in the year 2010 and continuing for the next 38 years. Thus, passage of H.J. Res. 87 clearly places an unfunded mandate on our taxpayers.

The SPEAKER pro tempore. The gentleman from Nevada (Mr. GIBBONS) makes a point of order that the joint resolution violates section 425(a) of the Congressional Budget Act of 1974.

In accordance with section 426(b)(2) of the Act, the gentleman has met his threshold burden to identify the specific language in the joint resolution on which he predicates the point of order.

Under section 426(b)(4) of the Act, the gentleman from Nevada (Mr. GIBBONS) and a Member opposed each will control 10 minutes of debate on the question of consideration.

Pursuant to section 426(b)(3) of the Act, after that debate the Chair will put the question of consideration, to wit: "Will the House now consider the joint resolution?"

The gentleman from Nevada (Mr. GIBBONS) will be recognized for 10 minutes and the gentleman from Louisiana (Mr. TAUZIN) will be recognized for 10 minutes.

The Chair recognizes the gentleman from Nevada (Mr. GIBBONS).

Mr. GIBBONS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, passage of H.J. Res. 87 will undoubtedly put a process in place that will exceed the $58 million threshold outlined in section 425 of the act. Instead of looking at what the CBO score tells us, let us look at what it does not tell us. What the CBO is unable to tell us is how much it will cost our local community to implement the Nuclear Waste Management Act, as far as preparing our State and local governments for the enormous cost of safety monitoring these tens of thousands of high level nuclear waste shipments that are going to occur throughout our community.

Madam Speaker, by the CBO's inability to score the total cost of this project, again a project receives a green light upon passage of the legislation currently before us, there might as well not even be a CBO score. The chairman of the committee has fulfilled his obligation to publish a cost estimate for H.J. Res. 87; however, the CBO cost only gives the House the recommended 5-year cost projection. As we know, under the Nuclear Waste Policy Act, shipments of high level nuclear waste to Nevada will not even begin until the year 2010, about 8 years from now. With the CBO unable to give a cost estimate on the Yucca Mountain project's total price tag, passage of H.J. Res. 87 provides the Federal government a blank check to proceed with this project.

In the end, the Federal Government will demand that our State and local governments spend billions of dollars over the next four decades to prepare for those shipments that will traverse their respective States and districts. Neither the Department of Energy nor Congress has anticipated or provided for the massive costs that will be incurred by States and local governments if we pass this legislation.

The paltry $17 million budgeted by the Department of Energy in its fiscal year 2003 budget will not come close to covering these costs. States and local governments will be left with billions of dollars in unfunded expenses which would not be incurred except for the Federal high level radioactive waste program. Some may counter this argument by saying that we can recommend on the Nuclear Waste Fund, established by Congress, to pay for the cost of Yucca Mountain.

Well, consider this argument: Current estimates put the Nuclear Waste Fund at about $17 billion. That balance pales in the comparison to the total construction and compliance costs at Yucca Mountain of almost $60 billion.

What is more, the nuclear power industry faces an uncertain economic future. Let me point out a few of the problems facing the industry. The industry is supposed to be responsible for paying the costs associated with the nuclear waste disposal. No nuclear power plants have been built since 1978.

More than 100 reactors have been canceled, including all ordered after 1973. The nuclear power industry's troubles include nuclear high power plant construction costs, relatively low costs for competing fuel, public concern about nuclear safety and waste disposal, as well as regulatory compliance costs.

Electric utility restructuring, which is currently under way in several States, could also increase the competition faced by existing nuclear plants.

High operating costs have resulted during the past decades in the shutdown of nearly 20 U.S. commercial reactors before the completion of their 40-year license operating period.

Madam Speaker, the viability of the Nuclear Waste Fund is directly related to the continued viability of the nuclear utility industry. Taxpayers are not supposed to fund the program. The program is supposed to be funded by the nuclear energy industry and the ratepayers who purchase and benefit from their electricity.

The price tag of this project will be tremendous. Not in the next 5 years, as outlined by the CBO score, but in 8 years, and the subsequent 4 decades beyond that.

Madam Speaker, 8 years from now the Department of Energy will begin filling your roads and highways and railways with high level nuclear waste. The cost to even begin preparing our first responders will be staggering, let alone the cost of any clean-up associated with one of 400 accidents the Department of Energy tells us that we are to prepare for when they begin these shipments.

I ask that delegates call their State governors and ask does room exist in their budget to meet these needs and these expensive costs? Ask your local county commissioners can they afford the increased costs of protecting these shipments? Ask city council members in your district will they have room to budget in their budget for these increased costs? Ask your local fire fighters, police officers, State troopers, your emergency response teams, EMTs and haz-mat crews, will they be able to afford such costs?

Again, the DOE tells us that accidents happen. This is not spilled milk. An accident involving shipments of high level nuclear waste requires more than a mop and bucket of water to clean up. Imagine the cost of the training just to prepare for a potential response to one of these accidents.

Madam Speaker, H.J. Res. 87 is an unfunded mandate. The CBO cannot tell us whether or not carrying out the Nuclear Waste Policy Act, by passing this resolution, will exceed the $58 million threshold. And because CBO cannot give us this information, we must assume that the threshold can and will be exceeded.

Now some tell us not to worry, that DOE and Congress will ensure the necessary funding will be provided at the right time. If this is the case, Madam Speaker, where are we going to get the money? What programs will have to be cut to pay for this irresponsible policy? Will we cut the Department of Defense budget as we carry out this long, protracted war against terrorism? Will we cut out Medicare or any possibility of implementing a prescription drug benefit for our seniors? Or will we allow ourselves to drive the Social Security trust fund at the same time our baby boomer generation sits on the brink of retirement?

Assuming the DOE begins shipment in 2010 as planned, Congress would have to budget $3.6 billion per year beginning with this year's budget in order to provide adequate funding for States. The fact is, Madam Speaker, as with every other issue we debate in this body, the money has to come from somewhere and somewhere always leads to the taxpayers in this great country.

Madam Speaker, I urge my colleagues to vote against this unfunded mandate and support the point of order I just made.

Madam Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. Is the gentleman from Louisiana (Mr. TAUZIN) opposed to the point of order?

Mr. TAUZIN. Yes, Madam Speaker, I am.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Louisiana for 10 minutes.

Mr. TAUZIN. Madam Speaker, I yield myself such time as I may consume. I rise in strong opposition to this effort to block consideration of this very bipartisan consideration.

Madam Speaker, I know the gentleman well and he is my friend and I know his intentions are good. He is doing everything that he thinks is in the best interest of his State. And I think we all can respect that. But, very frankly, this point of order is completely without foundation and it is clearly just an effort to obstruct consideration of House Joint Resolution 87, a resolution that was reported out of the Committee on Energy and Commerce by a vote of 41 to 6, an incredibly bipartisan vote.

When my committee filed its report on House Joint Resolution 87, it included a cost estimate from the Congressional Budget Office. This is it here. And the Congressional Budget Office report literally satisfies one of the requirements under the Unfunded Mandate Reform Act. This CBO cost estimate thoroughly reviewed the budget impacts of this resolution, and it did not identify any new mandates in this resolution that would fall under the Unfunded Mandates Reform Act.

The CBO cost estimate, in fact, further clarified that even if some minor costs of State and local governments did fall under the Unfunded Mandates Reform Act, these costs would not exceed the thresholds established under UMRA.

Let me quote from the CBO estimate directly: "H.J. Res. 87 could increase the costs that Nevada and some local governments would incur to comply with certain existing Federal requirements. The Unfunded Mandate Reform Act, UMRA, is unclear about whether such costs would count as new mandates under UMRA. In any event, CBO estimates that the annual direct costs incurred by State and local governments over the next 5 years would total significantly less than the threshold established in the law ($58 million in 2002, adjusted annually for inflation)."

□ 1215

In other words, CBO is saying we are not sure we even count those costs; but if we did, they do not meet the threshold of the Unfunded Mandates Reform Act.

Finally, CBO notes that H.J. Res. 87 contains no new private sector mandates as defined in the Unfunded Mandates Reform Act. Madam Speaker, the CBO report speaks for itself. It is very, very clear.

We may hear that the real costs that should be considered are those that occur after the 5-year period that CBO has looked at. Well, for better or worse, whether we like it or not, whether we think the law ought to be different, our rules only require CBO to look at 5 years and not into the indefinite future; and what CBO has told us in this report is that there are simply no costs that cross the Unfunded Mandates Reform Act limits, the thresholds for those 5 years.

The law is satisfied. Our rules are satisfied. We ought to proceed with the consideration of this important resolution.

The Chair will put the question when this debate is over on this point of order, and the question will be whether we should proceed or not. I will ask all Members who support this resolution to vote "yes." We should proceed because this point of order is completely without foundation.

Madam Speaker, I reserve the balance of my time.

Mr. GIBBONS. Madam Speaker, I yield myself such time as I may consume.

I will remind my good friend and colleague, the chairman of the committee, that shipments will not begin until 8 years from today, not the 5 years as recommended in the CBO score.

Madam Speaker, I yield the balance of my time to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Madam Speaker, I thank the gentleman from Nevada (Mr. GIBBONS) for yielding me the time.

I find it very ironic that this Congress is willing to put nuclear waste in a hole in the Nevada desert for 10,000 years, yet we are talking about a 5-year unfunded mandate.

I rise in strong support of the gentleman's point of order. It is bad enough that we are set to vote on a resolution that will approve the Yucca Mountain project that has costs ranging from $56 billion to $308 billion. Nobody knows exactly how much this project will cost. This money is supposed to come from the nuclear waste fund, but the fund only has $17 billion in it. Where is the rest of this money going to come from? Are the proponents of this foolhardy project proposing to raise taxes, dip into the Social Security trust fund? This proposal only gets worse.

If we approve Yucca Mountain, more than 108,000 shipments of deadly nuclear waste will be rolling across our Nation's highways and railroads, through 43 States for the next 38 years on its way to Yucca Mountain. As it passes through each of the 703 counties along the proposed transportation routes, local law enforcement and first responders must be prepared for the worst. And if the worst happens, where is the money going to come from to clean up the mess, the destruction, the devastation?

I see no provision in the budget to cover these enormous costs. This is an unfunded mandate to our local governments. We know from the DOE's own assessment that we can expect anywhere from 50 to over 300 accidents. Our firefighters and first responders must be specially trained to deal with these nuclear waste shipments and the accidents that will occur.

The nuclear waste fund does not have the money to pay for this, so the unknown costs are going to have to be made up by local government and the American taxpayers. We will be asking citizens who have no part in creating nuclear waste and have no benefits from nuclear energy to fund the nuclear industry so they can move dangerous nuclear waste through their own backyards.

If we approve this resolution, the American taxpayer will once again be asked to foot the bill for nuclear energy. There is not enough money in the nuclear waste fund to cover the costs. So sometime in the next 10 years we will be either cutting corners when it comes to safety, raising taxes, or raiding Social Security.

None of these alternatives are acceptable to me, and I doubt outside the nuclear industry and the nuclear industry's friends here in the United States Congress that these alternatives would not be acceptable to anyone else in our country.

Yucca Mountain is a financial boondoggle that flies in the face of fiscal responsibility. I urge my colleagues to support this point of order.

Mr. TAUZIN. Madam Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BARTON), the chairman of the Subcommittee on Energy and Air Quality.

Mr. BARTON of Texas. Madam Speaker, I thank the gentleman from Louisiana (Mr. TAUZIN) for yielding me the time.

Obviously, I rise against this point of order of my good friend from Nevada. I am shocked, shocked and amazed, that he would think that the gentleman from Virginia (Mr. BOUCHER) and I would present a bill on the floor that had an unfunded mandate.

I am one of the most conservative Members of this body, and I am joined by one of the most distinguished conservative Members, he would say moderate, progressive, Members on the other side of the aisle; and for us to bring forward an unfunded, an unfunded mandate is just beyond the pale.

I would point out that since we passed a Nuclear Waste Policy Act in 1982, we have collected over $15 billion in the nuclear waste fund. Every time a nuclear plant generates a kilowatt of electricity, one mil, which is 1/10 of a cent, goes into this fund; and we are collecting about $750 million a year as we speak into this fund. So this is far from being an unfunded mandate. This is the most overfunded, unmet, unobligated, unconstructed thing that we could have ever done in Federal Government.

I would also point out, as my good friend, the full committee chairman, has already pointed out, that when we passed this resolution on a bipartisan basis out of the committee, we sent it to the Congressional Budget Office; and they have given us the requisite report that the chairman has a copy of that says quite clearly that the costs of this for the next 5 years are well under the threshold of the Unfunded Mandate Act.

There are a number of reasons for people to be opposed to the underlying resolution. My good friend from Nevada is certainly entitled to oppose it, but there is no reason to support the point of order that it is an unfunded mandate. Nothing, Madam Speaker, could be further from the truth.

When it comes to the end of the debate, I certainly hope that the Speaker will throw out this scurrilous point of order so that we can get on with the debate, have a debate on the underlying bill and then hopefully support the underlying bill that the gentleman from Virginia (Mr. BOUCHER) and myself have put to the body.

Mr. TAUZIN. Madam Speaker, I yield myself the remaining time and ask that we put the question with the request that all Members who support this resolution vote "yes" when the Speaker puts the question.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is: Will the House now consider House Joint Resolution 87.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GIBBONS. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 308, nays 105, not voting 21, as follows:

[Roll No. 132]

YEAS—308

Aderholt
Akin
Allen
Andrews
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blunt
Boehlert
Bonilla
Bono
Boozman
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Cooksey
Costello
Cox
Cramer
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (FL)
Davis (IL)
Davis, Jo Ann
Deal
Delahunt
DeLay
DeMint
Deutsch
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Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Kanjorski
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King (NY)
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McCarthy (NY)
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Meek (FL)
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Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moran (KS)
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Sandlin
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Watkins (OK)
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NAYS—105

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Baca
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Berman
Blumenauer
Bonior
Boswell
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Conyers
Davis (CA)
Davis, Tom
DeFazio
DeGette
DeLauro
Diaz-Balart
Doggett
Eshoo
Farr
Filner
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Miller, George
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Tierney
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Udall (NM)
Velázquez
Waters
Watson (CA)
Weiner
Woolsey
Young (AK)

NOT VOTING—21

Boehner
Burton
Buyer
Carson (IN)
Coyne
Crane
Hall (OH)
Jones (OH)
Kind (WI)
Kleczka
Moran (VA)
Nadler
Ose
Riley
Sawyer
Schakowsky
Simpson
Smith (TX)
Stupak
Traficant
Waxman

□ 1247

Messrs. McNULTY, GALLEGLY, KUCINICH, INSLEE, UDALL of Colorado, STARK, Ms. JACKSON-LEE of Texas, and Mrs. KELLY changed their vote from "yea" to "nay."

Messrs. CALVERT, HINOJOSA, and HERGER changed their vote from "nay" to "yea."

So the question of consideration was decided in the affirmative.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST TO TABLE H.J. RES. 87

Ms. BERKLEY. Mr. Speaker, I ask unanimous consent that H.J. Res. 87, the Yucca Mountain Repository Site Approval Act, be tabled.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentlewoman from Nevada?

Mr. TAUZIN. Reserving the right to object, Mr. Speaker, I yield to the gentlewoman under my reservation to explain her unanimous consent request.

Ms. BERKLEY. Mr. Speaker, the General Accounting Office, the independent investigative arm of Congress, recently recommended that the Yucca Mountain project not be approved at this time. The GAO recommended that the government solve 293 outstanding scientific problems before the project be approved. After careful examination of these scientific problems, the GAO estimated that the Department of Energy would need at least 4 more years, until 2006, to resolve these problems. The report concluded, "We question the prudence and practicality of making such a recommendation at this time given the express statutory time frames for a license application and the significant amount of work remaining to be done."

In addition, there are still enormous and serious questions regarding the transportation of nuclear waste. The casks that will transport the waste have not yet even been created, and no cask has been tested full scale. In light of 9/11, several government agencies have begun a review of the safety and security of nuclear waste transport. The result of these reviews is not yet complete. It is clear that we are moving ahead on this resolution prematurely. It is not in the best interest of the public, and it does not reflect sound public policy.

Mr. Speaker, I ask unanimous consent that the Yucca Mountain Repository Site Approval Act be tabled until 2006 when the scientific studies are completed.

Mr. TAUZIN. Mr. Speaker, I insist on my objection.

The SPEAKER pro tempore. Objection is heard.

Pursuant to section 15(e)(4) of the Nuclear Waste Policy Act of 1982, the gentleman from Louisiana (Mr. TAUZIN) and a Member opposed each will control 1 hour.

Mr. MARKEY. Mr. Speaker, I claim the time in opposition.

The SPEAKER pro tempore. Is the gentleman opposed?

Mr. MARKEY. Yes, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Massachusetts will control 1 hour.

The Chair recognizes the gentleman from Louisiana (Mr. TAUZIN) for 1 hour.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the Chair will consider one of the most important public health and safety issues facing the Nation, the development of a centralized and permanent geologic disposal site for our country's nuclear waste, wastes that are laying around all over the country in temporary storage at nuclear facilities.

At present, high level nuclear wastes are stored in 77 sites in more than 30 States in every region of the country. Most of these waste sites are located near a nuclear power plant where spent nuclear fuel is carefully stored, and nuclear waste storage sites are also located at former DOE weapons production facilities like the Hanford site, where liquid radioactive waste is stored in tanks.

Every one of these waste sites shares one common aspect: They were all designed for temporary storage of these dangerous wastes, not for long-term storage.

The Yucca Mountain site is located 90 miles away from Las Vegas. It is isolated on remote Federal land of the Nevada test site, 14 miles away from the closest residence, and it is safe and secure. The waste will be stored more than 600 feet underground, and more than 500 feet above the water table. The waste will be held in steel containers, and the containers will be placed under a titanium shield.

Further, not only is the air space around Yucca already restricted, but an existing security force at the Nevada test site will protect the area. This is a comprehensive defense-in-depth approach.

The Committee on Energy and Commerce held an exhaustive hearing on this issue last month. We heard from witnesses representing all sides of the Yucca Mountain debate, including scientists, politicians, regulators, and public interest groups. Not a single witness identified a significant scientific or technical reason not to move forward with this important project.

They also gave me an opportunity to clarify some of the concerns frequently expressed by the opponents of the Yucca Mountain site, and the hearing was very good for that purpose. For example, opponents of Yucca Mountain want us to stop this important project because the Nuclear Regulatory Commission has identified certain unresolved technical issues. However, the NRC had testified and the DOE has agreed that the DOE is on a path toward resolving every single one of those technical issues, and the Secretary of Energy committed to answer every one before licensing is possibly complete or approved. In fact, 60 of those issues should be resolved this year.

Further, the NRC will not approve the construction license for Yucca

Mountain unless every single one of those issues are thoroughly and properly addressed. The opponents of Yucca Mountain will argue that we should stop the project because the Nuclear Waste Technical Review Board believes the science of Yucca Mountain is weak to moderate. However, at the hearing the board pointed out that no individual technical issue would automatically eliminate Yucca Mountain. The Nuclear Waste Board also testified that confidence in DOE science estimates can be increased.

I understand that this issue is of great concern to the elected leaders of Nevada, and I sympathize with their plight. I hope that the debate today can focus on a discussion of the facts rather than an effort to manufacture unrealistic and implausible fears in the minds of the public regarding this project.

A vote in favor of H.J. Res. 87 will simply move the Yucca Mountain project forward to the next stage of review; but even with congressional approval of this resolution today, construction will not proceed at Yucca Mountain unless it passes strict health and safety requirements set up by EPA and the Nuclear Regulatory Commission.

On February 15, 2002, the President recommended on the advice of DOE Secretary Spencer Abraham that Congress approve the Yucca Mountain site even if the State of Nevada disapproves. Based upon our review and understanding of DOE's extensive scientific work, I am prepared to support this important policy decision, and I hope Members do, too.

Mr. Speaker, I commend the gentleman from Texas (Mr. BARTON), the chairman of the subcommittee, for his extraordinary work on this, and the ranking member, the gentleman from Virginia (Mr. BOUCHER) for their cooperation, and the gentleman from Michigan (Mr. DINGELL) for his support for our effort. I want all Members of this House to know this bill came out of our committee by a 41–6 bipartisan vote. It is sponsored and cosponsored in a bipartisan way. It is supported in a bipartisan way.

This is the right thing for America. And we stand as Americans united to get this important resolution passed so that we can set our nuclear industry back on a current safe path; and, indeed, make room for future improvements in the nuclear industry in this country, as well as the environmental cleanup of sites that demand early rather than late attention.

Mr. Speaker, I ask unanimous consent to yield 20 minutes to the gentleman from Virginia (Mr. BOUCHER), the ranking member of the Subcommittee on Energy and Air Quality for purposes of control.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TAUZIN. Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, this is a historic occasion. Twenty years ago on this floor we passed the Nuclear Waste Policy Act. In that bill there was a decision made by Congress that there would be 5 geologic repositories that would be studied, and ultimately 2 would be selected, 1 on the east of the Mississippi and 1 to the west of the Mississippi.

But between 1982 and 1987, two factors raised their heads: One, parochialism. The States of Texas, of Washington, of Louisiana, of Tennessee, of New Hampshire, in other words, all of the States that were being considered that had powerful political delegations, said take our States off the list. And the search was begun by this body to find one State that had just two Members of Congress and two Senators because that is the way ultimately in 1987 when the Congress revisited the issue that it was resolved; not on scientific grounds, not on the basis of finding the best geologic repositories east and west of the Mississippi, but rather selecting the smallest State with the smallest number of elected representatives, and that turns out to be the State of Nevada, which was delivered the nuclear queen of spades by every other State that did not want it in their State.

Now, what happens? Well, then ultimately any Member who opposes science being trumped by politics is called anti-nuclear by the States that do not want it in their States, even though in most of those States they have nuclear power plants. We wind up in this Alice-in-Wonderland debate where the poor State of Nevada is here now raising the point that the Nuclear Regulatory Commission has identified the fact that there are still 293 unresolved environmental health and safety issues, and asking the Congress and asking the administration to wait until those issues are resolved until any movement forward is made on the issue.

But because of a second major issue, special interest, that is the nuclear power industry, the Congress, as they did in 1982, as they did in 1987, says no, we cannot wait. We must now continue forward. It is this indifference to the very legitimate concerns that are being raised by the State of Nevada which should be most troubling to Members here today.

The nuclear power industry may want this. Other States that could have been considered for the repository, and might have been better long term 10,000-year locations for the waste, may want this. States that have 6 or 8 nuclear reactors in them but do not want the nuclear repository and want the waste out of their State may want this, but it is wrong for us to move forward today when we can move forward next year or the year after if the 293 environmental health and safety questions have not been resolved, because the decision we make today creates an inexorable pressure on investments already made, decisions already made that will buy us those environmental health and safety decisions over the next 2 and 3 years, and ultimately bad decisions will be made that will compromise the environment.

□ 1300

Mr. BOUCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the pending measure and urge its approval by the House. The legislation takes the next necessary step in a statutorily prescribed process for establishing a site for the permanent disposal of high level nuclear waste. I want to begin these remarks by commending Chairman TAUZIN of the full Committee on Energy and Commerce, subcommittee Chairman BARTON, and also the gentleman from Michigan (Mr. DINGELL), the ranking member of our full committee, for their diligence and their persistence in taking this necessary step. I am a cosponsor with them of the legislation which is pending that will move the process forward.

A permanent secure site for the disposal of high level waste must be established. Forty-five thousand metric tons of waste now reside on-site at nuclear reactors in 72 locations across the Nation. This temporary siting of spent fuel at reactor sites poses both a security threat and an environmental threat. In my view, arguments that previously had been made that the permanent disposal of waste in dry cask storage at these 72 reactor sites as an alternative to the establishment of a secure central repository for the waste hold far less credence today after September 11 than they did before. I think we really have no alternative to the development of a central, secure disposal site. The passage of the measure that is now before the House is essential to the development of that site.

While arguments will be made that more could be learned about the proposed Yucca Mountain site, I would note that the recommendation of the Secretary of Energy in January of this year that Yucca Mountain be chosen for permanent waste disposal is based on fully 20 years of scientific investigation. The site characterization work required under section 113 of the Nuclear Waste Policy Act has been carried out. The public hearings focusing on the Yucca Mountain site required by section 114 of the act have been held. If Congress passes the legislation now pending before the House, which overrides the disapproval of the President's site designation that was issued by Governor Guinn of Nevada on April

8, construction activities could not commence at the site until the Nuclear Regulatory Commission completes a full technical and scientific review of the site and also a review of the proposed disposal methods at the site and then issues a license for site construction.

No site will ever be found to be perfect for the disposal of high level nuclear waste, but I am persuaded that the studies which have already been conducted and the Nuclear Regulatory Commission review that is still to come provides sufficient assurances that the appropriate nature of the Yucca Mountain site has been established and will justify approval of the legislation now before us.

Mr. Speaker, I also want to take this opportunity to note that the Committee on Energy and Commerce has a long tradition of addressing many of our Nation's most important public policy challenges in a thoughtful and a bipartisan manner. With the Subcommittee on Energy and Air Quality having approved this resolution by a vote of 24–2 and the full Committee on Energy and Commerce having approved it by a majority of 41–6, nowhere has our committee's bipartisan tradition and cooperation been more in evidence than in our efforts to resolve the Nation's nuclear waste disposal problems. For that bipartisan cooperation, I again want to commend the committee's leadership on both sides of the aisle for moving expeditiously on this matter.

Mr. Speaker, I urge approval of this resolution by the House.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield 7 minutes to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, let me begin by expressing the outrage felt throughout Nevada about this ill-advised proposal. Eighty-three percent of the people I represent vehemently oppose Yucca Mountain. Nevada does not use nuclear energy. Nevada does not produce one ounce of nuclear waste. Yet Nevada is being asked to carry the weight of a burden we have had no part in creating.

I grew up in Las Vegas. Long before I came to serve in Congress, I have been fighting against this proposal to transport 77,000 tons of toxic nuclear waste across 43 States to be stored for 10,000 years in a hole in the Nevada desert.

The original Nuclear Waste Policy Act charged the Department of Energy with the task of studying multiple potential repository sites to determine which would be the best to provide geologic containment of nuclear waste. But in 1987, without the benefit of any completed scientific study, Congress passed the so-called "Screw Nevada" bill which made the most political of decisions. It singled out Yucca Mountain, Nevada as the only site to be studied. There was no science, there was no reason, except that Nevada was a small State with a small congressional delegation.

Almost immediately, it became apparent that Yucca Mountain could not contain the waste by natural geologic barriers as required by law, so the DOE simply changed the rules. The waste would be stored in man-made canisters for 10,000 years. Then it was discovered that those canisters would quickly corrode, so they added titanium drip shields. Even with all of these man-made barriers, there still had to be gerrymandering groundwater regulations to set up contamination zones.

We have deviated so far from the original intent of the proposal. We have allowed the DOE and the EPA to set standards that endanger the environment and human health. Yet no one seems to be willing to pull the plug on this foolhardy idea.

This Nation has a serious waste problem. Every year our reactors create 2,000 tons of toxic nuclear waste. The only method of disposal this country has ever seriously studied is shipping the waste across the country and dumping it 90 miles outside of my hometown of Las Vegas, the fastest growing city in the country.

But there are major problems with this plan. A central repository would not mean, let me emphasize, not mean that reactor sites around the country would be cleaned out. That is a myth. According to the government's shipping plans, in the year 2036, when Yucca Mountain is filled to capacity, there would still be 44,000 tons of nuclear waste stored at the reactor sites. That means that after 38 years of shipping high level waste through our cities and our towns, we will have reduced on-site storage of nuclear waste by a mere 4 percent. Why would we want to risk shipping nuclear waste across 43 States for 38 years if it makes no difference in the amount of waste stored on-site throughout the country?

There are also very serious scientific concerns with the proposed dump. Yucca Mountain is located in an earthquake and volcanic eruption zone. Studies have shown that groundwater can travel through fissures in the mountain in a very short time frame, dissolve the waste and contaminate groundwater supplies, releasing deadly toxins into the environment of the Southwest. Recently an independent investigation by the General Accounting Office found that there were 293 unresolved scientific questions that the government had failed to address, and the Nuclear Waste Technical Review Board expressed limited confidence in the DOE's work, calling it "weak to moderate."

Would any of us get on an airplane if the FAA said it had only limited confidence in the pilot's ability to take off and land? Would any of us drive across a bridge if its structure was described as weak to moderate? Would any of us take medication if the FDA said there were still 293 unresolved questions about its safety? The answer is obvious. The answer is no. Yet with Yucca Mountain, that is exactly what we are going to do. The nerve of this administration to pretend that this decision is based on sound science.

If Congress approves this project, as many as 108,000 shipments of nuclear waste will travel through 43 States en route to Yucca Mountain. The government's own statistical models show that we can expect between 50 and 300 accidents involving nuclear waste. People make mistakes. Accidents happen. But an accident involving nuclear waste would be catastrophic, exposing whole communities to radiation and destroying the environment for thousands of years. The cost of evacuation and remediation would be astronomic, not to mention the unspeakable cost of human suffering.

An even more devastating scenario would be a terrorist attack. We already know that al Qaeda and other terrorist groups are looking for the material to go in a dirty bomb. These waste transports are exactly the type of target rich environment they are looking for. In the wake of 9/11, we cannot afford to be naive and believe that we are safe from people who would give up their own lives to end ours.

Yucca Mountain will do nothing to fix the nuclear waste problem in our country. It will greatly exacerbate our vulnerabilities to terrorist attacks. With every truck, rail and barge shipment, our homeland security becomes more and more difficult to defend. The Yucca Mountain project will put us all at risk by transporting "mobile Chernobyls" through our communities, small towns and cities. If we cannot move the waste safely, then we should not be moving it at all.

Many of my colleagues ask if there is an alternative. The PECO utility in Philadelphia has reached an agreement with the government in which the Department of Energy will take title to the waste, allowing the government to protect it in reinforced secure facilities without moving it around the country, and at the same time allowing the utility to lower its tax payments and its bottom line.

In the long term, our country needs to invest its resources into emerging technologies seeking solutions to reduce volume, toxicity and half-life of nuclear waste. We also need to develop alternative renewable energy sources to relieve our dependence on foreign oil and nuclear power.

Almost 50 years ago, the Department of Energy came to Nevada and asked us to bear the brunt of atomic testing. They assured Nevada test site workers and other citizens in my State that sound science demonstrated these tests were not harmful. Many of these workers are now dead, their families devastated, and this government can never clean up that legacy. Now the Department of Energy is coming to Nevada yet again and asking us to put trust in them like they did our parents and our grandparents. Well, this Congresswoman and mother of two is going to stand up to the Federal Government and say, no, I will not let my children become the cancerous legacy of the DOE's disingenuous promise of safety and sound science.

I urge Members to vote "no" on this resolution. It is a bad one. It is a bad one for our families. It is a bad one for our country.

Mr. TAUZIN. Mr. Speaker, I am honored to yield 3 minutes to the gentleman from Illinois (Mr. SHIMKUS), a distinguished member of our committee and a lieutenant colonel of the Army Reserves.

Mr. SHIMKUS. Mr. Speaker, I rise today in support of this joint resolution. I am also proud to be an original cosponsor of this legislation. The vote that Congress will be taking today says that after 20 years of exhaustive scientific analysis the government is ready to designate Yucca Mountain—a barren, windswept desert ridge 90 miles northwest of Las Vegas—a safe site and move to the licensing phase for the development of an underground disposal facility. The industry, environmental, labor, consumer and business groups have applauded the President and Secretary Abraham for making this decision on sound science.

The administration is acting responsibly to fulfill the Federal Government's longstanding obligation to the American people to safely isolate and dispose of used nuclear fuel and defense waste. Now Congress must act to affirm President Bush's decision and advance the Nation's energy, economic and environmental security.

There has been and will be a lot of discussion today on transporting of nuclear waste. Numerous Members have come before this body and have expressed concerns about the safety of transporting spent nuclear fuel. The truth is their concerns are misguided. You cannot argue with the fact that almost 3,000 safe shipments of used nuclear fuel have taken place without any release of radioactive material. That is right. On some 3,000 occasions, used fuel has traveled by truck or rail across the country, including almost 500 in my home State of Illinois. The reason you probably have not heard about this is because not one of these shipments has threatened the environment or public safety.

States like Illinois, which currently has 11 nuclear reactors and gets almost half of our electricity from nuclear power, have gone to great lengths to set up a system that will ensure safe transportation of nuclear waste through the State and across State lines.

□ 1315

They inspect the trucks and trains; they inspect the roads, the rail lines. They have set up emergency response systems with local governments. They coordinate all routes with the Federal Government; and most of all, they ensure that the citizens of Illinois remain safe.

Transporting spent nuclear material is safe. It has been proven to be safe, and there is no reason to doubt that it will remain safe.

The State of Nevada has a tremendous nuclear legacy, as identified by this recently approved Nevada State license plate. The State of Nevada can again fulfill their nuclear legacy and continue to aid this Nation and our citizens by safely storing high-level nuclear waste for our country. I ask all of my colleagues to support this legislation.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, the transportation of this waste will require over 96,000 truck shipments over 4 decades. Almost every major east-west interstate highway and mainland railroad in the country will experience high-level waste shipments. More highly-radioactive waste will be shipped in the first full year of repository operations than has been transported in the entire 5-decade history of spent fuel shipments in the United States.

The Department of Energy proposes to directly impact 44 States and many of the major metropolitan areas in the Nation. At least 109 cities with populations exceeding 100,000, including my constituents in Cleveland, Ohio, will be subjected to repeated shipments with minimal safeguards. Highway shipments alone will impact at least 703 counties with a combined population of 123 million people. Nationally, 11 million people reside within one-half mile of a truck or rail route.

This never-before-attempted radioactive materials transportation effort will bring with it many risks, including potentially serious economic damage and property value losses in cities and communities along shipping routes. The poorly tested transportation casks may be vulnerable to highway accidents and security breaches.

Because of a lack of rail facilities to several reactors, the Department of Energy will use barge shipments to move this waste to a port capable of transferring the 120-ton cask to a train. Some of these shipments will occur on the Great Lakes, the world's largest source of fresh water. Over 35 million people living in the Great Lakes basin use it for drinking water.

The Federal Government must radically improve the safety and security of these shipments, and that is the purpose of the Nuclear Waste Transportation Protection Amendments Act of 2002 which I have introduced.

Mr. Speaker, this legislation would, one, require comprehensive nuclear waste transportation safety programs; two, protect populated communities; three, establish that the oldest fuel first should be shipped; four, require full-scale cask testing; five, require State and local route consultations; six, private carrier prohibitions; seven, advanced notification; and, eight, safety precautions.

Vote against this legislation.

Mr. WYNN. Mr. Speaker, I yield myself such time as I may consume.

Let me begin by recognizing the outstanding efforts the gentleman from Louisiana (Mr. TAUZIN), our committee chairman; the gentleman from Michigan (Mr. DINGELL), our ranking member; the gentleman from Texas (Mr. BARTON), our subcommittee chairman; and the gentleman from Virginia (Mr. BOUCHER), our ranking subcommittee member. They have done an excellent job on a very important piece of legislation.

As an original cosponsor, I rise to wholeheartedly support this legislation. As we discuss energy self-sufficiency and national security, we must keep in mind that nuclear energy is an important part of a balanced energy portfolio. This Nation has 103 reactors that have a unique ability to power economic growth without polluting our air. This is the only expandable, large-scale electricity source that avoids emissions. Nuclear power is reliable and affordable, with production costs lower than coal and natural gas plants.

Today, nuclear energy produces 20 percent of our electricity and is essential to our national security. However, it is important to recognize that there must be permanent disposal of nuclear waste. This is a reality which must be addressed and which we are trying to deal with here today.

Electricity consumers under the National Nuclear Waste Policy Act have committed $18 billion since 1983 to pay for the disposal and storage of nuclear waste. The Federal Government has spent $7 billion in this same period to study Yucca Mountain, and we are right now overdue in fulfilling our commitment to electricity consumers. In my own State of Maryland, consumers have paid $237 million into the Nuclear Waste Disposal Fund since 1983. We in the State of Maryland are expecting the Federal Government to reach a conclusion. I believe the rest of the country feels the same.

Yucca Mountain is a safe site for all Americans. Currently, spent nuclear fuel and high-level radioactive waste is temporarily stored in 131 above-ground facilities in 39 States. Mr. Speaker, 161 million Americans live within 75 miles of these sites. One central site provides more protection for this material than do the existing 131 sites. After 20 years of research, billions of dollars of carefully planned and reviewed scientific field work, the Department of Energy has concluded that the repository at Yucca Mountain brings together the location, the natural barriers, and the design elements most likely to protect the health and safety of the public, including those Americans living in the immediate vicinity.

Used nuclear fuel storage in current power plants is safe, but nuclear power plants are not designed for long-term disposal. Permanent disposal, permanent long-term disposal will be managed by the Federal Government under this bill. The fuel will be stored 1,000 feet underground where it will be more secure.

Now, many people today have talked about transportation issues. We have empirical experience. After 45 years of experience and 3,000 shipments of used nuclear fuel by rail and by truck, no radiation releases, no fatalities, injuries or environmental damage have occurred because of the radioactivity of the cargo. The Department of Energy will coordinate transportation routes with local and State officials so local communities will not be excluded from this process. When operational, there will only be one or two shipments per day.

This is the reality. This is the challenge that Congress has been asked to address. With 20 percent of our electricity produced by nuclear power plants, how do we dispose of it? We have studied it for 20 years. The American taxpayers have paid billions of dollars to have it disposed of. We have a site and we have sound science. I urge us to pass this resolution and dispose of nuclear waste.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Ms. RIVERS).

Ms. RIVERS. Mr. Speaker, I stand in opposition to this proposal. Under this particular plan, over 100,000 train, truck, and barge shipments, each carrying deadly, high-level nuclear waste, would have to go through 45 States, over 300 congressional districts, and hundreds of cities and towns; and 77,000 tons of nuclear waste would have to be relocated, which would require up to 108,000, 108,000 truck, rail, and barge shipments over 38 years.

Based on the Department of Energy estimates, a nuclear waste shipment would have to leave a site somewhere in the United States every 4 hours for 24 years. Three thousand barge shipments may be necessary, including shipments on the world's largest fresh water source, the Great Lakes, which surround my beautiful State, to reach this plant.

So far, over 16 million Americans would be projected to live within a half mile of proposed nuclear transportation routes. The shipping containers now available cannot resist explosives or fires associated with truck and rail accidents.

Proponents speak with a confidence belied by actual experience. The entire history of nuclear shipments to date comprised less than 1 percent of the total to be shipped to Yucca Mountain. This waste is so radioactive that direct exposure quickly causes death and even a minute particle ingested or inhaled will cause cancer.

We will hear from other speakers that legitimate doubts exist as to the safety of the proposed site and that even if approved, the Yucca Mountain solution does not come close to solving the Nation's nuclear waste problem. After 30 to 40 years of continuous shipping of nuclear waste through our cities and towns, so much more waste will have been produced, but there will be hardly a dent in today's problem.

Additionally, the cost of the Yucca Mountain project is spiraling out of control. A few years ago, the Energy Department said it would cost hundreds of millions of dollars. Now they say it is $56 billion. Independent estimates of the costs soar into the hundreds of billions, some up to $309 billion. The nuclear waste trust fund has only $11 billion in it. Where is the money going to come from? More taxes? Social Security? How will we pay the cost of this proposal?

Taxpayers should not end up footing the bill for the power industry's spent fuel. "No" is the right vote.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, before I begin my prepared remarks, I want to apologize to the gentleman from Nevada (Mr. GIBBONS). In the motion on the point of order, I was trying to be humorous and if I offended the gentleman in any way, I am prepared to ask that my own words be taken down, because the last thing in the world I want this body or the country to feel is that I do not have the utmost and total respect for the gentleman from Nevada and the fine work that he has done on behalf of his constituents.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman from Nevada.

Mr. GIBBONS. Mr. Speaker, I want to thank the gentleman for the opportunity. Certainly I appreciate the gentleman's remarks and his words are very serious to me. I want the gentleman to know that we take this debate very seriously. I appreciate the gentleman's concern and his remarks, and certainly no offense was taken.

Mr. BARTON of Texas. Mr. Speaker, we are here today to move a resolution that would move forward the process that would ultimately result in a site being selected to store high-level nuclear waste that has been generated primarily by our civilian nuclear reactors in this country. Those reactors have been generating electricity for the American people for the last approximately 40 years. Today, 20 percent of our Nation's electricity is generated by nuclear power generators. At the time those power plants were put into operation, there was not a plan on where to store the high-level nuclear waste, because at that time it was assumed that the Congress and the industry and the various advocacy and stakeholder groups would mutually agree on a plan and a site, or sites. That has not happened for a number of reasons.

Nuclear power has become very controversial. The issue of where to store the waste has been used as a surrogate on whether one was for or against nuclear power, which brings us to today. In 1987, we passed a series of amendments in an appropriations bill that said we are going to store this waste at Yucca Mountain in Nevada. Since that time, we have spent approximately $7 billion trying to determine whether, in fact, that was a wise decision. There have been hundreds of thousands of studies, hundreds of thousands of manhours spent conducting studies, costing hundreds of millions of dollars, to determine whether it is safe to store the high-level nuclear waste out at Yucca Mountain.

The Department of Energy submitted a recommendation to the President; the recommendation to the President said that they think it is safe. The outside policy review board that has the watchdog opportunity has said that that recommendation is weak to moderate, but the technical issues that are outstanding can be resolved in the next several years.

So this resolution simply says the Governor's objection to that decision, the Governor of Nevada, the State in which the repository would be located, not withstanding that the Congress goes on record telling the Department of Energy that it can go ahead and go forward with the licensing application process to the Nuclear Regulatory Commission.

Now, I would point out that there is nothing absolutely certain in life except death. We are all going to die. In the interim, we want to make our lives as positive and as constructive as possible; and in the modern era we want energy sources that are safe and efficient and reliable to make our lives as constructive as possible. Those that oppose the repository at Yucca Mountain because it is not 100 percent certain that over the next 400,000 years there is absolutely no way that something wrong can go wrong are asking for the impossible.

□ 1330

I cannot guarantee that when I walk out of this Chamber to go back to my office, if I cross the street, that a car will not hit me. I do not think it will, but I cannot guarantee that I will not have some sort of an accident just walking from here back to the Rayburn Office Building. The probabilities are that I will not.

If we look at all the scientific evidence that has been prepared on Yucca Mountain, it shows that to the degree that men and women can provide certainty, we are certain that for the next 10,000 years the repository at Yucca Mountain will be safe.

So I would ask when it comes time to have this vote that we vote to send this resolution to the other body and we say that we believe that we need to make a decision to have a repository, and that repository should be at Yucca Mountain. Then we will work together in a bipartisan fashion to guarantee the transportation issues, to guarantee the safety and scientific issues so that the repository can be built and maintained in a safe and effective fashion.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I have to admit, the first time I heard about the concept of placing this waste at Yucca Mountain a few years ago, I thought it was a very good idea. I thought so for one reason: Nevada is not Texas. I think that is the main reason why so many people approve of the Yucca Mountain site today, because Nevada is not South Carolina, it is not Maine, and it is not California.

But as one of my neighbors, Molly Ivins, pointed out recently in a column, "putting the nuclear waste in Yucca Mountain is Nevada's problem. Getting it there is ours." These transportation routes will affect not just Nevada, but families in most every State in the country.

Indeed, one of the routes the Energy Department had on its list until recently, consistent with some of the comments that we do not need to worry about transportation, was within sight of the United States Capitol. They were proposing to run this nuclear waste through Washington.

To the gentleman who came and said that we have never had a problem hauling nuclear waste, I submit that his statement is about as persuasive as someone who stood on this floor last year and said an airplane has never been used as a bomb. Things are different after September 11, and are we increasing the risk to the American people, increasing the exposure, by having these "mobile Chernobyls" crossing the country back and forth, affecting millions and millions of United States citizens. Or would we be better off looking for alternatives to nuclear power and looking for long-term alternatives to Yucca Mountain?

The truth of the matter is that if we really recognize how long this waste is going to be dangerous, the NIMBY approach, not in my backyard, one needs to recognize that Nevada is in the backyard of everyone in this country. It cannot be isolated from everyone else.

The other big issue is not just the length of the time, the question is whether we want to have an incentive for more and more of this waste to be generated. They say, "If you build it they will come." But this isn't a "Field of Dreams," it is a "mountain of nightmares." If this facility is established, there will be more and more nuclear waste generated.

Finally, I have to say that I particularly want to applaud the leadership of the gentlewoman from Nevada (Ms. BERKLEY). She has been unceasing in bringing to our attention all of the implications of this very serious mistake that has been proposed.

I know there is some bipartisan support for it, but it is troubling that a Republican President and a House Republican leadership would so aggressively promote this unfortunate resolution, and that we would be told by Republican leaders during debate that this is "Nevada's legacy." It is a legacy we will all be stuck with if this measure is approved.

Mr. WYNN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, few issues could be more important to the future security of the United States than passage of House Joint Resolution 87. For over two decades, scientists have subjected the suitability of Yucca Mountain to intense scrutiny, at a cost of more than $7 billion. It has been concluded that radioactive material can be safely stored deep underground in this area.

Today, this material is located at 131 different sites around the country in temporary above-ground storage. As a result, almost 162 million people live within 75 miles of one of these temporary storage facilities. Consolidating this material in one safe, secure underground location is the rational answer to the waste disposal question.

Furthermore, by moving excess waste from commercial and decommissioned plants, we will remove 131 targets from a potential terrorist attack.

Some would make an issue of transportation. The Department of Transportation, in conjunction with the Nuclear Regulatory Commission, has ensured that many precautions are taken when transporting nuclear materials relating to routing, security, tracking of progress via satellite on a 24-hour basis, and coordination with State officials. To date, we have transported more than 2,700 shipments of spent nuclear fuel over the last 30 years, traveling over 1.6 million miles without any harmful release of radiation.

Preliminary route selection and detailed planning will begin at least 5 years before the first shipment takes place.

Nothing is perfect, but I would say, as a rural electric cooperative manager, I worked to promote alternative energy sources 9 years before coming to Congress. Our membership thought it important to invest in alternative energy sources such as nuclear as a means to balance our energy budget. This was in 1970.

The 103 operating nuclear power plants in the United States are providing 20 percent of the Nation's electricity. In fact, nuclear power supplies 10 percent of the electricity generated in Texas, including that produced by TXU's Comanche Peak plant in my district.

Please join me in supporting the Federal Government's commitment to safely store nuclear fuel by voting for House Joint Resolution 87.

Mr. BARTON of Texas. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Michigan (Mr. UPTON), chairman of the Subcommittee on Telecommunications and the Internet of the Committee on Energy and Commerce.

Mr. UPTON. Mr. Speaker, I thank the gentleman for yielding time to me.

I, too, would like to compliment my friends and colleagues, the gentleman from Nevada (Mr. GIBBONS) and the gentleman from Massachusetts (Mr. MARKEY). They have been good adversaries on this issue from the start.

Let me read the President's signing statement when he signed the Nuclear Waste Policy Act:

"The Nuclear Waste Policy Act which I am signing today provides the long overdue assurance that we now have a safe and effective solution to the nuclear waste problem. It allows the Federal Government to fulfill its responsibilities concerning nuclear waste in a timely and responsible manner." The President was Ronald Reagan. The date was January 7, 1983, nearly 20 years ago.

The other side, the opponents of this legislation, say that we have not had enough study. We have not spent enough money. Well, we have spent nearly $15 billion getting this site ready, decades in time.

Where is this site, Yucca Mountain? Well, it is on Federal land. It is close, if not contiguous, to where we have done nuclear testing for decades. It will never be a vacation spot.

Many of the detractors that have spoken today and will speak have always been against nuclear power, which, by the way, provides nearly 20 percent of our Nation's power. Mr. Speaker, I do not know where the gentleman was when the nuclear power decision was made. I do know where I was, elementary school, a long, long time ago.

When the decision was made, the Federal Government said it would take care of the long-term safety and storage of high-level nuclear waste. This was confirmed by the courts.

For my district we have two nuclear plants, both on the shores of Lake Michigan. These two are among 103 throughout the country. Every single one of these facilities is an environmentally sensitive area. Many have run out of room for the storage of high-level nuclear waste. I have seen the lead-lined cement silos in the dunes of Lake Michigan. Yes, they are safe for now, but I do not know that they are safe for 1,000 years, let alone 10,000 years, as will be certified in Nevada before it will accept nuclear waste, still more than a decade away.

The process for safe storage started nearly 40 years ago. We need to finish the job today. Safe storage and safe transportation of high-level nuclear waste in one safe place is essential, particularly with the events of 9/11. We have shipped more than 1,700 shipments of high-level nuclear waste more than 1 million miles across this country without a single release of radioactivity.

I know that that track record can continue. I would urge all of my colleagues to support this legislation and send it to the other body.

Mr. BARTON of Texas. Mr. Speaker, could I ask how much time remains controlled by the gentleman from Louisiana (Mr. TAUZIN)?

The SPEAKER pro tempore (Mr. ISAKSON). Twenty-four and one-half minutes.

Mr. MARKEY. Would it be possible, Mr. Speaker, for us to get a review of the time that each of us has at this point?

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MARKEY) has 42½ minutes.

Mr. MARKEY. And the gentleman from Maryland (Mr. WYNN)?

The SPEAKER pro tempore. The gentleman from Maryland has 9½ minutes.

Mr. MARKEY. I think it would be appropriate, if the gentleman would not mind, for me to recognize a few of our Members right now so that the time would come down.

Mr. BARTON of Texas. Did the Speaker say that the gentleman from Massachusetts (Mr. MARKEY) had 42½ minutes?

The SPEAKER pro tempore. That is what the Chair was advised. That is correct.

PARLIAMENTARY INQUIRY

Mr. BARTON of Texas. Parliamentary inquiry, Mr. Speaker. When the total time was only 40 minutes, how does he get 42½ minutes?

The SPEAKER pro tempore. No, the time controlled originally was 1 hour on each side, 2 hours total between proponents and opponents.

There is 24½ minutes remaining for the gentleman from Texas (Mr. BARTON), 42½ minutes for the gentleman from Massachusetts (Mr. MARKEY), and 9½ minutes for the gentleman from Maryland (Mr. WYNN).

Mr. MARKEY. If I may at this point, there was an hour divided evenly between opponents and proponents, and generously, the majority has relinquished 20 of its 60 minutes to the minority that shares the same views in support of Yucca Mountain.

The SPEAKER pro tempore. Does the gentleman from Texas (Mr. BARTON) object to the gentleman from Massachusetts' suggestion to have two or three speakers in sequence due to the imbalance?

Mr. BARTON of Texas. I am sorry, I did not know that he had a pending request. What was the request?

Mr. MARKEY. The request was that I be allowed to recognize——

Mr. BARTON of Texas. I would generously allow the gentleman from Massachusetts be allowed to recognize two or three of his speakers in sequence.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. MATHESON).

Mr. MATHESON. Mr. Speaker, I am from the West. This is not the first time the West has been asked to shoulder the nuclear burden of our country. Dozens of atom bombs were detonated at the Nevada test site between 1951 and 1963. The West was chosen because as long as the winds were blowing east, the fallout avoided big cities and traveled over sparsely populated Nevada and Utah towns.

I remember my father telling me how people in southern Utah would watch the sky light up, and how southern Utahans supported the program because they were strong patriots who believed in their country and they trusted their government.

In the 1970s, my father, then the Governor of Utah, was puzzled over an alarming number of cancer deaths among our family and friends in southern Utah. Over and over he read "cancer" on death certificates of family members, more than 50 aunts, uncles, and cousins.

The Federal Government told us we were safe, but the Federal Government knew we were at risk. On October 7, 1990, my father died at age 61 from a cancer called multiple myeloma. Thousands of citizens throughout the West continue to get sick and die from radiation exposure-caused illnesses.

We saw a picture of a license plate talking about the nuclear legacy of Nevada. That is a legacy of which we should be ashamed.

Why are we moving this waste at this time? We are not running out of storage space at existing sites, and in the coming years, technological advancements in reprocessing and recycling may very well take care of much of the waste.

That brings us to the real fallacy of this entire exercise. If Members think a vote for Yucca Mountain gets rid of the waste in Members' backyards, they are wrong. As long as power plants are operating, new waste will need to stay put on-site for up to 10 years to cool down before it can be shipped.

I can tell the Members as son of a downwinder and a Congressman who represents thousands of sick, dying, and widowed victims of our nuclear testing that the Federal record on this issue has been appalling. Our Nation is one of shared responsibility. By opposing the transcontinental shipment of nuclear waste, we take care of all those millions of people who live along the roads and tracks to Yucca Mountain. We protect their future from what is an unfortunate legacy of my own State.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Massachusetts for his kindness in yielding me time.

I think the very passionate words of our good friend, the gentleman from Utah, should really speak to the concerns that we bring to the floor of the House today.

Let me acknowledge the leadership of the gentlewoman from Nevada (Ms. Berkeley) for the passion that she has given to this issue. But I really think that we are here today to begin a discussion on whether or not nuclear energy should be at the forefront of the policies of the United States of America, whether or not we need to begin looking at conservation and other issues, because let me tell the Members what is bad about this particular proposal: It is bad science.

As a member of the Committee on Science, let me tell the Members that we are not complying with the Nuclear Waste Policy Act passed by this Congress 20 years ago. We are not adhering to good science.

Just recently, the General Accounting Office found 293 defects in the research and advised the Bush administration to hold off on passing this resolution until 2006. If my math serves me right, I believe we are in 2002. This is the concern that those of us who live in communities who have nuclear waste and have nuclear power plants have.

I would imagine those individuals are now looking at the gentlewoman from Texas (Ms. JACKSON-LEE) on the floor of the House and asking, why are you speaking against your own neighborhood?

□ 1345

I am speaking for America and what is going to happen to the thousands of neighborhoods and schools which this waste will be traveling by and endangering the lives of those who are seeking only to live in this country with a great quality of life. My friend from Utah (Mr. MATHESON) said it all. People are dying of cancer. People are dying because they have been exposed to radiation with no good science.

Let us not make the same mistakes. Let us implement a process of good science. Let us wait until 2006. Let us get rid of 293 defects. Let us not have the children of America looking outside their window, and rather than saying hello to the choo-choo train, they are looking at a deadly disaster that may happen in their neighborhoods.

I do not mind standing up with the few and the brave, recognizing that someone has to speak out. We have to change our attitude, and I would say we have to reject $40 million in lobbying for the Yucca Mountain. I oppose H.J. Res. 87 and I ask my colleagues to do so.

Mr. MARKEY. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. BACA).

Mr. BACA. Mr. Speaker, I stand in opposition to H.J. Res. 87. We need a coherent national strategy dealing with nuclear waste, but this decision is about local control. It is inappropriate for us to be micromanaging Nevada on something that is so important. We should allow the governor to do his job. He has decided that the Yucca Mountain proposal is too dangerous to pursue any further and we should not intervene in what is a State and local decision.

I am also concerned about the issue, not just about the Members of Congress, but as neighbors of hundreds of thousands of people who could be harmed by the transportation of this through an accident that could occur. The Department of Energy may be way too tightlipped about the transportation routes that waste would travel across the country on its way to Yucca Mountain, but two things are certain. One, a very large percentage of the waste would travel through my district, the Inland Empire. Two, accidents will happen while transporting the spent nuclear fuel.

If you look at the map, virtually all the rails and routes would be used through San Bernardino County, California, my home. Half of the country saw Spiderman this weekend. Well, we are in the center of a nuclear transportation web. The thought of it makes me angry. The thought of it scares me, and it should scare my colleagues on both sides of the aisle from the Inland Empire. I call on all the Members from Inland Empire and Southern California to come together and oppose Yucca Mountain.

Why should our constituents be forced to face so much more of a risk of danger and other activities that may affect them?

Even the most conservative Energy Department studies say that many accidents will occur and it is more likely it will occur in transportation hubs like my district where we had recently a derailment of a train that caused a lot of the homes in the areas to start burning in the immediate area.

With this proposal, we will create thousands of moving targets for terrorists. We know what happened on September 11 with the airplanes crashing in the World Trade Center. Terrorists would not need a dirty bomb because we will have thousands of them crawling across the Nation just waiting for a fuse to ignite them, killing hundreds and thousands of people.

People are already living in fear. We do not need to put additional people in fear. I ask all Members to oppose this resolution.

The SPEAKER pro tempore. The Chair will recognize one additional speaker of the gentleman from Massachusetts (Mr. MARKEY) and then will go back to the rotation.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. McDERMOTT. Mr. Speaker, I feel a little like Yogi Berra when he said, "This is deja vu all over again."

I was in the State of Washington in 1980 when we had exactly this, they were going to put all this in Hanford. We had a governor who said, bring it all in. Bring it all in. Dixie Lee Ray. And we got an initiative. We have collected the signatures and 75 percent of the people in the State voted no, we do not want to accept all the waste from the country. And she was defeated. I knocked her out in the primary of that election.

Now, what you are looking at is this old business about NIMBY. It is not in my back yard. Throw it over the fence. Well, you cannot throw nuclear waste over the fence. And if you try, you will be putting it in trucks and railroads all over this country. And if you did not see what happened in Baltimore just a couple weeks ago where they had a train wreck in that tunnel and two Amtrak train wrecks in the last month, think about what happens in your neighborhoods if that happens.

Now, all Members who are voting yes are thinking thank God it is not going to be in my neighborhood. But the fact is it is going to be in your neighborhood. It is going to be on the roads. It is going to be on the trains. It is going to be going past schools and hospitals. And when that issue comes to you, as it did in the State of Washington, suddenly all of the county sheriffs are saying, we do not know what we are going to do with all these trucks coming by and we do not know if there is a fire. We will need more money.

You will wind up giving yourself one headache because this is being rushed through for one reason: The President has got the September 11 flag and he is waving it around and wrapping himself in it and saying, We got to have nuclear power, and if we do not get rid of the nuclear waste, we cannot have nuclear power. So he sees his chance. He wants to ram this through in spite of the fact that the GAO says there are 293 problems. How can you go home and defend to your people that you just ignored those problems? Vote no.

Mr. BOUCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. DINGELL), the distinguished ranking member of the Committee on Energy and Commerce.

Mr. DINGELL. Mr. Speaker, I have heard a lot of misunderstanding today. I have heard a lot of Members making some rather terrifying speeches. I have heard a lot of important statements, and some of them have been factual. I would ask that you listen to me because I want to tell you what is going on.

First of all, this is not about putting nuclear waste anywhere.

Second of all, it is not about moving nuclear waste anywhere or moving it down any particular road. It is just about a step in a process to move forward to decide ultimately where and how we are going to put all this nuclear waste.

Are there problems with it at this stage? Of course. Somebody said 293. There may be that. There may be more. But we spent $7 billion to characterize Yucca Mountain as a site. Nothing is going to happen when we pass this bill except that about 2 years down the road the NRC is going to commence a licensing process to license a permanent storage repository to receive the nuclear waste. That will be an open process. Everybody will be permitted to have their say. Members of Congress here who are complaining, all of their constituents, any industry, you name it, can all have their say in that process. It is going to be a thoroughly open process.

Now, there are going to be environmental problems whatever course we take. We can leave this nuclear waste where it is. It is in pools. It is in neighborhoods in your districts and mine. We can leave it there, and it is going to create a lot of nuclear problems. We can set up some other alternatives such as dry cask storage, and that is going to make nuclear problems, and they are going to remain in your neighborhoods and in my neighborhood.

Now, I am not an advocate of putting this anywhere. I am not an advocate of putting it in Yucca Mountain or not putting it in Yucca Mountain. I am simply an advocate of this Congress functioning responsibly, to come to a decision on a major problem which we have, a major energy problem, a major environmental problem, a major land use problem, a major concern to the people of this country. We are producing nuclear waste at nuclear power plants and we are producing it in connection with our defense activities.

That nuclear waste is going to go somewhere. Right now it is scattered around the country in all kinds of places, and it is a hazard to your constituents and mine.

We have got to have some resolution to this problem of nuclear waste storage, and it has got to be reasonable, intelligent, and we have got to come to the best solution we can.

I mentioned we have already spent $7 billion to characterize this site, and we will have to spend a lot more. I do not know what the licensing process is going to cost, but it is going to be plenty. As I mentioned, it is going to be open. Ultimately, we have to address the problem.

Whatever we do is going to create environmental difficulties. It will be the responsibility of the Committee on Energy and Commerce and of this Congress and of NRC, of the executive department of government, of EPA and all of the other agencies, to see that the process is conducted in a way which is safe, which creates a minimum of hazard, to see that the transportation is done as safely as it can be done with as little risk as possible to the community and the people through which it passes.

It will also be our responsibility to see to it that all of the questions which remain to be answered are answered. That will be a part of the licensing process, which is going to go on for something like 4 to 6 years after we conclude this. The probabilities are that the decision will not be made until some time around 2010 or perhaps even later.

I think it makes good sense that this body should exercise ordinary responsibility. We have a duty to the people to resolve this question. We are setting about taking another step towards the conclusion of an open process to arrive at a decision, followed by the licensing process which will take place at NRC and, as I mentioned, that will be fully open. EPA will be participating in that. Every other citizen who has a concern will.

My advice to this body is proceed. We are simply taking a step forward. Let us take that step forward and make the process work in an open fashion for the benefit of all us. Let us resolve the question today. Vote aye.

Mr. BARTON of Texas. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. NORWOOD), a member of the committee, who is sartorially resplendent.

Mr. NORWOOD. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, as an original co-sponsor of this, I rise in very, very strong support of this resolution. The selection of Yucca Mountain as a permanent nuclear waste repository is probably one of the most important questions that can face this Congress and for years to come. As we all know, and it has been said over and over again, over 45,000 metric tons of spent nuclear fuel are currently scattered across the country in some 70-plus sites across our Nation. Clearly, clearly, it is in the American public's best interest to construct one permanent, highly secured repository for this waste. And, hopefully, one day a lot less of the waste as we get our mixed oxide fuel plants built and we can reduce the volume of this waste, which is where I hope we are going.

Twenty years ago the Nuclear Waste Policy Act set a policy in motion. Twenty years ago. The DOE has now spent over $6.7 billion on characterization and development activities at Yucca Mountain. Now, part of this debate really ought to be why in the world has it taken 20 years to solve this problem after spending $7 billion, not to speak of the millions of dollars that ratepayers have spent?

Having been to Yucca Mountain, I believe the dollars spent have yielded credible research and pretty sound science that justifies this Congress moving tc the next step. The vote today does not lock us in forever and we are not committed forever to Yucca Mountain, as the gentleman from Michigan (Mr. DINGELL) pointed out. Even the Washington Post and the New York Times actually agree with me that now is not the time to jump ship. Granted, that gave me some second thoughts, but they are right. Now is not the time to jump ship.

□ 1400

The development of a permanent, secure repository for spent nuclear fuel is imperative for this country. It is important to my constituents at both the Savannah River site and Plant Vogle, but it is absolutely vital to the national energy policy and to our homeland security.

I urge our Members, vote "yes" on this today.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado (Ms. DEGETTE).

Ms. DEGETTE. Mr. Speaker, I oppose authorizing Yucca Mountain as the permanent site for our Nation's nuclear waste at this point, and I will tell my colleagues why. Politics are driving this process and not science. I realize that the proponents of this site say that the nuclear industry and the Department of Energy have already studied the issue; but frankly, it is the final grade that matters, not how much we study, and at this point, Yucca Mountain still gets a failing grade for many in the scientific community.

Scientists both at the GAO and elsewhere have stated, we have heard that, that there are still issues to be addressed. There are still serious issues at the site, the seismic activity and ground water migration. The studies on those issues will not be completed till 2006. That does not mean that Yucca will never achieve a passing grade. Maybe future studies will determine this is the best and only place for America's nuclear waste, but this is supposed to be the site where we put our Nation's radioactive waste for the next 10,000 years.

I do not oppose Yucca Mountain as a potential site outright. I just do not think that the designation is timely. How about completing the scientific studies first? Seems like a no-brainer to me.

I also, frankly, have grave concerns about transporting the waste. A few years ago in Denver, Colorado, where I–70, the major east-west highway, and I–25, the major north-south highway, intersect, a truck with a big missile on it fell over, and I shudder to think what would happen if a truck containing radioactive waste fell over in the Mouse Trap in Denver, Colorado, during rush hour. I do not care how safe people say that is.

So let us make sure that we have the science. Let us make sure that we have real transportation assurances and that local governments are working with us. Let us have that in place before we do this. It only makes sense. Vote "no" on the Yucca Mountain resolution.

Mr. MARKEY. Mr. Speaker, I yield 2½ minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Mr. Speaker, I want to thank the gentleman from Massachusetts (Mr. MARKEY) and the gentlewoman from Nevada (Ms. BERKLEY) for their leadership roles in this debate.

Mr. Speaker, why are we so bent on storing nuclear waste at Yucca Mountain? Is it because the U.S. has already conducted more than 1,000 underground nuclear bombs in the deserts of Nevada? How fair is it to ask the good people of Nevada to also be the sole keeper of our Nation's highly radioactive nuclear waste? How fair is it to transport nuclear waste across America's farm lands, which are easier targets for terrorists to attack?

The fact of the matter is the largest concentration of nuclear reactors lies east of the Mississippi, and the risk of transporting highly radioactive spent fuel from these nuclear plants is a risk this Nation just cannot afford to take.

Mr. Speaker, highly radioactive spent fuel or nuclear waste is one of the most toxic and dangerous substances known to mankind. For 10,000 years, highly radioactive spent fuel is dangerous to human life. Visit the Marshall Islands if my colleagues want to see the residual effects of some 66 nuclear bombs that were exploded in Micronesia. The reason why we discontinued testing in the Marshalls is because we found strontium 90 in milk products in Minnesota and Wisconsin.

Visit the islands of Moruroa and Fangataufa in the South Pacific and ask the French Government if after detonating 220 nuclear bombs, that nuclear contamination is now leaking into the ocean in the Pacific Ocean, despite assurances from the French Government officials that this process is okay and is good for 1,000 years. Give me a break, Mr. Speaker.

I fear the good people of Nevada are going to experience the same thing. If the Congress approves this project, the Department of Energy suggests there will be as many 108,500 surface shipments of nuclear waste making its way across the heartland of America. Another 3,000 shipments will make their way by barge across our waters.

Mr. Speaker, whether we spend $1 or $100 billion to clean up our Nation's nuclear waste, any amount of money can never be equal to the life of any human being.

Mr. BOUCHER. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Texas (Mr. HALL).

Mr. HALL of Texas. Mr. Speaker, I rise today, of course, in support of H.J. Res. 87, a bill, as all of my colleagues know, that provides for the development of Yucca Mountain as a permanent repository.

I think, though, first a word to those who oppose this resolution. They have done so honorably, steadfastly, and to be Texas plain with them, they have done so doggedly and working and speaking for the care of their constituents' will. For that, I admire and respect them. To paraphrase Reverend Billy Graham, I hate sin but I love the sinner. I hate the absence of a permanent repository, but I love and respect those who oppose this bill. I simply differ with them, and I differ with them for these reasons:

I think, first, that it has an unparalleled safety record in transporting nuclear fuel. That is necessary. That is first; and, second, the long open public licensing process. More than 45 years of experience and 3,000 successful shipments of used nuclear fuel within the United States demonstrates that this material can be safely transported to Yucca Mountain by rail and/or by truck. No radiation release, no fatalities, no injuries or environmental damage has occurred because of the radioactivity of the cargo.

The containers used to ship nuclear fuel are specially designed, robust steel containers that have undergone rigorous testing and can withstand extreme conditions including long-lasting fires, high-speed crashes, even submersion in water. The maintained integrity of the containers ensures the health and safety of the public and environment during transportation of spent nuclear fuel.

Mr. Speaker, upon site approval, a three step nuclear regulatory commission licensing process will test and verify DOE's scientific work in a highly rigorous public process. The scientific work will continue throughout the licensing period and operation of the repository so that the government will always be governed by the most recent science.

Again, I admire and respect those who defend their constituents. I urge my colleagues, however though, to support H.J. Res. 87. Let us move this bill on and get it behind us.

The SPEAKER pro tempore (Mr. ISAKSON). The gentleman from Virginia (Mr. BOUCHER) has 2 minutes remaining. The gentleman from Massachusetts (Mr. MARKEY) has 30 minutes remaining. The gentleman from Louisiana (Mr. TAUZIN) has 22½ minutes remaining.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from North Carolina (Mr. BURR), the vice chairman of the Committee on Energy and Commerce.

Mr. BURR of North Carolina. Mr. Speaker, I thank the chairman of the full committee for yielding me the time.

I was struck earlier when the gentleman from Michigan (Mr. DINGELL) got up to speak because all of the sudden, after my lunch partner today who was our former colleague, ranking member on the Commerce Committee, Jim Broyhill, I began to realize that between the gentleman from Michigan (Mr. DINGELL) and Mr. Broyhill and our current chairman, they were here in 1985 when the energy policy act was, in fact, passed; and they shepherded it through, and it really did start the process rolling.

For 20 years from then we are now here today trying to make sure that a process continues to move forward, and I found it striking that Senator Broyhill looked at me and said we envisioned that this would only take 10 years. Well, it has taken 20 now; and the question, as the gentleman from Michigan (Mr. DINGELL) so appropriately raised, are we going to allow it to go to the next step?

This is not about shipping waste tomorrow. This is about allowing a process to go to the next step where in the licensing phase we may learn more. To stand up and suggest that science has not been applied to this project is only to say that under the definition in Webster's there is one area that we have not covered, whether it is applicable or not, but every study that people have suggested has been done on this site.

The gentleman from Michigan (Mr. DINGELL) strongly worded across this country today we store in our communities, in our backyards waste today, waste that eventually we are committed, as the Federal Government and as stewards of the trust fund with the rate payer money, to make sure that it has been used in a way that is effective long term.

To my colleagues today I would urge them, this has been studied and we will continue to study it; but the way to continue to study it is not to stop the process. It is to let the process go forward. It is to make sure, in fact, that we are a little further down the road in the licensing process as well as our understanding of the transportation challenges that we will be faced with.

I am confident that the 400 trillion Btus that North Carolina receives in low-cost energy from nuclear is something we have to have in the future. Do not cut this out by making sure nuclear is cut out because we have nowhere to store it. I urge passage.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I rise in strong opposition to this bill. The environmental questions surrounding the Yucca Mountain site have not been adequately answered and a decision with a 1,000-year impact should not be made with questions hanging.

Our Nevada colleagues and the constituents they represent have spoken about the hundreds of questions regarding the safety of a site which is in their backyard. They deserve an answer to these questions.

Of course, Yucca's supporters claim that if the licensing process indicates that testing and environmental problems may occur, plans could be changed or reevaluated; but we all know this is Washington, and a project like Yucca takes on a life of its own, and I have grave concerns about transportation plans for all this nuclear waste.

The recent terrorist attacks raise questions about security at nuclear power plants and DOE facilities across the country. In my district, local power plant officials and the nuclear regulatory commission spent days issuing conflicting statements about how vulnerable Diablo Canyon nuclear power plant is to an attack. My constituents were understandably unsettled by the obvious lack of coordination and planning for this facility in their own backyard.

Against this backdrop we add the problem of protecting shipments of dangerous nuclear waste. This scenario of thousands of nuclear waste-laden trucks and barges careening across our roads and waterways should give us all pause. In my district, DOE wants to load tons of nuclear waste on barges and bring the barges through the Santa Barbara Channel, but I question some of the planning here. Let me cite just one example.

The dry cask storage containers that will carry this waste are tested to withstand submersion in water, but I do not believe there has been submersion tests for these casks at anything like the depths found in the Santa Barbara Channel. So what happens if there is an accident and a number of these concrete containers end up at the bottom of the channel? Will they be able to withstand the extreme depths? Can we retrieve them?

If the answer is no to either of these questions, what then happens to the fishing industry, the other ships that use the channel? How safe does this channel and the surrounding area then become?

In closing, I do not believe we should pass this bill. I do not have faith that the studies behind Yucca are safe and complete, and I do not have faith that the project can be carried out safely and effectively.

Mr. MARKEY. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. RAHALL), the ranking member of the Committee on Resources.

Mr. RAHALL. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MARKEY) for yielding me the time.

I want to commend the leadership of two of our colleagues from the State of Nevada on this important issue, the gentleman from Nevada (Mr. GIBBONS), a member of our Committee on Resources, and the gentlewoman from Nevada (Ms. BERKLEY), who is a very valuable member of our Committee on Transportation and Infrastructure.

There are a number of reasons, Mr. Speaker, for opposing the pending resolution, but it boils down to this. There is no rock-ribbed, iron-clad, copper-riveted guarantee that the interment of high-level nuclear waste at Yucca Mountain would be the safest course of action over both the near- and long-term.

It is no secret that there is a multitude of scientific questions regarding this site, and I am sure all those questions have been gone into by previous speakers, but the GAO report noted that there are about 300 such questions and concluded that this site approval is premature.

□ 1415

There is one very important reason that I would like to mention that I do not believe has been mentioned thus far in this debate as an additional reason for opposing the pending resolution, and that is that Yucca Mountain is located within the aboriginal area of the western Shoshone Indian Nation. The mountain is sacred to them and it holds a powerful spiritual energy for two Indian tribes in particular.

In fact, the Ruby Valley Treaty of 1863 explicitly stated that this area belonged to the Shoshone. Yet in arrogance, and that is what it is, arrogance, this administration has determined that this particular sacred site is a pretty good place to put a nuclear waste repository. That is desecration, plain and simple. It is desecration to the Shoshone Indian Nation. Whether or not my colleagues understand the religion of these people, whether or not my colleagues subscribe to it, know this: Dumping nuclear waste at Yucca Mountain is akin to dumping nuclear waste at your own house of worship.

I urge the defeat of the pending resolution.

Mr. MARKEY. Mr. Speaker, I yield myself such time as I may consume to just tell the gentleman that that was a beautiful statement.

Mr. Speaker, I yield 2 minutes to the gentlewoman from the State of California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman for yielding me this time, and I also want to commend the gentleman from Massachusetts for his leadership, as well as the gentlewoman from Nevada for really raising the very dangerous implications of what we are doing today, and I rise in strong opposition to H. J. Res. 87.

Now, this resolution, as we have heard today, would send 77 tons of nuclear waste across our Nation's highways, through our streets, and past our homes. Every hour of every day for the next three decades, trucks and railcars full of radioactive waste would be rolling past. Every mile along the way they would be exposed to the risk of both terrorists and simple accidents. This is very, very scary. This cannot be the answer.

We must seek out scientifically sound mechanisms to store and treat existing nuclear waste and we must shift to a safer energy technology. We cannot keep producing nuclear waste that we clearly cannot manage safely. Nuclear waste cannot continue to proliferate. Transporting tons of waste to Yucca Mountain will not eliminate the piles of waste sitting at reactor sites across the country. It will barely make a dent in them for years to come. Instead, it will expand our risk every mile traveled.

Finally, transportation aside, Yucca Mountain is not the solution. With threats of earthquakes and groundwater contamination, it is an environmental disaster waiting to happen. I urge my colleagues to oppose this resolution.

I want to again thank the gentleman from Massachusetts and the gentlewoman from Nevada for making sure that we are fully aware of the implications of what we are doing today.

Mr. MARKEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in opposition to the Yucca Mountain Repository Site Approval Act.

Our Committee on Transportation and Infrastructure just recently had a hearing on this issue. It was clear from the hearing there are too many uncertainties, too many unresolved issues, and the risks are too high for us to support this resolution.

This is not the first time, this is the second time around on this issue of transporting nuclear waste. And our committee addressed this issue in 1982 during the consideration of the surface transportation bill when there was an amendment to prohibit the transportation of nuclear waste through major urban areas. What about the folks in the rural areas? They should be exposed because people in the urban areas should not be? We defeated the measure.

In 1987, the same group that is telling us that Yucca Mountain is a great place came to us in northern Minnesota saying it was a great place to locate nuclear waste at the headwaters of the Great Lakes. One-fifth of all the fresh water on the face of the Earth, and they wanted to deposit this most toxic substance known to mankind right there so we could poison one-fifth of the water. It was the worst possible place then, and Yucca Mountain is the second worst possible place.

The General Accounting Office submitted to our committee a report showing that there are 293 scientific issues and technical questions not yet resolved that have to be answered before the DOE could even apply for a license. This is not the time. We have plenty of time. It will not be until 2006 before they are even ready to submit an application. Let us defeat this now and give it more substantive consideration.

Mr. Speaker, I rise in opposition to H.J. Res. 84, the Yucca Mountain Repository Site Approval Act, which authorizes the development of a nuclear waste depository at Yucca Mountain, Nevada. As was made clear during a joint hearing of the Subcommittees on Railroads and Highways and Transit of the Committee on Transportation and Infrastructure, there are too many uncertainties, too many unresolved issues—and the risks are simply too high—for me to support this resolution.

At the hearing, we heard a great deal of evidence about the failures of the Yucca Mountain proposal. We learned that the Department of Energy ("DOE"), which was supposed to study the environmental effects of transporting nuclear waste from 131 sites around the country, included only 77 sites in its final environmental impact statement for Yucca Mountain. In other words, DOE omitted any evaluation of 54 nuclear waste sites—or 41 percent of the nuclear waste sites it was supposed to study—from its analysis.

In addition, the General Accounting Office issued a report just this past December that noted 293 outstanding scientific and technical questions that must be resolved before DOE can even apply for a license for the Yucca Mountain site. Bechtel, DOE's own contractor, has stated that DOE would not be in a position to submit a license application for Yucca Mountain until 2006.

Some of the most troubling aspects of the Yucca Mountain project are the uncertainties surrounding the transportation of nuclear waste across the country. The method and routes for transporting all this spent fuel from

131 sites around the country have not yet been determined. There are proposals; there are ideas about how to best ship the spent nuclear fuel, but there is no definitive plan for its transportation. What we do know is that this highly toxic material will be shipped over our Nation's highways, railways, and waterways, and will most likely travel through more than 40 states and the District of Columbia. And we know that, regardless of the specific routes ultimately chosen, this nuclear waste will be shipped through our communities in close proximity to millions of people.

Yet, we are told simply to accept the fact that by the time this fuel is ready to be shipped, the Administration will have figured out an acceptable plan for shipping it. Mr. Speaker, I submit that such important issues should be explored and decided before we chose a nuclear waste depository—before we agree to ship nuclear waste through our cities and towns and across our lakes and rivers.

Proponents of the Yucca Mountain site point to the safety record in transporting nuclear waste over the past 35 years. But what they don't say is that there have been, on average, just over 90 such shipments each year, mostly by truck. If we were to transport the 46,000 tons of materials now being stored around the Nation, as well as some of the additional nuclear waste that will be generated before the Yucca Mountain site reaches capacity, it would require approximately 2,800 cross-country truck movements each year for 38 years.

The Administration envisions that most of the shipments will be by rail. But there is currently no railroad to the Yucca Mountain site. Further, many of the nuclear sites where waste is currently stored are not directly connected to a railroad. In addition, there are no federal regulations that govern the routing of these shipments by rail.

Tellingly, the railroads disagree with DOE over the safest way to ship this spent nuclear fuel. The railroads believe that dedicated trains are the safest way to move this material. First, dedicated trains do not require any switching of the railcars. Switching increases the handling of railcars and thereby increases the risk of an accident. Second, the disparity between the weight in the railcars carrying the nuclear waste and the railcars carrying other freight in a mixed freight train may cause instabilities that could lead to a derailment. Third, dedicated trains are necessary for the train to be equipped with electronically controlled pneumatic brakes. These brakes provide greater safety through advanced braking capabilities and an advanced communications system that alerts the crew of the condition of the train's wheels.

DOE's regulations, however, call for spent fuel casks to be shipped in mixed general freight trains. Unfortunately, DOE's regulations appear to be "market driven" in that mixed freight trains are cheaper than dedicated trains. I would submit that the safe transportation of these highly toxic materials should take precedence over making a buck.

At the subcommittee hearing, many of my colleagues on the Transportation Committee voiced a great deal of concern over the possibility of a train accident similar to the one in the Baltimore rail tunnel last July that burned for three days with temperatures rising above 1,500 degrees F. That is higher than the temperature that the spent fuel casks are designed to withstand. If a single rail cask with spent nuclear fuel had been on-board that train, it could have released enough radiation to contaminate a 32 square mile area. It would have cost nearly $14 billion to clean up such a catastrophic accident if it had involved nuclear waste. What is shocking is that the Nuclear Regulatory Commission ("NRC") has not done any tests on the stability of the casks in a similar scenario. The tests they have done assumed a fire burning at 1,475 degrees F for 30 minutes. We now know first-hand that fires from such a train accident can extend far beyond the NRC's assumptions.

Terrorism also poses a significant threat to any safe transportation of spent nuclear fuel. Whether transported by truck, rail, or barge, these shipments will be slow moving and could potentially be the target of a terrorist attack. We simply cannot afford to short-change the real and pressing security concerns inherent with the transportation of this fuel. While the casks are designed to withstand a great deal of damage, some of the sophisticated weapons available today could penetrate them.

The subcommittee hearing brought to light a whole host of issues surrounding the transportation of nuclear waste material that should be addressed before we accept any plan to ship spent nuclear fuel across the country. Unfortunately, the Administration has elected to force the issue before all these concerns can be sufficiently addressed. The Nuclear Waste Policy Act states that the President's recommendation starts a process that leads ultimately to the Congress having to accept or override a veto by the Governor of the State of Nevada. I believe we should sustain Governor Guinn's veto.

It may be hard to accept the consequences of sustaining the veto, but not as hard as making the wrong decision on this critical national security and transportation safety issue.

I urge my colleagues to oppose H.J. Res. 84.

Mr. BOUCHER. Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in very strong support of H.J. Res. 87, a resolution to approve the site of Yucca Mountain, Nevada.

I am pleased we are finally at this step in this long process. We know that something must be done with the thousands of tons of radioactive fuel currently sitting in spent fuel pools across the country. Billions of dollars and multiple studies later, we know Yucca Mountain is the place to put it. It is safe and suitable.

It is a simple fact that to get nuclear waste to Yucca Mountain we are going to have to move it, move it from many nuclear power plants across the country. Opponents to Yucca Mountain have spun tall tales of the dangers of sending nuclear waste through our hometowns on the way to Nevada. Mr. Speaker, these arguments are nothing but a red herring.

A wise man once said everyone was entitled to their own opinion but that everyone was entitled to only one set of facts, and, Mr. Speaker, we have the facts on our side. Let me assure my colleagues that the transport of spent fuel along the Nation's highways and railways is safe. Over the last 30 years, as we have heard, more than 2,700 shipments of spent nuclear fuel have taken place, traveling more than 1.7 million miles, and they have taken place without a single release of radioactive material harmful to the public or the environment.

The Federal Government takes numerous precautions when transporting nuclear materials, such as routing, security, tracking of progress, coordination with State officials, and any emergency preparedness training that is needed for State and local responders. The details of these precautions, most of which are highly classified, are very impressive.

Certainly, shipping nuclear waste has the inherent risk of accident or attack, but that risk was there for the last 30 years as well and it will be there as long as we ship any nuclear waste. The far greater risk, in my mind, is to leave that waste in our backyards, on our lake shores, and in our communities in the 39 States where it currently is stored.

For years, I have worked with my colleagues in the House to ensure we address the issue of nuclear waste in an honest and professional way. It is honest to say we can ship the waste safely because we have done it and will continue to do it. In fact, shipments are likely taking place right now as we speak. Our record on transporting nuclear waste is not an argument against Yucca Mountain, indeed it speaks strongly in favor of it.

Mr. Speaker, the facts back it up. I strongly urge all my colleagues to vote for a permanent repository for high level radioactive waste and spent nuclear fuel. Support, I repeat, support this move.

Mr. MARKEY. Mr. Speaker, I yield myself 3½ minutes.

A congressional expert is an oxymoron. There is no such thing. Congressmen are only experts compared to other Congressmen. They are not experts compared to real experts in any field.

Here, what we have is a decision made by congressional experts, us, to pick Nevada because they have the smallest delegation. That is why it happened. And now, unsurprisingly, there are 293 unresolved environmental issues related to a group of Congressmen picking the site to bury all nuclear waste in the United States for the next 10,000 years. Now, Members of Congress are different in many ways, but one of the things they pretty much share in common is a very limited scientific background, and so it is no surprise that all of these issues remain unresolved.

Now, what do we have on our hands, then? We have a thermonuclear Ponzi game. The generation that in fact enjoyed the benefits of nuclear power, and by the way there has not been a new nuclear power plant ordered successfully in the United States since 1974, we are coming up to the 30th anniversary, wants to pass on the risks to the next generation. It's a Ponzi game. We are dumping it on the next generation. Let them figure out what the environmental health and safety problems are. We are getting it off our hands right now. We are congressional experts.

Now, what is the complication? Well, since September 11, in addition to all those environmental issues, we have the problem now of al Qaeda. Now, what have we learned in the caves and the computers of Afghanistan? What we have learned is that al Qaeda has placed nuclear at the very top of their terrorist targets. And so what we know is that the security that is going to have to be placed around the transportation of all of this nuclear waste must be much higher than anyone anticipated before September 11.

Have we had the hearings on that subject? Have we determined what the cost of that might be?

Here is what we also know. There have been two major rail accidents in the United States over the last 3 weeks. Now, what if it was a nuclear waste shipment? And what if the train was deliberately derailed by al Qaeda in some small town or city across the United States; and then, with conventional weapons attached to the nuclear waste, a dirty bomb was exploded? Is that possible? Well, post September 11, we know that they arrive in very large numbers, 20; they are very technically sophisticated; they are suicidal, and they have the technical capacity to be able to execute little drills like that.

So it seems to me before we begin the process of putting a trainload or a truckload of nuclear waste on the road every 4 hours for the next 24 years, that we have a responsibility to answer these questions. But because the nuclear industry and a pro-nuclear Bush administration just wants this issue to move so fast down the track that these questions do not get answered. We will not have that debate here in Congress. And that is as wrong as abandoning the intergenerational responsibility that we have to the next generation of Americans that did not create this nuclear waste but will run the risk of all of the dangers inherent in storing it in Nevada and transporting it on the roads and railways of this country.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I am honored to yield 3 minutes to the gentleman from Alabama (Mr. CALLAHAN), the distinguished cardinal from the Committee on Appropriations, the chairman of the Subcommittee on Energy and Water Development, who, unfortunately for all of us, has announced his retirement from Congress this year and whom we will all sorely miss.

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding me this time and for his kind words.

And to the gentleman from Massachusetts, let me tell him that we all know he is one of the most eloquent Members of this House. He always makes his points and makes them so eloquently. But I would like to remind him that the Ponzi scheme started in Massachusetts.

Mr. MARKEY. Mr. Speaker, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Speaker, I would advise the gentleman that it started in my district, which is why I am an expert.

Mr. CALLAHAN. Reclaiming my time, Mr. Speaker, I understand that.

And the gentleman also mentioned earlier in the well of the House today that one of the reasons we are here debating this issue today is because of the ineffectiveness and the smallness of the Nevada delegation. The gentleman from Nevada (Mr. GIBBONS) and the gentlewoman from Nevada (Ms. BERKLEY) are two of the most articulate, effective Members of this body. And the very fact that they are short in numbers does not at all forgive the fact that they are very effective and outstanding Members of this body.

I would also like to remind the gentleman from Massachusetts that the last time I checked this same issue passed the Senate of the United States. And if I am not mistaken, the State of Massachusetts has two Senators and the people from Nevada have two Senators, an exact parity, at least in the Senate.

□ 1430

So the fact that this project wound up in Nevada had nothing to do with either the ineffectiveness or the smallness of the delegation, but rather out of scientific knowledge that this was the right direction to go.

The Subcommittee on Energy and Water Development has already appropriated over the last 12 years nearly $8 billion to ensure that this site is the safest site in the world in which to perform this storage. So there is no doubt in my mind, and I have visited the facility and I encourage the gentleman from Massachusetts (Mr. MARKEY) to visit and see for himself that these products are going to be stored in such a safe manner that we are not talking about any danger to the citizens of Nevada, or anywhere else.

It is going to be a safe facility because of the $8 billion we have already spent. Besides that, we are probably going to have to spend another $8 billion in the next 5 years to make further absolutely certain that it is safe with respect to the deficiency of the 293 indications that the gentleman says we have last year. And I would like to secure the gentleman's commitment this year, if the gentleman will vote for an appropriation, I will give them the money to do these 293 studies. But, instead, last year when President Bush sent the request over for the additional money to do the additional studies, when it got to the Senate, a member of the Senate from Nevada reduced the appropriation, negating the possibility that we would be able to fulfill all of the new studies.

Mr. Speaker, I encourage all Members to join with me this year in appropriating a sufficient amount of money to make absolutely sure that all of the studies are going to be fulfilled. I am certain that the studies will prove that we are right, and this resolution, in my opinion, should pass.

Mr. MARKEY. Mr. Speaker, I yield 11 minutes to the gentleman from Nevada (Mr. GIBBONS).

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Nevada (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I thank the gentlemen for yielding me this time.

Mr. Speaker, I come to this body to speak on the floor to make one final plea that we consider a safer, more cost-effective solution to the disposal of our Nation's high level nuclear waste than simply burying it in a hole in the high desert mountains in the State of Nevada, my home district.

Just last year, I urged Members and the public to review a GAO report which called the Department of Energy's Yucca Mountain project "a failed scientific process." The GAO's independent, highly critical study of the Yucca Mountain project should be enough to shine the light even through the thickest nuclear industry smoke screen. And now, almost 5.5 years after I brought this issue to our attention, I implore this body and the DOE to abandon this misguided Yucca Mountain project.

Consider the following: Is Yucca Mountain suitable for storage? Just listen to the proponents of the Yucca Mountain project. Time and again they will tell us the number of years and the billions of dollars that they have spent by this government to move this process forward is suitable for making this decision. We will hear it throughout today's debate, and we have heard it throughout today's debate. But this argument is flawed, as is the DOE policy. Spend all we want, we cannot make a volcanic, seismically active mountain geologically sound. Whether it is $8 billion, $10 billion, $20 billion, $100 billion, there will be earthquakes, water will percolate through the mountain, and corrosion of these casks will occur.

Where is our sense of fiscal discipline in this body? Where is our restraint? Why are we willing to just throw our arms up in the air and conclude, well, we have already spent billions of dollars, so I guess we should just proceed? Where are my colleagues who are advocates for States' rights, local control and fiscal discipline?

Nevada is currently fighting the DOE in Federal court to protect our water rights. That may not mean much to Members east of the Mississippi, but out West, water is very hard to come by.

For local control, what are our governors going to do the first day rigs and railcars start traveling through Members' States carrying thousands of tons of high level nuclear waste? I think I have a pretty good idea. Ask the governor of the State of South Carolina.

The DOE and the nuclear industry tells us that bringing up accidents is simply a scare tactic. But wait, it was not Nevada, it was the DOE that said we should expect somewhere around 400 accidents during the 38 years of transportation that this waste must cross America. We did not bring it up. Nevada did not bring it up. We did not arbitrarily come up with those numbers; the DOE did.

What will a State trooper, an off-duty fireman, an EMT do when they are required to be the first to respond to a nuclear waste accident? Before Members vote today, perhaps they should talk to them. Ask them, and they will probably say they do not know because nobody is trained or prepared to deal with an accident on a highway dealing with this high level nuclear waste.

The DOE begs us to consider the fact that they have safely transported waste in the past without incident. Well, maybe there have been no major accidents where radioactive materials were released, at least not yet. But add up every single shipment of waste thus far, and we do not even come up to within 1 percent of the total amount of waste shipments that will be put on our streets, near our homes and communities, and probably through the communities of our constituents in the years to come.

If the waste is not coming through our population centers by truck, it will come by train. Let me remind Members of some of the recent stories involving train accidents around this country. We can see Los Angeles Times, 260 People Injured, 2 Dead; Baltimore, Toxic Cargo Shuts the City Down, Firefighters Stymied, on and on the stories continue.

I ask Members to look at page A8 in today's Los Angeles Times which indicates that storage of waste at Yucca Mountain is not safe. It will leak. What does this policy that we have before us today as a Nation say? It would lead us to believe that the world has no innovation and no technology, and that we do not have scientific and medical achievements capable of dealing with nuclear waste. We find ourselves cemented by a DOE policy that tells us the best our Nation can do or that our Nation has to offer for high level nuclear waste storage is simply to dig a hole and bury it in the ground and walk away. This, while nations across the world are advancing technologies in processing and recycling this waste.

We have the ability in this country to reduce the amount of waste, to lower its toxicity, to eliminate plutonium, and make the waste completely nonproliferative, but not with this current policy. All we want to do, according to this policy, is hollow out a mountain, fill it with waste and walk away. I am totally unimpressed.

Another question. What problem do we solve by moving forward with the Yucca Mountain project? The answer, none. As a matter of fact, we create one. If we look at this chart, there are 131 locations of nuclear waste around this country. Moving forward when we create Yucca Mountain with this policy, what are we going to have? We are going to have 132 sites in this country where nuclear waste is stored, one additional one in southern Nevada. That is right. Look at this map. There are 132 sites for nuclear waste. We do not, we will not, we cannot remove the waste from all of these States.

Mr. Speaker, spent fuel rods have by requirement to sit in a cooling pond for a minimum of 5 years before they can be shipped. The DOE myth is that we are relieving these reactors of on-site storage, and we are somehow preventing the possibility of a terrorist attack on one of these 131 sites. That logic does not fly. All we are doing is going from 131 project sites to 132.

Mr. Speaker, let us assume for a moment that there would be no accidents, no train derailments, no tracks to jackknife over a bridge or some waterway, not one accident to occur in 38 years. Not likely, but we will pretend, anyway, that it may happen. What about the terrorists? Are we not currently preparing ourselves to spend billions of dollars on homeland defense? Are we not briefed every day by Federal officials as to the potential threats we face within our borders? Americans are getting a civics lesson every day in what a credible threat means.

The chairman of the Senate Committee on Intelligence spoke out about terrorist threats within the United States. He said the terrorists are here in high numbers and ready and capable of attacking the United States. That begs the question, what next? What exactly is the al Qaeda craving next? According to CIA Director George Tenet, it is a low tech nuclear device or what has been deemed a dirty bomb. I quote from Mr. Tenet: "We believe that bin Laden was seeking to acquire or develop a nuclear device. Al Qaeda may be pursuing a radioactive dispersal device, what some call a dirty bomb."

Just last month CNN reported that Abu Zubaydah, the most senior al Qaeda leader in the United States, has told investigators that terrorists were producing a radiological weapon, a dirty bomb, and know how to use it.

Mr. Speaker, what we are talking about today is placing tens of thousands of dirty bombs on our roads and railways through 703 counties in 44 States. This map shows where the routes are going to go through the various States. If a Member's State is not one of the three, Montana, North Dakota and South Dakota, then that Member's State is going to be affected by the transportation of nuclear waste.

There are terrorists in this country; and tragically, we have witnessed the amount of destruction they are willing to bring. Yet we are to believe that every one of these nuclear shipments will be safe for the next 4 decades, that they will be completely safe from any potential foreign or domestic terrorist attack.

Mr. Speaker, I certainly hope so. After all, one does not have to be a trained terrorist to jump a train carrying high level nuclear waste. Just a few weeks ago a train carrying high level nuclear waste was boarded by one or two escaped inmates from a North Carolina prison who were trying to escape from an inmate work program. Well, imagine if these train jumpers happen to be more than common day criminals trying to evade their captors. What if they were terrorists and had explosives with them? Yet even though this did occur and it can and will occur again, we are charged with this bill's proponents of presenting nothing but scare tactics.

Just as the DOE cannot spend Yucca Mountain into making it geologically sound, the nuclear energy industry cannot spin the facts into a myth. The nuclear power industry has contributed $13.8 million to Federal candidates during the 2000 election cycle. They have spent $25 million in just 1 year lobbying Congress on this issue, although many minds may not change, nor will the facts. According to DOE, on-site dry cask storage can continue for the next 100 years.

The Nuclear Waste Policy Act demands that the Yucca Mountain be deemed geologically suitable. As someone who holds a master's degree in geology, let me say that it is not, it cannot, and it never will be geologically suitable as required by the act, no matter how many billions we try to put into it.

If Members do not take my word for it or Nevada's word for it, take their word for it and consider what the other side has said. The DOE, the NRC, the Nuclear Regulatory Commission and the Congressional Nuclear Waste Technical Review Board have all said that the technical basis for projecting the long-term performance and the project's base case repository design has critical weaknesses.

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They further said that the DOE has not presented a clear and persuasive rationale for going forward with the site recommendation.

We have numerous statements that support this concept about the weakness of their case. Mr. Speaker, we can and we could do much better than this. We can and we should offer a more viable and safe and cost efficient solution to this problem. We can and we should continue to support nuclear power as an alternative to fossil fuels. But you do not need one just to have the other. Yucca Mountain is not safe.

I, Mr. Speaker, in conclusion would say that many of my colleagues have never looked their constituents in the eye on this issue. But I represent the dairy farmer in the Armagosa Valley that is near Yucca Mountain, and I represent the alfalfa farmers that are there as well. They are watching today. I want them to know that we are fighting for them against this Yucca Mountain project.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISAKSON). The Chair must remind Members to avoid improper references to the Senate, such as quotations of Members of the Senate other than in actual legislative history on the pending measure.

Mr. BOUCHER. Mr. Speaker, I reserve the balance of my time.

Mr. BARTON of Texas. Mr. Speaker, I include for the RECORD a letter from Edward C. Sullivan, the President of the Building and Construction Trades Department of the AFL-CIO, in support of H.J. Res. 87.

BUILDING AND CONSTRUCTION TRADES DEPARTMENT, AMERICAN FEDERATION OF LABOR-CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, May 6, 2002.

DEAR REPRESENTATIVE: On behalf of the Building and Construction Trades Department and our affiliated unions, I am writing to ask you to support House Joint Resolution 87, the Yucca Mountain Resolution, because it is in the best interest of our nation, our citizens and our workers.

Our Nation needs a safe, stable and scientifically feasible program for storing used nuclear fuel. The Yucca Mountain location has been thoroughly examined for over 20 years at a cost of $7 billion and has met or exceeded all environmental and scientific standards for storage. It is located on federal land in a remote, secure area.

Nuclear energy has proven to be a clean, safe and reliable source of electricity for nearly half a century. Today, one of every five homes, businesses and farms receives electricity generated by a nuclear plant.

Since the 1970's growth in the use of nuclear energy has reduced the need for foreign oil in the electricity sector and saved consumers $81 billion in payments for imported oil. But, unless we can begin the process of safe storage of spent nuclear fuel, the future of nuclear energy is uncertain. Yucca Mountain provides a unique public-private partnership with the federal government appropriately shouldering the obligation to manage used material while electricity consumers have provided the $18 billion cost to pay for this program.

Finally, this issue is a very important jobs issue. Many highly skilled Building Trades members in your state will benefit from passage of this resolution. If the process set forward by the passage of this resolution was to stop, many good family wage jobs would disappear and a great number of jobs would never be created.

I urge you to support this resolution and permit this process to go forward.

Sincerely,

EDWARD C. SULLIVAN,
President.

Mr. BARTON of Texas. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Speaker, as chair of the Nuclear Fuel Safety Caucus here in the Congress, I would remind everyone that in the shuttered Zion nuclear power plant just 100 yards from Lake Michigan lies a thousand tons of highly radioactive nuclear waste stored next to Lake Michigan. This is not unique to my district. The Great Lakes have another 31 coastline sites where nuclear waste is stored.

Twenty percent of the world's fresh water is found in the Great Lakes. Thirty million Americans depend on the Great Lakes for fresh water. Not one scientist or scientific study claims that storing nuclear waste next to the world's largest supply of fresh water is environmentally sound. Moving nuclear waste from 131 temporary storage sites around the Nation to one secure location where America has already tested dozens of nuclear weapons is the goal of the Nuclear Fuel Safety Caucus. We must move nuclear waste from the Great Lakes.

Why Yucca Mountain? Because without Yucca Mountain, we would have to construct 131 permanent storage facilities for nuclear waste in 39 different States. These storage facilities are close to groundwater, earthquake zones and in close proximity to major cities, including San Francisco, Boston, New York and Chicago. Without Yucca Mountain, 161 million Americans would have to live their entire lives within 75 miles of a nuclear waste site.

And then there is the cost. According to the government's own study, the cost of building 131 permanent storage sites would be over $61 billion. To cover this, the Federal Government would have to borrow from Social Security or raise taxes. Perhaps we could reinstitute the death tax, but we would have to double it to pay for the cost. And that would not cover the lawsuits which would total over $56 billion for reneging on the promise to provide a nuclear waste storage site.

A vote for this resolution is a vote to protect our Nation from further terrorist attacks. Removing nuclear waste from 131 sites to a single repository buried deep inside a mountain range 100 miles from a population center is much safer from sabotage or terrorism.

I urge the adoption of this resolution. Let us wipe clean the terrorist shooting gallery of 131 sites located around the country and vote for this resolution for a secure environmental future.

Mr. MARKEY. Mr. Speaker, I yield 5 minutes to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. I thank the gentleman for yielding me this time.

Mr. Speaker, I have listened very carefully to the debate and I have to say that I was appalled when one of the speakers said that if we passed this resolution, Nevada will be able to continue its nuclear legacy. Nuclear legacy? Nevada does not have a nuclear legacy.

Let me tell you what transpired in the 1950s in the State of Nevada when there were less than 100,000 people in the entire State. The Federal Government came to us and said that it was going to do above ground atomic testing of atomic bombs but that it would be perfectly safe and that you could watch it, bring your families there, work there safely. All you had to do was go home and take a shower. So thousands of people went to work at the Nevada test site. I must say I have friends that share with me the times that their parents took them up to the Nevada test site with a picnic lunch and they watched the atomic bombs going off in the Nevada atmosphere.

Let me tell you what has happened to those Nevada test site workers, those brave souls who thought that they were doing their duty for their country, but safely, at the promises and assurances of the Federal Government. Those Nevada test site workers, if they are not dead, they are dying. Those people that observed those tests and watched as they ate their bologna sandwiches, they are dying, too. They are all dying of unexplained cancers. Those downwinders in Utah and in Nevada who happened to be caught living downwind of these atomic tests, they are all dead, too.

It is very difficult for me, after having lived through those experiences, to believe the Federal Government now when they tell us that the transportation and storage of 77,000 tons of toxic nuclear waste in a hole in the Nevada desert is safe. It was not safe then and it is not safe now.

In addition, we keep hearing about the $7 billion that has already been spent on site characterization. But if you spend 7 cents or $70 billion, it does not make that site any safer. We are talking about an area of our country that has seismic activity, volcanic activity. It has groundwater problems.

If I could direct your attention to a Los Angeles Times article that appeared today, this is the headline: "Nuclear Dump Site Will Leak, Scientists Say." The little message underneath the picture says, "Despite the dry appearance of the proposed Yucca Mountain nuclear dump in the Nevada desert, there is water in its environment. Scientists say that that vulnerability will eventually allow radioactive material to leak. At issue is only how long."

Then they point out paragraph after paragraph. The government officials point out, and I am quoting, two other nuclear sites that officials—these are government officials—once said would be leak-free for hundreds or thousands of years: In Pocatello, Idaho and the Hanford site in eastern Washington. Quote, both are leaking already, and radioactive material could make its way into groundwater in just 10 years. That is according to a report by the National Research Council.

You are telling me this is sound science? This is what appeared today in the L.A. Times. It talks about Yucca Mountain.

"About 12.3 million gallons of water flow through the disposal area per year. Traces of chlorine 36, which is produced only by nuclear bombs, was recently discovered inside Yucca Mountain." That means that through the groundwater, radioactive material gets into the rocks and into the groundwater in as little as 40 years. And you are telling me there is sound science? I do not think so.

I have also heard some of my colleagues say this is really not a Yucca Mountain vote, this is not a transportation vote, that this is not really a vote on shipping nuclear waste. Let me beg to differ. This is the only time we will have to vote on this issue. So do not tell me this is not a vote on the transportation of nuclear waste across our country. It is the vote.

I have listened to this debate. There is no doubt, on both sides of the aisle, we have huge problems. We have a huge problem with nuclear waste. We have an energy source in this country, nuclear energy, that produces a dangerous by-product, nuclear waste. This Nation has never figured out what to do with it. Not any alternative that I have heard is good enough for the people that I represent and good enough for the people you represent, too. If we go ahead with this foolhardy plan, we will never, ever figure out what to do with nuclear waste, because once Yucca Mountain is filled up, we will still have the exact same problem. It is time that we take care of that problem and let us take care of it today.

Mr. Speaker, I include the L.A. Times article for the RECORD.

The material referred to is as follows:

[From the Los Angeles Times, Wed., May 8, 2002]

NUCLEAR DUMP SITE WILL LEAK, SCIENTISTS SAY

(By Gary Polankovic)

YUCCA MOUNTAIN, NEV.—As the Bush administration prepares its push to win congressional approval for the Yucca Mountain nuclear waste burial site, scientists agree on one key conclusion: Yucca Mountain will leak. The question is how long it will take.

Rising one mile from the desert floor, the mountain looks as plain and parched as much of the rest of southern Nevada's ranges.

Despite the arid appearance there is water here, and even the scientists who have designed the repository concede that the mountain's vulnerability to moisture will allow radioactive material to eventually leak into the environment.

Time is the key. Highly radioactive nuclear waste remains dangerous for hundreds of thousands of years. Half of the plutonium stored in the mountain, for example, will still be radioactive 380 million years from now.

Just one-millionth of an ounce of plutonium is enough to virtually assure cancer in someone who comes in contact with it.

As Congress considers whether to override Nevada's opposition to housing nuclear waste here, opponents of the waste site argue that the Bush administration is pushing through a flawed solution that will create radioactivity risks for thousands of years.

Government officials say they have designed a burial site that will be free of leaks for at least 10,000 years. Critics, armed with a raft of scientific studies, say that can't be guaranteed. They point to two other nuclear sites that officials once had said would be leak-free for hundreds or thousands of years: the Idaho National Engineering and Environmental Laboratory near Pocatello and the Hanford Site in eastern Washington. Both are leaking already, and radioactive material could make its way into groundwater in just 10 years, according to a report by the National Research Council, an arm of the National Academy of Sciences.

Even if a 10,000-year leak-free promise could be guaranteed, critics of Yucca Mountain say society has a responsibility to civilizations far in the future not to expose them to lethal waste that we generate.

But the alternative to putting nuclear waste here is to leave it accumulating in 131 different places in 39 states, much closer to people and potentially vulnerable to terrorist attack, the Department of Energy warns.

The waste piled up around the country comes from nuclear aircraft carriers and electrical plants, bomb factories and university labs. Over time, it will emit thousands of times more radioactivity than was released at Chernobyl and millions of times more than the Hiroshima bomb.

"There is no more [storage] space, there are deteriorating storage conditions, and you have the challenge that so much of it is located near population centers and waterways," said Secretary of Energy Spencer Abraham. "No one believes you can bring in David Copperfield, wave a wand and it all goes away."

"We've tried to take into account as many uncertainties of the future as can be assessed," Abraham said. "I am convinced that the site is scientifically suitable—in a word, safe."

Yucca Mountain is not a done deal yet, but converting this forlorn peak into the world's first high-level nuclear waste dump is closer to happening than ever.

President Bush has chosen the site, but Nevada challenged that decision. Congress is considering whether to overturn Nevada's veto, and opponents of the dump acknowledge they probably do not have the votes to stop it. (A House vote might occur as early as today.) If the Yucca Mountain plan survives Congress, the Nuclear Regulatory Commission will consider issuing a license, and the dump could open by 2012.

Experts long ago recognized the need for deep, geological disposal of radioactive waste, yet it is unknown whether any system can be devised that could keep highly radioactive waste isolated for such an immensely long period.

"We nuclear people have made a Faustian bargain with society," said Alvin Weinberg, former director of the Oak Ridge National Laboratory in Tennessee, where plutonium was tested for one of the nuclear bombs dropped on Japan. "We offer an inexhaustible and nonpolluting source of energy, but we require a level of detail and discipline that we're unaccustomed to in handling the waste.

"Nobody really knows if we can do this. Trying to project what's going to happen in thousands of years, tens of thousands of years, is quite ridiculous," Weinberg said.

Today, Yucca Mountain is an island in a desert. It is surrounded by the Nevada Test Site, where the government once tested nuclear bombs.

"If you can't put it here, then where can you put it?" asked Michael D. Voegele, chief scientist for Bechtel-SAIC Co., the Energy Department's contractor for building the repository at Yucca Mountain.

But who can say what will be here millions of years from now when plutonium and other deadly wastes still pack a wallop? Will it still be a desert? Glaciers advanced and receded across the planet a dozen times in the last 2 million years. An inland sea called Lake Bonneville covered much of Nevada and Utah 12,000 years ago, when humans first arrived.

These technologies are forcing us to address the issue of how they will affect future generations. This is not an issue we've faced on this scale before," said Lester R. Brown, president of the Earth Policy Institute. "We're doing things with consequences we don't understand."

Government engineers and scientists have been studying Yucca Mountain for over 20 years—twice as long as it took to plan and complete the moon landing—at a cost of $7 billion. During that time, government officials have changed their arguments about Yucca Mountain's safety.

Problems began to emerge years ago when tunnels bored deep into the rock revealed conditions inside were wetter, and the geology more complex, than initially thought. Those discoveries are at the center of the controversy today.

Originally, the volcanic ash where the waste would be entombed was believed to be so tightly compressed that rainfall could not penetrate. Secretary Abraham said in February that rainfall would take 1,000 years to make the 800-foot journey through rock to the disposal zone and longer still before radioactivity could be carried to groundwater. He does not believe leaks are a significant concern.

Yet inside the mountain, government studies have found that the rock is laced with fissures, some that move water the way capillaries carry blood, some that flow like a garden hose. About 12.3 million gallons of water flow through the 2,500-acre disposal area per year, government studies show.

Traces of chlorine 36, which is produced only by nuclear bombs, were recently discovered inside Yucca Mountain. Since the last nuclear bombs were detonated above ground at the Nevada Test Site in 1962, the finding indicates rainfall can carry radioactive material deep into the rock in as little as 40 years.

Once the presence of water was established, the government changed plans. The plans now call for double-layer disposal containers of stainless steel and a nickel-based material called Alloy 22 to keep the waste isolated. The canisters will be covered with titanium "drip shields" to keep waste dry. Canisters could be packed close together too, so heat would boil water and drive away steam.

But engineers do not know yet how to build a container that outlasts radioactive waste.

Materials like Alloy 22 haven't been around long enough for experts to be able to assess how they will perform over centuries.

Given all of the uncertainties, some of the nation's leading experts say President Bush's decision to proceed with Yucca Mountain is premature.

"There are a lot of issues that remain unresolved that could affect the safety of humans and the environment," said Allison Macfarlane, a geologist and the director of the Yucca Mountain project at MIT. "We should not be in a rush."

Carnegie Mellon University President Jared L. Cohon said he is concerned about the integrity of disposal canisters and how water moves inside the mountain. Cohon chairs the Nuclear Waste Technical Review Board, an 11-member panel of independent experts appointed by Congress to review the Energy Department's work at Yucca Mountain.

That panel concluded in January that the government's technical case for Yucca Mountain is "weak to moderate."

Mr. BARTON of Texas. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I want to point out that the gentlewoman from Nevada's statement about people dying of cancers because of exposure to tests in Nevada, above ground testing in the fifties and the sixties, there is not one scientific study that shows that there is any greater incidence of cancer in Nevada than anywhere else in this country. That may be an anecdotal tale, but there is no scientific validity to it.

Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. I thank the gentleman for yielding me this time.

Today, Mr. Speaker, I rise in strong support of this joint resolution which endorses the Department of Energy and the President's finding that Yucca Mountain is the best choice for a national nuclear waste depository. As we know, Yucca Mountain is on a Federal nuclear test site in the Nevada desert that encompasses almost 1,300 square miles, or an area bigger than the State of Rhode Island. Like Chairman CALLAHAN and other Members in this House, I have visited this site. I have been inside the mountain, five miles into it. I have seen it firsthand.

From a New Jersey perspective, this siting decision is long overdue. We live in the most densely populated State in the Nation with 49 percent of our power generated by nuclear energy. For many years now, those wastes have been stored on the grounds of our two nuclear reactor sites, supposedly on a temporary basis. The time has come for the waste to be sent to a single national repository as was promised in the Nuclear Waste Policy Act of 1982 and for which New Jersey taxpayers have contributed millions of dollars in their energy bills.

Mr. Speaker, I strongly support this resolution. I urge my colleagues to do so as well.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Tennessee (Mr. WAMP).

Mr. WAMP. Mr. Speaker, I thank the distinguished chairman for yielding me this time, and I want to bring a little bit of common sense from the South to this issue. We heard from New Jersey. In the southeastern United States in the Tennessee Valley region, we are heavily dependent on coal-fired plants. I share the environmentalists' goal of trying to reduce the emissions of these fossil-fired plants. We also have in the Tennessee Valley Authority region five nuclear reactors on-line. They happen to be the most economically efficient generators of electricity in the TVA system. They are the most environmentally responsible and clean sources of electricity in the region. There is only one hurdle in our way of having a clean, safe alternative to the fossil-fired problem, and that is this waste issue.

This administration, to its credit, has the guts to step up and do what is necessary to provide the alternative. I would say to my friends who protest dirty air and then protest Yucca Mountain, you cannot have it both ways. You cannot eliminate the alternative and then complain about fossil emissions. You cannot do it unless you want our country to be totally dependent on the rest of the world for our energy sources, and we know that sacrifices our freedom.

Mr. Speaker, we have got to do the right thing. I appreciate the parochial eloquence, defending your own turf, but for the good of our Nation we have got to place this nuclear waste in a safe repository. My master's is in common sense. Common sense says you have got to do this in order to have clean air and clean water into the future and energy independence for the United States of America. National security hangs on this decision. This is an important decision and one that is not easy to make because we respect our friends in Nevada.

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We respect our friends in opposition. But this is the right thing to do for the United States of America for many years to come.

The SPEAKER pro tempore (Mr. ISAKSON). The gentleman from Louisiana (Mr. TAUZIN) has 8 minutes remaining and the right to close; the gentleman from Massachusetts (Mr. MARKEY) has 3 minutes remaining; and the gentleman from Virginia (Mr. BOUCHER) has 2 minutes remaining.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from the great State of California (Mr. ISSA).

Mr. ISSA. Mr. Speaker, there has been a lot of discussion here today on a lot of science and a lot of what-ifs, and I am not going to try to address what has already been said. Rather, what I would like to do is take what has been said by many of the Members from Nevada and clarify it.

They say they are putting it here because we have very little population. Well, for a moment I will agree with that, because over one-half of all Americans live within 75 miles of high-level nuclear waste, most of it above ground, none of it ever tested to take a 757 crashing into it. I rise in strong support of the basic concept that we will get these wastes into an area that will survive that attack and more. I rise because every day in my district over 200,000 men and women drive within a few hundred yards of San Onofre Nuclear Power Plant, not designed as a permanent-storage facility. I ask my colleagues to consider whether the 10 million people who live within the downwind hazard of that nuclear facility should be granted some final relief.

Mr. MARKEY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, just so we get the record straight here, this facility which is being contemplated will only hold 60 percent of all of the nuclear waste in the United States, military or civilian. It does not solve the problem.

In addition, all nuclear waste generated at all nuclear power plants has to sit next to the plant for 5 years anyway in each one of the States to cool down, so it does not solve that problem either.

In addition, we also have the question of the casks into which they are going to place the waste. The Department of Energy only has 2 years of corrosion data to extrapolate out for 10,000 years.

Mr. Speaker, Neil Young used to have a song, "Rust Never Sleeps." And again, we are pushing the envelope, with congressional experts deciding that we have the answer to where all of this nuclear waste is going to be stored, in corrodible material and could ultimately leach out into the mountain, out into the aquifers. Finally, the Mobile Chernobyl issue, with terrorism now rearing its head, we have not answered those questions yet. How much will it cost? How safe can we make the railways, the highways, the byways of our country?

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. BARTON), the distinguished chairman of the Subcommittee on Energy and Air Quality of the Committee on Energy and Commerce.

Mr. BARTON of Texas. Mr. Speaker, in 1981 and 1982, I was a White House Fellow in the Department of Energy and served at a very low level on the task force that developed the recommendations that later became the Nuclear Waste Policy Act of 1982.

Today, I stand on the floor as one of the chief sponsors of this resolution, along with the gentleman from Virginia (Mr. BOUCHER), my good friend. If the Lord shines upon me, I may be fortunate enough to live long enough to be alive the day we ship the first shipment of high-level nuclear waste to the repository, which will probably be sometime in the year 2015 to 2022. If that happens, I will have spent almost 40 years of my adult life in some way or the other addressing this issue.

I think it is time to send this resolution to the floor of the other body for a vote so that we can let the Nuclear Regulatory Commission receive an application from the Department of Energy in the next 2 years about this license application.

The money has been put into the trust fund. The resolution does not deal with any of the transportation issues; we will deal with those later. There is absolutely tremendous bipartisan support. The time has come to stop talking about this and to vote on it. I hope that we vote in the affirmative at the appropriate time.

Mr. MARKEY. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. GEPHARDT), the leader of the Democratic Party of the House.

Mr. GEPHARDT. Mr. Speaker, I rise to urge a vote against the Yucca Mountain approval resolution. I hope this resolution will be turned down.

I commend the courageous people fighting against it led by the gentlewoman from Nevada (Ms. BERKLEY) and Dario Herrera. I am sorry that the Bush administration went back on its word approving this untested, dangerous measure.

Whether or not to allow storage and transportation of waste is a decision with important consequences for people in my district and across America. It is a fact that scientists are still debating whether Yucca Mountain is safe. The General Accounting Office a few months ago said that storing waste at Yucca could infect water supplies and release deadly toxins into the surrounding air. It cited 293 scientific questions for which the Federal Government has no answers. Even if we begin shipping this waste today, we will still have nuclear waste stored all over this country decades from now.

But my biggest concern is that it makes no sense to have all of this material traveling across the country by truck and rail. We have seen just in the last month a number of tragic rail accidents. Even the Energy Department says that inevitably there will be derailments of trains headed to Yucca Mountain. I had a train derailment in my district a year ago in Webster Groves, Missouri, where a whole train turned over. Luckily, it was only coal; but it was coal that was spilled a few feet from homes and schools in Webster Groves, Missouri. The people in Webster Groves in the days since then have said to me, what if it had not been coal, but nuclear waste? We have no plan, we have no resources, we have no training for dealing with such a derailment in St. Louis. We have only one hospital bed in the entire metropolitan area to treat severe radiation exposure.

This is not a question about isolating the risks. Yucca Mountain, in reality, simply spreads it around.

I know there is no perfect solution, but we can begin now to invest in better ways to store waste at the sites we currently use. Authorities in Pennsylvania have an approach that puts an emphasis on technology and innovation, an approach that avoids having to cart and haul this waste all the way across the United States. It puts the waste in reinforced facilities. It benefits people in Pennsylvania, and it benefits all Americans.

I simply think, in conclusion, that science and logic is on the side of leaving this hazardous material on site until we find a better solution. I hope Yucca Mountain will be rejected.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. TAUZIN) has 5½ minutes remaining; the gentleman from Massachusetts (Mr. MARKEY) has 1 minute remaining; and the gentleman from Virginia (Mr. BOUCHER) has 2 minutes remaining.

Mr. BOUCHER. Mr. Speaker, for the purpose of closing on our side, I yield myself the 2 remaining minutes.

Mr. Speaker, the measure before us moves the process forward and enables the taking of the next step in evaluating the Yucca Mountain site. We have no realistic alternative to a secure, central repository for the permanent storage of high-level nuclear waste. The waste is now stored at 72 dispersed reactor sites around the Nation. Leaving the waste in its current storage poses threats, both to the environment and to national security. Permanent dry-cask storage at these 72 sites is not a realistic alternative to a central storage facility.

The resolution before the House enables the taking of the next essential step in achieving the secure central storage, which is the best option before the country at this time. After the resolution passes, construction at the site could not begin until the Nuclear Regulatory Commission conducts a thorough scientific and technical analysis and issues a construction license.

I urge that the resolution before the House be approved so that the NRC can begin its work, so that the scientific and technical studies can go forward, and so that the Nation's best option, a secure, central repository for high-level nuclear waste, can be pursued.

Mr. Speaker, I yield back the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself the balance of the time to once again state that we are at a historic juncture, that we should not be making this decision with 293 unresolved environmental issues. We owe the American public, we owe the next generation a higher standard of care than rushing to this decision today.

Mr. Speaker, I yield the final time remaining to the gentlewoman from Nevada (Ms. BERKLEY), the heroine who has been championing this issue to protect her people.

Ms. BERKLEY. Mr. Speaker, I would like to thank the gentleman from Massachusetts (Mr. MARKEY) for having done a stellar job over the last 20 years to protect the people, not only in my own home State, but in the entire United States of America.

I have been profoundly involved with this issue for the last 20 years, ever since it was passed in 1982. This is a horrible piece of legislation. It is a horrible idea. Even if Yucca Mountain is passed, we still will not have solved a very serious problem in our Nation, and that is what we will do with the nuclear waste for generations to come.

Mr. Speaker, I urge us, before we spend billions of dollars more, to take this money, put it into research and development for renewable energy sources. Let us harness the sun, let us harness the wind, hydrocells, geothermal; and let us truly become energy independent, away from foreign oil sources and away from an energy source that produces a by-product that is so deadly that none of us, none of us want it in our backyard.

Mr. TAUZIN. Mr. Speaker, with the consent of my colleagues, I would like to do what I think is the fair thing to do at this point, and that is to yield 1½ minutes to the gentleman from Nevada (Mr. GIBBONS), our friend, for an opportunity to close his arguments on behalf of the State that he loves so dearly and represents here in the Congress.

Mr. GIBBONS. Mr. Speaker, I thank the chairman for his generous use of time and for allowing me to make a few final remarks as we close this debate on one of the most important issues that the State of Nevada has faced over 20 years.

Mr. Speaker, there are no nuclear generating facilities in Nevada. If we looked at all of the debris as a result of the nuclear testing that Nevada contributed as its share of obligation to this country, the national security of this country for 20 years or decades, it is less than 4 tons. We are going to be sending 77,000 tons of the most deadly, toxic substance known to man to be stored in the State of Nevada for thousands of years, and we have yet to approve the science that says that Yucca Mountain is either qualified or suitable to store this nuclear waste in Yucca Mountain.

We have talked about the science. We have talked about the dangers. We have talked about the continual expenditure of billions of dollars trying to make that square peg fit a round hole. Mr. Speaker, it is not going to happen. There is no way that the geology of Yucca Mountain will ever meet the requirements of the law that was passed in 1982 and amended in 1987.

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We have taken our science and shown that Yucca Mountain is not suitable. They are required now to have engineered barriers just so they can make the excuse, well, if the geology does not work, we will engineer it to be safe. If that is the case, they can engineer it to be safe in any place in this country.

Mr. Speaker, I rise in strong opposition to this resolution, and urge all of my colleagues to oppose it.

Mr. TAUZIN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I respect my friends, the gentleman from Nevada (Mr. GIBBONS) and the gentlewoman from Nevada (Ms. BERKLEY), and I appreciate the fight they are making on the floor today. I understand their concerns for their home State and for this decision. Outside of that, the opposition to this resolution basically comes from those who oppose nuclear energy.

When we ask those Members what other energy would they support, we get some strange answers. If we suggest coal, they say, oh, coal can be pretty dirty, you know. You have to scrub it. Even if you scrub it, it produces CO_2 and that may contribute to global warming, and golly, we had better not burn coal in America, even though 40 percent of our electricity comes from coal.

Or we might say, would you support oil and gas development? And they say, no, wait a minute, the land is too pristine, and certainly not off my coast. Go do it in Louisiana, maybe, but do not do it anywhere else, please. Certainly do not do it in my State, off my coast or in my national wildlife preserve, even though you are willing to do it in your national wildlife preserves in Louisiana with no consequences, and, in fact, with good consequences. They do not like that. They do not like oil and gas.

We ask, what about refineries for gasoline, for electric generation facilities? The answer is, not in my backyard. If you are ready to do it in somebody else's backyard, hopefully out of this country somewhere else and ship it in over here, but for heaven's sake do not build a plant in America, not where I live. We would rather run out. We would rather go through a California crisis than authorize another refinery or another electric generation plant in our backyard.

So we ask them about nuclear. We say, well, nuclear is pretty clean. Nuclear plants produce 20 percent of the Nation's electricity, a critical component of the Nation's energy supplies. It is pretty clean, you know. It does not produce all the emissions we are concerned about with global warming, or the emissions we have to regulate with coal-fired plants, or gas, or even oil-fired plants. What about nuclear?

They say, oh, but wait, you do not have a plan to deal with the waste, so do not build any more nuclear plants until you settle that waste issue. That is the tail wagging the dog. Unless you settle that waste issue, do not dare license another nuclear plant, and certainly not in my backyard, by the way.

So we wonder what kind of energy supplies do these Members support. I think the answer is pretty clear. They would like us to get it all from the sun, I suppose, or they would like us to get it from winds, provided we do not hurt any birds in the context of getting wind power going.

And they certainly would like us to get it from somebody else, because that is what is happening in America. Sixty percent, 60 percent now of every gallon of gasoline we burn in this country comes from some other country. And check the countries, check where it is coming from.

Forty percent of the reformulated gas comes from Venezuela right now, where there is a pretty bad problem going on; Venezuela, which rescued us from the last oil embargo, where there are some pretty bad problems going on.

Check where else it is coming from, countries like Iran, Iraq, countries which are teaching their children to hate us and to come to this country and take our planes and crash them into our buildings in suicide attempts. Those are reliable friends. Those are reliable sources for energy in America. Boy, that is real national security.

So after 20 years, after 20 years of an effort that started in 1982, after billions of dollars of expenditure, after scientific research that even tested the effects of a glaciated age in Nevada to make sure that this was the proper site to bring those nuclear wastes to permanent storage, we come to this point where we are about near the end.

If we can push this process one more step, if the scientists can answer the last questions that remain, we can settle the waste issue. Guess what, all these folks say, for heaven's sakes, do not settle the waste issue. Mr. Speaker, today is a chance to move it one inch closer to the final line where we settle the waste issue and we help secure America. It is time to vote yes for this country for a change.

Ms. SCHAKOWSKY. Mr. Speaker, I rise in opposition to House Joint Resolution 87. President Bush's decision to ship 77,000 tons of nuclear waste to Yucca Mountain in Nevada is wrong. This attempt to force Congress to adopt an ill-conceived, premature proposal is irresponsible and dangerous. It is our duty to protect those we serve from a proposal that will surely threaten our national security and the lives of American families in their own homes and communities.

At a time of heightened security and terrorist threats, this Administration is proposing to ship tens and thousands of highly radioactive and deadly materials through our towns and neighborhood. And as fast as they get the waste out of the plants, nuclear facilities will ramp up production, create more waste and start shipping it to Nevada—right through our towns once again. If Congress passes this resolution and overrides the authority of Nevada's governor, millions of American lives will be in danger. The President's Yucca Mountain proposal would ship radioactive waste to Yucca Mountain from nuclear power plants through 43 states. Nearly 161 million people live within 75 miles of those routes. I find it unconscionable that the Bush Administration would hastily force us to accept this proposed solution. The fact is that we need more time, not only to find a safe place to store the waste, but time to figure out ways to treat it and make it less dangerous.

I believe we should implement a plan that would remove fuel from reactors without the safety and security risks of thousands of nuclear transports traveling on our highways, railways, and waterways. There are currently plans that would increase security and safety at current sites, provide storage for up to 100 years, and provide time to find better alternatives. Widely implementing these kinds of plans would eliminate the security concerns surrounding the potential 108,500 shipments of spent nuclear fuel across the country.

The Yucca Mountain proposal is deceitful from its core because it promises to remove above-ground nuclear waste storage facilities. The truth is that, although the proposal will fill our highways and railways with nuclear HAZMATS, nuclear power plants will be enabled to produce a greater amount of waste, which will be stored above ground until it is scheduled for shipment. The Yucca Mountain repository will not be capable of receiving waste until, at the earliest, 2010. At a rate of 2,000 tons per year, there will be 62,000 tons of waste by 2010 still sitting in storage facilities in the nuclear power plants around the country. The Yucca repository will reach its capacity of 77,000 tons in the middle of this century; the amount remaining in storage at nuclear plants will be almost exactly what it is today. The proposal will fail to meet its intended purpose.

Congress should reject this proposal. It is an unfunded mandate—Congress has not worked out the transportation funding, cost of security measures, and other logistical issues to make this a realistic project. The time, effort, money and energy required for this project could be better spent investing in securing nuclear energy plants and implementing contingency plans for surrounding communities in the event of an emergency.

Congress should recognize the dangers that will be posed to all Americans as a result of nuclear HAZMAT trucks and trains streaking across our highways/rails and through the neighborhoods of my constituents and millions of people across the country. With the horror of September 11th still fresh in our minds, we have pledged to the American people that we will secure their safety—that our way of life will not be altered by the evil deeds of a hateful few. But this proposal threatens that promise.

We know that the threat of terror on American soil is real. We should take time to ensure that those who want to harm this nation would not have an opportunity. Today, the President is proposing to litter American highways and railways with slow moving targets. We are setting the stage for potential disasters. Congress is faced with a choice between supporting a hastily conceived proposal, or protecting our constituents. I urge my colleagues to vote no on this resolution and vote to guarantee the safety and security of the American people.

Mr. GEKAS. Mr. Speaker, I rise today in strong support of H.J. Res. 87 and urge my colleagues to support this important piece of legislation as well.

While I understand the concern and the opposition from the Nevada delegation I do believe that the nuclear waste repository at Yucca Mountain will be a safe and effective means for the management of nuclear waste for many years to come, in compliance with the Nuclear Waste Policy Act of 1982. The work of the United States since the dawn of the nuclear age has assured that the very best site for the disposal of nuclear waste would be chosen. As early as 1957 the National Academy of Sciences suggested burying radioactive waste in geologic formations to the Atomic Energy Commission. Beginning in the 1970's the world began to contemplate how best to dispose of and manage nuclear waste. Indeed, many proposals were put forward, like deep seabed disposal, disposal on polar ice sheets, transmutation, and even rocketing the material to the surface of the sun. After analyzing and giving credence to all options, disposal in a mined geologic repository emerged as the preferred long-term environmental solution for the management of these wastes.

Almost 25 years ago the United States began to study Yucca Mountain. Even before the passage of the Nuclear Waste Policy Act of 1982 the Department of Energy recognized the importance of finding a site to deposit nuclear waste and began to study areas that might have potential for holding such waste. When the Nuclear Waste Policy Act of 1982 was eventually passed, the Department of Energy was already studying 25 sites around the country as potential repositories. The Act provided for the siting and development of two; Yucca Mountain was one of nine sites under consideration for the first repository program.

In 1986, Secretary of Energy John S. Herrington found three of these sites suitable for site characterization, and recommended these three, including Yucca Mountain, to President Reagan for detailed site characterization. The very next year Congress then amended the Nuclear Waste Policy Act of 1982 making Yucca Mountain the single site to be characterized. Since this time Yucca Mountain has been developed and tested in accordance with both the provisions of the Nuclear Waste Policy Act of 1982 and in accordance with sound scientific principles.

Mr. Speaker, as a Member of Congress who represents an area with the Three Mile Island nuclear facility in my district, I have followed the development of Yucca Mountain closely for quite some time. Pennsylvanians get 36 percent of their electricity from nuclear power from five sites around the state. I believe that nuclear power is a reliable source of clean energy and has served the Commonwealth of Pennsylvania and the United States well over the years. However, consumers of this electricity have been paying for the development of a nuclear waste depository every time they flip the switch. We now have to assure them that the nuclear waste produced while generating needed power is put somewhere it will be safe and out of harms way for thousands of years to come. Mr. Speaker, Yucca Mountain is this site. Currently 162 million Americans live within 75 miles of nuclear waste, many of them in Pennsylvania and in my district. This is completely unnecessary. With the technical and scientific genius possessed by the United States, the United States Congress should not disallow science from doing the necessary work of finding a safe depository for nuclear waste.

Mr. Speaker, I support H.J. Res. 87 and wish the dedicated scientists and workers at Yucca Mountain and the Department of Energy all the best in their pursuit of a safe and effective nuclear waste repository. I ask my colleagues to join me in support of H.J. Res. 87.

Mr. NETHERCUTT. Mr. Speaker, I rise today to offer my support for H.J. Res. 87, the Yucca Mountain Repository Site Approval Act.

This is an important vote for Washington State. If we do not relocate our nuclear waste to the Yucca Mountain repository, the Department of Energy will be forced to reconsider other sites previously discussed. One of those previously considered sites is Hanford, Washington. Without passage of H.J. Res. 87, 42,000 metric tons of spent nuclear fuel will remain stored at Hanford. This is unacceptable, and would be disastrous for the environmental health of my state of Washington.

If we fail to move high-level nuclear waste to Yucca Mountain, we will have 161 million people in this country living within 75 miles of one or more nuclear waste sites—all of which were intended to be temporary. Without Yucca Mountain we will continue the current system of storing nuclear waste on the shores of the Great Lakes, Pacific Ocean, and the Gulf of Mexico. Without Yucca Mountain, we will continue to store nuclear waste near 20 major waterways that supply household water for more than 30 million Americans.

Opponents of H.J. Res. 87 have tried to scare the American people into believing that transporting nuclear waste is not safe. The facts paint a different picture. Since 1967, there have been 3,000 safe shipments of spent nuclear fuel. Those shipments have covered 1.7 million miles without one single accident occurring. For those who say safety is their top concern, let them consider this: Our nuclear sites are safe, but it would be safer yet to consolidate this waste from widely dispersed, above-ground sites into a remote, deep underground location that can be better protected for thousands of years.

So I urge my colleagues, put safety first. Put the safety of our environment first. Put the safety of our nuclear sites first. Put the safety of the people living near nuclear sites first. It is time to act to provide for safe, permanent storage of our nuclear waste at Yucca Mountain, Nevada. This is best for our country and best for the people of Washington state.

Mr. COSTELLO. Mr. Speaker, I rise today in support of H.J. Res. 87, the Yucca Mountain Repository Site Approval Act. Currently, 45,000 metric tons of spent nuclear fuel is stored in 131 sites in 39 states. Most of these storage sites are temporary and near large population centers and water supplies. There is a risk that leaks and damages from current storage facilities could impact up to 161 million Americans. Scientists agree that it is unsafe to permanently store nuclear waste on the shores of the Great Lakes, the Long Island Sound, the Atlantic Ocean, the Pacific Ocean, the Gulf of Mexico, or any other body of water. The Yucca Mountain site will minimize these risks. I believe that creating a permanent repository for spent nuclear fuel is the right thing to do, and that is why I will vote yes today.

The vote today is another step in what has been a 20-year process. Supporting this resolution allows the Department of Energy to file an application for a license at the Nuclear Regulatory Commission (NRC). It is up to the NRC to determine that the site will adequately protect public health and safety, and to make a decision to grant an operating license for the facility. The licensing process will take many years, will require many additional scientific studies, and will continue to provide for public input at every step along the way. Transportation plans will continue to be updated during this process and the earliest shipments would not start for Yucca Mountain until 2010.

I understand that the transportation of spent nuclear fuel is a concern, and we must address this issue thoroughly. There is no question we will need to ensure that there is a well-trained and certified workforce to handle and transport waste. For decades now, spent nuclear waste has been shipped in small quantities with no obvious harm to the public. If it becomes apparent that the waste cannot be transported safety and effectively, I would support revising the status of the Yucca Mountain repository.

Mr. Speaker, by voting yes today we are taking a prudent step for the future of this country. For all of these reasons, I support H.J. Res. 87.

Mr. KOLBE. Mr. Speaker, I rise in strong support of the Yucca Mountain Repository Site Approval Act (H.J. Res. 87).

I believe that Americans must come to grips with their obsessive fear of nuclear energy. Nuclear power supplies 20 percent of our nation's electricity, but no nuclear power plant has been built in the U.S. in approximately 30 years. That means our generation of electricity is increasingly dependent on fossil fuels. By contrast, France uses nuclear power for most of its electricity requirements. Even Japan, the only nation to be attacked with nuclear weapons, uses nuclear power for more of its energy needs than the United States. Greater reliance on nuclear power—and I believe it is safe—would free us from our dependence on OPEC products.

However, we must also address the safe transportation and disposal of nuclear waste. The Yucca Mountain Repository Site Approval Act approves the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel. We need to have a single, consolidated site that can be appropriately secured.

Currently, temporary nuclear waste sites are scattered all over the country. More than 161 million people currently live within 75 miles of a temporary nuclear waste site, and these sites are near major waterway. In addition, 40 percent of the U.S. Navy's ships and submarines are nuclear powered. We simply need to bring all this nuclear waste into one repository that is designed to permanently store this material safely for thousands of years. The site at Yucca Mountain is designed to do just that.

I urge Members to support this joint resolution.

Mr. LEVIN. Mr. Speaker, I rise in support of the resolution.

Today the House is confronted with the unpalatable choice of whether to take the next step in a process that could ultimately ship tons of hazardous nuclear waste across the country and bury it at the Yucca Mountain repository, or leave the waste where it is at more than 130 sites around the country. In truth, the question of what to do with the nuclear waste is an issue we've been avoiding since the dawn of the nuclear era more than half a century ago. We can't keep putting off this decision.

In justice to those who oppose this resolution, moving 70,000 tons of nuclear waste across the length and breadth of the United States and burying it in Nevada is by no means a perfect solution. Yucca Mountain has a number of desirable attributes. It is isolated in an arid location, far from population centers, and the proposed repository is protected by natural geological barriers. All that said, claims that the natural and engineered barriers in place at Yucca Mountain guarantee that the waste will remain isolated from the environment for more than 10,000 years have to be viewed with skepticism. In addition, the issues surrounding the transportation of so much hazardous waste require additional work.

At the same time, leaving the waste where it is at more than 130 locations in 39 states is not a viable option. None of these sites were intended or designed for long-term storage of high-level radioactive waste, and most are located near population centers adjacent to rivers, lakes and seacoasts. The nuclear waste doesn't go away or become any less of a problem if we ignore it.

My understanding is that the repository at Yucca Mountain can be kept open for as long as 300 years, allowing the Department of Energy to monitor the underground storage areas and even retrieve the waste packages. When one considers the amazing scientific breakthroughs of the last three centuries, there are good grounds for optimism that over the next 300 years we will develop the technological means to engineer a better solution to this problem. In the meantime, we shouldn't put off the decision on whether to move forward with the process of consolidating the waste at Yucca Mountain. Even if we start today, and all the remaining technical issues are resolved during the licensing process, it will still be at least ten year before the repository is ready.

Yogi Berra once observed, "When you come to a fork in the road, take it." For more than 50 years, the United States has put off making a decision about what to do about the nuclear waste. At long last, it's time to face up to this problem and move forward.

Mr. BLUMENAUER. Mr. Speaker, this debate has become far more political than technical. The bottom line is that the Federal Government made yet another commitment it cannot keep. Following decades of rosy predictions and assurances to the public, we explicitly promised to properly dispose of the nation's nuclear waste. Twenty years and $8 billion dollars later, we are still not prepared to do so. This is not acceptable. We need to keep our promise to communities across the country that are temporarily storing waste in sites that are vulnerable to terrorist attacks and natural disasters.

We are not ready to open the Yucca Mountain nuclear waste repository. There are too many unresolved questions, even as the Administration agrees that the current storage system can reasonably remain for many years. The low standards and inadequate science that the Department of Energy has shown at Hanford in the Pacific Northwest for decades are apparent at Yucca Mountain as well.

Even if we do go forward with this proposal, by the time that the Yucca Mountain site is ready to actually accept waste underground, we will have already exceeded its capacity. By the year 2035, the waste from just commercial power plants currently in operation is expected to be at least 90,000 tons. Yucca Mountain can only hold 77,000 tons. By law, in order to expand the capacity at Yucca, a second site must be named. Since Hanford, Washington was examined as one of the potential sites up until 1987, we have every reason to believe that the Department of Energy will look to Hanford as a second site once Yucca is full.

The approval of Yucca Mountain will set a dangerous precedent for other potential sites such as Hanford. When Yucca Mountain failed to meet repository guidelines, the Department of Energy rewrote those guidelines to avoid disqualifying the site. I don't want this same low standard to be applied to Hanford or any of the other potential sites.

The Bush Administration is pushing approval of Yucca Mountain now because nuclear energy is a large part of its national energy policy. Yucca is not now a viable long-term solution. It may never be. It makes no sense to rely on an energy source that produces a deadly waste for which we have no safe or long-term solution for clean up or storage. As long as we continue to produce at least a fifth of our energy from nuclear power plants, we are going to have a nuclear waste problem. Yucca will not solve that.

I don't pretend to know the answers to our nuclear waste problem. I'm convinced that transporting the waste across the country in casks that have not been properly tested and burying it under a mountain whose geological features are not what we once thought they were is not the answer.

While some may sound confident, I'm not sure anyone has a good roadmap in hand. This is precisely why we should not implement a policy that is going to make the situation worse. Approving Yucca Mountain as a repository site will be giving the nuclear industry a green light to produce more waste, despite the industry's inability to clean up after itself or even pay for its own insurance. Until we find a real solution to the nuclear waste problem, we should not encourage more of it.

Ms. MINK of Hawaii. Mr. Speaker, I rise in strong opposition to H.J. Res. 87 and am shocked that it is even on the calendar. The people of Nevada have spoken! Governor Guinn of Nevada has vetoed the site as allowed under the Omnibus Budget Reconciliation Act of 1987 (PL 100–203). This should be the end of it. Congress put this veto provision into law to respect the State of Nevada's rights.

Mr. Speaker, every Member of the Nevada delegation is opposed to this Resolution and opposed to the Yucca Mountain site. They do not believe that the Department of Energy's recommendation was based on sound science and neither do I. The Congress created the Nuclear Waste Technical Review Board to provide oversight to the Department of Energy (DOE) to ensure that the Yucca site would be based on sound science. This Board is made up of nationally recognized scientists. A recent review of the DOE's scientific review was graded an "F" by the Board.

There has not been enough scientific research on issues relating to the storage of nuclear waste. The Congress acted hastily in 1987 by limiting the consideration of potential sites to only Yucca Mountain. This way, no matter what science said or what potential health risks should arise, Yucca Mountain was going to be the site of the repository. This is a State's Rights issue. The people of Nevada do not want the nuclear waste and the Congress should not force the waste upon them. I urge my colleague to vote "no" on H.J. Res. 87.

Mr. SIMMONS. Mr. Speaker, since coming to Congress in January 2001, protecting the environment has been one of my top priorities. I am proud to have authored the law granting federal "wild and scenic" status to Connecticut's Eightmile River; proud of my pro-environment votes, including voting against weakening our nation's arsenic standards; and proud of my appointment as Co-Chair of the Long Island Sound Caucus.

Out of all of my efforts to protect Connecticut's environment, nothing is more important than today's vote to establish a permanent high-level nuclear waste storage facility at Yucca Mountain, in the Nevada desert.

Eastern Connecticut is home to four nuclear power plants—Millstone 1, 2 and 3 and Connecticut Yankee. The Millstone nuclear power plant in Waterford sits on Long Island Sound. On Millstone's 500 acres sits tons radioactive waste. Just north of Millstone, on the banks of the Connecticut River, is the Connecticut Yankee nuclear power plant on Haddam Neck. There, 22 years of spent nuclear fuel sits in a cooling pool waiting to be removed. All told, there is more than 1,500 metric tons of spent nuclear fuel at those two sites.

Establishing Yucca Mountain will begin the process of removing nuclear waste from these two facilities. Why is that important? Imagine an accident involving the spent fuel pools at Millstone in Waterford. Imagine nuclear water seeping into the Long Island Sound. What would happen? Connecticut's shellfish industry—decimated; Water skiing and recreation in the Sound—forget about it. The entire Long Island Sound ecosystem would be destroyed for generations. This is why a vote for Yucca Mountain is a vote to protect Connecticut's environment.

What about an accident at Connecticut Yankee? what would happen to the Connecticut River if spent fuel spilled into it? Connecticut's largest fresh water river—contaminated; Salmon and shad, which are just beginning to replenish the river waters—gone and never coming back. And all of this flowing south past Interstate 95 and the Amtrak Northeast Corridor into Long Island Sound.

Nuclear waste dumped into the Connecticut River would destroy New England's largest river ecosystem and one of the Nation's first American Heritage Rivers. This is why a vote for Yucca Mountain is a vote to protect Connecticut's environment.

Mr. Speaker, clearly, establishing Yucca Mountain is critical to Connecticut's environmental needs. But if you have another reason to support H.J. Res. 87, let's look at the issue from a national security perspective.

Make no mistake—spent fuel in a permanent repository for storage is less susceptible to terrorist attacks than spent fuel in temporary sites, especially when the Yucca site is isolated and the temporary storage facilities are often close to population centers and waterways.

In fact, today more than 161 million people currently live within 75 miles of one or more nuclear waste sites, all of which were intended to be temporary. These sites are also located near 20 major waterways that supply water to more than 30 million Americans. Highly radioactive nuclear waste is currently stored in more than 131 sites in 39 states. A coordinated attack, similar to those on September 11, on two or more of these sites would be catastrophic.

There is no question that keeping this hazardous waste in miles of tunnels beneath solid rock in the arid desert provides better security for storage and monitoring than leaving it along our undefended rivers and watercourses.

Access to the Yucca site is already restricted due to its proximity to the Nevada Test Site and Nellis Air Force Range surrounds the site on three sides, providing an effective rapid-response security force.

Establishing one spent fuel site will protect our environment and strengthen our national security. Yucca Mountain is one of the few issues that brings together environmentalists and defense hawks. Any issue that can do that is worthy of this body's support. I urge my colleagues to join me in support of H.J. Res. 87.

Mr. UDALL of New Mexico. Mr. Speaker, nuclear utilities intend to keep producing nuclear waste, and with talk about creating new reactors this would only add to the growing waste problem.

The Bush Energy Plan calls for doubling the number of nuclear reactors in the U.S. by 2040. Yucca Mountain is only designed to contain the waste from existing reactors.

The GAO report concludes it would be premature for the Secretary of Energy to recommend Yucca Mountain as the nation's nuclear waste repository for 77,000 metric tons of radioactive waste because many technical issues remain unresolved. Energy Secretary Abraham recommended the site anyway.

The report said the Department of Energy (DOE) is unlikely to achieve its goal of opening a repository at Yucca Mountain by 2010 and currently does not have a reliable estimate of when, and at what cost, such a repository can be opened.

Two hundred ninety-three unfinished scientific and technical issues have yet to be resolved before the site can be opened. For example, additional study is needed on how water would flow through the repository area to the underlying groundwater and on the durability of waste containers which are needed to last tens of thousands of years.

We should use sound science to solve these unresolved issues to determine if Yucca Mountain is really ready to receive nuclear waste.

Ms. PELOSI. Mr. Speaker, I rise today to speak in strong opposition to this resolution.

But first, I must thank our colleague, the gentlelady from Nevada, for her outstanding leadership on Yucca Mountain.

She is a champion for her state. She has said she would lay herself down on the railroad tracks to prevent nuclear waste from coming into her state, and I know she would do it.

Mr. Speaker, every day, the President and the Republican leadership claim that they want to keep the federal government out of people's lives and empower states with the flexibility to govern themselves.

Yet today we are going to override the veto of a governor and go against the express wishes of the people of Nevada.

The President has broken his promise to the people of Nevada. Before his election, he promised that the decision whether to store nuclear waste at Yucca Mountain would be based on sound science.

The science is not sound.

The GAO has identified more than 250 significant technical issues that still need to be resolved before going ahead with Yucca Mountain.

Mr. Speaker, many Yucca Mountain supporters say: "We have to put this waste somewhere. Get it out of my neighborhood and put it somewhere else."

I want to remind my colleagues that moving it out of your neighborhood won't solve the problem.

As long as your local nuclear power plant is running, there will always be nuclear waste in your neighborhood—the hottest and most dangerous waste, the waste that just came out of the reactor core.

And transporting the waste puts many more communities at risk of accidents and terrorist attacks.

Nor does Yucca Mountain solve our long-term waste storage problem. By the time the repository opens, we will have enough waste to fill it up, and we'll have to start over again, looking for another site.

We need to choose a different path. We need to develop clean, renewable energy sources that do not produce lethal waste that will endure for hundreds of thousands of years.

Mr. Speaker, when we make this decision today, we should associate ourselves with the aspirations of a state, protect the environment of our country, and do the right thing, and vote against this resolution.

Mr. ISSA. Mr. Speaker, I rise today in support of H. J. Res. 87, the Yucca Mountain Repository Site Approval Act. I am happy to join my colleagues as we approach the end of this 20 year journey to find an appropriate repository for spent nuclear fuel.

Common sense dictates that nuclear waste belongs in a secure and remote location, not the coast of Southern California. Today, this House will vote to support one of President Bush's national security objectives: the construction of the Yucca Mountain nuclear waste storage facility.

Congressional approval for the President's plan to build the Yucca Mountain facility will be a step toward resolving California's power crisis and will protect our communities from the unnecessary risk to storing nuclear waste. Centralizing the storage of hazardous nuclear waste at the remote Yucca Mountain facility clearly makes more sense than the current system of storing nuclear waste at 131 different storage sites including San Onofre, a nuclear power plant located in my district.

Today 161 million Americans live within 75 miles of at least one of these 131 storage facilities. The future security, efficiency and environmental advantages of storing spent nuclear fuel at the completed Yucca Mountain facility surpass those of any other viable alternative, including the continuation of the current system.

Consider the advantages of the proposed Yucca Mountain facility. Located on remote federal land, it would be more than 90 miles away from any major population center. In terms of security, the facility would be buried 1,000 feet below the desert surface, the site is surrounded on three sides by the Nellis Air Force Range, the airspace above Yucca Mountain is restricted and the facility would have its own elite rapid-response security force.

Scientific studies conducted by the Department of Energy have, since 1982, evaluated the risks to the site posed by volcanoes, earthquakes, underground water, human intrusion and many other potential threats; after carefully considering these factors scientists have concluded that the risk to the Yucca Mountain site over the next 10,000 years are minimal.

The centralization of spent nuclear fuel at the Yucca Mountain facility will allow a more efficient allocation of resources to manage and safeguard nuclear waste than is possible under the current system or any other current proposal for the future. When the technology that recycles spent nuclear fuel becomes a reality, the concentration of resource at Yucca Mountain will speed efforts to reduce or eliminate nuclear waste.

Environmentally, even if no additional nuclear power plants are built, the need to securely store existing spent nuclear fuel will continue. Nuclear power is environmentally friendly, economical and safe. Yucca Mountain will open the door to the possibility of building new nuclear power plants, instead of more coal and oil plants, to meet California's energy needs and to avert a future power crisis like the one experienced last summer. Storing spent nuclear fuel in a central, secure and remote location that minimizes the threat of contaminating water sources, the atmosphere and our nation's wildlife is the most environmentally responsible policy possible under given conditions. The proposal to build a single storage site at Yucca Mountain will protect the environment and public safety better than building and maintaining several smaller storage facilities throughout the United States.

The arguments of those who oppose the Yucca Mountain project revolve around the fear of uncertainty. These arguments point to the possibility that the scientific assessments of the Yucca Mountain site could be flawed. They note that despite all planned precautions and the extensive experience our nation already has in transporting spent nuclear fuel, an accident could occur in transport. Finally, they hold out the hope that American ingenuity will develop new technologies that can easily recycle spent nuclear fuel or even eliminate the need for nuclear power through advances in solar, wind and other energies—thus eliminating the need for new spent nuclear fuel storage facilities. While these points cannot and should not be ignored, they are themselves uncertainties.

Uncertainty, in fact, is a major reason why the Yucca Mountain facility should be built. Secretary of Energy Spencer Abraham has noted that existing nuclear waste storage facilities, like the one at San Onofre, "should be able to withstand current terrorist threats, but that may not remain the case in the future."

Any uncertainty involving spent nuclear fuel is better addressed 1,000 feet below the surface of the desert and 90 miles away from any major population center than in the middle of highly populated places like Southern California. The construction of the Yucca Mountain facility is a national security issue. I intend to support President Bush's decision to build the facility and hope that my colleagues in Congress also will back the President.

Mr. Speaker, our journey is about to be completed regarding Yucca Mountain. I ask that my colleagues support passage of the resolution.

The SPEAKER pro tempore (Mr. ISAKSON). All time has expired.

Pursuant to section 115(e)(4) of the Nuclear Waste Policy Act of 1982, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. BERKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 306, nays 117, not voting 12, as follows:

[Roll No. 133]

YEAS—306

Aderholt
Akin
Allen
Andrews
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bono
Boozman
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Cardin
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Cooksey
Costello
Cox
Cramer
Crenshaw
Cubin
Culberson
Cummings
Cunningham
Davis (FL)
Davis (IL)
Davis, Jo Ann
Deal
Delahunt
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hobson
Hoeffel
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Inslee
Isakson
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Keller
Kennedy (MN)
Kerns
Kildee
Kilpatrick
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Lampson
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
Meek (FL)
Meeks (NY)
Mica
Miller, Dan
Miller, Gary
Miller, Jeff
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Olver
Osborne
Otter
Oxley
Pascrell
Pastor
Payne
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Ramstad
Regula
Rehberg
Reynolds
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Sandlin
Sawyer
Saxton
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Turner
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watt (NC)
Watts (OK)
Weldon (FL)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wynn
Young (FL)

NAYS—117

Abercrombie
Ackerman
Baca
Baldwin
Becerra
Berkley
Berman
Blumenauer
Bonior
Boswell
Capps
Capuano
Carson (IN)
Condit
Conyers
Coyne
Crowley
Davis (CA)
Davis, Tom
DeFazio
DeGette
DeLauro
Doggett
Eshoo
Evans
Farr
Filner
Frank
Frost
Gallegly
Gephardt
Gibbons
Gonzalez
Harman
Hinchey
Hinojosa
Holt
Honda
Hooley
Israel
Jackson (IL)
Jackson-Lee (TX)
Kaptur
Kelly
Kennedy (RI)
Kleczka
Kucinich
LaFalce
Langevin
Lantos
Lee
Lewis (CA)
Lewis (GA)
Lofgren
Lowey
Luther
Lynch
Maloney (NY)
Markey
Matheson
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McKeon
McKinney
McNulty
Meehan
Menendez
Millender-McDonald
Miller, George
Mink
Moore
Napolitano
Oberstar
Ortiz
Owens
Pallone
Paul
Pelosi
Pence
Pombo
Radanovich
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Sabo
Sanchez
Sanders
Schakowsky
Schiff
Serrano
Sherman
Slaughter
Smith (WA)
Solis
Souder
Stark
Thompson (CA)
Tierney
Udall (CO)
Udall (NM)
Velázquez
Waters
Watkins (OK)
Watson (CA)
Weiner
Wexler
Woolsey
Wu
Young (AK)

NOT VOTING—12

Burton
Crane
Hall (OH)
Hyde
Kind (WI)
Nadler
Ose
Riley
Scott
Traficant
Waxman
Weldon (PA)

□ 1545

Mrs. KELLY changed her vote from "yea" to "nay."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.J. Res. 87, just passed.

The SPEAKER pro tempore (Mr. ISAKSON). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

STOP THE SPREAD OF GAMBLING

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. WOLF. Mr. Speaker, I would like to call the attention of the House to an open letter from 220 religious leaders to the President of the United States and Congress on the spread of gambling.

They said, "We, the undersigned, represent a variety of faith perspectives and religious beliefs. We hold different convictions regarding many of the most prominent issues of the day, yet we are united in our opposition to legalized gambling and we respectfully urge Congress to begin to address the devastation that gambling has wrought on our children and families and communities as a Nation."

And then they go on to talk about the faith community can provide countless stories of families shattered by gambling addiction.

It was a full page ad in Roll Call. I urge Members to look at it and see. This Congress ought to begin to deal with this issue of the spread of gambling.

AN OPEN LETTER FROM 220 RELIGIOUS LEADERS TO THE PRESIDENT AND CONGRESS ON THE SPREAD OF GAMBLING

DEAR MEMBER OF CONGRESS: We, the undersigned, represent a variety of faith perspectives and religious beliefs. We hold differing convictions regarding many of the most prominent issues of our day. Yet we are united in our opposition to legalized gambling. We believe it to be a moral and cultural cancer. Therefore, we respectfully urge Congress to begin to address the devastation that gambling has wrought on our children, families, communities and nation. Consider just the following sampling of gambling's toll on America's citizenry:

Gambling exploits those with the fewest financial resources, as both a multitude of studies and our own experiences in our individual communities readily confirm. A few months ago we were inundated with glowing press accounts of the Powerball winner from Kentucky who gambled part of his unemployment check to attain the jackpot. How many tens of thousands of others in similar circumstances squandered their meager income chasing this state-sponsored fantasy and wound up without enough money to pay the rent or put food on the table? According to the National Gambling Impact Study Commission (NGISC), individuals earning less than $10,000 per year spend more on lottery tickets every year than any other income group.

Each of us—and the faith communities we represent—could provide countless stories of families shattered by gambling addiction. We are often the ones forced to pick up the pieces of lives ripped apart by divorce and domestic violence. According to a survey by the NGISC, gambling has been responsible, in whole or in part, for more than 2 million divorces in recent years. Child abuse and neglect are other effluents of gambling's explosive growth. In addition, research indicates that children of gambling addicts do more poorly in school, experience more behavioral problems, and are more susceptible to gambling addiction themselves.

The gambling boom has made our communities more dangerous places to live. Gambling operations attract crime, and they create new criminals out of otherwise law-abiding citizens. Studies confirm that more than half of gambling addicts will engage in illegal activities—everything from embezzlement to armed robbery—to fund their compulsion to gamble.

Gambling has subverted the rightful role of government as protectorate of the people. Casinos in particular have bought favors with politicians at all levels, thus enabling them to spread their poison product into even more communities. In the most recent election, gambling interests lavished $10.9 million on candidates and parties at the federal level alone. That does not include the multi-millions spent on lobbying, nor does it take into account that gambling interests have become the single most powerful force in a number of state governments. All of this influence comes at a terrible price that is paid for by the gambling industry's multitude of victims.

The rapid increase in legal gambling opportunities has created a concomitant boom in the number of gambling addicts. According to the NGISC, more than 15 million Americans struggle with a significant gambling problem—and the repercussions are often profound. Perhaps no single statistic better reveals the depth of despair associated with gambling addiction than this: One in five of those who become addicted to gambling will attempt to take his or her own life.

Legal gambling operations entice teenagers to delve into this dangerous activity. Many become trapped. Studies show that the rate of gambling problems among adolescents is dramatically higher than that for adults. Hundreds of thousands of teens regularly access casinos, lotteries, and other legal betting venues despite age regulations to the contrary. Further, aggressive and omnipresent gambling advertising campaigns disparage the ethic of work, diligence and study while bombarding teens with the idea that gambling is the means to get rich quick.

Gambling has become a blight on our nation's cultural landscape. As religious leaders, we see the gambling-induced pain and devastation among many of those who look to us for spiritual guidance. Thus, we stand together not only in our concern, but in our commitment to oppose this predatory and destructive industry. We call on members of Congress to place America's citizens and families ahead of the false promises and hefty political contributions of the gambling industry, and to begin to address this rapidly growing menace to our national welfare.

Sincerely,

Dr. Mark Bailey, President, Dallas Theological Seminary.

The Rt. Rev. Charles E. Bennison, Jr., Episcopal Diocese of Pennsylvania.

Dr. Ron Black, Executive Director, General Association of General Baptists.

Dr. Bill Bright, Founder and Chairman, Campus Crusade for Christ.

David Bryant, Chairman, America's National Prayer Committee.

Commissioner John Busby, National Commander, The Salvation Army.

Dr. Gaylen J. Byker, President, Calvin College.

Tony Campolo, Ph.D., President, The Evangelical Association for the Promotion of Education.

Dr. Judson Carlberg, President, Gordon College.

Dr. Morris H. Chapman, President & CEO, Southern Baptist Convention, Executive Committee.

Charles W. Colson, Chairman of the Board, Prison Fellowship Ministries.

Dr. Clyde Cook, President, Biola University and Talbot School of Theology.

Kenneth L. Connor, President, Family Research Council.

Dr. James C. Dobson, President, Focus on the Family.

David H. Engelhard, General Secretary, Christian Reformed Church in North America.

Dr. Tony Evans, President, The Urban Alternative.

Reverend Jeff Farmer, President, Open Bible Churches.

Bruce L. Fister, Lt. Gen. USAF (Ret.), Executive Director, Officers' Christian Fellowship.

Leighton Ford, President, Leighton Ford Ministries.

Dr. Stan D. Gaede, President, Westmont College.

Rev. Dr. Thomas W. Gillespie, President, Princeton Theological Seminary.

William Graham, Acting Dean, Harvard Divinity School.

The Rt. Rev. J. Clark Grew II, Bishop, Episcopal Diocese of Ohio.

Bishop Susan W. Hassinger, United Methodist Church, Boston Area.

Rev. Paul Hirschy, Bishop, Church of the United Brethren in Christ, USA.

Dr. David W. Holdren, General Superintendent, The Wesleyan Church.

Clyde M. Hughes, Bishop, International Pentecostal Church of Christ.

L. Gregory Jones, Dean and Professor of Theology, Duke Divinity School.

Rev. Dr. Walter C. Kaiser, President, Gordon-Conwell Theological Seminary.

Rabbi Benjamin Kamenetzky, Executive Director, Yeshiva of South Shore.

D. James Kennedy, Ph.D., Senior Minister, Coral Ridge Presbyterian Church.

Clifton Kirkpatrick, State Clerk of the General Assembly, Presbyterian Church (U.S.A.).

Dr. Richard Land, President, Ethics and Religious Liberty, Commission of the SBC.

Rabbi Abraham S. Lefkowitz, Chaplain, Nassau County Police Department.

Dr. Duane Litfin, President, Wheaton College.

Max Lucado, Senior Minister, Oak Hills Church of Christ.

Bishop Joel N. Martinez, United Methodist Church, San Antonio Area.

Bishop Felton E. May, United Methodist Church, Washington, D.C. Area.

Dr. James Merritt, President, Southern Baptist Convention.

Dr. Kenneth M. Meyer, Chancellor, Trinity Evangelical Divinity School.

Dr. R. Albert Mohler, Jr., President, Southern Baptist Theological Seminary.

Dr. Richard J. Mouw, President, Fuller Theological Seminary.

Harold Myra, Executive Chairman, Christianity Today International.

Father Richard John Neuhaus, President, Institute on Religion and Public Life.

Dr. John M. Perkins, Chairman, Christian Community Development Association.

Glenn Plummer, Chairman, National Religious Broadcasters.

The Rt. Reverend F. Neff Powell, Bishop, Episcopal Diocese of Southern Virginia.

Dennis Rainey, Executive Director, Family Life.

Sandy Rios, President, Concerned Women for America.

Adrian Rogers, Senior Pastor, Bellevue Baptist Church.

Dr. Rex M. Rogers, President, Cornerstone University.

Rt. Rev. Catherine S. Roskam, Bishop Suffragan of New York.

Bruce Ryskamp, President and CEO, Zondervan.

Dr. Emanuel Sandberg, Executive Director, The Brethren Church.

Bishop Beverly J. Shamana, United Methodist Church, San Francisco Area.

Dr. Dal Shealy, President/CEO, Fellowship of Christian Athletes.

Ronald J. Sider, President, Evangelicals for Social Action.

Charles W. Smith, Sr. Pastor, Calvary Chapel.

Sister Lucille Souza, MSC, Mother Cabrini High School.

David Stevens, MD, Executive Director, Christian Medical Association.

Dr. Thomas Trask, General Superintendent, General Council of the Assemblies of God.

Miroslav Volf, Professor, Yale University.

Rev. Jim Wallis, Editor-in-Chief, Sojourners.

Donald E. Wildemon, President American Family Association.

Dr. Edward W. Williamson, General Superintendent, Evangelical Methodist Church, International Headquarters.

Jim Winkler, General Secretary, United Methodist Church, General Board of Church and Society.

Ravi K. Zacharias, President, International Ministries.

ADDITIONAL SIGNATORIES TO THE "OPEN LETTER TO THE PRESIDENT AND CONGRESS"

The Rt. Rev. Keith L. Ackerman, Bishop, Diocese of Quincy (IL).

Howard Ahmanson, President, Fieldstead & Co.

Robert T. Allen, President, National Association of Evangelicals—Arizona.

Dr. A.J. Anglin, President, Trinity Christian College.

Dr. Jay A. Barber, President, Warner Pacific College.

Dr. James Barnes, President, Indiana Wesleyan University.

Rev. Dr. Peter B. Barnes, Senior Pastor, First Presbyterian Church (Boulder, CO).

Dr. Philip J. Baur, Interim President, Bethel Seminary of the East.

Dr. Timothy F. George, President, Samford University.

Michael Glenn, Executive Vice President, National Religious Broadcasters Association.

J. Gary Glosten, Bishop Suffragan, Episcopal Diocese of North Carolina.

William T. Greig II, Chairperson, Gospel Light Publishing.

Doris W. Greig, Chairperson, Gospel Light Publications.

Wayne Grudem, Ph.D., Research Professor of Bible and Theology, Phoenix Seminary, Past President, Evangelical Theological Society.

Dr. David J. Gyertson, President, Taylor University.

Pastor Matthew Heard, Senior Pastor, Woodmen Valley Chapel.

The Rt. Rev. Henry N. Parsley, Jr., Bishop, Episcopal Diocese of Alabama.

Bishop Gregory Palmer, Iowa Conference, United Methodist Church.

Joe E. Pennel, Jr., Bishop, Virginia Conference of United Methodist Church.

Randy Pope, Pastor, Perimeter Church.

Tom Prichard, President, Minnesota Family Council.

Dr. Paul A. Rader, President, Asbury College.

Stephen W. Reed, General Counsel, Focus on the Family.

Larry D. Robertson, Ph.D., State Evangelism Specialist, Tennessee Baptist Convention.

Dr. LeVon Balzer, President, John Brown University.

The Rt. Reverend David C. Bane, Jr., Bishop, Episcopal Diocese of Southern Virginia.

Dr. Gayle D. Beebe, President, Spring Arbor University.

Bobbi Biehl, President, Masterplanning Group International.

Bishop Bruce Blake, United Methodist Church, Oklahoma Area.

Richard Bott, Sr., President, Bott Radio Network.

Robert H. Brindle, Consultant to churches.

Reverend R.O. and Elsa Prince Broehuizen, Pastor (Holland, MI).

Rev. Edison G. Brooker, Pastor, Rotonda West Community Church, Chairman, National Association of Evangelicals—Florida.

Bishop Warner H. Brown Jr., United Methodist Church Denver Area.

Dr. Homer Heater, Jr., President, Capital Bible Seminary.

Dr. Kenneth S. Hemphill, President, Southwestern Baptist Theological Seminary.

Donald Paul Hodel, Former Reagan Cabinet Officer.

Dr. E. Douglas Hodo, President, Houston Baptist University.

Bishop John L. Hopkins, United Methodist Church, Minnesota Area.

The Rt. Rev. Barry Howe, Bishop, Episcopal Diocese of West Missouri.

John W. Howe, Bishop, The Episcopal Diocese of Central Florida.

Bishop William W. Hutchinson, United Methodist Church, Louisiana Area.

Bishop Neil L. Irons, United Methodist Church, Harrisburg Area.

Bishop S. Clifton Ives, United Methodist Church. West Virginia Area.

Dr. David J. Robinson, President, Houston Graduate School of Theology.

Dr. William P. Robinson, President, Whitworth College.

Thomas E. Rogeberg, Executive Vice President, Coral Ridge Ministries Media, Inc.

Bishop Edward L. Salmon, Diocese of South Carolina.

Bishop William J. Salmon, Diocese of South Carolina.

Dr. Rick Scarborough, President, Vision America.

Rick Schatz, President, & CEO, National Coalition for the Protection of Children and Families.

Reverend Dale Schlafer, President, and Founder, Center for World Revival and Awakening.

Alan E. Sears, President,, Alliance Defense Fund.

Don Schmierer, Program Officer, Fieldstead & Company.

Dr. George K. Brushaber, President, Bethel College and Seminary.

Dr. Jerry Cain, President, Judson College.

Bishop Kenneth L. Carder, United Methodist Church, Mississippi Area.

Dr. John L. Carson, President, Erskine College.

Lt. Gen. Patrick P. Caruana (USAF Ret.), Board Member, Focus on the Family.

Dr. Daniel Chamberlain, President, Houghton College.

Bishop Ray W. Chamberlain Jr., United Methodist Church, Houston Area.

Bishop Ben R. Chamness, Central Texas Conference of the United Methodist Church.

Dr. Bryan Chapell, President, Covenant Theological Seminary.

Rev. Clifford R. Christensen, Conference Minister Conservative, Congregational Christian Conference.

Glen A. Land, Director of Missions and Evangelism, Minnesota-Wisconsin Baptist Convention.

Dr. Luciano Jaramillo, IBS-Latin America, Executive Director, IBS-US, Hispanic Ministries Director.

The Rt. Rev. Stephen H. Jecko, Diocese of Florida.

Jonathan D. Keaton, Bishop, East Ohio Conference of the United Methodist Church.

Dr. Keith P. Keeran, President, Kentucky Christian College.

Dr. Kirby Nelson Keller, President, Evangelical School of Theology.

Jay L. Kesler, Chancellor, Taylor University.

Bishop Hae-Jong Kim, United Methodist Church, Pittsburgh Area.

Bishop James R. King Jr., United Methodist Church, Louisville Area.

Jerry R. Kirk, Chairman, National Coalition for the Protection of Children and Families.

James M. Kushiner, Executive Director, Fellowship of St. James.

Max L. Staekhouse, Professor of Christian Ethics, Princeton Theological Seminary.

The Rt. Reverend John-David Mercer Schofield, Bishop, Episcopal Diocese of San Joaquin, Central Third of California.

Bishop Ann B. Sherer, United Methodist Church, Missouri Area.

Rt. Rev. Richard L. Shimpfky, Bishop, Episcopal Diocese of El Camino Real.

Randy D. Singer, Executive Vice President, North American Mission Board, SBC.

Bishop C. Joseph Sprague, United Methodist Church, Chicago Area.

Tim Stafford, Senior Writer, Christianity Today Magazine.

James R. Stuck, Bishop, Indiana-Kentucky Synod Evangelical Lutheran Church in America.

Dr. Lee Snyder, President, Bluffton College.

Dr. Richard L. Spindle, President, MidAmerica Nazarene University.

Peter Sprigg, Senior Director of Culture Studies, Family Research Council.

David E. Clippard, Associate Executive Director, Baptist General Convention of Oklahoma.

Charles W. Colson, Chairman of the Board Prison Fellowship Ministries—Washington, D.C.

Dr. Paul R. Corts, President, Palm Beach Atlantic College.

Dr. William Crothers, President, Northeastern Seminary.

Rt. Rev. Clifton Daniel, III, Bishop, Diocese of East Carolina.

Glenn DeMots, President, Bethany Christian Services.

Bishop William W. Dew Jr., United Methodist Church, Phoenix, Area.

Dr. Dennis H. Dirks, Dean, Talbot School of Theology at Biola University.

Dr. Davis S. Dockery, President, Union University.

Dr. Joseph L. Lapp, President, Eastern Mennonite University.

The Rt. Rev. Edward L. Lee, Jr., Bishop, Diocese of Western Michigan.

Edwin M. Leidel, Bishop of Eastern Michigan.

Dr. Daniel Lockwood, President, Multnomah Biblical Seminary.

Ernest S. Lyght, Bishop, The New York Annual Conference, The United Methodist Church.

Dr. Kevin Mannoia, Dean, C.P. Haggard School of Theology, Azusa Pacific University.

Colby M. May, Esq., Director, Office of Government Affairs, American Center for Law and Justice.

Dr. Kenneth M. Meyer, Chancellor, Trinity Evangelical Divinity School.

Bishop Rodney R. Michel, Garden City, NY.

Dr. Vinson Synan, Dean, School of Divinity, Regent University.

Dr. C. Pat Taylor, President, Southwest Baptist College.

The Rt. Reverend Douglas E. Theuner, Bishop, Episcopal Diocese of New Hampshire.

Dr. David Tiede, President, Luther Seminary.

Dr. Al Truesdale, Interim President, Eastern Nazarene College.

Paul Tshimihamba, Associate Pastor, First Presbyterian Church (Berkeley, CA).

Rt. Reverend Franklin D. Turner, Bishop Suffragan of Pennsylvania.

Forrest L. Turpen, Executive Director, Christian Educators Association International.

John Tusant, Executive Director, The Greater Spokane Association of Evangelicals.

The Reverend David A. Donges, Bishop, Evangelical Lutheran Church in America.

Dr. Larry R. Donnithorne, President, Colorado Christian University.

Dr. G. Blair Dowden, President, Huntington College.

Dr. David E. Draper, President, Winebrenner Theological Seminary.

Ralph W. Dunkin, Bishop, West Virginia-Western Maryland Synod.

Dr. Maxie D. Dunnam, President, Asbury Theological Seminary.

Dr. Phillip W. Eaton, President, Seattle Pacific University.

Bishop Marion Edwards, United Methodist Church, Raleigh Area.

Dr. Tom Elliff, Pastor, First Southern Baptist Church (Del City, OK).

Bernard J. Evans, General Chairman, ELIM Fellowship.

Bishop Lee M. Miller, Upstate New York, SYNOD/ELCA.

State Senator Patricia Miller (IN), The Confessing Movement within the United Methodist Church.

Bishop Rhymes H. Moncure, United Methodist Church, Nebraska Area.

Dr. Royce Money, President, Abilene Christian University.

Dr. Charles W. Moore, President, Northern Baptist Theological Seminary.

The Rt. Rev. Paul Moore, Retired Bishop, Episcopal Diocese of New York.

Bishop William W. Morris, United Methodist Church, Nashville Area.

Susan Morrison, Bishop, United Methodist Church, Albany, New York Episcopal Area.

Rev. Duane Motley, President, New Yorker's Family Research Foundation, Inc.

Dr. Bruce Murphy, President, Northwestern College in Iowa.

Leslee J. Unruh, Founder and President National Abstinence Clearinghouse.

Dr. Jon Wallace, President, Azusa Pacific University.

Dr. Charles Wasielewski Sr., International Moderator, American Evangelical Christian Churches.

Peter D. Weaver, Bishop, The United Methodist Church, Philadelphia Episcopal Area.

Dr. C. Robert Wetzel, Emmanuel School of Religion.

Bishop Timothy W. Whitaker, United Methodist Church, Florida Area.

Dr. John H. White, President, Geneva College.

Bishop Woodie W. White, United Methodist Church, Indiana Area.

Bishop D. Max Whitfield, United Methodist Church, Northwest Texas/New Mexico Area.

Donald E. Wildmon, President, American Family Association.

Bishop Robert E. Fannin, North Alabama Annual Conference, The United Methodist Church.

Janet Folger, National Director, Center for Reclaiming America.

Richard J. Foss, Bishop, Fargo, ND.

Jeffrey R. Funk, Executive Director, Hospital Chaplains' Ministry of America (HCMA).

Dr. Ira Gallaway, Institute of Religion and Democracy.

Bishop Elias Galvan, The United Methodist Church, Seattle, WA.

Albert Mutti, Bishop, United Methodist Church, Kansas Episcopal Area.

David A. Noebel, President, Summit Ministries.

Bishop Alfred L. Norris, United Methodist Church, Houston Area.

Patrick Ortega, News & Public Affairs Director, Radio Nueva Vida Network.

Bishop Bruce R. Ough, United Methodist Church, Ohio West Area.

Dr. Roger Parrott, President, Bellhaven College.

Dr. G. Craig Williford, President, Denver Seminary.

Sid Wright, Chief of Staff to the Chairman, Campus Crusade.

Michael Youssef, Ph.D., President, Leading The Way Radio and Television.

Dr. Carl E. Zylstra, President, Dordt College.

□ 1545

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BROWN of South Carolina). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CELEBRATING MOTHER'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

Ms. CARSON of Indiana. Mr. Speaker, I really appreciate the Chair recognizing me as a young lady.

Mr. Speaker, I rise today in celebration of Mother's Day this Sunday, May 12, a day celebrated in the United States and many countries around the world to celebrate motherhood and express appreciation of our mothers.

Our Founding Father, George Washington, once said: "My mother was the most beautiful woman I ever saw. All I am I owe to my mother. I attribute all my success in life to the moral, intellectual and physical education that I received from her."

The first celebration honoring mothers dates back to ancient Greece where spring celebrations were held in honor of Rhea, the mother of the gods. During the 1600s, England honored mothers by celebrating the day called Mothering Sunday on the fourth Sunday of Lent, and it was in 1872 that the United States was introduced to the idea of Mother's Day by Julia Ward Howe, a lyricist of the "Battle Hymn of the Republic," with the intention of Mother's Day being dedicated to peace.

Thirty-five years later, in 1907, a campaign led by Anna Jarvis of Philadelphia led to the establishment of Mother's Day as a national holiday in the United States. On May 8, 1914, President Woodrow Wilson signed a joint resolution which dedicated the second Sunday in May as Mother's Day to express our appreciation of the love and devotion of our mothers.

My own mother, Velma Porter, who is no longer with us in the presence but certainly in my life, in the spirit, has always been my inspiration. She was my teacher, my defender and a continual source of strength and wisdom; and although my mother and I were not blessed with material wealth, I attribute the happiness of my childhood to the enormous strength of my mother and the strength of the community where we live.

Today, there are an estimated 35 million mothers in the United States. In today's world, mothers are faced with the challenge of not only raising children alone, but participating as successful equals of their male counterparts in all walks of life.

We often hear politicians especially bemoan the fact that there are too many single female heads of household, mothers, who are attempting to raise their children in the proper manner while they provide an economic and educational opportunity for their offspring. We often criticize women, mothers, who have been left to raise their families alone, not through any fault of their own, but through the premature demise of their husbands or through the total abandonment of their husbands and their children's father.

According to the AFL-CIO, 72 percent of the women with children younger than 18, 78 percent of women with children between the ages of 6 and 17, and 65 percent of women with children younger than 6 were in the labor force in 1997.

Those of us who are affiliated with Christianity, the Protestant religion, recall very vividly how Jesus revered his mother when he was in the middle of dying and had all of the opportunity to concentrate on his dying. He stopped in the middle of it and told John to behold his mother, and from the cross we are reminded of the importance and the love and the strength of our mothers and the kind of moral character that they have conveyed on to us.

I would trust that as we go forward with the congressional agenda that we will not invoke pain through policy and through measures on mothers who attempt in every way that they know how to care for their families, both spiritually and economically.

DOMESTIC VIOLENCE FOR MOTHER'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Mr. Speaker, I rise in honor of recognition of Mother's Day 2002 to honor mothers across the world and to honor the profession and the calling of mothering.

I make these remarks today in memory of my own daughter, a wonderful mother to two little boys before she died 2 years ago, and in honor of their father, her husband, who is doing a fabulous job of parenting and mothering them.

The second Sunday in May is an opportunity for each of us to reflect upon our own upbringing and to offer gratitude to the one who has nurtured us the most. and many of us know firsthand being a mother is much more than a biological process. Every day women who have never given birth become mothers to abandoned, separated or orphaned children.

Last week, Save the Children unveiled their "State of the World's Mother 2002" report. The report was assembled to assess the state of mothers and children in the volatile regions of war and conflict. The findings of this report are particularly pertinent given our Nation's war on terrorism.

After 23 years of conflict, Afghanistan is slowly recovering with assistance from governments and humanitarian agencies such as Save the Children. Specifically, the report tells us that investing in mothers is one of the most effective ways to help post-conflict societies achieve reconciliation and move forward.

Often after enduring years of destruction and chaos, women step up to play highly constructive roles as peacemakers and rebuilders. In Afghanistan, we know that reconstruction largely depends upon the reintegration of women in that society. For this reason, in December Congress passed the Afghan Women and Children Relief Act into law. This law will provide vital educational and health care assistance to women and to children in that region.

The need for increased aid to war-torn Nations, the majority of which are in the developing world, is clear. Mothers and children in these regions are indeed at great risk of death, disease, displacement and exploitation; and because of those factors, the cycle of difficulty goes from one generation to the next.

The United States does not fare as badly as the developing world in terms of maternal health; but our country has its own set of problems, which includes high rates of violence against women. This epidemic, perpetrated against 31 percent of American women, is undeniably a serious concern; and while domestic violence is a criminal justice issue, it is really at its core a matter of public health.

Women experience 85 percent of violent victimizations; and each year at least 6 percent of all pregnant women, about 240,000, are battered by the men in their lives. This battering leads to complications of pregnancy, including low weight gain, anemia, infections, first and second trimester bleeding. So domestic violence poses a considerable threat to maternal health.

To combat this problem, I have introduced the Domestic Violence Vaccining and Treatment Act, which would dramatically increase the scale of intervention and prevention efforts. My legislation would urge every health care provider to screen women over age 18 for domestic violence. In the confidential environment of a doctor's office, health care professionals would serve as a bridge between the patient and the criminal justice system.

Specifically, my bill would provide health care professionals with the training needed to assess women for signs and symptoms of abuse and then to supply her with adequate treatment and referrals. This routine verbal screening for domestic violence, fairly straightforward and simple procedure, would unlock options a woman may not otherwise pursue and allow her to see that shelter and advocacy services may be useful to her.

We know that battered women comprise up to 30 percent of ambulatory care patients, but only one in 20 is correctly identified as such, and I hope my legislation will help in clearly identifying victims of violence in order to pinpoint the perpetrator and to end the cycle of abuse.

Another goal of the legislation is to identify problems before they escalate to prevent in the long term this cycle of domestic violence from repeating itself from one generation to the next. As we well know, a child's survival is largely dependent upon the health and well-being of his or her mother or caretaker.

So this Mother's Day, let us bear in mind the vital role that women play in creating a peaceful and prosperous world for all children. As I have pointed out, this statement rings true not only for mothers in our country but for mothers living in developing countries around this world.

Women hold families together. Therefore, women hold communities and whole Nations together; and thus, mothers are a crucial link in the livelihood and survival of our Nation's future as well as the future of the world as a whole.

□ 1600

RELIGIOUS LEADERS OPPOSE THE SPREAD OF GAMBLING

The SPEAKER pro tempore (Mr. BROWN of South Carolina). Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, this week 220 religious leaders across the spectrum signed an open letter to this Congress and to the Bush administration calling on the Nation's leaders to oppose the further spread of gambling.

The signers are across the spectrum of the religious views in this country. It is time, Mr. Speaker, for the country to address the devastation that gambling has wrought on our children, our families, communities and Nation, is what they wrote.

Mr. Speaker, I want to emphasize the significance of this letter. This is not a message from political leaders, this is not a message from business or labor, this is not a message from many of the usual interest groups that express their views here every day. Rather, it is a message from our Nation's moral and spiritual leaders. Not often do so many religious leaders from such broad perspectives speak out on any issue. But when they do, it is noteworthy.

Recall the issues of slavery, the civil rights movement, elderly and child poverty, the dangers of communism, South African apartheid, famine and humanitarian issues throughout the world. All these issues commanded the attention of the Nation's spiritual leaders. The incredible spread of gambling is also a call to arms for our Nation's faith communities.

Why are so many in the religious community so alarmed? Legalized gambling, once relegated to a few areas of the country, continues to spread at an alarming rate, so quickly that soon almost every American will be within driving distance of a casino. Gambling expansion has swept the Nation, with revenues jumping from about $1 billion in 1980 to well over $50 billion today. That means Americans lose on average of $137 million every day of the year from gambling. Let me say that again: Americans lose on the average $137 million every day of the year from gambling.

In short, while the explosion of various forms of gambling across America has generated revenue for States and for the gambling industry, it has left in its wake human misery that is only now beginning to be understood. This misery ends up costing the States more than they receive and creates a vicious cycle as the need for social services dramatically increases. Whether a State lottery, a casino or a "cruise to nowhere," gambling is a losing bet for funding legitimate social needs.

Yet in State after State the gambling industry pours money into the coffers of political campaigns from both political parties in hopes of advancing their interests. The fact that gambling has not spread further is a tribute to the tireless efforts of a few grass roots activists in the States. These citizen advocacy efforts, often outspent by rates of 20 to 1, have held a levy against an even greater encroachment by the gambling industry into every community in America.

But the gambling industry has another card up its sleeve and has used it very effectively in the last decade. Instead of going through the normal legislative channels, they have ever increasingly circumvented State grass roots resistance by going through our Nation's Native Americans. Indian casinos are the fastest growing form of gambling today. Our Federal policy toward our Nation's first citizens is in a terrible state. A few tribes have done very well, and yet nearly 80 percent of all Native Americans receive nothing from gambling. Let me repeat: 80 percent receive nothing from gambling. The vast majority live in areas where casinos are simply not viable.

What kind of Federal policy rewards a few people living in population centers while the rest languish? There is a casino that operates in California that actually has one adult member of the tribe, one member, and thousands of Native Americans live in our Great Plains States and receive nothing. Defenders of Indian gambling never seem to talk about this disparity.

What has the spread of gambling meant for the country? Some 15.4 million Americans are already suffering from problem and pathological gambling, also called gambling addiction, which is devastating to the individuals and his or her family. The effects of this addiction are wide ranging and often impact many who are not at all involved with gambling. It is not unusual for a gambling addict to end up in bankruptcy, with a broken family, and facing criminal charges from his or her employer. Youth introduced early to gambling are particularly at a high risk for gambling addiction. Of the over 15 million Americans suffering from problem gambling disorders, over half, 7.9 million, are adolescents. There is a tremendous need for prevention. Unfortunately, there is no money really for prevention.

Soon, gambling will be in every home in America with the Internet connection. More than 850 Internet gambling sites worldwide had revenues in 1999 of $1.67 billion, up more than 80 percent from 1998, according to Christiansen Capital Advisors, who track the industry. Revenues are expected to top $3 billion by 2002, and the Congress and the administration have done nothing.

I would hope this Congress and this administration would reflect on the seriousness of this issue. This is not about a person making a choice to travel to Las Vegas or Atlantic City and gamble for recreation. The reality is that such a choice takes planning and some time. As gambling spreads throughout the Nation, there is less planning, less time, and much more availability for potential addicts to gamble.

With all this hard evidence, our Nation's religious leaders have been moved to forcibly speak out. They have demanded that we "place American citizens and families ahead of false promises and hefty political contributions of the gambling industry and begin to address this rapidly growing menace to our national welfare."

Who will speak out against the spread of gambling, the crime, the corruption, the family breakdown, the suicide the bankruptcy, the exploitation of the poor? Our Nation's religious leaders have spoken out. I would hope that Congress would speak out. And I would say to the Bush administration, your silence on this issue is becoming deafening. So the Bush administration should also speak out.

For the poor, the young, the elderly, the addicts, the families of America, hopefully, maybe just someone, someone will listen and speak out.

Mr. Speaker, I provide for the Record a copy of the letter signed by these 220 religious leaders and all their names.

An Open Letter From 220 Religious Leaders to the President and Congress on the Spread of Gambling

Dear Member of Congress: We, the undersigned, represent a variety of faith perspectives and religious beliefs. We hold differing convictions regarding many of the most prominent issues of our day. Yet we are united in our opposition to legalized gambling. We believe it to be a moral and cultural cancer. Therefore, we respectfully urge Congress to begin to address the devastation that gambling has wrought on our children, families, communities and nation. Consider just the following sampling of gambling's toll on America's citizenry:

Gambling exploits those with the fewest financial resources, as both a multitude of studies and our own experiences in our individual communities readily confirm. A few months ago we were inundated with glowing press accounts of the Powerball winner from Kentucky who gambled part of his unemployment check to attain the jackpot. How many tens of thousands of others in similar circumstances squandered their meager income chasing this state-sponsored fantasy and wound up without enough money to pay the rent or put food on the table? According to the National Gambling Impact Study Commission (NGISC), individuals earning less than $10,000 per year spend more on lottery tickets every year than any other income group.

Each of us—and the faith communities we represent—could provide countless stories of families shattered by gambling addiction. We are often the ones forced to pick up the pieces of lives ripped apart by divorce and domestic violence. According to a survey by the NGISC, gambling has been responsible, in whole or in part, for more than 2 million divorces in recent years. Child abuse and neglect are other effluents of gambling's explosive growth. In addition, research indicates that children of gambling addicts do more poorly in school, experience more behavioral problems, and are more susceptible to gambling addiction themselves.

The gambling boom has made our communities more dangerous places to live. Gambling operations attract crime, and they create new criminals out of otherwise law-abiding citizens. Studies confirm that more than half of gambling addicts will engage in illegal activities—everything from embezzlement to armed robbery—to fund their compulsion to gamble.

Gambling has subverted the rightful role of government as protectorate of the people. Casinos in particular have bought favors with politicians at all levels, thus enabling them to spread their poison product into even more communities. In the most recent election, gambling interests lavished $10.9 million on candidates and parties at the federal level alone. That does not include the multi-millions spent on lobbying, nor does it take into account that gambling interests have become the single most powerful force in a number of state governments. All of this influence comes at a terrible price that is paid for by the gambling industry's multitude of victims.

The rapid increase in legal gambling opportunities has created a concomitant boom in the number of gambling addicts. According to the NGISC, more than 15 million Americans struggle with a significant gambling problem—and the repercussions are often profound. Perhaps no single statistic better reveals the depth of despair associated with gambling addiction than this: One in five of those who become addicted to gambling will attempt to take his or her own life.

Legal gambling operations entice teenagers to delve into this dangerous activity. Many become trapped. Studies show that the rate of gambling problems among adolescents is dramatically higher than that for adults. Hundreds of thousands of teens regularly access casinos, lotteries, and other legal betting venues despite age regulations to the contrary. Further, aggressive and omnipresent gambling advertising campaigns disparage the ethic of work, diligence and study while bombarding teens with the idea that gambling is the means to get rich quick.

Gambling has become a blight on our nation's cultural landscape. As religious leaders, we see the gambling-induced pain and devastation among many of those who look to us for spiritual guidance. Thus, we stand together not only in our concern, but in our commitment to oppose this predatory and destructive industry. We call on members of Congress to place America's citizens and families ahead of the false promises and hefty political contributions of the gambling industry, and to begin to address this rapidly growing menace to our national welfare.

Sincerely,

Dr. Mark Bailey, President, Dallas Theological Seminary.

The Rt. Rev. Charles E. Bennison, Jr., Episcopal Diocese of Pennsylvania.

Dr. Ron Black, Executive Director, General Association of General Baptists.

Dr. Bill Bright, Founder and Chairman, Campus Crusade for Christ.

David Bryant, Chairman, America's National Prayer Committee.

Commissioner John Busby, National Commander, The Salvation Army.

Dr. Gaylen J. Byker, President, Calvin College.

Tony Campolo, Ph.D., President, The Evangelical Association for the Promotion of Education.

Dr. Judson Carlberg, President, Gordon College.

Dr. Morris H. Chapman, President & CEO, Southern Baptist Convention, Executive Committee.

Charles W. Colson, Chairman of the Board, Prison Fellowship Ministries.

Dr. Clyde Cook, President, Biola University and Talbot School of Theology.

Kenneth L. Connor, President, Family Research Council.

Dr. James C. Dobson, President, Focus on the Family.

David H. Engelhard, General Secretary, Christian Reformed Church in North America.

Dr. Tony Evans, President, The Urban Alternative.

Reverend Jeff Farmer, President, Open Bible Churches.

Bruce L. Fister, Lt. Gen. USAF (Ret.), Executive Director, Officers' Christian Fellowship.

Leighton Ford, President, Leighton Ford Ministries.

Dr. Stan D. Gaede, President, Westmont College.

Rev. Dr. Thomas W. Gillespie, President, Princeton Theological Seminary.

William Graham, Acting Dean, Harvard Divinity School.

The Rt. Rev. J. Clark Grew II, Bishop, Episcopal Diocese of Ohio.

Bishop Susan W. Hassinger, United Methodist Church, Boston Area.

Rev. Paul Hirschy, Bishop, Church of the United Brethren in Christ, USA.

Dr. David W. Holdren, General Superintendent, The Wesleyan Church.

Clyde M. Hughes, Bishop, International Pentecostal Church of Christ.

L. Gregory Jones, Dean and Professor of Theology, Duke Divinity School.

Rev. Dr. Walter C. Kaiser, President, Gordon-Conwell Theological Seminary.

Rabbi Benjamin Kamenetzky, Executive Director, Yeshiva of South Shore.

D. James Kennedy, Ph.D., Senior Minister, Coral Ridge Presbyterian Church.

Clifton Kirkpatrick, State Clerk of the General Assembly, Presbyterian Church (U.S.A.).

Dr. Richard Land, President, Ethics and Religious Liberty, Commission of the SBC.

Rabbi Abraham S. Lefkowitz, Chaplain, Nassau County Police Department.

Dr. Duane Litfin, President, Wheaton College.

Max Lucado, Senior Minister, Oak Hills Church of Christ.

Bishop Joel N. Martinez, United Methodist Church, San Antonio Area.

Bishop Felton E. May, United Methodist Church, Washington, D.C. Area.

Dr. James Merritt, President, Southern Baptist Convention.

Dr. Kenneth M. Meyer, Chancellor, Trinity Evangelical Divinity School.

Dr. R. Albert Mohler, Jr., President, Southern Baptist Theological Seminary.

Dr. Richard J. Mouw, President, Fuller Theological Seminary.

Harold Myra, Executive Chairman, Christianity Today International.

Father Richard John Neuhaus, President, Institute on Religion and Public Life.

Dr. John M. Perkins, Chairman, Christian Community Development Association.

Glenn Plummer, Chairman, National Religious Broadcasters.

The Rt. Reverend F. Neff Powell, Bishop, Episcopal Diocese of Southern Virginia.

Dennis Rainey, Executive Director, Family Life.

Sandy Rios, President, Concerned Women for America.

Adrian Rogers, Senior Pastor, Bellevue Baptist Church.

Dr. Rex M. Rogers, President, Cornerstone University.

Rt. Rev. Catherine S. Roskam, Bishop Suffragan of New York.

Bruce Ryskamp, President and CEO, Zondervan.

Dr. Emanuel Sandberg, Executive Director, The Brethren Church.

Bishop Beverly J. Shamana, United Methodist Church, San Francisco Area.

Dr. Dal Shealy, President/CEO, Fellowship of Christian Athletes.

Ronald J. Sider, President, Evangelicals for Social Action.

Charles W. Smith, Sr. Pastor, Calvary Chapel.

Sister Lucille Souza, MSC, Mother Cabrini High School.

David Stevens, MD, Executive Director, Christian Medical Association.

Dr. Thomas Trask, General Superintendent, General Council of the Assemblies of God.

Miroslav Volf, Professor, Yale University.

Rev. Jim Wallis, Editor-in-Chief, Sojourners.

Donald E. Wildemon, President American Family Association.

Dr. Edward W. Williamson, General Superintendent, Evangelical Methodist Church, International Headquarters.

Jim Winkler, General Secretary, United Methodist Church, General Board of Church and Society.

Ravi K. Zacharias, President, International Ministries.

ADDITIONAL SIGNATORIES TO THE "OPEN LETTER TO THE PRESIDENT AND CONGRESS"

The Rt. Rev. Keith L. Ackerman, Bishop, Diocese of Quincy (IL).

Howard Ahmanson, President, Fieldstead & Co.

Robert T. Allen, President, National Association of Evangelicals—Arizona.

Dr. A.J. Anglin, President, Trinity Christian College.

Dr. Jay A. Barber, President, Warner Pacific College.

Dr. James Barnes, President, Indiana Wesleyan University.

Rev. Dr. Peter B. Barnes, Senior Pastor, First Presbyterian Church (Boulder, CO).

Dr. Philip J. Baur, Interim President, Bethel Seminary of the East.

Dr. Timothy F. George, President, Samford University.

Michael Glenn, Executive Vice President, National Religious Broadcasters Association.

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William T. Greig II, Chairperson, Gospel Light Publishing.

Doris W. Greig, Chairperson, Gospel Light Publications.

Wayne Grudem, Ph.D., Research Professor of Bible and Theology, Phoenix Seminary, Past President, Evangelical Theological Society.

Dr. David J. Gyertson, President, Taylor University.

Pastor Matthew Heard, Senior Pastor, Woodmen Valley Chapel.

The Rt. Rev. Henry N. Parsley, Jr., Bishop, Episcopal Diocese of Alabama.

Bishop Gregory Palmer, Iowa Conference, United Methodist Church.

Joe E. Pennel, Jr., Bishop, Virginia Conference of United Methodist Church.

Randy Pope, Pastor, Perimeter Church.

Tom Prichard, President, Minnesota Family Council.

Dr. Paul A. Rader, President, Asbury College.

Stephen W. Reed, General Counsel, Focus on the Family.

Larry D. Robertson, Ph.D., State Evangelism Specialist, Tennessee Baptist Convention.

Dr. LeVon Balzer, President, John Brown University.

The Rt. Reverend David C. Bane, Jr., Bishop, Episcopal Diocese of Southern Virginia.

Dr. Gayle D. Beebe, President, Spring Arbor University.

Bobbi Biehl, President, Masterplanning Group International.

Bishop Bruce Blake, United Methodist Church, Oklahoma Area.

Richard Bott, Sr., President, Bott Radio Network.

Robert H. Brindle, Consultant to churches.

Reverend R.O. and Elsa Prince Broehuizen, Pastor (Holland, MI).

Rev. Edison G. Brooker, Pastor, Rotonda West Community Church, Chairman, National Association of Evangelicals—Florida.

Bishop Warner H. Brown Jr., United Methodist Church Denver Area.

Dr. Homer Heater, Jr., President, Capital Bible Seminary.

Dr. Kenneth S. Hemphill, President, Southwestern Baptist Theological Seminary.

Donald Paul Hodel, Former Reagan Cabinet Officer.

Dr. E. Douglas Hodo, President, Houston Baptist University.

Bishop John L. Hopkins, United Methodist Church, Minnesota Area.

The Rt. Rev. Barry Howe, Bishop, Episcopal Diocese of West Missouri.

John W. Howe, Bishop, The Episcopal Diocese of Central Florida.

Bishop William W. Hutchinson, United Methodist Church, Louisiana Area.

Bishop Neil L. Irons, United Methodist Church, Harrisburg Area.

Bishop S. Clifton Ives, United Methodist Church, West Virginia Area.

Dr. David J. Robinson, President, Houston Graduate School of Theology.

Dr. William P. Robinson, President, Whitworth College.

Thomas E. Rogeberg, Executive Vice President, Coral Ridge Ministries Media, Inc.

Bishop Edward L. Salmon, Diocese of South Carolina.

Bishop William J. Salmon, Diocese of South Carolina.

Dr. Rick Scarborough, President, Vision America.

Rick Schatz, President, & CEO, National Coalition for the Protection of Children and Families.

Reverend Dale Schlafer, President, and Founder, Center for World Revival and Awakening.

Alan E. Sears, President,, Alliance Defense Fund.

Don Schmierer, Program Officer, Fieldstead & Company.

Dr. George K. Brushaber, President, Bethel College and Seminary.

Dr. Jerry Cain, President, Judson College.

Bishop Kenneth L. Carder, United Methodist Church, Mississippi Area.

Dr. John L. Carson, President, Erskine College.

Lt. Gen. Patrick P. Caruana (USAF Ret.), Board Member, Focus on the Family.

Dr. Daniel Chamberlain, President, Houghton College.

Bishop Ray W. Chamberlain Jr., United Methodist Church, Houston Area.

Bishop Ben R. Chamness, Central Texas Conference of the United Methodist Church.

Dr. Bryan Chapell, President, Covenant Theological Seminary.

Rev. Clifford R. Christensen, Conference Minister Conservative, Congregational Christian Conference.

Glen A. Land, Director of Missions and Evangelism, Minnesota-Wisconsin Baptist Convention.

Dr. Luciano Jaramillo, IBS–Latin America, Executive Director, IBS–US, Hispanic Ministries Director.

The Rt. Rev. Stephen H. Jecko, Diocese of Florida.

Jonathan D. Keaton, Bishop, East Ohio Conference of the United Methodist Church.

Dr. Keith P. Keeran, President, Kentucky Christian College.

Dr. Kirby Nelson Keller, President, Evangelical School of Theology.

Jay L. Kesler, Chancellor, Taylor University.

Bishop Hae-Jong Kim, United Methodist Church, Pittsburgh Area.

Bishop James R. King Jr., United Methodist Church, Louisville Area.

Jerry R. Kirk, Chairman, National Coalition for the Protection of Children and Families.

James M. Kushiner, Executive Director, Fellowship of St. James.

Max L. Staekhouse, Professor of Christian Ethics, Princeton Theological Seminary.

The Rt. Reverend John-David Mercer Schofield, Bishop, Episcopal Diocese of San Joaquin, Central Third of California.

Bishop Ann B. Sherer, United Methodist Church, Missouri Area.

Rt. Rev. Richard L. Shimpfky, Bishop, Episcopal Diocese of El Camino Real.

Randy D. Singer, Executive Vice President, North American Mission Board, SBC.

Bishop C. Joseph Sprague, United Methodist Church, Chicago Area.

Tim Stafford, Senior Writer, Christianity Today Magazine.

James R. Stuck, Bishop, Indiana-Kentucky Synod Evangelical Lutheran Church in America.

Dr. Lee Snyder, President, Bluffton College.

Dr. Richard L. Spindle, President, MidAmerica Nazarene University.

Peter Sprigg, Senior Director of Culture Studies, Family Research Council.

David E. Clippard, Associate Executive Director, Baptist General Convention of Oklahoma.

Charles W. Colson, Chairman of the Board Prison Fellowship Ministries—Washington, D.C.

Dr. Paul R. Corts, President, Palm Beach Atlantic College.

Dr. William Crothers, President, Northeastern Seminary.

Rt. Rev. Clifton Daniel, III, Bishop, Diocese of East Carolina.

Glenn DeMots, President, Bethany Christian Services.

Bishop William W. Dew Jr., United Methodist Church, Phoenix, Area.

Dr. Dennis H. Dirks, Dean, Talbot School of Theology at Biola University.

Dr. Davis S. Dockery, President, Union University.

Dr. Joseph L. Lapp, President, Eastern Mennonite University.

The Rt. Rev. Edward L. Lee, Jr., Bishop, Diocese of Western Michigan.

Edwin M. Leidel, Bishop of Eastern Michigan.

Dr. Daniel Lockwood, President, Multinomah Biblical Seminary.

Ernest S. Lyght, Bishop, The New York Annual Conference, The United Methodist Church.

Dr. Kevin Mannoia, Dean, C.P. Haggard School of Theology, Azusa Pacific University.

Colby M. May, Esq., Director, Office of Government Affairs, American Center for Law and Justice.

Dr. Kenneth M. Meyer, Chancellor, Trinity Evangelical Divinity School.

Bishop Rodney R. Michel, Garden City, NY.

Dr. Vinson Synan, Dean, School of Divinity, Regent University.

Dr. C. Pat Taylor, President, Southwest Baptist College.

The Rt. Reverend Douglas E. Theuner, Bishop, Episcopal Diocese of New Hampshire.

Dr. David Tiede, President, Luther Seminary.

Dr. Al Truesdale, Interim President, Eastern Nazarene College.

Paul Tshimihamba, Associate Pastor, First Presbyterian Church (Berkeley, CA).

Rt. Reverend Franklin D. Turner, Bishop Suffragan of Pennsylvania.

Forrest L. Turpen, Executive Director, Christian Educators Association International.

John Tusant, Executive Director, The Greater Spokane Association of Evangelicals.

The Reverend David A. Donges, Bishop, Evangelical Lutheran Church in America.

Dr. Larry R. Donnithorne, President, Colorado Christian University.

Dr. G. Blair Dowden, President, Huntington College.

Dr. David E. Draper, President, Winebrenner Theological Seminary.

Ralph W. Dunkin, Bishop, West Virginia-Western Maryland Synod.

Dr. Maxie D. Dunnam, President, Asbury Theological Seminary.

Dr. Phillip W. Eaton, President, Seattle Pacific University.

Bishop Marion Edwards, United Methodist Church, Raleigh Area.

Dr. Tom Elliff, Pastor, First Southern Baptist Church (Del City, OK).

Bernard J. Evans, General Chairman, ELIM Fellowship.

Bishop Lee M. Miller, Upstate New York, SYNOD/ELCA.

State Senator Patricia Miller (IN), The Confessing Movement within the United Methodist Church.

Bishop Rhymes H. Moncure, United Methodist Church, Nebraska Area.

Dr. Royce Money, President, Abilene Christian University.

Dr. Charles W. Moore, President, Northern Baptist Theological Seminary.

The Rt. Rev. Paul Moore, Retired Bishop, Episcopal Diocese of New York.

Bishop William W. Morris, United Methodist Church, Nashville Area.

Susan Morrison, Bishop, United Methodist Church, Albany, New York Episcopal Area.

Rev. Duane Motley, President, New Yorker's Family Research Foundation, Inc.

Dr. Bruce Murphy, President, Northwestern College in Iowa.

Leslee J. Unruh, Founder and President National Abstinence Clearinghouse.

Dr. Jon Wallace, President, Azusa Pacific University.

Dr. Charles Wasielewski Sr., International Moderator, American Evangelical Christian Churches.

Peter D. Weaver, Bishop, The United Methodist Church, Philadelphia Episcopal Area.

Dr. C. Robert Wetzel, Emmanuel School of Religion.

Bishop Timothy W. Whitaker, United Methodist Church, Florida Area.

Dr. John H. White, President, Geneva College.

Bishop Woodie W. White, United Methodist Church, Indiana Area.

Bishop D. Max Whitfield, United Methodist Church, Northwest Texas/New Mexico Area.

Donald E. Wildmon, President, American Family Association.

Bishop Robert E. Fannin, North Alabama Annual Conference, The United Methodist Church.

Janet Folger, National Director, Center for Reclaiming America.

Richard J. Foss, Bishop, Fargo, ND.

Jeffrey R. Funk, Executive Director, Hospital Chaplains' Ministry of America (HCMA).

Dr. Ira Gallaway, Institute of Religion and Democracy.

Bishop Elias Galvan, The United Methodist Church, Seattle, WA.

Albert Mutti, Bishop, United Methodist Church, Kansas Episcopal Area.

David A. Noebel, President, Summit Ministries.

Bishop Alfred L. Norris, United Methodist Church, Houston Area.

Patrick Ortega, News & Public Affairs Director, Radio Nueva Vida Network.

Bishop Bruce R. Ough, United Methodist Church, Ohio West Area.

Dr. Roger Parrott, President, Bellhaven College.

Dr. G. Craig Williford, President, Denver Seminary.

Sid Wright, Chief of Staff to the Chairman, Campus Crusade.

Michael Youssef, Ph.D., President, Leading The Way Radio and Television.

Dr. Carl E. Zylstra, President, Dordt College.

NATIONAL SMALL BUSINESS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I wish to associate myself with the remarks made by the gentlewoman from Indiana (Ms. CARSON) and the gentlewoman from California (Mrs. CAPPS) relative to Mother's Day and the role that mothers play in this country. And I also take the moment to pay tribute to both my maternal and paternal grandmothers, as well as my own dear mother and my wife for the outstanding roles that they have all played in giving to the institution of motherhood.

Mr. Speaker, for the past 39 years, the President of the United States has issued a proclamation calling for the celebration of Small Business Week. I rise in support of the Small Business

Administration and the designation of the week of May 5 through 11, 2002 as National Small Business Week. This celebration will honor the estimated 25 million small businesses in America who have created three out of every four new jobs and generate the vast majority of American business innovations.

Small Business Week recognizes outstanding small business owners for their personal achievements and contributions to our Nation's economy. One outstanding entrepreneur is named to represent each State as the State's Small Business Person of the Year, and from this group the national Small Business Person of the Year is chosen. I am very proud and pleased to be able to congratulate Ms. Diane MacWilliams, from my 7th Congressional District of Illinois, who is President of Quicksilver Associates, Incorporated, in Chicago, for being our State's Small Business Person of the Year.

Armed with a brand new degree in fine and applied arts from the University of Illinois, Diane MacWilliams dove head first into a new career in graphic arts as a new hire in the audiovisual department with Arthur Anderson & Company. Over time, she perfected her skills in photography and graphic arts and began taking on more special assignments, including a promotional slide presentation for the Reading Is Fundamental campaign. The acclaim for that production convinced her to take the plunge and in 1976 start her own business, along with a close friend, who later would become her husband. Thus was born Quicksilver Associates, Incorporated.

Diane's work experience taught her that there was a real need for creative outsource corporate audiovisual support. With this in mind, she started calling on corporate 500 companies, such as Quaker Oats, CBS, and International Harvester. As a pioneer of smears, zooms, starbursts, and other new and innovative graphic techniques, Quicksilver provided corporate customers with the creativity needed to customize their own business presentations. In 1978, Quicksilver won an International CLIO Finalist Award for its promotional piece on International Harvester's Scout, a sports utility vehicle apparently ahead of its time.

As a premier audiovisual production studio, Quicksilver employs approximately 30 people within its four divisions, New Media, Video Production, Meeting Production, and Planning and Creative Services, generates sales of approximately $4.5 million annually, and hosts a "who's who" of corporate clients that include ABN/AMRO, Blue Cross/Blue Shield, Household International, and United Airlines.

As a founding member and former President of the Make a Wish Foundation of northern Illinois, Diane received the first Fountain of Hope Award and currently serves on the Board of Directors of the Make a Wish Foundation of America. Diane and Quicksilver also have offered their talents and resources to help other nonprofit organizations throughout the year.

So, Mr. Speaker, I am indeed proud to bring to the attention of America Diane's achievements, for it is an example of how small businesses can achieve in America. Small businesses account for 99.7 percent of America's employers. They played a vital role in helping to bring America out of this economic downturn. To help create and ensure America's small businesses continue to survive, we must engage all available resources in facilitating entrepreneurship development, providing low or no interest loans and more technical assistance to programs for small businesses.

So, again, I congratulate Ms. Diane MacWilliams, President of Quicksilver Associates in Chicago, for being our State's Small Business Person of the Year.

PERSONAL EXPLANATION

Mr. VISCLOSKY. Mr. Speaker, on May 7, 2002, I was unavoidably absent due to the primary election in my district. Had I been present I would have voted "yea" on rollcall votes 127 and 128.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) is recognized for 5 minutes

Mrs. CHRISTENSEN. Mr. Speaker, I rise to bring to the attention of my colleagues the plight of the U.S. offshore Territories as it relates to welfare reform and the reauthorization process currently being undertaken in the House.

Mr. Speaker, although the U.S. Territories, Guam, Puerto Rico, and my district, the U.S. Virgin Islands, are required to meet all the TANF requirements, they do not have access to all of the tools that other jurisdictions have to successfully move people from welfare to work.

Mr. Speaker, the Territories are island jurisdictions, where the ability to move from one jurisdiction to another in search of work is just impossible. As a consequence, in the Virgin Islands, while our welfare rolls have been lowered, we have failed to meet the work participation rates. Despite the fact there was no work to send the many willing participants to, we have been penalized by fines.

This in itself is unfair, given our special circumstances, but also consider the fact that we do not receive several other sources of funds that States have at their disposal to overcome similar obstacles. We get no supplemental grant funds, even though our average dollars per person are extremely low; and we do not receive contingency funds, even though we have experienced economic downturns and high unemployment.

That is why the gentleman from Guam (Mr. UNDERWOOD) and I have joined the gentleman from Puerto Rico (Mr. ACEVEDO-VILÁ) in sponsoring H.R. 4236 to bring parity to the U.S. Territories as they seek to move their citizens from welfare to work.

□ 1615

We will be seeking to have this included in a substitute bill. H.R. 4236 would include Puerto Rico, Guam and the Virgin Islands in the TANF supplemental grants for population increases and exclude this funding from the section 1108 cap.

TANF supplemental grants are specifically intended to assist States, and it should be territories also, with higher than average growth rates and/or lower than average welfare funding per poor person. The latter characterizes my district.

It would also include Puerto Rico, Guam and the U.S. Virgin Islands in the TANF contingency fund, and also exclude this funding from the section 1108 cap. The TANF contingency fund was intended to assist localities in times of economic downturns when the need for family assistance is greater, evidenced either by significantly higher unemployment rates, or significant increases in the utilization of food stamps. Both are operative in the U.S. Virgin Islands, and currently the TANF contingency fund excludes the Territories.

H.R. 4236 would also provide Puerto Rico, Guam, and the U.S. Virgin Islands access to all of the funding streams under the Child Care Development Block Grant and the matching grant, while excluding this from the section 1108 cap. These Territories receive CCDF funding under the general block grant discretionary funds. However, they are not authorized to receive funding under 2 subprograms under entitlement grants, the mandatory and matching funds. Provisions to authorize these two funds could provide up to $70 million for child care if matching funds requirements were met.

Another area, title IV–E foster care, we would like to take that out of the section 1108 cap as well. Title IV–E foster care is included in the section 1108 cap. As a result, abused and neglected children in foster care services compete for Federal funds with needy families on TANF, poor seniors, and blind and disabled individuals. This is compounded by the fact that Medicaid is also under a cap.

We would ask in this bill that the Territories be reimbursed for providing transitional medical assistance to TANF leavers outside of the current Medicaid cap. States receive reimbursement for the medical cost of TANF recipients while they move into work. Currently the Territories are not authorized to participate in this element of Medicaid, and even if they were, because of the Medicaid cap, the Territories would not be allowed to receive any reimbursement for these costs.

If the Territories are expected to meet the same work requirements as the States, it is essential that they be authorized access to receiving similar Medicaid reimbursements for their TANF recipients.

Mr. Speaker, I come before this body because it is important that all of our colleagues understand the unique plight of the Territories. We want to help our constituents make the step from welfare to work. More than that, we want to give them a hand up and out of poverty. I hope that when these issues are before this body, we will have the support of our colleagues to give the Territories parity in the effort to reauthorize welfare reform and to give us the tools to make welfare reform a real success in our districts.

GUN AMNESTY ON MOTHER'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, Members are coming to the floor as we approach Mother's Day. I am coming as well. Many mark Mother's Day in their own ways, very diverse ways. But if we ask the mothers of the Nation what would they most want for Mother's Day, the choice of many would be gun safety legislation to protect their children. The proof, of course, is that 2 years ago on Mother's Day, almost a million mothers and their families used Mother's Day to come to their Nation's capital to work productively for just such legislation. We do not yet have the gun safety legislation for our children these mothers so desperately wanted, but in recognition of Mother's Day this year, I thought that it would behoove me to introduce a realistic piece of gun safety legislation, recognizing that in many ways this issue has been off the radar screen, to find a way to put it back on the national agenda. And so I have introduced the Nationwide Gun Back Act of 2002.

Mr. Speaker, hopefully this is the kind of gun safety legislation everyone can join in, whether pro or anti so-called gun control, because this is simply about how to help people voluntarily get illegal guns out of their own homes, and jurisdictions would, of course, participate only voluntarily.

My bill would provide $100 million in Federal funds, a real pittance in our budget, to allow cities across the United States, small towns, counties, to do gun buy-backs of the kind that were done so successfully just a few years ago in the District of Columbia and in other parts of the country.

The Bureau of Alcohol, Tobacco and Firearms would evaluate the proposals and distribute the funds. A jurisdiction would have to certify that it was capable of destroying the guns within 30 days of running an amnesty program, and of being fully capable of conducting such a buy-back program.

Let me tell Members why I think all Members would want to be for this. There are throughout this Nation millions of people who know there are illegal guns in their homes who cannot come forward to get rid of them without implicating a relative. They fear if they came forward and said take this gun out of my house before some relative uses it on another relative, or somebody commits suicide, they cannot come forward without implicating a son, a daughter, a grandson, and so they sit there knowing that gun is in the house and unable to get rid of it.

I want to say to those folks who want to get that gun out of the home, a gun illegally there, a gun for which there is no license, we will buy back the gun, usually for $50 or $100 to encourage people to come out.

We did this in the District of Columbia; enormous success. Long lines. More than 6,000 firearms were turned in in three buy-backs. Not only did we do this in the District of Columbia, a number of other cities across the United States did the same thing. We did a kind of pilot program that showed that it could work. The notion that there would be hundreds of people standing in line waiting to give a gun to the cops is, I think, what all of America would like to see when it comes to gun safety for our children.

It is children, as we see, who get hold of these guns, who want these guns, who use these guns because that is a child-like thing to do. We need to get these guns out of our homes. After using almost $400,000 in forfeiture money, some HUD money, we had to stop collecting the guns because we no longer had funds to buy back the guns, for goodness sake, on Mother's Day.

If we want to do something to keep youngsters from getting hold of guns, going into the classroom and shooting at teachers and students, doing God knows what with guns, let us find a noncontroversial way of reducing gun violence. This, it seems to me, is just that way. It simply says wherever Members stand on guns, they are for guns being only in the hands of those people authorized to carry them. If a mother or father sees a gun brought into their home by a kid, allow that family member to get rid of that gun. This is the way that I would celebrate Mother's Day.

HONORING MOTHER ON MOTHER'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Mrs. JONES) is recognized for 5 minutes.

Mrs. JONES of Ohio. Mr. Speaker, I rise this afternoon to join with my colleagues in celebration of Mother's Day. I particularly want to celebrate my mother. Yesterday was election day in the State of Ohio; and my mother, and she is going to be angry when I do this, who will be 81 years old on April 19, ran for State Central Committee, unopposed, won overwhelmingly.

Mom, here is the campaign literature right here that was sent out on your behalf.

I want to say that I have a wonderful mother and I am so pleased to have the opportunity to celebrate Mother's Day with her this coming weekend. She has been a guiding light and beacon in the lives of me and my family, not only my two sisters, one who lives in California and one who lives in Cleveland, but my husband's family as well.

I want to say to Mary Elizabeth Tubbs, my mom, happy Mother's Day. I am counting on you to stand up on behalf of all of the 21st Senate District as the Democrat Central Committee woman in the State of Ohio.

After learning all of these wonderful things from my mother, I have to take a moment and say I am pleased to be a mother as well. Yesterday my man child, Mervyn LeRoy Jones, II, 18 years old, and a senior at Shaker Heights High School said, "Mom, I have a great Mother's Day present for you, but it will be early."

I said, "What is it?"

He said, "I am going to take you to school."

I said, "That is good. What are we going to do in school?"

He said, "You and I are going to recite poetry together."

He knew that I liked poetry a whole lot. We go to the class, which is poetry writing, and I have a favorite woman poet whose name is Mona Lake Jones. Mona Lake Jones has written a lot of culturally sensitive poetry, and one piece is called "Being the Mother of a Black Child: It Ain't No Easy Thing."

So my son and I recited this piece of poetry together. It goes on to say being the mother of a black child, it ain't no easy thing, it makes you call on Jesus, and listen to the angels sing.

Mervyn and I alternated these versus together. The topping on my Sunday was at the end Mervyn said to his class, I brought my mother to school today. And he said, "You know, Mom, I am not going to have any money on Sunday, but I knew how much you liked poetry so this is your Mother's Day present; I recited poetry with you in poetry class."

Mr. Speaker, I want to celebrate and trust that other mothers around this country have wonderful opportunities to celebrate Mother's Day this weekend. Those whose mothers have passed on, or whose children have passed on, step back and remember some of the great memories and times you had together, and think about how blessed you are to have been a mother or a daughter or son, or to have someone who cared as much as mothers care for you.

PAYING TRIBUTE ON MOTHER'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I too rise on this occasion of Mother's Day weekend to pay tribute to those who bring to life and nurture and educate the children, the families of our communities and our world, and as my dear colleague, the gentlewoman from Ohio (Mrs. JONES) so eloquently stated in the prior Special Order, when we think about it, mothers have the most important role in the world because they create the love that holds, the center that holds their families together. I think that their idealism helps inspire the world every day, not in big measures always, but in smaller signs of love and affection.

There is no more important person in a child's life than the mother and father. But as this is Mother's Day weekend, I think it is important to point out that for children learning in schools, the most important factor in their success is their mother reading to them at home.

□ 1630

As we think about education, which is on the minds of all the people in our country, because education is so important to the preservation and the advancement of our democratic way of life, having an enlightened republic, it is important to think about the role of women and education and the role of this Federal Government in helping our families educate their children.

We have heard a lot from this administration about compassionate conservatism. I have really tried to understand what that term means. But in speaking about education, maybe it is important to put on the record, it is important to have individuals going to schools and reading to children. I do it myself. It is important to have mothers reading to children. It is the most important act that they can perform for that child in the home other than feeding them.

But if you look at this Federal Government and this particular Bush administration, though the compassionate side comes out when we see pictures in the paper of the President coming to Michigan, which he just did this week just north of where I live in Ohio, or wherever he might go, and then you look at the bills that come on this floor such as the Elementary and Secondary Education Act this year, it provides no additional assistance for education of our children around the country. In fact, the bill that passed here authorized an expenditure of over $24 billion for education at the elementary and secondary levels, but 2 weeks later when the President's budget arrived, it was $4 billion short. In other words, they might be compassionate, but the conservative side actually does not allow them to fulfill their promises.

Broken promises, that is what compassionate conservatism is all about. Frankly, it is all about nothing. Ask any of our college students across this country. They graduate on average today with a debt of nearly $17,000. Our physicians, when our medical school students graduate from college, on average we force them to have a debt load of over $100,000. How can a young physician going into practice manage to have a practice that is profitable while he or she has to pay that debt at the same time as they have to buy all this medical liability insurance, pay for the building, pay for all of their instruments and the medicines, and so forth. Think about the burden that we continue to place on the future of this country, on our young people.

So as a woman of our country, as a Congresswoman, as someone who I think has some mothering instincts of her own, let me just say probably the most important thing I can do is to support the future, and that is to support our young people at the elementary and secondary level and at the college level and to say to the Bush administration, compassion is not enough. Conservatism is not enough. You have to do something with the power you have to help nurture and grow the next generation. And burdening them with debt that they do not get out from under until they are 40 years old is not the way to build this country.

Frankly, we ought to have a program that allows any student, any young adult in this country that has that kind of debt to work it off through national service on the military side or the civilian side at a rate of $20,000 a year. We ought to get them out from under that debt and take care of some of the needs of this country, whether it is in our nursing homes, whether it is in our forests, whether it is in our inner city schools, whether it is in our medical clinics, wherever it might be, that we take this burden off the next generation so that they can move into this 21st century and new millennium in a way that helps advance America's cause.

Happy Mother's Day.

NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK

The SPEAKER pro tempore (Mr. GRUCCI). Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

Mr. STRICKLAND. Mr. Speaker, I rise today to honor correctional officers and employees of correctional facilities across this country. This past weekend, correctional officers came here to Washington to celebrate National Correctional Officers and Employees Week. Awards were presented to officers whose exceptional service merited special recognition and wreaths were laid in memory of fallen comrades who made the ultimate sacrifice while on duty.

Corrections facilities are a critical component of our criminal justice system. We rely on correctional facilities to do just that, correct the errant behavior of certain members of our society. But a facility comprises more than just a building. It is also made up of correctional officers and other correctional personnel who are all highly trained to work in a challenging and often dangerous environment. I worked for many years as a psychologist at a maximum security prison in Ohio, and the respect that I gained from my coworkers during that time is enormous.

Correctional officers are public servants. Most of the officers I know give back to their communities in countless ways. Most recently I was struck by the sense of community exhibited by correctional officers in New York City. While that city was undergoing untold turmoil in those first 2 weeks following September 11, correctional officers worked 20-hour days lending their aid in the makeshift morgue and helping to coordinate the massive logistical effort of keeping the lines of communication open in Lower Manhattan. What we saw in New York is typical of all correctional officers, and I would urge all of my colleagues to recognize correctional officers and employees by joining me in cosponsoring H. Con. Res. 390, a bill that was introduced by the cochairmen of the Congressional Correctional Officers Caucus to urge the President to establish a National Correctional Officers and Employees Week so that all Americans can join us in honoring these very worthy individuals who contribute so much to our society.

RESULTS OF CODEL TO ISRAEL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Florida (Mr. DEUTSCH) is recognized for 60 minutes as the designee of the minority leader.

Mr. DEUTSCH. Mr. Speaker, this weekend three of my colleagues and I traveled to the State of Israel. We had several purposes for the visit. One was a show of solidarity with the Israeli people in terms of what has been going on. We visited a number of victims of terrorist acts, including American citizens, spent time with some families who had lost loved ones, children, 5-year-olds, 12-year-olds, 15-year-olds, again a number of them American citizens. We met with the Prime Minister, the Foreign Minister, terrorism experts, the head of intelligence for the Israeli Army, but I think probably the most dramatic part of our visit was a review of a very small collection of arms that was captured during the recent Israeli incursion.

One thing that American television press has not given, I think, the American people any sense of is the amount and the type of weapons that the Israelis have seized over the last several weeks during their incursion. It is a staggering amount. It was an amount that if it were placed in this Chamber from floor to ceiling would more than fill this Chamber. The weapons are extensive, mortars, sniper rifles, night vision glasses, machine guns, weapons totally outlawed by the Oslo agreements.

But I have a picture here which in some ways is the most disturbing of any of the weapons, if they can be called weapons, that we saw and that have been captured in the incursion. This is a suicide or a murder belt, one of several that we saw and touched and examined. The belt itself is not a makeshift belt. It is a manufactured item. It is clearly manufactured with a certain degree of technology in the sense that it is well-sewn and PVC piping, as you can see, that is stuck inside of a vest. That was one version. There are other versions. But I think the point of looking at them and the impact is this belt and the weapons that I described, and I will show some pictures of some of the other weapons that we saw, this belt was clearly not made to be put in a museum. This belt had one purpose, and that purpose was to kill innocent people.

In fact, of the belts that we saw, had those belts not been captured, I think what is clear is that their intended use would have occurred. And if for no other reason than stopping the use of one of those murder weapons, the Israeli incursion is justified.

I mentioned the belt again because I think one of the things that the American press has not done enough of is tell this story. These are mortars found, again weapons outlawed under Oslo, weapons that have no use but offensive weapons against Israelis, found in a number of different locations throughout the West Bank, in Ramallah and Jenin, Bethlehem.

Again I am just going to go through some of these because these are pictures that have not been on American television up to this point.

Besides the weapons themselves, the ammunition, just a small sample of the ammunition from M–16s, from machine guns. In fact, one of the sickest things that we saw was a number of buckshot bullets that we were told the purpose of them, and there is evidence because of the forensic evidence of suicide or murder bombings, is that the buckshot is actually taken out and the little pellets, the ball bearings are then implanted in C–4 to make the weapons more dangerous.

Again, these are assault rifles, which also are illegal under the Oslo agreement.

These are machine guns and mortars.

These are rifles that have been modified for the most horrific use.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. HOEFFEL), who has taken a leadership role on this issue and shared the experience of a witness in terms of the weapons.

Mr. HOEFFEL. I thank the gentleman for yielding and want to compliment the gentleman from Florida for his leadership in standing up for Israel and the people of Israel and for helping to organize and really being the guiding light beyond the trip that four Members of Congress took to Israel this past weekend. I was pleased to join that trip led by the gentleman from New Jersey (Mr. SAXTON) and the gentleman from Florida (Mr. DEUTSCH) and honored to be here tonight to share some of the findings that we had.

We designed this trip, Mr. Speaker, to express our solidarity with the people of Israel and the government of Israel in the face of the war of terror that has faced the people of Israel over these last few months and even over these last few decades.

□ 1645

What has happened recently has been horrible and is unacceptable, and the act of terror yesterday is a reminder of how difficult the situation is and how the people of Israel face the uncertainty every day, whether they will face this kind of terror, whether they will be able to go shopping, whether they will be able to stand at a bus stop, whether they will be able to socialize with friends and family in safety. Too many times recently the answer has been that they cannot do that safely.

We feel very strongly that the terror that has faced Israel must be firmly opposed. We heard on our trip from Prime Minister Sharon that there can be no compromise with terror. President Bush has said that there should be zero tolerance for terror. All four of us, and I am sure that the whole Congress, agrees with both of those statements from those two leaders.

I know those of us on the trip feel that there cannot be a Yasar Arafat exemption to the "no tolerance for terror" rule. We need to determine what we can do as a Nation to help Israel deal with this challenge and help her in her undeniable right to defend herself against acts of terror and to make sure that we do not set artificial limits or restraints upon her legitimate right of self-defense.

Mr. Speaker, let me yield back to the gentleman from Florida (Mr. DEUTSCH). I know that he has other photographs of some of the illegal weapons that we inspected, all of which were in violation of the Oslo Agreements.

Mr. DEUTSCH. Mr. Speaker, before the gentleman yields back, I know the gentleman has some very strong words, and the first picture I had up was the murder belts that we reviewed. If the gentleman could just describe them in his own words, I think that is helpful to people.

Mr. HOEFFEL. Mr. Speaker, I would be happy to do so. I must say that I have never seen a more evil thing than the suicide bombing vest that we inspected as part of the seized weapons and munitions that the Palestinians have stored illegally in the West Bank. The vest that we inspected from a distance looks innocuous. It is a plain gray, down-filled vest. Close inspection indicated that it was manufactured in China with a Western logo. It is called the Masters Company and the Masters name is on the vest, obviously intended for a Western audience. But inside the vest, a webbing has been sown and straps that are designed to hold small pieces of PCV piping, tubing; and the experts informed us that inside of those tubes, the suicide bombers place their C–4 explosives and a collection of ball bearings. So when the explosion occurs, it kills the suicide bomber, the explosive force kills and maims people around the bomber, and the ball bearings just shred the people that are in the vicinity of the bomber.

Our delegation met with a former constituent of mine who is now a resident of Israel who was the victim of one of these bombings. Her name is Gila Weiss. She was stepping onto a bus at the Jewish market in Jerusalem when a suicide bomber stepped off and the vest detonated, killing six people, wounding 40, including Gila Weiss. Now, her devastating injuries are just appalling; but the doctors are confident that she will have a recovery and hopefully regain all of her eyesight that has been threatened by this explosive blast. She is pockmarked with shrapnel marks, but they have all been removed and the doctors believe she will heal well.

The most encouraging thing about this was her spirit, Mr. Speaker. Her father, my constituent, flew over when they learned, her parents learned of her injuries and asked her in the hospital, "Honey, do you think now it is time for you to come home?" And this brave woman responded "Daddy, I am home." And that is the spirit of confidence and resolve that our delegation found throughout Israel. It is because of that spirit that I am confident that the

State of Israel will continue to exist and to thrive, and I look forward to giving my full support to that.

Mr. DEUTSCH. Mr. Speaker, I appreciate the gentleman's comments.

Before I yield to our next speaker, what I would like to do is show a couple of other pictures that have not been in the American press. I talked about the weapons seized in the incursions over the last couple of weeks. There is a very dramatic incident which, unfortunately, the incident was reported, but not the scope I think accurately, and that is the ship *Karine A*, which Israeli commandos seized. We have read about it, but to view it and really spend at least an hour and a half looking at the weapons and understanding what they were and the actual operation was very significant.

These weapons were about $20 million worth of weapons from Iran. They were basically off the factory, off the factory, literally off the factory, bated with serial numbers and dates. First of all, 90 percent of the weapons were outside of the Oslo Agreement, maybe 95. They were weapons not for a police force, but for an army. Beyond mortars. In fact, they included rockets with explosive charges tied to those rockets. The equivalent of American TOW missiles, which are devices used to attack tanks, to be able to steer the tanks after they have been shot, sophisticated tank mines that were made out of plastic so they could not be detected by metal detectors. This is a picture of just some of the mortars. Again, if one was to fill, it would be about half of this room, the amount of weapons that were on that ship. One of the most disturbing things, and again, the *Karine A* incident, our Secretary of State, Colin Powell, has publicly talked about the direct connection with Chairman Arafat in terms of purchasing those weapons and being involved in the shipping of those weapons. Effectively at this point, Chairman Arafat does not deny that he tried to get the weapons in. At this point it is not a debatable point about his personal involvement in bringing in just these extensive, very extensive weapons from Iran.

But one of the other pictures which just gives us a sense of what this whole operation, the Karine A, was about, this is one of the containers that all of the weapons were in. All of the weapons on the ship were placed in some very sophisticated water-tight containers. In fact, some of the weapons were modified, some of the larger mortars, or mortar launchers were actually modified so that they could actually fit inside of those containers which are very sophisticated containers. Just a part of the sophistication, which we can see sort of on top, is there was a part of the container that actually had a balance between air pressure and water to literally place the containers at a certain depth in the Mediterranean Sea.

I mean, this is a well thought-out military action. In fact, there were buoys with each of the containers so that they could be picked up by Palestinian Authority operatives in the Mediterranean Sea. It is a sense of the scope of what the Israelis are facing.

Mr. Speaker, I yield now to the gentleman from Indiana (Mr. PENCE), who I have listened to his words and I do not believe there is a Member, of the 435 Members in this Chamber, who has spoken more passionately and more effectively about the issues that America and Israel are facing in the Middle East, or who has been stronger and more forceful with his words.

Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding, and I am very humbled by his words; and I am confident that they are overly generous. If anyone that might be looking in, Mr. Speaker, is paying attention at all, one would observe that Democrats and Republicans, liberals and conservatives, as we did in the resolution last week, are truly united in this institution in our belief in the preservation of the dream of Israel and our prayer for peace in the region.

I pray, Mr. Speaker, for the peace of Jerusalem almost every day. I pray for the peace not just of the Jewish people of Jerusalem, but for the Christians and the Muslims and the people who profess no particular religious beliefs. It is against that backdrop that I grieve with my colleagues today over the most recent loss of human life.

I think of the time of hope out of which we come to this place, Mr. Speaker. We come from several weeks where suicide bombings had come to an end, the efforts on the part of the Israeli military to rend asunder those who would use terrorist violence, who would use teenagers with bombs strapped around their chests as walking human weapons, targeting young families on the streets of Israel. We had seen them on the run, Mr. Speaker. We had seen evidence of the success of the Israeli military in their war on terrorism in the region.

Then we moved, with some U.S. pressure and encouragement, into a posture where the head of the Palestinian Authority was allowed to leave his compound in Ramallah just a matter of days ago, the Prime Minister of Israel comes to the United States, and against this backdrop of hope, virtually as Prime Minister Sharon sits in the Oval Office, more innocent lives are lost. Over a dozen dead, dozens injured in two separate terrorist attacks.

Appropriately, the Prime Minister of Israel ended all discussions of the peace plan that he brought to our shores and has returned to see to it that his people might not be made the subject of blackmail.

So we rise today in the latest of a series of Special Orders on this floor, Mr. Speaker, to state facts for what they truly are. Let us bring a few facts, if we can, into the record.

First and foremost, with regard to the role of the United Nations, let us understand, as Americans, as people who are committed since the inception of Israel's return to her historic homeland in 1948, that we are a nation committed to the territorial integrity and preservation of the Jewish State of Israel, that the United Nations is not similarly motivated, Mr. Speaker. That in fact, there is extraordinary evidence of a double standard by the United Nations. Why, Mr. Speaker, I would ask rhetorically do we have no fact-finding missions investigating massacres performed by Palestinian extremists? Yet, there is talk in the United Nations of an investigation into the so-called Jenin massacre, which, according to the Boston Globe, has already been determined to have virtually been a hoax. According to the Boston Globe, the Palestinian Authority's allegations are crumbling under the weight of eye witness accounts from Palestinian fighters who participated in the battle and camp residents who remained in their homes until the final hours of fighting, all told journalists that they were allowed to surrender and evacuate.

□ 1700

Mr. Speaker, there has been no massacre in Jenin, and yet the United Nations continues to pursue its one-sided policies.

Fact number one: The solution lies not in the United States.

Fact number two: Let us make no mistake about it, as there are those even in our own country who would call on concessions with regard to the 13 Palestinian militants currently held within the Church of the Nativity, let us have a fact on the table, Mr. Speaker. No other country will accept these 13 Palestinian militants. Yet many in our own State Department would have Israel sit down at the table of negotiating and trust with them.

Lastly, Mr. Speaker, I truly believe that the recent attacks demonstrate that Israel's efforts in the war on terrorism are incomplete; that, sadly, because of pressure from the United States of America, it appears as though, based on the two suicide attacks of recent days, that we have asked our ally to stop a war before it was over.

So I rise today with my colleague, the gentleman from Florida (Mr. DEUTSCH), and others who we will hear from to say that America must allow Israel to complete this operation. We must allow Israel to remove the terrorist elements from their proximity. We are in the same position. We are taking our war against terrorism to the terrorists, and Israel must be allowed to pursue the terrorists in her midst.

As I said in the beginning, Mr. Speaker, I pray for the peace of Jerusalem. I ask, as did the Psalmist, that those who love God would be secure, that there would be peace within her walls, security within her citadels. As the Psalmist goes on to write, "For the sake of my brothers and friends, I will say, peace be within you."

I rise today as a Christian conservative Member of this institution. I rise to speak humbly on behalf of, Mr. Speaker, millions of my brothers in the Christian faith, and sisters, who share the passion that my colleague associated with me does.

They are people who on Sunday morning and Sunday night and Wednesday night fill the pews of little buckboard churches that dot the landscape of districts just like mine in the heartland of America, and they are people who have a passion for the dream that is Israel.

So let there be no mistake to those who would observe among our colleagues and to the wider world that this is a Congress that is united across the lines of geography, across the lines of partisanship, and even across the lines of faith to come alongside our partner, our ally, and our friend in her darkest hour.

Mr. DEUTSCH. Again, Mr. Speaker, I appreciate the comments of the gentleman from Indiana. I really have learned a lot from the several statements he has made over the last couple of weeks.

Those of us who left to go on this trip literally left as soon as we took the vote last Thursday in support of Israel, in solidarity with Israel, but also specifically in understanding what the Israeli government is doing in terms of its military operation.

As the gentleman will recall, and as people watching might very well recall, it was a debate in this Chamber. It was an overwhelming support. Over 90 percent or about 90 percent of the Members that voted, voted in support of that effort.

I can tell the Members a couple of things. First off, we delivered copies of that resolution to victims in hospitals, to the Prime Minister, to families who had lost loved ones. I can tell Members that it meant a great deal to them that they are not alone, that there is a connection between the United States and the people of the United States and the people of Israel; that we should do as much as we can do to make that real, because unfortunately, they do feel alone.

I sat through really the entire debate last Thursday, and again, generally we do not sit through entire debates, but I wanted to hear my colleagues who were speaking against the resolution. It was a disturbing afternoon.

One of the things that we have talked about is I would welcome any of my colleagues in a discourse, because as the gentleman knows, our debates are not really debates, they are statements. They are very difficult. In this setting we can have discourse. I would hope that any of those colleagues would join us this evening and enter into a discourse about some of the statements that they made.

I would also offer to those colleagues, and we have done it before in this Chamber, an Oxford-style debate for them in a discourse way to try to defend some of those positions. Some of those positions, again, I found disturbing, shocking, and ignorant.

I will mention one, and there is no reason to mention a Member's name. One of the Members in this Chamber actually stood at this podium and put up two pictures of two young girls, a young girl who was a suicide bomber about 19 years old and a young girl who was killed by that suicide bomber.

We saw the supermarket where that incident occurred. I cannot think of many sicker, more immoral comparisons than was delivered right at this podium less than a week ago. I would ask my colleague just to share thoughts that he had during that debate, as well.

Mr. PENCE. If the gentleman will continue to yield, Mr. Speaker, I want to congratulate the gentleman and my other colleagues who were able to make the trip over the weekend to Israel. I am very moved, as I am sure anyone is that is watching, to hear that the pronouncements of this institution were a comfort to people who are suffering the loss of family members.

I share the gentleman's frustration with what we can only describe as the moral equivalency that many in this country and some in this institution ascribe to this conflict, to either side in this conflict. It is born, in fairness to our colleague who posted the pictures, that juxtaposition first appeared to me on the cover of a prominent American magazine. Who would ever have conceived that a sympathetic display of the photograph of a murderer and the girl she murdered would be presented on the cover of an American magazine as two victims of the conflict in the Middle East? It was an outrage to me. I have no doubt that our colleague who used that display was prompted by that same national magazine.

But it does, it seems to me, belie some of the moral confusion in the national media which has infected some in this institution. But I must tell the Members, as a friend and colleague, I was deeply heartened by what I heard in that debate, taking it in here and over the television air waves as I did in my office that day, by the way that so many of our colleagues seemed, against an avalanche of seemingly one-sided international media, to be still understanding how the hearts of the American people resonate for Israel; and, as the gentleman has said many times on this floor, about the one-to-one comparison between what Israel is doing in the West bank and what the United States is doing in the mountains of southeastern Afghanistan, and perhaps, as we speak, in northern Pakistan, that it is a one-to-one comparison. We are doing the same thing.

As our President stood at this podium days after September 11 and pronounced, "You are either with the terrorists or you are with us," Israel is the one Nation on Earth, it seems to me, that has taken up the mantle and joined us in the battle against terrorism.

So I share the gentleman's frustration with many of our colleagues. I hope those that are with us listening in in their offices on this late afternoon who have a different view will join us for a colloquy of sorts.

I also want to extol the Members in both parties in this institution who were willing to rise against media criticism and distortions and stand and add their names to that resolution that the gentleman so movingly says was a comfort to families.

Mr. DEUTSCH. I would also mention, Mr. Speaker, just in terms of the discourse that occurred, on more than one occasion last Thursday people mentioned the Israeli occupation, almost inferring that it was a justification for acts of violence. Obviously, it could never be a justification for the killing of innocents. The last incident before this one that occurred was literally a 5-year-old girl was shot, murdered, hiding underneath her bed.

I think one of the facts that are important, that people should understand, is that the Israeli government offered to end the occupation. That is what the Camp David Accord was about, where the Israeli government effectively offered to give back 98 percent of the West Bank and Gaza, offered to end the occupation. So it is this demented sort of perspective that if the occupation causes frustration and violence, well, the Israeli government was willing to end the occupation, so then why did they not accept it? It ends up bringing some of those issues in.

I know the gentleman from New York (Mr. WEINER) has some very important statements, but I wanted to give the gentleman from Philadelphia, Pennsylvania (Mr. HOEFFEL) an opportunity to talk, because he was with some of those people who we passed on that resolution to. If he could just describe the interaction, knowing that the United States Congress had passed that resolution, and literally giving it to people, if he can share in his own words.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Speaker, I would be happy to. I thank the gentleman for yielding to me.

The people we met in Israel on the trip this past weekend all knew about the resolution that the House had passed the day before. It was a remarkable demonstration to me of how much our actions here in the House are followed by the citizens and the government of Israel.

Everyone we met with, from Prime Minister Sharon, Foreign Minister Peres, Security Minister Landau, to the Mayor of Jerusalem, to Mikeli the taxicab driver, all knew and all appreciated the work that was done here last Thursday on a bipartisan basis by passing that resolution expressing solidarity with Israel and denouncing the terror.

So I thank the gentleman for the opportunity just to once more say that what happens here is followed in Israel. They appreciated the solidarity that we expressed, and there was a strong feeling of appreciation for what we did.

Mr. DEUTSCH. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from New York (Mr. WEINER), who I know over the weekend wanted to join us, but in fact had activities in his own community showing solidarity and support for the State of Israel, and has worked as hard as any Member in this Chamber for peace in the Middle East.

Mr. WEINER. Mr. Speaker, I thank the gentleman from Florida for his statements today and for that kind compliment, and also for organizing these opportunities. We frequently in the House of Representatives are reduced to sometimes 2- or 3- or 5-minute debates on large global issues. This is now an opportunity, and it is the third or fourth time we have gathered to have kind of a reasonable discussion and back and forth about what are essentially very complex issues.

I want to also offer my thanks to the gentleman from Indiana who spoke earlier. We also have a tendency sometimes in politics, particularly in this age of conflict debate, to be overly morally certain about our position on things. Sometimes we have debates about obscure tax policy or telecommunications policy, and sometimes we go at it on the floor of this Congress as if there is no doubt in our mind with absolute certainty that our position is correct.

One thing that I would hope we would be able to agree upon is there is no moral underpinning for sending one's child out to go to a pool hall and then have them blown to bits by a suicide bomber. Those 16 young people who were killed in the latest homicide bombing, what crime did they commit? What political role did they occupy? What was it that their killing accomplished? What form of political debate is it that was being engaged in when they were blown to bits while Prime Minister Sharon was visiting here in the United States?

There is no moral justification for it. There are no political ends that they seek to get that justifies that type of horror. I would agree with what the gentleman said, the gentleman from Florida. The idea that some have embraced or even rationalized that type of activity, saying it is a function of a political discussion or a political debate, however feverishly pitched it might be, over who controls a given piece of real estate in the Middle East, these are 16 families that are going to be sitting down to dinner tonight with their young child missing from the table, blown to bits by a suicide bomber.

In that context that 350 of our colleagues, Democrats and Republicans from all parts of the country rallying last week to the cause of the U.S.'s support for Israel, and it was led, frankly, by the gentleman from Pennsylvania (Mr. HOEFFEL), there are very few things we agree upon in those large numbers. But among those who argued against, there were certain myths that seem to have been repeated on this floor again and again, and in some cases they were responded to eloquently, and sometimes they were kind of left out there in the air.

One of them is the myth that somehow Israel has to just give peace a chance, that they have not sufficiently offered opportunities for peace to take hold in the area. I think, and I have said before here, we can argue that Israel has tried every strategy. They tried the couple of yards at a time, trying to get to the first down marker. They tried the Oslo process, started in 1993, step-by-step, giving and conceding more to the Palestinians in terms of control of territory.

At this time, 97 percent of the territories are under Palestinian control as a result of the Oslo process. Border checkpoints had been eased as a result of the Oslo process.

□ 1715

Well, that three yards and a cloud of dust strategy was tried. What was the result? More violence; no concessions when it came to things like not teaching young people in the Palestine territories to hate Israel; to removing reference in their textbooks referring to Israel and Jews as evil entities. So the Oslo process was tried by the Israelis and rejected in large measure by the Palestinians.

Then Camp David, as the gentleman from Florida (Mr. DEUTSCH) mentions. That to me was kind of like the Hail Mary pass. Well, let us see what will happen if we try giving them everything they ask for. Well, that was not only rejected, but it was met with no counteroffer on the part of the Palestinians and the largest outburst of violence called the Second Intifada.

Well, what do we have left? Now we have plans to get to plans to get to plans. And those, too, Israel has embraced and the Palestinians have not. We had the Mitchell Plan, very tough for Israel, telling them to withdraw from settlements of areas that many people believe in their heart of hearts are part of Israel proper. Israel accepted the Mitchell Plan; the Palestinians refused.

Then you have the Tennant Plan to get you to the Mitchell Plan. Again, it requires very tough things of Israel. Israel said okay, we accept it. It was CIA Director Tennant here from the United States, sent on behalf of our government, who negotiated this plan. The Palestinians said no to that. We even had the Chaney Plan to get you to the Tennant Plan to get you to the Mitchell Plan. Even this level of incrementalism Israel chose to accept. The Palestinians said no because they refused to do thing one, which was to stop the violence, stop it for a period of time, allow negotiations to take place.

So the first myth that came up in the debate on the floor was that Israel needs to just give peace a chance and we in the United States need to step back, not be as supportive of Israel, because she has not. Clearly a myth.

The second myth that has emerged again and again in this debate and it has seeped into the mainstream media is that the problems there are a product of Prime Minister Sharon's intractability; that if it only was not Sharon and the way he behaves in his bellicose manner, maybe we would not have all of these problems.

Well, I would make two points about that. One is the Intifada that has started this violence, that has led to 76 suicide attacks since October of 2000, started under Prime Minister Barak. Frankly, he was in for 4 months while this violence was ratcheted up and ratcheted up and ratcheted up. No one could argue that Prime Minister Barak was so anti-Palestinian, bellicose and confrontational. He actually lost his prime ministership because he was too generous in what he was offering the Palestinians. Yet that is conveniently ignored by opponents of Israel today who want to lay this all at the feet of Ariel Sharon, with the simplistic explanation of what is going on.

Let us not forget something else. Virtually every corner of Israeli political life today has articulated support for Prime Minister Sharon's efforts to weed out terrorism wherever it can be found, essentially has articulated support for the Bush doctrine, Israeli style. So the myth that this is a Sharon-created problem is just that, a myth.

A third myth that was repeated again and again, and I heard it last night on the news again, is that the Israelis have used excessive force on the face of the onslaught of terrorism.

We have as of this morning dropped one bomb for every member of the Taliban in Tora Bora. We have unleashed a record number of armaments in that area. We do so because we know how important it is to do whatever is necessary to root out the Taliban, to root out bin Laden and to root out his henchmen.

The Israelis have made a different decision. They are not flying over the Palestinian territories, going to Ramallah and saying there is 44 of these suicide bombers coming from Ramallah, we are going to level Ramallah. They are going house to house, down dark alleys, and making a conscious decision to increase the number of casualties.

Excessive force? If the Israelis really wanted to root this out in a way that we have done it in Tora Bora, they would do it from afar. But they will not do that. It is not the way they are as a people and it is not the way they choose to deal with the Palestinians as a people either.

So what has happened? Israelis going door to door with pictures of wanted terrorists, knocking on the door, trying to find them, and they are getting killed as a result. Far from excessive force. The exact opposite. Probably the most moral execution of a war you can possibly imagine.

And the standoff that goes on today at the Church of the Nativity. Can you imagine, just imagine for a moment, first of all, the utter contempt of the terrorists to seek refuge in such a holy place. But can you imagine any other country with 13 assassins, suicide bombers, people who have done harm, can you imagine for a moment one of the evil men that attacked my city of New York, imagine if we knew one of them was in a local church? Would we encircle it and wait and wait and wait until they came out, out of respect for that church? Probably not. No country would do that perhaps except for Israel. Why? Because Israel has been the caretaker of the religious crossroads of the world for its entire 44 years with the utmost respect. Anyone who visits Israel can attest to that.

If you look at the various places, an entire government commission was created, a government agency was created just for the purposes of protecting and ensuring the health and security of non-Jewish holy sites in the Holy Land because that is the way Israel chooses to do it. So this idea that excessive force has been used is another myth.

And the final myth, and this is the one that perhaps is a favorite of those in the media, and the gentleman from Florida (Mr. DEUTSCH) referenced it earlier, is the notion that we have to create an environment that the moderate Arab states can help us forge. Where is this moderate Arab state? Is it Iran, who tried to export 50 tons, I believe is the number, of armaments that cannot only be used against Israeli citizens, ships and planes, but just as easily against a United States ship or plane or people? Is that our moderate friend?

How about the Saudis? The Jerry Lewis of fundraising for suicide bombers. Are they the moderates that produced 15 of the 19 suicide bombers? Are these the people that came to the United States to meet with our President of the United States and engage in a front page New York Times lecture about our moral responsibility? This is the country, this totalitarian regime that is run by a few hundred princes and potentates?

Who are these moderates? Maybe it is Syria, Hafez Assad, the new head of Syria? He is an ophthalmologist or an orthopedist or an orthodontist. I do not know what he is. He was educated at the Sorbonne so we start to say maybe he is going to be the moderate face of the Middle East. What does he do? He turns over his government in whole, in toto, to Hezbollah which continues on the other front that Israel has, their northern front, continues to use Lebanon as a launching place for more terrorism.

This is another myth that the moderate Arab states will rise up. I will tell you who is going to rise up. The people of the Palestinian territories will rise up and say what the Egyptians said, what the Jordanians have said, and what other people who have sought to make peace have said.

In every case where someone said to Israel, here is our hand of peace, there has been peace. The Egyptians decided through the heroism of Anwar Sadat, maybe we should learn to get along, live together. Peace did not take that long to do.

King Hussein of Jordan made the same decision. The moment that it comes that the Palestinian peoples choose through a nonviolent, through negotiations that they want a homeland, that they want an economy that is not in rubbles, that they want to peacefully co-exist with Israel, I can tell you that it will happen in weeks.

The gentleman from Florida (Mr. DEUTSCH) correctly points out the occupation is hardly even an issue any more. The Israeli people, the Israeli government say we will negotiate an end to the occupation in exchange for peaceful co-existence.

Let us not forget that in the final analysis, Israel is ringed by Arab nations who fundamentally like the idea that the Palestinian people are waging a war against Israel. They are a surrogate army. It is the Palestinian people themselves that have to make the decision. They say we no longer want leadership that turns over our faith to Hamas to go blow up children at a pool hall. We no longer want to turn over our faith to Yasir Arafat who says no to an offer of everything simply because he wants to continue to negotiate or because he does not want Israel's right to exist.

When the Palestinian people rise up and say, you know, my little 5-year-old girl should not be seeing cartoons on Palestinian terrorism saying put down your books, put down your toys and pick up your guns, when the Palestinian people decide they are not going to go to protests, holding their 5, 6-year-old boys and girls on their shoulder with mock suicide bombs around their waists, there will be peace. Until then it is the United States supporting a peaceful country of Israel who is trying desperately to do what we have been doing since September 11; desperately trying to survive, trying to have an environment where they are not afraid to send their kids to school, not afraid to send them out for a slice of pizza, not afraid to send them out to a pool hall.

I would ask my colleagues how they would feel in their town and neighborhoods and cities all across this country if they did not feel comfortable that they could send their child out for a slice of pizza without knowing whether they would be blown up by some person wearing dynamite laced with nails, ball bearings and hexagonal nuts. That is what Israel confronts.

We in this Congress in a magnitude that is rarely seen around here, 350-some-odd votes, said we in the United States understand what Israel confronts, and we stand shoulder to shoulder with them.

Mr. DEUTSCH. The gentleman had so many incredible insights in that statement. I would like to really follow up on a couple of them.

One, the difference between Anwar Sadat and Yasser Arafat. Anwar Sadat not only came to Jerusalem as a peacemaker, but got on Egyptian television and told his people why it was in their interest to have peace with Israel, and basically led them and educated them about that.

Yasser Arafat, I am going to read this quote that he basically said today, right now. This is the quote. "But we ask Allah to grant us martyrdom. To Jerusalem we march, martyrs by the million."

This is the English translation from al Jazeera, but the word martyr is shaheed. And the true translation that every Palestinian understands by that word is suicide bomber. Literally suicide bomber. It is the equivalent of what we would say kamikaze, and we know what a kamikaze means. Shaheed, the Palestinians know what it means. So he said to Jerusalem we march. Suicide bombers by the millions. To Jerusalem we march. Suicide bombers by the millions.

When Yasser Arafat left his compound on May 3, it really is not martyrs in the millions, the true translation as Palestinians said the words and understand the words, suicide bombers in the millions.

This is just another comment. Let me see if I can find it.

Mr. WEINER. Mr. Speaker, while the gentleman is looking for that, if I could ask the gentleman to yield for a moment. One of the things that is important is we frequently listen to what Mr. Arafat says to Western television in English, and then you go read what he says to his own people in Arabic, and it is a world of difference. You can hold a press conference in the United States for CNN saying this is a terrible thing that has happened, and then, as you pointed out, he turns and says in Arabic something entirely different.

Mr. DEUTSCH. This is from the New York Times, April 15. This is from Chairman Arafat's wife. And I think it is so strange to us that a mother could say this, but this is what Yasser Arafat and his wife are teaching.

"If she had a son, there would be no greater honor than to sacrifice him for the Palestinian cause. 'Would you expect me or my children to be less patriotic and more eager to live than my countrymen and their father, we who are seeking martyrdom?' " And, again, martyrdom means being a suicide bomber, a mother of a leader of a group. And I question whether or not he is a leader because one of the things that is interesting in your comments and one of the things of visiting and talking to people in Israel, is that as evil and as awful and as horrific as Yasser Arafat has been to Israelis, he has been as bad to his own people. They have indiscriminately killed Palestinians. They have destroyed an economy. There is no freedom. There is fear. The demolishment. And it is a people that does have a future. But it does not have a future with Yasser Arafat.

One of the other things, and again, the gentleman went through a number of points that I hopefully will be able to find all the corresponding charts. I think I have it.

This is our friends, the Saudis. One of the things about the Israeli incursion was that not only did they find this incredible stash of weapons, but an incredible sort of stash of documents, some of which have been released publicly at this point in time. And unfortunately, again, it is an issue where the press really has not, I think, talked about them specifically. And I welcome people trying to understand and literally read the documents.

Here is the ad that was put in a Palestinian newspaper asking for people because the Saudi committee for support of the Intifada was giving the equivalent of 5,000 American dollars per family, per suicide bomber. And literally an ad in the Palestinian newspaper, Alhayat Al Jadideh, and literally just asking them to come to a certain location for information and a number of beneficiaries and to come and sign up, prove that you are a suicide bomber and you will get $5,000 from the Saudis.

☐ 1730

Saudi Committee for the Support of the Intifada, which the interior minister of the Saudi government is the head of that committee.

Now, the Saudi government then sent a letter to that particular organization and the letter says, "I remind you that the house rules of the Saudi Committee for the Support of the Intifada prohibits publication of the name of the committee." So they are not allowed to publicize the fact that the Saudis are paying for it.

Included in the documents are a list of suicide bombers, literally a list which people at this point is not on the Internet, but is available in the public domain, that the Saudi government pay the $5,000 American literally to people who were suicide bombers.

So I agree with the gentleman completely. Is that moderates? Is that who we can expect? The one mistake I think in terms of the war on terrorism that the administration is making is this attempt to make something that is not. I think the proofs are the facts that the Saudis unfortunately are really not our allies in this war against global terrorism by their actions and by their specific deeds.

What I would like to do quickly in the last minutes is really just put up on the easel again some of the extensive evidence tying Chairman Arafat specifically to the terrorist actions. There has been an attempt by the President to also make a Yasar Arafat exemption to the war on terrorism, and it is a sad and, I think, tragic mistake of the administration.

The facts are the facts. The truth is the truth. These are one of several documents. At this point the Palestinian authorities are no longer inferring, as originally they did, that the documents are hoaxes. These were found by soldiers in the hard drives of Arafat's compound; and in fact, I spoke with the parents of a soldier who, in fact, was one of the soldiers that did, that was killed, and in the interim, the parents before, because it was in a different incursion, he was in Ramallah, he ended up being killed in Jenin, actually called his parents and explained to them what he did and by his own words told me what their son told him. In fact, he actually got these specific documents and the young man, 20-year-old young man, that died.

This particular document, which at this point again, there is no question about its authenticity. It is signed by Chairman Arafat, his signature, and specifically, it is a request by a senior Fatah activist in the West Bank for $2,500 for three known terrorists, terrorists that were on the Israeli's most wanted list. In fact, the Israelis were assassinated because of specific direct involvement with terrorism, and Chairman Arafat signs and approves those payments.

He does the same in this chart for a list of 12 known terrorists and again his signature, which at this point is no longer refuted in terms of his direct involvement in terms of terrorist acts.

In some ways this is one of the most disturbing documents found. It is a list of expenditures by Al Aqsa Martyrs Brigade, a martyr group, a list of their specific needs; and as incredible as it is, we meet every week five to nine, explosive targets. The squads in the various areas, five to nine explosive charges for suicide bombs, for murder bombers, written by Al Aqsa, to the Palestinian Authority, in their office was found and the calculation of how much they were going to pay them.

It is just not credible that they were not involved in direct bombings, suicide bombings.

Here is a copy of minutes of a meeting from March 24, 2002, of the Palestinian Authority. Hamas members were there at the time. So again it is not credible to say that Chairman Arafat obviously was at this meeting, but specifically talking about minutes from the meeting, talking about the decisions of where to bomb and why it was not a good time to bomb because or where outside the green line or inside the green line. General Zinni was there.

I am going to close because our hour is just about up, and there are more things that I can mention or show, but I think that in closing Israel's war is America's war. Israel does not want to be in Bethlehem or Nablus or Jenin anymore than America wants to be in Afghanistan. They are there because they have to be there. They have no choice.

I will not show a chart of it, but Israel is about 1/60th the size of the United States in population. When 50 Israelis are killed, it is the equivalent of 9–11. So just yesterday it was almost the equivalent of one-third of 9–11. We know how America responded on 9–11, as we should and as we did and as we are doing. We cannot ask anything less of the Israelis.

EDUCATION TAX CREDITS

The SPEAKER pro tempore (Mr. OTTER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. SCHAFFER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SCHAFFER. Mr. Speaker, I want to spend this leadership hour discussing in the context of Special Orders the important issue of education and specifically of education tax credits. There is legislation that I am working on, preparing for introduction within the next few weeks and have been working on that legislation for some time.

That legislation is supported and enjoys the assistance of a great number of our colleagues, growing coalition, large coalition of Representatives here in the House and even some over in the Senate who are firmly convinced that an education tax credit bill should be introduced; and to all those who may be monitoring today's proceedings and this discussion on tax credits, I want to extend an invitation to our colleagues to join me here on the floor if they would like to participate in a discussion on this important initiative.

It is an important initiative and one that really extends beyond the walls of this House in terms of its appeal and its scope. There are a great number of outside organizations, family groups, taxpayer groups, educational organizations that are supportive of an effort to try to get more cash into the American education system and to do so in a way that does not discriminate based on the kind of institution that is providing an education service or certainly does not discriminate based on the children and the choices they have made on where they might want to attend school.

This is an effort to try to get a massive cash infusion of funds available to all children in America, regardless of the academic setting that they have chosen in which to learn; and it does so by essentially cutting government out of the picture, which is attractive for some, which is a problem for others, I understand; but my goal is not to worry about the comfort of those who are comfortably employed in the halls of bureaucracy, dispensing education cash to children. My goal is quite the opposite and that is to make children the primary objective of our education initiatives in Washington and throughout the country.

Here is how a tax credit works. It essentially reduces the tax burden on an American who makes a direct cash contribution to a child who is attempting to receive a better education. In some cases, that might be through an organization which we have referred to in legislation as an education investment organization. These groups exist in all 50 States today. Some of them provide scholarships to low-income children so that they can attend the school of their choice.

The other component of the bill would allow direct cash contributions to government-owned institution organization public schools for specific projects or enrichment programs that exist at these schools; and once again, a contribution to an effort of that sort would result in a reduction in Federal income tax obligations to the extent of 50 percent in the case of the bill that has been proposed.

It might be instructive, Mr. Speaker, to kind of run through how money gets to children today, and I will refer to the chart here to my right. At the top, we have a taxpayer. This represents any ordinary hardworking American who is working hard today, having a portion of his wages confiscated by our government at the time he received the paycheck, and of course, in April we try to get a portion of that back by filing our tax returns. Americans throughout the country today are getting a portion of those dollars returned to them, and these are essentially payments that they have sent to the government or money that the government has taken from them over and above their actual obligation to pay.

So I want to start there with taxpayers because nobody likes paying tax. I do not know too many people who have ever told me that they enjoy paying taxes, but as Americans we understand our obligation to do it. There are some legitimate functions of government that are worthwhile and important and, in fact, essential to maintain a sovereign Republic as our country is, and so we are all consigned to pay a portion of our earnings to the Federal Government to maintain those legitimate functions of government.

Education is certainly an important function of government, providing an education system for our children. This is a function that has been traditionally a State responsibility, but over the years we see that more and more education authority has been moved out of the States and toward Washington. We saw that take place just last year with the massive education reform bill that was passed here in Congress and signed by the President, and that was done to try to accomplish the need of more accountability in education across America so that we have this whole strategy now of national testing and national accountability and national rules that try to dictate more precisely how these dollars will be spent.

I want to start there because for many in government that is a perfectly fine system, this system I am about to describe; and it works well for some. I do not believe, however, it works well for all, and that really is the motivating factor behind tax credit legislation.

Most Americans are like this guy right up here. They work hard and they are willing to send their cash to Washington and trust us here in government, politicians, to divvy up these funds and establish priorities; and to the extent that we do a good job of spreading these dollars across the priorities that tend to coincide with the attitudes, opinions and beliefs of the taxpayer, this works perfectly well.

Most Americans are like me; they tend to think that they are overtaxed. They tend to think that the government wastes too much of their money, and they tend to think that by the time a hard-earned dollar paid reaches the intended purpose of a particular government program, there is so much lost in the middle here that there is not much left at the end; and that is again what I intend to describe here.

If a taxpayer knew, however, that the dollars they send for an important purpose, education, for example, really reached a child, I think people would be a little less resentful of this system that exists here; and we might describe this as kind of a spending funnel, as dollars come from the taxpayer to government.

They are confiscated, as I mentioned at the time, right out of Americans' paychecks. Those dollars are taken in by the U.S. Treasury. This is where we find the Internal Revenue Service that we are all familiar with, especially as it relates to paying taxes. Then it is subject to a number of political decisions. This is us here as Members of Congress, all of us here, politicians. We come to this floor and decide how to divvy up taxpayers' cash.

□ 1745

A portion of these hard-earned dollars are spent on the U.S. Department of Education. The Department takes money and distributes those dollars to States, primarily. Some of those dollars go directly to local school districts, but most of them are distributed down to the State level. Once those dollars get to the State level, you have more politicians, State legislators in this case, and Governors, who redistribute those funds on a Statewide basis to programs that they believe to be important in their States. Once those politicians are done, a certain portion of those dollars are spent on the State Departments of Education. From the State Department of Education, the taxpayers' money then goes to school districts throughout the country.

Most school districts, if not all, are managed by an elected board of politicians, school board members, and these politicians then redistribute the taxpayers' dollars even further, down to the various schools that are managed within a school district. And then once those dollars are at the school, why then the principals and the administrators who run the individual schools distribute those dollars to the student, way down there at the bottom, who is pretty happy to receive any attention and resources with respect to his academic future.

That is how American education dollars get to students today, within the context of Federal spending. Again, hardworking taxpayers send cash to Washington, on an involuntary basis, I might add, and those dollars are then filtered through this entire process of government agencies, politicians, government agencies, different levels of government, other politicians, other agencies in the States, smaller jurisdictions, being school districts, more politicians who run school districts, down to the schools, and finally to the child.

Now, what is unfortunate about this picture is that every one of these levels of bureaucracy and political decisionmaking, they actually cost money too. You see, it costs money to run the Department of the Treasury and the IRS. So they take their cut and they get their portion. We here in the Congress, we have other priorities, and of course we have to pay for this building, too, and pay ourselves handsomely for the hard work we do here. So some of that money is lost here.

Over at the Department of Education, as we have known through the audits that have been very difficult to accomplish over the years, some of that money has just been stolen. Some of it has been lost over the years. Things are getting turned around slowly over at the Department, but even still that is a big agency. They have a number of very large office buildings here in Washington and there is a lot of people who work there, so we have to pay them, too. And then we have to account for a certain percentage of those dollars that are lost due to waste, fraud and abuse. So the Department takes its cut, and that is a pretty big one, by the way.

Then at the State level of course you have this State process where the States, in order to administer these Federal funds, they need a portion of those dollars, too, because those employees who exist to redistribute Federal funds through the States, they have to be paid, after all. And the politicians at the State level, they have priorities of their own also, and so they skim off a little portion of the money.

The State deputies of education work very similar to our departments. They are really embroiled in a lot of recordkeeping and accountability, filing of reports, and just dealing with all the red tape of education. That costs money. So we have to pay for that, and that comes out of these dollars, too.

Then you find the same at the school district, because what you have here is a bunch of people who communicate with each other. Since these dollars are distributed through this process up above, they want to make sure that the school districts down here at the bottom are spending the dollars the way these bureaucrats want them to be spent. So they require all kinds of reports to be filed and accountability requirements and strings and red tape as well just to make sure the dollars are being spent the way these people in these agencies believe it should be spent. And so you have a lot of people who fill out a lot of paperwork at the school district level, and of course they need to be paid. So there is an expense associated with that.

So paying for all of that nonsense comes out of this taxpayer dollar, too. Same with managing the schools. There is an accountability chain here that is pretty intense, with every principal filling out reams of paperwork in order to satisfy the Treasury Department, the politicians, the Department of Education, the State, State politicians, State Department of Education, school districts and school board members that the principal is spending the dollars correctly. And so you have just got all this paper running back and forth, with site inspections too, I might add.

In order for the Department of Education, way up here, to be able to persuade us here in the Congress that they are doing a good job, they send auditors down here to the schools. And when they show up, the school has to stop teaching for a while and the administrators need to answer all the questions of the interrogators who come from the Department of Education to make sure the money is being spent well. And by the time you get your dollar through this whole process, all of these agencies have skimmed off quite a sizable portion, so that the dollar amount that actually reaches the child is very small.

Once again, this process obviously makes sense to somebody, because it did not occur by accident. It occurred over many, many years, through a series of successive votes here on the House floor. And we here in the House and over in the Senate and down at the White House over the years deliberately built this system the way we have it today.

So when we talk about trying to improve it, do not get me wrong, it does disrupt the comfort level of some people who understand this process. There are people who like this. The kids probably do not, but there are people who work in all these agencies, a number of politicians, our colleagues, who get to make important decisions on how these dollars are spent. They like this process just fine because it suits them well.

And at the end of the day they believe in their hearts they are doing something worthwhile for kids. I cannot deny that. And I think these are probably good people who we can find throughout this process. It is just that, in my estimation, it is probably not the best way to get money from the hardworking taxpayer down to the needy child who deserves a good education.

So in constructing a process by which we can get more dollars to the child, and bypass this whole process, just from a political standpoint we have come to the conclusion that changing this very dramatically is not all that practical. These people all have lobbyists. They have people who represent them that stand just outside the halls of the Congress here, and they strike up friendships with our colleagues here in the House and over on the Senate side. And when you talk about changing the way the Department works or the way the States work or the way these school boards work or the State departments, or even the way we manage schools, you are in for a political fight that leaves the child down there behind and leaves the taxpayer behind. You get caught up in this whole mess of bureaucracy. And those who care about the taxpayer and care about the child usually lose these battles.

So I have fought them for years at the State level and I have fought them here in Washington, and they are fun battles to be a part of. They make you feel good and warm inside, because you care about the kids, but at the end of the day this bureaucracy always wins and it always gets bigger. So my point being that changing this is a good idea, something that needs to happen, but focusing all our attention on this process is probably not going to result in measurable meaningful help to the child down there. The politics of this are just too big.

So we have something different in mind, and that is this tax credit proposal. We did not invent it here in Washington. I certainly did not, although I am very impressed by the efforts that are taking place throughout the country in a number of States, because the States are frustrated with this, too. So what we have seen in a handful of States around America is an effort to bypass this bureaucratic process, too, by trying to get these dollars around this bureaucratic system down to the child.

That model looks more like this. Here we have the same taxpayer, way over there to my right, and those dollars that he is earning come directly to the child. Now, the way this works is for every dollar donated to an organization that benefits students, or donated directly to the child's school, that taxpayer will be able to reduce by a certain degree the amount of money he sends to Washington through that other process that I just mentioned. And that is really all that is behind a tax credit.

In that other system that I described, this one here, over the last 25 years, we have spent $125 billion just this way. This is how we have done it. And when taxpayers get frustrated by the huge amounts of money they have spent and the less than impressive results they have received for those expenditures, this really explains why: $125 billion spent through this process over the last 25 years.

And in America children still languish far behind their international peers in the areas of math and science. The racial achievement gap in America on test scores is actually widening, not getting smaller. The test scores, according to the Nation's report card, the National Assessment of Education

Progress, have remained largely stagnant over the past 20 years.

So once again, I will acknowledge and concede that there are many people who like this system, who are appreciative of the $125 billion that have been spent through this process, and some people are actually satisfied with the results. I am just a little different, I guess, and maybe the people that I represent in my district in Colorado are as well.

And we are not alone there. I have traveled all around the country with our Committee on Education and the Workforce, as a member of a particular subcommittee that does research on education issues. We have traveled to cities all across America, and I have heard at stop after stop after stop, in all of these field hearings, from droves of parents who are tired of seeing their tax dollars squandered and having their children grow up with something less than an excellent education system available for them. What they want are choices. They want choices to be able to act like customers in an education marketplace.

Now, for many people, choosing the government-owned school in the neighborhood, the traditional public school, is all they want. They are content to move into a neighborhood, call the school district, the government agency that runs schools in their area, and ask them, what school do I send my child to. And what usually happens is the school district will say, what is your address. You give them the address and they look at a chart of some sort or a register of addresses and they compare those addresses to the nearest school and they say, well, since you live at 123 Smith Street, for example, then you go to school A. And that is the choice you get. Many people are content to do that. They are fine with the notion of their government dictating their school for their child based on their address.

And for parents who like that sort of thing and feel comfortable with that and believe the results are good, I say great for them. That is a good choice for them and for their child. And more power to the parents who want to let other people make decisions for their children about what schools they attend. That is great for them. There ought to be schools for them. Others would like to choose a different public school, a different government-owned institution. Instead of school A in the neighborhood, they might want another school A in a different neighborhood that is run by the same organization but maybe has some different flavor about it, some different emphasis, perhaps on math or science, or maybe discipline, maybe sports. It all depends. If a parent believes that product is in the best interest of their child, well, by all means they ought to be able to choose to send their child to that different academic setting.

And then there are still other parents who believe that the government-owned monopoly structure of education is not for them; that they might want to send their child to a privately owned institution, a school that maybe excels in one area or another; again, maybe math or science, or maybe it is a school that has some character quality about it that defines it. Maybe it is a religious school, maybe it is a school that focuses on a foreign language, or whatever the case may be.

But for them, they are really out in the cold, to a large extent, because the money they are paying to this large government structure is not available to them when they want to take their child to a different school that is not part of the government monopoly. And that kind of discrimination plays disproportionately on the poor. Because wealthy people in America can choose to forego the cash they are sending to the government and pay even more on top of that to pay the tuition to send their child to a nongovernment school, a private school, or even maybe provide tutoring or some other academic services. But if you are poor, you are pretty much stuck with the option that is handed to you.

And, again, if it is a good school, that is a great thing, and I would not want to tamper with that. But if it is a school that is failing, then that is a child that needs to be rescued, frankly. That is a child that deserves our compassion, deserves our support, and deserves our attention. And that is what this discussion is all about and why so many people, including our President, have indicated their unyielding support for education tax credits.

☐ 1800

Mr. Speaker, let me give an example of the way tax credits are working in a number of States. First, six States have enacted some form of tax credit at the State level, and these are generally for elementary and secondary education services. Arizona is one, Minnesota, Iowa, Illinois, Florida, and Pennsylvania are probably the best examples. There are several other States, probably over 30 right now, that are considering in their legislative sessions enacting similar legislation.

This is the case in my home State of Colorado. It is a vigorous debate that is exciting because it is finally beginning to focus on children as the most important element of education debate, not as the chart here on the right illustrates, all of the education constituencies that tend to be a part of education discussions in America today. This is really true.

When we talk about empowering States, that threatens the Federal Government and their Department of Education. When we talk about moving authority to Washington as Congress did last year, it threatens States and local school districts. So we have some of these conflicts that exist between various levels of government; and too often the education debate here in Washington centers on the relationship between these institutions and these bureaucracies.

We need to get away from that. I think we need to get to a point where we start measuring fairness by the relationship between children throughout the country and making sure that all children are treated fairly. We can care about the bureaucracy, too. My point is that should come second. The children should actually come first. I know there are Members that believe that bureaucracies should come first, and with them I always enjoy having the debates on the floor. They are even better when those who want to put the bureaucracies first are honest and willing to engage in a debate on whether some union wins or some school building wins or some administration happens to win.

But in the end what I have heard from Americans across the country is they want to see us begin to talk about children for a change and what we need to do to make children become the victors in an education debate. That is what these States are accomplishing. The tax credit initiatives that we have seen in the States went through these vigorous debates to begin with. There were people in government at the State level that said if you give parents choice, if you empower children and give them the ability to shop and choose the kind of academic setting that they want to be a part of, that threatens these government decisionmakers that have made the decisions for them. These debates have been vigorous and public and spectacular at the State level. Even as some of these tax credit initiatives were enacted by States, there was some doubt about whether or not they would work.

In those States where tax credits exist, we are beginning to see public support for what they are achieving as being quite remarkable. They are winning over public confidence at a pretty dramatic rate, and they are bringing people together across partisan lines. One would think that this is a proposal that appeals to conservatives as opposed to liberals, and throughout the States we are seeing education tax credits are appealing to groups that really do not care about the politics. They do not care whether these are proposed by Republicans, which is what I am, or Democrats, or liberals or conservatives. They just want to see Congress finally talking about children for a change and not the bureaucracy, not the politics of it.

Here again, once these tax credit proposals are up and running, and we see these massive cash infusions taking place into the education systems of these various States, all of a sudden people get it because now the poor child who has been trapped in a bad school finally has a little bit of liberty and freedom. They get to attend better schools, and the schools they leave get better as well. Just the force of the marketplace that we see in every other important industry in America has been denied, for all intents and purposes where the most important industry is concerned, that being education; but in these States that I mentioned, we are starting to see children benefiting and schools benefiting as a result of just a small introduction of a tiny representation of a market-based economy, and a market-based approach to public schooling.

There is a corporate tax credit component that we find in some States as well that allows businesses to target some of the most needy schools within a State. When a corporation helps to replace the leaky roof, for example, at an inner city school in the city, that corporation also receives a commensurate reduction or related reduction in their tax obligation to the Federal Government.

The way we have structured this bill, we actually get a two for one benefit as a result of these kinds of investments. In fact, our bill calls for a 50 percent tax credit, which means for every dollar donated to the school, the donor's tax liability to the Federal Government is reduced by half of that amount. From our standpoint, from the government's standpoint, for every dollar that does not come to Washington to be spent on education by the bureaucracy, $2 are spent on a child. When we couple the Federal proposal with what we see taking place in the six States that I mentioned, well, the benefit to children becomes rather dramatic and exciting.

Just a few weeks ago the Committee on Education and the Workforce held a hearing on this topic, and we heard from at least one child that represents several throughout the country, I am convinced, give his opinions about the benefit that he has received and realized as a result of receiving a scholarship. Here is his testimony. His name is Joshua Holloway. He says, "I was born in Denver. My favorite subject is football. I am 10 years old. My mother passed away last year. I have a brother who is 6. His name is Jeremiah. We go to church every Sunday. Before I go to school, I read the Bible. I live with my grandfather. Sometimes my cousins come over and we play outside and play video games. Before my mom passed away, she told my grandfather to bring us to Watch Care."

I might inject here, Watch Care is a school in Denver, Colorado, that is a private school and Joshua was only able to attend because he received a scholarship from a private education investment organization.

"We were at Watch Care before we moved to New York. My grandpa could not afford to pay for me and my brother." Mrs. Perry, who is the principal at Watch Care Academy, told him about a particular scholarship that exists in Colorado. The testimony goes on: "My grandpa applied and we received an ACE scholarship. Jeremiah and I say thank you. It is with your help that my grandpa is able to bring us to this fantastic school. I know my mom is happy and thanks you also. When I grow up, I want to be a lawyer, and then a football player. Thank you for helping all of the children who are getting such an education through your program. I want to win. This will help my grandpa with money for Jeremiah and I."

He thanks us for considering these tax credits. Joshua came and testified before the Committee on Education and the Workforce on April 16. His testimony was moving. I think it held most committee members spellbound, and it spoke clearly about who benefits. It is contributions to this kind of scholarship program which will be eligible for the tax credit that we are proposing in the legislation.

The gentleman from Michigan (Mr. HOEKSTRA) was at that hearing and is one who has been devoting a great amount of time over the years to perfecting this tax credit proposal.

Mr. Speaker, I yield to the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Mr. Speaker, as we try to help young people like Joshua, last week I had an opportunity to go through a public charter school in my hometown and explain to some of the parents and some of the teachers and the principal exactly what we were looking at with the tax credit proposal.

There was a tremendous amount of enthusiasm because they recognize that not only would it help Joshua in this case, but it would also help the students at that school, a public charter school, to get some additional resources for some things that they felt that they desperately needed; and it would not require them to go to the taxpayers and raise the tax. It allows them to go directly to the people who have a vested interest in that school. Whether it is a public charter school, whether it is a traditional public school, or whether it is the kind of school that Joshua goes to, these tax credits, number one, will provide for a significant infusion of new money into our local schools for all of our kids and will get everybody vested in improving education for every one of our kids.

The gentleman and I go through this process each and every year where we have the opportunity to nominate kids to the military academies. We know that there are some tremendous kids coming out of our public schools. We know that there are some tremendous kids at the school I went to, the charter school; there was someone leaving there on June 27 to go to the Naval Academy. They are doing a good job. There are kids coming out of our private and parochial schools that are going to our academies.

When I speak with students as to why they are in private school, they will often say that this one just kind of fits me better or fits what we need to get done and what my parents thought that I needed. I think that these different kinds of educational alternatives are tremendous, and then allowing parents and others in the community to invest in these schools, to increase the amount of money that is going into education, without the red tape, without the great sucking sound which is a dollar coming into Washington, us taking our cut and feeding it back. Actually it is a two for one. They invest $2, and it costs Washington $1 because that is the ratio. It is a $500 donation, but it is only a $250 tax credit. It is a real win/win for the school, for the child, for the parent, and for the taxpayers because what we are doing is moving more money into education, which we have identified as one of the most important priorities that we have in the Nation today.

Mr. SCHAFFER. Mr. Speaker, some Members have tried to demonize tax credit proposals that we have seen in the States, and even our proposal in Washington, as a voucher. The voucher, as we say, is the "V" word here in Washington that has such a connotation about it because there are many organizations that exist to prevent that kind of a school choice mechanism from taking place.

One of the ways that they have tried to characterize the tax credit provision proposal that we have is by referring to it as a voucher, but it is nothing like that. A voucher would essentially be effectively a taxpayer giving their cash to the people here in Washington, and the government here giving those dollars back through a voucher, kind of a check, that could only be spent the way that the government says it can be spent. We are not proposing that at all.

Mr. HOEKSTRA. Mr. Speaker, the difference between what we are trying to do and how Members characterize vouchers, vouchers are typically viewed as taking the educational pie, the amount of money that we are investing in education and redistributing it so that means that there are some people that are going to get less money; and since there are new people getting money, they are going to be getting more money, so somebody is going to be left out or they are going to go home with a smaller check than they got before.

That is not at all what we are doing here. We are saying that there is the money coming into Washington, about 7 percent of all the education dollars come into Washington, and what we are doing is saying that money is going to stay there. We are going to keep increasing that. That money has been going up, but now we are going to create a new educational investment fund that is going to be driven at the local level and not at the Washington level. Basically, this is new money where people are saying I am willing to contribute extra money to education if I can determine where it goes and what it is going to be used for, and if I can build that relationship with my local public or private or local charter school; and if they can come to me and make a compelling case as to how this is going to benefit the community and the children in our community, I will write that check. The states are finding that they are doing it.

Mr. SCHAFFER. What we are trying to accomplish through this legislation is a mechanism that reflects what we have been hearing throughout the country as we have held field hearings and listened to parents.

□ 1815

That is, number one, they want to be able to make the choices necessary to advance the academic goals of their child, but even more is this important point. That is, that Americans are willing to spend more money if the dollars they spend really help a child. They just do not have the faith and confidence that this system I described earlier, and illustrated through this chart, that spending money through the Treasury Department, politicians in Congress, the Department of Education, State politicians in the State legislature, State Departments of Education, school board members, more politicians, schools and principals and ultimately the child, Americans inherently know that funneling cash through this bureaucratic process means that you have these agencies take their cut and that the dollars that get to a child are small.

If this process worked and these dollars really did get to a child, I suppose more Americans would feel very good about this and comfortable with it, but as it is now, the children do not feel good about this, the taxpayers do not feel good about it, some of these people in the middle, they certainly feel good about it because they get some of the money, but what we have tried to do is take this sentiment that has been expressed by taxpayers when they tell us, if they know the money is really going to help a child, especially a poor child, I will spend more, I am willing to spend more, I will make the investment in the child so that we can improve America and improve the education system.

I would like the gentleman to address, if he would, the reality that although I described this in kind of a negative way, since we are talking about new money being invested in the child down there, we can do this without really threatening the people who like this kind of nonsense here, who like this kind of system. We can do this without touching this.

Mr. HOEKSTRA. That is exactly the point that I was going to make. That system, with the tax credit, is going to stay in place. We are not going to take money out of that system, although that system takes out about a quarter to a third of every dollar that we commit to spending on education. When the dollar starts here in Washington, before it ever gets into a classroom, we think we lose a third. We are not going to get into that argument as to whether that system is effective, efficient, and whether it is working or not because the other thing that comes along with that is when that 67 cents get into that local classroom, the local teacher, the local principal, the local superintendent, they have been told pretty much how to spend this money and what they can spend it on.

We are not threatening that system. We are leaving that system intact. We have tried that before, saying we do not think that system works and all of that. We are just saying that, hey, there appear to be a lot of people in Washington and maybe even at the State level and a lot of people in this Chamber would like that process that says, "We are willing to have 33 percent of every dollar bleed off just so that we can use that money here in Washington to tell people what to do in their classroom at home, we think that is a good deal." We are not going to argue with them on that, although we probably at times have, but that is not what this is about.

This is saying you can keep that sacred cow, you can keep that system intact. What we want to do is we want to have a system that is not going to even come nearly as big as that one, but one where the relationship and the linkage is directly between the people in the community and the school and the children, where the local carpenter, the local contractor, the local plumber when they go out and do their work, get paid, pay their taxes to Washington, if they have a little bit of extra left, they can write a check directly to their school and we know that they are doing that in the six States that have passed tax credits. They are willing to put more money into their kids.

Mr. SCHAFFER. It is an important distinction to make, an important point that I think the House needs to keep in mind as this debate moves forward and the legislation eventually comes to the floor, that the bureaucratic model that exists today, it is a problem and it ought to be fixed, I think maybe someday it ought to be replaced, but that is not what this tax credit proposal does. It instead sets up a different mechanism to fund education and to provide this massive cash infusion in schools in addition to that bureaucratic model. It does so not by changing the education laws or dealing with redistributing the education money that is spent currently or even disrupting the scheduled increases in funding for the bureaucratic model. That is going to continue on unimpeded, unimpaired because, as you mentioned, there are so many people here in Washington who like that and support it.

But what we are suggesting is that we can, in tandem through the Tax Code, make the necessary changes so that it becomes advantageous for Americans to work hard, to donate their cash to America's schoolchildren, to do it directly and bypass the bureaucratic model altogether.

If you need a visual of how tax credits work, this is it right here.

Mr. HOEKSTRA. If my colleague will yield, because the other thing that we know is we know what the difference is. In your model, it goes directly from the taxpayer, it can go directly down to the school district. We eliminate all this and we save that 33 percent. Actually what we do is we double it. We take the dollar, and rather than taking the dollar in this model where it shrinks it down to 67 cents, what we do in that model is we take the dollar and we multiply it to two, so it is a great contrast.

If the gentleman will leave the chart up for just a second because the other contrast is, you and I have worked pretty hard over the last 4 or 5 years, I think we have finally made some progress now that we have a new administration, but for a number of years the money going into this system could not be tracked. We did not know where it went. This organization right here, the Department of Education, could not get a clean audit. They could not tell us where the money went. There were all kinds of cases of waste, fraud and abuse, well documented. I think at last court, 18, 21 people are pleading guilty and have been sentenced for the crimes that they have committed but the accountability system really was not here.

With Secretary Paige and all that, we are very optimistic that they are going to get a clean audit so they can tell us exactly where that 33 percent goes and we will be able to determine whether we have value or not. But we are not threatening this system. The accountability model over there is very simple. If the principal or the superintendent or the local school board cannot convince the local taxpayer that the purpose that they need the money for is an appropriate purpose, they do not get the money. And if at some time in the future they get the money and they waste it, they will have broken trust with their constituencies and they will not get another check; whereas, if they spend it wisely and the people say, wow, what a great investment, they will get more.

Mr. SCHAFFER. This model that you are displaying here, it is just impersonal. Because if a school district does a bad job and children suffer in a particular school, under this system the schools just keep getting cash. It just keeps coming. In some cases they actually get more. We reward failure oftentimes through this process and it is too impersonal. The people making decisions up at the top end of that funnel, or that tornado there, they are so far removed, those of us here in Washington, you are from the State of Michigan, I do not know your constituents in Michigan, I do not know the names of these kids and you do not know the names of the kids in my district.

Mr. HOEKSTRA. Yes, I know Joshua.

Mr. SCHAFFER. That is right. He came and testified. But that is indicative of a Federal system where we try to make laws and establish policy to help children in different neighborhoods throughout America. It is too impersonal. By the time those dollars get to kids, there is no human connection between the people who are calling the shots and establishing the policy and the poor child who is either languishing or succeeding in a school. But this model is very different because the person who contributes the money understands the value of the donation. And if that donation strikes them as a good idea, a good investment, something that is yielding appreciable benefits for the community and elevating the hope and future of children, that taxpayer is going to feel good about that donation and they are going to continue to make the donation. In fact, they might even make more as time goes by.

That is just what we have seen in the several States that have tax credits, is as time goes on this tax credit strategy becomes favored over the bureaucratic model and more taxpayers like this system in a way that makes them feel better, makes them more generous with their dollars and in the end they are getting massive quantities of cash to the neediest children.

Mr. HOEKSTRA. The other thing that happens and like we said earlier, we do not threaten this system. We are not taking money. We are not shrinking this funnel. This funnel is going to continue to grow and expand. This funnel will be there for people who like the guarantee of, yes, this money is coming in and some of it is going to filter its way down here and when it gets here, they are going to tell us how to spend it. If they like that kind of model, this model is going to stay around. What we want to do is we want to complement this model which you and I have questions about, but this model stays in place. But we are going to complement this model with the local control model, the parental and local involvement as an additional infusion of money so you will have money flowing into this model and then you will have that other chart with this person. This is confiscation. This guy has no choice. He has got to put the money into here. He or she will also have the opportunity whether they want to send some money directly through here, bypassing that system.

And, like I said, what we have found in the States that have introduced the tax credit proposal, this person when they have got the direct ability to make a decision as to how that money is going to be spent and when they know the children, they know the schools, they know the people who are running those schools and when those people have built up their confidence with their constituents, this person will write them a check to make their school better and to make their kids better educated.

Mr. SCHAFFER. It is a great model. Again I really commend the leadership of these various States that I mentioned that have initiated the tax credit philosophy and are seeing it work in their States. They have done so on a bipartisan basis. Once again, this is not a partisan sort of thing at all. These kids do not care whether Republicans or Democrats introduce these bills. What they want is they just want them to pass.

If I can use my State as a good example, we have got this debate taking place in the State Legislature of Colorado today. Right now it is taking place. What we have there is a Republican in our State House of Representatives who introduced this legislation and the same bill is being carried in our State Senate by a Democrat and a pretty liberal one at that. So you have both ends of the political spectrum that are rallying around children for a change.

That is the kind of political unity that I think we need to see more of in this Congress and hopefully it does not have to only take place around tragedies and terrorist attacks, and we can finally have this kind of unanimous consent around something that is positive and something that provides hope for the Nation, and that is our country's children.

Mr. HOEKSTRA. What this is not about is about process. It is not a debate about process. What this is about is making sure that we put our children at the forefront and their education. That is what the whole debate always should be about. It should not be about all these other things. It should be how we are making sure that every child gets a good education, that they can all do reading, writing and math. How do we make sure that we do not leave a single child behind. That is one of the things, and that is why in the States that they are moving to the tax credit as a complement to the bureaucratic model is that they recognize that in too many areas we are leaving too many kids behind.

Republicans, Democrats, liberals, conservatives, African Americans, Caucasians are coming to the conclusion together that, just like testing in and of itself is not the total answer, just like more money through the bureaucratic model is not the total answer, tax credits, you and I, I do not think, believe that tax credits in and of themselves are going to revolutionize education. More parental involvement is not by itself going to do it. But if you take each of these, if you allow for more local control, if you put in some accountability measures so that parents get a better indication as to exactly how a school is performing and how their school is performing versus their neighboring schools, that you put more money into the bureaucratic model and that you put money into the tax credit model which builds the relationship between a community and their schools, all of these things together should move us forward more rapidly than what we have.

The disappointing thing, and I do not have the statistics, but is it not like during the last 20 years, we have really not improved at all in our test scores and maybe in a number of areas we have actually decreased? We have got all this technology, we have got all of these new capabilities and understanding how kids learn, and the end result is that after learning everything about how kids learn, you would think we would have developed methods that you would have seen our test scores skyrocket.

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But they have basically stagnated or, in some cases, they have decreased, and that is unacceptable. There is no reason why they should be stagnating or decreasing. So there is not a single silver bullet that will fix this. But what it is, it is taking a mixture of these things; and in Colorado, a certain mixture may work, or maybe in Denver a certain mixture will work, and in other parts of Colorado, something else will work, depending on exactly what is in the community, the state of the schools and those types of things; and that is what we are trying to do, is to allow people at the local level to tailor their educational system to meet the needs of their students. It is not like this is a free-for-all. They are going to have the State regulations and the new Federal mandates and those types of things, but it is going to give them more opportunity to reach for and achieve high standards.

Mr. SCHAFFER. Absolutely. This element of choice is really key to the whole proposal. The reality that our standing, when compared to our international peers, is being diminished over time in math and science in particular, is a real problem. Not all schools in America are culpable in that regard. Some schools do, in fact, a very, very good job. It is a big country. We have lots of schools, lots of approaches, lots of managers. Most of them are competent and, in some cases, we find that they are not. They tend to be isolated in urban inner city areas, these schools that are failing to give children a decent education. In those cases, Americans really, the rest of us in America need to be quite concerned. We need to find ways to reach out to these kids.

In every single State in the Union, these scholarship organizations have popped up that provide, that collect private money by way of donations to try to provide scholarships to some of these kids trapped in the worst schools. In fact, I have a map that was produced by just one of the organizations. It is called the Children's Scholarship Fund, and the Children's Scholarship Fund, again, it is just one organization that provides scholarships. They raise private money to provide scholarships. This blue area, everywhere we see blue on here tells us where they have received applications for scholarships. It is basically all across the country. These red areas is where we have high concentrations of applicants who have applied to try to get some of these scholarships. As my colleagues can see, the greatest amount of interest is in inner city areas, in Atlanta, in New York, in Washington, in Detroit, in Chicago, in Los Angeles, and so on. This is where we see the greatest level of interest is from inner city areas where children and their parents are applying for these scholarships so that they can afford to go to schools of their choice like other Americans can do.

Mr. HOEKSTRA. Mr. Speaker, I think we have to be a little careful about calling them failing schools. I think what we have identified is that in those areas and other areas there are kids, for whatever reasons, that are falling through the cracks. It could be a problem with the schools, or it could be other issues that are affecting it; but in each of those areas, there are people that are saying, man, what I need and what I need for my kids just is not matching what I am getting.

Mr. SCHAFFER. Exactly.

Mr. HOEKSTRA. What we are finding then in each of these areas is we are finding people who are going out and embracing these kids and trying to give them an answer to make sure that they will enter adulthood well prepared for high-quality, high-paying jobs.

The other thing that we will find is that in Detroit and these types of places, if they have identified that the schools are part of the problem, many of these people are also passionate about improving their local public schools.

Mr. SCHAFFER. Right.

Mr. HOEKSTRA. They are not giving up on their local public schools. They are passionately involved in fixing their local public schools. They are passionate about helping the kids out that are falling through the cracks right now. So there are a number of different ways that they are approaching it, but in no way has this become public versus charter versus other forms of education, versus home schoolers. This is really a national movement of people saying, I want to improve education and I want to make sure that we do not leave a single child behind, and there is a whole range of strategies that we need to embrace and take a look at for making sure that that is what happens.

Mr. SCHAFFER. Mr. Speaker, this chart on my right is an illustration of just one scholarship fund that exists in America, the Children's Scholarship Fund. This is where the interest is and where people have applied.

What we want to do is take a look at how widespread this interest is and actually enhance it and improve it. Because the reality is, the scholarship fund does not have enough money to give to all of the children who wanted the kind of choice that that scholarship allows. This is a chart that shows the distribution of where those scholarships went; and as my colleague can see, although it is impressive, it is in far fewer areas than the interest indicates. And by providing a tax credit, we cannot only help this particular fund, this is just one of them; we will help them get more money, certainly, so that they can make more loans; but just imagine that there are these kinds of organizations that exist in every single State.

Mr. HOEKSTRA. Remember, Mr. Speaker, this is for a very narrow purpose. This is for scholarship funds to assist kids to go to a private school, a private or parochial school. Just imagine what happens now when we expand this to a tax credit and they get a tax benefit. These are all people who are willing to pay more money into education than what they do today; and if we expand it, think of all of the people that would be willing to pay into their local public schools, to their private, to the scholarship funds, for tutoring, and those are all people who are willingly today paying more to improve education.

That chart would be fully red if we would allow tax credits to go to public education, because there are strong constituencies and supporters of public education around the country that, with a tax credit, would be really motivated to say, I am going to help my local school, and this is going to be the thing that is going to push me over.

Mr. SCHAFFER. Mr. Speaker, that is our goal, to change the Tax Code in a way that makes it easier for Americans to contribute to these kinds of organizations so that they can help more children, not just these kinds of organizations, but also contribute directly to schools. As shown on this map, this is an impressive distribution of private funds to America's children, but it is possible that this entire map can be colored solidly red with every child in America having access to additional funds generated through an education tax credit, and it will benefit all children.

Mr. HOEKSTRA. Mr. Speaker, this is what we are talking about, bringing a massive infusion of new money into education. This is nontax credit money going into education for a very specific purpose. If we do a tax credit, we will see an entire map being red and dollars going to help all of our kids at the local level to make sure that we do not leave a single child behind.

Mr. SCHAFFER. Mr. Speaker, it is an exciting proposal and it is one that is just a few weeks away from being introduced. We expect it on the floor sometime in June. We are very appreciative of the President's commitment, personal commitment and obligation to help us see this legislation passed; and we will talk about it more over the coming weeks.

Mr. Speaker, I appreciate the opportunity to be here this evening, and I thank the gentleman from Michigan (Mr. HOEKSTRA) for joining me.

COMMUNICATION FROM THE HONORABLE PORTER J. GOSS, MEMBER OF CONGRESS

The SPEAKER pro tempore (Mr. GRUCCI) laid before the House the following communication from the Honorable PORTER J. GOSS, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 6, 2002.

Hon. DENNIS J. HASTERT,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a civil subpoena for documents and testimony issued by the United States District Court for the District of Columbia.

After consulting with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

PORTER J. GOSS,
Member of Congress.

COMMUNICATION FROM THE HONORABLE DAVID L. HOBSON, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable DAVID L. HOBSON, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 6, 2002.

Hon. DENNIS J. HASTERT,
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After consulting with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

DAVID L. HOBSON,
Member of Congress.

COMMUNICATION FROM THE HONORABLE NANCY L. JOHNSON, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable NANCY L. JOHNSON, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, May 6, 2002.

Hon. DENNIS J. HASTERT,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a civil subpoena for documents and testimony issued by the United States District Court for the District of Columbia.

After consulting with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

NANCY L. JOHNSON,
Member of Congress.

MEDICARE PRESCRIPTION DRUG BENEFIT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I plan to spend most of the time discussing the need for a Medicare prescription drug benefit. I come to the well, to the floor this evening primarily because of my concern that the House Republican leadership is talking about, certainly presenting itself to the media, that they intend to bring up a prescription drug proposal at some point over the next couple of weeks. I am very concerned that their proposal is really nothing more than a sham and not something that is actually going to benefit any significant portion of the senior population.

I thought what I would do this evening is that I would start out by sort of outlining what I believe, and what Democrats as a whole in the House of Representatives feel we should be doing about prescription drugs.

First of all, I should say that the Democrats feel very strongly that the biggest problem with prescription drugs is the cost. The fact of the matter is that whether one is a senior, whether one is over 65 or whether one is under 65, it is getting to be more and more difficult to pay for one's medicine, because of the fact that the prices keep going up every year. Double-digit inflation, essentially, we have had with regard to prescription drug prices for the last 6 years. Every year, the cost goes up by a double digit percentage point. Democrats are determined to address the cost issue and to say that whatever benefit package we arrive at has to address the issue of cost and try to bring prices down.

The other major issue for Democrats is that this plan, this prescription drug plan or legislative proposal has to be a Medicare proposal. In other words, right now we have a great program called Medicare that all seniors over 65 know that they are guaranteed certain benefits, whether it is a hospital stay or, if they are participating in part B of Medicare on a voluntary basis, their doctor bills are paid, and there is no question about what is covered essentially and is not covered, because there is a guaranteed benefit package for every senior, for everyone who is over 65 who is eligible for Medicare.

We insist that that be the case for the prescription drug proposal as well. This has to be a benefit that is added to the Medicare program and that every senior, just like with part B when seniors pay so much a month at a very minimum premium to cover their doctor bills, that they would pay so much per month at a very low premium to cover prescription drugs, and they would know that they would be able to guarantee that prescription drugs were paid for pursuant to Medicare as part of their program.

The other thing that we insist on is that this program be generous enough, in other words, that the Federal Government be paying enough of the cost of their prescription drugs so that it makes sense for one to voluntarily pay the monthly premium, like they do in part B for doctor bills. In other words, the benefit has to be significant. We have talked about as much as 80 percent of the cost. If we analogize what we have now for part B for doctor bills, what the Democrats are essentially saying is that we want a prescription drug benefit that is very similar to the Medicare structure for doctor bills, in other words, that there be a fairly low premium per month, that the deductible be as low as possible, something like what we have for part B to pay for doctor bills; that the amount that the Federal Government pays is significant, probably something like 80 percent with regard to part B to cover doctor bills; we pay a premium and when the bill comes in, the Federal Government pays 80 percent of the cost.

Well, that is the kind of generous benefit that we want to provide for prescription drugs, and that there be some point, we call it a catastrophic level, at which point if one paid so much out-of-pocket over the course of the year, that the Federal Government would cover the entire cost.

Now, let me contrast what I just said and what the Democrats would like to see with what we are hearing from the Republican leadership in the House. I want to stress that what we are hearing is not very good on any of these points. About a week ago, the House Republicans rolled out some general principles about what their prescription drug program might be when they finally introduce it; and they said, they are trying to give the impression that it is going to be a Medicare benefit. They are trying to give the impression that it is going to lower costs. They are trying to give the impression that we are going to have the choice of basically all drugs that would be covered and that one can go to any pharmacy and it is just going to operate in a way that provides all kinds of choice. But the reality is very different.

Let me talk about some of those principles.

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First of all, they talk about lowering cost, but they do not have any mechanism in their proposal that addresses cost. In other words, they are not saying that the Secretary, for example, is supposed to negotiate prices, or the Secretary of Health and Human Services is supposed to negotiate prices. They are simply talking about a discount drug card.

President Bush about a year ago said that he wanted the Federal Government and the Medicare program to promote the discount drug cards that some of the drug companies are now making available to seniors. Well, that is very nice. It is very nice that some of the drug companies are providing a discount drug card. I question how much savings there really are in those cards, but the reality is that that is not a Medicare program, that is not a Federal government drug benefit, to talk about someone going out and purchasing a discount card from the drug companies, when that is already available.

The Republicans cannot kid everyone and suggest to the American people that somehow that is going to address the cost issue. This is already available. They need to address the cost issue in the context of their legislation.

The other thing they are saying is that they are talking about this as if somehow it is going to cover everyone under Medicare, but if we look at what the Republican leadership in the House is proposing, it is not a Medicare benefit at all. In fact, what it is is giving money sort of like a voucher system to insurance companies, hoping that they will sell drug-only policies to a select group of senior citizens, probably only very low-income seniors, maybe less than 10 percent of the senior population.

So the Republican leadership in the House is not talking about what I mentioned before, an addition to the Medicare program that everyone is guaranteed that if they sign up and pay their premium they are going to get a guaranteed prescription drug benefit.

They are talking about something like a voucher, essentially a private program where some money would go to insurance companies and people would go around and try to find an insurance company that would cover the prescription drugs, or perhaps an HMO. Because it is clear they are continuing to push HMOs and trying to get seniors to sign up for an HMO, and they hope that the HMO, with a little more money from the Federal Government, is going to provide prescription drugs.

That is not what Medicare is all about. Medicare is a guaranteed benefit. Medicare says that everyone is covered. What the Republican leadership in the House is suggesting is that this is only going to be available to very low-income seniors, those seniors who are not eligible for Medicaid but are maybe just above the Medicaid guidelines, maybe 6, 7, 8, 10 percent of the senior population that is not eligible for Medicaid and does not have any kind of drug coverage.

So I just want to debunk this myth, if you will, about what the Republicans are really about. They are saying that their program is going to strengthen Medicare, but it is not going to strengthen Medicare if now essentially what we are talking about is privatizing Medicare. It is not going to strengthen Medicare if only less than 10 percent of the senior population are going to be able to take advantage of this program.

I want to stop my comments now because I see some of my colleagues have joined me on the Democratic side. I would like to have them address this issue, and we will hopefully have a little debate back and forth, as well.

Mr. Speaker, I yield to the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), who is part of our Health Care Task Force and is a physician, and is probably more qualified as a physician to talk about this issue than anyone else.

Mrs. CHRISTENSEN. Mr. Speaker, I thank the gentleman for yielding to me. I think our seniors are probably the most qualified to speak, and they have been speaking very loudly about this issue.

I want to thank the gentleman for tonight and all of the time laying out the issue so clearly, showing the difference between what the Democrats are offering and what the Republican plan does not offer. The vouchers that Republicans are proposing for education will not help our children any more than vouchers for prescription benefits will help our seniors.

I wanted to join the gentleman here tonight because I cannot understand, and I am sure that people out across America just have difficulty understanding, why we still have not passed the Medicare prescription drug benefit. I think maybe it could be just that I have not been a legislator long enough, I have just been one for 5½ years, having practiced up until my primary in 1996, and on a limited basis for maybe a year after that, and I am assuming it is because of that background why I do not understand why it is taking us so long, why it is taking this body so long to respond to people who need help to buy the medication that they need, and who have been asking for this benefit for such a long time now.

Let me tell the Members about how we are trained as physicians. As physicians, we are trained in medical diagnoses. We are told to listen to our patients, to examine them, and then use our medical knowledge to make a diagnosis, and then to again call on that training to prescribe the most specific and targeted treatment to the problem.

That is the model I used for 21 years or more, really. I suspect that is why I just do not understand why we are having this problem here on Capitol Hill, because Congress would do well, I think, to apply some of those very same principles to every problem that we face in terms of legislating.

First, we should listen to our elderly constituents, as on every other issue. What we would hear is that they cannot afford to buy a full month's supply of medication that they need to control their blood pressure, their diabetes, any of the other diseases that need to be treated, or to ease pain, that would then allow them to live full lives and to attend to even some of the most basic activities of daily living. Without those medications, they might not be able to do that. That is listening to the patient.

Then we would examine. When we examine the issue, we would find that most Medicare patients are on fixed incomes, and therefore, they have to make untenable choices between food and other necessities and medication.

Just to use one example, a widow living on $12,525 a year, and that is above the poverty level, I think it is about 150 percent of poverty level, a widow at that income level who has acid reflux, which causes acid and burning in the esophagus, discomfort, to treat that she would have to spend about $1,455 a year. That is 12 percent of that widow's income on just one medication alone to treat one illness.

In making a diagnosis, then, we would conclude that the patient obviously needs help to pay for medications so she can stay healthy, free of symptoms, and to prevent complications.

Then, finally, in seeking a remedy, we would choose one easily accessible and widely available. We would also weigh the pros and cons of that remedy, as in the case of medicine we weigh the benefit and need and side effects. To me, that would lead us to concluding that the best way to address the issue of helping our seniors pay for their medication is through a Medicare drug benefit that is available to every beneficiary. It cannot be through an insurance company.

I know that is what the Republicans want to do is to have the vouchers, as the gentleman says, go to the HMO to provide the benefit. They do not want to provide a stand-alone benefit for prescriptions. It goes completely against their business model, and it would result in lower profits. They just will not do it. It would be like sending my patient to a drugstore that I know does not carry the medication. They just would not get it there, like America's seniors will not get the benefit from the Republican prescription drug plan.

Now I know that there is a big battle also over the cost of the benefit provided by Medicare, but I think it is important for all of us to recognize that it is too costly for us not to do this, and in the not too far distant future. The cost of not providing this benefit, helping our seniors to be able to treat these very important illnesses that can cause damage to them in the future is just something that we just cannot afford to do.

When seniors, or any patient for that matter, cannot get the medications they need for some of the common diseases, they suffer amputations, they suffer heart disease, heart attacks, they suffer strokes, kidney failure, and become disabled. That costs far more than providing a Medicare drug benefit.

We need to do prevention. We need to put the investment up front to save money in the long run, but more importantly, I think we owe our seniors as they approach this time in their lives the ability to have a healthy, secure quality of life. We need to make sure that they are cared for. They have worked hard all of their lives and they have paid into a system that was to make health achievable, sustainable, and affordable.

We cannot forget about the disabled, who also need to benefit from this, because they also have multiple issues and needs for multiple medications that they would not be able to afford.

The system of Medicare began in a time when we did not have the medication we have now, and people did not live as long or as well. We know that we have to modernize all other systems. As times change, needs change. The ways we meet those needs are going to change. So why, then, are we balking at modernizing a Medicare system which is so vital to the well-being of our parents, our grandparents, and not too long from now for many of us. At least I can speak for myself.

So I wanted to say, Mr. Speaker, to our colleagues, that we need to pass a prescription drug benefit that is available to every Medicare beneficiary. That is the very least that we can do. It is certainly more important than providing tax cuts, and for this body to pit the chance for a better quality of life in what should be the golden years in the lives of elderly Americans against tax breaks that really help no one should not even be an issue.

So I would urge us all not to do the political thing but to do the right thing, and to give our senior citizens a full prescription benefit, the kind that they need and they deserve.

Mr. PALLONE. Mr. Speaker, I thank the gentlewoman. I just have to remark, when she talked about how Members of Congress might have to worry about prescription drugs or the Medicare program and she said it was only herself, she did not look around at the rest of her colleagues, but we also need to be concerned about it, because it will impact us as well.

I just wanted to mention one thing before I yield to the gentlewoman from Florida. I appreciate the fact that the gentlewoman from the Virgin Islands brought up the preventative aspect, because many times we forget that prescription drugs or medication is really a preventative measure and that there are huge cost savings, as with any preventative type of program.

I think in general when we look at Medicare as a whole, we have paid too little attention to prevention, and whether it is home health care as opposed to having to be in a nursing home, or prescription drugs.

Mrs. CHRISTENSEN. Just take hypertension and diabetes. This is something that affects all Americans, but it affects African Americans more so because we have more difficulty accessing care and medication.

If we just take hypertension or diabetes, either one, and the complication of end-stage renal disease, and having to then go on dialysis or having a kidney transplant, the cost of providing that benefit and controlling the blood pressure or controlling the diabetes, and at the very least, forestalling that complication, but probably avoiding that complication altogether is really important, we just cannot compare not only the cost of the two, but we cannot compare the quality of life of the two.

Mr. PALLONE. And the bottom line is, I guess being a little crass talking about the money aspect, is that the Federal Government is paying. With the way the system is set up, the Federal Government is paying for hospital care and paying for a lot of the things.

Mrs. CHRISTENSEN. They have to pay for dialysis three times a week.

Mr. PALLONE. And instead, overall, the cost of paying for the prescription drugs is actually going to save the Federal Government a lot of money. Our problem is that when we make that case, we are not necessarily able to give an exact dollar figure. That makes it more difficult to make the case.

But there is no question in my mind that there are tremendous cost savings to the Federal Government if we include a prescription drug benefit.

Mrs. CHRISTENSEN. I think it is common sense. I do not think we really have to provide specific numbers. I guess someone could probably do that for us, but it is just common sense, with years of dialysis and many hospitalizations in between, because dialysis is not easy to go through, versus providing medication that can control the problem.

Those of us who practice know how hard it is to make sure your patient has a month's supply of all of the medication they need. We try to piece samples together and do all kinds of creative things, even with medicines that are not extremely expensive, but it is just not possible to do that in the long run.

Mr. PALLONE. It is just so important in the course of the debate on this, if we get to it in the next week or two, that we stress that, that the preventative aspect of prescription drugs means cost savings. There will be some people who will say that the guaranteed benefit under Medicare that covers all seniors is going to be too expensive, and we need to come back and say you are going to save money.

Mrs. CHRISTENSEN. The HMOs are not going to provide that type of benefit. They have pretty much said that. So as the gentleman has pointed out and others have pointed out, to provide it as sort of a program that has to be accessible, like access to HMOs, one has to shop around and get it. Many seniors cannot even do that. Some can, thank God, but not everyone can. But to have to go and search, and then an HMO does not offer it, or does not provide that many benefits. So the only way to do it is the way the Democrats want to do it, and that is through a full Medicare benefit. It is voluntary, but it is universal. It is available to everyone on Medicare.

□ 1900

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from Florida (Mrs. THURMAN) who is, of course, on the Committee on Ways and Means and has been a leading spokesman on the needs for prescription drugs benefit.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for taking the time to organize this and bringing us together. His commitment to this is very important. I just want to give you some of those numbers that we were just talking about, particularly with end stage renal disease, because I know those numbers, and I can tell you that for somebody to be on dialysis, it is about $45,000 a year that Medicare generally pays for. And then at some point, hopefully, there would be the possibility of having a transplant.

First of all, being on a list probably is anywhere between 3 to 5 years, so we have now spent several hundreds of thousands of dollars doing the dialysis part of it. Probably another $100,000 to $150,000 for the transplant. And then after that, because we passed something in the Congress a couple of years ago that actually extended some drug benefits for immuno-suppressant drugs, which is something you have to have once you have had a transplant or your body will reject it. So the fact of the matter is, and that is about $1,500 a month, so you start off with the $45,000 in dialysis, you potentially go to $100,000 to $150,000 a year and probably 3, 4, 5 years, and then once you are through that, you are probably about $1,500 a month for maintenance of the organ so that your body does not reject it, and that is only $11,000.

So once again we continue to go back to the idea of, first of all, if they had the medicine available to them for the blood pressure, that would probably help them or at least extend the lifetime of their kidneys. You would not be looking at the long time for dialysis. But once you have to go through that, even on the other side of it, it is still better in the final analysis to look at the $1,500 that you would be using for immuno-suppressant drugs.

I guess, the gentleman from New Jersey (Mr. PALLONE), one of the things that has me concerned is that we understand that there potentially will be a bill brought to the floor of the House, which is a good thing, that might give us the opportunity to debate the issue on prescription drugs. I have some concerns because we are hearing rumors up here that the legislation may never even come through committee, that it is going to be a major Medicare reform bill with a prescription drug benefit that will have had no ability to look at the consequence with the committee process which, when we are talking about this as to which is better, what could be better offering amendments, giving that opportunity, making sure that it either goes through the Committee on Ways and Means and/or through the Committee on Commerce is a very important part of this process. Because the other part that will happen is that what we have seen in the past with the Medicare bills, we have not even had an opportunity to offer amendments. And if I remember correctly, and the gentleman may help me, I do not even know that we were offered a substitute.

Mr. PALLONE. Reclaiming my time to respond, I think the gentlewoman makes a very good point. I started out this evening by saying that the Republicans are talking about bringing a bill which they have not really outlined.

They have just given vague ideas of what it might be.

Mrs. THURMAN. They have a bill.

Mr. PALLONE. But they are not sure they want to move it or what to do with it.

Mrs. THURMAN. Right.

Mr. PALLONE. What I think is happening and what we were hearing last week, they had a press conference last week and they outlined these broad principles which I pointed out earlier are all essentially a sham. They talked about that this will be a Medicare benefit, but it is not guaranteed to all Medicare beneficiaries, so how is it a Medicare benefit? But what we are hearing is they were supposed to bring it directly to markup in the two committees, the Committee on Energy and Commerce and the Committee on Ways and Means next week, and then to the floor before the Memorial Day recess.

And what you are pointing out, and this is absolutely right, this is probably the most important piece of legislation to deal with in this Congress. The normal process is to have one day of hearings, usually like months of hearing, and then have a markup and allow amendments and then go to the floor. I think what you are saying is they may not do any of that, they may bring it directly to the floor.

I think just a couple of days ago, I think Monday in the Congress Daily, they pointed out that the headline said "GOP Drug Plan Faces Intra-Party Critics." The problem is that a lot of Republicans who are more reasonable and are really concerned about what this is going to mean have been suggesting to them that, A, that this prescription drug plan is not going to help that many seniors or that, B, the Medicare reform is really cutting back on payments for hospitals or others that have a great need.

Mrs. THURMAN. Nurses.

Mr. PALLONE. The gentlewoman is right. They may not be able to muster the votes in committee and they may just take it directly to the floor, which is a huge travesty because there will be no debate other than on the floor, which is not the way it is supposed to be.

Mrs. THURMAN. And that is a concern because there needs to be a debate. We need to understand the cost. We need to understand the consequence of whatever we bring to the floor. We need to understand if there is a market product out there for us. I mean, one of the problems that we have heard over and over again is if you turn this over to private insurance that there may not even be a tier. It may be, oh, well, here we go. We have got a prescription drug plan, but it is probably not going to start until a little bit later. And by the time people figure it out, the fact of the matter is there may not be an insurance company that is willing to provide that service without having other areas.

They talk about the Federal health plan. Well, the difference is that is a whole package. We get young, we get middle, and we get older. We get new Federal employees. We get retired Federal employees. And the idea is that you spread it. You have a spread over this and that is not what is going to happen in a Medicare or what may be considered in a private insurance. You are going to have one group of folks who are, by the way, in most cases, the seniors with the least ability to pay, which is a fine goal, but they are also sometimes the sickest because they have not had the advantages, as the doctor was pointing out, of being able to have taken care of health care. So their medicines, probably because they have more complicated cases, are going to be more expensive. And so when you start trying to use a voucher in a system where you have very sick and not a cross risk, it is going to be very expensive for an insurance company or anybody to go in and try to negotiate for this particular group of seniors.

Mr. PALLONE. Reclaiming my time, I think the gentlewoman is absolutely right. If you remember, two years ago, again, close to the election when the Republican leadership tried to bring up a bill, and that is what it basically was, that we are going to give money to insurance companies and hope that they will cover prescription drugs and you can shop around and see if they will cover you. That only passed the House and it died. But it was based at the time on a model that was used in the State of Nevada, and Nevada, which had a Republican legislature and I think a Republican governor, decided to go this route. And for 6 months after the governor signed it, they could not find any insurance company that would cover anybody. So 6 months from the day it was in effect, there was nothing out there for people to buy. And then they think what they did is they tried to get one company to cover it and even then they could not get anybody. So the whole thing is a huge mess and not working.

Mrs. THURMAN. And we could say the gentlewoman from Nevada (Ms. BERKLEY) has given us a wonderful opportunity to understand what happened in Nevada. And it would seem to me that it would be something this Congress ought to be looking at where the pitfalls were what happened. I mean, correcting and not trying to pass a model that has already failed in one State.

Mr. PALLONE. Mr. Speaker, I think they have made certain changes, and I do not know what the status is now. But the one thing I was going to say is that part of this is just sort of an ideological problem that the Republican leadership has. In other words, they did not like Medicare. Most of the Republicans voted against Medicare in the 1960s or whenever it started. And it was for ideological reasons because it was a government-run program. And I think that is what you are getting.

The Republican leadership just cannot accept the fact that Medicare works and we should add this benefit. They think it is too much government interference, so they are trying to send it out to the private sector from an ideological perspective.

The gentlewoman was pointing out, and everybody is pointing out, let us look at this practically. Let us not say this is left wing or right wing or whatever it is. Medicare works. This is not going to work, what they are proposing.

Mr. Speaker, I yield to the gentlewoman.

Mrs. THURMAN. And I think there were some issues out here also that are very alarming and very concerning and certainly ones that, I think, based on the constituency in the Fifth District in talking with them, that they were seeing high increases in their prescription drugs today. I mean, we know for a fact that they grew almost by 17 percent this year. We are not seeing anything in this piece of legislation that speaks to the high cost of prescription drugs. And so they understand that because they have constantly, and it is not just in the Fifth District of Florida. I mean, they get this. They understand that they are paying way more than other countries, Canada, the borders of Canada, we know what is happening over there. We know the busloads of people that are going to Canada to pick up their prescription drugs. We know they are out on the Internet to the Canadian Drug Store I think is the name of the sites. Mexico, people are sending overseas for these medicines, not because they do not want to be able to purchase them here, but when they are taking two or three medicines and they are costing $300 to $400 with one supply being $150 and another being $200 and another maybe $50, they cannot afford it. And they understand that they feel better on an everyday basis when they have that medicine being taken as the doctor has prescribed it, and they understand that they are not having complications with their health when they are able to take this. But at some point they just say I cannot do this. I cannot afford to continue to do this.

The gentleman and I have talked about this a thousand times, the amount of people that come into our offices, and they talk about cutting their pills in half, they talk about taking them one every three days or one every two days as versus every day, or they may take one a day instead of three a day just for that. But then you also hear, because it is sometimes just not one person in that family that is on medications, it is two.

I actually get stories, I had a daughter write to me about her parents, telling me how important having a Medicare prescription drug benefit was. She was watching her mother not get her medicines to make sure that her husband, the daughter's father, who had more complications, had his medicines so she could keep him alive. I mean, that was the sacrifice that she was making in her mind that was important. To the daughter it was a travesty. She was watching her parents literally have to choose, one being just able to sustain their lives because of medicines because they could not afford it all, or to choose that one could not have that same advantage. And I am not seeing anything in any of these pieces of legislation. In fact, quite the contrary in some ways. We are not seeing the ability for any concerns about the rising cost.

Now, in saying that, let me also suggest for a moment that this is not just Medicare at this point. The rising cost issue is a family issue. It is a business issue. We have corporate citizens in this country that are trying their level best to provide health care benefits to their employees. They want to do it. They think it is the right thing.

□ 1915

Two things are happening. GM came in the other day to testify before the committee. They said that their Medicare or their prescription drug bill went up $508 million last year. How do they continue to offer good benefits with a prescription drug without cutting other benefits in their plan so that they can continue to offer a prescription drug?

Well, one of the pharmaceutical companies was there and said, well, there are ways to do that. They can negotiate, they can look at utilization, they can provide copayments, they can do different things. And when we asked GM what they were doing, they said, We are already doing those things. We are doing the things that we feel are what they have told us would be good business practices.

Well, there really was not an answer to the question then to the company when we said, so, if they are doing all of these things, then what is the answer? They had no answer, and so there are issues out there.

AARP just did an article a couple of months ago talking about the costs, what was included in this cost. It was the advertising, and I would maybe not even call it advertising, but a marketing tool, that they called research. It is called research but it is research marketing, marketing research. So they know what they can sell to, what they can do; and so they use that as kind of their shield.

What were the numbers we heard? I do not know if my colleague heard, it is about, what, Pepsi-Cola versus, I guess I do not know if I can talk about brand names, but the idea is that there are companies that are spending 10, $20 million less in a year than one company maybe on a couple of different medicines.

Mr. PALLONE. Mr. Speaker, reclaiming my time, this came up in the other body, I cannot mention the name of the other body, other side of the Capitol and the point was, as my colleague knows, is the drug companies, the brand-name drug companies always say that they need to charge more because of research and development, when in reality what we know is a lot of the extra cost is just for advertising so that they can advertise the name-brand drug rather than the generic drug; and one of the ways that they could reduce costs is if they tried to encourage more use of generics, obviously; or I think in the Senate there was a proposal, which I think is a great idea, to say that that someone cannot take a tax deduction for advertising. In other words, someone can take a tax deduction for money they expend on research and development, but not for advertising.

We, essentially, through the Tax Code, I am talking to a Ways and Means member now so I want to be careful here, but essentially encourage through the Tax Code that they advertise as much as they like because they get some sort of credit or deduction for it. I do not know exactly how it works.

I wanted to say, if I could, to comment on what the gentlewoman talked about when she talked about the costs and the pricing because I started out tonight saying that the biggest sort of sham out here is that when the President about a year ago talked about promoting the discount card, which a lot of the drug companies are now offering, he talked about that as sort of an interim measure. In other words, we have not got a prescription drug program now, so until we do, until Congress passes it, let us promote this discount card because at least there will be some savings, which I questioned, but in case it is not the government helping in any way, this is what the drug companies are doing.

Now, when the Republicans unveiled their sort of principles last week, the card became their cost-containment mechanism, which is ridiculous because the government is not doing anything; and then as my colleague says, the Republicans act as if there is no way they can influence the price. That is nonsense.

If we set up the guaranteed benefit under Medicare, we now have 40 million seniors, and the Secretary of Health and Human Services has an incredible bargaining, negotiating ability because he represents those 40 million seniors, and he can certainly take actions that would result in lower prices.

Mrs. THURMAN. That is exactly right, and this is not a model that quite frankly is obscure in this government. It is going on.

We are seeing it within the VA system. The VA system, in fact, does just that. They negotiate for military retirees and veterans for the purposes of buying medicines. We do it. We already do it, and it works; and because of it, we have been able to really expand. And for military retirees, they now have a prescription drug benefit that costs them $3 for a generic, $9 for a brand name a month or they can do a mail order, which would be for a 3-month period, $3 for generic and $9 for brand name over a 3-month period.

So there are very good things going on and standards that have already been set by the Federal Government for some parts. Then if we thought about it, if then we are negotiating for, I think it is, something like 22, 25 million veterans, plus 40 million Medicare, we now have a very good possibility of looking at some things that could happen or we can do, I think, what the gentleman from Maine (Mr. ALLEN) has talked about, certainly looking at what the costs are in other countries, and at least making it so those costs were no different here than they were there, whether it be Canada, Mexico, UK, whatever, having that a possibility out there.

There are just things, but it kind of goes back to what we talked about. We are not having a debate. I think what is so frustrating about this is everyone in this House, to my knowledge, probably went home and talked about a prescription drug benefit in the last campaign. They said this is something that was needed. So we can have the debate with our constituents at home as to what is good and right and the kinds of ideas.

Our constituents have so much to offer us in this debate. Then why can we not we have a real debate in the Congress?

It may not be that we are so far apart in some of these ideas. The first premise is we agree that there should be a prescription drug benefit. It is how we get into the details of it.

So why can we not sit down and get out ideas of how things should be one way or another? Throw everything on the table, set it down, come in, see what is working, looking at what is happening in other parts of government, where we are successful; where we are successful in the private sector; where we are successful with Federal employees; where are we doing the right things; where are the areas that are not successful. Look at those. What is happening? Go in and talk to some of these corporations that are trying to negotiate and are trying to do the right things to make sure that they have a prescription drug benefit for their employees.

They are experiencing right now what we need to be addressing, and I am just very frustrated that we may not even have the opportunity to have this debate, that it may be we come out here, no work in the committee. We come down to the floor, we have an hour debate on the rule and an hour debate on the bill, maybe 2 hours, that is a Medicare bill, that quite frankly will probably talk about prescription drugs. We will not even get the opportunity to really talk about what potentially happens at nursing homes, what kind of cuts are happening with hospitals, if there is going to be some kind of a copayment for home health care. We are going to hear prescription drugs, and we are not even going to give a full debate and disclosure of what is going to be in other parts of this piece of legislation.

These are critical issues that are devastating and potentially could be devastating to the infrastructure of our seniors in this country. They deserve a strong and lively debate and being able to point out where we think there are pitfalls, where the issues are; and we ought to be able to have that opportunity.

Mr. PALLONE. I agree, and I am very fearful about what the gentlewoman says, which is that essentially with what the Republican leadership is doing here, they just want to bring up a bill so they can say they passed something, send it over to the other body and have it die.

Mrs. THURMAN. Just to say that the Senate has it.

Mr. PALLONE. I think that is what we are headed for. Hopefully, we are wrong and maybe we are too cynical and we can be optimistic. I have the same fear my colleague does.

Mrs. THURMAN. Mr. Speaker, the only thing I would say then is maybe us being here tonight and talking about this issue, maybe it will give some pause; and maybe we will have the opportunity to have that debate.

Mr. PALLONE. I hope so. I am eternally the optimist, as I know my colleague is, too.

Let me yield to the gentleman from Illinois (Mr. PHELPS).

Mr. PHELPS. Mr. Speaker, I first thank both of my colleagues for giving me the opportunity to speak on what I believe is one of the most important issues facing our Nation today. The time has certainly come for us to implement a real prescription drug plan for seniors.

Let me talk a little bit about, on a personal note, a couple I know and their experience. John and Ann Craig are residents of a little town called Muddy, Illinois, just a neighboring town out of my hometown in southern Illinois, Eldorado. The Craigs suffer from a combination of diseases, including diabetes, heart disease, and high blood pressure. His medication runs around $450 each month. They pay a total of $1,300 a month for prescription drugs and receive a mere $700 in Social Security.

The Craigs own a small farm where they have worked hard most of their lives. However, their overwhelming pharmacy bills have effectively ruined any chance of worry-free retirement because most of their savings has already been used on medication. This is just one example of the unnecessary hardships our citizens are facing due to overpriced prescription drugs.

There are many examples of other senior citizens I can give my colleague.

The issue of an affordable prescription drug plan for seniors is not just going to go away, and folks like John and Ann Craig are going to continue to spend their life savings on medication. Our citizens are depending on us to work together to come up with a plan that will bring them prescription drugs at a price they can afford and a price that does not take a large chunk out of their monthly budget that would normally be spent on food and other necessities.

So we need a plan that is fairly easy and will benefit all seniors. Our Nation's seniors have enough to worry about without having to figure out where they fit into a complicated prescription drug plan.

We have a moral and ethical responsibility to look out for our seniors, and we must implement a plan that will benefit each and every senior that is paying ridiculous prices for their necessary medications. It is time that we get together and work on a plan that is reasonable and a bipartisan approach. Stop pointing fingers and let us try to get it down to what is real for Americans like John and Ann Craig.

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from Illinois for joining us. I know we only have a few minutes left.

I just wanted to, in ending this Special Order tonight, if I could just develop a little bit one of the points that he made.

Part of the reason why the Democratic proposal and what the Democrats have been talking about tonight is so much better than what the Republicans have been proposing is because of its simplicity. We know that right now under the existing Medicare program it is very easy for the average senior to sign up, be part of the program and benefit from the program.

All seniors and even the disabled who are under 65 that are eligible for Medicare know that their hospitalization is covered. They know that if they pay a premium, I think it is about $40 a month for part B to cover their doctor bills, that they will have a guaranteed benefit and that the Federal Government will pay 80 percent of the cost of their doctor bills, and that if they are in a traditional fee-for-service plan, rather than an HMO, which most seniors are still in the traditional Medicare fee-for-service program, that they can go to any doctor, they can go to any hospital and Medicare is going to cover it.

What we are saying as Democrats is we want to build on that very successful Medicare model which is very easy for seniors to understand and take advantage of and say if someone pays a premium of say 25, $30 a month for their prescription drugs, then they will be guaranteed a generous portion of that; say, maybe 80 percent or so is going to be covered by the Federal Government.

□ 1930

And that after your first $100 deductible you can be guaranteed that your prescription drugs are going to be paid for in that way. Very simple model. It is the existing Medicare program; builds on it. Forget the ideology, just do it. That is what the Democrats are saying. Do it for every senior; everyone who is eligible for Medicare.

Now, my colleague from Illinois said, well, the seniors are concerned about not wanting to have to do some complicated plan. Well, that is what the Republicans are saying. They are saying forget the Medicare model, we are going to throw some money somehow to some insurance companies and we are hoping that the insurance companies will provide some sort of benefit, but we are not guaranteeing they are going to cover all drugs or any particular kinds of drugs. We are not guaranteeing there will be any kind of particular premium structure or what the level of the Federal Government's contribution is going to be.

And the seniors are supposed to shop around. These seniors, who are now 70, 80 years old, and they are supposed to shop around to see if there is some kind of insurance program that they can get. Now, I know some seniors are going to be able to do that, but I would say there are a lot that are not going to be able to, and are going to find when they are shopping that they do not find a plan that is even available.

I know my Republican colleagues will say, well, they can always go to an HMO. But remember that HMOs increasingly are not available in a lot of parts of the country, and more and more HMOs are dropping seniors and do not want to offer to senior citizens. So the complication that my colleague from Illinois talks about for seniors, that complication is multiplied so much by what the Republicans seem to be proposing.

And the real answer is to go back to the very simple program, the model that we have now that has worked so successfully for the last 30 years, and that is Medicare. That is all that the Democrats are asking for. And, hopefully, if this does come up in the next week or two, we can make that point about why a guaranteed Medicare plan is so superior to whatever proposal the Republican leadership is bringing up.

I guess I would just conclude by saying as much as I do not like to be cynical, I believe that the Republican proposal really is nothing more than an effort to show that they are doing something and that they fully understand that their proposal is not going to go anywhere and will never be enacted into law. So that is a shame, too, to think they are being very cynical and bringing this up as we get close to the election, rather than trying to put something together on a bipartisan basis that actually can be signed into law.

RECESS

The SPEAKER pro tempore (Mr. GRUCCI). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 7 o'clock and 33 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1133

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HASTINGS of Washington) at 11 o'clock and 33 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4546, BOB STUMP NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003

Mrs. MYRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 107-450) on the resolution (H. Res. 415) providing for consideration of the bill (H.R. 4546) to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, and for military construction, to prescribe military personnel strengths for fiscal year 2003, and for other purposes, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. CARSON of Indiana (at the request of Mr. GEPHARDT) for today before 1:30 p.m. on account of official business in the district.

Mr. HALL of Ohio (at the request of Mr. GEPHARDT) for today on account of attending ambassador school.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:

Ms. NORTON, for 5 minutes, today.

Ms. CARSON of Indiana, for 5 minutes, today.

Mrs. CAPPS, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Mrs. CHRISTENSEN, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

The following Members (at the request of Mr. SCHAFFER) to revise and extend their remarks and include extraneous material:

Mr. WOLF, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mrs. JONES of Ohio, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 410. An act to amend the Violence Against Women Act of 2000 by expanding the legal assistance for victims of violence grant program to include legal assistance for victims of dating violence; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2048. An act to require a report on the operations of the State Justice Institute.

H.R. 2305. An act to authorize certain federal officials with responsibility for the administration of the criminal justice system of the District of Columbia to serve on and participate in the activities of the District of Columbia Criminal Justice Coordinating Council, and for other purposes.

H.R. 3525. An act to enhance the border security of the United States, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on May 7, 2002 he presented to the President of the United States, for his approval, the following bills.

H.R. 169. To require that Federal agencies be accountable for violations of antidiscrimination and whistleblower protection laws; to require that each Federal agency post quarterly on its public Web site, certain statistical data relating to Federal sector equal employment opportunity complaints filed with such agency; and for other purposes.

H.R. 495. To designate the Federal building located in Charlotte Amalie, St. Thomas, United States Virgin Islands, as the "Ron de Lugo Federal Building".

H.R. 819. To designate the Federal building located at 143 West Liberty Street, Medina, Ohio, as the "Donald J. Pease Federal Building".

H.R. 3093. To designate the Federal building and United States courthouse located at 501 Bell Street in Alton, Illinois, as the "William L. Beatty Federal Building and United States Courthouse".

H.R. 3282. To designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse".

ADJOURNMENT

Mrs. MYRICK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 9, 2002, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

6676. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Acquisition of Commercial Items [DFARS Case 95-D712] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Armed Services.

6677. A letter from the Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule—Strengthening the Title I Property Improvement and Manufactured Home Loan Insurance Programs and Title I Lender/Title II Mortgagee Approval Requirements [Docket No. FR-4246-F-02] (RIN: 2502-AG95) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6678. A letter from the Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule—Real Estate Settlement Procedure Act Statement of Policy 2001-1: Clarification of Statement of Policy 1999-1 Regarding Lender Payments to Mortgage Brokers, and Guidance Concerning Unearned Fees Under Section 8(b) [Docket No. FR-4714-N-01] (RIN: 2502-AH74) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

6679. A letter from the Director, Corporate Policy and Research Department, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule — Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits — received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

6680. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule — Medical Devices; Gastroenterology-Urology Devices; Classification of the Ingestible Telemetic Gastrointestinal Capsule Imaging System [Docket No. 01P-0304] received April

22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

6681. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's Proposed Letter(s) of Offer and Acceptance (LOA) to Oman for defense articles and services (Transmittal No. 02-16), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

6682. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal No. 17-02 informing of an intention to sign Amendment Number One to the Memorandum of Understanding between the United States, Australia, and the United Kingdom concerning Cooperation in Navigation Warfare Technology Demonstrator and System Prototype Projects, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

6683. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal No. 13-02 informing of an intention to sign an Amendment to the Memorandum of Understanding between the United States, the United Kingdom, Canada and Turkey concerning the Cooperative Framework for the System Development and Demonstration (SDD) Phase of the Joint Strike Fighter (JSF) Program and the Netherlands Supplement between the United States and The Netherlands, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

6684. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Russia, Ukraine, Norway and the Cayman Islands [Transmittal No. DTC 23-02], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

6685. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Russia [Transmittal No. DTC 22-02], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

6686. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Spain [Transmittal No. DTC 014-02], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

6687. A letter from the Comptroller General, General Accounting Office, transmitting the Month in Review: January 2002 Reports, Testimony, Correspondance, and Other Publications; to the Committee on Government Reform.

6688. A letter from the Executive Secretary and Chief of Staff, Agency For International Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6689. A letter from the Director, Office of White House Liaison, Department of Commerce, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6690. A letter from the Assistant Director, Executive and Political Personnel, Department of Defense, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6691. A letter from the Chair, Equal Employment Opportunity Commission, transmitting the Fiscal Year 2001 Annual Program Performance Report; to the Committee on Government Reform.

6692. A letter from the Chairman, Federal Communications Commission, transmitting the Commission's FY 2001 Annual Program Performance Report; to the Committee on Government Reform.

6693. A letter from the Comptroller General, General Accounting Office, transmitting the Month in Review: October 2001 Reports, Testimony, Correspondence, and Other Publications; to the Committee on Government Reform.

6694. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule — Prevailing Rate Systems; Definition of San Joaquin County, California, as a Nonappropriated Fund Wage Area (RIN: 3206-AJ35) received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

6695. A letter from the General Counsel, Peace Corps, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6696. A letter from the General Counsel, Peace Corps, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

6697. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule — Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 630 of the Gulf of Alaska [Docket No. 011218304-1304-01; I.D. 030102B] received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

6698. A letter from the Director, Policy Directives and Instructions Branch, Department of Justice, transmitting the Department's final rule — Requiring Change of Status from B to F-1 or M-1 Nonimmigrant Prior to Pursuing a Course of Study [INS No. 2195-02] (RIN: 1115-AG60) received April 9, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

6699. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule — VISAS: Passports and Visas Not Required for Certain Nonimmigrants--Visa Waiver Program — received April 10, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

6700. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; BAE Systems (Operations) Limited Model BAe 146 Series Airplanes and Model Avro 146-RJ Series Airplanes [Docket No. 2001-NM-186-AD; Amendment 39-12666; AD 2002-04-09] (RIN: 2120-AA64) received April 16, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

6701. A letter from the Acting Deputy General Counsel, Office of Disaster Assistance, Small Business Administration, transmitting the Administration's final rule — Disaster Loan Program (RIN: 3245-AE82) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

6702. A letter from the Acting Director Office of Regulatory Law, Department of Veterans' Affairs, transmitting the Department's final rule — Policy Regarding Participation in National Practitioner Data Bank (RIN: 2900-AJ76) received April 22, 2002, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

6703. A letter from the Assistant Attorney General, Department of Justice, transmitting the Department's legislative proposal entitled "The Child Obscenity and Pornography Prevention Act of 2002"; jointly to the Committees on the Judiciary and Education and the Workforce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. OXLEY: Committee on Financial Services. H.R. 2941. A bill to facilitate the provision of assistance by the Department of Housing and Urban Development for the cleanup and economic redevelopment of brownfields; with an amendment (Rept. 107–448). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 3833. A bill to facilitate the creation of a new, second-level Internet domain within the United States country code domain that will be a haven for material that promotes positive experiences for children and families using the Internet, provides a safe online environment for children, and helps to prevent children from being exposed to harmful material on the Internet, and for other purposes; with an amendment (Rept. 107–449). Referred to the Committee of the Whole House on the State of the Union.

Mrs. MYRICK: Committee on Rules. House Resolution 415. Resolution providing for consideration of the bill (H.R. 4546) to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, and for military construction, to prescribe military personnel strengths for fiscal year 2003, and for other purposes (Rept. 107–450). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. STEARNS (for himself, Mr. Boucher, Mr. Tauzin, Mr. Towns, Mr. Bass, Mr. Bilirakis, Mrs. Bono, Mr. Deal of Georgia, Ms. Eshoo, Mr. Gillmor, Mr. Gordon, Mr. Greenwood, Mr. Kingston, Mr. Moran of Virginia, Mr. Sawyer, Mr. Terry, Mr. Upton, Mr. Walden of Oregon, Mr. Weldon of Florida, Mr. Weller, and Mr. Dan Miller of Florida):

H.R. 4678. A bill to protect and enhance consumer privacy, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GEKAS:

H.R. 4679. A bill to amend title 18, United States Code, to provide a maximum term of supervised release of life for child sex offenders; to the Committee on the Judiciary.

By Mr. BAIRD (for himself and Mr. Price of North Carolina):

H.R. 4680. A bill to authorize appropriations for the Advanced Technological Education Program, to amend the Scientific and

Advanced-Technology Act of 1992 to further strengthen science, mathematics, and technology education at the Nation's associate-degree-granting colleges, to establish an advisory committee to help guide implementation of the Advanced Technological Education Program, and for other purposes; to the Committee on Science, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGLISH (for himself, Mr. BORSKI, Mr. BRADY of Pennsylvania, Mr. COYNE, Mr. DOYLE, Mr. FATTAH, Mr. GEKAS, Mr. GREENWOOD, Ms. HART, Mr. HOEFFEL, Mr. HOLDEN, Mr. KANJORSKI, Mr. MASCARA, Mr. MURTHA, Mr. PETERSON of Pennsylvania, Mr. PITTS, Mr. PLATTS, Mr. SHERWOOD, Mr. SHUSTER, Mr. TOOMEY, Mr. WELDON of Pennsylvania, Mr. SOUDER, and Mr. TRAFICANT):

H.R. 4681. A bill to establish the Fort Presque Isle National Historic Site in the Commonwealth of Pennsylvania; to the Committee on Resources.

By Mr. MURTHA:

H.R. 4682. A bill to revise the boundary of the Allegheny Portage Railroad National Historic Site, and for other purposes; to the Committee on Resources.

By Mr. PALLONE (for himself and Mr. SHAYS):

H.R. 4683. A bill to amend the Federal Water Pollution Control Act to clarify that fill material cannot be comprised of waste; to the Committee on Transportation and Infrastructure.

By Mr. PALLONE:

H.R. 4684. A bill to amend title XVIII of the Social Security Act and the Employee Retirement Income Security Act of 1974 to improve access to health insurance and Medicare benefits for individuals ages 55 to 65 to be fully funded through premiums and antifraud provisions, to amend title XIX of the Social Security Act to provide financial assistance for those individuals who are too poor to afford the premiums, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOOMEY (for himself, Mr. KANJORSKI, Mr. SOUDER, Mr. KERNS, Mrs. CUBIN, Mr. TANCREDO, Mr. SCHAFFER, and Mr. CANTOR):

H.R. 4685. A bill to amend title 31, United States Code, to expand the types of Federal agencies that are required to prepare audited financial statements; to the Committee on Government Reform.

By Mr. WATKINS:

H.R. 4686. A bill to direct the Secretary of Energy to convey a parcel of land at the facility of the Southwestern Power Administration in Tupelo, Oklahoma; to the Committee on Resources.

By Mr. BACA (for himself, Mr. ORTIZ, Mr. SERRANO, Mr. ACEVEDO-VILÁ, and Mr. HINOJOSA):

H. Con. Res. 398. Concurrent resolution recognizing the historical significance of the Mexican holiday of Cinco de Mayo; to the Committee on International Relations.

By Mrs. KELLY:

H. Con. Res. 399. Concurrent resolution recognizing and supporting the efforts of the State of New York to develop the National Purple Heart Hall of Honor in New Windsor, New York, and for other purposes; to the Committee on Armed Services.

By Mr. SHOWS:

H. Con. Res. 400. Concurrent resolution expressing the sense of Congress regarding the unfair Russian Federation ban on the importation of United States poultry; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 123: Mr. CANNON.

H.R. 459: Mr. KENNEDY of Rhode Island.

H.R. 510: Mr. COSTELLO and Mrs. CLAYTON.

H.R. 730: Mr. LYNCH.

H.R. 902: Mr. HALL of Ohio, Mr. NUSSLE, Mr. GOODE, and Mr. PETERSON of Minnesota.

H.R. 945: Ms. WOOLSEY, Mr. RODRIGUEZ, and Mr. BERMAN.

H.R. 975: Mr. BARRETT.

H.R. 1011: Mr. FRANK.

H.R. 1073: Mr. SHIMKUS.

H.R. 1094: Mr. BARTLETT of Maryland.

H.R. 1106: Mr. FOLEY.

H.R. 1172: Mr. NORWOOD and Mr. GONZALEZ.

H.R. 1202: Mr. HEFLEY, Mr. FLETCHER, Mr. KILDEE, and Mr. MALONEY of Connecticut.

H.R. 1212: Mr. PICKERING.

H.R. 1382: Mrs. DAVIS of California.

H.R. 1400: Mr. HOLDEN and Mr. CRAMER.

H.R. 1452: Mr. OSE.

H.R. 1515: Mr. FOLEY.

H.R. 1520: Mr. HOBSON.

H.R. 1556: Ms. EDDIE BERNICE JOHNSON of Texas and Mrs. CAPITO.

H.R. 1581: Mr. DEAL of Georgia and Mr. SNYDER.

H.R. 1650: Mr. SERRANO.

H.R. 1723: Mr. LUTHER, Mr. PETERSON of Minnesota, Mr. RANGEL, Mr. COSTELLO, Mr. SWEENEY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. PASTOR, Mr. PAYNE, Mr. LARSEN of Washington, and Ms. ROYBAL-ALLARD.

H.R. 1724: Mr. FOLEY.

H.R. 1822: Mr. DOYLE.

H.R. 1887: Mr. FRANK.

H.R. 1904: Mr. DELAHUNT.

H.R. 1931: Mr. TIAHRT.

H.R. 1983: Mr. ENGLISH.

H.R. 1987: Mr. POMEROY.

H.R. 2012: Mr. ACKERMAN.

H.R. 2037: Mr. WELLER, Mr. SMITH of Michigan, and Mr. FOLEY.

H.R. 2063: Mr. DINGELL.

H.R. 2466: Mr. HAYES.

H.R. 2484: Mr. HOLDEN, Mr. WEINER, Mrs. CLAYTON, and Mr. JEFFERSON.

H.R. 2573. Ms. BROWN of Florida.

H.R. 2662: Mr. CLAY.

H.R. 2714: Mrs. JO ANN DAVIS of Virginia and Mr. WALDEN of Oregon.

H.R. 2820: Mr. DELAHUNT and Ms. LEE.

H.R. 2901: Mr. BEREUTER.

H.R. 3238: Mr. SHAYS and Mr. KENNEDY of Rhode Island.

H.R. 3320: Mr. GOODE and Mr. SESSIONS.

H.R. 3333: Mr. PITTS.

H.R. 3335: Mrs. CHRISTENSEN.

H.R. 3414: Ms. MCCOLLUM.

H.R. 3534: Mr. FILNER.

H.R. 3704: Mr. DAVIS of Illinois.

H.R. 3713: Mr. VITTER.

H.R. 3717: Mr. GUTKNECHT.

H.R. 3752: Mr. COSTELLO, Mr. PAYNE, Mr. GREEN of Wisconsin, Mr. BARRETT, Mr. HOLDEN, Mr. SHERMAN, Ms. HARMAN, and Mr. GONZALEZ.

H.R. 3828: Mr. BERMAN, Mr. ABERCROMBIE, Mr. GEORGE MILLER of California, Mr. MCGOVERN, Mr. FILNER, Mr. GREEN of Texas, Mr. LANTOS, Mr. DAVIS of Illinois, Mr. BACA, Mrs. CLAYTON, Ms. MCKINNEY, Mr. PASTOR, Ms. SOLIS, Mr. FALEOMAVAEGA, Ms. LEE, and Mrs. CHRISTENSEN.

H.R. 3831: Mr. KING.

H.R. 3834: Mr. ABERCROMBIE, Mr. KILDEE, Mr. HOEFFEL, Mr. PASTOR, and Mr. BALDACCI.

H.R. 3884: Mr. FROST.

H.R. 3887: Mr. MOORE, Mr. LEVIN, Ms. DELAURO, Ms. MCCOLLUM, Mr. PAYNE, Mrs. KELLY, and Mr. HINCHEY.

H.R. 3917: Mr. RAMSTAD.

H.R. 3940: Mr. WILSON of South Carolina.

H.R. 3957: Mr. KOLBE.

H.R. 3989: Mrs. MINK of Hawaii.

H.R. 3995: Mr. SAXTON, Mr. SUNUNU, and Mr. BURR of North Carolina.

H.R. 4012: Mr. DEAL of Georgia.

H.R. 4027: Mr. TIAHRT.

H.R. 4046: Mr. FILNER.

H.R. 4061: Mr. PLATTS, Mr. GILLMOR, and Mrs. LOWEY.

H.R. 4076: Mr. HAYWORTH.

H.R. 4078: Mr. STARK and Mr. SANDERS.

H.R. 4098: Mr. KUCINICH.

H.R. 4104: Mr. SMITH of Washington.

H.R. 4123: Mr. MCDERMOTT, Mrs. CHRISTENSEN, Mr. OWENS, Mr. BALDACCI, and Mr. FROST.

H.R. 4169: Mr. PITTS.

H.R. 4187: Ms. VELÁZQUEZ, Mr. BARRETT, and Mr. PAUL.

H.R. 4260: Mr. TERRY.

H.R. 4374: Mrs. CLAYTON, Mr. COSTELLO, Mr. ISAKSON, and Mr. PAYNE.

H.R. 4479: Mr. BALDACCI.

H.R. 4481: Mr. STUMP and Mr. FROST.

H.R. 4575: Mr. LANTOS, Mr. GREEN of Texas, Mr. MCNULTY, Ms. SANCHEZ, Mr. EVANS, Mr. FARR of California, Mr. PENCE, and Mr. CROWLEY.

H.R. 4585: Mr. KENNEDY of Minnesota.

H.R. 4594: Ms. SANCHEZ.

H.R. 4604: Mr. NORWOOD.

H.R. 4635: Mr. HAYES, Mr. BARTLETT of Maryland, and Mr. TANCREDO.

H.R. 4642: Mr. SESSIONS, Mr. GOODE, and Mr. BARTLETT of Maryland.

H.R. 4643: Mr. MCGOVERN.

H.R. 4646: Mr. LAMPSON, Mr. KANJORSKI, Mr. FRANK, Mrs. MALONEY of New York, Mr. LANGEVIN, Mr. SMITH of New Jersey, and Ms. SCHAKOWSKY.

H.R. 4665: Mr. MCNULTY.

H.R. 4667: Mr. FORBES and Mrs. JOHNSON of Connecticut.

H.R. 4669: Mr. FROST, Mr. KUCINICH, Ms. NORTON, Ms. BALDWIN, Mr. BROWN of Ohio, and Mr. BONIOR.

H. Con. Res. 315: Mr. SESSIONS.

H. Con. Res. 345: Mrs. CHRISTENSEN.

H. Con. Res. 359: Mr. GORDON.

H. Con. Res. 368: Mr. DUNCAN.

H. Con. Res. 375: Ms. JACKSON-LEE of Texas, Mr. ROYCE, and Mr. SCHROCK.

H. Con. Res. 385: Mrs. THURMAN, Mr. KILDEE, Mrs. MORELLA, and Mr. SMITH of New Jersey.

H. Con. Res. 390: Mr. LAMPSON.

H. Con. Res. 394: Mr. TIAHRT.

H. Res. 398. Mrs. MORELLA, Mr. OSBORNE, and Mrs. MALONEY of New York.

EXTENSIONS OF REMARKS

2002 AAA STARS OF LIFE STATEMENT

HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. LUTHER. Mr. Speaker, I rise today to honor the men and women of the emergency medical and ambulance services profession who dedicate their lives to helping individuals in need.

Every year, the dispatch of an ambulance is the first response to millions of medical emergencies. Often, the survival of a patient is significantly improved by the prompt medical attention provided before arrival at an emergency room. As a result of the selfless acts of these courageous and devoted men and women, the lives of thousands of Americans are saved each year. While these professionals do not expect to receive recognition for their work, they deserve our sincere gratitude.

I consider myself fortunate to have met with a number of medics from Minnesota and around the country and have heard firsthand accounts of the tireless efforts that they perform on a daily basis for the communities they serve. They are truly America's health care safety net.

For the past nine years, the American Ambulance Association (AAA) has recognized those emergency, medical and ambulance service professionals who exemplify what is best about their field, and bestow upon them the Stars of Life award. These appropriately designated Stars of Life have been selected by their peers to represent them in Washington, DC as part of pre-National EMS Week activities. The highlights of their visits to our nation's capital are an awards banquet this evening where they are presented with this prestigious award and meetings today and tomorrow with their Members of Congress. The American Ambulance Association is honoring 113 Stars of Life this year.

Mr. Speaker, I ask that the names of the 2002 American Ambulance Association Stars of Life honorees be printed in the RECORD.

State	Name of Star of Life	Company or organization	Town
Alabama	James "Pete" Norris	American Medical Response	Birmingham.
Arizona	Jim Hayden	Rural/Metro	Mesa.
Arkansas	Chuck Creed	Columbia County Ambulance Service	Magnolia.
California	Lon Adams	American Medical Response	Burlingame.
	Tanya Banks	American Medical Response	Concord.
	Sajee DeReauxchette	American Medical Response	Hemet.
	Susan King	American Medical Response	Lancaster.
	Kelly Taddeo	American Medical Response	Los Angeles.
	Jonathan Graves	American Medical Response	Moorpark.
	Brian Mullins	American Medical Response	Palm Springs.
	Jim Sachs	American Medical Response	Roseville.
	Keith Fournier	American Medical Response	San Diego.
	James Bauck (Posthumous)	American Medical Response	San Leandro.
	David Tovar	Medix Ambulance Service	Mission Viejo.
Colorado	Randy Ermer	American Medical Response	Aurora.
	Liz Dienst	American Medical Response	Colorado Springs.
	Wescott "Wes" Hyde	Summit County Ambulance Service	Frisco.
	Charles "Chaz" Gross	Summit County Ambulance Service	Frisco.
Connecticut	Louis Formica	Hunter's Ambulance Service	Meriden.
	Jennifer Giordano	Hunter's Ambulance Service	Meriden.
	Joseph DeAngelis	American Medical Response	New Haven.
Florida	David Twiss	American Medical Response	Fort Lauderdale.
	Kevin Hull	American Medical Response	Largo.
	Jon. C. Thompson	Rural/Metro	Orlando.
Georgia	Misty Hall	Mid Georgia Ambulance Service	Macon.
	Richard Thompson	Mid Georgia Ambulance Service	Macon.
Hawaii	William "Lin" Watkins	American Medical Response	Makawao.
Illinois	Carol Swank	Advanced Medical Transport of Illinois	Peoria.
	Lisa Newell	Advanced Medical Transport of Illinois	Peoria.
Iowa	Thomas Sheetz	Medic EMS	Davenport.
	Jerry Weismann	American Medical Response	Iowa Falls.
	Karla Anderson	Iowa EMS Association	West Des Moines.
	Gary Ireland	Iowa EMS Association	West Des Moines.
Louisiana	Melanie Guidry	Acadian Ambulance and Air Med Service	Lafayette.
	Troy Guidry	Acadian Ambulance and Air Med Service	Lafayette.
	Emily Savoie	Med Express	Melville.
	Robin Rozas	Med Express	Melville.
Massachusetts	Marie Watson	Lyons Ambulance Service	Danvers.
	Stacy Gillis	Lyons Ambulance Service	Danvers.
	Brad Wilson	American Medical Response	Framingham.
	Todd Simoes	Cataldo Ambulance Service	Somerville.
	Robert White	Cataldo Ambulance Service	Somerville.
	Michael Pandora	American Medical Response	Springfield.
	Todd Beaudet	Action Ambulance Service	Wilmington.
	Joseph V. Amello	Action Ambulance Service	Wilmington.
	Shawna A. Caponigro	Action Ambulance Service	Wilmington.
	Josh Hanson (Posthumous)	American Medical Response	Natick.
Michigan	Erik Youngblood	Huron Valley Ambulance Service	Ann Arbor.
	Mike Bentley	LifeCare Ambulance Service	Battle Creek.
	John Pinkster	Life EMS	Grand Rapids.
	Roy Zigier	Life EMS	Grand Rapids.
	Toni Tarrant	American Medical Response	Pontiac.
Minnesota	Joe Martinez	Life Link III	Minneapolis.
	Peter Grothem	Gold Cross Ambulance	Rochester.
Mississippi	Rosa Newman	American Medical Response	Natchez.
	Tammy Holloway	American Medical Response	Jackson.
Missouri	Steve Bell	Emergency Providers/MAST	Kansas City.
	Chad Schipper	Emergency Providers/MAST	Kansas City.
Montana	Jeff Bakker (Posthumous)	American Medical Response	Billings.
Nevada	Ken Kavanaugh	American Medical Response	Las Vegas.
	Don Vonarx	REMSA	Reno.
	Ken Whittaker	REMSA	Reno.
New Hampshire	Dennis Mechem	Rockingham Regional Ambulance	Nashua.
	Rebecca Colley	Rockingham Regional Ambulance	Nashua.
	Jennifer Shea	American Medical Response	Sommersworth.
New Jersey	Jesse VanMiddlesworth	Med-Alert Ambulance	Sparta.
	Jerome Cuppia	Med-Alert Ambulance	Sparta.
New Mexico	Steve Lovato (Posthumous)	American Medical Response	Roswell.
New York	Alonzo Merchant	Rural/Metro	Bronx.
	Ken Bak	Rural/Metro	Buffalo.
	Ron Barrett	Rural/Metro	Buffalo.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

State	Name of Star of Life	Company or organization	Town
	Gene Buchanan	Rural/Metro	Corning.
	Matthew Kanciruk	CHS Ambulance Service	Farmingdale.
	Larry Baumgart	Rural/Metro	Rochester.
	Kevin J. Sullivan	Mohawk Ambulance Service	Schenectady.
	Lester Freemantle	Mohawk Ambulance Service	Schenectady.
	Jeffrey Jones	Rural/Metro	Syracuse.
	Rob Stuck	MetroCare Ambulance Service	White Plains.
	Jay Robbins	MetroCare Ambulance Service	White Plains.
North Carolina	John C. Crunk	Mecklenburg EMS	Charlotte.
	Eric Morrison	Mecklenburg EMS	Charlotte.
	Bryon Runyon	Mecklenburg EMS	Charlotte.
	Doug Rorie	First Health of the Carolinas	Pinehurst.
	Donna Dow	First Health of the Carolinas	Pinehurst.
	Thomas Williams	First Health of the Carolinas	Pinehurst.
	Michael Lineberry	First Health of the Carolinas	Pinehurst.
North Dakota	Don D. Martin (MN)	F-M Ambulance Service	Fargo.
Ohio	Christopher Wheeler	American Medical Response	Akron.
	Bradley Bell	Rural/Metro	Columbus.
	Lawrence D. Fields	Stofcheck Ambulance Service	LaRue.
	Gregory Smith	Rural/Metro	Youngstown.
Oregon	Victor Hoffer	Metro West Ambulance	Hillsboro.
	Bill Wildman	Metro West Ambulance	Hillsboro.
	Dawn Poetter	Metro West Ambulance	Hillsboro.
	Randy Johnson	Metro West Ambulance	Hillsboro.
	Frank Wallender	Metro West Ambulance	Hillsboro.
	Candy Schneider	Metro West Ambulance	Hillsboro.
	Lindy Boyersmith	Mercy Flights	Medford.
	Sandra Gearheart	American Medical Response	Milwaukie.
Pennsylvania	Forrest Wieder	Centronia Ambulance Corps	Allentown.
	Jeff Zeiber	Exeter Ambulance Service	Reading.
South Carolina	Donald McCown, Jr.	Medshore Ambulance Service	Anderson.
	Steven A. Kelly	Medshore Ambulance Service	Anderson.
	Ernest Autry	First Health of the Carolinas	Cheraw.
South Dakota	Faron Wahl	Rural/Metro	Sioux Falls.
Tennessee	Darin Hash	Rural/Metro	Knoxville.
Texas	JoAnna Burgan	American Medical Response	Greenville.
	Clifton Brown	LifeNet EMS	Texarkana.
Vermont	James Collins	Regional Ambulance Service	Rutland.
Virginia	Arthur D. White, Jr.	LifeCare Medical Transports	Fredericksburg.
	Alison Burkholder	American Medical Response	Richmond.
Washington	Bill Munson	American Medical Response	Yakima.
Wyoming	Ivan Maxfield	American Medical Response	Cheyenne.

IN HONOR OF POLISH CONSTITUTION DAY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. KUCINICH. Mr. Speaker, I rise today in celebration of the anniversary of the Polish Constitution. The Polish Constitution of May 3, 1791 established a tradition of democracy and human rights in Poland that continues today.

The Polish Constitution has the honor of being the first Constitution in Europe to guarantee inalienable human and economic rights for all. This historic document was modeled after the Constitution of the United States of America.

During the turbulent 1790's of classical Europe, Poland emerged as a light of hope for the future of democracy in Poland, and across the European landscape. While other nations surrounding its sovereign borders engaged in revolution and civil war, Poland maintained its integrity for many years under this Constitution.

The rise of Soviet communism in the post-World War II era stemmed the Polish democratic principle for forty years, but under the capable leadership of Lech Walesa, democracy embodied in this Constitution returned to the Eastern European "cradle of democracy." The human and economic rights that were abandoned by years of communist rule have triumphantly flourished in recent years.

Mr. Speaker, please join me in honoring the people of Poland, the Polish American community, and their timeless Polish Constitution—on the occasion of the anniversary of its creation—two hundred and eleven years ago.

NATIONAL SMALL BUSINESS WEEK

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Ms. SCHAKOWSKY. Mr. Speaker, I rise today to celebrate National Small Business Week. Small businesses have contributed and continue to contribute to our nation's economy. They are anchors in our neighborhoods, and employ and train millions of workers every year. Small businesses account for half of our gross domestic product, and I am committed to ensuring that small business owners and workers have the resources and protections necessary to grow and thrive.

There are approximately 25 million small businesses in the United States and they account for 75 percent of all new jobs added to the economy and represent 99.7 percent of all employers. There are over 280,000 employer businesses in the state of Illinois, and over 97 percent of them are small businesses, with fewer than 500 employees. Currently, there are an estimated 6.2 million women-owned businesses, accounting for 28 percent of all privately held firms. These firms generate $1.15 trillion in sales and employ 9.2 million workers. Also, minority-owned businesses have quadrupled over the last decade. Minorities now own 15 percent of American businesses and 99 percent of these firms are small businesses. But the sad truth is that not enough is being done to provide these businesses with the opportunities needed to survive and compete in today's market.

I recently toured several business areas in my district and met with business owners in Morton Grove, Illinois. I also met with several business groups, such as the Gladstone Park Chamber of Commerce. I was proud to see small businesses thriving in the community. The main source of help for these businesses is the Small Business Administration. The SBA has a portfolio of business loans, loan guarantees, disaster loans and venture capital worth more than $58 billion, and I will work hard to provide the necessary financial and technological support that will allow the SBA to do its job in an efficient and effective manner. I am working in Congress to improve a number of programs and services that the Small Business Administration provides which will give important resources to small businesses in my district and across this nation.

PRESCRIPTION DRUGS

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mrs. McCARTHY of New York. Mr. Speaker, I rise today in support of a prescription drug benefit for all seniors.

As a nurse, I am very familiar with the role of prescription drugs in medical treatment programs. In recent years, more and more drugs have become available to manage medical problems that formerly were left untreated or required periods of hospitalization. These drugs have allowed Americans to live longer, more productive lives.

I also know the importance of taking the correct dosage of drugs, at the prescribed times. Today, too many seniors cut back on the dosage, or alternate the days they take the drugs. By altering the dosage, they do not receive the full benefit of the prescription drug therapy. Some seniors are forced into choosing between buying food or paying for their prescription drugs. Why have they been faced with these decisions? Because they cannot afford to pay for their prescriptions.

It is time for Congress to establish a Medicare prescription drug plan. We need to make prescription drugs affordable for all our seniors, regardless of where they live, what drugs they take, or their income level. We need a plan that provides a meaningful reduction in the cost of prescription drugs.

But more importantly, we must also look at the continuing increase in the cost of prescription drugs. The rising cost of drugs is certainly a consideration in a Medicare prescription drug plan. The problem of increasing prescription drug costs is not limited to our seniors. Individuals enrolled in HMOs, employer sponsored insurance plans, or private insurance plans are seeing their coverage of prescription drugs diminish and/or their co-payments rise as the insurer tries to keep pace with the rising cost of prescription drugs. Hospitals and state Medicaid programs are struggling with the cost of prescription drugs. We must look at ways to ensure prescription drugs are available at reasonable prices for all Americans.

30TH ANNIVERSARY OF THE NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE

HON. JOHN COOKSEY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. COOKSEY. Mr. Speaker, today I wish to congratulate the National Committee for Employer Support of the Guard and Reserve (ESGR)—its 4,200 volunteers and Department of Defense (DOD) staff—in celebrating 30 years of service to this Nation.

The National Committee for Employer Support of the Guard and Reserve (ESGR) was established in 1972, the year the United States ended the Selective Service System and established an all-volunteer military force. DOD realized that support from employers and communities would be instrumental in maintaining Reserve component membership. ESGR was created to obtain employer and community support for the National Guard and Reserve and to promote the role of Reserve forces in the national defense.

ESGR has lived up to the task and accomplished much more. Since 1972, with the help of the Advertising Council, Inc., ESGR has benefited from nearly $1 billion in pro bono advertising reaching the six million employers with one or more employees in the United States.

Employers have, in turn, signed ESGR Statements of Support, publicly committing to support the National Guard and Reserve. The former Chairman of the Board and CEO of General Motors, Mr. James H. Roche signed the first Statement of Support in the Office of the Secretary of Defense on December 13, 1972. The next day, President Richard Nixon signed a Statement of Support covering all Federal civilian employees. Since the inception of this program, Presidents Ford, Carter, Reagan, Bush, Clinton and President George W. Bush have all signed Statements of Support, along with hundreds of thousands of employers, including Dell Computer Corporation, Xerox, the Society for Human Resource Management and the U.S. Chamber of Commerce. To date, over 300,000 employers have signed statements of support. Additionally, the strategic alliance formed in 1998 between ESGR and the U.S. Chamber of Commerce resulted in more than 1,200 chambers of commerce nationwide signing a Statement of Support for the Guard and Reserve.

ESGR offers Ombudsman services designed to provide information to employers and Reservists regarding their rights and responsibilities under the law, and to resolve conflicts through informal mediation. These services operate in cooperation with the Department of Labor. ESGR volunteers in 54 U.S. states and territories contribute thousands of hours of effort representing millions of dollars of volunteer service in support of ESGR programs, its services, and the men and women of our nation's Reserve forces.

Mr. Speaker, the National Committee for Employer Support of the Guard and Reserve is smart government in action. The small ESGR staff in Arlington, VA, under the direction of the Assistant Secretary of Defense for Reserve Affairs provides guidance and support to a network of 4,200 volunteer business, civic, and community leaders.

ESGR educates employers on their rights and obligations under the law and recognize employers who actively support employee participation in the Guard and Reserve. ESGR also educates members of the National Guard and Reserve in regards to their rights and responsibilities to the value of their employers support. Committees can be found in all 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

With the end of the cold war, the Reserve components have been called with increasing frequency. During the Gulf War in 1990–1991, more than 250,000 Reserve component members were called to active duty to support military operations in the Persian Gulf. Since the start of Operation Noble Eagle and Enduring Freedom, more than 80,000 National Guard and Reserve troops have been activated and are playing a critical role.

Mr. Speaker, thousands of employers, local and state government officials, Active and Reserve component leaders, and military members from across the nation and around the world request ESGR's employer support expertise on a daily basis. When Guardsmen and Reservists return home following mobilization, ESGR committee members are there to provide information and support services to those in need.

The U.S. Congress passed the Uniformed Services Employment and Reemployment Rights Act, (USERRA) of 1994, and updated it in 1996. This law completely revised the Veterans Reemployment Rights Act of 1940. USERRA articulates the rights and responsibilities of Guard and Reserve members with regard to job protection and explains employer rights under federal law. ESGR helps employers and Reservists understand this law and helps them informally resolve any employment conflicts that may arise.

Mr. Speaker, again, I want to congratulate ESGR and its 54 ESGR committees on their 30 years of service and commend this network of over 4,200 volunteers' patriots for their time and talent. They are serving their country and maintaining the much needed support of our employers and communities for the Guard and Reserve. Through the efforts of agencies like ESGR, we can call on our Reserve forces to answer our nation's call without the fear of job loss.

Thank you Mr. Speaker, and thank you ESGR.

VOLUNTEERS OF THE CHAPLAINCY COMMITTEE OF THE JEWISH FEDERATION OF CENTRAL NEW JERSEY

HON. MICHAEL FERGUSON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. FERGUSON. Mr. Speaker, I rise today to thank and recognize the volunteers of the Chaplaincy Committee of the Jewish Federation of Central New Jersey.

The Chaplaincy program provides services to Jewish residents in nursing homes and patients hospitals in central New Jersey. The committee also works with the nearly 100 volunteers doing either Bikur Holim (visiting the sick) or Kabbalat Shabbat (a service to welcome the Sabbath) for residents in area nursing homes. The volunteers range from all over central New Jersey.

On May 8th, the Chaplaincy Committee plans to recognize and thank the volunteers for their hard work, as I am here to do the same today.

I commend the Jewish Federation of Central New Jersey for the good works they have helped to provide to central New Jersey, and to the volunteers themselves—they have my deepest gratitude. There is no greater gift to the community than your time and service.

TRIBUTE TO MS. FARAH M. WALTERS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. KUCINICH. Mr. Speaker, I rise today to honor Ms. Farah M. Walters for her masterful leadership of University Hospitals Health System and University Hospitals of Cleveland. As President and Chief Executive Officer of University Hospitals Ms. Walters has presided over UH's expansion from a $400 million-hospital to a nearly $2 billion health-care system which serves patients at more than 150 locations in Northeast Ohio and is the region's largest private sector employer.

Ms. Walters graduated from the executive MBA program at Case Western Reserve University Weatherhead School of Management and holds a Masters of Science in Nutrition from Case Western Reserve University. She has consulted and lectured for major health organizations such as the Pan American Health Organization, American Hospital Association, National Institutes of Health, the U.S.

Army, and various hospitals and universities. Ms. Walters has received numerous prestigious awards for her work. For example, in May 2001 she was awarded the Ellis Island Medal of Honor by the National Ethnic Coalition of Organizations Foundation; in February 1999 she became the first woman to receive the Business Executive of the Year award from the Sales & Marketing Executives of Cleveland; and in May 1998 she became the first woman to receive Business Statesmanship Award from the Harvard Business School Club. In January 1993, Mrs. Walters was appointed to Hillary Rodham Clinton's National Health Care Reform Task Force, and in 1993 Modern Healthcare selected her one of the 50 individuals in the USA to shape the future of health care in the country. In addition, University Hospitals of Cleveland has been the recipient of many awards under her leadership, including, the North Coast 99 Diversity Award from the Employer Resource Council and Enterprise Development and the Exemplary Voluntary Effort Award from the U.S. Department of Labor.

Ms. Walters serves on a variety of national and local boards and is active in civic affairs. She has served on a number of key committees of the Association of American Medical Colleges in Washington, DC. She also serves on the board of Cleveland Tomorrow, Greater Cleveland Roundtable and Ohio Business Roundtable. In 1994 Ms. Walters was appointed by Governor Voinovich to serve on the 15 member Commission to Study the Ohio Economy and Tax Structure. Within the community, she has served as Chairman for the 1997 United Way Campaign, the first woman and first CEO of a non-profit organization to be selected for the position.

My fellow colleagues, I ask you to Join me in rising to honor this truly remarkable woman who has dedicated her life to the betterment of health care, and is one of Cleveland's finest citizens.

PAUL SIMON CHICAGO JOB CORPS CENTER

SPEECH OF

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Ms. SCHAKOWSKY. Madam Speaker, I rise in support of Senate Bill 378, which will rename the Chicago Job Corps Center, located at 3348 South Kedzie Avenue, in Chicago, Illinois, as the Paul Simon Chicago Job Corps Center after former U.S. Senator Paul Simon of Illinois. Senator Simon was not only a great U.S. Senator for the state of Illinois, but he is a champion for working people across the nation.

Senator Simon has dedicated his life to helping the people of this country. As a scholar, writer, and public servant, Senator Simon has worked hard to battle against the social injustices that haunt our nation. During his congressional service, Senator Simon was a strong supporter of the federal Jobs Corps program and was instrumental in the chartering of a Jobs Corps center in Chicago. The Center provides opportunities in a campus environment to gain a valuable education with advanced career training, to learn a skilled trade, so that individuals may reach their full potential. Job Corps provides up to two years of hands-on work-based training and internships, in areas ranging from bricklaying to computer repair. The Center also provides academic training in remedial math and reading, GED preparation, and English as a second language, and outreach to those in the community that may not have the opportunity to attend college. It is these things that define the goals Senator Simon has set to achieve for the millions of Americans looking for skilled employment in the workplace.

Senator Simon has been a dear friend of mine for many, many years. His contributions and dedication as a public servant have always inspired me. He has not only made great contributions to this country and the state of Illinois, but he continues to play a vital role as Director of the Public Policy Institute at Southern Illinois University. He is a leader in strengthening democracy and in addressing key global issues such as the looming water shortage crisis. I feel that renaming the Chicago Job Corps Center as the Paul Simon Chicago Job Corps Center is an appropriate recognition of what he has done for the Chicago area and all of us. Thank you Paul, for everything.

WORLD ASTHMA DAY

HON. DIANE E. WATSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Ms. WATSON of California. Mr. Speaker, asthma has become epidemic. Over 2.3 million Californians have asthma, a chronic illness that makes breathing difficult and causes symptoms such as shortness of breath, coughing, wheezing and chest tightness. Nationwide, the number of asthma sufferers has increased 50 percent since 1980.

Nearly one in thirteen children in the U.S. have asthma and this percentage is growing more rapidly in preschool age children than in any other group. Between 1982 and 1995, incidents of childhood asthma increased by 87 percent and is now the most common chronic illness among children. Asthma accounts for approximately 17 percent of children's emergency room visits and is the major cause of school absences.

Asthma can be fatal. Rates of death from asthma, hospitalizations and visits to emergency rooms have been increasing for more than 20 years, particularly among children and African Americans. During 1979 to 1982, the death rate from asthma for all blacks has increased 71 percent while for whites it has increased 41 percent.

Asthma episodes can be triggered by dust, pets, mold, air pollution, tobacco smoke, some insects, certain chemicals, cold air and stress. Managing asthma includes proper diagnosis, access to high quality medical care and monitoring the condition and avoiding the things that trigger attacks.

In Los Angeles, the Asthma and Allergy Foundation of America—Southern California chapter, working in conjunction with the California Department of Health Services—Childhood Asthma Initiative and the Los Angeles County Department of Health Services, is sponsoring a community-based initiative to identify ways to control inhalation exposures that trigger children's asthma attacks. The Healthy African American Families has established an asthma intervention program called "Breathe Free" that is targeted for African American children in South Los Angeles communities.

I applaud the efforts of these organizations to identify the asthma risk factors, educate the public, provide intervention measures in homes and child care centers and make progress in reversing the terrible trend of childhood asthma.

TRIBUTE TO RETIRING CHAIRMAN ROBERT W. GIARRUSSO

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. WALSH. Mr. Speaker, I rise today to highlight the public service of a longtime local business leader in my Central New York district. From 1988 until just recently, Mr. Bob Giarrusso served as Chairman of the Onondaga County Republican Committee. I write to congratulate him on his retirement and to thank him for his fourteen years of service to our community. He is the longest serving chairman in the committee's history.

During Bob's tenure, the Onondaga County Republican Committee flourished. He made the committee more democratic and more inclusive and expanded committee members' involvement and influence. His efforts supported Republican candidates at all levels of government, and his leadership encouraged some of our community's best and brightest individuals to run for public office.

Most importantly, Bob Giarrusso led local Republicans with an unique style all his own that was both endearing and dignified. Through Bob's longtime political service, our community certainly has been enhanced.

Many new challenges await Central New York Republicans as we enter a new year. I applaud Bob for his strong leadership and believe that his decision to step aside will only infuse the local Republican Party with new energy and new life.

It's my pleasure to thank Mr. Giarrusso for his service to the Central New York community and to congratulate him on a job well done.

HONORING CITRUS HEIGHTS, CALIFORNIA CITY COUNCILMAN TIM RANEY

HON. DOUG OSE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. OSE. Mr. Speaker, tonight, Tim Raney will be recognized for his service as a councilman in my hometown of Citrus Heights, California. Though the peaceful transition of officials into and out of elective office is not a unique occurrence in this great nation, this particular event is worthy of our recognition.

Tim Raney was elected to the Citrus Heights City Council in November of 1996, on the same ballot that a proud community voted to make formal its desire to become an incorporated city. Tim was an active leader in the drive for Citrus Heights cityhood, an effort that was more than a decade in the making, going to the United States Supreme Court to affirm the right of its residents to self-governance.

As a member of the first city council, Tim and the four other council members were responsible for negotiating the contracts for police and public safety services, garbage and waste management services, and all other services that make a city responsive to its citizens.

In his six years on the council, he was a tireless advocate for the community. He served on the Sacramento Transportation Authority, Sacramento Regional County Sanitation District, and the Sacramento Metropolitan Fire District. In 1998, then Governor Pete Wilson appointed him to the Commission on Local Governance for the 21st Century. From naming a blue-ribbon panel to improve school test scores, to championing economic development issues and working to bring consensus to regional transportation issues, his mark on the community is clear.

As Councilman Raney steps down from the city council to pursue professional goals and commit more time to his growing family in their new home, he does so as more than a former councilman. He will be remembered as one of the founders of the City of Citrus Heights, and as a solid example of a true public servant.

HONORING THE WOODMERE SISTERHOOD OF CONGREGATION SONS OF ISRAEL

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mrs. McCARTHY of New York. Mr. Speaker, I rise in honor of the past, present and future female congregants of Congregation Sons of Israel—Woodmere Synagogue.

For over 70 years, the Woodmere Sisterhood organization has promoted ideals that lie not only at the core of Judaism, but at the core of humanity. Their involvement on Long Island has affected individuals on many levels. Hundreds of women have dedicated themselves to bettering our community and on June 2, members of the Congregation will honor the Sisterhood at the annual Journal Dinner Dance.

These women led other congregants in perpetuating the rich heritage of the Jewish people through a variety of community outreach programs. These included trips to various museums, "Lunch and Learn" Sabbaths, screenings of pertinent films and lecture series.

They established and maintained a Judaic library and Video Center for the use of the congregation and Hebrew School. They also created several scholarship funds. One offers teens the opportunity to spend a summer in Israel; one offers partial tuition to the Hebrew High School; one offers needy children partial tuition to the Morgenstern Hebrew School; and one subsidizes camp tuition. They also have a Torah Fund for the Jewish Theological Seminary in New York City.

The Sisterhood plays a crucial role in certain day-to-day operations of the Synagogue. Their participation in the local community varies from providing new floral arrangements for the sanctuary every Sabbath to gift-giving on special occasions: Bar and Bat Mitzvahs, weddings and births. The Sisterhood was also instrumental in hosting Bat Mitzvah classes for adult women in the congregation.

The Sisterhood is involved in International matters, especially those concerning Israel. The current situation has greatly affected all members of Congregation Sons of Israel-Woodmere. The Sisterhood just concluded a fund raising drive to purchase an armored school van for an Israeli school.

The list of the Sisterhood's accomplishments and contributions is endless. Today I rise in recognition of the countless women who have contributed to this effort, in particular the following past Sisterhood presidents:

Florence Behrens, Rosetta Sokoloff, Jeanette Kirshenbaum, Roslyn Mayer, Gertrude Wicksel, Ann Studner, Mildred Kreiss, Gertrude Leinwand, Mollie Lewitt, Rose Lewis, Sherle Gross, Dorothy Feldman, Charlotte Koss, Dorothy Kimmel, Bertha Snyder, Blanche Finkel, Lila Goldman, Anne Selier, Barbara Semel, Arline Slepoy, Edna Ritzenberg, Muriel Liebowitz, Rosalie Bachana, Karen Boxer, Joan Mann, Shirley Fisher, Audrey Liberstein, Leslie Aronin, Teri Stein, and Liane Feuer.

PERSONAL EXPLANATION

HON. BOB GOODLATTE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. GOODLATTE. Mr. Speaker, on rollcall No. 128, I was inadvertently detained. Had I been present, I would have voted "aye."

IN PRAISE OF THE BUSH ADMINISTRATION'S SUPPORT OF OUR 2ND AMENDMENT RIGHTS TO KEEP AND BEAR ARMS

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. SHOWS. Mr. Speaker, I rise today to offer my praise to President Bush for declaring that the Second Amendment protects an individual's right to possess a firearm and is not tied to the maintenance of state militias.

On Monday, Solicitor General Theodore Olsen made the Bush Administration's position clear when he filed briefs in the Supreme Court on two cases that are under review. In short, it is the Administration's position that the Second Amendment grants an individual the right to keep and bear arms.

I am pleased that the Bush Administration has recognized that the Constitution protects individual rights to keep and bear arms. But we must always remain vigilant against efforts to strip us of our rights. As a member of the National Rifle Association, I vigorously oppose any gun control efforts that violate our Constitutional rights, such as national registration of law-abiding gun owners or misguided law suits against gun manufacturers.

Some people believe that enacting new laws against guns will prevent school violence or crimes committed with guns. It is easy for them to equate gun violence with the need for greater gun control, but this is a complex problem with many factors contributing to it, not just guns. We should stop looking for scapegoats. Simply enacting more gun control laws on top of the many already in place does not begin to address this problem.

Again, I applaud President Bush for taking a strong stand in favor of our constitutional right to keep and bear arms.

IN HONOR OF DR. MARTY PLAX

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. KUCINICH. Mr. Speaker, I rise today to recognize Marty Plax, for his 26 years of service as Director of The American Jewish Committee's Cleveland Chapter. His tenure as Area Director was characterized by integrity, character, and intelligence.

Marty Plax's academic background made him an ideal candidate to serve as director of the committee. After receiving an undergraduate degree from Washington University in 1963, he went on to the State University of New York at Buffalo where he earned a Masters Degree and Ph.D. in Political Science. Dr. Plax then embarked on a highly distinguished academic career, which included lecturing and holding professional positions at a number of major universities. In addition, Dr. Plax shared his expertise as the Visiting Scholar at the Hebrew Union College in Los Angeles and served as Adjunct Associate Professor at Cleveland State University since 1979.

Moreover, Dr. Plax is a man with a strong social conscience, who used his academic training to assist him in community involvement. He is a prolific social writer who has published several books, numerous articles, and countless "Letters to the Editor." However, his writings were only one aspect of his community work. He can be best described as a "Contemplative in Action." A leader in Community Conflict Resolution, he has been involved with mediation since 1968, served as Chairman of the Ohio Boxing Commission, as a member of the Community Relations Committee for The Cleveland Orchestra, and on the State Advisory Committee of the U.S. Civil Rights Commission.

I ask my colleagues to join me in rising to honor this truly remarkable individual for his distinguished years of service to Cleveland, the United States, and the world.

REMARKS BY BILL WEBB, EXECUTIVE DIRECTOR OF THE CONGRESSIONAL FIRE SERVICES INSTITUTE

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. WELDON of Pennsylvania. Mr. Speaker, I would like to enclose in the CONGRESSIONAL RECORD the remarks of Bill Webb, Executive Director of the Congressional Fire Services Institute, during a ceremony honoring one of our colleagues, NICK SMITH of Michigan, for his support of our Nation's fire and emergency service personnel.

Good afternoon. My name is Bill Webb, Executive Director of the Congressional Fire Services Institute. Established as a nonprofit, nonpartisan policy institute, CFSI serves a unique role in Washington, DC educating Congress about the needs and challenges of our Nation's fire and emergency services . . . not the needs of one particular facet such as the career or volunteer fire service or the chiefs, but all fire and emergency services providers.

Each day, we work with a select group of members—allied members so to speak—who understand the cooperative roles of our Nation's fire service and the Federal Government in protecting our communities. They represent both sides of the political aisle. Our efforts are geared towards developing legislation and influencing Federal policies for the betterment of public safety.

Today, we are honoring a true champion of our Nation's fire and emergency services, Congressman Nick Smith. While Congressman Smith represents the 7th district of Michigan, his contributions to public safety go way beyond his Congressional district, impacting the readiness of over 26,000 fire departments, nationwide.

The fire service is greatly indebted to this individual for championing many of our causes. For instance, two years ago, Congress authorized for the first time a major grant program specifically for local fire and emergency services departments. This year, the Assistance to Firefighters Grant program was funded at $360 million. It was through the efforts of Congressman Smith and a select group of colleagues that this program became a reality, enabling thousands of departments to receive funding to help reduce the threat of fire and other dangers within their local jurisdictions.

Operating a fire department is not an easy task. Nor is getting Federal programs established. The grant program was no exception. I'll never forget a meeting I attended two years ago in a Congressional office regarding this program. A number of Congressmen and women were meeting with the OMB Director to express their frustration with the budget proposal which failed to include funding for this program. One of the most vocal members at the meeting was Congressman Smith, who was not shy about expressing his frustration over the lack of funding. Two days later, the OMB Director had a change of heart and placed $100 million in the budget for this grant program. Everyone at the meeting would agree who made the difference for the fire service that day.

And before this program, Congressman Smith was working to revitalize the mission of the United States Fire Administration. In 1999, a blue ribbon panel charged with reviewing the mission of the Fire Administration issued a report questioning, among other things, an apparent lack of leadership within the Administration. The report included 34 recommendations for improvement.

Much of the problem had to do with a lack of funding—badly needed funding for research, education and training. As Chair of the Basic Research Subcommittee, which has oversight of USFA, Congressman Smith was able to significantly increase the funding authorization, enabling Congress to infuse a financial dose of medicine into the staggering agency.

That same year, I had the honor of attending the National Fallen Firefighters Memorial Service in Emittsburg, Maryland, an annual event honoring the sacrifices of those firefighters who fell in the line of duty that year. Congressman Smith delivered the special address. I don't remember any particular thing he said; but what I do recall is that he didn't read from a prepared script, but rather spoke from the heart. You could easily sense Nick Smith's admiration and respect for all first responders.

Congressman Smith is an individual of great character, a man who is truly dedicated to supporting our Nation's fire and emergency services. The events of September 11th have made all of us work a little harder to ensure we are ready for the next attack. In the case of Nick Smith, it has become a passion, an unrelenting mission for which we should all be grateful.

I have just shared with you my observation of Nick Smith in Washington. Now it is my pleasure to turn the microphone over to Chief Victor Hilbert, of the Delta Township Fire Department who will offer some insights into how the Congressman's work has benefited public safety in his own Congressional district.

TRIBUTE TO THE WILKERSON CHAPEL

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. SHIMKUS. Mr. Speaker, I rise today to pay tribute to the Wilkerson Chapel and the anniversary of its 140 years of service to the community of Collinsville, Illinois.

The people of the Wilkerson Chapel are truly good Samaritans. They have spent 140 years preaching the word of Christ to Collinsville and surrounding areas and participating in other good works.

To such people as Rev. Charles Orr and his congregation, the good deeds themselves are their own best rewards. Yet, on this special day, I think it is appropriate that they are recognized for their efforts. They are good Christians and good Americans, and remind us all of the compassion and energy that makes this country great.

To the people of the Wilkerson Chapel, thank you for all your good works over almost the last century and a half; and may God grant you the opportunity to continue doing His work for many years into the future.

RECOGNIZING STAFF SERGEANT WINFORD EVANS AS THE RECIPIENT OF THE DISTINGUISHED SERVICE CROSS

HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mrs. EMERSON. Mr. Speaker, on Saturday, March 30th, a great soldier and leader was awarded the Distinguished Service Cross, 56 years after its authorization.

Sadly, the recipient, SSG Winford Evans, who fought for this country in World War II passed away in 1991. However, the U.S. Army presented the award, along with two others, to his family during a ceremony held in Sikeston, Missouri.

SSG Evans earned the Distinguished Service Cross for his heroic action during a July 1945 battle in the Southwest Pacific Theater. Seeing his platoon leader wounded, SSG Evans disregarded enemy fire and brought the leader to safety. As the battle progressed, he directed mortar attacks and was wounded but continued to fight. Less concerned with his own immediate safety than with defending those around him, he positioned himself within 25 yards of the enemy, threw hand grenades, fired on the enemy and wounded and killed several enemy soldiers.

In addition to the Distinguished Service Cross, SSG Evans was awarded two Bronze Star Medals. The first has an oak leaf cluster and the other one has a "V" device. These two medals were awarded to SSG Evans for his heroic achievements in the Asian Pacific Theater from 1943–1945.

This May as we take time to celebrate Military Appreciation Month, it seems fitting that we recognize men and women in uniform like SSG Winford Evans. His sacrifice, along with the sacrifice of so many others who stood in harm's way to defend our country, remind all of us of the selfless valor of our military men and women. I am hopeful, particularly during this time of military action abroad, that others will reflect on the service and dedication of those who came before SSG Evans and those who will come after him and hold in their hearts an appreciation and admiration for their actions and desire to secure peace and freedom for all of us.

Mr. Speaker, on this very special occasion, I ask that all of my colleagues join me in recognizing and remembering SSG Evans and extend our best wishes to his family as they remember his service to the United States of America.

EXPRESSING REGRET AND SYMPATHY FOR FAMILIES OF CANADIAN SOLDIERS WHO LOST THEIR LIVES IN SOUTHERN AFGHANISTAN

SPEECH OF

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. BALLENGER. Madam Speaker, I rise in support of H. Res. 412 and offer my sincerest condolences to the families and friends of the four Canadian soldiers who gave their last full measure of devotion in the defense of liberty during Operation Enduring Freedom last month. Eight of their comrades also were wounded in the same tragic incident. They, along with the rest of Canada, are now left to mourn the loss of their fellow patriots.

The tragic event of April 17 should remind all of us that war is dangerous. Service men and women often risk their lives each and every day, so that we may enjoy our freedom and security. These brave Canadians have made the ultimate sacrifice for Canada and for freedom throughout the world. Today, I pray for their families and loved ones.

Canada is not only our neighbor, it has been our closest friend and ally. Soon after the terrorist attacks on September 11, Canadian families selflessly opened their homes to American travelers who were stranded in Canada when American airspace was closed. Since then, Canada has stood, shoulder to shoulder, with its American ally to face the forces of evil in Afghanistan and elsewhere. Despite this tragic accident, Canada and the United States will continue to stand together and fight our mutual enemies until they are vanquished and peace prevails.

Canada, we grieve with you today for your fallen heroes. Their dedication and steadfastness in the face of danger should be a source of pride and comfort. With soldiers like these, I have no doubt that the days of the terrorist are limited and that victory will be ours.

I want to commend my friend and colleague from New York, Mr. HOUGHTON, for this resolution. I urge my colleagues to stand with our Canadian neighbors and support passage of the resolution.

TANF REAUTHORIZATION

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Ms. WATERS. Mr. Speaker, in the past several weeks we have heard a lot of talk about TANF reauthorization. The Bush Administration wants to increase the number of hours that welfare recipients work to 40. Twenty-four hours would have to be in work-related activities, activities that do not include education or vocational training.

But even in the remaining 16 hours, the limits on education and job training are severe in the Republican proposals. Recipients can receive vocational training, education, or rehabilitation and substance abuse treatment for a total of three months in a 24 month period.

We know that education is one of the main avenues for a person to move out of poverty. A year 2000 survey of people who left the welfare rolls after 1996 found that only those workers who had at least a two-year post secondary or vocational degree were able to rise above the poverty line.

Single female heads of households with a high school diploma are 60 percent more likely to have jobs. That number increases to 95 percent when they have an associate's degree.

We need to focus less on putting people in jobs, and focus more on training people for careers with room for advancement. TANF Reauthorization should be about reducing poverty, not reducing caseloads.

RECOGNIZING THE OUTSTANDING WORK OF THE CONGRESSIONAL TOWN MEETING STUDENTS OF THE UNIVERSITY OF VERMONT

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. SANDERS. Mr. Speaker, today, I recognize the outstanding work done by participants in my Student Congressional Town Meeting held this spring at the University of Vermont. These participants were part of a group of high school students from around Vermont who testified about the concerns they have as teenagers, and about what they would like to see government do regarding these concerns.

FINANCIAL AID AND HIGHER EDUCATION

(By Candace Crosby and Kim Dickenson Apr. 8, 2002)

CANDACE CROSBY. As students preparing for college, we find that the financial issue is becoming a larger problem compared to what our parents had to pay for college tuition. According to a VSAC representative, 70 to 80 percent of students today need some type of financial aid. The rates for tuition are high, but what's worse is that they are rising at a rate of about 5 percent a year all over the country.

What concerns us as future college students is how we will be able to pay for the tuition, and tuition doesn't include room and board and other expenses. We think that, today, there is a lack of adequate financial aid for college-bound students.

When preparing to pay for college, teens in Vermont turn to VSAC—which is the Vermont Student Association Corporation—for financial help. Of course, VSAC is a healthy program, but are they able to give financial aid to all the students that need it? No. Does VSAC have enough money to give scholarships and grants to the teens that need it at the same increasing rate that college tuition is rising? No.

We spoke to a representative from VSAC who gave us the information that VSAC has increased their funds for scholarships and financial aid, but has not been able to keep up with the increasing tuition costs. Based on one of VSAC's grants, the Vermont Incentive Grant, fulltime graduates can get between $500 and $8,650 for one year to help pay for college. The $8,650 is an extremely helpful amount of money to receive, but not all the teens going to college will receive this amount. Even if a student gets the minimum, $500, it will not even begin to help for any student to pay for their college education. It will only cover a few of the books that students will need for their first year of college.

KIM DICKENSON. Online at USNews.com, we searched for college tuitions for various Vermont colleges. We looked up the cost at Castleton State College, Lyndon State College, UVM, Johnson State College, VTC and Southern Vermont College. We found that the average tuition costs for these schools was approximately $6,825. We found that the average room and board add approximately $5,520 more to tuition. Together, this amounts to $12,345. Even more interesting is that some of the room-and-board costs are higher than the tuition costs. At Castleton State College, tuition is $5,392, and room and board is $5,530. $12,000 is a lot of money, even with VSAC's help, but students leave colleges thousands of dollars in debt.

What about students who want to go to college outside of Vermont? These costs are astronomical, and the tuition alone can be $20,000 or $30,000, because the students are not residents of the state. How are students supposed to pay for college without a lot of financial aid when they go to these schools?

0 percent of Vermont students take out loans provided by VSAC. We found a list of loans that could be borrowed from VSAC, and the amounts ranged from $1,000 to $50,000. Even if a student went to a college that had a tuition of $25,000 a year, and they took out a loan to pay for the first two years, they would have to pay back 73,615. The student pays 23,615 more dollars in interest. That is practically paying for a third year of college.

We think that is a ridiculous amount. We thought of a few solutions so that students can receive more financial aid and won't have to have an enormous debt to pay back. The burden of debt would decrease if funds for scholarships, grants and other financial aid would be increased. We think the federal and state governments should fund VSAC's financial aid programs even more then they already do. This would enable more students to receive money so that the financial burden on families wouldn't be as great.

THE RIGHTS OF THE ABENAKI

(By Evan Worth, Alan Blackman, Nicolette Baron, and Steph Bernath Apr. 8, 2002)

EVAN WORTH. We are doing the issue of Abenaki rights. And as of now, they are not recognized as an Indian tribe. They have been pushing, seeking federal recognition for the past 25 years, which is a criteria for federal recognition, which they need to have been a continuous entity since 1900, they need to have existed as a community since before 1900, there needs to be a political influence throughout history, they need a membership criteria and governing procedures, they need roots before 1900, and they cannot be members of any other type of group, and cannot be stripped of their status.

ALAN BLACKMAN. Vermont seems to have a very long-held tradition in being first in giving people, specific groups of people, rights—outlawing slavery, granting rights for all men to vote, and, more recently, civil unions. I feel we should continue this. And in doing this, it is another way to, so to speak, take Vermont forward.

The main concern against this, particularly Governor Dean's apprehension with granting them recognition is, casinos and land claims. Chief April Rushlow has claimed on numerous occasions that, quite frankly, they have higher concerns, such as burial grounds and things of this nature. The main reason they want this, what provoked this, actually, such a strong pursuit of this, was kids being taunted at school for being Abenaki, but not being recognized by the government. What they want is essentially grants for education, healthcare, things they couldn't get as of now. And I feel that it is a good idea and it would be a step in the right direction to grant them recognition.

NICOLETTE BARON. Some of the qualms that state government has cited for not giving recognition to the Abenaki was extra rights, aside from those already given to minorities, the fact that it will lead to federal recognition, and they can institute their own laws and have their own fish and wildlife regulations that do not need to concur with the guidelines of the state.

On the issue of the minorities, the minorities that are around the nation and around the state are African-Americans and Hispanics. While those groups do have an important part in the history of this state and the nation, the Abenakis were among the first inhabitants of this state, and they are the only native American tribe that has not been recognized.

State recognition could lead to federal recognition, which would give the Abenaki rights to make their own laws, including those regarding fish and wildlife regulations. The laws that they would make would most likely conform to the Constitution of the United States, not go beyond that or not be radical, which I think is what the state government is concerned with. All laws would be to prohibit harm and to make it, you know. And fishing and wildlife laws would be based on the need to eat, and not hunting game, not game-hunting. And being recognized as a tribe would allow them to sell their wares, like basket weaving, which is a tradition in the Abenaki, and to get better economic status for these people. And it would give them rights with scholarships, and that's really important, to send their kids to school.

STEPH BERNATH. What I find to be very disturbing about the Abenaki struggle for recognition is the negativity exhibited by the state department. I have yet to hear the acknowledgement from the state department that something positive may come out of the Abenaki getting the recognition they obviously deserve. Nearly every argument brought forth by the state of Vermont has been critical of what the tribe may do once they receive recognition. It has been made clear very many times that the Abenaki are not interested in gambling or hurting Vermonters in any way. Chief April Rushlow has clarified this one too many times.

The victims of this criticism, on the other hand, the Abenaki, have openly acknowledged they are aware of what the State Department fears may happen to those people who live on Abenaki land if they are given recognition. They have said that they are willing to work with the people of Vermont, as they have done in years prior, and stated that they have nothing to fear from the tribe.

The Abenaki are willing to work with the state of Vermont, but it appears as if the state of Vermont is unwilling to work with the Abenakis, the People of the Dawn, the people who have lived in Vermont for thousands of years. It is time that these people receive the recognition they deserve. The state of Vermont must be willing to give them a chance to prove who they are and what they stand for.

Chief April Rushlow has stated, "We're the only race in the United States who has to prove who we are." She was right. Chief Rushlow also said, "We're here when it is convenient for the state of Vermont." Once again, Chief Rushlow was right.

HONORING SUMNER COUNTY EXECUTIVE THOMAS MARLIN ON THE OCCASION OF HIS RETIREMENT FROM GOVERNMENT SERVICE

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. CLEMENT. Mr. Speaker, I rise today to honor Sumner County Executive Thomas C. Marlin on the occasion of his retirement from government service. I consider him to be a good friend of the Clement family and appreciate his dedication to the people of Tennessee and Sumner County in particular.

An outstanding public servant, Marlin. was born and raised in Nashville, Tennessee. He served his country in the U.S. Navy from 1952–1956. Upon returning from his tour of duty, he worked in the private sector at the telephone company for some 22 years. During this time he became active in county government, serving as election commission chairman, county coroner, and county magistrate, respectively.

In 1976 he was elected Assessor of Property where he served honorably for 18 years. He was also an active member of the Board of County Officials Association and was elected President of the Tennessee Association of Assessing Officials by his peers across the state. In 1988, he was named Overall Outstanding County Official of the Year for the entire state of Tennessee.

Marlin ran for and won the office of Sumner County Executive in 1994, a position from which he will retire this month after working relentlessly to make various improvements throughout the county, including upgrading the county road system. Additionally, he has been an active participant in community and civic organizations within the county throughout his life.

Marlin and his wife of 46 years, Nancy, are members of Hendersonville Church of Christ and have two children and four grandchildren. In his leisure time he enjoys fishing and University of Tennessee football.

As a county executive with a solid open door policy to the citizens of Sumner County, Marlin's motto has always been, "It is a pleasure to serve you."

May he be commended for his tenure of public service and enjoy his retirement.

KLUGERS RECEIVE ANTI-DEFAMATION LEAGUE DISTINGUISHED COMMUNITY SERVICE AWARD

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. KANJORSKI. Mr. Speaker, I rise today to call the attention of the House of Representatives to the well-deserved recognition that my friends Allan M. and Sue Kline Kluger will receive from the Anti-Defamation League on May 8, 2002, in Plains Township, Luzerne County, Pennsylvania. The Klugers will receive the League's 2002 Distinguished Community Service Award.

Allan is the president and founder of the Wilkes-Barre-based law firm Hourigan, Kluger & Quinn, P.C. He is a graduate of Wyoming Seminary, Amherst College and the University of Pennsylvania Law School.

He is a member of the board of directors of Luzerne National Bank, Bertels Can Company, King's College, the Valley Auto Club, Bloomsburg University Foundation, F.M. Kirby Center for the Performing Arts, Northeast Pennsylvania Ethics Commission and the Luzerne Foundation. Mr. Kluger is also on the board of directors and executive committee of the Greater Wilkes-Barre Chamber of Business and Industry.

He has received the following honors: B'nai B'rith Outstanding Citizen Award, Ethics Award given by Ethics Institute of Northeastern Pennsylvania, Wyoming Seminary Distinguished Service Award, Boy Scouts Distinguished Citizen Award, and Lifetime Achievement in Philanthropy Award presented by the Greater Pocono Northeast Chapter of the National Society of Fund Raising Executives.

Sue, a graduate of Goucher College and College Misericordia Graduate School, has served as the executive director of Leadership Wilkes-Barre for the last 20 years. Leadership Wilkes-Barre brings together existing and emerging leaders from throughout Wyoming Valley and exposes them to the problems and challenges of their community and motivates and encourages them to assume leadership roles in community affairs.

She has received the following honors: Woman of the Year, Sisters of Mercy; Lifetime Achievement in Philanthropy Award, National Society of Fund Raising Executives; Preceptor Award, National Association for Community Leadership; National Director of Who's Who in Executive and Professional Women; United Way of Pennsylvania, Volunteer of the Year Award; Alumni Medallion, College Misericordia; B'nai B'rith Distinguished Service Award; Distinguished Daughter of Pennsylvania; U.S. Postal Service Honoree for Women's History Month; Northeastern Pa. Council of Boy Scouts Honoree, Salute to Northeastern Pennsylvania Women; and Athena Award, Greater Wilkes-Barre Chamber of Commerce Award for Outstanding Business Women.

Sue is also on the board of directors of Northeast Regional Cancer Institute, the Diversity Institute and the Greater Wilkes-Barre Chamber of Business and Industry. She is a trustee of Wyoming Seminary and a member of the Northeastern Regional Advisory Board of PNC Bank.

Allan and Sue have three children, Attorney Elizabeth Kluger Cooper of Great Falls, Va.; Attorney Joseph E. Kluger, Allentown and Wilkes-Barre; and Lawrence Kluger of Mechanicsburg. The couple also has four grandsons.

Mr. Speaker, I am pleased to call to the attention of the House of Representatives the service to the community of Allan and Sue Kluger and this well-deserved award, and I wish them all the best.

PERSONAL EXPLANATION

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. BEREUTER. Mr. Speaker, on May 7, 2002, official business on the other side of Capitol Hill caused this Member to unavoidably miss roll call vote 128 (H. Con. Res. 271, expressing the sense of the Congress supporting the National Importance of Health Care Coverage Month). Had this Member been present he would have voted “aye.”

WHAT AMERICA MEANS TO ME

HON. MARK FOLEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. FOLEY. Mr. Speaker, I rise today to pay tribute to young Americans who have penned essays describing the ideals and characteristics that they believe make this country great. These essays, entitled “What America Means to Me,” are particularly impressive because they were written by elementary students at The Joseph Littles—Nguzo Saba Charter School in West Palm Beach, Florida.

The following 4th and 5th graders are to be commended for their inspirational works: Alia Bougouneau, Diandra Buchanan, Simon Calixte, Diriki Geuka and Stewart Scott. These students have indeed impressed their fellow students, teachers and the surrounding community.

The dreams expressed by these students are dreams common to every American but I find it remarkable that these students have, at such a young age, already grasped the essential strands that weave our country together with great strength. Our country is one that has always thrived on the support of its citizens and, now more than ever, this support is integral to our nation’s might. I am most pleased to honor these young Americans for their show of support to the country they love. Mr. Speaker, let the record reflect Congress’ appreciation for their efforts.

MINNESOTA MOURNS THE DEATH OF LLOYD DUXBURY, JR.

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. RAMSTAD. Mr. Speaker, I rise to salute a Minnesota legislative giant who served our great state with the highest distinction and recently passed away at the age of 80.

Former Speaker of the Minnesota House of Representatives, Lloyd L. Duxbury, Jr., served in the Minnesota Legislature from 1951 to 1969, the final eight years as Speaker. I had the privilege of working for Speaker Duxbury as his chief aide in 1969—and I will forever be grateful for that invaluable experience and our friendship of the past 33 years.

“Dux,” as he was affectionately known to his countless friends, was a very influential leader in our state’s political history, a brilliant lawyer-legislator and legendary politician.

Everyone loved “Dux”—for his infectious laugh and great sense of humor, as well as his warmth, charm and love for people from all walks of life.

Speaker Duxbury was born and raised in Caledonia, Minnesota, a small town in the southeastern part of our state. Dux loved his bluff-and-farm-filled native southeastern Minnesota. He loved the farmers and small shopkeepers, and he loved his fellow lawyers and legislators.

And everyone loved Dux!

From his prep school days at Phillips Exeter Academy to his college and law school years at Harvard University, Dux had literally thousands of friends and admirers, as his legendary career touched thousands of lives.

Dux served his country in the U.S. Army from 1943 until 1946. He received his B.A. degree from Harvard University in 1947 and his J.D. degree from Harvard Law School in 1949.

Elected to the Minnesota House in 1950, shortly after graduating from Harvard Law School, Dux rose to the leadership ranks. He was highly respected as a legislator, served the House Conservative Caucus as its leader from 1959 until 1962, and was elected Speaker of the Minnesota House in 1963.

Lloyd Duxbury’s top legislative priority was fairness. That’s why he worked so hard in Minnesota to remove the tax on people’s personal property and convert it to a sales tax.

Speaker Duxbury worked with people of all sides to get things done and he was at his best when circumstances got the most heated.

Dux brought people together to solve problems, and he hated partisan wrangling. When President Richard Nixon nominated Dux to be U.S. Attorney in 1969, he turned the post down because of its partisan nature.

Following his retirement as Speaker in 1969, Dux was appointed Vice President and Counsel of the Burlington-Northern Railroad and moved to Washington, D.C.

Subsequently, Dux worked for the U.S. Senate Committee on Aging and lobbied for the National Committee to Preserve Social Security and Medicare. At age 78, he was still taking the subway to his office here before returning to Minnesota so he could spend more time with his beloved family and friends.

Lloyd Duxbury is survived by his son and daughter-in-law, Dr. David and Margaret Duxbury, daughter, Marna Duxbury and 3 grandchildren, Nicole, Christine and Jacob Duxbury, as well as his brother, John Duxbury.

You might be gone, Dux, but you will never be forgotten, as your legacy will live forever.

You truly represented the best in public service, Speaker Duxbury, and your love for your family, friends and country will live forever in the hearts of each of us. God bless you, Dux, and rest in peace dear friend.

TRIBUTE TO DR. ROGER BOYKIN

HON. GREGORY W. MEEKS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. MEEKS of New York. Mr. Speaker, I rise today to pay tribute to a man whose commitment and dedication in the areas of health and community service warrant our utmost commendation. On Friday, Dr. Roger Boykin will be honored for his many years of community service in the City of New York at a celebration entitled “A Salute to Our Very Own.”

I feel privileged to have known and worked along side Dr. Boykin, a long time resident of Jamaica, New York. On a first hand basis, I can attest to the fact that the quality of life in communities across the great State of New York has been enriched by the diligence and compassionate commitment of Dr. Boykin. Very early in his life, career and residency, Dr. Boykin demonstrated his singular purpose as care and concern for others. With patience and compassion, Dr. Boykin served his community and his state in fine form.

Dr. Boykin was born the son of Richard Boykin, Sr. and Thelma Boykin. He attended Brooklyn Technical High School. He went on to receive his Bachelor of Science in Pharmaceutical Sciences (cum laude) from Columbia University School of Pharmaceutical Sciences. Following his life long passion to become an M.D. and a servant in the community, young Roger successfully completed his Doctor of Medicine degree (cum laude) from State University of New York-Downstate in June of 1973.

After completing his residency and internship at State University of New York Downstate Medical Center/Kings County Hospital Center and Brooklyn Veteran’s Administration Medical Center respectively, in Internal Medicine, he received a Fellowship and served at Albert Einstein Hospital, Bronx Municipal Hospital and VanEtten in Pulmonary Medicine.

His unique talent for giving to the community and his expertise in his profession were not lost on his peers and colleagues. Among his many achievements include certification as a Diplomate of The National Board of Medical Examiners; Diplomate of The American Board of Pulmonary Medicine; Diplomate of the American Board of Critical Care Medicine; Diplomate of the American Board of Geriatric Medicine; and, he is a Member in good standing of the American Lung Association of Queens.

Dr. Boykin practiced his unique brand of compassionate medical care and considerate patient relations as a staff physician at Brooklyn Veterans' Administration Medical Center, Catholic Medical Center of New York, Mary Immaculate Hospital, and The Jamaica Hospital. In 1982, he began his career as an instructor in Clinical Medicine at State University of New York Downstate Medical Center and in 1992, Dr. Boykin became an Assistant Professor. Currently, Dr. Boykin is the Associate Chief of Staff for Primary and Extended Care for Veterans Affairs, New York Harbor Healthcare System; Assistant Professor of Clinical Medicine at state University of New York Health Sciences at Brooklyn; Assistant Professor of Clinical Medicine at Touro College and an Instructor for the American Heart Association.

Throughout his career, Dr. Boykin has served his patients with compassion and care. Through his many years of service to the community, he has contributed to the improvement and enrichment of his neighborhood family. Dr. Boykin may have single handedly changed the standard of behavior for community physicians involved in public service. He has for many many years worked with and perpetuated the highest professional standards, unwavering commitment, and irreplaceable knowledge and expertise. He has put much more than a dent in the quest for quality health care for all and we in the State of New York are most grateful to be the recipient of his personal largess and generosity.

"A Salute to Our Very Own" is a fitting title for honoring Dr. Boykin. He is our very own. He has made a nation and a neighborhood a much better place to live. He has given without reserve and we can only hope to thank and commemorate him adequately.

I wish him well in all his future endeavors and join with my Queens family, friends, colleagues and fellow elected officials in commemorating his years of service.

IN HONOR OF TOM BARRON

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. UDALL of Colorado. Mr. Speaker, I rise today to honor Tom Barron for his extraordinary advocacy of environmental causes and his unwavering commitment to young people everywhere.

A dear friend of mine once said that she looked for two qualities in leaders—that they care about the earth, and that they care about kids. If caring about the earth and kids is the mark of a special leader, and I believe it is, then Tom Barron is such a man.

Tom grew up in the ranch country of Colorado with his seven brothers and sisters. It was on the family ranch that he developed a love for the land and a passion for exploring nature—all at a very young age. Tom has been a manager of a successful venture capital business, a Rhodes Scholar, a board member of the Wilderness Society, Yale University and a Trustee for the Nature Conservancy of Colorado. Today he is a very popular writer who has created the beloved characters of young Merlin and Kate, in The Ancient One.

He believes that stories are the most powerful and effective way to express complicated and philosophical points of view. He knows that experience, rather than lectures, are often what teach us the most in life. This is very clear in all of his work. In The Lost Years of Merlin, Merlin learns all of his most important lessons from nature. He learns how to be humble and to understand his connection to the larger universe. Most important of all, he realizes his fundamental responsibility to something greater than his own self-interest. Tom's character Kate, the heroine of The Ancient One, turns herself into an ancient redwood tree in order to save her town. In the book, a chain saw cuts into the side of the tree, into Kate's side, which is a powerful metaphor for violence, cruelty and senseless destruction.

Throughout his professional and private life Tom Barron has made it a goal to bolster educational causes and recognize exceptional young people. He has donated incredible amounts of his own time and many resources to the betterment of children's lives. His mother, Gloria Barron, spent twenty years creating The Touch Museum at the Colorado School for the Deaf and Blind. She was an example of selflessness and service, and to honor his mother, Tom Barron founded the Gloria Barron Prize for Young Heroes. The prize honors young people from diverse backgrounds who have shown exceptional leadership in making the world a better place. Recipients of the award have distinguished themselves by organizing many wonderful projects, including the creation of scholarships, working to conserve a local river, and organizing a rodeo for disabled children.

Mr. Speaker, I ask my colleagues to join me in expressing our gratitude to Tom Barron for his extraordinary contributions to Mother Earth and to all of her children.

RELIGIOUS FANATICISM AND HUMAN RIGHTS IN SAUDI ARABIA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. LANTOS. Mr. Speaker, in recent months our Nation, and this Congress, has sought to understand the motivation for and consequences of religious fanaticism, especially in the Middle East. An opinion article entitled "In Saudi Arabia, an Extreme Problem," published in the Washington Post today brings into focus the fundamental problem of religious fanaticism in Saudi Arabia. This insightful article asserts persuasively that political and religious fanaticism has given rise to the deplorable human rights conditions, particularly concerning women, in Saudi Arabia. The article is all the more compelling because its author, Sulaiman Al-Hattlan, is a Saudi Arabian citizen and a courageous voice for democracy and human rights and who has witnessed firsthand the devastating effects of religious fanaticism in his country. He believes that the Saudi government must pursue reforms in order to promote education, free-thinking, political participation, and the human rights of the Saudi people. Mr. Speaker, I earnestly commend the following article to the attention of my colleagues and request that the article be placed in the CONGRESSIONAL RECORD.

[From the Washington Post, May 8, 2002]

IN SAUDI ARABIA, AN EXTREME PROBLEM

(By Sulaiman Al-Hattlan)

While the Saudi Crown Prince Abdullah rightly searches for peace in the Middle East, it is equally important for us in Saudi Arabia to seek peace for our own home.

As a citizen of Saudi Arabia, I dread the possibility that Osama bin Laden might instigate a repeat of a deadly 1979 Saudi government mistake. In that year, a group of religious fanatics occupied the Grand Mosque of Mecca. They denounced the legitimacy of the Saudi government, claiming that it wasn't "Islamic" enough. The government managed to reclaim the mosque, and later the group's leader and most of his followers were executed.

But the end of the story had a twist: Though the government killed the extremists, it then essentially adopted their ideology. After the Mecca incident, Saudi authorities began imposing crushingly strict and pointless rules. Women were banned from appearing on television. Music was not allowed to be played in the Saudi media. Stores and malls closed during the five daily prayers. Members of the religious police were granted more power to intervene in people's personal lives. The Saudi government did all of this to please the Islamists, perhaps fearing further extremist threats. The fundamentalists interpreted these government actions as a nod to their power and an indication that they were now dictating the rules of the game.

The result has been all sorts of restrictions that have created notions of fanaticism in the kingdom, and a society with a constant undercurrent of a "witch hunt." Different groups in Saudi society end up competing with fundamentalists over who can appear more conservative in the public eye. Our private life, too, has been full of contradictions and hypocrisy, as we seek to avoid being alienated or excluded as "seculars" or "liberals." In our obsession with our image, and fearing each other, we all lose. As a society, Saudi Arabians lost 20 years of a generation by avoiding a harsh reality: Our government was wrong, and, by extension, so were we. None of us dared to say it loudly then, and some still cannot say it. But our reaction to the 1979 Mecca tragedy has created a generation of angry, confused young people, many of whom have become fanatics, including those 15 Saudis among the 19 suspects in the Sept. 11 terrorist attacks and the 100—or more—Saudi prisoners in Guantanamo. How many other confused young Saudis are still out there?

It does not take a great deal to describe the motives of terrorism. Oppression and poverty are an easy recipe for fanaticism. People with no option of independently leading their lives will more willingly follow an extremist mentality because they know nothing else, and have no moderate alternatives to compare it with. This extremist mentality becomes so entrenched and pervasive that its endurance is not dependent upon the life or death of one persuasive leader. Therefore, whether bin Laden eventually is killed or survives the current war is a temporary concern; in the long term, the real issue is the endurance or destruction of his rabid philosophy.

The Saudi government itself must fight against all kinds of monopoly of thought or debate. Right now, it faces a historical opportunity to develop its educational system, augment freedom of the press and expand women's rights, among other pressing issues. It can begin to give qualified, young, educated Saudis access to more political participation. This would involve ending regionalism, a process that gives greater privileges to some families from certain Saudi regions. As an added bonus, such a measure would safeguard against future tribal conflicts—still very much a part of Saudi national politics—that could result from the continuation of regional economic and political favoritism. It might also help end the civil cold war our society, silently, is going through.

Saudi Arabian society must also start a tough process of social and political reform. Our independent writers and intellectuals should be part of a public social dialogue that tolerates different ideas and thoughts. Our universities need to open doors for political and social activities to their students: At the very minimum, students ought to have the right to form students' organizations. This would teach them the concept of "social activism," and to organize civilized and peaceful activities within their universities. Such ideas can help the next generation create and participate in a productive and peaceful civil society, instead of dying in Afghanistan or elsewhere for causes that most of them do not even fully comprehend.

What we learned from the deadly 1979 Mecca experience should be put to use now. Ending political and religious fanaticism is crucial for the survival of the Saudi society and its leadership. Release from this chokehold can only come from within Saudi Arabia. Just as Prince Abdullah has become the most promising hope for peace in the Middle East, he is also our best hope for immediate social and political reforms in the kingdom.

ENHANCED BORDER SECURITY AND VISA ENTRY REFORM ACT OF 2001

SPEECH OF

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. ABERCROMBIE Madam Speaker, I voted "Present" on final passage of the Senate amendments to H.R. 3525, the Enhanced Border Security and Visa Reform Act of 2001. I fully support the bill's stated purpose of reducing threats posed by individuals and organizations which would enter the United States with the intent to commit acts of terrorism.

My concern with this measure centers on Section 306, entitled "Restriction On Issuance Of Visas To Nonimmigrants From Countries That Are State Sponsors of International Terrorism." Section 306 establishes a sweeping, over-broad prohibition against issuing nonimmigrant visas to citizens of any nation on the State Department's list of terrorist states.

This could preclude the kind of people-to-people contact that can change cultures, and even the political regimes of those countries. Even at the height of the Cold War, we had exchange programs involving students and scholars from Communist nations. By sharing their first-hand experiences and changed perspectives, returnees from these programs helped undermine the demonized image of the USA projected in the official propaganda of the Soviet Union and its satellites.

In many of the nations on the prohibited list, there is a vast reservoir of good will toward the United States and a broadly based public sentiment exerting a countervailing pressure against their regimes' official hostility toward our country. Iran is a case in point, where large numbers of voters in the most recent national elections cast their ballots in favor of candidates who disagreed with the policies of the dominant faction. It is a serious mistake to discount that popular sentiment and to ignore opportunities to strengthen it by exposing citizens of those nations to Americans and American life.

Section 306 authorizes the Secretary of State, in consultation with the Attorney General and heads of other agencies, to make exceptions to individual aliens covered by this Section if they are found to pose no threat to the safety or national security of the United States. Section 306 directs the Secretary of State, in consultation with the Attorney General and heads of other agencies, to develop standards for making these exceptions.

The language here is unacceptably broad. If the exemption guidelines or standards were outlined in the legislation, we would have had an opportunity to discuss and consider the merits of programs like education and cultural exchange and their usefulness for attaining U.S. national security and foreign policy goals. As it stands, it allows the current or a future Administration to establish exemption standards so narrow as to preclude the possibility of accruing the benefits of a broader—but still regulated with an eye to security considerations—exchange of citizens. In abdicating its role in setting standards, the Congress has forgone an opportunity to have a voice in this important aspect of policymaking.

COLONEL KENNETH J. SWEET HONORED AS LANCE P. SIJAN AWARD RECIPIENT

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. KLECZKA. Mr. Speaker, on Thursday, May 16th 2002, the Greater Milwaukee Aerie 4214 Fraternal Order of Eagles will award Colonel Kenneth J. Sweet (Retired) the Lance P. Sijan Award.

Lance P. Sijan was born and raised in the Milwaukee community of Bay View. After graduating from the Air Force Academy in 1965, he went to serve in DaNang, Vietnam where he flew sixty-six combat missions. On his last mission his plane was shot down over enemy territory and, although he evaded the enemy for 6 weeks, rescue efforts failed and he died as a prisoner of war.

Lance was posthumously awarded the Medal of Honor along with the Distinguished Flying Cross, two Purple Hearts, two Air Medals and a Certificate of Honorable Service. His courageous service is recognized throughout the country with scholarships and memorials.

Throughout a career that spans over 40 years, Colonel Kenneth J. Sweet (Retired) has served his country faithfully and in the same courageous manner as Lance P. Sijan.

Colonel Sweet's first assignment with the Army Air Corps was at Wheeler Field, Hawaii where he was on guard duty on December 7, 1941 when the Japanese attacked Pearl Harbor. He was among the first to fire a rifle in defense of his country at the start of WWII. After the war ended he became one of the founders of the 128th Air Refueling Wing when the unit gained Federal recognition in 1947.

During the Korean War, Colonel Sweet was active for 21 months, and earned his commission on September 29th, 1961. Retiring in 1982 with 40 years and 8 months of service to his country, Colonel Sweet remains active in the community, advocating for military retiree's in Wisconsin and founding the Wisconsin National Retiree Council in 1983, and has served as its director for 16 years.

So it is with great pride that I thank Colonel Kenneth Sweet for his years of dedicated military service, and congratulate him on receiving the 2002 Lance P. Sijan Award.

SENSE OF CONGRESS REGARDING PUBLIC AWARENESS OF THE IMPORTANCE OF HEALTH CARE EDUCATION AND HEALTH CARE COVERAGE MONTH

SPEECH OF

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 2002

Mr. MOORE. Madam Speaker, I rise today to express my support for H. Con. Res. 271, a resolution calling on the President to designate a National Importance of Health Care Coverage Month.

It is time for the leaders of our country to acknowledge that we are facing, in the near future, a nationwide health care crisis. This crisis will cut across all sectors. Seniors insured by the Medicare program and low-income children insured by the Medicaid program are facing severe cuts in nearly every state. Workers with employer-based insurance will face radically increased premiums, and the uninsured, who are already the most vulnerable will still be without.

The Baby Boomers will soon retire and flood the Medicare program. In preparation for this long-anticipated event, Congress has set forth unrealistic budgets calling for severe cuts in Medicare reimbursement for home health care, hospital services and nursing home services. At the same time, some physicians are refusing to take new Medicare patients due to an illogical and unworkable reimbursement scheme.

Hospitals are closing their doors across the country due to low federal reimbursements and lack of nursing staff. Recently, in my district, all but one hospital emergency room was declared "on diversion"—meaning they were unable to take any more ambulances or emergency patients. Yet, the administration plans to cut the hospital update again this year. We must do all that we can to ensure that this does not happen. I want to enter into the record a letter signed by myself and 24 Blue Dog colleagues asking the Speaker to support adequate reimbursement to all Medicare providers.

Think for a moment if our already crumbling health care infrastructure was challenged by a crisis—a terrorist attack resulting in a large number of casualties or a bioterror attack. The time for us to act—to secure our health care system, in terms of infrastructure, workforce and health insurance coverage—is now.

Approximately 44 million working Americans are uninsured. We in Congress need to realize that continuing to ignore the problem of the uninsured in our country will cost us as a nation—in terms of overall health and financial security.

The uninsured are more likely to delay doctor visits, delay needed care or choose not to receive that care at all. Last year, more than 40% of uninsured adults delayed a necessary medical test or treatment. Twenty percent say that they needed, but did not get, recommended treatment last year. Many who received treatment did so at a hospital emergency room. A third of uninsured children did not see a doctor in the past year.

Delaying, or not receiving health care treatment, can lead to more serious health problems. The uninsured are more likely to be hospitalized for avoidable conditions, such as pneumonia or uncontrolled diabetes. The uninsured who are finally diagnosed with cancer may often be in late stages or beyond treatment.

In addition to health consequences, the financial burden on families can be severe. Debt due to high, unexpected medical bills is one of the primary reasons that families file for bankruptcy. Nearly 30% of uninsured adults say that medical bills had a major adverse impact on their families' lives.

The burden falls on our local communities through our health care safety net—but that safety net is being stretched very thin. Community clinics and public hospitals in my congressional district, and all over the country, are straining under the burden of caring for uninsured Americans. Safety net providers, despite their good work, cannot take the place of quality health management and health insurance.

We know who the uninsured are. And we know where they work. The statistics show us that, overwhelmingly, low income workers in small businesses are the most likely people to be uninsured. According to the Blue Cross and Blue Shield Association, the working uninsured are most likely to be employed in firms with less than 25 employees.

But we in Congress are not doing a good job telling small businesses about the tax benefits available to small business owners who do the right thing and offer health insurance. A study of employers commissioned by the National Association of Health Underwriters found that small businesses are not always aware of the benefits, tax and otherwise, associated with offering health insurance.

Fifty-seven percent of small employers do not know that health insurance premiums are 100% tax deductible. Sixty-five percent of employers do not realize that health insurance premiums are treated like general business expenses with regard to taxes.

I have seen the Child Health Insurance Program make a difference to kids in my district. But despite the success of the CHIP program, 26% of poor children and 16% of near-poor children remain uninsured. Nine million American children remain uninsured.

Madam Speaker, it is time for our nation to address the health care crisis that is looming on the horizon. Congress needs to act immediately to ensure that our health care system is secure, by adequately funding and maintaining our infrastructure, addressing the workforce shortage, especially that of registered nurses, and ensuring that health care coverage is available and affordable for all Americans.

This resolution is a small part of that effort. Today, we need to take the first step to make the public aware of the importance of health care coverage—to ensure that small businesses are aware of the benefits of health insurance coverage, and that parents know when their children are eligible for Medicaid or CHIP.

Congresswoman WILSON and I are asking the President to designate a National Importance of Health Care Coverage Month to help bring this issue to the forefront of the national health care debate. During that month, I will challenge my colleagues to tell small businesses, parents of children and uninsured people in their congressional districts about the importance of health care coverage, the existing tax benefits of offering coverage to employees and the public and private programs for which they are eligible.

Lack of information should not be an additional barrier to health insurance access. We must begin now.

WASHINGTON, DC, *May 1, 2002.*

HON. J. DENNIS HASTERT,
Speaker, U.S. House of Representatives, Washington, DC.

HON. RICHARD A. GEPHARDT,
Minority Leader, House of Representatives, Washington, DC.

DEAR SPEAKER HASTERT AND MINORITY LEADER GEPHARDT: We are writing to express our dismay and disappointment in the latest recommendation by the Administration to pit provider against provider by using reductions to hospitals' market basket update to restore payments to physicians. We believe this proposal is short-sighted and ill-advised. While we certainly agree that physicians deserve fair and adequate reimbursement, the Administration's proposal jeopardizes the health of patients, the viability of our communities, and the financial stability of our hospitals.

The problems facing the Medicare program will not be solved without setting priorities and funding them through honest budgeting. The assumption by the Administration that Medicare will grow at a rate 10 percent less than projected by the Congressional Budget Office, and slower than medical inflation is irresponsible. Moreover, cutting Medicare payments for one provider to give to another fails to address the issue at hand: what are our priorities in the Medicare program, and are hospitals and doctors among them? We believe that they are both priorities and ought to be funded accordingly.

Therefore, we strongly disagree with the Administration's recommendation to use hospital reimbursement as a "cash cow" for other provider adjustments. Hospitals are not only the backbones of our healthcare system, but they are also the centers of our communities. We expect great things from them, such as enhancing bioterrorism preparedness, implementing the Health Insurance Portability & Accountability Act (HIPAA), hiring and retaining essential nursing staff, and above all providing timely, quality care to the patients they treat. What they expect from their govemment in return is fair reimbursement for the vital services they provide.

Our Medicare providers are facing very real and very serious circumstances, and we must answer them with serious solutions. Should Congress consider Medicare legislation this year, we urge you to support adequate reimbursement for the healthcare providers in our communities. We look forward to working with you to achieve this goal.

Sincerely,

Marion Berry, John Tanner, Max Sandlin, Mike Ross, David Phelps, Adam Schiff, Ellen O. Tauscher, Jim Turner, Charles W. Stenholm, Tim Holder, F. Allen Boyd, Jr., Dennis Moore, Collin Peterson, Gene Taylor, Bud Cramer, Joe Baca, Jim Matheson, Sanford Bishop, Jr., Chris John, Mike Thompson, Ronnie Shows, Mike McIntyre, Ken R. Lucus, Steve J. Israel, Jane Harman.

HONORING THE REVEREND DR. S. HOWARD WOODSON, JR.

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. HOLT. Mr. Speaker, I rise today to call the attention of my colleagues to an effort taking place in central New Jersey today to honor one of our area's most noted spiritual and community leaders, the late Reverend Dr. S. Howard Woodson, Jr.

Today, in the City of Trenton, New Jersey, one of our community's busiest thoroughfares, Calhoun Street, is being renamed in honor of Dr. Woodson. It's an expression of thanks from a grateful community for over half a century of leadership and community involvement by this amazing man.

Reverend Woodson was a community leader in Trenton since 1946. As the respected pastor of Shiloh Baptist Church, Dr. Woodson was also a noted leader in our nation's civil rights movement. As the Chairman of the Board of the Carver YMCA, Rev. Woodson fought to be granted independent status from the National YMCA, in order to desegregate that community institution. Later, as President of the State Conference of the NAACP, he convinced officials to convene the first state conference on housing discrimination. This conference raised awareness and led to many advances in housing rights for all in our community. Reverend Woodson's long and distinguished career has been marked by many firsts. He was the first individual of color elected as councilman-at-large in Trenton. He was also the first person of color to serve as Chairman of the Ranking Legislative Committee, Assistant Democratic Leader, and Speaker of the New Jersey State House.

In addition to being a respected and influential leader in community events, Reverend

Woodson nurtured and helped grow the congregation of the Shiloh Baptist Church into one of the strongest, most committed and most spiritually vibrant churches in New Jersey. Through Reverend Woodson's leadership, the church erected a new center of worship and reached out to our community to clean up neighborhoods and bring people together for positive social change.

Today's honor is well deserved, and one of many earned by the late Dr. Woodson over his long and distinguished career. I take pride in joining with my colleagues in the House in marking this honor for an individual who meant so much to so many in central New Jersey.

FIBROMYLAGIA AWARENESS DAY

HON. MARK FOLEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. FOLEY. Mr. Speaker, I would like to express my support for the National Fibromylagia Association and to recognize May 12, 2002 as Fibromylagia Awareness Day. This year alone, over 10 million Americans will be diagnosed with Fibromylagia, a disease of which there is no known cure.

Fibromylagia is a chronic illness which causes fatigue and debilitating pain in women, men and children of all ages and races. Patients with this illness often have to learn to live with widespread pain throughout their bodies; extreme fatigue; sleep disorders; stiffness and weakness; migraine headaches; numbness and tingling; impairment of memory and concentration.

As with many diseases of this type, medical professionals frequently are inadequately educated on Fibromylagia diagnosis and treatment. What is worse, children and young adults with the disease not only suffer from the illness, but also from the lack of understanding and social acceptance. Others with the disease may be discriminated against at work, by friends or family. Developing a greater understanding of this disease will help guarantee hope for a better future for people with Fibromylagia.

I am proud to recognize the needs of the National Fibromylagia Association and to acknowledge May 12, 2002 as Fibromylagia Awareness Day in Palm Beach Gardens. I urge all of our citizens to support the search for a cure and help those individuals and families who deal with this devastating disease on a daily basis.

HONORING SGT. KERRY PORTERFIELD ON THE OCCASION OF HIS RETIREMENT

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. THOMPSON of California. Mr. Speaker, I rise today in recognition of Senior Sergeant Kerry Porterfield as he retires from a thirty-one year career of exemplary service as an officer of the St. Helena Police Department.

As a native of St. Helena, I know first hand the impact that Kerry has had on our community while both on and off duty. As a police officer, his dedication to the pursuit of justice is admirable. With over 2,000 hours of law enforcement classes and 60,000 hours of experience under his belt, Kerry has a wealth of experience and know-how that will be sorely missed. A self-taught computer guru and driving force behind the adoption of new law enforcement technologies, he has helped make the St. Helena Police Department the modern and effective institution it is today. This year, with crime at a five-year low, Kerry has been honored as "Officer of the Year."

A devoted family man, Kerry and his wife, Dianne, have two daughters, Jennifer and Kareese. Once named "Father of the Year" by his daughter Kareese's pre-school, Kerry loves to spend time with his daughters, and was very involved in their school age activities.

After attending Napa High School, Kerry went to Napa Valley Junior College where he discovered a fascination with law enforcement. Upon graduating with an associate's degree in Criminal Justice, Kerry became a patrolman with the St. Helena Police Department on December 1, 1970.

As the son of Virginia and Cliff Porterfield, both Navy veterans, Kerry is a devoted fan of the Blue Angels, and often travels to see them.

Mr. Speaker, Sergeant Kerry Porterfield has served the people of the St. Helena, California with both enthusiasm for his work and steadfast professionalism. He is an invaluable asset to our community and I speak on behalf of the people of St. Helena when I thank Kerry Porterfield for his outstanding service and wish him luck in his future endeavors.

IN HONOR OF INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS DAY OF ACTION

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. BONIOR. Mr. Speaker, I recognize the hard-working men and women of the International Association of Machinists and Aerospace Workers, and all that they do for our safety and the safety of our nations' transportation services. Today, IAMAW workers from Detroit to Dallas, and from Phoenix to Philadelphia, will be rallying together in a display of strength and solidarity.

Far too often, their good work goes unnoticed and underappreciated, but these are the men and women who inspect our planes before they take off, ensure hazardous materials get transported by rail safely and build the ships for our national defense. They are truly stewards of the public health.

IAMAW members safely transport more than one million passengers each day. They keep the traveling public safe in our planes and trains and check in passengers and their luggage. They keep America moving. They deserve to be treated with dignity and respect. We need to stop the cycle of hardships, cutbacks and threats of privatization that IAMAW members have had to face in recent times. They work hard everyday to ensure that our transportation systems are safe, reliable and professionally maintained—and for that we owe them a great debt of gratitude.

So today, I thank the IAMAW's 150,000 airline and railroad workers for what they do. Together, they keep our nation moving safely, and I am proud to honor them on this day of action.

TRIBUTE TO KANSAS BUSINESS AND PROFESSIONAL WOMEN

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. MOORE. Mr. Speaker, I rise today to offer my congratulations to the Kansas Business and Professional Women for their upcoming 83rd annual state convention, which will take place from June 7th–9th in Topeka, Kansas. I also want to congratulate their new president, Julie Smith, a resident of the Third Congressional District of Kansas, for putting together an outstanding weekend of programs and events for her members.

Among the outstanding speakers scheduled are: Coach Marian Washington of the University of Kansas' women's basketball team, who will serve as keynote speaker; motivational speaker Susan Mayer; and author Suzy Allegra. A candidates' forum for Kansas Attorney General candidates is planned, as well as a sock hop, casino night, and many opportunities for networking and information exchanges.

The Kansas Business and Professional Women's organization is nationally associated with the American Business and Professional Women's Association, both of which offer outstanding networking, educational and support services for their membership.

DEATH TAX

HON. ADAM H. PUTNAM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. PUTNAM. Mr. Speaker, during my first term in Congress, I am proud that I have helped pass a number of bills to reduce taxes and regulations on the entrepreneurs and small businesspeople of Florida and the United States of America.

Even so, there is much work left to be done. On April 2, 2001 the House successfully passed H.R. 8, the Death Tax Elimination Act of 2001 with my support. On April 18, 2002 the House again acted and successfully passed H.R. 586, the Taxpayer Relief Guarantee Act of 2002 with my support. It is time that the other body of Congress recognizes the importance of these two bills and acts to take up these two pieces of legislation immediately. Even so, I will continue to push to make last year's death tax repeal and tax relief permanent, because the bills are still set to expire in 2011.

Repealing the death tax and making tax relief permanent are two critical issues facing America today. First, repealing the death tax is of utmost importance because of its wide reaching debilitative impact. More than 98 percent of the businesses in Florida are small businesses, and 84 percent of the jobs in Florida come from firms having 25 or fewer employees.

The real casualties of the death tax are those businesses and farms in the 98-percent range providing their owners' families a middle-class income and standard of living. Before the death tax phase-out, when small businesspeople and farmers died, their assets were subject to liquidation in order to raise money needed to pay for their tax liabilities. Now their money goes into their businesses, to pay their employees and take care of their families.

Despite their best estate planning efforts, 70 percent of small and family-owned businesses do not survive through the second generation and 87 percent do not make it through the third generation. And 9 out of 10 successors whose family business failed within three years of the owner's death said death taxes played a major role in the company's demise. Repealing the double-dipping taxation of the death tax is not only just it is long overdue.

Another major issue facing small businesses throughout America is the burden imposed by the Federal tax system. The Tax Relief Act of 2001 much needed relief for small businesses and the self-employed. About 85 percent of America's small businesses—17.4 million-pay taxes at individual rates and do benefit directly from the marginal tax rate reductions in the act.

Last year we repealed the costly ergonomics regulations put in place in the waning days of the previous Administration, passed major tax relief, and after years of work we found the votes necessary in Congress to finally end the small-business's nightmare. We have begun the process to repeal the death tax and make tax relief enacted last year a permanent reality. We have succeeded in doing much, but still, more is needed to protect America's small business and secure its future for generations to come.

HONORING ROBERT WETZEL—RECIPIENT OF THE DISTINGUISHED EAGLE SCOUT AWARD

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. COSTELLO. Mr. Speaker, I rise today to ask my colleagues to join me in recognizing Robert Wetzel as a recipient of the Distinguished Eagle Scout Award.

The Distinguished Eagle Scout Award was established in 1969 to acknowledge Eagle Scouts who have distinguished themselves in business and in service to their community and country, Robert Wetzel is one of 1467 people who are in the same class as President Gerald Ford, astronaut Neil Armstrong and film Director Steven Spielberg. Eagle Scouts are eligible to receive the award 25 years after their first receipt of the Eagle Scout Award.

Forty-nine years ago, Bob earned his Eagle Scout award as a Boy Scout with Troop 27 in Edwardsville, Illinois. Bob attributes his upbringing to his active role in the community and to our nation. In fact, both of Bob's parents volunteered many hours with the Boy Scouts.

Among the many service organizations to which Bob belongs are: the Leadership Council of Southwestern Illinois, the Regional Commerce and Growth Association, the Eden United Church of Christ and the advisory Council for the Boy Scouts Trails West Council. Bob is the first recipient of this award from the Trails West Council. Trails West serves Madison, Jersey, Greene, Calhoun, Macoupin and Bond counties in Illinois.

The Distinguished Eagle Scout Award has been given to governors, senators, military Flag Officers, university presidents, chief executive officers of Fortune 500 companies and nationally known educators, physicians and attorneys. We can now count among its illustrious membership, Mr. Bob Wetzel.

Mr. Speaker, I ask my colleagues to join me in honoring the service of Robert Wetzel to the community and to the United States and congratulate him upon the receipt of the Distinguished Eagle Scout Award and to wish him and his family the very best for the future.

NATIONAL SMALL BUSINESS WEEK

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. SMITH of Texas. Mr. Speaker, this week is National Small Business Week.

It is a time to celebrate the contributions that America's small businesses make to our economy.

Small business is the engine that drives this Nation, producing 75 percent of new jobs, accounting for almost 98 percent of all employers and 53 percent of the private work force.

It is our small businesses that will continue to lead us to economic recovery.

In particular, small tech businesses are on the front lines of the digital revolution. They have led the way in advances from broadband deployment to software development.

My state of Texas ranks second nationally in high tech workers, employing more than 411,000 with an annual payroll of about $25 billion. Many of those employees are working for small businesses.

And my new congressional district contains thousands of small, innovative high tech centered businesses.

One such company is Security Broadband in Austin. Security Broadband was founded in 1999 and already has over 100 employees.

Security Broadband uses real-time audio and video via highspeed cable Internet to provide security for homes.

If there's an emergency, the Security Broadband system sends audio and video signals to a central monitoring station. Personnel use this information to help verify whether an actual emergency exists. With 95 percent of home alarm incidents not genuine, law enforcement officials spend a large amount of time responding to false alarms. In case of an actual emergency, audio and video capability provides information that can help make the scene safer for responding officers.

Customers also can view their homes and see and talk with family via the Internet when away from home.

Security Broadband is just one of the thousands of small technology businesses around the country connecting rural America, developing next generation hardware and software, and keeping America on the forefront of technological advances.

TRIBUTE TO CAPTAIN JOSEPH A. PARISEAU

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. HUNTER. Mr. Speaker, I rise today to give recognition to the extraordinary life of Captain Joseph A. Pariseau who, at the age of 82, passed away on February 23, 2002.

Joe was born March 19, 1919, in Franklin, MA, the son of a baker. Nurtured by a loving family of seven, Joe spent a happy childhood in Attleboro, MA, excelling in sports like the other Pariseau boys. He attended Providence College on a football scholarship, graduating in 1941 with a degree in Philosophy.

After earning his Navy wings in 1942, Joe was assigned to VP–63, flying combat missions based from Wales, Gibraltar and North Africa, patrolling for German submarines. Other career highlights include Flight Ordnance Test Pilot with VX–5, Fleet Air Gunnery Unit (precursor to Top Gun) in 1958, Aide to Admiral Wendell Switzer, an icon in Naval Aviation, evaluation of the first U.S. angled carrier deck on USS *Antietam* and Air Boss on the USS *Ranger*. He served as Commanding Officer of Fighter Squadron VF–53, Carrier Early Warning Wing 12 and NAS Chase Field.

During his distinguished career, Joe flew over 40 aircraft types. His many Naval honors include the Distinguished Flying Cross, Air Medal, Presidential Unit Citation with star, European-African-Middle Eastern Campaign Medal with two stars, and the Meritorious Service Medal for his work as Project Manager for the Navy's billion dollar E–2C Hawkeye aircraft project.

After his 30-year career as a Naval Aviator, the "Flying Frenchman" (his aviator call sign) retired to manage his ranch in Beeville, TX, for 31 years. Joe was married to Mary D. Lassiter of New York, until her death in 1960. He married Anna Claire Heard of Beeville, TX, in 1965. They remained devoted to each other and married for 36 years until her death on February 13, 2002.

Joe is survived by his daughter, Paige Pariseau Ochenrider of Whitefish, MT; son Robert R. Pariseau and wife Laurie of San Antonio, TX; brother Roland Pariseau; sister, Lucille Pariseau, both of Attleboro, MA; grandchildren Michael Pariseau of Mountain View, CA, Stacey Lowrance of Tacoma, WA, and

Mark Ochenrider of Seattle, WA; and great grandchildren Colton and Madilynn Lowrance. A talented chef and superb dancer, Joe was devoted to his family and a true gentleman. A hero in the eyes of his family, Joe's service to our country reminds me of a passage in James A. Michener's great classic, "The Bridges at Toko-Ri".

"Why is America lucky enough to have such men? They leave this tiny ship and fly against the enemy. Then they must seek the ship, lost somewhere at sea. And when they find it, they have to land upon its pitching deck. Where did we get such men?"

ENRON GREED

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. FARR of California. Mr. Speaker, memos released this week by the FERC, confirm what those of us from California long suspected: Enron reaped millions upon millions of dollars off the backs of Californians by manipulating the energy market, cheating consumers, and lying to energy regulators and the State. Recently released internal documents clearly illustrate Enron's strategies to game the energy trading system. The Enron documents describe knowingly and consciously submitting false information to the State in order to increases energy prices.

Enron's overwhelming greed is beyond outrageous; it may be criminal. Clearly, the billions of dollars stolen from Californians must be returned. It is also imperative that FERC reopen California's long-term contracts to prevent us from being further gouged.

Throughout the California energy crisis the Governor of California joined with the majority of California's congressional delegation to call on the Federal Government to do something to stop price manipulation. I want to share with my colleagues an editorial from today's Los Angeles Times, that sums up the consequences of Federal inaction.

[From the Los Angeles Times, May 8, 2002]

MAKE ENRON PIRATES ANSWER

It was a scam after all.

As California faced desperate electricity shortages in 2000 and 2001, power giant Enron was manipulating the market to drive up prices and turn modest power shortages into critical ones. This arrogant behemoth, since brought down by its own hubris, toyed with the public health and safety of California to boost its own profit, and there's finally a smoking gun to prove it.

Internal Enron documents released by the bankrupt company's new management describe these unethical, if not illegal, trading practices in detail and indicate that other companies were doing the same thing. All the while, everyone from Enron's then-chief Kenneth Lay to Energy Secretary Spencer Abraham and regulators who should have smelled a rat would say it was all California's fault. For failing to build enough power plants. For adopting a power deregulation plan that wasn't free-market enough. For environmental laws with a Malibu mind-set.

The Federal Energy Regulatory Commission refused to accept its legal responsibility to rein in a wildly out-of-control market. Ultimately, commissioners said, the free market would work. For California, that meant a year of crisis, of rolling blackouts, of one major utility going bankrupt and another flat broke, of the state doling out $6 billion to buy daily power and an additional $40 billion for long-term contracts at what we now know are grossly inflated rates. FERC finally acted out of political necessity; it was too little, too late.

The Enron memos go on in pages of sneering, "gotcha" detail about such things as how to get paid for not putting any energy on the grid. In another ploy, the firm would buy power in California at a capped price of $250 a megawatt-hour and resell it in Oregon for $1,200—at a time when California was flirting daily with blackouts. The schemes had cute names like Death Star and Fat Boy.

When California complained and Gov. Gray Davis denounced the energy manipulators, an Enron official said, "California is trying to perpetuate the greatest political dodge of the last 100 years."

Yes, deregulation was flawed, California was short of power plants and a drought in the Northwest had reduced hydroelectric power. Davis was slow to react to the crisis. But these factors alone did not cause the state's power costs to go from $7 billion in 1999 to $27 billion the next year.

FERC should help the state obtain substantial refunds from the power-generating companies that charged exorbitant prices. The state has asked for $9 billion, an amount that federal regulators had deemed far too high but that they now should regard as just about right.

The Justice Department should investigate possible criminal violations. The state should demand that all of its long-term contracts, signed under the duress of the inflated market, be nullified and renegotiated without delay. And FERC should extend its modest market controls beyond the present Sept. 30 expiration. Electricity is vital to public welfare. It must not be held hostage by manipulators piously invoking the free market.

They scoffed in Washington and Houston when Davis called the energy manipulators pirates. Now we know why he was right.

CELEBRATION OF ST. LUKE'S HOUSE 30TH ANNIVERSARY OF HELPING PATIENTS BECOME PRODUCTIVE CITIZENS

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mrs. MORELLA. Mr. Speaker, I rise today to recognize and celebrate "Three Decades of Hope" at St. Luke's House (SLH) in Bethesda, Maryland. SLH helps patients released from psychiatric hospitals to live and work successfully in their communities by offering integrated mental health services and community resources.

St. Luke's House was founded in 1971, by St. Luke's Episcopal Church. The programs offered by SLH include supported living, life skills training and vocational rehabilitation, and 24-hour crisis care and services for youth with serious emotional disabilities. Currently, SLH provides care for over 800 youth and adults. To accomplish its programs, SLH operates 31 group homes and apartments in the community. It has helped more than 4,000 individuals return to an active community life.

There are four basic programs SLH provides individuals under its care. The Psychiatric Rehabilitation Program which offers individuals supported living opportunities, residential rehabilitation assistance, back-to-work skills, and a life skills building program. The SLH Mental Health Clinic provides mental health services to the public and patients in other SLH programs. Its McAuliffe Crisis House is a voluntary community-based residential alternative to inpatient hospitalization. The Career Transition Program is a joint endeavor between SLH and Montgomery Public Schools that help high school students with serious emotional disabilities to receive counseling and vocational training.

The efforts at SLH have raised public awareness of an ever increasing mental health issue. Its continued success is due to the hard work of SLH staff and volunteers that give thousands of hours to make this ministry beneficial to SLH residents and community. St. Luke's House is fortunate to have the leadership of Ms. Pam K. Cudahy as President and CEO as it moves ahead in meeting the needs of people in the 21st century. Our community is richer because of the residents and staff of St. Luke's House.

TYRANNICAL NEW LAW ALREADY BEING ABUSED

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. TOWNS. Mr. Speaker, I was saddened to read an article in the Times of India showing that India's repressive new "Prevention of Terrorism Ordinance" (POTO) is already being abused. The new law allows the police to hold someone without charges for up to 180 days, according to the Washington Post.

According to the article, a court granted bail to a POTO defendant named Abdul Ahmed Bhat and granted him bail of Rs 2,500. The judgment shows how the police are abusing POTO. The police filed two varying reports against Mr. Bhat, abusing the process to make certain that he stayed in police custody. The official police reports exonerates Mr. Bhat of the charges against him, while the investigating officer's report implicates him.

Unfortunately, this kind of abuse is typical of the Indian government. The Rashtriya Swayamsewak Sangh (RSS), a hardline, militant Hindu fundamentalist organization published a booklet on how to implicate Christians and other minorities in false criminal cases. The RSS is the parent organization of the ruling BJP, which sponsored and passed POTO.

Mr. Speaker, we must not support this kind of tyranny. We should end all our aid to India until it ends. We should also put ourselves on record in favor of self-determination for everyone in the subcontinent by means of a free and fair, democratic vote on independence for Khalistan, Kashmir, Nagaland, and the other nations seeking their freedom from India.

Mr. Speaker, I would like the permission of the House to insert the Times of India article into the RECORD for the information of my colleagues.

[From the Times of India, Apr. 3, 2002]

POTO MISUSED BY POLICE IN BHAT CASE

SRINAGAR.—Two varying police reports by the same investigating officer prompted the special court to grant bail to Abdul Ahmed Bhat on Monday. Bhat, a resident of Ahmad Nagar, was booked under the Prevention of Terrorism Ordinance (POTO) under FIR No 12/2002 at police station Soura.

The special court had granted bail to Bhat against a bond of Rs 25,000.

The judgment points a finger of suspicion at the police for misuse of the prevention of terrorism law—despite the Centre and the state government's assurance for its fair use to tackle terrorism across the country.

Announcing the judgment on Monday, special Judge M I Qureshi said: "After close and minute examination of the two police reports and case diary that the prima-facie case under Sections 3 and 21 of POTO is made out against the accused persons except Abdul Ahad Bhat."

The judgment further reveals that there were variations in the two police reports about the date of Bhat's arrest. Also, the police report exonerates Bhat from the implication of alleged offences, while the second report submitted before the court on March 14 by the investigating officer of his own, implicates him (Bhat) for the alleged offences.

PAYING TRIBUTE TO TODD SALIMAN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize the efforts of State Representative Todd Saliman and his efforts to improve the lives of his fellow constituents and the State of Colorado. Todd has served in the Colorado General Assembly since 1994 and has dedicated countless hours of his time and energy to his position and constituents. Now, after eight years of service, Todd is retiring and I am honored to take this time to thank him for his service to Colorado.

Todd is a native Coloradan whose family has lived in the state for generations. During his tenure as a representative, he served on many committees including the Joint Budget Committee, Finance, Appropriations, and Local Government committees. Throughout his time in the legislature, he has championed the issues of health care, children and families, the environment, education, and transportation. He is known throughout the community as a devoted husband and a proud father of a new son, and is often found providing his support to the board of directors at the Developmental Disabilities Center and was instrumental in the assembly for securing funds for children's and senior's health services.

Mr. Speaker, Todd's hard work in the legislature has not gone unnoticed during his tenure and he has been recognized repeatedly over the years for his legislative accomplishments. Today, I continue to honor his service by thanking him for his devotion and dedication to his community, his state, and his nation. Thanks for all of your hard work Todd, and good luck in your future endeavors.

COACH MIKE DAVIS AND THE INDIANA HOOSIERS

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 8, 2002

Ms. CARSON of Indiana. Mr. Speaker, I rise today to recognize that the Black Coaches Association will honor Indiana University's Head Coach Mike Davis as the "Male Coach of the Year" during their national convention to be held in Indianapolis this weekend.

Mr. Speaker, my heartfelt and enthusiastic congratulation is extended to Coach Mike Davis and the Indiana University Basketball Team for their achievements in this year's NCAA Final Four Tournament.

Coach Davis started his coaching career as Alabama's assistant basketball coach in 1995, and remained with the program until 1997.

In 1997 Coach Davis became an assistant coach for the Indiana University basketball program.

On September 10th, 2000, Coach Davis became the interim men's basketball coach at Indiana University.

With only a month to prepare for the 2000–2001 season Davis led the Hoosiers to a 21–13 record, a runner-up finish in the Big Ten Tournament and an at-large bid to the NCAA tournament.

Displaying leadership, unwavering faith, and heart throughout the 2001–2002 season, Coach Davis led the Indiana Hoosier's to their first NCAA Final-Four appearance since 1993, narrowly missing the championship.

Coach Davis makes it no secret that he is a religious man; in fact the Christian faith permeates his entire life including basketball.

The Indiana University basketball team has voluntary chapel each week at Eastern Star Church in my district where Coach Davis is a member.

Coach Davis believes unto whom much is given much is required. He is a cheerful and generous philanthropist. For example, Coach Davis donated to non-profit organizations the bonus he received for leading Indiana to the Final Four. His gifts helped to enrich the lives of many.

Coach Mike Davis and Indiana University are to be congratulated for reminding Hoosiers and basketball fans everywhere that leadership, faith, and determination are products of achievement.

Mr. Speaker, to Coach Davis, keep up the good work and congratulations on your award and great season!

Your spirit has enriched the lives of countless individuals, especially the young people.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 9, 2002 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 10

10 a.m.

Indian Affairs

To hold hearings on proposed legislation authorizing funds for the implementation of the Personal Responsability and Work Opportunity Reconciliation Act of 1996.

SR–485

MAY 13

10 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine transformation plans of the United States Postal Service.

SD–342

MAY 14

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. J. Res. 34, approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982.

SH–216

10 a.m.

Indian Affairs

Commerce, Science, and Transportation

To hold joint oversight hearings to examine telecommunications issues in Indian country.

Room to be announced

Governmental Affairs Oversight of Government Management, Restructuring and the District of Columbia Subcommittee

To hold hearings to examine the impact of tobacco marketing on women and girls.

SD–342

Judiciary

Constitution Subcommittee

To hold hearings to examine the risk of executing the innocent, focusing on the Report of the Illinois Governor's Commission on Capital Punishment.

SD–226

Health, Education, Labor, and Pensions

To hold hearings to examine America's hospital preparedness concerning bioterrorism.

SD–430

10:30 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings to examine the Annual National Export Strategy

Report on the Trade Promotion Coordinating Committee.

SD–538

2:30 p.m.

Commerce, Science, and Transportation

Oceans, Atmosphere, and Fisheries Subcommittee

To hold hearings on S. 1825, to authorize the Secretary of Commerce to provide financial assistance to the States of Alaska, Washington, Oregon, California, and Idaho and tribes in the region for salmon habitat restoration projects in coastal waters and upland drainages.

SR–253

MAY 15

9:30 a.m.

Judiciary

To hold hearings to examine copyright royalties, focusing on webcasting.

SD–226

10 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2003 for the Air Force.

SD–192

2 p.m.

Appropriations

Treasury and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 2003 for the Internal Revenue Service, Department of the Treasury.

SD–192

2:30 p.m.

Banking, Housing, and Urban Affairs

Housing and Transportation Subcommittee

To hold hearings to examine affordable housing production and working families.

SD–538

MAY 16

9:30 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings to examine the impact of stress management in reversing heart disease.

SD–192

Commerce, Science, and Transportation

Business meeting to consider pending calendar business.

SR–253

Energy and Natural Resources

To resume hearings on S. J. Res. 34, approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982.

SH–216

2:30 p.m.

Commerce, Science, and Transportation

Consumer Affairs, Foreign Commerce, and Tourism Subcommittee

To hold hearings to examine the consumer impact of Enron's influence on state pension funds.

SR–253

MAY 17

10:30 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine non-proliferation programs, focusing on U.S. cruise missile threat.

SD–342

MAY 20

2:30 p.m.

Indian Affairs

To hold oversight hearings to examine the Branch of Acknowledgment, Department of the Interior.

Room to be announced

MAY 21

9:30 a.m.

Governmental Affairs

International Security, Proliferation and Federal Services Subcommittee

To hold hearings to examine difficulties and solutions concerning nonproliferation disputes between Russia and China.

SD–342

MAY 22

9:30 a.m.

Governmental Affairs

To hold hearings to examine voting representation in Congress for the citizens of the District of Columbia.

SD–342

10 a.m.

Indian Affairs

To hold hearings on S. 1340, to amend the Indian Land Consolidation Act to provide for probate reform with respect to trust or restricted lands.

SR–485

MAY 23

9:30 a.m.

Energy and Natural Resources

To resume hearings on S. J. Res. 34, approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982.

Room to be announced